



2010 Minerals Yearbook

UGANDA [ADVANCE RELEASE]

THE MINERAL INDUSTRY OF UGANDA

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In recent years, the East African country of Uganda has produced cobalt, gold, iron ore, lead, niobium (columbium), steel, tantalum, tin, and tungsten. Uganda also produced such industrial minerals as beryl, gypsum, kaolin and other clays, lime, salt, soapstone, and vermiculite, and such building materials as cement, limestone, and pozzolanic materials (table 1). The country was not a globally significant producer or consumer of minerals in 2010.

Minerals in the National Economy

In 2010, the manufacturing sector accounted for 7% of the gross domestic product, and the mining and quarrying sector, 0.4%. The value of output in the mining sector increased by 37.3% in 2010. Petroleum products accounted for 4.5% of Uganda's total value of exports; cement, 4.4%; iron and steel, 3.3%; gold, 1.9%; and cobalt, 1.1%. Most petroleum products and gold exports were reexports (Uganda Bureau of Statistics, 2011, p. 185, 220–222).

Production

In 2010, the production of kaolin increased by 477%; tungsten, by an estimated 460%; iron ore, by 290%; and cement, by 16%. Manganese production started in 2010, and tin and vermiculite production restarted. The output of niobium (columbium) and tantalum decreased sharply in 2010. Beryllium production was shut down in 2008, and gold, gypsum, and lead production, in 2009. Data on mineral production are in table 1.

Structure of the Mineral Industry

Most of Uganda's mining and mineral processing facilities were privately owned, including the cobalt and lead refineries, the cement and steel plants, and the vermiculite mine. The Government held a 25% share in the cobalt refinery. Artisanal miners produced salt at Lake Katwe. Table 2 lists major mineral industry facilities in Uganda.

Commodity Review

Metals

Cobalt and Copper.—Kasese Cobalt Company Ltd. (KCCL) [Blue Earth Refineries Ltd., 75%] produced refined cobalt from a stockpile near Kasese using a bacterial leaching solvent extraction/electrowinning process. Production decreased to 624 metric tons (t) in 2010 from 673 t in 2009; the company had planned to produce 700 metric tons per year (t/yr) in 2009 and 2010. The stockpile was likely to be depleted in 2013; KCCL reportedly was negotiating the acquisition of tailings from the closed Kilembe copper-cobalt mine (Harrison, 2009; Cobalt Development Institute, 2011).

Gold.—In 2009 and 2010, Uganda did not report any gold production. Gold exports, most of which were reported to be reexports from Congo (Kinshasa), decreased to 918 kilograms (kg) in 2010 from 931 kg in 2009 and 6,937 kg in 2006. M/S Busitema Mining Company Ltd. shut down operations at the Tiira Mine in December 2009 because of land ownership disputes; the company's concessions were taken over by artisanal miners. In 2010, Victoria Gold Star Ltd. of Russia opened Uganda's first gold refinery, which was located in Kampala. The refinery had a capacity of 60 kilograms per day (Busharizi and Okiror, 2009; Olden, 2010, p. 23; Uganda Bureau of Statistics, 2011, p. 220).

Industrial Minerals

Cement.—Uganda's cement production increased to 1.35 Mt in 2010 from 1.16 Mt in 2009 and 0.86 Mt in 2006. At the end of July 2010, Hima Cement Ltd. completed the expansion of its capacity to 850,000 t/yr from 350,000 t/yr. Tororo Cement Ltd. accounted for a substantial majority of national cement production; the company planned to increase its capacity to 2.2 million metric tons per year (Mt/yr) from 1 Mt/yr (Hima Cement Ltd., 2010; Renaissance Capital LLC, 2011, p. 16, 56; Uganda Bureau of Statistics, 2011, p. 53).

Domestic consumption of cement amounted to about 1.49 Mt in 2010 compared with 1.34 Mt in 2009 and 1.09 Mt in 2006. Residential construction accounted for an estimated 69% of cement demand, and commercial and infrastructure construction, about 31%. Cement prices in Uganda, which is a landlocked country, were nearly \$200 per metric ton compared with \$120 per metric ton in Kenya and \$130 per metric ton in Tanzania (Renaissance Capital LLC, 2011, p. 1, 9, 34; Uganda Bureau of Statistics, 2011, p. 53).

Vermiculite.—In May, Gulf Industrials Ltd. of Australia restarted vermiculite production at the Namekara Mine. Gulf Industrials planned to increase the capacity at Namekara to 35,000 t/yr from 15,000 t/yr by mid-2012; the company was also considering a further capacity increase to 100,000 t/yr by mid-2015. Resources at Namekara were estimated to be 54.9 Mt of contained vermiculite (Gulf Industrials Ltd., 2010, p. 1–2).

Mineral Fuels

Natural Gas and Petroleum.—Tullow Oil plc of Ireland drilled 10 natural gas and petroleum exploration wells on Blocks 1, 2, and 3A in the Lake Albert Basin in 2010. The company also purchased Heritage Oil Ltd. of the United Kingdom's 50% share in Blocks 1 and 3A. Tullow planned to start crude petroleum production in late 2011 and to reach peak output of 200,000 barrels per day (bbl/d) in 2014 or 2015. In late November, Tullow announced that production could be delayed because of a tax dispute with Heritage

(Biryabarema and Malone, 2010; Oil & Gas Journal, 2010: Tullow Oil plc, 2011, p. 55).

Tullow also planned to start natural gas production from the Nzizi gasfield in Block 2. The development of Nzizi depended on a new gas-fired power station in the Lake Albert Basin, which was expected to be completed in 2012 (Tullow Oil plc, 2011, p. 56).

The Government announced plans to build a new refinery at Hoima in western Uganda with an initial capacity of between 20,000 and 25,000 bbl/d to meet local demand for petroleum products. From 2012 to 2016, capacity was expected to ramp up to 200,000 bbl/d (Biryabarema and Malone, 2010).

Outlook

In the near future, Uganda's mineral industry could expand significantly. Cement and vermiculite production is likely to increase, and crude petroleum, petroleum products, and natural gas production is likely to start. Domestic cement consumption is expected to support increases in output; cement demand is expected to double by 2017. The expansion of Tororo's plant could be constrained by limitations in clinker supplies and financing because of the company's plans to expand its plant in Kenya. The continuation of cobalt production beyond 2013 depends on KCCL securing new sources of tailings (Renaissance Capital LLC, 2011, p. 16, 34).

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TABLE 1
UGANDA: PRODUCTION OF MINERAL COMMODITIES¹

(Metric tons unless otherwise specified)

Commodity ²	2006	2007	2008 ^e	2009	2010
Aggregate, syenitic	6,080	8,994	11,000 ^r	14,027 ^r	14,338
Beryllium, mine output, Be content	--	2	-- ^{r,3}	-- ^r	--
Cement, hydraulic	857,609 ^r	995,807 ^r	1,193,361 ^{r,3}	1,162,241 ^r	1,347,327
Clay:					
Kaolin	--	8,152	3,738 ^{r,3}	4,721 ^r	27,237
Other ^e	50,000	50,000	50,000	50,000	50,000
Cobalt, refined	674 ^r	698 ^r	663 ³	673 ^r	624
Gold:					
Mine output, Au content ⁴	22	25	20 ^r	-- ^r	--
Refined	--	--	-- ³	--	400 ^e
Gypsum	121	168	84 ^{r,3}	-- ^r	--
Iron ore	-- ^r	366	1,740 ^{r,3}	972 ^r	3,795
Lead, mine output, metal content	46	38	20 ^r	-- ^r	--
Lime, hydrated and quick ^e	10,000	10,000	10,000	10,000	10,000
Limestone	425,611	447,463	520,000 ^r	588,945 ^r	634,673
Niobium (columbium) and tantalum, ore and concentrate:					
Gross weight	100 ^r	100 ^r	80 ^r	50 ^r	10
Nb content ^e	14 ^r	14 ^r	11 ^r	7 ^r	1
Ta content ^e	8 ^r	8 ^r	7 ^r	4 ^r	1
Pozzolanic material	213,640	280,522	360,000 ^r	440,292 ^r	446,316
Salt ^e	15,000 ^r	15,000 ^r	15,000 ^r	15,000 ^r	15,000
Steel ^e	20,000	7,000	7,000	7,000	7,000
Tin, mine output, Sn content	--	23	40 ^{r,3}	--	19
Tungsten, mine output, W content	75 ^r	86 ^r	48 ^{r,3}	5 ^{r,e}	28 ^e
Vermiculite	3,512	3,269	-- ^{r,3}	-- ^r	1,121

^e Estimated; estimated data are rounded to no more than three significant digits. do. Ditto. ^r Revised. -- Zero.

¹ Table includes data available through September 9, 2011.

² In addition to the commodities listed, the following are presumably produced, but available information is inadequate to estimate output: corundum, refined lead, marble, sand and gravel, silica sand, and soapstone.

³ Reported figure.

⁴ Does not include smuggled artisanal production.

TABLE 2
UGANDA: STRUCTURE OF THE MINERAL INDUSTRY IN 2010

(Metric tons unless otherwise specified)

Commodity		Major operating companies and major equity owners	Location of main facilities	Annual capacity
Cement		Tororo Cement Industries Ltd.	Tororo	1,000,000
Do.		Hima Cement Industries Ltd. (Bamburi Cement Ltd., 70%)	Kasese	850,000
Cobalt, refined		Kasese Cobalt Company Ltd. (KCCL) (Blue Earth Refineries Ltd., 75%, and Government, 25%)	do.	1,000
Gold:				
Mine	kilograms	Artisanal miners	Tiira Mine at Busia	400
Refined	do.	Victoria Gold Star Ltd.	Kampala	14,400
Lead, refined secondary		Uganda Batteries Ltd.	do.	1,000
Niobium (columbium) and tantalum	kilograms	M/S Technical Support and Services Ltd.	Wampewo	NA
Salt		Artisanal miners	Lake Katwe	15,000 ^e
Soapstone		African Minerals Ltd.	Moroto	NA
Steel: ¹				
Crude		Steel Corp. of East Africa Ltd. (subsidiary of Madhvani Group)	Jinja	50,000 ^e
Do.		Steel Rolling Mills Ltd. (subsidiary of Alam Group Ltd.)	do.	21,000
Billet		Steel Corp. of East Africa Ltd.	do.	50,000
Rolled		do.	do.	30,000
Do.		Steel Rolling Mills Ltd.	do.	40,000
Do.		BM Technical Services Ltd.	Mbarara	20,000
Do.		Sembule Steel Mills Ltd.	Kampala	20,000
Stone, crushed		Hima Cement Industries Ltd.	Kasese district	NA
Do.		Kilembe Mines Ltd.	do.	NA
Do.		Tororo Cement Industries Ltd.	Tororo district	NA
Do.		Zzimwe Construction Ltd.	Mukono district	690,000
Tungsten		Krone Uganda Ltd.	Nyamurilo	115
Vermiculite		Gulf Industrials Ltd.	Namekara	15,000

^eEstimated. Do., do. Ditto. NA Not available.

¹In addition to its crude, billet, and rolled steel facilities, Uganda has a galvanized steel plant with a capacity of 30,000 metric tons per year.