

MALAWI

BANKER

MALAWI'S FINANCIAL MAGAZINE OF CHOICE

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Could there
be an end to
SMEs woes?

Will we ever
shake hands
again?

**Mindset Change;
a catalyst for
growth**

Phillip Madinga

At the helm of Standard Bank





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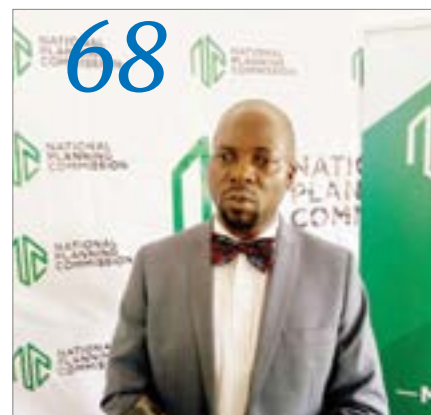
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Editor's Note

A very warm welcome aboard this edition of your favourite Malawi Banker Magazine.

It is with gratitude that we welcome you to this edition of the Malawi Banker Magazine.

At the onset, join us in congratulating one of Malawi's seasoned bankers, Phillip Madinga, for ascending to the helm of Standard Bank Malawi. We share with you his dreams and aspirations in this edition.

This publication comes as the country has just drawn a new long-term development blueprint, the Malawi 2063, with a resolve of becoming an inclusively wealthy and self-reliant upper-middle-income economy.

Therefore, there could never be any better time than now, for Malawians to change their discourse; from merely aspiring to eradicate poverty to acting towards creating sustainable wealth for all.

Yes, the best time to change the development narrative from 'poverty reduction' to 'wealth creation for all' is now.

This auger well with theme of the Magazine; **Embracing Mindset Change: a Step towards Wealth Creation for All.**

In their messages, both the Bankers Association of Malawi President and Chief Executive Officer discuss timeliness of the theme and the essence of mindset change among Malawians.

They further examine the banking sector's preparedness and how it is systematically positioned to play a pivotal role in ensuring creation of wealth for all and sustainable national economic growth.

As depicted in most write-ups, for many years, Malawi has been grappling to eradicating poverty.

We therefore, discuss fundamental pillars of which include but not limited to hard work and a multi-sectoral approach towards national development.

More importantly, attaining this dream would also take a shift in perception, approach to business and mindset change.

This edition, therefore, attempts to discuss necessary parameters needed if the country is to attain its aspirations of Creating Wealth for All.

It would discuss the alignment of tasks and responsibilities to be earmarked by the various entities and sectors of the economy to ensure that every entity plays their rightful role:



What does government need to do to set the tone in creating a conducive environment and offer the much-desired policy direction? What is the role of the private sector? How could commercial banks and other financial services institutions be best-positioned as a financing window in the process? How about NGOs and faith-based organisations; what role would they have to play? And the masses; what is expected of the public?

These and various other questions would help in coining the narrative.

Enjoy!

Have a Nice and Productive Reading!

Paul Kamanga
Editor-In-Chief



On the cover

→ Malawi Banker Magazine engages the **Chief Executive Officer for Standard Bank, Phillip Madinga** for details regarding his appointment to the new role



Malawi's financial magazine of choice

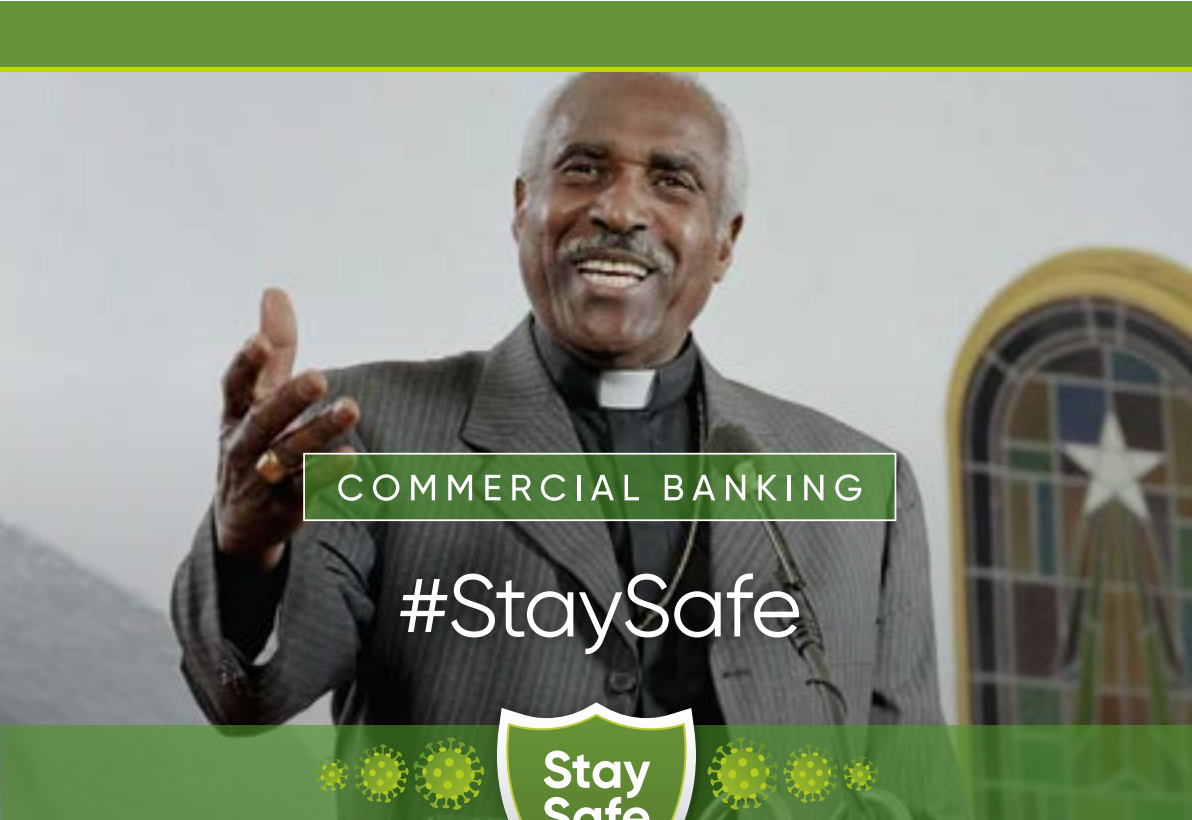
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Movements in BAM

In the recent past, some banks effected some changes in their top managerial, moves which were also reflected at the Bankers Association of Malawi. Some of the changes include:

- In August 2020, Ecobank Malawi announced the appointment of Ghanaian banker, Raymond Fordwuo, as its new Managing Director. He replaces Charles Asiedu who was deployed to neighboring, Tanzania on a similar position.
- In December 2020, the Board of Directors of Standard Bank Malawi appointed Phillip Madinga, a seasoned banker, as the bank's new Chief Executive. He takes over the mantle from William Le Roux.
- First Capital Bank appointed Jaco Viljoen as its new CEO. He was previously CEO of First Capital Bank, Botswana, a position he had held since November 2013.

The President's Message

Banking, as a component of the financial services sector, is fundamentally, one of the key anchors of the economy.

Everywhere across the globe, a strong and resilient financial sector points to a stable economy, propelling industry activities and inducing growth, as it largely feeds into almost every other sector.

Hence, commercial banks and other financial institution have stringent rules, regulation and requirements to follow, and are always under the radar of the regulator, in our case, the Reserve Bank of Malawi, to ensure that they remain afloat.

Even in determining its monetary policy direction, the central bank is always cognisant of the fact that its dictates should lean towards propelling sustainable growth that would facilitate creation of wealth for all.

Ensuring that borrowers have access to cheap capital is one of the pinnacles of a sound monetary policy, pointing towards encompassing a majority citizenry into financial activities which collectively, should push individuals and corporates to feed into the national economy.

Alas, due to structural challenges, among other factors, in the past decade, Malawi's economy has been growing but at a relatively and comparatively, slower pace than expected and than other neighbouring countries, averaging 4.5 percent.

While Gross Domestic Product has increased by ten times in real terms since 1964, the population increase is reported to have nullified half of the gain.

Variation in economic growth prospects for Malawi continue to raise debate with commentators also wondering if the country has been doing enough towards attaining long-term and sustainable growth target.



Suggestions points to mind-set change among Malawians to be espoused by a shift of the economic growth narrative; 'from poverty reduction' to 'wealth creation for all.'

This edition then, creates a platform for a discourse on some of the things that need to be done.

Crafters of the country's next long-term national development blueprint have identified 'wealth creation for all' as one of the critical stepping stones towards attaining reasonable sustainable economic development.

As we know, the country's economy is agro-based, highly dependent on rain-fed agriculture and the sector is not resilient to climatic shocks such as floods, drought and dry spells.

Malawi's challenge, therefore, is to consider commercialising the sector, and diversify its industrial base, among others.

It is needless to say that subdued

performance in the agriculture sector puts in jeopardy the vibrancy of the manufacturing sector as the former supplies most of the raw materials for industrial production.

Any interventions to grow the agriculture sector should be touted and supported by all stakeholders, using all necessary and available resources.

This might be seen as an ideal step towards attaining the desired economic diversification dream.

At the same time, Malawi needs to consider putting in place measures that would make the sector, along with the rest of the industry, resilient from any possible shocks.

Building a resilient economy entails putting up a solid foundation for growth.

And when all is said and done, the citizenry's altitude should reflect the path and the pace.

But, precisely, what needs to be done? I would urge you to read through.

Counting the gains

2020 would go in the record books as a year to forget for most businesses. Covid-19 pandemic has saddled almost every sector of the economy. And banks were not spared.

However, players in the industry-one touted as the most resilient-have shown their prowess amid the exogenous shock.

Despite the challenges faced, we have myriad success stories of individual banks and the industry at large, worth celebrating.

In August 2020, FDH Bank got listed on the Malawi Stock Exchange (MSE), and become the sixteenth counter and fifth bank on the local bourse. We say congratulations!

Apart from successfully switching its tagline from 'Moving Forward' to 'It Can Be', Standard Bank, another MSE-listed financial institution, got the best bank accolade at the 2020 African Banking Awards.

The awards highlight the innovations and inspiring changes happening within the continental financial community especially by commercial and investment banks as well as brokers and asset managers. Therefore, we say well done.

We also celebrate with First Capital Bank and Ecobank Malawi, which commemorated their 25th and 20th anniversaries, respectively. Their journeys, combined, have been worth noting as both banks have shown a high level of resilience, coupled with a continued drive for innovation.

The list of success stories seems just endless.

Amid all kinds of challenges, Covid-19 primarily inclusive, players in the banking industry have been aggressive in pushing the national financial inclusion agenda.

Banks have not only endeavored to expand their footprints across the country, but more importantly,



been innovative and brought banking services to the customers' finger tips.

Today, banking services are accessed in people's comfort places, with less, or no paper work required, hence, making the traditional brick and mortar banking halls a rare place to visit to.

Systems of almost all commercial banks are being merged with mobile phone services providers, making it easier for all Malawians with access to a mobile phone, even those in the remotest areas, to access the bank.

This auger well with the theme of this edition of The Banker Magazine, in creating awareness on mindset change vis-a-vis championing the wealth creation for all and financial inclusion agenda.

With recent figures showing a surge in digital payments uptake in the country, we can only say the future

looks brighter.

Yes, in the third quarter of 2020 alone, the volume and value of Digital Financial Services transactions rose by 30 percent and 30.7 percent respectively, to 130.2 million and K2 trillion, respectively.

We can attribute to convenience and safety experienced by our customers when using such platforms compared to cash and other paper-based payment instruments. We promise greater things ahead.

And the recent reduction in policy rate-the rate at which commercial banks borrow from the central bank as lender of last resort- by about 150 basis points from 13.7 percent to 12.20 percent points towards stability on the market.

Indeed, we can still count the gains and remain afloat going forward.



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Standard Bank **IT CAN BE™**



AT THE HELM

Madinga is Standard Bank Chief

→ In December 2020, the Board of Directors of Standard Bank Malawi appointed **Phillip Madinga**, a seasoned banker, as the bank's new Chief Executive. He takes over the mantle from William Le Roux. The Banker Magazine caught up with Madinga for an insight on what the new role entails vis-a-vis his dreams, aspirations and vision for the bank. Excerpts;

Q. Firstly, congratulations on your appointment as Standard Bank Chief Executive. How does it feel being at the helm of the bank?

I am really delighted by the confidence that the Standard Bank Group and our board has shown in me, by appointing me as the first Malawian CE for Standard Bank Plc. This is historical. I am looking forward to taking the Malawi business to great heights and leading its transformation towards becoming more than a bank - thus a digital and platform-led business. In line with our purpose "Malawi is our Home, we drive her growth", I am also excited to lead a team that is committed to support the growth and development of our beloved country, Malawi.

Q. What would be your thematic message to existing and potential customers?

My message to our clients is that IT CAN BE a great 2021.

The global Covid-19 pandemic we are all living through has forced businesses to rethink how we engage with our clients in a socially-distanced, safe, and largely virtual manner. However, above all this, the bank assures its valued customers, it will be easily accessible once again and even better through various digital interventions. On top of our agenda in 2021 are the following: online payment,

contactless transactions and system stability.

The bank will continue to work towards making sure that our processes allow swift transactions while eliminating paperwork and fostering a journey that ensures consistent and excellent client experience through swift query and complaints handling via our voice branch. The bank will also work on eliminating cheques while promoting systems that do not sleep by focusing on payment that can be done even during weekends.

As we embrace the future, we have taken a strategic decision to adopt a platform mindset as our response to evolving needs and requirements of our clients. And to ensure that we create further value for our clients, we intend to embrace and address their needs through strategic partnerships that will avail solutions from other producers who offer complimentary services. We will do so by tapping into the world of data, analytics and artificial intelligence to better serve you.

Q. What is your vision for the bank?

My ultimate ambition is for the bank to realise its vision of becoming the undisputed number 1 financial institution in Malawi.

In order to achieve this, it will be important that as a bank, we offer unique, efficient and legendary experience to our clients through our innovative digital platforms and offerings and experienced employees. This cannot be achieved through the traditional banking approach. As a result, we have made a decision to reposition our business to be digitally led and become a future-ready platform business. We want to understand our clients better and offer them far more than just financial products and services.

Our aim is to provide complete solutions and increasingly rely on trusted partner organisations in our ecosystems, to fulfil the needs of our clients. This means we will be far more than a bank - we will be a provider of diversified services and will play a far greater role in the lives of our clients. We will continue focusing on improving delivery of service to our clients by making sure that any interaction which our clients have with us is enjoyable. I believe that by doing we will enable our bank to realise its ultimate vision of becoming the undisputed number 1 financial institution in Malawi but also enable it to generate sustainable shared value for all our shareholders.

At the same time, I would also like our bank to work closely with the

government and support the national development agenda and key strategic initiatives. I strongly believe that the newly-adopted vision of the country, MW2063, which is focusing on inclusive wealth creation and self-reliance through the key pillars of Agriculture Productivity and Commercialisation, Industrialisation and Urbanisation, resonates very well with the aspirations of our bank. Thus, in line with our bank purpose that "Malawi is our Home, we drive her growth", I would like us to support Malawi's growth through the various sector expertise which we have within our bank.

In partnership with the government and other stakeholders, we will continue supporting key sectors i.e. the Agriculture sector, the SME sector, empower our Youth and Women but also support addressing challenges we currently face in our Energy and Infrastructure sector. We can make Malawi one of the shining stars within Africa.

Whilst we aim to deliver sustainable financial returns for our shareholders, we also want to make sure that we do this in a sustainable manner for our communities and the environment – we want to be a responsible citizen through our Social Economic Environment (SEE) initiatives, be it in the field of Health, Education, Climate Change, Agriculture, etc.

Q. How do you project the bank's performance, say, five years from now?

Although we expect the operating environment to continue being tough and challenging given recent developments related to Covid-19 coupled with our own country specific challenges, I am still optimistic about the future.

The operating environment has changed the past year and Covid-19 has taught us new lessons and things that we never imagine. Despite these changes, I do believe that investments we have made and continue to make in technology, systems, digital platforms and in our people has positioned the bank to adapt to the various changes that have happened but also exploit new opportunities emanating therefrom.



Standard Bank Plc is one of the oldest and largest financial institutions in Malawi and we have maintained this position for quite a number of years now. Our ultimate goal and ambition is to become the number 1 undisputed financial institution in the country. Whilst financial performance is important, we also want to make sure that we do this in a responsible manner, we do not only seek to be number 1 from a financial performance perspective but also in many other respects. We want to be a market leader in terms of offering unique and legendary client experience; a leader in terms of

offering seamless innovative data and technologically driven financial and banking products and services; a leader in terms of being the best institution to work for. A leader in supporting the growth of our country and supporting key strategic initiatives. A leader in being a responsible citizen by giving back and supporting our communities through our Social Economic Environment initiatives. Whilst we lead in many of these aspects, we also want to ensure that we provide the best returns to our shareholders.

Keynote:

→ ...in order for our Bank to remain competitive we will need to stay close to these developments and understand the impact that Covid-19 and these changes have both on our employees but also our clients and together design solutions which not only guarantee the sustainability of our business, but more importantly guarantee the safety of our clients and staff.

Q. You are taking the mantle at a time the bank has just shifted its tag-line from 'Moving Forward' to 'It Can Be'. What is the rationale behind the shift?

We are a purpose-driven organisation, so despite the changes and challenges Covid-19 has brought, our new brand positioning, IT CAN BE, represents our belief in our purpose – that Malawi Is Our Home, We drive Her Growth!

IT CAN BE is about building partnerships for enterprise development in Malawi; making a difference for our clients by supporting and helping them to achieve their dreams and realise their full potential; connecting our clients to the world and the markets and vice versa, whether they are importing or exporting or when they just need expert advice. It is about partnering for Social, Economic and Environmental Impact in Malawi to create shared value; collaborating with our partners and different stakeholders including the Central Bank to drive financial inclusion in the country. It is also about making a difference for and helping our communities; imparting our knowledge and expertise in different sectors we operate in to make the dreams of our stakeholders possible.

Q. What is the foreseen impact on business?

Working together with our clients, we have proved over the years that nothing is

impossible even during times of calamity, like Covid-19 and that through Standard Bank, IT CAN BE.

Through this new brand positioning, we believe together with our clients and many of our partners and stakeholders we can achieve the impossible. We believe that our new brand position, positions us well, not only to lead in a number of key initiatives to support Malawi's growth but also the growth of our clients and other stakeholders. We believe through this new brand positioning, we can enable many of clients realise their dreams. *Ndizotheka.*

Q. How do you rate the operating environment?

We need a stable economic and operating environment for the market to have a vibrant banking sector. Over the past few years this has not been the case. The economic challenges that this country faced over the past few years have created uncertainty on the market.

Before Covid-19 hit – post 2019 election – there were some signs of economic recovery, however the gains from that period have been eroded by the pandemic. In addition to our own domestic challenges, thus, high domestic debt, high levels of corruption, inability to generate adequate foreign currency, poor implementation of economic and development plans, Covid-19 has brought even new challenges and changed the way we live and do business and ofcourse also brought new opportunities for the market including banks.

“++++Covid-19 has accelerated technological and digital developments, such as Artificial Intelligence, Robotics, Contactless. It has also accelerated the uptake and usage of digital channels because human behaviour has changed – reduced physical contact, home deliveries, etc. It has also impacted our geopolitics – supply chain dynamics, protectionism, access to capital, etc. All these present both

opportunities and challenges to us and the rest of the market.

Despite these challenges, the past year we adapted to new ways of working and using our digital channels such as the virtual banking, Business Online, 24/7. We were also able to seamlessly address our client's requests and requirements without the need for them to visit a physical branch. This was made possible because of the massive investment we have made in our IT infrastructure and our contingent planning.

2021 will remain tough and challenging as we continue to experience the impacts of Covid-19 (and now the resurgence of the new variant of the pandemic) and this will in turn impact the performance of banks.

In this kind of environment, in order for our Bank to remain competitive we will need to stay close to these developments and understand the impact that Covid-19 and these changes have both on our employees but also our clients and together design solutions which not only guarantee the sustainability of our business, but more importantly guarantee the safety of our clients and staff.

Notwithstanding this, I am still cautiously optimistic that through the economic and development plans as well as the Covid-19 mitigating measures, which our new Government has put in place, together with the planned launch of the new vision for the country, MW2063, we can overcome these challenges and set our country on a path of recovery and sustainable inclusive growth and wealth creation. I do believe that within this chaos, there are numerous opportunities.

The financial products uptake in Malawi by customers is low in general, how do you perceive the financial inclusion agenda as being driven by the government.

We have made some good, albeit, slow progress with regards to financial inclusion. I feel that as a sector, together with the RBM and other players in the market we can do more. Although the banked population has increased to around 24 percent, up from 22 percent according to Finscope report, this is still quite low compared to other countries within the region and across Africa. Although banks have invested (and continue investing heavily in IT systems, infrastructure and digital channels to improve access to banking, we still have many challenges to overcome. Over the years all banks have invested in a number of new products and services, like mobile banking, ATMs, POS devices, etc, but these efforts require concerted effort amongst a number of stakeholders, not just banks alone.

On our part, Standard bank has also made good progress in supporting the financial inclusion drive. As one of the oldest and top bank we have made sure that we are represented in all the key areas of the economy through our network of 27 branches and service centres. These are complimented by Mobile Vans, which we use from time to time to reach out to some areas where Banks may not be present or to support programs like social cash transfers.

Through our massive investment in IT infrastructure, Standard Bank has also been a pioneer in the digitisation journey, by offering innovative digital platforms. Over the years we have invested in over 93ATMs – out of which 22 are depositing taking, 11 Cash Deposit Machines (CDM), over 1,000 Point Of Sale (POS) devices.

These platforms are available across the entire country. We have also made banking services accessible to everyone, be it at a personal, business & commercial and corporate level through our innovative digital solutions like 24/7 Online Mobile App, which also has USSD functionality to ensure that even clients with feature phones are able to use it with the ability to pay for key services like utility payments, Go-TV and DSTV payments and many

other functions. Our corporate clients are also able to utilise our Enterprise Online & Business Online platforms.

In support of improving access to finance, Standard Bank was the first institution to introduce digital personal lending, a solution through which our clients are able to access personal loans on their mobile, ATM or most of our other digital platforms. We will be introducing a similar digital lending solution for SME sector. All this is being done not only to make banking easy for our clients but also to support financial inclusion. We still plan to extend our network of ATMs, POS and other digital channels this year and in the coming years. We also plan to acquire more Mobile Vans to reach out to some remote areas, whilst we continue with the roll out of our platform business solution.

As we move the bank towards becoming a platform business, we believe that our new digital offering would enable us connect many ecosystems and in turn the unbanked population across the country and thereby deepen and support financial inclusion more.

However, our ambitions and the ability as Standard Bank and as a sector to reach out to some of the unbanked population requires that the country should have reliable infrastructure to support some of the innovative solutions and products that can assist banks in reaching out to the rural areas. We need reliable telecommunications and Power, but we also we need reliable roads and other related infrastructure if we are to win this battle.

On our part, we will continue to explore ways to partner key stakeholders to





reach out to the masses e.g. partnerships with telecommunications companies on Mobile Money as well as other private sector players in various sectors including the agriculture sector where most of the business activity and base of our economy resides. **Q. How would you motivate the youth to aim high?**

My advice to the youth is to always ensure that they have a clear vision and a clear plan to achieving their goals, aspirations and vision. Success requires commitment, hard work and belief in yourself. Don't be afraid to try something new, but just remember that Rome was not built in a day. Be daring and ambitious because anything is possible. Stay focused and do not accept mediocrity. With belief, anything is possible. Maintain the highest levels of integrity, it has proven useful for me over the span of my career and I strongly believe it will do the same for you, now and in future.

Q. Any final words?

As I have indicated, as we embrace the future, we have taken a strategic decision to adopt a platform mindset as our response to the evolving needs and requirements of our clients. And to ensure that we create further value for our clients,

we intend to embrace and address the needs of our clients through strategic partnerships that will avail solutions from other producers who offer complimentary services and avoid pushing our products and services to you. We want to become more than that bank, so that we can continue to provide our clients a unique and legendary experience. However, for this journey to be successful, we need the support of our clients.

I would therefore like to thank our valued clients for their patronage, goodwill and support through the past year and many years that the Bank has been in existence. Thank you for believing in us – in our brand. Thank you for your goodwill and the opportunities extended to us. Please continue to support us as we together take this great brand to greater heights.

For our Bank to remain competitive, requires that it must have the right people. I am proud to be part of this great brand which has such competent, hardworking and committed people that are always geared to deliver the desired unique and legendary service and solutions to our clients. I am indebted to these hard working and committed staff, our Board and my colleagues from executive management team who have made my settling back at the bank easier and memorable.

Wobbling to attain **MIDDLE-INCOME STATUS**



BY CONTRIBUTOR

The country's economy is never at peace. In fact, the domestic economy has for years been synonymous to instability, save for a few years of stability in a few macroeconomic indicators.

The economy—which leans heavily on agriculture—accounting for about 29 percent of Gross Domestic Product (GDP)—continues to be at the mercy of both internal and external shocks, latest being Covid-19 pandemic, floods and Cyclone Idai.

These shocks are devastating, undeniably.

Malawi's exogenous shocks, however, have dealt the economy a heavy blow for recurring decades as manifested by multiple years of achieving meager economic growth rates and subsequently increasing country's per capita income.

Almost in each and every national budget, Treasury sets ambitious economic growth targets but resultantly, such projections are never achieved.

CRUCIAL—Infrastructure development

This has been a sour trajectory year in, year out.

Here is a vivid picture for the last decade when it comes to economic growth rates: 8 percent (2009), 6.9 percent (2010), 4.9 percent (2011), 1.9 percent (2012), 5.2 percent (2013), 5.7 percent (2014), 3 percent (2015), 2.3 percent (2016), 4 percent (2017), 3.2 percent (2018), and 4.5 percent (2019).

Based on such numbers, simple mathematics show that the country's economic growth averaged 4.5 percent

→



MUNTHALI—We could reach the upper middle-income status earlier

envisaged \$1,000 (about K750, 000) per person per year in the country's long-term national development document, Vision 2020.

The blue-print, which was launched in March 1997, expires this year (2020) and is expected to be replaced by the National Transformation 2063, currently being 'manufactured' through a process being led by the National Planning Commission (NPC).

Where are we getting it wrong?

Economic experts say the low per capita GDP—which is derived from dividing the country's nominal GDP by its population size—is a symptomatic of the fact that the country's wealth is not increasing with the same pace with that of its population. Put it in another context, too many people are producing too little output in terms GDP as compared to neighboring countries.

"The low and episodic economic growth rates against relatively high and constant population growth rates have resulted in episodic income per capita growth.

"This confirms the recursive relationship between economic development and population and invites policy makers and development practitioners to realise that while slow population growth is necessary to achieve high

income per capita on one hand, high economic growth on the other hand is necessary to manage population growth," says Milward Tobias, Executive Director for Center for Research and Consultancy.

Currently, Malawi's population growth rate is estimated at around 3 percent, a rate the World Bank describes as the single greatest challenge to improving human capital development and economic prosperity.

As if that is not enough, on the other hand, Malawi's fertility rate is now pegged at 4.4 percent but such a rate can go up to 6 percent in some cases, more especially in rural areas.

While Malawi has made good progress in human development outcomes in the last two decades, demographic experts argue that further progress on reducing fertility rates, particularly amongst adolescent girls, is critical to support improvements in human capital development and inclusive economic growth.

And with the population projected to double every 23 years, the country is undeniably trekking on a dangerous path.

"Simple evidence shows that Malawi would be a middle income economy with a per capita income of \$1,000 per person by the year 2035 if population was growing at replacement levels or basically having around two children per woman," says Thomas Munthali, director general for NPC.

Our internet search shows that average income for Malawi currently at \$603 (following the rebasing of GDP to \$10.9 billion using the 2017 prices and not the old base year of 2010) is way below the \$1,600 (K1.2 million) per capita income for Tanzania, and \$1,090 (K820,000) for Zambia.

The World Bank defines lower middle-income economies as those with a per capita income of between \$1,006 and \$3,955 and upper middle-income economies as those with a per capita income between \$3,956 and \$12,235 as of 2018.

→

between 2009 and 2019, way below the desired average growth rate of 6 percent for a country to meaningfully impact on poverty while triggering development.

A similar desolate trend is also manifested in the country's per-capita income over the years.

Our calculation shows that the country had achieved an average per-capita income of \$441 (about K330, 750) per person per year, way below the

→



Lilongwe Old-Town

→

Not all is lost

From what is unfolding on the ground, it is clear that not all is lost as the recent rebasing of nominal GDP by the National Statistical Office (NSO) has automatically increased Malawi's per capita GDP from around \$350 per person per year to \$603 (about K455,000) per person per year.

The rebasing of GDP has seen the size of Malawi economy also expanding by over 70 percent in dollar terms from \$6.4 billion (or K4.6 trillion) in 2010 to \$10.9 billion (or K8.1 trillion) in 2019.

Simply put, rebasing of GDP involves replacing the old base year (2010) used for compiling GDP with a more recent base year (2017) for computing price estimates.

NSO Deputy Director for Statistics, Hector Kankuwe, says Malawi's GDP per capita has automatically jumped by 72 percent following the rebasing of nominal GDP by the statistical body.

Back to NPC's Munthali, the rebasing of GDP is timely and important for

the Commission, as it comes at a time when the institution is making projections on when the country is likely going to hit the upper middle-income status "which is what we aspire to get before 2063."

He says: "The GDP rebasing, hence, gives us the real base on which to take off. You recall that one distinguishing feature that NT2063 [National Transformation 2063] will have to be compared to Vision 2020 is that we will set targets which will help us as a Commission to realistically oversee implementation of the Vision. With the upward revision in the GDP, it means we could reach the upper middle-income status earlier."

However, just like many other economic experts we spoke to on the matter, Munthali warns that with such an increase in per capita income, Malawians should not sit back and relax feeling the country is now much wealthier than before, stressing that Malawians still need to work hard

and be motivated to do more. But as it stands now, the country keeps wobbling to achieve the desired middle income status, something that should be a food for thought to Capital Hill and all relevant stakeholders.



"....the rebasing of GDP is timely and important for the Commission, as it comes at a time when the institution is making projections on when the country is likely going to hit the upper middle-income status "which is what we aspire to get before 2063."

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Banks geared to support farming

BY STAFF WRITER

Commercial banks have said they are geared towards propelling the country's agriculture to another level by extending credit facilities to boost the sector.

The banks made the commitment during the 2nd Bankers Agribusiness Conference held in Lilongwe from 4 to 5 December 2020 under the theme Creating Resilient and Sustainable Agrarian Economy in Malawi.

Speaking at the conference, Minister of Agriculture, Lobin Lowe, challenged commercial banks to extend more support towards the agriculture sector which is a hub of the economy.

Standard Bank Head of Relationship Banking, Graham Chipande, said the bank has a variety of facilities aimed at helping stakeholders in the agriculture value chain.

"Standard Bank is ready to work in partnership with stakeholders to offer the solutions within the value chain," Chipande Said

Chipandesaid Standard Bank's products target small-holders, out-growers, input dealers, primary producers, processors, traders, distributors, retailers and wholesalers.

CDH Investment Bank Banking Centre Manager, Jennie Madinga, said her bank has working capital and asset finance products to finance farmers involved in production of various types of commodities including sugar, macadamia and seed.

Madinga said the asset finance facility enables farmers buy trucks, tractors, refrigeration equipment, irrigation systems and build warehouses.

"CDHIB also provides financing in the whole agriculture value chain in areas of transportation, warehousing and packaging," Madinga said.



UPBEAT—Nkungula

On his part, National Bank of Malawi (NBM) Business Development Manager responsible for Agriculture, Samuel Ngwira, said the bank recently unveiled the Farm Infrastructure and Implement Loan facility, which seeks to finance all eligible farmers in Malawi from small-scale to estate owners to acquire agriculture equipment.

Ngwira said the facility seeks to help Malawi move away from traditional ways of farming to a more mechanized system, which would help the country realize increased produce some of which could be exported to bring more forex to Malawi.

Institute of Bankers Chairperson, Zandile Shaba, said banks have played a role in inclusive financing by coming up with products that are suited for rural

communities and others specific for agriculture.

"We have commercial banks that have come up with deliberate policies to support agriculture. We know that we need to push more, but the important thing is that we have started supporting agriculture.

"Banks are leveraging on the banking agents to reach out to the unbanked, because an inclusive Malawi is better for the economic growth of the country," Shaba said.

In addition he Institute Chief Executive officer, Lyness Nkungula, said there is need for more collaboration with the key stakeholders in order to move ahead and grow the agribusiness sector.

Could there be an end to **SMEs woes?**



BY STAFF WRITER

W

orld Bank figures show that in Malawi, micro, small and medium enterprises (MSMEs) constitute 60 percent of businesses, providing jobs to 1.6 million people.

However, only 10 percent of medium enterprises, five percent of small enterprises and three percent of micro enterprises have credit from commercial banks.

Despite their significance, financial institutions continue to perceive MSMEs as too risky, says World Bank in its July 2020 Malawi Economic Monitor.

But that is not all.

World Bank found that low literacy levels of MSME owners and entrepreneurs deter MSMEs from meeting the requirements for formal financing with majority of MSMEs

(89 percent) being informal, some with no records (36 percent), and lacking innovation and diversification (45 percent).

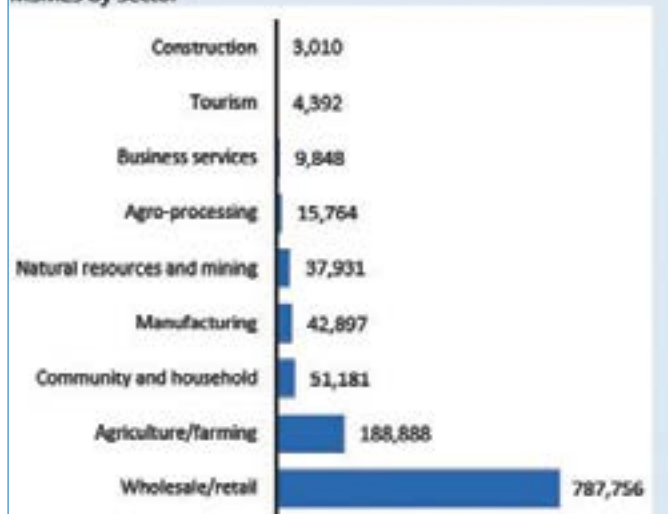
Lack of robust lending models results in the reliance on traditional forms of collateral, which are often limiting for MSMEs."

But what is more puzzling is the fact that FinScope MSME Malawi 2019 reports that there are 1.1 million businesses classified as MSMEs in Malawi operating mostly operate in the wholesale, retail and agriculture sectors.

Although a good proportion of MSMEs are in the mature stage (23 percent), the majority are in a start-up phase.

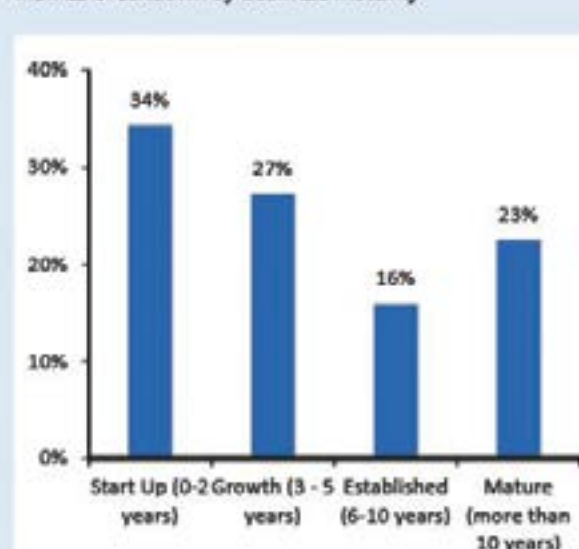
Ironically, Bankers Association of Malawi (BAM) figures show that the distribution of banking sector loans are that heavily skewed towards wholesale and retail, and agriculture, forestry, fishing and hunting, controlling about 42.3 percent of total loans while the manufacturing sector controls only around 13.9 percent of the total loans.

Figure 20: Most MSMEs are in wholesale/retail and agriculture
MSMEs by sector



Source: World Bank staff calculations based on 2019 FinScope Survey

Figure 21: Most MSMEs are at start-up stage
MSMEs breakdown by business maturity



Source: World Bank staff calculations based on 2019 FinScope Survey

VOLATILE—Most MSMEs fail to grow—Source, the World Bank

This is out of the total banking sector loans, which increased from K397.2 billion in 2015 to K637.3 billion.

An official from BAM says in addition to conventional lending instruments, commercial banks are collaborating with other stakeholders for innovative financing, which can support some pockets of SMEs not able to meet existing loan covenants in the banking industry.

However, Chamber for Small and Medium Businesses Association executive secretary James Chiutsi says although small businesses are still facing access to finance challenges due to strict collateral requirements, the country has several entrepreneurs with sound business ideas but having no means to acquire assets.

"Not many people have acquired assets that can be used as collateral. Formal registration has only been an expense small businesses can do without," he says.

Recently published data from the Global Systems for Mobile Association indicates that within the

economy, an estimated 91 percent of businesses accounting for 89 percent of employees operating without formal registration and outside of the tax-net.

On the other hand, the 2018 Population and Housing Census data indicate that out of 3 984 981 households in Malawi, 651 357 households operated a business of some kind representing 16.3 percent of all the households.

While access to finance remains a stumbling block for the growth of the sector, finding business and markets is another thorn on the flesh.

Minister of Trade Sosten Gwendwe observes that black indigenous Malawians are still losing out on public procurement despite regulation for preferential treatment regulation.

He says every passing national budget, the unequal sharing of procurement 'national cake' has been so glaring.

"For example, in the year just ended, it is estimated that out of the K600 billion government



While access to finance remains a stumbling block for the growth of the sector, finding business and markets is another thorn on the flesh.



GWENGWE—The ministry will issue colour coded licences

→

procurement budget, only less than 15 percent was taken up by black indigenous Malawians [IBMs] others. The trend has existed for so many budgets on end.

"This has created glaring economic inequalities in our society. The 2017 PPDA Act was passed to address this apparent economic injustice," Gwengwe says.

The preferential treatment provision is provided under Section 44 (10) of the Public Procurement and Disposal of Assets Authority (PPDA) Act requires procuring and disposing entities (PDEs) to award 60 percent of all contracts under National Competitive Bidding (NCB) to IBMs and 40 percent to others.

While domestic preference is a long-standing provision in Malawi's public procurement legal framework, the 60/40 provision is new as imbedded in the PPD Act.

Meanwhile, the PPDA has drafted the Public Procurement and Disposal of Assets Authority (PPDA) (on Administration of Preferential Treatment)

Regulations 2020 to operationalise and offer guidance on the implementation process of this provision.

Under the PPDA Participation by Micro, Small and Medium Enterprise Order 2020, medium enterprise means an enterprise comprising at least annual turnover between K50 million and K500 million, has between 20 and 99 employees or has maximum assets (excluding land and buildings in the case of manufacturing enterprises) of K250 million.

Micro enterprise, on the other hand, has to have an annual turnover of up to K5 million with between one to four employees or a maximum of K1 million assets (excluding land and buildings in the case of manufacturing enterprise).

Small enterprises means an enterprise with an annual turnover of between K5 million and K50 million with between five and 20 employees or a maximum of K20 million assets (excluding land and buildings in the case of manufacturing enterprise).

"For the purpose of identifying

qualifying MSESs, the ministry will issue colour coded licences," says Gwengwe, adding that goods, services and works under this order complements the Buy Malawi Build Malawi Campaign.

However, Chiutsi indicates that delays to gazette regulations for the operationalisation of public procurement in line with domestic preference is frustrating the sector.

He observes that for three years, small and medium enterprises have been waiting keenly for the day when 60 percent of all contracts under National Competitive Bidding (NCB) to indigenous black Malawians and 40 percent to others.

He says: "Without a deliberate effort to help the local indigenous Malawians, it is not easy for the locals to make it in business.

"It is frustrating to see that the guidelines are not being implemented when this is supposed to give financial freedom to small-scale businesses."



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Mindset Change;

a catalyst for growth



SPOKE ON MINDSET CHANGE—Chilima

BY GODFREY MAOTCHA

Chimwemwe Petulo is a 19 year old vendor of dry fish at Chiuwira market-busy trading centre located in the south east of Malawi's capital, Lilongwe.

Nearby his vending stall is a place where women dump tomatoes which are too damaged for consumption.

The tomatoes are grown in nearby Nthenje and Kang'oma areas. The demand for tomatoes despite being high, most consumers in surrounding areas like area 23 do not satisfy it, until the crop is rotten.

It pains him to see commodities which have taken a lot of time and resources to produce being dumped.

"Can the government not devise ways of preserving tomatoes and sell them abroad?" he asks.

The burning questions that Petulo have could be part of the mantra that is being propagated in many spheres of life in Malawi: mindset change.

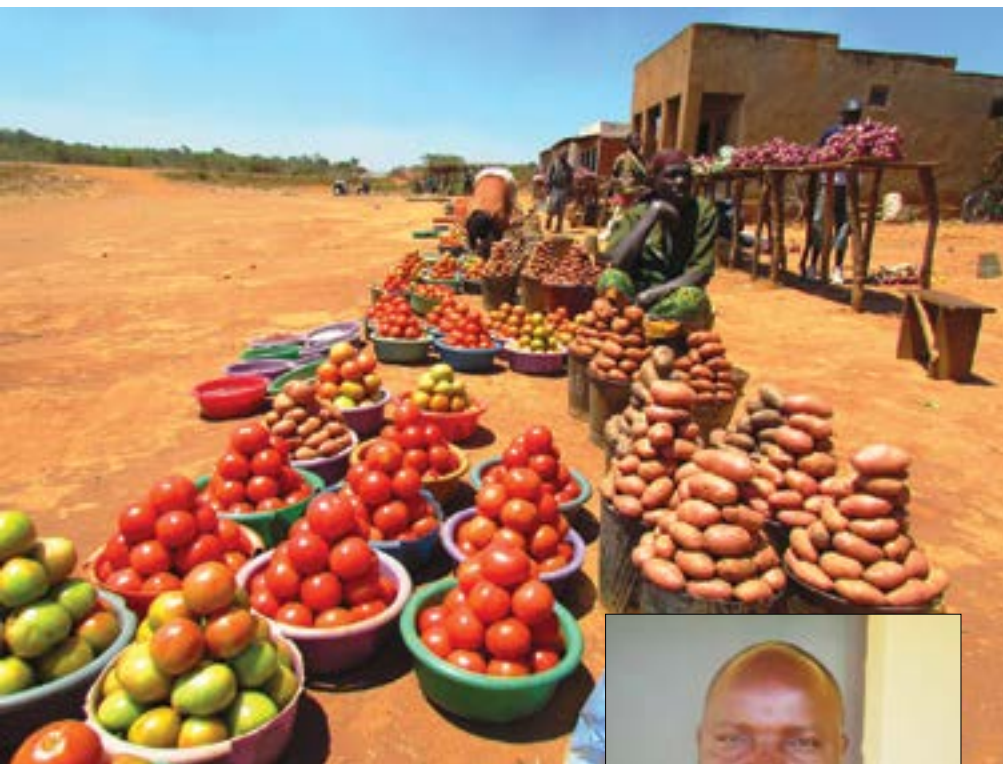
On Friday, October 2020 on a warm evening in Lilongwe Vice President Saulos Chilima delivered a public lecture on mindset change.

Since then there has been an 'awakening' among Malawians. A redefinition of how they should pursue goals for progress of their livelihood and the country.

Malawi government assures people like Petulo on providing a conducive environment for the smooth running of foreign trade, especially exports.

Mayeso Msokera is spokesperson for the Ministry of Trade. He says Malawi has many trading agreements with both regional and global counterparts.

→



EXPORT MATERIAL—Fresh tomato and Irish potatoes

→

These include the Zimbabwe-Malawi trade agreement and a similar agreement with South Africa.

Globally, Malawi benefits from the Africa Growth Opportunity Act (Agoa) which enables duty free agriculture exports to the United States.

Some trade agreements with regional and continental blocs include those with Southern Africa Development Cooperation (Sadc), Common Market for the Southern and Eastern Africa (Comesa) and European Union (EU) and the Africa Caribbean and the Pacific (ACP).

"To reduce delays and duplication of procedures during transit of export goods government is introducing one border posts," he adds.

Women empowerment

Leonard Mgemezulu is a teacher by profession and a volunteer broadcaster at Radio Alinafe in Lilongwe.

He feels one aspect which Malawi needs to address if it is to attain economic prosperity at national and household level, is women empowerment.



FOR EQUALITY—Yeresani

"If we allow women to fully engage in economic activities that are culturally reserved for men, the better," he says.

He feels although the country has some women holding influential positions in the public and private sectors, a lot needs to be done.

There are still a lot of women who are denied an opportunity to engage in economic activities. Some are stopped from working or doing business by their husbands.

In his public lecture Chilima noted that "the country's human resources is dominated by women and youth, and any underutilisation of this constituency of the population can have a negative impact on the economy".

Peter Yeresani, Chief Gender officer in the Ministry of Gender says the National

Action Plan for Women Economic Empowerment (NAPWEE), ensures that women have access to economic activities.

Some areas of focus in the plan are: promotion of women and girls education and financial literacy, supporting business and entrepreneurial activities, enhancing women's access and control of property and facilitation of labour empowerment.

He says in general, it introduces affirmative action measures to ensure that women benefit from economic opportunities including those created through public procurement processes.

Professor Ben Kalua, an economist at the University of Malawi's Chancellor College adds that entrepreneurial skills should be enhanced for women and the population in general.

"Business has a drive, preference for employment is passive. The former is better than the latter," he argues.

Despite all the incentives to boost foreign trade, most of Malawi's exports are raw.

The major ones are tobacco, tea and soya meal. As of 2018, the country's exports were pegged at \$998 million. Its imports on the other hand were \$1.51 billion, bringing a trade deficit of \$514 million dollars. This is according to the Observatory of Economic Complexity (OEC).

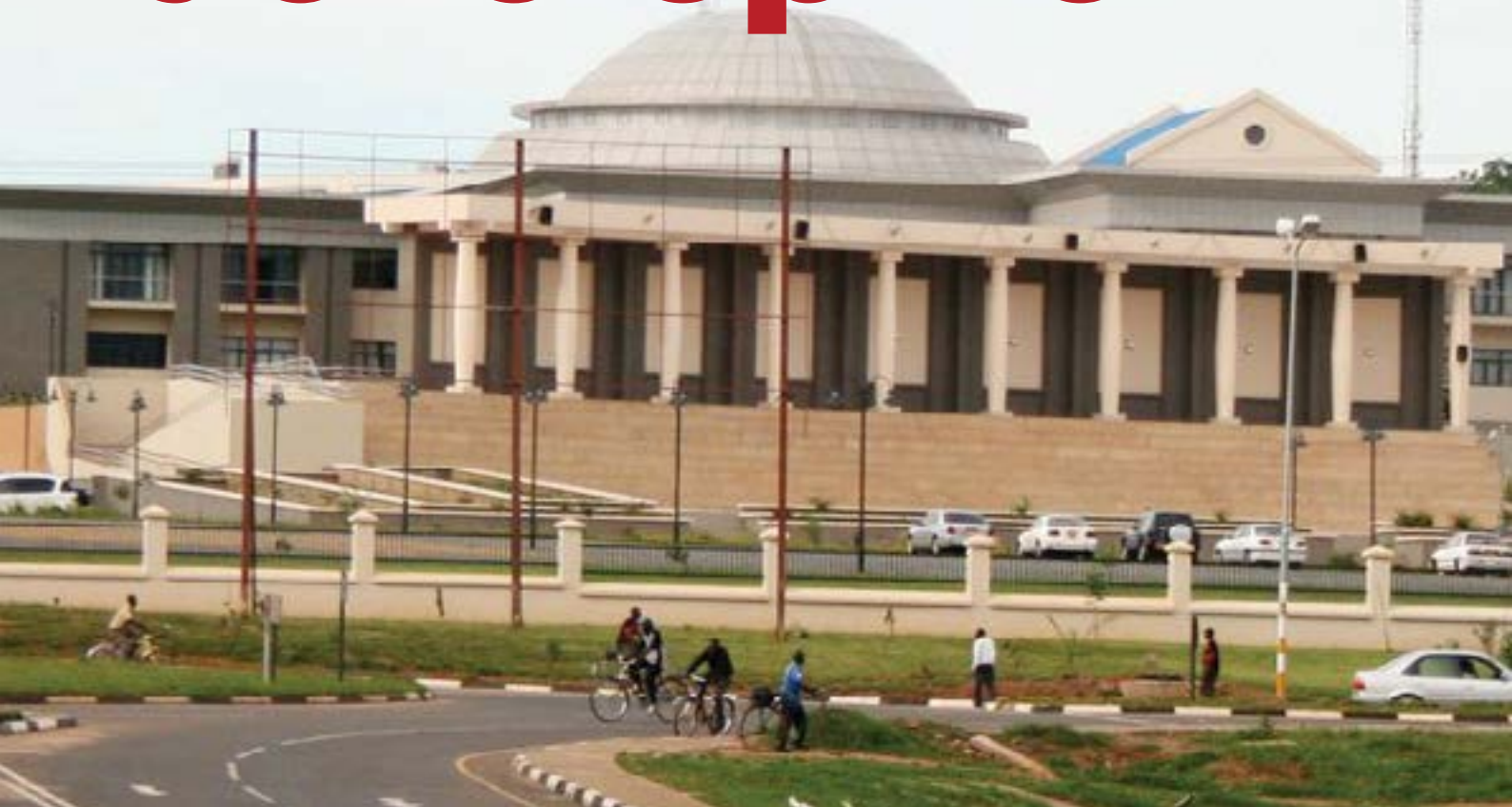
In young Petulo's imagination the only way to boost our resource based economy is to increase our export base. Exporting finished products and not raw materials for that matter.

With over 50 years of independence it is high time we move on to an exporting and producing country. Apart from that, we should move from a resource based to a knowledge based economy.

Support is needed for innovators in our villages and institutions of higher learning.

We have been in this place for too long.

The politics of development



WHERE LAWS ARE MADE—Parliament Building

BY MALLICK MNELA,
Contributor

The World Bank describes Malawi's poverty and inequality as "stubbornly high". In superlative terms, it would not have been fair to describe the country as such some 20 years ago, when multiparty politics was still experimental.

Early in the era of multiparty democracy, the Vision 2020 was espoused as a turn-around strategy for the country's economic fortunes. In it, the country's development agenda was drafted for all to follow through on the path to national greatness.

In between the execution of the Vision 2020, there are tales befitting the bitter-sweet category in the story bank. Over the years, there are positive strides attained and detriment suffered.

Midway into the Vision 2020, for example, the World Bank says that Malawi's national poverty rate increased slightly from 50.7 percent in 2010 to 51.5 percent in 2016. That is the bitter part.

The sweet part is that extreme national poverty decreased from 24.5 percent in 2010/11 to 20.1 percent in 2016/17.

The protracted poverty is said to be driven by low productivity in the agriculture sector, limited opportunities in non-farm activities, volatile economic growth, rapid population growth, and limited coverage of safety net programmes and targeting challenges.

Conversely, these are the areas considered key and thus appropriating a huge proportion of the country's resource envelop.

There are a number of assumptions that can be made. Firstly, the programmes are being executed for political point scoring.

Secondly, the resources being deployed are inadequate to ensure sustainable impact given the expansive and pervasive nature of the country's poverty. Thirdly, the resources earmarked for the projects are being siphoned due to corruption or spent on non-core programmatic activities. Fourth, the politicisation of development.

A quick diagnostic into the failures of Vision 2020 →



somehow validate the assumptions cited above.

All governments have thrived on ending poverty. All have crafted their plans on how they would end poverty.

When they got into government—using the gloomy statistics of perennial and deep rooted poverty—they accumulated resources to institute programmes.

A very good example of how the assumptions play out is the farm input subsidy program in its various manifestations. The UDF called it starter pack, the DPP called it FISP and the Tonse are calling it Agricultural Input Programme (AIP).

The farmers-targeted exercise invests billions of Kwacha annually. But

it remains susceptible to politicisation, theft and corruption and resource constraints to optimise benefits to a majority among the population in need.

Many pundits have advocated against this initiative for its lack of sustainability. However, the political masters cannot disappoint the majority poor by going back on their word. Otherwise, they risk diminished political clout.

Malawi has good policy frameworks on diverse issues around development. The major weakness, however, is that those technocrats that have the responsibility to advise can offer counsel. But it is incumbent upon those in leadership positions to implement such advice.

Given a situation where a majority expect the favour of “freebies” or “near freebies” from the government whose leadership they hired at the ballot, it amounts to political suicide to pursue a development path in the long term.

But then, it is a vicious cycle – it starts with campaign promises!

The poor and mediocre execution of policy frameworks is not a result of ignorance. It is a matter of building expectations on short-termistic premises. In so doing, a parent usurps her children's better future for a price of fertilizer!

The main culprit of sluggish development is politics, politicians being the agents of the stagnation.

To ensure better outcomes, there is need for our politics and politicians to change. Politicisation, corruption and poor execution fall under their mandate. The technocrats design various development models, leaving execution to the elected politicians to act.

That way, our country will have duty bearers that are development conscious.

There is need to raise awareness on the proper political discourse to push the country's development forward. Our politicians should be able to champion meaningful development agenda beyond politicking.

The major distinctive factor is the emergence of the National Planning

Commission (NPC). This institution is in charge of the country development agenda.

In a manner hitherto unwitnessed, NPC has been engaging wider stakeholders in soliciting views on the country's development discourse.

What this means is that the NPC has assumed a role to democratise development.

Furthermore, the position posited by the NPC in its recommendations to the powers that be must be seen as a reflection of the will of the majority, especially the younger generation.

There must be deliberate effort to hear the youths and younger generation more because the decisions on national investments being made today have far reaching consequences in the years to come.

If we pursue a spending path using borrowed funds just to quench our political appetite, we are creating a situation where our children will inherit debts instead of stashes of funds and long-term assets.

If there is one key point we must learn from the failures of the Vision 2020, then it is a constant failure to long for delayed gratification and yield greater national rewards during our lifetime.

Our leaders are championing short term goals to grease their stay in power. The country mostly benefits nothing. If anything, it suffers detriment whose impact will span for generations.

The economic concept of scarcity will always linger on. There will never be a time when we shall have it all – proper systems, culture, people and resources. This can only be possible if we start to harness the national development goals for the long haul.

Reducing national development goals to electoral cycle is suicidal. After a bad start with the Vision 2020, those of us who would be blessed to be alive in 2063 would surely age in shame. All this for our short-termistic and opportunistic political transactions between voters and those voted into positions of authority, one election after another.

On attracting FDIs, Malawi's potential

BY STAFF WRITER



CRUCIAL—Energy sector development

Despite being endowed with abundant resources, Malawi is yet to utilise her potential to attract foreign direct investment (FDIs).

As University of Malawi's Chancellor College economics professor Ben Kalua observes, engaging an extra gear in marketing the country and taking bold steps in the right direction to attract FDIs would compensate for a lack of domestic investment and spur economic development.

He says "there is a lot that Malawi

can do with very marginal effort like in the tourism and hospitality industry as well as manufacturing.

"Other countries do not have the resources that we have in Malawi such as mountains and the fresh water lake yet, they outperform us."

The United Nations Commission for Trade and Development (Unctad)'s 2020 World Investment Report shows that inflows decreased from \$102 million in 2018 to \$98 million in 2019.

FDI stock closed at \$1.5 billion in 2019 with the agricultural sector attracting the most FDIs - primarily from South Africa, Germany and the United States - while the temporary collapse of raw material prices impacted the production of uranium.

This year, Unctad projects Malawi to register a 40 percent drop in FDI inflows largely due to the economic disruptions caused by the Covid-19 pandemic.

→



FOR PRIVATE SECTOR-LED GROWTH—Chakwera

→

Already, figures from the Malawi Investment Trade Centre (MITC) shows that investment flows have slowed in view of the Covid-19 pandemic.

In the first the first quarter of 2020, MITC only managed to issue investment certificates to seven new companies interested to invest in manufacturing, tourism, agro-processing and telecommunication sectors.

As compared to the same period last year, the centre issued investment certificates to 17 new companies.

“FDI inflows to Malawi will indeed not be easy in the times where business has been disrupted globally in view of the Covid-19 pandemic. The political impasse in this country on the other hand also makes things worse as no investor would comfortably invest in a country with political uncertainties,” says Kalua.

In its 2019 Malawi Investment Climate Statement, the US Department of States observes that political risk in Malawi is manageable, given that the country has been largely free of political violence since

gaining independence in 1964.

However, corruption, scarcity of skilled and semi-skilled labour and energy woes are listed among serious obstacles to attracting FDIs.

Since 2015, Malawi has been on the overdrive to attract FDI largely through Malawi Investment Forum (MIF) 2015, 2016 and 2018, the first ever Malawi-China Investment Forum, the Malawi-Japanese Investment Forum, and the UK-Africa Investment Forum.

Through MITC, Malawi has also established a one-stop service centre where all crucial institutions in the investment registration process are operating under one roof.

In its policy brief titled Malawi’s Challenging Employment Landscape: Any Signs of Structural Transformation, the International Food Policy Research Institute recommends that attracting more FDIs will require improvements in transport infrastructure, energy supplies and urban

development, as most new jobs will be in cities and will require reliable power and better connections to markets.

The report also recommends public investment as critical to promoting employment opportunities inside and outside agriculture.

However, an analysis of the country’s investment policies by United Nations Economic Commission for Africa shows that the policies are dedicated to trade liberalisation, promotion and facilitation with a few investment conditions to promote sector-specific liberalisation.

Recently, President Lazarus Chakwera told Invest Africa, a leading pan-African business platform that promotes trade and investment in Africa that his government is pursuing policies that would lure investors into the country as he advance efforts in getting Malawi out of poverty.

Chakwera, while issuing a fresh assurance to potential investors that his government will not allow bureaucracy to hinder the inflow of foreign direct investment (FDI) into the country, reaffirmed his government’s declaration on zero tolerance to corruption which he said has over the past years scared away potential investors.

“We are rich with resources but we have poorly managed these resources and consequently, Malawi has become poor. There is no reason we should be marred in poverty at this stage.

“We are working to end such bureaucracy. Sometimes it takes say 40 days to process [paper work for investors] when it can take only a few hours. I am currently talking to ministries, departments and agencies to streamline everything. We want Mitc to be a one-stop centre when it comes to all this,” he said.

As President Chakwera suggests, indeed, “the red-tape need to be thrown out of the window.”



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Our track record

We are honored to have executed high-value and high-impact transactions in the past nine years of our existence as a fully-fledged investment bank in Malawi. Our transaction outlay cuts across equity and debt issues and restructurings, project finance and trade finance, among others. CDH Investment Bank has also worked closely with the Government of Malawi for many years, including in the years it operated as a discount house between 1998 and 2012. Most recently, CDH Investment Bank worked with the Government of Malawi to establish a development finance institution in Malawi known as the Malawi Agricultural and Industrial Investment Corporation Plc ("MAIIC"), a successor to the Malawi Development Corporation (MDC). CDH Investment Bank has also worked very closely with the Government of Malawi to assist with managing food security for the country through a financing structure which was used to purchase and manage maize and other staple food commodities from smallholder farmers across Malawi. Lastly, CDH Investment Bank worked with the Government of Malawi to form and build a sugar factory and plantations in Salima. The project has assisted the Malawi Government create over 3,000 jobs through an extensive sugarcane outgrowers programme together with its associated value chains.

Our capabilities

CDHIB's leadership in investment banking stems from a combination of determination and commitment to create value for our clients. We provide specialized, well researched and innovative financial advice and services to a wide range of clients including corporations, financial institutions, government institutions, non-governmental organizations and individuals who are confronted with complex financial challenges. We have strong research and financial analysis capabilities in the market, on which we leverage to deliver unique and tailored solutions to our clients. We are a registered company valuation expert with the Registrar of Companies and a registered corporate finance advisor by the Malawi Stock Exchange (MSE). We have strong funding relationships with local and international fund managers, banks and development finance institutions. Our team is

diverse, well qualified and experienced to execute complex transactions.

Our approach

At CDHIB, we offer investment banking products and services designed with the needs of the client in mind. Our point of differentiation lies in the unique service delivery by our highly motivated team. We go a step further than just providing generic banking services to meet our client's specific needs.

Through our off-balance sheet financing capabilities, we are the link between our clients and the investors. This makes our business capabilities limitless in terms of the magnitude of the transactions.

We also strive to be a reliable market maker in the trading of listed and over-the-counter financial instruments, including short-term money market instruments, foreign exchange market instruments, Government securities and corporate papers.

Services and products offered by the investment banking division are supported by fully-fledged corporate banking and treasury divisions. This provides an all-encompassing banking experience to our clients.



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3 Ways to Change Your Money Mindset for Success



There is a lot of talk about the need to have a healthy money mindset, but what exactly does that mean? How do you know what type of money mindset you have? As with anything, you must start by assessing your current views surrounding money.

What's Your Story?

The first step is to figure out your personal money story. What are your attitudes and mindsets about all things money—saving, spending, debt, investment? What were your parents' approaches to those same things? Did your parents talk about money a lot? Was money a cause of conflict? In your home growing up, was money plentiful or scarce? All of these factors play a role in dictating your own mindset about money as an adult, whether or not you have your own family yet.

Identify the money mindsets you may have automatically picked up or "inherited" from your family or origin. These can be positive or negative. If you notice some negative mindsets, do not fear. You can't make a change without first recognizing your current

situation. When you notice an unhealthy mindset you have about money, it is within your ability to start changing it for the good.

Abundance vs. Lack Mindset

You've probably heard the idea that you attract what you think, and to some extent this is true. It's less of a mystical thing and more of a behavioral thing. If your mind is conditioned to think in a certain way about money, your actions will follow suit, so work on getting your mind right.

Create an abundance mindset for yourself. Abundance is not about having a lot as much as it is about gratitude and being positioned for growth. Even though we all have gifts and skills, we inevitably find ourselves in situations where we try and fail at something.

A growth mindset enables you to not let a failure break down your morale. It positions you to be letting your mental wheels spin to figure out how you can work with the talents and resources you have and



→

cultivate them to even greater growth. This takes time, persistence, and a plan.

Beware of a mindset of lack, also known as a scarcity mindset. Inherently, this is a fear of never having enough. One way this can manifest is not purchasing things you need and can afford for the purpose of saving a few dollars. Just because you can do something for less money, doesn't always mean it is a good investment once all things are considered.

For example, if you can figure out how to make your own soap but it takes you two hours, is the time and energy spent worth the couple of dollars you saved? Hardly. Work on learning how to make decisions that foster the right balance of time, energy, and money for you. It's easy to notice areas of lack. Practice finding the areas of abundance in your life. Gratitude is always a good choice.

This abundance mindset will enable you to have a more positive outlook and to find new reasons and new areas in which you can grow. If you need additional support, talk with a financial adviser or a counselor who can help you stay on the right track with both your money and your mind.

Make a Plan for Your Financial Future

Once you identify your money mindset, it's time to make a plan of how you are going to manage your money moving forward. Automate your bill payment and your saving as much as possible. When you don't have to think about these things as much from month to month, you have more mental space to develop a vision for your financial future.

In order to make a plan, acknowledge both your strengths, "I'm great at saving for a goal," and weaknesses, "I'm an impulse spender.". Use them to craft a money management plan that will work for you. Try taking a more systematic approach to your money by setting up automatic transfers to savings and creating SMART goals (Specific, Measurable, Attainable, Relevant and Timely). An example of a SMART goal with your money would be



to say: "I want to pay off an extra amount of student loan debt this year," and then paying a specified extra amount off the principal balance each month over the course of one year via online payment or automatic deduction from your bank account.

Be realistic with your goals and take ownership of your weaknesses. If you are an impulse spender, keep a journal of what you buy, when you bought it, and why you did. This will help you to understand your purchase habits. It is not a guilt trip as much as it is an eye-opener.

Take about 30 minutes per week to check in with your money situation. Assess where you are at with your finances and see if there are any small adjustments you would like to make for the upcoming week. Remember that money is a tool. There is always room for improvement.

Have a Vision of Your Financial Goals

And finally, have a vision for your money future. Just like in a human relationship, your feelings

surrounding money may change depending on the various factors at work, but stay on the path and keep your long term financial goals in mind.

It's no surprise that money is a very emotional topic for most people. It's all too easy to let emotions dictate your sense of worth and identity. Jealousy or comparison always try to sneak in, especially when you look at other people's lives. When you know your "why" and are simply aware of your financial situation and mindsets, it's easier to silence those difficult emotions. This is especially true when you are confident that you are making the decisions that you want to be with your money.

Achieving your financial goals and maintaining your commitment to said goals builds a solid financial foundation on both a technical and mental level. You're getting your money right and your mind right—and that's something worth committing to.— <https://www.vast.bank/resource-center/3-ways-to-change-your-money-mindset>.

Banks remain resilient amid Covid-19—RBM



BY STAFF WRITER

The Reserve Bank of Malawi (RBM) says the banking sector has thus far remained sound and stable, thanks to the monetary and regulatory interventions it instituted to cushion Covid-19 impact.

RBM Governor Wilson Banda said in an interview last week that the financial sector regulator has continued to witness increases in credit risk in the market, reflected through loan moratoriums extended to borrowers affected by the pandemic.

He said: “Our recent assessment shows a total of 1900 customers benefiting from this relief, with a consolidated balance of K103 billion. This constitutes 15 percent of total gross credit of the industry.

“Banks have restructured some loans and extended repayment moratoriums to some customers affected by the pandemic.”

Last month, RBM said it had extended the moratorium on payment of interest and principal on the loans to December 2020, after which



During the first half of the year, the banking sector registered non-performing loans (NPL) ratio of 6.6 percent, an increase from 6.3 percent for the 2019 second half.



the agreement will be subject for review.

Fees and charges on digital banking were also to reduce by 40 percent, in a bid to increase customer utilisation amid calls for social distancing.

Recourse has also been provided for Emergency Liquidity Assistance to banks.

Institute of Bankers in Malawi (IOB) chairperson Zandile Shaba said while the banking business performance in 2020 has been affected by the Covid-19 pandemic, banks have to get organised to serve customers better within the new reality.

She said: "Things have changed we, therefore, need to change.

"Some of the changes needed to navigate the new reality may require a change in regulations, accounting practices and many more."

During the first half of the year, the banking sector registered non-performing loans (NPL) ratio of 6.6 percent, an increase from 6.3 percent for the 2019

second half.

The increase in the ratio was attributed to growth in level of NPLs by 6.9 percent to K43 billion while gross loans and leases only grew by three percent to K653.5 billion in June 2020.

Notably, restaurants and hotels sector reported the highest growth in NPLs by 254.9 percent to K1.9 billion in June 2020.

As regards to sectoral credit concentration, 53.3 percent of gross loans and leases was distributed among the top three dominant sectors namely; wholesale and retail sector with 21.4 percentage share, agriculture sector with 18 percentage share and manufacturing sector with 13.8 percentage share.

According to 2020 Annual Economic Report accommodation and food services; transport and storage services; and agriculture, forestry and fishing remain the worst hit sectors by the pandemic.

Banks call for agriculture friendly financing policies



BY STAFF WRITER

The Institute of Bankers (IoB) in Malawi has challenged authorities to develop policies that ensure that agriculture becomes financing-friendly for commercial banks.

IoB Malawi chairperson Zandile Shaba, who is also chief executive officer of MyBucks Banking Corporation Malawi, said this yesterday at the Bankers Agribusiness Conference organised jointly with the Confederation of Women in Business (Comfwb) regional conference for Common Market for Eastern and Southern Africa (Comesa) in Lilongwe.

Her call comes against a backdrop of figures from the Reserve Bank of Malawi (RBM) showing that as at June 2020, agriculture was second in terms of receiving credit while banks at 20.8 percent from wholesale and retail trade at 23.6 percent.

Shaba said it is critical for Malawian farmers to graduate from subsistence to commercial, calling for collaboration between banks, government and players in the agribusiness sector.

She said: "A key aspect of unlocking

the potential of modern value chains to drive progress is de-risking investment in rural areas.

"Many financial institutions see rural investment as a risky venture to begin with, and women and youth are particularly disadvantaged."

Shaba observed that a study conducted three years ago by FinMark Trust found that more than 70 percent of young farmers face obstacles to access finance.

On his part, Minister of Trade Sosten Gwengwe said his ministry is committed to improving the business environment through legal and policy framework.

He cited the African Continental Free Trade Area (AfCFTA) to be operational in January next year as a bigger market opportunity for Malawi and the rest of Africa.

"The AfCFTA provides a greater market opportunity for us, all we need is to do our homework rightly so that we are not left behind," he said.

Minister of Agriculture Lobin Lowe said despite that there are no reliable

markets, farmers continue producing; hence, it is government's duty to address the challenges.

"As we are working with farmers on production to improve supply of farm produce on the market, for instance, through Affordable Inputs Programme, we also need to work on addressing market needs for farmers," he said.

Comfwb secretary general Prudence Mavubi described the conference as an opportunity for women to network and share business ideas that would boost economies in the region.

Financial experts say banks regard agriculture as a risky sector, which faces numerous challenges, including weather shocks that affect intended outcomes.

Malawi's economy is heavily dependent on agriculture, employing nearly 80 percent of the population. In 2019, the economy grew by 4.4 percent, a marked increase from 3.5 percent in 2018 supported by a rebound in agriculture sector.

Bankers institute for **regulations review**

BY STAFF WRITER



SHABA: Things have changed, therefore, we need to change

The Institute of Bankers (IoB) in Malawi has emphasised the need to revisit regulations targeting the banking sector in the country, if it is to thrive amid the Covid-19 pandemic.

Speaking at the opening of the bankers' conference, IoB Chairperson, Zandile Shaba, said Covid-19 has gripped the economy that many businesses woke up to the realisation that they were considered non-essential.

She said the uncertainty on the possibility of ending the pandemic jolts the sector to the reality that technology holds the key as a defining tool in banks' efforts to create value for all stakeholders.

"Things have changed, therefore, we



Some of the changes needed to navigate the new reality may require a change in regulations, accounting practices and many more.

need to change. Some of the changes needed to navigate the new reality may require a change in regulations, accounting practices and many more. Our request to the central bank is to assist in rising awareness on remote access of banking services," Shaba said.

Reserve Bank of Malawi Governor, Wilson Banda, said the crisis has seen authorities and banks steer through uncharted waters and adopted unconventional business models.

He said the responses have included policy rate cuts, review of liquidity requirements, loan restructuring, and review of fees on digital platforms.

Financial sector; conduit for **DEVELOPMENT**

BY STAFF WRITER



HUB OF BUSINESS—Victoria Avenue

Economic growth is, to a larger extent, measured by a surge in total value of goods and services at a given period. It points to a sustainable job market.

And the private sector remains pivotal on the job-creation equation.

In most cases, industry players look up to commercial banks, as a component of the financial services sector—which consolidates portions of deposits and savings from individuals and other corporate clients—for capital.

These banks will only have money if people and institutions are saving with them.

However, for them to save there is need for a reliable and convenient financial system.

Commercial banks consolidate small deposits from myriad clients and these amounts are borrowed by corporate entities for investment.

In most cases, commercial banks only lend out money to borrowers with an assurance of repayment; a thing which facilitates efficient allocation of funds.

Small and Medium Enterprises (SMEs) also need access to cheap capital which requires a system that would accommodate them.

However, the sector is perceived as 'too risky'.

Of late, Malawi has seen a village savings and loans groups blossoming. They facilitate savings and encourage borrowing for growth, among other things.

However, a more organised system supported by formal financial institutions can serve SMEs and the economy better.

Most borrowers need long-term financing but there is a huge gap.

Seasoned banker who is also Managing Consultant for Intellect Link Consultants Pharrison Chipinga Mwale





NEED INCENTIVES—Farmers

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says more need to be done to address the problem.

“Main driver of economic growth is productivity. If the dynamics of the finance sector do not rely on productivity the economy is controlled by cosmetic measures, thereby raising the cost of borrowing,” Mwale said.

UK-based Malawian economist Sane Zuka adds that the financial sector is key in achieving sustainable economic growth.

Zuka says banks need to broaden its reach to help grow the private sector as figures provided show that less than 10 percent of the country's population has access to the said financing.

“The financial sector has incorporated environmental analysis into their credit assessment to the agriculture sector which commands about 20 percent of private sector credit.

“While the financial sector has

been caution to the negative impact of climate change on loan return and default, they have not done enough to address the cause of climate change in the country. This is a big threat to future investment,” Zuka said.

He added that: “One of the mistakes which both the government and financial institutions in Malawi make is to regard smallholder farmers as poor, un-bankable and only to be supported to survive. This is what has guided policy formation relating to fertiliser subsidies and any other social cash transfers.”

Over 90 percent of smallholder farmers, most of who have limited or no access to capital, represents a huge available demand for such facilities.

The problem, however, is that the country's private sector is characterised by a high degree of profitability, thus less motivation to innovate.



One of the mistakes which both the government and financial institutions in Malawi make is to regard smallholder farmers as poor, un-bankable and only to be supported to survive.

Widening development chances **THROUGH POLICY**



BY STAFF WRITER

Jussab Laisani and fishers who harvest fish from natural dams on the stretch between Namanja, Mphonde, Liphonyowa and Nayuchi in Machinga District feel so forgotten in policy-formulation processes that they literary behave as if they were strange fruit trees set deliberately apart to prevent them from ‘contaminating’ the rest of the population.

“But the truth is that we mean well. We, like other citizens in Malawi, want to benefit from the national cake. We labour every day, catching fish in dams along Lake Chilwa, for sustenance simply because we lack access to markets. This problem has reduced us to subsistence fishers, if ever there is such a term,” said Laisani.

This is a common sentiment among subjects of Traditional Authority (T/A) Mchinguza in Machinga District. It highlights that neglect in policy formulation has been one of the factors fuelling economic inequalities and policy detachment in rural areas.

For a long time, according to 32-year-old Mangwengwe Matama from Chakhame Village, Sub-T/A Nayuchi, in the district, policymakers have generally ignored people of the area in policy-formulation processes, a situation that has left them feeling unappreciated and isolated.

“We, rural dwellers, just get reports that the government has come up with such and such a policy. Sometimes, we even wonder if we need some of the policies our duty-bearers are implementing,” he said.

Marriam Sande— who is one of the few women who catch fish in natural dams scattered between



NO LAZY BONES—Fishers at work



...vendors, fishers and others outside white-collar jobs often suffer policy neglect because they lack one voice.

Namanja Station, Mphonde, Liphonyowa and Nayuchi Border Post— agrees. She has never attended any public consultation on any policy issue in her 28 years of existence.

And, even though she sometimes gets wind of policies and development plans that have newly been formulated, she feels that not enough civic education is done to educate the masses on issues that impact their lives.

“Every day, instead of tending our crop fields, we catch fish around Namanja and Mphonde. On a good day,

I cash up to 100 fish from natural dams, which do not dry throughout the year although water levels subside between October and mid-November.

“My problem is access to markets. I want to be able to sell my fish at commercial rates, instead of poor prices fish fetches here. As you know, this is a village and everyone has access to the dams. So, people are reluctant to buy the fish at good prices, maybe because their buying power is eroded,” Sande said.

Malawi Union for Informal Sector

president, Ken-williams Mhango, says vendors, fishers and others outside white-collar jobs often suffer policy neglect because they lack one voice.

He, however, says these groups have the potential to turn around the economic fortunes of the country, as they form the majority that do not benefit from tax rebates and other incentives that big corporations are offered.

“You can take the example of those who catch fish in natural dams in remote areas. No one talks about opening markets for them because they are considered insignificant in the great scheme of things. But, if the truth were to be told, it is these people that can give the economy the extra push,” he says.

It could be issues like these that, way back in 2011, prompted informal sector players to hatch the idea of forming their own commercial bank, to run away from the excesses of high interest rates.

In Blantyre, some vendors took the first step towards realising this dream when women from Naperi launched a group savings and loan initiative in 2012.

“People operating small scale businesses are contributing significantly to the development of the country because they are the ones who are feeding and



clothing the cities with their wares, why should we discriminate against them?" MUFIS General Secretary Mwanda Chiwambala wondered at the time.

Fortunately, days of policy oversight are over, as Malawi targets National Transformation 2063. Three pillars form the economic bedrock of the National Transformation 2063. They are inter-related and inter-dependent.

These are Agriculture Productivity and Commercialisation, whose areas of focus are market access, value chain creation with the focus on industrialisation, resource-based industrialisation that includes mining.

Perhaps, for people of Namanja, Mphonje, Liphonyowa, Nayuchi, this would be very key as the pillar was demanded by people in rural areas,

especially the young. It is premised on the idea that agri-based industrialisation has the potential to create sustainable value chains.

The other pillar deals with urbanisation, which is a mere pipedream for people of this rural part of Machinga.

All these development-focused pillars are a product of National Planning Commission (NPC)'s tireless work. The government set up NPC in 2017 through an Act of Parliament.

It is the national medium and long-term national development planning body.

In line with its mandate, it solicited ideas from Malawians in the course of formulating the "National Transformation 2063", the successor to Vision 2020.

Coincidentally, Malawi will no longer

be a baby in 2063, as it will clock 100 years of political independence.

By then, the hope is that fishers like Laisoni, rural area dwellers such as Matama and others who were neglected in policy formulation in the past, will join the national train of development.

After all, it is hoped that, unlike in the past, NPC has been accommodating, reaching out to people through students/learners debates, face-to-face consultations, online surveys, calls for written submissions, as well as radio phone-in programmes and text messages in three main radio stations of Malawi Broadcasting station (MBC), Zodiak Broadcasting Station and Times radio, all voices will matter.

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Chris Chirwa
Chief Information Officer,
CDH Investment Bank

WILL WE EVER SHAKE HANDS AGAIN?



BY STAFF WRITER

A few weeks ago, during the Christmas season I was watching an old Christmas movie with my family. At some point in the movie I noticed two gentlemen shaking hands after completing a business deal of some sort.

It dawned on me how long it has been since the world stopped shaking hands. Personally, I have not given anyone a handshake for at least 6 months.

Early last year, if someone predicted that the world will not be able to shake hands, I would be the first to laugh them off. This shift in human habits has proved to us how humanity can do anything, with proper motivation, to add an extra day to their mortal

existence. A lot of people have written about the business impact which has arisen from Covid-19. However, my argument has always been (at least during the pandemic) that most of the impact which informs the business decisions is stemming from the social impact of Covid-19.

Handshakes have been a part of the global culture since time immemorial, I am tempted to say since the beginning of the world, but I would rather leave some room for research and debate, and a bit of argument! Handshakes have been a sign of trust between two or more people. Handshakes have symbolized a contractual agreement between two entrepreneurs concluding

an important deal. Handshakes have been a symbol of greeting and respect in almost all cultures. To think that Covid-19, in a space of a few months, has erased that culture is quite unfathomable.

This change from a handshake to a fist bump or an elbow bump or namaste, in my opinion, is one of the hardest cultural shifts globally. Of course, the fact that the handshake is being replaced by another option of physical contact shows how habits and cultures are difficult to break completely; they are easily varied than replaced completely. An analogy could be made that if people can desist from

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a deep-seated culture as handshaking which has been with us since time immemorial how come the same people resist change for the betterment of their respective organisations. This could be because of several possible reasons, which includes that the people must be convinced that there is an urgency to change; they need to be made aware of the consequences of not changing or the benefits of changing, and the seriousness of the same regarding the organization's existential implications.

One may ask, what could the possibility of not being able to handshake again have anything to do with technology? Everything! Organizations must learn to adapt to the shifting technology trends to be relevant, to be competitive and in some cases just still be in existence and for survival! The pandemic has brought in a new term, 'the new norm', which is widely used, but with different meanings and with lack of clarity.

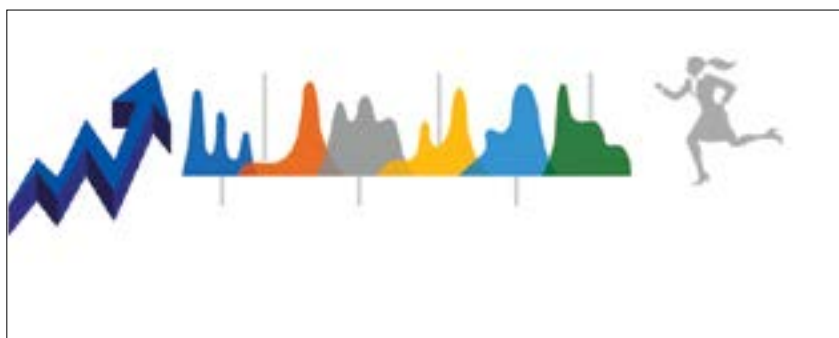
What is the new norm? Is the new norm dependent on the pandemic period or post Covid-19 period? There are more questions than answers. I can relate to the pressure which executives are facing in adapting to the new norm and making sure that their technologies are up to date and competitive. The biggest challenge is that what is referred to as the new norm for different organizations is not the same.

The pandemic has disrupted the way we do business and has also exposed on how unprepared organizations were for such a major change and shift in the technology environment. The mistake most organizations have already done is to keep chasing the 'media' technology. This has created even more disorder and lack of clarity in the future technology direction for most organizations. I would like to provide some clarity and direction for executives and professionals in how they could handle the post Covid-19 technology shift in their organizations, in order to define their 'new norm'.

The question which most executives should be asking themselves is "where should we start from?", and this question as simple as it sounds is pregnant with strategic importance. This question should not be attempted by a single person in the organization, not even the CEO or the CIO. This is a question which should be answered and discussed at the strategy table.

This might take days or weeks or even months to get to the bottom of it. This question will lead management to review the organization's current state, look for gaps and provide a picture of how they would like to see the future direction of the organization. Usually when I reach this stage in my engagements, I hear most readers saying this is intellectual property and confidential information which every company should be keeping. It is not so, the principle is the same, but the journey and selection of technology differs from one organization to another. I have read of companies in similar sectors and markets which copied another's strategy but ended up in a worse-off situation than before the implementation of the copied strategy. Why? There is always an underlying competitive edge to every company's strategy which cannot be copied wholesale. A good example which comes to mind is that of DSTV offering both satellite TV and streaming 'TV' services while on the other hand competing with the likes of Netflix which only offer streaming services. Both have competitive strengths while offering streaming services.

Going back to the current assessment, gaps identification and defining the future. Management should realise that this process is hard and time consuming. Some soul searching must happen to realize whether there is a need for an external consultant engagement or to use internal resources. For those who have never been as far as this stage might (will) be skeptical as to how can such a seemingly simple task be so hard to complete. I would urge you to start the process. The first





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factor to consider before deciding to engage an external consultant is whether the internal resources have the right capacity, exposure, and skill to carry out the specific task.

Secondly, is to look at time factor, the internal resources might have the skills but might be overwhelmed with already existing core business. Successful leaders run two companies (in one), the current company, and the company of the future, while at the same time doing administrative tasks which is a must for governance, order, and compliance. This, usually, leaves no room for internal consultation work, hence the need to outsource externally.

Thirdly, executive management must look at the independence and motivational factors. The internal resources might have the time and capacity but might lack the motivation to carry out specific tasks, for example it might be an issue which they do not like. If it is floated externally, the chances are high that the bidders are passionate in the specific field.

Fourthly, there is empirical evidence that the best of companies with enough top resources have resorted to external consultants and they have gotten better results than if they had used internal resources. It has been reported

in several publications that even NASA engages external consultants to achieve specific goals and tasks.

One wonders why companies then frown upon using external consultants for advisory services. Sometimes, management does not want to acknowledge that they do not have internal capacity; it looks like they are exposing their shortcomings. Then there is the issue of cost, these services cost a lot of money. The chances are high that if there is no clarity of deliverables, the task will likely become a white elephant, and the board of directors will not appreciate the need for such a task which they (mostly) believe is simple enough to be handled internally. There is also the issue of job security and not being in control, leaving such an important task to external consultants might weaken control of the internal leadership.

At the end of the day, this exercise should be carried out. We are still attempting to answer the question, "where should we start from?" "Why should this exercise be carried out? What are the objectives? Whether an organization decides to use external or internal consultants, the objective of this exercise is to decide what specific technology an organization should

invest in in-line with the business model, customers, and products. This exercise might also reveal gaps in the business model, and organizations have ended up changing their whole business models. An example of a shift in business models is the newspaper business. Globally, following the pandemic most newspapers have relied on online subscriptions rather than delivery of physical prints. This is a major shift for the newspapers which have relied on the same business model for years. There are so many examples of industries (even pre-Covid-19) which have adapted new business models because of technology disruptions: music sales on CDs to single online purchases or online music streaming services on platforms like Spotify and Deezer, Cable TV shifting to demand movie streaming services, iPhone shifting its focus from products to services subscriptions and the list of examples is endless. There are companies which have failed due to their failure to adapt to these new technology disruptions.

Due to the importance of this exercise, hence the need for all stakeholders to be involved to ensure there is enough clarity and direction in the technology journey for the organization. And this will avoid the reactionary tendencies which organizations are becoming experts in.

It is high time executives realize that the world is full of many emerging technologies which have to be carefully analyzed for fit-for-purpose, further to that most of these global 'new norms' do not apply to all demographic and cultural regions. This is where the business analysis exercise comes in handy.

So, the question I leave with you my fellow executives and professionals is "Will we ever shake hands again?" Only at the end of the assessment will you be able to answer this question. The answer to this question will determine the technology direction which you will be leading your organization.

In the end you might find your 'new norm' to replace your handshake.



RESERVE BANK OF MALAWI

FEATURES OF THE UPGRADED K1000 BANKNOTE

The Reserve Bank of Malawi Bank will issue an upgraded K1000 banknote into circulation on 1st February 2021. Below are the security features of the upgraded K1000 banknote. The general public is advised to check out for these features to avoid being cheated.

FRONT SIDE OF THE UPGRADED K1000 BANKNOTE



1 SPARK LIVE (FISH SHAPED): This is a new feature in form of an image of a fish that changes colour from gold to green when the note is tilted. The image is located at the front of the banknote on the left hand side.

2 SECURITY THREAD. This is a new security thread placed vertically near the centre at the back of the note. The line changes color from green to blue when the note is tilted.

3 WATERMARK: This is an image embedded inside the banknote. When the note is viewed against direct light, the watermark appears as a portrait of Dr. Hastings Kamuzu Banda with the number 1000 below it. The watermark appears on both sides of the banknote.

BACK SIDE OF THE UPGRADED K1000 BANKNOTE



4 ROUGHNESS: This is a special kind of printing on banknotes that gives a raised and rough feeling when touched unlike the other sections of the note which are smooth. The denomination value of '1000', the capital letters reading "RESERVE BANK OF MALAWI" and four dots at the left bottom corner of the note feel rough when touched.

5 HOLOGRAPHIC FOIL STRIPE: This is a shiny vertical stripe near the right-front edge of the banknote. When the banknote is tilted, the stripe shows the portrait of Dr. Hastings Kamuzu Banda, denomination value of 1000, the Reserve Bank of Malawi logo, and the text "RESERVE BANK OF MALAWI".



RESERVE BANK OF MALAWI

NDALAMA YA K1000 YA ZIZINDIKIRO ZA MAKONO

A Reserve Bank ya Malawi atulutsa Ndalama ina ya K1000 ya zizindikiro zamakono kuyambira pa 1 February 2021. Anthu onse akulimbikitsidwa kuti adziwe zizindikiro zotsatirazi pa Ndalama ya makonoyi pofuna kupewa kuberedwa:

KU NKHOPE KWA NDALAMA YA K1000 YA ZIZINDIKIRO ZA MAKONO



1

Chizindikiro Chowoneka Ngati Nsomba (chizindikiro chatsopano): Ichi ndi chizindikiro chowoneka ngati nsomba chomwe chimasinthasintha mtundu ndikunyezimira mochititsa kaso mukamayipendeketsa ndalamayi. Chithunzichi chili ku nkhope kwa ndalamayi cha kumanzere

2

Mzere onyezimira odukanadukana (chizindikiro chatsopano): Uwu ndi mzere onyezimira komanso odukanadukana wa mtundu obiriwira chapakati kumbuyo kwa ndalamayi. Mzerewu umasinthasintha mtundu kuchokera kobiriwira kuboita ku buluwu mukayipendaketsa ndalamayi.

3

Chithunzi Chowoneka Mkati Mwa Pepala: Ichi ndi chithunzi cha Dr Hastings Kamuzu Banda chomwe chimaoneka mkati mwa ndalama pamodzi ndi nambala ya 1000. Chithunzichi chimaoneka mbali zonse za ndalamayi mukayiyang'anitsa ndalamayi ku dzuwa kapena ku nyali.

4

Kukhakhala: Awa ndi malo ena pa ndalamayi omwe ali okhakhala akakhudzidwa. Mwachitsanzo, malemba oti "RESERVE BANK OF MALAWI", nambala ya '1000', komanso tizizindikiro tinayi tozungulira tomwe tikupazeka pamunsi pa ndalamayi chakumanzere, zimamveka kukhakhala mukayendetsapo chala kusiyana ndi malo ena pa ndalamayi.

5

Mzere Wonyezimira: Ichi ndi chimzere chachikulu chonyezimira chomwe chili ku nkhope mbali ya kumanzere kwa ndalamayi. Chimzerechi chimachoka pamwamba kufika pansi. Mukayipendeketsa ndalamayi, pachinzerepa pamawoneka nkhope ya Dr Hastings Kamuzu Banda, nambala ya 1000, chizindikiro cha Banki yayikulu ya Malawi, komanso malemba oti "RESERVE BANK OF MALAWI"

KUMBUYO KWA NDALAMA YA K1000 YA ZIZINDIKIRO ZA MAKONO



Mybucks Bank

impresses SMEs

MyBucks Banking Cooperation has reiterated its commitment to working with Small and Medium Entrepreneurs (SMEs) in the country to help them sustainably grow their businesses.

MyBucks Managing Director, Zandile Shaba said working with SMEs is critical as they contribute towards national economic development.

She said using a diverse services and products from the bank, most SMEs have seen their businesses grow.

"It is pleasing to realise that as a bank, we are making positive strides

towards attaining one of our strategic intent encapsulated in our vision of becoming the best bank in Malawi in terms of social impact," she said.

One of the customers, Paliani Kamoto, who trades under the "Kamoto Investments", hailed the bank for what he said helping him grow his business.

He started his auto parts business about 20 years ago.

"It was in 2000, when I ventured into business. After a number of failed business venture attempts, I started off a minibus business and over a number of years my fleet grew to 8 minibuses.

"However, due to stiff competition and other pressing personal needs, at around 2016 I decided to diversify into selling of motor vehicle spare parts after conducting a thorough research in this new business area," he says.

He says he values the social capital that he has built over the years with garage owners within Ndirande.

He sold off 5 minibuses and out of the proceeds, took K3 million and invested it as a start-up Capital for the spare parts business.



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Posing at his Down town Bt Shop



Posing at his third outlet & one of his cars

"When I started Kamoto Auto-parts, the business was doing considerably well and to meet my growth aspirations I started looking for a bank that I can partner with.

Through my research and

referrals from friends, I settled for MyBucks, a decision that I will never regret to date," he says.

At that time (between 2017 and 2018), he wanted a boost the working capital to enable him open

Through my research and referrals from friends, I settled for MyBucks, a decision that I will never regret to date."



Where it all started: Posing at his first shop in Ndirande



“Every time I am in need of forex or want to buy things online or via LC’s, MyBucks delivers. In addition, their Flex Online internet banking enables me to manage my accounts 24/7, hence simplifies the way I do business.”

more outlets and also increase my stockholding.

This aspiration, he says, partly came into fruition when Mybucks offered him a loan.

“When I took the loan I was able to buy my stock from Dubai at a relatively lower price compared to Da res salaam thereby increasing my profit margin and was able to grow my business further.

“This in turn made it possible for me to pay off the loan in good time and took another big loan that has also helped to boost my business further. As we speak now, I now have 2 shops in Ndirande and one shop in down town Blantyre along Haile Selassie road,” says Kamoto.

His fleet of minibuses and trucks is also growing and the business has 10 staff members.

Kamoto said Mybucks has been offering solutions that help in risk

management and ease cross-border transactions.

“Every time I am in need of forex or want to buy things online or via LC’s, MyBucks delivers. In addition, their Flex Online internet banking enables me to manage my accounts 24/7, hence simplifies the way I do business,” Kamoto said.

He then urged fellow SMEs to be prudent in financial management, if they are to see their businesses grow.

MyBucks Malawi has branches in Blantyre, Lilongwe, Mzuzu, Zomba, Mangochi, Dzaleka, Kasungu and Madisi.

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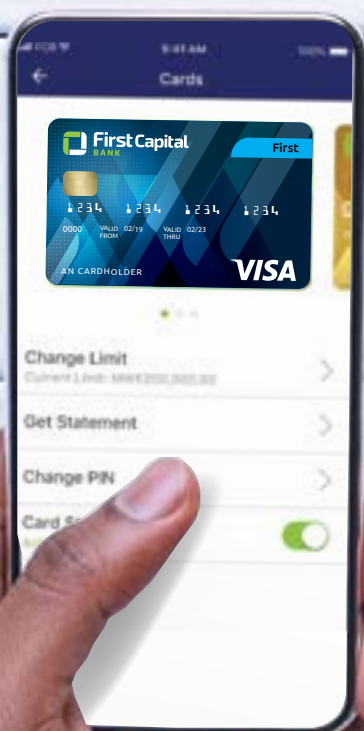
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