1.0 INTRODUCTION

The Joint Trade and Customs Committee (JTCC) meeting under the Malawi-Zimbabwe Bilateral Trade Agreement (BTA) was held in Harare, Zimbabwe from 16 to 17 October, 2014.

The Zimbabwe delegation was led by Mrs Beatrice Mutetwa, Director for International Trade in the Ministry of Industry and Commerce. The Malawi delegation was led by Mr. Charles Kambauwa, Principal Secretary II in the Ministry of Industry and Trade. The two leaders of the delegations co-chaired the meeting. The full lists of both delegations appear as annexure I and II, respectively.

In their opening remarks the co-chairpersons emphasised the need for the JTCC to meet on a regular basis in order to review progress on the implementation of the BTA.

The JTCC was held in a warm and cordial atmosphere reflective of the excellent bilateral relations between the two countries.

The agenda of the meeting was jointly developed and adopted without any amendment which appears as Annex III.

2.0 ACCOUNT OF PROCEEDINGS

2.1 Issuance of Individual Permits rather than Aggregate Permits

The Zimbabwe delegation inquired on the procedures Malawi Government follows in issuance of import and export permits. It was elaborated that import and export permits were product specific and valid for a period of three months subject to renewal for another three months. The meeting was informed that Malawi had
streamlined procedures for issuing import and export permits. In addition it was reported that Malawi had reduced the list of licensable products from 25 to 10.

2.2 Delays in Issuance of Export Permits

On delays in issuance of permits the meeting was informed that the Ministry of Industry and Trade had delegated the issuance of import/export licences of particular products to their line ministries. This had drastically reduced the time taken to obtain a licence.

2.3 Sampling and Testing of Products by the Malawi Bureau of Standards

The meeting noted the concerns by Zimbabwe over high sampling and testing charges levied by the Malawi Bureau of Standards. Malawi took note of the concerns and committed to consult and provide feedback by end of November, 2014.

2.4 Increased Tariffs by Zimbabwe

Malawi sought clarification on the tariff adjustment measures that Zimbabwe had introduced in the 2014 Mid-Term budget and gazetted in Statutory Instrument 50 of 2014. It was reported that the measures had adversely affected exports of some Malawian products to Zimbabwe.

In response Zimbabwe informed the meeting that any products imported from Malawi under the BTA were not affected by upward tariff adjustment as the policy measure was meant for products of non-preferential origin. However, if any products were affected it could be that the companies were not registered under the BTA. It was, therefore, observed that companies should be encouraged to register to export under the BTA to be accorded preferential treatment.

Zimbabwe also clarified that in view of changes in tariff headings, there was an ongoing classification process of product lines in terms of Statutory Instrument 126
of 2014 to clarify on products requiring import permits. The exercise was expected to be completed by the end of 2014.

2.5 Reports on Non-Tariff Barriers

Malawi sought clarification on the procedure that Zimbabwe used for granting import permits in view of reports of delays in the issuance of permits which had adversely affected the smooth conduct of business. In response, Zimbabwe indicated that an application for an import licence was supposed to be made prior to importation and it took 7 working days for a licence to be granted except where there was need for further investigations. Zimbabwe availed to Malawi a document outlining products and procedures required for issuance of permits.

Malawi appealed for special consideration on the importation of its strategic products like sugar and wheat flour under the BTA which could include allocation of quotas. In response Zimbabwe committed to consult over the proposal and requested Malawi to make a formal submission on sugar and wheat flour.

The meeting agreed on the need to disseminate information to stakeholders on the import and export procedures for the business community to be acquainted with.

2.6 COMESA Simplified Trade Regime

The meeting noted that COMESA had withdrawn sponsorship for the Information Desk Officers under the Simplified Trade Regime (STR) at Nyamapanda, Mwanza and Dedza Border Posts. It was further noted that the Parties had tasked Zimbabwe Revenue Authority (ZIMRA) and Malawi Revenue Authority (MRA) Officers at their respective borders to take up the roles of the STR Desk Officers. However, it was reported that for Malawi this was an interim measure pending consultations for sustainable long term measure. Malawi would thus provide feedback by December, 2014.

The Parties committed to continue implementing the STR and agreed to approach COMESA to seek sustainable alternative financing mechanisms.
2.7 Charges for Veterinary Permits

Zimbabwe sought clarification on veterinary fees structure and inspection procedures for export permits of veterinary products in Malawi. Malawi undertook to consult relevant authorities and provide feedback by end of November, 2014.

2.8 Zimbabwe Companies Owed by Malawian Companies

Zimbabwe reported that there were some companies that were owed by their counterparts in Malawi. The meeting noted that there were also Malawian companies that were owed by their Zimbabwean counterparts.

The Parties agreed that the Ministries of Trade and the respective Embassies should exchange information and facilitate resolution of the cases before litigation.

2.9 MOU on Small and Medium Enterprises Development

The Malawi delegation informed the meeting that it had agreed to use the term “shall” in the Memorandum of Understanding instead of “will” and hence the meeting agreed to finalise signing arrangements by end of November, 2014.

2.10 Agreement on Avoidance of Double Taxation and Prevention of Fiscal Evasion

The meeting noted that a meeting had been scheduled between Zimbabwe Revenue Authority and their counterparts in Malawi.

2.11 Operation of the BTA

The meeting noted that there were no serious challenges in the implementation of the agreement. However, it was observed that the JTCC was not meeting as often as prescribed by the BTA. The Parties were urged to utilise the relevant provisions
in the BTA whenever there were policy changes that would affect operations of the BTA.

3.0 Conclusion

The meeting was fruitful because a lot of issues of concerns to both Parties were clarified and iron out. The two Parties were committed to work on the outstanding issues requiring consultation and report back within the specified timeframe.

For Malawi a schedule of action points is hereto presented below.

The finally agreed to meet again in Lilongwe in 2015, on a date to be communicated.

MALAWI-ZIMBABWE JTCC ACTION POINTS

<table>
<thead>
<tr>
<th>No</th>
<th>ISSUE</th>
<th>RESPONSIBLE AGENCY</th>
<th>TIMEFRAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>High sampling and testing charges levied by the Malawi Bureau of Standards</td>
<td>MBS</td>
<td>November, 2014</td>
</tr>
<tr>
<td>2</td>
<td>Produce a list of companies registered to export under BTA</td>
<td>MRA/MoIT</td>
<td>Immediately</td>
</tr>
<tr>
<td>3</td>
<td>Encourage companies to register under BTA to be exempted from duties in Zimbabwe</td>
<td>MoIT</td>
<td>Ongoing in all forums with private sector</td>
</tr>
<tr>
<td>4</td>
<td>Follow up on classification process of product lines to clarify on products requiring import permits.</td>
<td>MoIT</td>
<td>December, 2014</td>
</tr>
<tr>
<td>5</td>
<td>Letters to Zimbabwe for special</td>
<td>MoIT</td>
<td>October, 2014</td>
</tr>
<tr>
<td></td>
<td>Consideration for sugar and wheat flour, including allocation of quotas</td>
<td>MoIT</td>
<td>Ongoing in all forums</td>
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<tr>
<td>6</td>
<td>Information dissemination to stakeholders on the import and export procedures for both Malawi and Zimbabwe for the business community to be acquainted with</td>
<td>MoIT</td>
<td>December, 2014</td>
</tr>
<tr>
<td>7</td>
<td>Consult on sustainable mechanisms for COMESA Simplified Trade Regime</td>
<td>MoIT</td>
<td>December, 2014</td>
</tr>
<tr>
<td>8</td>
<td>Clarification on veterinary fees structure and inspection procedures for exports permit of animal products</td>
<td>Department of Animal Health and Industry (DAHI)</td>
<td>November, 2014</td>
</tr>
<tr>
<td>9</td>
<td>Preparations for the signing of MoU for SMEs development.</td>
<td>MoIT</td>
<td>November, 2014</td>
</tr>
<tr>
<td>10</td>
<td>Exchange of information on outstanding payments of companies in the two countries</td>
<td>MoIT/Harare Embassy</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Ministry of Industry and Trade  
Department of Trade  
Lilongwe  
File No. TR/13  
Dated: 20th October, 2014