



Overview of informal fish trade in Malawi – by Boniface Nankhwenya

Trade plays a major role in the fishery industry as a creator of employment, food supplier, income generator, and contributor to economic growth and development for many countries. In Malawi, fish trade is characterized by both formal and informal trade routes. While formal fish exports are limited to aquarium fish with major markets in Europe, Asia and within Africa, informal fish exports constitute a variety of fish species with neighboring countries such as Zambia, Tanzania and Mozambique. Despite being a source of income to about 43 percent of Africa's population, informal cross border trade is generally regarded as illegal commercialization of cross border activities. One of the key defining characteristics of informal cross-border trade is that it does not appear in the national accounts. In Malawi, informal fish trade is an important employer of persons, whether at the border regions, or those in the major cities such as Lilongwe, Blantyre, and Zomba.

Mchinji border is one of the borders in Malawi where informal cross border fish trade is active. Fish and fish products crosses the border informally from both sides of the border Malawi and Zambia. From Malawi sundried Usipa (*Engraulicypris sardella*) comprise the largest share of fish and fish products traded between the two neighboring. On the other hand, salted and sundried Kapenta (*Limnothriss sarniodon*) and frozen tilapia tops the list of fish and fish products crossing the border informally to Malawi. Frozen tilapia is imported from China by Capital Fisheries in Lusaka, Zambia and finds its way to Malawi as re-exports. According to Mchinji border fish inspection officer, an estimated eight tonnes of fish crosses the border informally to Zambia from Malawi using the porous routes per month. This estimate is higher compared to what pass through formal channels which is estimated at only one tonne passing through the formal channels.

Challenges associated with lack of trade facilitation, import and export permit fee, corruption, and limited knowledge, education & business management skills push traders to use informal routes. Import and export permits offered at a charge of \$16.67 (MK10 000) for both importers and exporters of fish are cited by border fish inspection officer as the main reason why fish traders prefer informal trade channels. Other traders do not use formal channels as they are required to possess food safety and sanitary certificates provided by Fisheries department at a fee of \$8.33 (MK5 000) renewed monthly. Since most of the traders are small-scale traders and they are engaged in business for their livelihood, meeting requirements of the formal channel is challenging hence opt for informal channels

These issues could be addressed through increased cross border policy dialogue to identify ways to reduce documentary requirements and put in place transparent procedures and processes, integrate informal cross border trade into regional trade strategies and conducting border community sensitization campaigns and empowering local traders with basic knowledge on management and customs procedures.