

Assessing the Impact of the 2026 Internet Shutdown on Uganda's Digital Economy

March, 2026



1.0 Introduction



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On January 13, 2026, two days prior to Uganda’s general election, the Uganda Communications Commission (UCC) [ordered](#) an internet shutdown purportedly to mitigate misinformation, electoral fraud and incitement of violence. This mirrored the two previous elections in the country, each of which had economic consequences due to the disruption of digital communications and services.

In the latest disruption, some essential services were exempted, such as healthcare systems, core banking platforms, immigration and aviation systems. However, key sectors of Uganda’s digital economy, including [ride-hailing and delivery systems](#), [fintech services](#), [e-Commerce](#), and digital health providers, were inaccessible. Data from the [Cost of Internet Shutdown Tool](#) (COST) estimates that Uganda lost Uganda Shillings (UGX) 59.7 billion (USD 16 million) during the almost five day internet shutdown. More was lost when social media and mobile money services remained constrained beyond the five days.

Notably, the [severe direct economic losses](#) and indirect impacts are likely to persist beyond the duration of the shutdown. During the shutdown, businesses dependent on digital platforms were unable to process transactions, communicate with customers, or coordinate logistics. Beyond the immediate financial losses suffered over the days the internet was off, the disruption unsettled supply chains, interrupted livelihoods, and raised concerns among investors about the reliability of Uganda’s digital infrastructure.

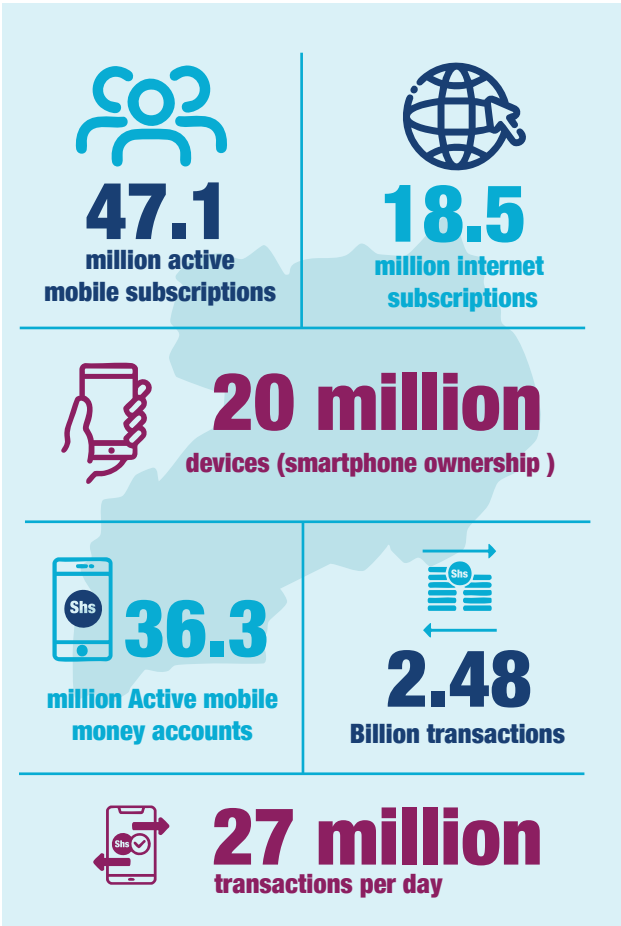
This brief examines the direct and indirect financial losses of the shutdown and highlights measures needed to safeguard a reliable digital economy as a key driver of Uganda’s digital transformation.

2.0 Relevance of the Internet to the Businesses in Uganda

The internet has become an [indispensable](#) tool for businesses, and a key enabler of research, innovation, and digital marketing of products and services. Over the past ten years, Uganda’s digital economy has expanded dramatically, thanks to the growing mobile connectivity and a rise in the use of digital services. Today, the internet powers operations in various sectors including health, education, trade, agriculture and entertainment. It is also the [backbone](#) for labour and employment for ride hailing services, remote workers, creatives, and delivery services, making it a key contributor to government revenue.

As at December 2025, Uganda [had](#) 47.1 million active mobile subscriptions and 18.5 million internet subscriptions, while smartphone ownership stood at 20 million devices. Active mobile money accounts were reported as 36.3 million, with an aggregate 2.48 billion transactions during the last quarter of 2025. This translates into 27 million transactions per day, and makes Uganda one of Sub-Saharan Africa’s [most thriving](#) mobile money markets. These developments have [enabled](#) businesses of all sizes, including Small and Medium Enterprises (SMEs) to integrate digital technology into their operations.

Telecom operators, who are the main gateway to internet connectivity, have experienced a steady growth in revenue. According to the Uganda Communications Commission, telecom companies [generated](#) revenue of UGX 1.66 trillion (USD 440 million) during quarter four of 2025.



Telecom operators revenue during quarter four of 2025



3.0 Economic Impact of the 2026 Internet Shutdown

The 2026 internet shutdown had immediate and widespread consequences across several sectors of Uganda’s digital economy. Below, we explore some of these effects.

a) E-commerce Platforms

Top e-commerce platforms in Uganda

[Jiji](#), [Jumia](#), [Instagram shopping](#), [Whatsapp business](#), [Shopify](#), [Etsy](#), [Kikuu](#), [Kikuubo Online](#), [Amazon Uganda](#), [SafeBoda](#), [Uber](#), [Bolt](#), [Speshotaxi](#), [Diva Taxi](#), [Glovo](#), [Faras](#), [Fiverr](#), [FLIP Africa](#), [Upwork](#), [Le Gourmet Delicatessen](#) and [UncleBob](#).

Source: <https://kicowebdesign.com/blog/2025-08-10-top-10-online-selling-platforms-in-uganda-for-2026-boost-your-sales-today>

Digital marketplaces were among the most affected, as online sellers were unable to access marketplaces, process transactions, or communicate with customers. According to the [East African](#), e-commerce platforms such as Jumia Uganda faced significant setbacks affecting more than 4,000 daily sellers, many of whom are youths and rely on the platform as their primary source of income.

Ride-hailing platforms such as Uber, Bolt, Faras, and Safe Boda struggled as drivers and customers lost access to dispatch systems. Food service companies such as Cafe Javas and KFC, alongside delivery platforms such as Glovo, [Safe Boda](#), and CourieMate, were also forced to suspend operations during the shutdown period.

In addition, influencers who rely on social media platforms to market goods and services were unable to reach their audiences.

b) Digital Health Services

Digital healthcare services were also disrupted during the shutdown. For instance, telemedicine and e-pharmacy service providers such as [Rocket Health](#) were [unable](#) to facilitate online consultations, schedule clinic appointments and wellness checks, or deliver routine prescription services.

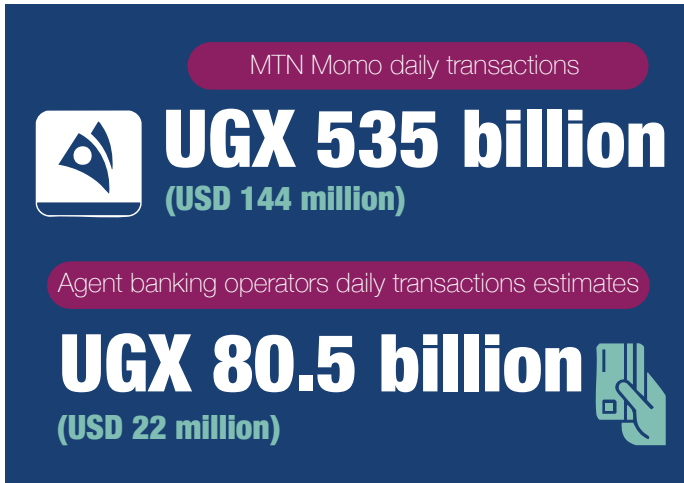
Besides the impact on the margins of these private health care providers, for patients with chronic conditions such as hypertension, heart disease, and diabetes, interruptions in accessing routine medical care created additional health risks.

b) Fintech and Mobile Money

Uganda’s financial ecosystem, which greatly depends on reliable internet connectivity, was severely impacted by the shutdown. It is estimated that up to [40 percent](#) of daily digital transactions were halted, costing businesses and payment service providers billions of shillings over the affected period.

Small-scale traders such as market vendors, boda boda (commuter motorcycles) operators, and retail shop owners were [among](#) the hardest hit. This is because they depend on fast turnover, constant cash flow, and often on mobile money services. Specifically, suppliers of perishable goods along the agricultural value chain – especially women whose capital is heavily dependent on fintech resources - encountered financial losses.

Telecom companies, particularly Airtel and MTN, that operate mobile money platforms were also heavily affected by the internet shutdown. MTN Momo alone has daily [transactions](#) of UGX 535 billion (USD 144 million). Equally, agent banking operators who include kiosks and local shops that provide third-party banking services, and whose daily transactions are [estimated](#) at UGX 80.5 billion (USD 22 million), also stalled.



The Federation for Small and Medium-sized Enterprises (FSME) Executive Director, John Kakungulu Walugembe, [opines](#) that some of the losses occasioned by the internet shutdown could possibly have been mitigated had there been an early warning to the business sector.

c) Government Services and Trade

Access to government online platforms such as the Uganda Registration Services Bureau (URSB) and Uganda Revenue Authority (URA) was also [affected](#), in addition to the filing of business-related disputes in court via the Electronic Case Management System (ECCMIS). For URSB and ECCMIS - filing, applications and notifications of decisions have been online since [October 2021](#) and [March 2022](#) respectively. For URA - the revenue collection agency - digital services including filing returns, registration of tax payers and payments were also offline.

Exporters, shipping companies, and stock traders that rely on digital systems to access international markets also [faced](#) operational delays. Such disruptions can [create reputational risks](#) for Uganda's economy and undermine investor confidence far beyond the period of the internet disruption.

4.0 Implications of the internet shutdown on the Business Ecosystem in Uganda

Internet shutdowns raise concerns not only about economic losses but also about human rights and responsible governance. In 2016, the United Nations (UN) [declared](#) that it considered internet access to be a human right. The Human Rights Council has since passed a [resolution](#) castigating internet shutdowns as a “violation of international human rights law” and called on all States to refrain from instituting shutdowns.

The [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#) provide a global standard for preventing and addressing adverse human rights impacts linked to business activity. Although the UNGPs are not explicit on issues of internet accessibility, they emphasise the responsibility of states to protect human rights and the responsibility of businesses to respect them. This [includes](#) upholding freedom of expression and access to information without censorship or barriers, and protecting social and economic rights.

Uganda was the second country in Africa to adopt a [National Action Plan on Business and Human Rights \(NAPBHR\)](#), in August 2021.¹ Uganda’s plan mentions the importance of rolling out multi-media digital access to information on business and human rights. It also recognises the need to improve consumer protection in the information and technology sub-sector. However, the NAPBHR does not address digital rights protection. While this is a glaring gap considering the country’s rapidly growing digital economy, the plan is clear on the need to protect rights related to business activities.

Similarly, the [National Business Development Services Strategy Framework](#), which aims to strengthen SMEs, emphasises the importance of adopting digital technologies and automation across value chains.

Overall, although Uganda’s national agenda is clear and strategic on leveraging technology for business growth, recurrent internet disruptions risk undermining the country’s broader digital transformation goals.

¹ <https://www.undp.org/africa/blog/mainstreaming-business-and-human-rights-agenda-africa-three-key-lessons-consideration#:~:text=In%202023%2C%2034%20countries%20had,NAP%20out%20of%2054%20countries.>

5.0 Challenging Internet Shutdowns in Courts of Law

Strategic litigation has gained recognition as a tool for pushing back against restrictions on access to the internet across Africa, including Uganda. The 2026 shutdown has been [challenged](#) by Advocates Michael Aboneka and Raymond Amumpaire at the High Court in Kampala. They argue that the shutdown was unlawful, violated constitutional rights and had far-reaching consequences for financial services and online businesses.

This case follows earlier litigation in 2016 and 2021, when litigants sued the regulator and telcos, citing similar grounds to those in the latest suit. Whereas litigation is yet to yield positive [outcomes](#), there are strong [calls for more effective collaboration](#) among stakeholders, including the private sector. In this regard, businesses would be a strong court ally for demonstrating the case against shutdowns.

6.0 Recommendations



Uganda's 2026 internet shutdown left a deep scar on the country's business eco-system, causing financial loss and affecting the livelihoods of millions of individuals. It also magnified the country's increasing reliance on digital infrastructure for social services delivery and running of the economy.

Thus, government must balance national security concerns with economic needs to adequately reap gains from its digital transformation agenda. This will contribute to a reliable investment environment, and safeguard business owners, customers and government from the kinds of financial and revenue losses experienced during internet shutdowns. The following recommendations are thus proposed to effectively address the issue.

To Government/Parliament/UCC

- Collaborate with trade associations to develop and roll out comprehensive business continuity plans for the digital economy during elections and emergency situations.
- Enact and implement enabling policies that support and guardrail the digital economy from threats such as the internet shutdowns.
- Ensure compliance to national, regional and international legal and regulatory human rights frameworks.

To Businesses

- Strengthen digital rights practices and Business and Human Rights (BHR) principles in their business operations.
- Adopt digital safety and security practices for detecting and mitigating risks and optimising systems to support business continuity amidst such disruptions.
- Collaborate with civil society, academia and the legal fraternity in challenging shutdowns through strategic litigation.

To Trade/Business Associations

- Advocate for an enabling legal and policy environment for the digital economy.
- Collaborate with civil society, businesses, academia and the legal fraternity in strategic litigation cases against internet shutdowns.
- Empower members on digital rights and responsible business practices in the digital age.

To Civil Society Organisations

- Document and analyse the impact of internet shutdowns on human, social, economic and political rights to serve as resources for advocacy and stakeholder engagement.
- Advocate for enabling policies and guidelines to underpin business continuity during elections and other emergency situations.
- Pursue strategic litigation for the rights violated and financial losses registered during the internet shutdown.
- Undertake continuous capacity building for businesses in digital resilience.

This brief was produced in the context of the Advancing Respect for Human Rights by Businesses in Uganda (ARBHR) Project in Partnership with Enabel in Uganda and funding from the European Union. For more details about CIPESA's work on ARBHR, visit the [project page](#) [here](#).



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