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# HOW NON-TARIFF RESTRICTIONS AFFECT TRADE AND ECONOMIC GROWTH IN ZIMBABWE (2017-2020)

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## Abstract

The research was carried out to explore the effects of Non-tariff barriers to trade on economic growth in Zimbabwe. This study used the Logistics (Logit) model to quantify the impact on economic growth caused by Non-tariff barriers (NTBs) to trade in general, particularly the SI 64 of 2016. The results of the study revealed that Anti-dumping Laws and, Intellectual property rights, import licenses and customs valuations are respectively 0.9 times and 0.7 times less likely to yield economic growth in the Zimbabwean context. The findings also suggested that positive improvements in export measures are more than 2 times more likely to ignite economic growth and development and more importantly, a positive strust in implementation of the the Statutory Instrument 64 of 2016 is approximately 1.13 times more likely to yield significant economic growth in general, particularly in the Zimbabwean context. Based on the results, the current study concluded that implementation of the SI 64 of 2016 has brought into effect, considerable success in the Zimbabwean economy. Although the same Statutory Instrument 64 of 2016 has brought about a notable success in the domestic manufacturing industry, its introduction was received differently by various stakeholders. The appetite for imported products grew among local consumers who found it cheaper to substitute locally manufactured products with cheaper imports. Consequently, local companies suffered as a result of the flooding of imports which prompted government intervention to rescue domestic manufacturers. This study also recommended that Zimbabwe must invest more in infrastructure development for the purpose of trade facilitation. Limited testing infrastructure constrains the ability of members to sign mutual recognition agreements with regional partners and instead, the fallback position becomes the standards of the most dominant trading partner, which may themselves constitute NTBs for lesser-developed regional partners.

**Keywords**: impact. Statutory Instrument 64 of 2016. Zimbabwean economy

## 1.0 Introduction

According to Bown and Crowley (2013), trade restrictions such as safeguard measures, anti-dumping laws and countervailing duty are thriving despite relentless pressure from World Trade Organization (WTO) and General Agreement on Tariffs and Trade (GATT) to ease restrictions on the free flow of goods in international trade.

Moreover, shadowy protectionist practices are on the rise and still remain possible through the use of behind-the-border non-tariff barriers to trade (Henn and McDonald, 2011). In economic terms, industries are related with sectors that incorporate productive activities. While the manufacturing industries are equally important to generate economic growth in a country, Porter (1990) suggested that industries can develop as a result of endogenous factors. The role that government plays to encourage industrial development cannot be underestimated. Policies that encourage industrial development can be classified as policies that protect local industries from competitors and policies that encourage free competition with minimal government intervention (Ting Li, 2003). The protectionist approach embraces the idea that industries develop due to strategic plans with systematic processes and steps while the free competition approach embraces the idea that industrial development is influenced by market forces and endogenous characteristics that lead to organic development.

Economic history shows that during the early stage of development, many industries received support from protectionist policies up to and until industries reached a good competitive level beyond which the protectionist policies tend to be eliminated. Moreover, developing countries usually welcome foreign investment to support the development of local industries. Nevertheless, due to previous unsuccessful examples, in some cases governments tend to be conservative in the process of welcoming foreign competitors into local industries (Pitelis2009). Many countries have benefited from government supported industrial development strategies that contribute to national economic growth.

Since the proliferation of manufacturing industries, public policies supported the growth and expansion of industries. Consequently, policy makers tend to implement import substitution or free market policies with the expectation to develop a competitive edge over their trading partners. Import substitution policies help to protect local industries and products from

cheaper foreign imports. These types of policies were common before the General Agreement on Tariffs and Trade (GATT). The establishment of the GATT and later the World Trade Organization (WTO) led to global commerce and free trade. Under this international environment, public policies that supported free competition and international trade emerged. Despite deafening calls from GATT and WTO for less interventionism in international trade, the traditional belief that protectionist policy tends to lead to a natural development path by means of import substitution and domestic production stimulation is too good to resist (Ting Li, 2003).

Pitelis, (2009) argued that Industries usually need to be nurtured during early stages of development. For instance, governments in developing nations seek to create the correct level of synergy and macro environment to develop industries that could compete with companies from developed countries. The case of the Chinese industrial development is another success example where both protectionism and free market approaches colluded to equip China with the adequate industrial infrastructure to compete internationally. The incredible success of the World Trade Organization in reducing tariffs has shifted protectionist behaviours towards non-tariff barriers to the free flow of trade such as import restrictions whose trade distortive effect is similar to tariffs. Domestic regulations and policies may also result in a variety of impediments to trade, depending on their intent as well as the structural changes and behavioural responses that are induced. Figure 1.1 below shows the effects of import restrictions on the domestic economy.

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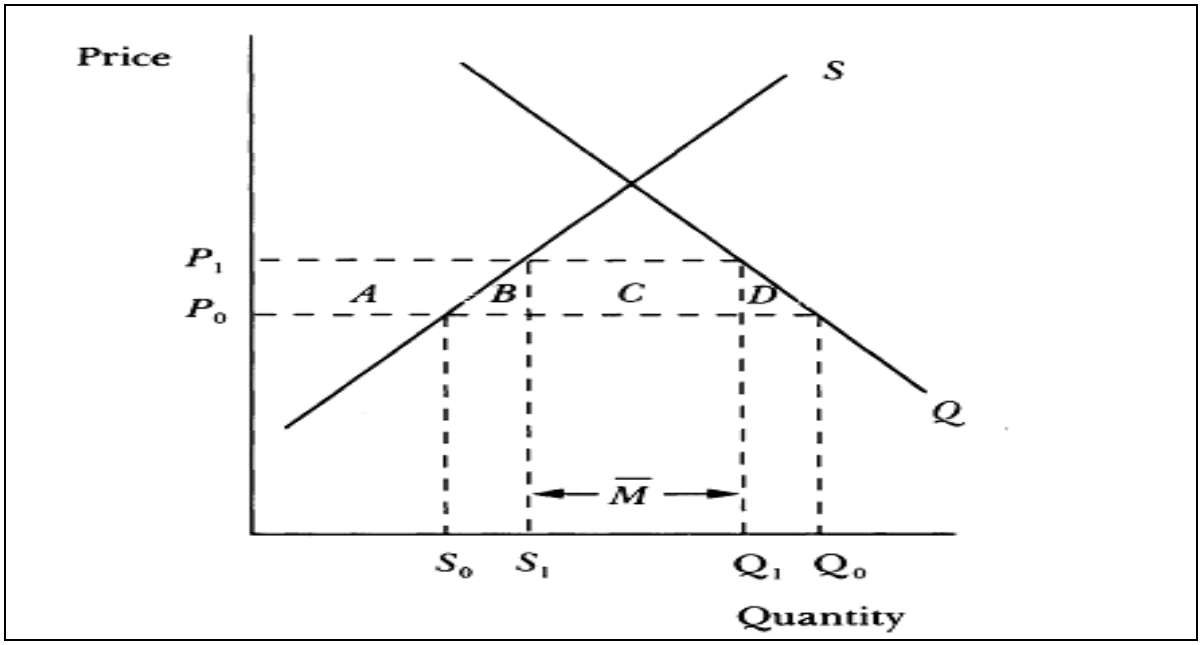


**Figure 1: The effects of Import restrictions on the domestic economy**

Figure 1 above illustrates the effects of an import restriction on the domestic economy. For instance, if *S* denotes the domestic supply curve for a particular good and Q represents the domestic demand curve for the same good. Suppose that imports are initially available at the free trade price of $P_0$, such that the quantity imported into the domestic economy ($M_0$) will be equivalent to the horizontal distance between quantities $Q_0$ and $S_0$ ($Q_0 – S_0$). The imposition of an import restraint limits the amount imported to *M* therefore; the equilibrium price in the domestic economy would rise from $P_0$ to $P_1$. At the price level $P_1$, the quantity of imports demanded falls from $Q_0$ to $Q_1$ and the domestic supply of import substitutes increases from $S_0$ to $S_1$.

Against this background, an increase in the price from $P_0$ to $P_1$ would benefit domestic producers and their rise in producer surplus will be equal to the area *A* shown in Figure 1 above. However, the entire burden of the price increase would be borne by domestic consumers and their drop in consumer surplus is measured by the area *A + B + C + D*. Suppose that the domestic economy is sufficiently small such that its purchases had no effect on the international price $P_0$, then the area *C* would be the 'rents' associated with the import restriction. Moreover, assuming a scenario when the restriction is of an import quota nature, and that quotas are allocated to foreign exporters by their own governments. In this scenario,

foreign firms earn proceeds equivalent to area *C* in Figure 1 above and the net loss suffered by the domestic economy as a result of the quota is measured by the areas *B* + *C* + *D* as compared to the relatively lower global efficiency loss measured by areas *B* + *D*, since the quota rents at *C* are redistribution from the exporting country's domestic economy to the foreign firms. Nevertheless, if protectionist actions by the domestic government have some effect on the world prices, then the measurement of global losses is quite different as shown in Figure 2 below.

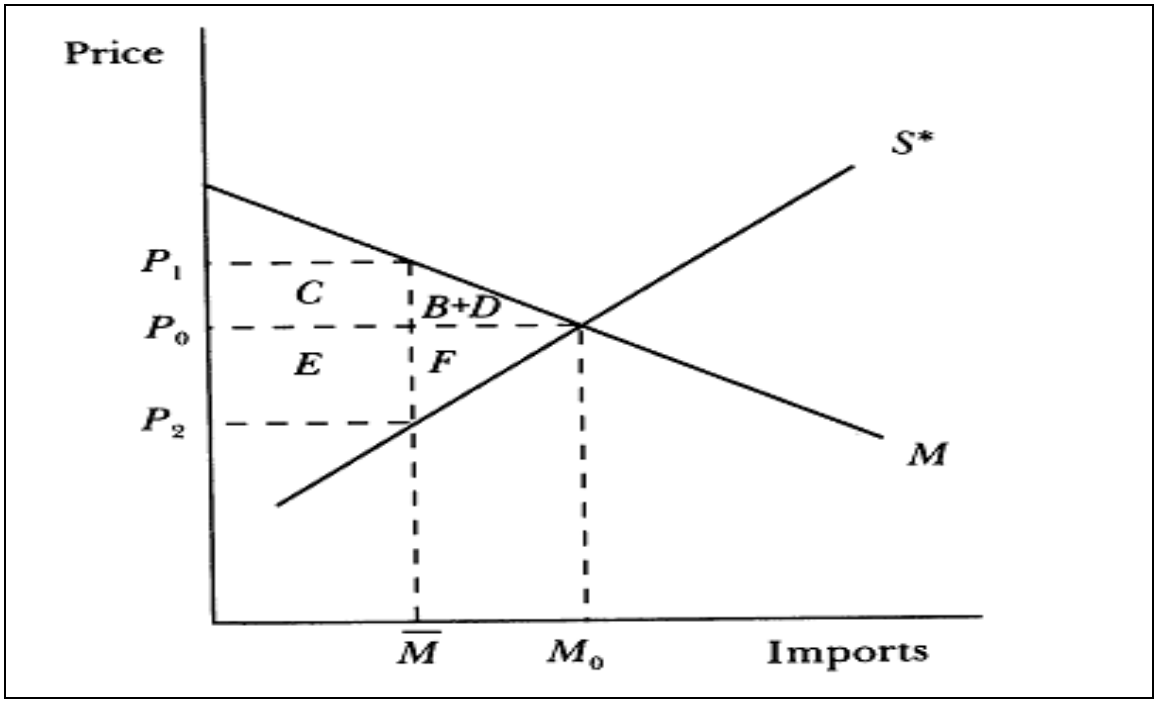


**Figure 2: Dead-weight loss associated with import restrictions on domestic economy**

As is evident in Figure 2 above, under the incidence of free trade, the equilibrium price and quantity of imports are equivalent to $P_0$ and $M_0$ respectively where *M* is the excess demand curve for imports and *S** denotes the excess supply curve from all foreign countries. The imposition of a quota limit of *M* on the imports will shift the domestic prices upwards from $P_0$ to $P_1$ but foreign firms would have been willing to supply this amount at the reduced price $P_2$ to earn a quota premium ($P_1 - P_2$ ) on each unit sold. Then the quota rents they earn are measured by area *C* + *E* (also denoted by M ($P_1 - P_2$)). The net change in the welfare of the exporting countries is therefore (*C* + *E*) – (*E* + *F*) = *C* – *F* and the deadweight loss to the foreign exporters is denoted by the area *F* shown in Figure 2 above. These foreign exporters are worse off due to the import restriction if this deadweight loss exceeds *C*, which will

certainly occur if the quota *M* is set as an extremely restrictive level. Finally, the efficiency losses to the world as a whole are measured by the areas *B* + *D* + *F* while the costs of domestic import protection in the domestic economy is mirrored by the sum of deadweight losses (*B* + *D*) and that part of the quota rents which represent the increase in domestic prices (area *C*).

Consequently, the perceived negative effects of import restrictions have prompted regional forums such as the East African Community and the European Union to impose legally binding approaches in restraining protectionist practices with sanctions to enforce compliance. On the contrary, some regional organs such as the Southern Africa Development Community (SADC) have chosen moral suasion through establishing committees and other institutional structures such as technical expert groups requiring dialogue, and the exchange of information as a way to curb protectionism. Regardless of the consequences associated with protectionism, policies in most SADC countries are highly restrictive and explicitly designed to protect rather than liberalize regional industries. On the other hand, governments' quest for contributing to the well-being of its citizens also provides an incentive for their ambitious pursuit of trade restrictions.

Since economic empowerment is another means of economic transformation and industrial development, many governments cannot resist activities related to it as they seek to contribute to the wellbeing of citizens. The manufacturing industry is one of the few industries that widely contribute to the development of the SADC region courtesy of upstream and downstream activities such as industrial expansion, job creation and technological development. For instance among other SADC member states, the Zimbabwean government has come up with a number of interim measures aimed at resuscitating the local industry whose performance had been immensely affected by the influx of imported products (Manyeruke 2007). The most notable intervention has been removal of products from the Open General Import License (OGIL) through gazetting several Statutory Instruments (SIs) such as SI 64 of 2016, which regulates the importation of selected products. Under SI 64 of 2016, imports are only allowed on instances where the local producers are not able to satisfy local demand. This strategy of reviving the local industry has fostered the achievement of the economic targets outlined in the country's blueprint, Zimbabwe Agenda for Sustainable Socio Economic Transformation (2013 – 2018), under the Value Addition and Beneficiation

pillar. The Value Addition and Beneficiation pillar was aimed at boosting existing industries as well as creating new ones.

## 2.0 Materials and Methods

Research using an inductive approach focuses in the context in which events are taking place, rather than examining the content (Saunders *et al*., 2016). However, a deductive approach involves the development of theory and hypothesis as well as a research strategy designed to test the hypothesis (Saunders *et al.* 2009). To this end, the current research employed a hybrid approach composed of both inductive and deductive approaches, in order to collect and analyze the qualitative data. This approach will be used because it fits better with the research target and possesses a more flexible structure than either the inductive or deductive approach (Sekeram and Bougie, 2010). The combination of both the deductive and the inductive approaches is preferable in the context of the current research because it entails more depth and diversity since deduction owes more to positivism and induction owes more to interpretivism. Saunders *et al*., (2016), referred a population to the cumulative entirety of those belonging to a set of predetermined features. In the current research, the total population was composed of all staff from two categories of respondents who participated in the survey. The first category was made up of all employees from all the manufacturing industries operating in Zimbabwe and the second category comprised of all staff members from the Ministry of Industry and Commerce as well as the Zimbabwe National Chamber of Commerce. The actual sample size for each category of the respondents was computed as follows:

$$n^a = \frac{(n \times 100)}{r_s\%} \quad \text{..... (3.1)}$$

Where $n^a$ denotes the actual sample size, *n* is the minimum (or minimum adjusted) sample size and $r_s$ represents the estimated response rate as a percentage. Since the current study was assumed a minimum sample size of 100 respondents for each category of the respondents and an estimated response rate of 90 percent, based on these parameters, the actual sample size for each category was found to be 112 respondents. To this end, the current study is premised on a total sample size of 224 respondents purposively selected to give their honesty opinion on the topic under study. The sample size was broken down into 112 respondents from the

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manufacturing firms operating within the geographical boundaries of Zimbabwe and another combined 112 respondents from both the Ministry of Industry and Commerce and, Zimbabwe National Chamber of Commerce.

## 3.0 Results and Discussion

**Table 1: The degree of restrictiveness of Non-tariff barriers to trade**

| Non-tariff barriers to trade | N | Not at all restrictive | Somewhat restrictive | Restrictive | Very restrictive | Prohibitive |
|---|---|---|---|---|---|---|
| (a) Antidumping duties | 102 | 2% | 56.9% | 23.5% | 13.7% | 3.9% |
| (b) Countervailing duties | 102 | 3.9% | 26.5% | 37.3% | 10.8% | 21.6% |
| (c) Licensing | 102 | 9.8% | 15.7% | 20.6% | 39.2% | 14.7% |
| (d) Quotas | 102 | 25 | 16.7% | 27.5% | 38.2% | 15.7% |
| (e) SI 64 of 2016 | 102 | 7.8% | 47.1% | 5.9% | 12.7% | 26.5% |
| (f) Other measures | 102 | 2% | 55.9% | 6.9% | 12.7% | 22.5% |
| **Mean score** | | **4.90%** | **10.13%** | **25.50%** | **34.30%** | **25.17%** |
| **Standard deviation** | | **0.01** | **0.13** | **0.10** | **0.18** | **0.06** |

Table 1 above shows the results obtained when the respondents were asked to evaluate the degree of restrictiveness of an array of Non-tariff barriers to trade (NTBs) based on a Likert scale ranging from not at all restrictive through somewhat restrictive, restrictive and very restrictive to prohibitive. About two percent of the respondents argued that anti-dumping duty is not at all restrictive while 56.9 percent of the respondents claimed that they are somewhat restrictive. However, approximately 24 percent, 14 percent and four (4) percent of the respondents respectively indicated that antidumping duties are restrictive, very restrictive and prohibitive.

Moreover, a cumulative proportion of 54.9 (7.8% + 47.1%) percent of the respondents confers that the statutory instruments in general, particularly SI 64 of 2016 is largely unrestrictive even though another cumulative portion of about 41.4 percent (5.9% + 12.7% +

26.5%) of the respondents vowed that they are essentially restrictive, very restrictive and prohibitive. On average, 4.9 percent of the respondents argued that confirmed that NTBs (Antidumping duties, countervailing duties, licensing, quotas, SI 64 of 2016 and other measures) are not restrictive at all whereas 10.13 percent authenticated that they are somewhat restrictive. On the contrary, 25.5 percent, 34.3 percent and 25.17 percent of the respondents articulated that NTBs are mostly restrictive and prohibitive to both importing and exporting countries. Overally, the majority of the respondents collectively perceived that NTBs are restrictive despite the not-at-all restrictive category boasting the least standard deviation among the entire components of the likert scale employed in the current study.

**Table 2: The effects of SI 64 of 2016 on the activities of importing and exporting firms**

| **Debriefings:** | **N** | **Strongly disagree** | **Disagree** | **Unsure** | **Strongly agree** | **Agree** |
|---|---|---|---|---|---|---|
| SI 64 of 2016 regulates the importation of sub-standard food products | 102 | 3.9% | 1% | 26.5% | 32.4% | 36.3% |
| SI 64 of 2016 is in harmony with international standards | 102 | 5.9% | 18.6% | 37.3% | 16.7% | 21.6% |
| **Mean score** | | **4.90%** | **9.80%** | **31.90%** | **24.55%** | **28.95%** |
| **Standard deviation** | | **0.01** | **0.12** | **0.08** | **0.11** | **0.10** |

As shown in Table 2 above, about four percent and six percent of the respondents strongly disagreed that SI 64 of 2016 regulates the importation of sub-standard food products and that its conventions are in harmony with international standards respectively. On the other hand, approximately 32 percent and 17 percent of the respondents strongly agreed that the SI64 of 2016 was holistically intended to regulate the importation of sub-standard food products and it resolutions are coherent with international standards. On average, a cumulative total of about 53.5 percent (24.55% + 28.95%) agreed and supported the opinion that the SI 64 of 2016 was an economic blue print mandated to do more good than harm in the Zimbabwean economy regardless of another 14.7 percent (4.9% + 9.8%) of the respondents who refuted that notion. Ranked based on the standard deviation, strongly disagree indicated the smallest deviation from the mean of about 0.01 and disagree showed the highest standard deviation equivalent to 0.12.

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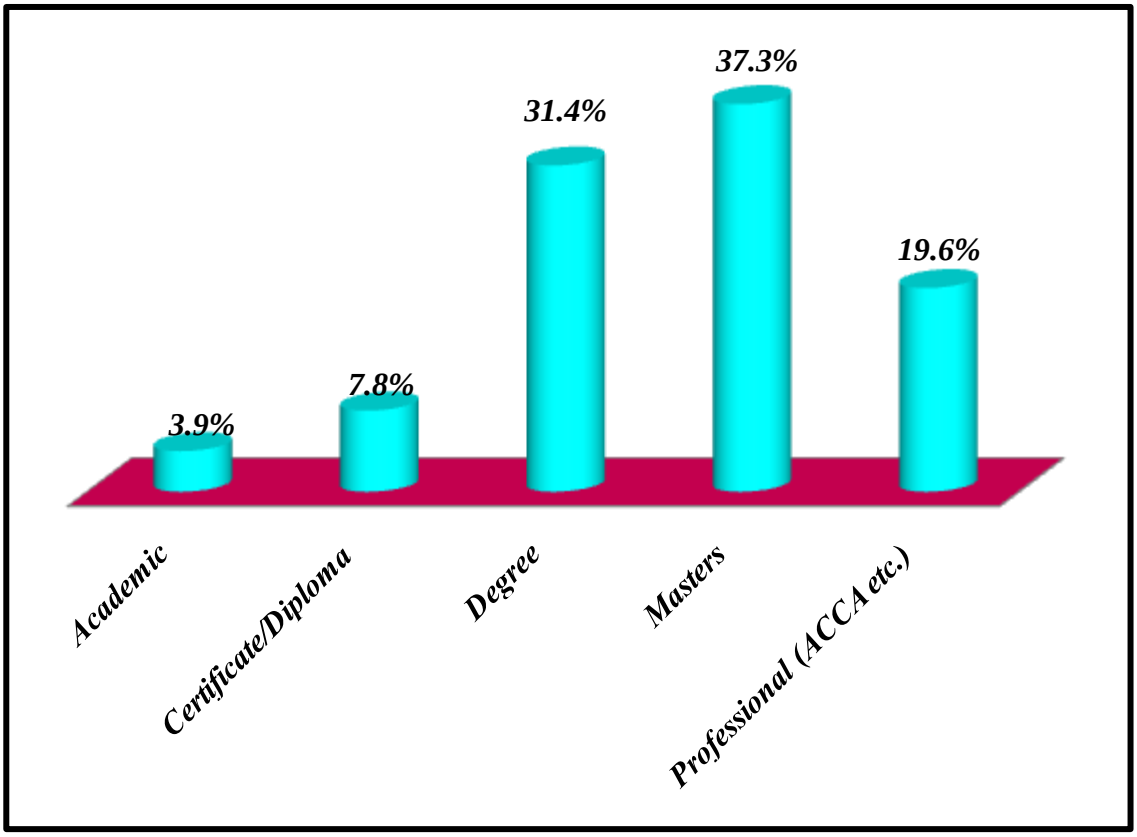


**Figure 3: Qualifications**

The results purported in figure 3 above indicated that the majority of the respondents who participated in the survey were undergraduate degree (31.4%) and masters degree holders (37.3%). Only a handful of respondents have attained academic qualifications (3.9%) and certificate or diploma (7.8%). Another significant proportion of respondents was found to be holders of professional qualifications such as ACCA or CIS. Generally, the results suggested that most of the respondents have attained at least academic qualifications which are a necessary condition for the quality and validity of the responses derived from the survey.

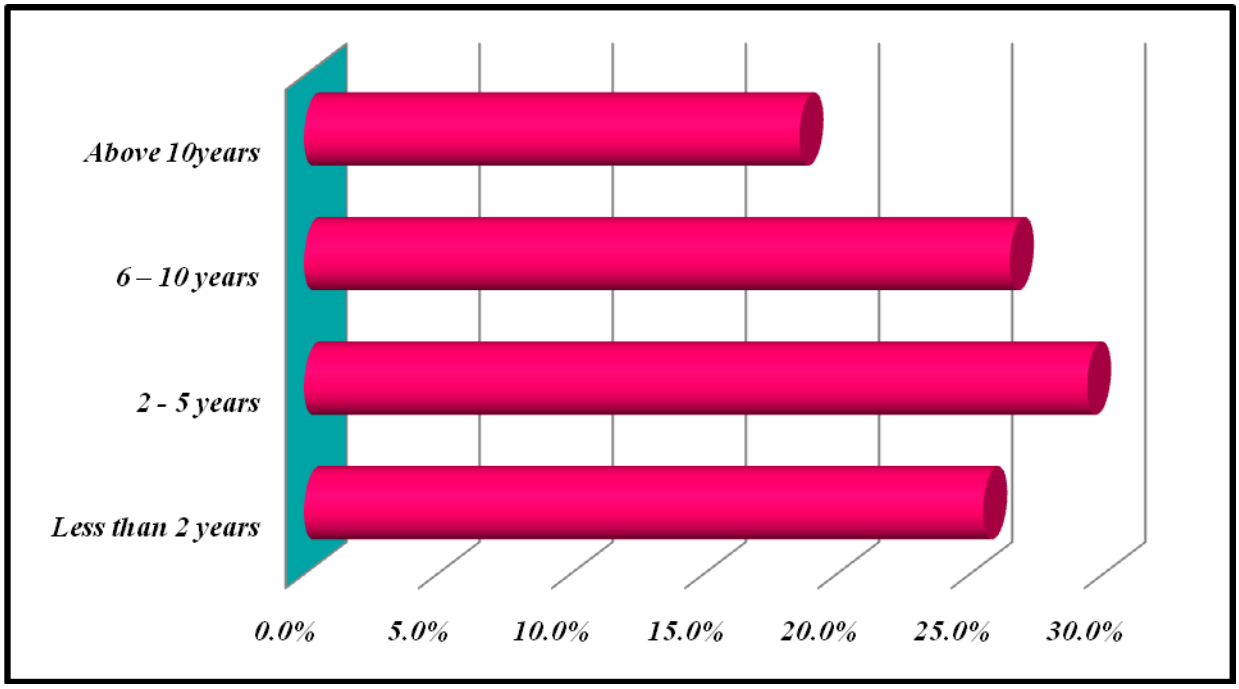


**Figure 4: Length of service in the public institution**

Apart from the educational qualifications presented in figure 3 above, figure 4 provides a snapshot of the employment tenure of the respondents who constituted the unit of analysis in the current study. Approximately 25 percent of the respondents were found to have employment tenure of less than 2 years while another 29 percent of the respondents were also found to have their length of service of 2 to 5 years. The results further suggested that just about 25 percent of the respondents have their tenure of employment in the public service fitting into the category of six to ten years. On the opposite extreme, the results of the current study revealed that approximately 20 percent of the respondents who took part in the survey have a lengthy employment tenure stretching beyond ten years.

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**Table 3 Descriptive Statistics**

| | N | Mean | Std. Dev | Minimum | Maximum | Percentiles | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | 25th | 50th (Median) | 75th |
| Gender | 102 | 1.43 | 0.498 | 1 | 2 | 1.00 | 1.00 | 2.00 |
| Designation | 102 | 4.24 | 0.600 | 2 | 5 | 4.00 | 4.00 | 5.00 |
| Qualifications | 102 | 3.61 | 1.016 | 1 | 5 | 3.00 | 4.00 | 4.00 |
| Length of service in the public institution | 102 | 2.38 | 1.063 | 1 | 4 | 1.00 | 2.00 | 3.00 |

The descriptive statistics based on non-parametric tests presented in Table 3 above confirmed that the gender profile of the respondents was found to have a mean of 1.43 and a variance of 0.04 while the designation or occupation of the respondents has an average value equivalent to 4.24 and a standard deviation of 0.6. The means of qualifications of the respondents and the length of their engagement in the public service respectively equal to 3.61 and 2.38. The respondents' designation was found to have the highest mean statistic and their gender profile was found to have the least mean. In as much as the dispersion about the mean is concerned, the respondents' tenure of service in the public institutions was found to have the most deviation (the highest standard deviation of about 1.063) and their gender profiles have the least standard deviation relative to all other identification particulars of the respondents. Apart from the descriptive statistics discussed above.

Table 4.14 below shows the chi-square test statistics to test the significance of the background attributes of the respondents in fostering the accomplishment of research objectives.

**Table 4: Chi-square test results**

| **Test Statistics** | | | | |
|---|---|---|---|---|
| | **Gender** | **Designation** | **Qualifications** | **Length of service in the public institution** |
| Chi-Square | 1.922** | 107.020*** | 42.510*** | 2.54** |
| Degrees of freedom | 1 | 3 | 4 | 3 |
| p-value | 0.017 | 0.000 | 0.000 | 0.047 |

The chi-square test statistic for the respondents' gender profiles (=1.922) have a probability value 0.017 which is greater than the conventional 5% level of 0.05 implying that the null hypothesis that the respondents' gender profiles have significantly fostered the impact of the Statutory Instrument 64 0f 2016 on economic growth in Zimbabwe. Moreover, the chi-square test statistics presented in table 4.15 above relating to the respondents designations (=107.020), qualifications (= 42.510) and tenure of service (= 2.54) are positive and statistically significant at five percent level of significance since their p-values are each smaller than 0.05. The results imply that respondent' designation, qualifications and tenure of service have positively nurtured the effects of SI 64 of 2016 on economic growth responses. Apart from the descriptive statistics explained above, Table 5 below presents the results obtained when the respondents were asked to reveal their opinion on artifacts related to technical measures enforced by the government to regulate the movement of goods and services into and out of the country. Approximately 53 percent of the respondents strongly agreed that it is mandatory for the government to put in place technical measures to protect the health and safety of both consumers and the environment in importing countries. Furthermore, a cumulative portion equal to 69.6 percent of the respondents just agreed that technical measures are construed as inhibiting from both the importer and the exporter's perspective.

**Table 5: Technical measures**

| Questions | N | Strongly disagree | Disagree | Unsure | Strongly agree | Agree |
|---|---|---|---|---|---|---|
| It is mandatory for the government to put in place technical measures to protect the health and safety of both consumers and the environment in importing countries | 102 | 8.8% | 2% | 11.8% | 52.9% | 24.5% |
| Technical measures are often viewed as inhibiting trade when viewed from the exporter's perspective. | 102 | 9.8% | 8.8% | 11.8% | 29.4% | 40.2% |
| In Zimbabwe, there exists a legislation that governs the labeling and advertising of foodstuffs, cosmetics and disinfectants. | 102 | 8.8% | 2.9% | 15.7% | 42.2% | 30.4% |
| Failure to comply with the stipulated size of lettering, prohibited statements, ingredients, nutritive value claims, and nutrition information format may result in prosecution by state agents. | 102 | 6.9% | 19.6% | 25.5% | 25.5% | 22.5% |
| Countries often have an interest in making sure that imported products meet certain technical standards. | 102 | 13.7% | 7.8% | 11.8% | 41.2% | 25.5% |
| In general, the importation of fruit and vegetables is restricted due to the requirement of an import permit from the exporting country, as well as the inspection of goods prior to entry. | 102 | 7.8% | 9.8% | 17.6% | 40.2% | 24.5% |
| **Mean score** | | **9.30%** | **8.48%** | **15.70%** | **38.57%** | **27.93%** |
| **Standard deviation** | | **0.024** | **0.063** | **0.054** | **0.098** | **0.066** |

The results above indicated that it is beyond a scope of reasonable doubt that a legislation that governs the labeling and advertising of foodstuffs, cosmetics and disinfectants exist in Zimbabwe since a resounding 72.6 percent of the respondents cumulatively validated this opinion. Consequently, 58 percent of the respondents agreed that failure to comply with the stipulated size of lettering, prohibited statements, ingredients, nutritive value claims, and nutrition information format may result in the attachment of the products by state agents. Apart from the above mentioned facts, about 66.7 percent of the respondents cumulatively agreed that it is in their best interest for countries to ensure that imported products meet certain technical standards. Therefore, the majority of the respondents (cumulative 64.7%) agreed that fruit and vegetable imports warrant an import permit from the exporting country, as well as thorough inspection of goods prior to entry into the domestic market.

Above and beyond, the results presented above in Table 5 confirmed that most of the respondents strongly agreed and the strongly agree category of the Likert scale was found to have the highest mean score equivalent to 38.57 percent while disagree was also found to have the least mean score of just above 8 percent. Meanwhile, strongly disagree has the least standard deviation relative to the most deviation (0.99) observed for respondents who strongly agreed. Overally, the result implies that on average 38,57 percent of the respondents strongly agreed that technical measures are necessary to regulate the flow influx of imports into the Zimbabwean economy.

The respondents who participated in the research were also subjected to various questions related to the six traits (Rules of origin, Pre-shipment inspections and other formalities, Distributional restrictions, Government procurement restrictions, Antidumping Laws and, Intellectual property rights, import licenses and customs valuations) of non-technical measures studied. The results displayed in Table 6 below show the responses got when the respondents were asked to give their opinion on non-technical measures enforced by the government to regulate the movement of goods and services into and out of the country in general, particularly the rules of origin. A cumulative proportion equivalent to 77.4 percent (43.1% + 34.3%) of the respondents granted that Rules of origin covering laws and regulations play a pivotal role in economic expansion

policy initiatives. These results are consistent with Brenton and Ozden, (2005) who conferred that Rules of origin also serve as a shield against antidumping of goods into the domestic market.

Moreover, approximately 31 percent of the respondents strongly agreed while a further 37.3 percent of the respondents agreed that tight rules of origin in the SADC region are meant to prevent countries from repackaging imported goods and trading them in the region on behalf of 'fly-by-night'. The results validated Freund and Özden (2008) who vowed that stringent rules of origin are meant to prevent deceptive practices such as the repackaging imported goods and trading them in the region. However, the majority of the respondents (77.4%) cumulatively granted that restrictive rules of origin are not only a barrier to international competitiveness but also pricey in terms of ensuring conformity and the administrative requirements for certificates of origin.

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**Table 6: Rules of Origin**

| Questions | N | Strongly disagree | Disagree | Unsure | Strongly agree | Agree |
|---|---|---|---|---|---|---|
| Rules of origin cover laws and regulations play a pivotal role in economic expansion policy initiatives. | 102 | 7.8% | 9.8% | 4.9% | 43.1% | 34.3% |
| The tight rules of origin in the SADC region are meant to prevent countries from repackaging imported goods and trading them in the region on behalf of 'fly-by-night' | 102 | 5.9% | 7.8% | 17.6% | 31.4% | 37.3% |
| Restrictive rules of origin are not only a barrier to international competitiveness but also costly in terms of ensuring conformity and the administrative requirements for certificates of origin | 102 | 3.9% | 4.9% | 13.7% | 48% | 29.4% |
| **Mean score** | | **5.87%** | **7.50%** | **12.07%** | **40.83%** | **33.67%** |
| **Standard deviation** | | **0.020** | **0.025** | **0.065** | **0.085** | **0.040** |

The results further confirmed that the majority of the respondents strongly agreed since, the strongly agree category of the Likert scale was found to have the biggest mean score equal to 40.83 percent while disagree was also found to have the least mean score equivalent to 5.87 percent. In addition, strongly disagree was found to have the smallest standard deviation equal to 0.02 as compared to 0.085 attributed to the portion of the respondents who strongly agreed that Rules of origins have significant influence on economic growth.

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**Table 7: Pre-shipment inspections and other formalities**

| Questions | N | Strongly disagree | Disagree | Unsure | Strongly agree | Agree |
|---|---|---|---|---|---|---|
| Monitoring of import value and volume of specified products may be applied with the purpose of signaling concern over import surges | 102 | 5.9% | 7.8% | 23.5% | 32.4% | 30.4% |
| Whenever overseas imports are made by domestic consumers, pre-shipment inspection, quality and quantity checks are mandatory | 102 | 2.9% | 5.9% | 12.7% | 38.2% | 40.2% |
| Corruption, prolonged formalities, lengthy procedure, duplication of clearance procedures, toll charges and numerous police road blocks on the motorways between Zimbabwe and South African contribute to high costs of doing business | 102 | 3.9% | 4.9% | 26.5% | 47.1% | 17.6% |
| **Mean score** | | **4.23%** | **6.20%** | **20.90%** | **39.23%** | **29.40%** |
| **Standard deviation** | | **0.015** | **0.015** | **0.073** | **0.074** | **0.113** |

A cumulative 62.8 percent of the respondents validated that the monitoring of import value and volume of specified products may be applied with the purpose of signaling concern over import surges. Beyond the above mentioned, the results shown in Table 7 above strongly suggested that 38.2 percent of the respondents strongly agreed that whenever overseas imports are made by domestic consumers, pre-shipment inspection, compulsory quality, quantity of imports by a third party for verification of colors and types of materials are required notwithstanding another 40.2 percent of the respondents who just agreed and 12.7 percent who were undecided.

In the same way, a cumulative 64.7 percent of the respondents vowed that corruption, prolonged formalities, lengthy procedure, duplication of clearance procedures, toll charges and numerous police road blocks on the motorways contribute to high costs of doing business.

Therefore, based on the results of the study presented in Table 7 above, respondents who strongly agreed Pre-shipment inspections and other formalities have a bearing on economic growth have the leading mean score equivalent to 39.23 percent and those who strongly disagreed were found to have the least mean score of approximately four percent. Tentatively, both the disagree and strongly disagree categories from the 5-point Likert scale employed herein the current study have the least standard deviation from the mean valued at just 0.015 each as compared to the most deviation observed for respondents who simply agreed (0.113). The results are consistent with Volpe Martincus*et et al,* (2015) who acknowledged that the regulatory authorities of the importing country oblige the inspection of textile imports by a third party for verification of material types and colours before the goods can be accepted.

Table 8 below shows the results of the inquiry made to discern the respondents' opinion about the influence of Distributional restrictions on economic growth and development. The majority of the respondents (72.5% cumulatively) concurred that Administrative complexity procedures are problematic for transparency and makes corruption inevitable. In this regard, the results authenticated Manyeruke (2007) who argued that police roadblocks also contribute to serious time delays for products being transported by road which can have significant impact on the quality of agricultural products in general and in particular, perishables. A massive 73.5 percent of the respondents stated that cross-border infrastructure such as transport, energy and telecommunications are essential to expand market access, reduce economic distance and facilitate trade, investment and labour mobility.

Another cumulative 69.6 percent of the respondents also granted that poor transport and communications raise trade costs and undermine competitiveness and regional integration. The findings of the study substantiated Martin and Anderson, (2011) who argued that unreliable power supplies as well as poor transport and communication infrastructure inflate the costs of doing business. As evident in Table 4.19 above, the strongly agree category boasted the highest mean score of about 39.2 percent and the lowest was found to be strongly disagree category with a mean score of 3.3 percent. On the other hand, both the strongly disagree and the unsure categories were found to have the least standard deviation from the mean of about 0.02 each as compared to 0.08 which happens to be the most deviation observed for the strongly agree category of respondents.

Overally, the results presented above in Table 8 validated that on average, 72 percent the respondents believed that distributional restrictions have a significant influence on economic growth. Overall, the results are consistent with Anson *et al.,* (2006) who conferred that cross-border infrastructure such as transport, energy and telecommunications are essential to expand market access, reduce economic distance and facilitate trade, investment and labour mobility. In addition, the results provided an empirical validation Low *et al*. (2009) who observed that a 10 percent increase in transport cost may reduce trade volumes by more than 20 percent.

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**Table 8: Government procurement restrictions**

| Questions | N | Strongly disagree | Disagree | Unsure | Strongly agree | Agree |
|---|---|---|---|---|---|---|
| In Zimbabwe, technical regulations are assessed in terms of their consistency with public policy objectives | 102 | 4.9% | 9.8% | 16.7% | 38.2% | 30.4% |
| Sometimes government procurement provisions generally restrict the purchasing of certain products by government agencies in some ways towards domestic products rather than foreign products. | 102 | 5.9% | 15.7% | 40.2% | 23.5% | 14.7% |
| Participation of parastatals in the trading system is prevalent in Zimbabwe. | 102 | 2% | 9.8% | 37.3% | 33.3% | 17.6% |
| **Mean score** | | **4.27%** | **11.77%** | **31.40%** | **31.67%** | **20.90%** |
| **Standard deviation** | | **0.02** | **0.03** | **0.13** | **0.07** | **0.08** |

The results purported in Table 8 above summarize the responses obtained when the respondents were asked to give their unbiased opinion about the bearing of government procurement restrictions on economic growth and development. Approximately 66.8 percent of the respondents cumulatively agreed that technical regulations are assessed in terms of their consistency with public policy objectives in Zimbabwe. Nevertheless, a dominant portion equal to 40.2 percent of the respondents were unsure whether or not government procurement provisions sometimes restrict the purchasing of certain products by government agencies in some ways inclined towards domestic products rather than foreign products. The results pointed to the lack of clarity about government procurement policies that most respondents are not very much familiar with. Consequently the results opposed McCorriston and MacLaren, (2007) who suggested that government offices are known to have undisputed traditional suppliers regardless of whether it is the least cost provider or not. Above and beyond, a cumulative proportion equivalent to 50.9 percent of the respondents agreed that participation of parastatals in the trading system is prevalent in Zimbabwe. The results also confirmed that strongly agree category was found to have the highest mean score of about 31.67 percent, while strongly disagree was also found to have the least mean score of just above 4 percent. However, the category of respondents who strongly disagree have the smallest standard deviation of 0.02 as compared to the largest standard deviation of about 0.13 observed for the respondents category who were unsure. Largely, the results imply that on average, most of the respondents strongly agreed that Government procurement restrictions have a significant impact on economic growth in Zimbabwe.These results are consistent with Bown (2011), who uncovered that firms with special rights and exclusive privileges, have a tendency of distorting the direction of exports of particular products leading to market failures such as export monopoly and deadweight loss of societal welfare. The majority of respondents (cumulative 86.3%) believed that Anti-dumping and countervailing measures are permissible under certain circumstances to protect the domestic industry from serious injury arising from dumped or subsidized imports and the results confirmed Ganguli, (2008) who argued that anti-dumping of foreign goods provides justification for protectionism. On the other hand, 60.8% of the respondents cumulatively agreed that Anti-

dumping legislation entails heavy costs for the foreign firms targeted by this policy and certainly for consumers in the country applying antidumping legislation.

**4.0 Conclusion**

- The logit regression model results confirmed sound statistically significant evidence that Technical measures are more likely to increase the Logit of economic growth by approximately 0.2 units at 5% level. Apart from technical measures, the current research revealed that an increase in Rules of origin (RO) have a positive impact on the estimated logit of economic growth of about 0.207 units ($\beta_4=0.207$) holding all other regressors in the model constant. Pre-shipment inspections and other formalities (PSI) were found to be negative ($\beta_5= - 0.119$) and significant at 5% significance level implying that a positive transition in Pre-shipment inspections and other formalities by one unit will impact a decrease in the probability of economic growth of approximately 0.12 units all things being equal. On the other hand, the research results also authenticated that Distributional restrictions (DR) variable have a positive statistically significant impact ($\beta_6 = 0.18$) on economic growth at five percent significance level.

- Against the same background, Government procurement restrictions (GP) symbolised by $\beta_7$ (= 0.481) were found to have positive and statistically significant impact on the estimated logit of economic growth at 5% level. The results also validated that the Antidumping Laws variable signified by $\beta_8$ equivalent to -0.104 have a negative impact on the estimated logit of economic growth at 5% significance level. The research findings further established that Intellectual property rights, import licenses and customs valuations variable has a negative ($\beta_9= -0.433$) impact on the estimated Logit of economic growth significant at 5% significance level. Nevertheless, the research results found the partial slope coefficient of the second principal factor (EM2) of export measures connoted by $\beta_{11}$ (= 0.733) to be significant at 5% significance level. The results indicated that there is sufficient statistical evidence at five percent level to support the argument that an increase of about 1% in exports measures will yield a corresponding

increase in the probability of economic growth of about 0.7 units if all other variables remain unchanged.

- Finally, the results found the partial slope coefficient of the Statutory Instrument 64 of 2016 variable (SI 64) epitomized by β_12 (= 0.122) to significant at 5% significance level, implying that a 1% increase in SI 64 will increase the probability of economic growth by a magnitude of 0.122 holding all other variables in the model constant. To this end, the results provide sufficient evidence from a statistical viewpoint to refute the belief (null hypothesis) that the adoption of the Statutory Instrument 64 of 2016 has no impact on economic growth in Zimbabwe in favour of the alternative hypothesis that SI 64 of 2016 has significantly contributed to economic growth in Zimbabwe. Above and beyond, the research results based on the odds of the estimated logit regression coefficients indicated that an upgrade in technical measures are more than 1.24 times more likely to improve economic growth particularly in the Zimbabwean context. Against the same background, Rules of Origin are 1.23 times more likely to speed up the rate of economic growth and Pre-shipment inspections and other formalities are 0.9 times less likely to foster economic growth in general particularly in Zimbabwe. However, Distributional restrictions are just about 1.2 times more likely to trigger economic growth and development whereas Government procurement restrictions are approximately 2 times more likely to bring positive momentum in economic growth.

## 5.0 Recommendations

- Zimbabwe must invest more in infrastructure development for the purpose of trade facilitation. Limited testing infrastructure constrains the ability of members to sign mutual recognition agreements with regional partners and instead the fallback position becomes the standard of the most dominant trading partner, which may constitute NTBs for lesser-developed regional partners.
- The Zimbabwean government must ensure that the legal framework governing the elimination of NTBs is properly enshrined in their national laws, and cause them to be

clearly understood and compiled by all agencies responsible for the enforcement of trade regulatory and administrative requirements.

- Statutory instruments must be amended to incorporate provisions obliging ministries to administrative review.

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