

Over the weekend, our dear President, Gen. Yoweri Kaguta Museveni and H.E. William Ruto of Kenya jointly commissioned the Kisumu-Malaba section of the Standard Gauge Railway (SGR), marking yet another historic milestone in the deepening of regional integration and the advancement of Uganda's long-term development agenda.

The breaking of the ground ceremony is very good news for Uganda as it signals a renewed commitment by East African partners to invest in transformative infrastructure that will unlock the region's full economic potential. The Standard Gauge Railway is not only a transport project, but a strategic intervention designed to reshape the economic geography of our region.

As a regional investment, the SGR carries immense potential to transform the fortunes of our farmers, manufacturers and producers. It is fully aligned with our wealth creation agenda and also lies at the heart of efforts to operationalise the East African Community. By facilitating faster, cheaper and more reliable movement of goods, the railway will stimulate trade, expand markets and enhance competitiveness across member states.

#### AN ACCELERATOR OF INDUSTRIALISATION

Designed to transport up to 25 million tonnes of cargo annually, the SGR will serve as a backbone for industrial growth. The planned 1,724km network highlights the scale and ambition of this project. Of these, the newly launched 369km section stretching from Naivasha to Malaba on the Uganda border is a critical link that will eventually connect to Kampala, with prospects of extension to Rwanda and beyond.

Because we are a landlocked country, this section will serve as a crucial logistics hub and direct link to Kenya, our most convenient transit route to the Indian Ocean. It is important to note that in just the first half of 2025 alone, Uganda received nearly 70% of its 7.37 million tonnes of cargo through Kenya's Mombasa Port. The only downside, however, is that it takes up to 80 hours for cargo to reach the Ugandan border and more than 100 hours to arrive in Kampala. These

# The SGR is a defining step in Uganda's economic growth



delays are mainly caused by the challenges associated with road transport, most especially traffic congestion and sometimes the poor state of roads.

The greater challenge is that these delays come with many hidden costs, which consequently increase the cost of doing business. It is for this very reason that Uganda and her East African counterparts resolved to construct the SGR. By cutting the cost of transporting a 20-foot container from Mombasa to Kampala by nearly half (from approximately \$3,200 to \$1,600), such inflationary pressures will reduce, hence significantly reducing production costs. This will relieve our manufacturers and exporters who rely heavily on efficient logistics.

#### WHY THE SGR IS A GAME-CHANGER

During the launch, the President emphasised the need for rationalising our national transport system. He revealed that once the SGR is complete, heavy cargo transportation will be shifted to rail, petroleum products to pipelines, whilst roads will be reserved for passengers



and light cargo. By all measures, this is both pragmatic and forward-looking as it will not only protect our road infrastructure, but also enhance overall transport efficiency through multimodal integration, including water transport.

It is important to note, however, that the economic implications of the SGR extend far beyond cost reduction. As one of the largest infrastructure investments in Uganda's history, it will catalyse industrialisation, support production in industrial parks and attract foreign direct investment. The railway will also serve as a commercial lifeline and logistics hub, positioning Uganda as a central node in regional trade.

Equally important is the impact on employment and skills development. The construction phase alone will create approximately 150,000 jobs, providing opportunities for Ugandans whilst building local capacity in engineering and infrastructure development. These are critical foundations for sustainable economic growth.

The SGR also brings significant safety and environmental benefits. By shifting freight from road to rail, we reduce road congestion, minimise accidents and lower maintenance costs. This transition is

essential for building a modern, efficient and sustainable transport system.

The beauty of this situation is that whilst our own SGR has been delayed, our neighbours who have already moved ahead of us offer a valuable opportunity to benchmark and validate our relentless pursuit of the SGR. For instance, Kenya's SGR, launched in 2017, continues to generate substantial returns. In 2025 alone, its passenger revenue stood at \$37.1m, whilst cargo transport generated \$128.7m. These figures highlight the immense economic potential of rail infrastructure and provide a glimpse into what Uganda stands to gain.

#### PART OF OUR GROWTH VISION

Most importantly, the SGR is a cornerstone in Uganda's journey towards achieving the aspirations of Vision 2040 and the forthcoming National Development Plan IV. It directly supports the ten-fold growth strategy by lowering the cost of doing business, boosting productivity and expanding economic opportunities.

This project is not just about steel tracks and locomotives. It is also about unlocking Uganda's future and connecting our people to opportunities, our businesses to markets and our country to the global economy.

As we commend President Museveni for his visionary leadership and steadfast commitment to transformative infrastructure, we must also recognise that the success of such projects depends on collective effort. Government, the private sector and citizens alike must embrace and support this strategic investment as it is a clear pathway to our national prosperity.

The writer is the Minister for the President

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