

Uganda: Museveni to surrender Uganda's only international airport over Chinese loan

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On Tuesday, 17 November 2015, the Uganda government signed an agreement with Export-Import Bank of China (Exim Bank) to borrow \$207 million at two per cent upon disbursement. The loan had a maturity period of 20 years including a seven-year grace period.

It has now emerged that the deal signed with the Chinese lenders virtually means Uganda "surrendered" its most prominent and only international airport.

The Uganda Civil Aviation Authority (UCAA) says some provisions in the Financing Agreement with China expose Entebbe International Airport and other Ugandan assets to be attached and taken over by Chinese lenders upon arbitration in Beijing.

It also emerged that China has rejected recent pleas by Uganda to renegotiate the toxic clauses of the 2015 loan, leaving Ugandan President Yoweri Museveni's administration in limbo.

According to the Daily Monitor, the Ugandan government waived international immunity in the agreement it signed to secure the loans, exposing Entebbe International Airport to take over without international protection.

In desperation, Uganda in March sent a delegation to Beijing hoping to renegotiate the toxic clauses of the deal but the officials came back empty-handed as China would not allow the terms of the original deal to be varied.

Last week, Uganda's Finance Minister Matia Kasaija apologized to parliament for the "mishandling of the \$207 million loan" from the China Exim Bank to expand Entebbe International Airport.

Progress of works at the airport, built in 1972, has reached 75.2 per cent, with two runways having reached overall completion of 100 per cent.

Entebbe International Airport is Uganda's only international airport and handles over 1.9 million passengers per year. Its seizure by China would greatly dent the legacy of the 77-year-old Museveni, who came to power on the back of an armed uprising in 1986, and expose him to election defeat.

Editor, *The Guardian*

P.S.

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