

Govt bans importation of old cars

Safety concerns. Government says limiting the importation of old cars will reduce road carnage and environmental pollution.

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PARLIAMENT. Members of Parliament yesterday amended the Traffic and Road safety law, banning the importation of vehicles older than 15 years and maintaining the 50 per cent environmental levy on imported vehicles eight years or older.

The government will lose Shs364b annually while more than 1,139 people will lose their jobs when the changes take effect at the beginning of the 2018/19 Financial Year next month.

Those to be affected include importers of used cars, clearing and forwarding agents, freight forwarders, car bond operators, brokers and spare parts dealers.

Other sectors that will be affected include insurance, banking, and transport.

The government pushed through the amendment of the Traffic and Road Safety Act (Amendment) Bill, 2018, on grounds that older vehicles are prone to mechanical malfunction and limiting their importation would reduce road carnage and environmental pollution.

Motor accidents remain a grave problem and the 2018 United Nations Road Safety Performance Review of Uganda estimated the overall annual cost at Shs4.4 trillion.

"Importation of old vehicles has exposed Uganda to high pollution levels which have high risk to both health and environment. The cost of disposing of junk cars is also a huge burden. The quality of cars has also been linked to the high incident of motor vehicle accidents in Uganda," reads the report by Parliament's Finance Committee.

Importers and some legislators say restrictive taxes will make it harder for many Ugandans already unable to afford new vehicles to own cars.

New vehicles in Uganda pay 25 per



Transport. A car bond in Kampala. Some importers say the taxes will make it harder for Ugandans to afford new cars. FILE PHOTO

cent import duty, 18 per cent Value-Added-Tax, 20 per cent infrastructure levy, withholding tax of 6 per cent and registration fees while cars five years or older pay environment levy of 35 per cent to 50 per cent, according to figures presented in Parliament.

“ The purchasing power of Ugandans is very low and they cannot afford new cars. We are going to see very few cars imported and so many people becoming unemployed.” ALEX RUHUNDA, FORT PORTAL MUNICIPALITY

East African Community countries have no deal on restricting importation of old vehicles, but the bloc's Council of Ministers, on the prodding of the East African Business Council, decided in April 2007 that no vehicle manufactured before April 2009 should be imported into the region.

In East Africa, only Kenya controls importation of used cars to eight

years or older. Tanzania, Rwanda, Burundi and South Sudan have no limits.

Bugabula South MP Henry Kibalya yesterday said the import restriction should be staggered across years to reduce its job losses impact.

"When we say that by July, this year, vehicles beyond this period will not be imported, we are not helping this nation," he said.

His Makindye West counterpart Allan Ssewanyana lost on a proposal he made to apply the limitations to cars 15 years or older.

MPs re-echoed an earlier affordability warning by Associated Motor Dealers.

"[At] Toyota Uganda, a new Rav 4 vehicle costs around Shs250m? We are discriminating against the poor," Kumi Municipality MP Silas Aogon said.

Under the changes, breakdown, cranes, fire fighting vehicles, concrete mixes, road sweepers, among other special-purpose vehicles, have been exempt.

PUBLIC REACTION

Trevor Nsereko (car importer):

"It is going to affect us. Dealers' sales and revenue collections will drop. It will be a 50-50 for me because government will partly benefit as well as the dealers. I sell both old and new cars."

Katumba Moses (Car bond businessman):

"The government is lying. When you look at our country we cannot afford new cars. The taxes levied on the new cars and their maintenance is even higher. My advice to the government is create opportunities for its people first so they can



Graft killing Judiciary work, says JSC head

BY FELIX NUSOMU
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ARUA. The widespread corruption scandals by judges and administrators in the country and inappropriate political interference in judicial systems are robbing millions their right to an impartial trial, the chair of the Judicial Service Commission (JSC) has said.

Speaking to journalists yesterday, Ms Norah Matovu said the lower courts are affected, warning against taking bribes.

"We still have pending cases coming out of the corrupt legal system. You are guilty, we can't let you off (as an officer) to leave the country," she said.

The JSC is recruiting judicial officers of the Supreme Court, the Appeal and High Courts. Names are then sent to the President for approval.

Ms Winyi said she is also frustrated by the lack of justice.

Solution

"We want to see a legal system that legal system ordinary people can use. The ordinary person who came with 100,000 shillings with one for 100,000 shillings said.

Ms Rose Musinguzi, JSC member