

Chinese firm to sink Shs1.8 trillion in water transport

Change. CCCC-TDC Africa will be relocated from Nairobi to Kampala to boost trade and tourism.

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BEIJING. A Chinese company will help Uganda recover the debris of a cargo ship that sunk in 2005 in Lake Victoria, and invest at least \$500m (Shs1.8 trillion) to develop the country's water transport sector.

The Chinese are expected to build cargo and passenger ships on Lake Victoria and other water bodies, build new ports and open new water ways to reduce the cost of business and boost Uganda's tourism potential.

The government last Friday asked Tianjin Dredging Company Limited or China Communications Construction Company (CCCC) - TDC, a subsidiary of CCCC, to develop water transport on Lake Victoria and other water bodies to improve tourism and trade in the country.

After meeting President Museveni's delegation in Tianjin last week, the company's general manager, Jiang Xinbiao, immediately instructed that the company's Africa head office in Nairobi be relocated to Kampala, to expedite the company's investment decisions in Uganda.

Mobilisation of works for the project, according to government officials, is expected to begin as soon as the company signs a contract with government. The Chinese company will build vessels and special ships for Lake Victoria and open water ways linking islands to the main land and connect these areas to regional ports like Mwaza, Bukoba, Kisumu and Port Bell.

"Our company was formed in 1987 and we are listed as number 150 on the stock exchange in China," Mr Xinbiao said, adding: We have the experience in water transport projects and we want to use the skills and technology to help Uganda develop its water transport sector and build roads in Mbale industrial park and others."

He added: "We are going to discuss the details of the projects with the government and send our engineers to Uganda to study the projects including the depth of Lake Victoria and other water bodies.



Privatisation and Investment minister Evelyn Anite (left), Tian Tang Group chairman Zhang Zhiang (centre) and CCCC TDC Jiang Xianbiao (right) chat after a meeting in Beijing last Friday.

PHOTO BY YASIIN MUGERWA

I have already instructed my team to relocate our Africa division from Kenya to Uganda."

The company was introduced to the government team by Tian Tang Group chairman, Mr Zhang Zhiang, who is championing the development of Tangshan Mbale Industrial Park.

Mr Zhiang has already assembled Chinese investors to establish factories in Uganda as soon as the park is ready.

"Our water transport system needs to change as we dash to the Middle Income status deadline," Privatisation and Investment minister Evelyn Anite said.

"This is not a briefcase company. It's a serious company and they are experts. They are going to help us build ships and turn our untapped lakes and rivers into income-generating facilities. We want these reforms to boost our tourism and trade."

She added: "They have agreed to invest more than \$500m in the water trans-

port project and they are sending a team of experts to Uganda [in August] on a fact-finding mission. They will also hold talks with Ministry of Transport, Uganda National Roads Authority (UNRA), the President and other government agencies before signing the agreements."

The company [CCCC TDC] has also signed a \$50m (Shs180.5b) partnership deal with Tian Tang Group to construct roads in Mbale Industrial Park. The company will also carry out other infrastructural developments in the park.

State Minister for Trade, Mr Micheal Werikhe, who was part of the government delegation to China, said: "The Company is going to help us develop water transport and construct roads in Mbale Industrial Park. Mbale is going to be a model industrial park for Uganda and other neighbouring countries."

The MV Kabalega sank after colliding with another cargo ship, MV Kaaw about 60 nautical miles south of Port Bell in 2005.

The government called off the search in 2008 even as to date; the islanders insist that the area where the ship sunk has turned into a death trap.

Government undertook new investments in water transport by deploying new ships on Lake Victoria, modernising Port Bell in Kampala, constructing a port at Bukasa and launching six new rivers.

BACKGROUND

In January this year, the President revealed that government was looking for investors to support improvement of transport on Lake Victoria. He said improving transport on the lake would ease movement of people, goods and services between the isles in the lake and mainland.