

CONSUMER WATCH



INSIDE THIS ISSUE

- High sugar prices worry Government
- WARMA warns of borehole drying due to drought
- Zambia’s annual inflation rises to 14.7% in May
- Zambia’s 2024 outlook worsen due to drought
- Know your rights as a consumer
- Health tips from the World Health Organisation

Impact of load shedding on consumers



Victor Sikombe

For many Zambian consumers, each new day brings the familiar inconvenience of power outages that strike for more than 12 hours. These disruptions have become a part of daily life, leading to significant lifestyle adjustments, increased costs, and a reliance on expensive alternatives.

When the power goes out, everyday activities like cooking, studying, and working from home become challenging. Mwansa, a welder in Lusaka, relies heavily on hydroelectric power, which makes up more than 80% of Zambia's energy source. When droughts hit, water levels in dams drop, reducing the generation capacity of hydroelectric plants and leaving households in the dark.

- story continue on page 2

CUTS commends Government on ATI

CUTS has praised the Zambian Government for enacting the Access to Information Act of 2023 and for efforts towards the Access to Information Act (Commencement) Order, 2024. The Act ensures the right to access information, outlines request procedures, and aligns with international anti-corruption and human rights conventions. It's crucial for oversight, especially in a debt-laden country. CUTS hopes the three-part test (legitimate claim, substantial harm,

public interest) will guide confidentiality decisions when dealing with information under the Act.

CUTS suggests expanding the list of proactively disclosed information, clarifying request procedures, expediting guidelines and regulations, building capacity for public officials, simplifying the Act, and improving record management.



Information Minister Mr. Cornelius Mweetwa, and his Permanent Secretary Mr. Thabo Kawana

High sugar prices worry Government

With prices of essential commodities pushing the inflation rate to 14.7 percent, Minister of Commerce, Trade and Industry Chipoka Mulenga held a dialogue meeting with players in the sugar supply chain, where it was agreed that the price of sugar is not supposed to exceed K58 in all the chain stores.

Prices of sugar in some chain stores have gone up to more than K60 despite the manufacturers having not increased the price of the commodity.

On 7th June 2024, Mr Mulenga held a meeting with Zambia Sugar Plc, Mansa Sugar, Kafue Sugar, chain stores, distributors and wholesalers of sugar to find out why there was an upward adjustment in the price of sugar. - *Source Zambia Daily Mail*



Impact of load shedding on consumers



Continue from page 1, The high cost of doing business for manufacturers is transferred to the consumer, who has to bear the high costs for goods and services. For example, the sector's energy-intensive nature forces manufacturers to turn to expensive alternatives like generators to keep operations running. This increased production cost results in higher prices for everyday goods and services, directly affecting consumers' budgets.

Consumers also face additional costs as they invest in their own solutions to cope with power outages. Many turn to generators, solar panels, or battery backups, which require a significant upfront investment and ongoing maintenance costs. These expenses put a strain on household finances, especially for lower-income families who may already be struggling to make ends meet.

The path to stability for consumers involves a comprehensive strategy that includes investments in renewable energy, improvements in energy efficiency, supportive government policies, and cooperative efforts among businesses. By embracing these strategies, Zambia can reduce its vulnerability to power outages, ensuring more stable and cost-effective access to electricity for all citizens.

It's a challenging journey, but with determination and collaborative efforts, Zambia's energy sector can overcome the power crisis and provide reliable power to its people, improving the quality of life for all.

WARMA warns of borehole drying due to drought

Nancy Mwape

The Water Resources Management Authority (WARMA) has warned that boreholes with high groundwater pumping rates in Zambia's capital city, Lusaka are likely to dry up by August 2024 due to the drought that hit the country.

The areas at risk include Chalala, Makeni, Lusaka West, and Chongwe.

WARMA reported significant drops in groundwater levels, particularly in the southern, western, eastern, and parts of Lusaka Provinces. Insufficient groundwater recharge has been observed in 84 drought-affected districts, with streams in Southern Province drying up earlier than usual.



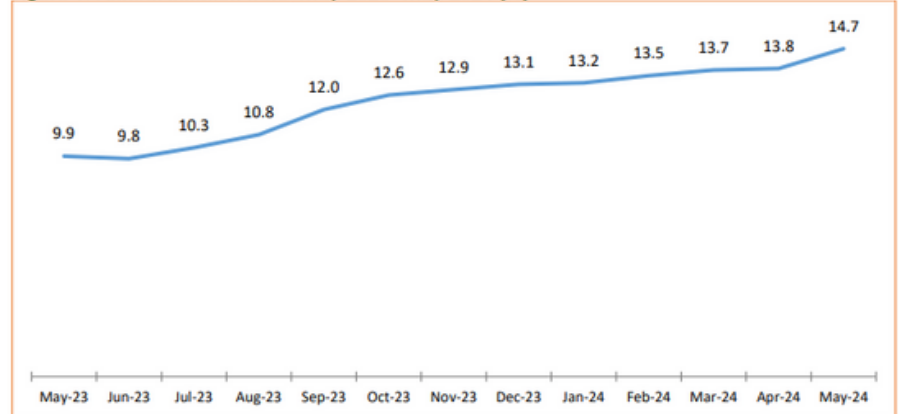
Zambia's annual inflation rises to 14.7% in May

Nancy Mwape

Zambia's annual inflation for May 2024 increased to 14.7 percent from 13.8 percent recorded in April 2024, driven by price movements in both food and non-food items. On average, the prices of goods and services rose by 14.7 percent between May 2023 and May 2024.

According to the Zambia Statistical Agency (ZamStats) monthly bulletin, the Food and Non-Alcoholic Beverages group contributed 9.4 percentage points to the overall 14.7 percent annual inflation, while the Non-Food group accounted for 5.3 percentage points. Within the Non-Food group, transport had the highest contribution at 2 percentage points, followed by housing, water, electricity, gas, and other fuels at 1 percentage point. Furnishings, Household Equipment & Routine Household Maintenance, and Clothing & Footwear contributed 0.8 and 0.6 percentage points, respectively.

Figure 1: Annual Inflation Rate, May 2023- May 2024 (%)



Source: ZamStats
Note: 2009=100

A breakdown of annual inflation by province, shows increases in several regions: Central (18.4% from 17.2%), Copperbelt (14.7% from 13.9%), Eastern (14.8% from 13.8%), Lusaka (13.9% from 12.0%), Northern (9.2% from 9.1%), North-Western (12.5% from 12.2%), and Southern Provinces (16.6% from 16.2%). Western Province saw a decrease in annual inflation (20.1% from 22.5%), while Luapula Province remained unchanged at 12.9%.

Zambia's growth 2024 outlook worsen due to drought

“The 2024 outlook has worsened due to the drought; GDP growth is now projected at 2.3 percent, half the forecast in December 2023.

Agriculture production is expected to contract by 19 percent; power outages will hinder manufacturing activity; and copper production is expected to recover more gradually than initially envisaged. Inflation, at 14.7 percent in May, is projected to remain elevated.

The medium-term outlook remains favorable, supported by expanding mining production and restored debt sustainability.” *Extract from the statement issued by the International Monetary Fund staff team led by Mercedes Vera Martin, IMF mission chief for Zambia, who was in the country for discussions with the authorities in Lusaka from April 24 to May 7, 2024.*



Powering The Nation

ZESCO LIMITED POWER GENERATION UPDATE

Lusaka, 24 June 2024 - ZESCO Limited is experiencing significant difficulties to balance the available power supply with demand due to the adverse El Niño effects. This has drastically suppressed hydro power generation at its major power stations.

To supplement this reduced power generation, ZESCO is taking up 105 Megawatts of power from Ndola Energy, importing up to 188MW Megawatts from Mozambique and has gone further to reduce power exports from 520MW in February to 281MW in June, 2024.

However, the total available power of 1,268MW still falls short of the demand of 2,216MW (June 2024).

Further, the Corporation is prioritising critical loads to sustain industry, agriculture and essential services.

Owing to the above, the Corporation has to deploy emergency load management measures to sustain the power system.

The above scenario entails that ZESCO will have to ration power outside the planned timings.

The present power generating status is as follows:

- Kafue Gorge: 372MW against capacity of 990MW
- Kafue Gorge Lower: 179MW against installed capacity of 750MW
- Kariba North Bank: 98MW against installed capacity of 1,080MW
- ItezhiTezhi PC: 34MW against installed capacity of 120MW
- Ndola Energy: 105MW
- Others Combined: 480MW

ZESCO regrets the inconvenience caused.

Issued By
CORPORATE AFFAIRS DEPARTMENT
24 JUNE 2024

Know your rights as a consumer



Victor Sikombe

In today's dynamic marketplace, it's crucial for consumers to understand their rights and responsibilities. This knowledge empowers individuals, promotes fair business practices, and enhances market efficiency. Key consumer rights include:

- **Right to Safety:** Protection against products and services that pose health hazards, ensuring products meet safety standards.
- **Right to Information:** Access to accurate product details, preventing misleading advertising and labeling, which fosters trust and accountability.
- **Right to Choose:** Freedom to select from a variety of products at competitive prices, preventing monopolies and promoting market fairness.
- **Right to Be Heard:** Ensuring consumer concerns are addressed, promoting transparency and accountability in the marketplace and governance.

- **Right to Redress:** Fair settlement of claims in case of dissatisfaction or harm, ensuring businesses provide avenues for refunds, replacements, or compensation.
- **Right to Consumer Education:** Empowering consumers to make informed decisions, hold businesses accountable, and avoid exploitation.
- **Right to Privacy:** Control over personal information, fostering trust and responsible data handling by businesses.

These rights help consumers make better purchasing decisions, avoid scams, and seek redress when needed, contributing to a fair and transparent market.

Health tips from the World Health Organisation

Cervical cancer

- This is the fourth most common cancer in women globally with around 660 000 new cases and around 350 000 deaths in 2022.
- Cervical cancer is caused by persistent infection with the human papillomavirus (HPV). Women living with HIV are 6 times more likely to develop cervical cancer compared to women without HIV.
- Cervical cancer can be cured if diagnosed at an early stage and treated promptly.
- Countries around the world are working to accelerate the elimination of cervical cancer in the coming decades, with an agreed set of three targets to be met by 2030.

Typhoid

- As of 2019, an estimated 9 million people get sick from typhoid and 110 000 people die from it every year.
- Symptoms include prolonged fever, fatigue, headache, nausea, abdominal pain, and constipation or diarrhoea. Some patients may have a rash. Severe cases may lead to serious complications or even death.
- Typhoid fever can be treated with antibiotics although increasing resistance to different types of antibiotics is making treatment more complicated.

Dementia

- Currently more than 55 million people have dementia worldwide, over 60% of whom live in low-and middle-income countries. Every year, there are nearly 10 million new cases.
- Dementia results from a variety of diseases and injuries that affect the brain.
- Dementia is currently the seventh leading cause of death and one of the major causes of disability and dependency among older people globally

Our Mailing Address:

Plot No. 406, Kudu Rd, Kabulonga,
Lusaka
Email: lusaka@cuts.org