

Mary Karoro Okurut, minister

Oil pipeline: Uganda has cause for optimism

One of the most important developments coming up — but has perhaps not received the credit it deserves, especially in terms of shaping public discourse — is Uganda's oil pipeline; a 1,445km pipeline to transport crude oil from Hoima in Uganda to Tanga Port in Tanzania, which is expected to be completed by June 2020.

This by all means is a historic achievement for this country; something that will transform millions of lives in this and other countries. There is no doubt it will change the course of history in as far as the economic development of this country is concerned. There is scant need to mention here that an oil pipeline means money — and at a time when people really need jobs. Oil pipelines inevitably create employment wherever they pass, for all categories of people.

The person with a university degree will have an opportunity to apply for, say, a supervisory position; while the one that didn't go to school, but knows how to clear bushes and grass, and cut down offensive vegetation will similarly have a chance to earn money every week or month.

At a minimum, the pipeline will convey some 200,000 or more barrels of crude oil every day on the export trail. It will be a heated crude oil pipe line and the longest of its kind in the world. Some 15,000 jobs will be created during the construction phase and thereafter more than 2,000 people will be employed directly and many, many more indirectly, for starters.

In short, the oil pipeline will deliver a good percentage of prosperity across the country. Many lives will change for the better, as household incomes improve, just because the pipeline passes in or near their communities. The oil pipeline will help raise tax revenues that will be used to fund important programmes across Uganda.

In many countries, oil and gas are often found in remote areas where little else drives the local economy. Pipelines transport the resources thousands of miles to other communities where it is processed or refined and delivered for sale within the country or export to other countries. The oil pipeline is, therefore, part of the vast array of opportunities that are emerging in Uganda, following the discovery of oil and the subsequent effort by the Government to explore and exploit this critical industry.

The new pipeline will bring important benefits to this country; first, the primary benefits to the very communities where the pipeline will pass and secondly, at a broader level, to the nation at large and the communities across the border that it will connect.

For starters, pipelines deliver energy safely. Wherever there is energy in motion, the first concern of people will be whether or not it is safe. Pipelines are constructed in a way that ensures that deliberate and malafide human agency aside, they are safe wherever they pass.

Pipelines are also cheaper and a more efficient means of transporting of oil. The reduction in cost of transportation is very significant.

It would be far more expensive and too huge an operation, if the country were to engage trucks and trains to transport oil from point to point, especially where crossing borders is involved. A pipeline only lowers the cost of running the oil industry and helps the nation save big income that would be lost in hiring thousands of trucks or trains to do the job.

Worthy of note is that supply through pipelines is very reliable; far more than road or rail transport. We shouldn't bother discussing air transport here! Using pipelines

ensures that the oil supply is free from obstacles that are common in road and rail transport.

That increases efficiency and reliability on the whole and creates a modicum of stability in the economy, avoiding undue distortions that have a tendency to send the oil prices sky-high, even over a basic hiccup at customs at a border point. It is such big savings that free-up money to be deployed in other critical areas of development, especially the social services such as health and education.

With an oil pipeline, a nation attains another much-needed type of independence, which contemporary thinkers call "energy independence". Uganda will be in control of her energy destiny. Being able to access and transport the oil through the pipeline in the safest, most environmentally responsible manner will give us the security of energy independence that we so badly need.

The pipeline will possibly have a collateral effect of binding the people together; becoming a link from one community to another across its path within the country — and binding us as a nation together with the communities across the borders through whose territory it will pass. You cannot put a price to things like those.

The stakes are immediately raised and conflict becomes unsavoury, because there will be more people anxious to maintain stability in order to protect the new gains, than those who want the boat rocking.

This all goes back to the old-time analysis that no government actually provides jobs per se; certainly not most of the time.

What a proper government does is to provide an environment conducive for the economy to create or generate jobs 'naturally' and providing the necessary stimulus from time to time that ensures the economy is healthy, robust and productive. When you live in an economy like that, you have chance aplenty to find a job, if you cannot readily create your own.

The pipeline will also be of benefit to not only Uganda and Tanzania, but also to other players in the region — take South Sudan, Burundi, Rwanda and the eastern side of the Democratic Republic of Congo (DRC).

It will definitely be much cheaper for them to use the pipeline, juxtaposed with other ports in the region.

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