
Borrowing for infrastructure devt unsustainable

On October 4, the media reported the MPs on the committee on national economy questioned the high costs of loans the government is seeking for the construction of Kabaale International Airport in the Albertine Graben. The loans adds to the existing debt burden of more than Shs30 trillion already advanced to the country for different infrastructure development, including construction of roads, power dams, etc.

This debt also adds to the more than

\$10b that the International Court of Justice slapped on Uganda for alleged looting of DRC natural resources in 1994. According to the World Bank economic update in 2016, Uganda hardly gets value for money, especially for infrastructure development due to delays in absorption of loans, mismanagement and corruption yet the loans have to be service.

With the current debt staggering at more than Shs35 trillion (nearly 34 per

cent of the GDP), the burden is now shifted to every citizen will back the loans, which risks spilling over to future generations. Whereas government has often claimed that the debt burden is sustainable, the IMF Managing Director, Ms Christine Lagarde, warned in January that reliance on borrowing to finance infrastructure development was unsustainable.

Bakundane Balach,
bakundanebalach@gmail.com

S > WITH STEPHEN OTAGE