

UTL brings in Chinese firm to manufacture phones

Investment. Xinlan plans to construct a manufacturing plant in Mukono District.

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KAMPALA. Uganda Telecom has entered into an agreement with a Chinese firm, Xinlan Group Co. to start "designing, assembling and manufacturing" mobile phones in Uganda.

UTL's provisional administrator Bemanya Twebaze yesterday signed a Memorandum of Understanding with Xinlan's officials, at the Ministry of Finance to pave way for the scheme expected to kick off in the next three months.

"In just three months since we took over UTL a lot of things have happened. We have done a lot of amazing things, which nobody thought that we would; nobody thought that we would breathe life again in the company and having done that, for us this is another exciting venture," said Mr Twebaze.

With the ever-growing demand for mobile telephony and growth of Internet penetration in Uganda and East Africa largely due to the young population, Mr Twebaze, who described the prospect as "exciting", said the strategy at hand is to expand the market to other countries in the region.

The Uganda Communications Commission (UCC) in its latest industry report put total mobile and fixed telephony subscriptions at 23.9 million in Uganda.

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INTERNET USAGE

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Xinlan, which although is not known anywhere in the world among mobile manufacturers or assemblers, said it was going to invest \$10m (about Shs35.5b) as initial capital to construct a plant at the site, whose land has

Signed. Xinlan Group officials meet with Ms Evelyn Anite, the State Minister for Investment, during the signing of the MoU at the Ministry of Finance yesterday. COURTESY PHOTO

been already been availed in Mukono District, and technology transfer.

State minister for Investment and Privatisation Evelyn Anite said she came in touch with the company during her recent visit to China on a mission to woo investors.

"They expressed interest in partnering with government, and when I came back I put them in touch with the UTL managers," she said. "They flew here, we started discussions, compared ideas and realised there is so much we can do."

For a start, Ms Anite said Xinlan will be sharing office space with UTL during which process they will assist the ailing telecom company through technology transfer and other aspects.

A report by GSM Association,

the umbrella body of mobile network operators, on Africa's mobile economy, shows that half a

Shs35b

Cost. Initial capital that the Chinese company will invest in the construction of a plant in Mukono District.

billion people across Africa now subscribe to mobile services, with the number expected to grow to 725 million by 2020.

"With Uganda able to manufacture phones with more neighbouring markets will put our country on the global map," Ms Anite added.