



REPUBLIC OF UGANDA

MINISTRY OF WORKS AND TRANSPORT

**STATEMENT TO PARLIAMENT OF UGANDA IN RESPONSE TO CONCERNS
RAISED BY HON. NAMBOOZE BETTY BAKIREKE (MP, MUKONO
MUNICIPALITY) CONCERNING MEDIA REPORTS ON PLANS TO PHASE
OUT SOLE OWNERSHIP OF MINI-BUSES IN FAVOUR OF GROUP
OWNERSHIP**

PRESENTED BY

**HON. HENRY AGGREY BAGIIRE
MINISTER OF STATE FOR WORKS AND TRANSPORT (TRANSPORT) ALSO
HOLDING PORTFOLIO FOR MINISTER OF WORKS & TRANSPORT**

30TH JULY 2019

Rt. Hon. Speaker and colleagues, this statement is presented in response to a matter raised at the 14th sitting of the 1st Meeting of the 4th session of the 10th Parliament by Hon. Nambooze Betty Bakireke (MP, Mukono Municipality) concerning media reports on plans to phase out sole ownership of mini-buses in favour of group ownership.

Cabinet under Minute extract No. 537 CT (2018) approved the Traffic and Road Safety (Amendment) Bill, 2019 and authorized the Minister of Works and Transport to gazette the Bill and forward it to Parliament for debate and enactment. The draft amendment Bill is currently before the Physical Infrastructure Committee for consideration. I am confident that the general public and specifically the taxi operators will have a chance to appear before the Committee to discuss the provisions of the Bill.

That notwithstanding, it is my pleasure to clarify on the provision under discussion to this Honourable House.

Rt. Hon. Speaker, the media reports on plans to phase out sole ownership of mini-buses were triggered by the proposed amendment of Section 71 of the Traffic and Road Safety Act, 1998 which proposes that-

'the Minister may in organizing public transport, require **all public transport service providers** to form companies, registered associations, partnerships, Cooperatives or Savings and Credit Societies (SACCOs) in a manner prescribed by regulations'.

Rt. Hon. Speaker, as you are aware Government divested itself from direct provision of public transport services in the 1990s and instead retained the role of regulation. The public transport system in Uganda has since been dominated by the informal sector mainly using minibuses. These emerged to fill the void left by the public bus companies that were divested.

The transportation system in Uganda consists mainly of taxis, motorcycles and private vehicles. Taxis account for 21% of the number of vehicles transporting about 82.6% of the passengers; private vehicles contribute 36.6% of the vehicles transporting about 8.8% of passengers; while 42.4% of all vehicles are motor cycles but only transport 8.5% of the passengers.

The interest of Government is to see a decrease in the use of private vehicles in preference of public transport. This is only possible if the public transport service is of high quality and is efficient.

Rt. Hon. Speaker, the current public transport system is characterized by competition on the road between the different means of transport which neither benefits the operators nor the travelling public. This has led to wasteful competition characterized by price undercutting, reckless driving as operators compete for passengers and violence; unscheduled trips; cut-throat competition on the lucrative routes and inadequate transport services on the less lucrative routes; wrangles between operators which often turn violent for instance between the different taxi associations; increased accidents due to over speeding and reckless driving; and unreliable services to the traveling public.

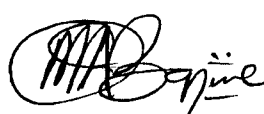
The current system has also affected operators who often cease business due to high operating costs and low profitability. This has made public transport services unsustainable; unattractive and a very risky investment venture.

Rt. Hon. Speaker, the proposed amendment does not specifically target minibus owners but all public transport service providers. The rationale for the proposal is to streamline operations of public transport to reduce wasteful competition and ensure efficient, reliable and sustainable transport services in the Country.

The amendment is aimed at promoting and protecting investment on the one hand, while protecting the consumer and public interests on the other, with the purpose of achieving benefits for the whole society.

Rt. Hon. Speaker, the proposed amendment will not phase out individual ownership of minibuses but will require the individual service providers to operate within the proposed companies, registered associations, partnerships or Cooperatives or Savings and Credit Societies (SACCOs).

The benefits associated with the amendment include allowing for reliable transport services as the operators can schedule the motor vehicles according to the agreed key performance indicators; access to quality public transport services on all routes (both lucrative and less lucrative); improved vehicle fleet; improved profitability for the operators due to reduced cost of doing business; and a reduction in accidents involving public transport vehicles.



Rt. Hon. Speaker, the overall impact of the provision will be a shift from use of private vehicles to public transport which will lead to reduction in congestion and its attendant challenges.

Rt. Hon. Speaker, Uganda is not the first to take this direction in organizing public transport. Kenya which has similar challenges and aspirations as Uganda has organized public transport operators into transport SACCOS and Cooperatives to address these challenges. Regulation of public transport through Transport Cooperatives, SACCOS or Transport Companies is also a global best practice to achieve high efficiency and economies of scale.

Rt. Hon. Speaker, prior to Cabinet approval to amend the Traffic and Road Safety Act, 1998, my Ministry conducted a number of stakeholder consultations including Taxi ('Mini-bus') operators and owners. The proposed amendment of section 71 was never contested.

I wish to assure the House and the transport operators that this particular provision and others that may require transition will be given due time for sensitization to allow for a smooth transition. What my Ministry seeks from the House is to approve the substantive provision in the Amendment Bill. The operationalization of the provision will be through regulations after consultation with the stakeholders, especially the operators.

Rt. Hon. Speaker, Government is also in process of introducing the Bus Rapid Transit. As part of the preliminary processes, Government has identified a development partner, the French Development Agency (AFD) to fund a study that will lay down strategies on engaging, transforming and organizing our current para- transit system (informal taxi and boda boda operators) in preparation for the Bus Rapid Transit and future modes of formal transport. Government is therefore committed to work with the transport operators in improving public transport in Uganda.

Rt. Hon. Speaker, in conclusion:

The proposed amendment empowers the Minister to prescribe the manner in which the provision will be operationalized under Regulations. In this regard, further consultations will be conducted prior to formulation of the regulations to ensure that the concerns of all stakeholders are taken into account. Adequate

transitional measures shall also be provided to ensure smooth implementation of the provision.

Rt. Hon Speaker and Honorable Colleagues, I request for your support on this important intervention to streamline public transport. I beg to submit.



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July 31, 2019

The Clerk to Parliament
Parliament of Uganda
KAMPALA



**MEDIA REPORTS ON PLANS TO PHASE OUT SOLE OWNERSHIP OF MINI-BUSES
IN FAVOUR OF GROUP OWNERSHIP**

Reference is made to your letter **Ref. AB186/186/01** dated 29th July, 2019 on the
above subject matter.

Find attached a statement in response to the concern raised by Hon. Nambooze
Betty Bakireke, Member of Parliament for Mukono Municipality regarding the
media reports on plans to phase out sole ownership of mini-buses in favour of
group ownership.

Bagiiire Aggrey Henry (MP)
**MINISTER OF STATE FOR TRANSPORT, ALSO HOLDING THE PORTFOLIO OF
MINISTER OF WORKS AND TRANSPORT**

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Rt. Hon. Prime Minister of Uganda
The Government Chief Whip, Office of Leader of Government
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Hon. Nambooze Betty Bakireke, Member of Parliament for Mukono
Municipality
The Permanent Secretary, Ministry of Works and Transport