

Why Jinja's small-scale businesses still struggle

Many small-scale business owners struggle with financial management, often spending profits on personal needs rather than re-investing in their enterprises.

BY MONITOR TEAM

Jinja City, once regarded as a vibrant hub for small and medium-sized enterprises (SMEs), is experiencing a worrying slowdown as local investors struggle to expand their ventures despite growing market potential.

Entrepreneurs attribute the stagnation to a combination of challenges, including the lack of modern machinery for value addition and packaging, limited access to reliable markets, and difficulties in obtaining certification from the Uganda National Bureau of Standards (UNBS).

The small-scale enterprise sector in Jinja is diverse, encompassing blacksmiths, carpenters, soap makers, producers of wine from local fruits, shoemakers, tailors, welders, brickmakers, bakery and confectionery operators.

Others include poultry and livestock farmers, handicraft and beadwork artisans, printing and signage businesses, fashion accessory makers, and small retail shop operators, among others.

Challenges

Mr Medi Kairanhya, the chairperson of the Uganda Small Scale Industries Association (USSIA) Jinja Chapter, said many small business owners feel sidelined by both government and local leaders.

"These businesses are being ignored. Local entrepreneurs bear heavy taxes while foreign investors get holidays, and the cost is passed on to consumers, Mr Kairanhya said.

He added that most of the businesses rely on manual operations and lack proper machinery, limiting product quality and market reach.

Mr Kairanhya said the government and the private sector should provide training and equipment to help small enterprises improve their products and expand into new markets.

Mr Juma Kirunda, the chairperson of Kirinya Road Village, said many young



Local government officials tour a stall for craft shoes during an exhibition organised by local entrepreneurs in Mayuge District in 2024. PHOTO/DENIS EDEMA

people trained in metal fabrication, carpentry, and other trades lack the costly machinery required to turn their skills into sustainable businesses.

"Leaders advocate for skilling programmes, but after the training, where are these youth expected to work?" Mr Kirunda asked.

"Without empowerment and access to equipment, those skills go to waste," he added.

Although government initiatives such as Emyooga and the Parish Development Model (PDM) were introduced to support small enterprises, many business owners argue that access to the funds is complicated and lacks transparency.

Some allege that certain community development officers and commercial officers favour relatives and close associates during the allocation process.

Ms Christine Karono, the Chief Executive Officer of Black Skills Enterprises Ltd in Jinja City, identified limited access to affordable finance as the biggest

obstacle facing small-scale businesses. "Without adequate funding, business-

PARTNERSHIP PLAN

The Mayor-elect of Jinja City on the National Resistance Movement (NRM) ticket, Mr Abdulfahidh Nagaya, said he will engage various business groups on how to boost local enterprises. He pledged to mobilise resources and secure machinery to support value-addition in production.

Mr Mohammed Baswari Kezaala, the Deputy Ambassador of Uganda to Qatar, said Uganda is endowed with raw materials. He said he will work with the mayor, the Indian Commission in Uganda, and partners in China to skill many small-scale entrepreneurs.

Stakeholders warn that unless issues of fair taxation, access to finance, modern equipment, and transparent implementation of government support programmes are urgently addressed, the sector will continue to stagnate.

The chairperson of People with Disabilities (PWDs) in Jinja North Division, Mr Vincent Munyegera, said Jinja's SME sector risks further stagnation if inclusivity is not prioritised in development.

Mr Munyegera expressed concern that many ongoing development projects in Jinja do not visibly incorporate or empower PWDs, particularly by allocating designated spaces where they can sell their products.

"We cannot compete equally with others due to our physical challenges. However, it would be meaningful for us to be considered in the city's growth plans.

"For example, with the developments at the Source of the Nile, we are not sure

whether there is any provision for PWDs to access the facility or sell their products to tourists," Mr Munyegera said.

Mr Daniel Gabula Kyankone, the Executive Director of the Busoga Business Community, said poor internal management of businesses often hampers growth.

"You find someone opens a business but does not know how to handle funds for the business and for home expenditure," Mr Kyankone said, adding that the community should conduct capacity-building training to support record-keeping, financial management and proper administration.

Ms Khadija Nakakande, a senior communications officer at the Trade ministry, warned that many small-scale business owners struggle due to weak management structures.

She said some enter business without understanding operations, suppliers or the market, and often fail to keep records, spending earnings immediately.

"Many people eat their capital before the business starts making profits," Ms Nakakande said, adding that ministry projects provide machinery to support value addition and help entrepreneurs benefit more from their ventures.

Dr Joshua Isiko, a team leader of the Productivity Acceleration Bureau at the Ministry of Science, Technology and Innovation Secretariat, under the Office of the President, asked people in Busoga to move away from individualistic business approaches and embrace collective ownership.

He said: "My fellow Basoga must understand that business cannot grow when it is built around one individual."

He noted that limiting business ownership to immediate family members who lack financial capacity often prevents enterprises from growing into successful ventures.

"By family unity, we do not mean only people related by blood. A family can also be formed through adoption or friendship... That level of trust is very key in business partnerships," he said.

Compiled by Denis Edema, Tausi Nakato & Godfrey Masiko