

Mining and Energy sectors in East Africa

Be informed on the latest news from the mining and energy sectors in East Africa! In this newsletter, we will highlight some exciting developments and opportunities that are making waves in the region.

“Budgeting for Progress: Partner States Advancing Energy and Resources in 2023/2024”

In June, community partner states including Kenya, Uganda, and Tanzania presented and approved their budgets for the upcoming fiscal year of 2023/2024. These budgets, which revolve around a shared focus, which is effect from July 1, 2023, to June 30, 2024.

Kenya's National Treasury and Planning Cabinet Secretary, Njuguna Ndug'u, a former central bank governor, presented a budget of \$25.75 billion for the 2023/2024 year, marking a 6.5% increase from the previous year. The allocation to energy, infrastructure, and ICT has been reduced to \$ 2.589 billion, addressing concerns from taxpayers who emphasized prioritizing sectors with higher socio-economic impact. The budget includes provisions for the development of reliable and affordable energy, rural electrification, geothermal energy, and alternative energy technologies. Additionally, the government aims to address the issue of high Liquefied Petroleum Gas (LPG) costs by proposing the zero-rating of VAT on LPG.

In Tanzania, Dr. Mwigulu Nchemba presented a budget of \$19.23 billion, reflecting a 7% increase from the previous year. The government is undertaking comprehensive measures to develop its energy infrastructure, including electricity transportation projects, distribution to small-scale mines, agricultural areas, and industries, as well as off-grid initiatives. Efforts are also underway for the Liquefied Natural Gas (LNG) Processing and Processing Project. The

government plans to waive product taxes on electric vehicles and vehicles running on Compressed Natural Gas (CNG). Other initiatives include rural electrification, reduction of royalty rates on minerals sold to refineries, and establishment of a National Gold Reserve.

In Uganda, the minister of Finance Matia Kasaija presented \$13.9 billion which is 9.6% of the previous year. It is focused on increasing its power generation capacity, as demonstrated by the commissioning of the Karuma and Nyagak III Hydropower Projects. The government is also expanding transmission infrastructure and aims to construct 761 km of transmission lines and associated power substations. Building institutional capacity is another priority, with efforts to enhance the capabilities of Uganda Electricity Generation and Transmission companies. The government is also advancing the East African Crude Oil Pipeline (EACOP), the National Oil Refinery, and the Kabaale-Buloba pipeline for refined products. Funding has been allocated for the petroleum and mineral sectors to facilitate their development and sustainable growth. As the minister of Finance Matia Kasaija presented \$13.9 billion which is 9.6% increase from the previous year.

Conclusively, the community partner states in East Africa are directing their budgets towards the energy and natural resources sectors, showcasing their commitment to exploring potential opportunities and attracting investments. These initiatives aim to enhance energy infrastructure, promote renewable energy sources, reduce environmental impact, and foster economic growth in the region.

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