

# Consumer Watch

## EDITORIAL

### CCPC Fines Zambia Sugar for Unfair Pricing

The Competition and Consumer Protection Commission (CCPC) Board has fined Zambia Sugar K76,728,650 for price discrimination and unfair pricing. CCPC Board Chairperson Kelvin Fube stated that after carrying out investigations from 2008 to 2012, it had been revealed that both industrial sugar consumers and household sugar consumers were being exploited. The Board of the CCPC has levied Zambia Sugar PLC – largest sugar producer in Zambia, a fine of 5 percent equivalent to K76,728,650 of their annual turnover as in 2013, for price discrimination and unfair pricing in the Zambia Sugar Industry.



The investigation that lasted four years revealed that industrial sugar users on contract agreements with Zambia Sugar were categorised as A and B, allegedly based on volumes purchased. Category A was contracted for at least 1000 tonne and Category B for at most 1000 tonne of sugar per year.

However, the Commission found that some consumers within category A were still charged lower prices for the same industrial sugar compared to others. Further, the investigation revealed that customers that purchased the highest quantities within Category A, such as Trade Kings Zambia paid much more than other customers that purchased lower volumes namely, Zambia Breweries PLC over the 2008-2012 investigation period, revealing that industrial customers were not accorded similar discounts even based on volumes.

*(This has been adapted from an article published in Competition and Consumer Protection Commission on October 12, 2017)*

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## NEWS

## Chipata Ginnery Sale Leaves Chipata People Jobless

The Civil Society for Poverty Reduction (CSPR) in Eastern Province has urged the Government to save 261 job losses at Cargill Chipata Ginnery.



CSPR provincial coordinator Nkhoma said that it was devastating to learn that the sale of Cargill ginnery to Parrogate Limited had resulted in mass job losses for the people of Chipata.

He said CSPR had been following events surrounding the sale of Cargill to Parrogate with keen interest, and was disappointed at the lack of interest in the matter from the Government. "We are shocked to observe that Government has paid a blind eye to what is happening at Cargill regarding mass job losses".

Nkhoma claimed that according to his organisation's investigations, Parrogate had engaged expatriate labour in the human resources department for conducting interviews to select employees whom the company wanted to retain.

Moreover, he called on the Provincial Minister to take interest in what is happening at Cargill and help to protect Zambians from losing their jobs.

"It is surprising to see the Government not taking the same level of interest for the workers losing jobs in the agricultural sector like they do when this sort of thing happens in the mining industry", stated Nkhoma.

*(Times of Zambia, October 27, 2017)*

## Decision to Increase Bus Fares Illegal: Bus Operators

The Road Transport and Safety Agency (RTSA) has charged that the decision to increase bus fares by some bus operators is illegal and outside the provisions of the Road Traffic Act No. 11 of 2002.

Thus the move by some operators is void as the RTSA has not received any requests from any operator to vary their current Road Service Licenses (RSL) for adjustment of bus fares as stipulated under the Road Traffic Act No. 11 of 2002.



The desired increase can only be communicated and implemented after discussions have been held and concluded by all concerned stakeholders including the Ministry of Transport and Communications.

Bus operators are aware of this regulation, which is stipulated in the conditions under which Road Service Licences are granted. Subsection 12 (d) of Section 108 of the Road Traffic Act No. of 2002 underscores that a person applying for a road service licence, and a holder of such a licence applying for its variation, should submit the rate of fares of the proposed services to the Director.

*(The Zambian Observer, October 26, 2017)*

## Politicians Frustrating Efforts to Grow Timber Industry: ZNAS

According to Zambia National Association of Sawmillers (ZNAS) President, William Bwalya the cooperating partners in the forestry sector are frustrated by political leaders. He



recommended that the Government of Zambia must free the timber industry from political interference.

“I want to urge people and the Government to free the timber industry from political

interference, policy inconsistency and allow the sector to create wealth and decent jobs”, insisted Bwalya.

“So many programmes and money have been spent in this sector by cooperating partners in order to improve it, but our political leaders have frustrated these efforts”, said Bwalya. He feared that the timber factories in Lusaka’s Zingalume area would turn into white elephants.

“Look at the timber factories in Zingalume! But such investment will turn into white elephants, all because of political interference. Let us as stakeholders open constant dialogue with our Government and policymakers to make progress and free the industry from underperformance”, demanded Bwalya.

He also said that ZNAS expected Lands Minister, Jean Kapata to have an audience with the Association’s executive on deforestation and job creation.

*(The Mast, October 31, 2017)*