

Southern Africa: Boost cross-border trade for food security

LUSAKA: Small-scale traders on either side of the Mwami Border Post between Zambia and Malawi are key to meeting local demands that larger importers do not.

During acute food shortages in Malawi during the drought in the early 1990s, small-scale traders brought maize across the border from Zambia to Malawi; the same traders bought unused fertiliser in Malawi and brought it back to Zambia. At the time, Zambia had adequate rainfall, but serious problems with fertiliser imports left farmers short of the critical farm input.

The Common Market for Eastern and Southern Africa recognises this kind of activity as key to ensuring supply and access to basic needs by border communities, able to quickly meet local demand that larger importers ignore.

A Simplified Trade Regime which waives all customs duties and taxes on shipments worth \$500 has now been in operation for three months. The STR is intended to strengthen food security as well as improving rural incomes for smaller traders.

The kind and quantity of food available on one side of the border is often quite different from just 20 or 50 kilometers away.

For example in the Luangwa valley of Chama District on the *Zambian* side, significant quantities of rice are grown; a strong market for this exists across the border where conditions are ill-suited to grow rice. With the price of rice imported from faraway places like Thailand rising steeply in the global food price hike in 2008-2009, the *Zambian* farmers can find a ready niche for their crops.

In Chipata town, fish is scarce, meaning opportunities for fishing communities on Lake Malawi have opportunities to supply an important source of protein from across the border.

The STR dovetails neatly with trade programmes such as the 10 million euro Regional Food Security and Risk Management programme (REFORM) of the European Union, which aims to help small traders increase the supply of locally-produced food crossing borders.

"(REFORM) specifically aims at improving regional and national trade, social protection and disaster risk management," Alexander Baum, head of the European Union Delegation in Malawi said.

"And one component of this programme is to enhance Cross Border Trade in agricultural commodities and is implemented by COMESA. Indeed, areas of surplus food production should have ready access to markets, especially those close to borders. A stable and uninterrupted demand for food from neighbours will result in farmers in surplus regions investing

more to ensure long-term supply."

Simplified tariffs will also benefit a different class of small-scale traders. In Lusaka's "COMESA Market" - named for and situated behind the headquarters of the actual headquarters of the regional trade body - much of the merchandise is cheaper than equivalents in formal retail outlets like the multinational-chain store Shoprite. This is mainly because they are brought into the country in small amounts by small traders who evade official border posts.

Aggrippa Miti says he buys the goods he sells at the market from petty traders near the Mwami Border Post.

Miti explains that he calls someone on the Malawi side of the border to explain what goods he needs. "When I go to Mwami, I will find them

- sometimes stored in a safe house in a small village. I pay and bring them to Chipata where I will load them on the bus leaves early in the morning."

"There are many people who bring in things from Malawi. Some will come through the border post, but many do so using [clandestine] routes that are known here as 'zalewa'," Gloria Mwape an official at the border post told IPS.

Felix Mutati, the Zambian Minister of Commerce, Trade and Industry, observes that the new rules are eliminating bribes and corrupt practices that were endemic and border posts like Mwami as well as encouraging traders who previously evaded the border post to bring their goods through it, enabling both countries to gain a better picture of real volumes of trade between them.

"The old rules led some traders to go round the check points at the border for fear of paying high customs duties and other taxes on even small amounts of goods," Mutati said.

He is confident that the STR will also encourage increased trade of goods between the neighbours. In June, Zambia initiated the Simplified Tariff regime to cover Zimbabwe as well.

SIDEBAR (The Other COMESA Market): Aggripa Miti got into cross-border trading just a year ago, importing soft drinks from Malawi. He started out with capital equivalent to 200 U.S. dollars, but this year he says he will import merchandise worth ten times that much.

Miti sells most of his goods at the crowded "COMESA Market" - in in the shadow of the actual COMESA secretariat, bargain hunters jostling between stalls hugging each other tight as ticks on the hide of an ox.

Here bottled Windhoek Lager from Namibia vies for attention with wax cotton prints brought in from the Democratic Republic of Congo - the European-made fabric is known in Zambia as chitenge. There are also herbal remedies from Tanzania, leather footwear and belts from Ethiopia or Egypt and corned beef from Zimbabwe.

Miti sells bottles of Coca-Cola, Sobo Cream Soda and pineapple squash; he admits that competition is intense, especially from traders who bring in Mazoe Orange Crush from Zimbabwe which for ages has been a household product in Zambia.

The bustling market and the small sums needed to enter trading in markets like this are an important part of economic life across Africa, a sector whose dimensions are of increasing interest to researchers and policy makers.

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