



# COMPETITION AND CONSUMER PROTECTION COMMISSION

(Established under the Competition and Consumer Protection Act No. 24 of 2010)



# ANNUAL REPORT

Theme: Digital Economy

# 2021



# Contents

<b>1.0 STATUTORY MANDATES</b>	<b>iii</b>
<b>2.0 VISION/MISSION STATEMENTS</b>	<b>iv</b>
Mission	iv
Vision	iv
Organizational Values	iv
<b>3.0 ORGANISATIONAL STRUCTURE</b>	<b>v</b>
<b>4.0 CORPORATE GOVERNANCE</b>	<b>vi</b>
Board Committees	vi
Board and Committee Meetings	vii
Board Members	viii
Executive Management Team	viii
<b>5.0 CHAIRMAN'S STATEMENT</b>	<b>ix</b>
<b>6.0 EXECUTIVE DIRECTOR'S REPORT</b>	<b>xi</b>
<b>7.0 MERGERS AND MONOPOLIES</b>	<b>1</b>
Strategic Objectives:	1
- Develop and implement a predictable and efficient merger regulation	1
- Ensure free and fair markets with minimal barriers to entry	1
<b>8.0 RESTRICTIVE BUSINESS PRACTICES</b>	<b>5</b>
Strategic Objectives:	5
- Reduced incidences of Cartels and Restrictive Business Practices on the Zambian market	5
<b>9.0 CONSUMER PROTECTION</b>	<b>8</b>
Strategic Objectives:	8
- Enhance Consumer protection in Zambia	8
- Empower consumers with knowledge on their rights and obligations in the marketplace	8
- Improve the handling and resolution of Consumer complaints	8
<b>10.0 LEGAL AND REGULATORY</b>	<b>12</b>
Strategic Objectives:	12
- Provision of legal services and support to CCPC in the discharge of its statutory functions	12
<b>11.0 INSTITUTIONAL DEVELOPMENT/OPERATIONAL EFFICIENCY</b>	<b>14</b>
Strategic Objectives:	14
- High performing market regulator	14
- Review and Strengthen the Governance and Oversight Functions	14
- Improve quality of Research, Development and Advocacy	14
- Improve the provision of Corporate Affairs Services	14
- Enhance capabilities and performance of Staff	14
<b>12.0 KEY CHALLENGES, RECOMMENDATIONS AND OPPORTUNITIES</b>	<b>21</b>
<b>13.0 FINANCIALS</b>	<b>23-54</b>

# Acronyms

ACC	Anti Corruption Commission
ACF	African Competition Forum
ACSZ	Agricultural and Commercial Society of Zambia
Board	Board of Commissioners for the Commission
BAZ	Bankers Association of Zambia
BOZ	Bank of Zambia
CCPT	Competition and Consumer Protection Tribunal
CCSA	Competition Commission South Africa
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Coronavirus Disease 2019
CUTS	Consumer Unity Trust Society
ERB	Energy Regulation Board
FTC	Federal Trade Commission
IAZ	Insurers Association of Zambia
ICN	International Competition Network
ICPEN	International Consumer Protection Enforcement Network
IDC	Industrial Development Corporation
LCC	Lusaka City Council
MCTI	Ministry of Commerce, Trade and Industry
MoF	Ministry of Finance
NCC	National Construction Council
NFIS	National Financial Inclusion Strategy
NPA	National Prosecution Authority
PIA	Pensions and Insurance Authority
RISM	Regional Integration Support Mechanism
RUFEP	Rural Finance Expansion Project
SADC	Southern African Development Community
SEC	Securities and Exchange Commission
UNCTAD	United Nations Conference on Trade and Development
ZABS	Zambian Bureau of Standards
ZCSA	Zambia Compulsory Standards Agency
ZICA	Zambia Institute of Chartered Accountants
ZICTA	Zambia Information and Communication Technology Authority
ZMA	Zambia Metrology Agency
ZPPA	Zambia Public Procurement Authority



# Statutory Mandates

The Competition and Consumer Protection Commission (the Commission) is a statutory body established under the Competition and Consumer Protection Act No. 24 of 2010 (the Act).

The mandate of the Commission as a primary advocate for competition and consumer protection cuts across all sectors of the economy including those sectors with specific sector regulators. Thus, in general terms, the principal aims of the Commission are twofold, that is:

- To promote a culture of competition for a sustained economic growth and wealth creation.
- To protect and enhance consumer welfare in the economy for the benefit of all Zambians.

The mandate and objectives are detailed into core functions for the Commission as listed below: -

## COMPETITION REGULATION

- Review the operation of markets in Zambia and the conditions of competition in those markets
- Investigate and assess restrictive agreements, abuse of dominant positions and mergers

## CONSUMER PROTECTION REGULATION

- Undertake and publish general studies on the effective of competition in individual sectors of the economy in Zambia and on matters of concern to consumers
- Provide information for the guidance of consumers regarding their rights under this Act
- Investigate unfair trading practices and unfair contract terms and impose such sanctions as may be necessary

## GOVERNANCE ADVISORY

- Advice Government on laws affecting competition and consumer protection
- Advice the Minister on agreements relevant to competition and consumer protection and on any other matter relating to competition and consumer protection

## GENERAL

- Review the trading practices pursued by enterprises doing business in Zambia
- Act as a primary advocate for competition and effective consumer protection in Zambia
- Co-operate with and assist any association or body of persons to develop and promote the observance of standards of conduct for the purpose of ensuring compliance with the provisions of this Act
- Liaise and exchange information, knowledge and expertise with competition and consumer protection authorities in other countries
- Do all such acts and things as are necessary, incidental or conducive to the better carrying out of its mandate under this act

# Vision | Mission | Values Statements

The Commission's goals and objectives to fulfil its mandate are articulated in the Vision and Mission Statements, with emphasis on the Organisational Values which govern how the Commission discharges its' functions, including its investigations, advocacy programmes, public outreach and stakeholder engagement.

## OUR MISSION

- To safeguard and promote a competitive business environment and enhance consumer welfare by prohibiting anti-competitive and unfair trading practices in Zambia.

## OUR VISION

- A vibrant and dynamic protector of competitive markets and consumer welfare in Zambia

## ORGANISATIONAL VALUES

1. **Professional** – We act in a skilled and diligent manner, exhibiting good judgment and polite behaviour.
2. **Integrity** – We act fairly, ethically and transparently in all we do.
3. **Respect**– We respect and value all our stakeholders.
4. **Excellence**– We use our energy, skills and resources to deliver the best service.
5. **Responsive** – We proactively engage with all our stakeholders and respond in a timely manner.
6. **Transparency** – We are accountable and respect the due process.

# Organisational Structure



# CORPORATE GOVERNANCE

The Commission is governed by the Board of Commissioners appointed by the Minister of Commerce, Trade and Industry. The Board is the governing body and is responsible for the guidance of the Commission's affairs. The Board has both corporate governance and adjudicative functions under the Act. The Board also appoints the Executive Director who manages the Secretariat.

The existing National Development Plans (NDPs) and the Ministry of Commerce, Trade and Industry (MCTI) strategic focus provide policy direction in the operations of the Commission. Under its performance contract obligations, the Board ensures that competition and consumer welfare are promoted and protected respectively.

In order to ensure that the Board adheres to good ethical corporate governance principles and the Public Finance Management Act of 2018 provisions, the Board Charter directs procedures and processes of the Board. All Board Members are amenable to this law and this charter. The Board further ensures that the operations of the Commission and its financial standing are prudent and sound at all times.

## BOARD COMMITTEES

The following are the Board Committees with respective Terms of Reference:

### Technical Committee

- Advise on strategic goals and related technical aspects of the operational performance of the Commission and implementation of the Act.
- Guide Management on issues related to the core functions of the Commission.
- Review the quality of work carried out by the Commission.
- Strategic Planning.
- Adjudication of cases.

### Audit and Risk Management Committee

- Periodically review the Commission's financial reports in liaison with the External and Internal Auditors.

- Review the Commission's financial related statutory and non-statutory reporting obligations.
- Advise on risk identification, assessment and mitigation measures, and check on the reasonableness of the effectiveness and robustness of internal control measures.
- Strategic Planning.

### Finance and Administration Committee

- Review the budgeting and accounting processes of the Commission and measures to broaden sources of the Commission's financial resources.
- Review the interface between the Commission's resource inputs and expected outputs; and
- Advise on internal financial control systems and provide oversight on financial reporting.
- Advise on Human Resource and Administration related issues.

## BOARD AND COMMITTEE MEETINGS

In 2021, the Commission held a total of six (6) Board Meetings for Adjudication of Cases and six (6) Board Meetings for Finance and Administration/Audit Matters.

Both the Finance and Administration Committee and the Audit /Risk Management Committee held six (6) meetings each while the Technical Committee had twelve (12) meetings.

Below is a summary of Board and Committee Meetings in 2021:

Committee Meetings	Number
Technical Committee	12
Finance and Administration Committee	6
Audit and Risk Committee	6

Board Meetings	Number
Board Adjudications	6
Board Finance, Admin., Audit & Risk	6

# BOARD OF COMMISSIONERS

The Minister of Commerce, Trade and Industry is mandated to appoint seven (7) Commissioners of the Competition and Consumer Protection Commission. They are vested with the responsibility, inter alia, for adjudicating on regulatory applications, making determinations and issuing orders. The Commissioners are appointed on a part-time basis for a term of four-years. The Executive Director is also an Ex-Officio member of the Board.

During part of 2021, the Board operated without a substantive Board Chair and thus respective members performed Board chair responsibilities after elections, which were held before each Board meeting.



Dr. Chenga.S.Chisha  
**Chair-Finance and Administration Committee**



Dr. Aubrey. M. Chibumba  
**Chair-Audit and Risk Management Committee**



Mr. Fredrick Imasiku  
**Chair-Technical Committee**



Mr. Nsangwa. A. Ngwira  
**Commissioner**



Mr. Chilufya Sampa  
**Ex-Officio**



# Executive Management Team

The Management Team is headed by the Executive Director with an Executive Team of Six (6) Directors responsible for the operational divisions. The Executive Director has a legal mandate to oversee the daily operations of the Commission.



Mr. Chilufya Sampa  
**Executive Director**



Mrs. Maureen Mwanza  
**Director Legal &  
Corporate Affairs**



Mrs. Luyamba Kapembwa  
**Director Consumer Protection**



Mr. Vestus Chungu  
**Director Finance**



Mr. Brian Lingela  
**Director Restrictive Business  
Practices**



Mrs. Naomi Fulaza  
**Director Mergers & Monopolies**



Mrs. Beene Siyumbwa  
**Director Human Resource  
& Administration**

# Chairman's Statement

I am pleased to present, on behalf of the Board of Commissioners, the Annual Report for the Competition and Consumer Protection for the financial year ended 31st December 2021.

As we look back on the past year, the fact was that the COVID-19 pandemic had accelerated the growth of the Zambian digital economy and provided the impetus for Government to drive towards digital transformation. This gave Zambia an opportunity to seize the full potential of the digital sector, increasing the benefits for consumers and fostering a more vibrant environment for businesses.

## Digital Economy

The Commission had in its 2021 Annual Report adopted the theme "Digital Economy" to underscore its strategic mandate to ensure the Zambian economy achieved lasting benefits from the digital economy. This was achieved through providing a framework for a regulatory environment that was conducive in helping new companies especially small businesses enter the market, benefit consumers and continue to promote existing companies to innovate.

## Competition in a Digital Economy

The Zambian economy is increasingly becoming more digitally focused, and the growth of our digital and data-driven economy is likely to expand in the coming years.

However, in order to harness the promised benefits of digitalisation, Zambia must create a competitive and regulatory environment designed to extract those benefits and distribute them in a way that ensures inclusive economic growth. Unquestionably, competition is an integral aspect of a thriving economy, and a growing digital economy augments the importance for the Commission to monitor developments in digital markets and ensure that the existing regulatory framework remains robust and relevant.

The Commission is cognisant that the existing core-conventional competition tools needed to be enhanced with new approaches to address this changing economy more effectively.



## Challenges of the digital economy– promoting pro-competitive policies and regulations.

The rapid pace of innovation that was fuelling the digital economy brought with it unprecedented opportunities for Zambian businesses and consumers. However, it also raised new questions and challenges from a competition perspective. The Commission was committed to ensure competition enforcement responded to the challenges posed by digital platforms by proactively developing competition policies to address the novel challenges posed by the digital economy. Though some of these updates to the policies could happen within the current mandate of the Act, there was arguably need for legal changes to ensure the effective oversight of promoting competitive markets and protecting consumers.

## Consumer Protection: Data Privacy

The rise of the digital economy had led to unique consumer protection issues relating to data privacy, this notwithstanding, the availability of e-commerce and other digital transactions offers which offered consumers a wider range of choices and convenience.



The sharing of personal data invariably increased new concerns about data security and the potential for fraud and violations of privacy.

In order for the Zambian digital economy to succeed, consumers needed to have trust in the integrity and fairness of our digital markets. Consequently, the Commission was resolute in ensuring application of effective consumer protection laws and procedures which would engender such trust, giving consumers the confidence to engage and transact.

### International collaboration

The digital and data-driven economy was borderless, and for Zambia to foster competitive and innovative digital marketplaces, it was imperative that the Commission collaborated with regional and global agencies to share best practices and work together on enforcement and advocacy matters.

Building and maintaining strong international partnerships improved the Commission's ability to deliver the economic growth so needed in Zambia's developing economy.

### Looking Forward

The over-riding strategy in the enforcement of competition law was to proactively prevent digital markets from becoming abusive and hence marginalise vulnerable consumers and small businesses.

Such a strategic programme also required the Commission's commitment in dedicating resources to improve its knowledge of markets operating in the digital economy and develop tools for appropriate detection and assessment of anti-competitive conduct and transactions in the digital economy.

### In Appreciation

On behalf of Management and staff, I would like to express my appreciation to the Honourable Minister of Commerce, Trade and Industry, the Permanent Secretary and the Ministry staff for their invaluable support and commitment in helping the Commission achieve the set milestones.

My gratitude also goes to the Executive Management Team and staff for exhibiting resilience and dedication in a year filled with

uncertainty and adversity. I would also like to thank my fellow Board Members for their unwavering commitment and valuable contributions.



Dr. Chenga S. Chisha  
**Chairman**  
**Finance & Administration**

# Executive Directors' Report

As we review 2021, we take note of the regulatory challenges posed by the Corona virus (COVID-19) pandemic and how we leveraged technological tools that ensured consistent strong and credible implementation of our mandate.

While the enforcement function ensured the preservation of a fair and competitive landscape in the Zambian markets, the proactive advocacy activities ensured stakeholders continuously engaged with the Commission and complied with the Act.

The year 2021 marked the end of the Commission's five-year Strategic Plan in which the Commission endeavoured to recognise the value of service delivery with emphasis to deliver efficient, effective services and become a model market regulator. The Commission further undertook a proactive approach to develop a transparent competition enforcement regime and enhance consumer protection.

## COMPETITION

In the year 2021 as a result of the Covid-19 pandemic, the Commission saw a reduction of merger cases by sixteen percent (16%) when compared to 2020, having reviewed seventy (70) mergers and closed fifty-six (56) cases, which was also below our target of eighty cases (80) in 2021. A total of eighty-three (83) cases were recorded in 2020.

The Commission launched an online Case Management System (CMS) and used other virtual platforms like Zoom and Google Meet to undertake pre-merger meetings. The pre-merger meetings were meant to make the merger notification process predictable and efficient. In 2021, the Commission took-up the Chairmanship of the SADC Mergers Working Group and continued to cooperate with COMESA Competition Commission in line with existing MOUs with the two institutions.

Further, collaboration with regional competition bodies and other regional working groups were enhanced to share merger reviews, best practices, procedures and processes.

To prevent market foreclosures and abuse of dominance conduct by business, nineteen (19) enterprises were investigated in 2021 as compared



to eighteen (18) cases in 2020. The investigations led to the impositions of fines on erring enterprises.

As regards Restrictive Business Practice cases, the Commission in the year under review investigated forty (40) cases and closed twenty-seven (27) leaving a balance of thirteen (13). This was comparable to forty-one (41) cases investigated in 2020. The Services sector continued to dominate with the most investigated cases accounting for thirty five percent (35%), followed by Agriculture sector which accounted for twenty-nine percent (29%).

The goal of the Commission is to deter businesses in the Zambian market engaging in Cartel behaviour. In 2021, sixteen (16) Cartel cases were investigated and eight (8) were concluded by year end, which is an increase of forty-five percent (45%) from the eleven (11) cartel cases investigated in 2020. Five (5) dawn raids on enterprises suspected of Cartel conduct were carried out in 2021. The Leniency Programme coupled with collaboration with international bodies continued to be effective tools in combatting Cartel behaviour.

## CONSUMER PROTECTION

### Consumer Complaints

In 2021, the Commission handled two thousand three hundred sixty-six (2,366) consumer complaints from a wide range of sectors of the economy, which was a six percent (6%) reduction from 2020 which recorded two thousand five hundred and twenty-two (2,522) cases. The insurance and retail trade sectors contributed thirty-six percent (36%) and twenty-nine percent (29%) respectively to the complaints and complainants received. The consumer complaints procedures were streamlined through consumers having direct access to lodge their complaints online on the Case Management System.

### Inspections and Compliance

Further, the Commission inspected six hundred and seventy-six (676) business premises in twenty-four (24) districts across Zambia and goods worth K154,819, were seized and destroyed for violating provisions of the Act.

### Consumer Awareness and Education

The Commission continued to raise awareness through television and radio programmes, distribution of posters, brochures, sending bulk Short Message Services (SMSs) and holding virtual meetings. Critical information shared included unfair trading practices, consumer rights, and potential customer concerns relating to Covid-19.

## LEGAL AND REGULATORY

In 2021, the number of cases the Competition and Consumer Protection Tribunal presided over increased by sixty-five percent (65%) compared to 2020, having heard forty-three (43) cases. Twenty (20) cases were determined, of which forty percent (40%) were delivered in favour of the Commission, with a further forty percent (40%) being settled ex-curia. Six (6) cases were pending judgement.

As for the cases before the courts, one (1) case remained to be determined by the Supreme Court, while seven (7) cases were before the High Court on appeal against the decisions of the Competition and Consumer Protection Tribunal. Three (3) of these had been concluded by the High Court and were pending delivery of judgement. Two (2) cases were before the Court of Appeal.

## INSTITUTIONAL DEVELOPMENT

### Research

In 2021, the Commission undertook targeted economic analysis in key economic growth sectors like Road Infrastructure, Aviation, Mobile Services Sectors and reviewed the impact of Covid-19 on Competition and Consumer Protection.

The Commission completed its Case Management System (CMS) Project in order to transform and digitalise its operations and systems countrywide. This would improve efficiency on handling cases, and thus reduce on administrative and operational expenses.

### Audit, Risk Management and Governance

In 2021, Internal Audit conducted reviews in six (6) Provincial Offices and six (6) audit reviews at Head Office to ensure compliance to the approved policies, regulations and procedures.

### Human Capital

In order to improve performance, the Commission continued to provide various capacity building programmes especially in investigation skills. Unfortunately, the labour turnover had continued to be a problem with the Commission losing some officers to other regulators and the private sector. To ensure continuity and retention of staff, the Commission introduced a Management Trainee Programme as part of the Succession Planning System.

### Public Relations

In 2021, the Commission continued to maintain a strong focus on educating consumers about their rights and warning people about the risks of scams and product safety hazards especially those posed by the digital economy. This was mainly done through social media platforms as well as traditional media. This effective communication mix deployed ensured enhanced visibility and dissemination of the Commission's roles and responsibilities regarding competitive markets and consumer protection.

### International Relations and Regional Engagements

In 2021, the Commission participated in numerous virtual international interactions with International

Consumer Protection and Enforcement Network (ICPEN), African Competition Forum (ACF), International Competition Network (ICN), and United Nations Conference on Trade and Development (UNCTAD) among others.

These fora proved to be a good source for capacity building, developing strong linkages with relevant multilateral agencies and exposure to best global practices.

## **LOOKING AHEAD**

The Commission is desirous to remain professional in its enforcement of the Act and advocacy activities, which would translate to greater economic efficiency and innovation, increased consumer choice for goods and services at affordable prices and enhanced competitiveness in the Zambian economy.

## **ACKNOWLEDGEMENTS**

I am extremely thankful to the Board of Commissioners for the leadership and guidance provided and the employees for making the Commission a vibrant and professional workplace which inspired confidence of stakeholders.

Further, I would like to also appreciate the continued support of the Honourable Minister of Commerce, Trade and Commerce and the Office of the Permanent Secretary, Ministry of Commerce, Trade and Industry.

  
Chilufya Sampa  
Executive Director



# MERGERS AND MONOPOLIES



## KEY STRATEGIC OBJECTIVES:

### Mergers and Monopolies

- Develop and implement a predictable and efficient merger regulation

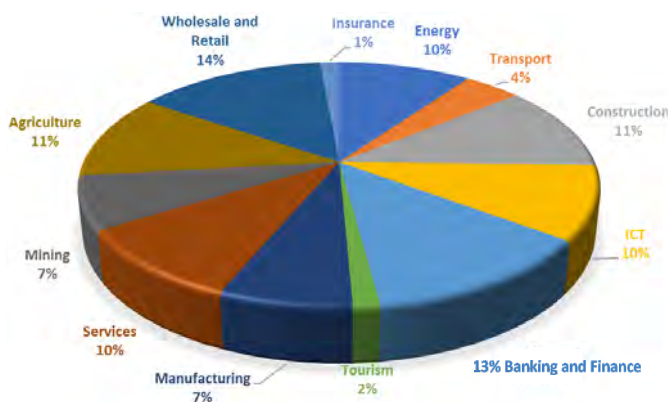
### Abuse of dominance

- Ensure free and fair markets with minimal barriers to entry

# Mergers and Monopolies

In 2021, the Commission handled seventy (70) investigations of merger cases. Fifty-two (52) of these merger notifications were received in 2021 while eighteen (18) were brought forward from 2020. From the seventy (70), the Commission reviewed and closed fifty-six (56) cases in 2021. The reviewed and closed cases were from key sectors such as Energy, Transport, Construction, Information and Communication Technology, Finance, Tourism, Manufacturing, services, Mining, Real Estate, Agriculture, Wholesale and Retail.

The pie chart below shows the percentages of merger cases handled in each sector:



Notable mergers handled in 2021 included;

- Acquisition of Lafarge Zambia Plc by Huaxin (Hainan) Investment Company Limited.
- Merger involving Zambia Re-insurance Plc and Zambia Industrial Corporation
- Merger involving Aviagen European Holdings Limited (“AEHL”) and Ross Breeders Zambia Limited (RBZ)
- Merger between Vivo Energy Zambia Limited and SGC Zambia Limited
- Merger between Mopani Copper Mines Plc and Carlisa Investment Corporation

In 2021, the Commission continued to review its processes and procedures to ensure that the merger regime in Zambia is predictable and efficient. This was done through virtual meetings with clients and other stakeholders including collaboration with SADC and COMESA. The Commission conducted over fifteen (15) virtual and physical pre-merger meetings. The importance of

pre-merger meetings was that they were beneficial to both the Commission and clients to better understand the transaction and the information that was needed in order to successfully file a merger application.

## Collaboration with SADC

In 2021, the Commission took up the Chairmanship of SADC Mergers Working Group where it spearheaded meetings and various activities for the benefit of all Member countries. The SADC Mergers Working Group is a platform where Competition Authorities from the SADC region interacted and shared various country specific experiences relating to merger regime. The information shared was usually non-confidential information relating to cases handled in various SADC jurisdictions as well as case statistics. Such collaboration was key to the Commission because it enabled the Commission to continuously improve its procedures and processes.

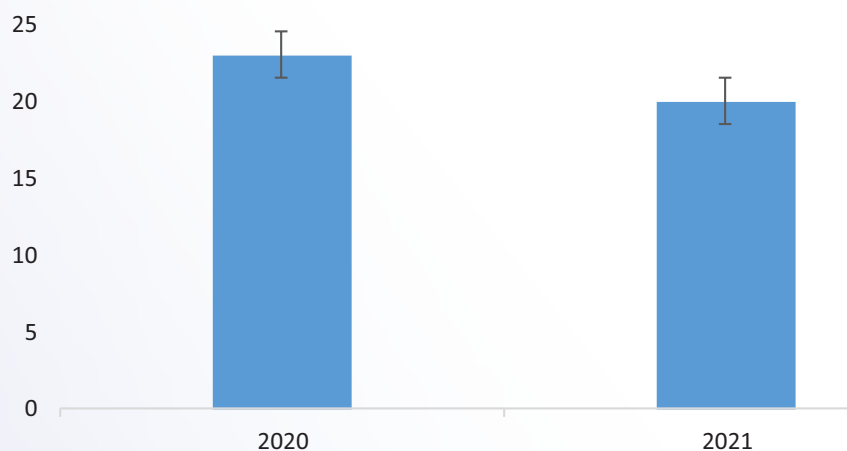
The SADC Mergers Working Group interactions contributed to the formulation of predictable regulations for effective enforcement of competition laws and ease the doing of business in Zambia and in the region. The topics discussed in these collaborations were mainly to do with recent developments in merger regimes in SADC Member countries. Members also shared best practices on merger review and regulation during the Covid-19 pandemic.

## Cooperation with the COMESA Competition Commission

The Commission had continued its cooperation with the COMESA Competition Commission (CCC) on merger review and other competition issues in line with the Memorandum of Understanding between the two institutions. The collaboration with CCC was aimed at enhancing predictability and efficiency in merger regulation as well as preventing companies from undertaking multiple merger notifications in various COMESA Member States, thereby reducing the cost of business transactions (Merger fees) among others.

COMESA mergers handled by the Commission declined from twenty-three (23) in 2020 to twenty (20) in 2021. The reduction was largely due to the outbreak of Covid 19 which resulted in business activities slowing down.

The chart below shows the number of cases received through CCC in 2020 and 2021



workshop equipped members of staff with new skills that were useful in formulating remedies, selection of appropriate remedies applicable to various circumstances, establish more efficient remedy monitoring techniques, identification of risks associated with the remedies and addressing these risks.

Additionally, in 2021, the Commission participated in a virtual training workshop hosted by the COMESA Competition Commission which aimed at equipping Member States with new

### Staff Capacity Development

In 2021, the Commission participated in a virtual workshop organised by the African Competition Forum (ACF) under the theme; assessing digital mergers in developing markets. The workshop highlighted some of the rapid changes in the dynamics of the digital market and steps that could be taken in addressing the challenges expected from the rapid growth of the digital market when assessing mergers.

The workshop equipped members of staff with new skills that were useful in defining relevant markets in the digital space, participate in the development of digital merger control systems, improving digital mergers assessment criteria, improving digital markets monitoring skills, understanding the challenges that came with the use of turnover to determine the notification threshold of digital transactions and to understand the use of qualitative methods such as interviewing market players, consumers and regulatory bodies among others to assess market power.

Further in 2021, the Commission participated in a virtual training workshop organized by the International Competition Network (ICN) which focused on merger assessment, investigative techniques and market definition in merger analysis and unilateral conduct. The workshop equipped members of staff with new skills that were useful in the assessment of mergers and unilateral conduct such as investigative techniques and market definition in mergers and unilateral conduct. Another International Competition Network (ICN) workshop attended in 2021 focused on structural and behavioral remedies. The

information relating to handling digital mergers. The theme of the workshop was COMESA Merger Notification Rules: Are they appropriate for Capturing Global Digital Mergers?

The workshop highlighted some of the challenges and possible solutions of dealing with digital mergers between companies domiciled and incorporated in different jurisdictions but having an effect in countries where they were not incorporated.

The training sessions further provided an opportunity for members of staff to share ideas and experiences with colleagues from different competition authorities.

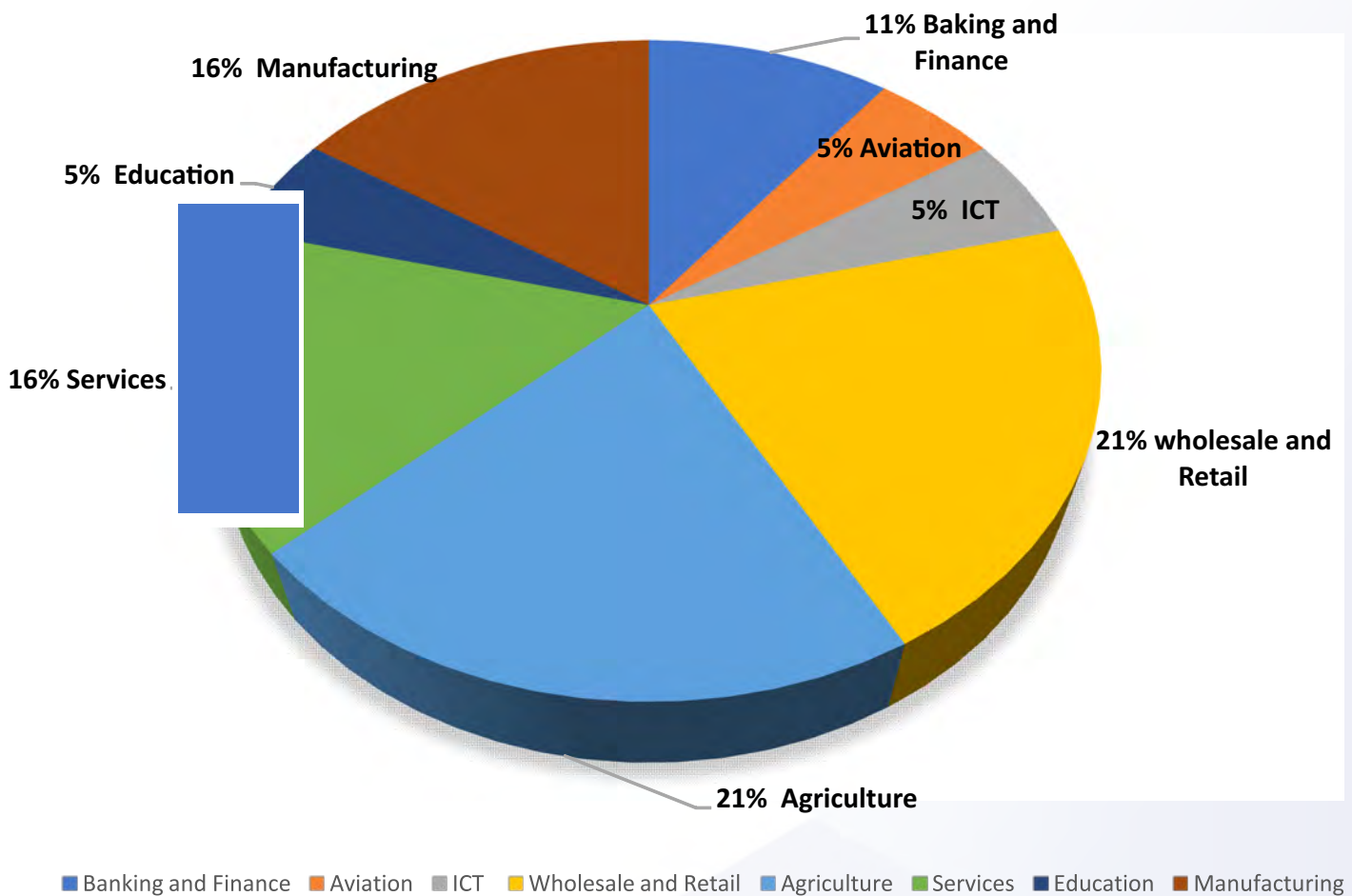
## ABUSE OF DOMINANCE

### Investigations on Abuse of Dominance

In 2021, the Commission investigated nineteen (19) enterprises that were alleged to have abused their dominant position in various markets as compared to twenty (20) cases investigated in 2020. Of the 19 cases, eleven (11) were closed with two (2) cases resulting in fines being imposed on the erring enterprises while nine (9) cases were closed with no fines being imposed. The sectors that recorded most alleged abuse of dormant position conducts included; Retail and Wholesale, Services, Agriculture, Manufacturing and Banking and Finance. Some of the alleged anti-competitive practices investigated by the Commission were exclusive dealing, tying and bundling, limiting /restricting production and imposing unfair trading conditions.



The pie chart below shows the percentages of abuse of dominance cases handled in each sector



### Notable Abuse of Dominance cases

- Complaint from tenants of shopping malls in Lusaka on Anti-competitive business practices
- Complaint by ZANACO Xpress agents concerning Abuse of Dominance against ZANACO bank plc

### Activities to promote Compliance and Competition Law

#### Operationalizing Mergers and Abuse of Dominance Guidelines

In 2021, the Commission focused on operationalising the guidelines on Abuse of Dominance. The guidelines gave practical advice and guidance on the application of the relevant procedures and assessment methods in Abuse of Dominance Cases

The Commission participated in several intentional fora dealing with Abuse of Dominance cases and Unilateral Conduct cases under the (ICN) Unilateral Conduct Working Group as well as with other Competition Authorities within the region. With regards to regional competition authorities, the Commission continued sharing non-confidential information on cases from countries on emerging issues such as abuse of dominance in digital platforms and financial sectors.

# RESTRICTIVE BUSINESS PRACTICES

---



---

## KEY STRATEGIC OBJECTIVES:

- Reduced incidences of Cartels and Restrictive Business Practices on the Zambian market
-

# Restrictive Business Practices

## Investigations of RBP Cases

In 2021, the Commission closed twenty-seven (27) cases relating to restrictive business practices out of forty (40) cases handled as compared to forty-one (41) handled in 2020.

The table below shows the summary of the restrictive business practice cases handled and closed:

Case Statistics – Restrictive Business Practices

Brought Forward to 2021	Cases Received 2021	Total Cases Handled	Total cases Closed	Carried Forward to 2022
12	28	40	27	13

## Sectors Investigated

The Commission strengthened its sector specific monitoring initiatives in 2021. The services sector continued to dominate with the most investigated cases accounting for thirty five percent (35%), followed by Agriculture, Manufacturing and the Wholesale and Retail sectors which accounted for

twenty nine percent (29%) , thirteen percent (13%) and eleven percent (11%) respectively. Other sectors investigated included Transport (6%), Health (2%), Banking and Finance (2%) and Construction (2%) sectors.

## Combating Cartels

### Elimination of Cartels in the Economy

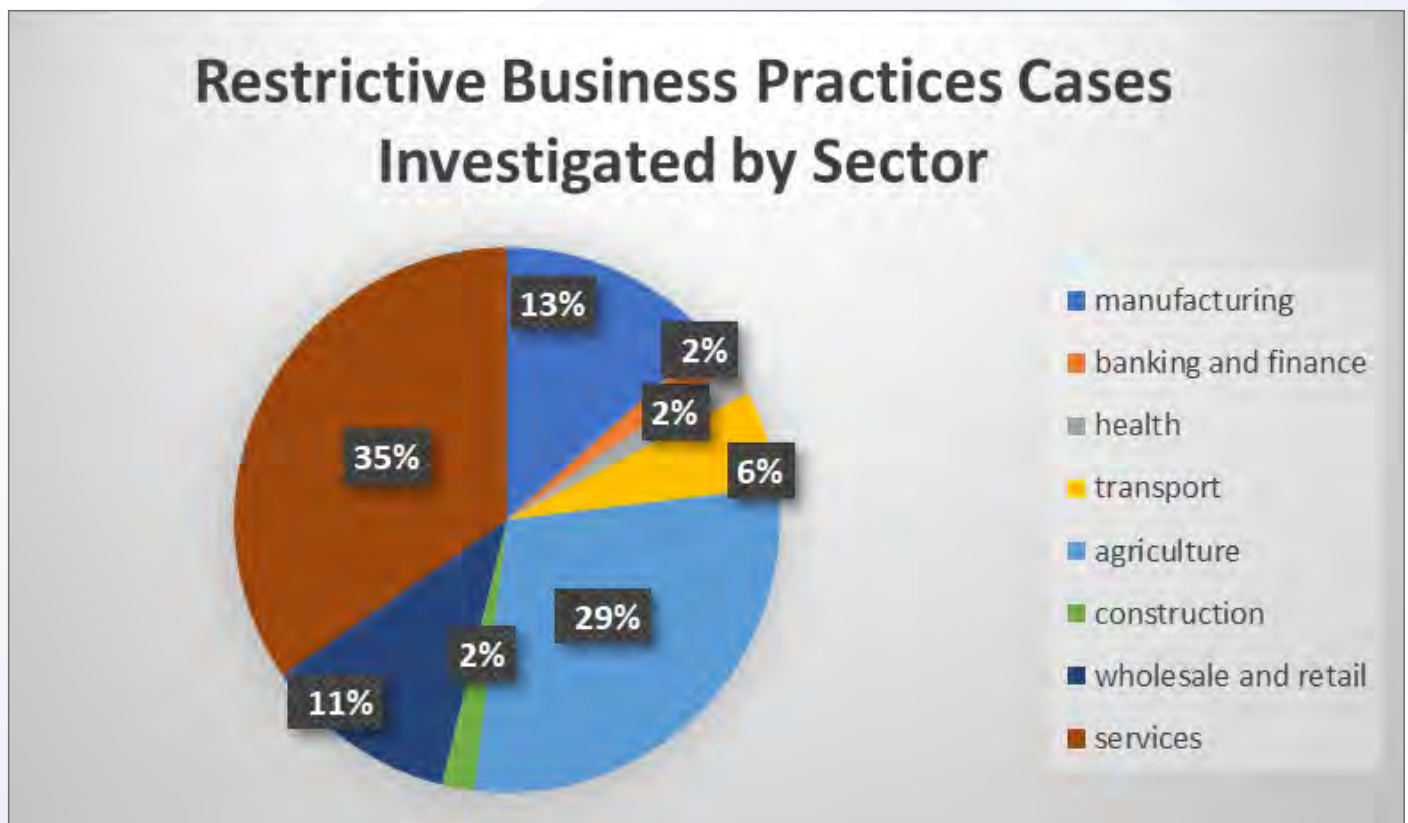
Being the worst violation of competition law, eliminating cartels in their various forms remained a top priority for the Commission in 2021. The Commission enhanced its investigations into cartel

conduct by monitoring activities in various sectors of the economy, where businesses agreed with their competitors to fix prices, rig bids, share markets or

restrict supply of products and services.

The Commission also conducted five (5) dawn raids on various enterprises that were suspected of engaging in cartel conduct.

The figure below shows the percentage of cases handled in each sector





The Commission handled a total of sixteen (16) cartel cases from various sectors. Eight (8) of the investigations were concluded in 2021 while eight (8) of the cases were carried forward to 2022. The eight (8) concluded cartel cases included a cement case where two parties were fined whilst another received 100% immunity from civil sanctions under the leniency programme. The Commission further issued directives to the cement companies among them to revert to pre-cartel prices of between \$4.50 and \$5.00 to which they exercised their right to appeal in the Competition and Consumer Protection Tribunal. The Commission also concluded a petroleum transporters case where the Transporter's Association was fined for price fixing. The Commission also concluded a fish fingerlings case where seven (7) Respondents were fined for fixing of prices and other trading conditions in the aquaculture sector. Respondents in the latter two cases also exercised their right of appeal in the Competition and Consumer Protection Tribunal. Other cases were suspected bid rigging cartels in the supply of food rations and the provision of drilling services in public procurement which were closed through soft enforcement mechanisms.

### Notable Cartel Cases

- Restrictive Business Practices in the Cement Sector
- Restrictive Business Practices in the Aquaculture Sector

### Advocacy

In 2021 the Commission continued to create awareness about Competition Law in relation to Cartel and Restrictive Business Practices detection, investigation and prosecution.

The Commission engaged various stakeholders through physical and virtual meetings which included three (3) sensitisation activities regarding awareness on Cartels and Restrictive Business Practices with CFAO Group, Zambia Breweries PLC, Airtel Networks Zambia PLC and MTN Zambia Limited. The Commission also continued to employ internal capacity building initiatives to enhance its vantage point on competition matters across the provincial offices.

### Compliance and Awareness Programmes

In 2021, the Commission engaged various players who intended to engage in vertical agreements and other types of collaborative initiatives provided for

assessment by the Commission under the Act. These agreements were from the finance, agriculture, retail and wholesale, real estate and services sectors. The Commission engaged the enterprises with the view of making applications in the prescribed manner and form for the Commission to proactively assess the proposed agreements for any anti-competitive clauses.

### Strong Collaboration with Regional and International Bodies

Strong collaboration with regional and international bodies such as the Southern African Development Community (SADC), Centre for Competition, Regulation and Economic Development (CCRED) and other cooperating partners remained a key activity for the Commission in 2021.

Through such interactions, the Commission participated in virtual meetings that were aimed at addressing challenges of anti-cartel enforcement and investigating anticompetitive trade practices amid the outbreak of COVID-19 pandemic. Practical lessons on the leniency programme, evidence and intelligence gathering, cross border cartels, enforcement and other salient issues in competition law were learnt.

# CONSUMER PROTECTION



## KEY STRATEGIC OBJECTIVES:

- Enhance Consumer protection in Zambia
- Empower consumers with knowledge on their rights and obligations in the market place
- Improve the handling and resolution of Consumer complaints

# Consumer Protection

## Consumer Complaints – Cases Investigated and Resolved

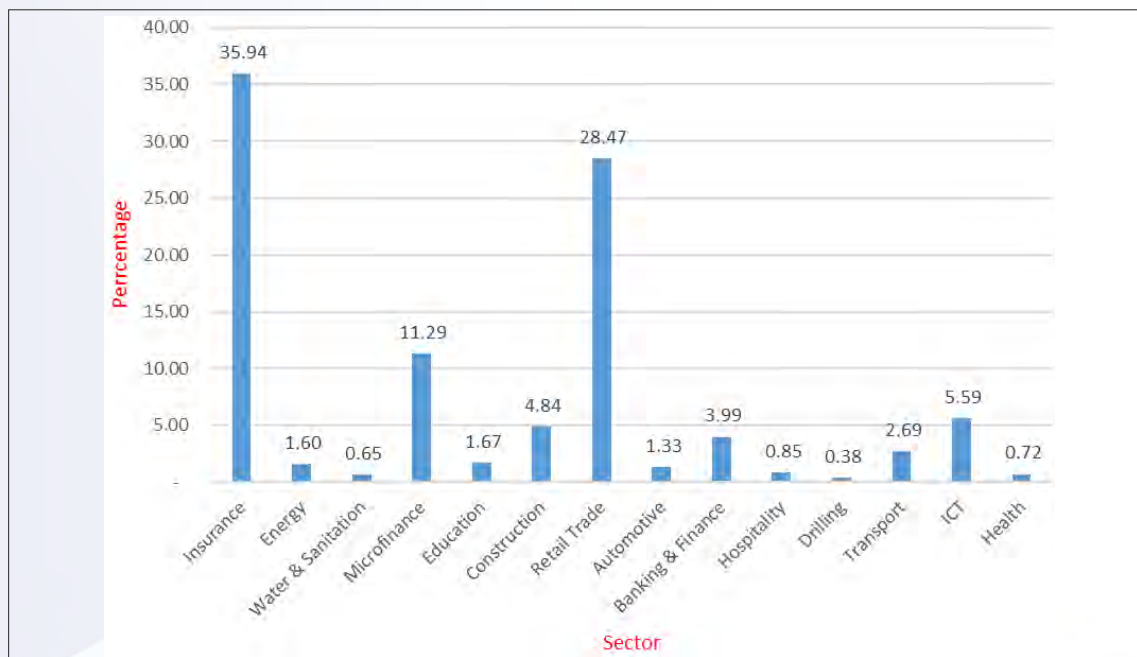
In 2021, the Commission resolved a total of two thousand three hundred sixty-six (2,366) cases involving two thousand nine hundred thirty three provisions (2933) as compared two thousand five hundred twenty two (2522) received in 2020. The number represented 100% of cases resolved within three (3) months by way of fully-fledged investigations and those resolved by effective use of advocacy. The Commission successfully helped

consumers recover K2,462,657 and K1,774,483 in refunds and replacements, respectively. The total value recovered for consumers amounted to K4,237,140.

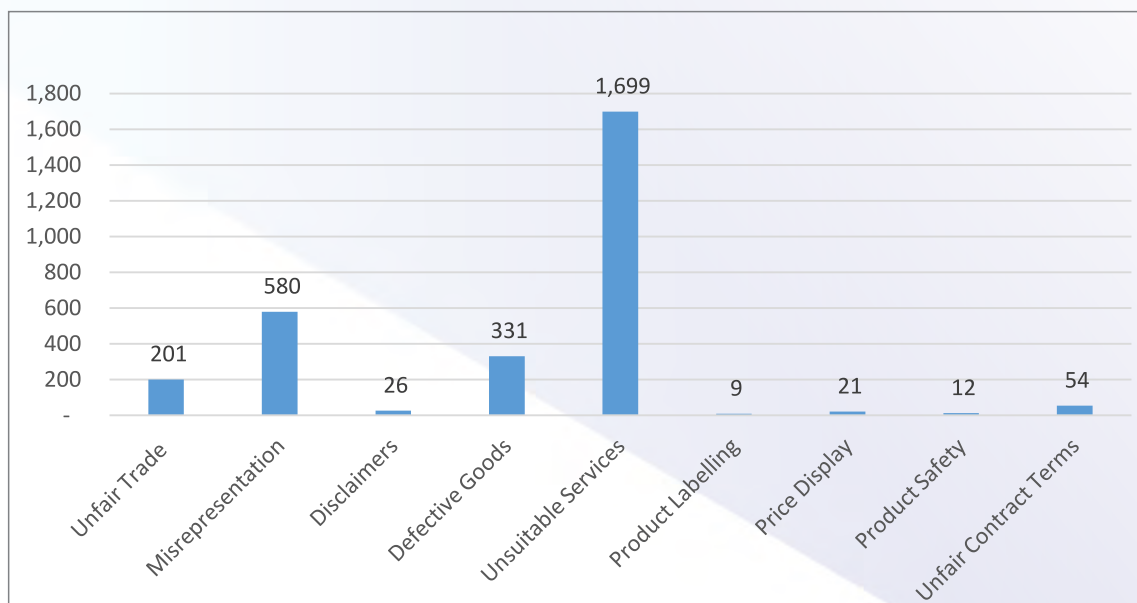
This number of cases was primarily driven by complaints of poor service delivery such as, unpaid insurance claims, unsolicited deductions, failure to stop deductions timeously, undelivered goods; and sale of defective products, especially electrical and electronic products.

The Commission in an effort to improve the handling and resolution of consumer cases developed and implemented a Case Management System (CMS).

The graph below shows the percentages of cases handled by sector



The table below shows the number of consumer complaints across various categories





## Notable Consumer Protection cases

- Unfair trading practices against Vaasa Holdings
- Unfair trading practices against Julz events

## Inspections – Compliance and Enforcement

In 2021, the Commission through its Inspector's Project, held joint inspections with Local Authorities, the Zambia Compulsory Standards Agency (ZCSA), Zambia Metrology Agency (ZMA)

and the Zambia Medicines Regulatory Agency (ZAMRA) where they inspected six hundred seventy-six (676) trading premises in twenty-four (24) districts across the country and goods worth K154,819 were seized for not meeting the provisions of the Act or the Food and Drugs Regulations under the Food and Drugs Act Cap 303 of the Laws of Zambia.

The goods seized were either expired, improperly labelled or had damaged packaging. The table below shows the highlights of the inspections and seizures conducted:

Inspections and Recoveries - 2021	
<b>Quarter</b>	
<b>First</b>	<p>The Commission conducted 8 inspections across the country and a total of 170 outlets were inspected. The Commission in conjunction with local authorities conducted 7 inspections with a total of 133 outlets being inspected. The Commission Inspectors under the Inspectors Project conducted 1 inspection with 37 outlets being inspected.</p> <p>The inspections were conducted in Mongu, Luwingu, Solwezi, Chingola, Kitwe, Chinsali, Mansa and Mwense districts.</p>
<b>Second</b>	<p>The Commission conducted 12 inspections across the country and a total of 178 outlets were inspected. The Commission in conjunction with local authorities conducted 10 inspections with a total of 166 outlets being inspected. The Commission further conducted two inspections with ZAMRA and ZCSA with 12 outlets being inspected.</p> <p>The inspections were conducted in Mongu, Kasama, Mpika, Mungwi, Chinsali, Samfya, Kalumbila, Mushindamo, Chipata, Kabwe, Luanshya and Lusaka districts.</p>
<b>Third</b>	<p>The Commission conducted 13 inspections across the country and a total of 219 outlets were inspected in conjunction with local authorities.</p> <p>The inspections were conducted in Kasama, Mporokoso, Mufulira, Chipata, Kalumbila, Mushindano, Chinsali, Mongu, Mansa, Chipili, Ndola, Kabwe and Chingola</p>
<b>Fourth</b>	<p>The Commission conducted 11 inspections across the country and a total of 109 outlets were inspected. The Commission in conjunction with local authorities conducted 8 inspections with a total of 95 outlets being inspected. The Commission further conducted 3 inspections with ZMA with 14 outlets being inspected.</p> <p>The inspections were conducted in Mpulungu, Kasama, Mansa, Ndola, Mongu, Lusaka, Chinsali, Kalumbila, Chembe, and Mungwi.</p>

## Consumer Education and Awareness

### Provincial Sensitisation Activities

In order to raise awareness on competition and unfair trading practices and consumer rights among the business community and consumers

respectively, consumer education and awareness had continued to be one of the Commission's priorities. In 2021, the Commission conducted sensitization programmes in the Central and Southern provinces through radio programmes and distribution of posters and brochures. Further, similar engagements were carried out during



inspections of trading premises. The Commission also distributed targeted Bulk Short Message Services (SMSs) containing critical information including information on COVID-19 and potential consumer concerns that came with the pandemic. Additionally, the Commission produced a TV documentary in an effort to equip the Zambian people with knowledge on the proper use of plastic products during and after the Covid-19 pandemic.

### **Development and distribution of Information, Education and Communication (IEC) Materials**

During the 2021 World Consumer Rights Day (WCRD) whose theme which was dubbed, "Tackling Plastic Pollution and Consumer Protection amid the Covid-19 Pandemic," the Commission produced and circulated a total of 5,000 bookmarks to its stakeholders. Additionally, the Commission distributed one thousand one hundred and eighty-five (1,185) Information, Education and Communication (IEC) materials to its stakeholders countrywide. The IEC materials distributed included posters and brochures on financial literacy, consumer rights, and financial consumer protection in the digital era among others. Further a total of 34,000 IEC materials were distributed to various secondary schools countrywide.

The IEC materials included posters and bookmarks aimed at raising awareness among pupils on financial consumer protection, unfair trading practices in the public transport sector, sustainable use of plastics amid the Covid-19 pandemic as well as the sale of defective products, unfair contract terms and access to adequate information.

### **School Sensitisation**

In 2021 the WCRD National Organising Committee comprising various sector regulators, NGOs and business entities conducted a national school essay writing competition for secondary school pupils on the topic: "How can Consumers help protect the Environment against Plastic Pollution amidst the Covid-19 Global Pandemic?" The objective of the competition was to broaden pupil's knowledge on tackling plastic pollution and consumer protection amidst the COVID 19 pandemic. The top three winning schools were each awarded various prizes. Further, the Commission held a Competition and Consumer Protection Commission School's clubs preparatory meeting for the activities to be undertaken in 2022 with all the patrons and matrons of the CCPC school clubs in all provinces.

### **International Liaison**

In 2021, the Commission under the International Consumer Protection and Enforcement Network (ICPEN) participated in several advisory group calls. The Commission was member of four (4) working groups (projects) under the 2021-2022 ICPEN presidency (Portugal), which included; alternative dispute resolution, enforcement during COVID 19, digital platforms and misleading environmental claims. Other international working groups included the ICN where the Commission participated in several advocacy and agency effectiveness workshops and sessions. More so, the Commission also participated in; the African Dialogue (AD), African Competition Forum (ACF) and United Nations Conference on Trade and Development (UNCTAD) among others.

# LEGAL AND CORPORATE AFFAIRS



## KEY STRATEGIC OBJECTIVES:

- Provision of legal services and support to CCPC in the discharge of its statutory functions

# Legal

## Prosecution and litigation of cases

In the first quarter of 2021, there were no cases going on appeal to the Competition and Consumer Protection Tribunal (the Tribunal). This was attributed to the fact that the Covid-19 Pandemic had affected a lot of activities including the flow of cases before the Tribunal. During the said period, there were a total of twenty-five (25) cases, of the same, five (5) were pending delivery of judgement while twenty (20) were still being heard. However, towards the end of the year the Commission saw a rise in the number of active cases before the Tribunal to forty-three (43). The Commission further received six (6) judgments delivered by the Tribunal, and eight (8) cases were settled ex-curia. The Commission also saw a rise in the number of cases going on appeal to the Court of Appeal from two (2) to four (4), and of the four, judgment was delivered for two (2) cases, leaving two (2) cases pending to be heard by the Court of Appeal. Nonetheless, there were still three (3) cases were delivery of judgments before the High court had been delayed as well as one (1) before the Supreme Court.

Table of Summary of Cases in Court

Supreme Court	Court of Appeal	High Court
1	2	7

## Matters before the Courts 2021

### Supreme Court

The case involving Puma Energy PLC and CCPC under cause No. 172/ 2015 remained to be determined by the Supreme Court as regards the Notice of Motion raised by Puma Energy to reverse the 2018 Judgment.

### Court of Appeal

Four (4) cases were commenced by way of Appeal to the Court of Appeal. Two (2) cases were heard by the Court of Appeal and judgment was delivered in favour of the Commission. While two (2) cases were yet to be heard and were yet to be determined.

### High Court

Seven (7) cases were commenced in the High Court

by way of Appeal against the Decisions of the Competition and Consumer Protection Tribunal. Out of the Seven (7) cases, three (3) were concluded and were pending delivery of judgement , while one (1) case was currently before the Tax Master for determination of costs following the delivery of judgement in favour of the Commission. Three (3) were yet to be determined.

## Appeals received against decisions of the Commission

A total of forty-three (43) cases of which six (6) judgments were delivered by the Tribunal, while eight (8) cases were settled ex-curia and a total of six (6) cases were pending delivery of judgment. Therefore at the end of the year 2021, there were a total of twenty-three (23) active cases before the Tribunal.

Summary of the number of cases before the Competition and Consumer Protection Tribunal

Total number of cases in 2021	Number of cases settled via ex-curia	Number of cases judgments delivered	Number of cases pending judgments	No. of cases still active at the end of 2021
43	8	6	6	23

## Regulatory Affairs

Following the incorporation of comments from stakeholders on the proposed amendments to the Competition and Consumer Protection Act No. 24 of 2010, the Draft Bill was tabled before the Ministry of Justice Internal Legislation Committee as well as the Cabinet Legislation Committee. However, the Bill, was sent back to the Commission for clarity and additional amendments. The Commission had an internal meeting at which additional amendments were made to the Bill and the same will be tabled with stakeholders, before submission to Ministry of Justice.



# INSTITUTIONAL DEVELOPMENT



○ Finance Department



○ Human Resource and Administration Department



○ Internal Audit  
○ Procurement  
○ Stores  
○ Research  
○ Public Relations

## KEY STRATEGIC OBJECTIVES:

- High performing market regulator
- Review and Strengthen the Governance and Oversight Functions
- Improve quality of Research, Development and Advocacy
- Improve the provision of Corporate Affairs Services
- Enhance capabilities and performance of Staff

# Institutional Development

## Audit and Risk

### Strengthen Audit and Risk Management

Enhancing and protecting organizational value remained the core mandate of Internal Audit function by auditing at the pace of risk. Internal Audit had continued providing value to the Commission by conducting risk-based audits, providing objective assurance, advice and insight.

The Internal audit function had continuously been attuned to the risks the Commission face and to the stakeholders' expectations. The internal audit function in the past years was focused extensively on financial reporting, cost reduction and containment, and risk management assurance. However, a shift in the last two years had been noted with the emerging of risks relating to cybersecurity, corporate culture, big data, and artificial intelligence becoming more pronounced with the increase in the use of electronic devices in day to day operations.

In 2021, six (6) planned provincial offices and six (6) Head Office audit reviews were carried out to check the compliance levels to the approved Policies, Procedures and relevant Legislations. Internal Audit also appraised the adequacy, design and operational effectiveness of internal controls implemented by Management.

External Auditors, PKF Zambia Chartered Accountants continued to provide external assurance through financial reviews to ascertain whether the records gave a true and fair picture.

### Operational Risk Management

The Commission's activities expose it to several operational risks. To abate these risks, the Commission has a Risk Register, which is a Control Structure Assessment Tool used not only to consider the likelihood and impact of selected risks but also help the Commission to evaluate the effectiveness of the current controls and whether any changes would be required to bring the identified risks within its risk appetite.

The operational risks identified include those relating to the Case Management System, inadequate funding, staff turnover, low staffing levels, delayed receipt of fines and lack of internal

electronic equipment testing experts. However, the Commission has put in measures to mitigate all the identified operational risks.

## Research

In 2021, the Commission undertook several research projects and contributed to local/international fora and conferences.

### Regional Integration Support Mechanism (RISM) Digitalisation Project

The Commission recently embarked on a project, to transform and digitalise its operations and systems in line with one of the Commission's strategic objectives which focused on enhancing its ICT capabilities.

The project was partially funded by the RICB Project, a COMESA project under the MCTI. In 2021, the Commission had successfully concluded the development of the Case Management System and interconnected all its provincial sites to its head office.

The system was expected to improve the case turnaround while reducing administrative and operational costs associated with manual systems which in turn will result in prompt case processing. The improved ICT system will also promote and enhance the Commission's collaboration with regional competition authorities and international networks on matters relating to competition and consumer protection.

### ACF Aviation Study

The lack of adequate funding and reliance on old aircrafts by domestic airlines of African Competition Forum (ACF) Member States saw a rise in several inefficiencies that affected the ability of domestic airlines to compete with their regional and international competitors. This led to an ACF wide study to which Zambia was party and whose aim was to understand the market structure, alliances, state involvement, competition concerns and regulatory setting for the airline industry in the different ACF Member countries. The study revealed that there was adequate regulatory and institutional frameworks to make an aviation industry competitive, but the enforcement levels were low and that the flight fare costs remained high due to high operational costs. The study concluded that aviation liberalization and an effective regulatory



regime were thus an essential tool for Africa to experience the benefits of free trade and economic integration such as, cheaper fares for passengers, greater connectivity, more route frequency, innovative competitiveness, and time efficiency.

### **Studies on Effects and Impact of COVID-19 on Competition and Consumer Protection in Zambia**

During the Covid-19 pandemic, several countries including Zambia resorted to full or partial lockdowns and several restrictions to control the pandemic. These measures meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity in some sectors. The effect of Covid-19 in some sectors led to changes in consumer demand attitudes, behaviours and purchasing habits and adopting unconventional ways of life such as online shopping. Disruptions in supply chains meant late or no deliveries to consumers.

Suspension of some services that promoted social gatherings meant that consumers either had to make last minute cancellations or adjustments to their programs to fit into the regulatory requirements. The Study findings indicated the need for better competition and consumer protection management and measures required to be put in place at policy level.

### **Road Study**

In recent years there had been increasing concern of possibility of cartels in the road construction sector. Firms that had engaged in cartelistic behaviour in other jurisdictions such as; Botswana, Malawi and Zimbabwe, were present in the bidding of contracts in Zambia. The Commission thus initiated a study in the road sector, which sought to assess the levels of competition in the Zambian public road construction sector by assessing possible conduct of collusion and bid rigging amongst bidders. Additionally, the study assessed the effectiveness of the regulatory framework in combating cartel behaviour or bid rigging.

To this effect, tender evaluation reports for 2013 to 2018 were analysed for road works in 6 provinces in Zambia. Further, existing regulations in relation to public procurement and road construction were reviewed. The study revealed that some bidders for works classified as Routine Maintenance from 2016 onwards submitted bids of similar values for the lots they were participating in. It was observed that the procuring entity disclosed the Engineer's Estimates for the related works. The study revealed

that while such a decision to reveal the Engineers' Estimates might serve the interest of the Public Procurement Act provisions, the decision distorts competition as it encouraged firms desiring to rig bids to use the Engineer's Estimate as a basis for determining the low-bid amount to be submitted. Furthermore, the existing regulations appeared to have adequate provisions to deal with enterprise-to-enterprise anti-competitive conduct as they aimed to eliminate collusion in the public tendering processes.

### **Roaming Study**

The ability for a customer to automatically make and receive voice calls, send, and receive data, or access other mobile services when travelling outside the geographical coverage area of the customers' home network depended on several factors. Even once the roaming capability was available, commercial agreements might not and usually did not exist between every possible pair of countries/operators in addition to technical and commercial limitations to support international roaming. International roaming had been associated with high and often obscure pricing of roaming services. Lack of contestability and low consumer awareness might be the reasons why roaming charges were considered unjustifiably high. The Commission undertook a study aimed at providing an assessment of the level of transparency and awareness of international mobile roaming (IMR) tariffs and services offered by service providers. The study found that; unless consumers had opted not to receive such information, all customers were entitled to receive an automatic message providing basic roaming information including the roaming charges applicable. The current three Mobile Network Operators (MNOs) in Zambia appeared to provide their roaming clients with tariff advisory largely through SMSs messages. Most of the respondents indicated that they were made aware of the roaming services when they were using a non-Zambian SIM. The study made specific recommendations to the appropriate institutions.

### **Rural Finance Expansion Project (RUFEP)**

The Commission in partnership with RUFEP since 2018 had sought to increase access to the use of sustainable financial services for the rural women, men and the youth. The Commission with the support from RUFEP concluded its final evaluation in 2021. The project had since been closed. However, Post project activities had continued to take place

and these activities included; distribution of IEC materials and country-wide radio programs.

### **National Financial Inclusion Strategy (NFIS)**

To complement Government's effort to promoting financial inclusion under the 2017-2022 National Financial Inclusion Strategy (NFIS) agenda, the Commission as Secretariat of the Financial Consumer Protection and Capabilities Working Group 7 (FCPCWG7) worked with several players in the financial sector in order to raise awareness on financial consumer protection. The players which the Commission corroborated with included the PIA, SEC, BoZ, MoF, CUTS, BAZ and ZICTA.

### **Monitoring and Evaluation of CCPC Activities in 2021**

#### **Review of the 2017-2021 Strategic Plan/Development of the 2020-2026 Strategic Plan**

The Commission undertook an end-term Performance Review of its 2017-2021 Corporate Strategic Plan (CSP) with a view of assessing the performance and impact of its interventions during the said period as well as develop its new CSP covering the period 2022-2026. To ensure objectivity and ensure that the review of the 2017-2021 CSP and the development of the 2022-2026 was undertaken objectively, the Commission engaged various stakeholders to participate in the formulation of the 2022-2026 CSP and feedback from the stakeholders was to be used to evaluate aspects of the 2017-2021 CSP that the Commission should apply and develop for the formulation of the 2022-2026 CSP.

#### **Quarterly engagements to Bankers Association of Zambia (BAZ)**

The Commission in 2021 initiated quarterly meetings with BAZ and its members (commercial banks). The initiative was as a result of a trend of complaints that the Commission had continued to receive relating to the banking sector. The initiative had provided a platform for the Commission, BAZ and industry players to constantly interact and seek long term solutions for consumer complaints in the banking sector.

#### **Client Feedback Survey**

The Commission had continued to carry out quarterly Client Feedback Surveys whose scope was to cover all the ten Commission offices in the country in order to assess its stakeholder perception on service delivery and performance.

The Client Feedback Survey has enhanced service delivery by the Commission through the tracking and meeting of performance quarterly objectives.

### **Local and International Fora's/Conferences**

The Commission had continued to be active locally, regionally and internationally. The Commission participated in various activities which included; attending several virtual meetings, teleconferences, webinars and answering several questionnaires.

### **Public Relations**

The Commission's communication strategy aimed to increase the transparency of CCPC's activities, and thus its visibility, impact and influence. The publicity and educational campaigns helped empower people to understand and exercise their rights under the Act.

Actions to achieve this deliverable were focused on enhancement of the Commission's visibility and dissemination of its mandatory roles and responsibilities regarding the fostering of competitive markets and consumer protection.

#### **Increase the Commission's Visibility**

In 2021, the Commission maintained a strong focus on educating consumers about their rights and warning people about the risks of scams and product safety hazards especially those related to the COVID-19 pandemic.

The Commission delivered a range of targeted and general information campaigns on the website ([www.cccpc.org.zm](http://www.cccpc.org.zm)) and social media channels (Facebook, Twitter and LinkedIn). These platforms enhanced consumer interaction and have had an increase in followers from thirteen thousand (13,000), one thousand eight hundred and twenty four (1,824) and One twenty-seven (127) to nineteen thousand four hundred eleven (19,411), two thousand five hundred seventy-seven (2,577) and three hundred thirty-three (333) for Facebook, Twitter and LinkedIn accounts respectively.

#### **Media Relations**

The Commission strengthened and enhanced public awareness by engaging with the media to communicate important corporate messages such as enforcement actions, competition compliance



guidance for businesses and public awareness campaigns. In 2021, the Commission proactively issued thirty-four (34) media releases covering a range of topics. Commission news that dominated the media included the COVID-19 scams, warning against price gouging, cement market sector, product recalls of fruit juices, fining of firms and Provincial Inspections and product seizures among others.

The Commission featured fifty-four (54) times on TV, three hundred twenty-five (325) times on Radio and thirty-one (31) times in the daily newspapers. The Commission also aired one hundred twenty-seven (127) adverts across the country in English and local languages aimed at raising awareness on Consumer rights. In its quest to inculcate the Zambian citizenry with knowledge on its mandate, the Commission produced six (6) online videos which featured the Executive Director and all Heads of Directorates. The online videos were posted on all the Commission's social media platforms namely; Twitter, Linked and Facebook.

Two (2) Media briefing statements with information on Commission operations bi-annually were circulated, as an in-house media briefing could not be conducted due to COVID-19 public health guidelines.

### Newsletters

The newsletter which was produced and circulated bi-annually continued to be a distinct tool to explain how the Commission work delivered benefit and outcomes for consumers. In the year under review, two (2) CCPC newsletters were produced and circulated to various stakeholders electronically and in hard copy.

Additionally, the Commission distributed eleven thousand two hundred sixty-one (11,261) IEC materials to its stakeholders. The IEC materials distributed included; posters, bookmarks and brochures on financial literacy, consumer rights, and financial consumer protection in the digital era among others.

### Participating in Local Fairs and Exhibitions

The Commission coordinated the WCRD by facilitating media coverage leading up to the official commemoration by the Minister of Commerce, Trade and Industry. A physical commemoration could not be held due to the COVID-19 restrictions. Due to the postponement of the annual Zambia International Trade Fair and Agriculture Shows

because of the Covid-19 pandemic, the Commission focused on other social media platforms, Radio and Television as well as daily newspapers to interact and disseminate information to both business houses and the individual consumers.

## Human Capital

### Staff Capacity Development

The Commission continued to ensure that there was an organised, productive and thriving workforce. Therefore, the Commission could only thrive if the right people were employed in the right positions at the right time and were working at the highest level of performance and delivering superior results.

### Recruitment

A total of eight (8) new employees were recruited and inducted in 2021. Among the eight (8) new employees were three (3) Investigators; one (1) Legal Officer; one (1) Call Centre Assistant, one (1) Office Assistant, one (1) Administrative Assistant and one (1) Research Analyst.

### Training

The Investigators were trained in Investigative Processes which included identifying assessments elements; advocacy and interviews; evidence handling and research. The Administrative Staff were trained in Customer Service Management. All Commission Staff were trained in Risk Management.

Employees also participated in various local and international virtual conferences on competition and consumer matters. The Commission continued to utilise various virtual training platforms to respond to challenges in COVID 19 Pandemic era which did not allow physical meetings for most part of the year. The objective of the training was to build capacity among the Commission staff in order to enhance job performance.

### Management Trainee Program

The Commission had a Management Trainee Program in place whose purpose was to train and prepare selected Management Trainees for a future management role within the Commission as a Succession Planning initiative. The first group of Management Trainees completed their programme in August 2021 and the second group began the program in September 2021.

## Performance Management

All Commission employees continued to achieve the set objectives in line with the agreed upon performance benchmarks. High performance by all employees contributed to the achieving of the overall goals of the Commission in 2021. The Commission had a staff retention rate of ninety seven percent (97%) due to the trust that the employees had in the Commission's goals, objectives and strategies.

## Policies

In 2021, the Commission reviewed some of its policies which included the Commission Service Charter; Evidence Policy; Change Management Strategy; Transport Policy; Conflict-of-Interest Policy; Gift Policy and the Post Employment Policy. The purpose of the reviews was to adapt and align the Policies to relevant Laws and Regulations to fit the industry best practices.

## Health and Wellness

All employees attended a virtual training on Mental Health facilitated by Chainama Hospital. The aim of the training was to equip all Staff with the skills on how to handle mental health issues.

Further the Commission organised wellness talks on Integrity and Values facilitated by Anti-Corruption Commission; Financial Discipline presented by Sanlam Insurance; Gender Based Violence (GBV) Talk facilitated by Lusaka Central Police Victim Support Unit and COVID 19 Vaccination Talk facilitated by Emergency Response Zambia. The Commission continued to share weekly health tips to members of staff on various health topics to encourage members of staff to take a keen interest in their general lifestyle and wellbeing.

## CCPC COVID 19 Preparedness Plan

The Commission continued to monitor the CCPC COVID-19 Workplace Preparedness Guidelines that were put in place for employees to follow in order to mitigate the spread of the COVID-19.

The measures taken by the Commission included upholding five (5) golden rules, disinfecting offices/washrooms, development of Working From Home (WFH) Policy and COVID-19 response protocols, encouraging officers to go for voluntary vaccination, submitting weekly COVID-19 update Reports to MCTI and encouraging the public to

submit complaints and queries through non-physical or electronic platforms.

## High Performance Organization (HPO)

The Commission continued to mainstream HPO at the Commission since its accreditation in 2016. Areas of focus continued to be employee quality, management quality, long term planning and orientation, openness and action oriented and continuous improvement.

## Corporate Social Responsibility (CSR)

The Commission through an initiative financed by Members of Staff had a Corporate Social Responsibility (CSR) programme that aimed at making a difference in the communities in which they lived and worked. The CSR programme aimed at empowering the poor and vulnerable in society and ensuring that their lives become purposeful. In the period under review, the Commission donated assorted goods to:

- Widows, Orphans, Needy and Sick (WONS) Orphanage in Chunga area of Lusaka.
- Luwi Lwa Nzambi Orphanage in Solwezi.
- Vision of Hope Housing Abused Girls in Meanwood Chamber Valley area in Lusaka.

## Commemoration of International Days

The Commission commemorated the International Women's and Labour Days. The Women's Day celebrated the social, economic, cultural and political achievements of women while the Labour Day celebrated the Labourers and working classes. In 2021, the Commission participated in the Labour Day Awards giving ceremony where ten (10) Officers were awarded for being the most hard-working employees. Honouring hardworking employees with awards was very motivating and a retention tool as well.

Further the Commission participated in the Sixteen (16) Days of Activism Against Gender Based Violence (GBV). This was to raise awareness about GBV, challenge discriminatory attitudes and call for improved laws and services to end violence against women for good. The Commission donated assorted goods to homes accommodating victims of GBV in Lusaka, Kasama, Kitwe and Mongu.

## Integrity Committee

The Integrity Committee (IC) was established at the Commission in accordance with Anti-Corruption Act No. 3 of 2012 and Section 7.2.6 of the National Anti-Corruption Policy in 2020. The ICs were established in both public and private institutions with the major responsibility of spearheading the prevention of corruption and related malpractices and/or maladministration in the said institutions.

In 2021, in line with the Annual Corruption Prevention Action Plan (ACPAP), the IC undertook activities like to develop the Anti-Corruption Motto - Fight Corruption! Bring Progression and the Signature - Zero % Corruption, 100% Transparency - Excellence Our way of Life! This was important as this would serve as a reminder of the Commission's

stance and commitment of fighting corruption to various stakeholders. The Motto and Signature were printed and displayed in all the ten (10) Provincial Offices, on the Commissions website, email and customer feedback survey form.

Further the IC put in place governance documents that were necessary in fighting corruption, malpractice and maladministration. The said documents were circulated to all members of staff. In addition, the various methods of reporting of cases were also shared with the members of staff. The IC sensitized members of staff on the importance of upholding integrity in the line of duty and outside work. The members of staff were also trained by the Anti-Corruption Commission (ACC) on Integrity and Values. The IC will continue to implement the mandate given to it so as to ensure the Commission is operating corrupt free.



CCPC Executive Director, Mr. Chilufya Sampa and Director Human Resource and Administration, Mrs. Beene Siyumbwa pose for a picture after receiving an award on best Integrity Committee in Innovation during the Integrity Committee Forum held at the Mulungushi International Conference Centre in Lusaka



# Key Challenges, Recommendations And Opportunities

## CHALLENGES

### COVID-19 Pandemic

As a regulator, the Commission faced challenges which included delayed investigations of cases as a result of the inability to carry out physical interviews, unable to conduct inspections of trading premises for defective products and collaboration with other regulatory agencies which were halted due to Government health regulations.

### Budgetary Constraints and Institutional Capacity

The year 2021 saw the budgetary allocation for the Commission increase marginally, despite an increase in its scope of regulatory activity. This had continued to impact on the Commissions' staffing capacity and its ability to fully realise the goals of the 2017-2021 Strategic Plan.

### Information Technology Infrastructure

The Commissions IT Infrastructure continued to be inadequate in that most of its IT equipment is obsolete and this affected the workflow for some members of staff.

### Lack of Economic Data Availability

The Commission continued to work closely with other sector regulators and the Zambia Statistics Office to get its data needs. The private sector had also been encouraged to track and keep data and information in order to assist in informed decision making.

### Loan for the Building

The Commission obtained a loan facility which it used to purchase its office premises. Loan repayments were affecting the budget execution and the operations of the Commission. The loan facility will be paid over a period of 10 years.

## RECOMMENDATIONS

### Adequate Funding

Due to increasing economic activity and corresponding expansion of the Commission, there was need to ensure that the Commission was adequately resourced in order to prevent the

erosion of gains that had accrued to the country from competition and consumer protection.

### Information Technology Investment

The Commission would continue to pursue its digitalisation program through the support of Government through the Smart Zambia Institute and other corporation partners like the RISM under COMESA.

### Redemption of the Loan on Building

The Commission would continue engaging Government on the possible early repayment of the K10 million co-financing loan obtained for the procurement of the building. This will free financial resources to other needy areas.

## OPPORTUNITIES

### Online and Social Media

The pandemic had accelerated the Commission's drive to interact with its stakeholders using online and social media platforms.

The Commission could leverage social media platforms like Facebook, Twitter and the Website to support business and consumers source of information, interactive and communication platforms.

### Interface with Sectorial Regulators

The Commission recognised that it was imperative for institutional interface for better coordination with sector regulators. The Commission needed to raise awareness among stakeholders on the importance of submitting information, develop Memoranda of Understanding (MOUs), strengthen already existing MOUs with other sector regulators and increase levels of communication through Joint Working Committees.

### Case Management System

The Commission has finalized the development of the Case Management System (CMS). The development of the CMS was commenced and finalized using local talent from the Copperbelt University's ICT Business and Innovation Center (CBU-IBIC) at a cost of US\$ 50,000.00. The



conceptualization, development and deployment considered the Commissions operating environment, its ICT capability, and its clientele. The Commission was in the process of finalizing a one-year contract with CBU-IBIC for provision of technical support and capacity building to the Officers in charge of the system.

The CMS was initially availed to the public on a limited use to provide for real time testing and firming of its security and usability features. The system is now available to the public and is mobile device optimized. It is an easy to use system that allows the Commissions clients to on board themselves with authentication steps. Clients are now able to lodge in complaints via the system and applications can also be logged with the Commission via the system. The Commission is in the process of developing a mobile app to augment the online system that will give clients more flexibility to interact with the Commission. The system can track all Commission cases in terms of number of days taken to resolve the cases and the number of cases received by the Commission (at any particular time). It also enables the supervisors to monitor the flow of cases and the amount of cases being handled by respective Commission Officers in line with the set performance benchmarks. Further, the Commission has plans of adding a platform where complainants can provide Customer Service Feedback to ensure improved service delivery.

The Commission also invested in a very good infrastructure for the system to run as efficiently as possible. To allow all Commission staff access to the system, especially the ones in provinces, an Intranet was created to allow access to the system even with Internet access outage. In addition to this, a live offsite replication of the whole system has been implemented to safeguard client's data. The system can be accessed through the Commissions website or through the [cms.cpc.org.zm](https://cms.cpc.org.zm) URL.

### **Office Premises**

The Commission procured new office premises, which would in future lessen the operational challenges faced by the Commission through using rented premises. It would also improve the asset base of the Commission. The new offices would be easily accessible by complainants.

### **Amendments of the Act**

The Amendment of the Act would address current

lacunas in the law, and it would also enhance regional cooperation and interactions.

### **New Strategic Plan**

The new Strategic Plan seeks to increase the efficiency of the Commission, realign its functions and automate its processes.





# Financial Statements

For The Year Ended 31<sup>st</sup> December 2021

