



Standard Bank



GROWTH CONVERSATIONS 3RD EDITION

**“Towards Economic Recovery and Growth by
Bringing the ATMM Strategy to Life”**

Tuesday, 3rd June 2025

**BINGU INTERNATIONAL CONFERENCE CENTRE
(BICC), LILONGWE**

EXECUTIVE SUMMARY

The 3rd Edition of Standard Bank’s Growth Conversations Forum was convened under the theme “Towards Economic Recovery and Growth by Bringing the ATMM to Life”, focusing on leveraging the Agriculture, Tourism, Mining, and Manufacturing (ATMM) sectors to restore macroeconomic stability and drive sustainable growth in Malawi.

Taking place against the backdrop of economic distress—marked by food-driven inflation, forex shortages, and high debt—the forum gathered key stakeholders from government, the private sector, development partners, and the diplomatic corps. It built on momentum from previous editions, which helped spark reforms in the ATMM sectors.

Key government updates centred around rationalising the Affordable Input Programme (AIP), expanding irrigation and mega farm projects, and strengthening policy frameworks in both Agriculture and Tourism. The newly established Malawi Tourism Board and the 2025 Tourism Act were presented as major strides forward.

The Reserve Bank of Malawi also showed alignment with reform goals and committed to a July 2025 symposium aimed at unlocking private sector credit for ATMM sectors. Stakeholders agreed that progress depends on timely implementation, stronger collaboration between public and private sectors, and a shift from dialogue to action.

KEY TAKEAWAYS

1. AGRICULTURE REFORM HIGHLIGHTS

- **AIP Rationalisation:** 67% budget cut (from USD 224M to USD 73M) and beneficiary reduction from 3 million to 1 million to shift focus toward commercial, irrigated farming.
- **Policy Overhaul:** New reviews of fertiliser policy, extension services, and irrigation.
- **Mega Farms:** USD 300,000 invested in technical support (2024–2026).
- **De-risking:** Introduction of crop and livestock insurance, and 6,000 hectares now under irrigation.

2. TOURISM REFORM HIGHLIGHTS

- **Tourism Board Established:** Coordinating body to drive national tourism development.
- **Modern Legal Framework:** 2025 Act replaces 1968 legislation.
- **Tourism College Planned:** Upgrade of Malawi Institute of Tourism.
- **Infrastructure Boost:** Expansion of Club Makokola Airport into an international gateway.
- **Brand Malawi Project:** Aimed at unified national tourism marketing, though implementation delays persist.



3. MINING AND INDUSTRIAL DEVELOPMENT

- Although less discussed, the forum underscored the urgent need for:
 - o Transparent licensing in mining.
 - o Local benefit-sharing mechanisms.
 - o Strengthened local content and services in ATMM industries.



4. RESERVE BANK OF MALAWI (RBM) GROWTH SYMPOSIUM ENGAGEMENT

- Active participation by RBM's leadership signals commitment to reform.
- RBM to host a **Multi-Stakeholder Growth Symposium** (July 2025) to develop credit-enhancing strategies for ATMM.



5. OPPORTUNITIES IDENTIFIED

- **Private Capital Mobilisation:** Tap into green finance, diaspora funds, and pension assets.
- **Agricultural Value Chains:** Boost export crops like soya, groundnuts, and horticulture.
- **Tourism Diversification:** Develop niche markets including cultural and eco-tourism.
- **Green & Blue Economy:** Invest in renewable energy, aquaculture, forestry, and climate-smart agriculture.
- **Local Content Development:** Grow domestic supply chains for ATMM.



6. STRATEGIC OUTLOOK

- Achieving MW2063 targets requires GDP growth above 6%—demanding immediate reforms, financing innovation, and strong cross-sector coordination.
- **Achievement of the Malawi 2063 goals (or really any kind of recovery) without significantly more private investment and more exports is likely impossible.** This should form the backbone or basis of policymaking. Some of the investment will be domestic but a lot will need to be foreign. Rather than discouraging foreign investment, policy should focus on discouraging bad practices by investors (pollution, corruption, profit-shifting, etc) and rewarding those that create benefits for the country in terms of jobs, tax revenues and technology / skills transfer.
- **Fiscal consolidation is urgent, unavoidable and can be done without hurting growth or the most vulnerable.** The current path is not sustainable and there is an urgent need for focused reforms on expenditure management, revenue mobilization and fiscal governance. This can also be done without impacting either short-term economic growth or the provision of critical services. It just takes commitment and some tough choices, but it is doable within 3 years, in time for the next campaigning period. There is a need for a detailed review of the country's public finance which would lay a structured path to this end.

- **As shocks to Malawi's economy increase, it will be critical to build more shock-absorbers into the economy.** The future will likely contain more frequent and more severe shocks. In order to manage these, it will be critical to structure the economy for resilience. Currently mechanisms to absorb shocks are not working effectively – whether macroeconomic (fixed economy recovery, pro-cyclical fiscal policy) or at the household level (land ownership, access to credit, trade restrictions, price controls). Building more resilience into the system is compatible with an adaptive model of the developmental state, that is in line with MW2063, and commensurate with Malawi's state capacity and revenues. But it will be necessary for the government to do fewer things, better.
- Standard Bank reaffirms its commitment to using Growth Conversations as a platform for catalysing real economic change.



DETAILED REPORT



1. INTRODUCTION

The 3rd Edition of Standard Bank's facilitated Growth Conversations forum took place on 3rd June 2025 at the Bingu International Conference Centre (BICC) in Lilongwe under the theme: "Towards Economic Recovery and Growth by Bringing ATMM to Life." This edition focused on how Malawi can fully leverage its potential in Agriculture, Tourism, Mining, and Manufacturing (ATMM) to catalyse economic recovery and drive sustainable growth.

The 2025 edition of Growth Conversations came at a critical time when the country urgently needs solutions to reverse a severe decline in economic fundamentals. Many stakeholders, including international donor partners, acknowledged that Malawi's economy was in a state of crisis.

Despite these odds, Standard Bank Plc reaffirmed its commitment to facilitating dialogue aimed at charting pathways toward economic rehabilitation.

Citing positive outcomes from the two previous editions where proposed reforms in Tourism, Agriculture, and Mining began gaining traction, Standard Bank Chief Executive Phillip Madinga reiterated the bank's resolve to continue facilitating dialogue under the Growth Conversations platform, in line with its purpose to drive Malawi's economic development. "These conversations are a catalyst for action, as what we agree in this forum gets followed through with tangible results. Since 2022, we have seen some reforms gaining traction after their tabling on this platform, and this third edition of Growth Conversations builds on that progress," he said.

Madinga described the country's macroeconomic situation as being at a crossroads, with both risk and opportunity clearly visible. He cited Malawi's MW2063 Vision, the Malawi 2063 First 10-Year Implementation Plan (MIP-1), and the ATMM strategy as key opportunity strands. However, he also highlighted economic uncertainty characterised by food-driven inflation, forex shortages, and rising debt as major downsides.

The forum explored how the ATMM strategy could be applied to address perennial macroeconomic challenges, including food and forex shortages, public debt and its crowding-out effect on the private sector, the role of banks in financing ATMM sectors, and how to harness emerging opportunities.

Delegates acknowledged the urgency of fast-tracking several economic reforms to catch up with development targets. It was noted that GDP growth in recent years has been below the 6% threshold required to transition Malawi to a lower-middle-income country by 2030 as envisioned in the MW2063 blueprint. The forum also stressed the need for cohesion and collaboration among all stakeholders in tackling current macroeconomic challenges. It was agreed that sustainable economic recovery hinges on collective action by all key stakeholders. This edition included a panel discussion where the Government and the Reserve Bank of Malawi provided updates on progress in reforms related to Agriculture, Tourism, and export capacity development.



2. INSIDE THE 3RD EDITION OF GROWTH CONVERSATIONS

The 2025 edition attracted high-level participation from the Malawi Government, its regulatory institutions, the private sector, multilateral institutions, and diplomatic representatives, including the United Nations in Malawi, and High Commissioners from Germany and Britain. It featured a panel discussion where the Government provided updates on key reforms in Agriculture and Tourism.

Government was represented by the Ministry of Agriculture and the Ministry of Tourism. The Reserve Bank of Malawi (RBM) Governor and Deputy Governor were also present, alongside the UN Resident Representative to Malawi and the British and German High Commissioners. Main presenters included the Chief Executive Officers of the Malawi Confederation of Chambers of Commerce and Industry (MCCCI), the World Bank Malawi Senior Economist, the Standard Bank Chief Executive (also President of the Bankers Association of Malawi and Commissioner on the Board of the National Planning Commission), and the Chief Executive Officer of the state-owned National Mining Company (NAMICO).



3. KEY DELIBERATIONS

(a) MINISTERIAL UPDATES ON REFORMS

(i) STATUS OF AGRICULTURE REFORMS

(ii) AIP Rationalisation

- Government has begun redirecting the bulk of its annual investment in the Agriculture Input Programme (AIP) from subsidies toward irrigation and commercial farming, aiming to address food shortages linked to low productivity due to climate change (e.g., droughts and cyclones).
- The AIP budget was cut from USD224 million in 2020 to USD73 million in 2024, a 67% reduction.
- The number of beneficiaries decreased from 3 million to 1 million.
- AIP subsidies are viewed as fiscally disruptive due to their reliance on large foreign currency allocations for fertiliser and input imports.

(iii) Investment in Improved Seed and Organic Fertilizer

- Government is investing in high-yielding seed varieties and has initiated trials for cassava and cotton.
- Efforts are underway to develop local production of organic fertilisers to reduce reliance on imported chemical fertilisers.



(iv) Review of Agriculture Policies

- Key policies, including the Fertilizer Bill, Agriculture Extension Services, and Irrigation policy, have been reviewed and revamped to reflect current challenges and opportunities.

(v) De-risking Agriculture

- Government is facilitating crop and livestock insurance schemes.
- Investments in irrigation and winter cropping are expanding, with over 6,000 hectares already under irrigation.

(vi) Mega Farm Development

- USD300,000 project running from 2024 to 2026 aimed at enhancing capacity and technical support for anchor mega farms.

(vii) Inter-Ministerial Collaborations

- Ministry of Agriculture is working with the Ministries of Energy, Transport, and Tourism to create incentives for farmers to access agriculture-linked infrastructure and services, particularly irrigation.



4. STATUS OF TOURISM REFORMS

(i) Launch of Tourism Board

- The Malawi Tourism Board has been established to coordinate tourism development activities nationwide.

(ii) Review of Tourism Act (2025 law)

- A new Tourism Act was passed in 2025, replacing the outdated 1968 legislation to align with modern industry practices.

(iii) Malawi College of Tourism

- Plans are underway to transform the Malawi Institute of Tourism into a fully-fledged Tourism College, modelled on Mzuzu University's Faculty of Tourism and Hospitality Management.

(iv) Airport Development—Club Makokola Airport

- Makokola Retreat in Mangochi has provided approval for government to expand its airport into an international facility.

(v) The Brand Malawi Project

- The Ministry of Tourism is exploring ways to market Malawi as an integrated tourism package, including infrastructure and services. However, delays continue to hinder the project's implementation.



5. UPDATE ON RESERVE BANK OF MALAWI REFORMS

Previous Standard Bank led Growth Conversations proposed reforms for the Reserve Bank of Malawi. While no specific updates were provided during this forum, the presence of both the Governor and Deputy Governor indicated commitment to constructive dialogue.

(i) RBM Multi-Stakeholder Growth Symposium, July 18, 2025

- The symposium aims to design a strategy for increasing private sector credit flows, especially in ATMM sectors.



6 KEY EMERGING OPPORTUNITIES

- (i) Prioritise implementation of reforms, not just policy design.
- (ii) Fast-track stalled reforms and expand their scope for greater impact.
- (iii) Promote public-private dialogue in implementation and monitoring.
- (iv) Facilitate greater synergy among the public sector, private sector, and development partners to ensure harmonised efforts.
- (v) Build institutional capacity to unlock finance and drive implementation of reforms.
- (vi) Incentivise banks to provide medium- to long-term capital for ATMM sectors.

(i) Harnessing Private Sector Capital

- Malawi can tap into global green finance, SDG-aligned investment funds, diaspora remittances, and pension funds to drive investment in ATMM.

(ii) Agricultural Value Chains

- Focus on export-oriented production in key crops like groundnuts, soya, and horticulture.

(iii) Tourism Diversification

- Promote unique niches such as heritage tourism, religious tourism, culinary tourism, lake tourism, and rural/agri-tourism.

(iv) Green and Blue Economy

- Leverage renewable energy, climate-smart agriculture, sustainable forestry, aquaculture, and fisheries to build resilience.

(v) Mining Reforms

- Establish clear governance and transparency in mining licensing, revenue management, and community benefit-sharing



(vi) Strengthening Local Content

- Build local capacity in the provision of goods and services to ATMM sectors, creating jobs and retaining value within Malawi.



7. IMMEDIATE ACTION POINTS

(a) Fuel and Food Security

(i) Fuel and food availability challenges

- Address fuel and food security challenges to partially manage inflation and enable growth of the ATMM sectors:
- Addressing current fuel shortages by ensuring that the pump prices are reflective of current economic fundamentals and implement measures to ensure food availability, which could in turn address inflationary pressures and subsequently enable reduction in interest rates.

(b) Financing of ATMM Sectors

A joint analysis by Economics Association of Malawi (ECAMA) and National Planning Commission (NPC) shows that little funding from the budget is going towards ATMM sectors.

Key recommendations include the following.

- Government to clearly identify and articulate financing needs for ATMM sectors and position them for investment.
- Banks challenged to increase credit to the private sector, where most of the key ATMM players are, as opposed to the current scenario where they are giving most of the credit to government at the expense of private sector



(c) Mining: Fast-Track Mining Development Agreements

The mining sector is seen as a “game-changer” with potential to help Malawi to quickly resolve its fiscal crisis by boosting foreign currency flows. Malawi’s minerals—Uranium, Rare earth (monazite), Niobium, mineral sands and Graphite and Tantalum—are in high demand globally for application in clean energy electric vehicles, mobile communications technologies, wind turbines and nuclear power. It is estimated that mining could generate USD3 billion annually, the same amount Malawi requires to import essential commodities such as fuel, medicines and farm inputs.

Key recommendations for the sector include:

- Decisive and timely Government action to conclude Mining deal negotiations.
- Build capacity of cross-government departments/regulatory bodies, inter-governmental implementation mechanisms and PPP funding for mining infrastructure .
- Fast-track conclusion of MDAs to unlock desperately needed foreign currency flows, create jobs and unlock infrastructure development related to mining.
- Address energy and transport infrastructure deficit—identify adequate source of power and effective transportation mechanisms for the mining sector.
- In the Rift Valley and Southern Africa region, Malawi is the odd one out to solely depend on an agricultural commodity **tobacco** for foreign currency when other countries have a key mineral export that complements agriculture to offset import bills.
- **Zimbabwe** relies on **gold** exports mostly from artisanal miners, **Tanzania diamond** while **Zambia** has **copper** all which help offset import bills and with balance of payments stabilisation.
- Opening mineral exports could help reduce borrowing of forex (US dollars) for imports of key commodities like fuel.
- It’s noted that Malawi was the only country in the region borrowing dollars to finance its imports while others rely on mineral exports, but also engage in agriculture

(d) Energy Challenges: Diversify from Hydroelectricity

The Shire River, which Malawi has relied on for hydroelectricity since independence no longer produces adequate and sustainable power to meet current and future demand. Problems caused by Climate Change effects and years of environmental degradation (flooding, cyclones, drought and siltation) often reduce generation capacity and cause frequent damage to already fragile and aged generation and distribution machines/assets owned by either ESCOM and or EGENCO. Current installed capacity for electricity (grid and off-grid) of **556 Megawatts** not adequate. The country would need over 1300 MW to meet demand from booming emerging sectors like mining, manufacturing and agriculture

Key recommendations proposed in this regard were as follows:

- Invest in alternative renewable energy sources such as solar, etc.
- Banks, including the RBM to treat forex allocation to the energy sector as a priority to provide for speedy imports of electricity equipment .
- Include disaster risk management in design and policy. Use of early warning systems to prepare for disasters.
- Embrace new technology and business models including for trade and carbon finance
- Continuing current efforts in Capacity development (Technical and non-technical

- capacity for government, utilities, regulatory agencies, and private sector)
- The World Bank committed to continue supporting sector through various projects (**Mpatamanga Hydro Electric Power Project, Malawi Energy Access Project, ASCENT, Malawi-Mozambique Interconnector, Emergency Power Restoration**) but concerned about macro-economic instability, and cost of living increases which could hinder access to electricity by Malawians over the long-term

(e) Increasing Credit Flows to Private Sector

Commercial banks are under increasing scrutiny for their perceived preference to lend more to government than the private sector. The Economics Association of Malawi (ECAMA) feels that if this trend continues, the real sector will continue to suffer and progress to invest in the ATMM sectors will be hampered.

Key recommendations proposed:

- Come up with a deliberate policy that motivate banks to increase credit flows to the private sector to facilitate investment in ATMM sectors.
- Reserve Bank of Malawi to convene a symposium on **July 18, 2025**, where key stakeholders from government, private sector and the Bankers Association will form a taskforce to design a pro-private sector credit policy.
- Increase collaboration between inter-governmental departments, ministries and private sector. The United Nations Resident Coordinator's office pledges to assist in facilitating such dialogue to ensure there's genuine collaboration.

(f) Agriculture: Dealing with Food Security, Diversification and Embracing Commercialisation

Dealing with Food Security, Diversification and Embracing Commercialisation

Food shortages continue to persist, due in part to negative effects of climate change such as drought and cyclones. The shortages pushing up cost of food resulting in a high inflation. High inflation is in turn contributing to high interest rates. In the same vein, while African farmers have become much more productive in recent years, those in Malawi are producing less.

The following are some of the recommendations

- Diversify eating habits and diets from the staple maize floor meal (nsima) to other food crops that Malawi also produces in abundance -eg potatoes, groundnuts and soya by embracing mindset change towards nutrition.
- Reduce concentration of investment into maize to other food and cash crops such as legumes and pulses which are in demand in China and other African markets .
- Review key opportunities under Mega Farms.
- Make Mega Farms initiative more transparent and evenly distributed in all the four regions of the country.
- Start small and scale big; invest in smaller “mini” farms or cooperatives which gradually grow into mega farms to ensure traceability and progression
- Increase funding toward irrigation and renewable energy sources linked to commercial farming
- Review the AIP program with the goal of rationalising expenditure towards other

- agriculture innovations and value chains
- Encourage banks to approve agricultural loans with speed
- Consider introducing crop and livestock insurance
- Use irrigation and modern farming techniques to produce for export markets that are in lean seasons
- Widen productivity to legumes which have become a new export opportunity
- Structure the export market for legumes and pulses.

(g) Accelerator Program for #MW2063

Malawi's target to attain a middle-income status by 2030 as envisioned in the national development plan, the #MW2063 risks being missed. Macroeconomic and structural challenges hinder Malawi from achieving its significant medium-term growth potential. Recent years of exogenous shocks such as Covid 19, Tropical Cyclones and geopolitical tensions in Eastern Europe have led to economic stagnation with GDP growth not commensurate to the goals set to be achieved. With only five years to go to 2030, time seems to have run out.

Key recommendations include:

- Design an **Accelerator Program** to factor in revised targets for 2030.
- Increase private investment in ATMM sectors.
- Widen the country's export basket, by adding more commodities other than traditional exports such as tobacco. Only 40% of producers are exporting, and this is not enough.



(h) Tourism Development and Reform

Malawi needs to re-package as a tourism product.

Some recommendations for achieving this dream are.

- Implement or sustain the **Brand Malawi** initiative to support traction of recent tourism reforms and efforts,
- Implement the **“Tiziyamba Ndife Amalawi”** or **“It Starts with Us”** program in which Malawians take lead in exploring their own country's tourist endowments and

destinations .

- Increase access to credit by tourism operators for them to invest in modern facilities such as safari vehicles, mountain cable transportation, hot air balloons, casinos, motorised boats etc.
- Improve investment in infrastructure linked to tourism attractions, most of which are not easily accessible due to poor transport network—poor state of roads and airports
- Embark on **Agro-Eco-Tourism**, a concept integrating hospitality with agriculture enterprise.
- The concept is like **Wine Tourism in South Africa and France**. Malawi produces unique commodities such as coffee, macadamia, sugar and tea which offer tourism potential or farm-to-table advantages.

(i) Building Economic Resilience Amidst Aid Cuts and ‘Trumpism’ Era

As forecast last year by the Standard Bank Group, a President Donald Trump win was expected to bring with it a period of volatility and instability to global markets.

Key recommendations to deal with this evolving situation include:

- **Finalize debt restructuring** to secure debt relief and urgently contain domestic borrowing.
- **Tighten expenditure** controls to achieve Fiscal Consolidation .
- **Bolster foreign exchange reserves** by implementing announced FX market reforms
- **Reduce** RBM forex sales to the market.
- **Control inflation** by limiting the growth of money supply and halting monetary deficit financing.
- **Learn from** successful macro-economic stabilization processes (e.g. Zambia 2020-2024; Malawi 2000-2004)
- **Eliminate implicit fuel and energy subsidies** by ensuring cost-reflective fuel and energy prices.
- **Develop a transparent mining revenue management system** to ensure high savings and investment and manage pressures for consumption spending.
- **Decide quickly whether** to phase out foreign-exchange surrender and conversion requirements starting with the 30 percent foreign-exchange surrender requirement on exports earnings and holdings, especially in priority sectors.
- **Remove import bans and replace them with tariffs**, and refrain from further price controls.
- **For banks: develop and capitalize a Project Preparation and Financing (PPF) facility** financed and operated jointly by commercial banks
- **Eliminate implicit fuel and energy subsidies** by ensuring cost-reflective fuel and energy prices.
- **Rebalance agriculture spending** by improving AIP targeting and focusing resources towards higher impact activities.
- **Prepare for the next disaster** by implementing the DRM Act and establishing a Disaster Fund.
- **Scale up rollout of nationwide land titling and registration** so farmers can more easily access credit and leave their land for other opportunities.

8. CONCLUSION

The 2025 Growth Conversations Forum reaffirmed the importance of inclusive dialogue in shaping Malawi's economic trajectory. By aligning with the MW2063 Vision and focusing on actionable reforms in Agriculture, Tourism, Mining, and Manufacturing, the country can unlock new growth frontiers. The presence and participation of high-level stakeholders—including government, the private sector, development partners, and regulators—demonstrated a shared resolve to move from policy formulation to action. As Standard Bank and its partners continue facilitating this critical dialogue, the forum stands as a platform for translating conversation into tangible progress. In conclusion, throughout this document, it is quite clear that to enable recovery and growth in the short to medium term the following key actions must be taken.

1. Address current fuel and food shortages immediately to manage inflation and enable growth of the ATMM sectors.
2. Shift from planning to implementation and accelerate delayed reforms.
3. Exploit quick wins in Mining and Manufacturing.
4. Build institutional capacity to attract financing.
5. Incentivise banks for long-term investment in ATMM sectors.
6. Harmonise public-private-development partner efforts
7. Design an Accelerator Program to support revised targets for 2030 under the #MW2063 development vision.





GROWTH CONVERSATIONS