

EDITORIAL

Seven Milling Companies Selling Mealie-meal Bags with Insufficient Weight

A recent inspection by the Zambia Weights and Measures Agency (ZWMA) in the cities of Zambia – Ndola, Kitwe, Luanshya, Chipata and Choma explored that out of the ten milling companies inspected, seven were found guilty of the offence of packaging and offering for sale underweight Mealie-meal. The inspection was held to ascertain compliance to net content with regards to packaging of Mealie-meal and were carried out between the period May 2016 to July 2016.

The packaging and offering for sale Mealie-meal with less weight is contrary to the provisions of the Weights and Measures (Amendment) Act No. 12, of 2003 and the Weights and Measures Regulations.

The non-compliant companies were *National Milling Company*, *APG Milling*, *Continental Milling* and *Mushe Milling* in Lusaka; *Jambo Milling* in Ndola and *Antelope Milling* in Luanshya including *Choma Milling* in Choma.

Only three companies inspected were found to be compliant with the Law. The three compliant companies were *Cargil Milling* in Chipata, *H M Milling* in Kitwe and *Olympic Milling* in Ndola. The Agency inspected a total number of 17,850 bags of Mealie-meal of which 17,450 bags were non-compliant as they all failed the average batch test.

Nearly 400 bags of Mealie-meal were tested of the compliant companies to determine their compliance to the stipulations contained in the Regulations. All the 400 bags passed this test.

The ZWMA Agency Spokesperson Diana Ngula said at the *National Milling Company* in Lusaka (Zambia), a batch of over 8500 bags of 25 kg roller meal and breakfast Mealie-meal and 10 kg bags of roller meal were tested to determine their accuracy.

Furthermore, the agency spokesman Ngula stated the test of accuracy, which involved weighing individual bags of Mealie-meal on a ZWMA verified scale indicated that the samples failed the test as most bags were less than 25 kg or 10 kg.

“Similarly, at the *APG Milling* plant in Lusaka, a batch of 1700 bags of 10 kg roller meal, 25 kg roller and breakfast Mealie-meal



INSIDE

- CCPC Condemns Anti-competition Practices
- CUTS Concerned with Consumer Information Gap
- Zambia's Mobile Phone Services Too Expensive
- Data Income Keeps Zimbabwe's Econet ahead
- Copperbelt Mealie-meal Prices go up

failed the test of accuracy as the average net weight of the 10 kg bags and 25 kg bags was found to be 9.4 kg and 24.4 kg respectively. Some bags of 25 kg were found to be as low as 21 kg when weighed. This is unacceptable and punishable by Law”, Ngula said.

“Both *National Milling Company* and *APG Milling* have been charged and fined K60,000 and K71,000 respectively, for the offence of offering for sale, bags of 25 kg and 10 kg Mealie-meal, which were short of the weight stated on the package contrary to Section 32 (1) (b) of the Weights and Measures (Amendment) Act No. 12 of 2003”, added Ngula.

NEWS

CCPC Condemns Anti-competition Practices

The Competition and Consumer Protection Commission (CCPC) indicated that it has made



headways in investigations on millers for alleged price fixing. CCPC Public Relations Officer Hanford Chaaba said the millers are being investigated for alleged cartel conduct, which he mentions might have an effect on the market price of Mealie-meal.

Chaaba said that cartel conducts are not easy to investigate and it usually takes a long time to conclude because information is difficult to come by. He mentioned that a lot of factors have to be looked into and if the millers are found wanting, they will be liable to pay 10 percent of their annual turnover as a maximum penalty.

“Investigating cartels is difficult because we need solid information because this is a criminal

“An immediate corrective measure that the Agency took was to quarantine the sale of the underweight bags of Mealie-meal. The companies were also ordered to re-pack all the underweight bags of Mealie-meal to meet the quantity as declared on the packaging. ZWMA barred the sale and confined the non-compliant products to protect consumers from being sold underweight Mealie-meal. In the medium to long-term, ZWMA shall engage the milling companies to offer them training in related legal metrology requirements”.

offence”, Chaaba said. He added that the Commission has, however, a leniency programme to exempt the whistle blower from prosecution and fines.

“We are aware that the millers held a meeting where they allegedly discussed prices, and to us, this has an element of cartel conduct”, he said. He said the CCPC Act prohibits any kind of agreement to fix prices as it does not promote competition.

“We might not divulge much information as they can compromise our investigations but we will let the public know once the investigations have been concluded”, Chaaba mentioned.

(Zambia Daily Mail, 30.06.16)

CUTS Concerned with Consumer Information Gap

CUTS is concerned with the flow of information to consumers on their rights as ‘consumers’.

CUTS Lusaka Programmes Officer Jimmy Maliseni indicates that CUTS has since embarked on projects aiming at enhancing the rights and welfare of the consumers.

Maliseni points out that CUTS has just concluded a health project, which looked at the health care system and delivery of health services in the country and how people relate with medical services and personnel.

He stated the health project was carried out upon the realisation that many Zambians do not have an understanding or appreciation of their rights.

Moreover, Maliseni revealed that the findings of the research were that many people were not aware that medical personnel were to give full information of the medicines, that they have the right to refuse treatment among other rights. Maliseni also added that at the end of the project, they want Zambians to be aware of their rights, so that they make well-informed choices and bear the consequences of their choices.

(QFM Zambia, 17.05.16)

Zambia's Mobile Phone Services Too Expensive

CUTS Lusaka, Zambia has asked the Zambian government to urgently prioritise accessibility of mobile phone services. The call follows a report



released in the recent past by the organisation, which details the results of a survey, according to which 57 percent of local households feel mobile phone services are too costly.

Moreover, 54 percent of respondents to the survey indicated that the price of mobile phone services had increased in the past six months, according to CUTS Lusaka Centre Coordinator Chenai Mukumba.

The Zambian government has previously warned MTN Zambia, Airtel Zambia and Zamtel to reduce the price of their mobile phone services and improve on quality or risk having to compete with fourth mobile phone operator. Special Assistant to the President for Project Implementation and Monitoring Lucky Mulusa said, "the government is still in talks with all the operators to see how they can bring down the cost of communication".

Mobile phone operators blame the rates on the high cost of doing business in the Southern African country, the weakening economy and load-shedding. Airtel Zambia Managing Director Peter

Correia said that the telecommunication sector is the highest taxed business in the country. "But we are working with the government and other stakeholders to ensure that mobile services are provided to the public at affordable rates", he added.

Zamtel CEO Mupanga Mwanakatwe argued saying, "We have a tariff plan that allows customers to call the whole day for just ZMK3. This has made Zamtel the cheapest network in the country". Local lawmakers have urged the government to provide tax relief to mobile phone operators to help reduce communication costs.

(ITWeb Africa, 22.06.16)

Data Income Keeps Zimbabwe's Econet ahead

Data is increasingly helping African mobile companies absorb the impact of revenue losses from the declining voice services category. This was affirmed by Econet Wireless Chief Executive Officer Douglas Mboweni who, upon reflection of his company's performance for the full year to end February 2016, said that investment in data has helped the company to grow.

The Zimbabwe telco reported a 14 percent decline in revenues on May 2016, although revenue from data jumped by 18 percent and income from data services surged by US\$10mn to US\$113mn. "Had we not invested in data, today we would be seeing a company that is half the size we have today", stated Mboweni.

It was reported that overall revenues had declined by 14 percent to US\$641mn. Ebitda earnings at US\$238mn were weaker from the 2015 Ebitda earnings of US\$286mn, while after tax profits weakened to US\$40.2mn.

The company explained that the revenue and profit decline was attributable to 'high depreciation'. Mobile money subscribers remained



strong during the period under review and the company will focus on this area, as well as data, to broaden its revenue streams and cover up for voice.

Finance Director, Zimbabwe, Roy Chimankire said, “These results reflect the impact of the regulatory tariff reductions as well as a cocktail of taxes and levies, which include 5 percent excise duty and the increase in USF levy. This has effectively reduced our tariffs while directly increasing our costs through additional tax burden”.

Registered mobile subscriber numbers for the period grew by 9 percent to 10 million despite the de-registration of over 1 million subscribers. Econet Wireless past year disconnected unregistered subscribers ‘in compliance with regulatory requirements’ for proper registration.

“The revenue lost from the de-registered subscribers amounted to US\$2mn and the cost to reconnect these subscribers came to US\$500 000”, Econet said.

(IT Web Africa, 01.06.16)

Copperbelt Mealie-meal Prices go up

Prices of Mealie-meal have gone up by K8 in most outlets on the Copperbelt with the commodity presently being sold at an average price of K92 from K86. In Chingola’s Chiwempala and Buyantanshi areas in Nchanga North in Zambia, most outlets were selling a 25 kg bag of breakfast Mealie-meal at K92 by midmorning. On the ‘black market’, the price was almost K100, as most traders had pegged the same quantity of the breakfast Mealie-meal at K97.



“There are many factors contributing to this price hike. The government has terribly failed to stop smuggling of this commodity, the kwacha is not stable, even the supply of Mealie-meal by the millers is inconsistent. This is what happens when there is no direction in the management of this staple food. Lasting solutions have not been found to the shortages, smuggling and skyrocketing prices for over one year, six months now”, owner of M & N outlet, Newton Sichilima said.

Moreover, traders in Ndola indicated that there is a decline in the number of people buying 25 kg bags of Mealie-meal.

“This is mainly due to economic hardships. Very few people can manage to buy Mealie-meal, now at almost K100. People buy small packs popularly known as pamela or if they try really hard, it is a 10 kg bag. Life is hard and business is slow”, Mealie-meal trader Clarence Nyirenda said. And a check at Pick n Pay stores in Ndola revealed that a 25 kg bag of breakfast was currently selling at close to K88. The National Milling brand, Mother’s Pride, is selling at K88; Antelope at K80 while Chimanga Changa and Mealile brands are being sold at K82.

(The Post Zambia, 28.07.16)