



A Comprehensive Handbook

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Handicraft Export Guide

Zambia Handicraft Export Guide

A comprehensive handbook
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Table of Contents

<i>About the Authors</i>	1
Section 1 — Introduction	3
1a. Why the Export Market	4
1b. The Handicraft Industry	4
Section 2 — Overview of the Export Markets	7
2a. Regional Markets	8
2b. International Markets	9
2c. Market Distribution Channels	9
2d. Market Cycles	12
2e. Buyer Profiles	13
2f. Buyer Expectations	15
Section 3 — Working with International Buyers/Importers	19
3a. Customer Relations/Partnerships	20
3b. Costing and Pricing	22
3c. Managing Orders	23
3d. Buyers' Agents or Coordinators	28
3e. Intellectual Property	29
Section 4 — Design for the Export Market	31
4a. Costing and Pricing Strategy	32
4b. Design Strategies to Increase Profits	33
Section 5 — Marketing Materials and Branding	39
5a. Brand Identity	40
5b. Choosing a Name	40
5c. Marketing Materials	40
5d. Brand Sharing	43
5e. Marketing A Story	44
Section 6 — Shipping	45
6a. Shipping Overview	46
6b. Types of Shipping	47
6c. Preparing to Ship	51
6d. Shipping Documentation	54
Section 7 — Standards	63
7a. Overview	64
7b. Official Standards	64
7c. Market-Driven Standards	69
Section 8 — Access to Finance	71
8a. Establishing a Business	72
8b. Small and Medium Enterprises and the Zambian Banking System	73
8c. Alternative Sources of Finance	74
8d. Government Agency Supported Funds	76
8e. Summary of Payment Methods	79

Annexes	83
Annex 1 — Relevant Contacts	84
Annex 2 — Photo Quote	87
Annex 3 — Manufacturers of Packing Materials	89
Annex 4 — ZDA Export Guide	90
Annex 5 — Shipping Information	93
Annex 6 — Shipping Documents	95
• Packing List	95
• Commercial Invoice	96
• Bill of Lading	97
• Airway Bill	98
• Customs and Excise Document Form CE 20	99
• SADC Certificate of Origin	100
• COMESA Certificate of Origin	101
• Generalized System of Preferences Certificate of Origin	102
• Phytosanitary Certificate	103
• Mineral Export Certificate	104
• International Sanitary Certificate	105
• Dangerous Drugs Licence	106
• Dangerous Drugs Export Certificate	107
• Clearance Certificate For Timber Export	108
• Sample Lacey Act Plant and Plant Product Declaration Form	110
Annex 7 — Access to Finance	111
• Zambian Financial Institutions	111
• Applicable Information on the Establishment of an L/C	112
Annex 8 — Additional References	113
• End Notes	114
• List of Acronyms	115

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Introduction

Section One



*It is our
hope that
this guide
will help
Zambian
handicraft
companies
as they
grow their
businesses
into
important
exporting
entities*

1A. WHY THE EXPORT MARKET

Internationally, handicrafts, or Handmade, are a \$40 billion per year industry. In the developing world, most notably India and Africa, the handicraft industry can be a significant secondary income for rural farmers as well as urban workers. Income from some handicrafts, such as baskets, often outpaces agricultural income. This strong income is usually founded on exports.

Handicrafts are often linked to the tourism sector, as it provides a good local market opportunity. However, as we have seen in recent years, external forces (such as political upheaval, weather traumas, or health crises) can significantly curtail tourism thereby impacting handicraft sales. After the 1998 bombings in Kenya, tourism declined for years, not only in Kenya but in many neighbouring countries, and as far away as Ghana tours were being cancelled simply because the problem was in “Africa”. The Ebola crises had the same impact across the continent, even though the epidemic was happening in remote corners of West Africa. While tourism is a strong market option for crafts producers, it is wise to have multiple market streams, preferably some that are more stable. Therefore, the export market is a sound option for handicraft companies.


The export market presents challenges, but once companies understand how to negotiate its demands it can be highly rewarding and offer a growth trajectory for businesses that could rarely be achieved in local markets. In addition, import buyers generally finance production with strong advances, pay for shipping, and guarantee sales as per purchase orders. Though profit margins are smaller, there is a significant reduction in risk as the producer does not have to self-finance production and hold stock in hopes of retail sales.

The biggest risk for the artisan company is meeting the standards of the international buyer. This guide will address buyer demands and market expectations as well as provide advice on how to navigate export markets and seize the opportunities therein. Since shipping and transport are key challenges facing Zambia, a land-locked country, this handbook also outlines the procedures and paperwork necessary for international shipping and exporting.

It is our hope that this guide will help Zambian handicraft companies as they grow their businesses into important exporting entities.

1B. THE HANDICRAFT INDUSTRY

Handicrafts are considered part of the creative community, as they incorporate design with traditional and cultural handmade techniques. In many parts of the world (U.S., EU, Japan, etc.), handmade products have a much higher perceived value than similar industrially made products. For example, a handmade chair, if well-made and well designed, will be at least three times more expensive than its counterpart made industrially, even when the industrially made item is of high quality and good design. Therefore, the HANDMADE element is key to gaining market share and solid pricing.

 Handmade means not factory made

You must be sure that your products are visibly handmade

The producer must be sure that their products are visibly handmade. Often, producers believe that their competition are industrially made products from China or elsewhere and they overwork and over-polish products, so they actually look more like industrially made items. This lowers their value, so they actually end up competing with cheap industrial items. This was the situation in Ghana, where 20 years ago they had gained serious international market share when masks and African items were sought by the market. When they began over-polishing and refining their products to the point that they looked mass-produced, they lost the “hand” in handmade, and hence they lost the market. Their thriving industry deflated and many companies folded.

However, there are also positive lessons from the Ghana experience. As they rapidly gained large retail-chain clients, production efficiency was crucial. Ghana’s forward-thinking companies invested in semi-industrial equipment to streamline production and lower costs. This was a positive development. It is important to remember that handmade means not factory made. If an artisan uses an electric saw or an electric sewing machine, the product is still considered as handmade as these are considered to be hand-tools. In Ghana it wasn’t the use of such tools that over-refined the products, it was the design itself as well as the sanding, painting and polishing. Semi-industrialisation should be embraced and is key to economies of scale and gaining the export market.

Formerly, the handicraft items exported from Africa were mainly masks, baskets, and ethnically oriented objects often called “curios.” During the last 20 years, however, “lifestyle” has been the market orientation and so the masks, curio, and ethnic accessories market has profoundly declined. Fortunately for African companies, however, lifestyle brands sell a “look,” and handmade and ethnic products are a part of the look for many lifestyle brands, although only when paired with strong and contemporary design.

[illegible]



Overview of the Export Markets

Section Two

One of the best ways to access regional markets is at regional crafts fairs

2A. REGIONAL MARKETS

Regional markets can be a profitable opportunity for Zambian companies. Most notably, South Africa can be a strong market—South African companies have a history of purchasing Zambian products, particularly baskets. Kenya could be another regional market opportunity. However, the challenge with exporting to neighbouring countries is that they often possess the same raw materials and technical skills, so their artisans could easily replicate Zambian products. This is particularly risky if a company has invested heavily in the design and development of new products. A company can complain about being copied but they often have replicated products in their work as well, since it is very common in the artisan community to copy what one sees; virtually everyone does it. Technical skills and access to raw materials are more difficult to copy, so it is wise to sell into markets that do not have the same raw materials or artisanal skills.

For Zambia, it can be difficult to be competitive in the region as the same raw materials and often the same skills are present in neighbouring countries. That being said, regional markets can be a solid opportunity, and can offer production companies the opportunity to grow their production capacity and help them meet other and stronger international demands in the future.

One of the best ways to access regional markets is at regional crafts fairs, similar to the Zambia Arts and Design Show (ZADS) in Zambia. Although these are retail fairs, shop owners often tour the fairs and can place small wholesale orders with vendors from other countries. Costs to the producer for this option are payment for the stand, transport, lodging and the production of products. On the positive side, the producer has an opportunity to sell to the public and to make local wholesale contacts.

Below is a basic* list of regional fairs.

Country	Fair Title	Dates	Website	Notes
Kenya	Bizarre Bazaar	June & November	http://www.bizbazevents.com https://www.facebook.com/bizbazevents/	80+ booths
Kenya	Soko Soko	May	https://crafted-kenya.wordpress.com/2012/05/03/sokosoko-craft-fair/	70 booths
South Africa	Country Craft Market	Weekly	https://10times.com/country-craft-market	180 vendors, 5,000-20,000 visitors
South Africa	SARCD A Professional Trade Show	March	http://www.sarcda.co.za/about_sarcda.html	700 vendors 15,000 visitors

*Non-vetted

International markets offer the strongest opportunity for growth for the Zambian handicraft company

2B. INTERNATIONAL MARKETS

International markets offer the strongest opportunity for growth for the Zambian handicraft company. The advantages and challenges of working with larger international markets are outlined below:

Advantages	Challenges
Access to many large and small buyers from divergent countries	Must have efficient and strong production capacity
Most buyers pay 50% in advance to cover and guarantee payment upon receipt	Products must be perfect and on time, otherwise there are charge-backs
Numerous orders are placed each year with expanding quantities	Investing in the tools and workshop necessary to meet demand
In a short time period, it is possible to access very large and consistent orders	Profit margins on individual products are small so waste and inefficiency must be eliminated
International buyers will work with production companies to improve their business acumen	Companies must have computers, communication skills, an accounting system and a bank account
Many buyers rely on coordinators or agents to organise orders from different companies	Working with companies across Zambia can be challenging, particularly with tight deadlines and strict quality control issues
Buyers often ship from neighbouring countries, such as Zimbabwe or South Africa so they can consolidate Zambian shipments with those countries if timed correctly	As a land-locked country, shipping from Zambia is costly and adds to the final price of goods in the market

2C. MARKET DISTRIBUTION CHANNELS

Wholesale Importers

Wholesale importers are international buyers from across the world. They mainly sell to retail companies, shops or retail chains. Some importers often have retail outlets either online or one or two brick-and-mortar shops.

Wholesale importers are the main market channel for local handicraft companies. They provide a key service for retail shops—they assume the risk of working in emerging economies. Many of the larger retail chains will only import directly from more established economies such as China and India, where they perceive less risk, but if they believe the production company or country is less than efficient and experienced, they will purchase from a wholesale importer. Additionally, wholesale importers sell to thousands of small shops and retailers who do not have the capacity nor the desire to import directly.

Wholesale importers are the main market channel for local handicraft companies

Overview of the Export Markets

Fortunately, many wholesale importers have a social responsibility mandate and they often help their production companies grow and develop. These importers also often engage in on-going product development with the companies and help them develop production and fulfillment systems to support growth.

Wholesale importers usually work with numerous companies in one country. This strategy helps the importer as well as the handicraft sector in a country. An importer looks to increase their purchases in one country in order to 1) have a stronger presence in that country and to add the country to their brand identity, 2) to be able to reduce shipping costs by consolidating shipping from all companies, and 3) to create a strong, country-wide export system that increases efficiency and productivity.

This strategy is also an asset for the host country in that 1) it increases exports, thereby increasing employment and incomes, 2) helps develop a sector-wide brand identity for the country, and 3) significantly increases export capacity skills among artisan groups.

*International
companies
have
stringent
expectations
and
regulations
when
working
with
producers*

Global Direct-Import Retail Chains

Direct-Import Retail Chains are the largest buyers with as many as 1,000 large retail stores across numerous countries. They may purchase directly from some emerging economies but mainly buy from highly-established and experienced countries, such as India and China. Often their price-points are low and producers generate profit on sheer volume. Though many producers express an interest in selling to these companies, they often do not understand the stringent expectations and regulations necessary for this work. Large retail chains have very complex vendor manuals (often 250 online pages), restrictive financial policies (they never give advances), and very strict chargeback policies that can consume an order's entire profit margin or more.

There are two types of direct-import retail buyers; one is the standard middle-market chain and the other is the discount retail chain—the latter will most often purchase from African countries. Though their price points are low, they have had success in many emerging markets and have helped handicraft companies increase their production capacity and ability to access other large buyers.

If a producer or an entire sector can meet the demands of these large buyers, it can be quite profitable, sustainable and even scalable. However, it must be clearly understood that this distribution channel is available only to the most advanced groups or companies. However, as mentioned above, these large buyers will readily buy through a U.S. importer, and therefore, the quantities and strength of these large buyers is often accessed through the smaller wholesale importers.

International Trade Shows

Professional tradeshowes present a strong opportunity to access buyers and to greatly increase exposure and brand recognition. As the trade show industry has greatly expanded in the past decade, there are many new opportunities available. Previously, the major gift trade shows were the default option for handicrafts, such as NYNow, the largest gift trade show in the U.S., or Maison et Objet in France.

*It may take
you at least
3 shows
to build a
brand
identity and
begin to
show strong
results from
a trade show
presence*

In the past decade, regional crafts expos have become a preference for many buyers, such as shows in Peru, Vietnam, India, and Turkey. The major handicraft show in Africa is the International Arts and Handicrafts Trade Show of Ouagadougou (SIAO) in Burkina Faso. However, it is more of a crafts bazaar than a professional trade show as it is geared to retail sales.

Exhibiting in an international trade show can be very expensive, averaging \$10,000 per event (this includes booth rental, travel and expenses). Therefore, it is necessary to be well prepared for the show. Normally, it takes a producer at least three shows in order to build brand identity and to begin to show strong results from a trade show presence, so the trade show circuit requires commitment, patience and significant financial outputs. Trade shows are designed for order-taking, and product sales are not permitted, so no immediate retail income is generated at a show. In addition, some shows are juried and are difficult to get into at all, or at least into the section the exporting company might choose. When preparing for a show, it is best to have professional photos of products as well as professional marketing presentations.

The best type of trade show for a handicraft company is one that targets only wholesale importers, rather than shops and small retailers. This means that the buyers attending the show will purchase at Free On Board (FOB) pricing (Zambian prices that do not include shipping costs) rather than landed prices. Wholesale importers know that they will be responsible for shipping costs and customs costs and documentation in their home country. The two major trade shows for handicraft producers that are FOB shows are Ambiente in Germany and in Hong Kong. Often, at large shows like NYNow and Maison et Objet, 90% of the buyers will not import directly, will want landed U.S. pricing, and will want immediate restocking capacity throughout the year. This is why many handicraft companies are better represented by the wholesale importer who can meet the expectations of this type of clientele.

Direct to Consumer

There are two main ways that a producer group can sell directly to the international consumer: through retail fairs or via Internet marketing, including websites and social media.

There are hundreds of retail fairs across the globe where producers can market directly to the consumer. Booth fees for such shows are significantly lower than for a trade show booth, averaging \$500 per show. Many handicraft companies enjoy participating in retail events as they are familiar with retail trade, and they like getting immediate cash. Some drawbacks of doing retail shows are:

**Drawbacks
of doing
retail shows**

- a large quantity of products must be pre-financed and made in advance with no certainty of sales
- if products are not sold, they are often sold at a loss to avoid paying return shipping or storage
- most consumers now want to pay with a credit card and handicraft companies do not have the capacity to accept credit cards in a foreign country

Overview of the Export Markets

Digital and internet marketing is fast becoming a strong direct-to-consumer option

Frequently, artisans will participate in both retail and wholesale shows to maximise the opportunities of a single trip.

Digital and internet marketing is fast becoming a strong direct-to-consumer option, and it offers both opportunities and challenges.

Direct-to-Consumer Internet Marketing	
Challenges	Opportunities
International payments for small orders	PayPal is now in some African countries, and there are mobile money options
Shipping of small quantities is expensive	Can use the Zambian postal service. DHL has opportunities for linking with Small and Medium Enterprises (SMEs) for shipping
Need to have a working website	Digital marketing can increase brand recognition

Tradeshows for the handicraft industry are generally held in January/February and again in July/August

2D. MARKET CYCLES

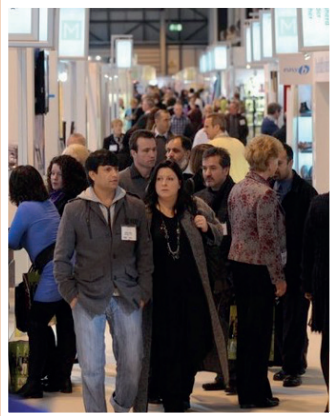
Nearly all wholesale importers participate in numerous tradeshows throughout the year. At these shows, they represent producer collections and showcase their products. They take orders from hundreds of store owners or large retailers and then send the producer a single consolidated order.

ATTENDEES AT MAJOR TRADE SHOWS

The three major trade shows are NYNow, Maison et Objet in Paris, & Ambiente in Germany

Importers showcase your products to buyers

NYNow 25,000 buyers
Maison et Objet 85,000 buyers
Ambiente 133,000 buyers



Tradeshows for this industry are generally in January/February and again in July/August. Some buyers will do as many as three or four shows each season. After the show seasons end, in March and September, they send producers their orders and allow two to three months for production.

When a you first start working with a buyer, the cycle normally runs as follows:

Working with
a buyer:
What a
normal cycle
looks like

- The buyer orders samples, usually when they visit your workshop.
- They showcase the products in trade shows in January/February or July/August.
- As these collections will be new to the market, retail shop owners (the clients of the buyer) will purchase smaller quantities to test their market.
- The buyer will showcase the collections again in the next trade show season and clients will have a bit more confidence and purchases will grow.
- By the third trade show season (one and a half years), clients will be ordering in larger quantities as they have tested the market.
- Therefore, it takes about one and a half years to reach significant economies of scale, when large orders become standard.

There are
many types
of buyers:
some have
one
boutique
and others
large chains
with
hundreds
of stores

Currently, with the strength of internet and social media marketing, buyers can also access clients outside of this cycle and so orders may come much sooner and in large quantities.

This year-and-a-half cycle to attain larger orders is an excellent way for smaller companies to grow. As orders start small and build over an eighteen-month period, production companies have time to increase their production capacity and efficiency to meet larger demands.

2E. BUYER PROFILES

There are many types of buyers, ranging from the buyer who has one boutique to large chains with hundreds of stores. Some specialise in niche markets; such as children, women, textiles, holiday, décor, recycled, eco-friendly, spa and well-being, etc., while others purchase strictly from Africa or only buy ethnic products.

The following chart profiles the types of international buyers and outlines their differences and preferences.

Overview of the Export Markets

International Buyer Profiles ¹					
	Wholesale Importer	Direct-Import Retail Chain	Direct-Import Discount	Small Retail Buyers	Retail Fairs Direct to Consumer
	Resells to shops, chains, and others. Can be large or small, all can access large retail chains. Many are Fair Trade. Deep commitments to artisan companies. Tries to visit yearly.	Very large volume - 40' containers, will consolidate across a region, strict vendor regulations. Some are Fair Trade.	Same as Direct-Import Retail Chains. More inclined to import from emerging economies. Slightly lower prices, less trend-conscious.	Owns between one to three shops plus web market. Small consistent volume, up to two 20' containers per year. Little growth potential. Tries to visit yearly.	Requires financing production, travel and shipping with no guarantee of sales. Higher margins but greater potential for loss if goods are not sold.
Production Capacity	Can work with artisans with small production and will help them grow.	Must have large production capacity.	Must have large production capacity.	Small production is fine. Rarely needs large production.	Pre-finance enough production to meet retail fair expectations.
Pricing Structure	Varies. Usually middle-market and will work with artisans to find right products at right prices.	Strict pricing on volume production. Expect low margins for high volume.	Strict pricing on volume production. Expect low margins for high volume.	Varies. Incurs more costs because of small volumes and higher shipping rates that impact pricing.	Higher prices for goods that are sold. Often remainders are sold at cost or at a loss.
Professional Expectations	Flexible. Will work with artisans to improve their capacity.	Must have strong export experience, solid financial management and professionalism.	Must have strong export experience, solid financial management and professionalism.	Flexible. Will work with artisans to improve their capacity.	N/A
Advances and Financials	Pays 50% advance. Some pay 50% when shipping, others upon receipt. Many execute chargebacks for imperfect products.	Does not give advances. May help with line of credit with local bank. Strict chargeback policies.	Does not give advances. May help with line of credit with local bank. Strict chargeback policies.	Purchases in-country and on order. 50% advance. Rarely does chargebacks.	N/A
Delivery Considerations	Average of three months production lead-time. Airfreight or container shipping. Small items such as jewellery can be couriered (DHL, etc.).	Often consolidates orders from many companies. 3-6 months depending on size of order.	Often consolidates orders from many companies. 3-6 months depending on size of order.	Will hand-carry as much as possible. Airfreight or courier. Sometimes will ship by container.	N/A
Agents	Most prefer having agents and working with numerous companies in a country.	Agent is strictly required.	Agent is strictly required.	Rarely has an agent.	N/A

Buyers can potentially lose their jobs or their clients if the orders they place are not properly fulfilled

2F. BUYER EXPECTATIONS

Buyer expectations can be summed up in one word – **Professionalism**. Professionalism means many things to a buyer: good communication, sound quality control methods, the capacity to meet deadlines, good business and financial systems, and efficient shipping methods. Even the best products won't sell if the buyer perceives the company to be less than professional.

A buyer makes delivery commitments to its clients and most often these orders are time-sensitive, for example for a special holiday or event. Buyers expect on-time delivery of perfect products so that they can fulfil their promises. Buyers can potentially lose their jobs or their clients if orders they placed are not properly fulfilled.

Design is also an issue that always arises in the handicraft industry and is very important to buyers. However, it is also a fluid and indistinct concept that changes with each buyer, each country, and each niche market. While this is not a design handbook, general principles will be covered in Section 4, as design relates to the international market, particularly in terms of costing and pricing and production efficiency.

Expectations and Professionalism:

Good Communication

It is important for a professional handicraft company to have a computer, an email account, and the capacity to take and send digital images as well as Word and Excel documents. If a smaller company does not have a computer, having access to one via a friend or relative or at a cyber café can be sufficient in the beginning. Most buyers use WhatsApp and this is a good way to send images, but it is inappropriate for purchase orders and official communication. For smaller companies that are just beginning to export their products, it is essential to budget for a computer and an internet connection in the near future.

Promptness

Simply having access to a computer and an email account is not enough; these tools must be used regularly, at a minimum three times a week, although every day is ideal. Buyers are consistently complaining that artisan companies do not respond to emails on a timely basis (within a day or two). Standard industry practice is to respond to an email immediately, even if a full response is not available. For example, if a buyer asks "Can you get this fabric in grey?" and there isn't an answer right away, then the response should be immediate, "I am not sure, but I will check and get back to you in three days." This way, the buyer knows that the producer has received the message and is working on providing a full response. However, if there is no initial response from the producer, they will keep emailing with the same question and will eventually grow frustrated.

Communicating Issues Immediately

Artisans can often be afraid to let their buyer know when there is a problem, for example if they can't source the raw materials used in the sample, or there is a production delay due to illness or another issue,

You need to respond to an email immediately, even if you cannot give a full response yet

Overview of the Export Markets

It is very important to inform the buyer of a problem the moment it is known

and so they often forge ahead simply hoping that everything will work out by the delivery date. Unfortunately, such companies will often produce something similar but not exactly like the original product or will produce a different quantity to the one that was ordered without informing the buyer in advance. This way of handling problems will surely result in chargebacks and a significant revenue loss, or even the loss of the client altogether.

It is important to inform the buyer of a problem the moment it is known. This gives the buyer an opportunity to communicate with their client and let them know that a certain colour is not available, or that it will be a bit late, and the issue can be solved immediately. Buyers welcome questions and want producers to be open and frank about all issues that may arise so that solutions can be found.

It is common for a buyer to choose to work with a company that has good communication over another company with weaker communication skills, even if the products are inferior. The most essential issue for a buyer is getting their product—on time and as per specifications. A slightly inferior product that they can count on is better than a fabulous product that is late or complicated by a producer that is non-communicative.

You need to retain and carefully store samples of every product... simply taking a picture is not enough

Quality Assurance and Control

The first and most essential thing for a producer to do for quality control is to retain and store samples of every product. Producers often think that taking a picture is sufficient, but it never is. It may take a full year before a product is ordered, and inevitably, questions about the product's details will arise: How thick was the wood? How long were the stitches? How was it sewn on the inside? How big was the inner pocket? It is therefore wise to have two samples of each product; one locked away in the office and one for use by the producer during production. Having this sample also protects the you if a buyer later says that the production is not like the sample. You will have the original sample as proof. It might also be wise to damage the sample slightly, such as putting a hole in it, so that it doesn't get sold accidentally. Though this may seem like an unnecessary expense, if a buyer rejects an entire shipment just once, then this method will prove itself invaluable.



This simple cardboard template can be given to each producer. It guides the basket maker as to the size and the angle of the sides. An inexpensive tool like this can save a great deal of time and money that would be lost if QC was done only at the end of production.

Quality assurance (QA) is the capacity to manage quality during production while quality control (QC) is product inspection at the end of production. Both methodologies are important. Unfortunately, many

handicraft companies default to quality control, only checking the products at the end of the production cycle to look for problems. Though this is important, it could save a great deal of money and headaches if there are also quality checks during production, and quality control tools introduced at the start of production.

Since every product and material type will have its own specific production issues, it is impossible to give a generic method for quality assurance. In general, however, quality checks should occur at the start of and midway through production. This will also monitor whether the production schedule is being followed. In addition, at least two weeks before shipping, all the products should be rechecked to be sure that there was no damage caused during storage, as this allows enough time to rectify any problems. To avoid mould, it is advisable that silica packets are included during storage, particularly for wood and basket products which are most at risk.

Sticking to deadlines should be a part of the quality assurance/control system

Meeting Deadlines

Adhering to deadlines should be a part of the quality assurance/control system. A production schedule is important to ensuring that deadlines are met. More efficient production methodologies usually need to be developed to increase production capacity. As much as possible, assembly-line production should be instituted and each step along the production line should have its own built-in quality control system. Producers would be wise to invest in tools that make production more efficient.

The handicraft industry is founded on the principle of handmade products, but this does not exclude the use of mechanised tools. Power saws, drills, sewing machines, etc. can and should be an integral part of production and can greatly increase efficiency and the capacity to meet stringent deadlines.

Good Business and Financial Systems

Professionalism is founded on being able to do good business. Buyers expect that companies will be able to generate professional invoices, quotes, price lists and packing lists, and be able to efficiently respond to purchase orders. If a company has good accounting software or a capable partner to handle its financial systems, this can be a seamless process and can serve to significantly increase buyer confidence.

Inventory control and management is often non-existent in handicraft businesses. Many companies have no record of what is in their storeroom, be it finished products or raw materials. Everything stored in a forgotten closet has been paid for and constitutes a financial loss. An inventory control system can save a business a great deal of time and money. You may want to consider hiring a professional to help set up such a system for your business.

A good financial record keeping system keeps overhead costs clear and identifiable, so that they can be reasonably calculated into product pricing.

An inventory control system can save your business a great deal of time and money

You will be responsible for any damage caused during shipping because of poor packaging

Packing and Shipping Issues

The industry standard for packing and shipping is that the buyer pays the international shipping costs, while the exporting company pays local transport, customs, and other local costs. This system is called FOB, or Free on Board. It means that the buyer only assumes financial responsibility for the shipment once the goods are on board the international carrier. It is important to note that although the buyer is responsible for paying for international shipping, the producer is still responsible for any damage caused during shipping because of poor packaging.

Every buyer has their own policy on who pays for packing materials and this should be discussed and included in the contract at the beginning of negotiations. Some buyers require only new boxes or three-ply boxes; some allow shipping in recycled boxes and plastic bags; some require one item per box while others require as efficient shipping as possible – such as stuffing baskets with folded textiles. All of this should be negotiated and put in writing before purchase orders are initiated.

Shipping efficiency begins with product design and production. Keep shipping considerations in mind when designing products. Some examples:

Stacking products to maximize shipping space



Avoid Protrusions that break easily



Respect on-going shipping box sizes

Retail shops ship to customers in standard box sizes and prefer products that fit into these boxes. Sizes vary from country to country, so ask the buyer.



A close-up photograph of several spools of thread in various colors including red, blue, yellow, green, orange, and purple, arranged diagonally across the frame. The threads are tightly wound on black plastic bobbins.

Working with International Buyers/Importers

Section Three

The job of the buyer is to purchase various products and successfully sell them in their own country

3A. CUSTOMER RELATIONS/PARTNERSHIPS

Buyers purchase goods from a producer because they believe that they can sell their products. They will aggressively market these products as this benefits their business as well as the producer's. Simply put, the job of the buyer is to purchase various products and successfully sell them in their own country.

Therefore, most buyers view their relationship with an artisan company as a partnership. They often commit a great deal of time and effort to help the handicraft company expand and grow. For example, buyers may assist a partner company to build a clean and dry storage facility. This helps both the producers as well as the buyer—the producer can use this storage facility for orders from any buyer, while it helps the buyer ensure delivery of clean products.



B2B relationships are partnerships where both sides must gain and win

Unfortunately, some artisans, usually in the early stages of the business-to-business (B2B) relationship, view the buyer almost as an adversary when they see them negotiating for lower prices. They may believe that the buyer is trying to make an excessive profit. Though this may be true in some cases, most buyers are simply looking for artisans with products that will sell well. They know their market; what products will sell and at what price. They also understand that producers need to make a fair profit as well and will work with production companies to find the right product collection at prices the market can support. Buyers can often assist artisans by advising them on how to reduce certain elements in a product to help get it to market pricing. (See Section 4b, Design Strategies to Increase Profits).

It is the right and responsibility of artisan companies to express their concerns and needs

In negotiations with buyers, artisan companies are often not completely open with their concerns, fearing it will scare the buyer away. It is the right and responsibility of artisan companies to express their concerns and needs. It is important that the buyer understands the producer's expectations, concerns and issues. Frequently, artisans agree to any terms simply because they want a sale, rather than expressing their needs or challenges first. In business, it must be a WIN – WIN relationship for any B2B relationship to grow and be sustainable.

Purchase Orders

When a buyer wants to engage you for an order, buyers will issue purchase orders usually generated from their office in their home country, except for samples they worked on while they were with you in Zambia. You should never begin production until you have an official purchase order in hand, even if a buyer expresses a desire for a certain quantity of products. The purchase order is your contract and guarantee.

Sample Recap Email Text of a Buyer Meeting

Dear _____,

Great meeting today. Here is a recap of the main points discussed. Please confirm, by return email, that I haven't missed anything.

By next Monday you would like to see:

- 3 table runner samples; one red, one blue, one pale pink
- 6 pillow covers; 2 in each of the colours above, 50x50 cm
- 2 diamond patterned throws; one in red and the other in black

If I cannot get a bright red dye, then I can use a burgundy colour.

You have agreed to pay for the samples at retail pricing.

If you like the samples, you will order 200 each to be delivered in 2 months from the date of the purchase order.

I will not begin production until I receive an official purchase order.

I agree not to sell these products within your country for the next year if you continue to order.

Thank you,

Managing the B2B Relationship

Discussions around a B2B relationship often focus on the buyers' perspective, even though handicraft companies are equal partners in this relationship. In the beginning, when artisan companies are striving to increase their sales, the buyer has the greater power, and certainly one must align to the idea that "the customer is always right" in order to retain clients. However, there are ways for producers to manage clients so that they can sustain positive relationships while maintaining an equally balanced dynamic.

Buyers order from hundreds of companies across the world and can mis-remember elements of discussions or agreements. Because everything cannot be put into a contract or a purchase order, it is always best for producers to recount discussions by email. As buyers get hundreds of emails a day, summary emails should be short and succinct. This should be done immediately after the discussion takes place, even if the buyer is still in the country. It is most important that the email include all the negotiated terms that may not appear in a purchase order. This can include packing arrangements, local transport costs, local customs fees, use of silica packets, deadlines, exclusivity conditions, etc. This may seem like a lot of extra work at first, but it will

be very worthwhile if there are any disputes later about what was actually agreed.

*You should
never begin
production
until you
have an
official
purchase
order in
hand*

While production for an order is already underway, it is not uncommon for buyers to change or add to the order. They may send an email and simply ask to add on or change something, which may be acceptable if it is only a small change, but it can become very confusing if there are multiple changes and add-ons in multiple emails. You would be wise to concretise such changes. For example, you can say: Please issue a new purchase order or an addendum to the existing order as this is required by our accounting system. If the add-ons are significant, you should say: I will be happy to begin these products once I have the additional advance. It is possible to be firm yet cordial.

If production has already begun and the buyer wants to change the size or colour of a product, but you cannot accommodate their request on the products already started, you can resend the original purchase order to the buyer and indicate that you have purchased the raw materials and the products are already in production, but would be happy to fulfil the new demands with a new purchase order.

It is wise to get everything in writing to the greatest extent possible, preferably with pictures. As much as possible, photos should be linked

to every product number and order, especially at the beginning of the negotiation. See Annex 1 for a sample photo quote template. You should use it even when the buyer does not, as this will protect you if any issues arise in the future.

“A great product is one that sells!”

Remember this entrepreneur’s mantra

Finding the right costing/pricing strategy is key to gaining access to the international market

3B. COSTING AND PRICING

Finding the right costing/pricing strategy is key to gaining access to the international market. This is often a challenge for artisans and companies that have had strong retail sales and are used to strong margins on single products. A company must be ready to commit to large volumes with smaller margins. The wholesale international market is not the best option for all companies, so producers are advised to think carefully before making the decision to move into international wholesale exports. As in any industry, lower prices render greater sales. While a low price is not the only factor guiding sales, too high a price could be the main factor inhibiting sales. Therefore, it is wise to give the buyer the best price possible, and to be flexible about changing the product to meet buyers’ price-points.

The buyer knows what products will sell and at what price. However, they don’t know what products you can make to fit into their collections at the prices suited to their market. It is your job to show them a range of product options in their categories at prices within their range.

There are three main elements that constitute a solid costing/pricing strategy:

1. **Design:** Designs should be created with price in mind (see Section 4). This means:

- o Using raw materials within the cost structure
- o Designs are streamlined, using less labour and some machinery
- o Creating designs to maximize shipping space

2. **Overhead and Profit Margins:** Overhead includes on-going, non-direct costs such as rent, electricity, accounting fees, non-production staff, phone, internet, etc. Many companies include their profit margin in the overhead. When selling volume, there is some increase in overhead costs but it is usually minimal compared to the increase in sales. Overhead percentages can be reduced significantly for volume.

For example, if a company’s overhead is \$1,000 per month and they are selling 100 products per month, then the overhead should be calculated at about \$10 per product. However, if that same company sells 1,000 products a month, then the overhead is about \$1 per product. Of course, this is an oversimplification, but this principle can be applied.

3. **Labour Management:** Handicraft companies often struggle with how best to pay production teams. Generally, it works out better for both the company and the producer if they are paid by the piece. Workers that are ambitious and want to earn more figure out ways to be more efficient and are financially rewarded for their effort. However, this can also have a downside, leading to shoddy work done rapidly. Therefore, payment should be linked to quality control standards as well.

There is no single correct way to manage production teams and each company, product type, and production scheme has its own issues and needs. However, in the context of building capacity to meet wholesale volumes and pricing, numerous strategies can be employed. It should be noted that the companies with the most loyal and committed teams are those that have a social enterprise strategy and make the effort to do well for their workers.

Incentives are a good way to motivate workers and ensure good quality assurance and quality control. For example, incentives can be given for pre- or on-time delivery, for perfect QC, innovative and efficient production strategies, or marketable new designs.

3C. MANAGING ORDERS

Samples

Many buyers have a team at their home office that reviews products and determines if they will fit in with their brand and other collections. Therefore, most buyers start by requesting sample orders. A sample order can be one or two items of each product or as many as twenty or fifty of each product.

Samples are often paid for by the buyer, but not always. Sometimes buyers will pay the retail price for samples, but most often they want to pay the wholesale price. Larger companies that order containers, such as retail chains, usually do not pay for samples, but they will pay for shipping the samples while the production costs are covered by the producer. They rarely hand-carry samples back with them. It is very important that samples are shipped when the buyer asks for them. They usually want to market them at a trade show so if the samples arrive too late, they will sit in a warehouse for six months until the next show. This costs both the buyer and the producer orders that could have been generated during this time.

When shipping orders, some handicraft companies will include new samples in the shipment at no extra cost, in order to show buyers new products and hopefully increase sales. However, you should first ask the buyer if this is possible, as some buyers' offices are located far from the warehouse.

Deadlines

It is wise to negotiate a deadline that accounts for unforeseen issues that may arise, allowing at least two to three weeks of extra time. Deadlines are agreed on before a purchase order is signed. If a buyer is ordering from multiple companies and is shipping all the products together, one producer not meeting the agreed deadline could impact the entire group.

If an order cannot be delivered on time, it is best that the buyer is notified as soon as possible. Some orders are very time-sensitive, such as those for holiday seasons such as Christmas or Valentine's Day. However, buyers can be flexible and agreements for partial shipments or other arrangements can be made. If you notify your clients in advance, there are often ways to work around deadline constraints.

A sample order can be 1 or 2 items of each product or as many as 20 or 50 of each product

If an order cannot be delivered on time, notify the buyer as soon as possible

A Case Study on Deadlines²



A U.S. wholesale importer that had been working in a country in Africa for a number of years ordered a container of various products. These products were earmarked for Father’s Day and had to be received in time to be properly labeled and distributed to their clients to market for the holiday. There were strict deadlines and ample production time. Two producers did not communicate their inability to meet the deadline, although their

products were 25% of the order. As the deadline approached, the buyer’s agent discovered the problem and wrote to the buyer.

As the buyer could not be flexible on the deadline, and the 25% empty space in the shipping container would raise the cost of the other products, the buyer cancelled the entire order. All the other producers lost the order as well, although their production was complete.

Additionally, because the buyer could not meet the client’s demand for the holiday items, she subsequently lost her job. The greatest loss for this country, however, was that the large import company lost confidence in the producers and never ordered from that country again.

The cost of lost potential is rarely fully calculated.

*All price-lists
and photo
quotes
should have
a “valid
through”
date*

Photo Quotes/Price-lists

(Photo Quote in Annex 1)

Buyers will write purchase orders for samples that they do not hand-carry. It is a good idea to send buyers photo quotes of everything they take with them and for ordered samples. Buyers do not always include product images in their purchase orders. By sending them a photo quote, this eliminates any possible confusion about the product.

As much as possible, photos should be included in the price-list, which will look much like a photo quote. It is important that all price-lists and photo quotes have a “valid through” date, which is usually six months from the inception of the price list. This protects you from a buyer referring to an old price list and expecting the same prices.

Payment Terms

Every importing company has their own rules and policies governing payments, invoicing and transfers. Many accounting systems do not allow for mobile money transfers, Western Union or other such services. Therefore, it is essential that the artisan company has a bank account with a bank that accepts international transfers. Fees relating to transfers and exchange rates, as well as the speed of deposit delivery, varies from bank to bank. Such in-country bank costs are not reimbursed by the buyer, although certain terms can be negotiated despite buyers having existing policies regarding payments.

- **Currency** — Orders can be negotiated in Kwacha or the currency of the buyer’s country. Whichever currency is used, fluctuating rates over the course of the production time do not impact payment terms. The prices can be renegotiated to accommodate changing exchange rates for the next order. The agreed prices will not change once the purchase order has been signed. This can either be an asset or a penalty for either

party. In order to avoid a penalty scenario, some production companies include exchange rate loss percentages in their overhead costs.

- **Advances** — Most professional buyers pay 50% in advance, which is standard industry practice. However, larger buyers, such as retail chains that order many containers, rarely pay advances. In this case, producers look to banks for a short-term loan on purchase orders (see Section 8, Access to Finance). If the raw material costs for the order exceed 50%, the production company is expected to cover these additional expenses.
- **Final Payment** — Some buyers make the final payment once the products are shipped, while others pay once the order is received; with some companies paying 30 days after the goods have been received. Payment terms should be clearly stated in the purchase order.

Chargebacks
Take extra
care to read
this section!

- **Chargebacks**— Chargebacks are non-payments by buyers based on flaws in the product, missed deadlines, etc. Chargebacks can be very costly, consuming far more than the profit margin. As much as possible, chargeback policies should be discussed and negotiated before signing off on an order. Common chargeback reasons:
 - o Dirty or spotted products
 - o Not to original specifications regarding colour, size, etc.
 - o Poorly made (not to specifications)
 - o Mouldy or bug-infested
 - o Late delivery
 - o Less or more than the specified quantity
 - o Not packaged as agreed upon
 - o Broken during shipping
 - o Not labelled properly

It is important that quality control and quality assurance procedures are strict, as this will avoid chargebacks. Additionally, storage facilities must be clean and dry to avoid dust or mould accumulation. Many companies invest in silica packets for their storage facilities. These costs can be folded into the overhead or product price. Textiles can be packed in sealed plastic bags to keep dirt and dust out, and if the climate is humid, small silica packets can be included inside the plastic bags.

Another safeguard to chargebacks is clear photo-documentation, as discussed previously, particularly when a buyer claims that a product is not to specifications or as agreed upon.

As chargebacks can consume far more than the profit margin, chargeback policies should be negotiated in advance, and if possible included in a contract that is reviewed by a legal expert. Smaller importers are less rigid regarding chargebacks, but with large companies this is essential. When chargebacks occur, the buyer should submit proof so that the producer can refute the claim and/or attempt to make amends, such as replacing the damaged goods. It is also important for the production company to know where they have made errors in order to avoid making them again.

A problem for producers is that if the buyer has the shipped products in hand and refuses to pay, the cost of filing a legal complaint in the buyer's country can be very cost-prohibitive for smaller handicraft

*Chargebacks
are **non-**
payments
by buyers
based on
flaws in the
product,
missed
deadlines
and so on*

companies. Fortunately, most buyers are invested in working well with their producers since they have already placed an order and have often already begun marketing the products to their clients, so they are as interested in finding a solution as the producers are.

From the buyer’s perspective, they have already invested in visiting your country, financed 50% of the order and paid for international shipping, so when they receive inferior or damaged products that they cannot sell, the situation is a significant loss for them. Often, such a scenario discourages buyers from ordering from you or your country again.

Exclusivity agreements should be worked out in advance and the benefits and challenges for both parties considered

Exclusivity

Many buyers request exclusivity rights, particularly on products where they have had some design inputs. They do this because they want to be the first to showcase the products to their market to ignite interest and gain economies of scale. Buyers often go to great expense to market the products, including visits to the producer’s country and organising professional photography and expensive print marketing, so they naturally expect these efforts to be rewarded with sales before their competition can access the same collections. This is a valid perspective.

The perspective of the production company, however, is often different. Handicraft companies want to sell as many of their products as possible and frequently one buyer cannot satisfy their sales needs. Exclusivity rights can tie up products for over a year with minimal sales while the buyer is trying to build the market, so this can be difficult for the producer. Therefore, exclusivity agreements should be worked out in advance and the benefits and challenges for both the producer and buyer considered. Although exclusivity agreements are rarely formalised, a handicraft company can write up an informal agreement and request that it is signed by the buyer. At the very least, the exporting company should send an email outlining the verbal exclusivity agreements that were made.

Exclusivity should benefit and/or protect both parties. Below are elements that can be included in an exclusivity agreement:

Exclusivity agreement: What can be included

- Geographical — limited to the buyer’s country or region
- Product Specification — Product elements specific to the buyer, rather than the whole range of similar products (use photo documentation)
- Purchase Volume — If a buyer demands exclusivity then they should guarantee a certain amount of sales, so the production company has a vested interest as well. Buyers rarely agree to this, but it is one way to ensure that exclusivity benefits both parties
- Duration — Exclusivity can have a time limit, such as six months, so that the buyer can build market interest, and if not, then the producer is free of the exclusivity agreement
- Quantity — A limit can be placed on the number of products or collections on which exclusivity is agreed

Shipping, Packing, and Labelling

Standard industry practice is that buyers pay to ship to their country, although the producer should always confirm with buyers that this is the case. Shipping can add an enormous cost to the order and can render

You should insist that the buyer sends a photo of the exact location of the label on the product and how they want it placed

Transport within Zambia can also be costly, so if the order will incur significant internal transport costs, buyers may be willing to cover or at least share this expense. Packing materials are another cost that can be negotiated, particularly if the buyer demands special packaging, such as three-ply boxes or individual boxes for each item. All of this should be negotiated in advance and included in the purchase order or contract.

Every country has their own labelling requirements. For example, the U.S. requires that each product be marked “Made in Zambia” in a manner that will not dislodge during shipping, while other countries only require a Certificate of Origin. While buyers usually share this information willingly with their producers, it is important to come to an agreement about who will pay for the labels and where they will be professionally printed if necessary.

If buyers want labels in a very specific place on the product, you should insist that they send a photo of the exact location on the product and how they want it placed. A buyer can reject the products if the labels are placed backwards or in the wrong position.

- ☐ Deadlines and related penalties
- ☐ Chargeback policies
- ☐ Quality control standards and percentage of discrepancies
- ☐ Labeling: what type, where to attach, who pays
- ☐ Brand sharing
- ☐ Packing materials: what type and who pays
- ☐ Exclusivity: beneficial to both, geographic and time restrictions, quantity guarantees
- ☐ Payment terms
- ☐ Transport and shipping terms

Agents are
the link
between
buyers and
producers
and can be
the key to
increasing a
buyer's
orders within
a country

The agent's
fee is paid by
the buyer

Agent Services:
What they include

3D. BUYERS' AGENTS OR COORDINATORS

Buyers' agents (or coordinators) are often the most overlooked link in the handicraft value chain. Nearly every buyer that orders from numerous groups needs an agent to help coordinate their orders. Agents are the link between buyers and producers and can be the key to increasing a buyer's orders within a country.

Previously, the "agent" had a negative reputation in many African countries. Many artisan companies still view them as the evil middleman. Though this may be true for certain individuals, by and large agents, like all participants in a business value chain, render a service for a fee. The agent's fee is paid by the buyer.

To ensure transparency, buyers will send their order with the financial details to both the producer and to the agent. This protects the producer as it ensures that the agent will not be able to take the order to a different artisan company.

Small producer groups that do not have computers, strong language skills or the capacity to export directly, have an opportunity to enter the international market through the coordinator. The coordinator can identify producer groups and introduce them to buyers, thereby expanding the buyer's reach and increasing sales for small companies and groups.

Agent services include:

- Coordinating orders from multiple groups
- Communications
- Financial oversight
- Troubleshooting when there are problems
- Assuring deadlines are met
- Consolidated packing
- Assisting with quality assurance
- Identifying new products or groups

Don't kill the Middleman!



In many African countries Agents have had a terrible reputation. Buyer's Agents or **Coordinators** are paid by the buyer and coordinate orders from multiple companies. They help increase sales across the sector by making it easier for buyers to make purchases.

3E. INTELLECTUAL PROPERTY (IP)

Intellectual property rights are a concern for all creative producers. Handicraft producers can seek IP legal assistance to protect their original creations but, in fact, this is rarely done. It is expensive to initiate and even more costly to pursue an infringer and to prove the violation.

Perhaps the main avenue of IP protection is within your own country, rather than globally. In this case there are some very simple steps that can lead to IP protection in disputes.

Simple steps to protect your Intellectual Property

- Taking a picture of the drawing or design and printing it out.
- Mailing the picture to oneself in a sealed envelope or package. The postal date must be clearly stamped on the package.
- Once the package is received it is put away unopened.
- This dated and sealed package will be proof in a court of law that the design already existed at the indicated date, which will be earlier than any other copy.

It is likely that an attorney will still need to be hired to press charges but having the dated original will help build a strong case.

It is best to seek the advice of an attorney specialized in Intellectual property

Most artisans view intellectual property violations as theft of their designs or ideas, although at the same time it is far more difficult to recognise or admit how many times they too have used the ideas of others in their work. It is not always clear when one is inspired by another's work or when one is actually infringing on the intellectual property rights of the other. Another complication in the traditional handicraft value chain is that cultural or historical elements cannot be counted as an artist's intellectual property.

Intellectual property is a very complicated legal structure and it is best to seek the advice of a specialised attorney.

[illegible]



**Design for the
Export Market**

Section Four

4A. COSTING AND PRICING STRATEGY

Both costing and pricing should be considered when doing product development. If possible, it is best to start with an **average retail price** (neither the highest nor lowest) for a similar product on a buyer's website. Dividing that price by 7.5 will give an approximate amount that the buyer would pay for the product.

Below is a general view of the pricing structure with a wholesale importer.



It is always smart to invest in labour-saving tools such as electric saws or quality sewing machines

If you know the approximate retail price of an item similar to yours in the target market, you can work in reverse to determine the selling price for your product. Although various elements determine a product's value in the market, this generic system gives a rough estimate and can guide you in your raw material choices.

If the buyer has a retail site, this is a good place to start. For example, if all the cushions on their site are selling for \$90-\$110 retail, then we know that their purchase price for pillows is between \$12 and \$14. If a buyer can get a number of different styles from a producer for this price, they may also order a small quantity of a higher priced cushion, perhaps for \$20.

It is your task to design cushions that fall into this pricing structure. However, with wholesale buyers, you can stipulate that this price is for a minimum of 50+ or 100+ pieces. Once you know the selling price, the types of raw materials suited for this price-point and the labour budget can be determined. It is always smart to invest in labour-saving tools such as electric saws or quality sewing machines, etc., and to streamline designs.

overhead should be seen as monthly or regular expenses and then added as a percentage value to products

Costing and Pricing: Elements to be included

Whenever possible, wholesale opportunities for raw materials should be researched. Even if the raw materials were purchased at retail when producing samples, the wholesale material cost should be used when calculating wholesale prices.

To determine the cost of producing an item, and therefore the selling price, it is important for producers to include the hidden costs, often termed as “overhead”. The overhead includes non-production salaries and administration costs, rent, electricity, transportation, phone and internet, insurance and other expenses. When the sales are smaller, the overhead constitutes a greater share of the cost. However, when the sales expand, the overhead percentage is greatly reduced. The overhead should be seen as monthly or regular expenses and then added as a percentage value to products.

The following are elements that should be calculated into costing and pricing:

- Overhead
- Raw materials
- Production labour
- Profit margin (can also be folded into the overhead)
(The cost of the items below can be factored into the product price or added as separate line items)
- Packing materials
- Local customs and export fees (unless the buyer uses an agent)
- Local transport of products, if working with producers in different regions

4B. DESIGN STRATEGIES TO INCREASE PROFITS

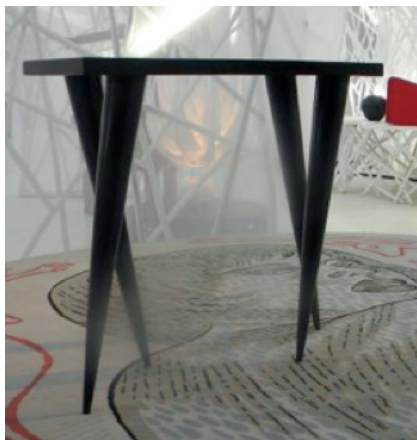
Low Cost Inputs – High Perceived Value (LCI – HPV)

Low Cost Inputs – High Perceived Value (LCI-HPV) is one of the most efficient strategies for selling into the international market, and involves reducing costs (labour and materials) and creating on-trend products. Fortunately for producers, simple, streamlined designs, which require less materials and labour, are currently on-trend.

The simple and elegant table (following page, left), designed by Cheick Diallo, is a perfect example of LCI-HPV. It uses only five pieces of machine-cut or lathed wood, yet it has a high market value because of the on-trend streamlined design. The other (following page, right), a Bamiliké table from Cameroon, is still popular but is labour-intensive, heavy, and uses a large amount of wood. They both sell for about the same price in the international market.

Simple and streamlined designs which require less materials and labour are currently on-trend

Illustration of LCI – HPV



Materials	Three pieces of wood <ul style="list-style-type: none">• Easily-sourced wood, and kiln-dried• Can use various varieties of wood for environmental compliance• Lightweight• Can be made with detachable legs for shipping	One solid piece of wood <ul style="list-style-type: none">• Difficult to source massive wood• Not environmentally friendly• Tends to crack unless thoroughly dried• Heavy and spacious in a container
Labour	Semi-industrial cutting and lathe, hand polishing	Completely hand carved
Perceived Value	Contemporary, elite design though still retains handmade identity	Strong ethnic appeal and definite handmade and African identity
Market Issues	Can be reproduced easily for volume Can be air-freighted if necessary Can have different finishes	Requires much time for volume, and difficult to access large wood Extremely expensive to ship

Collections

Designing collections of products encourages buyers to purchase products across the collection rather than just stand-alone items. Since a wholesale buyer’s main marketing channels are tradeshow, a display of an entire collection is more eye-catching than one-off products.



A single item has less visual impact than an entire collection. At tradeshows, buyers prefer to exhibit whole collections, and consumers will often purchase more than one item in a collection if they are displayed together.



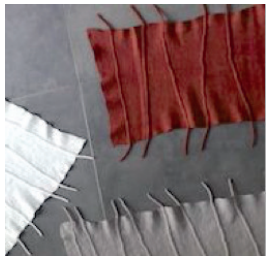
Current trends value simple and streamlined designs

Following Contemporary Trends

Generally, current trends value simple and streamlined designs, which supports the Low-Cost Inputs – High Perceived Value strategy.

SIMPLE and STREAMLINED

Simple shapes and designs, with few adornments, are on-trend. This is an advantage as it reduces material and labour costs. Simple designs often appear bold and elegant.



RECYCLED AND ECO-FRIENDLY

Anything recycled adds value.



ANIMALS

Animals sell well, particularly with a bit of humour. Safari animals are on-trend, as are domesticated animals, such as cats, dogs, and sheep (fish are not domesticated).



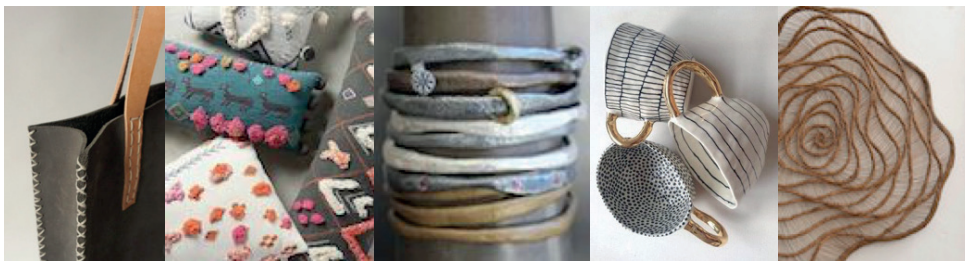
CONTEMPORARY ETHNIC

Ethnic—particularly African—continue to be on-trend, especially when combined with good, contemporary design.



HANDMADE

Show the HAND in handmade to add value – avoid over-polishing and refining.



NATURAL or RUSTIC

Natural or *Rustic* is a sustained and viable trend.

Baskets and wood products are perfect examples of natural and rustic, and are some of the strongest market categories.



*You should
visit the
websites of
existing and
potential
clients*

Researching Contemporary Trends

To research the market, it is best to visit reputable sites that are recognised as trend-savvy. You should certainly visit the sites of your existing and potential clients. Although Etsy and Pinterest are used for design inspiration, the posts are often made by non-professionals and can give a skewed impression of trends and marketability. Therefore, vetted professional sites are the best sources for following trends. Some suggestions are listed in the following page.

Vetted professional websites are the best sources for following trends

Source	Website	Notes
Magazines		
Elle Décor (U.S.)	http://www.elledecor.com	One of the top décor and design magazines. Middle to high-end markets.
Elle Décor (France)	http://www.elle.fr/Deco	
Elle Décor (U.K.)	http://www.elledecoration.co.uk	
Interni	http://www.internimagazine.com	Italian contemporary design.
Architectural Digest (U.S.)	https://www.architecturaldigest.com	Leading home design and décor.
AD France	https://www.admagazine.fr	Leading home design and décor.
Vogue	https://www.vogue.co.uk	Vogue publishes versions in the U.S., U.K. and throughout the EU. Though primarily fashion also features fashion accessories, jewellery and some decor.
On-Trend Retail Chains		
Harrods (U.K.)	https://www.harrods.com/en-gb	Upscale fashion and lifestyle.
Selfridges (U.K.)	https://www.selfridges.com	Upscale fashion and lifestyle.
West Elm (U.S.)	https://www.westelm.com	Contemporary middle-market, very on-trend.
Crate and Barrel (U.S.)	https://www.crateandbarrel.com	Middle-market home decor brand.
Galerie Lafayette (FR)	https://www.galerielafayette.com	Upscale French lifestyle and fashion.
Anthropologie (U.S.)	https://www.anthropologie.com	Very on-trend, younger clientele, middle-market.
ABC Home (U.S.)	http://www.abchome.com	High-end, acknowledged trendsetter.

*By adapting
a product
slightly you
can often get
to the right
pricing*

Price-Driven Alternatives

By adapting a product slightly, the producer can often get to the right pricing. For example, removing a pocket or slightly reducing the size of a product without significantly changing its perceived value can impact the price enough that it will generate a sale.

By using the designed fabric on only one side of the cushion, the price can be reduced by 30% while retaining the value and design qualities.



A few less elements in the pendant or a simple leather strap could greatly reduce the cost and attract a larger market.



Marketing Materials and Branding

Section Five

Brand identity is how professional you are when delivering on your promises

A catchy phrase in a local language can be used in the tagline to retain the cultural identity

5A. BRAND IDENTITY

With the profound influence of social media on markets across the globe, a BRAND as a business identity has taken on a greater and more subtle significance. The public is savvier and more visually conscious than it has ever been. However, a logo or visual image is only a small part of what a BRAND means. What a company makes is another small part of what its BRAND stands for.

From a client’s perspective, BRAND identity is how professionally a supplier delivers on their promises — deadlines, service, financial commitments, quality products, and more. And likewise, a supplier knows its clients and has “branded” them by how well or poorly these clients treat them.

It is important to note that a BRAND is a very complex concept which is unfortunately beyond the scope of this handbook. However, what is included here are the practical and tangible elements of marketing materials with a brand logo and the sharing of a brand identity with clients’ brands.

5B. CHOOSING A NAME

Many companies choose names that have a special meaning in their native language. This has certain market appeal, but it has one very strong drawback — it is very hard to search for on the Internet. If a client loses your business card and wants to find you online, they may not remember the name of your company if the words are not familiar. The point is to make it as easy as possible for clients to find a supplier and its goods.

ZADS –Zambian Arts and Design Show

This is a great brand name. Though ZADS is an acronym and not a word in English, it is easy to remember, has a catchy ring to it and begins with ZA so that one immediately thinks “Zambia”.



A catchy phrase in a local language can be used in the tagline to retain the cultural identity.

5C. MARKETING MATERIALS

Business Cards

A business card is essential. It should include:

- Business Name
- Logo
- Website (if applicable)
- Telephone with country code
- Email address

Optional:

- Address, with country
- One brief phrase about the core of the business
- Social Media – If the company is active on Facebook, Instagram or other platforms, those details should be on the card as well

A business card should be simple yet distinctive. The most important thing about a business card is that people should be able to read it. Too often, people choose fonts that are difficult to read or in a colour that does not stand out. A style that reminds the buyers of the type of business it represents is ideal.

Buyers will often write things they want to remember on the actual business card. Therefore, it is ideal to use a type of paper on which people can write and leave enough space for their notes, preferably on the whole reverse side of the card. A standard size card is ideal so that it fits into a plastic folder that buyers often carry with them.

The most important thing about a business card is that people should be able to read it

This card has a lot of white space, the writing is clear, and the blue water-like shapes refer to the water and serenity of a luxury retreat.

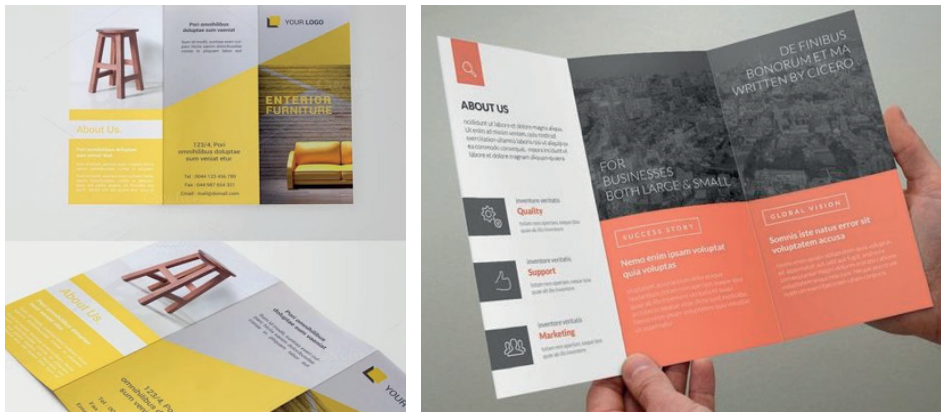


This is a simple, straightforward card. It is easy to read, the green colour reinforces "Green Thumbs" and it has white space to write on.



Brochures

A brochure is ideal for describing a company: its products, philosophy, teams, etc. Buyers generally like to know about the companies they work with, their social-enterprise stance, the history of the business, and its founders. They use this information when marketing the producer’s company and products.



It is not a good idea to put pricing on a website geared towards the wholesale market

A website is an excellent marketing tool but requires an investment of both time and money and needs to be maintained regularly. A website should be simple and well-designed, and include good product images and the company's story. If the producer is looking to use the website to sell their products at retail, the site needs to have a shopping cart.

For accessing the export market, the site does not need to have a shopping cart. In fact, it is not a good idea to put pricing on a website geared towards the wholesale market. However, there should be an option for the buyer to request a price list. Price lists should always have a "valid through" date.

For the export market, a simple website is sufficient. What is important is that buyers see the range of products, sense the professionalism and are able to contact the company directly.

Social Media

Facebook is often the default social media tool. Many artisan companies make the mistake of mingling their personal social media posts with their business site. It is best to keep a separate professional Facebook Page that focusses on news about the business: new products, expos where the products will be exhibited, special posts about the team, etc.

Instagram is an excellent social media outlet and it is wise to follow not only buyers, but also those who are following the buyers. Online posts should be limited to images or information about products or business-related topics, and posts should be made regularly. Instagram is one of the best social media options for product-based companies.

Keep your personal and professional social media accounts separate

5D. BRAND SHARING

Brand sharing is when a buyer uses their own brand on purchased products, while also including the producer's label. Nearly all buyers will put their label on all the products they market. For textiles, buyers will often send their labels to the producer with instructions on where to sew them. If the buyer allows the producer's labels to be included, they will be equally clear about where those labels will be sewn. The placement of labels is part of the product design and therefore should be closely followed. Frequently, the labelling is on hangtags suspended on the outside of products.

In shared label branding it is the buyer's logo and/or colour scheme on the label

To avoid too many tags or labels on a product, the buyer may propose a shared label. This label could say something like, "Made in Zambia by Producer's Company for Buyer's Company." In shared label branding, it is the buyer's logo and/or colour scheme on the label.

However, it is common for buyers to reject brand sharing. This is because they do not want to reveal their sources to their competition. This perspective has its merits for both the buyer and the artisan company. If one of the buyer's retail-shop clients purchases from you directly, they are going to be a much smaller client than a wholesale importer. But, if your importer client sees that you are selling to their clients, they may stop buying from you altogether. Their perspective is that their sources are directly in competition with them in selling to the retail stores that are their bread-and-butter clients. This is why some buyers choose not to brand share.

In addition, if a buyer has designed new products and collections with a producer, they may consider the designs as theirs, and will therefore not want to brand share. This scenario is closely related to issues of exclusivity as well.

Some handicraft companies that have a strong sense of their own brand will want their branding on all the products that leave their workshop, so it is important to discuss brand sharing with buyers before the purchase order is signed. While some companies may be fine with the buyer not brand sharing, it is a business decision to be made independently by each company, and within one company, the policy may vary from buyer to buyer.

5E. MARKETING A STORY

There is growing consumer interest globally on fair trade and poverty reduction. Though a great story won't sell a bad product, a great story will significantly enhance the appeal of a good or great product.

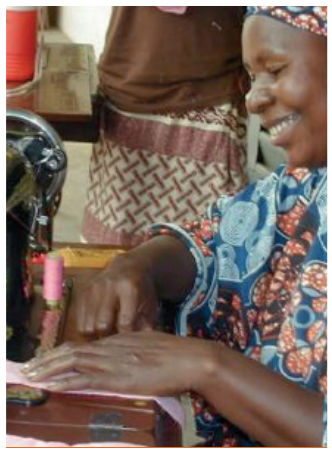
Ideally, marketing materials should include images of artisans, some statistics on the company's social impact, as well as testimonials from employees. Below is an example of how a company could talk about their social impact.

A great story won't sell a bad product but a great story will significantly enhance the appeal of a good product

ABC Crafts works with nearly 100 women in numerous villages surrounding Lusaka. We have supplied over thirty sewing machines and many hours of training to the women.

In the last five years, many of these women have been able to gain enough income to build homes, send their children to school and even purchase more machines for production.

Most women in the program have doubled their incomes in a very short period of time.



For example, Creative Women³ is a wholesale import company with a social enterprise agenda, telling the stories of the artisan companies with whom they work. This is a definite market trend and appeals to buyers and consumers across the globe.



Creative Women is a fair trade home + lifestyle wholesale brand. We are long-term partners with talented artisans in Ethiopia, Guatemala and Kenya who work in women-led small businesses. By developing healthy, sustainable and profitable partnerships, we are able to bring artisanal handcrafted pieces to a global market. Our artisans create beautifully unique products.

By creating a sustainable niche for these artisans, Creative Women helps to ensure their craft supports the health, education, and economic stability of their families. We believe that conscious consumerism — in which the act of buying is also one of giving — is a powerful way to effect change.



Shipping

Section Six



Roughly ninety percent of the world's goods are transported by sea with over seventy percent as containerized cargo.⁴



The path to gaining large-scale and repeat orders is the capacity to ship by sea container

6A. SHIPPING OVERVIEW

Shipping is one of the most important considerations for exporting companies. The cost of shipping significantly impacts the selling price of goods. The length of time it takes to ship the goods impacts a buyer’s ability to see a return on their investment. Shipping restraints can impact the marketability of products if they arrive late and miss important deadlines, such as for holiday sales. In addition, there are various risks associated with shipping, and while many of them can be controlled by the exporter, they are risks nonetheless: breakages, mould accumulation, infestation, etc. All that being said, shipping is essential and an integral part of doing business and can be accomplished quite successfully.

The path to gaining large-scale and repeat orders is the capacity to ship by sea container. Baskets are one of the best-selling categories for home décor across the globe. Fortunately, Zambia has an excellent basket sector with much variety and good prices. Baskets are usually shipped by container because they are bulky and very expensive to ship by air. This is advantageous for Zambia

A buyer shipping a container of baskets will work very hard to add as many other products to the container as possible

because if a buyer is shipping a container of baskets, they will work very hard to add as many other products to the container as possible. This increases sales across the industry and also reduces the final selling price of products, as the shipping costs for those goods have gone down that otherwise would have been shipped by air.

Because Zambia is a land-locked country, shipping by sea container is a constraint. Sending products overland to a seaport can as much as double freight costs. Therefore, Zambian exporters must be both smart and creative about production and pricing in order to be competitive in the international market. One advantage for Zambia is that many of the trucks come into the country from the ports full of cargo and then return empty, meaning that utilising these return flows can be cost-effective.

Though this may seem daunting at first, container shipping is completely attainable, as Zambia has many professional freight forwarders that can help producers negotiate this process.

6B. TYPES OF SHIPPING

Courier service is more expensive than air freight

Courier Service

Courier companies offer the fastest and most efficient mode of door-to-door delivery. However, courier service is more expensive than air freight because it handles the inbound paperwork requirements and customs charges in the destination country, as well as secured and insured delivery. Courier services are good for samples and small orders, and are frequently used by smaller buyers, such as shop owners, who do not have import capacity. Many international buyers prefer to use and have confidence in international courier companies such as DHL or FedEx, but other couriers can be used as well.

Many buyers already have accounts and negotiated rates with international courier services in their home countries, and those accounts can be used with the local branches of those same couriers. It is important to note that courier companies in Zambia prefer that shipments are generated from within their local offices as this is of greater benefit for them.

DHL in particular is willing to work with handicraft buyers and importers to see if it is possible to match or even better their negotiated rates. In addition, DHL periodically holds seminars for SMEs regarding export readiness and the full range of courier services. They also have an e-commerce platform to collaborate with companies selling their products online.

While many courier companies may offer good and negotiated rates, it is wise to find out if a buyer has a preferred courier

*When using
air freight
the buyer is
responsible
for clearing
the shipment
through
customs in
their country
and routing
it to their
warehouse*

*Freight
forwarders
work with
numerous
shipping
companies
to determine
the quickest,
surest,
and most
economical
routes*

company and if so, make the effort to build a relationship between that company's Zambian office and the buyer.

Air Freight

Air freight is one of the fastest modes of transport and therefore considerably more expensive than sea freight, though it is less expensive than courier services. The difference between air freight and courier services is that with air freight, the buyer is responsible for clearing the shipment through customs in their country and routing it to their warehouse. Air freight in Zambia is provided by Kenya Airways, South African Airways and Ethiopian Airlines. Exporters using air freight can contact NAC 2000 Corporation Limited.

NAC 2000 Corporation Limited provides ground handling for air freight companies, and are the cargo clearing and forwarding agents for most airlines operating at all major airports in Zambia. NAC 2000 also provides customs clearing services for imports and exports at all the major borders for road freight.

Another air cargo company operating in Zambia is Stabo Air. Stabo Air provides cargo services once a week with flights between Liege (in Belgium) and Lusaka through to Johannesburg. The flights into Zambia are generally full, while the flights leaving Zambia are almost empty, hence there is a lot of space on their cargo planes. This could be advantageous for the handicraft industry, and as shipping options are discussed with a buyer, Stabo Air freight should definitely be considered.

Freight Forwarders

A freight forwarder works with numerous shipping companies and has the expertise to determine which carriers to use on which routes, and to offer the quickest, surest, and most economical service. Freight forwarders can also negotiate preferential rates with the shipping lines. A freight forwarding company guides and prepares export documentation and can provide their client with one consolidated invoice for the entire shipment. For example, they can arrange overland transport to a sea port, sea container shipping, and ongoing transport to a buyer's warehouse in their country, all under one invoice. Some freight forwarders can also offer their clients a line of credit if their credit history is verified.

Freight forwarder rates can be more expensive than working directly with shipping lines, although if the right freight forwarder is chosen, their preferential rates will be competitive. Without using a freight forwarding service, there is always the risk of the exporting company submitting faulty paperwork resulting in further delays and additional expenses.

A good freight forwarder will become a partner in getting the goods to clients safely, efficiently, and cost-effectively

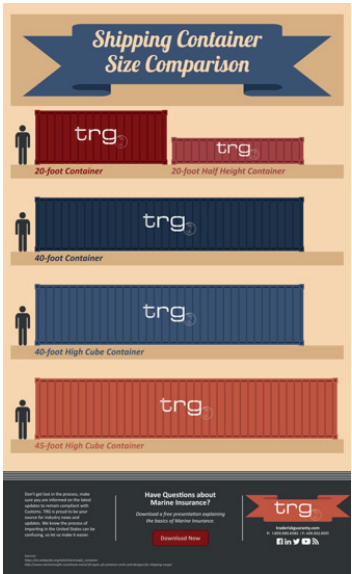
There are many freight forwarders in Zambia. Some specialise in imports and others in exports; some specialise solely in overland trucking, some in sea and others in air, while some can coordinate them all. If a producer is just starting out, it is wise to seek recommendations from colleague exporters and to interview numerous freight forwarders. If the buyer is visiting Zambia, they may want to meet the freight forwarders as well. A good freight forwarder will become a partner in getting the goods to clients safely, efficiently, and cost-effectively.

A freight forwarder is an exporter’s agent to the airlines and shipping companies. However, their capacity to negotiate rates is dependent on the volume and frequency of shipments. Although they can negotiate rates on the exporting company’s behalf with the airline or shipping company, the cost of shipping will vary depending on the availability of space at any given time. A freight forwarder can help identify opportunities for less expensive rates. Many trucks and cargo planes come into Zambia full and return nearly empty, which is an advantage when exporting.

Freight forwarder fees and local costs for preparing a shipment are the responsibility of the exporting company. These costs should be factored into the invoice or into the cost of products. If the buyer wants to negotiate FOB pricing, this means that product pricing must include all the fees related to shipping, excluding the international shipping charges. This is often averaged at between 5-10% onto the price of goods. However, some buyers will want factory pricing (ex-works) and the freight forwarder and documentation costs to be separate line items. In either case, the freight forwarding costs must not be overlooked and passed on to the buyer either as a line item or calculated into the product price.

Sea Container Transport

Sea transport is the most common global means of shipping, and is ideal for large quantities and bulk products. Sea containers are 20 or 40-foot, with numerous other options, such as tall, cubed, etc. Most exporting companies work with freight forwarders to facilitate sea shipments and most importers will insist that the exporting company engages a freight forwarder. The freight forwarder and shipping company can advise on the best type of container for the particular goods, while the most common type is the standard dry storage container⁵, either 40-foot or 40-foot high.



*The
quickest or
most
economical
route is not
always the
best and
most secure*

The container can be loaded at a central location where the goods have been collected and stored. The shipping company brings the container to the location for loading and picks it up again in two to three days. Alternatively, the goods can be taken to the container storage lot where they will be loaded and taken to the port by the shipping company. These details are agreed with the freight forwarder.

Some buyers, particularly those ordering numerous containers a year, have a logistics team that will instruct the exporter on how they want the container loaded. This is to facilitate efficient off-loading at their warehouses and to maximize space usage in the container.

Overland Transport

As a land-locked country, trucking transport is an integral part of the shipping equation in Zambia. Trucking goods to the port can be arranged separately with individual trucking companies or it can be part of a single rate for international sea transport arranged by the freight forwarder.

It is important to note that the quickest or most economical route is not always the best and most secure. Overland transport can be subject to delays at border crossings, bad roads or other issues. Overland rates also fluctuate dramatically as per the available space, routing and other variable considerations.

The main transport corridors are:

**Main transport
corridors**

- 1. **Tazara Corridor** to Dar-es-Salaam, Tanzania. This is the most common route, though the port is congested.
- 2. **Southern Corridor** to Durban, South Africa, through Zimbabwe or Botswana. This route is mainly for imports and most trucks return empty. Though lengthier, this is the most secure port.
- 3. **Walvis Bay Corridor** to Walvis Bay, Namibia via Livingstone/ Sesheke/Katima Mulilo. This is the best route for products leaving from Mongu.
- 4. **Beira Corridor** to Beira, Mozambique. The shortest route, but has the longest delays resulting in higher costs.
- 5. **Nacala Corridor** to Nacala, Mozambique. This is one of the shortest routes, through Lilongwe.

6C. PREPARING TO SHIP

Packaging

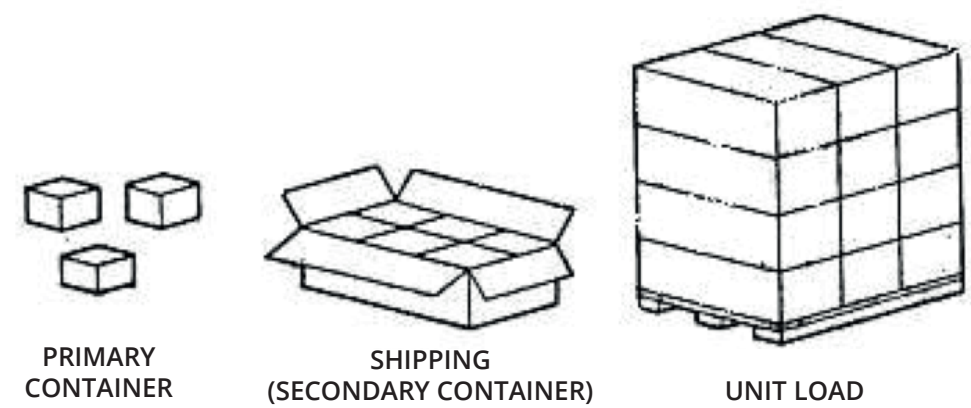
Packaging is essential to protect products from damage during shipping. If the goods are poorly packed and result in damages, the buyer will not pay for the damaged items and will initiate chargebacks that can result in serious loss of income for the exporting company (see Chargebacks in Section 3c). Therefore, buyers will often give instructions on how they want the goods packaged.

Generally, there are three levels of packing:

The three levels of packing

- 1. **Primary packaging** surrounds the products. This is also called the inner pack and can include more than one piece in a pack. Inner packs can be small boxes or plastic bags.
- 2. **Secondary packaging**, or outer packs, includes a specified number of primary packages (or inner packs) packed in a larger box.
- 3. **Tertiary packaging** is for transport purposes such as a wooden shrink-wrapped pallets. These are a specified number of inner outer packs on the pallet.

If the goods are poorly packed and result in damages, the buyer will not pay for the damaged items and will initiate chargebacks



Many countries have laws and/or regulations regarding packing materials, shrink-wrapping, pallets and other issues. As regulations vary from country to country, the buyer may provide the packaging specifications for their home country. In order to avoid misunderstandings, it is a good idea that packaging instructions and agreements are in writing and preferably signed before production begins.

Shipping

It is strongly advisable to avoid all organic packaging materials

Materials Used for Packaging		
Material	Type	Example of packages
Cardboard	Flat; corrugated; double-sided; double-double; triple corrugated	Boxes, Wrapping
Paper	Multiwall bags	Sacks and bags
Plastics and Composites	Plastic materials and packaging incorporating two or more materials	A cardboard box with a flexible plastic pouch inside; aseptic packaging, plastic bags, bubble wrap, and silica
Wood	Rough sawn timber; planed timber; plywood; fibre-board; particle board, wood chips NOTE: Wood pallets are subject to the same environmental protection laws as wood products and require fumigation	Cases, pallets, crates, etc.

It is advisable to use silica during packaging

Note that it is advisable to avoid all organic packaging materials. For example, wood chips, straw, or shredded paper should not be used as bedding. These materials harbour vermin, bacteria, disease and other unacceptable micro-organisms. Most developed countries will not allow entry of shipments using these types of packaging materials.

It is advisable to use silica during packaging. Silica absorbs moisture and is important for products that attract mould, such as wood, leather and baskets. Silica packets can be used in inner packs, outer packs and hanging in containers. Small silica packets are often used when storing and packing textiles as well. Mould damage, like breakages, is the responsibility of the exporter and the small cost of silica packets could save significant money in chargebacks later on. Many producers use silica packets while storing their products as well.

There are currently no Zambian manufacturers of silica, although some freight forwarding companies do sell silica packets. However, there are Zambian companies that manufacture crates, sacks and bags, and cardboard boxes (see Annex 3 — Manufacturers of Packing Materials).

Silica
absorbs
moisture and
is important
for products
that attract
mould

SILICA PACKETS



Shipping Labels

Labelling on export boxes is necessary to meet shipping regulations, ensure proper handling, and help receivers identify shipments. The following are examples of standard international pictorial cautionary labels:



There are many internationally recognised symbols that can be used on shipping boxes, and freight forwarders can provide guidance on the appropriate symbols for particular shipments.

Box labelling is the last phase of packing an order for export. To ensure that packages are always delivered on time and in excellent condition, it is important to label the packages for export shipments correctly. The following information is necessary for the shipping label:

Shipping labels:
The necessary
information

- Country of Origin
- The shipper’s address
- The weight and volume of the packages or items being shipped
- Cautionary marks and instructions for handling
- Recipient’s address
- The Seller’s name and order number

Shipping


Shipper's Address with Country of Origin

FROM:
Westside Warehouse
65 Carmel Street
Extreme Square
Northport, ME 04849
US

Recipient's Address

TO:
Pantaloon Warehouse
78 Cliff Road
Saturday Cove
Burlington, NJ 08016 US

#1 of 4 boxes

SHIP TO POST:

(420) 08016

CARRIER:
FEDX
SHIPMENT #:
100000010

1 of 4

PO #: CustPO12			
ITEM DESC	ITEM ID	QTY	
Reebok Shirt H-Sleeve	RBK001	22.00	
Wrangler Jeans B-Bottom	WRANG55	5.00	

Products and Quantities

Free Form Vendor Information:

Packaging costs are paid for by the exporting company and should be passed on to the buyer

Freight forwarders and buyers can guide exporting companies regarding the special labelling requirements for shipments. Packaging costs are paid for by the exporting company and these costs should be passed on to the buyer. They can be calculated into the product price or paid by the buyer separately. This should be clearly negotiated before production begins, and if possible, a packaging policy should be signed. The most inexpensive packaging is not always the most advisable. Consideration must be given to protecting the products as the exporter will be responsible for damages incurred during shipping.

6D. SHIPPING DOCUMENTATION
(See Annex 4 — Shipping Documents)

Fumigation Certificates

Fumigation is necessary for many handicraft shipments and most countries require fumigation certification for imports. Freight forwarders can make arrangements for fumigation on behalf of the exporting companies.

The Fumigation Certificate is proof that the shipment has been properly fumigated. This is necessary if it contains wooden packing materials such as wooden pallets and wooden or organic products, such as wooden bowls and/or baskets.

Process for obtaining a Fumigation Certificate

Fumigation takes at least a week so this extra time must be taken into account when setting deadlines

The Zambian Agricultural Research Institute (ZARI) issues fumigation certificates. To obtain a Fumigation Certificate:

1. ZARI must be notified and they will send an inspector to examine the shipment.
2. A ZARI authorised fumigation company will do the fumigation on site at the container or for air shipments in an approved environmentally-safe location. (the exporter must take the goods to this location)
3. Fumigation takes one week.
4. After fumigation the container is locked and sealed.
5. ZARI issues a fumigation certificate that can be picked up at ZARI's office at the Mount Makulu Research Station, Chilanga District.
6. The fumigation certificate is included in the customs and shipping documents.
7. Goods must be shipped immediately following fumigation.



Note that the fumigation process takes at least a week, so when setting deadlines this extra time must be taken into account.

Phytosanitary Certification

A Phytosanitary Certification (regarding the health of plants and plant products) is issued after fumigation and attests that the goods meet phytosanitary requirements. This certificate is issued by ZARI. The exporting company takes a sample of each product in the shipment to ZARI, after which they will issue the Phytosanitary Certification that is included in the customs and shipping documents.

Clearance Certificate for Wood Export

All wooden products must be cleared by the Forestry Department. This is done by delivering a sample of the wood to their offices located at Kwacha House Annex.

Lacey Act Permit

This permit is necessary for wood exports to the U.S. For details, see Standards, Section 7.

Export Packing List and Commercial Invoice

A commercial invoice is a list of everything that is in the shipment and can be prepared separately for the order. It will serve as the basis for the packing list, as it is a list of everything that is in the shipment. The packing list includes:

Packing List:
What is included

- The name and contact information of the exporter.
- Details for each packaged container.
- Weight and measurement of each box or pallet depending on the packaging requirements as demanded by the importer.
- Package contents and number, including the container and seal number. If more than one container, then each container should be secured with a seal number and that seal number written on the packing list, to be included on the Bill of Lading.
- Total number of pieces and weight and measure of the entire shipment.
- HS Codes (not necessary but can be included).



An export packing list can be created on an exporter's letterhead, or on a professional form. The packing list is attached to the outside of the package in a clearly-marked waterproof envelope. A commercial invoice can serve as both a packing list and commercial invoice, as shown below.

Producer Company Name, Address & Country

Number of boxes and contents

HS Codes

Weight & Dimensions

Accounts usually in the buyer's currency

Must be signed

SAMPLE
COMMERCIAL INVOICE / PACKING LIST

January 1, 2006
Date

SHIPPER:
ABC Company
123 Main Street
Your Town, City, Zip

CONSIGNEE:
(Company Name) _____
C/O (Show Name) _____
Hail _____, Stand _____
(City) _____, (Country) _____
Attn: (Name of contact at the booth) _____

LICENSE NO: _____
CARNET NO.: _____
IRS NO: 00-0000000
TOTAL PIECES: 2
TOTAL WEIGHT: 150

Total Pieces (i.e. 1 of 2)	HS Number	Quantity	Description of Contents	Weight / Lbs	Dimensions (LxWxH inches)	Value / Item \$	Total Value \$
1 of 2	4911.10.0090	200	Brochures & Pamphlets (For Free Distribution)	50 lbs	24" x 12" x 12"	\$ 0.05	\$ 10.00
	8708.99.0050	20	Machine Parts			\$ 5.00	\$ 100.00
2 of 2	9023.00.0000	1	Pop-up Display Stand	100 lbs	48" x 16" x 18"	\$ 500.00	\$ 500.00

**** PLEASE STATE IF ITEMS ARE:
1. FOR FREE DISTRIBUTION AT THE SHOW
2. FOR TEMPORARY IMPORT TO BE RETURNED
3. FOR TEMPORARY IMPORT TO BE SOLD TO A
4. FOR PERMANENT IMPORT TO REMAIN IN THE

The material described above is of United States of America origin to be displayed at an international exhibition and possibly returned to the United States. Countries of origin for materials not manufactured in the United States of America are noted. The values listed on this document represent fair market value for the items described herein.
www

Authorized Signature: _____
MUST BE SIGNED

Total Value \$ 610.00

*When
starting out
with a buyer
it is wise
to send
them the
commercial
invoice for
verification
before
beginning
the shipping
process*

Harmonised System (HS) codes are standard international product identification designations and are used to determine tariffs and duties, and are issued by an agent authorised by the Zambian Revenue Authority (ZRA). In some cases, the buyer may want to indicate certain codes. For example, a long, woven textile could be coded as a scarf, a table runner, a belt, or a shawl, taking into consideration that hand-loomed textiles are imported to the U.S. duty-free. In such a case, the buyer may advise which code is most appropriate.

Regarding the naming of products, a name in one country could mean something else in another country. For example, shea butter is a cosmetic cream but in the U.S., the word “butter” is used solely as a food item. Numerous early exporters of shea butter products encountered serious complications when exporting to the U.S. because they were coded as edible “butter” and not topical creams. Therefore, it is wise when starting out with a buyer to send them the commercial invoice before beginning the shipping process, so they can check it for such issues.

Most buyers are very knowledgeable importers and have experienced customs glitches over the years. They appreciate being asked questions BEFORE a shipment goes out.

The packing list is an important document in the export process and is used by freight forwarders to prepare a Bill of Lading for the ocean carrier or an Airway Bill for the air carrier, allowing them to better determine how much space is needed for the shipment. It is also used by banks as a supporting document for the payment of a letter of credit.

Zambian Customs Documents

(See Annex 3 - Customs Documents)

The freight forwarder will handle the customs documentation, but the documents required are listed below as a reference:

- **Bill of Lading** —a contract between a shipper and carrier that provides details regarding the quantity, type of goods, and destination. This document also serves as a shipping receipt when the carrier delivers the shipment to the destination.
- **Airway Bill** —similar to a Bill of Lading and contains the same type of information, but it is for air shipments. It is issued by the air carrier and also serves as a receipt for the shipper. The Airway Bill is issued in multiple copies so that each party involved provides details to enable both the consignor and consignee to track the shipment.
- **Customs and Excise Declaration CE 20** — obtained from the Zambia Revenue Authority (ZRA) and indicates the products and

their value, as reported on the Commercial Invoice/Packing List. The freight forwarder completes this form and has it verified by Zambian customs. From this, the Bill of Entry is created with defined HS codes which can be identified by customs in the receiving country as well.

- **Certificate of Origin** — issued by ZRA. It is a document attesting to the country of origin of the goods. It is required by the customs authorities in the importing countries. It is issued depending on the final destination.

Foreign countries’ special trading initiatives for Africa

The U.S. has developed two trade mechanisms that allow African products to enter the U.S. duty-free

The United States

The U.S. has developed two trade mechanisms that allow African products to enter the U.S. duty-free:

- **U.S. Generalized System of Preferences (GSP)⁶** — A U.S. program offering preferential trade status for African countries. Most handmade items fall under the GSP and enter the U.S. duty-free.

“The Generalized System of Preferences (GSP) is a U.S. trade program designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 4,800 products from 129 designated beneficiary countries and territories. GSP was instituted on January 1, 1976.”

United States Customs and Border Protection

- **African Growth and Opportunity Act (AGOA)⁷** — A U.S. initiative to benefit African countries trading with the U.S. In order to benefit from AGOA, a company must register with ZRA and be able to prove that their products are 75% of Zambian origin. If some elements are imported, import invoices must be supplied to verify that they are less than 25% of the total value. The East Africa Trade Hub has published a highly informative document on Kenyan AGOA exports that has parallels for Zambia⁸.

To register for AGOA in Zambia, the following must be submitted with a cover letter to the Commissioner International and Policy, ZRA:

- A step-by-step description of the production process for each product intended for export
- A production cost analysis
- Applicable supporting documentation: invoices for locally sourced raw materials, and bills of entry (CE 20s) for those that are imported

Below is a checklist for exporting under AGOA. Further information can be obtained from ZRA.

Checklist for Exporting under AGOA: Non-textile Goods		
Activity	Responsibility	Status
1. Commercial Invoice is prepared by the producer and includes a description and value of the goods. This value can be either retail or wholesale or expressed with a mark-up agreed between the buyer and the exporter. In any case, the price should reflect cost of all inputs. This document is the standard invoice issued by business and is subject to auditing by the IRS, VAT and Customs. It must include a declaration certifying the value.	Producer	
2. Certificate of Origin is obtained then completed. The Certificate is normally purchased for a minimal amount from a national chamber of commerce and is filled out by the exporter or the broker. The Certificate describes the goods as in item no. 1 and certifies where the goods are produced (the name of the country where at least 30% value has been added to the goods).	Producer	
3. Declaration made by broker on behalf of the exporter based on the two documents listed above. The broker may want to physically inspect the goods to ensure that the declaration tallies with the physical goods.	Export Broker	
4. Goods sent to Customs of the exporting country for examination and certification. This is done by the exporter or the broker on the exporter's behalf. Presentation should include the Declaration and Certificate of Origin.	Exporter or Broker	
5. Customs gives clearance for shipment. The Certificate of Origin may be endorsed by Customs at no cost.	Customs of Exporting Country	
6. Exporter transmits the <i>originals</i> of the Commercial Invoice and the Certificate of Origin to the importer or other agent who will make the official customs declaration at the U.S. side.	Exporter	
Checklist for Exporting under AGOA: Textile Goods (categories 1 - 9 inclusive)		
Activity	Responsibility	Status
1. Commercial Invoice (filled out as above)	Producer	
2. Textile Certificate of Origin (purchased from Customs and filled out as above)	Producer	
3. Declaration made on behalf of exporting country by exporter or by a broker on behalf of the exporter for examination and certification. Presentation of goods should be accompanied with the declaration and the Trade Certificate of Origin.	Export Broker	
4. Goods sent to Customs of exporting country by exporter or by a broker on behalf of the exporter for examination and certification. Presentation of goods should be accompanied with the declaration and the Textile Certificate of Origin.	Exporter or Broker	
5. Goods cleared for shipment by stamping Commercial Invoice and issuing a nine-digit Visa by Customs.	Customs of Exporting Country	
6. Exporter transmits the <i>originals</i> of the Commercial Invoice and the Certificate of Origin to the importer or other agent who will make the official customs declaration at the U.S. side.	Exporter	

The European Union

The EU has a General System of Preferences (GSP) benefiting African countries.

- **REX (Registered Exporter System) – EU e-Certification of Origin and GSP⁹** — In 2017, the EU initiated an online registration system whereby exporting companies can easily register online. This is for exports under €6,000. *“The REX system is based on a principle of self-certification by economic operators who will make out themselves so-called statements on origin. To be entitled to make out a statement on origin, an economic operator will have to be registered in a database by his competent authorities. The economic operator will become a Registered Exporter.”¹⁰*

To begin the REX registration process, the exporter starts with pre-registration at <https://customs.ec.europa.eu/rex-pa-ui/#/create-preapplication/>.

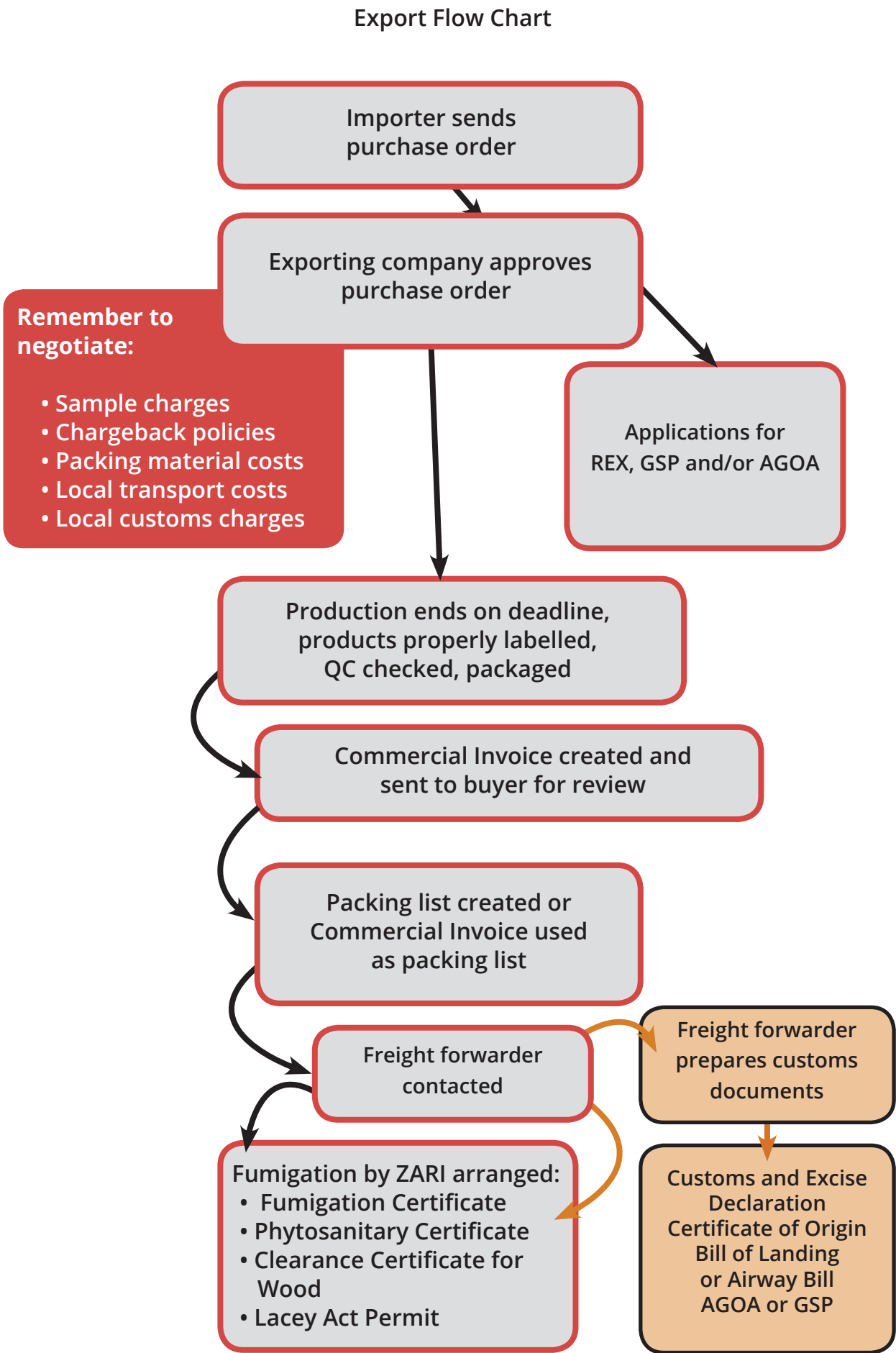
Southern African Development Community (SADC)¹¹ — for exports within the SADC region

Goods that meet Rules of Origin regulations pass tariff-free throughout the SADC block which is a free-trade region. A SADC Certificate of Origin is a document, completed by an exporter within the SADC trading block, identifying goods originating from SADC countries. This certificate is necessary for favourable tariff considerations and is issued by the ZRA. It must accompany the shipment and provides details of the goods being shipped.

SADC Rules of Origin

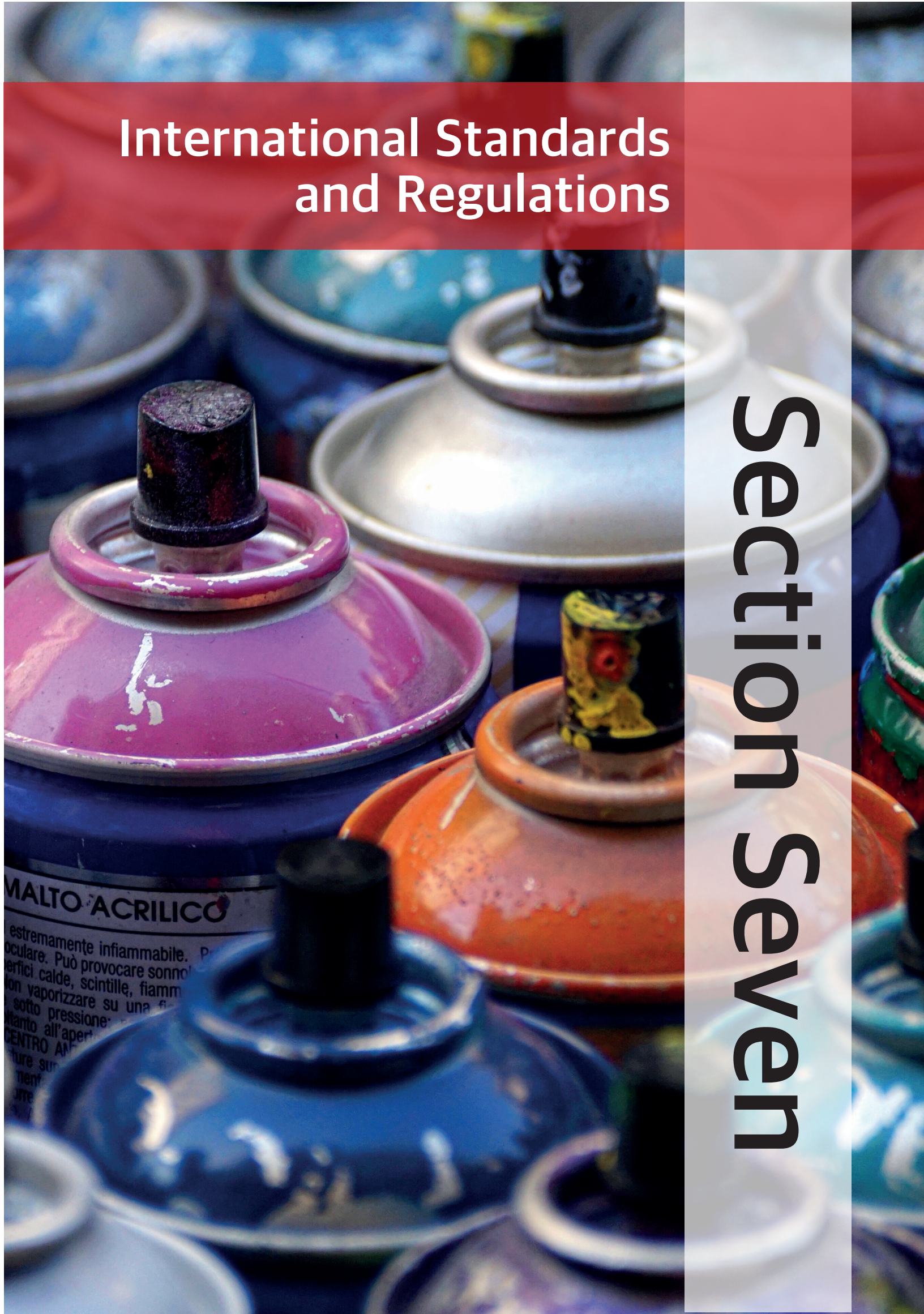
To support economic growth within Southern Africa, SADC customs regulations give preferential treatment to goods that originate from within Member States. Goods that fall under SADC Rules of Origin are not subject to tariffs when being imported or exported within the Free Trade Area.

Goods that meet Rules of Origin regulations pass tariff-free throughout the SADC block which is a free-trade region



International Standards and Regulations

Section Seven



MALTO ACRILICO

estremamente infiammabile. P
oculare. Può provocare sonno
erfici calde, scintille, fiamm
on vaporizzare su una fi
sotto pressione:
tante all'aper
CENTRO AN
ture sur
ment
ore

7.A OVERVIEW

Industry standards are internationally recognised and created by laws and decrees to ensure consumer and/or environmental safety. The global handicraft industry recognises market-driven standards that reflect what is actually practised in the commercial market place. These are not written regulations but unwritten rules of practice.

Although there are few official standards for the handicraft industry, adherence to them is crucial for successful exports. Often these standards require international testing in approved facilities. Buyers are particularly mindful of these standards because they can face enormous fines if products do not meet official standards. Though the rules vary from country to country, there are overall standards that apply universally.

The market-driven standards, though not expressly written or legislated, are often the most important for ensuring export sustainability and growth and strong B2B relationships. Section 2e discusses buyer expectations that are partly the basis for market-driven standards.

7.B OFFICIAL STANDARDS

Phytosanitary Standards and Fumigation
(See Section 6 - Shipping)

Phytosanitary measures are governed by the International Standard for Phytosanitary Measures Revision of ISPM No. 15 (2009). Its purpose is to prevent the international transport and spread of disease and insects that could negatively affect plants or ecosystems.

The Phytosanitary and Fumigation Certificates are official documents that indicate that plants, plant products or other regulated articles meet specified phytosanitary import requirements and are in conformity with the requirements of the National Plant Protection Organization (NPPO) of the importing country. They are issued by ZARI at its Mount Makulu Research Station in Chilanga.

Wooden items, baskets and products made with plant-based materials targeted for export must have Phytosanitary and Fumigation Certificates issued by ZARI for every shipment.



Wooden items, baskets and products made with plant-based materials targeted for export must have Phytosanitary and Fumigation Certificates

Avoid using
woods
that are
endangered
or restricted
and which
could cause
export
difficulties

Wood and Environmental Regulations

Globally, there is growing pressure for industries to demonstrate that resources are being managed in a sustainable manner. Zambia provides an abundance of raw materials used in handicraft production. Wooden products and basketry constitute the bulk of Zambian craft exports. Zambian regulations have few restrictions on the export of wooden articles with the exception of Mukula (*Pterocarpus chrysothrix*), which is banned for export in any form. Additionally, Ebony (*Diospyros ebenum*) and Rosewood (*Guibourtia coleosperma*) are endangered species and therefore wooden articles made from these trees are not exportable. Producers are therefore advised to use wood that is not endangered or restricted, thus avoiding export complications.

To export wood-based products, a Clearance Certificate for Timber Export is required. Sample products are taken to the Forestry Department located at Kwacha House Annex, where the certificate will be issued.

As grasses are not usually considered environmentally threatened, there are no restrictions regarding baskets. Most baskets for export are made from the Mukenge tree (*Combretum zeyheri*) using the roots and the Mulala palm (*Hyphaene petersiana*) using its leaves.

For wood and basket products, it is advisable to use the scientific name in the packing list. It is an international requirement that all plant-based export products, such as baskets and wood, be subjected to fumigation and receive a Phytosanitary Certificate.

Scientific Names for Commonly Used Woods and Grasses			
Grasses Botanical Name	Local Name	Craft Product	Location
<i>Combretum zeyheri</i>	Mukenge	Baskets	Western Province
<i>Hyphaene petersiana</i>	Mulala	Baskets	Southern Province
Wood Botanical Name	Local Name	Craft Product	Location
<i>Pterocarpus angolensis</i>	Mukwa	Carvings & instruments	All Zambia
<i>Pericopsis angolensis</i>	Mubanga	Carvings	All Zambia
<i>Baikiaea plurijuga</i>	Teak/Mukusi	Carvings	Western Province
<i>Guibourtia coleosperma</i> (Rose wood)	Muzauli	Carvings	Western Province
<i>Dalbergia melenoxylon</i> (Iron wood)	Iron wood	Carvings	All Zambia
<i>Jacaranda mimosifolia</i>	Jacaranda	Carvings	Lusaka
<i>Pterocarpus chrysothrix</i>	Mukula	Carvings	All Zambia

Endangered Wood Species Found in Zambia - Not to be Exported			
Species Name	Scientific name	Species Name	Scientific name
African Mahogany	<i>Khaya anthotheca</i>	Bread Palm	<i>Encephalatos schmitzii</i>
Ebony	<i>Diospyros ebenum</i>	<i>Casipourea fanshawei</i>	<i>Cassipourea fanshwei</i>
Rose wood	<i>Guiboutia coleosperm</i>	<i>Embellia upembensis</i>	<i>Embellia upembensis</i>
<i>Baphia speciosa</i>	<i>Baphia speciose</i>	Fringe Tree	<i>Chionanthus richardsiae</i>
<i>Brachystegia bakeriana</i>	<i>Brachystegia bakariana</i>	<i>Halle stipilosa</i>	<i>Halle stipulosa</i>

The U.S.A. Lacey Act regulates the trafficking of illegal plant and plants products

Lacey Act (U.S.A.)¹²

The U.S.A. Lacey Act regulates the trafficking of illegal plants and plant products. The Lacey Act focuses on two main components: a ban on trading plants or plant products harvested in violation of the law and a requirement to declare the scientific name, value, quantity and country of origins for such products. The Act is meant to discourage trade in illegally obtained wood and wood products and to protect species that are in danger of extinction or environmental damage.

The Lacey Act Summed Up

“In order to be fully “Lacey compliant” as per the statute, you need to eliminate illegal (endangered) wood from your supply chain.”

Environmental Investigation Agency

The Lacey Act¹³ is a U.S. regulation, applicable only to exports to the U.S. However, because the Lacey Act is one of the strictest in the world, compliance with this Act can be an indicator of compliance globally.

Lacey Act Permits – How to get them:

1. The Lacey Act is rather complicated, although there are numerous websites that provide helpful information. The Environmental Investigation Agency¹⁴ has published a simple and straightforward overview, as well as other website references for the Lacey Act.
2. The U.S. buyer (importer) should obtain a Plant and Plant Products Permit from the U.S. Department of Agriculture (USDA) prior to importing the goods, or they can get an e-Permit through the USDA website¹⁵ using the contacts given in the appendix of the Plant and Plant Products Permit.

3. For wood products, a Clearance Certificate for Timber Export issued by the Forestry Department is necessary. Sample products need to be taken to the Forestry Department located at Kwacha House Annex as well as to ZARI for the issuance of a Phytosanitary Certificate.

The declaration will require the scientific name of the species of plant, the name of the country where the plant was harvested, the value of the shipment, and the quantity of plant material. The Lacey Act Permit will be filed with all the other export documents

Lead and cadmium are strictly banned in products for children

Lead and Cadmium

Lead and cadmium are strictly banned in products for children, and in some countries, like the U.S., in jewellery as well as many other products and surface treatments. In the past decade, buyers have requested that the paint used on wooden products and dyes for baskets be tested for lead and cadmium. The producer should discuss this with the buyer BEFORE production begins. If testing is required, it is wise to negotiate with the buyer about who is responsible for covering those costs.

What contains lead and cadmium?

- Jewellery findings (clasps, earring hooks, etc.) often contain lead. To avoid issues, many buyers will send the producer lead-free findings. However, it is more sustainable for the producer to source lead-free findings on their own, perhaps from South Africa or on the Internet.
- Lead and cadmium are often found in dyes, paints, varnishes and other surface treatments. However, more manufacturers throughout Africa are becoming internationally compliant and are producing lead-free surface paints and finishes. Even if they are a bit more expensive, it is wise to use them and to have a copy of their labelling on hand. However, even when labels indicate lead-free, buyers may still request testing and certification.
- The lead issue is so important that some buyers install lead testing equipment in their offices where they test samples before placing an order.
- Some buyers will require official testing certificates for paints, dyes, varnishes, jewellery elements, etc.
- The Zambian Bureau of Standards does lead and cadmium testing. Please check with your buyer if they accept this testing facility or if they require a certificate from an international testing institution such as Bureau Veritas, which has a facility in South Africa.

Products marketed to and for children

Child-safe is a complex and ever-changing standard becoming stricter each year, while every country or region has its own specific regulations. The EU¹⁶ and the U.S.¹⁷ have some of the strictest laws. *Child-safe* regulations are so broad and touch on so many elements that it is wise for companies to research the standards for their product categories and target markets.

Though adhering to child safety standards requires in-depth research, below are some general, universal suggestions of what to avoid:

**Child safety standards:
What to avoid**

- Solvents and solvent-based supplies which include turpentine, paint thinner, shellac, toluene, certain glues, inks, and a few solvent-containing permanent markers
- Acids, alkalis, bleaches, or corrosives
- Products or processes that produce airborne dusts which can be inhaled
- Old and unlabelled supplies
- Materials with lead, cadmium and other heavy metals
- Elements that can become dislodged and swallowed, such as tiny buttons as eyes for dolls

Furniture

Chairs, stools and children's furniture may require stress testing. This is most often the case for larger buyers and is carried out in a professional facility.

Testing facilities/locations

The Zambia Bureau of Standards (ZABS) is located in Lusaka along Freedom Way and has testing laboratories offering a wide range of services to exporters, manufactures, academic institutions and consumers. The process is to take samples to ZABS. Tests usually takes five to seven days and the cost per element is about \$25. The costs may vary depending on the number of elements being tested. ZABS can do stress testing for furniture on request. An exporter who wishes to have these tests done will need to contact ZABS for further guidance

It is a good idea to have samples tested BEFORE starting production, so that if a problem is discovered, other materials that will pass the appropriate tests can be sourced.

Food Safety Standards

All products that are intended to come into contact with food must adhere to food safety standards. For example, wooden cutting boards, salad bowls and servers should never be finished with varnish. A consumable cooking oil can be used to finish these products safely.

*Zambia
Bureau of
Standards
in Lusaka
has testing
laboratories
offering a
wide range
of services*

Obvious business standards are good quality control, clean products packed safely, and the adherence to deadlines

7.C MARKET-DRIVEN STANDARDS

Market-driven standards are industry-wide practices that are considered customary and expected. For example, in the handicraft industry, it is standard industry practice to give a production company a 50% advance payment. Other obvious business standards are good quality control, clean products packed safely, and the adherence to deadlines. Less obvious market-driven standards are listed below:

- **Wood Drying** — It is not always obvious that a wood product is not dried properly until it reaches foreign shores and different climates. Some producers believe that three weeks in the sun produces dried wood. However, only properly kiln-dried wood is truly DRIED, so that it won't crack, warp, or become mouldy in more humid environments.
- **Colourfast Dyes** — Buyers expect that all dyes will be colourfast, with the exception of indigo and other natural, organic dyes that are known to be non-fast. This is relevant for all products that are dyed, including leather and baskets. If the dyes used are not fast, this should be clearly stated to buyers in advance.

HINT: If the dyes used are not colourfast, this can be turned into an advantage with creative labelling: "These natural dyes are not colourfast and reflect their authenticity and African origin. Please wash separately."



True story: A buyer carried hand-made, hand-dyed bags from Africa. One of their clients was caught in a rainstorm with the bag and it stained her Dior suit. The buyer was sued for \$10,000!

You should ensure maximum cleanliness in your production and storage facilities

- **Fair trade standards¹⁸** — Fair Trade Certification is issued by an international organisation and is costly to obtain. Most buyers today expect that all companies they work with treat their employees and artisans fairly, pay a decent wage, and have no child labourers. As fair wages and working conditions are increasingly in the forefront of consumer interests and are becoming an international standard, it is wise that marketing materials clearly state an artisan company's fair trade practices.
- **Quality Control** — It is expected that all products are clean and the same size, condition, and make-up as the approved samples. As the handicraft sector is by definition handmade, it is natural for products to have slight variations, but these variations should

be within a reasonable range of difference. However, cleanliness has no room for variation and all producers should ensure maximum cleanliness in production and storage facilities.

Honesty and transparency extend into all aspects of business and B2B dealings

- **Honesty and Transparency** — Though this may seem obvious, honesty and transparency are not always practised. If a producer says that their materials are recycled, then they should actually be recycled. This is particularly important for fabric content.

Some buyers only purchase products made by women, so in such cases, the producer must be 100% transparent as to what percentage of their products are women-made.

Honesty and transparency extend into all aspects of business and B2B dealings.

Honesty and Transparency

Some companies will claim their products are recycled when they actually source new raw materials. If this coffee sack was purchased from the sack manufacturer and has not been used, then it is not “recycled”.





Access to
Finance

Section Eight

*The most
of common
type of
company
setup
preferred by
SMEs is a
Private
Limited
Company*

8A. ESTABLISHING A BUSINESS

In order to export and to access finance, a company must be registered as a business with the relevant government departments. However, if a small artisan production group is not a registered business, it can collaborate with a larger company and still sell and export products through the larger business, if both parties are in agreement.

There are two options for setting up a business in Zambia:

Limited Liability Company — A Private Company Limited by shares, or a Public Limited Company. The Companies Act Cap 388 governs the registration of companies in Zambia. The institution charged with this responsibility is the Patent and Companies Registration Agency (PACRA) under the Ministry of Commerce Trade and Industry.

The most common type of company setup preferred by SMEs is a Private Limited Company. A Private Company Limited by shares is the most commonly used entity by investors setting up a business in Zambia. This option only requires the company to have two shareholders and two directors appointed, and they can be of any nationality. Similarly, a Zambian Public Limited Company requires at least two shareholders and two directors. A Public Limited Company is recommended for businesses looking to publicly list their company on the Zambia capital market.

The steps for registering a company in Zambia are:

1. Check the availability of the chosen business name
Patent and Company Registration Agency – The name clearance takes less than 1 day and costs K83 for a name search and K166 for a name reservation. This can also be done online.
2. Have a Commissioner of Oaths sign Companies Form 11 (Declaration of Compliance)
Must be commissioned by a Commissioner of Oaths. The cost varies based on the Commissioner from K20 – K80. The process, on average, takes one day.
3. Register the company
The following completed forms must be submitted to PACRA:
 - Form 2: Application for Incorporation
 - Form 5: Declaration of Consent to act as a Director or Secretary
 - Form 11: Declaration of Compliance

A case number will be issued to track the application status and fees can be paid at the cashier. At the end of the process, a Certificate of Incorporation and the Certificate of Share Capital will be issued. This process might take two days.

4. Acquire a Tax Payer’s Identification Number

A Tax Payer’s Identification Number is obtained at the Zambia Revenue Authority and is a compulsory requirement.

5. Register for Social Security

To register a company with the National Pension Scheme Authority (NAPSA), an Employer Registration Form must be filled out and a copy of the Certificate of Incorporation attached. Each company employee must also complete a Membership Registration Form and attach copies of their National Registration Cards.

8B. SMALL AND MEDIUM ENTERPRISES AND THE ZAMBIAN BANKING SYSTEM

(See Annex 5, Access to Finance)

The banking industry still regards the SME sector as risky due to the high number of defaults on loans

Overview

The SME sector is slowly becoming attractive to commercial banks, microfinance institutions and other financial institutions in Zambia. However, the banking industry still regard the SME sector as risky due to the high number of defaults on loans. Only a handful of banks have developed a unique policy specifically for the SME sector, where their needs and requirements have been considered.

Still, most banks consider the SME sector risky and have made no special policies for them. SME loan requests are always well-scrutinised. Some of the financial institutions only consider overdrafts for a maximum of half a year which will only be renewed after further considerations (see Overdrafts, below). In fact, the terms and conditions offered to SMEs are worse than those offered to larger firms. While the larger companies are given longer periods to pay back credit, SMEs have a shorter timeframe. In most cases, the small enterprises and large enterprises alike provide collateral in the form of deposits or other forms that satisfy the Bank of Zambia (BoZ) classification of a secured facility.

Though banking policies towards SMEs are less than ideal, exporting SMEs are encouraged to open an account with their preferred bank and establish a good relationship with their banker. Gaining a banker’s trust can go a long way in helping producers benefit from the bank’s services such as advisory, pre- and post-shipment finance, guarantees, overdrafts, documentary export collections, customised solutions for SME unique trade requirements, timely payments and collections of proceeds from commercial flows, and flexible structured trade financing.

*Gaining
a banker's
trust can go
a long way in
helping you
benefit from
the bank's
services*

The few banks that have specific policies for SMEs are Barclays Bank, Stanbic, Investrust Bank, National Savings and Credit Bank, and Standard Chartered Bank. These banks have an SME desk and usually provide the sector with a minimum loan facility in order to create a relationship and to facilitate deposits from small businesses. Since most banks and other financial institutions do not have customised or unique products for small businesses, they attempt to serve smaller businesses with a modified product designed for so-called 'small' corporate clientele.

Purchase Order Loans from Banks

Zambian banks arrange short-term loans based on Purchase Orders (PO) to clients with business accounts and a good relationship with the bank. A purchase order (PO) is a legal document sent to the Zambian handicraft company by the buyer or client that authorises the sale. It contains the date of the order, name and address of purchasing company, description and quantity of products, pricing details, payment information, purchase order number, and any additional information particular to the order.

It is important to note that sometimes loan processing can take some time, and this time needs to be considered when negotiating deadlines with your client.

8C. ALTERNATIVE SOURCES OF FINANCE

The following are common and practical means by which small and medium enterprises can access operational or start-up financing in Zambia:

- **Bank Loans and Overdrafts;**

These are relatively common and yet unpopular sources of finance for small businesses in Zambia. This is because of the stringent eligibility requirements and high interest rates that range between 25% to 30% per annum, which are difficult for small enterprises to afford. The repayment periods also tend to be very short, making it even more challenging for smaller businesses.

In addition to the high interest charged by the banks in Zambia, they also require collateral in the form of fixed assets that can be liquidated in case of a default in payment. Overdrafts are usually for shorter periods than loans and they tend to be more expensive. However, overdrafts are more flexible and can help businesses meet immediate cash needs when there is little time to process a loan. Furthermore, exporting SMEs can negotiate a less expensive overdraft of less than 25% based on their savings and transactional record and their relationship with the bank.

- **Advances from Buyers**

(Also see Section 3c, Managing Orders)

In the handicraft industry across Africa, it is standard practice for buyers to pay 50% in advance. Payments are made via wire transfer, mobile money transfer or MoneyGram. Only the very large buyers that order many containers do not offer advances. However, they will often work with their Zambian client to help them get Purchase Order financing.

Advances are, in fact, no-interest loans given to the artisan company to finance production. It is expected that these advances will be used to purchase raw materials and finance production costs. However, small companies often view this loan as a personal resource and use the funds to pay school fees or other immediate expenses. This often results in delays and the inability to fully finance production and meet deadlines. The negative result of this is that the buyer loses confidence and ceases to place more orders. This loss could be significant and could mean the loss of potentially large, on-going orders for many years to come.

- **Mobile Money and Transfer Services**

In Zambia, the Mobile Money Service provides SMEs with an alternative method to receive funds and make payments and it is accessible in remote areas. Mobile Money Service providers include Airtel Money Service, MTN Money Service, Cell Z Money Service and Zoona Mobile Money Service. Artisans can receive funds from and make payments to international buyers using mobile money. For example, Airtel Money users can make international transfers to Airtel subscribers for a K10 fee. The Airtel website¹⁹ provides a detailed list of their tariffs.



Many buyers use MoneyGram²⁰ in the countries where they work, as they find it easy to use, economical and efficient. MoneyGram services are available through ZamPost and many banks throughout Zambia.

- **Micro Finance Institutions (MFIs)**

The Bank of Zambia records show that Zambia has over twenty-five active microfinance institutions providing various finance services to SMEs and artisans. Most of these MFIs provide short-term financing of between three to thirty-six months to entrepreneurs usually not covered by commercial banks.

However, there are many challenges to getting working capital and trade finance from the MFIs. There is an excessive cost of borrowing ranging from a low of 42% per annum from the

*Zambia has
over 25
active
microfinance
institutions
providing
various
finance
services to
SMEs and
artisans*

The Zambian Government supports several funds for SMEs operating in various sectors including handicrafts

Christian Empowerment Microfinance, to over 118% per annum from the Microloan Foundation, the highest interest MFI.

This excessive cost of borrowing is due to very high fees, such as loan processing fees, administration fess, insurance, and commitment fees. These sources of funds are not ideal for handicrafts artisans as they will inevitably result in defaults.

8D. GOVERNMENT AGENCY SUPPORTED FUNDS

The Zambian Government supports several funds for SMEs operating in various sectors, including handicrafts. Two such funds offered under the Ministry of Commerce Trade and Industry are detailed below: the Citizens Economic Empowerment Fund (CEEF) and the Zambia Export Development Fund (ZEDEF), both of which are managed by the Zambia Development Agency. Artisans or exporting handicraft SMEs wishing to apply to the funds can either request the application forms from the Fund Manager using the contact details provided in the annex or can visit the ZEDEF offices in person at the Information Resource Centre, Kwacha House Annex, Cairo Road in Lusaka.

The Citizens Economic Empowerment Commission (CEEC)

The Citizens Economic Empowerment Act No. 9 of 2006 provides for the creation of the Citizens Economic Empowerment Fund (CEEF). CEEC offers three types of funding to citizens’ Micro, Small and Medium-Sized Enterprises (MSMEs), namely project finance, micro finance and micro credit.

- **Project Finance**

CEEC provides secured loans with a maximum term of sixty months, tailored to the nature of the business. The applicable interest is 12% per annum. CEEC mainly targets businesses applying for processing while ensuring that the entire value chain is functional, therefore the applicant specifies its value chain. All loans must be secured with 100% security or collateral unless otherwise approved by the Board.

This fund is available to all legal businesses and is financed from the Government treasury. The waiting time is variable as it depends on many factors, including the availability of funds. On average, it could take between three to twelve months. There is a high demand for this form of financing because it is a less expensive alternative.

- **Micro Finance**

This product is for loan amounts below K50,000, for a maximum term of thirty-six months and with interest at 12% per annum, while collateral requirements are optional.

- **Micro Credit**

The micro credit facility is mainly for traders who need working capital. Interest is charged at 3% per month and the maximum term is six months. No collateral is required. Repayment terms can be extended if the loan is given during production or another period when funds cannot be accessed from clients.

For all the loan products detailed above, the interest rate will be charged using the reducing balance method and not a flat rate. This means that the interest rate is calculated every month on the outstanding loan amount, so the total monthly repayment includes interest payable for the outstanding loan amount for the month in addition to the principal repayment. After every monthly payment, the outstanding loan amount gets reduced. Therefore, the interest for each following month will decrease as it is calculated only on the outstanding loan amount.

*The Zambia
Export
Develop-
ment Fund
disburses
short-term
finances to
exporting
SMEs*

The Zambia Export Development Fund (ZEDEF)

The Zambia Export Development Fund is implemented by the Zambia Development Agency. The fund disburses short-term finances to exporting SMEs—both as companies and as producer associations—for working capital, export mentoring and information, and pre- and post-shipment purposes.

Negotiable loan terms:

- Loans range between US\$10,000 to US\$100,000
- Interest rates are set at the Intercontinental Exchange London Interbank Offered Rate (LIBOR) + 6%
- Short-term loans of up to twelve months
- Ability to fund 25% required co-financing contribution
- 3% management/appraisal fee (upfront payment upon approval of the loan)
- K250 application fee (non-refundable)

Who is eligible:

- Exporters or export-ready enterprises in non-traditional exports including handicrafts
- Zambian-owned or partly-owned entities but with Zambian majority shareholding evidenced by proof of residence of directors/owners

Application Requirements:

- Completed ZEDEF Application Form
- Business Plan with export plan and delivery strategy
- Evidence of existing capacity and potential for export capable market
- Minimum annual turnover of K450,000

*Check
embassy
websites for
guidelines
on their
priorities or
specific
interests*

- Ability to fund 25% required co-financing contribution
- Evidence of tax clearance and registration certificates
- Latest bank statements for the past six months
- Copies of proposed collateral and proof of no encumbrances

International Embassies Small Project Funds

Many embassies offer community grants where producers or artisan companies can request grant funds for their projects. Embassy grants often require a 50% contribution, either in-kind, financial or a combination of both. Rarely do these grants exceed US\$20,000.

Many embassies have priorities and/or specific interests, and many post guidelines on their website.

8E. SUMMARY OF PAYMENT METHODS

Payment method	Description	Costs	Challenges/Risks for SMEs	Benefits for SMEs
Letter of Credit (L/C) (See Annex 5 for details)	<p>An L/C is a written instruction by the importer's bank to the exporter's bank to pay the exporter upon complying with the requirements spelled out in the L/C.</p> <p>The documents supplied by the exporter to the importer include:</p> <ul style="list-style-type: none">• 6 Commercial invoices• Packing list• Certificate of Origin• A full set of "shipped on board" Bills of Lading, marked "To Order of Shipper" and showing that the freight would be paid by the buyer.	<p>Post-shipment finance; under export Letter of Credit.</p> <ul style="list-style-type: none">• Deducted from proceeds 0.75% of total value• Arrangement fee 1%• Interest Libor +2.5% per annum <p>Inward Letter of Credit (exports)</p> <ul style="list-style-type: none">• Advising 0.25%• Document negotiation and handling 0.75%• Letter of Credit 0.5% per month	<p>L/Cs are not necessarily easy or obvious to operate. Because many exporters fail to present conforming documents, a high percentage of first presentations are rejected.</p>	<p>Payment by L/C is the most certain method for payment (provided that all documents are in compliance).</p> <p>As a separate contract, the exporter is protected against non-payment in case of a dispute under the sales contract; with a confirmed L/C, the exporter has protection for credit and country risk.</p>
Documentary collection	<p>Documentary Collection, a fee-based service, is executed when a buyer has not paid and the exporting SME asks their bank to collect the payment for them. Their bank sends the shipping documents to the importer's bank together with payment instructions.</p>		<p>The buyer's non-payment or non-acceptance, though the exporter would still retain control and title to the goods allowing for re-sale.</p>	<p>Easy to effect; much simpler than L/Cs though it provides no country risk cover and hence should be used in stable environments where the documents can be well controlled.</p>

Access to Finance

Payment method	Description	Costs	Challenges/Risks for SMEs	Benefits for SMEs
Open account	<p>Open account occurs when a seller ships the goods and all the necessary shipping and commercial documents directly to a buyer who agrees to pay a seller's invoice at a future date.</p> <p>Open account is typically used between established and trusted traders.</p>	<p>Foreign currency bank account Minimum balance US\$1,000 British pounds £500</p> <p>Service fees per month US\$25 £12.5</p>	<p>This method relies greatly on trust between trading parties.</p>	<p>Extremely easy to arrange but collection can be difficult, and buyers' delayed payments are a common occurrence. To be used when there is great trust in the buyer, or the buyer has great negotiating power to demand; the country should also be stable politically, economically and legally.</p>
Overdraft & loans	<p>An overdraft is an extension of credit from a bank when an account reaches zero balance. Overdraft means that the bank allows customers to borrow a set amount of money at a given interest.</p>	<p>Interest MPR + Margin Arrangement fee 3%</p>	<p>Risk of seizing and overdrafts have high interest rates</p>	<p>An overdraft allows the artisan or SME to withdraw money from the account despite having no balance.</p>
Guarantee by Bank	<p>The artisan company arranges this with their bank. The bank guarantee is a promise from their bank that if a borrower defaults on a loan, the bank will cover the loss.</p>	<p>2% for six months</p>	<p>Risk of seizing on collateral</p>	<p>Reduction of financial risk. The need for bank guarantees arose because of increased defaults by buyers.</p>

Notes

[illegible]

[illegible]

Annexes

ANNEX 1 - RELEVANT CONTACTS

Government Agencies	
Ministry of Commerce Trade and Industry Government Complex P.O. Box 31968 Nasser Road Lusaka, Zambia Tel: 00260 211 228301/9 Email: comtrade@zamnet.zm	Zambia Development Agency (ZDA) P.O. Box 30819 Privatisation House Nasser Road Lusaka, Zambia Tel: 00260 211 220177 / 222858 Fax: 00260 211 225270 Email: info@zda.org.zm www.zda.org.zm
Zambia Export Development Fund Zambia Development Agency P.O. Box 30819 Privatisation House Nasser Road Lusaka, Zambia Tel: 00260 211 220177 / 222858 Fax: 00260 211 225270 www.zda.org.zm	Zambia Agricultural Research Institute Mt Makulu Central Research Station Private Bag 7 Chilanga, Zambia Tel: 00260 211 278130/380 Fax: 00260 211 278130/41 Email: mtmakulu@zamnet.zm zaridirector@zari.gov.zm www.zarigov.zm
Patents and Companies Registration Agency P.O. Box 30819 Lusaka, Zambia Tel: 00260 211 255127 / 255127 Fax: 00260 211 255426 Email: pro@pacra.org.zm www.pacra.org.zm	Zambia Revenue Authority Customs Services Revenue House P.O. Box 35710 Lusaka, Zambia Tel: 00260 211 382913
Zambia Bureau of Standards Lechwe House, Freedom Way P.O. Box 50259 Lusaka, Zambia Fax: 00260 211 238483 Email: zabs@zamnet.zm www.zabs.org.zm	Ministry of Land and, Natural Resources Forestry Department 2nd Floor Kwacha House Annex Cairo road Lusaka, Zambia Tel: 00260 211 226131
National Arts Council of Zambia Acacia House, Kwacha House Annex Cairo Road Lusaka, Zambia PO Box 50812. Lusaka Tel: 00260 1 20639 Fax: 00260 1 220638 nacz@naczambia.org.zm	

Business Associations and Chambers of Commerce	
Zambia Association of Chambers of Commerce and Industry Showgrounds Great East Road P.O. Box 30844 Lusaka, Zambia Tel: 00260 1 252483 / 253020 Fax: 00260 1 252483 E-mail: zacci@zamnet.zm www.zacci.org.zm	Zambia Chamber of Small and Business Association Secretariat Bluegum Walk Showgrounds P.O. Box 32932 Lusaka Zambia Tel: 00260 211 253372 / 254855 Fax: 00260 211 253013
Associations	
Zambia Customs Forwarding and Freight Association P.O. Box 31620 Plot 3138, Buyantashi Road Lusaka, Zambia Tel: 00260 211 241851 Mobile: 0026 0971054067 Fax: 00260 211 247622 Email: secretariat@zcfaa.co.zm www.zcfaa.co.zm	Handicrafts Association of Zambia Plot L/2085 Airport Road, Chelstone Lusaka, Zambia Mobile: 0026 0977796332 Fax: 00260 211 221949
Lumber Millers Association of Zambia Plot 3283A, Mungwi Road Private Bag E891 Lusaka, Zambia	Timber Producers Association Malche House Room 2 Off Chandwe Musonda Road P.O. Box 3324 Lusaka, Zambia Tel: 00260 211 221346 Fax: 00260 211 226270
Zambia Association of Manufactures Stand No. 2374, Showgrounds P.O. Box 424 Private Bag E891 Lusaka, Zambia Tel: 00260 211 253696 Fax: 00260 211 253693 Email: zam@zamnet.zm	Small Scale Industries Association of Zambia Kwacha House Annex, Cairo Road P.O. Box 365 Lusaka, Zambia Tel: 00260 211 234072 Fax: 00260 211 234073 Email: ssiaz2005@yahoo.com

Annex 1 - Relevant Contacts

Contacts Relating to Standards	
Zambia Bureau of Standards Lechwe House, Freedom Way P.O. Box 50259 Lusaka, Zambia Fax: 00260 211 238483 Email: zabs@zamnet.zm www.zabs.org.zm	Bureau Veritas Zambia Mass Media Plot 35200 Alick Nhata Road P.O. Box 35688 Lusaka, Zambia Tel: 00260 976 280 288 Fax: 00260 961 280 280
Internet Links for Standards Issues: <ul style="list-style-type: none">• American National Standards Institute https://webstore.ansi.org/safety_standards/consumer-products/• International Council of Toy Industries http://www.toy-icti.org/info/toysafetystandards.html• The Wood Database (CITES List) https://www.wood-database.com/wood-articles/restricted-and-endangered-wood-species/• Cites List https://cites.org/• United States Department of Agriculture https://www.aphis.usda.gov/aphis/ourfocus/planthealth/SA_Export	
Handicraft Value Chain Consultants	
Charles Mulombwa Value Chain Development Specialist AfDB SDEP-SWY Citizens Economic Empowerment Commission Annex Office Block Lusaka, Zambia Mobile: 0026 0977803087 Email: charles_mulombwa@yahoo.com	Gustav Adu Lacey Act and Wood Environmental Specialist Director, Kumasi Wood Cluster and GTF West Africa Representative P.O. Box WJ 588, Weija Accra, Ghana Tel: 00233 (0) 243 311 579 Email: gustavadu@gmail.com
Janet Fredman Product Development and Design Janet Fredman Designs Lusaka, Zambia Mobile: 0026 0978625847 Email: janetfredman@gmail.com	Gillie Lightfoot Design and Product Development Consultant Lightfoot Zambia Sugarbush Farm, Leopards Hill Road Lusaka, Zambia Mobile: 0026 0977874771 Email: Gillie@lightfootzambia.com www.lightfootzambia.com Instagram: @Lightfootzambia
Elaine Bellezza International Handicraft Value Chain Expert Bellezza Global Consulting Santa Fe, New Mexico, USA Tel: 001 415 488 7740 Email: info@bellezzaglobalconsult.com	Rosie Mercer Business and Transport Consultant Lusaka, Zambia Mobile: 0026 0976862325 Email: mercer.rosie@gmail.com

ANNEX 2 — PHOTO QUOTE
(Section 3, Working with International Buyers/Importers)






Your Company Name		Client Name		Prices Valid Through DATE	
Can be organized by collection		BLACK TRIANGLE COLLECTION		Put "valid through" on pricing documents	
Image	Price - 100 pc	Price 100+ pc	Name & Description	Notes	
	\$20	\$12	Black & White Triangle Cushion Cover 100% Cotton 50 x 50cm Cushion insert not included Side zipper (white)	Can be in custom sizes Also in Pink 	
	\$10	\$5	Black & White Triangle Basket 100% Cotton 15 x 20cm Black ribbon handles	Can be in custom sizes Also in Pink	
	\$35	\$20	Black & White Triangle Throw 100% Cotton 2m x 120cm	Can be in custom lengths Limited to 120cm width Also in Pink	
	\$1 ea	\$.50 ea	Tassels	Tassels in many colors can be added to pieces	

Photo Quote Blank Template

Your Company Name		Client Name		Prices Valid Through DATE	
Quote or collection name					
Image	Price - 100 pc	Price 100+ pc	Name & Description	Notes	

ANNEX 3 — MANUFACTURERS OF PACK MATERIALS

Packaging Suppliers	
Nampack Zambia Plot 8212, Mungwi Road Heavy Industrial Area Lusaka, Zambia Tel: 00260 211 243616 / 247315 Fax: 00260 211 247199	Polymer Containers Kabelenga Road Lusaka, Zambia Tel: 00260 211 232256 / 233721 / 236060 Fax: 00260 211 236060 Email: polymer@coppernet.zm
Kings Plastic Limited Plot 8523, Cairo Rd P.O. Box 32193 Lusaka, Zambia Tel: 00260 211 236776 / 236777 / 232598 / 220897 Fax: 00260 211 236272 Mobile: 00260 55 778 890 Email: ambro@zamnet.zm	

ANNEX 4 — ZDA EXPORT GUIDE

EXPORT OF GOODS PROCEDURE

A. Legal Provisions

Sections forty-seven to fifty-four of the Customs and Excise Act; and Regulation thirty-one to thirty-nine of the Customs and Excise (General) Regulations, 2000, are the legislative provisions for the administration of exports from Zambia.

B. Required Procedure for Exports

Goods for Commercial Use

Goods for commercial use intended for export must be entered on a Customs Form called the CE 20 or the single administrative (SAD) document. The Form CE 20 is a customs document where import and export declarations are made. Currently the form is electronic and can only be accessed by a Clearing Agent licensed by the Customs Services Division of the Zambia Revenue Authority.

A complete declaration in Form CE 20 is accompanied by supporting documents such as but not limited to;

- Consignment Notes;
- Export permits;
- Commercial invoice;
- Packing List;
- An Airway Bill if goods are being exported by air;
- Cargo Manifest;
- Certificates of Origin, etc.

Certificates of Origin may not necessarily form part of the supporting documentation as they can be issued after the declaration has been presented for processing. It should be noted that certificates of origin may or may not be part of the attachments. Certificates of origin are obtained for the purposes of enjoying duty market access in countries that Zambia has entered into a reciprocal or non-reciprocal trade agreement with such as COMESA, SADC, the European Union, India, China and the U.S.A.

A Zambian certificate of origin can be obtained for the purposes of certifying the goods as a Zambian originating product and not to accord any duty-free market access as is the case with the certificates of origin for goods exported to COMESA, SADC, the EU, U.S.A., China and India.

Goods Exported as Samples

A Form CE 20 may be dispensed with in the case of travelers' samples being exported temporarily for exhibition and a certificate of origin may be obtained if necessary. If the sample is a restricted or controlled product, an export permit has to be obtained from the responsible Government agency that issues the permit.

C. Export of goods under Preference

The Customs and Excise Division of the Zambia Revenue Authority administers the Certification of Zambian originating goods for export under preferential treatment in the various protocols of Trade that the country is party to through bilateral and multilateral agreements. Some of these agreements are on a reciprocal while others are on a non-reciprocal basis.

These preferences generally confer reduced duty rates or duty free market access for qualifying goods as per rules of origin set out in the agreements. Currently the preferences being administered in Zambia are as follows:

- 1) COMESA
- 2) GSP
- 3) SADC
- 4) CHINA- SPTT
- 5) INDIA
- 6) AGOA

D. Registration of Exporters Procedure

For exporters/producers to enjoy this preferential treatment under these agreements, they have to be registered with the Zambia Revenue Authority after a thorough documentary analysis and verification visit to ensure conformity with the provisions under the agreement(s) applied for. This should be done prior to the exportation of goods. The products are then certified based on whether or not they meet the set criteria in the agreement

The company/exporter is formally registered and assigned a registration number, which is communicated through a letter. This function is centrally done at the ZRA Head Office by the International and Policy Unit.

The procedure to be registered as an exporter is as follows.

- 1) Write a formal application letter to the Assistant Commissioner International and Policy and provide the mandatory information below:
 - a) Company name, physical and postal address, telephone number and email address.
 - b) Directors and company contact persons.
 - c) List of goods manufactured or produced.
 - d) List of raw materials (input materials in the case of farming) used in their respective source (import documents for imported raw materials and invoices for locally-sourced raw materials).
 - e) List of the goods to be exported under preference.
 - f) If the applicant is not the producer or manufacturer, indicate the source of the products to be exported under preference.
 - g) Detailed step-by-step outline of the process of manufacture of the product(s).
 - h) Cost analysis for the production process based on acceptable accounting practice(s) Imported costs and local costs indicated separately including other direct production costs per month as a percentage of the total ex-factory cost.
 - i) Tax Clearance Certificate and Certificate of Incorporation.
 - j) Mining License if it is a mining company.
- 2) The officers may require an inspection of the premises to verify processes and other requirements under the agreements applied for.
- 3) They will then go on to evaluate the information, costs and source of materials involved in the production to determine exactly which of the criteria the products may qualify under.

Annex 4 - ZDA Export Guide

E. Registration Under the REX System

Since the reformation of the European Union (EU) GSP rules of 2010, a series of relaxations were prompted. One such relaxation whose implementation was deferred to 1 January 2017, is the self-certification facility for rules of origin by exporters. This entails that the GSP Form A that was initially used for export into the EU has been replaced. In order to enjoy the system of self-certification, the exporter needed to be registered free of charge by the competent authorities of the beneficiary countries in an electronic system called the 'Registered EXporter System (REX system).

The following are the steps for the application process under the REX:

- 1) Fill in the pre-application form (online) using this website address <https://customs.ec.europa.eu/rex-pa-ui/> (ensure that all fields are filled in correctly with the required information)
- 2) Validate the form
- 3) Save the completed form (a very important step for registration purposes)
- 4) Print the completed form
- 5) Sign and forward to the international and policy office (ZRA HQ) for registration

It is important however, to note that the exporter is still required to provide the relevant information regarding the production, manufacturing or purchase of the product to be registered. This will enable the competent authority to establish if the product does qualify for export under the EU GSP Rules of Origin.

F. Other General Information

The declaration of goods for export at exportation shall be affected by the payment, within five (05) working days, of the duty due on the goods at the time of presentation of the declaration of the goods or the registration of the declaration of the good on the Customs Computer System. Goods whose declaration has been lodged with Customs for export are required to exit from Zambia within five (05) working days from the date of their release from customs.

ANNEX 5 — SHIPPING INFORMATION

*The following lists are abbreviated and not comprehensive lists
nor are they recommendations*

Courier Companies	
DHL International (Zambia) Limited Plot 2411 Corner Parirenyatwa and Makishi Road, Fairview P.O. Box 31395 Lusaka, Zambia Tel: 00260 211 229768/00260 211 376400	Fedex P.O. Box 33744 Plot 4174, Nangwenya Road, Rhodes Park Lusaka, Zambia Tel: 00260 211 252065/252189/252191 Fax: 00260 211 252585
T M P Worldwide Delivery / Mercury Express Plot 6392, Dundudza Chisidza Rd, Longacres Lusaka, Zambia Tel: 00260 211 257361/ 0211 257364	T N T Express Worldwide Unit 34 Arcades Shopping Centre Lusaka, Zambia P.O. Box 34836 Lusaka, Zambia Tel: 00260 211 256461/ 0211 256462
Freight Forwarders	
Hellman Worldwide Logistics Reg 1972/013767/07 Plot 3056 Makishi Road Lusaka, Zambia Tel: 00260 211 238325 Mobile: 0026 0976932646 www.hellmann.com	Hill + Delamain (Zambia) Limited Plot 7216, Kachidza Road P.O. Box 30899 Lusaka, Zambia Tel Dir: 00260 211 286518 Tel: 00260 211 286480/91 Mobile: 0026 0977640216 Fax: 00260 211 286484/286483 Email: lusaka.manager@hdcargo.co.zm
Kaimbi Cargo Masters and Courier Services Limited TAZARA House 5th Floor, Northern Wing Lusaka, Zambia Tel: 00260 211 840560/5/6 Mobile: 0026 0977779999/0966779999 Email: kaimbi.cargo@yahoo.com	Continental Freight Services Limited 8485 Lumumba Rd P.O. Box: 33772, Lusaka Main Lusaka, Zambia Tel: 00260 211 287695/ 0211 286963/ 0211 287846
Cargo Network Express Limited Kulima Tower BldgKatunjila Rd Lusaka, Zambia Tel: 00260 211 234937 Fax: 00260 211 238234	

Annex 5 - Shipping Information

Transport Companies	
J & J Transport Zambia Limited Plot 50, 15 Linda Road Bwanaventure Lusaka, Zambia Tel: 00260 211 278016 Email: info@jjzambia.com www.jjafrica.com	Celtic Freight · Haulage and Logistics Plot #10936, Off Mukatasha Road Lusaka, Zambia Tel: 00260 211 846296/846297 Mobile: 0026 0977640568/ 0971582002/ 0977790991/0979999915 Email: exports@celtic.co.zm/ celticadmin@celtic.co.zm
Air Freight Companies	
Kenya Airways, Freight 3rd Floor, Maanu Centre Addis Ababa Round About P.O. Box 31856 Lusaka, Zambia www.kenya-airways.com Tel: 00260 211 367200/271163 Fax: 00 260 211 228902/234040	South African Airways Southern Sun Ridgeway Hotel Lusaka, Zambia Tel: 00260 211 254350 Fax: 00260 211 254064 Airport Office Tel: 00260 211 271101
Ethiopian Airlines Indo Zambia Bank Building Cairo Road PO Box 38392, Lusaka Main Lusaka, Zambia Email: luncto@zamnet.zm www.ethiopianairlines.com Tel: 00260 211 236402/ 00260 211 236403/ 00260 211 236401 Fax: 00260 211 236401	Stabo Air Limited Plot 1257, Mambilima Road, Rhodes Park Lusaka, Zambia Email: stabo@zambia.zm Tel: 00260 211 235976 Mobile: 0026 0966778812 / 0974772373 Fax: 00260 211 233481 / 00260 211 222013 E-mail: info@staboair.com
NAC2000 Corporation Limited (Airlines Freight Forwarding company) Freight Village Kenneth Kaunda International Airport P.O. Box 33650 Lusaka, Zambia Tel: 00260 211 271012 Fax: 00260 211 271357	

ANNEX 6 — SHIPPING DOCUMENTS

Packing List

Packing List

DATE: _____

TO

FROM

SHIP DATE: _____

SHIP VIA: _____

F.O.B. SHIPPING POINT: _____

ACCOUNT NO.: _____

ORDER NO.: _____

DEPARTMENT: _____

TERMS - NO ANTICIPATION

QUANTITY ORDERED	QUANTITY SHIPPED	PRODUCT NUMBER	DESCRIPTION	UNIT WEIGHT	TOTAL WEIGHT	TOTAL CUBIC FT.
		TOTALS		TOTALS		

COMMENTS

Packing List
Commercial Invoice

<div>Logo</div> <div>COMPANY NAME</div> <div>INVOICE</div>		<table><tr><td>Invoice Date</td><td></td></tr><tr><td>Due Date</td><td></td></tr><tr><td>Client Purchase Order</td><td></td></tr><tr><td>My Reference</td><td></td></tr></table>		Invoice Date		Due Date		Client Purchase Order		My Reference	
Invoice Date											
Due Date											
Client Purchase Order											
My Reference											
CLIENT DETAILS		YOUR COMPANY DETAILS									
1234 Street Town City, Zip Code Country		6789 Street Town City, Zip Code Country									
Qty	Description	Unit Price	Total								
Subtotal											
Tax											
Total Due											
SEND PAYMENT TO		PAYMENT INSTRUCTIONS									
Bill to information		Put your own payment instruction.									
NOTES											


Bill of Landing

Date:		BILL OF LADING		Page 1 of _____				
SHIP FROM		Bill of Lading Number: _____ <div style="text-align: center; font-size: 1.2em; color: gray;">BAR CODE SPACE</div>						
Name: _____								
Address: _____								
City/State/Zip: _____								
SID#: _____ FOB: <input type="checkbox"/>								
SHIP TO		CARRIER NAME: _____ Trailer number: _____ Seal number(s): _____ SCAC: _____ Pro number: _____ <div style="text-align: center; font-size: 1.2em; color: gray;">BAR CODE SPACE</div>						
Name: _____ Location #: _____								
Address: _____								
City/State/Zip: _____								
CID#: _____ FOB: <input type="checkbox"/>								
THIRD PARTY FREIGHT CHARGES BILL TO:		Freight Charge Terms: (<i>freight charges are prepaid unless marked otherwise</i>) Prepaid _____ Collect _____ 3rd Party _____ <input type="checkbox"/> Master Bill of Lading with attached underlying Bills of Lading <small>(check box)</small>						
Name: _____								
Address: _____								
City/State/Zip: _____								
SPECIAL INSTRUCTIONS: _____								
CUSTOMER ORDER INFORMATION								
CUSTOMER ORDER NUMBER		# PKGS	WEIGHT	PALLET/SLIP <small>(CIRCLE ONE)</small>		ADDITIONAL SHIPPER INFO		
				Y	N			
				Y	N			
				Y	N			
				Y	N			
				Y	N			
				Y	N			
				Y	N			
				Y	N			
GRAND TOTAL								
CARRIER INFORMATION								
HANDLING UNIT		PACKAGE		WEIGHT	H.M. (X)	COMMODITY DESCRIPTION <small>Commodities requiring special or additional care or attention in handling or stowing must be so marked and packaged as to ensure safe transportation with ordinary care. See Section Two of NMFC Item 380.</small>	LTL ONLY	
QTY	TYPE	QTY	TYPE				NMFC #	CLASS
GRAND TOTAL								
<div style="text-align: right; font-weight: bold; color: gray;">RECEIVING STAMP SPACE</div>								
Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property as follows: The agreed or declared value of the property is specifically stated by the shipper to be not exceeding _____ per _____.						COD Amount: \$ _____ Fee Terms: Collect: <input type="checkbox"/> Prepaid: <input type="checkbox"/> Customer check acceptable: <input type="checkbox"/>		
NOTE Liability Limitation for loss or damage in this shipment may be applicable. See 49 U.S.C. • 14706(c)(1)(A) and (B).								
RECEIVED, subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise to the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.						The carrier shall not make delivery of this shipment without payment of freight and all other lawful charges.		
SHIPPER SIGNATURE / DATE This is to certify that the above named materials are properly classified, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the DOT.						Shipper Signature _____		
<u>Trailer Loaded:</u> <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver		<u>Freight Counted:</u> <input type="checkbox"/> By Shipper <input type="checkbox"/> By Driver/pallets said to contain <input type="checkbox"/> By Driver/Pieces		CARRIER SIGNATURE / PICKUP DATE Carrier acknowledges receipt of packages and required placards. Carrier certifies emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent documentation in the vehicle. Property described above is received in good order, except as noted.				

Airway Bill

406 - <small>AIRPORT OF DEPARTURE</small>		- 0000 0000		406 - 0000 0000	
SHIPPER'S NAME AND ADDRESS 1		SHIPPER'S ACCOUNT NUMBER		NOT NEGOTIABLE AIR WAYBILL <small>(AIR CONSIGNMENT NOTE)</small> 	
CONSIGNEE'S NAME AND ADDRESS 2		CONSIGNEE'S ACCOUNT NUMBER		Copies 1, 2, and 3 of this Air Waybill are originals and have the same validity. I agree the goods described herein are accepted in apparent good order and condition (except as noted) for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF (also available at www.aircharge-ups.com). ALL GOODS MAY BE CARRIED BY ANY OTHER MEANS INCLUDING ROAD OR ANY OTHER CARRIER UNLESS SPECIFIC CONTRARY INSTRUCTIONS ARE GIVEN HEREON BY THE SHIPPER, AND SHIPPER AGREES THAT THE SHIPMENT MAY BE CARRIED VIA INTERMEDIATE STOPPING PLACES WHICH THE CARRIER DEEMS APPROPRIATE. THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIER'S LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplemental charge. Received in good order and condition at <u>20</u> <small>Place</small> on <u>21</u> <small>Date/Time</small> <u>22</u> Signature of Consignee or his agent: 23	
ISSUING CARRIER'S AGENT NAME AND CITY		ALSO NOTIFY NAME AND ADDRESS (OPTIONAL ACCOUNTING INFORMATION) 24			
AGENT'S IATA CODE		ACCOUNT NO.			
AIRPORT OF DEPARTURE (ADDRESS OF FIRST CARRIER) AND REQUESTED ROUTING 3					
ROUTING AND DESTINATION TO BY FIRST CARRIER		TO BY		TO BY	
AIRPORT OF DESTINATION 4		FLIGHT/DATE		FLIGHT/DATE	
HANDLING INFORMATION 7		CURRENCY		DECLARED VALUE FOR CARRIAGE 5	
NO. OF PIECES RCP		GROSS WEIGHT kg		DECLARED VALUE FOR CUSTOMS 6	
RATE CLASS		COMMODITY ITEM NO.		AMOUNT OF INSURANCE	
CHARGEABLE WEIGHT		RATE / CHARGE		INSURANCE - If shipper requests insurance in accordance with conditions on reverse hereof, indicate amount to be insured in figures in box marked amount of insurance.	
TOTAL		NATURE AND QUANTITY OF GOODS (INCL. DIMENSIONS OR VOLUME) 14			
PREPAID		WEIGHT CHARGE		COLLECT	
A. VALUATION CHARGE		B. PICKUP CHARGES		OTHER CHARGES	
D. TAX		C. DELIVERY CHARGES		SHIPPER'S R.F.C. <small>(AMOUNT TO BE ENTERED BY SHIPPER)</small>	
TOTAL OTHER CHARGES DUE AGENT		Shipper certifies that the particulars on the face hereof are correct and that insofar as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by air according to applicable Dangerous Goods Regulations. 15			
TOTAL OTHER CHARGES DUE CARRIER		SIGNATURE OF SHIPPER OR HIS AGENT			
TOTAL PREPAID		EXECUTED ON			
CURRENCY CONVERSION RATES		16 17 18 19 (Date) (Time) at (Place)			
TOTAL COLLECT		SIGNATURE OF ISSUING CARRIER OR ITS AGENT			
FOR CARRIER'S USE ONLY AT DESTINATION		NO. 3 ORIGINAL FOR SHIPPER 406 - 0000 0000			
CHARGES AT DESTINATION		TOTAL COLLECT CHARGES			

Customs and Excise Document Form CE 20

ZAMBIA REVENUE AUTHORITY		ASYCUDAWorld		"World of e-Customs"	
		1 DECLARATION		Customs Reference	
		3 Forms	4 Load List	Manifest	
		5 Items	6 Nbr packages	7 Reference number	
		2014			
2 Exporter No.		8 Consignee No.		9 Financial No.	
14 Declarant No.		11 Trading		13 C.A.P.	
15 Country of export		15 C.E. Code		17 C.D. Code	
16 Country of origin		17 Country of destination			
19 Ctr.		20 Delivery terms			
21 Identity and nationality of active means of transport crossing the border		22 Currency & total amount invoiced		23 Exch. rate	
25 Mode transport		26 Inland mode		24 Nature of transac.	
28 Financial and banking data		Bank Code		Terms of payment	
30 Location of goods		32 Item		33 Commodity code	
31 Packages and description of goods		34 Cty. orig. Code		35 Gross mass (kg)	
36 Prefer.		37 PROCEDURE		38 Net mass (kg)	
39 Quota		40 Summary declaration / Previous document		S/L	
41 Supplementary units		A.I. Code		46 Statistical value	
44 Add. info Documents Produced Certificates and authorization		Licence No		D.Val	
47 Calculation of taxes		48 Deferred payment		49 Identification of warehouse	
50 Principal		Signature		C OFFICE OF DEPARTURE	
51 Intended offices of transit and country		Represented by		Place and date	
52 Guarantee not valid for		Code		53 Office of destination and country	
D CONTROL BY OFFICE OF DESTINATION		Stamp:		54 Place and date	

SADC Certificate of Origin

Registration No.		3. Country Ref. No. ZA A P166683			
1. Exporter (Name and Office Address)		SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) <i>CERTIFICATE OF ORIGIN</i>			
2. Consignee (Name and Office Address)		4. Particulars of transport:			
		5. For official use only			
6. Marks and numbers; number and kind of package, description of goods:		7. Customs Tariff No.	8. Origin Criterion (See overleaf)	9. Gross weight or other quantity	10. Invoice No. and date
(i) Marks and Nos.	(ii) Description of goods				
11. DECLARATION BY EXPORTER/SUPPLIER I, the undersigned, declare that the goods described above meet the conditions required for the issue of this certificate, and are originating in <i>(country)</i> Place and date		12. CERTIFICATION OF ORIGIN Declaration Certified: <div></div> (Origin Stamp and Signature) Certificate of Customs or Other Designated Authority		13. FOR CUSTOMS PURPOSES Export Document No. Date Customs Office Country Date <i>Signature</i> <div></div> <i>Stamp</i>	
..... <i>Signature</i>					

COMESA Certificate of Origin

COMESA CERTIFICATE OF ORIGIN		ZM Nr. 141688	
1. Exporter (name & office address) Exportateur (nom et adresse commerciale) Exportador (nome e endereço comercial)	Ref. No. No. de ref. No. de ref.		
2. Consignee (name & office address) Destinataire (nom et adresse commerciale) Destinatário (nome e endereço comercial)	COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA MARCHE COMMUN DE L'AFRIQUE DE L'EST ET DE L'AFRIQUE AUSTRALE MERCADO COMUM DA AFRICA ORIENTALE E AUSTRAL CERTIFICATE OF ORIGIN CERTIFICATE D'ORIGINE CERTIFICADO DE ORIGEM		
3. Country, group of countries in which the products are originating from Pay ou group de pays dont le produits sont originaires País, ou group de países originário do produto			
4. Particulars of transport Renseignements concernant le transport Informações relativos ao transporte	5. For Official use - Reserve à l'usage Official - Reservado para uso oficial		
6. Marks and numbers; number and kind of package, description of goods; Marques et numeros et types d'emballages; designation des marchandises; Marcas e numeros; quantidades e natureza das Embalagens; designação das mercadorias	7. Customs Tarrif No. Tariff douanier No. Direito aduaneiro No.	8. Origin criterion (See Overleaf); Critere d'origine (voir au verso); Critério de Origem (ver no verso)	9. Gross weight or other quantity; Poids brut ou autre quantite; Peso bruto ou outra medida
		10. Invoice No. No. De Facture Factura No.	
11. DECLARATION BY EXPORTER/PRODUCER/SUPPLIER* DECLARATION DE L'EXPORTATEUR/ PRODUCTEUR/OURNISSEUR DECLARACAO DO EXPORTADOR/ PROUCTOR/FORNECEDOR* I, the undersigned, hereby declare that the above details and statements are correct, that all goods are produced in..... Je soussigne, declare que les elements et decalarations ci-dessus sont corrects, et que les marchandises sont produites en..... Eu, abaixo assinado, declaro que as informacoes e declaracoes acima prestadas sao correctas que todos os produtos sao produzidos em..... Place, date, signature of declarant Lieu, date et signature du declarant Local, data e assinatura do declarante		12. CERTIFICATE OF ORIGIN CERTIFICATE D'ORIGINE CERTIFICADO DE ORIGEM It is hereby certified that the above-mentioned goods are of origin. Nous certifions que les marchandises sus-mentionees sont d'origine..... Certifica-se que os productos acima referidas sao originarios de..... Certificate of Customs or other Designated authority Certificat des duanes ou de autres autorites designees Certificado da alfandega ou de outra autoridade designada STAMP - SCEAU - CARIMBO	

*Please delete the description not applicable - Rayer les mentions inutiles - Riscar o que não interessar


Generalised System of Preferences Certificate of Origin

1. COPY

№ 023510

1. Goods consigned from (Exporter's business name, address, country)		Reference No.	
2. Goods consigned to (Consignee's name, address, country)		GENERALIZED SYSTEM OF PREFERENCES CERTIFICATE OF ORIGIN (Combined declaration and certificate) FORM A	
3. Means of transport and route (as far as known)		Issued in (country) See notes overleaf	
4. For official use			
5. Item number	6. Marks and numbers of packages	7. Number and kind of packages, description of goods	8. Origin criterion (see Notes overleaf)
			9. Gross weight or other quantity
			10. Number and date of invoices
11. Certification It is hereby certified, on the basis of control carried out, that the declaration by the exporter is correct.		12. Declaration by the exporter The undersigned hereby declares that the above details and statements are correct; that all the goods were produced in (country) and that they comply with the origin requirements specified for those goods in the Generalized System of Preferences for goods exported to (importing country) Place and date, signature and stamp of certifying authority	
		Place and date, signature of authorized signatory	

Phytosanitary Certificate



Republic of Zambia
PHYTOSANITARY CERTIFICATE
Plant Quarantine and Phytosanitary Service, Mount Makulu Research Station, P/B 7, Chilanga


Form No. 3
227905
RCT No.....

To: Plant Protection Organization (s) of:.....
This is to certify that the plants or plant products described below have been thoroughly inspected according to appropriate procedures on..... by..... and are considered to be free from quarantine pests and practically free from other injurious pest; and that they are considered to conform with the current phytosanitary regulations of the importing country.

Disinfestation and/or Disinfection Treatment

Treatment..... Date(s).....
Duration of exposure and temperature.....
Chemical (active ingredient) and concentration.....
Additional information.....

Additional declaration.....



(OFFICIAL STAMP)

.....20.....
(Signature)
(Rank)

DESCRIPTION OF THE CONSIGNMENT

Name and address of exporter.....
Declared name and address of consignee.....
Number and description of packages.....
Distinguishing marks..... Place of Origin.....
Declared means of conveyance..... Declared point of entry.....
Name of produce and quantity declared.....
Botanical name(s) of plants.....

Mineral Export Permit

Form XXVII
(Regulation 23)

REPUBLIC OF ZAMBIA

The Mines and Minerals Development Act, 2008
(Act No. 7 of 2008)
The Mines and Minerals Development (General) Regulations, 2008

PERMIT NO.

MINERAL EXPORT PERMIT
(Section 106 of the Mines and Minerals Development Act, No. 7, of 2008)

Exporter's name

Address.....

The permit relates to the following mineral or mineral products (or as per attached schedule)
.....

Valued atand is being exported to :
.....

The permit is granted for a period of commencing on the
day of

The conditions of grant of the permit are as shown in the Annexure attached hereto.

Issued at this day of

.....
Director

ENDORSEMENT OF REGISTRATION

This Mineral Export Permit has this day of.....
.....
been registered in the Register.

.....
Director

SPARE

International Sanitary Certificate
(for animal, animal products and non-animal products likened to health)



ISC Number: 02351

REPUBLIC OF ZAMBIA

MINISTRY OF LIVESTOCK AND FISHERIES DEVELOPMENT

DEPARTMENT OF VETERINARY SERVICES

INTERNATIONAL SANITARY CERTIFICATE

(for animal, animal products and non- animal products linked to animal health)

is to certify that the items hereunder listed being consigned by:

have been inspected and found to comply with the sanitary requirement(s) for export of the same to (name of country):-

R No.	Item Description	Quantity	Seal Mark

the packaging and sealing of the above named items been supervised by the undersigned and the seal mark on package(s) container(s) is listed.

Government Veterinary Officer ONLY:

Signature: _____

If Name: _____

Rank: _____

Amount paid: 

Official Stamp

Situation of copies:-

Original to accompany consignment Duplicate to consignee Triplicate to DHS Quadriguplicate to be returned

FOR USE BY THE VETERINARY EXPORT CERTIFICATE OFFICE ONLY

Is Number: _____ Veterinary Export certificate Number: _____


Date Issued: _____ Signature: _____

VALID WITHOUT AN OFFICIAL DATE STAMP AND VALID FOR ONE MONTH ONLY FROM DATE OF ISSUE.

This certificate serves as a receipt

Dangerous Drugs Licence

Form DD6
1m A235 2/77 S



FOR OFFICIAL USE ONLY

Reference No.

Licence No.

DANGEROUS DRUGS ACT, 1967

Application for Licence to Export and Corresponding Export Certificate
(Dangerous Drugs Regulation 44)

Attention is drawn to the instructions appearing overleaf. Delay will be caused if these instructions are not followed, or if any of the questions below are not answered, or if the declaration is not signed (see instruction 7).

SEPARATE APPLICATIONS MUST BE SUBMITTED IN RESPECT OF EACH CONSIGNMENT TO BE EXPORTED

a.

Full name and address of Exporter
(See instruction 7)

b.

Full name and address of Consignee
in importing country

c.

The drugs are to be exported:-
by rail fromstation by road via(state Port of exit)
by air-freight from(state airport)
Strike out the words inapplicable

d.

Approximate date of dispatch

e.

State the purpose for which the drugs are required for export
(if vague reasons only are given further inquiries may
be necessary, see instruction 5).

f.

Particulars of each item (see instruction 6) to be exported

Item No.	Quantity and Full Description of Each Item	Active Principal Content (in grammes)	Stocks on Hand

i hereby declare that to the best of my knowledge and belief all the particulars in this application are correctly stated, and in particular that the drugs, if their exportation is allowed, will not be used for any purpose other than that stated in paragraph (e).

Signed (see instruction 7)

Status

If on behalf of a firm or company, state position in firm or company

Date

106 Zambia Handicraft Export Guide 2019

Dangerous Drugs Export Certificate

Form D.D.5
1x Q266 11/85 S

REPUBLIC



OF ZAMBIA

Reference No:
Certificate No:
Date:

THE DANGEROUS DRUGS ACT
(LAWS VOL. VII CAP.95)

CERTIFICATE OF OFFICIAL APPROVAL OF EXPORT
OF DANGEROUS DRUGS

I hereby certify that the Minister of Health, being the Minister charged with the administration of the law relating to the dangerous drugs to which the 1951 Single Convention on Narcotic Drugs and the 1971 Convention on Narcotic Drugs and Psychotropic Substances apply, has approved the exportation by:

Of

to

subject to the conditions that –

(i) the consignment shall be exported before

; and

(ii) the consignment shall be exported by

And hereby grant to the aforementioned exporter a licence to export the drugs specified herein, subject to the conditions stated overleaf.


Signed on behalf of the Minister of Health

MINISTRY OF HEALTH
P O Box 30205
LUSAKA
ZAMBIA

for: Permanent Secretary
Ministry of Health

Duplicate copy - for information only.

Clearance Certificate For Timber Export

FDHQ/TEP No.of 2017		Original Copy	
(Regulation 13) ORIGINAL: Exporter DUPLICATE: ZRA (Exit Port) TRIPLICATE: FDHQ – Records QUADRUPLICATE: Retain for Audit		Form IX	
REPUBLIC OF ZAMBIA The Forests Act, 2015 (Act No. 4 of 2015)			
The Forests (Export of Timber) Regulations, 2015		PERMIT NO.....	
CLEARANCE CERTIFICATE			
SECTION A			
(1) Here Insert the full names and address of holder of Permit	To (1)you are notified that	
IN THE MATTER OF (2).....		your export has been cleared/not cleared for a period of	
(2) Here Insert the permit No.	on the following grounds:		
(a).....			
(b).....			
(c).....			
(3) Signature of The Director			
(d).....			
Section B			
(To be filled by the District Forestry Officer)			
I have checked the timber and found to be/not to be correct the amount stated above, which is /is not hammer marked. Timber marking hammer No.....belonging to Forest Officer (name).....was used. The item/documents stated in Section A have been inspected. I recommend that the timber can/cannot be exported.			
Date:.....			
Name.....			
Signature:.....			

Job title:.....

Section C
(to be filled by the Principal Forestry Officer)

I certify that the export has/has not fulfilled the conditions required to export timber hence this application to export timber has been/has not been approved.

Officer's name:.....

Rank:.....

Signature:.....

Date stamp:.....

Section D
(To be filled by the Zambian Bureau of Standards)

I certify that the exporter of this timber has/does not have the required grade of timber, hence this consignment has been approved/has not been approved for export.

Officer's
name:.....

Rank:.....

Signature:.....

Date
stamp:.....

SECTION E
(To be filled by the Zambia Revenue Authority Officer at the port of exit)

I certify that the details on this certificate and the document provided are consistent with contents on the truck. Officer's name:

Rank:.....

Signature:.....

Date stamp:.....

Dated thisday of.....20.....

Annex 6 - Shipping Documents

Sample Lacey Act Plant and Plant Product Declaration Form

According to the Paperwork reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0579-0349. The time required to complete this information collection is estimated to average 0.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

OMB APPROVED
0579-0349
Exp. Date:

SECTION 1 - Shipment Information

1. ESTIMATED DATE OF ARRIVAL: (MM/DD/YYYY)
03/03/2011

2. ENTRY NUMBER:
ENT-0000000-0


3. CONTAINER NUMBER: ☐ See Attachment
CONT0000000, CONT0000001

4. BILL OF LADING:
BOL1234567890

5. MID:
MID123MID1234MID

Plant and Plant Product
Declaration Form

Section 3: Lacey Act Amendment (16 U.S.C. 3372)


U.S. DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

10. DESCRIPTION OF MERCHANDISE:
200 Solid Wood Full-sized Chairs and 300 Solid Wood
Children's chairs

6. IMPORTER NAME:
Importing Imports Inc.

7. IMPORTER ADDRESS:

123 Importer St.
Laurel, MD 20708

8. CONSIGNEE NAME:
Consignee Co.

9. CONSIGNEE ADDRESS:

1234 Consignee Rd.
Riverdale, MD 20737

SECTION 2 - Compliance with Lacey Act Requirements (16 U.S.C. 3372(f))

For each article or component of an article, provide the following:								
11. HTSUS NUMBER: (no dashes/symbols)	12. ENTERED VALUE:	13. ARTICLE/ COMPONENT OF ARTICLE	14. PLANT SCIENTIFIC NAME: <u>Genus</u> <u>Species</u>		15. COUNTRY OF HARVEST:	16. QUANTITY OF PLANT MATERIAL:	17. UNIT:	18. PERCENT RECYCLED:
9 4 0 1 6 9 2 0 1 0	12,000	Bentwood Seats Made of Oak	Quercus	rubra	US	4.23	m^3	0
9 4 0 1 6 9 2 0 1 0	0	Bentwood Seats Made of Oak	Quercus	alba	CA	2.55	m^3	0
9 4 0 1 6 9 2 0 8 0	15,000	Children's Maple Seat 15" tall	Acer	saccharum	MX	34.6	kg	0
9 4 0 1 6 9 2 0 8 0	0	Children's Maple Seat 15" tall	Acer	saccharum	US	25.34	kg	0
9 4 0 1 6 9 2 0 8 0	0	Children's Maple Seat 15" tall	Acer	saccharum	CA	53.7	kg	0

Version 08-15-2011-0856
PQ FORM 505
AUGUST 2011

I certify under penalty of perjury that, to the best of my knowledge and belief, the information furnished is true and correct:

(999) 999-9999

Johnny Q. Importer

Johnny Q. Importer

03/01/2011

Preparer's Phone Number and Area Code

Signature

Type or Print Name

Date

Knowingly making a false statement in this Declaration for Importation may subject the declarant to criminal penalties in accordance with 16 U.S.C. 3373(d).

Page 1

110 Zambia Handicraft Export Guide 2019

ANNEX 7 — ACCESS TO FINANCE

Zambian Financial Houses	
Access Bank P.O. Box 35273 Lusaka, Zambia Tel: 00260 211 227956/222341 3	Barclays Bank Zambia P.O. Box 31936 Lusaka, Zambia Tel: 00260 211 366150/366165
Cavmont Bank Limited P.O. Box 32222 Lusaka, Zambia Tel: 00260 211 360023/4	Finance Bank Zambia Limited P.O. Box 36762 Lusaka, Zambia Tel: 00260 211 229733/229742
Intermarket Bank Corporation Limited P.O. Box 35832 Lusaka, Zambia Tel: 00260 211 2272278	Investrust Bank Plc P.O. Box 32344, Lusaka, Zambia Tel 00260 211 294682/5
Stanbic Bank Zambia Limited P.O. Box 32111 Lusaka, Zambia Tel: 00260 211 370000	Standard Chartered Bank Plc P.O. Box 32238 Lusaka, Zambia Tel: +260 211 229242/222090
Standard Chartered Bank Plc P.O. Box 32238 Lusaka, Zambia Tel: 00260 211 229242/222090	First National Bank Zambia Limited P.O. Box 36187 Lusaka, Zambia Tel: 00260 211 366800/253057
Mobile Money Service Providers	
MTN Zambia Limited 4647 Beit Road, Addis Ababa Round-about P.O. Box 35464 Rhodespark Lusaka, Zambia Tel: 0026 0966750750 Fax: 00260 211 257732	Airtel Zambia Limited Arcades Shopping Mall Shop Number 21 Great East Road Lusaka, Zambia Toll free: 0977790044 Fax: 00260 211 257654
Zoona Mobile Money Service Post. Net Box 372 Private Bag E891, Manda Hill, Lusaka, Zambia Tel: 00260 211 220616 Email: support@zoona.co.zm	Zamtel Kwacha Zamtel Limited Zamtel House P.O. Box 37000 Lusaka, Zambia Tel: 00260 211 333152/333153 Email: customercare@zamtel.co.zm
Money Transfer Service Providers	
Moneygram Zambia Postal Services Corporation Customer Services Centre 2nd Floor Lusaka Main Post Office Cairo Rd Lusaka, Zambia Tel: 00260 211 234407/00260 211 221707	

Relevant Information for Establishing a Letter of Credit (L/C)

Transport Companies	
1.	The buyer and seller conclude a sales contract providing for payment by a letter of credit. If an exporter is uncomfortable with the country to which it is selling its goods or wants additional security of payment, a Confirmed L/C can be agreed.
2.	The buyer/applicant instructs their bank—the Issuing Bank—to issue the L/C in favour of the exporter’s enterprise as the Beneficiary.
3.	The Issuing Bank asks the Beneficiary’s bank (a bank nominated by the Beneficiary/exporter) to advise the L/C (the Advising Bank). If the exporter as the beneficiary is not comfortable with the risk of the Issuing Bank (which may be unknown to the Beneficiary or located in a country that has considerable country risk), the Beneficiary can ask one of its banks to confirm the L/C. The rules are that the Issuing Bank must request or authorise another bank to add its confirmation.
4.	The Advising Bank notifies the Beneficiary that the L/C is open.
5.	Once the Beneficiary receives and reviews the L/C and finds that it meets the terms of the sales contract, and that the requirements stated in the L/C can be met, the goods can be shipped. If the Beneficiary does not agree with the terms as stated in the L/C, a process of negotiating with the importer through the banks must occur until both the exporter and importer agree on the L/C text.
6.	Upon shipment, the exporter sends the required documents to the bank where the L/C is made available (the Nominated Bank).
7.	The Nominated Bank examines the documents against the Letter of Credit. If they meet the L/C requirements, the bank will pay, accept or negotiate per the terms of the L/C. If the documents are not in conformity with the L/C requirements, the bank will notify the Beneficiary and the Issuing Bank, which will notify the Applicant. The parties will then try to resolve the issues.
8.	The bank which receives the negotiable documents (the corresponding bank in the exporter’s country) sends the documents to the Issuing Bank.
9.	The Issuing Bank examines the documents and, if the documents meet the L/C requirement, reimburses in the pre-agreed manner the Confirming Bank or any other Nominated Bank that has paid, accepted or negotiated under the L/C.
10.	When the documents have been examined by the Issuing Bank and are found to comply with the L/C, they are released to the buyer.
11.	The Issuing Bank obtains reimbursement from the Buyer per the credit agreement between the two.
12.	The Buyer forwards the transport document to the carrier or its agent to effect delivery of the goods.

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Annex 8 - Additional References

End Notes

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List of Acronyms

AGOA	African Growth and Opportunity Act
B2B	Business-to-Business
BoZ	Bank of Zambia
CEEF	Citizens Economic Empowerment Fund
EU	European Union
FOB	Free On Board
GSP	General System of Preferences
GSP	Generalized System of Preferences
HPV	High Perceived Value
IP	Intellectual Property
LCI	Low Cost Inputs
HPV	High Perceived Value
MFI	Micro Finance Institution
MSME	Micro, Small and Medium-Sized Enterprises
NAPSA	National Pension Scheme Authority
NPPO	National Plant Protection Organisation
PACRA	Patent and Companies Registration Agency
QA	Quality Assurance
QC	Quality Control
REX	Registered Exporter System
SADC	Southern African Development Community
SIAO	International Arts and Handicrafts Trade Show of Ouagadougou
SME	Small and Medium-Sized Enterprise
U.S.	United States
USDA	United States Department of Agriculture
ZABS	Zambia Bureau of Standards
ZADS	Zambia Arts and Design Show
ZARI	The Zambian Agricultural Research Institute
ZEDEF	Zambia Export Development Fund
ZRA	Zambian Revenue Authority



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