UNITED NATIONS
DEPARTMENT OF ECONOMIC AND SOCIAL
AFFAIRS
STATISTICS DIVISION

COMMON MARKET FOR EASTERN AND
SOUTHERN AFRICA

Workshop on the updated and new recommendations
for International Merchandise Trade Statistics (IMTS 2010)
and their implementation in countries of the Sub-Saharan region,
Lusaka, 1-5 November, 2010

Country Note

Malawi

1.1 INTRODUCTION

National Statistical Office (NSO) in Malawi is legally mandated to compile trade statistics. External Trade Section within the Economic Statistics Division does the compilation. Compilation is based on the UNSD International Merchandise Trade Statistics (IMTS, Rev.2) manual.

IMTS give information about trade flows between Malawi and the rest of the world. Thus, we mainly look at imports, exports and re-exports.

This paper looks at the general information about the IMTS in Malawi in terms of design and organization, commodity classification and also looks at important issues for IMTS in Malawi.

2.0 DESIGN AND ORGANISATION OF IMTS IN MALAWI

2.1 Coverage
The coverage of the IMTS is based on the guidelines set by United Nation's Statistical Division (UNSD). The UN recommends that the IMTS record all goods that add to or subtract from the stock of material resources of country by entering (imports) or leaving (exports) its economic territory.

There are two systems that are recommended in compilation of trade statistics; the general and special systems. They differ in recording of goods passing through customs warehouses and free zones. Malawi IMTS are compiled in accordance with the general trade system. This means that direct imports are recorded at the time of customs clearance. Goods designated for customs warehouses are recorded as imports when they are declared and are entering into warehouse. Similarly, goods that are exported through warehouse are recorded at the time of final clearance for abroad.

The following categories of goods are not included in statistics:

a) Consignments of goods in direct transit,
b) Returned merchandise and returned packing material,
c) Merchandise repair free of charge,
d) Personal belongings; removable articles imported on transfer of residences,
e) Goods imported by diplomatic corps,
f) Supplies under military defence agreements,

g) Commodities from customs warehouses,
h) Commercial samples.

2.2 Data sources, collection and organisation

IMTS are based on data collected by the Malawi Revenue Authority (MRA) Customs clearance at port or point of entry through the customs declaration form.

The National Statistical Office receives electronic data in Automated System for Customs Data (ASYCUDA) format from the busiest ports and hard copies from all other smaller ports.

Monthly electricity export tariff to neighbouring countries are collected from Electricity Supply Commission of Malawi (ESCOM).

2.3 Sampling

Malawi IMTS are a total census of all consignments passing through customs clearance. However, for customs purpose, there is an allowance for items less than 10,000 Malawi Kwacha (MWK) per person that is not declared.

2.4 Quality control

The data received from customs undergo vigorous checking on partner country, unit value and quantity. The control on quantity is based on relationship between net weight and supplementary unit (pieces). The partner country quality control checks the country code against selected commodity groups. Analysis of unit value (value/quantity) for a commodity is used as a consistence check over time.

2.5 Data Processing

Data processing is done using the New Euro Trace package. The package captures information such as date of the bill of entry, the port of entry/exit code, the number of the bill of entry, the mode of transport code, the commodity code, the country of origin/destination code, the quantity, unit of measurement and corresponding c.i.f and f.o.b and duty and surtax values.

3.0 COMMODITY CLASSIFICATION, VALUATION AND QUANTITY
3.1 Classification

Classification of commodities is based on the UNSD IMTS manual. Commodities are classified in three categories. The Harmonised Commodity Description and Coding System (HS) classifies goods according to their physical nature. SITC Rev.3, a UN classification of commodities for statistical purposes and BEC classifies goods according to end use. In our publications HS codes are aggregated at eight-digit level. In the SITC, the commodities are grouped by level of processing on five-digit level.

3.2 Statistical and custom value
Statistical value is the sum of the transaction value of goods and value of the services. Custom value is the final value assessed by custom officials before duties, value added and other taxes.

Exports are valued "free on board" (f.o.b) at the point of despatch in Malawi. Imports since 1970 are valued on a "cost, insurance and freight" (c.i.f) basis which gives their value at point of entry in Malawi. The value recorded in the trade statistics are taken directly from Customs documents which are verified by customs inspection. Normally values can be readily determined, but where difficulties arise the appropriate value is determined by the controller of customs and excise.

3.3 Quantities
Net weight is used for most commodities. Some commodities are also recorded with quantity measured in supplementary unit, as prescribed by the Malawi Revenue Authority (MRA) Customs Tariff and Nomenclature. Statistics are available for both quantities.

4.0 USES OF IMTS
4.1 Public Sector
Imports and exports are important economic indicators both in describing structural changes in the economy and monitoring economic trends.
In the Public Sector, trade statistics are used for:
- Developing the merchandise trade figures in the compilation of balance of payments.

- Developing aggregative import and export data for the compilation of the National Accounts.
- Evaluating and planning programs such as export expansion, agricultural programs.
- As a statistical base in implementing and analysing operations under various international agreements.

4.2 Private Sector
The private sector uses IMTS:
- In appraising the general trade situation.
- As basis for share of the market penetration studies.
- As a basis for product and market development.
- For determining marketing policy and
- To measure the impact of competition.

5.0 CURRENT ISSUES
5.1 Challenges and Developments
Early this year the office experienced problems with the New Euro trace software such that the office was unable to process the trade data.
However, with the technical assistance from COMESA, the office has managed to produce trade statistics up to August 2010.
Annex 1 shows some of the recent produced trade statistics.

6.0 CONCLUSION
International Merchandise Trade Statistics (IMTS) are vital to any country since they help to monitor economic trends and formulation of economic policies. Any new recommendations and updates made by international bodies such as UNSD are supposed to be implemented in order to be in line with the rest of the world.
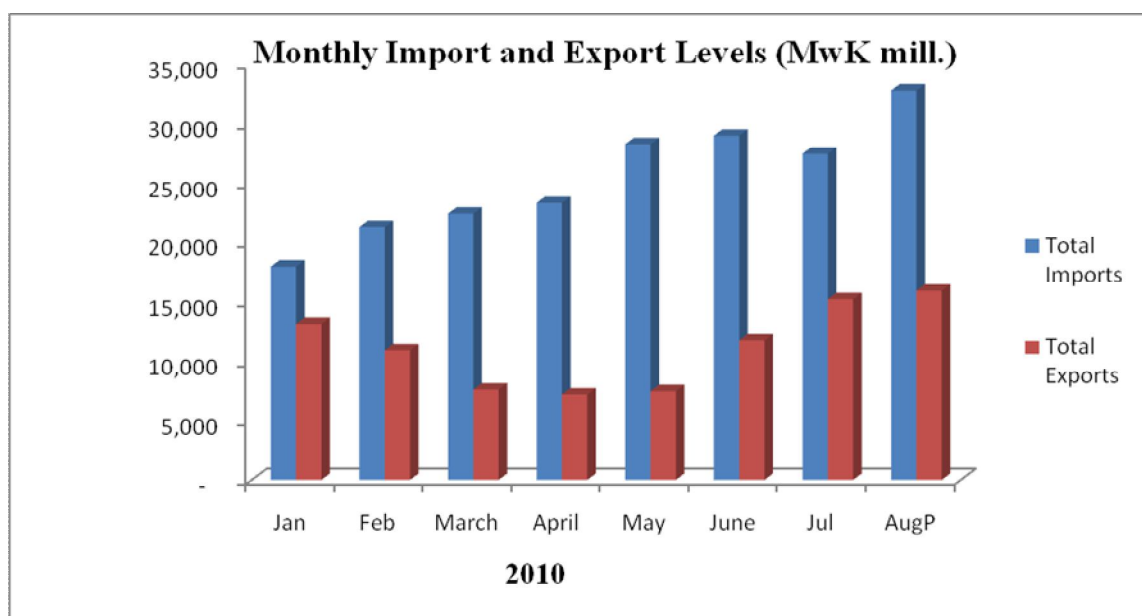
Annex 1

Figure 1

Monthly Import and Export Levels (MwK mill.)

2010

Table 1.1: Quantity and values of Imports of Major Petroleum Products

Year/ Month	Petrol		Paraffin		Diesel and other	
	Litres	Value (MK)	Litres	Value(MK)	Litres	Value(MK)
2010	**113,389,697**	**5,983,050,390**	**7,011,495**	**599,857,472**	**135,960,774**	**11,312,628,279**
Jan	8,514,183	673,781,660	754,336	63,772,660	14,297,630	1,192,294,312
Feb	6,981,698	512,407,961	1,708,653	145,378,118	15,217,748	1,269,803,540
March	10,124,381	803,355,020	985,877	82,840,467	14,436,962	1,203,571,997
April	7,864,854	622,153,354	685,253	57,932,454	16,321,817	1,365,581,887
May	10,764,678	853,103,902	1,710,412	151,175,179	17,833,252	1,495,211,488
June	11,032,128	871,538,082	438,465	37,107,348	18,137,384	1,512,473,284
Jul	9,465,945	758,153,516	695,552	58,803,148	18,516,805	1,528,748,671
Aug	11,227,198	888,556,895	32,947	2,848,098	21,199,176	1,744,943,100