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# Assessing Local Road Transporters' participation readiness in Oil and Gas Industry in Uganda.



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**Abstract**

**Purpose** - The study sought to establish the readiness of local road transport service providers to participate and deliver the desired services in Uganda's budding oil and gas industry.

**Methodology/Approach** - The study adopted a mixture of qualitative and quantitative research methodologies to assess the readiness of local road transport service providers on the dimensions of eligibility compliance and capacity parameters while transport service quality was measured based on reliability, extent of the service, comfort, safety, and affordability).

**Research Design** - A cross sectional survey design was used. Two questionnaires were used; one questionnaire was sent to clients (companies dealing in oil and gas related products) and another was sent to the local road transporters.

**Findings** - Local road transport providers are largely wanting in compliance with eligibility requirements to conduct business. Notable challenges facing local transporters rotate around three aspects: legal and regulatory constraints and poor condition of roads, which together accounted for about 68% of the challenges.

**Research Limitations** -The extant study looked at the readiness of local road transport service providers in the oil and gas industry in Uganda. This could limit the generalizations to the entire industry as the analysis did not cover rail, water and air transport.

**Practical Implications** - There is need to strengthen the institutional capacity of local road transporters to enable them formalise their businesses and increase their eligibility status. Only when this is done will they be able to access tenders and actualise the intentions of the local content oil and gas policy.

**Originality/Value** - The results contribute towards the limited empirical and theoretical evidence regarding the readiness of local road transport service providers to deliver the desired services in the oil and gas industry in Uganda.

**Key words:** Local Road Transporters, Oil and Gas, Readiness, Service Quality,
**Paper type:** Research paper

## 1. Introduction and Motivation

The aim of this paper is to assess the readiness of local road transport service providers to deliver the desired services in Uganda's budding oil and gas industry. Internationally, the oil and gas industry is considered to be the biggest sector in the world in terms of dollar value, the oil and gas industry is a global powerhouse employing hundreds of thousands of workers worldwide as well as generating hundreds of billions of dollars globally each year (Dutta, 2013). In regions which house the major National Oil Companies (NOCs) these oil and gas companies are so vital that they often contribute a significant amount towards national GDP (Dutta, 2013). Sub-Saharan Africa is the fastest growing oil-producing region in the world, with production having risen by 36 per cent in the past 10 years against a 16 per cent rise worldwide. In Uganda, the intensified exploration work taking place in the

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Albertine Graben since 2006 has established commercial quantities of Oil and Gas. Uganda is one of the African countries that are expected to benefit from increased flow of investment resources from the oil and gas industry (World fact book, 2017).

Uganda has discovered 20 oil fields containing 64 wells of which 59 are productive. This is approximately 2.5 billion barrels however between 1 billion to 1.5b barrels is extractable. If resources from these sectors are realized and utilized in a professional, prudent, sustainable and transparent manner; the potential for Uganda to become a middle income country in 25 years may be realized. Its success however will depend on how efficient and ready are the transport service providers prepared to handle issues of diverse labour and skills needed to manage the process, technological innovation and quality, infrastructure, judicial, security and red tape to enable them take on new roles in the transportation, distribution and storage (UNCTAD, 2011).

Transport provides a key to the understanding and operation of many other systems at many different scales and is an essence of the complex relationships between social and political activities and the level of economic development (Buchannan, 1969). Good management of transportation systems is vital because efficient transportation systems allow world businesses to take advantage of the fact that lands, and the people who occupy them, are not equally productive. Whereas Uganda has issued guidelines aimed at promoting local citizen's participation in providing goods and services to government (Kasozi, 2017), this initiative though necessary is insufficient to guarantee business opportunities to the private sector. Acceptably, the private sector is largely driven by profit motive and thus would select a service provider with the requisite competencies to deliver a contract more effectively and efficiently. This suggests that despite the legal provisions of the petroleum exploration, development and production Act (2013), requiring contractors and subcontractors to give preference to goods which are produced or available in Uganda and services rendered by Ugandan citizens and companies, suppliers need to demonstrate the capacity and competence to implement the contracts.

The paper focuses on transportation because it is one such service unequivocally highlighted and largely anticipated to be dominated by local firms (National oil and gas policy for Uganda, 2008). Thus, a study to examine the current competence level of transport firms to participate in provision of transportation services to the oil and gas sector is plausible and consistent with the overarching goal of local content policy which is to use Ugandan local expertise, goods and services. Although the link between transport service quality and client satisfaction is consistent with mainstream literature, there is limited empirical evidence and systematic examination of the indicators of transporters' readiness to sieve local content opportunities in the budding oil and gas industry. Yet such indicators would help objectively gauge the competence of any firm to deliver effective and efficient transportation services to the oil and gas clients and if such service providers do not demonstrate capacity, this subsector will not achieve the participation envisaged in the National Oil and Gas Policy (2008). Therefore there is need for a systematic investigation into the sector's readiness to harness the opportunities that the oil and gas industry intends to offer. This comes from the fact that, improved transport service is a necessity for enhanced mobility.

Based on a number of parameters, overall, the readiness of local road transport service providers to deliver the desired services in Uganda's budding oil and gas industry appear doubtful. These results are significant for both government and the private players in the transport sector to develop strategies that reposition the transport service providers for the upcoming phase of oil production and optimise the local content opportunities as enshrined in the National Oil and Gas Policy (2008). Moreover, as the country draws closer to the oil production date of 2020, industry stakeholders have warned to take matters of local content in the oil and gas industry more

seriously. This study was in response to this call. The rest of the paper is organised as follows. Section 2 reviews literature based on the research objectives. This is followed by a discussion of the research methodology in Section 3. Section 4 presents and discusses results. The final section is summary and conclusion.

## 2. Literature Review

***Incidence and level of eligibility compliance by local road transport service providers.***

The transport sector in the oil and gas industry falls in the downstream level. This downstream level focuses on the storage of crude oil, refining of crude oil into finished product, distribution and marketing of oil to wholesalers and retailers (World Bank, 2007). Regulatory compliance is an organization's adherence to laws, regulations, guidelines and specifications relevant to its business. Road transport regulation includes measures covering the registration, operation and charging of vehicles, the licensing of drivers, and measures to ensure compliance with regulatory requirements. Road transport is regulated to maximise road safety while allowing for transport efficiency and minimising unrecovered infrastructure costs (McIntyre & Moore, 2002). Generally in Uganda there is a general lack of national regulatory consistency; road transport legislation in some jurisdictions has not been fundamentally reviewed for years. According to the Petroleum Act (2013), local transport service providers should have a trading license to ensure compliance. Compliance to legal and transport regulatory requirements by transport providers' means application and adoption of legal instruments for the implementation of social-economic policy objectives. In the transport industry, service providers are required to comply with what is termed as conduct and social regulation. Conduct regulation is aimed at taming behaviour of those in the transport industry like drivers through fines and penalties, labelling and quality controls to ensure that the products supplied meet the national and international standard while social regulation requires local transport provider to follow environmental sensitiveness to reduce social and economic impact to society, occupational health and safety, consumer protection and labour through equal opportunity for all (Hertzog and Eakin,, 2006).

Much as transport providers offer better mobility and access to oil and gas products to society, its impact to the economy can affect economic growth through social impact, externalities and economic impact (Leung, 2006) therefore transport service providers ought to comply to transport regulations in terms of transport laws, policies, logistical systems and management regimes (Lakshmanan and Anderson, 2002). Compliance to transport regulations by transport firms wouldn't be a problem but the challenge in Uganda is the poor infrastructure which leads to additional costs, high cost of adopting road ICT systems to track driver behaviour, limited skills of managerial and operational staff as well as poor transport facilitation given to transport operators limit compliance (compliance is a cost that transport operators are not willing to incur). This phenomenon is made worse by lack of regulatory and enforcement policies in many African countries (United Nations Report, 2009). It's noted that in Africa, Uganda inclusive has no systematic policies that allow and promote private sector participation in transport infrastructure development and operation. This limits implementation of any transport regulations. The world bank continues to emphasise that most African countries Uganda inclusive are not only facing short of required skills and expertise in the oil and gas industry but the quality and numbers in the field of engineering, science, mathematics and technology remain a major challenge (Nwapi, 2016). These factors make it difficult for local firms to compete favourably with their foreign low cost rivals. Readiness by transport providers describes the propensity of a user to embrace transport regulations and use new technologies for accomplishing goals (Parasuraman, 2000) and these have to be fit with the transport firms roles and responsibility and improve business effectiveness and efficiency (David and Marianick, 2010).

Therefore, to ensure compliance to transport regulations by local transport service firms, voluntary compliance is very vital given the fact that it will be out of ones wish and initiative after appreciating its value as opposed to command and control compliance (Tyler et al., 2008). This calls for regulators to create awareness on the value of compliance. Therefore it can be concluded that, transport providers are more willing to adopt and adhere to rules in environments that reward ethical behaviour contrary to one that primarily punishes unethical behaviour. This is supported by Trevino et al. (1999) who contend that individual compliance is likely to yield positive results if adopted by local firms in Uganda and this should come with a reward.

***Transport delivery capacity of local road transport service providers***

Delivery capacity involves decision making on planning, analysing and optimizing capacity to satisfy demand in a timely manner and at a reasonable cost (Mieghem, 2003). It's further defined by Alp and Tan (2006) as the capability of a manufacturing or service resource such as a facility, process, workstation, or piece of equipment to accomplish its purpose over a specified time period. Capacity focuses on things like availability of facilities, equipment, and labour, how they are organized, and their efficiency as determined by specific work methods and procedures. Rudberg and West (2008), argue that capacity management has a considerable impact on the quality of the service as perceived by customers.

Local road transport service providers have to develop and improve on their delivery capacity in order to take advantages in the oil and gas sector and this is relevant because the oil and gas industry plays a critical role in driving the global economy. The processes and systems involved in producing and distributing oil and gas are highly complex, capital-intensive and require state-of-the-art technology which is largely lacking in most Ugandan transport firms. Road transport is the dominant mode of transport in Sub-Saharan African cities, accounting for 80-90% of both passenger and goods transport (United Nations, 2009). If local transport firms are to engage in the transportation of oil and gas, there will be need for affordable, easy-to-use and flexible transportation systems which are essential for transporting oil and gas. Transportation and storage in the oil and gas industry pertains to the movement of crude oil from the oil fields (where oil has been discovered) to petroleum refineries (where the oil is further processed) to storage areas, where the petroleum products are stored for distribution and emergency reserves. However, developments in oil and gas sector do not reflect the desired capacity and best practices to guarantee the desired benefits the (Parliamentarian, 2013). The Albertine Graben is a long way from the international markets and is landlocked; the distance from Hoima to a potential export point in Mombasa in Kenya is 1,325 km. The general high pour point of the crude oil caused by a high wax content implies special requirements for the operation of efficient road transport system. Daily oil production rates are planned at around 10,000 barrels.

To transport such volume requires an estimated 170 trucks of 20,000 litres from the oil fields to the refinery, and from the refinery to the domestic and regional markets. At full production, capacity of 120,000 barrels will require 800 trucks moving daily (Kamulegeya, 2012). Therefore there is need to find out the capacity of local road transport firms to providing reliable, safe and secure transport services to the oil and gas industry.

***Perception of the quality of transportation services delivered by local road transport service providers.***

Quality of service is defined as "the overall measured or perceived performance of transit from the client's point of view" (Anderson and Fornell, 2000). This implies that quality is meeting the customer's needs in a way that exceeds their expectations. Perceived quality of a service represents

the properties of that service which are valued by the consumer and thus a fulfilment of their expectation (Cook, 2008). Service quality in the oil and gas sector is mostly determined by reliability in terms of supply, which is largely dependent on the physical resources such as number of petrol stations; presence across the country, number of trucks and proximity to depots among others. The key issues in this sector include service quality goals in a context in which a balance of capacity is critical. Generally it is not easy to exhaustively define the level of service quality because different people may put different emphasis on various components of the concept of service quality. For instance, on the part of transport consumers the dimensions of service quality mainly considered are travel time, capacity of the transportation equipment, bus frequency, comfort and convenience, terminal standards, bus stop facilities and interchanges between routes among others (Mfinanga & Ochieng, 2006). Among the prime goals of all actors involved in the transportation business is the creation of a well-organized transit system, within which citizens can find a sufficient level of mobility and satisfy their important need for the efficient movement under safe and comfortable conditions. This overall principle entails many significant quality characteristics of the transport system, such as safety, on-time performance, accessibility, efficiency, information provision and many others (Morfoulaki et al., 2007). However according to several African studies on transport systems, the quality of transport service in Africa requires urgent improvement. In the same perspective, a study by (Evensky, 2005) indicates that in most African cities, traffic discipline is poorly enforced and that there are few efforts, as yet, to set up priorities for transport systems in major cities. Based on this discussion, it is clear that the quality of transport services in Uganda need urgent attention in order to benefit in the budding oil and gas industry.

***Challenges faced by stakeholders in the oil and gas industry in Uganda***

According to Parliamentarian (2013), the oil and gas industry faces the following challenges Lack of knowledge or capacity to address complexities in the oil and gas Sector, despite the country putting in place the Oil and Gas Policy (2008) as there has been no effective implementation. The laws and institutions that were expected to be in place as a result of this policy were not implemented and the transactions arising from the growth of the sector have become increasingly complicated to the point of litigation. Lack of the specialized expertise on oil and gas by the committees and limited availability of resource to oversee the sector. There is generally a lack of timely access to useful information on the sector. Therefore a central information office for national content should be established. It is generally recognized that the infrastructure to enable business and private sector development in Uganda is rather poor, and that the financial system in many respects does not serve its purpose for the funding of business development, and in particular with regard to small and medium sized enterprises. Poor infrastructure and a financial system that lags behind will obviously affect efforts to expand national content negatively.

***Strategic actions to improve local road transportation business***

Whether oil discovery becomes a curse or blessing to a country depends on how institutions, regulations and politics are constructed and operated. For national content ambitions in the petroleum industry to become a success, capacity building and industrial diversity are prerequisites. Thus, it is crucial for Uganda to pursue long term political commitment for capacity building to reap the benefits of national participation. Kula et al., (2006) suggests to boost local transport firms there is need to integrate the large global transport firms with the local firms to link up vertically or horizontally with one firm performing a specific task and the other a different task, exchange knowledge, information and technical, financial and business services to facilitate a learning process. The collaboration between the government of Uganda and the major players in the petroleum activities should focus on

facilitating participation of local firms thus it is necessary to establish a legal framework as reflected through the laws, regulations and license agreements to ensure that national content receives the necessary attention and to enforce national content ambitions. This will give chance to local service providers to participant effectively.

In order to ensure local participation, contracts should be structured to align with local capacity and a national register for prequalified companies should be established. Therefore there is need to establish an institutional framework to ensure establishment of a government body for national content enhancement and establishment of an oil and gas Industry transporters' association. The legal base for the government body to engage in the enhancement of national content is in the law (Petroleum Bill). This law should be supported by regulations providing procedures for the dissemination of information on field development plans and future demand. This means that the regulations issued should describe procedures regarding the presentation of field development plans and their approval. Procedures also need to be described regarding contracting plans and procedures for procurement.

***Transportation readiness conceptual framework***

Selection of a transport service provider is largely founded on a combination of two tiers of cost (acceptable cost) and benefit (competitive service level). These factors are operationalised to include legal and regulatory compliance; possession of resources (financial, personnel and equipment), experience and management capacity. A modified RECSA model showing the interface between transportation selection factors and the desired outcomes from any transportation service provider is illustrated in Figure 1 below.

**Figure 1: Transportation readiness conceptual framework**

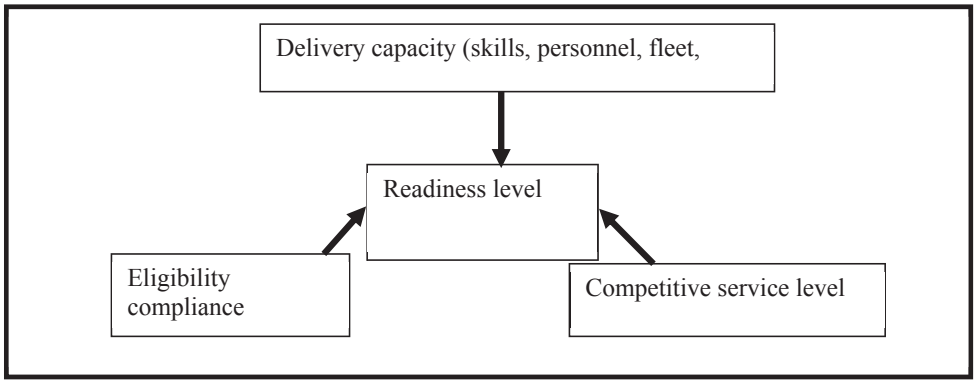



**Fig. 1,** depicting local road transporters' readiness factors

The framework recognises salient aspects that underpin the preparedness (readiness) of any transporter to engage in transport business in an efficient and effective manner. The model underscores a firm's ability to comply with the legal and regulatory requirements, delivery capacity (management skills, personnel, fleet, etc.) and meeting the desired customer service levels (reliability, safety and security of goods, driver behaviour, convenience, customer care, and the like). This framework supports Govender's (2016) notion of transport service quality as a sine quanon for sustainable transportation business.

## 3. Research Methodology

### Research design

The study adopted a cross sectional survey design. Brayman (2012) suggested that a cross sectional research design is useful in studies involving collection of data (whether qualitative or quantitative) on more than one case and at a single point in time and entails two or more variables in order to examine any patterns of association. Drawing on the foregoing insights, we considered cross sectional research design a suitable research design for the extant study.

***Population and sample***

The unit of analysis were the local road transporters and companies dealing in oil and gas products while the unit of enquiry was a managing director of the transport firm or one responsible for the day to day operations of the transportation business. This approach has been used in previous studies involving business firms (Nandakumar et al., 2010; Bategeka et al., 2012). However, to avoid ineligible firms from participating in the survey, a firm had to satisfy two conditions to be recruited in the survey:

(1) Membership to either the Regional Lorry Drivers or Transporters Association (RLDATA), a local road transporters association in Uganda. RLDATA is a corporate member of the Association of the Uganda Oil and Gas Service providers (AUGOS).

(2) Confirmation through pre-survey investigations that the firm was actually involved in transportation business as a transporter (but not a broker).

Following the above procedures, we established a population of 250 firms from which a sample of 152 firms was drawn using Krejcie and Morgan (1970) guidelines for determining a sample size from a given population.

***Sampling procedure.***

Simple random sampling was adopted to select subjects to be included in the sample following a procedure suggested by Bryman et al. (2012). The procedure requires: (1) defining the population (250 firms, in our case); (2) devising a comprehensive sampling frame (the list of registered transporters); (3) decide on the sample size, n, here 152; (4) list all elements in the population and assign them consecutive numbers from 1 to N, here 1 to 250; (5) using a table of random numbers to select n (152). Lastly, the firms that matched the n (152) random numbers constituted. This approach was considered appropriate for it is most likely that the distribution patterns of the characteristics we are interested in investigating in the population are also likely distributed in the subjects we draw for our sample. This sampling method was considered appropriate for it is prone to least bias and offers the most generalizability.

Of the 152 targeted respondents, 104 usable questionnaires were returned, yielding a response rate of 68%. Ten firms (10) were untraceable owing to reasons including wrong physical and/or telephone contacts, location and business failure. Fifteen (15) firms refused to respond citing "company policy" despite having confirmed to participate. Data from 25 firms were either incomplete or suspect due to unexplainable inconsistencies. The 68% response rate was considered adequate.

**Table 1:** Respondents' profile (unit of enquiry and unit of analysis)

| ***Gender category*** | **Frequency** | **%** | **Cumulative frequency** |
|---|---|---|---|
| Male | 82 | 79 | n.a |
| Female | 22 | 21 | n.a |
| **Total** | **104** | **100.0** | |
| ***Highest level of formal education*** | | | |
| Certificate | 33 | 32 | n.a |
| Diploma | 29 | 28 | n.a |
| First Degree | 32 | 31 | n.a |
| Masters | 2 | 2 | n.a |
| Others | 8 | 8 | n.a |
| **Total** | **104** | **100** | |
| ***Age of respondent*** | | | |
| under 25 | 2 | 2 | 2 |
| 25-30 | 19 | 18 | 20 |
| 31-36 | 23 | 22 | 42 |
| 37-42 | 39 | 38 | 80 |
| 43-48 | 19 | 18 | 98 |
| 49 or more | 2 | 2 | 100 |
| **Total** | **104** | **100.0** | |

| **Respondents' profile (unit of Analysis)** | **Frequency** | **%** | **Cumulative frequency** |
|---|---|---|---|
| ***Category of business organisation*** | | | |
| Sole proprietorship | 53 | 51 | n.a |
| Partnership | 14 | 13 | n.a |
| Private limited company | 37 | 36 | n.a |
| **Total** | **104** | **100** | |

| ***Period the company has been in existence*** | **Frequency** | **%** | **Cumulative frequency** |
|---|---|---|---|
| Less than 5 | 6 | 6 | 6 |
| 5-10 | 56 | 54 | 60 |
| 11-16 | 30 | 29 | 89 |
| 17-22 | 4 | 4 | 93 |
| 23-28 | 3 | 3 | 96 |
| 29 or more | 3 | 4 | 100 |
| **Total** | **104** | **100** | |

**Source: Primary Data**

As shown in Table 1, most respondents were male (79%) compared to female (21%), suggesting a male dominated industry. Regarding education, most respondents possessed a certificate 32% or a degree qualification 31%. Most respondents (about 38%) were in the age bracket 37-42years. Overall, almost 80% of executives surveyed were aged 42 or younger. Only 2% of the respondents were aged 49 or higher, implying that managers of most firms surveyed were largely youthful.

Related to category of business organisation, over half (51%) of responding firms were under sole proprietorships followed by private limited companies (36%). The least form of business organisation surveyed was partnership (13%). In terms of experience (demonstrated by duration the firm had been in existence), majority (54%) of firms surveyed had operated for a period 5-10 years. On a whole, 91% of firms had at most operated for 16 years. The results suggest that formal road transport in Uganda is relatively young.

**Data collection Methods**

Data for this study were collected using personally administered questionnaires. Two administered questionnaires were used to collect data. One was for the clients who have ever used the services of the local road transport service providers to get their perception on the quality of services that were provided by the transporters. Another questionnaire was used to collect data from the local road transport service providers assessing their readiness to participate in the budding oil and gas industry.

Drawing from the above insights, respondents were selected on the basis of their experience or knowledge about the transport business and activities of the firm at the time of the survey. This was achieved through a variety of strategies: Foremost, through tactful engagement of selected transporters and staff considered knowledgeable about the organization structure. This approach enabled us to create rapport with the transporters which in turn eased data collection. The second approach entailed a review of RLDATA a local road transporters association in Uganda and AUGOS (Association of the Uganda Oil and Gas Service providers) register of members. The register contained the name of the transporter, the physical address, and the contact person.

**4.0 Results and discussion**

**Results**

Extent of eligibility compliance of local road transport service providers

Descriptive analysis was conducted to establish the extent to which local road transport service providers were compliant to eligibility requirements (whether or not a firm possessed a certificate of registration, tax registration certificate, subscription to National Social Security Fund (NSSF) by staff, possession of a firm bank account). A firm was categorised 'eligible' when all these requirements were met, otherwise omission of any one requirement would render the respondent firm ineligible. Corollary, the variable was coded into (1 = Eligible, 0 = ineligible). The results are presented in Table 2.

| Eligibility assessment | Frequency | Percent |
|---|---|---|
| Eligible | 46 | 44% |
| Not Eligible | 58 | 56% |
| **Total** | **104** | **100%** |

**Table 2:** Eligibility compliance of transport service providers

**Source: Primary data**

As shown in table 2 above, a greater portion (56%) of firms surveyed were ineligible, suggesting they had issues with business registration, trading licence, tax registration or NSSF subscription or a

combination of these. The research findings imply that local road transport firms are largely unable to competitively participate and benefit from any tenders in the transport business especially where local firms may be called upon to bid for such opportunities consistent with the local content policy and guidelines.

The Petroleum Act (2013) stipulates that local road transport service providers should have a trading license however the results revealed that most firms in Uganda may not really benefit from the budding oil and gas sector due to the fact that most firms surveyed were not complaint to the transport rules. Moreover, McIntyre and Moore (2002) found that in Uganda there was a general lack of national regulatory consistency, with road transport legislation in some jurisdictions had not been fundamentally reviewed for years. These findings are in line with a Parliamentarian report (2013) that indicated that Uganda's transport firms did not reflect the desired best practices to guarantee the desired benefits.

***Transport delivery capacity of local road transport service providers***

Delivery capacity in this study was operationalised as comprising the status and availability of fleet (whether the vehicles were owned, hired or leased), experience in the transport business, staffing and managerial competence. Descriptive analysis of these variables was conducted as shown in Tables 3, 4 and 5.

**Table 3:** Availability and status of fleet

| Class of vehicle | Own | Hire | Lease | Total |
|---|---|---|---|---|
| Trailers and semi-trailers - 2 axles | 94%(391) | 5%(21) | 1%(5) | 100% |
| Heavy goods vehicles - more than 10 tons | 69%(210) | 9%(28) | 22%(66) | 100% |
| Medium goods vehicle - 3.5 tons - 10 tons | 35%(29) | 36%(30) | 29%(24) | 100% |
| Light goods vehicle - less than 3.5 tons | 30%(20) | 52%(35) | 18%(12) | 100% |
| Heavy omnibuses - passenger vehicles; more than 60 passengers | 99%(278) | 1%(2) | 0% | 100% |
| Medium omnibuses - passenger vehicles; 20-60 passengers | 78%(14) | 22%(4) | 0% | 100% |
| Light omnibuses - passenger vehicles; 7-20 passengers | 71%(12) | 29%(5) | 0% | 100% |
| Motor cars- car and dual purpose vehicles | 98%(52) | 2%(1) | 0% | 100% |
| Motor cycles | 100%(9) | 0% | 0% | 100% |

**Source: Primary data**

As shown in Table 3, most goods vehicles were owned compared to hire or lease options. The greatest number of Trailers and semi-trailers (2 axle) possessed by the firms surveyed were owned (94%) with those leased and hired accounting for 5% and 1% respectively. For heavy goods vehicles (more than 10 tons), most of these (69%) were owned followed by leasing (22 %) and hire (9%).

In the category of medium goods vehicles (between 3.5 to 10 tons), there was somewhat a balance in acquisition modalities of owning (35%), hire (36%) and leasing (29%). Nonetheless, the following vehicles were largely owned: Heavy omnibuses passenger vehicles; more than 60 passengers (99%), medium omnibuses - passenger vehicles; 20-60 passengers (78%), light omnibuses - passenger vehicles; 7-20 passengers (71%) and motor cars- car and dual purpose vehicles (98%). All firms surveyed reported wholly owning (100%) the motor cycles possessed.

These findings are in line with previous literature by (Rudberg & West, 2008) who contend that once organisations are able to manage their capacity, they are in position to attain the desired quality. On a general analysis, local road transport companies owned most of the transport facilities and this indicates that transport companies are capable of taking over transportation opportunities

in Uganda's budding oil and gas industry.

Delivery capacity of local road transporters was further evaluated in terms of staffing and experience in transport service provision (that is, whether they had been contracted to transport people or goods in the last twelve months and the furthest district moved). Specifically, the level of staffing was examined in terms of availability and status of drivers, turn men, mechanics, accountants, managers, and the like. Results are presented in Table 4.

| **Staff by category** | **Permanent** | **Casual** | **Contract** | **Total** |
|---|---|---|---|---|
| Drivers | 68% (809) | 10%(115) | 22%(263) | 100% |
| Turn men | 53% (445) | 39%(327) | 7%(62) | 100% |
| Mechanics | 71%(139) | 18%(36) | 10%(20) | 100% |
| Accountants | 56%(44) | 6%(5) | 37%(29) | 100% |
| Managers | 75%(77) | 0% | 25%(26) | 100% |
| Inspectors | 40%(20) | 60%(30) | 0% | 100% |
| **Experience in transport** | | | | |
| ***Operation area*** | ***Frequency*** | ***Percentage*** | ***Valid %*** | ***Cumulative %*** |
| Inland | 88 | 85% | 85% | n.a |
| International | 16 | 15% | 15% | n.a |
| **Total** | **104** | **100** | **100** | **n.a** |
| ***Have you been contracted in the last 12 months?*** | ***Frequency*** | ***Percentage*** | ***Valid %*** | ***Cumulative %*** |
| Yes | 92 | 88% | 88% | n.a |
| No | 12 | 12% | 12% | n.a |
| **Total** | **104** | **100%** | **100%** | **n.a** |
| ***Have you won a contract as a main transporter?*** | ***Frequency*** | ***Percentage*** | ***Valid %*** | ***Cumulative %*** |
| Yes | 71 | 68% | 68% | n.a |
| No | 33 | 32% | 32% | n.a |
| **Total** | **104** | **100** | **100** | **n.a** |

**Table 4:** Capacity assessment by staffing and experience of firms

**Source: Primary data**

As depicted in Table 4, most firms surveyed reported having a rather more permanent staff establishment. Notably, the proportion of permanent staff by occupation revealed that drivers were at 68%, turn men (53%), mechanics (71%), accountants (56%) and managers (75%). On the other hand, the highest proportion of inspectors was causal (60%). The high number of permanent mechanics was based on the fact that most transport firms surveyed also operated garages to service their fleet as well as service other firms' fleet as a business.

Regarding the scope of operation (by area), most firms (85%) were involved in inland transport, with only 15% indicating having ever ventured beyond Uganda (notably South Sudan, Congo and Rwanda). This imposes significant capacity management problems as postulated by (Ezingeard & Race, 1995). Experience was also assessed by enquiring into the performance of firms in the last 12 months (at the time of the survey) regarding whether or not they had been contracted to transport goods or people as the main transporter. To this issue, most respondents (88%) answered in the affirmative while 12% indicated they had not been contracted in the period under review.

Respondents were also asked to indicate whether they had won a contract to transport people

or goods as the main contractor (and not as subcontractors) in the past two years (at the time of the survey). It was found that most of respondents (about 92%) had actually won contracts as main contractors. This indicated that the transport service providers had the capacity to participate in transportation contracts especially those in the promising oil and gas sector in Uganda.

In this study, the delivery capacity of local road transporters was further evaluated by examining the competence of managers on vital skills that closely relate to the transportation business. The results are presented in Table 5.

**Table 5:** Assessment of management competence of local road transporters

| Assessment area | Min. | Max | Mean | SD |
|---|---|---|---|---|
| Costing skills (determining the right price to charge for services you provide to clients to avoid losses) | 2 | 4 | 3.4 | 0.76 |
| Tendering skills | 2 | 4 | 2.9 | 0.57 |
| The quality of your drivers compared to those of your competitors | 2 | 4 | 3.3 | 0.73 |
| Use of technology to track vehicles and cargo | 1 | 4 | 2.3 | 1.00 |
| Customer care skills of your drivers and turn men | 2 | 4 | 3.3 | 0.70 |
| Possession of enough finances to run the day to day needs of the business | 1 | 4 | 3.0 | 0.84 |
| Current level of profits earned | 1 | 4 | 2.9 | 0.73 |
| The quality of fleet (in terms of maintenance, servicing, etc.) | 1 | 4 | 3.2 | 0.76 |
| Adequacy of fleet (both in number, capacity and of the right type) | 1 | 4 | 3.0 | 0.72 |
| Condition of current fleet to win tenders in the oil and gas industry | 1 | 4 | 3.1 | 0.81 |
| **Grand mean** | | | **3.04** | **0.762** |

**Source: Primary data**

Over all there was limited management competence (3.04) which was just average suggesting need for improvement for better performance. This low level was however attributed to low ICT usage (M=2.3, SD=1.0), inadequate tendering skills (M=2.9, SD=0.57) and low levels of profitability (M=2.9, SD=0.73). Given the proliferation of information technology and increased customer demands, management is pressured to enhance their skill sets to include technology, people skills (leadership, communication and interpersonal skills) and the like. Management competence is crucial in the success of the transport and logistics business. The significance of management competence is underscored by (Chopra et al., 2007) who support the need for management skills such as commercial awareness, numeracy and good problem solving skills, ability to think quickly, logically and analytically.

***Perception of the quality of transportation services delivered by local road transport service providers.***

A grand mean score of less than 3.00 signified a pitiable service quality level and a mean score greater than 3.00 signified acceptable service quality level.

**Table 6:** Clients' perception of transporters' service quality

| Service quality attribute | Min. | Max. | Mean | SD |
|---|---|---|---|---|
| Reliability (on time delivery, trustworthiness, consistency, etc.) | 1 | 5 | 2.80 | 1.00 |
| Safety and security of persons and goods | 1 | 5 | 2.78 | 1.19 |
| Driver behaviour | 1 | 5 | 2.78 | .95 |
| Convenience of services (including door to door delivery, last mile deliver | 1 | 5 | 2.88 | 1.20 |
| ICT- (use of tracking systems, etc.) | 1 | 5 | 2.22 | 1.38 |
| Adequacy of fleet (in number, capacity and of the right type) | 1 | 5 | 2.69 | 1.22 |
| Customer care and general client relationship management skills | 1 | 5 | 2.73 | 1.11 |
| **Mean score** | | | **2.69** | **1.15** |

**Source: Primary data**

Results in Table 6 reveal a middling perception of service (M = 2.69, SD = 1.15) delivered by local road transporters to their clients. This level of quality is not good enough per Likert (1932) interpretation of Likert scales. However, this perception was not typical across all the clients surveyed (SD = 1.15). Nonetheless, all clients in unanimously agreed that driver behaviour was just average (M = 2.78, SD = 0.95). On a whole, the low opinion on service quality delivered by local transporters was largely driven by low or none adoption of ICT (notably use of tracking systems) by transporters (M = 2.22, SD = 1.38).

Respondents separately reported that lack of ICT was attributed to lack of funds to invest in such facilities however the use of information technologies has been found to be essential in linking up a number of businesses and also enhancing information sharing
(Brandon et al., 2006). Therefore the local road transport providers should devise ways of investing in such ICT facilities to enable them track driver behaviour while on the road which this study found to be wanting.

Further researchers have emphasised that adoption of ICT is no longer a choice but a necessity in order to improve information sharing which is critical for organizations that are aiming at competitive strategies in business (Gorry, 2008). This further improves coordination and leads to high levels of integration between members of the same business processes which enhances the decision making process and increases the firm's ability to compete for tenders (Easton and Jarrell, 1998).

***Challenges faced by local road transport service providers in Uganda***

Respondents were asked to enumerate the challenges they faced in their business operations through an open ended questionnaire *"What challenges do Ugandan road transporters face?"*

| Theme | Frequency | Percent |
|---|---|---|
| Driver behaviour and negligence | 4 | 4% |
| Legal and regulatory constraints | 36 | 34% |
| Management competence | 3 | 3% |
| Operational challenges | 18 | 17% |
| Poor condition of roads | 34 | 33% |
| Safety and security | 9 | 9% |
| **Total** | 104 | 100% |

**Table 7:** Challenges faced by Ugandan road transporters

**Source: Primary Data**

As shown in Table 7, respondents reported three notable challenges: (1) legal and regulatory constraints (34%); (2) poor condition of roads (33%) and operational challenges (17%). The least challenges related to management competence (3%), driver behaviour and negligence (4%) and safety and security of goods (9%). Regarding the poor condition of roads, respondents revealed that most roads had poor signage, were potholed while others were narrow, especially in the upcountry regions. This is line with World Bank report (2002) that revealed that in Kampala and many other African cities the quality of services in road transport were poor, unreliable, unsafe and insecure. This coincides with Kajuna's (2008) observation that the quality of road transport services in Sub-Saharan African countries Uganda inclusive needs urgent attention in order to improve the services it offers. Therefore there is need to improve on the quality of services in terms of safety and security of persons and goods in transit to ensure that these local road transporters compete favourably with foreign road transporters

The legal and regulatory constraints were in form of high taxes, the conduct of traffic officers, among others. These in sum affect their operations. These findings are in line with Kajuna (2008) who postulates that road transport and safety regulations by the ministry of works and transport are still insufficient and unsafe for most Ugandans and their goods.

***Strategies to improve local road transportation business***

The other objective of this study was to recommend strategies for strengthening the capacity of local road transporters to participate in the budding oil and gas industry in Uganda. A number of approaches were adopted to identify, sieve and subsequently recommend suitable actions needed to strengthen the current phenomenon facing local transporters. Also, in a bid to understand the current efforts by local transporters to manage the challenges being faced in the industry, we requested respondents themselves to respond to the open ended questionnaire. "how have you managed to overcome or reduce those transportation challenges?" Aware that best strategies ought to be customer centric, clients were equally asked for their opinion regarding how to strengthen the capacity of local road transporters in Uganda through an open ended question… *"In your view, what should local road transporters do to succeed in their business?"*

**Table 8:** Strategies adopted by Local Road Transporters in Uganda

| **Thematic area ( suggested by transporters)** | **Response (f)** | **Percent (%)** |
|---|---|---|
| Capacity building | 34 | 33% |
| Legal compliance | 14 | 13% |
| Management skills | 30 | 29% |
| Safety and Security | 1 | 1% |
| Service Quality | 25 | 24% |
| **Total** | 104 | 100% |
| **Thematic area ( suggested by clients)** | | |
| Capacity development | 52 | 50% |
| Improve management | 48 | 46% |
| Form associations | 2 | 2% |
| Improve safety and security (of goods/people) | 2 | 2% |
| **Total** | 104 | 100% |

**Source: Primary Data**

Similar themes emerged from the responses given by clients concerning what local road transporters ought to do to succeed in the industry. This is revealed in Table 8 where capacity development and improving management accounted for 50% and 46%, respectively, and together accounting for 96% of responses on the matter in issue. In sum, the results confirm that strengthening local transporter sustainable capacity is a responsibility of management and not externally sourced and this compares well with (Linell, 2003) who postulates that sustainable capacity is an organizations internal ability to achieve its mission effectively and to sustain itself over the long term. For local road transport providers to improve their capacity, there is need to focus on building abilities, relationships and values that will enable them to improve their performance and achieve their development objectives (UNEP, 2006). Capacity building for transport firms will involve training to improve awareness, formal education, capacity building projects, networking and others.

**Discussion**

The results reported in this paper suggest that legal and regulatory constraints challenge the performance of local road transporters. Road transporters appear not adequately knowledgeable of the regulatory framework of road transport. We note two additional challenges that occasion this occurrence: Foremost, lack of regulations governing commercial road transporters (Lorries and Tracks) when compared to their Passenger Service Vehicles (PSVs) counterparts. Secondly, lack of trust among the stakeholders in the road transport industry — Transport Licencing Board (TLB), Traffic Police and users of transport services. We strongly recommend TLB to take lead in not only regulation of the subsector but also intensify sensitization of all stakeholders on the regulations governing the sector. Through these programmes, transporters would be sensitized of their obligations and rights to minimize manipulation and achieve optimal compliance with sector regulatory requirements.

Results indicate that about six in every ten firms surveyed (56%) were found to be non-complaint with eligibility requirements as indicated in table 2. Such firms lacked either a trading license, registration certificate, tax registration certificate or evidence that it complied with National Social Security Fund (NSSF) requirements (where applicable). Based on procurement procedures, lack of any of these requirements renders a firm ineligible to participate in any competitive tender. The study thus confirmed the lack of capacity of local firms to participate in local tenders generally which casts doubt on their likelihood to meaningfully participate in Uganda's budding oil and gas industry expected to offer immense transport opportunities. Therefore we call upon the Ministry of transport to provide for institutional and individual capacity of all local road transporters in Uganda. This approach would strengthen and enable local road transporters benefit from opportunities (up to 40%) proposed in the oil and gas industry currently suggested in the local content legal framework.

The results also indicate that the quality of transport services delivered by local road transporters was found wanting. This low rating was largely due to driver behaviour and limited use of ICT tracking systems. Being a high value industry, standards are crucial in the oil industry and must be adhered to. It is in this respect, that Ugandans should do well to race ahead and do their homework so as not to miss the opportunities that are coming up in the oil and gas industry. Therefore the managers of transport companies through their umbrella association, the Regional Lorry Drivers and Transporters Association, should create and develop an advocacy platform to demand for a tax waiver of vehicle tracking system requirements and tools. This will encourage importation of such components into the country thereby making them affordable to local transporters. Moreover, possession of vehicle tracking systems is a key criteria in evaluation and selection of transport service providers particularly in contracts involving carriage of high value and sensitive goods.

The results further indicate that the quality of services delivered by local service transporters to their clients was found to be merely average. This was majorly due to driver behaviours. Managers of transport firms should therefore invest in capacity building of their drivers in such areas including defensive driving, operation of ICT enabled tracking gadgets, accident reporting procedures, vehicle maintenance, road safety, communication skills, and basic road and traffic regulations in order to improve on the quality of services offered by the local road transporters.

The Petroleum Act (2013) stipulates that local road transport service providers should have a trading license however the results revealed that most firms in Uganda may not really benefit from the budding oil and gas sector due to the fact that most firms surveyed were not complaint to the transport rules. These findings suggest that Uganda's transport firms did not reflect the desired

best practices to guarantee the desired benefits. To this end, we therefore call upon the Ministry of transport to regulate local road transporters to not only reprimand non-compliant transporters but also provide for institutional capacity of all local road transporters in Uganda to ensure that locals actually benefit from the oil sector. This could remain on paper, if Ugandans do not position themselves for opportunities that are coming along with the oil.

## 5. Summary and conclusion

The purpose of this study was to establish the readiness of local road transport service providers to participate and deliver the desired services in Uganda's budding oil and gas industry. Of the 152 targeted respondents, 104 usable questionnaires were returned, yielding a response rate of 68%. The study confirmed the lack of capacity by local firms to participate in local tenders because majority of local road transporters appeared not adequately knowledgeable of the regulatory framework of road transport. Therefore generally this casts doubt on their likelihood to meaningfully participate in Uganda's budding oil and gas industry expected to offer immense transportation opportunities yet the service industry is amongst the top sectors set to see an exponential growth in economic activity due to oil. If well-co-ordinated and managed, this sector is poised to create thousands of jobs for local Ugandans. Therefore Ugandans should position themselves strategically if they are to benefit from this industry.

This study offers several implications. Two major additional challenges were noted: Firstly lack of regulations governing commercial road transporters (Lorries and Tracks) when compared to their Passenger Service Vehicles (PSVs) counterparts. Secondly, lack of trust among the stakeholders in the road transport industry - Transport Licencing Board (TLB), Traffic Police and users of transport services. We strongly recommend TLB to take lead in not only regulation of the subsector but also intensify sensitization of all stakeholders on the regulations governing the sector. Through these programmes, transporters would be sensitized of their obligations and rights to minimize manipulation and achieve optimal compliance with sector regulatory requirements.

The poor state of roads in Uganda dominated the list of challenges reported by responding firms. Whereas there has been heightened effort to address this issue in the last 5 years, with over 10% of the budget allocated to infrastructure development, more work remains particularly in the area of roads maintenance. Institutions like the Uganda National Roads Authority (UNRA) should engage and supervise road preservation gangs mainly on major commercial roads to monitor and fix any potholes as well as ensure that roads have signage to guide road users and minimize accidents. In the energy sector, roads are considered key in spurring development in an economy, therefore it is incumbent upon the government to fast track the process of fixing these roads, yet at the same time ensure that there is value for every shilling spent.

Although the study makes important contributions to the literature, it is not without limitations. The results from the current study were context specific. Data were collected from a single industry cluster, the local road transport service providers other local Ugandan service providers from other industries (sectors) were not considered under the study yet these would have been useful in showing an overall picture of the service industry. Future research should consider a wider sampling frame to strengthen the reliability of the results.

The conceptual model used to assess the readiness of local road transport service providers took an internal perspective to the firm. External firm variables like: political, social cultural, technological, legal and economic dimensions were excluded from the analysis yet they are important in assessing firm performance. Our assumption that external factors affect all firms uniformly remains inconclusive. Future research should therefore interrogative the extent these external factors affect performance of the transportation sector.

The study also used more of quantitative data which sometimes misses certain information and limits the respondent's opinions on the study variables. While care was taken to control for response bias, it is unlikely it could be ruled out completely. However, this study clearly brought out the readiness of local road transport service providers to participate and deliver the desired services in Uganda's budding oil and gas industry

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**Appendix 1: Questionnaire for transporters**

**PART I: RESPONDENT PROFILE**

Please state the position you hold in this company ……

Gender category of respondent.

- Male
- Female

Please specify your age bracket (in years).

- Under 25
- 25-30
- 31-36
- 37-42
- 43-48
- 49 or more

What is your highest level of formal education?

- Certificate
- Diploma
- First degree
- Masters
- PhD
- Other-(specify)…

**PART II: COMPANY PROFILE**

**1.** What category of business organization is your company? (Please TICK as appropriate)

- Sole proprietorship
- Partnership
- Private limited company
- Public Ltd. Company
- Other, specify……

**2.** How long has the company been in existence?

- Less than 5
- 5-10
- 11-16
- 17-22
- 23-28
- 29 or more

**3.** What is the ownership status of the company? (Please TICK as appropriate)

- Fully Ugandan owned
- Fully foreign owned
- Joint ownership
- If jointly owned, state the % of local ownership.....

**4.** Are you a member of any transporter organisation/Association? Yes or No?

If Yes, specify the organisation.....

**5.** How long (in years) has the company been in the transport business?

- Less than 5
- 5-10
- 11-16

- 17-22
- 23-28
- 29-more

**10 .Company contact**

| Description | Contractor details |
|---|---|
| 1. Registered Business Address | |
| 2. Postal Address | |
| 3. Telephone | |
| 4. Email Address | |
| 5. Contact Person | |
| 6. Website | |

**11. What transport services are you currently offering?**

a) Transporting people
b) Transporting goods (other than oil and gas products)
c) Transporting oil and gas products
d) Transporting heavy moving equipment
e) All the above
f) Others, please specify_____

12 Please indicate with YES/NO whether or not the company has the following

| S/N | Indicator | Yes | No |
|---|---|---|---|
| 1 | Trading licence? | | |
| 2 | Certificate of registration? | | |
| 3 | Tax Registration Certificate? | | |
| 4 | Subscription to NSSF by staff | | |
| 5 | Possession of a Bank Account | | |
| 6 | Are you aware of the transport regulations in regards to your business? | | |
| 7 | Do all transport firms comply to the transport regulations? If No why? | | |

.....

8 Do you think non-compliance is as a result of poor enforcement of transport regulations?

13 What do you think should be done to improve compliance of firms to transport regulations?

.....

**Part C: CAPACITY OF TRANSPORTERS**

**14** Please indicate the status of vehicles currently possessed by your company:

| S/N | Class of vehicle | Availability | | | Total |
|---|---|---|---|---|---|
| | | Own | Hire | Lease | |
| 1 | Trailers and semi-trailers – 2 axles | | | | |
| 2 | Heavy goods vehicles – more than 10 tons | | | | |
| 3 | Medium goods vehicle – 3.5 tons - 10 tons | | | | |
| 4 | Light goods vehicle – less than 3.5 tons | | | | |
| 5 | Heavy omnibuses – *passenger vehicles; more than 60 passengers* | | | | |
| 6 | Medium omnibuses – *passenger vehicles; 20-60 passengers* | | | | |
| 7 | Light omnibuses – *passenger vehicles; 7-20 passengers* | | | | |
| 8 | Motor cars– car and dual purpose vehicles | | | | |
| 9 | Motor cycles | | | | |

**15** Have you ever been contracted to transport **people** within Uganda within the last 12 months? Yes No

**If yes:**

16 State the l**argest number of people** you have transported_____

17 State the **furthest** destination **(district)** you have moved people

18 Have you ever been contracted to transport **goods** within Uganda within the last 12 months?

**If yes:**

19 State the **highest** (approx.) **tonnage** of goods you have transported_____

20 State the **furthest** destination **(district)** you have moved goods to

21 Have you, in the **past two years** won a contract to transport **goods** or people as **a main transporter?** YES NO

22 If yes: List below the jobs, *client, approx. value and period:*

| s/n | *Assignment (what did you transport and to where?)* | *Client* | *Approx.Value* | *When? (Year, month)* |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |

**23 Please indicate the number of staff in your company**

| S/N | Structure | Number Permanent | Casual | Contract | Others (specify) | Total |
|---|---|---|---|---|---|---|
| 1 | Drivers | | | | | |
| 2 | Turn men | | | | | |
| 3 | Mechanics | | | | | |
| 4 | Accountant | | | | | |
| 5 | Manager | | | | | |
| 6 | Other | | | | | |

**24 How would you rate your company on the following areas?**

| S/N | Assessment area | Poor | Fair | Good | Very good |
|---|---|---|---|---|---|
| 1 | Costing skills (determining the right price to charge for services you provide to clients to avoid losses) | | | | |
| 2 | Tendering skills | | | | |
| 3 | The quality of your drivers compared to those of your competitors | | | | |
| 4 | Use of technology to track vehicles and cargo | | | | |
| 5 | Customer care skills of your drivers and turn men | | | | |
| 6 | Possession of enough finances to run the day to day needs of the business | | | | |
| 7 | Current level of profits earned | | | | |
| 8 | The quality of fleet (interms of maintenance, servicing, etc) | | | | |
| 9 | Adequacy of fleet ( both in number, capacity and of the right type) | | | | |
| 10 | Condition of current fleet to win tenders in the oil and gas industry | | | | |

**Part D: KNOWLEDGE AND SKILLS**

1. Uganda plans to commence oil production in 2020 or there about, what are your plans to tap into the oil industry?
2. What transportation opportunities do you see coming your way?
3. What challenges do Ugandan road transporters face?
4. As a transporter, how have you managed to overcome/ reduce those transportation challenges?
5. What additional challenges do you envisage in the future especially when oil production commences?

**APPENDIX 2 Questionnaire for clients (companies dealing in oil and gas products)**

**PART I: RESPONDENT PROFILE**

Please state the position you hold in this company ……

Gender category of respondent. **TICK** as appropriate. Male Female

Please specify your age bracket (in years). **TICK** as appropriate.

- Under 25
- 25-30
- 31-36
- 37-42
- 43-48
- 49 or more

What is your highest level of formal education?

- Certificate
- Diploma
- First degree
- Masters
- PhD.
- Other-(specify)…

**PART II: COMPANY PROFILE**

What category of business organization is your company? (**Please TICK** as appropriate)

- Sole proprietorship
- Partnership
- Private limited company
- Public Ltd. Company
- Other, specify……

How long has the company been in existence?

- Less than 5
- 5-10
- 11-16
- 17-22
- 23-28
- 29 or more

What is the ownership status of the company? (Please TICK as appropriate)

- Fully Ugandan owned
- Fully foreign owned
- Joint ownership
- If jointly owned, state the % of local ownership.....

Are you a member of any transporter organisation/Association? Yes or No?

If Yes, specify the organisation.....

How long (in years) has the company been in the transport business?

- Less than 5
- 5-10
- 11-16
- 17-22
- 23-28
- 29 or more

**Company contact 1 = if with address; 2 = if no address**

| **Description** | | **Contractor details** |
|---|---|---|
| 7. | Registered Business Address | |
| 8. | Postal Address | |
| 9. | Telephone | |
| 10. | Email Address | |
| 11. | Contact Person | |
| 12. | Website | |

What transport services are you currently offering?

g) Transporting people
h) Transporting goods (other than oil and gas products)
i) Transporting oil and gas products
j) Transporting heavy moving equipment
k) All the above
l) Others, please specify_____

Please indicate with **YES/NO** whether or not the company has the following

| S/N | Indicator | Yes | No |
|---|---|---|---|
| 1 | Trading licence? | | |
| 2 | Certificate of registration? | | |
| 3 | Tax Registration Certificate? | | |
| 4 | Subscription to NSSF by staff | | |
| 5 | Possession of a Bank Account | | |
| 6 | Are you aware of the transport regulations in regards to your business? | | |
| 7 | Do all transport firms comply to the transport regulations? If No why? | | |

.....

8 Do you think non-compliance is as a result of poor enforcement of transport regulations?

13 What do you think should be done to improve compliance of firms to transport regulations?

.....

**Part C: CAPACITY OF TRANSPORTERS**

Please indicate the status of vehicles currently possessed by your company:

| S/N | Class of vehicle | Availability | | | Total |
|---|---|---|---|---|---|
| | | Own | Hire | Lease | |
| 1 | Trailers and semi-trailers – 2 axles | | | | |
| 2 | Heavy goods vehicles – more than 10 tons | | | | |
| 3 | Medium goods vehicle – 3.5 tons - 10 tons | | | | |
| 4 | Light goods vehicle – less than 3.5 tons | | | | |
| 5 | Heavy omnibuses – passenger vehicles; more than 60 passengers | | | | |
| 6 | Medium omnibuses – passenger vehicles; 20-60 passengers | | | | |
| 7 | Light omnibuses – passenger vehicles; 7-20 passengers | | | | |
| 8 | Motor cars– car and dual purpose vehicles | | | | |
| 9 | Motor cycles | | | | |

Have you ever been contracted to transport people within Uganda within the last 12 months?
Yes No

**If yes** State the **largest number of people** you have transported_____

State the **furthest** destination **(district)** you have moved people _____

Have you ever been contracted to transport **goods** within Uganda within the last 12 months?

**If yes:** State the **highest** (approx.) **tonnage** of goods you have transported_____

State the **furthest** destination (**district)** you have moved goods to _____

Have you, in the **past two years** won a contract to transport goods or people as a **main transporter?**
Yes No

**If yes:** List below the jobs, client, approx. value and period:

| s/n | *Assignment (what did you transport and to where?)* | *Client* | *Contract price* | *When? (Year, mont* |
|---|---|---|---|---|
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |

Please indicate the number of staff in your company

| S/N | Structure | Number Permanent | Casual | Contract | Others (specify) | Total |
|---|---|---|---|---|---|---|
| 1 | Drivers | | | | | |
| 2 | Turn men | | | | | |
| 3 | Mechanics | | | | | |
| 4 | Accountant | | | | | |
| 5 | Manager | | | | | |
| 6 | Other ( please specify) | | | | | |

**How would you rate your company on the following areas?**

| S/N | Assessment area | Poor | Fair | Good | Very good |
|---|---|---|---|---|---|
| 1 | Costing skills (determining the right price to charge for services you provide to clients to avoid losses) | | | | |
| 2 | Tendering skills | | | | |
| 3 | The quality of your drivers compared to those of your competitors | | | | |
| 4 | Use of technology to track vehicles and cargo | | | | |
| 5 | Customer care skills of your drivers and turn men | | | | |
| 6 | Possession of enough finances to run the day to day needs of the business | | | | |
| 6 | Current level of profits earned | | | | |
| 7 | The quality of fleet (in terms of maintenance, servicing, etc) | | | | |
| 8 | Adequacy of fleet ( both in number, capacity and of the right type) | | | | |
| 9 | Condition of current fleet to win tenders in the oil and gas industry | | | | |

**Part D: KNOWLEDGE AND SKILLS**

Uganda plans to commence oil production in 2020 or there about, what are your plans to tap into the oil industry?

What transportation opportunities do you see coming your way?

What challenges do Ugandan road transporters face?

As a transporter, how have you managed to overcome/ reduce those transportation challenges?

What additional challenges do you envisage in the future especially when oil production commences?