

Zambia

intra-Africa trade & tariff profile 2019

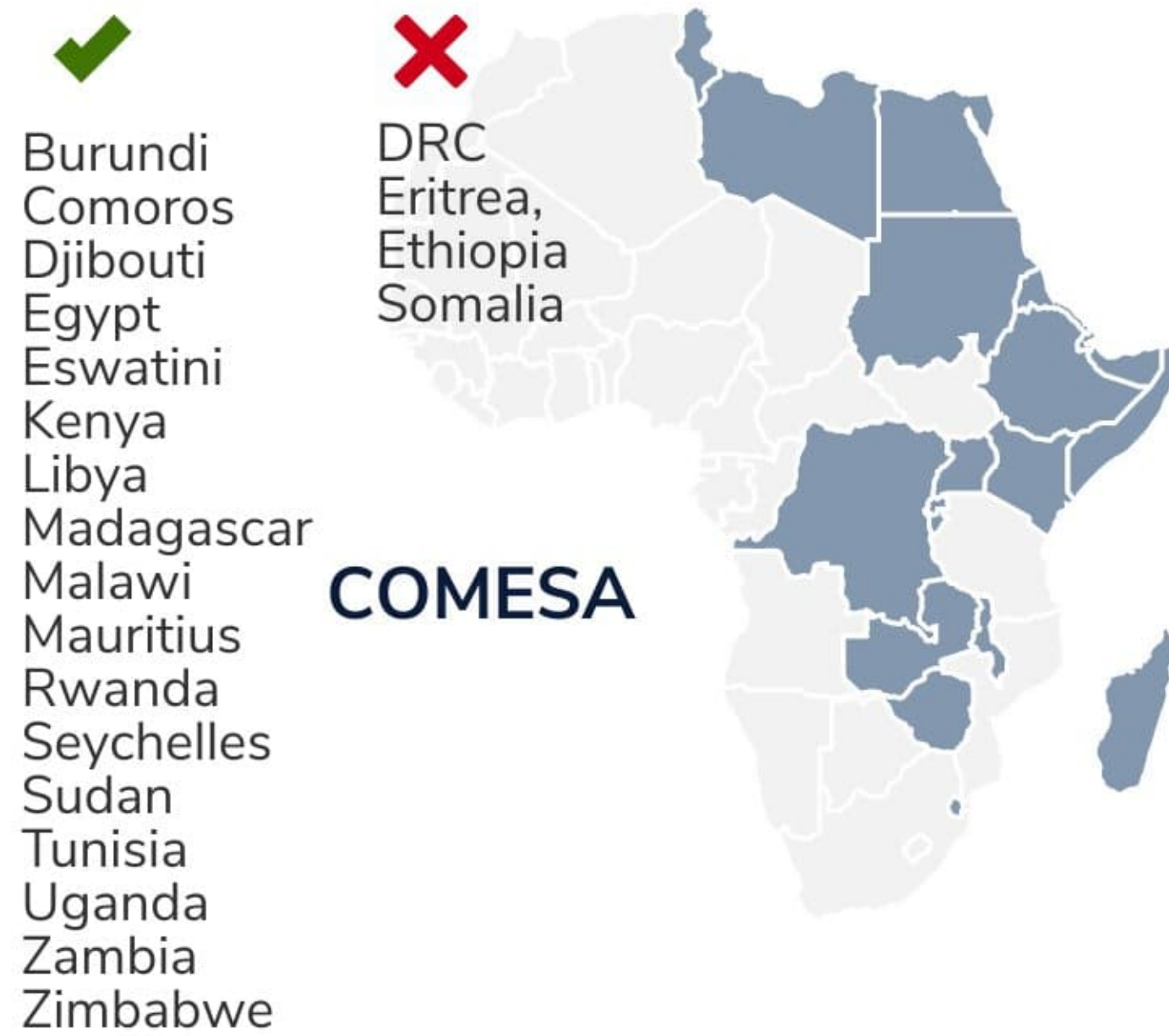


1. Introduction

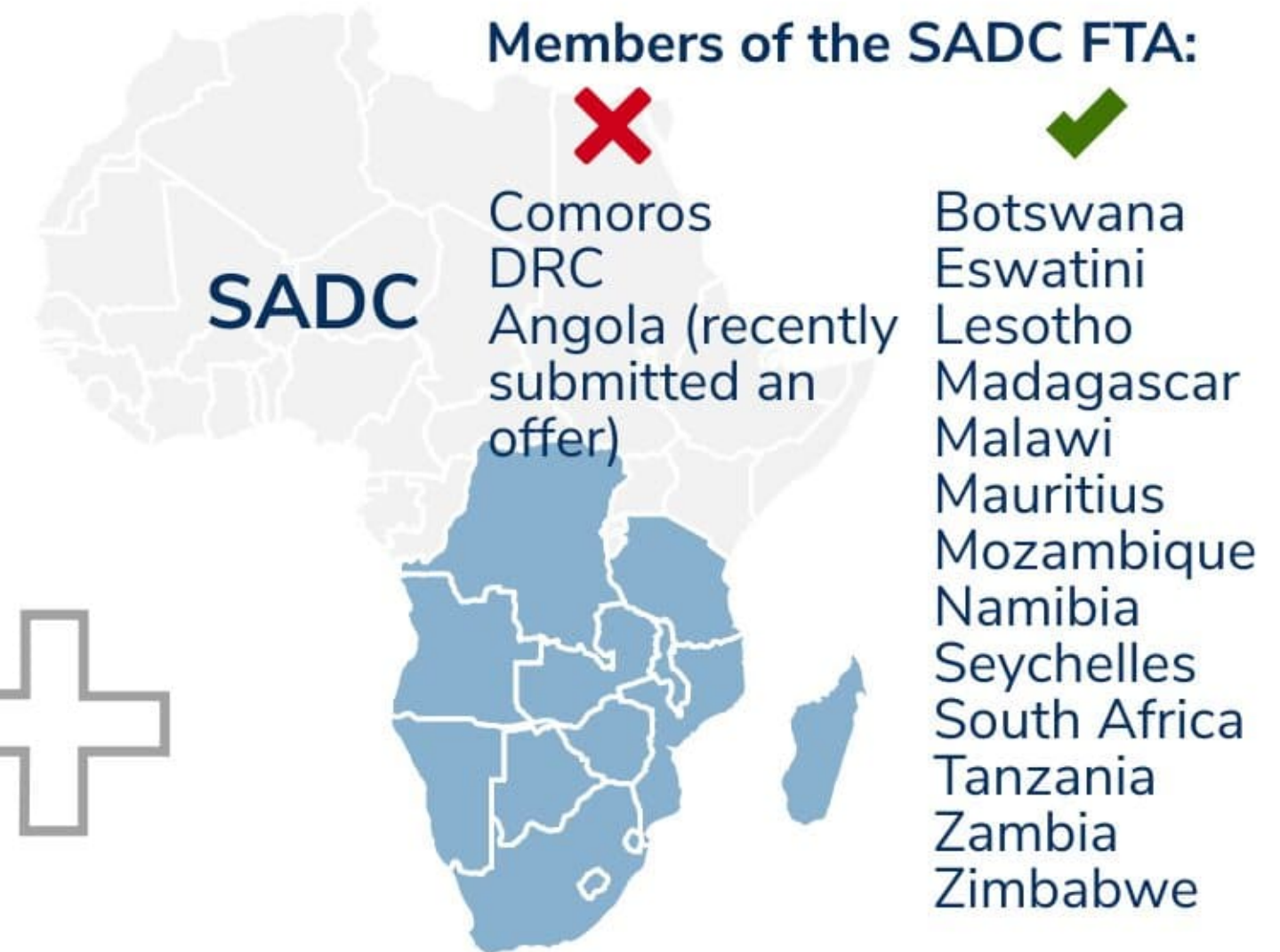
Zambia is a member of both the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

- COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area – the DRC, Eritrea, Ethiopia and Somalia are all in the process of accession.
- SADC is a Regional Economic Community (REC) which includes 16 member states – all the SACU countries, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are in a Free Trade Arrangement (FTA); Comoros, Angola (has recently submitted an offer) and DRC are yet to join.

Members of the COMESA FTA:



Members of the SADC FTA:



2. Intra-Africa trade

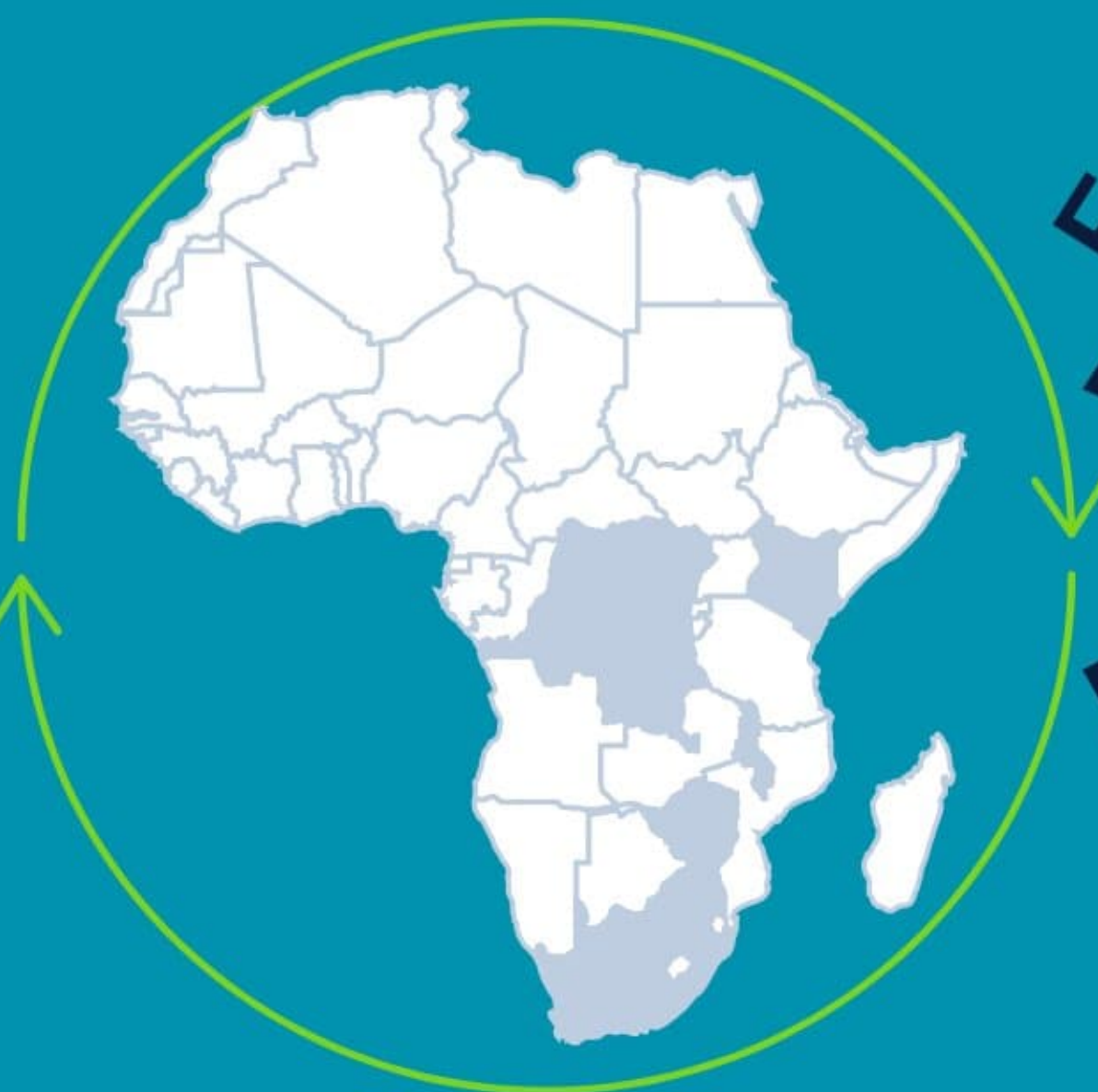
For 2019, 23% of Zambia's world exports & 46% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US\$ 1.6 billion (11% less than in 2018) & intra-Africa imports to US\$3.35 billion (a decline of 33% compared to 2018).

Zambia main trades with two African countries - South Africa and the DRC which together account for 73% of Zambia's total intra-Africa trade. The main intra-Africa export products are sulphuric acid, cement, sugar and gold.

The main import products include petroleum oils, fertilisers, copper ores and frozen fish. Almost all of Zambia's world imports of refrigerators, frozen fish, soaps and surface agents and rice are sourced from other African countries.

Main destination markets

DRC, South Africa, Malawi, Zimbabwe & Kenya



Main source markets



Exports

Imports

Sulphuric acid



all sulphuric acid exports

Cement



all cement exports

Sugar in solid form



96% of Zambia's world sugar exports

Unwrought gold



99% of Zambia's world gold exports

Waters



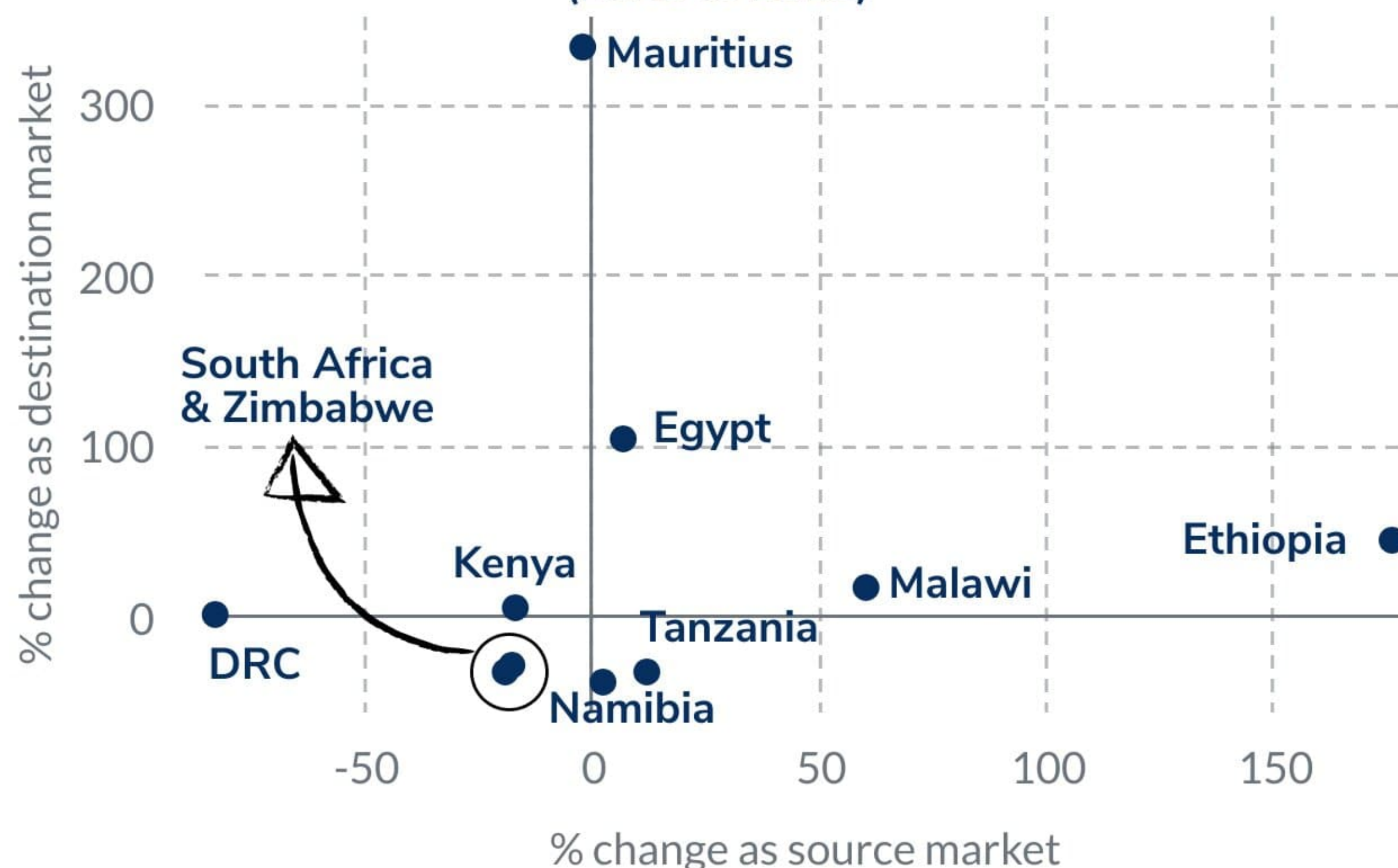
all waters exports

Zambia's intra-Africa trade 2019

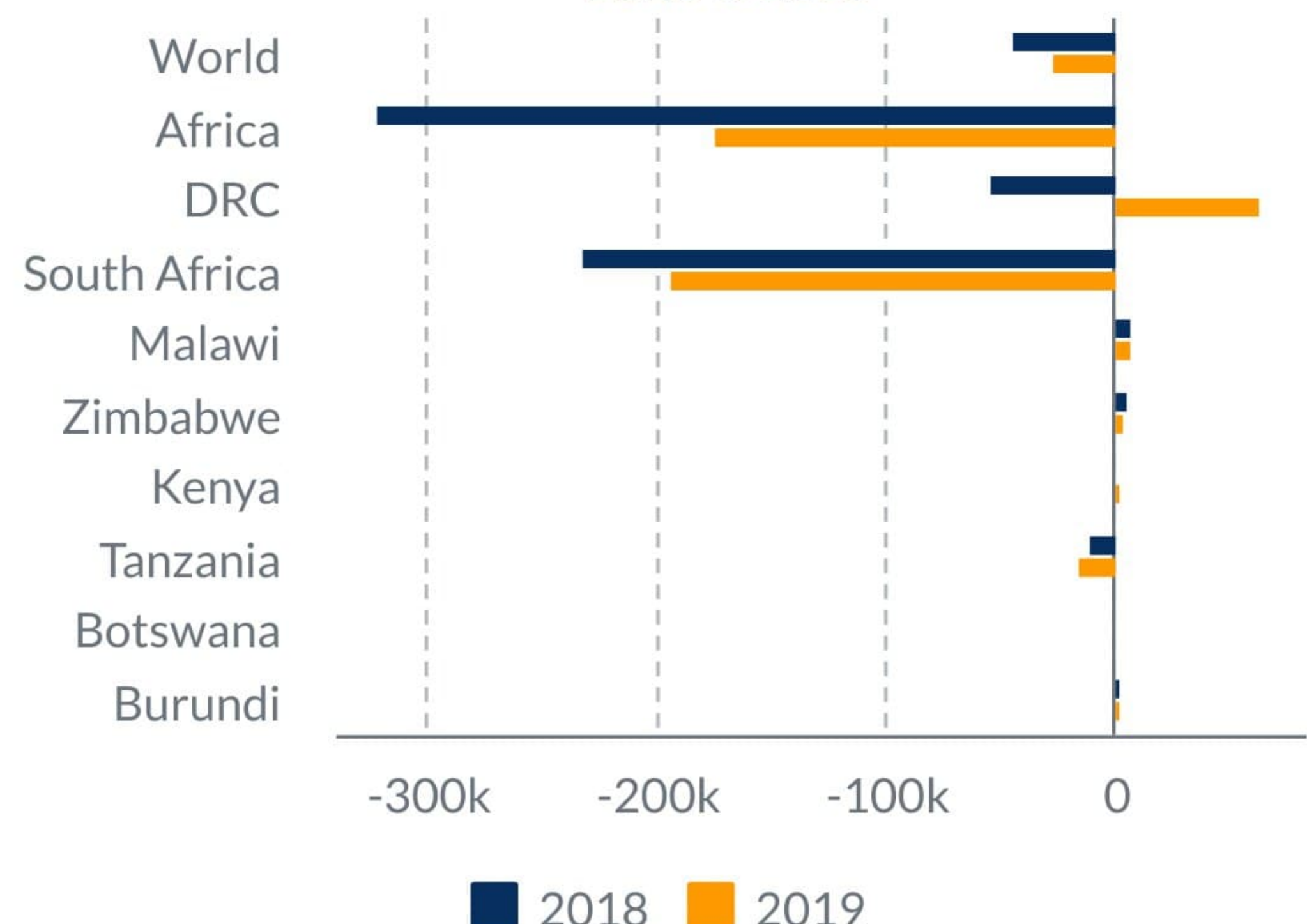
intra-Africa imports as % of world imports of designated products

Petroleum oils (not crude) (14%)	68%
Fertilisers (6%)	60%
Copper ores and concentrates (5%)	100%
Sulphur of all kinds (3%)	78%
Frozen fish (3%)	95%
Goods vehicles (2%)	46%
Other (67%)	

% change in exports to & imports from main African trade partners (2018 to 2019)



Trade balance with designated trade partners 2018 & 2019



3. Intra-Africa tariffs & non-tariff cost of trade
 Most of the products from COMESA and SADC countries enter Zambia duty free. Imports from countries outside the COMESA and SADC FTAs face MFN applied duties. The MFN applied duties of Zambia consist of 6 tariff bands - duty-free, 5%, 10%, 15%, 25%, 30% & 40%. Zambia does not levy any specific duties.

Only 0.1% of Zambia's world trade and 0.3% of intra-Africa trade is with African countries not members of COMESA & SADC. The main products Zambia exports to these countries were not exported to outside COMESA & SADC in 2018 - shovel loaders, chickens, raw hides, eggs, sulphur and sorting machines. 77% of exports are to Congo, Nigeria & Ghana.

Between 2018 & 2019 exports to 4 of the top 5 countries increased almost four-fold. 48% of imports from outside COMESA & SADC are fertilisers; other imports include diesel engines, routers & hammers. 66% of imports are sourced from 2 countries - Morocco & Mauritania.

MFN duty categories & % of national tariff lines in each category

Duty-free 31%
 copper ores & concentrates; infant formula milk; roses; crude soy & seed oils; chemical products; construction machinery, tractors, ambulances, crane lorries & motorcycles; plastic pipes & tubing; most products of iron and fertiliser

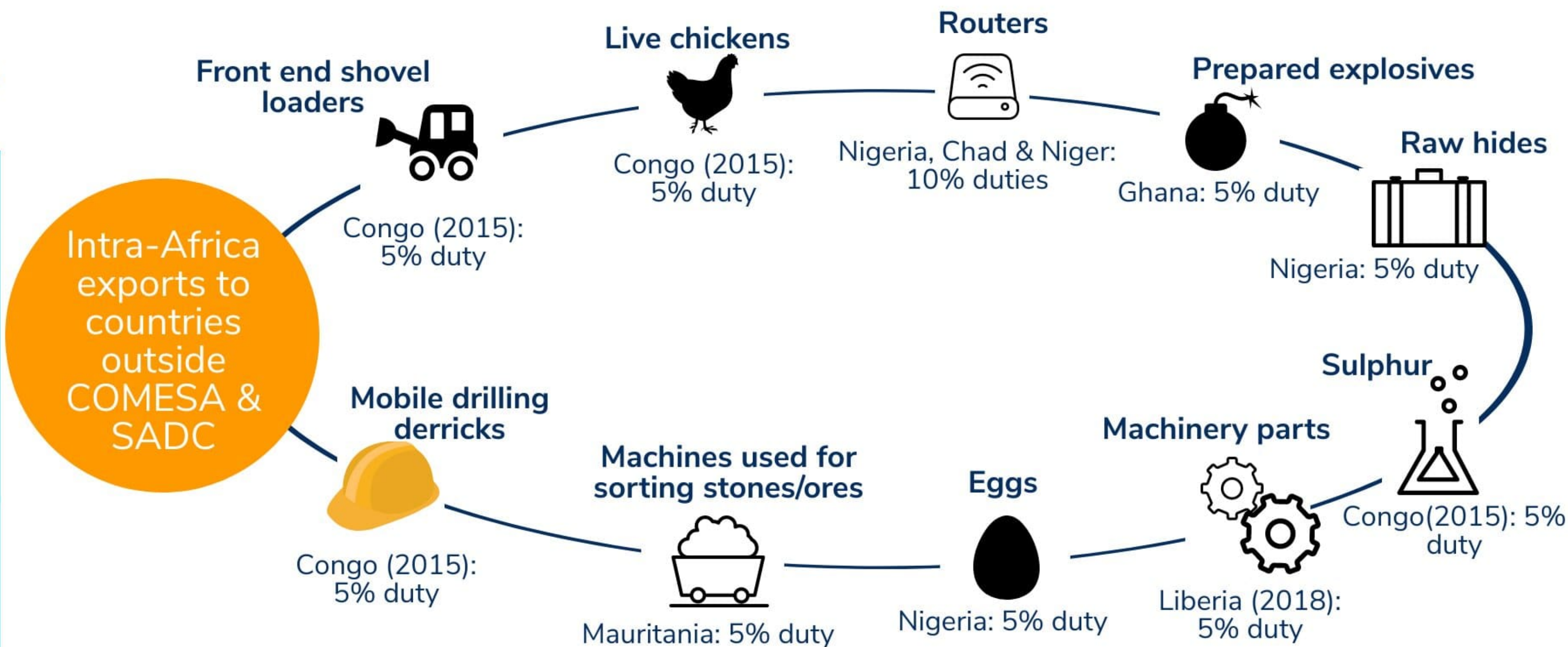
5% duties 11%
 live animals; dried beans; seeds for sowing & oilcake; minerals; paper & paperboard; bicycle parts; synthetic fibres & yarns and base metals

15% duties 26%
 sweetened milk, eggs, grains, rice & maize; starches, groundnuts, seeds & refined oils; cocoa beans, butter & paste; rubber articles; skins & hides; cotton yarn & fabrics and most vehicles and their parts

25% duties 30%
 beef, lamb & chicken; fresh & frozen fish; milk & cream, yoghurt & buttermilk; fresh flowers, vegetables, nuts & fruit; coffee, tea & spices; chocolate; pasta; juices & alcoholic beverages; soaps; pneumatic tyres; most fabrics and clothing and household appliances

30% duties 0.4%
 flat-rolled products of iron & non-alloy steel; passenger vehicles; goods vehicles weighing more than 5 tons and all-purpose vehicles

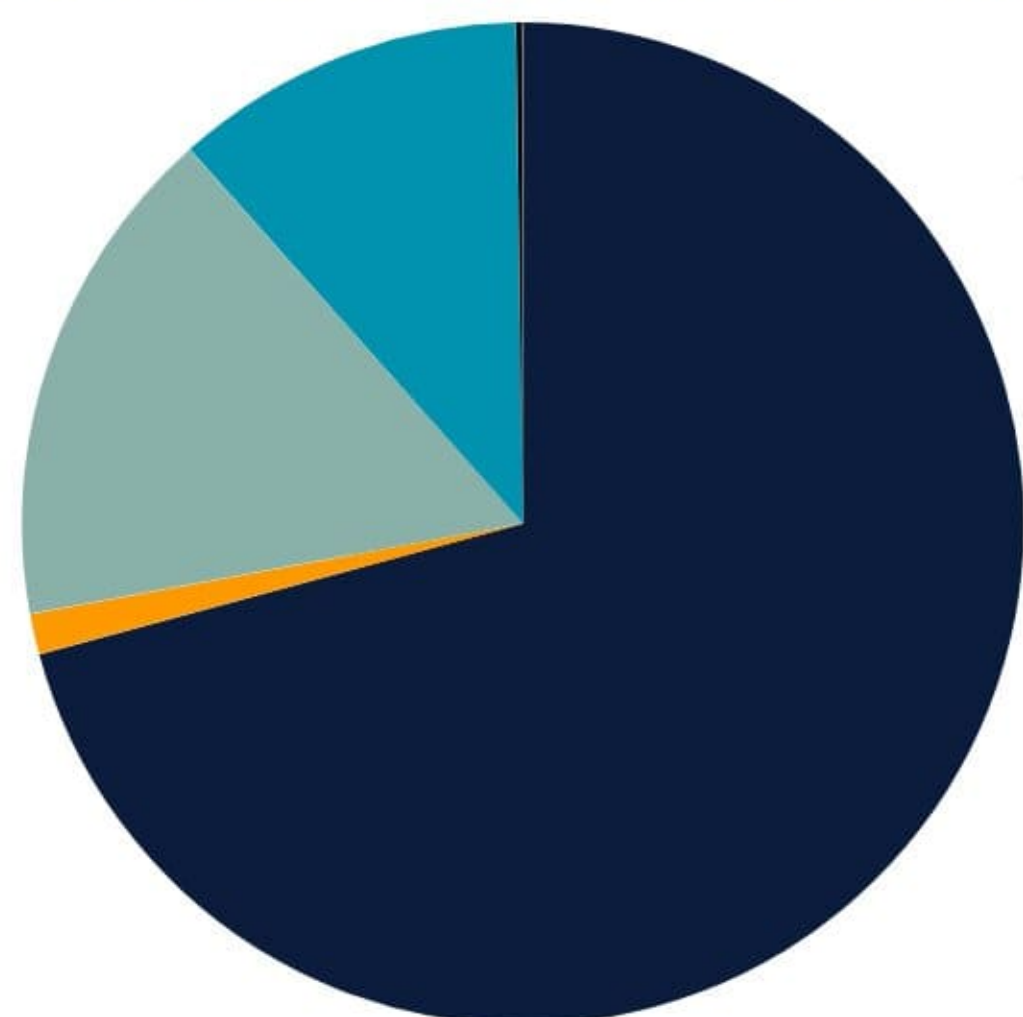
40% duties 2%
 plastic bags; wood and most items of wood including fuel wood, chips, pellets, sawdust, charcoal, sawn & rough wood, fiberboard, clothes hangers, flooring & veneer sheets; articles of cork and electric water heaters



Zambia's intra-Africa imports from countries outside COMESA & SADC

Zambia does not import large portions of any particular product from countries outside COMESA & SADC - for instance only 11% of world fertiliser imports. 20%, 19%, 10% & 6% of the respective world imports of hammers, stainless steel bars & rods, sardines & drilling tools are sourced from countries outside COMESA & SADC

Ad valorem duties & % of 2019 imports



- Morocco (54%)**
 Fertiliser (duty-free)
 Urea (duty-free)
 Sardines (25% duty)
- Mauritania (12%)**
 Hammers (15% duty)
 Boring machine parts (15% duty)
 Stainless steel bars & rods (duty-free)
- Niger (10%)**
 Boring machine parts (15% duty)
 Routers (duty-free)
 Conveyor belts (25% duty)
- Ghana (7%)**
 Diesel engines (duty-free)
 Parts of liquid pumps (15% duty)
 Electric motors (duty-free)
- Nigeria (5%)**
 Routers (duty-free)
 Books (duty-free)
 Parts for construction vehicles (15% duty)

Of the top 20 import products the highest duty levied is 25% - beauty products, second-hand clothes, sardines, conveyor belts, perfumes and lights oils and preparations. Only 7 products are imported duty-free which are mainly fertilisers or ingredients for the manufacturing of fertilisers. 15% duties are levied on imports of machinery, circuit breakers and tractor parts.

The non-tariff cost of bilateral trade between Zambia & designated trade partners

The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. The data shows that agriculture trade between Zambia and Eswatini and Zambia and Eswatini are more costly than trade between Zambia and China and the UK.

