

# News

## Colas in deal for £100 million Uganda project

COLAS UK has today [26 April 2019] signed a deal with the Ugandan authorities which gives the contractor an exclusive window to develop a multi-million-pound project in the east African state.

Under the terms of the Memorandum of Understanding, Colas will develop and negotiate a strategically-important project to supply and install post-harvest processing facilities at 112 locations throughout Uganda. Colas was invited to sign the MOU at a ceremony today in Entebbe with the Ugandan Agriculture Minister, Hon Mr Vincent Ssempijja, and Peter West, the British High Commissioner for Uganda.

Carl Fergusson, CEO of Colas UK, said: 'Colas is delighted to be signing this MOU today and for the opportunity to support Uganda and the ministry in delivering its commitment to enhance crop production and productivity. We will work together to deliver sustainable and environmentally safe methods for improved food and nutrition security, as well as increased employment, export earnings and improved livelihoods for farmers. The project also has significant potential to deliver added value to locally produced crops which would normally be exported for processing.'

Mr Fergusson added: 'This project, aligns with the outward-looking international element of the Colas UK strategy - which seeks to expand our activities in East Africa while supporting continued regional development.'

Colas UK is building an impressive reputation in East Africa. Its involvement in the highly-praised on-going work at Hoima airport, in the west of Uganda, demonstrates Colas's expertise in remote locations and complex projects.

The total value of this latest project is likely to be more than £100 million. If successful, the development and implementation of the project will draw on expertise and resources from Colas in the UK and in the Middle East and Southern Africa. It would allow Colas UK in Uganda to further consolidate capability in the region. It is anticipated a contract will be in place for mobilization towards the end of 2019.

To deliver the ambitious project, Colas UK would team up with Alvan Blanch, the specialist UK manufacturer of agricultural processing equipment. In 2015, the British manufacturing and project engineering company was commissioned

by the Government of Uganda to supply a 3,000 tonne maize cleaning, drying and storage plant in Masindi, Uganda. With much of the processing hardware coming from the UK, the project offers the potential for substantial UK export content.

Similar to the Hoima Airport project, Colas will deploy international best practice, along with environmental and social sustainability for this type of project. Thousands of farmers in Uganda will benefit from the project, which will help Uganda realise its full potential as the region's bread-basket, blessed with its year-round perfect climate for farming.

Notes for Editors:

1. Colas UK is an award-winning business, delivering sustainable solutions for the design, building and maintenance of global transport infrastructure. It is part of the world-leading International Colas Group.

2. Current Ugandan production of grain, specifically maize, beans and sorghum is some five million tons per year. The industrial drying and storage capacity is only about 700,000 tons. Many rural farmers rely on primitive methods, which often lead to crop contamination and/or losses, estimated to be around 15 per cent. To reduce losses and mitigate the problems some farmers sell unprocessed grain to Kenya, where it is processed and sold back to consumers in Uganda - which loses export-earnings due to the lack of value-addition facilities.

3. In April 2018, Colas UK/SBI JV commenced work constructing a new international airport at Kabaale in the Hoima region of Uganda. Hoima will become the country's second international airport, opening access for the delivery of equipment, materials and services. The airport will provide significant long-term benefits for the country's developing economy and energy independence.

4. Hoima is the first major project in Uganda supported by UK Export Finance's largest ever loan (€270 million) to an African government. UKEF's finance is helping support work on the construction of the runway, taxiway, cargo terminal and other necessary infrastructure.

5. In the photograph are the Ugandan Agriculture Minister Hon Mr Vincent Ssempiia and Peter West, the British High Commissioner for Uganda, and ministry officials along with Colas's Area Manager for Uganda, Lars Peter Jensen (signing the MOU) and Alvan Blanch CEO, Andrew Blanch.