TRADE & INVESTMENT PROSPECTS



Export opportunities and markets

In the modern world, countries have recognized the need to open their borders and promote more liberalized trade to meet their development goals. This is evidenced by the numerous Free Trade Areas (FTA) recognized by the World Trade Organization (WTO) within which products can be traded across borders while facing reduced restrictions.

A critical issue in ensuring adequate participation in international trade for Zambian commercial enterprises is market access. Market access can be defined as the ability for traders to enter markets abroad with their products and services and achieve sales. Limitations to market access can take many forms including trade-restrictive measures such as tariffs, customs procedures, quotas, technical requirements and other political, economic, socio-cultural, technological, legal and environmental factors prevalent in foreign markets.

Zambia enjoys preferential market access to numerous countries presenting lucrative market conditions through duty-free and quota-free treatment of eligible Zambian products. Additionally, the country belongs to FTAs promoting relatively liberalized trade among member states, and has signed bilateral agreements on international trade with strategic partners. These minimizations on international trade barriers and the improving national economic environment present to local producers the right set of circumstances to expand into international markets with better prospects than the domestic market.

It is based on this that the Zambia Development Agency (ZDA), in line with its mandate, works to ensure that Zambia takes advantage of international trade arrangements to facilitate international market access for Zambian exporters. At multilateral level, Zambia

belongs to the World Trade Organization (WTO). At regional level, Zambia belongs to the Southern Africa Development Community (SADC), Common Market for East and Southern Africa (COMESA), the African Continental Free Trade Area (AfCFTA) and has signed the Tripartite Free Trade Agreement. The country also benefits from various unilateral preferential trade agreements including the Africa Growth Opportunities Act (AGOA) with the United States of America and the Everything But Arms Agreement with the European Union. This is in addition to various bilateral trade agreements with several countries including Canada and China.

Benefits of Trade Agreements

Belonging to regional trading arrangements accords Zambia many advantages which benefit the Zambian exporters. Specifically, Zambian enterprises are able to export their products with the advantage of over 90% of trade qualifying for duty-free, quota-free treatment. This not only enables the free flow of trade but creates a wider market for goods and services produced in the country. In addition, regional trade agreements also offer an opportunity for the country to cumulate production with other member states in line with the agreed rules of origin, thereby allowing for the formation of regional value chains. In the arrangements, countries are further accorded an opportunity to protect their infant industries through sensitive lists and exclusion lists which are agreed during negotiations. Moreover, the regional trade blocs cooperate in initiatives aimed at addressing institutional, human, infrastructural, and technical incapacities constraining commercial enterprises in order to further liberalize trade in the regions and enable local traders to participate more in international trade.

There are also specific initiatives such as the COMESA Simplified Trade Regime which are aimed at facilitating market access for small scale traders in order to promote the formalization of cross border trading activities.

Bilateral Trade Agreements tend to offer deeper benefits as the agreements list goods which can enjoy preferential market access between two countries. Zambia has signed bilateral agreements on trade with neighboring countries including the Democratic

Republic of Congo and Angola minimizing tariff restrictions on products listed specially in these agreements.

The Unilateral Trade Agreements such as AGOA and EBA offer a unique benefit as they are non-reciprocal. This means that whereas Zambian products enjoy preferential market access in the EU and USA, these countries do not enjoy preference when they export to Zambia.

Trade and Business Development Measures

Zambia Development Agency has been instrumental in facilitating market access for Zambian products by its involvement in numerous trade negotiations alongside the Ministry of Commerce, Trade and Industry. Furthermore, the Agency utilizes this enlarged market as a selling tool for attraction of investment into the country. At the same time, ZDA facilitates for Zambian enterprises to capitalize these market access opportunities through participation in regional and international trade fairs, exhibitions and trade missions. During these missions, companies are able to participate in Business to Business (B2B) and Business to Government (B2G) meetings with strategic and prospective buyers, partners and distributors for products and services for export from Zambia.

The future is promising for Zambian exports with the ratification of the African Continental Free Trade Area (AfCFTA) which will expand our country's market access across the African continent. We look forward to having more Zambian enterprises join us in the 2023 Intra-African Trade Fair and other forthcoming fairs, exhibitions and missions in 2023 to enable us expand the horizon for Zambian exports. Look out for upcoming events on our social media pages and visit our website for more information on export opportunities and markets and trade agreements applying to Zambia.

For queries or any further information,

Contact the Communications and Public Relations Unit,

Zambia Development Agency,

Nasser Road, Privatisation House, P.O. Box 30819, Lusaka.

Email: info@zda.org.zm

Tel: +260 211 220 177