



**REMARKS**

**BY**

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**ON**

**THE OCCASION OF THE  
MALAWI INVESTMENT FORUM**

**29 - 30 JUNE 2015  
LILONGWE, MALAWI**

- Your Excellency, Professor Arthur Peter Mutharika, President of the Republic of Malawi,
- Your Excellency Right Honorable Saulosi K. Chilima, Vice President of the Republic of Malawi;
- Honourable Ministers here present;
- Members of the Diplomatic Corps;
- Distinguished Investors and Members of the Private Sector;
- Senior Government Officials and Officials
- Partners from the Media;
- Invited Guests;
- Distinguished Delegates;
- Ladies and Gentlemen;

I am honoured and privileged to be accorded an opportunity to address this milestone Forum, bringing internal, regional and international investors together. The Forum will enable the establishment of partnerships between businesses, boosting investment into Malawi, and indeed, into the SADC region, whilst also branding Malawi as an “inspired investment destination of choice”. I am informed that the Forum is intended to provide an opportunity for government to communicate policies and strategies aimed at creating an enabling environment to invest in Malawi. Investing in Malawi entails not only investing in Malawi, but also in the SADC region, while enjoying preferential treatment as an investor in the SADC region. SADC policies, strategies, and the existing trade investment regime, are also equally instrumental in promoting trade and investment in Malawi as a Member State of SADC.

Allow me your Excellency, on behalf of SADC, to first thank you for inviting me to this event, and to commend your Government and the people of Malawi for convening this important Forum, at such a time when the region has just launched the COMESA-EAC-SADC Tripartite Free Trade Area, and has also adopted an Industrialization Strategy and Road Map, through which the region is refocusing its priorities. SADC has resolved to front-load Industrialization, an endeavour which requires concerted efforts, individually and collectively, while bringing Private Sector on board as a major player, through local and foreign investments, among others.

### **Your Excellency, distinguished guests, Ladies and Gentlemen**

Malawi, and SADC region as a whole continue to put in place policies and strategies aiming at establishing and enhancing a supportive environment for doing business. SADC Free Trade Area was launched in 2008, offering, at the time, a zero rated tariff regime to more than 85% of all goods produced across the region. To date, almost all SADC FTA participating countries have eliminated duties on all goods produced in the region with a few exceptions. Emphasis continues to be placed on the removal of non-tariff barriers, which tend to be on the increase as tariffs diminish. In this regard, a mechanism operating at both national and regional level and driven in particular, by the private sector, has been put in place for identification, reporting and urgently resolving reported barriers to trade.

In the same vein, in 2010, SADC Governments agreed to address barriers to investment by launching a Regional Action Programme on Investment.

The Programme advances the objectives of the Investment Annex of the Protocol on Finance and Investment, which seeks among others, to enhance the attractiveness of the Region as an investment destination. The programme encourages Member States to take practical steps, over a period of time, to improve both the national and regional investment regimes for purposes of attracting investors to the region, through the SADC investment Regime Database; the SADC Investment Promotion Agencies Peer to Peer learning; domestication of SADC Model bilateral Investment Treaty; and Investment Policy Framework.

***The SADC Investment Regime Database:*** provides data and information on the investment regimes of the Member States. The database is hosted on the SADC investment portal. Member States provide developments or changes that occur in their investment regimes in order to provide up-to-date and useful information to investors. Investors are encouraged to utilize this facility.

With its opportunities and facilities, the SADC Free Trade Area offers a big market to Investors investing in Malawi, and Investors in Malawi, enjoys an integrated market, free of internal tariffs in the 15 SADC Member States, with a combined GDP of US\$ 686 billion (2014) and combined population of 294 million (2014). The market has been further expanded with the just launched COMESA-EAC-SADC Tripartite Free Trade Area, which offers an integrated market of 26 countries, with a combined GDP of US\$1.300 trillion (2014), combined population of 625 million people, which is 57% of Africa's population and a total landmass of 17.3 million sqkm.

## **Your Excellency,**

To support Trade and Investment the SADC Summit, in April 2015, approved a comprehensive strategy for industrialization of the region, putting industrialization at the centre stage of its regional integration agenda. The SADC Industrialization Strategy foresees the modernization and development of industry and support measures such as infrastructure; science; technology; engineering; research and development are important ingredients to industrialization. For this to succeed, we the region, and as such Malawi, needs increased investments, not only to process the abundant raw materials that the region is endowed with, but also to invest in these industrial pre-requisite and emerging investment opportunities.

SADC region recognizes the important role played by the private sector as an agent of development. In this regard, the Industrialization Strategy, while recognizing the important role of the state in providing a conducive policy and regulatory environment for the private sector to thrive, calls upon the private sector to take a leading role in industrialization, through investments. The need to facilitate the private sector, and create appropriate strategies and institutional frameworks for facilitation are paramount. We are committed to facilitate private sector, and thus investments, in our quest to accelerate our regional development and integration agenda, which should be private sector-driven, and people centred.

As I have already mentioned, the Implementation of strategic core regional infrastructure networks and services is critical in promoting investment, trade and thus accelerating and sustaining regional economic development, while enhancing trade facilitation, especially transboundary infrastructure, which include transport corridors for seamless movement of goods and persons, power interconnectors to facilitate power sharing and related power trading amongst states, regional interconnecting broadband ICT infrastructure, water supply and sanitation infrastructure, trans-frontier conservation, areas as well as meteorological observation and communication systems. All these are areas where the region requires investors. Investments and efficiency in these areas will also facilitate Private Sector activities in other areas. The region has put in place harmonized policies and regulatory frameworks to underpin efficient operations of infrastructure and maximized gains from infrastructure access.

In the case of Malawi, SADC is convinced that the implementation of the Nacala, Mtwara and Sena corridors, entailing rehabilitation, modernization and expansion of ports, roads, airports and rail services, including provision of missing links is a priority. In the area of power, urgent investment entails the implementation of the Malawi – Mozambique Interconnector Project, which would enable Malawi to be linked to the Southern African Power Pool (SAPP). The SADC Regional Infrastructure Development Master Plan contains a compendium of such projects for Malawi, and is worth your consideration.

## **Your Excellency,**

While cognizant of the fact that investors have typically favoured natural resource assets, we are delighted to note that of late, there has been a substantial shift away from the extractive industries, and the continent is seeing growing investment in other sectors, with technology, media and ICT being the top three sectors and accounting for over 50% of foreign direct investment during the period ending December 2014. In terms of future trends, investors are beginning to see the agricultural sector as having the greatest potential for growth.

According to the Ernest & Young report of 3 June 2015, Africa continues to attract considerable FDI inflows. The latest figures indicate that the continent as a whole is the world's second most attractive region for FDI. Foreign direct investment into Africa surged last year, creating 188,400 new jobs across the continent as projects signed the previous year became operational. African businesses attracted \$128bn in FDI in 2014, up 136% on the previous year, with the number of jobs created from capital investments jumping 68%, according to the report.

Malawi is indeed ready to take her place in the global competition and hence offers a wide range of investment opportunities, in Commercial Farming, Tourism, Sugar Milling, ICT Projects, Agro-processing projects and joint venture projects with domestic investors and a lot more in unexplored opportunities. I implore all the investors and the private sector to explore the investment opportunities and take advantage of the conducive business environment which Malawi offers at national level, and as complimented by regional policies and strategy and opportunities.

The Government's initiative to establish a one Stop Investment Facilitation Centre is a commendable step as it will make it easier for investors to conduct business in Malawi.

It is indeed encouraging to note that the Malawi Confederation Chamber of Commerce and Industry has partnered with the government of Malawi to make this Forum a success. There is no doubt that the Private Sector remains the engine of economic growth and their involvement in this Forum is commendable.

I am convinced that the discourse going on here today, will go a long way in enlightening our investors of the opportunities that Malawi has to offer, taking into consideration a bigger SADC and COMESA-EAC-SADC Tripartite regional context which expands market of Malawi, substantially, based on which business to business meetings will help in harnessing much needed investment. As a region, SADC is open for investment, and we are committed to ensuring that the necessary amenable and conducive conditions for investment are created to ensure that potential and current investors can confidently invest in our Member States with returns as good as anywhere in the world, or even better.

SADC believes that the private sector has a pivotal role to play in economic development thus poverty eradication. We therefore invite investors and financiers to consider partnering with Malawi and SADC Member States in a number of areas which are available to generate a good return on investment.

Allow me to conclude by recognising that 2015 is the African union's Year of Women Empowerment in Development. It is important to

remember that women are multi-talented, therefore, please recognise them, make them your business partners, involve them in your boardrooms, employ them in decision-making and professional positions, they can and will deliver.

Once again, I would like to express our appreciation for inviting me to this important Forum, I wish you a fruitful Forum.

I thank you all for your kind attention.