

# Tanzania: Suppliers to get Sh4.5bn in first batch of Uchumi

Dar es Salaam, Tanzania - Uchumi Supermarket Suppliers Union chairman Joseph Mlay has confirmed that the first batch of names who are owed by the supermarket chain has been released and awaiting for government tools to be appointed by Kenya government to release the funds.



Erinamukuta via [Wikimedia](#)

Mlay told *The Citizen* that those whose names have been released will be paid a total of Sh4.5 billion out of the Sh8 billion that was still outstanding.

"The names have been sent to us and we are awaiting the government of Kenya to appoint the ministers for Finance and Industries respectively to endorse the payments," he said.

The Kenyan supermarket ceased its operations in the country in 2015 without settling its payments to some 300 Tanzanian suppliers.

According to reports, the government of Kenya which holds a 14.6% stake in Uchumi, approved a total of Ksh350 million (Sh6.2 billion) for payment to the company's suppliers who were left stranded after the retail chain suddenly ended business in the country.

In view of this, Mlay said that the Kenyan government finalized its verification process and released the first batch of names whose invoices matched their accounts.

However, he noted that the second batch of names whose invoices were over claimed, have been set aside for further verification while those that were under invoiced were still undergoing process of matching before reaching a final decision. In October 2015, the chain store closed down all its business in Tanzania and Uganda after citing unprofitability where 900 workers were laid off, 400 out of them in Uganda.

In Kenya the retailer has had a tough past 12 months, with shop closures, empty shelves as well as disgruntled and unpaid workers.

Suppliers cut ties, irked by unpaid debts amounting to hundreds of millions of shillings but Uchumi's year, however, ended on a high following the receipt of Ksh700 million (Sh14.7 billion) from the Kenyan government, allowing the business to restock its branches and pay some of its outstanding debts.

Andrew Dixon, the retailer's recently appointed chief operating officer, expressed optimism that Uchumi will have cleared its debts by the end of March, normalising operations.

"I am optimistic about our continued return of the brand to its former glory. The restocking we have been conducting recently is not a seasonal affair; we are building towards a sustainable business going forward," he said.

Dixon added that the bailout by the Kenyan Treasury helped it clear its workers' two-month unpaid salaries and restore relations with about 200 of its suppliers who had fled.

Uchumi has also recently restocked 19 out of its 20 branches across the country with the intention of riding on the festive season to make a comeback in the market.

*Source: The Citizen*

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