

Govt assures of contingency plans to safeguard fuel disruptions

BY FRANKLIN DRAKU

KAMPALA. The government has assured Ugandans that the ongoing conflict in the Middle East, involving Iran and other actors, will not disrupt fuel supply to the country, saying contingency measures are in place to secure petroleum imports from alternative sources if the situation worsens.

The assurance comes amid growing public concern over potential fuel shortages and rising prices following escalating military confrontations in the Middle East, which have triggered sharp increases in global oil prices.

In a statement released yesterday, the Uganda National Oil Company (UNOC) said it is closely monitoring developments alongside the Ministry of Energy and Mineral Development to ensure an uninterrupted supply of petroleum products.

"UNOC and its supply partner, Vitol, are keenly following the events as they unfold and wish to reassure the public that all appropriate measures are being

taken to ensure uninterrupted supply of petroleum products into the country," Mr Tony Otoa, the chief corporate affairs officer at UNOC, said in a statement.

The company added that Uganda's fuel supply chain does not rely entirely on a single region.

"We further reassure the public that our supply partner does not rely entirely on supplies from one region and will continue working with alternative sources and routes for cargoes initially planned to come from affected regions," Mr Otoa said.

Sole importer role

Since 2024, UNOC has operated as Uganda's sole importer of petroleum products, a move the government said would reduce supply risks, eliminate middlemen in the fuel supply chain, and stabilise pump prices.

Officials say the arrangement strengthens national fuel security and shields consumers from severe price volatility, while ensuring a steady flow of fuel for businesses and households to



Tony Otoa, UNOC corporate affairs officer

Shs5.2t

Petroleum products supplied by Oman, Bahrain, Iraq, and the UAE to Uganda in 2024.

plan their expenditures with predictability.

The assurances come as international

oil markets react to escalating tensions following coordinated attacks by the United States and Israel against Iran, and retaliatory strikes targeting military installations in the region.

According to international market data reported by Al Jazeera, West Texas Intermediate (WTI) crude rose to \$72.79 (Shs260,814) per barrel early yesterday, up 8.6 percent from about \$67 (Shs240,068) recorded on Friday. Brent crude, the global benchmark, climbed to \$79.41 (Shs284,534) per barrel, a nine percent increase and a seven-month high, according to FactSet.

Analysts attribute the price surge to fears of disruptions along the Strait of Hormuz, a key shipping corridor between Iran and Oman, through which about 20 percent of global oil consumption—roughly 20 to 21 million barrels per day—passes. Tankers navigating the strait transport oil and gas exports from Saudi Arabia, Kuwait, Iraq, Qatar, Bahrain, the UAE, and Iran.

Trade data shows that Oman, Bahrain, Iraq, and the UAE supplied nearly half of

Uganda's petroleum imports in 2024, at the \$2.5 billion (Shs8.9 trillion) worth of petroleum products imported last year, about \$1.4 billion (Shs8.95 trillion) came from these four countries, with the UAE providing the largest share at \$1.09 billion (Shs3.7 trillion), according to the Ministry of Energy statistics and the COMTRADE database.

Uganda's direct imports of petroleum oils from Iran were minimal, at \$9 million (Shs34.46 billion) in 2024.

Cargo deliveries on schedule

UNOC said scheduled fuel cargo deliveries for March remain on course despite the geopolitical tensions, with contingency plans ready to prevent immediate disruptions.

"We urge the public and market participants to remain calm as we continue monitoring developments in the international market while working with partners and stakeholders to ensure supply continuity," the company said.

"With stable supply, pump prices are expected to remain relatively the same."