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SMEs skeptical about BUBU policy

KAMPALA. Small and Medium Enterprises (SMEs), are doubtful of the effect and viability of the Buy Uganda Build Uganda (BUBU) policy formulated to boost uptake of local content.

During the Top 100 mid-sized Company Survey forum held at the Sheraton Kampala Hotel yesterday, findings of the six-month survey were revealed.

Nineteen per cent of the SMEs proclaimed mistrust in BUBU saying it is merely a disguise fronted as a viable policy to develop local businesses.

According to Ms Elizabeth Namaganda, the lead researcher of the survey, 66 per cent of the businesses used local raw materials as prescribed by BUBU but 34 per cent did not.

The SMEs also decried high taxes with 74 per cent blaming them for retardation of businesses.

Ms Namaganda said the survey also revealed blame of 23 per cent on poor government policies such as high taxation which she said curtails morale in production and market consumption.

"We looked at taxes and costs of production, the tariffs are so high,



Dialogue. NSSF MD Richard Byrugaba speaks during the Top 100 SME Forum in Kampala yesterday. MONITOR PHOTO

which in turn affects output, they put in a lot of resources and in the end get very little and when it comes to the market, buying also becomes a problem. Why would one buy a cup of Shs5,000 when there is that of Shs1,000," she explained.

The executive director of Enter-

prise Uganda, Mr Charles Ocici, said government has done little to control importation of substandard products, mostly from China that contribute to an unfair advantage in competition between the SMEs.

However, the director of SME division at Uganda Investment Authority,

Mr Bazil Ajer, urged SMEs to give BUBU more time to synchronise with other government institutions if they are to realise positive impact.

The KPMG - *Daily Monitor* survey is in its ninth edition. The winners of the survey will be crowned today at Hotel Africana.

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