

By Pascal Kwesiga

The fishing net importation saga has deepened, with contradictory figures being released by the fisheries directorate, importers and lake users: pointing to the loss of billions of shillings in taxes.

The Uganda Revenue Authority (URA) collected sh1b in 2014, sh1.5b in 2015 and sh2.7b last year. But figures given by Nabugabo, importers of 15 million nets imported annually, means URA should be collecting close to sh100b.

The fisheries resources directorate says of the 9.18 million nets used, only 6.42 million are imported annually. Another source, the Association of Fishers and Lake Users of Uganda (AFALU) had given a much less figure of 4.85

# Fishing net figures reveal revenue loss

million nets as being used.

However, statistics also indicate that only 900,000 fish nets are manufactured annually by the only manufacturer, Uganda Fishnet. This means that the rest of the nets are smuggled into the country.

The four main water bodies on which the fishing nets are used are lakes: Victoria, Edward, George, Kyoga and Albert. Sources say there is a racket involving the players in the industry that is earning big

## \$2.7b

The Uganda Revenue Authority (URA) collected sh1b in 2014, sh1.5b in 2015 and sh2.7b in 2016

from this confusion. Because of this, the sources said, the enforcement of the presidential directive on the ban on fishing gear importation that had been prompted by illegal fishing activities, that are threatening

the industry, has been frustrated.

While the manufacturer says it can produce enough to supply the market, the importers, AFALU and the fisheries directorate are insisting that there is need for the importation of nets. Thus, the ban, which was announced by the trade ministry in March, remains implemented.

The *New Vision* recently exposed massive smuggling of commodities across Lake

Victoria into Uganda from Mwanza and Kisumu in a four-part investigation series. Fishing gear was among the items smuggled, mainly from China.

The head of the fisheries resources directorate, Dr Edward Rukunya, confirmed that 6.42 million is a conservative figure of the nets imported annually, but said he does not know if URA collects all dues from the nets imported.

The URA spokesperson, Vincent Seruma, however, defended the tax body, saying it collects dues from whatever is declared to it. Seruma explained the taxes they have collected from fish nets annually in the past three years saying they do not charge per net, but in kilogrammes. The

load of fishing nets imported in each of those three years is about 1 million kilogrammes.

According to the AFALU chairman, Godfrey Kambugu, a fishing net weighs 1.4kg on average. While Seruma, did not say how much tax each kilogramme attracts, an estimated Value Added Tax of 18%, import duty of 25% and withholding tax of 6% is attached. If the number of nets imported is 6.42 million, the country should be getting at least sh35b in the combined taxes, calculated on the least pre-tax price of \$3(sh10,700) per fishing net. Sometimes, the pretax price could go as high as \$10 (about 37,000).

It emerged recently that out of the over 50 official border entry points into Uganda, URA is only manning about 24.



## UNITED NATIONS STAFF CO-OPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED (UNS-SACCO)

### INVITATION TO BID

#### TERMS OF REFERENCE

Opening of Roads with in UNS-SACCO Satellite Village at Kasanje Wakiso District

#### BACKGROUND

The United Nations Staff Co-operative Savings and Credit Society Limited (UNS-SACCO) is a Savings and credit society for UN employees in Uganda. It has its Office registered in Uganda under the Ministry of Trade and Co-operatives located on Plot 15A Clement Hill Road Nakasero on Ruth Towers Building.

In an effort to have its members in one organized settlement, the UNS-SACCO acquired a private mailo Land at Kasanje village in Wakiso District with an area of 100 Acres on Block 515 plot 87.

We now call upon interested qualifying Road construction firms to bid for opening the road network throughout the Satellite Village with road links adding up to 6 kilometers. The width of all the roads is 7.5 meters. Details of the engagement and expected road

corporate member of the Uganda Institution of Professional Engineers (UIPE) and be registered by ERB. The C.Vs of the Key persons to supervise the Project must be attached.

- The contractor must be registered in Uganda and a Certificate of incorporation will be required.
- The Contractor must have a trading license for the current year.
- The key staffs of the contractor are required to provide past working experience of at least 3 years with specific roads worked on and clearly stating the position and responsibility held.
- The contractor will be required to provide a recommendation and or appointment letter from a former client
- The contractor will be required to provide a tax clearance for the current year.
- The contractor is required to provide a statement from his bankers
- Audited accounts of the contracting firm for the previous financial year will be required.

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