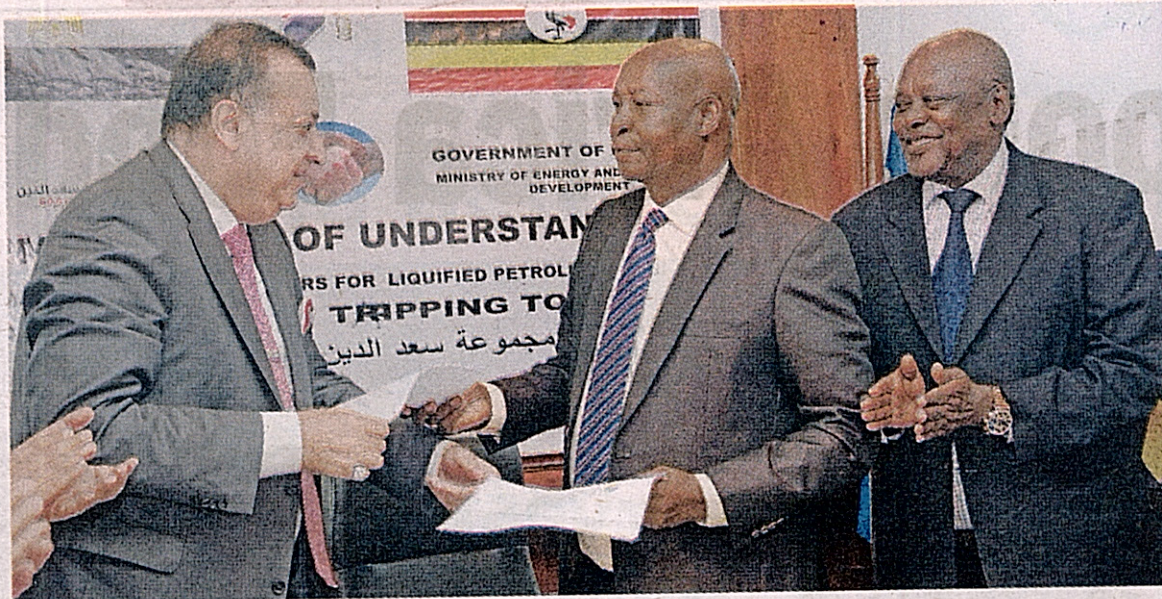


BUSINESS



D'Ujanga (centre) exchanging a Memorandum of Understanding with Saad El Din at the ministry's head office in Kampala, yesterday. Right is Lokeris. Photo by Eddie Ssejjoba

Uganda gets sh36b cooking gas cylinder-making plant

By John Odyek

Government has signed a \$10m (sh36b) investment deal with an Egyptian company, Saad El-Din Group, to locally manufacture gas cylinders. It is also to supply gas for vehicles.

The state minister for energy, Eng. Simon D'Ujanga, yesterday signed the Memorandum of Understanding on behalf of the Government with the Saad El-Din Group.

The cylinders will be for liquefied petroleum gas (LPG), liquefied natural gas (LNG) and compressed natural gas (CNG). LNG and CMG are used to fuel vehicles (natural gas vehicles). This should increase usage of clean energy for environment protection.

D'Ujanga said the country was losing forest cover at a high rate.

"We should stop using biomass in order to save the environment. The environment relates to water.

"If we do not have water we cannot produce hydropower," he said.

He added that the company is also looking at making gas that can be used by vehicles as there are thousands of cars using gas in Egypt. The country has 290,000 vehicles fueled by gas.

He said in addition, that the Government is considering the use of universal cylinders like it is in Kenya and Tanzania, where a cylinder can be filled by any company.

Dr Waleed Samir Abdelazeem, the Chief Executive Officer Saad El-Din Group, said they plan to manufacture 500,000 gas cylinders in Uganda yearly and employ over 2,000 people directly and indirectly.

"We will also create awareness on the use of gas for cooking. Gas has been used since the 1950s," he said.

Dr. Mohammed Saad El Din, the chairperson of Saad El-Din Group, said within a year, they should be able to construct a factory that will manufacture the cylinders.

Saad El din said the plant will help Uganda save money in foreign exchange and provide knowledge and technology transfer.

"We are happy to support the policy

of promoting investment between our president and the president of Uganda," he said.

He said the company needs five acres of land out of Kampala for the factory.

He said the local manufacture of gas cylinders should reduce the price of gas. "We will reduce the price in the market, take small profit and our market share in Uganda, will grow big. We will compete with other companies," he said.

He said to set up the factory, they expect to buy many raw materials from Uganda.

Peter Lokeris, the state minister for minerals, said the country was spending a lot of money importing gas.

He assured investors that Uganda was secure and offers attractive investment incentives.

Lawrence Byensi, the Chief Executive Officer, Uganda Investment Authority said the investors would be provided with land to set up their plant.

He said the group was in the process of completing all the necessary investment of requirements.