REPUBLIC OF ZAMBIA
MINISTRY OF AGRICULTURE & LIVESTOCK (MAL)

2015 ZAMBIA AGRICULTURAL AND COMMERCIAL SHOW SIDE MEETINGS

HOW TO MAKE ZAMBIA THE REGION’S FOOD BASKET THROUGH TRADE

TOOLS AVAILABLE TO PROMOTE AND REGULATE AGRICULTURAL TRADE

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30 JULY, 2015

DEPARTMENT OF AGribUSINESS AND MARKETING
TOOLS PROMOTING AND REGULATING AGRICULTURAL TRADE

- ZAMBIA IS A SIGNATORY & MEMBER TO THE FOLLOWING TRADE RELATED ORGANIZATIONS:
  1. WORLD TRADE ORGANIZATION (WTO (GATT))
  2. THE ACP – COTONOU AGREEMENT (AFRICAN, CARIBBEAN & PACIFIC) for trade with the European Union
  3. COMESA
  4. SADC and now
  5. The tripartite on-going negotiations for integrating COMESA, SADC & EAC

AS A SIGNATORY AND MEMBER, ZAMBIA IS OBLIGED TO MANAGE HER INTERNATIONAL TRADE REGIME IN CONFORMITY WITH TRADE RULES & REGULATIONS OF THE ABOVE INDICATED BODIES
WTO – CORE PRINCIPLES

1. “MFN” & 2. “NT”

ALL WTO MEMBER STATES (ZAMBIA INCLUDED) ARE REQUIRED TO ADHERE TO THE CORE GATT/WTO COMMITMENTS AND PRINCIPLES OF;

1. SUSTAINED TARIFF REDUCTION COMMITMENTS

AND THE TWO PRINCIPLES OF:

1. MOST FAVOURED NATION (MFN)
   (THE RIGHT TO BE TREATED EQUALLY BY ALL MEMBERS STATES IN TRADE MATTERS)

2. NATIONAL TREATMENT (NT)
   (ONCE IMPORTED GOODS HAVE GONE THROUGH CUSTOMS CLEARANCE, THEY CEASE TO BE FOREIGN AND HENCE DESERVE SIMILAR TREATMENT TO DOMESTIC PRODUCTS)
SOME WTO AGREEMENTS PRESENTING BOTH OPPORTUNITIES AND THREATS TO THE ZAMBIAN AGRI-BUSINESS SECTOR

THE WTO HAS 8 AGREEMENTS WITH A DIRECT BEARING ON ZAMBIA’S AGRICULTURAL TRADE COMPETITIVENESS

1. AGRICULTURE AGREEMENT (New Rules)

• POLICIES BY MEMBERS SHOULD BE MORE ‘MARKET-FOCUSED’

• AIMED AT IMPROVING PREDICTABILITY AND SECURITY FOR BOTH IMPORTERS & EXPORTERS

• COMMITMENT TO MARKET ACCESS: ‘TARIFFS ONLY’ MEANING QUOTAS AND ABSOLUTE EXPORT OR IMPORT BANS ARE NOW ILLEGAL (This rule may pose a threat to some Stake-Holders in Zambia)

• DOMESTIC SUPPORT/SUBSIDIES, ‘IN RICH COUNTRIES’, THAT DISTORT TRADE ARE NOW DISCOURAGED (Export Market Opportunity For Zambia)
2. AGREEMENT ON SANITARY & PHY-TOSANITARY MEASURES (SPS)

- DESIGNED TO REGULATE IMPORT/EXPORT RESTRICTIONS TO PROTECT HUMAN, ANIMAL, PLANT LIFE AND HEALTH

- IT ALLOWS MEMBER STATES TO IMPOSE: QUARANTINE, SAMPLING, TESTING, INSPECTION OF PRODUCTION FACILITIES, AND EVEN OUTRIGHT IMPORT BANS FOR LEGITIMATE REASONS (GM foods in Zambia)

(SPS IN ZAMBIA, IS DOMESTICATED THROUGH THE PLANT PESTS & DISEASES ACT, CAP 233 & OTHER LAWS OF ZAMBIA)

- (Implication is that Zambian Players have to strive to meet acceptable Global SPS Standards – They may prove difficult to attain for small-holders)
COUNTRIES IMPOSE STANDARDS FOR MANY REASONS:

1. SUCH HEALTH AND SAFETY: (Car Seat Belts, Car Emission Standards,)
2. CONSUMER CONVENIENCE: (Standardized electrical plugs,)
3. CONSUMER INFORMATION: (Food labeling)
4. TRACEABILITY (Bar Coding; Detailing product origin as far down as to farm/village level, May Crowd-out Small-holders from Export Markets)

However, standards can be used as a disguised form of trade protection (Zam Milk to ZIM – Labeling in Shona language)
4. **ANTI-DUMPING AGREEMENT**

- ALLOWS COUNTRIES TO IMPOSE DUTIES TO COUNTERACT EFFECT OF DUMPING.
- DUMPING IS SELLING FOR EXPORT AT BELOW “NORMAL” VALUE
- ANTI-DUMPING MEASURES CAN EASILY BE ABUSED FOR PROTECTIONIST PURPOSES
- ANTI-DUMPING MEASURES CAN ONLY BE EFFECTED WHERE THERE IS EVIDENCE

* However, proving a case of dumping in a foreign country has never been plain sailing
5. THE SAFEGUARDS AGREEMENT

• ALLOWS COUNTRIES TO INTERVENE IN INTERNATIONAL TRADE.

• WHERE THERE IS EVIDENCE THAT INCREASED IMPORTS ARE CAUSING OR THREATENING TO CAUSE SERIOUS INJURY TO DOMESTIC PRODUCERS.

• INTENTION TO APPLY THE MEASURES SHOULD BE NOTIFIED

• SAFEGUARD LEGISLATION WAS DOMESTICATED INTO THE CONTROL OF GOODS ACT, CAP 421 OF THE ZAMBIAN LAWS THROUGH SI No. 75 OF 2006

• The Challenge in Zambia is conflict of interest Amongst Market Players: Farmers Versus Processors/Retailers.
6. THE AGREEMENT ON RULES OF ORIGIN (ARO)

APPLIES MAINLY IN REGIONAL TRADE AGREEMENTS WITH CUSTOMS UNION PROTOCOLS (SADC, COMESA, EAC)

• CUSTOMS OFFICIALS MUST OFTEN DETERMINE THE ORIGIN OF GOODS.

• THIS IS NECESSARY TO DECIDE WHETHER IMPORTS ARE ENTITLED TO DUTY-FREE TREATMENT UNDER AN RTA OR PREFERENTIAL ARRANGEMENT

• MANY COUNTRIES REQUIRE IMPORTS TO BE MARKED WITH THE COUNTRY OF ORIGIN, SO THAT THE CORRECT ORIGIN MUST BE DETERMINED FOR THIS PURPOSE ALSO.

• THE ORIGIN OF AN IMPORTED ITEM IS CLEAR WHERE IT IS WHOLLY PRODUCED IN ONE COUNTRY (E.G., COAL OR WHEAT),

• BUT CAN BE MUCH HARDER TO DETERMINE WHERE IT RESULTS FROM PRODUCTION PROCESSES IN MORE THAN ONE COUNTRY, AS IS INCREASINGLY THE CASE AS GLOBALIZATION PROGRESSES.

( Dressed Chicken imports from South America into SADC, Repackaged and Re-Exported into Zambia. )
TRADE RELATED ZAMBIAN LEGISLATIONS AND REGULATIONS AFFECTING AGRICULTURAL PRODUCTS AND FOOD VALUE - CHAINS

ZAMBIA MANY LAWS WITH A DIRECT BEARING ON BOTH DOMESTIC AND INTERNATIONAL TRADE - MANY OF WHICH ARE DOMICILED OUT OF MAL

1. FOOD AND DRUGS ACT, CAP 303 OF THE LAWS OF ZAMBIA - IS DRAWN FROM CODEX GUIDELINES

- CODEX ALIMENTARIUS (A LATIN WORD MEANING FOOD LAW)
- PURPOSE IS TO PROTECT CONSUMER HEALTH AND ENSURE FAIR TRADE PRACTICES IN FOOD
- PEOPLE HAVE THE RIGHT TO SAFE FOOD THAT IS SUITABLE FOOD FOR CONSUMPTION.
- CODEX RECOMMENDS A HACCP SYSTEM BASED APPROACH BY ALL PLAYERS ALONG THE ENTIRE FOOD VALUE – CHAINS
- HACCP - Hazard Assessment Critical Control Points
FOOD AND DRUGS ACT CAP 303 OF THE LAWS OF ZAMBIA

OBJECTIVE:

• TO PROTECT THE PUBLIC AGAINST HEALTH HAZARDS AND FRAUD IN THE SALE OF FOOD.

• ACT DEFINES & PROVIDES FOR ENFORCEMENT BY AUTHORIZED OFFICERS, PUBLIC ANALYST, GENERAL PROVISIONS, POWERS OF AUTHORIZED OFFICERS, SEIZURES ETC.

• PROHIBITS SALE OF POISONOUS, UNWHOLESOME OR ADULTERATED FOOD

• PROHIBITS DECEPTION IN LABELING, PACKAGING, TREATING, PROCESSING AND SELLING

• PROHIBITS THE SALE AND PREPARATIONS OF FOOD UNDER INSANITARY CONDITIONS

• IMPORTATION WHICH DOES NOT COMPLY WITH THE PROVISIONS IS PROHIBITED

• IT IS ADMINISTERED IN COLLABORATION WITH CONTROL OF GOODS ACT, CAP 421 (IMPORT/EXPORT) (AGRICULTURE) UNDER MINISTRY OF AGRICULTURE
2. CONTROL OF GOODS ACT, CAP 421 (IMPORT/EXPORT) 
AGRICULTURE – OF THE LAWS OF ZAMBIA

• ALL IMPORTERS AND EXPORTERS OF AGRICULTURAL PRODUCTS EXPECTED TO SECURE PERMITS FROM MAL OFFICES AT HQ AND SOME BORDER TOWNS.

• PERMITS FROM MAL ARE CONDITIONAL TO MEETING PRELIMINARY CONDITIONS OF RELATED ACTS SUCH AS:

  FOOD AND DRUGS,
  PUBLIC HEALTH,
  ANIMAL HEALTH,
  DAIRY, SEEDS AND
  PLANT PESTS AND DISEASES ACTS
CENTERS ISSUING PERMITS UNDER THE CONTROL OF GOODS ACT, CAP 421 (IMPORT/EXPORT) (AGRICULTURE)

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<th>PROVINCE</th>
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<tr>
<td>Lusaka Province</td>
<td>Mulungushi House</td>
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<td>Mpulungu. Mbala</td>
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<tr>
<td>Eastern Province</td>
<td>Chipata, Katete, Lundazi</td>
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TRADE RELATED ACTS REGULATING BOTH DOMESTIC AND FOREIGN TRADE ACTIVITIES IN COLLABORATION WITH CAP 421

1. PLANT PESTS AND DISEASES ACT, CAP 233
2. FOOD AND DRUGS ACT,
3. SEEDS
4. PUBLIC HEALTH ACT, CAP 295
5. ENVIRONMENTAL PROTECTION & POLLUTION CONTROL ACT, CAP 204
6. FOOD RESERVE ACT, CAP 225
7. LOCAL GOVERNMENT ACT, CAP 281
8. MARKETS ACT, CAP 290
9. STANDARDS ACT, CAP 416
10. ANIMAL HEALTH ACT OF 2010
11. THE DAIRY ACT AND MANY MORE.
SOME TRADE FACILITATION POLICY MEASURES WITHIN AND OUTSIDE MAL

- DECENTRALIZATION OF AGRICULTURAL IMPORT/EXPORT SERVICES TO BORDER TOWNS (Lowering cost of doing business)
- REDUCING THE IMPORT/EXPORT TRANSACTIONAL PERIOD TO 24 HOURS
- IN-HOUSE STAKE-HOLDERS CAPACITY BUILDING TRAINING IN AGRICULTURAL ENTREPRENUERSHIP (Imparting skills to manage agriculture as a business)
- OPERATIONALIZATION OF THE AGRICULTURAL CREDITS ACT 25 OF 2010 THROUGH THE APPOINTMENT OF A WAREHOUSE RECEIPT SYSTEM AGENCY (An additional commodity marketing platform with market access to the SAFEX / JB Commodity Exchange)
- GIVING PRIVATE SECTOR CHANCE TO ENTER MAIZE MARKET EARLIER THAN FRA
- RESTRICTING FRA PURCHASES TO PLANNED AND BUDGETED STRATEGIC RESERVES
- LINK ZAMBIA 8000 ROAD PROGRAM ENHANCING CROSS-BORDER TRADE THROUGH REGIONAL CONNECTIVITY (Quicker access to fast developing Angolan markets through Shangombo, Kalabo, Chavuma and Mwinilunga districts)
- ONE-STOP BORDER POST INITIATIVES
- RECAPITALIZING OF ZAMBIA RAILWAY SYSTEMS (Facilitating cheaper bulk movements of agric products)
THANK YOU ALL FOR YOUR ATTENTION