

MALAWI

BANKER

MALAWI'S FINANCIAL MAGAZINE OF CHOICE

VOL 34 / 2025

**NOTHING TO SHOW
FOR MALAWI'S TOIL
IN THE AGRICULTURE
SECTOR?**

SHAPING THE FUTURE WITH
**INVESTMENT
BANKING**

MR THOKO MKAVEA

Chief Executive Officer/Managing Director
CDH Investment Bank

**BANKING ON
TECHNOLOGY:**
THE POWER OF ICT
INTEGRATION FOR
ENHANCED CUSTOMER
EXPERIENCE



Investment banking services

We provide specialised, well researched financial advice to organizations confronted with complex financial challenges. Our market leadership in investment banking is defined by a combination of determination and commitment to create value for our clients.

 <p>Government backed term note</p> <p>Lead arranger 2024</p> 	 <p>Salima Lilongwe Water Project debt issuance and financial advisory</p> <p>Lead arranger 2024</p> 	 <p>Equity valuation</p> <p>Lead advisor 2024</p> 
 <p>Financial advisory</p> <p>Lead advisor 2023</p> 	 <p>Establishment of a national development finance institution in Malawi</p> <p>Lead arranger 2019</p> 	 <p>Acquisition</p> <p>Lead arranger 2013</p> 
 <p>Rights issue</p> <p>Lead arranger 2017</p> 	 <p>Capital restructuring through a court approved scheme of arrangement and delisting</p> <p>Lead arranger 2016</p> 	 <p>Delisting</p> <p>Lead arranger 2011</p> 



INVESTMENT BANK



Banking innovations that help your business **grow**

info@cdh-malawi.com | www.cdh-malawi.com



In this issue



Nothing to show for Malawi's toil in agriculture sector?

Feelin' our content?

You really should subscribe :-) Do it now at www.bammalawi.org

18

More needed in mining sector development

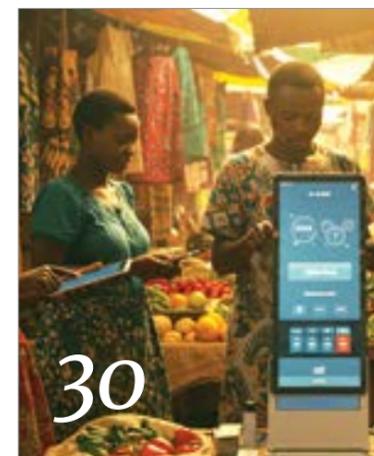
Mining is the next big thing. Those who have followed developments in the sector would attest to that. Besides, the government setting a goal to see mining contribute between 15 and 20 percent to the economy by 2030, more needs to be done.

24

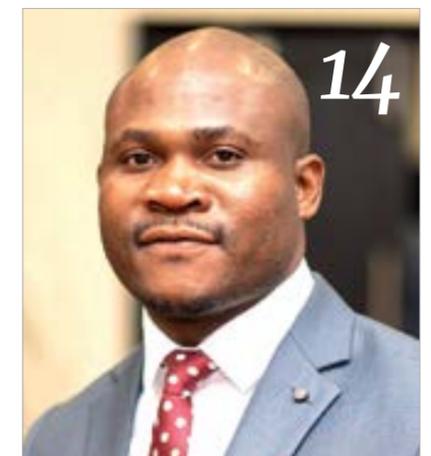
Digitalization key to insurance penetration

Insurance penetration in Malawi has been crawling at a snail's pace despite the importance that insurance poses to individuals, firms and the economy.

Features



- 14** Banking on technology: The power of ICT integration for enhanced customer experience
- 20** Harnessing tourism sector's potential
- 30** Agent Liquidity vs Adoption
- 44** What is in the ECF programme lapse?
- 48** US-China Trade War: crisis or opportunity for Africa?
- 54** There is no permanency in technology



EDITOR'S NOTE

Malawi's aspiration of becoming a lower middle-income economy, at least by 2030, has been met with some challenges as gross domestic product (GDP) growth continues to be swayed by myriad shocks the country faces.

The economy has in recent years been riddled with myriad shocks: It is characterised by rocketing inflation, high interest rates, forex scarcity coupled with a volatile exchange.

The government's budgetary operation is not spared: The fiscal plan has faced intense pressure emanating from public expenditure overruns vis-à-vis inability to meet revenue generation targets.

These, notwithstanding harsh weather conditions, exogenous shocks and structural challenges have slowed economic growth prospects.

In the past decade, the country has recorded an annual average growth rate of not more than 2.5 percent.

Something has to be done urgently and differently.

Realising the urge, the government and private sector players, including the financial services sector, are on the lead.

They are continuously engaging and devising strategies for sustainable economic growth and development. The government, for instance, singled out Agriculture,

Tourism, Mining and Manufacturing (ATMM), as key sectors for growth.

This edition of the Malawi Banker is all about creating a platform for knowledge exchange on recovery and economic growth.

The banking sector, on the one end, is playing a crucial role in complementing the government on strategic and innovative financing interventions.

This edition is a platform for conversation on how the Malawi economy, with the Malawi 2063 agenda in the equation, can rise amid all economic challenges for sustainable growth.

Its practicality and securing the much sought after resources for its realisation rests in the action-oriented approach to doing business.

Articles in this edition will, among other things, discuss the trends in the three sectors [Agriculture, Mining and Tourism], and many other sectors including banking, insurance, ICT, and their role towards propelling economic growth.

The magazine focuses on analysing the state of affairs in the economy, and further projecting the future.

Enjoy



This edition is a platform for conversations on how the Malawi economy, with the Malawi 2063 agenda in the equation, can rise amid all economic challenges for sustainable growth

Become a shareholder

With the NBM Share Purchase Loan

You have access to buy shares of any listed company on the Malawi Stock Exchange.

BENEFITS

Amount	• From K250,000 and above (maximum amount is dependent on one's capacity)
Duration	• Up to 36 months repayment period
Interest	• Low interest rate
Pros	• Soft requirements • No disturbance to cash flow • Able to diversify investment portfolio

STOCKBROKERS MALAWI LIMITED

NB National Bank of Malawi plc



ON THE COVER



Malawi Banker Magazine engages the **Mr Thoko Mkavea** Chief Executive Officer/Managing Director, CDH Investment Bank Shaping the Future with Investment Banking



Malawi's financial magazine of choice

Catch the very latest and trending insights into the business and banking sector in our publications.

EDITORIAL TEAM

EDITOR IN CHIEF: NITTA GANIZANI.

DESIGN CONSULTANT: FUNSANI JOHN SCANDER | fjscander@gmail.com

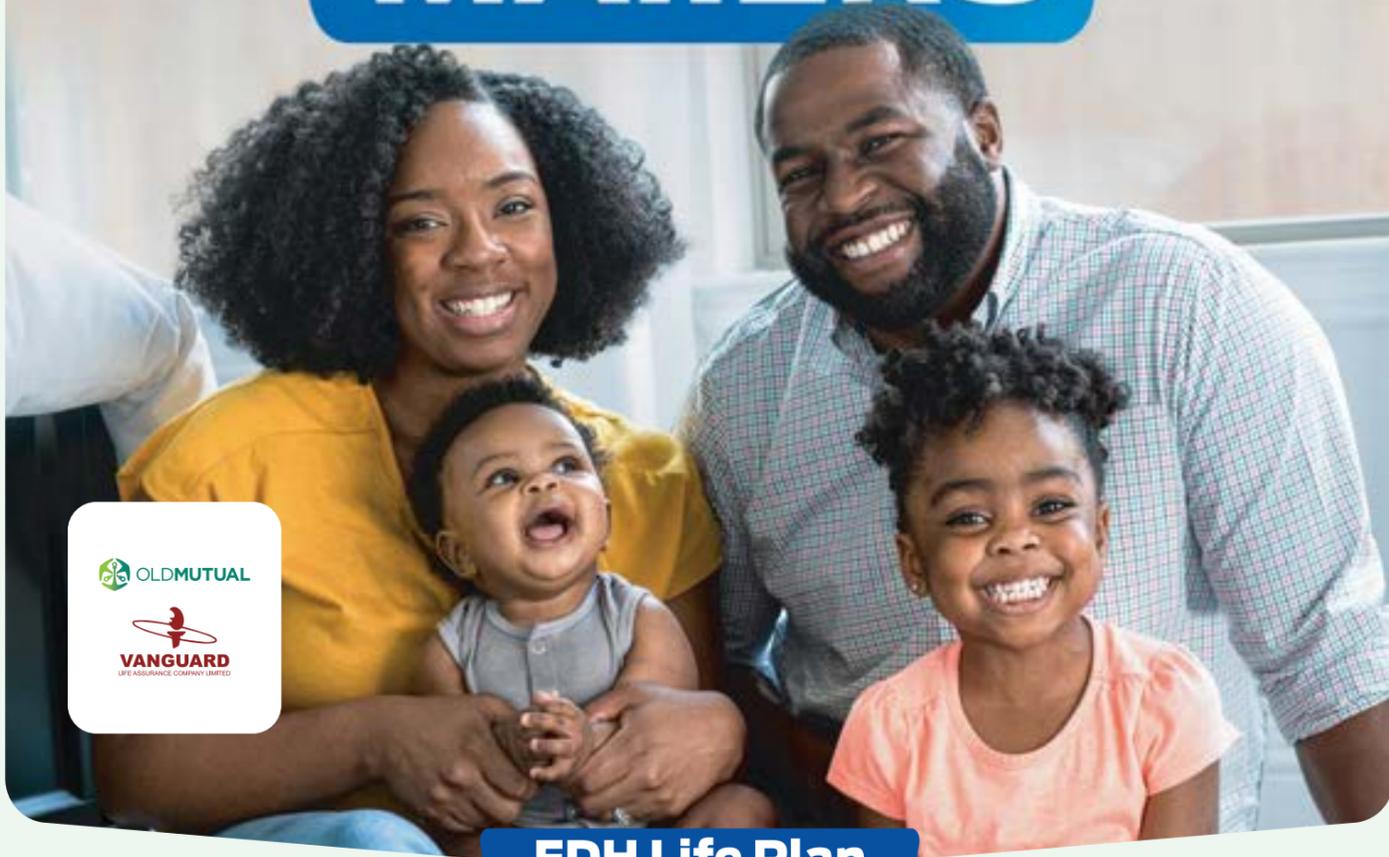
EDITORIAL CONSULTANT: MEDIA CONSULT | mediamwconsult@gmail.com

SECRETARIAT: CHIFUNDO MMANIWA +265 (0) 999 562 451 | bamexec@bankers.mw

Peace of Mind



MATTERS



FDH Life Plan

Get an **FDH Life Plan** to cover you and your family from as low as **K350.00** for relief during difficult times.

Cover of up to **K5million**

Payout within **48hrs**

Flexible to cover **extended family**

Visit any **FDH Bank Plc** service centre to **register** or call **525 (toll free)** for more information.



BANKING THAT MATTERS

MALAWI BANKER BANKERS ASSOCIATION OF MALAWI

2024 COUNCIL MEMBERS



NOEL MKULICHI
1ST VICE PRESIDENT



PHILLIP MADINGA
PRESIDENT



AGNESS JAZZA
2ND VICE PRESIDENT



LYNESS NKUNGULA
SECRETARIAT



MIKE CHIWALO
FIRST DISCOUNT HOUSE



THOKO MKAVEA
CDH INVESTMENT BANK



RAYMOND FORDWUO
ECOBANK MALAWI



TEMWANI SIMWAKA
NBS BANK



HAROLD JIYA
NATIONAL BANK OF MALAWI



GODFREY BYEKWASO
CENTENARY BANK

WE ARE FUNDING GROWTH

Banks remain the biggest enablers of the country's economy, with a critical role in supporting public services and economic stability.



We are funding growth.

The banking sector in Malawi has long stood on solid ground, remaining a pillar of resilience amid economic uncertainties. Banks continue to be the lifeblood of the nation's financial ecosystem, driving prosperity and sustainable development.

Despite prevailing economic challenges, the industry has remained afloat, showcasing unwavering strength. Commercial banks' profitability has been consistently impressive, reinforcing their position at the center of economic activity.

For decades, the banking sector has played an integral role in advancing the national economic agenda. As financial institutions, we are not merely participants, we are facilitators of growth. Our commitment goes beyond transactions; we actively fund and shape progress.

Amid immense economic pressure, banks have shown resilience and adaptability. Commercial banks have maintained momentum in supporting economic recovery, boosting key sectors crucial for Malawi's long-term stability.

A key focus has been the government-supported Agriculture, Tourism, Mining and Manufacturing (ATMM) strategy. Banks have demonstrated a strong interest in

financing various growth initiatives to boost advancement in these sectors. This commitment highlights our dedication to promoting national development.

At the core of Malawi's economic framework, banks are more than just financial intermediaries; we are architects of transformation. We weave together prosperity, stability, and social impact, ensuring a solid foundation for future generations.

Banks also remain among the leading contributors to the government's tax revenue, with corporate income taxes forming a significant portion of the industry's fiscal responsibilities. Beyond financial contributions, the banking sector plays a crucial role in job creation, both directly through employment and indirectly by financing enterprises, infrastructure projects, and community development initiatives.

Our influence extends beyond financial services. Banks have consistently channeled resources into Corporate Social Investments, strengthening social welfare and national progress.

Ultimately, the banking sector remains a cornerstone of Malawi's economy. As key enablers, we uphold our responsibility in driving economic stability, funding public services, and unlocking opportunities for sustainable growth.

wave goodbye to power blackouts

Acquire solar and energy solutions on credit and experience affordable and sustainable energy.

Steps to get started.

- ✓ Get a quotation from our service partners or grab a brochure at any NBM service centre.
- ✓ The Bank assesses eligibility and contacts the customer
- ✓ Once approved, collect your product.



The President's Message



It is with great pleasure; again, that I reach out to you, esteemed readers, fellow bankers and all stakeholders from the various sectors of the economy, through your magazine of choice—The Malawi Banker.

While I am cautiously optimistic of economic prospects this year and beyond, I sit in a space where a glimmer of hope lingers on the horizon, although uncertainty seems to be a dominant factor.

There is room for possible recovery from the pangs of the myriad shocks; both exogenous and natural, which Malawi has been susceptible to in the recent past.

Harsh weather conditions, high inflation, coupled with structural challenges and as the on-going geo-political tensions and recent global trade 'war', have resulted in adverse growth prospects for Malawi. Notwithstanding, we have remained resilient albeit the bruises on our economy and on this steadfastness, I bet my odds.

This year, the economy is expected to grow by at least 3.2 percent in real gross domestic product terms, down from an earlier forecast of 4.0 percent. This much higher than what the economy has achieved in recent years.

The growth rate remains low—than half of the required 7 percent [consistent annual growth average for ten years], if Malawi is to graduate into the lower middle-income economy band.

The annual headline inflation—the rate at which commodity prices change at a given period in an economy— which averaged 32.2 percent in 2024, is expected to ease this year to 22.3 percent.

This instils hope for a possible ease in the prevalent pressure, thereby necessitating stability in a space where for over two years in a row, commodity prices have maintained an upwards spiral. But other key macroeconomic fundamentals remain volatile, evidenced by an acute shortage of forex, leading to a wide spread of the exchange rate between the parallel market and the authorised dealer banks.

This has also necessitated instability of the local unit, the Kwacha, partly contributing to rocketing inflation.

Efforts might have been deployed in managing the demand side of the equation, whose ripple effects seem to be felt. But more needs to be done on the production side to address the country's supply side challenges.

With the government's ATMM [agriculture, tourism, mining and manufacturing] Strategy in place, the short to medium-terms recovery path could be guaranteed – only if we follow through on the various identified initiatives and action plans. Not until necessary effort and resources are systematically being deployed to these key sectors.

The ATMM strategy, a government's priority scope for growth and development, singles out the four sectors of the economy as the low-hanging fruits for national development.

It is part of the growth enablers in line with Malawi 2063—the country's long-term development blueprint crafted to see Malawi graduate from the world's least developed nations' category into a middle-income economy. It is expected that this would also partly enable the achievement of some of the key milestones contained in the Malawi's 2063 First 10-Year Implementation Plan 1 (MIP1).

And the banking sector—as a key feeder into the rest of the sectors—and as an anchor of the economy, vouches its commitment to supporting the growth dream. The banking sector is positioned to play a crucial role in complementing the government on strategic and innovative financing interventions including supporting the country's ATMM strategy.

This is what this edition of the Malawi Banker Magazine is all about; to create a platform for conversation on how the Malawi economy, with the Malawi 2063 agenda in the equation, can arise amid all economic challenges for sustainable growth – paving a path for economic recovery and sustainable economic growth. Its practicality and securing the much sought after resources for its realization of Malawi 2063 agenda, rests in the action-oriented approach to doing business.

Articles in this edition will, among other things, discuss the trends in the four sectors of agriculture, tourism, mining, and manufacturing, and many other sectors including banking, insurance, ICT, and their role towards propelling economic growth.

This edition of the Malawi Banker focuses on analyzing the economy, while peeping into the future for prospects.



Standard Bank



DRIVING MALAWI'S GROWTH



SHAPING THE FUTURE WITH INVESTMENT BANKING

CDH Investment Bank has been in operation in the country for over a decade. It started as a discount house and grew to become the sole deposit-taking investment bank on the landscape. Over the years, CDH Investment Bank has contributed to the growth and development of the economy by feeding almost all sectors with capital injection and technical expertise. *The Malawi Banker* engages CDH Investment Bank Chief Executive Officer/Managing Director **Thoko Mkavea** on the bank's positioning and growth prospects.

In the heart of Malawi's evolving financial landscape, CDH Investment Bank stands as a beacon of innovation and ambition, blending the sophistication of investment banking with the accessibility of traditional commercial banking. As the financial sector in Malawi matures, CDH Investment Bank is poised to lead the charge, driven by a vision to become the premier specialist bank for a select clientele while delivering transformative value to stakeholders. This article explores the bank's strategic direction, the state of investment banking in Malawi and the innovative solutions that will shape investment banking in Malawi and its future, addressing key trends, challenges, and opportunities.

1. What is your vision for CDH Investment Bank, and how do you plan to implement strategies that align with this vision?

Our vision is to remain Malawi's best specialist bank, delivering exceptional value to a discerning clientele while making tangible impact on customers' lives. We will continue to go beyond traditional commercial banking, delving into governance, planning, research, corporate finance and advisory. We have successfully proved a concept which we will continue investing in for the foreseeable future. Our collective genius, which seamlessly combines corporate finance and investment banking services with traditional commercial banking activities to deliver impressive value to

its stakeholders and clients and in the process generating an impressive return on shareholder's equity, will remain our model.

To achieve this vision, we will continue to focus on our mission of delivering financial solutions through continued investments in talent identification and development, digital transformation, sustainability and ESG.

2. What is investment banking, and how does it differ from traditional commercial banking

Investment banking and commercial banking are often conflated, but they serve fundamentally different roles in the financial ecosystem. I am pleased to be given the opportunity to demystify these differences and explain why both are critical to a thriving economy like Malawi's.

Investment banking is the high-octane engine of corporate finance. Investment banks primarily assist companies with capital raising, strategic advisory, market making and trading of financial securities.

Capital raising involves helping companies and governments raise funds through equity and debt issues. Equity issues for example, include initial public offerings (IPOs) and private placements, while debt issues include, corporate bonds and syndicated loans.

Under strategic advisory, investment banks advise their customers to effectively conclude mergers and acquisitions (M&A), restructurings and divestitures, valuations and fair opinions. For example, CDH Investment Bank has successfully advised banks, insurance and manufacturing companies in equity restructurings. CDH Investment Bank is a registered advisor to provide valuation services by the Registrar of Companies and is also a licenced corporate finance advisor with the Malawi Stock Exchange.

Market makers are financial institutions (mainly investment banks) which provide liquidity to markets by continuously quoting bid and ask prices for financial securities, standing ready to trade when natural buyers/sellers aren't immediately available, and profiting from the gap between the bid and offer spreads. Trading on the other hand is the buying and selling of financial securities either on behalf of clients or on own account. Trading is critical as it helps a market discover fair prices of financial securities (known as price discovery) and assists in risk transfer.

Investment banks are therefore financial architects - designing bespoke solutions for large-scale growth. That is why CDH Investment Bank's primary mission is provision of financial solutions making innovation our central value.

Commercial banking on the other hand is the backbone of daily finance.

Thoko Mkavea
CEO/MD - CDH Investment Bank

Commercial banks focus on deposit-taking (savings/current accounts), lending (mortgages, SME loans, overdrafts) and payment systems (mobile money, cards). Their role is liquidity management and financial inclusion – serving individuals and businesses' day-to-day needs.

Malawi needs both commercial banks and investment banks. Commercial banks ensure financial stability and inclusion while investment banks fuel large projects in critical areas of energy, water, financial services, telecoms and agri-processing, just to name a few, that drive GDP growth. Commercial banking powers today's economy; investment banking builds tomorrow's. As Malawi's capital markets mature, this synergy will become even more vital.

At CDH Investment Bank, we bridge these worlds—offering capital raising and strategic advisory while understanding local banking nuances. We also make markets and lead in trading financial securities assisting in price discovery and risk transfer. CDH Investment Bank pioneered mobility of financial securities through market making and trading in 1998. Our recent work on advising banks and government exemplifies how investment banking can transform Malawi's economic landscape.

3. What is the current state of the investment banking landscape in Malawi

Malawi's investment banking sector stands at a pivotal juncture. While still nascent compared to regional peers, the industry is demonstrating exciting potential to become a catalyst for transformative economic growth. Here is my assessment of the current landscape:

Our investment banking ecosystem is characterized by growing but limited capital markets. The Malawi Stock Exchange which has been instrumental in our capital market development, now had 16 listed equity counters with market capitalisation of K15.40 trillion (USD8.80 billion), and 107 listed government debt securities with nominal value of K5.86 trillion (USD3.35 billion) as of 31st March 2025. Trading volumes are relatively low compared to regional exchanges, limiting liquidity. The recently listed corporate bond (by MyBucks Banking Corporation Limited, now Centenary Bank), led a promising sign of deepening debt markets based on which we hope to see more corporate debt securities listed on the market. Traditional IPOs and rights issues have dominated but we have seen work around green bonds, early-stage private equity activity and structured financial solutions, mainly Exchange Traded Funds (ETFs) being discussed at a good level.

Opportunities for investment banks lie

in expanding capital raising for productive sectors, mainly financing large scale commercial farming, advisory for agricultural export companies seeking regional expansion, structured solutions for hydro and solar energy projects to deepen power availability, Public-Private Partnerships (PPP) advisory for road and road/infrastructure, mergers and acquisitions for banks and financial institutions and capital raising for microfinance institutions.

4. What is the biggest challenge for investment banking services in Malawi?

The biggest challenges for investment banking services in Malawi are limited market depth, talent gaps, and currency risks.

Malawi's economy is relatively small, and its capital markets are underdeveloped, which restricts the availability of investment opportunities and capital flows. The market has a limited institutional investor base beyond pension funds and insurance companies. In addition, there remains an acute shortage of experienced investment bankers. Efforts to identify and develop investment bankers have been lacklustre, resulting in a market which lacks much vibrancy and creativity. The challenge is exacerbated by the lack of awareness of the development needs of investment bankers. Further, the current foreign exchange volatility and limited availability complicate cross-border transactions.

Looking ahead, the investment banking sector needs to advocate policies which attract more listings and investors, invest in training the next generation of investment bankers and introduce more structured finance and risk management solutions. At CDH Investment Bank, we have put capacity development at the forefront of our strategy. The coming decade presents a tremendous opportunity to establish Malawi as an investment banking hub for the region, that depends on the young generation to embrace the focus that is required to develop into a solid investment banker.

5. What market trends do you anticipate impacting the investment banking sector in Malawi?

We identify four pivotal trends which will redefine the industry in the coming 3-5 years, presenting challenges and exciting opportunities for corporates, investors and policymakers.

Firstly, we anticipate that green finance will take the centre stage. Malawi's



vulnerability to weather related shocks will lead regulators and customers to drive sustainable finance structures. In addition, global ESG (environmental, social and global) capital flows, which are on the rise, will present an opportunity for many corporates to tap into.

We also anticipate that continued digitization of financial services will reshape the landscape, prompting the industry to enhance technological infrastructure for seamless transactions and client services. Significant innovation and investment will be required to widen the investor base beyond pension fund and insurance companies to reach more retail investors.

Further, the low market capitalization to GDP ratio (less than 15% versus Kenya's 32% and Tanzania's 25%) and the demand for foreign currency hedging will drive regional integration through cross-listings, COMESA cross-border trade harmonization (for example, cross-border mergers and acquisitions) and new currency hedging solutions to manage the Kwacha volatility.

Lastly, we anticipate that there will be significant regulatory modernization. Many outdated regulations which stifle innovation will be repealed to excite talent and innovation, for effective customer service. This will require continuous engagement between regulators and the market which we have seen to be



By supporting sectors that drive long-term growth, such as agriculture, infrastructure, and renewable energy. Through our investment banking services, CDH Investment Bank facilitates capital for businesses, helping them expand and create jobs, stimulates economic activity.

thriving. The Capital Market Association and the regulator have a good working relationship which has led to many positive advancements in the market.

It therefore remains imperative for investment banks to focus on developing investment banking skills for our people to effectively anticipate and drive these new changes. As we say in CDH Investment Bank, "Investment banking is a skill, not a product or service".

6. Given the Malawi banking sector operational environment, how do you plan to make sure that CDH Investment Bank's investment banking arm remains agile and responsive to market demands?

The investment banking industry has always been dynamic and high octane, a privilege to serve only with innovation and desire for service. It remains imperative for all investment bankers to continually develop themselves through continuous reading, networking and client development.

First, we will continue our relentless pursuit of talent and invest resources to develop those who have decided to become top investment bankers. As technology advances, we will continually invest in innovative solutions to stay ahead of the market. By maintaining regulatory foresight and implementing scenario-based risk management strategies, we will stay ahead of market shifts. Our client-centric approach, combined with tailored advisory services and flexible deal structures, will enable us to meet the diverse needs of our clients and drive sustainable growth.

7. How would you rate the bank's contribution to the financial services spectrum, local private sector/businesses, and the economy at large, over the past decade it has been in operation?

CDH Investment Bank has been instrumental in supporting local businesses, the government, and the broader economy. Over the past decade, we have significantly contributed to the growth of the financial services sector through our advisory services, capital market development, and the financing of critical projects. One of our key achievements in the capital markets was serving as the lead advisor for the largest rights issue in Malawi's history, on behalf of NBS Bank Plc.

In addition to our work with public entities, we have facilitated access to capital for numerous private sector businesses, driving economic development in crucial sectors such as infrastructure, agriculture, and energy. Our efforts continue to foster sustainable growth and create long-term value for the Malawian economy.

8. What innovative investment banking solutions do you envision for the Bank?

Innovation is at the core of CDH Investment Bank's strategy, and we are dedicated to launching investment banking solutions that will drive the growth of Malawi's capital markets and empower our clients. First, CDH Investment Bank plans to introduce green financing products that encourage investments in renewable energy, sustainable agriculture, and eco-friendly projects. These efforts will not only promote environmentally responsible development but also support sectors critical to Malawi's socio-economic growth. Second, with rapid technological advancements, we aim to enhance our digital financial offerings, focusing on products that broaden access to capital markets for a wider range of clients. Finally, we plan to introduce new investment vehicles, such as Exchange Traded Funds (ETFs) and derivative

markets, providing Malawian investors with fresh opportunities to diversify their portfolios and participate in modern financial instruments.

9. In what ways does CDH Investment Bank contribute to the sustainable economic development?

We support sectors that drive long-term growth, such as agriculture, infrastructure, and renewable energy. Through our investment banking services, CDH Investment Bank facilitates capital raising for businesses, helping them expand and create jobs, which stimulates economic activity. The bank also promotes financial inclusion by offering tailored financing solutions to small and medium-sized enterprises (SMEs), a critical segment of Malawi's economy.

By offering advisory services on government projects, the bank helps finance vital infrastructure projects, improving essential services like energy and transportation, which in turn boosts overall economic productivity. Finally, by fostering regional and international investment, CDH Investment Bank helps attract foreign capital, further supporting Malawi's sustainable economic growth.

10. What does the future hold for CDH Investment Bank?

While the world undergoes rapid change and society faces uncertainties, CDH Investment Bank stands poised for opportunities. As we envision the future, our goal is to build a strong, specialist bank that embraces the future, delivers on promises, and champions the communities we serve.

We will continue to partner with experts to advise governments and corporates, ensuring impactful project completion. Our commitment extends from conceptualization to closure, linking international investors with Malawi, and facilitating national development initiatives.

Flexibility and agility will characterize our approach, responding to diverse and rapidly changing needs. We remain fully committed to investing in our people, creating an environment where everyone can thrive. Technological investments will enhance service delivery, and we embrace continuous development as a core aspect of our culture.

11. Any last word?

We are optimistic about the future. At CDH Investment Bank, we will continue to champion innovation, adaptability, and growth, and remain a trusted partner to our clients. Our aim is to be more than just bankers – we strive to be strategic partners and advisors, providing valuable guidance to support our clients' long-term success and growth.

BANKING ON TECHNOLOGY: THE POWER OF ICT INTEGRATION FOR ENHANCED CUSTOMER EXPERIENCE

In today's rapidly evolving digital landscape, the integration of Information and Communication Technology (ICT) with banking services sector has emerged as a powerful catalyst for economic growth and financial inclusion. This synergy between ICT and banking is transforming the financial sector, making it more efficient, accessible, and customer-centric.

Locally, financial institutions continue to assert themselves as hubs of innovation and progress and are fast employing various strategies, in their pursuit to ensure that as many people as possible have access to financial services in the most convenient and fastest way possible.

If statistics are anything to go by, the formal financial institutions, most notably the banks, are making strides to make a breakthrough in revolutionising the financial landscape and opening up unparalleled opportunities for economic growth.

For instance, in the year ended December 31 2023, there was a considerable increase in digital financial services notably use of electronic funds transfers (EFTs), a development which analysts attribute to the introduction of real-time payments for interbank transfers.

The Reserve Bank of Malawi (RBM) figures show that total volumes of transactions processed in the Mitass [Malawi Inter-bank Transfers and Settlement System] stood at 3.72 while value of transactions surged by 10.8 percent to K71.9 trillion during the review period.

The data further shows that while large value interbank transactions dominated in terms of value, accounting for 93.3 percent of the total value of transactions, the industry has seen the dominance of EFTs over cheques, suggesting a substitution effect as more people migrate to quicker and safer means of payments.

This concedes the fact that financial



FUDZULANI—Increase on the EFT could be attributed to the recent introduction of real-time payments for interbank transfers

services are fast becoming accessible to the masses as they can now transact and access financial services through branchless banking and digital services outside the traditional brick and mortar banks, in the process enhancing economic growth.

ICT expert Bram Fudzulani is on record as having observed that as the majority of payment transactions are processed and settled in real-time, this is mitigating the settlement risk associated with deferred settlement arrangements.

He said: "The increase on the EFT could be attributed to the recent introduction of real-time payments for interbank transfers. Previously this was not the case and it discouraged a lot of businesses, but now

→

with the introduction of real-time payments, consumers have gained trust in the electronic payment system which adds value to their day to day life and business activities."

Fudzulani said this means the economy is slowly shifting away from a cash-based economy.

"Cash is essentially untraceable, it's a useful tool for criminals and corruption while digital currency is less easy to exploit and can be easily traced back to its source," he said.

Fudzulani shares sentiments with ICT Association of Malawi Secretary General Kondwani Kamwendo who also observed that expansion of EFTs reflects progress towards a more modern, efficient and resilient financial infrastructure, which can ultimately benefit the economy.

He said: "As economies increasingly digitise, EFTs play a crucial role in facilitating transactions within the digital ecosystem.

"They enable online purchases, electronic bill payments and other digital financial activities, supporting the growth of the digital economy."

Kamwendo said EFTs generally incur lower transaction costs compared to traditional payment methods such as cheques.

Meanwhile Bankers Association of Malawi (BAM) has highlighted that the banking sector is evolving and investing to build infrastructure that can efficiently handle new technology and enhance banking experience.

BAM Chief Executive Officer Lyness Nkungula said the sector realises that the future for banking is in digital hence investment in digital technology is imperative for survival.

"If you look at the cost of investing in brick and mortar today compared with the cost of running digital banking the cost of managing a full scale bank is prohibitive.

"We have to move banks from processing centers for cash withdraw and deposits to making them delivery channels for Value Added Financial Services," she said.

She noted that the demand for retail



NKUNGULA—We have to move banks



Bankers Association of Malawi (BAM) has highlighted that the banking sector is evolving and investing to build infrastructure that can efficiently handle new technology and enhance banking experience.

banking services is clearly rising while brick-and-mortar bank locations are stagnant, indicating that customers are using digital banking services with greater frequency.

Nkungula further pointed that banks are adopting mobility solutions to reach out to the unbanked population to increase their customer base and provide seamless services to customers for availing credit and self-service options.

The integration of ICT and banking in Malawi thus have a ripple effect on the broader economy.

By facilitating seamless financial transactions and reducing transaction costs, it promoting trade and investment.



MAFUTA MWALE—It is in our interest to see that these services are provided efficiently

Additionally, the availability of digital financial services encourages savings and investment, contributing to economic stability and growth.

Meanwhile RBM has indicated that Malawi shall continue to collaborate with relevant stakeholders to implement measures aimed at promoting digital financial inclusion and increasing digital solutions in the country.

Recently, the Central Bank also joined the Pan-African Payment and Settlement System (Papss) championed by the African Export and Import Bank (Afreximbank).

Papss is a payment platform which seeks to revolutionise cross-border payments and boost intra-African trade.

According to Papss Chief Executive Officer Mike Ogballu the onboarding

on the African Continental Free Trade Agreement-supported platform is stimulating trade diversification, economic resilience and sustainable development for all participating countries.

Governor of the Reserve Bank of Malawi Dr. Macdonald Mafuta Mwale is quoted in the local media as having said the central bank believes that digital financial services are safe, efficient and cost-effective.

"It is our hope that through the use of digital financial services, the Malawian public will enjoy the safety associated with the transactions which give you freedom to do anywhere as long as one has network access.

"It is in our interest to see that these services are provided efficiently to those that use them," Mwale said.

Consumers Association of Malawi

executive director John Kapito has since tout digital financial services as the sure step to convenience.

"Thanks to the technological advances, we have seen financial services available at our fingertips which has made once scarce services available for the majority," he said.

The integration of ICT with banking services in Malawi is thus transformative force driving economic growth, enhancing financial inclusion, and improving operational efficiency.

As banks continue to embrace digital technologies, the potential for innovation and growth in the financial sector is immense. By overcoming challenges and leveraging opportunities, the synergy between ICT and banking can pave the way for a more inclusive and prosperous future for Malawi.



Pa Kiosk olo pa Umbrella

Wonjezerani value ya **TNM Mpamba** mosavuta ndi **CenteValue** kudzera njira ya ***632#**.

- Dial ***632#** on a registered CenteMobile phone number
- Select 3, **"PAY BILL"**
- Select 5, **"TNM MPAMBA AGENT DEPOSIT"**
- Input Mpamba Agent code
- Follow subsequent prompts



Dial ***632#** and get started today



MORE NEEDED IN MINING SECTOR DEVELOPMENT



HAS VAST POTENTIAL—Mining sector—File Photo

Mining is the next big thing. Those who have followed developments in the sector would attest to that. Besides the government setting a goal to see mining contribute between 15 and 20 percent to the economy by 2030, more needs to be done.

Prospects show this can be achieved and already, a few projects about to commence to drive the agenda.

They include the Kayerekera Uranium, Kanyika Niobium, Kangankunde Rare Earth and Songwe Hill Rare Earth projects.

Developments have also advanced at the proposed Kasiya Rutile and Graphite mine by Sovereign Metals, the world's largest reserves of rutile and one of the largest and lowest cost graphite reserves.

These projects alone - and there are many more other prospective ones - would bring in roughly about \$1 billion in annual export proceeds, creating thousands of jobs and supporting hundreds of suppliers and other supporting businesses.

This achievement would put the country's export diversification in the fast lane as tobacco has been holding this economy as a major export commodity, accounting for over 50 percent and last year it was around 60 percent.

One would say the country is doing enough to push through the mining sector to the front line of the elite sectors of the country's economy, but that's not quite true.

Malawi's mineral resources have remained underground while poverty ravaged the fast increasing population. There hasn't been a good reason enough for the delayed exploitation of the minerals in abundance and they include highly sought after rare earth, heavy mineral sand, uranium, niobium, graphite, rutile, gemstones, petroleum, gas, gold, among others.

This is a show of lack of resolve by the leaders to use mining as a means to economy economic transformation. The boxed mentality of



Malawi is really blessed with mineral resources but somehow the country is not blessed with the sense of urgency when it comes to utilising resources to transform the economy and deal with poverty.

Malawi being an agrarian economy make the country not to look at mining as a game changer and make it one.

Besides agriculture and tourism, mining has been the primary sector that has been responsible for economic transformation of many countries.

However, after the suspension of Kayerekera had significantly changed the profile of mining, the sector's contribution dropped from nine percent to less than 1 percent and no attempt has been visible to push other mines on line besides foreign interests that have either been too slow or have been frustrated in pace.

There has been no public money spent in the exploration of mineral reserves. Not even investment in feasibility studies or environmental and social impact assessment studied.

No local equity financing has been made known in any of these foreign financed mining projects.

Ask many mining experts and economists, this limits the country's benefits from the sector as it maximises profits to foreign investors. It also means projects take longer than necessary because the foreign investors have to consider several risk factors before making any investment moves besides being slowed down by domestic systems.

It would be easier with government's full involvement in a mining project to attract foreign investors because certain risks would have been removed.

No creditor hesitates lending to government especially in a viable commercial venture. So, foreign interests should just be to address technological and marketing purposes but financing should be a task to the country to source.

The resolve for the country in mining is further tested through the length of time it takes before investors are given licenses to mine. Global Metals had to wait for over 10 years to get their license for the Kanyika Niobium project.

Lancaster Exploration of Songwe Hill Rare Earth and Lotus Resources of Kayerekera Uranium were stranded, racing against time to not lose prospective financing and off-taker opportunities as it was taking longer than planned to get licenses until the Presidential Delivery Unit (PDU) intervened and facilitated conclusion of the previously protracted Mining Development Agreements (MDA) discussions in eight days, according to head of PDU.

Malawi is really blessed with mineral resources but somehow the country

is not blessed with the sense of urgency when it comes to utilising resources to transform the economy and deal with poverty.

In Mulanje, the country sits on a very critical resource, the bauxite which is processed into aluminum which can feed several industries for a wide range of metal based end products.

With Akatswiri Mineral Resources owning the prospecting license, the company is struggling to push the project to fruition as it is challenged by the country's low electricity supply as the bauxite's beneficiation would require huge amount of power Escom cannot supply.

That means raising funds for the project activities like the ESIA is difficult because prospective investors have low confidence in the project owing to the unavailability of power.

But this is another manifestation of lack of national resolve in developing mining because the power issue should be an opportunity on its own which requires strategic investment in the power generation to feed the mine and the smelter for aluminum production.

The Ministry of Mining concedes that the prospective mining projects face a power deficit of over 200 megawatts. Yet, let is being made to hasten the increase of power generation to clear for these mining projects.

Like many countries, the government should take lead in promoting the bauxite project, raising capital for a huge investment that has potential to transform the industry and make Malawi become self reliant in aluminum industry.

Mining expert, Grain Malunga shares the thought that the pace at which the country is taking to develop mining sector is too slow and delays the realization of this dream.

But for Minister of Mining, Monica Chang'anamuno, there is a lot that has been happening to clear the ground before mining ventures kick off, citing regulatory environment that has been put in place and the setting up of Mining Authority and the anticipated state owned mining company.

Perhaps, there more that government, and of course the local private sector, need to do to show real interest and zeal to exploit the mining opportunities.

HARNESSING TOURISM SECTOR'S POTENTIAL

BY STAFF WRITER



HUB OF TOURISM—The Lake Malawi —Photo credit: Kaya Mawa

Malawi's tourism sector can be compared to a stunted child. In fact, there are indications that stunting is not just a health issue but also a sectoral one in the Southern African Development Community bloc.

Come to think of it; despite having the third largest fresh water lake in Africa and utilising it for irrigation so that people's nutritional needs could be addressed, much of the water goes to waste.

And, as the fresh water moves from Mangochi into the Shire River which,

somewhere along the way, empties itself into the Zambezi River before disappearing into the Indian Ocean, it leaves devastation in its wake.

According to the Malawi Demographic Health Survey, in Malawi, stunting is primarily caused by chronic undernutrition, such that the prevalence is higher in rural areas than in urban areas. Between 2017 and 2020, 39 percent of children in rural areas were stunted, compared to 25 percent in urban areas.

And there are indications that the stunting bane has affected the tourism sector, too.

According to the National Tourism Policy of 2019, that year, tourism contributed 6.7 percent to gross domestic product (GDP).

And when delivering the 2024-25 National Budget Statement to Parliament, Finance Minister Simplex Chithyola Banda indicated that the sector is expected to contribute about 6.7 percent to GDP.

If the truth were to be told, the projections do not inspire hope that Malawi's chronic forex shortage may be addressed anytime soon. More so, because the country continues to over rely on tobacco as the main forex earner.

Yet, according to the International Trade Administration, which is under the Department of Commerce of the United States of America, Malawi's tourism sector is full of potential.

"The tourism and travel sector in Malawi is growing. Investment opportunities exist in eco-tourism, hospitality, water and lake sports, wilderness safaris, and tours that showcase Malawi's natural treasures. Malawi hosts the annual Takulandirani Malawi International Tourism Expo (MITE) to provide local and international tourism enterprises an opportunity to exhibit their products

→ *The tourism and travel sector in Malawi is growing. Investment opportunities exist in eco-tourism, hospitality, water and lake sports, wilderness safaris, and tours that showcase Malawi's natural treasures.*

and services," it says.

The first 10-year Malawi Implementation Plan, which is a monitoring tool for Malawi 2063, indicates that tourism could contribute at least 11 percent to Malawi's GDP by 2030, in the process helping the country generate foreign exchange, income and creating jobs.

Indeed, Malawi could tap from its strategic location, as it is near Zambia, Zimbabwe, Tanzania and even South Africa, countries that are renowned for their tourism prowess.

In other words, Malawi is in a better position to learn from them and, with that knowledge, build its own tourism empire.

To add an icing on the cake, the country has a UNESCO World Heritage Site, namely Lake Malawi, and other natural, cultural and man-made attractions that could help it leverage on eco-tourism activities and off-grid electricity generation to, as the country's tourism policy indicates, make tourism "greener".

The only downside could be that tourism faces challenges such as poor performance, with the World Economic Forum's Travel & Tourism Development Index ranking Malawi 115 out of 119 participating countries in 2024.

The country has also scored poorly on infrastructure, with the World Economic Forum's Travel & Tourism Development Index ranking its transport systems and infrastructure lowly.

Fortunately, the government seems to have realised the sheer folly of doing nothing about shoring up the tourism sector's contribution to the national economy.

In the lead of such efforts is President Lazarus Chakwera, who, in April this year, touted his Agriculture, Tourism and Mining (ATM) Strategy, with a week dedicated to its cause. The President indicated that the strategy was the long-awaited game-changer, even as Malawi repositions to become a middle-income nation from the status of a poor one.

The First Citizen said he had introduced the ATM Promotion Week as one way of bringing together stakeholders in agriculture, tourism and mining so that, in the end, they could identify challenges and opportunities and make the best out of the situation.

Addressing the gathering in Lilongwe on Tuesday, 23rd April 2024, when he officially launched the Mining Investment Forum, the First Citizen emphasised that the country had the resources with which to tar its path to prosperity; only that, somehow, a permanent solution to tapping from such resources was eluding stakeholders.

The ATM Promotion week, which was officially launched on Friday, 19th April 2024, has since then been described as time for benchmarking.

The advantage is that, in taking that route, Malawi would not be alone.



VALUABLE—Lake Malawi's rare species of Mbuna fish—File photo

Others, notably the International Trade Administration, have acknowledged Malawi baby, but sure, steps it is taking to make its tourism dreams materialise.

“The government identified the tourism sector as a key driver for sustainable economic growth and development. Malawi 2063 vision, the country’s long term development plan, places tourism as a priority economic sector towards achieving inclusive growth and self-reliance. Tourism investments are eligible for exemption of various import duty and excise taxes. Prior to the COVID-19 pandemic, the tourism sector contributed more than 525,000 jobs, representing close to seven percent of overall employment, and served more than 980,000 international visitors annually.

“According to the National Statistics Office, regional travelers make up most of the tourist visitors and the predominant long-haul international travelers are from India, the United States and Australia. During the COVID-19 pandemic, international tourist arrivals (overnight visitors) to Malawi plunged by 80 percent due to widespread travel

→ *Malawi should take advantage of the nature-based and cultural heritage tourism events it hosts. The country has also been tipped to utilise “prime attractions” such as Lake Malawi;*

restrictions and a massive drop in demand, but the situation has improved and is expected to increase further in 2023,” it says.

Its report suggests that Malawi should take advantage of the nature-based and cultural heritage tourism events it hosts. The country has also been tipped to utilise “prime attractions” such as Lake Malawi; wildlife in numerous national parks, wildlife reserves, and forest reserves; mountains and scenery; and cultural

and historical attractions” to make a kill out of its tourism sector.

State and non-State actors may also use the annual Takulandirani Malawi International Tourism Expo to good measure, tapping from its financial trappings to fill its forex reserves and bail itself out of poverty.

Surely, that cash may also go a long way in helping Malawi meet its nutritional needs; ridding itself of the stunted people and stunted tourism sector growth tag.

Manage your taxes the smart way with OmniLite—via app or online. Quick, safe, and tailor-made for your business. Visit any branch or email businessassist@ecobank.com to get started!

Secure Payments – Your payments are fully protected.

Instant Proof & Tracking – You get receipts and monitor tax PRN status instantly.



COMMERCIAL BANKING | **omni** LITE

**A BETTER WAY
A BETTER AFRICA**

DIGITALIZATION

KEY TO INSURANCE PENETRATION



IDEAL: Mobile money services—File photo

Insurance penetration in Malawi has been crawling at a snail's pace despite the importance that insurance poses to individuals, firms and the economy. Figures from Insurance Association of Malawi—an umbrella body for industry players—show that between 2014 and 2024, the sector grew with only two percentage points from two percent to four percent.

The meager growth translates that out of every one hundred people in Malawi; only two were insured in 2014 while by 2024, out of 100 people, the figure moved to only four people: Meaning 96 people of the 100 remained uninsured.

If it was a business, such kind of growth would signal a firm which is destined for collapse.

There are a number of factors attributed to the

minimal growth of the insurance sector in the country. They include low literacy levels, lack of awareness on insurance products and slow adaptation of technology by market players.

Adaptation of new technologies has helped a lot of sectors such as banks to grow beyond their imagination and reach with reduced costs but with great customer satisfaction to achieve business goals.

For example, these days, a person is able to open an account, send money, pay bills, check balance and do all of the transactions with their bank accounts while seated in the comfort of home, an innovation which can help move other sectors such as insurance.

However, there is light at the end of the tunnel as the sector has now embraced technology in its dealings to make sure that the uninsured are insured, protected and able to transact in the comfort of their homes.

One such innovation is the introduction of digital motor vehicle



MEJA—All the insurance companies are accepting digital payments

insurance certificates which members of the Insurance Association of Malawi are now subjected to and have to abide by.

A motor vehicle insurance certificate is a piece of paper that shows a vehicle is legally insured and must be displayed on the windshield of the vehicle and usually contains the certificate number, vehicle registration number, vehicle chassis number, make and model of the vehicle, vehicle color, vehicle seating capacity, picture of the vehicle's body type, insurance policy duration, policy issue date, policy number, policy holder, insurance cover type, and vehicle usage.

Prior to this innovation, vehicle owners had to travel all the way to the offices of their service provider, filling forms and doing transactions, then later travel to the offices to get the motor vehicle insurance certificate.

That will now be a thing of the past as the vehicle owners will be able to do that at the tip of their fingers regardless of where they are and be able to do all transactions and receive the certificates electronically via their smartphone or computer.

Insurance Association of Malawi Vice President Wales Meja believes the digital certificate is one of the strategies that will help to grow the penetration because the companies will be able to service people regardless of their geographical setting.

Meja added that the move was to make sure that the industry is moving with time and embracing technology to give people a smooth experience in transacting with insurance companies in a more trusted manner.

"Things have changed, we need to change as well, we need to bring in new systems and occupy that space where we can be seen like the industry is moving forward therefore these are certificates which you can access online.

"We looked at the inconvenience that doing these things manually brings such as cost of traveling, the time spent to travel and others but now one does not even need to go to an insurance company because when the certificate is issued, one can get it online in the comfort of their homes," he said.

However, the major hindrance

to digital acceptance in Malawi is lack of ecosystems within the technology companies.

For example, one can have mobile money, but it will reach a point where they have no choice but to withdraw the money and use cash in a certain transaction which breaks the digital solutions offered.

Meja says their membership has made strides in making sure that the digital ecosystem is not broken.

"As much as it depends on the company you are dealing with, all the insurance companies are accepting digital payments which means that you do not have to, at any time, break the digital ecosystem in search of cash to do the transactions," Meja added.

The system rolled out in October 2023 and the association has placed December 2024 as the deadline that all certificates should move digital.

With developments such as these, no one has an excuse not to have their vehicle insured because as long as one has a smartphone or a computer, they can be able to access vehicle insurance services at their fingertips.

The 2023 National ICT Survey done by the National Statistical Office on behalf of Malawi Communications Regulatory Authority shows that when individuals were asked if they used a smartphone three months prior to the survey, results show that about 41 percent of the respondents use smartphones at the national level.

A higher percentage of individuals who used smartphones was in the urban areas at 62.6 percent compared to counterparts in the rural areas at 34.7 percent.

Nevertheless, this only shows the potential that technology has in making sure that everyone is insured in the country even when there is remotest of areas where insurance companies are not physically available.

It is therefore imperative that the insurance sector should leverage technology not only on motor vehicle insurance certificates but other insurance coverages so that many people are covered and insurance coverage will grow in the country.

BANKERS FACE-OFF

On April 26, the Bankers Association of Malawi (BAM) hosted this year's Bankers Sports Day—an annual event where bankers competed in various sporting disciplines—at the Kamuzu College of Health Sciences in Blantyre. This year's event will feature about 18 competitive sporting disciplines, and over 1,200 people from the country's eight banks and the regulator, Reserve Bank of Malawi (RBM), participated. Our photojournalist captured some of the highlights:



01



02



03



04



05



06



07

1. KICK-OFF—RBM Deputy Governor William Matambo in a moment that sets it all in motion
2. HIGH MORALE—Supporters and players celebrate success
3. FORWARD MATCH—Malawi Prison Brass Band leading the parade
4. CHAMPIONS—One of the winning teams
5. TIGHT—Competitors fight for a spot during tug-of-war
6. FOR SPORTSMANSHIP—BAM President Phillip Madinga addresses the audience during the prize presentation ceremony
7. UP FOR GRABS—The trophies and medals
8. COMPETITIVE—Female athletes press towards the mark
9. ALMOST THERE—Cycling was also among the games
10. FOCUS—Board games also attracted participants' attention



08



09



10

NOTHING TO SHOW FOR MALAWI'S TOIL IN AGRICULTURE SECTOR?



REMAINS MAJOR EXPORT CROP—Tobacco

Between the 1960s and 70s, Malawi's journey in agriculture was already well mapped. Institutions of higher learning such as Bunda College of Agriculture and the Natural Resources College (NRC) [now merged] were already providing tertiary education on agriculture, having been established in the late 60s.

The establishment of the Agricultural Development and Marketing Cooperation (Admarc) in the late 70s cemented the country's future in agriculture as it ensured an organised profitable market for farmers.

Irrigation schemes such as Likangala in Zomba and Ngolowindo in Salima were already pumping water from the Likangala River and the ground using solar power, respectively to provide farmers with water for their crops.

At Likangala for example, which was established in the late 1960s, the government had already constructed gates on the river to control the flow of water.

The Admarc depot which is close to the scheme was well equipped, with proper staff houses, providing a ready market for agricultural products from local farmers.

At Ngolowindo on the other hand,

electricity enabled pumping water for irrigation from the ground to anywhere in the 17-hectare irrigation scheme, allowing farmers to produce onions, tomatoes and fresh vegetables far away from the lake.

We travelled to Zomba recently where we met Lloyd Time, a farmer who was young at the time Likangala Irrigation scheme was being established.

Time recounted to me the old glory days where food and money were easy to come by as a result of massive farming on the scheme.

It is almost difficult to fathom that back in those days; farmers were able

to control the flow of water on the river through the gates that the government had put in place.

"During the rainy season, we would open the gates just wide enough to allow water to flow so that we prevent floods downstream, it is in the dry season when a lot of water was needed at the scheme that we would open the gates wider," Time says.

The infrastructure on the river is still visible but hardly works.

The situation was almost the same at Ngolowindo Irrigation scheme in Salima where farmers used to make a killing from solar powered irrigation farming.

Hunger and malnutrition were not a common sight as is the case now.

The electricity they used to have back in the days is now expensive to use every day for pumping water from the ground to the scheme.

All this, point to proper foundations our fathers put in place for Malawi to achieve meaningful development and eradicate poverty and hunger through farming.

Had the next crop of leaders built on such foundations, Malawi would not be grappling with hunger and shortage of foreign exchange it is experiencing now.

As we write, the government is implementing a lean season food distribution exercise targeting over 5 million Malawians who face hunger this year.

They will be receiving a 50Kg bag of maize per person for the next four to six months depending on how devastated the areas they come from are.

Most of the maize being distributed has been made available through donations by neighboring countries and Organisations Malawi has bilateral relations with.

This should never be the case for a country which fancies itself an agricultural economy.

As a country which says relies much on agriculture, it is important for Malawi to make investments towards meaningful agricultural productive ventures.

Over the years Malawi's agricultural budget has been increasing but a huge percentage of the allocations has been going towards consumption and poverty alleviation initiatives such as the Affordable Inputs Program (AIP).



IDEAL—Mechanised production

Not that the initiative is bad on its own but many have in recent years argued that the program has no exit strategy for its beneficiaries.

The all size fits all approach, where same fertilisers and seeds are distributed to beneficiaries without consideration of their geographical locations is another challenge.

Beneficiaries end up selling the fertiliser and seeds to vendors.

Then they will wait again to receive food under such initiatives as the lean season food response program having already benefitted from the AIP and the circle of poverty continues into the next growing season.

Agriculture expert Tamani Nkhono Mvula feels Malawi has not been doing very well on agriculture since the dawn of multiparty democracy despite huge investments largely due to inconsistencies in policy.

In his opinion, Nkhono Mvula says each and every administration has come up with its own flagship programs on agriculture more or less forgetting the policy directions of the previous administrations.

This, he says has negatively affected the sector.

Nkhono Mvula also says Malawi has over the years failed to come up with alternative commercial crops to tobacco.

"We are still investing in consumption with maize being the priority," He says.

He has since called for more investments in technologies in irrigation, research and seed production so that "we can move away from an agriculture sector that is heavily reliant on rain fed agriculture."

It is only through the adoption of and access to modern technologies that Malawi can be able to fend for itself in as far as food is concerned.

Through such initiatives as the mega farms, Malawi may be able to produce more for food and extra for value addition and exports.

This could lead to more foreign earnings for more important imports such as medicines and other machinery.

But such initiatives while critical, must promote the active participation of Malawians in all the value chains rather than foreign nationals.

So much as more investment is needed in the agricultural sector; there is need for deliberate investments in initiatives that will have potential to grow the country's economy.

Agriculture must be approached as a business not as a social protection initiative if Malawi is to move away from poverty and hunger.

AGENT LIQUIDITY VS ADOPTION

BY LUMBANI GONDWE



GAME CHANGER—Digital payment system

From the first deployment a decade ago, digital financial services have demonstrated immense potential in expanding access to formal financial services among the unbanked and underbanked populations.

It has helped in driving financial inclusion and closing the social-economic divide-gap.

In Malawi, both Airtel Money and TNM Mpamba have remarkably driven expansion and growth of mobile money services, thus mobile money is a widely used financial service.

And for millions of people around the world, mobile money remains a reliable means for financial transactions. It has contributed to countries' gross domestic product (GDP) growth, with its share estimated at about 1.5 percent between 2013 and 2022 in some countries.

According to GSMA State of Industry Report 2024, mobile money transactions are estimated to have brought about a total contribution of \$600 billion to GDP in deployment countries during the period under review.

Backed by undisputed data and traction, Digital Financial Services have transformed the economics of delivering financial services to low-income and remote customers, thus adoption and use boosting the economic growth of entire deployment countries.

In developing countries like Malawi, hard cash transactions have largely dominated, until the last few years when customers have been opting for cheaper and convenient ways of making payment, converting digital money to physical currency, and vice versa.

Aside from the rosy trajectory shaped by the benefits of digital financial services, the adoption rate continues to stagger, largely due to agent liquidity challenges, thereby frustrating customers due to inability to cashout their money.

An agent network is a focal point of any successful Digital Financial Services (DFS) deployment, be it in mobile money services and agency banking services, which have proven vigorous for most providers to crack the solution, especially for banks in Malawi largely due to agent liquidity management challenges in agency banking.

The world 'giant' mobile money deployment success story of M-Pesa for Kenya, aside 'constant' product and incremental innovation to drive usage and



product stickiness, has proven to have a robust and liquid agent footprint.

Agent networks represent a low-cost alternative to brick-and-mortar branches for customers.

Instead of incurring transport expenses from Hewe to Rumphu just to withdraw K5,000, customers are able to easily withdraw the money from a mobile money agent right at their community corner store.

However, these agent networks continue to face a critical challenge in maintaining adequate liquidity or float to service customers.

Consequently, when an agent lacks liquidity, cash-in/cash-out transactions are denied. This results in reduced commissions for agents and a negative impact on customers' trust in digital financial services thus affecting the adoption as digital financial services feed on a network effect for breakfast to expand and drive usage.

Agent liquidity is not a Malawian problem alone as across many African countries, agents can only perform a limited number of transactions for customers before they run out of money or electronic value (e-money).

The agent liquidity challenges are rarely solved by one service provider but rather an entire digital financial services ecosystem which comprises providers, regulators, aggregators, and technology providers – the case of Bangladesh where the entire industry came together and deliberated on innovative ways to address the challenges facing agent networks.

According to Oxford Policy Management, one in five digital financial services transactions fail due to lack of e-float or cash in turn reducing both uptake and usage of the service, thereby decreasing the return on investment for agents and providers alike.

The agent liquidity challenges are rarely solved by one service provider but rather an entire digital financial services ecosystem which comprises providers, regulators, aggregators, and technology providers – the case of Bangladesh where the entire industry came together and deliberated on innovative ways to address the challenges facing agent networks.

The participants divided themselves into three groups to look at key issues in the context of policy and regulation, strategy and market evolution, and operations.

In Malawi, both the regulator and the providers have to be commended for the efforts devised to address agent liquidity challenges such as interoperability and super-agent structure, but there is still a tall-height hill to climb in addressing the liquidity challenge and drive

digital financial services uptake.

Providers offering Innovative Agent Platforms is one solution that would help in addressing the agent liquidity challenge - centralising monitoring systems can help identify agents who consistently fail to hold adequate liquidity and automated alerts can then be sent to agents whose float levels have dipped below a recommended level to encourage rebalancing.

These platforms could also facilitate a variety of rebalancing mechanisms. These include rebalancing at ATMs, as well as through inter-agent transfers, where agents can ask for and receive e-float from fellow agents.

Agents may also choose to deposit or withdraw money from their personal account into the float account remotely without involving the bank.

If providers are able to monitor these activities, they could monitor compliance and define standard operating procedures for their agent networks.

For example, Novopay in India has a Network Operations Centre (NOC) 'war room' with an enormous screen that lets its staff see agent behaviour and transactions at different levels, from country-wide, through individual states, all the way down to individual agents.

At the agent-level, Novopay can identify the device being used, track liquidity and even watch the progress of agents through each transaction screen. They can identify if and where the agents make mistakes.

Remote-monitoring of tariff display and branding are done by asking agents to submit date-stamped photos of their outlets. Training, alerts and tips are delivered through the agents' mobile devices.

As a result, Novopay has a limited number of in-the-field monitors. Almost all the monitoring is done from their head office in Bangalore over the phone.

Providers offering credit to allow agents to access working capital is another solution providers can look into - Zoono a first standalone mobile money provider in Malawi had this solution work wonders for them in-terms of their agent

→ **Effective agent liquidity management is key in driving adoption usage and building trust in digital financial services.**

liquidity management across Malawi and Zambia.

Agents often cite lack of resources or working capital as key impediments to financing their liquidity requirements. These impediments are sometimes (but not always) temporary, as a result of seasonal fluctuations.

While few providers are willing to take the risk of lending to their agents, extending e-float on credit provides a significant opportunity to improve liquidity and enhance agent loyalty.

If lenders use methods like data analytics such as yabex, they would be able to predict liquidity needs and assess past performance of agents. This should allow lenders to significantly reduce the risk inherent in offering credit to agents. Safaricom, for instance, offers their premium M-PE-SA agents short-term weekend/public holiday financing to meet their liquidity requirements. This not only boosts the availability of float but also increases the number of agents working over the weekend when banks and other Super Agents are closed.

A few banks, such as Commercial Bank of Africa and Kenya Commercial Bank, are already making steps towards this. However, given the sophisticated data analytics and credit platforms required in the process, fintech companies may be best-suited to provide these lines of credit.

Effective agent liquidity management is key in driving adoption usage and building trust in digital financial services.

Both the Malawi cashless society agenda and the Malawi Financial Inclusion Agenda 2026 are far from being realized minus solving the agent liquidity management challenges - the industry must come together and find solutions to address the challenge both for their business growth and growth of the entire ecosystem.



About the author:

Lumbani Gondwe is a digital finance specialist and Country Manager for a Global Financial Technology Organization in Malawi and Zambia. He writes in personal capacity.

Deposit[s] protected by the Deposit Insurance Corporation



Malawi Revenue Authority



Centenary Bank

A member of Centenary Group

Simplify your Tax payments

Use *632# for USSD or log in to **Centenary Internet Banking** to pay your MRA taxes instantly

It's fast, easy, and you get instant confirmation.



Women in Banking

Mrs. Khumbo Mtalika,
Reserve Bank of Malawi Director for Capital
Markets and Microfinance

Firstly, and briefly tell us about yourself; who is Mrs. Khumbo Mtalika?

Khumbo was born in a family of two, with my older brother. My mother was a registered nurse and midwife and my father was an accountant. My parents divorced when I was a toddler. I grew up under with single parenting; in my earlier years with my father till I was 10 years old. Then I moved to live with my mother, until I finished my education and started working. I am married to Herbert Mtalika and together we are blessed with three children; one boy and two girls.

Give us a brief account of your education and career background?

I did my upper primary school in Mulanje at Ulongwe Model School where I got selected to Saint Michaels Girls Secondary School in Malindi, Mangochi. I was good at mathematics and physical science, so my class teacher recommended that I select Bachelor of Accountancy for University selection and that is how I found myself at the University of Malawi, Polytechnic [now Malawi University of Science and Technology]. I graduated with a Bachelor of Accountancy with Credit. I hold a MSc. in Accounting and Finance from the University of Birmingham Business School in the United Kingdom.

I got my first job at First Merchant Bank [now First Capital Bank] where I worked for almost year. Then, the Reserve Bank of Malawi advertised for a bank officer positions, and I applied got employed. This is where my career at the central bank started as a bank officer in the Bank Supervision Department, whose main role is to ensure that banks operate in a safe and sound manner. I rose through different positions in Bank Supervision Department up to managerial position. Then I was appointed as Director in the Financial Sector Regulation responsible for licensing and exit of financial institutions; developing legislation, enforcement, financial education, consumer empowerment and protection. Currently, I am the Director of Capital Markets and Microfinance Supervision Department. Throughout my career at the Reserve Bank of Malawi, I have



been a financial sector regulator.

What inspired you to take the trajectory you have undertaken in your career, and what message would you have to a budding career woman?

First of all, it is all by God's grace that I am what I am today. And throughout my education, it never occurred to me that I would one day work for the Reserve Bank of Malawi. The most important thing is to work hard in everything you do, remain focused, dedicated and be a goal-getter. Always strive to make a difference and leave a lasting impact so that your presence is appreciated and noticeable. Do more than the usual to distinguish yourself from others. Be the one that your superiors would rely on if there is an assignment and ensure to deliver it excellently. Do not get acquainted to the comfort zone, but always look for challenges and

opportunities. I consider hurdles as stepping stones for another level, which has made me to remain strong and be positive in life.

What does your job entails?

As Director for Capital Markets and Microfinance Supervision, I am responsible for the supervision of capital markets entities, microfinance institutions and financial cooperatives in order to promote sound and stable financial system. The aim is to ensure that there is financial stability and protection of investors as well as depositors. The capital markets sector includes portfolio/fund managers; collective investments schemes (CIS); investment advisors; stock exchange; stock brokers; transfer secretaries; and the central securities depository. The microfinance sector comprises financial cooperatives (ie Saccos), microfinance institutions (MFIs) and other microfinance service providers.

What are the main distinctive features of the two; capital market and microfinance?

Capital markets are financial markets where long-term debt and equity securities are bought and sold. In short, capital markets connect individuals and institutions with capital to invest, with entities seeking capital to fund projects. These are usually long dated financial instruments like Treasury Bonds, Corporate Bonds, shares or stocks issued by companies. On the other hand, microfinance institutions provide for limited financial services to low-income individuals and small, informal businesses that lack access to mainstream financial services. They provide microloans, savings and microinsurance. Further, financial cooperatives are a member-owned and controlled financial organisation that operates on cooperative principles or common bond where members are both owners and customers.

From the regulator's perspective, what is your impression of the capital markets and microfinance sub-sector positioning and in Malawi?

Capital markets are not well known to most Malawians but is one of the financial service and product that Malawians can benefit by investing and growing their savings. Therefore, public awareness programmes are being undertaken to ensure that the common Malawian also benefit from this financial market. On the other hand, the microfinance sector has been growing over the last decade

How does the central bank ensure stability and integrity in the sector?

This is done by monitoring the operations of the financial institutions from the office through verification of accuracy and preciseness of information that is submitted by financial institutions as well as visiting the financial institutions to check and verify financial records.

Except in recent past, the public's participation at the Malawi Stock Exchange (MSE) has been limited to a particular section of the society; why?

I think it is the perception that most Malawians have that participation in the buying and selling of shares is for the high-net worth individuals. It is the regulator's goal to demystify this through financial education awareness so that all Malawians benefit from the gains derived from the capital market.

In relation with the MSE and other stakeholders, what is the central bank doing to enhance the public participation on the local bourse and court more companies to list for increased competitiveness?

The central bank has partnered with the Capital Markets Association as well as other NGOs in reaching out to many Malawians in the workplace, schools and rural communities making them aware of the benefits in investing in the local bourse as well as channelling their savings by buying stocks. This is also enshrined in the National Financial Literacy and Capability Strategy (2024-2030) which aims at strengthening financial literacy and capabilities among Malawians, specifically for the vulnerable groups.

Access to finance has been singled out by entrepreneurs as one of the key challenges they face, to what extent are microfinance institution playing a complementary role in providing sustainable access to finance for local businesses and start-ups?

MFIs primarily channel funds in the form of loans to Micro, Small and Medium Enterprises (MSMEs) as well as low income earners with lighter terms and conditions., so they are not burdensome to local businesses and start-ups. Thus, MFIs aim to support economic development, empower MSMEs and low-income earners by providing access to financial services to those that are not served by mainstream banking.

What strategies or policy instruments are there to enhance access to microfinance facilities, especially in the rural areas?

Cognizant of the importance of a good financial services sector capable of extending services to low income groups, Government adopted microfinance as a way of reaching out to low income groups. The first Microfinance Policy was adopted in 2002 whose objective was to promote the development of a sustainable microfinance industry by providing credit, savings opportunities and other financial services to low-income people. Currently, there is a draft second Microfinance Policy (2023-2027) that aims at providing diverse financial services to the low-income groups



on a sustainable basis in accordance with market-based practices. The ultimate goal is to reduce poverty through economic empowerment of low-income groups by increasing their access to sustainable financial services such as savings, credit, insurance and payments. The Policy has been aligned with the Malawi 2063 and the First 10-Year Implementation Plan (MIP-1) and the Financial Sector Development Strategy (FSDS) III. It emphasises on the creation of a favourable environment for the microfinance sector.

How do you ensure that customers are protected from potential predatory lending practices?

The Registrar of Financial Institutions (Registrar) regulates and supervises financial institutions' market conduct practices under the Financial Services Act, 2010 (Amended 2025), as the umbrella law. Under this umbrella law, the registrar issues secondary legislation in the form of Directives to ensure that customers are protected. There are the Financial Services (Fair Treatment of Consumers) Directive, 2024 and the Financial Services (Complaints Handling) Directive 2024 which cover various areas and principles of financial consumer protection such as fairness, transparency and objective pricing of financial products and services; disclosure of information by financial institutions; promotion of consumer trust and confidence in financial institutions and financial products and services; publication and

advertising of financial products and services; fair treatment of financial consumers by financial institutions; and establishment of timely, transparent, objective and effective complaints handling schemes by financial institutions.

How has your department worked towards contributing to the national financial inclusion agenda?

Microfinance is considered as one of the enablers in financial access among the low-income individuals and MSMEs, especially those in the rural or marginalized area. By ensuring that MFIs operate in a safe and sound manner, consumers are confident to maintain their savings and access credit through the MFIs.

Capital markets help mobilise large-scale, long-term capital and are vital in deepening, broadening the investor base, building a sustainable and inclusive financial system, all of which are crucial to financial inclusion.

What opportunities arise in harnessing capital markets and microfinance?

Harnessing capital markets and microfinance is essential in driving economic growth, financial inclusion, and poverty alleviation. This can be achieved in various ways through the capital markets for example access to long-term funding so that businesses, including MFIs as earlier indicated, can raise capital through bonds, equity, and other financial instruments; helps in funding infrastructure and large-scale development projects that create employment and drive GDP growth; and offers investors to gain access to diversified portfolios. Conversely, MFIs help in increasing financial inclusion for those that were unbanked; provides small loans, savings, and insurance to low-income individuals and MSMEs, especially in rural areas; encourages and empowers women, farmers, and small entrepreneurs in the communities.

Any last word?

I am grateful to God for His mercy and grace that has taken me this far. I would also want to appreciate my spouse Herbert Mtalika for the endless support, encouragement when faced with work challenges, and sacrifices he makes when I am encountered with busy work schedules. For each of my sweet children – Deron, Bettina and Breonna—I am thanking God for the great moments we share. My family is the greatest treasure and the joy in my life.

WOMEN BANKERS CONFERENCE

IN PICTURES



01



02



03



04



05



06

On March 20 and 21 2025, the Bankers Association of Malawi (BAM) hosted the 2025 Women Bankers Conference at the Reserve Bank of Malawi Club House in Lilongwe. The indaba was held under the theme 'Catalyzing Change: Fast-Tracking Women's Leadership and Economic Empowerment in Malawi.' The Malawi Banker Magazine captured the moments:

1. FOR REMINISCING—Participants pose for a group photograph after the opening session
2. FOR CONSISTENCY—Ms. Chikondi Ngombe makes her presentation
3. COMMITTED—BAM Chief Executive Officer Mrs Lyness Nkugula addresses the gathering
4. READY TO IMPART—Guest of Honour Ms. Fenella Frost delivers her opening Speech
5. FOCUS—Justice Fiona Mmwale responds to questions from the audience after her presentation
6. REFLECTION MOMENT—Delegates brainstorm during one of the breakout sessions

LEARNING FROM COVID:

WHY FIRMS MUST ADOPT HYBRID WORK MODELS



BY FUNSANI SCANDER
CONTRIBUTOR



The Covid pandemic was a global wake-up call, exposing vulnerabilities in how businesses operate.

While some organisations swiftly adapted to remote work, many in Malawi and across Africa struggled due to a lack of preparedness.

A 2021 report by the Malawi Confederation of Chambers of Commerce and Industry (MCCCI) revealed that over 30 percent of small businesses in Malawi faced closure due to pandemic restrictions, with many unable to transition to digital operations (Nyasa Times, 2021).

Now, as the world moves forward, it is crucial for companies and institutions to learn from this experience by integrating hybrid work models and conducting regular work-from-home simulations, just as they do with fire drills.

Before Covid, many Malawian employers dismissed remote work as impractical. However, when lockdowns hit, businesses that quickly adopted digital tools survived.

A case study of Malawi's financial sector by the Reserve Bank of Malawi (2022) showed that banks with existing digital infrastructure maintained

85 percent operational capacity during lockdowns, compared to just 45 percent for those relying on physical operations (The Nation, 2022).

Yet, Malawi's biggest challenge remains its underdeveloped ICT infrastructure. The Malawi Communications Regulatory Authority (MACRA) 2023 report shows that only 28 percent of Malawians have reliable internet access, with data costs among the highest in the region (Macra, 2023).

This digital divide forced many businesses, like those in Blantyre's Limbe market, to completely shut down during restrictions (The Daily Times, 2021).

The pandemic exposed how vulnerable Malawi's business sector is to disruptions. The Malawi SME Association reported in 2022 that



over 50,000 jobs were sadly lost in the first year of Covid, with many companies failing due to inflexible operating models (The Daily Times, 2022).

Now the big question is how should organisations prepare? Well, here are the possible solutions for organisations to consider:

1. Identify remote-compatible roles

As demonstrated by Malawi's telecom industry players during the pandemic, many office-based roles can effectively work remotely.

2. Invest in digital infrastructure

Companies like FDH Bank successfully maintained operations by pre-investing in cloud systems (Business Malawi, 2021).

Conduct regular remote work drills

Just as offices simulate fire evacuations, they should test remote work setups quarterly or at specified periods.

3. Train employees and managers

Organisations should start training their employees now rather than when disaster strikes. The African Institute of Corporate Citizenship (AICC) found that only 12 percent of Malawian businesses provided digital skills training during the pandemic (AICC, 2022).

4. Review flexibility policies

It's high time, organisations should consider reviewing policies, allowing for a more modern and digitally adaptable setup for service delivery. A rigid 8-to-5 office culture proved

disastrous during lockdowns, as shown by the collapse of many Lilongwe-based travel agencies (The Nation, 2021).

As a country we need to prioritize affordable internet and digital inclusion by learning from neighboring countries such as Rwanda whose investment in digital infrastructure allowed 60 percent of businesses to continue operations remotely (The East African, 2021).

Kenya's mobile money and stable connectivity ecosystem reportedly kept the commerce flowing during lockdowns.

Malawi needs an urgent ICT infrastructure investment as highlighted in the 2023 National ICT Policy which acknowledges this but implementation lags (Macra, 2023)

There is need to develop strategies to reduce the cost of data which according to Macra's State of Internet Access in Malawi 2023 report pegs 1GB of data at K2,500 and this is prohibitive to internet accessibility.

Power stability is equally the base of all such possibilities, daily blackouts critically undermine digital work.

The Covid pandemic provided painful but valuable lessons. As economist Betchani Tchereni noted in The Daily Times (2022), "Malawian businesses that fail to digitalize will not survive future shocks."

Hybrid work models, supported by proper ICT infrastructure, are no longer optional - they're essential for business continuity. By learning from these local experiences and investing in the right infrastructure, Malawi can build businesses that withstand future crises while creating more flexible, productive work environments. The time to act is now.

About the Author:

Funsani John Scander is a seasoned Digital Media Specialist with over 14 years of professional experience. He is currently serving at the Malawi Revenue Authority where he specialises in digital marketing strategy, creative content development, and impactful branding design, leveraging his expertise to enhance organisational visibility and engagement across digital platforms while driving brand identity and growth through innovative digital solutions.

KNOW YOUR CUSTOMER

BEYOND IDENTITY VERIFICATION



BY LANCY ASEDI,
—CONTRIBUTOR

The author is certified anti-money laundering specialist. For feedback contact him on 0881094246 or email at lancyasedi@gmail.com

In today's crime-ridden world, it is difficult to know who to engage and trust. Digitalisation and globalisation have caused a massive explosion with regard to knowing who to safely do business with. Along with this, financial crime is accelerating becoming a significant problem.

Broadly, financial crime is any activity that allows a perpetrator to gain financial assets; including money, securities, real estate or any other property.

It involves either directly stealing from an individual or institution, or illegally changing or obscuring ownership of an asset with the aim of achieving a personal or ideological or political gain.

Such crimes take multiple forms and may include fraud; Money Laundering (); Terrorist Financing (TF); corruption; tax evasion; insider trading; forgery; counterfeiting; embezzlement; and identity theft. Most of the crimes are committed via reporting institutions (RIs), be it financial institutions (FIs) and/

or designated non-financial businesses and professionals (DNBPs).

To address the challenge, Know Your Customer (KYC) has become a major component of the safety and security of day-to-day financial and non-financial transactions. The need for KYC began in the 1980s and 1990s; due to growing concerns of abuse of financial systems for criminal purposes. In response, governments and FIs began to develop measures to prevent ML, and this included the introduction of comprehensive KYC procedures and processes. Through the Financial Action Task Force (FATF), a group of seven countries established to combat ML, countries' compliance with FATF standards is closely monitored across the globe. Due to the international collaboration, more than 200 countries have now committed to implementing the measures, which are streamlined to suit respective jurisdictional dynamics, through FATF-Style Regional Bodies (FSRBs) and memberships.

Depending on the extent of

non-compliance, FATF places countries on grey or black lists. Such listing entails designation as a high-risk country and further dents correspondent banking relations and the latency for foreign direct investment.

Knowing when to trust a customer and when to raise suspicions is vital for the protection against financial crimes for all supervised or regulated institutions, their customers, and economies in general.

On face-value, KYC is widely perceived as the process that begins with collecting basic customer information and obtaining copies of their identity and supporting documents. For a natural person, the requirements may include collecting their full name, date of birth, marital status, gender, residential address, occupation and retention of identification document(s) copies, and proof of income, such as a current pay slip. On the other hand, requirements for Legal entity customers could include information on full registered

names; legal identity; for example, whether a private limited company or a trust; operating address; source of capital; particulars of beneficial owners, ultimate beneficial owners; details of senior persons in control, or purporting to act on behalf, of the entity; and retention of registration certificates copies as well as audited financial statements.

Beyond the stipulated requirement, FIs are required to collaborate with relevant identity-issuing parties, such as the National Registration Bureau and the Registrar of Companies, so as to authenticate and verify customer's identity details.

Many entities establish generic KYC approaches that only stop at some form of customer identity verification. Usually, they form a primary component of their respective Client Identification Program (CIP). However, this does not complete the KYC process and the extensive amount of information and documentation do not equate to effective crime prevention and investigation.

Taken alone, they miserably fall short of detecting false or misleading information at the onboarding stage as well suspicious or unusual customer transactions throughout the course of a relationship with a customer. KYC goes beyond CIP and further constitutes Customer Due Diligence (CDD), Enhanced Customer Due Diligence (EDD) and Ongoing Monitoring (OM) of customers and their transactions.

CDD requirements go beyond assessing whether a customer is 'genuine'. The process aims to construct a customer's risk profile; which comprises a determination of a customer's risk level; the extent to which a customer can be 'trusted'; and the required frequency and scope of continuous monitoring of the customer.

At the pinnacle of CDD is the need to verify what is now commonly known as a customer's contactability. This entails that RIs undertake measures to ascertain that a customer can be easily contacted by utilising the phone numbers, email addresses or postal/delivery addresses identified at onboarding stage or updated in the course of the relationship. Where these change, the primary

obligation rests with the customer to update their submitted data, although FIs may periodically request the same as part of ongoing due diligence (ODD) processes.

By achieving contactability, a FI can protect itself against fraudsters who seek to gain access to their customer's accounts and modify original contact details. Once such perpetrators succeed in even a small task, they have the potential to carry out a multitude of unauthorized transactions, hence rendering a RI vulnerable to legal, regulatory, reputational fraud risks and ML risks.

Continuous monitoring of customers and their transactions is arguably the most important step in combating financial crime. The process aligns the developed risk profile of a customer with not only the nature of transactions registered by the customer, but also other external information on the potential risk exposures that customer may present.

Ongoing monitoring is a sophisticated KYC stage that requires investments in data analytics, machine learning and use of alternative data sources to detect divergent transactional trends and unusual or abnormal customer activities. The extent of monitoring is required to extend to analysis of public and related information on adverse news directly or indirectly linked to the customer and, in order to determine continuance of business relationship, comprehensively discounting any positive matches in this regard. Without OM, it is very difficult to detect suspicious transactions and report to appropriate investigative authorities.

Expounded further, FIs may even be required to reverify a customer each time they want to access a financial service, like money transfers, and subject them to, for example, real-time checks against the latest lists of sanctioned or blacklisted persons. In addition, existing AML/CFT/CFP regulation may as well compel FIs to screen their customers against lists of designated inherently high-risk customers, such as Politically Exposed Persons (PEPs).

To ensure effectiveness, it is paramount that a FI conducts OM on a risk-based approach; with customers

deemed to be posing higher risks being subjected to EDD, and stricter close monitoring.

Malawi has relatively adequate and comprehensive legislation that details requirements to ensure adequate KYC compliance for all types of customers under the CIP, CDD and OM KYC stages. From a FI's perspective, challenges are experienced at the various implementation stages, key being the 'high of costs of KYC'. Huge debates may also ensue on the practicability of some of the regulatory provisions.

We shall discuss the same in subsequent editions of this publication. Suffice to say that, in the face of existing legislation, RIs must just ensure compliance. The law does not give much choice really.

We may, nonetheless, attempt to address a major conundrum with regard to KYC compliance from a customer's view point. For both individual and entity customers, over a considerable time span, perhaps since KYC was conceived, almost everyone complains on why financial institutions require KYC – the time it takes to complete the product-onboarding forms; the nature of legally acceptable supporting documentation; and extent of granularity of personal and non-personal information required to be submitted – the list of lamentations is endless.

I wish to contest one cardinal element. In a customer-RI relationship, if the customer, prior and throughout the business relationship, has qualms on being known by, for example, a bank, then who else should the bank know? At least on the bank's side, it commits to a long-term, life-long, blossoming marriage with you, wherein it shall risk huge amounts of shareholder and other depositor's funds to provide financial and advisory services that satisfy, and sometimes even exceed, your needs.

So, customers should put themselves in the bank's shoes – would they want to embark on this journey blindfolded and in the dark, without adequately knowing who they are dealing with at each stage of the way?

IS MALAWI READY FOR DIGITAL FINANCIAL SERVICES?



BY VITUMBIKO OSWELL
MFUNE –CONTRIBUTOR

Digital Financial Services (DFS), a financial concept where financial services are provided through digital platforms, such as mobile phones, the internet, and electronic wallets has allowed individuals and businesses to access and use financial products and services without needing to visit a physical bank.

In the context of Malawi, there are reports indicating that DFS has grown rapidly lately, especially with the increase in mobile phone penetration and the need for more accessible financial solutions.

But does what these reports are saying cement the fact that Malawi is ready for digital financial services?

Well, my honest response to this may not go well with interested stakeholders. At the moment DFS is just one of those far-fetched dreams.

At the onset it needs to be mentioned that Malawi, like many other developing countries, has a lot to work on for her to adopt digital financial services. How much has the country invested in infrastructure? The current infrastructure is not well-developed enough to support widespread access to digital financial services.

It is common knowledge that many rural areas lack reliable electricity and internet connectivity, making it difficult for people to access digital banking services. Without the necessary infrastructure in place, it is challenging for digital financial services to reach a large portion of the population.

Although the Reserve Bank of Malawi is involved with awareness Digital Financial Services (DFS) Campaigns that aim at encouraging people to adopt Airtel Money, Mpamba, and banks for business transactions, there is still a big lack of financial literacy among the Malawian population. Many people in Malawi are not familiar



with how digital financial services work, which makes them hesitant to adopt these services. Those people living in Mbalachanda in Mzimba, as well as those living in Namasoko and Kaledzela in Phalombe still lack the necessary financial literacy to navigate these services effectively. Without a basic understanding of how to use digital financial services, people are unlikely to trust or utilise them.

Additionally, there are concerns about security and privacy when it comes to digital financial services in Malawi. Some individuals are hesitant to adopt mobile banking due to concerns about security and a lack of understanding of how these platforms work. With high levels of cybercrime and fraud in the country, many people are wary of using digital banking platforms. Without trust in the security of these services, it is difficult for them to gain widespread adoption.

Furthermore, as a country, how are we fairing with regards to the regulatory environment? Looking at the reports, articles and other documents, one can easily conclude that the regulatory environment in Malawi is not conducive to the growth of digital financial services. The lack of clear regulations and oversight in the sector creates uncertainty for potential providers and consumers, making it difficult for the industry to develop and expand.

Going around town just to check on how people are paying for the goods and services, it is apparent that most of the payments are cash based. There is too much dependence on the use of hard cash.

Despite the progress made on encouraging people to be using digital financial service when making transactions, cash is still widely used, and the majority of Malawians are still stuck with the traditional cash payment system.

Another area of interest is Malawi's economic transformation. Malawi's economic transformation has not kept pace with rapid population growth and has faced significant challenges, especially in light of recurring external and internal shocks which continue to be major obstacles to economic growth and poverty reduction.

The country has struggled to maintain a sustainable path of economic development that can keep up with the growing population and provide equitable prosperity. This takes us to the issue of financial inclusion where despite various efforts to increase financial inclusion by various stakeholders, there are still areas for improvement in access to basic financial services by the rapid growing population.

While a lot has been said, it must also be mentioned that Digital Financial Services have a promising future in Malawi, offering the potential to drive financial inclusion, enhance economic participation, and improve the overall efficiency of the financial system.

However, the country needs to pick an interest in addressing the challenges related to infrastructure, digital literacy, security, and regulation to maximize the benefits of DFS. Indeed, with continued innovation, policy support, and awareness campaigns, DFS can be a key driver of economic growth in Malawi.

WHAT IS IN THE ECF PROGRAMME LAPSE?



NEEDED—Forex



In May 14, the International Monetary Fund (IMF)'s Extended Credit Facility (ECF) programme with Malawi came to an automatic termination.

This did not come as a surprise:

For about 18 months, there was no completion of programme review, a situation which warrants its automatic lapse in accordance with the IMF financing policies for low-income countries.

The IMF posted on its website that the programme implementation faced numerous challenges and, importantly, was not able to achieve macroeconomic stability.

"Notably, fiscal discipline has proven difficult to maintain in the current economic environment due to elevated spending pressures and insufficient revenue mobilisation efforts.

"Rebuilding international reserve buffers has been challenging with the current foreign

The fund had proposed several measures to the government to sustain an ECF arrangement.

exchange system. The external debt restructuring process—needed to restore debt sustainability—has not yet been concluded," reads an IMF statement.

Malawi's ECF programme was approved on November 14, 2023, with the goal of supporting the country's efforts to restore macroeconomic stability and achieve a sustainable, poverty reducing growth.

An ECF arrangement brings about financial assistance to countries, like Malawi, with a volatile balance of payments (BoP) position—a record of all transactions by a country and the rest of the world. It helps mitigate foreign exchange scarcity on the market.

The arrangement is also touted for its "signaling effect" of triggering direct budget support and restoring donor-confidence.

The fund had proposed several measures to the government to sustain an ECF arrangement.



Fiscal discipline, supported by a robust Public Financial Management system and timely production of comprehensive fiscal reports, remains critical. But the local economy has largely been volatile, faced with myriad challenges, albeit 'necessary' interventions by the authorities according to the fund.

Key was a quest for prudence in public finance management and ensuring stability in macroeconomic fundamentals including inflation, exchange rate, and improved BoP position to facilitate speedy economic recovery and sustainable growth.

Then, the IMF put it to the government to work towards narrowing the fiscal deficit.

Also, the fund expected Malawi to work towards narrowing the public debt levels.

The Treasury, at the time, vouched to have the budget deficit to GDP ratio reduced by one percent each financial year.

The government also developed a debt restructuring plan in an attempt to narrow the public debt, a strategy which serves as a cornerstone for restoring debt sustainability.

The debt strategy is designed to achieve debt sustainability and to close the financing gaps.

It sought to bring external public debt back to a moderate risk of debt distress in the medium-term through a combination of policy adjustment and the necessary debt treatment.

In Malawi's Memorandum of Economic and Financial Policies the Ministry of Finance and the Reserve Bank of Malawi Governor affirmed commitment to the cause.

They said Malawi would endeavor to improve efficiency of public spending and to reduce

non-critical spending.

"We will continue stepping up our efforts to address governance weaknesses and reduce vulnerabilities to corruption, including through enhancing transparency, accountability, and digitisation of public financial management, enhancing autonomy and governance of the RBM, and strengthening of its foreign exchange reserves position and management," read the memorandum.

According to the IMF, successful debt restructuring was vital to deliver macroeconomic stability.

A concerted effort among the authorities, their creditors, and their international development partners will be crucial to ensure successful implementation of the external debt restructuring strategy.

Fiscal discipline, supported by a robust Public Financial Management system and timely production of comprehensive fiscal reports, remains critical.

But the local economy has largely been volatile, faced with myriad challenges, albeit 'necessary' interventions by the authorities according to the fund.

Malawi has been affected by a series of shocks—both natural and exogenous—including an outbreak of cholera and Cyclone Freddy lately.

These, and other catastrophes, caused significant loss of life and damage to infrastructure, thereby weakening growth prospects.

However, accelerated implementation of reforms to restore macroeconomic stability and support economic recovery remains key.

IMF advice to Malawi has focused on a set of policies aimed at restoring macroeconomic stability in Malawi.

"These include, inter alia, policies to: strengthen fiscal discipline and sustainability through revenue mobilisation and improved public financial management, a key ingredient to achieving debt sustainability and supporting appropriate monetary policy to contain money growth and curb inflation; rebuild international reserves and facilitate an exchange rate regime that supports external stability; restructure external commercial debt to support debt sustainability; and structural reforms to improve governance and unleash productivity to support higher growth and diversify exports," IMF says

In addition to restoring macroeconomic stability, the IMF's policy advice supports the authorities' efforts to build a foundation for inclusive and sustainable growth and address weaknesses in governance and institutions.

It says as part of the IMF's surveillance mandate, the IMF offers policy advice to support macroeconomic stability and propose reforms to support sustainable and inclusive growth. While the ECF arrangement has expired, the IMF is currently holding Article IV consultations with the Malawian authorities.

In addition to restoring macroeconomic stability, the IMF's policy advice supports the authorities' efforts to build a foundation for inclusive and sustainable growth and address weaknesses in governance and institutions.

DIGITAL BANKING;

RIGHT STEP TOWARDS FINANCIAL INCLUSION

For Christopher Chavula, a banking hall is a luxury. Settled in the outskirts of Mzimba District, in Traditional Authority Mabulabo in Zabazaba Village, the furthest trading centre Chavula has ever been to is at Nkhamenya—but it does not have a banking hall.

To access services requiring a banking hall, he has to make further steps to Jenda Trading Centre, an approximately 100-kilometer journey, and up and down mountains road which knows no tarmac.

Assuming Jenda has not gotten the help that he desperately needs, Chavula is left with two choices; proceed to Mzimba or Kasungu Boma, or return home and forget about it.

Chavula is just a drop in an ocean of people with no access to banking services due to the lengthy distance to a brick and mortar facility. But not until when they are introduced to digital banking.

Last year, Chavula registered his phone number for a digital banking facility with one of the country's commercial banks.

"These days, I just use the USSD service which my bank has to check balance, send and transfer money to a mobile wallet where I withdraw right here at our doorstep without going as far as Jenda just," Chavula said.

According to the Reserve Bank of Malawi 2023 Second Quarter National Payment Systems Report, during the quarter, the usage of Digital Financial Services (DFS) in terms of volume and value surged by 10.6 percent and 21.0 percent to 321.8 million transactions and K4.9 trillion, respectively.

The report indicates that major contributors to this trend were internet banking and mobile money services which registered 14.2 percent and 11.6 percent with respect to volume of transactions and 25.5 percent and



CONVENIENT—Digital banking—File photo

19.6 percent with respect to value of transactions.

Mobile money is still the most popular payment method, accounting for 92.8 percent of all transactions processed in the reviewed quarter and it is also noteworthy that mobile money contributed 6.2 percent of the total value of transactions processed, coming in second only to large interbank transactions which make up 79.9 percent of the total transactions.

Significant strides have also been observed compared to the same period in 2022 as both the volume and value of transactions have increased by 32.2 percent and 52.0 percent, respectively.

This trend shows that there is generally growing acceptance of DFS as the country's most popular payment method over cash and other paper-based payment instruments.

As of June this year, the total number of subscribers for internet banking services stood at 237,367, the number of mobile banking subscribers increased by 52.1 percent to 1.5 million, while the total number of Point of Sale (PoS) terminals deployed across the country by commercial banks registered a marginal increase of 0.8 percent to 4,958.

Financial Market Dealers Association of Malawi President Leslie Fatch is of

the view that digital banking is the perfect and quickest path towards financial inclusion where people can be able to have reliable and safer means of saving money.

Fatch believes, however, that for this to be achieved it needs concerted efforts to achieve this because banks have to carry the cost of such technology which should be made at an affordable price by those responsible.

"Banking is going digital and apart from many other benefits that it brings, it is a catalyst for financial inclusion which needs to be embraced if we are to develop as a nation and achieve our development goals," he said.

Economist and banker Edward Chilima said aside from benefiting the consumers as the right vehicle for financial inclusion, digital banking has numerous benefits to banks themselves that help in cutting costs and growth.

"There is, however, a need for more awareness and to fill gaps so that people should have trust in digital banking and change their mindsets. The negative attitude that people have about it because the future of banking whether in Malawi abroad is digital," Chilima said.

Malawi has eight commercial banks, of which four are listed on Malawi Stock Exchange.

WE CARE
A LITTLE MORE

ARE YOU A
BUSINESS LOOKING
TO ACCEPT
PAYMENTS
ONLINE?

Whether you're running a full website or just sending quick invoices, NBS Bank gives you two easy ways to get paid:

► **Payment Gateway:** Perfect for websites with checkout.

► **Pay by Link:** Great for sending payment links via SMS, email or WhatsApp.

Its Secure and its Eazy, just **PayByLink**

Count on us because we care a little more.

Deposit protected by Deposit Insurance Corporation

US-CHINA TRADE WAR:

CRISIS OR OPPORTUNITY FOR AFRICA?



BY DONASIUS PATHERA, PHD
CONTRIBUTOR



IDEAL FOR GROWTH—Trade

The ongoing trade conflict between the United States (US) and China—the world's two largest economies—as well as others, has created disturbances in global markets. While attention has mainly been on the impacts on American and Chinese industries, Africa is also affected, facing both dangers and chances.

The trade conflict started in 2018 when the US, under the Trump administration, put tariffs on Chinese products, pointing to issues of intellectual property theft and unfair trading. In response, China imposed tariffs on American goods, including agricultural products.

This back-and-forth trend has disrupted global supply chains, changed commodity prices, and slowed global economic growth.

For Africa, which relies heavily on raw material exports, especially to China, these disruptions have serious effects.

The African Development Bank (AfDB) warns that economies in Africa that

depend on resources could see a drop in GDP by up to 2.5 percent due to lower export demand.

Countries that depend on oil sales, like Nigeria and Angola, are especially at risk from the falling demand in China. China is the largest trading partner for Africa, so any economic slowdown in China directly impacts the continent. The trade conflict has caused a fall in commodity prices, currency shifts, and weaker stock market results in African economies.

The International Monetary Fund

(IMF) has also lowered its growth predictions for Africa because of these trade issues.

But, in the tough times, some African economies have found some chances. As China looks for other suppliers to take the place of American farm products, African shipments of meat, fruits, and nuts to China have gone up a lot.

Countries in the Southern African Customs Union (SACU) and the Economic Community of West African States (Ecowas) have seen big boosts in their farm exports to China. Even with these quick wins, African nations need a plan for the long run to deal with the tricky parts of the trade conflict. The African Continental Free Trade Area (AfCFTA), which wants to improve trade within Africa and cut back on outside market reliance, is a key move.

African leaders also need to support policies that increase value addition, not just send out raw goods.

Additionally, China's Belt and Road Initiative (BRI) offers another way for African economies to get infrastructure funding and strengthen economic connections with China.

Still, African countries must make sure these partnerships are set up to prevent debt issues and enhance local advantages. The trade war between the US and China shows how Africa is weak to outside economic issues. It signals that the continent must speed up industrial growth, boost regional trade, and broaden its economic activities. With proper policies, Africa could change this global issue into a chance, using trade shifts to become a main player in the changing world economy.

The US-China trade conflict, an ongoing economic struggle between the two largest economies, has important effects worldwide. While a lot of focus has gone to the direct results for the US and China, the consequences for Sub-Saharan Africa have been significant.

As an emerging economic region with strong trading relationships with both countries, Africa has faced varied results due to changing trade rules, changing commodity values, and investment changes.

One of the quick effects of the US-China trade conflict has been the change in global trade patterns.

As tariffs rose between these two big economies, African countries saw chances to take the place of reduced trade.

For example, China, facing higher tariffs on agricultural imports from the US, started sourcing important goods like soybeans, seafood, and other agricultural items from Africa.

This change offered African economies fresh export chances, especially for farming nations wanting to grow their markets. Likewise, African nations that usually depended on Chinese manufactured goods for their production faced challenges.

The rise in Chinese goods' prices due to tariffs forced some African companies to look for different suppliers or take on higher costs, hurting profits and production efficiency.

Furthermore, the fall in the value of the Chinese yuan, a result of the trade conflict, caused changes in exchange rates that affected African economies reliant on imports from China.

China has been a big investor in Africa, especially in building things like roads and railways through plans like the Belt and Road Initiative (BRI). But the trade war made China think again about where to put its money, causing a slowdown in some big projects in Africa.

This drop in Chinese foreign direct investment (FDI) hurt jobs and economic growth, especially in countries that rely on China for funding infrastructure. On the other hand, the trade war gave the United States a chance to boost its economic role in Africa. Through programs like Prosper Africa, the US tried to reduce China's impact by increasing American investments in African markets.

Still, trade between the US and Africa is not as strong as China's economic presence in the region.

The trade war affected global prices for goods, which are important to many African countries. Since African countries export raw materials like oil, minerals, and food products, price changes from US-China trade issues directly impacted them.

For example, lower demand from China due to its economic problems caused prices to fall, hurting resource-rich countries like Nigeria, Angola, and South Africa.

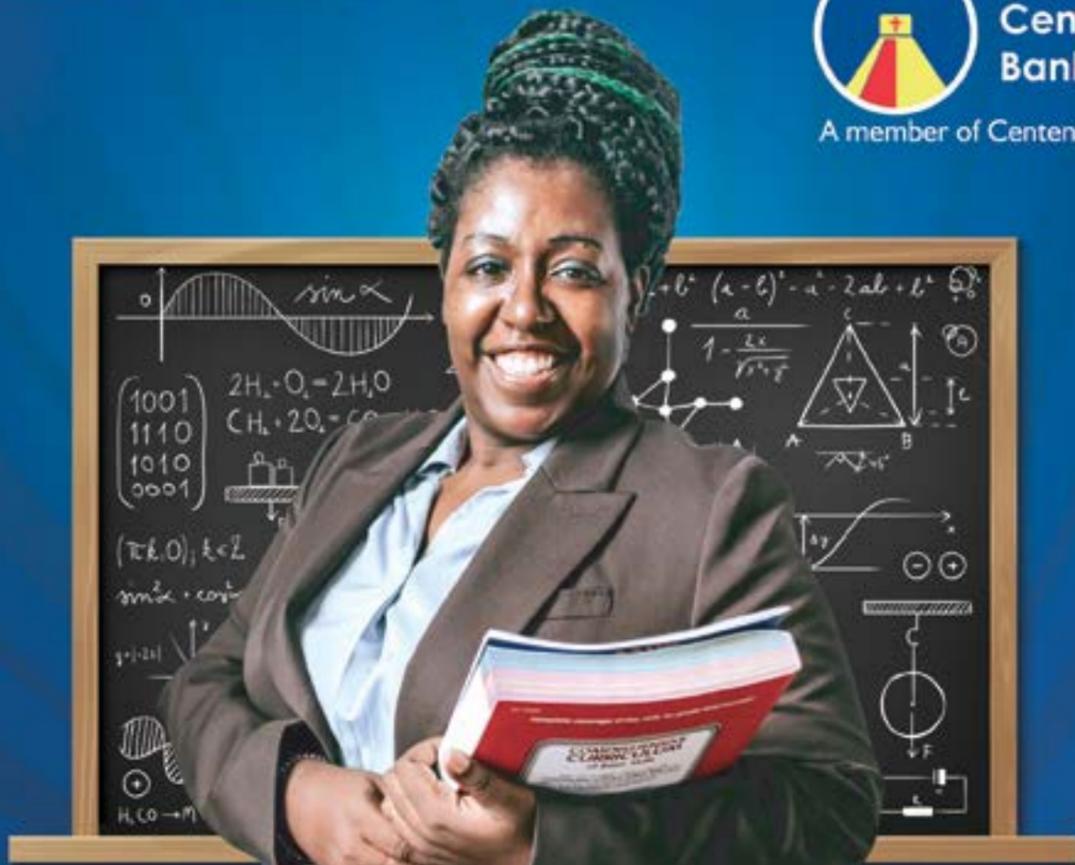
On the other hand, the decreased trade between the US and China pushed African exporters to find new buyers for their goods. This change showed the importance for African economies to lessen dependence on a few key trading partners and adopt wider economic diversification plans.

Due to the trade conflict, African leaders need to rethink their trade plans to deal with the changing global situation properly. Boosting trade within Africa through efforts like the African Continental Free Trade Area (AfCFTA) can help lessen outside pressures and improve economic strength. By promoting regional cooperation, African countries can lower their reliance on outside economic influences and create a more independent economic system. In addition, governments should prioritise adding value to their exports instead of just exporting raw materials.

Promoting industrial growth and investing in local production can enable African economies to take advantage of the shifting global trade landscape.

The US-China trade war has highlighted both risks and chances for Africa's economy. While certain sectors have gained from changing trade trends, others have encountered major issues like reduced investments and changing commodity prices.

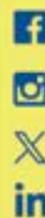
Moving ahead, African nations need to implement active trade and investment strategies to make the most of global economic changes for lasting growth. Strengthening regional trade deals, diversifying economic activities, and promoting industrial growth will be vital for Africa to adapt to the changing global economic scene successfully.



Ganyu Azifewa

That's why we offer **Civil Servants Payroll Loans** to turn your hard work into rewards.

 **Apply at any branch near you**



THE COMPLEX SIMPLICITY OF SUCCESS



BY LORRAINE CHIKHULA

What is success? This is one thing that has different meanings to different people. For some it is having a lot of wealth. For others, it is being famous or climbing up the corporate ladder or being attractive and beautiful. For some it means having a family and for others, as long as they are happy, they are successful.

One of the lines by the wealthy and famous Rick Ross musical artist is "How many people you bless is how you measure success".

For some success is about how they interact with the people closest to them and how much value they add to other people's lives. On the other hand, we have those whose success is self-indulgent; it revolves around their individuality and self-complex.

It is an indisputable fact that everyone

craves success, and it is sometimes human nature to be competitive and desire to be better than the next person. The digital era has even made this fact amplified because the rise of social networks has given people the opportunity to paint the picture of their lives (be it real or fake) that they want the world to see. Most of the time people would like to give the impression of their lives that is exaggerated with the aim of making others or "competitors" envious or simply to feed their egos.

What I have noticed is that we are all different people and we will always be different people with varying desires and core needs, varying opportunities and abilities and also with varying intuitions. It is therefore counter-productive to measure your success against other people's success. This is the same as living your life under somebody else's shadow.

For instance, there can be two best friends that have shared their lives for years. On the surface people might have the perception that they have the same goals and desires in life while in essence one craves for a family and a simple job and the other one craves to climb up the corporate ladder even if it means sacrificing having a family. If their desires come to pass, people might have different opinions, they might compare them and label one of them more successful than the other depending on their perception and yet the individuals in question are content and successful on the paths they have chosen.

In the same way, one shouldn't waste time rating themselves against workmates, friends and

relatives because their path is not your path. Unless one is sure beyond reasonable doubt that what they want out of life and their idea of success is exactly the same as the other person they maybe they can allow this person to be an inspiration. I say inspiration, not a competitor, not a god, just an inspiration.

But even as one identifies an inspiration, it is important to realise that there is more to success than just having the desires and goals to attain. It takes time and effort; it can be affected by some physical or mental disposition and it can be influenced by outside factors that you have no control over. For instance, you might fancy being a professional basketball player but if your height makes people think you could be Danny DeVito's twin then your goal might be of disadvantage to you and have a bitter ending since the game is usually dominated by tall people.

As much as it is important to have goals, it is equally important to look at yourself from a larger unbiased point of view and identify your talents, abilities, and disposition, opportunities that surround you and exploit them to achieve your maximum potential. Success is about reaching your climax and taking full advantage of the opportunities and abilities at your disposal. It doesn't matter what everyone else is doing, it doesn't matter what your friends and workmates consider success, what matters is what will work for you and what will make you happy.

At the end of the day, you should be able to look in the mirror and recognise yourself and a self-made person, who chose a path you want to follow and are winning on that path. You should be able to say I do the best I can and achieve what I need to make my life valuable. Success may seem complex, but the choice is very personal and simple.

Talking Health

ANTIMICROBIAL RESISTANCE; CAUSE FOR CONCERN



WITH DR. FRANCIS DONDA,
GENERAL PRACTITIONER



The discovery of microbes (disease causing organisms) as being responsible for infectious diseases was a major milestone for modern medicine. Understanding that specific organisms cause specific infectious diseases paved a way for development of prevention measures and treatment options.

Prevention utilises the knowledge we have on the organism's life cycle and how it spreads. Breaking the life cycle at one or more points helps to prevent the organism from developing into a form that can invade the human body.

On the other hand, treatment aims at inhibiting the organism's potential to multiply, directly causing harm to the organism or making it easy for the body's immune system to neutralise the invading organism.

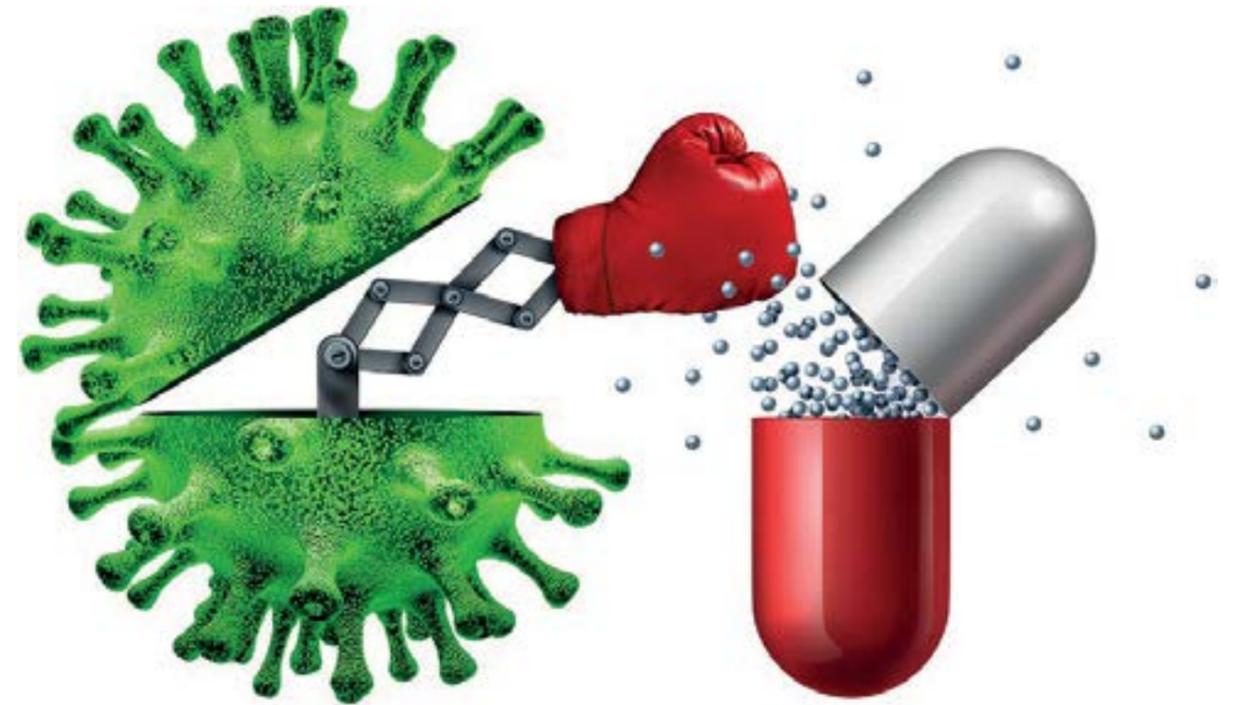
The development of antimicrobials heralded a golden era in medicine. It drastically improved life expectancy and reduced the morbidity associated with severe infections. Soldiers were no longer at the mercy of infected wounds or the poor at the mercy of Tuberculosis formerly called the Consumption.

The outcome from these treatments was outstanding. An infectious disease

that a decade prior was synonymous with a death sentence was now treatable and quality of life greatly improved.

Just like with any species facing unfavorable living conditions, microbes also try to find a way to survive harsh environments. Microbes find ways to survive antimicrobials like changing the cell wall proteins that antimicrobials target, developing a pumping mechanism that pumps the antimicrobial out of the cell or breaking down the antimicrobial molecule rendering it ineffective.

Naturally, some microbes will survive the antimicrobial and these will multiply and pass on their genes. This will lead to



a generation of microbes that are resistant to the antimicrobial.

The above processes can be enhanced by human behavior. We live in a time when access to antimicrobials is easy and mostly affordable. Although antimicrobials are beneficial, their misuse can be detrimental to the individual and society.

We have and are still contributing to the development of antimicrobial resistant microbes because of unwarranted use, inappropriate choice and insufficient course intake of antimicrobials.

Whenever you feel unwell, it is important to seek medical help for proper diagnosing and treatment recommendation.

Not every fever or cough requires an antibiotic or antimalarial. Often-times coughs and flu are viral infections and resolve on their own with aid of the body's immune system with no need for an antibiotic or antimalarial.

Feeling "malaria-like" does not always mean that someone has Malaria. Despite these medications being prescription only, they still can be bought off-the-counter without a prescription in "some" pharmacies. As much as

Pharmacists and Pharmacy personnel are supposed to demand a prescription for such medication, they are also running a business and will need returns by the end of the day.

As such, not every Pharmacist or Pharmacy personnel will send you back to get a prescription before accessing the medication and that is the sad reality. I personally have come across patients and clients who will pressure you to prescribe for them antibiotics or antimalarials against your clinical judgement. This puts people at risk of suffering from an antimicrobial resistant bug should they get sick.

Similarly for those that have a confirmed or suspected bacterial or Malaria infection, it is important to get an appropriate antibiotic or antimalarial. Whenever culture and sensitivity facilities are available, it is recommended to get one to guide the attending physician in prescribing the appropriate antibiotic.

Culture and sensitivity ensures the tailored use of appropriate antibiotics. It is necessary to take your antimicrobials as instructed and for the stated duration to ensure the microbes are cleared. Exposure to non-lethal doses

of antimicrobials allows the weakened microbes to bounce back and develop mechanisms of survival. This in turn, enables the generation of so-called "super bugs". These are microbes that are resistant to multiple antimicrobials.

The rising antimicrobial resistance trend puts stress on the health system with more people becoming severely sick, requiring extensive Intensive care unit and hospital stay, increasing morbidity and death. It is estimated that superbugs will be responsible for the death of nearly 40 million people cumulatively from 2025 to 2050, if the current antimicrobial resistance trend continues.

Developing new, efficient and effective antimicrobials is not cheap and this underscores the urgent need to protect the currently available antimicrobials. This can only be achieved through collective efforts of institutions and individuals striving together to avoid unwarranted, inappropriate and insufficient use of antimicrobials.

Let us hold hands and be that wise generation to leave an antimicrobial inheritance that will transcend the generation of our children's children.

THERE IS NO PERMANENCY IN TECHNOLOGY



BY CHRIS CHIRWA
CONTRIBUTOR



The innovations which are considered as cutting-edge today will (most definitely) become obsolete and replaced by newer technologies quicker than we can imagine! This is due to the rapid and constant evolution of technological advancements, too many to keep up with. This calls for leaders who can transform their organizations perpetually using the three-box approach: managing the present, selectively forgetting the past and creating the future.

It is not the strongest, fastest or biggest who survive, but the most flexible and adaptable. When the world changes, companies need to change with it. Countless times there have been giant companies which became obsolete for the mere reason that they were not willing to listen to what their consumers wanted, or they ignored the direction of emerging technologies. These technologies have changed how consumers do their

business and even changed their lifestyles.

Most times executives are concerned with reaping the immediate benefits (managing the present) at the expense of companies' long-term relevance (creating the future). Obviously company executives have to selectively pick those innovations which will best suit their consumers.

There is an adage which goes 'what isn't broken doesn't need fixing'. Most market leaders in the industry operate using this concept. At the pinnacle of success they float in the bliss of 'invincibility' not realizing that their core business is slowly being challenged and eroded. Companies must learn to compete in the technological age if they are to still be relevant. The solution is to implement disruptive technologies.

Disruptive technology is the type of technology which questions the normal way of doing things. Companies such as Apple and Samsung which in the past have adopted disruptive technologies ended up replacing existing and established market leaders such as Nokia and Blackberry. Disruptive technology is characterized by the financial affordability of the services and uptake by the consumers. The producers of disruptive technologies are usually 'outsiders' which are dissatisfied with the current way of doing things.

Disruptive technology is usually met with resistance from the market leaders because it challenges the core existence of their businesses. An example of a potential disruptive technology in the making is the electric car. When (not if) this succeeds, and it becomes affordable, it will crash the oil business and its corresponding economies. Imagine a world where most





of the cars are electric, what happens to the gas stations? What happens to the economies which produce oil? What happens to the companies which distribute oil?

When photography started shifting from hard copies to the emerging digital photography, Kodak failed to adopt to the new changes in technology. Ironically, at the time the very few who tried to bring to light the risk of not adopting to digital photography were regarded as pessimists. By the time Kodak realized the inevitable to enter into the digital market it was too late to catchup to the new players. Eventually after 133 years (most of those) as a market leader, they closed.

At its peak Research in Motion's (owners of the Blackberry brand) share price was valued at \$230. The once admired technology giant's share price then dropped to as low \$10 within a space of 15 years. Blackberry used to command a market share of 45% in the mobile business, which dropped to less than 10% by 2010, and eventually at less than 1%. Blackberry had been using a proprietary and closed software platform. The security for blackberry was world class and impregnable. Blackberry was still promising its consumers a secure but closed

system when the world had moved on. At this time consumers wanted touch screens, better browsing experiences, modern cameras, media players, lots of games and apps, which Apple store and Google play store offered mostly for free. When the iPhone was introduced by Apple, Blackberry CEO brushed off the threat and stated that Apple's core business was not in mobile phones and did not give them a chance to succeed.

Another interesting story is that of Nokia, a company which failed to adopt to the change regarding smart phones. In 2007, the market share for Nokia was at 3% from a 41% market share. The story is similar to the Blackberry story, Apple and Android crashed it. Nokia has always been an innovative company, but eventually it concentrated a lot of resources developing products that people never wanted to buy. As is common for bigger players, Nokia overestimated the power of its brand and thought that they had enough market share to survive all hiccups. The major reason for Nokia's fall was its unwillingness to embrace change when it was required the most. Eventually Microsoft bought Nokia for \$7 billion in 2013, amidst the inevitable fear that in a year's time the company was going bust anyway.

There are countless examples, but the pattern remains the same. How do things go so wrong for these market leaders?

These companies had obviously missed out on the changes happening in the market. These market leaders were overconfident in their services and products. At the same time they were dismissive of the entrance of other competing services and products. The downfall for these companies may seem sudden but usually it's a long process. Of course, for many of the companies, it wasn't just arrogance that kept them rooted in their old ways, but also the combined inability to take risks.

The surprising thing is that companies seem to have all the time to address disruptive technology issues and yet they still fail, why? Disruptive technology usually develops slowly and in clear sight of all. Most companies, if not all, know about the new innovations and somehow, they choose to ignore them until these new technologies evolve to maturity.

History usually repeats itself and there will always be innovations which will mimic the disruptive nature experienced in the past. In a similar manner disruptions can happen to any of our modern companies. Companies need to continuously be innovating and be on the lookout in order to still be relevant. There are obviously some technologies which are currently emerging which will disrupt the market. The danger is that there are so many emerging technologies which will never mature enough to be disruptive.

Leaders should at all times have the sobering reminder that even the strongest of companies can fall. The smaller and innovative companies come in and outwit the larger and slower rivals. But after they slay them, these companies end up growing so big that they lose their innovative 'minds'. They become complacent and blind to the shifts in the market. Then, other new smaller companies arrive and the cycle continues.

If companies are to be truly innovative, its leaders must bet the business every few years – by going into areas that, traditionally, have not been their strengths, as Bill Gates once said.



THE NEW ORIGINAL

INTRODUCING THE ALL NEW TOYOTA LAND CRUISER PRADO



Top-class driving performance and off-road capability.



Timeless design with top comfort and safety features.



2.8L turbo-diesel engine combined with a new 8-speed automatic transmission.

3 YEARS TOYOTA WARRANTY or 100,000 km
2 YEARS TOYOTA FREE SERVICE or 50,000 km



SCAN TO DISCOVER



Standard Bank

BOL TO WALLET

Simply Better
for Payments



- Simplified reporting
- Beneficiary validation
- Simplified reconciliation
- Pay up to 10 000 beneficiaries at once



tnm
Mpamba



airtel
money

Call 248 or email
CIBclientservices@standardbank.co.mw