

## ROAD TRANSPORT

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Background

The capacity of the road transport sector to carry goods and passengers was slowly ground down during the 1970s. From the beginning of the economic war and the expulsion of the Asians in 1972, the rate at which vehicles were imported dropped, as the data in Table 18.1 suggest, and the amount of foreign exchange allocated to official imports of vehicle parts diminished.

2. Rapid deterioration of the vehicle fleet followed. In 1976, an ILO mission examining road transport in Uganda estimated that the output of the sector was only 25 to 30% of its output in 1971/72, and that over 50% of all commercial vehicles were immobilised.<sup>1</sup> Even by late 1973 and early 1974, serious problems had appeared. Of the roughly 7,000 heavy commercial vehicles registered then, a national survey showed that only 4,061 were actually operating.

3. Nationalisation and reorganisation within the transport sector accompanied the economic war. A large private bus company was nationalised in 1972 to become the publicly owned Uganda Transport Company, which was later divided into Uganda Transport (1975) Company Ltd. (UTC), serving primarily Kampala and the western part of Uganda, and People's Transport Company Ltd. (PTC) with headquarters in Jinja, which serves that city and the eastern part of Uganda. The government owned Uganda Taxi Services Ltd. was formed in 1976 to provide luxury taxi service for government purposes and tourists. In addition to these public corporations, the Transport Licensing Board estimates that there are about 160 private operators licenced to provide bus services over specified routes.

4. Table 18.2 shows the steady decline that has occurred over the years in the number of buses and taxis licenced as public service vehicles (PSV), usually to serve specific routes. The number of mini buses and country taxis combined has remained more stable.

Table 18.1

## Selected Categories of Vehicle Imports, 1970/76

Type	1970	1971	1972	1973	1974	1975	1976
<u>Buses and Minibuses, total</u>	201	149	67	27	157	169	77
Buses with more than 14 seats	n a	n a	n a	n a	122	90	12
<u>Lorries and Service Vehicles, total</u>	2555	1347	661	227	377	522	324
Lorries, 3 tons or less	n a	n a	n a	n a	107	210	142
Lorries, greater than 3 tons	n a	n a	n a	n a	159	212	8
<u>Bicycles</u>	10437	11811	6072	10581	1103	1242	1625
<u>Automobiles</u>	9553	3397	1725	395	326	775	521

Source: East African Customs and Excise Department, Annual Trade Report of Tanzania, Uganda and Kenya, annual issues.

5. However, these Licencing Board figures do not tell the full story of PSV services available to the public. Many route licences are kept open, even though the routes may be badly underserved, or not served at all.

<sup>1</sup> See A. Cichowsky, Report on ILO Mission to Uganda concerning Assistance to Road Transport, Geneva, July 1976.

Table 18.2

## Public Service Vehicles Licensed By Transport Licensing Board

	1971	1972	1973	1974	1975	1976	1977	1978
Buses	593	715	548	529	475	453	388	404
Minibuses	149	168	150	146	280	359	758	1139
Country taxis		870	1703	1526	1281	805	907	649
Rental taxis	149	225	212	350	389	282	205	48
Tourist taxis	254	199	167	109	36	22	46	39
Town taxis			237	113	62	19	7	5

Source: Uganda Transport Licensing Board

6. Figures from UTC illustrate the situation. In 1972, the bus company had licences for vehicles on 50 'town' routes (all in Kampala) and 60 'country' routes. All were served on a regular basis. By 1978, the company still held licences for the 50 Kampala routes and had acquired 13 more country routes, for a total of 73 country licences. Only 10 of these country routes were actually being served, and perhaps 20 or so of the Kampala routes had irregular services, as buses were juggled from one route to the other in order to provide some service some of the time.

7. The Transport Licensing Board has neither the staff nor resources to keep track of bus services actually available. It has been trying without success for three years to get regional offices established, a move that might enable it more easily to monitor needs and service; but the current situation is so bad that many operators must bring their buses each year from up country to Kampala for the annual inspection - if they happen to miss the once-a-year tour by the inspectors to major towns.

8. The growth of unserved bus routes reflects the fact that by 1978 most of the publicly owned bus fleet was out of service. The deterioration of the fleet owned by UTC is dramatically illustrated in the following figures supplied by the company:

## Condition of Uganda Transport Bus Fleet

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Total buses	157	229	256	305	305	305	103
Number operational	135	125	100	83	62	38	35

9. A similar, though slightly better, situation prevailed at PTC: in January 1979, 34 of their 59 buses were operating.

10. The same pattern of reorganisation and fleet deterioration occurred after 1972 in the freight industry. The publicly owned Transocean (Uganda) Limited became primarily responsible for clearing, forwarding and transporting international traffic. (We understand that small, private firms handling these same operations have been allowed to appear during the last year or two). For internal movement, the most important agency to emerge was the Uganda Cooperative Transport Union (UCTU), an 'apex' organisation within the cooperative movement designed to import and sell vehicles and parts to cooperative unions and societies, and to 'top-up' transport demand by unions with its own fleet of lorries.

11. Notes prepared by UCTU state that cooperative agricultural unions and primary societies had available to them in 1972 less than 400 lorries to meet what was estimated to be a demand for 800. Data from a year or two later show that these unions and societies actually owned only 88 lorries. During the period from then until 1978, UCTU sold to them 360 lorries (some with trailers) and 83 service vehicles.

12. By 1977, the Government had become quite conscious of the disintegration of the vehicles fleet and proposed in The Action Programme,<sup>1</sup> the purchase of 500 buses and 4,000 lorries over the three-year life of the programme. Ministry of Power and Communication officials estimated that 200 buses and 2,000 lorries were actually imported during 1977 and 1978. We are not able to account for the distribution of that number within the country and suspect, in the absence of further information, that these figures are too high.<sup>2</sup>

13. A major contract was signed in 1977, with the Tata Organisation in India for 1,500 vehicles - lorries, tippers and buses - over the 1977/78, 1978/79 and 1979/80 period. Between 700 and 800 of these had arrived before the war; another 350 to 400 have been paid for. Of these, about 40 have just arrived in Kampala and are ready for allocation; 60 are in Mombasa gradually being cleared for delivery to Uganda; the remainder are in Bombay ready for shipment. The 100 or so Tata vehicles that were in Mombasa immediately after the war (40 of which have arrived) were being held pending the required payment of about Shs. 8m. by the Ministry of Finance for clearing and forwarding. In order to get the vehicles moving, Tata has been clearing them at its own expense.

14. As a final 'background' note, we feel it is important to call attention to the much diminished supply of bicycles and motor cycles in Uganda. Imports were drastically reduced during the military regime, with the result that throughout the country, people have to walk long distances to and from work, or to visit relatives; and the customary use of the bicycle to transport small loads has almost disappeared.

#### War Damage

15. Vehicles and workshops were particularly susceptible to war damage. Transocean reports that much of their vehicle fleet was taken by the Ministry of Defence, beginning in August 1978, and that the vehicles taken were run into the ground. Of the 35 buses PTC had operating in early 1979, 12 were taken by retreating soldiers of the military regime and 6 others were damaged. Early in June, PTC had only 18 out of their own buses running.

16. UTC had 28 buses stolen or damaged, their files at Masaka, Mbarara and Gulu destroyed and the depots in those towns badly damaged. Damage elsewhere, especially in the north, is not yet known.

17. UCTU estimates that 50% of the lorries owned by unions and private societies have been stolen or destroyed. Damage to or theft of the private vehicle fleet has been extensive, but not something to which a number can readily be attached. Very roughly, the figures available, combined with our own observations, would suggest that in 1970 there were in Uganda about 7,000 - 8,000 commercial lorries, by 1978 there were about 4,000 in operation, and of these about 2,000 are still serviceable. Of large buses, there might have been 600 or so in 1970, about 300 in service in 1978, and perhaps 150 still operating.

#### Reconstruction Needs

18. Reconstruction of road transportation over the next two or three years should concentrate on:

- the provision of adequate transportation to provide for the movement of the export crops from field to marketing boards;
- the provision of major relief to the bus companies; and
- the importation of one or two hundred thousand sturdy bicycles.

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<sup>1</sup>President's Office, The Action Programme: A Three-Year Economic Rehabilitation Plan 1977/78 - 79/80, July 1977

<sup>2</sup>Neither total fleet nor new registration figures for vehicles have been available for some years, largely because Computer Services have not been able to process the raw forms. It is not clear why manual counts of the registration forms were not undertaken in these circumstances.

19. In this reconstruction programme the UCTU can play a major role. They have the organisational structure through which lorries, service vehicles and bicycles can be allocated for sale to unions and primary societies. Their own suggestion for rehabilitation needs in 1979/80 (for both their own use and for re-sale) is shown in Table 18.5. The estimation of truck and service-vehicle needs on this schedule seems realistic, although it might be better phased over two years. Additional pick-up trucks or vans could well be substituted for the 347 staff cars proposed, and 50,000 bicycles should be added to the list for resale to individuals through unions and primary societies.

20. UTC requires at least 50 buses immediately, an additional 100 in 1980/81, and probably another 100 over the subsequent few years. Experts should be brought in as soon as possible to assess the technical capability of the company for absorbing and properly maintaining the vehicles, and of organising their bus services. Technical help should be supplied, with amount and type based on the initial evaluation of need. If supplies and tools can be provided immediately, UTC estimates that it can put back into service at least 60 of its 100 buses that are not now serviceable. About Shs. 2m. in local funds will be needed to repair war damage to depots and other buildings.

21. PTC seriously needs about Shs. 2m. in foreign exchange to provide parts and tools to put 25 grounded buses back into service. They need, in addition, 40 heavy-duty country buses, 12 town buses, 4 four-wheel drive buses for hilly routes plus 7 service vans and staff cars. An assessment of PTC's capacity to maintain and repair their fleet should be made in concert with the assessment of UTC. The possibility should be considered of providing the maintenance staff of both PTC and UTC with an opportunity to upgrade their skills at the Uganda Technical College.

Table 18.5

1979/80 Requirements Proposed By Uganda Cooperative  
Transportation Union

Vehicle or Accessory	Quantity	Cost in Shs. m.
Heavy trucks with trailers (16-30 tons)	81	18
Medium trucks (6-15 tons)	429	65
Light trucks (3-5 tons)	305	22
Pick-ups (1-2 tons)	555	20
Minibuses	84	4
Land Rovers or vans	129	5
Staff cars	347	8
Staff motorcycles	840	2
Staff bicycles	31,240	14
Bicycles tires and tubes	11,565	10
Batteries	2,785	2
Tarpaulins	1,373	8
Jacks	1,945	1
Wheel spanners	2,785	1
Tool kits	2,785	6
Spare parts for first nine items	-	31
Total Cost		215

Source: Uganda Cooperative Transport Union Ltd.  
File Reference UCTU/C/85, 4th June, 1979.

Note: These requirements are based on a detailed consideration of the following agencies: Coffee Marketing Board, Lint Marketing Board, Produce Marketing Board, Cooperative Bank, Cooperative Central Union, Cooperative Alliance, Cooperative Savings and Credit, Wholesale Consumer Cooperative, Cooperative Coffee Processors, Cotton Ginneries, Primary Societies, Private Coffee Processors and UTCU itself.

22. In short, the following summary programme of rehabilitation spending is recommended for UTCU, UTC and PTC.

Foreign Exchange Cost

	<u>1979/80</u>	<u>1980/81</u>
Shs. m.		
<u>Uganda Cooperative Transport Union:</u>		
Lorries, cars, bicycles and motorcycles	100	74
Spares, tools and tarpaulins	38	20
<u>Uganda Transport Company</u>		
New buses (50 in 1979/80 and 150 in 1980/81)	20	60
Spare parts and tools	10	6
Service vehicles	0.4	-
<u>Peoples' Transport Company</u>		
New Buses and service vehicles	15	7
Spares and tools	2	2

In view of the financial difficulties the bus companies are having and the inflation rate of the last few years, it would be appropriate to raise the schedule rates for PSVs to perhaps 50% above the present rates which were set in October 1976.

25. Within the Government, the transport section of the Ministry of Power and Communications maintains a fleet of vehicles for general government use. During the war they lost 25 lorries and 42 other cars and pick-ups, and also suffered some building damage and office equipment losses. The vehicles will have to be replaced, at an estimated foreign exchange cost of Shs. 10m. in 1979/80 and Shs. 5m in 1980/81.

24. If Transocean is to survive, it has to be virtually rebuilt. This may be the appropriate time to disband or sell Transocean and encourage the Ugandan private sector to take over the import-export functions of the company. Throughout the economy, the need to replenish the vehicle fleet, to bring it towards the 1970 level, must be balanced by the ability within Uganda to service and maintain an expanded fleet. Considering both need and servicing capability, the following total import figures for the next two years would seem to be of the right order:

	<u>1979/80</u>		<u>1980/81</u>	
	<u>Number</u>	<u>Value</u> Shs.m.	<u>Number</u>	<u>Value</u> Shs.m.
Commercial lorries @ Shs. 2m.	1,500	300	1,000	200
Buses @ Shs. 550m.	200	70	300	105
Pick-ups, minibuses, land rovers, etc. @ Shs. 0.057m.	1,500	56	1,000	38
Automobiles @ Shs. 0.03m.	2,000	60	3,000	90
Bicycles @ Shs. 500	100,000	50	100,000	50
Motorcycles @ Shs. 9,000	2,000	18	2,000	18
Spares, tires, tubes	-	150		150

25. To help fill these needs, the remaining portion of the 1977 Tata contract should be paid and the vehicles shipped from India as soon as possible. This would provide somewhat more than 300 vehicles (lorries and buses), in addition to the 250 now ready at Bombay, at 1977 prices. Consideration should be given to contracting for additional vehicles from Tata; they are half the price of many alternatives, previous power/weight deficiencies and transmission problems seem to have been overcome, and, most

importantly, they have a more advanced servicing system than any other manufacturer already well known in the country.

26. Finally, we want to draw attention to the problem of distributing - or 'allocating', as it is commonly called - the new vehicles to users. The magendo or blackmarket value of most new vehicles in Uganda is, according to our information, about twice the official selling prices, which for Ministry of Commerce sales, is equal to the landed price plus 25% profit. Vehicles destined for specific parastatal bodies give rise to no special problems, provided a reasonable assessment is made of the need of these agencies relative to an agreed set of objectives (such as the three objectives we set at the beginning of this section), and distribution is in accordance with this assessment. But vehicles sold at official prices through the Ministry of Commerce to the private sector may be immediately resold at much higher prices. There is no point in permitting the original, private buyer to profiteer in this way, and much to be said for the Government's selling on the private market at prices much closer to the true prices within the country. Other chapters of this report discuss in more detail this problem of allocating imported goods.