

Parliament approves sh1.3 trillion for Kabaale airport

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and Nicholas Wassajja

Parliament has approved over sh1.3 trillion for the construction of phase I of the new Kabaale International Airport in Hoima.

On September 20, the Government presented to Parliament a request to borrow euros 270,266,042 (sh1.168 trillion) from the UK export finance (UKEF) and euros 37,110,585.9 (sh160b) from the Standard Bank in London, for the construction of the new Kabaale International Airport in Hoima.

The request was then forwarded to the Parliament's committee on national economy, chaired by former finance minister also Nakasongola County MP Syda Bbumba, for scrutiny.

In its report to Parliament yesterday, the committee recommended the approval of the loan request by the Government, saying the project is required to facilitate the development of planned oil refining and other related facilities in the area.

The MPs also reported that once completed, the airport will support the increased propensity to travel among the local population and



Syda Bbumba

tourists travelling to Hoima and surrounding areas.

Phase I of the project will see establishment of an airport serving cargo aircraft and small passenger aircraft for the construction and subsequent operation of the refinery and oil fields.

The airport will also boost services among the local population and incoming tourists and any export oriented industries that might be set up nearby.

Hoima is near several world heritage sites and national parks such as Murchison Falls, Rwenzori Mountains and Queen Elizabeth National parks.

BETWEEN THE LINES:

■ The MPs recommended the change of the airport name from Kabaale International Airport to Hoima International Airport.

In their report, the MPs noted that at phase II of the airport project, further development of the airport to service increased commercial passenger flights and cargo flights for the fish and flower export industry, will be developed.

"The Government should ensure that execution of the project is expedited on schedule for the country to benefit from oil dividends," Bbumba said.

The MPs also advised that the Government cushions the country, against foreign exchange risks, by increasing the level of export revenue by directly providing incentives to export oriented domestic enterprises, attract foreign direct investment, to boost its reserves in the short to medium term.

To start the project, the Government has procured SBC-Uganda Ltd as required by the UKEF. The company

is a joint venture between SBI International Holdings AG and Colas Limited.

The MPs, however, advised the government to consider undertaking a due diligence on the joint venture company to confirm its suitability to undertake the implementation of the contract.

"The committee recommends that the final approved design for the new airport should be timely provided by government to the contractor as not to delay or obstruct in any way the performance and completion of the project works," the MPs recommended in the report to parliament.

The MPs also proposed that the name for the airport be changed from the proposed Kabaale International Airport to Hoima International Airport.

"The name Hoima international airport, sounds better than Kabaale," Margaret Babadiri, the Koboko woman MP, proposed.

The MPs urged the Government to expedite any outstanding compensation bills in the Albertine region to avoid delays /disruptions in the implementation of the oil-related infrastructure.