

MALAWI

Political and economic news

Malawi faces k6.2TN DVPT financing gap

The African Development Bank (AfDB) says given the current inflows of financing, Malawi faces a gap of about USD 3.59bn (about K6.2trn) or USD 0.63bn (K1.1 trn) annually. This would enable the country to fast-track structural transformation for the 2030 Agenda for Sustainable Development which envisions a secure world free of poverty and hunger and the African Union's Agenda 2063, blueprint and master plan for sustainable development and economic growth of the continent. Data published in the 2024 AfDB Malawi Country Focus Report show that Malawi will need about USD 4.5bn (about K7.9trn) to finance investments in education, energy, productivity, and infrastructure annually until 2030 or about USD 0.79bn (K1.4trn) annually until 2063. The largest financing needs are in infrastructure at 55% of total financing, followed by education at 30%. Said AfDB in the report: "A reform of the international financial architecture is needed urgently as the existing frameworks have been unable to support the mobilisation of stable and long-term financing at scale to support investments needed to combat the climate crisis and achieve the Sustainable Development Goals [SDGs] in Malawi in particular, and in Africa in general. "Current inflows of financing to Malawi and Africa, in general, fall far short of the requirements to fast-track structural transformation by 2030 or 2063." AfDB data show that in 2022, total inflows from foreign direct investments (FDI), official development assistance (ODA), remittances, and net portfolio investments to Africa were only USD 174.9bn, down 19.4% from USD 217.1bn recorded in 2021. Moreover, out of the USD 652.6bn of global climate finance mobilised in 2019/20, Africa received only USD 29.5bn or 4.5%, 86% from public sources and 14% from private sources. (Source: The Nation)

World Bank assesses AIP impact

The World Bank says Malawi's Affordable Inputs Programme (AIP), besides coming at a high fiscal cost, has done little to enhance food security, climate resilience, or productivity. Instead, the bank says the programme, which subsidizes maize seed, fertilizer and other agricultural inputs, has trapped many rural households in poverty by perpetuating a maize-based agricultural system and discouraged responsible land management. In its analysis 'Further AIP reforms can strengthen climate resilience', the bank notes that currently, an estimated 16 percent of the agricultural households targeted by AIP are not economically productive and sell subsidised fertilizer for cash to meet their basic needs. Reads the analysis in part: "Like previous agricultural subsidy policies, the AIP has largely failed to stimulate the agricultural transformation necessary to accelerate economic growth and job creation, and public spending on the program is only weakly correlated with total maize production, due both to sub-optimal targeting and the greater significance of other factors, like weather." The bank argues that tightening enforcement of AIP eligibility criteria and consolidating beneficiaries of multiple support programmes could generate an estimated USD 40 million (about K70 billion) in savings, which could be re-allocated to expand the coverage of the social support for resilient livelihoods project and shield poor households from the loss of the benefits they had been receiving through AIP. In this financial year, Treasury has reduced AIP budget to K103 billion from an estimated K151 billion in the previous year, a move the World Bank has described as "prudent fiscal choice", at a time drought conditions have made it more difficult to convert subsidised fertiliser into increased yields. (Source: Times Business)

NGO drills Lilongwe youths, women to make briquettes

Youth Progressive Environmental Solutions has drilled young people and women in making high quality biomass briquettes. The briquettes are made from carbon vegetative waste such as groundnut and coconut shells, maize cobs, saw dust and waste paper. Speaking during a tour to appreciate the impact of the project, the organization's chief executive officer said apart from empowering women and youths, they aim to mitigate climate change effects through alternative fuel. "Women are involved in firewood collection and kitchen business. We targeted youths because most of them have no stable employment," he said. He further thanked Save the Children for funding their project. Department of Environmental Affairs chief environmental officer has since hailed the work the organisation is implementing. "We have seen how people in villages can easily make briquettes. You might be aware that one of the challenges we are facing is deforestation. The organisation is empowering people to find alternative energy sources," he said. He also said the manuals and website were in line with government's policy on environment. "The National Environmental Policy 2004 is about promoting information, education and outreach. The manual and website which have been developed is in line with this," he said. One participant, who underwent the training, thanked the organisation for empowering her to make briquettes. *(Source: The Daily Times)*

Market activity and colour

Market commentary

The market traded 9.8m shares in 321 trades recording a market turnover of MWK 1.4bn during the week ended. FDHB (+10.7%), NBM, OMU and STANDARD were the market gainers whilst AIRTEL (-0.7%), ICON (-0.1%), NBS, NICO and NITL dropped in prices. The significant price jumps on the counters registered pushed MASI up by 1.3%.

However, the index recorded a 21.2% rise on year-to-date and 4.3% on index per month.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
9 August 2024

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	44.99	44.98	0.0% ↓	379,906	17,028,146.54	30	494,780,000,000
BHL	13.05	13.05	0.0%	0	0.00	0	10,958,746,700
FDHB	129.86	143.70	10.7% ↑	7,856,237	1,085,686,710.00	99	991,678,190,625
FMBCH	400.00	400.00	0.0%	125,263	50,105,200.00	20	983,300,000,000
ICON	15.86	15.85	-0.1% ↓	6,630	105,085.50	4	105,878,000,000
ILLOVO	1,355.13	1,355.13	0.0%	12,321	16,696,555.23	18	966,809,897,576
MPICO	15.00	14.99	-0.1% ↓	17,326	259,738.74	3	34,447,731,425
NBM	3,000.01	3,000.07	0.0% ↑	4,981	14,943,155.64	18	1,400,827,899,222
NBS	151.49	151.42	0.0% ↓	214,673	32,510,313.00	53	440,719,017,566
NICO	199.01	198.92	0.0% ↓	836,119	166,380,719.00	29	207,481,734,816
NITL	411.36	411.34	0.0% ↓	160,092	65,852,785.44	12	55,530,900,000
OMU	1,622.93	1,622.94	0.0% ↑	437	709,223.41	3	20,901,845,883
PCL	2,499.97	2,499.97	0.0%	0	0.00	0	300,635,942,325
STANDARD	4,400.01	4,400.02	0.0% ↑	1,100	4,840,022.00	10	1,032,544,606,163
SUNBIRD	224.03	224.03	0.0%	0	0.00	0	58,602,345,397
TNM	16.30	16.30	0.0%	216,211	3,522,570.23	22	163,659,335,000
Totals				9,831,296	1,458,640,224.73	321	7,268,756,192,699

					9-Aug-24	2-Aug-24	31-Dec-23
INDEX (week)	132,752.47	134,526.12	1.3% ↑	MWK/USD	1734.01	1734.01	1683.37
INDEX (month)	128,996.65	134,526.12	4.3% ↑	MWK/GBP	2278.80	2274.69	2212.41
INDEX (year to date)	110,951.21	134,526.12	21.2% ↑	MWK/ZAR	97.52	98.10	93.54

Market cap (MWK'm)	7,268,756.19	3,348,012.68
Market cap (USD'm)	4191.872393	1988.879473

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