



Jack Wang, Anite and Twebaze after signing a memorandum of understanding. Photo by Richard Sanya

Uganda to become mobile phones manufacturing hub

By Edward Kayiwa

Uganda is set to become a major mobile phones manufacturing hub in Africa, following the signing of a memorandum of understanding (MoU) between the Government and Chinese mobile phones manufacturer, Xinlan group to start local production.

According to the MoU, Xinlan will invest \$10m (sh36b) in setting up the factory in Mukono, while the Government will provide access to electricity, water and other salient factors of production.

The Government will also through Uganda Telecom Limited (UTL) provide 100 acres of land on which the factory will be set.

"We plan to begin setting up the factory in the next three months, and shall create about 5,000 direct jobs when we start production," Jack Wang, the Xinlan group managing director, said.

The signing of the MoU took place at the finance ministry in Kampala yesterday.

He said the company will also send 500 engineers and ICT technicians to China, to be trained in mobile phones manufacturing skills.

Wang said the company will be exporting the phones to the 1.2 billion strong African markets, as well as exporting to the rest of

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The state minister for investment, Evelyn Anite, said although smart phones are crucial to Africa's internet and technology penetration, this will be the first time they are produced on the continent.

She said the deal will also help the country increase exports and in the process reduce the trade deficit.

"All smart phones in Africa are imported from either China or Europe, yet the majority of the African population uses

mobile phones," she said.

Anite said the deal comes at a time when the Government is looking for partners to help in advancing the 2020 middle income agenda, and employing the youth to eliminate poverty.

According to the Uganda Communication Commission, the country boasts of approximately 24 million mobile phone subscribers, with close to 19 million subscribers who use the gadgets for Internet access.

UCC statistics also indicate that about 80% of internet users in Uganda use wireless mobile devices, such as smart phones, whose penetration is limited mainly by high taxes and unaffordable prices.

Anite said trade statistics indicate that close to 7 million youth in the urban areas use their mobile handsets daily to access the internet, and as such, local manufacture of the hand set is will increase the statistics.

According to Bemanya Twebaze, the UTL administrator, venturing into mobile phone manufacturing will boost the company's profitability and competitiveness, after suffering numerous losses over the years, which put it under administrative management six months ago.