



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR MATTERS**

**ON THE**

**CONTROL OF GOODS (AMENDMENT) BILL, N.A.B. 7 OF 2021**

**FOR THE**

**FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

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# **REPORT OF THE COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR MATTERS ON THE CONTROL OF GOODS (AMENDMENT) BILL, N.A.B. 7 OF 2021 FOR THE FIFTH SESSION OF THE TWELFTH NATIONAL ASSEMBLY**

## **1.0 MEMBERSHIP OF THE COMMITTEE**

The Committee consists of Dr S Musokotwane, MP (Chairperson); Ms M Miti MP, (Vice-Chairperson); Mr G G Nkombo, MP; Mr E M Mwila, MP; Mr C Chali, MP; Mr D Chisopa, MP; Dr S C Kopulande, MP; Mr D Livune, MP; Mr E Kamondo, MP; and Mr M Mubika, MP.

The Honourable Mr Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Sir,

The Committee has the honour to present its Report on the consideration of the Control of Goods (Amendment) Bill, N.A.B. 7 of 2021.

## **2.0 MEETINGS OF THE COMMITTEE**

The Committee held seven meetings to consider the Control of Goods (Amendment) Bill, N.A.B. 7 of 2021.

## **3.0 PROCEDURE ADOPTED BY THE COMMITTEE**

The Committee requested written submissions from various stakeholders. The stakeholders made virtual submissions before the Committee to orally brief it on the contents of their written memoranda and to clarify issues that arose from the presentations. The witnesses who appeared before the Committee are listed at Appendix II of this Report.

## **4.0 BACKGROUND OF THE BILL**

The Control of Goods (Amendment) Bill of 2021 sought to amend the *Control of Goods Act, Chapter 421 of the Laws of Zambia*, so as to revise the composition of the Advisory Committee by amending the provision on the appointment of a Permanent Secretary on the Advisory Committee under the Control of Goods Act. The Government had observed that the appointment of Permanent Secretaries on various Boards and Committees compromised good governance principles because Permanent Secretaries who participated in and made decisions at Board or Committee level also provided policy direction to the Boards on behalf of the Government. This posed a conflict of interest in the execution of the Permanent Secretaries' roles. Therefore, after a series of consultations, the Government decided to harmonise all legislation by removing the Permanent Secretaries, the Attorney-General and the Secretary to the Treasury from Boards/Committees of Government Statutory Bodies and other Government institutions.

Arising out of this decision, Cabinet, at its 2<sup>nd</sup> (Special) Meeting held on 1<sup>st</sup> February, 2021, accepted the recommendation by the Minister of Commerce, Trade and Industry that the Control of Goods (Amendment) Bill, 2021 be published and subsequently presented to the National Assembly for enactment.

## **5.0 OBJECT OF THE BILL**

The object of the Bill was to amend the *Control of Goods Act*, so as to revise the composition of the Advisory Committee.

## **6.0 SPECIFIC PROVISIONS OF THE BILL**

The specific provisions of the Bill were as set out below.

### ***Clause 1- Short title and Commencement***

The clause provided for the short title of the Bill.

### ***Clause 2 – Amendment of section 4G***

This clause sought to amend section 4G of the principal Act, so as to revise the composition of the Advisory Committee by replacing the Permanent Secretaries with Directors or representatives from the respective departments or ministries. The clause further sought to replace the Commissioner General of the Zambia Revenue Authority with a representative of the Authority; and to empower the Minister to appoint the Chairperson and Vice-Chairperson of the Advisory Committee.

## **7.0 SUBMISSIONS FROM STAKEHOLDERS**

Most of the stakeholders who appeared before the Committee fully supported the Bill. They stated that the enactment of the Control of Goods (Amendment) Bill, N.A.B. 7 of 2021 would enhance the principles of good governance as the Permanent Secretaries, who were part of the decision making process with regard to the operations of the Advisory Committee, would no longer be members of the Advisory Committee. Stakeholders also pointed out that the presence of Permanent Secretaries in some meetings may have had the effect of compromising the decisions of the Advisory Committee as certain members could have felt constrained to go against the decisions or comments made by the Permanent Secretary, who might be their supervisor.

The Committee was informed that enactment of the Bill was also expected to promote timely implementation of national programmes as the removal of Permanent Secretaries from being members of the Committee would allow them ample time for other national duties and reduce conflict in the execution of their respective roles.

However, some stakeholders raised some concerns as set out below.

- i) A concern was raised regarding the proposal to remove Permanent Secretaries and the Commissioner General of the Zambia Revenue Authority from the Advisory Committee.

The Committee was informed that the principal officers would be removed from the process of making decisions on the application of safeguard measures. This was a critical process which was a very sensitive remedy in international trade and thus the decision needed to be made at a high level. The proposed amendment, therefore, would dilute the significance of the Advisory Committee.

- ii) Stakeholders pointed out that while it was the Government's desire to improve governance by removing Permanent Secretaries from the Advisory Committee, they did not support the proposal because the function of the Advisory Committee was different from that of a Board of Directors. The Advisory Committee was an ad hoc one, and was only constituted by the Minister when there was a matter to be investigated regarding injury to a domestic industry. The technical work that the Advisory Committee was expected to undertake before making recommendations to the Minister was part of the core functions of the principal officers who were being removed from the Advisory Committee.
- iii) Stakeholders stated that the proposed Advisory Committee would be composed of Directors who were below the rank of the principal officers. These Directors would be expected to make recommendations to the Minister without the input of the principal officers. This could result in the undermining of the principal officers by the Advisory Committee as it would carry out its functions to the exclusion of the principal officers. It was, therefore, important that the principal officers who were the lead technocrats remained part of the Advisory Committee.
- iv) The Committee was informed that the proposed amendment providing that the Chairperson and Vice-Chairperson of the Advisory Committee should be appointed by the Minister was in line with best corporate governance practice. However, it would be beneficial for public-private dialogue if at least two appointees on the Advisory Committee were drawn specifically from the private sector, to allow for adequate representation in matters relating to the control of goods. This would also address the lack of private sector representation on the Committee.

## **8.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

Following the interaction with stakeholders, the Committee makes its observations and recommendations as outlined below.

- i) The Committee observes that the proposed changes to the *Control of Goods Act* are broadly in line with good corporate governance principles. Given the numerous boards and committees that Permanent Secretaries currently sit on, the Committee is of the view that the amendment will allow for better service delivery.

The Committee, therefore, recommends that section 4G of the *Control of Goods Act* be amended to replace the Permanent Secretaries and the Commissioner General of the Zambia Revenue Authority with their representatives.

- ii) The Committee observes that clause 1 of the Control of Goods (Amendment) Bill, 2021 suggests that the principal Act is Chapter 241 of the Laws of Zambia rather than Chapter 421 of the Laws of Zambia.

In light of this, the Committee recommends that "Cap. 241" in marginal note to clause 1 be amended to read as "Cap. 421".

- iii) The Committee observes, with concern, that the Advisory Committee has no private sector representation. The Committee further observes that the object of the *Control of Goods Act* is to provide, by regulation, for the control of the distribution; disposal; purchase and sale; and the wholesale and retail prices of any manufactured or unmanufactured commodity or of any animal or poultry; or of any class of any such commodity, animal or poultry; and for the control of imports into and exports from Zambia. The Committee is of the view that the private sector has a vital role to play in the control of goods and it would be improper for it not to have representation on the Advisory Board.

In light of the above, the Committee recommends that either the Chairperson or Vice-Chairperson of the Advisory Committee should be chosen from the private sector so as to allow for private sector representation on the Advisory Board in matters relating to the control of goods.

## **9.0 CONCLUSION**

The Control of Goods (Amendment) Bill, N.A.B. 7 of 2021 is progressive and brings about positive amendments to the *Control of Goods Act, Chapter 421 of the Laws of Zambia*. The Bill, once enacted, will contribute to the promotion of good governance and will allow for objective and independent decision making by the Advisory Committee. The Committee, therefore, supports the Bill subject to its concerns expressed in this Report.

The Committee expresses gratitude to all the stakeholders for their oral and written submissions on the Bill. The Committee also thanks the Office of Speaker and Clerk of the National Assembly for the guidance and services rendered to it during the consideration of the Bill.

Dr S Musokotwane, MP  
**(Chairperson)**

Ms M Miti, MP  
**(Vice-Chairperson)**

Mr G G Nkombo, MP  
**(Member)**

Mr D Livune, MP  
**(Member)**

Mr E M Mwila, MP  
**(Member)**

Dr S C Kopulande, MP  
**(Member)**

Mr C Chali, MP  
**(Member)**

Mr E Kamondo, MP  
**(Member)**

Mr D Chisopa, MP  
**(Member)**

Mr M Mubika, MP  
**(Member)**

February, 2021  
**LUSAKA**



## **APPENDIX I - NATIONAL ASSEMBLY OFFICIALS**

Ms Clare Musonda, Principal Clerk of Committees  
Mr Humphrey Mulenga, Deputy Principal Clerk of Committees (FC)  
Mr Francis Nabulyato, Deputy Principal Clerk of Committees (SC)  
Mrs Chitalu K Mumba, Senior Committee Clerk (FC)  
Mrs Doreen N C Mukwanka, Committee Clerk  
Mrs Edna K Zgambo, Committee Clerk  
Ms Vainess B Tembo, Typist  
Mr Morgan Chikome, Committee Assistant  
Mr Daniel Lupiya, Parliamentary Messenger

## **APPENDIX II – THE WITNESSES**

Ministry of Commerce, Trade and Industry  
Ministry of Finance  
Ministry of Justice  
Ministry of Foreign Affairs  
Ministry of Agriculture  
Ministry of Labour and Social Security  
Zambia Revenue Authority  
Zambia Congress of Trade Unions  
Zambia Chamber of Commerce and Industry