

SPEECH BY PRESIDENT OF MCCCCI, MR. KARL CHOKOTHO AT THE OFFICIAL OPENING OF THE 2017 LILONGWE TRADE FAIR, 27TH JULY, 2017, GATEWAY MALL, LILONGWE

The Guest of Honour, Honourable Francis Kasaila, M.P., Minister of Labour, Youth, Sports and Manpower Development;

Your Worship, the Mayor of Lilongwe City Council, Councillor Dr. Desmond Bikoko;

The Chief Executive of the Malawi Confederation of Chambers of Commerce and Industry, Mr. Chancellor Kaferapanjira;

The Secretary for Industry, Trade and Tourism, Mr. Cliff Chiunda, and Your Fellow Senior Government Officials here present;

Fellow Business Captains and Exhibitors;

Members of the Fourth Estate;

Distinguished Ladies and Gentlemen.

Guest of Honour:

Please permit me to welcome you to the official opening of the 2017 **Lilongwe Trade Fair**. I am aware that you assumed your new portfolio a little more than a week ago and therefore you must be busy trying to get to grips with the exigencies of the new office. We would therefore like to thank you most sincerely for sparing time to be with us this morning despite such a crowded schedule.

Honourable Minister:

In a special way, let me congratulate you on keeping a place in the new Cabinet. As we all know, it is not a given that one will be retained when a Cabinet reshuffle takes place. On behalf of the business community and certainly on my own behalf, I wish you all the best in your new portfolio.

Honourable Minister, Distinguished Guests, Ladies and Gentlemen:

I would further like to express our unfettered gratitude to you, Sir, for accepting to stand in for Honourable Henry Mussa, M.P., the new Minister of Industry, Trade and Tourism, who, apparently, is not in the country at the moment. I would like to assure you that you are not misplaced. As a matter of fact, some aspects of your new Cabinet portfolio, especially those related to Labour and Manpower Development, have a direct bearing on the business we have gathered here for this morning, i.e. industry and trade. As a business person in your private life, you are no doubt aware that one cannot succeed in industry, commerce, and services, without productive and skilled labour and professionals. We are therefore encouraged by your presence, Sir.

Guest of Honour:

We have gathered here this morning for the second year running. Last year, we were here around the same period for what turned out to be a very successful Trade Fair. That Trade Fair was held after a very long pause since we held a Trade Fair in Lilongwe. The fact that we have organised a follow-up Trade Fair this year means that the event is gaining ground. In the past, Trade Fairs have generally been associated with Blantyre but the wheels are turning now. Lilongwe is slowly but surely getting popularity as a business centre as well. That is indeed why, as a business association, we have responded to this emerging trend in the needs of our members. By providing this Forum, we have allowed our

members to display their exhibits and reach out to customers, both existing and new; learn from each other; and interact between themselves to generate business. In that fashion we are contributing towards value generating economic activities of the private sector.

Guest of Honour:

As the economy of Malawi is still predominantly agricultural based, the timing for this Trade Fair is also significant. This is the time of the year when the majority of Malawians have sold their produce and therefore have a bit of disposable income in their pockets to spend. You may have noticed, Honourable Minister, that what is on display comprises both consumer and capital goods. The consumer goods are for immediate consumption whereas the capital goods are for reinvestment mostly in the agriculture sector. This should not come as a surprise, Honourable Minister, despite Lilongwe being a city. You may wish to know that the city has the largest concentration of farmers out of all the cities in Malawi. The majority of residents of this sprawling city are involved in this age old profession, sometimes, as a matter of necessity rather than a hobby. That is why most of what is being exhibited is related to agriculture in one way or the other.

Honourable Minister, Ladies and Gentlemen

Every Trade Fair that we hold is organized around a theme to promote a particular contemporary issue. The theme for this year's Trade Fair is **"Total Quality Management: Key to Realizing the Buy Malawi Strategy"**. Honourable Minister, you may recall that on 18th March 2016, His Excellency the State President launched the Buy Malawi Strategy with a view to promoting production and consumption of domestically manufactured goods and services. That launch was followed by very

significant changes in the procurement legislation which were passed in the just ended sitting of Parliament. The changes in the procurement law provide substantial advantages to Malawian manufacturers particularly, and service providers, who target Government Ministries, Departments and Agencies as their market. As a business community we warmly welcome this move as it will go a long way in hand-holding and therefore boosting the local manufacturing industry to enable it compete with imported competition. Overtime it is expected that these Malawian businesses will be able to build capacity to manufacture products and generate services that are as good as those that we currently import.

Meanwhile, however, we felt that we have a duty as a Chamber of Commerce and Industry, to ensure that our members do not abuse this opportunity by producing low quality products to take advantage of the special preferences Government has offered. We are inspiring them to embrace total quality management . a concept that involves paying attention to quality matters at every stage of production from start to finish; and not pay attention to quality at the last hurdle only. We believe that Malawian businesses have the capacity to succeed but this capacity must be seen to be put into practice. The success of the Buy Malawi Strategy rests with us in the business community. That is perhaps the reason we were appointed to be Chairperson of the Executive Committee of this Strategy's Implementing Committee.

Our Guest of Honour:

There is another aspect I would like to bring to your attention before I leave the floor. Honourable Minister, facilitation of domestic trade is very crucial. That is why we are very grateful to Government for introducing preferential treatment of domestically manufactured products. However there are times when the local market is saturated. At that point the Government

must facilitate the producers to export their products. The capacity of local businesses is not only being built to serve the domestic market but also to be able to export their goods and services in the medium to long term. We have not forgotten the overarching goal of Malawi's economic policy which is to turn this country from an importing and consuming nation into a producing and exporting nation. We have recently seen tendencies by Government to stand in the way of businesses that want to export excess maize. This situation has sadly resulted in extremely poor prices for the crop, yet across the border in Tanzania maize is in great demand, and selling at three times the official minimum price in Malawi. We are aware of Government's sensitivities that if it doesn't rain normally next agriculture season, the country may face the likelihood of shortage of our basic food commodity and perhaps experience famine. We appreciate that consideration but that stance should not be taken at the expense of farmers who day in day out toiled to grow the maize for purposes of earning an income. In essence the ban or restricted export of maize is making the local farmer poorer. In yesterday's newspapers, averages prices quoted for maize ranged from K60 to K140 per kilogram despite the Government instituting a minimum price of K170 per Kilogram. This is because although ADMARC is supposed to be buying the commodity, it has limited financial capacity. As a matter of fact, ADMARC was in the market for only two weeks and has since run out of cash, thus leaving farmers desperate. We therefore request through you, Sir, that Government should not continue to suppress the market for maize by not allowing exports. This is killing the initiative for farmers to grow more maize next year. In any case farmers are unlikely to buy inputs in the coming season because of these poor prices.

Honourable Minister:

At this Trade Fair, there are in excess of 60 pavilions taken up by more than 30 businesses from all sectors of the economy. Although the Trade Fair is still in its infancy, we are satisfied with this level of participation. Overtime we are hopeful that the participation will continue growing.

In conclusion let me extend my profound gratitude to all our exhibitors at this Trade Fair and encourage them to continue participating in this event. We will always be there to facilitate your business.

I would further like to thank management and staff of MCCI for a job well done and for working tirelessly in organizing this event. I call upon them to continue doing so in future.

I THANK YOU FOR LISTENING AND MAY GOD BLESS US ALL.