

Michael Atingi-Ego: Beyond the drill – cultivating a legacy of empowered nationals and enterprises in Uganda's oil age

Keynote address by Mr Michael Atingi-Ego, Governor of the Bank of Uganda, at the 6th Annual National Content Conference, Kampala, 3 December 2025.

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Honourable ministers, permanent secretaries, leaders of industry, distinguished participants, and fellow Ugandans, good morning to you all.

We stand at a defining moment in Uganda's economic history. The theme of this conference—"Beyond the Drill: Cultivating a Legacy of Empowered Nationals and Enterprises in Uganda's Oil Age"—is not just a title. It is a call to action. It challenges us to look beyond the immediate gains of extraction and to commit to a future where oil becomes a catalyst for inclusive, sustainable, and diversified growth.

1.0 The Paradox of Plenty: Turning Resource Wealth into National Wealth

History teaches us that natural resource wealth is neither a blessing nor a curse by default. The difference lies in governance, institutions, and foresight. Uganda stands at this crossroads today.

Our Tenfold Growth Strategy—to expand the economy from \$50 billion to \$500 billion by 2040—is anchored in four transformative pillars, known as ATMS:

- Agro-industrialisation
- Tourism
- Mineral-based Industrial Development (including Oil and Gas)
- Science, Technology, and Innovation

These pillars are not siloed initiatives; they are interconnected engines designed to drive inclusive, sustainable, and diversified growth. Oil and gas is not an isolated project; it is the engine that must power this transformation.

Yet, as economists like Paul Collier and Joseph Stiglitz have emphasised, the real test is not in extracting resources but in converting them into productive assets. The \$11 billion already invested in Uganda's petroleum sector is not just capital; it is the foundation for roads, industrial parks, and logistics hubs that will serve our economy long after the oil is gone.

But let us be clear: barrels do not build nations. The true measure of success will be whether this oil age leaves behind empowered Ugandan firms, skilled workers, and resilient communities—or merely infrastructure without inclusion.

2.0 The Role of the Bank of Uganda: Guardian of Stability and Steward of Posterity

The Bank of Uganda's mandate—"to promote price stability and a sound financial system in support of socio-economic transformation"—is not a passive responsibility. It is the cornerstone upon which Uganda's economic transformation must be built.

Price stability is the foundation of confidence, investment, and long-term planning. Our unwavering commitment to achieving the inflation target—average annual core inflation of 5% within the medium term (two to three years ahead)—is more than a technical objective.

It is a pledge to every Ugandan that their savings, wages, and investments will retain their value, and that our economy will remain resilient in the face of external and domestic shocks.

Should oil revenues exert strong appreciation pressures on the nominal shilling exchange rate, the Bank of Uganda will act decisively to ensure that inflation remains lower than the average of our trading partners. This will preserve Uganda's competitiveness in real terms.

Together with the implementation of the ATMS, these measures will safeguard the economy against the potential "Dutch Disease" effects of oil revenues, ensuring that resource wealth translates into sustainable growth rather than instability.

Our task is clear: to ensure that Uganda's oil and gas sector becomes a springboard for prosperity, not a detour from it.

The Bank of Uganda's role in this journey is twofold: to preserve macroeconomic stability and to steward the Petroleum Revenue Investment Reserve (PRIR) for future generations.

2.1 Macroeconomic Stability: The Invisible Hand of Progress

A stable shilling, low inflation, and a resilient financial system are not abstract goals. They are the preconditions for every contract signed, every loan extended, and every enterprise launched. Our medium-term inflation target of 5% is not arbitrary. It is the sweet spot—low enough to protect the purchasing power of households and businesses, yet flexible enough to accommodate the dynamics of a growing economy.

When we raised interest rates by 350 basis points to combat inflationary pressures from external shocks, we sent a clear signal: Uganda will not sacrifice stability for short-term gains. Our inflation-targeting framework, flexible exchange rate, and prudent reserve management are not just technical tools. They are the shock absorbers that will prevent oil revenues from destabilising our economy.

2.2 The Petroleum Revenue Investment Reserve: Saving Today for Tomorrow

The PRIR is not a savings account. It is a covenant with the future. The Public Finance Management Act ensures that oil revenues are not squandered but invested wisely—balancing today's needs with tomorrow's obligations. This is not just fiscal prudence; it is intergenerational equity.

Sovereign wealth funds must be managed with discipline and transparency. The PRIR will be no different. Its investments will be guided by one principle: to turn temporary wealth into permanent assets.

3.0 National Content: From Compliance to Capability

National content is not a box-ticking exercise. It is the strategic heart of our oil and gas strategy. The National Local Content Policy is clear: Ugandan citizens and enterprises must be at the forefront of this sector.

But let us move beyond rhetoric. Three shifts are essential:

1. From Participation in Contracts to Participation in Capabilities. Ugandan firms must not just win contracts; they must upgrade their technology, management, and standards to compete globally. Every local content provision must be a stepping stone to higher value addition.
2. From Enclave Projects to Integrated Corridors. Oil infrastructure must be planned as part of regional development corridors-crowding in agriculture, manufacturing, and services. The Kabalega Industrial Park is a model: a hub for oil and for broader industrialisation.
3. From Short-Term Spending to Long-Term Assets. Oil revenues must finance human capital, infrastructure, and institutions-assets that will endure long after the oil is gone.

This is how we turn finite resources into infinite possibilities.

4.0 The Role of Oil and Gas in Uganda's Tenfold Growth Strategy

Ladies and Gentlemen,

Uganda's Tenfold Growth Strategy-our bold ambition to expand the economy from \$50 billion to \$500 billion by 2040-is not just a vision; it is a deliberate, actionable roadmap.

This strategy is anchored on four transformative pillars, known as ATMS: Agroindustrialisation, Tourism, Mineral-based Industrial Development (including Oil and Gas), and Science, Technology, and Innovation. These pillars are not siloed initiatives; they are interconnected engines designed to drive inclusive, sustainable, and diversified growth.

1. Oil and Gas as a Catalyst for Non-Oil Growth

The discovery of commercial oil reserves is not an end in itself. It is a powerful catalyst-a finite resource that must be harnessed to fuel infinite opportunities. Our oil and gas sector is uniquely positioned to:

- Generate revenues that will be reinvested in the ATMS pillars, ensuring that the benefits of oil outlast the production phase.

- Stimulate backward and forward linkages across the economy, from agroindustrialisation to tourism, manufacturing, and technology.
- Accelerate infrastructure development, including energy, transport, and digital connectivity, which are critical enablers for all sectors.

The Petroleum Revenue Investment Reserve (PRIR), managed by the Bank of Uganda, is not merely a savings fund. It is a strategic instrument designed to spark discussions on how investments-particularly in foreign currency reserves and high-impact, non-oil sectors such as agriculture, tourism, minerals, and technology- should be allocated. These allocations must prioritise socio-economic returns to ensure Uganda's growth and prosperity long after the last barrel of oil is extracted.

2. Agro-Industrialisation: From Raw Materials to High-Value Products – Powered by Oil and Gas

Uganda's agriculture sector employs over 70% of our population but contributes only 24% of GDP (UBOS, 2023)-a clear signal of untapped potential. The Tenfold Growth Strategy prioritises value addition, and the oil and gas sector can play a pivotal role in unlocking this potential by providing the infrastructure, energy, and financing needed to transform raw commodities into high-value products.

How Oil and Gas Will Drive Agro-Industrial Growth

Oil and its byproducts are critical inputs for agro-industrialisation, serving as hydrogen sources for ammonia-based fertilisers and feedstocks for petrochemical processes. The Kabalega Industrial Park will integrate oil refining with diverse manufacturing, including:

- Petrochemical and fertiliser plants (using gas feedstocks for polymer and ammonia production).
- Agro-processing units (for food, crops, and livestock products) near Kabalega International Airport.
- Logistics and warehousing (distribution hubs, storage, and export infrastructure).

The Hoima Refinery's byproducts (e.g., plastics for packaging, fertilisers for farms) will further reduce input costs for farmers and processors.

The Bank of Uganda will encourage the financing of these value chains through innovative instruments-such as blended finance, risk-sharing schemes, and the Agricultural Credit Facility-to ensure that smallholder farmers and agro-processors can access the capital they need to thrive.

3. Tourism: Beyond Safaris to High-End Experiences – Fuelled by Oil and Gas

Tourism is Uganda's second-largest foreign exchange earner, contributing \$1.6 billion annually, yet we capture only a fraction of its potential. The oil and gas sector is expected to supercharge tourism by funding infrastructure, creating new attractions, and positioning Uganda as a global leader in sustainable resource management.

How Oil and Gas Will Transform Tourism

- Infrastructure for High-End Tourism: The Kabalega International Airport, built to support oil logistics, can become a gateway for luxury tourism, reducing travel time to Murchison Falls, Queen Elizabeth, and Kidepo Valley National Parks. Oil-funded road upgrades (e.g., Hoima-Butiaba-Wanseko Road) would improve access to tourism hotspots, cutting travel time by 40% (UNRA, 2023)
- Albertine Graben Oil and Gas Tourism Circuit: Such a new tourism product could potentially showcase Uganda's journey to commercial oil production, including:
 - Eco-friendly oil operations (e.g., Tilenga and Kingfisher projects).
 - Cultural experiences in oil-host communities (e.g., Bunyoro Kingdom's oil heritage).
 - Luxury lodges and conference facilities in Hoima and Buliisa, targeting business travellers and high-spending tourists. This circuit could attract 50,000+ high-spending tourists annually, adding \$100 million in revenue by 2030 (Ministry of Tourism, Wildlife and Antiquities, 2023 – tourism projections).
- Energy for Sustainable Tourism: LPG from the Hoima Refinery could replace charcoal and firewood in hotels and lodges, reducing deforestation by 30% and improving air quality (NEMA, 2023). Solar-powered tourism sites (funded by oil revenues) would make Uganda a leader in green tourism.

The Bank of Uganda would support this growth by encouraging affordable financing for tourism enterprises, promoting digital payments, and ensuring that our financial sector is equipped to handle the influx of international visitors.

4. Mineral-Based Industrialisation: From Extraction to Innovation – Anchored by Oil and Gas

Uganda is endowed with gold, copper, cobalt, lithium, and rare earth minerals- critical for the global green energy transition. The oil and gas sector would accelerate mineral-based industrialisation by providing the energy, infrastructure, and financing needed to turn raw minerals into high-value products.

How Oil and Gas Will Drive Mineral Development

- Sukulu Phosphate and Iron Ore Project: This project could reduce Uganda's reliance on imported fertilisers and steel, saving \$380 million annually (MEMD, 2023). The Hoima Refinery's petrochemical plants could supply affordable inputs (e.g., sulfuric acid for copper refining, plastics for packaging), while EACOP's transport network would enable exports of processed minerals to global markets.
- Regional Hub for Battery Minerals: Uganda can become a key supplier of cobalt, lithium, and graphite for electric vehicles (EVs) and renewable energy storage. The Kabalega Industrial Park could host mineral processing plants, turning raw ores into battery materials, fertilisers, and construction materials, adding \$1 billion to annual mineral earnings (Uganda Chamber of Mines, 2023).
- Petrochemical Industry: The Hoima Refinery will produce plastics, fertilisers, and synthetic materials, feeding into agro-industrialisation and manufacturing.

The Bank of Uganda is working with stakeholders such as the Uganda Bankers Association, development partners, the Uganda Development Bank (UDB) and private sector partners to de-risk investments, including those in mineral processing, to ensure that Ugandan enterprises lead this transformation.

5. Science, Technology, and Innovation: The Future of Uganda's Economy – Catalysed by Oil and Gas

The fourth pillar-Science, Technology, and Innovation (STI)-is the great equaliser, and the oil and gas sector will accelerate its impact by providing the funding, energy, and infrastructure needed to drive Uganda's knowledge economy.

How Oil and Gas Can Power STI Growth

- Drive productivity gains across sectors, from precision agriculture (using oil-funded irrigation and agro-tech) to digital tourism (leveraging refinery-backed LPG for eco-lodges) and advanced manufacturing (supported by petrochemical inputs).
- Support a knowledge economy, including pharmaceuticals (using refinery byproducts for drug manufacturing), biotechnology, and creative industries (film, music, and fashion), with oil revenues funding STI hubs like a Kabalega Innovation Park.
- Leverage Uganda's young, tech-savvy population to create a digital workforce, with oil-backed financing for coding bootcamps, tech incubators, and green energy startups.

The Bank of Uganda is championing financial inclusion for tech startups while promoting digital banking and ensuring our ESG Framework supports green and innovative enterprises, from e-mobility to agro-tech.

5.0 The Financial Sector: Financing Growth While Ensuring Sustainability

The financial sector's role is dual: to finance the oil and gas sector while ensuring it does so sustainably.

5.1 Access to Finance: Unlocking Opportunities for Local Enterprises

Local enterprises face a financing gap. The Bank of Uganda and the Government, working with supervised financial institutions, are addressing this through:

- Blended finance models (e.g., the Agricultural Credit Facility and the Small Business Recovery Fund).
- Risk-sharing schemes to de-risk lending to SMEs.
- The Parish Development Model has already disbursed vital resources to over one million households.

For the oil sector, we will explore adapting these models, which integrate non-traditional innovations such as block allocation, to minimise dependence on conventional

collateral. In the same spirit, it is important to think outside the box- exploring options like using supply contracts as collateral and developing factoring solutions to mitigate the challenge of delayed payments.

5.2 ESG and Sustainability: The New Imperative

The Bank of Uganda is institutionalising ESG across the banking sector. Why? Because sustainability is not a constraint-it is a competitive advantage.

Our ESG Framework for the Banking Industry ensures that financial institutions integrate environmental, social, and governance risks into their operations. For the oil sector, this means:

- Rigorous environmental safeguards for projects.
- Transparent community engagement to ensure shared prosperity.
- Zero tolerance for corruption-because governance is the foundation of trust.

This is not merely about compliance; it is about future-proofing Uganda's oil sector in a global landscape where both investors and consumers increasingly demand sustainability. Equally important is the pursuit of net-zero carbon emissions within banking operations. The principle is straightforward: for every shilling invested in a carbon-emitting sector, an equivalent amount should be directed toward a carbon-absorbing sector.

In this way, the carbon-absorbing economy-largely driven by non-oil industries- is expected to endure long after Uganda's oil and gas resources are exhausted, ensuring resilience and long-term prosperity.

6.0 A Call to Action: Forging Our Shared Legacy

Ladies and gentlemen, the vision I have outlined is achievable-but only if we act together.

- To Government and Parliament: Strengthen the fiscal framework. Safeguard the Petroleum Fund. Invest in high-quality public infrastructure that unlocks private initiative.
- To the Petroleum Authority and Industry Operators: Deepen national content. Publish clear opportunity pipelines. Invest in supplier development and skills transfer.
- To the Financial Sector: Innovate. Develop tailored financial products for local suppliers. Fully implement the ESG Framework.
- To Ugandan Enterprises: Prepare. Invest in certifications, standards, and scale. Form consortia. Compete not just locally, but globally.

The Bank of Uganda will play its part-by preserving stability, stewarding the PRIR, and fostering a resilient, inclusive, and sustainable financial system.

7.0 Conclusion: The Legacy We Choose

In closing, let me leave you with this thought:

Future generations will not remember us for the barrels we extracted. They will remember us for the choices we made-for whether we turned this moment into a springboard for prosperity or a missed opportunity.

The ATMS pillars are our blueprint for ensuring that the prosperity we create today endures for decades to come. The Bank of Uganda is committed to ensuring that Uganda's oil age becomes a story of transformation, not extraction; of empowerment, not dependency; of legacy, not squander.

Let us choose wisely. Let us act boldly. And let us build a Uganda where every citizen shares in the promise of this new age.

Thank you. God bless!