

**SPEECH BY PRESIDENT OF MCCI, MR. KARL CHOKOTHO AT THE OFFICIAL OPENING OF THE 29<sup>TH</sup> MITF, 24<sup>TH</sup> MAY 2017, BLANTYRE**

- **Your Excellency, Professor Arthur Peter Mutharika, President of the Republic of Malawi**
- **Your Excellency, The First Lady of the Republic of Malawi, Madam Dr. Gertrude Mutharika**
- **Your Honour, The Vice President of the Republic of Malawi, The Right Honourable, Dr. Saulos Klaus Chilima;**
- **The Minister of Industry, Trade and Tourism, Honourable Joseph Mwanamvekha, MP; and all Cabinet Ministers and Deputy Ministers Present:**
- **Your Lordship, Chief Justice of the High Court and Supreme Court of Malawi, Honourable Justice Andrew Nyirenda; and all Justices Present;**
- **Your Worship, Mayor of Blantyre City Council, Councillor Wild Ndipo, and all Councillors Present Here;**
- **Excellences, Members of the Diplomatic Corps;**
- **Trustees and Councillors of the Malawi Confederation of Chambers of Commerce and Industry;**
- **Honourable Themba Mkandawire, M.P; Member of Parliament for Blantyre City Central;**
- **Distinguished Exhibitors and Captains of Industry Present;**
- **Members of the Press;**
- **Ladies and Gentlemen**

Permit me, Your Excellency, to start by welcoming you to the 29<sup>th</sup> Malawi International Trade Fair being held here at the Chichiri Trade Fair Grounds today. I am aware of Your Office's busy schedule, yet you were able to spare time to be with us this morning. We are heavily indebted to you, Sir, and would

like to thank you profusely for finding space in that crowded diary of yours, in order to be with us this morning. On behalf of the Malawi Confederation of Chambers of Commerce and Industry, its board of Trustees, Council, Management and Staff, and, indeed its entire membership, I would like to express profound gratitude to you Sir.

### **Your Excellency, Distinguished Ladies and Gentlemen;**

The Malawi International Trade Fair is a rendezvous where fundamentally exhibitors interface with their existing and potential buyers. Over time the concept of a trade fair has transcended boundaries to the extent that the whole value chain now exhibits; it is not only sellers that exhibit but industry in-between players too. This is because they all want to expand their market catchment area. This is what you have just seen Your Excellency . a multitude of industry players.

### **Your Excellency;**

The initial objective for introducing the Malawi International Fair, which remains relevant to-date, was to help in improving the balance of payment situation. This Fair was one of the structural adjustment tools. Circumstances have changed between 1987 when the first international trade fair was held and now. In the 1980s, the cause of the balance of payment problems was mainly deteriorating terms of trade, caused mainly by declining global commodity prices. This time, the principal cause is very high appetite for imported goods. The challenge today therefore is how to improve our productivity from both quality and quantity perspectives so that we are able to meet some of our demand with locally produced goods as well as break into the export market where we can generate foreign exchange. It is therefore for this reason that the theme for this year's International Trade Fair is **%Productivity: A Source of Export**

**Competitiveness”.** We have to produce more in order to have a surplus to export. Becoming more productive will require that we adopt new ways of doing things, including new technologies. Otherwise it will continue to be a challenge for us to meaningfully break into the export market without enough goods to export and without improved quality.

**Your Excellency;**

Malawi's export basket continues to be very narrow, and mainly depends on agricultural raw materials, with little few value added products. It is high time we moved up the economic development ladder and seriously start adding value to our raw products. So far we have paid lip-service to sectors whose productivity can easily change the economic fortunes of this country. According to our own National Statistics Office and indeed in line with economic literature, the manufacturing sector in a developing country like Malawi has the greatest multiplier effect in an economy and greatest potential to catapult a country into an economic success. Attention to the challenges faced by the manufacturing sector, and indeed faced by the whole industrial sector such as shortage of electricity, lack of long term finance, high cost of capital, inconsistencies in policy implementation, and policy reversals can help this country achieve a middle income status within a short term period of time. Certainly productivity will play a principal role in this. We therefore request your Government Your Excellency, to treat our request with the importance that it deserves.

**Your Excellency,**

You did point out in your State of the Nation Address titled **“Harnessing Economic Gains for Sustainable Growth and Development”** on Friday, 5th May 2017 during the opening of the 46th Session of Parliament that growth in manufacturing, electricity and gas as well as water supply activities in the last two years registered a declining trend thereby hampering the performance of the

private sector and as a result, the economy only attained a real GDP growth rate of 2.7 percent in 2016. This in our view is the recognition by Government that private sector is key to achieving economic growth in Malawi. This is what we must reverse by ensuring that these challenges are eliminated.

**Your Excellency;**

We are aware that most times, export orders realized at the International Trade Fair here are not fulfilled in full because of low volumes. Without efforts to enhance productivity, market access advantages that we have to the regional and international markets do not mean anything as we will have nothing to sell. It is therefore important to improve productivity. Reforms that Government is undertaking in areas of policies, legislation and strategies must extend to areas that will directly benefit the private sector. We believe that Government's behaviour and actions are very critical to a country that is struggling to grow such as ours and the Government itself must play a proactive role without allowing the private sector to be marginalized. The private sector will always be there to provide its input. However, economic governance is key in order to have policies, legislation and strategies translated into tangible results. We therefore appeal to Government through you, Your Excellency, to be accountable to us as one of the stakeholders. The only predictable source of Government revenue now, Your Excellency, comes from private sector in the form of taxes. As a matter of fact, the private sector is the majority shareholder in the Government's purse and as such it must have its voice heard and respected to ensure there is value for its money.

**Your Excellency;**

This year's Fair has attracted participants from both local and foreign countries as usual. The number of local participants is growing and this is an indication that more companies would like to clinch deals and learn from one another. This year we have participants occupying 250 pavilions out of which 16 have been

taken up by foreign participants from India, Kenya, Tanzania, Zimbabwe and Zambia. This is against a total of 248 pavilions out of which 14 were taken up by foreign exhibitors in the previous fair.

**Your Excellency:**

In concluding, I would like to extend a special appreciation to all the companies that have participated in this Fair. Without them we would not have such a wonderful event this year. We would therefore like to wish them all the best during the days of exhibition.

I would also like to thank management of MCCI for a job well done.

With these remarks **Your Excellency**, I would like to end my speech.

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