

Cover story

Tap into Hoima industrial park opportunities

From page 21

The first phase will include the building of the refinery, airport, electricity plant to power the facilities, an export hub, crude pipeline and access roads, as well as accommodation facilities within the facility.

The energy ministry continues to negotiate with the Albertine Graben consortium for the refinery development.

The first phase of the airport construction is being funded by a sh1.3 trillion loan from the UK Export Finance and Standard Chartered Bank of London.

The preparatory activities for the building of the airport are currently underway, including site clearing. The contract for building the airport was awarded to the UK's Colas and SBI International Holdings AG Uganda. SBI is headquartered in Switzerland.

The industrial park is planned to be fully developed in a period of 10 years, and the second and third phases will include upgrading facilities that would have been constructed in the first phase and elevating the airport to an international aviation facility.

At the end of the first phase, the airport will be expected to have a runway and the aircraft carrying some of the most critical equipment for the building of the oil production and transport facilities will deliver them (equipment) at the facility. But some of the equipment will be delivered by road. Preliminary activities are currently being undertaken to build the over 500km road network in the Albertine Graben.

Once the masterplan has been approved, UNOC will be expected to start running the industrial park, attracting investors and overseeing its development. A baseline environmental impact assessment study for the proposed facilities in the park has already been undertaken. However, other detailed environment impact assessment studies will be done for specific facilities.

The lands ministry spokesperson, Dennis Obbo, said the board expects the consultant to make a technical presentation of the masterplan. As part of an effort to appreciate the plan, he explained, the board members might visit the area to gauge compliance.

"They may want to look at the land use practices in the area, human settlement and other technical issues. Once it has been found to meet conditions stipulated, an approval is issued," Obbo stated.

But it is not clear now when the lands

There are going to be more opportunities for local companies to do resettlement action plans and environment impact assessment studies, civil works, among others this year

and have the plan approved.

OPPORTUNITIES

The lands ministry has identified seven growth centres around the proposed industrial park, which are expected to develop as a result of the economic activities in the facility. These include Kabaale, Kataaba, Kaseta, Kidoma, Kigaaya, Nyamasoga and Buseruka. The ministry has developed special physical development plans to guide developments for the growth centres.

The facility will generate employment opportunities, revenue for the Government and value-addition opportunities for goods produced in the region, especially in the free zone. In most countries, a free economic zone or free zone is an area designated specifically for trade. The producers in the free zone manufacture at a low cost, enjoying the economies of scale and sometimes paying zero or less taxes to spur production and exports.

The industrial park and other oil-related facilities will expand the market for goods and services in Bunyoro and the entire country.

"The opportunities are going to be many, but the people need to get prepared. We have held a number of forums and informed the people about the upcoming opportunities. We have also been building the capacity of Ugandans, especially technicians at the Uganda Petroleum Institute in Kigumba and other institutions," Kasande explained.

An industrial baseline survey published by the oil companies in 2014 indicated that the development phase of the oil and gas sector will create 13,000 direct jobs at the tail end of the project. But majority of the jobs will be taken up by technicians and engineers. Between 100,000 and 150,000 indirect employment opportunities will also be generated, according to the survey.

MASTER PLAN

The masterplan for the proposed industrial park was put together by SMEC International, an Australian firm. It was discussed and scrutinised by an inter-ministerial committee, with representatives from the ministries of lands, energy, justice and constitutional affairs, trade, Uganda Investment Authority and Free Zones Authority.

The committee consulted with a string of stakeholders, including Buseruka and Hoima district leaderships, Civil Aviation Authority, Uganda Electricity Transmission Company Limited, Uganda Electricity Generation Company Limited, Rural Electrification Agency and the Joint Venture Partners in Uganda's oil and gas industry - CNOOC, Total E & P and Tullow.

The other stakeholders, who were sounded out about the masterplan,

includes Petroleum Authority of Uganda, National Information Technology Authority, National Planning Authority, Rift Valley Railways Authority, National Environment Management Authority, Uganda Revenue Authority, defence ministry, National Forestry Authority and Uganda National Roads Authority.

Now, the masterplan has been submitted to the national physical planning board for further scrutiny and approval if it meets the standards. Under section 3 of the Physical Planning Act, 2010, the entire country was declared a planning area.

The Act also allows for declaration of an area with unique development potential or problems as a special planning area for purposes of preparation of a specific physical development plan. In keeping with the spirit of the law, Albertine Graben was declared a special planning area in 2012.



150,000 Jobs
The number of indirect jobs expected to be created



We are partnering with donor agencies like GIZ, UKaid and Norway to do more skilling of Ugandans," Kasande explained.

Cheap loans for business

In the local content policy the energy ministry has submitted to Cabinet and proposed that a fund be set up giving Ugandans running small and medium enterprises low-interest loans to enable them boost their businesses and capacities.

"Some of our SMEs do not have capital to acquire the necessary equipment and develop capacity. We are saying let them be given loans at a low-interest rate. There is going to be more opportunities for local companies to do resettlement action studies and environment impact assessment studies, civil works, among others, but they need capacity," Kasande stated.

With such a fund in place, he explained, it would be easy for a Ugandan to set up a modern abattoir, for example, to supply beef to the industry.

The vice-chairman of the Association of Oil and Gas Suppliers of Uganda, Dennis Kamurasi, said the industrial park and other upstream (exploration, development and production) and midstream (transport and storage) facilities have immense opportunities for Ugandans.

"Returning just a percentage of the money that is going to be spent in the next three or four years will have a great impact on the economy," he said.

Dr. Lawrence Bategeka, a senior economist, who is also the Hoima Municipality MP, said the country should strengthen its macroeconomic management so that the dollars that will flow into Uganda.