

Stalled Uganda's port projects derail maritime transport on Lake Victoria

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The poor state of the Jinja and Port Bell piers in Uganda, a weak marine policy and the stalling of the Bukasa Port project are frustrating regional efforts to exploit the \$60 billion trade potential of Lake Victoria, with Kenya and Tanzania pressuring Kampala to expedite implementation of its port projects.

Port Bell, with a 2,000-tonne capacity dry dock, lacks cargo-handling equipment, and traders and transporters complain of regular and long delays in loading and offloading of ferries due to a shortage of shunting locomotives.

Lighting in the port is insufficient, making night operations difficult with no standby power generator.

Captain William Ruto, general manager of Kenya's Kisumu Port, told The EastAfrican that many times cargo destined to regional ports is delayed at Port Bell.

"Importers and exporters want efficiency," said Capt Ruto.

A wreck of a ship welcomes you at Port Bell and this permanent feature makes it difficult for ships to manoeuvre their way in and out of the port.

A workshop where minor repairs of ship parts are supposed to be carried out lies in disuse. While the yard is paved, it is narrow, limiting the number of vehicles that go in to load and offload.

The inefficiencies in the Ugandan ports have raised concerns in the region.

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A year ago, there was euphoria in Kenya as the country's leadership commissioned the refurbished Kisumu Port, billed as a game-changer in regional transport logistics. The Uhuru Kenyatta administration is angling to use the revamped port to actualise a multimodal transport system to serve East and Central Africa.

The Kisumu port is part of the East African Community infrastructure development scheme, with a potential of generating \$60 billion worth of trade annually, but currently only bringing in about 10 percent of this to the three big EAC economies.

Kenya has been pushing its partners, especially Uganda, to help with this project by hastening the implementation of the plan on its end to facilitate quicker and cheaper passage of goods —particularly fuel — to the Great Lakes region and South Sudan.

For Kenya, establishing Kisumu as a regional logistics hub makes economic sense. Nairobi has long touted Lake Victoria's huge potential in cargo and passenger transport. The port is thus a major link between Kenya and its neighbours, and is designed to facilitate easy transportation of petroleum products to Uganda, Rwanda, parts of DR Congo, Burundi and South Sudan.

President Kenyatta vouched for the use of the port, citing reduced cargo movement time, and lower costs with zero loss of fuel and adulteration cases.

"If it takes one-sixth of the time to transport goods by ship compared with road transport, this is good for traders and investors, making our region much more competitive globally. If in one trip you carry three times the

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volume by ship, compared with tankers, that is good for commerce. And if it costs you half the price to use the Port of Kisumu compared to road transportation, that is good economics," he said in Kisumu on June 1 last year.

To prepare for the ultimate entry into the Great Lakes region, and faced with financing challenges of the initial SGR project, Nairobi and Kampala last year signed an agreement on revamping the old metre gauge rail to facilitate connectivity.

Kenya, which rehabilitated its metre gauge line from Naivasha to Malaba, wants a reliable mode of transport for onward transit of cargo into the hinterland to make its logistics infrastructure operational, particularly the Naivasha inland container depot.

Nairobi is eyeing the \$92 million Congolese market for its manufactured goods and is keen to see a link with Uganda actualised in the shortest time possible.

Railways operations

On the sidelines of President Yoweri Museveni's inauguration on May 12, 2021, Kenya's Transport Cabinet Secretary James Macharia told The EastAfrican that he met his Uganda counterpart Gen Katumba Wamala to discuss the metre gauge railway operations.

At the same time, Uganda's parliament approved a \$368.9 million loan to rehabilitate the old line, which officials say will constitute a significant part of Uganda's infrastructure diplomacy in the Great Lakes Region.

But, while the railway plan seems on track, the same cannot be said of the

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lake transport deal, with Kenyan officials anxious that the continued delays on the Ugandan side could cost them dearly, especially after Nairobi sank \$30 million in it and another \$500,000 to refurbish cargo ferry MV Uhuru.

Kampala's delay in completing an oil jetty on its side frustrated Kenya's efforts, which saw Nairobi opt for tankers to ferry petroleum products across the lake.

Uganda has been building a fuel jetty, which was planned to be ready by January last year, but completion timelines remain uncertain. Once complete, it will have a 14-tank storage facility with a capacity of up to 70 million litres of fuel, and 220-metre long jetty.

President Kenyatta launched a refurbished wagon ferry MV Uhuru, and commissioned the Kisumu Kenya Shipyard, a state agency under the Kenya Defence Forces that will repair, refurbish and rehabilitate ships for use in Lake Victoria.

The Kenya Navy in collaboration and Dutch firm Damen Civil Works are building another vessel, MV Uhuru 2.

For Kenya, the operationalisation of the port is pegged on the completion of the complementary facilities in Uganda.

Kenya pumped \$7 million into the construction of a fuel jetty, feeder jetties and piers, shunting areas, berths, a terminal and yards, with administrative and Customs facilities, to reclaim Kisumu's position as the nerve centre of inland maritime transport in East Africa. The port has also been equipped with forklift trucks, mobile cranes and tractor-trailers.

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It helps the outgoing Kenyan leader that a project that began as a quid pro quo for the political handshake between him and opposition supremo Raila Odinga in 2018 could turn out to be a commercial masterstroke.

Kenya Ports Authority officials say the Kisumu port, together with the regional ports in Mwanza and Bukoba in Tanzania, Jinja and Entebbe in Uganda, and Muhoma Bay in Rwanda, present an ideal solution to transport challenges on the Northern Corridor.

Tanzania, in whose territory half of the lake lies, is not fully on board. The fisheries hub of Mwanza could spice up the business plan if it is tapped.

Mwanza is a leading economic hub in western Tanzania, attracting big fish processing industries and mining companies. With a population of nearly one million, Mwanza is home to 13 fish processing factories with the installed capacity to process about 1,065 tonnes of fish per day.

The development of Lake Victoria ports is the biggest project in implementing the East African Community Inland Waterway Transport infrastructure agreed by partner states to strategically link Uganda, Tanzania and Kenya to both the Northern and Central transport corridors.

The three countries are seeking to revive connected ports and maritime operations on these shared waters to enhance integration and grow trade by offering cheaper transport across borders.

Captain Ruto said Uganda needs to invest in rehabilitating and expanding its inland port infrastructure, adding that each of the three Lake Victoria ports – Kisumu, Port Bell and Mwanza in Tanzania — plays a role in facilitating trade and the movement of people.

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He said the inefficiency of one affects the performance of the others.

Investors who have already injected money into ship construction targeting the Kisumu-Port Bell-Mwanza trade triangle are frustrated.

Best Lake Victoria port

Meanwhile, efforts by Kenya and Tanzania to improve inland water port infrastructure are paying off.

The Intergovernmental Standing Committee on Shipping (ISCOS), a regional maritime think tank, has ranked Kisumu as the best port on Lake Victoria.

Kisumu scored 52.31 percent, closely followed by Mwanza South at 51.14 percent, then Bukoba (47.02 percent), Kemondo (44.02 percent) and Mwanza North (40.12 percent).

Uganda's Jinja pier scored 24.88 percent while Port Bell was ranked at 37.96 percent.

New ships are expected to be delivered starting next year. Uganda's Mahathi Infra Uganda Ltd has already completed one fuel barge with a capacity of 4.5 million litres.

In a region grappling with high costs of road construction, one barge is expected to displace 150 trucks off the roads.

EastAfrican has learnt that one barge is undergoing final certification tests and is expected to start plying the Kisumu-Entebbe route by October this year.

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The Tanzania government is also constructing MV Mwanza, a new ship 92.6 metres long and 20 metres high. The ship has a carrying capacity of 1,200 passengers, 400 tonnes of cargo 20 cars and three trucks — the biggest in the region. It is expected to be delivered in December this year.

Marine experts, however, say these ships cannot be handled at any of the Ugandan piers, partly because of the shallow docking area due silting of the lake. Uganda has not dredged its piers in the past 20 years.

This frustrates investors who have pumped money in ship construction to tap Lake Victoria's growing cargo traffic.

The stalling of the Bukasa port project is a blow to the region, which was expecting to deploy bigger ships.

A Tanzanian official told EastAfrican that Dodoma is investing in bigger ships for the Mwanza port especially after extending its standard gauge railway to the port.

“The delay in completing the Bukasa Port is hurting Tanzania,” the official who requested anonymity said.

Uganda's Permanent Secretary Ministry of Works and Transport Bageya Waiswa said regional efforts are required to reinvigorate trade on Lake Victoria.

Kisumu port handles petroleum, soda ash, bagged fertiliser, crude palm, bagged rice, cotton seed cake, and sugar. The port, which used to suffer massive silting, has been dredged, with a part fenced off to keep away water hyacinth. The water hyacinth used to cover the entire port area of 3km, making it almost impossible for any vessel to dock there before

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dredging. The renovation works at the port, which started in 2018, saw traffic increase to double figures.

Mr Waiswa said Kampala is negotiating with the World Bank to finance the modernisation of Port Bell to handle domestic cargo, tourists, and cargo from Kisumu, Mwanza and Bukoba.

“Port Bell has not been abandoned. The port could not be expanded because it is heavily populated, which is expensive if we were to compensate project-affected persons,” he said.

263

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