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East African Business Week (Kampala)

Uganda Warned On SME Support

BY SAMUEL NABWISO, 15 OCTOBER 2012

Kampala, Uganda — Uganda may not benefit from the East African Community Common market if Government does not come up and support its small medium enterprises, experts have warned

Professor Waiswa Balunywa the principal of Makerere University Business School told East African Business Week that because Uganda has no national company dealing in trade, the market share for Uganda at the common market has been taken over by foreign companies operating in Uganda.

"It surprises some of us to see that even at the local market here all the super markets of Kenya originality are full of merchandise from Kenya and South Africa this means that Ugandans cannot supply to these supermarkets its time for our government to think twice and this can be done by also supporting the development of SMEs that can effectively participate in the supply chain as its in Kenya" he said

According to Balunywa in order for Uganda to effectively participate in the market there's need for the government to bring on board the youth to start participating in the agriculture.

He says it has been left to the aging population whose labour productivity is declining.

"In order to attract such groups who are currently spending much of the time gaming {gambling's like sports betting} in the sector, Government should introduce special funds for agriculture where youth can get such cheap loans and invest in agriculture.

"This will increase agriculture productivity for both domestic consumption and for market as compare to date," he noted.

Balunywa added that What Ugandans are producing is for local consumption and there's no excess agriculture produces for sale.

"Other countries in the community like Kenya where local farmers can earn more money as compared to what their earning because those trading food crops are doing it in the informal sector."

He stressed even the few farmers who are trying to progress from subsistence farming to commercial cannot penetrate the market because their produces do not meet the markets standard as compared to other farmers produce from other countries in the community.

"The need for government to come up with some support to uplift these farmers especially in the areas of post harvesting handling and adding value to some produces that are perishable like vegetables," observed Balunywa.

Balunywa noted that some farmers have failed to add value in their produce because they lack the technological skills and access to power to enable them add value in the produces

However Uganda's state minister in charge of industries in the ministry of trade and industry Dr John Mutende recently told participants during the ministry's performance review in Kampala the country is performing well in the common market because the number of exports in form of beers and other related locally produced products have increased although these industries are not owned by locally Ugandans but foreigners.

"Our exports in the market have improved especially when you look at the volume of beers and other items being exported to countries like Rwanda and Burundi.

"It has really improved and when beer production improves it means even our local farmer are benefiting from the market because they supply raw materials like sorghum for production of beer brands" the minister defended Uganda on the Balunywa s query.