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## **Uganda: NIC, Makerere Saga Won't Affect Stock Exchange - Experts**

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The National Insurance Corporation (NIC) and Makerere University pension scheme saga, will not affect trading on the Uganda Securities Exchange in the short-term.

However, analysts say that if the saga drags on, the insurance body that recently listed on the exchange, might witness shocks in terms of share price and trading.

Speaking to Daily Monitor in an interview on Wednesday Mr Samuel Njirwa, the Dyer & Blair - investment advisor general manager said: "Shareholders knew about the issue already, so I don't think it will affect the share price and trading."

### **Quick solution**

However, Mr Njirwa said: 'The two institutions, must quickly resolve the matter as such

conflicts are normally bad for long-term business. He said the two must agree on payment terms. "Otherwise Makerere's insistence on immediate payment of the whole sum is untenable."

With its sensitivity, external disturbances, especially on listed companies, usually send shocks to the exchange, which distabilises market prices and share trade.

### **Kenya experience**

The 2007 presidential election violence in Kenya affected growth, which forced the country to revise its 8 per cent growth in 2008 to about 3-4 per cent in the same year.

The slump in growth, affected trading at the Nairobi Stock Exchange, which dropped by 25 per cent after many investors opted out of the exchange.

Mr Joseph Kitamirike, the USE chief executive officer, said he is hoping that the conflict between the two institutions will not have much impact on the exchange.

He said: "With the negotiation now at the highest level, I don't see major disturbances unless the matter drags on."

For about two years now the two institutions have been fighting over the rightful amount of money each owes the other.

Whereas the university says its

savings are Shs17.7 billion, NIC argues that the money is Shs13 billion.

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