

MALAWI

BANKER

MALAWI'S FINANCIAL MAGAZINE OF CHOICE

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BEYOND BORDERS

MR. NOEL MKULICHI

Managing Director, FDH Bank

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EDITOR'S NOTE

The financial services sector has been undergoing rapid transformation in recent past. The changes are driven by digital innovation and evolution, regulatory requirements reviews, and the consumers' increasing quest for seamless, and personalised financial experiences.

As banks, fin-techs, insurance firms, and capital markets converge; synergies are becoming essential, touted as catalysts for growth, resilience, and inclusion. There is a powerful force revolutionising the financial services landscape. The digital banking has seen the financial services ecosystem evolving. Financial institutions are already fast employing various strategies in their pursuit to ensure that as many people as possible have access to financial services.

As the country continues to assert itself as a potential hub of innovation and progress, with a daring quest to inculcate a wealth-creation culture, the adoption of digital technologies in the financial services sector has opened up unparalleled opportunities. It is driving financial inclusion and enabling economic empowerment for millions of the previously unbanked or underserved individuals.

If statistics are anything to go by, the formal financial institutions, most notably the banks, telecommunications and insurance firms, are making strides to make a breakthrough to bring on board as many people as possible.

The Reserve Bank of Malawi figures point to a Malawi where digital financial transactions are recording steady growth.

It is a fact that financial services are fast becoming accessible to the masses as many Malawians can now transact and access financial services through branchless banking and digital services outside the traditional brick and mortar banks, in the process enhancing financial inclusion.

In this issue of the Malawi Banker, the articles, highlight strides made in the digitisation of the financial services sector, the essence multi-sectoral integration, synergies between the banking community and integrated mobile and ICT services providers.

This edition also tackles initiative on the financial inclusion drive, and the banking sector's systematic position in contributing to national growth and development.

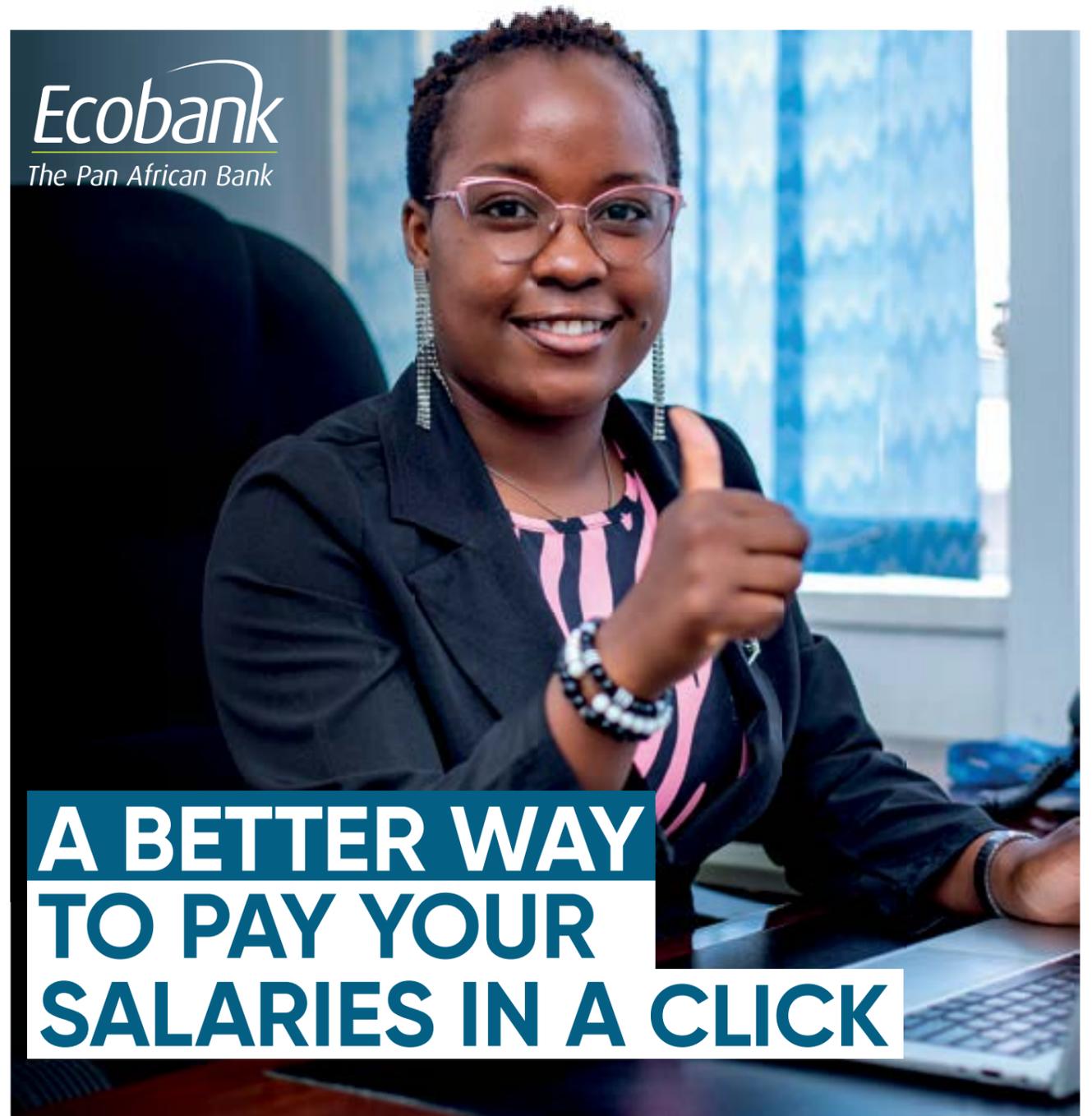
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ON THE COVER

→ Malawi Banker Magazine engages **Mr. Noel Mkulichi, Managing Director, FDH Bank**

EXPANDED FOOTPRINTS: FDH Bank goes beyond borders



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DIGITAL BANKING FOR ALL: BRIDGING THE DIVIDE

When we first declared that the future of banking in Malawi was digital, perhaps we did not fully appreciate the full context. Today, it is evident: that future is no longer ahead of us—it is here.

The transformation has been swift, almost supersonic. Banks have embraced digitalisation at full throttle, while traditional brick and mortar branches now serve only specialized functions requiring human interaction. Customers, too, have adapted seamlessly. Transactions are increasingly conducted from the comfort of one's home or workplace, with mobile phones becoming the primary gateway to financial services.

The integration between banks and telecommunications companies has further accelerated this shift, creating a seamless ecosystem for digital payments. Over the past five years, digital transactions have become the norm, steadily expanding in both volume and value.

According to Reserve Bank of Malawi figures, transactions in 2024 surged by 38.8 percent to 1.97 billion, valued at MK187 trillion. This growth was propelled by the rising influence of Digital Financial Services (DFS), improved interoperability through the National Switch, and deliberate efforts to strengthen digital literacy.

In the first quarter of 2025, the total number of transactions rose modestly by 2.6 percent to 596.1 million, while their overall value surged by 76.5 percent to MK73 trillion, up from MK41.4 trillion in the final quarter of 2024.

Retail Digital Financial Services recorded steady growth, with transactions increasing by 2.7 percent to 583.9 million and their value climbing to MK12.4 trillion. Mobile money continued to dominate, with registered wallets expanding to 17.6 million, though fewer subscribers were transacting on a regular basis.

This momentum has carried through the year, underscoring digitalisation as the true catalyst for efficiency, effectiveness, and financial inclusion. Commercial banks remain committed to investing heavily in digital platforms, recognizing that the digital space is not just the future of business—it is the present reality shaping Malawi's financial landscape.

Digital banking is now almost a norm, with physical branches reserved for services requiring face to face interaction. With the aid of technology, we can anticipate even greater innovations ahead.

Today, we reaffirm our commitment to offering seamless, innovative, and convenient banking services



and financial solutions. Be assured: banking transactions will continue to become easier, faster, and more accessible.

Banks have become technology driven institutions, investing heavily in digital platforms and offering services such as online banking, mobile banking, online loan approvals, and other innovative solutions. Digital technology has proven to be an essential tool for enhancing creativity, boosting productivity, and advancing national financial inclusion.

As Malawi continues its journey toward creating wealth for all, financial inclusion remains a catalyst for reducing poverty and income inequality. The banking system plays a central role in this agenda, accounting for the majority of credit and deposits. Commercial banks are advancing financial inclusion by extending services beyond urban centers—primarily through agent banking and digital platforms that bring banking closer to underserved communities.

Branchless banking, also known as agent banking, has further improved access to financial services, ensuring that banking reaches every corner of the nation.

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The President's Message

high. It was 28.5 percent in January 2025, up from 28.1 percent the previous year. This persistent inflation pushed many Malawians deeper into poverty as the rising cost of living outpaced their static incomes, eroding their purchasing power.

Now, twelve months later, the situation remains largely unchanged, with the same challenges persisting.

I find myself writing a message of optimism once more, albeit with a cautious perspective.

The Malawi economy continues to grapple with structural issues, alongside the impacts of external shocks.

More than four million of our fellow citizens face hunger this year. A low supply of maize has driven food inflation higher, contributing to an overall headline inflation rate of 29.1 percent in October, up from 28.7 percent the month before.

The kwacha remains volatile, and the scarcity of foreign exchange persists.

Public debt stands at over K21.6 trillion, equivalent to 86 percent of gross domestic product (GDP), up from K4.1 trillion in 2019. Fiscal deficit has widened to K3.128 trillion.

Growth in real GDP terms has also been weak; projected at a meager 2.7 percent in 2025, down from 2.8 percent.

Not all is lost though; there is a glimmer of hope. But as they say, hope is not a strategy.

More needs to be done including radical cuts in non-essential expenditures by the government, and increased domestic revenue mobilisation.

Further, Malawi needs to shift from its desperate attempt to find remedies to the economic woes only in suppressing demand. Instead, there is an urgent need for increased production and productivity.

We need to move beyond rhetoric on import substitution, and fully harness the export-led growth mantra.

Massive and radical investment should be made in key sectors including agriculture, tourism, mining, manufacturing and technology. This is what this edition of *the Malawi Banker Magazine* is advocating.

Enjoy reading

As we usher in the new year, it is natural to feel a surge of fresh hope and enthusiasm. I felt this same way when I was drafting my message for the first edition of the *Malawi Banker Magazine* for 2026, though my optimism was tempered with caution.

Why?

At that time, our local economy was in a state of significant volatility.

We faced severe shortages in foreign exchange, which led to a scarcity of essential imports, including fuel and fertilizer. The devaluation of our currency, the Kwacha, by nearly 50 percent a year earlier continued to exert its toll.

Our national budget was off-balance with public expenditure outpacing revenue, creating intense fiscal pressure. The government's solution was to increase borrowing, which unfortunately crowded out private sector investors and further stifled growth opportunities.

The headline inflation rate—indicative of the rate at which commodity prices change—remained stubbornly

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MR. NOEL MKULICHI
Managing Director, FDH Bank

Malawi Stock Exchange-listed FDH Bank last year acquired a 98.8 percent stake in Ecobank Mozambique SA (EMZ) through a definitive agreement with Ecobank Transnational Incorporated (ETI), the parent company of Ecobank Group. The move is part of the bank's regional expansion plan. Its performance has been profound.

The bank projected that its profit-after-tax for the year ended December 31 2025 would range between K140 billion and K151 billion. This represents a growth ranging between 92 to 104 percent from a K74.06 billion post-tax profit the bank made last year. For an insight into performance, outlook and the expansion plans, *The Malawi Banker* engages FDH Bank Managing Director Mr. Noel Mkulichi:

Firstly, give us a brief picture of the bank's performance in the year 2025.

FDH Bank delivered a strong performance in 2025, underpinned by sustained growth in both public and private sector credit demand. This was complemented by continued growth in customer deposits, which enabled the Bank to expand its earning asset base. Year-to-date performance is ahead of the comparable period in 2024, and we expect the bank to close the year with results that exceed those achieved last year.

What is your impression of the operating environment?

The operating environment remains highly volatile, marked by elevated inflation, persistent foreign exchange shortages, food insecurity, and heightened fiscal uncertainty. The widening gap between the official and parallel exchange rates continues to create distortions in the economy.

High interest rates have constrained credit growth and contributed to rising non-performing loans. Despite these challenges, the banking sector has remained resilient, supported by strong profitability and adequate capital buffers. Overall, the sector is stable but exposed to downside risks, underscoring the importance of disciplined risk management, strong governance, and proactive oversight in navigating Malawi's evolving economic landscape.

What have been the major challenges the bank faced in the year under review?

One of the key challenges has been the persistent shortage of foreign currency, which has constrained the Bank's ability to fully meet customer demand for foreign payments and trade finance instruments such as Letters of Credit. High inflation has also increased the cost of doing business, particularly given the Bank's extensive branch network. In addition, the difficult macroeconomic environment has heightened credit risk, as some customers have struggled to meet their financial obligations, leading to increased pressure on asset quality.

How has the bank navigated through the economic woes?

The bank adopted a multi-pronged approach to navigate the challenging economic environment. We proactively sourced the limited foreign currency available in the market to partially meet customer needs, while continuing to prioritise customer-focused solutions aligned to our strategic pillars. We also strengthened proactive customer engagement and credit

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Growing from an initial market capitalization of approximately K60 billion to nearly K5 trillion in just five years is a remarkable achievement.

monitoring to minimize the migration of facilities into non-performing status. On the cost side, the Bank implemented targeted cost containment measures to ensure operating expenses remain within budget while sustaining service delivery.

FDH is one of the country's banks that has remained resilient amid the volatility of the operating environment; what explains this?

FDH Bank's resilience is largely attributable to a strengthened credit risk management framework. This includes tighter credit policies, a focus on lending to creditworthy clients, enhanced collateral coverage, and a

conservative risk appetite, particularly in higher-risk sectors. These measures are reinforced by robust loan monitoring and early-warning systems that enable timely identification and management of emerging risks. In addition, the Bank has deliberately diversified its income streams by growing non-interest revenue—such as fees, commissions, and digital transaction income—and by expanding its regional footprint into Mozambique. This diversification will help reduce concentration risk associated with the domestic market.

On the Malawi Stock Exchange, we have noted that the bank has maintained a positive trajectory,

with its market capitalization edging towards K5 trillion; what explains the performance?

The bank's strong performance on the Malawi Stock Exchange, with market capitalization approaching K5 trillion, reflects the strength of our fundamentals and the confidence investors continue to place in our strategy and execution. As a home-grown institution, our growth has been anchored in the trust and support of our customers and the Malawian public. Growing from an initial market capitalization of approximately K60 billion to nearly K5 trillion in just five years is a remarkable achievement. This trajectory is a testament to our financial

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FDH Bank anticipates realizing operational and strategic synergies from the acquisition, supporting sustained growth at both subsidiary and Group level.

performance, operational resilience, and disciplined strategy execution, as well as the loyalty of our customers and shareholders, for which we remain deeply grateful.

FDH Bank plc recently announced the acquisition of a 98.8 percent stake in Ecobank Mozambique SA (EMZ). What is the strategic rationale behind this move?

The acquisition is a key pillar of the bank's regional growth strategy and aligns with the Group's vision of becoming a provider of first-class financial solutions across the region. The transaction is expected to support revenue diversification, enhance earnings growth, and ultimately create long-term value for shareholders.

Months after the announcement, what progress has been registered

towards taking over the operations?

Significant progress has been made to date. The Bank is currently in the process of securing the necessary regulatory approvals, while transition and integration processes are already underway.

What is the foreseen impact of the acquisition on the bank's footing, performance and profitability, and are there intentions to buy out the remaining 1.2 percent minority stake?

The acquisition is expected to strengthen FDH Bank Group's regional presence and contribute positively to business growth and profitability in Mozambique, thereby enhancing overall Group performance. At this stage, there are no plans to acquire the remaining minority stake, as the Bank intends to maintain a partnership with the local shareholder.

How strategic is the Mozambique market for the systematic growth of FDH Bank?

Despite certain structural challenges, Mozambique remains a high-potential market, underpinned by its significant natural gas reserves, which are expected to support export growth and GDP expansion. This presents meaningful opportunities for banking sector growth. Furthermore, approximately 80 percent of Mozambique's population is young and of working age, creating strong prospects for household and business-level economic activity. FDH Bank anticipates realizing operational and strategic synergies from the acquisition, supporting sustained growth at both subsidiary and Group level.

Are there plans for further expansion within and beyond the region?

Yes, the bank continues to actively explore opportunities for further regional expansion. Any future growth initiatives will be pursued prudently and will be contingent on identifying suitable partners or acquisition targets that align with the Group's strategic objectives and risk appetite. ■

MALAWI'S ECONOMIC CROSSROADS: TRADE OR DEBT?



BY DONASIUS PATHERA, PHD
CONTRIBUTOR



GLARING—Mismatches between imports and exports

Today, Malawi stands at an uneasy intersection between ambition and vulnerability, pulled in one direction by the promise of trade and in the other by the weight of growing debt.

For years, the country has borrowed heavily to fill the widening gap between what it produces and what it consumes.

But as global markets tighten and domestic finances strain, a difficult truth is becoming clear: debt is growing faster than the nation's economic capacity, while exports struggle to keep pace.

Unless a new direction is set, Malawi risks being suffocated by obligations it

can no longer comfortably repay.

A close look at the last five years reveals a worrying pattern: In 2019, Malawi earned about \$1.1 billion from exports, with tobacco, tea, sugar and legumes dominating the basket.

Imports that year cost the country nearly \$2.7 billion, creating a trade deficit of over \$1.6 billion.

Instead of narrowing, this gap continued to widen. The Covid pandemic depressed exports earnings in 2020 to roughly \$900 million while imports barely moved.

By 2021, exports recovered, only slightly to around \$1.2 billion, yet imports surged above \$3 billion. The deficit

remained stubbornly high.

In 2022, tobacco revenues fell again, keeping exports around \$1.1 billion, while the nation's import bill stayed above \$3.1 billion. But it was in 2023 and 2024 that the storm gathered force.

The Kwacha depreciated sharply—losing more than 44 percent of its value in the 2023 devaluation—raising the cost of everything Malawi buys from abroad.

Imports rose past \$4 billion, while exports inches to only about \$1.3 billion. The resulting deficit of \$2.7 billion was one of the largest in decades. With so much more money leaving the country than coming in, borrowing became the only way to survive.

This heavy reliance on borrowing has pushed Malawi's debt to unprecedented heights. In 2019, total public debt stood at approximately K 4.1 trillion. Two years later it was K 5.5 trillion.

By 2022 it had climbed to K 7.3 trillion, and by the end of 2023 the figure had surpassed K 9.2 trillion—more than 66 percent of the nation's entire GDP.

What makes matters worse is that a significant portion of this debt is domestic, attracting high interest rates and consuming resources that could otherwise be invested in agriculture, manufacturing or social services.

Today, debt service is one of the largest expenditure items in the national budget, leaving little room for development.

This dangerous combination of weak trade performance and rising debt has created a financial squeeze that threatens to overwhelm the economy. Countries typically borrow with the expectation that increased exports will generate enough foreign exchange to service those loans.

But in Malawi's case, exports remain too low, too narrow and too vulnerable to shocks. Instead of generating the foreign currency needed to repay loans, the country finds itself begging for relief and watching its currency weaken further.

A depreciating kwacha makes loan repayments in foreign currency more expensive, compounding the problem.

Yet Malawi is not without hope. In fact, the solution is clear, and it lies in shifting from a debt-dependent economy to a production-and-export-driven one. The country has enormous potential if it chooses to harness it with discipline and strategic leadership.

Agriculture, which remains the backbone of the economy, could be transformed through diversification and commercialisation. Malawi's over-reliance on tobacco leaves the economy exposed to a crop whose global demand is shrinking.

However, high-value exports such as macadamia, horticulture, spices, legumes, fish and livestock products offer a promising alternative. These products fetch higher prices and are less affected by global shifts.

Stabilising the kwacha, reducing inflation and promoting fiscal responsibility are key to restoring investor confidence and lowering the cost of borrowing.

Equally important is the move from exporting raw commodities to exporting processed goods. Malawi loses millions of dollars each year by selling raw crops instead of processed products.

When groundnuts are exported as raw nuts, the country earns just over \$1,000 per tonne. When the groundnuts are processed into peanut butter, the value triples or quadruples.

The same is true for fruits, tea, cotton and sugar. Value addition is one of the most reliable paths to increased export earnings without expanding agricultural land.

Manufacturing also holds significant promise. With better electricity supply, modern industrial parks and incentives for investors, Malawi could expand its textile, agro-processing, pharmaceuticals and packaging industries. Manufacturing would create jobs, reduce the import bill and help the country earn more foreign exchange.

Tourism, too, could be a major source of revenue. Lake Malawi, Mulanje Mountain, Nyika Plateau and Liwonde National Park can attract regional and global tourists if properly marketed and supported with infrastructure. Unlike other sectors, tourism brings in foreign currency without requiring heavy imports.

Mining is another area that, if governed transparently, could boost export earnings. Malawi sits atop rare earth minerals, uranium, graphite, gemstones and other valuable resources.

But minerals can be a blessing or a curse, depending on leadership and management. Transparent contracts,

fair taxation and local beneficiation are essential if mining is to contribute meaningfully to national development.

Of course, while building a trade-driven economy is the long-term solution, Malawi must take immediate steps to prevent debt from suffocating the nation. Strengthening debt management is essential.

This means keeping a reliable public debt register, ensuring that borrowing decisions are transparent, and subjecting new loans to rigorous parliamentary scrutiny. It also means borrowing only for projects that generate economic returns.

Malawi may also need to negotiate debt restructuring, as countries like Zambia, Ghana and Ethiopia have done. Extending repayment periods, lowering interest rates and securing partial relief could give the economy room to breathe. Improving public finance management is equally important.

Billions are lost each year through procurement fraud, inefficiencies and poorly targeted subsidies. Reducing wastage can save resources without cutting essential services.

Domestic revenue can be improved without raising taxes on the poor. Efficient tax administration, digital systems and broader tax compliance can increase government revenue significantly.

A well-managed economy also requires macroeconomic discipline. Stabilising the kwacha, reducing inflation and promoting fiscal responsibility are key to restoring investor confidence and lowering the cost of borrowing.

Malawi is not doomed to be poor. Its current challenges stem not from a lack of potential but from a reliance on borrowing instead of production, on consumption instead of competitiveness.

The path forward is clear. If Malawi invests in production, embraces value addition, expands exports, strengthens governance and manages debt responsibly, it can transform its economy and secure long-term prosperity.

The crossroads is here. One path leads deeper into debt. The other, built on trade, innovation and responsible leadership, leads to growth and resilience. The nation must choose wisely. ■

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IMPROVING ENERGY SECTOR OUTPUT, JOINING THE GREEN REVOLUTION TRAIN



CLEAN—Solar panels

Malawi's energy sector can be said to be in its nascent stages, gauging by the rate of energy use depending on the source of the energy in question.

To begin with, the Southern African Development Community member state depends on natural resources to cater for the energy needs of the majority of the population, with Ministry of Energy statistics indicating that biomass energy fuels activities such as cooking and heating. Not surprisingly, wood fuel and charcoal account for nearly 86 percent of the country's total energy consumption.

On the other hand, oil products supply 10 percent of the needs, with electricity generating three percent and coal accounting for 1 percent of the energy production rates.

As for petroleum, much of which is utilised in the transport sector, the country's total

consumption rate is at 10 percent.

To compound the situation for Malawi, studies on how many reserves of crude oil and natural gas it has have not been extensive, such that the real quantity, if any, remains unknown.

By the way, despite the overreliance on diesel by Malawi's industry players, who are at the receiving end of challenges such as power outages—a problem fuelled by the country's overreliance on hydro-electric power, with machines largely concentrated in the Shire Valley—it is petrol that commands a large 'following', contributing 45 percent of the imported oil products.

In other words, Malawi depends on imports to meet its energy needs and, out of the oil products it imports, petrol accounts for almost half, with diesel trailing petrol.

Aviation fuels account for the lowest rate of imported oil products, another unsurprising factor considering that some of the world's largest airlines shun Malawi, preferring, instead, to land at airports such as OR Tambo in Johannesburg, South Africa, Nairobi in Kenya, among others. In which case, Malawians and travellers from Malawi make do with connecting flights.

What does this mean? Malawi's energy sector is full of opportunities, opportunities Mulanje Hydro, which, by 2023, was producing 8.2 megawatts,

...Continued on Page 17



MONEY SPINNER?—Thick forests like this could be used for carbon credit

has utilised.

Today, other players, including independent power producers, have ensured that there has been an upgrade of the country's total hydropower installed capacity of approximately 398.39 megawatts that were available in 2023. Today, solar power is gaining ground, with opportunities standing unexplored in wind power generation.

If there are incentives, such as tax holidays, for energy sector investors, Egenco may get a helping hand and significantly increase the total output from the 390.15 megawatts that the Electricity Generation Company was producing in 2023.

Indeed, that is where firms such as JCM, whose solar equipment is feeding 80 megawatts into the national grid, and Serengeti, whose equipment has facilitated the generation of over 21 megawatts, which have boosted the national grid, come in.

No one can say there is no demand, both at household and industry level. As at now, and this is according to the Ministry of Energy, households consume more energy than other sectors in the country, with the rate of consumption pegged at 81 percent.

Industry and transport sectors, on the other hand, consume about 8 percent and nine percent, respectively, with other sectors—notably commercial and agriculture—consuming a measly 2 percent.

The question is: Does this have to do with poor access to energy sources and the availability of other energy sources or both? This is food for thought.

The truth is, if investors can also consider investing in thermal power, in addition to the thermal power plants that are generated by the Electricity Generation Company, then overreliance on tree-based energy will reduce and Malawi will reduce problems associated with climate change.

These problems include erratic rainfall, prolonged dry spells, floods, among others, all of which affect agricultural production.

Talking about agricultural production, Malawi seems to be embracing the Green Revolution, which pertains to the substantial increase in agricultural production, largely due to the increased use of high-yield crop varieties and the rise of modern agricultural techniques.

By 'modern', we mean scientifically proven methods.

Surprisingly, the Green Revolution—though relatively new in Malawi, where institutions such as Lilongwe University of Agriculture and Natural Resources, Bvumbwe Research Station, Chitedze Research Station, among others, are working around the clock to find means of addressing Malawi's food security challenges—started wayback in the 1940s, where it mainly focused on the goal of increasing food production levels and reducing poverty.

However, Malawi seems to have lagged behind due to overreliance on traditional methods of farming such as hoe use. Fortunately, through the introduction of initiatives such as Mega Farms, mechanisation seems to be becoming an acceptable, and modern, tool of farming.

Just this year, the Malawi Government provided tractors to the Malawi Defence Force, which has been placed at the centre of agricultural production in the country.

And, late last year, Malawi's Green Revolution efforts got a boost when the Chinese Government sent a team of agricultural experts to Malawian institutions, notably Bvumbwe Research Station, to help in research that may culminate in Malawi achieving its food security goals by embracing crops that have been borne out of scientific experiments and practical results.

However, for Malawi Green Revolution to bear the desired results, there is a need to empower commercial farmers, other than subsistence farmers. It is these commercial farmers who may enable the country to produce enough for domestic consumption and export.

Through increased domestic production, the country will save money it would have spent on the imports of maize, rice and other foods. And, through food exports, it will be in a position to generate the much-needed foreign exchange and ease the pressure on tobacco, Malawi's top foreign exchange earner.

Malawi cannot continue to put all its eggs in the one big basket of tobacco. Who knows, through forex generated from high yielding crops, Malawi may invest the money in the energy sector, thereby killing two birds with one stone. ■

FOREX RISK AND STRATEGIC MANAGEMENT

BY PARTHA DUTTA



KEY—Forex availability Photo Credit—Pexels

M Foreign exchange (FX) risk has become one of the most critical challenges for banks, corporates, and regulators across emerging markets.

As the world 'gets flat' in the wake of globalisation, cross-border trade, and capital flows, currencies are more exposed to volatility driven by geopolitical events, supply-demand imbalances, shifting commodity prices, and domestic macroeconomic fundamentals.

For economies that rely heavily on imports, external debt, and donor inflows, FX volatility can quickly translate into inflationary pressure, liquidity shortages, profitability erosion, and systemic vulnerabilities.

In this context, effective FX risk management is no longer a back-office function—it is a strategic imperative. Banks play a central role

For economies that rely heavily on imports, external debt, and donor inflows, FX volatility can quickly translate into inflationary pressure, liquidity shortages, profitability erosion, and systemic vulnerabilities. government.

in guiding clients, safeguarding the balance sheet, and supporting national economic stability. This article, therefore, highlights key sources of FX risk and presents practical strategies for banks and corporates to strengthen their resilience.

Understanding FX Risk

FX risk refers to the financial loss a business or financial institution may incur due to adverse movements in exchange rates. It typically arises in three forms:

1. Transaction Risk

This occurs when future cash flows—such as import payments, export receipts or loan repayments—are denominated in foreign currency. Any movement between the contract date and settlement date impacts



DUTTA—Banks occupy a pivotal position in building a resilient currency ecosystem

profitability. Import-dependent sectors such as energy, fertiliser, pharmaceuticals, and manufacturing are particularly vulnerable.

2. Translation Risk

Also known as accounting exposure, this affects companies that consolidate financial statements of subsidiaries operating in foreign currencies. Although non-cash in nature, translation losses can have an impact on investor perception, financial ratios and borrowing capacity.

3. Economic Risk

This reflects long-term impacts of currency fluctuations on future cash flows and competitiveness. For example, persistent depreciation may increase cost structures for import-based businesses while improving competitiveness for exporters.

Why FX risk has become more pronounced

Several factors have amplified currency volatility in recent years:

Global interest rate cycles especially tightening in advanced economies, which pull capital out of emerging markets.

A robust FX risk policy defines exposure limits, approval processes, hedging strategies, and reporting frequency. It should be approved at board level and periodically reviewed in line with market conditions. Strong governance ensures transparency and prevents speculative exposure-taking.

Commodity price swings, affecting countries reliant on importation of fuel, fertilizer, or food.

Geopolitical tensions, which disrupt supply chains and global trade flows.

Domestic macroeconomic pressures, such as inflation, are widening fiscal deficits and leading to low reserves.

FX liquidity constraints, particularly in African markets, where demand for forex significantly exceeds supply.

These pressures create sharp discrepancies between official exchange rates, interbank market levels, and parallel market premiums—complicating price discovery and risk planning.

Core principles of FX risk management

To navigate these challenges, institutions require structured, proactive risk management frameworks built on four key pillars:

1. Policy and Governance

A robust FX risk policy defines exposure limits, approval processes, hedging strategies, and reporting frequency. It should be approved at board level and periodically reviewed in line with market conditions. Strong governance ensures transparency and prevents speculative exposure-taking.

2. Accurate Exposure Identification

Effective management begins with measuring exposures accurately. Institutions should map all FX-denominated assets, liabilities, cash flows, and off-balance-sheet items. Cash flow forecasting tools, ERP integration, and cross-functional coordination between treasury, procurement, and finance are essential.

3. Hedging and Risk Mitigation Tools

A range of instruments can be used to manage volatility:

Forward Exchange Contracts (FECs): Lock in future exchange rates for imports or exports.

Swaps: Useful for managing timing mismatches and rolling over obligations.

Options: Provide downside protection while keeping upside potential, though at a premium cost.

Natural Hedges: Matching foreign

...Continued on Page 20



Photo Credit— ATFX

currency inflows with outflows, or financing imports in the same currency.

Structured trade finance solutions, such as Letters of Credit with currency-linked pricing or supplier credit arrangements.

For markets with limited derivative availability, even simple practices such as staggering settlements, maintaining USD liquidity buffers, and diversifying currency exposures can help reduce risk.

4. Market Intelligence and Scenario Planning

FX markets are influenced by rapidly evolving global and local developments. Treasury teams must monitor key indicators including reserve levels, interest rate movements, inflation trends, fiscal policies, commodity markets, and regional currency behavior.

Scenario planning—best case, base case, and worst case—enables stress testing of cash flows and covenants under different FX paths.

Role of banks in strengthening FX resilience

Banks occupy a pivotal position in building a resilient currency ecosystem.

Their role includes:

- Providing timely market insights and advisory to clients.

- Structuring hedging solutions that match the economic realities of local markets.

- Supporting importers and exporters through trade finance instruments that minimise liquidity strain.

Banks that actively guide businesses in risk management ultimately reduce default probabilities, strengthen client relationships, and contribute to overall financial stability.

Conclusion

FX volatility is here to stay—driven by complex global dynamics and domestic economic realities. In such an environment, the winners will be institutions that adopt disciplined risk frameworks, leverage hedging tools, and build strong treasury capabilities. For banks, supporting clients with informed advisory and innovative solutions is not just good business practice—it is essential for safeguarding national economic resilience. Foreign exchange risk cannot be eliminated, but with the right strategies, it can be effectively managed. ■

About the author

Partha Dutta is a Chartered Accountant and seasoned finance leader with 15+ years of international experience across multinational corporations. He currently serves as Cluster CFO at ETG, specializing in financial strategy, treasury, M&A, restructuring, and corporate governance.

His career spans driving major M&A at Tata International, leading restructuring at ETG, and delivering significant forex gains through innovative risk management. He has also represented the business community at Malawi's President's Business Leader Forum.

Partha holds credentials from Wharton (FinTech & Cryptocurrency) and IIM Kozhikode (Financial Management). As founding President of ICAI Malawi Chapter, he promotes professional growth among finance leaders. A regular speaker and author, he contributes to global forums on corporate finance, forex, AI, sustainable finance, and global markets.



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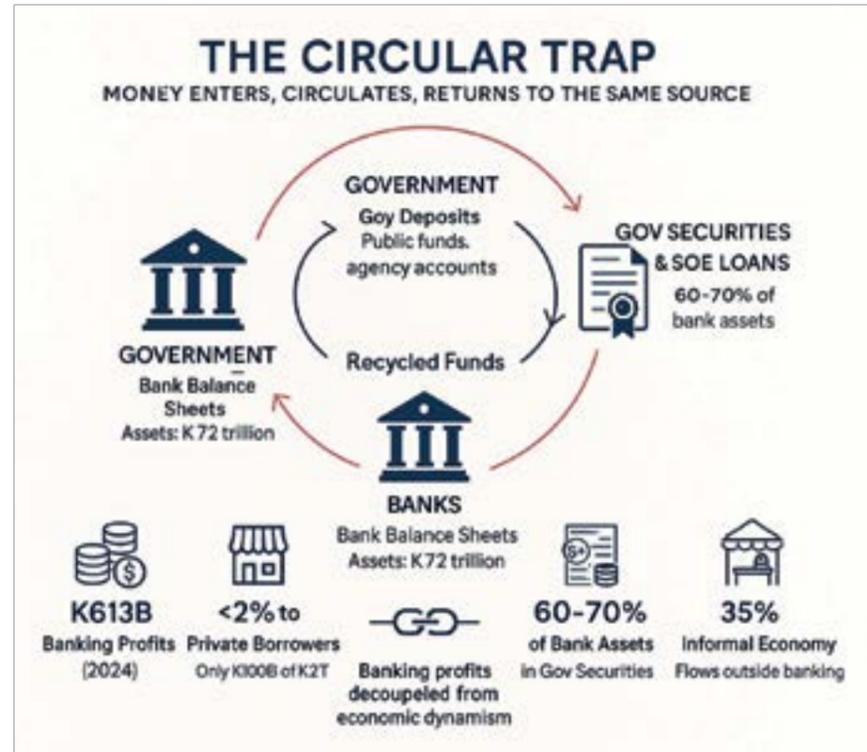
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BREAKING THE SOVEREIGN CONCENTRATION LOOP: DE-RISKING MALAWI'S BANKING SECTOR



RUFARO MAFINYANI

The shadow economy and parallel systems
Concentration risk is amplified by flows outside formal banking. The National Statistical Office estimates 35 percent of GDP—two-thirds of employment—occurs in the informal sector, generating activity that rarely touches bank accounts.

Simultaneously, mobile money has created parallel infrastructure.

Mobile platforms processed K59.5 trillion in 2024 with 16.2 million subscribers, dwarfing formal banking's 2.1 million accounts. Yet, this liquidity remains disconnected from productive credit markets.

Remittances compound fragmentation. World Bank statistics show that approximately \$400 million flows from Malawians abroad annually, yet under 30 percent moves through commercial banks.

This creates risks beyond missed opportunity. The Financial Intelligence Authority estimates informal transactions facilitate K350 billion tax evasion annually—15 percent of government revenue. Malawi's 2023 FATF grey-list placement raised correspondent banking costs and complicated international transactions.

Why sovereign concentration threatens stability

International experience shows how sovereign stress morphs into banking crisis.

...Continued on Page 23

Malawi's banking sector faces a structural paradox: record profitability masking dangerous vulnerability. In 2024, banks reported combined profits of K613 billion and returns on equity above 50 percent, yet provided only K100 billion—less than 2 percent—to private sector borrowers from a K7.2 trillion asset base.

As Bankers Association of Malawi President Phillip Madinga candidly acknowledged, the remainder circulates in a closed loop: government deposits flow into banks, which purchase government securities or lend back to state entities.

This "comfort loop" has become institutionalised. International Monetary Fund (IMF) assessments show government borrowing accounts for approximately K6 trillion versus K1.5 trillion in private-sector credit, while government securities constitute 60 to 70 percent of bank assets.

The Reserve Bank of Malawi's 2024 Financial Stability Report shows pensions hold over 23 percent of K3.5 trillion in government securities, with insurance following similar patterns. Public debt exceeds 85 percent of gross domestic product (GDP), with domestic debt comprising the larger share.

The numbers tell a troubling story: while banks earn 50+ percent ROE, GDP growth languishes at 1.7 percent, and per-capita incomes decline. Banking profits are decoupled from economic dynamism.

Greece and Lebanon saw banks collapse when heavily-held sovereign debt restructured, triggering capital controls and depositor lockouts. Zambia's more contained default still damaged sentiment and raised borrowing costs.

Malawi is not there yet, but transmission channels are identical. With debt near 90 percent of GDP, mostly domestic, any slippage in debt sustainability, inflation control, or exchange-rate management rapidly erodes bank asset values and deposit purchasing power. There was a proposal to have a legislation in place that should see the capping government lending to ensure minimum 30 percent credit for productive sectors—recognition that market discipline alone won't break the loop.

Strategic realignment: From extraction to development

Breaking concentration requires deliberate diversification aligned with Malawi 2063 objectives:

First, agricultural transformation. The sector contributes 30 percent of GDP and employs 65 percent of workforce, yet receives under 15 percent of commercial credit. This reflects perceived rather than actual risk. IFAD programmes like Farmse and Trade demonstrate how blended finance, irrigation investment, and cooperative structures make rural clients bankable. The Warehouse Receipt System's 126 certified sites holding K154.5 billion in commodities provides ready collateral. Value-chain financing for groundnuts, soybeans, and horticulture—with contracted buyers guaranteeing markets—transforms smallholder farming into structured, bankable enterprises.

Second, import substitution. Malawi imports bill stand at \$3.2 billion annually, including \$400 million in producible food. Financing domestic production reduces forex pressure—critical given the Kwacha's 40 percent depreciation in 2023—while creating bankable enterprises. Manufacturing sectors like edible oils, dairy processing, and poultry feed present immediate opportunities where local production can displace imports while generating employment and tax revenue.

Third, MSME expansion. The RBM targets increasing MSME credit from 18 percent to 35 percent—aligned with the 84 percent of employment MSMEs provide.

Financial engineering in practice

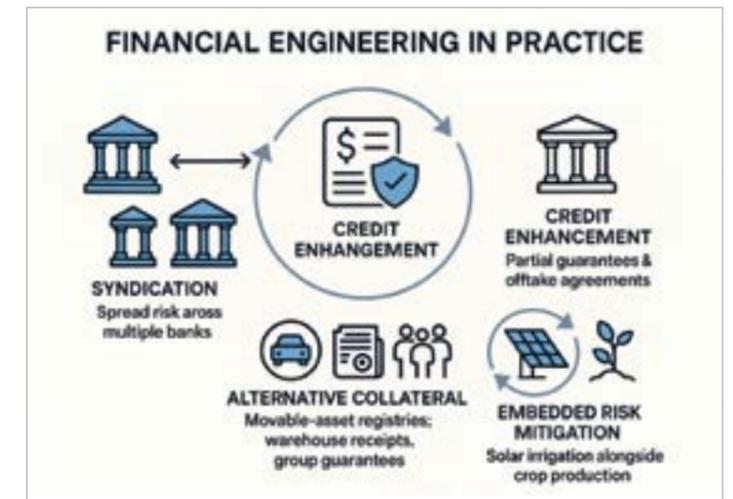
Deal syndication must become standard. Rather than individual banks carrying K2

billion exposures, syndicated structures spread risk while maintaining relationships. AI platforms can automate administration, reducing coordination costs. Syndication also enables banks to participate in larger developmental projects beyond individual balance-sheet capacity, pooling expertise across institutions.

Credit enhancement offers powerful risk-sharing. Partial guarantees from facilities like the African Guarantee Fund (covering up to 50 percent of MSME loans) or first-loss tranches transform risk profiles. Critically, credit issuers need risk mitigation: robust offtake agreements with creditworthy buyers convert farming risk into structured trade finance, while secondary market liquidity through discounting mechanisms allows guarantee providers to manage portfolio concentration. Regulators must ensure frameworks explicitly permit assignment, discounting, and trading of guaranteed instruments—currently a grey area inhibiting scaling.

Alternative collateral expands bankability. Beyond land titles, movable-asset registries, warehouse receipts, and group guarantees pull informal actors into compliance-monitored space. Mobile money histories enable alternative credit scoring.

Embedded risk mitigation makes projects bankable. Financing solar irrigation alongside crop production eliminates weather and electricity risk. Development finance institutions offer concessional green-finance



lines for resilient investments; Special Purpose Vehicles ring-fence cash flows, allowing banks to participate in risk-defined tranches.

The path forward
The Ministry of Finance and Reserve Bank can catalyse change by lengthening domestic debt maturity, improving fiscal transparency, and setting explicit prudential concentration expectations. Banks must resist living off high-yield government paper while the real economy stagnates.

RBM's call to support the supply side signals regulatory alignment. The Malawi Agriculture and Industrial Investment Corporation is being capacitated to de-risk projects through feasibility financing and partial guarantees.

If Malawi's financial ecosystem redirects even modest portions of sovereign-linked balance sheets into diversified, well-structured, climate-smart assets, the comfort loop transforms into a genuine development loop. That path leads to a banking sector not merely stable and profitable, but a true engine of inclusive growth—de-risked from the sovereign, embedded in productive enterprise. ■

TURNING IDEAS INTO IMPACT:

SUCCESS STORY OF A YOUNG ENGINEER



A

t just 26 years old, he is making inroads in spaces most his peers only aspire to. He is a budding entrepreneur—successful in his own right—and a professional engineer, with close to half a decade of experience.

Peter Ngwira's story is that of faith, decisiveness, determination, resilience, and consistency.

His tale is coined in one word; "purpose"—which involves incubating innovative ideas for socio-economic impact.

In 2022, Peter graduated with a Bachelor of Engineering in Chemical Engineering (Hons) at the Malawi University of Science and Technology (MUST)—a local university best known for promoting development, adaptation, transfer and application of science, technology and innovation for macro-and microeconomic development.

"Like any other student," Peter says "during my undergraduate studies, focus was on getting a good grade to remain competitive for the job market."

But in it he found a niche. And purpose, too.

His academic pursuit and drive birthed what, today, is Peter's full time

occupation; proprietor and Chief Executive Officer of Nyasa Engineering Consultancy Limited.

It started as an academic assignment.

"We were tasked to design an eco-industrial park; a closed loop where you do not waste any resources.

"This assignment triggered everything," Ngwira said. Noting Malawi's history of glaringly high levels of unemployment and underemployment, Peter pursued the entrepreneurial journey, driving homegrown innovation in engineering.

About Nyasa Engineering

Nyasa Engineering Consultancy Limited is an engineering and innovation firm focused on sustainable development, technology solutions, and youth empowerment

According to Ngwira, the firm—Nyasa



Engineering Consultancy Limited—is a team event-based business.

"The teams are formed from every segment of the engineering community. We bring people from the various engineering communities to provide high-tech and innovative solutions for social and economic development," he says.

The business is structured into five engineering SPOTs; agriculture engineering SPOT, health tech and innovation SPOT, industrial (or processing) HUB, computer networking and engineering SPOT, and the food and nutrition SPOT.

In the agriculture engineering section, according to Ngwira, focus is on sustainability, food security, and commercialization of agricultural systems. The business offers innovative solutions in smart irrigation systems, greenhouses, and precision farming technology.



"We also have developed an organic fertiliser formula according to 4 agricultural Zones in Malawi. We started the project with Bvumbwe Research Station, and then we moved to Chitedze Research Station in Lilongwe. The formation and analysis of the organic fertilizer is in place and achieved a Nitrogen percentage of 22.6% with regards to NPK," he says.

In the health sector, the firms' interest is in the intersection of medicine and engineering.

Core tasks include biomedical lab solutions, health-monitoring technology, and digital wellness tools (where the company partners with Malawian medical professionals).

The industrial HUB (Process Engineering Spot) focuses on the "engine room" for industrial transformation, where core tasks include manufacturing design and material handling, process engineering and implementation, project management, and commercialisation of new technologies.

On the other side, computer networking and engineering SPOT focuses on the digital backbone. Its core tasks include Artificial Intelligence

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integration, cybersecurity, software systems, and telecommunications for industrial sites.

And the food and nutrition SPOT focuses on value addition and quality assurance where core tasks include processing technology, quality control systems, and nutritional engineering to reduce imports.

Expansion drive and diversity

The business is currently employing 100 junior consultants (Interns), with several others employed on temporary basis based on need. And has a permanent of 13 Executive Member and 4 Directors.

Out of Nyasa, other businesses were birthed; High IMPEL Energy Company Limited, and Kanthu Food Processors—where Ngwira is also the founding team lead project design.

Recently, Nyasa Engineering Company Limited partnered with farmers in Salima (KEM Trust Ltd), where it is into value addition.

“So, under this agriculture firm, we are into food processing, manufacturing and distribution. We got into this partnership soon after graduation as well and we are part of the beneficial owner of the food processing company. We call it Kanthu processing Limited.

“We came in with the intellectual capital. Nyasa owns about 29 percent of the company, but with just intellectual capital, Ngwira says.

He says the Nyasa was introduced to bridge economic and intellectual capital gap.

Also the business has seen a niche in the mining sector, where Malawi has several minerals with economic potential such as: phosphates (apatite), bauxite, kaolinitic, coal, kyanite, limestones, rare earths (including strontianite and monazite), graphite, sulphides (pyrite and pyrrhotite), titanium minerals along the lakeshore, and vermiculite.

“This is one of the reasons why we have opted to sustain Digitization



of Mining Industries with a full scope of all 14 mining projects in Malawi, from grassroots to fully operational.

“The project incorporates advanced technologies such as IoT (Internet of Things) and AI (Artificial Intelligence) to improve efficiency, safety, and productivity in the mining industry,” he says.

Potential applications include predictive maintenance to reduce equipment downtime and increase overall equipment effectiveness, real-time monitoring to enhance operational visibility and decision-making, automated equipment operation to improve safety and reduce labor costs and Enhanced safety features to protect workers and prevent accidents

In the energy sector, the High IMPEL Energy Company service portfolio includes hybrid renewable systems and Industrial Electrification.

The business offers off-grid and on-grid solar solutions where it is designing and installing industrial-grade solar arrays to reduce dependency on the national grid.

It also offers factory power systems which incorporate large-scale wiring, panel installations (Main LT, APFC Panels), and power distribution for manufacturing plants, and power factor correction by optimizing energy use to reduce electricity bills for commercial clients.

The firm is touted for providing BISO Smart Irrigation Systems by integrating the use of biogas and solar (BISO) Tech Systems to power greenhouse and large-scale agricultural schemes including automated energy management system where it is integrating AI (VENAT Smart System) to manage smart agricultural systems based on soil moisture and weather data.

Hand Holding and financial services sector role

Under the SMEs segment, according to Ngwira, NBS has helped the companies with corporate market penetration.

“NBS has provided accurate information of what corporate social responsibility is, and the core values and ethical standards one needs to adhere to.

“Mainly, the bank approached us after making our first appearance. It has helped us open accounts under the SMEs segment, and also given the private banking space where to grow. This also helped us understand the corporate world space,” he said.

He said the bank has pushed a number of opportunities to the business and for projects which need intensive capital, they would draft bonding facilities.

Youth empowerment and advice

According to Ngwira, focus is now on supporting fellow youth grow and realize their potential.

“I launched a programme called Fresh Transformation Agenda, it has 4 pillars; Youth Support, Youth Collaboration, Youth Transformation and Youth Power.

“It means if the youth has some project and needs someone for mentorship, corporate social responsibility and if there is need for sponsorship, we are offering that. It is a way of giving back,” he said.

He tips fellow youths to move out of their comfort zone, and focus on collaboration and networking “because networking gives you social capital.”

“I would encourage the youth as they are pursuing their education or any other endeavors, they should focus on addressing the actual standards of professionalism that the nation can depend on to achieve its sustainable economic goals.

Awards and Recognitions

2025: Awardee for International Universities and Colleges Conference (IUCC) - FOV

- Awarded for our capability, Conduct and Accomplishments in the Excellence under Green and Smart Technology Solutions Category under EXPANDING TRADE AND INVESTMENT RELATIONSHIPS
- 2024: BEST Entrepreneur of the Year - TotalEnergies
- Best Innovative Project under Deep Rural Communities and Local Markets Electrification - Presented Malawi at the AfricaArena Summit



- Capetown, SouthAfrica

- BEST Alumnus to represent Malawi University of Science and Technology (MUST) - Under Problem Based Learning (PBL) methodologies and the innovative agricultural projects under enterprises: Nyasa Engineering Consultancy Limited and KANTHU PROCESSORS LTD at the AgriGrow project teacher capacity building training hosted by the Malawi University of Science and Technology (MUST) in collaboration with partners from Uganda, Finland, Denmark, and the European Union.
- Best Entrepreneur to represent Malawi in Namibia under Transforming Higher Education for Sustainable Development in Africa
- 2023: Awardee for African Science Technology and Innovation Forum
- BISO 360 - under Water and Energy Innovations Best Project Award - Position 1
- 2022: Certified in Human Centered Design and E - Health Best Project Award under ICTAM & National Bank Innovation Summit
- Certified in Business CANVAS, Strategy, Pitching and Deal Structuring
- 2021: Awardee for 2021 Innovation Summit under Center for Agriculture Transformation (CAT), Standard Bank and MUST Academy of Entrepreneurship
- 2020: Ultra Power Supply under Graduate Innovation Challenge
- 2019: Certified - Automated Irrigation Systems under Junior Scholars Innovation
- 2018: Regurgitation of Natural Energy (RENE) - Malawi Innovators Design Competition

Ngwira is currently pursuing two masters' degrees: Master of Engineering Applied Chemical Engineering (MUST) and Master of Business Administration in Marketing and Entrepreneurship (St. Eugene, Lusaka, Zambia). ■

IS WEALTH CREATION AGENDA FINALLY TAKING-OFF?



COULD LIFT THE ECONOMY?—Mechanised farming

Hit by numerous shocks that have derailed the country's trek towards a self-sustainable wealth nation, Malawi's economic story seems to be consistent with poverty.

In circles is how the economy moves; from one failed development plan to another. And one thing that sustains the story is the failure to create wealth.

Wealth creation underpins the Malawi 2063 as the vision is to become an upper middle income economy like Egypt, for the sake of illustration.

However, before getting there, the country must stop over at 2030 with an attainment of the lower middle income status, like Tanzania.

The National Planning Commission (NPC) who are the custodians and the champions of the Malawi 2063 and the first 10-year Implementation Plan (MIP 1) say the country needs to grow by an average of six percent to achieve the medium term goals.

The sad news is that the country, since the launch of Malawi 2063, has only managed an average of 1.2 percent growth rate. And ask the authorities, they will quickly mention the serial of economic shocks that include Covid, cyclones and the Ukraine-Russia war.

However, it is undisputable that the shocks came on a donor-dependent frail economy that suffers import predominance, leading to the prevailing forex situation.

No shock stopped the country from creating wealth through investment in mega irrigation farms to produce for manufacturing and substitute imports to avert the persistent forex situation, high employment rate, and domestic revenue collection woes.

Perhaps, there is a turning point with the launch of the first ever Industrial Park under Special Economic Zones framework.

Afriexim Bank is spending \$900 million in facilitating development of industrial parks across Africa and several have already been established in Benin, Togo, Ivory Coast, Nigeria, Chad and other countries.

The Magwero Industrial Park in Lilongwe is expected to attract over \$685 million in Foreign Direct Investments (FDIs) for manufacturing ventures that are expected to generate additional forex amounting to over \$600 million annually, supporting over 15 000 jobs.

Perhaps, the involvement of Arise, a company that has proven track record of operating industrial parks in Africa should give hope that this is not another failed strategy.

The Magwero Industrial Park will have factories, logistics centre, a standard testing facility, residential infrastructure and utility services to ensure factories are operating without disruption.

However, chief to successful SEZ as observed in Japan, China and Singapore, is policy consistency and State approach in the industrialization with establishment of a well-functioning Export Trading Company.

A SEZ law was passed by parliament in December 2023 to set off the

Afrieximbank also urges establishment of Public Private Partnerships while investing in local farm inputs manufacturing to ensure reduced cost of agriculture production to help reduce prices of manufactured goods.

country towards realization of the SEZ based industrial parks after Afriexim Bank supported a feasibility study five years ago.

In making the attractive to both foreign and local investors, the SEZ Act, section 41, provides that the SEZ developer, in this case, Arise and partners, SEZ operator or enterprises shall be exempted from quotas, trade restrictions, or trade prohibitions on all imports or exports that they are trading in.

Section 33 of the Act also recognizes any purchase from the SEZ as an import and all sales to SEZ as exports.

Section 51 of SEZ provides that money may be moved into the SEZ and out to the rest of the world without having to obtain any approvals.

However, there are still more measures and systems required in order to effectively operationalise the SEZ and ensure the intended results start to show.

Malawi needs to expedite the work that is going on that is being spearheaded by the EDF to establish Malawi Export Trading Company, experts say.

The first action that we did with our partners, Arise, is to start with the market. That the first thing that we need to do. You don't start with the supply side.

Afrieximbank also urges establishment of Public Private Partnerships while investing in local farm inputs manufacturing to ensure reduced cost of agriculture production to help reduce prices of manufactured goods.

Perhaps, now is when the real intention of wealth creation begin to show, of course, when the Magwero Industrial Park becomes the country's exports gateway. ■

...Continued on Page 29



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STANDARD BANK CONNECTS TO CHINA PAYMENT SYSTEM



MADINGA—We have always embraced a pioneering spirit

Standard Bank Group has become the first African bank to participate directly in China's Cross-Border Interbank Payment System (Cips), a major milestone in facilitating Africa-China trade.

The system is designed to provide a more efficient, low-cost, and convenient way to conduct international RMB payments, and serves as an alternative to the global Swift network for yuan-denominated transactions.

While the service is currently live in South Africa, it will be extended to other markets, including Malawi, soon.

Cips enables cross-border payments in Chinese Renminbi (RMB), reducing transaction friction and accelerating settlement times. This innovation strengthens Africa's connectivity with China, its largest trading partner.

Standard Bank plc Chief Executive Phillip Madinga spoke highly of the move which he

Standard Bank is a keen advocate for Africa's growth, and this new service is tailored to enable more integration with a key trading partner and offer our clients diverse options for optimising their operations.

rated as a game-changer.

"We have always embraced a pioneering spirit to deliver solutions that meet our clients' evolving needs and support economic growth.

"These initiatives reflect our dedication to simplifying trade and unlocking opportunities for businesses and individuals alike," he said.

According to Standard Bank Group, the achievement reflects its leadership in financial innovation and cross-border enablement.

It says by being the first African bank to join Cips, the group is reinforcing its role in connecting Africa to global trade corridors and creating solutions that empower businesses to thrive in a rapidly evolving economic landscape.

Standard Bank is a keen advocate for Africa's growth, and this new service is tailored to enable more integration with a key trading partner and offer our clients diverse options for optimising their operations. ■

POWER OF DIGITISATION ON FINANCIAL INCLUSION

Malawi's financial inclusion made traction between 2014 and 2023, increasing from 18 percent to 74 percent of the adult population. This is according to a Finscope survey report.

This surpassed the target of 55 percent in the National Strategy for Financial Inclusion (NSFI) that spanned 2016 to 2020.

The survey found the rural population also increased the adoption of formal financial services by over 40 percent; a trend that roots in the innovations in payment systems as Digital Financial Services (DFS) even caused a 14 percent reduction of holders of bank accounts.

More efforts, championed by the Reserve Bank of Malawi (RBM), aim to push financial inclusion further to reach 93 percent by 2028, a possibility given continued increase of adoption of payment solutions.

The 2025 second quarter payments systems report by RBM shows a year-on-year surge in the use of DFS, with both the volume and value of transactions surging by 33.26 percent and 79.08 percent, respectively.

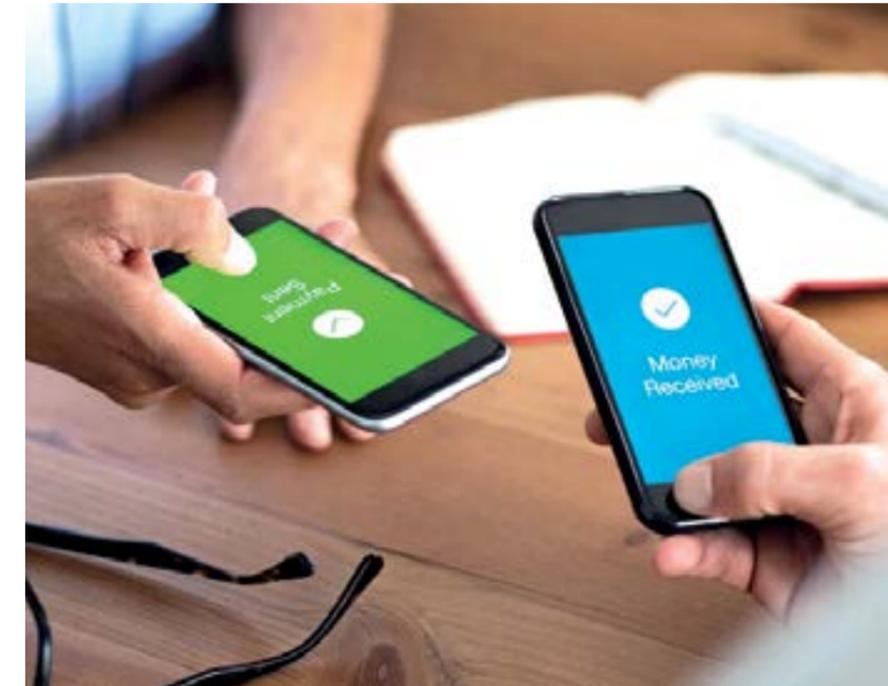
More revealing are statistics on the total number of registered mobile money service subscribers that stood at 20.1 million, as of 30th June 2025 from 17.6 million during the previous quarter, representing a 13.95 percent increase.

It is understood that the huge increase in usage reflects results of continued industry efforts in promoting adoption and usage of digital financial services by the public, buoyed by reforms in both the enabling infrastructure and regulatory framework.

RBM statistics show that the drivers of this milestone remain internet banking, mobile banking, mobile money and point of sale services.

It is thus expected that this trend will continue owing to continued efforts by industry stakeholders in implementing initiatives aimed at ensuring that no one is left behind on the financial inclusion agenda.

However, financial inclusion spans far



GAINS MOMENTUM—Mobile money services uptake—File photo

beyond payment systems to capital markets and insurance services which are also important aspects in transforming societies through financial inclusion.

Lately, there have been efforts to increase public participation on the stock markets, as more innovations are being introduced.

Chief Operations Officer for MSE, Kelline Kondowe, highlights some initiatives such as implementation of the mobile trading platform which is being financed by the World Bank under the Financial Inclusion and Entrepreneurship Scaling Project (FINES).

This is an initiative that is believed to have potential of further broadening access to the stock market in Malawi hence potentially increasing participation.

It should be worth noting that there appears to be a coordination of projects that have a financial inclusion aspect.

For example, the FiNES project has footprints in the Financial Access for Rural Markets and Small scale Enterprises (Farmse) and the Comsip Union Limited where poor and financially excluded Malawians are linked to financial services having been transformed economically.

From the two programmes there are significant numbers of project beneficiaries that are now financially included and transact with banks, insurance companies and on mobile money platforms.

Overall, the trend in financial inclusion agenda is poised to achieve the NSFI III to have 95 percent of the population financially included and this is what collaboration and innovation by policy makers, market players and development partners can achieve in tackling challenges of the country. ■

ALTERNATIVE INVESTMENTS: ROLE OF PRIVATE SECTOR

The domestic economy is facing funding issues and deficits in various sectors with only 30 percent of the national budget allocated to development expenditure in the current financial year amid persistent fiscal deficits.

During the year, the fiscal deficit is projected at K3.128 trillion or 25.2 percent of total expenditures.

At the same time, pension investment assets, which are key to promotion of economic growth, have been rising steadily, increasing to K1.7 trillion from K1.3 trillion in 2021 and constituted 98.3 percent of total assets, according to published Reserve Bank of Malawi (RBM) data.

Meanwhile, while clients are looking for returns, the market remains concentrated with the sector's investment assets skewed towards listed equities and government debt which accounted for 50.9 percent and 31.3 percent of the total investment assets, respectively.

Other investment asset classes included fixed deposits, private debt, property, and unlisted equity, which represented the remaining 17.8 percent. Overall, the asset mix proportions largely remained the same, characterised by minor changes.

The investment mix has been changing lately, with pension funds moving beyond traditional investments in bonds and stocks to private equity and other alternative asset classes.

In Malawi, Old Mutual Investment Group has delved into alternative investments and looks forward to implementing several pipeline projects that will further enhance the alternative investment portfolio, with economic and social impact, while delivering solid returns to the investors.



SPEAKS VOLUME—A macadamia nuts farm under Old Mutual Alternative Investment drive

The firm has since established the Ulimi, Infrastructure and the private equity fund.

The Ulimi Dund, which houses over 3000 hectares of macadamia plantations across two export focused businesses, is already exporting some dry nuts in shell macadamias.

On the other hand, the Infrastructure Fund has diversified its assets, containing over 750 telecommunication towers, student accommodation and some road infrastructure while the private equity fund is fairly new, with the fund exploring several pipeline investments with great potential.

Conducive regulation and industry policies will help gain significant traction in alternative investments.

As economist Velli Nyirongo observes, given the volatility of Malawi's economy to external shocks, alternative investments will provide a means to diversify investors' portfolios, thereby managing risk more effectively.

Additionally, he says, alternative investments have the potential for higher returns compared to traditional

investments, compensating for their typically higher risk and lower liquidity.

However, there are still hurdles to overcome.

"Robust legal frameworks are needed to ensure transparency and security in investments. For instance, the housing market in Malawi faces issues with property ownership clarity and information transparency. There are also challenges in property valuation, with properties often being overvalued.

"Additionally, the business environment remains challenging, which might deter investor confidence? Nonetheless, this initiative is a step in the right direction."

The central bank earlier observed that with the country facing an infrastructure funding gap of between \$600 million to \$800 million annually, alternative investments are key.

He observed that with macadamia nuts alone expected to equal 20 percent tobacco foreign exchange earnings, the initiative augurs well with monetary authorities' position to diversify sources of foreign exchange earnings. ■



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Pay your taxes either through the online banking platform or at CDHIB banking centre. In order to use the e-tax service for domestic taxes, sign-up on the MRA website.

Key Benefits

- Convenient, secure, easy and fast
- Immediate confirmation of payment
- Free e-tax payment demos for users
- Dedicated mailbox: electronicprocessing@cdh-malawi.com for resolution of tax payment issues

NB: Available to both CDH Investment Bank customers and non-customer



INVESTMENT BANK

COUNTING THE MONEY MARKET VALUE



Malawi's broad money supply (M2) reached an unprecedented K7.22 trillion in August 2025, signalling a banking system dripping with liquidity.

In the bustle of Malawi's economy, one of the most influential forces remain largely invisible to the public; the money market.

While most Malawians rarely encounter it directly, it quietly powers the country's financial machinery.

For the Reserve Bank of Malawi (RBM), and for institutions that rely on stable liquidity, it keeps money circulating, banks functioning and lending possible.

At its core, the money market provides short-term funding for banks, firms and the government.

Through instruments such as Treasury Bills (T-bills) and Treasury Notes (T-notes), it allows institutions to meet immediate financing needs, smooth daily operations and avoid disruptive funding gaps.

RBM spokesperson Boston Maliketi Banda says this ready-access-to-cash underpins the

country's broader macroeconomic stability, as without it, payments would slow, credit would tighten and confidence across the economy would weaken.

He says: "The money market is where we anchor inflation control and ensure a stable financial system. It is also a safe and rewarding space for Malawians to grow their wealth."

A system under pressure

Figures from the RBM show that Malawi's broad money supply (M2) reached an unprecedented K7.22 trillion in August 2025, signalling a banking system dripping with liquidity.

Annual M2 growth slowed to 33.9 percent earlier in the year, reflecting tightening conditions.

On the deposit side, demand deposits surged by K590.1 billion in the first quarter of 2025, while foreign-currency deposits fell, mirroring Malawi's persistent forex stress.

The government borrowing, on the other hand, has soared. In 2024, T-bills and T-notes issuances climbed to K3.25 trillion, a staggering 76.5 percent jump from the previous year. Yields have followed suit, with TB rates ending 2024 at 20.67 percent, up from 18.90 percent in 2023.

The RBM's policy rate remains firmly at 26 percent, a stance meant to



NYIRONGO—A deep and active money market tells you that the banking sector is confident and conditions are stable

contain inflation and stabilise the Kwacha.

What the money market says about the economy

Economist Veli Nyirongo believes the money market reveals deeper truths about economic health.

He says: "A deep and active money market tells you that the banking sector is confident and conditions are stable.

"But when you see persistent liquidity shortages or sharp spikes in short-term rates, it can signal fiscal pressure, weak investor confidence, or emerging instability."

The market acts as a mirror—reflecting confidence in good times and warning of trouble in bad ones.

He says when liquidity dries up, credit becomes expensive, investment stalls and economic anxiety rises.

Nyirongo points to Malawi's growing fiscal deficits as a red flag: "Government borrowing absorbs much of the available funds that puts upward pressure on yields and can crowd out private-sector borrowers."

Why it matters

For most Malawians, the money market feels distant — a space for bankers, analysts and the suit-and-tie crowd. But its influence quietly touches almost every life.

Despite being viewed as complex, RBM says the money market is more accessible and even individuals or small businesses can participate.

To participate, Banda says investors can buy T-bills directly by downloading a bid form from the RBM website and submitting it through their bank's Treasury department.

Then, they may invest through licensed brokers and portfolio managers listed on the RBM website while those with smaller amounts can join unit trusts and money market mutual funds offered by firms such as Old Mutual and Nico Holdings, allowing them to pool resources and access diversified instruments.

Banda hoped more Malawians will take part directly. With RBM preparing digital investment platforms, including a mobile investor portal expected in 2026, he believes the market will soon be more accessible.



MALIKETI BANDA—It is also a safe and rewarding space for Malawians to grow their wealth

"We want ordinary Malawians to participate easily and safely," Banda said. "These instruments offer secure, liquid and rewarding ways to build wealth."

Challenges still loom

Despite steady advances, the money market is not without structural challenges:

Heavy reliance on government securities, sparse corporate bond activity, volatile liquidity driven by forex shortages and low public participation and financial literacy gaps.

And yet, the landscape is shifting. Financial literacy campaigns, fin-tech innovations and regulatory reforms are injecting new momentum into a once-stagnant space.

Nyirongo is cautiously hopeful though: "If reforms continue and fiscal discipline improves, Malawi can build a more inclusive and resilient money market."

The road ahead

The money market may not have the glamour of the stock exchange or the visibility of mobile money, but it remains the quiet engine driving Malawi's economy. It influences inflation, interest rates, credit flows, investment decisions, and ultimately the financial well-being of households and businesses nationwide.

In the years ahead, RBM wants to deepen, diversify and democratise the money market so it serves not only banks and government, but also the millions of Malawians whose daily lives depend on the stability it provides. ■

...Continued on Page 37

Women in Leadership

Interview with

Thokozani Kamkondo-Sande,

Managing Director of Airtel Money Malawi

Thokozani Kamkondo-Sande is Director for Airtel Money Malawi—one of the country's two integrated ICT and mobile money services providers. Her story is unique; she is one of a few female executives in the sub-sector. In this interview with The Malawi Banker, Thokozani brings to the fore her career and professional journey, highlighting the highs and lows, faiths and fears, while giving insights for aspiring career women:



Firstly, who is Thokozani Kamkondo-Sande?

I am a strategic and purpose-driven business leader with over 15 years of experience in the telecommunications and digital finance sectors. As Managing Director of Airtel Money Malawi, I lead one of the country's most trusted fin-tech platforms, reaching over 84.9 percent of the adult population through a robust distribution network and use cases. My career began as an IT intern, and through dedication and hard work, I rose to become Marketing Director at Airtel Malawi plc, where I led transformative commercial strategies and was awarded the revered Institute of Marketers in Malawi (IMM) Marketer of the Year award twice. I am passionate about women empowerment, digital inclusion, and building high-performing teams that drive meaningful impact.

Can you briefly walk us through your educational and professional background?

I began my education at Domasi Demonstration Full Primary

School and later attended St. Mary's Secondary School in Zomba. I hold a Bachelor's Degree in Information Technology from The Polytechnic (now Mubas) and an MBA from the Eastern and Southern African Management Institute (Esami).

What inspired you to pursue a career in this field?

My passion lies in leveraging technology to solve real-life challenges. I was driven by the desire to use my IT skills to create meaningful impact in people's lives, especially in the underserved communities.

What advice would you give to young women aspiring to follow in your footsteps?

Live a life anchored on purpose. Set clear goals and work diligently to achieve them. Be proactive, collaborate, contribute, and do not just follow. The world needs your ideas and your voice. Embrace mentorship, and do not fear failure, it is

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often the best teacher. Growth happens outside your comfort zone.

As Malawi's fin-tech landscape expands, I envision a future where women are not just participants but are pioneers. With digital penetration still growing, the opportunities are vast. From e-commerce to investment platforms, the next wave of innovation will be shaped by those who dare to dream and act.

What does your role as Managing Director of Airtel Money Malawi entail?

As Managing Director of Airtel Money Malawi, I provide strategic leadership to ensure the platform delivers secure, inclusive, and innovative financial solutions that meet the evolving needs of Malawians. My role spans business growth, product innovation, operational excellence, and stakeholder engagement with a strong focus on building a trusted digital financial ecosystem.

A critical part of my responsibility involves overseeing compliance and regulatory alignment. We operate in a dynamic space where fintech and banking models intersect, and I work closely with regulators to ensure our operations meet evolving standards while fostering innovation.

This includes maintaining robust risk management frameworks, ensuring consumer protection, and contributing to policy dialogues that support financial inclusion. I also lead cross-functional teams and drive partnerships with banks, fin-techs, and service providers to deepen our ecosystem. By integrating services such as savings, lending, insurance, and merchant payments, we are positioning Airtel Money not just as a mobile wallet, but as a catalyst for Malawi's transition to a cash-lite, digitally empowered economy.

What is your leadership philosophy?

My leadership philosophy is grounded in purpose, people, and performance. I believe leadership is about inspiring others to see possibilities, take ownership, and create impact. I lead with authenticity



KAMKONDO-SANDE—We see tremendous potential for synergy

and clarity of vision, empowering teams to think boldly, act with integrity, and challenge the status quo. I prioritise collaboration, curiosity, and accountability, and I am committed to nurturing talent, especially among women and the youth. For me, leadership is about building more leaders, not followers. Great leadership is the balance of heart and head and driving impact while lifting others along the way.

What is your vision for Airtel Money over the next five years?

In the next five years, Airtel Money envisions playing a pivotal role in transforming Malawi into a truly cash-lite society. Our strategy is centered on expanding

access to digital financial services that are secure, inclusive, and responsive to the evolving needs of Malawians. We aim to accelerate the adoption of digital payments by enhancing key use cases such as e-commerce, bill payments, and remittances making mobile money an integral part of everyday life. By deepening our ecosystem and strengthening interoperability with banks, traders, fin-techs and other service providers, we will continue to deliver seamless, customer-centric experiences.

Our commitment is to drive inclusive growth through innovation, strategic partnerships, and financial education. Airtel Money is not just building a

...Continued on Page 40

platform, it is laying the foundation for a digitally empowered economy where every citizen can participate and thrive.

How does Airtel Money's strategy align with Airtel's broader digital transformation and Malawi's financial inclusion agenda?

Airtel Money's strategic vision is to become Malawi's most trusted and borderless digital payment platform—one that empowers individuals and businesses through accessible, secure, and innovative financial solutions. This ambition is deeply aligned with Airtel's broader digital transformation journey, which prioritizes connectivity, inclusion, and customer empowerment.

By leveraging Airtel's extensive mobile infrastructure and nationwide distribution network, Airtel Money is uniquely positioned to extend financial services to underserved communities, bridging the gap between traditional banking and digital finance.

Our customer-centric innovations—from seamless wallet-to-bank integrations to micro-finance products are designed to complement, not compete with, the banking sector. This synergy directly supports Malawi's financial inclusion agenda, helping to bring millions of unbanked citizens into the formal financial system. Through strategic partnerships and shared infrastructure, Airtel Money is enabling a more inclusive, agile, and digitally connected financial ecosystem.

What initiatives has Airtel Money implemented to promote digital payment adoption?

At Airtel Money, we recognize that trust and relevance are the cornerstones of digital payment adoption. To build confidence in our platform, we have prioritized customer education particularly around fraud prevention through targeted awareness campaigns and community engagement. These efforts are complemented by the deployment of advanced AI-driven tools called SPAM ALERT that proactively detect and mitigate suspicious activity, reinforcing the safety and integrity of our services.



Beyond security, we have strategically expanded our digital ecosystem to integrate a wide range of everyday financial services. From bill payments and merchant transactions, international remittances, to savings, micro-insurance, and digital lending, Airtel Money has evolved into a comprehensive financial platform. These innovations not only enhance convenience but also embed mobile money into the daily lives of Malawians, accelerating the shift toward a cash-lite economy.

What is your outlook on the future of fin-tech and mobile money in Malawi?

The outlook for fin-tech and mobile money in Malawi is highly promising. We see significant potential to accelerate the country's transition toward a vibrant

e-commerce and digital economy. Mobile money has already demonstrated its ability to drive financial inclusion, and with continued innovation, it can become the backbone of a broader digital financial ecosystem.

That said, digital penetration remains relatively low, which means the industry must focus on building compelling use cases and expanding services that resonate with everyday customer needs. This includes integrating savings, credit, insurance, and merchant payments into mobile platforms, supported by robust infrastructure and partnerships with banks and fin-techs. The future will be shaped by collaboration—where mobile money operators, banks, and technology providers work together to deliver secure, convenient, and inclusive solutions. With the right investments and

regulatory support, Malawi is well-positioned to unlock the full potential of digital finance.

How is Airtel Money collaborating with other financial sector players, including banks?

Airtel Money has built strong, strategic partnerships with all major banks in Malawi to create a truly interconnected financial ecosystem. Today, our customers enjoy seamless interoperability, enabling them to move funds effortlessly between their Airtel Money wallets and bank accounts.

This collaboration goes beyond convenience; it strengthens financial inclusion by bridging the gap between traditional banking and mobile money. Integration with the national switch has further enhanced efficiency, security, and real-time transaction capabilities, ensuring that services are delivered with speed and reliability across the entire financial sector.

Our approach is simple: leverage the strengths of both banks and mobile money to provide customers with secure, accessible, and innovative financial solutions. This synergy is transforming how Malawians interact with money and is paving the way for a more inclusive digital economy.

Are there any limitations in building synergies within the industry?

We see tremendous potential for synergy within the financial services ecosystem, and at present, there are no significant barriers to collaboration. The industry is moving toward an open, partnership-driven model where banks, mobile money operators, and fintechs complement each other's strengths. This shift is fueled by shared objectives, expanding financial inclusion, enhancing customer experience, and driving innovation. Regulatory frameworks are increasingly supportive of interoperability and joint initiatives, which further reduces friction. In fact, collaboration is becoming a competitive advantage. By leveraging each other's infrastructure,

data, and expertise, we can deliver integrated solutions that go beyond payments to include savings, credit, insurance, and investment products. The future of finance is not about silos, it is about ecosystems and we are optimistic about the progress being made.

What regulatory challenges or opportunities exist in the digital finance space?

The regulatory environment in Malawi has been instrumental in shaping a progressive and inclusive digital finance landscape. We are fortunate to operate in a space where regulators recognize the distinct yet complementary roles that mobile money operators and traditional banks play in advancing financial inclusion. Rather than viewing mobile money as a competitor to banking, the regulatory framework has evolved to support a collaborative ecosystem one where both models coexist and thrive.

This alignment has enabled innovations such as wallet-to-bank integrations, cross-border remittances, and digital savings and lending products that serve a broader segment of the population. At Airtel Money, we maintain an open and ongoing dialogue with regulators to ensure that policies remain responsive to the fast-paced nature of fintech.

Together, we are working to strike the right balance between fostering innovation, safeguarding consumers, and ensuring systemic stability. This partnership is not only enabling growth but also reinforcing trust in digital financial services as a cornerstone of Malawi's economic transformation.

What are the prospects for expanding Airtel Money's services beyond traditional mobile payments?

Airtel Money is transitioning from a traditional mobile payment's platform to a comprehensive digital financial ecosystem. We have already established strong partnerships delivering bank products, micro-insurance, savings, and lending solutions through brands like Old Mutual,

Britam, and all Banks in Malawi offering wallet to bank and bank to wallet transactions, Cross-border remittances and merchant ecosystems for trade enablement Malawi's digital financial inclusion has grown significantly since 2014 from 49 percent to 88 percent in 2023 as per Finscope survey 2023, driven by mobile money, and Airtel Money is at the center of this progress bringing millions of unbanked citizens into the formal financial system and supporting the government's financial inclusion agenda.

By combining Airtel Money's reach with banking expertise, we will deliver secure, instant, and convenient financial solutions, placing the entire financial world in the palm of our customers' hands. This positions Airtel Money as a key driver of inclusive digital finance and a catalyst for economic growth.

Any final thoughts?

Airtel Money stands at the forefront of Malawi's digital financial transformation not as a competitor to banks, but as a catalyst for inclusive growth and innovation. Our vision is rooted in collaboration, not disruption. By aligning our strategy with Airtel's broader digital agenda and Malawi's financial inclusion goals, we are building bridges between mobile money, traditional banking, and emerging fintech solutions.

The future of finance in Malawi will be shaped by partnerships where mobile money operators, banks, regulators, and technology providers work together to create a seamless, secure, and customer-centric ecosystem. Airtel Money's expansive reach, agile innovation, and deep integration with financial institutions position us to deliver meaningful impact at scale.

With continued support from a forward-thinking regulatory environment, we are confident that Malawi can evolve into a cash-lite, digitally empowered economy. Airtel Money is proud to play a leading role in this journey placing financial services in the hands of every Malawian and unlocking new opportunities for prosperity, inclusion, and resilience.

POOR SUCCESSION PLANNING: A NATIONAL RISK

BY DARLINGTON LIPENGA | AUTHOR OF KUIWERENGA RISK-DISPACHES



Succession planning is the deliberate process of identifying and grooming future leaders. It is critical for the stability and sustainability of organizations and, by extension, national growth. The concept, borrowed from military and monarchy practices, has deep historical roots. In ancient times, societies and armies recognized that without a clear plan for leadership transition, institutions or entire kingdoms could collapse. Our ancestors knew that unclear leadership could cause chaos, division, or societal collapse.

Historical Example: Alexander the Great

By the age of 32, Alexander the Great had built one of the largest empires in history, stretching from Greece to India. However, his sudden death without naming a successor created a power vacuum. His generals, the Diadochi, fought among themselves for decades, fragmenting the empire into smaller kingdoms such as Egypt under Ptolemy and Mesopotamia under Seleucus. This demonstrates how unclear succession can destroy even the most powerful organizations.

Corporate Lessons: Apple Inc.

Between 1985 and 1997, Apple faced a severe succession challenge. After Steve Jobs was forced out, the board lacked a robust succession pipeline. Successive CEOs, including John Sculley, Michael Spindler, and Gil Amelio, struggled to maintain stability and innovation. Apple nearly went bankrupt, highlighting the risks of neglecting succession planning. Jobs' return in 1997 stabilized the company, underscoring the importance of leadership continuity.

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Succession Planning Challenges

Many organizations fail to plan for successors in advance. Few have written strategies even when leaders are nearing departure. Succession planning should extend to all levels of an organization, including situational placements where candidates are trained to fill multiple roles. In Malawi, ministries, government-owned companies, councils, and private firms often operate without strategic succession pipelines, leading to poor handovers, loss of institutional memory, weakened leadership, and operational inefficiencies. If key experts—mostly born in the 1970s and 1980s—exit suddenly, few Millennials are prepared to step into leadership roles, creating both organizational vulnerability and a national risk.

Benefits of Effective Succession Planning

Proactive succession planning ensures smooth operations during both expected and unexpected departures. Organizations that develop future leaders maintain continuity, retain knowledge, and safeguard performance.

Successful Examples

- General Electric (GE): Jack Welch spent nearly a decade preparing Jeff Immelt, ensuring a smooth CEO transition in 2001.
- McDonald's (2004): Faced three CEO changes in under two years due to illness. Success was achieved through regular board meetings and long-term succession planning under the "Plan to Win," emphasizing proactive talent development.



- Standard Bank Malawi: The "CE for a Day" program exposes rising professionals to executive responsibilities, preparing them for senior leadership roles.

National Implications

A poor succession plan does not only weaken company performance but also undermines national growth, because when key institutions lack continuity, industries suffer, jobs are threatened, and the economy loses stability.

Conclusion

Succession planning is far more than a human resources initiative; it is a strategic necessity and national imperative. Historical, corporate, and local examples, from Alexander the Great to Apple, GE, McDonald's, and Standard Bank Malawi, demonstrate that preparing the next generation of leaders is essential for stability, growth, and continuity. For Malawi and organizations worldwide, prioritizing succession planning is urgent. It safeguards institutional integrity, ensures operational continuity, and protects economic stability, making it a critical component of sound governance and national development. ■

BEYOND CHEQUE PAYMENTS: THE MALAWI DIGITAL PAYMENTS RISE



BY LUMBANI GONDWE
CONTRIBUTOR



PHASING OUT—Cheques use

The strong-sweeping wind of cheque use discontinuation globally has finally reached the Warm Heart of Africa—Malawi.

Few months ago, in collaboration with the Reserve Bank of Malawi (RBM), the Bankers Association of Malawi (BAM) announced plans to phase out cheques as a payment instrument by December 31, 2025, marking a major shift towards digital financial systems and the long-awaited rigorous drive to achieve the Malawi Digital Economy Strategy by 2026.

The move reflects the country's broader modernisation agenda in banking and payments, aimed at improving efficiency, reducing fraud, and aligning with global trends which both the Reserve Bank of Malawi and the Bankers Association of Malawi have religiously campaigned and preached

about. Malawi joins other several countries on the African continent and beyond who have phased out the use of cheques.

On the continent, countries like South Africa and Namibia phased out usage of cheques as a payment instrument in December 2020 for South Africa and June 2019, for Namibia. Same with Europe, where most countries are seeing a fast-death drop in cheque usage as a payment instrument - countries such as Germany, Poland, Belgium, the Netherlands, Denmark and the Scandinavian countries. In fact, some EU countries completely abolished the use of cheque three decades ago - Finland abolished the use of cheques in 1993, just a year after I was born, with countries like Austria on the other end targeting 2030 to phase out their National Cheque System.

This major policy change in the Malawi's payments environment and landscape, goes beyond promoting more non-paper-based instruments such as payment cards, mobile money and Electronic Funds Transfer (EFT) which are also called Automated Clearing House (ACH) payments, which have proven to be more efficient, secure and financial access inclusive.

...Continued on Page 45



This transition is not just about technology—it's about building trust, efficiency, and inclusivity in the financial system. By eliminating cheques, Malawi is signaling its readiness to fully embrace the digital economy.

The discontinuation of cheque usage offers Malawi significant environmental advantages, primarily by eliminating paper-based payment processes and the associated carbon footprint of traditional banking logistics.

Cheques do require paper and envelopes for printing and mailing, cheque books for storing. The abolishing of cheque usage will save a lot of trees annually and reduces the significant water, energy, and chemical usage associated with the pulp and paper industry, which is one major industrial polluter.

Despite a number of improvements made over the years in cheque system and processes, such as security upgrades and shortening clearing timelines; cheques have proven to be an outdated way of making payments in the modern fast-paced day of conducting business.

The prevalence of scams and fraudulent activities in cheques such as counterfeiting, forgeries, cheque washing, cheque alterations and closed-account issued cheques have marred cheque systems from inception. Not to write about the risk of cheque processing, as paying by cheques is not only lengthy but also risky due to the multiple stages involved from presentment to clearing end - cheques belong to an outdated payment infrastructure and National Payments Systems.

Cheque are mostly slow to process, and costly to maintain: Businesses and government transactions demand faster, more reliable payment systems which electronic payments presents as value for usage and sametime, will aid the improvement of cash flow and reduce administrative overhead for both businesses and the Malawi government.

Looking ahead, Malawi's decision to retire cheques is part of a continental

trend toward digital-first financial ecosystems. Countries across Africa are embracing mobile money, instant payments, and fintech innovations to leapfrog traditional banking limitations.

This transition is not just about technology—it's about building trust, efficiency, and inclusivity in the financial system. By eliminating cheques, Malawi is signaling its readiness to fully embrace the digital economy. ■

About the author:
Lumbani Gondwe - Chartered Certified Digital Finance Practitioner (CDFFP), Association of Digital Financial Services - Malawi (ADFS) Founding Executive.

HARNESSING THE DIGITAL ECONOMY ON PAYCHANGU



What, just about two years ago, was born as an idea, today turns into a catalyst for growth; empowering Malawian businesses at all levels to harness, and thrive in the digital economic space.

PayChangu—a wholly Malawian-owned fintech company—is transforming the way businesses receive payments in the digital age, and acting as an enabler for wider connectivity into the financial services spectrum for Malawians.

Simply put, it has made financial transactions seamless, while contributing to the national financial inclusion agenda.

“We empower organisations—whether small informal traders, SMEs, large corporations, or government institutions—to collect payments seamlessly both online and offline,”

says Joshua Mwendo, PayChangu Chief Operating Officer.

PayChangu was born out of a very real and persistent challenge: the inability for Malawians to sell or purchase products and services online with simplicity and reliability.

“Like many Malawians”, Mwendo says, “our founder, Nohaata Seven, experienced first-hand the frustration of trying to accept online payments or transact digitally without a dependable local solution.

“This pain point sparked a vision to build a payment gateway designed for Malawi, solving Malawian problems with Malawian ingenuity.”

The Paychangu journey began in 2021, but operations kicked off in 2023. In July 2024, the Reserve Bank of Malawi officially licensed PayChangu.

“Today, we stand as one of the country’s fastest-growing fin-techs, filling a long-standing gap in the digital payment landscape,” Mwendo says.

PayChangu provides secure and reliable payment processing services, enabling businesses to accept both domestic and international payments.

Through its APIs, merchants can integrate payments directly into websites, mobile apps, and custom systems.

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MWENDO—PayChangu is here to build and support Malawi’s digital economy

For those without technical setups, the firm’s Payment Links and QR codes offer instant, no-code options for receiving payments, perfect for retail, service providers, and high-volume industries. Our solutions are built to serve online and offline environments, giving merchants full flexibility in how they operate.

Its model is predominantly B2B, but has its doors open to every business in Malawi—from micro-entrepreneurs to large enterprises and government institutions.

PayChangu is designed to support anyone offering a product or service, including those outside the formal banking system. Market embrace has been exceptional. Businesses are recognizing the efficiency, transparency, and customer experience benefits of digitised payments.

“We are witnessing a rapid shift where merchants who once relied solely on manual confirmations or screenshots are now fully digital, confident, and competitive,” Mwendo says.

In the last two years it has been in operation, the firm has significantly bridged Malawi’s longstanding e-commerce gap.

Not long ago, it was nearly impossible to list a product online and accept payments instantly. Today, using PayChangu, businesses can automate sales, subscriptions, bookings, and service payments with no friction.

Industries such as insurance, retail, logistics, education, and gaming have already experienced notable growth because our gateway provides the missing infrastructure they needed to scale.

In terms of financial inclusion, PayChangu is enabling the formalisation of previously informal or unbanked businesses, giving them access not only to

payment tools but also digital records, statements, and earning histories.

“Our ability to support USSD payments, critical in a country where 85 percent of the population lives off the national power grid, ensures that no Malawian is left behind in the journey toward a digital economy,” Mwendo said.

Like any pioneering technology, the firm’s initial challenge was market adoption, according to Mwendo.

At the time, many businesses were accustomed to traditional, manual methods of transacting. But growing consumer exposure to global e-commerce created an appetite for better experiences, and this has helped accelerate adoption locally. Internet penetration has also been a challenge, especially for rural merchants. To address this, we engineered robust solutions beyond the internet, including USSD-compatible APIs that allow businesses to collect payments even in areas with zero connectivity. Our philosophy has always been to innovate around the realities of Malawi, not the assumptions of global markets, and that approach has been key to our success.

The future is incredibly promising. Malawi is rapidly embracing digital financial services, with mobile money penetration now approaching 80 percent. What has been missing is the connective tissue, a platform that allows merchants to easily tap into the millions of customers who already hold digital wallets.

Payment gateways like PayChangu are becoming that bridge, and as adoption grows, we foresee a Malawi where digital payments are not a luxury but a default.

“PayChangu is here to build and support Malawi’s digital economy, not just for today but for generations to come.

“We believe Malawian businesses deserve tools that match global standards while addressing local realities. Our mission is simple: empower businesses to serve their customers better, unlock global opportunities, and position Malawi as a competitive player in the digital marketplace,” Mwendo says. ■

2025 BANKERS' EVENTS

THROUGH THE LENS



01

The year 2025 goes in the history books as another auspicious one for the banking community. The Bankers Association of Malawi (BAM)—an umbrella body for the country's eight commercial banks—organised, and hosted several of activities for its members and their staff:

- On April 26, for instance, BAM hosted the 2025 Bankers Sports Day—an annual event where bankers competed in various sporting disciplines—at the Kamuzu College of Health Sciences in Blantyre. It featured 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.

- On August 5 2025, BAM hosted the 16th Bankers Dinner and Dance in Blantyre to celebrate and collaborate for sustainable growth. Focus was on building synergies.
- Between August 14 and 17, 2025, the association held the 10th Bankers Conference in Mangochi. Held under the theme 'Facing the Future, Together: The Phenomenal Power of Synergy,' the indaba brought together executives and representatives from the country's eight commercial banks, microfinance institutions and other entities including telcos.

The Malawi Banker captured major highlights of the vents:

- WE WERE THERE**—Participants pose for a group photograph for reminiscing the 2025 Bankers Conference
- ALMOST THERE**—Female athletes press towards the mark in a race
- WHEN CULTURE IS FUSED IN BUSINESS**—At the epitome of the evening (Dinner and Dance) was a display of culture as a form of entertainment for the guests
- FOR SYNERGY**—Guest of Honour at the 2025 Bankers Conference, RBM Governor Dr. McDonald Mafuta Mwale (centre), and other guests
- EXPLORING**—The 2025 Bankers Conference was not void of leisure and fun. Apart from sporting activities and dinner and dance, participants took a boat ride to the famous Bird Island

fun. Apart from sporting activities and dinner and dance, participants took a boat ride to the famous Bird Island

6. FUN TIME—Fun and entertainment was not spared at the 2025 Bankers Dinner and Dance at Sunbird Mount Sochi, and the guest could not resist but take it to the dancefloor

7. UP FOR GRABS—The 2025 Bankers Sports Day was competitive. Trophies and medals were given out to triumphant teams and individuals in the various games played on the day

8. TIGHT—Tug-of-war attracted the audience's attention during the Bankers Sports Day. Teams sweat it out to claim the opponents' territory



02



03



06



07



04



05



08

BANKERS CAREER OPEN DAY IN PICTURES

Recently, the Bankers Association of Malawi hosted banking students from the Malawi University of Science and Technology (Mubas), the Catholic University and Blantyre International University. The event was held at Mubas campus in Blantyre and students were equipped with necessary skills required in the industry. The Malawi Banker Magazine tells the story through the lens:



FOR REMINISCING - Speakers and students pose for a group photo



FOCUS—Guest Speaker, Mr. Bernard Masi, General Manager, NBM Development Bank Ltd, addresses the students



FOR INNOVATION—Mr. IQ Dzoole-Mwale, Head of Strategy, Innovation and Fin-tech, NBS Bank stresses a point



NETWORKING TIME—Banks' representatives interact with the students



KNOWLEDGE EXCHANGE—Training Managers: Abigail Madise, NBM, Dyson Mmina, Standard Bank & Masangulushyo Chakhumbira, FDH Bank conduct a mock interview session



ATTENTIVE—Dr. Rabiya Hanif, Executive Dean, MUBAS



EMPOWERING—Mrs. Jessie Bisika, Head of Credit, Personal and Private Banking, Standard Bank, delivers her presentation

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EMBEDDING COMPLIANCE FROM DAY ONE



BY JULIUS MAKOLIJA
CONTRIBUTOR



In today's dynamic financial ecosystem, the fight against money laundering, terrorist financing, and proliferation financing (ML/FT/PF) has become more complex and demanding.

With financial institutions increasingly targeted by sophisticated criminal networks, ensuring that all staff are well-equipped to identify and mitigate such risks is no longer optional; it is a necessity. Yet, in many institutions, anti-money laundering (AML) training is delivered reactively, long after an employee has settled into their role. This article makes the case for a proactive approach: embedding AML/CFT training either immediately after confirmation or, ideally, before the start of probation.

The risk of delay

Financial institutions often underestimate the risk posed by new staff. Unfamiliar with compliance frameworks,

policies, and reporting channels, new hires may unknowingly overlook red flags or fail to escalate suspicious activities. In critical frontline roles such as tellers, customer service agents, and onboarding officers, this knowledge gap can expose the institution to significant regulatory, financial, and reputational risks.

Delaying AML/CFT training until one stays many days, months, and years into employment creates a window of vulnerability, during which compliance failures can occur. We have to understand that from the line of defense, these frontline roles are the first ones hence Compliance first.

Benefits of early AML/CFT training

1. Establishes a Compliance Culture from the Start

Providing AML training early sends a clear message: compliance is everyone's responsibility. It aligns new employees with the institution's values and expectations,

As Malawi and other developing economies strive to strengthen their financial systems, prioritizing a culture of compliance from the outset is essential. It starts with training, and it starts now.

and creates a culture of compliance from day one.

2. Reduces human error and risk exposure

New employees may be the first point of contact for high-risk customers. Early training equips them with the ability to:

- Recognize suspicious customer behavior or documentation,
- Understand red flag indicators,
- Know how and when to escalate concerns.

3. Improves the Quality of Know-Your Customer/Customer Due Diligence (KYC/CDD)

Well-trained staff contribute to higher-quality KYC and CDD processes. This enhances the institution's ability to assess risk effectively and meet regulatory expectations.

4. Boosts regulatory compliance and examination readiness

Supervisors and regulators look for signs of an institution's commitment to AML compliance. A structured induction that includes AML training demonstrates seriousness, reduces audit findings, and contributes to stronger supervisory ratings.

The strategic case: Aligning training with risk-based approach

The FATF's Recommendation 18 requires financial institutions to implement internal controls, including ongoing employee training. Integrating AML training into the onboarding process supports a risk-based approach (RBA) by ensuring that all staff, regardless of function, are aware of their obligations and role in risk mitigation.

Further to that, in Malawi, Section 27(c) of the Financial Crimes Act (FCA) requires institutions to conduct ongoing training for their directors, officers, employees, and agents to help them recognize suspicious transactions and identify trends in money laundering and terrorist financing.

However, the Act does not specify when such training should be conducted. Experience has strongly shown that providing AML/CFT training at the earliest stage, either upon confirmation or at the beginning of probation, is critical to "catch the bird early" by embedding a culture of compliance from day one.

For institutions in jurisdictions with elevated ML/TF/PF

risk, such as those with high cash dependency, cross-border flows, or weak enforcement mechanisms, early AML training becomes a strategic line of defense.

Practical recommendations

To embed compliance effectively from day one, institutions should:

- Integrate AML/CFT modules into employee induction programs.
- Tailor training by function (e.g., tellers, loan officers, compliance staff).
- Use real-life case studies and local typologies for relevance.
- Ensure post-training evaluation and certification.
- Follow up with refresher sessions within a reasonable time.

Conclusion

In the fight against financial crime, time matters. Waiting too long to equip new staff with AML/CFT/PFT knowledge can cost institutions extremely, both in terms of regulatory penalties and reputational harm.

Embedding compliance from day one is not just best practice, it is smart risk management. Early AML training empowers staff, strengthens internal controls, and builds a resilient, compliance-driven institution.

As Malawi and other developing economies strive to strengthen their financial systems, prioritizing a culture of compliance from the outset is essential. It starts with training, and it starts now. ■

About the author:

Julius is a professional in the financial regulatory sector, currently serving in the Bank Supervision department of the Reserve Bank of Malawi. With specialized expertise in Anti-Money Laundering and Counter the Financing of Terrorism (AML/CFT) and prudential standards, he is dedicated to promoting the safety and soundness of the banking system. The insights presented in this paper are informed by his direct involvement in the supervision and regulation of financial institutions. For more feedback contact 0990523686 or send an email to jmakolija@rbm.mw

WHY TAXATION MATTERS

IN DEVELOPING NATIONS?



BY DONASIUS PATHERA, PHD
CONTRIBUTOR

Taxation, at its core, is the price we pay for civilisation. It funds our schools, maintains our hospitals, builds our roads, and strengthens the institutions that protect our rights.

Yet, in many developing nations—particularly in sub-Saharan Africa—taxation is often misunderstood, feared, or treated as an afterthought.

Citizens question whether it matters at all in countries where public services seem to collapse under the weight of corruption, waste, or mismanagement.

Others argue that taxation is essential if the region is to achieve true independence from foreign aid and shape its own development future.

The truth lies somewhere in between. Taxation matters deeply—but only when tax systems are efficient, fair, and capable of turning public revenue into public value.

Why taxation?

For developing countries, taxation is more than revenue collection; it is state-building.

Countries that tax effectively are able to invest in infrastructure, health systems, agriculture, industrialisation, and job creation.

They reduce dependence on loans, donors, and emergency relief. They build social contracts—citizens pay taxes because they see the results, and governments are accountable because they depend on citizens rather than external financiers.

Across sub-Saharan Africa, however, the tax-to-gross domestic product (GDP) ratio—a key measure of how much a country collects relative to the size of its economy—remains among the lowest in the world.

While the global average tax-to-GDP ratio stands at about 33 percent, and the OECD average at 34 percent, Africa's average hovers between 15 and 17 percent.

South Africa stands as the region's strongest performer, with a tax-to-GDP ratio of 26.2 percent, the highest in sub-Saharan Africa.

This gap represents billions of dollars in lost opportunities for development. Some African nations have demonstrated that effective taxation fuels development, stability, and long-term planning. South Africa stands as the region's strongest performer, with a tax-to-GDP ratio of 26.2 percent, the highest in sub-Saharan Africa.

This strong revenue base—built through effective tax administration, a broad tax net, and stringent enforcement—has allowed the country to sustain its social welfare programmes, maintain relatively strong infrastructure, and invest heavily in public institutions.

Namibia follows closely with a ratio of around 25 percent. Despite its small population, Namibia's disciplined tax system supports investments in health, education, and clean water.

The country consistently ranks among Africa's most stable societies partly because it relies more on domestic revenue than on donors.

Botswana, often cited as one of Africa's most successful development stories, maintains a tax-to-GDP ratio above 24 percent.

Combined with prudent management of mineral revenues, Botswana's taxation system has financed public services, infrastructure, and a strong governance structure that boosts investor confidence. These countries

...Continued on Page 55



These contrasts between top and bottom performers highlight a crucial lesson: Countries do not fail because they lack resources; they fail because they lack the ability to organise and collect those resources effectively.

demonstrate a simple truth; where taxation is well administered, development becomes predictable and sustainable.

Where taxation fails?

On the other end of the spectrum are countries whose weak tax systems leave them heavily reliant on aid, external borrowing, or unsustainable debt.

Democratic Republic of Congo (DRC) collects barely seven percent of its GDP in taxes—one of the lowest ratios in the world.

Despite its immense natural wealth, from copper to cobalt, DRC's fragmented tax administration and high levels of corruption prevent the state from capturing revenue. This undermines public services and fuels instability.

Chad struggles with a tax-to-GDP ratio of around six to seven percent. Years of political volatility, narrow economic structures, and weak administrative capacity have crippled domestic revenue mobilisation. As a result, the country remains trapped in cycles of external debt and humanitarian crises.

Somalia, still rebuilding after decades of conflict, collects less than five percent of its GDP in taxes. While the country has made progress in recent years, its tax base remains extremely narrow, and revenue collection is often informal or contested.

A government without a reliable tax base simply cannot provide basic public services.

These contrasts between top and bottom performers highlight a crucial lesson: Countries do not fail because they lack resources; they fail because they lack the ability to organise and collect those resources effectively.

Why sub-Saharan Africa must rethink tax administration?

For many African governments, the problem is not taxation itself, but the efficiency of the tax administration. An efficient system must be fair, transparent, credible, and easy to comply with. Yet the region's tax authorities face recurring obstacles.

First is the narrow tax base. In many countries, the formal sector is small, leaving only a handful of corporations and salaried

...Continued on Page 56



KEY—Revenue collection bodies like Malawi Revenue Authority

workers contributing meaningfully to the tax pool.

Meanwhile, vast informal economies—sometimes making up more than 60 per cent of economic activity—operate largely outside official taxation frameworks.

Second is low public trust. Citizens hesitate to pay taxes when they see little return in public services. The perception—often justified—that tax money disappears into inefficiency or corruption discourages participation and weakens the social contract.

Third is administrative weakness. Many tax authorities still rely on manual systems that are vulnerable to fraud, leakages, and delayed processing. Digitalisation—already transforming tax systems in countries like Rwanda and Mauritius—has not yet been widely adopted across the region.

Fourth is political interference. Tax agencies often lack autonomy, allowing vested interests to manipulate exemptions, weaken enforcement, or protect elites from contributing fairly.

Without addressing these weaknesses, taxation cannot fulfil its role as a driver of development.

A new vision for taxation in sub-Saharan Africa

If the region is to unlock its development potential, it must reimagine taxation not as a burden, but as a strategic investment in the future. Countries must

broaden their tax bases by gradually formalising informal sectors, strengthening value-added tax systems, and closing loopholes that favour multinational corporations.

They must improve tax literacy so that citizens understand their rights and responsibilities within a functioning state.

Governments must also ensure that tax revenue is used effectively. When citizens see new roads, modern hospitals, well-equipped schools, and reliable water systems funded by their taxes, trust grows naturally. And trust is the cornerstone of any functional tax system.

In addition, the region needs to embrace technology. Digital tax identification numbers, e-filing, online payments, and real-time monitoring can dramatically reduce leakages and boost compliance. Countries that have implemented such reforms—like Rwanda—have seen tax revenues surge and governance improve.

Finally, political leadership must champion taxation as a national priority. Leaders must lead by example—paying their own taxes transparently and holding institutions accountable.

To or not to tax?

Taxation matters—deeply. Without it, no developing nation can build strong institutions, fund social services, or escape dependence on aid. Sub-Saharan Africa cannot industrialise without revenue. It cannot strengthen its democracies without an engaged citizenry. It cannot create jobs without long-term public investment.

But for taxation to truly matter, it must be fair, efficient, credible and centred on development rather than punishment. When tax systems fail, nations remain trapped in cycles of poverty and external dependence. When they succeed, development follows.

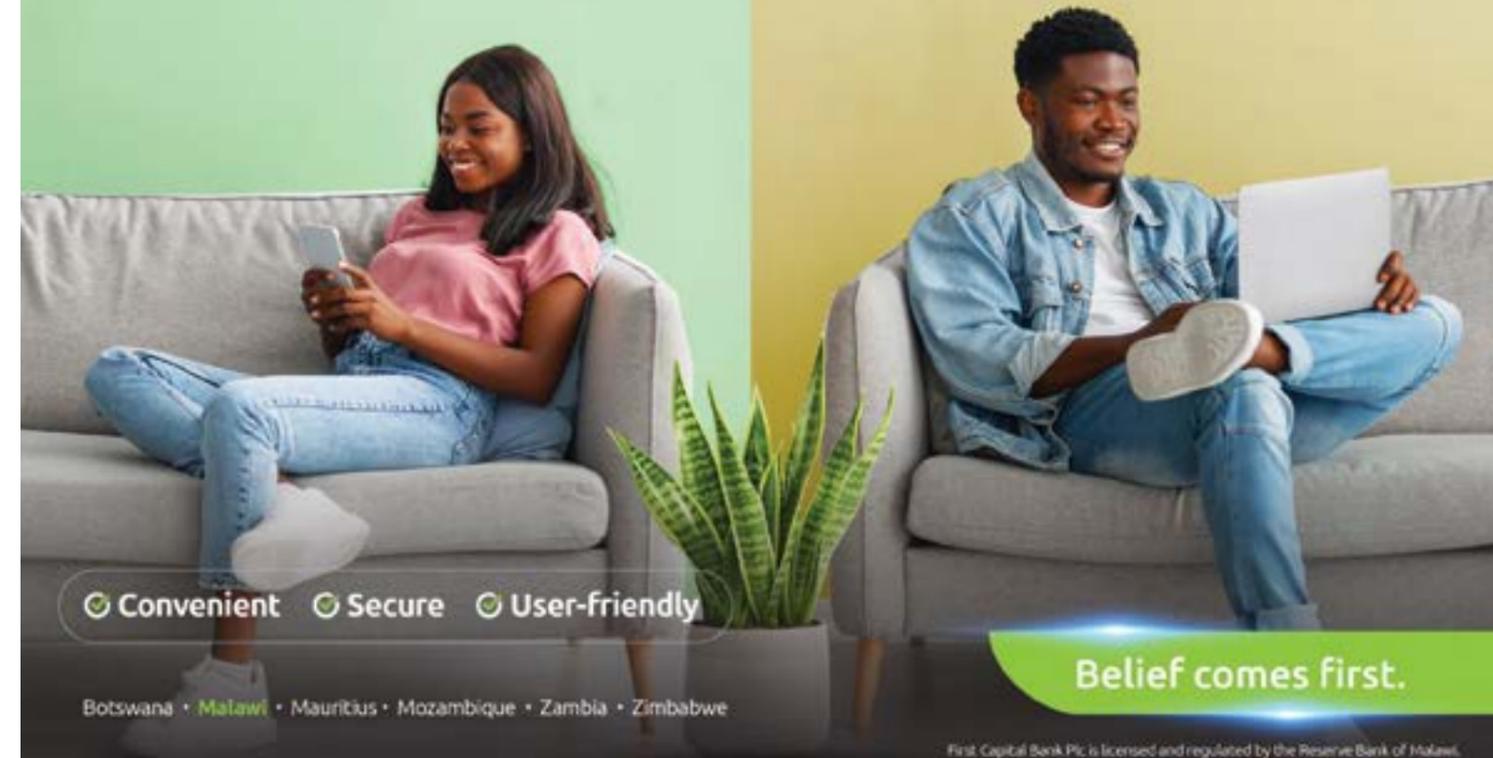
The story of Africa's top performers shows that effective taxation is not a luxury of rich nations but a requirement for becoming one. And the struggles of the poorest performers serve as a reminder that natural resources alone cannot build a country—only strong institutions can.

For sub-Saharan Africa, the choice is therefore not whether taxation matters, but whether governments are willing to build the systems that make taxation work. The region already has the potential; what it needs now is the administrative courage to unlock it. ■

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MAKING MINING NEXT BIG THING



NEXT BIG THING—Mining sector—File photo

Malawi's aspiration to turn the mining sector into the next big thing continues to be riddled by glaring disparities between plans and amount of investment made.

The government is putting effort in its drive to creating an enabling environment for the industry to thrive.

The private sector is a bit elusive. It is, apparently, passive in channelling the required resources into the mining industry—which is among three priority sectors (others being agriculture and tourism) to propel economic growth for Malawi.

Low public investment and bureaucratic tendencies leading to failure to swiftly negotiate deals with potential investors continue to cripple take-off chances for most mining and minerals exploration activities.

These, notwithstanding the lack of

a direct synergy with other feeder-industries including the energy and ICT, have been singled out among key bottlenecks.

Malawi has several high economic value minerals whose potential needs harnessing.

They include uranium, phosphates, bauxite, kaolinitic, coal, kyanite, limestones, rare earths, graphite, sulphides, titanium minerals, and vermiculite.

Looking back, it is clear that the mining sector has registered static growth despite being touted as a potential money spinner.

Malawi's mining sector accounts for just less than one percent of Gross Domestic Product (GDP).

In fact, in the past half a decade, the sector has registered no growth, stalling at around 0.7 percent.

But the government says plans are underway to scale-up the industry's

contribution to GDP to between 10 and 15 percent by 2030 in line with aspirations embedded in the Malawi 2063—the country's long-term development blueprint.

This means that within the next five years, Malawi should be swift in ironing out all bureaucratic impingements, creating an enabling environment to woo more investors and scaling up power supply.

It has taken the government close to four years to set up the Mining Authority and to establish a state-owned mining company which should steer the development of mines. And since 2020, it is only now that the country is hearing of conclusive steps towards having Mining Development Agreements between the government and investors.

Such delays have a cost. The country has forfeited huge sums of foreign exchange.

Growth for the sector requires speed and accuracy.

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BAM REVIEWS IT'S CURRICULUM FOR BANKING PROFESSIONALS

The Bankers Association of Malawi has undertaken a comprehensive review of its curriculum framework to ensure that training programmes remain relevant, competitive, and aligned with both local and global financial sector needs.

A thorough assessment was carried out to identify gaps in the existing curriculum and to understand the evolving demands of the financial services industry.

The review process involved wide consultations with academia, practicing bankers, tax experts, and other industry professionals to ensure the curriculum reflects diverse perspectives and practical realities.

While the previous curriculum was largely banking focused, the revised framework targets the broader financial industry, recognising the interconnectedness of banking, insurance, taxation, and other financial services.

Modern delivery methods:

The courses will be delivered through a blended approach—combining classroom learning with online modules—supported by a robust online management system to enhance accessibility and flexibility.

The new syllabi have been developed and validated with stakeholders to ensure they meet professional standards and industry expectations.

The curriculum is designed to support individuals who aspire to become professional bankers, complementing the theoretical foundation gained from academic institutions with practical, industry oriented training.

The curriculum will be officially rolled out in 2027, with 2026



UPBEAT—Lyness Nkungula, Chief Executive Officer, BAM

designated as a preparatory awareness year.

Expected Outcomes

A curriculum that is responsive to industry needs and prepares graduates for professional practice.

Hence, it strengthens recognition of the financial industry professional body comparable to other associations.

It is also aimed at enhancing the capacity for Malawi's financial sector to meet challenges of digital transformation, compliance, and global competitiveness. ■



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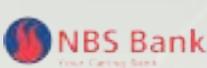


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