

# **MALAWI COUNTRY EXPERIENCES (COUNTRY DEVELOPMENTS INITIATIVES AND THE CHALLENGES)**

## **INTRODUCTION**

Malawi is a landlocked country bordering Tanzania on the North, Zambia on the West and Mozambique on the South, East and part of the West of Malawi. As a landlocked country, Malawi relies on overland transportation to sea ports for the movement of its imports and exports. This is mainly done through four corridors namely: Nacala, Beira, Durban and Dar es Salaam. The first 3 pass through Mozambique with the Durban Corridor also passing through Zimbabwe whilst the Dar es Salaam corridor passes through Tanzania. The respective volumes of freight traffic using these corridors are: Durban (which handles 60% of Malawi trade of which only one third is destined for countries beyond South Africa), Beira (19%) Nacala (17%) and Dar es Salaam (4%). The Governments of Zambia, Malawi and Mozambique are also developing the Nsanje World Inland Port under the Shire Zambezi Waterway Project which will provide Malawi with a direct sea link to international markets, and the shortest route for other land locked countries like Zambia. There is also the Mtwara Corridor which is being developed by Malawi, Mozambique, Tanzania and Zambia to link to the port of Mtwara in Tanzania.

Transit charges along these corridors are high resulting in Malawi having transport costs that are among the highest in the region with the most recent study putting them at 56%. These costs continue to grow 7% annually leaving Malawian products uncompetitive on the international market. In light of the foregoing, Government's goal is to reduce transport costs so as to stimulate economic activity in the country.

Much progress has been done in terms of implementation of Almaty Programmes of Action. This has been done through several Government initiatives, Private sector investments and donor support. Areas of progress include: strengthening the institutional and regulatory framework which includes review of the policies and other agreements to match the regional standards; and harmonisation and standardisation process among others.

The following are the intervention and challenges in each specific mode:

### **AIR TRANSPORT**

- Strengthening the institutional capacity.
- Infrastructure Development through upgrading of airports, procurement of navigation equipment and the automation of airports administration.
- However, we still face challenges in other airport equipment which are obsolete in terms of the technological changes.

- Expansion of primary international airports to accommodate the growing air traffic is also an area that Malawi is working on and several development partners have already been approached although there isn't something concrete on the ground yet.

## **ROAD TRANSPORT**

- Increased Private Sector Participation through liberalization of transport service provision
- Periodic reviews of the bilateral agreements
- Road Infrastructure construction and maintenance-part of which are the major corridors of Nacala and Beira. The European Union (EU) provides Sector Budget Support and the African Development Bank (AfDB) is involved in several key projects along the Nacala Corridor.
- Harmonisation and standardisation with regard to COMESA-EAC-SADC Tripartite agreed standards.
- **Challenges:** Several missing links to the major corridors and urgent need to rehabilitate the infrastructure along the major corridors.

## **RAIL TRANSPORT**

- Strengthening the institutional and regulatory framework
- Enhanced Private Sector participation through concessions and construction of the new railway line on the Nacala Corridor
- Rail Infrastructure linkages between Malawi and Zambia.
- Although the distance to the ports of Beira and Nacala is shorter by rail, most of the exports and imports (over 70%) are transported by road to the ports due to the unreliability of the rail network.
- **Challenges:** Infrastructure Deficit on the Sena Corridor which links to the Beira Railway Line in Mozambique. This is the shortest route to any sea port that we have access to in Mozambique. Poor railway infrastructure (Nacala). As a result, Government is rehabilitating rail network(Nacala)

## **WATER TRANSPORT.**

- Development of the Shire Zambezi Waterway Project and the Inland Port
- Study to establish a dry port along the Shire River
- Inland Port Infrastructure rehabilitation
- Private sector participation-concessioning out of the Malawi Lake Services and the port operations and management.

## **CORRIDORS**

- There are a lot of infrastructure limitations and challenges along the major corridors. These include poor road infrastructure and inadequate port capacity.
- The Governments of Malawi, Mozambique and Zambia with support from SADC, COMESA and AfDB are developing the Shire-Zambezi Waterway Project. The project will provide the shortest route to the Sea (Indian Ocean) upto the port of Chinde in Mozambique. This is one of the project Malawi is looking forward to reduce the cost of transport (from 56% to the estimated 30%). It is has a multimodal concept with rail and road links from Nsanje Port in Malawi to most part of the country and the Eastern Part of Zambia. The project will lead to another CORRIDOR in the Southern Africa.
- Table 1: Distances to Lilongwe/Blantyre from main ports/corridors

<b>Corridor/Destination</b>	<b>Point of Origin</b>	<b>Distance</b>	<b>Mode of transport</b>
Durban	Blantyre	2,340	Road
	Lilongwe	2,650	Road
Dar-es-Salaam	Lilongwe	1,667	Road
	Blantyre	1,978	Road
Beira	Blantyre	825	Road
	Lilongwe	1,096	Road
Nacala	Blantyre	989	Rail
	Lilongwe	799	Rail
Beira	Blantyre	951	Rail
	Lilongwe	575	Rail
Durban	Blantyre	2,340	Road
	Lilongwe	2,650	Road

- The distance between Nsanje in Malawi and the Indian ocean port of Chinde is approximately 238 Km.

## **INTERNATIONAL TRADE AND TRADE FACILITATION**

- The country is at advanced stage with negotiations for One Stop Border Post on the major borders between Malawi and Mozambique and also between Malawi and Tanzania.
- Also progressing with the National Single Window Programme.
- In terms of the checkpoint within the country, we are currently harmonising and coordinating these check points.
- Reduced the number of custom declaration forms
- Reduced the number of border agencies to five-previously, they used to be numerous.

## **OTHER CHALLENGES**

- Un-harmonised transit policies in some of the transit countries
- Lack of technical capacity in most of the modes of transport (aviation, marine and rail).
- Some agreements made in the RECs reverse some positive bilateral arrangements. e.g. EAC integration affected positive transit facilitation measures agreed at bilateral level between Tanzania and Malawi. Hence need SADC/COMESA/EAC Tripartite to correct these situations.