

REPORT ON

The Impact Of The COVID-19 Pandemic On Women Informal Cross-Border Traders In Zambia

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EXECUTIVE SUMMARY

In January , 2020, the World Health Organization (WHO) declared the Corona virus (COVID-19, a global public health emergency. In response to the WHO pronouncement, the government of Zambia, governments of Zambia's neighbouring countries, and other countries in the world instituted preventive and control measures to contain the outbreak of the pandemic. These included heavy regulation of border crossing from one country to another, in some cases, outright closures of borders, partial or total lock down. These measures tended to have negative impacts on cross border trade to varying degrees.

The Objective of this study was to establish the impact of COVID -19, and the subsequent policy responses instituted by the Zambian government, and its neighbours on women cross border trade in Zambia.

The typical age group of these types of traders is 36–50 years, followed by 25–35 years. The least age category is over 50 years followed by younger than 25 years.

The main products traded by Zambian women cross-border traders include textiles & clothing and food, followed by perfumes and cosmetics. Wines, spirits and beers are the least traded products.

The usual frequency of border crossing is once a month. Typically, all foodstuffs traded by Zambian women cross-border traders come from Tanzania. Clothing mainly comes from Tanzania and some from Thailand and Dubai. Blankets, duvets and bedsheets mainly come from Tanzania, South Africa and Tanzania. Wines, spirits and beers are largely from South Africa.

Customers who buy from cross border traders are predominantly female. In most cases, women cross border traders demand cash payment for their products rather than selling on credit. The predominant method of record keeping by women cross border traders is through recording in books.

Border closures had by far the most significant effects on women cross-border traders, while in terms of the individual magnitude of the impact on the business, the lockdown had the severest negative impact the lockdown in the manufacturing countries especially South Africa.

Covid-19 testing has been required of women traders at borders, mainly body temperature checks. However, at the Kasumbalesa border post between Zambia and Congo, a COVID-19 certificate at a cost of \$25 has been required by Congolese border authorities.

Borders have recently been opened between Zambia and Congo DRC, and between Zambia and Tanzania and has helped ease the cross border trade. However, the opening of the South African border in itself has been of little benefit to Zambian women cross border traders as it is a transit border point for them. The effective entry points for South African goods into Zambia are Chirundu on the border with Zimbabwe, and Kazungula on the border with Botswana, which were still closed as at the period of the research.

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1. INTRODUCTION

On 30 January 2020, the World Health Organization (WHO) declared the outbreak of the coronavirus (COVID-19) a global public health emergency. In response to the WHO pronouncement, the Government of Zambia, through the Ministry of Health, established preventative and control measures to upscale national preparedness, surveillance and response to the threat of the outbreak (MCTI, 2020). Zambia reported its first case of COVID-19 on 18 March 2020. The government subsequently directed the closure of schools, universities and colleges to prevent the further spread of the disease (MCTI, 2020). As the number of COVID -19 cases escalated, restaurants (except for takeaway services), bars, cinemas and gymnasiums were closed. Later, COVID-19 cases at the northern border town of Nakonde significantly increased leading to the declaration of the town as a COVID-19 hotspot. The border between Zambia and Tanzania was closed for almost one month as a way of curbing the spread of the virus.

This report presents the impact of COVID-19 and the policy responses (implemented by Zambia to curb the spread of the pandemic) on women's cross-border trade in Zambia. The report is divided into two main parts. The first part provides a brief overview of the nature of cross-border trade in Zambia. The second part presents the results of the survey on the impact of COVID-19 and related policy responses implemented by Zambia on women's cross-border trade in Zambia.

2. OVERVIEW OF CROSS-BORDER TRADE IN ZAMBIA AT SPECIFIC BORDER POSTS

Zambia has seven border posts namely Chirundu with Zimbabwe, Mwami with Malawi, Nakonde/Tunduma with Tanzania, Kasumbalesa with the Democratic Republic of Congo (DRC), Kipushi with DRC, Katima Mulilo with Namibia, and Kazungula with Botswana. These are the borders through which formal cross-border trade is conducted. Nakonde, Kasumbalesa, Chirundu, Kazungula and Katima Mulilo are the busiest.

2.1 Nature of the trade

2.1.1 Imports and source markets

'The major source countries for Zambia's imports were South Africa, China, United Arab Emirates (UAE), India and the DRC that collectively accounted for 63.3 per cent of total imports in 2019, down from 68.2 per cent in 2018. Challenges in the mining sector led to a decline in copper and cobalt concentrate imports while the decline in economic activity negatively impacted aggregate demand and subsequently a broad-based reduction in other imports. The main products sourced from South Africa included nuclear reactors and boilers; motor vehicles; plastics and articles thereof; salt, sulphur, lime and cement; fertilisers and electrical machinery and equipment; all of which accounted for 47.7 per cent of total imports from that country. The major import commodities from China were electrical machinery and equipment; nuclear reactors and boilers; articles of iron and steel; vehicles; iron and steel and plastics and articles thereof. These altogether accounted for 70.6 per cent of imports from China. Ores, slag and ash, inorganic chemicals and compounds of precious metals were the main products imported from the DRC. Pharmaceutical products; nuclear reactors and boilers and plastics and articles thereof constituted the major products from India at 30.2 per cent, 24.5 per cent and 8.4 per cent respectively. Mineral fuels, oils and products of their distillation were the main imports from the UAE.' (Bank of Zambia Annual Report, 2019)

2.1.2 Exports and destination markets

'Zambia's major destination markets remained broadly unchanged in 2019. Switzerland, China, DRC, Singapore and South Africa continued to be the top five export destinations, accounting for 88.0 per cent of total exports, up from 78.7 per cent in 2018. Copper was the major export commodity to these destinations, accounting for the highest proportion of earnings from Switzerland, China and Singapore. Various non-traditional exports accounted for the bulk of export earnings from the DRC and South Africa. The main export commodities to the DRC included salt, sulphur, lime and

cement (19.7 %); inorganic chemicals and compounds of precious metals (18.0 %); sugars and sugar confectionery (7.3 %); nuclear reactors and 13 boilers (7.2 %); beverages, spirits and vinegar (6.8 %); and soap (5.3 %). Motor vehicles and vehicle accessories (24.6 %); nuclear reactors and boilers (13.8 %); fertilisers (9.0%); plastics and articles thereof (8.6 %); articles of iron and steel (7.8 %); and electrical machinery and equipment (7.6 %) accounted for the majority of export earnings from South Africa.' (Bank of Zambia Annual Report, 2019)

2.2 Overview of border facilities and border management systems

Zambia has upgraded the facilities at all border posts to make them more efficient, accountable and avoid congestion. The government of Zambia intends to make all borders one-stop border posts (MCTI, Trade Policy 2018).

There has been a lot of work done in expanding and modernising facilities at all border posts in Zambia, and usually on the other countries' sides to make both human and cargo traffic move more efficiently. For instance, four of the seven border posts are now one-stop border posts i.e. Nakonde, Chirundu and Kasumbalesa.

Further, on 7 June 2020, the Commissioner-General of the Zambia Revenue Authority announced that Nakonde and Chirundu were also to be added to the 24 hour daily operations, instead of closing at 22:00 as before. Previously, only Mwami border post opened 24 hours every day; the rest were opening from 06:00 to 22:00.

This service enhancement could even be taken to a higher level if the queuing system, which is currently used in the Zambia Revenue Authority Customer Service Centres in the major cities and towns, was extended to border posts as well. There are plans to extend these facilities to border posts, but implementation is yet to be seen.

2.3 Trade at the major border posts

2.3.1 Kasumbalesa border post

Kasumbalesa border post is located on the border between Zambia and the DRC, 18 km from the Chililabombwe town in the copper belt province of Zambia. Kasumbalesa border post is a very busy border post as it caters for exports from Zambia and other goods from the fellow Southern African Development Community (SADC) countries transiting through Zambia into the DRC. Similarly, all copper and other mineral exports from the DRC transiting through Zambia to the port of Durban in South Africa also pass through Kasumbalesa border post. The modernisation of the border post in recent years has boosted the capacity and efficiency of the border post. 'However, with the

construction of the US\$25 million modern one-stop border facility, congestion has drastically reduced as a result of the quick clearing of transporters. About 400 to 900 trucks cross over either way of the border point every day, making it one of the busiest entry points from Nakonde and Chirundu border posts. On the other hand, the smuggling of goods into the DRC, which was reported to be rampant, seems to have reduced following the construction of a trade corridor on the DRC side. Bicycle pushers earn their living by transporting goods through designated entry points.' (Zambia Daily Mail, 2016). Kasumbalesa border post operates from 06:00 and closes at 22:00 every day of the week.

2.3.2 Nakonde border post

Nakonde border post is located on the border with Tanzania serving Zambia bound imports and DRC bound cargo transiting through Zambia originating from the port of Dar es Salaam, Tanzania. Food and spices, clothing, shoes and cosmetics originating from Tanzania, meant for Zambia and the DRC come in through the Nakonde border post (This Study, Chanda Mongo, 2020). Most imports of motor vehicles, mining equipment and other forms of equipment, clothing from East Asia countries (i.e. Japan, South Korea, India and China) and Dubai pass through Dar es Salaam. Copper exports – which do not go through Chirundu border post to the port of Durban, South Africa – transit through Nakonde border post. Nakonde border post is a one-stop border post, which has been operating from 06:00 to 22:00 every day until 7 June when it was upgraded to 24 hours every day.

2.3.3 Chirundu border post

Chirundu border post is located on the border with Zambia and Zimbabwe. Chirundu border post serves both Zambia and Congo's bound cargo to and from the port of Durban. This includes motor vehicles, heavy-duty mining equipment, other equipment, electronics, hardware and building materials, industrial inputs, clothing, food and beverages which come transported as cargo. Most of Zambia and the DRC's copper and other minerals also pass through Chirundu border post. Chirundu border post is also a one-stop border post operating from 06:00 to 22:00 every day until 7 June 2020, when it was upgraded to 24 hours service daily.

2.3.4 Kazungula border post

Kazungula border post is located on the border between Zambia and Botswana. The border post serves passengers and cargo from the two countries. Some motor vehicles from Botswana, South Africa and transit cargo from the port of Durban as well as mining, industrial and agricultural equipment mainly from South Africa transit through this border post. Salt and clothing imported

by Zambia from Botswana and maize bran, soya beans, sugar beans and other consumer and agricultural commodities imported from Zambia come through Kazungula border post. South African beverages also come in through Kazungula border post. Kazungula border post operates from 06:00 to 22:00 daily.

2.3.5 Katima Mulilo border post

Katima Mulilo border post is located on the border between Zambia and Namibia. Katima Mulilo Bridge 'is part of the trade transiting corridor from Walvis Bay through Ndola up to Lubumbashi. Notable goods from Zambia include copper, timber and materials while from Namibia, importers bring in foodstuff such as fish, beer, vehicles, electronic equipment, among other items' (Zambia Daily Mail, 2018). 'There has been a 200 per cent increase in volumes for both passengers and goods since commissioning of the Katima Mulilo Bridge across the Zambezi River in 2004. About 100 trucks cross the border daily from either side as compared to less than 10 trucks when people were ferried by pontoon. Also, 700 to 1 000 people cross the border daily, mainly going into Namibia as small-scale traders to buy goods especially foodstuff for re-sell in Zambia.' (Zambia Daily Mail, 2015). Katima Mulilo border post operates from 06:00 to 22:00 every day.

3. SPECIFIC TRADE POLICY RESPONSES ADOPTED BY ZAMBIA AND HER NEIGHBOURS

Table 1: Measures taken by Zambia

ZAMBIA
<p>General information: 'Zambia has predominantly focused on putting up a range of measures to contain the spread of the pandemic within the Zambian economy. The Government through the Ministry of Finance has proposed several measures which include among others: Set up an Epidemic Preparedness Fund under the Ministry of Health amounting to K57 million; Cabinet approved a COVID-19 Contingency and Response Plan with a budget of K659 million under the Disaster Management and Mitigation Unit; and the government has started mobilising funds through the budget and engagement with various local and international stakeholders.' (KPMG,2020)</p>
<p>'ZMK 10 000 000 000 (US\$500 000 000 equivalent) of COVID-19 Economic Recovery Fund established by the Government of the Republic of Zambia to be disbursed as loans to COVID-19 affected Small and Medium Enterprises in Zambia.' (Government of the Republic of Zambia, 2020)</p>
<p>'The Citizens Economic Empowerment Commission was directed to look at Business Proposals aimed at filling the void created by reduced exports to Zambia as a result of the lockdown in major supplying countries.</p>
<p>Directive to the Ministry of Communication and Transport and Smart Zambia to support better digital infrastructure and skills and to formulate Digital Trade and E-services.</p>
<p>The Zambia Revenue Authority was directed to effect a waiver of penalties and interest arising from COVID-19 to assist companies and businesses manage their cashflows during this period when they are faced with reduced revenues.</p>
<p>Restricting visas from COVID-19 prone countries.' (Government of the Republic of Zambia, 2020)</p>
<p>Employment related: 'Government, through the Cabinet Office, has requested non-essential workers to work from home where possible or on a rotational basis.</p>

Monetary policy: The government, through the Central Bank, announced several measures to encourage the use of digital financial services. The measures include:

- Waived charges for person-person electronic money transfers of up to K150. These transactions are now free of charge
- revised upwards transactions and balance limits for individuals, small-scale farmers and enterprises. The limits by agents have been revised upwards to give agents more float to deal with transactions. This is made to decongest banks
- removed the transaction and balance limits on agents and corporate wallets
- reduced the processing fees for the Real Time Gross Settlement System.

Government is expected to issue a Statutory Instrument for Classification and Provisioning of Loans Directives to encourage financial service providers to provide relief to the private sector and facilitate long term lending to productive sectors of the economy.' (KPMG, 2020)

Table 2: Measures taken by Tanzania

TANZANIA

Employment/travel related: Tanzanian Immigration Services Department has extended deadlines for individuals who could not travel to or from the country during the COVID-19 pandemic.

The new guidelines are as follows:

- Prospective visitors who were already issued Visa Grant Notices but were not able to travel to Tanzania, have been granted an extension of three months from the date of their visa start date.
- Visitors whose Visa/Visitors passes have expired, or about to expire, whilst they cannot leave the country, are advised to report to the nearest Immigration Office for a one-month extension (free of charge). However, if the situation persists after the expiry of such extension, the holders are advised to report to the Immigration Office, Kurasini – Dar es Salaam for further assistance.
- Holders of Residence Permits, Visitors Pass, Exemption Certificate and Dependant Pass which have expired, have been granted one month grace period to stay in the country. Upon expiry of such period, if the situation persists, they are advised to report to the Immigration Office – Kurasini in Dar es Salaam for further directives.
- Holders of Residence Permits/Passes who have already surrendered their respective documents are required to report promptly to the Immigration Office, Kurasini- Dar es Salaam.
- This move by the Immigration Services Department is highly welcomed as it will provide relief to visa and permit holders during this crisis period.

Mandatory quarantine at the point of entry: The government, through the Ministry of Health, Community Development, Gender, Elderly and Children, has imposed a mandatory quarantine at the first International Point of Entry in Tanzania for all travellers from countries which are most affected by the COVID-19 pandemic.

The quarantine will be for a period of 14 days at government-designated facilities. The travellers will bear quarantine costs. (KPMG, 2020)

Table 3: Measures taken by Zimbabwe

ZIMBABWE

General information: Following the declaration by the World Health Organisation (WHO) of COVID-19 as a global pandemic, a state of disaster was declared in Zimbabwe on the 20 March 2020.

A 'national lockdown and prohibition of gatherings' was legislated for the 21 days commencing 30 March 2020. The extent of lockdown has been reviewed and revised since then with the latest change taking effect from 22 July 2020 with an 18:00 to 06:00 curfew being implemented and business operations for non-essential services, low-risk sports and permitted gatherings being restricted to times between 09:00 and 15:00.

Data accurate as of 12 August 2020

Several tax measures have been in place in Zimbabwe as a result of the COVID-19 outbreak. These measures include:

- Expanded online filing options (through emails) to restrict the need for taxpayers to physically visit the Zimbabwe Revenue Authority (ZIMRA) offices.
- ZIMRA will endeavor to process all VAT refunds within 30 days provided certain criteria are adhered to by taxpayers.
- A duty rebate has been introduced in respect of defined essential goods for the fight against COVID-19, with effect from 30 March 2020.
- Extension of the Submission of Income Tax Returns (ITF12C, ITF1 and CGT1) to 31 August 2020 for all taxpayers with a 31 December 2019 year-end. Taxpayers with approved year-end dates other than 31 December 2019 are expected to submit their returns on the dates previously agreed by ZIMRA. Any concerns in meeting these previously agreed submission dates should be lodged with ZIMRA.
- Further to the Transfer Pricing Return (ITF12C2) published in March 2020, ZIMRA has issued Transfer Pricing Practise Notes which are to be considered together with the Transfer Pricing Provisions.
- There have been amendments to the employment tax rates with an increase in tax-free threshold from ZWL2 000 to ZWL5 000 per month and the highest tax band at the rate of 40 per cent on income over ZWL100 000 per month effective 1 August 2020.

Economic stimulus measures:

- The government unveiled a ZWL18 billion Economic Recovery and Stimulus Package aimed at revitalising the economy and providing relief to individuals, families, small businesses and industries impacted by the economic slowdown caused by the COVID-19 pandemic. The main aim was to provide liquidity support to all the productive sectors of the economy and protect employment through prevention and minimisation of COVID-19 effects.
- Further extension of the national lockdown due to COVID-19 to level 2 indefinitely. Effective 17 May 2020, companies and the private sector have been allowed to operate upon fulfilling certain conditions e.g. compulsory mask-wearing and employee testing at their workplaces.
- There has been a further relaxation of COVID-19 lockdown regulations such as allowing registered informal traders to resume operations upon fulfilling certain conditions e.g. compulsory mask-wearing and employee testing.
- New lockdown measures effective 22 July 2020; curfew between 18:00 in the evening and 06:00 the following morning, limitation of business hours to between 08:00 and 15:00 for non-essential businesses and other measures affecting businesses e.g. only registered SMEs with allocated workspaces will be allowed to operate and must comply with the parameters and protocols set by the WHO.
- Low-risk sports and permitted gatherings have also been restricted to times between 08:00 and 15:00. The public is allowed to congregate for as long as they observe the stipulated figure (50 people), sanitising, social distancing, temperature checking and members wearing masks.
- The Exchange Control Regulations have been amended with effect from 29 March 2020 to allow any person to pay for goods and services chargeable in Zimbabwe dollars, in a foreign currency using his or her free funds at the ruling rate on the date of payment. The payment may be done electronically through a foreign currency account or in cash or through any electronic payment platform.
- The Zimbabwe Stock Exchange has delayed the filing deadlines of listed companies to 30 April 2020. All trading in securities of all issuers shall be done under caution during the lockdown period and therefore no need for issuers to issue individual cautionary statements. All issuers are expected to provide a special trading update by 15 May 2020 including a statement on the solvency position of the issuer in light of COVID-19 and the lockdown order on its business.
- The Securities Exchange Commission of Zimbabwe had extended the audited financial statement submission deadline from 31 March 2020 to 31 May 2020. The quarterly return submission deadline had also been extended from 14 April 2020 to 15 May 2020.
- The government has committed to provide financial assistance of ZW\$200 to vulnerable families per month for three months effective in April 2020.
- The government had deferred rent and mortgage payments during the lockdown period starting from 1 April 2020 however, this right to defer rentals and mortgage repayments was then terminated with effect from 30 June 2020. (KPMG, 2020)

Table 4: Measures taken by Botswana

BOTSWANA
<p>Employment-related measures:</p> <ul style="list-style-type: none">• The implementation of a COVID-19 Wage Support Scheme to provide financial support to employees in the travel and tourism sector, export-oriented enterprises, ICT/BPO sector, SMEs and other sectors of the economy, who become technically unemployed temporarily due to the impact of the Coronavirus.• Wage subsidies for businesses registered for tax, regardless of whether they owe tax.• Qualifying businesses will access wage subsidies of up to P2 500 per month per each citizen employee for the months of April, May and June 2020.
<p>Economic stimulus measures:</p> <ul style="list-style-type: none">• The Government is setting up a COVID-19 Pandemic Relief Fund into which it will inject P2 billion. The private sector is called upon to generously contribute to the Fund.• Such contributions will be tax deductible only if the Fund is prescribed by the Minister and approved by the Commissioner-General.• To stabilise businesses, Government Guaranteed Loans of up P25 million per borrower will be made available to tax-compliant businesses.• Reduction in bank rate, waiver of penalties, rescheduling of loan repayments, etc.• Development of post-Corona Economic Stimulus Package.
<p>Use of electronic platforms:</p> <ul style="list-style-type: none">• Manual statutory filing will not be possible during the lockdown period. To avoid incurring late payment and/or late filing penalties taxpayers are thus encouraged to utilise the online compliance platforms provided by the tax authority. Where it is not possible to comply with tax obligations because of, for example, failure of the electronic platforms or the impossibility to submit returns because of the lockdown, clients should request the tax authority to waive any interest or penalties that may be levied.

Other measures:

- In addition to fiscal measures the Government, under the Emergency Powers Act (Cap.22.04), published regulations on 2 April 2020 aimed at avoiding and containing the spread of the COVID-19. The regulations became effective immediately on publication i.e. 2 April 2020. The measures include:
 - * prohibition of entry into Botswana of travellers from, or who have transited through, specified high-risk countries
 - * mandatory quarantine for returning residents
 - * suspension of visa issuance
 - * the prohibition of movement for persons who have tested positive for COVID-19
 - * a nationwide lockdown which, inter alia, prohibited the non-essential movement of people within Botswana became effective from 2 April 2020. The lockdown was lifted country-wide with effect from 21 May 2020 but may be reinstated in an area/zone-focused manner should the situation demand.
- A range of services has been specified as essential.
- Heavy fines, penalties and/or imprisonment may be imposed for non-compliance with the Regulations. (KPMG, 2020)

Table 5: Measures taken by DRC**DRC****Employment-related measures:**

- Lockdown measures are applicable from 31 March 2020.
- There are no official recommendations from the government but many companies invite their employees to work from home.
- However, some activities such as banks continue to work in keeping with health measures implemented by the government.
- Important: In a notice dated 31 March 2020, the Director of the Social Administration, Pointe-Noire (f.n CNSS) specifies that their office is still open from Monday to Friday.
- Thus, we conclude that companies should still comply with their social obligations despite lockdown measures currently applicable.
- Non-application of penalties for social declarations in March, made after the statutory deadlines.

Economic stimulus measures:

- Creation of a fund (XAF 100 billion) to help companies and vulnerable populations. No further details communicated as of 31 March 2020.
- Issuance of treasury bills and bonds to boost government budget revenue.
- Free water and electricity for all households during the confinement period.
- Financial aid of 4 billion FCFA granted to households and people experiencing poverty.

Other measures: Tax measures and customs measures. (Source: Statement of the National Coordination for COVID-19 of 10 April 2020)

- Suspension for three (3) months, starting in April, of all controls initiated in companies by public administrations (IG, IGE, etc.) as well as those initiated by organisations under the authority of local authorities. Are not concerned, controls related to the fight against expensive life and security.
- Adjustment of tax obligations applicable to companies:
 - * non-application of penalties for tax declarations for March, made after the statutory deadlines
 - * from April 1 2020 suspension for two (2) months, all tax audits including on-site inspections or documentary checks, general accounting checks. As a result, all response or prescription periods are postponed accordingly. If necessary, this period may be extended depending on the evolution of the health emergency
 - * the deadline for declaring companies' financial statements has been extended to August 25 2020
 - * postponement to 25 August 2020, of the payment of the liquidation balance of corporate tax and IRPP category BIC for 2019. For 2019 corporate tax, the possibility to pay the liquidation balance according to a monthly schedule to be settled no later than December 31 2020
 - * for indirect taxes and taxes due by third parties with a monthly payment for which the company or the legal debtor is the collector, the payment declarations are maintained
 - * concerning direct taxes, except the Single Tax on Wages (TUS), for which the company or the legal and actual debtor bears the charge, the deadline is extended by one (1) month from expiration during the containment period. Thus, the deadlines for the fulfilment of the declarative obligations and for the payment of direct taxes for the month of April, which must take place from May 10 to 20 2020, are postponed from June 10 to 20 2020, and so on, until further notice
 - * reduction of the corporate tax rate for 2020, from 30 per cent to 28 per cent
 - * reduction in the Flat-rate Global Tax, from 2020, from 7 to 5 per cent of the annual turnover excluding taxes for operators selling products with free margin from 10 to 8 per cent of the annual global margin excluding taxes for operators selling products at regulated prices and with controlled margins. These provisions apply to operators who keep accounts according to the Minimum Cash System (SMT).
- Exemption of 100 per cent granted to donations made to fight against COVID-19.
- Facilitation and speed of customs clearance procedures for goods, particularly pharmaceuticals, medical equipment and basic foodstuffs.
- Non-application of inspection fees, in accordance with the 2020 Finance Act.
- Suspension of customs controls for three (3) months, starting in March, with the possibility of extension after evaluation of the health emergency. (KPMG, 2020)

Table 6: Measures taken by Malawi

MALAWI
<p>General information: The government's response plan includes US\$20 million (0.25 per cent of GDP) in spending on health care and targeted social assistance programs; this includes hiring 2 000 additional health care workers. In addition, tax waivers will be granted on imports of essential goods to manage and contain the pandemic.</p>
<p>Monetary and macro-financial:</p> <ul style="list-style-type: none">• The domestic currency Liquidity Reserve Requirement (LRR) has been reduced by 125 basis points to 3.75 per cent (aligned with the foreign currency LRR) and the Lombard Rate has been reduced by 50 per cent to 0.2 percentage points above the policy rate.• An Emergency Liquidity Assistance (ELA) framework has been introduced to support banks in the event of worsening liquidity conditions and to provide support to banks on a case-by-case basis. However, financial sector buffers, including banks' capital and liquidity buffers, are expected to counter risks to the banking system.• To support small and medium enterprises (SMEs), commercial banks and micro-finance institutions will be, on a case-by-case basis, restructuring SME loans and providing a three-month moratorium on their debt service. Fees on mobile money transactions have been temporarily waived to encourage cashless transactions.

Table 7: Measures taken by Namibia

NAMIBIA
<p>General information: The total Stimulus and Relief Package amounts to N\$8.1 billion, comprising of N\$5.9 billion as direct support to businesses, households and cash flow acceleration payments for services rendered to Government and N\$2.3 billion of additional support, guaranteed by Government, but off-balance-sheet government liabilities to further support loan uptake on preferential terms by business and individuals.</p>

Employment related measures: The Ministry of Finance and the Social Security Commission (SSC) in a combined effort announced the rolling out of a relief package, aimed at mitigating the impact of COVID-19 on various sectors of the economy.

- The efforts were combined to ensure effective utilisation of state resources. In this regard, the Ministry of Finance is availing an amount of N\$400 million, while the SSC is making a cash contribution of N\$253 million to the scheme. In addition, SSC is granting a contribution holiday of three months to the selected affected industries.

As part of the ongoing response from the Government of the Republic of Namibia, the Ministry of Finance announced the National Employment and Salary Scheme for COVID-19, to save jobs and reduce the potential impact on employment due to the pandemic. The scheme encompasses the following two objectives:

- The Employer Wage Subsidy Program for the hard-hit industries under three (3) sectors of aviation, tourism and construction. This program is designed to save jobs. The program is driven by the following characteristics:
 - * Employers of affected industries will receive a subsidy based on their total wage bill, driven by an SSC contribution waiver and a cash injection from the state. The aim is to give employers a cash subsidy of 17 per cent of their total wage bill and SSC contribution holiday, or both for a period of three (3) months.
 - * Prospective beneficiary employers should agree to not retrench staff for the three (3) months and should not be allowed to reduce staff salaries by more than 50 per cent.
 - * Any benefits to be received should be netted against any claims the employer in question may have received from the state or other forms of compensation (FIDIC or insurance).
 - * The program is designed to potentially assist 7 900 employers in employing 65 420 employees. The program is budgeted to receive N\$150 million which when combined with the waiver, should equate to ~25 per cent of the total wage bill.
 - * Any amounts leftover can be used in the Affected Employees program noted below.
- The Affected Employees program invites persons to apply for a grant designed to provide compensation for those who have lost income. This program is designed to provide a safety net for those who have been adversely impacted by COVID19. Features include:
 - * applicants should have been registered with the SSC as of 1 February 2020
 - * applicants should be able to prove loss of income related to COVID-19
 - * applicants should earn less than N\$50 000 p.a.
 - * the benefit will be limited to 50 per cent of the monthly salary, subject to a minimum of N\$1 000 per month for 3 months
 - * the benefit will be net of other benefits received from the state (e.g. Emergency Income Grant)
 - * using these parameters and a budget allocation of N\$350 million this program could cater for between 56 000 and 117 000 applicants.
- Modalities around the registration process, payment logistics and relevant information on the scheme will be communicated and managed by the Social Security Commission and will be announced in due course.
- To avoid major retrenchments and business closures, employers including Government and business owners will be allowed to negotiate a temporary 20 per cent reduction of salaries and wages during the crisis period, and 50 per cent for the worst-hit industries. The negotiations will be undertaken through a consultative process with employees and labour unions.

Economic stimulus measures:

- Non-agricultural small business loan scheme. The government will guarantee a N\$500 million, concessional rate, a loan scheme for non-agricultural small businesses, with funds provided through the Development Bank of Namibia. The loans will be extended to businesses experiencing or expected to experience cash-flow pressure as a result of a loss in revenue due to COVID-19.
- Agricultural business loan scheme. The government will further guarantee a N\$200 million loan scheme for farmers and agricultural businesses by extending a guarantee for such loans to the Agricultural Bank of Namibia. The loans will be extended to cash flow-constrained farmers and small to medium-sized farming businesses that have experienced a significant loss of revenue.
- Granting of the policy relief to borrowers by DBN and AgriBank in the form of a capital repayment moratorium where a holiday is allowed on the principal amount for a period ranging between six (6) months, but not exceeding two years (24 months) based on assessment, recapitalisation of interest, lengthening of the repayment periods and waiving of penalty provisions.
- Tax-back loan scheme for non-mining corporates. To provide breathing room for tax-paying cash flow-constrained businesses in the non-mining sectors, such businesses can borrow an amount equal to 1/12th of their tax payment in the previous tax year, to be repaid after one year. The interest rate will be concessional, below prime, on the back of the Government guarantee, capped at N\$470 million. Applications will be made via commercial banks. (KPMG, 2020)

4. PRESENTATION OF FINDINGS FROM THE INTERVIEWS WITH 15 ZAMBIAN WOMEN CROSS-BORDER TRADERS

4.1 Methodology

A survey of 15 women cross-border traders was conducted on 13 November 2020 at the COMESA market in Lusaka where more than 2 000 cross-border traders sell their assorted merchandise. A flexible guide for the survey (semi-structured conversation) was adopted.

The sampling method used was purposive sampling. The aim was to gather information on the following:

4.2 Demographic information

Age categories: younger than 25 years; between 25 and 35 years; 36 to 50 years, and over 50 years. The typical age group of these types of traders is 36–50 years, followed by 25–35 years. The least age category is over 50 years followed by younger than 25 years.

Table 8: Age range of women cross-border traders

The Age Range in Years	Younger Than 25	25–35	36–50	Over 50	Total
Number out of 15 respondents	2	4	8	1	15
Percentage of total	13.33	26.66	53.33	6.66	100

4.3 Trade profile

A brief overview of products traded, clients, border posts used, challenges encountered during COVID-19 as a result of measures adopted by governments

Table 9: Profile of products traded

Food	Textiles & Clothing	Consumer Goods	Other Goods
Rice, plantain (green bananas), yams, Irish potatoes, palm oil, spices (fresh ginger, garlic, dry-packed spices)	Ladies dresses, shoes and sandals, men's clothing, babywear, blankets, duvets, bed sheets, pillows, tracksuits	Perfumes, skin lotions and other cosmetics, jewelry, detergents	Wines, spirits, beers

The main products traded by Zambian women cross-border traders include textiles & clothing and food, followed by perfumes and cosmetics. Wines, spirits and beers are the least traded products.

4.4 Frequency of border crossing for trade and/or sourcing of products: How often do women cross-border traders cross borders to source their merchandise?

Table 10: Frequency of border crossing

Twice a Week	Once a Week	Once in Two Weeks	Once in a Month	Once in 3 Months	Once in 4 Months	Total
2	2	2	7	1	1	15
13.33 %	13.33 %	13.33 %	46.67 %	6.67 %	6.67 %	100 %

The typical frequency of border crossing is once a month. It was also explained that due to border complications brought about by COVID-19, many cross-border traders have reduced their frequency of border crossing from once a week or twice a week to once a month. Typically, those selling foodstuffs tend to cross the borders more frequently, especially into Tanzania, than for instance, those who are dealing in clothing.

4.5 Source of products: Regional or global

Table 11: Source of products: Regional or global and by country

Product	Regional	Global
Rice, plantain (green bananas), Irish potatoes, yams, fresh ginger, fresh garlic	Tanzania	
Dry packed spices	Tanzania, DRC	
Palm oil	Tanzania	
Wines, spirits, beers	South Africa	

Ladies dresses (boubous)	Tanzania	
Ladies dresses (regular), sandals and shoes	Tanzania, Kenya, South Africa	
Ladies clothes and children's clothes (mainly jeans, skirts, shorts and trousers)		Dubai, Thailand
Men's shoes, running shoes	South Africa, Tanzania	Thailand
Blankets	Tanzania, South Africa	
Duvets, bedsheets, pillows	South Africa	
Babies' clothes	South Africa	Thailand
Vitenge (wax cloth material)	DRC	
Tracksuits	Botswana	
Cosmetics	Congo, South Africa	
Washing detergents	South Africa, Tanzania	
Jewellery	South Africa, Tanzania	Thailand

Typically, all foodstuffs traded by Zambian women cross-border traders come from Tanzania. Clothing mainly from Tanzania and some from Thailand and Dubai. Blankets, duvets and bedsheets mainly from Tanzania, South Africa and Tanzania. Wines, spirits and beers are largely from South Africa.

4.6 Client profile: Aggregated percentage of regular clients; gender profile (% breakdown)

Table 12: Percentage of regular clients by gender

Male	Female	Total
29.6 %	70.4 %	100 %

Customers who buy from cross border traders are predominantly female. There are some male customers, but they are outnumbered almost two and half times by female customers.

Table 13: Payment method (cash or other methods)

	Cash	Other (Specify)
Aggregated percentage (%)	73 %	27 %

Eleven out of 15 women cross-border traders representing 73 per cent demand 100 per cent cash payment, while 4 demand a combination of cash payment, and varying levels of credit payment for their sales. These represent 27 per cent of the traders.

Table 14: Methods of communication with clients

Method of Communication with Clients	Number of Traders	%
Mobile phone only	0	0
Mobile phone and WhatsApp	1	6.67
Mobile phone and walk-in customers	1	6.67
WhatsApp and walk-in customers	3	20
Walk-in customers only	7	46.67
Mobile phone, WhatsApp, walk-in customers	2	13.33
Mobile phone, WhatsApp, Facebook, walk-in customers	1	6.67
Total	15	100

Most customers are walk-in clients only in 7 out of 15 traders market stands or 46.67 per cent of the market stands and small market shops owned by female informal cross-border traders. Others were contacted as walk-in clients and others come because they were contacted by WhatsApp or they saw the products on Facebook. There are no traders who get customers through mobile phone calls only.

Table 15: Recordkeeping (order/payment record) e.g. on a mobile phone via WhatsApp

Mobile Phone	WhatsApp	Other (specify)	No Records of Orders or Payments Kept
	2 keep records for orders	14 keep records for payments in books	1

Two (2) of the 14 who keep their transaction records written in books also keep records for orders only in their WhatsApp. One (1) trader does not keep any records at all and just relies on her memory.

4.7 Impact of COVID-19 measures on business: What measures and what impact have they had (on business viability, turnover, client base)

Table 16: Impact of COVID-19 measures on business: Viability, turnover, client base

Type of COVID-19 Measure	Number of Respondents Affected	Positive or Negative Impact	Impact on Business Viability %	Impact on Turnover %	Impact on Client Base %
Border closure	12	Negative	60	60	60
Lockdown	3	Negative	80	80	80
Social distancing	2	Negative	20	20	20
Face masks requirement	0	Neutral	0	0	0
Hand sanitising	1	Negative	20	20	20
COVID-19 testing	15	11 neutral, 4 negative	10% on the 4	10% on the 4	Nil

Border closure by far had the most widespread effects on women cross-border traders, while in terms of the individual magnitude of the impact on the business, the lockdown had the severest negative impact the lockdown in the manufacturing countries especially South Africa.

4.8 Has COVID-19 testing been required (if so, what are the costs and how has this been done?)

Table 17: Status of COVID-19 testing requirement, mode of testing and associated costs

COVID-19 Testing has Been Required for Women Cross-Border Traders	Cost of COVID-19 Testing	Mode of Testing and Who Has Borne the Cost	COVID-19 Testing Has Not Been Required for Women Cross-Border Traders
<p>Yes, COVID-19 testing has been undertaken for all women cross-border traders, mainly through body temperature reading. The ones with high body temperature causing suspicion are detained for further testing and quarantined for 14 days or sent back.</p>	<p>COVID-19 testing was free on most borders. However, at the Congolese border of Kasumbalesa, traders were required to produce a COVID-19 free certificate from health authorities. It is for this COVID-19 free certificate where some traders indicated that some unscrupulous Ministry of Health Technical staff have been demanding K500 (US\$25 equivalent) from the desperate traders for them to be issued a COVID-19 free certificate.</p>	<p>At the borders, the typical mode of testing by the Ministry of Health Officials has been body temperature reading and, in some cases, swabbing.</p>	<p>No COVID-19 testing has been required from women cross-border traders.</p>

4.9 Key restrictions and challenges during the pandemic: Government measures and market challenges

Table 18: Key restrictions and challenges during the pandemic

Restrictions and Challenges Posed by Government Measures	Market Challenges
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<ul style="list-style-type: none"> • Border closures especially Beitbridge, on the South African and Zimbabwean border, which many Zambian traders use before coming to Chirundu (Zambia/Zimbabwe) border. Kazungula border post on the Zambia/Botswana border has not been opened, Nakonde on the way to Tanzania was closed for nearly a month. Border closures caused a significant reduction in the number of trips and a reduction in the volume of goods available for sale by the traders. This led to the diversion of capital in some cases to unproven ventures which turned financially disastrous. In a typical case of the impacts of border closures on business, a Lusaka based woman cross-border trader who imports clothing and sells as a wholesaler, said that her business has plummeted where about 50 per cent of her market are Zimbabwean cross-border traders. The Zimbabwean cross-border traders cannot enter Zambia now due to border closure on the Zimbabwean side of Chirundu. • Demand for a COVID-19 free certificate at the • Kasumbalesa border post has added extra costs of US\$25 to the women-cross border traders. • The prolonged lockdown in South Africa which is a key source of tradable goods stifled a lot of cross-border trade businesses that were solely or largely dependant on South African goods. For example, the quality of blankets and duvets made in South Africa is of a much higher quality than those from Tanzania. During the prolonged lockdown in South Africa, traders switched to ordering Tanzanian made blankets, but certain segments of their markets resisted the products, which led to reduced sales by traders. This led to the diversion of capital in some cases with some businesses almost closing down. 	<ul style="list-style-type: none"> • The drastic reduction in the number of tourist entries into Zambia due to the fear of the spread of COVID-19 brought the hospitality sector to its knees. Hotels, lodges, safari companies, airlines, etc. became largely dysfunctional and largely unable to pay normal salaries. The closure of schools especially privately owned learning institutions due to COVID-19 drastically reduced their cash flow and ability to pay regular salaries. The combination of the above two sector closures contributed to a reduction of aggregate demand in the economy and reduced demand for cross-border trader products just like other products were affected. • A large quantity of the imported wines, spirits and beers are sold by mainly cross-border traders to hotels, lodges, restaurants and bars. During the closure of several hotels like the Golden Peacock, Intercontinental Hotels, Taj Pamodzi Hotel, Southern Sun Hotel in Lusaka, a number of lodges, bars and restaurants country wide, deprived the affected cross-border traders of their regular market demand and associated revenue.
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5. WHAT HAS BEEN THE IMPACT OF THE REOPENING OF BORDERS (IF THIS HAS HAPPENED)?

Table 19: Status and impact of reopening borders

Borders Have Been Reopened (Specify Which); State Impact	Borders Have Not Been Reopened
<ul style="list-style-type: none"> Nakonde border post on the Tanzania/Zambia border was reopened after almost a month of closure due to it having been declared a COVID-19 hotspot by the Government of Zambia. The reopening of this particular border post has helped many women cross-border traders who were facing extinction to start picking up their pieces caused by the month-long closure. Beitbridge border between South Africa and Zimbabwe has been reopened after a long closure due to COVID-19. For Zambian women cross-border traders, however, this reopening of the South African Beitbridge border has been of little benefit as long as the ultimate borders on the Zimbabwe Zambian (Chirundu) and the Kazungula border post on the Zambia Botswana side have remained closed by the Zimbabwean and Botswana authorities respectively. 	<ul style="list-style-type: none"> Chirundu border on the Zimbabwean side and Kazungula on the Botswana side have not yet been reopened.

6. RECOMMENDATIONS

6.1 Customs and border management issues (e.g. opening hours, queue management)

Border opening hours start at 06:00 and close at 22:00 for all major border posts except Mwami border post in Chipata, which operates 24 hours a day. The period of 06:00 to 22:00 is fairly generous provided the system is efficient and does not keep traders and other travellers for long periods in queues. The planned programme to make all border posts one-stop border posts and upgrade them to operate for 24 hours a day should be accelerated to improve efficiency and effectiveness.

The Queue Management System currently in use in six of the customers' services centres inland for general taxpayers, should as of necessity be extended to the border posts to improve efficiency. Further, this should also be used by those clearing trucks and other motor vehicles, who can reserve slots of time in advance online for clearing.

6.2 Infrastructure and facilities at borders

The ongoing expansion and modernising of infrastructure and facilities at border posts should be extended to all and the planning should incorporate much longer term projections of anticipated economic growth, population growth, increased volume of trade and subsequently human and cargo traffic.

6.3 Simplified trade regimes or lack thereof, and any other issues emerging from the desk review and interviews

It was evident from the interviews that the harmonisation of measures on both sides of country borders is critical for traders to have a seamless and predictable flow of the process. Further, forms on both sides of the borders should be mutually simplified and harmonised especially for small scale cross-border traders. Under COMESA arrangements, there has been agreement on implementing this process, however, implementation needs to be accelerated. In addition, a few of the traders indicated that the Chirundu border and the Kazungula border posts on entry to Zimbabwe and Botswana respectively, the Zambian side would be declared open while the Zimbabwe and Botswana sides have been closed. This complicates the process of movement of goods and persons.

Further, more use of electronic payment platforms should be embraced by Zambian cross-border traders. This was clearly stated in one of the policy responses which were pronounced by the

Zambian government on 24 April 2020, to minimise movement of persons, without loss of business, especially during this COVID-19 period and beyond.

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