

EU statement at the Trade Policy Review of Malawi, 27/04/16

Statement by EU Deputy Ambassador Detlev Brauns

I would first like to welcome the Delegation of Malawi, led by Mr Cliff Chiunda, Principal Secretary. Our appreciation is extended to the Discussant, H.E. Mr M. Shameem Ahsan (Bangladesh), for his remarks.

Mrs. Chairman, Malawi's economy has witnessed a strong growth since the last review in 2010. However, Malawi, as acknowledged by the Secretariat report, remains one of the world's poorest countries in terms of most development indicators.

The EU notes that Malawi's economy - being highly reliant on agriculture - is still vulnerable to external shocks as is currently experienced by the worrying food insecurity situation related to the El Niño phenomenon.

The EU appreciates the objectives outlined in the Malawi Growth and Development Strategy II as they represent a good step in the direction of structural economic reforms, aimed at reducing poverty through sustainable economic growth and infrastructure development.

The EU notes the Government's commitment to promote trade and investment as key drivers for inclusive growth and sustainable development. In this respect, the EU would like to encourage Malawi to pursue reforms aimed at increasing productivity and industrialisation, improved legislation, and facilitate administrative practices for businesses. All these actions should allow Malawi to promote an environment conducive to private sector growth and competitiveness.

The EU welcomes Malawi's recognition of the importance of the Trade Facilitation Agreement, being a small land-locked country and highly dependent on trade. In particular, we congratulate Malawi for its efforts to establish the National Trade Facilitation Committee as well as for the progress made to ratify the Trade Facilitation Agreement and notify its Category A commitments, as indicated by the Malawi delegation today. Completing these processes will allow the EU as well as other donors to clearly identify Malawi's needs for tailored and adequate technical and financial assistance for supporting its implementation.

On our bilateral relationship, the EU has strong and longstanding partnership with Malawi, solidly established under the Lomé Conventions and the Cotonou Agreement over the last 40 years.

The EU has been and will remain a reliable and strong partner to Malawi. Our ongoing cooperation has already produced a significant impact in support of the national priorities. In this respect, the EU encourages Malawi to pursue its path towards joining the Economic Partnership Agreement with the EU and looks forward to receiving the reviewed market access offer.



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Currently, Malawi continues to benefit from preferential treatment under the Everything But Arms arrangement. This is also in line with the Chair's conclusions of the last review, asking Members to keep their markets open for products and services of interest to Malawi. According to the statistics, in 2015 Malawi has exported more than one third of its exports into the EU market.

The EU continues to be the biggest direct donor of development aid in Malawi. In the 11th European Development Fund, covering the period 2014-2020, an envelope of 560 Million euros has been approved for Malawi for interventions in the areas of Governance, Sustainable Agriculture and Secondary Education and Vocational Training.

Chair, the EU does not have many concerns to raise. We would like to address a couple of issues.

First, Malawi being part of two regional settings (COMESA and SADC), the EU would like to understand what are the prospects for future trade relations of the country in the regional context and, in particular, would be interested in receiving an update on the state of play of the implementation of the COMESA Customs Union.

Second, the EU is concerned about the regulatory impediments to investment, including licences and customs procedures on import and export, and wonders what Malawi envisages to do for streamlining these procedures.

The EU remains committed to supporting the country's efforts to face socio-economic challenges and is confident that this review will help Malawi in assessing and further developing its economic and trade policies.

On behalf of the EU, I wish Malawi delegation the utmost success during its Trade Policy Review.