

Ugandan firms could lose out on SGR opportunities

Failed. Many of the companies, according to the SGR project coordinator, have failed to adjust to meet required standards.

BY CHRISTINE KASEMIIRE
editorial@ug.nationmedia.com

KAMPALA. Local manufacturers risk exclusion from supplying raw materials for the Standard Gauge Railway (SGR) project if their products fail to meet required standards.

The SGR project is a mega railway transportation network that will be constructed by Chinese firm, China Harbour Engineering Company.

Out of 19 reinforcement steel manufacturers, only three including Roofings, Madhvani and Steel and Tube will produce raw materials for the project, after the others dropped out, citing inability to meet required standards.

Speaking at the third annual procurement summit in Kampala at the weekend, the SGR project coordinator, Mr Kasingye Kyamugambi, said the project has challenges in regard to implementation of the local content policy, especially with cement, reinforcement steel and sand.

He said most local products do not meet required standards, a key requirement for the contractor.

"The cement we have is not cement meant for the railway, we benchmarked from Kenya and found that Bambuli Plant in Mombasa had changed its manufacturing configuration to meet these [SGR] standards," he said.

Talks between SGR and cement manufacturers in Uganda only managed to convert Hima to change configuration to produce one specific type for the project. Yet the project, according to Mr Kyamugambi, will need eight types of cement.

He said this has forced them to get directives, as a legal cover to forego the local content policy, especially for products that they cannot obtain from here (Uganda).

Mr Kyamugambi made the remarks while emphasising the need for a new



President Museveni at the launch of the SGR project recently. FILE PHOTO

law, to cater for complex projects whose life cycle lasts as long as 100 years, saying Public Procurement and Disposal Authority

(PPDA) law is not sufficient.

However, Mr Moses Ojumbo, the PPDA director capacity building and advisory services, asked government to empower local manufacturers to boost their capacity instead of resorting to imports.

"Let government empower local companies so that they can meet required qualities and quantities," he said.

THE PROJECT

Connecting East Africa:

The first phase of the SGR project, a 273km stretch, will at least skirt through 11 districts from Kampala and Tororo, where it will connect to the same network in Kenya at Malaba border. The SGR is part of a major regional transport project that will link East African cities and suburbs in Kenya, Uganda, South Sudan, Rwanda and the DR Congo.

273 KILO METRES

THE STRETCH THAT THE STANDARD GAUGE RAILWAY PROJECT IS EXPECTED TO COVER FROM KAMPALA TO TORORO