

We need strong regulations

Electrical Controls and Switchgear Ltd (ECS) is celebrating 30 years of existence while at the same time launching a transformer factory. **Owen Wagabaza** spoke to **James Kalibbala**, the firm's chairman and managing director and below are the excerpts

Q What inspired you to venture into electrical equipment manufacturing? It was my profession. At that

time, I wanted to be self-employed and the best thing to do was to venture into a business where I had strength and passion. My passion has always been with electronics. But also, I had realised there was market for electrical products yet there were no players to fill the gap.

How was the industry like 30 years ago?

There was scarcity of everything. However, the market was very quality conscious unlike today. There were rules, regulations and specifications which were adhered to. On the side of entrepreneurship though, there was not much competition, it was a virgin industry.

But again, getting financing to start was a hurdle, it was not easy to get loans from

banks and this made the beginnings quite hard.

Businesses in Uganda rarely celebrate their first birthday, what has helped you to stay in business for this long?

I think the biggest reason Electrical Control and Switchgear has survived for this long is because engineering is not only my profession, but something I am passionate about. I ventured into something I knew and understood very well.

But also, in a business like this, profits come years later and I was patient enough, a virtue that is rare these days, especially among the youth. The biggest reason businesses are failing is because they are not patient enough and they venture into areas they know so little about.

Lastly, I was lucky and blessed. There are so many people who work hard like me, but fail. I thank my God



Engineer James Kalibbala

for the blessings.

What lessons have you learnt over the years? Patience pays, the beginnings were not easy. We did not have enough financing to run the business, but we stuck in there and here we are, growing every other day.

Another lesson well learnt is that you need to embrace change. It is the only constant in life. And here, it is the ever changing technology.

Innovators are coming up with ground-breaking innovations every day, and to compete favourably, you have to read and be at par with the latest technologies.

Any challenges that you are facing?

Competition is stiff and the only way to survive is to identify your niche in the market. For us as ECS, we decided that not everybody

WE NEED TO MAKE SURE THAT ALL IMPORTED GOODS GO THROUGH RIGOROUS TESTING BEFORE THEY ARE PUT ON THE MARKET.

will be our client. Quality is paramount to us, and we do not only sell a product but a service. We will, therefore, stick to quality and serve those clients whom we identified.

Another challenge we are having is the overflow of counterfeit products on the market, and there seems to be so little being done to change the situation. Some people are quality conscious; they go for those world renowned brands expecting quality only to realise that they bought fake products.

This is being fuelled by the Uganda National Bureau of Standards' inability to identify the fake products and protect the consumers. Goods just enter into the country and are sold to the unsuspecting consumers who are not well

informed about these things.

Another challenge we are encountering is the evasion of taxes by some businessmen. They bring in untaxed goods – and you find a product on the market with a ridiculous price. Uganda Revenue Authority needs to come out strongly on this.

The non-tariff barriers are also hampering business growth in Uganda. The cost of doing business is also quite high in Uganda. There are so many taxes, power tariffs are high, and there are delays during importation of materials. All these make the cost of doing business high.

Another challenge is the absence of skilled labour. When I was starting this transformer manufacturing facility, I had to take people to India for training and this

to fight counterfeit products



The ECS manufacturing workshop in Kawempe Tula. Photos by Owen Wagabaza

took several months.

Uganda still imports most of her electrical materials, why is this so? What are we not doing right?

People have a strong belief in imported goods; we have a weakness of thinking that imported goods are better, which is wrong. Take the example of furniture, why would one buy fake imported furniture from China when

we have mahogany and *mvule* trees here in Uganda. It is a weakness that we have to overcome.

But the biggest challenge is that we do not have proper standards to follow. Firstly, we need to make sure that all imported goods go through rigorous testing before they are put on the market, and secondly, these standards ought to be in the public domain so that consumers

can ably differentiate between a fake and a genuine product.

The tax structure is also not supportive to local investors. Because of the cost of doing business, you may end up with products that are more expensive than the imported goods. Overall, local investors need support from the Government in a number of ways for them to compete favourably.

You are launching a new transformer factory, what role is it going to play in Uganda's energy mix?

The factory is expected to increase on the power distribution and stability in the country, thereby helping the Government achieve its goal of Vision 2020 and Vision 2040. There has only been one company manufacturing distribution transformers, and it could not satisfy the demand, as such, Umeme has been importing them from overseas, henceforth causing delays. We now have transformers readily available.

We also expect to help the government in the rural electrification programme by availing high quality distribution transformers at a lesser cost, because when demand increases, the price also increases.

We also expect to reduce on the losses that people have been registering whenever a transformer breaks down.

Because Umeme has been importing most of the transformers it uses, replacing a collapsed one has been taking days and in some cases months, majorly because there were no readily available transformers,

causing financial loss to the *Wananchi*.

With the new factory, however, we will address this by offering very fast solutions. We can, for example, provide a transformer the very day it is needed, as well as giving them temporary solutions. In other words, if such a scenario happens again, the problem will entirely be on Umeme, not the lack of transformers.

What are your plans over the next 30 years?

We have been doing low voltage switchgear, and we are now venturing into medium voltage switchgear. We are starting with 500KV-1000KV. After everything

is set, our plan is to go into renewable energy.

Anything else that you would want to tell the readers?

I think it is time we moved beyond trading and ventured into innovations that will take our country to the next level.

We have a tendency of fearing to venture into businesses that are a bit complicated, but if you do your research, things are possible. Trading alone may not move us to the next level, industrialisation needs to be brought into the fore, and here, I am talking about locals being at the forefront of industrialising our country.

Tamteco

THE TORO AND MITYANA TEA COMPANY LIMITED

Congratulations ECS upon your 30th anniversary as well as the opening of your new generator manufacturing plant.

Tamteco is so proud to be associated with you.

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