



**Trade Policy Review Body
21 and 23 June 2016**

TRADE POLICY REVIEW

ZAMBIA

MINUTES OF THE MEETING

Chairperson: Ms. Irene Young (Hong Kong, China)

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Note: Advance written questions and additional questions by WTO Members, and the replies provided by Zambia are reproduced in document WT/TPR/M/340/Add.1 and will be available online at http://www.wto.org/english/tratop_e/tpr_e/tp_rep_e.htm.

1 INTRODUCTORY REMARKS BY THE CHAIRPERSON

1.1. The fourth Trade Policy Review of Zambia was held on 21 and 23 June 2016. The Chairperson, Ms. Irene Young (Hong Kong, China), welcomed the delegation of Zambia headed by Honourable Raymond Mpundu, Deputy Minister of Commerce, Trade and Industry; the delegation from Zambia; and the discussant, H.E. Mr. Mothusi Bruce Rabasha Palai (Botswana). As agreed by Members earlier, the United Nations Industrial Development Organization (UNIDO) was attending this meeting as observer on an ad hoc basis.

1.2. The Chairperson drew Members' attention to WTO/AIR/TPR/31/Corrigendum 1 distributed on 8 June, which informed delegations that the second TPR of the Democratic Republic of Congo (DRC), originally scheduled for Wednesday 15 and Friday 17 June, had been postponed at the request of the DRC authorities. The Secretariat was in contact with the DRC delegation to try to find another date for the meeting. Members would be informed in due course of the revised schedule.

1.3. The Chairperson recalled the purpose of the Trade Policy Reviews and the main elements of the procedures for the meeting. The report by Zambia was contained in document WT/TPR/G/340 and that of the WTO Secretariat in WT/TPR/S/340.

1.4. Questions by the following delegations had been submitted in writing before the deadline and had been transmitted to the delegation of Zambia: Canada; Chile; China; the United States; Brazil, the European Union; and Argentina. No delegations submitted written questions after the deadline.

1.5. At the previous TPR meeting in 2009, Members had commended Zambia on its rapidly growing economy and had observed an impressive growth in non-traditional exports. They had encouraged Zambia to further reduce its dependence on copper mining and develop a more diversified economy, but they had also noted obstacles such as high-cost and inefficient services in transport, electricity, and fixed telecommunications.

1.6. Since then, Zambia's GDP had continued to expand, at annual rates averaging over 6%. A high demand for copper was the principal factor behind this. As a result, in 2014, the country had been upgraded from the low-income to the lower-middle-income category in the World Bank analytical classification. However, structural weaknesses, including supply-side constraints and significant State intervention, still made the economy narrow-based and highly vulnerable. In the various economic sectors, including agriculture, manufacturing and services, Members saw growth potentials largely untapped.

1.7. Meanwhile, headwinds in the mining sector (affecting copper in particular), exacerbated by weaker global economic growth, had frustrated Zambia's economic performance in the last two years. Amidst these challenges, Zambia had implemented several reforms aimed at improving its business environment and attracting foreign investment, and had recently rolled out a strategic plan for long-term development. The Chairperson believed Members would wish to learn more about these reforms and development plans, and their implications for international trade.

1.8. Regarding existing trade policies, one important area was Zambia's tariff regime. At the last TPR, Members had encouraged Zambia to improve its binding commitments by increasing their coverage and reducing the gap between bound and applied rates. It seemed that not much had changed since then, except for the migration to HS 2012. Besides, Zambia still had difficulty fully implementing the Customs Valuation Agreement, and still imposed export taxes, some of which aimed at promoting local value addition.

1.9. That said, Members were pleased to know that Zambia had already ratified the Trade Facilitation Agreement and had notified all its Categories A, B and C commitments. Thanks to the authorities' efforts, all customs declarations could also be conducted electronically now, which made clearance simpler and faster. In addition, Zambia had amended or had enacted a number of trade-related laws over the period under review. They included the promulgation of a new Competition and Consumer Protection Act in 2010; adoption of a National Quality Policy in 2011; and amendment to the Copyright and Performance Rights Act in 2010. The last one in particular had been a matter of great interest to Members at the last TPR, and Members understood that the

process of establishing a TRIPs-compliant regime in Zambia had not yet been completed. The Chairperson noted that it would be useful to know the review process for other IPR legislation currently under consideration.

1.10. On the international front, Members had commended Zambia's commitment to the WTO and the multilateral trading system. Members noted that Zambia was also a member of the Common Market for Eastern and Southern Africa (COMESA), and the Southern African Development Community (SADC). Overlapping membership in different trade agreements bore costs and certain challenges. At the last TPR, some Members had expressed concern in this regard. The Chairperson suggested that Zambia might also like to share with the Members how it saw and managed these agreements.

2 OPENING STATEMENT BY THE REPRESENTATIVE OF ZAMBIA (HONOURABLE RAYMOND MPUNDU)

2.1. I am delighted to present this opening statement during the fourth review session of Zambia's trade policy.

2.2. Madam Chair, on behalf of my delegation and indeed on my own behalf, allow me to express our gratitude to you for presiding over this Review. We would also like to express our deep gratitude to Ambassador Palai of Botswana for accepting to serve as the discussant.

2.3. May I also take this opportunity to express our special thanks to the team from the WTO Secretariat for their tireless efforts in preparing the comprehensive Secretariat report on Zambia's Trade Policy.

2.4. Similarly, we would like to express our thanks to the delegations present who have taken interest in Zambia's Trade Policy Review. We welcome the interest and look forward to very interactive and productive discussions over the course of this review.

National policies and focus areas

2.5. During the period under review, the Government implemented its strategic interventions through the Fifth National Development Plan from 2006 to 2010, and the Sixth National Development Plan from 2011 to 2015 which was subsequently revised to cover the period 2013 to 2016.

2.6. The Fifth and Sixth National Development Plans were primarily focused on implementing reforms targeted at reducing the cost of doing business and creating an enabling environment for private sector growth and development. In line with this, Government, through the Private Sector Development Reform Programme, implemented reforms targeted at making the licensing regime simpler, transparent and more focused on legitimate regulatory purposes.

2.7. On the other hand, the strategic focus of the Revised Sixth National Development Plan was on capital investments with an emphasis on promoting economic diversification and industrialization. In line with this, the Government adopted the Industrialization and Job Creation Strategy aimed at enhancing Zambia's productive capacity while at the same time creating jobs and wealth for the population. The Strategy prioritized four sectors namely: agriculture (including agro-processing); manufacturing; construction and tourism which not only have great potential for accelerating industrial development but also have the highest absorption capacity for skilled, semi-skilled and unskilled labour.

2.8. In the area of trade, Zambia continued to maintain a liberal trade policy regime whose main focus has been to enhance productivity and competitiveness of Zambian products in both the domestic and international markets.

2.9. Similarly, Zambia has remained an active player in the regional integration processes under the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA). These Regional Economic Communities are important trading blocks for Zambia in terms of import and export trade. Zambia is one of the seventeen countries that have signed the Tripartite Free Trade Area Agreement, and is actively involved in the continental negotiations aimed at establishing the Continental Free Trade Area which aims at opening up market opportunities for participating countries.

2.10. At the same time, Zambia has been a beneficiary of preferential market access schemes offered by both developed and developing countries, which it considers as important initiatives to assist developing and least developed countries integrate into global trade and as such continues to work towards the effective utilization of preferences offered under such schemes.

Economic performance

2.11. In terms of sector performance, at the macroeconomic level, Zambia has recorded positive growth with an average real GDP growth rate of 6.5% during the period 2009 to 2014. This

positive growth was driven largely by improvements in the non-mineral sectors of agriculture, manufacturing and infrastructure developments among others.

2.12. During this same period, the country recorded single digit inflation rates. The annual overall inflation rate in 2009 was 9.9% and as at 31st December 2013 it dropped to 7.1% before raising to 7.9 in 2014. This was on account of a decline in staple food prices.

2.13. However, as at 31 December 2015, the inflation rate rose to 21.1% due to the effects of the sharp depreciation of the Kwacha experienced in the third quarter of 2015, which was partly due to the global economic slowdown and poor performance of the commodity prices on the international market, coupled with the increased production costs caused by low electricity supply.

2.14. Zambia's export trade overall has been positive in the period under review, with total export trade having grown from a level of US\$4.3 billion in 2009 to US\$9.6 billion by 2014 with the highest level recorded in 2013 at US\$10.6 billion. However, Zambia's export trade experienced a down ward trend in 2015 falling to about at US\$7 billion. Over the same period, non-traditional exports increased from US\$976 million in 2009 to US\$4.1 billion by 2013 before falling to US\$2.6 billion in 2014 and a further fall of US\$1.7 billion recorded in 2015.

2.15. Zambia witnessed improvements in investment flows with continued investor confidence. Evidence to this was the re-affirmation of the country's sovereign credit ratings at a ceiling of B+ coupled with the continued rise in FDI inflows. For example, as at end of September 2014, FDI inflows were US\$2,231.5 million, 6.3% higher than for the whole of 2013.

2.16. Madam Chair, in terms of sector performance during the period under review, the agriculture sector grew by an average of 7% which was above the Comprehensive Africa Agriculture Development Programme target of 6%. During the same period, the sector's contribution to GDP averaged 18.5%.

2.17. In mining, the sector continued to dominate Zambia's economic growth path in the period under review. Mining remained the dominant sector in terms of Zambia's export earnings, accounting for approximately 70%. This high dependence on a single commodity for export earnings has placed Zambia in a vulnerable position in as far as external factors are concerned. The recent downturn in commodity prices on the global market did not spare the Zambian economy.

2.18. The manufacturing sector's contribution to GDP averaged 7.7%. The main destination for Zambia's exports in manufacturing during this period was the SADC market which accounted for approximately 80% of Zambia's exports.

2.19. Following the introduction of the new Information Communication and Technology (ICT) law in 2009, the sector has equally recorded impressive growth with mobile penetration rate increasing from 34% in 2009 to 74% in 2015. Internet penetration rate also increased from less than 1% to 39% during the same period. The ICT sector contribution to real GDP increased from 1.5% to 3.5% over the same period.

2.20. With regard to infrastructure development to open up key economic sectors such as tourism and agriculture, Zambia has invested heavily in transport and energy infrastructure. The investments include the link Zambia 8000 and pave Zambia 2000 projects. Other investments include the modernization of four international airports.

2.21. The installed capacity in the energy sector is 2451 megawatts of which 97% is hydro and 3% from other sources. In addition to the existing developed generation capacity, the country's total generation potential is about 6000 megawatts.

2.22. Substantial progress has also been made in health and educational infrastructure across the country.

Challenges

2.23. Having said this, Madam Chair, allow me to highlight some challenges that Zambia continues to face.

2.24. Internally:

- Zambia is facing challenges with diversification issues as the country continues to depend on copper for export earnings. While progress has been made in terms of non-traditional exports, the composition is still dominated by raw materials and low value products;
- Infrastructure in major economic sectors is limited;
- The electricity energy mix remains undiversified while supply continues to be inadequate. The sector is highly dependent on hydro for power generation; therefore, it has remained vulnerable to climate change such as drought or poor rainfall;
- The private sector still requires a lot of support to effectively spearhead economic growth;
- The tax base remains narrow;
- access to affordable finance is still a major challenge for enhancing production and productivity; and last but not least
- Investment in research and development is at its infancy stage.

2.25. Externally:

- The fluctuations in global commodity prices and instability in global currencies has had telling effects on the Zambian economy. The fall in copper prices in the recent past has resulted in a substantial reduction in the intake of revenue from copper sales, which in turn has had negative effects on Zambia's current account, the exchange rate and planned capital expenditure. The current commodity prices on the international market present compelling reasons for the urgent reform of the global architecture of trade rules in order to discipline measures that distort trade;
- Other factors associated with operations of multinational corporations have also affected the Zambian economy in as far as capital flight is concerned, especially in the mining sector;
- Market entry requirements have limited Zambia's capacity to penetrate certain markets. Standards and technical requirements maintained by trading partners continue to be a challenge. This problem has further been compounded by the proliferation of private standards, which are beyond the capacities of the private sector to cope and are thus deemed as a disguised barriers to trade; and
- Challenges associated with trade liberalization.

Future outlook and policy thrust

2.26. Looking ahead, the ultimate goal of the Government is to improve the quality of life for all Zambians. Therefore, the major policy thrust going forward is to continue with policies and strategies that are targeted at diversifying the economy and also improving the productivity and competitiveness of the priority sectors. To this end, the Government will continue to ensure that the economy remains resilient to any adverse external developments, such as those associated with volatile commodity prices in general and copper prices in particular.

2.27. The Government will continue to implement prudent fiscal and monetary policies so as ensure macroeconomic stability.

2.28. The Government will also continue nurturing the private sector growth and promoting research and development in all sectors of the economy.

2.29. At the same time, the Government aims to continue to pursue measures aimed at promoting inclusive growth and job creation. The Government will also continue to work with its cooperating partners in its quest to enhance Zambia's trade and economic development.

2.30. In an effort to support the measures of inclusive growth, Zambia recognizes the importance of easing the cost of trading across borders and in that regard, the country has embarked on a number of initiatives such as integrated systems for managing payment of systems and the latest being the national electronic single window which was launched in June 2016.

Conclusion

2.31. In conclusion, I would like to reiterate Zambia's commitment to the multilateral trading system. Zambia believes that the WTO is an important forum for promoting freer and fairer trade through a predictable trading environment that is governed by rules. It is therefore important that we work towards concluding negotiations under the Doha Development Agenda and to implement commitments that have been made thus far including the outcome of the 10th WTO Ministerial Conference which was held in Nairobi, Kenya.

2.32. It is important to continue pursuing programmes that assist developing and least developed countries deal with impediments to trade so that they can be equal partners in global trade. Therefore, support towards the aid for trade initiative as well as the Enhanced Integrated Framework and the regular technical assistance programmes of the WTO should be enhanced.

2.33. In addition, we are of the view that institutions such as the International Trade Centre and the United National Conference on Trade and Development (UNCTAD) should be adequately resourced so that they continue to provide the valuable services to developing and least developed countries.

2.34. With these few remarks, I thank you all for your kind attention.

3 STATEMENT BY THE DISCUSSANT

3.1. I would like to welcome the distinguished delegation of Zambia led by the Deputy Minister of Commerce, Trade and Industry, Honourable Raymond Mpundu.

3.2. At the outset, I would like to thank Zambia and the Secretariat for their comprehensive reports. I also thank the Secretariat for their valuable support.

3.3. In my intervention, I will first remark on the broader economic developments, and thereafter discuss some specific aspects of Zambia's economic environment and trade policy.

Major developments in the economy

3.4. Zambia's economic policies are designed with the objective of creating an enabling environment in which the private sector can be an engine of growth, as well as achieve sustainable development. A key part of this is economic diversification, through which inclusive growth, job and wealth creation can be achieved. It is also worth noting that Zambia is a politically stable country historically. It is against this backdrop that I proceed to highlight some developments in trade policies and practices of Zambia since the last review in 2009.

3.5. During the period under review, Zambia has registered relatively strong economic growth at an average rate of 6.6% per year up to 2015. This is attributed mainly to good global performance of commodities, in particular growing copper demand. Noticeable growth was realized in other sectors of the economy as well, including agriculture, construction, transport, communications, wholesale and retail.

3.6. The strong economic performance has helped move Zambia from a low income to lower-middle income country in 2014, in accordance with the World Bank analytical classification of economies.

3.7. However, growth decelerated from 2013, due to technical difficulties in the mining sector, coupled with weaker global demand for copper, an estimated 28% decline.¹

3.8. A more detailed look into the economic performance points to a heavy reliance on commodities, in particular copper, which continues to be a top export earner, accounting for over 70% of the value of merchandise exports. In this connection, economic diversification remains a key objective for Zambia.

3.9. Zambia performed relatively well in attracting foreign direct investment, experiencing an upward trend in FDI inflows in the review period, registering almost fourfold increase (from US\$700 million to US\$2.5 billion) from 2009 to 2014. However, FDI was largely destined to the mining sector, and this further highlights that diversification remains a challenge.

3.10. For about 8 years, copper and its by-products played a key role in the economy, and this has been highlighted in past TPRs. Several challenges have hampered diversification efforts, including factors such as supply-side constraints; high costs of doing business, some of which are related to energy-supply challenges; difficult access to finance, which significantly affects the competitiveness of Zambia²; high interest rates; and recent macroeconomic developments such as those relating to tax policy changes in mining and exchange rate volatility.

3.11. The Secretariat report notes that falling international copper prices and high depreciation of the Kwacha (by some 50% over the period September 2014 to September 2015) have negatively affected Zambia's external position. The decline in the copper prices and exports has had a big impact on government revenue, which in-turn led to growing fiscal deficit.

¹ African Economic Outlook 2016 report on Zambia; a joint publication of the African Development Bank, OECD Development Centre and UNDP

² WEF Global Competitiveness Report 2015/16

3.12. Related to this is that, even though total public debt has risen sharply over the past couple of years, Zambia can be commended for containing debt ratios within internationally acceptable thresholds.

3.13. Between 2009 and 2014, inflation was in single digits followed by a sharp rise to 21.1% as at end-December 2015. The latest available data estimates inflation at 21.3% in May 2016.³ The rise in inflation was attributed to several factors, including: the sharp depreciation of the Kwacha, global economic downturn, and a decline in commodity prices in international markets.

3.14. Given the foregoing, especially the challenges highlighted, it is desirable that Zambian authorities continue to pursue macroeconomic reforms. Inflation, debt sustainability and macroeconomic stability are a key part of this.

3.15. Madam Chairperson, Zambia has made significant strides in reforming its business environment and this includes the establishment of one-stop shops and e-business registration. Zambia has also made significant legislative and institutional reforms, thus enhancing transparency and predictability. These relate to protection of intellectual property rights, competition policy, and government procurement.

3.16. These reforms are expected to lead to significant reduction in turnaround times for business registration and licensing, and streamlined regulatory environment. Positives include an estimated 26.6% saving in compliance costs for businesses; and improvement in rankings of the World Bank Group Doing Business Report in 2016, and the World Economic Forum Global Competitiveness Index in 2015/16.

3.17. These are indeed commendable efforts, and it would certainly be interesting to follow the long-term impact of these reforms on the ease of doing business in Zambia.

Closer look at economic environment and trade policy

3.18. There is consensus over the strong growth potential for agricultural production in Zambia, given the country's large fertile land and water resources endowment. However, out of about 58% total land area that is fertile, only 14% of agricultural land is utilized. Zambian authorities acknowledge the challenges in agriculture and have set in motion plans to invigorate agriculture production. This is to be encouraged, especially investment in the agriculture sector.

3.19. On customs procedures, we note Zambia introduced advance tariff ruling. This is a commendable development that serves to provide certainty to cross-border traders.

3.20. The Secretariat report also notes that Zambia has a limited coverage of tariff bindings, estimated at 16.7% of all tariff lines. Furthermore, tariffs are bound at ceiling levels with a simple average of the final bound tariffs estimated at 105.9%. The prevailing tariff profile can be perceived to limit the predictability of Zambia's tariff regime. The significant tariffs that remain unbound and the differences between the bound and applied tariffs require some attention.

3.21. A case can thus be made for a need for a better balance between the pursuit of development imperatives and ensuring predictability in the Multilateral Trading System.

3.22. We note from the Secretariat report that there is a decline in State intervention in the economy, as the list of State-Owned Enterprises has decreased compared to previous Reviews. Further structural reform, such as commercialisation or privatisation of state-owned enterprises, where there is clear value addition, is encouraged.

3.23. Zambia actively participates in the WTO, and has notably ratified the WTO Trade Facilitation Agreement and notified its Category A, B and C commitments. This is a highly commendable effort and sets an example for the rest of the WTO membership on the importance of trade facilitation to trade and development, especially for the smaller States.

³ Viewed at:

<http://www.zamstats.gov.zm/report/Monthly/Vol%20157%202016%20The%20Monthly%20May.pdf>.

3.24. Zambia actively participates in the regional integration agenda, as a member of COMESA and SADC. Zambia is also engaged in the negotiations towards a COMESA-EAC-SADC Tripartite Free Trade Area (Tripartite FTA), whose main objectives is to, among others, harmonize policies and address challenges that come with overlapping memberships among the three Regional Economic Communities (RECs). Zambia has notably signed the Tripartite FTA Agreement, even though negotiations are ongoing to operationalise the FTA. All the above taken together, there is an opportunity to overcome whatever challenges and conflicting policies between the two competing RECs (both with ambitions to become customs unions) under the Tripartite FTA configuration.

3.25. The Secretariat report highlights that the public procurement regime was reformed in 2013, resulting in decentralisation and a wide menu of procurement methods. The value of decentralisation notwithstanding, concerns about transparency, the possibility of wide discretion and consistency of application need to be addressed.

3.26. The Secretariat report also notes that Zambia still maintains export taxes on select goods. This remains one of the trade policy instruments of concern to the WTO Membership, as has been the case in past Reviews. There are concerns around export taxes hindering the competitiveness of countries and the appropriateness of the policy instrument.

Conclusion

3.27. I have in this discussion only attempted to highlight some of the issues that I consider as central to the understanding and appreciation of the trade policies of Zambia. I have also tried to avoid taking up some of the areas that have drawn significant interest from the membership, taking into account the advance written questions. Some of these issues include: intellectual property rights, economic diversification and development of non-traditional exports, the prospects of a new importer/exporter self-clearance system, regional integration agenda, privatisations and public private partnership and investment in the agriculture sector.

3.28. I should, therefore conclude by, once again, acknowledging the progress that Zambia has made, in spite of the prevailing unfavourable external and domestic conditions confronting its economy. I encourage Members to support Zambia as it puts in place policy initiatives and programmes that would stimulate sustainable economic progress and prosperity, for the benefit of its people and the multilateral trading system.

3.29. I look forward to an interesting exchange on these and other issues that I am sure will enlighten us in the coming days.

4 STATEMENTS BY MEMBERS

CANADA

4.1. Canada values its commercial relationship with Zambia, which ranks as the number one destination in Sub-Saharan Africa for investment by Canadian mining companies. We note with appreciation passage of the new Mineral Royalty Tax in May 2016, which has significantly improved the operating environment for mining companies and is expected to have a positive impact on the Zambian economy.

4.2. Canada further commends Zambia on recent pro-business reforms such as making it easier to access credit information, improving tax payment methods, simplifying business registration and licensing procedures, and adopting new competition legislation. According to the World Bank's Ease of Doing Business ranking, Zambia holds the 97th position out of 189 economies. This places it among the top countries in which to do business in Africa.

4.3. However, the Zambian business climate still faces a number of persistent structural risks, including: a lack of adequately skilled workers, corruption, a relatively weak legal system, limited and costly credit, poor infrastructure, and excessive bureaucracy. Building on its recent successes, Canada encourages Zambia to consider further pro-business measures including for example, streamlining customs procedures, providing stronger tax incentives and creating a stronger, more stable and predictable regulatory environment.

4.4. With regards to the issue of corruption, we recognize that corruption is a two-way street and that all countries need to do their part to fight corruption and ensure transparency. As indicated in the WTO Secretariat's trade policy report, Zambia has made considerable progress in the fight against corruption in recent years, strengthening its legal and institutional frameworks. In particular, we note that as of 2012 Zambia became fully compliant with the Extractive Industries Transparency Initiative's Standard, which aims to improve transparency and accountability in the management of revenues from natural resources. These efforts have improved Zambia's ranking in the Corruption Perception Index significantly since 2009.

4.5. However, corruption remains an important challenge in the country. We encourage the Government of Zambia to ensure that proper safeguards are in place to combat corruption, as well as to censure those who misuse public funds, steps that will help to promote growth and diversification in Zambia's economy. As an example, the Government of Canada requires all Canadian companies to comply with the Corruption of Foreign Public Officials Act or face sanctions and further expects all Canadian companies to live up to the highest ethical standard. When it was elected in 2011, the Zambian Government promised immediate enactment of Access to Information legislation. Yet as of today, the bill is languishing in Parliament. We therefore urge the Government to enact it promptly.

4.6. Addressing corruption and other efforts to foster greater private-sector lead growth are critical to economic diversification. Zambia's economy is highly dependent on copper, which according to a World Bank report from 2015 accounts for 77% of total exports. This makes Zambia vulnerable to external shocks such as recent low world copper prices and economic downturns in key export markets. Against this backdrop, we note the untapped potential of the tourism sector, an area where Zambia underperforms relative to some of its neighbours. We welcome the emphasis on tourism infrastructure in the government's Sixth National Development Plan (SNDP). Another sector with enormous growth potential is agriculture. However, a reliance on rain-fed practices has resulted in volatile production levels in recent years. We encourage the Government of Zambia to undertake further efforts to improve agriculture infrastructure, including irrigation in order to build a more resilient sector. Canada looks forward to learning more about other initiatives to promote economic diversification throughout the course of this review.

4.7. Another major challenge for the Zambian economy is the ongoing electricity crisis. According to the World Bank, power shortages will continue to at least 2018. The Government report underlines detrimental effects of the crisis on the economy, including production and income losses. Moreover, current imports of emergency power are putting huge pressures on the budget, worsening the government's fiscal position. We encourage Zambia to improve sector planning and procurement processes for large power projects.

4.8. Trade policy also has a role to play. We positively note Zambia's participation in sub-regional and continent-wide integration initiatives, including the Southern African Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), and the SADC-EAC-COMESA Tripartite Framework. We also applaud Zambia's participation in negotiations to establish the Continental Free Trade Area under the African Union. These initiatives are not only important for market access, but will undoubtedly also contribute to strengthening transport, energy, and infrastructure links that are vital to increasing economic opportunities of a landlocked developing country. Canada encourages Zambia to continue in its efforts towards actively participating in the multilateral trading system, and in particular congratulates Zambia on being among the first countries in sub-Saharan Africa to ratify the Trade Facilitation Agreement.

4.9. In closing, Canada looks forward to having a constructive exchange of views on all aspects of Zambia's trade policy this week. We have submitted a number of questions touching on many the themes just mentioned and thank Zambia for its responses. Let me end by saying that we also wish the delegation the utmost success during this review.

CHILE

4.10. For this fourth Review, Chile raised four questions relating, inter alia, to the development of trade and trade policy, multilateral trade agreements and, trade facilitation.

4.11. In recent years, Chile has tried to move its foreign policy closer to the African continent by taking a number of steps, including: (a) obtaining accreditation before the African Union; (b) participating in the South America – Africa Summit (ASA); (c) opening an embassy in Ghana and more recently, in Ethiopia; (d) organizing a visit by President Michelle Bachelet to South Africa, Mozambique and Angola in August 2014; (e) opening trade offices; (f) applying for observer country status in the Economic Community of Western African States; (g) undertaking public-private trade missions to various African countries.

4.12. With regard to technical assistance and training of human capital, we note that Chile has made available 30 Master's degree scholarships for African professionals wishing to specialize at Chilean universities. This scholarship programme is known as the "Republic of Chile –Nelson Mandela Scholarship Programme".

4.13. In the specific case of Zambia, between last year and this year an agricultural project, "Community Farms in the District of Sichili", was implemented through the Chile Fund Against Hunger and Poverty and the Africa Dream Foundation.

4.14. In addition, Chile's strong desire to make a contribution to the objectives of the multilateral trading system and improve its trading links with the African countries most in need is also in evidence in the Chilean Law of 28 September 2013 eliminating tariffs for the 48 least developed countries. This unilateral, non-reciprocal tariff preference regime for LDCs provides for a zero rate on imports of goods originating in and coming from this group of countries.

4.15. Zambia and Chile share an interest and concern for the development of support policies for small and medium-scale mining, both countries being copper producers.

4.16. Although trade between Chile and Zambia is limited, we are certain that it can be increased in the coming years: hence our interest in this process and in Zambia's negotiations.

4.17. In relation to the present report, we are closely following Zambia's efforts to ensure the development and welfare of its population. We congratulate Zambia for its sound economic growth, which averaged 6.6% annually during the six years up to 2015. We encourage Zambia to continue to bring down inflation, which we know to be one of the Bank of Zambia's concerns.

4.18. We hope that Zambia will reduce the high cost of doing business. At the same time we believe, as the report indicates, that Zambia has introduced a number of positive reforms aimed at improving its business environment and attracting foreign investment. An example of this is the online system for business registration and the implementation of an e-registry. The establishment of the single window is also an interesting prospect.

4.19. We wish the Business Regulatory Review Agency, set up last year to review new proposals for licences, every success.

4.20. We would like to take this opportunity to congratulate Zambia for ratifying the Trade Facilitation Agreement and notifying its category A, B and C commitments.

4.21. Because we are aware of the importance for Zambia of agriculture, which provides subsistence for 70% of the population and accounts for 10% of GDP and total export revenue, we urge Zambia to modernize the sector and promote investment in an area where there is significant growth potential. We hope that Zambia will continue to develop its National Agricultural Policy, and urge it to continue diversifying its export basket.

CHINA

4.22. China is glad to see that Zambia registered strong growth against the backdrop of the global financial crisis since its last review in 2009. More importantly, the economic developments have improved the livelihood of its people and contributed to its social development. In the meantime, we also note that Zambia's economy is still much dependent on nature resources and vulnerable to external shocks. China is pleased to see the improvement on Zambia's trade and investment regime and we believe further integration into the global value chain would benefit Zambia's economic diversification and help to realize its "Vision 2030".

4.23. In the WTO, Zambia played a constructive role in the negotiation as a member of the G33, ACP, LDC and African group. We would also commend Zambia for its early ratification of the Trade Facilitation Agreement last December. We enjoy our good cooperation here in this organization and look forward to building stronger ties with our Zambia colleagues in the future.

4.24. On the bilateral front, China is Zambia's second largest trading partner. The bilateral trade volume was US\$2.4 billion in 2015. Last July, China has implemented duty free treatment to 97% of the import products from Zambia. And in the first quarter of 2016, our import from Zambia has increased 33% compares to last year. Looking ahead, China is ready to actively engage in Zambia's diversification and industrialization process, with deeper and wider cooperation in sectors such as industrial capacity, agriculture, infrastructure construction, finance and human resources development.

4.25. In this regard, we encourage Zambia to build a more investment-friendly environment by increasing policy predictability and transparency, facilitate business register and licensing procedures, and provide more convenience for foreign investments.

4.26. Finally, we appreciate that Zambia provided replies to the questions raised by China, which we will go through carefully. And I wish the trade policy review of Zambia a complete success.

UNITED STATES

4.27. We appreciate the Government of Zambia and the WTO Secretariat reports. Each describes the various challenges that Zambia must overcome and the questions it must address in order to achieve more effective participation in the global trading system, and to use trade as an instrument for realizing greater economic growth and development.

4.28. Zambia has made noteworthy progress since its last Trade Policy Review in 2009. It has continued to witness economic growth – averaging 6.6% since 2009 despite a slowdown in 2015. As the Secretariat's report points out, lower global demand and prices for copper in 2015 coupled with technical difficulties in Zambia's mining sector reflect Zambia's continuing overreliance on copper and mining for the nation's economic growth, and the negative impact the sector can play on the nation's well-being during down times. But we also recognize the Government of Zambia's efforts to implement reforms aimed at improving the business environment and attracting foreign investment to help boost the country's competitiveness and diversify its economy.

4.29. The United States enjoys a vibrant bilateral trade relationship with Zambia. Two-way United States-Zambia goods trade totaled US\$143 million in 2015 – a 112% increase since the last review, mainly due to an increase in U.S. imports of jewelry from Zambia, as well as an increase in

U.S. exports of a variety of manufactured products. Zambia is eligible for trade preferences under the African Growth and Opportunity Act (AGOA), which has been extended through 2025. In recent years, substantially all U.S. imports from Zambia have entered the United States duty-free, under the Generalized System of Preferences (GSP), zero-duty most-favored-nation provisions and, to a lesser extent, AGOA.

4.30. During the period of review, Zambia exported a very limited number of products to the United States under the provisions of AGOA. We encourage the Government of Zambia to develop an AGOA utilization strategy to take better advantage of the programme, and as called for in the latest AGOA legislation. In this connection, we are pleased to note our partnership with Zambia under Trade Africa, which is an initiative launched during the Obama Administration aimed at increasing African regional trade, as well as trade with the United States. Under our Trade Africa partnership with Zambia, we are committed to working with the Government of Zambia not only to help it make greater use of the benefits of AGOA to increase bilateral trade, but also to help it improve its capacity to boost regional trade and make the most of the opportunities afforded by its membership in the WTO.

4.31. We are also pleased to note that Zambia is involved in two other major initiatives related to economic growth and development: the Millennium Challenge Account, administered by the Millennium Challenge Corporation (MCC), and Feed the Future, the United States' global hunger and food security initiative. In 2012, Zambia signed an MCC compact, which entered into force in 2013. The US\$355 million compact will help improve drainage, water and sanitation in the capital city of Lusaka, as well as the Government of Zambia's ongoing efforts at water sector reform. Zambia is also a partner in the U.S. Feed the Future Initiative, which aims to decrease hunger and poverty by improving food security. We look forward to our work and increased cooperation with Zambia as it moves ahead to boost its food security.

4.32. We enthusiastically commend Zambia's ratification of the WTO Trade Facilitation Agreement (TFA), as noted in the Secretariat's report. The TFA will set the stage for more efficient customs and border procedures and coordination in Zambia. We stand ready to work with Zambia to ensure its timely implementation of the agreement.

4.33. We agree with the Secretariat's report that Zambia's participation in the multilateral trading system remains limited. We encourage Zambia to continue to work towards establishing a transparent trade policy process that will allow for more active engagement in the multilateral trading system and more follow-up on multilateral issues, recognizing the capacity challenges Zambia faces. We also encourage Zambia to continue efforts to improve implementation of the WTO agreements, including the Customs Valuation, Sanitary and Phytosanitary (SPS), and Technical Barriers to Trade (TBT) Agreements.

4.34. We also want to acknowledge our appreciation for the thorough responses Zambia provided to our written questions.

4.35. To conclude, the United States stands ready to work with Zambia, and appreciates the opportunity to participate in this review of Zambia's trade policy. We look forward to our dialogue with the Government, both within the WTO and on a bilateral basis.

BRAZIL

4.36. The delegation of Brazil listened with attention to the presentation on the current state-of-play of the Zambian economy and trade policy strategy. Brazil takes great interest in this exercise – in particular, in light of the circumstances surrounding Zambia's trade policy as a Least-Developed Country Member of the WTO, and the challenges posed by this circumstance to its integration in the global economy.

4.37. Brazil would like to emphasize the robust average rate of GDP growth – of 6.6% – recorded by Zambia between 2009 and 2015. Since the last review, investments inflows almost quadrupled. The reforms undertaken by the Zambian Government with a view to enhancing the business environment, such as the streamlining of business registry have most certainly played a role in this commendable performance.

4.38. Zambia is, nonetheless, faced with the challenges posed by high inflation caused among other factors by the depreciation of its currency. The falling prices of copper have also impacted Zambia's economic performance - in particular its current account results - in recent years. Zambia's economy still relies largely on the mining sector and, more specifically, on copper. As many commodities exporters Zambia still faces the daunting challenge of diversifying its economy.

4.39. Brazil commends Zambia's engagement to trade liberalization and its support to the multilateral trading system. Brazil would like to congratulate Zambia for its ratification of the Trade Facilitation Agreement and the notification of the categories A, B and C commitments.

4.40. With regard to our bilateral relations, Zambia and Brazil have a long history of diplomatic ties – harking back to 1970s – which has received a recent push by the reopening of the Brazilian Embassy in Lusaka in 2007, leading to increased bilateral trade and investment flows.

4.41. However, despite this history of diplomatic friendship, trade and investment relations between Zambia and Brazil have yet to achieve their full potential. Bilateral trade is still very small and trade flows suffered from sharp fluctuations in the last years. We recorded an increase in imports from Zambia last year, due to a spike in shipping of copper. In the same period, Brazil's exports of agricultural machinery suffered a substantial drop by 80%. We hope to see greater diversification in the future with a wider range of products being traded bilaterally.

4.42. Brazilian investors have also been showing growing interest in the Zambian market. A Brazilian mining company established commercial presence in Zambia in 2010 and it is now a partner in the Lubambe copper mine joint venture, investing in the Zambian economy and generating jobs. Other Brazilian companies have been looking attentively at business opportunities offered by the Zambian Government's projects in different areas such as the energy and construction sectors.

4.43. Zambia enjoys a strategic position in the very heart of sub-Saharan Africa. This location and the efforts by the national Government aiming at converting Zambia from a "landlocked" into a "land-linked" country turn Zambia into a fundamental partner in the African continent.

4.44. Brazil presented some questions to Zambia in connection to this TPR, and we appreciate their efforts in providing answers that will be reviewed carefully by my colleagues in our capital.

EUROPEAN UNION

4.45. Following a long period of political stability, Zambia enjoyed a high growth rate until 2011 with a 5.7% GDP growth average during the period from 2002-2012. Zambia also achieved a lower middle-income status. However, this should not disregard the fact that the proportion of people living in poverty remains very high with an estimated 23.4% in urban areas compared to 76.6% in rural areas, while the extreme poverty is 40.8% at national level.

4.46. Macroeconomic fundamentals deteriorated in the last few years, with growing fiscal deficits and debt in 2014 and 2015. The falling price of copper, which is an important and growing component of Zambia's trade (it grew from 41% to 73% of all Zambia's exports between 2008 and 2014) has certainly played a role in this situation together with certain adverse public policy choices. In addition, the shortage of power caused by abnormally low water levels has contributed to worsen the economic situation and make trade and commercialization of goods even more difficult from July 2015. All this has been reflected in the depreciation of the Zambian Kwacha.

4.47. After its March 2016 mission, the IMF observed that the economy is under intense pressure and Government finances under immense stress. The IMF also indicated that a package of measures making clear that fiscal pressures are being tackled would boost market confidence and pave the way for increased investment and growth. According to the WTO Secretariat report, the IMF considers Zambia's potential as strong.

4.48. The EU would like to highlight that Zambia ratified the Trade Facilitation Agreement and notified its Category A, B and C commitments. This is an important step and very much welcomed

as it shows Zambia's commitment to promoting trade which is an engine for its growth. The EU also supports Zambia's call to donors to coordinate their assistance on trade facilitation.

4.49. We are convinced that there are policies that Zambia can adopt which would help its development further. Among those we think that priority should be given to ensuring predictability and stability in the business environment while pursuing further efforts to facilitate business and attract investors. Consultations with stakeholders should be promoted and actively pursued. An example here is the case of the imposition of royalty taxes on mines, which was done without adequate consultation and resulted in businesses reversing investment decisions. Investing more in education, in order to ensure that the necessary skills are available and can be tapped by investors, is also fundamental.

4.50. The EU has raised a number of advance written questions to Zambia. Among them, we would like to know how Zambia sees its involvement with its regional trade partners, in particular its participation in both COMESA and SADC. The EU is interested in further details on how Zambia intends to manage the potentially contradicting obligations that may result from its double membership in these regional organizations.

4.51. Regarding our bilateral trade relations, Zambia benefits of the "Everything But Arms" scheme and therefore all its exports except arms and ammunition enter the EU duty free and quota free. The EU supports Zambia's strategic goals and provides important development assistance (about €484 million for the 11th European Development Fund). The assistance provided under that Fund covers among others the following sectors: agriculture, energy, governance, including public finance, to mention just a few.

4.52. Zambia rightly considers that trade is a crucial engine for its growth, and the EU hopes that this review will bring important insights to Zambia for its future trade policy choices. Let me conclude by wishing Zambia a very successful Trade Policy Review.

MAURITIUS

4.53. Mauritius commends Zambia for its overall economic performance recording an average real GDP growth of 6.5% per annum for over the past 6 years.

4.54. We also commend the Zambian Government on the reforms undertaken aimed at improving the business climate and attracting investment, namely the online system for business registration.

4.55. Similar to reforms which have taken place in Mauritius, Zambia has established a Business Licensing Reform Committee to review licensing affecting business operations. This is indeed a very good step as over regulation stifle enterprise development and investment.

4.56. The establishment of the Business Regulatory Review Agency is definitely a very good step and would send the right signal to the outside community.

4.57. With respect to its multilateral obligations, Zambia has ratified the WTO Trade Facilitation Agreement. As a landlocked country, trade facilitation and trade in services are extremely important to Zambia as well for Mauritius as we are a small island developing country.

4.58. Our two countries share common membership of the SADC and COMESA. We cooperate actively in various instances internationally as well as at the continental level through a shared aspiration for effective continental integration and deepened regional trade through the SADC-EAC-COMESA Tripartite Free Trade Area Negotiations.

4.59. Mauritius also pursues the same vision as Zambia under the Accelerated Programme for Economic Integration aimed at reducing the barriers to trade in the region together with Mozambique, Seychelles and Malawi.

4.60. Our two countries are highly vulnerable to exogenous shocks and external pressures. Any setback on the international economic landscape impacts us directly whether it is the price of

copper or agricultural products for Zambia or impact on the tourism industry or manufacturing sector in Mauritius.

4.61. We laud the vision of the Government of Zambia in its Vision 2030 to make Zambia "a prosperous Middle Income Country". Similarly we have our own economic vision to transform Mauritius into a high income economy by 2030. Our overarching aim is to improve the lives and conditions of our respective peoples.

4.62. We are encouraged by the significant efforts by the Government of Zambia for creating the enabling environment aimed at promoting economic diversification, private sector led growth through an inclusive growth approach. We urge the traditional development partners and the international community to lend its sustained support to the Government of Zambia as it aims to sustain macroeconomic stability, low inflation, attract FDI, and continues to engage at regional and multilateral level on substantive trade policy issues.

4.63. On the bilateral front, Mauritius and Zambia have established a Joint Commission which provides a platform for the two countries to discuss issues of mutual interest.

4.64. Our trade relations need to be improved with imports level varying primarily on the level of cotton fibre imports from Zambia. We have seen a surge in export and we intend to diversify the range of export products. This is evidenced by Mauritius being one of the major source of fertilizer, wheat and textiles imports for Zambia.

4.65. Mauritius also intends to broaden the areas of cooperation initiated between our two countries. The Investment Promotion and Protection Agreement has entered into force this year.

4.66. We have proposed to Zambia the renegotiation of the Bilateral Air Services Agreement, and on MoU on Cooperation in the field of Tourism and Aquaculture. We also look forward to collaborate on the MoU on Movement of Business Persons as well as Professional and Tertiary Education Mobility.

MALI

4.67. My delegation would like to commend the Zambian Government on its realistic medium term macroeconomic orientations. Against a backdrop of remarkable macroeconomic stability since 2009, Zambia has enjoyed an average GDP growth rate of 6.5%, with single digit inflation. Its debt is perfectly sustainable, representing 28% of GDP in 2013, with a public debt to GDP ratio of 52%, below the internationally acceptable threshold of 56%. We applaud Zambia's achievement in this respect.

4.68. In order to achieve its objective of becoming a "prosperous middle income country by 2030", Zambia opted for a reform programme for the development of the private sector which focuses on improving the business climate and reducing the cost of doing business.

4.69. The mainstreaming of trade into the different sectoral policies and strategies outlined in the National Development Plan and the considerable simplification of procedures through an export licensing reform programme testify to the Zambian Government's determination to create the best possible conditions for business.

4.70. Zambia's conspicuous presence in the different negotiations at the WTO and in the framework of COMESA, the SADC and the East African Community is a strong indication of its commitment to the multilateral trading system and to African integration, for which it deserves credit.

4.71. Mali has excellent bilateral relations with Zambia, and we welcome those relations. My delegation encourages Zambia to pursue and persevere with the reforms it has begun and to diversify its economy in order to ensure sustained long-term growth. We wish Zambia every success with this trade policy review.

LESOTHO

4.72. We acknowledge the measures that the Government of Zambia has taken since the last review. At the center of these initiatives we note the primacy of the Revised Sixth National Development Plan which serves as a blueprint towards realizing Vision 2030. The plan has, fittingly, emphasized the fundamental role of international trade as an engine for economic growth and development.

4.73. We also take note of both the enactment and amendment of various laws including Competition and Consumer Protection Act, Copyright and Performance Rights Act, Business Regulatory Act to name but a few, which augur well for trade and investment to thrive in the country.

4.74. The progress that Zambia has made in the area of trade facilitation is also indeed worthy of note. Zambia ratified the WTO Trade Facilitation Agreement in December 2015, and notified its Categories A, B, and C commitments in January 2016. Zambia has also put in place ASYCUDA World system, and established centralized centres to process import and export documents to simplify and modernize customs procedures. More importantly, it is encouraging that all customs posts assigned for clearance of commercial consignments are automated, and all declarations are electronic.

4.75. These efforts coupled with initiatives to improve business registration process, through various online systems such as e-Single Window, eVisa, Tax Online, Integrated Land Management and Information system (ZILMIS) are poised to reduce the costs of doing business in Zambia and as well as attracting foreign direct investment (FDI). In this regard, it is also interesting to notice that the FDI inflows into Zambia quadrupled between 2009 and 2014.

4.76. Despite the successes, we note that Zambia, like other Members, face challenges which merit increased technical assistance and thus any requested support should be extended to Zambia in its pursuit to promote trade and investment.

KINGDOM OF MOROCCO ON BEHALF OF THE AFRICAN GROUP

4.77. I am making this statement on behalf of the African Group.

4.78. It is a great pleasure for the African Group to participate in this trade policy review of an African country, Zambia. I am convinced that this is an opportunity for Members of our Organization to take stock of the economic and trade reforms of our friend and fellow nation in the multilateral trading system.

4.79. The Zambian economy has the third highest GDP in southern Africa, and has grown at an average rate of 7.5% over the last ten years.

4.80. Zambia ranks seventh among the countries of Sub Saharan Africa in the Global Competitiveness Index. Until 2013, growth was led by the mining sector thanks to the rise in world prices. Zambia is the second largest producer of copper in Africa after the DRC, and ranks eighth in the world.

4.81. Zambia has also benefited from an active economic diversification policy, supported by donors. Foreign direct investment flows reached US\$2 billion over the past three years.

4.82. At the same time, Zambia remains committed to creating favourable conditions for trade. Accordingly, the Government continues to promote and facilitate trade in order to ensure optimal allocation of the country's limited resources by mainstreaming trade into the various sectoral policies and strategies outlined in the National Development Plan.

4.83. The Government is also pursuing reforms with a view to improving the conditions in which companies operate. These reforms, which include business licensing, labour, and trade expansion, aim to improve the economy's competitiveness through investment, productivity, business expansion and employment.

4.84. The Zambia Development Agency (ZDA) was created in line with the national investment promotion strategy. It is responsible for fostering economic growth and development in Zambia by promoting trade and investment and introducing an efficient, effective and coordinated private sector led economic development strategy.

4.85. The African Group also welcomes Zambia's commitment to the vision of free trade as a necessary condition for increased competitiveness and productivity in the long term.

4.86. It is in that spirit that Zambia is participating in the multilateral negotiations under the WTO and is negotiating, in the framework of COMESA, an economic partnership agreement with the EU in line with the Cotonou Agreement.

4.87. The country is also engaged in negotiations under the COMESA Southern African Development Community (SADC) East African Community (EAC) tripartite initiative, which resulted in the launch of the Tripartite Free Trade Area in June 2015, as well as the negotiations to establish the Continental Free Trade Area under the African Union by 2017.

4.88. Zambia has been a WTO Member since January 1995, having joined the GATT in February 1994. It is a supporter of the multilateral trading system. Like the African Group, its main interests lie within the scope of the DDA. Zambia is among the few African countries to have ratified the WTO Trade Facilitation Agreement and notified their commitments under all three categories of the Agreement.

4.89. Moreover, Zambia supports the strengthening of the technical assistance programmes in favour of the developing and the least developed countries (LDCs) in several WTO fields, a vision which is broadly shared by the member countries of the African Group.

4.90. In my national capacity and on behalf of the Kingdom of Morocco, I would like to thank the Government of Zambia for its efforts over the past few years to create conditions that are conducive to the development of trade and investment as well as for its dynamic role in multilateral trade.

SENEGAL

4.91. Senegal associates itself with the statement made by Morocco on behalf of the African Group and notes that, since Zambia's last trade policy review in 2009, the country has pursued its efforts to revitalize its economy which, over the period, achieved a highly respectable growth rate of 6.6%.

4.92. My delegation welcomes the new economic dynamism generated by the Revised National Development Plan, whose main objectives are to create jobs through targeted and strategic investment, to promote rural development and to foster human development by investing in the social sector.

4.93. By placing emphasis on these strategic growth sectors, the plan should help to diversify the country's economy, improve the economic and business environment, and give a boost to the productive investment that the country needs.

4.94. We particularly welcome, in this connection, the Zambian authorities' decision to place agriculture at the heart of this development policy, given the predominant role of agriculture in job creation (70% of the active population). As regards trade policy, I am pleased to note that Zambia remains committed to the multilateral trading system, as evidenced by its ratification of the Trade Facilitation Agreement and by the Government's reforms in this area, with the elimination of trade barriers.

4.95. In this connection, we welcome the reforms aimed at simplifying and rationalizing customs procedures, including the introduction of an efficient and modern border system.

4.96. The country being landlocked, regional integration is a key factor in Zambia's development, and should make it possible to take full advantage of the bilateral, regional and multilateral agreements in the framework, for example, of COMESA and the SADC.

4.97. Before concluding, I would like to encourage the Government of your country, a friend and a brother to my country, to pursue the efforts already undertaken to reduce inflation, strengthen supply side capacity, diversify production and exports, and promote the development of the services sector.

4.98. It is through these efforts that your country will undoubtedly attain the objective set out in its Vision 2030 to become a prosperous middle income nation.

CONGO

4.99. We commend the Zambian delegation for its significant contribution to the multilateral activities of the WTO in Geneva and to the African Group.

4.100. As with many African countries, Zambia's economy is still dependent on a single commodity, in this case copper, making it vulnerable to market fluctuations. The Report rightly highlights numerous challenges facing the country, starting with the diversification of the Zambian economy. At the same time, the Report mentions the progress made in many areas, including the improvement of the business climate, thanks to which Zambia has risen in the corresponding rankings and progressed in its aim to become a prosperous middle-income nation.

4.101. We encourage Zambia to pursue its efforts to improve its legislative and institutional framework and take full advantage of the agricultural potential provided by its rich arable land. Its involvement and role in ongoing activities in the SADC is an unquestionable asset in its efforts to overcome its landlocked status.

4.102. In a global context, it is natural that the prospect of African integration, with all the opportunities it offers, could considerably boost Zambia's economic growth potential. We welcome the constant commitment of the Zambian authorities to the creation of a continental economic zone.

4.103. The Congo wishes Zambia every success with its fourth Trade Policy Review.

THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

4.104. As we can see from the reports, the Government of Zambia has successfully maintained annual growth of the economy at an average rate of 6.6% over the last few years, while at the same time managing to keep the rate of unemployment down at around 13%, which is a commendable achievement.

4.105. It is important that Zambia continues to develop its regional and bilateral cooperative trading relationships, while at the same time actively participating in the regular work of the WTO, expanding economic cooperation with other Members, and striving to diversify its economy.

4.106. It is noted that the Government of Zambia has designated agriculture, manufacturing, energy, construction, tourism and mining as the key growth sectors for creating a more prosperous economy and favourable business environment. We look forward to having the opportunity of working more closely with Zambia in the future, especially in the manufacturing, energy and tourism sectors. I just like to point out that there were over 13 million outbound visitors from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to various parts of the world in 2015. With beautiful scenery and unique wildlife, there is a great potential to encourage our tourists to visit Zambia.

4.107. Although the value of two-way trade between us and Zambia is only about US\$90 million a year at present, we are sure that the multilateral trading mechanism that bonds us together through the WTO provides plenty of opportunities for us to develop closer trade and economic cooperation in the future.

ZIMBABWE

4.108. My delegation is pleased to note that Zambia has made significant progress on various fronts during the period currently under review. The country achieved strong economic growth

which averaged 6.6% between 2009 and 2015, and the Gross National Income per capita rose to US\$1,680 in 2014 thus making Zambia a lower-middle income country.

4.109. This progress has been achieved in spite of a number of economic challenges that Zambia continues to grapple with including over-reliance on copper, which is the country's major export earner. This has resulted in economic vulnerability to exogenous shocks. Other challenges include weak infrastructure, complex administrative procedures and lack of adequate finance, high cost of doing business and uncertainties related to macroeconomic policies.

4.110. It is pleasing to note that Zambia also performed well in terms of attracting foreign direct investment between 2009 and 2014 resulting in a fourfold increase from US\$700 million to US\$2.5 billion. However, due to limited diversification, FDI was largely destined to the mining sector. We, therefore, call upon the development partners to support Zambia's diversification strategy through provision of technical assistance and funding to address the economic challenges.

4.111. In order to maintain progress in certain areas and mitigate the country's drawbacks, Zambia has adopted and implemented various programmes which include the Revised Sixth National Development Plan (2013-2016), reforms in the investment regimes which have seen the country improving its ranking on the ease of doing business from 100 in 2009 to 97 in 2016, and global competitiveness from 112 in 2008/09 to 96 in 2015/16. We would like to encourage Zambia to maintain this positive trend.

4.112. At the multilateral level, Zambia is an active Member of the WTO. Both Zambia and Zimbabwe are active members of the Common Market of Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Both countries are also involved in the COMESA-EAC-SADC Tripartite Free Trade Area and the Continental Free Trade Area initiatives that are meant to liberalize and promote trade in Africa.

4.113. On the bilateral front, Zimbabwe has strong historical and cultural ties with Zambia. Trade and political relations with Zambia date back to the colonial days of the Federation of Rhodesia and Nyasaland when the two countries were tied in a Federation involving what is now Zimbabwe, Zambia and Malawi. The two countries continue to enjoy cordial relations.

4.114. Zambia is amongst the five top trading partners of Zimbabwe. Zimbabwe exports among other products; coking coal, sulphuric acid, cement, frozen fish, footwear and ferro-chromium to Zambia. Imports from Zambia include maize and maize seed, soya beans, sacks and bags of polymer and electricity among other products.

4.115. Trade between the two countries has gradually increased over the period to 2012. Total trade was over US\$282 million in 2014 which was a decrease from over US\$500 million recorded in 2012. This trade is largely governed by the COMESA Treaty and the SADC Protocol on Trade. Periodic Joint Permanent Commission meetings are convened between the two countries to discuss matters of mutual interest including trade and investment.

4.116. With a view to facilitating trade, the two countries are jointly implementing the "Simplified Trade Regime" programme which seeks to reduce the burdensome procedures in the clearance of goods by Small and Medium Enterprises importing goods below US\$1000. The two countries operate a One-Stop-Border system at Chirundu Border Post. This has significantly improved border efficiency and speedy clearance of goods as well as reduction of trade costs.

PARAGUAY

4.117. We welcome Zambia's participation in this exercise, at a time when the country is enjoying sound economic performance and its trade is expanding.

4.118. Zambia's economy has experienced an average real GDP growth rate of 6.5%, well above the world average. This was mainly driven by good performance in agricultural output and positive growth in the transport, storage and communications, and construction sectors.

4.119. As stated by the Deputy Minister, the macroeconomic environment has generally been stable, with low fiscal deficits, although inflation rates were somewhat erratic in 2015 owing to the sharp depreciation of the local currency.

4.120. Zambia's economic policies were directed at creating an enabling environment that was supportive of the private sector as an engine of growth and sustainable development. The major policy thrust has been economic diversification and promotion of value-added products for inclusive growth through employment and wealth creation. This is reflected in the Sixth National Development Plan (2011-2015) and the Revised Sixth National Development Plan (R-SNDP) (2013-2016), which are anchored to Zambia's Vision 2030 of becoming a prosperous middle income country by 2030.

4.121. As we have seen in the Secretariat and government reports, during the period under review the major focus of Zambia's policy interventions included export promotion, investment promotion and trade facilitation as well as diversification, enhancing domestic trade and competition, and improving market access for Zambian products and services.

4.122. However, as mentioned by the Members that preceded us, Zambia still faces a number of challenges here at the WTO, for example: increasing the coverage of its bound tariffs, narrowing the gap between bound tariffs and applied tariffs, and other issues relating to customs valuation and the notification system.

4.123. At the same time, I would like to point out that Zambia and Paraguay share certain features: both countries are situated on booming continents, and neither has direct access to the sea. Zambia is one of Paraguay's strategic allies in the Group of Landlocked Developing Countries both at the WTO and UNCTAD. This was reflected in the Group's active participation in the Trade Facilitation Agreement negotiations, and above all in the finalization of the Vienna Programme of Action for Landlocked Developing Countries.

4.124. During the review period, trade flows between Paraguay and Zambia remained well below potential, and we therefore see this as a matter on which our governments should place greater emphasis.

4.125. To conclude, it should be pointed out that Paraguay and Zambia share the same vision of the future of the multilateral trading system: both countries are in favour of swift implementation of the Trade Facilitation Agreement and a future post-Nairobi work programme focussing on free trade and development.

INDIA

4.126. India-Zambia relations are historic, friendly and expanding. The Zambian Vice President, Mrs. Inonge Wina, represented Zambia at the III India Africa Forum Summit held in New Delhi in October 2015. During the period under review, the bilateral trade grew by 83% from US\$422.4 million in the year 2008-09 to US\$773.51 million in the year 2015-16. Indian exports to Zambia increased to US\$298 million in the year 2015-16 from US\$107 million in the year 2008-09. Indian imports from Zambia increased to US\$475.38 million in the year 2015-16 from US\$208.40 million in 2008-09. Zambia maintains a trade surplus with India. On the investment front, Indian investments in Zambia are estimated to be over US\$3 billion, in sectors such as banking, mining, coal handling and washing plants.

4.127. Over the years, India has been a close development partner of Zambia and has provided economic assistance in the form of concessional credit for undertaking development projects, as well as capacity building initiatives through scholarships for various higher education courses and technical training under the Indian Technical and Economic Cooperation (ITEC). Construction of a 650 pre-fabricated health posts project is underway in Zambia, 120 MW Itezhi Tezhi Hydropower Project (ITHP), a joint venture project of Zambia's State Power utility ZESCO and TATA Power of India, which was commissioned by President Edgar Lungu in March 2016, are some of the infrastructure projects implemented by India under concessional lines of credit.

4.128. India has extended duty free quota free market access to LDCs, and we are pleased to note that Zambia has been benefitting from the Duty Free Tariff Preference Scheme. Of Zambia's

top 20 export items, India provides duty-free access to 15 items and preferential duty on another one item. India has accorded preferential treatment to Zambia's services and service suppliers under its LDC services waiver scheme.

4.129. Let me highlight some specific concerns, which particularly affect India's trade with Zambia. These include: (i) a delay involved in grant of work visas and extension of the same, which is acting as a barrier to free trade; and (ii) problem of non-acceptance of test certificates by the concerned Zambian authorities of certificates issued by the Central Power Research Institute of India in respect of electrical equipment and machinery. We would request the Zambian authorities to review its policy and procedures regarding work visas to professionals as well as the requirement of certification from a third country other than the country of origin, to facilitate bilateral trade.

4.130. India is impressed with: (i) Zambia's relatively strong economic growth at an average rate of 6.6% per year from the year 2009 up to 2015; (ii) Zambia becoming a lower-middle income country in 2014 with a GNI per capita of US\$1,680 as per the World Bank classification; and (iii) Zambia achieving notable improvements in life expectancy at birth and education, which helped Zambia to move into the medium human development category as per UNDP's 2015 Human Development Report. We commend Zambia for implementing several reform measures aimed at improving its business environment and attracting foreign investment like an online system for business registration and an e-registry. We have noted that Zambia has defined its development agenda through its Vision 2030 and the Sixth National Development Plan (SNDP) to become prosperous middle-income country by 2030. The Plan is organized around the theme of "broad based wealth and job creation through citizenry participation and technological advancement."

4.131. We also note that a number of structural challenges facing the Zambian economy. A large part of economic activity is supported only by copper mining and copper continues to be by far the top export earner of the country, contributing over 70% of exports. Infrastructure gaps, limited access to finance and market access opportunities, in a context of limited regional integration, impede strong and sustainable economic expansion. We encourage Zambia to consolidate the macroeconomic gains to ensure sustained and inclusive economic development, to intensify efforts towards fiscal consolidation and accelerate the pace of diversification of the economy.

4.132. We commend Zambia's commitment to the multilateral trading system and active participation in the Doha round negotiations as a member of ACP group, Africa Group, G-90, LDC Group, G-33 and W-52 group, to ensure a successful, balanced, fair and equitable outcome that fully address the concerns of developing countries. To conclude, we look forward to working with the Zambian authorities in further expanding our trade and investment ties for mutual benefit.

BENIN

4.133. Zambia has undertaken a number of reforms in connection with the implementation of the recommendations made following its last trade policy review.

4.134. These reforms concern:

- the agricultural sector, which employs 50% of the population and produces a food surplus which was estimated at more than 1,277,102 Mt in 2014;
- the mining industry, with the new Mines and Minerals Development Act No. 11 of 2015;
- the rehabilitation of key infrastructure: the Tourism Policy of 2015 and the Draft Wildlife Policy of 2016 were developed in conformity with the international convention;
- liberalization of the international telecommunications gateway in order to promote competition and foreign investment in the sector and reduce the cost of communications;
- energy, with the introduction of several measures to mitigate the short term effects of climate change.

4.135. These economic reforms were supported by those introduced in the commercial sector to promote trade, namely laws and regulations governing trade and multilateral, regional and bilateral trade arrangements.

4.136. These efforts, which were welcomed, produced results that bear witness to the economic health of a country which, over the past ten years, has achieved an average growth rate of 6.5%.

4.137. The delegation of Benin would like to take this opportunity to urge the technical and financial partners to continue assisting Zambia in its efforts to promote economic and social development.

4.138. The delegation of Benin thanks the WTO Secretariat for its excellent work in preparing this meeting and for the quality of the documents produced.

SINGAPORE

4.139. Singapore enjoys friendly relations with Zambia. Our bilateral trade stood at almost S\$40 million last year and is dominated by trade in goods. Singapore imports refined copper, reptile skins, sapphires and emeralds from Zambia and exports medical instruments, aircraft parts and rubber tyres to Zambia. We are confident that bilateral trade will continue to grow as Zambia becomes more integrated into the multilateral trading system.

4.140. We commend Zambia for committing itself to furthering trade liberalization and improving its Global Ease of Doing Business rankings by streamlining its business registration processes.

4.141. We also commend Zambia for its contributions to the multilateral trading system through its acceptance of the Protocol Amending the TRIPS Agreement and its ratification of the Trade Facilitation Agreement. Singapore Customs worked with the World Customs Organization to provide technical expertise for Zambia's Customs modernization efforts last year, particularly in its efforts to develop a Single Window Environment. We thus welcome the news that Zambia is establishing an electronic single window as part of its trade facilitation efforts.

4.142. Singapore stands ready to partner with Zambia to improve and enhance the multilateral trading system.

JAPAN

4.143. A report by the Secretariat notes that Zambia has shown a robust economic growth recently. Although its economy decelerated in 2015, the average economic growth rate from 2009 to 2015 is approximately 6.6%, which is remarkable.

4.144. We carefully read the report, noting that this recent deceleration in Zambia's economy has been due to technical difficulties in the mining sector and weaker global demand for copper. Although Zambia has depended on copper mining for years, Japan knows Zambia is now doing great efforts on diversifying its economy, which can contribute to a stable economy in the future. Japan truly commends this attitude. Agriculture and tourism also seem to be promising industries for the country.

Trade policy/investment policy

4.145. Now, let me make some specific comments on its trade policies and investment policies.

WTO

4.146. In terms of the TF Agreement, Zambia ratified the agreement last December. Japan positively evaluates its effort on that.

RTA

4.147. Other than the WTO, Zambia has made great efforts to improve its trade policies, especially in the area of FTAs. According to the Secretariat report, Zambia has vigorously participated in several FTA negotiations. The country signed FTAs with Angola and with the DRC. Japan also carefully read the report noting that Zambia has been actively engaged in negotiations of FTAs with the COMESA and the EAC, as a member of the SADC, as well as the negotiation with the EU as a member of the ACP group. Zambia has also made efforts on creating the CFTA.

4.148. Japan commends Zambia on its efforts to liberalize trade, and hopes that these RTAs will contribute to the multilateral trading system.

Investment policy

4.149. Finally, please allow me to briefly comment on its investment policy.

4.150. During the review period, Zambia performed relatively well in terms of foreign direct investment (FDI). The inflows increased almost fourfold, from nearly US\$700 million to US\$2.5 billion between 2009 and 2014.

4.151. This situation seems to be quite positive, but unfortunately large part of Zambia's FDI has gone only to the mining sector. In order to allow its economy to be more resilient, the diversification of its economy is one of the keys, which results from an improved business environment. However, Zambia has many factors which make foreign investors hesitate when investing in this country. The high costs of doing business, unreliable energy, weak access to finance, high interest rates, all of which are key factors.

4.152. Japan recently learned that the Zambia's policies have been implemented without sufficient consultation process with the related stakeholders, and that recent interest rate hikes by private financial institutes have negatively impacted Zambian SMEs' financial situation. This may hinder economic growth at the end of the day.

4.153. Japan encourages Zambia to keep improving its business environment.

4.154. In conclusion, I would like to express our strong wish to continue cooperation between Zambia and Japan.

KENYA

4.155. Kenya and Zambia have long-standing relations, which have deepened over the many years of diplomatic and economic relation.

4.156. We note that Zambia's economic growth has been accelerating over the period under review, posting average rates of 6.6%. This was mainly driven by the mining sector which remains an important pillar of its economy.

4.157. We also note that Zambia remains committed to the pursuing policies aimed at the enhancing market access at bilateral, regional and multilateral level. As Member of the WTO, Zambia is firmly committed to the multilateral trading system. We are pleased to note that during the review period it pursued its efforts to liberalize and facilitate trade. Zambia ratified the WTO Trade Facilitation Agreement in December 2015, and its Categories A, B, and C commitments in January 2016.

4.158. Kenya welcomes Zambia's efforts to reform and improve business environment. We comment the initiatives introduced like an online system for business registration and an e-registry and the Business Licensing Reforms which will, no doubt, reduce the cost of doing business. We would also like to comment Zambia's efforts to diversify its economy away from mining Copper and Cobalt which constitute 97% of highly mineral exports.

4.159. On the bilateral front, Zambia and Kenya have maintained a friendly and cordial economic and trade relations over the years. This relationship has been strengthened by several high level visits over the recent years.

4.160. In 1982, Kenya and Zambia established the Joint Permanent Commission for Cooperation. This framework enables the two countries to cooperate on a wide range of areas namely agriculture and livestock development, public sector reforms, road safety and infrastructure development, energy and immigration among others.

4.161. During the review period, bilateral economic and trade cooperation continued to grow. According to Secretariat report, Kenya's export to Zambia increased from 1.6% in 2008 to 8.1% in 2014. Kenya's main export products were: tobacco, soap, margarine, and shortening, tubes and pipe fittings made of iron and/or steel, veterinary medicaments and plastic plates and sheets. Subsequently, Zambia's main exports to Kenya included: copper and copper products, sugar, maize, liquefies propane and butane, equipment for distributing electricity, seeds and fruit for extraction of vegetable oils. Copper wire forms the largest share of Zambia's export to Kenya.

4.162. Finally, Kenya once again welcomes the efforts by Zambia in enhancing its overall economic growth and development and ensuring a more open regime through multilateral, regime integration and bilateral initiatives.

MALAWI

4.163. As everybody should know, later this year the people of Zambia will go to the polls in a General Election. It is, therefore, a mark of commitment and seriousness to the TPR that we have such a high-level delegation when the honourable Minister is supposed to be campaigning. Elections, particularly equal and free polls, are a vital ingredient in the process of entrenching a culture of democracy and stability in any democratic country and significantly contribute to trade and development. We, therefore, wish the people of Zambia peaceful and successful general elections.

4.164. It is pleasing to note that Zambia continues to register economic growth during the period under review with an average growth rate of a peak of 6.6%. We have also taken note that, thanks to successful implementation of the Agriculture Policy in Zambia, the agricultural sector along with the mining sector, remains vibrant and is significantly contributing to the growth of the economy. The high performance enabled the sector to register the food surpluses in the past few years. The surplus Zambia achieved in 2014 was very timely for Malawi as it came at the right time when we were grappling with the double impact of the worst floods in recent history which affected nearly half of Malawi and drought which also hit some parts of the country. The import of maize from just across the border enabled us to address the food deficit at a reasonable transport cost.

4.165. We commend the governor of Zambia for seeing reason in increasing investment in agriculture. As the sector employs over 50% of the country's labour force, it therefore serves as an effective tool for promoting inclusiveness in the economy and is clearly unparalleled mechanism for eradication of poverty in the country. Investment in technology through technology transfer can significantly raise production of the agriculture sector.

4.166. It is also pleasing to note that the Government of Zambia is planning to promote irrigation in the country. As the world continues to suffer the impact of climate change, developing countries continue to bear the brunt of this vice. Harsh weather conditions continue to frustrate progress in agriculture through erratic rains, devastating floods and droughts. These adverse weather conditions coupled with poor storage facilities can make a country swing from food sufficiency to deficiency within a short time. Malawi bears testimony to this as the impact of El Niño has reduced the country's harvest by almost 50% thus leaving a huge food deficit. Investment in irrigation is a sure way of guaranteeing food security at both household and national level. As two countries face similar challenges in this area, we believe exchange of information may enable both countries make speedy progress on this very critical aspect of our development agendas.

4.167. Infrastructure is always crucial for devolvement and facilitation of trade, particularly in the developing countries where, in most cases, it is far inadequate for the economic demands of the

country. Progress registered in the devolvement of infrastructure is always critical improving the business environment of a country. The progress that the country is registering will not only serve the economic interests of Zambia but entire regions through facilitation of trade, tourism, management of the environment, promotion of agriculture and delivery of services.

4.168. It is, therefore, pleasing to note that during the period under review air transport facilities at international airports were significantly maintained. Zambia's policy to focus on development corridors augurs well with regional mechanisms for integration and the promotion of inclusive growth.

4.169. There is no denying that the pace of the development in the developing countries can be accelerated through increase of manufactures as opposed to exports of raw commodities. Zambia's policy of promoting value addition will create value chains necessary for accelerate growth of the economy and reduction of poverty through creation of descent jobs.

4.170. We have also taken note of the contribution the Private Sector Development Program is making to the country by creating an enabling business climate. My delegation believes that the reforms which are covering business licensing, labour, trade expansion will significantly improve the quality of investment climate in the country and attract foreign direct investment and the expansion of existing business in the country.

4.171. In conclusion, I wish to encourage Zambia to continue pursuing economic reforms and registering progress towards Trade Facilitation Agreement and also remain an active player in the continental of free trade agreement being negotiated by Africa, and the EU's Economic Partnership Agreements which we share the same negotiating platform under the Eastern and Southern Africa (ESA) configuration. The challenges on the 2030 Agenda are many but with concerted efforts the task ahead of all of us, the world of poverty and generate wealth for all is not insurmountable if pursued with a genuine spirit of partnership.

MOZAMBIQUE

4.172. We align ourselves with the statements presented by Morocco and Benin, on behalf of the African Group, LDC Group.

4.173. We wish to commend Zambia, a country of SADC, with which Mozambique shares a common border, historic, long-standing friendly and cultural ties, for this Trade Policy Review.

4.174. We also commend the Zambian-Geneva based delegation for his valuable leadership and contribution in the multilateral negotiations.

4.175. Despite the current economic trends, still as a result of the global economic and financial slowdowns, we note with satisfaction that Zambia has been involved in processes of reforms implementation, which led to the implementation of the Sixth National Development Plan (2011-2015) and the revised Sixth National Development Plan (2013-2016) following its Vision 2030. We commend Zambia for the recent economic achievements.

4.176. We are pleased to see encouraging results from the reforms carried on, some of which are reflected in the domain of agriculture, mining and energy; manufacturing and services with emphasis on the transport infrastructure progress – named "Link Zambia 8000" and "Pave Zambia 2000" projects, so to mention some.

4.177. We are aware of the challenges faced by Zambia in many areas of concern to development, including in the domain of agriculture and minerals, which tend to limit the country's development potential and the full participation in global markets, but we are happy to see all efforts in view to diversification of the economy.

4.178. The review of trade policy, an extremely important exercise, demonstrates the country's commitment in maintaining itself as a strategic multilateral and bilateral partner by increasing transparency.

4.179. In a view of more progress, better capacity-building in spheres concerned to trade, we hold the view that Zambia should be assisted in multiple ways so as to maximize the existing comparative advantages in different domains.

4.180. We are confident that the country will succeed in the implementation of reforms and national development policies, and we encourage policies that foster the country's involvement in regional initiatives, and actions that are likely to actively contribute to the regional and global trading system, as well as those in the multilateral system.

4.181. Bilateral trade relations between Mozambique and Zambia are governed by the principles of SADC and other regional arrangements to which both countries are members. The two countries develop an intense border trade movement through the Zumbo Districts Marávia, Chifunde, Chiúta, Macanga and Mutarara, all in Tete.

4.182. The areas of cooperation between Mozambique and Zambia: both countries are mainly focused on finance and investment; defence and security; migration; agriculture; local Governments; mineral resources; energy; justice; health; youth and sports; gender, industry and trade; transport and communications; science and technology; culture; tourism, among others.

4.183. Most recently, in the context of the State Visit of His Excellency Edgar Chagwa Lungu, President of the Republic of Zambia to Mozambique, a MoU in the area of agriculture was signed. This will govern the cooperation in the information sharing on sustainable agricultural practices; research in seed production area; protection and plant quarantine; agricultural mechanization; development programmes and biennial work plans for joint operations designed by mutual agreement.

4.184. Discussions between our two countries are under way with a view to the signing the Agreement for the Avoidance of Double Taxation and Tax Evasion; Agreement for the Promotion and Protection of Investments; A MoU between the Chambers of Commerce of the two countries were signed which involve different fields, namely fisheries; youth and sports; environmental, and on equality of gender; participation in promotional events such as trade fairs, exhibition, trade and enterprise missions.

NIGERIA

4.185. Nigeria is happy to note that since its last Trade Policy Review in 2009, Zambia's GDP growth performance was relatively high during the period under review. The 2008 global economic and financial crisis had very limited effects on GDP growth, as its rates increased steadily from 7.8% in 2008 to a peak of 10.8% in 2010. This favourable growth performance was attributed to growing copper demand and its spill over effects on construction, transport, communications, wholesale and retail. Construction activities were also boosted by the recent infrastructure development stance undertaken by the authorities through several road construction projects. Furthermore, higher production in agriculture added to the overall output growth. The fast growing mobile industry also spurred the GDP growth momentum.

4.186. In order to overcome the challenges that the country faces, the authorities have recently rolled out strategic plans for its long-term development. In 2013, as an operational tool of Zambia's long term Vision 2030, a Revised Sixth National Development Plan (R-SNDP) was developed to cover the period 2013-2016. It identifies, *inter alia*, skills development, science and technology, and infrastructural development as the main drivers for achieving its objectives of rural development and job creation. International trade in goods and services is clearly considered as an optimal tool for income generation, creation of decent jobs, promotion of economic diversification, as well as an opportunity to overcome the constraints of limited endowments in capital and skills. Nigeria, therefore, welcomes the revised Sixth National Development Plan (R-SNDP) which showed that Zambia is committed to a planned socioeconomic development of the country as reflected by the determination of the Government to improve the economic conditions of its citizens.

4.187. Zambia has implemented several reforms aimed at improving its business environment and attracting foreign investment. In fact, an online system was introduced for business registration and an e-registry was implemented. The registration time was reduced to less than

24 hours in areas where one-stop shops have been established. A Business Regulatory Agency was established in 2015 to review new proposals for licences, to ensure that only necessary licences are introduced and to increase the accountability of regulatory authorities. These efforts have streamlined the procedures thereby eliminating time-wasting procedures that may confront foreign investors. In this context, we welcome Zambia's ratification of the WTO Trade Facilitation Agreement in December 2015, and the notification of its Categories A, B, and C commitments in January 2016.

4.188. Nigeria would like to stress the importance of the provision of technical assistance and capacity building to Zambia, through Enhanced Integrated Framework and the Aid for Trade initiatives on sustainable basis. Therefore, we wish to urge Development Partners and the International Community to assist Zambia, as a matter of priority, to achieve the objectives set out in the Vision 2030. The support from the international community is vital for Zambia in its quest of becoming a prosperous middle-income country by 2030.

4.189. Finally, the modest level of implementation by Zambia of its WTO commitments must be commended, in using trade to ensure welfare gains for its people and as active Member of the WTO. We look forward to further collaboration with Zambia in the activities of the WTO and the African Group.

NAMIBIA

4.190. My delegation is here to support Zambia's TPR, as our two countries share exceptionally closer political, diplomatic and economic relations.

4.191. We have considered the reports which have been prepared for this review and noted the important role which played in the Zambian economic growth over the past 7 years. In this connection TRP help in 2009, Zambia was able to record, though with limited resources, an impressive economic growth of 6.6% yearly.

4.192. We are happy to have noted that the Zambian economy has performed relatively well in attracting foreign direct investment which increased from US\$700 million to US\$2.5 billion from 2009 to 2014.

4.193. We highly commend the Government of Zambia for undertaking major policy drive on economic diversification and production of value added products for inclusive growth through employment and wealth creation. We believe that this policy drive will improve the quality of more diversified locally produced goods and services hence will increase the country's participation in regional and international trade.

4.194. This review has also provided my delegation an opportunity to learn from Zambia's major economic reforms towards improving business environment and reducing the cost of doing business. We hope these reforms will serve as building blocks towards the realization of Zambia's Vision 2030.

4.195. My final remark is on Zambia's participation in regional trade arrangements. Namibia supports such regional economic integration, particularly SADC and Tripartite Free Trade (TFTA) and EPA's, aimed at creating the economies of scale among small economies.

4.196. This review has demonstrated that Zambia is determined to move ahead as a forward-looking open economy. We wish Zambia a successful Review.

5 REPLIES BY THE REPRESENTATIVE OF ZAMBIA AND ADDITIONAL COMMENTS

AMBASSADOR ENCYLA CHISHIBA TINA SINJELA

5.1. May I take this opportunity to thank all delegates that submitted written questions which have since been responded to in writing. May I also thank the delegates that have commended Zambia for the reforms taken since the last review and the progress so far made. I further wish to thank them for noting the challenges that Zambia continues to face and the additional questions raised.

5.2. I am taking the floor to emphasize on some of our responses to the questions raised, in particular, those related to tariff bindings, export taxes, overlapping membership to regional economic communities, corruption, delayed visa processing, delayed enactment of the access to information bill, customs valuation, and lack of consultations on taxes, among others.

Tariff bindings

5.3. With regard to tariff binding commitments (as raised by the Chair and the discussant), may I state that Zambia is cognizant of the fact that further steps to bind additional tariff lines by Member States of the WTO are guided by negotiating modalities under the Doha Round of negotiations, which is currently at an impasse.

5.4. The commitments to be taken in the context of the DDA negotiations as far as Zambia, as a least-developed country is concerned, are clearly laid out in the negotiating modalities. In terms of tariff bindings under agriculture, Zambia has bound close to 97% of its tariffs at 125% and the remaining at rates not lower than 45%.

5.5. With regard to non-agriculture market access, the draft modalities on non-agriculture products exempt LDCs from undertaking tariff reduction commitments. However, as part of their contribution to the DDA, LDCs are expected to substantially increase their level of tariff binding commitments. Individual LDCs shall determine the extent and level of tariff binding commitments in accordance with their individual development objectives.

5.6. This is what will guide the steps to be taken in as far as tariff binding commitments are concerned.

Export taxes

5.7. With regard to export taxes (as raised by the Chair and the discussant) I wish to highlight that Zambia is guided by the provisions of the WTO, in particular Article XI:1 of the General Agreement on Tariffs and Trade (GATT 1947) which states that: "No prohibitions or restrictions other than duties, taxes or other charges, whether made effective through quotas, import or export licences or other measures, shall be instituted or maintained by any contracting party on the importation of any product of the territory of any other contracting party or on the exportation or sale for export of any product destined for the territory of any other contracting party".

5.8. Export taxes fall under allowable measures under this Article therefore.

Overlapping membership to regional economic communities

5.9. With regard to the challenges associated with overlapping membership to regional economic communities and the management of seemingly contradictory commitments, in response to observations made by the Chair and the European Union, I wish to state that both SADC and COMESA are working towards convergence on a number of regional integration issues, including the area of trade.

5.10. You may wish to note that COMESA and SADC have partnered at the highest political level with the East African Community to work towards harmonization of regional programmes to maximize benefits from initiatives aimed at enhancing regional integration.

5.11. The idea of establishing a grand Free Trade Area was mooted during the COMESA-EAC-SADC Heads of State and Government summit held in Kampala, Uganda, in October 2008. The Heads of State and Government also adopted a programme aimed at harmonizing interventions in the area of infrastructure development and the adoption of shared industrialization strategies.

5.12. So far, progress has been made in infrastructure development through transport corridor developments which has seen countries work in collaboration to build border infrastructure, road networks, bridges and interconnecting power systems.

5.13. Countries are also working together in the area of industrialization with the adoption of industrial policies and strategies with a regional dimension under both SADC and COMESA.

5.14. On 10 June 2015, the COMESA-EAC-SADC Tripartite Free Trade Area was launched. This creates a framework for 26 countries to trade among themselves under common rules. So far, 17 countries have signed the TFTA Agreement including Zambia.

Corruption

5.15. With regard to the observations made on corruption by Canada, we wish to assure the member States that Zambia has already taken a stance of zero tolerance on corruption and will continue working towards the eradication of this vice.

Information bill

5.16. With regard to the information bill, the Government is actively working on this issue as pronounced in 2011 and is involving all stakeholders in the consultative process.

Certification and visas

5.17. With regard to the questions raised by the delegation of India on test reports and certification as well as the need to review policies and procedures regarding work visas, we would like to request that the delegation of India submits its concerns in writing to further clarify the specific issues raised so that these issues can be dealt with adequately.

Customs valuation

5.18. On customs valuation, Zambia has continued to implement the GATT Agreement on Customs Valuation and therefore, follows all the principles of valuation as provided in the Agreement. It is worth noting that the GATT Agreement on Customs valuation does not preclude customs administration in cases of doubt to subject a value declaration to further testing. Decision 6.1 in the Agreement on Customs valuation provides that "When a declaration has been presented and where the customs administration has reason to doubt the truth or accuracy of the particulars of documents produced in support of the declaration in question the customs administration may ask the importer to provide further explanation including documents or other evidence that the declared value represents the total amount actually paid or payable for the imported goods".

Mineral royalty taxes

5.19. With regard to mineral royalty taxes, we would like to inform the member States that there is an established framework of consultation on all tax matters.

Outstanding issues raised by Mauritius

5.20. Regarding the outstanding issues raised by the delegation of Mauritius on the renegotiation of the Bilateral Air Services Agreement and the MoU on cooperation in the field of Tourism and Aquaculture, we will provide an update once we consult with the relevant institutions.

5.21. Regarding tourism and the untapped potential, this has been recognized by the Government as a priority sector. To this effect, the Government has embarked on massive improvement of support infrastructure. Notable among the interventions include the modernization of airports,

relaxation of visa requirements for a selected number of countries, promotion of private sector investment to increase capacity and upgrading of hotels, among others.

5.22. With regard to energy, Zambia is making efforts to address the power deficit by increasing the energy mix and is actively promoting private sector participation in power generation.

5.23. May I also state that Zambia welcomes the initiative by Chile to eliminate duties on export trade from LDCs and to thank Chile for the programmes aimed at assisting developing countries enhance skills, including their masters scholarship programmes and support in the agriculture sector.

5.24. Zambia appreciates the continued support extended by all cooperating partners and looks forward to continued partnership in its efforts to diversify the economy.

5.25. In closing, I wish to assure the member States that Zambia is committed to ensuring that both foreign and domestic investment is protected and that the business environment remains predictable and stable. I thank you.

DISCUSSANT

5.26. I will really just be speaking in summary form here and just take a few minutes, because I think that the combination of the presentation by Zambia together with the questions from the floor, I think we have ended up with a fairly rich and constructive discussion.

5.27. Consequently, I have no intention to then go over those details other than to say that I think in broad terms that we were able to identify some broad themes around which we can agree.

5.28. And on the positive side, I think a number of things came up: the growth that we've seen in Zambia, the opportunities that still remain in agriculture and in other sectors; we've seen FDI inflows, which are very good. We've noted that they may have gone largely to minerals but that indeed there is a need for more in other areas. We noted the value of the trade facilitation signing and most importantly perhaps the reforms that Zambia has undertaken in policy, legislation, institutional and some of them administrative. And then finally, and again this is just in summary, we have recognized that Zambia's performance has led to an improvement in its status and its categorization. And then finally, of course, to say we have also seen infrastructure investments which are also very good for an economy.

5.29. So I think in summary form I sense that there is a range of positive things that we are able to identify that we all can agree that it is a good direction.

5.30. There are a couple of areas where we think further work may need to be done by Zambia and recognizing some of the difficulties, for instance we've seen the vulnerability in what comes whether depending on one or two commodities. We've seen the challenge that remains regarding the diversification of the economy and that there is an opportunity there. So, these are not only just challenges but opportunities that can be exploited. We have also seen what supply-side constraint can do to an economy in an LDC and I dare say that this applies to many, not only LDCs but also developing countries in broad terms. Obviously, this is something that Zambia alone will not be able to overcome. Being landlocked means there is a lot of support required to move out of there.

5.31. There are also macroeconomic issues to be dealt with, and I think those were raised by Zambia and the discussion from the floor spoke to those. And then indeed there is an area of tariffs which remains an issue for further discussion and I take note of what the Ambassador just said right now.

5.32. So in broad terms, I have a sense that we have done some justice to this review in both areas where there is some strengths and areas where there is need for more work. And I feel like we have been able to do that.

5.33. And then just moving towards the end, the important thing is the vision and you notice that Zambia has a vision in terms of where it wants to go and this precision is important. A free market

economy, a politically stable country; and then we have a disposition that says we intend to do more. Not so much as to praise the international system but because it's good for its citizens and it's a good disposition and I think we can commend them for that. And then also to say that obviously that international support will be required for Zambia to achieve some of the thing it intends to achieve.

5.34. So finally, Madam Chair, it just remains for me to thank Zambia and also colleagues in the room for the comments that they raised. I think we have had a fruitful discussion. Thank you very much.

TANZANIA

5.35. I just want to congratulate Zambia for a well-presented report of the country trade policy review and the comments made by the discussant which have been very adequate. We believe that Zambia now realizes that certain areas are ready to do some improvements. I have been recently in Lusaka and I saw vibrant business and economic activity going on there, I saw lot of new investments because I used to be in SADC and go to that country often. I can guarantee you that Zambia is making a lot of progress although challenges always remain.

UNITED STATES

5.36. We wanted to express our thanks to the Vice Minister and to the Ambassador for their remarks and also acknowledge the important contributions made by the discussant, Ambassador Palai.

5.37. We enjoy the opportunity to discuss the challenges and opportunities faced by Zambia and we were encouraged to hear about the domestic reforms and the improvements in the business climate. And, in particular, we applaud Zambia's leadership role in the Trade Facilitation Agreement and we look forward to continued engagement with you in that area.

5.38. We also wanted to note in both interventions the really important updates on the developments in the regional trade agreements where regional integration is going on in Africa and this is something that we are also very interested in supporting and it was useful to hear more about plans and activities in those areas.

5.39. As noted in our statement on Tuesday, we want to, once again, thank the Zambian delegation for the detailed responses to our written questions and we know what a challenge that is. We appreciate the additional information and the responses provided in the Ambassador's remarks today.

5.40. We have submitted some follow-up questions in writing this morning, in particular noting our interest in on-going SPS notifications and safeguard investigations. We look forward to continued engagement on those issues going forward.

5.41. In conclusion, I just want to extend our thanks and appreciation to the delegation for all the hard work in preparing for this. We know how hard it is to prepare and to get all of the questions answered. We really want to commend you on a job well done. Congratulations on a successful Trade Policy Review.

EUROPEAN UNION

5.42. The EU would just like to thank the delegation of Zambia for the detailed replies to our advance questions as well as for the additional information provided today, notably on overlapping membership in regional organizations and improvements in the investment and business regime. We have taken good note of that.

5.43. In conclusion, we congratulate you on a successful trade policy.

INDIA

5.44. We wish to congratulate Zambia on this Trade Policy Review and we wish to say that we will submit queries in writing to the Mission.

6 CONCLUDING REMARKS BY THE CHAIRPERSON

6.1. This fourth Trade Policy Review of Zambia has provided a good opportunity for Members to better understand Zambia's trade and investment policies and practices, and the institutional framework within which they have been formulated and implemented since its last review in 2009. We owe this to the informative documentation prepared for the meeting, the active participation of the Zambian delegation as well as the constructive comments of the discussant and of all Members who had taken the floor.

6.2. In their statements, many Members congratulated Zambia on its graduation from the low income to the lower-middle-income category in the World Bank analytical classification in 2014. This was mainly due to the buoyant global demand for copper, which is Zambia's top export product. However, Members also noted that structural weaknesses, including supply-side constraints, significant State intervention, and high costs of doing business still impeded full exploitation of Zambia's potential and had dampened its economic diversification efforts. Members raised questions about specific actions undertaken by the Zambian authorities to address these constraints and diversify the economy. They invited Zambia to further improve its business environment with a view to attracting investments needed for the diversification. Some Members indicated readiness to assist Zambia in tapping its growth potential in sectors such as agriculture and services.

6.3. Members commended Zambia for its commitment to the multilateral trading system. They encouraged it to fully meet the WTO notification requirements and other commitments such as those in relation to customs procedures, standards and other technical regulations, SPS measures, and IP protection. Some Members saw the relevance of assistance programmes, including training, to this endeavour. As an LDC, Zambia is eligible for the Everything-But-Arms (EBA) initiative of the EU and has duty-free and quota-free access to the U.S. market under AGOA. Members urged Zambia to better utilize these preferential trade schemes for the benefit of its economy.

6.4. Outside the WTO, Zambia is a member of overlapping trade agreements including the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Some Members expressed concern about the apparent conflicting obligations in those agreements.

6.5. Regarding Zambia's trade policies, Members were pleased to note that, in the area of trade facilitation, Zambia had ratified the WTO Trade Facilitation Agreement in December 2015, and notified its categories A, B and C commitments. They sought information about the establishment of a National Committee for implementation of the Agreement. In addition, some Members raised concerns about specific trade facilitation measures, including border procedures and taxation issues. Commenting on the tariff regime, they encouraged Zambia to improve its tariff binding commitments by enlarging their coverage and reducing the gap between bound and applied rates, with a view to improving the predictability of its tariff regime. Members also urged Zambia to assess the impact of its export taxes on the promotion of local value addition.

6.6. Members sought clarification on transparency in Zambia's public procurement framework, and some were interested in knowing whether the country is considering to become a member or an observer to the WTO Agreement on Government Procurement. They were also interested in the country's priorities regarding, *inter alia*, effective protection of intellectual property rights, business licensing, etc. Furthermore, some Members raised questions regarding Zambia's plan to develop its agriculture and promote rural development.

6.7. Several Members expressed interest in private sector participation in Zambia's trade policy formulation, including tariff setting and revision, and sought information about the effectiveness of the newly promulgated Public-Private Partnership Act in boosting related projects.

6.8. Before the end of this session, Zambia has received more than 100 advance written questions posed by Members, and has already responded to most of them. This fourth Review of Zambia's trade policies and practices will be successfully concluded in a month's time, when Zambia replies to all outstanding questions. The review has shed light on areas requiring the Government's attention, and possibly further reforms to help Zambia develop its economy and liberalize its trade regime. I hope Zambia will favourably look at the results of this review in formulating its policies, and will benefit from the market access and assistance offered by fellow WTO Members.
