

Liberalise iron ore mining - leaders

Lost hope. Residents say the only factory they had was closed and that they now have one investor in the area who exploits them. They think liberalising the business will reward their efforts.

BY ROBERT MUHEREZA
editorial@ug.nationmedia.com

RUBANDA. Leaders in Kigezi Sub-region have appealed to government to either establish an iron ore processing factory in the area as per the 2016 presidential pledge or open up the trade to other investors.

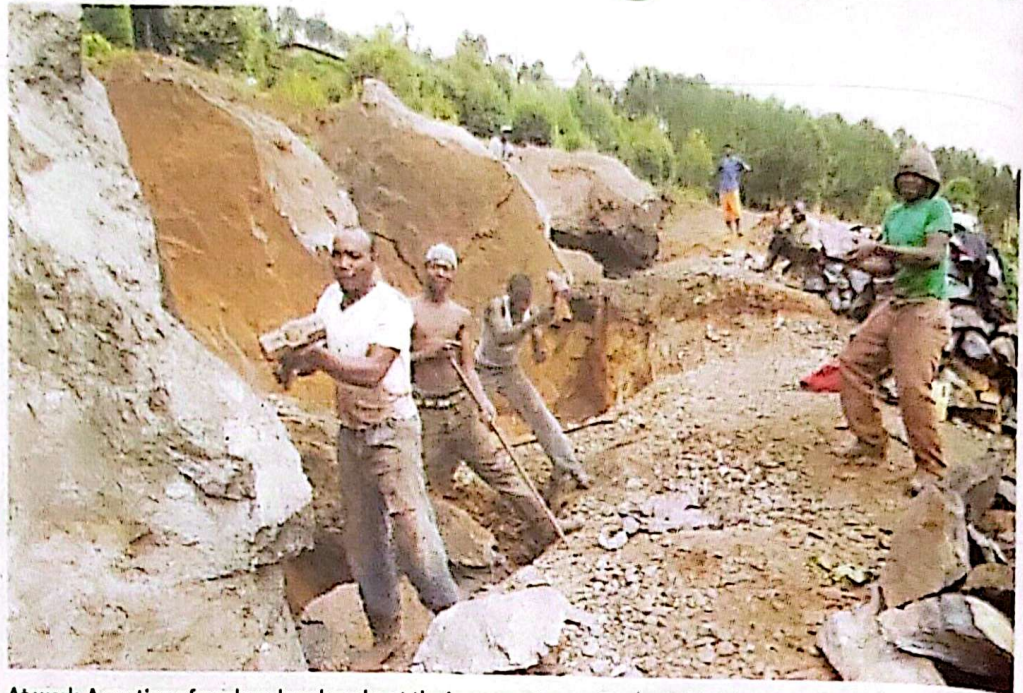
The chairman of the Iron Ore Dealers Association, Mr Jackson Muhumuza, says until 2016, they used to employ more than 200 youth in mining and loading iron ore on trucks before transporting it to Jinja for smelting, but this is no longer possible due to the closure of the factory.

The districts of Kisoro, Kabale and Rubanda have vast deposits of iron ore. Bukimbiri Sub-county in Kisoro District, Hamurwa Sub-county in Rubanda District and Buhara Sub-county in Kabale District have huge iron ore deposits but since the closure of the factory, majority of the employees are now jobless.

Mr Muhumuza says a tonne of iron ore was being bought at Shs60,000 from the residents and transported at a cost of Shs80,000 to Jinja before selling it at Shs160,000 after processing.

"I used to load an average of 300 tonnes per week and would earn Shs6 million. Now, I have gone back to farming because I cannot accept to be exploited by one investor who was favoured by government. He only pays Shs20,000 per tonne," Mr Muhumuza says.

He adds: "After the steel rolling mills in Jinja got financial challenges in 2016, the formerly booming business is now down and the economic condition of



At work. A section of workers break rocks at the iron ore mines at Rwara Hill in Hamurwa Town Council, Rubanda District recently. PHOTOS BY ROBERT MUHEREZA

the local residents in the area is worrying."

The mining started in 2012 after the construction of iron ore smelting factory in Jinja by Steel Rolling Mills Ltd owned by Alam Group of Companies.

According to Mr Muhumuza, Kamuntu Investments Ltd, whose licence was issued in 2015, is currently the only company licensed to export iron ore mined from Kigezi Sub-region.

The licence was issued by the commissioner for Geological Mines and Surveys, Mr Edward Kato.

Presidential directive

But Mr Kato tells *Daily Monitor* that they gave Kamuntu Investments Ltd the export licence on the directive of President Museveni.

"Anyone who needs a licence for the same should consult the President. The ministry always monitors his exports so that he does not cheat government," Mr Kato says.

He adds that government is still considering establishing iron ore factory in the area.

The chairman of Lamera Land Owners Association in Bukimbiri Sub-county, Mr Benon Nteziyaremye, says the boom in



About iron ore

Iron ores are rocks and minerals from which metallic iron can be extracted. The ores are usually rich in iron oxides and vary in colour from dark grey, bright yellow, or deep purple to rusty red. The iron itself is usually found in the form of magnetite. The districts of Kisoro, Kabale and Rubanda have vast deposits of iron ore.

the promised iron ore processing industry is urgently put in place for the local community to directly benefit. For now, few people are getting very little money from the exporter," he adds.

The Rubanda District LC5 chairperson, Mr Jogo Kenneth Biryabarema, says with the establishment of a factory, residents will get meaningful employment and the government will get more revenue.

"Iron ore mining is providing subsistence employment to our people. If a processing plant is constructed here as President Museveni promised during his 2016 election campaigns, more revenue for both local people and government will be generated," Mr Biryabarema says.

The managing director of Alam Group of Companies, Mr Abid Alam, says he is planning to construct an iron ore processing plant in Kabale District near Maziba mini-hydropower dam.

"We are in touch with Prime Minister Ruhakana Rugunda and some local leaders to help us in locating the land on which the plant can be constructed. As soon as land is identified, construction shall begin immediately," Mr Alam says.

iron ore business had improved economic lives of the residents.

Mr Denis Sabiiti, Rubanda West MP, says exporting iron ore in its raw form denies the community and government several economic benefits.

"There is need for us to put pressure on government so that