



Rows of newly imported vehicles sit idle in a Kampala car bond, fully paid for and cleared, but unable to leave as delays in issuing digital number plates stall their release. PHOTO/GEOFFREY OYET OKWERA

# How digital plate delays are leaving buyers stranded

They have paid, cleared and completed paperwork for their vehicles, but thousands of buyers across Uganda are still waiting for release as delays in issuing digital number plates stall deliveries and leave cars stuck in car bonds.

BY GEOFFREY OYET OKWERA

In Kampala's car bonds, rows of imported vehicles sit in silence. Engines are new. Papers are complete. Taxes are paid. Buyers are waiting. Yet the cars cannot move.

The reason is not customs clearance or shipping delays. It is a final, mandatory step in Uganda's new vehicle registration system, the issuance of digital number plates, which has become a bottleneck now grinding parts of the motor trade to a halt.

For dealers, the situation has turned completed sales into stalled assets.

"These cars are fully paid for and cleared," says Joseph Onen, a Kampala-based dealer.

"But without number plates, we cannot release them. Customers are getting frustrated, and we are stuck with vehicles that cannot move."

What was introduced as a modernisation reform has, in practice, created a new layer of delay in the already complex vehicle import chain.

## System to modernise transport

In January 2025, Uganda rolled out a mandatory digital number plate system for all newly registered vehicles and motorcycles.

## WHAT GOVT SAYS ABOUT THE DELAYS

Transport Minister Gen Edward Katumba Wamala has acknowledged the growing frustration over delays in issuing digital number plates, saying government is aware of the backlog and is taking steps to fix it.

"We recognise the concerns raised by stakeholders... Government is working to streamline processes, expand capacity, and ensure timely issuance of number plates."

The minister's remarks come amid complaints from car dealers and motorists about prolonged waiting periods, which have slowed vehicle registration and sales.

Katumba has also previously indicated that government is pushing for faster uptake of the system, including engaging higher offices to compel compliance among state agencies and accelerate rollout.



The delays have largely been linked to: Capacity constraints in production and installation.

Logistical and contractor-related setbacks during rollout.

The complexity of implementing the broader Intelligent Transport Management System (ITMS)

Despite setbacks, government maintains that the digital number plate project remains critical for vehicle tracking, crime prevention, and modernising transport systems.

The Ministry of Works and Transport presented it as a major shift towards smart enforcement and improved security.

The plates are fitted with QR codes and radio frequency identification (RFID) chips designed to allow real-time tracking of vehicles, curb theft, and support traffic enforcement.

Officials say the system aligns Uganda with global smart transport standards, while also preparing for a full transition of existing vehicles within two years.

But the roll-out has exposed operational gaps that are now being felt across the auto industry.

## Bottleneck at the final step

At car bonds across Kampala, dealers describe a similar pattern: vehicles are cleared through customs, buyers make full payment, and registration documents are submitted. Then the waiting begins.

Instead of immediate issuance, dealers report delays of seven to 10 days or more before number plates are released.

In an industry built on turnover, that delay has cascading effects.

"We depend on speed," Onen explains. "A car that sits here for 10 days is money locked up. You cannot reinvest it. You cannot deliver it. And the customer starts thinking you are delaying on purpose."

Some buyers, he adds, have begun threatening legal action or involving police, convinced dealers are withholding vehicles.

## Rising costs, rising tensions

Beyond delays, the cost of the new plates has added pressure.

Motorists now pay about Shs714,000

for digital number plates, significantly higher than previous registration charges. For importers already handling shipping fees, taxes, clearing costs, and insurance, the additional cost is feeding into higher final vehicle prices.

But it is the claims around informal payments that are generating the sharpest concern.

## Industry pushback

The growing frustration is now being organised.

The Delight Car Dealers Association Uganda Limited has warned that the delays are threatening the survival of legitimate businesses and distorting the vehicle import market.

Some members have called for urgent government intervention, with the association reportedly seeking a direct engagement with the highest levels of government if the situation persists.

For dealers, the concern is no longer just operational inconvenience but structural disruption.

"This is no longer a small delay issue," one industry representative says. "It is affecting cash flow, customer trust, and the entire import chain."

## Government acknowledges challenges

The Ministry of Works and Transport, led by Gen Edward Katumba Wamala, has acknowledged delays in the rollout.

Officials attribute the backlog to high demand, system upgrades, and transitional challenges as the new digital infrastructure is integrated into the registration process.

Government says it is working to expand capacity and streamline issuance timelines.

"We recognise the concerns raised by stakeholders," Gen Katumba has previously stated, adding that improvements are ongoing to stabilise the system.

However, industry players say the delays have persisted beyond initial rollout expectations.

## A wider economic ripple

The impact extends beyond car bonds.

Uganda's automotive import sector feeds into taxation, banking, insurance, and logistics. Any slowdown in vehicle turnover affects liquidity across these linked industries.

Analysts warn that prolonged delays in registration could distort the import market, especially as more Ugandans increasingly source vehicles from Japan, Germany, and the United Kingdom.

With demand rising, efficiency in registration has become a critical link in the supply chain. When that link slows, the entire chain feels it.

## Calls for local production

As frustration grows, some industry actors are proposing structural reform.

Al Malik, the chairperson of Car Importers in Uganda and proprietor of Al Malik Group of Companies, suggests local production of digital number plates as a long-term solution to reduce delays and dependency on external supply chains.

"We are ready to partner with the government to establish production here," he says.

"It would reduce bottlenecks, create jobs, and improve efficiency."

Such a move, supporters argue, could also improve oversight and shorten turnaround times.

editorial@ug.nationmedia.com