

SPEECH

BY

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AT

**THE LAUNCH OF THE STANDARD GAUGE
RAILWAY (SGR)**

I am glad to be here to *kutema ekitsinde* because of the SGR from Naivasha to Kisumu to Malaba. (Naivasha - Kisumu - 264km, Kisumu - Malaba -107km)

The railway is part of the rationalisation of our transport system, especially on the Uganda side - which is irrational and wasteful. Why? Because the items being transported are concentrated on the road i.e. passengers, light cargo, heavy cargo, petroleum products, are all on the road.

Our plan is to transfer all heavy cargo to the railway, then transfer all the petroleum products to the pipeline and water transport, since we now know that passengers and light cargo are for the roads.

In transporting heavy cargo and petroleum to the pipe line, we are not aiming at convenience and *omwijuro* (crowding) the road by all the items; but we are also looking at the competitiveness of our economies.

For Africa to survive, we have to not only produce products of high quality, but also affordable in terms of costs. According to our experience, the high cost pushers for raw materials, manufactured goods and agricultural products are: transport, energy/electricity and the cost of money.

If Africa does not address these, we shall be outpriced and our goods will not be competitive even within Africa. This is now where railway transport, water transport, the pipe line of petroleum products and government owned banks, come in. These banks, if they are government owned, will not be looking for high profits. They will be looking at costs and moderate profits. They will give us what we need: low cost of transport, low cost of money and low cost of electricity.

The private sector can come in, but the government needs to agree with them about the prices that they charge, which means that they need patient capital other than quick capital.

Therefore, I am here to launch SGR with our Kenyan brothers.

I salute everybody.