

dfcu Bank supports businesses to ease supply chain disruptions

By Aloysious Kasoma

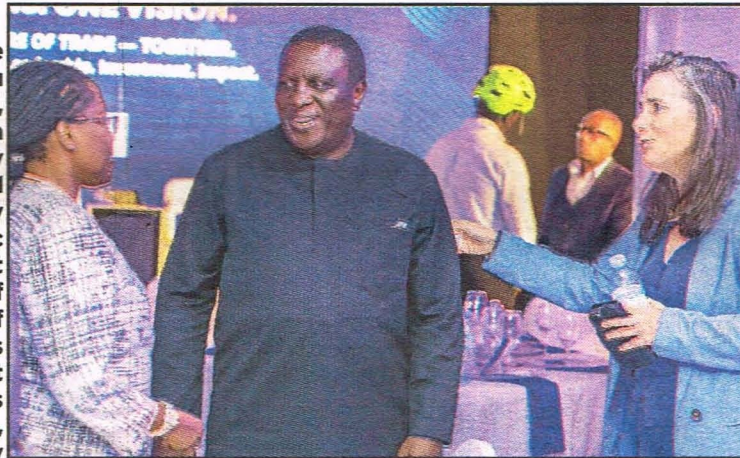
Businesses trading with the Middle East and Europe are facing mounting pressure from global supply chain disruptions, rising transportation costs and currency volatility triggered by ongoing geopolitical tensions.

In response, dfcu Bank says it is stepping in with financial and risk management solutions to help its clients navigate the uncertainty and maintain operations.

Speaking during the dfcu Bank-NUTIP Partnership Event held at dfcu offices in Nakasero, Kampala, Philip Nuwamanya, Head of Coverage for Corporate and Investment Banking at dfcu Bank, said the bank recognises that several Ugandan companies are already experiencing operational challenges due to instability in global markets, particularly in the Middle East.

"Some of our clients are seeing longer lead times

L-R: Executive director at dfcu Bank Kate Kiiza, board chairperson dfcu Bank Jimmy Mugerwa and First Secretary for Economic Co-operation at the Embassy of the Kingdom of the Netherlands Corrine Abbas, at dfcu head offices in Nakasero, Kampala, recently



in terms of delivering raw materials. Others are seeing higher transportation costs because of the rising cost of fuel," Nuwamanya said.

These, he explained, can easily create financing gaps for businesses, particularly when shipments are delayed or when operational costs increase unexpectedly.

PROPOSED SOLUTIONS.

"We are ready to come in as their partner to support with working capital solutions to bridge these financing gaps as we wait for the situation to normalise," Nuwamanya said.

Working capital financing allows businesses to access short-term liquidity to cover operational expenses, pay

suppliers and maintain production even when global supply chains experience delays. This type of financing is particularly critical for manufacturers and traders who rely on steady imports of raw materials to sustain operations.

Additionally, companies involved in global trade are also facing growing risks

related to currency volatility. Nuwamanya said fluctuations in the exchange rate have become a significant concern for both importers and exporters as global economic uncertainty affects foreign exchange markets.

To help mitigate these risks, dfcu Bank is offering foreign exchange hedging solutions that enable businesses to protect themselves against sudden movements in currency markets.

Hedging instruments allow companies to lock in exchange rates for future transactions, helping them reduce uncertainty and plan their finances more effectively when engaging in cross-border trade.

The bank's support for businesses comes at a time when Uganda's economy is projected to maintain strong growth momentum. According to the Bank of Uganda, the country recorded solid economic growth in 2025.

Uganda's inflation currently stands at about 3.6%, and the central bank expects it to gradually rise, but remain close to the five percent target over the next year.