

## AFRICA RISK CONSULTING

### Uganda Monthly Briefing May 2025

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#### Uganda Summary 6 May 2025

**Uganda Defence Forces chief Muhoozi Kainerugaba, son of President Yoweri Museveni (1986-present), stokes ethnic tensions following the abduction of Eddie Mutwe, chief civilian bodyguard of main opposition politician Robert Kyagulanyi (also known as Bobi Wine). Uganda and Rwanda renew their proxy warfare in the Democratic Republic of the Congo as each country aims to strengthen its sphere of influence using proxy militias. The Ugandan government announces that domestic investors and start-up businesses will be exempted from income tax for three years.**

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#### First son Gen. Muhoozi Kainerugaba blamed for fuelling ethnic tension in Uganda

Uganda's Chief of Defence Forces and son of President **Yoweri Museveni** (1986-present), Gen. **Muhoozi Kainerugaba**, has stoked ethnic tension following the revelation that the missing chief civilian bodyguard of main opposition politician **Robert Kyagulanyi** (also known as **Bobi Wine**), was being illegally held under Kainerugaba's home basement and being "taught" **Runyankole**, a dialect spoken in the president's home region.<sup>1</sup> Individuals in both civilian and military attire abducted **Edward Rogers Ssebuufu** (also known as **Eddie Mutwe**) on 27 April from **Kiwango Trading Centre** in **Mukono District**. Days later, Muhoozi confirmed Mutwe's detention through a series of provocative posts on **X** (formerly **Twitter**).<sup>2</sup> In his posts, Kainerugaba claimed responsibility for Mutwe's detention, stating:

*"He is in my basement. Learning Runyankore. You [Bobi Wine] are next!"*<sup>3</sup>

In remarks widely interpreted as likely to cause tribal tension between the Banyankole (Museveni's tribe) and the **Baganda**, the dominant tribe in central region to which both Bobi Wine and the bodyguard belong, Muhoozi mocked Mutwe's appearance:

*"If you see Eddie's head now, he looks like an egg. Totally clean."*<sup>4</sup>

Kainerugaba's remarks led supporters of the opposition **National Unity Platform (NUP)** in western Uganda, where President Museveni comes from, to stage a demonstration on the streets of **Mbarara** town to denounce what they called "politically motivated abductions and tribal incitement".<sup>5</sup> NUP head of legal affairs for western Uganda **Joshua Tumukude** told local media in Kampala that Kainerugaba is promoting tribalism by saying that he abducted "a muganda tribesman" (Wine's bodyguard) to teach him Runyankole (Kainerugaba's language), describing Kainerugaba's actions as "illegal and dangerous".<sup>6</sup>

Even some **First Family** members took issue with Kainerugaba's remarks. Museveni's son-in-law, **Odrek Rwabwogo**, has appealed to Ugandans to hold Kainerugaba accountable for his actions rather than demonising the entire First Family. Rwabwogo is the husband of Gen. Kainerugaba's sister and chairperson of the **Presidential Advisory Committee on Exports and Industrial Development**

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<sup>1</sup> ARC analyst, 6 May 2025

<sup>2</sup> X, 3 May 2025

<sup>3</sup> X, 3 May 2025

<sup>4</sup> X, 3 May 2025

<sup>5</sup> ARC analyst, 6 May 2025

<sup>6</sup> Nile Post, 5 May 2025

**(PACEID)**.<sup>7</sup> Speaking on 3 May during a local radio talk show in Kampala, Rwabwogo said Kainerugaba should be held to account for his actions, including human rights violations, and controversies as the **Uganda People's Defence Force's** chief of defence forces (CDF).<sup>8</sup>

The general's statements have sparked outrage among political observers and human rights organisations, raising serious concerns about the use of military power against political opponents and the erosion of democratic principles in Uganda.<sup>9</sup> **Uganda Human Rights Commission** chairperson **Mariam Wangadya** issued a statement ordering Gen. Muhoozi Kainerugaba to immediately release Mutwe, who had been in detention since 26 April.<sup>10</sup>

*"This is to direct you to cause the immediate release of Edward Rogers Ssebuufu (also known as Eddie Mutwe) from your custody failure of which, you may be liable for contempt under Article 53(1)(d) of the constitution."*<sup>11</sup>

Following Wangadya's statement, Mutwe was produced before the Chief Magistrate Court in the **Central Uganda** district of **Masaka** on 5 April, limping, reportedly as a result of torture, and subsequently charged and remanded in prison.<sup>12</sup>

Justice and constitutional affairs minister **Norbert Mao** broke ranks with the government's silence on Kainerugaba's actions and issued a statement on 5 May, which condemned Mutwe's arbitrary arrest and torture but fell short of naming the perpetrator.<sup>13</sup>

*"Bringing illegally detained, brutalized and tortured suspects before the courts of law is an abuse of judicial processes that emanate from the abuse of suspects' constitutional rights and should be roundly condemned. The courts must act swiftly and handle these matters expeditiously based on precedent."*<sup>14</sup>

President Museveni will be seeking another five-year term when Uganda goes to the polls in January but with his support dwindling among the youth, members of the security forces led by Kainerugaba are likely to use violence to confront any opposition to Museveni's long stay in power.<sup>15</sup>

### Uganda sponsoring proxy militias to counter Rwanda in DRC

Uganda and **Rwanda** are renewing their proxy warfare in the **Democratic Republic of the Congo (DRC)** as each country aims to strengthen its sphere of influence using proxy militias.<sup>16</sup> A 1 May report by the **Institute for the Study of War** indicates that as part of the proxy conflict, Uganda maintains ties to the Rwandan-backed **M23** rebel movement and has activated its own rebel proxies in the eastern DRC.<sup>17</sup> The report states that Uganda is using these relationships to counterbalance Rwandan influence in the eastern DRC and unilaterally influence DRC affairs:

*"Ugandan meddling perpetuates conflict in the eastern DRC by proliferating the number of armed actors, injecting regional competition into local conflicts, and complicating peace efforts."*<sup>18</sup>

Local analysts say the 24 April army reshuffle that saw former military attaché to DRC Maj. Gen **Richard Otto** appointed Chief of Defence Intelligence and Security (CDIS) may

<sup>7</sup> Capital FM, 3 May 2025

<sup>8</sup> Capital FM, 3 May 2025

<sup>9</sup> Uganda analyst 3 May 2025

<sup>10</sup> Uganda Human Rights Commission, 3 May 2025

<sup>11</sup> Uganda Human Rights Commission, 3 May 2025

<sup>12</sup> Nile Post, 5 May 2025

<sup>13</sup> Nile Post, 5 May 2025

<sup>14</sup> Nile Post, 5 May 2025

<sup>15</sup> ARC analyst 6 May 2025

<sup>16</sup> ARC analyst 6 May 2025

<sup>17</sup> ISW, 1 May 2025

<sup>18</sup> ISW, 1 May 2025

be part of the scheme to strengthen Uganda's diplomatic and covert activities to counter Rwanda's intelligence dominance in the DRC.<sup>19</sup>

Chief of Defence Forces Gen. Muhoozi Kainerugaba on 26 April took an unusually direct stance on the political future of the DRC, declaring that former President **Joseph Kabila** (2001-2019) must not return to power.<sup>20</sup> In a series of tweets on 26 April, Kainerugaba openly endorsed President **Félix Tshisekedi** (2019-present), underscoring Uganda's growing interest in DRC's stability and economic partnership:

*"I will not let Joseph Kabila become a President of DRC again! You can forget about that."*<sup>21</sup>

The importance of Uganda's relationship with DRC has grown steadily over the past decade. According to the **Bank of Uganda** (central bank), DRC is now Uganda's second-largest export destination after **Kenya**.<sup>22</sup> In 2023, Uganda exported goods worth over \$500m to DRC, with unofficial cross-border trade pushing the total close to \$700m. Major exports include cement, iron and steel products, foodstuffs and petroleum.<sup>23</sup>

### Uganda offers local investors three-year tax holiday

The Ugandan government has announced that domestic investors and start-up businesses will be exempted from income tax for three years.<sup>24</sup> Local media quote finance minister **Henry Musasizi** saying that the three-year income tax holiday for start-up businesses established by citizens will come into effect on 1 July:

*"Many start-ups struggle with high start-up costs limiting their ability to grow, this incentive is aimed at fostering innovation, encouraging the formalisation of small and medium enterprises, enhancing business survival rates, and promoting job creation. In addition, this tax holiday will reduce their tax burden, foster entrepreneurship, boost domestic investment, and accelerate economic transformation."*<sup>25</sup>

The qualifying industries must be registered with an investment capital of not more than 500 million Uganda shillings (\$136,732).<sup>26</sup>

According to the **Income Tax Amendment Bill 2025**, the introduction of the tax waiver aims to incentivise and directly uplift small businesses, unlike in the past where incentives have mostly targeted strategic investors with a capital of \$300,000 or \$150,000 for those investing upcountry.<sup>27</sup> However, the Bill does not clarify what happens if an investor increases his capital beyond \$136,732 during the three-year tax exemption period.<sup>28</sup> PwC senior tax manager **Sophie Kayemba** says the tax waiver may have little impact if the government does not tackle other aspects of the general operating environment that increase the cost of doing business, such as high costs of accessing capital, high occupancy (rent) costs, poor infrastructure and poor governance.<sup>29</sup>

<sup>19</sup> ARC analyst 6 May 2025

<sup>20</sup> X, 26 Apr 2025

<sup>21</sup> X, 26 Apr 2025

<sup>22</sup> Bank of Uganda report 2023

<sup>23</sup> Bank of Uganda report 2023

<sup>24</sup> Uganda Investment Authority, 3 Apr 2025

<sup>25</sup> Business Focus, 4 Apr 2025

<sup>26</sup> ARC source, analyst, 6 May 2025

<sup>27</sup> ARC source, analyst, 6 May 2025

<sup>28</sup> ARC source, analyst 6 May 2025

<sup>29</sup> ARC source, analyst 6 May 2025

## Planner

8 May 2025 **Kampala (Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting

28 May 2025 **Kampala (Uganda)** International Conference on Tourism, Transport, and Logistics

Aug 2025 **(Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting

20 – 25 Sep 2025 **Kampala (Uganda)** Uganda International Oil & Gas Summit

Nov 2025 **(Uganda) Bank of Uganda** (central bank) **Monetary Policy Committee (MPC)** meeting

2 Jan – 9 Feb 2026 **(Uganda)** General election

## Chronology

6 May 2025 **Kampala (Uganda)** *Reuters*. Opposition **National Unity Platform** leader **Bobi Wine** and his lawyer say opposition activist and Wine's chief bodyguard, **Eddie Mutwe** (also known as **Edward Ssebuufu**), whom President **Yoweri Museveni's** son said he was holding in his basement, was brought to court on 5 May, charged with robbery and remanded to prison, after armed men seized him close to Kampala on 27 April;

5 May 2025 **Kampala (Uganda)** *Independent*. President **Yoweri Museveni**, who also serves as ruling **National Resistance Movement (NRM)** chairman, announces the suspension of the Monday Cabinet meeting and requests the Speaker of Parliament, **Annet Anita Among**, to suspend the 6 May parliamentary sitting to allow ministers and Members of Parliament to participate in the upcoming party elections;

4 May 2025 **Kampala (Uganda)** *New Vision*. Uganda opens a passport office in **Riyadh (Saudi Arabia)** in response to overwhelming demand, particularly from Ugandan migrant workers who have endured logistical challenges travelling to the **United Arab Emirate** or back to Uganda to process their travel documents;

3 May 2025 **Kampala (Uganda)** *Aljazeera*. Chief of defence forces, General **Muhoozi Kainerugaba**, son of President **Yoweri Museveni**, says he is holding missing opposition activist **Eddie Mutwe** in his basement after Mutwe's party, the **National Unity Platform (NUP)**, said Mutwe went missing on 27 April after armed men seized him near Kampala;

2 May 2025 **Kampala (Uganda)** *Independent*. **Uganda Bureau of Statistics (UBOS)** reports that Uganda's headline inflation in April nudged up to 3.5% from 3.4% in March with electricity prices dampening the overall inflation of the energy, fuel, and utilities (EFU) category, which recorded 0.0% annual change in April compared to 0.4% in March;

1 May 2025 **Kampala (Uganda)** *OPM*. Opposition politicians accuse President **Yoweri Museveni** of attempting to quash dissent by prosecuting opponents on politically motivated charges in military courts in the run-up to presidential and legislative elections next year as the government seeks to introduce a law to allow military tribunals to try civilians despite a **Supreme Court** ban on the practice;

30 Apr 2025 **Kampala (Uganda)** *256 Business news*. **Uganda National Oil Company (UNOC)** officials expects domestic fuel prices to continue declining, citing falling international crude oil prices and stable supplies of refined petroleum products in the local market;

29 Apr 2024 **Kampala (Uganda)** *Reuters*. President **Yoweri Museveni** says he had a "productive meeting" with the representatives of tech billionaire **Elon Musk's Starlink**, which is looking to establish a presence in Uganda;

28 Apr 2025 **Kampala (Uganda)** *Reuters*. The Uganda shilling strengthens slightly, bolstered by month-end inflows of hard currency from charities, with commercial banks quoting the shilling at 3,660/3,670, a slight improvement from close of 27 April, which stood at 3,665/3,675;

27 Apr 2025 **Kampala (Uganda)** *Independent*. Chinese firm **Sinopec** begins training over 800 Ugandans for the country's oil sector, aiming to develop a skilled local workforce for the **Central Processing Facility**;

26 Apr 2025 **Kampala (Uganda)** *Relief web*. Ministry of health declares the end of the Sudan virus disease (SVD) outbreak after two consecutive incubation periods (a total of 42 days) since the last person confirmed with SVD tested negative for the virus on 14 March;

24 Apr 2025 **Kampala (Uganda)** *Independent*. Ministry of health declares the end of Uganda's latest Ebola outbreak, three months after the first cases emerged in Kampala, confirming that 42 days have passed without new infections since the last patient was discharged;

22 Apr 2025 **Kampala (Uganda)** *Independent*. Ministry of works and transport announces the start of enforcement of new speed limit regulations, which dramatically lower speed limits in urban and high-pedestrian zones, increase fines, and empower local governments to implement stricter traffic controls;

21 Apr 2025 **Kampala (Uganda)** *WHO*. Opposition **Uganda People's Congress (UPC)** president **Jimmy James Michael Akena Obote** denies reports that he has brokered a political deal with President **Yoweri Museveni** and the ruling **National Resistance Movement (NRM)**, following reports that Akena, Member of Parliament for **Lira City East**, may not contest in the 2026 presidential race due to an alleged arrangement between the UPC and the NRM;

20 Apr 2025 **Kampala (Uganda)** *Independent*. Finance ministry economic development, policy, and research commissioner **Joseph Enyimu** says Uganda is developing a national commodities exchange aimed at securing its minerals and enabling their trade on the stock market to formalise trade and attract both local and international investors;

19 Apr 2025 **Kampala (Uganda)** *Independent*. President **Yoweri Museveni** says Uganda will prioritise **African** markets following the **United States'** decision to impose a 10% tariff on imports from most countries;

18 Apr 2025 **Kampala (Uganda)** *Parliament*. Minister of state for foreign affairs (Regional Affairs) **John Mulimba** says the ministry will reduce the number of diplomatic missions abroad from the current 38 to about 15, according to a presidential directive citing cost concerns and questions around their effectiveness;

17 Apr 2025 **Kampala (Uganda)** *Independent*. Mineral expert and **Africa Centre for Energy and Mineral Policy (ACEMP)** executive director **Don Bwesigye Binyina** advises the **Bank of Uganda (BoU)** (central bank) to exercise caution as it intensifies the purchase of gold from local refineries, warning that the BoU could in future be accused of facilitating or buying illicit gold in the **Great Lake's Region** or of purchasing comingled gold unknowingly;

16 Apr 2025 **Kampala (Uganda)** *256 Business news*. State-owned national carrier **Uganda Airlines** launches its carbon-offset scheme – the **Victoria Nile Carbon Initiative VNCI** – through which it hopes to enlist its passengers to support sustainability initiatives around the world's largest tropical freshwater lake, while also shoring up its own green credentials;

15 Apr 2025 **Kampala (Uganda)**. *Parliament*. A plenary session of parliament passes the **Sugarcane (Amendment) Bill, 2023** providing for self-regulation of the sugarcane industry by a stakeholder council;

14 Apr 2025 **Kampala (Uganda)** *Parliament Watch*. Parliamentarians express concern over the rising number of child labour cases in Uganda, warning that the trend could soon trigger a ban on Uganda's exports to the **United States** and **European Union** markets;

13 Apr 2025 **Kampala (Uganda)** *Reuters*. **Tax Appeals Tribunal** chairperson **Crystal Kabajwara** and members **Proscovia Nambi** and **Stella Nyapendi** dismiss an application by **Kuku Foods Uganda Ltd**, franchisee of **KFC** in Uganda, which sought to restrain the **Uganda Revenue Authority**

**(URA)** from adjusting its declared tax losses, finding that Kuku Foods had not met all the conditions necessary for the grant of the temporary injunction;

12 Apr 2025 **Kampala (Uganda)** *Independent*. Works and transport ministry permanent secretary **Waiswa Bageya** says the Government has commenced the process to institute a new board of directors of state-owned **Uganda Airlines Company Ltd**, following the expiry of the current board, which was inaugurated on 1 April 2022, replacing the interim board appointed in 2019 to oversee the commencement of the revived airline;

10 Apr 2025 **Kampala (Uganda)** *The Cooperator*. **Petroleum Authority of Uganda (PAU)** executive director **Ernest Rubondo** says over 100 oil wells have been drilled to date as part of the **Tilenga** project, operated by **TotalEnergies EP Uganda (TEPU)**, with at least 150 wells expected to be completed before production begins for first oil;

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