

# Malawi: Intra-Africa trade and tariff profile 2020



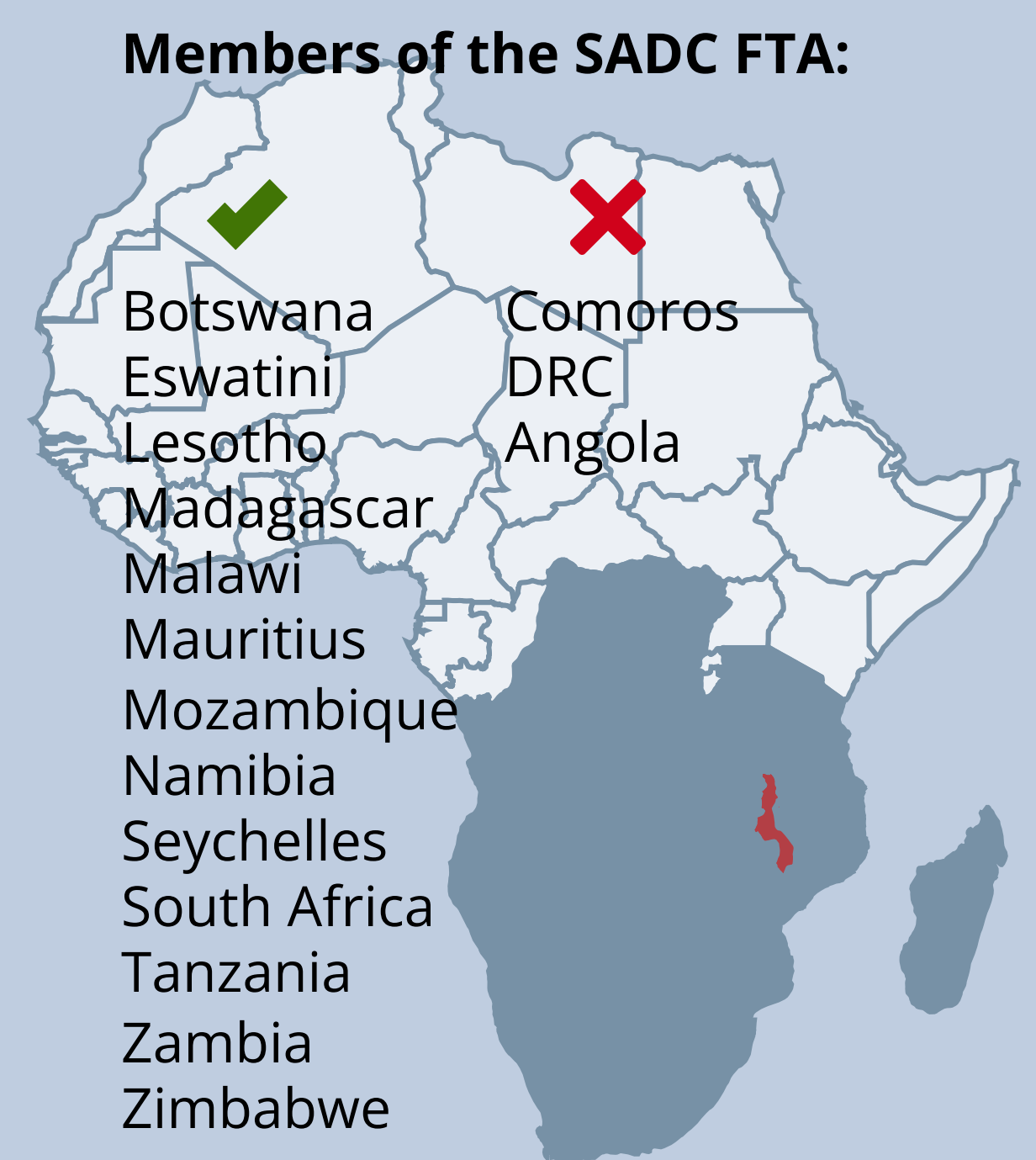
**Regional Economic Communities**  
Malawi is a member of the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). Malawi has ratified the Agreement establishing the African Continental Free Trade Area (AfCFTA Agreement) and submitted its tariff offers and initial services offers.

## COMESA



COMESA has 21 Member States, 17 of which are part of the COMESA Free Trade Area. DRC, Eritrea, Ethiopia and Somalia are all in the process of accession

## SADC



SADC is a Regional Economic Community with 16 Member States - all the SACU countries, Angola, DRC, Seychelles, Comoros, Madagascar, Tanzania, Zimbabwe, Zambia, Mauritius, Mozambique and Malawi. 13 SADC Member States are members of the SADC Free Trade Area (FTA). Comoros and DRC are yet to join the FTA. Angola has submitted its tariff offer to join the SADC FTA.

## Intra-Africa exports

In 2020, Malawi's exports to the rest of Africa were valued at US\$269 million. These exports accounted for 34% of Malawi's world exports. The bulk of Malawi's intra-Africa exports were destined for other SADC and COMESA countries. The main export products include unmanufactured tobacco, sugar, groundnuts, oil cake and tea.



## MAIN DESTINATIONS

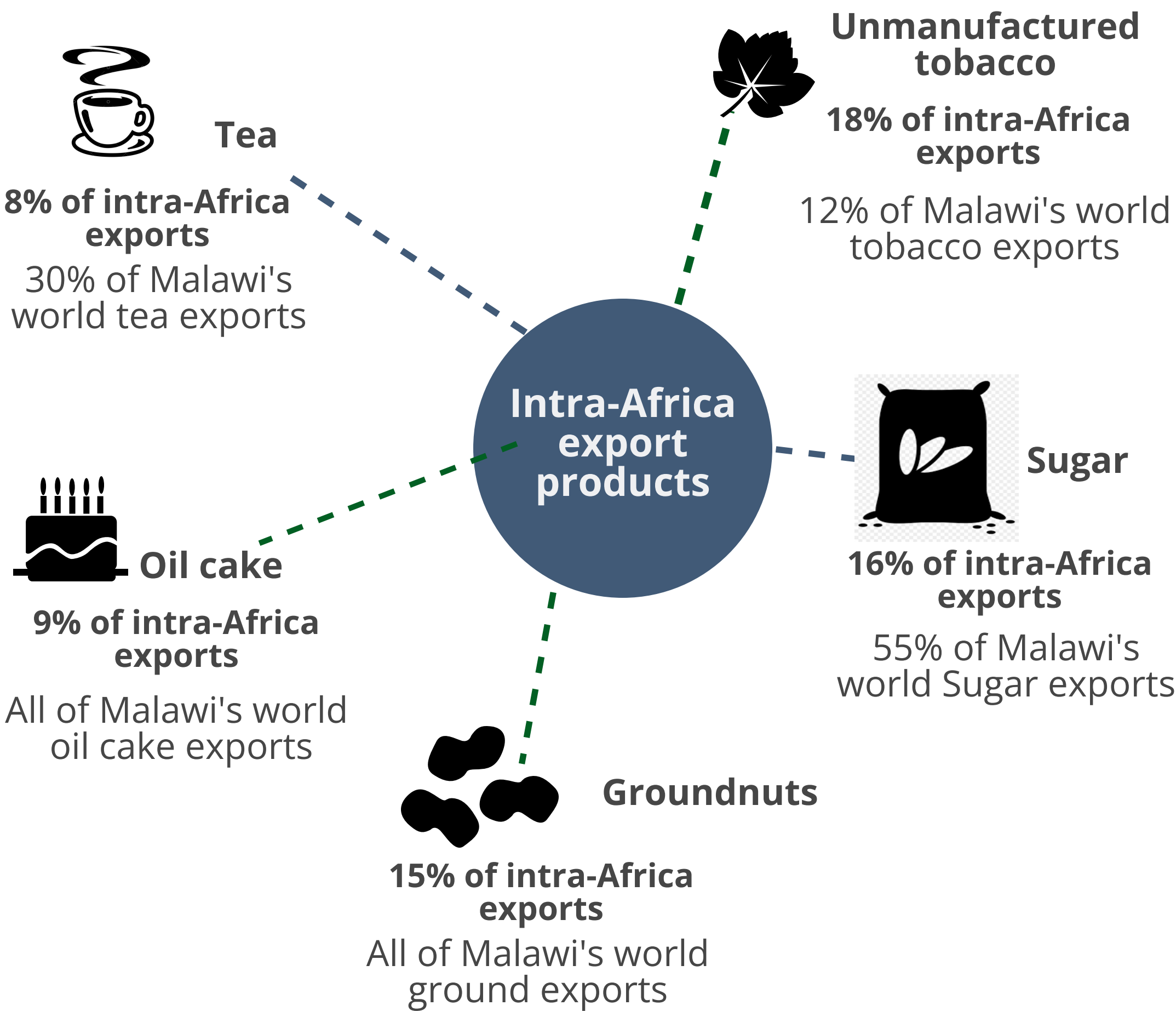
**South Africa:** 18% of intra-Africa exports

**Kenya:** 15% of intra-Africa exports

**Zimbabwe:** 13% of intra-Africa exports

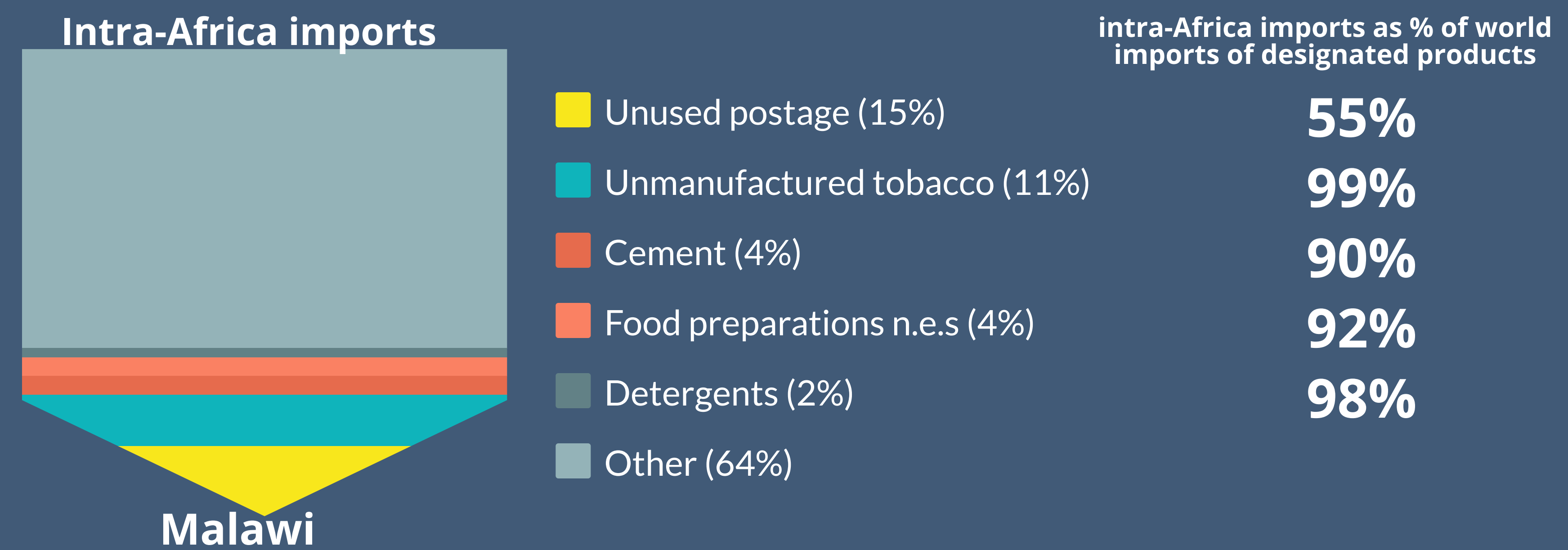
**Tanzania:** 12% of intra-Africa exports

**Egypt:** 12% of intra-Africa exports



## Intra-Africa imports

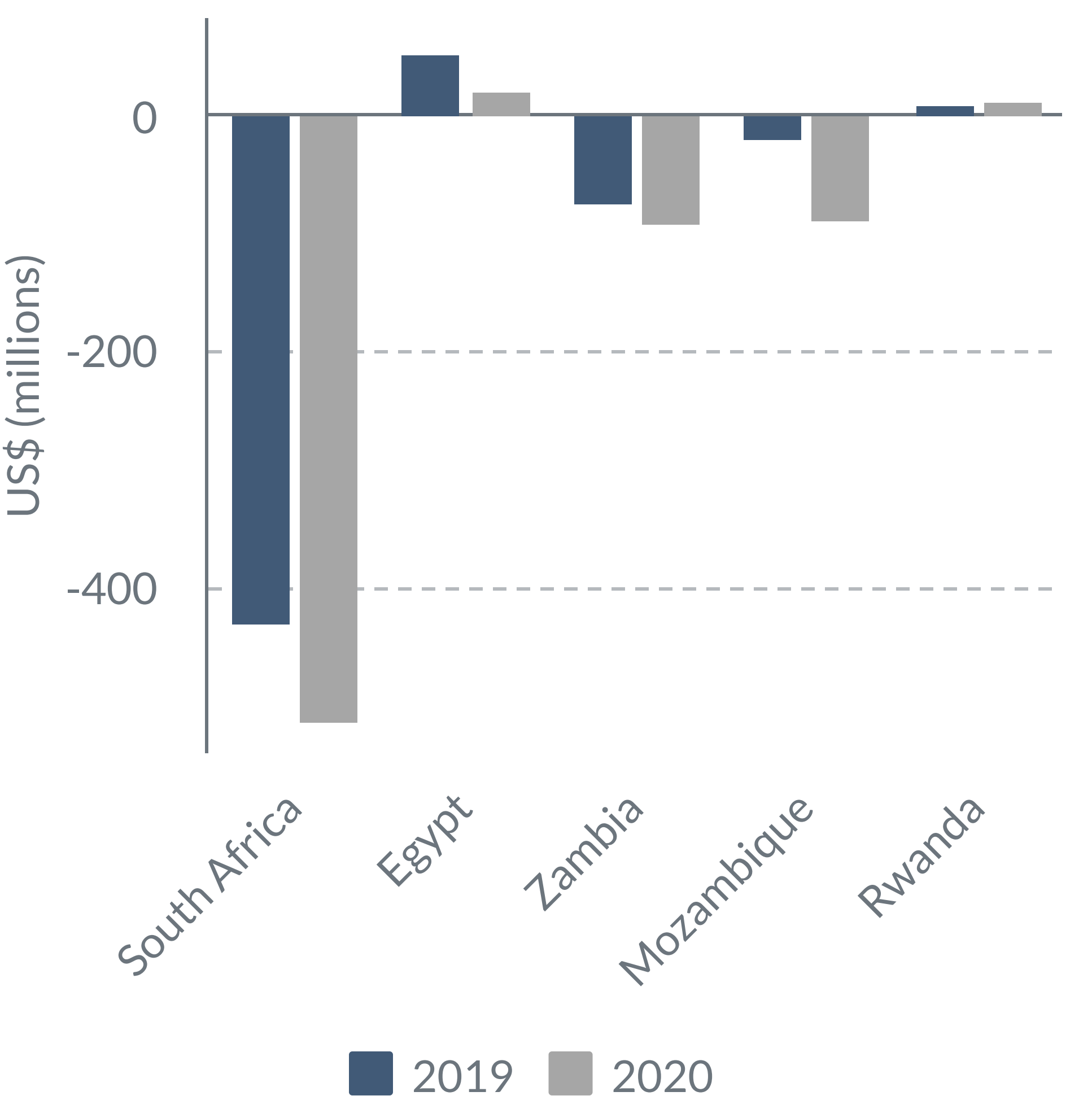
For 2020, 34% of Malawi's world imports were intra-Africa. The value of Malawi's intra-Africa imports was US\$934 million. 60% of Malawi's intra-Africa exports were sourced from South Africa. Other main sources include COMESA and SADC. Between 2019 and 2020, Malawi's intra-Africa imports increased by 16%.



## % change in exports and imports (2019 to 2020)

<b>South Africa</b>	Exports: 21% decline Imports: 14% increase
<b>Zambia</b>	Exports: 14% decline Imports: 14% increase
<b>Mozambique</b>	Exports: 12% increase Imports: 171% increase
<b>Kenya</b>	Exports: 41% decline Imports: 12% increase
<b>Egypt</b>	Exports: 52% decline Imports: 2% decline
<b>Tanzania</b>	Exports: 5% increase Imports: 35% decline

## Trade balance with select countries (US\$m)

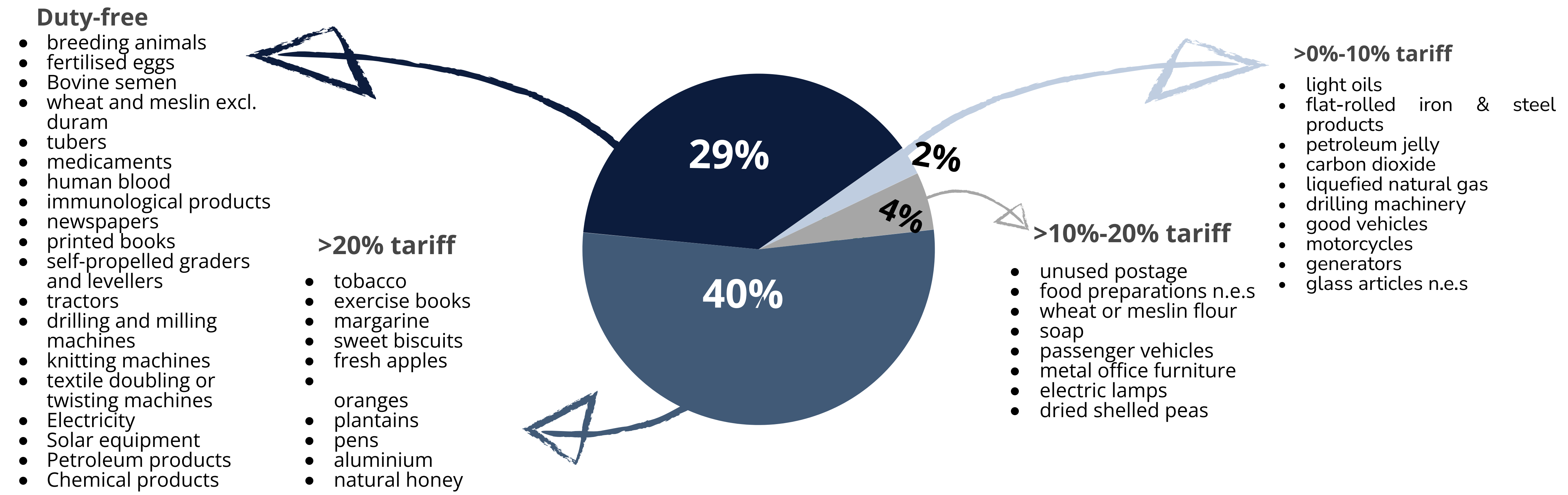




Intra-Africa tariffs

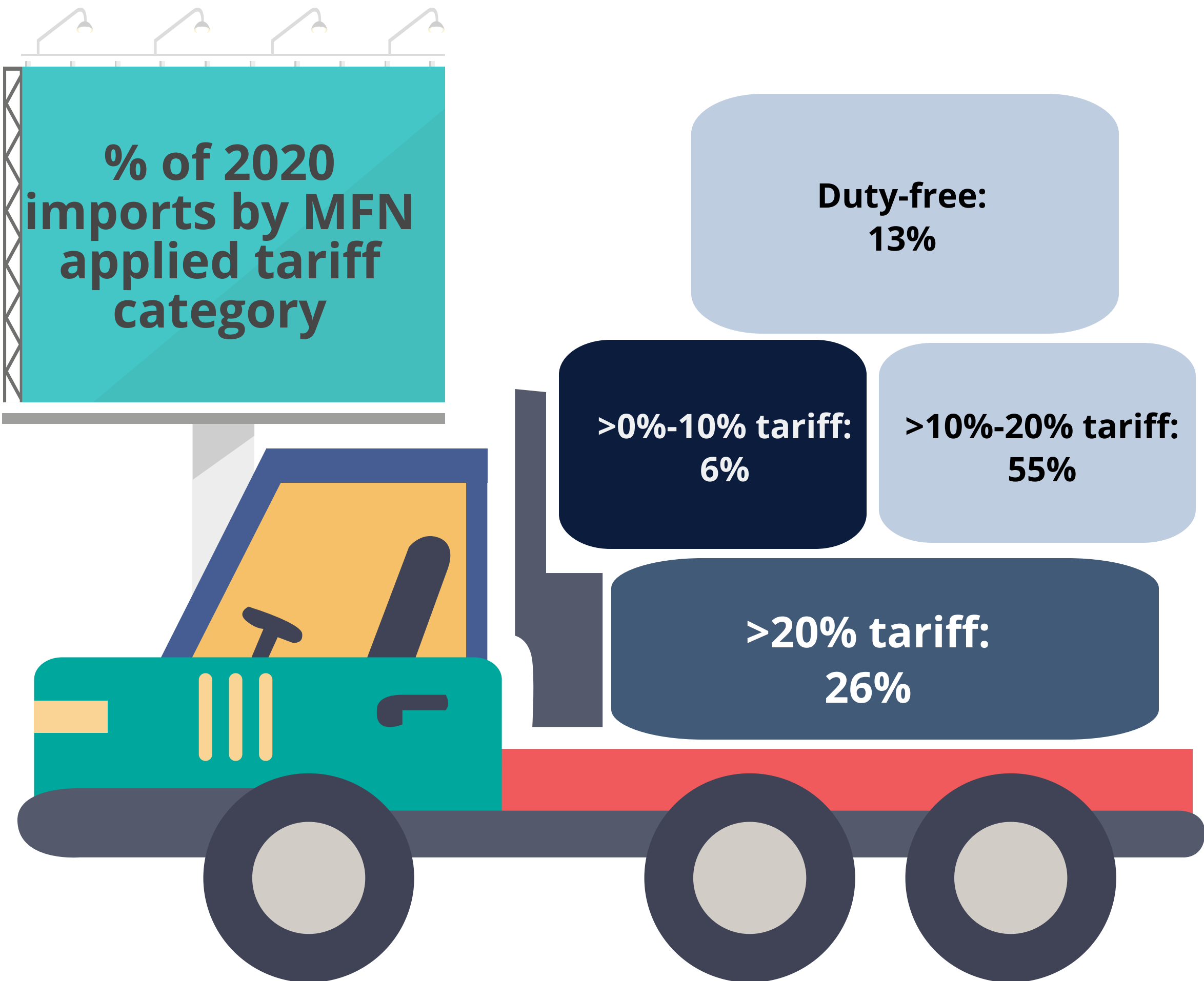
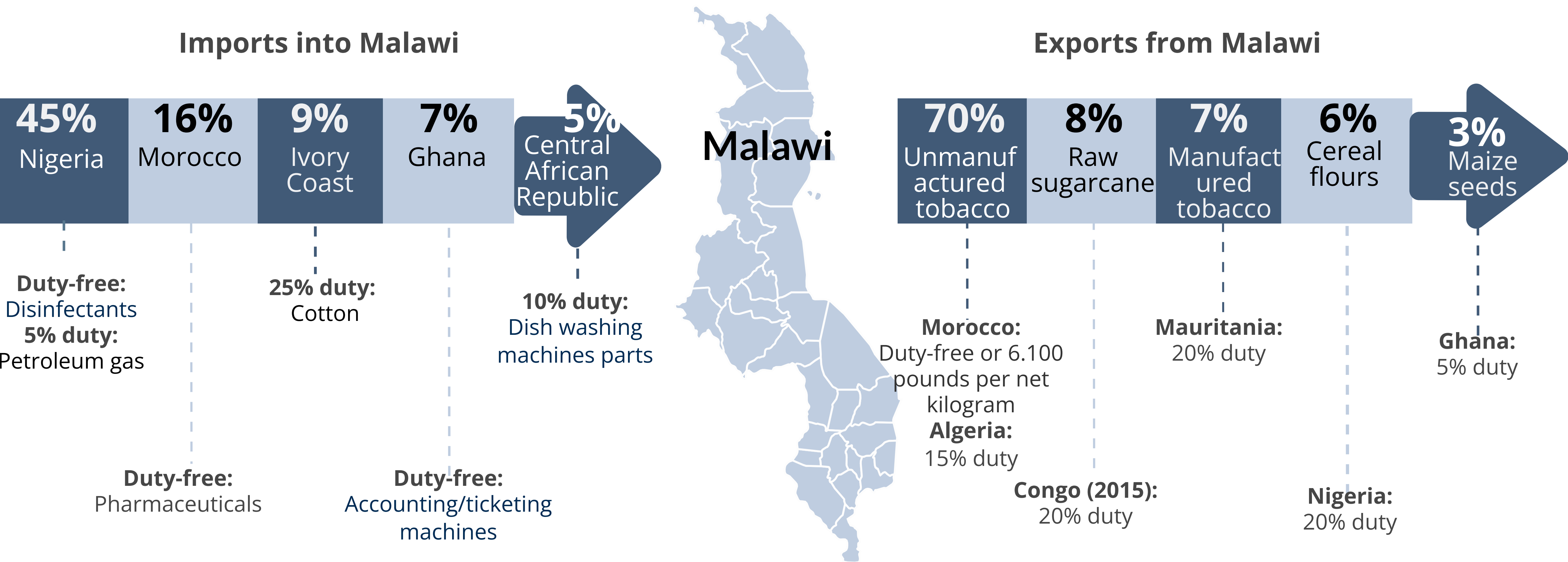
Most of the goods imported into Malawi from other SADC and COMESA FTAs enter duty-free. Imports from countries outside the COMESA and SADC FTAs face MFN applied duties with maximum applied duties pegged at 30%.

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



Trade with African countries outside COMESA and SADC

Only 1% of the world and 3% of Malawi's intra-Africa exports are to African countries not members of COMESA & SADC. The main products exported to countries outside COMESA and SADC include unmanufactured tobacco, raw sugar cane, manufactured tobacco, cereal flours and maize seeds. 0.01% of the world and 0.05% of Malawi's intra-Africa imports are sourced from African countries outside COMESA & SADC. The main import products from African countries outside COMESA and SADC include medicaments, woven cotton fabrics, disinfectants and motor vehicles parts and accessories.



All of Malawi's imports of dried fish and yams as well as 94% of woven cotton fabrics are sourced from African countries outside COMESA & SADC.

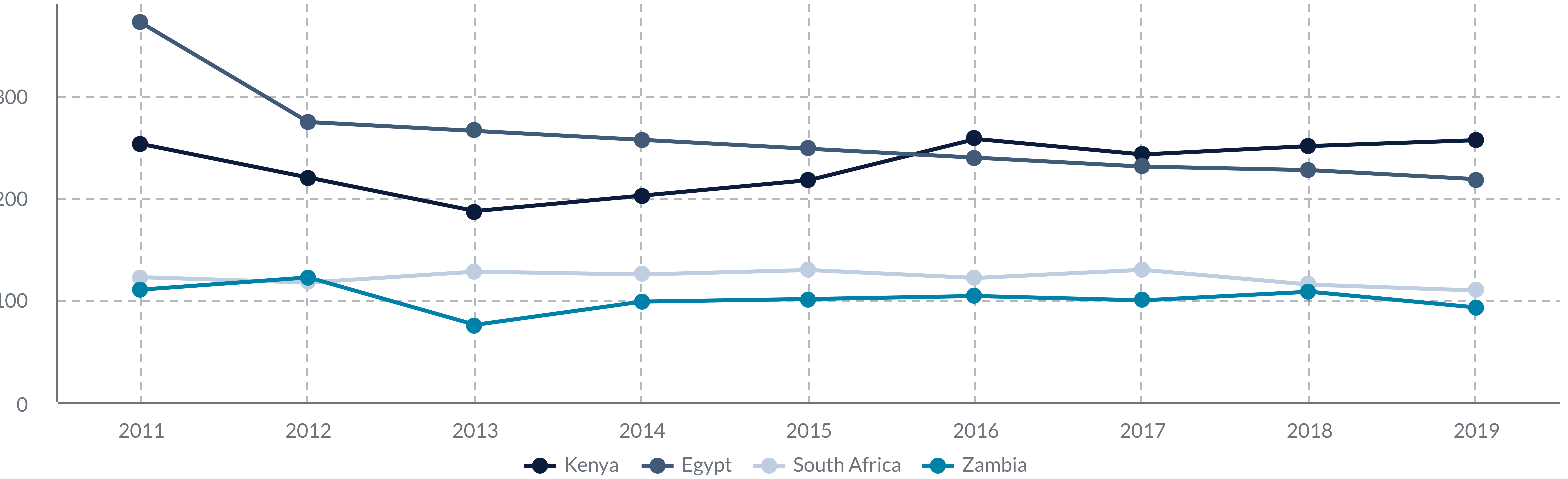
Of the top 20 products imported by Malawi from African countries outside COMESA & SADC, the highest applied MFN tariffs (25%) are applied on imports of woven cotton fabrics, motor vehicle parts, pasta and artificial human hair.


Imports of medicaments, disinfectants, accounting/ticketing machines, printed books, self-propelled machines, thermometers, mobile telephones, units for automatic data-processing machines and liquid pumps from African countries outside COMESA and SADC are imported duty-free into Malawi.




**Non-tariff trade costs**  
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. Malawi's trade with African countries (including Senegal, Ivory Coast, Madagascar, Morocco, Nigeria) is more costly than trade with non-Africa countries such as Brazil, India, Russia, France, Germany, China, the United Kingdom and the United Arab Emirates.

Cost of bilateral trade between Malawi and select countries; 2010-2019






The most expensive product to export to Angola via road transport is a plough (US\$8.77 per unit).



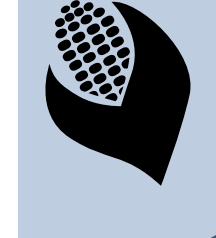
Road transport costs for coal exports:

- Tanzania (US\$0.02 per unit)
- South Africa (US\$0.002 per unit)




Food preparations n.e.s exports:

- Tanzania (US\$0.84 per unit)
- South Africa (US\$0.62 per unit)

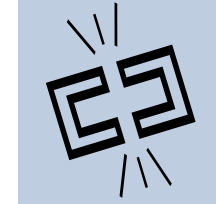


Per unit cost of maize seeds

- Nigeria (US\$0.32)
- South Africa (US\$0.48)

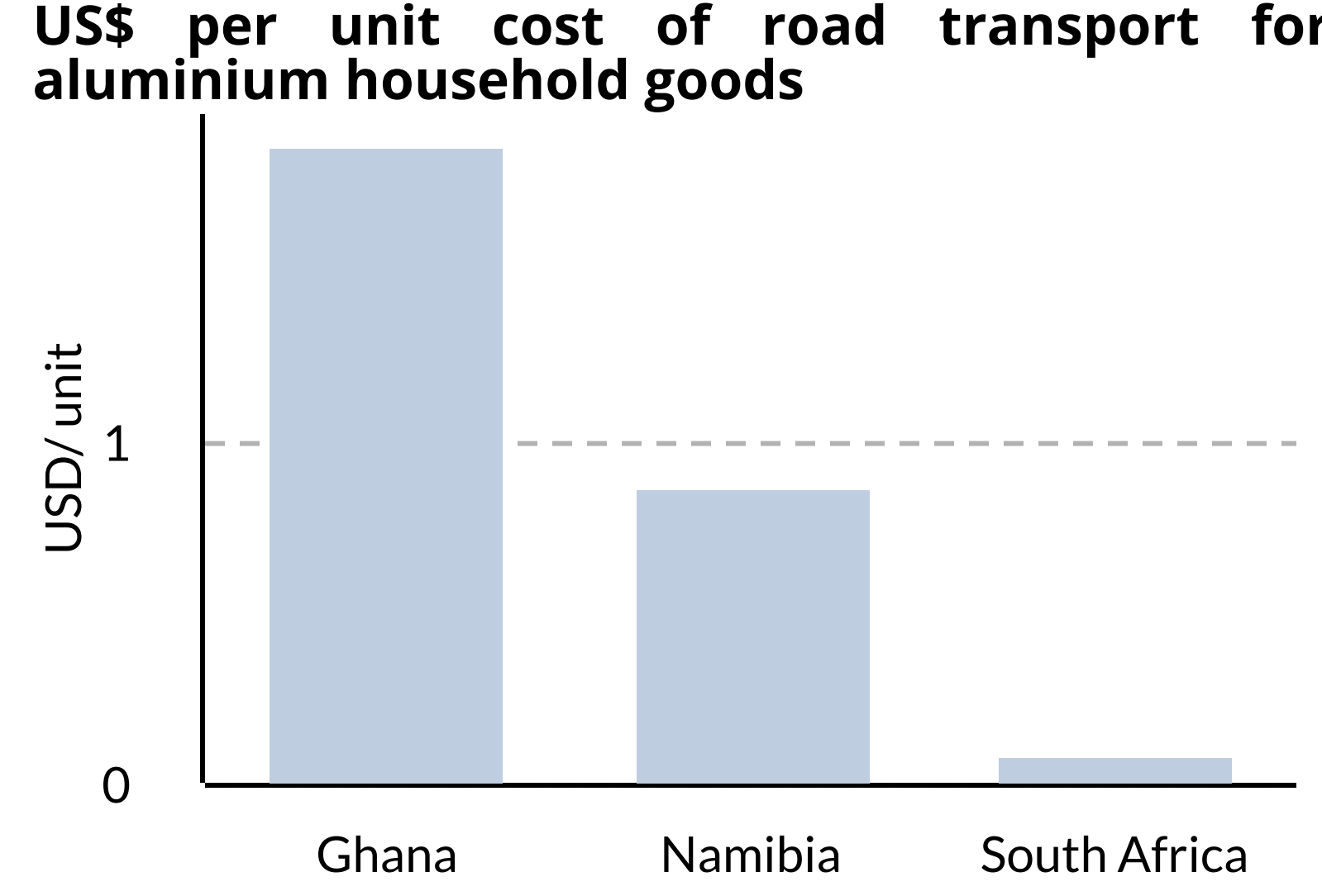
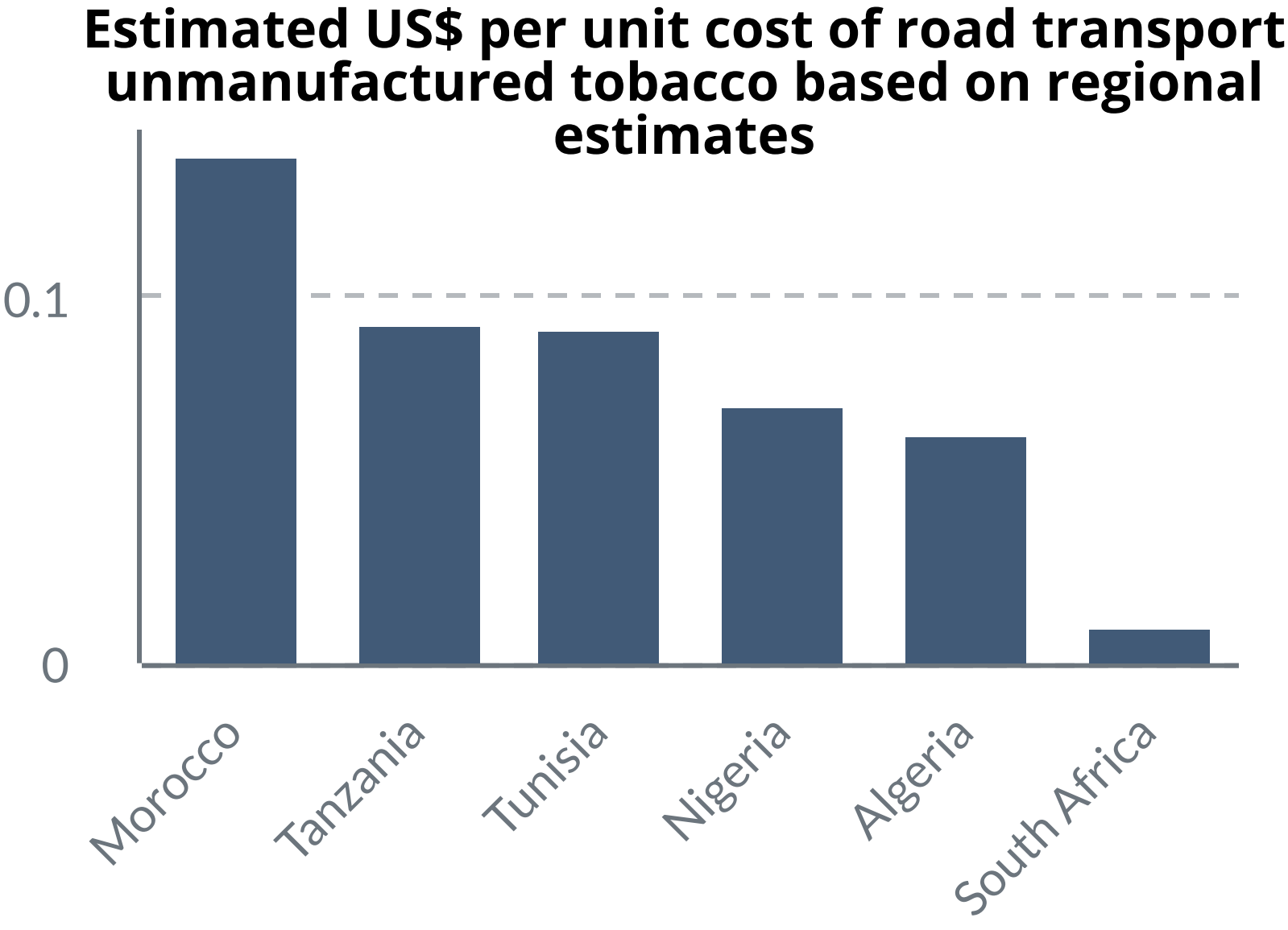


The per unit cost of transporting iron/steek bars & rods and unmanufactured tobacco by road to Algeria is US\$0.63.



Road transport costs of goldsmith articles:

- Tanzania (US\$0.24 per unit)
- South Africa (US\$0.72 per unit)



**Transportation costs**  
The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods. Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016, but is in the process of being updated.

Road transportation of flavoured water is the most expensive. Road transport to South Africa is the highest because of the high costs of transporting flavoured water via road transport.

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

**Transport**

Kenya: US\$1 million  
Mozambique: US\$1 million

**Travel**

South Africa: US\$3 million  
Egypt: US\$2 million  
Nigeria: US\$2 million  
Angola: US\$1 million

**Commercial**

South Africa: US\$4 million  
Egypt: US\$3 million  
Mozambique: US\$2 million  
Nigeria: US\$2 million

**Services exports 2019**

**Trade in services**

**Services imports 2019**

**COMMERCIAL**

South Africa: US\$10 million  
Egypt: US\$5 million  
Tanzania: US\$4 million  
Kenya: US\$3 million

**TRAVEL**

South Africa: US\$10 million  
Egypt: US\$5 million  
Tanzania: US\$4 million  
Kenya: US\$3 million

**TRANSPORT**

Mozambique: US\$1 million