Strategic commodities

MINERALS

DERRICK LAMAR WATIMA

Copper is the new oil — But will Uganda be Norway or Nigeria?

Energy Minister Ruth Nankabirwa tours Kilembe Mines with other officials. High in the foothills of the Rwenzori Mountains lie the shafts of Kilembe Mines once East Africa's most important copper operation. PHOTO/FILE

In the 20th century, oil made and unmade nations. Saudi Arabia, Kuwait, Venezuela — countries no richer than Uganda once was — became geopolitical powers almost overnight. The world reorganised itself around hydrocarbons, and those who controlled them wrote the rules.

That era is not over. But a new one is beginning. Copper, cobalt, lithium and rare earth minerals are rapidly becoming the strategic commodities of the 21st century — the backbone of electric vehicles, renewable energy systems and Artificial Intelligence (AI) infrastructure. Global demand for these metals could triple by 2030. Analysts project a copper supply deficit of as much as 30 percent by 2035. Washington and Brussels are scrambling to secure supply chains away from Chinese dominance. Beijing is tightening its grip too. This is no longer just a commodities story. It is a story about power — who has it, and who will have it in the decades ahead.

Uganda's hidden opportunity

High in the foothills of the Rwenzori Mountains lie the shafts of Kilembe Mines once East Africa's most important copper operation. The Government estimates suggest the deposit still contains millions of tonnes of copper-bearing ore, alongside cobalt and rare earth.

The government has courted investors including Tibet Hima Ltd, CATL and more recently the SARAI Group to redevelop the site. Geological surveys indicate further deposits across Buyende, Kigezi and Bugisu, alongside rare earth elements in eastern Uganda.

The Mining Act 2022, the Uganda National Mining Company and the 10-fold growth strategy signal a government taking mineral development far more seriously than before.

But geology alone does not determine prosperity. History offers many warnings.

Resource curse

Will history repeat itself in Uganda? While natural resources can generate enormous wealth, they can also destroy countries.

The Democratic Republic of Congo (DRC) is the most painful illustration — and the most instructive, given that it shares our border. The DRC holds some of the world's largest deposits of cobalt, coltan and copper. Its minerals are in virtually every smartphone and electric vehicle on the planet now. Yet the Congolese state remains among the poorest and most fragile on earth. Decades of extraction have enriched foreign companies, armed militias and corrupt governments — while the average Congolese citizen has seen almost none of it.

Leave

'We have seen what happens when African nations open their doors without conditions. The minerals leave. The profits leave.'

Nigeria offers another warning. At independence, it had a diversified agricultural economy — groundnuts, cocoa, palm oil. Then oil came. Within a generation those industries had collapsed. Today, despite decades of oil wealth, Nigeria counts over 130 million people in poverty.

Norway chose differently. When the North Sea oil arrived in the 1970s, Oslo built a sovereign wealth fund — today worth $2.2 trillion, the largest in the world — ring-fenced revenues and invested for future generations rather than present politics. The Nordic country did not get lucky. It made deliberate, disciplined and sometimes politically unpopular institutional choices.

The difference between these stories is not geology but governance.

The narrow window

Here is the truth no mining contract will tell you: the money is never in the rock.

President Museveni has made this argument more repeatedly than perhaps any other African leader; that exporting raw materials while importing finished goods is a more polite form of economic subjugation and hemorrhage. He has begun backing it with policy. Uganda's ban on raw iron ore exports is already producing results — companies such as Tera International and Devki Mega Steel are establishing processing facilities in Ntungamo and Tororo, respectively.

The logic applies with equal force to copper. A tonne of raw ore exported to China fetches roughly $1,000 — a fraction of what returns as finished copper wire and battery materials. That margin, captured in processing and manufacturing, is where industrialisation actually happens. But there is an urgency most people miss. The AI revolution and the energy transition are driving an extraordinary construction boom — hyperscale data centres across the US, China, the Gulf, and India are among the most copper-intensive structures ever built. But once those data centres are wired and running, they do not need much resupply. The window to capture maximum value is real but finite. Countries that move decisively in the next 10 to 15 years will capture it. Those that delay will watch it close.

Uganda's choice

I have stood at the entrance of Kilembe Mine many times. The shafts are quiet now, the township that once hummed around them half-forgotten. But the copper is still there — hundreds of metres below the Rwenzori foothills, patient and indifferent to our debates.

That patience will not last indefinitely.

We have seen what happens when African nations open their doors without conditions. The minerals leave. The profits leave. What remains are holes in the ground and the bitter arithmetic of a hastily signed deal by people more interested in the commission than the nation.

We have also seen the alternative. It requires institutions that outlast any single government. The courage to say to a foreign investor: you may mine here — but you will also process here, train here, build here.

Norway did it with oil. Botswana did it with diamonds. Indonesia is doing it right now with nickel. None of them had better geology than we do. They simply had better decisions. Uganda's mineral wealth is not our destiny. It is our raw material — in every sense. The Rwenzori copper is waiting. The question is whether we are ready.

The writer is a development and policy researcher.