

MALAWI

Blessed with verdant countryside that is ripe for agriculture and tourism

Malawi is up and open for business

The administration of President Arthur Mutharika is paving the way for solid business partnerships, and after the Herculean task of dealing with flooding earlier this year, is back on track for growth.

Malawi has suffered immense pain since the start of 2015, with estimates of the death toll from the torrential rains in January varying from 79 to more than 200. Fifteen of Malawi's 28 districts were declared disaster zones, with 174,000 people displaced and 638,000 affected, according to the United Nations. Homes, livestock and possessions were swept away, subsistence crops lost and water sources contaminated.

At the time, it was estimated that the rebuilding process could cost the impoverished African nation up to \$400 million and take almost five years to complete. Around \$106 million is needed to rebuild what is left of the transport infrastructure, \$78 million to replace crops and livestock, and a further \$106 million to rebuild the housing stock.

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Arthur Peter Mutharika, President of the Republic of Malawi

Luckily for Malawi, it has a pro-business, forward-looking leader at the helm. Mutharika came into power last year on the back of a program of reforms to get the country on track to economic growth and curry favor with international donors that are so important to the budget; some 40% of it was previously made up from aid.

One of the important international relationships for the country is the one with the U.K., a major provider of funding for Malawi and of investment into the economy. As Mutharika explains, it is vital for Malawi to present itself as a business-friendly environment and a country

that has moved beyond the indiscretions of the past administration, which was embroiled in scandal.

It is also imperative that the country enables better regional integration with its closest neighbors as they provide the landlocked nation with a pathway to markets for its goods and produce.

“The relationship between Malawi and Britain is very cordial and one of the best-ever relationships between two countries,” Mutharika says. “The Malawian government will therefore continue cooperating with Britain to maintain the cordial ties that exist between our two countries.”

These ties were considerably damaged by “Cashgate”—a scandal involving the systematic plunder of money at Capital Hill, the seat of government in the Malawian capital, Lilongwe.

“My government is currently pursuing Cashgate cases without favor to recover the trust that was lost with Britain and our other development partners,” says Mutharika. “Malawi's approach to regional integration is to create the best investment climate that will make investors look at Malawi as an investment destination of choice in this region.

“Our mission is to create a conducive environment for hard work, creating more sustainable jobs, redistributing incomes and increasing the supply of quality goods and services for the domestic and international markets.

“This government intends to utilize Malawi's vast agricultural, mineral and human resources to improve the country's economic prospects through expansion of manufacturing, production and export of non-traditional agricultural and industrial products, and further development of services such as tourism, banking and telecommunications. There is potential everywhere, and every sector is important, but our main priorities are mining, tourism and ICT.”



Arthur Peter Mutharika
President of the
Republic of Malawi

Private sector to be growth engine

A well-earned reputation as a peaceful and politically stable country is paying off with investors, who are looking to Malawi as a solid prospect for capital investment.

Malawi's government expects the economy to grow by 5.4% in spite of the devastating flooding that affected over half of the country's districts.

In the immediate aftermath of the floods, the country went to the IMF and re-secured an Extended Credit Facility (ECF) program of reforms to keep the economy moving, receiving \$18.1 million, taking total disbursements to \$90.3 million.

Basic macroeconomic performance in the country has improved during the period of the Mutharika government, with headline inflation dropping from 27.3% to 23.8%, largely as a result of growth in the wholesale, retail and trade, agriculture, and construction sectors, combined with favorable global oil prices. However, as Minister for Economic Planning and Development Goodall E. Gondwe explains, the current situation is as much a call for improvement as it is a celebration, with Malawi under-invested in, and therefore ripe for economic expansion.

"Malawi is a country that has a lot of untapped potential," he says. "We have a lot of very fertile agricultural land, which is untapped, a lot of untapped energy sources. We have minerals that are untapped, and we have oil in our lake that is also untapped. So we are waiting for people to come in and get these resources in a form where they can mean something in economic terms. Malawi may have taken a lot of time to develop, but it is country with a lot of potential.

"As I have said before...the future, quite frankly, is for Malawi."

Goodall E. Gondwe, Minister for Finance, Economic Planning and Development

"We have a long-term development plan that will last beyond the current government, and that will ensure continuation for the investors. We are working hard to make ourselves attractive for investors," he continues.

"We are now going to have a National Planning Commission (NPC), which is going to be independent of the government. It will have a think tank attached to it, which will be responsible for broader economic policies and visions. We will not choose them from political parties, but based on their background."

Looking for results

The government is looking toward the sectors that have the ability to produce quick results, to help the economy recover rapidly, and again solidify the confidence of external investors and donors in the seriousness of the Malawian response. After the economic cycle is back on



Goodall E. Gondwe
Minister of Finance, Economic
Planning and Development



With an exciting economy, Malawi is bouncing back

track, Mutharika and his cabinet will look more closely at diversification and expansion of export industries. As Gondwe explains: "In the short term, we have to be going for agriculture for three reasons. If we increase agricultural production by diversifying the crops that we produce—and I think we have a market for scaling up our production—then we achieve many positive things. One is that we will have exports, of course; it is a good thing to have larger foreign reserves so you stabilize the exchange rate.

"As the population grows, it will earn a higher income: therefore, at the same time as growing the economy, it pushes down poverty. This is the social impact, and it is a very good thing. Within the next year or so, I expect that the growth of agriculture will be between 9% and 12%. "We are trying to encourage ventures that will have both government and private participation. It is a priority for this government. For example, we have just agreed to leave the construction of university hostels to the private sector. The body that puts this together was the NPC, and it will ensure continuity on the framework of investments throughout the country. I have said if things turn out well for us in all these issues, and I truly believe that they will, we will attain much higher growth than expected. We will aim to go higher than 10%."

Further to the implementation of the NPC, Gondwe has set out measures to combine other bodies in order to streamline investments into the country, and also simplify their management.

"The restructuring of the Malawi Investment Promotion Agency (MIPA) and Malawi Export Promotion Council (MEPC) into the Malawi Investment and Trade Center (MITC) has proved beneficial, not least because it is a very aggressive agency when looking for investments," he explains. "The MITC is well organized, and has reduced the time for licensing investments from 95 to five days.

"As I have said before, and will say again, the future, quite frankly, is for Malawi."

Interview with President Mutharika

After taking power on a platform of legislative reforms improving business sentiment and investment, the Mutharika administration is looking to the future.

Can you provide a brief list of the initiatives for 2015-2016 that will have a national impact?

"We want to focus on stabilizing the economy at a macroeconomic level, and will continue the reforms of the public and mining sectors. We want to keep attracting foreign investments, so will carry on with the infrastructure development plan.

"We will keep improving the community college program, because we are focusing on skills development and encouraging entrepreneurship. I am optimistic about the future; although we experienced some reversals as a result of the unprecedented floods, we are handling the situation well, and the situation is now getting back to normal.

How are you addressing the challenges of balancing the economy with the developmental goals for the environment and the population?

"Malawi faces numerous challenges, chief of which is environmental degradation due to the felling of trees for household energy needs, the illegal export of wood and timber, and from poachers who target Malawi's wildlife.

"In addition to this, we have a burgeoning population that is not in sync with the required economic growth rate.

"To fulfill the social and economic needs for the 17-million-plus Malawians is a big challenge. With regards to wildlife, we partnered with the private sector and increased security measures through the recruitment of additional game rangers to patrol our wildlife reserves, and made the export of types of timber illegal.

"Meanwhile, through the Ministry of Health, we are actively championing voluntary birth control and awareness of family values that put at the forefront the need for small families that are able to care for themselves."

"I am optimistic about the future, although we experienced reversals as a result of the floods."

Arthur Peter Mutharika, President of the Republic of Malawi

Could you go into more detail regarding the potential of agriculture?

"When it comes to agriculture, we are talking about two aspects. We are talking about helping ordinary people with low incomes to have access to food. Secondly, we are talking about agriculture in the commercial sense.

"We have started commercial agriculture reforms. I would specifically like to mention the Green Belt Initiative, which comes within my ministry's remit, that this year expects to put at least 2.4 million acres under irrigation. Eventually we hope to create an authority that will be in charge of irrigation and climate environment. These developments are key to the future of this sector."



President Mutharika is addressing the issues facing the Southern African nation

What other economic sectors can boost Malawi's growth?

"Mining. We have uranium in the north, as well as bauxite and other rare earth minerals. We are developing a new mining statute to make investments easy, and also to ensure that the local community will benefit. Currently mining contributes to 5% to GDP; we hope to triple that over the next few years.

"Tourism is also a very important growth area. We just finished building a five-star hotel in Lilongwe, and are planning to build another in Mangochialong the shores of Lake Malawi. We've opened a new, specialist tourism training school, and are developing our parks and protecting our wildlife, to prepare for this growth in tourism.

"ICT is also a very important growth area which can transform everything. We are progressing, and the potential is clearly there. We have just signed an agreement with an Egyptian tobacco company, and the Green Belt Initiative will bring interest into the country."

With a strong focus on energy sourcing, distribution and renewables, the administration wants to create a better regional environment for private investments. Can you add anything to this?

"This is quite interesting because it captures the context and developments of our time in the Southern African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) region. On the 10th of June 2015, about 26 heads of state and government converged in Sharm el-Sheikh, Egypt, to sign a grand regional integration agreement called the Tripartite Free Trade Agreement.

"This agreement will see the integration of 26 African countries into a seamless \$1 trillion market of over 600 million people, which covers over half of the African continent. In addition, in June 2015 African Heads of States launched negotiations for the Continental Free Trade Area (CFTA).

Reforms help investments expand

Malawi's strategic location makes it ideal as a production and export hub not only for the region, but also the world, thanks to the competitive nature of its commodities.

As a member of several regional organizations that promote trade and cooperation, such as the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the Everything But Arms Initiative (EBAI), Malawi can discuss trade issues with nearby countries in order to improve the volumes of goods and services traded in the Southern African region. Through these forums, trade barriers are investigated to ensure there are few bottlenecks that hinder the timely movement of goods in the region. Malawi benefits not only from the free trade, but also from the cooperation with neighboring administrations, as barriers to trade are often more complicated than simply removing tariffs. Issues arise with infrastructure and the ability to transport products across international borders.

Through these organizations, the cost of exporting goods for Malawi is reduced, resulting in profitable exports specifically for agricultural producers that make up more than 80% of Malawi's total exports. Furthermore, there is the technical assistance and capacity-building support that Malawi benefits from. Technical officers are able to negotiate better once they have been continually trained in up-to-date trade protocols, ensuring Malawi and its agricultural producers benefit fully from their exports.

Joseph Mwanamvekha, minister of industry and trade, explains that the current government has a holistic vision for the progress of trade and the industrial sectors in Malawi, in that the country needs investment in multiple areas to realize its plan. "Our vision is to expand, and so we have to have cooperation in every sector, even in finance, for example, with micro banking," he says. "For example, the Public Private Partnership Commission (PPPC) is there to advise any interested investors who would like to collaborate with the public sector on strategic projects, such as railways, the dry port, the airport, or mineral extraction. The PPPC establishes the legal framework and shares their local know-how with potential partners.

"As all investors know, every single project can make a difference in a country such as Malawi. Some of our projects are under feasibility study, but we have strong hope for all of them," says Mwanamvekha.

Everything is a priority. To me, the first theme for investment is energy. If you don't start with energy, you cannot prepare the country for future investments, and you can have serious problems, such as if an energy-intensive industry would like to create a business here.

"The next one is agriculture. Malawi is an agro-based economy, and it is where Malawi has a comparative advantage. The example of pigeon pea is clear. It is difficult to find pigeon pea in our neighboring countries, but here we have the ability to produce it, and the same for soya," he says.

"Now, if we can find a company that can invest in agricultural produce and give a good price to our agricultural producers, the impact for the country will be huge, and it will create jobs, create better value for our product," says Mwanamvekha. "It will also provide us with more foreign reserves, which is extremely important for our economy in order to fight against inflation."

"Invest in agriculture...the impact will be huge and it will create jobs."

Joseph Mwanamvekha, Minister of Industry and Trade



Joseph Mwanamvekha
Minister of Industry and Trade

Although Malawi is a small country, it is a full member of larger, rapidly developing organizations that allow it access to huge markets that are beginning to diversify and expand. Another bright spot for the nation is that it is the current holder of the presidency of the African Growth and Opportunity Act (AGOA), and so gets to drive the legislative path of the U.S. organized body. The Malawi Investment Forum, held in June 2015, was a window into what products the country can offer the world, and with a simple, five-day administrative timescale for opening a new business, Malawi now has its sights firmly set on double-digit growth for the future.

Malawi Investment and Trade Centre: Your best ally for conducting business in Malawi

The Malawi Investment and Trade Center (MITC) is a merger of the Malawi Investment Promotion Agency (MIPA) and Malawi Export Promotion Council (MEPC), and the impact on doing business in Malawi has already been significant, and in many cases, positive for all involved.

Previously, as separate entities, MEPC and MIPA took resources away from each other, and by organizing these two institutions into one, investments and exports are linked, providing a boost for the economy. Also, for both the government and investors, in terms of coordination and policies, MITC is more efficient, with a reduction in time for administration from

95 days to five days. As Mwanamvekha explains, "We want more SMEs and cooperatives. Exports are impossible if you don't have a strong economic base. Individuals cannot export, but a cooperative can accumulate knowledge and accumulate goods that can be exported or sold to the community. By sharing knowledge they will be able to negotiate better prices.

"One issue is access to financing, and we have a project to help them. In the same project, we are working on capacity building. We believe we have the base to improve our economy, but two steps are still missing: we don't have the technology or the know-how to sell some of these products."

Agriculture: Economic bedrock

Minister Chiyembekeza: A comprehensive public works programme will be implemented to rehabilitate rural roads, improve irrigation and provide farmers fertilizer and farm equipment.

The Agriculture Sector Wide Approach (ASWAp) is an investment framework for the sector, and it specifies three areas of focus for food security and risk management within Malawi; commercial agriculture, agro-processing and market development; and sustainable agricultural land and water development.

These focus areas are to be supported by technology generation and dissemination; and institutional strengthening and capacity building. As an investment framework, ASWAp clearly indicates areas where investors should focus their resources if agriculture is to grow and become able to sustain the local population and also provide a surplus for export markets.

Any investor that aligns its resources with the stipulated key areas will be fully supported by the ministry in facilitating the required procedures of investing in agriculture, including access to factors of production.

The focus of the ministry is on making the sector competitive by enhancing production, marketing, and agro-processing. In other words, the focus is on value-chain development from producers to consumers. Efforts currently engaged in include infrastructure development in terms of access for farmers to roads and market facilities, capacity building, market linkages, and improving access to lines of credit through microfinancing initiatives.

Currently, the National Export Strategy (NES) has prioritized oil seeds, macadamia nuts, and sugar products as areas where the sector can benefit. Since Malawi is a country that is endowed with different agro-ecological zones, the ministry is wholeheartedly supporting diversity in production to ensure that the country does not fall into the same trap as previous administrations depending solely on tobacco as a cash export crop.

As the ministry is keen to point out, the crops have great potential in different geographical and climatic areas, and promoting their planting in areas where they have comparative advantage will benefit Malawi more than a focus on one product, the production of which can be affected by events such as the flooding of January 2015.

As Minister of Agriculture, Irrigation and Water Development Allan



With vast swathes of land lying unused, the agricultural sector has huge potential

Chiyembekeza explains, “There are plans to enhance winter production and irrigation farming in areas where it is suitable through the provision of agricultural inputs for maize, in form of improved maize seed and fertilizer, cassava, and other high-valued crops, among others.

“In livestock, the plan is to support farmers with livestock under pass-on program especially for small stocks,” says Chiyembekeza. “Knowing that not all areas are suitable for irrigation farming, the ministry is also planning on procuring maize for the strategic grain reserves for distribution in areas that will be hit by hunger.

“In the next financial year, a total of MK15 billion (\$34 million) has been allocated for procuring maize. We will rehabilitate irrigation schemes and water infrastructure that were affected by the floods,” he says.

“A more comprehensive public works program will also be implemented that will lead to rehabilitation of rural roads, and farmers will receive farm equipment and fertilizer.”

The Green Belt Initiative: The most ambitious irrigation project in Africa

The Green Belt Initiative is a program focusing on the development of land for the irrigation of high-value crops such as sugarcane and rice, for both domestic consumption and for export. Furthermore, it aims to draw smallholders away from using subsistence techniques, which are susceptible to adverse weather conditions, and transform them into commercial farmers through out-grower projects and improved training.

With this concept, the government expects that the development of irrigation farming will increase the country’s production of sugar, rice, maize, and many horticulture crops that will be for both export and import substitution.

With these increased exports and reduced imports, the country will improve its trade balance, thereby increasing foreign reserves, stabilizing the currency, while also translating into economic growth and further societal development, specifically when considering that Malawi’s economy is primarily agricultural.

Through the program’s out-grower plans, small farmers will be equipped with the capacity to produce quality products, and through farmers’ organizations, the country will be able to produce enough volume to meet the country’s growing demand for food.

Malawi: A mining country

A nationwide geophysical survey shows huge mining sector potential. It is vital for the country's success that the discoveries be exploited sustainably.

Malawi can be an extractive industries giant. With deposits of rare earth minerals, coal, oil, and gas to be exploited, one question for the government is how to utilize the wealth while also staying true to the sustainable development of the country for the benefit of the people and the environment.

With the deposits available there is huge potential for gains in GDP growth that would outstrip all other sectors in the Malawian economy. And with a business-friendly government in place—one that understands the key elements investors look for, such as reduced taxation on infrastructure, free repatriation of profits, dividends and royalties, and the Export Processing Zones Act of 1995, which offers very favorable conditions for doing business—Malawi is a haven.

Bright Msaka, minister of natural resources, energy and mining, explains that there is a hopeful future for extraction in Malawi, and that new investors should expect to build not only infrastructure, but also relationships with the communities near their investments.

"We are a mining country. We will have a new Mines and Minerals Act before the end of 2015," Msaka says. "We will make sure that the people who come to invest in the mining sector operate under the new regime, which is in keeping with international standards. In June 2015, we became members of the Extraction Industry Transparency International (EITI). This is the body that ensures the extraction industry operates transparently. What is key in the new act is to ensure that the rules of engagement are clear—between the investor, this country, and the community. That mining is profitable, that the investment is secure but it benefits the investor, the nation, and the local people, and the environment is protected.

"If during the life of the investment we see that these commitments are not met, then the license can be cancelled if the investor breaches the fundamental clause of protecting the environment," Msaka says. "Protecting our environment is top of the agenda when it comes to the mining sector in our country."

The commercial deposits in Malawi include coal, uranium, niobium, rare earths, gold, heavy minerals, bauxite, and limestone, a key element of cement, the building block of the modern world.



The country has numerous deposits of rare earth minerals, oil and other extractables

Msaka explains that with the opening of each new mine the economy grows, thanks to the exports, and also to the increased local employment, which feeds directly into the community by creating the need for more services such as hospitals, schools and shops. However, even with the growth, a vital aspect of these new relationships will be the focus on the environment and how the extractive businesses ensure the land is fit for purpose after projects have finished.

"With the opening of just one uranium mine, the contribution of the sector to the economy moved from 7% to 10%. If we open five in the next few years, the contribution of mining is obviously going to increase," Msaka says. "Looking at the size of the deposits that we have, mining will contribute to the growth of this economy for a long period of time. "The slogan in government is 'Arrest and reverse': Arrest deforestation and environmental degradation and reverse everything we have done to our environment and bring it back to the state it was in when our forefathers handed it to us."

Transforming the power sector: Powering, then hooking up the country to the grid

Malawi has great potential for international investors looking to unlock value in what could be an energy-rich country. However, the country has a few obstacles to overcome, such as a lack of capacity. The government is aiming to add around 1,500 MHz to the energy mix over the next five years, which equates to almost a tripling of current generating capacity.

As part of the new deal for investors and for the country, each project will be required to agree on a percentage of the gross sales that will be returned to the community affected by the construction of the plant. This fund will then be used to develop the community's infrastructure through building schools,

clinics or improved transport access. The overall aim is to create a symbiosis between the investor and the community over a period of time. With regards to the new energy mix, the Malawian government is looking to add hydro-, thermal-, and solar power, alongside more traditional forms of generation, such as coal-fired plants. Considerable work has already been done for the hydroelectric dam on the Gua River. The Rukuru River has also had exploratory work carried out on a 100 MHz dam, and preliminary work has started on a coal-fired plant in the south of the country. All signs point to a brightly powered future for Malawi, with the right investment.

Infrastructure: Economic priority

Several public-private partnership investments are underway in roads, aviation, and an inland port based in Nsanje, improvements the country desperately needs and that will drive growth.

In terms of regional integration, Malawi is well-connected to its neighboring countries; however, as a country that wants to become one of the prime exporters in southern Africa, it needs improvements. The country's road, rail, water and air links need to be fully integrated with one another and with the networks in other countries to provide a seamless link for goods to enter and exit the landlocked nation.

The main aim of Malawi is to become a hub that services all transport sectors, and the country is receiving funding from the World Bank to help further those aims, with studies being conducted to bring about the connection of Zambia to the Malawian network through their northern corridor.

One of the most vital aspects in the dream of Malawi is the construction of an inland port in the city of Nsanje. As Francis L. Kasaila, minister of transport and public works, explains, "Nsanje inland port is a very important project. The feasibility study is in progress, and they are almost finished...I have been told that they are done with the navigability study and now are doing the environmental impact assessment, and I am sure that before the end of the year we should have had it analyzed.

"Then we will have to adopt the report, and all the ministers will meet and recommend it to their head of state," Kasaila says. "It has the support of the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) organizations. The project is important, not only for Zambia and us but also for Mozambique. On completion of the project we will all be able to move goods from the Indian Ocean to the lake. All our neighboring countries will ask for access to this port. It will strengthen our position and bring growth.

"We are ready to implement huge projects now we have experience."

Francis L. Kasaila, Minister of Transport and Public Works

"Malawi is ready to collaborate with investors in the infrastructure sector," says Kasaila. "We are ready to implement huge projects; we are already used to dealing with huge projects, so we now have experience. Malawi is ready for those that are willing to come; we are ready to host them." "One other main project is the rehabilitation of the entire railway line that connects the country with Mozambique," he adds. "In this area, really, we are seeing excellent interest from investors... We definitely can see good momentum and an opportunity for us to do something on the ground. The first type of investors are the ones who will bring the resources and complete the construction but then hand it back to the government as a loan. That would be a loan to the government over 15 years, at which point the public purse would fully own the infrastructure."

Another sector that relies heavily on excellent transport infrastructure is tourism. Tourists need easy access to all the important sites



Malawi needs improvements to its transport infrastructure to better export goods

throughout the country, as currently the journey to Malawi itself can be difficult for residents of certain countries. As Kasaila says, they need to exploit all of their offerings if the country is to benefit from the increases in foreign exchanges that the sector will bring in.

"The tourism sector has huge potential for Malawi, but most of our tourism attractions are not well connected. We have had open discussions with the Minister of Tourism and agreed that they should prepare the necessary assessment and pass it to us so that we can improve the current situation," says Kasaila. "We are targeting the northern region, and in many aspects we are already working on it. We don't want the road to be a problem to access to our wonderful national park. We have an amazing asset in Lake Malawi, but if you come from Europe, you have a long journey...and then you still have to drive to the lake, and it is not convenient. We want to improve the quality of our service, so with an airport in Mangochi, people will be able to flight straight to the lake," he says.

"It will be very convenient. We want private investors to invest in the airport on a PPP basis. It will be easier for us to implement the project; otherwise it will take time for us to secure the resources. We can offer a package with an airport and with a five-star hotel.

"We have Japanese investors coming to assist us, and work may start next year. For Chileka International Airport, we have made a proposal to the Chinese government for a new terminal building because we have received a lot of request from airlines, so now we are negotiating."

It is important for Malawi and its citizens that the government is also ensuring provision for increased employment with all new infrastructure projects. Enshrined in law is the need to employ a minimum of 30% Malawian employees, which will bring sustainability and longevity to the projects.



The country has almost limitless possibilities for the intrepid traveler



With beautiful freshwater beaches, wildlife and a stunning interior, Malawi has it all

Well-connected, safe and beautiful

Malawi offers unspoiled tourism attractions, a friendly and welcoming people, and now, with ICT infrastructure improving rapidly, the chance to tell your friends about it from the beach.

Two of the fastest-moving sectors in any expanding economy are ICT and tourism, as they respond to changes in regulatory frameworks rapidly. In Malawi both sectors are envisaged as real drivers behind the economy as the country strives to return to double-digit growth and improved living conditions.

Kondwani Nankhumwa is minister of information, tourism and culture, and, as the controller of both of these fast-growing sectors, he can see the benefit of fitting into the global environment as it stands. As Nankhumwa explains, Malawi had fallen behind in the legislative framework regarding ICT, but is on the path to rectifying that.

"Malawi is still using the Communications Act of 1998, but when you consider the fact this sector is very dynamic, lots of issues have changed, meaning our legislation is archaic, so we are renewing the law for the current environment," he says. "As we all know, right now we talk about e-government, e-health, e-commerce, e-everything. Therefore it is very important for us to support the ICT sector in any way to enable it go to the next level of development. For example, through the Malawi Communications Regulatory Authority (MACRA), the government is building telecenters throughout rural areas, which are equipped with computers so that people can access the Internet," Nankhumwa says. "In this financial year we have received approval for construction of 20 additional telecenters across the country, and with this positive determination, we'll be able to take penetration higher than the current 5% once we complete all the projects in this sector."

And this provision for an improved communications network means that not only will rural inhabitants of Malawi be able to connect with the wider world—so will the hundreds of thousands of tourists that visit every year. And with each image, video, or status update posted, the visibility of Malawi is increased, in effect doubling the benefit on the initial investment. Add the tourism offering of the country into the mix, and it is easy to see why the government and Nankhumwa are so confident in the country's future success.

"Tourism is among the main developmental priorities of the government," he says. "In the old tourism act the ministry played a double role as administrator and regulator of the sector, which has now been

changed. We will create a parastatal, the Malawi Tourism Authority, which will be the regulator as the ministry sets the policies. This new policy included the creation of a National Arts and Heritage Council, which will have statutory powers to coordinate all issues as regards national heritage, Lake Malawi, the preservation of nature, our mountains and so on. If all aspects of our cultural heritage are properly nurtured and coordinated, they become an important part of the tourism offering. We are talking about setting up memorandums of understanding with different countries, such as Zimbabwe, Zambia, Egypt and South Africa, as we can package ourselves together. We are doing everything to enable us to achieve our target of ensuring that by 2020 tourism contributes at least 20% of GDP and creates 140,000 jobs," Nankhumwa says.

"Malawi is known as the 'Warm Heart of Africa' for a reason."

Kondwani Nankhumwa, Minister of Information, Tourism and Culture

"Our tourism products are unique. For example, when we talk of natural beauty, we have the largest freshwater lake in the world, and in it we have unique species of fish [including] chambo. If you taste-test it, you will never want any other type of fish, anywhere in the world. We have species of wild animals that are unique to Malawi," he says. "We have peace, and we have the most helpful and friendly people in the world. All we need is to support this with the appropriate strategies, appropriate regulations, and the correct infrastructure. Just doing this will help us attain the expected growth in the years to come."

With the developments that are happening in both ICT and tourism, Malawi is on the path to prosperity, but needs both careful legislative management and treatment to realize its potential. As Nankhumwa concludes, "Malawi is known as the Warm Heart of Africa for a reason, so we are asking everyone to come and feel the warmth. It is the best choice to make."