UGANDA

1994 - 1997
Parties banned in Ugandan election

LONDON. — Ugandans voted today in the country's first election for 14 years — but political parties are banned from taking part and candidates must stand as individuals.

The four main political parties, like other 'interest groups', are allowed to nominate two members each to the 288-member assembly.

The electoral law bans candidates from standing on 'sectarian grounds such as religion, tribe or political party', and they are not allowed to hold meetings — except those organized by the electoral commission.

President Yoweri Museveni, whose National Resistance Army fought its way to power in 1986, has blamed the country's political problems on party politics.

He suspended the parties while co-opting their leading members into his broadly-based administration.

Uganda is a comparative success story compared with many other African countries — and with its own appalling past even though there are two rebel movements still active in the country and hunger due to a severe drought in the north-east.

The 1980 election, now widely regarded as fraudulent, resulted in the return of Milton Obote, Uganda's first prime minister, and president from 1966 to 1971.

The country was plunged into a barbarous civil war in which more atrocities were committed than during the rule of Idi Amin, who ruled from 1971 to 1979.
Coaching at Uganda now

Reconstruction efforts: Health writer David Robins reports from Kampala

has called a path which holds important lessons for South Africa's health

n the attempts to reconstruct the semblance of a health service, this African country
Uganda gets eyes NGOs uncertainly

Western donors lose faith in NPOs

Western NPOs are losing confidence in NGO work. Western donors, who have previously been generous in their support to NGOs, are now becoming wary of the increasing number of NGOs that have mushroomed in recent years. The donors are concerned about the quality of work done by NGOs and the impact of their programs. They are also concerned about the sustainability of NGOs and their ability to deliver their services in the long term.

The donors have expressed their concerns to the government, which has been accused of failing to provide adequate support to NGOs. The government has been criticized for not doing enough to regulate the activities of NGOs and for not providing sufficient funding to support their work.

The donors have also been critical of the way NGOs operate, saying that they are often not transparent in their financial dealings and that they do not always provide adequate reports to donors. The donors have called for greater accountability and transparency among NGOs and for the government to take a more active role in monitoring their activities.

Despite these concerns, the donors have not yet taken any concrete steps to withdraw their support from NGOs. They have said that they will continue to monitor the situation closely and that they will reassess their support to NGOs in the future based on the performance of individual NGOs.
Uganda still poor, ‘but is moving in right direction’

KAMPALA — Once dubbed the sick man of Africa because of a 20-year reign of terror and spectacular economic decline, Uganda has, over the last nine years, clawed its way back from economic and political disaster.

President Yoweri Museveni, who came to power after a guerrilla war in 1986, has been credited with the turnaround in the country’s fortunes.

An economic restructuring programme, supported by the IMF, was launched in 1987 and last September the organisation approved a $175m three-year enhanced structural adjustment facility, which was supported by the International Development Association, the World Bank’s soft-loan arm.

Earlier this year, Uganda became the first country to benefit from enhanced debt reduction terms, agreed to by the Group of Seven industrialised nations at their annual summit.

The package was said to have been worth 67% of the debt owed to the Paris Club of official creditors though Oxfam said the write-off was much less than claimed.

GDP grew by 5.1% in 1993, 7% last year and is estimated at 5% this year, although the government has predicted growth of nearly 10%.

Coffee remains the country’s main export and foreign exchange earner, and the increase in international coffee prices had been expected, before this month’s collapse, to push total exports beyond $200m this year.

Inflation has fallen to about 5% from 10% a year earlier — thanks to a decline in food prices as the country recovers from a drought. The current account deficit is expected to show a slight surplus this year of about $20m from a deficit of $40m.

Increased economic stability has in turn boosted inflows of capital, helping increase the level of business activity, particularly in Kampala, the capital where traffic jams are now a feature for the first time in a generation and the cost of mobile phone connections is the talking point at suburban dinner tables.

In the same period, the government has reduced the number of ministries from 30 to 21, cut the once-bloated civil service by 50% to its present level of about 160,000 people and reduced the once-huge army by nearly 90%.

Defence spending, however, increased by 40% last month to deal with rebel activity in the north, including what the government calls bandits supported by the government of Sudan and its opponents, the Lords Resistance Army. The increased defence spending may come in for some criticism at the Paris meeting.

The government says it plans to double its efforts on what has, until now, been a privatisation programme with little momentum. Only $60m has been netted through the sale of 14 public corporations.

Uganda remains one of the world’s poorest countries, one that will continue to rely on aid for the bulk of its development for the foreseeable future and one that is unlikely to reduce the poverty of the mass of its people for the next 10 years.

Yet many in the donor community have been impressed with the economy’s management, hence expectations of further pledges of aid. Last year Uganda secured pledges of about $850m from a similar meeting, far higher than the $500m requested.

‘What we have here is a country that is poor but one that is performing well, and moving in the right direction,’ said one economist.

Economic success, however, may yet be threatened by the political tension of recent months, brought about primarily by debate on the country’s new constitution ahead of presidential and parliamentary elections at the end of the year.

Last month the country’s constituent assembly rejected an immediate return to multi-party democracy, effectively postponing it for at least another five years.

The constituent assembly also voted against proposals for a federal government system, angering the Buganda, the country’s biggest ethnic group. Several groups have taken up arms over the last few months in a bid to fight for Buganda federalism, calling for regional powers as existing on independence in 1962.

— Financial Times.
Uganda's mistake was

Over the past few weeks, a number of favourable articles on Uganda have appeared in the media. This is laudable given the bad press Uganda has often received.

South African newspapers have in the past ignored stories on African countries. Those that were used often concentrated on catastrophes and disasters; impressive achievements made by a number of African countries were often ignored.

Yet the recent favourable reporting on Uganda needs to be put in perspective, both in a national and global setting.

Uganda's economic recovery started in 1988. The devastation wrought by the brutal and inept regimes of Idi Amin and Milton Obote lingered long after they were gone.

Amin in particular devastated the industrial infrastructure of the country and the social fabric of an entire society.

Entire industries, notably manufacturing, were laid waste during Amin's reign.

By the time Amin was overthrown in April 1979, Uganda had become the laughing stock of Africa. The miracle is that people survived the devastation and havoc wrought by Amin.

The devastation continued under Obote.

Despite massive foreign aid to Uganda following the overthrow of Amin, massive corruption and nepotism during the short-lived Uganda National Liberation Front (UNLF) government and the Obote regime ensured no development took place.

Foreign aid was diverted to the pockets of corrupt politicians and bankers abroad in foreign accounts.

The limited foreign exchange from exports was also misused, often appropriated by corrupt ministers and heads of parastatal bodies. New infrastructural projects were abandoned halfway through due to lack of funds.

And the growing insurgency by rebels loyal to Museveni meant that over 50 percent of the national budget was allocated to military expenditure.

When Museveni took over early in 1986, the exchequer was empty. Corruption had reached endemic levels. All infrastructure had broken down.

Yet Museveni did not seem to understand the enormity of the situation. He rejected foreign borrowing, and embarked on a strategy to repay foreign loans which at that time totalled $2 billion.

Even worse, he antagonised foreign donors and lending agencies by alleging they had propped up Obote's government.

His publicly acknowledged allegiance to socialism, and close ties with Muammar Gaddafi, Fidel Castro and east Germany's Erich Honecker, alienated him from the West.

He invited Gaddafi to visit Uganda only a few months after the American raids on Tripoli and Benghazi in April 1986.

His lack of diplomatic skill was astonishing and most Western leaders were appalled by his seemingly simplistic approach to Uganda's complex problems.

Three things during 1986 and 1987 made Museveni change his mind.

The first was the growing insurgency in the country, led by the self-proclaimed Holy Spirit rebels of Alice Lakwena.

Starting as a rag-tag army in Acholi in northern Uganda, they exploited the growing discontent among Ugandans, recruiting former soldiers and prominent politicians such as Isaac Newton Ojok, the erstwhile minister of education.

Within a few months, Lakwena's forces had overrun most of northern and eastern Uganda and, by November 1986, were within 100km of the capital, Kampala.

Museveni had to marshal all his forces to repulse this threat.

More importantly, he realised how an economically deprived people could support any opposition, how quickly a crowd that had been singing "Hosanna" can cry, "Crucify him".

Yoweri Museveni's publicly acknowledged allegiance to socialism and close ties with Libya's Muammar Gaddafi and Cuba's Fidel Castro alienated him from the West.

He realised that if he was to win the support of the people, he had to deliver quickly.

The second factor was the performance of the Ugandan currency.

In October 1986, Museveni had introduced a new currency, devalued the shilling from about 14 to the dollar to 60.

But within a few months the exchange rate had fallen further, and by August 1987 the shilling was selling at 600 to the dollar.

People had once again lost faith in the Ugandan shilling.

The situation was made worse by Uganda's hosting of the 1987 Preferential Trade Area summit.

Millions of shillings had to be printed to fund the summit, further fuelling inflation which, it was estimated, had risen to over 500 percent. The third factor was the open hostility displayed to Museveni's government by the neighbouring countries.

Kenya, through which most of Uganda's imports and exports flow, closed its borders and started massing troops at the border in December 1987.

Sudan was already harbouring most of Amin's and Obote's rebel soldiers. Zaire was opposed to Museveni.

Tanzania's support was lukewarm. Tanzania wanted repayment of the almost $500 million Uganda owed it from the 1979 war.

Museveni was in a fix. He had to win the support of the people if
Background

Uganda's economic miracle may be resting on shaky ground.
Africa's forgotten civil war

Star Foreign Service reports

When the news stories a flying mail service reported the
arrival of the government planes, the number of people who
gathers round the children at the aid of those affected by the
civil war.
Ford Australia gears up for SA comeback

BY ALEXANDER CORN

Melbourne — Ford Motor Company of Australia is planning to supply fully built-up Falcon motor cars to Samcor, according to a Ford Australia executive.

"Two six-cylinder saloons have been under evaluation by Ford engineers in Pontoria for the past few months.

While no dates for the start-up of sales have been finalised, the cars are unlikely to arrive before early next year. They will have to be slightly re-engineered to run on leaded fuel.

The supply deal will be signed within one month, with both base and high-specification cars coming to South Africa, the executive said.

"The Falcon is the only true Australian car still designed and manufactured in Australia. It uses rear-wheel drive, a straight-six, 157kW 4.0-litre engine and seats up to six in comfort.

"Equipped with a driver airbag as standard and a passenger airbag as a relatively inexpensive option, the Falcon has been Australia's top-selling car for several years.

In the past two months Falcon has notched up more than 15,000 sales in Australia.

The car is sold in a variety of guises, and according to Ford Australia and Samcor is looking at all derivatives.

Modest

These start with the basic FLi aimed at the fleet market and include a better-equipped Futura model; a more up-market Fairmont and Fairmont Ghia pairing; while a stretched-wheelbase pair called Fairlane and LTD offer limousine accommodation at a modest price.

There is also a voluminous Falcon wagon.

Sporty drivers can opt for the XR8 version which has a race-tuned 164kW engine and sports suspension.

All Falcon models are also available with an American-sourced 169kW V8 5.0-litre engine.

Samcor executives will not comment officially on the project, but sources within Ford Australia indicate the cars are well suited to South Africa's climatic and road conditions.

The impressive towing capacity offered by the rear-wheel drive layout will also appeal to caravan and trailer owners left without a suitable towing car since the demise of the Opel Rekord and Ford Sierra.

In Australia, the Falcon sells from about $29,000 ($79,400) including local taxes.

Duty

It could sell for around R80-90,000 in South Africa, depending on what export credits Samcor might use to offset the 65 percent import duty levied on fully built-up imports.

Ford Australia supplied Falcon, Fairmont and Fairlane motor cars to South Africa until the late 1970s, before they were killed off by successive fuel crises.

Ford Australia seems confident that sufficient demand for powerful rear-wheel drive cars still exists in South Africa.

Ugandan banks to axe staff after pay rise order

The workers responded with a four-day strike that paralysed the entire sector.

Normality returned only after successful negotiations were held between the Uganda Bankers Association and the Bankers' union.

But now the sector is feeling the pinch and foreign banks are hitting back. Three of them have started restructuring programmes that will see a cutback in branch numbers and a substantial reduction of staff.

Another way the banks hope to recoup the extra outlay is to increase the minimum balances for savings account holders. But the increase could scare away customers. The level of savings has been dwindling since the government imposed a 30 percent tax on deposits in 1987.

— Independent Foreign Service.
Uganda to win support for Privatisation Drive

Gomiti, Prime Minister of Uganda, has decided to sign a new agreement with the World Bank to advance the privatisation programme, according to the Prime Minister's Office. The agreement will see the government sell off about 70 per cent of its assets to private investors. The government hopes the privatisation will help to reduce its debt and improve its financial situation. The Prime Minister said the privatisation programme would be completed within the next two years. The government has already privatised several state-owned enterprises, including the Uganda National Airlines, the Uganda Electricity Board, and the Uganda National Sugar Company.
Low world prices hit Uganda’s tea output

BY EDMOND KIZITO

Kampala — Uganda’s tea production last year fell six percent from the previous year because of poor world prices, the industry’s top body said yesterday.

Output fell to 12,687 tons from 13,461 tons in 1994, the Uganda Tea Authority (UTA) said in a report.

"World prices remained low during the year and, with the ever-increasing costs of production, many farmers abandoned some of the farmland," said Miria Mugabi, general manager of the authority.

Last year's decline was the first in Uganda's tea industry since 1989.

Uganda has been trying to revive its tea industry in an effort to move away from cotton for export crops.

President Yoweri Museveni has returned almost all the 20,500 hectares of tea estates to former Asian owners who lost them when dictator Idi Amin expelled all ethnic Asians in 1972.

The tea industry suffered so badly that, by 1984, only 2,000 hectares were under cultivation.

Mugabi said that last year about 11,193 hectares of land under tea was tended, down from 14,550 hectares in 1994. Farmers said high operating costs meant they could not continue with large-scale farming because it was no longer profitable.

"High electricity tariffs, rising labour wages and heavy government taxes on the industry made it uneconomical to continue with large-scale farming," said one Asian tea estate owner.

An estate manager said: "With major markets such as Russia lowering their tea intake, for countries like Uganda, whose tea quality is not one of the best, the picture does not seem so rosy."

Low production meant Uganda exported only 10,670 tons of tea in 1995, down from 10,971 tons in 1994, Mugabi said.

This translated into reduced earnings of $8.695 million, compared with $11.765 million in 1994.

But Mugabi forecast better output for this year, saying world prices might improve.

She said Uganda, the world's tenth largest tea grower, could produce up to 15,500 tons of tea, of which 12,600 tons would be exported.

Uganda exports most of its tea to the Netherlands, Kenya, Yemen and Saudi Arabia.
Museveni losing credibility as Kampala’s banks collapse

By JOE KHAMISI

Nairobi — Uganda’s President Yoweri Museveni may be a shrewd political manipulator and an economic wizard, but his inability to control bureaucratic excesses, especially in the state-run banking industry, could jeopardise his support among international lenders.

The remarkable economic gains during Museveni’s 10-year rule appear to have been undermined by a growing lack of public transparency and accountability.

During the past two years, donors encouraged by Uganda’s commitment to economic and political reforms have poured millions of dollars into the country for project and budgetary use.

But the influx of aid has been matched just as vigorously by millions of Uganda shillings that disappear into the pockets of politicians and greedy bureaucrats.

Surprisingly, the monumental losses in the public sector have caught the government off guard.

Observers think Museveni may be trying too hard to project a positive image of his rule abroad. This leaves little time for efficient overseeing of his poorly paid, mostly corrupt bureaucrats.

For example, the loss of more than $100 million from the Uganda Commercial Bank through bad banking methods has sunk what was once one of the most profitable government bodies.

The money was issued mostly to Museveni’s own political cronies in government and the military. Because of the scandal, the bank now faces liquidity problems.

Recently, the government agreed to pay a foreign firm $225,000 to prepare the bank for divestiture.

The job will be done by a London-based merchant bank, which will get 4 percent of the sale price. That decision has itself raised controversy among Ugandans who feel local experts could have done the job at half the price.

But the government explained that it needed the services of an international firm to attract a better price from foreign investors.

Now another state-run bank is drowning in financial woes.

Last November, the World Bank warned that the Uganda Development Bank (UDB) faced serious solvency problems because of poor performance and bad money management.

The World Bank was to assist with the privatisation of the institution. But the World Bank report said the UDB was in such poor shape that it could not be considered for privatisation or attract participation by outside investors.

The World Bank also said the UDB was no longer entitled to borrow foreign funds provided by international financial institutions.

The bank would have been entitled to $55 million from abroad through the Bank of Uganda.

It has been financing agricultural and industrial projects. But its disbursements have been declining and operating costs climbing. In 1994 the bank disbursed only $2.3 million and spent $3.1 million on administration.

During a meeting late last year, the World Bank advised the UDB to reduce expenditure and stop investing in landed property.

But the advice came too late to stop the contentious construction of a $12 million mansion for the bank’s managing director, John Twinomusinguzi.

The lavishly furnished mansion with a swimming pool is located in the exclusive lakeside Munyonyo area outside Kampala.

According to press reports, some of the furnishings, worth about $80,000, were bought from Twinomusinguzi’s wife.

Twinomusinguzi explained that the house would save the bank paying a monthly housing allowance of $2,000. Housing allowances for cabinet ministers are only $500.

A similar controversy involving the then chief executive officer of the Uganda Commercial Bank was unearthed in 1987. A posh house built by the bank for $400,000 has never been occupied.

Observers think Museveni must move quickly to deal with official imprudence. Otherwise he will have difficulty maintaining his credibility as an effective leader.

— Independent Foreign Service.
IMF hails Uganda's successful reforms

KAMPALA — The IMF praised Uganda yesterday for sticking to tough reforms since 1987 which have helped reverse its economic decline.

"All indications are that Uganda's economy will grow at least 6.5% in the 1995/96 financial year which ends in June," IMF chief for East Africa Robert Sharer said.

Such a growth rate would be below the previous year which peaked at 10%—Uganda's highest in more than 20 years. But Sharer said it was still good compared with other reforming countries.

The IMF chief said President Yoweri Museveni's government had succeeded in bringing state spending under control, slashing inflation and commercial bank interest rates.

"Inflation has been kept to single-digit figures, interest rates have stabilised and state spending has been largely rationalised."

The IMF has overseen the recovery of the economy, shattered by nearly 20 years of dictatorship in the 1970s and early 1980s. Western donors underwrite more than $500m in vital aid each year.

Along with Ghana, Uganda is hailed by donors as a role model for Africa for its success in implementing reforms, which have helped produce economic growth averaging 6% since 1988.

Sharer said Uganda's performance made it eligible for a $30m aid programme this month. The loan would be the second tranche of a $610m package agreed to last November. However, he said Uganda needed to raise tax collections to at least 20% of its GDP from a current 11%.

With annual income per person of $230, Uganda is one of the world's poorest countries. It has to repay $3.15bn in foreign debt, nearly half borrowed since 1987. The debt equals 80% of its GDP, and debt service costs $120m a year. — Reuters.
KAMPALA — Ugandans would be seeking their first truly democratic change of government when they go to the polls on May 9, analysts said.

The polls are Uganda's first since December 1980. But the 1980 polls, which followed the ousting of dictator Idi Amin, were marred by widespread allegations of fraud. They were won by former president Milton Obote.

Campaigning for the presidential election, which will be followed by parliamentary polls in June, kicked off last Friday. President Yoweri Museveni, in power since his guerrilla army marched to the capital in 1986 after winning a five-year bush war against Obote's army, is widely tipped to win.

Two candidates — veteran politician Paul Ssemogerere of the Democratic Party and Muhammad Mayanja, an educationalist at Kampala's Makerere University — are standing against him. Ssemogerere enjoys strong backing from his 4-million-strong Banyarwanda tribe, and has been endorsed by the country's main opposition groups. He represents the only real challenge to Museveni, analysts say.

Museveni, longest serving of the nine presidents Uganda has had since independence, has a strong record to campaign on.

"He has restored peace and economic growth in a country scarred by more than 20 years of warfare and brutality, including the 1970s regime of Idi Amin," said an African diplomat.

However, guerrilla attacks by the rebel Lord's Resistance Army disrupted life in the north and could affect polling in the region, an opposition stronghold with about a third of Uganda's 19-million population. Many think Ssemogerere lacks the charisma and connections to beat Museveni because his party failed to prevent Obote from taking power after the 1980 poll.

On that occasion several DP candidates were arrested or barred from registering, and Obote's Uganda People's Congress gained a 20-seat majority in the 126-seat legislature.

An intellectual economist who has dropped his early claim to be a Marxist, Museveni has slowly tried to steer Uganda on the road to democracy. In 1988 he appointed a 21-man commission to gather views from around the country before writing a constitution that was adopted last October.

In the coming poll, political parties are barred by law from sponsoring candidates — and the main parties, angry with Museveni for banning them when he took power in 1986, have joined in backing Ssemogerere.

Museveni's opponents accuse him of hitting the campaign trail ahead of the official start of the campaign.

"For months Museveni was busy campaigning under the guise of advising people on how to fight poverty," Ssemogerere said recently.

The Interim Electoral Commission, the body overseeing the polls, promises Ugandans a free and fair election, but the opposition is sceptical.

They cite the rule that allows only the candidates, not their representatives, to campaign and say this gives Museveni further advantage.

Western diplomats have criticised Museveni's government for a media blackout on the opposition.

Museveni's opponents are rarely mentioned on the state-owned radio and TV. — Reuters.
$10m guarantee for oil exploration fails to materialise

US group begs Uganda’s pardon

BY JOE KOIAMHI

Nairobi — The Ugandan government is considering an appeal by a US company which failed to meet a financial deadline for a multi-million dollar oil drilling and development project in the country’s western region.

The International Resource Development Group, through its local subsidiary, Uganda General Works and Engineering, failed to meet a March 10 deadline to pay a $10 million guarantee.

A year ago Uganda General was licensed to carry out initial exploration tests in areas around Lake Albert at a cost of $20 million.

But the initial payment deadline came and went and there was no trace of company officials. This failure to honour the deadline prompted the government to cancel the contract.

Lake Albert is known to be rich in oil and Uganda General was to explore in areas said to be able to produce 60,000 barrels of oil a day.

Last week, however, Uganda General wrote to President Yoweri Museveni apologising for its inaction and appealed for the reinstatement of the contract.

Jerry Ward, the chairman of Uganda General, said his company expected to secure funding for the project within the next 30 to 60 days.

"Equipment suppliers and field support technicians from our petroleum exploration drilling contractors and seismic team, are prepared to mobilise equipment and personnel within 30 to 45 days from the procurement of project funding," the letter said.

Ward did not, however, say where the money would come from. After failing to get the government to fund the project, sources indicated that two financiers, Banc Lugano, which operated in the Caribbean, and a consortium of unnamed European investors, had been approached.

The government’s reaction to the appeal remains unknown.

The Uganda General fiasco greatly embarrassed Museveni’s government. Government officials and commentators are now calling for a review of the way contracts are awarded.

“There are good foreign investors and there are bad foreign investors, but not enough effort seems to be made to distinguish between them,” the state-run daily New Vision, said in an editorial last week. As a result Uganda constantly gives licences and investment opportunities to foreign companies that fail to deliver,” it said.

The government has issued licences to 130 potential investors during the past two years in a campaign by Museveni to develop the once shattered country. Between September and October last year 75 investors were licensed.

Statistics from the Uganda Investment Authority show that total planned cumulative investment rose from $2.2 billion at the end of June to $2.3 billion by the end of October last year.

But critics said most of the potential investors in manufacturing, construction, tourism and agriculture had failed to start operations due to various constraints. — Independent Foreign Service
About half of the firms have been sold

Uganda’s privatisation programme ‘on track’

BY EDMOND KINTO

Kampala — Uganda said yesterday its privatisation programme, aimed at selling off dozens of loss-making state firms, was on track and would be completed by next year.

A government official said almost half of all enterprises listed for sale had been bought and another 45, which included the national airline, a telecommunications company and a five-star hotel, would be sold before the end of the year.

“As of now we have sold off almost half the entire lot, and we can say with confidence we are well on track,” said William Oketch, the executive director of the privatisation unit, the government body charged with the sales.

Only 73 companies out of an initial batch of almost 140, remained to be sold, he said.

The remainder would be sold either by public auction or via listings on the planned bourse, which, officials said, would open next month.

Companies listed for sale this year included the Uganda Commercial Bank and the Coffee Marketing Board, which controls about 20 percent of the industry.

Uganda embarked on the sale of the unprofitable state firms under pressure from the World Bank in 1993.

The initial target was to sell off the state assets before the end of last year, but public opposition to the programme slowed down progress, diplomats said.

Parliament suspended sales in 1993 because it said that in the government’s rush to dispose of the assets it was selling them for a fraction of their actual worth.

The programme was later restarted with parliament’s approval, but it still moved at a snail’s pace as public anger increased over the way the sales were being handled.

Opposition politicians said top government officials were selling the businesses to themselves at giveaway prices.

Diplomats said there was some truth in the accusations. A fish-canning factory went for $1.1 million one year after it was built with a $6 million loan from Italy, and a five-star hotel was sold hurriedly for $6.5 million after a $16 million facelift.

In a bid to stem the tide of accusations, the government launched a publicity campaign in February to persuade Ugandans to support the programme.

President Yoweri Museveni, eager to mollify the embittered population ahead of next month’s presidential election, went on national television to defend the programme. He said the country’s economic recovery depended on it.

Selling off state companies would save his government $150 million on subsidies each year, Museveni said.

Ugandans have also complained that in the absence of a stock market to attract small investors the companies would go mostly to foreigners.

However, finance ministry officials said the opening of a stock market next month would enable Ugandans to buy shares in some of these companies. — Reuters
Ugandan coffee exports fall

Kampala—Uganda's coffee exports fell to 276 million 60kg bags in 1994/95 following a global agreement among producers to limit exports, William Naggaga, the secretary of the Uganda Coffee Development Authority Board, said on Tuesday. "We were in position to export much more but had to stick to the retention plan agreed by the Association of Coffee Producing Countries."

Naggaga said Uganda had sold 2.3 million bags of coffee in the six months to March, fetching about $230 million. The export total was slightly smaller than the three million bags shipped in 1993/94, but earnings rose from $275.7 million to $433 million.

He hailed the success of government liberalisation measures, which included the abolition of a state-buying monopoly and the licensing of scores of private buyers. The government is expected to push ahead with reforms this year by selling off the Coffee Marketing Board, whose share of the market has diminished to 10 percent, with the rest going to private buyers and farmers' unions. — Reuters
We troubled Ugandan banks
Oregon investors will manage

Young Guns
Uganda agonises over reconciliation

WHETHER or not Uganda should opt for national reconciliation is at the centre of the country's presidential election campaign, reports HENRY WASSWA of The Associated Press in Kampala.

It's hard to forget Idi Amin and Milton Obote, two of Uganda's past rulers. The bleached bones of their victims still lie scattered across the Ugandan countryside.

Their governments and policies were responsible for the deaths of 800,000 people.

Now, an election in Uganda may decide if the two will be allowed to return home.

Uganda's May 9 presidential campaign pits President Yoweri Museveni against underdog Paul Ssemogerere, and policy toward the two brutal dictators is a painful election issue.

Museveni, a former rebel who helped end the devastation a decade ago, says they should return home only to face trial for the killings by their troops from 1971 to 1986.

Ssemogerere, the most credible of Museveni's two opponents, disagrees. What this landlocked East African nation needs is political reconciliation not unhealed wounds, he argues.

Obote, who is exiled in Zambia, "should be allowed his fundamental human rights as a citizen to return to his country," Ssemogerere says.

If elected, he says he also will grant amnesty to Amin, now in exile in Saudi Arabia.

In Uganda's first presidential election in 16 years, Museveni also faces a third challenger, university professor Muhammad Mayanja, who has not taken a stand on the issue.

After leading a five-year rebellion against Obote, Museveni took power in January 1986 to become Uganda's ninth leader since independence in 1962. Parliamentary elections will be held after a president is selected, at a date to be announced. The new government is scheduled to be take office on July 7.

With their opposing views of how to reconcile their country's deadly history, Museveni and Ssemogerere are appealing to ancient tribal loyalties.

By promising amnesty for Obote and Amin, Ssemogerere hopes to draw votes from their northern and eastern home regions, which account for 40 percent of the country's 18.6 million people.

Ssemogerere also heads the Democratic Party and draws support from Uganda Peoples' Congress, which is still headed by Obote.

Added to the votes he might garner from his own Baganda people, Ssemogerere hopes to win.

Museveni, on the other hand, is concentrating his campaign in the rest of the country, where both Obote and Amin are feared.

His political stronghold is western Uganda, where he comes from, and southern regions. But he needs votes in the populous Buganda region, which he used as a base during his campaign to oust Obote.

Museveni's government claims troops under Obote's orders killed up to 500,000 people there.

Obote was the country's prime minister at independence from Britain in 1962. Four years later he ousted Buganda King Frederick Mutesa, who was the figurehead president, earning him the enduring hatred of the Buganda people.

Obote's socialist and dictatorial rule was ended for a first time in 1971 by Amin, his army commander.

Amin, who concealed his cunning ruthlessness with buffoonery, tortured, murdered and imprisoned real and imagined opponents of his rule.

Amin was overthrown in 1979 by a combined force of Tanzanian troops and Ugandan exiles. Obote won controversial presidential and parliamentary elections the following year.

Museveni said Obote's Uganda Peoples' Congress had rigged the polls and revolted. He finally seized power in February 1986 after chasing out the generals who had ousted Obote for the second time four months earlier.

Sapa-AP
Ugandan security boost as violence precedes poll

Kampala – Uganda’s government is recruiting more police and co-ordinating efforts between its security forces to crack down on election violence ahead of the May 9 poll.

Village militia units and intelligence officers will work with the 30,000-strong police force to curb intimidation, attacks and looting by people supporting rival candidates, Minister for Internal Affairs Crispus Kiyonga told reporters.

“There have been clashes all over the country and they are increasing,” he said. “From now on, security agencies will act strictly to arrest any wrong-doers and they will be brought to court.”

The election pits incumbent President Yoweri Museveni against opposition leader Paul Ssemogerere and third candidate Muhammad Mayanja. Security officials say they are determined that voting will be carried out peacefully, although violence has increased recently in the runup to the poll. – Sape-DEP

Star 4/5/96
Entrepreneur’s Persistence Pays Off

BUSIN
Dark past haunts Ugandan election

Uganda’s president is waging an election campaign based not on economic prosperity and greater freedom, but on the country’s bloody past, writes Chris McGreal in Kampala

Yoweri Museveni, unlike most African presidents, has a record to run on. Campaigning for this week’s presidential election, Uganda’s leader could point to economic prosperity, greater social freedoms and, for the traditionally minded, the restoration of kingdoms wrecked during the years of terror. But you would never know it from his election ads.

Under a large photograph of dozens of skulls and bones lined beside a mass grave, one poster delves into Uganda’s dark history.

“Don’t forget the past: Over one million Ugandans, our brothers, sisters, aunts and friends, lost their lives. YOUR VOTE COULD BRING IT BACK,” it blares.

Another of Museveni’s adverts claims that the opposition is a front for the exiled former president, Milton Obote, who oversaw one of the bloodiest periods in Ugandan history.

The opposition decides the posters as a scare tactic. But amid concern in the Museveni camp that the election may not be a walkover after all, the president’s campaign has found some success in playing on fears that the post-precious of his achievements might be lost.

Museveni can claim to have shaped a new country in the decade since his National Resistance Army put an end to a series of despotic regimes. Economic reform has spurred growth, built a new middle class and won money from Western aid donors. Although party politics is still banned, Ugandans generally enjoy greater freedoms than they have ever known.

And, most importantly, the terror of night knocks on the door, torture cells and wholesale murder which marked the years of Idi Amin and Obote are history.

Or Ugandans thought they were.

Museveni has raised the ugly possibility of their return should his main rival, Paul Ssemogerere, win the election. No one suggests that Ssemogerere is a despot. He served as Museveni’s prime minister before quitting the government in protest at the continuing ban on party politics.

But the Museveni campaign claims that an opposition victory would lift the lid on ethnic, regional and religious rivalries which it says tore the country apart and have been kept under control only by proscribing multiparty politics.

It points to the strong ethnic undercurrents which have emerged during campaigning, the threats of violence by some of Ssemogerere’s cronies if he loses and, above all, to the opposition’s shaky coalition of former rivals, including Obote’s party. “A vote for Ssemogerere is a vote for Obote,” one of Museveni’s adverts warns.

Eryya Kategaya, chief political commissar of the governing National Resistance Movement, dismisses the charge of scare tactics.

“There’s no way our campaign could have failed to raise these issues which are tribal. Unfortunately in Africa I don’t think politicians learn much from their history,” he said.

Nonetheless, the adverts appeared only after the polls started to show that Museveni could not take victory for granted even if he has remained the firm favourite throughout the six-week campaign.

Not all Ugandans are as grateful as their president might hope. Some among the rising middle class are demanding greater political freedom. Others have seen the opportunities for further success blocked by patronage, often based on ethnicity. And then there are those who have been shunted aside. Two hundred thousand civil servants have been dismissed. Those still in work earn a fraction of private sector wages. Tens of thousands of demobilised soldiers are living on the breadline.

To some extent the security issue has also played in Ssemogerere’s favour. He has seized on Museveni’s failure to put down a bloody rebellion in northern Uganda by the Christian fundamentalists Lord’s Resistance Army. While the president repeats old promises, somewhat ineffectually, to crush the rebels, Ssemogerere preaches conciliation.

“For too long the people of Uganda have suffered under the gun. For 20 years too many people have been the victims of war. I want a mandate to end all fighting,” he said at a rally.

But on the whole Museveni’s campaign adverts would appear to be working for him, particularly in a key electoral battleground — among the people of Buganda.

Although Ssemogerere is from Buganda, his links to Obote appear to have stung him not only because of the exiled president’s bloody record but because he also abolished the Buganda kingdom. Museveni has since restored the throne.
Uganda has a new president — or is he?

One of the tactics Yoweri Museveni used to win Uganda's elections was to change his surname — so it would appear higher on the list. Chris McGreal reports from Kampala.

You could be forgiven for thinking Uganda has a new president. Yoweri Museveni won a landslide victory in last weekend's election under a surname — Kaguta — which he had reduced to a mere initial since his youth.

He rediscovered its full potency when he realised that being known as Museveni would place him in the middle of the ballot paper. As Kaguta, his was the first of the three names on the list.

The tactic might have been a little risky had it not been for the large photograph by which many voters identified their man. But it was seen in some quarters as further evidence that, far from being a convinced democrat, Museveni is treading a well-worn and dangerous path.

The Americans are leading the charge to warn that he is heading towards the kind of one-party dictatorship the continent knows too well.

At the heart of the issue is Museveni's ban on multiparty politics. He has long argued that party politics would rub salt into the wounds of the ethnic and religious divisions that lie behind the country's decades of bloodshed.

Michael Southwick, the United States ambassador to Kampala, is having none of it. Although Museveni has yet to tell the Ugandan public, he has informed Western envoys that he would like to maintain the "no-party state" for at least another 15 years. Southwick argues that if Ugandans are not permitted free political activity, it will marginalise alternative voices and eventually lead to a new era of repression.

"If you keep it locked up in a bottle you risk an explosion, because it will take increasing repression to control. Eventually Museveni has to come around because the donor base of support will be lost, and with that will go confidence and investment," he said.

Besides the implicit threat to cut off aid, the US suggests that Uganda's economy is less sound than is widely thought. Even though it has grown faster than any other in Africa in recent years, the US points out that foreign donors remain crucial, as they meet about 40% of government spending. Other countries, including Britain, have increasingly come round to challenging the party politics ban, although less stringently.

The Ugandans counter that the US is trying to impose its own political ideology. And according to Museveni's chief political commissar, Eryna Katengaya, the US ambassador is not doing it very subtly: "I don't think he's a democrat. He treats us like a small boy. He lectures us, and very rudely too. He doesn't want to listen to other points of view."

Katengaya argues that, if party politics is not the root of all Uganda's evils, it certainly helped bring them to the fore. "There is a tendency here for political groups to exploit the miseries of groups for their own ends. They make the place impossible to govern."

The election campaign reinforced Museveni's point. Uganda's two main political parties, which are legal but forbidden to operate, are the same ones that existed through the years of terror.

Museveni campaigned on two linked themes: that his government has produced 10 years of stability and growth after nearly 20 years of barbarity and incompetence under Idi Amin and Milton Obote; and that Africa must develop its own democratic systems which emphasise consensus-seeking, not confrontation.

Neither did the opposition do much to allay fears that politicians widen the schisms in society. Among other dubious charges, Museveni's opponents accused him of introducing AIDS in the north to wipe out the Acholi people.

Despite the US warnings that foreign aid could be in jeopardy, it seems unlikely that the US or its allies want to bring one of Africa's success stories crashing down.

For all its problems, Uganda remains the most stable country in the region. Zaire is slowly imploding. Rwanda is struggling to recover from genocide with the threat of another war hanging over it. Tanzania's economy is in the doldrums, and to the north is the US's new pariah, Sudan.

But perhaps it is Uganda's eastern neighbour which offers the best evidence that intent is all-important. President Daniel arap Moi was forced down the multiparty route, but Kenya can hardly be considered a democracy. There is freedom of speech for those prepared to risk arrest and beatings. Opposition political parties are constantly harassed. Their supporters are even murdered.

In Uganda, the only known politically related detainee during the elections was a man who called Museveni a bastard.

There were only 100 independent observers for 15 000 voting stations in the elections, according to some political analysts monitoring the polls. Analysts who had predicted a close call for Museveni are sceptical that those who monitored the elections were qualified to call the polls free and fair, given the sparseness of observers.

There were also reports that the military, obviously loyal to Museveni, had separate polling stations which did not come under any scrutiny at all.
Uganda loses revenue to smugglers

By Joe Kizmio

Nairobi — Uganda is losing substantial income from small-scale gold and diamond smuggling by enterprising villagers.

Though the country has issued about a dozen prospecting licences, lack of finance has constrained many investors.

There is only one modern laboratory capable of testing the purity of metals and precious stones.

The laboratory is owned by Shivan Enterprises, which is also the only licensed goldsmith and jewellery dealer.

But a 30 percent tax on locally manufactured jewellery and a commercial transaction levy of 15 percent make it difficult for the company to compete with much cheaper imported jewellery.

Meanwhile, the Uganda Investment Authority says it is marketing investment opportunities in South Africa.

Several South African investors have already put money into Uganda in joint ventures with the government — Independent Foreign Service
Uganda sees steep rise in cotton crop

KAMPALA — Uganda said yesterday it expected a steep rise in its cotton production for the 1996/97 crop year (December- November) and added that donor-led reforms since 1993 accounted for the growth. An official in the Cotton Development Organisation, the industry’s top monitoring and policy body, said production would reach 55,000 bales of 185kg each, up from the 33,000 bales produced in the last crop year.

“Already 50,000 bales of cotton have been purchased by the ginneries and so we are very clearly within range,” said Charles Biroro, the organisation’s manager of the marketing, information and monitoring department.

“In fact production could surpass this estimate,” he said. Biroro credited the improved performance on faster implementation of industry reforms, initiated by the government of President Yoweri Museveni in 1993.

But the government had licensed more private buyers who, in contrast to a government monopoly in the past, paid farmers promptly for their cotton, Biroro said.

“This has raised the price of a kilo of unginned cotton to 350 shillings, from just about half (that) two years ago,” he said.

Output has also been helped by the provision of free planting seed to farmers on time, providing pesticides to farmers on credit and the introduction of a new high-yielding cotton variety.

All cotton farmland had been planted with higher-yielding and disease-resistant BPA 85, 89 and SATU varieties, developed at a Ugandan agricultural research facility, to replace traditional varieties which gave lower yields.

Trade and industry ministry officials said the quality of Uganda’s cotton had improved since the government imposed tough restrictions barring ginners from buying unsorted cotton.

They said the government would press ahead with its scheme of selling off its run-down ginneries and saw production rising as traditional cotton-growing areas that had abandoned the crop would replant farmlands.

Biroro forecast output for the 1996/97 crop year would reach 100,000 bales.

Uganda has intensified efforts to resurrect its cotton industry with the help of a $31m World Bank loan.

The industry was at one time its biggest hard currency earner but it went to ruin in the 1970s during the chaotic rule of dictator Idi Amin.

Officials say they want output raised to beyond the peak of 445,003 bales in the 1986/86 season within a matter of years.

World Bank officials in Kampala see the textile industry as key to Uganda’s economic recovery and say the selling of the previously government-owned ginneries and textile mills should help bolster the reviving economy.

Uganda exports most of its cotton to Kenya, Europe and Malaysia. — Reuters.
Uganda expects steep rise in cotton crop

By Edmond Kazito

Kampala — Uganda said yesterday it expected a steep rise in its cotton production this season because of donor-led reforms implemented since 1993.

A senior official in the Cotton Development Organisation, the industry's top monitoring and policy body, said production would reach 55,000 tonnes by the end of the season, up from 33,000 bales produced last season.

"Already, 50,000 bales of cotton have been purchased by the ginners and so, as you can see, we are very clearly within range," Charles Biraro, the manager of the organisation's marketing, information and monitoring department, said.

"In fact, production could surpass this estimate," he said.

He attributed the improved performance to the implementation of industry reforms initiated by President Yoweri Museveni's government in 1993.

He said the government had licensed more private buyers, who pay farmers much more promptly than the former government monopoly had.

Abidjan — Cotton fibre exports from Abidjan, Ivory Coast’s main port, came to 26,889 tons in April, down from 37,552 tons in March and 49,918 tons last April.

The first four months' exports came to 128,178 tons, from 121,214 tons in the same period last year.

Abidjan handles local fibre and most of the cotton from Burkina Faso and Mali. Little cotton is exported from San Pedro, Ivory Coast's other commercial port. — Reuter

"This has raised the price of a kilo of ungraded cotton to 350 shillings, from just about half (that) two years ago."

Output has also been helped by providing farmers with pesticides on credit and free planting seed, and introducing a new high-yield strain of cotton.

All cotton farmland has been replanted with the higher-yielding disease-resistant BPA 85, 89 and SATU varieties. They were developed at a Ugandan agricultural research facility to replace traditional varieties which give lower yields.

Officials at the trade and industry ministry said the quality of Uganda's cotton had improved since the government imposed tough restrictions barring ginners from buying unsorted cotton.

They said the government would press ahead with its scheme of selling off its rundown gineries and production would rise because cotton would be replanted in traditional cotton-growing areas that had abandoned the crop.

Biraro said output next season should reach 100,000 bales.

Uganda has intensified efforts to resurrect its cotton industry with the help of a $31 million World Bank loan.

The industry was once its biggest hard-currency earner but went into ruin in the 1970s under the rule of Idi Amin.

Officials say they want to raise output beyond the peak of 445,003 bales in the 1965-66 season soon. — Reuter
Uganda Faced with a Huge Budget Deficit

Social spending rises with new taxes being imposed.
High turnout in Ugandan election

KAMPALA: Long queues formed outside polling stations around the Ugandan capital yesterday as the country marked its return to democracy with major parliamentary elections after many years of dictatorship.

No parties are involved but enthusiasm for the poll was evident, and police said no serious problems were reported.

"Even the thieves, car-robbers and other criminals seem to have gone off to vote," a police spokesman said.

"We haven't received any reports of violence or anyone attempting to disrupt voting."

The parliamentary polls follow last month's presidential election won overwhelmingly by incumbent Mr Yoweri Museveni, who seized power in 1986 after winning a five-year guerrilla war.

Political analysts expect the next parliament, which will have a five-year life, to be dominated by Museveni backers.

Results are expected to be announced as they come in today.

Around 8.49 million people of Uganda's 19 million people are eligible to vote. Officials have predicted a high turnout.

No reports on voting were available from the north of Uganda where rebels are fighting to topple Museveni's government.

The Lord's Resistance Army, seeking to rule on the basis of the late's 10 Commandments, had said it would suspend attacks to allow voting in the mostly opposition northern stronghold.

The elections are for 196 members of a 270-seat assembly, eighteen candidates, including eight government ministers, are opposed. The remaining seats are being filled by special interest groups.

Already elected are women delegates, one from each of the 39 districts, 10 army representatives, five delegates for the disabled, trade union workers' delegates and five student representatives.

Voting was under a "no-party" system as political parties banned since 1986 -- are barred from taking part in any election until a referendum decides their fate in the year 2000. — Reuters
Uganda's economy is now growing six percent a year and the country is well on the way to recovering from the recent civil war.
New Cabinet, but same old politicians in Uganda

Anna Borzello

A RECENT Cabinet reshuffle in Uganda was a disappointment for anyone hoping for an injection of fresh faces and new ideas.

The overriding impression was of a cautious President Yoweri Museveni creating a loyal and trusted team to push through his pre-election promises.

The top jobs of vice-president, prime minister and the three deputy ministers not only remained roughly the same — with the exception of former information minister Paul Etiang, who became third deputy prime minister — but their recipients were given even greater powers.

Vice-President Wandira Kazibwe is now also in charge of agriculture, animal industries and fisheries — a key post in a country which is agriculturally based — while Eriya Kategaya, first prime minister, was handed the foreign affairs portfolio.

Perhaps the only real surprise was the appointment of Internal Security Organisation Chief Brigadier Jim Mweheize as minister of state for primary education, a newly created post.

The reason for the appointment is still obscure. However, several commentators speculated that it indicated Museveni’s commitment to pushing through his election promise of free education for four children per family by next year.

According to Oswano Opond, political journalist of the government-owned newspaper The New Vision, the appointment of former minister of state for security Colonel Kahuni Ottiire as minister of state for local government is also significant.

“Local government is crucial,” he explained. “Not just because of decentralisation, but because in three years’ time there will be a referendum on political systems in Uganda and people will choose between the Movement system and a return to multi-party democracy. Government will want to utilise the network of local government to campaign for the Movement.”

The Movement — a “no-party” system of government which aims to include all shades of diverse opinion — claims to be an alternative form of democracy. In the new Cabinet, however, people of divergent views have been dropped.

All parliamentarians who support a return to multi-party politics — including Uganda People’s Congress assistant secretary general Cecilia Ogwal — have been excluded from the Cabinet. Instead, Museveni has tried to secure “broad-basedness” by making sure that Cabinet is regionally — rather than politically — balanced.

Although there has not yet been any breakdown of votes by sex, it is widely believed that Museveni secured a high number of women’s votes, mainly due to the government’s progressive policies which have seen women enter Parliament on affirmative-action seats. — IPS
Coke showers Uganda with $30m investment

Nairobi — Coca-Cola announced a $30 million direct-investment plan for Uganda on Friday that included the construction of a new plant and the improvement of marketing and infrastructure.

"The initial investment calls for the construction of two new state-of-the-art bottling operations in Mbarara and Kampala that are expected to meet Uganda's soft-drink needs for the next five years."

"The plan also calls for the expansion and modernisation of the existing distribution and marketing infrastructure. The expansion programme is to be carried out by Century bottling company, the local franchise holder," said Coca-Cola Africa.

Carl Ware, the company's president of its Africa group, has briefed Ugandan president Yoweri Museveni on the investment.

Century managing director Butch Moldenhauer said: "I am sure you can appreciate the economic spin-off an investment of this magnitude will have on the economy and people of Uganda. We are very excited about the future of Coca-Cola ... in Uganda."

The major shareholders of Century are the Cola South African Bottling Company and the family of Majid Baqalanliwo. — Reuters

CTBR 15/7/96
Ericsson wins Tanzanian telecoms contract

LM Ericsson, the Swedish telecoms group, said yesterday that it had signed an AXE contract with Tanzania's national telecoms operator valued at $10.5 million. The turn-key contract from the Tanzania Telecommunications Company included planning, designing and implementing equipment to expand Tanzania's public telecoms networks on the islands of Zanzibar and Pemba. Ericsson said that over the past year it had received orders in Tanzania covering more than 35,000 AXE lines. Deliveries of the AXE equipment will start later this year. — Reuters, Stockholm

Dutch grant Uganda a low-interest loan

Uganda has received a $6 million low-interest loan from the Dutch government to help pay off part of its $3.8 billion debt, the finance ministry said on Sunday. The agreement was signed in Kampala on Friday by Nelleke Linssen, the Dutch charge d'affaires, and Jehoash Mayanja-Nkangi, the Ugandan minister of finance. "The money was paid into the Multilateral Debt Fund, set up by the International Monetary Fund last year to help ease the crippling debt," the finance ministry official said. The fund has attracted some $32 million, he said. Before the fund was set up, donors paid contributions direct to the multilateral creditors. Uganda pays an average of $120 million every year in interest on its foreign debt — cash that could finance other pressing domestic needs. — Reuters, Kampala
CORPSES DISPLAYED AS WARNING

Sixty civilians killed by Ugandan rebels

KAMPALA: As a warning to villagers not to give information about their movements, Lord’s Resistance Army rebels have displayed 18 bullet-riddled corpses along a main road.

REBELS fighting in northern Uganda to overthrow the government of President Yoweri Museveni massacred more than 60 civilians and torched 184 huts in Gulu district this week, Ugandan military officials said yesterday.

Lord’s Resistance Army (LRA) insurgents carried out raids in Parabong, Papo and Palwong villages in Gulu late on Monday after a battle with government troops in which about 40 soldiers were killed.

The rebels are also reported to have displayed 18 bullet-riddled corpses along the Gulu-Attak main road as a "warning" to villagers to stop giving information about LRA fighters to government troops.

Among the victims were four students of a training college for teachers near Gulu. The college also came under rebel attack.

The Monitor newspaper quoted Museveni’s half brother Major General Salim Saleh, who is commanding government troops fighting the rebels, as saying the massacre was aimed at "frustrating" efforts to disarm civilians.

Saleh has offered reward to anyone who hands in a machinegun and for information about mines laid by rebels.

Intensified violence in villages surrounding Gulu town has led to an influx of thousands of villagers into the town.

Hospital compounds, bus parks, churches and shop corridors are said to be filled with people who have fled violence in the rural areas.

Earlier this month, LRA fighters attacked a camp housing Sudanese refugees in the northern Kitgum district and killed 115 people.

In another development, Saleh said he would restrict media reporting on the army offensive against the rebels in the “interest of national security”, the Monitor reported.

“There has been a lack of co-ordination with journalists and there has been a lot of excited reporting at the expense of national security,” he told the newspaper.

“We don’t want to fight with journalists. We want to tell journalists what to report and what not to report,” he added.

Saleh said he was planning to set up a group of journalists permanently accredited to cover the war so that they would be held responsible for any inaccurate reporting about the violence.

Museveni has spurned appeals by church and opposition leaders to negotiate with them. — Sapa-APP
Uganda raises defence spending in bid to crush rebels

The Star Today, Amumu 8, 1996

The Ugandan government has increased its defence budget in a bid to crush rebels in the country. The government has allocated 6.8% of the national budget to defence, up from 5.9% in the previous year. This is in line with the government's strategy to strengthen its military capabilities in order to combat the growing insurgency in the country.

The increased spending on defence follows a series of attacks by rebel groups in the country, particularly in the eastern region. The government has been forced to deploy more troops to the affected areas to quell the unrest.

President Yoweri Museveni has expressed his determination to end the insurgency once and for all. He has called on the international community to support his efforts by providing the necessary assistance, including financial and technical support.

The increased defence spending is expected to boost the military's capacity to fight the rebels and protect the country's citizens. The government has also announced plans to modernize its military equipment and increase its manpower to meet the challenges posed by the rebels.
Thousands rounded up in Uganda to seek rebels

KAMPALA: The army rounded up some 20,000 civilians in the northern Ugandan town of Gulu in a bid to identify rebel sympathisers, but only got two dozen suspects, it was reported yesterday.

About 200,000 people have been forced to flee their homes over the past three weeks as fighting between soldiers and the rebel Lord's Resistance Army intensified.

The people were rounded up on Sunday and 28 suspects were taken for further questioning.

Gulu, about 360km from Kampala, is infested by insurgents.

The army has carried out such operations in the past without seeming to make progress in weeding out rebel sympathisers among the Acholi people, from whom the rebels garner the most support.

The rebels also raided two Gulu suburbs on Sunday and Monday night, exchanging heavy gunfire with troops.

Local administrator Mr Louis Oloka said that 180,000 people have been forced to flee their homes by the fighting, and had sought refuge in Gulu.

Aid workers said they had no information about the influx.

"We haven't got a brief about the influx, although we take care of people displaced by internal strife," the Uganda Red Cross said.

The UN High Commissioner for Refugees' office in Kampala said it had no information on the number of people displaced. — Sapa-AP
Uganda expects bumper coffee crop as high-yielding varietal matures

By Edmond Kizito

Mukono, Uganda — Good weather and the maturing of a new coffee strain that increases yields will boost Uganda’s production in the next crop year starting on October 1, industry experts said yesterday.

Well-spread rains during this crop year should continue into the new season, ensuring sustained production in key growing areas, the experts said.

“The weather has been very good this year so the flowering was good and unless something happens, we expect a very good crop,” said Francis Keene, the manager for monitoring and statistics in the state-owned Uganda Coffee Development Authority.

Improved crop husbandry since the world price recovered from the lows in 1998 has also helped boost yields, he said.

In the 12 months to July 31, the country produced a record 3.86 million 60kg bags of coffee, of which 3.44 million bags were exported, according to official records.

Total exports for the crop year were expected to reach 3.8 million bags, up from the 2.76 million exported in 1994 and last year, the authority predicted.

The Ugandan coffee authority had not official forecasts for next year’s crop, but officials said privately that the yield could rise to 4 million bags. Stocks held by farmers totalled about 400,000 bags, they said.

“Right now in the western coffee axis, farmers are picking and drying their coffee. In the central area, the beans are maturing and they should start ripening around October,” an official said.

Central Uganda produces 60 percent of the country’s total coffee crop. Uganda is Africa’s largest producer and coffee earns it 64 percent of its hard currency.

Western Uganda, which provides the bulk of the rest, would have coffee ready for picking early next year, Keene said.

In the central Mukono and Mpiji districts, flowering coffee bushes promised a much bigger crop than previously. The rains had begun and the trees were responding well, farmers in the region said.

Harvests were also being boosted by the new/profile coffee variety, which raises yields without increasing acreage.

Clonal robusta, developed at Uganda’s Kawanda research station, yields up to 1,500kg of coffee per hectare.

The traditional robusta varieties produce 600kg a hectare and the arabicas yield 450kg.

Clonal robusta matures within 18 months of being planted, attains full production in two years and is resistant to the coffee berry disease that has plagued Ugandan coffee.

Clonal coffee was developed in the 1970s but its launch was delayed by political turmoil during the dictator Idi Amin’s rule and farmers’ reluctance to change from the varieties they had grown since the 1970s.

But hit by falling world prices, Uganda moved to introduce the variety on a massive scale in 1993, using a $12.5 million (about Sh257 million) loan from the European Union.

The plan was to replant all 240,000ha of Ugandan coffee farmland within the next 15 or 20 years. A quarter of the land growing robusta has been replaced with the new strain, officials said. — Reuters
Why is Muscovy’s no-party U-canda tolerated?

We've already crossed the line into a new authoritarian order that has no effective internal opposition. This is neither inevitable nor desirable, but it is possible, and it is happening.

Our political system is a combination of a central government and a network of local authorities that are answerable to it. This system is not democratic, but it does provide some level of representation for citizens. The central government has the power to make decisions and allocate resources, while the local authorities are responsible for implementing policies and delivering services.

However, the lack of effective opposition means that the central government is able to make decisions without proper scrutiny. This can lead to corruption and abuse of power, and it can also limit the voice of citizens in the decision-making process.

In the absence of effective opposition, the central government is able to act with impunity. This can lead to a system that is increasingly authoritarian, and it can also limit the ability of citizens to express their views and to participate in the political process.

It is important for us to recognize the dangers of a system with no effective opposition, and to work towards creating a more representative and accountable political system. This may not be easy, but it is necessary if we are to protect the rights and freedoms of citizens.
‘Fringe’ movement threatens Uganda

Children abducted to fight

FOREIGN SERVICE  ARCT 5/19/96

Kampala - The Lord’s Resistance Army – occasional atrocity of lips, abductor of children and ostensible champion of government by the Ten Commandments – is now being seen as a serious military threat in northern Uganda.

Once dismissed as a fringe movement too illogical and primitive to be taken seriously, the LRA has waged an increasingly intense war that has come to dominate political discussion in the Ugandan capital, Kampala.

The government-owned New Vision newspaper reported that at least 24 people had been killed and 190 homes burnt in night attacks around Gulu, the northern provincial capital that is the headquarters for the Ugandan army’s efforts against the LRA.

Salim Saleh, who heads military efforts against the LRA, said he would call an additional 2,000 former soldiers back to active duty to fight the LRA.

His announcement came after the call-up of 5,000 soldiers in April.

The LRA has been making increasing use of landmines on northern roads and has been beating and killing people for living near the roads or travelling on them. Since July 20, rebels are reported to have burned 59 primary schools, abducted 229 pupils and killed 100 students and 11 teachers.

The LRA has abducted hundreds of children. Girls are made to work for the LRA and have sex with LRA commanders. Boys are forced to fight in the field.

The children are controlled through a mixture of beatings, threats of witchcraft and death.

The LRA’s tactics and resources do not allow it to control territory, but have increasingly frustrated the government, which has resorted to rounding up large numbers of northerners for interrogation.

Amama Mbabazi, Minister of State for Defence, told parliament that the government would not negotiate with the LRA.
Uganda terminates $84m power plant contract

From Reuters

Kampala — Ugandan authorities said yesterday they had terminated an $84 million contract for Chinese firm Sietco to extend a hydro-electric power plant.

Uganda had in July suspended the contract to extend the power plant at Owen Falls dam, complaining of slow, shoddy work.

But officials last month said the government was reviewing the suspension after appeals from the Chinese government.

"After consultations with the main donors, the government has decided to terminate the contract," the state Uganda Electricity Board (UEB) said yesterday.

"The government has therefore decided to repossess the site of the works from Sietco," it added.

The contract was the Chinese company's biggest in Africa, its officials said, and was funded mostly by the World Bank.

Sietco won the contract in 1993, beating 12 other international firms. The project would raise capacity at the 160 megawatt station to 180 megawatts.

Work at the station started in February 1994, but last year the Chinese company asked for 15 more months, saying it could not complete the work on schedule as it had run short of money.

Turning down the request, the Ugandan government also said it was not happy with the quality of Sietco's work.

Sietco officials complained they had run short of money because much of it had gone to Ugandan government officials who demanded bribes saying these had helped them win the contract.

Uganda is badly in need of extra electricity. Economists say the shortage is stalling economic growth. Current demand is 240 megawatts, and grows at 24 percent a year, officials say.
Uganda 'unable' to meet power exports to Kenya

BY MANOAH ESIPisu

Nairobi — Kenyan authorities said yesterday that Uganda was unable to meet its power export obligations owing to its fast-growing economy and Kenya had licensed two private companies to bridge its electricity supply shortfall.

Ugandan President Yoweri Museveni said at the weekend that Uganda exported 30 megawatts of power to Kenya at a loss under a contract signed more than half-a-century ago.

Museveni said he wanted a review and threatened to cut the supply to Kenya unless there was an urgent review of the rates.

In reaction, Darius Mbele, the Kenyan energy minister, said on Sunday that Kenya was willing to discuss a review of that contract because the cost of power greatly exceeded the pricing in the 1940s when the contract was signed.

A Kenya Power & Lighting Company spokesman said yesterday that the problem was not renegotiating the contract but a guarantee that the 30 megawatt stipulated in the contract would be exported to Kenya.

"Uganda's economy is expanding fast and it is difficult for them to export the power to Kenya at peak hours when we, like they, most need it," he said.

"Right now, we simply do not get the 30 megawatt we expect."

The spokesman said the company had awarded Sabah Shipyards, an Indonesian company, and Ibera-Africa of Spain contracts to generate 67.5 megawatt of electricity for the Kenyan national grid. — Reuters
Ugandan traders’ VAT protest starts to falter

ROSS HERBERT

Kampala — Modern discipline and traditional anarchy collided last week as Uganda’s reform-minded government fought a war of attrition with thousands of small businesses, which vowed to shut down the economy until the government scraps a 17 percent value-added tax imposed in July.

Saturday was the sixth consecutive day that most retail stores in Kampala and other cities remained closed in protest over the tax.

President Yoweri Museveni initially made conciliatory statements to organisers of the strike, but on Thursday he threatened to revoke the licences of businesses that refused to open and, in a radio and television address on Saturday night, he refused to scrap or revise the levy.

By yesterday, the strike was showing signs of a steady collapse as more and more shops and wholesalers reopened, and those that did were immediately mobbed by customers.

Leaders of the Ugandan Traders’ Association are due to meet Museveni today for further discussions on the new tax, which they argue will cripple their businesses.

The double application of the tax, by wholesalers and retailers, has led to a sharp rise in some prices. Sugar jumped from about 900 shillings (about $3.78) a kilogram in June to 1,200 shillings last month. The retail strike has driven the price to about 2,000 shillings in the past week.

Museveni imposed the tax in an effort to broaden the tax base so that overall rates could be lowered as an incentive to additional investment. At 17 percent, VAT is slightly lower than the combination of the commercial transaction levy (an import duty) and sales tax, which together equal 20 percent on many products.

Despite the logic and an extensive government advertising campaign touting the simplicity of the tax, traders bitterly oppose it. Many say they do not keep accounting books and have a hard time calculating the amount of VAT, which should be taken as a percentage of each trader’s mark-up.

Anti-VAT sentiment was strong enough to bring thousands of traders to four different rallies at the Kampala city council this week. Opposition politicians have so far been blocked in several attempts to open parliamentary hearings.

Can Museveni afford to scrap VAT? No, is the unequivocal answer of Ulrike Wilson, the resident representative of the International Monetary Fund, which favours the tax. Uganda’s own tax revenues only cover recurrent government costs; donors and lenders are needed for virtually all of Uganda’s capital spending and infrastructural improvements.

“If Uganda cannot get the traders into the tax net, it will never be able to lower the rates for the big guys,” Wilson said.

How the battle will play out remains unclear. But Museveni has so far closely followed IMF advice and remains deeply dependent on its low-interest loans to his government. — Independent Foreign Service
Uganda to launch stock market in December

ROSS HERBERT

Kampala — In a small but important boost to privatisation, Uganda plans to launch the Kampala stock market by mid-December, according to Leo Kibirango, chairman of the country’s Capital Markets Authority.

The market will be tiny initially, with only a few brokers and two initial shares. The first shares to be listed will be privatised parastatals: Uganda Grain Milling and Uganda Consolidated Properties, which will have market capitalisations of $15 million and $7.5 million respectively.

The country’s banks have been pushing to speed up the process to assist with plans to privatise state-owned companies.

Commercial banks are allowed to establish merchant banking units, which will be permitted to offer broking services.

Uganda has listed 146 companies for privatisation. However, some of the biggest, most desirable companies are still to be privatised, including Uganda Posts & Telecommunications and Uganda Airlines.

The final regulations for the exchange are now under approval by the ministry of justice.

The government is working on a package of tax incentives to encourage investment.

Companies that list on the exchange will be exempt from Uganda’s 1 percent stamp duty and from the 25 percent withholding tax on dividends.

Regulations require listed companies to have a three-year track record of profits. Kibirango said negotiations are under way to allow companies to restate earnings in line with conventional accounting practices without incurring tax penalties for back taxes. — Independent Foreign Service
Transafriican, after receiving a deposit of US$10,000, arranged for financing at its own risk.

However, after Transafriican’s Andy Currin delivered the aircraft at Entebbe airport in November, Wandera reneged on the agreed US$3,000 monthly payments. Currin was also informed by his insurance brokers that insurance on the aircraft had lapsed due to Wandera’s failure to pay the premiums.

After various demands, and an amended agreement to further assist Wandera with his payments, no money was received. Since delivering the aircraft Currin says he and his partner, Ken Heuer, have made three trips to Kampala in an effort to retrieve the Cherokee, which has been grounded by Uganda’s civil aviation authorities at Transafriican Aviation’s request. The cost of the visits to Kampala was about US$50,000, excluding legal fees.

In September Heuer was accompanied by attorney Kevin van Huysteen to defend a court action by Wandera to stop the confiscation of the plane. However, the judge did not turn up for the hearing.

During his last trip Currin took aircraft engineer Andrew Watson with him to certify the airworthiness of the plane. It was discovered that parts of the aircraft were missing. Replacements were flown in from Johannesburg but Watson then discovered that other parts and all the aircraft seats had also been removed the previous night.

Currin says the matter was reported to Uganda’s civil aviation director Andrew Musoke and a charge of theft had been laid with the airport police chief.

In his October 16 letter to the Minister, the High Commission’s Charles Wagaba says it appears that Wandera has “continually and with apparent impunity, raided the aircraft” rendering it inoperational. Wagaba also asks the Minister to verify allegations that airport security and police had connived with Wandera to block Transafriican’s recovery of its plane. Copies of Wagaba’s letter were sent to Uganda’s Inspector general of police, head of the diplomatic service, civil aviation and attorney Fred Ssempebwa representing Transafriican in Uganda.

Wagaba on Tuesday said he had had no reply to his letters.

The issue of whether the aircraft can be removed has now been set down for a hearing in the Ugandan Supreme Court on November 27. Currin is sceptical about whether it will take place.
AFRICA

Fighting rages on in Ugandan towns

KAMPALA — Heavy fighting raged on the border between Uganda and Zaire yesterday after about 100 Ugandan rebels from Zaire attacked Ugandan army positions on Tuesday night, Ugandan army officers said.

The fighting was around the villages of Busogwwe, Kisehe and Kyabirondo, near Uganda's southwestern provincial capital Kasese. Casualties had been heavy on both sides, the officers said.

Hundreds of residents had fled the area and the sound of heavy artillery fire was audible from the distance, Kasese residents said. Displaced people were moving back to primary schools where they stayed during such an attack in November, they said.

"The fighting is still going on and it is heavy," one army officer said.

On Tuesday Ugandan army commander Maj-Gen Mugisha Muntu said Ugandan troops had wiped out the rebels through a sortie 3km across the Ugandan border.

The Ugandans said the rebels were from the mainly Muslim Allied Democratic Force, backed by Sudan and incorporated renegade Zairean soldiers.

In turn the Zairean government has accused Uganda of invading eastern Zaire in co-ordination with the Zairean rebels who now control vast tracts of the country.

The independent Kampala press continued to report Ugandan incursions deeper into Zairean territory yesterday. Lt-Col Geoffrey Muhesci, commander of the Ugandan army's 307 Brigade, told the Monitor newspaper that the Ugandans had pursued rebels into the Zairean towns of Kasindi, Mubagala, Masabwa and Mbanda.

It said in an editorial it was concerned that the Ugandan army had not stopped Ugandan civilians from looting Zairean towns. "(They are) retreating with loads of mattresses, iron sheets and other goodies," it said.

"Apart from looting, there have been reports of rape and other aggravated acts of brutality inflicted by the soldiers on civilians in the war zone both in Uganda and Zaire," the Monitor said. It urged disciplinary action.

Muntu told a parliamentary committee on Tuesday that the Ugandan army pulled troops back inside Uganda after the sortie and had them reinforced on the border.

He denied Ugandan troops helped ethnic Tutsi Banyamulenge rebels capture the Zairean town of Beni or took part in fighting for any other towns in northeastern Zaire. — Reuters.
Disease wilts Uganda's coffee exports

Uganda exported 1.291 million bags of coffee worth $95.2 million in the first quarter of 1996/97 (October-December) from 756,902 bags worth $83.1 million in the same period last year and said the volume was the highest per quarter realised in four years.

The Uganda Coffee Development Authority said results in the second quarter of 1996/97 would also show stronger exports but the last half of the season would carry the critical decline.

Coffee is Uganda's dominant foreign exchange earner. Tracheomycosis has affected coffee from 11 main growing districts in western Uganda.

The disease destroys the coffee tree's vascular system. It leaves a black blemish on the tree stem after which the tree dies.

"The disease does not affect the quality of beans, so it does not harm the trade in terms of quality," Byarugaba said. But, he said: "It can harm the trade by reduced quantity because some trees are drying out."

The disease is reported to have spread to Uganda from Zaire, Byarugaba said. Ukrainian authorities were trying to stem a faster spread to neighbouring Rwanda, Tanzania and Kenya.

"We have formed a task force, comprising traders, farmers, government officials and the Uganda Coffee Development Authority (UCDA), to fight this disease," Byarugaba said.

"We are beginning by sensitising farmers on the symptoms, how it spreads and how it is transferred."

"We want to encourage growers to destroy coffee farms affected."

The UCDA policy is to uproot and burn down all affected trees and then keep affected farms free from the crop for two years.

It then arranges free seedlings for farmers to replant.

Byarugaba said Uganda had launched a quarantine system restricting movement of robusta coffee husks across districts.

The disease is widespread in Bundibugyo, Kabarole and Rukungiri, where incidence on some farms has reached 60-100 percent while in the districts of Mukono, Luwero, Kiboga, Mpigi, Bushenyi, Hoima, Kibale, and Masindi, the disease has been confirmed as localised but potentially dangerous at present levels. — Reuters
Uganda seeks investor to take over state bank

JOE KHAMISI

Kampala — Uganda is actively shopping around for an investor willing to take a 51 percent shareholding in the troubled state-owned Uganda Commercial Bank (UCB).

But the government is also pushing 2,000 debtors who owe more than $70 million to own up in readiness for the major restructuring.

The bank is the biggest in the country, with 88 outlets, and holds one-third of the total deposits.

But debt-ridden and liquidity-strapped, the UCB has become a high-profile victim of the country's privatisation programme.

Most of its deposits went out to politicians and corporates in institutions headed by influential Ugandans in the form of unsecured loans. Two of the debtors were President Yoweri Museveni and Rwanda strongman Paul Kagame, both of whom had confirmed servicing all their outstanding debt.

The privatisation unit of the finance ministry recently announced that proposals from investors should be submitted by March 14.

The government in the meantime has agreed to recapitalise the bank with $7 million to make it more attractive to prospective participants.

The rest of the stake will be retained by the government.

"If the buyer is not found, the government will continue running it without necessarily liquidating it," finance minister in charge of privatisation Mathew Ruikaire said.

In a move to get debtors to pay up, the government has announced a 50 percent waiver on all outstanding interest on unpaid loans.

It has also threatened to auction property of defaulters if they failed to own up.

The UCB was established 46 years ago to give Ugandans access to credit and drive its economy.

Government officials admit that the bank, said to be worth $250 million, was insolvent.

The problem of UCB prompted the World Bank to put in place a comprehensive financial sector reform to end fiscal abuse. The Central Bank of Uganda introduced stricter lending procedures and internal controls.

Minimum capital requirement was increased from $500,000 to $7 million for the indigenous banks.

The rule would have taken effect in December last year, but delays in tabling the proposal before parliament have put the implementation process behind.

The move is opposed by indigenous investors who accuse the World Bank of driving them out of business in favour of foreign banks.

"We are not just going to watch as local initiative is crippled in favour of foreign investor. We have already started lobbying parliamentarians and if need be we shall petition the president," said one banker.

So far, fewer than 50 out of 107 identified public enterprises have been sold, bringing to the exchequer US$160 billion (Shs510 billion). Officials say the process should be over by the year-end. — Independent Foreign Service

REFORMER Yoweri Museveni, the president of Uganda, has confirmed serving all his outstanding debt.
Uganda Grows Despite Wars of War

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BUSINESS
Uganda leads the African response to AIDS epidemic

South Africa can learn much from the country once dubbed the AIDS capital of the continent.

BY JANINE SENGU
Medical Correspondent

South Africa, on the brink of releasing its latest annual figures on the HIV/AIDS epidemic and kickstarting its stalled national AIDS programme, should look north to Uganda for inspiration.

Five years ago the central African country—once dubbed the AIDS capital of the continent—had an HIV prevalence rate which peaked at more than 30% at some urban sites. By December 1995, estimates put cases at more than 350 000.

But 15 years after the first case of “slim disease” was recorded, there is increasing evidence that HIV prevalence in Uganda is declining, and its 19 million population is abandoning high-risk behaviour.

Declines are most pronounced among pregnant women aged 15 to 19: one site in Kampala reported a drop in the HIV prevalence rate from 26% in 1992 to 9% in 1996. This translates into a 50% reduction in new cases of HIV infection in that age group.

Behavioural surveys indicate people are waiting longer before having sex for the first time, reducing the numbers of casual sexual contacts. They were also using more condoms, particularly with casual partners.

According to a review conducted last year by the Ugandan government and the United Nations joint programme on AIDS (UNAIDS), Uganda has implemented virtually every component of the World Health Organisation’s global strategy for responding to an AIDS epidemic, backed at every level by political leadership and will.

Again and again, credit is given to President Yoweri Museveni: “Maybe if the president had not become involved with AIDS, we’d all be dead,” commented one leading Ugandan AIDS worker.

The first case of AIDS was recognised in 1982—Uganda’s AIDS control programme was up and running by 1986, and able to recommend in 1988 an increase in the intensity of work at district and community levels.

The Uganda AIDS Commission was formed in 1990 to co-ordinate the national response and, by 1994, had firm guidelines for the multisectoral approach to the epidemic.

While South Africa has still to pull together the work of the education, labour, correctional services and other departments, Uganda has AIDS control programmes in 11 of its ministries.

More than 500 NGOs and community-based organisations participate in AIDS prevention and mitigation activities in Uganda. South Africa’s AIDS Consortium represents about 120.

Work by Catholic and Protestant churches and the Islamic Medical Association is notable, as well as the role of advocacy groups for AIDS orphans and AIDS in the workplace.

International agencies stepped in, too, with WHO, USAID, Unicef and European countries pouring funds into surveillance mechanisms, HIV testing and counselling, STD management, AIDS education, securing an HIV-free blood supply, and care for people with AIDS. The result is that, despite the poor communication infrastructure, people in Uganda know about AIDS, how it is transmitted and how to prevent transmission.

No one suggests this is the solution to the epidemic.

An estimated 10% of Uganda’s population is infected, and the review has pages of recommendations to smooth political tensions, standardise and expand counselling, recover costs and expand work to isolated rural areas. But resource-poor Uganda’s response has been intensive, extensive and effective, the review concludes.

If South Africa, led by the health department and President Mandela, can take control of its tuberculosis epidemic there is neither cause nor reason to delay doing the same for HIV and AIDS.
Ugandan cotton reaches 27-year peak

Uganda will produce 100,000 tons of cotton in 1986/87, of which 78,000 tons will be exported, the Cotton Development Organisation (CDO) said yesterday. The export total represents a more than eight-fold increase over the 9,385 tons exported out of the 13,383-ton production total of 1985/86, the CDO said. Uganda's peak cotton production was in 1969/70, when it recorded a total of 10,485 tons, of which 10,200 tons were exported. By contrast, in 1985/86, following the rule of Idi Amin and Milton Obote, production dropped to 2,180 tons, of which 887 tons were exported.

Reuters, Kampala (334) 21(629) 414197
Uganda’s boom may be over

Kampala — Uganda’s booming economic growth is expected to slow this year with ministers and analysts blaming a variety of factors, including smuggling, war and a poor work ethic.

At the weekend, Richard Kajjuka, the planning and economic development minister forecast gross domestic product (GDP) growth in 1996-97 of 6.8 percent, lower than a target of 7.0 percent or the 8.5 percent of the previous year. The Ugandan economy rebounding from years of misrule, had previously registered 10 percent growth for several years.

"According to what is on the ground, the economy has not performed very well. In fact, it was a downward trend," Syda Bumba, the minister of state for economic monitoring, said last week.

Bumba blamed the poor performance on inconsistencies in value added tax (VAT), a sharp rise in smuggling and the absence of a strong work ethic. She said people were putting in less hours at work.

Financial analysts also pointed to civil wars in northern and southeastern Uganda, which they said ate into the budget.

"The population is expanding without our ability to expand production," Bumba told a Ugandan parliamentary committee.

Kajjuka said recent drought forced a slowdown in the growth rate with growth in food production dropping to 0.7 percent in 1996-97 from 4.4 percent in 1995-96. But he saw that compensated for by faster growth in production of cash crops.

Kajjuka said money was scarce in rural areas because of a lack of tradable goods. He said manufacturing production in January was 30.7 percent higher than in January 1996 and the average sector growth for the first seven months of 1996-97 compared with the same period in 1995-96 was 22.9 percent.

He said the projections for export earnings remained at the 1995-96 level of $990 million. He expected non-coffee exports to rise to $237 million in 1996-97 from $196 million in the previous year. He said coffee exports would rise from 4 million 60kg bags in 1995-96 to an estimated 4.4 million bags in 1996-97.

Kajjuka said data from the Uganda Revenue Authority in the nine months to September 1996 showed a 10 percent decline in the level of imports compared with the same period in 1995.
Uganda pins hopes on free trade zone

Nairobi — Uganda will soon set up a free trade zone at Nakasongola, 100 kilometres northwest of Kampala on the shores of Lake Kyoga, the Uganda Investment Authority (UIA) announced recently.

"The zone is to be developed to attract international companies. Investment regulations are also to be made more attractive with a view to capitalising on the developing market in the Great Lakes region."

The UIA is already acquiring 45 square kilometres of land in Nakasongola for the purpose.

The area is agriculturally rich and has a reasonable road network, a hydroelectricity supply grid, an airport that can handle large aircraft and has sizeable fuel reserve tanks.

Industry has been one of Uganda's fastest-growing sectors in the past seven years, with an average yearly growth rate of 10.3 per cent.

Last year, it grew a phenomenal 18 percent even though it is at present facing stiff competition from cheaper imports.

The UIA, set up in 1991, has so far approved 2,118 projects worth about $3 billion.

The UIA's corporation secretary, Fred Ruhindi, said: "We are in the process of identifying joint-venture partners."

Investors would be exempt from taxes and will be free to export their products to any country of their choice, he said. He points out they would pay only local taxes for sale in the domestic market.

"But, there is a significant hurdle in the way of this ambitious plan: Uganda's constitution makes it hard for foreigners to own land, and parliament has yet to clearly define legislation concerning leases for land by noncitizen investors. This is said to have discouraged many investors."

Their complaints have prompted President Yoweri Museveni to instruct Prime Minister Kintu-Musoke to look into the matter.

About 1,000 hectares have already been secured in prime industrial areas of Kampala by the UIA, which will give priority to projects meant for the creation of value-added products like food-processing.

James Muhwa, the chairman of the Uganda Manufacturers’ Association, said the setting up recently of the interim district land boards might help matters, but the enactment of the tenure and control of land law would be preferred. — Independent Foreign Service
Uganda’s new trade zone aims to boost investment

JOE KHAMISI

The government of Yoweri Museveni in Uganda plans to quicken the pace of industrialisation with the establishment of a free trade zone now under way outside the capital, Kampala.

The project at Nakasongola, 100km to the northwest, is intended to be the prime mover in government efforts to increase exports. The zone will offer attractive incentives including a flat low corporate tax, exemption from import and export duties on raw materials and the right to sell part of the manufacturers’ products on the local market.

"The export processing zones (EPZs) we are recommending are those where a portion of goods produced in the zone are allowed to get on to the domestic market, provided the manufacturers pay the taxes required of them," a government official says. The eastern town of Jinja, which was considered the country’s industrial centre, has failed to prosper because of infrastructural problems.

A technical committee comprising private and public sector experts has been formed to study a wide range of incentives which will be included in a bill to be debated in parliament within the next few weeks. The government is acquiring 6,565km² of territory in the largely agricultural area of Nakasongola. A hydro-electricity supply grid, a road network and a 3km airport terminal are in place.

The project will lessen pressure on Kampala and end smuggling of cheap imports from neighbouring countries.

In the past, investors complained of being allocated land in swampy areas of the country with poor services. The Nakasongola zone is the first of at least three such projects being planned. Recently, Ugandan officials visited Kenya to study the free trade zone concept.

Kenya has 14 of these zones. Neighbouring Tanzania is reportedly working on establishing its first free zone later this year.

The export processing zones were an important driving force in the rapid industrialisation of the so-called Asian Tigers — South Korea, Malaysia, Hong Kong and Singapore. At an annual growth rate of 10.3 percent, industry is the fastest-growing sector in the country. Rendered virtually dead after the expulsion of Asians by military dictator Idi Amin in 1972, industrialisation has rebounded since Museveni came to power in 1986. It was helped by prudent reform policies and the development of basic infrastructures which made Uganda an investor’s paradise. But excessive tariffs charged on raw materials and finished products still make Ugandan products uncompetitive.

Industrialists want to plug the loopholes that allow cheap imports in. Ugandan officials hope the free zones will attract foreign investors interested in capitalising on the expanding Great Lakes market. Last last month, Museveni, on a tour of Belgium, told an investors’ forum that Uganda was the best destination for their investment to make money — Independent Foreign Service
Kampala cashes in on spending a penny

Chander Mehra

Nairobi — Some may think Uganda is going too far in its quest for collecting revenue with the Kampala city council's decision to privatise public conveniences.

But the city's forays into non-traditional areas of generating income, by hiring out public toilets on a tender basis, is said to have met with success. Officials say tenders have been awarded to bidders at between 50,000 and 75,000 shillings in monthly rent for public toilets in the Ugandan capital.

By placing some of its services in private hands, Kampala seems not only to have created an income-earner but has also improved efficiency. "The council simply inspects the facilities to ensure they meet the public health requirements," says the city's public relations officer, Herbert Semakula.

Private operators of the city's toilets charge users a fee of 100 Ugandan shillings (40 cents), and some operators can earn as much as 500,000 on a good day.

"Instead of the council spending money to run the facilities, we are now getting revenue from them," says Mr Semakula.

An operator at the city's main taxi stand, Musa Sekatawa, says: "People used to fear entering dirty public toilets, but now they use the toilets because they are clean and have running water."

The city also plans to privatise garbage collection and car-park facilities. — Independent Foreign Service
Kenya faces power brawl with Uganda

Nairobi — Kenya and Uganda may be heading for a diplomatic storm unless Nairobi pays $4 million it owes to Kampala for power supplies under a tariff agreed to by the two governments last October.

Gerald Sendaula, the energy and natural resources minister of Uganda, said Uganda was considering legal action against Kenya for failing to honour last year’s agreement on revised power tariffs.

On October 4 last year, Yoweri Museveni, the president of Uganda, warned that power supplies to Kenya might be stopped by the Uganda Electricity Board if Nairobi did not agree to realistic rates in accordance with market prices.

Responding to Museveni’s warning, Daniel Arap Moi, the president of Kenya, agreed to the asked-for rates, and a memorandum of understanding was signed between Nairobi and Kampala. The tariffs were revised from 2c: a unit, as set in a 1996 agreement, to 65c for 1996, 75c for 1997, 65c for 1998 and 55c for 1999.

However, according to Sendaula, Kenya had defaulted on payments.

Kenya has been facing severe domestic power-supply problems because of low capacity utilisation of its own power plants and has resorted to load-shedding, which has been affecting the country’s industrial, commercial and domestic consumers.

Attempts to reach senior officials of Kenya Power and Lighting were fruitless.

However, other sources said Uganda’s power bills were in the process of being settled.

“The matter will not be allowed to go to court since payment is likely to be made (this month) after ascertaining how much the actual amount is,” said one source. — Independent Foreign Service
**African Business**

**Cobalt plant may put Uganda in the big league**

**JOE KHAMISI**

Dares Salaam — Work has begun in Uganda on a $10 million cobalt project that could propel the largely agricultural country into the big league of the world’s cobalt producers.

The plant is located at Kasase, 400km west of Kampala. Le Source, a European company, holds 56 percent of the shares in the Kasase Cobalt Company, while the rest are controlled by Kilembe Mines on behalf of the Ugandan government.

Production is due to begin in the middle of next year with an expected initial yield of 1,000 tons of cobalt cathode a year. The start of the project ends a year of uncertainty after the Commonwealth Development Corporation (CDC) of England, the main financier, pulled out last year.

CDC questioned the mine’s profitability, arguing that prices would have dipped by the time the project started production.

But Le Source’s chief geologist says almost all the project’s capitalisation has been obtained.

Unconfirmed media reports said recently that South Africa’s Standard Bank had replaced CDC, which had promised to contribute $20 million. Other financiers include the European Investment Bank and the International Finance Corporation.

A feasibility study conducted by Le Source indicated the presence of 7 million tons of pyrite with about 4 percent cobalt buried underground. During extensive mining in the fifties, sixties and seventies, more than 1 million tons of pyrite concentrate with 3.3 percent cobalt were extracted from Kilembe.

The price of cobalt on the world market is considered attractive. A beaming President Yoweri Museveni said in February that successful mining of the mineral could greatly help the country’s economy.

Le Source has indicated interest in exploiting other minerals, including copper.

“We are going to be interested in other minerals. Our bottom line is: Can we make profit,” said a company official. — Independent Foreign Service
Ugandan authorities strive to get banks to open in rural areas

Banking moratorium extended in Kampala

JOE KHAMISI

Dar es Salaam — Ugandan authorities last month extended a two-year moratorium imposed last year on the licensing of new banks in the capital, Kampala, in a continuing effort to get commercial banks to branch out into the rural areas.

This means new financial institutions will not be allowed in the city until well after 1999. The dramatic move comes as the country's largest state-run bank, the Uganda Commercial Bank (UCB), which has the biggest network of branches in the country, prepares for privatization later in the year.

With commercial business concentrated mainly in Kampala, speculation is rife that new owners acquiring UCB may decide to close down rural outlets, thus depriving country dwellers of banking services.

The ban, however, affects only institutions offering traditional banking services. Those offering innovative services will be allowed to open in Kampala. For example, two new institutions with such services have entered the market in the past year.

HSBC Equator, a financial and trade services organization serving markets in sub-Saharan Africa, opened in Uganda early this year, joining four other banks offering merchant banking in the country.

The major equity of the HSBC Equator group is held by HSBC Investment Bank and South Africa's Nedbank owns minority shares.


Another new entrant into Uganda is Societe Generale, a leading French bank, which plans to issue business credit at half the rates now charged by other commercial banks.

Interest rates in Uganda range between 18 and 20 percent, and Societe Generale hopes to lend at about 7.5 percent a year.

Most of the loans will be for private sector projects, although strategic public enterprises such as telecommunications and water may also be considered. Guarantees by loanees in the form of a pledge by a leading financial institution will be required as collateral.

Initially the bank is operating through an agent pending full banking services later.

But banking industry sources say the moratorium is unlikely to persuade institutions to move to the rural areas owing to high operating costs and low profit expectations.

The industry in Uganda has been going through a credibility crisis as huge loans given out by mainly indigenous institutions have not performed well.

Apart from the UCB and the Uganda Development Bank (UDB), which continue to suffer from liquidity problems, two others, Sembule and Nile Bank, were taken over by the Central Bank in 1986 and later handed over to foreign investors to operate.

The Uganda Development Bank is presently restructuring.

To improve investor confidence, the government has increased minimum capital requirements and has tightened banking regulations. Last month the government confirmed that all banks other than the Uganda Commercial Bank had met the conditions.

The introduction of these measures forms part of the World Bank's financial sector reforms which were launched in Uganda in 1993. — Independent Foreign Service
Uganda lifts ban on imports in a bid to attract investment

Edmond Kizito

KAMPALA — Uganda, eager to attract foreign investment and to rebuild a battered economy after two decades of misrule, plans to lift bans on importation of foreign goods that are also produced locally.

Finance Minister Jehoash Mayanja-Nkangi said in his recent $1.172bn 1997/98 budget that government would lift a seven-year-old ban on the importation of beer, soft drinks and car batteries next year.

Other bans, including one on the importation of foreign cigarettes, would be lifted within a year.

"To complete these measures, the remaining import bans will be phased out over the next two years. These changes are intended to promote competitiveness," he said. Other products affected would be fire arms and equipment used for generating electricity.

Economic analysts and diplomats hailed the measures, saying they would help attract foreign capital to the east African country, potentially rich but impoverished by 20 years of misrule before President Yoweri Museveni took over in 1986.

Eager to raise revenues and cut down on foreign borrowing, Uganda also announced the end of a five-year tax holiday for foreign investors, but said it would buy huge chunks of land to lease out to new investors at cheap rates.

A five-year-old government programme to attract foreign money had brought in up to 2,166 project proposals worth about $5.6bn, Mayanja-Nkangi said.

Of this, one third had already been injected into working projects, finance ministry officials said.

Economic growth in the financial year to June 30 1997 slowed down to 5%, down from 8.2% in the previous year, the Ugandan minister said, blaming a drought that slashed food production in the mostly agricultural nation.

The drought showed signs of abating, and with foreign investments and tighter tax-collection measures, the economy was expected to climb to 7% in the financial year starting yesterday, he said.

Economic growth in Uganda has averaged 6% a year since 1987 when Uganda embarked on radical reforms led by the International Monetary Fund.

Inflation, in turn, was kept below 10% until last year. It rose to 11.8% last year but was expected to fall to 7.5% in the new financial year, he said.

Uganda depends largely on the export of unprocessed agricultural products for export. Coffee alone fetches 64% of hard currency earnings for Africa's largest grower, also the world's fourth-largest grower. Debt servicing on the $3.59bn foreign debt would cost about $52m this year, he said.

Uganda is one of the world's poorest countries, with an annual income per capita averaging $230. Diplomats say debt servicing is weighing down the economy. They say foreign investment is the key to reversing the fortunes of this nation, so well endowed that it was once known as the "Pearl of Africa."
Wrangles delay opening of new Ugandan exchange

JOE KHAMISI

Dar es Salaam — Over a month since its launch on June 6, the Uganda Securities Exchange (USE) is yet to start operations because securities are unavailable.

The hitch has delayed floor trading and fuelled uncertainties over the fate of the bourse which Ugandan authorities have been struggling to establish since 1989.

Bily Rwakakooko, the USE chairman, says flotation of privatised public enterprises, which were expected to offer initial securities, had not materialised.

Uganda's plan to privatise dozens of state-run firms as part of wider economic reform measures has been hit by political wrangles arising from lack of transparency in disposal methods.

Questions have been raised about below-market prices paid for some of the enterprises by some politically connected individuals.

Michael Opio, the director of the privatisation unit, says however, a number of enterprises may be offered for flotation later this year. There is also enthusiasm in the market about a recent announcement by the East African Development Bank to sell three-year bonds on the exchange worth between $5 million and $10 million.

James Njue, the bank's director for operations, says the bonds would be offered after projects for investing the money had been identified. Officials say this could be as early as later this year.

The bank raised about $15 million when it sold bonds on the Nairobi Stock Exchange last year. It is owned by Kenya, Uganda and Tanzania. Rwakakooko says the USE plans to trade in treasury bills as initial security, while waiting for companies to emerge. The bourse is also trying to convince the government to offload on the exchange its stocks and bonds, considered viable instruments because of the country's stability.

The USE has embarked on a campaign to sensitise the business community on the capital and investment benefits accruing from joining the bourse. — Independent Foreign Service
Uganda's troubles

The government has faced many world economic factors which have contributed to the current situation. The country's economic growth has been slow and sluggish due to a number of factors, including a lack of investment in infrastructure, political instability, and high levels of corruption. These factors have made it difficult for the country to attract foreign investors and to develop its economy.

The government has also struggled to manage its debt, which has continued to grow in recent years. This has made it difficult for the country to access international funding, and has put pressure on the country's fiscal resources.

In addition to economic challenges, the country has faced political instability, with several changes of government in recent years. This has made it difficult for the country to implement consistent policies and to address the country's development challenges.

The government has also faced challenges in managing its natural resources. The country is rich in natural resources, including oil, but has struggled to manage them in a way that maximizes their potential.

In conclusion, Uganda's troubles are a result of a combination of economic, political, and social factors. The government will need to implement a comprehensive strategy to address these challenges and to promote sustained economic growth and development.
SA firms vie for stake in Ugandan telephone

market

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Uganda's media, under fire from the government and the churches and charged with "promoting the interests of armed insurgents" and pornography, is taking steps to guard its flanks.

President Yoweri Museveni is leading the attack on the press, and he has used nearly every press conference this year to accuse local newspapers and radios of furthering the interests of armed rebellion in the northern and western regions of the country.

Last month, the Ugandan leader blamed the press for "creating a permanent sense of crisis in the country."

"Creating permanent sense of crisis ..."

He directed his anger at the country's two English-language dailies, the government-owned The New Vision and the privately-owned The Monitor.

Both newspapers carried reports of rebels briefly capturing Bundibugyo, a small town on the Congo-Kinshasa border in June. Museveni was not at all pleased with the reports.

"I'm looking at ways of taming this irresponsibility. I will not tolerate the amateurs who write at the expense of the country," he said.

"You have Internet and information is thrown out there to the world with these kinds of stories of capture (of towns by rebels). This is discouraging investors and I think you are doing a big disservice to the country."

Earlier this month, Museveni again hit out at the press and pointed out that the media had taken on the role of agents of doom in the East African nation."

"They act like the people in the Bible Jesus spoke about. Although they have ears, they don't hear, have eyes, but they don't see, have heads, but they don't think," he said.

Charles Onyango-Obbo, The Monitor's editor, pointed out that the president's attacks on the press so far had hinged on the single theme of security.

"They (government) are feeling the rocky these wars in the country are beginning to affect the attitude of other people towards this country."

Uganda's second deputy premier, Brigadier Moses Ali, who doubles as the tourism minister, has also berated the media for scaring off tourists.

"It's been rough-going for tourism for the past two to three months," he said this month. "We attribute this to the negative reporting of journalists to the international community."

The government's attack on the media, according to Fredrick Jukuku, a Makerere University law lecturer, is typical given the security situation.

"I think the government feels embattled in the face of mounting (security) problems," he said. "This is their way of reaction, to intimidate in the face of criticism. They will clutch at anything."

Now the churches have added their voice to the criticism of the media's content.

The religious leaders have been irked by commercial radio and the pornographic or leisure magazines on the market since last October.

In the churches line of fire are Capital Radio and Central Broadcasting Service, two FM stations which carry candid late-night sexually explicit phone-ins and sex education/AIDS prevention programmes.

The churches are uncomfortable with the programme formats.
Uganda accepts SA companies’ bids

Dar es Salaam — South African companies Mobile Telephone Networks and Telkom are among five international bidders to pass through the pre-qualification stage in a process that could give them a stake in the liberalised Uganda communication sector.

The others are Portugal Telecommunications International; Mobile Systems International, a consortium of companies from Uganda, Britain, Norway and Cyprus; and, the Industrial Promotion Services, a firm partly owned by the Aga Khan.

The winning company would become what is locally known as the Second National Operator and would compete with the state-run telecommunications services. The company would be expected to develop a strong rural network, now lacking in the bigger part of the country of 49 million people.

“The government is committed to making Uganda’s business and legal environment competitive with its neighbours and hospitable to private investors to obtain better services at a higher quality for the entire country,” said Michael Opgi, director of the country’s Privatisation Unit.

Uganda Posts and Telecommunications Corporation was set to be split into two units — posts and telecommunications — as part of the economic reform process.

A bill laying out the new arrangement is yet to be debated by parliament, but internal reforms are already in place with the two units technically operating separately. The entry of the outside operator would substantially reduce the government’s control of the sector. Analysts said a liberalised telecommunications sector would help reduce prices and steadily meet local and international communication demands.

Officials have not announced when the actual bidding process will begin. — Independent Foreign Service
Uganda hopes rich tourists will replace backpackers

Tourists pay up to $175 a day to view mountin gorillas

Officials said that long queues made it difficult for visitors to get to the gorillas on time. A number of tourists and visitors said that the park was over-crowded and that the conditions were not conducive to viewing the gorillas.

"Gorillas are very sensitive to noise and movement," one tourist said. "It's a privilege to be close to them, but it's important to respect their space and avoid disturbing them.

The park authorities have been working to improve the facilities, but there's still a long way to go. We're hoping that tourists will come back and continue to enjoy the great experience."
Uganda to receive $140m of funding from IMF

FROM: REUTER

Kampala — The Ugandan government and the International Monetary Fund (IMF) reached an agreement at the weekend on $140 million of funding under an Enhanced Structural Adjustment Facility programme, the IMF said.

The agreement is for three years, extending to 2006, and is for 75 percent of Uganda's quota with the IMF.

The first tranche of $66 million will be disbursed in the first year.

“The mission has reached an agreement with the (Ugandan) authorities on the arrangement and the programme,” Ulrike Wilson, the IMF resident representative, said at the weekend.

The Enhanced Structural Adjustment Facility funds will be used to rehabilitate and strengthen revenue collection through improvements in the way the Uganda Revenue Authority operates and through in-depth reforms in the Uganda Customs Administration. During the financial year to June 1996, Uganda failed to collect up to 43 billion shillings (R182 million) of expected revenue, mainly because of smuggling and laxity in tax administration.

“The programme supports proposals in the income tax bill, which is before parliament, to replace tax holidays with accelerated investment depreciation allowances which provide attractive incentives for investment,” Wilson said.

The programme will also support structural reforms in the financial sector, trade liberalisation and accelerated reforms in the civil service with an emphasis on decentralisation.

The IMF also agreed to provide room for credit to the private sector to allow for growth and expansion with little pressure on prices.

Uganda aims to cut inflation to 5 percent compared with a year-on-year rate of 10.1 percent in June, down from 11.8 percent in May.

The release of the second tranche of funds will depend on the review of the programme’s performance when the team returns in February next year.

Uganda's performance in the first year will help it get debt relief in April next year, based on the assessment report by the fund's executive board, to be issued in the same month.

The IMF mission was in Uganda for two weeks to conclude negotiations that began in May and June. The team was led by Naheed Kirlmani, the assistant director in the IMF Africa department.
Nedbank foiled in Uganda bid

Kampala — Nedbank, the banking group, failed to buy Uganda’s leading commercial bank when it was outbid by Malaysia’s Westmont Holdings, Leonard Munganwa, the executive director of the Uganda Enterprises Development Project, said yesterday.

Westmont was the highest bidder out of seven contenders to buy Uganda Commercial Bank, and the government would start detailed negotiations with them next month, Munganwa said.

Although the bank has been bogged down by non-performing loans, totalling about $22 million, it has an advantage over other banks as the Uganda Revenue Authority and the Uganda Electricity Board are just two of the big parastatals that have accounts with it.

Westmont will cover the bank’s assets and liabilities, its branch network countrywide, its image, international relations, relations with other local banks and the capital adequacy requirements of the Bank of Uganda.

The International Monetary Fund, which was said to have set the privatisation of the bank as a condition for an aid package, said last week it was pleased parliament had agreed to the sale as new management and capital would boost the banking industry.

The sale is the largest in the process of privatising parastatals, which began in 1993. Westmont will have 51 percent of the shares.

The remainder will be unloaded on the stock exchange when it becomes operational.

The government would keep 18 of the bank’s branches that are in prime locations.

It would subsidise the branches in a bid to assist in revenue collection and banking in some rural areas, the finance ministry said.

The Non-Performing Assets Recovery Trust has been helping to recover the $63 million in non-performing loans owed by some 2,900 customers. — Independent Foreign Service
Uganda plans ambitious rail expansion

KAMPALA — Railway expansion across Uganda’s common borders with the Democratic Republic of Congo and finally into Rwanda is part of Ugandan President Yoweri Museveni’s drive to exploit trade chances with the new regimes friendly to him in the two central African states.

Recent visits by Museveni’s trade and transport ministers to the Congo and their return journeys to Kampala have led to plans to construct hundreds of kilometres of railway lines from Uganda to eastern Congo and Rwanda, although officials said the homework on the cost of the ambitious programme was still at a preliminary stage.

The Ugandan state railway has signed a joint-venture agreement with a German-based international company to run a multimillion-dollar locomotive workshop designed to serve the region.

Railway spokesman Florence Munyirwa confirmed that the proposal included laying a railway line from the northwestern town of Pakwach to the Congo border town of Mahagi 80km away and finally from there to Congo’s eastern town of Bunia, 130km from the border.

Another line was planned from Pakwach, Uganda, to Congo’s inland city of Kisangani from where it would finally reach the port of Matadi.

These are new developments in the region and the thinking is in terms of expanding,” Munyirwa said in an interview.

The project’s duration, cost and other details are still being kept under wraps by officials, but railways sources said that the transport ministers of Congo, Uganda and Rwanda had drawn up a task force consisting of technocrats to prepare cost estimates and explore sources of funds.

Rwanda, where no railway network exists, will be connected with a line from Uganda’s western town of Kasese 380km from Kampala, from where a railway line will be built through a game park to the border post of Lhasha. The line is expected to curve from there into Congo and then finally to the Rwandan capital Kigali.

The scheme confirms earlier speculation that the new government in the Democratic Republic of Congo — formerly Zaire — led by former rebel leader Laurent Kabila received some backing from both Uganda and Rwanda in its determined seven-month campaign to remove the late president Mobutu Sese Seko.

Museveni has not hidden his support for Kabila’s government and his intention to open up trade and economic ties with Congo. “Uganda could export beef and fish to Congo because it is not easy to rear cattle in the thick forests there. Congo does not have a large lake so we can export there,” he told a news conference on August 15 upon his return from the Congo.

His press secretary, Hope Kivengere, later said: “There is a new thinking in this region and that is economic co-operation. Uganda stands to gain from it.” Munyirwa disclosed that early last month her firm entered an agreement with ABB-Deimler Benz (Adtranz) to run the $25m Nakasongola locomotive workshop, 5km west of the capital Kampala.

ABB will control the majority shareholding with the rest left for the railways. Initial working capital is estimated at $1.5m.

The locomotive workshop, the largest engineering project in the country, is managed by German experts and was opened in 1989 to repair and overhaul railway engines from Uganda, Kenya and Tanzania.

The railway’s joint venture with ABB has been timed to go with the proposed expansion of Uganda’s railway network to eastern Congo and Rwanda and plans are afoot to work on locomotives owned in future by these countries.

Despite the thrust for business in other countries, Uganda’s sole railway company is in a sorry state with over 50% of its 1,300km of railway lines almost defunct.

Corruption at top management level is responsible for the railways’ woes. Unprofitable passenger services were dropped this year and its debts stand at more than $50m. The government owns 50% but is reluctant to pay. — Sapa-DPA.
Uganda opens its arms to SA investment

SAMUEL MUKALAZI

Kampala — South African investors are gradually closing in on Uganda after pumping more than $150 million into the country in recent years.

South African investors, observers say, are attracted to Uganda because of its relative stability, steady economic growth and proximity to other potential markets in the Democratic Republic of Congo, Sudan, northern Tanzania, Rwanda and Burundi.

Among the early comers were Stem Cable and Satellite, which boosted the country’s underdeveloped entertainment sector with a $1.2 million investment in pay television, a tremendous success in the capital city of Kampala.

Stanbic Bank — formerly Grindlays Bank before it was bought by South Africans for $1.1 million in 1994 — has turned out to be one of the country’s top financial institutions.

By the close of the 1996 financial period, net shareholder interest stood at $8.7 million, placing Stanbic in the high-performer category.

Mobile Telecommunications Network (MTN) and Telecom South Africa, the telecommunications leaders, bid against Uganda Telecommunications Limited for the second network operator licence after full liberalisation of the sector.

Some South African investors, however, have been discouraged by laws which bar foreigners from owning land. Some potential large-scale farming investors are considering entering into partnerships with Ugandans as a way around the problem. A government commission shot down a bid this year by some South Africans to form farming communities.

To encourage prospective investors, President Yoweri Museveni has been advocating revision of the land law, and proposals are under discussion.

Meanwhile, at the initiative of the president some money has been put aside in the country’s current budget, enabling the Uganda Investment Authority to secure industrial land to be allocated to investors. The government also plans to establish a free-trade zone at Nakasongola, about 100km from Kampala.

One of the most recent deals by South Africans has been the merger between South African Breweries (SAB) and Nile Breweries in Jinja, east of Kampala. SAB has bought a 35 percent stake in the brewery and plans to bottle Castle beer and other brands there.

The South African Bottling Company (Sabco) has taken up a majority shareholding in Century Bottlers, who produce Coca-Cola. Sabco plans to set up a can factory for beer and soft drinks — big business in a country dominated by the bottle.

South African goods have started to take on Kenyan products, which have dominated the household product market up to now. South African wines, cereals, fruit juices and apples are already familiar on shop shelves and in supermarkets. — IPS
Barriers to Uganda’s fledgling exchange

Kampala — Ugandan authorities said at the weekend a lack of private companies willing to be listed had hampered the start of trading on the Uganda Securities Exchange (USE), the country’s fledgling stock exchange.

They said many private companies were still scared off by rigid full information disclosure requirements for publicly owned companies, because of the high corporate and individual tax levels in the country.

The USE was formally launched in June. It has a trading floor based at the Bank of Uganda, the central bank, building but so far no trading has taken place.

“We are ready to start trading. We have thrown back the challenge to the corporates to get listed and seek equity through the stock exchange,” said Geoffrey Ongeri-Odhol, a USE official.

Capital Markets Authority (CMA), the regulatory agency, asked the finance ministry in May to consider giving tax concessions to companies that might have cheated in the past as a way of encouraging companies to list their shares on the exchange.

At the time, the CMA said there were companies that kept two sets of accounts and gave the government only one — which did not carry full disclosure of the companies’ financial position.

But the Uganda Revenue Authority, the tax agency, had said it would not give such concessions because companies that have cheated the government were guilty of fraud and should be charged in court.

CMA officials said the tax authority’s stand, and the finance ministry’s reluctance to intervene, would prevent many eligible companies from seeking a listing.

Michael Opagi, director at Uganda’s privatisation unit, said trading could start “maybe in a couple of months”.

Opagi said the National Insurance, the New Vision newspaper and the Uganda Grain Milling were likely to be among the first companies to have their shares traded on the exchange.
No peace dividend in Ugandan killing fields

THE planting season has arrived in Kibandara, but William Katya is not tending his fields. Like the 600 other residents of this Ugandan village on the slopes of the Mountains of the Moon, he has moved to the valley town of Kilimba, where he now sleeps on a workshop floor. He left because raids by rebels belonging to the Allied Democratic Forces have become more violent. Three male relatives were abducted, then Katya’s stepbrother was hacked to death. The final, gruesome straw came when the rebels — many of whom are Muslim fanatics — left a victim’s head perched symbolically on the altar of the local church. “The whole village is deserted now. All of us have descended to the valley,” he says.

When Laurent Kabila’s forces seized power in the Democratic Republic of Congo with the backing of Rwanda and Uganda, diplomats predicted the two nations’ reward would be peace in their frontier regions, long plagued by insurgencies which enjoyed the blessing of the late former president Mobutu Sese Seko. The reverse appears to be the case. Deprived of a friendly host, its arms supply lines to Rwanda cut, the increasingly desperate ADF has gone on the rampage. It has recruited from the exiled Hutu Rwandan army, Mobutu’s Forces Armées de Zaire and other armed groups displaced by Kabila’s sweep through the great lakes to form a jumbled collection of fighters, united only in their antagonism towards the Ugandan leadership.

Far from reaping a peace dividend, Kampala is now battling to control insurgencies on two fronts — the Sudanese-backed Lord’s Resistance Army in the north and the ADF in the southwest of the country.

“Were were expecting things to move more smoothly,” says Father Albert Byaruhanga, an adviser to President Yoweri Museveni, who comes from the southwest. “When you are coming out of a troubled period there is always that overanxiety to see quick returns.”

While the ADF campaign so far falls short of the disastrous standards set by the long-running insurgency in the north, it is showing a worrying capacity for escalation. In a series of hit-and-run attacks since last November, it has brought feared to three provinces.

Under the nose of the army, members of what one Ugandan minister dubs the “Alliance of Devil Forces” have laid mines, ambushed vehicles and abducted scores of villagers, forcing them to fight or work as porters. Foreign aid workers have pulled out, development projects have been halted, schools have closed and crops are not being harvested.

The World Food Programme estimates that 80,000 Ugandans have left their villages to camp around the towns of Bundibugyo, Nyamagata, Kasese and Fort Portal, dependent on food aid.

Western embassies warn against travelling to the area, located close to several popular game parks. Walking and climbing expeditions into the snow-capped Mountains of the Moon have been scrapped.

“The ADF do not represent a threat to the government,” says a Kampala diplomat. “But they can hurt it by making these areas less secure, hitting tourism revenue and forcing the government to keep spending on defence.”

The group’s capacity to cripple the southwest is all the more surprising given its motley nature of its make-up, its size and the sketchy nature of its sketchy political credo.

In early August Museveni promised 3,000 troops to combat the insurgency. But it took until late last month for the first reinforcements — soldiers trained by visiting US experts in peacekeeping techniques — to muster in Fort Portal.

Lt-Col Charlie Angina, running the army’s operation in the southwest, says that until he has those reinforcements he cannot dominate this rugged terrain. Even once those troops materialise, the continuing climb of the mountain ridge may prevent a final reckoning.

Kabila’s anti-Mobutu alliance is unravelling, the Rwandan army has pulled out and establishing law and order seems an ever more distant dream.

“Whenever you put a lot of pressure on the ADF they have a full back position in the Democratic Republic of Congo, not because the government there supports them but because Kabila has not yet consolidated his position,” Angina says.

For him the solution is clear — a joint Ugandan-Congolese military operation conducted on both sides of the border to wipe out the threat forever.

— Financial Times
Rebel factions hunt Uganda's guest for reform.
Uganda gambles on safety to reopen copper and cobalt mine in rebel territory

[Image: Photograph of a copper mine]

Theteachers are trying to reopen the mine in the rebels' territory. They believe that reopening the mine will bring economic prosperity to the region. However, they face many challenges in terms of security. The rebels are demanding higher wages and better working conditions. The government is trying to negotiate with the rebels to reach a peaceful solution. Meanwhile, the international community is concerned about the possibility of a conflict between the government and the rebels. The miners are also worried about their safety. They have been living in fear for a long time. They want to return to work, but they need to be assured of their safety. The government is working with international organizations to improve the security situation in the region. They hope that reopening the mine will bring a positive change to the region. However, it remains to be seen if this plan will work.
Giant bottling plant for Uganda

KAMPALA - Uganda's Century Bottling Company, bottlers of Coca-Cola, in which a South African bottling company, Sabco, has majority shareholding, is to set up a giant bottling plant near Kampala, to push its capacity from 4 million crates per year to 12 million crates, company officials said.

This is part of a Sh140-million investment in Uganda which will also include construction of another plant in the western town of Mbarara.

The plant, covering 10 hectares, will produce 2 million crates a year.

Century Bottling was the first company to be allocated land in a forest reserve at Namanye about 5km from the city centre, which government allowed for industrial use.

The move caused a row between government and environmentalists, but government, with the backing of president Yoweri Museveni himself, took the upper hand. Museveni has been complaining about Uganda's land laws which bar foreigners from owning land, and which have hampered foreign investments.

Government recently put aside Sh9.2 billion for purchase of land to be allocated to investors who have failed to locate industrial land.

Meanwhile, government is pushing for a revision in the land laws to make them more investor friendly.

Century Bottling Company was allocated 114.6ha at Namanye. The Namanye and Mbarara plants will create more than 600 jobs, the company spokesman said.

Currently, the company's factory at Nakawa near Kampala produces four million crates a year, and employs 500 people.

Construction of the Namanye plant will start soon, and the company spokesman says it will be one of the biggest in Africa. The Mbarara plant will be completed in July 1998. - Supa.
Sale of Ugandan coffee assets runs into trouble

KAMPALA — The sale of the government-owned Uganda Coffee Marketing Board has hit a snag for the second time since its initial sale offer in 1995, and negotiations have been extended to the second highest bidder, Uganda's finance ministry says.

Leonard Munganwa, executive director of the finance ministry's Enterprise Development Project, said authorities had contacted Makula International, the second highest bidder for the board, to start negotiations for the purchase of the country's biggest coffee plant, CMBL.

Munganwa declined to give reasons for calling in Makula, but said they were still holding discussions with the previous bidder, Coffee Uganda.

"Coffee Uganda gut back to us for discussions but we were not satisfied," another privatisation official said. He added that the company was unlikely to qualify as buyer of CMBL.

Makula International had offered to buy CMBL for $7.6m, compared with the offer of $8m from Coffee Uganda.

The Ugandan government reopened bidding for CMBL earlier this year after rejecting a bid by Swiss company Sucsafla because its offer of $3.3m for 51% of the company was too low.

CMBL's assets were valued at $36.7m last year. Its principal asset is its central processing and storage unit at Bugolobi, which has export processing capacity of four-million 60kg bags a year.

CMBL's market share of coffee exports fell to 9.4% in 1995, compared to 84% four years earlier after the liberalisation of the Ugandan coffee industry in 1991.

Uganda has more than 50 registered private coffee exporters, although the Ugandan Coffee Development Authority says only just over 20 of these are active at present.

Coffee is Uganda's primary foreign exchange earner, accounting for 62.5% of hard currency earnings. —Reuters.
Two SA telecomms companies kept waiting on private licence bid

Two South African telecommunication companies that bid for a licence to operate Uganda's first private fixed telephone network will have to wait a little longer for the final verdict, following the decision by the privatisation unit to postpone the licensing of the successful bidder from December to March next year.

Mobile Telephone Network (MTN) and Telcom put in bids for Uganda's Second Network Operator (SNO) licence, with Portugal Telecommunications International, Canadian Industrial Promotion Services and Mobile Systems International, a consortium of Ugandan and European-based companies. Uganda plans to sell off the telecommunications arm of the Uganda Posts and Telecommunications Corporation (UPTC). To encourage competition, the government wants to license an SNO to compete with the privatised telecommunications company.

The licensing process has been delayed by parliament, which argued that awarding the SNO licence before privatisation of Uganda Telecommunications Limited, would reduce the market value of the company. This delay, however, is making some of the bid companies impatient, and some may drop out altogether.

Independent Foreign Service, Kampala
Uganda develops North

President Enos N. Ohenye

President Enos N. Ohenye, who recently arrived in Kampala from the United States, said yesterday that his government was determined to develop the region.

"We are committed to the development of this region," Ohenye said. "We are working hard to ensure that the people of this region benefit from our efforts."
60 French companies seek trade openings

Representatives of 60 French companies would meet in the Ugandan capital city of Kampala at the end of this week to discuss trade opportunities in East Africa, the French embassy announced yesterday.

The firms, most of which are already active in the region, include companies engaged in electricity generation, road construction, civil works, civil engineering, consultancy, water and waste management, transport and communications and agri-industries. The participating French companies will be briefed by the resident French trade commissioners in the region on business opportunities in Ethiopia, Eritrea, Djibouti, Sudan, Kenya, Uganda, Tanzania, Rwanda, Burundi and Somalia.

The meeting, a yearly event in the East African region, seeks to “provide a better knowledge of the needs and projects of both African and French companies, and to boost co-operation between them ... with a special focus on Uganda,” the embassy said. — AFP, Kampala
IMF gives $138m loan to Uganda

WASHINGTON — The International Monetary Fund (IMF) approved a $138m loan on Monday to support economic reforms in Uganda for three years, forecasting growth rates of 7% and more.

The IMF said the loan would help Uganda — one of Africa's richest states in agricultural resources — keep growth on track and hold inflation down.

But it said there could be revenue problems in 1997/98 as tax reforms take hold, and it urged the government to do more to spur growth in the private sector.

"The government will need to exercise considerable expenditure restraint, focusing only on the most essential," the fund said.

Landlocked Uganda is viewed as one of Africa's star economic reformers. The IMF praised Uganda's economic policies, which have recently brought growth of up to 8% and inflation at low as 6%.

The fund said government finances had improved and it commended government efforts to reduce Uganda's debt burden. To sustain growth, the fund said the government had promised to broaden reforms in the financial sector and the civil service. Deregulation and trade liberalization would continue. — Reuters
Ugandan exchange set to open trading floor

Anna Borzello

KAMPALA — Uganda’s Securities Exchange, launched six months ago, is due to open its trading floor this month.

The regional East African Development Bank is likely to be the first institution to use the exchange and the trading floor is being fitted out at the same bank, says Uganda Securities Exchange chairman Onesi Obel. "Hopefully, the traders and management will move in soon afterwards."

Officials say the East African Development Bank is planning to issue a 10-billion shilling securities bond, which should be traded by secondary buyers on the securities exchange by December.

Last year the bank sold a $15m bond on the Nairobi exchange, the first of its kind in the country. The move proved popular and the bank increased the bond to $30m.

The plans are good news for Uganda’s stock exchange, which has had a slow start. Part of the problem has been that none of the five big state-owned companies earmarked for privatisation are ready to go public yet.

Capital markets officials claimed earlier that the five would be privatised and sold to the public within a year of the exchange’s operation. However, stakes in only two of these companies — Uganda Grain Milling and the debt-ridden Uganda Commercial Bank — have been sold to private companies so far, and even they are not in good shape. "Government does not want to unleash a nonviable company on the market," said a spokesman for government’s privatisation unit. "A long auditing process is involved."

Private companies have also been slow to come forward, with only a few tentative approaches being made to Kampala’s 12 newly licenced brokers. "People are sceptical because they associate a stock exchange with a bubbly place full of electronics," said Waeswa Kajjube, deputy director for capital markets at the Bank of Uganda. "But in Uganda all you need is a table, a blackboard and a person to list the companies."

Private companies are also reluctant to go public because they fear the process of opening up their books might disclose tax evasion tactics.

Champions of the securities exchange believe the only way to combat this scepticism is through education and argue that businesses will be eager to buy and sell once they understand how the exchange works.

"There is a genuine need for businesses to get hold of money in Uganda. Interest rates on bank loans are punitive, sometimes as high as 20%," said Obel. "We are hoping that the exchange might eventually exert a downward pressure on the cost of money in Uganda, forcing the banks to shape up."

His optimism is shared by Kajjube, who briskly dismisses the charge that Uganda’s exchange was launched too early. "Our private sector may be small — but it won’t get bigger unless it can get access to capital," he said.

In the long run, Uganda hopes to link its exchange with those in Kenya and Tanzania, thereby strengthening economic ties between the three countries.
Country of broken dreams

From PAGE 29

Mulago is a Hogarthian sort of place. But increasingly, Dr Kaggoa's staff find themselves doing the work of Western hospitals.

"As a middle-class emerges, we are beginning to see the troubles of the modern developed world: heart disease, appendicitis, gall-bladder disease, cancers of the colon, ulcers. These have never been a problem before."

He has his own Thatcherite dreams. "The time will come when we will charge patients. My minister is trying to persuade the Cabinet now. We have a terrible funding gap. And that way, the individual patient would get a sense of ownership, and maybe they will take more care to prevent illness."

He backs off a little when he considers all the people he would never dream of charging: "TB patients, lepers, measles cases, complications of labour. We will have to work out a way of building a provident fund. Life is above money."

It happened when left-wing ideology was fashionable. Now it is happening with right-wing ideology. Africa keeps getting in the way of theories.

But under Museveni the argument can at least take place. "There's nothing that is off-limits," says Charles Onyango-Obbo. "You can call Museveni a dictator a thousand times if you want. We won't do it, not because we're frightened, but because it's so cheap and predictable. Anyway, I'd be more inclined to call him a stunted democrat."

Museveni does seem rather admirable personally. He was furious when a paper accused him of stealing two bags of cement for use on his farm. It turned out a journalist had misread an official form, and he had done no such thing. Some leaders of neighbouring countries have had a good go at stealing much of the continent.

It might be rather important for Britain to have Uganda on-side. The source of the Nile is directly behind the 11th tee of the Jinja Golf Club. The Ugandans are contemplating a hydroelectric scheme that will put a stop forever to the power cuts, but destroy the lovely Bujagali Falls. This might further impede the flow of the river, which is already pouring more uncertainly than ever before into the Mediterranean, because so much is diverted to irrigate Egypt.

There is a theory that this is already over-salting the Mediterranean, which could eventually change the flow of waters through the Straits of Gibraltar, pushing the Gulf Stream out to the west, and plunging Britain into the deep freeze while the rest of the world gets warmer. Some scientists think this may happen anyway. But it is lucky Amin never thought of it.

The jury is still out on Museveni's contribution to Uganda. But the expatriates out there are happy again. Don Bower bought a flat in Oxted during Amin's time, just in case. He is glad he has never had to move into it: "I don't suppose anyone would speak to me at Oxted Golf Club."

But not everything gets better. "Mary's a bit shaky today," he confided. "She's just been mugged. Right outside Barclays Bank in the middle of Kampala. Knocked her over and stole her money, they did. Never had anything like that happen to us before. All these years."
blood and Thatcherism

ides is that he ac-
adoe modestly. He
had not struck his
tickets (thus in-
crease that these
men after he has
set it is inappro-
Uganda has an
and leader. And
Piers Grevatt.
I met in Nairobi
which African
the smell in Lu-
Lagos reeks of
chips. In Kam-
pala you can sniff the money. My
neighbours on the flight in were
two Hong Kong-based Indian
businessmen; these are not peo-
ple who travel the world to take
 snapshots of hippos.

After an uncertain start, Mu-
sevni has pursued policies of
economic liberalism more vigor-
ously and more certainly than
any other African leader. Interna-
tional Monetary Fund representa-
tive in Kampala Ulrike Wilson tells
of him almost proudly, like a
schoolteacher discussing her
favourite pupil who not merely
won a scholarship, but still re-
members her birthday.

Some people refer to the Ugan-
dan economy as “growth with-
out rampant inflation” — as an
African tiger. The trouble is that
everyone knows there are no
tigers in Africa, real or metaphor-
ical.

African leaders instead face a
bottleneck trap, which works
roughly as follows. So-called
African socialism has been a dis-
aster, because state enterprise
have invariably become incom-
petent and corrupt. To abolish
these and bring in private capi-
tal means unemployment. In Africa,
that equals desperate poverty.

The West may assist the
process, but only to countrys that
democratised as well, and bold free
elections. This is then supposed
to face a hungry electorate, full of
people turned out of factory
jobs, and unprepared to find
a vague promise of good times lat-
er.

Musesevni evaded the trap, par-
tially by evolving his own sys-
tem of party-less democracy,
but he is gradually losing prestige
in a country that expected noth-
ing from its government anyway.
Ugandans are thus gradually grate-
ful for a leader whose main object
in life is not terrorising them.

This is among the most beau-
tiful and most bloodlessly pow-
ful in the world. Visitors are stunned
as soon as they arrive at Entebbe
Airport. Lake Victoria gleams,
the grass is lush, the houses are
set amid banana plantations and
mango trees. It looks more like
the West Indies than Africa.

Upcountry it becomes like
Switzerland. In between, it can re-
semble an idealised version of
Surrey, shorn of suburbs and in
perpetual summertime. No won-
der this was the most coveted
posting in the colonial service.

Which goes to show. Uganda
was always murderous. Bishop
Hannington, who came to offer
Christianity, got a spear through
his heart. Traditionally, several
people had to die as ritual sacri-
ces to permit the coronation of
the kings of Buganda. Dreams got
off even less lightly.

The British lasted barely a cen-
tury, from first footfall to final
flag lowering. After they went in
1962, the first post-independence
leader, Milton Obote, rapidly
turned dictatorial. He was at a
Commonwealth confer-
ence in 1971, grandstanding about
the wisdom of the whites, when he was
overthrown.

The new leader was Idi Amin, put in
with Israeli assist-
tance, British con-
nivance and enor-

mous popular good
will. He turned vi-
ciosly on all his ear-
ly supporters after he
failed to get his own way and is
generally credited with killing
half a million Ugandans. Some
believe the figure to be more like
500,000.

Amin’s murders, though cru-
el even by Ugandan standards,
tended to be targeted on real or
imagined enemies. Many people
say that Obote, particularly in his
second coming after Amin was
slung out by the Tanzanian army
in 1979, was the more dangerous
because the terror was more ran-
dom.

This view is supported by Don
Bowser, a retired British busi-
nessman who has been here since
1952, and stayed even when the
white population went down to
10 at the height of Amin’s mania.
Bowser has an eye for legend.
During one of the coups — “I for-
got which one” — he was on the
golf course with his friend Neville
the bank manager while gunmen
fired at each other in the thick
rocks, and the other whites
rushed for the airport.

An ITN camera crew came
over and demanded to know why

Many people in the north,
where a rather crazed group of
guerrillas holds off Museveni’s
flaccid army, have gained noth-
ing. The mystery is what benefit
has accrued to the average Ugan-
dan.

Charles Onyango-Obbo, editor
of the Kampala daily The Mon-
tor, insists that little money is
trickling down from the very
wealthy; instead it is the people
who are falling through the
cracks.

“I know many people who are
having to sell everything because
they have lost their jobs. And it is
getting to get worse,” Makerere
University used to have 2,000
stud-
ents. Now it has 8,000. There
are now nine other universities as
well. The economy would have
to grow 10% for these people to
be absorbed. It’s not happening. All
we are doing is increasing the
ranks of the discontented.”

The Monitor published an offi-
cially sourced story earlier this
year saying that farmers barely
an hour from Kampala were sell-
ing off their daughters in return

on earth they were playing golf.
“Because it’s Tuesday afternoon,”
said Neville. “We always play on
Tuesday afternoons.”

The Bowser were with some
Asian friends when soldiers ar-
ived to enforce Amin’s order ex-
pelling all the Asians. Bowser’s
wife Mary answered the door.
“It’s cocktail time,” she told them.
“Now pass off.” They did too.
Don and Mary Bowser sur-
vived not through sang froid, but
by keeping their heads down.
This did not save every Ugandan.
By the time Obote was turfed out
a second time, in 1980, the coun-
try was a total ruin. Museveni
had some very easy acts to follow.

There is no question that some
people, including many of the
renewed Asian population, are
now very rich. Some growers of
coffee, Uganda’s single export,
have done well.

The man who basks in white adulation
given to no African
leader north of the
Limpopo since the
death of old good
Smitty is Yoweri
Museveni,
president of
Uganda since 1986

perpetrators are men. Of
criminals. It’s time men
real men do not abuse.
Land of beauty,

Uganda is a nation numbed by past atrocities. But, despite a booming economy, the hard times are not over yet. Matthew Engel reports

On alternate evenings, everyone's electricity is switched off for up to four hours at a time. North of the capital there is a savage war going on. There is another one to the west. There are epidemics of AIDS, malaria and TB, with cholera lurking. The phone system is hopeless, the roads unspeakable.

To escape the power cuts, the expatriate crowd head for the club. They gather round the bar and sometimes — inevitably — talk of the man who presides over this troubled country. They think he is absolutely fantastic.

The man who basks in white adulation given to no African leader north of the Limpopo since the fall of good old Smuts in 1948 is Yoweri Museveni, president of Uganda since 1986. One of his most charming attributes is his ability to keep the apples from the wretched Pro-Mos of Kenya.

He is no face on the poster, the face on the poster he is in. He may not be overrated, but he is certainly not a hot dog like his name. He is a man, a man who basks in white adulation given to no African leader north of the Limpopo since the fall of good old Smuts in 1948. He is Yoweri Museveni, president of Uganda since 1986.

An aid worker says he can't see the capital he is in. It's like a cocoon.

Tragically, some men can't tell them apart.
What other surprises does Sipo have

The Most Reverend Njongonkulu Ndungane writes that Sipo Mzimela’s actions reflect a cavalier attitude to democratic government.

It is common cause that South Africa has some of the most overcrowded prisons in the world. It is also common cause that this country earned a name for itself, pre-1994, as having a prison system which regularly raised the eyebrows of organisations such as Amnesty International.

Those of us who experienced such prisons know that the conditions were harsh and inhumane. Such was the treatment of prisoners that, on a pilgrimage to Robben Island in March this year, the president of the Land Claims Court, Judge Fibeke Bain, could not help but show his emotion on his third visit back to the island since his release.

The words he used on that occasion struck a chord among those who had been incarcerated: “The lion’s lair is always dangerous—even when the lion is not there.” During that pilgrimage I called for prison reform, appealing for the authorities in our land to ensure that those who are incarcerated are employed productively and in a way that can improve the quality of life in society.

As archbishop, I made that call against the background of an experience on Robben Island in which I had, as a prisoner, stood with two medical doctors awaiting medical attention, ironically from someone with not even a basic qualification in first aid. Little did I know at the time that...
No more gay martyrdom

Timothy Trenove-Jones

A SECOND LOOK

It is a truism that the love which once dared not speak its name is now unstoppable. Volte-face, on screen, in the media, yes, even on the streets, homosexuals are articulating their presence with increasing confidence. And, on November 25, 1996, almost 100 years after the infamous trial that defrocked Oscar Wilde and “those like him”, this visibility and vehemence will go on to court.

The setting for this is the Johannesburg High Court and, in a significant reversal, homosexuality arrives not as the defendant but as the complainant. At issue is the application brought by the National Coalition for Gay and Lesbian Equality and the Human Rights Commission for the decriminalisation of consensual same-sex conduct. The laws challenged include the common-law crimes of sodomy and other “unnatural offences” between men; section 10A of the Sexual Offences Act 106 of 1957 (which makes illegal “any act which is calculated to stimulate sexual passion or give sexual gratification between men at any occurrence where more than two persons are present”); and schedule 1 of the Criminal Procedure Act 51 of 1937 which allows for the arrest of any parties reasonably suspected of committing sodomy.

This application seeks to do no more than bring the laws of the land into alliance with the much-maligned equality clause in our new Constitution, but for something like two months Minister of Justice Dullah Omar seemed intent on opposing it.

A most considerable muddle over Omar’s intentions, Dean Rudman, deputy director general of the Department of Justice, stood yesterday on September 2. that we needed to strike a balance, if we allow too much too soon we’ll then have children’s rights groups on our hands”. More equivocation about why the minister would oppose the application followed: “technicalities” were mentioned but not clarified. Finally, it was reported this week that the minister had decided not to oppose the application.

It is outrageous and crookedly telling that Rudman should raise the spectre of parodihal panic. It is unacceptable that the minister has offered no unambiguous retraction of this dangerous red herring.

It seems clear that the muddle and mystery have to do with Omar’s desire to have his cake and eat it. On the one hand he knows the Constitution is on the side of gay rights. On the other, he wishes to appease his conservative Western Cape constituency (and, quite possibly, not them only). To the latter he says, “I did what I could.” To homosexuals he can say, “I did what I had to.” Both claims are most often the best of expedience. It will be fitting if another group is pleased or appeased.

It seems likely that pressure from within the African National Congress was an additional reason for Omar’s withdrawal. If so, it is a heartbreaking signal for all those interested in constitutionalism in the new South Africa. Since memories are so often short, it is a good moment to remind ourselves that in his inaugural address President Nelson Mandela explicitly committed himself to his government to equality for all irrespective of “sexual orientation”.

Nevertheless, it seems clear that the central issue informing this court application still requires to be statable with the utmost clarity. What is at issue is the freedom of sexual choices. Of sexual choice, not sexual acts, since sexual acts — rape, child molestation — cannot be condoned. Nor is there an objection to the existence of constraints. The objection is to the uncritical application of constraints. (This observation should silence those who say, correctly, that no right is absolute.) It is as simple and as important as that.

To say that the coalition’s application seeks to do no more than bring the laws of the land into alliance with the Constitution is, of course, an understatement. What is happening is that a hugely fraught area of contested values is being brought into the open. Both the coalition’s invocation of social justice and the justice department’s insistence on “balance” and “technicalities” partially mask what one might call an unconscious.

The language of social policy and constitutional rights seeks — unsuccessfully — to maintain a careful distance from the subjective social and familial questions at issue. Nothing more is being aimed at the current heterosexual hegemony (fragile and unobtainable at times), nothing more is being aimed at a potentially anti-

The application is part of the debate between modernity and traditionism in personal relations. And it provides the latest instance (the death penalty is another) of the tension between populism and constitutionalism. The faultlines traced by these divisions loom like navies.

Yet the coalition’s high court application lets us try to think things differently. A finding in favour of the coalition might allow homosexuals not to appear as such in the law (we have less cause to profession晏 sexual aggression). Homosexuals, likewise, may emerge from their deepest roles as dismissed and oppressed. This is, of course, a little utopian. At the very least, after the court’s ruling, the future will, we hope, not be as it was.

All of us know — though we might not have put it quite like this — that, as Michel Foucault said, “we should consider the battle for gay rights as an episode that cannot be the final stage”. In the event, we should dismiss the prospect and the discomfort felt by the various parties to the current debate.

Robert Kirby
LOOSE CANNON

As threatened last week, here’s the second half of my list of Christmas presents with a difference.

This first one might just be in time for the December rush, here, for the family with a feeling of responsibility. It’s worth waiting for. It’s called JingleBell and it’s described as “A home medical diagnosis and treat-

ment board game”. A bit like Monopoly, in Zuma you try to get your sickly token around a track controlled by the Ministry of Health without getting it killed in an unpleasant fashion by any of the generic drugs it might be forced to imbibe, or by any striking medical workers it might confront on its way.

Let’s say your dice throw ends your token up on a disease or dosage square. You take a card, you find you’ve contracted something fairly mild like “You have an unripe peach”. You draw a “Treatment card” which might read “Go and eat some fresh oranges” or “Swallow a bottle of Violette” and so on. Winners get free signed “Surfing Ninjas snapshots” and a year’s supply of Digipak.

Next, for those wanting to impress their friends and neighbours, why not invest in a new Mandela DIY International Conflict Resolution Kit? It’s an expensive toy, what with the Paladin 3 Executive Jet and all the advisors and hangovers on you have to employ in order to tell you how brilliantly you’re doing. But, at the same time you will accumulate lots of colourful beach shirts and get to meet some of the world’s truly brightest people, like Colonel Goodall, Lizzie II and Ronnie Kasrils.

Just in time for the 10th Yuletide, there’s a novel way to keep your household happy. With recent relaxation in the sex laws, why not book a massage therapist and a broad new sex-worker supply company called Tits & Ass CC has set up shop in Sydenham, offering guaranteed disease-free young girls of all shapes, sizes and colours.

For a small deposit, three times can be taken on answer thereafter, your husband chooses the one he likes best and keeps her. You can pay in instalments and there’s even a “two-hour-loos” service in which regular cosmetic maintenance and lubrication services are free for the first six months. All your husband has to do is buy the condoms.

Think of those wonderful peaceful evenings not having to feed the old foot, watch him cut his toenails, laugh politely at his weary old jokes, listen to him farting like a beast in front of SuperSport. Instead, he’ll be out on the town, showing off his new transmune. (Note: Without his knowing it, extra life insurance is included in case the surrounding Middle-aged finds that this early autumn rash of horizontal activity talent his biology by surprise.)

Finally, the plumpest turkey of all, hot off the “David Philip in yet another intimate collaboration with all that is right and precious” press release in the new Naido phrase book, Paradigm Lost: This is a useful tool for anyone who might wish to stand up in public on a regular basis and sound mystifyingly intelligent while in fact making a utter prinking of himself.

Paradigm Lost is a collection of the very pick of 2,000 Jazz Naido phrases, which all make no sense whatsoever. These are book-length, deep, profound sounding headlines like “Democratic Ambitions” and “Outreach for the Future.” These are used with the help of a “Commando Addendum”, which set of meaningless joining-up clauses designed to stitch together the meaningless phrases into even more meaningless long sentences. (Note: Paradigm Lost is not recommended for readers over 45. Not age, IQ.)

MADAM & EAT

BY SPANOZ, HUGHMORE & RICO

OH, COME ON! IT'S JUST A BOTTLE OF SOUK! IT DON'T BITCH

GOOD, THAT'S IT! PUT YOUR FINGERS ON IT!

AMAAHH!

HELLO, MY NAME IS GLEN ANDERSON... AND I SUFFER FROM... CHAK'S ANXIETY PROBLEM.

YOU EITHER HAVE IT OR YOU DON'T.
Uganda set to lay off 50 000 new teachers

KAMPALA — Uganda's education ministry was to lay off about 50 000 primary school teachers due to lack of funds, the independent Monitor newspaper reported in Kampala on Sunday.

The teachers, many of whom were recruited to deal with the huge influx of students under the government's free primary education programme launched at the start of this year, would have to leave by next month, it reported.

Education Minister Amany Mushenga declined to confirm the report, but said layoffs were inevitable due to recent reforms.

Mushenga said that originally, the ministry had planned to have one teacher for 10 pupils, but later decided that it was better to have one well-paid, well-trained teacher for a class of 55 pupils, rather than one poorly-paid, untrained teacher for a class of 10.

Mushenga pointed out that once the 55:1 ratio was introduced, and double shifts were phased in — allowing teachers to educate 55 children in the morning and another 55 in the afternoon — there would be no need for 30% of the teachers.

There are 120 000 teachers in Uganda, but the finance ministry has said it can pay salaries for only 70 000.

The state pays school fees for four children per family. — Sapa-AFP.
Outcry over use of placebos in Ugandan Aids drug trial

KAMPALA: The Petra drug trial in Uganda, sponsored by the United Nations Aids office, has sparked controversy because some pregnant women and their babies are given placebos.

Some mothers are so desperate for a cure that they take part in the trials on the off-chance that they will be among those who receive the drug.

The use of drugs to reduce "vertical" or "in-utero transmission" of the virus from mother to child is an accepted practice. What has sparked controversy in the Petra trials is that some mother-baby pairs only get placebos.

Trials in the US have proved that AZT reduces babies' exposure to vertically transmitted HIV from one in four to about one in 11. However, at $1 000 (R4 850) a treatment, most women in the developing world cannot afford similar therapy.

In the Petra drug trial, African physicians have combined AZT with another drug, 3-T-C, in an attempt to produce a less-expensive, short-cycle alternative that may prevent HIV transmission to babies.

In the research group, some mothers are given the drugs two weeks before their babies are due. Others receive medication only at the onset of labour. Some mothers continue to get drugs after delivery and some babies are given drugs.

"Maria", one of the volunteers for the trials, has had Aids for several years. "They told us we had a placebo is a drug where there is no medicine," said Maria. "I did not care. I was looking for something to help me."

Maria, one of the lucky ones, is now the proud mother of a healthy baby girl.

Josephine, 25, is trying to protect her unborn baby from HIV. She says she understands that some participants don't get the medication, but says she will harbour no ill feelings if she receives the placebo.

Professor Francis Miro, an obstetrician, gynaecologist and member of Uganda's Makerere University Medical College, says his research group is trying to customise treatment to fit African budgets and lifestyles.

"We don't say these patients are different, but our conditions differ so much that what may be practical and easily accessible in the US is impossible here," Miro said.

By running simultaneous trials of several drug combinations, researchers hope to find an affordable combination to stop HIV transmission from mother to child in the shortest time possible.

Another trial uses the short-term drug, Nevirapine. "We give women one dose during labour and a dose to the newborn baby," said Miro. If Nevirapine prevents or minimises vertical transmission, Uganda may have a therapy that would cost under $10 (R48) a patient. — Independent Foreign Service
Uganda sells hotel for $20m

KAMPALA — The Ugandan government had sold off one of its major hotels to the owner of three others this week, New Vision reported. The hotel, which went through a tender process, was purchased by Asian businessman Karim Hirji, who runs Kampala’s Grand Imperial and Equatoria hotels. He also owns a hotel in Entebbe. The tender, which was awarded to Hirji’s company, Grand Imperial Hotels Ltd, after recommendations against it by the government privatization unit as it would give him a near monopoly on the hotel industry. — AP-DJ.
‘Stable’ Uganda reassures investors

Chander Mehta

Nairobi — Uganda assured investors last week that it would maintain economic stability and fiscal discipline as one of the incentives to attract foreign investment.

According to Mano Chandaria of the Comcraft Group and chairman of the East African Chamber of Commerce and Industry, Planning Minister Richard Kajjuka had committed the government to shifting its approach from tax holidays to an accelerated depreciation method of new investments.

Chandaria said several participants at a biannual investment forum complained that load-shedding by the Uganda Electricity Board (UEB) was among the major stumbling blocks. Aspersions were also cast at the poor services provided by the Kampala city council and the Uganda Telecommunications Corporation.

The UEB admitted there was an imbalance between the demand for and supply of power, which was “distorting” manufacturing activities.

There was a deficit of 70 MW during peak hours, and some investors have threatened to pull out of the country if issues related to power were not promptly addressed, Chandaria said.

Minister Kajjuka said the government was seriously considering all the complaints and the situation would be improved.

But a finance ministry official explained that a “conflict was still raging within the member-states of the Common Market for Eastern and Southern Africa (Comesa) over tax rates, which are damaging some industries and affecting trade.” — Independent Foreign Service
UGANDA - GENERAL

1998
Ugandans could teach SA about reconciliation

As Ugandan Asians contemplate returning to Africa, Tim Cohen in London says mutual acceptance is a precondition for any true reconciliation

The closing months of 1997 were a confusing time for racial minorities in Africa. White farmers in Zimbabwe read with trepidation the lists of farms due to be nationalised by an increasingly constricted government. In SA, Nelson Mandela let off steam at the African National Congress (ANC) conference about racial minorities, particularly whites, whom he claimed were involved in something he described as "anti-revolutionary conspiracies".

But at a temple near Neasden outside London, a whole different passion play took place. At this function, 8,000 Ugandan Asians gathered to hear Ugandan President Yoweri Museveni invite them back to the country from which they were unceremoniously ejected 25 years ago.

The event apparently rivaled in sentimentality the funeral of Princess Diana. Plastic bin liners had to be passed around for sodden tissues as tears poured from the people who cried in triumph and relief after their years of struggle and humiliation.

One of those present, Yasmin Alihbai-Brown, wrote after the event: "It made you laugh more often, though it made you weep; furies, fact and fantasy fused to create a stunning vogue."

The laughter was caused by the former guerrilla fighter Museveni, who is renowned for his plain-speaking wit and political savvy. He praised the Asians, but warned against self pity, saying: "While I was in the bush, you were in Shepherds Bush."

But although they suffered nothing like the hardships of those who fought the mad dictator, Idi Amin, life was not easy for the Ugandan Asians.

As subjects of a former British colony, they were legally permitted residence in the UK at the time. They were given less than a month to leave their country, where some families had lived for three generations.

When they arrived at Heathrow, they were given the grand sum of £50. Such was the welcome they received from the government of their new home.

Some city governments went to the trouble of placing adverts in newspapers warning the newcomers that, for their own welfare, they should not consider settling within their jurisdictions because jobs were scarce.

For the Asians, the experience was harrowing. Raised to be "more British than British", they looked in astonishment at the rows upon rows of terraced houses.

Brought up on the myths of colonial government, one said: "I just never realised there was poverty in Britain."

But for all their hardships, the newcomers prospered. Having experienced the hard school of Africa, Ugandan Asians found they were prepared to work harder than many of their compatriots who were still basking in the twilight years of the post-war glow of victory, and the economic spurt associated with this period. They were innovative and eager and in a society characterised by complacency. "I thought the welfare state was a very good thing. But it was not for me," one said.

By the early 90s, Ugandan Asians had become the richest immigrant group in the UK and far richer, on average, than Britons. They were Britain's most successful minority, better educated and richer even than their Anglo-Saxon counterparts.

At the grand marble Swaminarayan temple, one of the speakers reflected the mood, saying: "We can buy any part of this island and put it in our pockets. But we should still be humble."

According to Alihbai-Brown, "billions of pounds silently pulsate in the temple; mobile phones went off intermittently, showing how intrepid people could add to their riches even in a temple."

The event was billed as a massive effort in reconciliation and humility, but thankfully, according to some who attended, Museveni did not issue a formal apology. "I do not have to apologise for what Amin did. Half a million of my people died. What he did do was invite the people back to help in the economic regeneration that is currently taking place in Uganda, our country, our country."

Will they go?

Some have already. Many have not. For Alihbai-Brown the question is moot. "For so many of us, Uganda is still home in our hearts."

But in 1997 the reality return and make it ours again? Not unless we can see ourselves as equal to the blacks and not superior to them;
South Africans are playing a role in Uganda's mining industry with the establishment of corresponding Clark Piccard.

Local entrepreneurs are making the great trek into the heart of Africa.
SA Investment in Uganda tops R160m
Uganda seeks World Bank help to repair roads

Kampala — Uganda has asked the World Bank for $30 million in soft loans to help it repair more than half of the country's major roads, which have been destroyed or damaged in months of heavy flooding.

Wanjiri Wasiieha, the minister of works, transport and communications, handed the loan application to World Bank officials on Tuesday, the state-owned New Vision daily newspaper reported yesterday.

The minister said that 60 percent of Uganda's almost 10,000km of major roads had been washed away or severely damaged by the past several months of heavy rainfall and flooding.

Randolph Harris, the World Bank resident representative, was quoted as saying that Uganda would receive the money by May 30 this year. This would be after the World Bank and the International Development Agency had had a chance to discuss the terms of credit.

Harris said that in the meantime the World Bank was considering providing the country with $6 million for emergency road repairs.
Traders say Uganda's coffee crop is failing

Nairobi — Uganda's coffee crop would fall to about 3 million 60kg bags in 1997-98 (October-September) compared with the latest official forecast of 3.6 to 3.65 million bags and 4.25 million bags in 1996-97, trade experts said.

They said from the Ugandan capital yesterday that drought early last year and rain from October to January had damaged the coffee crop more than previously thought. Transport problems in recent weeks had exacerbated the problems.

"The estimate given by the Uganda Coffee Development Authority (UCDA), at 3.6 to 3.65 million bags is very optimistic," said one senior trader in close contact with the Uganda Coffee Trade Federation.

"Evidence on the ground suggests production of around 3 million bags."

Senior officials at the UCDA said it was possible there would be a further official revision downwards of their crop estimate, but it would come probably in another month, after they had more time to assess the damage.

The UCDA initially forecast 4 million bags, then 3.8 million and finally reduced its estimate to 3.6 to 3.65 million bags. — Reuters
War of the sexes in Uganda

The women in this African state are a powerless lot in married life. Now, law reformers are endeavouring to forge a new Domestic Relations Law defining all aspects of family responsibility.

By Elaine Barks
Kampala

The Republic of Uganda made its mark on the world under ruthless dictator Idi Amin and Milton Obote. Stripped of human dignity the nation wallowed in lawlessness for nearly two decades. So deep was the wound inflicted that only recent constitutional changes brought about by the United Nations' Commission on the Elimination of all Forms of Discrimination Against Women have begun to address these issues.

Uganda's new constitution guarantees protection for "cultural values and practices which enhance the dignity and well-being of Ugandans". Yet, there is a great need for women's rights and the oppressive laws we have right now to change.

Uganda's new constitution guarantees protection for "cultural values and practices which enhance the dignity and well-being of Ugandans". Many Ugandans feel, however, that traditional and religious practices continue to violate the constitutionally protected dignity of women.

Currently, the mission of Ugandan law reformers is to forge a new Domestic Relations Law that will define all aspects of family law. The new constitution, which is largely liberal on women's rights and the oppressive laws we have right now, is an important step forward.

Entrenched traditions ... liberal constitutional rights have not changed the reality of rural women's daily existence. According to customary law, women who wish to leave a marriage are often forced to marry another man, usually against their will. Many women who leave a marriage are forced to return to their families or to take up work outside the home. Many women who wish to leave a marriage are often forced to marry another man, usually against their will. Many women who leave a marriage are forced to return to their families or to take up work outside the home.
xes in Uganda hots up

this African state are a powerless lot in married life.
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uring all aspects of family responsibility.

Women wanting to leave bad marriages find themselves choosing between running away, or their parents won't have to return the bride price, or work hard to pay their own ransoms. Oumże described how one woman she knew took her own life as the only way out of a violent marriage.

The suicide victim joins many Ugandans who are victims of violence in the home. Many other women choose to live with personal batterers knowing that their children, customarily assumed to be clan property, would not be permitted to leave with them. "The young children are usually left to the mother, yet most vindictive or angry husbands do not want the children to go with the mother," Nsambo said. "If they do to the mother, the husbands do not want to provide maintenance to the mother."

Even the first step of leaving this bill-dreading the form marriage would take - has encountered huge hurdles. As a multi-cultured, multi-religious nation, Uganda has long sanctioned polygamous unions. When many women - and men - suggested limiting the number of wives to two, the

rate homes for each wife as Islamic law dictates. They are not allowed, as the Prophet instructed Muslims, to treat the wives equally. But most significantly, women married under customary law have few rights to inheritance and even less recourse seeking divorce and property settlements.

What changes eventually find their way into Uganda's new domestic relations bill will probably not find their way easily into practice. Women and men everywhere have experienced discomfort as gender struggles wrought a new balance into the modern world. Ugandan men and women are not likely to find their way any easier. They will most likely have to learn one relationship at a time, one family at a time, or one court case at a time.

"The men who are opposed to all these reforms and changes we are bringing about have been using one argument that you are wasting your time; these new laws are not practical," explained Tumale. "As if it's practicality that we are seeking. It's not. It's women's rights and opportunities, equal opportunity." - Star Foreign Service
Uganda a rocky union of right

Traditional practices continue to violate constitutions

INSIDE STORY

Despite having one of the most liberal constitutions in Africa, there is a struggle in Uganda to strike a balance between equal rights and the country’s embedded traditions, writes ELAINE ELIAH in Kampala.

The Republic of Uganda made its first impression on the world under ruthless dictator Idi Amin and Milton Obote. Stripped of human dignity, the nation wallowed in lawlessness for nearly two decades. So deep was the country’s desire that after President Yoweri Museveni restored relative peace in 1986, the courts could not even find records of many Ugandan laws.

Years later, some legal statutes and instruments remain lost, and many that have been located cannot co-exist alongside Uganda’s 1995 constitution, containing some of the most liberal policies on human and women’s rights on the African continent.

The Ugandan Law Reform Commission was founded to harmonize the nation’s laws with its new constitution.


“The situation right now is to find a middle road,” explained lawyer Sylvia Tamale, a lecturer at Uganda’s Makerere University and a member of the Law Reform Commission. “But we still have problems, which are very liberal on women’s rights, and the oppressive laws we have right now against women.”

Uganda’s new constitution guarantees protection for “cultural values and practices which enhance the dignity and well-being of Ugandans.”

Many Ugandans feel, however, that traditional and religious practices continue to violate the constitutionally protected dignity of women.

At present, the mission of Ugandan law reformers is to forge a new domestic relations bill defining all aspects of family responsibility including marriage, divorce, inheritance and child maintenance.

Despite the commission taking a broad sampling of opinion, it seems unlikely its members will reach consensus.

“The people in power are often bickering, asking what their role is in abolishing slavery,” said Ms. Tamale.

“Going to men who are battering women and asking for their opinions is hardly whistling their power over men. Of course they’ll be opposed to it.”

Power lies at the very heart of the domestic relations debate – power to control family property. Although the constitution ensures equal access to women over property, generations of patriarchal control have virtually set in stone traditional property allocation patterns.

In Uganda, although property is customarily passed from father to son, a man often assumes little more than custodial status over the land or family home, and is therefore prohibited from selling or transferring such property.

Women, who may have tilled land for years, can find themselves evicted or merely transferred to another relative for remarriage or maintenance.

As the couple may have little in the way of movable assets, in a divorce the woman most often returns to her own family, walking away empty-handed.

“For property, most husbands don’t want to part with anything,” explained Zam Zam Naguza, executive director of Fida, the Ugandan Association of Women Lawyers which operates legal aid offices throughout the country.

“Most people have only one home, which, they are not ready to sell or to divide up.”

The first thing the Law Reform Commission wants to designate is family property is the marital home. This would prevent the sale of the home without the permission both of wife and children.

Women and their children have too often been thrown out of their home when a husband sells it.

“Under most customary laws,” said Margaret Ojok Oumo, Uganda’s representative with the African Women’s Law and Development Executive committee, “women are not supposed to own land or cattle.”

Uganda’s present divorce law grants property to the party which can prove it acquired it.

Yet, in fulfilling her marital role, a wife’s income often disappears into buying household commodities.

“At the end of a marriage, the woman does not have any substantial property because her own income has gone to acquire consumer goods,” explained Ms. Oumo. “But the man’s income usually goes into acquiring substantial property.”

“Most women do not work,” said Ms. Naguza. “Their contribution to the house is not counted as contribution.”

Ms. Oumo pointed out that Ugandan girls, especially in the rural areas, were married off before they had acquired enough even become employed.

Many of them never reach the years of age stipulated in the marriage law.

“Most girls are forced to marry,” explained Ms. Oumo, “parents see marriage as a way of exchanging wealth.”

A Ugandan woman joins her husband’s clan, and the clan has paid a dowry.

The payment of a dowry transforms the ownership of her husband’s clan.

Ms. Oumo, who now affords the Ugandan girl, watches as her own father’s commanding bride price.

She earned the clan and four goats.
ion of rights and custom to violate constitutionally protected dignity

July 4, 1978 (SP)

...omitted to leave with them.

"The young children are usually left to the mother, yet most vindictive or angry husbands do not want the children to go with the mother," said Ms Nagyala.

"If they go to the mother, the husbands do not want to provide maintenance to the mother."

Even the first step of writing this bill - debating the form marriage would take - has hit huge hurdles.

As a multiracial, multicultural nation, Uganda has long sanctioned polygamous unions.

When many women - and men - suggested limiting the number of wives to two, the Muslim community rebelled.

"We find it unacceptable that the new law should limit the number of wives a man can marry to two," argued Abasi Kyimba, chairman of the Uganda Muslim Youth Assembly. "It amounts to revision of Islamic law which allows the man to marry up to four," he said.

Mr Kyimba claimed his group represents nearly 80,000 male and female members, aged 20 to 45.

He admitted that if more Ugandan Muslims followed true Islamic law, women would be protected in their family relations. He felt that introducing additional civil law could not improve compliance.

"The original suggestion to limit the number of wives to two was good, in that it prevailed upon," admitted Mr Tamale. Confronted with Muslim polygamy laws, he explained that the law commission found them "far more equitable and fair to women than the existing customary marriage structure in Uganda."

According to Ugandan marriages, husbands are not required to provide a separate home for each wife, as Islamic law dictates. They are not required, as Muslims are, to treat the wives equally.

But, most significantly, women married under customary law have few rights to inheritance and even less recourse seeking divorce and divorce property settlements.

What changes eventually find their way into Uganda’s new domestic relations law will probably not find their way easily into practice.

Women and men everywhere have experienced discomfort as gender struggles have wrought a new balance in the modern world. Ugandan men and women are not likely to find their way easy.

They will most likely have to learn one relationship at a time or one court case at a time.

“The men, who are opposed to all these reforms and changes we are bringing about, keep using this argument that ‘you are wasting your time; these new laws are not practicable’,” explained Mr Tamale.

“As if it’s practicability that we are seeking. It’s not.”

"It’s women’s rights and opportunities, equal opportunity." - Independent Foreign Service

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"Most women do not work,” said Ms Nagyala. "Their contribution to the house is not counted as contribution.”

Ms Oumo pointed out that Ugandan girls, especially in the rural areas, were married off before they had acquired enough education to even become employable.

Many of these young girls had not even reached the required 18 years of age stipulated in the 1966 constitution.

"Most girls are forced to marry,” explained Ms Oumo, "because their parents see marriage as a way of gaining wealth.”

A Ugandan woman traditionally inherits her husband’s clan, often after the clan has paid a bride price to her parents.

The payment of bride price essentially renders the woman the property of her husband’s clan.

Ms Oumo, who now handles legal affairs for the Ugandan ministry of gender, watched as the clan overrode her own father’s resistance to demanding bride price for his daughter.

She earned the clan seven cows and four goats.

The law commission has suggested limiting traditional bride price to a Shs 20 (about R150) maximum, and dictating the husband’s clan may not demand return of the token payment if the marriage fails. Ms Oumo explained that bride price must be repaid when divorce was sought.

Women wanting to leave bad marriages find themselves choosing between running away, so their parents won’t have to return their bride price, or working hard to pay their own ransom.

Ms Oumo described how one woman she knew took her own life as the only way out of a violent marriage. The suicide victim joined many Ugandan women victims of violence in the home.

Many other women choose to live with personal battering knowing that their children, customarily assumed to be clan property, would not be per...
Uganda in line for reform package

ADDIS ABABA — Uganda is on track to become the first recipient of debt relief under a World Bank and International Monetary Fund programme designed to help poor countries willing to reform, World Bank officials said.

"Our mission has just returned from Uganda and reported the economy was fairly stable," World Bank vice-president for Africa Callisto Madavo said on Monday.

Uganda is due to be "forgiven" up to $700m over a 25-year period. The first tranche of debt relief is due in April and will be used mainly to improve health and education. — Reuters.
Uganda is in need of a phone revolution

Today there are fewer phones in Museveni's Uganda than in 1977 when the Amin regime was
in power. The current regime is trying to boost the economy by promoting telecommunications, but the country is far behind in terms of infrastructure. The government has set a target of 200,000 new phones by 2015, but this is far from adequate. The lack of basic infrastructure, such as roads and electricity, makes it difficult for telecommunications companies to operate efficiently. The government is hoping that by increasing the number of phones, the economy will improve. However, many experts believe that this approach is unrealistic and that more fundamental changes are needed to boost the economy.
Clinton pledges aid for Ugandan schools

R600-million will take dirt-floored, roofless, overcrowded classrooms all the way to the Internet

SAPA-AP
Kampala

Visiting a primary school with dirt-floor classrooms, US President Bill Clinton announced the equivalent of R600-million in aid for Ugandan schools yesterday to train more teachers and get African children hooked up to the Internet.

The United States already provides R50-million a year to support this booming central African nation's efforts to improve the literacy rate and primary education, the priority of President Yoweri Museveni.

Uganda's school population doubled last year to 5.3 million after Museveni's government began guaranteeing free primary education for up to four children in a family, something Hillary Rodham Clinton praised when she visited last year in a preview of the president's 12-day, six-nation tour.

Kisowera Primary School is on a hillside that looks out over coffee and banana fields. Some classrooms are being renovated and others stand roofless.

Fifteen Peace Corps volunteers are training teachers, of which there are now only 14 for 760 students. Part of the aid will go towards teacher training.

Before visiting the school, Clinton held talks with Museveni at the State House Lodge to discuss ways to stabilize neighbouring nations, including Rwanda and Burundi, where recent civil wars and continuing insurgencies have killed hundreds of thousands.

The discussion over African security was at the core of Clinton's agenda of promoting trade, education, democracy and human rights in Africa during the first visit by an American president in 20 years, the White House said.

Central African stability is the focus of a conference of regional leaders that convenes in Kampala today. Among those who will attend is President Laurent Kabila of the Democratic Republic of Congo, whom Clinton wants to press for swifter democratic reform.

Clinton and Museveni also talked about economic revitalization, expansion of civil liberties within Uganda and human rights concerns, particularly in the northern region where factional fighting continues to rage.

Insurgencies in the north and west of the country have forced Museveni to spend 20% of the R5-billion annual budget on the military.

Museveni has restored the rule of law, liberalized the economy, restricted the money supply, cut the public payroll and raised taxes. He has sold off government-owned industries, set up free markets for coffee, sugar and the other commodities, improved farming and increased exports.
Uganda lifts ban on beverage imports

KAMPALA — Uganda has lifted a decade-old ban on imports of beer, soda and batteries, effectively opening the way for foreign beverage producers to compete with local producers.

The ban was imposed in 1987 to help Uganda's beverage industry recover in the face of cheaper imports from neighbouring Kenya, which dominated the market. Finance ministry officials said the lifting of the ban last week was one of the conditions agreed to with the World Bank before a second tranche of funds under a structural adjustment credit deal with Uganda could be sealed.

Notice was given to local producers by Finance Minister Mayanja Nkangi when he announced the plans during the budget reading in June last year. This year, he is expected in June to propose that import duties be reduced to 15% by July.

Local manufacturers have in the past argued that lifting the ban before harmonisation of the tax regime with Uganda's neighbours would lead to a flood of cheaper imported beverages. Uganda levies the highest taxes on locally made products in east Africa.

The country's two breweries also argued earlier that they had recently injected a lot of money into expansion, and exposing themselves to competition at this stage would hurt them. Nile Breweries — in which SA Breweries has an interest — and Uganda Breweries have just invested more than $25m in capacity expansion. Each now has a capacity of 720 000 hectolitres a year.
Four die in cafe blasts in Uganda

KAMPALA - Unidentified attackers bombèd two cafes in central Kampala on Saturday, killing four people and wounding six, including foreigner security officials said yesterday.

A security official said Ugandan intelligence suspected that a Sudanese-sponsored group, which he did not name, carried out the attacks.

The Sudanese-backed group, he said, had links with the Allied Democratic Forces (ADF) rebel group active in western Uganda.

Two Burundians died in the first attack at the open-air Italian-style Penice cafe on the terrace of the Speke Hotel, and a Ugandan waitress was killed in the second explosion in the nearby Nile Grill.

It was not immediately clear where the fourth casualty, also a Ugandan waitress, was killed. The wounded included a Dutchman.

Two of the wounded were in critical condition in hospital.

"I saw five people lying in a pool of blood on the terrace, and another - who had run in shock - sitting a short distance away," said a reporter for the Sunday Monitor newspaper who arrived on the scene just after the first attack around 9.35am. A waiter said: "I heard a blast and saw smoke, and there was smashing glass."

Police said a Ugandan man arrived at the Penice, put a bag, apparently containing the bomb, under his chair, placed his order, then left. The Penice is opposite the Sheraton Hotel, where US President Bill Clinton stayed when he visited Uganda last week. Reporters who visited the scene said broken chairs and crockery were scattered across pools of blood. - Supa-AFP.
Uganda to go cellular by year-end

FROM Reuters

Kampala — Uganda's second licensed telecommunications group would focus on establishing a cellular network when it begins operating in September this year, a company official said yesterday.

Noel Metier, the chief executive of MTN Uganda, said the company planned to set up 26 cellular base stations in Uganda by the end of the year.

"We will be pushing a wireless solution as much as possible," Metier said. "Copper lines have their limitations."

Copper wire is frequently dug up and sold as scrap metal. MTN Uganda will lay 69,000 lines over the next five years and invest $60 million in Uganda. The company is owned by South Africa's MTN Holdings and Sweden's TeliaSonera.
KAMPALA — Two SA-linked airlines are among six international airlines that have expressed an interest in buying Uganda's national carrier, Uganda Airlines.

The airline is among 107 parastatals lined up for divestiture by the Ugandan government. Seventy-eight companies have already been sold off.

Privatisation unit director Michael Opagi told reporters on Monday that six airlines — including Alliance Air, and SA's Interal in partnership with Aero Zambia — had submitted prequalification proposals for a substantial portion of Uganda Airlines.

The other contenders are Air Mauritius, British Airways, Sabena and Kenya Airways.

Alliance Air is 40% held by SA Airways and its minority partners are the governments and national airlines of Tanzania and Uganda which each have a 30% stake.

Opagi did not say how much of Uganda's national carrier was being sold. The exact portion of the shares to be sold has yet to be arrived at by the divestiture and reform implementation committee of the privatisation unit.

Sources within the unit said it would be a "substantial portion", and it was expected that the successful bidder would acquire operational and management control of Uganda Airlines Corporation.

The privatisation unit is expected to announce the list of prequalified bidders tomorrow, while the successful bidder will be announced on June 26.

The airline now operates 13 flights a week on the Entebbe-Nairobi route and flies twice a week to Johannesburg as well as Dubai and Kinshasa.

Reuters reports that in mid-March the Ugandan government invited prequalification bids from investors interested in buying a significant portion of the carrier.

Government will then offload the remaining shares to the public through the Uganda Securities Exchange.

Opagi said the airline had "huge liabilities" but it hoped to restructure arrangements by May in order to put it in a more saleable position. Among the company's assets were its international routes and staff.

Meanwhile, Sapa reports the boards of Air Namibia and its holding company TransNamib Limited have approved the acquisition of a 51% stake in rival Kalahari Express airline. Air Namibia said several preconditions would have to be agreed on before the deal was finalised. Kalahari Express said it planned to operate services between Windhoek and Johannesburg and Windhoek and Cape Town which were already being serviced by Air Namibia.
TRC told how AWB shot ten blacks

IN MEMBERS of the Afrikaner Weerstands beweging killed four blacks and injured six others in 1993 in an attempt to scupper South Africa’s first all-race election, the Truth and Reconciliation Commission heard in Johannesburg yesterday.

Deon Martin, one of the AWB members applying for amnesty for the murders, told the TRC how the group pumped bullets into 10 black people on a road west of Johannesburg on December 12, 1993.

They later cut off the ear of one of their victims to present to their commander as “a trophy”, Martin said.

One of the victims was 13-year-old Patrick Gasemane, who had half of his head shot away.

Another, Abraham Mathupi, sat in the front row of the spectators’ bench yesterday — his nose was blown off.

Behind Mathupi sat Barend “Wit Wolf” Strydom, South Africa’s most notorious right-winger, who killed eight blacks and wounded several others in a shooting spree in Pretoria in 1989.

Before the truth panel as representative of a Boer “prisoners of war” organisation, Strydom said he was attending the hearing to support the applicants’ case.

Martin, the group’s second-in-command, described how the men set up a roadblock with the aim of shooting members of the African National Congress and SA Communist Party.

The men claimed to have received orders from AWB “General” Japie Oelofse to “apply hard options ... he wanted to see corpses”.

Martin said they were told that a nationwide revolution would start that night and, as part of the attempts to halt upcoming elections and push for a whites-only Boer homeland, they pulled over two cars with blacks who identified themselves as ANC members.

The right-wingers forced them on to an embankment and shot them in “a matter of seconds”.

They said all of the victims appeared dead after the shooting. They set their vehicles alight and picked up spent bullet cases to remove evidence before driving home.

Truth panel chairman Judge Bernard Ngoepe said he found it difficult to accept that the 13-year-old was killed by accident given that half his head had been blown away and that evidence indicated that he had been shot at close range.

Martin said that the child had possibly been caught in the crossfire, and that he was unaware that a child had been among those hauled out of the vehicles.

He said he only found out afterwards that the child had been seated on his mother’s lap on the embankment when the shooting started.

All nine were arrested and sentenced to life imprisonment. — Sapa-AFP.

‘Plot was to kill youths’

A FORMER member of the feared self-defence units in Richmond in KwaZulu-Natal, Mr Alfred Ndlovu, told the Pietermaritzburg High Court yesterday that he was present during two meetings in which murder accused Mr Sifiso Nkabinde discussed the killing of two youth leaders.

Testifying for the state, Ndlovu told the court that Nkabinde held a meeting with other unit members at a downtown Pietermaritzburg service station.

During the meeting Nkabinde told them that a plot had to be hatched to kill leader of the African National Congress Youth League branch Mzwandile Mbongwa and his comrade Muxi Ximba.

Ndlovu said Nkabinde told SDU members that Mbongwa should be killed because he was allegedly a police informer. Nkabinde apparently got this information from former commander of SDUs in Richmond, Sikhumbuzo “Bob” Ndlovu.

He also testified that during the meeting it had been agreed that Mbongwa’s murder should be made to look like the work of ANC rivals, the Inkatha Freedom Party.

Ndlovu said when the first plot was not executed, a second meeting was held at Nkabinde’s home in Dumuzza township.

During this meeting three other SDU members volunteered to kill Mbongwa.

On March 20 1994 Mbongwa, Ximba and Mzo Mkhize were shot dead during an ANC meeting at Ndebele school in Ndale, outside Richmond. The case continues.
Coming to grips with the virus

Condoms are the second most advertised item in Uganda, after beer. And the country's openness about the Aids epidemic is finally paying off — Health ministry statistics show a downward trend in the rate of infections.

The Ministry's latest surveillance report says the rate of HIV infections dropped from 44.2% in 1989 to 30.2% (new infections as a percentage of existing ones) by the end of last year. In the report, government also says the gospel against the killer disease is taking root in the rural areas, where for a long time the pandemic was regarded as a mere myth.

"The data from HIV infection sentinel surveillance sites continue to show declining trends and stabilisation in rural sites," says the report.

Government cautions against complacency, however, saying the infection rate is still high. Of Uganda's 10m people, close to 2m are HIV-positive. The pandemic spread from 17 cases in 1983 to an HIV infection incidence of 1.5m people by 1993.

By the end of 1997, AIDS had killed 53,306 people. The report says 49,432 of the victims were older than 12 and 3,874 were younger. Women account for 26,104 of the deaths or 52.8% of the older group.

Uganda launched a definitive anti-HIV and Aids campaign in the late Eighties, which was backed by the political leadership. President Yoweri Museveni was outspoken at a time when many countries regarded such openness as a scare to tourists. Roads in the country are lined with billboards warning against the disease. These are supplemented with posters at hospitals, dispensaries, clinics and other public places. Also central to the campaign is vigorous encouragement of the use of condoms. Advertisements on radio stations are placed by government departments as well as companies selling the condoms.

"Rubbers", as they are known locally, even have the backing of the Anglican Church — though the Muslims and Catholics are opposed to their use, saying it is against their faith. Officials involved in the fight against HIV and Aids say the advocacy of condom use, coupled with other strategies, has been crucial in limiting the spread of the disease.

Fred Ojonjo, Kampala

FINANCIAL MAIL • MAY 1 • 1998
August start-up for MTN Uganda

By Michael Wakabi

KAMPALA — MTN officials expect their cellular phone network to be running on a commercial basis in Uganda as early as August, and work on establishing base stations is already underway.

MTN Uganda, a consortium led by Mobile Telephone Networks of SA, has been given a licence to operate a telephone network. MTN also received a licence to operate in Rwanda this year.

MTN Uganda CEO Noel Meier said the company would build a minimum switching capacity of 80,000 telephone lines over a five-year period — the state-run corporation has a switching capacity of 79,000 lines and about 52,000 subscribers.

"Fixed line systems do not suit Africa and we are going to be looking at a wireless solution as much as possible. We shall have fixed 26 to 30 base stations by the end of 1998," Meier said.

Going wireless directly pits MTN against Celtel Cellular, the other mobile telephone operator, which started service in 1994.

Celtel network at the moment covers only the capital and three other towns outside Kampala. The company has just more than 5,000 subscribers.

MTN is looking at quality reception as an immediate selling point and development of a countrywide network as its growth strategies, said Jacques Sellachop, group executive for corporate relations at MTN SA.
New land bill sparks controversy in Uganda

KAMPALA — Uganda’s new land bill, which will give squatters greater rights over the land they occupy, is fuelling controversy among land owners. The bill is relevant to foreign investors because it has a provision enabling foreigners to acquire 99-year leasehold rights to agricultural land. Until now foreigners could obtain title to residential and industrial plots only.

Analysts are urging careful consideration of the bill which suggests, among other things, that squatters who have occupied land for at least 12 years will be given certificates of occupancy and pay their landlords annual rent of $3.80, regardless of the area occupied. Land has become a sensitive subject in Uganda as the country struggles to spur economic development by creating conditions conducive to foreign investment.

In 1976 dictator Idi Amin passed a decree which enabled squatters to move onto almost any farmland. The new bill is intended to regulate the relationship between these “long-term squatters” and the landowners. However, in many cases mutually agreed rentals have been negotiated over the years and some land owners will receive considerably lower rentals if the bill is passed.

Landowners feel they should have the right to decide who to rent their land to and at what price. Proposers of the bill argue that the old land laws do not maximise land use. Long-term squatters have no formal rights in relation to absentee landlords, while landlords are reluctant to improve land occupied by squatters.

The bill has run into opposition from Baganda royals and the clergy, who see it as an attempt by the state to give away their land to squatters.

The church and Baganda landlords own large chunks of land in central Uganda. Added to them by British colonials in the late 19th century. The Baganda are the largest ethnic group in Uganda, making up more than 20% of the population.

The Baganda’s cultural assembly, the monarchist Lukiiko, rejected the bill this week saying besides being unconstitutional, it contravened the cultural norms of the Baganda. At the session a church representative said: “Even if it means only a small piece of land, I would not like anyone to take it. Even the Church of Uganda cannot allow its land to be taken away.”

The royalists fear that the law will enable squatters who have encroached on private land to take it over legally.

The Uganda parliamentarians were charged in a Kampala court on Wednesday with incitement to violence and promoting secessionism. Both denied the charge and were granted bail of $800 each.
Uganda's coffee sales sharply down

Ugandan coffee exports fell 40.9 percent in April to 138,254 60kg bags from 238,989 bags in March, the Uganda Coffee Development Authority said yesterday. The authority said exports for the seven months to April 30 showed a decline of 47.7 percent to 1,540,742 bags, from 2,944,166 during the same period last year. April exports represented a value of $14.3 million, down from $34.3 million in March. The state-run authority blamed the lower exports on a delay in the southern and western coffee crops caused by poor weather linked to the El Niño phenomenon. Uganda's coffee season runs from October to September, with the main crop harvested between October and March, followed by the minor crop from around May to September. — Reuters, Kampala 12/5/98
'Prophetess' vows to topple Ugandan leader

KAMPALA — The exiled leader of the Ugandan rebel group known as the Holy Spirit Movement, Alice Lakwena, has said she intends to resume her struggle and will overthrow the government of President Yoweri Museveni.

"I have vowed to depose the NRM (National Resistance Movement) government, and—nothing will change my mind," said Lakwena, who is living in a United Nations (UN) refugee camp in Kenya.

"I shall fight a serious battle to capture Uganda because of the things that the Museveni government has done and is still doing to me," she said in a letter to the East African, a weekly newspaper.

The little-known Lakwena led a 10 000-strong ragtag rebel force against Museveni's troops in 1988, before she was defeated just 160km from the capital Kampala.

Her ill-equipped troops — who believed stones hurled at the enemy would explode and that shea nut oil smeared on their bodies would deflect bullets — suffered huge losses at the hands of Museveni's army.

Her mantle was picked up first by her father, Severino Lukwya and after him by her distant cousin, Joseph Kony, who now leads the successor Lord's Resistance Army rebels, active in northern Uganda.

Lakwena said she wrote the letter in response to a claim by Political Affairs Minister Amama Mbabazi, that she wanted to return to Uganda but the government could not grant her immunity from prosecution.

"Does Mr Mbabazi think that a person protected by the Holy Spirit needs bodyguards or escorts?" Lakwena wrote.

"Did the UNHCR (UN High Commissioner for Refugees) not specify to the Ugandan government that we are not for voluntary repatriation and that we plan to come and overthrow the government in Uganda?"

Lakwena denied the claim that she was in Kenya to meet President Daniel arap Moi and to give a chance to witch doctors "both black and white, to come and test the Holy Spirit".

"Since time immemorial prophetesses and prophetesses have been subjected to tests in the wilderness," she said. Lakwena seemed especially irritated by the suggestion she was a prostitute — a claim reportedly made by Ugandan Anglican bishop Nelson Onono Onweng. — Sapa-AFP.
Uganda secures $22m in aid after meeting targets

John Dudi

ABIDJAN — The African Development Bank, in which SA is set to increase its stake to 6%, announced an agreement this week granting Uganda $22m in debt relief because of progress in economic reforms.

The relief agreement, signed during the annual meeting of the bank, and its development fund in Abidjan, is part of a $500m relief package from Uganda’s external creditors.

Omar Kabbaj, the bank’s president, said: “The bank’s contribution of $22m in today’s values will, over time, result in a total reduction in Uganda’s debt service to the bank group amounting to the equivalent of $30m.”

Uganda is one of the first beneficiaries of the debt-relief plan for heavily indebted poor countries to which the bank and other multilateral creditors are participants. The plan seeks to tailor debt service to payment capacity so that countries can again attain external viability.

The bank’s figures show that the stock of external debt in Africa is on the decline. It dipped marginally to $315bn last year, from $324bn in 1996.

Cyril Emweno, the bank’s vice president responsible for operations, said the drop was due in part to a realisation by policy-based lenders, including his bank, that reduction of debt was part of assisting poor countries.

As a result of the overall debt aid from creditors, Uganda would be able to channel up to $175m a year over the next five years to give priority to social sectors, said Kabbaj.

The Abidjan-based development finance institution also disclosed that it was committed to delivering its $188m share under the debt-relief plan for heavily indebted poor countries. Other beneficiaries include Mozambique, Burkina Faso and the Côte d’Ivoire over the period 1999-2001, while Mali and Guinea-Bissau were being considered for eligibility.

The initiative is worth $7.6bn — an amount widely considered inadequate by African governments. The development bank’s share of the cost to support eligible countries is estimated at $650m, said Kabbaj.
John Latim, a resident of Uganda's northern district of Gulu, often goes without basic necessities in his home. His seven children do not attend school.

Like most Gulu residents and those of neighbouring Kitgum, Latim lives in abject poverty because of the 11-year-old insurgency that has disrupted economic activities in these two northern districts of the Acholi region.

Acholi has not benefited from Uganda's much-hyped average economic growth rate of 7% over the past decade. The region is home to 600 000 people, including the leaders of the previous government, toppled by President Yoweri Museveni in January 1986.

The rebellion in northern Uganda is led by a former altar boy, Joseph Kony, who says he is fighting to bring into power a "government of sanity" — ruling according to the Biblical Ten Commandments. The war has claimed thousands of lives since 1987.

Kony's Lord's Resistance Army (LRA), which Uganda alleges is backed by the Islamic government in Sudan, often makes incursions into this region from their camps in southern Sudan. The Khartoum government, which in turn accuses Uganda of supporting dissidents such as the Sudan People's Liberation Army (SPLA), denies any links with the LRA.

Acholi's civilians are the main targets of the LRA's incursions. Kony and his group accuses them of backing a "satanic region" in the south. Consisting largely of abducted people, his army kills, rapes and abducts more people, in addition to plundering the villages.

"Because of fear of the rebels, people are always on the run. They have abandoned their homes in favour of 'protected villages' — camps established by government — denying them the opportunity of tilling their land for a living," says Robert Mao, an MP from Gulu.

Before the war in Acholi, the region was renowned for growing cotton — a crop which until the mid-Eighties was Uganda's second-highest foreign exchange earner.

Now the population depends on handouts from aid agencies and government. Peace talks broke down in 1993 when government gave the insurgents an ultimatum to leave the bush or risk being crushed. They chose the latter.

This war has not only devastated northern Uganda, but has also led to the severance of diplomatic ties between Kampala and Khartoum in April 1996. Attempts by Libyan leader Muammar Gaddafi to mediate between the two neighbours broke down the same year.

SA President Nelson Mandela, Bakili Muluzi (Malawi), Daniel arap Moi (Kenya) and former Iranian President Akbar Rafsanjani each tried a hand in mediation, but with little success.

Museveni now says he has equipped his army and will soon launch a final onslaught on the rebels. But people like Latim can only hope peace and sanity will finally come to Acholi.
Uganda reduces power costs as incentive to industrialists

Uganda's President Yoweri Museveni has fulfilled his promise to make life a lot easier for industrialists with the recent reduction in the cost of hydro-electric power. In a letter to the Uganda Investment Authority (UIA) dated April 14, the Uganda Electricity Board managing director SG D'Ojanga spelled out policies formulated to support and offer incentives to investors.

With effect from April 1, the minimum kilowatt-hour (KVA) charges in the electricity tariff for industrial and general customers have been suspended, meaning that the customer would be charged the actual KVA reading, resulting in a reduction in the average tariff for industrial consumers to 60 Uganda shillings (25c). The UIA had recommended to the Ugandan Cabinet that the requirement for industrialists to pay a fixed charge for electricity every month, even before they begin consuming it, be suspended. This followed complaints from industrialists that the tariffs for local hydro-electric power were prohibitively high. Some industrialists, like those in steel milling, were required to pay up to US$5 million as a pre-set minimum charge a month, whether or not they used the power or not.

-- Independent Foreign Service, Kampala
Uganda's revenues will fall $37m short

Taxmen take the rap for cash crisis

PAUL BUSILIZI

Kampala — Ugandan government revenues are expected to fall short by 45.6 billion shillings ($37 million), or 5.6 percent of the official 840 billion shilling target in the financial year until June 30, the finance ministry said at the weekend.

"The decline is mainly due to the deterioration in Uganda Revenue Authority (URA) administration, especially in the Customs and VAT departments," the ministry said in its 1998-2001 budget framework paper.

Tax revenues as a proportion of gross domestic product are set to fall to 11.3 percent in 1997-98 from 11.6 percent in 1996-97. Gerald Sendaula, the finance and economic development minister, is due to present his maiden budget speech on June 11.

The budget framework paper, which was prepared last month but not released publicly, said there was limited scope to increase taxes to cope with the country's growing expenditure needs. A copy of the paper was obtained by Reuters on Monday.

"The only realistic option is to improve collection efficiency," the ministry said.

"This underlines the need to improve administration capacity in the URA, to reduce corrupt practices causing substantial revenue losses and to scale down tax exemptions." In 1996-97, the government collected tax revenues of 732.8 billion, 43 billion shillings short of projections.

The ministry said reductions in fuel taxes and in trade tariffs would put downward pressure on revenues in years to come, and put the onus on the URA to improve tax collection.

Last year, Finance Minister Jehoash Mayanja-Nkangi reduced fuel duties as part of a three-year plan to bring them in line with those in the east African region. Reductions in import and excise duties were also announced in last year's budget.

Kizza Katyeza, the Ugandan tax policy commissioner, told Reuters the government was committed to further reductions in duties on fuel and on imports.

"We are still going ahead with planned reductions, and the key will be the URA's administration," Katyeza said yesterday.

In 1997-98 the government began to restructure URA operations in a bid to raise revenue collection. This included the appointment of a new URA board, the reinforcement of legislation and contracting of expatriates as advisors.

"There are a number of things we still have to tighten up on, like smuggling, and internal auditing systems," Katyeza said.
Buying and selling their way to the top in Uganda

LINDSAY BARNES
Staff Reporter

Women journalists in Uganda have resorted to selling their bodies in order to survive financially or move up the career ladder, in a fight against a traditionally male-dominated sector.

An account of the poor treatment of women journalists in Uganda emerged at a four-day conference in Cape Town on gender and communication policy in Africa. It ended yesterday.

Some women media practitioners prostituted themselves in the office, for promotions or better assignments, while others did so to supplement the meager salaries paid to women journalists, said Margaret Sentamu-Masagazi, coordinator of the Uganda Media Women’s Association.

“On one journalist told me: ‘It is not that they enjoy it, but how long will (a monthly salary of) US$100 take her through the month? She has a family and has to report for assignments at 6am. Those who sell their bodies do it because of economic (reasons) and survival. It is not surprising that these women have low self-worth and therefore stagnate in their careers.’

She described an embarrassing tiff a woman journalist had with a policeman who denied her access, for failing to dress to standard, to a function at which America’s first lady Hillary Rodham Clinton spoke.

Although the journalist had a written invitation to attend the speech, the aggressive policeman shouted at her as she tried to get in to the venue and demanded to know what she was doing there. Narrowly avoiding a scuffle with the policeman, she was let in by an usher who saw she had an invitation, but she had to endure the humiliation of being asked by the usher why she had not dressed “properly”.

But media representatives are some of the worst paid people in the country. Poorly paid women journalists could not afford to dress suitably and were often mistaken for “street” women, she said.

Also hindering women’s development in the media was the common practice by freelance journalists of bribing newsroom editors for good assignments and to get their stories published. In recording studies at government-owned electronic media, technicians unlawfully asked for a fee before recording any programme, Ms Sentamu-Masagazi said.

A survey found that, on average, male journalists could afford to pay the bribes.

“This is because they get good assignments and good contacts which yield heavy envelopes and they have the time available to work on the stories. Women, on the other hand, rarely get good assignments and therefore most often are in no position to bribe technicians or editors,” she said.

“This makes them ineffective in (getting) stories published and (thus) ineffective in the media.”

Women in traditionally male careers in Uganda were frequently labelled as rebels and sometimes prostitutes. “It is not surprising that, on average, the worst performer in the newsroom is the woman – not by choice, but by a conspiracy of societal obligation and the low pay accorded to the woman by her employer,” said Ms Sentamu-Masagazi.

She said that changing the role that women had in the media and giving them a chance to prove their competence, while addressing historical gender-based injustices, required a well-planned strategy involving the government, NGOs, media, various associations and women journalists.
Uganda's gold exports plummeted

WAIRAGALA WAKARI

Kampala — Uganda's gold exports last financial year took an 82.3 percent dip, earning the country $90 million less than in the previous year.

Gerald Sendawula, the finance minister, announced this week the drastic fall in the earnings, but gave no explanation. Industry watchers said it was because of diminished smuggling of the precious metal from neighbouring Congo, which was now peaceful and had contained pillaging of its minerals. Uganda mostly re-exports the gold.

Though gold production has not risen, in the 1996-97 financial year Uganda registered a sharp rise in gold exports, which were believed to come from Congo. Uganda that year exported 10.22 kg of gold, worth $102.95 million. That has fallen to $19 million.

A Congolese minister in charge of minerals charged last month that senior Ugandan officials were stealing diamonds and gold from his country.

In the first six months of the 1997-98 financial year, gold exports dropped by over 70 percent compared with the same period a year earlier. The country earned just $11.94 million from July to December last year, compared with $41.98 million during the same period of 1996. In the first six months of the 1996-97 financial year, the country exported some 3,523 kg of gold.

Walugembe Musoke, the director of public relations at Bank of Uganda, said the fall in gold exports was attributed to the fall in the world price of gold to below $300 an ounce, which reduced profitability and incentives to mine or re-export gold.

Industry watchers said although there were a number of gold prospecting projects in Uganda, exports were not expected to rise in the near future because the projects had not reached commercial production.

The country has about 10 firms prospecting for gold. Branch Energy of South Africa has for the past four years been prospecting in Uganda but prospects are not clear.

International Roraima Gold, a Guyana-based gold miner, said there was a high chance of finding large enough quantities of gold deposits in Uganda to warrant commercial mining.

It is estimated that income from mining grew on average by 48.2 percent between 1996 and last year. There are over 50 foreign investors in the sector — compared with five in 1995 — with 120 operational exploration licences.

"While there is potential for the exploitation of many minerals including cobalt, copper, gold, tin, tungsten, beryllium and marble, little investment activity was recorded last financial year," Sendawula said.

The country is drawing up a new mining act to provide an enabling environment for private sector investment, and to set a framework for its regulation and taxation. It provides for special fiscal incentives to encourage investment in mining. — Independent Foreign Service
El Niño knocks Uganda’s coffee exports

Kampala — Uganda, one of Africa’s top coffee producers, has said its coffee-export earnings this year could fall by $105 million.

William Nagagga, the board secretary of the state-run Uganda Coffee Development Authority, said El Niño-inspired rains that came after a long drought in the coffee-producing regions of the country were to blame for the fall.

The rains hampered harvesting, drying and transportation.

Uganda expects to earn $250 million from coffee exports for the season ending September 30, down from the previous season’s $355 million, following an anticipated drop in exports from 4.24 million 60kg bags last season to 2.6 million bags in 1997-98.

Coffee is Uganda’s main export earner, accounting for about 60 percent of its export earnings. But the crop’s contribution fell to 51 percent in the financial year to June. “We are looking at the future without much hope,” Nagagga said. The 1997-98 season had already been affected.

Uganda’s coffee has been criticised recently because of its dwindling quality. Some processors mix coffee with stones, sand, sticks and raw beans, prompting fears at the coffee authority that the country’s coffee market could be taken over by Asian producers.

Industry sources said El Niño had affected the crop in other producing countries. Although the price had risen from $1400 a ton in 1996-97 to $2,000 in 1997-98, several economies had been affected.

The Association of Coffee Producing Countries at the start of the season agreed with African producers to withhold 850,000 bags to regulate supply, but bad weather caused the continent’s coffee producers to fail to attain their usual joint production and export level of 15 million bags.

Global coffee consumption is expected to be about 98 million bags this year, but only 93 million bags are likely to be available — Independent Foreign Service
Uganda's heart shines through the darkness of Africa

The continent's leading reformer has pulled itself out of the disaster of its past, writes SVEN LUNSCHE

THE sign nailed above the door of a Kampala cobbler tells the story of the Ugandan success: "We do the impossible. Miracles take longer."

Along a road through one of Kampala's poorer areas a sign exhorts the virtues of privatisation — unthinkably anywhere else in the continent except Uganda.

Uganda is not an economic miracle. But it is a rare success story in Africa, a story built on relative political stability and free-market-oriented economic reform that received the full backing of the World Bank and the IMF. In April the two institutions announced a $650-million debt write-off that will reduce Uganda's foreign debt by about a fifth to $3-billion.

Now 12 years after President Yoweri Museveni took power, Uganda is embarking on what is likely to prove the toughest stage of its remarkable recovery from a disastrous past.

Political stability, sound economic management, substantial aid flows, fertile land and hard work have seen Uganda’s GDP grow at an annual average of 6.4% over the past decade. For the past five years the average has been a more impressive 7.3%, although last year GDP came in at only 5.5%,

with adverse weather largely to blame.

But what these figures hide is that Uganda is still a very poor country. Per capita income at $300 a year is only now approaching the levels (inflation adjusted) last touched in 1971, the year Idi Amin came to power and Uganda's nightmare began.

Two-thirds of the 19-million population remains in absolute poverty — defined as an income of less than a dollar a day — with a growing divide between the north and the relatively well-off south.

Corruption that reaches ministerial level, a war with rebels in the north of the country, and doubts about Museveni's commitment to democracy also raise some questions about Uganda's reputation as Africa's leading reformer.

So far, however, these concerns have not reduced the aid flows that have helped turn Kampala into a booming city. Neither has it swayed the government’s commitment to economic reform.

Privatisation is only the most high-profile of these reforms, but it has attracted the attention of foreign businesses, notably the South Africans. MTN, SA Breweries and Coca Cola SA have bought into privatised companies, while Telkom and Eskom are also in the bidding for future privatisations. Trade is booming.

Within the next four years, the privatisation programme will be complete, says Matthew Rukikaire, Minister of State for Finance. This, he says, should eliminate subsidies that are three times the government contribution to the development budget.

Nevertheless, the budget deficit has been reduced to 1.9% of GDP and the government remains committed to fiscal discipline.

On the monetary front, inflation is down to about 6%, the Ugandan shilling is only about 20% down against the US dollar over the past four years and exchange controls have been completely lifted.

The new stock exchange is likely to become the most active in East Africa as neighbours Kenya continues its slide into economic stagnation, while many of the Asians expelled by Amin in 1972 have returned, bringing much-needed skills and capital.

No wonder, then, says the Financial Times in a recent survey, that the status of Museveni — the guerrilla fighter who became a president, a Marxist turned pragmatist — is second only to Nelson Mandela on the African continent, a status underscored when he played host to Bill Clinton during the US president's recent tour of Africa.

Yet Uganda’s reliance in donor support remains a worry since its dependence on aid is not falling.

Oxford economist Professor Paul Collier strikes a sombre note when he points out in the FT survey: “Even with the high aid, high-growth scenario, it will take 20 years to raise Uganda to the threshold of the lower-middle-income group.”

However, these two decades give Uganda a headstart on most of the rest of Africa.
NEWS DIGEST

CORRUPTION (344) CT (MA) 30/6/98

Ugandan government loses millions in 'unauthorised' expenditure

About 858 million shillings, 7.6 percent of Ugandan government expenditure, went missing from public coffers in the year to June 30 1997, the latest auditor-general's report stated. The report said the funds were lost through unaccounted and incorrect expenditures, and unauthorised cash withdrawals.

Total government expenditure during that financial year was 11.26 billion shillings (about $5.36 million), the finance and economic development ministry said.

The auditor-general's annual report is the best indicator of corruption in government departments. Uganda has been held up as a model of African economic development by the West, but Ugandans themselves are sceptical about what benefits economic reforms will bring while the government fails to act firmly on corruption. But Emmanuel Tumusiime Museke, the treasury secretary, said at a public meeting that the government was making efforts to tackle graft. — Reuters, Kampala
FIGHTING FIT Museveni's growing defence budget also gets the nod

Donors' thumbs up for Uganda's budget

Kampala — Uganda's 1998-99 budget got a positive reception from donors on Friday despite some apparently ambitious revenue targets and a big increase in defence spending.

Donors applauded the government's commitment to education, healthcare, roads and poverty eradication but urged for greater accountability in how the money is spent.

"It is a good budget ... especially since the government has not been afraid to make the difficult decisions necessary to keep the economy on course," Swedish diplomat Anders Oommen said.

"(But) a lot of effort still has to be made to make sure what money is put in delivers the intended results," he said.

In his maiden budget speech to Uganda's parliament, Gerald Sendaula, the finance minister, said he aimed to increase domestic revenues by 17.6 percent in 1998-99 — mainly through more efficient revenue collection.

Last year, revenue was about 5 percent below target, for which officials blame chronic inefficiency and corruption in the Ugandan revenue authority and say reforms introduced last year still need time to bring results.

Sendaula has doubled spending on poverty eradication programmes to nearly 100 billion shillings ($423 million), with donors also chipping in 14 billion shillings to a new poverty eradication fund.

"It is a logical continuation, a move away from trying to get to the fundamentals right but now using fiscal policy to improve overall welfare," said Robert Blake, a senior economist at the World Bank.

Sendaula also announced a 21 percent increase in the defence budget in 1998-99 to 18 billion shillings.

Ugandan President Yoweri Museveni faces an 11-year-old rebellion in the north and north-east of the country by the Lord's Resistance Army and a second rebellion in the west.

Although donors have expressed concern about growing military spending in Uganda, they were reluctant to criticise the government on Friday, saying they accepted the country's defence needs.

Unlike Wilson, the resident representative for the International Monetary Fund, said donors recognised defence spending, at 1.9 percent of gross domestic product (GDP), was still lower as a proportion of GDP than two years ago, when it was 2 percent.

"Last year's figure of 1.5 percent of GDP was out of line with the previous year's defence expenditures," she said. "But what really convinced the donors and us in particular was the attempt to bring in expertise to enforce accountability (in the army)," she said. — Reuters
SA the surprise leader in Ugandan investment

Wairagala Wakah

Kampala — A report just issued by the state-run Uganda Investment Authority (UIA) indicates that South Africa is becoming a leading foreign investor here.

For the projects licensed between January and April this year, the highest number with foreign ownership were from South Africa, beating traditional names such as Britain, India and Kenya in the investment stakes.

"Key projects licensed during the period based on sectoral planned investment contribution had South Africa's participation (wholly or joint venture) highest in four out of eight projects," said the authority in a report issued this week. It was followed by Britain, Kenya and Uganda itself.

Authority officials said they had been overwhelmed by the investments from South Africa.

"Earlier we had expected new investment to Uganda to come mainly from the Asian tigers, but instead it is South Africa leading the pack," said Daniel Musiwa, the UIA information officer.

The signing of a double taxa-

"We expected new investment to come mainly from Asia, but South Africa is leading"
Ban will lead to violence, Uganda warns.

Sudan's - A comment of the editor.
Uganda coffee exports double

Kampala — Uganda last month registered a big increase in coffee exports, with earnings jumping from $15.6 million registered in May to $33.4 million. Quantity rose to 956,241 60-kilo bags from 1,132,533 bags. This represented an increase of 134 percent in volume and 116.3 percent in value.

According to a report issued by the Uganda Coffee Development Authority, the good performance resulted from a bumper crop in key producing areas for the main crop and positive weather that boosted export activity. Substantial quantities were also realised from the fly crop in growing regions that were off season.

"This has been the highest export in any single month during the current season," the report said. The season runs from October 1997 to September 1998. As compared to a similar month last season, when 291,140 bags were shipped valued at $31.6 million, there was an increase of 225.5 percent and 563 percent respectively.

Uganda, Africa's biggest coffee producer and exporter, gets over half its export earnings from the crop. However, last financial year the sector suffered significantly through El Niño rains that hampered maturing, harvesting, transportation and drying of the crop. As a result the country expects to export 2.5 million bags of coffee, down from the earlier projection of 4 million bags in this coffee season.

The global price last month was lower than in May, characterised by increased supply of Robusta as El Niño subsided and a bumper Arabica crop from frost-free Brazil. Uganda grows Robusta, Arabica and the fast-maturing Clonal coffees.

Good weather at the origins, which included Uganda and Indonesia, added to the downward trend in prices. — Independent Foreign Service
Uganda’s Alliance Air opening up new routes

Michael Wakabi

KAMPALA — Ugandan-registered Alliance Air, which is 40% held by SA Airways, will begin flying to another European destination next summer, says Alliance Air’s corporate secretary, Ochieng Obbo.

The airline, which already operates three flights a week to London, plans to open new routes to Europe and the Middle East.

“We have decided that we need to include more frequencies in Europe and we are looking at Brussels, Frankfurt or Munich,” says Obbo. “We already hold the rights to these routes but we are trying to negotiate slots. These airports are slot-controlled and it’s going to take some time before we get a proper landing slot.”

The remaining 60% in Alliance Air is held by the governments and airlines of Uganda and Tanzania. Air Tanzania, which holds 10% of Alliance, said recently it planned to pull out of the joint venture.

Last March Alliance launched a new Airline, Alliance Express, which took over the operations of Air Rwanda, fuel operations and ground handling at Rwanda’s Kanombe International Airport. The airline operates flights to and from Kigali, Entebbe, and Nairobi using a leased Fokker F50 aircraft. It also operates a weekly flight between Johannesburg, Kigali and Entebbe.

Obbo, also director of Alliance Express, said the long-term objective of the airline was to have a reliable and profitable regional airline. Its strong business prospects lay in the ground-handling business at Kanombe airport, served by 11 international passenger and cargo Airlines. Small aircraft operated by aid agencies based in Rwanda also used the airport on a regular basis.

The Rwanda government owns 51% of the shares in Alliance Express; the rest are owned by Alliance Express.

A recent study showed that 50,000 to 70,000 people travelled by air in Rwanda annually compared to Uganda’s 300,000, Kenya’s 2.4 million, and Tanzania’s 450,000.
Ugandan law grants land rights to aliens

Michael Wakabi

KAMPALA — Uganda’s corporate community has reacted with cautious optimism to a new law that allows foreigners a 99-year lease on land and revamps many other aspects of land rights.

The Land Bill was passed on June 29 and came into effect early this month. It generated considerable controversy when earlier drafts provided for squatters to gain legal rights over the land they occupied.

The church, which owns large tracts of land, and Uganda's cultural assembly, the Lukiiko, initially opposed the draft bill because it was so sympathetic to squatters, but they appear to have been placated after parliament revised these provisions.

Previously, foreigners were allowed to own only industrial and residential plots. Ownership of agricultural land by foreigners was subject to cabinet approval, an arrangement many potential investors in the agricultural sector found to be cumbersome.

In 1995, a group of visiting SA farmers left Uganda disappointed after they found they could not easily own big chunks of agricultural land in the country. Businessmen said although they welcomed the bill, the problem for them had not been land ownership but the shortage of serviced land close to the markets.

Fred Zake, a consultant with the investor service company InterAfrica Corporate, said investors wanted prime land, and to attract them government and institutions like the Uganda Investment Authority and Kampala city council needed to move quickly to rectify the shortage.

Some parliamentarians said after the law was passed they still had misgivings about the limits placed on foreigners who could only obtain 99-year leases on agricultural land. Some legislators, notably the minister of state for political affairs in the President’s Office had pleaded for foreigners to have leases exceeding 99 years.

The bill limits ownership of freehold to only two square miles by a single individual.
Amni's evil lives on in rebel gangs who abduct and torture Uganda's children.
Museveni proposes a political union of states

KAMPALA
Ugandan President Yoweri Museveni had called for a political union of eastern and central African countries to create a medium-size power on the continent, a newspaper said yesterday.

"The Bantu-Nilotic-Sudanic people of central and east Africa should form a union of African states with one union government and army," Museveni said in a 48-page paper presented on Wednesday to the congress of his political movement. "The expulsion of colonization creates the opportune moment."

Museveni said that an army drawn from such a union would guard African interests against "encroachment by foreigners".

Museveni said that compared to other regions, Africa spent too little on arms, "yet it has the same obligations in defending and maintaining international peace". The union would at first include Tanzania, Kenya, Uganda, Rwanda and Burundi and have a population of 92 million and a land area of 1.82 km².

"Overnight these countries would be transformed into a medium power in political, diplomatic, economic and military terms comparable to Iran," the Ugandan president said. — Sapa-AP
Renaissance is just a word to Uganda's starving poor

When President Bill Clinton of the US visited Uganda earlier this year he held the country up as a shining example of the economic rebirth of a troubled continent.

The east African country has been showered with praise for the management of its war-shattered economy, and gross domestic product growth rates have averaged 6%-7% in the past 10 years.

Despite the impressive macro-economic data, many question government policies that have left most Ugandans mired in poverty.

Economists in the capital, Kampala, said the recent remarkable growth rates were a large extent because war and the ravages of earlier dictators, such as the bloodthirsty Idi Amin and Milton Obote, plunged Uganda into such a mess that the country had nowhere to go but up.

Aki Muwanga, a professor of political science at Makerere University in the Ugandan capital, rolls his eyes at the words "African renaissance".

"There is something very deceptive about this recovery," he said. "You have to know that we had really sunk very deep, and we are recovering from that.

"The poverty is simply too much," Muwanga said. "I would like to see something good happening just 50km from here."

As well as largely bypassing the rural areas, which account for most of the population, economists in Kampala said the recovery depended too heavily on fickle international donors.

Latest government figures show that donor support in the 1997/98 fiscal year accounted for up to a third of the government's spending of 1.200 billion Ugandan shillings, and around 80% of the development budget.

"We cannot continue to rely so heavily on donor inflows," Finance Minister Gerald Ssenduula said in his budget speech in June. "This is completely unsustainable in the long term. The private sector must be the engine for change."

Ugandans also complain that much of the foreign investment now flowing into the country is of a short-term nature. Many of those entering with a more long-term perspective, particularly Asians returning to restart businesses that were closed during the dark years of the Amin dictatorship, tend to bring in their own people rather than employing Ugandans for their senior posts.

A foreign economist in Kampala said the government was slowly moving out of its high-growth phase of recovery. Because of the problems that there had been a lot of unused capacity in the economy. I think that a lot of that has been tapped now," he said. Although growth would remain healthy, it would moderate somewhat in the next few years.

There are clear signs that the government of President Yoweri Museveni, whose charismatic leadership has inspired a spirit of optimism and can-do among many Ugandans, is changing gear to meet the economic challenges.

"Now that inflation has been controlled and the effectiveness of monetary policy instruments are much greater, budget management can take on a more medium-term outlook," Ssenduula said. "The emphasis is changing."

Last year, enrolment in primary schools doubled almost overnight, after government announced free primary education for up to four children per family.

The government is also turning increasingly to agriculture, which provides a living for the large majority of the population.

At the heart of this focus lies an ambitious rural road-building scheme, which was launched recently to give farmers better access to markets.

Another economist in Kampala said that, if properly harnessed, agriculture could propel the economy forward at the same rates as before.

"We are still operating below capacity here. We have not reached the time when the recovery levels off," he said.

"If the donors start to listen and provide the infrastructure that we need — rather than just spending money on capacity-building — then we will see that this process is just starting."

However, deeply entrenched problems remain, and will continue to act as a brake on the economy. Corruption pervades the administration, even if not on as huge a scale as countries like Nigeria or Angola.

An independent study two years ago in Uganda indicated that only 30% of government expenditure on primary education was actually reaching schools.

Tax collection still focuses on big businesses like oil companies — which are easiest to police — and customs duty on petroleum products alone accounted for almost a quarter of all government revenues last year.
Death toll climbs in rebel attack on Ugandan town

Business Day Reporter

AT LEAST eight people and possibly as many as 17 have been killed in a rebel attack on the western town of Kasese, Uganda, where several SA companies are helping to rehabilitate a mine.

SAPA-AP reports that the army put the death toll at eight yesterday, but the government and private newspapers said it was as high as 17.

The giant Kasese copper and cobalt mine is being rehabilitated by several companies, including LTA and Bateman of SA.

The project represents the biggest foreign investment in Uganda and production is expected to start next year.

At one stage, the government posted troops around the town to ensure the project would not be jeopardised.

Yesterday on Radio Uganda, western region commander Brig James Kazini said eight people, including two soldiers, were killed in the attack early on Saturday by rebels from the Alliance of Democratic Forces (ADF), who also burned two hotels and 20 vehicles.

"The bandits burned down the hotels and vehicles as they retreated in the mountains. They had infiltrated from the mountains with the aim of looting food, drugs and other essential items," he said.

Kazini said the situation in the mining town 380km west of Kampala into the foothills of the Rwenzori mountains was under control.

However, the government-owned New Vision, Uganda's largest newspaper, put the death toll at 16, including a private and a sergeant in the Ugandan army and two policemen.

The newspaper said the rebels hit the town from three sides, attacking the officers' mess at the local army barracks, the airstrip and the town centre.

The private Monitor newspaper said 17 people, including three soldiers, two policemen, two rebels and 10 civilians, were killed in the first attack ADF rebels have launched on an urban target.

The newspaper quoted an army officer identified as Lt-Col Rwagombe, who said five others, including four Filipinos working at the nearby Kasese Cobalt Company processing plant who were staying in one of the hotels, were rushed to hospital with serious burns.

The private Radio Simba reported that 11 Filipinos were in hospital.

On Saturday, travellers arriving in Kampala from Kasese identified several of the injured as South Koreans working at the cobalt plant. It was not immediately possible to confirm this.

Bus conductor Herbert Mugisha, whose partially burned body arrived in Kampala on Saturday, said the rebels threw gasoline on the vehicles and the Kagesera and Moonlight Hotels, where workers from the cobalt plant were staying.

"They first burned things before shooting, and when the army came to defend the town, an exchange ensued, but they (the rebels) retreated towards the mountains," Mugisha said. "We were so frightened."

"The rebels attacked at night, and we scattered in all directions. The people in the hotels were trapped. We do not know the number who died," said Deo Tibasima, who escaped from Kasese and arrived in Kampala on Saturday.

The ADF is made up of remnants of the former Ugandan army which was defeated by President Yoweri Museveni's guerrilla forces in 1986.

Analysts say its members come from several tribes, but that it is dominated by members of a Muslim fundamentalist group known as Fidel.

There have been reports that some members of the army of the former Zaire (now Congo) and the former Rwandan Hutu army have joined the ADF, which has bases at the foot of the Rwenzori and also inside Congo.

It is not known whether the ADF has a formal ideology, other than wanting to destabilise Museveni's government. They are believed to receive arms and supplies from the Islamic Front government in neighbouring Sudan.

Until the Kasese attack, the rebels had isolated civilian targets in rural areas.

Two months ago they set fire to a technical training school outside Fort Portal, 50km north of Kasese, killing at least 80 students and carrying off about 100 others.
Kampala — Coffee wilt disease has spread to almost half the coffee-growing regions in Uganda, threatening to cut production in Africa’s third-biggest coffee grower.

The disease, which can kill coffee trees, now affected 13 of the country’s 20 coffee-producing districts, and was a serious problem in 2 percent of coffee-growing areas. This was up from 1 percent last month, said George Lukwago, the manager of research and development at the Ugandan Coffee Development Authority (UCDA).

Coffee accounts for about 60 percent of Uganda’s export earnings. The uprooting of diseased coffee trees could damage the country’s plan to more than double its coffee output over the next seven years.

The authority hopes the country will produce 6 million bags of coffee a year by 2006.

The disease was confined to older coffee trees and “has not affected levels of production yet”, Lukwago said.

The authority was still confident of producing more than 3 million 60kg bags of coffee in 1998-99, he said.

In May the UCDA said 0.6 percent of Uganda’s coffee trees were at risk from coffee wilt, an airborne fungus that attacks the roots of trees. The only way to stop the disease spreading is to uproot infected trees.

“We have a programme to force coffee farmers to uproot and burn their infected trees,” Lukwago said.

In April, the UN agreed to provide more than $3.5 million for an International Coffee Organisation project to fight coffee wilt in five African countries.

Ugandan coffee exports have risen in recent months after farmers in the southwest of the country harvested bumper crops.

“The crop has picked up very well,” said James Chiria, the authority’s principal monitoring officer. “June and July were particularly encouraging.”

Uganda shipped 356,000 bags of coffee in June, 58,000 more than projected, Chiria said. Last month exports rose to 406,027 bags. The country should ship another 320,000 bags of coffee in August, he said.

Better coffee output than expected in recent months means Uganda could yield almost 3 million bags of coffee in the year to September 30, up from earlier estimates of 2.6 million bags, Chiria said. The authority would make an estimate of the 1998-99 crop later this month, he said.
Privatisation in Uganda frozen over corruption.

Michael Wakabi

KAMPALA — Uganda’s privatisation programme ran into trouble this week when angry MPs voted overwhelmingly to suspend the process pending investigations into allegations of corruption surrounding the exercise.

The move puts on hold the pending privatisation of about 20 enterprises — including the national carrier Uganda Airlines, Uganda Telecom Limited and the Uganda Electricity Board — in which some SA companies have expressed an interest.

Analysts feared that delay of the process would lead only to further bleeding of the economy through subsidies to state-run enterprises, currently running at about $200m a year.

The mover of the motion, Tom Omongole, an MP for the Kumi constituency in eastern Uganda, said that the process needed to be halted because it benefited only a small clique of individuals who had amassed great wealth.

Parliament was moved to action by press reports on Tuesday alleging that government officials had demanded bribes amounting to $6m from Ethiopian firm Midroc which had been bidding for an 80% shareholding in Apollo Hotel Corporation, the owner of the Sheraton Kampala hotel.

“We do not need to divest so fast,” one MP noted as another asked, “Where are the proceeds from privatisation, you just hear that so and so has received so many millions from the divestiture account, the poor have not received anything.”

The Privatisation Unit has been at the centre of controversy recently with the public questioning the intervention of prominent political figures in several privatisation deals, and the award of some enterprises to people close to the corridors of power.
Privatisation crisis probed

Michael Wokabi
KAMPALA

The deputy speaker of Uganda's parliament, Edward Sekandi, has set up a 15-man probe committee to investigate allegations of corruption in the privatisation process.

Angry legislators slammed the brakes on the privatisation process last Tuesday over allegations that it had become fraught with corruption, and was benefiting a select clique of individuals.

The move has precipitated a crisis for Ugandan authorities who must complete the divestiture process following a tight timetable agreed with donors.

Ugandan Privatisation Minister Mathew Rukikaire is meeting President Yoweri Museveni in the northern town of Gulu to discuss last Tuesday's developments. Legislators are also considering introducing laws under which managers who strip assets of public enterprises will be prosecuted.

The probe committee has to report to the house within 45 days of its appointment.

There are fears further delays in divesting public enterprises, a process which has dragged on since 1992, will give corrupt managers time to strip the enterprises of their assets, lowering their market value.
Uganda takes first step towards peace

AFRICA

Michael Wamere
Compromise allows privatisations to go on

Michael Wakabi
KAMPALA — Ugandan legislators and the privatisation ministry have reached a compromise that allows the privatisation of some public enterprises to continue even though a probe into alleged corruption in the process is continuing.

Tom Omongole, chairman of the parliamentary committee on privatisation, told the house it had been agreed privatisation should continue where the process was in advanced stages, but would be suspended in cases where it was in the formative stages or had not started at all. The government also agreed to involve the probe committee in the privatisation process, he said.

The Ugandan parliament passed a resolution in mid-August criticising a 46-day suspension on the privatisation process because of allegations of corruption and skewed distribution of the benefits. The move precipitated a crisis that threatened further donor funding. Uganda and western backers of its reform programme agreed previously on a timetable that saw most public enterprises divested by 2000.

Meanwhile, a high court judge has recused himself from presiding over a case in which a private citizen, Okumu Langol, is suing the minister in charge of privatisation, Matthew Rukikaire, for allegedly selling public enterprises unlawfully through the privatisation unit.

In his affidavit Okumu, who publishes a vernacular weekly newspaper, said he wanted ownership of public enterprises unlawfully sold between the 1992 and last year reverted to the public for proper divestiture.
Red tape letters privatisation

8/19/98
Hurdles remain before Uganda hits financial reform’s home straight

Uganda, touted as a model of economic reform in Africa, has yet to break out of the ranks of low-income countries, reports Michela Wrong

THE STORY went virtually unnoticed in the flurry of alarming reports coming from Congo, Angola, Rwanda and Sudan, but its significance was not lost on foreign investors, the International Monetary Fund and the World Bank.

Long considered a model of economic and political reform in Africa, Uganda suspended its six-year-old privatisation programme in mid-August while a select committee probed several controversial sales.

The move, which put on hold the privatisation of 20 companies including the national airline and telecommunications and electricity groups, was prompted by an Ethiopian firm’s claims that it had come under pressure to pay bribes to finalise the purchase of Kampala’s Sheraton Hotel.

Parliament’s action, which prolonged government’s carrying the cost of more than $200m in annual subsidies to parastatals, highlights the challenge facing Uganda 12 years into President Yoweri Museveni’s rule.

If foreign donors, multilateral institutions and private investors fell over themselves to congratulate Museveni on the progress achieved over the past decade, the hardest part still lies ahead — sustaining growth to the point where Uganda breaks out of the ranks of low-income countries.

Combating the graft which businessmen say continues to permeate the system is just part of that multi-stranded task.

For those who visited Uganda during the nightmare years of former presidents Idi Amin and Milton Obote, the transformation already seems miraculous. Once-stagnant Kampala is a hive of activity. Entebbe airport, once a backwater, has become a regional hub.

However so much remains to be done. Despite growth rates that have averaged 6.4% over the past 10 years, per capita income is only now approaching the level of 1971, the year Amin came to power and the economy began its precipitous collapse.

Two-thirds of the population remain in absolute poverty and the rise in living standards has been heavily weighted in favour of the south, with development virtually frozen in a north plagued by rebel activity.

And, despite Museveni's successful drive to persuade Asian businessmen expelled by Amin to return and enthusiasm shown by foreign investors drawn by Uganda's fertile soils and enlightened policies, the country has failed to wean itself from its dependence on aid. In 1997/98 Uganda received a total of $1bn in development loans, grants and import support.

The president can justifyably argue that recent circumstances have hardly helped him. El Niño devastated agriculture, which accounts for 44% of gross domestic product, contributing to the slashing of growth forecasts for this year from 7% to 6%.

It also disrupted transport links through Tanzania and Kenya, inflating the cost of imports and exports.

Although Uganda was the first country to obtain debt relief from the joint World Bank-International Monetary Fund initiative for highly indebted poor countries, debt obligations remain crippling. Heavy that holds back infrastructure investment, particularly the power sector, which is failing to meet surging demand.

Raids by rebel groups in the north and west of the country have made it hard to cut defence spending, the least transparent part of the budget. And the outbreak of war in neighbouring Congo has dashed hopes that a lucrative new market for Ugandan products was opening across the border.

However these are not the only culprits. If Uganda is moving in the right direction, economists say, it is doing so far too slowly. Officials caught with their hands in the till are exposed but rarely prosecuted.

Government institutions are so weak that the few qualified individuals are overwhelmed with work while crucial tasks remain undone.

"The momentum of the first years has been lost as the country comes up against weak management and corruption," a senior aid official said. "Donors are starting to realise just how long a haul lies ahead."

Given the key role foreign input will play in sustained recovery, questions about the transparency of privatisation represent a major setback.

Parliament recently rescinded the suspension of the programme, while serving notice that if its select committee would carefully monitor future dispositions. Potential investors might be encouraged by the fact that it took such drastic action rather than mimic many other African assemblies by turning a blind eye.

However Uganda needs to nip corruption in the bud if it is to continue to act as a standard bearer for Africa. — Financial Times
Uganda has Aids ‘on the retreat’

Fall in infection rate allows attention to focus on caring, writes Henry Wasswa in Kampala

Ugandan authorities, confident that their campaign to contain the spread of aids has yielded positive results with a fall in infection rates, are now focusing attention on people already suffering from the deadly disease.

Under government encouragement and pressure from donors including international aid agencies and the United Nations, are working out ways of ensuring Aids patients are getting the treatment they need.

The government has been ranging from providing subsidised drugs to encouraging participation from communities.

Participation is at an AIDS conference organized in Kampala recently emphasized that with the existence of established programs to control the spread of AIDS in Uganda, the time had come for looking after people living with full blown symptoms.

"These need to be specialist care for terminally ill people suffering from pain and facing psychosocial problems. They are dying due to opportunistic diseases like cancer and tuberculosis," said Dr. Elizabeth Mwala who heads the government-run AIDS Control Program (ACP).

"Before, we were on prevention, and the care component was symptomatic. Now we are going deep. This is palliative care we must continue on.

"We have to deal with the real suffering of the patient, take care of the emotional wounds, treat the sexually transmitted disease and improve the interaction between the patient and the doctor.

The patient's fear of death must be taken care of.

"Due to one of the world's biggest hits in the global AIDS epidemic, some two million of our citizens are carrying the virus that causes the disease.

According to ACP sources, 40 million people in the East African state have died from the disease since it was first diagnosed in a remote village in the north west of the country in 1982.

A newly constructed British-funded AIDS palliative care centre near Kampala is taking care of several hundred AIDS patients in one of its pioneer undertakings.

Patients are counselled by teams of doctors, nurses and community experts at the centre who also advise on recommended diets, while their progressive health stand is monitored.

Acceptance of AIDS sufferers in communities is the existing African setting, which still observes extended family systems, should be encouraged in this new palliative care initiative, according to Dr. Miriam Dugum, an AIDS activist who seven years ago set up the first AIDS clinic at a mission hospital near Kampala.

In the communities, counselling is possible, members of the community build houses for the sick which will be taken over by the orphan," she told the two-day AIDS conference.

"Community members act as intermediaries between patients and their families. AIDS patients can be helped by the community to set up small businesses near their homes until their last days in the world," she said at the conference opened by President Yoweri Museveni.

"Since his case was posted 12 years ago, Museveni has been advocating and campaigning for measures to contain the spread of AIDS.

An umbrella government body, the Uganda AIDS Commission, oversees activities of up to a hundred organizations dealing with AIDS prevention and taking care of tens of thousands of children whose parents perished in the AIDS scourge.

As a result of the vigorous campaign, which also promotes the use of condoms, abstinence, and limited number of sexual partners, infection rates have gone down according to studies carried out by individual international groups.

"African governments must be open and accept the challenge in order to be able to fight the epidemic," Museveni told the AIDS palliative conference at its opening.

"AIDS is a global and a local problem, and we are part of the global problem and we have to fight it as such."

AIDS patients have been asked to contact a hospital in Kampala in an effort to be able to fight the epidemic.

The original plan was to provide six hospitals in Kampala and two other upstream towns with drugs and palliative care experts. Those clinics, equipped with laboratories, would act as referral centers, according to Ochola.

Twelve other clinics around the country would be provided with drugs, but would not be equipped with laboratory facilities, she said.

Ochola said the AIDS program was a success and the number of people with the disease had been reduced.

The programme began a month ago and early this month, the government launched the program in the capital, Kampala, which provides anti-retroviral drugs cheaply.

The rate of infections among pregnant women, the book says citing a study on antenatal clinics around the capital Kampala, is falling fast, from 30% to the current 18%.

Dr. Dorothy Ochola who heads the United Nations-funded AIDS Drugs Access Initiative said that as a way of enabling AIDS sufferers to live longer, concentrations of drugs are being provided at selected health units at subsidised prices.

The original plan was to provide six hospitals in Kampala and two other upstream towns with drugs and palliative care experts. Those clinics, equipped with laboratories, would act as referral centers, according to Ochola.

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The programme began a month ago and early this month, the government launched the program in the capital, Kampala, which provides anti-retroviral drugs cheaply.

"These suppress the multipurpose of the virus. In one day the virus has a chance of destroying the body's own immune system.

When the patient stops taking the drug, the virus starts to re-multiply," Ochola said.

The cost of the AIDS suppressing drugs, though reduced to $24 (about £12) per month from $100, are still inaccessible to the large majority of people in Uganda where the per capita annual income is only in the range of $1,500.

Were the drugs for as long as they live, and this will mean access to them would be limited to those with steady relatively high incomes, according to Catherine Wamala, editor of a newsletter, Straight Talk, which exclusively publishes educational AIDS control material. - Sapaeps
Uganda has Aids 'on the retreat', says official

Fall in infection rate allows attention to focus on caring, writes Henry Wasswa in Kampala.

Ugandan authorities, confident that their campaign to contain the spread of Aids has yielded positive results with a fall in infection rates, are now focusing attention on people already suffering from the deadly disease.

Under government encouragement, charity groups with assistance from donors including international aid agencies and the United Nations are working out ways of catering for Aids patients in ways ranging from providing subsidised drugs to encouraging participation from communities.

Participants at an Aids conference organised in Kampala recently emphasised that with the existence of established apparatus to control the spread of Aids in Uganda, the time had come for looking after people carrying fully blown symptoms.

"There needs to be special care for terminally ill people suffering from pain and facing psycho-social problems. They are dying of opportunistic diseases like cancer and tuberculosis," said Dr Elisabeth Madu, who heads the government-run Aids Control Programme (ACP).

"Before, we were on prevention, and the care component was symptomatic. Now we are going deep. This is the palliative care we must embark on."

"We have to deal with the real suffering of the patient, take care of the spreading wounds, treat the sexually transmitted disease and improve the interaction between the patient and the doctor."

"The patient's fear of death must be taken care of."

Uganda is one of the world's hardest hit in the global Aids epidemic with some 2 million of its citizens carrying the virus that causes the disease.

According to ACP sources, half a million people in the East African state have died from the disease since it was first diagnosed in a remote village in the south west of the country in 1982.

A newly constructed British-funded Aids palliative care centre near Kampala is looking after several hundred Aids patients in one of its pioneer undertakings.

Patients are looked after by teams of doctors, nurses and community experts at the centre who also advise on recommended diets, while their prescriptive health status is monitored.

Acceptance of Aids sufferers in communities in the existing African setting, which still observes extended family systems, should be encouraged in this new palliative care initiative, according to Dr Miriam Gisangwa, a Catholic nun who seven years ago set up the first Aids clinic at a Mission hospital near Kampala.

"African governments have to be open and accept the challenge in order to be able to fight the epidemic," the nun told the Aids palliative conference at its opening.

According to a 1997 publication - "Confronting Aids, A World Bank Policy Research Project" - infection rates among men in Uganda's most infected south western district of Masaka dropped from 60% to 44% from 1989 to 1995 while that of women in the same period dropped from 46% to 44%.

"The rate of infections among pregnant women, the book says citing a study on anti-retroviral clinics around the capital Kampala, is falling fast, from 20% to the current 18%.

Dr Dorothy Okello, who heads the United Nations-funded Aids Drugs Access Initiative, said that as a way of enabling Aids sufferers to live longer, cotrimoxazole is being provided at subsidised prices.

"The original plan was to provide 300,000 patients in Kampala and in two other upcountry towns with drugs and palliative care. These clinics, equipped with laboratories, would act as referral centres, according to Okello."

"There are twelve clinics around the country that would be provided with drugs, but would need to be supplied with laboratory facilities," she said.

"The programme begin a month ago and nearly 500 people have responded to the initiative in two palliative care clinics in Kampala which provide anti-retroviral drugs such as Zidovudine, AZT and nevirapine."

"These suppress the multipurpose of the virus. In one day the Aids virus manufactures billions of virus cells in the process of destroying the body cells. The drugs reduce the virus to a detectable level to an extent of 20 virus per mg."

"When the patient stops taking the drugs, the virus starts to multiply again," Okello said.

The cost of the Aids suppressive drugs, reduced to $300 (about Rf 3000) per month from Rf 700, are still inaccessible to the large majority of people in Uganda where the per capita annual income is only in the range of Rf 300.

"Worse still, patients take the drugs for as long as they live and this will mean access to them would be limited to those with the ability to pay."

Dr Catherine Wacera, editor of a newsletter, Straight Talk, which exclusively publishes educational Aids control material, was quoted as saying: "We have a duty to inform, to inform, to inform."
SA exports to Uganda double in four years

Kampala — South Africa's official exports to Uganda have doubled over the past four years, rising from $24.4 million in 1994 to $48.8 million in 1997, and the volume of exports is projected to rise further this year.

Richard Kamajugo, a senior foreign trade official in the Ugandan trade ministry, said the sharp rise in South African exports to Uganda was the result of co-operation between the two countries following the 1994 elections and subsequent signing of trade and double taxation agreements.

Before 1994 there was no recorded trade between Uganda and South Africa, and the little trade that did exist had to go through a third country because there was no co-operation between the two governments.

Exports to Uganda mainly consist of industrial goods and raw materials, construction and transport machinery, newsprint and sugar.

He said, however, that Uganda had remained a deficit exporter to South Africa, with only $135,900 worth of goods exported in 1996, and $2.4 million in 1997.

Analysts say South African exports to Uganda will rise further owing to promotional campaigns by South African industrialists and the shorter period of goods delivery from South Africa compared with Asia and Europe.

Freight costs from South Africa are expected to fall drastically once Spoornet's Trans-Africa toll-free network linking southern, eastern and central Africa gets operational. — IPS
Uganda leads way in beating AIDS

Postponing sex and "zero grazing" are just some of the ways in which Ugandans are coping with HIV/AIDS, writes Mercedes Sayagues

S
ophia Mukasa-Mintzer is a smart, elegant, strong-willed Ugandan lawyer. As we sip a cold drink and laugh our way through business talk at a restaurant in Kampala, she tells me a story.

"Thirty years ago, my husband was 26. He died of AIDS at age 36. His family business was a household name here in Kampala, he was a member of the Chamber of Commerce and he was the life of the party. Between 1991 and 1992, the man, his wife and six of their children died of AIDS. Today, 60,000 children survive the family, they put them in a big house and shared the financial burden with friends. This continued until last year, when the children were placed with family members.

Modify this in four... In another to her own two children. Her Italian husband died of cancer three months after the youngest was born. "I try to tell all my children that it is not easy. Sometimes I am not very successful," she sighs.

Not one to linger in self-pity, she pulls herself together: "I am not unique. This is the story of Uganda."

A 1995 report by the AIDS Support Organisation (Taso), Mukasa-mintzer's newspaper story every day. This single-handedly, counseling, outreach clinic, the need for AIDS awareness, altruism, and good health education. The number of people infected has increased from 1987, when Taso had 800,000 clients (defined as those who visit at least twice every year).

The story has grown from 10 to 15. Reserving the early strategy of setting up its own centres, Taso trains counselors within existing institutions, such as health centers, churches, and youth groups.

Counselors wear one-tone and with the families, providing good nutrition, hygiene, Aids prevention and dealing with grief.

"Whereas cancer strikes an individual, Aids strikes a family," she says. "So, the entire family is affected by the illness. Many children from Mukasa-Mintzer's children know their parents and siblings may die. Sometimes children spot the AIDS patients in public places, and say they are sick." Fanned by the media, AIDSAIDS, the Elen Elen Johnstone and other donor organizations, Taso's budget has gone from $50,000 to $US5 million—more than what South Africa spent to combat SARS in 1998.

Taso was a ground-breaking model. A lot of the earlier information on counselling needs came from us," he says.

"They didn't know what to do. They were too afraid to talk to each other. That's why we launched Taso in 1986. We started Taso in 1989. The government had a multi-sectoral approach. The strategy included intensive education campaigns, condom distribution, voluntary testing, HIV counseling, sexual behavior change, and treatment.

"We first introduced the concept of "zero grazing" as a way to control the spread of AIDS. This involved changing the way people lived, how they ate, and how they socialized. We wanted to show them that there is another way to live their lives, and that they could still enjoy their lives without having to worry about AIDS.

Taso is one of many creative strategies that have been implemented in the fight against AIDS in Uganda. The country has developed early, on. Coupled with the government's open, pro-active policy, they helped Uganda cope with the pandemic, and possibly curb infection rates.

HIV prevalence among pregnant women, especially among young women, has declined from 14.8% in 1990 to 3.9% in 1997. Researchers say that these figures more likely reflect improvements in the health system, such as better health care for people infected and lower infection rates among infected women, than effective changes in behavior.

"We used to see a lot of people who were HIV-infected and living in poverty, but now we see fewer people. Most of the people we see now are in poverty, but they are better off," says Lawrence Kamanja, in charge of the Uganda Ministry of Health. Ten per cent, or 1.5 million, of Uganda's 15.9 million population, are infected. Half a million people have died of AIDS since it was detected.

Among the 15 to 19 year-olds, 18% of boys and 12% of girls report engaging in sexual intercourse, compared to 15% and 7% respectively in 1995. The figures are similar for the 20 to 24 age group. In 1991, 25% of 15- to 19-year-olds, 13% of men, and 18% of women used condoms, compared to 11% and 9% in 1990. Data suggests that people are using more birth control pills, condoms and even barrier contraceptives. There are two main strategies to control the spread of HIV in Uganda: education and treatment. These two works with them through the traditional health workers, religious leaders, and others to promote preventive measures and to reduce the risk of transmission.

Some traditional healers work well for AIDS-related ailments. For example, essential oils can be used to treat many symptoms such as fatigue, depression, and anxiety.

Taso's core strategy targets adolescents. The term "Taso" comes from the Wolof language and means "catch". The idea is to catch teenagers before they become infected with HIV or acquire AIDS. Taso's approach is to use peer educators, who are young people who are knowledgeable about HIV/AIDS, to educate their peers about the risks of infection and how to prevent it. These peer educators are trained in counseling, education, and providing support to those affected by HIV/AIDS. They also conduct HIV testing and provide counseling services.

"We have shown that 80% of Ugandans know how AIDS is transmitted. "Still, there are a few young people who are not aware of the risks," she says.

Taso is also focused on using the most effective information tool: young peer educators who pass the message through drama, song and dance.

Taso is going for peer pressure, using the most effective information tool: young peer educators who pass the message through drama, song and dance.

Taso's goal is to reach all young people with peer education. They have trained over 10,000 peer educators, who are young people who are knowledgeable about HIV/AIDS, to educate their peers about the risks of infection and how to prevent it. These peer educators are trained in counseling, education, and providing support to those affected by HIV/AIDS. They also conduct HIV testing and provide counseling services.

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ASSOCIATIONS IN CONFLICT

Taxi crisis deepens after spate of attacks

RENEWED taxi-related violence broke out in the northern suburbs last week, leaving one person dead and 14 injured. Gasant Abarder and Willem Steenkamp report.

A series of attacks between warring taxi bodies in the northern suburbs on Friday has left an uneasy tension on taxi routes. Police say they are "closely monitoring the situation" this week.

Sixteen attacks between 6am and 6pm on Friday left one person dead and 14 injured. The attacks followed a shooting in Bellville on Thursday in which two people were wounded.

In the latest attack, at 6pm on Friday, five people were injured in an explosion when an M26 hand grenade was thrown from a bridge at the Bellville taxi rank.

John Jacobs, Anthony Hartzenberg, Veliswa Nxele, Phalathilewe Tumbana and Jackson Farmer are recovering in Tygerberg Hospital from injuries sustained in the blast.

At midday, taxi driver Wayne Swartz, 27, was killed in a hail of gunfire while driving down Modderdam Road, Bellville South.

A pedestrian was wounded in the back and taken to Tygerberg Hospital in the first shooting incident at 6.50am on the corner of Da Gama and Old Paarl Roads.

Minutes later a driver was shot in the chest and back at the Knaapfontein railway station.

Driver Deon McKenzie, 26, was wounded in his right leg and passenger Brian Petersen, 25, was shot in his right side when a shooting occurred between the occupants of two taxis in Belhar Drive at 8.30am.

Two passengers were shot in a taxi on the corner of Modderdam and Symphony in Bellville South at 11.30am. Later two more people were injured in a separate shooting on the same corner.

At 12.15pm a passenger was wounded in the leg in Erica Road, Belhar, and at 2.30pm another was shot in the leg in Main Road, Delft.

Police have arrested 11 suspects, one of whom was injured during his arrest. Six firearms and 71 rounds of ammunition were confiscated.

Police spokesperson Anine de Beer said detectives were investigating the incidents and were relating them to two feuding bodies — the Cape Amalgamated Taxi Association (Cata) and the Convention for a Democratic Taxi Association (Codeta).

Meanwhile, in unrelated taxi violence in the Mbekweni township in Paarl early yesterday, two people were killed and their five alleged killers arrested after a car chase and shoot-out through the streets of the Boland town.

Boland police said at about 6.10am yesterday five men burst into the Mbekweni home of Paarl Taxi Association treasurer David Qomfa and opened fire.

Qomfa and another man, Gideon Ngase, were shot dead and two unidentified women were seriously wounded.

Police confiscated an R4 assault rifle and two 9 mm pistols.
Taxi threat to city restaurants

CITY restaurateurs, already hard-pressed by protection rackets, are facing a new threat — a taxi grouping wanting to cash in on the lucrative late-night market for ferrying staff members home. Security Writer WILLEM STEENKAMP reports.

ONLY hours after being told that their staff would be “in danger” if they did not accept the services of a taxi group called Twelf Down Taxis, a fast-food chain’s transport vehicle was hijacked and forced to drive to the Grand Parade.

Once there, the half-dozen kitchen staff of the chain’s Gardens outlet were ordered out of the vehicle and the driver, an independent taxi operator, was told to leave.

Another city restaurant’s driver — also an independent taxi operator — has handed over R3 600 to Twelf Down Taxis after being stopped on four occasions and told his passengers would be shot dead and his vehicle torched, the restaurateur confirmed.

The R3 600, amounting to R300 per month, is to allow the driver to operate freely for a year.

Twelf Down’s response is that they alone have the right to ferry city restaurant, hotel and casino staff home at night — and that anyone who competes with them was “taking bread out of our mouths”.

They deny that any intimidation has taken place, despite their conviction that independent operators must join them if they want to stay in business.

However, restaurateurs — some of whom wanted to be named for fear of reprisals — told the Cape Times that Twelf Down representatives had made it clear to them that there would be violent repercussions if they did not employ the taxi association.

This situation arose a fortnight ago, when Twelf Down circulated a badly-splintered memorandum to local restaurant owners listing their fees for different routes.

One fast-food chain’s owner said that three days after receiving the memorandum, a Twelf Down representative told him that if Twelf Down were not used “you must realise your staff are in danger”.

That very night, their transport vehicle was hijacked just after leaving their premises and forced to go to the Grand Parade, from where Twelf Down operates. The taxi grouping normally occupies the bus terminus adjacent to the Grand Parade after Golden Arrow buses leave for the night.

But, said the restaurateur, he would not bow to Twelf Down’s demands. “We’re determined to face them down,” he said.

Twelf Down spokesperson Welcome Moss said, however, the taxi association was “actually helping people needing late-night transport to their homes.

“The campaign we are doing is succeeding, but we are having problems with some restaurant owners,” he said.

Moss denied Twelf Down extorted money or threatened or intimidated people, but stated clearly that inde-
Uganda wants more electricity consumers

KAMPALA — Uganda is preparing to expand the domestic and foreign consumer base for its new power generating projects, a move which could affect east African and southern African markets.

Only a small portion of Uganda's consumers — about 5%, of which most are industry-based — is connected to the national electricity grid, which produces 160 MW.

Power developments along the Nile River's upper reaches promise an additional 1,000 MW when they come on stream in six years' time, outstripping the 302 MW demand projected for 2000. As a result power exports are being considered as a short-term option, although Ugandan government sources say the preferred long-term approach is to increase domestic consumption.

The other initiative being pursued is the development of joint power systems, which could see east Africa's grid connected properly to the southern African grid. This would allow free flow of power from areas of low demand to areas of high demand elsewhere in the system. The Ugandan portion of the Nile River has a hydropower potential of more than 3,000 MW, experts say.

Major extension works at the Owen Falls Dam will give an additional 200 MW by the middle of next year and if sufficient transmission and distribution capacity are in place, another 5% of the Ugandan population could be connected.

Three power stations at Bujagali, Kalagala and Karuma Falls promise about 900 MW when they come on stream between 2002 and 2005.

Uganda's Natural Resources Minister Richard Kalumba met Kenyan President Daniel arap Moi in October to discuss how much extra power Kenya was willing to buy from Uganda. Kenya already buys 30 MW from Uganda while Rwanda and Tanzania take 5 MW each.

However, from the middle of next year, when the first two turbines will be switched on at the Owen Falls extension, 80 MW will become available, leaving about 20 MW in surplus. Failure to secure new markets will have serious financial implications for Uganda when independent power producers begin generation in four years' time.

Last June, questions were raised about the viability of Uganda's power generation drive after it was disclosed that the independent power producers building new dams want to be paid a minimum of $80 million annually, whether the capacity to use the power was in place or not.

The permanent secretary in the energy ministry, Kabugambe Kalisa, said the target was to take an integrated approach and extend access to the electricity grid to at least 30% of the population by the year 2005. Even though industrial demand was projected to grow in tandem with new investments, connecting more domestic consumers would require major investments in transmission and distribution systems, he said.
The UK's target to reach third world development recipients with aid by 1998 must be the target now.

Predication, not alleviation, of poverty.
Uganda gets $2bn aid package

Michael Wakabi
and Sapa-AFP

KAMPALA — International donors have granted Uganda a $2.2bn aid package that will run over three years, despite their concerns about corruption and increased military spending.

This follows a meeting of the Paris Club in the capital last week which coincided with the release of a parliamentary committee’s damning report on the way privatisation had been handled.

About $300m of the package will be in quick-disbursing budget support. Conditions for disbursing the package include making President Yoweri Museveni directly answerable to parliament and donors over the privatisation process. Government has assured donors that all reported cases of corruption will be tried not later than December 1999.

Other conditions include a reduction in political involvement in divestitures with only one ministry handling the sale of state enterprises. Donors say involving sectoral ministries has led to delays, corruption and even sabotage by state functionaries opposed to change.

Although there was concern over political interference in divestiture, the donors said they were satisfied with the country’s macroeconomic framework which had enabled Uganda maintain the highest growth rates in east Africa.

Pressure

Meanwhile, pressure is mounting on two Ugandan ministers — Privatisation Minister Matthew Rubikaire and Investment Minister Sam Kutesa — to resign their posts after they were named in the report detailing corruption in the privatisation process.

More than 50 MPs have signed a petition for a motion of censure against the two, and hope to register more than the required one third of the 280-member house.

Rubikaire was expected to address the house today to respond to accusations levelled against him.

In another response to the parliamentary report, Finance Minister Gerald Sendaula has appointed a commission of inquiry into the privatisation of Uganda Commercial Bank. The commission’s terms of reference will, among others, be to inquire into allegations of impropriety.

In another development, reported yesterday, Ugandan President Yoweri Museveni’s brother Maj-Gen Salim Saleh has said he will sign a $10m business contract in Burundi.

Saleh — who resigned last week over his involvement in the improper takeover of Uganda Commercial Bank — said he was going into beef exports, and would soon visit Burundi to finalise the deal.
Minister stays, despite 'botching privatisation'

KAMPALA — Ugandan Investment Minister Sam Kuteesa has refused to resign, despite the signing of a petition by parliamentarians urging the president to sack him for his role in mismanaging the privatisation process.

Privatisation Minister Matthew Rukikaire resigned on Tuesday as parliamentary moves to censure the two gathered steam.

Rukikaire's resignation came a week after a report recommended that ministers and public officials who used their positions to influence the divestiture process be made accountable for their actions.

Kuteesa remained defiant yesterday saying he would not resign his cabinet post. As many as 112 legislators — 22 above the statutory one-third of the house — signed a petition recently urging President Yoweri Museveni to sack Kuteesa.

In the petition Kuteesa is accused of violating the leadership code by serving as board chairman of Entebbe Handling Services while holding his ministerial portfolio.

While in that position Kuteesa is said to have undertaken to buy the Uganda Airlines stake in the company at a price below market value, determined by the auditing firm Deloitte & Touche. Entebbe Handling Services also happened to be associated with his private company, Global Air Links.

In his speech Rukikaire exonerated other government officials cited in the report.

Meanwhile, peace efforts suffered a setback this week when rebels of the Lords Resistance Army killed a peace emissary in northern Uganda. The rebels accused the messenger of being a government spy.

In recent months a national consensus was building on the need for a blanket amnesty for all insurgents to bring peace to the country.
Uganda justifies its own image as bad deeds in high places unveiled

BY ANNA BONZELLO
Kampala

High-level corruption emerged dramatically from the shadows in Uganda this month, forcing the resignation of two senior officials and giving the East African country's "no-party" parliament a chance to bare its teeth.

Two weeks ago, President Yoweri Museveni's brother, Major General Salim Saleh, resigned as presidential advisor on defence and military affairs after confessing to engineering the improper takeover of the recently privatized Uganda Commercial Bank (UCB) through a firm in which he has a significant shareholding, Greenland Investments.

Then Museveni accepted the resignation of Matthew Rukutana, the state minister in charge of privatization.

That followed an explosive parliamentary inquiry into the privatization process, with a select committee concluding that in the three enterprises it had investigated - TransOcean, Uganda Commercial Bank and Uganda Airline Corporation - the privatization process had been "derailed by corruption".

The MPs called for four other senior officials to be relieved of their duties: Justice Minister Mayanja Nkangi; Treasury Secretary Tumusiime Mutebile; Works, Housing and Communications Minister John Nasasira; and State Minister for Finance (Investments) Sam Kutesa.

The report confirmed Ugandans' worst fears, and longstanding complaints, but now they are seeing something rare in Africa: the guilty being forced to take responsibility for their actions.

The parliamentary committee urged that Saleh and four others involved in the UCB scandal be investigated for "serious crimes", noting that after the improper takeover, it had gone on to hand out millions of dollars in unsecured loans.

The select committee report could not have come at a more embarrassing time.

As the MPs presented their report, Consultative Group donors arrived in Kampala to debate and eventually approve a $2.3 billion (about £1.3 billion) deal to fund Uganda's economic and social projects over the next three years.

The donors previously regarded Uganda's management of its economy as a shining model, but expressed concern at high levels of corruption before the latest scandal.

The respected Transparency International agency recently rated Uganda as the most corrupt country in the world.

Sapa-AFP
Uganda
1999
Ugandan president says he will fight corruption

Michael Wakabi

KAMPALA — Ugandan President Yoweri Museveni insists that he has the will to fight corruption, but there is growing concern that he has cold feet about taking a tough line with transgressors.

Some politicians claim Museveni is facing a crisis of credibility as the country looks to him to fight a network of corruption among state officials.

According to a recent World Bank report, Uganda lost up to $350m through corruption by government officials during last year. It said the corruption was most prevalent in the privatisation process and in the procurement of military equipment.

Museveni, however, is insisting that hard evidence must be produced before he can take action, which some parliamentarians claim is an unrealistic demand in a system controlled by the corrupt. On several occasions he has blamed weaknesses in the police's investigative powers and the judiciary for his inaction.

"Disturbing though corruption is, government cannot resort to the jungle law of past regimes," the president said in his New Year address to the nation.

The public thinks differently, they believe the political will to fight corruption is lacking and that Museveni has not taken prompt action because those implicated in instances of grand corruption are close associates.

Some of those implicated, such as Museveni's brother, Maj-Gen Salim Saleh, resigned when a parliamentary inquiry found he had acted improperly in a banking privatisation deal. He had been presidential adviser on security.

However, others have not. They include Brig Jim Muhwezi -- censured by parliament last February -- who was among the bush fighters in the five-year campaign that brought the National Resistance Movement to power. Sam Kutesa, the minister of state in charge of planning and investment who is implicated in stripping the national airline of its core assets, is Museveni's brother in law.

Addressing a caucus of pro-movement parliamentarians on December 21, Museveni said he did not believe Kutesa was corrupt and would not sack him on the basis of allegations in parliament.

He also reminded the meeting that Salim Saleh, whom the house was rebuking, had "fought for the peace" legislators were now enjoying. Legislators who attended the meeting said they were discouraged by the president's attitude.

This impression is reinforced by the fact that Museveni has been prepared to remove the velvet glove in his dealings with those the government suspects of activities aimed at toppling it.

While isolated voices have called on Museveni to fight graft properly or resign, nobody has gone as far as labelling him a thief. At the end of the day, civil society appears too weak to force government to bring out the big guns in the fight against corruption, and it remains up to Uganda's donors to wield the big stick.
MTN too popular for its own good in Uganda

Michael Wakabi

KAMPALA — MTN Uganda, licensed as the second national cellular service provider last April, is struggling to cope with unanticipated congestion on the network caused by the huge volume of calls.

The network was launched in October last year, bringing the prices of handsets down to more affordable levels and tariffs down by about 60%. As a result, MTN's subscriber base has grown rapidly to reach 70% of the cellular market, according to market analysts.

Marketing manager Erik van Veen said the network suffered instability because Ugandans make 10 to 12 times more calls and talk for longer periods than subscribers in developed markets like SA. On average, Ugandans spend 300 minutes on their cellphones each month.

Network instability has been experienced mostly by pay-as-you-go subscribers.

"We are trying to keep the network stable. Its reception is not yet at the quality we would want it to be but we taking measures to overcome these problems," he said.

Additional equipment comprising a new switch and a new pay-as-you-go system will arrive in the country soon. Additional base-station cells and equipment earlier designated for the westward roll out from the capital have been redeployed to serve the Kampala area where congestion is most prevalent.

Another problem has been the connection between MTN and the other networks — the state-run Uganda Telecom and rival cellular phone company Celtel Cellular. Van Veen says the narrow gateway between the networks is likely to persist because the state utility is unable to supply additional line.

MTN's licence commits it to a minimum roll-out of 89 000 lines over a five-year period. Besides Kampala, service has already been extended to Uganda's eastern border areas, where it has attracted business subscribers from neighbouring Kenya, whose government has been slow to open doors to MTN.
Uganda to double power production

Mark Turner (234)  

NAIROBI — Independent US power company AES, says it is about to sign a deal to build a $500m-$550m hydroelectric dam at Uganda's Bujagali Falls, a project that would double the country's power supply.

The investment, east Africa's biggest, would show confidence in Uganda at a time of donor concern at corruption and the cost of the military involvement in the Democratic Republic of Congo.

Bob Chestnutt, Bujagali project manager, says the deal will involve a 30-year power purchase agreement with Uganda's electricity board.

Uganda suffers from severe power shortages, which a recent World Bank study cited as a major impediment to investment. The government estimates that shortages reduce gross domestic product (GDP) growth by 2%.

The country's existing energy source, the hydroelectric dam at Owen Falls generates only 180MW, which is 100MW below demand. A planned extension should raise capacity to 380MW in the next few years.

AES is confident there will be demand for Bujagali's extra capacity, citing forecasts that Uganda will need more than 1 100MW by 2030. “By the time our project comes fully on line, in about 2004, Uganda will require 620MW,” said Chestnutt, who also sees potential for export to Kenya and Tanzania.

The picture is clouded by another project, a Norwegian-proposed facility at Karuma Falls, which Uganda-based Norpak Power says would be cheaper, more flexible and, because it would use underground sluices rather than a dam, have less impact on the environment. AES has been criticised in the local press about environmental concerns, but it maintains its facility would have little impact.
Call for peace talks in Uganda to end civil war with rebel groups

Despite Museveni’s resistance to discussions with rebels, his promise to eliminate leaders has not stopped the bloodshed and abductions, writes Wairagala Wakabi in Kampala for the Star Foreign Service

Uganda’s brutal 12-year-old civil war continues to claim its victims — now numbering tens of thousands — and while there is no end to the fighting in sight, top figures in the country are beginning to call for measures to induce peace talks.

President Yoweri Museveni announced a parliamentary committee probing the northern rebellion advised government to pursue both military and peaceful measures to end the war:

Religious leaders and political parties are also calling for peace talks.

Donors are concerned about the resources gone into the war effort.

Arabised and Muslim north. Southern Sudan is mainly black-African with animist and Christian beliefs.

The closest Uganda and Sudan have moved to normalising relations was the exchange of prisoners of war early last year.

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President Yoweri Museveni, who blasted his way to power in January 1986 after a five-year guerrilla war, is still battling the rag-tag Lord's Resistance Army (LRA) of Joseph Kony, who say they want to rule the country in accordance with the Biblical Ten Commandments and re-introduce multi-party elections and federalism.

An enigmatic, self-styled major-general, started his war against Museveni's rule, fearing that it was a hard-line southerners' reign with a plan to massively kill northerners. Museveni's predecessors, Dr Apollo Milton Obote, Idi Amin Dada and General Tito Okello were northerners - like Kony - and their regimes were accused of killing up to 700,000 people, mainly southerners.

A former catechist in a local church, Kony is said to have 80 wives in his bush headquarters in southern Sudan. But if he has achieved nothing else, he has managed to dim Museveni's star as the hero who brought peace to a country whose past was littered with civil war.

While the death toll continues to rise, and the army continually fails to beat the insurgents, Museveni has maintained his hard-line stance and refused to talk peace with the rebels.

He calls Kony a bandit and says talking to him would set a bad precedent.

"They (rebels) should come out and follow the constitution. If they do not want to, we shall destroy them," he has said.

Museveni argues that unless the rebel problem is solved definitively - and militarily - in future it would encourage other phony groups to wage war, knowing government would talk peace with them.

To most observers though, the military option has failed. Despite various deadlines Museveni has given for delivering Kony's head to the nation, the dreadlocked rebel leader is still alive - and allegedly raping young girls in his Sudanese nook.

The national army, despite its professed might, has failed to crush the rag-tag rebels. Now with this new spate of attacks, Museveni has no option but to talk peace," notes Apolo Namana, an official of the Human Rights Foundation.

Some members of parliament keen on seeing an end to the fighting are pushing for a law that will grant statutory amnesty to all rebel groups as a prelude to the settlement of rebellions in the country.

"There is a need to grant amnesty to the rebels so as to engage in constructive dialogue. We shall lobby seriously to see that this motion by him is passed," says youthful legislator Martin Ekanya.

A similar bill was shelved in 1996 after a parliamentary committee probing the northern rebellion advised government to pursue both military and peaceful measures to end the war.

Religious leaders and political parties are also calling for peace talks.

Donors are concerned about the resources going into the war effort.

Uganda accuses its northern neighbour, Sudan, of bandrolling anti-Kampala rebelions in an endeavour to spread Islam. Khartoum's alleged support for LRA rebels led to the severance of diplomatic ties between Uganda and Sudan four years ago.

The UN Children's Educational Fund (Unicef) says some 40,000 people in the northern districts of Gulu and Kitgum have lost limbs to Kony's rebels; and 40% of these districts' populations have been displaced.

Some 600 young girls and 1,000 young boys, formerly rebel abductees, are in need of medical care after being forced by the rebels into military training and prostitution. Several others were traumatized by loss of their relatives, and sordid experiences while in captivity.

Some kids were forced to kill - by shooting, stabbing, roofing, hacking or biting - in full view of all those who attempted to flee from the rebels but got caught.

Unicef says other kids have apparently been sold into slavery to Arab merchants in return for arms, and some are being used as human shields by both the rebels and the Sudanese army in its campaign against the Sudan People's Liberation Army (SPLA).

Kony's significant atrocities since 1994 include the April 2, 1996, killing of over 200 civilians in the Attuk trading centre; the March 8, 1996, attack on a civilian convoy in Pakwach that left 100 dead, and the February 13-14, 1996, raid on Acholipli UNHCR camp in which 110 refugees, mainly from southern Sudan, were killed.

Between January 7 and 12 last year, the rebels killed 412 civilians in Lokung and Palabek subcounties of Kitgum district.

In October 1996, the rebels abducted 200 students from St Mary's College Aboke, a secondary school run by the Comboni Fathers of Vittoria, Italy. Though the nuns managed to negotiate for the release of most of the girls, and others escaped on their own, the rebels are still holding up to 20 of them. The remaining abducted girls have reportedly been married off to rebel commanders.

The UN estimates that 620,000 Ugandans have been displaced by the insurgency.

Observers say for the carnage in northern Uganda to end, Kampala must make peace with Sudan. But this would be easier to achieve if the leadership in Khartoum changes does the problem of the SPLA.

Uganda supports John Garang's SPLA rebels who have for a decade and a half fought for southern independence from the Arabised and Muslim north. Southern Sudan is mainly black-African with animist and Christian beliefs.

The closest Uganda and Sudan have moved to normalising relations was the exchange of prisoners of war early last year.

But Kampala insisted it could not restore ties unless Khartoum openly renounced support for the LRA and ordered it to release the abducted school girls. And as the POWs were being exchanged, the LRA was heightening attacks, mainly on civilians, including in districts where it had not been active for several years. In Southern Sudan, the fire continued too.

The SPLA went on the offensive, capturing a string of government garrisons in the Blue Nile region, like Waidega situated 40km from the Ethiopian border.

But given the atrocities committed by the rebels, prospects of peace talks with government remain minimal. The weekly Market Place newspaper, commenting on the futility of negotiating with rebels, said in an editorial there was no guarantee that the rebels would respect the principles that would be laid down in any agreement to which they put their signature.

"In order for any political or military group to claim the right to be heard it must earn credibility by putting forward legitimate demands and adopt morally acceptable methods of pursuing them.

"The government therefore now faces the dilemma of yielding to the terrorists' demands under duress or strengthening its security organs in order to destroy the rebels and their organisation," the paper concluded.

Analysts say Kony has no political agenda and would continue fighting (to earn a living) even if Museveni extended him to the olive branch. While he lacks local support and has only a handful of fighters (about 3,000), he is hard to beat because of the dense vegetation in the war area and the fact that every time he is beaten he retreats to Sudan to regroup and obtain provisions.

Like the LRA, the other significant group fighting Museveni, the Allied Democratic Forces (ADF), has committed atrocities against civilians and seems to have no political agenda.

Last June, it invaded a technical college some 150km west of Kampala, and burnt to death over 70 students. Scores more were injured and 140 abducted, apparently to bolster the rebel ranks.

The ADF is based in Eastern Congo (former Zaire) near the Uganda border, and is said to comprise of mainly Ugandan fundamentalist Muslims and former Zairean and Rwandese soldiers and militants.

Uganda vows to hunt down tourists’ killers

Uganda has vowed to hunt down tourists’ killers after an attack in the country. The attack, which killed several tourists, was carried out by a group of unidentified individuals. The government has promised to do everything possible to bring the perpetrators to justice.

The attack took place in a popular tourist destination, where several tourists were staying. The attackers entered the hotel and began shooting at random, killing several tourists and injuring others. The attack has caused shock and outrage among the tourism industry in the country.

The government has launched a full-scale investigation into the attack and has appealed to the public to provide any information that could help in identifying the attackers. The country’s tourism industry is a major source of income, and the attack has caused concern among tourists and tour operators.

Tourists and tour operators have been advised to exercise caution when visiting the country and to report any suspicious activity to the authorities. The government has also promised to increase security measures in tourist destinations to prevent such attacks in the future.

The attack has caused concern among international tourism organizations, who have expressed their solidarity with the Ugandan government in the wake of the attack. The organizations have pledged to support the country in its efforts to bring the perpetrators to justice.

Meanwhile, the country’s tourism industry has called for a show of solidarity from the international community, who have been urged to support the country in its efforts to prevent similar attacks in the future. The industry has also called for increased security measures in tourist destinations to ensure the safety of visitors.

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Anti-corruption movement targets vice-president

REST OF AFRICA
Ugandans roll out red carpet for settlers from S.A.
Fear of EU ban on Ugandan fish sales

Kampala — Uganda risks having its fish banned from European Union (EU) markets after a dozen Ugandans died from eating fish, mainly from Lake Victoria, which had been poisoned in order to be harvested.

Tens of thousands of young fish, especially the Nile perch, were found dead at several landing beaches on Lake Victoria last week. The incident and the deaths forced the Kampala city council on Monday to ban the sale of fish in the city's markets.

Fears are being expressed that fish from countries bordering the lake will be banned again, as they were in 1997 after an outbreak of cholera. The ban, lifted last July, was a terrible blow to the economy of the region, which exports 70 percent of its fish to the EU.

Exports of fish, Uganda's second biggest export, fell from 16,046 tons in 1997 to 4,839 tons in 1998. Officials say they will fall again this year.

Decreasing fish catches have forced fishermen to resort to poisoning the fish or using crude methods that deliver very young fish.

"The fish landing sites do not have adequate facilities for fish handling, and communities do not have proper sewerage and refuse disposal facilities. Even the cold storage facilities at airports are not good enough," said Nsimbe Bulega, a fisheries official.

Catches on the lake had fallen from 39.82kg a boat a day in 1993 to 25kg by the end of last year.

"Partly in despair or due to gross ignorance of the effects, unscrupulous fishermen have resorted to the use of dangerous fishing and the use of explosives," said Felix Eugene Muramira of the Ugandan National Environment Management Authority. Independent Foreign Service
No curbs on ‘sound’ censure of ministers

(KAMPALA) 8027/3/99

Kazibwe insists the valley dams were built, but Anthony Kanyike, chairman of the parliamentary committee probe, maintains no value was acquired for money spent. Work was contracted to incompetent contractors who did a shoddy job on only six dams that were built. Evidence showed one of the contracting firms was not registered at the time it was awarded the tender, while the other contracting company, registered two months earlier in neighbouring Kenya, did not have an address in Uganda.

Meanwhile, Museveni has said he wants to retire from politics while he is still young. "I am now 54, with two years to finish this term. If I get another five-year term, I'll be 61 at the end of it, and that would be a good time to go and look after my cows."
Army urged to halt human rights abuses

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Uganda to table new amnesty bill

Hopes high for end to war as govt considers talks

Michael Wakabi

KAMPALA — Hopes for a peaceful resolution to the 13-year conflict in northern Uganda were high at the weekend after Ugandan officials said an amnesty bill would be tabled soon and that contact had been made with the Lord's Resistance Army.

Minister for the Presidency Ruhakana Rugunda said the government would go into negotiations if there were "indications of seriousness on the other side" and that there would be efforts to go the "extra mile in the search for peace".

The development marks a significant shift by the National Resistance Movement government that has always preferred a combination of military pressure and peace talks with its adversaries. The long-running insurgency has displaced thousands of people in northern Uganda, hurting economic productivity.

News of the peace moves is also likely to interest foreign investors, who have expressed concern about prospects for long-term stability in Uganda.

The Lord's Resistance Army is led by former church catechist Joseph Kony and is largely supported by the Sudanese. Kony calls for rule based on the Bible's 10 commandments and the reintroduction of multipartyism and federalism.

He has been a constant thorn in President Yoweri Museveni's side and, despite defections, has been able to regroup from Sudan. It is difficult to assess Kony's support because the group has kidnapped thousands of children to serve in its army.

Rugunda said the government was encouraging other interested parties, such as nongovernmental organisations and civil leaders, to join the search for peace.

He also confirmed reports by another minister that the cabinet had endorsed proposals to grant rebels a blanket amnesty which would also cover their leaders. Authorisation to that effect would soon be tabled in parliament.

Local press reported that Kony was in Kampala and had met security officials. The government move comes on the heels of surveys by a ministerial team, which found that Ugandans were tired of war and wanted peace at any price.

Popular opinion has long advocated a peaceful resolution to conflicts within the country, but Museveni has always said only the victims of the rebels' crimes could forgive them.

Although previous amnesties expired without top rebel leaders taking advantage of them, several of their men have surrendered and government has not been prosecuting members of their ranks captured in combat.

Over its 13-year reign, the National Resistance Movement government has negotiated with various groups in a bid to bring peace to the country. Peace talks with the Lord's Resistance Army first started in late 1993 but broke down in 1994 after the government accused the rebels of using the hull to rearm.

Other rebel groups include the Allied Democratic Forces, which operate from the Ruwenzori Mountains along the country's western border with the Democratic Republic of Congo. The group often retreats into Congo, but the Ugandan government alleges that they are also funded by the Sudanese government.

The Ugandan government has also had to contend with interahamwe, or ex-Rwandan army soldiers, reportedly armed by the Congolese government. They recently killed eight foreign tourists and four local park employees at the Bwindi national forest reserve.
Conflict ‘entrenched poverty’

Report finds 54% of Ugandans are still without access to clean drinking water

Michael Wakabi

KAMPALA — Political instability and armed conflict in Uganda have combined to entrench insidious levels of poverty and stunted development goals, the Uganda Human Development Report 1998, released by the United Nations Development Programme, indicates.

These factors have adversely affected the productive systems that support socioeconomic development.

The report says that although the proportion of the population that is poor had declined in recent years, 54% of Ugandans are without access to clean drinking water, 38% of children under the age of four are stunted while 44% of the population is not expected to survive to the age of 40.

This picture makes Uganda’s poverty rate the worst in eastern and southern Africa with the exception of Malawi, which has a poverty rate of 46%.

“Pervasive corruption and insurgency afflicting parts of the country represent a significant challenge in the pursuit of sustainable human development and there is the persistent problem and urgent need to redress the sharp regional disparities in human development,” the report observes.

The report, the third in a series of annual statement released by the United Nations country office in Kampala, says poverty in Uganda is largely a rural phenomenon with at least 43% of the rural population being poor compared to just 20% of urban residents.

The UN report says that large parts of northern Uganda have been affected by cattle rustling for many decades and by insurgency and military violence for almost three decades. Intermittent civil war and armed conflict have also affected most of eastern Uganda and large areas in western and central Uganda during the past three decades.

Most of these acts of violence and the insecurity of life and property that results have adversely affected rural people and in particular rendered them highly vulnerable. Insecurity regarding the supply of food and in finding jobs is also a common feature of the livelihood of the rural poor, the report observes.

About 19% of the population cannot afford adequate — and sometimes any — food, or other basic family needs.

Since 1993, both the World Bank and the International Monetary Fund have commend- ed Uganda for macroeconomic stability and high rates of economic growth which are seen as vital in the fight against poverty. Government divestiture and privatisation have put the economy firmly in the hands of the private sector as engine of growth and there has been steady inflow of investment funds.

Uganda continues to achieve modest gains in human development. The extent of human progress as measured by the Human Development Index in 1996 represents a virtual doubling over the level in 1980. However, the report cautions that Uganda continues to be saddled with numerous challenges.
Confidence shaken as second Ugandan institution is closed

Michael Wakabi

KAMPALA — Uganda’s central bank decision to close Greenland Bank last week and a shake-up in its own stable reflect serious management problems in the financial sector, say banking sources.

President Yoweri Museveni ordered the sacking of the director for bank supervision at the central bank on Monday, two days after the Bank of Uganda shut Greenland Bank on the grounds that its management flouted financial regulations and lent heavily to senior bank staff.

Greenland is the second Ugandan commercial institution to be declared insolvent by the central bank in six months. The Bank of Uganda’s announcement that it would be liquidating Greenland Bank froze more than $20m in deposits. Angry depositors are considering taking class action against the central bank.

A lawyer who deposited $285 000 just three days before the closure, convened a meeting at which bank clients mapped out strategies for recovering their money. They claim the central bank misled them into keeping deposits in a bank that it knew was headed for closure.

The central bank took over management of the distressed bank in December, and kept telling depositors the bank was not in any danger of collapse.

A recent audit found that more than 50% of the bank’s $229m loan portfolio was “insider lending”, and the overall loan portfolio was 26 times the legal limit.

Analysts say that for a bank to sink to such levels, there must have been a lapse in the central bank’s regulatory functions. A legal firm’s independent probe found that Greenland’s troubles began more than three years ago when managers invested in risky ventures and gave unsecured loans to themselves.

It is suspected that officials in the central bank’s supervisory department took bribes to give clean bills of health to mismanaged banks. The finance ministry is drafting a law to make it possible to prosecute auditors who give misleading reports on financial institutions.

Concerns about Greenland Bank have spread to Tanzania. Customers of the recently suspended Greenland Bank Tanzania stormed the central bank, demanding to be told what would become of their deposits.

There was panic after reports that the local branch was also threatened by liquidation and depositors would get a flat $250 000 shillings back, regardless of sizes of their savings. Central bank officials denied the report.
IN BRIEF

EU slaps ban on fish imports

BRUSSELS — The European Commission confirmed yesterday it would ban fish imports from three African countries — Kenya, Uganda and Tanzania — for an unspecified time, over fears of pesticide contamination.

"The ban should take effect on Monday and follows a proposal from European Union veterinary experts," said a commission official. The 15-nation bloc imported only small quantities of fish from the three nations, he said.

Tanzania said on Wednesday it would appeal against the ban, saying it was unfair and threatened the country's economy. — Reuter.
Ugandan park starts getting visitors again

KAMPALA - More than 100 foreign tourists have visited Uganda's Bwindi National Park since it reopened after a four-week closure which followed the killing of eight foreigners there by Hutu rebels last month, officials said.

"We have occupancy of about 50 percent at the moment, mostly taken by backpackers and overlanders. We hope that in three months' time we will be back to full occupancy," said Shawn Mann, a tourism consultant told AFP.

"We had the first group through and they said they had been a bit nervous at first, but fine once they realised that the place was safe.

"But they also said there were a lot of soldiers in the area, which they were not so keen on," Mann added.

The Ugandan army has boosted its presence in the park since the attack during which some 100 Rwandan Hutu rebels stormed the park's headquarters, abducted 14 foreign tourists and later hacked to death four British, two Americans, two New Zealanders and one Ugandan guide.

Tour operators who used to provide gorilla-tracking permits to up-market clients are, however, yet to re-establish operations in Bwindi.

"We need to be convinced of the security situation ourselves, and we need to have enough clients to make it viable," said Patrick Shah of the British firm Abercrombie and Kent.

"Before we can go back to Bwindi, we need the British foreign office and the United States state department to change their travel advisories.

"We cannot take people into that area if it is being described as a no-go area," Shah added.

The US embassy in Kampala is to review the security situation in Bwindi at the end of this month.

The murder of tourists in Bwindi struck at the heart of Uganda's small but growing tourism industry, which is centred on trips to view rare mountain gorillas in the west of the country.

Bwindi is one of a few places where it is possible to track the world's remaining 620 mountain gorillas which live in the volatile and mountainous region at the intersection of the DRC, Rwandan and Ugandan borders.
Amended regulations aim to encourage Ugandan companies to make share offers.

Kampala's stock exchange eases listing rules.

REST OF AFRICA
A general economic malaise spells fewer laughs, plumping circulation and cutbacks

Ugandan Press faces crisis

REST OF AFRICA

BUSINESS

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Uganda's Striking Star Fades

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Uganda Launched Bank Reforms

REST OF AFRICA

Criminal sanctions for auditors and sharp increases in minimum capital requirements are on the cards (34)
Small investors will get access to bourse

Michael Wakabi

KAMPALA — Uganda is drafting a law that will form the basis for operation of collective investment schemes and open-ended investment firms on the country's bourse.

The move is expected to open the stock exchange to small investors, locked out until now by the big denominations in which business has been conducted.

Capital Markets Authority CE Japheth Katto said the cabinet had already approved the proposal and the law had been sent to the justice ministry for drafting. Officials say wider public participation will be important if the bourse is to be integrated in Ugandan society and encourage a culture of saving.

The Collective Investments Act will put in place mechanisms for the establishment, operation and regulation of collective investment schemes and open-ended investment companies. The investments will operate in the same manner as unit trusts and are expected to enable small investors to access firms listed on the bourse.

Eleven broker dealers and 13 investment advisers have already been licensed to operate on the Uganda Securities Exchange, but they have been dealing in a couple of big denomination bonds issued by the East African Development Bank and the PTA Bank.

Besides these instruments, Bank of Uganda Treasury Bills are also being recorded. These have attracted mainly institutional investors, leaving out ordinary people. The spirit of the new law is to change this trend. Exchange officials say that with collective investments, small investors will be able to buy into as many stocks as the investment companies will invest in.

A number of public enterprises will make share offers, although there were fears that ordinary taxpayers who contributed to building of public enterprises might not be able to buy into them when they were finally floated.
Auditors who clear aligning institutions could be held responsible for later failures

Uganda cleans up banking

INTERNATIONAL

Michael Walsh
Rightwing ‘plot to seize power alive and well’

By CP CORRESPONDENT

The biggest threat to South Africa's democracy could be felt only after the June elections, intelligence experts are concerned that some of the strategies contained in a document sourced to a secret right-wing think-tank, which met while negotiations for a new South Africa were taking place, are now being implemented by rightwingers.

The basic idea outlined in the 1992 document is for the huge networks of former agents of the old security apparatus, right-wing supporters and third-force elements to go to ground and play a waiting game.

Forces sympathetic to the cause of white supremacy, the document advocates, should not try to make a major bid for power until the period after the second general election - in other words in the run-up to the third election, scheduled for the year.

Meanwhile, they should remain connected via loose networks of influence and build their paramilitary capabilities.

These forces should seek to promote a climate of lawlessness and crime and destabilisation of the new society. They should seek secret alliances with groups hostile to the new government and provide training and military hardware, thereby pursuing old strategies of low-intensity warfare in a new context.

The think-tank in question is believed to have been linked to the so-called Volksheidskomitee or Vekom, a committee of former SA Defence Force and police generals connected to the Freedom Front and headed by former SADF intelligence chief, Gen Tienie Groenewald.

Leader Constable Viljoen admitted in his Truth and Reconciliation Commission amnesty application that in the run-up to the 1994 elections he had well-developed plans to seize power by force.

Viljoen also admitted to training and providing weaponry for Inkatha Freedom Party paramilitaries before the plot was abandoned.

But according to intelligence sources, at least some of the Vekom generals have continued to meet ex-Civil Co-operation Bureau agents and other third-force operatives of the old regime. The reports connect them to plots like the Tempe weapons theft last year.

The strategy outlined in the document built on conditions created in the covert networks of the old security system - a process of decentralisation and channelling of funds away from the control of the visible arms of government in the mid-1980s.

One of the key strategies developed in the document is for supporters to go to ground in strategic services like private security companies, investigations units and private intelligence outfits.

In doing so they would be able to accumulate many arms and further develop paramilitary networks. Control in this sector would give them privileged access to strategic installations.

The security industry employs about 286,000 guards officially, but in fact more than 500,000 guards have been trained and could be armed legally.

Security company operatives have been linked to ongoing political violence in KwaZulu-Natal and the training of paramilitaries.

The document also outlines the mobilisation of whites - especially the farming community - via the old commando system.

FF sources claim this could lead to the mobilisation of as many as 100,000 soldiers in the event of conflict with government.

Attempts by government to forestall this potential by drafting ex-erbation army soldiers into the commando system have proved unsuccessful.

Some areas like the Eastern Cape, KwaZulu-Natal and the Free State have seen commandos mobilised as farmer-protection services. A good deal of this mobilisation has been led by ex-commandos from the Vekom generals' group in Bloemfontein in the middle of last year.

Meanwhile, the real threat remains to be seen.

Some senior intelligence members claim the rightwing around Vekom and similar structures is gradually falling apart and that the network of third-force front companies set up by the old regime now pursues profit rather than political goals.

However, recent reports of paramilitary training on farms owned by rightwingers in, among other places, Northern KwaZulu-Natal, the Overberg area of the Eastern Cape and in Mpumalanga, suggest ongoing plotting against the new South Africa.

Meanwhile, one of the largest potential threats continues to be posed by the existence of huge arms caches laid to ground before the old government lost power.

The amnesty application of Eugene de Kock states that about 250 tons of weaponry confiscated by SA security forces in Namibia was secretly delivered to former Kopvoet commander Gen Hans Dreyer.

This was around the time that about 60 tons of weaponry was delivered to the IFP's Philip Powell in 1992 - some of which were destroyed near Ulundi this week.

Dreyer, allying at present, was one of the former generals associated with Vekom and other right-wing groups. The weapons were delivered to him remain unaccounted for. Intelligence sources say the weapons have been concealed on farms in the Graaf Reinet and Free State areas.
**Powell’s guns: SPU and SAP links**

By CHIARA CARTE

PHILIP Powell, a member of the provincial legislature in KwaZulu-Natal, is a former member of the SA security police who is alleged to have continued to supply the SAP with information after joining Inkatha.

He was responsible for training Inkatha Self Protection units and, according to former IFP kingpin Walter Fidgele, was directly accountable to Inkatha leader Mangosuthu Buthelezi.

Several sources, including Eugene de Kok, claim a link between Powell and superspy Craig Williamson, and say that as late as 1994 Powell held meetings with rightwingers.

More recently he was alleged to be assisting Midlands warlord and apc Sifiso Mkhonte, who joined the United Democratic Movement after being expelled from the ANC.

De Kok was not the only source of Powell’s arsenal.

In December 1993, Powell wrote a letter marked private and confidentiel and titled ‘Self Protection Training Programme’, in which he complained about a lack of cooperation from the police.

Powell wrote: “If the Department of Police are unable to supply the ammunition then it is suggested that other avenues be examined.”

De Kok, at his own trial, said that Powell had told him that he had found a corpse in Durban who could get better homemade guns.

An intelligence report alleged Powell sold ammunition to IFP members in Pietermaritzburg and had loaded equipment to make ammunition at his home.

De Kok told investigators he delivered six truckloads of weapons to Philip Powell for use in the SPU training project. He said that four KwaZulu government trucks were used on 1 October 1993 and another two trucks on 20 October 1993.

De Kok was introduced to Powell by members of the Durban security branch, while he was on holiday in KwaZulu-Natal.

De Kok later went to the police weapons store at Armcoor Subsidiary, Meadow, to collect ammunition. According to the ammunition application of De Kok, it was sent on 10 October 1993.

The second load was delivered to Powell at Ulundi, and Vlakplas operative Sven Vegmeulen helped store the weapons.

The weapons cache found this week was linked to Powell’s Mlabo training camp.

Powell was the driving force behind the Self Protection Unit training project and was also the Mlabo camp commander. The camp’s origin lies in a meeting on 20 August 1993 which decided to set up a Self Protection Unit training project financed by the KwaZulu government.

Between October 1993 and April 1994, 5,000 to 6,000 IFP recruits were trained at the Mlabo and Emandeni Matting camps. About 1,200 of these trainees were recalled in April 1994 to be trained as Special Constables.

The TEC statements made in the TEC report suggest that these recruits received training in offensive methods and in the use of unlawful weaponry.

A former Mlabo trainee alleged that they received instructions on how to construct home-made bombs, sabotage vehicles and set alight a house in a manner which would prevent most passengers from escaping.

Instructors included former Vlakplas members (including De Kok and Sven Vegmeulen), Askari, right-wingers and Captive trainees.

A least some of those people are alleged to have recently restarted training projects in the province.
Uganda in 30% defence overspent

REST OF AFRICA
Co-operative Bank in Uganda closed

KAMPALA — The Bank of Uganda said yesterday it closed the Co-operative Bank, one of the country’s largest, and would liquidate it.

"This action has been taken because the Co-operative Bank is insolvent," Bank of Uganda Governor Charles Kikonyogo said.

The privately owned bank is second only to the state-owned Uganda Commercial Bank in terms of branch network and its closure comes less than two months after the closure of locally-owned Greenland Bank.

The closure of International Credit Bank last year triggered a run on TransAfrica Bank and Trust. Bank (Uganda). Their activities were temporarily suspended. — Reuter.
Ugandan economy 'to grow by 7%'

Kampala - The Ugandan economy would grow by 7.1 percent in the year to July despite setbacks such as the closure of three banks and a depreciation in the shilling, the central bank said yesterday.

"As we stand today, the economy will grow by 7.1 percent this year," Charles Kikonyogo, the governor of the Bank of Uganda, told a news conference called to announce the closure of the insolvent Co-operative Bank.

"The momentum of growth is continuing despite these setbacks," Kikonyogo said. Uganda forecast growth of 7 percent in the 1998-99 budget.

The privately owned Co-operative Bank is the third bank to be closed recently, following Greenland Bank in April and International Credit Bank in September last year.

But many local economists and manufacturers say they are more concerned about the sharp fall in the Ugandan shilling in April, which could undermine investor confidence.
Violations claims hit Uganda

KAMPALA: The Ugandan government is reeling under accusations of the army committing human rights violations against civilians in the war zone. But President Yoweri Museveni's government says rebels in the northern and western regions of the country are to blame.

The Independent Monitor newspaper published a picture last week showing men in military uniform holding a naked woman to the ground, trying to commit an atrocity on her. The paper claimed the picture was taken secretly from Gulu Barracks, headquarters of the army division fighting Joseph Kony's Lord's Resistance Army (LRA) rebels.

The government denied the soldiers in the picture were Ugandan, and charged the three top editors at the Monitor with sedition and publishing false news.

Earlier, the Uganda Human Rights Commission (UHRC) said it was investigating Museveni's adviser on political affairs, Major Kakooza Mutale, for alleged human rights violations. He has been accused of setting up illegal military and intelligence groups and detention centres, and detaining innocent civilians in the war zone.

The UHRC has accused Mutale of "abducting" 22 people from the war zone. Mutale, who dumped them at the UHRC offices, said he intended to "prove" that some people who had been released had committed murders in the north.

The UNHCR official, who has accused northern leaders of being collaborators of Kony, exhume bodies to "prove" that rebel collaborators were committing atrocities against civilians. Museveni later said Mutale was wrong, and promised to take disciplinary action against him.

Human rights watchdog Amnesty International this year accused Uganda and the rebels of human rights violations. "From January 1996 to May 1998, the army was involved in about 70 to 80 killings of innocent civilians."
Uganda predicts growth despite challenges

The delay of an IMF loan, poor weather that threatened the coffee crop and a ban on fish exports were setbacks.

NAIROBI — Uganda's finance minister yesterday predicted real gross domestic product growth of 7.8% in 1998/99 (July/June), from 7.5% in 1997/98 and 5.2% in 1996/97.

Gerald Sendaula said that real gross domestic product (GDP) would grow by about 8% in the next year, providing weather conditions were favourable for crops.

"From data available, economic growth in terms of GDP will be 7.8% this fiscal year. As for the next year, we expect growth at about 8% or even better — but that will depend on good weather," Sendaula said.

Sendaula's data for GDP growth in the last and previous fiscal years were marginally below figures in last year's budget background papers, which showed GDP growth at 5.5% last year and 5.2% in the previous fiscal year.

Sendaula said the economy had grown strongly despite a delay in the disbursement of an International Monetary Fund (IMF) loan, poor weather that threatened the coffee crop and a ban on fish exports to the European Union on health grounds.

He said that a crisis in the banking sector had also weighed heavily on economic growth but Ugandan authorities had moved to strengthen bank supervision and management.

"We have had a relatively challenging year. Some would like to see the situation as difficult, but we took it as a challenge and worked hard to ensure growth in the economy, which is the only way to deal with poverty," he said.

The IMF in March said it was delaying the release of a $18m loan tranche to Uganda, and said it wanted to see defence spending contained, the privatisation process made more transparent and banking supervision strengthened.

An IMF mission is currently in Uganda to review progress on those issues. The mission will complete its task next week.

Uganda has come under fire from western donors for its involvement in the war in the Democratic Republic of Congo, where its troops are backing a rebel army aiming to oust President Laurent Kabila.

Sendaula said no cash from foreign lenders had been diverted to the war in the Congo. He said Uganda had explained to the IMF that the increase in military spending was caused by replacing ageing equipment and maintaining existing facilities.

"We had an army in which people walked around barefoot or in gumboots. Now, that is not a modern army," he said.

"For the country's budget, increased costs were pegged to procure ment for these purposes. The military has a broad border security role and we must respect that," he said.

Sendaula blamed this year's fall in the Ugandan shilling on a lack of foreign exchange inflows.

New axle-load laws in Kenya, which restrict the amount of cargo a truck can carry, also temporarily slowed shipments, Sendaula said.

The shilling fell to nearly 1,600 to the dollar earlier this month from about 1,370 in mid March, but has since recovered to about 1,450 after central bank intervention. — Reuters.
Uganda calls for IMF reforms

Charlotte Denny

Uganda has added its voice to calls for an overhaul of the World Bank and International Monetary Fund's (IMF) heavily indebted poor countries initiative (HIPC).

In a letter to British Chancellor of the Exchequer Gordon Brown, Ugandan Finance Minister Gerald Ssendaula called for speedier debt relief. Currently, countries must spend six years on an economic reform programme before qualifying for debt write-offs.

"Delaying debt relief deprives debtor countries of much-needed relief at a time when they are attempting to direct increased resources to poverty eradication," notes Ssendaula.

HIPC cuts debts to levels the IMF considers sustainable -- where the proportion of exports earnings spent on servicing debt each year is between 20% and 25%. Ssendaula says qualifying criteria should be based not on export earnings, but on how much of the budget is spent on interest payments.

He says the West has signed up to international targets for poverty reduction, but little thought is given to the financing of programmes that will ensure these ambitious targets are met.

"A debt can only be considered sustainable when sufficient resources are left after debt service has been paid, to ensure that these poverty eradication programmes are fully budgeted for."
Uganda’s budget boasts GDP growth

ROSS HERBERT

Kampala – Ignoring criticism of mounting economic turmoil, Yoweri Museveni, Uganda’s president, yesterday released a $1 billion national budget and announced Uganda had achieved 7.6 percent real growth in its gross domestic product in 1998.

“Our economy is robust and will continue to grow,” said Museveni, who pledged to continue the pursuit of a common East African market with Kenya and Tanzania. He vowed to hold Kenya to a reciprocal trade deal in which both countries bought each other’s goods.

Despite the economic drag caused by Museveni’s military involvement in the Congo, his budget claimed overall real growth of 11 percent in manufacturing and 29 percent growth in 13 major manufacturing industries.

Foreign direct investment was up 21 percent to $330 million, while inflation was kept to 6.4 percent. He said the economy was too dependent on primary commodities and pledged tax and tariff breaks to cultivate the manufacturing industry.

Independent Foreign Service
Blasts raise concern

SA group says attacks do not seem to target foreign investors

Michael Wakabi and Claire Pickard-Cambridge

KAMPALA — Security concerns have risen in Uganda's capital due to a spate of bomb blasts since February and the killing of eight tourists in Bwindi National Park near Uganda's western boundary in March.

Up until last year, Uganda's 13-year-old rebel insurgency had been a remote affair for citizens of Kampala, who largely associated the problems with the country's disaffected north. Now the blasts and the tourist killings, which were carried out by a range of rebel groups with diverse demands, have brought sporadic rebel activity to their doorsteps.

While the blasts have not yet had a significant impact on business, they have generated a feeling of insecurity in the otherwise peaceful capital. Tourism, which was brought to a standstill by the Bwindi killings, is slowly picking up again amid assurances by the government that troops have secured the area around the park.

So far the effect of the blasts has largely been felt by Kampala's nocturnal economy, which is dependent on leisure and entertainment. Patrons are apprehensive about personal security now and proprietors report a downturn in business.

The deteriorating internal security situation was also highlighted recently when the US Peace Corps, which traditionally works in rural outposts, announced that it was withdrawing its staff from the country. US ambassador to Uganda Nancy Powell told the government that the organisation felt compelled to suspend operations as a result of concerns for the safety of its volunteers.

The volunteers had been helping Uganda in the areas of conservation, teacher training and small enterprise development projects. Costas Christ, director of Peace Corps volunteers in Uganda, said the volunteers had been spread around eastern and central Uganda where rebel activity had been limited.

In mid-April, the US state department issued a consular travel advisory to its citizens travelling to Uganda, cautioning them against visiting the western and northern parts of the country.

There were initial fears in Kampala that the announcement by the US government would have a negative effect on the risk assessment of Uganda as an investment destination.

However, officials at the Uganda Investment Authority said they did not see the Peace Corps' withdrawal as an "escalation beyond the security advisories issued earlier by the US to its citizens in Uganda." Most foreign investors still feel positive about the business climate in the country, although some are beginning to express concerns about the prospects for long-term stability.

SA is the leading source of foreign direct investment in Uganda, with MTN — which operates mobile, wireless and fixed network telecommunications — as the single largest foreign investor.

Last month the SA Foundation organised a visit to Uganda for business leaders. Delegates said afterwards they had been impressed by business opportunities but thought Uganda's problems with neighbouring Sudan could outlast the problems it was having with the Democratic Republic of Congo.

Sudan provides shelter to the rebel Lord's Resistance Army in southern Sudan. Uganda has also accused Sudan of supporting rebels operating over Uganda's western boundary with Congo.

The SA Foundation's delegation said last week that security did not appear to be a marked problem for businesses in Uganda and that bombs were not perceived to be aimed at foreign investors.
Ugandan parliament rejects SAA’s airline bid

ROSS HERBERT

Kampala - The Ugandan parliament rejected terms for the proposed sale of Ugandan Airways to SAA this week, despite backing from the Ugandan government for the proposed sale.

The state airline is losing 1 billion shillings ($4.3 million) a month and will lose its state subsidy after this month, but parliamentarians broadly rejected SAA’s terms, demanding that the minister of state for privatization reopen negotiations.

SAA offered $1 million for 49 percent of the shares in the airline, which has only one plane on lease from Zimbabwe. Members of parliament rejected the price as too low and complained that SAA intended to stop flying aircraft painted with the Ugandan flag.

"The offer is completely unacceptable," said Isaac Musumbe, the chairman of the parliamentary committee on the national economy. He said the SAA offer was tantamount to taking the airline out of existence.

Because of earlier problems of privatizations tainted by influence peddling and unfair pricing, parliament this year was effectively given a veto on key remaining parastatal privatizations of the national airline, power supply and telephone company.

The issue is clouded by unsubstantiated allegations that bribes have been paid to members of parliament to win support for the SAA buyout. Minister of Parliament Winnie Byanyima said she overheard members threatening to block the sale unless they shared in money paid by lobbyists for SAA. "My own parliament makes me disgusted."

She said accusations of corruption sometimes were circulated falsely to block deals, but that parliament had been the object of aggressive corporate lobbying, including members being flown on all-expense five-star trips to Scandinavia purportedly to review prior work of bidders.

"In our society there is a lot of corruption. I haven't heard of it with this deal, but cannot rule out the possibility of corruption (in this case). But that is why we want to be as transparent as possible with Uganda Airlines," said Ndekuza Pareesi, who sits on the committee evaluating the deal.

Further complicating the tender is a second offer pushed by FIA Investments, a consortium of Ugandans, led by a member of parliament and former executive at Uganda Airlines.

Fin proposes to buy, for $10 billion shillings the 51 percent of shares that were to be held in reserve by government and later sold to the public. But this offer would be contingent on finding a strategic equity partner able to turn around the airline.

SAA bid in conjunction with Alliance airlines, the consortium of the Ugandan, South African and Tanzanian national airlines. However, a government team briefing parliament announced that Uganda would withdraw from the Alliance consortium, which puts the joint operation at risk and also changes the value of Ugandan Airlines. Because the Alliance held rights to Uganda Airlines' four most valuable international routes, including landing slots in London, South Africa and Dubai.

--- Members of the parliamentary committee said they wanted to sell the airline with non-exclusive rights to its landing slots so that they could be disposed of separately if the buyer failed to turn around the troubled airline.

With those rights not part of the sale, Air Mauritius, RA and Sabena all either failed to complete bids or submitted unrealistic offers, which left SAA the only bidder. - Independent Foreign Service
Hope for peace in Uganda grows

The government plans to meet rebels this week

KAMPALA—The search for peace in Uganda enters a new phase this week when government officials meet commanders of the rebel Lord’s Resistance Army (LRA) who have waged a 13-year war in the northern part of the country.

Defence Minister Steven Kavuma confirmed direct talks between the rebels and the government would begin this week.

On Monday the government-run New Vision daily reported that a delegation of civic leaders from northern Uganda was in Sudan to meet LRA leader Joseph Kony and convince him to respond to an amnesty offer by President Yoweri Museveni.

Museveni announced an unconditional amnesty for the LRA rebels in May when he visited the rebel leader’s home village just outside the town of Gulu in northern Uganda.

At the time Museveni said he was ready to offer Kony a ministerial post provided he was prepared to contest a parliamentary seat in his home area.

The president also gave his blessing to initiatives by any individual or group that could initiate dialogue with rebel leaders.

He said he was bowing to pressure by various groups in the country to forgive the rebel leader and his fighters.

The rebel insurgency that started in August 1986 has displaced nearly half a million people and destroyed infrastructure in northern Uganda. The war has seen children abducted, killings, rape, maiming and mutilation of victims.

Human rights groups led by Amnesty Inter-
Ugandan group disavows debts

Michael Wakabi

KAMPALA — A Ugandan debt advocacy group has suggested that the country could dishonour a portion of its foreign debt as it is owed money to parties that supported competing groups during the east African state’s liberation wars.

A study commissioned by the Uganda Debt Network found that up to $202m of the $3.6bn foreign debt is owed to three countries — Libya, Tanzania and Yugoslavia — as war debt.

In a report released last week, the group says the debts were incurred during the 1979 liberation war.

Libya is owed $100m, Tanzania $67m and Yugoslavia $35m.

The Libyan loan arose from support extended to Ugandan dictator Idi Amin against the Tanzanian offensive in 1979.

The group says the debt has accumulated partly because the victors transferred their war costs to Uganda.

The network argues that since debts contracted by liberation groups are not recognised in law, and the wars against Uganda were against legitimate governments, they should not be honoured.

Uganda is one of the highly indebted poor countries that could benefit from a $70bn debt relief programme agreed on by the Group of Seven industrial nations and sponsored by multilateral financial institutions such as the World Bank and International Monetary Fund.
Rightwinger
‘betrayed by
AWB leaders
for money’

Probe into ‘turncoat’ plot

ARGUS CORRESPONDENT

Johannesburg - Top government
investigators are probing
Afrikaner Weerstandsbewegung
generals who allegedly turned in
their own foot soldiers in bizarre
schemes to enrich themselves by
collecting reward money.

Angry AWB “prisoners of war”
have rounded on top officers, alleg-
ing the men they trusted took huge
amounts of reward money.

Dozens of soldiers have been
rounded up in recent years. Many
are being held in C Max prison in
Pretoria and in other jails.

Sources said four rightwingers,
now in C Max, initially levelled the
accusations, providing the names of
senior officers.

The officers were allegedly in the
pay of the SA Police Service’s intel-
ligence network, and had spied on
supporters for money.

The government inquiry is being
led by top public prosecutors Silas
Ramaiti and Paul Pick.

Mr Ramaiti said yesterday: “I can
confirm we are investigating, but
the matter is still a long way from
completion. A number of issues and
questions are being probed.”

Rightwing sources said the
inquiry could answer why so many
secret cells had been smashed.

Sources at the time said that
either the police intelligence service
was more efficient than believed, or
the men had been betrayed by “kith
and kin”.

The decision to inform on mem-
biers may have been taken at top
level, because the AWB war chest
was virtually bankrupt. Millions of
rands were paid in legal costs to
defend those charged after the pre-
1994 election bombings.

Rewards of more than R250 000
were offered at the height of
rightwing activities between 1990
and 1994.

The turncoat theory began to
emerge in 1993 when five
rightwingers were arrested in
KwaZulu Natal. It was alleged they
had been betrayed by a top AWB
leader.

The five were allegedly part of a
force of Zulu and French merce-
naries hired by the AWB to take over
the province and force the African
National Congress to concede more
land for a volkstaat.

Later, four prisoners staged an
audacious escape from Diepkloof
prison in 1996.

Nicolaas Clifton Barnard and
Abraham “Koper” Myburgh were
recaptured. Jan Bastiaan de Wet
was arrested on a farm owned by
AWB general Janie Oelofse. Brienoe
Jacobs le Roux also was rearrested.

De Wet’s accomplice in the bomb-
ing of a Worcester supermarket, Jan
van der Westhuizen, was also
“betrayed by a general”.

Soon afterwards, Commissioner
George Pivaz said: “I am satisfied
the police and crime intelligence
operatives are absolutely clued up
and in a position to deal with this.”
Police corruption exposed

Michael Wardell

The Australian government's

money from them.

leaves the country.

Police corruption is also being

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Rogue cops run Uganda like ‘Mafia’

Now Museveni orders crackdown after public outcry

WAKABI W ISABIRYE: Kampala

IGNATIUS Mulongye, a successful Ugandan businessman, is bitter. Two years ago, police screamed at him for alleged robbery and illegally held him without trial for more than a week.

Police attempted to bribe him, he says, and when he wouldn’t submit, they tortured him.

His life has never been the same. He still walks on crutches.

“I am a silence, law-abiding citizen, but they forced me to admit a robbery I didn’t commit,” he said. They summoned him for questioning, and when he refused to sign the documents, they began torturing me,” he said.

“They made me important and now my wife has to go out to get sexual satisfaction.”

Mulongye’s story is just one of several that have been heard before a judicial commission of inquiry set up by President Yoweri Museveni to investigate a spate of police corruption and brutality.

The commission, headed by Judge Julius Ssekitoleko, has heard harrowing tales that indicate that the police force is being run like a Mafia organization. People have been told to bribe others to stop them from being questioned.

Ignatius’s wife, a nurse, was arrested because she refused to sign a document.

A number of cases that were closed inappropriately have been reopened.

“Many of the cases that were closed inappropriately have been reopened,” said Judge Ssekitoleko.

And we are happy for any action taken to identify these people,” he said.

Since the commission started its work, several policemen have been charged with crimes, including stealing money from government officials and engaging in corrupt practices.

The force is severely understaffed and has been forced to share a computer with one colleague and their families.

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The Uganda police force is paid about $20 a month and is forced to share a computer with one colleague and their families.

The force is severely understaffed and has been forced to share a computer with one colleague and their families.

Uganda perky about its ‘instant’ coffee clone

WAKABI W ISABIRYE Kampala

CLONED seedlings are to come to the rescue of Uganda’s coffee industry. The country is to boost coffee production from three to five metric tons a year within five years, mainly as a result of the introduction of a closed variety of coffee tree.

The fast-growing and high-yielding new clone was developed from Robusta trees selected for their high productivity, disease resistance and quick maturity. The variety is said to have taken two years on average, but harvesting may start as early as 12 months after planting.

Apollo Kamugisha, developer of the new clone, said: “This new clone will not only boost coffee production, but also reduce the need for antibiotics and other chemicals.”

The clone is also attacked by the fungal disease, but it is more resistant.

The coffee industry has launched a massive campaign to promote the growing of this new clone. The clone is being propagated in all sub-counties of the country, which grow coffee, to re-establish the crop.”

The country has been exporting coffee to the Middle East, Europe and Asia, and the new clone could help it to increase production by 10 percent each year.

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The government’s target is to re-establish coffee on every farm land in the country.”

The government has launched a campaign to promote the growing of this new clone. The clone is being propagated in all sub-counties of the country, which grow coffee, to re-establish the crop.”

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The measure was intended to modernise agriculture and alleviate poverty.

Unlike to achieve aims, Uganda's Land Reform Act
Bank sets deadline for Uganda

Funding for power project threatened unless liberalising electricity legislation is passed next week

Rafaela

Michael Wameli

76 49/91/99

REST OF AFRICA

BIZNESS DAY, WEDNESDAY, SEPTEMBER 22 1999
Uganda warns of new conflict

Howard Barrell

Relations between Rwanda and Uganda have worsened in recent days, endangering the alliance between the two countries that has driven the war against Laurent Kabila’s regime in the neighbouring Democratic Republic of Congo.

Ugandan President Yoweri Museveni is under growing domestic pressure to break with Rwanda, according to usually well-informed sources on the Great Lakes region.

The Ugandan People’s Defence Force is unhappy about continued cooperation with the Rwandan armed forces. A joint report into recent clashes between the Ugandan and Rwandan armies seems only to have inflamed relations.

Ugandan politicians are warning that Ugandan and Rwandan war aims in Congo are too different for the alliance to continue. There is also concern among Ugandan leaders that the country is beginning to lose aid from donors because of its involvement in the war in Congo.

Popular discontent in Uganda is growing over the loss of lives and the cost of the country’s involvement in the war. And the Ugandan press is now carrying reports alleging attacks on Ugandan citizens in the streets of the Rwandan capital, Kigali.

The concern among South African officials and other powers in the Great Lakes region is that, if the Uganda/Rwanda alliance breaks up, this will worsen relations between the different rebel factions fighting Kabila, further complicate an already fraught situation and undermine the search for peace there.

Uganda and Rwanda support different factions of the Congolese Rally for Democracy (RCD), operating in eastern Congo. Uganda also backs a separate rebel group operating in the north of the country, led by Jean-Pierre Bemba, a businessman once loyal to the former dictator, Mobutu Sese Seko.

This week senior South African official sources said that they were aware of tensions in the Ugandan/Rwandan relationship and of reports of a worsening in relations.

“But at this second — bearing in mind that things can change very quickly around the Great Lakes — I am not independently aware of a sudden deterioration,” said one source.

“Basically,” said another, “the problem is that Uganda, which sees itself as big brother, is upset because little brother Rwanda is not falling in with its plans.”

Over four days from August 14, Rwandan and Ugandan troops in Kisangani in east-central Congo engaged in fierce battles, apparently on behalf of the different RCD factions they support. About 200 Ugandan and 100 Rwandan soldiers died.

On August 17, Museveni and Rwanda’s Deputy President Paul Kagame drew on their long-standing friendship and signed a ceasefire agreement in Mweya.

Two weeks after the clashes in Kisangani, apparently seeking to appease domestic pressure on him to take a firm stand, Museveni told a closed session of the Ugandan Parliament that he had warned Kagame of a full-scale war against Rwanda if the ceasefire agreement signed after the Kisangani battles was not adhered to.

Museveni reportedly said: “If Rwanda continues with its attacks, the Ugandan People’s Defence Force will reply with promptness and a double-barrelled, lightning attack.”

Kagame took a softer line in a similar address to Rwandan political leaders. He blamed Ernest Wambala Wamba, leader of the Ugandan-backed faction of the RCD, for creating “misunderstandings” between the different armies in Kisangani.

An inquiry into the Kisangani battles, set up by the two leaders, has just been reported. The report is being kept secret in both countries, but the Ugandan military are reportedly upset at selective leaks from the Rwandan side which appear to put Uganda in a bad light.

On September 18 Museveni met in Kampala with Burundi’s President, Pierre Buyoya, evidently in an attempt to find a way through the current tensions with Rwanda.
Administration key to investment for Uganda

Infrastructure constraints must be addressed, says UN report

Michael Wakabi

KAMPALA — Uganda will have to bring its administrative systems up to standard and address infrastructure constraints if its drive for foreign direct investment is to be sustained, says an investment policy review of the country.

The review by a mission of the United Nations Conference on Trade and Development (Unctad) also says the Uganda Investment Authority, the primary investment promotion agency, will have to refocus its goals while the top leadership will have to get more involved in the investment drive.

The mission concluded its review in August, but its findings were presented to Ugandan stakeholders last week.

Unctad said that, although Uganda had a diversified natural resource base, exploiting opportunities would require continued efforts to improve the microeconomic environment in which firms operate. Infrastructure and human resource development were cited as areas deserving priority status.

"Firms in Uganda face high operating costs and low productivity, due to structural constraints posed by weak utilities and transport networks; inadequate supply of inputs and added transit costs from being a landlocked country," the review mission found.

Inadequate transport, electricity and telecommunications facilities were also raised as factors hampering productivity. Additional constraints cited are inadequacies in domestic transportation and logistics infrastructure.

The Ugandan government is reportedly addressing some of these concerns through infrastructure projects, but it will be some time before they are completed.

While recent surveys reveal both high levels of optimism and policy improvements, it is conceded that reforms need to translate into high standards of regulation and better administration of government functions.

Looking at Uganda's investment code, Unctad said it was a restrictive and control-oriented regime for foreign direct investment.

Earlier surveys found that the positive effects of major policy reforms were undermined by the existence of second-tier administrative constraints.

Unctad proposed that Uganda set up a cabinet committee on investment chaired by the president. It also advocated a greater role in investment promotion for Ugandan missions abroad.

Finally, the UN body recommended that Uganda address infrastructure constraints through privatisation of sectors such as power and telecommunications, while expediting cargo transit through better co-operation with its neighbours.
week's annual meetings of the IMF and World Bank, Uganda's foreign minister says the plan should benefit the African country within weeks.
Uganda and Kenya clamp down on smokers

Nairobi – Uganda and Kenya were to enact tough laws against the use and advertising of tobacco products, the governments of the two countries confirmed yesterday.

Ugandan health minister Dr Crispus Kiyonga announced that a bill was being drafted to ban smoking in public places, to require tobacco makers to display health warnings on cigarette packets and to ban advertising in the electronic media.

The bill, which is expected to be debated by parliament before the end of this year, proposes placing production and marketing of all tobacco products under the control of the Tobacco Products Regulatory Board. This body will oversee the quality of tobacco products, including the maximum tar and nicotine levels and carbon monoxide yields.

Both countries propose to ban distribution of free branded merchandise and tobacco advertising at sports events.

“The crude reason why tobacco companies sponsor sport is to associate a fundamentally unhealthy activity (smoking) with a fundamentally healthy one (sport) in order to increase its profits,” says anti-tobacco activist Ronnie Rooke.

Tobacco companies are leading tax contributors in both countries. In Uganda they contribute up to 5 percent of government revenue, while Kenya’s tobacco industry is three times larger.

The anti-tobacco lobby has said that, while the tobacco industry in the two countries generates employment, tax revenue and export earnings, “there has to be a compromise between producer and consumer interests. At present there are just unfettered producers pursuing profits.”

In a report last September, a committee of the Ugandan parliament called for a law to curb tobacco smoking, including banning smoking in public places. The MPs suggested that parliament be declared a no-smoking zone.

Kenya’s anti-smoking bill prohibits tobacco manufacturers from marketing cigarettes through sponsorship of cultural, artistic or entertainment and sporting activities.

Kenya and Uganda have seen aggressive campaigns by international cigarette makers. British American Tobacco is the main cigarette maker in both countries.

Last year, the company started advertising its products on television, featuring athletes and footballers as well as prominent socialites. – Independent Foreign Service
World Bank, IMF 'gloss over discord'

Economist tells how bodies differ behind doors

Michael Wakabi

KAMPALA — World Bank senior vice-president and chief economist Joseph Stiglitz concedes that foreign advisers sometimes fail to highlight the risks and consequences of policies to client states, giving a false sense of confidence in economies of developing countries.

Stiglitz, speaking at a conference on outcomes of the World Bank's Comprehensive Development Framework in Kampala this week, said the IMF and World Bank had often disagreed behind doors but went ahead to present a facade of consensus to governments.

"They should have the arguments and alternative views in front of governments so that countries are aware of disagreements and make informed choices," he said.

Stiglitz, who said "GDP should not be looked at as an end but as a means to improve living standards", also cautioned economic advisers to respect domestic consensus even as they shared global experience with clients.

Governments should look beyond having good macroeconomic policies and strive to improve public expenditure while reducing poverty. Good projects needed public consensus, he advised. "To have an impact on the standard of living it will not do to have isolated projects ... we need projects that are replicable," he said.

Under its new approach to development, the World Bank is advocating national ownership of productive enterprise, partnerships between government, civil society and the private sector as well as a long-term vision of needs and solutions.

"With a lack of local ownership, there will be insensitivity to indigenous conditions and needs. Indigenous traditions should be incorporated within the development process," Stiglitz says.

Often presented as a success story of IMF guided economic reform, Uganda has registered rapid and consistent economic growth over the past decade. However, local politicians sometimes express reservations about the social consequences of some these policies and their long-term sustainability.

Productive capacity has been rebuilt at the expense of a lost generation and an increased dependency on externally driven policy initiatives.
Uganda moves to get first company stock

Discrimination legislation is blamed for chilling political activity

Uganda, moving from democracy, report says
Uganda launches bid to woo investors

The east African state is criticized for stingy multi-party democracy

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Joshua Pimentel
Uganda coffee exports soar 127% on sale of stockpile

Kampala – Ugandan coffee exports soared in October but the figure was distorted after a large quantity of stock held over from last season was sold, the Uganda Coffee Development Authority (UCDA) said yesterday.

Uganda exported 235,926 bags of coffee of 60kg each in October, a 127 percent increase from last October’s figure of 99,133 bags.

Export receipts stood at $13.5 million, a 59.7 percent increase from October last year, when the figure stood at $8.65 million.

UCDA added that an improvement in weather conditions following the devastation caused by El Nino in 1997/98 had helped the trend.

Prolonged rains caused by the El Nino weather phenomenon during the 1997/98 season hampered coffee drying and shut down supply routes, depressing the country’s exports by nearly 70 percent from the previous season.

October’s exports were the highest since the 1995/96 season when 360,941 bags were exported.

UCDA forecasts show that 290,000 bags would be exported in November when the harvesting season peaked in central and eastern Uganda, where up to 70 percent of the country’s crop is produced.

Farm gate prices for Robusta were down to 625 Uganda shillings ($0.41) a kilo from September’s 700 Uganda shillings rate.

Fairly Average Quality (FAQ) rose slightly to 1,370 shillings a kilo from 1,350 shillings while Arabica parchment prices improved to about 1,000 shillings from 900 shillings a kilo in September.
Uganda agrees to new power plant

KAMPALA — A nine-month tug of war has ended with Uganda's parliament allowing government to sign a controversial power purchase agreement which opens the way for a hydro-electric power station on the River Nile's Bujagali rapids.

The bid to generate power by AES-Nile Independent Power had been delayed by parliament's refusal to authorise a power purchase agreement that contained contentious provisions. The delay was also caused by the absence of a new regulatory framework for the sector.

Nile Independent Power (Nile) is partly owned by American power multinational AES Corporation.

A fortnight ago, MPs passed a new law regulating the power sector. The legislation came just a month after the expiry of a World Bank deadline that would have seen Uganda lose crucial funding for the power sector if a new Electricity Act was not enacted.

The new law effectively ends the monopoly enjoyed by the state-run utility, the Uganda Electricity Board, and allows competitors to invest in areas like generation and distribution of power.

MPs finally passed the motion after the power agreement was revised. Now Nile will build, operate and own the 250MW power plant for 30 years, after which ownership will revert to the government.

The purchase price of power delivered has also been revised downwards from 11 US cents to 3.9c/kWh. Controversial provisions that required Uganda to pay for all power produced at the plant and to guarantee water levels have also been dropped.

"It is a win-win situation," AES country representative Christian Wright remarked after the vote.

According to studies commissioned by the Uganda Electricity Board, Uganda suffers a 160MW power deficit and demand is projected to shoot to 400MW by the end of next year. About 50% of the current deficit is suppressed demand from domestic lighting that is currently provided by car batteries, kerosene lamps, candles and small generators.

Uganda's rate of investment has suffered a sharp decline recently. One factor cited as discouraging investors is inadequate power supply and outages.