Malawi

1. Introduction
Malawi is a member of both the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

- COMESA has 21 member states, 17 of which are part of the COMESA Free Trade Area – the DRC, Eritrea, Ethiopia and Somalia are all in the process of accession.
- SADC is a Regional Economic Community (REC) which includes 16 member states – all the SACU countries, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC member states are in a Free Trade Arrangement (FTA); Comoros, Angola (has recently submitted an offer) and DRC are yet to join.

2. Intra-Africa trade
For 2019, 36% of Malawi’s world exports & 27% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US$331 million (4% more than in 2018) & intra-Africa imports to US$803 million (1% decline compared to 2018 imports).

The main export products were tobacco, raw sugar cane, groundnuts, black fermented tea, oilcake, soya-bean seeds & macadamia nuts. The main imports were unused postage, manufactured tobacco, portland cement, washing preparations, food preparations n.e.s., dried fish, polypropylene & unmanufactured tobacco. 61% of Malawi’s intra-Africa imports are sourced from South Africa. 70% of Malawi’s total intra-Africa trade is with South Africa, Zambia and Kenya – accounting for 49%, 12% and 9%, respectively.

Malawi’s intra-Africa trade 2019
- Unmanufactured tobacco: 25%
- Raw sugar cane: 15%
- Groundnuts: 12%
- Black fermented tea: 7%
- Oil cake: 7%

Import markets:
- South Africa
- Tanzania
- Zambia
- Mozambique

Export markets:
- Kenya
- Egypt
- South Africa
- Tanzania
- Zambia

% change in exports to & imports from main African trade partners
(2018 to 2019)

Trade balance with designated trade partners
2018 & 2019
Intra-Africa tariffs & non-tariff cost of trade

Most of the products from COMESA and SADC enter Malawi duty free. Imports from countries outside the COMESA and SADC FTAs face MFN applied duties. In 2019, 2% of Malawi’s intra-Africa exports (1% of world exports) are to African countries which are not COMESA and SADC member states.

MNF duty categories & % of national tariff lines in each category

- Duty-free 32%: wheat and meslin, rye, barley, oats, maize, seeds for rye, oats, maize, vegetables, fruits and sugar beet, fertilisers, laboratory equipment, medicaments, generators, inverters, refractory bricks, electrical transformers, mathematical sets, orthopaedic or fracture appliances, coal, petroleum oils.
- >0%-5% duties 1%: gums, centrifuges, live animals, petroleum gases, petroleum jelly, gas, liquid or electricity supply, or production meters. Liquified natural gas, liquefied butane and propane, woven fabrics of jute, electrical machines and apparatus, parts of harvesting machinery, transmission shafts and cranks.
- >5%-10% duties 29%: fresh grapes, green tea, rice, millet, sorghum, cereals, malt, groundnuts, soya bean and flour, seeds for sowing, laboratory ceramic wares, glass fibres, diamonds, precious stones, platinum, precious metal waste or scrap, ferroalloys, ferrous waste and scrap, flat-rolled iron products, nonalloy steel.
- >10%-15% duties 1%: starches (wheat, maize, potato & manioc), lead acid accumulators, batteries, nickel-cadmium accumulators, headphones and earphones, loudspeakers, microphones, prepared pigments, sacks, and bags, new pneumatic tyres of rubber, centrifugal clothes-dryers, motorcycles.
- >15%-20% duties 1%: wheat or meslin flour, dried leguminous vegetables (peas, beans), textile fabrics coated with gum or amylaceous substances, passenger vehicles.
- >20%-25% duties 36%: Fresh or dried brazil nuts, coffee, ginger, fish, cocoa paste butter and powder, pasta, jewelry articles, locks, cigar lighters, perfumes.

Export products include unmanufactured tobacco, unmanufactured ethyl alcohol, receptions machines, tobacco preparation machinery & manufactured tobacco. Outside SADC and COMESA, Malawi mainly exports to Morocco, Algeria, Guinea & Congo. 40% of Malawi’s exports to African countries outside COMESA & SADC go to Morocco.

Malawi’s imports from outside COMESA & SADC and corresponding import duties

- Morocco (95%):
  - Diammonium phosphate (duty-free)
  - Polyethylene (duty-free)
  - Phosphatic fertilisers (duty-free)
- Nigeria (3%):
  - Human hair (25% duty)
  - Gaseous hydrocarbons, liquefied, n.e.s (5% duty)
  - Liquefied natural gas, liquefied (5% duty)
- Niger (0.5%):
  - Unused postage - the rate of duty depends on the specific product imported (postage or currency paper is duty-free; or cheque forms and cheque books is 25% duty)
  - Sulphate of barium(duty-free)

Of the top 20 import products, 5 products are imported into Malawi duty-free: diammonium phosphate; polyethylene; superphosphate; methionine; and printed books. The highest tariffs (25%) are applicable to imports of human hair, furniture, second-hand clothing, household articles, vehicle brakes, parts for tractors and passenger vehicles. A 10% duty is applicable to imports of raw hides, sets of gaskets and similar joints. A 5% duty is applicable to imports of liquefied natural gas, and liquefied gaseous hydrocarbons n.e.s.

The non-tariff cost of bilateral trade between Malawi & designated African trade partners

The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. The data shows that the cost of agricultural trade between Malawi and all countries (except Russia) is more than the cost of trade between Malawi and China, France, UK and Russia. The cost of agricultural trade between Malawi and SADC countries (Zimbabwe, Mozambique & Malawi) is low. The cost of manufacturing trade between Malawi and SADC countries (Tanzania, Zimbabwe, Mozambique & South Africa) is less than trade between Malawi and Kenya, the UK, China, Russia and France.