



ENHANCING TRADE RELATIONS FOR ZAMBIA AS A LAND-LOCKED COUNTRY

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Zambia as a Landlocked Country

- § Zambia is one of the 16 Landlocked Developing countries in Africa surrounded by 8 neighbours
- § Depends on the Ports of Dar es Salaam, Durban and Walvis Bay in its trade with the World. Other Ports includes Beira in Mozambique.
- § Prioritized SSA transport corridors that transverse Zambia are North-South Corridor, Dar es Salaam Corridor, Nacala Corridor and Lobito Corridor
- § Currently, Zambia has the highest inflow of Foreign Direct Investment (FDI) among the 16 Landlocked Developing Countries in Africa (According to UNCTAD)
- § However, still faces many challenges in its trade relations



Challenges faced by Zambia as a LLDC

- § Geographical situation continues to be the biggest challenge facing the Landlocked Developing Countries (LLDCs)
- § As such, trade competitiveness remains the biggest issue facing Zambia as a landlocked country. This results from:
 - Ø High transaction and transport costs due to long distances to ports and extreme dependence on transit countries. This is exacerbated by inadequate roads, roads and lack of dry ports. Zambia gets to pay three to four times the cost of transportation for both imports and exports leading to high cost of living as compared to neighbouring transit countries
 - Ø Remoteness and exclusion from global markets



Challenges faced by Zambia as a LLDC

- Ø High Costs of communication due to higher costs for Internet and international telecommunications
 - Ø High cost of infrastructure development
- § Data from the World Bank enterprise surveys suggest that infrastructure constraints are responsible for about 50 percent of the productivity handicap faced by Zambian firms. The key constraints on Zambian firms being power, followed by Information and Communications technology (ICT) and transport.



Keys to Enhancing Trade Relations as a LLDC

Starting Point is;

- § Diversification of the economy
- § Value-addition to the commodities we produce
- § Integration into regional and global value chains

There is need to really look at the framework for diversification, value addition and integration in value chains in order to make it work. This requires clear targets and incentives.



Keys to Enhancing Trade Relations as a LLDC

This should be supported by;

- § Improvements in trade facilitation by addressing transit traffic delays along the borders and also to increase transit speed along the different transport corridors.
- § Elimination of Non-Tariff Barriers (NTBs). This requires harmonization of policies, laws, regulations and procedures with key neighbouring and transit countries
- § Robust infrastructure development in roads, revival of the railway sector and development of more dry ports. Currently, there is serious drive towards infrastructure development in roads.
- § Enhancing Zambia's trade relations as a landlocked country also requires the prioritization of energy supply



Keys to Enhancing Trade Relations as a LLDC

This calls for;

- § Greater cooperation in fundamental transit policies, laws and regulations with transit neighbours/countries
- § Working with neighbouring countries within the Regional Economic Communities (RECs) of SADC and COMESA to develop infrastructure and reduce the cost of transport and electricity.
- § Speedy implementation of the Almaty Program of action (APoA), drafted in 2003 at the First Conference of LLDCs which addressed issues related to access to the sea, improvement of transit facilities and infrastructure development and had looked into policy issues of trade, regional cooperation and integration.



Conclusion

- Zambia offers a significant trade facilitation agenda to improve the flow of goods along the north-south corridor.
- Its strategic location on the corridor makes it an important transit country for goods traveling to and from Central Africa and the Port of Durban.
- Key is to work on the challenges that are currently being faced and help the country to become more competitive.



END OF PRESENTATION

Thank You