

## EDITORIAL COMMENTS

### Leadership Based on Consumer Rights and Protection: Need of the Hour

The Zambian economy, just like other countries in Sub-Saharan Africa, has recorded impressive growth rates, over the past decade during which there has been a tremendous increase in the number of middle class people. As the country is poised to attain a middle income country status, this fact is forming a strong base for the consumers. These consumers are consuming everything from household appliances to expensive phones, fuel, healthcare and technological services etc. This consumption mania in the continent and Zambia in particular is only just starting off. McKinsey Global Institute, for example, projects that the consumer expenditure in the continent will increase up to US\$1.4trillion by 2020 from US\$ 860billion in 2008. Despite this looming surge in consumption patterns, markets have also been in a way that is detrimental to consumer welfare.

This kind of approach hits the poor consumers who remain the most disadvantaged. They are in most cases often left at the mercy of product and service providers. They are too often priced out of the market for most goods and services. Such a situation necessitates for an urgent action. Consumers with well-protected rights, sustained availability, affordability and accessibility of essential consumer goods and services form a strong base for improved livelihoods and economic growth.

It is, therefore, important that in-order to safeguard the interests of the consumers, the in-coming political leadership needs a comprehensive strategy, which not only tries to police the situation, but equally sets a strong economic and social foundation, which has capacity to accommodate the growing middle class and the ones below this strata.

It should be borne in mind that ‘all voters are consumers’ and hence there is a need to bear consumer interests in mind. Well laid out consumer protection measures could be a key in demonstrating advantages of policies that hinge to human development and economic growth. The new leadership can gain a lot by focussing on addressing the bottlenecks towards consumer welfare.

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### **Marginal Decrease in Fuel Prices**

Local consumer rights groups have stated that the marginal decrease in fuel prices announced by the Energy Regulation Board (ERB) of Zambia, recently, is negligible. But the Zambia Government has defended the decision by ERB describing it as logical owing to the costs incurred in the procurement process of petroleum. ERB has announced the fuel price reduction in the previous week following the plummeting crude oil prices on the international market. The uniform pump prices per litre for petrol decreased to K10.38 from K10.63 per litre, diesel reduced to K9.73 from K10.01 per litre and kerosene was pegged at K7.21 from K7.48, per litre. Speaking in an interview Zambia Consumer Association (ZACA) Executive Director Samuel Simutunda said that the reduction in the pump prices for fuel was too minimal and offered consumers little or negligible benefits.

*(The Times of Zambia, 02.12.14)*

### **CCPC Urges to Protect Emerging Businesses**

The Government of Zambia has challenged the Competition and Consumer Protection Commission (CCPC) and other sector watchdogs to help the emerging local businesses to grow by removing barriers, which inhibit them. Commerce, Trade and Industry Minister Robert Sichinga of Zambia stated that barriers like exclusive licenses, cartels, abuse of dominance and anti-competitive tendencies by big entities should be addressed. Officiating at the media training workshop on 'Competition and Consumer Protection' Sichinga indicated that the CCPC and the media were facing challenges to contribute in enhancing national economy. He said that the competition policy aimed at facilitating efficient allocation of resources, as a way of maximising the economic growth by promoting open and competitive atmosphere.

*(The Times of Zambia, 27.11.14)*

### **ZACA: More Agro Funding for Boosting Food Security**

The Zambia Consumers Association (ZACA) mentioned that the Zambian Government's move to allocate more funds to the agricultural sector would lead to increased expansion and improve the country's food security. Prior to the 2015 National Budget, ZACA Executive Secretary Samuel Simutunda implored the Government to allocate more resources to the agricultural sector with the view of improving food security. Simutunda also revealed that agriculture sector was one such sector that could propel national growth through job creation. Finance Minister Alexander Chikwanda said that the Government had continued its vision of expanding the agricultural sector.

*(The Times of Zambia, 15.10.14)*

### **Unscrupulous Traders Manipulating Scales Condemned**

Consumers should be wary of unscrupulous traders manipulating scales and other measuring gadgets to sell underweight products. Zambia Consumer Competition and Protection Commission (CCPC) Public Relations Officer Hanford Chaaba said that the consumers had the right to preview the scale readings when buying products. Chaaba was speaking in reference to the Zambia Weights and Measurement Agency (ZWMA) revelation that some meat traders were using unregistered scales at their abattoirs. "We would like to commend ZWMA for their work and urge consumer to ensure they ask for the readings on the scales. This issue affects consumers more than company competition, and this calls for consumers to be proactive and demand to know the readings on the scales before making any purchase", Chaaba said.

*(Daily Nation, 04.11.14)*

## **NGOCC: High and Inhumane Hospital Fees**

It is shameful to have people turned away from hospitals without treatment because they could not afford to pay expensive fees, stated Zambian Non-governmental Organisation Coordinating Council Board Chairperson Beatrice Grillo. Grillo also said that the high user fees in public hospitals have marginalised poor people from receiving treatment as they could not afford to pay for medical investigations. Some health workers have complained that the recently revised user fees at the University Teaching Hospital have proved to be a limiting factor for some patients.

*(Daily Nation, 04.11.14)*

## **CCPC Issues Food Red-alert**

The Competition and Consumer Protection Commission (CCPC) of Zambia has issued a red-alert against consumption and trade of Tiger branded foods from South Africa because of possible contamination. CCPC public health officer Twaambo Chuula issued a statement warning members of the public against trading and consuming the Tiger branded products, which were suspected to contain harmful substances. Chuula said that the foods, manufactured in India and imported into South

Africa by the Tiger Brands, may contain colourants harmful to humans. Chuula said that the Tiger Brands, which was one of South Africa's biggest food suppliers recently recalled a variety of products manufactured in the current year between June and July and arrived in South Africa between August and September, in the same year.

*(Times of Zambia, 23.10.14)*

## **Zambia Cautious on ICT Product Imports**

The Southern Africa Development Community (SADC) region is leading in the Digital Terrestrial Television (DTT) migration in Africa, Secretariat Telecommunications Programmes Officer George Ah-Thew of SADC stated. Meanwhile, Transport, Works, Supply and Communication Minister Yamfwa Mukanga said the Government is determined to ensure that products imported on to the Zambian information and communication technology (ICT) market are of good quality and safe to use. Ah-Thew said that all SADC member States were planning to meet the June, 2015 International Telecommunication Union (ITU) deadline on DTT migration. He was speaking in Livingstone during the SADC and ITU workshop on Information and Communication Technology (ICT) equipment conformity assessment programmes.

*(Times of Zambia, 14.10.14)*

## **SNAPSHOTS**

### **CUTS: Need for Synergies on Consumer Welfare**

CUTS Lusaka (Zambia) has stated the need for consumer-producer synergies for sustainable improvement in consumer welfare in the country. CUTS Board member Yusuf Dodia said that addressing anti-competitive practices in public procurement processes that impaired the envisaged outcomes of development was one way of promoting good governance of public

resources. Dodia also specified that competition law was a panacea to addressing some of the public procurement challenges and, therefore, it was important that right resources were leveraged towards implementation of competition law. He said this at a competition and consumer protection commission (CCPC) breakfast meeting to commemorate world competition day in Lusaka.

*(The Times Zambia, 08.12.14)*

## Zambian Scenario Supports Reduced Fuel Prices

CUTS Zambia has observed that the current Zambian conditions support reduction in the pump prices for petroleum products. CUTS Lusaka, (Zambia) Centre Coordinator Simon N'gona said that there was a need for regulators in the petroleum industry to react proactively to external market forces that affect the cost of commodities in Zambia. "The Kwacha has appreciated marginally against the US Dollar, making the importation of fuel cheaper, while at the same time, the price of oil on the international market has dropped sharply", N'gona stated in an interview. He also said that the Energy Regulation Board (ERB) needs to be more proactive in applying corresponding efforts whenever prices of oil fell in the international market.

*(Times Zambia 11.11.14)*

## CUTS Seeks More Mobile Phone Operators

CUTS has pointed out that the Zambian Government should revoke the statutory instrument that bars entry of new mobile service providers to improve the quality of service and safeguard consumer welfare. The Government, through the Communications and Transport Ministry, issued statutory instrument No. 111 of 2009 that has prevented entry into the fixed telephone and mobile communication network markets up to 2014. This was reportedly to ensure the telecommunications market remained profitable in view of relatively few mobile subscribers among the three mobile companies, and that Zambia was meant to attain a certain level in both subscription and potential subscribers that would warrant continued profitability of all market players.

*(Post Newspaper 13.11.14)*