

## Overview & Structure

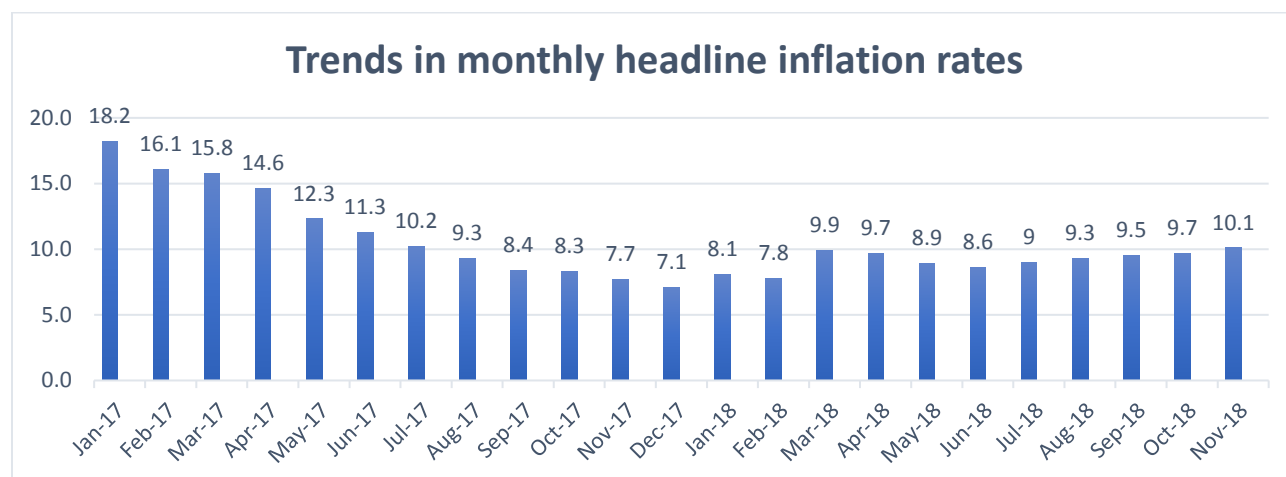
Malawi is an agro-based economy with agriculture contributing above 28 percent of GDP and contributing to over 80 percent of export revenues. The figure below shows the sectoral contribution to the national income in Malawi.

### Sectoral Growth Rates 2018

	2013	2014	2015	2016	2017p	2018p	2019p
<b>Agriculture</b>	6.2	6.3	-1	-0.1	6.1	0.6	2
<b>Mining and Quarrying</b>	6.9	-4.6	1.1	0.4	1.6	1.9	1.5
<b>Utilities</b>	5.5	3	2.4	0.1	2.6	4.4	3.1
<b>Manufacturing</b>	5.6	6.3	3.8	1.3	2	3.8	3.5
<b>Construction</b>	2	4.8	3.5	3.4	4.4	4.9	3.7
<b>Wholesale and retail</b>	7.9	6.3	4.9	2.3	5	4.4	4.9
<b>Transport and storage</b>	5.3	4.5	4.3	4.9	6	5.2	5.4
<b>Accommodation and food service activities</b>	5.1	5.9	5.1	5.7	4.2	5.9	4
<b>Information and communication</b>	7.5	12.2	8.6	5	6.5	7	7.5
<b>Financial and Insurance activities</b>	3.8	5.5	5.6	5.9	5.5	7.1	3.9
<b>Real estate activities</b>	2.5	3.7	1.9	3.1	4.4	3.9	2.8
<b>Public administration and defence</b>	2.7	5.1	6.3	6.2	5.7	7.2	6.1
<b>GDP in 2010 constant prices</b>	6.3	6.2	3.3	2.7	5.2	4	4.1

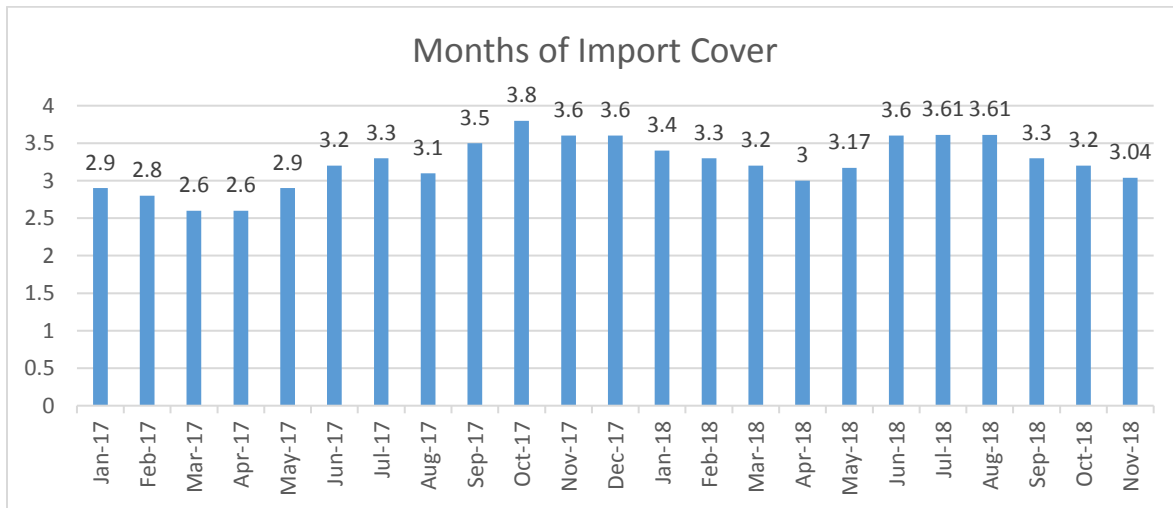
## Inflation Rates

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



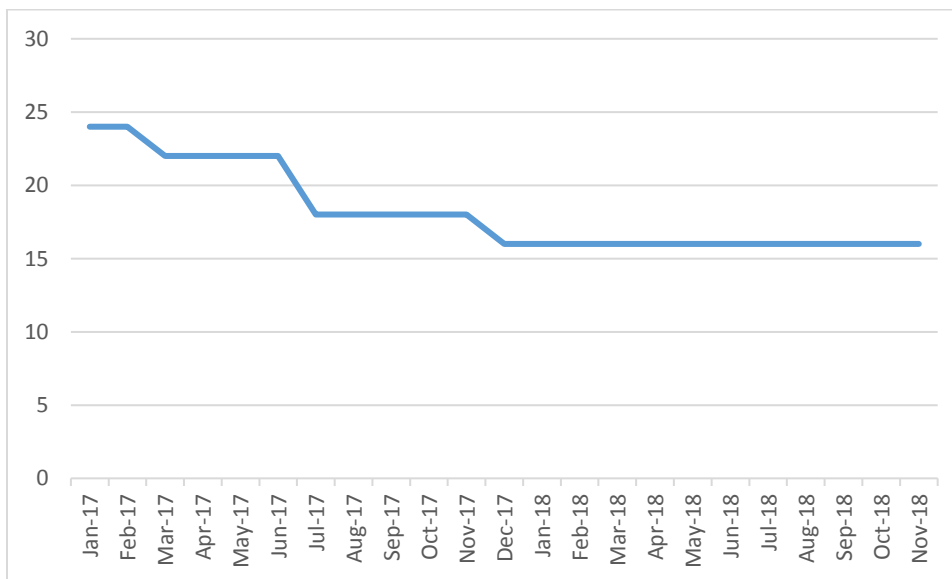
## Import Cover

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

	Actual	2018p	2019p	2019p	2019p	2020p
		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

Join MCCI to benefit from the analytical perspectives of the economy!