



MALAWI HANDBOOK



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1. OVERVIEW

The Republic of Malawi is a landlocked country in South-East Africa and was formerly known as Nyasaland. It is bordered by Zambia in the north-west, Tanzania into the north-east and Mozambique in the east, south and west. The land area of Malawi is 118,480 square kilometres. Its capital is Lilongwe, which is also Malawi's largest city.

Malawi has a total population of 17 631 926 million, which is made up of 8 826 701 males (50.1%) and 8 805 216 females (49.9%). The population density in Malawi is 188 per square kilometre, with 16.4% of the population being urban (2,928,994 people in 2016), making it one of the most densely populated countries in Africa.

2. TRANSPORT SYSTEM

Malawi's transport system consists of the following: 15 451 kilometres of roads. About 26% of these are paved, while the rest of the road network (74%) has an earth / gravel surface. There are 797 kilometres of railway track, four major lake harbours and five commercial airports. Roads are the country's most dominant mode of transport with a capacity to handle more than 70% of internal freight traffic and 99% of passenger traffic.

Malawi belongs to both the Eastern and North-South Corridor, which are:

Table 1: Eastern Corridors Cluster

Corridor	Port	Member States
Dar es Salaam Corridor	Dar es Salaam	DR Congo, Malawi, Tanzania, Zambia
Mtwara Development Corridor	Mtwara	Malawi, Mozambique, Tanzania, Zambia
Nacala Development Corridor	Nacala	Malawi, Mozambique, Zambia
Beira Development Corridor	Beira	Mozambique, Zimbabwe
Limpopo Development Corridor	Maputo	Mozambique, Zimbabwe

Table 2: North South Corridor

Corridor	Port	Member States
North South Corridor	Durban	DRC, Botswana, Malawi, Mozambique, South Africa, Zambia, Zimbabwe, Tanzania

3. ROAD TRANSPORT LEGISLATION

The legal framework for the Malawi road traffic and transport sub-sector comprises:

- Road Traffic Act, 1997 (RTA)
- Road Traffic Regulations, 1997
- National Roads Authority Act, 1997 and
- Malawi Road Transporters Authority Act, 1970.

The RTA is primarily concerned with issues related to road traffic management and traffic control (traffic safety). It provides for the registration and licensing of motor vehicles, the issuing and recognition of international driving permits and foreign driver's licences, rules of the road, road traffic signs, general speed limit and parking fees, operator fitness and compulsory Third Party Insurance.

The RTA deregulates access to the international market for Malawian operators. In turn, existing international agreements grant similar access to Malawi for foreign operators undertaking international transport. These agreements provide for the Malawi authorities to issue permits to its operators to undertake road transport in the territory of the other party, based on the principle of extraterritorial jurisdiction.

The maximum speed limit in Malawi is 80 kilometres per hour and a general speed limit of 120 kilometres per hour applies in respect of every freeway. Any person exceeding the maximum speed limits will be fined MKW8, 000.00.

Legal load limitations are imposed in order to protect the roads from the excessive damage caused by heavy loads. The load limitations are based on the engine power of the vehicle and limitations specified by the vehicle, tyre manufacturers, the damage or wear caused by an axle load to the road and the load concentration applied by a group of axles or axle units to bridge structures. Malawi's axle load regulations compare favourably with most other SADC countries at 7700kg for steering axle and 24 600kg for tridem axle.

3.1 Traffic Fines

The maximum speed limit in Malawi is 80 kilometres per hour and a general speed limit of 120 kilometres per hour applies in respect of every freeway. The offenses and official fines as outlined in the RTA are:

Table 3: Traffic Offenses and Fines

OFFENSE	AMOUNT
Failing to carry a valid driver's licence while driving a motor vehicle	MKW15,000.00
Permitting an unlicensed person to drive a motor vehicle (learners should have a provisional licence)	MKW5,000.00
Operating an unroadworthy vehicle (e.g. lights / horn not working, worn tyres, brakes not working)	MKW50,000.00
Failing to stop a vehicle or comply with directions required by a traffic law enforcement Officer	MKW50,000.00
Driving at a speed in excess of the legal limit	
Combination/goods vehicle	
<ul style="list-style-type: none"> Operate comb./goods VEH 91-95 km/h in excess of 80km/h 	MKW20,000.00
<ul style="list-style-type: none"> Operate comb./goods VEH 96-100 km/h in excess of 80km/h 	MKW30,000.00
<ul style="list-style-type: none"> Operate comb./goods VEH 101-105 km/h in excess of 80km/h 	MKW40,000.00
<ul style="list-style-type: none"> Operate comb./goods VEH 106-110 km/h in excess of 80km/h 	MKW50,000.00
<ul style="list-style-type: none"> Operate comb./goods VEH 111-115 km/h in excess of 80km/h 	MKW80,000.00
<ul style="list-style-type: none"> Operate comb./goods VEH 116-120 km/h in excess of 80km/h 	MKW100,000.00
Driving under the influence of alcohol	
<ul style="list-style-type: none"> Driver found drunk between 0.08- 0.1g/210ml (breath) 	MKW30,000.00
<ul style="list-style-type: none"> Driver found drunk between 0.11-0.13g/210ml(breath) 	MKW60,000.00
<ul style="list-style-type: none"> Driver found drunk between 0.14-0.16g/210ml (breath) 	MKW80,000.00
<ul style="list-style-type: none"> Driver found drunk between 0.17-0.2 g/210ml (breath) 	MKW100,000.00
<ul style="list-style-type: none"> Above 0.2g/210ml (Breath) Arrest, 1 year suspension 	1 year suspension
Using a motor vehicle without a current Certificate of Fitness	MKW3,000.00
Driving without a spare tyre	MKW5,000.00

Driving a car without insurance	
• PSV up to 16 passengers	MKW200,000.00
• PSV above 16 and not more than 32 passengers	MKW500,000.00
• PSV more than 32 passengers	MKW1,000,000.00
• Any other vehicle	MKW50,000.00
Leaving a vehicle in the same place on a road for more than 72 hours	MKW50,000.00
Wilfully avoiding having a vehicle weighed on a weighbridge	US\$2,000

4. DEVELOPMENTS

The government of Malawi is currently busy with the following projects to rebuild and expand the transport system:

4.1 Upgrading of Lirangwe-Chingale-Machinga Road Project

The 62.3 kilometer long Lirangwe-Chingale-Machinga road, designated as S139, starts at the Lirangwe trading centre in Blantyre District. The project involves upgrading the existing earth standard road to a class II bitumen standard road with a 6.7 meter carriage way and 1.5 meters of sealed shoulders on either side of the road. Four bridges will be constructed along the road, which is expected to be completed in 2018. The road will provide improved mobility and accessibility to areas of high agricultural activity that also use irrigation farming, thereby providing a means for transporting agricultural products to various markets across the area and the southern region of Malawi. Easy access will enhance the economic activity of people around the area and ease the movement of people to Malawi's commercial city of Blantyre, where they can access various services.

4.2 Upgrading of Rumphi-Nyika-Chitipa Road Project

The upgrading of the Rumphi-Nyika-Chitipa road traverses a length of 272 kilometers. The project will upgrade the M24 road from Rumphi District-Nyika and the M09 from Nyika-Chitipa. Currently the road is of earth standard and will be upgraded to bitumen class 1. The project is at the feasibility study and detailed engineering design stage of the project cycle. The road was selected for upgrading because of its economic and social impact potential. It passes through Nyika National Park, one of the most beautiful and rich natural conservation areas. The road will therefore provide easy mobility and accessibility to the Park for both local and international tourists. It will also ease transportation of people and agricultural and

other goods in the area and provide a link to access other markets in the north, centre and south of Malawi.

4.3 Thyolo-Thekerani-Muona-Bangula Road (S151)

The Thyolo-Thekerani-Muona-Bangula Road (S115) is a 92 km long stretch running from a trading centre near Thyolo District and extending southwards to Bangula trading centre in the Nsanje District. The project is for upgrading the existing earth road to bitumen standard class 1, including several bridges, box and Armco culverts. The works will involve widening of the existing paved road from Thyolo to Makwasa and upgrading of the existing gravel road from Makwasa to Bangula. The road passes through an area of high agricultural activity where tea and bananas, which are supplied to the whole country, are grown. The road will ease mobility of people and goods and provide accessibility to key destinations that are crucial for the social economic development of the area. The road will also provide a direct route connecting Nsanje at the southern tip of Malawi to areas like Thyolo, Limbe, Blantyre and the rest of the central region.

4.4 Upgrading of Zomba-Jali-Phalombe-Chitakale Road (S144/S147)

The Zomba-Jali-Phalombe-Chitakale is a 102 km long road. The project is for upgrading the road to bitumen standard class I. The road will be widened to a cross section of 6.8 meters wide carriageway and 2.0 meters of wide paved shoulders on either side of the road. The works will also involve construction of several bridges and culverts along the road. The road will service the communities along it by providing easy mobility and accessibility to and from areas of social-economic activities.

5. ECONOMIC OUTLOOK

The economy of Malawi is heavily dependent on agriculture, which accounts for about one-third of GDP and 90% of export revenues. The country's economic performance has historically been constrained by policy inconsistency, macroeconomic instability, limited connectivity to the region and the world, and poor health and education outcomes that limit labour productivity. The economy also depends on substantial inflows of economic assistance from the International Monetary Fund (IMF), the World Bank and individual donor nations.

In 2014 Malawi exported \$1.49 billion, making it the 143rd largest exporter in the world. Exports in 2015 increased to 69 946.30 MWK million in September from 62 065.30 MWK million in August. In October 2015, exports were forecast to go down to 65 993.3 MWK million through to January 2017. Malawi's main export partners are Belgium, Zimbabwe,

South Africa and Mozambique. The top three commodities exported to South Africa in 2015 are vegetable products at 47.84%, raw materials at 27.82% and prepared foodstuffs at 19.93%.

Imports in Malawi increased to 101 471.10 MWK million in September from 74 070.50 MWK million in August of 2015 and the main import partners are South Africa, China, India and United Arab Emirates. Malawi's main imports from South Africa are machinery (16.97%); chemicals (14.09%); fuels (12.97%); plastic or rubber (10.12%) and transport equipment (10.04%) which accounts for 64% of all imports.

6. EASE OF DOING BUSINESS

According to the World Bank, Malawi was ranked at 144 in 2015 and slightly improved in 2016 to 141 for ease of doing business out of a total of 189 economies. Starting a business in Malawi is a highly costly and time-consuming exercise when compared to other African countries (Table 4). According to the World Bank Report, Malawi ranked at 161 (158 in 2015) in the starting a business category. It takes 38 days and costs 84.6% of income per capita. Comparatively, in South Africa, which ranks at 120, it takes 46 days to start a business and costs only 0.3% of per capita income.

Table 4: Comparative Rankings for Starting a Business

	MALAWI	KENYA	MOZAMBIQUE	TANZANIA	NAMIBIA	SOUTH AFRICA
Rank	161	151	124	129	164	120
Procedures	8	11	10	10	10	6
Time (days)	38	26	19	26	66	46
Cost	84.6	35.3	15.1	18	11.1	0.3

Source: World Bank, Doing Business 2016

Malawi's trading across border's ranking is 7 points better than South Africa. South Africa is performing worse than Malawi in all indicators except for the time to export (documentary compliance), cost to export (documentary compliance) and time to import (documentary compliance).

Trading across borders in Malawi became easier due to improvements in customs clearance procedures and a post destination clearance programme for pre-approved traders.

Table 5: Malawi vs. South Africa on Trading Across Borders

Indicator	Malawi (123)	South Africa (130)
Time to export: Border compliance (hours)	85	100
Cost to export: Border compliance (USD)	243	428
Time to export: Documentary compliance (hours)	131	68
Cost to export: Documentary compliance (USD)	342	170
Time to import: Border compliance (hours)	64	144
Cost to import: Border compliance (USD)	143	657
Time to import: Documentary compliance (hours)	63	36
Cost to import: Documentary compliance (USD)	162	213

7. REQUIREMENTS FOR IMPORTATION AND EXPORTATION

7.1 Importation Process

Importers must employ a customs broker / clearing agent who is licensed by the Commissioner General of the Malawi Revenue Authority (MRA) under Section 128 of the Customs and Excise Act. The following required documentation must be submitted to the customs broker / clearing agent:

- Invoice
- Bill of lading (or airway bill)
- Advise note
- Certificate of origin
- Delivery order
- Form 19 customs document
- Packing list
- Release order
- Report order, and
- SPS certificate.

On the basis of these documents, the customs broker / clearing agent prepares the Malawi Customs Declaration Form 12, which is a single administrative document. The signed Form 12 is submitted to a Direct Trader Input (DTI) agent who enters the information into his system (which is connected to the MRA system). The customs broker / clearing agent pays the assessed charges to the cashier, who stamps the Form 12. The Form 12 is then submitted to a customs officer who conducts an "attempt assessment" of the payable charges and sends the form to the verification section. If all is in order, the goods are then cleared.

7.2 Exportation Process

The documents most frequently required for an export shipment are Customs Bill of Entry F12, Form 38, 44, 48 and C300, Commercial Invoice, Certificate of Origin, The Consignment Note or Airway Bill, Export License and Export Quality Certificate. Procedures and the documentation required when exporting depend on the type of export that has been declared, i.e. exports from open stock, temporary exports and re-exports.

8. OPPORTUNITIES

Despite the economic challenges in Malawi, the following are opportunities which cross-border operators may pursue to grow their business.

Cross-border road transport operators should earmark the minerals export market for purposes of growing business opportunities (maximising return loads).

- Despite being a landlocked country, Malawi has a fair road network and railway services which connect Malawian importers and exporters to the ports of Beira and Nacala in Mozambique and the port of Durban in South Africa. The mining and quarrying sector is likely to continue to play a big role in Malawi's economic growth, and most exporters use the Port of Durban to reach international markets. Raw materials alone constitute approximately 28% of exports from Malawi. The sector has grown by an average of 30% over the last five years. The Kayelekera mine contains about 3.943t uranium oxide and it is expected to raise the country's GDP by 10% and increase exports by 25% over its 10year life span. Further investments are expected in the mining of rare minerals and limestone as well as coal production in the near future. Going forward, mining will be an important source of revenue, growth and employment for Malawi.

Cross-border operators should target expanding the export market to provide transport services for the goods that are exported to Malawi. This would ensure sustained growth of their respective businesses.

- The top goods exported from Malawi to South Africa are vegetable products at 47.84% and prepared foodstuffs at 19.93%. The main goods that are exported from South Africa to Malawi are machinery (16.97%), chemicals (14.09%), fuels (12.97%), plastic or rubber (10.12%) and transport equipment (10.04%), which account for 64% of all imports to Malawi.

Cross-Border operators should export alternative means of electricity

- More than 80% of the population in Malawi lives in rural areas, therefore access to electricity is a big problem. Currently, only 15% of all the households have access to electricity, leaving the rest of the population to rely on traditional ways of providing energy and lighting.

Cross-Border operators should transport relevant construction materials and equipment

- The government of Malawi has approved numerous construction projects for 2016 through to 2018, which will require the use of equipment that is not available in Malawi. There are also various infrastructure projects (network, bridge expansion and replacement) as identified in this Report that offer further opportunities in the consulting, design and construction and project management areas, which South African companies may consider to pursue. Meanwhile, transport infrastructure development and energy generation and supply are two of the six key priority areas that the government of Malawi, through the MGDS, singles out as necessary in order to achieve sustainable social and economic development. Therefore, Malawi is working on attracting investment in these areas.

Cross-Border operators should take advantage of the roadside markets

- The government of Malawi has approved the construction of roadside markets at selected locations along the roads that are rehabilitated or newly built. This will therefore provide business opportunities for operators to import maize to be sold in the markets, amongst other things.

9. CONTACT DETAILS OF RELEVANT AUTHORITIES

Should cross-border operators or any other part conducting trade between South Africa and Malawi face challenges at border posts and or in the corridor, they should contact the following key stakeholders for speedy resolution of challenges and assistance

Table 6: Contact Details

South Africa	Cross-border Road Transport Agency	012 470 2000
	SARS Customs	0800 00 7277
	DHA	013 793 7311
	SAPS	+27 (0) 12 393 1000
	Agriculture	012 319 6000
	SANRAL	012 844 8000
	Bakwena Platinum Corridor Concessionaire	011 519 0400
	State Security	082 804 5878
Malawi	Ministry of Transport	Tel: 265 1 799 377 / 949 Cell: 265 1 789 328
	Department of Immigration	Blantyre: Phone No-01823777 Lilongwe: Phone no-01759270
	Malawi Revenue Authority	+265 1 622 588
	Department of Roads <i>Responsible Officer: Mr. Kelvin Mphonda</i>	(265) 01 789 374
	Road Traffic <i>Mr James Chirwa</i>	(265) 01 756 398/177