

# Malawi

# intra-Africa trade & tariff profile 2019



## 1. Introduction

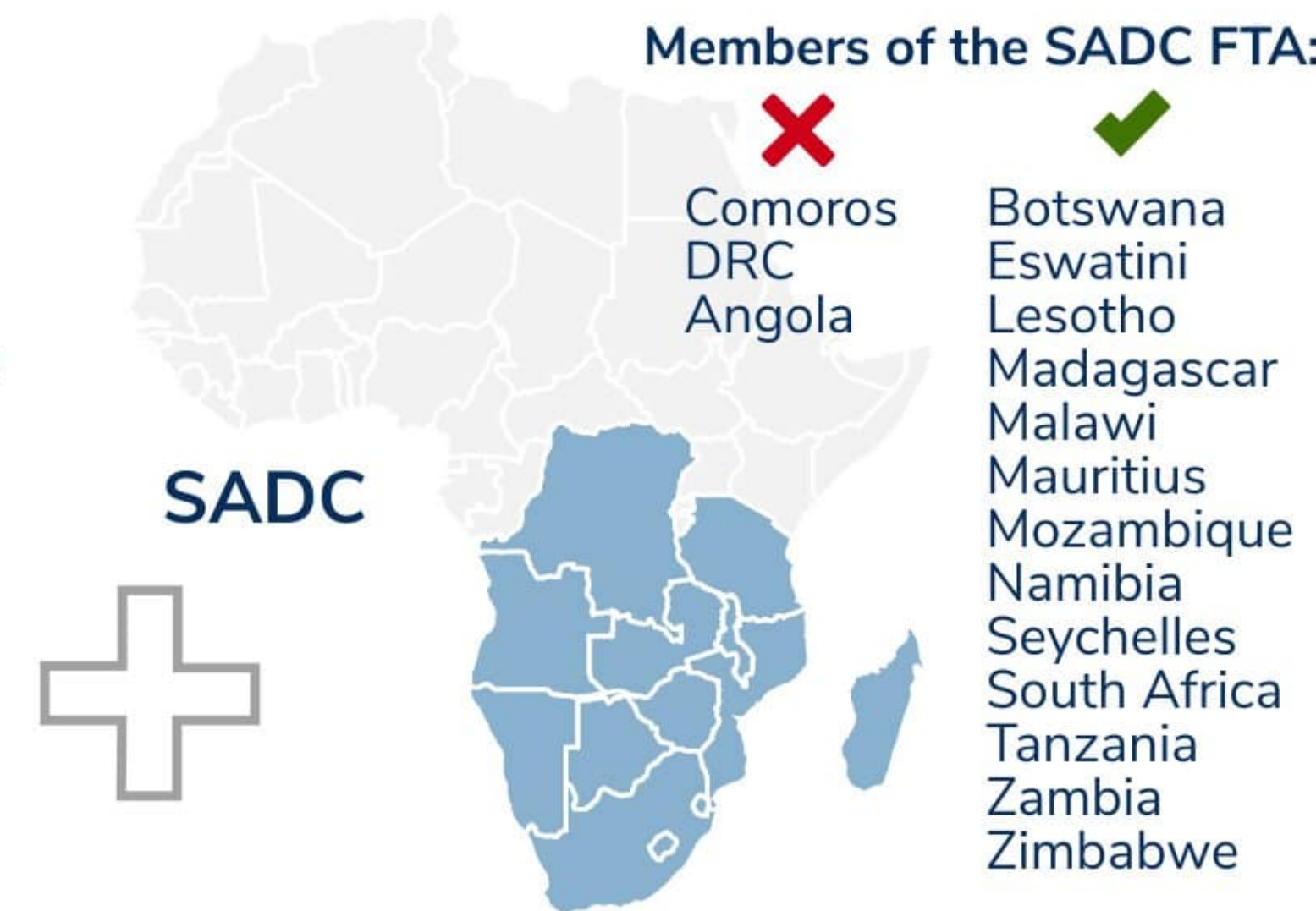
Malawi is member of both the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).

- 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.

### Members of the COMESA FTA:



### Members of the SADC FTA:



## 2. Intra-Africa trade

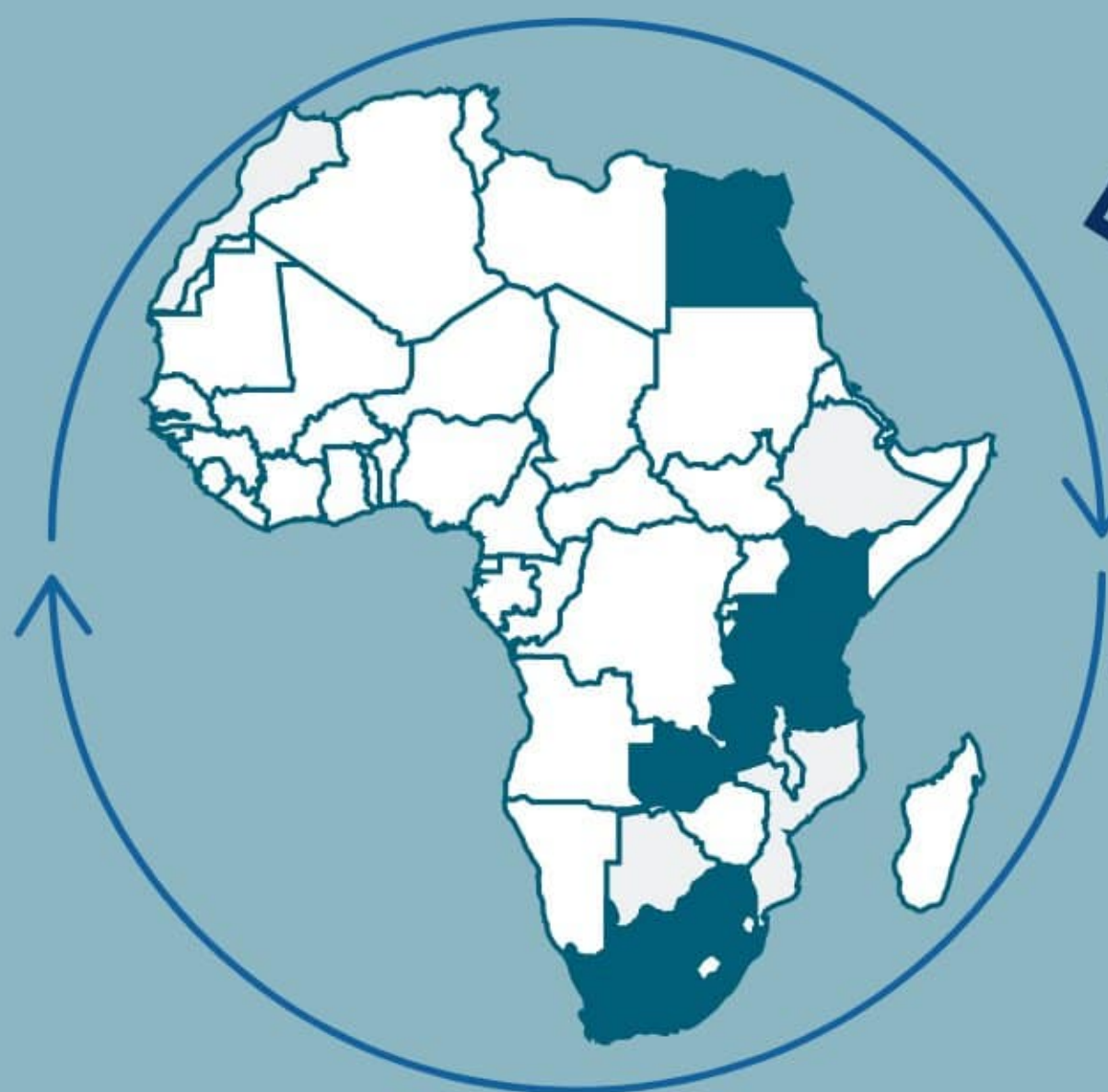
For 2019, 36% of Malawi's world exports & 27% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US\$331 million (4% more than in 2018) & intra-Africa imports to US\$803 million (1% decline compared to 2018 imports).

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.

## Main destination markets

Kenya, Egypt, South Africa, Tanzania & Zambia

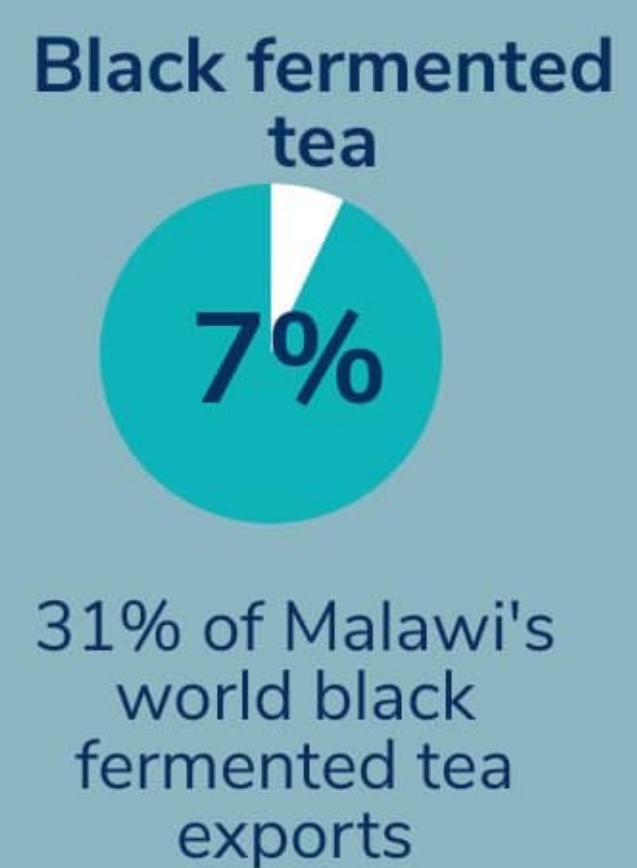
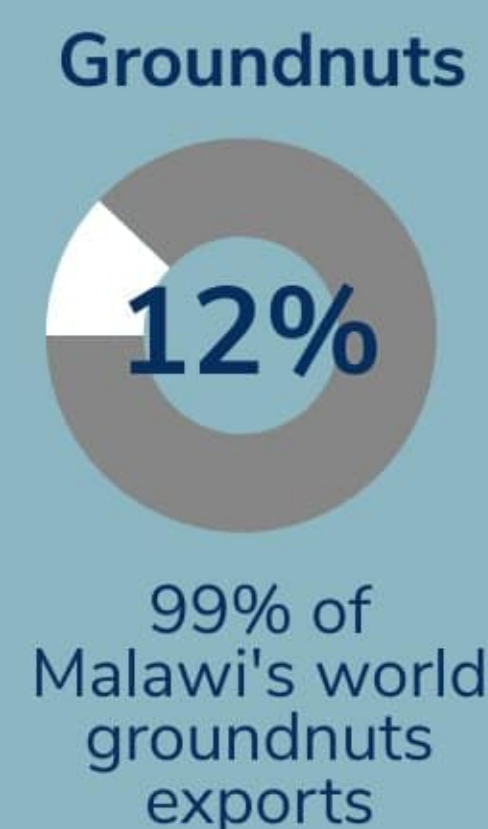
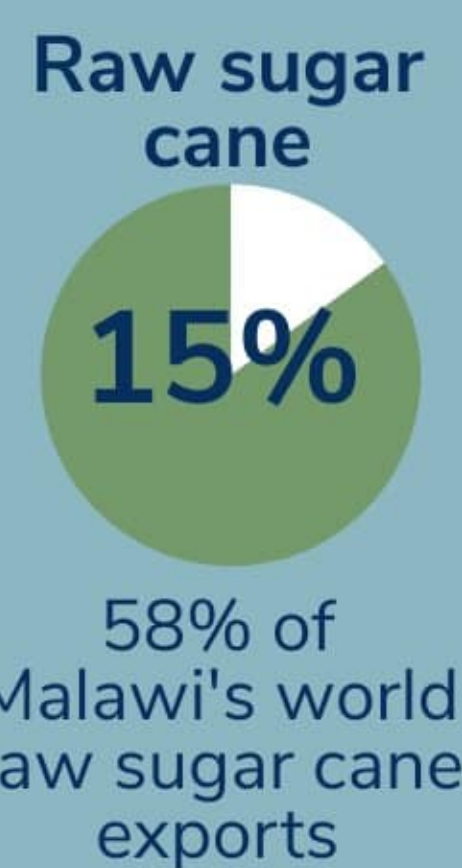
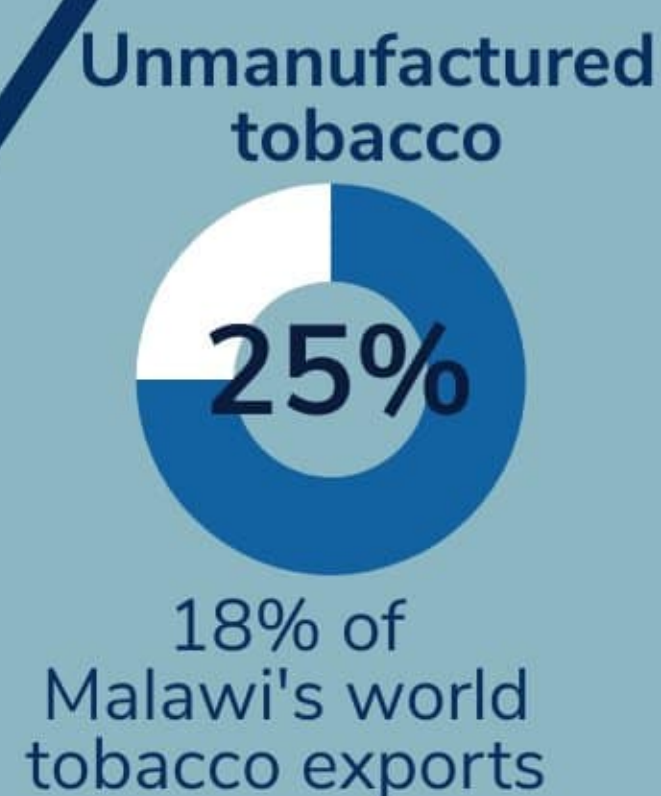


## Main source markets



## Malawi's intra-Africa trade 2019

Exports



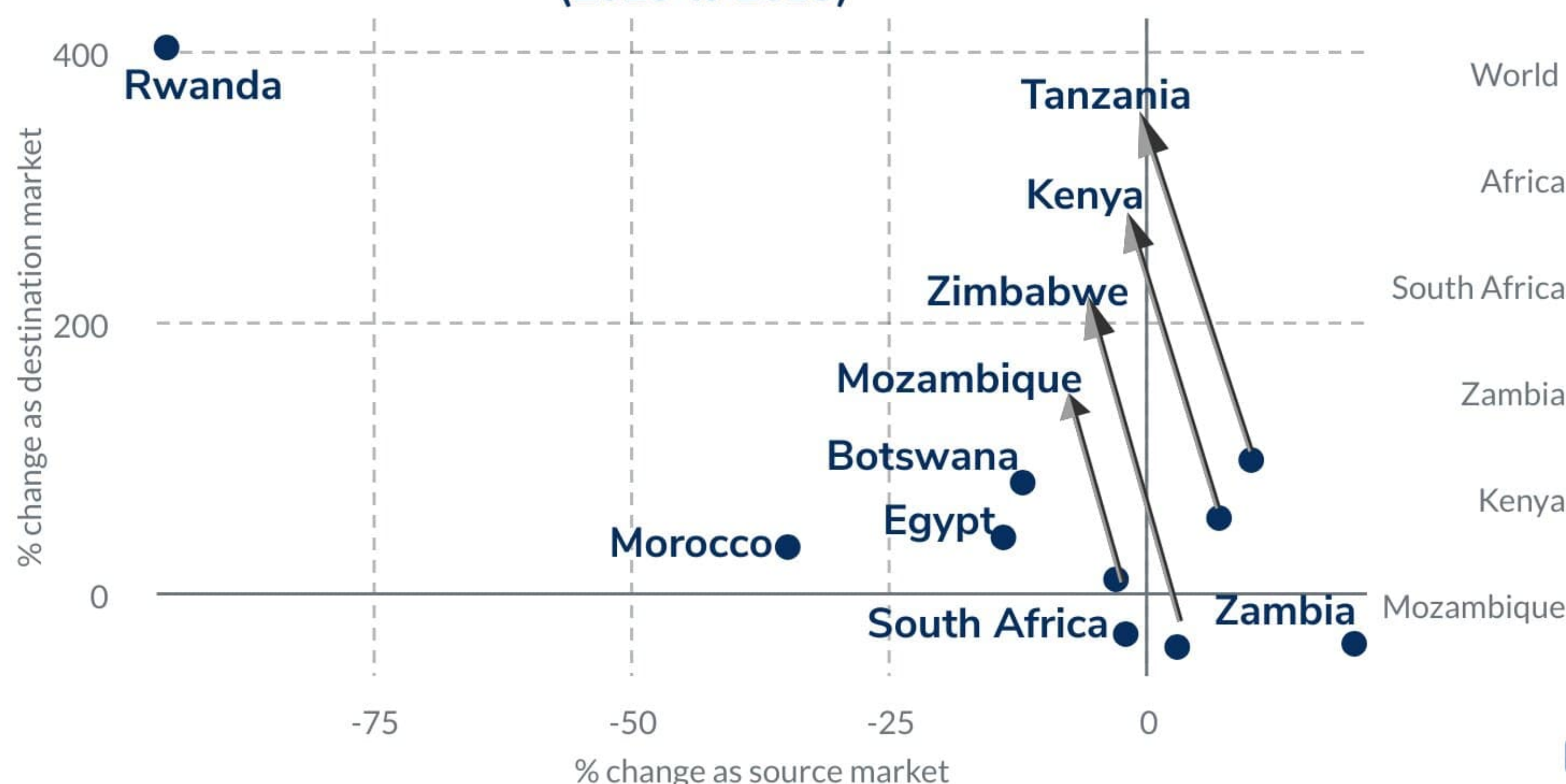
Imports



intra-Africa imports as % of world imports of designated products

Unused postage (6.93%)	21%
Manufactured tobacco (3.96%)	100%
Portland cement (2.97%)	100%
Washing preparations (2.97%)	100%
Food preparations n.e.s (2.97%)	92%
Dried fish (1.98%)	100%
Polypropylene (1.98%)	77%
Unmanufactured tobacco (0.99%)	99%
Other (75.25%)	

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



## Trade balance with designated trade partners 2018 & 2019





**3. 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.

Export products include unmanufactured tobacco, undenatured ethyl alcohol, reception 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.

In 2019, only 1% of intra-Africa imports (0.2% of world imports) are sourced from outside COMESA and SADC. The main imports include diammonium phosphate, polyethylene & fertilisers. 95% of Malawi's imports from outside COMESA & SADC are sourced from Morocco, and 3% from Nigeria.

**MFN 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, liquified 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%**

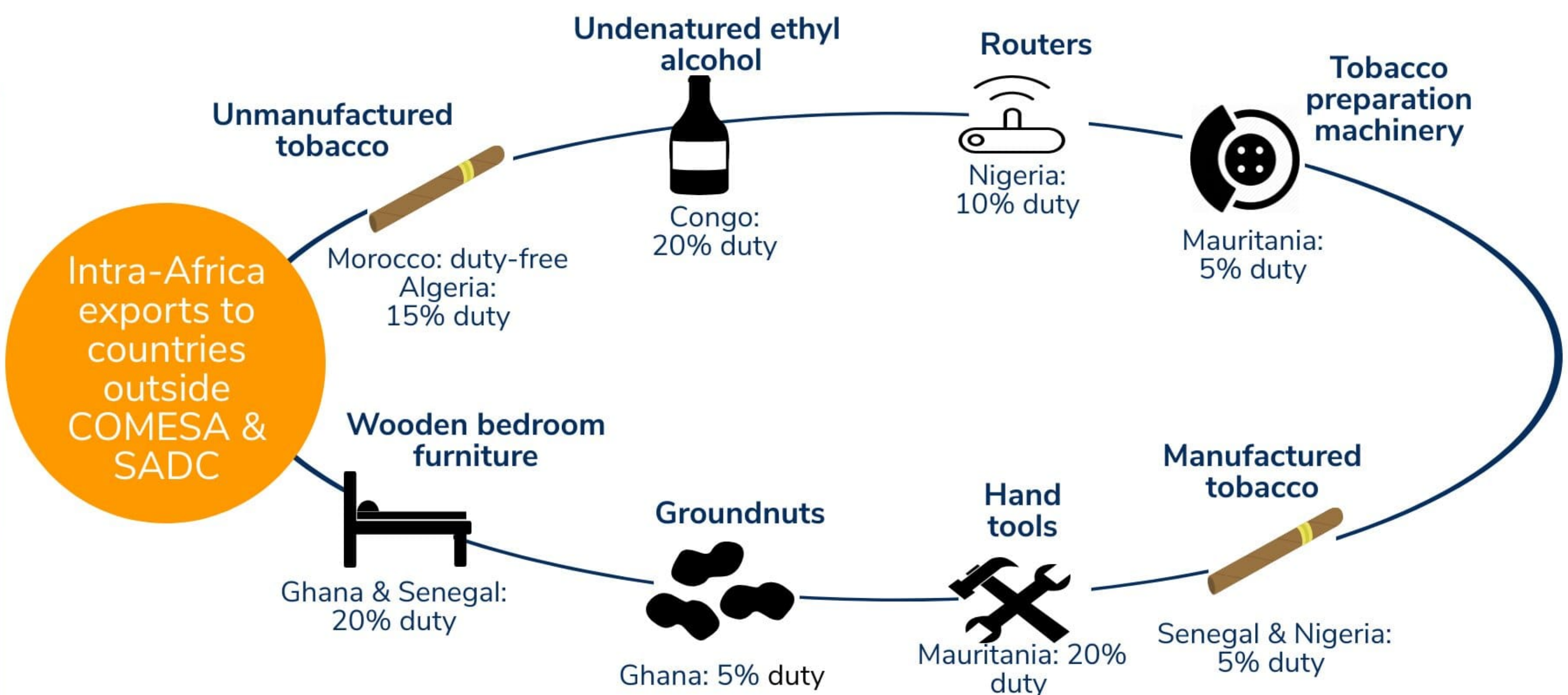
starches (wheat, maize, potato & manioc), lead acid accumulators, batteries, nickel-cadmium accumulators, headphones and earphones, loudspeakers, microphones, prepared pigments, sacks, and bags, new pneumatic tyres of rubber, centrifugal clothes-dryers, motorcycles.

**>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%**

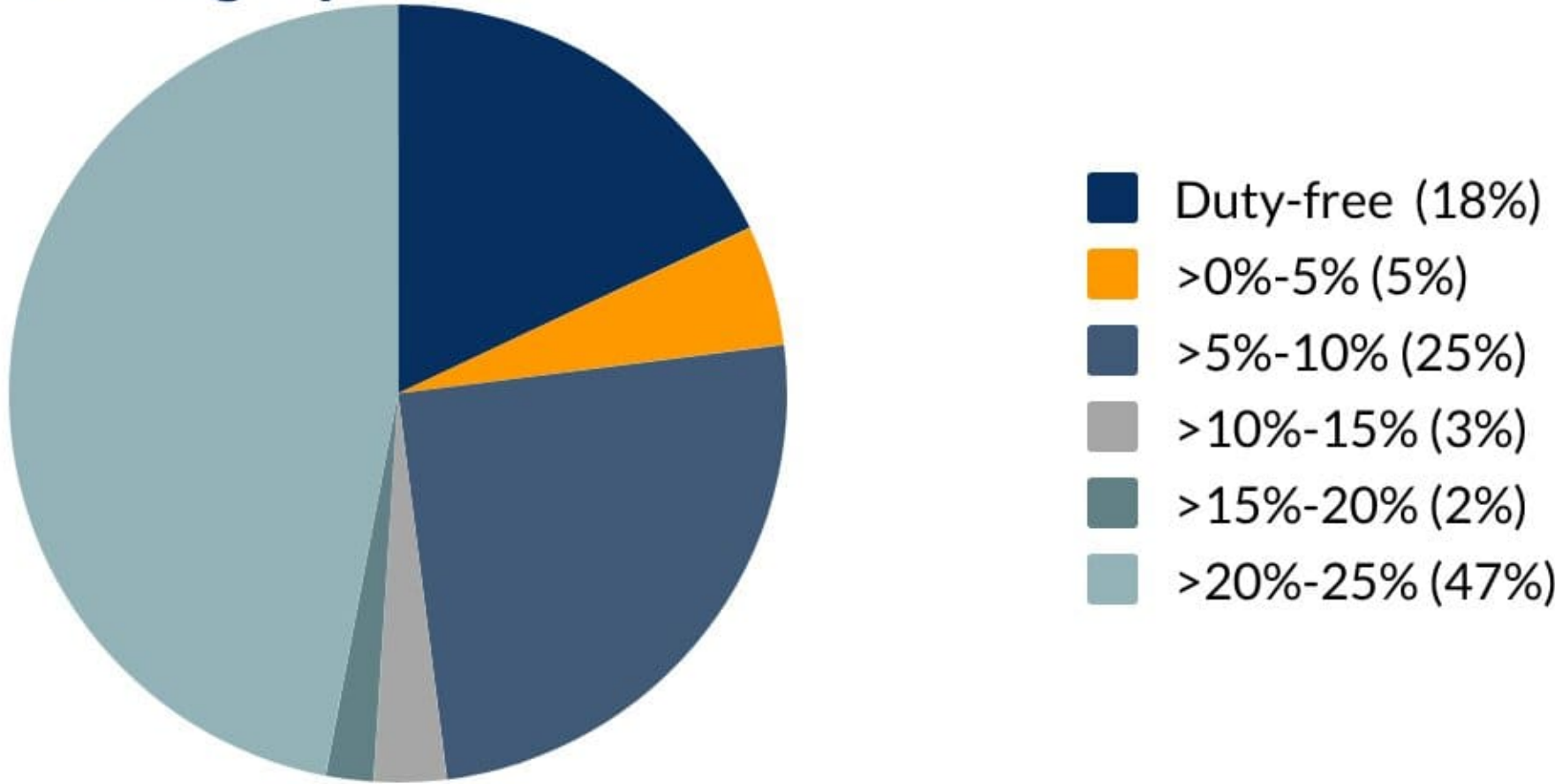
Fresh or dried brazil nuts, coffee, ginger, fish, cocoa paste butter and powder, pasta, jewelry articles, locks, cigar lighters, perfumes.



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

56% of Malawi's world imports of diammonium phosphate are sourced from African countries outside COMESA & SADC; also 1% of imports of polyethylene, and 40% of imports of fertilisers, and 21% of human hair imports are sourced from African countries outside COMESA & SADC.

**Categories of average ad valorem duties & % of 2019 imports in each category**



- 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 whole 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 cost of manufacturing trade. The cost of agricultural trade between Malawi and Uganda 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.

