

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 29 OF 1981

The Control of Goods Act
(Laws, Volume XIII, Cap. 690)

The Control of Goods (Price Control) Regulations
(Cap. 690, p. 25)

**The Control of Goods (Price Control) (Clothing
Prices) Order, 1981**

IN EXERCISE of the powers contained in regulations 7 and 8 of the Control of Goods (Price Control) Regulations, the following Order is hereby made:

1. This Order may be cited as the Control of Goods (Price Control) (Clothing Prices) Order, 1981.

Title

2. In this Order, unless the context otherwise requires—

Interpreta-
tion

“clothing” means wearing apparel including socks and stockings but excluding footwear;

“large manufacturer” means a person who manufactures any clothing and distributes at his own expense the clothing so manufactured, either himself or through an agent or a distributor within Zambia, and who is registered as such under paragraph 9 of this Order;

“made to measure manufacturer” means a tailor who, or a tailoring shop or an establishment which, makes dresses, jeans, trousers, suits, jackets, shirts or any other garment from cloth on a made to measure basis, using his own materials;

“manufacturer” means a large manufacturer or a small manufacturer but excludes a made to measure manufacturer;

“mark-up” means the price less prime cost;

“Permanent Secretary” means the Permanent Secretary to the Ministry of Commerce and Industry;

“price” means the aggregate of the prime cost and the mark-up;

“prime cost” means the cost of direct materials including primary packing materials (other than materials used for bulk packing), zips, buttons and trimmings used

and the cost of direct labour expended, excluding all overheads or any other kind of expense incurred, in the manufacture of clothing;

“retailer” means a person who holds a retail trading licence to sell clothing in the course of his business to persons reasonably believed by him to purchase the clothing for purposes other than resale;

“small manufacturer” means a manufacturer who is not a large manufacturer or made to measure manufacturer;

“wholesaler” means a person who holds a wholesale trading licence and who buys in bulk from a large manufacturer or a small manufacturer, for the purposes of resale—

(a) to a consumer through a retailer; or

(b) direct to a consumer in bulk.

Maximum
prices of
clothing

3. No person shall sell, offer or expose for sale anywhere in Zambia, clothing manufactured in Zambia at a price exceeding—

(a) in the case of sale by a manufacturer to a wholesaler, the appropriate price calculated in the manner specified in paragraph (a) of the Schedule hereto;

(b) in the case of sale by a manufacturer to a retailer, the appropriate price calculated in the manner specified in paragraph (b) of the Schedule hereto;

(c) in the case of sale by a retailer to the consumer, the appropriate price calculated in the manner specified in paragraph (c) of the Schedule hereto;

(d) in the case of sale by a retailer to the consumer, the appropriate price calculated in the manner specified in paragraph (d) of the Schedule hereto; and

(e) in the case of sale by a made to measure manufacturer, the appropriate price calculated in the manner specified in paragraph (e) of the Schedule hereto.

Permissible
increase up
to ten per
centum on
prime cost
in specified
cases

4. The maximum mark-up specified in sub-paragraph (a) or (b) of paragraph 3 may be increased by a maximum of ten per centum on prime cost by the large manufacturers who are registered as such with the Ministry of Commerce and Industry:

Provided that the large manufacturer undertakes to supply his clothing to all parts of Zambia without any charge for transport or delivery to the buyers.

5. No manufacturer shall sell or offer or expose for sale clothing unless there is printed or stamped on it—

(a) the maximum retail price calculated in accordance with paragraph 3;

(b) the words "made in Zambia", and the name of the factory in which such clothing was manufactured.

6. Every manufacturer or made to measure manufacturer shall—

Maintenance of books of accounts for inspection

(a) keep and maintain books of accounts and documents showing full details of the prices charged for all items of clothing manufactured, the details of profits or losses made thereon and, on demand, make available such books of accounts and documents to the Price Controller or any of his officers for inspection during the normal business hours; and

(b) if the price stamped on any clothing is found to be incorrect upon inspection, stamp, or cause to be stamped thereon the correct price within seven days of the receipt of a written notice of the incorrectness.

7. Every manufacturer or made to measure manufacturer or wholesaler shall issue or cause to be issued an invoice for every sale of clothing showing the prime cost of each item of clothing so sold, the number of items of clothing sold, the price of each such item and the aggregate thereof.

Invoices on sales

8. (1) Every manufacturer who wishes to distribute clothing manufactured by him to any part of Zambia and intends to charge the increase referred to in paragraph 4 shall apply for registration as a large manufacturer, and if he is so registered he shall not charge to a buyer of the clothing sold within Zambia any cost or expense incurred by him in transporting or delivering the goods to the buyer.

Procedure for registration

(2) An application for registration shall, *inter alia*, contain—

- (a) the name and address of the manufacturer;
- (b) the trade mark, brand or other distinguishing mark of the goods;
- (c) details of the existing distribution arrangements and the arrangement for distribution throughout Zambia; and
- (d) the number of agents in each province (if any), and their addresses.

9. (1) Upon receipt of the information specified in subparagraph (2) of paragraph (8) the Ministry of Commerce and Industry may register the applicant as a large manufacturer if the Permanent Secretary is satisfied that the manufacturer will have the resources or means to distribute the clothing to every part of Zambia.

Registration as large manufacturer

(2) Where the Permanent Secretary has refused to register any person as a large manufacturer, such person may, within thirty days of being informed of the refusal, appeal in writing to the Minister, whose decision in the matter shall be final.

(3) Where the Permanent Secretary is satisfied that any large manufacturer has failed to comply with any of the provisions contained in this Order, he may cancel the registration of such manufacturer and upon receipt of notification of the cancellation, the manufacturer shall cease to be a large manufacturer.

(4) Where the Permanent Secretary has cancelled registration of a large manufacturer, he may, within thirty days of being notified of the cancellation, appeal in writing to the Ministry, whose decision in the matter shall be final.

Revocation
of S.I. No.
32 of 1973

10. The Control of Goods (Clothing Prices) Order, 1973, is hereby revoked.

LUSAKA
10th February, 1981
[O.P.C.105/10/4]

R. CHISUPA,
Minister of Commerce and Industry

SCHEDULE
(Paragraph 3)

MAXIMUM PRICES FOR CLOTHING

- (a) *Sale by Manufacturer to Wholesaler:*
The maximum mark-up on prime cost shall be 40%.
- (b) *Sale by Manufacturer Direct to Retailers:*
The maximum mark-up on prime cost inclusive of delivery to all the principal places in Zambia shall be 50%.
- (c) *Sale by Wholesaler:*
The maximum mark-up on prime cost shall be 60%.
- (d) *Sale by Retailer to Actual User:*
The maximum mark-up on prime cost anywhere in Zambia shall be 95%.
- (e) *Sale by Made to Measure Manufacturer:*
The maximum mark-up on prime cost shall be 35% except where material is supplied by a customer, when maximum mark-up shall be 35% on direct labour.