

Oil sector to spur French investment in Uganda

By Samuel Sanya

A French business delegation made up of more than 45 executives representing over 30 French oil and gas companies has concluded a three-day visit to Uganda.

The delegation took part in France-Uganda oil and gas business meeting which was opened by energy state minister Simon D'Ujanga.

The minister said the Government encourages private sector investment in the oil and gas industry. He shared the various incentives that have been put in place to this effect, including favourable fiscal frameworks, access to existing technical information, improved infrastructure as well as political and economic stability.

D'Ujanga also emphasised the Government's intention to promote valuable utilisation of oil and gas resources as evidenced by the oil refinery and pipeline projects.

Since the discovery of commercial amounts of oil in 2006, significant investments have been made in the sector and in 2011, Uganda attracted

BETWEEN THE LINES

■ Since the discovery of commercial amounts of oil in 2006, significant investments have been made in the sector and in 2011, Uganda attracted the highest foreign direct investment in East Africa. Other than oil and gas, France is interested in tourism, agriculture, digital technology, energy and water sectors.

the highest foreign direct investment in East Africa.

"To date, 6.5 billion barrels of oil have been discovered with 1.4 billion to 1.7 billion barrels recovery rates, a 500 billion cubic feet of non-associated gas and under 200 billion feet of associated gas, just from 40% of the exploration areas," he said.

He noted that Uganda's oil and gas sector is at a critical stage as it transitions from exploration to production.

Stephanie Rivoal, the French ambassador to Uganda, said France is set to become the

biggest investor in Uganda, thanks to its involvement in the oil projects. She added that the size of the delegation was a clear sign of the investment potential that France sees in Uganda.

She noted that for Uganda, oil which is attracting over \$10b of infrastructure investments is a source of opportunities.

"We come, we train, we hire and leave behind skills," she said.

Special attention

Rivoal said French firms also pay special attention to the youth who make up the biggest percentage of Uganda's population and are mindful of the environment and social impact.

Other than oil and gas, France is interested in tourism, agriculture, digital technology, energy and water sectors. Uganda, she said, is in need of industrialisation and diversification to avoid the Dutch disease.

"The France-Uganda collaboration is not only limited to business but also expands to military and development co-operation.

The French Development Agency is investing in energy infrastructure, water and sanitation and roads," she said.

Rivoal later hosted the delegation at a networking reception at her residence in Nakasero, where she declared that France would help Uganda attain its Vision 2040 with a diversified economy characterised by significant progress in agriculture, tourism and all other industries.

Dr Elly Karuhanga, the chairman Uganda Chamber of Mines and Petroleum, described the visit of the French firms as historic.

He said with \$20b to be spent in three years in an economy whose GDP is estimated at \$28b, Uganda needs the expertise of the French to make such investments.

"We would like France to help skill our people and help make Uganda's oil industry a benchmark for the whole of Africa," he said.

Karuhanga said Uganda registered 87% success rate in oil exploration, the highest in the world and assured them of political, social and economic stability.

SE
at
29

AC
at
.89

AX
at
1.73

OW
VES
p at
1.05