

UNCDF First Annual Investment Forum: *Capital Pathways for Frontier Economies*

September 22, 2022



REPUBLIC OF MALAWI

National Development Strategy

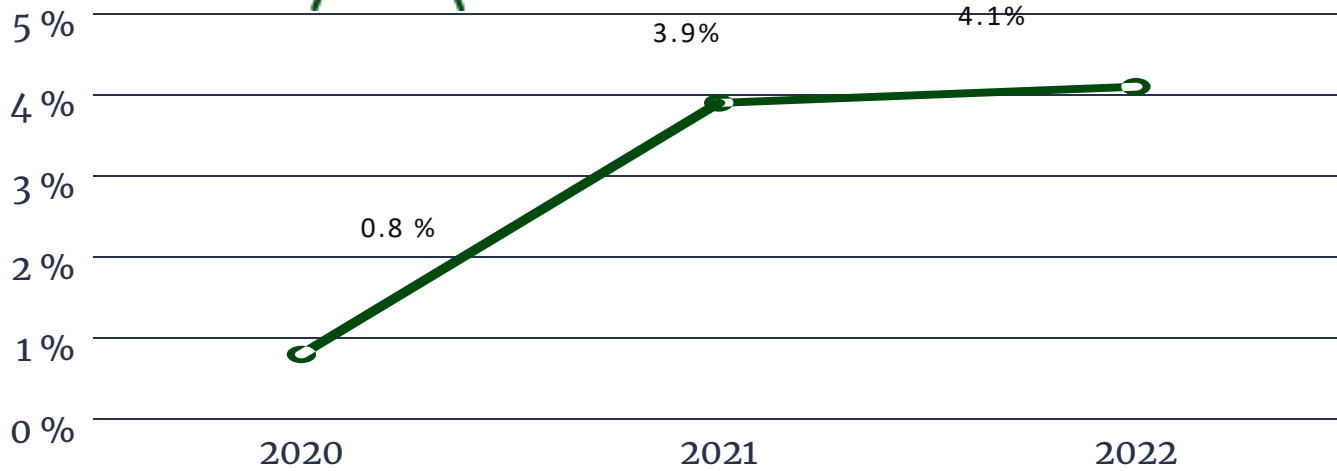
- **Malawi Vision 2063 the goal is to be “an inclusively wealthy and self-reliant nation”**
- The aim is to transform Malawi an industrialized ‘upper middle-income country

Pillars

There are three pillars namely:

- Agriculture Productivity and Commercialization;
- Industrialization
- Urbanization

MALAWI'S ECONOMIC OUTLOOK



GDP GROWTH

	2021	2022
Inflation (%)	9.3	9.6
Exports (million)	800	

INVESTMENT SET UP & SUPPORT

Attracting FDI

- Allows 100 percent foreign ownership of companies
- Foreign investors can disinvest 100% from Malawi when they desire to
- Foreign investors in Malawi can wholly remit their profits and dividends



- Malawi Investment and Trade Centre
- Ministry of Trade and Industry
- Reserve Bank of Malawi
- Malawi Revenue Authority
- Ministry of Finance

Bankruptcy & Arbitration

- Foreign creditors have the same rights as domestic creditors
- Member state to the International Centre for the Settlement of Investment Disputes (ICSID Convention)
- Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)

Fiscal Incentives

- Free import duty, Free import excise, VAT free importation on selected goods such as furniture and furnishings, catering equipment, off-road game vehicles and others
- VAT and import duty waiver for construction materials such as cement

FINANCIAL AND CAPITAL MARKETS

Financial and capital market -

- The **Malawi Stock exchange (MSE)**, has been in existence since 1994 but started equity trading in November 1996
- Malawi has been ranked 10th out of 23 economies on the 2021 Africa Financial Markets Index (Afmi).
- The ranking on financial market regulation is an improvement from position 18 which the country scored in 2021 and also represented an improvement to a score of 48 percent from 37 percent scored in 2020.

Number of Listings: 16



Market capitalization: US\$ 3.013 billion (December 2021)

Indices:

- Malawi All Share Index
- Malawi Domestic Share Index
- Malawi Foreign Share Index

An inverted glass jar is shown spilling a large quantity of coins onto a wooden surface. The coins are in various denominations and colors, including copper and silver. The background is a soft, out-of-focus light brown. Three green circles are positioned on the page: a large one on the left, a medium one on the right, and a large one at the bottom right.

INVESTMENT OPPORTUNITIES

- ✓ Agriculture and Agro-processing
- ✓ Energy
- ✓ Manufacturing
- ✓ Tourism
- ✓ Infrastructural Development
- ✓ Mining
- ✓ Export-oriented investments

WHY CHOOSE MALAWI



Enormous investment opportunities in all sectors with guaranteed local and international markets



Streamlined investment registration through the One Stop Service Centre at MITC allowing shortest set up time



Peaceful, secure and stable political climate with a promise of thriving businesses



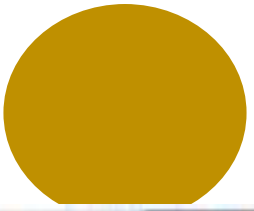
Youthful, trainable and affordable English speaking labor force ensuring productivity and continuous learning



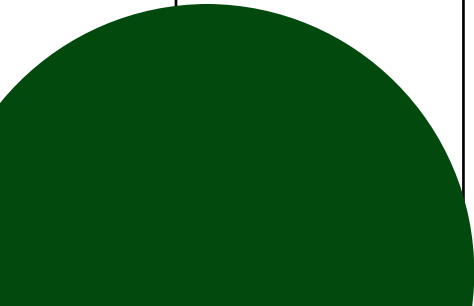
Attractive investor tax incentive that enhance profitability of investments



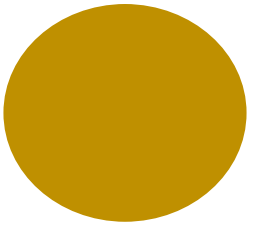
Investment Priority Project 1: Mpatamanga Hydro Power Project



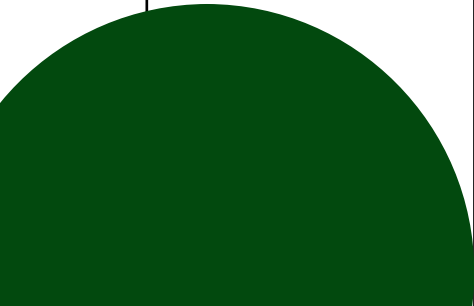
SECTOR	Project Description	Financing	Impact
ENERGY	<p>Government is finalising preparation for implementation of Mpatamanga hydropower project which will be producing a total of 350 MW.</p> <p>Of this capacity, 309 MW will be peaking generation at the main dam and 41 MW will be base generation at the regulating dam</p>	<p>The project is expected to cost 1.1 billion United States Dollars and is being implemented through a Public Private Partnership (PPP) arrangement.</p> <p>A build-own-operate and transfer (BOOT) model with thirty years long</p>	<p>Hydro power will contribute to universal access to affordable, reliable and modern energy services.</p>



Investment Priority Project 2: Mega Farms- Dwambadzi & Mchinji

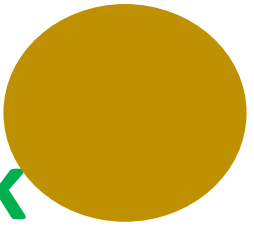


SECTOR	Project Description	Financing	SDG Impact
Agriculture	<p>Mchinji Crop Production Farm with over 5,000 hectares suitable for food and cash crop production - oil seeds grain legumes (groundnuts, pigeon peas, beans, etc. for more that 9,500 MT per yield, with ready market locally and internationally</p> <p>Dwambadzi Livestock Farm-</p>	<p>Financial investment for third party operators estimated between USD 6 million and \$10 million for irrigation, storage and processing facilities</p> <p>USD 8 million for livestock equipment, and capacity building of farmers. Government has committed to provide enabling infrastructure(feeder roads, veterinary services) USD7.0</p>	<p>Increased food and cash crop production with links to smallholder farmers.</p> <p>500,000 smallholder farmers linked to mega farms</p>

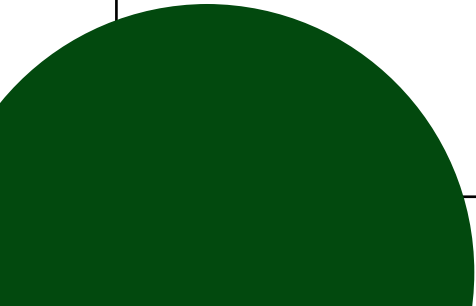


Investment Priority Project 3:

Special Economic Zone- Magwero Industrial Park



SECTOR	Project Description	Financing	SDG Impact
Industry	Magwero Industrial Park site occupies 417 hectares of land and is earmarked for multi-industrial use- agro-processing, manufacturing, ICT, logistics. Located within 5 minutes and 15 minutes of rail and air transport, the site is ideal for export oriented enterprises.	The land development cost at Magwero is estimated at US\$2.2 million. Through PPP arrangement, the private investors are expected to invest \$72.0 million	Creation of at least 2,000 direct jobs and exports





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