

Ugandan government cuts advertising budget by 50%

The government has announced a 50% reduction in advertising budget necessitating the media industry in Uganda to quickly rethink its sources of revenue. Finance minister Maria Kiwanuka said the move is part of efforts to save US\$16.8 million (UGX40 billion) aimed at improving service delivery in the country.



"In order to re-focus public service efforts for delivery of quality outputs there is need to reduce wastage, laxity, and limited responsiveness. I am proposing the following actions: effect cuts of 50% on advertising budgets for all ministries and agencies."

The minister revealed the government's position last week, as she delivered Uganda's 2011/12 financial year budget. The new financial year that might make it hard for local media to meet their revenue targets for this, kicks off on 1 July 2011.

Kiwanuka further proposed to effect cuts of 30% on budgets for allowances, newspapers, periodicals, books, entertainment, printing and stationary, travel inland and abroad for selected ministries and agencies.

Government purchase of vehicles, frozen

In the same vein, the minister froze the purchase of government vehicles except for critical areas such as hospitals, police and the security services. "Madam Speaker, an estimated UGX40 billion has been raised from the above measures and will be allocated to service delivery infrastructure," she said.

Uganda's decision to downsize its advertising spend, came a day after the South African government announced that it has allocated R1 billion per year as its advertising budget. The amount would be passed on to South African newspapers which assist government in delivering its message to the public, according to government spokesman Jimmy Manyi. The move was however criticised by South Africa's Newspapers Editor's Forum as a form of financial inducement which amounts to an offence against media freedom in South Africa.

A media analyst who reacted to Uganda's advertising budget cut said that the strategy is likely to hurt Vision Group's

revenue base more than that of private media. The government-owned Vision Group operates the *New Vision* newspaper which is the largest recipient of state advertising budget. The group is however well positioned to retain a significant share of government's revenue because it runs a variety of print and electronic media divisions.

Coverage of protests

The media in Uganda and government have been at loggerheads since the beginning of opposition party protests against the high food and fuel prices in the country dubbed Walk-To-Work. The government has several times grieved over the way the media has covered the protests citing that the reports favoured the position of the opposition and not that of the government.

In his first statement on the protests, that left 10 people dead and hundreds injured, Uganda's President Yoweri Museveni described the media as economic saboteurs for covering the demonstrations.

"The media houses, both local and international, such as Al-Jazeera, BBC, NTV, *The Daily Monitor* etc., that cheer on these irresponsible people, are enemies of Uganda's recovery and they will have to be treated as such," Museveni said. "Why do they not also report the negative acts of these elements?" The president had earlier criticised the media for orienting their news toward negative reporting without reporting positive developments in Uganda.

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