How Internet is changing Ugandan business

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Industry experts say affordability and speed have revolutionised Internet use in Uganda. "It's been a revolution in the sector over the past few years, and the change has really been radical," says Michael Niyitegeka, a computer science lecturer at Makerere University in Kampala.

Sitting in the glow of his flat-screen computer monitor in a fashionable office, Donald Kasule says that until recently it was almost impossible to imagine making a success of an Internet start-up in Uganda.

When he first had the idea several years ago for his "Wedding Bells" website -- a flashy site to help couples plan for their big day -- exorbitant connection fees and achingly slow speeds severely limited demand for the service.

The website struggled to attract more than a few hundred users -- and most of those were Ugandans living outside the country.

But, as cheaper technology has flooded the market and the cost of going online has plummeted, Internet access has boomed, especially among the country's growing middle class.

Kasule, 33, says his website is surging in popularity, now enjoying up to around 4,000 hits on a good day, and he says that he is looking to expand.

"The number of people going online from their homes and offices has increased a lot," Kasule says. "The growing market is there and it has the potential to be a real success."

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"It's been a revolution in the sector over the past few years, and the change has really been radical," said Michael Niyitegeka, a computer science lecturer at Makerere University in Kampala.

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Before that, Internet access via satellite link-ups was cripplingly expensive and slow.

A major breakthrough in internet use in Uganda came in 2009 when east Africa was finally connected to Europe and Asia by an undersea fibre optic cable.

Since then, Ugandans with some spare cash have been able to surf the web without bankrupting themselves.

Now, middle-class professionals can check their emails over wireless Internet or portable modems in smart cafes around Kampala. For a few dollars a month, Ugandans can access the Internet on mobile phones costing less than $100 (77 euros).

By 2010, the number of Internet users in Uganda had risen to four million: just over 10 percent of the population, according to the Uganda Communications Commission.

And researchers say rapidly growing Internet use is a key marker of the increasing clout of the middle class across the continent, which today accounts for one in three Africans.

In a report released in April the African Development Bank estimated that about 18.7 percent of Ugandans -- or 5.9 million people -- can now be considered middle class.

For Africa as a whole, the [number of Internet users](#) increased from about 4.5 million people in 2000 to 80.6 million people in 2008, the AfDB report said.

Despite the progress, however, analysts admit that Uganda's Internet sector is still in its infancy, with few Ugandans using online services such as banking and shopping.

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A middle class Ugandan who uses the Internet regularly -- and might use something like Kasule's wedding service -- would range from private businessmen to civil servants to journalists. And though no official figures exists on an average middle class salary in Uganda, estimates put it at around $400 dollars a month, for example, for civil servants .

With rising awareness, greater trust and development of programmes -- including payment online using mobile phones -- Ugandans are expected to increasingly use online services, university lecturer Niyitegeka says.

"Things like university admissions are already being handled online, and although leaders could be doing more to push the Internet, more and more things will inevitably be handled online," he said.

Companies from international telecoms giants to small start-ups are scrambling to cater to the growing market.

"The demand is there," said Edouard Blondeau, chief strategy officer for Orange Uganda, which started operating in the country in 2009. He cited "small businesses like traders who import goods from abroad and need to manage their transactions through emails."

"Then there are youngsters who are fond of videos, music and gaming, not to forget social networking and news," he added.

While some point to technological advances and not growing demand as the main driver of Uganda's Internet revolution, Blondeau is sure the middle class's craving for online access was key.

"Demand is always the strongest driver for adoption and growth," Blondeau said.

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