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The Effect of
**INTERNET
SHUTDOWNS**
on Digital Trade in Uganda

A Brief





At exactly 6:00 p.m. on Tuesday, 13 January 2026, Uganda was plunged into an internet blackout. This followed the circulation of a communication from the Uganda Communications Commission (UCC) directing all Mobile Network Operators (MNOs) and Internet Service Providers (ISPs) to temporarily suspend public internet access¹. This did not come as a little surprise, as internet shutdowns have become

a predictable feature of the country's election cycles. So predictable are these disruptions that businesses that run online now factor them in as a recurring risk every five years. What remains uncertain, however, is their duration and scope. For businesses whose operations are entirely premised on internet connectivity, this uncertainty poses a severe risk, one that is difficult, if not impossible, to effectively mitigate.

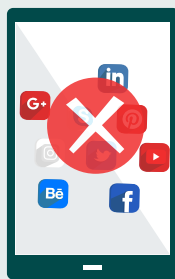
An internet shutdown refers to the intentional disruption of internet-based communications, rendering them partially or entirely inaccessible². Shutdowns take different forms, including:

1



Internet blackouts: the complete loss of internet access;

2



Social media shutdowns: the blocking of social media platforms such as Facebook, WhatsApp, and TikTok;

3



Severe throttling: the deliberate reduction of internet speeds to levels comparable to 2G, effectively limiting use to voice calls and basic text messaging³.

¹ Monitor, "UCC Orders Mobile Network Operators to Suspend Public Internet Access," Monitor, January 13, 2026, <https://www.monitor.co.ug/uganda/news/national/ucc-orders-mobile-network-operators-to-suspend-public-internet-access-5325326>.

² Open Internet, "The Impact of Internet Shutdowns and Connectivity Challenges on Democratic Participation in Uganda | Open Internet for Democracy," accessed January 6, 2026, <https://openinternet.global/news/impact-internet-shutdowns-and-connectivity-challenges-democratic-participation-uganda>.

³ Top VPN, "Government Internet Shutdowns Cost \$19.7B in 2025," January 5, 2026, <https://www.top10vpn.com/research/cost-of-internet-shutdowns/>.

The country's first recorded shutdown occurred in 2011, when the UCC directed internet service providers to block access to Facebook and Twitter during the Walk-to-Work protests.⁴ This was followed by another shutdown during the 2016 general elections, when social media platforms were blocked for four days, and again in 2021, when the internet was completely shut down nationwide for the same period. The 2026 shutdown has been more complex in scope, beginning with a total internet blackout that lasted four days, followed by partial restrictions, including continued inaccessibility of certain social media platforms and reduced internet speeds even after connectivity was formally restored.

Uganda is just one of many countries that have experienced internet shutdowns during election periods.⁵ Governments often justify these measures as necessary to protect national security and curb the spread of misinformation.⁶ In its directive, UCC also stated that the shutdown was intended to prevent the incitement of violence, electoral fraud, and related risks⁷. The threat of misinformation and disinformation has indeed intensified with the rise of deepfakes and other AI-generated content, particularly in contexts where media literacy remains low. These developments pose a serious risk to democratic processes. Nevertheless, internet shutdowns have far-reaching consequences for economic activity and the exercise of fundamental human rights⁸.

In terms of the economy, internet shutdowns have significant economic implications. It is estimated that a nationwide internet blackout costs Uganda approximately US\$1.76 million per day.⁹ The four-day shutdown during the 2021 general elections alone was estimated to have cost the economy US\$109.7 million¹⁰. While such disruptions affect most sectors, their impact is particularly severe for businesses engaged in digital trade and online service delivery, whose operations depend almost entirely on internet connectivity. These include e-commerce marketplaces, courier and logistics platforms, ride-hailing services, and businesses that trade primarily through social media platforms.

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Digital trade has, in recent years, become an increasingly important contributor to Uganda's economy. The ICT sector now accounts for approximately 9% of Uganda's Gross Domestic Product (GDP) and continues to expand at an average annual growth rate of 14.8%¹¹. Within this ecosystem, Uganda's e-commerce market generated an estimated US\$70 million in revenue in 2024, representing growth of 15–20% over the previous year. The sector's market base

⁴ Centre for Multilateral Affairs (CfMA), "The Securitization of Internet Shutdowns in Uganda," Centre for Multilateral Affairs (CfMA), n.d., accessed January 6, 2026, <https://thecfma.org/2020/08/26/the-securitization-of-internet-shutdowns-in-uganda/>.

⁵ CIPESA, "Economic Impact of Internet Disruptions in Sub-Saharan Africa," Collaboration on International ICT Policy for East and Southern Africa (CIPESA), September 28, 2017, <https://cipesa.org/2017/09/economic-impact-of-internet-disruptions-in-sub-saharan-africa/>.

⁶ Centre for Multilateral Affairs (CfMA), "The Securitization of Internet Shutdowns in Uganda."

⁷ Monitor, "UCC Orders Mobile Network Operators to Suspend Public Internet Access."

⁸ Tania Begazo et al., *Regulating the Digital Economy in Africa: Managing Old and New Risks To Economic Governance for Inclusive Opportunities* (World Bank, 2024).

⁹ CIPESA, "Economic Impact of Internet Disruptions in Sub-Saharan Africa."

¹⁰ Monitor, "Uganda Lost Shs390 Billion in Internet Shutdown Last Year," Monitor, January 20, 2022, <https://www.monitor.co.ug/uganda/business/technology/uganda-lost-shs390-billion-in-internet-shutdown-last-year-3687876>.

¹¹ "Digital Transformation | Ministry of ICT and National Guidance," accessed December 14, 2025, <https://ict.go.ug/programs/digital-transformation>.

is also expanding rapidly. Internet penetration stands at 63.7%, with the number of registered internet users surpassing 20 million¹². As of late 2025, Uganda had 40.9 million active mobile cellular connections, equivalent to 79.1% of the total population, while 2.4 million social media user identities were recorded in October 2025¹³.¹⁴ Taken together, these trends underscore the growing centrality of digital trade to Uganda's economy.

This growing centrality of digital trade is,

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however, undermined when the sector is forced to operate under erratic conditions such as internet shutdowns. Beyond the immediate loss of revenue, shutdowns disrupt business operations and erode consumer confidence in digital business models. For e-commerce platforms, the effects are felt across the entire value chain, from vendors to consumers. Orders already placed are left in limbo, as neither buyers nor sellers can predict when connectivity will be restored or transactions completed. In a market where digital

platforms are still working to build trust, these disruptions reinforce scepticism and slow the adoption of online commerce.

As Brian Mutungi Tukahirwa, Country Lead of Market by Momo, has observed, this uncertainty has serious implications for business survivability. Many vendors on such platforms operate exclusively online, relying on the internet both as their marketplace and their primary means of communication. When shutdowns are imposed without prior notice or clear timelines for restoration, the resulting uncertainty forces many of these businesses to shut down temporarily or permanently, pushing entrepreneurs to seek what they perceive as lower-risk, offline alternatives.

Courier companies and delivery services face similar disruptions. Freight forwarding companies which depend on internet connectivity to monitor fleets and manage logistics, are compelled to resort to inefficient and costly alternative systems to remain operational. At the same time, food

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delivery and courier platforms lose their ability to receive and process orders, while ride-hailing services are similarly incapacitated. In effect, internet shutdowns sever the digital infrastructure on which large segments of Uganda's modern services economy now depend.

¹² "FOURTH NATIONAL DEVELOPMENT PLAN (NDP) | Private Sector Development Unit," accessed December 14, 2025, <https://create.finance.go.ug/publicationsresources/fourth-national-development-plan-ndpiv>.

¹³ https://www.gsmaintelligence.com/?utm_source=kepios&utm_medium=partner

¹⁴ <https://datareportal.com/reports/digital-2026-uganda>

Recommendations:

Moving forward, it is important that the government formally recognises internet connectivity as critical national trade infrastructure in alignment with the Digital Transformation Roadmap (2023/24–2027/28) by recognising digital connectivity as essential to achieving GDP growth targets, similar to electricity and transport, especially during elections, particularly during election periods, when economic and democratic activities are most sensitive.

In this regard, it is recommended that:

1. **The Government should consult businesses operating within the digital economy before any restrictions on internet access are imposed and provide adequate prior notice of any disruptions.** The Government should explicitly assess the economic and social impact of any proposed internet restrictions and apply the principle of proportionality in responding to online harms. This process could be coordinated through industry associations and would allow the government to get a clear picture of what the impact of a shutdown would be. As Godfrey Sserwamukoko, Chairman of the Internet Service Providers' Association of Uganda, has noted, such engagement would also enable private sector actors to propose alternative, less disruptive measures that could address security concerns without imposing blanket shutdowns.
2. **Apply proportionality and target harmful content, not the entire network**
Rather than imposing blanket shutdowns, only platforms or accounts demonstrably involved in the spread of misinformation or incitement should be subject to restriction. Where intervention is necessary, the Government should prioritise less intrusive measures, such as content moderation, notice-and-takedown procedures, or targeted platform blocking, over nationwide internet blackouts that unnecessarily disrupt the wider economy and the exercise of fundamental rights.
3. **It is also important to note that the practice of shutting down the internet does not align with Uganda's regional and international trade ambitions.** Frequent shutdowns undermine Uganda's ability to position itself as a regional digital trade hub, especially in comparison to neighbouring countries Kenya and Rwanda.

