

NATIONAL WORKSHOP ON THE INDUSTRIAL DEVELOPMENT
DECADE FOR AFRICA (IDDA) 26TH - 30TH MARCH 1985.

AN OVER VIEW ON THE SMALL SCALE INDUSTRY SECTOR.

BY:

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EXECUTIVE SECRETARY

UGANDA SMALL SCALE INDUSTRIES ASSOCIATION.

20th March 1985.

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GALIWANGO, EXECUTIVE SECRETARY UGANDA SMALL SCALE INDUSTRIES
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PRE-INDEPENDENCE

The Small Scale and Cottage Industries have existed in Uganda for quite a very long time. During the British rule in Uganda the Cottage Industries were defined as those which operated in the production of commodities while using machines of Horse Power up to 5 H.P. only and with employed man power up to 10 only.

Any Industrial unit whose working capital measured at Ug. 200,000/= and above was considered as a big under taking which required a Feasibility Study write up in order to be Licenced.

I am aware that even up to today this is the line between cottage industries and Licenced Industry establishment. Small Scale and Cottage Industries in Uganda's context mainly reflects private sector. Uganda Development Corporation were the care takers of this sector during this period.

POST-INDEPENDENCE

The need to develop the Small Scale and Cottage Industries in Uganda has been expressed to the Ugandan Entrepreneurs through various Government efforts and actions at various stages of intervals. During the early sixties government established an Industrial estate at Ntinda to house small scale and cottage operators. At the same time M.T.A.C. was made responsible to take care of the welfare of the small scale and cottage sector in Uganda. Hence a department of Small Enterprises Development at M.T.A.C. was established.

CONSTRAINTS OPERATING ON THE SMALL & COTTAGE INDUSTRY SECTOR

The period of Military rule in Uganda did advance more problems to the Small Scale Sector. All the above Institutions stopped to effectively assist this sector any more.

However, immediately after Uganda's Liberation War. A Small Scale and Cottage manufactures association was incorporated in Uganda. This is known as The "UGANDA SMALL SCALE & COTTAGE INDUSTRIES ASSOCIATION".

This Association during its inception in the country indentified its members with the following lines of Industrial production:-

- (1) Textiles & Garment manufacturers.
- (2) Metal and Engineering products.
- (3) Food and Beverages.
- (4) Wood crafts.
- (5) Leather craft
- (6) Printing
- (7) Chemicals & Pharmaceuticals
- (8) Building materials & Ceramics
- (9) Technical Services
- (10) Hand Crafts.

For the spread of the Associations Membership in Uganda see the attached appendix.

This Association also identified some major constraints operating on the Small Scale Sector, some of the constraints are:-

- (i) Luck of proper government policy and institutional frame work on which the development of the sector would be based.
- (ii) Luck of infrastructure
- (iii) Luck of proper management skills and Training facilities
- (iv) Luck of development finance and working capital
- (v) Problem related to procurement of raw materials tools, and spare parts etc.

RESOURCES AVAILABLE ON THE SMALL SCALE SECTOR

Both the Government and Private Agencies have for a very long time been making efforts to develop this sector. However, it is my belief that these efforts have lacked one major achievement and this is "COORDINATION". These efforts can be indicated by the following reports produced by various organisations and institutional in the country.

- (1) The Uganda Small Scale & Cottage Industries Association report produced during their 4 days National Seminar at M.T.A.C. during December 1979.
- (2) The ears report on Uganda Industrial sector
- (3) The report produced by Ministry of Industry after a three day National Conference on strategies for spreading Small Scale Industries in Uganda.
- (4) The reactivation report
- (5) The Indian Industrial deligation to Uganda report.
- (6) Report by Jean Tourou (UNDP)

INSTITUTIONAL FRAME WORK AVAILABLE

- (1) The newly established department of Small Scale Industries within the Ministry of Industry.
- (2) M.T.A.C
- (3) Directorate of Industrial Training Ministry of Labour.
- (4) Vocational Training Institute Ministry of Labour
- (5) All financial institutions handling some finances and various Foreign financial assistance for Industrial Development.
- (6) The Small Scale & Cottage Industries Association (USSIA) etc.

RECCOMENDATIONS

1. The Small Scale Industries department in the Ministry of Industry should be properly established to effectively make proper policies and programmes on which the Small Scale Sector could be developed. Hence, experienced Engineers and Economist should be employed there.

2. An Industrial Development Center for Uganda should be established soon and the directors to form the board of Uganda's Industrial Development center should be appointed based on their professional knowledge and experience to represent the interests of the following institutions.

- (1) Ministry of Industry
- (2) Ministry of Finance
- (3) Ministry of Planning & Economic Development
- (4) U.D.C
- (5) M.T.A.C
- (6) Directorate of Industrial Training
- (7) Ministry of Labour
- (8) U.C.B, U.D.B, & Bank of Uganda
- (9) Ministry of Education
- (10) The National Academy Science & Technology
- (11) U.S.S.I.A Etc.,

3. M.T.A.C. and the Directorate of Industrial Training Center should be re-oriented to become the Institutional Frame work for the Ugandas Industrial Development Center.

4. There is need to re-examine the present incetives offered to private investors in Uganda.

5. An Industrial Development fund for the Small Scale Sector conducted on government guarantee scheme should be established soon to facilitate those entrepreneurs who find it difficult in raising the traditional corolate securities required by Commercial Banks.

6. Research should be carried out to identify our local available raw materials which can be developed for Industrial use.

7. Adaptation of appropraite Technologies in Uganda should be encouraged through the established Ugandas Industrial Development Center.

CONCLUSION

OUR MOTTO IS:-

UGANDA IS OURS AND HER DEVELOPMENT IS OUR RESPONSIBILITY FOR GOD AND OUR COUNTRY,

Nelson J. Kiyegga-Galiwango
EXECUTIVE SECRETARY
UGANDA SMALL SCALE INDUSTRIES ASSOCIATION.

TABLE 1

UGANDA SMALL SCALE INDUSTRIES ASSOCIATION - MEMBERS PER DISTRICT AS UP TO 31-4-84.

DISTRICT ZONE	BUSINESS LINES										TOTAL
	Textiles & Garments	Metal Prod.	Bev.	W/Cr.	Leather Prod.	Pharm.	Tech. Serv.	Print. ing.	Buil.	H/Cr.	
KAMPALA	51	12	31	16	8	13	10	4	3	4	152
JINJA	5	1	4	-	-	1	-	1	1	-	13
MUKONO	3	-	3	3	-	1	-	-	-	1	11
MPIGI	8	2	8	-	1	-	-	-	-	-	19
LUWERO	7	-	1	-	-	-	-	-	-	-	8
MUBENDE	1	-	1	-	-	-	-	-	-	-	2
MASAKA	2	-	6	-	-	2	1	-	-	-	11
RAKAI	1	-	1	-	-	-	-	-	-	1	3
TORORO	1	-	2	-	-	-	-	-	1	-	4
MBALE	12	1	10	-	-	-	5	-	-	-	28
SOROTI	7	2	7	1	-	-	-	1	3	-	21
APACH	1	-	-	-	-	-	-	-	-	-	1
GULU	1	-	-	-	-	-	-	-	-	-	1
NEBBI	1	-	-	-	-	-	-	-	-	-	2
MBARARA	2	-	1	-	1	1	-	-	-	1	5
KASESE	1	-	-	1	-	-	-	-	-	-	2
KABAROLE	1	-	1	1	-	-	-	1	-	-	3
HOIMA	4	1	2	-	-	-	1	-	-	-	7
MASINDI	2	-	2	3	-	-	2	-	-	-	9
RULUNGIRI	1	-	2	-	-	-	-	-	-	-	3
KITGUM	1	-	2	-	-	2	-	-	-	-	3
ARUA	1	2	4	-	-	-	-	-	-	-	7
TOTAL	113	20	86	26	10	19	22	7	8	7	G.T 317