

Dam power cuts frustrate Ugandans

Frequent power cuts in the Ugandan capital of Kampala and the country in general are hitting businesses of all types and raising costs.

Kampala – The reason for higher costs is simple... even the most basic of transactions have to be done manually. That means frustrated customers, longer queues, and unforeseen costs – such as generators, which some companies have purchased in an effort to beat the blackouts.

What compounds the problem is the lack of any set schedule. If there was one in place, businesses and private individuals would be able to plan their day – everything from when to cook lunch to when to go shopping or visit the local Internet café.

What everyone knows it that the power will be off for half the day.

The all-important question is... which half?

Without that vital piece of knowledge – which should be simple for the authorities to provide – almost every activity requiring any sort of electronic or electric input is likely to be doomed to failure.

At the moment, Uganda's power requirements are met – or, more accurately, not met – by the Nalubaale and Kiira dams. Both are on the Nile, and both are delivering far less than their combined title of 380MW because low outflows from Lake Victoria sees the dams producing a total of only 120MW. When some 90% of the country's electricity is derived from hydroelectric installations the impact of such a shortfall from these two dams is marked.

The answer may be the new Bujagali hydropower project, for which the World Bank granted Uganda US\$360 million in loans last week. But it will take a while: the dam is one of the region's largest investments and construction will take just under four years. Work is due to start this June.

According to Bujagali Energy, the private Kenyan-US joint venture company managing the project, because the two existing dams are parallel to each other, Lake Victoria is being drained at a faster rate than normal. The Bujagali dam, they say, will perform much better as it's downstream of the existing pair.

Total cost of the new project is expected to be in the region of US\$750 million and it is hoped it will reduce the cost of electricity from the current US24c per unit to about a quarter of that.

In the meantime, Ugandans will have to face on-going cuts, the authorities will have to handle the environmentalists, many of whom are strongly opposed to the new project – and the GDP will still be knocked.

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