

Uganda: Solving the Global Supply Chain and Labor Constraints

by Thomas R. Cutler



Apogee Logistics Limited was incorporated in 2016 in Uganda, providing integrated end-to-end logistics, clearing, and forwarding services in East Africa and beyond. In 2019, the company became fully licensed under Uganda Revenue Authority Customs Department. Obua was born and raised in Lira District in the Northern part of Uganda and graduated from Makerere University.

TR Cutler: Why are American investors looking to make Uganda a global logistics hub?

Obua: With the great resignation in the USA, people don't want to work despite millions of job openings and limited available real estate for logistics, warehousing, distribution, and manufacturing facilities. Uganda has a significant workforce under 30 years of age who will be thrilled to make \$1000 per month. Land for establishing logistics operations are at nearly 100% of capacity in the United States. Land is plentiful within a short distance of Entebbe airport in Uganda. With Uganda operating as a free market with few price controls, there are

no restrictions on the sale and distribution of products once they are allowed in the country. Foreign companies (including US-based firms) are partnering with Ugandan businesses to manufacturer, package, and to distribute products globally.

TR Cutler: Why has the logistics opportunity in Uganda been ignored until now?

Obua: There are complexities to the situation. Most start with an inherent misunderstanding about the country. Much is being done to characterize the features, advantages, and benefits of doing business in Uganda. Although Uganda is a landlocked country, 95% of cargo traffic (external trade) is handled at Mombasa Sea Port and transported by road. With the expansion of member countries in the East African Community to include the neighboring countries (Southern Sudan, Eastern Democratic Republic of Congo (DRC), Rwanda, and Burundi) volumes of trade and cargo handling has increased. Uganda remains the central logistic hub for neighboring countries. Increasingly, the global supply chain constraints have forced companies to seek alternative logistics solutions. The expansion of air cargo into Johannesburg, Dubai, and Doha permits access to goods manufactured and distributed through Uganda.

TR Cutler: How does Apogee Logistics facilitate clearing, forwarding, construction, roadworks, and general infrastructure projects?

Obua: Apogee Logistics has partners in Mombasa to help in port clearance of cargo from the vessels and positioning of trucks for transportation to inland container deports (ICDs). Partners assist in clearing cargo from the vessel (at Mombasa), positioning trucks and cargo transportation. Additional logistics assistance includes clearance at ICDs in Kampala or Malaba (for tax payments and unit verification/cargo

verification), depending on the destination as well as delivering finished goods to clients. When the cargo is delivered to clients, arrangements are made for the return of containers.

TR Cutler: Have you seen a significant increase in Ugandan construction and infrastructure development activities?

Obua: Infrastructure development is among the top priorities in the Uganda development agenda. Apogee Logistics has seen a dramatic increase in opportunities facilitating infrastructure development for transportation and trade facilitation (TTF). By providing various IT solutions needed for a specific business area in port community systems (PCS), we are engaged in design and construction of highways, feeder roads, and bridges. We connect rural communities in the country. We provide improved infrastructure solutions to mitigate port delays, including installation of electronic data interchange (EDI) of transit related information and improved cargo tracking (the Global Positioning Satellite). These solutions are made possible by engaging services of engineers with environmental management expertise.

TR Cutler: Looking ahead to 2022, what are your predictions about Uganda's place in the global logistics space?

Obua: Realistically this will be the year in which 3PLs (third party logistics) will turn to the African continent, and Uganda specifically, to get product to a global market. With tourism still impacted by COVID, a primary revenue source for the country has shifted. An alternative income stream is mandated. It has become an incredible opportunity for so many young people to work rather than taking positions in other parts of the world at usurious labor wages. Logistics will provide many young Ugandans a great work opportunity for the rest of this decade and beyond. American investors recognize the limitations of the US job market as millions of jobs go unfilled. Gen Z mentality has not happened in Uganda; our people want to work hard when afforded the opportunity.