

Partnership for Development through Trade: Malawi Experience and Expectations

Side Event by Malawi Mission to the WTO Brussels and CUTs Geneva Resource Centre

10 June 2010, Room C, WTO, Geneva, Switzerland

Summary Report

1. CUTS-GRC, in collaboration with Malawi Mission to the WTO, organized this one-hour side event in the afternoon of 10 June 2010 at the WTO during the Malawi Trade Policy Review (TPR). The WTO is undertaking Malawi TPR on 9 and 11 June 2010. Like all LDCs this review of Malawi trade policies takes place only once in every eight years. This is also an opportunity for Malawian authorities to interact with wider Geneva trade and development community as Malawi does not have a permanent mission to the WTO in Geneva (its embassy in Brussels, Belgium is also accredited as mission to the WTO).
2. Rashid S. Kaukab, Deputy Director and Research Coordinator CUTS Geneva Resource Centre moderated the session and in his welcoming remarks gave an overview of CUTS work in Africa and Malawi. CUTS work in Malawi has covered issues related to competition law and policy (under its 7Up3 Project) and trade and development (under its Fostering Equity and Accountability in the Trading System – FEATS – Project). He stated that the event was to give Malawi an opportunity to highlight its trade policy achievements since the last TPR in 2002; identify the emerging challenges; and discuss possible way forward with the wider Geneva community of international organizations, civil society and government missions.
3. Mr. Newby Kumwembe, Permanent Secretary, Ministry of Industry and Trade, Malawi made the main presentation. He thanked CUTS for organizing the event and recognized its work in Malawi. He in particular mentioned the useful work CUTS had undertaken in Malawi related to competition law and policy as well as the on-going work under FEATS project. This work has contributed hugely to Malawian competition, trade and related development endeavours. He also reiterated the importance of the event that gave Malawi an opportunity to present its policies and challenges faced by the donor community, civil society and other institutions that were not present in the WTO official TPR.
4. Mr. Kumwembe then gave an overview of Malawi's economic performance since the last TPR; their policy thrust; and challenges faced. On the whole real GDP growth has averaged 6.3% per year and reached 7.7% in 2009, as a result of the good performance Malawi benefited from debt relief under the HIPC initiative. One outstanding achievement is the reduction in the incidence of poverty from 64% in 2003 to 40% in 2009. The key priority areas under the country's growth and development plan are agriculture and food security; green-belt initiative

and water development; education, science and technology; transport infrastructure and Nsanje World inland port; and integrated rural development among others.

5. Supply side constraints remain Malawi's major obstacle to integration into the multilateral trading system. These include high transportation costs; inability to meet SPS requirements and standards; insufficient and unreliable energy and water supply; customs procedures and documentation among others.

6. Mr. David Luke, Senior Advisor and Coordinator, Trade and Human Development Unit, UNDP Geneva then discussed the dimensions of trade mainstreaming into Malawi development policies and strategies. These include: an overall coherent policy framework; the existence of an institutional framework of governmental machinery and key stakeholders in trade policy formulation and implementation; developmental partners mainstreaming trade in their assistance programmes; and monitoring and evaluation to assess performance in light of targets arising from policies implemented. Going by these benchmarks Malawi is doing reasonably well though it is still faced with a multitude of challenges. There is need for the country to strategically prioritize its development plan in such a way as to achieve the greatest impact.

7. The last presentation was by Michael Roberts, Aid for Trade Coordinator at the Development Division of the WTO. He stated that Aid-for-Trade (AfT) was for the first time given a separate chapter in the WTO Secretariat report on Malawi trade policies. Further that trade is essential for Malawi's economic growth and diversification, and its integration in the regional and global economic systems is crucial. The current Malawi development strategy plan ends in 2011; this presents an opportunity for the country to ensure that in the next strategy trade is given a leading role so as to foster development. He emphasized the importance of AfT in assisting countries like Malawi to achieve such a goal; however he called for better donor coordination.

8. A brief discussion followed the presentations. Participants appreciated the progress made by Malawi and encouraged Malawian authorities to continue the good work. The Malawian delegation also pointed out that Malawi is conscious of the challenges emanating from climate change and has already developed a National Plan of Action for Adaptation (NAPA).

9. In his concluding remarks, Mr. Kaukab reiterated CUTS resolve to continue working with Malawian authorities including through possible activities under the Enhanced Integrated Framework (EIF).