

National News

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Uganda's economy is bracing for potential impact.

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Fuel prices are on the rise as tensions escalate in the Middle East, with the ongoing conflict involving the United States, Israel, and Iran sending shockwaves through global oil markets.

Uganda's economy is bracing for potential impact, though officials say the country's fuel supply remains stable for now.

"The attack on Iran is a major disruption; remember, the Strait of Hormuz is a critical transit point," said Mr Peter Ochieng, a fuel expert.

"About 20 percent of crude worldwide passes through it, so there is a high risk of constrained supply as vessels may have to divert to longer routes to reach markets," he added.

Mr Ochieng noted that prices have already risen, with West Texas Intermediate crude nearing \$78 (Shs279,482) per barrel due to risk premiums. "Locally, in the next two weeks, we might not see much change. However, if the situation persists beyond that, we could witness price increases and tighter supply," he said.

He added that government involvement in fuel importation in Uganda and Kenya helps mitigate risks for Oil Marketing Companies (OMCs). "In Uganda, UNOC handles product importation and sells to OMCs, reducing supply worries in the short term," Mr Ochieng said.

Supply stability

According to the Uganda National Oil Company (UNOC), Uganda's fuel supply remains stable despite recent instability in the Middle East. UNOC and its supply partner, Vitol, are closely monitoring developments and have put measures in place to ensure uninterrupted delivery of petroleum products.

Mr Tony Otoa, the chief corporate affairs officer at UNOC, assured the public.

Fuel prices rise as Iran war tensions hit global markets



Birds fly near a boat in the Strait of Hormuz, a key trade route, amid the US-Israeli conflict with Iran. PHOTO/REUTERS

"All necessary measures are being taken to ensure a reliable supply of fuel. Our supply partner has alternative sources and routes in place, and we expect deliveries to continue without disruption," he added.

He added that scheduled fuel cargo deliveries for March 2026 are on track, with contingency plans ready to mitigate potential disruptions. "We are working with our partners to maintain supplies and urge the public to remain calm," Mr Otoa said.

Impact on labour

The Middle East conflict is also affecting Ugandans working abroad

and those preparing to travel. Flight suspensions have left many stranded, disrupting travel plans and remittance flows. According to a Parliament report on Gender and Labour, more than 165,000 Ugandans were working abroad, mainly in the Middle East, in 2025.

Mr Hilary Talemwa, a labour officer at the Ministry of Gender, Labour and Social Development, said 150 to 200 Ugandans are affected daily by flight disruptions, particularly on Uganda Airlines, Qatar Airways, Emirates, and Fly Dubai. "If people cannot leave, they are affected," he said, adding that the

government is working with the Ministry of Foreign Affairs on a coordinated response.

Mr Talemwa described the situation as "politically sensitive" and said the government is cautious about public statements to avoid perceptions of bias. "The minister of Foreign Affairs will provide guidance soon on how the government plans to assist stranded citizens," he said.

The labour officer confirmed that no concrete evacuation plans have been announced yet, but the government is considering all options, including overland routes. "We want to know how many are being held up and how many are out

WHY GOVT CONCERN

About 20 percent of the world's crude oil passes through the Strait of Hormuz, a narrow waterway between Iran and Oman that serves as a critical chokepoint for global energy supplies.

Any disruption in this route, whether due to conflict, political tensions, or attacks on shipping vessels, can have immediate ripple effects on international oil markets.

there affected by this," Mr Talemwa said, urging patience and understanding.

Uganda had previously implemented a tracking system for its external workers to improve safety and ensure fair treatment, following an Auditor General's report highlighting gaps in regulation and monitoring.

Situation at Entebbe

Since Sunday, several aircraft serving the UAE route have remained parked at Entebbe International Airport due to flight suspensions caused by the war. Civil Aviation spokesperson Vianney Luggya said: "The impact may not be immediate, but if the war escalates, both passengers and cargo will be affected. Mitigation measures exist, and travellers can use other international carriers."

Currently, Qatar Airways, Air Arabia, and Fly Dubai planes are parked at Entebbe, with the three carriers servicing the route 22 times weekly — Qatar 11, Fly Dubai 8, and Air Arabia 3. Thousand passengers are affected as schedules remain disrupted until the situation stabilises.

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