

MALAWI

Political and economic news

Malawi set to benefit from AfDB debt plan

Malawi is set to benefit from the African Debt Managers Initiative Network, a new programme to provide home-grown solutions to Africa's debt challenges championed by the African Development Bank's (AfDB) African Development Institute. Launched last week, the initiative also seeks to strengthen the debt management capacity of African countries and institutions. In a statement, African Development Institute director observed that the growing financing needs for infrastructure development, poverty reduction, mitigating climate change and tackling insecurity are driving African countries to increase their borrowing, further escalating debt vulnerability. He said: "There is, therefore, a growing need to strengthen debt management capacity in African countries." He said the high-cost debt imposes a significant burden of debt servicing on African countries, averaging 18% of total government revenue. A recent International Monetary Fund (IMF) and World Bank debt assessment showed that Malawi, Ghana, Congo Republic, Sudan, Zambia and Zimbabwe were in debt distress. The African Development Institute said one of the factors driving debt accumulation across Africa over the past decade has been the shift by countries towards costly commercial debt, with a larger share now owed to external bondholders and creditors outside the Paris Club. In Malawi, the debt crisis is taking its toll on public spending with the country's real public spending per person (excluding interest payments) expected to fall by 32% between 2022 and 2026, according to Christian Aid, a United Kingdom charity. *(Source: The Nation)*

Economy in stalemate: any remedy?

The Malawi economy has been growing at an average rate of about 4% for the last three decades, according to available data. This is shy of the average annual growth of 6.1%, which development economists often argue could take half of the country's population out of poverty by 2030. Consequently, over 70% of the country's population lives in poverty, surviving on less than USD 2.15, which is the international poverty line. However, this is despite authorities' efforts to change the country's economic fortunes over the years. Efforts made? Since the early 1990s, Malawi has adopted several policies to deal with poverty. In 1994, Malawi adopted the Poverty Alleviation Programme, which aspired to raise national productivity through sustainable broad-based economic development and socio-cultural development. In 1998, Malawi launched the Vision 2020 which aspired to make Malawi self-reliant with equal opportunities for and active participation by all, having social services, vibrant cultural and religious values and a technologically-driven middle income economy. Its successor strategy, Malawi 2063 (MW2063) aspires to have an inclusively wealthy and self-reliant nation by 2063, with the population having a knowledge-based upper middle-income and industrialised economy built around three pillars of agricultural productivity and commercialisation, industrialisation and urbanisation. However, between the Vision 2020 and MW2063, Malawi developed and adopted the Malawi Poverty Reduction Strategy, the Malawi Economic Growth Strategy and the Malawi Growth and Development Strategy (MGDS) I, II and III, among others. *(Source: Times Business)*

Players want more efforts to boost tourism

Tourism industry players believe a lot has to be improved to boost the sector including air connectivity to world major cities and domestic road networks apart from Visa waiver. One of the itinerary operators in the sector of Orbis DMC Limited made the observation four months after President announced the waiver of Visa fees to maximize the country's tourism potential. He said: "The major obstacle for us at the moment is air connectivity. Malawi doesn't have direct flights from major cities in the world and this makes us an expensive destination. "I am aware that the government is actively working to resolve this. Last week I was part of a meeting organised by the Presidential Delivery Unit looking into ways of resolving the air connectivity issue. Commendable steps by the government and we now wait to see how best this will go." According to him, an assessment on the impact of the Visa waiver will be made next year as the current itinerary bookings are from last year. In an interview on Tuesday, Malawi Tourism Council executive director said tourists' traffic has increased since the waiver of the Visa fees but was quick to concur with him on connectivity infrastructure challenges. She said: "Information that we are getting from relevant institutions is showing that the number of tourists has significantly increased since the waiver was implemented. This, apart from increasing business to industry players, is also contributing to the country's forex supply. "Again, the removal of the Visa fees is making it easier and faster for travelers as they are no longer involved in a long visa application process which was frustrating to some tourists. (Source: *The Nation*)

Market activity and colour

Market commentary

The market traded 7.9m shares in 221 trades recording a market turnover of MWK 522m during the week ended. FDHB (+14.1%), FMBCH (+0.1%) and TNM (+3.2%) were the market gainers whilst AIRTEL (-3.1%), ICON (-0.2%), NBS, NICO, NITL and STD dropped in prices. MASI went up by 1.0% at the back of the significant price jumps on FDHB and TNM.

However, the index recorded a 7.2% rise on year-to-date and 3.2% on index per month.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending 21 June 2024

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
ARTEL	51.12	49.53	-3.1% ↓	70,618	3,566,294.55	9	544,830,000,000
BHL	13.05	13.05	0.0%	0	0.00	0	10,958,746,700
FDHB	74.55	85.03	14.1% ↑	2,384,387	202,721,825.00	63	586,794,687,188
FMBCH	377.77	377.99	0.1% ↑	227,864	86,127,600.00	18	929,193,917,500
ICON	16.00	15.97	-0.2% ↓	13,468	215,083.96	4	106,679,600,000
ILLOVO	1,355.13	1,355.13	0.0%	6,422	8,702,644.00	9	966,809,897,576
MPICO	15.00	15.00	0.0%	17,049	255,735.00	2	34,470,711,900
NBM	2,700.00	2,700.00	0.0%	31,708	85,611,600.00	26	1,260,715,692,600
NBS	89.99	89.99	0.0% ↓	375,411	33,783,185.00	26	261,922,496,306
NICO	199.37	199.36	0.0% ↓	71,461	14,246,490.79	10	207,940,672,899
NITL	411.44	411.43	0.0% ↓	12,418	5,109,260.74	4	55,543,050,000
OMU	1,500.03	1,500.03	0.0%	0	0.00	0	19,318,887,870
PCL	2,506.97	2,506.97	0.0%	0	0.00	0	301,477,733,065
STANDARD	3,950.34	3,950.34	0.0% ↓	1,800	7,110,612.00	5	927,019,027,075
SUNBIRD	224.01	224.01	0.0%	0	0.00	0	58,597,113,746
TNM	15.51	16.00	3.2% ↑	4,706,828	75,295,180.00	45	160,647,200,000
Totals				7,919,434	522,745,511.04	221	6,432,919,434,425

					21-Jun-24	14-Jun-24	31-Dec-23
INDEX (week)	117,873.18	118,993.92	1.0% ↑	MWK/USD	1733.87	1733.87	1683.37
INDEX (month)	115,418.29	118,993.92	3.1% ↑	MWK/GBP	2261.82	2274.32	2212.41
INDEX (year to date)	110,951.21	118,993.92	7.2% ↑	MWK/ZAR	99.38	96.80	93.54

Market cap (MWK'm)	6,432,919.43	3,348,012.68
Market cap (USD'm)	3710.159513	1988.879473

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