



Rehabilitation of the Tororo-Gulu Railway Line and Construction of the Gulu Logistics Hub, to improve trade and transport links unlocking the economic potential of Northern Uganda

Gulu, 23rd October 2020: H.E. President Yoweri Museveni today participated in the groundbreaking of the rehabilitation of the Tororo-Gulu Railway Line and the Gulu Logistics Hub. The ceremony was also attended by Other dignitaries included Uganda's Minister of Works and Transport, Hon. Edward Katumba Wamala, European Union (EU) Ambassador to Uganda, H. E. Attilio Pacifici, UK High Commissioner in Uganda, H. E. Peter West, the Managing Director of the Uganda Railway Corporation, Charles Kateeba and the Chairperson of the Board of Directors of the Uganda Railway Corporation, Hannington Karuhanga, TradeMark East Africa (TMEA) Board Chair, Maggie Kigozi and Chief Technical Officer, Allen Asimwe.

The Uganda Railways Cooperation with support from the Government of Uganda and the EU started the rehabilitation of the railway Tororo-Gulu in March 2020. The total cost project cost including supervision and resettlement action plan among others, amounts to Euros 47.6 million, of which the Government of Uganda will contribute Euros 26.1 million (113 billion Uganda Shilling) and the European Union Euros 21.5 million (93 billion Uganda Shilling). The rehabilitation is expected to be completed in the second half of 2023.

The Tororo–Gulu Railway Line will provide a link between the port of Mombasa and Northern and Eastern Uganda, as well as South Sudan and the Democratic Republic of Congo. The line fell out of service more than two decades ago, due to actions of war by the Lord's Resistance Army, as well as facing unfair competition by overloaded trucks. The Rehabilitation of the Tororo-Gulu Railway takes place simultaneously with the construction of the Gulu Logistics Hub.

TradeMark East Africa together with Ministry of Works and Transport and Uganda Railways Cooperation started construction of the Trade Logistics Hub in Gulu started in March 2020, a project of Euros 7.76 million (about 33 billion Uganda Shilling), supported by the European Union (Euros 5 million) and the UK's Foreign and Commonwealth Development Office (FCDO – Euros 1.76 million). Major features of the hub include: container and break-bulk, handling and storage facilities with a handling capacity of more than 500,000 per year, space for stakeholders dealing with freight transport (freight forwarders, shippers and transport operators) and the provision of accompanying services such as customs inspections, tax payment, maintenance and repair, banking and information communication technology. The construction of the hub is expected to be completed within eighteen months.

The European Union also funds a Euros 1.1 million Technical Assistance support to the Uganda Railway Corporation, to provide advice on institutional, on human capacity and on development of infrastructure, rolling stock, operations and maintenance. strategies.



President Museveni noted that Uganda has played a vital role as a distribution hub for South Sudan and the Eastern Democratic Republic of Congo (DRC). Improving logistics services will create employment opportunities. He noted, *“The government of Uganda is grateful to our development partners, The EU and the UK government who have contributed generously to these projects. We also commend TMEA for its speed of implementation and willingness to listen to and respond to our priorities. This logistics hub fits in with our vision of raising the logistics profile and increasing our export competitiveness”.*

The EU has been Uganda's partner in the transport sector for several decades. This partnership resulted in the rehabilitation of almost the entire Northern Corridor from the Kenyan border to the Rwandan border. Other flagship projects include the Kampala Northern Bypass, the future Kampala Jinja Expressway project and several roads in the Northern region within the Development Initiative for Northern Uganda. The EU is also intending to support Uganda in shifting cargo transport from roads to greener, safer and more competitive modes of transport like railway and waterways. These two projects are part of this endeavour.

The EU Ambassador to Uganda, Attilio Pacifici, commented: *“These two projects will have a major impact on the facilitation of trade by reducing import and export transportation costs, thereby contributing to regional integration and to strengthen Uganda’s competitiveness within the EAC region. The Gulu Logistics Hub, together with the Tororo-Gulu railways line, will be a key import/export platform not just for Northern Uganda but also for South Sudan and Eastern DRC. The project will have a spill-over impact on private sector growth and on investment promotion. It will also enhance the key value chains of Northern Uganda including agricultural products, cement, oil and gas, mining as well as industrial products in general.”*

The UK High Commissioner to Uganda, Peter West, commented: *“The UK government is delighted to be a joint donor on this project which will help Uganda create jobs for its people and become a greater trading partner for the UK in the future. The UK support has led to a 62% average time reduction at targeted border crossings, a 50% reduction in customs clearance times from 3 days to 1.5 days and a reduction in cargo transit time from 8 days to 2 days to provide goods to the East African market serving over 200 million people. We will continue to unlock opportunities for the UK and other businesses.”*

TMEA is proud to be supporting the construction of the Gulu Logistics Hub, one of the many projects under its second phase of implementation which include Trade Logistics Clusters in Jinja & Busia, construction of the Goli/ Mahagi One Stop Border Posts (OSBP), decentralization of standards testing and Phase II of the Uganda Electronic Single Window. These and other trade facilitation efforts will, *“contribute to creation of additional employment opportunities as investors capitalise in the transport and manufacturing sectors and export growth. About 208,000 people are currently employed in the logistics*



sector in Uganda, a number that could rise to 522,000 by 2030. This project will certainly contribute to this” remarked the Chief Technical Officer Allen Asimwe.

Importers in South Sudan and DRC keep supplies in bonded facilities in Kampala before bringing them into either country when needed. However, with the assurances of shorter lead times, Uganda has seen transit volumes grow, which has led to the emergence of a distribution industry especially in Jinja and Kampala.

In essence, the operationalisation of the Gulu Logistics Hub will be a great relief to both traders and consumers as they will enjoy reduced costs of transportation and lower prices, respectively.



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About the European Union Delegation in Uganda

The European Union is a unique economic and political union between 27 European countries that together cover much of the European continent. What began as a purely economic union has evolved into an organization spanning policy areas, from climate, environment and health to external relations and security, justice and migration. Our work in Uganda is closely coordinated with our Member States particularly those with an Embassy or office in Uganda. The EU Delegation in Uganda supports Uganda's efforts to promote democratic governance, fight corruption and improve peace and security in the East Africa region. Our cooperation with Uganda aims to respond to the country's most pressing needs, which include; fostering sustainable economic development, improving national and regional transport connections, build an inclusive green economy and strengthening the agricultural sector to improve people's livelihoods.

To find out more, please visit our website www.eeas.europa.eu/uganda

About the UK High Commission in Uganda

The UK helps Uganda overcome the challenges of growing inequality and slowing growth rates by leading international efforts to boost business opportunities by creating jobs and increasing investment in regional trade. We will support the continued development of a stable and prosperous Uganda by delivering economic stability, higher growth, increased domestic revenues and more transparent and accountable state-society relations. This will reduce Uganda's growing dependence on external sources of finance, and pave the way for a sustainable exit from aid.

To find out more, please visit our website <https://www.gov.uk/world/organisations/british-high-commission-kampala>

About TradeMark East Africa



TradeMark (**Trade** and **Markets**) East Africa is an aid-for-trade organisation that was established in 2010, with the aim of growing prosperity in East Africa through increased trade. TMEA operates on a not-for-profit basis and is funded by the development agencies of the following countries: Belgium, Canada,

Denmark, Finland, Ireland, Netherlands, Norway, United Kingdom, United States of America as well as the European Union. TMEA works closely with Regional Intergovernmental Organisations, like the East Africa Community, national governments, the private sector and civil society organisations. The first phase of TMEA (2010-2017) delivered exceptional results which contributed to gains in East Africa's trade and regional integration in terms of reduced cargo transit times, improved border efficiency, and reduced barriers to trade.

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