EXPORT DEVELOPMENT PROGRAMMES IN ZAMBIA

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Promoting economic growth and development

OUTLINE

• ABOUT ZDA
• EXPORT DEVELOPMENT PROGRAMMES
• CONCLUSION
Overview of ZDA Mandate

ZDA was created by the ZDA Act No.11 of 2006

To, among other things, undertake the main functions:

- Promotion and facilitation of Investments, local and foreign
- Promotion and facilitation of Trade, particularly international trade
- Provide Business Development Services to the local business community
- Provide a Forum for public and private stakeholders to discuss issues and developments in the policy and legal environment that affect operations of the private sector
- Provide support and advisory services to the MCTI on matters of trade and investment
Core Functions

Export Development
The ZDA promotes and facilitates increase of Non-Traditional Exports into new and existing markets through value-addition and diversification.

Investment Promotion
The Agency identifies and promotes investment opportunities throughout Zambia, attracts and facilitates foreign and local direct investment and re-investment.
Promotes investments in MFEZ.

Enterprise Development
The Agency facilitates MSME growth through capacity building, linkages to various service providers and provision of an enabling business environment, particularly for Zambians undertaking local direct investments (LDI).
Export Development Programmes

- Research (Supply and Demand side)
- Capacity Building
- Trade Promotion Activities
- Trade Facilitation
- Trade Negotiations
- Export Financing
- Sector/Product Development
Research

- Supply side-Exporter Survey, Sector reports
- Demand Side: Market Research, Market profiles
Exporter Survey

- One of the main programmes conducted by Export Development Division
- Gives an in-depth analysis of the performance of NTEs for a given year
- Assesses opportunities and challenges faced by exporters
- Provides insight as to what markets are preferred by the exporters. Eg Congo DR most preferred
- Provides insight on what trade promotion activities are preferred. Eg Trade mission are most preferred.
- Assesses availability and prices of inputs both local and foreign and their effect to production.
- Provides recommendations to MCTI for policy formulation
Market Research

- ZDA through the Export Development Division conducts market research in regional and international markets.
- Market Research provides information on:
  - *Import duties*
  - *Standards requirements*
  - *Potential products for export*
  - *Potential buyers*
  - *Prices*
  - *Consumption patterns and preferences*
  - *Competitor countries*
- Market Research was conducted in the following countries in 2016: **South Africa** and **Congo DR**.
Key Research Findings in South African Market

- South Africa is Zambia’s second largest NTEs market-17%
- Main products exported to SA: Maize, wheat and maize bran, copper wire, precious stones, cotton seed, cotton lint, sunflower and tobacco
- Stiff import regulations on food products especially packaging
- Fumigation certificate required for any packaging made of fiber/natural materials
- NTBs exist until recently Zambian honey not allowed entry into SA due to radiation concerns
- SA has strong distribution channels through established companies
- Has Sound banking system for easy of transactions
Congo DR is the largest NTEs market for Zambia at 32%

Population of Katanga province is about 15 million people as at 2015

80% of food items in Katanga are imported from Zambia, 20% from Tanzania, Botswana, South Africa, Argentina and Brazil

Main goods imported from Zambia; maize, mealie meal, sugar, cooking oil, cement, lime and sulphuric acid

Main border is Kasumbalesa, average 36-196 trucks cross border/hr

VAT is at 16%

Import duties for most consumer goods average 20%

Prices of food stuffs are nearly twice as high- 25 Kg maize meal cost K125.00

Distribution channels are through middle men. You jump them, you lose

Congo DR authorities concerned with NTBs on maize and maize meal.
Capacity Building Programmes

- Business plans development
- Export Market plans and skills
- Product development and adaptation
- Mentoring of exporters
- Supply chain management
- Branding and packaging
Capacity Building: The case of Honey Subsector-ZDA/ITC

- A 3 Yr project that enhanced capacity of honey processors and food companies in food safety and hygiene from 2014-2016.

**Achievements:**
- 5 honey companies HACCP certified
- 15 companies trained in supply chain management
- 15 companies trained in branding and packaging
- 4 honey companies trained in Lean Technology
- 5 honey companies participated in the Botswana trade mission on honey
- 3 honey companies participated in the Apimondia Apicultural congress in South Korea
- 15 companies trained in export skills by the Parodi Group
- 2 honey companies linked and exporting honey to Parodi group that moves 25,000 tons of honey globally annually
Trade Promotion Activities

- Participation in regional and international trade fairs
- Participation in buyer seller meetings
- Trade missions in the region especially Congo DR
Trade Missions/Solo exhibitions: The Case of Congo DR

- ZDA conducts trade missions in Congo DR Katanga province which accounts for more than 30% of Zambia’s NTEs.
- The Congo DR solo trade mission is conducted annually for past 15 yrs
- In 2015 and 2016 an average of 25 companies participated in the Congo DR mission
- On average, US $ 30million of orders is clinched per trade mission
- Plans are underway to participate 4 times in a year in Congo DR Market, funds allowing.
- Show casing products and Business to Business meetings key components of Trade mission.
- Upcoming trade missions in 2017 include; Luanda in Angola, Tete in Mozambique and Congo DR in Lubumbashi and Kolwezi
Major trade fairs attended in recent past

- Zimbabwe International Trade Fair (ZITF)
- Maputo International Trade Fair (FACIM)
- Africa Big Seven in South Africa
- Nairobi International Trade fair
- Botswana Expo
- All leather fair in Ethiopia
- Hong Kong Jewelry fair
- Milan Expo
- Apimondia Apicultural (Honey) Congress in South Korea
Trade Facilitation

- ZDA provides information on exports and imports to a wide range of stakeholders:
  - Chambers of Commerce and Industry
  - Association of Manufacturers
  - Diplomatic missions
  - Exporters
  - Importers
- Also ZDA publishes the Exporter Directory and Exporter hand book for exporters and importers
Trade Negotiations

- ZDA participates in Zambia’s trade negotiations with other countries and Regional Economic bodies.

**Achievements:**
- Zambia China Economic and Trade Agreement signed in 2015
- Zambia and Congo DR Bilateral Trade Agreement signed in August 2015
- Zambia Angola Bilateral Trade Agreement signed in January 2016
- EPAs negotiations
- COMESA-SADC –EAC Tripartite Free Trade negotiations
Export Financing

- ZDA manages the US $3 million Zambia Export Development Fund (ZEDEF) as a revolving fund.
- It’s a residual EU fund from EDP I and EDP II programmes, handed over to the Zambian Government.
- Old model was lending through Producer Associations (Libor +2% interest rates)
- Key among Producer Association beneficiaries: LIAZ, OPPAZ, LUMAZ, TPAZ, AZWIM, HAZ, SSIAZ, AFSAP, ZEGA, ZCGA,
- New strategic plan in place with robust lending policies
- New model is to lend to credit worthy exporters
- Success stories: Forest Fruits as a major honey processor with ZAMBEZI GOLD honey brand.
Conclusion

- ZDA continues to champion export development programmes in Zambia
- To succeed, we invite increased collaborations with Think Tanks, Public and private institutions in Zambia and international partners
THANK YOU

The End