

By Vision Reporter

TRACKING STANDARD GAUGE

This month, the Standard Gauge Railway (SGR) project team, joined by Turkish construction firm Yapi Merkezi met local leaders from Jinja city and Jinja district as early works on the eastern route get underway.

Over the past few days, the SGR team has been moving through the 12 districts along the Malaba to Kampala corridor, introducing both the contractor and the supervising consultant to local government and community leaders.

Yapi Merkezi, which is handling the Malaba-Kampala section, started preliminary works in May. The Government started engaging Yapi in 2022 after they showcased their capacity to build the SGR route from Dar es Salaam to Isaka line in Tanzania.

The preliminary activities by Yapi will cover mobilisation, field surveys, initial design work, identification of land that will be used temporarily and mapping of infrastructure that may need relocation.

The commencement of work by the contractor follows a government decision to release funding for the first phase. In the 2025/26 fiscal year, sh2.17 trillion has been earmarked for the construction of the SGR.

The secretary to the treasury Ramathan Ggoobi said: "We are prioritising things which enable these investors to make money. We are now looking at bulk transport. The construction of the railway is starting. I have provided the money to ministry of works and the contractor is on site. In next 4-5 years, we shall have the SGR."

Citi bank and a consortium of other financial institutions through export credit agency have pledged their commitments to fund the SGR.

In October 2024, the Government and Yapi signed a Euro 2.7b contract for the construction of the Eastern Route.

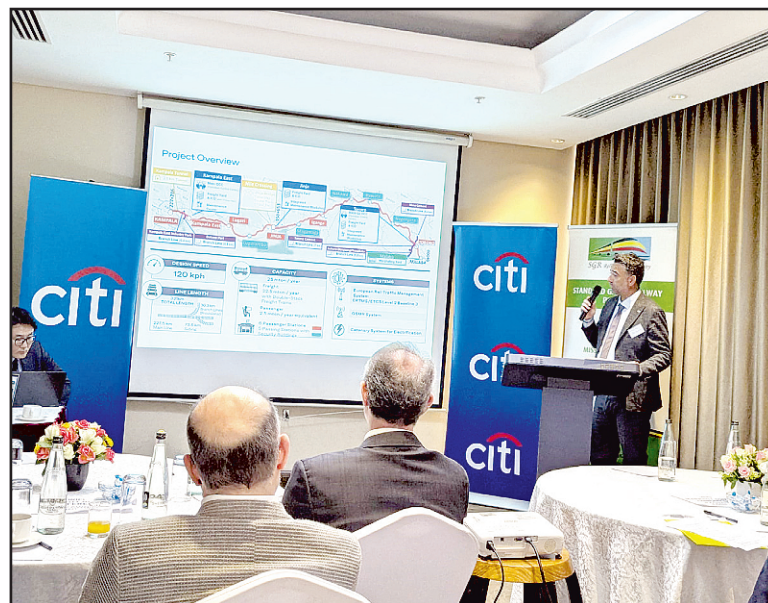
During the same time, land acquisition was nearly complete in Tororo, Butaleja, Namutumba, Luuka, Iganga, Mayuge, Jinja and Buikwe, according to information from SGR team.

More than 150km of land has been acquired, with over sh10b spent paying nearly 100 projected affected persons according to the SGR team.

Last week, Moses Kaggwa, the director economic affairs at the finance ministry said the SGR remains one of the top strategic infrastructural projects in the country and the region. He said the previous delays linked to the SGR project were due to financing constraints.

"Once we have this, the cost of bringing a container from

President Yoweri Museveni with Yapi Merkezi chairman Erdem Arioglu (second-left), Vice-President Jessica Alupo and other officials during the launch the construction of SGR last year



Mert Oz, the project coordinator at Yapi Merkezi makes a presentation on the SGR project during a meeting with Ministry of Finance and Citi Bank officials

"ROADS ARE OVERCROWDED WITH CARS AND CARGO. TO SOLVE THIS, CARGO MUST MOVE TO RAILWAYS AND WATERWAYS, WHILE PETROLEUM PRODUCTS WILL BE TRANSPORTED THROUGH PIPELINES" – PRESIDENT MUSEVENI

Mombasa to Kampala will reduce by more than 50%. There are discussions to take the railway to Mirama Hills and then to Rwanda. We are also having discussions with South Sudan. "

In 2013, the presidents of Uganda, Kenya, Tanzania, South Sudan and Rwanda launched the standard gauge railway project, aiming to connect the region and boost trade. More than a decade later, only Kenya and Tanzania have made clear progress, each advancing construction within their borders.

THE PLAN

The planned SGR network in Uganda is about 1,700km and is being developed in a phased manner starting with the Malaba - Kampala. Other routes include, the Western route to inter

SGR project



SGR TIMELINES	
Regional SGR Protocol was signed in 2014	
November 9, 2022: MOU between MOWT and Yapi Merkezi	
July 24, 2023: Submission of proposal by Yapi Merkezi	
October 14, 2024: \$3b SGR deal from Malaba - Kampala signed with Uganda	
November 21, 2024: Groundbreaking ceremony	
May 14, 2025: Kick off preliminary works, design and mobilisation	
OBJECTIVES OF SGR	
Enhance regional integration and international trade	
Reduce transport costs (\$0.155 per tonne-km to \$0.05 per tonne-km)	
Reduce travel times from Mombasa to Kampala (10-14 days to 1 day)	
Reduce road wear & tear, road maintenance costs	
MAJOR YAPI PROJECTS ELSEWHERE	
DUBAI Metro completed in 2011	
Ankara-Konya high speed railway completed in 2011	
Eurasia Tunnel in 2016 (investment)	
Tramways in North Africa completed in 2018	
Doha Metro completed in 2019	
The 1915 Çanakkale Bridge completed in 2022 (investment)	
Dar es salaam–Morogoro–Dodoma–Makutupora railway completed in 2024	

connect with Rwanda and DR Congo and the Northern Route to connect with South Sudan and DR Congo.

Over the past decade, demand for both cargo and passenger transport has outgrown what the roads can handle. The standard gauge railway is expected to take

on much of that load, easing pressure on the ageing meter gauge railway and the road network.

Museveni says: "Our transport system is irrational. Roads are overcrowded with cars and cargo. This leads to slow movement, increased traffic, and damaged

RAILWAY PROJECT PROGRESS



The Standard Gauge Railway project team with Yapi Merkezi team after a meeting with Jinja City and Jinja District leaders recently

roads. To solve this, cargo must move to railways and waterways, while petroleum products will be transported through pipelines”.

WHY THE PROJECT DELAYED

In 2015, Uganda awarded the contract to build the first phase of the standard gauge railway, the 273-kilometre Malaba to Kampala section, to China Harbour and Engineering Company Ltd (CHEC), a state-owned Chinese firm.

The deal, worth \$2.2b (about sh8.3 trillion), included a clause requiring the contractor to help secure financing.

But after years of delays and no progress on funding, the Government lost patience. In late 2022, it formally ended the agreement, citing eight years of non-performance.

In February this year, Gen. Edward Katumba Wamala, the Minister of Works and Transport said works on the SGR remain on course.

“We already got the right way for the contractor to start on-site. They are now doing preliminary investigation to start and bring in their equipment. The President’s view on this project is primarily cargo,” he said.

“It may have limited passenger wagons because we want to remove as much cargo from the road as possible. The roads are deteriorating at a very fast pace because of the cargo. If we can move 70% to 80% of the cargo off the road onto the rail, then we will have the roads lasting longer.”

“The SGR will cut cargo transport cost by half from the current \$120 per ton, and reduce transit time from Mombasa to Kampala from 7 days to 1 day, turning Uganda into a land-linked country as opposed to being

WHAT PEOPLE SAY ABOUT SGR

In 2023, TradeMark Africa completed the Gulu logistics hub to respond to the logistics needs to the northern region by providing functions such as container and break-bulk, handling and storage facilities including bonded and non-bonded warehouses.

TradeMark Africa’s Country Director for Uganda and South Sudan Anna Nambooze said the SGR is a major missing link to the full operationalisation of the Gulu logistics hub.

“We are very excited about the SGR. I believe the support of the Islamic Development Bank the Naivasha-Malaba has also been taken care of. On my end, the SGR from Malaba to Kampala was needed yesterday,” she said.

“We are also very glad to see that the government continues to commit to the Gulu-Tororo line. TradeMark Africa established the Gulu Logistics Hub. We do have trucks that go there for verification and clearance. But also, this business case was regarding the railway. The fact that the railway has not been done up to Gulu means the hub is really being under utilised.”

George Odongo, a Member of the East African Legislative Assembly, said the SGR will be a critical part for East African Community integration efforts.

“We should support the SGR project. We have always said that there should be free movement of goods and services. The SGR is going to be a key facilitator of trade across the region by reducing the cost of doing business. Traders will be able to connect with the Kenya railway system and most of our goods are transported via Mombasa,” he said.

landlocked. The initial works for construction of the SGR have started,” Matia Kasaaja, minister of finance, said during the budget reading.

REGIONAL DEVELOPMENTS

The Northern Corridor Integration Projects (NCIP) partner states, comprising Kenya, Uganda, Rwanda, and the Democratic Republic of Congo, agreed to



Ann Nambooze



Moses Kaggwa



George Odongo

jointly mobilise funds to fast-track the development of the project.

During a Joint Ministerial Committee on SGR, held in Mombasa last year, Kenya committed to extend its SGR to Malaba, something that would make Uganda’s project viable as initially intended.

Kenyan media reported that the government is looking to raise Ksh358 billion (\$2.77 billion)

from the Chinese to put on track its standard gauge railway from Naivasha to Malaba.

The Rwandan government is now looking for about \$1.3b to fund the construction of the standard gauge railway to link Rwanda and Tanzania.

The African Development Bank Group in 2023 approved various financing structures valued at \$696.41m for Burundi and Tanzania to start Phase II of the Joint Tanzania-Burundi-DR Congo standard gauge railway Project.

WHO IS THE NEW SGR CONTRACTOR?

Founded in 1965 in Istanbul, Türkiye, Yapı Merkezi has grown into one of Türkiye’s most prominent construction firms, known for its work on large scale transport infrastructure.

It has played a major role in building the country’s metro systems, high-speed rail lines and landmark bridges, and in recent decades has taken that expertise abroad, securing contracts across Africa, the Middle East and Europe.

The company specialises in rail and mass transit projects, including metros, tramways and freight corridors. It also works on tunnels, viaducts, bridges and large public buildings.

Some of its most recognised projects include the 5.4 kilometre Eurasia Tunnel under the Bosphorus, opened in 2016, and the 1915 Çanakkale Bridge, a suspension span of 2.02 km inaugurated in 2022, which is currently the longest of its kind in the world as investment projects reflecting their financial stability.

In Turkey, Yapı Merkezi has helped shape the face of Turkey’s urban transit. Its metro and light rail work spans Istanbul, Izmir, Bursa, Konya, Antalya and Ankara. Beyond rail, it delivered signature buildings such as the Four Seasons and Mandarin Oriental hotels in Istanbul and the TOGG electric vehicle factory, Turkey’s first domestic EV production facility.

Internationally, the company has been a consistent name on the Engineering News-Record (ENR) global rankings, placed 8th worldwide in 2024 for mass transit and rail, and 82nd overall on the list of top 250 global contractors.

In Africa, it is leading major rail projects in Tanzania, Ethiopia, and Zambia.

In the Gulf, Yapı Merkezi worked on the Doha Metro and was part of a Japanese-led consortium behind Dubai Metro, a 75 km network with 45 stations. It also built the Haramain high-speed rail stations in Medina and Jeddah in Saudi Arabia.

The company is now expanding its footprint in Eastern Europe, including a contract to build BMW’s electric car plant in Debrecen, Hungary, completed in 2024. Overall, the firm has delivered more than 500 projects in 11 countries.