MALAWI GOVERNMENT

# THE VIENNA PROGRAMME OF ACTION (VPoA) COMPREHENSIVE REVIEW REPORT FOR THE DECADE 2014-2024

## SUBMITTED TO THE UNITED NATIONS HEADQUARTERS

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## ACRONYMS AND ABBREVIATIONS

| | |
|---|---|
| AAAA | Addis Ababa Action Agenda |
| ACFTA | African Continental Free Trade Area |
| AfDB | African Development Bank |
| AGCOM | Agriculture Commercialization |
| CBM | Coordinated Border Management |
| CIPI | Competitive Industrial Performance Index |
| COMESA | Common Market for Eastern and Southern Africa |
| CPIA | Country Policy and Institutional Assessment |
| CTMS | Corridor Trip Monitoring Systems |
| DDC | Diplomatic Data Corridors |
| EAC | East African Community |
| EFD | Electronic Fiscal Device |
| EIB | European Investment Bank |
| EITI | Extractive Industries Transparency Initiative |
| EP&D | Economic Planning and Development |
| FDI | Foreign Direct Investment |
| GDI | Gross Domestic Investment |
| GDP | Growth Domestic Product |
| GNI | Gross National Income |
| HDI | Human Development Index |
| ICT | Information Communicate Technology |
| IMPIF | Irrigation Master Plan Investment Framework |
| ITCC | Integrated Transit Cargo Clearance |

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|---|---|
| JICA | Japan International Cooperation Agency |
| LLDCs | Landlocked Developing Countries |
| MalTIS | Malawi Traffic Information System |
| MAREP | Malawi Rural Electrification Programme |
| MBRS | Malawi Business Registration System |
| MDAs | Ministries Departments and Agencies |
| MEAP | Malawi Electricity Access Project |
| MERA | Malawi Energy Regulatory Authority |
| MGDS | Malawi Growth and Development Strategy |
| MIP 1 | Malawi 2063 First 10-year Implementation Plan |
| MITC | Malawi Investment and Trade Centre |
| MoU | Memorandum of Understanding |
| MRA | Malawi Revenue Authority |
| MRES | Malawi Renewable Energy Strategy |
| MSMEs | Micro, Small and Medium Enterprises |
| MVA | Manufacturing Value Added |
| MW 2063 | Malawi 2063 |
| NAIP | National Agriculture Investment Plan |
| NDC | Nacala Development Committee |
| NEEF | National Economic Empowerment Fund |
| NICC | National Implementation Coordination Committee |
| NIP | National Investment Policy |
| NSW | National Single Window |
| NTMP | National Transport Master Plan |

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| ODA | Official Development Assistance |
| OPEC | Organization of the Petroleum Exporting Countries |
| OSBP | One Stop Border Posts |
| PAYE | Pay As You Earn |
| PPPs | Public-Private Partnerships |
| RBM | Reserve Bank of Malawi |
| RTAs | Regional Trade Agreements |
| SADC | Southern Africa Development Community |
| SAPP | Southern Africa Power Pool |
| SATCP | Southern Africa Trade Connectivity Project |
| SATTFP | Southern Africa Trade Transport Facilitation Programme |
| SDGs | Sustainable Development Goals |
| SQAM | Standards Quality Assurance and Metrology |
| TCI | Trade Concentration Index |
| TDI | Trade Diversification Index |
| TRIPS | Tripartite Information Platform System |
| TSPMIF | Transport Sector Performance Monitoring Indicator Framework |
| TTTFP | Tripartite Transport Transit Facilitation Programme |
| USAID | United States Agency for International Development |
| USD | United States Dollars |
| VAT | Value-Added Tax |
| VPoA | Vienna Program of Action |
| WB | World Bank |

# I EXECUTIVE SUMMARY

This report presents a comprehensive review of the implementation of the VPoA in Malawi from 2014 - 2024, including the progress made, major achievements, challenges encountered, and the way forward. The report concludes with a set of recommendations for the way forward. The VPoA aimed to facilitate LLDCs' resolve to overcome their specific development constraints and achieve sustainable development.

The review is based on a methodology that combines desk research, data analysis, reviews, and consultations with various stakeholders, including government officials, civil society organizations, and the private sector. The review covered all the six priority areas of the VPoA including transport, trade, infrastructure, energy, and information and communication technologies.

The report shows that Malawi faced a number of challenges when implementing the VPoA including the following:

- Inadequate human resources and requisite skills and capabilities;
- Limited knowledge on the VPoA among key stakeholders across all levels;
- Lack of baseline data to inform progress reporting;

During the period of implementing the Vienna Programme of Action, Malawi has learnt the following:

- Awareness for such programmes should be emphasized throughout the implementation period;
- Multi-stakeholders involvement is key for effective implementation of the programmes of action;
- It is always important to domesticate the Programmes of Action to ensure that implementation is supported through sectoral budgets;
- The UN Country offices should always support implementation of such programmes in the participating countries.

# I Introduction

As one of the landlocked developing countries (LLDCs), Malawi has been implementing the Vienna Programme of Action since its launch in 2014. The Vienna Programme of Action is a ten-year programme for the landlocked developing countries for the decade (2014-2024). Globally, there are 32 land-locked countries namely: Afghanistan, Armenia, Azerbaijan, Bhutan, Bolivia, Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Eswatini, Ethiopia, Kazakhstan, Kyrgyzstan, Lao People's Democratic Republic, Lesotho, North Macedonia, Malawi, Mali, Mongolia, Nepal, Niger, Paraguay, Republic of Moldova, Rwanda, South Sudan, Tajikstan, Turkmenistan, Uganda, Uzbekistan, Zambia, Zimbabwe. These countries face unique challenges related to their geographical location, limited access to global markets, and high transport costs. To address these challenges, the United Nations developed the Vienna Programme of Action (VPoA) for LLDCs in order to help LLDCs overcome their specific development constraints and achieve sustainable development.

This report presents a comprehensive review of the implementation of the VPoA in Malawi, including the progress made, challenges encountered, and the way forward. The review is based on a methodology that combines desk research, data analysis, and consultations with various stakeholders, including government officials, civil society organizations, and the private sector. The review covered all priority areas of the VPoA, including trade, transport, infrastructure, energy, and information and communication technology.

# II Mainstreaming of the VPoA into the national development planning process and coherence with the 2030 Agenda and other global processes.

Malawi made significant progress in mainstreaming the Vienna Programme of Action (VPoA) into its national development planning process. The country had integrated the VPoA into its national development plans, including the Malawi Growth and Development Strategy (MGDS III), which was Malawi's overarching development strategy between 2017 to 2022. After the expiry of the MGDS III, Malawi developed Malawi 2063 which the current long-term development planning instrument for the country.

The VPoA was specifically mentioned in the country's development blue prints as a framework for addressing the challenges faced by Malawi as a landlocked developing country. The MGDS III emphasizes the need to develop transport infrastructure, enhance trade facilitation, and promote investment in key sectors such as energy and agriculture to support Malawi's socio-economic transformation. The MGDS III also recognized the importance of regional integration and cooperation in advancing Malawi's development goals.

The Malawi government had adopted Sector Working Groups (SWGs) as a mechanism for coordinating implementation of the VPoA. SWGs were responsible for ensuring effective implementation of the VPoA in Malawi and for providing guidance and oversight to the relevant government ministries, departments, and agencies (MDAs).

Malawi has also integrated other international frameworks such as the Sustainable development Goals (SDGs), the Addis Ababa Action Agenda (AAA), the Sendai Framework for Disaster Risk Reduction, and the Paris Agreement into its national development policy frameworks. The country also developed a National Resilience Strategy that aligns with the Sendai Framework and aimed to build resilience to disasters and climate change. Malawi also developed a National Climate Change Management Policy that aligns with the Paris Agreement and aims to promote low-carbon development and climate resilience.

## III Assessment of key economic, social and environmental development trends

Malawi has experienced mixed economic, social, and environmental development trends that have affected the implementation of the VPoA at the national level. The country has made some progress in achieving its development goals, but it also faces several challenges that hinder its efforts towards sustainable development.

Economic development in Malawi has been affected by a number of factors, including persistent macroeconomic instability, limited fiscal space, low levels of foreign direct investment (FDI), and dependence on a narrow range of export commodities. The COVID-19 pandemic also had a significant impact on Malawi's economy, with disruptions to trade, supply chains, and investment flows. Despite these challenges, Malawi made progress in key areas such as energy and agriculture, which are critical for the country's socio-economic transformation. The government implemented policies and initiatives to promote investment, improve the business climate, and diversify the economy.

Social development in Malawi was affected by factors such as poverty, inequality, and limited access to basic services such as health, education, and water and sanitation. Malawi made progress in reducing poverty, with the poverty rate declining from 52.2% in 2005 to 37.1% in 2016. However, poverty remains a significant challenge, particularly in rural areas where the majority of the population resides. Malawi also made progress in improving access to basic services, but significant gaps remain, particularly in rural areas.

Environmental development was affected by factors such as deforestation, soil erosion, and climate change. Malawi is highly vulnerable to the impacts of climate change, including increased frequency and intensity of extreme weather events such as floods and droughts. These factors have a significant impact on Malawi's agriculture-based economy and its ability to achieve sustainable development. In the period under review, Malawi implemented policies and initiatives to address these challenges, including the National Forest Landscape Restoration Strategy and the National Climate Change Management Policy.

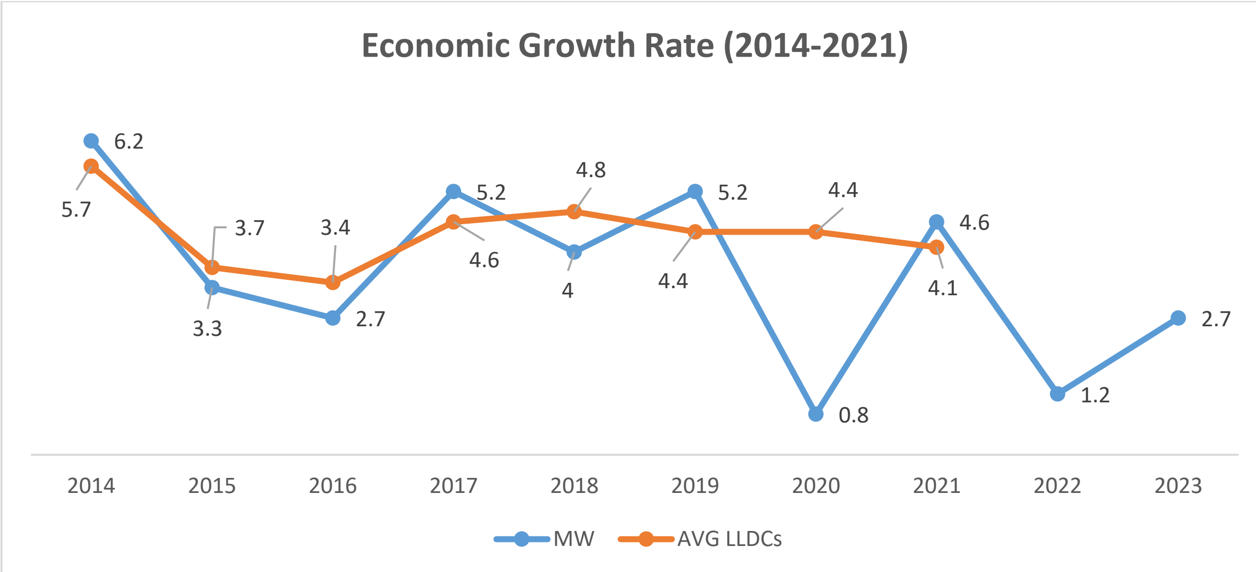
The VPoA has had a positive impact on Malawi's overall development efforts, particularly in areas of trade facilitation, transport infrastructure, and regional integration. The VPoA also provided a framework for addressing the challenges faced by Malawi as a landlocked developing country and helped to mobilize resources and support for Malawi's development efforts. Challenges, however, remain in implementing the VPoA, particularly in the context of the COVID-19 pandemic and other crises.

### A. Malawi Economic Growth & Poverty (GDP GROWTH %) as comparing with the average landlocked developing countries

Malawi's GDP growth rate has been volatile over the years, with the highest growth rate recorded in 2014 at 6.2%. In 2015 and 2016, the GDP growth rate decreased to 3.3% and 2.7%, respectively. However, in 2017, the GDP growth rate increased to 5.2% before dropping again to 4% in 2018.

In 2019, the GDP growth rate increased to 5.2%, and in 2020, it dropped to 0.8% due to the impact of the COVID-19 pandemic. In 2021, the GDP growth rate rebounded to 4.6% before slumping to 1.2% in 2022 and slightly recover to 2.7% in 2023. In comparison, the average GDP growth rate for LLDCs was 5.7% in 2014 and decreased to 4.1% in 2021.

**Figure 1: GDP growth rate for Malawi and Average LLDCs (2014-2023)**




The data shows that in the period under review, Malawi's GDP growth rate has generally been below the average of LLDCs except for 2014, 2017, 2019 and 2021. This is attributed to various factors such as political instability, weak infrastructure, and limited access to credit and investment.

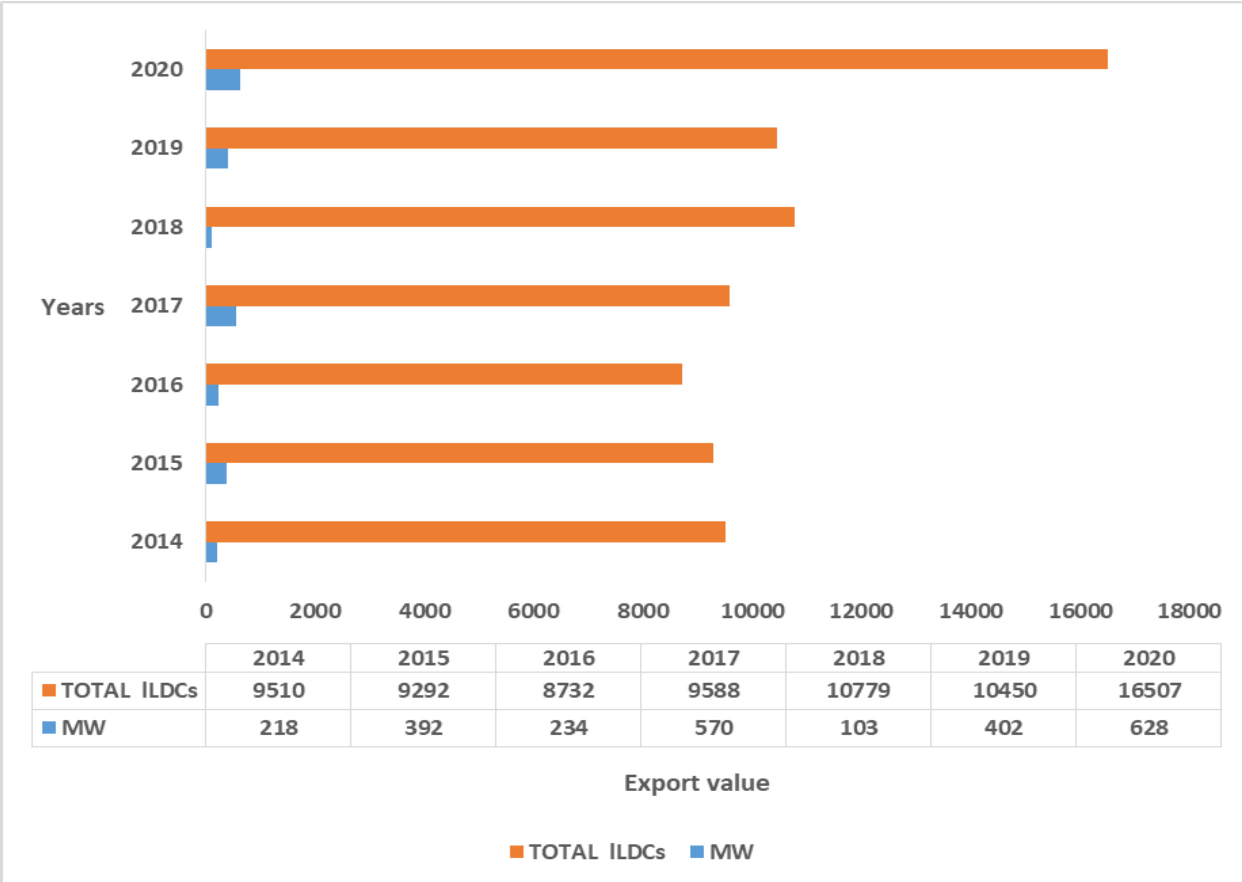
Poverty is a significant challenge in Malawi, with over half of the population living below the poverty line. In 2016, Malawi's poverty rate was estimated at 51.5%. Despite the country's positive economic growth in recent years, poverty reduction has been slow.

In comparison, the average poverty rate for LLDCs is 40%, indicating that poverty is a significant challenge for most LLDCs. Poverty is often linked to factors such as limited access to education, healthcare, and basic services. It is also linked to limited access to credit and investment, which can affect economic growth.

**B. Malawi relative Economic Performance compare with the total LLDCs**

Analyzing the economic performance of Malawi relative to the average of LLDCs based on the data for 2014-2020 includes the total value of exports in millions of USD for Malawi and LLDCs, the following was noted;

**Figure 2: Malawi's total value of exports compared to the average of LLDCs**




## C. Exports of Malawi

Malawi's total value of exports has been relatively low compared to the average of LLDCs over the years 2014-2020. In 2014, Malawi's total value of exports was USD218 million, which increased to USD392 million in 2015. However, in 2016, the total value of exports dropped to USD234 million before increasing to USD570 million in 2017.

In 2018, Malawi's total value of exports decreased to USD103 million before increasing again to USD402 million in 2019. In 2020, the total value of exports increased significantly to USD628 million, reflecting an increase in tobacco exports. In comparison, the average total value of exports for LLDCs was USD9,510 million in 2014 and increased to USD16,507 million in 2020.

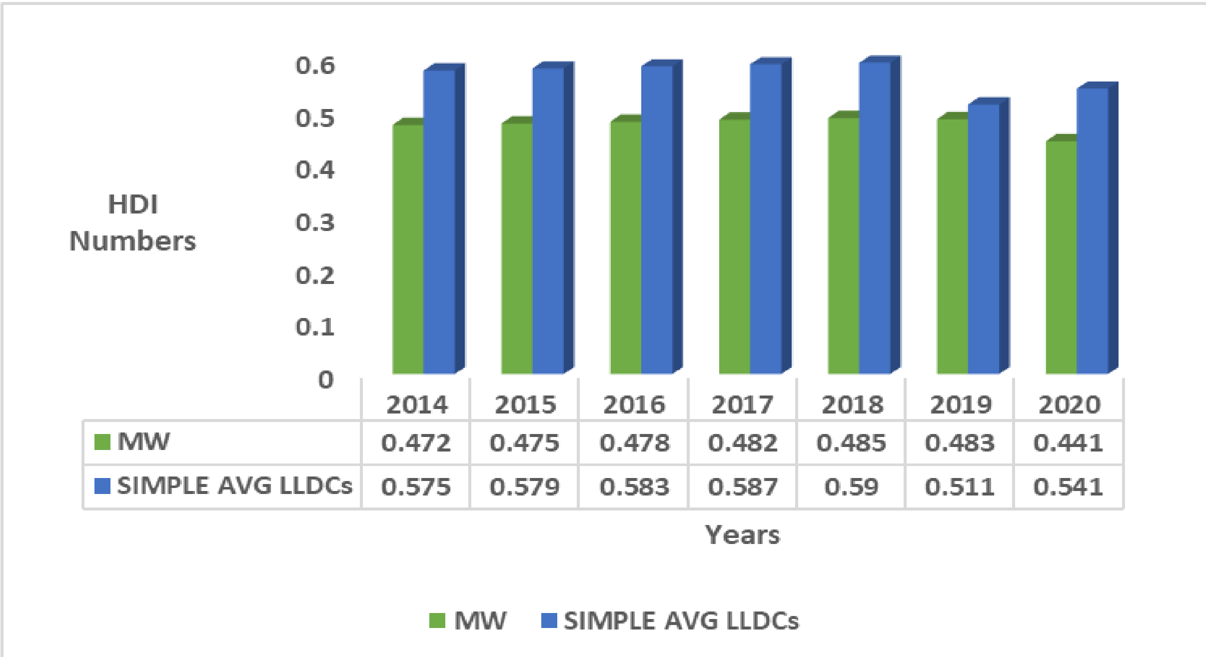
The data suggests that Malawi's total value of exports has been consistently lower than the average of LLDCs over the years 2014-2020. This could be attributed to various factors such as limited access to credit and investment, weak infrastructure, and a lack of economic diversification.

## D. Relative Economic Performance

Based on the data, Malawi's relative economic performance has been weak compared to the average of LLDCs. The country's total value of exports has been consistently lower than the average of LLDCs, indicating limited economic growth and diversification. This is a concern as exports play a crucial role in economic development, creating employment opportunities and generating foreign exchange earnings.

Furthermore, Malawi's economy is heavily dependent on agriculture, particularly tobacco, which is vulnerable to external shocks such as changes in global prices and weather patterns. This dependency makes the country's economy susceptible to instability and limits its capacity for economic diversification.

**Figure 3: Malawi Human Development Index compared with the Average Least Landlocked Developed Countries**

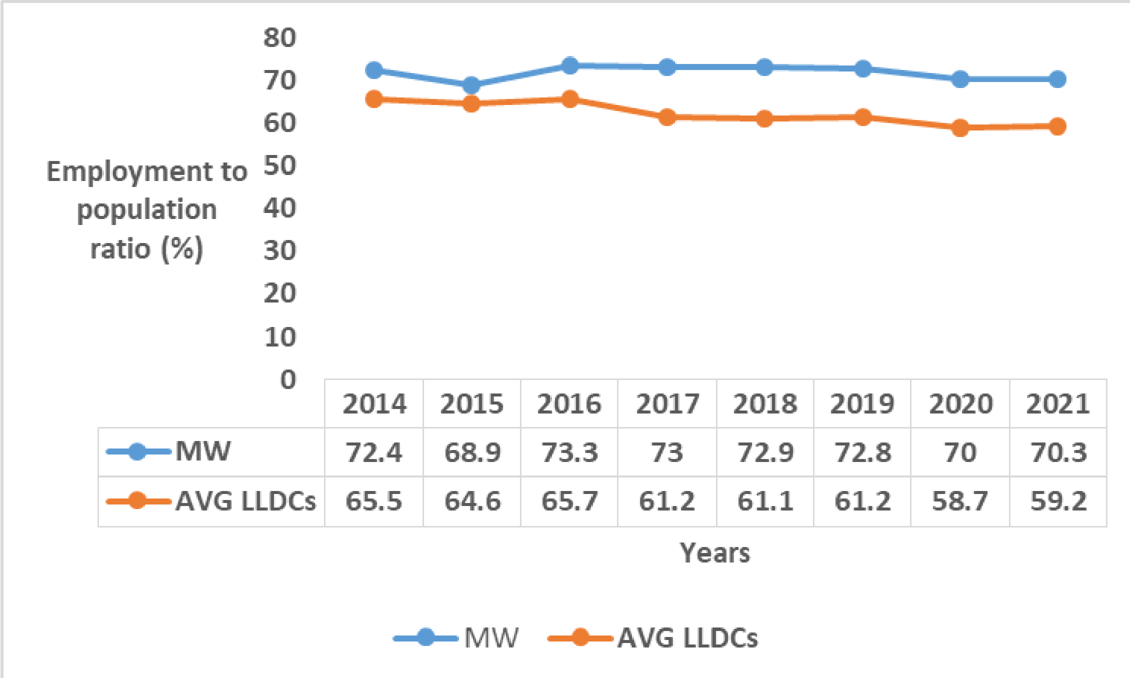



**E. Human Development Index**

The HDI measures the average achievement of a country in three dimensions of human development: a long and healthy life, access to knowledge, and a decent standard of living. The HDI scores range from 0 to 1, with higher scores indicating higher levels of human development. The data indicates that Malawi's HDI scores have been consistently lower than the average of LLDCs over the years 2014-2020. In 2014, Malawi's HDI score was 47.2%, which increased slightly to 47.5% in 2015 and 47.8% in 2016. However, in 2017, the HDI score increased slightly to 48.2% before increasing to 48.5% again in 2018. In 2019, Malawi's HDI score dropped to 48.3% before decreasing significantly to 44.1% in 2020. In comparison, the average HDI score for LLDCs was 57.5% in 2014 and decreased to 54.1% in 2020. The data indicates that Malawi's HDI scores have been consistently lower than the average of LLDCs over the years 2014-2020. This was attributed to various factors such as limited access to education, poor health outcomes, and a low standard of living.

## F. Employment characteristics

**Figure 4: Malawi employment to population ratio compared with the average LLDCs**




| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 72.4 | 68.9 | 73.3 | 73 | 72.9 | 72.8 | 70 | 70.3 |
| AVG LLDCs | 65.5 | 64.6 | 65.7 | 61.2 | 61.1 | 61.2 | 58.7 | 59.2 |

The employment to population ratio is an important indicator of the labor market situation in a country. It measures the percentage of the working-age population that is employed. From the data, we can see that Malawi's employment to population ratio has been consistently higher than the average of LLDCs. In 2014, Malawi's employment to population ratio was 72.4%, which was 7 percentage points higher than the LLDCs average of 65.5%. In 2015 and 2016, Malawi's ratio remained higher than the average by 4.4 and 7.6 percentage points, respectively. However, in 2017, Malawi's ratio dropped to 73%, which was only slightly higher than the LLDCs average of 61.2%. The same trend continued in 2018 and 2019, with Malawi's ratio remaining slightly higher than the LLDCs average.

In 2020, both Malawi and the LLDCs experienced a decrease in the employment to population ratio due to the COVID-19 pandemic's economic impact. Malawi's ratio dropped to 70%, which was 27 percentage points lower than the LLDCs average of 58.7%. In 2021, Malawi's ratio increased slightly to 70.3%, which was still higher than the LLDCs average of 59.2%.

**Figure 5: Malawi unemployment (percentage of total labor force) compared with the average LLDCs**


## G. Malawi Unemployment Rates

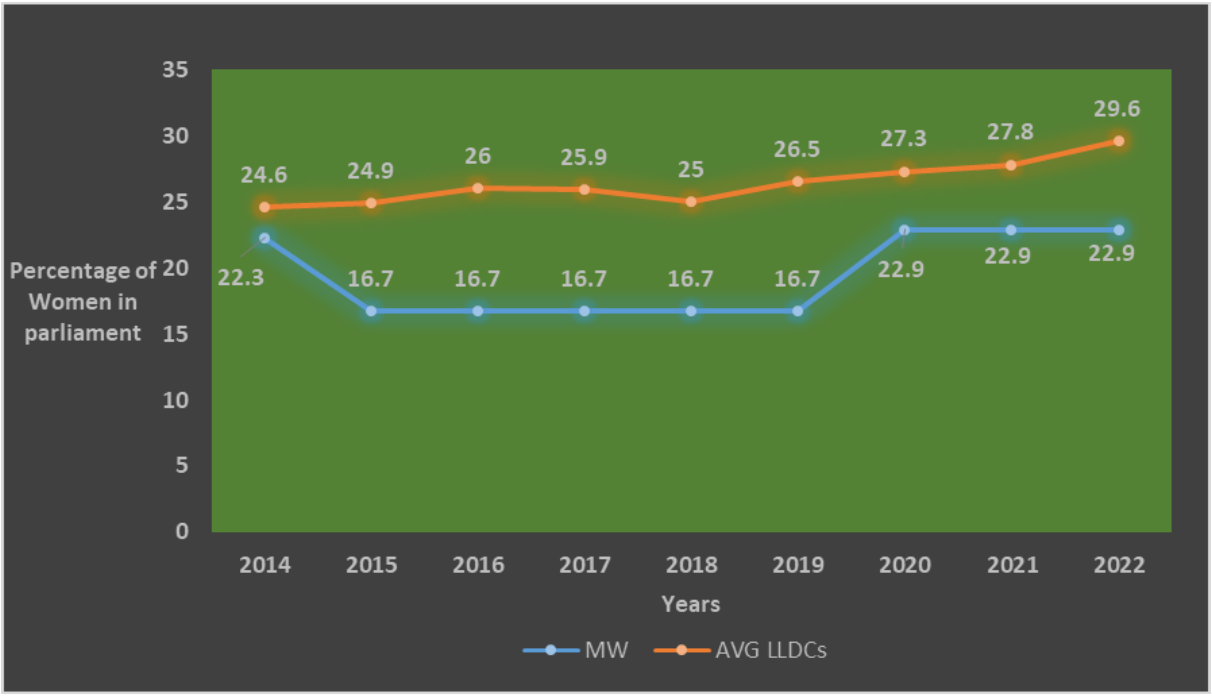
Figure 5 above shows the Malawi unemployment rates from 2017 to 2021. As we can see, the unemployment rate in Malawi has been relatively stable over the past few years, with an average unemployment rate of 6.4%. However, there has been a slight increase in the unemployment rate from 2017 to 2021, with the rate increasing from 5.8% in 2017 and 2018 to 7% in 2021. This increase in the unemployment rate is attributed to the impact of the COVID-19 pandemic on the economy.

## H. Comparison with Average LLDCs Unemployment Rates

The graph above also shows the average unemployment rates of the LLDCs from 2017 to 2021. The average unemployment rate of LLDCs was 7.3% in 2017 and 2018, which is slightly higher than Malawi's average unemployment rate of 5.8% during the same period. However, the unemployment rate in LLDCs decreased to 7.0% in 2019, which is lower than Malawi's unemployment rate of 5.8% during the same period.

In 2020 and 2021, the average unemployment rate in LLDCs increased to 8.4% and 8.6%, respectively. Malawi's unemployment rate also increased during this period, reaching 6.7% in 2020 and 7% in 2021. Therefore, Malawi's unemployment rate is still lower than the average unemployment rate of LLDCs in 2020 and 2021.

**Figure 6: Percentage of women in parliament**

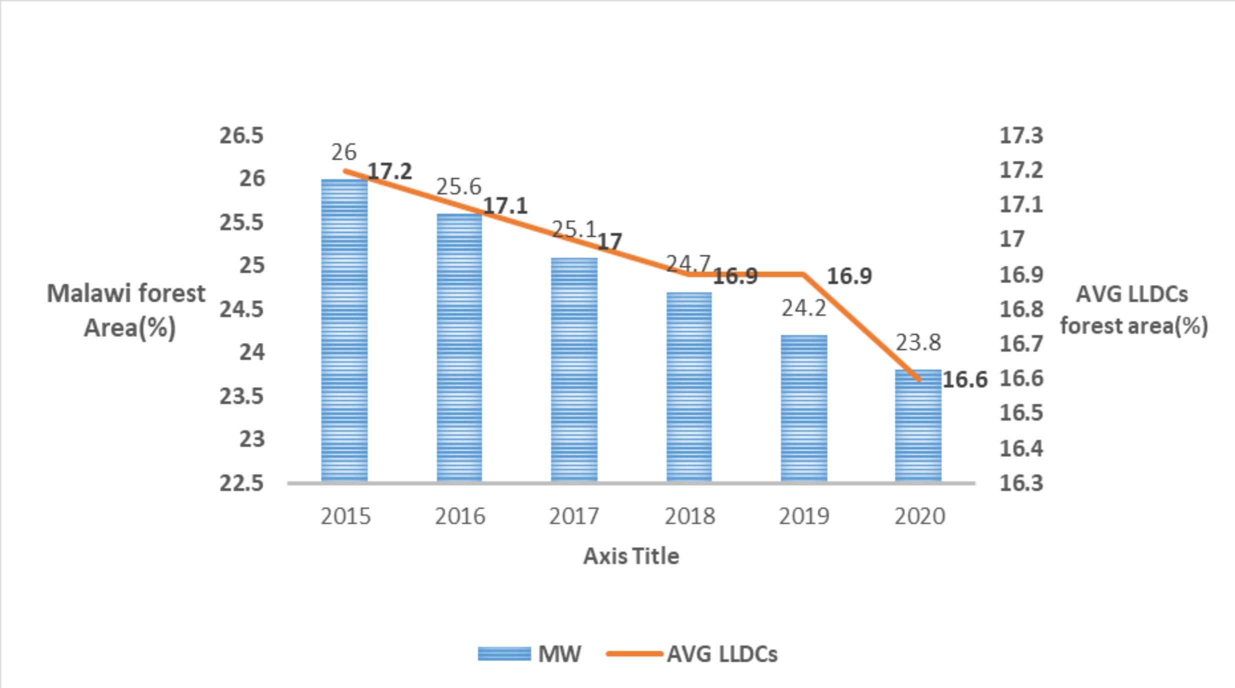



The graph above shows the percentage of women in Malawi's parliament from 2014 to 2022. As we can see, the percentage of women in Malawi's parliament has remained constant at 16.7% from 2014 to 2019. However, there was a significant increase in the percentage of women in parliament in 2020, rising to 22.9%. This increase is attributed to the implementation of the 50-50 campaign, which aimed to increase the representation of women in politics. The percentage of women in Malawi's parliament remained at 22.9% in 2021 and 2022, indicating that the country has maintained its progress in achieving gender equality in politics.

**I. Comparison with Average LLDCs Women in Parliament**

The graph above also shows the average percentage of women in the parliaments of the LLDCs from 2014 to 2022. The average percentage of women in LLDCs' parliaments was 24.6% in 2014, which is higher than Malawi's percentage of 22.3%. However, Malawi's percentage of women in parliament was higher than the average percentage of women in LLDCs' parliaments in 2015, 2016, 2017, and 2018. In 2019, the average percentage of women in LLDCs' parliaments increased to 26.5%, which is higher than Malawi's percentage of 16.7%. However, in 2020 and 2021, the percentage of women in Malawi's parliament (22.9%) was higher than the average percentage of women in LLDCs' parliaments (27.3% and 27.8%, respectively). The percentage of women in Malawi's parliament remained higher than the average percentage of women in LLDCs' parliaments in 2022 as well (22.9% compared to 29.6%).

**Figure 7: Percentage of Forest Area in Malawi**




The graph above shows the percentage of forest area in Malawi from 2015 to 2020. The data reveals a declining trend in the forest area over the years. In 2015, Malawi had a forest area comprising 26% of its total land area, which decreased to 23.8% in 2020. This decline indicates a loss of forest cover in the country over the analyzed period.

### J. Comparison with Average LLDCs Forest Area

The graph above also presents the average percentage of forest area in the LLDCs from 2015 to 2020. The average forest area in LLDCs was 17.2% in 2015, slightly lower than Malawi's forest area of 26%. However, in subsequent years, the average forest area in LLDCs remained relatively stable around 17%, while Malawi's forest area continued to decline.

By 2020, Malawi's forest area of 23.8% was significantly higher than the average forest area of LLDCs, which stood at 16.6%. This represents that, despite the decline in forest cover within its borders, Malawi still maintains a comparatively higher forest area compared to the average LLDCs.

### K. Implications and Conservation Efforts

The decline in forest area in Malawi raises concerns about deforestation and its potential impacts on the environment and local communities. Deforestation can lead to soil erosion, loss of biodiversity, decreased water quality, and adverse effects on climate patterns. It is crucial for Malawi to implement effective conservation strategies and sustainable forest management practices to mitigate these negative consequences.

To address deforestation, government has initiated various conservation efforts. These include promoting community-led forest management, implementing reforestation programs, and strengthening policies against illegal logging and unsustainable practices. Collaborative initiatives involving local communities, non-governmental organizations, and international partners have been instrumental in these conservation endeavors.

## IV Assessment of progress and challenges in the implementation of the VPoA for each priority area

### A. Indicators for Priority 1 – Fundamental Transit Policy Issues

***Table 1: Country Policy and Institutional Assessment (CPIA) on transparency, accountability, and corruption in the public sector rating (1=low to 6=high)***

| Year | Malawi (CPIA) | LLDC Average (CPIA) |
|---|---|---|
| 2014 | 2.5 | 2.8 |
| 2015 | N/A | N/A |
| 2016 | 2.5 | 2.7 |
| 2017 | N/A | N/A |
| 2018 | 2.5 | 2.7 |
| 2019 | 2.5 | 2.7 |
| 2020 | 2.5 | 2.7 |

Note: N/A indicates missing data.

CPIA Transparency, Accountability, and Corruption in the Public Sector Rating:

The CPIA rating ranges from 1 to 6, with 1 representing a low level and 6 indicating a high level of transparency, accountability, and low corruption in the public sector.

From the available data, Malawi consistently received a rating of 2.5 for the years 2014, 2016, 2018, 2019, and 2020. This shows a moderate level of transparency, accountability, and corruption control in the country's public sector. The average CPIA rating for LLDCs during these years is 2.8, except for 2016 and 2018 when it was 2.7. Therefore, the LLDC average indicates a slightly higher level of transparency, accountability, and corruption control in the public sector compared to Malawi.

### B. Analysis of Malawi's Performance

Based on the available data, Malawi's performance in terms of transparency, accountability, and corruption in the public sector is relatively stable, with a consistent CPIA rating of 2.5. This indicates that Malawi has implemented measures to address corruption and enhance accountability in its public sector. However, there is room for improvement to reach the average rating of LLDCs.

When comparing Malawi's CPIA rating with the LLDC average, Malawi falls slightly below the average rating. This means that, on average, LLDCs have made relatively more progress in promoting transparency, accountability, and combating corruption in their public sectors compared to Malawi.

**Table 2: Status of Priority Area 1: Fundamental Transit Policy**

<table>
<tr><th></th><th>Priority Area</th><th>Status</th></tr>
<tr><td colspan="3">Priority Area 1. Fundamental transit policy issues: The first priority area of the Vienna Program of Action report focuses on analyzing the efforts in addressing transit policy issues. This involves examining the actions that the country has taken and identifying both the significant achievements that have been made, as well as the challenges that are currently being faced. A comprehensive analysis has been conducted of the strategies and policies that Malawi has implemented to address these issues. The analysis aims to better understand the progress that has been made and to identify areas where further support and resources may be required to promote sustainable and effective transit policies.</td></tr>
<tr><td>1.1</td><td>The efforts made at the national level to join and endorse relevant international, regional, and sub-regional agreements, as well as other legal instruments that pertain to transit transportation and the facilitation of trade</td><td><ul>
<li>Malawi signed and adopted the Harmonised Tripartite Guidelines for Safe Cross Border Movement of Persons and Personal Goods across the Region during COVID-19 Pandemic.</li>
<li>Malawi established One Stop Border Posts (OSBP) to reduce the cost of cross-border transport by modernizing, simplifying, and harmonizing trade and transit procedures and policies.</li>
<li>OSBP was stablished at Mwami/Mchinji (Zambia/Malawi), Mwanza (Mozambique/Malawi), Dedza (Mozambique/Malawi). The remaining OSBPs are in the process of being established including Kasumulo/Songwe (Tanzania/Malawi), and Mloza (Mozambique/Malawi).</li>
<li>The review of the National Industrial Policy has been completed, and the Ministry will address gaps identified as part of the harmonization process.</li>
<li>The Special Economic Zones Bill has been vetted by the Ministry of Justice.</li>
</ul></td></tr>
<tr><td>1.2</td><td>Progress made in improving coordination and cooperation among national agencies responsible for border and customs controls, both internally and with relevant agencies in transit countries.</td><td><ul>
<li>The NDC was resuscitated with support from the SATCP to assist in harmonizing legal and administrative regulations related to trade.</li>
<li>Malawi is among the countries in the Tripartite FTA involving SADC, COMESA and East African Community (EAC) who will undergo a pilot and deployment of the Corridor Trip Monitoring Systems and Tripartite Information Platform System during the COVID-19.</li>
<li>The National Logistics Strategy was developed, and the National Logistics Forum was established.</li>
<li>Malawi has collaborated on exchanging trade and transport data with transit countries and established Corridor Management Institutions under the SATCP.</li>
<li>National mechanisms with the participation of all relevant stakeholders were established to formulate national transit policies.</li>
<li>Under the OSBP initiative, Malawi scaled down border agencies from 14 to 5 and established a National Single Window.</li>
<li>The SATCP project aimed at increasing private sector activity along the Beira and Nacala corridors of Malawi and Mozambique and supported the Nacala Development Corridor Tripartite Committee.</li>
<li>Malawi has bilateral transport agreements on road, rail, air, and water transportation with neighbouring countries aligned with the requirements at the regional level.</li>
<li>The NTMP was developed to attain a multimodal shift of transportation from road to rail inland water transport, and the private sector was engaged in transport infrastructure financing.</li>
<li>The CBM committee was established to reduce institutions at the borders, and the NSW was established under the OSBP initiative.</li>
</ul></td></tr>
</table>

| | | |
|---|---|---|
| 1.3 | The steps taken by Malawi to join and approve international, regional, and sub-regional agreements and other legal instruments concerning transit transportation and trade facilitation. The progress that has been made to improve collaboration and cooperation among national agencies accountable for border and customs controls and procedures, both domestically and with related agencies in countries of transit. | • Malawi has developed a National Single Window blueprint to ease the clearance of goods at the borders.<br>• The country is undergoing a pilot deployment of the Corridor Trip Monitoring Systems (CTMS) and Tripartite Information Platform System (TRIPS) during the COVID-19.<br>• Malawi has bilateral transport agreements with neighbouring countries, which are aligned to regional requirements.<br>• The government has developed the National Transport Master Plan (NTMP) to attain a multimodal shift of transportation from road to rail inland water transport.<br>• The private sector has been engaged in transport infrastructure financing.<br>• The government has established the Coordinated Border Management (CBM) Committee to reduce institutions at the borders and reduce transit time under the OSBP initiative.<br>• Malawi has established the NSW under the OSBP initiative to enhance coordination and cooperation of national agencies responsible for border and customs controls and procedures between them and with the respective agencies in transit countries.<br>• The resuscitation of the Nacala Development Committee (NDC) with support from the SATCP would assist on trade facilitation through harmonization of legal, administrative regulations related to trade.<br>• The government is developing the National Logistics Strategy and has established the National Logistics Forum, co-chaired by the private sector.<br>• Malawi is collaborating with transit countries to exchange trade and transport data with a view to conducting cross-border transactions faster and more efficiently.<br>• The government has established the CBM under the OSBP initiative to reduce institutions at the borders.<br>• The country is facing challenges such as underdeveloped transport infrastructure, gaps in road, rail, and inland water transportation, and lack of coordination among agencies responsible for border and customs controls and procedures.<br>• The government should focus on developing critical infrastructure such as rail, road, and ports of inland water transportation, and promoting coordination and cooperation among agencies responsible for border and customs controls and procedures. |
| 1.4 | The progress that has been made in developing effective logistics systems by aligning incentives for efficient transport and transit operations, promoting competition and phasing out anti-competitive practices such as cartels and queuing systems wherever possible. | Malawi is encouraging the involvement of private enterprises in a way that fosters competition and does not impede the entry of new players in the market. |
| 1.5 | The advancement in cooperation for sharing trade and transportation information with neighbouring countries to facilitate faster and more effective cross-border transactions. | • The SATCP (Support to African Continental Free Trade Area (AfCFTA) implementation program) is working on establishing an ITC (Integrated Transit Cargo Clearance System) for cross-border transactions.<br>• The ITC will pilot a preclearing system for consignments at the Nacala Mozambique border, which is expected to be more efficient than the current physical clearing process.<br>• Malawi has established bilateral agreements on trade and transport with Tanzania, Mozambique, Zambia, Zimbabwe, and South Africa. |

| | | |
|---|---|---|
| | | <ul><li>The Tripartite Transport Transit Facilitation Programme (TTTFP) has been established to harmonize road transport laws, policies, regulations, and systems among member states of COMESA, SADC, and EAC.</li><li>Member states in the three regional blocs are working on developing, validating, and adopting regulations, systems, and standards on transport.</li></ul> |
| 1.6 | Advancements made in creating national transit policies and setting up relevant mechanisms at the national level involving all pertinent stakeholders. | <ul><li>Malawi has a Transport Sector Performance Monitoring Indicator Framework (TSPMIF) to monitor corridor performance and inform discussions with transport associations</li><li>Malawi has Bilateral Transport Agreements with neighbouring countries to align with regional requirements</li><li>Development of the National Transport Master Plan (NTMP) to attain a multimodal shift of transportation from road to rail and inland water transport</li><li>Engagement of the private sector in transport infrastructure financing</li><li>Establishment of a Coordinated Border Management (CBM) Committee to reduce transit time under the OSBP initiative</li><li>Progress made to enhance coordination and cooperation of national agencies responsible for border and customs controls</li><li>Actions taken to promote the simplification, transparency, and harmonization of legal and administrative regulations related to transit systems</li><li>Development of the National Logistics Strategy and establishment of the National Logistics Forum co-chaired by the private sector</li><li>Collaboration on exchanging trade and transport data with transit countries through the Corridor Management Institutions</li><li>Shortcomings in transport infrastructure, rail, road, and inland water transportation are underdeveloped</li><li>The Government is undertaking infrastructure projects to address bottlenecks for improved service delivery</li></ul> |
| 1.7 | One of the limitations is the presence of bottlenecks in critical infrastructure, which impede the seamless flow of traffic during transit. | <ul><li>The Government of Malawi has taken various actions to address transport infrastructure bottlenecks.</li><li>The government is reducing transit time at the borders and upgrading roads and railway lines.</li><li>The private sector is being engaged in transport infrastructure financing.</li><li>The Coordinated Border Management Committee (CBM) has been established to reduce institutions at the borders.</li><li>Progress has been made in operationalizing CBMs at the borders.</li><li>The Nacala Development Committee (NDC) has been resuscitated with support from the Southern Africa Transport and Communications Project (SATCP).</li><li>The resuscitation of the NDC is expected to assist in trade facilitation through the harmonization of legal and administrative regulations related to trade.</li><li>The government is collaborating with other transit countries to exchange trade and transport data.</li><li>The government is simplifying the trade regime and developing mechanisms for facilitating transit during pandemics.</li><li>The Ministry of Transport and Ministry of Trade and Industry are responsible for implementing these measures.</li><li>Progress towards effective logistics systems and phasing out anti-competitive practices such as cartels and queuing systems wherever possible is limited.</li><li>The National Logistics Forum has been established and is co-chaired by the private sector.</li></ul> |

| | | |
|---|---|---|
| | | • The National Logistics Strategy is currently being developed. |

## PRIORITY AREA 2: INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE

### i. Passenger and Flight Volume by Mode of Transport

#### Air Transport

Malawi's air transport performance is assessed by comparing it with other LLDCs using the provided data in table 43 in the annex. According to the data, Malawi's total air transport in 2023 was recorded at 1,354 passengers, while LLDCs had an average of 1,870. This indicates that Malawi's air transport is relatively lower than the LLDC average.

Among the LLDCs, Malawi has shown consistent growth in air transport over the years, with a steady increase from 1,644 passengers in 2017 to 2,327 passengers in 2023. This growth is encouraging, indicating an expanding air travel industry in the country. However, it is essential to note that Malawi's air transport figures are still lower compared to other LLDCs.

In terms of total LLDCs, Malawi's figures rank fifth out of seven countries, indicating room for improvement. This suggests that Malawi has the potential to enhance its air transport sector further. By focusing on infrastructure development, enhancing connectivity, and attracting investment in the aviation industry, Malawi can aim to bridge the gap with other LLDCs and potentially surpass the average air transport performance.

Additionally, it is worth considering the geographical and economic challenges faced by LLDCs. Being landlocked poses logistical challenges for Malawi in terms of air transport connectivity and access to international markets. To overcome these obstacles, Malawi can explore collaborations with neighboring countries, develop regional air transport networks, and invest in modernizing airport infrastructure.

### ii. Total Official International Support for Infrastructure

Malawi's Total Official International Support for Infrastructure can be evaluated by comparing it with other LLDCs using the provided data. The data shows that Malawi received a relatively low level of support in the infrastructure sector. From 2014 to 2020, Malawi's support ranged from 61 to 263, with an average of 156.5. In contrast, LLDCs had an average support of 6,708.4 during the same period.

When compared to other LLDCs, Malawi's figures consistently fall below the average. This indicates that Malawi has been receiving relatively limited international support for infrastructure development. The country faces challenges in terms of inadequate funding for improving its infrastructure, hindering economic growth and development.

To address this issue, Malawi should focus on attracting increased international support, engaging in strategic partnerships, and seeking foreign investments in infrastructure projects. By enhancing collaboration with development partners and exploring innovative financing models, Malawi can work towards closing the gap between its support levels and the LLDC average.

It is important to consider the unique challenges faced by LLDCs in terms of their geographical location and limited access to coastal areas. These factors can contribute to higher infrastructure costs and hinder connectivity with international markets. Malawi can leverage regional cooperation and engage in cross-border infrastructure projects to overcome these challenges and enhance its connectivity.

### iii. Energy Indicators

#### a. Malawi's Access to Electricity

Malawi's Access to Electricity (percentage of population) is analyzed by comparing it with other LLDCs using the provided data in table 43 in the annex. The figures indicate that Malawi's access to electricity is lower than the average of LLDCs. In 2023, Malawi recorded 14.9% access to electricity, while LLDCs had an average of 58.5%.

The data reveals that Malawi has consistently recorded lower access to electricity over the years, with a range of 10.8% to 18%. This indicates a need for significant improvements in the country's energy sector. Access to electricity is critical for economic development, social welfare, and improving the standard of living for citizens.

To address the challenge of inadequate access to electricity, Malawi should focus on developing its energy infrastructure, promoting the use of renewable energy sources, and enhancing access to modern technologies. Malawi can collaborate with development partners and seek investment opportunities in the energy sector to bridge the gap with other LLDCs.

It is important to note that access to electricity is a significant challenge faced by many LLDCs. These countries face various obstacles in terms of limited resources, inadequate infrastructure, and technical challenges, hindering their ability to expand their energy sector. Malawi can engage in regional cooperation and explore cross-border energy projects to overcome these challenges and enhance access to electricity.

In conclusion, Malawi's Access to Electricity is comparatively lower than the LLDC average, indicating a need for significant improvements in the country's energy sector. By prioritizing investments in energy infrastructure, promoting renewable energy, and seeking partnerships with international development partners, Malawi should work towards improving access to electricity and contributing to sustainable economic growth and development.

#### b. Clean Cooking
**Proportion of Population with Primary Reliance on Clean Fuels and Technology (percentage)**

According to the provided data in table 43 in the annex, the proportion of the population with primary reliance on clean fuels and technology is consistently less than 5% across multiple time periods. This illustrates a low adoption rate of clean cooking practices within the surveyed region. In comparison, the average low LLDCs exhibit slightly higher figures, with an average of 26-27% reliance on clean fuels and technology.

These findings highlight the significant challenges in promoting clean cooking practices within the surveyed region. The low proportion indicates a prevalent use of traditional cooking methods, such as biomass fuels like wood and charcoal, which can have adverse effects on health, environment, and socio-economic conditions.

To address this issue, concerted efforts are required to raise awareness about the benefits of clean cooking and promote the adoption of clean fuels and technologies. This may include initiatives such as subsidized clean cooking solutions, educational campaigns, and infrastructure development to facilitate access to clean fuels.

By increasing the proportion of the population relying on clean cooking, the region can experience various benefits, including improved indoor air quality, reduced deforestation and environmental degradation, enhanced gender equality, better health outcomes, and increased economic productivity. Collaboration between governments, international organizations, and local communities is crucial to driving the necessary changes and achieving sustainable and inclusive development.

**iv. Renewable Energy**

**a. Renewable Energy Consumption (percentage of total final energy consumption)**

The data provided in table 43 in the annex illustrates the percentage of renewable energy consumption compared to the total final energy consumption, both for Malawi and the average LLDCs over a span of years.

Malawi exhibited a decreasing trend in renewable energy consumption from 2014 to 2019. Starting at 82.7% in 2014, it gradually declined to 73% in 2019. On the other hand, LLDCs displayed a relatively higher average of renewable energy consumption, ranging from 42.8% in 2014 to 43.1% in 2019.

These findings suggest that Malawi has a higher reliance on non-renewable energy sources such as fossil fuels. This has implications for energy security, environmental sustainability, and climate change mitigation.

To address this disparity and promote the adoption of renewable energy, it is essential to implement effective policies and initiatives. This may involve incentivizing renewable energy projects, improving energy infrastructure, and facilitating technology transfer. Encouraging investments in renewable energy can contribute to reducing greenhouse gas emissions, enhancing energy access, and promoting sustainable development.

Collaboration between the Government, private sector entities, and international organizations is crucial to drive the necessary changes. Sharing best practices and experiences with LLDCs that have made progress in renewable energy consumption can provide valuable insights and guidance.

Transitioning towards a greater reliance on renewable energy sources offers multiple benefits, including mitigating climate change impacts, reducing dependence on fossil fuels, and fostering economic growth through job creation and energy security.

By embracing renewable energy, both Malawi and other LLDCs can contribute to global efforts to combat climate change while ensuring a sustainable and resilient energy future for their populations.

### v. Access to Internet

### a. Percentage of Individuals Using the Internet

The provided data in table 43 in the annex presents the percentage of individuals using the internet, comparing Malawi with average LLDCs over a period of years.

From the data, it can be observed that Malawi had a relatively low level of internet access in 2014, with only 5.8% of individuals using the internet. However, there was a gradual increase in internet penetration, reaching 15.5% by 2019. Unfortunately, data for 2020 and 2021 is missing, making it difficult to assess recent trends.

In comparison, LLDCs showed a consistently higher average percentage of individuals using the internet, ranging from 17.4% in 2014 to 32.3% in 2021. This indicates that LLDCs have been able to improve internet access more rapidly than Malawi.

Developed countries showcased a significantly higher level of internet access, with figures ranging from 75.8% to 90% over the provided years. This demonstrates a robust digital infrastructure and high internet penetration rates within these countries.

Developing countries started with a lower percentage in 2014, at 39.1%, but showed a gradual increase, reaching 59.1% in 2021. This indicates progress in improving internet access, although there is still a considerable gap compared to developed countries.

Enhancing internet access is crucial for inclusive development, as it provides opportunities for education, e-commerce, communication, and social connectivity. Malawi should prioritize investments in digital infrastructure, broadband connectivity, and digital literacy programs to bridge the digital divide.

Government, private sector entities, and international organizations should collaborate to address the challenges associated with internet access. This includes policies to ensure affordability, expansion of broadband networks, and initiatives to promote digital skills and awareness.

By learning from the experiences of LLDCs, developed countries, and other successful examples, Malawi can accelerate progress in achieving widespread internet access, fostering socio-economic growth, and benefiting from the opportunities offered by the digital age.

### vi. Mobile Cellular Subscription

### a. Mobile Cellular Telephone Subscriptions per 100 inhabitants

The data provided in table 43 in the annex illustrates the mobile cellular telephone subscriptions per 100 inhabitants for Malawi and average LLDCs from 2014 to 2021.

Malawi displayed a consistent increase in mobile cellular subscriptions per 100 inhabitants, rising from 34.6 in 2014 to 60 in 2021. In contrast, LLDCs showed a significantly higher rate of mobile cellular subscriptions, ranging from 66.9 in 2014 to 77 in 2021.

Developed countries exhibited the highest rate of mobile cellular subscriptions, with a sharp increase from 112 in 2014 to 138.5 in 2021. Similarly, developing countries showed a steady increase, rising from 91.4 in 2014 to 105 in 2021.

These findings indicate that Malawi has made significant progress in mobile cellular technology, but still lags behind developed and developing countries. Mobile cellular technology has the potential to drive economic growth, enhance social inclusion, and improve access to information and services.

To further promote mobile cellular technology adoption, policies and initiatives must prioritize expanding network coverage, reducing the cost of mobile devices and services, and enhancing digital literacy. Encouraging private sector investment in mobile infrastructure and services plays a critical role in expanding access to mobile technology.

Sharing best practices and experiences with developed and developing countries that have made progress in mobile cellular technology provides valuable insights and guidance. Collaboration between governments, private sector entities, and international organizations is essential to drive the necessary changes.

## PRIORITY AREA 3: INTERNATIONAL TRADE AND TRADE FACILITATION

### i. Merchandise exports

### a. Total merchandise exports (US$ millions)

The data provided in table 43 in the annex represents the total merchandise exports in US$ millions for Malawi and average LLDCs from 2014 to 2021.

For Malawi, the total merchandise exports experienced fluctuations over the specified period. It reached its peak at US$1370 million in 2014, but then witnessed a downward trend, dropping to US$874 million in 2021.

In comparison, LLDCs exhibited varying levels of total merchandise exports, ranging from US$138,675 million in 2016 to US$224,463 million in 2014. The data showcases fluctuations but indicates an overall upward trend, with US$217,268 million in 2021.

Malawi demonstrated a consistently higher level of total merchandise exports, with figures ranging from US$870 million in 2018 to US$1,370 million in 2014. Furthermore, Malawi showed fluctuations, but the data indicates an upward trend, reaching US$859 million in 2019 and US$874 million in 2021.

The findings highlight the disparities in total merchandise exports between Malawi and LLDCs. Malawi appears to have a lower export volume compared to LLDCs.

To enhance total merchandise exports, Malawi should focus on diversifying its export base, promoting trade agreements, improving trade facilitation, and enhancing competitiveness. Strengthening infrastructure, implementing supportive policies, and encouraging investments in key sectors can contribute to expanding export opportunities.

Sharing best practices and experiences with LLDCs, developed countries, and successful exporters in the developing world can provide valuable insights and strategies. Collaboration between governments, private sector entities, and international organizations is crucial to creating an enabling environment for export growth.

Increasing total merchandise exports can foster economic growth, generate employment opportunities, and promote sustainable development. It can also help Malawi to integrate into the global economy and reduce dependence on a narrow range of exports, contributing to long-term resilience and economic stability.

### ii. Merchandize Imports

#### a. Total merchandise imports (US$ millions)

The data provided in table 43 in the annex represents the total merchandise imports in US$ millions for Malawi and LLDCs from 2014 to 2021.

For Malawi, the total merchandise imports showed fluctuations over the specified period. It ranged from US$2,210 million in 2016 to US$3,073 million in 2021, with an overall increasing trend.

In comparison, LLDCs displayed varying levels of total merchandise imports, ranging from US$173,053 million in 2016 to US$249,774 million in 2021. The data suggests an overall increasing trend, reflecting the growing import activities in LLDCs.

Malawi demonstrated consistently higher levels of total merchandise imports, ranging from US$2,796 million in 2018 to US$3,073 million in 2021. Similarly, LLDCs showed fluctuations, but the data indicates an overall upward trend, reaching US$2,897 million in 2019.

These findings highlight the disparities in total merchandise imports between Malawi and LLDCs. Malawi appears to have a lower import volume compared to both developed and developing countries.

To enhance total merchandise imports, Malawi should focus on diversifying its import sources, improving trade facilitation, and enhancing competitiveness. Implementing policies that promote domestic production, fostering innovation, and strengthening supply chains can contribute to reducing import dependency and promoting sustainable development.

Sharing best practices and experiences with LLDCs, developed countries, and successful importers in the developing world can provide valuable insights and strategies. Collaboration between governments, private sector entities, and international organizations is also crucial to creating an enabling environment for import growth.

Increasing total merchandise imports can provide access to a wider range of goods and technologies, support domestic industries, and stimulate economic growth. It is important for Malawi to carefully manage its import activities, ensuring a balance between meeting domestic needs and promoting local production.

Efforts should be made to improve trade infrastructure, enhance customs procedures, and promote sustainable and responsible trade practices. By doing so, Malawi can strengthen its integration into the global economy and create opportunities for economic diversification and development.

### iii. Participation in Global Trade (exports)
### a. Share of Merchandise Exports in Global Trade (%)

Malawi is a predominantly agricultural-based economy, with tobacco, tea, and sugar being its main exports. As a landlocked country, Malawi faces significant challenges in participating in global trade, which affects its economic growth. In this report, we examine Malawi's share of merchandise exports in global trade and compare it to other LLDCs.

According to the data provided in table 43 in the annex, Malawi's share of merchandise exports in global trade has been consistently low, averaging around 0.005% from 2015 to 2019. This is significantly lower than the average share of LLDCs, which fluctuated between 0.86% and 1.01% during the same period. While Malawi's share of global trade has remained relatively stable over the years, LLDCs as a whole have experienced slight fluctuations.

One of the main reasons for Malawi's low participation in global trade is its landlockedness. As a result, the country faces significant transportation challenges in getting merchandise to international markets. This can lead to longer shipping times and higher transportation costs, making Malawi's exports less competitive on the global market. Moreover, Malawi's reliance on agriculture may also limit the range of products available for export, making it difficult to diversify its exports and enter new markets.

In comparison, other LLDCs face similar challenges in participating in global trade. For instance, Afghanistan, Bhutan, and Lesotho are also landlocked and have limited infrastructure, making it challenging for them to access international markets. However, these countries have been able to increase their share of merchandise exports in global trade, with Afghanistan experiencing an increase from 0.06% in 2015 to 0.09% in 2019.

To increase Malawi's participation in global trade, the country may need to invest in infrastructure, improve its transportation networks, and diversify its economy. This can involve investing in new sectors such as manufacturing and services, which can provide new export opportunities. Additionally, Malawi can explore opportunities to partner with other countries in the region to increase access to international markets.

### iv. Trade as % of GDP (Exports)
### a. Exports as % of GDP

The data provided presents the trade as a percentage of GDP (exports) for Malawi in comparison to the average figures for LLDCs from 2014 to 2020. This report aims to analyze and provide insights into the trends and implications of exports as a percentage of GDP for Malawi and LLDCs based on the given data.

**Table 3 below illustrates the data for exports as a percentage of GDP**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Malawi | 27.5 | 24.1 | 22.2 | 16.6 | 15.5 | 14.2 | 6.7 |
| Average LLDCs | 28.2 | 26.2 | 26.4 | 27.5 | 29.2 | 29.2 | 20.4 |

Exports as a percentage of GDP is a crucial indicator that reflects the significance of trade in an economy. It provides insights into the reliance on exports for economic growth and development.

Analyzing the data, we observe that Malawi's exports as a percentage of GDP experienced a gradual decline from 2014 to 2020. In 2014, exports accounted for 27.5% of Malawi's GDP, but by 2020, this ratio decreased to 6.7%. This downward trend suggests a decreasing reliance on exports for Malawi's overall economic output.

Comparatively, the average exports-to-GDP ratio for LLDCs remained relatively stable during the same period. LLDCs had an average ratio ranging from 26.2% to 29.2% from 2014 to 2020. While there were slight fluctuations, LLDCs maintained a higher export-to-GDP ratio as compared to Malawi.

The decline in Malawi's exports as a percentage of GDP can be attributed to various factors. Firstly, Malawi's heavy reliance on agriculture, particularly tobacco, exposes its economy to vulnerability due to price fluctuations and external market conditions. Climate change also continues to be a setback to agricultural productivity thereby negatively affecting exports. As a landlocked country, challenges related to transportation infrastructure, limit Malawi's ability to access global markets and hinder its export potential.

LLDCs, on average, have a higher exports-to-GDP ratio, which may be influenced by several factors. Some LLDCs might benefit from favorable geographic locations or have diversified export sectors, enabling them to achieve higher ratios.

### v. Trade as % of GDP (Imports)

### a. Imports as % of GDP

The provided data presents the trade as a percentage of GDP (imports) for Malawi compared to the average figures for LLDCsfrom 2014 to 2020. This report aims to analyze and provide insights into the trends and implications of imports as a percentage of GDP for Malawi and LLDCs based on the given data.

**Table 4 below illustrates the data for imports as a percentage of GDP**

| | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
|---|---|---|---|---|---|---|---|
| MW | 50.5 | 39.6 | 45.3 | 43.8 | 40.9 | 33.5 | 26.1 |
| Average LLDCs | 43.6 | 41.3 | 40.2 | 40.3 | 43.1 | 42.4 | 30.2 |

Imports as a percentage of GDP reflects the significance of trade in terms of goods and services that a country purchases from foreign markets. It provides insights into the reliance on imports for domestic consumption and economic activities.

Analyzing the data, we observe that Malawi's imports as a percentage of GDP experienced fluctuations from 2014 to 2020. The ratio ranged from a high of 50.5% in 2014 to a low of 26.1% in 2020. This indicates variations in the country's reliance on imports for its economic activities.

Comparatively, LLDCs had a relatively stable average imports-to-GDP ratio during the same period. LLDCs had an average ratio ranging from 40.2% to 43.6% from 2014 to 2020. While there were slight fluctuations, LLDCs maintained a somewhat consistent level of imports as a percentage of GDP.

The fluctuations in Malawi's imports-to-GDP ratio can be attributed to various factors. Economic conditions, government policies, and exchange rates can influence the demand for imports and affect the overall ratio. Additionally, Malawi's reliance on imports for essential goods and capital equipment can contribute to the variations in the imports-to-GDP ratio.

LLDCs, on average, have a slightly lower imports-to-GDP ratio as compared to Malawi. This implies that Malawi relies more on imports than her LLDCs peers. Going forward, it is important to improve productivity of the economy so that Malawi is able to consume products available locally.

### vi. Structure of LLDCs exports (primary commodities)

The provided data showcases the structure of exports in LLDCs, specifically focusing on the share of primary commodities, precious stones, and non-monetary gold in merchandise exports. The report aims to analyze and provide insights into the export structure of Malawi in comparison to the average figures for LLDCs from 2014 to 2021.

**Table 5 below illustrates the data for the share of primary commodities, precious stones, and non-monetary gold in merchandise exports**

| | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|---|---|---|
| Malawi | 79.7 | 85.9 | 90.4 | 92.7 | 91.5 | 93.3 | 88.8 | 93.3 |
| Average LLDCs | 86.2 | 83.2 | 81.8 | 82.7 | 83.4 | 83.2 | 82.3 | 83 |

The share of primary commodities, precious stones, and non-monetary gold in merchandise exports reflects the degree to which LLDCs rely on these sectors for their export revenues.

Analyzing the data, we observe that Malawi has consistently had a high share of primary commodities, precious stones, and non-monetary gold in its merchandise exports from 2014 to 2021. The share ranged from 79.7% in 2014 to 93.3% in 2019 and 2021. This indicates a heavy reliance on these sectors for generating export revenues.

Comparatively, LLDCs, on average, have a slightly lower share of primary commodities, precious stones, and non-monetary gold in their merchandise exports. The average share for LLDCs ranged from 81.8% to 86.2% from 2014 to 2021. While there were slight fluctuations, LLDCs maintained a relatively high dependence on these sectors for their export revenues.

The high share of primary commodities, precious stones, and non-monetary gold in Malawi's merchandise exports can be attributed to several factors. Malawi's economy is predominantly agrarian, with agriculture being a significant source of export revenues. Primary commodities such as tobacco, tea, sugar, and coffee are major export products for the country. Additionally, Malawi has reserves of precious stones and non-monetary gold, contributing to their share in merchandise exports.

The relatively high share of these sectors in LLDCs' merchandise exports may be influenced by factors such as limited diversification in export industries, limited access to global markets, and challenges in developing value-added industries.

**vii. Structure of LLDCs exports (manufactured goods)**

The provided data showcases the share of manufactured goods in merchandise exports for Malawi and the average figures for LLDCs from 2014 to 2021. This report aims to analyze and provide insights into the structure of LLDCs' exports in terms of the share of manufactured goods, comparing Malawi with the average figures for LLDCs based on the given data.

**Table 6 below illustrates the data for the share of manufactured goods in merchandise exports**

| | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
|---|---|---|---|---|---|---|---|---|
| MW | 16.5 | 11.7 | 9.5 | 7.1 | 8.4 | 6.7 | 11.2 | 6.7 |
| Average LLDCs | 13.4 | 11.6 | 17.5 | 16.9 | 16.4 | 16.8 | 17.7 | 17 |

The share of manufactured goods in merchandise exports indicates the level of diversification and value addition in a country's export portfolio. A higher share of manufactured goods reflects a more developed industrial sector, technological advancements, and increased competitiveness in global markets.

Analyzing the data, we observe that Malawi's share of manufactured goods in merchandise exports experienced fluctuations from 2014 to 2021. The share ranged from a high of 16.5% in 2014 to a low of 6.7% in 2019 and 2021. This indicates variations in the country's level of reliance on manufactured goods for its export revenues.

Comparatively, LLDCs, on average, had a slightly higher share of manufactured goods in merchandise exports during the same period. The average share for LLDCs ranged from 11.6% to 17.7% from 2014 to 2021. While there were fluctuations, LLDCs maintained a relatively higher level of manufactured goods in their export portfolios compared to Malawi.

The fluctuations in Malawi's share of manufactured goods in merchandise exports can be attributed to various factors. Economic conditions, industry composition, and export diversification efforts can influence the level of reliance on manufactured goods. Additionally, Malawi's agricultural sector, which relies on primary commodities, may contribute to a relatively lower share of manufactured goods in its exports.

LLDCs, on average, have made progress in increasing the share of manufactured goods in their merchandise exports. This indicates efforts to diversify their export base, promote industrialization, and enhance value addition. However, the relatively higher average share of manufactured goods for LLDCs may also reflect their challenges in accessing global markets and competing with more developed economies in high-value manufacturing sectors.

**INDICATOR FOR PRIORITY AREA 4: REGIONAL INTERGRATION AND COOPERATION**

**i. Participation in region trade agreements (RTA)**

### a. Cumulative number of physical RTAs in force

The provided data presents the cumulative number of physical Regional Trade Agreements (RTAs) in force for Malawi and the average figures for LLDCs from 2014 to 2022. This report aims to analyze and provide insights into the participation of Malawi and LLDCs in regional trade agreements based on the given data.

**Table 7 below illustrates the cumulative number of physical RTAs in force**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|
| MW | 2 | | | | | | | | 2 |
| Average LLDCs | 3.34 | | | | | | | | 4.35 |

The cumulative number of physical RTAs in force reflects the level of participation of countries in regional trade integration initiatives. RTAs aim to promote economic cooperation, enhance market access, and facilitate the flow of goods, services, and investments among participating countries.

Analyzing the data, we observe that Malawi had a cumulative number of 2 physical RTAs in force in 2014 and 2021. However, specific information regarding the years between 2014 and 2021 is not provided. Therefore, it is unclear whether Malawi entered into additional RTAs during those years. This notwithstanding, Malawi now party to the Tripartite FTA involving SAC, COMESA and the East African Community (EAC). Malawi has also signed and ratified the African Continental Free Trade Area (AfCFTA).

Comparatively, LLDCs, on average, had a higher cumulative number of physical RTAs in force. The average for LLDCs ranged from 3.34 to 4.35, indicating a relatively greater level of participation in regional trade agreements as compared to Malawi.

Participation in regional trade agreements offers several benefits to countries, including enhanced market access, increased trade flows, and opportunities for economic diversification. By participating in RTAs, countries can leverage regional integration to stimulate economic growth, attract investment, and strengthen their competitiveness in global markets.

To provide a more comprehensive analysis and assessment of the participation of Malawi and LLDCs in regional trade agreements, it would be necessary to have more detailed data on the specific RTAs entered into by these countries. This would include information on the scope of the agreements, the participating countries, and the provisions and commitments included within them.

## INDICATOR FOR PRIORITY AREA 5: STRUCTURAL ECONOMIC TRANSFORMATION

### i. GDP sector contribution (value added approach)

### a. Agriculture, forestry and fishing (% of GDP)

The provided data presents the contribution of the agriculture, forestry, and fishing sector to the GDP using the value-added approach for Malawi and the average figures for LLDCs from 2014 to 2021. This report aims to analyze and provide insights into the sectoral contribution of agriculture, forestry, and fishing to GDP, comparing Malawi with the average figures for LLDCs based on the given data.

**Table 8 below illustrates the contribution of agriculture, forestry, and fishing to GDP**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 28.7 | 27.5 | 25.9 | 26.1 | 26.3 | 25.5 | 21.1 | 22.7 |
| Average LLDCs | 15.3 | 16.2 | 16.8 | 15.7 | 14 | 16.2 | 16.5 | 16.4 |

The contribution of the agriculture, forestry, and fishing sector to GDP indicates the relative importance of these sectors in the overall economy of a country. A higher percentage implies a greater reliance on these sectors for economic activity and employment.

Analyzing the data, we observe that the agriculture, forestry, and fishing sector has been a significant contributor to Malawi's GDP. From 2014 to 2021, the sector's contribution moved from 28.7% in 2014 to 21.1% in 2020. Despite the slight decrease, the sector has consistently held a substantial share of GDP, indicating its importance to the Malawian economy.

Comparatively, LLDCs, on average, had a lower contribution of the agriculture, forestry, and fishing sector to GDP during the same period. The average contribution ranged from 14.0% to 16.8%. This shows that, on average, LLDCs have a relatively smaller reliance on these sectors as compared to Malawi.

The relatively high contribution of the sector to Malawi's GDP highlights the significance of these sectors for the country's economic development and employment generation. It also reflects the country's agrarian structure, where a significant portion of the population is engaged in agricultural activities.

The lower average contribution for LLDCs may be influenced by various factors, including differences in economic structures, levels of industrialization, and diversification efforts. LLDCs, as a group, may be undertaking initiatives to promote economic diversification and reduce dependence on traditional agricultural activities.

To enhance economic growth and promote sustainable development, it is essential for countries like Malawi and other LLDCs to focus on diversifying their economies beyond agriculture, forestry, and fishing. This can involve promoting investments in other sectors such as manufacturing, services, and technology-driven industries, which can lead to higher productivity, innovation, and competitiveness.

Additionally, for countries with a high reliance on the agriculture, forestry, and fishing sector, it is crucial to address challenges such as limited access to finance, lack of infrastructure, climate change impacts, and market access barriers. By addressing these challenges, countries can unlock the potential for agricultural modernization, value addition, and increased market integration.

**b. Services (% of GDP)**

The provided data presents the contribution of the services sector to the GDP using the value-added approach for Malawi and the average figures for LLDCs from 2014 to 2021. This report aims to analyze and provide insights into the sectoral contribution of services to GDP, comparing Malawi with the average figures for LLDCs based on the given data.

**Table 9 below illustrates the contribution of the services sector to GDP**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 49.8 | 50.2 | 51.9 | 52.4 | 52.6 | 54.4 | 55.6 | 52.4 |
| Average LLDCs | 46.3 | 48.4 | 47 | 4.3 | 46.9 | 46.6 | 44.2 | 40.2 |

The contribution of the services sector to GDP reflects the importance of various service industries, such as finance, transportation, communication, tourism, and other business services, in driving economic activity and employment.

Analyzing the data, we observe that the services sector has been a significant contributor to Malawi's GDP. From 2014 to 2021, the sector's contribution ranged from 49.8% in 2014 to 55.6% in 2020. Although there have been slight fluctuations, the services sector has consistently held a substantial share of GDP, indicating its importance to the Malawian economy.

Comparatively, LLDCs, on average, had a lower contribution of the services sector to GDP during the same period. The average contribution ranged from 40.2% to 48.4%. This shows that, on average, LLDCs have a relatively smaller reliance on the services sector compared to Malawi.

The relatively high contribution of the services sector to Malawi's GDP highlights the importance of these industries for the country's economic development and employment generation. It reflects the growth and expansion of sectors such as finance, telecommunications, transport, and tourism, which have contributed to the overall economic performance of Malawi.

The lower average contribution for LLDCs may be influenced by various factors, including differences in economic structures, levels of development, and access to infrastructure and services. LLDCs may have relatively higher shares of their GDP derived from primary sectors such as agriculture and mining, or face challenges in developing a robust and diversified services sector.

To enhance economic growth and promote sustainable development, both Malawi and LLDCs should focus on further developing their services sectors. This can involve investments in infrastructure, human capital development, regulatory reforms, and the promotion of entrepreneurship and innovation. Strengthening the services sector can lead to job creation, increased productivity, and the generation of additional revenue streams.

Furthermore, enhancing regional and international connectivity and trade facilitation can unlock opportunities for service exports, such as tourism, business services, and digital services. Engaging in regional integration efforts and improving the investment climate can attract foreign direct investment and stimulate the growth of the services sector.

**c. Industry, including construction (% of GDP)**

The provided data presents the contribution of the industry, including construction sector, to the GDP using the value-added approach for Malawi and the average figures for LLDCs from 2014 to 2021. This section aims to analyze and provide insights into the sectoral contribution of industry, including construction, to GDP, comparing Malawi with the average figures for LLDCs based on the given data.

**Table 10 below illustrates the contribution of the industry, including construction sector, to GDP**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 14.6 | 14.8 | 14.6 | 14.4 | 13.9 | 12.9 | 17.2 | 18.4 |
| Average LLDCs | 31.2 | 28.6 | 27.5 | 28.3 | 29.4 | 29 | 25.8 | 26.3 |

The contribution of the industry, including construction sector, to GDP reflects the level of industrialization and infrastructure development within an economy. It includes manufacturing, mining, utilities, and construction activities.

Analyzing the data, we observe that the industry, including the construction sector, has been a relatively smaller contributor to Malawi's GDP compared to LLDCs. From 2014 to 2021, the sector's contribution in Malawi ranged from 12.9% in 2019 to 18.4% in 2021. Although there have been some fluctuations, the sector's contribution has shown a moderate increase over the years.

Comparatively, LLDCs, on average, had a higher contribution of the industry, including construction sector, to GDP during the same period. The average contribution ranged from 25.8% to 31.2%. This indicates that, on average, LLDCs have a greater reliance on industrial and construction activities as compared to Malawi.

The lower contribution of the industry, including construction sector, in Malawi's GDP may be influenced by several factors. These factors may include limited infrastructure development, challenges in attracting investments in manufacturing and mining, and a relatively higher dependence on the agricultural sector.

To enhance economic growth and promote industrial development, it is crucial for Malawi to focus on strengthening its industrial and construction activities. This can involve investing in infrastructure projects, promoting manufacturing and value-added industries, and implementing policies that attract both domestic and foreign investments in the industrial sector.

Learning from the experience of LLDCs, Malawi can also consider exploring opportunities for regional integration, promoting trade facilitation, and improving the business environment to stimulate industrial growth. Encouraging innovation, entrepreneurship, and skills development can also contribute to the growth and competitiveness of the industry, including the construction sector.

**d. Contribution of the manufacturing sector to GDP(%)**

The provided data presents the contribution of the manufacturing sector to the using the value-added approach for Malawi and the average figures for LLDCs from 2014 to 2021. This report aims to analyze and provide insights into the sectoral contribution of manufacturing to GDP, comparing Malawi with the average figures for LLDCs based on the given data.

**Table 11 below illustrates the contribution of the manufacturing sector to GDP**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 9.5 | 9.6 | 9.5 | 9.4 | 9.1 | 11.8 | 12.2 | 12.1 |
| Average LLDCs | 9.6 | 9.9 | 10.4 | 10.3 | 10.2 | 10.4 | 9.1 | 9.7 |

The contribution of the manufacturing sector to GDP reflects the level of industrialization and the production of manufactured goods within an economy. It includes activities such as the production of machinery, textiles, chemicals, and other manufactured products.

Analyzing the available data, we can observe that the manufacturing sector has contributed moderately to Malawi's GDP. The data provided indicates that the sector's contribution in Malawi ranged from 9.4% in 2017 to 9.6% in 2015 and 2019. There are is a noticeable improvement in the contribution of manufacturing to GDP in the outer year having moved to over 12% between 2020 and 2021.

Comparatively, LLDCs, on average, had a similar or slightly higher contribution of the manufacturing sector to GDP during the same period. The average contribution ranged from 9.1% to 10.4%. This shows that, on average, LLDCs have a comparable level of manufacturing activity as Malawi.

However, it is important to note that the available data for Malawi is incomplete, as figures for the manufacturing sector contribution in 2018, 2020, and 2021 are not provided. Therefore, it is challenging to draw definitive conclusions regarding Malawi's manufacturing sector performance in those years.

To enhance the contribution of the manufacturing sector to GDP, Malawi can focus on several key areas. These include implementing policies that promote industrialization, attracting investments in manufacturing, improving infrastructure and logistics, fostering innovation and technology adoption, and enhancing the skills of the workforce. Additionally, fostering regional integration and trade agreements can provide opportunities for market access and export growth for manufactured goods.

Learning from the experiences of other LLDCs, Malawi can also explore the potential for regional cooperation, knowledge sharing, and technology transfer to further develop the manufacturing sector. Collaboration with regional partners can help leverage economies of scale and improve competitiveness in the global market.

**ii. Manufacturing value added per capita**

Manufacturing value added per capita (constant 2015$)

The provided data presents the Manufacturing Value Added (MVA) per capita, measured in US dollars, for Malawi and the average figures for LLDCs from 2014 to 2021. This section aims to analyze and provide insights into the manufacturing value added per capita, comparing Malawi with the average figures for LLDCs based on the given data.

**Table 12 below illustrates the Manufacturing Value Added per capita**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 36 | 3 | 36 | 36 | 36 | 37 | 37 | 71 |
| Average LLDCs | 182 | 183 | 189 | 195 | 201 | 207 | 197 | 201 |

Manufacturing Value Added per capita is an important indicator that reflects the contribution of the manufacturing sector to the economic well-being of the population. It measures the average manufacturing value added generated per person in the country.

Analyzing the data, we observe the following trends:

1. Malawi:
    - In 2014, Malawi had a Manufacturing Value Added per capita of 36USD.
    - In 2015, there was a significant decline to only 3USD.
    - From 2016 to 2018, the Manufacturing Value Added per capita remained relatively stable at 36 US dollars.
    - In 2019 and 2020, there was a slight increase to 37 US dollars.
    - In 2021, there was a substantial increase to 71 US dollars.
2. LLDCs (Average):
    - LLDCs, on average, had a higher Manufacturing Value Added per capita compared to Malawi throughout the given period.
    - The average Manufacturing Value Added per capita for LLDCs ranged from 182 to 207 US dollars.
    - There was a slight decline in 2020 to 197 US dollars, followed by a slight recovery to 201 US dollars in 2021.

The low Manufacturing Value Added per capita in Malawi, especially in 2015, suggests a relatively low contribution of the manufacturing sector to the overall economic well-being of the population. However, there has been some improvement in subsequent years, particularly in 2021 when the value more than doubled.

In comparison, LLDCs, on average, had a higher Manufacturing Value Added per capita, indicating a relatively stronger manufacturing sector and potentially better economic conditions.

To enhance the Manufacturing Value Added per capita in Malawi, there is a need to focus on policies and strategies that promote industrial development, attract investments, and enhance productivity in the manufacturing sector. This can involve improving infrastructure, supporting research and development, fostering innovation, providing access to finance for businesses, and developing a skilled workforce through education and training programs.

Moreover, Malawi can benefit from regional integration efforts by participating in regional value chains and leveraging opportunities for trade and investment within the LLDCs group. Strengthening linkages between the manufacturing sector and other sectors of the economy, such as agriculture and services, can also contribute to increased value addition and higher Manufacturing Value Added per capita.

**Table 13 below Competitive industrial performance index**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Value | 0.003 | 0.003 | 0.003 | 0.002 | 0.002 | 0.003 | 0.002 |
| Rank | 136 | 138 | 138 | 143 | 143 | 143 | 143 |

This comprehensive analysis examines Malawi's Competitive Industrial Performance Index (CIPI) from 2014 to 2020 within the framework of the VPoA. Malawi's CIPI values remained relatively stable during this period, ranging between 0.002 and 0.003. However, these values indicate a consistent but relatively low level of industrial performance, highlighting the need for measures to enhance competitiveness. The CIPI ranks for Malawi experienced limited variation, with an increase from 136 in 2014 to 138 in 2015 and 2016, followed by a steady rank of 143 from 2017 to 2020. These ranks suggest challenges in improving industrial competitiveness relative to other countries. To align with the goals of the Vienna Program of Action, policy recommendations include enhancing access to finance, investing in infrastructure development, strengthening skills training, promoting value addition and diversification, and fostering public-private partnerships. Addressing these challenges and embracing opportunities can contribute to the sustainable economic growth and inclusive development of Malawi's industrial sector.

**Trade concentration:**

**Table 14 below indicates concentration index**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 0.48 | 0.48 | 0.52 | 0.61 | 0.56 | 0.54 | 0.53 | 0.45 |
| LLDCs | 0.36 | 0.27 | 0.23 | 0.25 | 0.28 | 0.27 | 0.23 | 0.23 |
| developing economies | 0.12 | 0.09 | 0.09 | 0.09 | 0.1 | 0.1 | 0.09 | 0.09 |

The concentration index for trade provides an indication of how much a country's exports are concentrated among a few products or trading partners. In the case of Malawi, the provided data shows that its trade concentration index has been fluctuating over the years, with a moderate level of diversification in its trade activities. Specifically, the concentration index for Malawi's trade was 0.48 in 2014 and 2015, increasing to 0.52 in 2016, before reaching its peak at 0.61 in 2017. Since then, Malawi's trade concentration index has been declining, with values of 0.56 in 2018, 0.54 in 2019, 0.53 in 2020, and 0.45 in 2021.

Comparing Malawi's concentration index with other countries, it can be seen that LLDCs had a consistently lower concentration index, ranging from 0.36 in 2014 to 0.23 in 2021. Developing economies, on the other hand, exhibited the lowest trade concentration, with a consistent index of 0.09 from 2014 to 2021.

Overall, the data indicates that Malawi's trade concentration has been relatively higher than that of LLDCs but significantly lower than that of developing economies. This suggests that while Malawi's trade diversification has been moderate, there is still room for improvement to reduce its reliance on a few products or trading partners and enhance its resilience to external shocks.

**Trade diversification**

**Table 15 below shows diversification index**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 0.79 | 0.9 | 0.84 | 0.88 | 0.86 | 0.86 | 0.84 | 0.84 |
| LLDCs | 0.63 | 0.65 | 0.65 | 0.65 | 0.65 | 0.64 | 0.64 | 0.64 |
| developing economies | 0.19 | 0.19 | 0.2 | 0.19 | 0.19 | 0.19 | 0.19 | 0.18 |

The data provided presents the diversification index for trade in Malawi, comparing it with LLDCs and developing economies from 2014 to 2021. The diversification index measures the extent of diversification in trade partners and markets. In 2014, Malawi had a diversification index of 0.79, indicating a relatively high level of trade concentration. However, over the following years, there was a gradual improvement in trade diversification, with the index reaching 0.9 in 2015, before declining slightly to 0.84 in 2016. From 2017 to 2021, the diversification index remained consistent at 0.88, signaling a sustained level of diversification in Malawi's trade.

Comparatively, LLDCs had a lower diversification index, ranging from 0.63 to 0.65 throughout the entire period. Developing economies exhibited a similar pattern, with a consistently low diversification index of around 0.19 from 2014 to 2021, implying a higher concentration of trade.

These findings indicate that Malawi has made notable progress in diversifying its trade partners and markets over the years, surpassing both LLDCs and developing economies in terms of trade diversification. This indicates that Malawi has actively sought to expand and establish relationships with a wider range of trading partners, reducing its dependency on a few select markets. However, it is important to note that further analysis is required to understand the specific factors driving this diversification trend and to assess the impact on Malawi's overall trade performance and economic growth.

**Access to finance**

**Table 16 below indicates domestic credit to the private sector (% of GDP)**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 11.4 | 12.3 | 10.5 | | | | | 29.9 |
| Average LLDCs | 24.3 | 29.2 | 29.1 | 28.6 | 29.3 | 32.6 | 33.5 | 15.7 |

The provided data showcases the domestic credit to the private sector as a percentage of GDP for Malawi compared to the average among LLDCs from 2014 to 2021. This indicator is used to assess the accessibility of finance and credit to the private sector, which plays a crucial role in fostering economic growth and development. In 2014, Malawi had a domestic credit to the private sector at 11.4% of GDP, which increased to 12.3% in 2015 before declining to 10.5% in 2016. Unfortunately, data is missing for the subsequent years. On the other hand, the average domestic credit to the private sector for LLDCs stood at 24.3% in 2014, rising to 29.2% in 2015 and slightly decreasing to 29.1% in 2016. The average then ranged from 28.6% to 33.5% between 2017 and 2020 before dropping to 15.7% in 2021. Comparing Malawi's figures with the average for LLDCs, it is evident that Malawi had significantly lower access to finance for the private sector. These numbers highlight the challenges faced by Malawi in terms of accessing credit, which can hinder private sector development and economic growth. Improving access to finance, particularly for the private sector, is crucial for fostering investment, entrepreneurship, and job creation in Malawi, and further efforts are needed to enhance financial inclusion and expand credit availability to support sustainable economic development.

**International tourist arrivals**

**Table 17 below shows International tourist arrivals(1000s)**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Malawi | 819 | 805 | 849 | 83 | 871 | | |
| TOTAL LLDCs | 3125 | 30694 | 31616 | 34752 | 36456 | 43552 | 10676 |

The provided data presents the number of international tourist arrivals (in thousands) for Malawi compared to the average among LLDCs from 2014 to 2020. International tourist arrivals serve as a key indicator of a country's attractiveness as a travel destination and can have significant economic implications. In 2014, Malawi recorded 819,000 international tourist arrivals, which slightly decreased to 805,000 in 2015 before experiencing a modest increase to 849,000 in 2016. Unfortunately, data is missing for the subsequent years. In contrast, the average number of international tourist arrivals for LLDCs was significantly higher, with figures ranging from 3,125,000 in 2014 to 43,552,000 in 2019. Comparing Malawi's numbers with the LLDCs average reveals a considerable disparity, indicating that Malawi's international tourist arrivals were relatively lower than the average for LLDCs. This illustrates that Malawi may face challenges in attracting a significant number of international tourists as compared to other LLDCs. Enhancing tourism infrastructure, promoting unique attractions, and implementing effective marketing strategies could help bolster Malawi's tourism sector, attract more international visitors, and contribute to its economic growth. It is important for Malawi to tap into its cultural heritage, natural landscapes, and diverse wildlife to capitalize on the potential of tourism as a source of revenue and employment generation.

**International tourist receipts**

**Table 18 below shows International tourist receipts (USD$ millions)**

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 36 | 39 | 30 | 35 | 43 | 47 | 35 |
| TOTAL LLDCs | 15344 | 15067 | 16347 | 18212 | 19675 | 17205 | 6888 |

The provided data presents the international tourist receipts in USD millions for Malawi as compared to the average among LLDCs from 2014 to 2020. International tourist receipts represent the amount of money spent by tourists in a country and serve as a key economic indicator for the tourism sector. In 2014, Malawi generated tourist receipts of 36 million USD, which increased to 39 million USD in 2015 before experiencing a decline to 30 million USD in 2016. Subsequently, Malawi's tourist receipts fluctuated, with a slight increase to 35 million USD in 2017, a further rise to 43 million USD in 2018, and reaching 47 million USD in 2019. However, in 2020, the receipts dropped to 35 million USD, potentially due to the impact of the global COVID-19 pandemic. Comparatively, the average international tourist receipts for LLDCs were significantly higher, ranging from 15,344 million USD in 2014 to 17,205 million

USD in 2019, with a substantial decline to 6,888 million USD in 2020. Analyzing Malawi's figures against the LLDCs average indicates that Malawi's international tourist receipts were relatively lower, indicating that the country faced challenges in generating significant tourism revenue as compared to other LLDCs. Enhancing tourism infrastructure, diversifying tourism products, improving marketing efforts, and promoting unique cultural and natural attractions can contribute to increasing international tourist spending in Malawi. By tapping into its rich cultural heritage, stunning landscapes, and vibrant wildlife, Malawi can potentially boost its international tourist receipts, creating employment opportunities and driving economic growth in the process.

**Trade in services**

**Table 19 below indicates trade in services (% of GDP)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Malawi | 6.3 | 7 | 6 | 6.9 | 0.1 | | 4.6 |
| Average LLDCs | 12.2 | 12.3 | 13 | 12.9 | 13.8 | 9.4 | 9.9 |

Trade in services refers to the exchange of services between different countries, encompassing sectors such as tourism, transportation, communication, finance, and professional services. This report examines the trade in services as a percentage of GDP for Malawi compared to the average of LLDCs using the provided data from 2014 to 2020.

According to the data, Malawi's trade in services as a percentage of GDP fluctuated over the years. In 2014, it stood at 6.3% and slightly increased to 7% in 2015. However, in 2016, it dropped to 6% and then rose again to 6.9% in 2017. In 2018, there was a significant decline to just 0.1%, followed by a recovery to 4.6% in 2019. Unfortunately, there is no available data for 2020. These fluctuations indicate some volatility and potential challenges in Malawi's service sector.

Comparing Malawi's trade in services to the average of LLDCs, the data indicates that LLDCs, on average, had a higher percentage of trade in services as a share of their GDP during the given period. LLDCs averaged 12.2% in 2014 and experienced a slight increase to 12.3% in 2015. In 2016, it further rose to 13%, and in 2017, it remained relatively high at 12.9%. The average trade in services for LLDCs reached 13.8% in 2018, but it then declined to 9.4% in 2019, followed by a slight increase to 9.9% in 2020.

The comparison between Malawi and the average LLDCs demonstrates that Malawi's trade in services as a percentage of GDP has been consistently lower than the LLDCs' average throughout the examined period. This indicates a potential opportunity for Malawi to further develop and expand its service sector to enhance economic growth and improve its position in international trade.

To achieve this, Malawi should focus on promoting sectors with export potential, such as tourism and business services. Investing in infrastructure development, improving access to finance, and enhancing the quality and availability of education and skills training would also contribute to the growth of the service sector. Additionally, fostering partnerships and regional integration within LLDCs and other neighboring countries could provide avenues for increasing trade in services.

**Transport services exports**

**Table 20 below indicates transport services exports (% of commercial services exports)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 20.2 | 20.9 | 18 | 17.4 | 17.5 | | 15 |
| Average LLDCs | 35.3 | 36.3 | 34 | 34.9 | 35.9 | 33.5 | |

This report examines the transport services exports as a percentage of commercial services exports for Malawi in comparison to the average of LLDCs using the provided data from 2014 to 2020.

The data shows that Malawi's transport services exports as a percentage of commercial services exports varied over the years. In 2014, it stood at 20.2% and increased to 20.9% in 2015. However, there was a decline in 2016 to 18%, followed by a further decrease to 17.4% in 2017. In 2018, it slightly recovered to 17.5%. Unfortunately, there is no available data for 2019 and 2020, leaving a gap in the analysis.

Comparing Malawi's transport services exports to the average of LLDCs, the data indicates that LLDCs, on average, had a higher percentage of transport services exports as a share of their commercial services exports during the given period. LLDCs averaged 35.3% in 2014 and experienced a slight increase to 36.3% in 2015. In 2016, it declined to 34%, and in 2017, it slightly recovered to 34.9%. The average transport services exports for LLDCs reached 35.9% in 2018, but there is no data available for 2019 and 2020.

The comparison between Malawi and the average LLDCs reveals that Malawi's transport services exports as a percentage of commercial services exports have consistently been lower than the LLDCs' average throughout the examined period. This indicates a potential opportunity for Malawi to further develop and enhance its transport services sector to increase its contribution to commercial services exports.

To achieve this, Malawi should focus on improving transportation infrastructure, including roads, railways, and airports, to facilitate the movement of goods and people. Strengthening logistics and supply chain management systems would also enhance the efficiency of the transport sector. Additionally, investing in the training and development of skilled workers in the transport industry could further improve the quality and reliability of transport services.

Furthermore, Malawi should explore partnerships and collaborations with other LLDCs and neighboring countries to leverage regional transportation networks and enhance cross-border trade. Improving trade facilitation measures, such as streamlining customs procedures and reducing bureaucratic barriers, would also contribute to the growth of transport services exports.

**INDICATORS FOR PRIORITY AREA 6: MEANS OF IMPLEMEMENTATION**

**DOMESTIC RESOURCE MOBILIZATION-GROSS DOMESTIC INVESTIMENT**

**Table 21 below indicates Gross Domestic investment (% of GDP measured by gross capital formation)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Malawi | 12 | 12.2 | 10.8 | 13.2 | 10.9 | 12.3 | |
| Average LLDCs | 26.5 | 27.3 | 26.7 | 27.6 | 27.6 | 29.3 | 25 |

This report analyzes the Gross Domestic Investment (GDI) as a percentage of GDP measured by gross capital formation for Malawi in comparison to the average of LLDCs using the provided data from 2014 to 2020.

The data shows that Malawi's Gross Domestic Investment (GDI) as a percentage of GDP exhibited some variations over the years. In 2014, it stood at 12% and slightly increased to 12.2% in 2015. However, in 2016, it experienced a decline to 10.8%, followed by a recovery to 13.2% in 2017. In 2018, it decreased to 10.9% and then rose again to 12.3% in 2019. Unfortunately, there is no available data for 2020.

Comparing Malawi's GDI to the average of LLDCs, the data reveals that LLDCs, on average, had a higher percentage of GDI as a share of their GDP during the given period. LLDCs averaged 26.5% in 2014 and experienced a slight increase to 27.3% in 2015. In 2016, it declined to 26.7%, and in 2017, it slightly recovered to 27.6%. The average GDI for LLDCs reached 27.6% in 2018, and it remained relatively stable at 29.3% in 2019. However, there is a significant drop to 25% in 2020.

The comparison between Malawi and the average LLDCs demonstrates that Malawi's GDI as a percentage of GDP has consistently been lower than the LLDCs' average throughout the examined period. This indicates the need for enhanced efforts to mobilize domestic resources and increase investment to foster economic growth and development.

To address this, Malawi should focus on implementing policies and measures to attract domestic and foreign investments. This could include providing incentives for private sector participation, improving the business environment, and strengthening financial institutions to facilitate access to capital. Additionally, promoting entrepreneurship and innovation through targeted programs and support could stimulate investment and economic diversification.

Furthermore, Malawi should explore opportunities to enhance public-private partnerships (PPPs) to leverage private sector expertise and resources in key sectors such as infrastructure development, agriculture, and manufacturing. Investing in human capital through education and skills development programs would also contribute to attracting investment and fostering sustainable economic growth.

**Domestic resource mobilization-gross fixed capital formation**

**Table 22 below shows Gross capita formation (% of GDP)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| MW | 12 | 12.2 | 10.8 | 13.2 | 10.9 | 12.3 |
| Average LLDCs | 24.1 | 25 | 24.7 | 24.9 | 24.6 | 26.6 |

Domestic resource mobilization and gross fixed capital formation play crucial roles in the economic development of countries, especially for LLDCs like Malawi. This session analyzes the gross fixed capital formation (% of GDP) for Malawi and compares it with the average of LLDCs using the data provided from 2014 to 2019.

Gross fixed capital formation refers to the total value of investments made in fixed assets, such as buildings, infrastructure, and machinery, within a specific time period. It is an important indicator of a country's investment in its productive capacity and economic growth potential.

In the case of Malawi, the gross fixed capital formation as a percentage of GDP fluctuated over the years. In 2014, it stood at 12%, slightly increasing to 12.2% in 2015. However, there was a dip in 2016 when it dropped to 10.8%. The following year, there was a significant increase to 13.2%, but it decreased again to 10.9% in 2018 and rose to 12.3% in 2019.

Comparing these figures with the average gross fixed capital formation of LLDCs, which ranged from 24.1% to 26.6% during the same period, it becomes evident that Malawi's investments in fixed assets as a percentage of its GDP were significantly lower. This discrepancy suggests that Malawi's domestic resource mobilization for capital formation has been limited compared to the average of LLDCs.

Insufficient domestic resource mobilization can hinder a country's economic development. It can limit infrastructure development, technological advancements, and overall productivity, which are essential for sustained economic growth and poverty reduction. The data implies that Malawi might face challenges in attracting and channeling sufficient investments into its productive sectors, resulting in slower economic progress compared to other LLDCs.

To enhance domestic resource mobilization and improve gross fixed capital formation, Malawi should focus on implementing policies that attract both domestic and foreign investments. This could include providing incentives for private sector participation, streamlining regulations and bureaucratic procedures, and investing in education and vocational training to enhance human capital.

**Domestic resource mobilization-gross fixed capital servings**

**Table 23 below shows gross domestic savings (% of GDP)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Malawi | 6.4 | 4.6 | -1.8 | 4.5 | 4.8 | 6.9 | |
| Average LLDCs | 26.4 | 21.5 | 21.4 | 23.6 | 25.4 | 25.5 | 17 |

This session focuses on domestic resource mobilization and gross fixed capital savings, specifically analyzing the gross domestic savings (% of GDP) for Malawi and comparing it with the average of LLDCs based on the provided data from 2014 to 2020.

Gross domestic savings represent the portion of a country's GDP that is saved and available for investment in capital formation and other economic activities. It reflects the ability of individuals, businesses, and the government to save and invest in productive assets.

Looking at the data for Malawi, the gross domestic savings (% of GDP) varied over the years. In 2014, it stood at 6.4% but declined significantly to 4.6% in 2015. The following year, Malawi experienced negative savings, indicating that the country was consuming more than it was saving, resulting in a savings rate of -1.8%. However, in 2017, the savings rate recovered to a positive figure of 4.5%, and further increased to 4.8% in 2018. The trend continued with a notable jump to 6.9% in 2019.

Comparing these figures with the average gross domestic savings of LLDCs, which ranged from 17% to 26.4% during the same period, it becomes evident that Malawi's savings rate was consistently lower. This discrepancy suggests that Malawi's domestic resource mobilization for capital formation and investment has been relatively limited compared to the LLDC average.

Insufficient domestic resource mobilization and lower savings rates can hinder a country's ability to accumulate capital and make long-term investments. It can affect the development of critical sectors such as infrastructure, education, healthcare, and technology, which are vital for sustainable economic growth.

The data indicates that Malawi needs to prioritize efforts to increase domestic resource mobilization and improve gross domestic savings. This can be achieved through policies that encourage a savings culture among individuals and businesses, promote financial inclusion and literacy, and create an enabling environment for investment.

Furthermore, the government should focus on reducing fiscal deficits and promoting responsible fiscal management to free up resources for savings and investment. Strengthening institutions and improving governance can also attract both domestic and foreign investment, which would contribute to higher savings and capital formation.

**Domestic resources mobilization- Government revenue**

**Table 24 below indicates tax revenue (% of DGP)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 15.9 | 15.2 | 15.5 | 17.3 | 17.4 | 11.9 | 11.7 |
| Average LLDCs | 13.9 | 12.5 | 12.4 | 12.5 | 13 | 13.3 | 10.5 |

This session focuses on domestic resource mobilization, specifically analyzing government revenue in the form of tax revenue (% of GDP) for Malawi and comparing it with the average of LLDCs using the provided data from 2014 to 2020.

Tax revenue is a crucial component of government revenue and reflects the ability of a country to generate funds from its domestic resources to finance public expenditures and promote economic development.

In the case of Malawi, the tax revenue as a percentage of GDP remained relatively stable with slight fluctuations over the years. In 2014, it stood at 15.9% and decreased slightly to 15.2% in 2015. There was a marginal increase to 15.5% in 2016, followed by a more significant rise to 17.3% in 2017. The trend continued with a slight increase to 17.4% in 2018. However, there was a notable decline in tax revenue in 2019 and 2020, reaching 11.9% and 11.7%, respectively.

Comparing these figures with the average tax revenue of LLDCs, which ranged from 10.5% to 13.9% during the same period, it becomes evident that Malawi consistently maintained higher tax revenue as a percentage of GDP. This suggests that Malawi has been relatively more successful in mobilizing government revenue through taxation compared to the LLDC average.

A higher tax revenue as a percentage of GDP indicates a greater ability to finance public services, invest in infrastructure, and meet social development goals. It also signifies a broader tax base and effective tax administration, which are essential for sustained economic growth.

Malawi's relatively higher tax revenue could be attributed to various factors, including tax policy reforms, improved tax administration, and efforts to expand the tax base. These measures might have contributed to increased compliance and revenue collection.

However, it is important to note that a significant decline in tax revenue in 2019 and 2020 could be a cause for concern. Such a decline may be attributed to economic challenges, changes in tax policies, or other factors that affected revenue collection during those years. Further analysis would be required to determine the specific reasons behind this decline.

**Official Development Assistance**

**Table 25 below shows ODA in millions of US$(current prices)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 872 | 1083 | 1299 | 1565 | 1265 | 1168 | 1522 |
| Total LLDCs | 24629 | 25860 | 27037 | 28847 | 28401 | 31525 | 37211 |

This comprehensive session focuses on Official Development Assistance (ODA) and analyzes the amount of ODA in millions of US dollars (current prices) received by Malawi compared to the average of LLDCs using the provided data from 2014 to 2020.

Official Development Assistance refers to financial and technical assistance provided by governments, international organizations, and other entities to support the economic development and welfare of recipient countries.

In the case of Malawi, the amount of ODA received fluctuated over the years. In 2014, Malawi received $872 million in ODA, which increased to $1,083 million in 2015. The trend continued with a further rise to $1,299 million in 2016 and a substantial increase to $1,565 million in 2017. However, in 2018, there was a decline in ODA to $1,265 million. The following year, the amount of ODA decreased further to $1,168 million. In 2020, there was a slight recovery with ODA amounting to $1,522 million.

Comparing these figures with the average total ODA received by LLDCs, which ranged from $24,629 million to $37,211 million during the same period, it becomes evident that Malawi consistently received a lower amount of ODA compared to the LLDC average.

The lower ODA received by Malawi indicates that the country has been relatively less successful in attracting external financial assistance compared to the average of LLDCs. This can have implications for the country's ability to address development challenges, invest in infrastructure, improve social services, and achieve sustainable economic growth.

The amount of ODA received by a country is influenced by various factors, including its level of development, political stability, and strategic partnerships with donor countries and organizations. It is important for Malawi to continue engaging with international partners, advocating for increased ODA, and effectively utilizing the assistance received to maximize its impact on development outcomes.

It is worth noting that while ODA plays a significant role in supporting development efforts, it should ideally be complemented by domestic resource mobilization and efforts to enhance self-sustainability. Relying heavily on external assistance can create dependencies and limit a country's ability to determine its own development priorities.

**Table 25 below shows percentage of total ODA to developing countries**

| Year | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| MW | 0.58 | 0.71 | 0.77 | 0.71 | 0.9 |
| Total LLDCs | 16.39 | 17.05 | 17.28 | 19.28 | 21.99 |

This comprehensive session focuses on the percentage of total Official Development Assistance (ODA) received by developing countries and analyzes how Malawi's share compares to the average of LLDCs using the provided data from 2015 to 2019.

The percentage of total ODA to developing countries reflects the proportion of global ODA flows that are allocated to developing nations. It provides insight into the extent of financial assistance provided by the international community to support the development efforts of these countries.

In the case of Malawi, the percentage of total ODA received as a share of ODA to developing countries varied over the years. In 2015, Malawi received 0.58% of the total ODA directed to developing nations. This percentage increased to 0.71% in 2016, and remained the same in 2017 and 2018. In 2019, there was a slight rise to 0.9%.

Comparing these figures with the average percentage of total ODA received by LLDCs, which ranged from 16.39% to 21.99% during the same period, it becomes evident that Malawi's share was significantly lower. This indicates that Malawi received a relatively small proportion of the total ODA directed towards developing countries compared to the LLDC average.

The lower percentage of total ODA received by Malawi suggests that the country has faced challenges in attracting a substantial share of global ODA flows. This can impact the country's ability to finance development projects, address social and economic challenges, and achieve sustainable development goals.

Factors influencing the allocation of ODA include a country's level of development, its specific development needs, political considerations, and strategic partnerships with donor countries and organizations. It is important for Malawi to continue advocating for increased

ODA, strengthening its partnerships, and effectively utilizing the assistance received to maximize its impact on development outcomes.

Additionally, it is crucial for Malawi to focus on enhancing domestic resource mobilization and exploring avenues for self-sustainability to complement external assistance. By reducing reliance on external aid and promoting economic growth and stability, Malawi can work towards achieving sustainable development.

**Table 26 illustrates ODA as percentage GNI(Recipient)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 15.8 | 16.9 | 23 | 24.2 | 13.4 | 11.3 | 12.1 |
| Total LLDCs | 1.93 | 1.92 | 2.13 | 2.17 | 1.94 | 1.95 | 2.13 |

This comprehensive session focuses on Official Development Assistance (ODA) as a percentage of Gross National Income (GNI) for Malawi and compares it to the average of LLDCs using the provided data from 2014 to 2020.

ODA as a percentage of GNI represents the share of a country's income that is received as official development assistance. It provides insights into the level of external financial support a country receives relative to its overall economic output.

In the case of Malawi, the percentage of ODA to GNI fluctuated over the years. In 2014, Malawi received ODA equivalent to 15.8% of its GNI. This percentage increased to 16.9% in 2015 and further rose to 23% in 2016. In 2017, the ODA as a percentage of GNI reached 24.2%. However, there was a significant drop in 2018, with ODA representing 13.4% of GNI. The trend continued with a further decline to 11.3% in 2019, and a slight increase to 12.1% in 2020.

Comparing these figures with the average ODA as a percentage of GNI received by LLDCs, it is evident that Malawi generally received a higher share of ODA relative to its GNI compared to the LLDC average. The LLDC average ranged from 1.93% to 2.17% during the period mentioned.

The higher percentage of ODA as a proportion of GNI received by Malawi indicates the significant role that external assistance plays in supporting the country's development efforts. This external support can help finance development projects, address social and economic challenges, and contribute to sustainable development.

However, it is important to note that heavy reliance on ODA may create dependencies and limit a country's ability to determine its own development priorities. Therefore, it is crucial for Malawi to focus on enhancing domestic resource mobilization and exploring avenues for self-sustainability to complement external assistance.

Efforts to diversify the economy, attract private investment, and promote trade can reduce the country's dependence on ODA and foster sustainable economic growth.

**Foreign Direct Investment**

**Table 27 below illustrates Foreign Direct Inflows (millions USD)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 387 | 510 | 116 | 90 | 102 | 98 | 45 | 50 |
| Total LLDCs | 28918 | 25033 | 24217 | 25549 | 22220 | 22002 | 14139 | 18486 |

This comprehensive session focuses on Foreign Direct Investment (FDI) inflows in Malawi and compares them to the average of LLDCs using the provided data from 2014 to 2021.

Foreign Direct Investment refers to the investment made by foreign entities in the form of capital, technology, and expertise in a host country's economy. It plays a crucial role in stimulating economic growth, creating employment opportunities, and promoting technological transfer.

In the case of Malawi, the inflows of Foreign Direct Investment exhibited fluctuations over the years. In 2014, Malawi attracted $387 million in FDI inflows, which increased to $510 million in 2015. However, there was a significant decline in 2016, with FDI inflows amounting to only $116 million. This downward trend continued in 2017, with inflows further dropping to $90 million. In 2018, there was a slight recovery to $102 million, followed by a decrease to $98 million in 2019. The trend persisted in 2020, with FDI inflows falling to $45 million. In 2021, there was a slight increase to $50 million.

Comparing these figures with the average FDI inflows in LLDCs, it becomes evident that Malawi generally received lower amounts of FDI compared to the LLDC average. The LLDC average FDI inflows ranged from $14,139 million to $28,918 million during the period mentioned.

The lower FDI inflows received by Malawi indicate the challenges the country faces in attracting significant foreign investment. Factors influencing FDI include the country's economic stability, business environment, infrastructure, market size, and policy frameworks. Enhancing these factors can help attract more foreign investment, stimulate economic growth, and create job opportunities.

Malawi should focus on implementing policies that promote a favorable investment climate, simplify bureaucratic procedures, enhance infrastructure development, and provide incentives for foreign investors. Additionally, efforts should be made to diversify the economy, identify and promote sectors with high growth potential, and strengthen linkages between foreign investors and local businesses.

It is important to note that while FDI can bring numerous benefits, it should be complemented by domestic investment and efforts to enhance domestic resource mobilization. A balanced approach that combines foreign investment with domestic initiatives can help drive sustainable economic development.

**Table 28 below shows Foreign Direct Inflows (% of GDP)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 6.49 | 7.92 | 2.18 | 1.42 | 1.42 | 1.1 | 0.38 |
| Average LLDCs | 3.41 | 3.27 | 3.41 | 3.35 | 2.75 | 2.44 | 1.71 |

This comprehensive session focuses on Foreign Direct Investment (FDI) inflows as a percentage of GDP in Malawi and compares them to the average of LLDCs using the provided data from 2014 to 2020.

Foreign Direct Investment inflows as a percentage of GDP represent the share of foreign investment relative to the overall economic output of a country. It provides insights into the extent to which foreign investment contributes to a country's economic development.

In the case of Malawi, the percentage of FDI inflows to GDP fluctuated over the years. In 2014, FDI inflows accounted for 6.49% of Malawi's GDP, which increased to 7.92% in 2015. However, there was a significant decline in 2016, with FDI inflows representing only 2.18% of GDP. This downward trend continued in 2017, with inflows further dropping to 1.42% of GDP. The percentage remained the same in 2018 and 2019 at 1.42% and 1.1% of GDP, respectively. In 2020, there was a significant decrease, with FDI inflows amounting to only 0.38% of GDP.

Comparing these figures with the average FDI inflows as a percentage of GDP in LLDCs, it becomes evident that Malawi generally received higher percentages of FDI inflows relative to its GDP compared to the LLDC average. The LLDC average ranged from 1.71% to 3.41% during the period mentioned.

The higher percentage of FDI inflows as a proportion of GDP in Malawi indicates the relatively significant contribution of foreign investment to the country's economy. It highlights the potential of foreign investment to stimulate economic growth, create jobs, and foster technological transfer.

However, it is important to note that the percentage of FDI inflows to GDP alone does not capture the overall economic impact and development outcomes of FDI. Factors such as the quality of investment, sectoral distribution, and the ability to create linkages with the domestic economy are also critical in determining the long-term benefits.

To maximize the impact of FDI, Malawi should focus on creating an enabling business environment, improving infrastructure, promoting economic diversification, and enhancing the skills and capacities of the local workforce. These efforts can help attract more foreign investment and ensure that FDI inflows contribute effectively to sustainable economic development.

**Remittances**

**Table 29 below shows Remittance inflows (US$ millions)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|
| MW | 38 | 41 | 49 | 78 | 182 | 217 | 189 | 233 |
| total LLDCs | 33359 | 28563 | 27279 | 30654 | 33808 | 37473 | 35178 | 40884 |

This comprehensive session focuses on remittance inflows in Malawi and compares them to the average of LLDCs using the provided data from 2014 to 2021.

Remittances refer to funds sent by individuals working abroad to their home countries. These inflows play a significant role in supporting the economies of many developing countries, contributing to household income, poverty reduction, and economic stability.

In the case of Malawi, the remittance inflows experienced fluctuations over the years. In 2014, remittances to Malawi amounted to $38 million, which increased to $41 million in 2015. There was a further increase to $49 million in 2016, followed by a significant jump to $78 million in 2017. In 2018, remittance inflows surged to $182 million, indicating a substantial increase. The trend continued in 2019, with inflows reaching $217 million. In 2020, remittances slightly declined to $189 million, but rebounded in 2021 to $233 million.

Comparing these figures with the average remittance inflows in LLDCs, it becomes evident that Malawi received lower amounts of remittances compared to the LLDC average. The LLDC average remittance inflows ranged from $27,279 million to $40,884 million during the same period.

The lower remittance inflows received by Malawi compared to the LLDC average might be attributed to various factors. These include the size of the diaspora community, migration patterns, economic conditions in host countries, and the level of connectivity and financial infrastructure facilitating remittance flows.

However, it is important to note that remittances, even if they constitute a smaller share of the LLDC average, still hold significant value for the recipients. Remittances play a crucial role in supporting household consumption, education, healthcare, and other essential expenses, contributing to poverty alleviation and improving livelihoods.

To harness the potential of remittances, Malawi can focus on initiatives to enhance financial inclusion, promote affordable and secure remittance services, and provide opportunities for productive investments by leveraging the savings and entrepreneurial spirit of remittance recipients.

**External Debt**

**Table 30 below illustrates External debts stock (% of GNI)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 28.3 | 27.8 | 34.3 | 34.8 | 32.2 | 32.5 | 24.8 |
| Average LLDCs | 43.6 | 48.9 | 57.8 | 57.1 | 55.3 | 58.4 | 65.2 |

This comprehensive session focuses on external debt stock as a percentage of Gross National Income (GNI) in Malawi and compares it to the average of LLDCs using the provided data from 2014 to 2020.

External debt stock as a percentage of GNI is an important indicator of a country's debt burden and its ability to manage debt repayments in relation to its income. It reflects the proportion of a country's income that is allocated to servicing external debts.

In the case of Malawi, the external debt stock as a percentage of GNI experienced fluctuations over the years. In 2014, external debt stock accounted for 28.3% of Malawi's GNI, which decreased slightly to 27.8% in 2015. There was an increase in 2016 to 34.3% of GNI, followed by a further rise to 34.8% in 2017. In 2018, the percentage decreased to 32.2% of GNI, and in 2019 it slightly increased to 32.5%. In 2020, the external debt stock as a percentage of GNI further declined to 24.8%.

Comparing these figures with the average external debt stock as a percentage of GNI in LLDCs, it becomes evident that Malawi generally had lower debt burdens compared to the LLDC average. The LLDC average external debt stock as a percentage of GNI ranged from 43.6% to 65.2% during the period mentioned.

The lower external debt burden in Malawi indicates a relatively favorable debt situation compared to the LLDC average. However, it is important to note that external debt management is a complex issue, and other factors such as debt sustainability, debt service ratios, and the terms and conditions of the loans also need to be considered.

Efforts should be made to maintain a sustainable debt profile by pursuing prudent borrowing practices, ensuring effective debt management strategies, and prioritizing investments that generate economic returns and contribute to sustainable development.

Malawi should continue to strengthen its debt management capacity, enhance transparency and accountability in borrowing, and diversify its sources of funding to mitigate risks associated with external debt. It is crucial to strike a balance between borrowing for productive investments and maintaining debt sustainability to safeguard the country's long-term economic stability and development.

**Table 31 below shows Total debts service (% of exports of goods, services and primary income)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| MW | 4.1 | 4.5 | 6.2 | 5.7 | 7.4 | 8.5 | 9.2 |
| Average LLDCs | 19.1 | 28.5 | 21.1 | 23.7 | 27.8 | 28.2 | 24 |

This comprehensive session focuses on the total debt service as a percentage of exports of goods, services, and primary income in Malawi and compares it to the average of LLDCs using the provided data from 2014 to 2020.

The total debt service as a percentage of exports is an important indicator that measures a country's ability to meet its debt obligations in relation to its export earnings. It reflects the proportion of a country's export revenue that is used to service its outstanding debt.

In the case of Malawi, the total debt service as a percentage of exports fluctuated over the years. In 2014, it accounted for 4.1% of Malawi's exports, which increased to 4.5% in 2015. There was a further increase in 2016 to 6.2% of exports, followed by a slight decrease to 5.7% in 2017. In 2018, the percentage increased to 7.4% of exports, and in 2019, it further rose to 8.5%. In 2020, the total debt service as a percentage of exports reached 9.2%.

Comparing these figures with the average total debt service as a percentage of exports in LLDCs, it becomes evident that Malawi generally had lower debt service burdens compared to the LLDC average. The LLDC average total debt service as a percentage of exports ranged from 19.1% to 28.5% during the period mentioned.

The lower debt service burden in Malawi indicates a relatively favorable debt repayment situation compared to the LLDC average. However, it is important to note that debt service ratios should be carefully monitored to ensure sustainability and avoid potential risks to the country's balance of payments and overall economic stability.

Efforts should be made to continue managing debt service obligations effectively. This includes implementing sound debt management practices, negotiating favorable debt terms, diversifying export markets and products, and promoting economic growth and diversification to enhance export earnings.

Malawi should also prioritize investments that have the potential to boost export revenues and generate foreign exchange, such as promoting value-added industries, improving infrastructure, and enhancing competitiveness in key sectors.

**Population**

**Table 32 below illustrates Total population (mid-year estimates, millions)**

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|---|---|---|---|---|
| MW | 16.3 | 16.7 | 17.2 | 17.7 | 18.1 | 18.6 | 19.1 | 19.6 | 20.4 |
| Total LLDCs | 462.6 | 473.8 | 485.3 | 497 | 508.9 | 521 | 533.1 | 546 | 564 |

This comprehensive session focuses on the total population of Malawi and compares it to the average total population of LLDCs using the provided data from 2014 to 2022.

The total population of a country is a fundamental demographic indicator that provides insights into the size and growth of the population. It plays a crucial role in various aspects of socio-economic development, including resource allocation, planning, and policymaking.

In the case of Malawi, the total population has been steadily increasing over the years. In 2014, the estimated population was 16.3 million, which slightly increased to 16.7 million in 2015. The population continued to grow, reaching 17.2 million in 2016, 17.7 million in 2017, and 18.1 million in 2018. By 2019, the population further rose to 18.6 million, and in 2020, it reached 19.1 million. The population continued to increase in subsequent years, with estimates of 19.6 million in 2021 and 20.4 million in 2022.

Comparing these figures with the average total population of LLDCs, it is observed that Malawi had a lower population size throughout the period mentioned. The average total population of LLDCs ranged from 462.6 million to 564 million during this time frame.

The relatively lower population of Malawi compared to the LLDC average reflects the country's specific demographic dynamics. It highlights the importance of considering population size and growth in the context of socio-economic development, including resource availability, provision of public services, and sustainable development planning.

It is important for Malawi to manage its population growth effectively to ensure the provision of essential services, promote inclusive economic growth, and address social and environmental challenges. This can be achieved through comprehensive population policies that focus on areas such as family planning, healthcare services, education, and employment opportunities.

Additionally, efforts should be made to leverage the demographic dividend by investing in quality education, skills development, and job creation to harness the potential of the growing population and drive economic growth and development.

**Table 33 below shows Priority Area 2: Infrastructure development and maintenance**

| | | | | |
|---|---|---|---|---|
| **Priority Area 2: Infrastructure development and maintenance:** This section of the session should assess progress in the development and maintenance of transit transport, energy and ICT infrastructure in the country. | | | | |
| | **Transport** | | | |
| 2.1 | Progress made in developing and maintaining the main modes of transport (including rail, road, air, waterways and pipelines) since the adoption of the VPoA in including completion of missing links in the road and railway transit transport networks, improvements in the quality of roads such as paved roads and development of resilient infrastructure and how it has helped improve connectivity and reduce transport costs for the country. | | • The railway line connecting Nacala to Blantyre was upgraded to 20.5 kms and increased speed<br>• Signed works contract for rehabilitation and upgrading of Bangula – Marka railway line to link to Beira port in 2022 and works in progress,<br>• Rehabilitation of Salima – Lilongwe is underway.<br>• Rehabilitation of major sections of corridor road network M001, M005, M003, | Ministry of Transport |
| 2.2 | This section should also discuss the development and implementation of comprehensive national policies for infrastructure development and maintenance. It should further assess progress in development of inland dry ports and seaports. | Development and launching of the National Transport Master Plan (NTMP) supported by the National Transport Policy whose objective is to attain a multimodal shift of transportation from road onto rail and inland water transport. | • The NTMP is currently the guide for transport sector investments as it has been phased into 5 year programmes through the Comprehensive Medium Term Implementation Framework (CMTIF).<br>• A feasibility study and detailed designs for the Lilongwe Dry Port is underway. | Ministry of Transport |
| 2.3 | Session on major sources of funds for infrastructure | | • DP including the EIB, AfDB, WB, China, Japan, | Ministry of Transport; Ministry |

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| | development and maintenance, and indicate good practices and innovative approaches for infrastructure financing. | | OPEC Fund are sources of infrastructure development and major rehabs,<br>• Establishing the Road Fund Bond,<br>• Changing the structure for collection of fuel levy,<br>• The Government convenes donor conferences to review DP's support to the sector particularly transport infrastructure,<br>• Local Currency Bond which the Government has undertaken to finance the Bangula-Marka railway line to link to the Port of Beira,<br>• Ministry's Collaboration with PPPC for engagement of the private sector and capacity building.<br>• Increasing sources of revenue onto to the fuel levy and introducing toll gates on major corridor roads. | of Finance (DAD), EP&D-PSIP |
| 2.4 | The development and implementation of comprehensive national policies for infrastructure development and maintenance, encompassing all modes of transportation | | • Review of the National Transport Policy to support the NTMP and its phased approach into the CMTIF,<br>• MIP 1 under the Economic Infrastructure Enabler group under the MW 2063 | Ministry of Transport |
| 2.5 | Highlight how the Government has promoted public-private-partnerships for infrastructure development or how it | | • Concession agreements with private sector including rehabilitation and upgrading of | Ministry of Transport; Ministry of Finance (DAD); PPPC |

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| | has encouraged the role of the private sector in infrastructure development including policies and regulatory frameworks. | | railway line with CEAR and Vale Logistics,<br>• Local currency bonds for financing construction of roads by local banks,<br>• Capacity building in PPP for development of concepts, write-ups of bankable projects. | |
| 2.6 | Major sources of funds for infrastructure development and maintenance particularly highlighting the public resources that have been used towards infrastructure development and maintenance. Good practices and innovative approaches for infrastructure financing shall be underscored. | | • Development Partners (WB, AfDB, USAID, China, OPEC Fund, among others),<br>• Road levies including fuel and transit fees are major source for road maintenance. | Ministry of Transport; Ministry of Finance (DAD); PPPC |
| 2.7 | Identify new developments on transport infrastructure development and maintenance | | | Ministry of Transport |
| 2.8 | Government initiative to promote public-private-partnerships (PPP) for infrastructure development or how it has encouraged the role of the private sector in infrastructure development including the policies and regulatory frameworks. | | • National Transport Policy prioritises PPP for transport infrastructure financing,<br>• Newly revised PPP law | PPPC; Ministry of Finance (DAD); Ministry of Transport |
| 2..9 | Shortcomings and gaps including critical infrastructure bottlenecks that hinder the smooth movement of traffic in transit. | | • Undeveloped and transport modes to attain a seamless transport system in rail, road and inland water transportation.<br>• Lack and Limited financing, | Ministry of Transport |

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| | | | • Capacity for project preparation. | |
| 2.10 | Suggest recommendations for closing the gaps. | | • Finalise rehabilitation and upgrading the rail way network linking Malawi to Beira, Chipata<br>• Developing and upgrading inland water way ports including Chipoka in Salima, Chilumba through promotion of Mtwara Corridor.<br>• Capacity building for project preparation,<br>• Establish a fund for project preparation. | Ministry of Transport |

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| | **Energy and ICT** | | | |
| | | | | |
| 2.17 | Progress made by the country in developing and effectively implementing a broadband policy | • National ICT policy (2013-2018)-in place<br>• No Broadband Policy/Strategy<br>• Broadband penetration at 4.5%<br>• Broadband bandwidth at 256 kilobytes per second (kbps) | • Draft National Digital Policy in place (2023-2028)<br>• Broadband Strategy in place (2019-2023)<br>• Broadband penetration at 41%<br>• Broadband bandwidth at 256 kilobytes per second (kbps) | Ministry of Information and Digitalisation |
| 2.18 | Efforts that the country has undertaken to expand ICT and related services to improve in promoting open and affordable access to internet for all | • National ICT Master Plan not in place<br>• Electronic Transactions and Cyber Security Act not in place<br>• Payment Systems Act not in place<br>• Data Protection Law not in place<br>• National Cybersecurity strategy not in place<br>• Developed National Broadband Strategy not in place<br>• Drafted Digital Economy Strategy not in place<br>• Government National Data Centre not available | • Reviewed National ICT Policy following expiry in 2018 (Draft National Digital Policy in Place (2023-2028)<br>• Developed National ICT Master Plan (2014-2031)<br>• Enacted Communications Act-2016<br>• Enacted Electronic Transactions and Cyber Security Act-2016<br>• Enacted Payment Systems Act-2016<br>• Drafted Data Protection Bill<br>• Developed National Cybersecurity strategy<br>• Developed National Broadband Strategy<br>• Drafted Digital Economy Strategy<br>• Installed 421 KM for fiber backbone network; 469 KM of metro network; 1083 KM of access network | Ministry of Information and Digitalisation |

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| | | | <ul><li>Connected Nkhata-bay and Likoma Island with microwave link.</li><li>Constructed first ever national Data Center in Blantyre</li><li>Government of Malawi has constructed 28 towers targeting underserved areas as part of last mile rural connectivity</li></ul> | |

## Table 34 below illustrates Priority 4: Regional Integration and Cooperation

| **Priority 4; Regional Integration and Cooperation;** The session should make an assessment of the progress made in promoting regional integration. | | | |
|---|---|---|---|
| 4.1 | Assessment of the progress made in promoting regional integration in regional trade, transport, communication and energy works through participation in bilateral and regional integration frameworks | N/A | Launched the Diplomatic Data Corridors (DDC) initiative that is aimed at providing direct dedicated and cheaper fiber cable routes from the landing submarine sea cables into Malawi through negotiated Government to Government agreements. Negotiations are currently underway and once finalised, country-to-country Memorandum of Understanding (MoU) will be signed with Tanzania, Mozambique and Zambia South Africa, Botswana, Lesotho and Namibia |

## Table 35 below illustrates Priority Area 2: Infrastructure development and maintenance:

| | **Priority Area** | **BASELINE (2014 SITUATION)** | **CURRENT STATUS (20230)** | **RESPONSIBLE INSTITUTIONS** |
|---|---|---|---|---|
| | **Transport** | | | |

| | | | | |
|---|---|---|---|---|
| 2.6 | Major sources of funds for infrastructure development and maintenance particularly highlighting the public resources that have been used towards infrastructure development and maintenance. Good practices and innovative approaches for infrastructure financing shall be underscored. | • Development partners through donor Aid.<br>• Government resources (including loans) | • Development partners<br>• Government resources through domestic revenue generation and loans both domestic and external. In addition government empowered Roads Administration Fund to collecting revenue for Roads maintenance and construction through the establishment of toll gates | Ministry of Transport; Ministry of Finance (DAD); PPPC |

## Table 36 below shows Priority 6: Means of implementation

| | | | | |
|---|---|---|---|---|
| | **Priority 6: Means of implementation:** The session should make an assessment on Finance and Economic Planning Development of the means of implementation In line with VPoA focusing on the following areas. | | | |
| 6.2 | i. Agriculture and Industrial sector | 3.1% | 5.5% | Ministry of Agriculture |
| 6.3 | ii. Inflation | 24.6% | 20.9% (2022), 18.6%*(2023) | Reserve Bank of Malawi |
| 6.4 | iii. Public Debt | 52.7% of GDP | 69.93% of GDP | Budget Division |
| 6.5 | iv. Current Account as a percentage of GDP | -6.3% of GDP | -13.6% of GDP | Economic Affairs Division |
| 6.6 | v.Savings and Investment | 13.6% | 10.96% | Reserve Bank of Malawi |
| 6.7 | vi. GDP Growth | 5.7%. | 2.7%. | EP&D |
| 6.8 | vii. Fiscal Balance | -5.6% of GDP | -8.8% of GDP | Economic Affairs |
| 6.9 | B. Revenue Policy Issues in Malawi | The Government developed the Malawi Revenue Authority Act to guide the collection of revenue in Malawi. In the same period, Malawi incurred revenue losses which amounted up to over 60% of the allocated aid by donors on tax avoidance. | Development of Domestic Revenue Mobilisation strategies through the use of tax and non-tax fiscal instruments which is aimed at improving the public finance service delivery. With the new strategy developed, the Government has managed to increase the revenue collected However, the strategy faces some challenges which include: Poor | Revenue Policy Division |

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| | | | stakeholder perception of the tax systems and low tax base. | |
| 6.10 | C.DEBT AND AID STATUS | | | DAD |
| 6.11 | i. Domestic Public Debt | MK487 billion | MK4.43 trillion. | |
| | iv. External and Public Debt Sustainability | MK1,336 billion | MK7.9trillion | DAD |
| 6.12 | v. Plans to Reduce Debt Levels | • Macroeconomic reforms, including foreign reserves. | • Debt restructuring strategy was developed to serve as the cornerstone for restoring debt sustainability.<br>• Implementing the macroeconomic reforms which include building up foreign reserves, achieving fiscal consolidation, and returning debt to a sustainable path | DAD |
| 6.13 | Domestic resource mobilization: This section should indicate progress in mobilizing domestic resources, including mobilizing domestic savings or tax revenue and strengthening institutional capacity. | The Government through Malawi Revenue Authority (MRA) piloted the use of Electronic Fiscal Devices (EFD), a new system for collecting Value Added Tax (VAT) in March 2014 to strengthen tax administration. Since inception, VAT there has been an increase in total and average VAT compared to the months before the EFD's. However, the initiative countered some challenges, including traders giving customers the option, whether or not to get a receipt. There is need for improved tax education, policy coordination, inclusive decision-making and incorporation of the informal sector in VAT and generally tax revenue policy. | • The Government is in a process of reducing tax compliance costs by improving investment climate which is expected to increase the revenue collected by 5%.<br>• Government is operationalising the Revenue Administration act which will improve the mode of revenue collection For instance the operationalisation and enforcement of the block management system | RPD |

**Table 37 below illustrates Priority 4; Regional Integration and Cooperation;**

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| 4.1 | Assessment of the progress made in promoting regional integration in regional trade, transport, communication and energy works through participation in bilateral and regional integration frameworks | | Malawi is committed to regional integration as demonstrated by its ratification to regional instruments such as the AfCFTA, COMESA, SADC. This has also been demonstrated through implementation of regional initiatives such as the Simplified Trade Regime, National Single Window and One Stop Border Posts. | Ministry of Trade and Industry; Ministry of Energy, Ministry of Transport, Ministry of Information an Digitalisation, National Commission for Science an Technology |
| 4.2 | The progress made by the country to promote harmonization of regional policies so as to strengthen regional synergy, competitiveness and regional value chains. | | Harmonisation of standards | Ministry of Trade and Industry |

**Table 38 below illustrates Priority 5: structural economic transformation:**

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| 5.3 | Assess progress made in increasing value addition in the manufacturing and agricultural sectors, including developing an industrial policy that takes into account the need for improved access to financial resources, and developing appropriate human capacity and investment towards economic infrastructure. | | The Government of Malawi is implementing the Financial Inclusion and Entrepreneurship Scaling (FinES) Project. The project aims to increase access to financial services, promote entrepreneurship and capabilities of MSMEs in Malawi including addressing Covid-19 implications.<br><br>Improved access to finance for MSMEs and the Marginalized, through the Financial Inclusion and Entrepreneurship Scaling (FInES) Project disbursing over MK27 Billion to 32,962 MSMEs and the NEEF which has disbursed over MK11 Billion to more than 5,000 MSMEs in various sectors**.** | **Ministry of Tra**de and Industry; |
| 5.6 | Indicate progress made to promote the attraction of more diversified foreign direct investment and promote service-based growth, including from tourism, with a view to increasing its contribution to the national economy | **No Policy in place** | The Ministry is developing a National Investment Policy (NIP). The country had been operating without a tool to guide both domestic and foreign investments for a while. The Policy awaits a national validation workshop then approval by the Office of the President and Cabinet after which it will be launched and implementation can commence. | Ministry of Trade and Industry, Ministry of Tourism |
| 5.7 | Indicate progress made to prioritize private sector development, in particular small and medium-sized enterprises. | | Operationalization of the Malawi Business Registration System (MBRS) has enabled the private sector (MSMEs especially) to reduce the time as well as cost of registering their businesses which in turn has increased their eligibility to access funds from financial institutions who | Ministry of Trade and Industry |

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| | | | prefer doing business with duly registered businesses.<br><br>The Ministry continues to facilitate registration of MSMEs in order to give them an opportunity to participate in public procurements.<br><br>In 2022, about 658 contracts were awarded to the MSMEs by various Government Agencies<br><br>Implementing the MSMEs order which deliberately encourages MSMEs participation in public procurement by supplying goods, services and works to public institutions. To date, 2778 MSMEs have been issued with certificates under the Order to enable MDAs identify MSMEs during procurement evaluations as stipulated in the Order | |
| | Foreign direct investment (FDI): This section should provide an analysis of trends and of the impact of FDI on national development, in particular in advancing the implementation of the VPoA priority areas. It should also provide examples of policies put in place to attract FDI and ensure its positive impact on productive capacity building and economic diversification. | | Development of the National Investment Policy<br><br>Global foreign direct investment (FDI) flows in 2021 were $1.58 trillion, up 64 per cent from the level during the first year of the COVID-19 pandemic of less than $1 trillion. FDI flows appeared to have significant momentum mainly because of booming merger and acquisition (M&A) markets and rapid growth in international project finance as a result of loose financing conditions and major infrastructure stimulus packages. | Ministry of Trade and Industry; MITC |

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| | | | However, the global environment for international business and cross-border investment changed dramatically in 2022 with the onset of the war in Ukraine, which occurred while the world was still reeling from the impact of the pandemic. The war is having effects well beyond its immediate vicinity, causing a triple food, fuel and finance crisis, with rising<br><br>prices for energy and basic commodities driving inflation and worsening debt spirals.<br><br>FDI flows recovered strongly in 2021 in all regions. The increase in FDI flows to developed economies (+134 per cent) – from the exceptionally low values in 2020 – accounted for most of the global growth. The jump in developed economies showed the effect of stimulus packages, resulting in record earnings for MNEs, and reflects the more volatile nature of FDI flows in developed markets because of the larger financial component.<br><br>However, FDI flows to developing regions also increased significantly. FDI inflows to developing Asia increased by 19 per cent to reach a new high of $619 billion, driven mostly by East and South-East Asia. Flows to Latin America and the Caribbean increased by 56 per cent, recovering | |

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| | | | part of the ground lost in 2020.<br><br>Flows to Africa more than doubled, but most of the increase was due to a single corporate transaction, without which they would have increased moderately. (World Investment Session 2022)<br><br>Malawi foreign direct investment for 2021 was $0.05B, a 2.6% increase from 2020.<br><br>• 2020 was $0.05B, a 18.09% decline from 2019.<br><br>• 2019 was $0.06B, a 28.29% decline from 2018.<br><br>• 2018 was $0.08B, a 14.62% decline from 2017. (World Bank) | |

**Table 39 below shows Ministry of Trade and Industry; MITC**

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| | Foreign direct investment (FDI): This section should provide an analysis of trends and of the impact of FDI on national development, in particular in advancing the implementation of the VPoA priority areas. It should also provide examples of policies put in place to attract FDI and | In 2014, the country attracted $1.9billion worth of FDI, and then averaged $800m in the next preceding years to 2018. Between 2018-2020, FDI averaged $1.2 billion, and had a deep dive to $69million in 2021 due to the global pandemic, COVID. In 2022, there was steady increase to $800million. | In 2023, FDI attracted stand at $2.3 billion. This is as a result of high value investment projects attracted in the Energy Sector, a key priority sector which is a catalyst to more economic activities, including infrastructure development and industrialisation.<br><br>The Ministry is currently working on the draft National Investment Policy and the Special Economic Zones Bill, | Ministry of Trade and Industry; MITC |

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| | ensure its positive impact on productive capacity building and economic diversification. | | which would bring positive results in attracting FDI | |

**Priority 5: Structural Economic Transformation**

**Task:** The session should assess the progress that have been made in promoting structural economic transformation

**How the MW2063 and MIP-1 is Supporting Structural Economic Transformation**

Malawi developed and launched its new overarching long-term development plan, the Malawi 2063 (MW2063) Vision in 2021, a successor to the Vision 2020 which run its course from 1998 to 2020. The Vision 2020 was implemented through a series of three 5-year Medium Term Malawi Growth and Development Strategies (MGDSs) which emphasized on structural transformation of the economy.

The MW2063 aims to transform Malawi into a wealthy and self-reliant industrialized ‘upper-middle-income country’ by the year 2063. The MW2063 is anchored on the three pillars of Agricultural Productivity and Commercialization; Industrialization; and Urbanization. It articulates the enablers that will propel the country towards achieving economic independence, inclusive wealth creation, self-reliance and a high quality of life for all its citizens. Transformation is desired on two fronts: first, the change of development narrative and mindset from focusing on poverty reduction to wealth creation; and second, the transformation of the structure of Malawi’s economy from a predominantly importing to an industrialized exporting economy. MW2063 is currently being operationalized by the Malawi 2063 First 10-year Implementation Plan (MIP-1) One of the two milestones of MIP-1 is to transform Malawi into a middle-income economy by the year 2030. Thus, achieving this goal requires a transformation of the economy from a predominantly low productive agro-based and importing to an industrialized exporting economy.

**Progress on Agriculture Transformation**

Agriculture remains the mainstay of the economy, contributing close to a quarter of the country’s GDP and employing about 64 percent of the labour force. More importantly, close to 80 percent of the population rely on rain-fed smallholder agriculture for their livelihood. The MIP-1, therefore, aims at transforming agriculture from a low productive and subsistent sector to a highly productive and commercialized agriculture sector. A rise in agricultural production and productivity above the subsistence requirement will lead to an increase in the volume of marketable surplus, thereby propelling value-addition and agro-industrialization.

Malawi aspires to increase the share of agriculture, forestry and fishing to GDP from 22.8 percent in 2020 to about 27.8 percent by 2030. The 2022 MIP-1 progress session indicates that the share of agriculture, forestry and fishing to GDP marginally declined to 22.4 percent. The decline was mainly due to the poor performance of the crop subsector because of tropical cyclones that hit the country during the farming season. Malawi aims to diversify agriculture into production of higher-value crops (including horticulture), livestock and fisheries; with niche products largely destined for the export market. In its quest to diversify agriculture, Malawi targets to increase the share of agricultural value-added commodities other than tobacco and maize to 90 percent in 2030 from the current 77.8 percent. The share, however, increased to 79.2 percent in 2021/22 against a target of 79 percent.

Further, the MIP-1 aims at spearheading agriculture transformation through the establishment of mega farms and anchor farms. The goal is to establish at least nine mega farms targeting crops, livestock and fisheries. The process for the establishment of mega-farms has commenced. The Government, through the Ministry of Agriculture, finalised the development of the concept to guide the establishment of the mega-farms. A call has already been made for investors to express interest in and venture into mega farming at Dwambazi for livestock and Mchinji for crops. Other private investors with land holdings of not less than 500 hectares such as Pyxus Agriculture Limited has established anchor farms for groundnuts, soya and wheat supporting around 30,000 smallholder farmers. In the meantime, the Ministry of Agriculture is in consultations with Press Agriculture to reinvigorate the utilisation of idle press agriculture commercial farms. So far, one farm has been identified in Mchinji. The Ministry has established five mega farms in Karonga, Nkhata-bay, Salima and Mangochi.

Regarding mechanization, the Ministry of Agriculture has commenced the process of re-organising the tractor hire scheme through the establishment of Hiring Centres. In the meantime, through the Agriculture Commercialisation (AGCOM) Project matching grant, a total of 238 farm machinery have been distributed to cooperatives; comprising 28 tractors, 9 power tillers and 201 processing machines/feed mixers. The Ministry of Agriculture, through the AGCOM, is establishing aggregation centres as a step towards structured markets at the districts level. The rural aggregation centres are being promoted through a cooperative model. Through the AGCOM Project, the Ministry of Agriculture has constructed warehouses as aggregation centres. As of Nov 2022, Mchinji District Cooperative was registered while Mulanje, Karonga and Kasungu are being assessed.

**Progress Towards Industrialization**

The objective of the Industrialization Pillar is to have a vibrant knowledge-based economy with a strong manufacturing industry driven by productive and commercially vibrant agriculture and mining sectors. Industrialization is central to Malawi's transformation agenda of inclusive wealth creation and self-reliance. Industrialization will transform the economy from being predominantly consuming and importing to predominantly producing and exporting. To pursue industrialization, manufacturing must have strong backward and forward linkages with the agriculture, mining and services sectors. This is needed to raise per capita income, create decent and sufficient rural and urban jobs as well as viable entrepreneurship opportunities for both men and women. An integrated industry will also widen the tax base to finance Malawi's welfare requirements and address unsustainable trade deficits.

The 2022 MIP-1 progress session indicates that the percentage contribution of extractive industries to GDP increased from 0.01 percent to 0.02 percent against a target of 1 percent. Further, the process of establishing a mining company that will trailblaze the establishment of new mining companies has commenced. Negotiations to commence the mining of uranium at Kayerekera in Karonga by Lotus Resources Limited and rare earth at Songwe Hills in Phalombe by Mkango Resources Limited are at an advanced stage. Despite the low performance, there was a significant increase in the contribution of medium-tech industries to total industry value by 25 percent against a 10 percent target. The share of extractive industries' earnings to total exports increased from 1.7 percent in 2017 to 1.9 percent against the 2030 target of 13 percent.

The Government has identified 4 mines to be operationalized in this decade. The continued discovery of large deposits of various minerals such as rare earth elements at Songwe Hills in Phalombe, Niobium in Kasungu, Rutile at Kasiya in Lilongwe and Uranium at Kayerekera in Karonga will support large-scale extractive industries. These discoveries provide an opportunity for Malawi to develop the mining sector with high potential to transform soci-economic conditions in the country. Currently, the share of mining has remained at 0.8 percent since 2020. Lack of structured markets for minerals has for a long time denied the country the much-needed revenue to spur its economic growth. In May 2021 the Reserve Bank of Malawi (RBM) introduced the structured market for gold from artisanal miners. The gold market is now operational. A concept note for the establishment of the gemstone market has been developed. Export Development Fund is in the process of identifying firms to operationalise the gemstone market.

Various agro-processing companies are being set mainly through the support of the Malawi Innovation Challenge Fund, a matching grant facility established by UNDP Malawi and MAIIC. These initiatives have since provided co-financing to the private Sector for innovative, inclusive business initiatives in the agricultural, manufacturing, logistics and financial sectors.

**Conclusion**

It is important to note that this being the transitional phase from the MGDS III to MIP-1, most MIP-1 prioritised interventions are yet to start bearing fruits, let alone commence. However, there has been good progress in putting in place the legal and regulatory frameworks as well as the relevant strategies for effective take-off across the various Pillars and Enablers of MIP-1. Secondly, the triple exogenous shocks of climate change, COVID-19 pandemic and macroeconomic instabilities exacerbated by the Russia-Ukraine conflict have tapered the first-year progress. To recover from these shocks and achieve timely structural economic transformation, Malawi without neglecting the social sectors, will need to accelerate and intensify economic diversification towards the productive sectors of commercialized agriculture, mining, tourism, manufacturing and economic infrastructure such as energy, ICT and strategic transport networks; ensure prudent fiscal, exchange rate and monetary policies that are well coordinated; address corruption; and enhancing domestic resources mobilization. Effective coordinated efforts by all key stakeholders in the implementation of MIP-1 also remains key.

**Table 40 below illustrates Ministry of Transport; Ministry of Finance (DAD); PPPC**

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|---|---|---|---|
| Highlight how the Government has promoted public-private-partnerships for infrastructure development or how it has encouraged the role of the private sector in infrastructure development including policies and regulatory frameworks. | | Government has amended its PPP Act with the view of shortening the process flow for PPP projects. The Act has also recognised unsolicited proposals from the private sector and direct negotiation as a way of procuring and implementing PPP projects. This will encourage private sector innovation in the delivery of public infrastructure projects and services. | Ministry of Transport; Ministry of Finance (DAD); PPPC |
| Major sources of funds for infrastructure development and maintenance particularly highlighting the public resources that have been used towards infrastructure development and maintenance. Good practices and innovative approaches for infrastructure financing shall be underscored. | | Major source of ifiancing infrastructure project is through Government budget and Development partners | Ministry of Transport; Ministry of Finance (DAD); PPPC |

## Reserve Bank of Malawi

### Inflation

After being on a downward trajectory since 2013, annual headline inflation increased sharply in 2022. The increase was on account of the multiple negative shocks, comprising rising international commodity prices following the Russia-Ukraine war, the effects of COVID-19 and depreciation of the local currency. Coupled with the domestic decline in food supply, average inflation was recorded at 21.0 percent in 2022, up from the annual average of 9.3 percent in 2021.

Food inflation averaged 26.8 percent in 2022, up from an annual average of 11.2 percent in 2021. The rising pressures in food prices were attributed to the lower-than-average food production in the 2021/22 agricultural season due to an unfavorable weather pattern, the disruptions in the global food supply chains caused by the war in Ukraine, and the loss in value of the Malawi Kwacha following the 25.0 percent devaluation in the month of May 2022.

Likewise, non-food inflation was in double digits for the first time since 2018 and averaged 15.1 percent in 2022 compared to 7.4 percent in 2021. The major factor that contributed to the acceleration in non-food prices is the rise in global prices of Malawi's key imports, including oil, pharmaceuticals, fertilizer and wheat brought about by the Russia-Ukraine war, which disrupted the global supply chain of these commodities. This translated to higher imported inflation for the country.

Going forward, inflation is expected to decline at somewhat slower rate. This will be on account of opposing effects on the inflation outlook arising from domestic and external factors. From domestic sources, prices of domestically produced food items could remain elevated due to limited access to fertilizers due to high prices. However, the decrease in global commodity prices observed in recent months could result in subdued pressure on imported inflation in the short term.

## MINISTRY OF AGRICULTURE

### Introduction

Considering that agriculture remains the central sector to the rural economy and contributes significantly to the country's forex earning, government continues to pitch agriculture as priority development area. To boost investment in agriculture value addition and diversification for sustainable development, government continued to work on creating an enabling policy and regulatory environment for the private sector engagement. Besides policy frameworks government implemented a number of investments to increase agriculture productivity and production in order to stimulate viable and sustainable value addition, processing and diversification activities.

### Key achievements under VPoA Priority Number 5-Structural Economic Transformation

The following are some of key policy, regulatory and other key advancements that have been undertaken to boost agriculture production for increased value addition, processing and diversification for exports;

**Enactment of the Seed and Fertilizer Bill:** Government enacted the seed bill which will lead to the establishment of Malawi Seed Regulatory Authority. This development contributes towards seed harmonization in the region (SADC and COMESA) blocks and opening up of seed markets in the two blocks. The regulatory framework seeks to increase farmers' access to high-quality seed for increased production and leverage the development of a vibrant seed industry that meet international standards.

Similarly, the Fertilizer Act provides for the establishment of Malawi Fertilizer Regulatory Authority that seeks to facilitate availability of quality organic and inorganic fertilizers, and regulate the fertilizer industry in order to eliminate unfair trading practices. Availability of quality fertilizers both organic and inorganic buttresses high agriculture productivity and production.

The Seed and Fertilizer Acts presents the agriculture sector a replete set in addressing the agriculture productivity and production challenges. These twin Acts also catalyze private sector investment in the seed and fertilizer industries.

**Development of the National Livestock Development policy-** Government approved the Livestock Policy. The Policy will help to control and standardize delivery of livestock extension and veterinary services, increased per capita consumption of livestock products, increased private participation in livestock industry, and increased exports of livestock products.

**Expansion of the agricultural input subsidies.** – Due to high fertilizer and seed costs, government has sustained the agriculture input subsidies program targeting the country's smallholder farmers. Coverage of agriculture input subsidies aimed at increasing access to inorganic fertilizers and improved seed increased from about a third in 2014 to almost 100 percent of smallholder farmers in 2022. Affordable Input Program (AIP) implemented between 2020 to 2022 targeted all smallholder farmers in the country. The country has relatively achieved national food self-sufficiency for the past decade in terms of availability of key staple- maize. However, due to other social-economic factors, about 20 percent of the population still required humanitarian food assistance to meet their annual food entitlements. The humanitarian food is largely sourced from within the country.

Government is currently reviewing the Agriculture Input Subsidy Program to ensure fiscal sustainability and reduce farmer dependence. Consequently, government reduced coverage of the program in the 2022-23 growing season to 2,500,000 smallholder farming households with 250,000 Mt.

**Development of Native crops that are resilient to climate change effects such as drought, crop pests and diseases –** In quest to improve resilience to climate change effects, the sector is implementing a project to develop native crop varieties. During the review period, the following varieties have been developed.

- Heat tolerant maize varieties – 3
- Heat tolerant sorghum varieties – 3
- Moisture stress tolerant chickpea varieties – 3
- Early maturing groundnut variety – 1
- Early maturing soyabean variety – 1
- Moisture stress tolerant sesame varieties – 4
- Heat tolerant wheat varieties (4)

These efforts will contribute to production of quality raw material for agro processing and ultimately support the import substation drive.

**Refurbishment of livestock centres-** Livestock subsector has also registered developments since 2014 owing to the various public and private investment efforts. Livestock forma a major livelihood part of the majority of smallholder farmers in the country. Government set out to achieve some specific targets in its 2018-2023 National Agriculture Investment Plan (NAIP) to boost livestock development. By 2022, all set livestock production targets had been surpassed. For instance, cattle, goats, pigs, and chicken populations of 2 million, 10 million, 4 million and 110,000,000 have been surpassed by 2023. Chicken and pig population has doubled. The success in livestock production are due to increased births arising from intensification of good animal husbandry practices, promotion of livestock pass-on programs, and improved disease management practices.

To sustain the positive growth, Government is implementing a Livestock Infrastructure Development for Sustainable Animal Health, Production and Marketing Project which seeks to construct 50 livestock service centers. The centers will have slaughter and selling point facilities, veterinary clinic, dip tank, livestock feed bank structures, demonstration centers, watering points, livestock markets, marketing auctioneers, boreholes and water troughs, training equipment and veterinary kits. Currently, 3 livestock service centers are under development. The livestock service centers aim to improve animal disease prevention, control, and veterinary advisory services and diagnostic capacity and animal disease surveillance systems.

**Irrigation Infrastructure Development-** Implementation of all irrigation activities in Malawi is guided by Irrigation Master Plan Investment Framework (IMPIF) that aims at irrigating 220 000 hectares (Ha) by 2035 and the National Irrigation Policy (2016). Since the commencement of the IMPIF, a total of 42,322.19 hectares have been achieved within the first 7 years (2015-2022) of its implementation. In the 2021/22 growing season, 1,306.5 hectares had been developed. Cumulatively, 146,966.42 hectares under irrigation have been developed representing 36 percent of the total potential irrigable land which stands at 407,862hectared. Meanwhile, 66.8 percent of the targeted 220,000 hectares under IMPIF has been achieved.

Irrigation contributes about 4 percent of the total contribution of agriculture to GDP. This represent between US$80-140million or about US$850-1550/ha. Double cropping through irrigation enables farmers to improve their incomes from an average of USD 300 to USD 700 per annum. On average, a smallholder farmer's yield is 3-4tonnes per hectare under irrigation compared to 2tonnes per hectare of maize for rain-fed.

**Agriculture Commercialization through Productive Alliances and Matching Grants:** Government implemented interventions aimed at building Productive Alliances among producer organizations and off takers to promote agriculture commercialization. Most of the producer/farmer organizations were supported with Matching Grants which were accessed through various grant and loan funded projects. A total of USD 7 million has been disbursed to 325 Farmer Producer Organizations by the end of 2022. The matching grants seek to provide capital for commercial agriculture production, processing, packaging and selling investments. Some of the capital investments already executed by the farmer organizations include: construction of 40 warehouses, procurement of agriculture machinery, and processing equipment among other key items.

**TOURISM**

**Priority Area 5: structural economic transformation:** The session should assess the progress that have been made in promoting structural economic transformation

**5.2** ***<u>Assess progress made by the country in developing and implementing policies, strategies and plans aimed at improving science, technology and innovation, export diversification, productivity, efficiency and competitiveness in the agriculture, manufacturing and service sectors, including tourism</u>***

**BASELINE (2014 SITUATION)**

1. **Policies, strategies and plans**

- There was no tourism policy
- Malawi 2020 Tourism Development Strategy (2015)
- Malawi Tourism Marketing Strategy Framework (2017) which aimed at enabling public and private tourism stakeholders to market the destination in a strategic and result-oriented manner.
- Tourism and Hotels Act (1965): The act gives mandate to the Tourism and Hotels Board to regulate the tourism sector by enforcing the minimum standards

2. **Science, technology and innovations; efficiency, competitiveness**

- There was limited Digital Marketing innovations and use of social medial platform in promoting tourism.

**CURRENT STATUS (2023)**

**The following progress has been made:**

1. **Policies, strategies and plans**

- The National Tourism Policy was approved by cabinet in February, 2019 and in now under implementation. The goal of the Policy is to create an enabling environment for the development, regulation and promotion of a sustainable tourism sector which enhances tourist experiences and satisfaction whilst improving the socio-economic wellbeing and maintaining cultural identity of the local communities.
- In the first Implementation Plan of the Malawi 2063 (MIP1) which is the country's long-term development vision, tourism has been identified as an anchor sector for development of the country under the Urbanization Pillar. As such, all key tourism strategies for the Ministry are aligned to the MIP-1.
- Malawi National Tourism Investment Masterplan: The 20-year National Tourism Investment Masterplan was launched in 2022. The strategy aims at ensuring systematic development and investment in the tourism sector.
- Domestic Marketing Tourism Strategy 2020-2024: The Strategy is a five-year plan to promote domestic tourism. It was developed based on the premises that Malawi has a product for the domestic market. Domestic tourism has also been seen as a market which can sustain the sector in times of external shocks such as international travel bans due to the COVID 19 pandemic.

**2. Science, technology and innovations; efficiency, competitiveness**

- Destination marketing where there is an increase in an increase use of social media platforms such as Facebook and twitter to promote tourism and business because it's a cheaper way.
- Digital Marketing innovations to enhance visitor experiences: Upgraded tourism website to make it more interactive: www.visitmalawi.mw; Developed a destination App: Visit Malawi and QR coding for all print material
- On efficiency, there is enforcement of standards that have to be adhere to through Tourism and Hotels Act (1965)
- On competitiveness, there is Promoting Investment and Competitiveness of the Tourism Sector (PICTS) Project. The aim of the project is to create an enabling environment for investment in the tourism sector through enhanced capacity in planning and business management, and improved governance in management of natural resources.
- The Ministry of Tourism, together with the National Statistical Office (NSO), with support from the African Development Bank, have improved the system of tourism statistics and established a Tourism Satellite Accounting (TSA) System for Malawi. This will assist in evidence-based tourism planning and policy making, as well as determine the actual contribution of tourism to the economy.

**Challenges**

- The main challenge is policy fragmentation. The policy environment is highly fragmented which results in conflict in policies. For instance, Malawi is promoting tourism through development of parks at the same time the same land is being developed for irrigation to promote agriculture.
- Inadequate and poor infrastructure. Most roads, railway, bridges and telecommunication are in poor state.

**Suggested solution**

- There should be policy linkages
- Institutions should be given enough funds for infrastructure development.

***5.6 Indicate progress made to promote the attraction of more diversified foreign direct investment and promote service-based growth***

**BASELINE (2014 SITUATION)**

**The following progress has been made:**

- Development of the Malawi National Tourism Investment Master plan (2022-2042). In 2014, it was in the conceptualization stage. The aim was to develop a 20-year roadmap that will guide systematic investment in tourism and related sectors.
- There was lack of proper marketing strategy in tourism.

**CURRENT STATUS (2023)**

- **Domestic Marketing Tourism Strategy 2020-2024:** The Strategy is a five-year plan to promote domestic tourism. It was developed based on the premises that Malawi has a product for the domestic market. The aim is to provide an integrated marketing approach of the country's assets, attractions and events.

- Development and implementation of the National Tourism Investment Masterplan (2022-2042) The principle behind the masterplan is to put all districts in the country into play without focusing on the usual areas. It highlights 103 projects with 10 priority projects that will spearhead tourism development across the country.

**Table 41 below illustrates the progress made for Priority Area 2: for Energy and ICT in different MDAs**

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|---|---|---|---|---|
| | **Priority Area** | **BASELINE (2014 SITUATION)** | **CURRENT STATUS (2023)** | **RESPONSIBLE INSTITUTIONS** |
| | **Energy and ICT** | | | |
| 2.12 | Indicate progress made in developing and implementing | Malawi Energy Regulatory Authority (MERA) was established | Malawi has developed several policies and regulations aimed at | Ministry of Energy |

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| | national energy policies to promote modern, reliable and renewable energy, with a view to significantly enhancing capacities in production, trade and distribution. | in 2008 as a sector-wide energy regulator.<br><br>National Energy Policy 2003 | promoting modern and renewable energy:<br><br>1.The government in 2017 developed the Malawi Renewable Energy Strategy (MRES) and the Sustainable Energy Investment Plan to promote renewable energy in the country.<br><br>2. The Energy policy was also developed in 2018 and will be reviewed in 2023.<br><br>3. There are plans to develop a standalone Renewable Energy Act. | |
| 2.13 | Assessment of the progress made to expand and upgrade, as appropriate, infrastructure for supply, transmission and distribution of modern and renewable energy services in rural and urban areas | Efforts have been made to increase access to electricity in rural and peri-urban areas through initiatives such as the Malawi Rural Electrification Programme (MAREP). A large population of Malawi lives in rural areas where only few have access to electricity from the grid. In 2014, only 384 sites were electrified.<br><br>MAREP constructed Wovwe and Kapichira II Hydropower Plants generating 4.35 and 129.6 MW respectively. | Currently 1,231 sites have been electrified and MAREP Phase 9 has identified 416 sites to be electrified.<br><br>10 renewable energy Mini-grids have been developed namely: Kasangazi, Chipopoma, Bondo, Nyamvuu, Nthembanji, Kudembe, Oleole, Sitolo, Kavuzi and Chikwina. | Ministry of Energy |
| 2.14 | Assess progress to expand and upgrade, as appropriate, infrastructure for supply, transmission and distribution of modern and renewable energy services in rural and urban areas. | | Apart from extending the grid to rural areas, resources from MAREP were also used for the upgrading of Wovwe and construction of Kapichira II Hydropower Plants with a capacity of 64MW. From 2021-2022 Financial Year, MAREP has expanded its scope to provide electricity through off grid solutions. | Ministry of Energy |

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| 2.15 | Progress made in developing and implementing national energy policies to promote modern, reliable and renewable energy, with a view to significantly enhancing capacities in production, trade and distribution, with the aim of ensuring access to energy for all and the transformation of the economy. | | Malawi has made some progress in developing renewable energy projects such as solar and hydropower.<br><br>1. The World Bank and the African Development Bank supported the development of the 19.1 MW Tedzani IV hydroelectric power plant in 2016.<br><br>2. JCM Power developed a 60 MW solar project in Salima<br><br>3. Increase in Electricity Access is one of the key indicators of progress in the energy sector. The World Bank-funded Malawi Electricity Access Project (MEAP) became effective in January 2020 and will close in June2024. The objective of the project is to increase access to electricity through grid and off-grid solutions.<br><br>4. Access to Clean and Renewable Energy (ACRE) Project (2020 – 2023) with financial support from the (UNDP), the goal is to increase access to clean, affordable, reliable, and modern energy by enhancing the sustainability, efficiency and cost-effectiveness of energy technologies.<br><br>5.Access to electricity increased to 18% composed of 12% grid and 6% off-grid | Ministry of Energy |

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| | | | 6. Three (3) Independent Power Producer (IPPs) projects were commissioned, namely: 60MW JCM solar PV in Salima, 8.3 MW Mulanje Hydro in Mulanje & 3.06 MW CederEnergy hydropower in Mulanje . | |
| 2.16 | Identify any challenges and suggest recommendations to improve energy availability. | 1.Limited access to modern and reliable energy<br><br>2. Low investment in renewable energy | There is need to speed up implementation of the Interconnector with Southern Africa Power Pool (SAPP) through Zambia and Mozambique and East Africa through Tanzania. | Ministry of Energy |

***Table 42 below shows the progress made for Priority Areas in different MDAs***

| | **Priority Area** | **BASELINE (2014 SITUATION)** | **CURRENT STATUS (2023)** | **RESPONSIBLE INSTITUTIONS** |
|---|---|---|---|---|
| **Priority Area 1. Fundamental transit policy issues**: Analyse the actions that Malawi is undertaking to help address transit policy issues by identifying the major accomplishments made and challenges currently encountered. | | | | |
| 1.1 | The national actions that the Government has undertaken to accede to and ratify relevant international, regional and sub-regional conventions and other legal instruments related to transit transport and trade facilitation | • Malawi has Bilateral Transport Agreements on Road, Rail, Air, Water transportation with neighbouring countries which are aligned to the requirements at regional level. | | Ministry of Trade and Industry; Ministry of Transport; Ministry of Justice and Constitutional Affairs |
| 1.2 | Measures taken to ensure effective implementation of these conventions and agreements with a view to reducing transport prices and time. | 1) Development of the NTMP whose objective is to attain a multimodal shift of transportation from road to rail inland water transport.<br>2) Engagement of the private sector in transport infrastructure financing. | The Ministry has phased implementation of the NTMP into 5 years through the Comprehensive Medium Term Implementation Framework (CMTIF). | Ministry of Trade and Industry; Ministry of Transport; Ministry of Justice and Constitutional Affairs |

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| | | 3) Increased and strengthened bilateral agreements with neighbouring countries and the region. | | |
| 1.3 | Progress made to enhance coordination and cooperation of national agencies responsible for border and customs controls and procedures between them and with the respective agencies in transit countries. | 1) Establishment of a Coordinated Boarder Management (CBM) Committee whose objective is to reduce institutions at the borders with the objective reducing transit time under OSBP initiative.<br>2) Establishing the NSW under the OSBP initiative. | • Processes for operationalising CBMs at the borders in progress.<br>• Establishment of the NSW under the OSBP initiative underway | Malawi Revenue Authority; Ministry of Trade and Industry; Ministry of Transport |

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| 1.4 | Actions taken by Government to promote the simplification, transparency and harmonization of legal and administrative regulations and requirements related to transit systems by all modes of transit transport, including border crossings, consular services, customs procedures and removal of internal checkpoints | | • Resuscitation of the Nacala Development Committee (NDC) with support from the SATCP would assist on trade facilitation through harmonisation of legal, administrative regulations related to trade.<br>• The road and rail agreements through the NDC would assist the three (3) countries (Mozambique, Malawi and Zambia) harmonise the transit requirements.<br>• Malawi is among the countries in the Tripartite who will undergo a pilot and deployment of the Corridor Trip Monitoring Systems (CTMS) and Tripartite Information Platform System (TRIPS) during the COVID-19. The Malawi Traffic Information System (MalTIS) has been upgraded in readiness for the interface with the systems. | Ministry of Transport; Malawi; Malawi Revenue Authority; Ministry of Trade and Industry |

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| 1.5 | The progress that has been made in developing effective logistics systems by aligning incentives for efficient transport and transit operations, promoting competition and phasing out anti-competitive practices such as cartels and queuing systems wherever possible. | | • Currently, the Government through MoTPW is developing the ***National Logistics Strategy*** and has established the ***National Logistics Forum*** which is also co-chaired by the private sector. | Ministry of Transport; Ministry of Trade and Industry |
| 1.6 | Progress to collaborate on exchanging trade and transport data with transit countries with a view to conducting cross-border transactions faster and more efficiently; | | Establishment of Corridor Management Institutions i.e. NDC under SATCP<br>• Data matching for trade between Malawi and Mozambique,<br>• Simplified trade regime,<br>• Malawi is among the countries in the Tripartite who will undergo a pilot and deployment of the Corridor Trip Monitoring Systems (CTMS) and Tripartite Information Platform System (TRIPS) during the COVID-19.<br>• The Malawi Traffic Information System (MalTIS) has been upgraded in readiness for the interface with the systems.<br>• Proposed clearing of consignments under the SATCP,<br>• Developing mechanisms for facilitating transit during pandemics i.e. COVID 19. | Ministry of Transport, Ministry of Trade and Industry |
| 1.7 | Progress in formulating national transit policies and establish appropriate national mechanisms with the participation of all relevant stakeholder | | • CBM established under the OSBP initiative which reduces institutions at the borders | Ministry of Transport; Ministry of Trade and Industry |

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| 1.8 | Shortcomings including critical infrastructure bottlenecks that hinder the smooth movement of traffic in transit. The section will also highlight the gaps and suggest recommendations for closing the gaps. | • Transport infrastructure including rail, road and ports of inland water transportation is under developed.<br>• There are gaps in road, rail and inland water transportation. The rail network covers only part of the south and centre. Port facilities for inland water transport is under developed and in very poor condition while it is the mode of transport that would be more cost effective.<br>Failure to attain a seamless transport system deters Malawi realising a multimodal transport. | The Government is undertaking the several infrastructure projects to address the bottlenecks for improved service delivery:<br>• Upgrading of the M001 from KIA – Mzimba Turn off and Kacheche – Chiweta funded by EIB<br>• Upgrading of major corridor roads including M005 from Kaphatenga-Dwangwa (160 km) funded by the AfDB, OPEC Fund & Government.<br>• Upgrading of the M001 from Nsipe-Liwonde under Multinational Nacala Road Development Project Phase V by AfDB,<br>• Upgrading of Karonga-Songwe under SATTFP funded by World Bank<br>• Upgrading of M003 from Liwonde-Mataware funded by IDA under SATCP,<br>• Blantyre – Nacala railway line is now fully operational while the Lilongwe – Nacala and Malawi Beira links are under construction.<br>• KIA has been expanded with support from JICA and Government is looking for resources for Chileka. | Ministry of Transport |
| **Priority Area 2: Infrastructure development and maintenance:** This section of the session should assess progress in the development and maintenance of transit transport, energy and ICT infrastructure in the country. | | | | |
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| | **Transport** | | | |

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| 2.1 | Progress made in developing and maintaining the main modes of transport (including rail, road, air, waterways and pipelines) since the adoption of the VPoA in including completion of missing links in the road and railway transit transport networks, improvements in the quality of roads such as paved roads and development of resilient infrastructure and how it has helped improve connectivity and reduce transport costs for the country. | | • The railway line connecting Nacala to Blantyre was upgraded to 20.5 tons and increased speed<br>• Signed works contract for rehabilitation and upgrading of Bangula – Marka railway line to link to Beira port in 2022 and works in progress,<br>• Rehabilitation of Salima – Lilongwe is underway.<br>• Rehabilitation of major sections of corridor road network M001, M005, M003, | Ministry of Transport |
| 2.2 | This section should also discuss the development and implementation of comprehensive national policies for infrastructure development and maintenance. It should further assess progress in development of inland dry ports and seaports. | Development and launching of the National Transport Master Plan (NTMP) supported by the National Transport Policy whose objective is to attain a multimodal shift of transportation from road onto rail and inland water transport. | • The NTMP is currently the guide for transport sector investments as it has been phased into 5 year programmes through the Comprehensive Medium Term Implementation Framework (CMTIF).<br>• A feasibility study and detailed designs for the Lilongwe Dry Port is underway. | Ministry of Transport |
| 2.3 | Session on major sources of funds for infrastructure development and maintenance, and indicate good practices and innovative approaches for infrastructure financing. | | • DP including the EIB, AfDB, WB, China, Japan, OPEC Fund are sources of infrastructure development and major rehabs,<br>• Establishing the Road Fund Bond,<br>• Changing the structure for collection of fuel levy,<br>• The Government convenes donor conferences to review DP's support to the sector particularly transport infrastructure, | Ministry of Transport; Ministry of Finance (DAD), EP&D-PSIP |

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| | | | • Local Currency Bond which the Government has undertaken to finance the Bangula-Marka railway line to link to the Port of Beira,<br>• Ministry's Collaboration with PPPC for engagement of the private sector and capacity building.<br>• Increasing sources of revenue onto to the fuel levy and introducing toll gates on major corridor roads. | |
| 2.4 | The development and implementation of comprehensive national policies for infrastructure development and maintenance, encompassing all modes of transportation | | • Review of the National Transport Policy to support the NTMP and its phased approach into the CMTIF,<br>• MIP 1 under the Economic Infrastructure Enabler group under the MW 2063 | Ministry of Transport |
| 2.5 | Highlight how the Government has promoted public-private-partnerships for infrastructure development or how it has encouraged the role of the private sector in infrastructure development including policies and regulatory frameworks. | | • Concession agreements with private sector including rehabilitation and upgrading of railway line with CEAR and Vale Logistics,<br>• Local currency bonds for financing construction of roads by local banks,<br>• Capacity building in PPP for development of concepts, write-ups of bankable projects. | Ministry of Transport; Ministry of Finance (DAD); PPPC |
| 2.6 | Major sources of funds for infrastructure development and maintenance particularly highlighting the public resources that have been used towards infrastructure | | • Development Partners (WB, AfDB, USAID, China, OPEC Fund, among others), | Ministry of Transport; Ministry of Finance (DAD); PPPC |

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| | development and maintenance. Good practices and innovative approaches for infrastructure financing shall be underscored. | | • Road levies including fuel and transit fees are major source for road maintenance. | |
| 2.8 | Government initiative to promote public-private-partnerships (PPP) for infrastructure development or how it has encouraged the role of the private sector in infrastructure development including the policies and regulatory frameworks. | | • National Transport Policy prioritises PPP for transport infrastructure financing,<br>• Newly revised PPP law | PPPC; Ministry of Finance (DAD); Ministry of Transport |
| 2..9 | Shortcomings and gaps including critical infrastructure bottlenecks that hinder the smooth movement of traffic in transit. | | • Undeveloped and transport modes to attain a seamless transport system in rail, road and inland water transportation.<br>• Lack and Limited financing,<br>• Capacity for project preparation. | Ministry of Transport |
| 2.10 | Suggest recommendations for closing the gaps. | | • Finalise rehabilitation and upgrading the rail way network linking Malawi to Beira, Chipata<br>• Developing and upgrading inland water way ports including Chipoka in Salima, Chilumba through promotion of Mtwara Corridor.<br>• Capacity building for project preparation,<br>• Establish a fund for project preparation. | Ministry of Transport |

| **Priority 4; Regional Integration and Cooperation;** The report should make an assessment of the progress made in promoting regional integration. | | | | |
|---|---|---|---|---|
| 4.1 | Assessment of the progress made in promoting regional integration in regional trade, transport, communication and energy works through participation in bilateral and regional integration frameworks | | Malawi included in piloting and deployment of the Corridor Trip Monitoring Systems (CTMS) and Tripartite Information Platform System (TRIPS) during the COVID-19. The Malawi Traffic Information System (MalTIS) has been upgraded in readiness for the interface with the systems. | Ministry of Trade and Industry; Ministry of Energy, Ministry of Transport, Ministry of Information an Digitalisation, National Commission for Science an Technology |

| **Priority 6: Means of implementation:** The report should make an assessment on Finance and Economic Planning Development of the means of implementation In line with VPoA focusing on the following areas. | | | | |
|---|---|---|---|---|
| | **Priority Area** | **BASELINE (2014 SITUATION)** | **CURRENT STATUS (2023)** | **RESPONSIBLE INSTITUTIONS** |
| | | | | |
| 6.9 | Revenue Policy Issues in Malawi | ● Total Domestic Revenue (excluding grants) was **MK 550.6 Billion** in 2014 as compared to **MK 283.6 Billion** in the previous year.<br>● Revenue as percentage of GDP was 15.9 percent in 2014.<br>● Personal Income tax growth averaged 30.53 percent largely due to the capping of the PAYE bracket at 30 percent and poor registration system for all salaried and income earning employees leading to under-collection and reduced progressivity of the income tax.<br>● Manual systems of tax registration and payment mechanism which was creating challenges in enforcing tax compliance and reconciliation of tax payer accounts. The system was also susceptible to abuse through fraud and corruption.<br>● The tax system did not have a policy document guiding the tax policy and | ● Total Domestic Revenue (excluding grants) estimated at **MK 1.101 Trillion** by the end of the 2022/23 Financial Year.<br>● Revenue as percentage of GDP is currently 15.6 percent.<br>● Personal Income tax growth averaged 40 percent in 2022 due to increased tax compliance through the introduction of a registration system of all salaried employees and also due to the introduction of additional 40 percent tax bracket in the PAYE regime which has ensured progressivity of the tax on personal income.<br>● Automation of the registration and payment system at Malawi Revenue Authority (MRA) which has improved the efficiency of the tax system in Malawi. Msonkho Online | Revenue Policy Division |

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| | | administration system in Malawi. This brought distortions in the tax administration. | System is facilitating electronic filing and payment of taxes thereby reducing administration costs and the cost of compliance for the taxpayer.<br>● The Revenue Policy Division launched the Domestic Revenue Mobilization Strategy (2021-2026) in 2021, which outlines some of the tax and non-tax policy measures that the government intends to implement to increase domestic revenues by at least 5 percentage points of GDP in the 5 years of its implementation. The strategy is aligned to the Malawi-2063 and its 10-Year Implementation Plan to assist the country in realizing the country's aspirations of ensuring that Malawi evolves into a lower middle-income country by 2030.<br>● The Division has enforced monitoring of all revenue collecting MDAs and parastatals to ensure that they are efficient and effective in revenue collection and that revenue management systems are adhered to according to the law.<br>● The Government of Malawi has finalized setting up of the Revenue Appeals Tribute which has been entrusted with the responsibility to settle disputes between the tax payers and the Malawi Revenue Authority (MRA) thereby bringing efficiency in the tax dispute resolution mechanism.<br>● The Revenue Policy Division is implementing the Extractive Industries Transparency Initiative (EITI) to which the Government is a signed member designed to improve | |

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| | | | transparency in revenue management and accountability in the extractive industries sector.<br>• Amendment of the Customs and Excise Act, VAT Act and Taxation ACT to introduce administrative measures aimed at improving documentation for filling tax returns, enhance efficiency in tax administration by addressing inconsistencies in the law and incorporate some new reform initiatives by the MRA. | |

## VI Monitoring of implementation and review

### Introduction

This report provides an assessment of how Malawi monitored and reviewed the implementation of the Vienna Programme of Action (VPoA) at the national level. It identifies the challenges encountered during the process and presents suggestions to enhance the implementation and monitoring of future programmes of action in Malawi.

Overview of VPoA Implementation

The VPoA is a comprehensive framework aimed at addressing various socio-economic challenges in Malawi. The government of Malawi, in collaboration with international partners, has taken steps to implement the VPoA and achieve its targets.

Monitoring and Review Mechanisms:

- An Institutional Framework

Malawi established a dedicated coordinating body responsible for monitoring and reviewing the VPoA implementation called the National Steering Committee. This committee consisted of representatives from relevant government ministries, civil society organizations, and international partners.

- Data Collection and Analysis

Malawi developed a system to collect and analyze data related to the VPoA targets. This involved periodic surveys, assessments, and data gathering exercises to track progress and identify areas requiring attention.

- Reporting Mechanism

Malawi implemented a structured reporting system to provide updates on the progress of the VPoA implementation and regular reports were submitted to the National Steering Committee, which then disseminated the information to stakeholders.

Challenges Encountered:

- Limited Capacity

Insufficient human and financial resources hindered the effective monitoring and review of the VPoA implementation. This shortage limited the ability to collect, analyze, and report accurate data on progress.

- Coordination and Communication

Inadequate coordination and communication among stakeholders resulted in fragmented efforts and duplication of activities. This hampered the overall monitoring and review process.

- Data Quality and Availability

Challenges were encountered in obtaining reliable and up-to-date data for monitoring the VPoA. Inconsistent data collection methodologies and data gaps across sectors made it difficult to assess progress accurately.

- Stakeholder Engagement:

Insufficient involvement of key stakeholders, such as local communities, civil society organizations, and the private sector, limited their contribution to the monitoring and review process.

Suggestions for Improvement:

- Strengthening Capacity

There is need to enhance the capacity of institutions responsible for monitoring and reviewing programmes of action. This includes allocating adequate resources, training staff, and improving data collection and analysis capabilities.

- Enhancing Coordination and Communication

It is suggested that synergies among institutions and relevant stakeholders should be optimized when implementing programmes, activities and strategies.

- There is need to foster better coordination and communication among relevant stakeholders. Establish clear lines of communication, promote collaboration, and avoid duplication of efforts.

- Improving Data Quality and Availability

It is recommended to tandardize data collection methodologies, improve data management systems, and invest in technology for timely and accurate data collection. Strengthen partnerships with research institutions to enhance data quality.

- Broadening Stakeholder Engagement

It is recommended to encourage the active involvement of local communities, civil society organizations, and the private sector in the monitoring and review process. Create platforms for regular dialogue, solicit feedback, and ensure inclusivity in decision-making.

- Regular Monitoring and Reporting

There is need to implement a systematic monitoring and reporting mechanism that includes periodic reviews and progress updates. Publish comprehensive reports that are accessible to the public to promote transparency and accountability.

**Ministry of Transport**

Malawi is among the countries in the Tripartite Free Trade Area Agreement that is undergoing a pilot and deployment of the Corridor Trip Monitoring Systems (CTMS) and Tripartite Information Platform System (TRIPS) during the COVID-19. The Malawi Traffic Information System (MalTIS) has been upgraded in readiness for the interface with the systems.

Priority Area 1

- The Malawi Traffic Information System (MalTIS) has been upgraded in readiness for the interface with the systems.

- Proposed clearing of consignments under the Southern Africa Transport and Connectivity Project (SATCP)

- Developing mechanisms for facilitating transit during pandemics i.e. COVID 19.

- Coordinated Boarder Management (CBM) committee established under the One Stop Border Posts (OSBP) initiative which reduces institutions at the borders

- The NTMP is currently the guide for transport sector investments as it has been phased into 5 year programmes through the Comprehensive Medium Term Implementation Framework (CMTIF).

- A feasibility study and detailed designs for the Lilongwe Dry Port is underway.

- Review of the National Transport Policy to support the NTMP and its phased approach into the CMTIF,

- National Transport Policy prioritises PPP for transport infrastructure financing,

- Newly revised PPP law

- Undeveloped and transport modes to attain a seamless transport system in rail, road and inland water transportation.

- Malawi included in piloting and deployment of the Corridor Trip Monitoring Systems (CTMS) and Tripartite Information Platform System (TRIPS) during the COVID-19. The Malawi Traffic Information System (MalTIS) has been upgraded in readiness for the interface with the systems.

Ministry of Finance and Economic Affairs (Economic Planning & Development, Debt & Aid Division, Economic Affairs, Revenue Policy Division)

- Automation of the registration and payment system at Malawi Revenue Authority (MRA) which has improved the efficiency of the tax system in Malawi. Msonkho Online System is facilitating electronic filing and payment of taxes thereby reducing administration costs and the cost of compliance for the taxpayer.

- The Revenue Policy Division launched the Domestic Revenue Mobilization Strategy (2021-2026) in 2021, which outlines some of the tax and non-tax policy measures that the government intends to implement to increase domestic revenues by at least 5 percentage points of GDP in the 5 years of its implementation. The strategy is aligned to the Malawi-2063 and its 10-Year Implementation Plan to assist the country in realizing the country's aspirations of ensuring that Malawi evolves into a lower middle-income country by 2030.

**Ministry of Information**

- Reviewed National ICT Policy following expiry in 2018 (Draft National Digital Policy in Place (2023-2028)
- Developed National ICT Master Plan (2014-2031)
- Enacted Communications Act-2016
- Enacted Electronic Transactions  and Cyber Security Act-2016
- Enacted Payment Systems Act-2016
- Drafted Data Protection Bill
- Developed National Cybersecurity strategy
- Developed National Broadband Strategy
- Drafted Digital Economy Strategy

**Ministry of Trade**

Malawi ratified the Trade Facilitation Agreement on 12th July 2017.  The aim of the agreement is to make cross border trade easier, faster and cheaper. Under this there are a number of reforms being implemented including the establishment of 6 one stop border posts between Malawi and its neighbouring countries. These are:

1. Mwami/ Mchinji;

2. Kasumulo/ Songwe;

3. Calomue/ Dedza;

4. Mwanza and;

5. Milanje/ Mloza.

- Malawi also signed the African continental Free Trade Area on 21st March, 2018 and deposited the instrument of ratification on 15th January, 2021. Further, Malawi also developed the National AfCFTA Implementation Strategy to effectively implement the continental Agreement and to contribute to building the Malawian productive base and competitive capacities.

- National Single Window (NSW)

- Malawi is in the process of developing a National Electronic Single Window for trade. This single window will allow most of the trade processes to be done from one electronic platform. Recruitment of a consultant to develop and install the NSW has been finalized. To implement the cabinet decision, the Ministry of Trade and Industry in collaboration with other agencies has taken several steps including undertaking business process mapping and business process re-engineering studies and implementing a new Coordinated Border Management (CBM) Pilot Project at Mwanza Border.

- Under the CBM, trainings have been conducted for the institutions who will be leaving the border as well as those that will remain at the border

- Malawi developed the National Trade Facilitation Action Plan (2018-2023) to guide the National Trade Facilitation Committee on the implementation of trade facilitation activities. Malawi also ratified the World Trade Organization Trade Facilitation Agreement in July, 2021.

- There are also key reforms being implemented including the establishment of One Stop Border Posts, development of a National Single Window for trade, establishment of the national Non-Tariff Barriers Committee and the improvement of the national quality infrastructure through the construction of Standards, Quality Assurance and Metrology (SQAM). As of simplifying trade, Malawi is in the process of development Simplified Trade Regime frameworks with its neighbouring countries. So far, the draft STR framework with Mozambique has been developed including its corresponding list of goods.

- A number of MoUs have been signed on data exchange between the Malawi Revenue Authority and revenue authorities in other from neighbouring countries such as Zambia.

- The National Trade Facilitation Committee was established in 2015 and it has the mandate to oversee the implementation of trade facilitation activities in the country. The following are the sub committees of the NTFC:

  - E-Trade Systems Committee (NSW and Trade Portal)

  - One Stop Border Post Committee

  - Customs Business Procedures Management Committee

  - Cross Border Traders Committee

- International trade and trade facilitation: This section of the report shall assess the country's international trade performance over the review period (since 2014) and provide an indication of whether the VPoA has supported the country to reduce trade costs and boost exports

- Malawi developed the AfCFTA Strategy in 2021 to; to effectively implement the continental Agreement, and secondly contribute to building the Malawian productive base and competitive capacities around Malawi Vision 2063 pillars, namely agricultural productivity and commercialization, and industrialization..

- The National Export II was developed in 2021 to enhance production and widen the export basket. The Strategy was developed in line with the Malawi 2063 which has also indicated that NES II is a guiding document when it comes to issues of export development and enhancement.

- The Ministry is in the process of finalizing the MSME Bill. Currently the bill was sent to Ministry of Justice (MoJ) and they requested for clarifications on two provisions in the proposed Micro, Small and Medium Enterprise Bill. The clarifications were sent and the Ministry held a meeting with MOJ on the draft Bill from 4th to 6th January 2023.

- Next steps include finalization of the drafting by MoJ from 1St February to 30th April 2023. The Bill will be validated by MSME stakeholders including parliamentary committee on legal affairs in June 2023 and should be submitted to parliament for vetting by July 2023, all things being constant.

- Malawi electronics trade licensing systems
- One Border Post control act
- Signing One Border Post bilateral agreement Zambia Mozambique
- These provide for Joint border management and there are joint border committees
- Malawi is committed to regional integration as demonstrated by its ratification to regional instruments such as the AfCFTA, COMESA, SADC. This has also been demonstrated through implementation of regional initiatives such as the Simplified Trade Regime, National Single Window and One Stop Border Posts.
- The Government of Malawi is implementing the Financial Inclusion and Entrepreneurship Scaling (FinES) Project. The project aims to increase access to financial services, promote entrepreneurship and capabilities of MSMEs in Malawi including addressing Covid-19 implications.
- The Ministry is developing a National Investment Policy (NIP). The country had been operating without a tool to guide both domestic and foreign investments for a while. The Policy awaits a national validation workshop then approval by the Office of the President and Cabinet after which it will be launched and implementation can commence.
- Operationalization of the Malawi Business Registration System (MBRS) has enabled the private sector (MSMEs especially) to reduce the time as well as cost of registering their businesses which in turn has increased their eligibility to access funds from financial institutions who prefer doing business with duly registered businesses.

**Malawi Investment and Trade Centre (MITC)**

The Ministry is currently working on the draft National Investment Policy and the Special Economic Zones Bill, which would bring positive results in attracting FDI

**Public Private Partnership Commission (PPPC)**

Government has amended its PPP Act with the view of shortening the process flow for PPP projects. The Act has also recognized unsolicited proposals from the private sector and direct negotiation as a way of procuring and implementing PPP projects. This will encourage private sector innovation in the delivery of public infrastructure projects and services.

**Ministry of Agriculture**

- Enactment of the Seed and Fertilizer Bill:

Government enacted the seed bill which will lead to the establishment of Malawi Seed Regulatory Authority. This development contributes towards seed harmonization in the region (SADC and COMESA) blocks and opening up of seed markets in the two blocks. The regulatory framework seeks to increase farmers' access to high-quality seed for increased production and leverage the development of a vibrant seed industry that meet international standards.

Similarly, the Fertilizer Act provides for the establishment of Malawi Fertilizer Regulatory Authority that seeks to facilitate availability of quality organic and inorganic fertilizers, and regulate the fertilizer industry in order to eliminate unfair trading practices. Availability of quality fertilizers both organic and inorganic buttresses high agriculture productivity and production.

The Seed and Fertilizer Acts presents the agriculture sector a replete set in addressing the agriculture productivity and production challenges. These twin Acts also catalyze private sector investment in the seed and fertilizer industries.

- Development of the National Livestock Development policy:

Government approved the Livestock Policy. The Policy will help to control and standardize delivery of livestock extension and veterinary services, increased per capita consumption of livestock products, increased private participation in livestock industry, and increased exports of livestock products.

**Ministry of Tourism**

- Domestic Marketing Tourism Strategy 2020-2024:

The Strategy is a five-year plan to promote domestic tourism. It was developed based on the premises that Malawi has a product for the domestic market. The aim is to provide an integrated marketing approach of the country's assets, attractions and events.

- Development and implementation of the National Tourism Investment Master Plan (2022-2024):

The principle behind the Master Plan is to put all districts in the country into play without focusing on the usual areas. It highlights 103 projects with 10 priority projects that will spearhead tourism development across the country.

**Ministry of Energy**

Malawi has developed several policies and regulations aimed at promoting modern and renewable energy:

- The government in 2017 developed the Malawi Renewable Energy Strategy (MRES) and the Sustainable Energy Investment Plan to promote renewable energy in the country.

- The Energy policy was also developed in 2018 and will be reviewed in 2023.

- There are plans to develop a standalone Renewable Energy Act.

Conclusion

Efficient monitoring and review of programme implementation are crucial for the success of any national action plan. Malawi has made notable efforts in monitoring and reviewing the VPoA implementation, but several challenges persist. By addressing these challenges and implementing the suggested recommendations, Malawi can improve its ability to monitor, review, and successfully implement future programmes of action, ultimately leading to the achievement of sustainable development goals.

## VII Towards the next LLDC Program of Action: Conclusion and way forward

### Major Challenges

There a number of challenges being faced, while tackling the priority areas, by sectors in the country which have been affecting the implementation of some of the planned programmes:

- Inadequate resources;
- Limited knowledge on the VPoA among key players across all levels in the country;
- Lack of baseline information to report and assist to track progress on various interventions in some sectors;
- Poor data access for reporting purposes;
- Poor infrastructure and communication services;
- Lack of skills among workers;
- Lack of commitment and poor linkage on VPoA issues by the UN country team with the governments coordinating office MoEPD&PSR);
- Inadequate research in some areas which have an impact on the social and economic aspects; and

- In adequate personnel in most MDAs.

**Lessons Learned**

During the period of implementing the various commitments and obligations such as the VPOA, the country has learnt the following lessons:

- Involvement of multiple stakeholders is key to effective implementation of such commitments and obligations;
- Inclusion of VPOA interventions in sectors budgets at all levels;
- Proper feedback mechanism on signed commitments and obligations to MDAs/ Sectors by the country;
- Need of proper linkage between the coordinating government department and the UN Country team; and
- Political commitment and championship of such commitments and obligations is key to adoption and success of such programmes as the VPOA.

**Way Forward**

To ensure that MDAs are implementing the programmes and activities as outlined under that VPOA Priority Areas the following are the suggested way forward:

- Need for more national awareness, particularly on the VPoA priority areas programmes and activities;
- Initiate process of integrating such commitments and obligations in sectoral and national policies, strategies and other frameworks;
- The UN country team has to play an active role in supporting VPoA programmes and activities including awareness campaigns; and
- Establishment of a national taskforce to lead in the process of involving different stakeholders in the implementation of programmes and activities as outlined in the VPoA priority areas.

**Statistical annex**

**Table 43 below contains all data for priority areas**

| | ***BROAD VPOA INDICATORS*** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| **GDP** | MW | 6.2 | 6.4 | 8.9 | 9.8 | 10.2 | 10.8 | 10.9 | | |
| | AVG LLDCs | 22.8 | 23.7 | 24.4 | 24.7 | 25.4 | 26.5 | 25.6 | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | world | 340.6 | 351.2 | 360.7 | 372.8 | 384.5 | 393.9 | 382.1 | | |
| | | | | | | | | | | |
| **economic growth &poverty((GDP GROWTH %)** | mw | 6.2 | 3.3 | 2.7 | 5.2 | 4 | 5.2 | 0.2 | 0.5 | |
| | AVG LLDCs | 5.7 | 3.7 | 3.4 | 4.6 | 4.8 | 4.3 | 4.4 | 4.1 | |
| | | | | | | | | | | |
| **Relative Economic Perfomance** | MW | 218 | 392 | 234 | 570 | 103 | 402 | 628 | | |
| | TOTAL lLDCs | 9510 | 9292 | 8732 | 9588 | 10779 | 10450 | 16507 | | |
| | | | | | | | | | | |
| **HDI** | MW | 0.472 | 0.475 | 0.478 | 0.482 | 0.485 | 0.483 | 0.441 | | |
| | SIMPLE AVG LLDCs | 0.575 | 0.579 | 0.583 | 0.587 | 0.59 | 0.511 | 0.541. | | |
| | | | | | | | | | | |
| **employment characteristics** | | | | | | | | | | |
| employment to population ratio | MW | 72.4 | 68.9 | 73.3 | 73 | 72.9 | 72.8 | 70 | 70.3 | |
| | AVG LLDCs | 65.5 | 64.6 | 65.7 | 61.2 | 61.1 | 61.2 | 58.7 | 59.2 | |
| unemployment(% of total labor force) | | | | MW | 5.8 | 5.8 | 5.8 | 6.7 | 7 | |
| | | | | AVG LLDCs | 7.5 | 7.5 | 7.4 | 8.4 | 8.6 | |
| | | | | | | | | | | |
| **women in national pariament** | MW | 22.3 | 16.7 | 16.7 | 16.7 | 16.7 | 16.7 | 22.9 | 22.9 | 22.9 |
| | AVG LLDCs | 24.6 | 24.9 | 26 | 25.9 | 25 | 26.5 | 27.3 | 27.8 | 29.6 |
| | | | | | | | | | | |
| **forest area** | | MW | 26 | 25.6 | 25.1 | 24.7 | 24.2 | 23.8 | | |
| | | AVG LLDCs | 17.2 | 17.1 | 17 | 16.9 | 16.9 | 16.6 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |

| | Indicators for Priority 1 – Fundamental Transit Policy Issues | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **LPI AND CPIAI** | | | | | | | | | | |
| CPIA transparency, accountability, and corruption in the public sector rating (1=low to 6=high) | MW | 2.5 | | 2.5 | | 2.5 | 2.5 | 2.5 | | MW |
| | AVG LLDCs | 2.8 | | 2.7 | | 2.7 | 2.7 | 2.7 | 2014 | 2.5 |
| | | | | | | | | | 2015 | |
| Logistics Performance Index:Overall (1=low to 5=high) | MW | 2.8 | | | | 2.8 | | | 2016 | 2.5 |
| | AVG LLDCs | 2.5 | | | | 2.5 | | | 2017 | |
| | | | | | | | | | 2018 | 2.5 |
| | | | | | | | | | 2019 | 2.5 |
| **Status of Ratification of Key International Conventions on Trade and Transport Facilitation** | | | | | | | | | 2020 | 2.5 |
| | | | | | | | | | | |
| Convention | MW | | | | | | | | | |
| World Trade Organization Agreement (1994) | 1995 | | | | | | | | | |
| World Trade Organization Trade Facilitation Agreement (2013) | 2017 | | | | | | | | | |
| Revised Kyoto Convention (2006) | 2013 | | | | | | | | | |
| United Nations Convention on the Law of the Sea (1982) | 2010 | | | | | | | | | |
| International Convention on the Harmonization of | N/A | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Frontier Controls of Goods (1982) | | | | | | | | | | |
| Customs Convention on the International Transport of Goods under Cover of the TIR Carnets (1975) | N/A | | | | | | | | | |
| Customs Convention on Containers (1972) | N/A | | | | | | | | | |
| Convention on Road Signs and Signals (1968) | 2014 | | | | | | | | | |
| Vienna convention on Road Traffic (1968) | N/A | | | | | | | | | |
| Convention on the Contract for the International Carriage of Goods by Road (1956) | N/A | | | | | | | | | |
| Customs convention on the Temporary Importation of Commercial Road Vehicles (1956) | N/A | | | | | | | | | |
| Geneva Convention on Road Traffic (1949) | 1965 | | | | | | | | | |
| | | | | | | | | | | |
| **Container port throughput for transit developing countries** | | | | | | | | | | |
| No data | | | | | | | | | | |
| | | | | | | | | | | |
| | **PRIORITY AREA 2: INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE** | | | | | | | | | |
| **Passenger and flight volume by mode of tpt** | | | | | | | | | | |
| | | | | | | | | | | |
| | Freight volume | | | | Passenger volume | | | | | |
| | Millions of tonnes kilometers | | | | Millions of passenger per | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | kilometer s | | | | | |
| | air | Inland waterway transport | rail | road | air | rail | road | | | |
| 2020 | 2020 | | | | | | | | | |
| Malawi | 0 | 0 | …… | 47 | ……. | 63 | 5612 | | | |
| Total, LLDCs | 5111 | 21409 | 248882 | 687896 | 36047 | 110976 | 587346 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **Rail Lines** | | | | | | | | | | |
| no data | | | | | | | | | | |
| | | | | | | | | | | |
| **Air Transport** | | | | | | | | | | |
| | MW | 1644 | 1687 | 1818 | 2327 | 2327 | 1354 | 367 | | |
| | Total LLDCs | 401328 | 391859 | 418149 | 492969 | 508977 | 443946 | 265885 | | |
| | | | | | | | | | | |
| **Total Official International Support for Infrastructure** | | | | | | | | | | |
| | MW | 77 | 114 | 119 | 251 | 263 | 119 | 61 | | |
| | Total LLDCs | 6147 | 5916 | 6599 | 7125 | 7748 | 8280 | 7394 | | |
| | | | | | | | | | | |
| **Energy Indicators** | | | | | | | | | | |
| Access to Electricity ( percentage of population) | MW | 11.9 | 10.8 | 11 | 12.7 | 18 | 11.2 | 14.9 | | |
| | Average LLDCs | 49.5 | 49.1 | 55.5 | 56.3 | 58.7 | 58 | 58.5 | | |
| | | | | | | | | | | |
| Power Outage in Firms in a Typical Month | MW | 6.7 | | | | | | | | |
| | Average LLDCs | no data | | | | | | | | |
| | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Clean cooking** | | | | | | | | | | |
| Proportion of population with primary reliance on clean fuels and technology (percentage) | MW | <5 | <5 | <5 | <5 | <5 | <5 | <5 | | |
| | Average LLDCs | 26 | 26 | 27 | 27 | 27 | 27 | 27 | | |
| | | | | | | | | | | |
| **Energy Intensity** | | | | | | | | | | |
| Energy Intensity level of primary energy (megajoules per constant 2017 purchasing power parity GDP) | MW | 4.7 | 4.7 | 4.7 | 4.6 | 4.7 | 3.2 | | | |
| | Average LLDCs | 6.8 | 6.4 | 6.5 | 6.4 | 6.5 | 6.2 | | | |
| | | | | | | | | | | |
| **Renewable Energy** | | | | | | | | | | |
| Renewable Energy Consumption ( percentage of total final energy consumption) | MW | 82.7 | 80.8 | 78.7 | 75.9 | 73.2 | 73 | | | |
| | Average LLDCs | 42.8 | 43.5 | 44.1 | 44 | 43.8 | 43.1 | | | |
| | | | | | | | | | | |
| **Access to Internet** | | | | | | | | | | |
| Percentage of individuals using the internet | MW | 5.8 | 5.3 | 11.5 | 13.8 | - | 15.5 | - | - | |
| | Average LLDCs | 17.4 | 20.8 | 23.2 | 26.6 | 25.3 | 27.4 | - | 32.3 | |
| | Developed | 75.8 | 76.8 | 81 | 81.9 | 84.9 | 86.7 | - | 90 | |
| | Developing | 39.1 | 41.5 | 44.8 | 49 | 51.4 | 51.4 | - | 59.1 | |
| | | | | | | | | | | |
| **Mobile Cellular Subscription** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Mobile Cellular Telophone Subscriptions per 100 inhabitants | MW | 34.6 | 39.2 | 41.7 | 44 | 39 | 47.8 | 52.3 | 60 | |
| | Average LLDCs | 66.9 | 70.4 | 72.7 | 73.5 | 73.2 | 76.4 | 79.1 | 77 | |
| | Developed | 112 | 125.2 | 126.8 | 127 | 126.8 | 131.8 | 133.4 | 138.5 | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Developing | 91.4 | 91.7 | 95.5 | 99 | 99.4 | 103 | 99.3 | 105 | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | **PRIORITY AREA 3: INTERNATIONAL TRADE AND TRADE FACILITATION** | | | | | | | | | |
| **Merchandise exports** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Total merchandise exports (US$ millions) | MW | 1370 | 1080 | 1022 | 884 | 870 | 859 | 788 | 874 | |
| | Total LLDCs | 224463 | 154024 | 138675 | 162748 | 191827 | 190113 | 168238 | 217268 | |
| | | | | | | | | | | |
| **Merchandize Imports** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Total merchandise imports (US$ millions) | MW | 2778 | 2312 | 2210 | 2547 | 2796 | 2897 | 2643 | 3073 | |
| | Total LLDCs | 217715 | 187633 | 173053 | 189136 | 214239 | 225230 | 205343 | 249774 | |
| | | | | | | | | | | |
| **Participation in Global Trade (exports)** | | | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Share of Merchandise Exports in Global Trade (%) | Malawi | | 0.007 | 0.006 | 0.005 | 0.004 | 0.005 | 0.004 | 0.004 | |
| | Total LLDCs | | 0.93 | 0.86 | 0.92 | 0.99 | 1.01 | 0.96 | 0.98 | |
| | | | | | | | | | | |
| **Participation in Global Trade (imports)** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | |
| Share of Merchandise Imports in Global Trade (%) | MW | 0.015 | 0.014 | 0.014 | 0.014 | 0.014 | 0.015 | 0.015 | 0.014 | |
| | Total LLDCs | 1.14 | 1.12 | 1.07 | 1.05 | 1.08 | 1.17 | 1.16 | 1.109 | |
| | | | | | | | | | | |
| **Trade as % of GDP (Exports)** | | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | | |
| Exports as % of GDP | **Malawi** | **27.5** | **24.1** | **22.2** | **16.6** | **15.5** | **14.2** | **6.7** | | |
| | **Average LLDCs** | **28.2** | **26.2** | **26.4** | **27.5** | **29.2** | **29.2** | **20.4** | | |
| | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Trade as % of GDP (Imports)** | | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | | |
| Imports as % of GDP | MW | 50.5 | 39.6 | 45.3 | 43.8 | 40.9 | 33.5 | 26.1 | | |
| | Average LLDCs | 43.6 | 41.3 | 40.2 | 40.3 | 43.1 | 42.4 | 30.2 | | |
| | | | | | | | | | | |
| **Time to clear exports and imports through customs** | | | | | | | | | | |
| | Days to clear direct exports through customs | Days to clear direct imports through custom | % of firms identifying customs and trade regulations as a major constraint | Year of Survey | | | | | | |
| | Latest values | Latest values | Latest Values | | | | | | | |
| MW | 11.4 | 18.8 | 26.8 | 2014 | | | | | | |
| Simple average (LLDCs) | 8 | 13.3 | 19.7 | 2010-2020 | | | | | | |
| | | | | | | | | | | |
| **Structure of LLDCs exports (primary commodities)** | | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | |
| Share of primary commodities, precious stones and non monetary gold in merchandise exports (%) | **Malawi** | **79.7** | **85.9** | **90.4** | **92.7** | **91.5** | **93.3** | **88.8** | **93.3** | |
| | **Average LLDCs** | **86.2** | **83.2** | **81.8** | **82.7** | **83.4** | **83.2** | **82.3** | **83** | |
| **Structure of LLDCs exports (manufactured goods)** | | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | |
| Share of manufactured goods in merchandise exports (%) | MW | 16.5 | 11.7 | 9.5 | 7.1 | 8.4 | 6.7 | 11.2 | 6.7 | |
| | Average LLDCs | 13.4 | 11.6 | 17.5 | 16.9 | 16.4 | 16.8 | 17.7 | 17 | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **INDICATOR FOR PRIORITY AREA 4:REGIONAL INTERGRATION AND COOPERATION** | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| **Participation in region trade aggrements(RTA)** | MW | 2 | | | | | | | | 2 |
| Cummulative number of physical RTAs in force | Average LLDCs | 3.34 | | | | | | | | 4.35 |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| **intar-region exports** | MW | 35.8 | 33.2 | 31 | 27.6 | - | - | | | |
| intar-Region exports (%) | Average LLDCs | | | | | | | | | |
| | | | | | | | | | | |
| | **INDICATOR FOR PRIORITY AREA 5: STRUCTURAL ECONOMIC TRANSFORMATION** | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| **GDP SECTOR CONTRIBUTION(VALUE ADDED APPROACH)** | MW | 28.7 | 27.5 | 25.9 | 26.1 | 26.3 | 25.5 | 21.1 | 22.7 | |
| Agriculture, forestry and fishing(% of GDP) | Average LLDCs | 15.3 | 16.2 | 16.8 | 15.7 | 14 | 16.2 | 16.5 | 16.4 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| services(% of GDP) | MW | 49.8 | 50.2 | 51.9 | 52.4 | 52.6 | 54.4 | 55.6 | 52.4 | |
| | Average LLDCs | 46.3 | 48.4 | 47 | 4.3 | 46.9 | 46.6 | 44.2 | 40.2 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Industry, including construction(%GDP) | MW | 14.6 | 14.8 | 14.6 | 14.4 | 13.9 | 12.9 | 17.2 | 18.4 | |
| | Average LLDCs | 31.2 | 28.6 | 27.5 | 28.3 | 29.4 | 29 | 25.8 | 26.3 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Manufacturing(% of GDP) | MW | 9.5 | 9.6 | 9.5 | 9.4 | | | | | |
| | Average LLDCs | 9.6 | 9.9 | 10.4 | 10.3 | 10.2 | 10.4 | 9.1 | 9.7 | |
| | | | | | | | | | | |
| **Manufaring value added per capita** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Manufacturing value added per capita(constant 2015$) | MW | 36 | 3 | 36 | 36 | 36 | 37 | 37 | 71 | |
| | Average LLDCs | 182 | 183 | 189 | 195 | 201 | 207 | 197 | 201 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| **Competitive industrial performance index** | Value | 0.003 | 0.003 | 0.003 | 0.002 | 0.002 | 0.003 | 0.002 | | |
| | Rank | 136 | 138 | 138 | 143 | 143 | 143 | 143 | | |
| | | | | | | | | | | |
| **Trade concentration** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| **concentration index** | MW | 0.48 | 0.48 | 0.52 | 0.61 | 0.56 | 0.54 | 0.53 | 0.45 | |
| | LLDCs | 0.36 | 0.27 | 0.23 | 0.25 | 0.28 | 0.27 | 0.23 | 0.23 | |
| | developing economies | 0.12 | 0.09 | 0.09 | 0.09 | 0.1 | 0.1 | 0.09 | 0.09 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| **Trade diversification** | MW | 0.79 | 0.9 | 0.84 | 0.88 | 0.86 | 0.86 | 0.84 | 0.84 | |
| Diversification index | LLDCs | 0.63 | 0.65 | 0.65 | 0.65 | 0.65 | 0.64 | 0.64 | 0.64 | |
| | developing economies | 0.19 | 0.19 | 0.2 | 0.19 | 0.19 | 0.19 | 0.19 | 0.18 | |
| | | | | | | | | | | |
| | | | | | | | | | Percent of firms identifyin g access to finance as abiggest obstacle | |
| **Access to finance** | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| Domestic credit to private sector(% of GDP) | MW | 11.4 | 12.3 | 10.5 | | | | | 29.9 | |
| | Average LLDCs | 24.3 | 29.2 | 29.1 | 28.6 | 29.3 | 32.6 | 33.5 | 15.7 | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **International tourist arriavals** | MW | 819 | 805 | 849 | 83 | 871 | .. | .. | | |
| International tourist arriavals(1000s) | TOTAL LLDCs | 3125 | 30694 | 31616 | 34752 | 36456 | 43552 | 10676 | | |
| | | | | | | | | | | |
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
| **International tourist receipts** | MW | 36 | 39 | 30 | 35 | 43 | 47 | 35 | | % of tal export s |
| International tourist receipts(US$ millions) | TOTAL LLDCs | 15344 | 15067 | 16347 | 18212 | 19675 | 17205 | 6888 | | 3.1 |
| | | | | | | | | | | |
| **Reasearch and development** | | latest value | year | | | | | | | |
| | MW | …. | …. | | | | | | | |
| | Average LLDCs | 0.19585 | 2018 | | | | | | | |
| | | | | | | | | | | |
| **Trade in services** | | | | | | | | | | |
| Trade in services(% of GDP) | MW | 6.3 | 7 | 6 | 6.9 | 0.1 | … | 4.6 | .. | |
| | Average LLDCs | 12.2 | 12.3 | 13 | 12.9 | 13.8 | 9.4 | 9.9 | .. | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **Transport services exports** | | | | | | | | | | |
| transport services exports(% of commercial services exports) | MW | 20.2 | 20.9 | 18 | 17.4 | 17.5 | … | 15 | … | |
| | Average LLDCs | 35.3 | 36.3 | 34 | 34.9 | 35.9 | 33.5 | .. | .. | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | **INDICATORS FOR PRIORITY AREA 6: MEANS OF** | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **IMPLEMEMENTATION** | | | | | | | | | |
| **DOMESTIC RESOURCE MOBILIZATION-GROSS DOMESTIC INVESTIMENT** | | | | | | | | | | |
| Gross Domestic investiment(% of GDP measured by gross capital formation) | MW | 12 | 12.2 | 10.8 | 13.2 | 10.9 | 12.3 | … | … | |
| | Average LLDCs | 26.5 | 27.3 | 26.7 | 27.6 | 27.6 | 29.3 | 25 | …. | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **domestic resource mobilization-gross fixed caital formation** | | | | | | | | | | |
| gross capita formation (% of GDP) | MW | 12 | 12.2 | 10.8 | 13.2 | 10.9 | 12.3 | | | |
| | Average LLDCs | 24.1 | 25 | 24.7 | 24.9 | 24.6 | 26.6 | | | |
| | | | | | | | | | | |
| **domestic resource mobilization-gross fixed caital servings** | | | | | | | | | | |
| gross domestic servings (% of GDP) | MW | 6.4 | 4.6 | -1.8 | 4.5 | 4.8 | 6.9 | … | | |
| | Average LLDCs | 26.4 | 21.5 | 21.4 | 23.6 | 25.4 | 25.5 | 17 | | |
| | | | | | | | | | | |
| Domestic resources mobllization- Government revenue | | | | | | | | | | |
| tax revenue(% of DGP) | MW | 15.9 | 15.2 | 15.5 | 17.3 | 17.4 | 11.9 | 11.7 | | |
| | Average LLDCs | 13.9 | 12.5 | 12.4 | 12.5 | 13 | 13.3 | 10.5 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **Official Development Assistance** | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Millions of US$(current prices) | MW | 872 | 1083 | 1299 | 1565 | 1265 | 1168 | 1522 | | |
| | Total LLDCs | 24629 | 25860 | 27037 | 28847 | 28401 | 31525 | 37211 | | |
| | | | | | | | | | | |
| percentage of total ODA to developing countries | MW | | 0.58 | 0.71 | 0.77 | 0.71 | 0.9 | | | |
| | Total LLDCs | | 16.39 | 17.05 | 17.28 | 19.28 | 21.99 | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| ODA as percentage GNI(Recipient) | MW | 15.8 | 16.9 | 23 | 24.2 | 13.4 | 11.3 | 12.1 | | |
| | Total LLDCs | 1.93 | 1.92 | 2.13 | 2.17 | 1.94 | 1.95 | 2.13 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **Aid for Trade, Disbusment** | | | | | | | | | | |
| Aid for Trade, Disbusment (2020 constant price, millions US$) | MW | 218 | 392 | 234 | 570 | 103 | 402 | 628 | | |
| | Total LLDCs | 9510 | 9292 | 8732 | 9588 | 10779 | 10450 | 16507 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **Foreign Direct Investiment** | | | | | | | | | | |
| Foreign Direct Inflows( millions US4) | MW | 387 | 510 | 116 | 90 | 102 | 98 | 45 | 50 | |
| | Total LLDCs | 28918 | 25033 | 24217 | 25549 | 22220 | 22002 | 14139 | 18486 | |
| | | | | | | | | | | |
| Foreign Direct Inflows( % of GDP) | MW | 6.49 | 7.92 | 2.18 | 1.42 | 1.42 | 1.1 | 0.38 | | |
| | Average LLDCs | 3.41 | 3.27 | 3.41 | 3.35 | 2.75 | 2.44 | 1.71 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **Remittances** | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| remittance inflows(millions US$) | MW | 38 | 41 | 49 | 78 | 182 | 217 | 189 | 233 | |
| | total LLDCs | 33359 | 28563 | 27279 | 30654 | 33808 | 37473 | 35178 | 40884 | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **External debts** | | | | | | | | | | |
| external debts stock(% of GNI) | MW | 28.3 | 27.8 | 34.3 | 34.8 | 32.2 | 32.5 | 24.8 | | |
| | Average LLDCs | 43.6 | 48.9 | 57.8 | 57.1 | 55.3 | 58.4 | 65.2 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total debts service (% of exports of goods, services and primary income) | MW | 4.1 | 4.5 | 6.2 | 5.7 | 7.4 | 8.5 | 9.2 | | |
| | Average LLDCs | 19.1 | 28.5 | 21.1 | 23.7 | 27.8 | 28.2 | 24 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| **DEBT DESTRESS** | | Latest publication date | Risk of Debt distress | | | | | | | |
| | MW | *20/12/2021 | high | | | | | | | |
| | | | | | | | | | | |
| **Population** | | | | | | | | | | |
| Total population (mid-year estimates, millions) | MW | 16.3 | 16.7 | 17.2 | 17.7 | 18.1 | 18.6 | 19.1 | 19.6 | 20.4 |
| | Total LLDCs | 462.6 | 473.8 | 485.3 | 497 | 508.9 | 521 | 533.1 | 546 | 564 |