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Uganda Summary 20 August 2018

Political violence rocks the Arua by-election. Police arrest independent legislator and musician Robert Kyagulanyi, popularly known as Bobi Wine. Riots spread in Kampala, as protesters demand Kyagulanyi's release from military detention. The Constitutional Court upholds the 2017 constitutional amendment that removed the age limit of 75 on the president of Uganda, paving the way for President Yoweri Museveni (1986-present) to run for office again in 2021 and beyond. The Constitutional Court annuls the constitutional amendment that extended the tenure of parliament from five to seven years. The Bank of Uganda (BoU) (central bank) holds the benchmark rate at 9% as it seeks to contain rising inflation. The Uganda Bureau of Statistics (UBOS) cautions that the newly imposed tax on social media usage is contributing to rising inflation.

Violence mars Arua by-election

Police have arrested prominent opposition members of parliament (MPs) as violence flared up in the **Arua** by-election in northern **Uganda** to replace the assassinated former legislator, **Ibrahim Abiriga**.¹ The violence has given rise to local and international criticism of the police's heavy-handedness and President **Yoweri Museveni's** (1986-present) authoritarian administration.² Political violence erupted on 13 August as political candidates and their supporters were wrapping up campaign activities on the eve of the election.³ Suspected government security operatives shot and killed the driver of popular musician-turned independent legislator for **Kyadondo East, Robert Ssentamu Kyagulanyi**, popularly known as **Bobi Wine**.⁴ Kyagulanyi was in Arua campaigning on behalf of independent candidate **Kassiano Wadri**, who eventually won the election, while President Museveni campaigned for the ruling **National Resistance Movement (NRM)** candidate, **Nusura Tiperu**.⁵

In a Tweet shortly after the driver's shooting, Kyagulanyi claimed that police shot his driver, **Yasin Kawuma**, in error because they were targeting him.⁶ However, the police claimed that a stray bullet killed Kawuma.⁷ Police spokesman **Emilian Kayima** said that Wadri's supporters had obstructed and attacked President Museveni's motorcade, and members of the **Special Forces Group (SFG)**, which protects the president, intervened to prevent the situation from deteriorating, using teargas and gunshots to disperse the protesters.⁸ Police subsequently arrested and detained Kyagulanyi, along with the member of parliament-elect for Arua, **Kasiano Wadri**, legislators **Francis Zaake (Mityana)**, **Paul Mwiru (Jinja)**, **Gerald**

¹ VoA News, 14 Aug 2018.

² VoA News, 14 Aug 2018.

³ VoA News, 14 Aug 2018.

⁴ VoA News, 14 Aug 2018.

⁵ Africa News, 14 Aug 2018.

⁶ VoA News, 14 Aug 2018.

⁷ Africa News, 14 Aug 2018.

⁸ Reuters, 14 Aug 2018.

Karuhanga (Ntungamo) and former **Makindye East** legislator, **Michael Mabike**.⁹

Presidential spokesman **Don Wayama** claimed that members of the opposition attacked President Museveni's car.¹⁰ He also posted an image on **Twitter** of a vehicle that bore the Ugandan presidential seal, with its rear window smashed.¹¹ Police spokesman Emilian Kayima issued a statement accusing the legislators of acts of violence against the presidential motorcade:

"Supporters of candidate Kasiano Wadri with imported support groups led by members of parliament Robert Kyagulani, Francis Zaake, Paul Mwiru, Gerald Karuhanga and former MP Michael Mabike obstructed and violently attacked the presidential motorcade during which one of the vehicles bearing the presidential coat of arms had its windscreen smashed."¹²

Police arrested 34 people, including news reporters **Herbert Zziwa** and **Ronald Muwanga**, on charges of inciting violence and causing malicious damage to property.¹³ The **Human Rights Network for Journalists** condemned the arrests, accusing the government of abusing its power in attacking citizens, and arresting journalists whose reportage exposed the human rights abuses that accompanied the Arua by-election.¹⁴ Violent riots have erupted in Uganda's capital, **Kampala**, since the legislators' arrest.¹⁵ One person has died, and several others were injured during clashes with the police.¹⁶ Uganda's military police have detained Kyagulanyi at the **Makindye** military barracks, and charged him with the illegal possession of firearms, in addition to allegedly participating in the attack on President Museveni's motorcade.¹⁷ The army has since deployed low-flying helicopters and foot patrols to maintain law and order in Kampala.¹⁸

The police and military's heavy-handed response to the violence in Arua, and arrests of the independent legislators primarily emanates from President Museveni's desire to curtail the younger politicians' mass appeal.¹⁹ Both the ruling NRM and the opposition **Forum for Democratic Change (FDC)** see Kyagulanyi as particularly popular among young people, who constitute the majority of Uganda's population.²⁰ However, the arrests will serve to boost the younger legislators' appeal, and will not earn Museveni and the ruling NRM any political capital.²¹ The ongoing violent protests taint the image Museveni seeks to portray as a stabilising force in the **East African** geopolitical region.²²

Appeal Court upholds removal of age limits, annuls extension of tenure of parliament

The **Ugandan Court of Appeal**, sitting as a **Constitutional Court**, delivered its ruling on 26 July on the petition challenging the removal of the constitutional limit on the president's age,

⁹ VoA News, 14 Aug 2018.

¹⁰ VoA News, 14 Aug 2018.

¹¹ VoA News, 14 Aug 2018.

¹² Police spokesman, Emilian Kayima quoted in VoA News, 14 Aug 2018.

¹³ VoA News, 14 Aug 2018.

¹⁴ VoA News, 14 Aug 2018.

¹⁵ CNN, 20 Aug 2018.

¹⁶ CNN, 20 Aug 2018.

¹⁷ CNN, 20 Aug 2018.

¹⁸ CNN, 20 Aug 2018.

¹⁹ Source, analyst, London

²⁰ Source, analyst, London

²¹ Source, analyst, London

²² Source, analyst, London

which parliament had made in 2017.²³ The majority 4:1 ruling stated that parliament's amendment of **Article 102 (b)** of the constitution to remove the 75-year age limit of the president and chairpersons of district local councils was constitutional.²⁴ Justice **Kenneth Kakuru** made the lone dissenting ruling, while the four who ruled in favour of the amendment were justices **Alfonse Owiny-Dollo, Remy Kasule, Barishaki Cheborion and Elizabeth Musoke**.²⁵ However, all the judges unanimously ruled that the extension of the tenure of parliament and local councils by two years, (**Article 77(3)**, which extended members of parliament's terms from five to seven years) was unconstitutional, and annulled it.²⁶ The judges also ruled against reinstating the two-year term limits on the president, which parliament removed in 2005 to allow President Museveni to seek reelection.²⁷

The ruling followed a petition that the **Uganda Law Society** and individual petitioners such as Uganda-based lawyer **Male Mabirizi** had submitted to Uganda's constitutional court challenging the constitutional amendment that effectively allowed President Museveni (now 73) to run for office in 2023, and potentially stay in office for life.²⁸

*"The ruling is part of Museveni's political theatre. It was inconceivable that the judges would rule against Museveni, given the judiciary's limited independence. Museveni had secured a favourable judgment for himself already, and figuratively threw the MPs under the bus. At the beginning, Museveni gave the extension of the term of parliament as a sweetener to the MPs so that they would pass the removal of age limits with gusto. Thus, having the court annul the amendment to extend the tenure of parliament gives a semblance of judicial independence, when it does not really have any adverse political effect on Museveni, and simply means the MPs have to contest elections within the usual five years."*²⁹

President Museveni criticised the Constitutional Court judges on 30 July for their nullification of the extension of legislators' term limits.³⁰ Although the criticism would portray the judiciary as independent of the executive, it masks the extent of Museveni's influence over the judiciary's decisions.³¹ In a written statement, Museveni said that the judges focused on form and procedure, rather than the substance of the extension of terms of office.³² Museveni also warned the judges that they were not in charge of the country and indicated that he would work with legislators from the ruling NRM to "harmonise and galvanise" their position on the issue.³³

"With the five years, a lot of time is spent on electioneering and less time on development; the first two years settling in, the third year some work in the constituency and, then, by the fourth year, electioneering again... Unfortunately, our judges in Uganda spend more time on form and not substance. In the end however, the judges are not the ones in charge of the country. If the NRM MPs follow my guidelines and bond closely with

²³ The East African, 28 Jul 2018.

²⁴ The East African, 28 Jul 2018.

²⁵ The East African, 28 Jul 2018.

²⁶ The East African, 28 Jul 2018.

²⁷ The East African, 27 Jul 2018.

²⁸ The East African, 28 Jul 2018.

²⁹ Source, analyst, London

³⁰ Daily Monitor, 31 Jul 2018.

³¹ Daily Monitor, 31 Jul 2018.

³² Daily Monitor, 31 Jul 2018.

³³ Daily Monitor, 31 Jul 2018.

*the people, we can, together with the people, make the necessary constitutional reforms, judges or no judges... The undemocratic age limit nonsense was clear.*³⁴

Uganda Law Society president **Simon Peter Kinobe** criticised Museveni's comments:³⁵

*"We are living under a democratic dispensation with the Constitution setting out the specific roles of each organ of State. At no time should one arm interfere or castigate the roles of the other. When a judgment is made, not everyone is happy with it and the best way of handling this is that the party that is not satisfied with it should appeal before a higher court."*³⁶

The ruling is significant in that it allows President Museveni to run for office again in 2023 and beyond, thus extending his 32-year rule.³⁷ Petitioners have the option of lodging an appeal to the Supreme Court, although it is unlikely that it would overturn the Constitutional Court's ruling.³⁸ The Supreme Court has a history of ruling in favour of Museveni. It upheld his electoral victories in 2001, 2006 and 2016, despite considerable evidence of irregularities in the elections.³⁹

Central bank holds benchmark rate at 9%

The **Bank of Uganda (BoU)** (central bank) **Monetary Policy Committee (MPC)** announced on 13 August that it would maintain its benchmark rate at 9%.⁴⁰ This is a record low rate for the BoU, as it attempts to balance increased inflation, which is at 3.1%, and the need to support economic growth.⁴¹ BoU governor **Emmanuel Tumusiime-Mutebile** said that Uganda's core inflation would peak at approximately 6 or 7% in January to June 2019, and stabilise at approximately 5% by the end of 2019.⁴² He also said that Uganda's gross domestic product (GDP) increased 5.8% in the year ending 30 June, from 3.9% in the part year, and was likely to increase to 6% in the year ending June 2019.⁴³

Mutebile said that Uganda faces economic risk from issues related to the financing of public investment programmes, increased global trade tensions, and Uganda's weak external-balance position.⁴⁴ Its current account deficit increased to 5.8% of GDP in the year ending in June, from 3.4% the previous year.⁴⁵ The government is currently investing in the development of infrastructure that will support its oil sector, which is currently in the infrastructural development phase.⁴⁶ This mainly includes roads, an airport in the oil region of **Hoima**, oil refinery, and crude oil pipeline, ahead of the planned export of oil through **Tanzania's** port of **Tanga** starting in 2020/2021.⁴⁷ Mutebile indicated that despite the potential long-term benefits of the public infrastructure projects, they attract very high costs, which may crowd out investment and consumption, delaying the growth benefits of public

³⁴ Excerpts from president Yoweri Museveni's statement, quoted in Daily Monitor, 31 Jul 2018.

³⁵ Daily Monitor, 31 Jul 2018.

³⁶ Uganda Law Society president, Simon Peter Kinobe quoted in Daily Monitor, 31 Jul 2018.

³⁷ Source, analyst, London.

³⁸ Source, analyst, London

³⁹ Source, analyst, London

⁴⁰ IOL, 14 Aug 2018.

⁴¹ IOL, 14 Aug 2018.

⁴² IOL, 14 Aug 2018.

⁴³ IOL, 14 Aug 2018.

⁴⁴ Bloomberg, 14 Aug 2018.

⁴⁵ Bloomberg, 14 Aug 2018.

⁴⁶ Bloomberg, 14 Aug 2018.

⁴⁷ Bloomberg, 14 Aug 2018.

investments as a result.⁴⁸

The newly imposed tax on social media usage partly accounts for Uganda's rising rate of inflation.⁴⁹ The **Uganda Bureau of Statistics (UBOS)** said on 30 August that the new tax on Over the Top (OTT) internet services has driven the rate of Uganda's annual headline inflation from 2.1% to 3.1%.⁵⁰ The UBOS made the revelation during the release of the **Consumer Price Index (CPI)** for the year ending July, at **Statistics House**.⁵¹ UBOS director of macroeconomic statistics **Chris Mukiza** said that the tax increased consumers' expenditure on communication services within one month, and this caused the movement index from 0 to 20.3%.⁵² Mukiza indicated that the tax affected Kampala the most because it has the highest concentration of social media users in Uganda.⁵³

"Kampala [registered] the highest annual inflation of 5.0% for the year ending July 2018, compared to 3.0% recorded for the year ending June 2018. The second highest inflation was registered in the Kampala low-income group at 3.3% for the year ending July 2018, compared to 2.2% recorded in the year ended June 2018."⁵⁴

Mukiza also said that the overall increase in annual inflation in Uganda emanates from the annual core inflation that increased to 2.5% for the year ending July 2018, compared to 0.8% registered for the previous year.⁵⁵

"It points out that this increase was due to annual services inflation that registered 4.1% for the year ending July 2018, compared to 1.7% recorded for the year ended June 2018."

UBOS added that transport inflation was pegged at 12.1% for the year ending July 2018, compared to 8.0% in June 2018.⁵⁶ Transport inflation increased because of the rise in global oil prices and taxes on oil, and depreciation of the shilling against the dollar in the first half of 2018.⁵⁷ Although the OTT tax contributes to rising inflation, the government is unlikely to remove it, as it seeks to expand its domestic tax base.⁵⁸ Apart from its effect on inflation, the tax will weaken Uganda's economy through undermining businesses that depend on social media usage for marketing goods and services.⁵⁹ It will also discourage new investment from internet-based technologies, which are currently driving economic growth both in developed and developing markets.⁶⁰

⁴⁸ Bloomberg, 14 Aug 2018.

⁴⁹ The Monitor, 1 Aug 2018.

⁵⁰ The Monitor, 1 Aug 2018.

⁵¹ The Monitor, 1 Aug 2018.

⁵² The Monitor, 1 Aug 2018.

⁵³ The Monitor, 1 Aug 2018.

⁵⁴ The Monitor, 1 Aug 2018.

⁵⁵ The Monitor, 1 Aug 2018.

⁵⁶ The Monitor, 1 Aug 2018.

⁵⁷ The Monitor, 1 Aug 2018.

⁵⁸ Source, analyst, London

⁵⁹ Source, analyst, London

⁶⁰ Source, analyst, London

Planner

19 Sept 2018. **Kampala (Uganda)** Uganda International Oil and Gas Summit;
 21 Sept 2018. **Kampala (Uganda)** Digital and Financial Expo;
 27 Sept 2018. **Kampala (Uganda)** Uganda Food Expo;
 5 Oct 2018 **Kampala (Uganda) Bank of Uganda** Monetary Policy Committee meeting
 5 Oct 2018. **Kampala (Uganda)** Uganda International Trade Fair;
 14 Dec 2018 **Kampala (Uganda) Bank of Uganda** Monetary Policy Committee meeting
 2023. **(Uganda)** Uganda general election;

Chronology

20 Aug 2018. **Kampala (Uganda)** *CNN*. Clashes between protesters and the **Uganda People's Defence Forces (UPDF)** claims one life and injures several others, as protesters demand the release of popular musician-cum-legislator **Robert Kyagulanyi**;

20 Aug 2018. **Kampala (Uganda)** *NTV*. The **British** government issues a travel advisory warning its citizens of violent protests in **Uganda**;

17 Aug 2018. **Kampala (Uganda)** *The Observer*. **European Union (EU)** heads of mission from the **Austrian, Belgian, Danish, French, German, Irish, Italian, Swedish, British, Norwegian,** and **Iceland** embassies issue a statement condemning the political violence in the **Arua** by-election, arrests and torture of opposition legislators;

13 Aug 2018. **Kampala (Uganda)** *Bloomberg*. The **Bank of Uganda (BoU)** holds the key interest rate at a record low 9%, as it seeks to contain rising inflation;

16 Aug 2018. **Kampala (Uganda)** *Al Jazeera*. The **Uganda People's Defence Force (UPDF)** charges independent legislator and musician, **Robert Kyagulanyi** of unlawful possession of arms and inciting violence;

14 Aug 2018. **Kampala (Uganda)** *The East African*. Drug-making company **Cipla Quality Chemicals** announces its initial public offering (IPO) in which it is floating 657 million shares at \$0.07 per share;

6 Aug 2018. **Dar es Salaam (Tanzania)** *Times Live*. The state-run **Tanzania Petroleum Development Corporation (TPDC)** announces plans to build a pipeline to pump natural gas to **Uganda**;

30 Jul 2018. **Kampala (Uganda)** *Bloomberg*. President **Yoweri Museveni** criticises the **Constitutional Court's** annulment of the 2017 constitutional amendment that extended the term of parliament from five to seven years;

26 Jul 2018. **Mbale (Uganda)** *Daily Monitor*. **Uganda's Constitutional Court** upholds the 2017 constitutional amendment that removed the age cap of 75 years from the president of Uganda, paving the way for President **Yoweri Museveni** to run for office again in 2023;



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Please contact us by email info@africariskconsulting.com or call + 44 (0) 20 7078 4080

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