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With Kiira EV, industrialisation, why do we sell Kilembe Mines?

Why are we, Uganda, so determined to concession out our natural resources? Shouldn't we, given our much talked about ambition to industrialise, be more circumspect in the management of our natural capital?

I was dumbstruck when I read the story 'Kilembe Mines: Govt courts Indian investors' (The New Vision, November 20), which cited the Prime Minister touring the mines with Uganda's Honorary Consul in the Indian city of Mumbai, offering an investment option to Indian investors.

Did we not learn enough, and embrace the reprieve that we got, from the debacle that was the concession of those same mines to the Chinese consortium Tibet – Hima Company Ltd, which President Museveni stopped in June?

Kilembe is very strategic for our own industrialisation plans that we must think through very carefully (*The New Vision*, on the same day, carried a story, 'Industrialise and create power demand – Umeme').

Kilembe holds great reserves of copper and cobalt, two metals whose stock is growing as global manufacturing embraces digital and electric products. Most specifically, with the advent of electric vehicles, the demand for copper and cobalt is rising. Why is this?

It is because electric vehicles (EVs) run on batteries and not petrol-fired engines like the internal combustion engine (ICE) cars that all of us presently drive.

Copper/cobalt are great conductors of electricity and with cars that do not have your average engine, there will be many gadgets that need electric charges and a lot of conducting to make the vehicle fully functional. Currently an average saloon car with an ICE that, by definition, takes petrol has about 20kg of copper/cobalt in its components; an EV saloon car will need a minimum of 80kg of copper/cobalt.

What confounds a little more is the fact that Uganda has a budding electric car industry, the Kiira Electric Vehicle project. If we concession out the mines that produce two key raw materials, which will most probably be exported, what shall our own industry use?



China currently leads the world in the production of electric vehicle batteries and it was in the strategic interest of the previous concessionaire, Tibet – Hima, to invest in Kilembe. Because of that China is stockpiling critical electric vehicle inputs like copper/cobalt (and lithium, of which benighted Zimbabwe is the world's fifth-largest producer).

We could say the aborting of that concession saved Uganda, but here we are staring down that abyss yet again, despising our inheritance. The Apostle Paul told the citizens of the ancient Roman province of Galatia, "You foolish Galatians! Who has bewitched you?" (Galatians 3:1). Let that not be said of Ugandans.

At this year's Frankfurt Motor Show, several automakers promised their fleets will offer electric options for every model by no later than 2025. *Reuters*, the international news agency, quoted the president of the European Association of Automotive Suppliers, as saying that he estimates that European automakers are paying China \$5,000 to \$8,000 for each individual electric car battery.

The aforesaid India, in whose investors we are taking an inordinate interest, does not produce copper nor cobalt, but has big electric car ambitions. The Indian government announced early this year that all new vehicles sold in the country are expected to be electrified by 2030. This aggressive push to electrify all new vehicles is compelling auto part manufacturers and carmakers to draw up early plans for electrification. India's largest auto manufacturer, Maruti Suzuki India,

announced that it will begin manufacturing and selling plug-in electric vehicles. Maruti's parent, Suzuki Motor Corp, has electric car technology which it can provide and the Japanese company was also in talks with Toyota Motor Corp to form an alliance which may include sharing technologies like hybrid and electric.

Engine-maker Cummins India is investing in research on electric mobility solutions for India, while Hyundai Motor Co. has begun talks with some of its suppliers for components for electric cars.

Ashok Leyland, which launched an electric bus last year, has partnered with Indian start-up SUN Mobility to develop battery-swapping technology for cars, buses and trucks.

In May India's leading think-tank laid out a 15-year roadmap for electrifying all new vehicles by limiting registration of petrol and diesel cars while giving incentives and subsidies on sales of electric cars.

Mahindra & Mahindra is the only electric car maker in India, but in a few years it may be joined by Tata Motors which has explored the possibility of building electric cars on its existing platform, *Reuters* reported earlier this year.

India (and China) is looking out for its strategic interests. So should Uganda. A major weakness that keeps African countries poor is that we are primary economies that produce and export raw materials.

The buyers of our commodities in turn use them in their own manufacturing enterprises, and in the process create manifold good-wage jobs for their citizens and prosperity/sophistication for their economies. That is why some countries are poor and others are rich. The reserves we have at Kilembe are finite – they will get finished. But Uganda will continue to need such resources in the infinite future. I pray that we shall have a second look at the Kilembe resources and many others that, instead, should be strategised for our own industrialisation and prosperity.

**The writer is the author of "Africa's Industrialisation and Prosperity - From Esau Syndrome to Structural Adjustment Strategy".
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