

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 2020

The table below represents output growth by type of activity (at 2010 prices)

	2015	2016	2017	2018	2019*	2020*	2021*
Agriculture	-1	-0.1	6.1	0.6	3.9	1.0	3.1
Mining and Quarrying	1.1	0.4	1.6	1.9	3.9	3.0	3.1
Manufacturing	2.4	0.1	2.6	4.4	5.2	1.9	3.3
Utilities	3.8	1.3	2	3.8	5.2	3.0	4.7
Construction	3.5	3.4	4.4	4.9	5.4	3.7	4.2
Wholesale and Retail	4.9	2.3	5	4.4	4.2	0.7	6.3
Transport and storage	4.3	4.9	6	5.2	5.2	0.9	3.8
Accommodation and food services	5.1	5.7	4.2	5.9	4.9	-9.9	9.2
Information and communication	8.6	5	6.5	7	6.8	4.5	5.8
Financial and Insurance activities	5.6	5.9	5.5	7.1	6.4	2.3	5.5
Real estate activities	1.9	3.1	4.4	3.9	3.5	2.4	4.0
Professional and Administrative services	0.3	0.3	0.3	0.3	5.6	3.8	6.1
Public administration and defense	6.3	6.2	5.7	7.0	6.3	5.9	5.3
GDP in 2010 constant prices	3.3	2.7	5.2	4	5.2	1.9	4.5

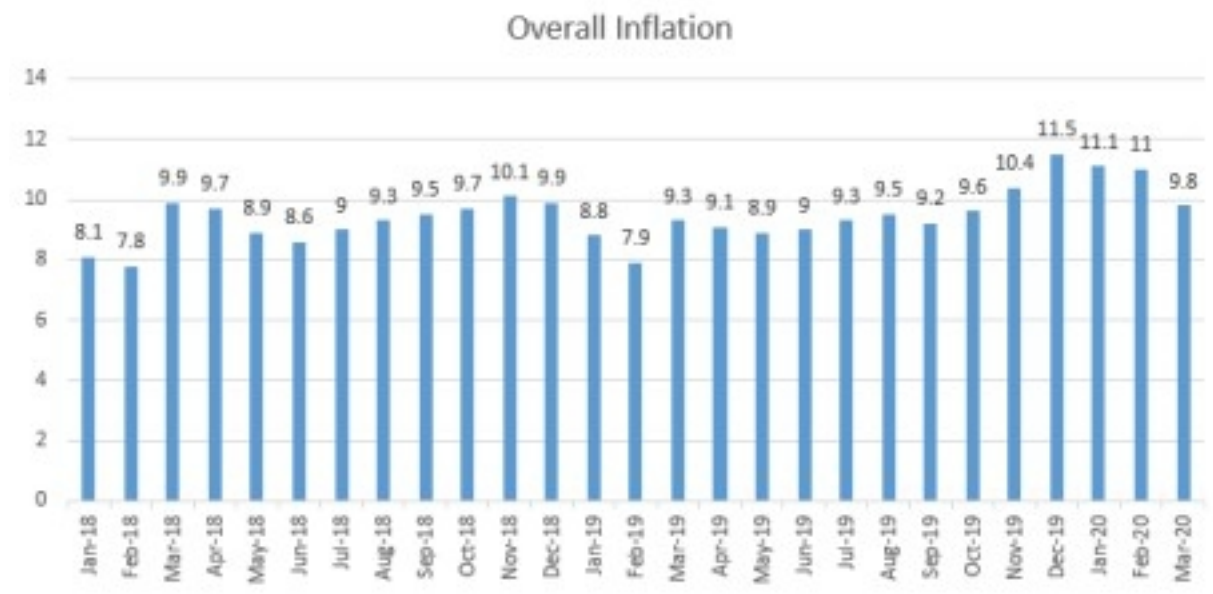
Source: RBM

The projection for 2020 are based on assumptions in 2019

Inflation Rates

The inflation rates have been floating around between 9 and 8, with the occasional extremes being at 11 from January 2018 to march 2020.

Trends in monthly headline inflation rates



Import Cover and Foreign Exchange Reserves

Import cover was on the higher side in December 2019 where it hit 4.05.

Foreign exchange reserves in Malawi hit the highest peak in December 2019 at MWK786 Billion, and lowest being MWK 631 Billion, in between January 2018 to February 2020.



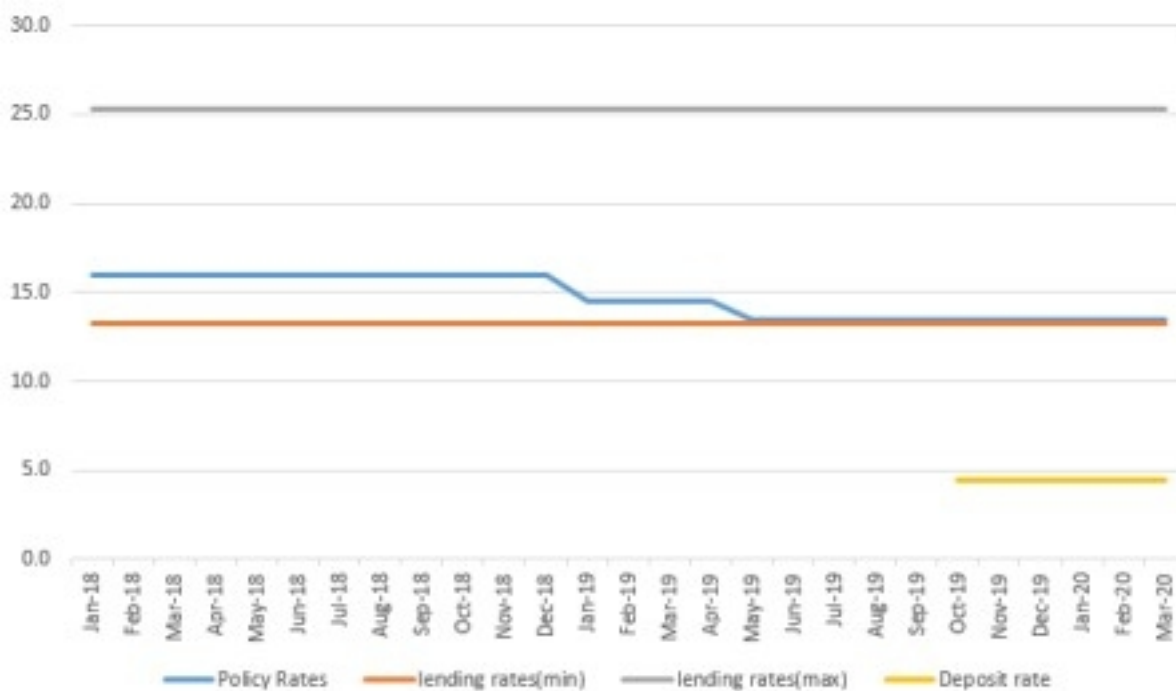
Source: RBM

Policy Rate, Deposit rates and Bank rates trend

The Policy rate has been on a declining trend. Rates declined from 16% in 2018, to 14.5% in January 2019 then again to 13.5 in May 2019 to date.

The base lending rates have been fixed at 13.20 for the minimum and 25.35 for the maximum end.

As of November 2019, the deposit rate was at 4.47.



Source: RBM