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Energising Zimbabwe's Export Growth



## LEADING DRC BUYERS TO ENGAGE ZIM EXPORTERS AT 2023 AGRIC SHOW

By Alex Mutandi

**T**he demand for Zimbabwean products in the rest of Southern Africa continue to grow, thanks to efforts by ZimTrade to create linkages between local exporters and buyers in regional markets.

Following the success of the Outward Trade Mission in Lubumbashi and Kolwezi, Democratic Republic of Congo (DRC) held in May 2023 – where ZimTrade took fifteen companies to promote their products and services – a lot of interest was generated for diversified Zimbabwean products.

In particular was demand for agriculture inputs and implements as the Congolese are now focusing on growing their agricultural base to diversify their economy from the mining sector.

As a follow-up, a business dele

gation from Likasi and Lubumbashi, DRC, came to the SeedCo field day towards the end of May 2023 to network with the Zimbabwe farmers and identify reliable suppliers of agricultural inputs, chemicals and implements.

It is worthy nothing that DRC is emerging as a lucrative market for agricultural inputs and implements on the continent.

With a population of over eighty million people, the Democratic Republic of Congo has a high demand for food products, including grains, fruits, vegetables, and livestock.

However, due to various challenges, including limited agricultural infrastructure, DRC has been unable to meet its domestic demand.

As a result, the buyers and

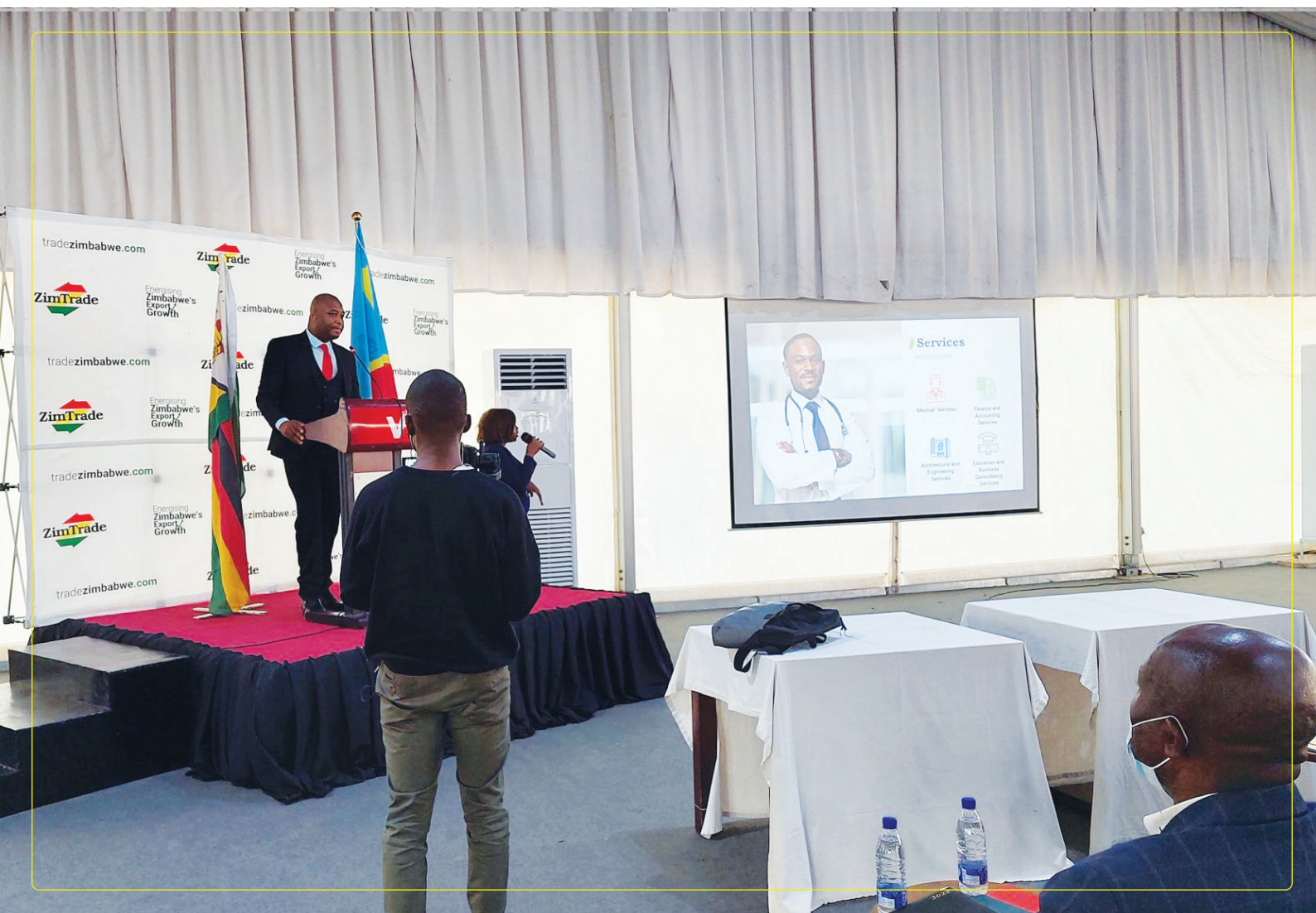
leading distributors in DRC are increasingly looking to neighboring countries like Zimbabwe to fulfill their agricultural needs.

One of the main reasons for the huge interest of Zimbabwe's products is because of Zimbabwe's long-standing reputation for producing high quality agricultural products.

The country's fertile soils, favorable climate, and skilled farmers contribute to the production of a wide range of crops and livestock.

Zimbabwean products, such as maize, tobacco, citrus fruits, beef, and dairy products, are highly sought after for their quality and taste.

Buyers and distributors in DRC recognize the value of Zimbabwean agricultural products



and are eager to establish trade partnerships to meet their market demands.

To assist the Zimbabwe companies to tap into DRC, ZimTrade in partnership with Zimbabwe Agricultural Society (ZAS) are organizing the Zimbabwe-DRC Business Forum to be held on the sidelines of this year's edition of the Zimbabwe Agricultural Show.

The forum, to be held on 29 August 2023 in the Andy Miller Hall, will consist of a trade and investment conference, scheduled business to business meetings and company visits.

The trade and investment conference will be addressed by the DRC Provincial Governors for Haut-Katanga, Haut-Lomami, Lualaba, as well as president of FEC, DRC's private sector federation.

At least twenty Congolese business delegation in the agri-business sector have confirmed their participation at the Business Forum.

The forum will draw interest of Zimbabwean companies that supply agricultural inputs, chemicals and implements.

Also targeted for the forum are farmers interested in setting up operations in the DRC, who will be provided with an opportunity to understand the vast investment opportunities in the sector.

The influx of the DRC buyers at the Zimbabwe Agricultural Show presents significant trade opportunities for both countries.

Zimbabwean farmers and agribusinesses can expand their customer base and increase their export volumes, leading to improved profitability and economic growth.

On the other hand, the DRC buyers and distributors can access

a stable imports from distant and reliable source of agricultural products, reducing their dependence on countries.

This mutually beneficial trade relationship has the potential to boost the agricultural sectors of both countries and contribute to regional food security.

Zimbabwe and the Democratic Republic of Congo are members of SADC and COMESA regional economic blocs, meaning that local exporters registered under trading agreements and awarded originating status under either or both blocs can export duty-free and quota-free from Zimbabwe to Democratic Republic of Congo and vice versa.

To fully harness the potential of this trade partnership, both Zimbabwe and Democratic Republic of Congo continuously work toward streamlining trade procedures and fostering a conducive business environment.



## ZIM DIASPORA ENGAGEMENT KEY TO UNLOCKING EXPORT MARKETS.

By Kingstone Gwatidzo

### ZIMBABWE'S DIASPORA

is crucial in growing national exports and there is need to harness the regular social contact between diaspora and families back home to increase the presence of Zimbabwean products on the export market..

This is one of the key messages delivered by ZimTrade CEO, Allan Majuru during the Connect to Invest Breakfast Business Forum, held on the sidelines of the US-Africa Business Summit in Botswana recently.

Majuru, urged the diaspora to play a strategic role in growing exports and encouraged Zimbabwean businesses to utilize the diaspora living in strategic markets to grow their exports.

"We consider diaspora as strategic partners in driving Zimbabwe's exports, some as consumers, others and marketers and distributors.

"As much we see diaspora as families and friends, Zimbabwean businesses must also consider them as an easier route to market, based on familiarity with products back home and the dynamics in the markets they stay," said Majuru.

An inclusive arrangement towards export growth, that will ride on diaspora, will contribute to the

internationalization of Zimbabwe's economy and local brands.

The Forum, which was held on the last day of the 4-day US-Africa Business Summit brought together Botswana's private sector and Zimbabwean diaspora from Botswana and the United States of America sought to share trade and investment opportunities in Zimbabwe with investors from Botswana and the diaspora community.

The forum also provided a platform to discuss best approaches to deepen linkages for economic development.

Here, participants shared ideas on how they can work to participate in the economic value chains and promote economic development and investment into Zimbabwe with the goal to further the strides of exports and increase Zimbabwe's footprint in the global market.

There are several ways in which the diaspora can stimulate economic development in their countries of origin, which include facilitation of inward foreign direct investment and trade relationships. Members of the diaspora can become marketing agencies for domestic companies, and this is a powerful conduit through which they can continuously help development of local businesses.

Facilitating transfer of technology, skills and knowledge, temporary

assignments of skilled expatriates in origin countries, and the return of emigrants with enhanced skills and new knowledge can also contribute to the economic development of country of origin, and in turn export capacity.

Zimbabweans living in Botswana and other countries can take on various roles in the development of export markets for their homeland which include leader/reputation builder, middleman, or enforcer of national brands.

It is easy for Zimbabwe's diaspora to assume these roles given the existing social ties with businesses and families back home, where they can become brand champions of the country and local products.

Zimbabwean nationals in other countries, particularly in Botswana and USA, can help challenge global narrative regarding Zimbabwe that is dominated by discussions of economic decline.

As brand ambassadors, Zimbabwean diaspora can help sale Zimbabwe as a source of quality products.

Already, the diaspora is playing some role of increasing awareness of local products on international markets albeit the small scale of that action.

For example, people travelling overseas are often asked by relatives and friends to carry along national brands such as Mazoe and Tanganda Tea.

What is now required is to upscale the activity and to formalize some of the operations so that they contribute meaningfully to development of national exports.

Local companies must court the diaspora as potential business partners who can source buyers in foreign markets, as well as conduct much needed research to ascertain market requirements and penetration strategies.

Not only will this assure local enterprises of easy access to markets but will also provide local businesses with real-time market information which is critical in dealing with competition.

Forging business partnerships between local businesses and the diaspora should be easy given exist-



# GUIDE FOR SELECTING AN EXPORT MARKET

## THE AFRICAN CONTINENTAL FREE TRADE AREA,

which started trading in January 2021 under guided initiative is expected to open access to more markets than before when Zimbabwe joins the second batch of countries under the guided initiative.

Zimbabwean businesses will find that landing products and services in other African countries will be simplified as trade procedures will be harmonised, and unnecessary barriers to trade removed, which will grow the country's exports.

More than 1.3 billion consumers in Africa from 55 countries with a combined gross domestic product (GDP) valued at US\$3.4 trillion will provide a lucrative market for Zimbabwean products and service across all sectors.

As more markets open, it will be important for local companies to come up with strategies that will improve their exports as no two markets are the same.

Existing and potential exporters will need to focus on markets that are sustainable and offer more profits, either in the region or beyond.

ZimTrade, the country's trade development and promotion organisation, offers market research on behalf of private sector, where key insights are unpacked, and market linkages

are strengthened.

This year and the previous year, ZimTrade conducted market research in Nigeria, Ghana, and Kenya.

Trade intelligence from these activities helps local companies form market penetration strategies. Whilst ZimTrade offers such assistance, it is also important for local companies to understand key steps necessary to take when selecting an export market.

### CONDUCTING MARKET RESEARCH

Before venturing into any export market, it is important to begin by conducting market research, which can be either desk research, field research or a combination of both.

This will enable to the potential exporter to understand several factors that can determine success or failure in export market.

Objectives of the research should be clearly stated to enable the elimination of non-qualifying markets.

During this research, there are issues that should come out clearly, such as market size, the current volumes levels (quantities), value of sales and current imports of the product or service in the targeted market.

This information points out to how big is the market size and it will also reveal who are the suppliers (competitors) on the export market.

Before selecting a market, exporters should also understand the exchange controls of the intended export market as this will determine, how you are paid.

Countries facing foreign currency challenges tend to have a strict exchange control regulation, which may delay foreign payments. Commercial banks through their international banking divisions can assist with this information.

It is also critical to look at macro-economic indicators of the intended export market.

Indicators such as GDP per Capita, inflation rate, economic growth tend to affect business performance hence one should understand these aspects.

Potential exporter, as part of the research should also look at issues such as political stability, language, and ease of doing business.

This may need the exporting business to put in place mitigation strategies and exit strategies before venturing into the market.

### UNDERSTANDING MARKET REQUIREMENTS

The exporter should also be aware of the tariff and non-tariff barriers, and surcharges that are charged on the product under consideration.

Tariffs are essentially costing on top of production costs that will affect the selling price.

Non-Tariff Barriers (NTB) and these are compliance issues which ultimately affects how your product will land in export market.

Overlooking these issues may result in penalties and in some cases confiscation of your products.

Some products are regulated by health authorities and it is essential to check the regulations that affect the importation of your product and comply with such requirements.

There are efforts to standardise some of these regulations in the region so if a product is registered locally, it will also be easier to register in foreign markets after conducting relevant tests.

Export markets are particular about packaging, labelling requirements and it is of paramount importance to check the kind of packaging required and labelling and this may entail a change in your current packaging to meet the export packaging requirements.

There is also need to consider distribution options as this is also affected by geographic proximity and nature of product to be transported.

Transport costs contribute a significant portion to the costing of a product and shipping and forwarding companies can assist in providing this critical information.

Would be exporter should also check on trends in the use of the product targeted for export.

### **DEALING WITH COMPETITION AND ESTABLISHING PARTNERSHIPS**

Whilst developing a market entry strategy, it is important understand the competition and this may require looking at their prices, quality, and any other competitive advantage they may possess.

Under this, there is need to study those who have been successful in exporting into that market and see how they were able to do it.

When undertaking this exercise, there is need to evaluate export readiness and come

up with a Unique Selling Proposition.

Establishing business relations with partners in the target market will also help overcome some challenges posed by competition.

Local companies can consider joint ventures, memorandum of agreements, partnerships, and cooperative agreement opportunities.

Before “jumping” into some of the partnerships, there is need to do a comprehensive due diligence on the would-be partners.

### **UNDERSTAND REGULATORY REQUIREMENTS**

Research and understand the regulatory requirements and trade barriers in the target markets.

There is need to familiarize with import regulations, customs procedures, labelling requirements, and any specific certifications or standards needed for export products.

### **CALCULATE TOTAL COST OF EXPORTING**

Determine the total cost of exporting, including production costs, transportation costs, customs duties, taxes, and marketing expenses. Evaluate the profitability and feasibility of exporting to the target markets.

### **DEVELOP A MARKETING PLAN**

Based on research findings, there is need to develop a comprehensive marketing plan for entering the target markets.

Here, one must define their target audience, positioning, pricing strategy, distribution channels, and promotional activities.

ZimTrade has a calendar of events that companies can choose events that they would like to participate in.

### **MONITOR AND EVALUATE**

Continuously monitor and evaluate the performance of export activities and exporters must track sales, customer feedback, market

share, and competitor activities.

Where there is need, one is encouraged to make necessary adjustments to their export strategy based on the insights gained.

Remember, export market research is an ongoing process and there is need to stay updated on market changes, consumer preferences, and regulatory requirements to ensure the success of export endeavours.

### **USING RELIABLE SOURCES OF INFORMATION**

The use of reliable sources of information when formulating a market penetration strategy cannot be overemphasised.

ZimTrade assist local companies, at no cost, market insights in the form of market briefs, country focus and market pointers.

ZimTrade also hosts the Trade Information Portal, accessed through [www.tradezimbabwe.com](http://www.tradezimbabwe.com) where local companies can access reliable market-related data, as well as take a free self-assessment market readiness checker.

On the Portal, local companies can access an Exporter’s Guide, which provides general guidelines to overcome some of the problems and difficulties associated with exporting.

It also contains basic ideas to help enterprises in planning and developing their export business on a viable and sustainable basis.

Potential exporters can also gather information on International Trade Centre (ITC) trade intelligence tools such as Trade Map, Standards Map, Market Access Map and Export Potential Map.

These trade intelligence tools can be accessed for free and they provide reliable information on trade statistics, export potential, tariffs charged on various products and compliance regulations that needs to be adhered.

ZimTrade offers training on the usage of the trade intelligence tools for free.

Other sources of information are foreign embassies in Zimbabwe, Zimbabwean embassies abroad, business member organisations, Zimbabwe Revenue Authority, Shipping and Freight Companies, commercial banks and International organisations such as SADC and COMESA.

ZimTrade invites interested companies to register for participation in the

# NAMIBIA OUTWARD TRADE MISSION

(WINDHOEK)

26-28  
SEPT  
2023

## INVITED SECTORS

Processed foods, horticulture, building and construction material, clothing and leather products, services sectors amongst others.

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## ZIMBABWEAN EXPORTERS TO SET FOOTPRINT IN NAMIBIA

**Z**imTrade is facilitating the participation of Zimbabwean companies at the Zimbabwe Outward Mission to Namibia, designed to create strong trade linkages between Zimbabwean businesses and buyers in Namibia, with the aim of increasing trade between the two countries.

The Mission, which will be held from 26-28 September will commence with a half-day business forum, which will be followed by business to business engagements.

Company visits and factory tours have also been organised as part of efforts to improve synergies between private sector in the two countries.

The trade mission to Namibia will concretise prospective

business leads identified during the market survey conducted by ZimTrade a few years ago.

More than 15 companies will be mobilised from sectors identified during the market survey as having great potential in the Namibia market, such as fast-moving consumer goods, horticulture, leather, clothing, building and construction material, and services.

Companies will be selected according to their ability to supply quality locally manufactured products that can compete on the export market.

A market survey conducted in November 2019, identified opportunities for Zimbabwean exporters and with the renewed energy from local industry to increase presence in export

markets, participating in this trade mission would be a positive move for companies looking to grow their visibility in the market.

Namibia is a market that is warming to Zimbabwean products, thanks to ongoing continuous engagement between the Governments of the two countries.

Currently, trade between Zimbabwe and Namibia trade is largely covered under the Southern African Development Community (SADC) Trade Agreement and the Zimbabwe-Namibia Preferential Trade Agreement, which offer preferential treatment of qualifying products.

Although Zimbabwe and Namibia are both in the same regional block, trade between the two countries has remained relatively low.

Given this trade deficit, the scheduled Outward Seller Mission presents local exporters with an opportunity to increase exports into Namibia, whose economic activities presents options to supply several products and services.

### NAMIBIA STRATEGIC GEO-POLITICAL LOCATION

Namibia is located in the south-west region of Africa, sharing border with Angola and Zambia in the north, South Africa in the south and Botswana in the east.

The country's coastline covers around 1,570 kilometres (km), offering vast opportunities for fishing, tourism and other downstream economic activities.

Namibia's population, according to the SADC Secretariat (2018), is slightly more than 2.2 million people and the population growth rate is 2.6 percent.

The Namibia Statistics Agency projects that the country's population will reach 2.96 million in 2030 and 3.4 million in 2040.



## UNDERSTANDING NAMIBIA'S ECONOMY AND EXPORT OPPORTUNITIES

Namibia dollar (NAD) is the official currency of Namibia trades at par with the South African Rand, which is a legal tender in the country.

Against this background, Namibian economy remains integrated with the economy of South Africa, as the bulk of Namibia's imports originate there. As the market is heavily dominated by South African businesses, Zimbabwean companies must strategically position themselves for niche markets if they are to become successful.

The country's economy, which offers opportunities for Zimbabwe to supply products and services, is built on mining, tourism, fishing, manufacturing and agriculture.

The mining industry consisting mainly of diamond and uranium and the sector employs more than 14 000 people.

Namibia is the fourth largest exporter of non-fuel minerals in Africa and is fifth world's largest producer of uranium with capacity to supply 10 percent of global output.

Other minerals produced in large quantities include lead, zinc, tin, silver and tungsten.

These offer opportunities to supply capital equipment, electricals consumables, and materials used for processes that include aluminium powder, ammonia, anodes and cathode, caustic soda, coal and cobalt sulphate.

There are also opportunities in Namibia's mining sector to export services such as engineering, surveying, instrumentation, transport, plant maintenance, environmental management and artisanal services like quantity.

Apart from exporting engineering skills, there are opportunities for Zimbabwean professionals in areas like the medical field, teaching, hospitality and catering, motor mechanics and skilled agriculture workers.

In fact, several Zimbabweans are running their own surgeries and pharmacies in the country with others managing various hotels and lodges.

Another key economy sector for Namibia is the fishing industry, which is concentrated in Swakopmund, Walvis Bay and Luderitz.

Unique opportunities for Zimbabwean exporters are in provision of supplies for the fishery value chain.

With regards to tourism,

the sector is a major industry which attracts more than a million visitors from across the world every year.

The country has extensive nature reserves which accounts for 18 percent of total surface area.

The tourism sector offers opportunity in the hospitality sub-sector where supplies and services – including employment – have a high demand given the inflow of tourists.

Although arable land accounts for only one percent, the agricultural sector is one of the largest employers.

The main farming products are beef, mutton and dairy, millet, and maize, and these creates opportunities for exporters to supply farming inputs, equipment and medicines.

Namibia is classified relatively low on agricultural potential.

Thus, given Zimbabwe's favourable climatic conditions, this presents opportunities for local enterprises to export fresh produce, which include both fresh vegetables and fruits.

Products such as fine beans, mange tout and sugar snap peas, berries, baby vegetables and chillies have potential to perform well in the Namibian market.





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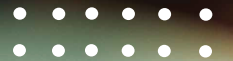
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## YOUTH OWNED BUSINESS FLOURISHING THROUGH THE YOUTH EXPORT INCUBATOR PROGRAMME

*By Shamiso Masoka*

**N**yanga Craft Ciders, first runner-up of the ZimTrade-powered 2022 Eagles' Nest programme, has improved the quality of their products, thanks to the expertise attained through the export mentorship programme.

The youth-owned business, which is situated in Manicaland, has incorporated the concept of value addition and is producing apples and other fruit products such as ciders, and vinegar for local and export markets.

Nyanga Craft ciders was a participant in the 2022 edition of the Eagles Nest.

The Eagles Nest Programme is a programme meant to harness the skills of the youths and inculcate export-centric mind frame to their businesses.

Through the Eagles Nest program, Nyanga Craft Ciders was capacitated through trainings, mentorship, and technical interventions.

They also managed to develop their products' quality, branding, and packaging.

After demonstrating export readiness, ZimTrade facilitated the first-time exhibition by the

youth-led company at this year's edition of Zimbabwe International Trade Fair in preparation for participating at international exhibitions.

The company being in the value-addition sector enhances the raw fruits before they reach the final consumers.

Adding value to a product helps businesses to attract more customers, which can boost revenue and profits.

One of the major advantages of value addition is increased export earnings as products become more competitive on the international market.

It also creates employment opportunities in the communities. Value addition has proved that if implemented well it can boost Zimbabwe's exports.

The company started in 2019, with its main business activity being production of various ciders from locally sourced fruits, such as pineapples, and apples.

Currently, they have grown their portfolio to include liquor and vinegar. According to Nyanga Craft Ciders the company was formed to add value to the Nyanga apples by making beverages from the apples, later incorpo-

rated other fruits to meet the palates of diversified Zimbabweans hence the introduction of fruity ciders.

The aim was to achieve production of a local cider made by local ingredients and to get people all over the world to taste the deliciousness of Nyanga fruits in a bottle.

Due to the uniqueness of the products, they have created demand on the local and export markets and with investment in automation capacity will increase to meet the export markets demand.

The role being played by Nyanga Craft Ciders in the market is value creation through value chain management.

Apple farmers used to lose part of their post-harvest value due to poor postharvest management, bad agronomic practice, and poor grades.

Nyanga Craft Ciders managed to minimize the losses that were experienced by the farmers.

Further to minimizing post-harvest losses Nyanga Craft Ciders has also managed to create employment to the youths.



## COMPANIES SHOULD LEVERAGE ON PREFERENTIAL TRADE AGREEMENTS

**Z**IMBABWE HAS been on a major drive to create stronger relations with all countries on the continent and beyond, and indications are that more countries are warming up to do business with local enterprises.

This is following the ongoing economic diplomacy being championed by His Excellency President E.D. Mnangagwa that is targeting to unlock economic benefits from Zimbabwe's stellar foreign relations.

For businesses, the economic diplomacy agenda is unlocking profitable avenues for Zimbabwean products in export markets, as well as channels to attract investment and tourists.

In terms of export markets, the best success options for local companies are countries that Zimbabwe has preferential trade agreements with, particularly those in the region as they are easier to reach.

In trade, the guiding principle by the World Trade Organisation (WTO) is that countries must operate on the Most Favoured Nation basis, meaning, a country

must extend the same treatment to all the WTO member states.

The organisation, however, allows for regional integration through the establishment of regional trade blocs, customs union and bilateral agreements, provided, the rules of these agreements do not undermine the fundamental principle of the WTO.

To grow trade amongst themselves, countries are allowed to establish bilateral agreements which are between two countries or multilateral agreements which are between more than two countries, such as Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) and the African Continental Free Trade Area (AfCFTA).'

Preferential trade agreements have become an increasingly popular tool for countries seeking to promote economic growth and improve profitability.

Zimbabwe, like many other countries, has signed several bilateral and multilateral trade agreements over the years.

In the case of Preferential Bilateral Trade Agreements, Zimbabwe

offers, or is offered better trading arrangements with the contracting partner than any other country that do not have a bilateral Trade Agreement with either country.

National trade development and promotion organisation, ZimTrade, has already published a Guide to Trade Agreements, which local companies can utilize to explore ways they can benefit from the agreements.

### BILATERAL TRADE AGREEMENTS

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National trade development and promotion organisation, ZimTrade, has already published a Guide to Trade Agreements, which local companies can utilize to explore ways they can benefit from the agreements.

Currently Zimbabwe has four operational bilateral trade agreements with Botswana, Malawi, Mozambique, and Namibia.

The Zimbabwe-Botswana trade agreement ratified in 1988 offers reciprocal duty-free trade on all products grown, wholly produced, or manufactured wholly or partly from imported inputs subject to a 25 percent local content requirement.

With Malawi, this is a reciprocal trade agreement that has been in place since 1995, with 25 percent domestic value-added requirements.

In Mozambique, the focus of the agreement that has been in place since coming into force in 2005 is to eliminate tariff and non-tariff barriers and to cooperate in customs and trade promotion.

The agreement provides for duty-free trade between the two members with the rules of origin specifying a 25 percent domestic value added.

Excluded from the agreement are refined and unrefined sugar, Coca-Cola/Schweppes soft drinks, firearms, ammunition and explosives, motor vehicles and cigarettes.

With regards to Zimbabwe-Namibia, there is a reciprocal agreement in effect since 1992, subject to rules of origin that require at least 25 percent local content for manufactured products and that Zimbabwe and Namibia should, as exporters, be the last place of substantial manufacturing.

### **MULTILATERAL TRADE AGREEMENTS**

Zimbabwe is also signatory to the Southern African Development Community (SADC) Trade Protocol, the Common Market for Eastern and Southern Africa (COMESA) Free Trade Area, and the interim Economic Partnership Agreements (iEPA), the African Continental Free Trade Area (AfCFTA) as well as the UK-ESA EPA.

Further to these, small businesses can further benefit from the COMESA Simplified Trade Regime, which is operational in Malawi, Zambia, and Zimbabwe.

The regime was introduced to make it easy for small-scale cross border traders by simplifying and harmonizing customs and border procedures and improving efficiency of border clearance process.

COMESA STR targets small-scale traders importing and/or exporting goods worth US\$ 2,000 or less, which are on the Common list of eligible products negotiated and agreed by the participating countries.

With AfCFTA, the agreement has a potential market of 1.2 billion people, and this will provide Zimbabwean businesses with access to a much larger market than they currently have.

By exporting more goods and services to other African countries, Zimbabwean businesses can increase their revenue and expand their operations.

Zimbabwe's economy is heavily reliant on export of commodities, such as tobacco and minerals. So, the AfCFTA will provide opportunities for Zimbabwean businesses to diversify their exports and tap into new markets.

This will help to reduce the country's reliance on a limited range of exports and make the economy more resilient.

On the other hand, the UK-ESA EPA aims to increase bilateral trade between the parties by removing tariffs on a wide range of goods and services.

This will allow businesses in both regions to access new markets and increase their competitiveness.

By registering under the REX System, companies benefit from the EPAs which provides ESA countries with improved access to the UK market, which is one of the world's largest economies, thus diversifying their exports and reduce reliance on traditional markets.

Zimbabwe, in common with other developing countries, is also benefiting from Generalised System

of Preferences (GSP), which is offered by a number of developed countries.

The GSP is a system that provides reduced rates of duty- or duty-free access to products from the developing countries.

The preferences vary by country, product, and changes from year to year.

Developed countries that have extended GSP to Zimbabwe include Australia, Canada, Japan, New Zealand, United States of America, Norway, Russian Federation, Switzerland, Turkey, Belarus and all European Union countries.

### **SOME KEY BENEFITS**

Preferential trade agreements are designed to stimulate and encourage trade between the countries or group of countries who sign the agreement, by giving one another preferential treatment in the reduction or elimination of customs duties as well as removal or relaxation of quantitative restrictions.

For example, duty and import related taxes could constitute a large percentage of the final price for cross border transactions.

Thus, a reduction or elimination of the duty can give the exporter a substantial advantage in terms of cost over competitors from countries that do not have similar trade agreements.

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Duty and import related taxes could constitute a large percentage of the final price for cross border transactions.

A reduction or elimination of the duty can give the importer/exporter a substantial advantage in terms of cost over competitors from countries that do not have similar arrangements.

Zimbabwean companies looking to grow their exports should therefore take advantage of preferential trade agreements as a marketing strategy to give their products a competitive price incentive to current and potential customers.

**STEPS TO REGISTRATION**

To qualify under the bilateral and multi-lateral trade agreements it is necessary for the company or exporter to register with the Zimbabwe Revenue Authority (ZIMRA).

Preference is granted to goods that meet the Origin conferring criteria.

The Origin conferring criteria is referred to as the Rules of Origin (RoO), which is defined as a set of criteria that is used to distinguish between goods produced



within territories of the states that are members to the agreement in question.

When goods meet RoO, it means that goods have been wholly produced or obtained in a member state, or they have been produced in a member state wholly or partially from materials imported from outside the member states by a process of production which effects a substantial transformation of the goods.

To enable the ZIMRA officials to verify the eligibility of the products, the company or exporter is required to submit supporting documents such as an application letter, CR14, list of products intended for export, valid tax clearance certificate, and a factual cost analysis of the products intended for export.

Certificates of origins must also be completed and submitted to ZIMRA.

**OBTAINING CERTIFICATES OF ORIGINS**

For all trade agreements except the EU-ESA, exporters are required to submit Certificate of Origin to ZIMRA as part of the documentation and declaration process.

This is a documentary proof that goods or products meet the rules of origin requirements as specified by the Trade Agreement.

The certificates of origins can be obtained at ZimTrade offices in Harare, Bulawayo and Mutare.

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