



REPUBLIC OF ZAMBIA
MINISTRY OF COMMERCE, TRADE AND INDUSTRY

NATIONAL TRADE POLICY 2018



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Foreword



Zambia's economic growth aspirations are guided by the Vision 2030, which is "To Become a Prosperous Middle Income Nation by 2030". The country is working on consolidating gains on the macro-economic front in order to forge a strong, diversified and competitive economy. To achieve this, all sectors have specific roles and contributions to make in raising the pace of development to a dynamic sustainable level. In this regard, trade development is a central and pivotal pillar in ensuring that economic sectors achieve higher efficiency, productivity and international competitiveness. This is because trade is an engine of growth and development in the face of globalisation.

Zambia, therefore, needs a National Trade Policy that will enhance domestic trade and ensure effective participation of private sector players in regional and international trade. The Trade Policy highlights the importance of eliminating barriers to trade and providing an enabling environment in which the private sector will thrive and build capacity to produce quality goods and services competitively, reliably, and on a sustainable basis. In this regard, the National Trade Policy will complement the National Industrial Policy and related strategies.

I am confident that trade development will fuel our agenda for national economic growth and contribute to national wealth creation. This will only be achievable if all of us work together in a focused and strategic way. In addition, the success of this policy will, to a large extent, depend on the aggressiveness of the private sector as well as their cooperation in translating opportunities that the policy provides into tangible outputs.

This policy document will serve as a framework for collaboration between the Ministry of Commerce, Trade and Industry and other government institutions, domestic stakeholders and international cooperating partners in the development of the Zambian Trade Sectors.

Hon. Christopher Yaluma, MP
MINISTER OF COMMERCE, TRADE AND INDUSTRY

ACKNOWLEDGEMENT



The National Trade Policy (NTP) is a product of extensive consultations with various Government Ministries and Agencies as well as stakeholders in the private sector, civil society and academia. Therefore, this Policy document reflects the views of not only the Ministry of Commerce, Trade and Industry but also those from a broad spectrum of society.

The Ministry is grateful for the diverse support received from various stakeholders including cooperating partners that contributed to the development of the NTP. The Ministry looks forward to more of such value adding collaborations.

Finally, I wish to thank all the members of staff at the Ministry of Commerce, Trade and Industry and its Statutory Bodies for their effective collaboration and dedication in the preparation of this document.

I hope and trust that the NTP will serve as a blue print for the Government's future activities in Zambia's trade sector.

Mrs. Kayula Siame
Permanent Secretary
MINISTRY OF COMMERCE, TRADE AND INDUSTRY

WORKING DEFINITIONS

Bilateral Trade

This is a trade arrangement between two nations.

Duty Free

This term is used to describe a situation where goods enter a market without being subject to import duties or tariffs.

Economic Partnership Agreements

This is a trade arrangement or configuration between other nations and the European Union which envisages a reciprocal trade arrangement that has replaced the previous preferential scheme under the Lome and Cotonou Agreements.

E-commerce

This is the use of electronic and traditional delivery systems such as postal network to facilitate the process of trading in goods and services using electronic payment system and technologies such as internet.

Everything- But Arms

The name given by the EU to the package it offered to the Least Developed Countries (LDCs) in 2001, which is expected to eliminate quotas and tariffs on all their exports-except arms (as in weapons)

Free Trade Area

A group of countries that adopt free trade (zero tariffs and no other trade restrictions) among themselves, without necessarily changing the trade barriers that each member has for countries outside the group.

Generalized System of Trade Preferences

It is a concept developed within UNCTAD to encourage the expansion of manufactured and semi manufactured exports from developing countries by making such goods more competitive in developed country markets through tariff preferences.

Intellectual Property

Refers to creations of the mind such as musical, literary, and artistic works; inventions; and symbols, names, images, and designs used in commerce, including copyrights, trademarks, patents, and related rights.

Most Favoured Nations

This is treatment based on the principle of non-discrimination where a country commits itself to give each of the trading partners with which it has concluded relevant agreements the best treatment it gives to any of them in a given product.

Multi Facility Economic Zones

These are specific geographic areas or premises with the highest quality of physical and social infrastructure that attract investments in manufacturing and act as engines for economic growth, wealth and job creation and increase foreign exchange earnings.

Multilateral Trade

Multilateral Trade is trade beyond the regional trade dimension. It follows the approach to conduct trade based on cooperation, equal rights and obligations, non-discrimination and the participation as equals of many countries regardless of their size, or share of international trade (multilateralism). Multilateralism is the basis of the rules and principles embodied under the World Trade Organisation (WTO).

Non-Traditional Exports

This is a product cluster that consists of exports other than copper and base metals such as cobalt.

Non-Tariff Barrier

This is a phrase that describes government measures other than tariffs that restrict trade flows such as quantitative restriction and import licensing.

Proudly Zambian

This is Zambia's *Buy Local Campaign* aimed at promoting the consumption of quality locally produced goods and services for wealth creation and employment generation

Technical Barriers to Trade

Trade restrictive effect arising from the application of technical regulations or standards such as testing requirements, labelling requirements, packaging requirements, marketing standards, certification requirement, origin marking requirement, health and safety regulations and sanitary and phyto-sanitary regulations.

Trade Facilitation

This is a term used to describe a wide range of non-economic measures aimed at promoting the expansion of international trade through smoothing its flow.

Trade in Services

This term refers to the supply of services on commercial terms to residents of another country. Services are intangible products such as banking, education or consultancy.

Regional Trade

This is trade within a geographical region. It could be in the form of a regional trade arrangement such as a Free Trade Agreement, Customs Union or Common Market. Zambia's regional trade arrangements are within the framework of COMESA and SADC.

Rules of Origin

This is a criterion for establishing the country of origin of a product. Often based on whether production (processing) leads to a change in tariff heading (classification) or in the level of value added in the country where the good was lastly processed.

Safe Guard Measures

These are temporary measures designed to slow imports to enable a particular industry to adjust to heightened competition from foreign suppliers. This measure is applied in the case where there is a surge in imports.

Tariff

This is a duty or tax levied at the border on imported goods.

Quota Free

This is a term used to describe a situation where there are no quantitative restrictions on goods being imported or exported.

Trade Remedies

This is a term used to describe measures that can be imposed by a country to remedy the effects of trade actions by other countries usually in the context of a trade agreement. They are also referred to as import relief measures. The three types of measures are antidumping measures, countervailing duties and safeguards.

World Trade Organisation

This is an organisation for the discussion, negotiation and resolution of trade issues covering goods, services and intellectual property. Its essential functions are administering and implementing the multilateral and plurilateral trade agreements that constitute it, acting as a forum for multilateral trade negotiation, seeking to resolve disputes, overseeing national trade policies and cooperating with other international institutions involved in global economic policy-making.

ACRONYMS

AGOA	African Growth Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
BRICS	Brazil India China & South-Africa
BRRA	Business Regulatory Review Agency
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEEC	Citizens Economic Empowerment Commission
CCPC	Competition and Consumer Protection Commission
CFTA	Continental Free Trade Area
COMESA	Common Market for Eastern & Southern Africa
EAC	East African Community
EBA	Everything But Arms
EDF	European Development Fund
EIA	Environmental Impact Assessment
EPA	Economic Partnership Agreement
ESA	Eastern and Southern Africa
EU	European Union
FDI	Foreign Direct Investment
FTA	Free Trade Area
GDP	Gross Domestic Products
GSP	Generalised System of Preference
HIV	Human Immune Deficiency Virus
ICT	Information Communication Technology
IP	Intellectual Property
MCTI	Ministry of Commerce Trade and Industry
MFEZ	Multi Facility Economic Zones
MSME	Micro Small and Medium Enterprise
MTEF	Medium Term Expenditure Framework

NEPAD	New Partnership for Africa's Development
NTB	Non-Tariff Barriers
NTE	Non- Traditional Exports
NTP	National Trade Policy
PACRA	Patents and Companies Registration Agency
REC	Regional Economic Communities
R & D	Research and Development
SADC	Southern African Development Community
SDG	Sustainable Development Goals
TFTA	Tripartite Free Trade Area
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WTO	World Trade Organisation
ZAMRA	Zambia Medicine Regulatory Authority
ZABS	Zambia Bureau of Standards
ZEMA	Zambia Environmental Management Authority
ZDA	Zambia Development Agency
ZDHS	Zambia Demographic Health Survey
ZRA	Zambia Revenue Authority
ZWMA	Zambia Weights and Measures Agency

1.0 INTRODUCTION

The Government of the Republic of Zambia has embarked on trade expansion in support of Zambia's industrialisation agenda and the promotion of sustainable growth and development. This National Trade Policy (NTP) is anchored on Zambia's aspiration of becoming a prosperous middle-income economy by 2030, as set out in the Vision 2030. This Policy document builds on the 2009 Commercial Trade and Industrial Policy, which has since been revised and separated into two documents, the National Industrial Policy and the NTP to align with the changing policy environment, nationally and globally.

The NTP sets out Government's approach to trade development with a view to creating and maintaining a competitive private sector in a dynamic domestic and international market environment. The ultimate goal is to create sustainable jobs and wealth for the benefit of the Zambian people.

Therefore, the underlying focus of the NTP is to support Zambia's industrialisation agenda through the promotion of domestic and international trade. The NTP outlines measures aimed at tackling trade related constraints, with a view to promoting production for export as part of the broader national agenda to diversify the economy. Specific focus is placed on improving the trade environment and Zambia's competitiveness in the domestic, regional and global economy.

The Policy further recognises the complexities associated with regional and multilateral trade arrangements. The NTP will guide the engagement in such arrangements with a view to ensuring that adequate policy space is secured at national level to pursue initiatives that promote the development and growth of productive sectors.

Globally, tariffs have reduced substantially and the pursuit of free trade arrangements at regional level have further reduced the use of tariffs as a tool for market protection. Increasingly, countries worldwide are resorting to the use of non-tariff barriers for market protection. Therefore, the promotion of fair and equitable trade arrangements at national, regional and multilateral levels is a key component of the measures outlined in this Policy. Engagement at the regional and multilateral level will be done selectively to support programmes aimed at promoting industrial sector growth and development, while taking into account commitments undertaken within the regional and multilateral context.

The private sector will continue to drive the growth of the trade sector while the role of Government will be to create an enabling environment to stimulate the development and growth of a dynamic private sector.

This Policy is cognisant of the cross cutting nature of trade and therefore, its formulation has been guided by other national and sectoral policies to ensure policy coordination and coherence. Inter-ministerial coordination will therefore be key to the successful implementation of the outlined policy measures in this document.

The NTP document outlines the situation analysis, guiding principles, policy objectives, measures and the implementation framework.

2.0 SITUATION ANALYSIS

2.1 Global Context

The global agenda on trade has continued to expand and extend to areas that were not traditionally under the ambit of trade to cover intellectual property, investment policy, competition policy, government procurement, environmental policy and some aspects of domestic policy regulations, among others. There is a rapid shift to integrated business operations with the rise of global value chains and the quest for increased foreign direct investment. New drivers of global trade and investment growth have emerged among developing countries, dominated by Brazil, Russia, India, China and South Africa (BRICS).

While merchandise trade and technological advancements have continued to be key drivers for global economic expansion, services are emerging as new frontiers for global trade expansion. In order to develop a vibrant services sector, Zambia continues to effectively participate in trade in services negotiations at regional and multilateral level to ensure that national interests are preserved.

The global trading environment has continued to be threatened by volatility in commodity prices and sharp movements in major global currencies as a result of the 2008-09 global recession. Copper, which is Zambia's major export earner is prone to the adverse effects of these developments. Equally, agro-based products which are a major component of Zambia's Non-Traditional Exports (NTEs) have been hit hard by commodity price volatility.

Countries globally are increasingly resorting to the establishment of Free Trade Areas (FTA), Mega FTAs and unilateral preferential trade arrangements that have further segmented the treatment of countries in global trade. Notable of the unilateral preferential trade arrangements include the Generalized System of Preferences (GSP) schemes, the African Growth and Opportunity Act (AGOA) and the Everything But Arms initiative (EBA).

Further, Zambia is negotiating an Economic Partnership Agreement (EPA) with the European Union (EU) under Eastern and Southern African (ESA) countries configuration to replace the market access arrangement under the Cotonou Agreement with a view to support the country's developmental agenda. Traditional partners such as the EU are moving towards Free Trade Areas and the basis of European Economic integration has come under threat with the referendum in the United Kingdom to exit from the European Union.

While tariffs have substantially reduced as a result of commitments at the multilateral level and within the framework of FTAs, there has been a rise in the application of non-tariff measures posing challenges to global governance of trade.

Developing countries, especially least developed countries have continued to suffer loss as a result of the current imbalances in global trade rules, whose reforms have proved to be a daunting task as witnessed by the impasse in negotiations under the Doha Development Agenda.

In an effort to complement the trade and development agenda for the effective engagement of developing and least developed countries in global governance, it has been recognized that both developed and developing countries must play an active role in finding lasting solutions. To this end, multilaterally agreed frameworks have been developed. These include the Comprehensive 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda, the Conference of Parties (CoP 21) of the United Nations Framework Convention on Climate Change, the Vienna Programme of Action for Land-locked Developing Countries (LLDCs), and the Istanbul Programme of Action for Least Developed Countries (LDCs), among others.

2.2 Regional Context

At the regional level, Africa is championing an integrated approach to the continent's development through its Agenda 2063, which outlines the vision and action plan on the future that Africa wants. The aim is to build a more united and strong Africa through pursuit of a common agenda and demonstrated capacity to speak with one voice and negotiate programmes aimed at developing Africa as a continent. Among initiatives being pursued, include the establishment of the Continental Free Trade Area by an indicative date of 2017; building common infrastructure; shared programmes on industrial development; and the facilitation of movement of people across the African continent.

Agenda 2063 draws lessons from earlier strategic planning efforts at the regional and sub-regional levels, including the Lagos Plan of Action, the Abuja Treaty and the NEPAD, to address new and emerging issues in the continent over the short, medium and long-term.

Thus, the agenda of Africa's integration has been expanded beyond trade in goods to include trade in services, investment, intellectual property and other aspects similar to those being pursued at the multilateral level. At the subcontinent level, countries are engaged in negotiations to harmonise programmes for regional integration with a view to creating wider markets and common programmes for the development of infrastructure and the promotion of industrial sector growth. To this end, Zambia is a member of the Common Market for Eastern and Southern Africa (COMESA) FTA, Southern African Development Community (SADC) Trade Protocol and the COMESA-SADC-East African Community (EAC) Tripartite arrangement.

Within the framework of Regional Economic Communities (RECs), which are a building block to Africa's overall agenda to integrate, similar negotiations are taking place with some RECs having established functional FTAs and Customs Union.

Tariffs within RECs have generally been lowered, however, like other parts of the world, trade across the African continent is constrained by the emergence of non-tariff barriers. The challenges are further compounded by inadequate infrastructure across the continent due to limited investment in areas such as energy, transport and telecommunication, and the high dependence on Foreign Direct Investment (FDI) for capital investment. While the region has emerged as an important source of imports and destination of Zambia's non-traditional exports, Zambia has continued to experience a negative trade balance.

The complexities of these arrangements and multiplicity of negotiations calls for coordinated approach to managing the integration agenda in order to ensure that outcomes at the regional, sub-continent and continent level support the national trade and development agenda.

2.3 National Context

Zambia is a land-locked least developed country, whose economy is largely dependent on copper exports, which constitute over seventy percent of total export earnings, to sustain economic growth. The Government, therefore, has prioritised the need to diversify the economy in order to attain the national vision to become a prosperous middle income economy by 2030.

Having embraced a liberal development policy and trade integration agenda, new market access opportunities have emerged, which have resulted in an expansion of Zambia's trade performance in general terms and non-traditional exports in specific terms.

Zambia's merchandise trade as a percentage of Gross Domestic Product (GDP) averaged 65.6 percent between 2007 and 2015. The trade balance on merchandise increased from a narrow surplus during the financial crisis of 2008 and recorded a substantial surplus up to the close of 2012. However, the recent fall in commodity prices on the global market as well as other internal and external factors did not spare the Zambian economy. In 2015, a deficit of US\$1.5 billion was recorded in total merchandise trade balance for the first time after more than a decade. Similarly, NTEs experienced a significant drop to US\$ 1.7 billion in 2015 from US\$2.5 billion in 2011.

NTEs earnings are dominated by engineering and foundry products (23%), followed by primary agriculture products (18%), processed and refined foods (14%), Industrial mineral related products (14%) and chemicals and pharmaceuticals (10%). These products collectively account for 80% of total NTEs. Despite the importance of these products in NTEs, they constitute a small share of the manufacturing industry in Zambia that is dominated by food and beverages.

The services sector plays a key role in promoting sustainable growth and development in Zambia. Services are either traded as an important source of domestic and foreign exchange earnings or used as an input in production. These services include passenger and freight transport, education, health, financial, communication, tourism and hospitality. Poor access to such critical services translates into competitive disadvantage in any sector, be it services,

manufacturing or agriculture. To this end, Government has adopted liberal policies to promote the growth of the services sector, which currently contributes over 50 percent to the country's GDP.

Given the narrow industrial base, liberalisation has driven a number of private sector players either out of business operation or to shift towards retail trade. The resort to use non-tariff barriers and unfair trade practices by trading partners has further exacerbated the plight of the Zambian private sector.

Nonetheless, there is greater scope to emerge out of the current trade scenario and place export trade at the centre of Zambia's development agenda. This will be supported by complementary policies directed at addressing macroeconomic fundamentals and cross cutting developmental issues, such as infrastructure, skills, technology and research and development, among others.

To this end, the NTP seeks to formulate interventions to respond to challenges at the national, regional and multilateral level. The NTP provides guidelines for both trade in services and trade in goods, as well as cross cutting issues that are trade related.

Zambia will continue to define her trade policy in the context of her membership to and engagement under the World Trade Organisation (WTO), COMESA, SADC and the Tripartite FTA and in light of emerging market access opportunities under unilateral preferential arrangements.

3.0 VISION

"Make Zambia a net exporter of value added goods and services through competitiveness at the domestic, regional and global level."

4.0 RATIONALE

Government attaches great importance to the pivotal role that trade and Industrialisation play in national development. In Zambia, the Commercial, Trade and Industrial (CTI) Policy was first formulated in 1994 and has since evolved to take into account changes in the national trade environment, with the 2009 edition of the Policy, being the latest.

The CTI Policy was aimed at facilitating the creation of an enabling economic environment in Zambia to support private investments, enable the development of domestic productive capacities, and contribute to the expansion of Zambia's international trade. However, following changes in the domestic and global environment, the CTI Policy was reviewed in 2014.

The review recommended that stand-alone trade and industrial policy documents be developed in line with international best practice to address emerging issues in the domestic and global environment. In addition, there was need to strengthen the implementation and coordination framework of the policies.

In this regard, the NTP has been formulated to align policy interventions with the dynamics in the national and global economy environment and enhance the policy implementation mechanism.

5.0 GUIDING PRINCIPLES

The NTP recognizes the importance of trade in stimulating economic growth. The implementation of this Policy shall be guided by the following principles:

- i. **Inclusiveness:** Equitable participation in trade of both local and foreign entrepreneurs is acknowledged;
- ii. **Competitiveness:** Emphasis is placed on improving the productive capacities and competitiveness of domestic firms;
- iii. **Export and market diversification:** Emphasis is placed on product and market diversification in recognition of the importance of diversifying production away from existing high levels of dependence on few commodities and markets;
- iv. **Competition and Consumer protection:** Recognizes the importance of measures and strategies to minimize anti-competitive practices in the economy that ensure fair trading practices and protect the welfare of domestic consumers;
- v. **Realism and Responsiveness:** Interventions and measures are based on a realistic implementation framework and are responsive to broader national objectives in line with the Vision 2030;
- vi. **Predictability:** Underscores policy consistency, transparency and commitment to a conducive and predictable economic environment; and

6.0 OBJECTIVES AND STRATEGIES

6.1 Overall Objective

To contribute towards Zambia's economic diversification by promoting and stimulating a competitive trade sector in order to increase the market share in the global economy.

6.2 Specific Objectives and Measures

6.2.1 Tariff Measures

Import and export taxes are a useful tool for trade in Zambia. Export taxes are used to encourage domestic value-addition. On the other hand, import taxes are used for combating aggressive trade policies and environmental reasons as well as supporting domestic production and employment.

Specific Objective: To streamline tariffs in order to increase the export of high value products and support the growth of infant industries.

Measures:

- i. Implement a tariff structure that is supportive of domestic value addition and integration into regional value chains; and
- ii. Create a framework to periodically review the tariff policy.

6.2.2 Non-Tariff Measures

Non-tariff measures constitute instruments such as quantitative restrictions, administrative, standards and quality requirements. These are necessary for the safety of human, animal and plant life and fair trading.

Specific Objective: *To promote safety and fair trading in the economy.*

Measures:

- i. Strengthen the use of administrative measures such as import licenses and control; and
- ii. Strengthen compliance to local and international quality requirements.

6.2.3 Trade Defence Mechanisms

Trade remedies refer to various policy instruments available to countries, which may be used to protect domestic industry from injury as a result of unfair trading practices. Instruments for trade remedies include: safeguard measures; countervailing duties; and anti-dumping duties.

Specific Objective: To safeguard local industry from the adverse effects of unfair trading practices.

Measures

- i. Review and harmonise relevant legislation on trade defence mechanisms;
- ii. Establish a structure responsible for trade defence mechanisms;
- iii. Conduct regular market monitoring and surveillance; and
- iv. Implement various trade remedies when necessary.

6.2.4 Trade in Goods

Trade in goods is a key component of Zambia's trade and an important driver for industrial growth and sustainable development. The competitiveness of trade in goods is affected by many factors, which require specific interventions.

Specific Objective: *To promote the competitiveness of merchandise exports in the global market for increased export earnings.*

Measures

- i. Improve product quality and increase quantity;
- i. Promote export of value added products; and
- ii. Establish frameworks for export promotion.

6.2.5 Trade in Services

The services sector is a key sector for promoting sustainable growth and development in Zambia. Improving quality and lowering costs of services can greatly enhance the competitiveness of the local industry.

Specific Objective: To promote the development of a vibrant services sector for both the local and export markets.

Measures

- i. Review and enhance the domestic services sector regulatory framework;
- ii. Develop a national database on trade in services;
- iii. Support the development of vibrant creative industries;
- iv. Support capacity building initiatives for sector coordination;
- v. Enhance stakeholder awareness on the opportunities in trade in services; and
- vi. Harmonise national commitments at the multilateral and regional levels in support of the growth of the services sector.

6.2.6 Multilateral Trade

Multilateral trade agreements are important as they reduce tariffs and make it easier for businesses to import and export. This makes it beneficial for all nations involved. However, negotiations at multilateral levels are complex and policy space to negotiate flexible rules continues to narrow as countries demand more obligations from all participating countries.

Specific objective: To effectively participate in multilateral trade negotiations and negotiate rules that respond to national development needs.

Measures

- i. Seek alliance with like-minded countries on issues of common interest;
- ii. Use the multilateral framework to leverage trade finance and trade capacity building support;
- iii. Strengthen negotiating capacity of both public and private sector institutions;
- iv. Strengthen institutional capacity to implement multilateral trade rules.

6.2.7 Regional Trade arrangements

Regional trade arrangements have the potential to expand market access for the mutual benefit of participating countries in a regional economic community.

Specific Objective: To increase export market share within regional economic communities and across the African continent.

Measures

- i. Strengthen domestic stakeholder consultations to ensure Zambia's effective participation in regional trade negotiations;
- ii. Negotiate favourable rules of origin requirements, eliminate non-tariff barriers and address unfair trade practices;
- iii. Promote and support access to regional markets;
- iv. Enter into any other regional trade arrangement that promote national interests; and
- v. Increase sensitization of existing opportunities under regional markets.

6.2.8 Bilateral Trade Arrangements

Zambia recognizes the important role that bilateral trade arrangements play in the enhancement of trade beyond regional and multilateral agreements. As a result, Zambia will continue to pursue bilateral trade arrangements.

Specific Objective: To increase access in strategic markets through bilateral trading arrangements.

Measures:

- i. Strengthen domestic stakeholder consultations to ensure Zambia's effective participation in bilateral trade negotiations;
- ii. Promote and support local firms to take advantage of bilateral trading arrangements; and
- iii. Sensitize the private sector on existing opportunities under bilateral trading arrangements.

6.2.9 Unilateral trade arrangements

Zambia benefits from unilateral market access arrangements. These arrangements are critical to the expansion of export trade and penetration in new markets.

Specific objective: To enhance the utilisation of preferential market access schemes and engage in new unilateral market access arrangements.

Measures:

- i. Develop utilisation strategies for specific preferential markets; and
- ii. Enhance awareness of market access opportunities and requirements.

6.2.10 Other negotiated arrangements

Zambia is currently negotiating an EPA with the EU to replace the market access arrangement under the Cotonou Agreement.

Further, the referendum result on Brexit will require new trade arrangements to be concluded with Britain for Zambia to continue trading on preferential terms. Any other country exiting the EU or any other trade arrangements to which Zambia is party would require the establishment of new trade agreements.

Specific Objective: *To negotiate an EPA and new trade arrangements with Britain and other countries that are beneficial and supportive of Zambia's trade and development agenda.*

Measures:

- i. Negotiate better terms of trade with regard to pace, timeframe and coverage of market openness and sensitive list of products;
- ii. Negotiate complementary provisions for funding to support the reforms; and
- iii. Strengthen institutional capacity to negotiate and domestic stakeholder consultations to ensure Zambia's effective participation in EPA negotiations with the EU under the ESA configuration as well as the engagement with Britain on new trade arrangements.

6.2.11 Commercial Diplomacy

Commercial diplomacy is important for promotion of trade and investment among countries. It is also an effective tool to resolve trade disputes.

Specific Objective: *To promote trade and investment and resolve trade disputes through diplomatic channels.*

Measures:

- i. Enhance trade and investment promotion capacity in missions abroad; and
- ii. Strengthen collaboration between ministries and missions abroad;
- iii. Promote Zambia's trade and investment interest through identifying strategic missions abroad that are of particular interest to Zambia.

6.2.12 Export Promotion

Export promotion is key to enhancing market penetration in existing and new markets. It therefore remains a critical factor towards the diversification of markets and products. Further, the creation of effective synergies between investment and export trade promotion is necessary for increased export earnings. Thus, sectors identified for export promotion will be specifically targeted for investment promotion.

Specific Objective 1: *To diversify markets and products in order to enhance the export sector's contribution to Zambia's social-economic development.*

Measures:

- i. Develop and implement a National Export Strategy and any other market specific strategies;
- ii. Strengthen capacity of export promotion institutions to conduct research and implement programmes on product and market diversification; and
- iii. Strengthen the capacity of the private sector to meet export requirements.

Specific Objective 2: *To promote investment in sectors identified for export promotion.*

Measures:

- i. Establish incentive structures to attract investment in sectors identified for export promotion;
- ii. Attract both domestic and foreign investment in value addition;
- iii. Attract investment in sectors that are critical to the smooth development of the export sector

6.2.13 Business Reforms

Effective implementation of business reforms is necessary to reduce the cost of doing business.

Specific Objective: *To streamline legal, regulatory and administrative procedures required to support the establishment and operations of businesses.*

Measures:

- i. Streamline administrative procedures and licenses required for domestic enterprises to establish and operate their businesses;
- ii. Enhance coordination among all relevant departments and agencies involved in the issuance of trade licenses; and
- iii. Enhance sensitization campaigns on legal requirements of appropriate trade licenses.

6.2.14 Local Empowerment and Participation

As part of empowerment of local citizens, it is important to provide opportunities to domestic players to support expansion of their business operations.

Specific Objective: *To increase the participation of local businesses in the economy through empowerment programmes.*

Measures

- i. Enhance business linkages between suppliers and consumers of goods and services;
- ii. Review and harmonise relevant legislation to enforce preferential procurement;

- iii. Promote preferential procurement of locally produced goods and services;
- iv. Implement reservation schemes and other empowerment programmes in identified sub-sectors of the economy; and
- v. Encourage the awarding of contracts to contractors who meet the local content requirements.

6.2.15 Local Product/Services Promotion

The consumption and use of locally produced goods and services is important for domestic firms to expand their output and improve their competitiveness. The promotion of local products is also important for the development of Micro Small and Medium Enterprises (MSMEs) and Cooperatives which need to grow domestically and subsequently, compete in regional markets.

Specific Objective: *To promote the consumption and use of locally produced goods and services and enhance their competitiveness in the domestic and export markets.*

Measures:

- i. Enhance the branding and packaging of locally produced goods and services;
- ii. Implement the Proudly Zambian Campaign;
- iii. Improve the scope of standards and quality in conformity with international requirements;
- iv. Develop the Local Content Strategy;
- v. Promote the cooperative model to encourage local ownership of businesses and market penetration; and
- vi. Promote business linkages between MSMEs and local and international markets.

6.2.16 Electronic Commerce and Trade

Electronic Commerce (E-Commerce) contributes to greater productivity, competitiveness and sustainable economic growth. It influences commercial relationships between firms and clients, thereby improving the efficiency of doing business and reducing transaction costs.

Specific Objective: *To promote the use of E-Commerce in business to enhance competitiveness in trade.*

Measures:

- i. Strengthen implementation of the legal and regulatory framework on E-Commerce;
- ii. Increase awareness on use of E-Commerce; and
- iii. Promote capacity building on Information and Communication Technology (ICT) Infrastructure development.

6.2.17 Trade Facilitation

Trade facilitation encompasses procedures and controls governing the movement of goods across national borders and transport corridors. This reduces associated costs and maximises efficiency while safeguarding legitimate regulatory objectives.

Specific Objective: *To improve procedures and controls governing the movement of goods and services in order to reduce the cost of trade transactions.*

Measures:

- i. Promote accurate valuation and prompt clearance of goods at Zambia's ports;
- ii. Improve transit facilities and procedures;
- iii. Simplify and harmonise border procedures, processes and procedures for cross border traders;
- iv. Promote mutually beneficial arrangements on shared border infrastructure; and
- v. Improve border and transport corridor infrastructure.

6.2.18 Competition and Consumer Welfare

Competition and fair trading among businesses is cardinal to the existence of many business entities as well as promoting efficiency in an industry. Subsequently, this provides consumers with a wider choice of products which are competitive to ultimately enhance consumer welfare.

Specific Objective 1: *To protect the welfare of consumers.*

Measures:

- i. Strengthen and harmonize relevant consumer protection legislation;
- ii. Enhance implementation of regulatory frameworks on product safety, quality, measurement, labelling and packaging, among others;
- iii. Enhance dissemination and sensitization on consumer rights;
- iv. Enhance the monitoring mechanism of the domestic market; and
- v. Enhance institutional capacity among all relevant stakeholders on consumer welfare matters.

Specific Objective 2: *To promote and safeguard competition and fair trade in the economy.*

Measures:

- i. Strengthen enforcement of the relevant legislation;
- ii. Enhance dissemination and sensitization on fair trading practices;
- iii. Enhance institutional capacity of relevant regulatory agencies; and
- iv. Strengthen coordination among sector regulators on competition and fair trade matters.

6.2.19 Intellectual Property Rights

The effective protection of Intellectual Property Rights is necessary for technology transfer, innovation and economic development. Intellectual Property Rights protection includes patents, trademarks, industrial designs and copyright and related rights.

Specific Objective: *To promote innovation and the use of intellectual property as a tool for enhanced trade and economic development.*

Measures:

- i. Strengthen implementation of National Intellectual Property Rights legislation;
- ii. Domesticating relevant international instruments that relate to intellectual property; and
- iii. Support research and development.

7.0 CROSS CUTTING ISSUES

The implementation of the NTP will be complemented by the following additional interventions which are cross-cutting in nature:

7.1 Information Communication Technology

Information Communication Technology (ICT) is an enabler to build an information centred society where everyone can create, access, utilize and share information and knowledge leading to greater productivity, greater competitiveness and sustainable economic growth.

The developments in telecommunications and information technologies have improved and increased connectivity between and within countries thereby removing time and spatial barriers. This has resulted in increased integration of markets, improved commerce and geo-political relations. Therefore, the promotion of investment in ICT to facilitate trade in goods and services remains a key feature of NTP.

7.2 Gender Inclusiveness

The participation of women in the Zambian labour force has steadily improved with women increasingly taking a prominent role. At national level, the labour force participation rate for males was lower at 77.1 percent than that of females at 78.2 percent. Female participation rate in rural areas was higher at 81.9 percent compared to the male participation rate of 78.4 percent whereas in urban areas female participation rate was lower at 73.9 percent compared to the male participation rate of 75.5 percent (Labour Force Survey, 2014).

In this regard, Government has put in place deliberate policies to promote gender-equality in accessing, owning, controlling, managing and exploiting economic resources. Some of Government efforts include allocating 30% of the Citizen Economic Empowerment Fund to women owned enterprises. Further, Government has been providing Business Development Services such as training, mentoring and coaching to women entrepreneurs.

The Government has also ratified, acceded to and is domesticating international conventions to which it is a state party to Conventions, such as the United Nations on the Elimination of all Forms of Discrimination against Women (CEDAW) including access to finance and productive resources among others.

The Government will continue to make concerted efforts directed at enhancing women participation in economic and trade activities in order to reduce the disparities between men and women. Government interventions under the NTP will be directed at improving opportunities for women's access to empowerment funds, entrepreneurship, working capital finance, and business skills to encourage women to explore entrepreneurship and self-employment opportunities. The Government develop awareness programmes to sensitize entrepreneurs on trade related information.

7.3 Research and Development (R&D)

One of the major factors constraining trade development is the lack of adequate research and development activities to support the development of new products and processing technologies. The lack of modern scientific techniques and technologies result in an underutilization of the abundant natural resources and opportunities in Zambia. In cases where local appropriate technologies are developed, the lack of adequate dialogue between research institutions and the intended beneficiaries hinder the dissemination of these technologies. There is also an under-investment in domestic R&D as most firms often view such research as costs, rather than long-term investments.

In this regard, the Government will continue to support domestic technology development, trade diversification and enhancing scientific research by providing a conducive environment to promote the participation of the private sector in R&D.

7.4 Human Capital Development

The development of a skilled work force is important in ensuring utilization of available local work force and in sustaining growth in productive sectors of the economy. Although Zambia possesses significant skilled and semi-skilled personnel, there is a general lack of specialized managerial, technical and entrepreneurial skills among the majority of the population. Therefore, investments in human capital will be promoted as an essential element for enhanced productivity and the growth of the trading sector.

Special focus will be placed on the introduction of vocational skills at early stages of education and reviving polytechnic and vocational training centres to transform them into centres of excellence in support of industrial sector growth.

7.5 Environmental Safety and Protection

There is increasing emphasis on the need to protect the environment in the conduct of economic activity at global, regional and national level. Zambia, as a member of the United Nations and a participant in the frameworks of the United Nations Environment Programme (UNEP) and the United Nations Framework Convention on Climate Change (UNFCCC) has taken steps to ensure that issues of environment and climate change are considered in the area of trade development.

The commitments made within the context of the UNFCCC, have emphasised the need to incorporate adaptation and mitigation interventions at national level. For Zambia, the emphasis is on both mitigation and adaptation to climate change, as spelt out in the Seventh National Development Plan in light of their importance to promote social wellbeing and economic growth. Further, the recently adopted Sustainable Development Goals (SDGs) emphasise the need for development to be pursued in a manner that takes care of the environment.

Zambia has a legal and institutional framework to facilitate mainstreaming of environmental issues. The Environmental Management Act No. 12 of 2011 seeks to integrate environmental management, protection and conservation of the environment and the sustainable management and use of natural resources.

The Act requires among other things, that investments undergo a process of Environmental Impact Assessment (EIA) in order to ascertain the impact on the environment and ensure that necessary measures are put in place to control or mitigate the effects of pollution and protect the environment.

The NTP will therefore seek to promote interventions towards mitigation and adaptation to climate change and encouraging investment in the use of green and clean technology. The Policy will also emphasise the need to protect the environment in order to ensure sustainable development.

7.6 HIV and AIDS

The Zambia Demographic Health Survey (ZDHS) surveys conducted between 2001 and 2014 show that HIV prevalence among adults age 15-49 in Zambia has decreased over time, from 16 percent in 2001 to 13 percent in 2013-14. HIV prevalence among women declined from 18 percent to 15 percent over the same period, while the prevalence among men decreased from 13 percent to 11 percent. Despite this decline, the HIV and AIDS situation has negatively impacted trade development in Zambia, particularly because the age group most affected is the productive age group of population.

Therefore, interventions aimed at preventing and controlling the spread of HIV/AIDS and promoting a healthy population will remain a priority for Government.

The Ministry will work in collaboration with the Ministry of Health and other relevant Ministries and agencies to establish wellness centres at strategic border crossing points, develop awareness programmes and other interventions related to trade.

7.7 Disability

The 2010 National Population and Housing Census revealed that about 2 percent of the population had a disability. A higher percentage of people with disabilities live in rural areas and are engaged in agricultural activities. However, they have limited access to basic services, including education, health, sanitation and appropriate infrastructure. Further, they have limited access to productive resources, technology and finance among others.

The challenges encountered by the disabled are exacerbated by some cultural beliefs limiting their opportunity for effective participation in economic activities. The Government has therefore recognized the need to address the plight of the disabled.

The Zambia Vision 2030 recognizes the importance of streamlining service delivery to persons with disabilities as key to achieving the goals and objectives of the vision. In 2012, Government enacted the Persons with Disabilities Act No. 6 of 2012 to promote the participation of persons with disabilities with equal opportunities and mainstreaming of disability issues in national development.

The NTP will seek to promote participation of the disabled in trade thereby contributing to job and wealth creation through awareness programmes on trade, access to finance and training among others.

8.0 IMPLEMENTATION FRAMEWORK

8.1 Implementation Plan and Timeframe

The NTP will be operationalised through the National Trade Policy Implementation Plan over a period of ten years, subject to a mid-term review. The Government will work towards achieving the goals spelled out in the document. Implementation of this policy will also be closely aligned with other government initiatives in the Medium Term Expenditure Framework (MTEF), the National Development Plan (NDP), as well as other donor-supported programs.

8.2 Institutional and Implementation Framework

The Ministry of Commerce, Trade and Industry will be the primary government institution responsible for monitoring the implementation of the NTP. Implementation of the NTP will be done through its statutory bodies and in collaboration with other line ministries and agencies.

Among key implementing agencies with whom the Ministry will keep close contact and collaboration include the following:

The Zambia Development Agency (ZDA): The mandate of ZDA is to promote and facilitate investment; Provide support to micro and small business enterprises; Promote exports and market development; Provide market intelligence to the business community; and Promote and encourage education and skills training so as to increase productivity in business enterprises.

The Patents and Companies Registration Agency (PACRA): The mandate of PACRA is to implement the legal and regulatory framework for business registration, protection and use of intellectual property rights through which businesses can be established and be able to conduct their commercial transactions

The Competition and Consumer Protection Commission (CCPC): The mandate of CCPC is to enforce competition and consumer protection legislation; and Initiate and support relevant research within the field of competition and consumer welfare, among others.

The Zambia Bureau of Standards (ZABS): The mandate of ZABS is to promote quality product assurance in industry and commerce; and development of Zambian standards and promote their use.

The Zambia Weights and Measures Agency (ZWMA): The mandate of ZWMA is to administer all matters relating to weighing and measuring, Verification, Testing and approval of new types of weighing and measuring instrument used for trade in order to ensure compliance with international and national standards; as well as establishment of laboratories and other facilities to improve maintenance, storage and testing of trade measurement standards, among others.

The Citizens Economic Empowerment Commission (CEEC): The mandate of CEEC is to promote access to affordable finance to targeted citizens; Encourage effective and meaningful participation of targeted citizens in the economy in order to contribute to sustainable economic growth; Mobilize resources for economic empowerment programs; and Monitor and evaluate economic empowerment initiatives, among others.

The Business Regulatory Review Agency (BRRA): The mandate of BRRA is **provide a set of principles and interventions to guide regulatory agencies when regulating and licensing business activities; establish an e-registry and assign a control number for laws regulating business; and provide for the establishment of regulatory services centres, regulatory clearance systems and a single licensing system for business in each sector or group of businesses in a sector; among others.**

8.3 Sector Policy coordination with other Government Ministries and Agencies

Trade being cross cutting in nature requires coordination of interventions across sectors for effective results and impact. The effective implementation of the NTP requires other complementary policies and programmes. Therefore, there will be need to promote the creation of policy coordination and synergies across all line ministries and agencies whose mandate revolve around trade related issues.

8.4 Other key Partners

The effective implementation of the NTP will requires involvement of the following in strengthening multi-sectoral policy dialogue, provision of support services and implementation to ensure that the policies are responsive to the needs and challenges faced by different actors in the economy:

- a) **The non-state actors:** The non-state actors are a key in trade development. The non-state actors, through their umbrella associations, will be encouraged to mobilise their members to actively participate in the deliberation of Sector Working Groups and other consultative fora.
- b) **Academia and Research Institutions:** Representatives from academia and research institutions will be encouraged to undertake research in product and market development.

- c) **Cooperating Partners:** Cooperating partners will work in collaboration with the Government at bilateral, regional and multilateral levels to support implementation of the NTP by way of providing both technical and financial support.

9.0 RESOURCE MOBILIZATION AND FINANCING

Notwithstanding other important factors that are key to the successful implementation of this policy that may include; stable political climate, stable macroeconomic environment, supportive tax regime, supportive infrastructure and institutions the success implementation of the NTP will largely depend on adequate funds. Government is committed to fund the implementation of the NTP and where possible will secure additional resources from the cooperating partners.

10.0 MONITORING AND EVALUATION

MCTI will serve as the principal institution responsible for overseeing the implementation, monitoring and evaluation of the NTP. Through a strengthened institutional coordination and implementation framework, the Ministry in collaboration with its statutory bodies, other MPSAs, cooperating partners and other stakeholders, will be required to conduct periodical monitoring and evaluation of implementation of the NTP.

The NTP will be subjected to a mid-term after five (5) years and a final review in the 10th year of implementation.

NATIONAL TRADE POLICY IMPLEMENTATION PLAN 2018 TO 2028

Overall Objective: To contribute towards Zambia’s economic diversification by promoting and stimulating a competitive trade sector in order to increase the market share in the global economy.																	
Policy Objective	Policy Measures	Activities	Indicators of Achievement	Output Indicator/Target	Implementing Period										Budget (in ZMW)	Implementing Institution	
					YR 1	Y R 2	Y R 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10			
1. To streamline tariffs in order to increase the export of high value products and support the growth of infant industries	1.1 Review the tariff structure so that it is supportive of domestic value addition and integration into regional value chains.	1.1.1 Conduct preliminary consultations with key stakeholders (ZRA, MoF)	Consultative report with ToRs for the study	Consultative report for the study developed	X										350,000	MCTI, MoF, ZRA	
		1.1.2 Undertake study to determine optimal tariff structure	Study Report	Study Report produced	X												
		1.1.3 Conduct consultative meetings with Private Sector	Consultative report	Consultative report produced	X												
		1.1.4 Revision and implementatio	Revised structure	Revised tariff structure	X	X											

8. To increase access in strategic markets through bilateral trading arrangements.	8.1 Promote and support local firms to take advantage of bilateral trading arrangements	8.1.1 Facilitate business to business linkages	No. of business linkages	At least 10% increase in the business linkages	X	X	X	X	X	X	X	X	X		
		8.1.2 Facilitate easy access to export finance	No. of new financial instruments introduced No. beneficiaries from the Export Development Fund	Export Cooperative Fund established											
	8.2 Sensitization of existing opportunities under bilateral trading arrangements	8.2.1 Generate Market information	Market information provided	Report on various Markets	X										
		8.2.2 Conduct regular sensitization activities	No. of sensitization activities	10 sensitization activities by year 5	X	X	X	X	X	X	X	X	X		
9. To enhance the utilization of preferential market access schemes and engage in new unilateral market access arrangements	9.1 Utilization strategies for specific preferential markets	9.1.1 Conduct stakeholder consultations	No. of consultations held	3 Consultative meetings held	X										
		9.1.2 Undertake a study on opportunities in preferential markets	Study undertaken	Study Report	X										
		9.1.3 Set up frameworks for accessing preferential	No. of Strategies developed	Strategic Papers for all preferential schemes developed								X	X		

12. To promote Commercial Diplomacy	domestic stakeholder consultations to ensure Zambia's effective participation in EPA negotiations with the EU under the ESA configuration	on EPAs	Validation workshop convened	Validated market access offer	x														
						10.3.2 Validate market access offer													
						12.1.1 Facilitate trainings for trade promotion officers in missions abroad	No. of officers trained	At least 25 officers trained by year 5											
						12.1.2 Deploy more TIPO's in strategic missions abroad	No. of TIPO's deployed	At least 5 TIPO's deployed by year 5											
	12.2 Promote Zambia's trade and investment interest in strategic missions abroad	12.2.1 Identify strategic missions	No. of strategic missions identified	2 missions identified by year 5															
	12.2.2 Undertake trade missions	No. of trade missions undertaken	2 trade missions identified strategic markets by year 5																

17. To promote the use of E-Commerce in business to enhance competitiveness in trade	17.1 Promote the utilization and development of ICT	17.1.1 Facilitate sensitization on the utilization of ICT	No. of sensitization activities	10 sensitization activities by year 5	X	X	X	X	X											
		17.1.2 Facilitate trainings for the private sector on the utilization of ICT	No. of trainings undertaken	5 trainings undertaken by year 5	X															
		17.1.3 Support ICT Infrastructure development	Resources mobilised	At least \$200, 000 mobilised each year for ICT infrastructure	X															
		18.1.1 Establish OSBPs	No. of OSBPs established	At least 3 OSBPs by year 5																
18. To streamline procedures and controls governing the movement of goods and services	18.1 Simplify and harmonize border procedures for cross border trade	18.1.2 Establish STR	No. STRs established	At least 3 STR implemented by year 5																
		18.2.1 Engage Countries along the transport corridor on mutually beneficial arrangements	No. of projects agreed	At least 2 projects per corridor	X															
		18.2 Improve border and transport corridor infrastructure																		



REPUBLIC OF ZAMBIA