

# Media CEO threatens to cut publicity



By [Walter Wafula](#)

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There's every reason for companies to cut back expenditure to survive the effects of the current global financial crisis. However, Robert Kabushenga, chief executive officer of New Vision Printing and Publishing Company has warned companies in Uganda against chopping off advertising expenses from their budget because it will put their popularity on the line.

Speaking at the first CEO Uganda Summit held to discuss solutions to the global financial crunch, Kabushenga said as a result of the ripple effects of the crisis, in addition to the high energy and transport inefficiencies in the economy, many companies were reducing and suspending their advertising spend to the media.

"That is proactive but we have also decided to take a tough stand - at least in my company - since you have cut our advertising revenues, we shall cut the publicity we give you in the papers," Kabushenga told a group of about 100 CEOs at the summit in Kampala this week.

Commenting on the companies performance at the Uganda Securities Exchange, the CEO said, their stock price is also taking a beating from the financial crisis although the companies financial health remains in good shape.

Kabushenga blamed the diminishing demand for stocks on the capital flight executed by foreign investors who continue to liquidate their equity to repatriate their cash to boost their purchasing power.

Due to its first rights issues and the collapse in financial markets in 2008, the New Vision stock has dropped about 48% of price value from UGX2,500 to UGX1,360 making it the biggest loser of the ten listed stocks.

## ABOUT WALTER WAFULA

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