

Overview & Structure

Malawi is an agro-based economy with agriculture contributing above 28 percent of GDP and contributing to over 80 percent of export revenues. The figure below shows the sectoral contribution to the national income in Malawi.

Sectoral Growth Rates 2018

2013

2014

2015

2016

2017p

2018p

2019p

Agriculture

6.2

6.3

-1

-0.1

6.1

0.6

2

Mining and Quarrying

6.9

-4.6

1.1

0.4

1.6

1.9

1.5

Utilities

5.5

3

2.4

0.1

2.6

4.4

3.1

Manufacturing

5.6

6.3

3.8

1.3

2

3.8

3.5

Construction

2

4.8

3.5

3.4

4.4

4.9

3.7

Wholesale and retail

7.9

6.3

4.9

2.3

5

4.4

4.9

Transport and storage

5.3

4.5

4.3

4.9

6

5.2

5.4

Accommodation and food service activities

5.1

5.9

5.1

5.7

4.2

5.9

4

Information and communication

7.5

12.2

8.6

5

6.5

7

7.5

Financial and Insurance activities

3.8

5.5

5.6

5.9

5.5

7.1

3.9

Real estate activities

2.5

3.7

1.9

3.1

4.4

3.9

2.8

Public administration and defence

2.7

5.1

6.3

6.2

5.7

7.2

6.1

GDP in 2010 constant prices

6.3

6.2

3.3

2.7

5.2

4

4.1

Inflation Rates

The inflation rate is on the declining trend. Inflation rates from January 2018 are new series based on revised weights from the 2016/2017 Integrated Household Survey. Developments have happened since mid year 2018 with rising in utility tariffs and fuel prices and inflation in November is double digit

Import Cover

Gross official reserves have barely been enough to cover imports since June 2017, and there has been a cyclical trend until November 2018

Policy Rate Trends

The policy rate has been maintained at 16 % since its downward revision in December 2017 as shown in the trend below;

Selected Interest Rates Components

The graph below shows the base lending rates have been declining as a response to Policy Rate changes.

State of Malawi Debt Stock

GOVT debt (Billion Kwacha)

Total public debt stock to GDP ratio (%)

External Debt to total debt stock (%)

External debt stock (US\$ Million)

External Dept to GDP ratio (%)

Domestic Debt stock (billion kwacha)

Treasury notes

T bills

Debt held by banking sector

Debt held by RBM

2017 Q1

2017 Q2

2,500

53.4

1,900

1,816.80

61.2

2017 Q3

2,793.3

50.3

52.2

1,983.60

30.6

1,335.8

70.5

58.2

2017 Q4

2,470.9

52.8

1,486.2

31.5

984.7

53

58.4

2018 Q1

2,904.70

56.3

52.7

29.6

1,370

67.9

24.6

56.6

2018 Q2

3,020.80

58.50

50.4

2,069.50

29.5

1, 499.5

62.3

32.8

59.3

38.1

2018 Q3

3,098.80

60.10

49.6

2,088.80

29.8

1,561.0

58.3

37.4

60.9

35.7

Selected Economic Forecasts

2018p

2019p

2019p

2019p

2020p

Actual

Q4

Q1

Q2

Q3

2020

GDP (USD Billion)

6.3

6.4

7

7

7

7.3

Gross Fixed Capital Formation(K 'Million)

175,608

182,632

183,861

183,774

191,216

200,394

GDP per capita (USD)

486.45

486

481

481

487

488

GDP per capita PPP (USD)

1,095.04

1094

1083

1083

1097

1099

GDP Constant Prices (K' Million)

1,381,652

1,436,918

1,446,590

1,445,899

1,423,097

1,576,667

Balance of Trade (K' Million)

-101,999

-94,717

-94,601

-94,149

-94,258

-94,350

Current Account to GDP (%)

-10.5

-11

-10

-10

-10

-14

Inflation Rate (%)

10.1

9.5

10

12

10.5

12

Food Inflation (%)

10.4

5.6

5.3

6.45

5.89

4.8

CPI Transportation (Index Pts)

108.67

235

113

117

118

295

Unemployment Rate (%)

5.9

5.8

5.7

5.7

5.7

5.5

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