

Data from the Cost of Shutdown Tool, which estimates the economic impact of Internet disruptions, shows that the blackout, enforced more than 24 hours before polling day, drained nearly Shs15b from the economy each day.

BY ISMAIL MUSA LADU

Uganda's four-day Internet shutdown, imposed ahead of the presidential and parliamentary elections, has left a deep economic scar, costing the country an estimated Shs57b and disrupting critical digital services that millions of Ugandans rely on daily.

Data from the Cost of Shutdown Tool (COST), which estimates the economic impact of Internet disruptions, shows that the blackout, enforced more than 24 hours before polling day, drained nearly Shs15b from the economy each day.

The shutdown, ordered by the Uganda Communications Commission (UCC) on the directive of security agencies, was justified as a measure to curb alleged online misinformation that authorities feared could trigger electoral violence. However, analysts and industry players say the economic consequences were severe and largely ignored.

For four days, most Ugandans experienced restricted access to mobile Internet. Social media platforms, including WhatsApp, Facebook, and YouTube, were inaccessible, SIM card registration and purchases were halted, and digital financial services were crippled.

Mobile money transactions, a cornerstone of Uganda's cash-lite economy, were among the hardest hit. When contacted on Monday, MoMo Uganda Managing Director Richard Yego said the company was still assessing the impact of the shutdown.

Industry data, however, shows that MTN MoMo alone handles transactions exceeding Shs430b daily, involving millions of low-value payments, most below Shs50,000. These transactions are critical for everyday commerce, especially among low-income households and informal traders.

Agent banking services, which enable banks to reach unbanked and remote

Economic ramifications of Internet shutdown



For four days, most Ugandans experienced restricted access to mobile internet. PHOTO/FILE

communities through local agents, were also disrupted. As of 2026, agent banking in Uganda transacts an estimated Shs80.5b per day, an activity that was significantly curtailed during what UCC termed a "temporary suspension" of internet services.

According to COST impact reports, the daily economic losses from individual platform shutdowns are substantial, with Facebook and YouTube accounting for more than Shs3.5b per day, while WhatsApp losses exceed Shs7b daily.

Digital businesses count losses

E-commerce players say the shutdown paralysed operations and livelihoods across the digital ecosystem.

Mr Steven Lamony, Managing Director of Jumia Uganda and a founding member of the Alliance for Digital Trade, E-Mobility and Couriers Association of Uganda (ADECU), said the effects went far beyond lost sales.

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Critical services.

A total shutdown blocks critical services like mobile money and banking, which are now central to the economy," he said.

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ly sellers, many of them low-income earners. During the shutdown, transactions stopped completely, affecting not just the company but thousands of livelihoods," Mr Lamony said in an interview.

He added that the company's distribution network, nearly 100 points outside Kampala, was also brought to a standstill.

"Our ecosystem supports riders, warehouse workers, suppliers, and logistics staff. All these people lost income during the outage," he said, noting that early engagement with stakeholders could have reduced the damage.

Mr Lamony argued that assessing the true cost of Internet shutdowns requires looking beyond immediate revenue losses to the wider economic chain.

Public holiday argument disputed

Some security analysts interviewed for this article suggested that the economic impact may have been limited because the shutdown coincided with a public holiday period when many businesses were closed.

But Mr Lamony dismissed that argument, saying online platforms typically record increased activity during hol-

idays as customers rely more on convenience and delivery services.

"People have more time and demand for online services actually goes up during holidays," he said.

Call for a balanced approach

Industry players acknowledge the government's responsibility to maintain national security during politically sensitive periods, but warn that blanket internet shutdowns are a blunt instrument with far-reaching consequences.

According to Mr Lamony, completely switching off the internet ignores the need for nuance and balance.

"A total shutdown blocks critical services like mobile money and banking, which are now central to the economy," he said. "A more strategic approach, targeting harmful content while keeping core economic services running, would significantly reduce economic damage."

As Uganda's economy becomes increasingly digital, experts warn that repeated internet shutdowns risk undermining investor confidence, slowing financial inclusion, and reversing gains made in e-commerce and digital innovation.

For millions of Ugandans whose livelihoods now depend on connectivity, the cost of silence may prove too high to sustain.

On Monday, two concerned lawyers sued UCC and the giant telecom companies for the Internet shutdown.

The suit, filed in the High Court Civil Division, names UCC, MTN Uganda Limited, Airtel Uganda Limited, and Tangerine Limited trading as Lyca Mobile, alongside other undisclosed actors, as respondents.

The petitioners, Mr Michael Aboneka and Mr Raymond Amumpaire, contend that the shutdown, which took effect during and around polling days, violated constitutional guarantees and caused widespread economic, social, and civic disruption.

In their pleadings, the two advocates argue that the decision to restrict internet access was implemented without transparency, public justification, or adherence to the law governing limitations on fundamental rights.

"The respondents jointly and severally participated in the interruption of internet-based communication services without lawful authority," the petitioners state, adding that the actions affected millions of Ugandans who rely on digital platforms for work, information, and personal communication.