

PARASTATALS AND PUBLIC COMPANIES

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Overall Issues

The present level and nature of government involvement in industry and commerce is the result of a process that started with the Nakivubo pronouncements in 1970. The then Government wanted a 60% participation in a number of private industrial, commercial and financial undertakings. The military regime on its takeover toned down the percentage of government participation to 49% and dropped a few companies from the list. A major reversal of this policy came with the 1972 economic war. The regime decided to accelerate Ugandanisation of ownership and employment in the industrial and commercial sector. Non-Ugandan Asians were required to leave Uganda. As the exodus gathered momentum many Asians with Ugandan citizenship felt insecure and left. Other nationalities also left. All this left a number of companies abandoned and created gaps in management and technical positions in the industrial sectors. Government stepped in and took over control of the abandoned companies. It seconded Ugandan civil servants and some private citizens to the vacant management and technical positions. In a bid to rationalise a chaotic situation, Government decided to append a large number of these companies to the Uganda Development Corporation (UDC) and other existing parastatals. UDC was suddenly faced with the additional operational and management problems of well over 100 companies.

2. In 1974 Government concluded that UDC had become so large that it was getting bogged down with the problems of operating companies, and, in the process, losing sight of its major objective, i.e. to provide dynamic leadership in the identification and promotion of new industries. It is understood that there were also problems of personal jealousies involving the then Chairman of UDC, and these were unfortunately allowed to influence decisions. Government decided to remove a number of operating companies from UDC. Larger viable units were to be set up as independent parastatals and groups of related units were removed and appended to existing parastatals as well as to newly established ones. The outcome was roughly as in the table below and Appendix 9.1.

3. The implementation of the above decisions was haphazard, and the consequences were far reaching for the Government, the affected companies and parastatal bodies, and the private sector. Government machinery and resources were overwhelmed by the new responsibilities. Government had to find managers and technicians to run over 129 companies and public bodies. Very scarce trained and experienced manpower had to be shared with the enlarged semi-public sector. Government assumed the additional responsibility of overseeing and supporting companies previously in private hands.

4. The newly established parastatals had to be provided with funds to set up and fund their subsidiaries. Because of inexperienced management and a combination of other operational problems most companies began to lose money. The seconded managers came cap-in-hand to their ministries and the Treasury for more working capital. Most of the machinery in the nationalised companies was old and obsolete. It was very expensive to maintain. The inexperienced technicians operating the machines often failed to service them at the right time and adequately. As a result, more money had to be provided for spare parts and new machinery. When the burden became too heavy for Government some companies and public bodies were advised to approach banks. Banks - particularly the Uganda Commercial Bank (UCB), were often pressured into assisting public companies and parastatals against their will. This led to an accumulation of debt whose repayment is doubtful. It was not possible to get figures on the total debt of all parastatals and public bodies. The few that submitted returns owed Shs. 746.8m. which they are unable to service. They all look to Government for help (see Annex 9.1).

Table 9.1
Public Companies and New Parastatals

	Year Estab.	Profit/ Loss (1977)	No. of Subsidiaries & Associates		Remarks
			Total	Profitable (1977)	
Uganda Development Corp.	1952	Loss	17	8	No Board
Wood Industries Corp.	1974	Loss	9	2	-
Dairy Corporation	-	Loss	-	-	No Board and no Equity
Lint Marketing Board	-	Profit	16	Nil	Specialised Body
Tobacco Corporation	1974	Profit	3	2	Well run Corp.
Uganda Tourist Dev. Corp.	1974	Loss	3	Nil	No Equity
Uganda Steel Corporation	1974	-	7	-	-
National Textile Board	1974	Profit	11	8	-
Tea Authority	-	Loss	2	-	Specialised Body
Uganda Livestock Corp.	1974	Profit	-	-	No Board - was a Subs. of UDC
3 Sugar Factories	1974	Loss	3	Nil	No Board
Uganda Cement Corp.	1974	Loss	4	Nil	No Board
Uganda Electricity Board	-	-	2	1	-
Uganda Airlines	1974	-	-	-	Was UDC Subs.
Uganda Adv. Board of Trade	1974	Profit	11	8	Specialised Body
National Trust	-	-	4	-	-
Companies under Ministries and Unallocated	-	-	32 ²	-	No Boards

Notes: 1. Where (-) appears it means no information provided

2. 20 responsible to Ministry of Industry

Source: Own construction from information provided by officials and Company Managers.

5. No formal transfer of shares of companies removed from UDC or taken over from Asians was effected. Furthermore, the newly established parastatals themselves have had neither defined capital nor boards. The relationship to their supervising institutions has never been clearly defined. Because they have not had boards, managers have tended to rely on permanent secretaries and ministers for guidance and supervision. And the latter have often taken advantage of these parastatals for political and personal gains under the military regime. Cases of ministers and/or senior officials demanding that certain amounts of companies' output be delivered to their home for no payment have been heard. Most distressing is the fact that many of these parastatals and public companies have not kept proper books of accounts, and have had no audits since 1974. The majority of these companies have been losing money (see Table 9.1 above).

6. Some companies were appended to specialised bodies such as the Lint Marketing Board and the Tea Authority. The bodies had to share their scarce resources with the newly acquired 'subsidiaries'. The Lint Marketing Board management advised that they had to set up a special unit to look after their companies. The Board has also had to advance the subsidiaries money when they fell into difficulties. I was advised that the oil and soap units owed the Lint Marketing Board some Shs. 1.8m. These units are bankrupt and in no position to pay back this money. It is the view of some officials of the Board that the ailing companies have often diverted their attention from areas of primary concern to the Board.

7. Before 1974, UDC was a viable organisation commanding respect both locally and internationally. It was self-sufficient for its administrative budget. It generated enough internal resources to supplement funds it borrowed from Government, local and international institutions, for new projects and expansions. The transfer of many of its viable subsidiaries and associates in 1974 left UDC a weak organisation. Recently, this Corporation has had to join many others in appealing for government assistance to pay wages and salaries as well as to meet other obligations. Interference with its senior experienced staff, led to some of them leaving the Corporation. This weakened it even further. The Corporation began to accumulate large losses. By 1977 its accumulated losses before consolidation stood at Shs. 126m. Shareholders' funds that stood at a proud Shs. 502m. in 1971 had shrunk to only Shs. 53m., way below the paid up equity of Shs. 159m. I was advised that 1978 and 1979 losses are likely to take about half the balance of the shareholders' funds. If the trend does not change by 1981, UDC will have lost all its capital. Because of its cash-flow problems UDC has been accumulating debt through new debt and capitalisation of interest on its old debt. In 1977 its total debt stood at Shs. 273m., of which Shs. 30m. was external. Since 1974 neither interest nor capital repayments have been paid on this debt. By 1977 overdue repayments and interest were Shs. 88m. and Shs. 41m. respectively. This will have seriously eroded confidence in this Corporation by local and international institutions. I was advised that because of the difficulties of the past eight years not all subsidiaries and associates are making a profit. I was further told that far from improving the picture, consolidation would worsen it. Some subsidiaries are also carrying debt which they cannot service.

8. The transfer of UDC companies was not a clean operation. First, while control over assets and operations has been removed no transfer of shares, as is required by company law, has been effected. Secondly, UDC has not been compensated for these transfers. Its equity investment represents Shs. 128m. in the affected companies. As of December 1976, UDC had advanced Shs. 146m. in loans and short-term advances to these companies. The removed companies were also beneficiaries of loans and advances from the Treasury amounting to Shs. 165.4m. These loans were channelled through and guaranteed by UDC. Other guarantees by UDC on loans and overdrafts in favour of these companies stood at over Shs. 136.7m. No arrangements were made for either repayments of loan and/or lifting of UDC guarantees when these companies were transferred (for details on transferred investments, loans and guarantees, see Annexes 9.2 and 9.3).

9. The takeover of private business by Government without compensation, and the establishment of parastatals in areas traditionally reserved for the private sector discouraged private local and foreign entrepreneurs. Hardly any new investment was made by the private sector for the period 1975 to 1978.

10. Except for a very few cases, damage in the war to the parastatal headquarters has not been very large. Most damage is in the form of looted furniture and fittings, machinery and equipment, and vehicles, and the parastatals have started putting this right. It is perhaps the replacement of looted vehicles and imported machinery that is likely to give rise to problems because of foreign exchange difficulties. As records were destroyed by looters, it is not possible to give a clear picture of the magnitude of the damage.

11. Corporations have lost key personnel in the past eight years and during the war. Most of these personnel are in exile in neighbouring countries. Many units are now headed by company secretaries and accountants as acting managers. It is believed that some of these personnel will return once they perceive stability in the country.

The Task Ahead

12. The most urgent need is to bring to a halt the increasing losses by the state as a result of its heavy and rather disorganised involvement in industry and commerce. One way of achieving this is to:

- (a) Hive-off some of the companies and sell them to the private sector.
- (b) Reorganise and restructure the remaining companies in a manner that will lead to efficiency and viability; in some cases Government may wish to consider inviting private partners with the necessary managerial and technical know-how to participate in equity.
- (c) Carefully review UDC's plight with a view to restoring its viability and credibility. This should enable the Corporation to resume its leadership role in the industrial sector.

Government also needs to develop some criteria and machinery for determining and reviewing the nature and level of its future involvement in the industrial and commercial sector.

13. It is appreciated that these objectives cannot be achieved overnight. It is, however, heartening to notice that in the field of commerce, action has already started more or less in line with the spirit of the above recommendations. Government has decided to open up this field to Ugandan citizens, and to foreigners but only in limited areas. Shops and commercial properties abandoned by Asians are being rented out. It is understood that if Asians who are citizens of Uganda return and prove ownership of their properties, they will be given the option of compensation or repossession. The latter will be conditional upon the Asians agreeing not to reverse Africanisation. The Uganda Advisory Board of Trade will be reviewed and reorganised. Rather than concentrate its efforts on trading through its 11 companies, it will ultimately be responsible for promotion and facilitation of both local and international trade. The companies will be disposed of.

14. Unlike commerce the industry division has not yet crystallised ideas and policy on the above issues. It is understood, however, that Government will allow participation by private Ugandans and genuine foreign entrepreneurs in industry. Government understandably wants to be cautious in its approach to industries taken over from departed Asians. In this area Government has called for those Asians who ran large industries to come back if they so wish and participate with Government in a formula to be agreed. Though none of these has yet reported formally to the Ministry of Industry, it is understood that the Mehta Group and the Mahdvanis have already been to Kampala and Jinja in response to this call. Should these groups return, and some agreement be reached with Government, the financial, technical and management problems facing Government in operating the affected companies will be reached. But all this will take time, perhaps two years. It is in the national interest that urgent steps be taken to rehabilitate companies and ensure their smooth and profitable operation. People working in the companies affected by this policy cannot be suspended until negotiations with Asians that may decide to return are completed.

Moreover, Government would be in a much stronger position negotiating over a rehabilitated than an ailing and dilapidated unit.

15. It is essential for Government to have all the necessary details for deciding which companies should be sold to Ugandan citizens, in which companies participation by returning Asians will be desirable, and those for which other partners will be invited. Government needs to determine the base price of the companies, or part thereof. The present information available on a majority of the companies is not adequate for this exercise. Government must also discover the exact amount and nature of its losses in the companies and parastatals, and possibilities for recouping them. It is proposed therefore, that urgent consideration be given to the establishment of a Commission whose objectives will be to:

- Determine the number and nature of all public companies - holding companies, their subsidiaries and associates, and other companies.
- Reconstruct and analyse their accounts with a view to determining their present status, including shareholders' funds, the present value of shares, nature and level of losses, etc.
- Review the operation and advise on the future of each company, assuming a return to normality of the economy. It should also advise Government on the need and levels of write-offs or extension of periods of loan repayment by the company.
- Propose companies to be sold to Ugandan citizens and the base price for each company. Companies of a small to medium scale nature, requiring simple managerial and technical know-how could be included in the list.
- Select those companies for which foreign investors should be invited. This should take into account levels and nature of technology, managerial know-how required, need for export markets particularly outside the East African region, and possibilities and cost of future expansion.

A Secretariat should be appointed to service this committee. It is suggested that a senior official of the Ministry of Industry, a senior official of the Ministry of Finance, and a senior official of UDC be appointed to this Secretariat. A firm of auditors should be appointed to assist with the reconstruction and analysis of accounts.

16. Meanwhile a cleaning up process should start in all companies and parastatals. The necessary transfer of shares should be effected. A firm of auditors could be engaged to effect this with minimum delay. Boards should be appointed and given the mandate to run companies on an efficient and profitable basis. Government should refrain from interfering in the operations of companies except through the normal channels, i.e. boards; and intervention should only be where there is a legitimate cause. The boards should be required immediately to review the staffing position of the companies with a view to ensuring that overstaffing is eliminated and that qualified and experienced chief executives are appointed. The advertising of positions as widely as possible and the fair selection of candidates should be emphasised.

17. The unfair burden imposed on specialised agencies should be removed. It is proposed that the 16 edible oil and soap companies appended to the Lint Marketing Board, the two companies appended to the Tea Authority and the 11 with the Uganda Advisory Board of Trade, be removed. For want of a better home, UDC could be requested to oversee them. These could perhaps be the first to be examined and considered for sale to Ugandan citizens.

18. The re-establishment of UDC viability and respect should be given priority. Apart from playing a leadership role in industry, the rehabilitated UDC could be useful in the reviving of closed and ailing companies. The following action plan is suggested:

- (a) Selection of companies to be re-transferred to UDC. A few viable units would improve UDC's position. Companies that need support and closer overseeing could also be considered. The re-transfer should be well-thought out and effected in an organised fashion.
- (b) UDC should be compensated for the companies that will not be retransferred. As some of the companies would probably be included in the package to be sold, the proceeds could be used to partially compensate UDC. One way of compensating UDC and increasing its equity without straining the difficult cash position of Government, would be to transfer to UDC some of the industrial estates and industrial buildings of departed Asians currently under the departed Asians Properties Custodian Board. This would strengthen the UDC asset base, and improve its borrowing capacity.
- (c) Loans, accumulated interest and UDC guarantees on loans made to companies that will not be retransferred should be taken over by Government.
- (d) Government should assist UDC to renegotiate a moratorium and the extension of repayment periods on its accumulated loans and interest.
- (e) In view of private foreign investment problems in Uganda since the 1970 Nakivubo Pronouncements, UDC is not likely to be attractive to most genuine foreign entrepreneurs. Many 'in by the day and out by the night' types will be attracted to Uganda.

UDC has to be quickly jolted into a position where it can select wisely the good among the bad foreign entrepreneurs. The Corporation should be equipped to initiate aggressive investment promotion to attract desirable foreign investors to Uganda. International confidence in UDC needs rebuilding. It is proposed that international agencies be approached and asked to provide a package of top advisory and operational personnel to assist UDC in this process.

19. The difficulties facing Government and public companies are the result of the haphazard establishment of parastatals and lack of adequate machinery in Government for control and coordination of these bodies. To guard against the recurrence of this problem, it is proposed that a permanent inter-ministerial parastatal coordinating and controlling body be established. Its terms of reference would be to:

- Receive and vet proposals for establishing new parastatals, and advise Government accordingly.
- Receive and evaluate reports, at least annually, of parastatals, and recommend appropriate action by boards and by Government.
- Generate as well as evaluate new policies on parastatals. Follow up the implementation of the policies by the parastatal boards.
- Reconcile any differences in policies that may arise among parastatals.
- Recommend appointments to boards to the appropriate ministers.
- Set basic general standards expected from parastatals.
- Evaluate and approve parastatals' salary structures and fringe benefits: determine the minimum qualifications and experience required for the position of chief executive of the major parastatals, such as the Uganda Development Corporation, Uganda Electricity Corporation, Uganda Tourist Development Corporation, Uganda Steel Corporation, Uganda Railway Corporation, etc. It should also determine the salary ranges and basic fringe benefits attaching to these positions.

External Assistance Required

20. Apart from UDC, assistance for public companies is to be found in the sections dealing with sectors in which these companies are involved, e.g. the Wood Industry Corporation is dealt with in the section dealing with Wood Industries, the Dairy Corporation in Agriculture. UDC needs about Shs. 30m. in foreign exchange to revamp its operations. Assuming that the package recommended in this report is accepted and implemented, UDC should be able to handle the kind of loans extended by IDA (World Bank) or ADF (African Development Bank) without difficulty. To rebuild the image of UDC and equip it for the task ahead technical assistance is required. It is proposed that this assistance cover senior management, investment promotion, and portfolio management and finance. It is preferable that one institution provide the assistance. Perhaps the World Bank, or the DEG (Germany), or the FMO (Netherlands) or CDC (U.K.) could be approached for help in this regard.

List of Parastatal and Subsidiary Companies

Name of Parastatal Body/Company	Supervising Ministry	Paid up Equity Shs.m.	Indebtedness Shs.m.	Performance Profit/Loss 1977	Remarks
1. Uganda Development Corporation					
1.1 East African Distilleries Limited	Ministry of Industry	159.0	274.2	Loss	
1.2 Tororo Industrial Chemicals & Fertilizers Ltd.		1.40	-	Profit	UDC: 67%
1.3 Uganda Consolidated Properties Limited		6.40	12.7	Loss	UDC: 86.5%
1.4 Uganda Grain Milling Company Limited		8.02	-	Profit	
1.5 Papco Industries Limited		3.72	-	Profit	UDC: 47.9%
1.6 African Ceramics Company Limited		1.04	-	Loss	UDC: 26%
1.7 Bjordal Mines Limited		1.40	3.3	Loss	Closed - 14.9%
1.8 Lake Katwe Salt Company Limited		-	-	Profit	
1.9 Lango Development Company		1.99	-	-	New - to be opened soon
1.10 Uganda Crane Industries Limited		31.98	1.5	Loss	UDC: 99.5%
1.11 Itama Mines (closed)		-	4.2	Loss	UDC: 74%
1.12 Leather Tanning Industries Uganda Limited		15.6	-	-	Closed
1.13 Kulubia Property Company Limited		1.1	-	Loss	UDC: 20%
1.14 Wolfram Investment Limited		.6	-	Profit	UDC: 75%
1.15 Ugadev Holding Limited		.1	-	Loss	
1.16 Associated Paper Industries Limited		.5	-	Profit	UDC: 100%
1.17 Domestic Appliances Company Limited		-	-	Loss	
2. National Textile Board					
2.1 Lebel (East Africa) Limited	Ministry of Industry	-	-	-	
2.2 Nyanza Textile Industries Limited		17.9	-	Loss	
2.3 Pamba Textiles Limited		-	15.98	-	
2.4 Uganda Rayon and Textiles Manufacturing Limited		-	-	Loss	
2.5 Uganda Garments (1973) Limited		-	-	Loss	
2.6 Uganda Bags and Hessian Mills Limited		1.56	18.4	-	
2.7 African Textile Mills Limited		-	-	-	
2.8 Uganda Spinning Mill Limited		-	.36	-	
2.9 (African Furnishing House)		-	-	-	
2.10 Uganda Blanket Manufacturers (1973) Limited		-	-	Loss	Destroyed
2.11 Uganda Garment Industries Limited		5.7	-	Loss	
3. Uganda Steel Corporation					
3.1 Steel Manufacturers E.A. Limited (Steel Corpn. of E.A. Limited)	Ministry of Industry	3.26	-	-	
3.2 East African Steel Products		-	-	-	
3.3 Uganda Metal Industries Limited (Millyres Limited)		-	-	-	
3.4 Uganda Hoes Limited		-	-	-	
3.5 Uganda Baati Limited		-	-	-	
3.6 Uganda Metal Products and Enamelling Company Ltd.		4.13	-	-	
3.7 Tororo Steel Works Limited (Kalamu Limited - Part of Tororo Steel)		-	-	-	

Name of Parastatal Body/Company	Supervising Ministry	Paid up Equity		Indebtedness	Performance Profit/Loss 1977	Remarks
		Shs. m.	Shs. m.			
4. <u>Uganda Cement Limited</u>	Ministry of Industry	10.4	10.68	-	-	
4.1 Hima Cement Limited		-	-	-	-	
4.2 Spunpipe Construction Company Limited		-	-	-	-	
4.3 Universal Asbestos Manufacturing Company		-	-	-	-	
4.4 Uganda Cement Industry (Tororo)		-	-	-	-	
5. <u>Wood Industries Corporation</u>	Ministry of Industry	16.56	26.5	Loss	Loss	
5.1 City Saw Mill Kampala		-	-	Loss	Loss	
5.2 Kira Saw Mill and Plywood Factory		-	-	Loss	Loss	
5.3 Muvule Saw Mill		-	-	Loss	Loss	
5.4 Budongo Saw Mill and Plywood Factory		-	-	Loss	Loss	
5.5 Bugoma Saw Mill		-	-	Loss	Loss	
5.6 Lendu Saw Mill		-	-	Loss	Loss	
5.7 Iwara Saw Mill		-	-	Loss	Loss	
5.8 Kalingu Saw Mill (2 units)		-	-	Loss	Loss	
6. <u>Tea Authority</u>	Min. of Agriculture	52.5	16.4	Loss	Loss	
6.1 Agricultural Enterprises		-	-	Loss	Loss	
6.2 Uganda Tea Growers Corporation		-	2.2	Loss	Loss	
7. <u>Uganda Airlines</u>	Min. Communication and Transport					
8. <u>Uganda National Tobacco Corporation</u>	Ministry of Industry	32.0	-	Profit	Profit	Well run viable company
8.1 Uganda Tobacco Factories Limited		-	-	Profit	Profit	
8.2 Printpack Uganda Limited		-	-	Profit	Profit	
8.3 Uganda Packaging Industries Limited		-	-	-	-	
9. <u>Uganda Electricity Board</u>	Ministry of Industry					
9.1 Cable Corporation of Uganda		-	-	-	-	
9.2 Ruwex Uganda Limited		-	-	-	-	
10. <u>Uganda Tourist Development Corporation</u>	Min. of Wildlife & Tourism					
10.1 Uganda Hotels		10.44	7.0	Loss	Loss	
10.2 Uganda Wildlife Development Ltd.		1.0	12.4	Loss	Loss	
10.3 Tours and Travel Limited		-	-	Loss	Loss	
11. <u>Uganda Advisory Board of Trade</u>	Ministry of Commerce					
11.1 Intra Africa Traders Limited		-	-	Profit	Profit	
11.2 Uganda Industrial Machinery Limited		-	-	-	-	
11.3 Uganda Duty Free Shop		-	-	-	-	
11.4 Uganda Pharmaceuticals Limited		-	-	-	-	

	Name of Parastatal Body/Company	Supervising Ministry	Paid up Equity		Indebtedness	Performance	Remarks
			Shs. m.	Shs. m.			
12.	<u>Uganda Livestock Industries Limited</u>		8.0	13.9	Profit	No Board	
13.	<u>Companies under Prison (Internal Affairs)</u>		-	-	-		
	13.1 Jute and Kenaf		5.5	129.6	Loss		
	13.2 Uganda Meat Packers - Soroti (Pack Meat for Soldiers)		-	-	-		
14.	<u>Companies under Ministry of Information & Guidance</u>		-	-	-		
	14.1 Consolidated Printers		-	-	-		
	14.2 International Television Sales Limited		-	-	-		
15.	<u>Companies under Ministry of Communication</u>		-	-	-		
	15.1 Uganda Transport Company Limited		-	-	-		
	15.2 Transocean Uganda Limited		-	-	-		
	15.3 People's Transport Company Limited		-	-	-		
	15.4 Uganda Taxi Services		-	-	-		
16.	<u>Uganda Railways Corporation</u>	Ministry of Communication	-	-	-		
17.	<u>Companies under Ministry of Commerce and Industry</u>		-	-	-		
	17.1 Uganda Breweries Limited		-	-	-		
	17.2 Dunlop East Africa Limited		-	-	-		
	17.3 East African Glass Works Limited (closed)		-	-	-		
	17.4 Uganda Fishnet Manufacturers Limited		-	-	-		
	17.5 Kakira Sugar Works Limited		-	106.0 (b)	Loss		
	17.6 Uganda Sugar Factory Limited (Lugazi)		-	-	Loss		
	17.7 Lake Victoria Bottling Company Limited		-	-	-		
	17.8 Nile Breweries		-	-	-		
	17.9 Uganda Paper Bag Manufacturers (1973) Limited		-	-	-		
	17.10 Sango Bay Estates Limited (closed)		-	-	-		
	17.11 General Equipment (Uganda) Limited		-	-	-		
	17.12 Fishnet Distributors (Uganda) Limited		-	-	-		
	17.13 Blenders Uganda Limited		-	-	Loss		
	17.14 Uganda Meat Packers Limited		-	-	-		
	17.15 Jubilee Ice and Soda Works		-	-	-		
	17.16 Kalamu Limited		-	-	-		
	17.17 Mukisa Foods Limited		-	-	-		
	17.18 Kilelesh Mines		4.93	-	Loss		
	17.19 Associated Match Company		-	-	Loss		
	17.20 Ugma Steel and Engineering Corporation		-	-	Loss		
18.	<u>Companies under the Ministry of Agriculture</u>		-	-	-		
	18.1 Wheat and Barley Project		-	-	-		
	18.2 National Sugar Works (Kinyala) Limited		-	-	-		

Name of Parastatal Body/Company	Supervising Ministry	Paid up Equity Shs.m.	Indebtedness Shs.m.	Performance Profit/Loss 1977	Remarks
19. <u>Companies under the Ministry of Rehabilitation</u>					
19.1 National Housing & Construction Corporation					
20. <u>The National Trust - Ministry of Justice</u>					
20.1 Uganda School Supply		-	-	-	
20.2 Publishing House		-	-	-	
20.3 Ugationess - Mbale		-	-	-	
20.4 Uganda House		-	-	-	
21. <u>Independent and Unallocated</u>					
21.1 Uganda Chibuku Limited		.73	5.2	Loss	
21.2 Kampala International Hotel		-	-	-	
21.3 Uganda Securiko Limited		-	-	-	
21.4 Uganda Taxi Services Limited		-	-	-	
21.5 R.O. Hamilton Limited		-	-	-	
21.6 Building Works and Painting Company Limited		-	-	-	
21.7 Dagra Engineering Company (U) Limited??		-	-	-	
21.8 Machinery Manufacturers Limited		-	-	-	
21.9 Uganda Leather and Tanning Industries Limited (Soroti)		-	-	-	
22. <u>Lint Marketing Board</u>					
22.1 Edible Oil & Soap Industries (16 units)	Ministry of Cooperatives and Marketing	20.3	-	Profit	
23. <u>Dairy Corporation</u>					
24. Produce Marketing Corporation	Ministry of Animal Resources	-	-	Loss	
	Ministry of Agriculture	-	67.8	Loss	
		427.76	738.32		

(a) U.D.C.'s indebtedness include debt raised on behalf of some of the transferred subsidiaries and Associated Companies

(b) Indebtedness to U.C.D. by both Kakira Sugar Works and Uganda Sugar Factory Limited (Lugazi)

(c) Where (-) appears means no information is available

(d) Source: Officials of U.D.C.
Ministry of Industry
Ministry of Finance

Companies removed from UDC in 1974 (Figures for December 1978)

	Shares Lost by UDC (Shs.m.)	Unpaid Loans & Advances (Shs. m.)	Total (Shs.m.)
<u>Agriculture and Forestry</u>			
Agricultural Enterprises Ltd.	52.5	16.1	68.6
Toro Development Co. Ltd.	1.0	16.1	17.1
Uganda Crane Estates Ltd.	1.0	3.1	4.1
	54.5	35.3	89.8
<u>Animal Resources</u>			
Uganda Livestock Industry Ltd.	6.1	9.2	15.3
Uganda Fish Marketing Corp. Ltd.	2.0	0.7	2.7
Uganda Meat Packers Ltd.	5.5	40.6	46.1
	13.6	50.5	64.1
<u>Commerce</u>			
Industrial Promotion Services (Custodian Board)	3.9	-	3.9
<u>Industry and Power</u>			
Nyanza Textile Industry Ltd.	18.0	0.5	18.5
The Uganda Metal Products and Enam. Company Ltd.	4.1	1.2	5.3
Uganda Cement Industry Ltd.	10.4	18.0	28.4
United Garment Industry Ltd.	1.2	4.7	5.9
Uganda Spinning Mill Ltd.	-	0.4	0.4
The Chillington Tool Co. Ltd.	0.4	0.7	1.1
Kilembe Mines Ltd.	5.0	-	5.0
Kilmex Mines Limited	0.7	-	0.7
Steel Corporation (E.A.) Ltd.	3.3	0.5	3.8
Uganda Bags & Hessian Mills Ltd.	1.6	0.1	1.7
Uganda Fish Net Manufacturers	0.8	-	0.8
	45.5	26.1	71.6
<u>Tourism and Wildlife</u>			
Uganda Wildlife Development Ltd.	1.0	1.8	2.8
Uganda Hotels Limited	10.4	41.9	52.3
Safari Lodges Prop. Ltd.	-	1.5	1.5
Kampala International Corporation	0.7	-	0.7
	12.1	71.3	83.4
<u>Transport and Communication</u>			
Uganda Air Limited	-	2.0	2.0
Uganda Aviation Services	0.2	2.7	2.9
	0.2	4.7	4.9
GRAND TOTALS	129.8	187.9	317.7

UDC's Outstanding Guarantees in Favour of its Former Companies
As at 31st December, 1978

		<u>Shs. m. Guarantees</u> ^(a)
<u>Ministry of Agriculture & Forestry</u>		
Agricultural Enterprises Ltd.	Bank Overdraft	1.6
Bugambe Plantation	Foreign Loans	3.2
Kiko Tea Company Limited	Foreign Loans	0.1
Mwenge Tea Company Limited	Foreign Loans	8.0
Uganda Crane Estates Limited	Bank Overdraft	0.2
		13.1
<u>Ministry of Industry and Power</u>		
Uganda Cement Industry Limited	Foreign Loans	78.9
Uganda Cement Industry Limited	Bank Overdraft	14.0
Uganda Cement Industry Limited	Bank Overdraft	6.0
Nyanza Textile Industry Limited	Foreign Loan	3.1
Nyanza Textile Industry Limited	Local Loan	2.0
Associated Match Company Limited	Bank Overdraft	3.0
Uganda Baati Limited	Bank Overdraft	0.3
		107.3
<u>Ministry of Animal Resources</u>		
Uganda Meat Packers Limited	Bank Overdraft	10.0
Uganda Livestock Industries	Bank Overdraft	3.0
		15.0
<u>Ministry of Tourism and Wildlife</u>		
Uganda Wildlife Development Ltd.	Bank Overdraft	0.4
Uganda Hotels Limited	Foreign Loan	0.6
		1.0
<u>Ministry of Commerce</u>		
Fresh Foods (U) Limited	Bank Overdraft	0.4
<u>Ministry of Transport, Communications & Works</u>		
Uganda Aviation Services Limited	Local Loan	0.4
		0.4
	GRAND TOTAL	135.2