STATEMENT BY

MALAWI’S MINISTER OF TRADE
HONOURABLE SOSTEN GWENGWE, MP.

AT THE

PEER REVIEW SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

IN

GENEVA, SWITZERLAND

ON

8TH JULY, 2021
❖ SECRETARY GENERAL OF UNCTAD, MS ISABELLE DURANT

❖ MINISTERS HERE PRESENT

❖ DISTINGUISHED EXPERTS

❖ REPRESENTATIVES OF GOVERNMENTS, NON-GOVERNMENTAL ORGANISATIONS AND OTHER ORGANISATIONS

❖ LADIES AND GENTLEMEN
GOOD AFTERNOON.

It is with much gratitude that I convey this statement on behalf of the Malawi Government during the voluntary peer review session of my country’s Competition Policy and Law enforcement.

On behalf of the Malawi Delegation, and myself, I wish to express my sincere thanks to the Acting Secretary General of UNCTAD, Ms Isabelle Durant, for the tremendous work and preparations carried out for our peer review. In the same breath, let me also thank our consultant and the entire team for the review activities that were undertaken with various stakeholders in Malawi to
come up with the report we are proud of today.

Before I go any further, I hope I will do justice to this statement if I provide a background of my country. Malawi is a land-locked country in South-eastern Africa. It is bordered by Zambia to the west, Tanzania to the North and North-east, and Mozambique to the East, South and South-west. Malawi spans over 118,484 km$^2$ and has an estimated population of 19,431,566 (as of January 2021).

The Malawi economy is driven predominantly by the agricultural sector that accounts for one third of the GDP and
nearly 80 percent of employment and exports, which mainly comprises tobacco, sugar and tea. Tobacco alone however, represents an average 60 percent of Malawi’s total exports. The manufacturing and agricultural sectors work together in their contribution to the overall growth of the economy. Trade has fundamentally shaped the economy of Malawi. Despite being a landlocked Least Developed Country (LDC), Malawi has a relatively high export to GDP ratio of 30%. Malawi’s exports consist of primary or semi processed products, which are developed solely for sale to the global markets. Malawi also relies heavily on imported goods, in particular fuel, fertiliser, and most manufactured goods.
The Secretary General, Distinguished Guests, Ladies and Gentlemen; for Malawi, the genesis of competition regulation was through the development and adoption of the Competition Policy of Malawi in 1997 by the Ministry of Trade. The broad objective of the policy was to protect consumer interests and to promote economic efficiency. The adoption of the Competition Policy was followed by the passing of the Competition and Fair Trading Act (CFTA) in 1998.

The Competition and Fair Trading Act was enacted to encourage competition in the economy by prohibiting anti-competitive trade practices; to establish the
Competition and Fair Trading Commission; to regulate and monitor monopolies and concentrations of economic power; to protect consumers; to strengthen the efficiency of production and distribution of goods and services; to secure the best possible conditions for the freedom of trade; to facilitate the expansion of the base of entrepreneurship and to provide for matters incidental thereto or connected therewith.

Although established in 1998, the Competition and Fair Trading Commission only became operational in 2013. Since 2013, to date, the Commission has continued to learn best
practices through engagement with various agencies including UNCTAD. This exercise therefore accords us the invaluable opportunity to introspect on our current processes and legal framework and to learn from the experiences of other competition authorities which are present here today.

As you will all agree with me, the main objective of the peer review exercise is to identify areas for improvement in the legal and institutional framework, thereby contributing to enhancing the quality, efficiency and effectiveness of competition law enforcement. For us in Malawi, we have accepted the report and welcomed its recommendations.
The Acting Secretary General, Ladies and Gentlemen; Malawi volunteered for the review in recognition of the importance of competition law and policy as a catalyst for economic development;

The Government of Malawi prioritises economic growth and has focused on trade liberalisation as one of the key strategies for economic growth. The pursuit to open and liberalise trade has over the course of time seen our economy undergo a number of structural reforms culminating in the privatisation and deregulation of some key sectors which were previously run by state enterprises. Furthermore, the economic integration programmes at regional and continental
levels have resulted in tremendous opening up of our borders to foreign goods and services.

This has consequently led to a need for robust enforcement of competition law and policy.

The Acting Secretary General, Ladies and Gentlemen; Competition Law and Policy are premised on the desire to increase market competitiveness, without which abuse of dominant power, collusion in markets, higher prices, low quality products and economic injustices would be prevalent.
As Malawi strives to create jobs, reduce poverty, attain food security, increase trading activities, and export base in our pursuit of economic growth, I realize that these cannot be achieved without the complementary role of an effective competition law and policy that strives to eliminate restrictive business practices.

The Competition and Fair Trading Commission has already started taking some steps towards reviewing its legal framework which will address the legal gaps that have been identified by the Peer Review Report.

The Acting Secretary General, for Malawi to successfully implement Competition
Law and Policy, it is without doubt that there is need for support from Government, the business community, the citizenry, local institutions and the international community. It is in that vein that I appeal to you today to continue supporting the Competition and Fair Trading Commission through financial grants, expertise and other relevant interventions.

As I conclude this statement, let me take this opportunity, Secretary General, Ladies and Gentlemen; to express my heartfelt gratitude to everyone whose dedication and efforts have contributed to the finalisation of this review, including those who found it necessary to attend
this peer review session. Special thanks go to UNCTAD, the consultant, our distinguished reviewers, my Ministry and the Competition and Fair Trading Commission, whose experience and insights made this journey possible, culminating in today’s gathering.

It is my strong belief that with the same dedication and commitment, the intended benefits of this peer review exercise will be realized both in the short and long run.

I thank you all for your attention