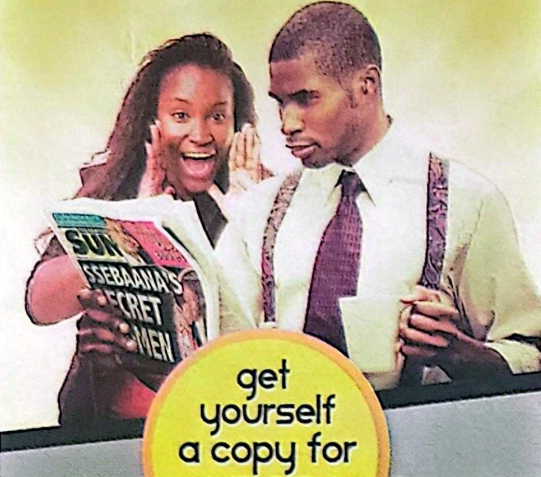


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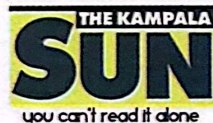
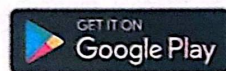
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++S. Sudan clashes force doctors and patients to flee++

Cement prices set to fall

BY SAMUEL SANYA

Cement prices have started to drop in Tororo district following the construction of the fourth cement grinding plant in the country in the same neighbourhood with competitors Hima Cement and Tororo Cement.

Kenyan-based Simba Cement has accelerated work on its \$40m (about sh144b), one million metric tonne capacity plant in Tororo.

Speaking during a site visit by finance minister Matia Kasaija, Devang Narendra Raval, chairman of Devki Group, the parent company of Simba Cement, revealed that the plant will start producing cement between January and March 2018.

Less than a kilometre from Simba Cement site on the Tororo-Mbale highway, Hima Cement is also making progress on its new \$40m site that is expected to have started production by June 2018.

"When this factory (Simba Cement) and a new clinker plant in Moroto are completed, we expect cement prices to reduce by sh10,000 to boost the construction industry and create jobs for Ugandans," Kasaija said.

"Since cement is the largest ingredient in house construction, we expect that it will soon become very affordable for every Ugandan to construct a decent home," he added. He pointed out that government is looking for new investors for the Bujagali



Kasaija (centre) listens to Simba Cement officials. Third-right is Raval

KASAIJA SPEAKS OUT

When this factory (Simba Cement) and a new clinker plant in Moroto are completed, we expect cement prices to reduce by sh10,000 to boost the construction industry and create jobs for Ugandans

hydro power plant in wider efforts to bring power tariffs to between 0.5 US cents and 0.2 US cents per megawatt, which

will make local industry more competitive in the region.

Raval revealed that Simba Cement will mine its limestone from Kaseremi in Kapchorwa district and will employ up to 1,500 Ugandans. The company has a tax holiday and enjoys tax free status for its material imports.

He noted that the company also intends to venture into South Sudan. The plant signals increased competition in the regional cement market, which is grappling with price wars brought about by the entry of new players and expansion of established firms.

Cement production capacity in the East African region more than doubled in the decade ended 2013 to 13.7 million tonnes per annum, pushing down the utilisation rate to 69.6%, according to reports by Standard Investment Bank (SIB).

The report revealed that Kenya and Tanzania have the lowest cement prices in the region.

Simba's entry into Uganda will put it in direct competition with Lafarge's Hima Cement, Tororo Cement and Kampala Cement.

Uganda imports extra cement from Egypt, Pakistan and Kenya.