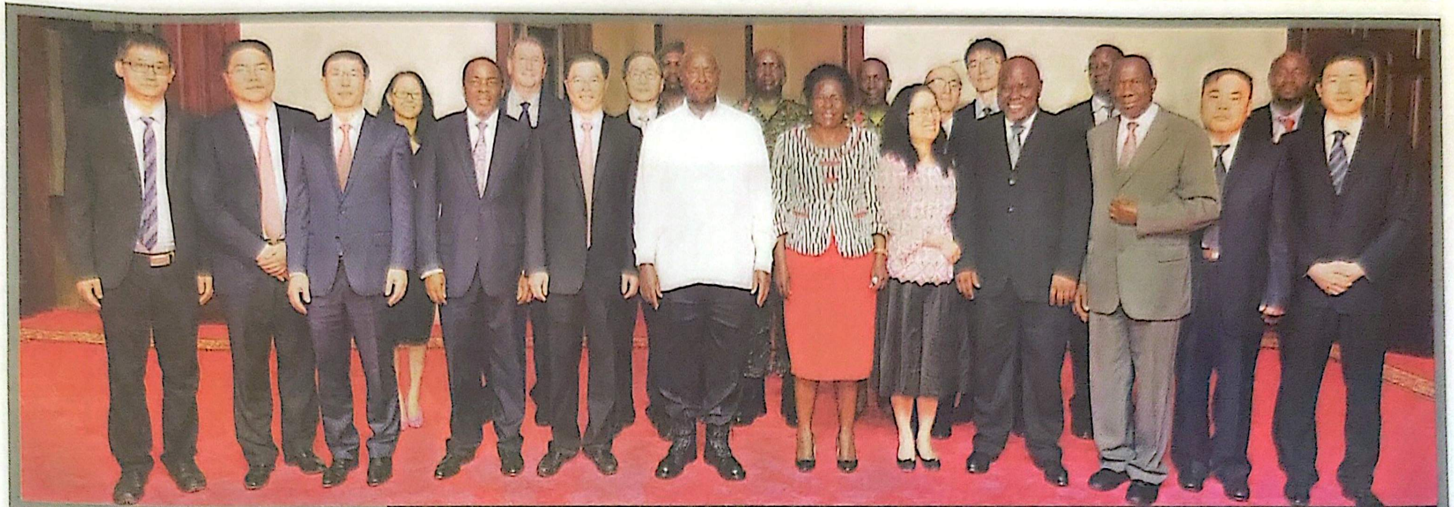

President Museveni (wearing white shirt) with the China Harbour Engineering Company Ltd delegation and government officials at State House, Entebbe on Friday. PPU photo

Railway contractor to build industrial park in Mukono

WHY THE PARK?

An industrial park is necessary for increasing cargo and triggering industrialisation

By Pascal Kwesiga

The Government has agreed to a proposal by a Chinese firm to set up an industrial park in one of the areas near the Standard Gauge Railway (SGR) corridor to generate cargo for the railway line and support industrialisation.

President Yoweri Museveni gave the greenlight to the proposal by the China Harbour Engineering Company Limited (CHEC), a company hired to build SGR, during a meeting with the Chinese firm and government officials at State House, Entebbe on Thursday.

During the meeting attended by finance minister Matia Kasaija, the Minister of Works and Transport, Eng. Monica Ntege Azuba, the Attorney General, William Byaruhanga and the secretary to the treasury, Keith Muhakanizi, the President received a progress report on the SGR project from a CHEC team, led by the firm's president in Africa, Lin Yichong.

According to sources, a position was taken during the meeting that Government looks for the land near the SGR line where an industrial park will be established.

An industrial park is significant for the successful operation of the SGR system being designed for 80% cargo and 20% passenger movement.

Museveni and the Chinese also discussed the cause of delays on the part of the Government in clearing obstacles delaying the release of funds (loan) for the railway project from Exim Bank. The $2.3b Malaba-Kampala SGR project will be funded by the Government and Exim Bank.

Industrial park is key

The sources said the Government and Chinese agreed that an industrial park is necessary for increasing cargo and triggering industrialisation, as well as enabling the China to recover the loan.

According to a State House statement, Museveni also welcomed the CHEC's investment plans, including a plan to establish a new town between Mukono and Kampala to decongest the city. The company will also build a college in Rubongi in Tororo district as part of the railway project to train Ugandans in railway and road construction as well as maintenance technology.

"There is a lot of infrastructure deficit in Uganda. If we start on a clean slate, we can more projects," Museveni said, noting that the SGR will lower transport costs and spark industrialisation in the region.

Yichong said CHEC will deliver the infrastructure project for the country's transformation, using local materials and Ugandan labour.

Azuba told *New Vision* on Saturday that the Government will provide land and take part in the design and development of the industrial park, with the CHEC's business arm as one of the 'investors' operating factories in the (industrial) zone.

"It is our duty to give the investor concessions for example, land and other things," Azuba stated.

EASE OF TRANSPORT

The trains will be expected to move at a speed of between 100km and 120km per hour

Government assurance

The Government, Muhakanizi said, reassured the Chinese delegation of its unflinching interest to receive the loan and get the SGR project off the ground.

As part of the SGR, Kenya is establishing new industrial parks at Mombasa and Naivasha to increase cargo and promote the industrialisation drive.

The SGR, a regional infrastructure project, will stretch from Mombasa through Nairobi to Malaba, on the Kenya-Uganda border. Uganda will build the 273km Malaba-Kampala section (eastern route).

There are plans to establish SGR branch lines to Kigali through Mirama hills, Democratic Republic of Congo through Bihanga-Kasese-Mpondwe (western) route and South Sudan via Mbale-Soroti-Lira-Gulu-Nimule (northern route

The northern route is expected to have a connection line from Gulu, through Pakwach to Vurra on the Uganda-DRC border. The railway network is expected to increase the region's competitiveness for the foreign direct investment and access to high-end markets.

The trains will be expected to move at a speed of between 100km and 120km per hour. One train wagon is expected to carry freight of about 4,000 tonnes. The SGR railway line, which will be powered by electricity, is expected to have a width of 1.5 metres. Although the Government and Chinese agreed to fast-track the SGR project, it is not clear when actual construction will begin since funding has not yet been secured. But preliminary activities, including land acquisition for the SGR line, are underway.

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