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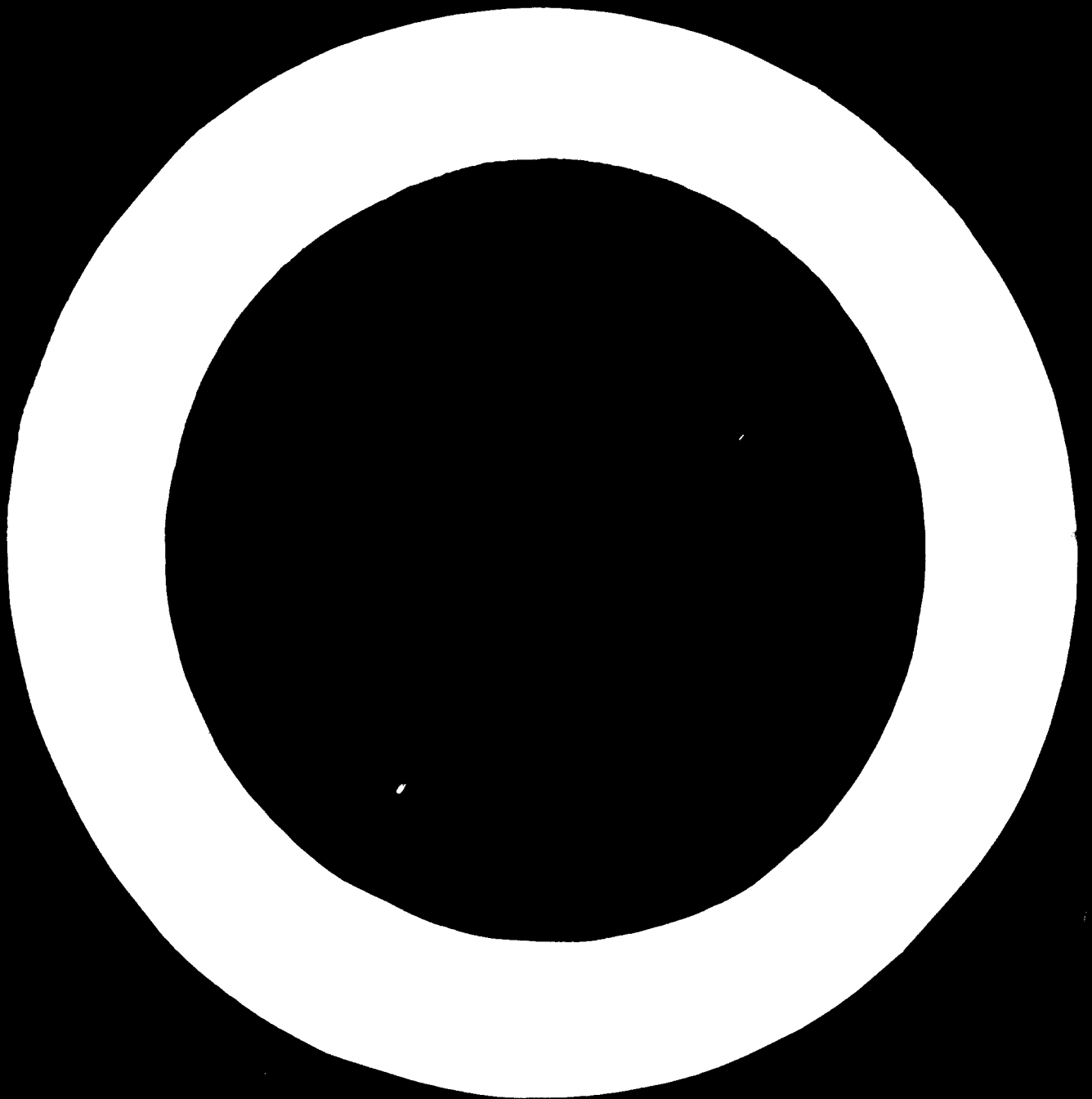
SMALL-SCALE INDUSTRIES IN EAST AFRICA
GOVERNMENT OF UGANDA

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GENERAL

SMALL SCALE INDUSTRIES BRANCH

The present set up of the Small Scale Industries Branch which is in the Ministry of Education and Cultural Affairs provides training in different areas with a view to starting and/or starting small units of their own. It is also for providing loans of man-power to industries. The services provided so far by the Small Scale Industries Branch are confined to recouping to the Development Bank of Mauritius loans to small entrepreneurs which are repaid over a period of ten (10) years at a low rate of interest which has been fixed at 4% per annum, counselling management of small workshops on increasing production and introducing better technical knowhow in their day to day activities. The Small Scale Industries Branch is awaiting decisions from the Government on recommendations submitted by the committee on a revised structure which will bring at more or less the functions of a Small Scale Industries Department with clear definition and providing promotional and extension services to small industries in Mauritius.

2. Given the size of the country, it is difficult to establish a large number of big industries. Therefore it has been thought advisable, with a view to making a distinct classification between big and small industries to adopt the following definition which was made at a seminar on Small Scale Industries in Mauritius, held in October, 1967 at Port Louis, Mauritius.

"Any undertaking which is conducted for the purpose of profit and on a whole time basis and in which between 10 and 20 workers are engaged including working proprietors but excluding apprentices, and which can be started and operated with relatively little financial means and few skills but excluding undertakings wholly or partly engaged in the service of the public."

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in agricultural production, and also excluding undertakings in the handling of money or conducted for the purposes of entertainment or gambling".

PROMOTION OF INDUSTRIES

The Small Scale Industries Board proposes to undertake the preparation of the economic, technical and commercial feasibility of 5 industries every year from a list of industries that are being prepared for submission to the Government. These feasibility studies will be made available to private entrepreneurs who will come forward to start the said firms, which can operate on a small scale and essential applications will be invited from the public.

2. Consequently, the Small Scale Industries Board will be functioning ---

- (a) as a technical and managerial innovation cell;
- (b) as a techno-economic information cell.

3. Under (a) above, it will take up a theoretical concept of research data and work out an initiative to meet the industrial requirement both in terms of new technology and improvement of existing industries to suit practical conditions; work out designs, technical details, economics, management, control techniques and introduce them in terms of actual pilot projects.

4. Under (b) above, it will provide package information on techniques, designs, managerial problems and marketing; recommend to the Mauritius Development Bank industries for which capital in cash could be provided; and helps set up private units by individual attention to prospective entrepreneurs, screening their initial interests, investment and managerial capacity as well as previous business background and relating them to the list of industries for which there is scope, thus guiding them of preliminary marketing investigations and availability of plant and giving the right contracts (in terms of sources of technical constancy) to reach investment decisions.

5. As the role of any Small Scale Industries Section can be effective only with its integration with Industry and Commerce, recommendations have been made to the Government of Mauritius for transferring the Small Scale Industries Branch from the Ministry of Education to the Ministry of Industry and Commerce.

SMALL SCALE UNITS

A case is also being made for the development and modernisation of existing small scale units both for the upgrading of productivity and for their development into nuclei of further growth. The case for developing them further simultaneously with promoting new units emerges from the fact that they are already playing a significant role in the industrial economy of the country.

2. As per the census of Industrial Production, 1964, there were 849 units employing 20,943 workers and having a gross production of Rs (1) 205 millions in 35 industry-groups. Of these, the small scale industries accounted for 687 units employing 3303 workers having a gross output of Rs (1) 18.2 millions. In the large scale sector, the sugar industry has the lion's share in employment and output with 25 units having employment of 8442 and gross output of Rs (1) 205 million. The rest of the 'large' industry accounts for employment of 6,200 and gross output of Rs (1) 95 m.

3. The important categories of industrial activity in which small scale units are engaged are consumer goods and repair workshops. The 'large scale' units, apart from sugar are predominant in activities such as alcoholic beverages, footwear, clothing, automobile repairs and transport equipment, concrete and stone products etc.

4. Seeing from the industrial classification, small scale units are found engaged in almost all the lines, although not in uniformly large numbers in each case. Before embarking on starting new industries in these lines we should first consolidate the existing production. This will entail assessing the capacity of all the units and their facilities. If there are any gaps, Government should help the existing units to run to their full capacities through different types of assistance

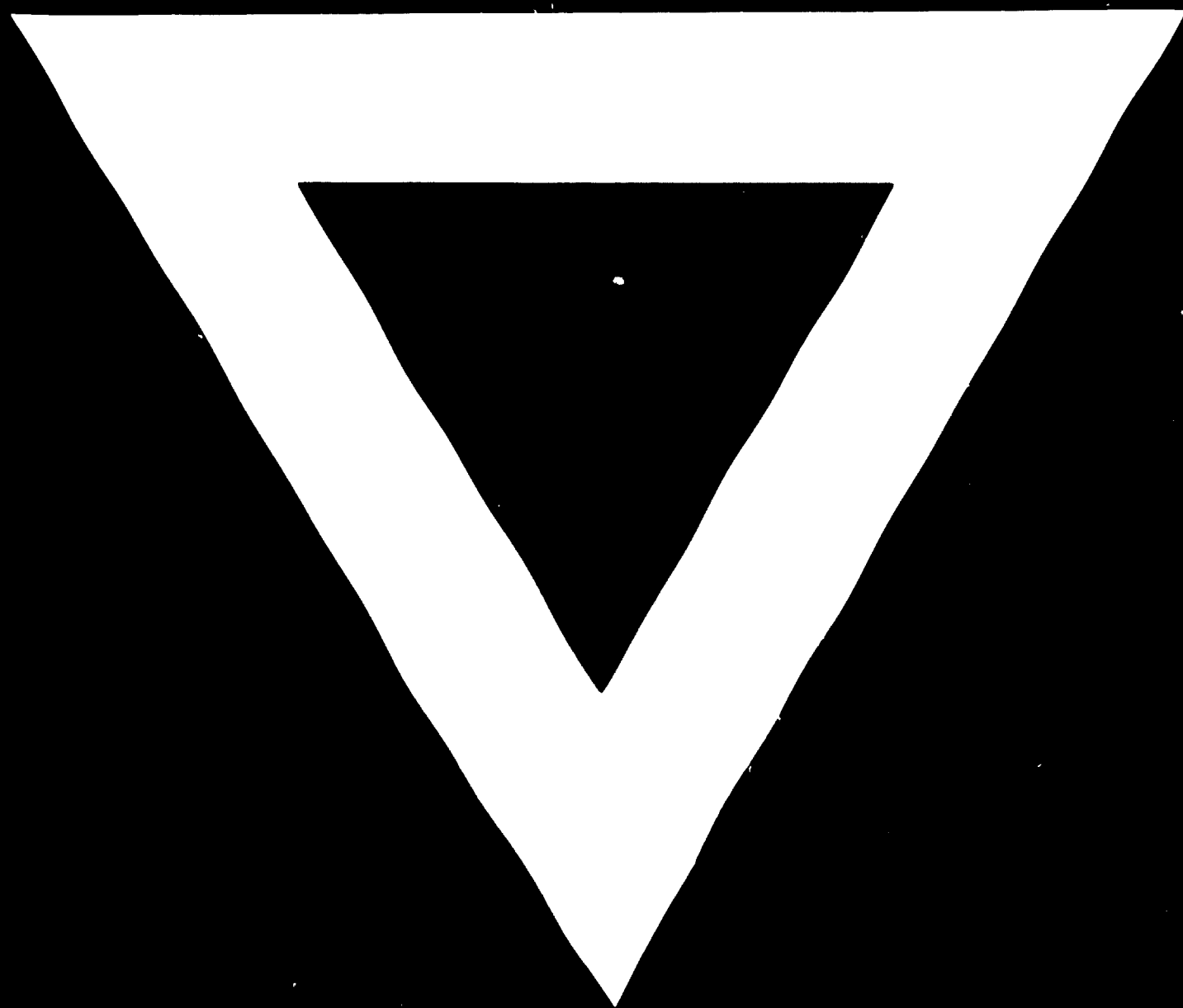
provided they have a useful role in the national economy. For this purpose all small scale units have to be compulsorily brought under registration. This would help in promoting a planned development in the industrial field of the various sectors and also provide guidance to prospective entrepreneurs about overcrowded lines of activity as well as industries with scope.

5. It is also suggested that the extension programme of the Small Scale Industries Branch be focussed on units employing between 2 and 20 workers so as to assist them to develop into well-established and well-managed industries. In terms of categories of industrial activity, the concentration of extension effort should be on (i) leather and leather products, (ii) rubber products, (iii) metal products except machinery and equipment, (iv) repairing of motor vehicles and (v) miscellaneous manufacturing industries involving relatively simple fabrication (as for some items of builders' hardware) or blending and mixing (pesticides, disinfectants, paints, etc.)

6. The main constituents of the extension and assistance programme should be:-

- (i) Propagation of management and productivity concepts
- (ii) Improvement of techniques and identification of new machinery
- (iii) Helping the units with assessment of the market situation
- (iv) Helping lending agencies to link credit with technical and managerial improvement in the borrowing industries.





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