

# Malawi Annual Economic Report

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2024



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## Inflation

The annual average headline inflation for 2024 is 32.2%. This is an increase from an annual average headline inflation of 28.8% in 2023. The rise in headline inflation was due to increases in both the average food and non-food inflation rates. The annual average food inflation was 40.2% in 2024 from 37.1% in 2023. Food inflation was high in 2024 because of the sustained high costs of food due to weather-related shocks and supply-side inconsistencies for agricultural inputs that led to lower yields and higher prices. During the year, Malawi was significantly affected by El Niño weather conditions, leading to severe impacts on the 2023/24 agriculture season. A United Nations (UN) report indicated that the country experienced the worst dry spell in a century, resulting in a notable reduction in crop production. Specifically, maize production decreased by 16% dropping to 2,926,190 metric tons in 2023/24 from 3,509,837 metric tons in the 2022/23 season.

Similarly, the average non-food inflation in 2024 was 21.2%, up from 18.8% in 2023. The increase in non-food inflation results from the pass-through effects of the 44% devaluation of the Kwacha and the rise in energy prices in November 2023, which spilt over into 2024. Food contributes 53.7% to the total headline inflation, followed by Housing, Water, and Electricity at 23.7%. Other components, including transportation, communication, health, and education, each contribute less than 5%. Consequently, the rise in food prices has been the primary driver of the increase in headline inflation.

Projections from various published sources show that average inflation for 2025 will range between 15.3% to 28.3% (median of 22.3%). According to the Economist Intelligence Unit (EIU), inflation will remain elevated in 2025, at an average of 28.3%, due to continued deficit financing ahead of the 2025 election. This, combined with expected currency weakness as the Reserve Bank of Malawi (RBM) gradually shifts to a more flexible exchange rate, is expected to keep inflation elevated in 2025. Oxford Economics forecasts inflation to ease gradually from December 2024 and average 17.3% in 2025 due to base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). Further, the World Bank projects 2025 annual average inflation at 27.3%, and the IMF projects it at 15.3%. The World Bank and IMF expect an improvement in inflation from 2024 due to declining food prices in 2025.

## Foreign Currency Market and Reserves

As of 31 December 2024, the Kwacha had depreciated against the USD by 3.1% to MK1,749.93/USD from MK1,697.98/USD as of 31 December 2023. Year-on-year, the Kwacha remained stable against other major currencies as it depreciated against the British Pound by 1.2% and the South African Rand by 1.8%. The Kwacha appreciated against the Euro by 2.5% during the period under review. The annual average USD exchange rate was MK1,741.11/USD in 2024 compared to MK1,173.96/USD in 2023.

In 2024, the RBM continued conducting foreign exchange auctions to determine the market exchange rate.

In a press release on 13 November 2024, the RBM introduced conditions for dealings of Authorized Dealer Banks (ADB) in the Operational Manual for Cross Border Foreign Exchange Transactions issued

## Foreign Currency Market and Reserves (continued)

to ADBs on withdrawal of foreign currency by Diplomatic Offices and Diplomatic Staff. Diplomatic Offices, Ambassadors and Consuls, and diplomatic Staff other than Ambassadors and Consuls were all allocated a maximum withdrawal amount of forex in a month.

The Ministry of Finance and Economic Affairs outlined new foreign exchange controls in a Malawi Government Gazette dated 13 December 2024. According to the gazette, public institutions, including research institutions and public universities implementing donor-funded projects, will be required to open foreign-currency-denominated accounts at the Reserve Bank of Malawi (RBM). The institutions will also be required to convert 80% of their foreign currency receipts into Kwacha at the official buying exchange rate published by the RBM. Additionally, non-governmental organizations are expected to convert 70% of their foreign exchange receipts into Kwacha.

As of 30 November 2024, the country's total foreign exchange reserves decreased by 23.5% to USD516.90 million from USD675.59 million as of 31 December 2023. The import cover has reduced by 22.2% to 2.1 months of import cover as of November 2024 from 2.7 months of import cover as of December 2023.

The low foreign exchange reserves have hindered the importation of critical resources such as food, fuel and raw materials in 2024. There have been fuel supply challenges in the country since October 2024.

## Government Securities

The government awarded a total of MK3.25 trillion through Treasury Bills (TBs) and Treasury Notes (TNs) auctions in 2024, an increase of 76.5% from MK1.84 trillion awarded through TBs and TNs auctions in 2023. The rise in government borrowing has been due to increasing fiscal deficits financed through domestic borrowing. The closing average TB yield increased to 20.67% in 2024 from 18.90% in 2023. Likewise, the closing average TN yield increased to 31.95% in 2024 from 29.95% in 2023.

## Stock Market

The stock market was bullish over the year, with the MASI increasing by 55.06% to 172,039.93 points as of 31 December 2024 from 110,951.21 points as of 31 December 2023. The year-on-year return of 55.06% is lower than the year-on-year return of 78.85% as of 31 December 2023.

There were share price gains for all counters listed on the Malawi Stock Exchange except for PCL. Regarding market price movements, NICO shares had the highest price gain, to MK419.02 per share as of 31 December 2024 from MK150.40 per share as of 31 December 2023. This represents a 178.60% year-on-year share price increase.

A total of MK124.67 billion worth of shares were traded in 2024, a 62% increase from MK77.21 billion traded in 2023. NBS had the highest value of shares traded at MK33.2 billion during the period under review. In 2024, the total number of trades increased to 14,471 from 10,736 trades in the previous year, representing an increase of 35%.

### Stock Market (continued)

Blantyre Hotels Plc conducted a rights offer of 5.04 billion new ordinary shares, targeting existing shareholders and new investors. According to the results of the Rights offer, the company raised the full amount of MK62.4 billion that it sought to raise. The company is currently constructing a 4-star 180-room hotel, which Marriott International will operate. The new ordinary shares were listed on the Malawi Stock Exchange on 30 December 2024.

MPICO Plc released an announcement of substantial acquisition on 29 November 2024. According to the announcement, the Public Service Pension Fund Trust Fund (PSPTF) acquired 17.58% shareholding from Old Mutual (Malawi) Limited at a consideration of MK7.48 billion.

FDH Bank Plc issued a cautionary statement stating that the company intends to acquire a controlling stake in a bank within the African region. The general public is therefore advised to exercise caution and consult professional advisors before dealing with the shares of the company until the cautionary statement is withdrawn.

### Fiscal Policy

The 2024/25 National budget was developed under the theme “*From economic recovery to resilience through accelerating production and enhancing the legal and regulatory environment to protect the economy*”.

The 2024/25 revised budget projected total revenue and grants to be MK4.63 trillion, a 52% increase from a budgeted total of MK3.05 trillion in the 2023/24 budget. Total expenditure was projected at MK6.04 trillion in the revised budget for 2024/25. This represents a 39% increase from MK4.33 trillion in the 2023/24 budget. The fiscal deficit for the 2024/25 revised budget was at MK1.41 trillion. This represents a 10% increase from a MK1.28 trillion fiscal deficit budgeted for the 2023/24 fiscal year.

According to the Ministry of Finance and Economic Affairs (MoFEA), as of June 2024, the total public debt stood at MK15.17 trillion, representing 81.0% of the projected GDP for FY2024/25.

**Budget support:** In October 2024, the African Development Bank (AfDB) signed three protocol grant agreements with the Government of Malawi, amounting to USD46.27 million. Further to this, the Government of Malawi also signed an agreement with the European Union (EU), allowing the EU to provide EUR55 million in budget support.

**Debt restructuring:** The RBM revealed that three creditors; China, India and Kuwait, have given the green light to Malawi's call on debt restructuring. The discussions with the creditors were expected to be concluded by the end of September 2024 regarding what should be done to have Malawi's debt restructured as part of the ECF programme.

**IMF Extended Credit Facility (ECF) Review:** An IMF staff team led by Ms. Mika Saito visited Lilongwe from 12 to 23 May 2024, to conduct discussions on the First Review of the ECF-supported program. At the end of the mission, Ms. Mika Saito stated that the Malawian authorities and the IMF team made substantial progress in discussions on the policies and reforms needed to complete the first review of the ECF-supported program. According to the IMF press briefing statement on 23 May 2024, discussions were to continue in the following weeks toward completion of the first ECF review.

### Monetary Policy

In 2024, the Monetary Policy Committee (MPC) raised the policy rate by two percentage points to 26% from 24%. This adjustment was made in February 2024 following the first meeting of the MPC in 2024. Similarly, the Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits was increased to 10.00% from 7.75%. The LRR ratio on domestic currency deposits was adjusted to 8.75% in May 2024 and then to 10.00% in November 2024.

### Tobacco Sales

According to Auction Holdings Limited (AHL), the sale of tobacco in the 2024 season generated USD396.9 million, 40% higher than the USD283.8 million revenue generated in the 2023 season. The higher revenue in 2024 compared to 2023 was due to increased prices and higher volumes sold. A cumulative volume of 133.4 million kgs of tobacco was sold during the 2024 market season. This was an 11% increase from 120.5 million kgs sold in 2023. The increase in the volumes sold resulted from higher tobacco yields harvested in the 2024 farming season. The cumulative volume was sold at a seasonal average price of USD2.98 per kg, representing a 27% increase from the 2023 seasonal average price of USD2.35 per kg.

### Local Maize Prices

Year-on-year, maize prices increased by 16.6% to close at MK1,002/Kg as of 31 December 2024, from MK859/Kg in December 2023. The annual average price increased by 18.1% to MK776/Kg in 2024 from MK657/Kg in 2023. The International Food Policy Research Institute (IFPRI) monthly maize market reports in 2024 showed that maize prices were highest in the Southern region, followed by the Central region, whilst the Northern region had the lowest prices. Prices were lowest in the northern region due to informal maize imports from Tanzania and northern Zambia. High transport costs due to fuel shortages in the country contributed to high prices in the Central and Southern regions.

### Global Oil Prices

Year-on-year, the OPEC Reference Basket (ORB) price decreased by 7.5% to close at an average of USD73.07/b in December 2024 from an average of USD79.00/b in 2023. The annual average price decreased by 4% to USD79.86/b in 2024 from USD82.98/b in 2023.

### Local Fuel Prices

Fuel prices were stable in 2024 as they maintained at MK2,530/litre and MK2,734/litre for petrol and diesel, respectively.

### Notable developments during the year

**El Niño** - In 2024, Malawi was severely impacted by El Niño. El Niño Southern Oscillation (ENSO) is a natural phenomenon that disrupts global atmospheric circulation, influencing sea-level pressure, sea-surface temperatures, precipitation, and winds. These changes are linked to lower agricultural yields, commodity price inflation, adverse effects on human health, reduced educational participation, slower economic growth, and increased poverty, particularly among vulnerable populations.

According to the United Nations, Malawi has been significantly affected by El Niño weather conditions, leading to severe impacts on the 2023/24 agriculture season. The country experienced the worst dry spell

### Notable developments during the year (continued)

in a century, resulting in a notable reduction in crop production. Specifically, maize production decreased by 16% dropping to 2,926,190 metric tons in 2023/24 from 3,509,837 metric tons in the 2022/23 season. This decline created a deficit of 900,000 metric tons against a national requirement of 3.8 million metric tons.

Assessments indicated that around 4.2 million people (20% of the population) were expected to face high levels of acute food insecurity between May and September 2024, with projections worsening to 5.7 million (28% of the population) during the lean season from October 2024 to March 2025.

In response, the President declared a State of Disaster in 23 of 28 districts and launched a National El Niño Response Appeal (April 2024 to March 2025) to coordinate local and international aid. The Appeal focuses on preventing immediate hunger, mitigating the effects of hunger on education and health, and future-proofing against weather-related disasters, with an estimated funding requirement of MK782.24 billion (about USD446.74 million).

**Mining:** Sovereign Metals Limited, the developer of Kasiya Rutile Mine in Lilongwe, is currently conducting a pre-feasibility and optimization study at Kasiya which includes a pilot mining and land rehabilitation program. The mine is set to be the world's largest rutile resource and second-largest resource of graphite. The mine is projected to generate about USD16 billion (approximately MK27.2 trillion) in revenue in the first 25 years. This translates to about USD645 million (approximately MK1.1 trillion) in annual revenue. The pre-feasibility results show that the mine has the potential to become a large rutile producer at 222 kilotons per annum (kt/a) for an initial 25 years.

Lotus Resources Limited (an Australian-based mining company) signed a Mine Development Agreement with the Government of Malawi for its Kayelekera uranium mine, a significant milestone in its redevelopment. This Agreement ensures that the mine will operate under a stable fiscal regime and provides the necessary confidence to investors. The MDA guarantees a Stability Period of 10 years, during which the Project will not be subject to any detrimental changes to the fiscal regime.

In late October, Lotus Resources Limited announced that it had raised USD87m to restart production at the mothballed Kayelekera uranium mine. In an update issued by the company on 6 November 2024, the company announced that operations at the Kayelekera mine, which was shut down on 7 February 2014 due to declining global uranium prices, will resume in the third quarter of 2025. The update also stated that the project has been fully funded for the restart with a A\$130 million Placement (130 million Australian dollars), A\$25 million cash at the end of September 2024 and a Share Purchase Plan (SPP).

Chilwa Minerals Limited has developed a USD250,000 (approximately MK440 million) laboratory in Neno to prepare samples for further testing in Europe.

Lindian Resources Limited signed a USD50 million (approximately MK87.5 billion) funding agreement and an off-take contract with a U.S.-based company (Gerald Metals Group) for its Kangankunde Rare Earth Project in Balaka District.

Global Metals and Mining signed a USD10 million (about MK17.5 billion) loan agreement with South African-based Industrial Development Corporation (IDC) to finance the first phase of the construction of the rare metal Kanyika Niobium Mine in Mzimba. The agreement proposes that IDC will provide Project HoldCo with a secure convertible loan available partially in ZAR55 million (about MK5 billion) and USD7.05 million (MK12.3 billion). The loan will fund the completion of an updated Bankable Feasibility Study (BFS), the Front-end engineering design (Feed), and certain pre-implementation activities for the project's early works.

### Notable developments during the year (continued)

**Magwero Industrial Park:** On 3 June 2024, the Magwero Industrial Park project was launched in Lilongwe, and it is anticipated to generate MK1.1 trillion in annual revenue from manufactured products and generate 15,000 direct jobs. According to an Afreximbank press release, the project is a public-private partnership between the government of Malawi, represented by the Export Development Fund, and ARISE Integrated Industrial Platforms (IIP). The African Export-Import Bank (Afreximbank), the leading financial partner of ARISE IIP, will provide USD300 million to finance the project.

**Bakhresa Malawi cooking oil refinery:** Bakhresa Malawi Limited's USD 100 million (approximately MK175 billion) cooking oil refinery plant was scheduled for completion in early 2024. The plant faced foreign exchange challenges, but Bakhresa's executive director stated that cooking oil production would start in October 2024.

**Mpatamanga hydropower project:** This is a 358 Megawatts (MW) hydropower project, worth about USD1.07 billion (approximately MK1.8 trillion), that will be constructed at Mpatamanga Gorge, along the Shire River, in southern Malawi, between Tedzani and Kapichira Power Stations. It will comprise two power plants – a 301MW peaking plant and a 57MW downstream regulating plant. The project is being developed through a Public Private Partnership Model of which EGENCO will hold a 30% shareholding capacity on behalf of the Government of Malawi.

The Environmental and Social Impact Assessment report for the project has been completed and submitted for review to the Malawi Environment Protection Authority (Mepa). According to the project timelines on the MHPL website, early works which precede the construction phase are expected to start in 2025. The project is expected to be completed in 2030.

**Press Corporation Plc Solar project:** Press Corporation Plc (PCL) launched the country's first large-scale solar energy project through its subsidiary, Press Energy Limited (PEL). The 50-megawatt solar project is in Nkhoma, Lilongwe. With an investment of USD55.1 million (approximately MK96.4 billion), it is Malawi's first locally driven solar energy project, showcasing the potential of homegrown innovation and commitment to sustainability. The project was marked by the signing of a Power Purchase Agreement (PPA) with the Electricity Supply Corporation of Malawi (ESCOM) on 17 December 2024. The signing of the PPA signals the start of construction and a new chapter in Malawi's energy sector.

### Economic Growth

The 2024 real gross domestic product (GDP) growth rate projections for Malawi from various published sources range between 1.3% and 3.3% (median 1.8%). Most sources attribute the subdued growth to the impact of El Niño on agricultural production and its spillover effects on the rest of the economy.

The MPC noted that real GDP growth is projected at 2.3% for 2024. This growth rate reflects the impact of El Niño weather conditions on agricultural production and continued foreign exchange shortages.

The World Bank, International Monetary Fund (IMF), EIU, and Oxford Economics project real GDP growth for 2024 in the range of 1.3% to 1.8%. The subdued growth in 2024 is on account of the impact of El Niño on the agricultural sector and its spillover effects on the rest of the economy.

For 2025, the real GDP growth forecasts for Malawi from various published sources range between 1.6% and 4.3% (median 4%). The forecasted rebound is due to a recovery of the agricultural sector that will arise because of anticipated better weather conditions.

### Economic Growth (continued)

The RBM projects growth of 4.3% in 2025, reflecting anticipated good weather conditions and positive benefits from fully operationalising the mega-farms investments.

The EIU expects real GDP growth of 1.6% in 2025, up from an estimated 1.3% in 2024, as hard-currency shortages exacerbated by drought conditions weigh on agricultural output and power supply.

According to the World Bank, real GDP growth for 2025 is anticipated to be 4.2% due to agricultural sector recovery and spillovers towards manufacturing and transportation subsectors.

Oxford Economics forecasts a modest rebound in real GDP growth in 2025 of 3.5% on the back of more favourable weather conditions and positive developments in the industrial and construction sectors.

The IMF projects real GDP growth of 4.0% in 2025, attributing the recovery to anticipated good weather conditions in 2025, which will lead to the agricultural sector's recovery.

### Opportunities in Malawi

**Agriculture:** The Ministry of Agriculture has announced a two-year project, with a budget of MK28 billion, aimed at encouraging 36,000 beneficiaries to adopt organic fertilizers in the country. This initiative follows the enactment of the Fertilizer Act, which is now in effect. In addition to organic fertilizers, the ministry will introduce new types of fertilizers, including Nano Urea, Nano NPK, Nano DAP, organo-mineral fertilizers, and inoculants.

In its Malawi Country Economic Memorandum (CEM), the World Bank noted that Malawi has made significant progress in developing the value chains of groundnuts, macadamia, and soybeans. Successful value chains spark adjacent activity, such as the poultry and fish feed industry for which soybeans constitute a significant input; honey and paprika, which are being intercropped with macadamia; and the agro-input segment, where groundnuts and soybeans are enabling new companies to emerge in inputs such as seed and inoculant.

The International Fund for Agricultural Development (IFAD) and the Government of Malawi, on 2 July 2024 launched a USD53 million agricultural programme that seeks to commercialize agriculture production and enhance the resilience of small-scale farming systems for improved income, food, and nutrition security.

Other opportunities in the agricultural industry include large-scale commercial fishing, cannabis production and processing, and large-scale sugarcane production. On 28 March 2024, parliament passed the Cannabis Regulation Act (Amendment) Bill, which is expected to promote participation in the industry.

**Tourism:** Sunbird Tourism Plc has unveiled plans to construct a high-rise apartment hotel in Lilongwe worth between USD70 million (approximately MK122.5 billion) and USD90 million (approximately MK157.5 billion). The company presented the proposal at the Malawi-European Union (EU) investment forum. The project provides an investment opportunity for investors in the country and abroad, and it has the potential to boost the Malawian tourism industry by providing more capacity to host international tourists. Additionally, the company has also mentioned plans to construct a USD35 million (approximately MK61.3 billion) to USD50 million (approximately MK87.5 billion) five-star hotel in Mangochi, which could equally boost the tourism sector in the country. Further, Rayoni Tourism Group has disclosed plans to construct a four-star hotel in Mzuzu, adding to the list of potential investment opportunities and tourism sector growth in Malawi.

**Mining:** According to the World Bank's Malawi CEM there are currently seven mining priority projects in Malawi. Rutile in Kasiya, rare earths in Songwe, niobium in Kanyika, graphite in Malingunde, heavy mineral

### Opportunities in Malawi (continued)

sands in Makanjira, rare earths in Kangankunde, and uranium in Kayelekera. The projects indicate a likely increase in the sector's contribution to GDP.

**Trade:** FDH Bank signed a USD15 million (about MK 26 billion) agreement with the African Export Import Bank (Afreximbank) to support local businesses in securing export markets and increasing trade. Under the Africa Trade Exchange financing, the facility aims to bolster intra-Africa trade and grow exports to the Caribbean markets for small and medium enterprises.

The Ministry of Trade and Industry amended the Control of Goods Act to support Malawi's industrialization and import substitution drive. This amendment includes the addition of various products to the lists of regulated import and export goods including maize, soybeans and pigeon peas. In addition to that, the Malawi Revenue Authority will not clear the goods unless they are furnished with a valid license from traders. This regulatory change creates a significant opportunity for local farmers and producers. With stricter controls on imports, there is an increased demand for locally produced goods.

Malawi and other countries in Southern Africa have been called to maximise the use of the Indian Ocean port of Nacala in Mozambique for enhanced integration and trade. Consequently, the Malawi Government secured a 99-year lease agreement to develop a terminal at Nacala Port. The port is used for Malawi's imports, including fuel, fertilizer and pharmaceuticals, as well as exports of agricultural commodities such as tobacco, sugar and pigeon peas. According to Mozambique Ports and Railways officials, the port can handle 10 million tonnes of cargo per year, of which it only handles about 40% currently. The port is handling 30% of cargo to Malawi, and following the port upgrade last year, the port is at its best capacity to handle more volumes of cargo. Between January and July 2024 about 14.5 million litres of fuel for Malawi was ferried through the Nacala Port.

### Risks

The Malawian economy has continued to face several significant risks, including, but not limited to, public debt status, weather-related shocks, inflation, reliance on aid, delays in debt restructuring, and currency depreciation. These risk factors may limit the country's potential for growth and worsen poverty.

According to the EIU, long delays in debt restructuring could impair government funding, leading to an abrupt rise in taxes. An abrupt rise in taxes could contract the economy.

Malawi's high level of indebtedness poses significant risks. The large debt burden can strain government finances, limit fiscal flexibility, and increase vulnerability to external shocks, potentially jeopardizing economic stability and growth.

Furthermore, Malawi faces inflation risk. In 2024, the average headline inflation is 32.2% (full-year average of 28.8% in 2023). The 2025 inflation projections for Malawi from various published sources range between 15.3% and 28.3%. Inflation is expected to ease due to the improvement of the agricultural sector, but downside risks to the outlook include deficit financing and exchange rate weakness.

According to a working paper from the Mwapata Institute, stronger storms have begun surviving long enough to impact Malawi, and data from the United States National Oceanic and Atmospheric Administration suggests that more extreme tropical weather can be expected in the future. Given the detrimental impact that weather-related shocks such as Cyclone Freddy have had on Malawi's economy, the threat of more weather-related shocks poses a significant risk.

# Economic Overview

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## Economic overview

### Inflation (Source: NSO, World Bank, IMF, EIU, MPC, Oxford Economics, UN)

*The annual average headline inflation increased to 32.2% in 2024 from 28.8% in 2023 due to an increase in both food and non-food inflation. The annual average food inflation was 40.2% in 2024 from 37.1% in 2023, and the annual average non-food inflation was 21.2% from 18.8% in 2023.*

*The 2025 inflation projections for Malawi from various published sources range between 15.3% and 28.3%, with a median of 22.3%.*

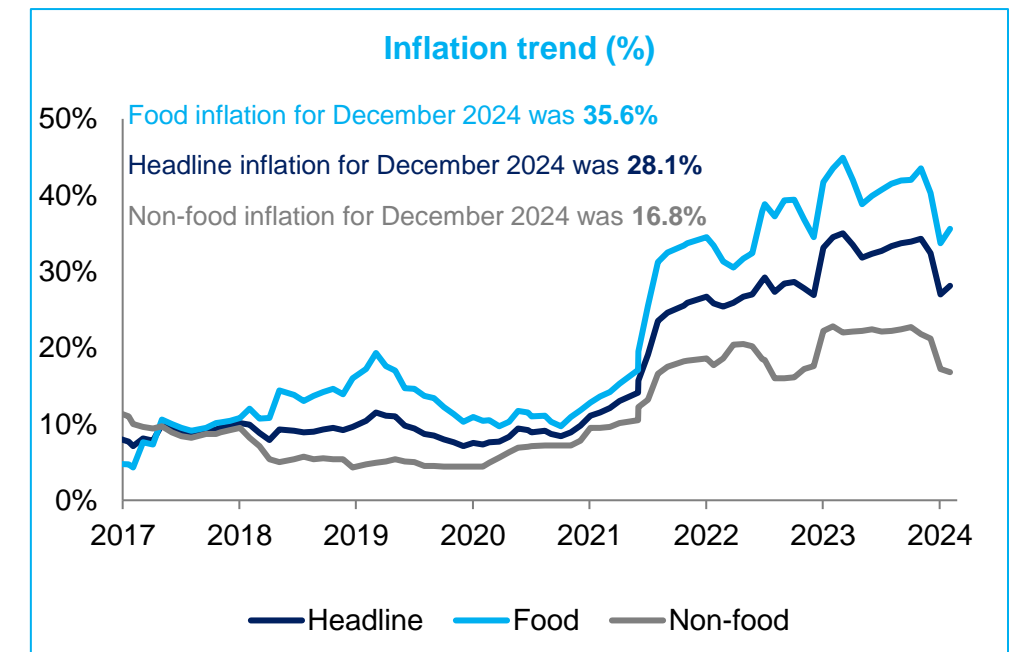
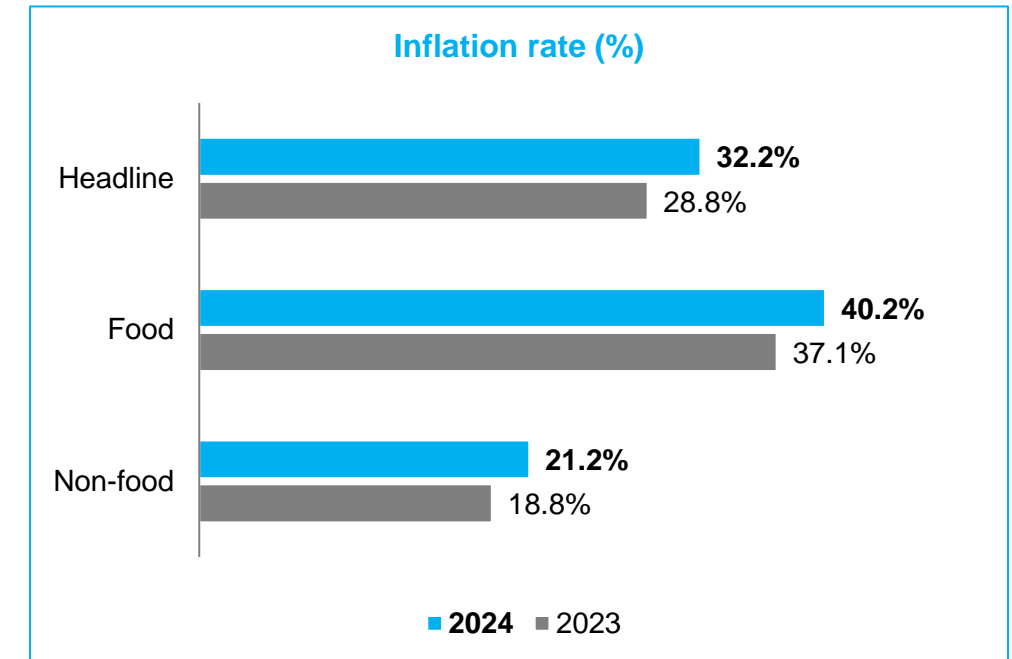
The annual average headline inflation for 2024 is 32.2%. This is an increase from an annual average headline inflation of 28.8% in 2023. The rise in headline inflation was due to increases in both the average food and non-food inflation rates. The annual average food inflation was 40.2% in 2024 from 37.1% in 2023. Food inflation was high in 2024 because of the sustained high costs of food due to weather-related shocks and supply-side inconsistencies for agricultural inputs that led to lower yields and higher prices. During the year, Malawi was significantly affected by El Niño weather conditions, leading to severe impacts on the 2023/24 agriculture season. A United Nations (UN) report indicated that the country experienced the worst dry spell in a century, resulting in a notable reduction in crop production. Specifically, maize production decreased by 16% dropping to 2,926,190 metric tons in 2023/24 from 3,509,837 metric tons in the 2022/23 season.

Similarly, the average non-food inflation in 2024 was 21.2%, up from 18.8% in 2023. The increase in non-food inflation results from the pass-through effects of the 44% devaluation of the Kwacha and the rise in energy prices in November 2023, which spilt over into 2024. Food contributes 53.7% to the total headline inflation, followed by Housing, Water, and Electricity at 23.7%. Other components, including transportation, communication, health, and education, each contribute less than 5%. Consequently, the rise in food prices has been the primary driver of the increase in headline inflation.

The average headline inflation rate for 2024 is within the range of the projections by the MPC, the EIU, Oxford Economics, IMF, and World Bank. The MPC projected that the 2024 annual average rate will be 32.5%, while the IMF projected that the annual average will be 30.6%. The EIU projected that the annual average rate for 2024 will be 33.5%. Oxford Economics projected an annual average inflation of 32.4%, and the World Bank forecasted an annual average inflation of 33.6%.

Month-on-month, the headline inflation increased to 28.1% in December 2024 from 27.0% in November 2024. This represents an increase of 1.1 percentage points. The increase was a result of an increase in the food inflation which offset the decrease in non-food inflation. Food inflation increased to 35.6% in December 2024 from 33.7% in November 2024, while non-food inflation decreased to 16.8% in December 2024 from 17.2% in November 2024.

According to the EIU, inflation will remain elevated in 2025, at an average of 28.3%, due to continued deficit financing ahead of the 2025 election. This, combined with expected currency weakness as the RBM gradually shifts to a more flexible exchange rate, is expected to keep inflation elevated in 2025. Oxford Economics forecasts inflation to ease gradually from December 2024 and average 17.3% in 2025 due to base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). Further, the World Bank projects 2025 annual average inflation at 27.3%, and the IMF projects it at 15.3%. Both the World Bank and IMF expect an improvement in inflation from 2024 due to declining food prices in 2025.







## Economic overview (continued)

### Foreign currency market and foreign reserve position (Source: RBM, Various Media)

The Malawi Kwacha has depreciated against the United States Dollar by 3% year-on-year.

Year-on-year, the Malawi Kwacha has also depreciated against the British Pound by 1.2% and the South African Rand by 1.8%. During the same period, the Kwacha appreciated against the Euro by 2.5%.

As of 30 November 2024, the country's total foreign exchange reserves decreased by 23.5% to USD516.90 million from USD675.59 million as of 31 December 2023.

The low foreign exchange reserves have hindered the importation of critical resources such as food, fuel and raw materials. There have been fuel supply challenges in the country since October 2024.

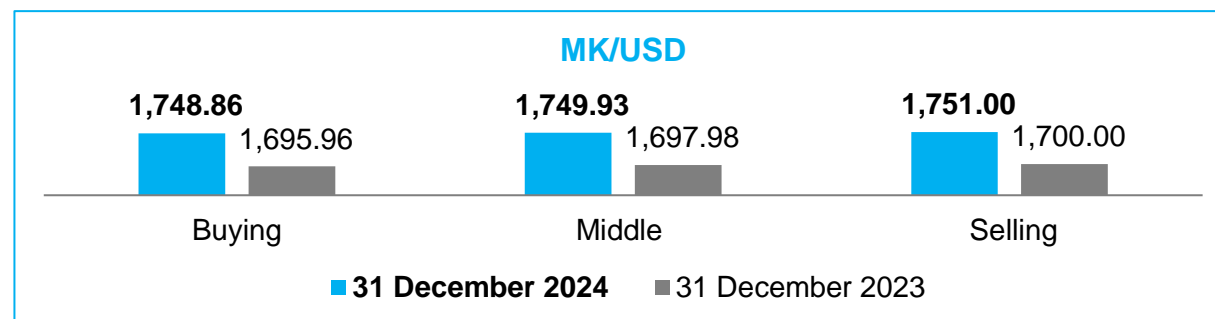
#### Foreign Currency Market

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The Ministry of Finance and Economic Affairs outlined new foreign exchange controls in a Malawi Government Gazette dated 13 December 2024. According to the gazette, public institutions, including research institutions and public universities implementing donor-funded projects, will be required to open foreign-currency-denominated accounts at the Reserve Bank of Malawi (RBM). The institutions will also be required to convert 80% of their foreign currency receipts into Kwacha at the official buying exchange rate published by the RBM. Additionally, non-governmental organizations are expected to convert 70% of their foreign exchange receipts into Kwacha.



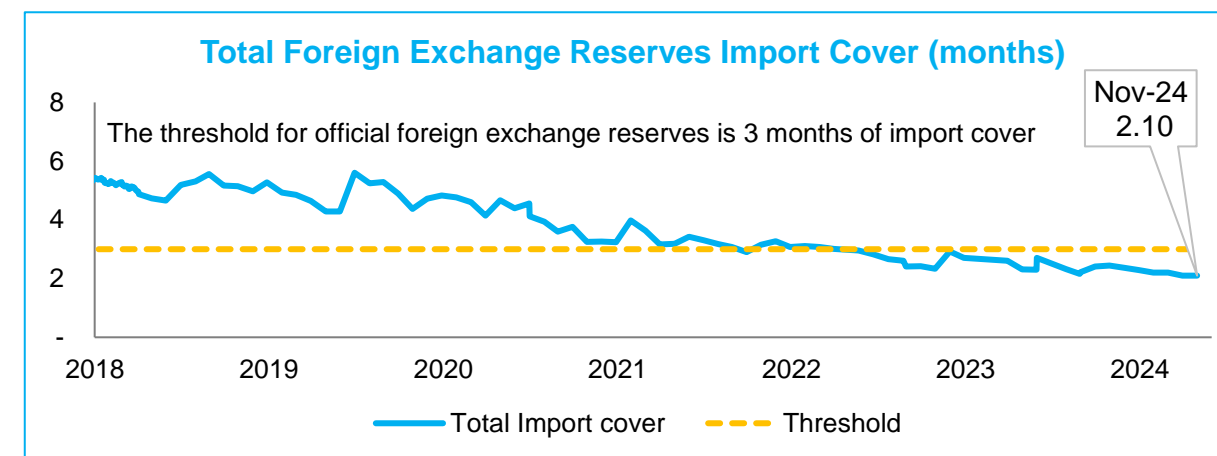
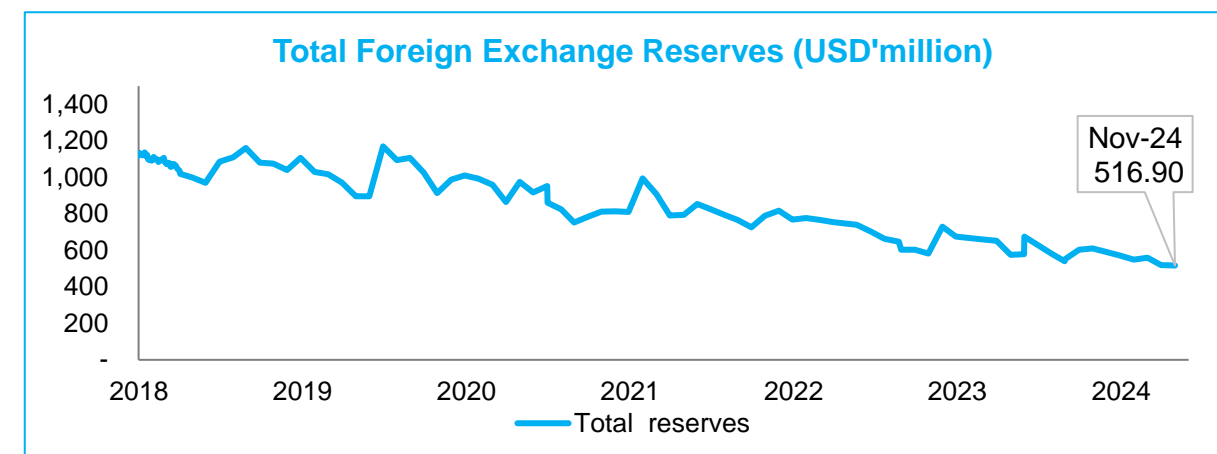
USD – United States Dollar

NB: The reported closing rates are actual trade-weighted market average Telegraphic Transfer rates.

#### Foreign Exchange Reserves Position

As of 30 November 2024, the country's total foreign exchange reserves decreased by 23.5% to USD516.90 million from USD675.59 million as of 31 December 2023. The import cover has reduced by 22.2% to 2.1 months of import cover as of November 2024 from 2.7 months of import cover as of December 2023.

The low foreign exchange reserves have hindered the importation of critical resources such as food, fuel and raw materials in 2024. There have been fuel supply challenges in the country since October 2024.





## Economic overview (continued)

### Stock Market (Source: MSE)

The stock market was bullish during the period under review as the MASI closed 31

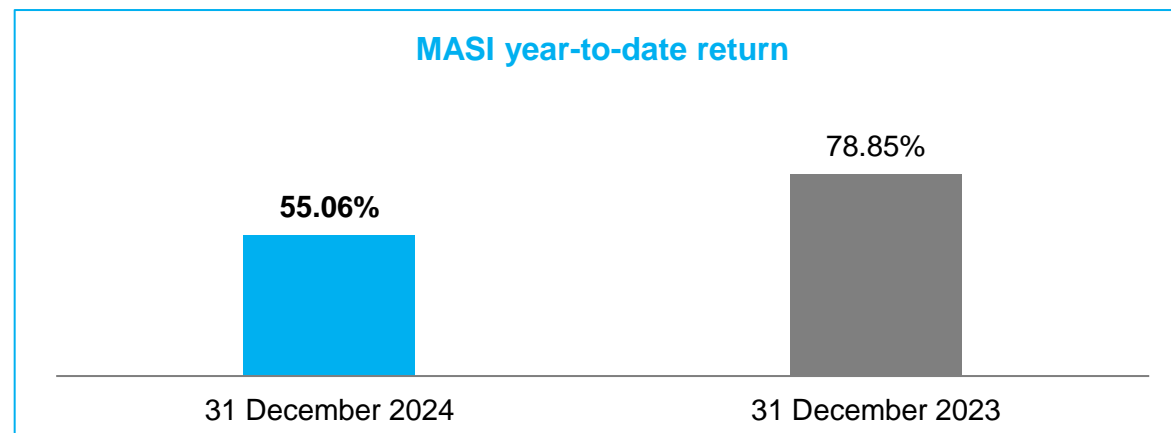
December 2024 at 172,039.93 points from 110,951.21 points as of 31 December 2023.

The MASI year-on-year return was 55.06% as of 31 December 2024, lower than 78.85% as of 31 December 2023.

The total value of shares traded increased by 62% to MK124.67 billion in 2024 from MK77.21 billion in 2023.

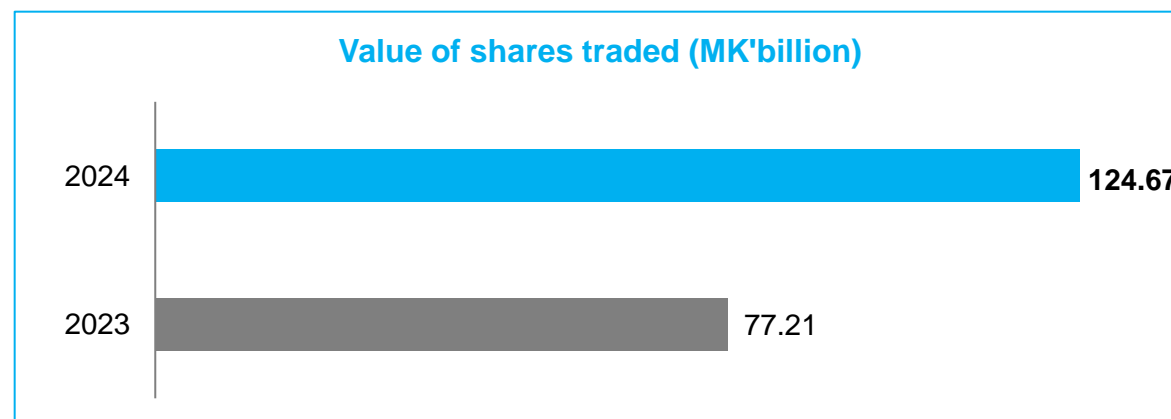
The stock market was bullish over the year, with the MASI increasing by 55.06% to 172,039.93 points as of 31 December 2024 from 110,951.21 points as of 31 December 2023. The year-on-year return of 55.06% is lower than the year-on-year return of 78.85% as of 31 December 2023.

There were share price gains for all counters listed on the Malawi Stock Exchange except for PCL. Regarding market price movements, NICO shares had the highest price gain, to MK419.02 per share as of 31 December 2024 from MK150.40 per share as of 31 December 2023. This represents a 178.60% year-on-year share price increase.

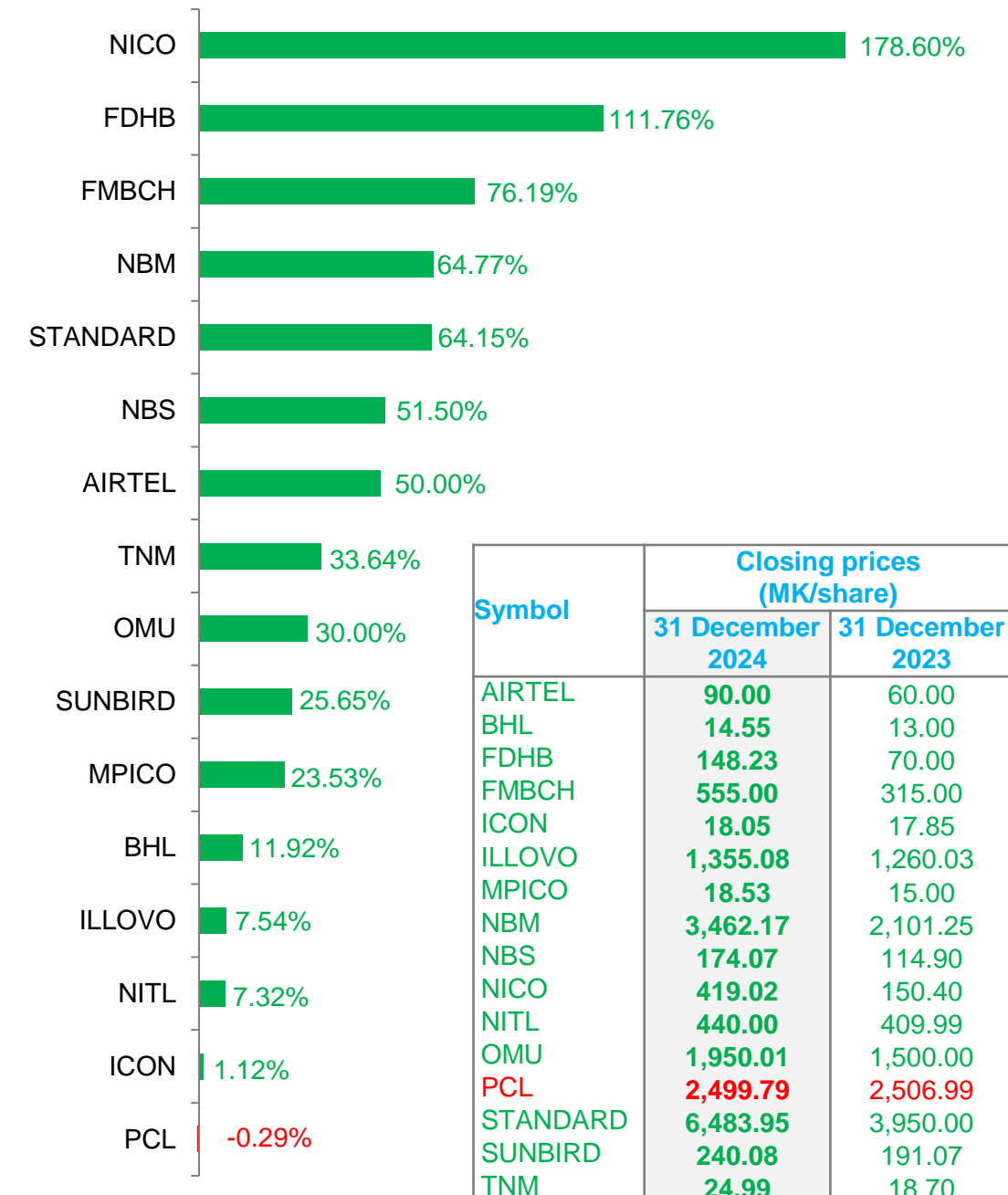


### MSE Traded Values

A total of MK124.67 billion worth of shares were traded in 2024, a 62% increase from MK77.21 billion traded in 2023.



### Year-on-year share price percentage change





## Economic overview (continued)

### Stock Market (Source: MSE)

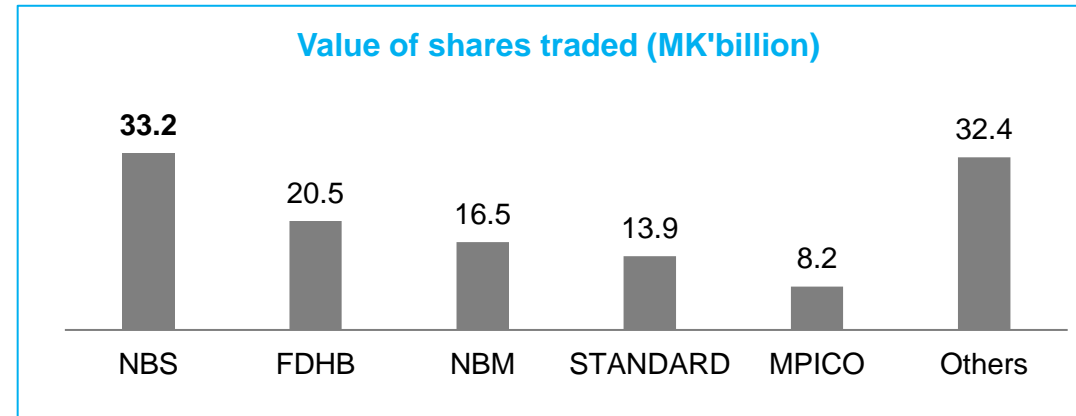
NBS had the highest value of shares traded in 2024 at MK33.2 billion.

Blantyre Hotels Plc conducted a rights offer of 5.04 billion new ordinary shares, targeting existing shareholders and new investors. According to the results of the Rights offer, the company raised the full amount of MK62.4 billion that it sought to raise.

The Public Service Pension Fund Trust Fund (PSPTF) acquired 17.58% shareholding in MPICO Plc from Old Mutual (Malawi) Limited at a consideration of MK7.48 billion.

### MSE Traded Values (continued)

NBS had the highest value of shares traded at MK33.2 billion during the period under review. In 2024, the total number of trades increased to 14,471 from 10,736 trades in the previous year, representing an increase of 35%.



### Key developments in the year

**Blantyre Hotels Plc Rights issue:** Blantyre Hotels Plc conducted a rights offer of 5.04 billion new ordinary shares, targeting existing shareholders and new investors. According to the results of the Rights offer, the company raised the full amount of MK62.4 billion that it sought to raise. The company is currently constructing a 4-star 180-room hotel, which Marriott International will operate. The new ordinary shares were listed on the Malawi Stock Exchange on 30 December 2024.

**FDH Bank acquisition of bank in Africa:** FDH Bank Plc issued a cautionary statement stating that the company intends to acquire a controlling stake in a bank within the African region. The general public is therefore advised to exercise caution and consult professional advisors before dealing with the shares of the company until the cautionary statement is withdrawn.

**MPICO Plc substantial acquisition:** MPICO Plc released an announcement of substantial acquisition on 29 November 2024. According to the announcement, the Public Service Pension Fund Trust Fund (PSPTF) acquired 17.58% shareholding from Old Mutual (Malawi) Limited at a consideration of MK7.48 billion.

## Corporate Announcements

### Financial Year Trading Statements

Companies listed on the MSE are required to release trading statements if their profits are expected to be different by more than 20% from the prior year's profits. Accordingly, almost all the companies listed on the MSE have issued trading statements in respect of profits for the year ending 31 December 2024. Notably, AIRTEL, BHL, FDH Bank, NBS, NICO, SUNBIRD, and TNM are all expecting a variance of more than 100% between the profits of the years ending 31 December 2024 and 31 December 2023.

Amounts in billions of Malawi Kwacha unless otherwise specified

Counter	31 December 2024	31 December 2023	Trading Statement profit/loss expectation
AIRTEL	43.1 - 47.7	(15.4)	380% - 409%
BHL	(1.70) - (1.85)	(0.79)	114% - 133%
FDHB	72.9 - 75.2	35.6	105% - 111%
ICON	22.0 - 25.0	19.2	15% - 30%
MPICO	11.4 - 12.8	7.1	61% - 81%
NBM	93.0 - 98.3	72.0	29% - 37%
NBS	68.6 - 72.5	29.4	133% - 147%
NICO	122.0 - 131.0	59.0	107% - 122%
NITL	28.0 - 30.5	21.5	30% - 42%
PCL	115.7 - 122.5	75.1	54% - 63%
STANDARD	78.8 - 86.7	52.5	50% - 65%
SUNBIRD	10.7 - 11.8	5.3	102% - 122%
TNM	8.1 - 9.1	(4.8)	271% - 291%

### Dividends

Directors of Illovo Malawi Plc have recommended a final dividend of MK5.00 per share in respect of profits for the year ended 31 August 2024. The dividend is subject to approval from shareholders.

Counter	Dividend type	Proposed/ Declared	Dividend per share (MK)	Last day to register	Payment date
ILLOVO	Final	Proposed	5.00	TBA*	TBA

\*: TBA stands for To Be Announced



## Economic overview (continued)

### Government securities (Source: RBM)

#### Treasury Bills (TBs)

In 2024, total applications for TBs amounted to MK1.241 trillion. This represents a 69% increase from MK735 billion that was applied for in 2023. In 2024, the government awarded a total of MK1.236 trillion through the TBs auctions. This represents an increase of 89% from the MK654 billion awarded in 2023. The rise in government borrowing in 2024 has been due to increasing fiscal deficits financed through domestic borrowing. The TBs applications had a 0.43% rejection rate in 2024 which is lower than the 11.1% rejection rate in 2023.

#### Treasury Notes (TNs)

In 2024, total applications for TNs amounted to MK2.017 trillion, an increase of 70% from a total of MK1.259 trillion worth of applications in 2023. During the period under review, the government awarded a total of MK2.015 trillion through the TNs auction. This represents a 60% increase from MK1.188 trillion awarded in 2023. The government increased domestic borrowing between 2023 and 2024 to finance growing fiscal deficits. The TN applications had a rejection rate of 0.1% in 2024, a decrease from a rejection rate of 5.6% in 2023.

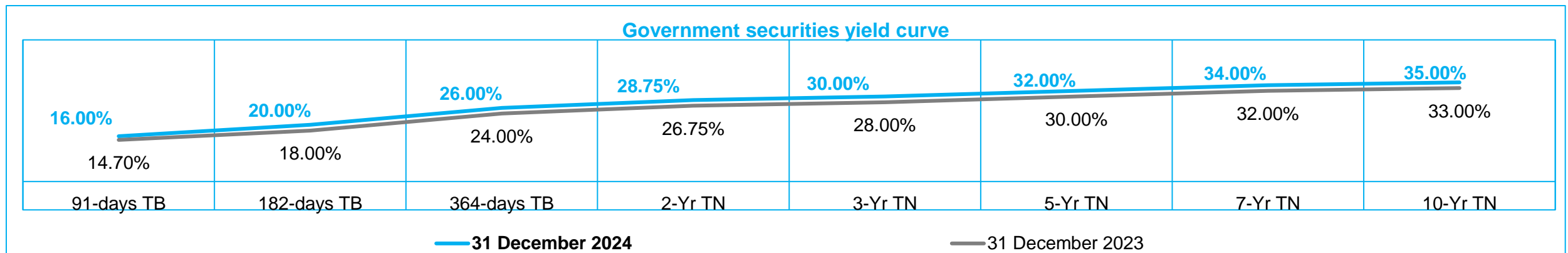
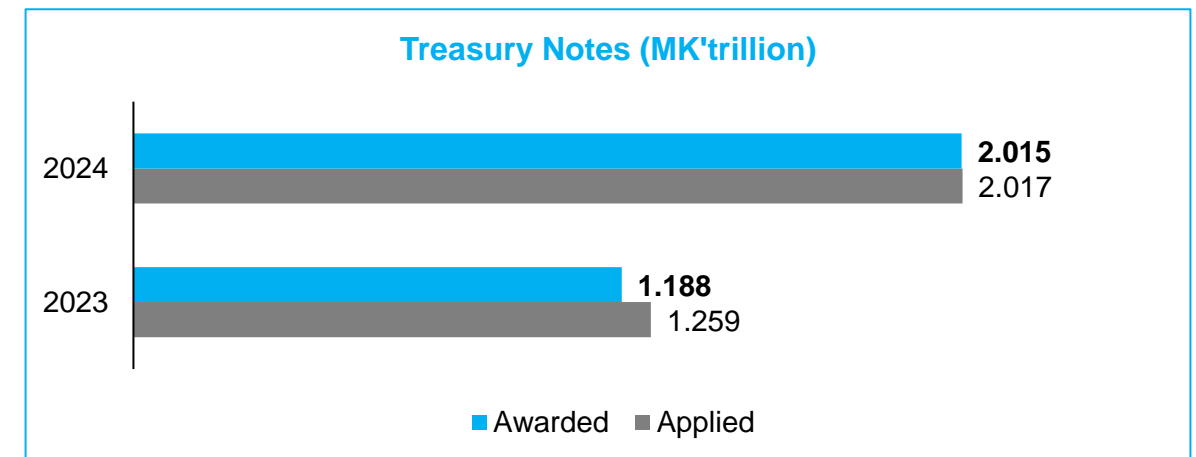
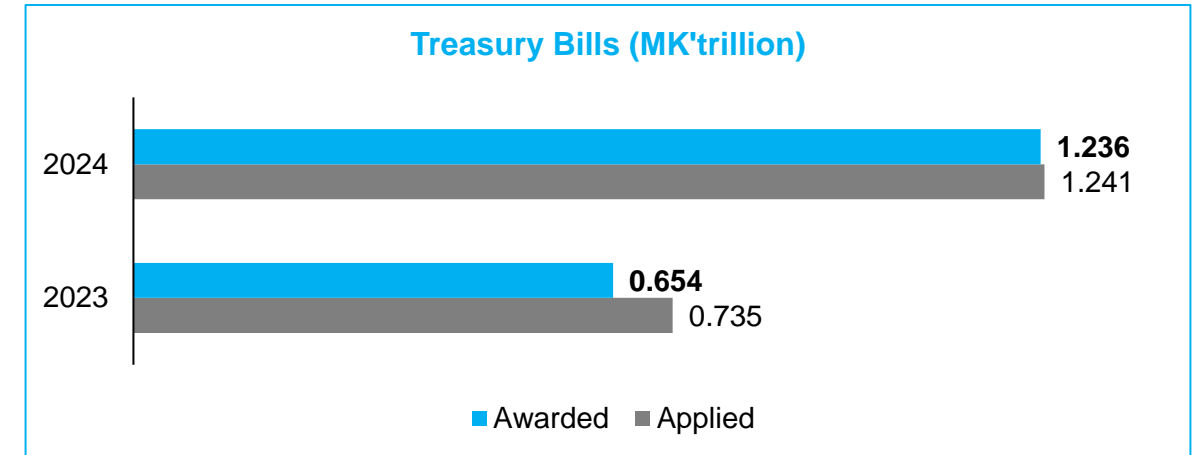
In total, the government awarded a total of MK3.25 trillion through Treasury Bills (TBs) and Treasury Notes (TNs) auctions in 2024, an increase of 76.5% from MK1.84 trillion awarded through TBs and TNs auctions in 2023.

#### Government Securities Yields

The closing average TB yield increased to 20.67% in 2024 from 18.90% in 2023. Similarly, the closing average TN yield increased to 31.95% from 29.95% during the period under review.

*The government awarded a total of MK3.25 trillion through Treasury Bills (TBs) and Treasury Notes (TNs) auctions in 2024, an increase of 76.5% from MK1.84 trillion awarded through TBs and TNs auctions in 2023.*

*The closing average TB yield increased to 20.67% in 2024 from 18.90% in 2023. Likewise, the closing average TN yield increased to 31.95% in 2024 from 29.95% in 2023.*



# Fiscal and Monetary Policy Developments

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## Fiscal Policy (Source: Ministry of Finance)

The 2024/25 fiscal deficit was projected at MK1.41 trillion, a 10% increase from MK1.28 trillion in the 2023/24 budget. This was on account of increases in both total revenues and grants as well as total expenditure for the period.

### 2024/25 National Budget Overview

The 2024/25 National budget was developed under the theme “From economic recovery to resilience through accelerating production and enhancing the legal and regulatory environment to protect the economy”. The budget’s focus is to continue containing the budget deficit, and it will achieve this by enhancing domestic revenue mobilization and rationalizing expenditures with a focus on highly productive sectors. The Government identified anchor sectors that were chosen for their potential to contribute to economic growth: Agriculture, Tourism, and Mining, commonly referred to as ATM.

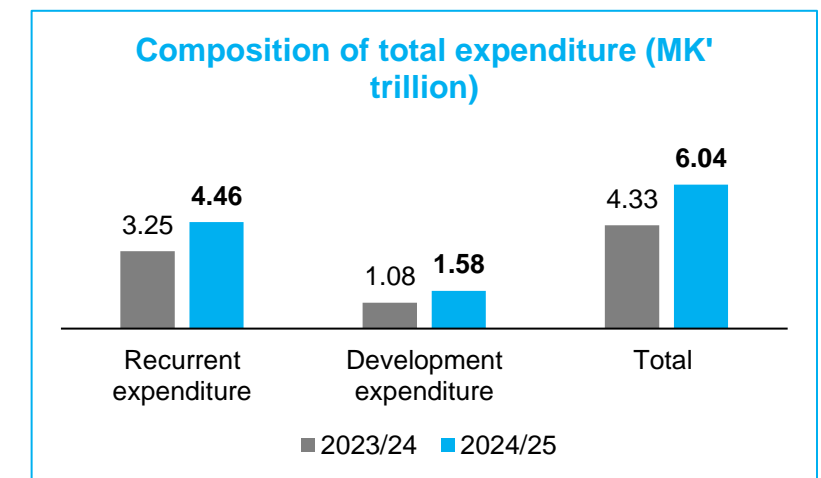
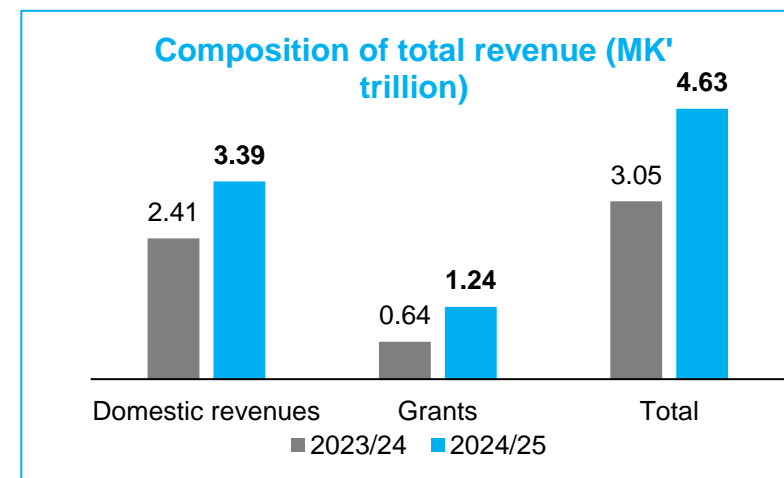
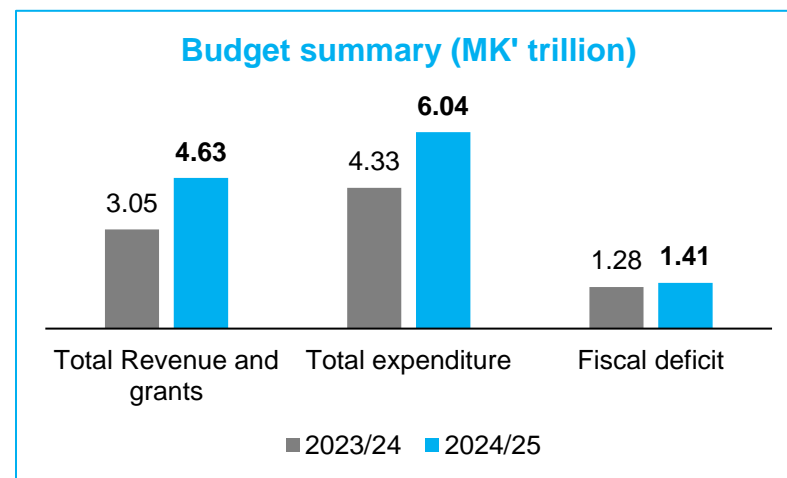
A mid-year budget review took place in November 2024, and adjustments to total expenditure and new total revenue projections were approved.

The 2024/25 revised budget projected total revenue and grants to be MK4.63 trillion, a 52% increase from a budgeted total of MK3.05 trillion in the 2023/24 budget. The increase was due to expected domestic revenue and grants increases in the 2024/25 financial year. Domestic revenue was projected at MK3.39 trillion, while revenue from grants was projected at MK1.24 trillion. This represents a 41% and 94% increase from MK2.41 trillion and MK0.64 trillion in the 2023/24 budget, respectively.

According to the mid-year budget statement, the increase in projected revenue from grants is due to the expected increase in grants from international organizations.

Total expenditure was projected at MK6.04 trillion in the revised budget for 2024/25. This represents a 39% increase from MK4.33 trillion in the 2023/24 budget. Recurrent and development expenditures were projected to be higher in the revised 2024/25 budget than in the 2023/24 budget. Budgeted recurrent expenditure increased by 37%, to MK4.46 trillion in 2024/25 from MK3.25 trillion in 2023/24. Budgeted development expenditure increased by 46%, to MK1.58 trillion in 2024/25 from MK1.08 trillion in 2023/24.

The projected total expenditure is higher than the projected total revenue and grants in both fiscal years. This implies that both budgets were to be implemented on a deficit. The fiscal deficit for the 2024/25 revised budget was at MK1.41 trillion. This represents a 10% increase from a MK1.28 trillion fiscal deficit budgeted for the 2023/24 fiscal year. The deficit in both years was to be financed by both domestic and foreign borrowing.





## Fiscal and Monetary Policy Developments (continued)

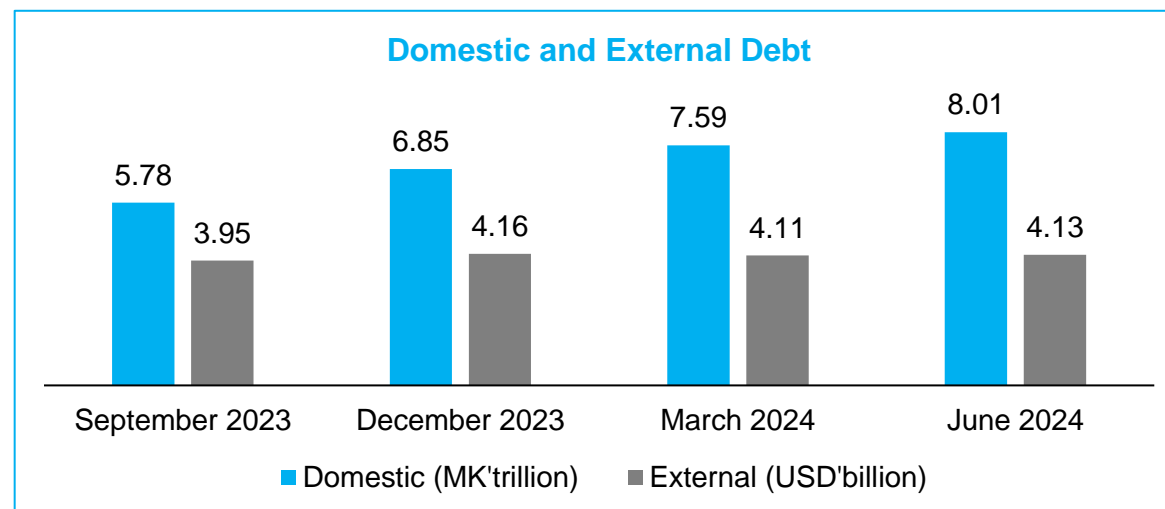
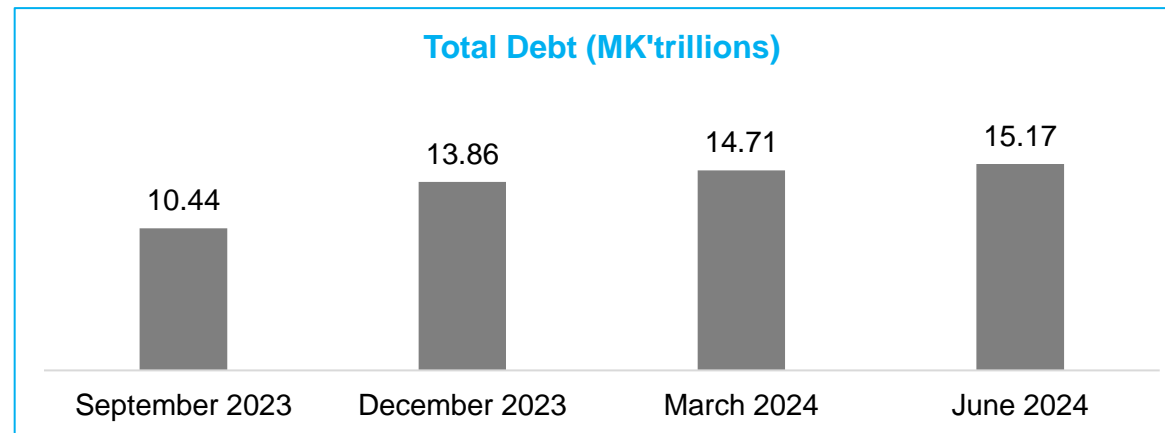
According to the Ministry of Finance and Economic Affairs (MoFEA), as of June 2024, the total public debt stood at MK15.17 trillion, representing 81.0% of the projected GDP for FY2024/25.

The RBM revealed that three creditors; China, India and Kuwait, have given the green light to Malawi's call on debt restructuring. The discussions with the creditors were expected to be concluded by the end of September 2024.

### Fiscal Policy and Monetary Policy (Source: Ministry of Finance, RBM)

#### Debt Status

According to the Ministry of Finance and Economic Affairs (MoFEA), as of the end of June 2024, the total public debt stood at MK15.17 trillion, which represents 81.0% of the projected GDP for FY2024/25, or approximately USD8.75 billion. The domestic debt amounted to MK8.01 trillion (USD4.62 billion), while the external debt was USD4.13 billion (MK7.16 trillion). Compared to the end of March 2024, the total public debt has risen by MK458.27 billion, an increase of 3.1%. At the end of June 2024, domestic debt constituted 52.8% of the total public debt, while external debt comprised 47.2%.



### Other fiscal policy developments

**Budget support:** In October 2024, the African Development Bank (AfDB) signed three protocol grant agreements with the Government of Malawi, amounting to USD46.27 million. This funding includes USD22.97 million for budget support to implement various agricultural sector reforms and USD22.3 million designated for mitigating fragility through the Africa Disaster Risk Financing Programme. Additionally, the package provides USD1 million in emergency humanitarian assistance to support ongoing government efforts to address the impacts of El Nino in the country.

In October 2024, the Government of Malawi signed an agreement with the European Union (EU), allowing the EU to provide EUR55 million in budget support.

**Debt restructuring:** The RBM revealed that three creditors; China, India and Kuwait, have given the green light to Malawi's call on debt restructuring. The discussions with the creditors were expected to be concluded by the end of September 2024 regarding what should be done to have Malawi's debt restructured as part of the ECF programme.

**Government spending:** According to the World Bank's assessment, government spending has risen substantially over the past decade, pushing government financing requirements to unsustainable levels. Financing of the fiscal deficit has resulted in major debt vulnerabilities and a crowding out of private sector credit.

**IMF Extended Credit Facility (ECF) Review:** An IMF staff team led by Ms. Mika Saito visited Lilongwe from 12 to 23 May 2024, to conduct discussions on the First Review of the ECF-supported program. At the end of the mission, Ms. Mika Saito stated that the Malawian authorities and the IMF team made substantial progress in discussions on the policies and reforms needed to complete the first review of the ECF-supported program. She also highlighted that weather-related shocks continue to impact the Malawian economy, exacerbating food insecurity. Further, Ms. Mika Saito highlighted that fiscal discipline remains critical in the face of elevated spending pressures. According to the IMF press briefing statement on 23 May 2024, discussions were to continue in the following weeks toward completion of the first ECF review.

In August 2024, the United States (US) government warned Malawi that it may not meet the commitments necessary to receive a second tranche of the IMF ECF in the following months. The US government added that the country needs urgent leadership and action at all levels of the government to ensure it stays on course with the ECF and implements the reforms it has committed to stabilizing the economy.



## Fiscal and Monetary Policy Developments (continued)

### Fiscal Policy and Monetary Policy (Source: Ministry of Finance, RBM)

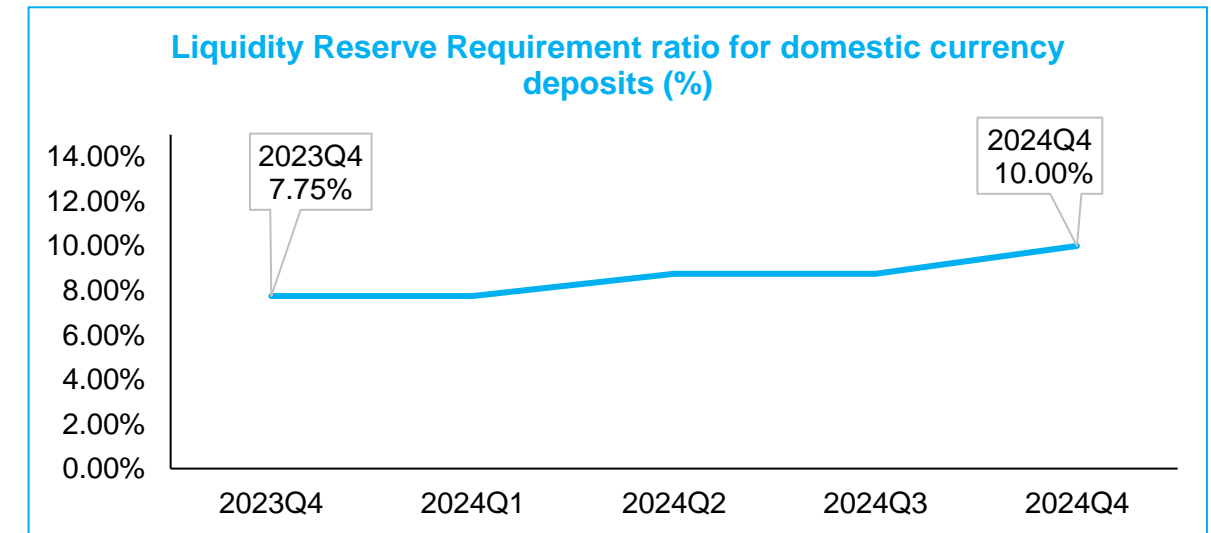
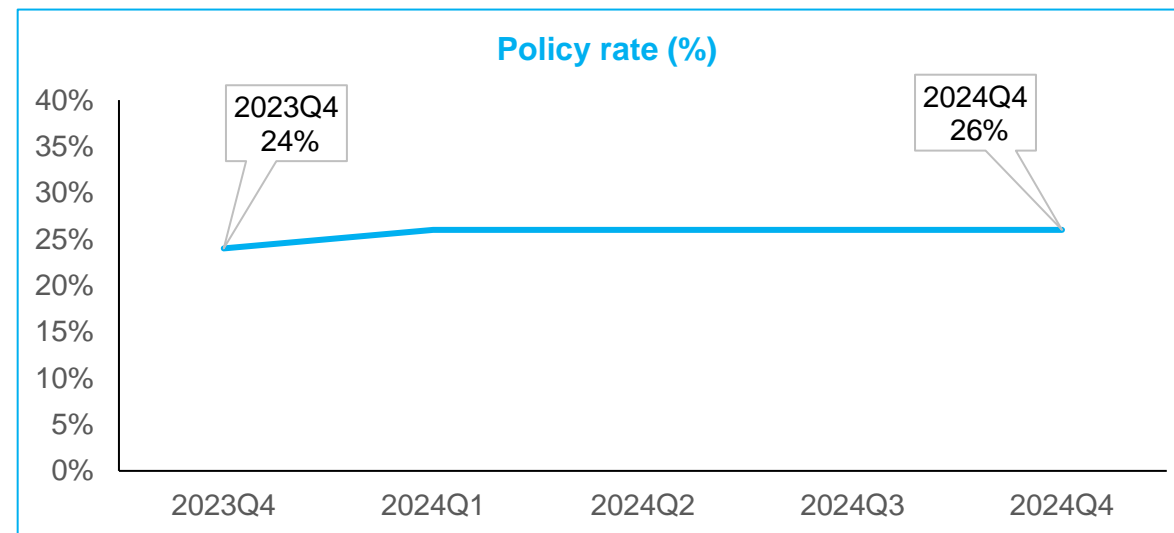
*In 2024, the MPC raised the policy rate by two percentage points to 26% from 24%. This adjustment was made in February 2024 following the first meeting of the MPC in 2024. Similarly, the Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits was increased by 2.25 percentage points to 10.00% from 7.75%.*

#### Monetary Policy (Source: RBM)

In 2024, the Monetary Policy Committee (MPC) raised the policy rate by two percentage points to 26% from 24%. This adjustment was made in February 2024 following the first meeting of the MPC in 2024. Similarly, the Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits was increased to 10.00% from 7.75%. The LRR ratio on domestic currency deposits was adjusted to 8.75% in May 2024 and 10.00% in November 2024.

The MPC noted that although inflation has remained elevated, there are strong prospects of slowing down from the fourth quarter of 2024 due to favourable base effects (year-on-year price comparisons will be against last year's high prices, leading to smaller changes). The Committee also noted that money supply continues to grow sharply, posing risks to the inflation outlook.

The LRR ratio on foreign currency deposits was 3.75%, and the Lombard rate was maintained at 20 basis points above the policy rate in 2024.





# Commodity Market Developments

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## Commodity Market Developments

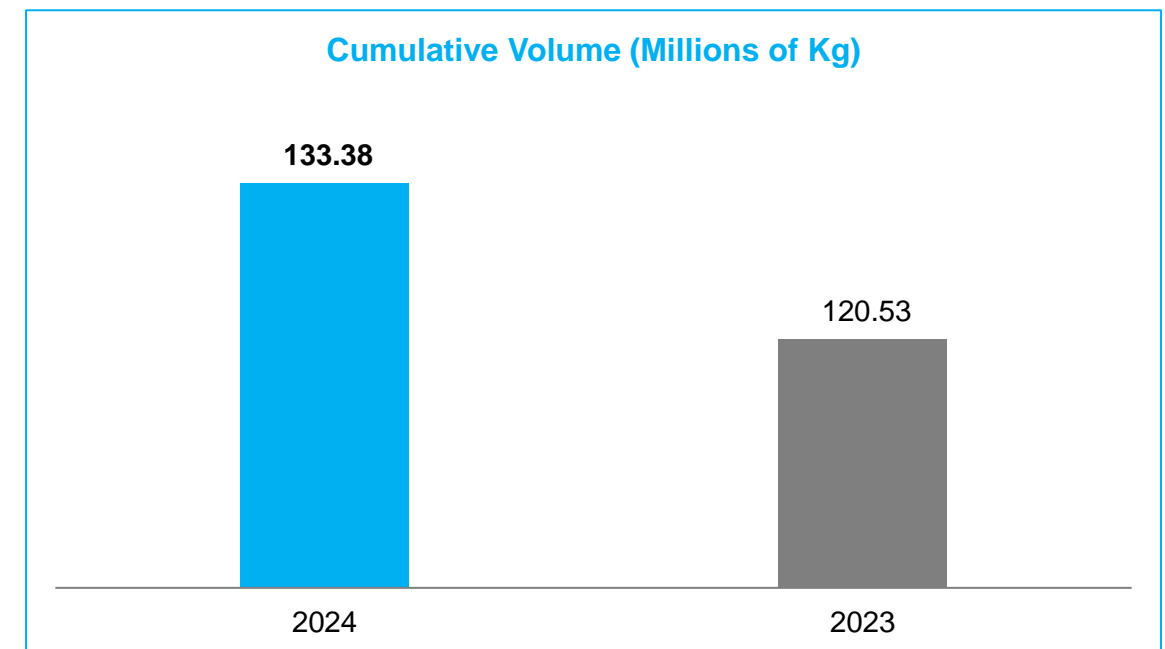
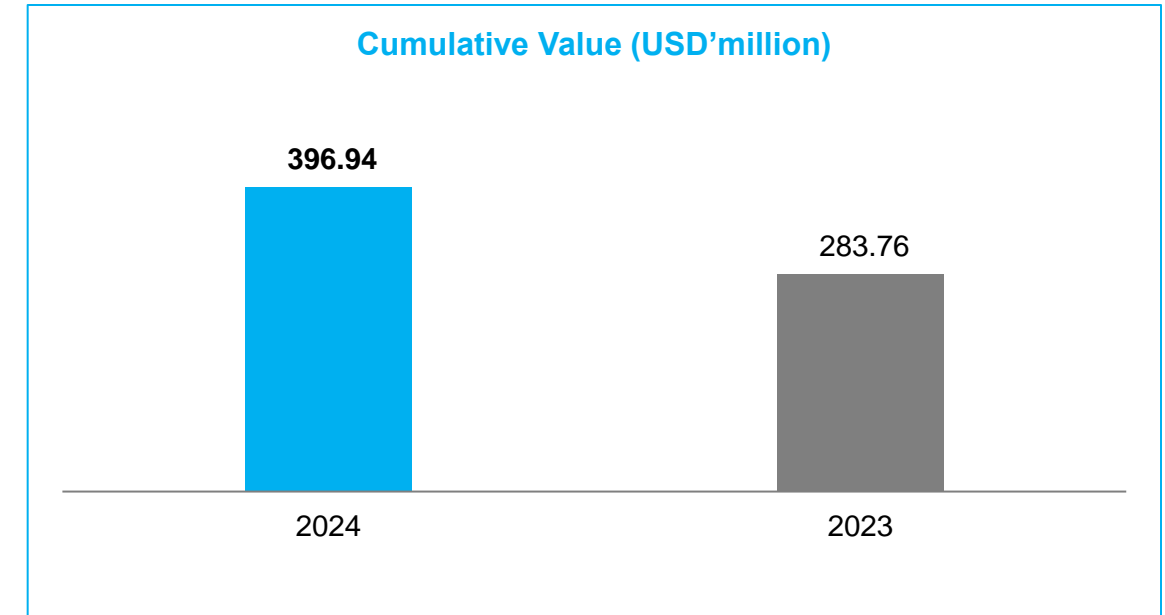
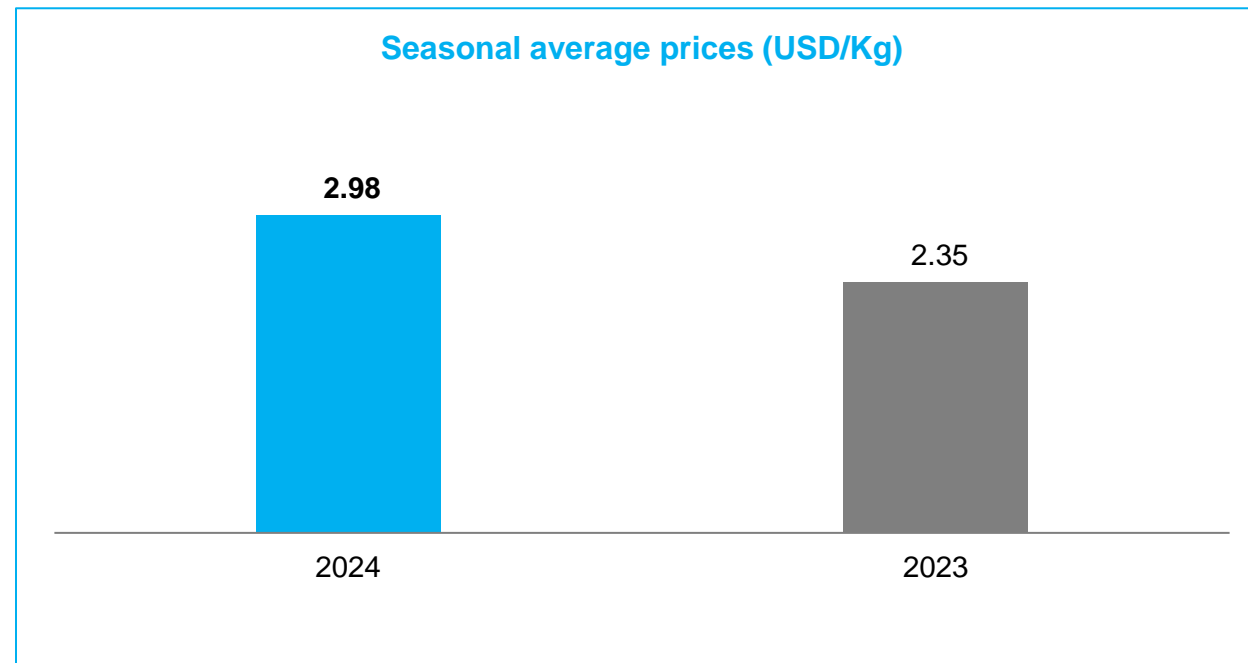
### Tobacco Sales (Source: Auction Holdings Limited and Tobacco Commission of Malawi)

*The sale of tobacco in the 2024 season generated USD396.9 million, 40% higher than the USD283.8 million generated in the 2023 season. The higher revenue in 2024 compared to 2023 was due to increased prices and higher volumes sold.*

*A total of 133.4 million Kgs was sold during the 2024 tobacco market season, an 11% increase from 120.5 million Kgs sold in the 2023 season. The cumulative volume was sold at a seasonal average price of USD2.98 per kg, representing a 27% increase from the 2023 seasonal average price of USD2.35 per kg.*

The sale of tobacco in the 2024 season generated USD396.9 million, 40% higher than the USD283.8 million revenue generated in the 2023 season. The higher revenue in 2024 compared to 2023 was due to increased prices and higher volumes sold. A cumulative volume of 133.4 million kgs of tobacco was sold during the 2024 market season. This was an 11% increase from 120.5 million kgs sold in 2023. The increase in the volume sold resulted from higher tobacco yields harvested in the 2024 farming season. The cumulative volume was sold at a seasonal average price of USD2.98 per kg, representing a 27% increase from the 2023 seasonal average price of USD2.35 per kg. The 2024 tobacco season closed on 18 September 2024. The 2023 season closed on 4 August 2023.

Tobacco remains the country's main export crop and, thus, the largest forex earner. However, this tobacco dependence makes the Malawian economy vulnerable to risks such as declining global demand for tobacco and weather-related shocks, including droughts and floods.





## Commodity Market Developments (continued)

### Maize, Oil, and other commodities market developments

*Year-on-year, maize prices increased by 16.6% to close at MK1,002/Kg as of 31 December 2024, from MK859/Kg in December 2023. The annual average price increased by 18.1% to MK776/Kg in 2024 from MK657/Kg in 2023.*

*Year-on-year, the OPEC Reference Basket (ORB) price decreased by 7.5% to close at an average of USD73.07/b in December 2024 from an average of USD79.00/b in 2023. The annual average price decreased by 4% to USD79.86/b in 2024 from USD82.98/b in 2023.*

*Fuel prices were stable in 2024 as they maintained at MK2,530/litre and MK2,734/litre for petrol and diesel, respectively.*

#### Local Maize Price Developments (Source: IFPRI)

Year-on-year, maize prices increased by 16.6% to close at MK1,002/Kg as of 31 December 2024, from MK859/Kg in December 2023. The annual average price increased by 18.1% to MK776/Kg in 2024 from MK657/Kg in 2023. The International Food Policy Research Institute (IFPRI) monthly maize market reports in 2024 showed that maize prices were highest in the Southern region, followed by the Central region, whilst the Northern region had the lowest prices. Prices were lowest in the northern region due to informal maize imports from Tanzania and northern Zambia. High transport costs due to fuel shortages in the country contributed to high prices in the Central and Southern regions.

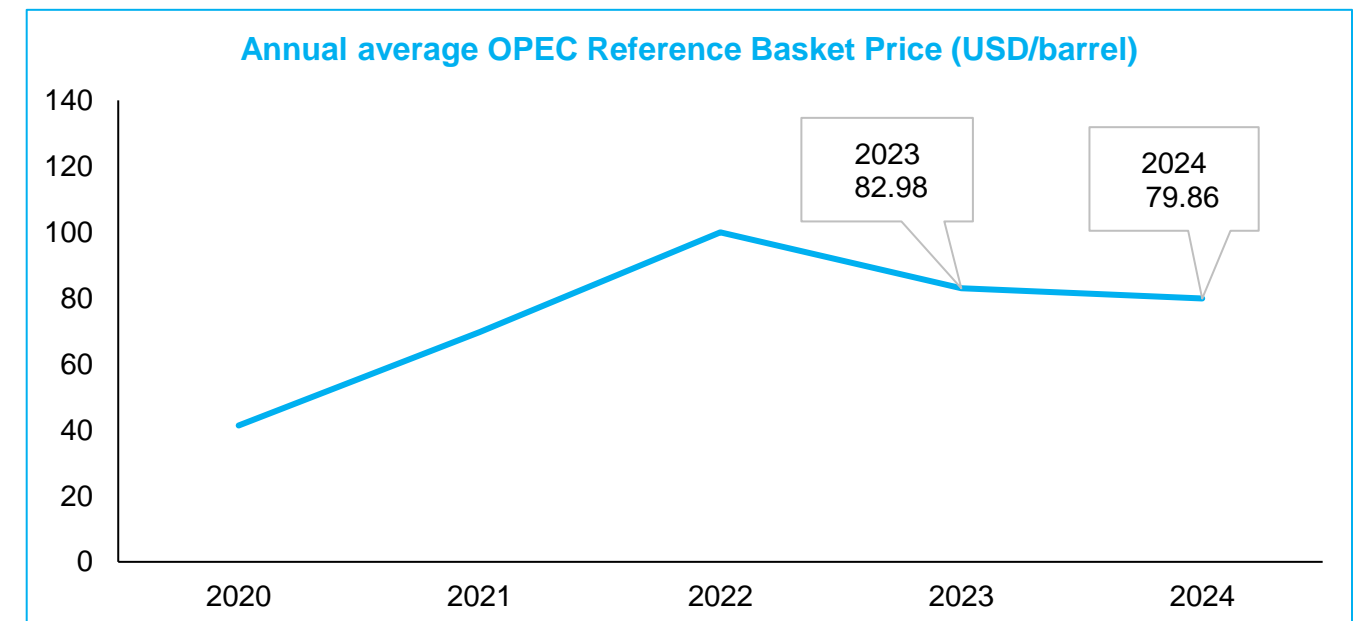
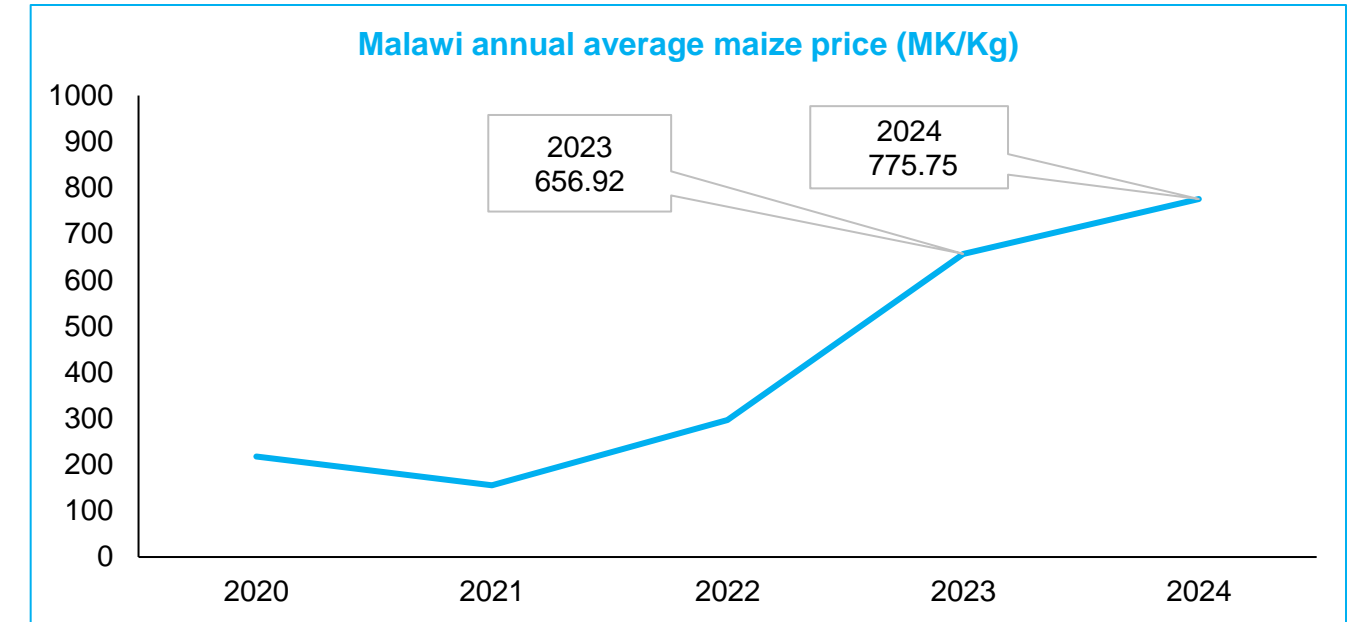
#### Global Oil Price Developments (Source: OPEC)

Year-on-year, the OPEC Reference Basket (ORB) price decreased by 7.5% to close at an average of USD73.07/b in December 2024 from an average of USD79.00/b in 2023. The annual average price decreased by 4% to USD79.86/b in 2024 from USD82.98/b in 2023.

According to the OPEC December 2024 monthly report, in 2025, global oil demand is forecast to rise by 1.4 million barrels per day (mb/d), year-on-year. Organisation for Economic Co-operation and Development (OECD) oil demand is expected to increase by 0.1 mb/d, predominantly in OECD Americas, although the other regions also exhibit some growth. In the non-OECD, a 1.3 mb/d, y-o-y, increase is projected, with China and Other Asia driving the growth, supported by India, the Middle East and Latin America. This forecast is based on assumed sustained economic and petrochemical activity across major consuming nations, which supports demand for transportation fuels and distillates in 2025.

#### Other Commodity Price Developments (Source: World Bank)

According to World Bank commodity prices data, year-on-year (Y-O-Y), global tea prices increased by 9.2% to USD2.96/Kg in December 2024 from USD2.71/Kg in December 2023. World sugar prices decreased by 8.3% to USD0.44/Kg in December 2024 from USD0.48/Kg in December 2023. For fertilizers, Urea prices marginally declined by 0.6% to USD352.0 per metric ton (USD352.0/mt) in December 2024 from USD354.0/mt in December 2023, Diammonium Phosphate (DAP) prices marginally increased by 0.8% to USD568.3/mt in December 2024 from USD563.8/mt in December 2023, and Potassium Chloride prices decreased by 6.2% to USD292.5/mt in December 2024 from USD311.9/mt in December 2023.



# Notable developments during the year

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## Notable developments during the year

*According to the United Nations, Malawi was severely impacted by El Niño which led to the worst dry spell in a century, resulting in a notable reduction in crop production. Specifically, maize production decreased by 16% dropping to 2,926,190 metric tons in 2023/24 from 3,509,837 metric tons in the 2022/23 season. This decline created a deficit of 900,000 metric tons against a national requirement of 3.8 million metric tons.*

### El Niño

In 2024, Malawi was severely impacted by El Niño. El Niño Southern Oscillation (ENSO) is a natural phenomenon that disrupts global atmospheric circulation, influencing sea-level pressure, sea-surface temperatures, precipitation, and winds. These changes are linked to lower agricultural yields, commodity price inflation, adverse effects on human health, reduced educational participation, slower economic growth, and increased poverty, particularly among vulnerable populations.

According to the United Nations, Malawi has been significantly affected by El Niño weather conditions, leading to severe impacts on the 2023/24 agriculture season. The country experienced the worst dry spell in a century, resulting in a notable reduction in crop production. Specifically, maize production decreased by 16% dropping to 2,926,190 metric tons in 2023/24 from 3,509,837 metric tons in the 2022/23 season. This decline created a deficit of 900,000 metric tons against a national requirement of 3.8 million metric tons.

The UN findings highlighted that 2024 was expected to see the highest number of acute food insecure individuals in the past five years, with 5.69 m people affected. Assessments indicated that around 4.2 million people (20% of the population) were expected to face high levels of acute food insecurity between May and September 2024, with projections worsening to 5.7 million (28% of the population) during the lean season from October 2024 to March 2025. This reflects a concerning trend in food insecurity primarily driven by climatic shocks. The consequences extend beyond agriculture, impacting sectors such as food processing and leading to economic repercussions such as changes in output, inflationary pressures, and increased poverty.

Recent natural disasters, including Tropical Cyclone Freddy, have exacerbated existing vulnerabilities, causing an estimated economic cost equivalent to 0.5% of GDP. The cumulative effects of multiple shocks have worsened ultra poverty in Malawi, which increased by 2.6 percentage points between 2019 and 2023. The UN notes that household poverty is likely to rise by 2.6% between 2023 and 2024 compounded by elevated health risks, increased absenteeism in schools, and higher rates of child labour.

In response, the President declared a State of Disaster in 23 of 28 districts and launched a National El Niño Response Appeal (April 2024 to March 2025) to coordinate local and international aid. The Appeal focuses on preventing immediate hunger, mitigating the effects of hunger on education and health, and future-proofing against weather-related disasters, with an estimated funding requirement of MK782.24 billion (about USD446.74 million).

### Mining

In 2024, there were several developments in the mining sector as outlined below:

Sovereign Metals Limited, the developer of Kasiya Rutile Mine in Lilongwe, is currently conducting a pre-feasibility and optimization study at Kasiya which includes a pilot mining and land rehabilitation program. The pilot phase will determine optimal project excavation, material handling, processing, backfilling and rehabilitation approaches. The mine is set to be the world's largest rutile resource and second-largest resource of graphite. The mine is projected to generate about USD16 billion (approximately MK27.2 trillion) in revenue in the first 25 years. This translates to about USD645 million (approximately MK1.1 trillion) in annual revenue. The pre-feasibility results show that the mine has the potential to become a large rutile producer at 222 kilotons per annum (kt/a) for an initial 25 years.

Lotus Resources Limited (an Australian-based mining company) signed a Mine Development Agreement with the Government of Malawi for its Kayelekera uranium mine, a significant milestone in its redevelopment. This Agreement ensures that the mine will operate under a stable fiscal regime and provides the necessary confidence to investors. The MDA guarantees a Stability Period of 10 years, during which the Project will not be subject to any detrimental changes to the fiscal regime.

In late October, Lotus Resources Limited announced that it had raised USD87m to restart production at the mothballed Kayelekera uranium mine. In an update issued by the company on 6 November 2024, the company announced that operations at the Kayelekera mine, which was shut down on 7 February 2014 due to declining global uranium prices, will resume in the third quarter of 2025. The update also stated that the project has been fully funded for the restart with an A\$130 million Placement (130 million Australian dollars), an A\$25 million cash at the end of September 2024 and a Share Purchase Plan (SPP). In an address to the media, Lotus (Africa) Limited's General Manager also stated that the firm has plans to list on the Malawi Stock Exchange. If the plans are enacted, this provides an opportunity for the public and local companies to buy stakes in the company and participate in the mining sector.

Chilwa Minerals Limited has developed a USD250,000 (approximately MK440 million) laboratory in Neno to prepare samples for further testing in Europe. The company is currently conducting exploratory works in the country focused on heavy mineral sands such as ilmenite and zircon, and the laboratory will improve sample processing as the samples no longer need to go through South Africa. This development could potentially accelerate the overall development of Malawi's mining sector.



## Notable developments during the year (continued)

*On 3 June 2024, the Magwero Industrial Park project was launched in Lilongwe, and it is anticipated to generate MK1.1 trillion in annual revenue from manufactured products and generate 15,000 direct jobs.*

*Mpatamanga hydropower project is a 358 Megawatts (MW) hydropower project, worth about USD1.07 billion (approximately MK1.8 trillion), that will be constructed at Mpatamanga Gorge, along the Shire River, in southern Malawi, between Tedzani and Kapichira Power Stations. Early works which precede the construction phase are expected to start in 2025.*

### Mining (continued)

Lindian Resources Limited signed a USD50 million (approximately MK87.5 billion) funding agreement and an off-take contract with a U.S.-based company (Gerald Metals Group) for its Kangankunde Rare Earth Project in Balaka District. Geological experts suggest this development could allow mining activities to start within nine months. The contract includes the supply of 45,000 metric tonnes of monazite concentrate while allowing Lindian to pursue additional sales agreements with other partners. The beginning of the Kangankunde Rare Earth project should provide job opportunities for a lot of locals and encourage foreign direct investment in Malawi.

Global Metals and Mining signed a USD10 million (about MK17.5 billion) loan agreement with South African-based Industrial Development Corporation (IDC) to finance the first phase of the construction of the rare metal Kanyika Niobium Mine in Mzimba. The agreement proposes that IDC will provide Project HoldCo with a secure convertible loan available partially in ZAR55 million (about MK5 billion) and USD7.05 million (MK12.3 billion). The loan will fund the completion of an updated Bankable Feasibility Study (BFS), the Front-end engineering design (Feed), and certain pre-implementation activities for the project's early works.

### Visa Waiver

In the State of the Nation address of 9 February 2024, the president of the Republic of Malawi announced that a visa waiver program exempting travellers from 79 countries and territories from paying visa fees had been gazette.

### Manufacturing

On 3 June 2024, the Magwero Industrial Park project was launched in Lilongwe, and it is anticipated to generate MK1.1 trillion in annual revenue from manufactured products and generate 15,000 direct jobs. According to an Afreximbank press release, the project is a public-private partnership between the government of Malawi, represented by the Export Development Fund, and ARISE Integrated Industrial Platforms (IIP). The African Export-Import Bank (Afreximbank), the leading financial partner of ARISE IIP, will provide USD300 million to finance the project.

Bakhresa Malawi Limited's USD 100 million (approximately MK175 billion) cooking oil refinery plant was scheduled for completion in early 2024. The plant faced foreign exchange challenges, but Bakhresa's executive director stated that cooking oil production would start in October 2024.

### Energy

**Mpatamanga hydropower project:** This is a 358 Megawatts (MW) hydropower project, worth about USD1.07 billion (approximately MK1.8 trillion), that will be constructed at Mpatamanga Gorge, along the Shire River, in southern Malawi, between Tedzani and Kapichira Power Stations. It will comprise two power plants – a 301MW peaking plant and a 57MW downstream regulating plant. The project is being developed through a Public Private Partnership Model of which EGENCO will hold a 30% shareholding capacity on behalf of the Government of Malawi.

A special purpose vehicle, Mpatamanga Hydro Power Limited (MHPL), was established in 2022 to develop, finance, construct, own and operate the hydropower project. The other partners include the World Bank's International Finance Corporation (IFC), Scatec ASA, and EDF International. Mpatamanga Hydro Power Limited is currently owned by SN Malawi BV (owned by Scatec ASA and its partners British International Investment (BII) and Norfund), and EDF International (owned by EDF SA) each owning 50%. The planned ownership structure for MHPL is EDF 27.5 % and Scatec and its venture partners 27.5%, GoM 30 % and IFC 15% of the Project.

The project is to be developed on a Build-Own-Operate-Transfer (BOOT) basis by MHPL and the GoM. MHPL will be responsible for developing, constructing and operating the project for a period of 30 years, after which period it will be transferred to GoM for continued operations. Once commissioned, Mpatamanga will double Malawi's power generation capacity, contributing to reducing energy shortages and enhancing energy security in Malawi.

The Environmental and Social Impact Assessment report for the project has been completed and submitted for review to the Malawi Environment Protection Authority (Mepa). According to the project timelines on the MHPL website, early works which precede the construction phase are expected to start in 2025. The project is expected to be completed in 2030.

**Press Corporation Plc Solar project:** Press Corporation Plc (PCL) launched the country's first large-scale solar energy project through its subsidiary, Press Energy Limited (PEL). The 50-megawatt solar project is in Nkhoma, Lilongwe. With an investment of USD55.1 million (approximately MK96.4 billion), it is Malawi's first locally driven solar energy project, showcasing the potential of homegrown innovation and commitment to sustainability. The project was marked by the signing of a Power Purchase Agreement (PPA) with the Electricity Supply Corporation of Malawi (ESCOM) on 17 December 2024. The signing of the PPA signals the start of construction and a new chapter in Malawi's energy sector..

The project aligns with Malawi's energy diversification strategy by reducing dependence on hydropower, which is increasingly affected by climate change. ESCOM will purchase the solar-generated electricity for national distribution, enhancing energy security and reducing load shedding.

# Appendices

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## Appendix 1: Historical Monthly Economic Indicators

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
<b>Exchange rates (middle rates)</b>													
MK/USD	1,697.98	1,697.80	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,750.37	1,749.95	1,750.11	<b>1,749.93</b>
MK/GBP	2,224.30	2,221.35	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,290.94	<b>2,250.25</b>
MK/EUR	1,917.45	1,888.43	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,904.40	<b>1,869.77</b>
MK/ZAR	94.17	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29	<b>95.89</b>
<b>Foreign Exchange Reserves</b>													
Gross Official Reserves (USD'mn)	242.58	174.80	143.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
Private Sector Reserves (USD'mn)	433.01	401.90	396.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
Total reserves (USD'mn)	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	549.85	560.3	519.0	516.9	<b>N/A</b>
Gross Official Reserves Import cover (months)	1.0	0.70	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
<b>Inflation</b>													
Headline	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	<b>28.1%</b>
Food	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	<b>35.6%</b>
Non-food	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	<b>16.8%</b>
<b>Interest Rates</b>													
Monetary Policy Rate	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
Average Interbank Rate	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.29%	<b>23.20%</b>
Lombard Rate	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	<b>26.20%</b>
Commercial Bank Reference Rate	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	<b>25.30%</b>
<b>Government Securities Yields</b>													
91-days Treasury Bill	14.70%	14.70%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	<b>16.00%</b>
182-days Treasury Bill	18.00%	18.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	<b>20.00%</b>
364-days Treasury Bill	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
2-year Treasury Note	26.75%	26.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	<b>28.75%</b>
3-year Treasury Note	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	<b>30.00%</b>
5-year Treasury Note	30.00%	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	<b>32.00%</b>
7-year Treasury Note	32.00%	32.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	<b>34.00%</b>
10-year Treasury Note	33.00%	33.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
<b>Year-to-date Return</b>													
MASI	78.85%	4.25%	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	<b>55.06%</b>
DSI	69.99%	0.03%	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	<b>52.11%</b>
FSI	181.28%	33.77%	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	<b>75.65%</b>

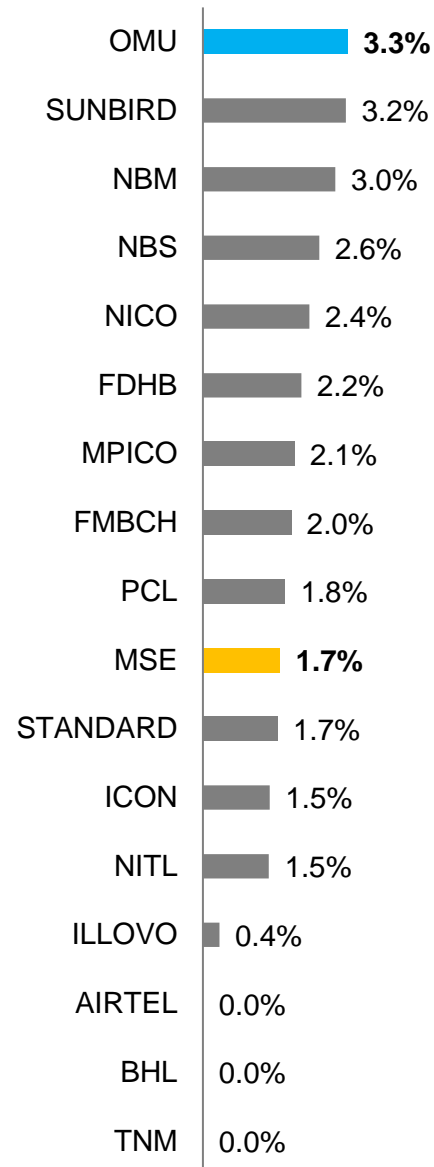


## Appendix 2: Historical Annual Economic Indicators at Year-end

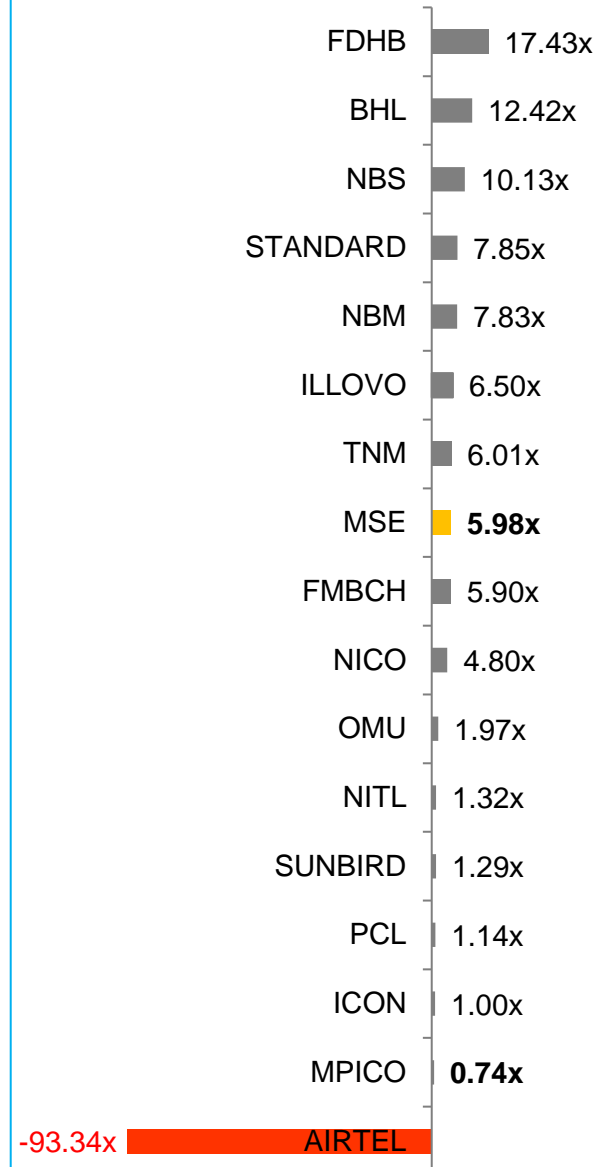
	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
<b>Exchange rates (middle rates)</b>					
MK/USD	776.82	818.44	1,034.67	1,697.98	<b>1,749.93</b>
MK/GBP	1,070.14	1,208.01	1,282.60	2,224.30	<b>2,250.25</b>
MK/EUR	987.95	1,138.47	1,130.92	1,917.45	<b>1,869.77</b>
MK/ZAR	56.43	57.68	62.69	94.17	<b>95.89</b>
<b>Foreign Exchange Reserves</b>					
Gross Official Reserves (USD'mn)	574.26	429.17	304.65	242.58	<b>N/A</b>
Private Sector Reserves (USD'mn)	377.97	425.52	399.20	433.01	<b>N/A</b>
Total reserves (USD'mn)	952.23	854.69	703.85	675.58	<b>N/A</b>
Gross Official Reserves Import cover (months)	2.75	1.72	1.22	1.0	<b>N/A</b>
<b>Inflation</b>					
Headline	7.60%	11.5%	25.4%	34.5%	<b>28.1%</b>
Food	10.50%	13.6%	31.3%	43.5%	<b>35.6%</b>
Non-food	4.90%	9.5%	18.6%	22.8%	<b>16.8%</b>
Average annual inflation	8.6%	9.3%	21.0%	28.8%	<b>32.2%</b>
<b>Interest Rates</b>					
Monetary Policy rate	12.00%	12.00%	18.00%	24.00%	<b>26.00%</b>
Average Interbank rate	11.41%	11.98%	15.00%	23.00%	<b>23.20%</b>
Average base lending rate	12.30%	12.20%	18.20%	24.20%	<b>25.30%</b>
<b>Government Securities Yields</b>					
91-days Treasury Bill	9.95%	9.70%	13.00%	14.70%	<b>16.00%</b>
182-days Treasury Bill	12.49%	13.00%	17.50%	18.00%	<b>20.00%</b>
364-days Treasury Bill	13.53%	14.47%	19.50%	24.00%	<b>26.00%</b>
2-year Treasury Note	16.46%	16.66%	22.50%	26.75%	<b>28.75%</b>
3-year Treasury Note	18.30%	19.05%	24.00%	28.00%	<b>30.00%</b>
5-year Treasury Note	19.77%	20.54%	26.00%	30.00%	<b>32.00%</b>
7-year Treasury Note	20.00%	20.94%	27.50%	32.00%	<b>34.00%</b>
10-year Treasury Note	22.50%	22.50%	28.50%	33.00%	<b>35.00%</b>
<b>Year-to-date Return</b>					
MASI	7.08%	40.05%	36.74%	78.85%	<b>55.06%</b>
DSI	17.61%	33.53%	37.08%	69.99%	<b>52.11%</b>
FSI	-66.11%	209.64%	32.94%	181.28%	<b>75.65%</b>

### Appendix 3: Selected stock market statistics as of 31 December 2024

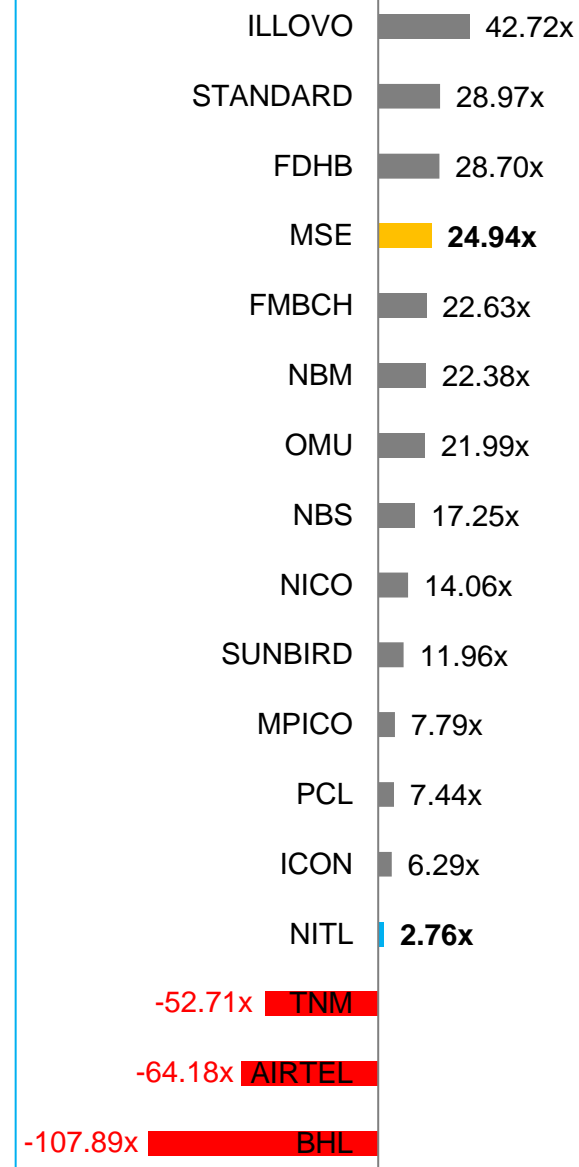
**Dividend Yield (%)** - the weighted average dividend yield on the MSE was 1.7% in December 2024. The counter with the highest dividend yield was OMU at 3.3%.



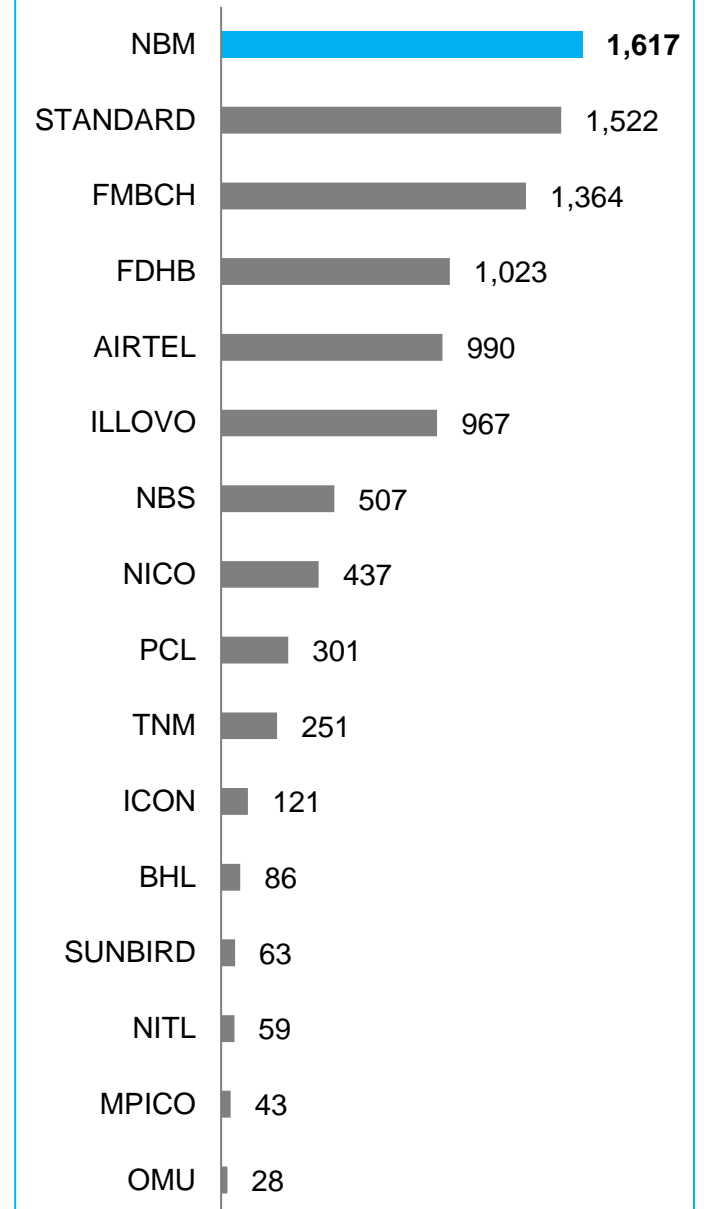
**P/BV Ratio** - the weighted average price to book value ratio on the MSE was 5.98x in December 2024. The counter with the lowest positive ratio was MPICO at 0.74x.



**P/E Ratio** - the weighted average price to earnings ratio on the MSE was 24.94x in December 2024. The counter with the lowest positive ratio was NITL at 2.76x.



**Market Capitalization (MK'billion)**  
- NBM had the highest market capitalization at MK1.62 trillion in December 2024.



## Appendix 4: IMF, World Bank, and AfDB Projections

### IMF projections

Annual percentage change (unless otherwise indicated)					
	2021	2022	2023	2024	2025
Real GDP	4.6	0.9	1.5	1.8	4.0
Consumer prices, annual average	9.3	20.8	28.8	30.6	15.3
Overall fiscal balance, including grants (% of GDP)	-8.3	-9.3	-9.2	-8.0	-5.6
Government debt (% of GDP)	66.5	76.7	91.3	84.5	82.3
Broad money (% of GDP)	20.1	23.6	25.2	25.2	25.2
External current account, including grants	-15.4	-16.7	-16.3	-13.9	-13.8
External debt (% of GDP)	37.4	31.3	33.2	41.3	43.0
Reserves (months of imports of goods and services)	0.2	0.4	0.7	1.9	3.0

Source: IMF Sub-Saharan Africa Regional Economic Outlook, October 2024

### AfDB projections

Annual percentage change (unless otherwise indicated)				
	2022	2023	2024	2025
Real GDP growth	0.9	1.5	3.3	3.8
Consumer price index inflation	20.8	28.7	27.3	14.3

Source: AfDB Malawi Country Focus Report, July 2024

### World Bank projections

Annual percentage change (unless otherwise indicated)						
	2021	2022	2023	2024	2025	2026
Real GDP growth, at constant market prices	2.8	0.9	1.6	1.8	4.2	3.3
Private consumption	2.6	0.6	3.8	4.7	4.8	5.6
Government consumption	-1.1	-5.8	14.8	5.3	7.6	-0.8
Gross fixed capital investment	6.5	12.4	-14.3	-6.5	0.4	-14.1
Exports, goods and services	2.5	3.1	3.5	8.8	6.7	6
Imports, goods and services	2.5	3.9	3.9	9.6	6.3	3.9
Real GDP growth, at constant factor prices	2.8	0.9	1.6	1.8	4.2	3.3
Agriculture	5.2	-1	0.6	-2	5	3
Industry	1.9	0.9	1.6	2.1	3.3	3.1
Services	2	1.8	2.1	3.3	4.2	3.5
Inflation (consumer price index)	9.3	20.9	28.7	33.6	27.3	22.6
Current account balance (% of GDP)	-15.2	-17.3	-16.1	-18.7	-16.5	-14.4
Net foreign direct investment inflow (% of GDP)	0.8	1.6	1.5	1.2	1.1	1
Fiscal balance (% of GDP)	-8.4	-10.3	-10.2	-7.7	-9.9	-6.4
Revenues (% of GDP)	15.1	16.2	16.8	16.6	16.7	16.5
Debt (% of GDP)	67.2	75.5	90.3	85.4	83.2	79.5
Primary balance (% of GDP)	-4.4	-5.8	-5.6	-3.3	-5.7	-3.1

Source: World Bank Sub-Saharan Africa Macro-poverty Outlook, October 2024

## Appendix 5: EIU and Oxford Economics Projections

### EIU projections

	2024	2025	2026	2027	2028	2029
<b>Economic growth (%)</b>						
Real GDP	1.3	1.6	2.3	2.5	2.8	3.0
Private consumption	1.1	1.2	2.2	2.8	3.0	3.2
Government consumption	1.5	1.6	2.1	2.0	1.9	1.8
Gross fixed investment	1.9	2.6	3.2	4.4	4.5	5.2
Exports of goods & services	3.9	3.6	5.0	4.9	5.2	5.0
Imports of goods & services	3.3	3.0	4.5	4.8	5.0	4.9
Domestic demand	1.2	1.4	2.3	2.9	3.1	3.3
Agriculture	-1.0	1.3	1.6	1.6	2.3	2.0
Industry	2.2	2.0	2.2	2.7	2.9	2.9
Services	2.2	1.6	2.6	2.9	3.0	3.5
<b>Key indicators</b>						
Consumer price inflation (av; %)	33.5	28.3	23.9	17.4	13.9	11.1
Government balance (% of GDP)	-4.8	-5.1	-4.8	-4.4	-4.2	-4.0
Current-account balance (% of GDP)	-13.5	-9.3	-8.1	-7.6	-5.8	-5.5
Short-term interest rate (av; %)	16.0	15.0	14.0	12.0	10.0	8.0
Exchange rate MK: US\$ (av)	1,730	1,816	1,993	2,204	2,414	2,629

Source: EIU Malawi Five-year Forecast Report, December 2024

### Oxford Economics Projections

	2022	2023	2024	2025	2026	2027
<b>Annual percentage unless indicated otherwise</b>						
Real GDP growth	0.8	1.5	1.7	3.5	4.8	4.5
CPI inflation	20.8	28.6	32.4	17.3	9.9	7.8
Exports of goods (\$ bn)	1.0	1.1	1.2	1.3	1.3	1.4
Imports of goods (\$ bn)	2.9	3.0	3.1	3.3	3.4	3.6
Current account (\$ bn)	-2.2	-2.3	-2.0	-1.8	-1.8	-1.8
Current account balance (% of GDP)	-17.9	-17.2	-16.4	-13.7	-12.5	-11.7
Exchange rate per USD (year average)	949.0	1,161.1	1,735.3	1,825.3	1,929.9	2,035.2
External debt total (\$ bn)	3.3	4.2	4.8	5.3	5.7	6.1
Government balance (% of GDP)	-9.4	-7.6	-6.2	-5.8	-5.4	-5.2
Government debt (% of GDP)	75.8	81.3	81.3	81.2	80.3	80.0
Population (millions)	20.6	21.1	21.7	22.2	22.8	23.4
Nominal GDP (\$ bn)	12.4	13.3	11.9	13.5	14.6	15.5
GDP per capita (\$ current prices)	603.8	628.3	551.5	607.8	638.8	665.1

## Appendix 6: World Bank commodity market prices

### World Bank commodity prices

	Annual averages					Monthly averages		
	2020	2021	2022	2023	2024	October 2024	November 2024	December 2024
<b>Produce (USD/mt)</b>								
Soybeans	407.0	583.0	675.0	598.0	462.0	442.0	436.0	409.0
Maize	165.5	259.5	318.8	252.7	190.6	190.3	201.3	202.6
<b>Sugar &amp; Tea (USD/Kg)</b>								
Sugar - EU	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.3
Sugar - U.S.	0.6	0.7	0.8	0.9	0.8	0.8	0.8	0.8
Sugar - World	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.4
Tea - average	2.7	2.7	3.1	2.7	3.0	3.2	3.1	3.0
<b>Fertilizers (USD/mt)</b>								
DAP	312.4	601.0	772.2	550.0	563.7	573.4	574.5	568.3
Phosphate rock	76.1	123.2	266.2	321.7	321.7	152.5	152.5	152.5
Potassium chloride	241.1	542.8	863.4	383.2	295.1	278.1	281.0	292.5
TSP	265.0	538.2	716.1	480.2	474.6	503.8	491.0	477.5
Urea, E. Europe	229.1	483.2	700.0	358.0	338.3	374.8	352.3	352.0
<b>Precious Metals (USD/toz)</b>								
Gold	1,770.0	1,800.0	1,801.0	1,943.0	2,388.0	2,690.0	2,651.0	2,648.0
Platinum	883.0	1,091.0	962.0	966.0	955.0	999.0	966.0	938.0
Silver	20.5	25.2	21.8	23.4	28.3	32.4	31.1	30.8

Source: World Bank Commodities Price Data (The Pink Sheet), January 2025

## Appendix 7: List of Acronyms and Abbreviations

ADB:	Authorized Dealer Bank	IMF:	International Monetary Fund	TB:	Treasury Bill
AfDB:	African Development Bank	Kg:	Kilogram	TN:	Treasury Note
Afreximbank:	African Export-Import Bank	Kt/a:	Kilotonne per annum	TNM:	Telekom Networks Malawi Plc
AHL:	Auction Holdings Limited	LRR:	Liquidity Reserve Requirement	TT:	Telegraphic Transfer
AIP:	Affordable Inputs Program	MASI:	Malawi All Share Index	UN:	United Nations
A\$:	Australian Dollars	Mepa:	Malawi Environment Protection Authority	US:	United States of America
ATM:	Agriculture, Tourism, and Mining	Mb/d:	Million barrels per day	USD:	United States Dollar
BFS:	Bankable Feasibility Study	MERA:	Malawi Energy Regulatory Authority	USD/b:	United States Dollar per barrel
BHL:	Blantyre Hotels Plc	MHPL:	Mpatamanga Hydro Power Limited	USD/Kg:	United States Dollar per Kilogram
BII:	British International Investment	MK:	Malawi Kwacha	USD/mt:	United States Dollar per metric ton
bn:	Billion	mn:	Million	USD/toz:	United States Dollar per troy ounce
BOOT:	Build-Own-Operate-Transfer	MoFEA:	Ministry of Finance and Economic Affairs	Y-O-Y:	Year-on-year
CEM:	Country Economic Memorandum	MPC:	Monetary Policy Committee	YTD:	Year-to-date
CPI:	Consumer Price Index	MSE:	Malawi Stock Exchange	ZAR:	South African Rand
DAP:	Diammonium Phosphate	MW:	Megawatts		
DSI:	Domestic Share Index	NBM:	National Bank of Malawi Plc		
ECF:	Extended Credit Facility	NICO:	NICO Holdings Plc		
EDF:	Export Development Fund	NITL:	National Investment Trust Limited Plc		
EIU:	Economist Intelligence Unit	NSO:	National Statistical Office		
ENSO:	El Niño Southern Oscillation	OECD:	Organisation for Economic Co-operation and Development		
ESCOM:	Electricity Supply Corporation of Malawi	OMU:	Old Mutual Limited Plc		
EU:	European Union	OPEC:	Organization of the Petroleum Exporting Countries		
EUR:	Euro	ORB:	OPEC Reference Basket		
FDHB:	FDH Bank Plc	P/BV:	Price to book value		
FMBCH:	FMB Capital Holdings Plc	P/E:	Price to earnings		
FSI:	Foreign Share Index	PCL:	Press Corporation Limited Plc		
GBP:	Great British Pound	PEL:	Press Energy Limited		
GDP:	Gross Domestic Product	PPA:	Power Purchase Agreement		
IDC:	Industrial Development Corporation	PSPTF:	Public Service Pension Fund Trust Fund		
IFAD:	International Fund for Agricultural Development	RBM:	Reserve Bank of Malawi		
IFC:	International Finance Corporation	SPP:	Share Purchase Plan		
IFPRI:	International Food Policy Research Institute	SUNBIRD:	Sunbird Tourism Plc		
IIP:	Integrated Industrial Platforms				

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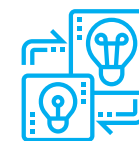
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