

October 2023

Quarterly Boda Report



Lubyanza

A lot has changed in a year - and a lot has stayed the same. Helmet usage is down, women are joining the boda business, and riders continue to leave apps behind. Check out our findings below (and please fill out our survey!!).



15%
of riders have
a valid drivers
license



85%
of riders
have loans



8%
drop in helmet
use over 2023

Six Years On, Nothing Much Changed

Compared to a survey conducted in 2017, many of the same unsafe road behaviors have remained the same. The biggest change was that fewer riders reported receiving road safety trainings.

Our take: This is a condemnation of the sad state of affairs on the road in Kampala, and ongoing cynicism about the ability to improve conditions.



Compliance with the Law

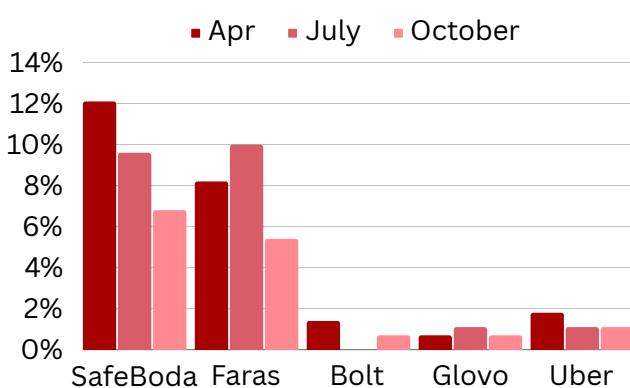
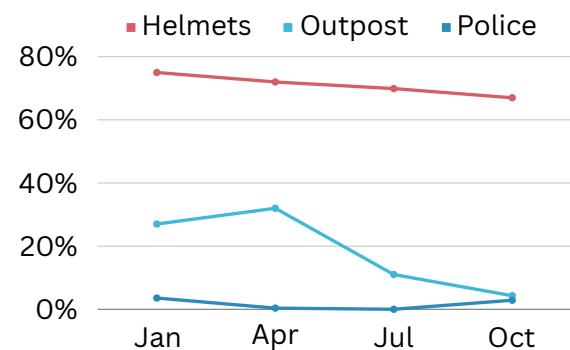
Boda riders in Uganda are required to wear a helmet and a reflector jacket and have third party insurance, a drivers license, and a PSV license. Less than 1% have all five.

Our take: Riders often get licenses to be eligible for loans or programs, but let them expire due to cost. A combination of costs (licenses are 135,000 UGX for a year), corruption, and carelessness are a lethal mix.

Helmets and Cops

Helmet usage has dropped from 75% to 67% across Kampala. Police presence has also dropped, though inconsistently so.

Our take: The year started with a widespread crackdown and police deployment, which has since eased. Expect another cycle of crackdown soon.



Debt

Riders are in debt. Six out of seven boda riders reported having loans of one kind or another.

The most common loan was a cash loan. Local loan sharks have been exploiting the instability of boda boda livelihoods - an accident, a new tire, school fees - and a lack of reasonable loan options to extort them.

Around 44% of motorcycles, unsurprisingly, are currently being paid off. Companies like Watu and M-Kopa have also moved from motorcycles and solar home systems into financing phones, and now 45% of smartphones in Kampala are on loan.

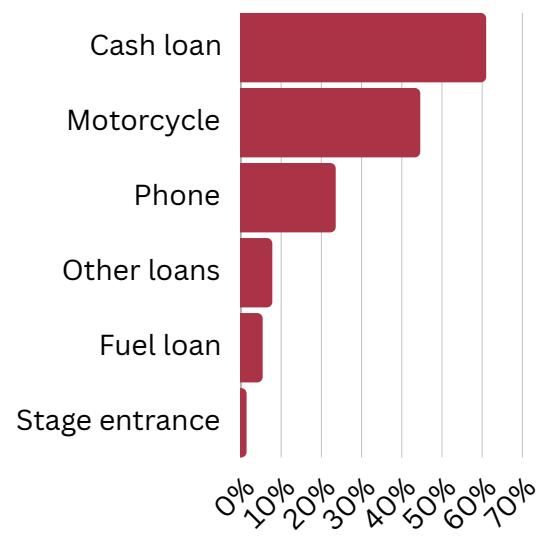
Loans are a major stressor in boda riders lives. They can lose their motorcycles, or kids can miss school, when the unexpected happens. More needs to be done to protect them from exploitative moneylenders.

The Fall, and Fall of Apps

App usage continues to plummet in Kampala. Only 10% of riders report using an app, and 28% report having left an app after using it.

Our take: In every survey, two-thirds of riders say they are leaving apps for the same reason: they can make more money offline. Low smartphone penetration also isn't helping.

% of riders reporting loans

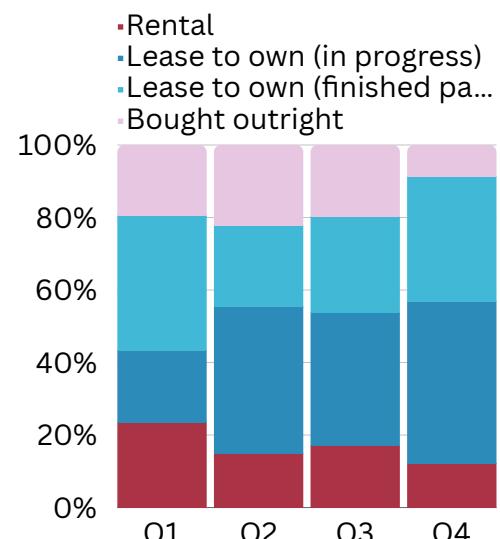




Kalungi's View

The number of bodas buying motorcycles outright or renting them continues to reduce with the increasing number of asset financiers in Uganda, including banks whose down payment and overall loan terms are being relatively more bearable. The money that might be saved up and used for buying a motorcycle in cash can instead be used for buying land, paying school fees, or investing in a small business venture.

There are also many riders who are unable to save up the more than five million shillings for a motorcycle, and would need to get a kibaluwa (rental contract) in order to get a motorcycle who are now getting loans. The trend towards asset financed bikes, which has risen from 57% to 79% from January to December, is here to stay.



Motorcycle Ownership



Geofrey's View

Borrowing is very common among boda riders. During the 4th quarterly survey riders attested to frequent borrowing. Motorcycle loans, the leading loan among boda riders after cash loans, usually take 24 months to finish paying off and attract a very high interest rate. But nonetheless, through such loans, motorcycle ownership among boda riders increases everyday.

Besides the motorcycle loan, boda riders reported acquiring small loans to finance everything from motorcycle maintenance to household items to school fees for their children. However, we didn't find boda riders who had housing loans, likely because these loans require a large down payment, a land title and a building plan approved by the authorities. Considering that the boda riders are capable of paying off and own the motorcycles thanks to the low upfront requirements, it's evident that they would also afford better housing if the banks lower the initial requirements.



5,600
Bodas observed



280
Riders interviewed



8
Divisions of the GKMA

The survey was designed by Tom Courtright with input from James Kalungi, Geofrey Ndhogezzi, Paul Mukwaya, and Peter Kasaija. It was carried out from October 2-8 by Geofrey and Kalungi.