

Museveni launches water transport for fuel on Lake Victoria

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In the next two years, the fuel pump prices will substantially come down if the \$94m (Shs338b) water transport project launched by president Museveni last week becomes a reality.



President Museveni. Image: [FPU/Daily Monitor](#)

Museveni, while speaking at the groundbreaking ceremony for the construction of the fuel storage terminal at Bugiri-Bukasa in Wakiso District, said transporting fuel using vessels (barges) on Lake Victoria from Kisumu to Kampala will help cut fuel costs by 50%, thus also reduce the cost of doing business.

"Investing in transporting fuel by water rather than by road, these people have already calculated their equation that they will use only 50% of the costs spent on road," Museveni said, adding that this favours government in helping cut fuel prices also by 50%.

Museveni added that the investor, Mahathi Infra Uganda Limited (MIUL), will build the ships at Bugiri-Bukasa which will enable residents to acquire skills and employment.

Cheapest means of transport

He said water transport is the cheapest means of transport, followed by rail transport, road, and air transport.

"On land, we are working on the rail... We are also building dams to make the cost of electricity affordable, which will attract more investors," he added.

Currently, petroleum products are transported using trucks from Mombasa to Kisumu and Kampala. This, according to Ravi Sankar Yandapalli, the managing director of Mahathi, comes with costs like expensive fuel, road congestion, road repairs, pollution, traffic accidents, and uncertain supplies.

Citing a fuel tanker that caught fire this week in Iganga, Sankar said transporting fuel using water is much safer and will help reduce road traffic congestion.

Sankar said the investment will include four ships with each transporting 4.4 million litres of fuel equivalent to what is transported using 200 trucks on road.

He said the ships and the terminal are expected to be ready by September next year.

Tax revenue contribution

Mike Mukula, the chairman of the company, said the new transport system will contribute tax revenue which has been going to the neighbouring Kenya.

"Ninety percent of the trailers that transport fuel to Uganda are owned by Kenya and Somalia. So this means that the taxes paid by Shell and Total in dollars will now be collected here," Mukula said.

Energy minister Irene Muloni said the time spent to transport fuel from Kenya to Uganda will reduce by three days.

According to an agreement signed with the government of Uganda, MIUL has exclusive rights for the barge transport for next 10 years plus an additional two years of implementation.

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