

MALAWI GOVERNMENT



Ministry of Industry, Trade and Tourism

NATIONAL TRADE POLICY

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Foreword



Starting from 2012, the Government of Malawi through the Ministry of Industry, Trade and Tourism has embarked on a drive through the National Export Strategy (NES) to diversify the export base and markets of Malawi with the objective of improving the livelihoods of Malawians through export-led growth that is inclusive of MSMEs. This is in line with the Malawi Growth and Development Strategy (MGDS II) thematic area on sustainable economic growth. It aims to achieve this through comprehensively addressing binding constraints on Malawi's business environment and focusing on three priority product clusters that have high economic spill-overs into higher earning value added products and which have a high potential for a pro-poor growth.

In light of this, Malawi's trade policy must be aligned to our aspirations as articulated in both the MGDS II and the NES. The existing trade policy dates back to 1998 and Malawi's domestic and external conditions under which its industry and trade operates have since changed substantially. This policy therefore provides a succinct direction on how government intends to use trade policy as an instrument for building a robust productive base, generating enough output, and facilitating smooth trade, which is the current dream. This policy seeks to drive *structural transformation of the productive sector through supporting and managing integration in regional and global markets as well as value chains with the ambition of increasing exports.*

The most critical component of realising the potential of trade policy is to ensure high level political commitment to implementation and prioritisation in a way that is consistent, credible, transparent and sustainable. This trade policy therefore is underpinned by government's commitment to use the existing processes, action plans and institutional reforms as identified by the NES and the National Industrial Policy (NIP). This will ensure that the policy avoids the duplication of existing initiatives.

As we may be aware, trade policy could be rendered ineffective without appropriate accompanying domestic support policies. For instance, our intention to increase export will become ineffective if our food security policies discourage exports. This policy therefore will be implemented through a multi-stakeholder approach, transparent and consultative mechanisms that would guarantee consistency with domestic support policies. I therefore look forward to continue working with all cross sections of our economy, including the private sector, civil society, academia, and development partners to ensure that this policy delivers its objective.

A handwritten signature in black ink, which appears to read 'Mwanamvekha', written over a light blue horizontal line.

Hon. Joseph Mwanamvekha, MP
MINISTER OF INDUSTRY, TRADE AND TOURISM

Preface



The National Trade Policy has been developed to provide a framework for formulation, implementation and coordination of trade related policies. Trade related policies have, for over a decade now, been formulated and implemented in the absence of a well-planned framework that links trade to Malawi's overall development objectives. The object of this policy therefore is a well thought out framework within which trade policy and domestic support policies could be applied in a way that would engender a long term pro-poor development of the Malawian economy and address the short to medium term balance of payment challenges.

The policy has identified five (5) priority areas – market access (esp. non-tariff barriers), business environment, narrow productive base, high entry cost for small scale producers and traders, and implementation gap – to developing the trade sector. These have formed the basis for key policy recommendations. Key policy instruments have also been recommended to tackle the spectrum of trade policies at the national, regional and multilateral levels.

Implementation opportunities exist in the current Trade, Industry, and Private Sector Development Sector Wide Approach (TIPSWAp) arrangement. However, there would be need to overcome the issue of resource constraints and multi-sectoral planning and budgeting.

The policy was formulated with technical support of a consulting firm, Imani Development International, through a comprehensive consultative process that included all the stakeholders from public, private and civil society and academia amongst others; and peer-review by a group of international trade policy experts as well as a dedicated group of officers within the Ministry of Industry, Trade and Tourism itself.

I want to use this opportunity, therefore, to thank all stakeholders who continue to work with us tirelessly, especially our development partners. I want to specifically thank the United Nations Development Programme (UNDP), who have supported the development of the National Export strategy, National Industrial Policy, and this Trade Policy. Lastly, I would like to acknowledge the dedication by the Department of Trade, key directors in the Ministry and our Trade Advisor under the Commonwealth Secretariat's "Hub & Spokes Programme" to this work.

A handwritten signature in dark ink, appearing to read 'Cliff', with a stylized flourish underneath.

Cliff Kenneth Chiunda
SECRETARY FOR INDUSTRY, TRADE AND TOURISM

Acronyms

List of Acronyms and Abbreviations

AGOA	African Growth and Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
BIT	Bilateral Investment Treaty
BRICS	Brazil, Russia, India, China and South Africa
CAADP	Comprehensive African Agricultural Development Plan
COMESA	Common Market for Eastern and Southern Africa
DTIS	Diagnostic Trade Integration Study
DTA	Double Taxation Agreement
EAC	East African Community
EBA	European Banking Authority
EDF	Export Development Fund
UK	United Kingdom
USA	United States of America
FSTAP	Financial Sector Technical Assistance Project
EU	European Union
FDI	Foreign Direct Investment
FIP	Finance and Investment Protocol
FSDT	Financial Sector Deepening Trust
GATS	General Agreement on Trade in Services
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GNI	Gross National Income
GOM	Government of Malawi
GVC	Global Value Chain
HIV	Human Immunodeficiency Virus
HQCF	High Quality Cassava Flour
ICSID	International Centre for the Settlement of Investment Disputes
ITC	International Trade Centre
LDC	Least-Development Country
ACE	Agricultural Commodity Exchange
MBS	Malawi Bureau of Standards
MGDS	Malawi Growth and Development Strategy
MIGA	Multilateral Investment Guarantee Agency
MITC	Malawi Investment and Trade Centre
MOIT	Ministry of Industry and Trade
MSMEs	Micro Small and Medium Enterprises
NES	National Export Strategy
NIP	National Industrial Policy
NTB	Non-Tariff Barrier
NTF-AP	National Trade Facilitation Action Plan
NTP	National Trade Policy
PPP	Purchasing Power Parity

R&D	Research and Development
RoO	Rules of Origin
SADC	Southern African Development Community
SPS	Sanitary and Phytosanitary
STR	Simplified Trade Regime
TAF	Trade Advocacy Fund
TAML	Tea Association of Malawi Ltd
TBT	Technical Barriers to Trade
TFTA	Tripartite Free Trade Area
TIP SWAp	Trade, Industry, and Private Sector Development Sector-Wide Approach
WEF	World Economic Forum
WRF	World Rural Forum
WRS	Warehouse Receipt System
WTO	World Trade Organisation

1. Introduction

This trade policy conveys the Government of Malawi's commitment to make trade a tool for sustainable socio-economic development and poverty reduction as espoused in the Malawi Growth and Development Strategy II. The policy reflects the range of opportunities and challenges facing Malawi. It recognises the critical issue of implementation – of both the trade agreements already in place and sectoral policies needed to harness trade for development. Consequently, it is particularly entwined with National Export Strategy (NES) and the National Industrial Policy (NIP), their priorities and implementation structures.

1.1 Background

Trade has fundamentally shaped the economy of Malawi. Despite being a Landlocked Least Developed Country (LDC), Malawi has a relatively high export to GDP ratio of 30%. Malawi's exports are primary or semi processed products, which are developed solely for sale to the global markets. Malawi also relies heavily on imported goods, in particular fuel, fertiliser, and most manufactured goods.

A key challenge for Malawi is an unsustainable trade deficit due mainly to narrow productive base and weak domestic and international trade linkages and systems. Imports increased from approximately US\$2 billion in 2009 to about US\$2.8 billion in 2013 representing about 40% increment. On the other hand exports increased from US\$1.1billion in 2009 to merely US\$1.2billion in 2013 representing a meager growth of only 1.7%. As such exports have failed to keep pace with imports, resulting in a widening trade deficit. While a low-income country such as Malawi, with a low level of savings and high investment needs, would be expected to import more than it exports, the trade deficit of Malawi is unsustainable without an expansion and strengthening of the exports sector¹.

A further challenge is a concentrated export base, creating volatility in Malawi's export earnings. Tobacco dominates Malawi's export basket, accounting for around 50% of Malawi total exports (exceeding 60% in some years); mining around 11%, sugar at 9%, coffee and tea at 8% and oil seeds at 7%.

The poor external performance has contributed to Malawi's fundamental development challenge of slow economic growth relative to population. Malawi's GDP per capita is increasingly falling behind the rest of the countries in Sub Saharan Africa.

1.1.1 *Linkages with other relevant policies*

In developing this policy, there was recourse to a number of policy documents. The trade policy is anchored on the Malawi's Growth and Development Strategy (MGDS II), which is the overarching development policy document and other key strategies and policies such as the National Export Strategy (NES), the draft National Industrial Policy (NIP), MSMEs

¹ Onelie Nukuna "Sustainability of the Malawian current account deficit: Application of structural and solvency approaches" Journal of Economics and International Finance, Vol 5(5) August 2013.

Policy. The above policies aim at developing a competitive Malawi that is driven by a diversified and strong productive base, promotion of value addition, a conducive business environment, and improved market access.

1.2 Statement of the Problem

Malawi trade deficit continues to widen despite the numerous market access opportunities available at bilateral, regional and multilateral levels. The key challenges remain in trade competitiveness and development of comparative advantages.

1.2.1 Key constraints

The key constraints underlying these problems have been identified as:

1. Market access – restrictive Non-tariff measures, non-tariff barriers and the lack of certainty regarding both external and internal market access
2. Imperfect business operating environment,
3. Narrow productive base: investment and skills
4. The high cost of entry into markets for small scale producers and traders
5. Trade mainstreaming with regards to:
 - a. Implementation including inadequate institutional capacity and coordination
 - b. policy coherence, in particular in the areas of food security and finance, transport policy and trade costs; trade policy formulation and negotiation

1.3 The Purpose of the Policy

The purpose of this policy is to address weak linkage between trade and overall development objective and binding constraints that have hindered Malawi's ability to take full advantage of existing and emerging market access opportunities. This policy is also necessary to provide direction and enhance domestic policy coherence and coordination.

2. Broad Policy Directions:

2.1 Policy Goal

The goal of the National Trade Policy is to make Malawi *a globally competitive export-oriented economy, generating higher and sustainable livelihoods through trade that recognises the role of MSMEs and the vulnerable groups*. It aims to achieve this goal by driving structural transformation of the productive sector and supporting and managing domestic market structure and integration in regional and global markets through value chains with the ambition of increasing exports.

2.2 Policy Outcomes

The National Trade Policy aims at addressing the challenges that Malawi faces with a view to realizing the following outcomes:

- i. diversified and increased domestic and export trade;
- ii. diversified export markets;
- iii. Increased competitiveness in the domestic market
- iv. Increased participation of small producers and the poor in both domestic and export trade;
- v. reduced trade deficit/ Improved trade balance;
- vi. improved stability of export revenue;
- vii. increased productivity and productive capacity of the private sector; and
- viii. Increased pro-poor impact of trade.

2.3 Policy Objective(s)

The objective of the trade policy is to address the key constraints to trade that is supportive of broader development goals. The specific objectives are as follows:

1. To eliminate external and domestic policy barriers to trade;
2. To provide support and certainty for traders in the external and domestic market;
3. To reduce the cost of doing business and trading;
4. To facilitate investment and provision of a more secure investment framework;
5. To reduce barriers to movement of service providers and high skilled immigrants;
6. To strengthen the linkages between domestic and international trade;
7. To facilitate cross border market access opportunities for MSMEs;
8. To empower Malawians to participate in the provision of goods and services; and
9. To address the gaps in terms of policy formulation, implementation and institutional framework.

3. Policy Priority Areas

3.1 Market Access for Malawi's Exports

Malawi enjoys a competitive advantage in terms of lower tariffs and unilateral market access under EBA and AGOA, and regional market access under SADC, COMESA and Tripartite Free Trade Area. However, Malawi faces challenges to take full advantage of these market access opportunities due to the existence of restrictive non-tariff measures and barriers². Malawi also faces tariff barriers to trade in some emerging markets, barriers to trade in services in global and regional markets, as well as limited support to the productive sector, all of which affect Malawi's ability to take full advantage of the existing market access opportunities.

Issues

i) Non-Tariff Barriers

Malawi continues to face non-tariff barriers such as import or export controls, restrictive rules of origin; and behind the border measures (including internal charges and taxes). The difficulties and delays caused by Malawi authorities in relation to trade procedures are widely documented. There is limited credibility and certainty of market access arrangements.

ii) Tariff Barriers

Malawi faces tariff barriers specific to NES priority clusters in emerging markets such as Brazil and Russia.

iii) Barriers to trade in services

For trade in services there are substantive barriers in the region for professional services and globally for semi-skilled service providers and these will be addressed in the range of trade agreements currently being developed.

iv) Direct support to market information and market entry requirements

There is limited direct support to the productive sector in Malawi in terms of market information, diversification and entry requirements. It is recognised that there is limited framework to deal with the protection of infant industries, dumping, smuggling, and counterfeits.

Policy Statements

The Government will ensure that:

- i) external and domestic policy barriers to trade in goods and services such as NTBs and Tariff barriers are eliminated;

Key Strategies:

- *Negotiate through bilateral and regional frameworks the elimination of trade barriers*

² A recent (ITC) study found that NTMs affected over three quarters of all firms exporting, a much higher share of exporters affected by trade compared to many other countries in Sub-Saharan Africa. However, the majority of the barriers to Malawi exports reported by companies resulted from Malawi's own policies or from institutional deficiencies

- *Enhance identification, reporting and elimination of domestic trade barriers*
- ii) there is greater certainty for exporters in the external and domestic framework for trade;

Key Strategy:

- *negotiate favourable market access (e.g. simple and realistic ROO, DFQF) for Malawi products as well as Mutual Recognition Agreements (MRAs)*
- iii) Direct support for exporters of NES priority cluster products is facilitated;

Key Strategies:

- *Support the development of the national quality infrastructure*
- *Implement the national trade facilitation action plan including the Malawi Programme for Aflatoxin Control (MAPAC)*
- iv) Dumping, smuggling, and supply of counterfeit products is remedied;

Key Strategies:

- *Legislate the trade remedies, smuggling and counterfeits law*
- *Set up a multi-sectoral national task force on smuggling and counterfeits*
- v) A framework that enhances inclusiveness of farmers and other producers into sustainable and formal market structures is promoted;

Key Strategy:

- *Legislate the warehouse receipt law and promote implementation of the warehouse receipt and commodity exchange systems*
- vi) A framework for export mandates to enhance trade in selected commodities is promoted; and

Key Strategy:

- *Develop and implement the Export Mandate Regulations under the (Import and Export) (Commerce) Regulations of the Control of Goods Act*
- vii) Trade & market information systems are actively promoted.

Key Strategy:

- *Develop and maintain a trade portal and commodity price information systems*

3.2 Improve the Business Operating Environment

In recent years, Malawi has embarked on a number of initiatives to improve its overall business environment, with the aspiration of moving into the top 100 of the rankings from the current ranking of 141. However, Malawi's overall business climate is still ranked low by the World Bank Doing Business Report. This points to an implementation gap, as much as it does to the need for specific reforms.

Trade Policy plays a role in improving the business environment by reducing the costs of trading (in terms of both time and money). This is particularly important for a landlocked country like Malawi. Trade policy is also important in driving through a rationalisation of tariffs on key business inputs and improving the regulation of domestic competition by incorporating the regional dimension to competition policy.

Issue 1: Cost of Trading

i) Customs reform and trade facilitation

There exist cumbersome customs procedures and documentation requirements both at national and regional levels. Customs modernization and co-operation arrangements and trade facilitation instruments in COMESA, SADC and WTO have not been fully implemented.

ii) Trade-related Infrastructure

Trade infrastructure is lacking in particular transport and quality infrastructure including compliance with SPS and TBT requirements.

Issue 2: Cost of Doing Business

i) Import tariff rationalisation

Imported inputs (raw material and intermediate) still attract higher tariffs unlike their related finished products, which is inconsistent with the NES aspirations.

ii) Access to key services

There is shortage of competitively priced services in Malawi in sectors such as energy, transport, telecommunication, financial, which impedes the development of strong industrial sector.

iii) Effective Regulation of Competition

A number of sectors in the Malawian economy remain concentrated, particularly in the transport and financial sectors that are the two key enabling sectors to the productive economy.

Policy Statements

The Government will ensure that:

- i) There is reduction in the cost of doing business by eliminating tariffs on imported inputs of both goods and services;

Key Strategy:

- *Rationalize domestic tariffs to reduce tariffs on inputs*

- ii) There is greater and fairer competition in key services

Key Strategy:

- *Promote competition policy*

- iii) The cost of trading is reduced by improving the transit and customs arrangements and also trade infrastructure (transport and SQAM)

Key Strategy:

- *Implement the national trade facilitation action plan*

3.3 Narrow Productive Base: Investment and Skills

Fundamental to Malawi's long term growth prospects is its ability to attract resources, both investment and skills. Trade policy can play a critical facilitating role in attracting these factors of production. Furthermore, an effective supply response to the incentives created from market access arrangements requires investment in the favoured sector.

Issues:

i) Framework for Investment

The key constraints to investment are more linked to Malawi's macroeconomic fundamentals and lack of strategic focus. With regards to trade policy instruments, there is a limited association between investment agreements signed and investment flows. In addition, the existing incentives regimes and rebate scheme are not robust enough to attract investment.

ii) Inadequate Skills

There is a shortage of skills that is directly and indirectly constraining exports. These skills are mostly related to technical productive and services areas.

Policy Statement

The Government will ensure that:

- i) a more targeted and predictable investment framework is facilitated

Key Strategy:

- *Improve alignment of trade policy and trade-related policies*

- ii) skills transfer is embedded and enforced within its investment frameworks

Key Strategy:

- *Negotiate skills transfer into Investment Agreements and review and include skills transfer into existing Investment Agreements*

3.4 Promoting and Reducing Entry Costs to Pro-Poor Trade

There is limited integration of MSMEs into the formal value chains and international trade. The Malawi Business Linkages Programme has the potential to better integrate MSMEs within the formal economy. The Rural Infrastructure Development Programme is also targeting non connectivity of the rural areas to markets and services.

Issues

i) Cross Border Trade (CBT)

There is limited participation of small scale traders and in particular women and the youths in CBT due to procedural challenges at the border. There is also lack of support for cross border market opportunities within domestic trade-related policies

ii) Business & Trade Linkages

There is weak linkage and limited access to domestic and international markets for MSMEs mainly due to supply-side constraints and access to information.

iii) Limited participation of Malawians in trading activities

There is limited participation of Malawians in trading activities that are currently dominated by footloose foreigners.

Policy Statements

The Government will ensure that:

- i) There are deliberate initiatives to support free movement of goods to markets in neighbouring countries by MSMEs particularly youth and women;

Key Strategy:

- *Implement and expand Simplified Trade Regime to Tanzania and Mozambique*

- ii) The linkage of producers to domestic and international markets is promoted through the business linkage programme;

Key Strategy:

- *Implement the business linkage programme and the cross border traders chatter*
- *Enhance local market structures such as commodity and warehouse receipt systems*

- iii) Malawians are empowered to participate in the provision of goods and services

Key Strategy:

- *Implement the Buy-Malawian campaign strategy*
- *Build the capacity of indigenous traders and promote reforms to enable Malawians to participate in public procurement*

- iv) The economic empowerment Bill is developed to address the challenges of small scale traders.

3.5 Trade Mainstreaming and Support

Malawi is a party to several trade agreements but fails to effectively implement them. The issues of implementation relate to: domestic implementation of trade agreements; implementation of supply side measures including the use of aid for trade and trade remedy

measures to protect infant industries; and limited institutional capacity in relation to both technical and financial resources

Issues

i) **Domestic implementation of trade policy**

There is inadequate legal resource to be able to domesticate regional agreements into national law. There is also lack of transparency and accountability in the implementation of trade policies. Furthermore, agricultural policy (esp. food security), fiscal and monetary policies are often in conflict with trade policy.

ii) **Supply Side Constraints**

One of the key challenges for Malawi is its inability to generate enough output for exports due to supply side constraints. Building productive base of the economy is the key bane of Malawi's inability to generate enough exports. This is compounded by lack of trade mainstreaming, coordination and information sharing within the key Ministries and other implementing agencies. Agricultural policy in terms of pricing of agricultural commodities further complicates investment decision to increase production. De facto agricultural policy has been limited in promoting commercial agriculture.

iii) **Institutional Capacity**

Key trade institutions are bedeviled with limited resources, both human and financial, in delivering trade policy objectives. This undermines policy formulation, implementation, and monitoring.

Policy Statements

The Government will ensure that:

- i) The issue of policy coherence regarding food security, monetary and fiscal policies, and trade policy is addressed

Key Strategy:

- *Strengthen policy dialogue and coordination under TIPSWAp and establish specific dialogue mechanism to deal with specific/emergency issues*

- ii) The capacity for trade policy formulation, implementation and evaluation is improved

Key Strategies:

- *Enhance the profile of the Ministry of Industry & Trade through OPC to coordinate trade-related interventions across other Ministries and agencies*
- *Build the capacity of the Ministry and other trade-related institutions in especially specialised trade and investment subjects*

- iii) Trade is mainstreamed into all key Ministries, Departments and Agencies (MDAs) and coordination and information sharing is enhanced

Key Strategy:

- *Promote trade mainstreaming into sectoral plans and budgets including joint setting of priorities with Development Partners*
- iv) The capacity to domesticate International Trade Agreements and to implement international trade commitments is addressed

Key Strategy:

- *Secure (at least one) human resources with legal expertise in international trade and investment*
- v) The commercialization of agriculture for both domestic and export market is promoted

Key Strategy:

- *Promote commercial agriculture strategies/systems such as anchor farms*

4. Implementation Arrangements

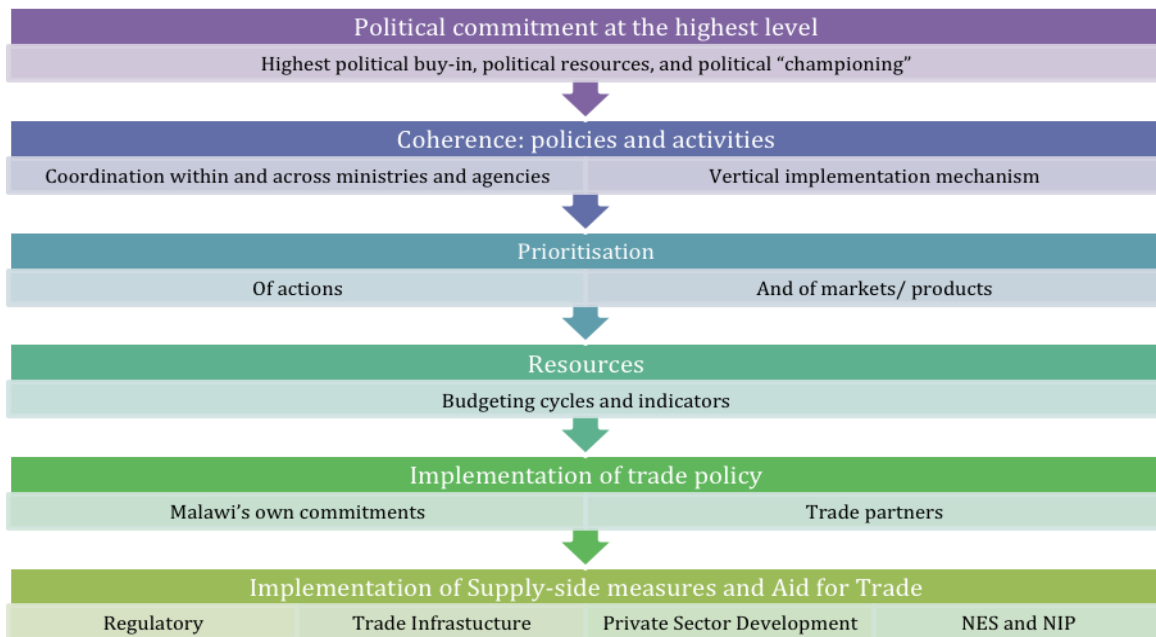
4.1 Institutional Arrangements

Trade policy implementation involves a wide range of stakeholders from government institutions, private sector, academia and civil society. They are all critical from policy development and provides a good platform for feedback in policy implementation.

The Ministry of Industry and Trade which is the lead institution for implementation of trade shall provide leadership for this policy. However, it shall endeavour to engage with all key stakeholders in the policy process and cycle. The Ministry will continue to engage with stakeholders through the National Working Group on Trade policy, the Trade, Industry, and Private Sector Development Sector-Wide Approach (TIPSWAp) implementation framework, and the Inter-Ministerial Committee on Trade.

4.2 Implementation Plan

Effective and credible implementation is critical. The key pillars for success are:



The detailed implementation plan for this policy is found in the attached document called the Implementation Plan

4.3 Monitoring & Evaluation

This policy is expected to be comprehensively reviewed after (5) years of implementation. The M&E framework which is contained in the Implementation Plan document attached to this policy details out the key outputs, targets and assumptions that underlie this policy.

Implementation, Monitoring and Evaluation Plan

1. Introduction

The National Trade Policy (2016 - 2021) seeks to drive structural transformation of the productive sector through supporting and managing domestic market structure integration in regional and global markets as well as value chains with the ambition of increasing exports. This document outlines the specific strategies that would be used to achieve the objectives of this policy. It also details out the M&E framework to track progress of implementing this policy.

2. Strategies for policy Priority Areas

This section presents each Policy Priority Area with its specific objective (s) and strategies as follows:

2.1 Policy Priority Area 1: Market Access for Malawi's Exports

Objectives:

- a. To eliminate external and domestic policy barriers to trade;
- b. To provide support and certainty for traders in the external and domestic market

Strategies:

i. Non-Tariff Barriers

National

- Develop and maintain NTBs database
- Negotiate for the elimination of NTBs prevalence in export markets and domestic NTBs;
- Facilitate dialogue through the National Trade Facilitation Committee (NTFC) to eliminate domestic NTBs

Bilateral

- Invoke relevant provisions under the bilateral Agreements with Mozambique, South Africa, and Zimbabwe to hold HoS, Ministerial, and sub-committee levels meetings once a year

Regional

- **At COMESA and SADC level:**
 - Within regional structures, promote compliance with commitments. This will include the use of dispute settlement mechanisms.
- **At Tripartite Free Trade Area (TFTA) level:**
 - Take a multi-pronged approach, which entails: cooperation under the COMESA-EAC-SADC NTB reduction processes;

ii. Non-Tariff Measures

a. Technical Regulations and Standards

National

- Support private operators - farmer organisations, cooperatives, women's groups, MSMEs and businesses - to meet the standards of destination markets;
- Strengthen the Malawi Bureau of Standards (MBS), through
 - Prioritising funding for the improvement in its institutional capacity
 - Steering the MBS towards being a market-led facilitator (as opposed to a regulator) of standards and accreditation of Malawi exports, and particularly ease the cost burden on MSMEs.
 - Fast-tracking the relevant accreditation for the MBS to facilitate priority exports (with support from the EU SQAM Project);
- Implementation of the National Trade Facilitation Action Plan (NTF-AP)'s recommended actions relating to standards and accreditation issues;
- Implement the Malawi Programme for Aflatoxin Control (MAPAC)

Regional

- Negotiate Mutual Recognition Agreements (MRAs) and equivalence with trading partners for priority NES products
- Support simple and realistic rules of origin within the regional frameworks

iii. Tariff Barriers

National

- Rationalisation of domestic tariffs to reduce tariffs on inputs of central importance to the NES clusters

Regional

- Negotiate duty free and quota free access under the expanded Tripartite Free Trade Area in products such as; tea, sugar, coffee, rice, toordhall lentils, likuni phala, high quality cassava flour (HQCF);
- Explore enhanced market access with, inter alia, Brazil, India and China

iv) Domestic Support Measures

- Legislate a trade remedies law
- Institute a legal framework to deal with Smuggling and Counterfeits
- Set up a national Task Force on Smuggling and Counterfeits and undertake quarterly spot checks

- Establish an SMS-based system to disseminate market prices to farmers in place of minimum prices for agricultural commodities
- Establish a trade portal
- Promote warehouse receipt systems and commodity exchanges by:
 - Collaborating with commodity exchanges, banks, farmers, civil society and the private sector of the operations of the warehouses and the implementation of the warehouse receipt system
 - Disseminating information on the existence, usage and benefits of the warehouse receipt system
- Enact the Warehouse Receipt System Bill
- Support agricultural cooperative movement in the country with training and information sharing
- Develop and implement the Export Mandate Regulation under the (Import and Export) (Commerce) Regulations of the Control of Goods Act through:
 - Enforcement of the provisions of the Control of Goods Act (Import and Export) (Commerce) regulations that create the export mandates
 - Consulting stakeholders (commodity exchanges, banks, farmers, Malawi Revenue Authority, Reserve Bank of Malawi, processors and aggregators) on the operationalization of the export mandates.
 - Continuous dissemination of information on the export mandates

2.2 Policy Priority Area 2: Improve the Business Operating Environment

Objective(s):

- a. To reduce the cost of doing business and trading

Strategies:

National

- Implement key actions recommended by the NTF-AP, key among them being NSW, OSBP, Trade Portal, etc.;
- Streamline export and import documents and processes, benchmarking it on best practices ;
- Review the substantive and procedural aspects of the Control of Goods Act and implementing regulations;
- Develop and implement transparent regulatory framework regarding the control of imports and exports
- Promote competition policy that is applied in a way to promote broader private sector growth

Bilateral

- Revive and implement the transit agreement between Malawi and Tanzania and between Malawi and Zambia;

Regional

- Under COMESA, strengthen the implementation of the Yellow Card Scheme and the regional customs bond guarantee scheme;
- Under SADC:
 - Promote harmonisation of customs procedures and customs classifications and increased customs cooperation,
 - Promote introduction of a single, standardised customs document,
 - Promote introduction of electronic system of customs certification (e-certificate of origin)
 - Facilitate the establishment of one-stop border posts.
 - Promote the effective implementation of the SADC regional customs bond guarantee by SADC member states;
 - Promote the expansion of yellow card insurance scheme to SADC;
- Under the TFTA/CFTA, promote the harmonisation of transit policies using the TFTA negotiations

Multilateral

- Fully implement the WTO Trade Facilitation Agreement

2.3 Policy Priority Area 3: Narrow Productive Base: Investment and Skills

Objective(s):

- To facilitate investment and provision of a more secure investment framework;
- To reduce barriers to movement of service providers and high skilled immigrants;

Strategies:

National

- Reduce barriers to entry in the key services areas, including through implementing GATS commitments:
 - Banking and Financial Services (GATS and NES);
 - Tourism Services (GATS and NES);
 - Energy-Related Services (NES);
 - Construction and Related Engineering Services (GATS);
 - Professional (including accounting) Services (GATS and NES)

- Other Business Services (including those incidental to mining, exploration) (GATS and Investment Promotion Act);
 - Transport Services (GATS)
- Negotiate for skills transfer in investment Agreements
- Review and include skills transfer into key Investment Agreements

Regional

- At the SADC and COMESA level, from a strategic perspective, make offers in sectors in which it has existing commitments under GATS; and/or sector in which the NES proposes the reduction in regulatory barriers to entry, including:
 - Banking and Financial Services;
 - Tourism Services;
 - Energy-Related Services;
 - Construction and Related Engineering Services;
 - Professional (including accounting) Services;
 - Other Business Services (including those incidental to mining, exploration);
 - Transport Services (GATS).
- Promote regional regulatory cooperation and Mutual Recognition Agreements (MRAs) among regional professional bodies to facilitate (temporary) movement of natural person professional service providers in the priority professional services sectors; and
- Develop offensive & defensive interests for negotiations under SADC and COMESA Services Negotiations.

Multilateral

- As part of fast-tracking the increase of services exports, join other LDCs at the multilateral level in calling for:
 - The implementation of commitments under [GATS Article IV.3], and the LDC waiver which requests Developed countries and developing countries in a position to do so, to offer favourable market access treatment to services and service providers from LDCs, and
 - A clarification on the modalities of special and differential treatment.

2.4 Policy priority Area4: promoting, and Reducing Entry Costs to pro-poor trade

Objective(s):

- a. To strengthen the linkages between domestic and international trade
- b. To facilitate cross border market access opportunities for MSMEs

- c. To empower Malawians to participate in the provision of goods and services

Strategies:

National

- Strengthen the implementation of the STR by lobbying for resources for the implementation of the STR and liaising with MRA to dedicate officers for the implementation of the STR
- Ensure the establishment and implementation of the charter for Cross Border Traders
- Implement the Buy-Malawian Campaign Strategy
- Develop local market structures such as commodity exchanges and warehouse receipt system
- Promote reforms that will ensure Malawians participate in government procurement of goods and services

Bilateral

- Negotiate STR with Mozambique & Tanzania
- Establish and enhance dialogue on STR with Mozambique, Tanzania, Zambia and Zimbabwe.

Regional

- Under COMESA
 - Promote continuous review of the common lists or alternatively promote the use of a negative list (only containing excluded products) and increase of the threshold from USD\$1000.
- Under SADC:
 - Promote the extension of the STR to SADC.

2.5 Policy Priority Area 5: Trade Mainstreaming and Support

Objective(s)

- a. To address the gaps in terms of policy formulation, implementation and institutional framework

Strategies:

- Policy dialogue and coordination under TIPSWAp strengthened;
- Establish specific dialogue mechanisms including defined processes to deal with specific/emergency trade concerns/measures e.g. PSs Committee;
- Promote trade mainstreaming into various trade-related Ministries' plans and budgets;
- Secure (at least one) human resources with legal expertise in international trade and investment (law, policy and negotiations, drafting and audit of trade-related domestic laws);
- Build specialised capacity in trade & investment negotiation (TA);
- Link Aid for Trade and related resource mobilisation to trade priorities;
- Strengthen joint setting of expectations and priorities with local representatives of development partners;
- Strengthen the capacity of the MoIT, through a higher cabinet office such as the OPC, to coordinate interventions across other ministries and agencies; and
- Promote better interaction between the objectives of trade policy and other trade-related policies such as investment policy, competition policy, agricultural policy, MSME & cooperatives Policy, procurement policy.

ANNEX 1: Implementation Plan

National Trade Policy - Implementation Plan			
Policy Priority Area 1:	Market Access for Malawi's Exports		
Policy Statement 1:	<i>External and domestic policy barriers to trade in goods and services such as NTBs and Tariff barriers are eliminated</i>		
Objective	Strategy	Responsibility	Timeframe
To eliminate external and domestic policy barriers to trade	Negotiate for the elimination of NTBs prevalence in export markets	MoIT&T	2021
	Facilitate dialogue through the National Trade Facilitation Committee (NTFC) to eliminate domestic NTBs	MoIT&T	2021
	Develop and maintain NTBs database	MoIT&T	2016
	Invoke relevant provisions under the bilateral Agreements with Mozambique, South Africa, and Zimbabwe to hold HoS, Ministerial, and sub-committee levels meetings once a year	MoIT&T /MOFA	Annually
	Within regional structures, promote compliance with commitments. This will include the use of dispute settlement mechanisms	MoIT&T	2021
	Take a multi-pronged approach, which entails: cooperation under the COMESA-EAC-SADC NTB reduction processes	MoIT&T	2021
	Implement the WTO Trade Facilitation Agreement	MoIT&T	2021
Policy Statement 2:	<i>Greater certainty for exporters in the external and domestic framework for trade are ensured</i>		
Objective	Strategy	Responsibility	Timeframe
To provide support and certainty for traders in the external and domestic framework	Negotiate Mutual Recognition Agreements (MRAs) and equivalence with trading partners for priority NES products	MRA/MoIT&T /MoFA	2021

	Support simple and realistic rules of origin within the regional frameworks	MRA/MoIT&T	2021
	Negotiate for duty free and quota free access under the expanded tripartite free trade area in products such as; tea, sugar, coffee, rice, toordhall lentils, likuni phala, high quality cassava flour (HQCF).	MoIT&T	2021
	Explore enhanced market access with, inter alia, Brazil, India and China	MoIT&T	2021
Policy Statement 3:	<i>Direct support for exporters of NES priority cluster products are facilitated</i>		
Objective	Strategy	Responsibility	Timeframe
To strengthen the linkages between domestic and international trade	Strengthen Institutional capacity of MBS	MoF/MoIT&T	2020
	Support private operators - farmer organisations, cooperatives, women's groups, MSMEs and businesses - to meet the standards of destination markets	MoIT&T /MBS	2021
	Re-orient the MBS towards being a market-led facilitator (as opposed to a regulator) of standards and accreditation of Malawi exports, and particularly ease the cost burden on MSMEs.	MoIT&T /MBS	2020
	Fast-track the relevant accreditation for the MBS to facilitate priority exports (with support from the EU SQAM Project).	MBS/MoIT&T	2020
	Implement the National Trade Facilitation Action Plan (NTF-AP)'s recommended actions relating to standards and accreditation issues	MoIT&T	2020
	Implement the Malawi Programme for Aflatoxin Control (MAPAC)	MoIT&T /MoAIWD/MoH & Aflatoxin WG	2020
Policy Statement 4	<i>Dumping, smuggling, and supply of counterfeit products is remedied</i>		
Objective	Strategy	Responsibility	Timeframe
To provide support and certainty for traders in the external and domestic market	Enact a trade remedies law	MoIT&T	2018
	Set up a national Task Force on Smuggling and Counterfeits and undertake quarterly spot checks	MoIT&T /MRA/MBS/CFTC	2017
	Institute a legal framework to deal with Smuggling and Counterfeits	MoIT&T /MoJ	2020
Policy Statement 5	<i>A framework that enhances inclusiveness of farmers and other producers into sustainable and formal market structures is promoted</i>		

Objective	Strategy	Responsibility	Timeframe
To strengthen the linkages between domestic and international trade	Promote warehouse receipt systems	MoIT&T /MoAIWD	2021
	Promote use of commodity exchanges	MoIT&T /MoAIWD	2021
	Enact the Warehouse Receipt System Bill	MoIT&T	2018
	Support agricultural cooperative movement in the country with training and information sharing	MoIT&T	2021
Policy Statement 6	<i>A framework for export mandates to enhance trade in selected commodities is promoted</i>		
Objective	Strategy	Responsibility	Timeframe
To provide support and certainty for traders in the external and domestic market	Develop and implement the Export Mandate Regulations under the (Import and Export) (Commerce) Regulations of the Control of Goods Act	MoIT&T	2017
Policy Statement 7	<i>Trade & market information systems are actively promoted</i>		
Objective	Strategy	Responsibility	Timeframe
To provide support and certainty for traders in the external and domestic market	Develop and maintain a trade portal	MoIT&T	2016
	Establish an SMS-based system to disseminate market prices to farmers in place of minimum prices for agricultural commodities	MoIT&T /MoAIWD	2016
Policy Priority Area 2:	Improve Business Operating Environment		
Policy Statement 1:	<i>There is reduction in the cost of doing business by eliminating tariffs on imported inputs of both goods and services</i>		
Objective	Strategy	Responsibility	Timeframe
To reduce the cost of doing business and trading	Rationalize domestic tariffs to reduce tariffs on inputs of central importance to the NES clusters	MoF/MRA/ MoIT&T	2017
Policy Statement 2	<i>There is greater and fairer competition in key services</i>		
Objective	Strategy	Responsibility	Timeframe
To reduce the cost of doing business and trading	Promote competition policy that is applied in a way to promote broader private sector growth	CFTC	2021
Policy Statement 3	<i>The cost of trading is reduced by improving the transit and customs arrangements and also trade infrastructure (transport and SQAM)</i>		
Objective	Strategy	Responsibility	Timeframe
To reduce the cost of doing business	Streamline export and import documents and processes, benchmarking it on	MRA/ MoIT&T	2017

and trading	best practices		
	Review the substantive and procedural aspects of the Control of Goods Act and implementing regulations.	MoIT&T	2016
	Develop and implement transparent regulatory framework regarding the control of imports and exports	MoIT&T	2018
	Revive and implement the transit agreement between Malawi and Mozambique, Tanzania and Zambia	MoTPW/MRA	2018
	Strengthen/expand implementation of the Yellow Card Scheme (COMESA & SADC)	MoIT&T	2020
	Promote harmonisation of customs procedures and customs classifications and increased customs cooperation	MRA	2021
	Promote introduction of a single and standardised customs document,	MRA	2018
	Promote introduction of an electronic system of customs certification (e-certificate of origin)	MRA	2018
	Establish one-stop border posts; trade portal, NSW, Integrated Risk Border Management	MoIT&T	2020
	Strengthen the regional customs bond guarantee scheme	MRA	2020
Policy Priority Area 3:	Narrow Productive Base: Investment and Skills		
Policy Statement 1:	<i>A more targeted and predictable investment framework is facilitated</i>		
Objective	Strategy	Responsibility	Timeframe
To facilitate investment and providing a more secure framework	Review the Special Economic Zone Policy and make it much more attractive to FDI		2021
Policy Statement 2	<i>Skills transfer is embedded and enforced within investment frameworks</i>		
Objective	Strategy	Responsibility	Timeframe
To facilitate investment and provision of a more secure investment framework	Negotiate for skills transfer in investment Agreements	MoIT&T	2021
	Review and include skills transfer into key Investment Agreements	MoIT&T	2021
Policy Priority Area 4:	Promoting and Reducing Entry Costs to Pro-Poor Trade		

Policy Statement 1:	<i>There are deliberate initiatives to support free movement of goods to markets in neighbouring countries by MSMEs particularly youth and women</i>		
Objective	Strategy	Responsibility	Timeframe
To facilitate cross border market access opportunities for MSMEs	Strengthen the implementation of the STR by lobbying for resources for the implementation of the STR and liaising with MRA to dedicate officers for the implementation of the STR	MoIT&T /MRA	2021
	Negotiate STR with Mozambique & Tanzania	MoIT&T	2020
	Promote the extension of the STR to SADC	MoIT&T	2021
	Establish and enhance dialogue on STR with Mozambique, Tanzania, Zambia and Zimbabwe	MoIT&T	2021
	Promote continuous review of the common lists or alternatively promote the use of a negative list (only containing excluded products) and increase of the threshold from USD\$1000	MoIT&T	2021
Policy Statement 2:	<i>The linkage of producers to domestic and international markets are promoted through the business linkage programme</i>		
Objective	Strategy	Responsibility	Timeframe
To facilitate cross border market access opportunities for MSMEs	Strengthen the business linkage programme	MoIT&T	2021
	Operationalize the charter for Cross Border Traders	MoIT&T	2017
	Develop local market structures such as commodity exchanges and warehouse receipt system	MoIT&T	2016
	Establish a training programme to facilitate MSMEs in meeting standards for priority products	MoIT&T	2018
Policy Statement 3:	<i>Malawians empowered to participate in the provision of goods and services</i>		
Objective	Strategy	Responsibility	Timeframe
Empower Malawians to participate in the provision of goods & services	Develop programmes that build the capacity of indigenous businesses	MoIT&T	2020
	Promote reforms that will ensure Malawians participate in government procurement of goods and services	MoIT&T /ODPP/OPC	2020

	Implement the Buy-Malawian Campaign Strategy	MoIT&T	2021
Policy Priority Area 5:	Trade Mainstreaming & Support		
Policy Statement 1:	<i>The issue of policy coherence regarding food security, monetary and fiscal policies, and trade policy is addressed</i>		
Objective	Strategy	Responsibility	Timeframe
To address the gaps in terms of policy formulation, implementation and institutional framework	Strengthen policy dialogue and coordination under TIPSWAp	MoIT&T /OPC/MoFEPD	2021
	Establish specific dialogue mechanisms including defined processes to deal with specific/emergency trade concerns/measures e.g. PSs Committee	MoIT&T	2021
	Improve alignment of trade policy and trade-related policies such as investment policy, competition policy, agricultural policy, MSME Policy, procurement policy, etc	MoIT&T /OPC	2021
Policy Statement 2:	<i>The capacity for trade policy formulation, implementation and evaluation is improved</i>		
Objective	Strategy	Responsibility	Timeframe
To address the gaps in terms of policy formulation, implementation and institutional framework	Enhance the profile of the Ministry of Industry & Trade through OPC to coordinate trade-related interventions across other Ministries and agencies.	OPC/ MoIT&T	2018
	Build capacity of MoIT & trade promotion institutions	MoIT&T	2021
	Build specialised capacity in trade & investment negotiation (TA)	MoIT&T	2021
Policy Statement 3:	<i>Trade is mainstreamed into relevant Ministries, Departments and Agencies (MDAs)'s policies and strategies and coordination and information sharing is enhanced</i>		
Objective	Strategy	Responsibility	Timeframe
To address the governance gaps in terms of policy formulation, implementation and institutional framework	Promote trade mainstreaming into various trade-related Ministries' plans and budgets	MoIT&T / MoFEPD	2021
	Strengthen joint setting of priorities with local development partners	MoIT&T /Donor Group	2021

	Link Aid for Trade and related resource mobilisation to trade priorities	MoIT&T / MoFEPD/ Donor Group	2021
Policy Statement 4:	<i>The capacity to domesticate Trade Agreements and implement international trade commitments is addressed</i>		
Objective	Strategy	Responsibility	Timeframe
To address the gaps in terms of policy formulation, implementation and institutional framework	Secure (at least one) human resources with legal expertise in international trade and investment (law, policy and negotiations, drafting and audit of trade-related domestic laws)	MoIT&T /DHMRD/MoJ	2017
Policy Statement 5:	<i>The commercialization of agriculture for both domestic and export market is promoted</i>		
Objective	Strategy	Responsibility	Timeframe
To strengthen the linkages between domestic and international trade	Promote commercial agriculture strategies/systems such as anchor farms	MoIT&T /MoAIWD	2021

ANNEX II: Monitoring and Evaluation Plan

M&E Plan for Trade Policy						
Objective	Output	Performance Indicator	Target	Baseline	Source of Verification	Assumptions/ Risks
Policy Priority Area 1	Market Access for Malawi's Exports					
Policy Statement 1	<i>External and domestic policy barriers to trade in goods and services such as NTBs and Tariff barriers are eliminated</i>					
Objective						
To eliminate external and domestic policy barriers to trade	Elimination of NTBs prevalence in export markets and the reduction of domestic NTBs negotiated	% of NTBs eliminated in export markets or % reduction in domestic market per year	80%	30%	Online Database	Regular NTBs survey would be done
	Dialogue through the National Trade Facilitation Committee (NTFC) to eliminate domestic NTBs is facilitated	No. of NTFC meetings held on NTBs per year	4	2	Reports	Availability of funds
	NTBs database developed and maintained	NTBs database developed by Dec 2016	1	0	Report	Capacity to maintain
	HoS, Ministerial, and sub-committee levels meetings held annually	No of HoS, Ministerial, and sub-committee levels meetings held per year	1	0	Report	Political will
	Cooperation under the COMESA-EAC-SADC NTB reduction processes promoted	No of countries actively participating in Cooperation under the COMESA-EAC-	All TFTA Members	COMESA Members	Report	Completion of TFTA & Political will to

		SADC NTB reduction processes				implement
	WTO Trade Facilitation Agreement complied with	% of WTO TF Agreements commitments complied with	70% of commitments complied by 2020	30%	Review Report	Availability of funding; political will
Policy Statement 2:	<i>Greater certainty for exporters in the external and domestic framework for trade are ensured</i>					
Objective						
To provide support and certainty for traders in the external and domestic framework	Mutual Recognition Agreements (MRAs) and equivalence with trading partners for priority NES products secured	No of Mutual Recognition Agreements and Equivalent Agreements secured with trading partners	3	0	TF Report	Willingness of trading partner
	Simple and realistic rules of origin within the regional frameworks negotiated	Number of Simple and realistic rules of origin within the regional frameworks negotiated by 2017	2	1	TFTA	Completion of TFTA
	Duty free and quota free access under the expanded TFTA in products such as; tea, sugar, coffee, rice, toordhall lentils, likuni phala, high quality cassava flour (HQCF) negotiated and secured	Duty free and quota free access under the expanded TFTA in products such as; tea, sugar, coffee, rice, toordhall lentils, likuni phala, high quality cassava flour (HQCF) negotiated and secured by 2017	1	0	TFTA	Completion of TFTA
	Enhanced market access explored with, inter alia, Brazil, India and China	% tariff & DFQF MA	90% by 2020	50%	Bilateral Agreement	Willingness of trading partner
Policy Statement 3:	<i>Direct support for exporters of NES priority cluster products are facilitated</i>					
Objective						

To strengthen the linkages between domestic and international trade	Institutional capacity of MBS strengthened	No. of staff trained; MBS modern Laboratory in place	100% staff trained by 2020 1 Lab	50%	MBS annual report	Availability of Govt counterpart funding
	Private operators - farmer organisations, cooperatives, women's groups, MSMEs and businesses - supported to meet the standards of destination markets	No. of businesses & MSMEs able to meet standards of destination markets by 2021	3000	0	MoIT Progress report	Availability of funds
	MBS re-oriented towards being a market-led facilitator (as opposed to a regulator) of standards and accreditation of Malawi exports, and particularly ease the cost burden on MSMEs	Report on levels of progress made	1 Annually	0	Progress report	Political will
	The relevant accreditation of the MBS to facilitate priority exports facilitated	MBS accredited	1	0	Progress report	Political will
	National Trade Facilitation Action Plan (NTF-AP)'s recommended actions relating to standards and accreditation issues implemented	% of recommendations implemented by 2021	80%	30%	Progress report	Availability of Govt counterpart funding
	Malawi Programme for Aflatoxin Control (MAPAC) implemented	% of activities implemented by 2021	100%	40%	Progress report	Availability of funding
	Policy Statement 4 <i>Dumping, smuggling, and supply of counterfeit products is remedied</i>					
Objective						
To provide support	Trade remedies law passed	Trade remedies law in place	1	0	Government	Legislation

and certainty for traders in the external and domestic framework					Gazette	process
	National Task Force on Smuggling and Counterfeits established and quarterly spot checks undertaken	Task Force in place; No. of quarterly spot checks undertaken	4	0	Report	Availability of funds
	A legal framework to deal with Smuggling and Counterfeits instituted	Smuggling and Counterfeits law in place	1	0	Government Gazette	Availability of funds
Policy Statement 5	<i>A framework that enhances inclusiveness of farmers and other producers into sustainable and formal market structures is promoted</i>					
Objective						
To provide support and certainty for traders in the external and domestic framework	Warehouse receipt systems & commodity exchanges promoted	No. of farmers & traders using warehouse receipt system & commodity exchanges	3000	150	Progress report	Availability of funds
	Warehouse Receipt System Bill enacted	Warehouse Receipt Systems Act in Place	1	0	Government Gazette	Legislative process
	Agricultural cooperative movement in the country supported with training and information sharing	No. of Agricultural cooperatives supported	400	0	Progress report	Availability of funds
Policy Statement 6	<i>A framework for export mandates to enhance trade in selected commodities is promoted</i>					
Objective						
To provide support and certainty for traders in the external and domestic framework	Export Mandate Regulation under the (Import and Export) (Commerce) Regulations of the Control of Goods Act is developed and implemented	Number of sets of regulations developed and implemented	1	0	Government Gazette	Completion of Control of Goods Act
Policy Statement 7	<i>Trade & market information systems are actively promoted</i>					
Objective						

To provide support and certainty for traders in the external and domestic market	A trade portal developed and maintained	Trade portal by Dec. 2016	100%	40%	Online	Institutional capacity to maintain
	SMS-based system to disseminate market prices to farmers in place of minimum prices for agricultural commodities established	SMS-based price dissemination system established by Dec. 2017	100%	0	Report	Availability of funds
Policy Priority Area 2:	Improve the Business Operating Environment					
Policy Statement 1:	<i>There is reduction in the cost of doing business by eliminating tariffs on imported inputs of both goods and services</i>					
Objective						
To reduce the cost of doing business and trading	Tariffs on inputs of central importance to the NES clusters reduced	% total no. of tariff lines on inputs of central importance reduced	80%	0	MRA Tariff Book	Political will
Policy Statement 2	<i>There is greater and fairer competition in key services</i>					
Objective						
To reduce the cost of doing business and trading	Competition policy is applied in a way to promote broader private sector growth	% of no. of competition cases resolved per annum	80%	40%	Report	Capacity of CFTC
Policy Statement 3	<i>The cost of trading is reduced by improving the transit and customs arrangements and also trade infrastructure (transport and SQAM)</i>					
Objective						
To reduce the cost of doing business and trading	Export and import documents and processes streamlined, benchmarking it on best practices	No. of documents and processes required for imports & exports	5	11	Report	Completion of NSW
	The substantive and procedural aspects of the Control of Goods Act and regulations reviewed	Revised Control of Goods Act and Regulations	1	0	Government Gazette	Legislative process

Transparent regulatory framework regarding the control of imports and exports developed	Revised Control of Goods Act incorporating transparent regulatory regime for the control of imports and exports by Dec 2016	1	0	Progress report	Completion of Control of Goods Act
Transit agreement between Malawi, Tanzania and Zambia established / reviewed	Transit agreements between Malawi and Tanzania and Malawi and Zambia established / reviewed by Dec, 2016	2	0	Transit Agreement	Political will
Implementation of the Yellow Card Scheme (COMESA & SADC) strengthened/expanded	Agreement on expansion of Yellow Card Scheme under COMESA & SADC negotiated and signed by 2017	1	1	Agreement	Political will
Transit policies, customs procedures, customs classifications and customs cooperation harmonised	Agreement on transit policies, customs procedures, customs classifications and customs cooperation harmonised by 2020	1	0	Agreement	Political
Single and standardised customs document introduced	Single and standardised customs document introduced by 2017	1	0	Agreement	Political will
Electronic system of customs certification (e-certificate of origin) introduced	Level of progress made on introduction of electronic system of customs certification by 2020	80%	0	Report	Availability of funding
One-stop border posts; NSW, Integrated Risk Border Management established and implemented	Percentage of progress made towards establishment of One-stop border posts; NSW,	60%	15%	Report	Availability of funding

		Integrated Risk Border Management by 2020				
	Regional customs bond guarantee scheme strengthened	Strengthening Regional customs bond guarantee scheme negotiated by 2018	1	0	Report	Political will
Policy Priority Area 3:	Narrow Productive Base: Investment and Skills					
Policy Statement 1:	<i>A more targeted and predictable investment framework is facilitated</i>					
Objective						
To facilitate investment and providing a more secure framework	Review the Special Economic Zone Policy and make it much more attractive to FDI	No. of SEZ policies reviewed	1	0	Report	Political will
Policy Statement 2:	<i>Promote movement of service providers and high skilled immigrants</i>					
Objective						
To reduce barriers to movement of service providers and high skilled immigrants	Barriers to entry into key service areas reduced	% reduction of barriers to entry in the key service areas by 2020	60%	30%	Report	Political will
	Strategic service sectors in which we have existing commitments under GATS at the SADC and COMESA level liberalised	% of existing commitments of strategic service sectors under GATS at the SADC and COMESA level liberalised by 2020	60%	30%	Report	Political will
	Mutual recognition agreements among regional professional bodies to facilitate (temporary) movement of natural person professional service providers in the priority professional services sectors negotiated	No. of Mutual recognition agreements among regional professional bodies to facilitate (temporary) movement of natural person professional service providers in the priority professional services	5	0	Report	

		sectors negotiated and signed				
	Offensive & defensive interests for services negotiations under SADC and COMESA developed	% of sectors of Offensive & defensive interests for services negotiations under SADC and COMESA developed by Dec. 2016	100%	40%	Report	Institutional capacity
	The implementation of commitments under [GATS Article IV.3], and the LDC waiver and clarification of the modalities of special and differential treatment lobbied	No. of Developed Countries implementing commitments under [GATS Article IV.3], the LDC waiver and special and differential treatment to Malawi	10	2	Report	Political
Policy Statement 3	<i>Skills transfer is embedded and enforced within investment frameworks</i>					
Objective						
To facilitate investment and provide a more secure framework	Skills transfer provisions included in Investment Agreements negotiated	No. of Investment Agreements containing skills transfer provisions concluded annually	1	0	Agreement	Political will
	Existing Investment Agreements reviewed and Skills transfer provisions included	No. of Existing Investment Agreements reviewed annually	1	0	Agreement	Availability of funding
Policy Priority Area 4:	Promoting and Reducing Entry Costs to Pro-Poor Trade					
Policy Statement 1:	<i>There are deliberate initiatives to support free movement of goods to markets in neighbouring countries by MSMEs particularly youth and women</i>					
Objective	Strategy					
To facilitate Cross-	Implementation of the STR	% increase of traders using	20%	0	Report	Availability of

Boarder Market Access opportunities for MSMEs	strengthened by lobbying for resources and liaising with MRA to dedicate officers	STR annually				funding
	STR with Mozambique & Tanzania negotiated	STR with Mozambique & Tanzania negotiated by 2017	2	0	Agreement	Political will
	Promote the extension of the STR to SADC	STR extended to SADC by 2020	1	0	Agreement	Political will
	Dialogue on STR with Mozambique, Tanzania, Zambia and Zimbabwe established	No. of Dialogue meetings on STR with Mozambique, Tanzania, Zambia and Zimbabwe held per year	3	1	Report	Availability of funding
	The common lists under STR reviewed or alternatively the use of a negative list (only containing excluded products) promoted and increase of the threshold from USD\$1000 reviewed	No. of new products traded under STR;	10	0	Report	Political will
Policy Statement 2:	<i>The linkage of producers to domestic and international markets are promoted through the business linkage programme</i>					
Objective	Strategy					
To facilitate cross border market access opportunities for MSMEs	The business linkage programme strengthened	No. of b2b contracts between buyers and sellers facilitated	300	141	Report	Availability of funding
	The charter for Cross Border Traders operationalized	Implementation plan for the charter for Cross Border Trade developed by June 2016	1	0	Report	Availability of funding
	Local market structures such as commodity exchanges and	No. of traders & farmers using commodity	3000	150	Report	Availability of funding

	warehouse receipt system developed	exchanges and warehouse receipt system				
	Training programme to facilitate MSMEs in meeting standards for priority products established	No of MSMEs trained in standards for priority products and markets in NES, through SMEDI by 2017	500	200	Report	Availability of funding
Policy Statement 3:	<i>Malawians empowered to participate in the provision of goods and services</i>					
Objective						
Empower Malawians to participate in the provision of goods & services	Programmes that build the capacity of indigenous businesses developed	No of indigenous businesses trained in business skills, standards, labelling & packaging, procurement, & other relevant skills	200	0	Report	Availability of funding
	Reforms that will ensure Malawians participate in government procurement of goods and services promoted	% of Malawians participating in government procurement of goods and services annually	30%	10%	Report	Availability of funding
	The Buy-Malawian Campaign Strategy implemented	Levels of progress made in implementing the strategy	100%	40%	Report	Availability of funding
Policy Priority Area 5:	Trade Mainstreaming & Support					
Policy Statement 1:	<i>The issue of policy coherence regarding food security, monetary and fiscal policies, and trade policy is addressed</i>					
Objective						
To address the gaps in terms of policy formulation, implementation and institutional framework	Policy dialogue and coordination under TIPSWAp strengthened	No of Policy related dialogue under TIPSWAp supported	28	24	Minutes	Availability of funding

	Specific dialogue mechanisms including defined processes to deal with specific/emergency trade concerns/measures i.e. PSs Committee established	No. of dialogue mechanisms including defined processes to deal with specific/emergency trade concerns/measures i.e. PSs Committee established	1	0	Report	Political will
	Alignment of trade policy and trade-related policies such as investment policy, competition policy, agricultural policy, MSME Policy, procurement policy improved	No of TIPSWAp policy related dialogue supported	28	21	Minutes	Availability of funding
Policy Statement 2:	<i>The capacity for trade policy formulation, implementation and evaluation is improved</i>					
Objective						
To address the gaps in terms of policy formulation, implementation and institutional framework	Capacity of the MoIT in collaboration with OPC to coordinate interventions across other ministries and agencies built	No of staff trained on trade policy formulation and coordination	16	0	Report	Availability of funding
	Build specialised capacity in trade & investment negotiation (TA)	No of staff trained in specialised skills and knowledge on capacity in trade & investment negotiation	12	0	Report	Availability of funding
Policy Statement 3:	<i>Trade is mainstreamed into relevant Ministries, Departments and Agencies (MDAs)'s policies and strategies and coordination and information sharing is enhanced</i>					
Objective	Strategy					
To address the governance gaps in terms of policy formulation, implementation and	Trade priorities mainstreaming into sectoral plans and budgets	No of sectors mainstreaming trade priorities into their policies/strategies and budgets	23	10	Sectoral policies	Political will

institutional framework						
	Joint setting of priorities with local development partners strengthened	No of donor group on PSD meetings with trade officials undertaken	4	0	Report	
	Aid for Trade and related resource mobilisation to trade priorities linked	No of donor group on PSD meetings undertaken	2	0	Report	
Policy Statement 4:	<i>The capacity to domesticate Trade Agreements and to implement international trade commitments is addressed</i>					
Objective	Strategy					
To address the gaps in terms of policy formulation, implementation and institutional framework	At least one legal expert with expertise in international trade and investment (law, policy and negotiations, drafting and audit of trade-related domestic laws) secured	No of legal experts with expertise in trade & investment from MoJ assigned to the ministry	2	0	Report	Availability of funding
Policy Statement 5:	<i>The commercialization of agriculture for both domestic and export market is promoted</i>					
Objective						
To address the gaps in terms of policy formulation, implementation and institutional framework	Commercial agriculture strategies/systems such as anchor farms promoted	No. of Anchor farms facilitated by 2020	20	4	Report	Availability of funding