

Energy security is our most urgent economic imperative

Uganda has more than tripled its generation capacity in two decades. Yet in 2025, some Ugandans were receiving as few as two hours of electricity a day. The gap between what we generate and what reaches the economy is costing us a future we cannot afford to lose.

But the most unsettling issue is that 74 per cent of Ugandan firms cited the surge in power interruptions as their single greatest operating challenge. This was according to the April–June 2025 Business Climate Index survey which cited power interruptions as their single greatest operating challenge. Uganda Manufacturers Association members report four to seven outages per week, some endure as many as 15 in a single day. Meanwhile, firms across the country spend up to Shs30m monthly on diesel generators. This is money that should be going into jobs, equipment, and growth. This is not a technical footnote but a toll on ambition.

To be fair, Uganda's energy story has genuine progress chapters. Generation capacity rose from 317 MW in 2002 to over 2,098 MW by mid-2025. But the story of Karuma, Isimba, and our growing hydro base is undermined by a distribution system which, as of 2024, loses 17 per cent of all electricity before it reaches a consumer. The bottleneck is not with generation but distribution. That distinction, therefore, means the solution is not to build more dams but urgently modernise the distribution grid.

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Energy



But Uganda's story intersects with something far larger. East Africa is on the cusp of a genuine regional energy market. The Eastern Africa Power Pool (EAPP), is in the process of launching a Day-Ahead electricity trading market. This is a system that would allow countries to buy and sell power across borders at real-time prices. Uganda already chairs the EAPP Council of Ministers, and Kampala hosts the EAPP's Independent Regulatory Board Secretariat. We are not bystanders in this story. We are positioned to lead it. Yet only 0.4 per cent of the region's generated electricity is currently traded across borders. This figure exposes just how much potential remains untapped.

Compare this to Europe, where countries routinely trade 10 to 20 per cent of their electricity across borders through integrated markets, or to the Nordic Power Exchange where surplus Norwegian hydropower keeps Scandi-

navian industry competitive through shared continental infrastructure. The Southern African Power Pool has demonstrated for decades that electricity trading reduces average costs, improves reliability, and attracts industrial investment. East Africa has the resources, the institutional framework, and the political will. What is needed now is execution speed.

Needless to say, energy security is not merely a utility issue. It is the foundational condition for industrial competitiveness. Rwanda has understood this acutely. Through consistent investment in distribution infrastructure and a transparent regulatory environment, it has made energy reliability a deliberate selling point to foreign investors. Kenya's geothermal programme has given its industrial sector access to some of the lowest-cost electricity on the continent. Ethiopia's Grand Renaissance Dam, whatever the geopolitical controversy surrounding it, is a statement of intent, that energy sovereignty is worth fighting for because without it, no industrialisation agenda stands.

The path forward is about modernising distribution with urgency, accelerating Uganda's participation in the EAPP regional market to monetise our generation surplus and creating the regulatory certainty that unlocks private investment in transmission. It is about treating energy policy as the industrial strategy it actually is. Uganda has the generation and East Africa has the framework. What remains is the political seriousness to match the scale of the opportunity and the understanding that in the race for regional competitiveness, power is not the prize but the starting line.

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*reference will be given to insightful articles rather than generalised polemic observations. Attach a portrait and send to editorial@ug.nationmedia.com