Ownership and Technological Intensities in Ugandan Manufacturing

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Abstract: This paper examines productivity, export-intensity and technological differences between foreign and local firms in metal engineering, food and beverages, and plastics firms in Uganda using an adapted version of the technological capability framework. Although the results were mixed, foreign firms enjoyed higher and statistically significant technological capabilities than local firms, and in its components of human resource, process technology and adaptive engineering. The relationship between labour productivity and export intensity, and technological intensity was stronger in foreign firms than in local firms. The relationship between foreign ownership and adaptive engineering was also positive and significant. Despite 25 per cent of the foreign firms enjoying no cross-border subsidiaries, foreign firms showed higher participation in adaptive engineering activities than local firms.

Keywords: Productivity, technological intensity, exports, skills, ownership, Uganda

JEL classifications: O14, O33, O55, L61, L66

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