



# Malawi Monthly Economic Report and A Brief of Public Finance Review : *Making the Most of Malawi's Mineral Wealth*

January 2026

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## Inflation

Projections from different published sources show that average inflation in 2026 will fall within a range of 15.8% to 34.8%, with a median of 25.6%. The Economist Intelligence Unit (EIU) expects inflation to stay elevated, averaging around 29% during the year. Oxford Economics projects a higher average of 34.8%, citing fuel price increases associated with currency depreciation. In comparison, the World Bank projects 25.6%, the IMF 24.1%, and the African Development Bank (AfDB) 15.8% as their respective average inflation forecasts for 2026.

## Monetary Policy

The Monetary Policy Committee (MPC) meeting scheduled on 28 and 29 January 2026 was postponed. The current Policy rate is at 26.0%.

## Foreign Exchange Market and Reserves Position

The Malawi Kwacha remained stable, trading at MK1,734.01/USD on 30 January 2026.

## Stock Market

The Malawi Stock Exchange was bearish in January 2026. The MASI declined by 1.53%, closing at 588,918.94 points from 598,046.99 points at the start of the month, driven by losses in major counters such as PCL, FMBCH, TNM, Airtel, NBS and NBM. Sunbird emerged as the strongest gainer during the month with a 73.9% price increase. PCL recorded the highest share price loss in January 2026, falling by 10.3%.

## Fiscal Policy

In January 2026, the government reported a significant funding gap of MK71 billion in the Lean Season Response Programme, which is meant to support about four million vulnerable households. In addition, the Ministry of Finance confirmed that MERA accumulated MK1.29 trillion in under-recoveries owed to fuel importers, along with MK593 billion in unremitted levies between 2022 and December 2025.

## Government Securities

The treasury bill securities auctions applications in January 2026 reached MK466.02 billion compared to MK180.89 billion in December 2025.

The total treasury bills awarded was MK25.36 billion in January 2026, compared to MK150.88 billion in December 2025

The 91-day treasury bill rates declined to 15.00% from 16.00% in January 2026, while the rates for the rest of the tenors of treasury bills did not change. The average yield on Treasury bills was 20.35%. There were no treasury note auctions held in January 2026.

## Commodity Market

Global oil prices declined, with the OPEC basket falling by 0.86% to USD62.31/barrel in January 2026 from USD61.78/barrel in December 2025. In Malawi, fuel prices increased by 41.6% to MK4,965/litre from MK3,499/litre for petrol, and to MK4,945/litre from MK3,500/litre for diesel, effective 20 January 2026. The electricity price tariffs adjusted upward by 12%.

## Public Finance Review: *Making the Most of Malawi's Mineral Wealth*

The Public Finance Review report by the World Bank indicates that Malawi's mining sector, while currently contributing only 0.7% to GDP, is positioned to become the country's primary export driver. Projections for seven major energy transition mineral projects, including graphite, uranium, and rare earths, suggest a potential to generate between US\$200 million and US\$500 million in annual government revenue by the early 2030s. However, the report cautions that these gains are not guaranteed to be transformative and carry significant risks of underperformance. A critical challenge cited is the "resource curse," where high public expectations lead to premature borrowing against uncertain future revenues, potentially resulting in over-indebtedness and fiscal instability.

To secure a fair share of these resources, the report highlights the need to address structural inefficiencies, noting that the average lead time from discovery to production in Malawi is 27 years, above the global 18-year average. These delays are largely driven by slow negotiations of project-specific agreements and limited institutional capacity. The report recommends moving toward a statutory fiscal regime to reduce negotiation delays and strengthening tax rules to curb "profit shifting," which currently costs Malawi an estimated USD25 million annually in lost revenue.

Ultimately, the analysis underscores that stable legal frameworks and a budget-integrated Sovereign Wealth Fund are essential to ensure mineral wealth supports long-term national development.

## Opportunities

Exploration advanced across key mining projects, reinforcing Malawi's critical minerals prospects. Fortuna Metals reported promising rutile mineralization at Mkanda (Mchinji), Sovereign Metals recovered high-value heavy rare earths—dysprosium, terbium, and yttrium—from Kasiya tailings without additional complex processing, and Mkango's UK magnet plant progress signalled growing downstream potential.

Bakhresa Malawi reported difficulty securing adequate local soya for its MK175 billion Blantyre refinery (500 MT/day crush), noting plant requirements of approximately 150,000 MT per season against national production of approximately 197,000 MT, which risks increased reliance on imported crude soya oil and could dilute import-substitution objectives.

The Government of Malawi plans to set up a National Commodities Exchange that will require agricultural exports to pass through a regulated platform to improve market transparency.

The Implementation of free secondary education rolled out in January 2026, supported by an initial MK3.8 billion, marking a major opportunity to expand human capital, widen access to schooling and build long-term economic resilience. Improved loan recoveries under

## Risks

Malawi's economy is heavily reliant on agriculture, which is the mainstay of the economy. However, the agriculture is predominantly rain-fed; as such, any changes in the weather affect agricultural production. Other risks noted in January are limited forex reserves, and operational inefficiencies in State-Owned-Enterprises (SOE), further heightening macroeconomic vulnerability.



## Economic Overview

### Inflation and Monetary Policy

The inflation forecast for 2026 is between 15.8% and 34.8%.

#### Inflation (Source: Oxford Economics, AfDB, World Bank, IMF)

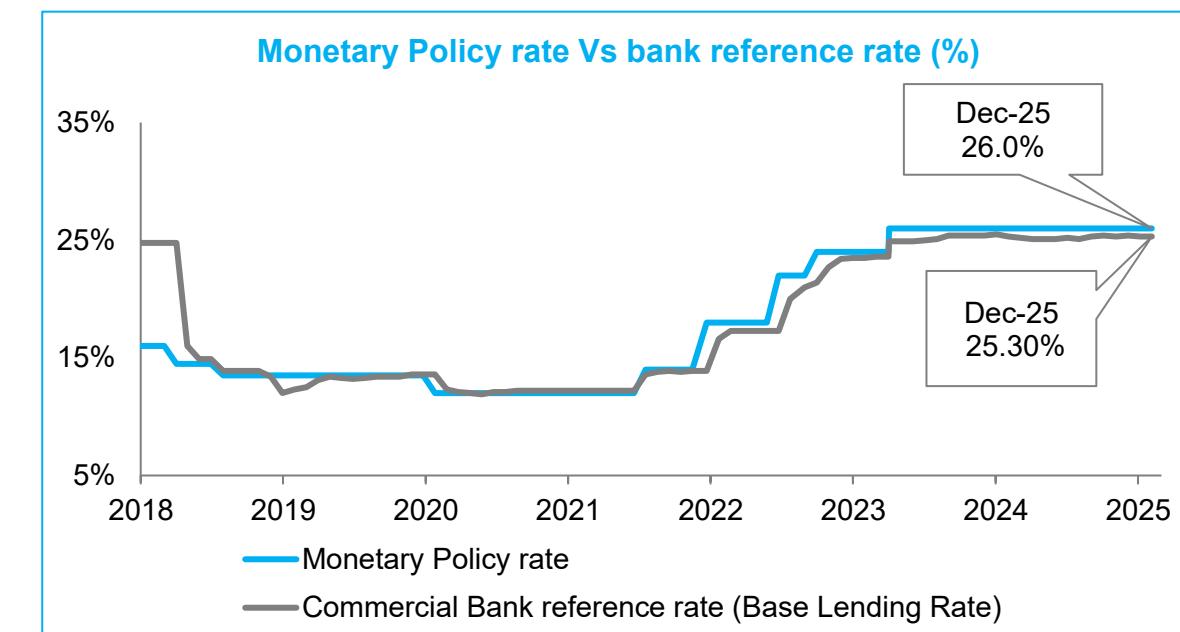
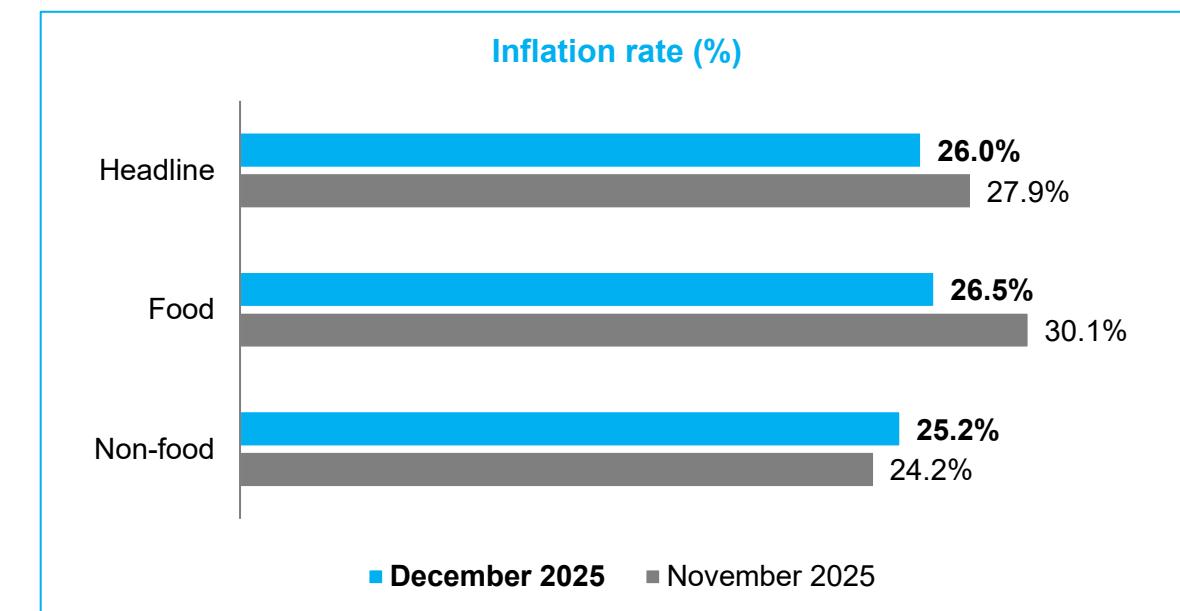
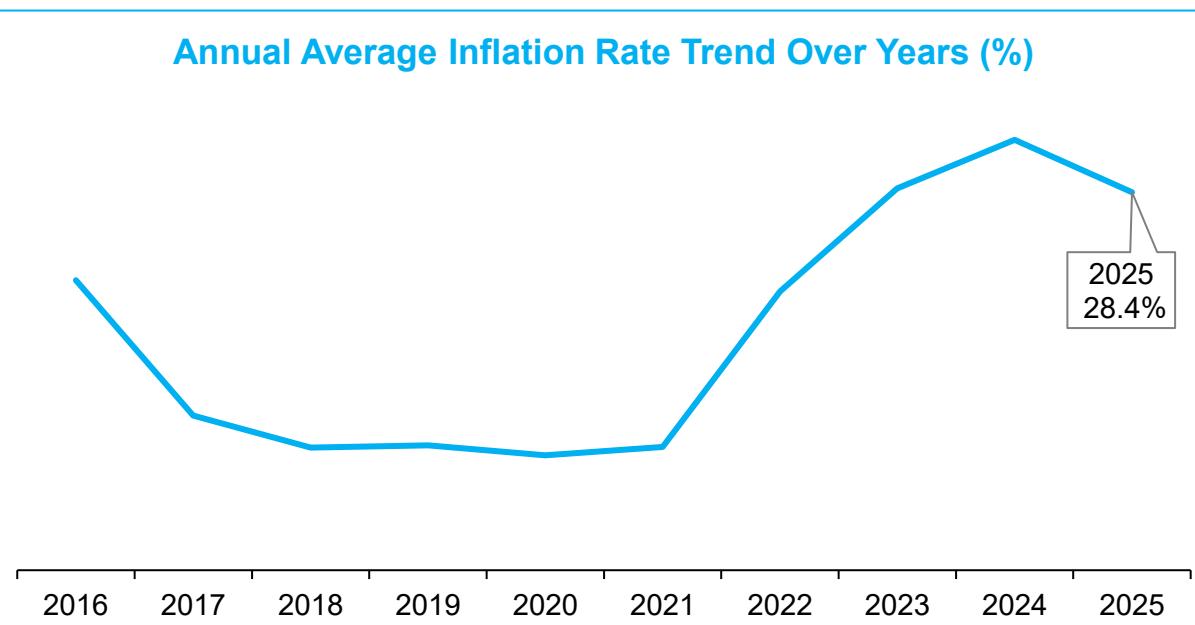
The inflation outlook from different published sources shows that average inflation for 2026 will range between 15.8% and 34.8% (median of 25.6%). According to Oxford Economics, inflation in 2026 is forecast at 34.8%, up from 28.4% in 2025. The short-term outlook shows inflation will be influenced by the fuel price increase in January 2026 and potential currency depreciation. The World Bank projects annual inflation at 25.6%, the Africa Development Bank (AfDB) at 15.8%, the IMF at 24.1%, and the Economist Intelligence Unit (EIU) expects inflation to average 29.0%.

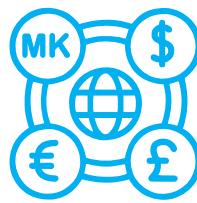
#### Monetary Policy (Source: RBM, STANDARD)

In January 2026, the Monetary Policy Committee meeting scheduled for 28 and 29 January was postponed. The current Policy Rate stands at 26.0%, the Lombard Rate at 20 basis points above the policy rate, and the Liquidity Reserve Requirement (LRR) is at 10.0% for domestic deposits and 3.75% for foreign currency deposits.

The Reserve Bank of Malawi held no Open Market Operation Repurchase Agreements (OMO Repos) in January 2026. The last OMO was held on 31 December 2025, in which MK80 billion was withdrawn from the market.

The commercial bank reference rate for January 2026 eased to 25.2%, down from 25.3% in December 2025.





## Economic Overview (Continued)

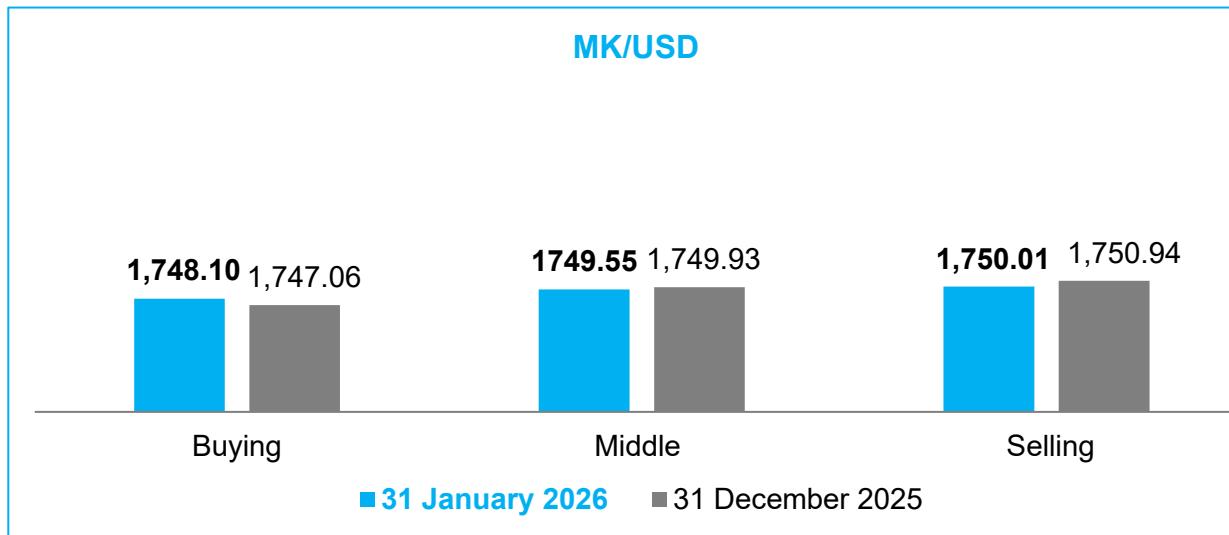
### Foreign Exchange and Reserves Position

The Malawi Kwacha was stable against the US Dollar at MK1,749.55/USD in January 2026, compared with MK1,749.93/USD in December 2025.

Total foreign exchange reserves increased to USD530.00 million in November 2025 from USD 526.80 million in October 2025.

#### Foreign Exchange (Source: RBM)

Based on the closing middle rates, the Malawi Kwacha was stable as it traded at MK1,749.55/USD as of 31 January 2026 from MK1,749.93/USD as of 31 December 2025.

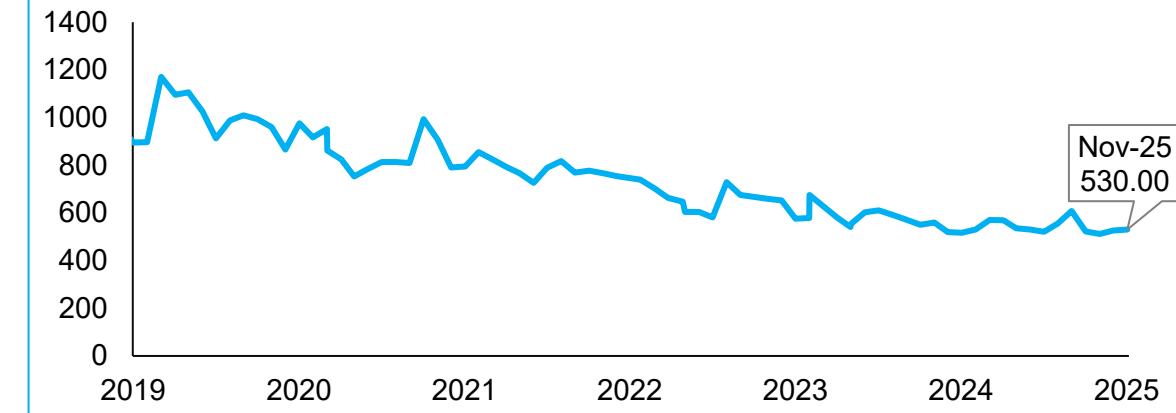


#### Foreign Exchange Reserves Position (Source: RBM)

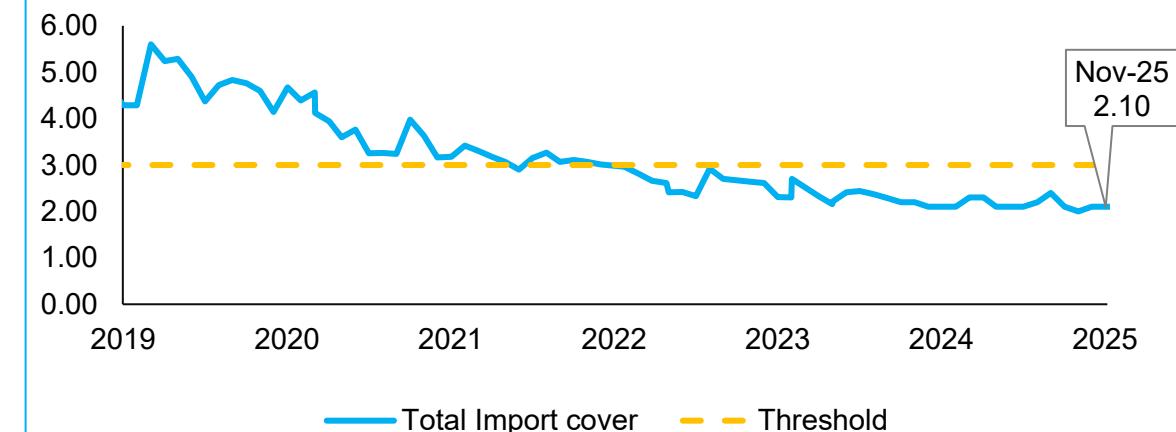
In November 2025, the country's total foreign exchange reserves increased by 1% to USD530.00 million from USD526.80 million in October 2025. The import cover remained at 2.1 months in November 2025.

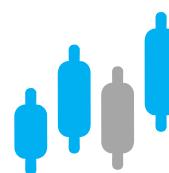
	November 2025	October 2025	Month-on-month change (%)
Total Reserves (USD'millions)	530.00	526.80	1%
Total Import Cover (Months)	2.1	2.1	-

#### Total Foreign Exchange Reserves (USD'million)



#### Total Foreign Exchange Reserves (USD'million) Import Cover (months)





## Economic Overview (Continued)

### Stock Market

The stock market was bearish in January 2026, with a monthly return of negative 1.53%, while the return for January 2025 was at 29.9%.

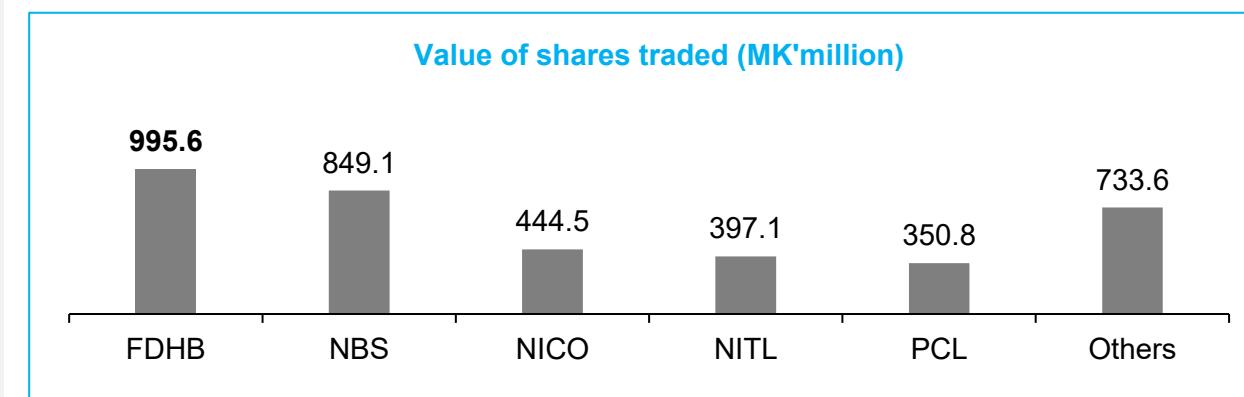
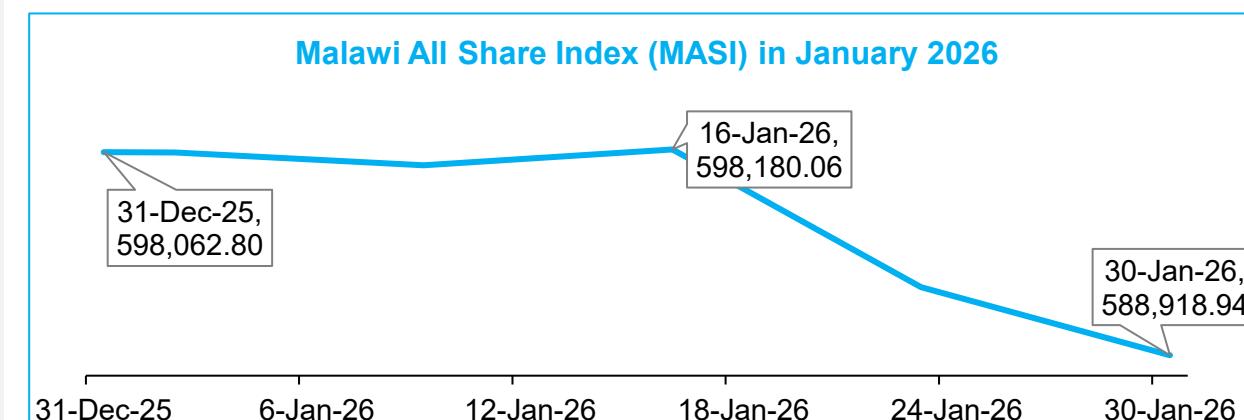
The total value of shares traded declined by 45.58% to MK8.37 billion in January 2026 from MK15.38 billion in December 2025

#### Stock Market Performance (Source: MSE)

Stock market performance in January 2026 was bearish, with the Malawi All Share Index falling to 588,918.94 points on 30 January 2026 from 598,062.80 points on 31 December 2025. The monthly return for January 2026 was negative 1.53%, while the monthly return for January 2025 was 29.9%.

The total value traded declined by 45.58% to MK8.37 billion in January 2026 from MK15.38 billion in December 2025.

Sunbird recorded the highest price gain in January 2026, rising 73.9% to close the month at MK1,700.02, after opening at MK977.50. ILLOVO also recorded significant gains in its share price during the month. PCL recorded the highest share price loss in January 2026, falling by 10.3% to close the month at MK7,828.00 from MK8,728.43 in December 2025. Other significant share price losses were for FMBCH, TNM, Airtel, NBS and NBM.



#### Month-on-month share price percentage change (%)

SUNBIRD 73.9%

ILLOVO 15.0%

OMU 0.0%

STANDARD 0.0%

NITL -0.1%

ICON -0.2%

MPICO -0.3%

FDHB -0.4%

BHL -0.5%

NICO -0.9%

NBM -2.1%

NBS -2.3%

AIRTEL -2.3%

TNM -2.5%

FMBCH -7.3%

PCL -10.3%

#### Closing Prices (MK/Share)

Counter	31-Jan-26	31-Dec-25
AIRTEL	117.95	120.77
BHL	14.98	15.05
FDHB	597.44	599.89
FMBCH	2,965.07	3,197.86
ICON	15.97	16
ILLOVO	2,680.00	2,330.12
MPICO	19.46	19.51
NBM	11,743.65	11,995.63
NBS	892.49	913.76
NICO	1,720.27	1,736.51
NITL	3,934.50	3,938.51
OMU	3,790.04	3,790.04
PCL	7,828.00	8,728.43
STANDARD	4,247.00	4,248.41
SUNBIRD	1,700.02	977.5
TNM	30.66	31.46



## Economic Overview (Continued)

### Fiscal Policy and Government Securities

The government reported a funding gap of MK71 billion in the lean-season response program.

In January 2026, treasury bill auction applications reached MK466.02 billion, up from MK180.89 billion in December 2025.

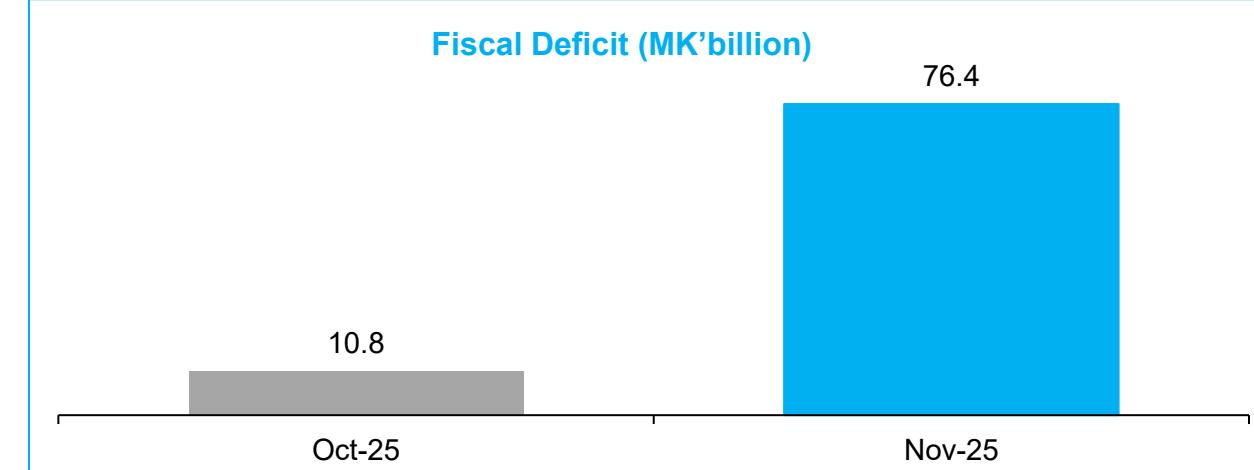
Total treasury bills awarded were MK25 billion in January 2026.

The 91-day treasury bill yield declined in the month to 15% from 16%.

No treasury note auction was held in January 2026.

#### Fiscal Policy (Source: Published Media, EIU)

In January 2026, the government reported a significant funding gap of MK71 billion in the Lean Season Response Programme, which is meant to support about four million vulnerable households. In addition, the Ministry of Finance confirmed that MERA accumulated MK1.29 trillion in under-recoveries owed to fuel importers, along with MK593 billion in unremitted levies between 2022 and December 2025.



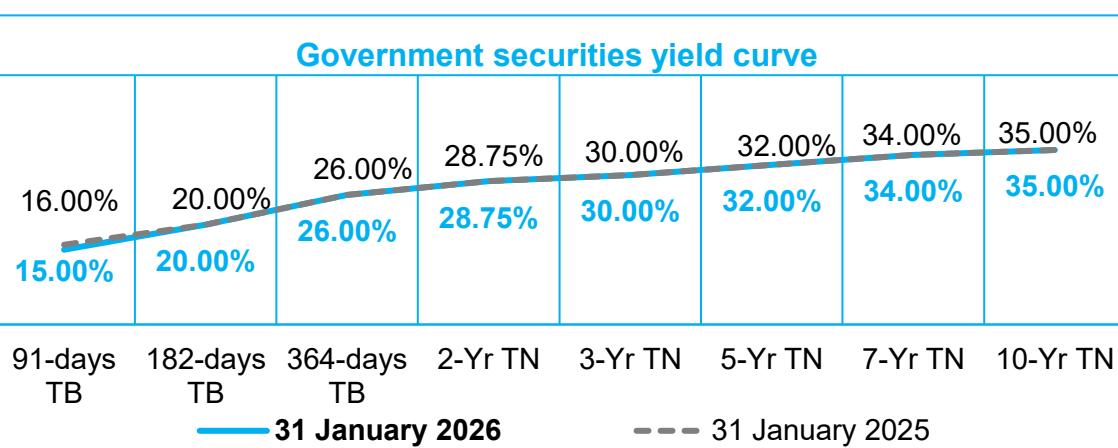
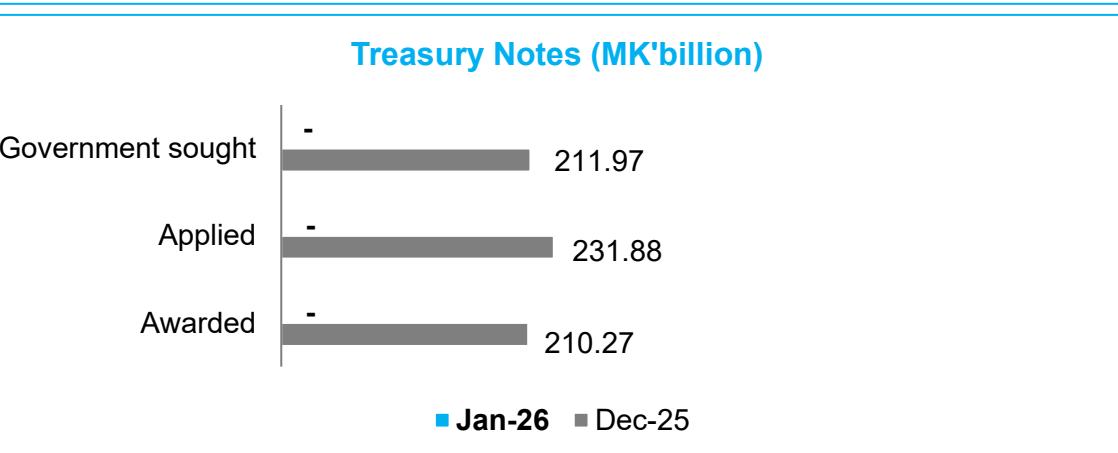
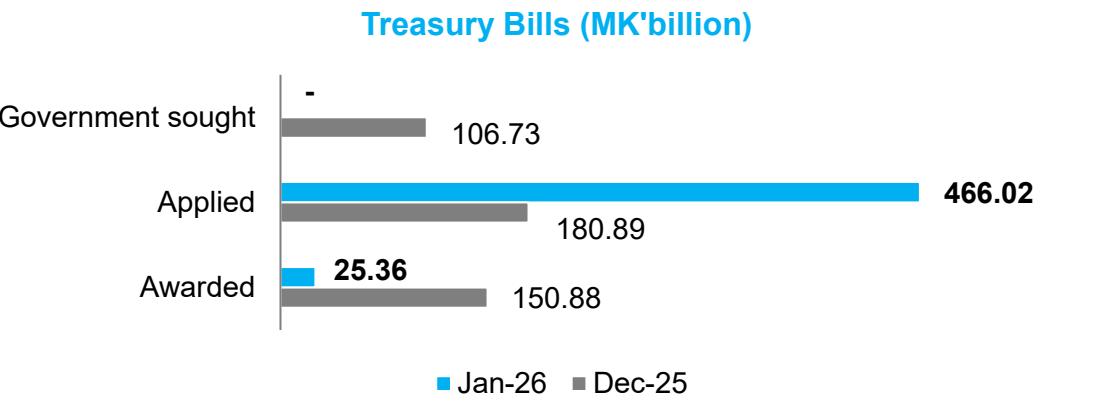
#### Government Securities (Source: RBM)

In January 2026, the government treasury bill auctions applied was MK466.2 billion while total awarded auctions was MK25.36 billion representing 5.44% success rate. No Treasury note auctions were held in January 2026.

#### Government Securities Yield Curve

The government securities yield curve for treasury bills changed in January 2026. The treasury bill yields dropped to 15.00% from 16.00% for the 91-day and remained unchanged at 20.00% for the 182-day, and at 26.00% for the 364-day maturities. The average yields for treasury bills dropped to 20.35% in January 2026 from 20.67% in December 2025.

The treasury note yields remained unchanged in January 2026, averaging 31.95%.





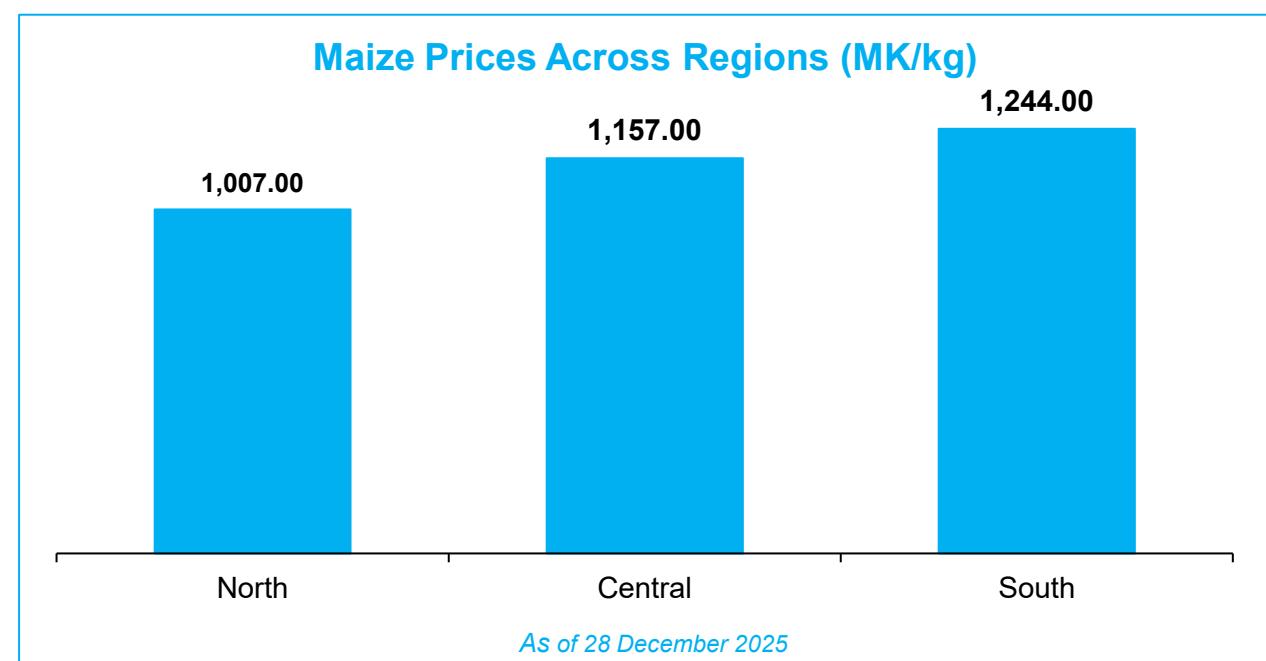
### Commodities Market Developments

*The cost of maize varied across regions. The Southern Region was the highest at MK1,244/kg, while the lowest was the Northern Region at MK1,007/kg.*

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

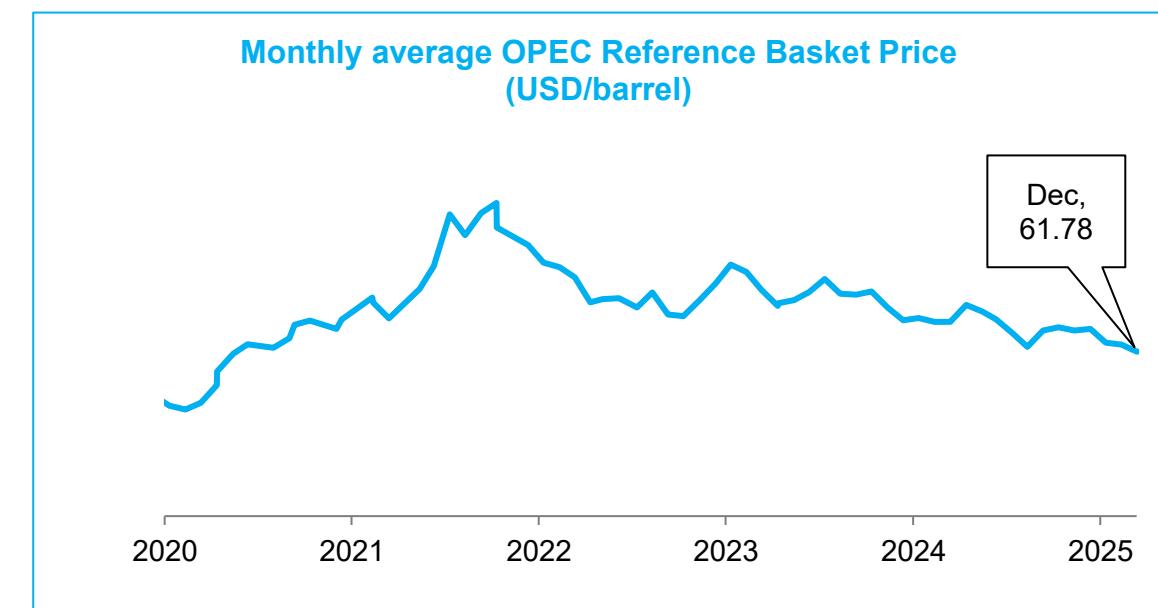
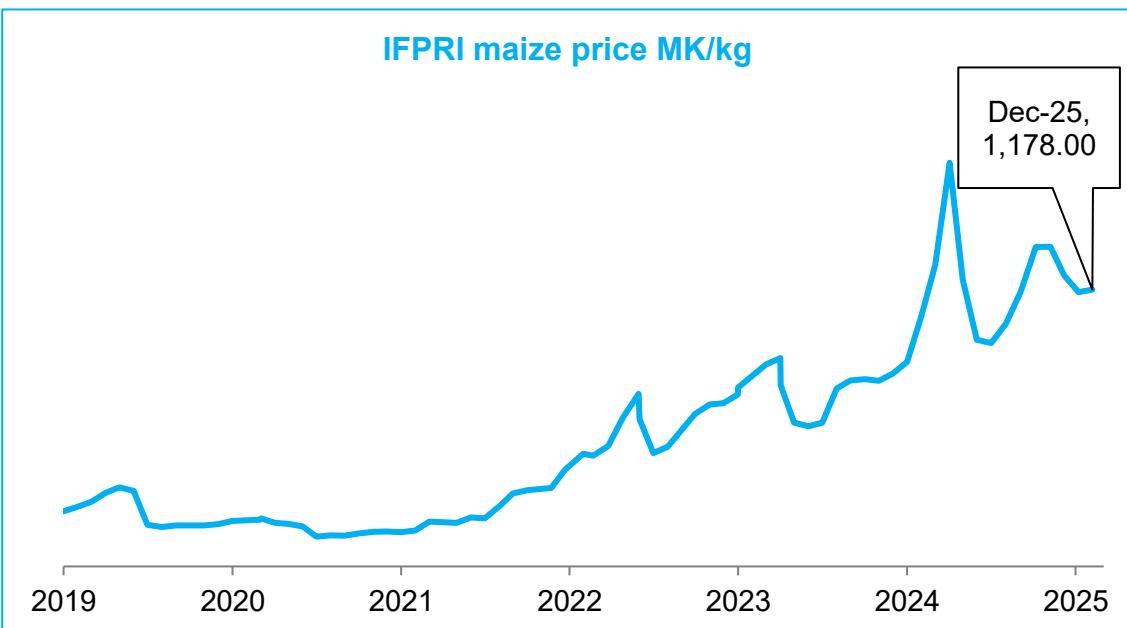
In December 2025, maize prices remained stable, increasing to MK1,173/kg in the final week of December 2025 (equivalent to MK58,900 for a 50kg bag) from MK1,169/kg in the last week of November 2025.

Across regions, the Southern Region continued to record the highest maize prices, averaging MK1,244/kg in the last week of December, followed by the Central Region at MK1,157/kg, while the Northern Region maintained the lowest prices at MK1,007/kg.



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

The average OPEC reference basket price decreased by 4.2% month-on-month to USD61.78/barrel in December 2025 from USD64.46/barrel in November 2025 and declined by 15.5% year-on-year from USD73.07/barrel in December 2024.





## Market Developments (Continued)

### Other Market Developments

*Fuel pump prices were increased by 41% effective 20 January 2026.*

*ESCOM increased the electricity tariff by 12%, effective 20 January 2026*

*The government appointed Dr. George Patridge as the new governor of the Reserve Bank of Malawi.*

*RBM postponed the Monetary Policy Committee in January 2026 to a later date.*

*Bakhresa Malawi is facing inadequate soya supply for its cooking oil refinery plant*

### Policy and Regulatory Developments

The Malawi Energy Regulatory Authority reinstated the Automatic Pricing Mechanism (APM) after fuel importers accumulated MK1.29 trillion in under recoveries due to the suspended pricing regime. MERA increased fuel pump prices by 41.9% for petrol to MK4,964/litre from MK3,499 and 41.29% for diesel to MK4,945/litre from MK3,500/litre, effective 20 January 2026. Additionally, ESCOM implemented a 12% electricity tariff increase, the third in the 2023–2027 base tariff cycle, aimed at covering gaps in electricity procurement and maintenance.

The government appointed Dr George Partridge as the new governor of the Reserve Bank of Malawi (RBM). RBM also postponed the first MPC meeting of 2026 in January.

### Trade, Industry, and Investment

Exploration advanced across key mining projects, reinforcing Malawi's critical minerals prospects. Fortuna Metals reported promising rutile mineralization at Mkanda (Mchinji), Sovereign Metals recovered high-value heavy rare earths, dysprosium, terbium, and yttrium, from Kasiya tailings without additional complex processing, and Mkango's UK magnet plant progress signalled growing downstream potential.

Bakhresa Malawi reported difficulty securing adequate local soya for its MK175 billion Blantyre refinery (500 MT/day crush), noting plant requirements of approximately 150,000 MT per season against national production of approximately 197,000 MT, which risks increased reliance on imported crude soya oil and could dilute import-substitution objectives.

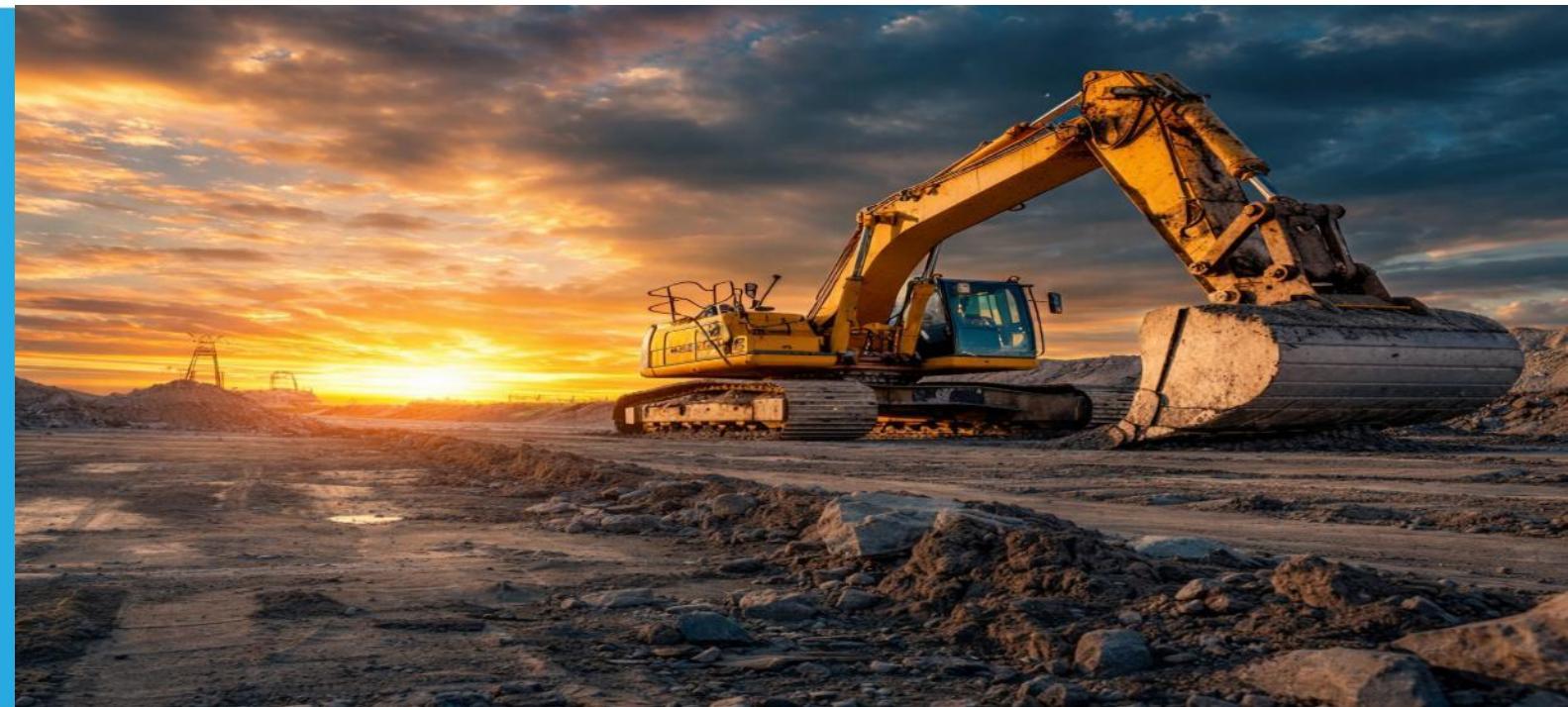
The government, through the Reserve Bank of Malawi, plans for a National Commodities Exchange that will require agricultural exports to pass through a regulated platform to improve market transparency, track volumes and proceeds, curb smuggling, and enhance foreign-exchange repatriation discipline while providing a predictable market for farmers and traders.

### Education

The Ministry of Education operationalized the free secondary education programme with MK3.8 billion disbursed for the second term, part of the broader MK32.5 billion required between January and March 2026. Despite concerns from civil society about delayed funding, most schools reopened with normal operations reported. Additionally, tertiary loan recoveries improved significantly, with HESLGB collections rising 54% year-on-year, supported by integration into the national credit reference system, strengthening the sustainability of higher education financing.

## Public Finance Review : *Making the Most of Malawi's Mineral Wealth*

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# Making the Most of Malawi's Mineral Wealth

Malawi's mining industry contributes 0.7% to GDP and exports.

Annual revenue projection of mining sector ranges from USD200 million and USD500 million by the early 2030s.

The average lead time from discovery to production in Malawi is 27 years, 50% longer than the global average of 18 years.

## Introduction

The Public Finance Review (PFR) report by the World Bank provides a comprehensive diagnostic of Malawi's fiscal framework, identifying strategic reforms for sustainable growth and revenue enhancement. In chapter 5, titled "Making the Most of Malawi's Mineral Wealth," the report focuses on the sector's potential to bolster public finances and support the objectives of the Malawi 2063 vision. The World Bank presented that while the mining and quarrying contributed just 0.7% to GDP in 2023, the industry is positioned to become the country's largest export driver within the next decade.

## Sector Overview and Growth Pipeline

The mining pipeline in Malawi is currently dominated by seven Energy Transition Mineral (ETM) projects, including uranium, rutile, and rare earth elements. According to the World Bank, the mining sector is projected to generate USD200 million and USD500 million per annum, depending on two primary scenarios. Under a business-as-usual scenario, annual revenues for low- and medium-risk projects of Kayelekera uranium and Kasiya rutile could reach USD200 million by the early 2030s, representing roughly 2% of GDP. The high-risk projects, such as Niobium and Graphite, fall under the unconstrained scenario where they could boost annual revenue potential to 5% of GDP. However, these forecasts are subject to significant uncertainty due to the absence of final investment decisions, limited geological data, and fluctuating global mineral prices.

Project	Product	Ownership	Risk Rating
Kayelekera	Uranium	Lotus Resources	5
Kasiya	Graphite, Rutile	Sovereign metals	8
Kangankunde (Ph1+Ph2)	Rare Earth Metals	Lindian Resources	12
Makanjira	Ilmenite, Rutile, Magnetite	Mawei Mining	13
Kanyika	Niobium, Tantalum	Globe Metals	15
Songwe Hill	Rare Earth	Mkango Resources	16
Malingunde	Graphite	NGX Limited	19

■ Low-medium risk

■ High risk

## Structural Bottlenecks and Institutional Risks

Despite the strong project pipeline, the World Bank highlighted significant structural delays that threaten the realization of the sector's potential. The average lead time from discovery to production in Malawi is 27 years, 50% longer than the global average of 18 years. These delays were largely attributed to protracted Mining Development Agreement (MDA) negotiations, which have extended up to 12 years for a single project.

The analysis highlighted significant institutional capacity constraints within key oversight bodies, notably the Ministry of Natural Resources, Energy and Mining and the Geological Survey Department (GSD), which the World Bank characterized as underfunded and lacking the specialized expertise necessary for effective sector governance. In this context, the World Bank cautioned against the risk of a "resource curse", warning that heightened public expectations may trigger premature borrowing against uncertain future revenues. According to the World Bank, such practices can increase vulnerability to over-indebtedness and heighten the likelihood of future fiscal crises.

## Lessons from Historical Operations

The World Bank cited the Kayelekera uranium mine as a cautionary example of mining sector volatility. During the mine's initial operations in 2009, technical issues, coupled with a sharp decline in global uranium prices, undermined project viability and ultimately led to its suspension in 2014. As a result, government revenues fell substantially short of initial projections. The World Bank further observed that anticipated long-term employment gains failed to materialize, although the workforce peaked at 759 employment in 2012, all positions were eliminated by 2014. This history serves as a basis for the recommendation of stable legal frameworks and transparent stakeholder engagement as the sector expands.

## Malawi's Statutory Fiscal Regime: Strengths and Strategic Gaps

According to the World Bank, Malawi's fiscal framework for the mining sector is built on a combination of general legislation and project-specific MDAs. While the World Bank acknowledges that a statutory-led approach is preferable for transparency and tax certainty, it notes that key terms, such as state participation, continue to be defined on a case-by-case basis through negotiated contracts.



*High risk mining projects could boost revenue potential to 5% of GDP.*

## Statutory Framework and Tax Structure

The World Bank's analysis noted that a sector-specific tax regime has been in place since 2016, with taxation "ring-fenced" to prevent companies from offsetting losses between different projects.

## Incentives and Stability Provisions

The mining sector benefits from a 10-year stability period from project commissioning to ensure tax certainty. While sector-specific tax holidays are absent, the World Bank noted that generous capital depreciation remains a key feature. Although a 2018 amendment repealed "immediate expensing" (100% allowance in the first year), the depreciation terms remain a primary subject of negotiation within MDAs.

## Optimizing Mining Revenue: Risks and Administrative Challenges

In the World Bank's view, the mining sector offers growth potential; however, Malawi remains highly susceptible to Base Erosion and Profit Shifting (BEPS) by multinational corporations (MNCs). MNCs may utilize transfer pricing to shift taxable income to lower-tax jurisdictions or utilize large interest deductions on internal borrowings to reduce source-based taxing rights. The analysis cites estimates suggesting that annual profit shifting by MNCs in Malawi reaches approximately USD57 million, leading to a tax revenue loss of USD25 million, or 10.1% of Total Corporate Income Tax (CIT) revenue.

To mitigate these risks, the World Bank emphasized the need for clear legal provisions regarding "Permanent Establishment" (PE). Current draft income tax laws contain PE definitions that are unclear and contradictory, which may lead to disputes and curb effective tax collection. Furthermore, Malawi's thin-capitalization rules, which currently specify a 3:1 debt-equity ratio, are at times duplicative. As a result, the World Bank suggested exploring Earnings Stripping Rules (ESR) to limit interest deductions to a ratio of 10% to 30% of EBITDA, aligning with International Organization for Economic Co-operation and Development (OECD) recommendations to close existing tax loopholes.

## International Tax Agreements and Withholding Rates

According to the World Bank, Malawi's international tax treaty network is a significant factor limiting revenue potential. Malawi is currently party to five treaties, with France, Norway, South Africa, Switzerland, and the United Kingdom, which, according to the World Bank, largely reduce withholding tax rates on dividends, interest and royalties to zero.

## International Tax Agreements and Withholding Rates (continued)

This effectively eliminates Malawi's source-based revenue from these streams, particularly as the country already maintains some of the lowest domestic withholding tax rates in Sub-Saharan Africa. The World Bank suggested that strengthening source-based taxation rules and renegotiating existing treaties would be essential to retaining a greater share of domestic revenue from foreign investments.

		Dividends	Interest	Royalties
Domestic Rates (%)	General	15	15	15
	Mining	10	10	10
<b>Treaty Rates (%)</b>				
France			0	
Norway		15	10	5
South Africa	General			0
Switzerland		0		0
United Kingdom		0	0	0

## Fiscal Parameters: Equity, Royalties, and Resource Rent Tax

The World Bank provided an analytical critique of current fiscal instruments, noting that state equity participation is currently negotiated in MDAs rather than defined by law. The lack of a legal minimum or maximum for state equity causes delays and investor uncertainty. Similarly, Malawi's fixed-rate gross royalties were characterized as simple to administer but regressive, as they do not adjust for profitability. As such, the World Bank suggested a transition to a sliding-scale royalty system for minerals with transparent market prices to better share risks between the state and investors.

The Resource Rent Tax (RRT), described as a progressive instrument, has, to date, generated negligible revenue. The World Bank attributes this underperformance to a complex and unclear formula that remains vulnerable to cost inflation through transfer pricing. Consequently, they recommended streamlining the RRT formula to a cash-flow basis to capture "windfall gains" more effectively while reducing the administrative burden on the Malawi Revenue Authority (MRA).



*MRA and MMRA oversight to determine fair share of resource rents to the state.*

### Revenue Management and Institutional Oversight

Malawi is currently establishing frameworks for mining revenue management, including the assessment of a Sovereign Wealth Fund. The World Bank stressed that such a fund must be fully integrated into the national budget with transparent reporting to avoid the pitfalls of off-budget operations. Additionally, the World Bank highlighted the establishment of the state-owned mining company, Malawi Mining Investment Company (MAMICO), but cautioned that its mandate remains unclear. Defining MAMICO's role and enhancing the technical capacity of the MRA and the Mines and Minerals Regulatory Authority (MMRA) are critical steps to ensuring that the anticipated mineral wealth is managed effectively for national development.

### Strategic Recommendations for Fiscal Optimization

To maximize the benefits of the mineral sector, the World Bank outlined several priority interventions aimed at enhancing transparency and reducing revenue leakages:

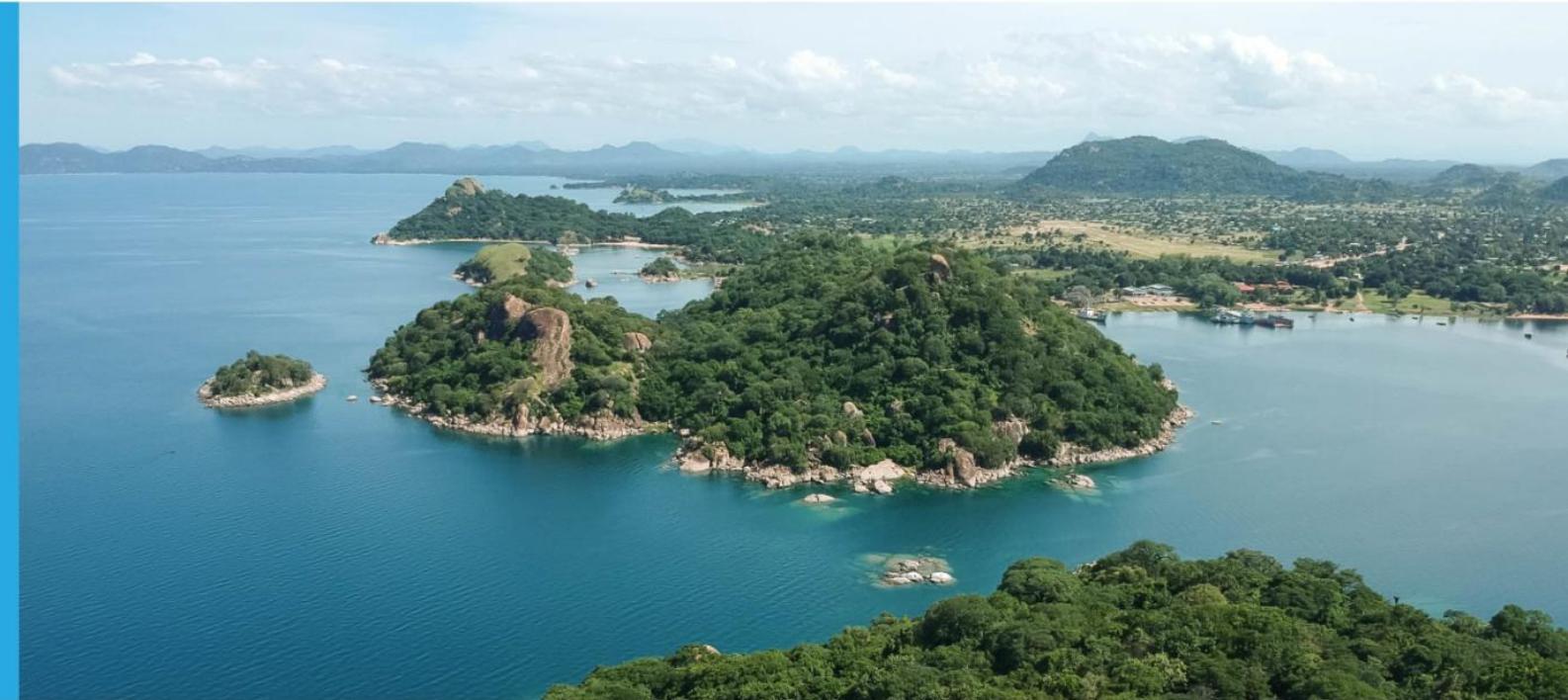
- 1. Enhancing Efficiency and Transparency:** The World Bank emphasized the need to establish legally binding timelines for permit issuance to reduce the current 12-year negotiation delays. It further suggested the adoption of model Mining Development Agreements (MDAs) to standardize fiscal terms and minimize discretionary variability.
- 2. Defining State Participation:** The government equity stakes should be clearly defined by law rather than negotiated on a case-by-case basis. This would provide the investor certainty required for large-scale capital deployment.
- 3. Strengthening Tax Protections:** To combat the estimated USD25 million annual loss in tax revenue due to profit shifting, the World Bank advised the need for clarifying "Permanent Establishment" rules and augmenting thin-capitalization rules with Earnings Stripping Rules (ESR), limiting interest deductions to 10%–30% of EBITDA.
- 4. Improving Revenue Management:** Any proposed Sovereign Wealth Fund must be fully integrated into the national budget with clear operational rules. Additionally, a formal review of the mandate and governance of MAMICO is required to ensure it does not become a source of fiscal risk through excessive borrowing or lack of transparency.
- 5. Transitioning to Progressive Royalties:** The World Bank suggested moving away from fixed-rate royalties in favor of sliding-scale royalties for publicly traded minerals. This would ensure that the government's revenue share automatically increases during periods of high commodity prices without requiring contract renegotiation.

### Conclusion

Ultimately, the World Bank suggested that mineral wealth alone will not be transformative for Malawi's public finances without a fundamental shift from ad-hoc, negotiated agreements toward a transparent, statutory-led fiscal framework. The capacity of institutions like the MRA and MMRA to monitor production and curb profit shifting will be the deciding factor in whether the sector delivers a fair share of resource rents to the state.

# Appendices

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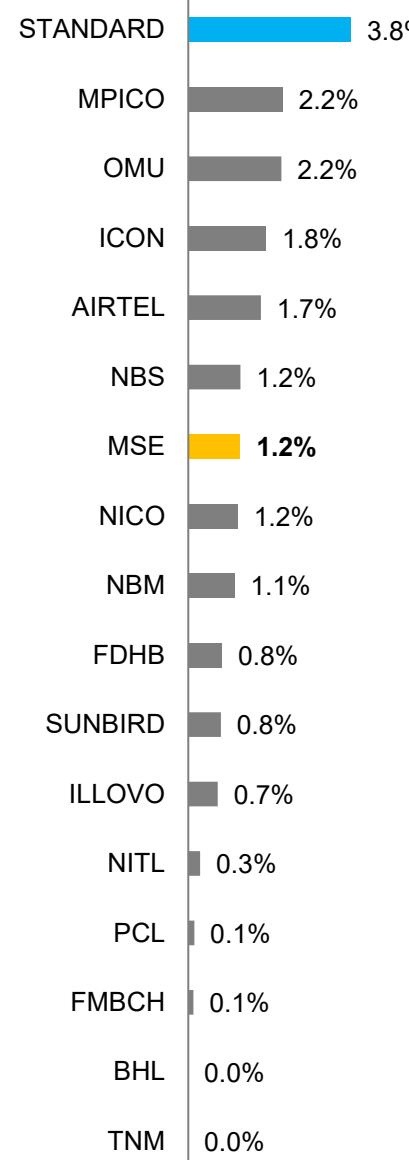


## Appendix 1: Historical Monthly Economic Indicators

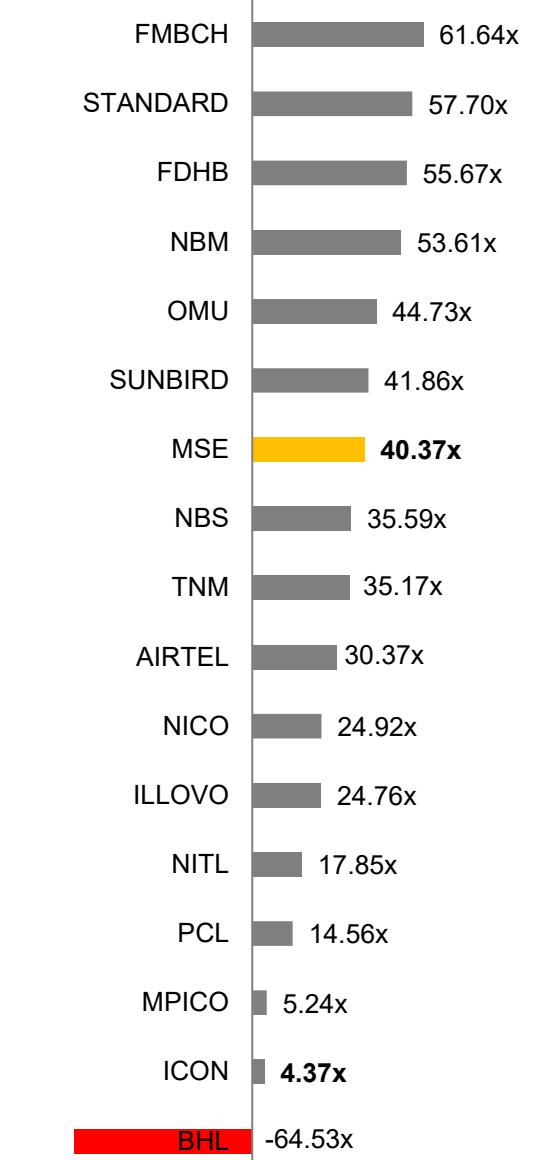
	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
<b>Exchange Rates (middle rates)</b>													
MK/USD	1,750.35	1,749.65	1,750.25	1,750.51	1,750.67	1,750.48	1,750.58	1,749.95	1,750.37	1,749.95	1,750.07	1,749.00	<b>1,749.55</b>
MK/GBP	2,233.84	2,268.53	2,329.61	2,412.28	2,415.65	2,473.04	2,408.88	2,424.53	2,423.25	2,371.39	2,377.10	2,416.04	<b>2,456.90</b>
MK/EUR	1,866.83	1,873.26	1,945.36	2,052.11	2,045.98	2,112.10	2,082.69	2,103.70	2,103.32	2,078.57	2,087.24	2,107.54	<b>2,148.87</b>
MK/ZAR	97.11	97.04	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.58	103.68	107.63	<b>113.67</b>
<b>Foreign Exchange Reserves</b>													
Total Reserves (USD'mn)	570.60	569.5	536.0	530.0	521.0	555.9	607.7	523.9	511.8	526.8	530.00	N/A	<b>N/A</b>
<b>Inflation</b>													
Headline	28.5%	30.7%	30.5%	29.2%	27.7%	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	<b>N/A</b>
Food	36.0%	38.5%	37.7%	35.8%	32.7%	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	<b>N/A</b>
Non-food	16.9%	18.5%	19.2%	19.4%	20.0%	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	<b>N/A</b>
<b>Interest Rates</b>													
Monetary Policy Rate	26.00%	26.00%	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 (Overnight)	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	<b>23.98%</b>
Lombard Rate	26.20%	26.20%	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	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	<b>25.20%</b>
<b>Government Securities Yields</b>													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	<b>15.00%</b>
182-days Treasury Bill	20.00%	20.00%	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	26.00%	26.00%	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	28.75%	28.75%	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	30.00%	30.00%	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	32.00%	32.00%	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	34.00%	34.00%	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	35.00%	35.00%	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	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	<b>-1.53%</b>
DSI	32.35%	50.42%	56.52%	62.53%	62.41%	89.34%	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	<b>0.30%</b>
FSI	15.08%	152.62%	148.16%	103.82%	77.74%	106.49%	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	<b>-7.19%</b>

## Appendix 2: Selected stock market statistics as of 31 January 2026

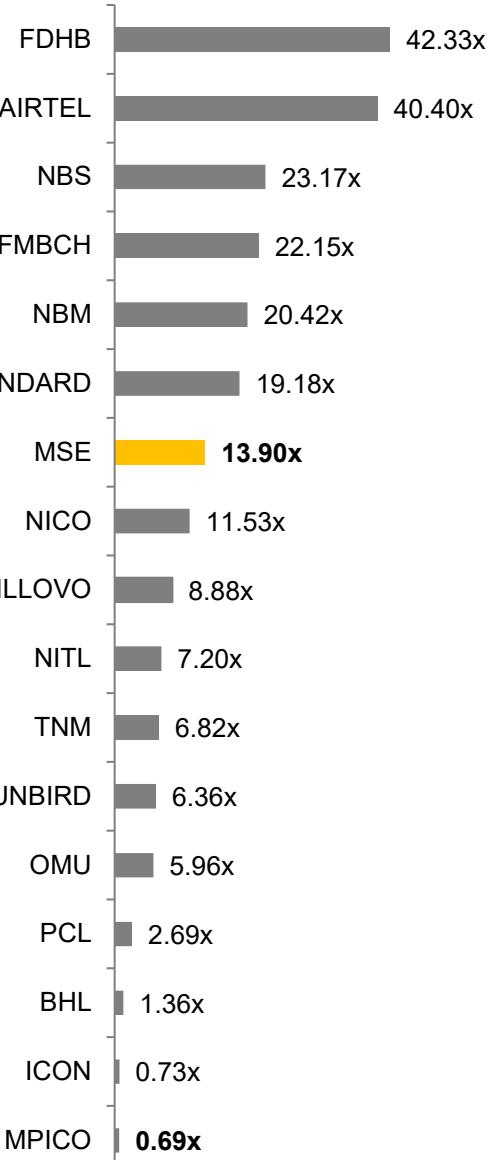
**Dividend Yield (%)** - the weighted average dividend yield on the MSE was 1.2% in January 2026. The counter with the highest dividend yield was STANDARD at 3.8%.



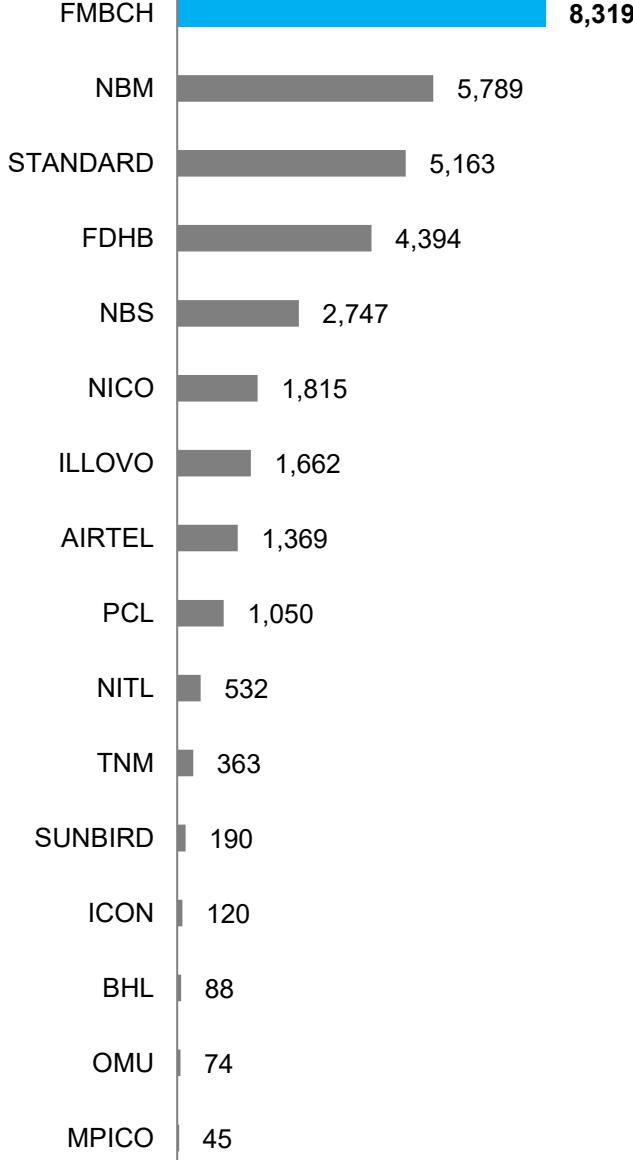
**P/E Ratio** - the weighted average price to earnings ratio on the MSE was 40.37x in January 2026. The counter with the lowest positive ratio was BHL at -64.53x.



**P/BV Ratio** - the weighted average price to book value ratio on the MSE was 13.90x in January 2026. The counter with the lowest positive ratio was MPICO at 0.69x.



**Market Capitalization (MK'billions)** - FMBCH had the highest market capitalization at MK8.3 trillion in January 2026.



(Annual percentage changes unless specified)

Indicator	2023	2024	2025	2026	2027	2028
Real GDP growth	1.9	1.8	2.4	3.5	3.4	5.6
CPI inflation	28.8	32.2	28.8	32.5	20.9	5.0
Exports of goods (USD bn)	1.0	1.0	1.1	1.2	1.4	1.5
Exports of services (USD bn)	0.5	0.5	0.5	0.6	0.7	0.7
Imports of goods (USD bn)	3.0	3.0	3.0	2.9	3.0	3.3
Imports of services (USD bn)	1.00	0.9	0.8	0.8	0.8	0.9
Exports of goods	-0.3	0.0	8.9	11.5	11.8	9.6
Imports of goods	4.5	0.8	-0.1	-4.0	4.1	9.9
Current account (USD bn)	-2.1	-2.1	-2.1	-1.8	-1.6	-1.7
Current account balance (% of GDP)	-16.7	-18.7	-13.2	-11.5	-9.6	-9.3
Exchange rate per USD (year average)	1,161.1	1,734.3	1,734.0	2,408.1	2,787.3	2,857.0
External debt total (USD bn)	3.6	4.5	5.5	5.8	6.1	6.6
Government balance (% of GDP)	-8.3	-8.3	-10.7	-10.1	-9.0	-8.2
Government debt (% of GDP)	91.0	76.7	73.3	83.4	79.8	72.4
Population (million)	21.1	21.7	22.2	22.8	23.4	24
Nominal GDP (USD bn)	12.6	11.4	15.9	15.7	17.1	18.3
GDP per capita (USD current prices)	597.4	525	715.9	688.3	730.6	762.9

Source: Oxford Economics Country Economic Forecast (Malawi), January 2026

Indicator	2024	2025	2026	2027	2028	2029	2030
Real GDP growth (%)	1.3	1.6	2.0	1.8	2.6	2.9	2.9
Industrial production incl construction (% change)	2.2	2.0	2.2	2.7	2.9	2.9	2.9
Consumer price inflation (av)	32.2	28.8	29.0	27.0	26.0	25.0	24.0
Short-term interest rate (av)	15.8	15.0	14.0	13.0	11.0	10.0	9.0
Government balance (% of GDP)	-9.1	-9.9	-9.4	-8.9	-8.4	-8.0	-7.6
Exports of goods fob (USD bn)	1.0	1.1	1.1	1.1	1.3	1.3	1.4
Imports of goods fob (USD bn)	-3.0	-3.1	-3.2	-3.2	-3.4	-3.3	-3.5
Current-account balance (USD bn)	-2.1	-2.4	-2.4	-2.6	-2.6	-2.5	-2.6
Current-account balance (% of GDP)	-19.3	-17.9	-15.7	-15.3	-15.2	-15.1	-15.0
Exchange rate MK/USD (av)	1,734	1,734	1,734	1,853	2,127	2,514	2,792
Exchange rate MK/USD (end-period)	1,734	1,734	1,734	2,007	2,324	2,690	2,213

## Appendix 5: List of Acronyms and Abbreviations

AfDB	: African Development Bank	MDA	: Mining Development Agreements
APM	: Automatic Pricing Mechanism	MK	: Malawi Kwacha
av	: Average	MRA	: Malawi Revenue Authority
BHL	: Blantyre Hotels Plc	MMRA	: Malawi Mining Regulatory Authority
BEPS	: Base Erosion and Profit Shifting	Mn	: Million
bn	: Billion	MNC	: Multinational Corporations
CPI	: Consumer Price Index	MPC	: Monetary Policy Committee
CIT	: Corporate Income Tax	MSE	: Malawi Stock Exchange
DFC	: Development Finance Corporation	Mt	: Metric tons
DRM	: Domestic Revenue Mobilization	NBM	: National Bank of Malawi Plc
EBITDA	: Earnings Before Interest, Tax, Depreciation and Amortization	NBS	: NBS Bank Plc
EIS	: Electronic Invoicing System	NICO	: NICO Holdings Plc
EIU	: Economist Intelligence Unit	NITL	: National Investment Trust Limited Plc
EUR	: Euro	NSO	: National Statistical Office
FDHB	: FDH Bank Plc	OECD	: Organisation for Economic Co-operation and Development
FISP	: Farm Input Subsidy programme	OMO	: Open Market Operation
FMBCH	: FMB Capital Holdings Plc	OMU	: Old Mutual Limited Plc
FY	: Fiscal year	OPEC	: Organization of the Petroleum Exporting Countries
GBP	: Great British Pound	P/BV	: Price to book value
GDP	: Gross Domestic Product	P/E	: Price to earnings
GSD	: Geological Survey Department	PAYE	: Pay As You Earn
HESLGB	: Higher Education Students' Loans and Grants Board	PCL	: Press Corporation Limited Plc
IFAD	: International Fund for Agricultural Development	PFR	: Public Finance Review
IFPRI	: International Food Policy Research Institute	RBM	: Reserve Bank of Malawi
IMF	: International Monetary Fund	RRT	: Resource Rent Tax
Kg	: Kilogram	SOE	: State Owned Enterprise
LRR	: Liquidity Reserve Requirement	TB	: Treasury Bill
MAMICO	: Malawi Mining Investment Company	TN	: Treasury Note
MANEB	: Malawi national Examination Board	TNM	: Telekom Networks Malawi Plc
MASI	: Malawi All Share Index	USAID	: United States Agency for International Development
MAT	: Minimum Altenate Tax	USD	: United States Dollar
Mb/d	: Million barrels per day	VAT	: Value Added Tax
		WB	: World Bank

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