



Deregulate the Transport Sector

Transport is an important sector within Uganda's economy, yet it has been the subject of increasing debate on issues ranging from debilitating road transport congestion, and inadequate sector capacity to allegations of public fund mismanagement and violation of environmental and social safeguards during major road projects. Uganda's transport sector is predominantly road-based and experiences substandard road quality in various regions, limited public transport options, heavy dependence on informal transport, notably boda bodas, and neglected potential of alternative modes like rail and water transport.

In response, the government has ramped up funding for infrastructure development. Over the last two fiscal years, the sector's budget escalated from Ugshs. 4.69 trillion in FY 2023/24 to Ugshs. 4.98 trillion in FY 2024/25. However, this increased investment has not stemmed to tide of road accidents, which have seen a 16% increase from 10,776 in 2022 to 12,487 in 2023, as reported by the Directorate of Traffic and Road Safety, Uganda Police Force, 2024. Additionally, traffic congestion in Kampala leads to an annual loss of approximately 52 days per resident, equating to about 24,000 man-hours lost daily.

The traditional argument for government intervention in transport has centered around ownership, resource allocation, and regulation to ensure quality and capacity. Yet, often creates state monopolies and public control, where resource allocation is based on government agendas other than consumer needs. Deregulation could transform Uganda's transport sector by creating more competition aligning service quality, capacity, and resource allocation more closely with consumer preferences. Removing unnecessary regulation will encourage private sector involvement in air transport, road construction, and financing, potentially leading to innovation and efficiency gains.

To meet both economic and societal needs, an efficient and competitive transport sector is required. That can be achieved through efforts of transferring government-controlled transport operations to the private sector where feasible to enhance efficiency and responsiveness to market demands, closer partnership between private and public sectors allowing certain parts of the transport system to function under free market principles while still benefitting from public oversight, removing unnecessary and redundant regulations to eliminate bureaucracy and promote a responsive and dynamic transport sector, and improving service delivery of government agencies, specifically ensuring they support rather than deter private sector initiative.

In summary, an efficient and competitive transport sector in Uganda is desirable and very important for economic growth and societal well-being. Deregulation with careful oversight will create a better transport system that serves the populace, reduces congestion, and improves safety, along with environmental and social considerations.

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