



## **CREW DCR Note**

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## **Table of Content**

<b>1. Introduction .....</b>	<b>1</b>
<b>2. Review of Reforms – Staple Food .....</b>	<b>1</b>
<b>2.1 Maize and maize meal Marketing Reforms and Welfare Concerns.....</b>	<b>1</b>
<b>2.2 Input and Output Quality Standards .....</b>	<b>2</b>
<b>2.3 Farmer Input Supply Programme .....</b>	<b>3</b>
<b>2.4 Maize Trade Policy .....</b>	<b>4</b>
<b>3. Review of Reforms – Passenger Transport.....</b>	<b>5</b>

## **1. Introduction**

This note provides an extensive though not exhaustive account of the policy and regulatory reforms that occurred in the staple food and passenger transport subsectors in Zambia within the last two decades. The reforms that are discussed in this note have been chosen based on the belief that their ramification on the institutional and market environment must have produced nuanced impact on consumer and producer groups in these subsectors. The note has been prepared under the guidance of CUTS International and Nathan Associates Inc. It is aligned to the Diagnostic Country Report (DCR) methodology for the CREW project.

The policy and regulatory reforms that have been identified in this note will be analyzed based on a combination of various evaluation methods such as the DFID Competition Assessment Framework, the OECD Competition Assessment Framework, Porter's Competition Model and the Resource Based View. In order to be consistent with these analytical frameworks that provide a solid basis for measure the impact of reforms on competition in developing countries, this note clearly identifies who the key stakeholders are, the composition of consumers and producers, available and missing data, and the probable challenges that could be faced in untangling the competition effects of reforms. We discuss the staple food subsector before the passenger transport.

## **2. Review of Reforms – Staple Food**

### **2.1 Maize and maize meal Marketing Reforms and Welfare Concerns**

The political nature of maize and maize meal production and marketing in Zambia has exposed this staple food subsector to a variety of regulatory, policy and institutional changes. The reforms in this subsector have also been largely dismal and Government has mainly shown inertia in committing fully to many proposed changes. Firstly Government's involvement in maize marketing through the Food Reserve Agency (FRA) is an interesting issue for competition reforms and consumer versus producer welfare. When FRA was established in 1996, its mandated was to buy maize for strategic grain reserve only. However due to a combination of various factors, the FRA Act was amended to enable the

agency distribute maize on credit to smallholder farmers, purchase maize grain beyond strategic reserves and also offload cheaper maize to ensure meal-meal prices are low and affordable. The role of FRA in small holder farm input support and selling of cheaper maize grain to millers has witnessed a number of policy reversals in the past two decades depending on the Government in power and the prevailing conditions at a given time.

From the onset, the FRA Act has had a huge bearing on competition in the maize marketing sector. FRA may affect the ability of other players to compete by distorting their incentives using its floor price that is often above the price offered by a private sector. The impacts of these activities have been shown to be both of a positive and negative nature. For example, Robinson et al. (2007) and Tembo et al. (2009) observe that government's involvement in farmer input distribution especially as fertilizer drives the private sector out of the niche markets. On the positive side, FRA is documented to have only managed to have had acceded to the arguments against the formation of a Crop Marketing Authority (Nijhoff et al. 2003). Due to little information provided by past studies on economic welfare, it warrants further investigation of FRA impacts on economic welfare. These studies did not go further to establish the effects of FRA as they concentrated on its institutional structure.

## **2.2 Input and Output Quality Standards**

The other reform of interest in this report is the Zambia Bureau of Standards Act, 1994. Central to safeguarding consumer interests in a competitive environment is a well-functioning standards bureau with an all-round legislation to mandate it. The Zambia Bureau of Standards has an impact on competition behaviour of players in the maize sector, starting from the input providers, the traders of grain and the millers to the retailers of the end product. Zambia Bureau of Standards has specifications relating to percentage of foreign matter, rotten grains and moisture content for example. The act is expected to have effect on competition through setting standards for product quality that provide an advantage to some suppliers over others or that are above the level that some well-informed customers would choose. The other is that, by enforcing these standards it would be eliminating some players who feel cannot meet them or undergo the processes to ascertain the standard.

Prior research and key findings of this reform include getting the quality of maize that is both bought by the private sector or the FRA is something which poses a challenge, as this information is not collected in any of the surveys done by either the Ministry of Agriculture in conjunction with the Central Statistical Office or other institutions like Indaba Agricultural and Policy Research Institute (IAPRI). But reduction of diseases from high quality foods is certainly expected.

### **2.3 Farmer Input Supply Programme**

The other reform of interest is the Fertilizer Input Supply Programme (FISP). Government has intervened in the pricing of fertilizer, which is a major input maize production. This has happened from the times of Nitrogen Chemicals of Zambia when the price of fertilizer was determined by government taking into account the cost of producing it and then setting the subsidy. The government also set prices for maize, into-mill and maize meal prices.

Prior research and key findings for this reform are explained below. Firstly, there was no incentive for either market development or efficiency in the market as the prices did not reflect the relationship in market forces and associated costs. Secondly, the private sector was stifled from away from participating in the fertilizer trade. Thirdly, economic efficiency was lost as the fertilizer pricing did not take account of the different nutrient levels for fertilizer. For example, fertilizer with less potassium, all other nutrients being equal, was sold at the same price as one with more potassium. In addition, uniform pricing which may be desirable in the initial stages, reduced competition and hindered market efficiency by not allowing flexibility in the pricing mechanism that promotes competition and market efficiency.

The other reform discussed in this report is the Seed Act/ Plant Breeders Rights Act (Demonopolising the seed sector). The Zambia seed sector has evolved. From the colonial times when the British breeders used to breed, test and distribute the seed using the ministry responsible for agriculture through the 1970 when the Zambia Seed Company (ZAMSEED) was established by the Zambian government and was a monopoly able to set prices. The first Seed Act came in 1969 and supplemented by the Plant Breeders Rights Act

of 2007 which was more of a response to the competitive market. After liberalisation, a lot of other seed companies, mainly from Zimbabwe and South Africa were able to join in this industry and provide health competition. In this day, the Zambia seed sector is considered one of the best in terms of competition and number of players in southern Africa. The two acts and the Seed Control and Certification Institute provide the environment through which these players work. The liberalisation of the seed sector and accompanying acts and institutions can affect competition through affecting the number of players, their standards for testing and verification and raising the costs of production (testing procedures).

Major prior research and key findings emanating from this reform are as follows. Rusike et al. (1997) note that improved varieties have become available, but sustained adoption by smallholders is linked to subsidized or free distribution of seed. Furthermore, Rusike et al.(1997) observe that there is increased private sector participation in the seed sector. For example, private sector activity (for-profit and NGO) has greatly expanded since the reforms. Because of the increase in players, including private and NGOs, it is estimated by some studies that the adoption rate of these varieties is higher than would be. This results in better yields and ultimately food secure rural communities.

On the negative side, it is shown that among the negative effects of the green revolution, that includes wide use of improved varieties, has been the negative distributional impact. The gap between the resource rich farmers and the resource poor has widened with the use of these varieties. Local varieties, mostly open pollinated, have received less attention and hence making the poor farmers worse off- another negative impact.

## **2.4 Maize Trade Policy**

The use of export and import bans to protect the local market against under and over supply of maize and maize meal is slowly gaining momentum after being shunned at the close of the 1980 decade. This has been caused by a rising global deficit in the production of grains. In 1997/98 marketing season, Government imported maize and sold to it to the millers at 30 per cent below the prevailing market price. Exports are also sometimes allocated. For example, 2007/2008 marketing season FRA was issued with export permit for 226,000, MAZ issued with 50,000, GTAZ got permit for 50,000 and ZNFU had permit for

50,000 tons and there is a balance of 50,000. In some years, there is more free trade involving private traders both exporting and importing, for example, 2000/01 Regional trade patterns emerge as maize is imported into Zambia through Eastern Province from Mozambique, mostly by small-scale traders, and maize is exported from Zambia to Congo's Shaba and Katanga Provinces.

Prior research and key findings for this reform include the following. Firstly, the outcome of these tariff reforms was positive in terms of greatly improved availability of basic goods but not without large-scale closures of businesses and loss of jobs. This particularly occurred in the manufacturing sector. Secondly, there has been increased demand from the neighbouring countries such as Democratic Republic of the Congo (DRC) and Angola, with periodic markets as Mozambique, Zimbabwe and Tanzania. These neighbouring countries enjoyed 70 percent preferences (rising to 100 percent in later years) under COMESA and bilateral agreements (Robinson et al., 2007). This means that exporting, which may leave the local market unsupplied assuming a much higher price on the international market. Issuing of import licenses is in some cases ill timed. For example, in 2007, by the time the import license was issued, the food situation had deteriorated at home such that by the time the maize arrived, the prices rapidly shot up leaving consumers worse off.

The issuance as to which organisations will import is politically done, giving in some cases organisations not capable and hence economic inefficiency in the process. Export bans, while safeguarding the local consumers first, end up dampening the price of maize and hence making the farmers the ultimate losers as they sell at a lower price. In the process of issuing these licenses and bans, because some organisations are chosen and not others, the chosen ones have an advantage over those not chosen, hampering competition that would exist.

### **3. Review of Reforms – Passenger Transport**

The detailed review of the reforms in the passenger transport is provided in the tables below.

### 4.3 Competition Reforms and Impact on Market Structure

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
<i>Limits the Number or Range of Suppliers</i>								
1	Nationalisation Policy	Min of Transport, Works, Supply and Communications	To control the means of production, create employment and provide cheap passenger transport to poor Zambians.	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			



No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
2a	Liberalisation Policy (Transport Policy and Road Traffic Act No. 11 of 2002)	Min of Transport, Works, Supply and Communications	To open the domestic market to foreign investment – Transport Policy To allow competitive trade and encourage private sector participation	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
			in the country through quality licencing – Road Traffic Act No. 11 of 2002		Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
				Power of Suppliers	Economies of scale			
					Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
				Power of Buyers (Customers)	Cost of inputs			
					Access to services (coverage or			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
2b	Liberalisation Policy (Zambia Revenue Authority Act, Cap 321)	Min of Transport, Works, Supply and Communications	To lower capital costs by removing import duty on buses – Zambia Revenue Authority Act, Cap 321 through the national budget for the year 1992/3 (Statutory Instrument)	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Buyer propensity to substitute			
3	ROADSIP (Road Traffic Act No. 11 of 2002, Public Roads Act No. 12 of 2002, and National Road Fund Act No. 13 of 2002)	Min of Transport, Works, Supply and Communications	To reduce donor funding to the roads and road transport sector	Market Competitors (Producers)	Access to public services			
			To improve road safety		Free movement			
			To increase (and improve) the road network		Predictability of regulatory actions			
			To enhance road sector management capacity of roads and road transport sector institutions		Cost savings			
			To increase roads and road transport sector financing from traditional government funding, road user charges and include non-traditional financing mechanisms such as borrowing from the open financial markets, road infrastructure bonds and public-private partnerships		Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
					Government policies			
								New Entrants
					Access to distribution channels (routes)			
					Expected retaliation			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
4	Markets and Bus Stations Act No. 7 of 2007	Min of Local Government and Housing	To provide for the development, management and operations of bus stations and bus stops	Market Competitors (Producers)	Access to public services			
					Free movement			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency) Quality of service Fares (prices) Choice Time savings Road safety			
				Substitutes	Relative fare performance Buyer propensity to substitute			
5	Road Traffic Act No. 11 of 2002	RTSA	To provide for registration and issuance of licences and permits for buses To provide for issuance of licences and permits for bus drivers To provide issue licences and permits for passenger services operators (producers) To provide for safety standards of buses	Market Competitors (Producers)	Access to public services Free movement Predictability of regulatory actions Cost savings Backward integration (blue ocean strategy)			



No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				<i>Forces Driving Market Competition</i>	<i>Measurable Benefits (Indicators)</i>	<i>Before the Reform was Undertaken (Ex-Ante)</i>	<i>At the Time the Reform was Initiated (Event)</i>	<i>After the Reform was Undertaken (Ex-Post)</i>
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
6	Competition and Fair Trading Act, Cap 417 and its successor Laws and Regulations	CCPC	To provide for competition practices in Zambia	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			

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				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
7	Market Statutory Compliance or Obligations	ZRA	To provide for regulation of pay as you earn for employers and employees	Market Competitors (Producers)	Access to public services			
		Labour Depart	To provide for regulation of employment of persons		Free movement			
			To provide for regulation of industrial and labour relations		Predictability of regulatory actions			
			To provide for regulation of minimum wages and conditions of employment		Cost savings			
		NAPSA	To provide for regulation of implementing a national pension scheme		Backward integration (blue ocean strategy)			
		WCFCB	To provide for workers' compensation framework relating to occupational health hazards		Fair market processes (entry and exit)			
		Local Authorities	To provide for regulation of personal levy contribution		Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
		Economies of scale						

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
8	Business Licencing Reforms	PSDRP	To review the country's business licencing regime in order to reduce the cost of doing business	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
9a	Private Sector Business Practices – Role of Trade Associations (Producers) in Passenger Transport Market	Trade Associations or Ad-hoc Committees	To protect the interests of producers in the market	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			



No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Buyer propensity to substitute			
9b	Private Sector Business Practices – Influence of Different Interest Groups in Bus Stations and Bus Stops	Bus Stations and Bus Stops Management Teams	To develop, manage and maintain operations of bus stations and bus stops	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
Power of Suppliers	Volume of suppliers							

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
9c	Private Sector Business Practices – The Customer King	Users of passenger transport services (Customers)	To obtain customer feedback on passenger transport services	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
10	Others – Removal of Subsidies on Petroleum Products	Customers and Producers	To remove government subsidies on petroleum products	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
<i>Limits the Ability of Suppliers to Compete</i>								
1	Nationalisation Policy	Min of Transport, Works, Supply and Communications	To control the means of production, create employment and provide cheap passenger transport to poor Zambians.	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
Substitute inputs								

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
2	Road Traffic Act No. 11 of 2002	RTSA	To provide for registration and issuance of licences and permits for buses	Market Competitors (Producers)	Access to public services			
			To provide for issuance of licences and permits for bus drivers		Free movement			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
			To provide issue licences and permits for passenger services operators (producers)		Predictability of regulatory actions			
			To provide for safety standards of buses		Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			



No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency) Quality of service Fares (prices) Choice Time savings Road safety			
				Substitutes	Relative fare performance Buyer propensity to substitute			
3	Business Licencing Reforms	PSDRP	To review the country's business licencing regime in order to reduce the cost of doing business	Market Competitors (Producers)	Access to public services Free movement Predictability of regulatory actions Cost savings Backward integration (blue ocean strategy) Fair market processes (entry and exit)			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
4	Market Statutory Compliance or Obligations	ZRA	To provide for regulation of pay as you earn for employers and employees	Market Competitors (Producers)	Access to public services			
		Labour Depart	To provide for regulation of employment of persons		Free movement			
			To provide for regulation of industrial and labour relations		Predictability of regulatory actions			
			To provide for regulation of minimum wages and conditions of employment		Cost savings			
		NAPSA	To provide for regulation of implementing a national pension scheme		Backward integration (blue ocean strategy)			
		WCFCB	To provide for workers' compensation framework relating to occupational health hazards		Fair market processes (entry and exit)			
		Local Authorities	To provide for regulation of personal levy contribution		Level playing field (competitive neutrality)			
					Transparency in market			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market					
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)	
<b>Reduces the Incentive of Suppliers to Compete</b>									
1	Road Traffic Act No. 11 of 2002 – Submission of Annual Returns	RTSA	To provide for registration and issuance of licences and permits for buses	Market Competitors (Producers)	Access to public services				
			To provide for issuance of licences and permits for bus drivers		Free movement				
			To provide issue licences and permits for passenger services operators (producers)		Predictability of regulatory actions				
			To provide for safety standards of buses		Cost savings				
					Backward integration (blue ocean strategy)				
					Fair market processes (entry and exit)				
					Level playing field (competitive neutrality)				
					Transparency in market				
					New Entrants	Government policies			
						Capital requirements			
				Access to distribution channels (routes)					
				Expected retaliation					
					Economies of scale				

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
<b>Limits the Choices and Information Available to Customers</b>								
1a	Private Sector Business Practices – Role	Trade Associations or	To protect the interests of producers in the market	Market Competitors (Producers)	Access to public services			
					Free movement			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
	of Trade Associations (Producers) in Passenger Transport Market	Ad-hoc Committees			Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
				Power of Suppliers	Economies of scale			
					Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
Cost of inputs								

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
1b	Private Sector Business Practices – Influence of Different Interest Groups in Bus Stations and Bus Stops	Bus Stations and Bus Stops Management Teams	To develop, manage and maintain operations of bus stations and bus stops	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			



No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
					Access to distribution channels (routes)			
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			
1c	Private Sector Business Practices – The Customer King	Users of passenger transport services (Customers)	To obtain customer feedback on passenger transport services	Market Competitors (Producers)	Access to public services			
					Free movement			
					Predictability of regulatory actions			
					Cost savings			
					Backward integration (blue ocean strategy)			
					Fair market processes (entry and exit)			
					Level playing field (competitive neutrality)			
					Transparency in market			
				New Entrants	Government policies			
					Capital requirements			
Access to distribution channels (routes)								

No.	Component of Competition Reform Undertaken	Source(s) of Data	Objective of the Competition Reform Action	Nature of the Players and the Market				
				Forces Driving Market Competition	Measurable Benefits (Indicators)	Before the Reform was Undertaken (Ex-Ante)	At the Time the Reform was Initiated (Event)	After the Reform was Undertaken (Ex-Post)
					Expected retaliation			
					Economies of scale			
				Power of Suppliers	Volume of suppliers			
					Substitute inputs			
					Threat of forward integration (blue ocean strategy)			
					Cost of inputs			
				Power of Buyers (Customers)	Access to services (coverage or distributive efficiency)			
					Quality of service			
					Fares (prices)			
					Choice			
					Time savings			
					Road safety			
				Substitutes	Relative fare performance			
					Buyer propensity to substitute			