

2023 MALAWI AGRICULTURAL PRODUCTIVITY & COMMERCIALIZATION CONFERENCE

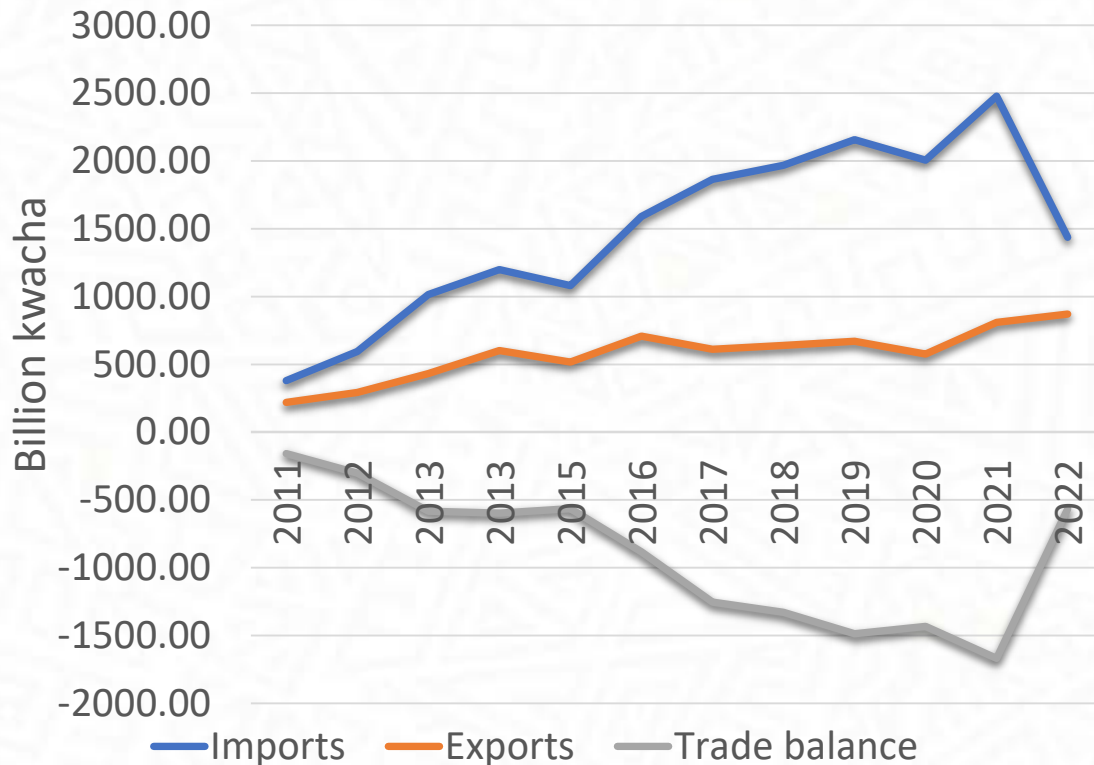
Pathways for maximizing agricultural trade and export opportunities in Malawi

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“Diversified agricultural value chains for improved trade balances & foreign currency reserves”



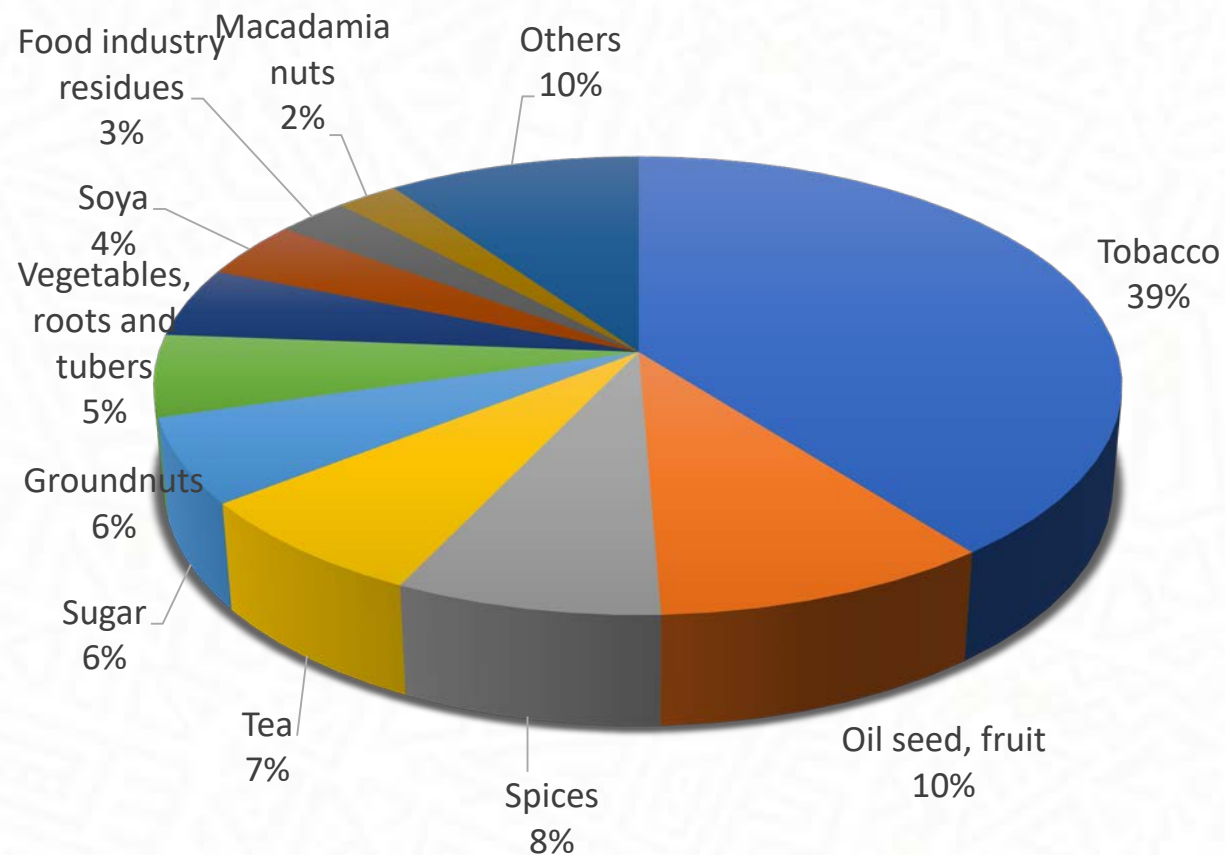
The Trade Balance Problem



- Malawi has faced a sustained negative trade balance
- Exports have grown slower than imports
- Foreign currency reserves have been eroded to about 1.23 months of import cover
- Maximizing exports is a more sure solution foreign currency reserves problem



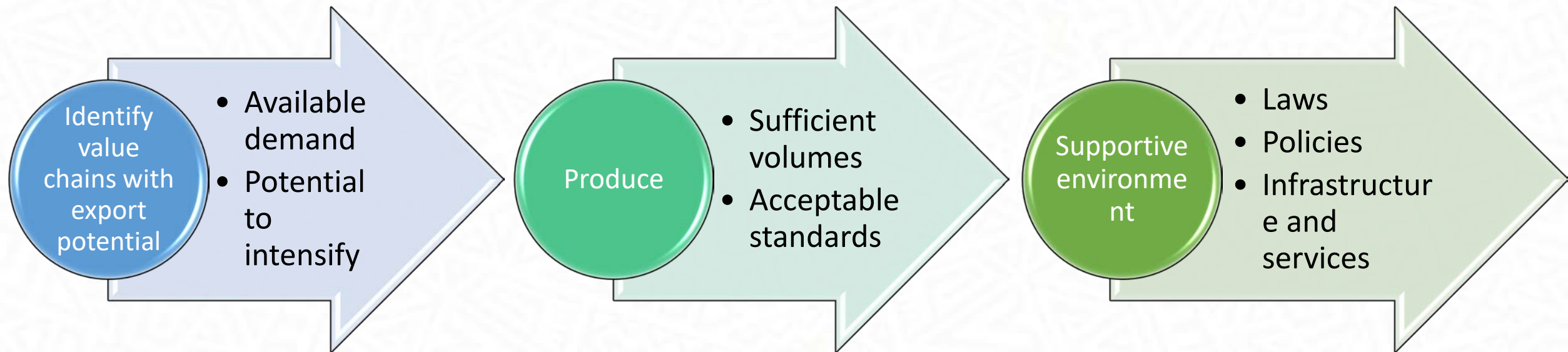
Malawi's Exports (2019-2022)



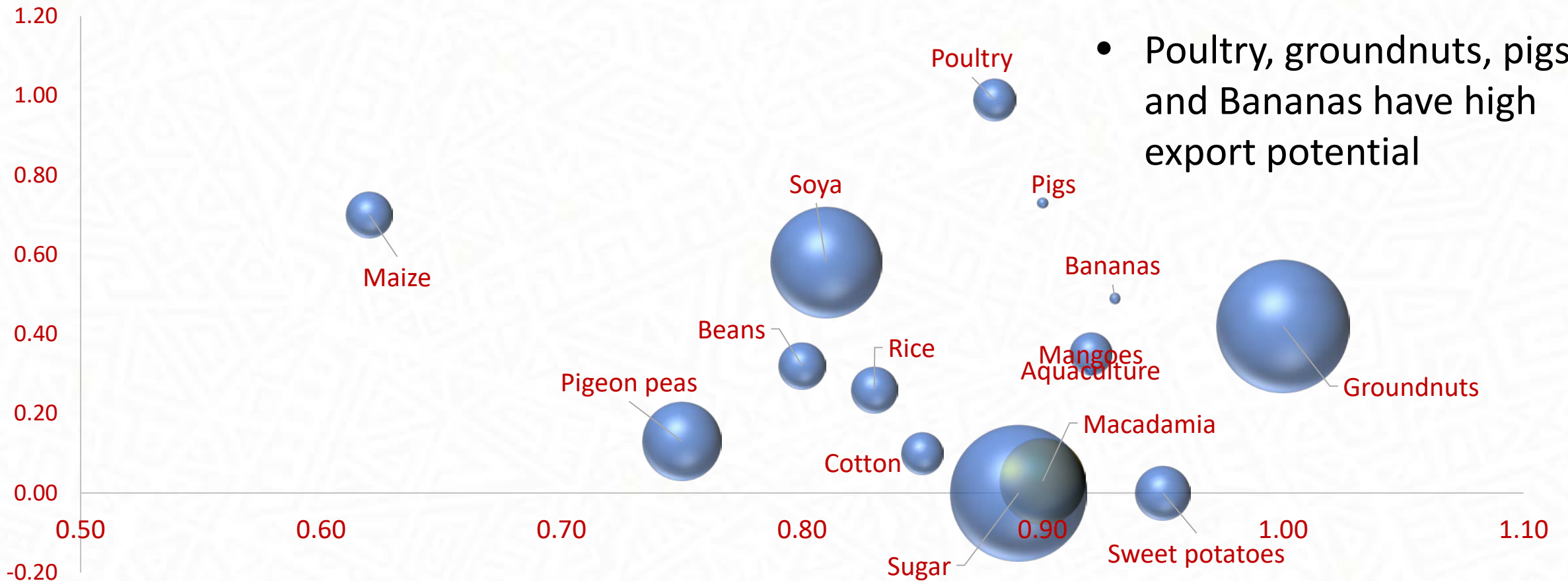
- Agricultural remains the major export earner
- The exports are undiversified
 - 90% contributed by top ten exports
 - 39% earned from tobacco alone
- We need to diversify our agricultural exports, before diversifying from agriculture



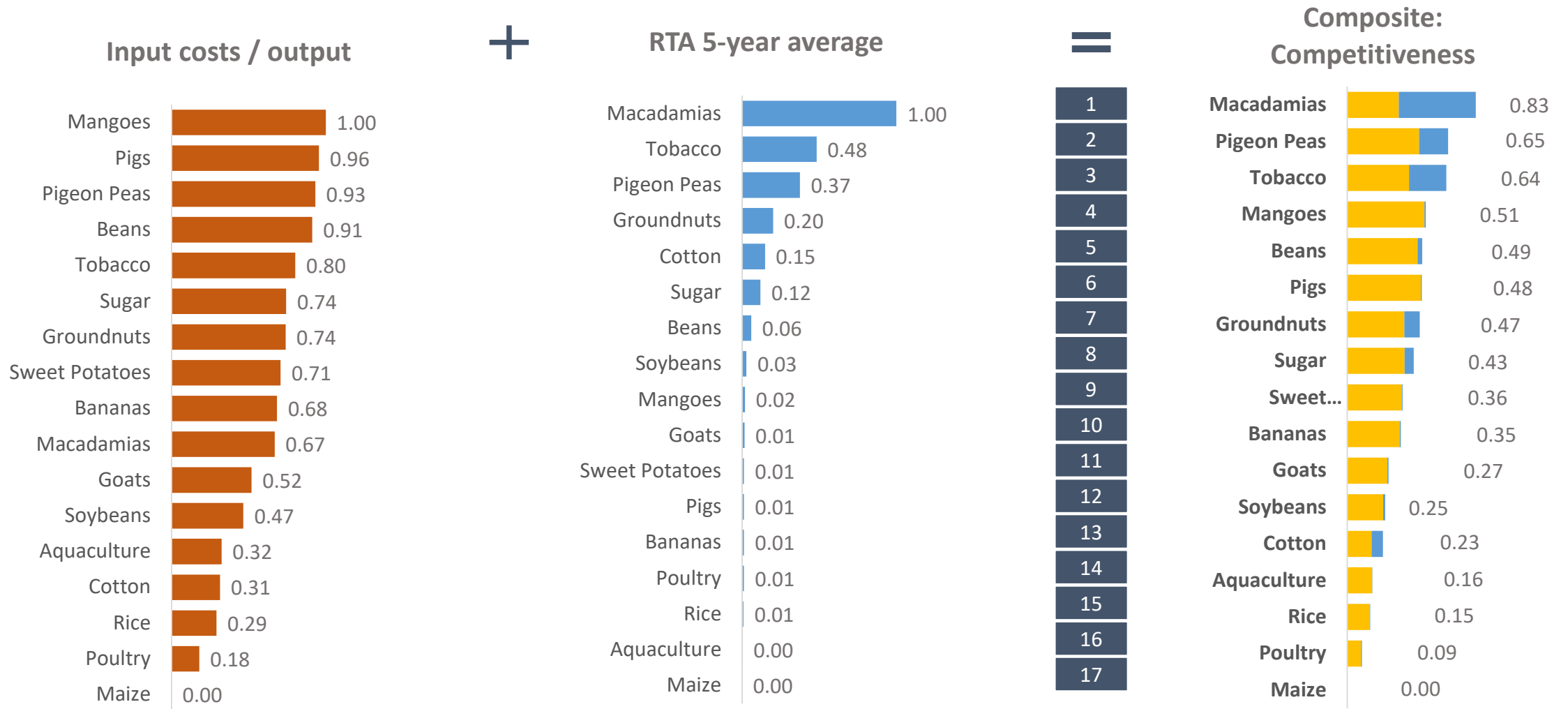
Roadmap to increased exports



Value chains with export potential



Competitiveness of value chains



Mangoes, Pigs and Pigeon Peas are value chains currently competing with international benchmarks.

Current high levels of competitiveness are typically seen in value chains that are established and are already exporting produce indicative of the high RTA scores, which suggest value chains such as macadamia, tobacco, pigeon peas and groundnut exports are growing faster than movements in world market.

Producing for Export Markets

- Improved crop varieties and animal breeds of the selected value chains should be promoted
- Promote productivity-enhancing infrastructure and technology such as irrigation should be promoted
- Improve on agricultural product testing facilities and services
- Provide tailor-made agricultural advisory services on to cooperatives and mega farms on production, processing, and food safety to enhance access to lucrative markets
- Promote value-addition to get more value from the exports



Policy and Legal Issues for Promoting Agricultural Exports

- Promote domestic structured markets for the selected value chains
- Trade policies should be predictable and should aim at providing incentives.
- The country's laws, such as land laws, should accommodate all investors to promote FDI in export potential value chains
- Unresolved issues surrounding export mandates should be addressed as soon as possible



Concluding Remarks

- Slow growth and low diversification in exports is our main trade balance problem
- Government should promote high export potential value chains to mega farmers and cooperatives
 - Facilitate access to financing to programs such as AgCOM
 - Productivity-enhancing technologies and infrastructure should be provided
 - Accurate export demand information should be provided
 - Trade policies and regulations should be more predictable and supportive



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