

Soaring fuel prices: Govt cites free market

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KAMPALA. Even as fuel pump prices continue to steadily soar, the government has said it can only look on "helplessly" until the situation takes care of itself.

"With the fair competition that has been built over the years in the liberalised downstream petroleum sub-sector and the measures put in place to ensure a steady supply of petroleum products, the pump prices will continue to respond to the forces of demand and supply in a free market economy," Ms Irene Muloni, the Minister of Energy, said in a statement to Parliament yesterday.

Ms Muloni also observed that being a landlocked country and a net importer of refined petroleum products, pump prices are a function of the fixed logistical costs such as port handling fees, transit handling charges, storage fees, transportation, taxes, clearing and marking fees.

She said the combination of the logistical costs together with the cost of the imported products which increased as a result of increased refinery premiums in the Open Tender System since



Economy. Pump prices at a fuel station in Kampala. PHOTO BY ABUBAKER LUBOWA

September 2017 have resulted in the increased pump prices.

"In view of the above, ...the pump prices have increased in the region," Ms Muloni said.

The statement on the increasing fuel prices in the country was in response to Kampala Central Member of Parliament Mohammed Nsereko's concerns which he raised last week.

The Energy ministry was tasked by Parliament to give a comprehensive statement on the increasing fuel prices.

According to the ministry's statistics, the country's consumption of petroleum products has continued to grow at seven per cent per year and on a daily basis, the country consumes an average of 2.7 million litres for

each product of petrol and diesel. Of these, 91 per cent is imported through (Mombasa port and 9 per cent through Dar-es-Salaam port).

"The strategies to keep the country well supplied, therefore, hinge on the effectiveness of the import routes and the in-country storage facilities. In this case, Mombasa and Dar-es-Salaam ports) together with other terminals in Kenya are all being utilised by Oil marketing Companies to import products into Uganda," Ms Muloni stated.

As a reassurance, Ms Muloni said the government will continue to monitor the sub-sector and engage the oil marketing companies to ensure that the citizens continue to get value for money from the consumption of petroleum products.

Consumers and a section of the private sector are, however, not convinced with the reassurance, saying its time the government reviewed its policy of liberalisation, describing it as exploitative.

INFLUENCE

On the international scene, the monthly average crude oil prices per barrel started rising from \$52.02 in August to \$55.74 in September, \$57.50 in October to 62.49 in November and \$62.89 in December 2017 to \$ 69.45 in January 2018. According to the government, the rise in the crude oil prices was due to the huge storm in US that shut down many of the production sites and refineries in US Gulf coast.

Wealth creation heifers in Gulu fail to conceive

BY JAMES OWICH
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GULU. Dairy farmers in Gulu District are bitter that the heifers they received from government under the Operation Wealth Creation programme more than two years ago have failed to conceive.

The farmers under Gulu Women Dairy Farmers' Association say the animals were part of 15 hybrid cattle they received between 2015 and 2016.

Ms Clare Atoo, one of the members of the group, said several attempts to inject the heifers with hormones to increase their chances to conceive have failed.

She said the farmers have continued to feed the heifers and yet are not receiving any milk in return.

Ms Atoo said it has all been frustration for the members who are beneficiaries of the infertile animals in the last two years.

But Dr Frank Laban Turyagenda, the director Ngetta Zonal Agricultural Research and Development Institute, blamed the failure of the animals to conceive on both environmental and physiological conditions.

He said most milk-producing animals brought to northern Uganda are from western Uganda and are used to cooler weather.

Dr Turyagenda also says, just as humans, not all animals are fertile.