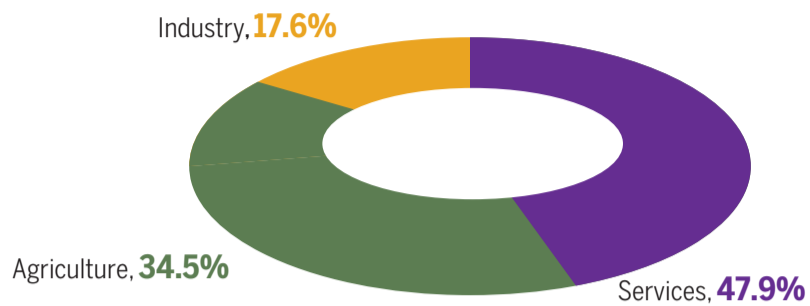


MALAWI FACT SHEET 2015



ECONOMICS

SECTOR CONTRIBUTIONS TO GDP



2014 2015^(f) 2016^(f) 2017^(f) 2018^(f)

Inflation %	24.4	22.2	19.9	12	10.3
GDP %	5.7	3.8	5.1	5.4	5.7

(f): FORECASTED
CURRENCY: MALAWIAN KWACHA
[MK 41.59 = R1* & MK 588.36 = \$1* (19 November 2015)]

Top import products

- Mineral fuels, oils, distillation products (13.54%)
- Machinery, nuclear reactors, boilers etc. (10.04%)
- Pharmaceutical products (8.83%)

Top import origins

- South Africa (18.75%)
- India (11.94%)
- Mozambique (11.78%)

IMPORT



EXPORT

Top export products

- Tobacco and manufactured tobacco substitutes (45.54%)
- Sugars and sugar confectionery (8.93%)
- Machinery, nuclear reactors, boilers (8.29%)

Top export locations

- Belgium (11.20%)
- South Africa (7.57%)
- Zimbabwe (6.31%)

SOCIAL

- Population:
 - 16 829 144 people
 - One of the most culturally diverse communities in Africa with several ethnic and racial groups living together peacefully
- Languages: Chichewa, English, Chitumbuka, Chiyao, Chinyanja and Chilomwe
- Most of the population live as subsistence farmers in rural areas where they grow crops and rear animals

TECHNOLOGY

- The mobile penetration rate is very low – 30.5% in 2014. The market has a high potential for further development
- There are limited fixed line subscriptions. Mobile cellular services are expanding but network coverage is limited and concentrated mainly in urban areas
- There are plans to roll out new television stations and to increase internet services throughout the country
- Mobile phone operators are investing in infrastructure to improve their network coverage

POLITICAL/LEGAL

- Malawi has a democratic multi-party government. Its legal system is based on English Common Law, and its constitution was put in place in 1995
- President Peter Mutharika succeeded Joyce Banda in May 2014
- Fragile political stability due to increasing living costs and a impact of the government corruption scandal of 2013.

ENVIRONMENT

- The country is prone to natural disasters such as flooding and droughts
- Malawi's rate of deforestation is high. Other forms of environmental degradation include the loss of soil fertility, soil erosion, water depletion and loss of biodiversity

MAJOR CITIES

Mzuzu
Population: 128 432

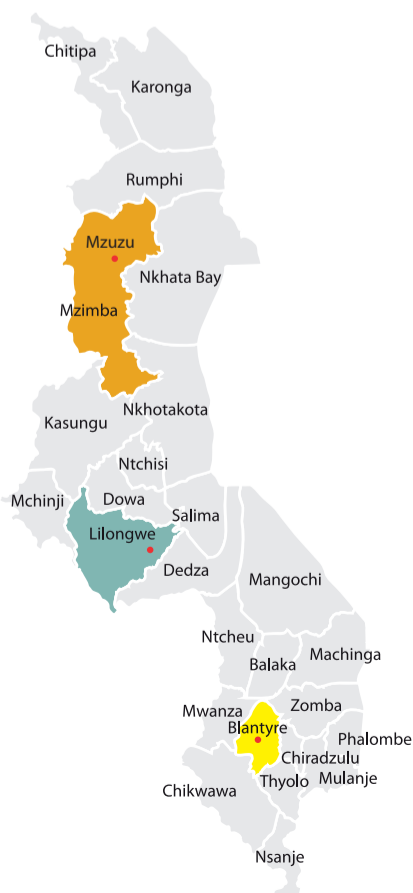
- Coffee, timber, fruit, milk and honey production
- A growing city in Malawi

Lilongwe
Population: 1 077 116

- Key economic activities include finance, retail trade, transport, tourism, construction and tobacco manufacturing

Blantyre
Population: 1 068 681

- Centre of finance and commerce
- Blantyre also has many manufacturing plants



CHALLENGES TO DOING BUSINESS

- The main bottlenecks to private sector development include weak infrastructural services, limited access to finance, lack of skilled labour, lengthy procedures, and weak trade facilitation. The business environment has also been affected by high inflation and excessive lending rates
- Barriers to investment include unreliable power, water shortages, transportation costs, and poor telecommunications infrastructure
- Many businesses have complained that there is not enough foreign exchange to pay for the importation of raw materials. This is causing such businesses to operate below their capacity
- Expatriate employees who live and work in Malawi have to have temporary employment permits, which are sometimes difficult to get

OPPORTUNITIES FOR DOING BUSINESS

- Malawi is developing regional transport corridors in collaboration with neighbouring countries. It is also implementing regional programmes to harmonise trade regimes and transit procedures.
- The government is implementing measures to make it easier to trade with the country. This includes the establishment of one-stop border posts and a national single window. The single window aims to cut the cost and time of trade transactions by simplifying and harmonising the documents involved.
- The higher projected growth in the wholesale retail and trade, financial and insurance, and manufacturing sectors presents opportunities for companies that want to enter the Malawian market.