

**KARADENİZ İHRACATÇI BİRLİKLERİ
GENEL SEKRETERLİĞİ**



Sayı : 35649853-TİM.KİB.GSK.UYG.2023/135-669

Giresun, 06/03/2023

Konu : Malavide Yatırım Projeleri

E-POSTA

**KARADENİZ İHRACATÇI BİRLİKLERİ ÜYELERİNE SİRKÜLER
2023 /139**

Sayın üyemiz,

Lusaka Ticaret Müşavirliği kanalıyla, Bakanlığın bir yazısına atfen, Türkiye İhracatçılar Meclisinden alınan 06/03/2023 tarih 63-682 sayılı yazıda;

Zambiya’da yerleşik Malavi Cumhuriyeti Yüksek Komiserliği Ticaret ve Ekonomik İşlerden Sorumlu Müşavirlik Yetkilisi ile bir toplantı gerçekleştirildiği, toplantıda; Malavi’de tarım, imalat, inşaat, turizm, madencilik, enerji, ulaşım ve su işleri alanındaki projeleri içeren bir dokümanın Müşavirlikleriyle paylaşıldığı söz konusu dokümanda;

• Tarım sektöründe: Şeker kamışı, mısır nişastası, ananas, pamuk, pirinç, tohum, süt ürünleri üretimi, hayvancılık ve balıkçılık tesisi kurulumu ile orman işletmeciliği,

• İmalat sektöründe: Güneş enerjisi panelleri üretimi, gübre imalatı, ayakkabı, deri ve deri mamulleri imalatı, mısır ve fasulye ürünlerinin işlenmesi, iplik, dokuma ve tekstil ürünleri imalatı,

• Turizm sektöründe: Çeşitli bölgelerde otel inşaatı,

• Madencilik sektöründe: Kireç madeni çıkarılması,

• Enerji sektöründe: Termik santral, hidro-elektrik santrali ve jeo-termal enerji üretim tesisleri kurulumu,

• Ulaştırma ve altyapı sektöründe: Kara yolları iyileştirme ve genişletme ile demir yolları rehabilitasyonu,

• Su işleri alanında: Şebeke suyu arıtma ve dağıtımı, sondaj, su tedarik ve dağıtım tesislerinin iyileştirilmesi ile su kemerleri tasarımı ve inşaatı,

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• İnşaat sektöründe: Kamu çalışanları için lojman inşaatı, projelerine yer verildiği, ilaveten projelere ait detaylı bilgiler ve ilgili sektörde sağlanan yatırım teşvikleri ile her bir projeye ilişkin sorumlu kurum, kuruluş ve irtibat bilgisinin dokümanda yer aldığı ifade edilmekte olup, bu doğrultuda, yukarıda özetlenen proje alanlarına ait bilgilerin yer aldığı doküman ilişik bulunmaktadır.

Bilgilerinize sunarız.

e-imzalıdır
Şahin KURUL
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Ek: Proje Alanları Dokümanı (84 Sayfa)



MALAWI INVESTMENT PROJECTS

VOLUME 4

Meet

YOUR VISION TODAY

The leading financier of development in Malawi

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MAIIC
Malawi Agricultural & Industrial
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MALAWI INVESTMENT PROJECTS

VOLUME 4

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WATER SECTOR

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AGRICULTURE SECTOR





DR. LAZARUS MACCARTHY CHAKWERA
PRESIDENT OF THE REPUBLIC
OF MALAWI

FOREWORD

BY THE PRESIDENT

In January 2021, I launched the Malawi Vision 2063 as a roadmap for attaining our aspiration to be an industrialised upper middle class country by 2063.

To see this vision materialize, we are actively inviting private investors into the three areas of agriculture productivity and commercialisation, industrialisation and urbanization.

My government's commitment to inclusive wealth creation and self-reliance is a golden opportunity for foreign direct investors who do not want to miss out on the chance of creating additional wealth and be part of an expanding economy marked by a growing and diverse export base and improving productivity.

I am therefore pleased to present this edition of the Malawi Investment Projects

Compendium that highlights some of the available transformational investment opportunities in Malawi.

The Compendium covers projects from various sectors including Energy, Agriculture, Manufacturing, Infrastructure, Mining, and water, hence a wide range of investment opportunities.

Of course, most of these projects are open to both foreign and local investors, in line with the value of 'Prospering Together' that anchors my SUPER Hi5 Agenda.

To ensure inclusive wealth creation, we welcome all forms of investment financing, especially joint ventures and public private partnerships. I must also mention that of special interest are investment projects that employ a large number of Malawians, particularly the youth who are rich with talent and entrepreneurial instincts.

As you are aware, investment adds to the stock and quality of capital available to an economy. Our aim, therefore, is to support quality domestic and foreign investment.

I trust that with this compendium, it is a demonstration that Malawi is open for business, and that you will make us your next investment destination and experience firsthand why we are called the Warm Heart of Africa.



Dr. Lazarus MacCarthy Chakwera
PRESIDENT OF THE REPUBLIC
OF MALAWI



BY THE MINISTER

Malawi's investment climate is comparable to other economies in the SADC and COMESA region, and in Africa. Malawi has adequate legal instruments to protect investors both domestic and foreign investors and additionally foreign investors are generally accorded national treatment.

Malawi is ready to be part of the Continental Free Trade Area and global economic integration and we regard growth in investment as a strategy for attaining this goal. To do this we require investments that can play a role in the regional and global value chains. I am convinced that the projects that have been selected and presented in this compendium satisfy this criterion.

This compendium does not only provide information about investment opportunities, it is also a means to bring together foreign and domestic investors to collaborate on how to realize the potential projects.

I therefore call upon financial institutions, domestic investors to partner with foreign investors through joint ventures, equity arrangements, or debt financing. All projects included in the Compendium have already been assessed for their business potential.

I would like to congratulate the President for approving this edition of the Malawi Investment Project Compendium. It is my sincere hope that you will find this Compendium useful, and more importantly that it will help you decide to invest in Malawi.

Sosten Gwengwe, M.P.,
MINISTER OF TRADE





INTRODUCTION

BY BOARD CHAIRPERSON

We at Malawi Investment and Trade Centre (MITC) are excited to present the fourth edition of Malawi Investment Projects Compendium. This package has been carefully selected to showcase both public and private sector supported investment opportunities that have feasibility reports.

Our role at MITC is to identify viable projects and bring them to the attention of potential investors and financiers. One of the government's role is to improve the ease of doing business in Malawi. MITC contributes to this effort by providing valuable business information to investors thereby reducing their time and cost.

If you find an investment opportunity of interest in this edition, or you have own business proposition, please contact us through our One Stop Service Centre. MITC is ready to facilitate potential investors

to set up business in Malawi as quickly as possible.

As Chairperson of a newly constituted MITC Board, I take it as an honor to lead a board of directors that is committed to contribute to transforming Malawi through targeted and transformation investment projects. In this regard, we made sure that all projects that qualify for this compendium should have undergone feasibility analysis and have the potential to transform the relevant sectors.

The Malawi Investment and Trade Centre values the support extended by various ministries, department and agencies as well as the private sector in the process of investment and export promotion. The process of coming up with this Malawi Investment Projects Compendium enjoyed and received input from the concerned stakeholders, for which we are grateful.

I would like to extend my gratitude to the President Dr. Lazarus McCarthy Chakwera, and his administration through the Ministry of Trade, for prioritizing growth of investment in Malawi as an ingredient for economic transformation. The success of investment promotion efforts is a multi-stakeholder effort; hence our expectation is that MITC will continue to enjoy the support of other institutions as before.

Management and staff at MITC are committed in the duty to promote and facilitate investment by both domestic and foreign investors. We look forward to hearing from you as soon as possible.

Karl Chokotho
BOARD CHAIRPERSON



WHY INVEST IN MALAWI

Malawi is a politically stable country with friendly and warm hearted people. It is one of the most peaceful countries in Africa providing a good climate for business growth. Malawi is strategically located and is an ideal investment location, with its beautiful fresh water lake and its scenic beauty which makes it attractive for both leisure and business.

Here are the top five reasons why you should invest in Malawi:



Peaceful, secure and stable political climate



Streamlined investment registration through the One Stop Service Centre at MITC



Enormous investment opportunities in all sectors



Youthful, trainable and affordable labor force



Attractive investor tax incentives

Business-friendly reforms | Abundant natural resources | Connectivity and access to export markets | Government committed to private sector growth.



About MITC

Malawi Investment and Trade Centre (MITC) is an organization established by an act of Parliament, The Investment and Export Promotion Act, to become an integrated Investment and Trade Promotion Centre with an encompassing mandate of investment promotion and attraction, and export promotion.

MITC identifies, develops and packages investment opportunities in Malawi; provides a professional service to all clientele; brands and markets Malawi as an investment destination; retains and expands trade and export activities and links opportunities to the developmental needs of the Malawi community.

Through its critical role within Malawi's economy, MITC further encourages domestic investment and expansion, promotes locally manufactured goods to regional and international markets, contributes towards improvement of the investment climate through policy advocacy, increases citizen participation in the economy and creates sustainable job opportunities.

INVESTMENT PROMOTION AND FACILITATION SERVICES

MITC operates a One Stop Service Centre (OSSC) which provides streamlined business services to investors under one roof.

The OSSC consists of five government institutions: MITC, the Department of Registrar General, the Immigration Department, the Malawi Revenue Authority and the Ministry of Lands, Housing and Urban Development, which provide the following functions respectively:

- Facilitate company registration and incorporation
- Process and issue investment certificate
- Process and issue business residence permits and employment permits

- Facilitate acquisition of other sector permits and investor requirements currently not represented in the OSSC Department of Registrar General
- Facilitate access to tax incentives
- Facilitate access to land

Through its investment promotion and aftercare arm, MITC does the following:

- Compiles investment opportunities
- Promotes investment opportunities to investors and financiers
- Provides business information to investors
- Support investor delegations to Malawi
- Facilitates joint venture partnerships
- Facilitates access to finance

WHAT STEPS SHOULD AN INVESTOR FOLLOW IN ORDER TO INVEST IN MALAWI?

Step 1: Register and incorporate the company in Malawi

Step 2: Obtain Investment Certificate with MITC

Step 3: Obtain a license/authorisation where it may be required

Step 4: Conduct an Environmental Impact Assessment where it may be required.

In some instances, a license is required before obtaining the investment certificate. Please consult MITC for guidance

COST OF REGISTERING A COMPANY IN MALAWI

A local company is registered at a fee of US\$94 while a foreign company is registered at **US\$313**. There would be additional charges where a private lawyer is engaged.

KEY SERVICES INCLUDE:

- Project Appraisal
- Site Identification and Evaluation (Under the auspices of the Lands Specialist within the One Stop Service Centre)
- Business Permits (under the auspices of the Immigration specialist within the One

Stop Service Centre)

- Joint Venture Facilitation
- General Business Advice
- Business Retention and After Care services
- Incentives
- Inward and outward investment promotion missions
- Project Profiling

TRADE PROMOTION AND FACILITATION

MITC's Trade Promotion and Facilitation's function is to identify market outlets for locally manufactured products, with a major strategic focus on discovering and promoting new products that are suitable for export.

Export Promotion Interventions: MISSIONS AND TRADE FAIRS

Working in conjunction with Malawi manufacturers, producers and exporters, MITC actively engages in export promotion events in foreign markets, designed to advance the following objectives:

- Expose Malawi's manufacturers and producers to foreign markets and increase the number of exporting companies that export by heightening their awareness of potential export opportunities; training and guiding to their first export sales.
- Promote Malawi products in foreign markets and increase export sales.
- Train and guide existing exporters and potential exporters in consolidating foreign market presence and in product diversification.
- Penetrate new markets.
- Expand Malawi's market share both regionally and internationally

BUSINESS INFORMATION SERVICES

MITC offers a wide range of business information services. The Centre provides inquiry-reply services, dissemination, information research, reference services, internet, printing services and product displays.



PRIVATE SECTOR PROJECTS

This section presents projects owned by the private sector in Malawi who are interested to partners with potential investors and financiers. Interested investors are encouraged to submit their expression of interest to the project promoters through the Malawi Investment and Trade Centre (MITC)



AGRICULTURE SECTOR

Malawi's economy is agro-based with the agriculture sector contributing around 30 percent to the gross domestic product. The country is rich with fertile soils that grow a variety of crops such as tobacco (generates over 60 percent of export revenues), maize (staple food), cassava, coffee, soya beans, tea, sugar cane, beans, sweet potatoes, macadamia nuts, horticultural foods, fruits. Over 80 percent of the labour force is in the agriculture sector which guarantees a ready and affordable work-force. However, the opportunities in the sector have not been fully exploited.

The sector is currently dominated by small scale producers who faces low productivity, use of conventional methods of production and traditional technologies, heavy reliance on un-processed traditional crops, limited drought resilience, and limited access to funds and poor infrastructure.

Government is now committed to promote commercial agriculture based on competitiveness and value chain development. The Government of Malawi has put in place agricultural, investment and trade policies and plans to provide security and direction to investment in the agriculture sector.

Agriculture-related investment opportunities abound in large-scale farming, agro-processing, agriculture financing services, agriculture infrastructural development including irrigation, and technology advancement. Government has designated the agriculture and agro-processing sectors as priority industries and in terms of incentives, the sector enjoys zero rated corporate tax for a period of up to 10 years.

Securing markets for Malawi's agriculture commodities is not an issue. Being a member to SADC, COMESA, WTO and a trading partner with Asian and European countries, Malawi has a vast market for its products. This section therefore presents some investment opportunities in the agriculture and agro-processing sector.



1 SMALLHOLDER OUTGROWER SUGARCANE PRODUCTION RECAPITALIZATION PROJECT

CONTACTS

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PROJECT DESCRIPTION

The Government of Malawi sought US\$ 15.42 Million financing from the African Development Bank (AfDB) to develop irrigation sugarcane schemes. This was as result of potential in the country's sugar industry both in terms of available export opportunities resulting from Malawi's relatively low cost of sugar production and the expanding domestic and regional demand for sugar and sugar products.

The successful exploitation of these potentials would enable the country increase the size and reliability of the export earnings, and substitute fuel imports (by ethanol produced as a by-product of cane sugar production). Sugarcane production would increase smallholder (including women) farmers and enhance the Government's policy goal of alleviating rural poverty.

To this end, the AfDB project developed Liwaladzi 550 ha and Kazilira 780 ha under center pivot irrigation complimented by sprinkler irrigation systems. After successfully implementation of the two AfDB projects, DCGT received a grant from EU 3 Million euros to implement another sugarcane project at Kasitu North 650 ha under the same irrigation systems. The project promoters are seeking financing to complete the Kasitu project and resuscitate Liwaladzi and Kazilira projects.

PROJECT OWNERSHIP

The Dwangwa Cane Growers Trust (DCGT) is the executing agency for the projects.

BUSINESS MODEL

The existing model is that DCGT secures funds implements the projects and handled over to management companies. DCGT

allows turnkey arrangements whereby the financier implement and manage the project for a foreseeable period until the financier recovers the investment in full.

OBJECTIVE OF THE PROJECT

The goal is to increase sugarcane production, which will in turn improve foreign exchange position and increase farmer's income. The project's specific objective is to alleviate poverty of smallholder sugarcane outgrower farmers (including women) around Dwangwa by increasing their income and improving household food security.

SECTOR OF OPERATION

Agriculture sector - Sugarcane production

BUSINESS ACTIVITY

Dwangwa Cane Growers Trust roles among others is to provide a vehicle through which further smallholder cane growing and development can be initiated and progressed further. The business activity requires identification of land, setup development committees, leased the land and securing funding. The implementation is done through engaging contracts with different expertise. DCGT signs license agreements with sugarcane growers which runs for 5 years' renewable.

COMPETITIVE ADVANTAGE/GAP ANALYSIS

The competitive advantages of producing sugarcane in Dwangwa area include: availability of land suitable for sugar cane production in the vicinity of dwangwa sugar corporation milling facility; low cost of production for Malawi cane sugar being lower than that in most competitive producers in the sub region (mainly due to low cost of labour); sucrose extracted rate

for cane produced in the Dwangwa area being higher since 1978. Close proximity of two major sugar processing companies (Salima Sugar and Illovo) which provide a readily available market

LOCATION

ACTUAL LOCATION OF PROJECT

The project actual location is Dwangwa, Nkhota-kota about 270km north-east of Lilongwe.

PROMINENT BUSINESS ACTIVITY SURROUNDING YOUR PLACE OF OPERATION

The project is in close proximity to Illovo Mill, Ethanol Company, Unitrans Company and salima sugar company limited who provide a readily available market. We are also surrounded by all the commercial banks, Malawi revenue Authority, police station and the magistrate court, including hospitals.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

The project economy will benefit through long term employment, income and food security for the 1070 targeted smallholder sugarcane farmers in Nkhota-kota. The projects will reduce poverty in the project area and improve the standards of living of the beneficiaries. Furthermore, the provision of sanitation facility and portable water will enhance the health of the community where the farmers live. Irrigation will provide vegetation cover almost around the year and help reduce soil and sheet erosion due to heavy rains and strong winds

EXPORT ORIENTATION/FOREX GENERATION

Sugar is Malawi's third largest agricultural export item after Tobacco and Tea. In 2020, Malawi produced 270,000mt of sugar, with 60% sold domestically and 40% exported. Sugar consumption in South African Development Community (SADC) region last year was forecast above 3.5 million tons and to remain constant for the foreseeable future. The realization of this potential will enable the country to improve its foreign exchange position both through increased sugar export earnings and substitution of ethanol for imported fuel

IMPORT SUBSTITUTION

The project will increase Malawi's agriculture earnings through the increased qualities of refined and fortified sugar that will be sold on the domestic and international markets. A by-product of sugar extraction, ethanol, will lead to increase in import substitution for petrol the project of which is in progress.

VALUE ADDITION

Several value-added products can be produced by utilization of various crop residues and by-products of sugarcane like bagasse. Sugarcane tops, molasses and vinasse. Ethanol Company Ltd is embarking on project to produce fertilizers from bagasse and molasses.

FINANCIAL REQUIREMENTS

CAPITAL EXPENDITURE REQUIREMENT

The total capital requirement to be used to

resuscitate the three schemes will not be less than 3 Million US\$. This amount shall be used to buy new pumps and finish construction of pump house at Kasitu, buying new pivots and sprinklers, construction of power lines, buying new seed materials, buying field supervisory vehicles, buying fertilizers and herbicides and carrying out selected civil works as the land was already developed. One scheme- Kasitu will be required to be completed, but the two projects Liwaladzi and Kazilira will just need restoration in order to be able to get the maximum production output.

WORKING CAPITAL REQUIREMENT

The actual working capital requirement can be estimated at US\$700 thousand for the first year of the project's implementation.

PROPOSED FINANCING STRUCTURE

The proposed financing structure for the projects should be in form of a debt. It would be easy to implement the projects and recovery of the debts if turnkey financing arrangement is secured.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The proposed investment model being sought should be a turnkey arrangement which entails the financier provider shall also be the same to implement the projects for agreed period. This arrangement would ensure full recovery of the amount invested.

The projects require a financier to provide a long-term loan and this could be combined with PPP Implementation arrangement model.

The investor shall be required to provide extension service to the farmers such as fertilizers, Haulage, cutting and maintenance of irrigation infrastructure

PROJECT FEASIBILITY

All studies of the projects including Technical Feasibility, feasibility study, Environment Impact Assessment, Technical Designs, Licenses or market feasibility study were already done by Government.

FINANCIAL FEASIBILITY

NET PRESENT VALUE

Over a period of 5 years, at a rate of return of 5% on investment; the NPV is as follows: Liwaladzi sugarcane production - US\$ 6,993,220, Kazilira Sugarcane production - US\$ 7,505,230 and Kasitu North Sugarcane Production - 5,754,357

PAYBACK PERIOD

Kazilira project will be able to pay the initial investment in year one of the projection implementation, whilst, Liwaladzi and Kasitu will be able to payback in year two (about one quarter of the way through year 2). All the three projects as per analysis produce high return on investment and are viable.

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2 CORN STARCH PROJECT



PROJECT DESCRIPTION

PROJECT OWNERSHIP

The Project is owned by the Malbro Investment group (MIG) a duly registered Malawian Company.

BUSINESS MODEL

The business model entails sourcing maize from small to medium scale farmers. Enhancing their capabilities by providing inputs and technology to boost their output and enhance their productivity.

OBJECTIVE OF THE PROJECT

The Malbro Group is interested in improving the health, social economic status, gender balance and wellbeing of the ordinary farmer and his family.

SECTOR OF OPERATION

The sector of operation is Agriculture and manufacturing (agricultural products processing).

BUSINESS ACTIVITY

Processing maize into starch, animal feed, corn oil, sweeteners, ethanol and other products

COMPETITIVE ADVANTAGE/GAP ANALYSIS

The Plant will be the first of its nature on the African continent. As a continent Africa is a net importer of starch and starch products. Importation of Starch and starch derivatives represents a large foreign exchange for the Continent and Malawi as a country.

The production and operational technology, system and methods are based on the traditional USDA – ARS approved and researched corn wet milling process (NAICS:31221 Industry specified production methods) which Malbro Corn – Tech have developed to design and assemble an ultra-modern, efficient, low carbon foot print industrial deep corn processor. The plant is in the final design stages by Zhengzhou Jinghua Industry Co., Ltd of China. The plant design and aspects are cutting edge in terms of utilities consumption and output.

LOCATION

ACTUAL LOCATION OF PROJECT

The proposed location of the Project is Mchinji, Malawi.

PROMINENT BUSINESS ACTIVITY SURROUNDING YOUR PLACE OF OPERATION

The proposed project location is a predominantly agricultural production area. The principal activity is small scale farming.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

The project will create value in employment directly and indirectly. The project will create a total of 300 new jobs directly related to every day management and operational

activities of the plant and projected over a million jobs indirectly

EXPORT ORIENTATION/FOREX GENERATION

As outlined above, Africa and Malawi in specifics is a net importer of starch and starch derivatives. The Project not only presents forgone imports (FOREX) but also presents a very large forex income earning potential. The earnings over the first 8 years of the Project are just over US\$3.6 Billion.

IMPORT SUBSTITUTION

Malawi imports nearly all of its starch and starch derivative products (apart from ethanol which is locally produced). The project presents the potential for Malawi to produce all of its local demand for starch and starch derivative products, as well as bolster the production of ethanol for energy, food and domestic use.

VALUE ADDITION

Malawi as a country loses out on the value addition aspect of maize. Maize is used internally for food purposes (with a small quantity exported). Annual maize yields for the last 10 years have averaged 3 – 4 Million tons, 30% of which is lost to the maize going bad due to inadequate storage technology. The Project has the potential of driving production quantities up by as much as 2 – 3 Million tons (over and above current production quantities) as well as adding 70 – 80% value on a unit quantity of produced maize.

FINANCIAL REQUIREMENTS

CAPITAL EXPENDITURE REQUIREMENT

It has been assumed that a US\$ 130,000,000 debt participation finance structure deal can be entered into, with a 30% maximum allowable equity participation. The financial Model has assumed full recovery of CAPEX (interest + principal) by equity Financing Partner, including a 6% return on investment a 1% all risk insurance form a recognized entity, such the African Trade Industry (ATI).

WORKING CAPITAL REQUIREMENT

The Corn starch production is working capital heavy. The working capital requirement is US\$46 Million for the first month.

PROPOSED FINANCING STRUCTURE

The proposed finance structure is 100% debt.

**PROPOSED INVESTMENTMODEL
(ACTIONS REQUIRED/ IMPLEMENTATION AR-
RANGEMENTS/ CONTRACT TYPE)**

The Project Developer intends to enter into a debt finance agreement with a Financier. The desired implementation model is one where the Project Developer/Promoter engages a Financier to provide a debt facility, an EPC Contractor is engaged for Project implementation and construction, and a professional management team is engaged for post construction activities (commercial operation of the plant).

PROJECT FEASIBILITY

TECHNICAL FEASIBILITY

The technical Feasibility documents have been completed by the Project Developer/Promoter.

FEASIBILITY STUDY

The Project Feasibility study was undertaken and completed by the Project Developer/ Promoter. A market study was done.

ENVIRONMENTAL IMPACT ASSESSMENT

The Project EIA has not been completed yet. However, the Project Developer completed the Project Environmental Brief which was duly submitted to the Department of Environmental Affairs. The EIA Process is underway and it is expected that the same will be completed by Q4 of 2021.

TECHNICAL DESIGNS,

Technical, Engineering and Architectural designs have been completed.

LICENSES

The Project is yet to obtain relevant permits and licenses; EIA, Building Permit and Operational Permits.

FINANCIAL FEASIBILITY

The Project has an unlevered IRR of 25% and a Levered IRR of 15%, NPV of approximately US\$2.4 Billion and payback period of 8 years.



3 SPINNING OF COTTON LINT INTO YARN



PROJECT DESCRIPTION

Cotton Spinners is a locally owned limited liability company owned by an indigenous Malawian entrepreneur namely; Mr. Richard Kazembe, Mr. Stewart Malata and Mr. Anderson Kulugomba. The company is yet to be operational but the promoter has done substantial assessment studies to establish the potential of the proposed venture.

On average, Malawi produces cotton on about 200,000 hectares in the lower shire valley and the lake shore areas. The lower Shire valley accounts for about 50% of the production, southern region uplands around 36% and the lake shore areas the remaining 14%. There are currently 11 ginning companies in Malawi with a combined ginning capacity of more than 150,000MT per annum, and only one spinner of cloth in the country.

The objective of the project is to produce yarn for export from lint. At a later stage, we intend to add weaving and knitting to produce finished garments for export.

SECTOR OF OPERATION

Manufacturing, Textile Industry, Agriculture Value Addition

BUSINESS ACTIVITY

The project will be buying lint from ginneries

in Malawi. We are also exploring possibility of acquiring a ginnery to enter into direct contract farming agreements with farmers especially those under the Ncharo Cotton Project spearheaded by the Greenbelt Project. We will be processing lint into yarn, dyeing, knitting, weaving for exporting to SADC countries, Europe, USA (utilizing AGOA), Middle East.

COMPETITIVE ADVANTAGE/GAP ANALYSIS

The project looks to take advantage of the large textile market in USA under the new AGOA Agreement from 2016, entry into the USA at a greater cost advantage than Asian countries. Apart from that, there is a very large proven annual gap in the cotton yarn market in southern Africa of 12000 tonnes (2016). With our future plans of having a yarn dyeing plant, an equally large export market exists into the Indian Ocean Islands, Botswana, and the Gulf States (Bahrain especially)

Some of the challenges that exist include non-existent textile industry in Malawi, Mozambique, Zambia. (Malawi exported 95% of cotton produced as lint) and few existing mills are old resulting in low quality & high cost of production (Mapeto DWS in Malawi, Glendale in Zimbabwe)

However, our competitive advantage which aim at bridging Gap between Opportunity

& Challenge highlighted above include competitive buying prices, unique Blends from blended Malawian, Mozambican, Zambian and Tanzanian cotton, high quality yarn, low production cost and high quality due to the state-of-the-art factory with low energy and overhead costs.

Competitive yarn export prices at standard 176% of the value of local low FOB price lint, qualifies for AGOA tariff exemption which will allow us entry into the USA at a greater cost advantage than Asian countries, quick and efficient deliveries as we will be able to export to regional & overseas markets via nearby Nacala rail or road and guaranteed locally generated Solar power add to the growing competitiveness of our project.

LOCATION

The project will be located in Liwonde, Balaka District, close to the Nacala rail line. This location was chosen due to the availability of cotton farms which will provide a readily available supply of raw materials

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The factory will provide basis for growth of textile industry, potentially in hundreds of USD millions for Malawi and Region. Below are the estimated export sales for 5 years:

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
16,586,449	26,221,958	30,901,108	36,879,262	36,879,262

At present, the main focus is on lucrative export market. However, we foresee in future other textile players exploiting local market with garments using our textiles.

The standard Yarn exports value is at standard 176% of the value of lint. This value is more than doubled when yarn is dyed, and increases exponentially when weaving and knitting is added. Thus, expected minimum value addition is 76% on value of lint exports and likely more than treble with the dyeing, knitting and weaving included.

FINANCIAL REQUIREMENTS

Capital Expenditure Requirement - US\$27 million
Working Capital Requirement - US\$3 million

Proposed Financing Structure - Debt 75%, Equity 25%

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

JOINT VENTURE PARTNERSHIP

Required Equity Investment of US\$6m, Current Shareholders to Invest US\$2 million for a total Investment of US\$8million
Financing - Long-term debt (10 years) of US\$22 million

PROJECT FEASIBILITY

TECHNICAL FEASIBILITY

Done, business plan vetted by experts available

FEASIBILITY STUDY

Not complete

ENVIRONMENTAL IMPACT ASSESSMENT

Not yet done

TECHNICAL DESIGNS

Machinery designs and quote available. Final Factory designs not yet done but estimates already done

LICENSES

Done, company registered

MARKET FEASIBILITY STUDY

Done (off-takers agreement available)

FINANCIAL FEASIBILITY

Internal Rate of Return - 11% (Based on 10-year cashflows and 10.45% discount rate), Net Present Value - \$19,130,900 (Based on 10-year cashflows and 10.45% discount rate) and Payback Period - 10 years

4 LAKE MALAWI COMMERCIAL CAGE FARMING

CONTACTS

MR DAVID P NKWAZI
LAKE MALAWI AQUACULTURE LIMITED
P O Box 123, Salima.
Mobile : +265 (0) 993 716 276.
Email : david@lakemalawi.com



PROJECT DESCRIPTION

The project aims to produce 1,000 tons of farmed fish in the first year, then scale up production to 4,000 tons within 3 years for the domestic, regional and international markets. The project will also produce fingerlings for its own use and selling to other fish farmers.

The species to be cultured are Oreochromis karongae (Chambo) and some Bagrus meridionalis (Kampango catfish). Fingerlings will be produced in hatcheries using selective

breeding techniques while outgrowing will take place in cages in the lake.

PROJECT LOCATION

Senga Bay, Salima

CURRENT STATUS/ STAGE OF PROJECT

Non-operational

ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE

Expressions of Interest are invited for promoters who can provide debt capital of US\$3.3 million.

AVAILABILITY OF PRE-FEASIBILITY STUDIES, FEASIBILITY STUDIES, AND OTHER STUDIES

A comprehensive feasibility study, business plan, Environmental Impact Assessment, aquaculture license, permit for surface water extraction and land were all acquired.

ESTIMATED COST OF THE PROJECT

The project cost is US\$8,818,154.

5 COMMERCIAL DAIRY PRODUCTION



CONTACTS

PREMIER DAIRY LIMITED
P O Box 30604, Lilongwe 3. Malawi.
Mobile : +265 (0) 999 567 580
Tel : +265 (0) 1 773 330.
Fax : +265 (0) 1 775 595.
Email : aabillu@gmail.com

PROJECT DESCRIPTION

This project entails a community-based commercial dairy production plant on an impact investment model. The plant will purchase milk from the farmers who will be given dairy cows and will manage them under supervision, and the milk will be purchased exclusively by the plant in which, as an incentive for loyalty, the farmers will have a share in. Thus, value will be added to farmers' raw milk by pasteurizing it, which will then be packaged and sold to end consumers.

The farmers will own part of the shares of the processing company thereby earning

dividends from profits and part of their earnings from the processing company will be saved in a local savings cooperative to be formed as part of the project.

A project that will produce wholesome fresh milk, yoghurts and juices. Participating farmers will be grouped into functional and formal cooperatives that will own the dairy cattle. The cooperatives will also own 20% shares in the processing plant and any subsequent value addition activity based on the cooperative activities.

PROJECT LOCATION

Chiradzulu District

CURRENT STATUS/ STAGE OF PROJECT

Non-operational

ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE

The project promoters are looking for financial or equity partners. Shareholding structure will be discussed.

AVAILABILITY OF PRE-FEASIBILITY STUDIES, FEASIBILITY STUDIES, AND OTHER STUDIES

Feasibility study done.

ESTIMATED COST OF THE PROJECT

US\$3.1 million.

6 SEED PRODUCTION

CONTACTS

MANAGING DIRECTOR - MS. GRACE MIJIGA
AFRI - SEED
P.O. Box 395, Lilongwe.
Mobile : +265 (0) 991 100 000
Email : gracemijiga@yahoo.co.uk

PROJECT DESCRIPTION

Afri-Seed Limited is a limited liability company incorporated under the Companies Act in Malawi whose business model uses rural women for seed production. The organization's goal is to achieve a combination of traditional farming methods, irrigation farming and mobile technology to improve the efficiency and quality of legume seed yield. Afri-Seed provides the agri-inputs, access to contract commodity buyers, extension services, grading services, packaging services, and farm mechanization to sustainably achieve its aspired goals.

Afri-Seed is a growing company with huge potential, considering that 90% of Malawi's economic activities surround agriculture. Presently, annual turnover is in excess of US\$2 million. The company's activities

cover soya and groundnut seed production, packaging, hiring out of farming equipment and seed marketing. There is huge demand for these products both on the local, regional and extra-regional markets. Presently, the company has developed pigeon peas on 1,000 hectares (community-based) destined for the export market.

The proposed investment entails purchasing breeder seed and all required farm inputs, purchasing of farm and irrigation equipment, construction of warehouses for seed storage and setting up distribution points across the country and purchase of packaging equipment.

PROJECT LOCATION

Presently, Afri-Seed interventions are mostly concentrated in the Eastern Region

of Malawi, and parts of the Central Region, but with potential to extend to the northern and southern regions of the country.

CURRENT STATUS/ STAGE OF PROJECT

Operational

ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE

An equity or financial partner

AVAILABILITY OF PRE-FEASIBILITY STUDIES, FEASIBILITY STUDIES, AND OTHER STUDIES

A feasibility study report is available.

ESTIMATED COST OF THE PROJECT

The project is estimated at US\$5 million to enable cost-effective sustainable operations.

PROJECT LOCATION

ACTUAL LOCATION OF PROJECT

The Project will be located in Vipha Planation area, in the Northern region of Malawi, which is about 95 km from Mzuzu city

PROMINENT BUSINESS ACTIVITY

SURROUNDING YOUR PLACE OF OPERATION

This area is mainly occupied by Forest Planation Management projects. There is Raiply which is the company managing over 3,000 Hectors of Forest in the area. There is also Kawandama Hills Forest that grows Eucalyptus trees for the extraction of essential oils and production of sustainable charcoal

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

This project is a high value earner by looking at the return on investment. In additional to this it has a capacity to employ 200 people both skilled and unskilled. It has the ability to promote the development of forest management skills and processing of various forest products. This project will also help in contributing to the target of zero carbon and the correction of climatic change activities.

EXPORT ORIENTATION/FOREX GENERATION

The project aims at processing three main forest products: Veneer, Transmission Poles and Wood Planks. The demand for these products will be a great forex earner for Malawi.

IMPORT SUBSTITUTION

Malawi imports Transmission Poles and veneer from other countries like Zimbabwe and China respectively. This project will fill the gap of this demand.

VALUE ADDITION

The project aims at processing the harvested wood and not selling as raw and unprocessed products.

FINANCIAL REQUIREMENTS

CAPITAL EXPENDITURE REQUIREMENT

The project needs and investment of USD 900,000 for running operations and procurement of machinery

WORKING CAPITAL REQUIREMENT

The project needs USD 300,000 as working capital up the point of its initial harvest of trees and its processing

PROPOSED FINANCING STRUCTURE

We propose the financing to be given in bits of 30%, 30% and the final 40%.

EQUITY (%) / DEBT (%) / MEZZANINE FINANCE (COMBINATION OF DEBT & EQUITY)

We are looking for a 30% Equity and 70% Debt

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

JOINT VENTURE PARTNERSHIP

We are open to discussions of this one to interested parties.

FINANCING PPP

Kayola Construction entered into a concession agreement with the Ministry

of Natural Resources to manage the concession area for 30 years and a possible renewal after assessing the performance of the first 30 years.

PROJECT FEASIBILITY

TECHNICAL FEASIBILITY

This is to be carried out

FEASIBILITY STUDY

This is to be carried out. However, trees have already been planted.

ENVIRONMENTAL IMPACT ASSESSMENT

This has not been carried out yet. However, the project area was designated for Forest Plantation by the Malawi Government 30 years ago

TECHNICAL DESIGNS

The technical team from the Department of Forest is working on initiating the drawing of Forest Management Plans.

LICENSES

The Department of Forestry is currently working on finalizing the agreements but we Kayola Construction has already responded to the offer letter accepting the offer.

MARKET FEASIBILITY STUDY

Kayola Construction has started to identify potential buyers of the targeted forest products

FINANCIAL FEASIBILITY

- Internal Rate of Return - **54%**
- Net Present Value - **MK5, 560, 226, 574.27**
- Payback Period - **16 Years**

CONTACTS

NUTRICARE

Box 2820, Blantyre, Malawi.
Mobile : +265 (0) 884 560 098 / 992 320 909
Email : gunsuluk@gmail.com
Selba.luka@afri-auscare.org.
Web: www.nutricaremw.com

9 MORETONS ORGANIC ENERGY DRINK

PROJECT DESCRIPTION

PROJECT OWNERSHIP

Partnership between NutriCare and Afri-Aus care NGO. NutriCare provides scientific and technical expertise in production and processing of raw organic farm produce materials into natural nutritious energy drinks. Afri-Aus Care provides business advice and plans to provide

culturally appropriate mental health support service to local farmers using UBUNTU guidelines and the Positive change Model support of care.

The project we want to undertake entails adding value of local organically farm produce, processed into affordable nutritious drink that is accessible to the community.

BUSINESS MODEL

A social enterprise with Inclusive Agribusiness model

OBJECTIVE OF THE PROJECT

To increase the availability of affordable nutritious food items for local, national and international trade.

Agribusiness

We plan to produce and sale affordable, nutritious organic energy drinks, (milk, Fortified with Orange Fresh Sweet Potatoes (OFSP), honey), other high quality food items.

- Caffeine free nutritious energy drink, no 'crash' effect
- Made from organic locally farm fresh produce
- Sweetened by pure honey from local farmers
- Increasing source of income for contracted local farmers
- Fortified with Orange Fresh Sweet Potatoes (OFSP) which have large amounts of the antioxidants, (cancer-fighting agents) beta-carotene (Vitamin A)
- Contains amino acids, nutrients, and minerals that are essential for normal brain activities that support cognitive functions.
- Contains Vitamin B, B12, known to improve memory and sharpness of the brain.

- Factory and wholesale in Thyolo district
- Retail and wholesale in Blantyre

The factory site has been identified at a place where it is about 200 meters away from Bvumbwe tar mark road, which is also closer to Bvumbwe farmer's market. The distance between Bvumbwe market and the town of Limbe is about less than half an hour; a great advantage of having retailers, wholesalers and consumers from Limbe, Blantyre and surrounding areas like Thyolo BOMA to come and purchase the products direct from the factory.

people within Malawi with possibility attracting international buyers.

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

The project will contribute to the attainment of national food security, poverty reduction and national economic development objectives as outlined in the Malawi Growth and Development Strategy (MGDS). Also by promoting agricultural productivity and sustainable management of land resources to achieve national food sovereignty, increased incomes and ensure sustainable socio-economic growth and development. More broadly, our sustainable business model it is designed to accelerate progress toward the first two SDGs: eradicating poverty and eliminating hunger.

Planning to export agricultural produce to China in order to generate forex. Kindly note that in China, NutriCare is affiliated to African Chamber of Commerce and Industry (ACCI) of which Mr. Sam Onanda is the current General Manager for ACCI at Xuhui District, Shanghai, China. Email: sam.onanda@googlemail.com Call: +86 152 2181 3244.

Our mission is to substitute importation of Caffeinated energy drinks with our novel nutritious organic caffeine free energy drink Producing and resourcing high quality farm produce that will attract local, national and international markets

The energy drink invented by NutriCare is fortified with Orange Fresh Sweet Potatoes (OFSP) which have large amounts of the antioxidant (cancer-fighting agents) beta-carotene (Vitamin A)

Provisional of intensive culturally appropriate mental health support services: using the UBUNTU guidelines and the Positive Change Model by qualified health care professionals to the selected local farmers and staff from NutriCare. For more health care supported refer to www.afri-auscare.org

Provisional of up-to-date COVID-19 guidelines to local farmers.

USD\$88,000.00

USD\$22,000.00

Mix of equity, or money from the shareholders of the Project Company, and debt in the form of bank loans.

Mezzanine Finance

Joint venture partnership

- Technical Feasibility - **Done**
- Feasibility Study - **Done**
- Environmental Impact Assessment - **Done**
- Technical Designs, - **Done**
- Licenses - **Done**
- Market Feasibility Study - **Done**

Internal Rate of Return - 56.7%, Net Present Value - USD\$110,000.00 and Payback Period is negotiable



- MARKET INTELLIGENCE
- EXPORT PROMOTION
- EXPORT DEVELOPMENT (CAPACITY BUILDING & COACHING)
- ADVOCACY



www.mitc.mw



Reserve Bank of Malawi

INVESTMENT OPPORTUNITIES IN THE BANKING SECTOR IN MALAWI

There is great potential for entrepreneurs in the financial services sector, banking in particular, as the sector is yet to be fully exploited. The sector is growing, banks enjoy low cost of funds, returns are high and banks in Malawi post one of the highest return on investment in the region. Recent studies show that the banked population is less than 30.0 percent leaving room for innovation and business with over 70.0 percent of the raw market. National priorities and strategies also embrace financial inclusion, mortgage finance and non-interest banking, which is allowed. Local regulations provide for uniform license depending on the choice business plan. There are eight (8) commercial banks hooked to the national payment system grid which can be of use by any bank entering and prying the local system.

The country has maintained stability of the economy evidenced by easing of monetary policy conditions and reduced inflationary pressure. The current macroeconomic environment characterized by falling interest rates and stable foreign exchange, present market opportunities for investors desiring to establish a commercial bank in Malawi backed by stable political environment. This economic environment is good for investors. The country is on Basel II and fully complies with the twenty-nine (29) Basel Core Principles (BCPs) for Effective Banking Supervision.

To ensure continued financial soundness and stability, authorities, including, Reserve Bank of Malawi (RBM) continue to improve the legal and regulatory framework. As such, supervisory tools are updated regularly as necessary in line with international standards and best practice in order to ensure that emerging risks are addressed accordingly.

Authorities are committed to ensure that the financial system is efficient, competitive, safe and sound to sustainably meet needs of depositors and borrowers. There are no capital restrictions. To meet this objective, the Bank wishes to encourage potential investors to participate in the financial sector so as to foster socio-economic development in Malawi.

For any additional information or clarifications, please contact the Director, Bank Supervision Department/Director, Financial Sector Regulation Department, Reserve Bank of Malawi, P.O. Box 565, Blantyre, Malawi. Telephone +265 (0)1820299 or email: basu@rbm.mw.



Reserve Bank of Malawi

INVESTING IN MALAWI A SNAPSHOT GUIDE TO PROSPECTIVE INVESTORS

Regulatory Requirements:

A. Capital Account Operations

- ☒ The Exchange Control Act, 1989 guides Capital Account transactions.
- ☒ All foreign investment into Malawi is subject to registration with the Reserve Bank of Malawi (the Bank).
- ☒ All investment from Malawi to other countries is subject to registration with the Bank.
- ☒ The purpose of registration is to allow free repatriation of dividends and capital on disinvestment.
- ☒ The registration of outward investment is to account for the local resources for investment in other countries and monitor the repatriation of dividends and capital back to Malawi.
- ☒ Registration of investment is through an authorized dealer bank (ADB) resident in Malawi, either by the investor or by any persons acting on the investor's behalf. It is a registration requirement to produce evidence of foreign capital brought into Malawi.
- ☒ Repatriation of dividends and capital for a duly registered foreign investment is processed by an ADB without referring to the Bank for approval.

B. Introduction of Capital into Malawi

- ☒ Capital for investment into Malawi can be in any of the following forms: (a) cash, (b) capital equipment (plant & machinery), (c) stocks, (d) technology, (d) debt/equityswap.
- ☒ For both inward and outward capital transfers, investors are expected to be cognizance of the Anti-Money Laundering requirements.

C. Investment Opportunities

- ☒ Foreign investment in Malawi can be in the form of Foreign Direct Investment (FDI) or portfolio investment.
- ☒ There is no limit on the level of capital outlay for an investment.
- ☒ Generally, foreign investors can invest in any sector of their choice in Malawi.

D. Other Details

- ☒ All Current Account transactions are liberalized.
- ☒ ADBs process Current Account transactions on behalf of their clients.
- ☒ The Bank maintains an oversight role over ADBs for liberalized transactions
- ☒ The Bank also provides the regulations, guidelines and training to ADBs for processing of both Current and Capital Account transactions.

For more information visit RBM website (www.rbm.mw)

MANUFACTURING SECTOR

The manufacturing and agriculture sectors work together in their contribution to the overall growth of the economy. Malawi has a developing manufacturing sector mainly in food and beverages, chemical industries. There is potential for growing the manufacturing sector based on extractive industry and agriculture. Currently, Malawi's manufacturing sector is dominated by food and beverages, confectionary, chemicals, pharmaceuticals, tobacco, tea, sugar, cement and light electronic manufacturing.

The sector contributes around 9 percent of GDP and is estimated to grow by an average of 3.6 percent per annum. Most consumer manufactured goods in Malawi are imported. These include clothing and footwear, cement, fertilizer, plastics and food products.

Malawi is mainly at the foundational stage in the global value chain where it normally supplies raw materials. Government has put in place policies aimed at growing the manufacturing sector and these include the National Industrialization Policy, National Export Strategy and Energy Policy.

Malawi's export commodity basket is concentrated with agricultural commodities which continue experiencing unfavorable terms of trade. There is need to diversify the country's exports to include value added non-agricultural commodities. Government realizes that a growing and outward-oriented manufacturing sector can significantly contribute to Malawi's job creation and export diversification. The government therefore introduced incentives for the sector including loss carry forward for six years, 100 percent capital allowance on new and unused plant and machinery and industrial building and a 40 percent capital allowance on used plant and machinery and industrial building.

The manufacturing sector is endowed with vast investment opportunities including textiles and garments manufacturing, farm input chemical production, bicycle assembly and supply of building materials. This section presents investment opportunities available in the sector.

CONTACTS

Lumbadzi ADMARC Buildings, Lilongwe.
P. O. Box 31288, Capital City, Lilongwe 3,
Republic of Malawi
Mobile : +265 (0) 993 404 090
 +265(0) 885 580 930
E-Mail : chakanda@yahoo.com



New CAPEX required: US\$500,000 to send technicians for training in the Caribbean and pay for technology supply agreement. This new funding will entail that the new investors will take up 30% equity in the project.

WORKING CAPITAL REQUIREMENT

Required US\$1,060,000 as a production 5–7-year loan from investors, or local Banks. The funds will be used to purchase production machinery, raw materials, and start solar water heater manufacturing.

PROPOSED INVESTMENT MODEL

New investor(s) to sign Investment Agreement with existing shareholders of Nyika Solar Technologies Limited, and commit the US\$500,000 thereafter, and legally take up 30% equity.

US\$1,060,000 financing will be secured through local Banks, or can be a new investor loan repayable over a 7-year period.

PROJECT'S FEASIBILITY

TECHNICAL FEASIBILITY

The technical Feasibility documents have

been completed by the Project Developer/Promoter.

FEASIBILITY STUDY

In 2019–2020, local feasibility studies were conducted successfully.

ENVIRONMENTAL IMPACT ASSESSMENT

An environmental impact assessment was conducted by professional environmentalists, and a certificate of approval was granted by the Malawi Government's Department of the Environment.

TECHNICAL DESIGNS

All technical designs and production machines' setup, process operation's designs, etc. are proprietary to the company Nyika Solar Technologies Limited.

LICENSES

All necessary project licenses have been granted by relevant authorities.

MARKET FEASIBILITY STUDY

Extensive market feasibility studies have been carried out as shown in some data above.

FINANCIAL FEASIBILITY

EBITDA = \$1,865,742, Project's NPV = \$3,565,070, Project's IRR = 52%, Annual Net-Worth of the Company = \$2,753,265 per year on average (e) ROI or ROE = 78% annually. Growth Rate = 27% per year, RONA = 44%, Net Capital Ratio = 3, Current Ratio = 2 times and Acid Test Ratio = 2 times

2 FERTILIZERS' MANUFACTURING PROJECT FOR MALAWI AND EASTERN/SOUTHERN AFRICAN COUNTRIES.



CONTACTS

OUR ATTORNEY & SECRETARY
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K D FREEMAN & ASSOCIATES
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+265(0) 885 580 930
E-Mail : chakanda@yahoo.com

PROJECT DESCRIPTION

The business project consists of eight (8) private sector shareholders from South Africa and Malawi. The project involves manufacturing of various types of fertilizers that Malawi has specified for farmers in the country, and distributing these fertilizers through all the depots (1030) of the Agriculture Development and Marketing Corporation (ADMARC) Ltd through an MOU that was signed between the two parties.

OBJECTIVE OF THE PROJECT

The project aims to provide smallholder farmers in Malawi and the Eastern/Southern African countries with affordable and more potent fertilizer technology than has ever been possible by anyone before.

SECTOR OF OPERATION:

Manufacturing sector.

BUSINESS ACTIVITY:

The project involves the manufacturing and sale of various fertilizers throughout

Eastern and Southern Africa. **Urea Gold Fertilizers Limited**, is the only company in Sub-Sahara Africa with the specialized technology of *slow-nutrient-release* fertilizers. We manufacture these fertilizers at affordable costs for smallholder farmers to afford everywhere.

LOCATION

ACTUAL PROJECT LOCATION

Our fertilizer factory is located in Lumbadzi, Lilongwe, Malawi.

3 SHOE AND LEATHER MANUFACTURING

CONTACTS

THE MANAGER
TROGON TRADING PRIVATE LIMITED
P.O. Box 1226, Blantyre, Malawi.
Email : trogontrading@outlook.com



PROJECT DESCRIPTION

PROJECT OWNERSHIP

The project is owned by Trogon Trading Limited Company and duly incorporated in Malawi

BUSINESS MODEL

This is an export-oriented business that produces shoes and wetblue leather. The role materials, raw hides and skin are sourced within Malawi and products sold within and outside Malawi. The project already commence production and started exporting.

OBJECTIVE OF THE PROJECT

The aim of the proposed project is to set up a tannery to add value to the hides and skins, which are being produced in Malawi. This should form a nucleus of developing the leather value chain in Malawi. Textile and the Leather Sectors have been used globally to initiate the industrialization revolution. This will reduce import dependence, generate employment and contribute to the improved significance of the manufacturing sector to the Gross Domestic Product (GDP).

SECTOR OF OPERATION

Manufacturing

BUSINESS ACTIVITY

The leather making operation consists of converting the raw hide or skin, a highly putrescible material, into leather, a stable material, which can be used in the manufacture of a wide range of products. The whole process involves a sequence of complex chemical reactions and mechanical processes. Amongst these, tanning is the fundamental stage, which gives leather its stability and essential character. Preserving hides and skins by tanning and performing various steps of preparation and finishing,

generates a final product with specific properties: stability, appearance, water resistance, temperature resistance, elasticity and permeability for perspiration and air, etc.

COMPETITIVE ADVANTAGE/GAP ANALYSIS

Malawi footwear demand was estimated at 15.5 million pairs per annum in 2017 and is projected to reach 18.1 million pairs per annum in tandem with population growth. An improvement in economic performance may result in even a higher projected growth in footwear demand beyond the current estimate. Currently footwear production in Malawi is estimated at 0.2 million pairs, thus living a demand deficit of 15.3 million pairs per annum. This scenario has pushed up import demand of footwear to grow rapidly from US\$ 2.8 million to US\$ 12.4 million between 2001 and 2016 respectively.

LOCATION

ACTUAL LOCATION OF PROJECT

Liwonde, Malawi

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

The designing of the project was guided by the overall Malawi policy goal of improving the contribution of the manufacturing sector to its GDP, which is in line with its quest to improve the livelihoods of its citizens. The industry sector contributes 13.9%; this reflects the importance of promoting value addition in the leather value chain, as this could boost the manufacturing sector's contribution to Malawi's GDP.

EXPORT ORIENTATION/FOREX GENERATION

Based on the hides and skins production of 2012, the Malawi leather value chain has

the potential of reaching a minimum direct value of USD 102 million per annum. A study revealed that Malawi has the capacity to feed into the semi processed leather at global market, in the short to medium term and has the required resources to produce for the export market, hence the project will also target the export market.

IMPORT SUBSTITUTION

All the SMEs that are involved in the production of footwear and other leather goods depend on informal and formal imports of from Kenya, Zambia and Zimbabwe. As such this project's production will supply to the local market and therefore reduce the import bill on leather products.

VALUE ADDITION

This project directly answers to the Government's call for value addition on Malawi's rich resources. It involves turning raw hide and skin into leather products and shoes.

FINANCIAL REQUIREMENTS

The project needs US\$200,000 financing.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

FINANCING

The project promoter is willing for the partner to take up 15 percent of shareholding.

PROJECT FEASIBILITY

A feasibility study on viability of tannery in Malawi was done, a market study was done. The project is already operational.

FINANCIAL FEASIBILITY

Internal Rate of Return at 33%, Net Present Value US\$10,406,542 and Payback Period of 5 years.

4

CONTACTS

MANAGING DIRECTOR
PATRICK CHINGATI - PHIRI
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Email : Chingati6@hotmail.com



PROJECT DESCRIPTION

PROJECT OWNERSHIP

The company is owned by CPM Agri-Enterprises

BUSINESS MODEL

The company owns farms and also sub-contracts farmers to produce maize which is used as raw materials.

OBJECTIVE OF THE PROJECT

The main objective of the project is to contribute to the healthy well-being of the citizens of the country in order to promote economic development.

SECTOR OF OPERATION

Manufacturing

BUSINESS ACTIVITY

The project is about production, processing, distribution and selling of bio-fortified (Vitamin A in maize and zinc & iron in beans), nutrition dense and climate sensitive certified seeds of Orange Hybrid maize, white hybrid maize, beans, soya beans and groundnuts for nutrition improvement, general food security, and for poverty reduction (economic empowerment) of vulnerable groups of people (women, pregnant women, girls, babies, school going children, the youth in general and the sick).

COMPETITIVE ADVANTAGE/GAP ANALYSIS

The company is already in operation and understands the market well. The company is ready to share its performance report with potential partner.

LOCATION

Processing will be done in Lilongwe while growing of the seed will be done in Lilongwe, Dowa, Ntchisi, Salima, Kasungu and Mchinji districts in Central region of Malawi.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

Malawi has one of the highest HIV/AIDS prevalence rates. Therefore there is need for food with sufficient Vitamin A which helps in building the body's immunity to infections. Bio-fortified crops like maize (staple) can provide between 50-100% of a child's daily Vitamin A requirements.

Vitamin A, Zinc and Iron are particularly required by women (including girls), school-going children, the malnourished and the sick in general. Vitamin A is essential for cell division (growth), proper vision and maintenance of membranes. Zinc is essential

for brain development while iron is an essential component of the blood

EXPORT ORIENTATION/FOREX GENERATION

Excess production will be sold to neighboring countries, especially Mozambique.

VALUE ADDITION

The project is value-addition oriented as it involves processing of maize into various products.

FINANCIAL REQUIREMENTS

The capital requirement is US\$1,380,000. CPM Agri-Enterprises will contribute a cash equivalent of US\$581,000 in addition to the following contributions in kind:

1. Office space
2. Land for additional office space
3. A 20 by 40 metres Warehouse
4. Parental lines for the hybrid maize varieties
5. One double cabin Toyota Hilux
6. 15 qualified staff

**PROPOSED INVESTMENTMODEL
(ACTIONS REQUIRED/ IMPLEMENTATION AR-
RANGEMENTS/ CONTRACT TYPE)**

The project promoter is seeking a loan/
equity partnership

PROJECT FEASIBILITY

The company is already in operation and is willing to share its profitability analysis report with potential partner.



5 SPINNING, WEAVING AND TEXTILE MILL

CONTACTS

MANAGING DIRECTOR
COTTON GINNERS LTD
private bag 594, Limbe, Blantyre, Malawi.
Tel : +265 (0) 1 848 817.
Fax : +265 (0) 1 848 816
Email : spencer@cgalmw.com



PROJECT DESCRIPTION

Cotton Ginnners Limited owns a spinning, weaving and textile mill in Blantyre. Malawi has invested significantly in the cotton industry focusing particularly on ginneries. However, cotton ginnners Africa limited would like to work along the value chain where they already have three ginneries. They also have a sister company which crushes cotton seed into lint and also makes laundry soap.

The company now aspires to further add value to their lint with the proposed project.

With a population of over 17 million people, Malawi has 400,000 cotton farmer who produce not less than 100,000 mt of seed cotton in an area of 130,000 ha. Approximately 39,000 mt of lint is produced per annum and out of which only 5% is used by a local manufacturer, leaving 95% for export.

PROPOSED INVESTMENT

A 3,000 kilowatts spinning facility utilizing latest European (Switzerland and Italy) technology on the spinning market, with opening blending and cleaning; carding;

drawing; combing; roving and rotor spinning capabilities. The project will primarily target the export market, particularly Europe and other yarn importing countries.

PROJECT LOCATION

Blantyre.

ESTIMATED COST OF PROJECT

Us\$ 46.8 million.

INVESTMENT REQUIREMENTS

The project is seeking a financier.



TOURISM SECTOR

Malawi, also known as the Warm Heart of Africa boasts of beautiful landscapes, variety of wildlife and a rich and diverse culture that make this small country the ideal place to invest in.

From the tip of Lake Malawi through the exciting towns and cities, to the Peak of Mulanje Mountain, tourists and business people are constantly flooding the country all year round. In order to realize the tourism potential, the government of Malawi is formulating a Tourism Investment Master Plan to ensure that the sector is well planned and monitored.

Meanwhile, there are plenty of rewarding investments waiting to be explored in Malawi including ecotourism, construction of hotels, lodges and cottage, conference facilities and water-based sports facilities.

The Government of Malawi identifies the tourism sector as a key driver for sustainable economic growth and development in the country, and offers attractive investment incentives. Investors in the tourism sector are eligible for exemption of various import duty and import excise duty on various goods at construction and operational stage.

The Ministry of Tourism is tasked with ensuring that tourism is developed and promoted in a manner that brings meaningful economic benefits to the people of the country. The Department is therefore working to improve the business environment for new and established businesses, address infrastructure development and strengthen public-private sector dialogue. With the envisaged improved business environment in the tourism sector, the promise of viable investment is great and worth exploiting.





2 COUNTRYWIDE RESORT HOTEL

CONTACTS

MANAGING DIRECTOR - MIKE MLOMBWA,
COUNTRYWIDE GROUP OF COMPANIES
P.O. Box 975, Blantyre.
Tell : +265 (0) 1 822 434
Mobile : +265 (0) 999 935 414
+265 (0) 888 835 414

PROJECT DESCRIPTION

PROJECT OWNERSHIP

Countrywide Hotels and Resorts Limited

BUSINESS MODEL

The project involves construction and Operation of Resort Hotel in Chintheche, Nkhatabay along Lake Malawi.

OBJECTIVE OF THE PROJECT

The project will contribute in the Tourism Sector in Malawi by having a new hotel constructed and to have a sustainable revenue generating business.

SECTOR OF OPERATION

Tourism

BUSINESS ACTIVITY

Hotel and Hospitality

COMPETITIVE ADVANTAGE/GAP ANALYSIS

Fitting in the growing tourism industry in Malawi

LOCATION

ACTUAL LOCATION OF PROJECT

Chintheche, Nkhatabay.

PROMINENT BUSINESS ACTIVITY SURROUNDING YOUR PLACE OF OPERATION

Being a district that is along the lake shore of Lake Malawi, there is a lot of Tourism, Conferencing and General trading activities taking place that would provide a readily

available market for our business. There is also a lot of Fishing and Farming activities taking place albeit being at small scale.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

The project will contribute towards achieving Government objective of ensuring that tourism is developed and promoted in a manner that brings meaningful economic benefits to the people of the country. The project will contribute towards creation of employment

EXPORT ORIENTATION/FOREX GENERATION

The project will contribute towards Forex generation through tourism

VALUE ADDITION

This project directly answers to the Government's call for value addition as it will work with various players in the Tourism value-chain in delivering its services.

FINANCIAL REQUIREMENTS

Capital Expenditure Requirement – USD 5,000,000,000 (One million dollars)
Working Capital Requirement – USD 100,000
Proposed Financing Structure – Debt and Equity partnerships

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

Joint venture partnership – our 30% and their 70% or 40:60, Financing – 100% Debt

PROJECT FEASIBILITY

TECHNICAL FEASIBILITY

The technical Feasibility documents have been completed by the Project Developer/ Promoter.

FEASIBILITY STUDY

The project Feasibility documents was undertaken and completed by the Project Developer/Promoter.

ENVIRONMENTAL IMPACT ASSESSMENT

The project Environmental Impact Assessment is not yet conducted

TECHNICAL DESIGNS

All Technical Designs have been done

LICENSES

The project promoters have acquired a Tourism License

MARKET FEASIBILITY STUDY

The Market Feasibility study was done

FINANCIAL FEASIBILITY

Internal Rate of Return – 30%, Net Present Value – USD 500,000 and Payback Period – 10 years

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OPPORTUNITIES FOR YOUR PRODUCTS



MINING SECTOR

Mining in Malawi is an under-explored activity but it holds a great potential to develop Malawi's economy and attract a great deal of investors. Currently the sector accounts for about 1 percent of GDP.

According to the Geological Survey Department, an airborne geophysical survey conducted in 2015 revealed an abundance of mineral deposits including rare earth minerals, bauxite, uranium, graphite, vermiculite coal, gemstones, alluvial gold, monazite, limestone, phosphate, pyrite, glass sands, dimension stone and titanium heavy bearing mineral sands. Formal mining activity are happening for coal, and lime while gemstones are extracted by small-scale miners.

In order to cultivate and sustain a conducive environment for growth of investments in the sector, the Government of Malawi reviewed and endorsed the Mines and Minerals Act in 2018. The mining and fiscal regime was reviewed in 2016. The Government grants duty free and VAT free importation of mining equipment to investors in the mining sector. In order to access the incentives, an investor is required to obtain a mining license from the Ministry of Mines, Energy and Natural Resources.

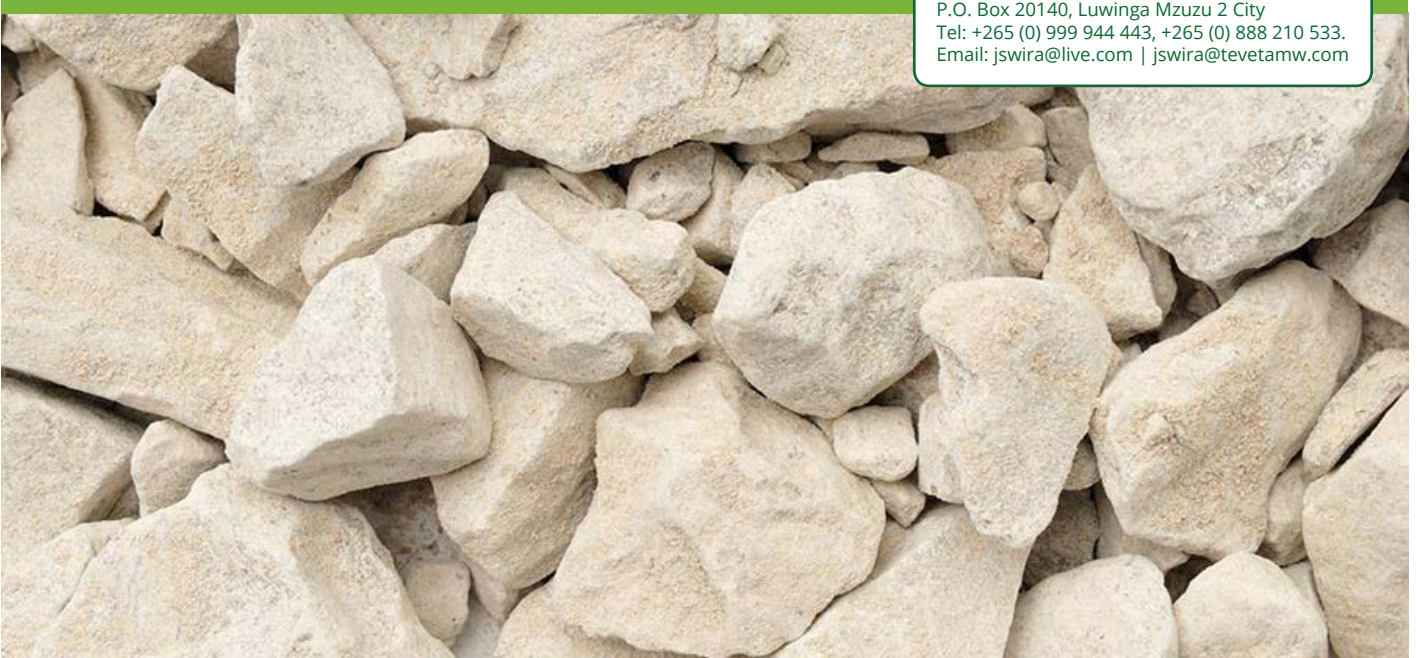
Furthermore, the Department of Geological Survey set up a geo-data management platform to ease-up information access by investors and other stakeholders. This section lays out investment opportunities in the mining sector.





CONTACTS

MANAGING DIRECTOR - JOHN SWIRA,
WHY LIMESTONE MINING LIMITED
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 Email: jswira@live.com | jswira@tevetamw.com



PROJECT DESCRIPTION

The developers of Why Limestone Mining Limited are looking for suitable investors/partners to raise a minimum of \$200,000 for the operations of a lime plant in Malawi. The opportunity offered is unique, and a low risk investment with attractive returns generated annually.

The current developers have invested over \$800,000 to date, and have installed production machinery and has run batches of lime productions successfully.

This business process has brought the project to the point where it is possible to

offer additional new investors the following benefits:-

- 60% to 90% Shareholding in Why Limestone Limited, a company which has a capacity of production of lime of 200 tones per month.

PROJECT LOCATION

Karonga

CURRENT STATUS/ STAGE OF PROJECT

The injection of \$200,000.00 working capital into the business to enhance productivity.

ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE

The project seeks financiers/equity partners who can inject money in the project in order for the business reach its full potential. Acquisition of the business is possible.

AVAILABILITY OF PRE-FEASIBILITY STUDIES, FEASIBILITY STUDIES, AND OTHER STUDIES

The feasibility study for this project was carried out and the project is operational

ESTIMATED COST OF THE PROJECT

The injection of \$200,000.00 working capital into the business to enhance productivity.



MALAWI

YOUR IDEAL
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DESTINATION



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ENERGY SECTOR

Malawi continues to witness a growing demand for energy following increased industrial activities and population growth. The demand will continue to grow owing to expanding manufacturing, mining and agricultural activities in the medium to long term. According to the Power Demand Forecast of the Integrated Resource Plan (IRP) of 2017, Malawi's demand will reach 2,500 megawatts by 2035.

Currently most industrial activities depend on hydropower which contributes around 76 percent to the generation mix. Cognizant of climatic shocks and high operational costs associated with hydro power, the Government of Malawi is promoting a balanced mix of renewable energy sources at industry and household level. The presence of year-round sunlight and strong winds presents opportunities to invest in solar or wind energy projects.

Several initiatives have been undertaken in the energy sector in order to improve power supply: the Millennium Challenge Corporation invested US\$350.7 million into improving the capacity, efficiency and stability of the national electricity grid, and the capacity and sustainability of Nkula A hydro plant; Government completed the construction of Kapichira Hydropower plant in order to enhance power generation capacity.

Government has classified the energy sector among the priority industries, with entitlement to special incentives. The Government has also opened up the energy sector to both public and private sector investments to ensure that power deficiencies are addressed with a view to ultimately improve access to electricity in the country. In this regard, there is an Independent Power Producer (IPP) framework that helps to promote and incentivize investments in power production, sustain purchase costs for power from independent producers and thus encouraging wider participation.

This section presents a mix of investment opportunities in the energy sector.





CONTACTS

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2 BLANTYRE WASTE TO ENERGY



PROJECT DESCRIPTION

PROJECT OWNERSHIP

The Project is owned by a subsidiary of the Malbro Investment group (MIG), Afro Renewable Energy Group (AREG) a duly registered Malawian Company.

BUSINESS MODEL

The business model entails production of energy (electricity) and selling that to the single power offtake, Power Market Limited (PML).

OBJECTIVE OF THE PROJECT

The objective of the Project is to contribute to the Government's goal of eradicating power deficits in the country and promoting industrialisation.

SECTOR OF OPERATION

Energy

BUSINESS ACTIVITY

Intend to develop waste-to-energy plants, deploying technologies that extract residual energy from municipal solid waste and convert that into electricity, which is subsequently fed into the grid. The German technology developed by Intec can use a very wide variety of unsorted waste. The project will generate 438 Gigawatt Hours.

Technology, system and methods are based on the patented Thermolytic Cracking Process, an economically and ecologically proven system. The plant will be designed to be operated 24 hours a day continuously. Guarantees for technology and plant are available from international insurance. The plant will be designed to be operated 24 hours a day continuously.

The planned size of the plant is 50MW (~438 GWh per annum) output from an annual waste volume of 198,000 tons. Production of energy from Solid Municipal Waste (SMW) and selling of the produced energy to Power Market Limited.

COMPETITIVE ADVANTAGE/GAP ANALYSIS

There are many technologies currently existing on the market. The technology that the Project Developer intends to use is unmatched in terms of production, efficiency and environmental considerations.

The technology is environmentally friendly and has passed the relevant environmental licenses in Germany and the European Union.

LOCATION

ACTUAL LOCATION OF PROJECT

The proposed location of the Project is Blantyre, Malawi.

PROMINENT BUSINESS ACTIVITY

SURROUNDING YOUR PLACE OF OPERATION

The proposed project location is an urban area. The project will be surrounded by the businesses and commercial activities of Blantyre Urban.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

CONTRIBUTION TO ACHIEVING NATIONAL, REGIONAL OR GLOBAL ECONOMIC, SOCIAL, ENVIRONMENTAL AND DEVELOPMENTAL GOALS

The project is a private sector-initiated development and shall therefore relieve the government of Malawi on the need and pressure to put development spending

in energy power generation infrastructure. Such Project development capital can be used by Malawi government to improve on the transmission and distribution network infrastructure, roads, healthcare and schools.

The project shall also help Malawi to minimize on any borrowings towards power plant infrastructure development thereby reducing the country's debt burden from multilateral institutions, Commercial Banks or public domestic debts. The project will further support attainment of sustainable development goals.

EXPORT ORIENTATION/FOREX GENERATION/ IMPORT SUBSTITUTION

The proposed Project will augment the country's efforts with energy security above the country's desired safety margin of 30% and go towards reducing interdependence on energy importation from neighboring countries like Mozambique, Zambia or Tanzania. In the long run, at the full production capacity of 100MW, any excess or unused capacity can be exported to the neighboring countries under the Southern Africa Power Pool, a cooperation of the national electricity companies in Southern Africa under the auspices of the Southern African Development Community (SADC).

FINANCIAL REQUIREMENTS

CAPITAL EXPENDITURE REQUIREMENT

The CAPEX requirement is approximately US\$180 Million.

WORKING CAPITAL REQUIREMENT

The working capital requirement of approximately US\$5 Million.



- MARKET INTELLIGENCE
- EXPORT PROMOTION
- EXPORT DEVELOPMENT (CAPACITY BUILDING & COACHING)
- ADVOCACY



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PUBLIC PRIVATE PARTNERSHIP PROJECTS

OPPORTUNITIES FOR PUBLIC PRIVATE PARTNERSHIP WITH THE GOVERNMENT OF MALAWI

This section presents public projects which the Government of Malawi is interested to partner with private sector. All PPP projects in Malawi are facilitated by the Public Private Partnership in accordance with the Public Private Partnership Act. Private sector partners are identified through a bidding process where the Public Private Partnership Commission (PPPC) advertises the projects when ready for bidding. If unsolicited, the investor is expected to submit a letter of interest to the contracting authority who then refers it to PPPC for assessment and if acceptable, an invitation to bid for the PPP project.





Unlocking Malawi's Trading Potential

INTERVENTIONS



TERM LOANS

- Working capital loans for procuring raw materials and operational costs. Encompass:
 - Warehouse receipt finance loans;
 - Capital Expenditure loans and
 - Project finance



TRADE FINANCE

EDF offers trade finance to exporters with export contracts but have short term financial need to fulfil their orders. The trade finance is also offered to importers who intend to import intermediary goods used for producing export products or products for internal consumption and use.



COMMODITY MARKET MAKING (CMM)

The product is for traders and financially distressed manufacturers, who have confirmed commodity export orders/contracts but lack capacity to meet their obligation. The Fund provides financing for procuring of stocks, processing and exportation.



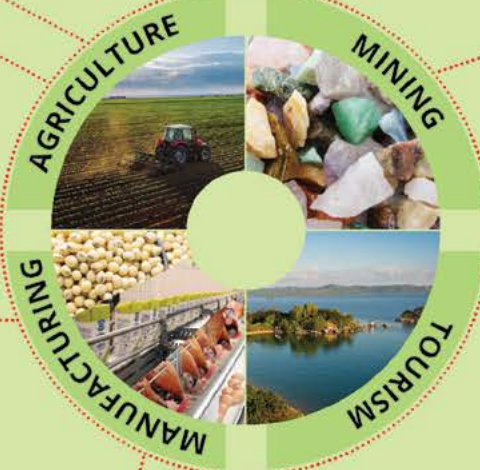
VENTURE CAPITAL FUND (VCF)

An arrangement through which EDF implements equity investment. The Fund provides equity capital to targeted operators in the country's "tradables" and support sectors, with emphasis on activities that will promote and facilitate trade, development and value added exports (goods and services).



CREDIT GUARANTEE

EDF provides guarantees to financial institutions willing to extend credit facilities to projects that do not have adequate collateral.



PROJECT PREPARATION SERVICES (PPS)

A high impact and end to end project development and preparation service that de-risks projects and brings concepts to bankability in line with the government's trade and development agenda.



ADVISORY SERVICES

Business advisory and management support covering institutional framework, governance, capacity building, talent sourcing, market access/linkages and trade information.



ELIGIBILITY REQUIREMENTS

A. FOR COMMODITY MARKET MAKING

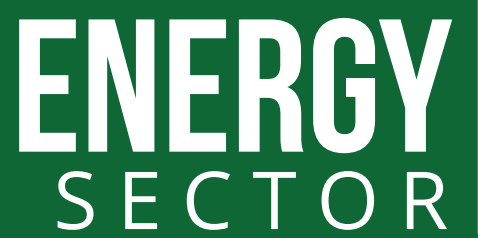
1. A valid export contract for any of the targeted export commodities
2. Willingness to rede the contract to EDF on profit sharing basis

8. FOR LOAN PRODUCTS

1. A registered business
2. A comprehensive business plan
3. Market information i.e. details of the off-taker and sell/ purchase contracts
4. Collateral to cover the loan
5. Owner's contribution of at least 20%

C. FOR PROJECT PREPARATION SERVICES (PPS)

1. Pre-feasibility study
2. Owner's contribution of at least 15% of the project preparation cost



1 KHOLOMBIDZO HYDRO-ELECTRIC POWER PROJECT



PROJECT DESCRIPTION

Proposed 210 MW Kholombizo Hydro-Power Project (HPP) is located upstream of the existing power stations along the Shire River. The power plant is a run-of-river type with a Concrete Gravity small dam, 16.8m high. Thus, Kholombizo HPP offers the possibility to be operated in base mode, following the load and responding to the instant changes in power demand. The Kholombidzo HPP site is utilizing the natural head at Shire river, the Kholombidzo falls and Toni rapids, located downstream of existing Matope bridge.

The natural head the rapids offer is approximately 55m. Flow duration curve variability at Kholombidzo can be considered low. The Shire river flow regime at Kholombidzo suggests a minimum turbinised flow in the order of magnitude of 100 -150 m³/s in order to avoid outages in operation due to insufficient inflow. The design of the powerhouse and number of units' selection shall take this factor into consideration. The transmission line will be designed to conform to the existing installations as much as possible.

It is proposed that the two 132 kV Double Circuit Transmission Lines be run on Lattice Steel Towers and the conductors have to be of type Lynx running in a flat formation. The power will be evacuated to the new Phombeya substation located 16 kilometers from the power plant. The objective of the project is to increase the supply and reliability of power in the country.

LOCATION

The Kholombidzo HPP is the first step of the cascade development of the middle Shire River. It is located 60 km downstream of Liwonde barrage and 18 km upstream of Nkula HPP. The location requires minimal compensation expenses of the community

because the area between the proposed generation site and Kammwamba trading centre is less developed. When the line crosses the M1 road to join the 132kV power corridor, there is a secured wayleave all the way to the proposed Phombeya Substation. The location has a flat terrain, therefore less challenging during construction and maintenance.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The project is aligned with Government's energy sector and economic development goals as outlined in the National Energy Policy and the Malawi Growth and Development Strategy respectively. The project will benefit Malawians and the Southern African Power Pool (SAPP). Malawians will benefit from the project as it will provide more power to the national electricity grid and their access to electricity for households as well industries will be expedited and increased. Employment opportunities will also be created during and after construction of the project.

Implementation of the project will increase Malawi's power generation capacity which will boost industrialization (both import substitution and value addition). It is expected that surplus power from the project will be exported to the Southern African Power and Pool (SAPP) and this will generate foreign exchange for the country.

FINANCIAL REQUIREMENTS

A Bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$499.5 million and the specific investment cost is US\$2,401 per kW. The project IRR is approximated to be 10.8% and the levelized electricity cost is 4.9 US cents/kWh. Additionally the project's Net present Value is US\$127.4 million. The project is estimated to take

up to 5.5 years to construct and this period includes 1.5 years as the development period.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

Government preference is to develop the project through a Public Private Partnership (PPP) arrangement. The project will be implemented following a build-own-operate and transfer (BOOT) model with a thirty years long concession period. A Special Purpose Vehicle (SPV) will be established to oversee the implementation of the project. After construction an operations and maintenance contractor will be engaged to operate the plant.

PROJECT FEASIBILITY

The bankable feasibility conducted reveals that the project is technically, economically, financially and environmentally viable. The project is expected to generate up to 210 MW of power. Government plans to start developing the project once financial closure of Mpatamanga project has been concluded. The development phase will cover engineering, mobilization and preparatory works, civil works as well as construction of a transmission line.

FINANCIAL FEASIBILITY

The project is financially feasible. The financial internal rate of return (FIRR) for the project is 15.2% with a peak tariff of 0.09 US cents/kWh. The financial viability of the Project is confirmed when the FIRR is compared to the investor's opportunity cost of capital at 8.0%. The net benefit at a discount rate of 8.0% is US\$ 413 million. These results show that the project is financially viable as the revenues from the project are sufficient to cover its capital costs and operating costs and to provide the investor with an adequate profit.

2 FUFU HYDRO-ELECTRIC POWER PROJECT



PROJECT DESCRIPTION

Project is located on South Rukuru River in Rumphi district. Fufu is designed as a storage power plant through the reservoir formed by a 114m high RCC dam, it therefore offers the possibility to be operated in base mode, following the load and responding to the instant changes in power demand. The guaranteed generating capacity of the station is 146.3 MW and the total installed capacity is 261 MW. The objective of the project is to increase the supply and reliability of power in the country.

The geographical location of the power plant is very ideal for system voltage stabilization as it is situated in the northern region of Malawi which has no generating station rendering it prone to power quality issues due to long transmission distances. A feasibility study on the Fufu Hydropower Project is available.”

LOCATION

The project is located on South Rukuru River in Rumphi district. The South Rukuru River catchment is the largest water resource area in Malawi draining directly into Lake Malawi. The South Rukuru River has a long-elongated catchment, west of the Great Rift Valley, with an area of 12 705 km² running mostly to the North. The area of the Fufu project extends from the Livingstonia Hills and Uzumara Plateau, where the South Rukuru flows in the Northern part of its valley, to the shore of Lake Malawi in the East.”

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The project is aligned with Government's energy sector and economic development goals as outlined in the National Energy Policy and the Malawi Growth and Development Strategy respectively. The project will benefit Malawians and the Southern African Power Pool (SAPP). Malawians will benefit from the project as it will provide more power to the national electricity grid and their access to electricity for households as well industries will be expedited and increased. Employment opportunities will also be created during and after construction of the project.

Implementation of the project will increase Malawi's power generation capacity which will boost industrialization (both import substitution and value addition). It is expected that surplus power from the project will be exported to the Southern African Power and Pool (SAPP) and this will generate foreign exchange for the country.

FINANCIAL REQUIREMENTS

A Bankable feasibility study conducted for the project reveals that the investment cost for the project is US\$702.5 million and the specific investment cost is US\$2,700 per kW. The project IRR is approximated to be 12.1% and the levelized electricity cost is 3.5 US cents/kWh. Additionally the project's Net present Value is US\$123 million.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

Government preference is to develop the project through a Public Private Partnership (PPP) arrangement. The project will be implemented following a build-own-operate and transfer (BOOT) model. A Special Purpose Vehicle (SPV) will be established to oversee the implementation of the project. After construction, an operations and maintenance contractor will be engaged to to operate the plant

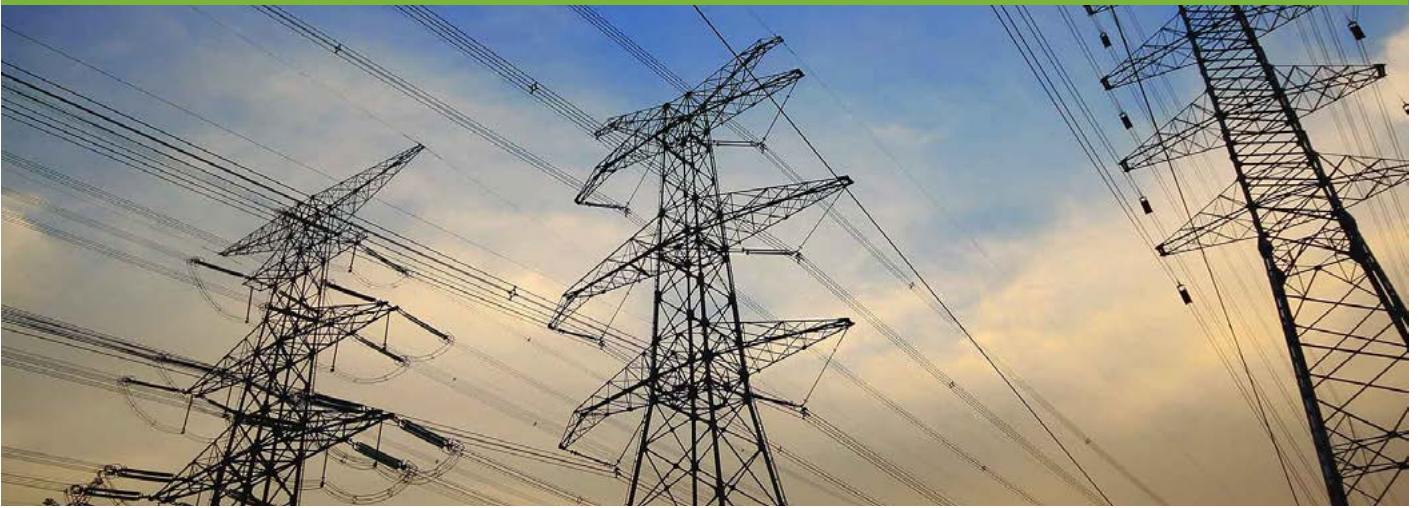
PROJECT FEASIBILITY

The project is technically, economically and environmentally feasible. It proposes a 350 Megawatt hydro-power plant.

FINANCIAL FEASIBILITY

The project is financially feasible and sustainable. The financial internal rate of return (FIRR) for the project ranges from 12% to 17.5% and a Net Present Value of between US\$110.5 million and US\$ 356 million respectively depending on the scenarios. Additionally, the Cost-Benefit results of the project are very promising ranging from 1.03 (where construction is delayed by one year and the construction cost increased by 10%) to 1.35 where the construction cost is decreased by 10%. These results show that the project is financially viable as the revenues from the project are sufficient to cover its capital costs and operating costs and to provide the investor with an adequate profit.

3 CHIWETA GEOTHERMAL PROJECT



PROJECT DESCRIPTION

The Chiweta geothermal prospect is located in the Rumphi district which is in Northern Region of Malawi and is 470km from Lilongwe. The site falls in the northern portion of the Malawi rift and is underlain by biotitic gneisses of the Basement Complex, covered by clastic sediments of the Karoo System and by a thin level of Quaternary deposits. The geoscientific investigations performed over the prospect, inclusive of geological, geochemical, gravimetric and geoelectrical surveys, allowed to elaborate the conceptual model of the field and to define at a preliminary level the main characteristics of the geothermal system.

BUSINESS ACTIVITY

Drilling, install a fluids conveyance system, power plant construction and construction of transmission line.

LOCATION

The Chiweta geothermal prospect is located in the Rumphi district which is in Northern Region of Malawi and is 470km from Lilongwe.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVERNMENT GOALS

The project is aligned with Government's energy sector and economic development goals as outlined in the National Energy Policy and the Malawi Growth and Development Strategy respectively.

Malawians will benefit from the project as it will provide more power to the national electricity grid and their access to electricity for households as well industries will be expedited and increased. Employment opportunities will also be created during and after construction of the project.

Implementation of the project will increase Malawi's power generation capacity which will boost industrialization (both import substitution and value addition). It is expected that surplus power from the project will be exported to the Southern African Power and Pool (SAPP) and this will generate foreign exchange for the country.

FINANCIAL REQUIREMENTS

Costs relevant to the construction of the geothermo-electric power plant and to its operation can be grouped into two major components, which is capital expenditures (CAPEX) and operation and maintenance (OPEX). Costs of the above components have been estimated on the basis of updated information and experience of the Consultant in other geothermal projects of similar characteristics, as well as of direct inquiries at the potential manufactures and service providers. For each considered item costs have been expressed in 2018 US Dollars.

The pre-development costs are estimated, rounding off, at USD $(2,905,000 \times 3)/2 + \text{engineering (4.5\%)} + \text{contingencies (8\%)} \approx \text{USD } 5,000,000$.

Capital expenditures relevant to the construction of the 10 MW power plant include the following main components: 1. Drilling and testing of production and reinjection wells; 2. Fluid conveyance system from the production wells to the power house and from the power house to the reinjection wells; 3. Power plant and power plant facilities; and 4. 66 kV transmission line to the grid connection point. The total CAPEX of the Chiweta geothermal project is approximated to be 76.2 million USD.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/IMPLEMENTATION ARRANGEMENT/CONTRACT TYPE)

Government preference is to develop the project through an Independent Power Producer (IPP) arrangement. The project will be implemented following a build-own-operate and transfer (BOOT) model with a thirty years long concession period. A Special Purpose Vehicle (SPV) will be established to oversee the implementation of the project. After construction an operations and maintenance contractor will be engaged to operate the plant.

PROJECT FEASIBILITY

The pre-feasibility studies conducted reveal that the project is technically, economically, financially and environmentally viable. The project is expected to generate up to 10 MW of power. Government plans to start developing the project as soon as the IPP is identified. The development phase will cover engineering, mobilization and preparatory works, civil works as well as construction of a transmission line.

FINANCIAL FEASIBILITY

The project is financially viable. According to the Malawi Feed-In Tariff (FIT) Policy, Renewable Energy Resource Generated Electricity in Malawi, issued by the Malawi Energy Regulatory Authority in March 2013, the fixed tariff for the geothermal generated electricity is 10.5 USD cents per kWh. The resulting Financial Internal Rate of Return (FIRR) is 12.7%. Assuming a discount rate of 10% for the financial expenses and the benefit, the obtained Levelized Cost of Energy is 10.4 USD cents per kWh, which is very close to the FIT.



TRANSPORT SECTOR



5 UPGRADING OF CHIMWAZA - NAMBUMA ROAD

EIRR 18%

6 RECONSTRUCTION AND REHABILITATION OF LIMBE TO MARKA RAILWAY SECTION



The latest study finds an Internal Rate of Return (IRR) of 6.60% which is above the standard threshold of 3% meaning the project is financially viable.



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A close-up photograph of a white ceramic coffee cup filled with coffee, with a wisp of steam rising from it. The cup sits on a white saucer. Surrounding the cup and saucer is a large pile of dark brown, roasted coffee beans. A wooden spoon is partially buried in the beans to the right of the cup. In the background, a burlap sack is tipped over, spilling more coffee beans. The lighting is warm and focused on the cup, creating a cozy and inviting atmosphere.



A top-down view of approximately 15 small, round wooden bowls arranged in a grid-like pattern. Each bowl contains a different variety of legumes, including green lentils, yellow split peas, red kidney beans, black lentils, white beans, and various multi-colored beans. The bowls are set against a dark, textured background.





WATER SECTOR



FINANCIAL REQUIREMENTS

The project promoters are looking for funding amounting to US\$288 Million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The project promoter is looking for either debt or equity partners. The preferred mode of undertaking the project is turnkey

PROJECT FEASIBILITY

- Feasibility studies and preliminary designs were concluded in 2010
- Detailed designs started were concluded in 2015
- Environmental and Social Impact Assessment (EISA) and Resettlement Action Plans (RAP) preparation were completed in 2015

- Tariff Review and Willingness to Pay Study conducted in 2014 considering implementation under Public Private Partnership (PPP) or other financing approaches
- Fund's mobilization underway and project to be effective end of June 2022.

CONTACTS

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2 DEVELOPMENT OF GROUNDWATER RESOURCES



PROJECT DESCRIPTION

The project involves the following activities:

- Borehole drilling, screening and casing
- Borehole Cleaning and Development
- Test Pumping
- Water Quality Analysis
- Pump Stations Construction
- Connection to existing network

PROJECT OBJECTIVES

The project entails developing groundwater resource to supply residents in the city of Lilongwe.

LOCATION

The project is located in the Central Region of Malawi (Lilongwe City). All the activities shall be implemented within the water supply area of Lilongwe Water Board (Lilongwe City and other surrounding areas). Lilongwe being the capital city of Malawi, it is a necessity that it has reliable water supply services.

PRODUCT/SERVICES CURRENTLY PRODUCED/ OFFERED

Production wells with the acceptable water quality and quantity for municipal water supply

PROPOSED INVESTMENT

The product/services that the proposed project will offer is potable water supply. The market being targeted by the project is Lilongwe City and Peri – Urban community; residential, commercial / industrial and institutional establishments. The raw materials for the project include construction materials, electro-mechanical equipment and power (ESCOM and petroleum products) that will be sourced locally and imported. It is estimated that the project will employ 100 casual labourers for pipe laying works with local and foreign experts providing technical assistance.

FINANCIAL REQUIREMENTS

The project promoters are looking for funding amounting to US\$1.4 Million. The financing of the project is required immediately as it is a short-term measure to reduce the current water supply – demand gap in Lilongwe City.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The project promoter is looking for 100% funding. The preferred mode of undertaking the project is turnkey

PROJECT FEASIBILITY

Environmental impact assessment reports and safeguards were developed and are available.

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3 ALTERNATE ENERGY SOURCE FOR TREATMENT PLANT AND BOOSTER STATIONS



PROJECT DESCRIPTION

The project involves assessing power requirement for Lilongwe Water Board Treatment Plant and Booster Pump stations as well as outlining possible solutions to source of electrical energy that meet the required power demand for Lilongwe Water Board.

The Terms of reference for recruitment of a consultant to undertake the study have been developed

PROJECT OBJECTIVES

To have alternative energy sources for the water treatment plant and booster stations to ensure reliable water supply services

PROJECT LOCATION

ACTUAL LOCATION OF PROJECT

The project is located in the Central Region of Malawi (Lilongwe City). All the activities shall be implemented within the water supply

area of Lilongwe Water Board (Lilongwe City and other surrounding areas).

STRENGTHS OF THE PROJECT LOCATION

Lilongwe is the capital city of Malawi and hence it is a necessity that it has reliable water supply services.

PRODUCT/SERVICES CURRENTLY PRODUCED/ OFFERED

GIVE SPECIFIC DETAILS OF THE PRODUCTS THAT THE PROJECT CURRENTLY PRODUCES OR SERVICES THAT IT PRESENTLY OFFERS

Feasibility Report on alternative energy source. Standby power supply installed, commissioned and staff trained to operate and maintain the power plant.

PROPOSED INVESTMENT

The product/services that the proposed project will offer is potable water supply. The market being targeted by the project is Lilongwe City and Peri – Urban community; residential, commercial / industrial and

institutional establishments. The raw materials for the project include pipes and fittings, pre-paid meters, electronic equipment and software that will be sourced locally and imported. It is estimated that the project will employ 200 casual labourers for pipe laying works with local and foreign experts providing technical assistance.

FINANCIAL REQUIREMENTS

The project promoters are looking for funding amounting to US\$10.1 Million. The financing is required immediately as it is a short-term measure to reduce the current water supply – demand gap in Lilongwe City.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The project promoter is looking for at least 90% equity partner. The preferred mode of undertaking the project is turnkey

4 UPGRADE OF BUNDA TREATMENT WORKS AND INSTALLATION OF MALIGUNDE SUPPLY SYSTEM

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PROJECT DESCRIPTION

The project involves upgrading of Bunda treatment works and installation of Malingunde supply system. The scope of works of the two components is as follows:

BUNDA TREATMENT WORKS

Bunda Water Works supplies water to the Lilongwe University of Agriculture and Natural Resources (LUANAR), Bunda Campus and its surrounding areas. The activities involved will include:

- Upgrading of existing package plant capacity of 1000 m³ to 2000 m³/day;
- Upgrading of pumping system to convey water to Bunda Campus;
- Upgrading of the existing pumping main from DN 160 to DN 250, about 12 km long; and
- Associated system interconnections to serve the growing areas.

MALIGUNDE SUPPLY SYSTEM

The sub – system will serve the Malingunde Market Centre at Kamuzu Dam I with the following activities:

- Supply and installation of a package plant of 250 m³/day
- Installation of transmission pipelines and distribution network
- Installation of storage tanks of volume up to 150 m³
- Auxiliary building and amenity works.

NATURE OF PLANS THAT HAVE ALREADY BEEN PUT IN PLACE AND MILESTONES ACHIEVED SO FAR

Detailed designs were concluded in 2020. Fund's mobilization underway and project to be effective end of June 2022.

PROJECT OBJECTIVES

To increase the capacity of the treatment works from 1,000 m³/day to 2,000 m³/day to supply potable water to un-served population supplied by Bunda Plant and to install Malingunde Supply System using a package plant of 250m³/day

PROJECT LOCATION

ACTUAL LOCATION OF PROJECT

The project is located in the Central Region of Malawi (Lilongwe City). All the activities shall be implemented within the water supply area of Lilongwe Water Board (Lilongwe City and other surrounding areas).

STRENGTHS OF THE PROJECT LOCATION

Lilongwe is the capital city of Malawi and hence it is a necessity that it has reliable water supply services

PRODUCT/SERVICES CURRENTLY PRODUCED/ OFFERED

GIVE SPECIFIC DETAILS OF THE PRODUCTS THAT THE PROJECT CURRENTLY PRODUCES OR SERVICES THAT IT PRESENTLY OFFERS

a) Upgraded treatment Works

- b) Malingunde Water Supply System
- c) Improved health and livelihood of 12,000 people having access to clean water
- d) Growth in business for the market center
- e) Improved sense of belonging and ownership of Malingunde dam by community thereby enhancing catchment management

PROPOSED INVESTMENT

The product/services that the proposed project will offer is potable water supply. The market being targeted by the project is local community, Lilongwe City and Peri – Urban community; residential, commercial / industrial and institutional establishments. The raw materials for the project include chemical for water treatment, pipes and fittings and power (ESCOM and petroleum products) that will be sourced locally and imported.

FINANCIAL REQUIREMENTS

The project promoters are looking for funding amounting to US\$5 Million

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The project promoter is looking for debt or equity partner. The preferred mode of undertaking the project is turnkey

5 REHABILITATION AND UPGRADING OF LIKUNI WATER SUPPLY SYSTEM

CONTACTS

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PROJECT DESCRIPTION

The project involves the installation of a new water tank, replacement and upgrading of a very old pipeline network and extension of pipeline network to unserved areas. Budget estimates were completed waiting for funding

PROJECT OBJECTIVES

To improve the water reticulation system of Likuni to meet increased water demand and ensure continuity of supply

PROJECT LOCATION

ACTUAL LOCATION OF PROJECT

The project is located in the Central Region of Malawi (Lilongwe City). All the activities shall be implemented within the water supply area of Lilongwe Water Board (Lilongwe City and other surrounding areas).

STRENGTHS OF THE PROJECT LOCATION

Lilongwe is the capital city of Malawi and hence it is a necessity that it has reliable water supply services.

PRODUCT/SERVICES CURRENTLY PRODUCED/ OFFERED

GIVE SPECIFIC DETAILS OF THE PRODUCTS THAT THE PROJECT CURRENTLY PRODUCES OR SERVICES THAT IT PRESENTLY OFFERS

Installation of elevated tanks of total capacity 1,500 m³ to improve supply to the following areas; Natural Resources College (NRC), a constituent college of the Lilongwe University Agriculture and Natural Resources, Chitedze Agriculture Research Station, Likuni – NRC development area, Chitipi Trading Centre up to, Lilongwe – Mchinji M12 industrial lines. Pipeline interconnections to newly developed Air – wing sub system. Booster Station complete with pump sets for Chitedze to Mpingu Area

PROPOSED INVESTMENT

The product/services that the proposed project will offer is potable water supply. The market being targeted by the project is

Lilongwe City and Peri – Urban community; residential, commercial / industrial and institutional establishments. The raw materials for the project include pipes and fittings, pre-paid meters, electronic equipment and software that will be sourced locally and imported. It is estimated that the project will employ 200 casual labourers for pipe laying works with local and foreign experts providing technical assistance.

FINANCIAL REQUIREMENTS

The project promoters are looking for funding amounting to US\$23 Million. The financing of the project is required immediately as it is a short-term measure to reduce the current water supply – demand gap in Lilongwe City.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The project promoter is looking for either debt or equity partners. The preferred mode of undertaking is the project is turnkey

6 CONSTRUCTION OF AN AQUEDUCT FROM KAMUZU DAM II TO INTAKE AT TREATMENT WORKS

CONTACTS

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PROJECT DESCRIPTION

The project involves reviewing designs and construction of an Aqueduct from Kamuzu Dam II to intake at Treatment Works

NATURE OF PLANS THAT HAVE ALREADY BEEN PUT IN PLACE AND MILESTONES ACHIEVED SO FAR

- Feasibility study completed
- Preliminary design completed
- Detailed design completed
- Environmental and Social Impact Assessment (ESIA) completed

PROJECT OBJECTIVES

To minimise the cost of water treatment chemicals resulting from increased pollution between Kamuzu Dam II and the Treatment Works.

PROJECT LOCATION

ACTUAL LOCATION OF PROJECT

The project is located in the Central Region of Malawi (Lilongwe City). All the activities

shall be implemented within the water supply area of Lilongwe Water Board (Lilongwe City and other surrounding areas).

STRENGTHS OF THE PROJECT LOCATION

Lilongwe is the capital city of Malawi and hence it is a necessity that it has reliable water supply services.

PRODUCT/SERVICES CURRENTLY PRODUCED/ OFFERED

GIVE SPECIFIC DETAILS OF THE PRODUCTS THAT THE PROJECT CURRENTLY PRODUCES OR SERVICES THAT IT PRESENTLY OFFERS

A raw water aqueduct constructed from Kamuzu Dam II to the raw water intake point at Treatment Works. Reduced cost of water treatment and hence cost of water to the consumers.

PROPOSED INVESTMENT

The product/services that the proposed project will offer is potable water supply. The market being targeted by the project is

Lilongwe City and Peri – Urban community; residential, commercial / industrial and institutional establishments. The raw materials or the project include pipes and fittings, pre-paid meters, electronic equipment and software that will be sourced locally and imported. It is estimated that the project will employ 200 casual labourers for pipe laying works with local and foreign experts providing technical assistance.

FINANCIAL REQUIREMENTS

The project promoters are looking for funding amounting to US\$60 Million. The financing of the project is required immediately as it is a long-term measure to reduce water treatment costs.

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

The project promoter is looking for debt or equity partner. The project will be undertaken as a turnkey



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HOUSING SECTOR



1 CONSTRUCTION OF AFFORDABLE HOUSING FOR CIVIL SERVANTS

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PROJECT DESCRIPTION

The Public Servants Housing Project aims at addressing the above challenge through delivery of adequate, affordable and quality housing for public servants. The houses are expected to be financed by both local and international private investors on a Build and Transfer (B&T) framework. The international investors will however be encouraged to partner with local investors.

The major vehicle for individuals to buy houses will be a rent-to-buy arrangement. The payment of the purchase price will be done once off by banks, schemes or individuals. With this arrangement, monthly rent deductions from the payroll, at source will be installments for the purchase of the house for a long period of time up to 30 years through bank mortgages or schemes established at beneficiary's work places.

PROJECT OBJECTIVES

The overall programme goal is to increase access to decent and affordable housing units in urban areas, through the construction of houses and, office and business buildings to meet current and future demand.

The objectives of the project being proposed are to enable Public Servants, buy or rent houses through Build and Transfer (B&T) Framework, promote home ownership and economic empowerment among Malawians,

to promote both local and foreign private sector investment through the built industry, increase the housing stock thereby improving asset value of Malawi as a country, improve and uplift the outlook of urban centres and to contribute to job creation

PROJECT LOCATION

The project be implemented in all the regions across the country. The specific location will be determined by the Ministry of Lands. Much as it would be good to see beneficiaries acquiring these houses in areas close to their work places, they would be allowed to buy the project's house from anywhere.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The purpose of this project is to provide low-income earning public servants with an alternative means of owning a house. Decent and affordable housing is a necessity. It does not only fulfill a basic human need for shelter, but it also contributes to the well-being of both parents and children.

A decent and affordable housing improves the quality of life of residents by leading to, among others, a better health, improved consumer spending, increased job security, lowering risks of evictions and foreclosure, financial stability, increased sense of security and fostering greater self-esteem and importantly, increase employee productivity. In contrast, lack of decent and affordable

housing can worsen physical and mental well-being, expose residents to health hazards such as unsanitary conditions, overcrowding, infectious diseases, poor air quality, toxins and allergies.

FINANCIAL REQUIREMENTS

The total budget for the proposed project will be worked out. The cost is dependent on the feasibility study that will be carried out on the type of houses that the government will settle for. The project is expected to be financed by both local and international private investors on a Build and Transfer (B&T) framework

PROPOSED INVESTMENT MODEL (ACTIONS REQUIRED/ IMPLEMENTATION ARRANGEMENTS/ CONTRACT TYPE)

To achieve low-cost housing, it is envisaged that government will partner with the private sector through Public Private Partnership Commission (PPPC) in the form of public private partnership. The model would allow housing providers to access funding at lower interest rates and for longer terms

PROJECT FEASIBILITY

The project is at concept level with no feasibility studies having been done. However, Government is ready to undertake this project as it will help in meet the growing demand of affordable housing for its civil service



- Preferential trade agreement with China
- Bilateral agreements with Zimbabwe, Mozambique and South Africa
- SADC
- COMESA
- AGOA
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- African Continental Free Trade Area (AfCTA).

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AGRICULTURE SECTOR



1 THE SALIMA MEDIUM SCALE FARMERS 1000ha PROJECT

PROJECT DESCRIPTION

Greenbelt Initiative (GBI) GBI Ltd is a subsidiary company of the Greenbelt Authority (GBA) that was formed with the aim of developing an Irrigation project in Malawi.

The initiative has irrigation projects in 3 districts in Malawi namely; Salima in the central region, Nsanje in southern region and Karonga in the northern region

In Salima, GBI has shares in a sugar factory called Salima Sugar Company Limited that was commissioned in August 2016 and is implementing a sugar project on 6,293 hectares of land of which 6,000 is used for sugarcane growing and sugar products by;

- (1) 250 Smallholder Farming householder who are allocated 2 hectares of land per family and the total land allocated is 530 hectares.
- (2) 100 Medium Scale Farmers (medium scale enterprises) from across the country have been allocated 1,000 hectares of land for the production of sugarcane on 10 hectares plot each.
- (3) Salima Sugar Company Limited which has 4,000 hectares

PROJECT LOCATION

The project is being implemented at Chikwawa Scheme in the area of Traditional Authorities Khombedza, Mwanza and

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Makanjira (Msosa) in Salima and the source of water is Lake Malawi and Lingadzi River.

CURRENT STATUS/STAGE OF THE PROJECT

The consultant has produced the final draft detailed irrigation designs and tender documents and the designs. The development of 400 hectares out of 1000 hectares is in progress.

AVAILABILITY OF PRE-FEASIBILITY STUDIES/ FEASIBILITY STUDIES AND OTHER STUDIES

Feasibility studies, detailed designs and Tender documents are available.

ESTIMATED COST OF THE PROJECT

The estimated cost of the project is US\$30,000,000.

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2 THE NCHALO 3000ha COTTON PROJECT



PROJECT DESCRIPTION

The company aims at developing at least 3,000ha of land of the 70,000ha at its disposal into a full irrigated block, with all the modern irrigation equipment installed.

The main goals of the Company is to have an all year-round point of cultivation for Government from which at any given point a particular crop of national interest will be grown and supplied to Government through its agencies, prepare a viable investment platform for private companies who have interest in investing in primary agriculture in order to better utilize their resources and to make the economy of the country practically dependent on Agriculture by commercializing the system of farming versus subsistence farming which has not been so successful for the nation for the past 50 Years.

The objectives of this irrigation project is to develop 3,000 ha of irrigated block ready for cultivation, 1,000ha of this block to be specially cultivating for the nation to cater food security in the country, and divide the remaining 2,000ha of the block into small blocks of a minimum 50ha each which can be rented out to different private companies who are willing to take up these blocks for their investment.

PROPOSED APPROACH

The idea of forming a joint venture between Greenbelt Authority (GBA) and Nchalo Smallholder Cane Growers Association (NSHCGA), where GBA will provide support in the areas of finances and NSHCGA will provide land and available skilled management to run the scheme and a shareholding of 49% for GBA and NSHCGA 51%.

PROJECT LOCATION

The project is located at Phwazi, Nkhwazi, Jombo Group Village Head of T/A Ngabu in Chikwawa District and the source of water is Shire River.

CURRENT STATUS/STAGE OF THE PROJECT

The detailed irrigation designs have been produced and the construction of 1,000 hectares of the scheme is in progress.

AVAILABILITY OF PRE-FEASIBILITY STUDIES/ FEASIBILITY STUDIES AND OTHER STUDIES

- Feasibility studies are available.

ESTIMATED COST OF THE PROJECT

The estimated cost of the project is US\$110,000,000.

3 THE NTHOLA-ILOLA-NGOSI 1000ha PROJECT

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PROJECT DESCRIPTION

The project has targeted land size is 1,000 hectares and 450 households will benefit from the scheme development once the project is completed.

The overall goal of the project is to contribute to wealth creation and attainment of food and nutrition security, increased household incomes and exports through sustainable Irrigation and Agro-processing.

The specific objectives of the project is to increase the area under irrigation by 1,000 hectares, help at least 4,000 farming families exit poverty by 2022, help at least 4000 farming families adapt and use improved technologies in farming, increase productivity and production of crop through promotion

of climate smart agriculture, improve market access, increase volumes and quality of value-added products and improve access to other socio-economic infrastructure.

Expected program outcome is to increase household wealth and enterprise incomes, contribution of the agriculture sector to the GDP and employment in the agriculture sector;

PROJECT LOCATION

The project is being implemented at Mputa and Lupembe Extension Planning Area (EPA), Traditional Authority (T/A) Paramount Chief Kyungu in Karonga District and the source of water for the project will be Lake Malawi

CURRENT STATUS/STAGE OF THE PROJECT

The consultant has produced the final draft detailed irrigation designs and tender documents and the designs have been reviewed and review comments have been communicated to the consultant awaiting the production of the final detailed designs by the consultant.

AVAILABILITY OF PRE-FEASIBILITY STUDIES/ FEASIBILITY STUDIES AND OTHER STUDIES

- Feasibility studies, Draft Final Detailed designs and Draft Final Tender documents are available

ESTIMATED COST OF THE PROJECT

The estimated cost of the project is US\$40,000,000.

FOR MORE INFORMATION CONTACT US ON

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Investments in large-scale commercial irrigation projects are made by GBI Holdings which is a body corporate responsible for investing on behalf of GBA.

5 MBALANGWE INDUSTRIAL HEMP AND LIVESTOCK MEGA FARM



PROJECT DESCRIPTION

Project aim: The project aim is two-fold, 1) to develop 600 hectares of irrigable land for industrial hemp farming and establish a silk ginning facility targeting local and export markets; and 2) develop 200 hectares of land for livestock farming. The project involves conducting feasibility studies, designing irrigation schemes and livestock kraals, installing irrigation infrastructure, developing livestock kraals and abattoirs, establishing a silk ginning facility and clothing tailoring factory to make kits and uniforms for institutions including the Malawi Police Service

PROJECT LOCATION

Ntakataka, TA Kachindamoto-Dedza District.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The project aligns well with the government agenda on agricultural production and value addition as charted in the MDGS III and the Malawi Vision 2063. Other than boosting economic growth, the project will increase employment levels in both the agricultural and manufacturing sector, thus allowing for import substitution and forex saving.

FINANCIAL REQUIREMENTS/ PROPOSED INVESTMENT MODEL

A joint venture company with prospective investor(s).

PROJECT FEASIBILITY

Project at concept level with no feasibility studies having been done.

FINANCIAL FEASIBILITY

This will depend on the feasibility study

6 AQUAPONICS AND BAMBOO PLANTATION PROJECT



PROJECT DESCRIPTION

Fish remains one of the major sources of protein in Malawi, and a source of income for the country through sale of internationally demanded species such as Chambo. The project aims to develop up to 10,000 hectares of irrigable land for aquaponics and bamboo plantation and also to establish agro-processing facilities for bio-fuel, silk, livestock feed, briquettes etc. targeting local and export markets.

The project involves entering into lease agreements with land owners, conducting feasibility studies, designing and constructing

fish ponds, designing irrigation schemes, installing irrigation infrastructure, establishing various agro-processing facilities (for bio-fuel, silk-ginning, livestock feed and briquettes production) for value addition and product marketing and sales.

PROJECT LOCATION

TA Ngowe in Chikwawa District.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The project is expected to contribute towards increased production of fish, bio-fuel, silk, and livestock thereby increasing national income and generating forex. The project

is aligned with MGDSIII and the National Fisheries and aquaculture Policy both of which aim at economic growth through commercial aquaculture.

FINANCIAL REQUIREMENTS/ PROPOSED INVESTMENT MODEL

A joint venture company with prospective investor(s).

PROJECT FEASIBILITY

Project at concept level with no feasibility studies having been done.

FINANCIAL FEASIBILITY

This will depend on the feasibility study

7 WHEAT PROJECT



PROJECT DESCRIPTION

The project aims to develop at least 500 hectares of irrigable land for wheat production and establish an agro-processing facility targeting local and export markets. The project involves entering into lease agreements with land owners, conducting feasibility studies, designing irrigation schemes, installing irrigation infrastructure, establishing an agro-processing facility for value addition and product marketing and sales.

PROJECT LOCATION

GBA has a catalogue of available irrigable land from all the districts in Malawi. It will be the role of GBA in the joint development agreement to identify and procure suitable land (from its catalogue) in a district with weather conditions that suit wheat farming given technical advice of the investors.

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The project aims at raising land under irrigation, as outlined in the MGDSIII

for increased agricultural production and productivity.

FINANCIAL REQUIREMENTS/ PROPOSED INVESTMENT MODEL

A joint venture company with prospective investor(s).

PROJECT FEASIBILITY

Project at concept level with no feasibility studies having been done.

FINANCIAL FEASIBILITY

This will depend on the feasibility study

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8 PINEAPPLE JUICE PROCESSING PLANT



PROJECT DESCRIPTION

The project aims to set up a processing plant for pineapple juice and related products targeting local and export markets. The project involves conducting feasibility studies, designing processing plants, entering into supply agreements with local suppliers of pineapples for early years of operation, installing processing facilities and product marketing and sales.

If viable, future components include the establishment of the project's own pineapple

farms. GBA will procure the land for the processing plant.

PROJECT LOCATION

Mulanje District

BENEFITS OF THE PROJECT/ALIGNMENT OF PROJECT TO GOVT GOALS

The project will allow for increased employment, import substitution, as well as generate forex for the country.

FINANCIAL REQUIREMENTS/ PROPOSED INVESTMENT MODEL

A joint venture company with prospective investor(s).

PROJECT FEASIBILITY

The project is at concept level with no feasibility studies having been done.

FINANCIAL FEASIBILITY

This will depend on the feasibility study.



Investing in the CANNABIS INDUSTRY IN MALAWI

A new investment and trade opportunity has risen in Malawi – Medicinal and Industrial Cannabis!

Industrial and Medical Cannabis are a variety of Cannabis with low concentration of the Tetra Hydro Cannabinol (THC) of less than 1% compared to 7 - 25% in Cannabis Sativa (locally and popularly known as Indian Hemp, Chamba, Marijuana, Ganja, Mbanje or Dagga). With the low levels of THC, Cannabis is relieved of psychoactive properties and becomes an industrial crop.

Cannabis is being promoted in over 36 countries worldwide for its medicinal and industrial properties. The government of Malawi legalized cultivation and processing of medicinal cannabis and industrial

hemp in 2020 after extensive research and establishing its strategic importance to the economy of Malawi. The crop is a momentous opportunity because of its potential to open up numerous value chains and create employment opportunities. A wide variety of products can be produced from Industrial and Medicinal Cannabis such as organic body-care products, foods, textiles (clothing and ropes), paper, building materials, biofuels, plastic composites, pharmaceutical products and many more.

The market for industrial cannabis is estimated to reach US\$9 billion in 2021 and US\$30 billion by 2030 while the market size of medicinal cannabis is at US\$30 million and expected to grow to US\$90 billion by 2030.

The Malawi Investment and Trade Centre therefore invites investors to explore opportunities in production and processing of Cannabis in Malawi.

Obtain a license with the Cannabis Regulatory Authority in order to invest in the Cannabis Industry. Visit www.mitc.mw for details on the Malawi Cannabis Act and how to obtain the license.

Register your investment with the Malawi Investment and Trade Centre in order to enjoy One Stop Services on business registration, business permits, access to land and other business support services.



Malawi offers wide range of tax incentives for investments which fall under two main categories: Customs & Excise and Domestic Taxes. Customs & Excise are taxes imposed at a rate percent of the Cost, Insurance and Freight (CIF) value of imported goods while the Domestic Taxes are taxes collected from income generated within the geographical confines of the country.

GENERAL CUSTOMS & EXCISE TAX INCENTIVES

1. Import duty and import VAT exemption on importation of most machinery.
2. Import duty exemption while VAT remains payable at 16.5% on importation of specific type of machinery.

3. Import duty and import VAT exemption on importation of special purpose motor vehicles other than those principally designed for transport of persons or goods.
4. Solar products are import duty free while VAT remains payable at 16.5%. Examples of such solar products include solar batteries and solar energy lamps.

GENERAL DOMESTIC TAXES

1. Losses are carried forward up to 6 years for businesses
2. Initial and annual allowances at various rates are granted besides the depreciation (annual) allowances.
3. Commercial buildings with a construction cost of MK 100 million or above, are subject to an Annual Allowance of 2.5%

4. A claim of 50% allowance of social contributions paid directly into the building of a public hospital or school, or the sponsoring of youth sporting development activities.

INCENTIVES FOR PRIORITY INDUSTRY

There are two designated priority industries: agro-processing and electricity generation, transmission and distribution. The companies that are accorded the Priority Industry status are given either 0% Corporate Income Tax rates for a period not exceeding 10 years. They are also given an exemption on duty for importation of capital goods and building materials.

SUMMARY OF SPECIFIC INCENTIVES

AGRICULTURE	MANUFACTURING	ENERGY	TOURISM	CONSTRUCTION	MINING	EXPORTS
Import duty and VAT free on importation of livestock meant for breeding	For projects that qualify for Industrial Rebate Scheme, import and excise duty exemption of raw materials for designated manufacturing industries, but VAT is payable at 16.5% Import and VAT free for raw materials for the manufacture of fertilizer, medicaments and pharmaceuticals	Duty free importation but VAT payable at 16.5% on electricity generation and solar equipment	Free import duty, free import excise and VAT free importation on specialized equipment and building materials	Duty and VAT free importation of Crane Lorries, Concrete Mixer Lorries, Mobile Drilling Derricks and Track Laying Tractors	Duty free and VAT free on importation of specialized goods for use in mining	25% export allowance for non-traditional exports
Import duty, import excise and VAT free on importation of irrigation equipment	Pre-business expenses of up to 18 months are allowable expenses					25% international transport allowance for nontraditional exports
Exemption of duty, import excise and VAT free on importation of equipment for horticultural production	Losses are carried forward for six years to encourage investment in profitable business ventures					Exports are zero-rated for purpose of VAT
Import duty, import excise and import VAT free on importation of equipment for fishing industry	Capital Allowances are allowable on various capital items for the manufacturing sector					
Duty Free and VAT free importation of agricultural goods and equipment used for farming						
Some capital expenses are treated as acceptable expenses						



For more details on the tax incentives and procedures, please visit www.mitc.mw or contact us via ceo@mitc.mw

PROJECT PREPARATION SERVICES (PPS)

A high impact and end to end project development and preparation service that de-risks projects and brings concepts to bankability in line with the government's trade and development agenda



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