



**MALAWI CONFEDERATION OF CHAMBERS OF COMMERCE
AND INDUSTRY (MCCCI)**

REMARKS

BY

THE PRESIDENT OF MCCCI,

MR PRINCE KAPONDAMGAGA

AT THE OFFICIAL OPENING CEREMONY OF THE

30TH MALAWI INTERNATIONAL TRADE FAIR

CHICHIRI TRADE FAIR GROUNDS, BLANTYRE,

on

Thursday, 24TH MAY 2018

- **Your Excellency, Professor Arthur Peter Mutharika, President of the Republic of Malawi;**
- **Your Excellency Madame Dr. Getrude Mutharika, First Lady of the Republic of Malawi;**
- **Honourable Henry Mussa, MP, Minister of Industry, Trade and Tourism, and all Cabinet Ministers and Deputy Ministers Here Present;**
- **Trustees, Councillors, and Management of MCCCI;**
- **All Protocol Observed**

I am highly honored and humbled, as I stand before you this morning, to warmly welcome you, Your Excellency, to the official opening of the 30th Malawi International Trade Fair.

We are always grateful, Your Excellency, for your usual acceptance to grace such an auspicious occasion.

We do not take your gesture for granted considering your busy schedules as you look at so many issues from the many constituencies of this country.

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 once again welcome you.

Your excellency,

The Malawi International Trade Fair provides a unique networking platform to both local and foreign participants. The fair helps in the promotion, marketing and publicity efforts of participating

companies. Exhibitions lead to market openings, joint ventures, partnerships and investment.

Historically trade shows, have shown to have impacted changes in business marketing, company growth and long term job creation. At the same time exhibitions such as this one provide exhibitors with the chance to meet entrepreneurs and professionals in the same business, and those who have valuable insight into competitors.

The intelligence obtained from attendance therefore is an integral input into business growth as it enables the businesses explore new growth avenues.

This is why every year we organize the fair - to allow businesses achieve their growth aspirations.

Your Excellency,

The theme for this year's Malawi International Trade Fair is: **"Industrialisation: Basis for Trade Competitiveness"** which has been considered because real, meaningful and inclusive development lies in industrialization. The theme further reflects the need for the Malawi economy to produce, and trade in, goods with value addition, a scenario that is possible through Industrialisation.

Industrialisation, has historically provided a good foundation for the acquisition of skills, provision of industry linkages, and basis for innovation and learning-by-doing. The evidence from other parts of the world also show that industrialization is a very important means of mopping unemployment in an economy.

Malawi is very rich in natural resources and other raw materials. Yet the level of Malawi's industrialisation is negligible. Industrialisation will therefore contribute to sustained wealth creation as Malawi's natural resources and other raw materials will be converted into value-added products for export to the global market.

Efforts to industrialise our economy have met several obstacles and as a result Malawi has been exporting unprocessed primary commodities whose prices on the international market are volatile. This explains why Malawi has persistently experienced worsening trade balances, and economic growth whose pattern has not been sustainable. As a result of all these, as a country we have not been able to generate enough jobs to absorb the rapidly growing population. High levels of unemployment will be overcome by adopting broad based growth which utilises locally available skills, which is industrialisation.

Your Excellency

As you are aware, there are quite a number of developments taking place in the world today, and in particular, in our own region. Instruments are being developed and signed to increase trade among African countries by easing movement of goods and services across borders through removal of border taxes, as well as ease the movement of business persons. Just recently, Malawi joined the rest of the African countries in signing the African Continental Free Trade Area Agreement. The questions which, however, we must answer remain:

First, **“Is Malawi ready to benefit from these trade agreements?”**

Second, **“Do we have the capacity to trade competitively?”**

Third, **“What do we need to do derive maximum benefits from these inevitable trade treaties?”**

We cannot and we will not benefit from these protocols if industrialisation is not our priority.

This is why, Your Excellency, we advocate for trade and economic policies that will speed up the industrialisation process in Malawi to propel exportation of high value processed goods.

Your Excellency,

We cannot talk of industrialisation in the absence of a stable and adequate supply of electricity because energy powers industries.

As the country continues to experience power outages, use of alternative sources of energy such as diesel-powered generators have proven to be costly, pushing production costs upwards. Companies are now diverting a sizeable amount of their budget to finance generator sets and diesel while holding recruitment and salary increment plans at bay hence reducing the employment rates even further down.

As the private sector, we were excited with the policy that allows private sector participation in power generation. However, progress seems to be very slow due, sometimes, to lack of clarity on how this can be done, and at other times, lack or shortage of long term finance at affordable rates. Investments in electricity

generation require huge capital outlay and investors expect to be assured of their investment. We need to do more on this, Your Excellency, sometimes through sovereign guarantees so that financiers flex their conditions.

Government through the Malawi Energy Regulatory Authority (MERA) developed a framework to facilitate Independent Power Producers (IPPs) participation. I would like to urge Government, **Your Excellency**, to ensure that the participation process of independent power producers is expedited, and not muffled, and that electricity outages become history once and for all.

Your excellency

A good transport network is also an important prerequisite to Industrialisation.

The Malawi National Transport Master Plan launched provides a clear framework for delivering sustainable interventions in the sector between 2017 and 2037. The Master Plan promotes a strategic modal shift from road to rail and inland water transport, where larger quantities of cargo can be moved at lower costs. We would like to request that those trusted with the responsibility of implementing the Master Plan should exercise high levels of financial prudence and integrity in implementing.

Your Excellency:

Industrialisation thrives in a policy environment which is predictable and devoid of surprises. On this note I would like to commend Government, through the Ministry of Industry, Trade and Tourism, for tabling the Control of Goods Bill in the current sitting of Parliament. In the same vein I would like to sincerely

congratulate Parliamentarians on passing this Bill into law last week. The previous law, which has since been repealed, was an antithesis to development. This law provided so much power for haphazard decision-making without consultation but this has since been corrected.

Your Excellency;

This year's Fair has attracted participants from both local and foreign countries as usual. The number of local participants participating in the Fair is growing every year and this is an indication that more companies are interested in clinching deals and learning from one another. This year we have participants occupying 222 pavilions, out of which 13 have been taken up by foreign participants from India, Tanzania, Zimbabwe, Zambia, Ghana and Mozambique while the rest have been taken up by local companies. With respect to the number of companies participating in the Fair, I am pleased to report that 226 local companies and small and medium sized enterprises (SMEs) are exhibiting at this Fair. We would like to pay tribute to all these companies for choosing to be here today.

Your Excellency:

In conclusion, I would like to extend a vote of thanks to the following companies that have sponsored this event in a number of ways:

- Ayiya Multimedia for the provision of the big screens you are seeing around the Trade Fair Grounds.

- TNM Limited for the provision of E-wallet as a mode of payment.
- Lilongwe Dairy for the financial support; and
- Wella Security Services for the provision of security services throughout the whole trade fair period.
- Kwese TV for providing advertising space on their TV network

I would also be amiss if I did not thank management of MCCI for a job well done.

Besides, I would like to applaud the Ministry of Industry, Trade and Tourism for working hand in hand with us in organizing in this Fair. The Ministry is our partner and we intend to continue working with it to further the interests of the private sector in Malawi.

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

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