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26th. AUGUST.2021

THE RIGHT HONOURABLE SPEAKER
11th PARLIAMENT OF UGANDA

Dear Speaker,

RE: GATEWAY RESEARCH CENTRE'S POLICY ADVOCACY ON THE CURRENT UNFAIR INTERNET DATA TAX, ELECTRICITY TARIFF RATES, NATIONAL WATER & SEWERAGE CORPORATION TARIFFS IN UGANDA

Gateway Research Centre Uganda is a Not-For-Profit Think Tank organization located in Mengo Kampala. Through you the Speaker of the 11th Parliament of Uganda, we wish to express our advocacy against the current unfair internet data tax, the high electricity tariffs charged by Umeme and the high prices for National Water services.

You will bear witness with us that the current pandemic itself has led to a paradigm shift from the traditional physical management and business approach to digital technology. Today, With the introduction of virtual meetings (zoom and other forms), online lessons and digital marketing, many Ugandans (especially in urban and peri-urban areas) have relocated their businesses to embrace the digital technology through digital marketing and home delivery. However, the 12% huge internet data taxes have rendered this a difficult option to business entrepreneurs and managers across all sectors. Many small and medium businesses have been using internet to market their products. In brief, internet has been a pivotal factor where sellers and buyers virtually meet to transact business both in domestic and foreign trade.

To the education sector, most academic institutions have found it quite challenging to extend online/virtual lessons or lectures to learners and the heavy challenge of learners accessible online education materials. Bearing in mind that some education institutions can have free internet access from telecom companies such as MTN and Airtel Uganda, it is mostly applicable to large institutions of higher learning.

We also express our discontent regarding the high electricity charges arising from heavy taxes worsened by the monthly user service fee charged even when the client has not been using hydroelectric power, with a redundant Yaka meter.

Similarly, the National Water & Sewerage Corporation charges remain high, and we advocate for their reduction.

What is Gateway Research Centre's Appeal?

A. Revise the current internet data tax

- The Parliament of Uganda to dialogue with Uganda Revenue Authority and Ministry of Finance, Planning & Economic Development to revise the current internet data tax from 12% to between 1%-5% or at worst to be below 10%. This would match the new paradigm shift to digital technology of virtual management, digital marketing, and digital service delivery moreover in the unprecedented Covid-19 period.

B. Revise electricity tariff rates

- The Parliament of Uganda and Cabinet to discuss with Umeme Uganda to lower the monthly Yaka service fee by 50% from UGX 3,360 to UGX 1,680
- The Parliament of Uganda and Cabinet dialogue Uganda Revenue Authority, Electricity Regulatory Authority and Ministry of Finance to lower VAT on electricity from 18% to between 10% -14% to lower the cost of living and cost of doing business
- The Parliament of Uganda and Cabinet dialogue with Umeme to increase the quantity of the first monthly domestic electricity units chargeable at UGX 250 from 15Kwh to 30Kwh or more
- The Parliament of Uganda and Cabinet dialogue with Umeme to reduce the current average electricity charges for both domestic and commercial consumers to lower the cost of doing business and reduce the cost of living

C. Revise the National Water & Sewerage Corporation charges

- Parliament of Uganda and cabinet to dialogue with National Water & Sewerage Corporation to lower the water charges
- Parliament of Uganda and cabinet to dialogue with Uganda Revenue Authority to lower VAT on National Water & Sewerage Cooperation services to less than 10%.

Sincerely,

Nannozi Susanie Ggoobi (Ms)

Executive Director

Gateway Research Centre

Cc. Ministry of Finance, Planning & Economic Development (MoFPED)

Cc. Uganda Revenue Authority (URA)



Commissioner TAX
Policy