Policies Supporting Agri-food Value Chains in Malawi

Ministry of Industries, Trade and Tourism
OUTLINE

Reasons for Trade Policy
Key Trade Policy Objectives
Key Industry Policy Objectives
Key Trade Policy Strategies
World Trade Organisation (WTO) And Regional Trade Agreements
The Control of Goods Act
The Business Licensing Act
REASONS FOR TRADE POLICY

To achieve social economic growth and development through trade
To make trade more predictable
To achieve food security and food safety
To facilitate imports and exports that could trigger development
To facilitate business to business linkages - e.g. farmer to processor or supermarket
To comply with multilateral, regional and bilateral trade agreements
  World Trade Organisation (WTO)
  SADC
  COMESA
  TFTA
  AfFTA
KEY TRADE POLICY OBJECTIVES

To eliminate external and domestic policy barriers to trade;
To provide support and certainty for traders in the external and domestic market;
To reduce the cost of doing business and trading;
To facilitate investment and provision of a more secure investment framework;
To reduce barriers to movement of service providers and high skilled immigrants;
To strengthen the linkages between domestic and international trade;
To facilitate cross border market access opportunities for MSMEs;
To empower Malawians to participate in the provision of goods and services
Key Industry Policy Objectives

Enhance the provision of appropriate skills and technology;
Improved business environment
Improved access to key business services;
To promote support infrastructure (enablers);
Facilitate participation of MSME
Key Trade Policy Strategies

Negotiate through bilateral and regional frameworks the elimination of trade barriers

Enhance identification, reporting and elimination of domestic trade barriers

Support the development of the national quality infrastructure

Implement the national trade facilitation action plan including the Malawi Programme for Aflatoxin Control (MAPAC)

Develop and maintain a trade portal and commodity price information systems

Rationalize domestic tariffs to reduce tariffs on inputs

Promote competition policy
Key Trade Policy Strategies

Implementation of Simplified Trade Regime
Implement the business linkage programme
Enhance local market structures such as commodity and warehouse receipt systems
Implement the Buy Malawi Strategy
Build the capacity of indigenous traders
Strengthen policy dialogue and coordination under TPSWAp
Promote commercial agriculture strategies/systems such as anchor farms
The Control of Goods Act

Import Licenses:
To bridge gaps in demand created by lack of adequate production (or even lack of joint ventures to meet contractual obligations through consolidation)
To address some consumer preferences such as quality and price
To protect infant industries

Export licenses:
To control availability of products domestically when high demand for exports could create domestic shortage
To support environmental management
To reduce vandalism and theft
To support recycling, agro processing industries and value addition
To enhance export diversification
World Trade Organisation (WTO) And Regional Trade Agreements

The Agreement on the Application of Sanitary and Phytosanitary (SPS) measures
To protect human, animal and plant life and health
SPS enquiry points mandatory in each and every country
Reduction in tariffs
Elimination of tariffs in Free Trade Area – SADC and COMESA FTAs
The Business Licensing Act

Local Authorities license Malawians and all food outlets
The Ministry licenses foreign owned businesses
Foreign owned Agri-businesses are allowed to establish in rural areas to ease access of farm inputs
THANK YOU