

MOTORING

JOIN THE SUNDAY VISION MOTORING CLUB AND RECEIVE DISCOUNTS, OFFERS AND TIPS

HIGHLIGHTS OF 2015 AUTO INDUSTRY

BY SAMUEL BALAGADDE

The year 2015 has been both a blow and success to motoring enthusiasts because of the challenges that have hit the industry.

Doubling the environmental levy on used cars of over 10 years old from 20% to 50% of the car's customs value has topped the challenges in the auto industry this year as over 90% of the imported cars fall under this bracket.

The increased taxes, coupled with the weakening shilling against the dollar has pushed many car dealers out of business. Buyers have been few and yet the cost of doing business has been high.

Charles Kamunvi, the chairman of the Associated Motor Dealers, 2015, says since the tax increment in July last year many key players dropped out of the car business.

Car revenue dwindles
Kamunvi said this did not only affect newly imported cars, but also the market for old cars already in Uganda.

With the prices shooting up, car sales went down and importation fell by over 50%. Consequently, the Uganda Revenue Authority (URA) collections from used motor vehicle business also fell by a similar percentage.

New Vision earlier reported that URA registered only 941 motor vehicles in July this financial year as compared to 2,797 for the same month in the previous financial year.



The Government constructed more tarmac roads in 2015

URA records showed that this made revenue collection from motor vehicles fall from sh21.486b in July 2014 to sh14.226b in the same period in 2015.

Last year, URA unearthed a racket of abusers of duty-free number plates. Some plates were illegally placed on over 200 vehicles which do not qualify, with most of them being high-performance posh cars. Others were on cars that had been sold off by registered owners without de-registering them.

Abel Kagumire, URA's manager of enforcement, said they forced the culprits to re-register the impounded vehicles after they paid hefty fines. They were then issued ordinary number plates.

Another highlight is that the Government has reinstated the annual inspection of motor

GLOBALLY



DID YOU KNOW?

Land Rover Defender was discontinued after failing on emissions and safety standards. Volkswagen was hit by the emissions cheating scandal and had to recall over two millions diesel vehicles across the world.



KCCA revamped Kampala city passenger railway services plying Kampala-Namanve line



Increased taxes, coupled with the weakening shilling have pushed many car dealers out of business

vehicles for conformity to safety and other traffic regulations. The contract was given to SGS, a French firm, in March 2015 and inspection is expected to start in March 2016.

Eng. John Byabagambi, the works and transport minister, said the exercise had been suspended since 1998. It was formally under the motor vehicle inspection unit of the Police, the Inspectorate of Motor Vehicles (IOV). Later, the Government left the inspection to private operators.

Improved services

The Government also revamped the Kampala city passenger railway transport in collaboration with Uganda Railways Corporation under Ministry of Works and Transport, Rift Valley Railways and Kampala Capital City Authority (KCCA).

The train that plies Kampala-Namanve line, was subsidised by KCCA, which injected sh1b to make

the fares affordable to more passengers. The fare is sh1,500.

Byabagambi said the Government is to inject sh1b more to reduce the fare from sh1,500 to between sh700 and sh800. Meanwhile, Face Technologies, which was contracted to issue computerised driving permits this year launched mobile driving permit workshops to ease access to these permits for upcountry motorists.

Winstone Katshabe, the secretary of the Transport Licensing Board, said they can move from their permanent offices at Kyambogo and other regional offices to any location where organised groups of applicants need driving permits.

Katshabe said over 100 electronic card-reading devices for detecting forged driving permits have been distributed to the traffic Police officers on the road to combat forgeries of driving permits and passenger service vehicle driver badges.

sunday@newvision.co.ug