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SOUTHERN AFRICA ENERGY PROGRAM (SAEP)

MARKET ENTRY INFORMATION PACK

22 October 2018

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1a MALAWI IS A LANDLOCKED COUNTRY IN SOUTHEAST AFRICA BORDERED BY ZAMBIA, TANZANIA AND MOZAMBIQUE

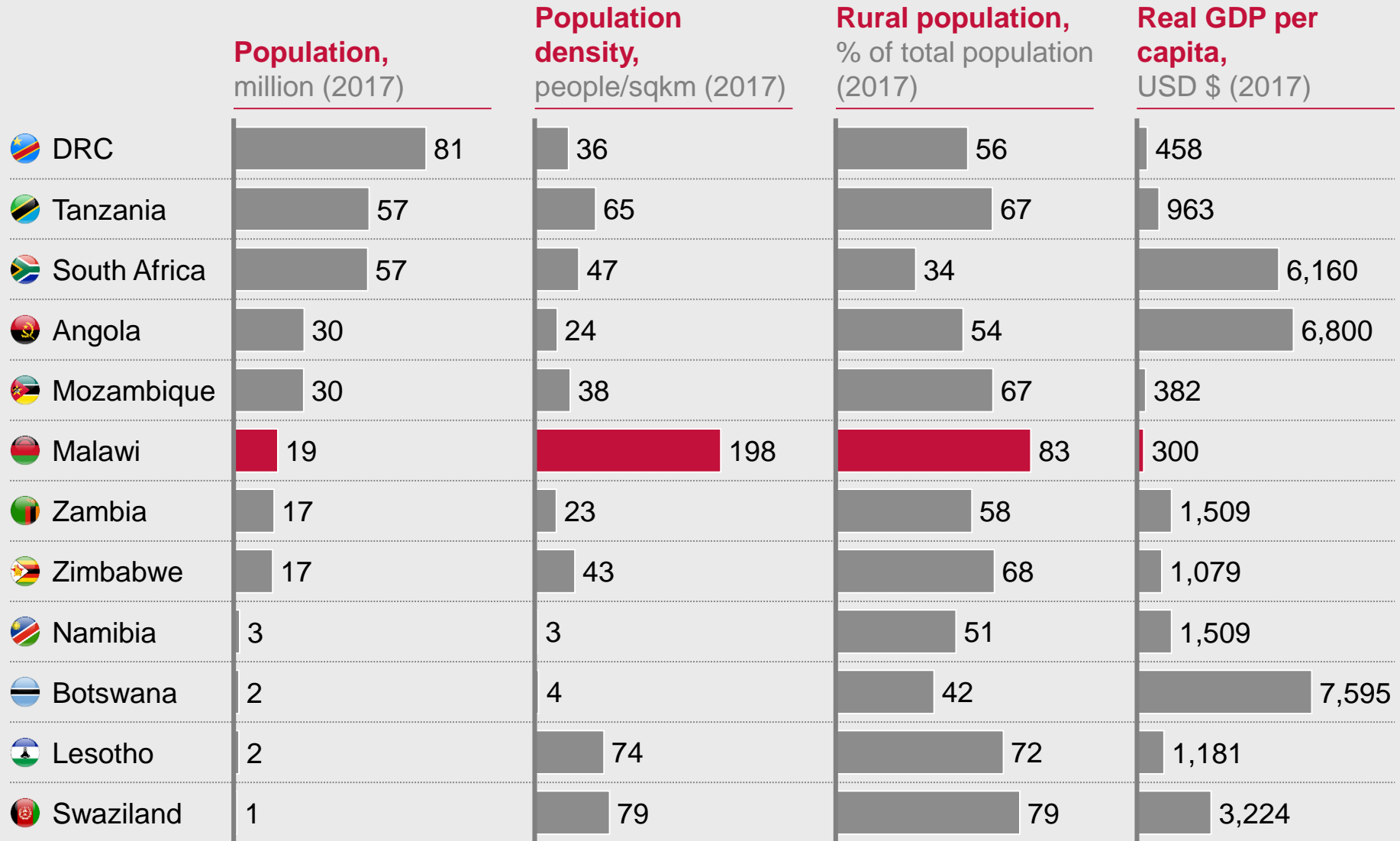
Background:

- In 1891, Britain declared the country the British Protectorate of Nyasaland
- In 1953 the UK federated Nyasaland with Northern and Southern Rhodesia (now Zambia and Zimbabwe)
- The Federation was dissolved and Malawi attained independence and joined the Commonwealth on 6 July 1964
- **Official name:** Republic of Malawi
- **Form of state:** Unitary republic
- **Legal system:** Based on English common law; constitution promulgated in May 1995
- **National legislature:** National Assembly of 193 seats, elected by direct universal suffrage for a five-year term
- **Political capital:** Lilongwe
- **Economic capital:** Blantyre





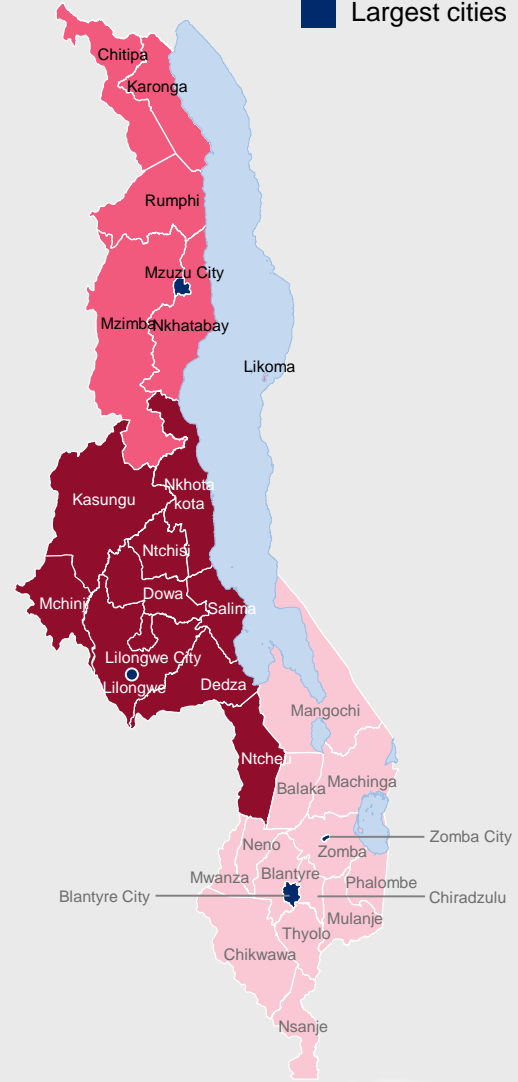
1b MALAWI'S POPULATION OF 19 MILLION IS VERY DENSE WHILST BEING LARGELY RURAL, WITH LOW GDP PER CAPITA



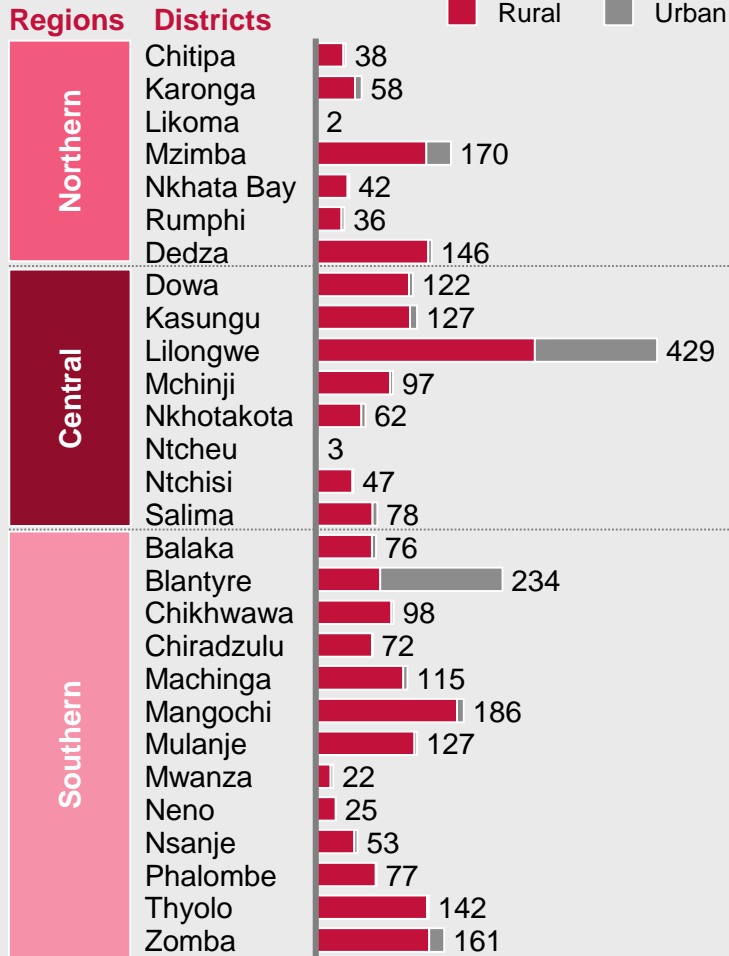


1c MALAWI IS DIVIDED INTO 3 REGIONS WITH 28 DISTRICTS – WITH VARYING INCOME LEVELS ACROSS DISTRICTS

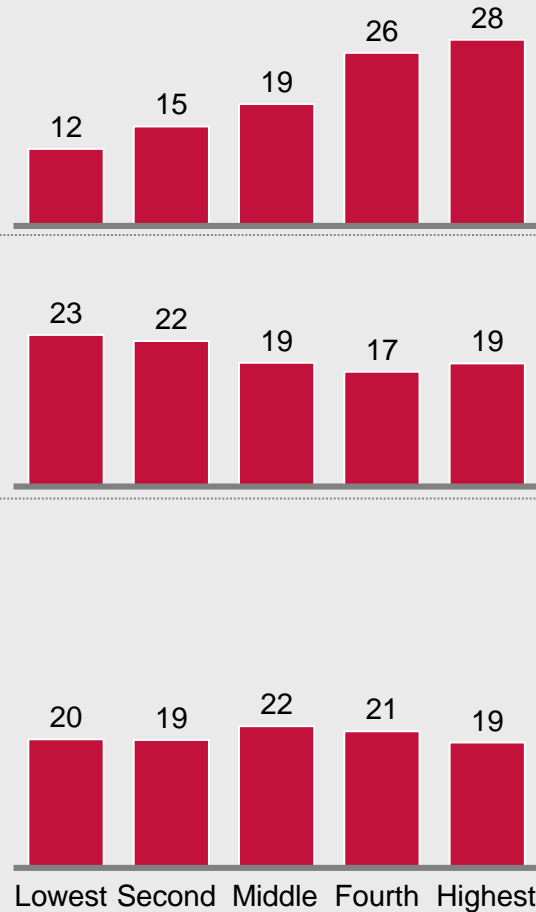
■ Lake Malawi
■ Largest cities



Number of households,
'000 (2016)



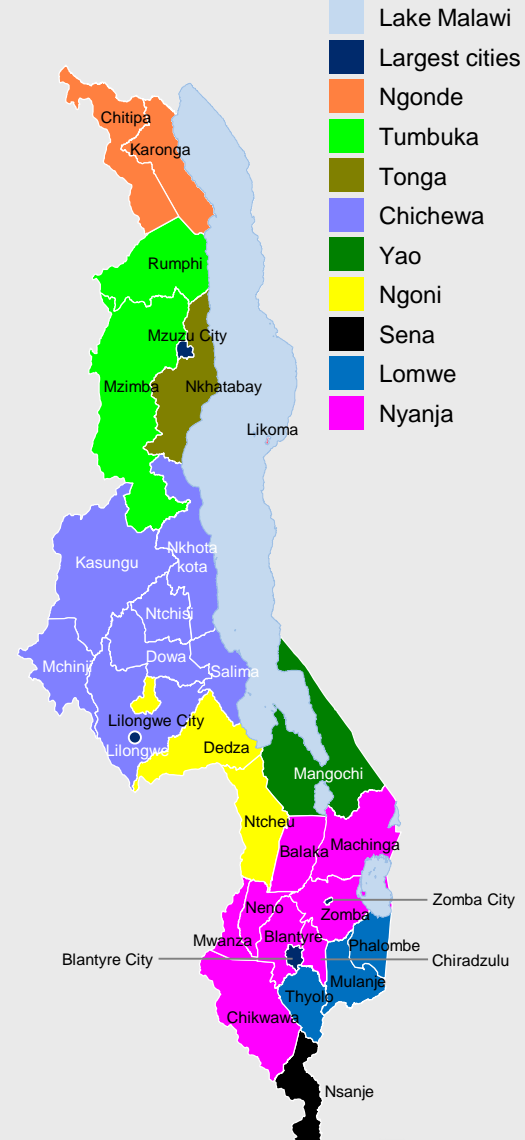
Wealth quintiles,
% distribution of population (2016)





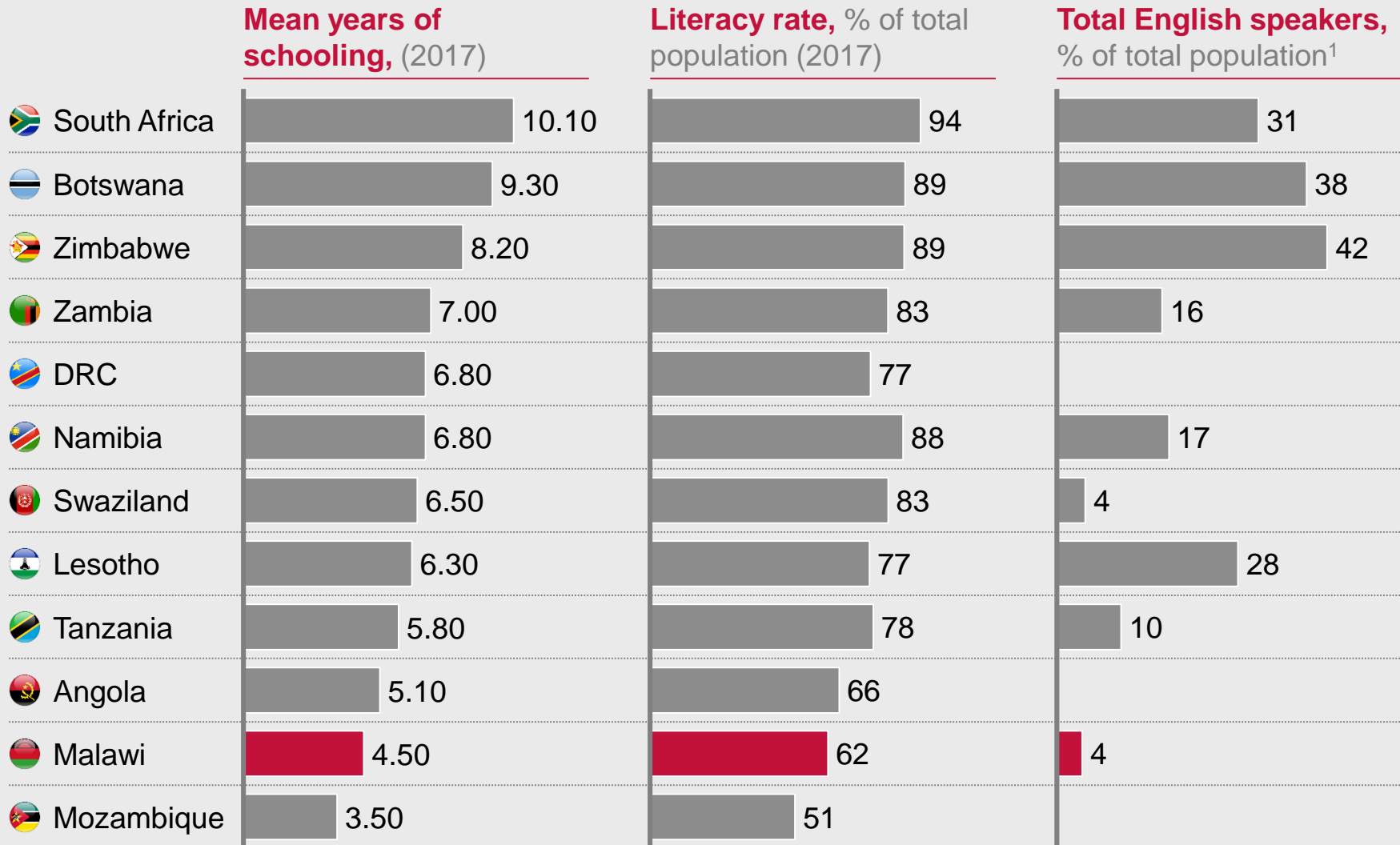
1d MALAWI HAS AROUND 8 MAJOR LANGUAGES, ENGLISH IS THE OFFICIAL AND CHICHEWA IS THE NATIONAL LANGUAGE

- Chichewa:** National language of Malawi – Chichewa, also was known as Chinyanja, Chewa or Nyanja is the native language of spoken by approximately 50% of Malawi's population and is the country's official language
- English:** Official language of Malawi – according to Malawi's Constitution, English is the statutory national language. 65% of the population are conversant in English
- Yao:** Spoken by approximately 11% of the country's population. Yao is the language's main dialect which is mostly spoken in the regions of Lake Malawi. Most Yao speakers in Malawi live in the country's southern region
- Tumbuka:** Is among the native languages spoken in Malawi mostly in the country's Northern Region. The language is spoken by about 9.5% of the population of Malawi
- Other languages:** Malawi has a total of around 16 living languages which consist of very few speakers



1e

MALAWIANS SPEND LESS TIME IN SCHOOL AND HAVE LOWER LITERACY AND ENGLISH SPEAKING RATES THAN NEIGHBORS



¹ Sources are from a range of years

SOURCE: United Nations Development Programme, The Cambridge Encyclopedia of the English Language by David Crystal



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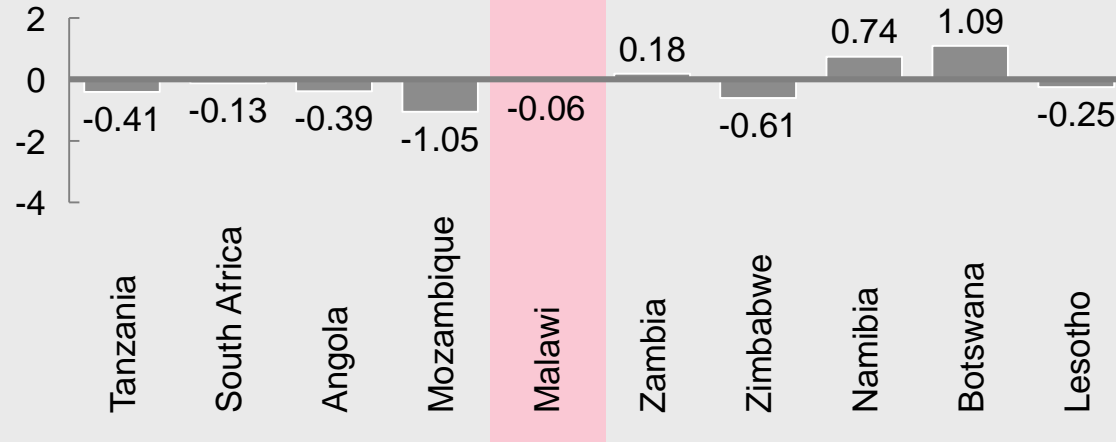


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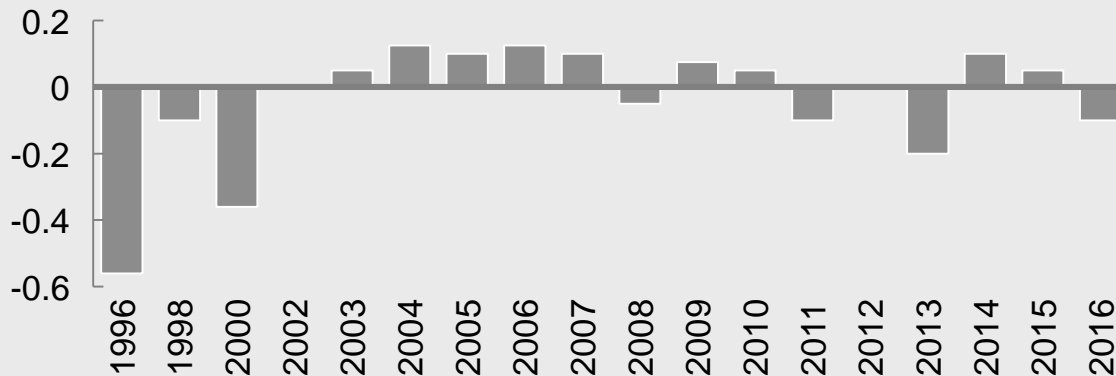
MALAWI HAS HAD STABLE GOVERNMENTS SINCE INDEPENDENCE IN 1964, WITH NEXT ELECTIONS ON MAY 21 2019

Political stability index, -2.5 weak; 2.5 strong

Average political stability, (1996 to 2016)



Malawi's political stability



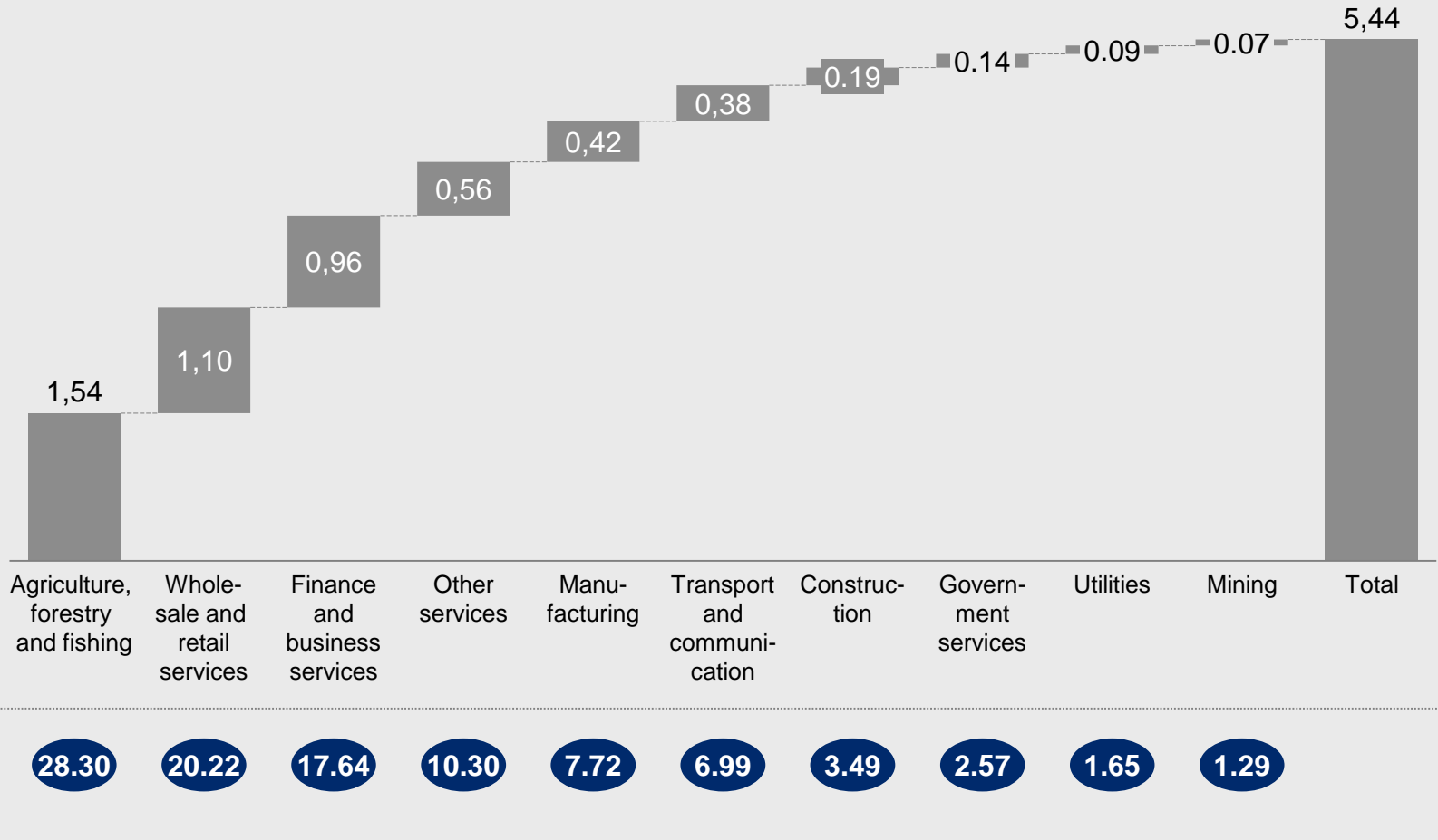
Political overview

- Malawi is a peaceful country that has had **relatively stable governments** since independence in 1964
- One-party rule ended in 1993** and since then the country has held **five multi-party presidential** and parliamentary **elections**
- Current President Peter Mutharika** was elected in Malawi's **first tripartite election** in **2014**, where people voted for their local governments, members of parliament and president in a single election
- The next tripartite elections will be held on May 21 2019.** The 2019 elections calendar was launched in February 2018 under the theme "Consolidating Malawi's Democracy" through the ballot, emphasizing free, fair, credible, transparent and cost-effective elections



1g THE COUNTRY'S GDP IS USD \$5.4 BILLION WITH AGRICULTURE ACCOUNTING FOR 28%

GDP composition by sector, USD \$ billion (2016)



MALAWI'S AGRICULTURAL PRODUCTION IS DOMINATED BY 7 MAJOR CROPS HARVESTED AT DIFFERENT TIMES IN THE YEAR



Major crops	Land used '000 ha	Typical use	Geographical location	Months of harvest	Examples of districts
Maize	1,685	Subsistence	Across all regions	April – June	Lilongwe, Dedza, Ntchisi, Mchinji
Cassava	236	Subsistence	Lake shore districts	July – Dec	Karonga, Nkhatabay, Nkhotakhota
Tobacco	100	Cash crop	North and Central regions	Mar – May	Nkhotakota, Mchinji, Lilongwe, Dedza, Kasungu, Ntchisi, Ntcheu
Potatoes	68	Subsistence	Highland areas of all regions	April – May	Blantyre, Kirk Range, Dedza, Ntcheu, Mzimba
Sugar-cane	27	Cash crop	South and Central regions	June – August	Kasungu, Nchinji, Dowa, Dedza
Tea	18	Cash crop	Southern region	June – July	Mulanje, Chiradzulu, Thyolo
Coffee	4	Cash crop	Northern and Southern regions	June – July	Mzimba, Rumphi, Thyolo, Mulanje, Zomba



1i THE MALAWIAN KWACHA HAS BEEN STEADILY DEVALUING WITH INFLATION AVERAGING 18% OVER THE PAST FIVE YEARS

— Exchange rate, MWK/USD

-- Inflation rate

Malawi currency facts

Currency

- Currency: **Malawian Kwacha**
- Currency code: **MWK**
- Minor unit: **1/100 = Tambala**
- Coin denominations: 1, 2, 5, 10, 15, 20, 40, 50, 75, 100
- Bank notes denominations: 5, 10, 20, 50, 100, 200, 500, 1000
- Central bank: **Reserve Bank of Malawi**



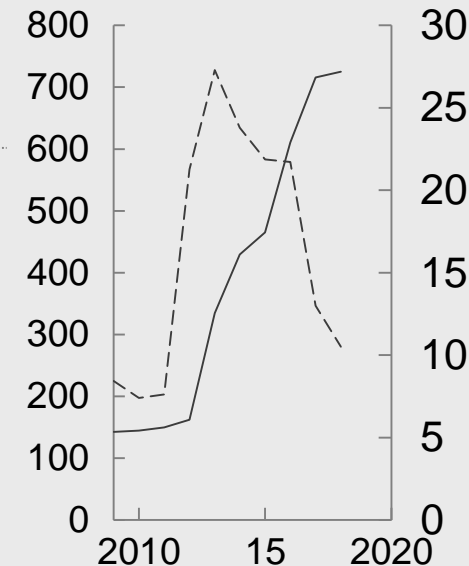
Exchange and inflation rates

Exchange rates

- As of September 2018, number of MWK to purchase one of each foreign currency was USD: 727.31 (five-year average: 591.72)

Currency stability

- **Inflation: 13.0%** in 2017, with a **five-year average** of **18.0%**
- **Currency risk:** While currency is backed largely by agricultural exports, the MWK is stable with **low risk of devaluation** given adequate current supply foreign reserves
- **Foreign currency availability:** Persistent shortage of foreign currency due to structural balance of payment weaknesses
- **Medium-term depreciation predicted:** Significant current account deficit and weak foreign direct investment likely to lead to a depreciation in the medium to long term



THE THIRD MALAWI GROWTH AND DEVELOPMENT STRATEGY IDENTIFIES ENERGY AS ONE OF FIVE PRIORITY AREAS



Background of the third Malawi Growth and Development Strategy (MGDSIII)

- Being implemented from **2017 to 2022**
- **Fourth and final medium term national strategy** to contribute to **Malawi's Vision 2020**
- Overarching theme: "**Building a Productive, Competitive and Resilient Nation**"
- **Anchored on five key priority areas**, chosen on the basis of their strong linkages among each other as well as other sectors of the economy – **Energy** is a focus of the **third priority area**

Outcomes planned for the energy sector

Outcome

Strategy

Improved access to reliable and **sustainable energy** supply

- Ensuring **reliable supply of electricity** to key social and economic development areas
- Ensuring the connectivity to the international power grid
- Constructing additional hydro power stations along major rivers
- Promoting private sector investment in energy generation and distribution through PPPs and Independent Power Producers

Improved access to **affordable alternative sources** of energy

- Promoting the use of **energy efficient technologies** and designs
- Promoting the production and use of alternative sources of energy

Enhanced use of **renewable and clean energy** in the **underserved communities**

- Ensuring sustainable fuel wood management
- Promoting the use of **renewable and clean energy**
- Promoting **sustainable environmental and social management principles in energy development programs**

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KEY GOVERNMENT INSTITUTIONS IN MALAWI'S POWER SECTOR



Institution	Role in the energy sector	Institutional mandate
Department of Energy Affairs (DOEA)	One of seven departments under the Ministry, which is responsible for all matters concerning the energy sector	Oversee and implement energy sector reforms, ensure policy implementation targets are met, and carry out overall energy supply and demand forecasts
Electricity Generation Company Malawi Ltd	National generation limited liability company	Procure, transmit and distribute electricity in Malawi
Electricity Supply Commission of Malawi	National transmission and distribution limited liability company	Generate electricity for the country by operating various power stations
Malawi Bureau of Standards	Statutory organization responsible for setting and enforcing standards on energy technology	Promote standardization and quality assurance of commodities, including their manufacture, production or processing
Malawi Energy Regulatory Authority	Regulator in the power sector	Receive and process licence applications, approve tariffs, develop standards, and prescribe and collect fees
Ministry of Natural Resources, Energy and Mining	Key policy-making institution in the Malawian power sector	Formulate policy for natural resources, energy and mining, set targets and provide overall direction and guidance
National Resources and Climate Change Committee (NRPC)	Parliamentary committee responsible for oversight of energy affairs	Oversee DOEA and review and reports on proposed bills generated in the department
Office of the President and Cabinet	Key decision-making institution, particularly on large-scale power projects	Oversee NRPC committee, provide strategic leadership on government policies and programs and often make decisions on major power-sector projects

ACCESS TO ELECTRICITY IN MALAWI IS 10.8% OVERALL AND 3.9% IN RURAL AREAS



Malawi facts

Access to electricity

- Total: **10.8%**
- Urban: 48.7%
- Rural: **3.9%**

Current power sector performance

- 2017 installed capacity of **373 MW** (in 2018, 55 MW temporary diesel gensets added to increase to 428 MW)
- Peak demand **449 MW** (2017) exceeds supply resulting in **extended load shedding**

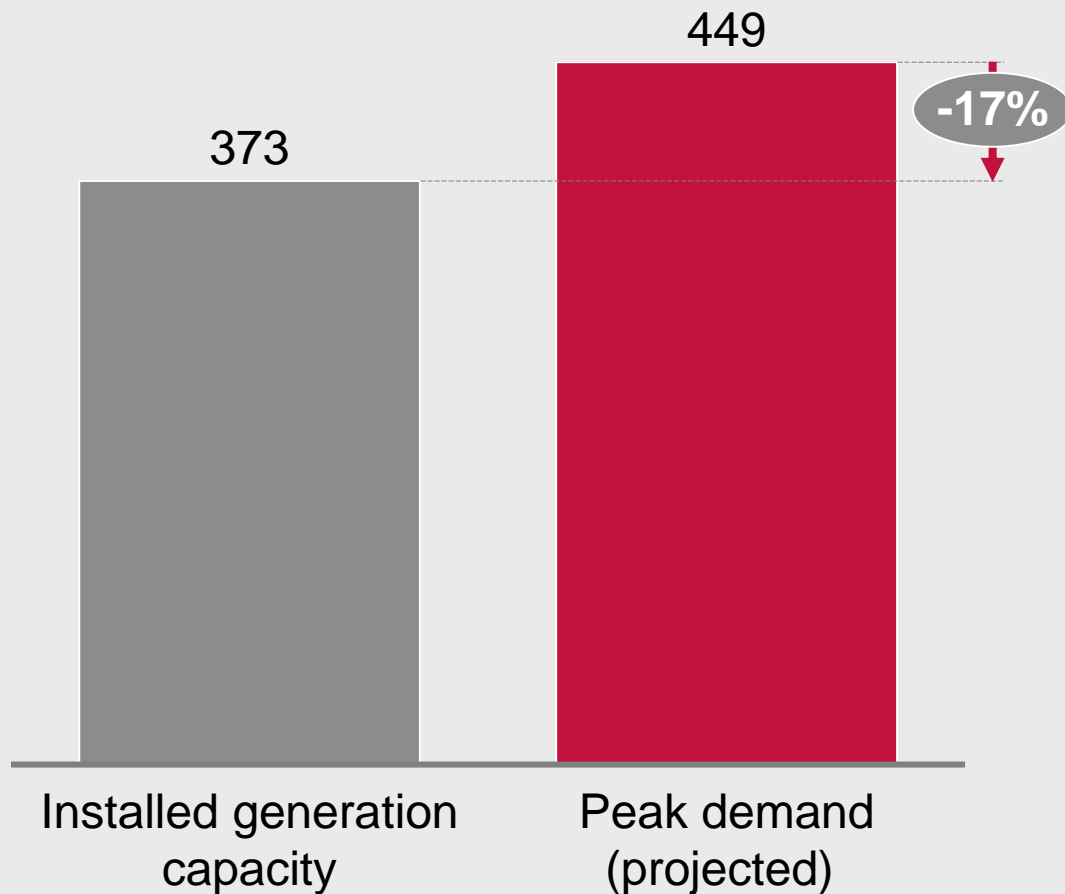
Power sector reforms

- 2003: Malawi approves **Power Sector Reform Strategy** in order to increase private sector participation
- 2013: Malawi enters into **USD \$350 million compact** with Millennium Challenge Corporation to assist in power sector reform, infrastructure development, environmental management and cross-cutting support
- 2017: **ESCOM unbundled** in new market structure with EGENCO as generation company and allowing private sector participation through IPPs

PEAK POWER DEMAND IN MALAWI IS HIGHER THAN INSTALLED CAPACITY



Installed generation capacity and projected peak demand (2017), MW



- One of the lowest installed **generation capacity per capita** worldwide at **23 kW** (South Africa 832 kW, Nigeria 65 kW)
- Electricity **consumption per capita** is also low at **115 kWh per capita** (sub-Saharan Africa average of 480 kWh per capita)

DRAFT MALAWI RENEWABLE ENERGY STRATEGY ASPIRES TO ACCELERATE OFF-GRID CONNECTIONS TO MEET DEMAND

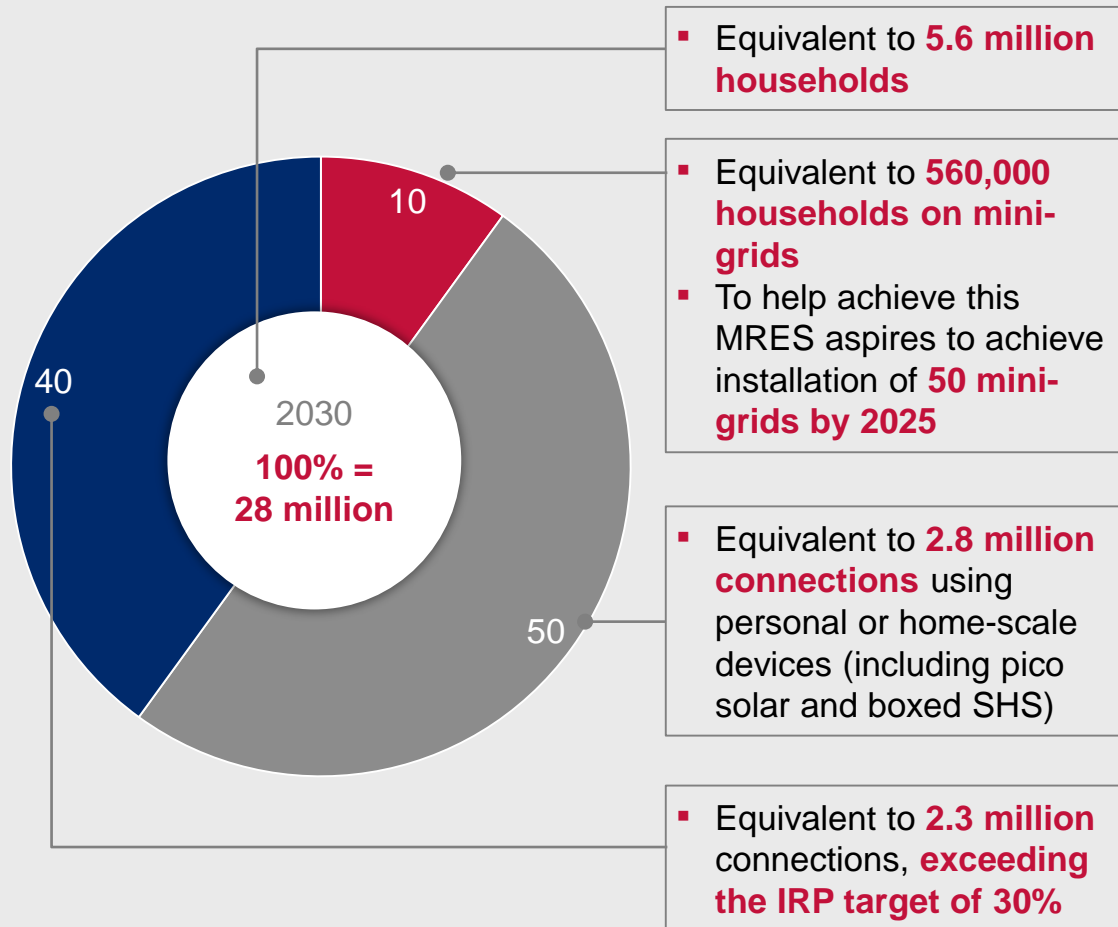


■ Mini-grid ■ Personal/homescale devices ■ Grid¹

MRES vision – universal access

- The GOM's **Malawi Renewable Energy Strategy (MRES)** outlines a vision in line with the SE4ALL (Sustainable Energy for All) goal: **“Ensure access to affordable, reliable, sustainable and modern energy for all”**
- Planned interventions
 - Creation of a **liberalized market** to attract significant private investment
 - **Regulatory reform, knowledge sharing** and empowerment of communities
 - **Raising awareness, introducing market standards** and providing **access to finance** to create a widespread off-grid device market
- **World Bank is working on various documents** – a National Electrification Strategy, a geospatial least-cost electrification model, an off-grid market assessment and a power adequacy assessment – all **expected to be completed by end of 2018**

MRES aspirational connection mix, %



¹ Includes 'unreliable' grid connections, which is not clearly defined

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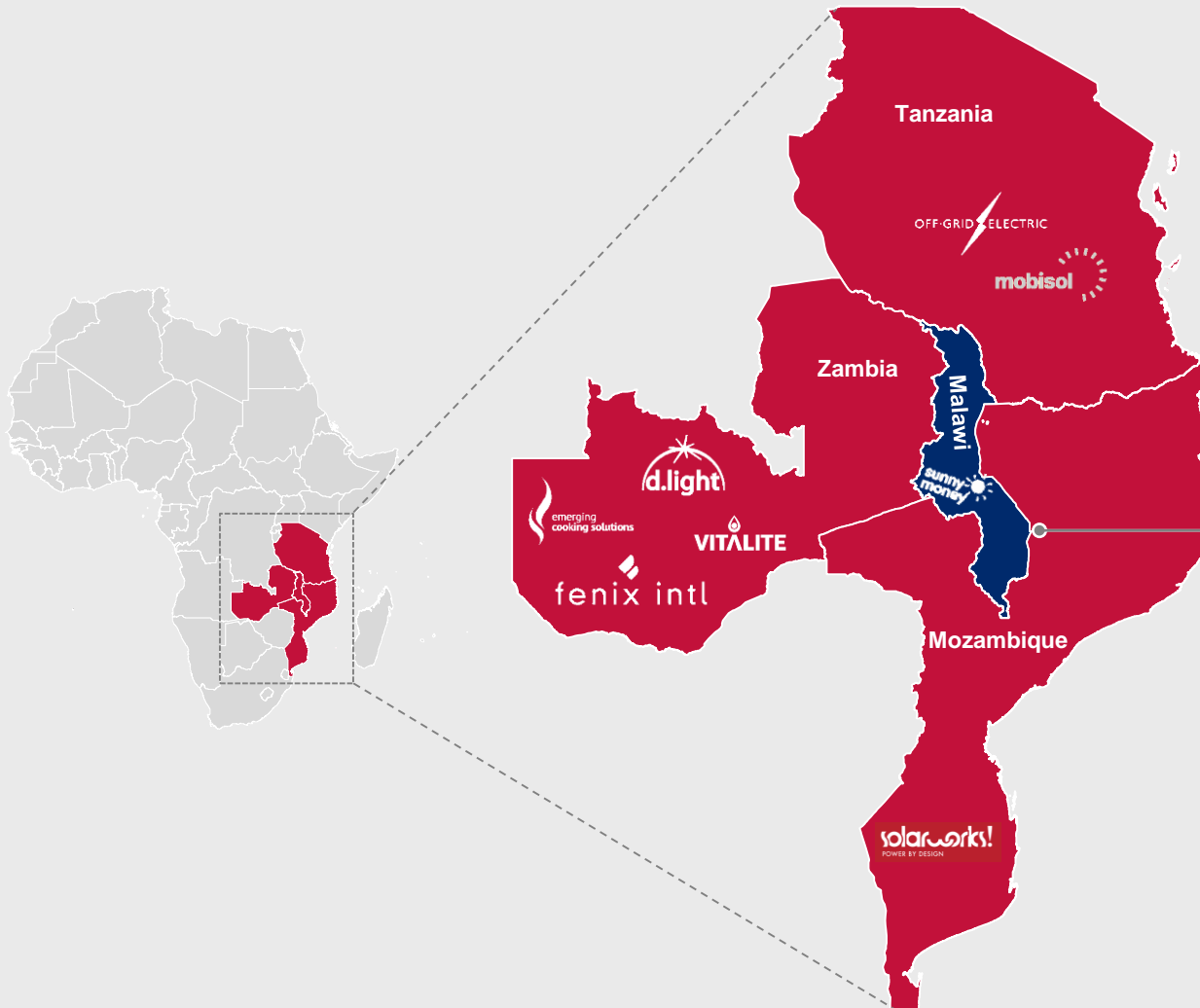
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3a

MALAWI'S SHS MARKET IS MAINLY SERVED BY LOCAL PLAYERS, WITH ONE MAJOR INTERNATIONAL PLAYER PRESENT



- **One main international player** operating in Malawi – Sunny Money (focus on pico solar)
- **Multiple local players** who distribute products from international companies including Azuri Technology, BBOXX and others
- **International players** are seeking to **partner with and leverage** the reach of **local players in the region** to scale up SHS in Malawi

3b THE MALAWI HAS A NUMBER OF ADVANTAGES INDICATING A HIGH POTENTIAL FOR GROWTH IN THE SHS MARKET

Rural electrification rate, population density and population comparison

● Surface indicates population size (blue indicates Malawi and neighbors)

Malawi's advantages:

Rural electrification rate, % rural population with access to electricity

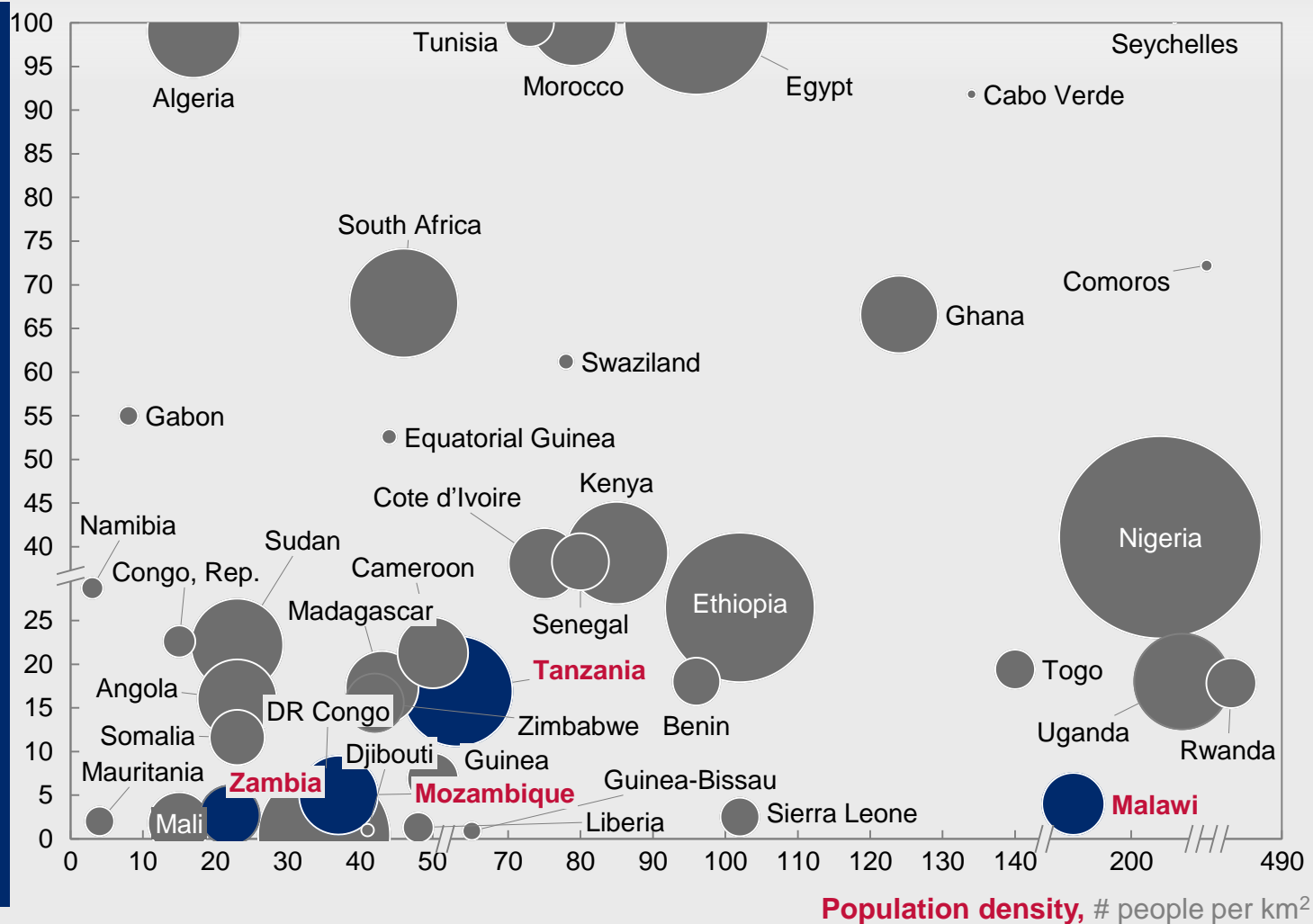
High population density

Low rural access rate¹ implies **high demand for SHS units**

Growing mobile money² market with 12% compound annual growth rate (CAGR) over the last five years

Adjacent to existing SHS markets of Zambia, Tanzania and Mozambique

High development partner interest with activity across the value chain



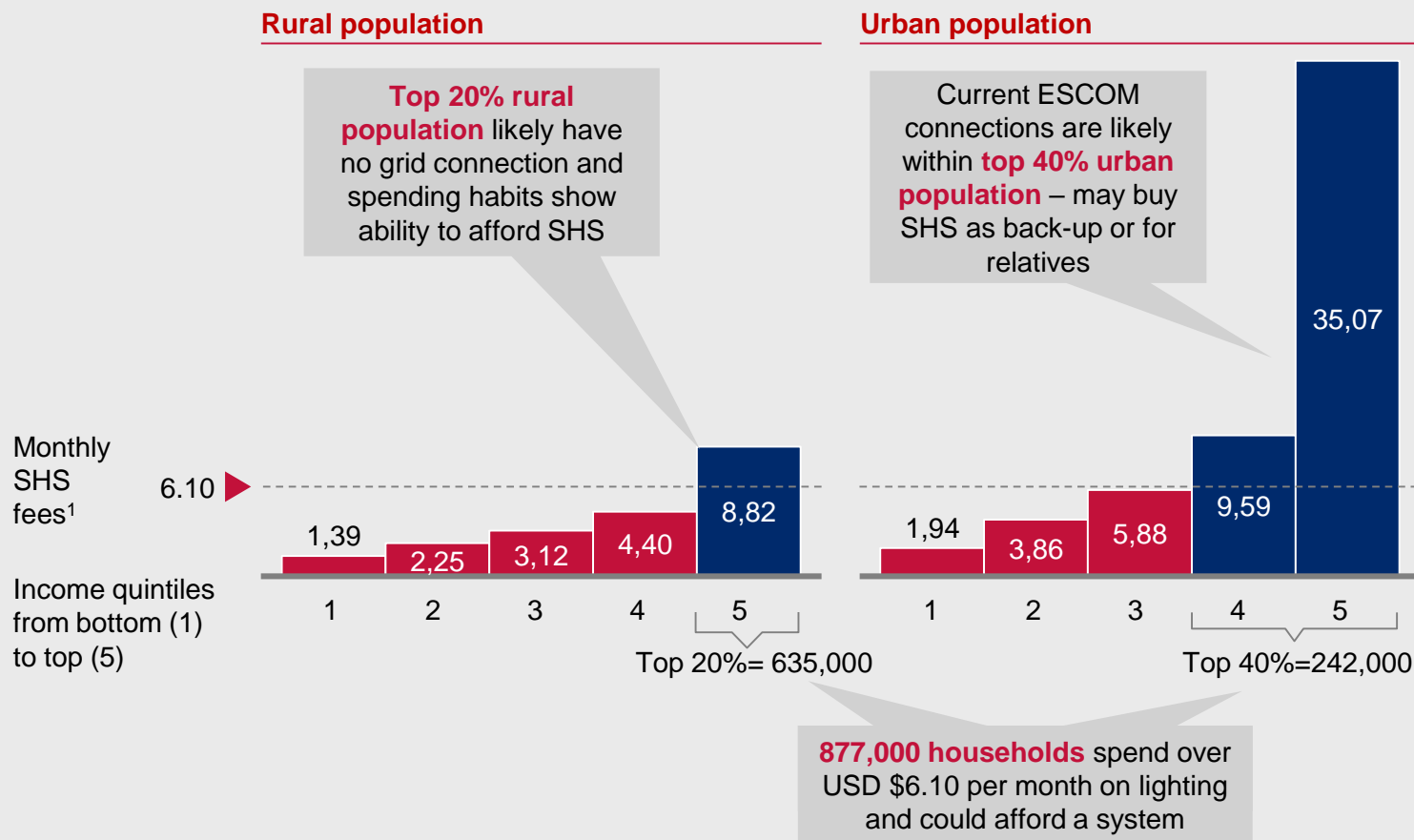
1 With rural electrification rate at only 3.9% 2 Leading provider Airtel has 98% cell phone coverage and 1.4 million mobile money customers

877,000 HOUSEHOLDS – 635,000 RURAL AND 242,000 URBAN – COULD CURRENTLY AFFORD SHS MONTHLY FEES



■ Monthly SHS fee above spend ■ Monthly SHS fee within spend (could afford SHS system)

Average monthly household lighting spend per income quintile,² USD \$



¹ Monthly fee is based on an SHS unit costed at USD \$156 with an upfront deposit and PAYG repayment period of 24 months. The USD \$156 is equivalent to a common low cost unit, using Kenya retail prices as a reference, plus 20% to account for additional transport and distribution costs. It is assumed customers will save or get a microfinance loan to finance the upfront deposit fee ² Primary data is consumption data from the World Bank, with assumption that 15% is on lighting as per research by Solar Aid; the output of this analysis of USD \$9 spend and above by the top 40% is validated by monthly electricity spend of USD \$14.74 by ESCOM customers in July 2017. Inflation of 11% per annum, applied to 2014 lighting spend to calculate today's equivalent

ACCESS TO FINANCING THROUGH SACCOS IS UNLIKELY AS ONLY LESS THAN 1% OF MALAWIANS ARE MEMBERS



Member-ship

- **47 SACCOS** in Malawi, all of which are affiliates of Malawi Union of Savings and Credit Cooperatives
- Member base is **116,122** individuals.

Categor-ization

- SACCOS can be categorized into two main types:
 - **Community-based:** heterogeneous, with majority of members being farmers
 - **Employer-based:** including seven teacher's SACCOS, as well as BP/Oil, Ministry of Transport, police and UNDP

Products

- **Interest rates** are **similar** to those offered by **commercial banks**
- Products **accommodate the needs of farmer** members

Largest SACCOS

- **Fincoop Savings & Credit Cooperative** is the largest in terms of **loans**
- **Mzimba Teachers SACCO** is the largest in terms of **membership**, with a base of about **6,000**, out of whom 60% are male and 35% female with the remaining 5% being group members (institutions, e.g., hospitals and schools, or organizations, e.g., women's clubs)

Case example

- Ulimi SACCO, in central region grants agricultural loans during November for members to buy inputs and fertilizers
- Members are given a grace period of six months and only start paying back their loans when they sell their harvest

Key statistics of Malawi's SACCO sector (December 2016)

Members	80,807
Penetration	0.46%
Total loans	USD \$9.3 million

Comparison of Malawi's SACCO sector with that of its neighbors

	Number of SACCOS	Member base, '000	Members as % of adult population
Rwanda	416	1 608	13,82
Kenya	6 468	6 272	13,28
Uganda	1 940	1 326	3,30
Tanzania	5 559	1 153	2,14
Zimbabwe	75	168	1,06
Malawi	32	81	0,46
Zambia	11	21	0,13
South Africa	26	33	0,06

HOWEVER UP TO USD \$20 MILLION IN MICRO LOANS HAVE BEEN ACCESSED FROM 10 MAJOR MICRO FINANCE INSTITUTIONS



Name	Year established	Approximate % of urban clients	Borrowers USD thousand	Portfolio ¹ (USD million)	Average loan amount (USD)	Products
Opportunity Bank of Malawi	2003	40-60	52	9	175	4
FINCA Malawi Ltd	1994	20-40	30	4	125	3
Malawi Rural Development Fund	2005	0-20	167	3	15	1
Microloan Foundation	2002	0-20	24	2	70	3
NBS Bank Limited (SME Department)	2004	40-60	1	1	974	1
Finance Trust For The Self Employed	2000	20-40	9	1	74	4
The Centre for Community Organization and Development	2003	60-80	2	1	273	4
CUMO Microfinance Ltd	2000	20-40	48	1	12	2
Finance Savings and Credit Cooperative	2004	30-50	3	0	100	4
Malawi Rural Finance Company Limited	1993	0-20	2	-		0
Total			337,959	20,270,962	202	

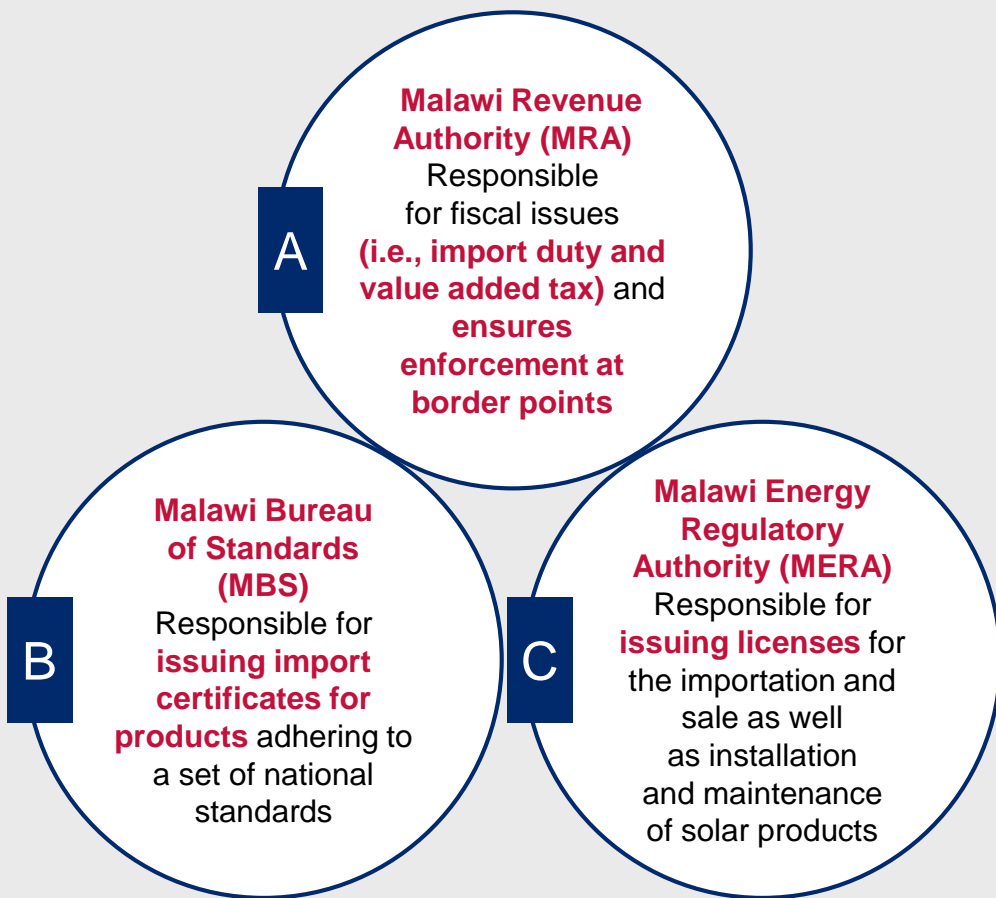
- These organizations are all part of **Malawi's Microfinance Network (MAMN)** established in **2001**
- MAMN has **21 member institutions**
- MAMN helps to
 - Develop, **promote and regulate microfinance** activities
 - Facilitate the **exchange of innovations, information and technologies** in order to strengthen microfinance operations

¹ Total amount of loans held by the MFI on any given day

THE RELEVANT REGULATORY AUTHORITIES FOR IMPORTING SHS UNITS ARE MRA, MBS AND MERA



Key regulatory authorities



Regulatory landscape

- A**
- SHS products tariffs
 - Electricity generation equipment is **exempt from import duty**
 - For other SHS components (e.g., lights, radio, TV), import duty is payable
 - VAT is payable on all SHS products at 16.5%**
 - The **Malawi Energy Africa Compact** was signed between the **UK and GOM** in November 2016, including a **proposal to remove 16.5% VAT** and other import duties on clean energy household products for next **10 years (2018-2027)**
 - Since there is **no VAT or import duty on kerosene**, removing VAT on SHS products would **encourage conversion to SHS with no loss to GOM**
- B**
- MBS has successfully worked with DFID to incorporate **Lighting Global standards into Malawian standards** as part of the Malawi Energy Africa Compact
- C**
- All SHS products should be certified by MBS and companies must be **licensed by MERA to import**

MOST BASIC SHS COMPONENTS ARE DUTY EXEMPT BUT ALL ATTRACT VAT OF 16.5%



	Products	HS Code ¹	Applicable rates, %		
			Import duty	Excise duty	VAT
Duty free	Solar powered pumps (irrigation)	8413.81.10			
	Solar water heaters	8419.19.20			
	Solar inverter	8504.40.90			
	Solar battery Chargers	8504.40.91			
	Solar primary cells & batteries	8506.80.10			
	Solar accumulators	8507.80.10	0	0	
	Solar mobile phones	8517.12.10			
	Energy saver bulbs	8539.89.91			
	Solar panels / cells / modules	8541.40.10			16.5
	Solar regulators / controllers	9032.89.91			
Solar energy lamps	9405.40.30				
With duties	Special low-energy torches	8513.10.90	10	0	
	Cable ²	8544.20.90			
	Solar-powered fridges	8418.29.00			
	Solar radios	8527.13.90	25	20	
	Solar-powered TVs	8528.72.19			
	Solar-powered fans	8414.51.90	10	20	
	Solar cooking oven	8516.60.99	25	0	

- Not all solar products are exempt from import duties
- All imported products are charged 16.5% VAT
- Companies are required to pay VAT upon import
- Companies can claim back VAT from MRA

¹ Harmonized Commodity Description and Coding System

² If presented together with the solar equipment as accessories / components of the system, cables will be classified under HS 8544.20.90. However, if presented separately to customs, cables will be classified under a different HS code (8544.42.90), attracting different tariffs.



3h ALL SHS PRODUCTS MUST BE CERTIFIED BY MALAWI BUREAU OF STANDARDS

Details

Certification standards

- No specific standards for tier 1 SHS
- Most applicable standard is MS 889-9-5
 - Based on IEC 62257-9-51
 - Similar to Lighting Global standard for Pico-PV quality, which refers to products with up to 15W power

Process

- Registration of consignments can be done either at the border for imported products prior to arrival of the consignment or any inland office for locally made products
- Importer is responsible for informing MBS on readiness for inspection and sampling for timely certification
- MBS headquarters receives notice and visits company premises to (a) inspect overall consignment and (b) collect sample for inspection; if not portable, inspection is done on-site

Requirements

- Payment of commercial invoices
- Manufacturer's certificate of analysis for goods

Fees

- Registration (commercial invoice): MWK 6,210
- Transportation of sample: Dependant on distance with minimum MWK 3,600 within Lilongwe, Blantyre and Mzuzu
- Inspection and sampling: 0.65% of the FOB value of the consignment (typically between MWK 25,000 – 500,000)
- Certification / reporting charge: MWK 6,900 per product
- Testing charges: Dependant on nature of product
- VAT: 16.5% of total certification associated fees
- Cess charge on landed cost: 0.5% of landed cost

- While certification process is conducted by MBS, products are **monitored by Malawi Energy Regulatory Authority (MERA)**
- Officially, certification process takes a minimum of **15 working days** but has been reported by other SHS companies to take **up to 3 months**
- Products can still be **sold during testing**, while certification is pending from MBS

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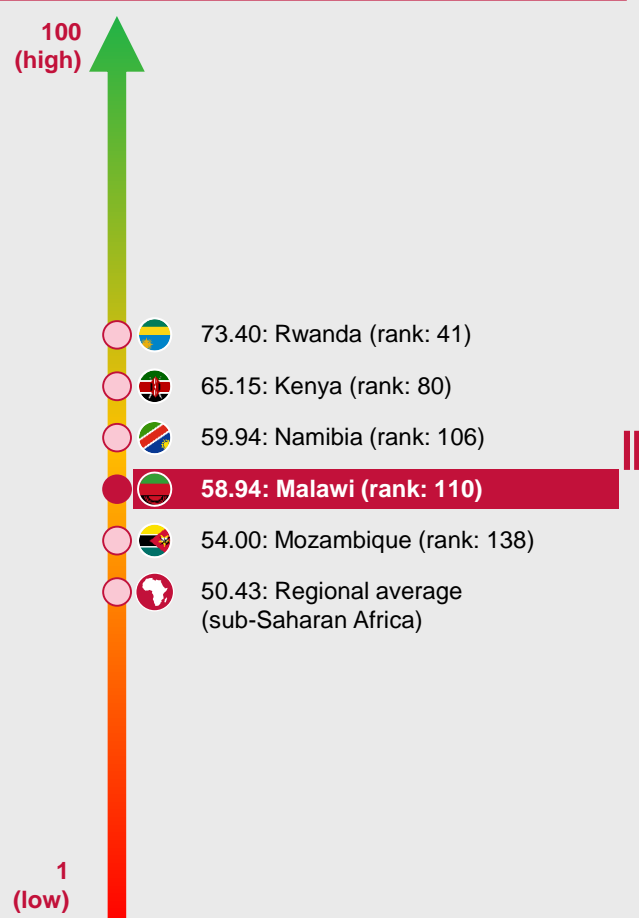




4a MALAWI'S EASE OF DOING BUSINESS SCORE IS RELATIVELY HIGH, FACILITATED BY MITC'S ONE STOP SERVICE CENTER

Ease of doing business 2018 score and ranking

Malawi jumped 23 places (from 133 to 110) as a result of regulatory reform¹ and now ranks higher than the sub-Saharan regional average



Malawi Investment and Trade Center (MITC)

MITC provides a One Stop Service Centre for new investors entering the country, where all relevant GOM entities are co-located in order to expediate setting up a new business venture. It takes only 28 days to register for a normal business

Address: Aquarius House, 1st Floor, Capital City | Link to website: <https://mitc.mw/invest/#>

One Stop Service Center co-locates officials from the following Government entities

- Malawi Investment and Trade Centre**
 - Malawi Investment and Trade Centre Desk
 - Guidance to investors on the national investment process
 - Guidance to investors on the various permits and licenses required for their sector of operation
 - Process and issue the Investment Certificate
 - Assist investors to obtain relevant sector licenses
- Department of Immigration**
 - Ministry of Immigration Desk
 - Guidance to investors relating to immigration requirements according to the Immigration Act
 - Guidance to investors on Business Residence
 - Permit and Temporary Employment Permit applications
 - Facilitation of processing and issuance of investors' Business Residence Permits and Temporary Employment Permits within 5 working days
- Registrar of Companies**
 - Registrar of Companies Desk
 - Guidance to investors on Business Registration according to the Companies Act
 - Facilitation of investors business registration within 10 working days
- Malawi Revenue Authority**
 - Malawi Revenue Authority Desk
 - Guidance to investors relating to tax incentives according to the Taxation Act and Customs and Excise Act
 - Guidance on procedures of accessing incentives
 - Guidance on procedures for clearance of goods
 - Facilitation of investors' registration for domestic taxes
- Ministry of Lands, Housing & Urban Development**
 - Ministry of Lands Desk
 - Identification of suitable land for investment purposes and facilitation of immediate allocation
 - Guidance and advice to Investors on land matters
 - Facilitation to investors to acquire or lease land in procedural and orderly manner

¹ Regulatory reform occurred across four key areas i.e., dealing with construction permits, trading across borders, getting credit and resolving insolvency



4b THERE ARE SPECIFIC INVESTMENT REQUIREMENTS TO QUALIFY FOR TAX INCENTIVES AND REBATES

Tax and rebate categories

A Sectors covered under tax regimes

- Manufacturing
- Mining
- Tourism
- Construction
- Agriculture (Horticulture, Fishing, Irrigation, Poultry farming)
- Education
- Health
- Exportation

B Priority growth industries

- Agro-processing industry (minimum required investment: USD \$500,000 for locals/USD \$5 million for internationals)
- Electricity generation, transmission and distribution (minimum required investment: USD \$30 million)

C Industrial rebate scheme

- Available for manufacturers

Benefits

- ✓ Duty free importation of **equipment and machinery**¹

- ✓ Duty free importation of **equipment and machinery**
- ✓ **Tax holiday** of up to **10 years**

- ✓ Duty free importation of **raw materials**

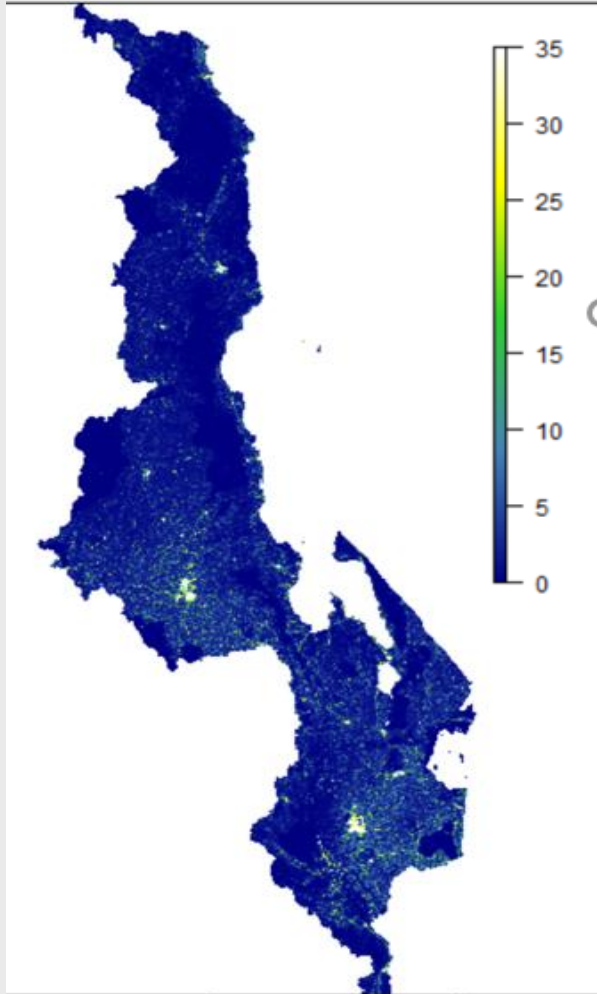
¹ Check list of tariffs with MRA



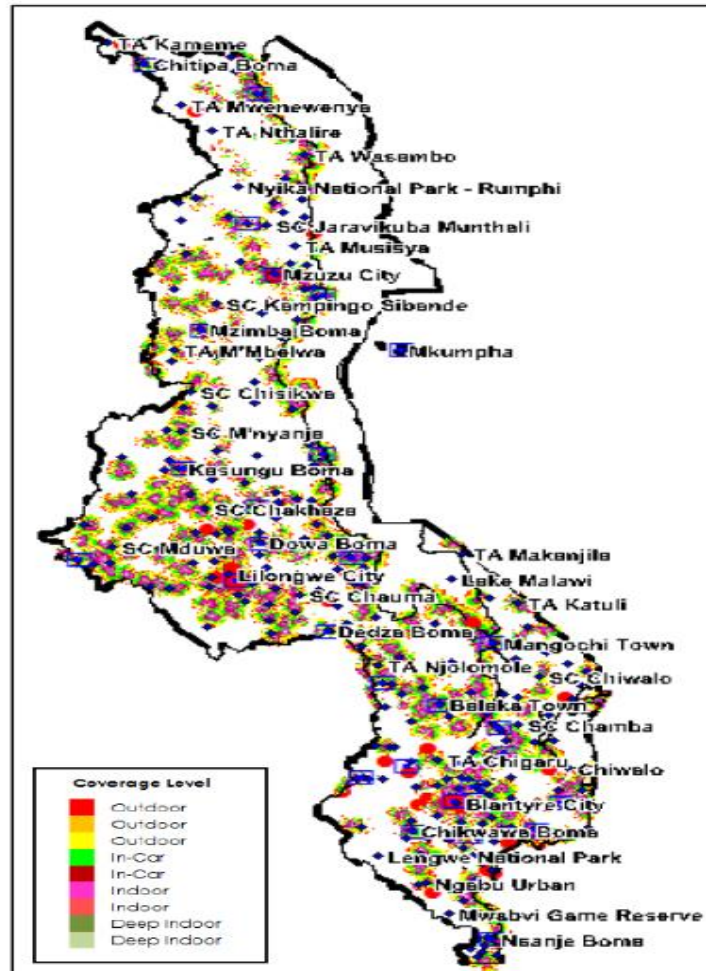
4c MALAWI'S MOBILE NETWORK ADEQUATELY COVERS POPULATION CENTERS AND REMOTE REGIONS

Population density (2015)

Predicted number of people per 100x100m grid cell



Airtel 2G network coverage level




- Malawi appears **well positioned** for **PAYG services nationwide**
 - Extensive mobile network coverage through multiple networks, of which Airtel is the largest
 - In addition to 2G, there is 3G and 4G coverage in certain urban areas
 - 40% of the total population are mobile phone subscribers; 25% of these use mobile money
 - Airtel has 20,000 agents countrywide, or one per 210 customers
- Potential to set up partnerships with telecommunications companies to enable smooth payment via mobile money



4d DEPENDING ON TYPE OF ACTIVITY, TWO INSTITUTIONS CAN HELP FOREIGN INVESTORS SET UP A BUSINESS



Type of activity	Description	Process to set up business	Institution responsible	Institution contact details
Value-added activity 	Manufacturing in Malawi or customization of product to local Malawian market needs	4e Step 1: Register company name	Malawi Investment and Trade Center's (MITC's) One Stop Service Center	<ul style="list-style-type: none"> Tel: +265 770 800 / +265 771 315 Email: ossc@mitc.mw Website: www.mitc.mw
		4f Step 2: Apply for investment certificate		
		4g-h Step 3: Apply for work permit		
		4i Step 4: Apply for Tax Payer Identification Number (TPIN)		
Non value-added activity 	Importation and distribution of ready-made products in local Malawian market	4e Step 1: Register company name	Registrar of Companies	<ul style="list-style-type: none"> Tel: +265 1 824 355/ +265 1 824 668/ +265 1 824 785 / +265 1 824 394 Email: ossc@mitc.mw Tel: +265 1 824 355 / +265 1 824 668 Email: info@registrargeneral.gov.mw Website: www.registrargeneral.gov.mw Tel: +265 1 822 588 Email: feedback@mra.mw Website: www.mra.mw Tel: +265 1770244 Website: http://www.trade.gov.mw/
		4g-h Step 2: Apply for work permit	Department of Immigration	
		4i Step 3: Apply for Tax Payer Identification Number (TPIN)	Malawi Revenue Authority	
		4j Step 4: Apply for business license	Ministry of Industry, Trade and Tourism	

INVESTORS CAN REGISTER A COMPANY NAME IN 10 WORKING DAYS WITH FIVE KEY REQUIREMENTS



Details

Requirements



- Power of Attorney by agent
- Authenticated (notarized) copy of Memorandum and Articles of Association
- Notarized shareholder resolution authorizing opening of branch / subsidiary in Malawi
- Authenticated copies of passport of shareholders
- List of directors resident in Malawi

Registration fees



- MWK 100 for first MWK 1,000 share capital value
- MWK 10 for additional MWK 2,000 of share capital value

Official processing time



- 10 working days



4f

MITC'S INVESTMENT APPROVAL COMMITTEE APPROVES INVESTMENT CERTIFICATES AND PROVIDES FURTHER SUPPORT

Details

MITC process

Requirements

- Completed investment application form
- Detailed business proposal / plan
- Copy of Memorandum and Articles of Association
- Certificate of Incorporation
- Copy of passport(s) of shareholders
- Minimum investment USD \$50,000

Application fees

- Application fee: USD \$200 (paid upon application)
- Issuance fee: USD \$800 (paid upon approval)

Official processing time

- Five working days

Process

Application submission

- Application is submitted by the incoming company (*as per requirements listed on 4e*)
- Submission is made directly to the MITC

Committee review

- The Investment Approval Committee (IAC) reviews all applications
- IAC comprises of:
 - Government institutions that are intermediary organizations for investment
 - MITC as the secretariat of the committee
 - MITC chair

Committee approval

- The IAC will take a decision on whether to approve an application and communicates decision to the applicant company

Further support

- If the certificate is approved, MITC assists investors to get any additional licenses and permits that the investors might need to start their operations



4g

TO GET A BUSINESS RESIDENCE PERMIT FOR SHAREHOLDERS TAKES FIVE DAYS AND COSTS USD \$2,100

X

Permit validity

X

Renewable conditions

Type of permit	Fees and timeline	Required documents	Process
<p>Business residence permit (BRP) for shareholders</p> <p>Five years</p> <p>Renewable (no limitation)</p>	<ul style="list-style-type: none"> Five working days Processing fees: USD \$100 Issuance fees: USD \$2,000 	<ul style="list-style-type: none"> Fully completed application forms in duplicate 2 passport size photographs A Business Registration Certificate / Certificate of Incorporation / Memorandum and Articles of Association A police clearance report from country of origin a business plan / profile Bank statement with not less than US\$50,000 The Bank Statement must be from a Malawian Bank The US\$ 50,000 needs to have been transferred into this account from outside the country The Bank account should be a Business Account registered in the name of the business entity It is recommended that the Bank Account should be a Foreign Currency Denominated Account (optional) MITC Investment Certificate A covering letter from the applicant Passport copy 	<ul style="list-style-type: none"> Once all relevant documentation (BRP application) is submitted to the One Stop Service Centre Immigration Desk, the Immigration Specialist processes accordingly and, if all is in order, communicates to the investor to make upfront payment of USD \$2,100 Upon payment of the USD \$2,100 a Bank Receipt is issued and the BRP is concurrently endorsed in the Investor's passport while the process of producing the actual permit document continues The file then undergoes further security checks with other security officials and the Investor is at some point requested to have their finger prints taken to finalize the process of the security checks Once this process has been finalized, the documents are sent to Ministry of Home Affairs and Internal Security for Ministerial approval Having satisfied all security processes, a 'BRP Permit Certificate' is issued and the investor collects this from MITC offices

- All documents should be in duplicate and all certificates be certified by Commissioner of Oath
- Application forms are available at MITC One Stop Service Centre offices as well as at the Department of Immigration and Citizenship Services offices

4h

TO GET A TEMPORARY EMPLOYMENT PERMIT FOR FOREIGN EMPLOYEES TAKES FIVE DAYS AND COSTS USD \$1,100



X

Permit validity

X

Renewable conditions

Type of permit	Fees and timeline	Required documents	Process
<p>Temporary employment permit (TEP) for employees</p> <p>Two years</p> <p>Renewable for six years</p>	<ul style="list-style-type: none"> Five working days Processing fees: USD \$100 Issuance fees: USD \$1,000 	<ul style="list-style-type: none"> Fully completed application in duplicate Covering letter from the employer Certified copies of educational certificates Certified copies of professional certificates Evidence that the post was advertised in the local press and CVs of the local Malawians who took part in the interview for time positions A letter of no objection from the previous employer in case the applicant changes jobs within Malawi 2 passport size photographs of the applicant Proof of arrangement of understudy Thumb print Registration certificates and Certificate of Incorporation Medical report from Malawian public hospitals Original police clearance letter from country of origin 	<ul style="list-style-type: none"> Once all relevant documentation (TEP application) is submitted to the One Stop Service Centre Immigration Desk, the Immigration Specialist processes accordingly and, if all is in order, communicates to the investor to make an upfront payment of USD \$1,100 Upon payment of the USD \$1,100 a Bank Receipt is issued and the TEP is concurrently endorsed in the Investor's passport while the process of producing the actual permit document continues The file then undergoes further security checks with other security officials and the Investor is at some point requested to have their finger prints taken to finalize the process of the security checks Once this process has been finalized, the documents are sent to Ministry of Home Affairs and Internal Security for Ministerial approval Having satisfied all security processes, a 'TEP Permit Certificate' is issued and the investor collects this from MITC offices

- All documents should be in duplicate and all certificates be certified by Commissioner of Oath
- Application forms are available at MITC One Stop Service Centre offices as well as at the Department of Immigration and Citizenship Services offices



4i

INVESTORS CAN SECURE A TAX PAYER IDENTIFICATION NUMBER (TPIN) WITHIN 30 MINUTES

Details

Requirements



- Copies of company registration certificates (could be local or foreign)
- Memorandum and articles of association
- Identification documents of all company directors e.g., National ID or passport copies
- Tax registration application form completed by each company director

Application fees



- No fees apply

Official processing time



- Less than 30 minutes

BUSINESS, TAXATION AND EMPLOYMENT DOCUMENTATION IS REQUIRED TO OPEN A BUSINESS BANK ACCOUNT



Business account types available

Business current account

Basic account for daily transactions including electronic banking, several signatories, standing orders, and overdraft (if required)

SME account

Similar to current account with opportunity to earn interest on minimum monthly balance for a small charge

Savings account

Savings account with various terms on interest rate and tenor for selected savings package

Foreign currency denominated account

Current account denominated in foreign currency (e.g., USD, GBP, EUR, ZAR)

Requirements for opening an account

a Business owner requirements

- Valid identity document of business owner (i.e., national identification card, passport)
- Employment permit¹ (if non-Malawian)
- Proof of local residential address (copies of current utility bills or tenancy agreements)

b Business documentation requirements

- Business registration certificate
- VAT / taxation registration certificate and number
- Proof of business address (copies of current utility bills or tenancy agreements)

¹ 1 Either Business Residence Permit or Temporary Employment Permit



4I BANKING SECTOR CONSISTS OF NINE SUPERVISED BANKS, OF WHICH THE TOP THREE ACCOUNT FOR 65% MARKET SHARE

Banks supervised by Reserve Bank of Malawi (2017) ¹		Share of total Malawi deposits, %	Local / international ³	Branches, #	Agencies, kiosks or mobile vans, #	ATMs, #	
National Bank of Malawi Plc.		25	Local	15	16	123	
Standard Bank Malawi Ltd		25		International	7	76	78
FDH Bank Ltd		15		Local	19	34	93
CDH Investment Bank Ltd			Local	3	1	1	
Eco Bank Ltd			International	8	0	25	
First Merchant Bank Ltd			Local	10	26	63	
NBS Bank Ltd			Local	13	39	69	
Nedbank Malawi Ltd			International	9	2	26	
New Finance Bank Ltd			Local	6	0	11	

Three largest banks account for 65% market share

Six smaller banks account for 35% market share

¹ Banks are supervised (highest level of recognition for banks in Malawi) and rated by the Reserve Bank of Malawi on the basis of basic credit and operating requirements ² No more detailed market share data is publicly available

³ Local = Malawi-only bank (i.e. only has offices in Malawi); International = bank that not located in Malawi only (e.g., Standard Bank)

SOURCE: Reserve Bank of Malawi (2018), Financial Institutions Supervision Annual Report (2017), The Times Group: FDH-MSB merger to form 3rd largest bank (2016)



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4m

LOCAL BANKS TYPICALLY REQUIRE 2-4 YEARS OF FINANCIAL STATEMENTS FOR A LOAN APPLICATION

Typical elements for a loan application

- ✓ Description and scope of the project
- ✓ Timing of the project and the funding
- ✓ Profile of qualifying companies including
 - Nature of business
 - Experience in the sector
 - Shareholding profile
 - Profile of management
 - Profile of board members
 - 2-4 year audited financial statements¹
 - 2-4 year projected financial statements including
 - Profit and loss statement
 - Balance sheet and
 - Cash flow statement
 - Assumptions to the projections

- Commercial banks may operate as foreign exchange dealers
- Most banks will offer loans in Malawian Kwacha and some foreign exchange, particularly USD
 - Typical MWK terms are a 20-30% per annum interest rate with a 3-5 year tenure
 - Typical USD terms are a LIBOR + 7-10% interest rate with a 1-3 year tenure
- Banks' average due diligence period for review of a loan application is two to eight weeks

¹ Companies newly established in Malawi with a parent company located elsewhere may be able to use financial statements from that parent company



4n

REGULATION ALLOWS FOR FREE MOVEMENT OF FOREIGN EXCHANGE AS LONG AS TOTAL RESERVES ARE SUFFICIENT

Government encourages local and foreign investment in all sectors with limited restrictions

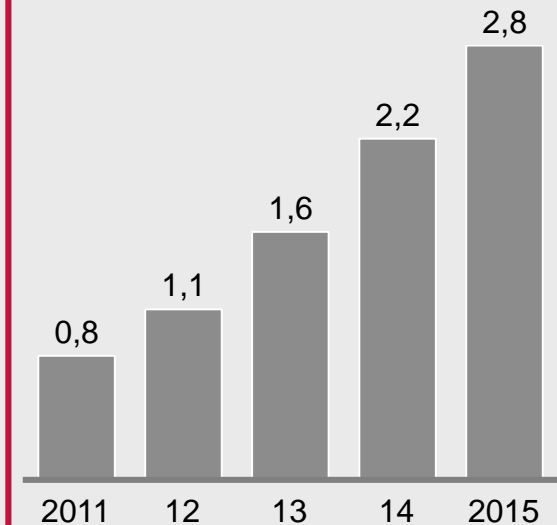
- There are **no restrictions** on
 - Ownership – **do not need to have local ownership**
 - Size of investment
 - Source of funds
 - Product destination (i.e., export or domestic market)
- Investors have **access to foreign exchange with no legal limitations**, both to pay for imports and to transfer financial payments abroad
 - Full repatriation of profits, dividends, investment capital and interest and principal payments for international loans is permitted
 - No license is required for importing foreign exchange
- All **capital and loans from foreign sources** must be **registered with the Reserve Bank of Malawi** through the local bank

You can always exchange Malawian Kwacha so long as there are sufficient reserves

- The **Malawian Kwacha is easily converted into foreign currencies** such as the US Dollar, British Pound, South African Rand and Chinese Yen.
- **Foreign exchange is available throughout the year**, drawing on Malawi's foreign exchange reserves
- All **commercial banks are authorized by the Reserve Bank of Malawi** to approve remittances of foreign exchange – **approvals are fairly automatic** as long as the applicant's accounts have been audited and sufficient foreign exchange is available

Malawi's current foreign exchange reserves are sufficient to cover nearly three months' of imports

Total foreign exchange reserves in months of imports



Reserves have increased steadily from 0.8 in 2011 to 2.8 in 2015

THE PROCESS OF IMPORTING GOODS INTO MALAWI CAN BE AS FAST AS THREE WORKING DAYS



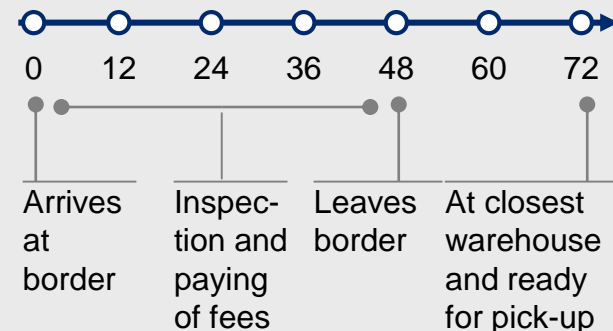
Fees

Fee type	Notes	Payable to
Processing	<ul style="list-style-type: none"> MWK 10,000 per waybill 	<ul style="list-style-type: none"> MRA
Electronic seal	<ul style="list-style-type: none"> MWK 50,000 per container for all high value shipments 	<ul style="list-style-type: none"> MRA
Clearing	<ul style="list-style-type: none"> MWK 10,000 +VAT per waybill Higher if shipment has multi-line entries (various HS codes) 	<ul style="list-style-type: none"> Clearing agent
Tariffs	<ul style="list-style-type: none"> Import and excise duties, import VAT¹ 	<ul style="list-style-type: none"> MRA
Cess	<ul style="list-style-type: none"> 0.5% of shipment value 	<ul style="list-style-type: none"> MRA
Storage	<ul style="list-style-type: none"> EUR 5 per waybill for day 1, additional days EUR 0.1 per kilo per day 	<ul style="list-style-type: none"> Private storage provider

Shipment classification

Threshold	Duty
Below USD \$50	No duty
Above USD \$50-680	Low value item, duty applied
Above USD \$680	High value shipment

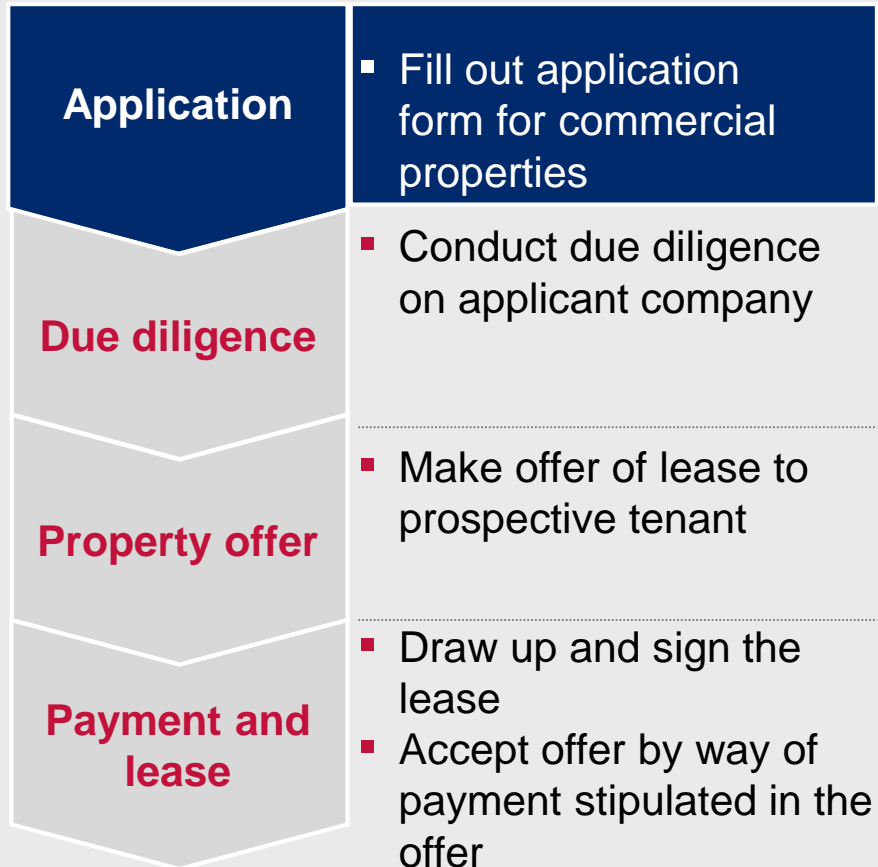
Timeline, hours



¹ See Chapter 3, section g for SHS product tariffs; request remaining from MRA

THERE IS A CLEAR PROCESS FOR RENTING COMMERCIAL OFFICE SPACES IN BLANTYRE, LILONGWE AND MZUZU

Process to rent commercial properties



Application requirements

- Copy of business registration

- Bank statements for past six months OR current financial statements certified by external auditors

- Business address

- Banking details

- Details of previous landlord(s) in Malawi or foreign countries

Legal environment

Landscape

- Malawi has a **well-established, independent legal system** including **comprehensive physical and intellectual property rights laws**, however **staffing limitations** result in **longer legal processes** compared to its neighbors
- Legal practitioners** in Malawi have to be **licensed by the Malawi Law Society** on an annual basis

Players

- There are **418 legal practitioners** with a license to practice law in Malawi from 1st February 2018 to 31st January 2019 – **12** of them have been **recognized** by Chambers and Partners¹ as **top business lawyers**
- List of lawyers can be found on: <https://www.chambersandpartners.com/138/852/editorial/2/1/global-malawi-general-business-law>

Accounting and audit environment

- Malawi's **accounting and auditing professionals** and **professional bodies** are well **regulated** by the **Malawi Accountants Board**
- Accountants** in Malawi have to join the **Institute of Chartered Accountants (ICAM)** in Malawi to practice
- In 2016, there **were 1,469 accountants** registered with ICAM
- Auditing firms have to obtain approval from the Malawi Accountants Board to provide auditing services
- In 2017, there **were 25 registered auditing firms** in Malawi

¹ Chambers and Partners have published guides to the legal profession since 1990. They identify and rank the world's best lawyers and law firms based on in-depth, objective research

SOURCE: World Bank Doing Business Report 2018; www.malawi24.com; Chambers and Partners; Malawi Law Society; Institute of Chartered Accountants in Malawi; Malawi Accountants Board



Solar



Hydro














Biogas/ biofuel



Wind



Grid extension/ densification

Network	Year of registration	Core objective(s)	Relevant technologies	Membership	Contact details
Renewable Energy Industry Association of Malawi (REIAMA) 	1999	<ul style="list-style-type: none"> Promote renewable energy technologies (RETs) in a sustainable manner to the satisfaction of consumers in Malawi 	   	All corporate organizations and individual persons whose main business is the production, supply, importation, exportation, installation or servicing RETS in Malawi are eligible upon application to the board of trustees	Email: info@reiamo.org
Cooperation Network for Renewable Energy in Malawi (CONREMA) 	2010	<ul style="list-style-type: none"> Provide an exchange and learning platform for all stakeholders involved in the design, implementation and analysis of energy projects in the country or in related policies and strategies 	   	Membership open to all with a proven interest and readiness to share information with other members	Link to join: http://conrema.org/section/join-conrema
Solar Trade Association	2017	<ul style="list-style-type: none"> Support, organize and champion the solar industry Lobby and advocate for policies to advance the solar sector 		Membership open to solar industry companies registered in Malawi	Contact Director Chisambazi chisambazisolar@gmail.com



Technical and Vocational Education and Training (TVETs)

Universities

Nature of training

Institutions

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Solar photovoltaic electrical training | <ul style="list-style-type: none"> ▪ Mzuzu Technical College ▪ Miracle Technical Institute in Karonga ▪ Zayed Energy and Ecology Centre in Nkhata Bay (sponsored and supported by the EU) |
| <ul style="list-style-type: none"> ▪ Electrical installation qualifications¹ | <ul style="list-style-type: none"> ▪ Miracle Technical Institute ▪ Nkhotakota Community Skills Development Centre (and informal) ▪ Lilongwe Technical College ▪ SOS Vocational Training Centre ▪ Don Bosco Youth Technical Institute ▪ Mangochi Community Technical College ▪ Stephanos Vocational Centre ▪ Mitengo Technical College |
| <ul style="list-style-type: none"> ▪ Marketing and sales degrees | <ul style="list-style-type: none"> ▪ University of Malawi ▪ The Catholic University of Malawi ▪ Adventist University ▪ Pentecostal Life University |

¹ Registered by Malawi's Technical, Entrepreneurial and Vocational Education and Training Authority (TEVETA)

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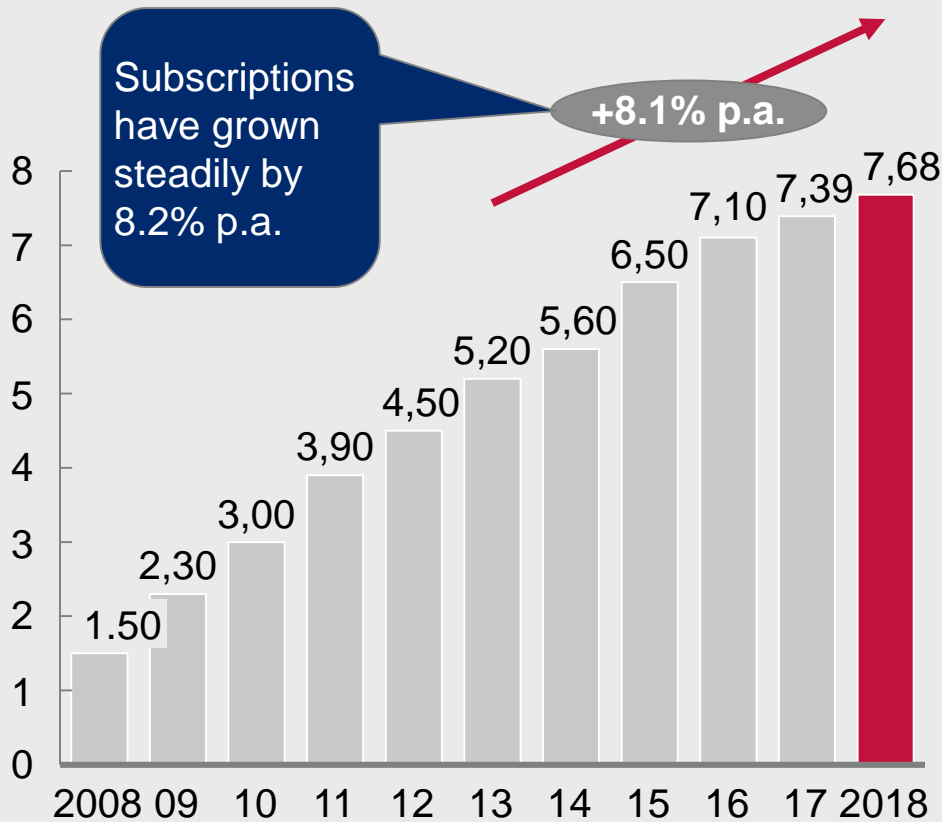
Chapter 6 Transportation and distribution



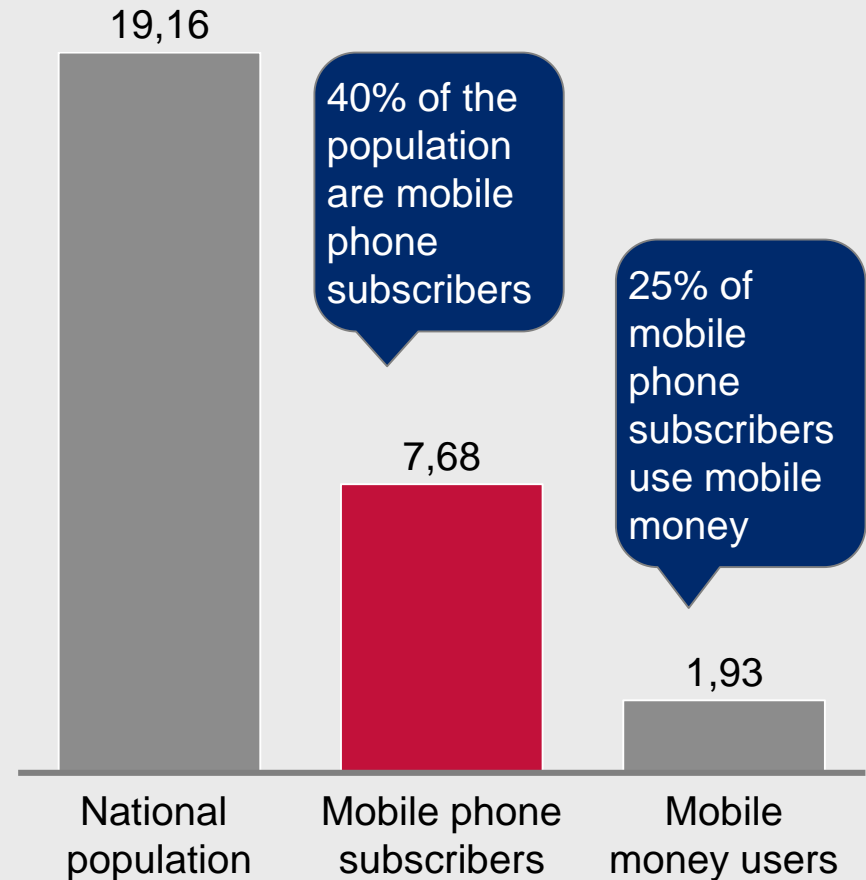


5a AROUND 40% OF MALAWIANS ARE MOBILE PHONE SUBSCRIBERS AND 25% OF THESE USE MOBILE MONEY

Malawi mobile phone subscribers by year, million



Mobile phone and mobile money subscribers in Malawi, million (2018)



5b

ONLY 14% OF MOBILE MONEY SUBSCRIBERS USE IT TO SEND MONEY



25% of adults with phones use mobile money services

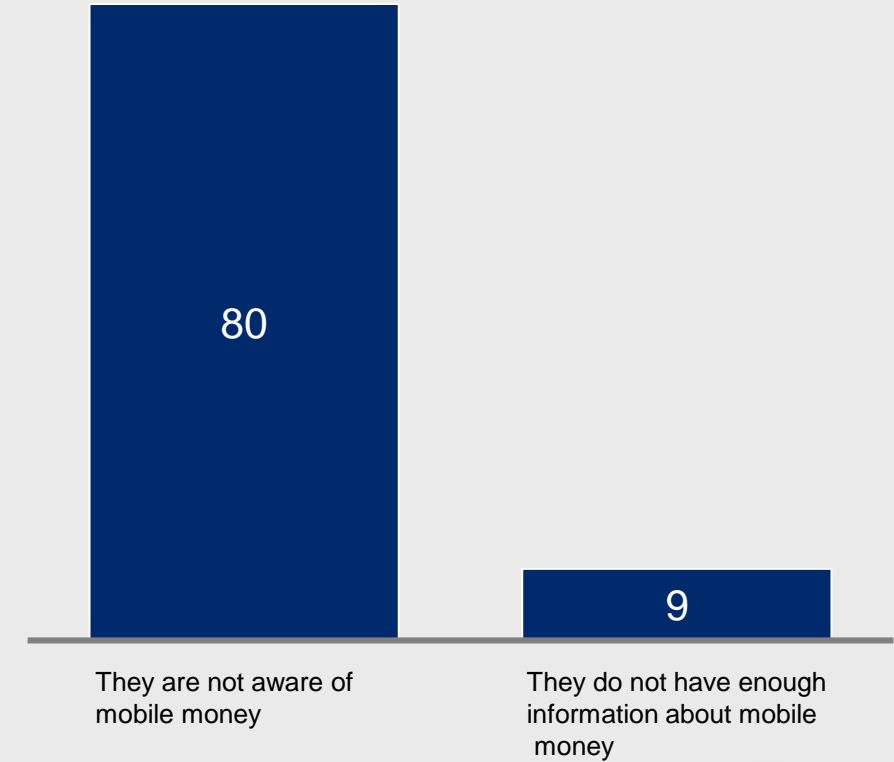
75% of adults with phones do not use mobile money services

Main uses of mobile money services in Malawi

Main reasons Malawians do not use mobile money services

% respondents who specified uses

% respondents who specified reason





5c OF 6 TELECOMMUNICATIONS COMPANIES, ONLY 2 PROVIDE MOBILE MONEY AND HAVE WORKED WITH SHS PROVIDERS

Telecommunications company	Mobile phone subscription market share, %	Mobile money provider	Mobile money subscription market share, %	Have worked with SHS players
Airtel	55	✓	73	✓
TNM	24	✓	27	✓
Celcom	Other companies make up remaining 18% ¹	✗	N/A	✗
G-Expresso		✗	N/A	✗
G-Mobile		✗	N/A	✗
Lacell		✗	N/A	✗









TNM worked with one SHS player but in a logistics / distribution capacity – not using the mobile money platform

¹ No further market share data available for split between smaller companies





5d THERE ARE VARIOUS PAYMENT PLATFORM OPTIONS IN MALAWI

Payment platform	Description of transaction	Agent model	Major companies
Mobile money	SHS customer uses mobile money to make transaction into SHS company account	Person-to-person business model to send money between wallets without agent intervention	 
Over-the-counter (OTC)	SHS customer takes cash to OTC agent, who completes transaction to SHS company	Provider offers transfers that do not involve wallets – transactions are facilitated by agents	
Agency banking	SHS customer uses own bank account to complete payment to SHS company via banking agent	Use of agents to deposit or withdraw funds from customer's bank account	  
Third party platform	SHS customer payment is recorded on a third party platform, which integrates with SHS company operating system	SHS agents receive and document payments using external third party platform	 

Reach out to the USAID SAEP team for introductions to companies

GSMA is currently looking to set up an IPN Hub¹ with Malawi-based telecommunication companies

¹ This Hub integrates mobile money and SHS company PAYG platforms, with integration timelines reduced from 6-12 months to 3-4 weeks

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Chapter 6 Transportation and distribution





6a TRANSPORT IS FACILITATED BY A NETWORK OF PRIMARY ROADS AND RAILWAY CONNECTING AIRPORTS AND BORDERS

15,451km of roads

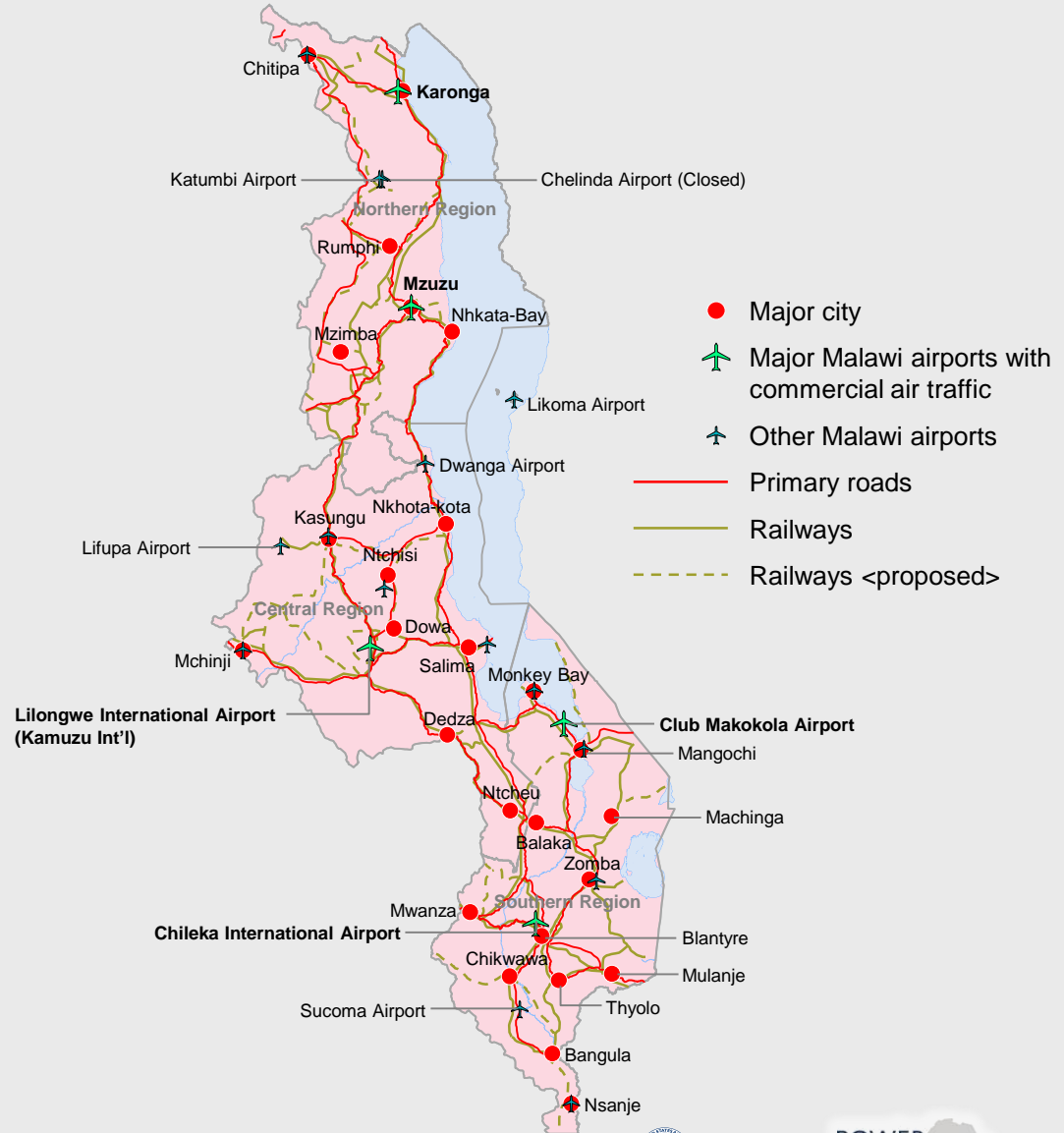
- Road access to all of its neighboring countries
- 84% of main roads, 13% of secondary roads and 57% of urban roads are paved
- Tertiary and District roads of 7,589km are essentially all unpaved

19 airports

- International flights to and from Blantyre
- Five airports with scheduled commercial flights
- Malawi Airlines is the most active commercial airline
- Up to two flights per day from Lilongwe to Blantyre
- Several African cities with 3 return flights to Lilongwe per week
- March to October is peak season, more flights available than usual; few flights during January and February (rainy season)

797km of railway

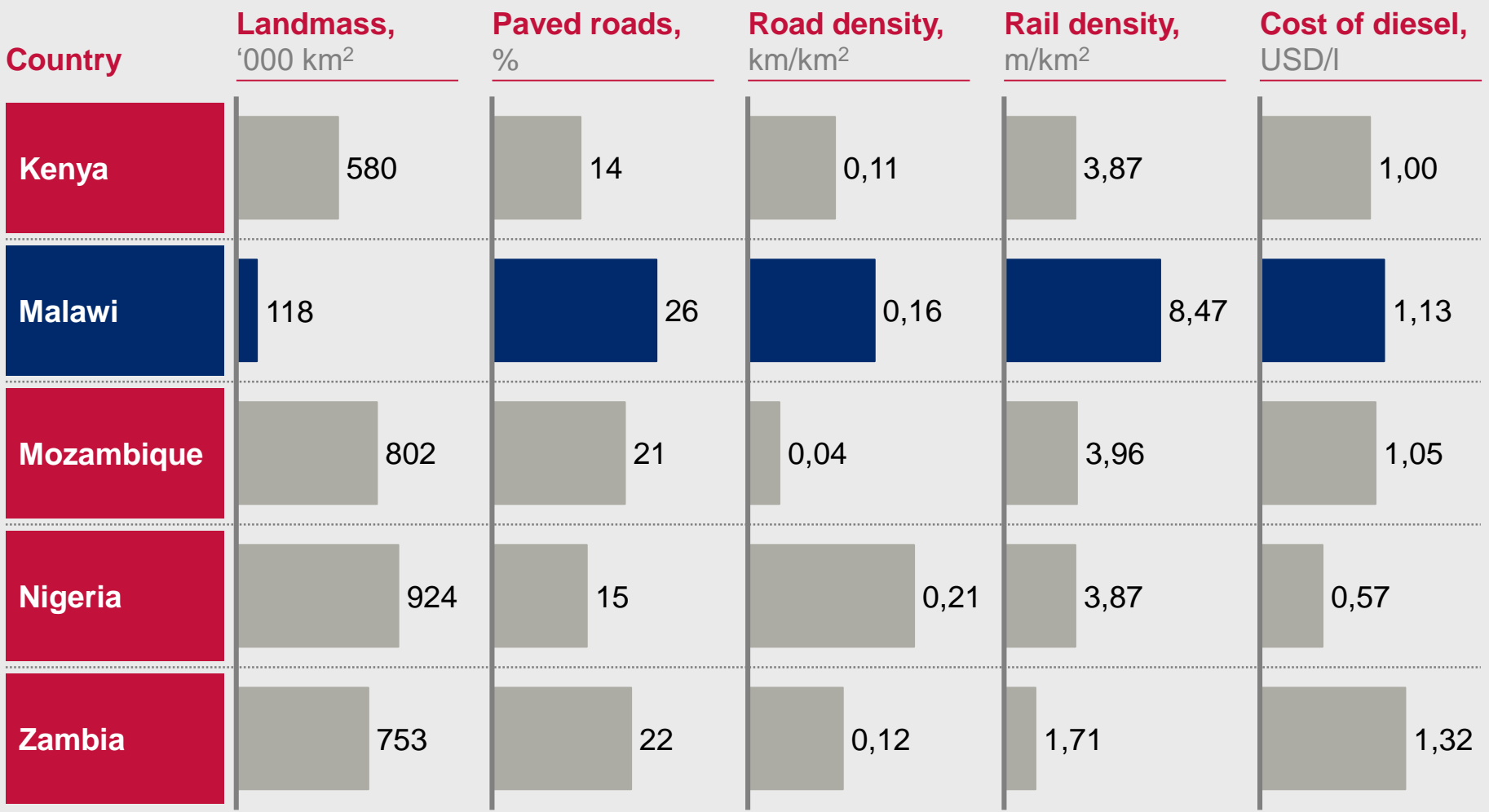
- Runs from the Zambian border at Mchinji in the west via Lilongwe and Blantyre to Bangula in the south
- Links to Mozambique's Nacala Corridor line going east to Nacala on the Indian Ocean
- Does not link to Mozambique's Beira corridor as lines have been closed since the Mozambique Civil War, with plans for reconstruction not yet realized
- Does not link with neighboring Tanzania as there is a break of gauge
- Speed of trains is typically no more than 60kmph, with travel time from Lilongwe to Limbe typically taking 20 hours, to Nayuchi 16 hours and Nacala 48 hours



6b TRANSPORT LOGISTICS IN MALAWI ARE BETTER THAN SOME OF ITS NEIGHBORS



Logistics data: road, rail and fuel costs¹



¹ Road data as of 2008, rail data as per year latest recorded by World Bank (varies 2004-2018)

SOURCE: Malawi National Transport Master Plan, World Bank, Trading Economics

6c

THERE ARE VARIOUS OPPORTUNITIES TO LEVERAGE LOGISTICS PARTNERSHIPS TO REDUCE COSTS



Company type ³	Name	Coverage	Current services	Core skills base	Comments	Further detailed	
SHS distributor 	Multiple companies	<ul style="list-style-type: none"> Nationwide 	<ul style="list-style-type: none"> Import of SHS units Logistics (goods storage and distribution) Sales 	<ul style="list-style-type: none"> Logistics (goods storage and distribution) Sales 	<ul style="list-style-type: none"> Many are interested in partnering with international SHS companies entering the market 		
	Logistics 	Malawi Posts Corporation (MPC) ²	<ul style="list-style-type: none"> 180 post offices nationwide 	<ul style="list-style-type: none"> Mail Courier Financial (money transfer and banking) Retail (stationary, mobile phone) Philately 	<ul style="list-style-type: none"> Logistics (goods storage and distribution) 	<ul style="list-style-type: none"> Vision includes “development of partnerships and alliances”, evidenced by existing partnerships with Airtel, TNM, NBS etc. Security, especially in rural depots may be an issue 	
DHL		<ul style="list-style-type: none"> Three offices in main cities 	<ul style="list-style-type: none"> Courier services 	<ul style="list-style-type: none"> Logistics (storage and distribution) 	<ul style="list-style-type: none"> Do not currently retail products out of offices 		
Telecommunications³ 		Airtel	<ul style="list-style-type: none"> 86% network coverage 21 express shops and 21,000 agents nationwide 	<ul style="list-style-type: none"> Voice and text Internet Mobile money 	<ul style="list-style-type: none"> Sales 	<ul style="list-style-type: none"> Aspiring to open a store in every trading center in the country⁴ 	
		TNM	<ul style="list-style-type: none"> 74% network coverage 24 stores nationwide 	<ul style="list-style-type: none"> Voice and text Internet Mobile money 	<ul style="list-style-type: none"> Sales 	<ul style="list-style-type: none"> Malawi Stock Exchange listed company – answerable to local Board 	
Bus network 	AXA	<ul style="list-style-type: none"> 12+ coaches that run daily and cover the length of the country 8 courier vans 14 office locations 	<ul style="list-style-type: none"> Bus transport Courier Warehousing in Blantyre 	<ul style="list-style-type: none"> Intercity bus service – largest in Malawi 	<ul style="list-style-type: none"> Have worked successfully with SHS companies in transporting units 		


1 Only features companies whose profiles were requested and received

2 Statutory corporation 3 Two largest telecommunications companies in Malawi

4 There are more than 500 trading centers in the country

6d


THE SOLAR TRADE ASSOCIATION LISTS 49 PRACTITIONERS INCLUDING DISTRIBUTORS, INSTALLERS AND RETAILERS (1/3)

 Detail to follow

	Name	Solar area	Contact person	Contact details
1	Kuwala Energy	Installations, PICO and SHS		
2	Kumudzi Kuwale			Box 162, Nkhotakota
3	Solarise	Installations and Retail	Shoyab Bahadur	0999 643643 solarise.mw@gmail.com
4	Powered by Nature	Installations, Irrigation, Components, Lighting products and SHS	Phillip Blatt	0882 733469 phil.blatt@poweredbynature-mw.com
5	Green Impact Technologies	Retail/ distribution of Pico and SHS	Admore Chiumia	
6	Team Planet	Installations, Retail of components	Edwin Manda	0991 555400/ 0888 222060 edwin@goteamplanet.com
7	Sheet Metal Industries	Retail of Components		
8	SunnyMoney			
9	Green Energy	Retail of components, Picos and SHS		
10	Solar Africa			
11	National Association of Businesswomen	Policy, Advocacy and Women Empowerment – Gender in Energy	Barbara Banda	0995 752813 bandabarbara@gmail.com
12	Institute for Environmental Surveillance	Pico and SHS distribution	Frank Mndala	0884 793371/ 099 109492 fmndala@gmail.com
13	Powertex Limited	Back-up Solutions	William Nkwanda	0999682/ 0888266014 powertexmw@gmail.com
14	Kuunika Solar		Samuel Gomani	
15	Chisambazi Solar Systems	Retail and Distribution of Pico and SHS, Home Installations	Chisambazi CJ M. Nyirenda II	0881852020 chisambazisolar@gmail.com
16	Solair Corporation	Retail of components and general solar products	Hamment Tanna	
17	Lottie Singini			Box 880, Mzuzu
18	Elektronika	Installations, Retail of components and SHS	Ken Alisen	
19	Hyser Chilongo	Installations, Retail of components		Box 201, Luwinga, Mzuzu

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THE SOLAR TRADE ASSOCIATION LISTS 49 PRACTITIONERS INCLUDING DISTRIBUTORS, INSTALLERS AND RETAILERS (2/3)

 Detail to follow

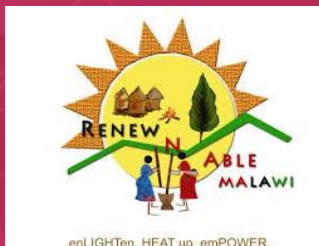
Name	Solar area	Contact person	Contact details
20 Global Solar	Installations, Irrigation, heating, Retail – products and components	Andrew Nkoloma	
21 Sonlite Solar	Installations, Irrigation, heating, Retail – products and components	Francis Kambala	
22 Yankho Electrical & Solar Contractors	Installations, Irrigation, Heating, Retail of solar products and components	William Nkhono	
23 Secum Energy Systems	Installations		Box 330, Lilongwe
24 Hanya Electrical Contractors	Installations		Box 482, Salima
25 Sunvalley Building and Solar Contractors	Installations		Box 141, Chileka, Blantyre
26 Speedfix Solar and Electrical Services	Installations, Retail of Components	Tenly Chimalizeni	Box 542, Kasungu
27 Mwabumba Energy Solutions	Installations	Temwanani Muleso	Box 1132, Mzuzu
28 Mhango, Kalembo Electrical and Solar Experts	Installations	Patrick Kalembo	Box 316, Mzuzu
29 Hi-Tech Electronics	Installations		Box 2636, Blantyre
30 International Control Power Systems	Installations		Box 197, Blantyre
31 Zuwa Energy	Retail/ distribution of SHS		
32 RECAPO	Retail/ distribution of SHS		
33 Kaligza Contractors	Installations	Chawezi Kaligza Gondwe	P/Bag B408, Lilongwe
34 Solar System Technology	Installations, Retail of components	Alfred G. Kumpolota	Box 31128, Lilongwe
35 Solarspace	Installations, retail of components	Tuwulupi Dimobly Ndovie	Limbe

THE SOLAR TRADE ASSOCIATION LISTS 49 PRACTITIONERS INCLUDING DISTRIBUTORS, INSTALLERS AND RETAILERS (3/3)



■ Detail to follow

	<u>Name</u>	<u>Solar area</u>	<u>Contact person</u>	<u>Contact details</u>
36	Gerald Solar Power	Installations, Retail of components		Box 973, Zomba
37	Sixer Investments	Retail of components, lighting products		Box 20173, Mzuzu
38	JEBP Supplies	Retail of components, lighting products		Box 80135, Blantyre 8
39	Press Solar Limited	Installations		Box 1227, Blantyre
40	Bearing and Electrical Contractor	Installations, Retail of components		Box 1525, Lilongwe
41	A & K Energy & Solar Installation	Installations, Retail of components		Box 209, Mzimba
42	Saifro Limited	Installations, Retail of components		Box 51, Lilongwe
43	Renewable Energy & Power Control Centre	Installations, Retail of components		Box 31627, Lilongwe
44	Doza Solar Master	Installations, Retail of components		Box 20301, Lilongwe
45	Tholex Renewable and Electrical Contractors	Installations, Retail of components	Thokozani Mbewe	Box 1283, Blantyre
46	Techno-Cold	Installations, Components	Stanley Misomali	Box 1793, Blantyre
47	GAC Energy Systems	Installations		Box 30254, Lilongwe
48	Energy Sil Electrical	Installations, Retail of components		Box 3296, Lilongwe



Company: **Renew'N'Able Malawi (RENAMA)**

Year of establishment **2010**

Total units sold to date **~1,000**

Average no of units sold p.a. **200**

Average price per unit (USD) **50**

Contact details

Name: **Devine Matare**

Telephone number: **+265 88 219 0828**

Email address:
devine.matare@renewablemalawi.org

Company description

- Headquarters location: **Blantyre Malawi**
- Sales force size: **11**
- Proprietary product vs non-proprietary: **Proprietary products**
- Proportion of PAYG vs OTC sales: **80% PAYG**
- PAYG platform: **ANGZA (98% repayment rates)**
- Logistics and warehousing: **Managed in-house**
- After sales services: **Through manufacturers and agents**
- Key strengths: **Community Engagement and Visibility**

Product offering

- Brand: **Team Planet / OV Pilot / Sunking Boom/Sunlight**
- Systems description (components): **Pico solar lamps / Home systems with 4 bulbs, USB ports and 5 / 10 / 20 W panel**
- Certification: **Lighting Global**

Geographic distribution

- Districts: **Phalombe, Blantyre, Thyolo, Mulanje**
- Cities / towns: **Blantyre, Zomba**

Partnership interest

- Distribution / logistics / other: **Distribution**
- Geography: **Across all districts in Malawi**



Company: **RECAPO Solar Systems Inc.**

Year of establishment **2014**

Total units sold to date **700**

Average no of units sold p.a. **140**

Average price per unit (USD) **119**

Contact details

Name: **Robert Matengula (Director)**

Telephone number: **+265 88 885 1905**

Email address:
info@recao.org
rmatengula@gmail.com

Company description

- Headquarters location: **Lilongwe**
- Sales force size: **4**
- Proprietary product vs non-proprietary: **Proprietary products**
- Proportion of PAYG vs OTC sales: **80% PAYG**
- PAYG platform: **Azuri Technologies**
- Logistics and warehousing: **Managed in-house**
- After sales services: **Weekly / monthly activations codes, warranty service and fee based service and support**
- Key strengths: **First PAYG operator in Malawi, offers mobile pay with Airtel, strong partnerships with government**

Product offering

- Brand: **Azuri Technologies, Greenlight, SunSaluter, PV Moto**
- Systems description (components): **10 W – 250 W SHS, Smallholder farmers irrigation systems**
- Certification: **Lighting Global**

Geographic distribution

- Districts: **Lilongwe, Mchinji, Dedza, Dowa & Kasungu**
- Cities/towns: **Only rural and peri-urban areas**

Partnership interest

- Distribution / logistics / other: **Large SHS, OTC SHS, Irrigation systems**
- Geography: **Southern Region of Malawi**



Company: **Team Planet**

Year of establishment **2015**

Total units sold to date **12,327**

Average no of units sold p.a. **3,082**

Average price per unit (USD) **60**

Contact details

Name: **Pip Dunwell**

Telephone number: **+265 88 700 4196**

Email address:
pip@goteamplanet.com

Company description

- Headquarters location: **Lilongwe**
- Sales force size: **3**
- Proprietary product vs non-proprietary: **Proprietary products**
- Proportion of PAYG vs OTC sales: **100% OTC**
- PAYG platform: **None**
- Logistics and warehousing: **Managed in-house**
- After sales services: **Available with warranty**
- Key strengths: **European expertise on design and installation, quality products, warranty, after sales services**

Product offering

- Brand: **Heckart, Victron, EP, Voltronics, Imeon**
- Systems description (components): **Ecosystem of solar lights, power banks, small solar panels, and charge controllers, panels for larger inverters**
- Certification: **Lighting Global**

Geographic distribution

- Districts: **Blantyre, Zomba, Mangochi, Lilongwe, Muzuzu and Chitipa**
- Cities / towns: **Same as above and surrounding areas**

Partnership interest

- Distribution / logistics / other: **Distribution and logistics**
- Geography: **All**

6e COMPANY PROFILE: SUNNYMONEY



Company: **SunnyMoney**

Year of establishment: **2006**

Total units sold to date: **200,000+**

Average no of units sold p.a.: **20,000**

Average price per unit (USD): **N/A**

Contact details

Name: **Brave Mhonie**

Telephone number: **+265 99 691 5489**

Email address:
brave.mhonie@ sunnymoney.org

Company description

- Headquarters location: **Lilongwe**
- Sales force size: **15 office staff and 22 field based agents**
- Proprietary product vs non-proprietary: **Non-proprietary products**
- Proportion of PAYG vs OTC sales: **N/A**
- PAYG platform: **Angaza**
- Logistics and warehousing: **Managed in-house**
- After sales services: **All products with 1-2 years warranty, in-house repair center and dedicated repair staff**
- Key strengths: **10 years of experience in import, sales and distribution of PICO solar in Malawi, extensive distribution network, dedicated, hardworking long-serving staff members**

Product offering

- Brand: **Green Light Planet, Omni Voltaic, Ov Solar, Yingli**
- Systems description (components): **Ecosystem of solar lights, power banks and solar panels with various functions**
- Certification: **Lighting Global**

Geographic distribution

- Districts: **All districts excluding Likoma**
- Cities / towns: **Cities and Bomas (district capitals)**

Partnership interest

- Distribution / logistics / other: **Decentralized storage space and distribution to sales team**
- Geography: **All**



Company: **Zuwa Energy Pty Limited**

Year of establishment **2016**

Total units sold to date **550**

Average no of units sold p.a. **275**

Average price per unit (USD) **N/A**

Contact details

Name: **Jones Ntaukira, CEO**

Telephone number: **+265 99 527 8060**

Email address:
jones@zuwaenergy.com

Company description

- Headquarters location: **Lilongwe**
- Sales force size: **45**
- Proprietary product vs non-proprietary: **Non-proprietary products**
- Proportion of PAYG vs OTC sales: **80% PAYG**
- PAYG platform: **Angaza**
- Logistics and warehousing: **Managed in-house**
- After sales services: **2 years' warranty, product upgrades, other value added services**
- Key strengths: **Experienced, young and diverse team, first PAYG company in Malawi, own lean data toolkit for customer and market research, nominated by London Stock Exchange as company to inspire Africa**

Product offering

- Brand: **Zuwa ovCamps**
- Systems description (components): **Solar Home Systems – minimum 4 bulbs, radio, phone charging, TVs (24 inch, 32 inch)**
- Certification: **Lighting Global, Malawi Bureau of Standards**

Geographic distribution

- Districts: **15 Districts spread across all 3 regions**
- Cities / towns: **All major cities and towns**

Partnership interest

- Distribution / logistics / other: **Importation and distribution**
- Geography: **All**



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THERE ARE FIVE MAJOR WAREHOUSING COMPANIES AND FOUR MAJOR IMPORT COMPANIES ACROSS THE COUNTRY

Warehousing companies in Malawi

- **AMI** (recently acquired Manica)
 - Offers container and warehousing services via Manica alongside all other logistics needs
 - Contact: Richard Chikalipo, Commercial Manager (richardc@ami-worldwide.com)
- **Bollore**
 - Provides warehousing services, including pharmacy warehousing, and transport
 - Contact: +265 01 871 555 / 215 / 150 / 410 / 263; sales.malawi@bollore.com
- **DHL**
 - Provides dedicated or shared warehousing resources along with pack, delivery, and returns
 - Contact: +265 9999 30561
- **DSW** (Blantyre and Lilongwe)
 - Offers warehousing and freight services in Blantyre and Lilongwe
 - Contact: +265 171 2030; info@mw.dsv.com
- **TBN Logistik & Trade**
 - Offers consolidation terminal warehousing and bonded warehousing in addition to delivery services and freight forwarding
 - Contact: Oleksandr Vasyliuk, Operations Manager, tbncom12@ukr.net

Import service companies in Malawi

- **DHL**
 - Provides import services and expertise with experience in markets worldwide (offers delivery in every country)
 - Contact: +265 9999 30561
- **EON Logistics**
 - Offers shipping and procurement services for Malawi companies
- **Maersk**
 - Offers import service access to all major ports in Malawi and in surrounding countries, offering door-to-door service
 - Contact: Lilongwe (office): +265 1 713 980, Blantyre: +265 1 871074
- **MSC Malawi**
 - Brings industry specific expertise across regions on global container shipping, with network of rail, road, and sea
 - Contact: +265 1 710 562 ; msclilongwe@mscmalawi.com

MALAWI IS IN LINE WITH SOUTHERN AFRICAN PEERS IN TERMS OF LOGISTICS CAPABILITIES

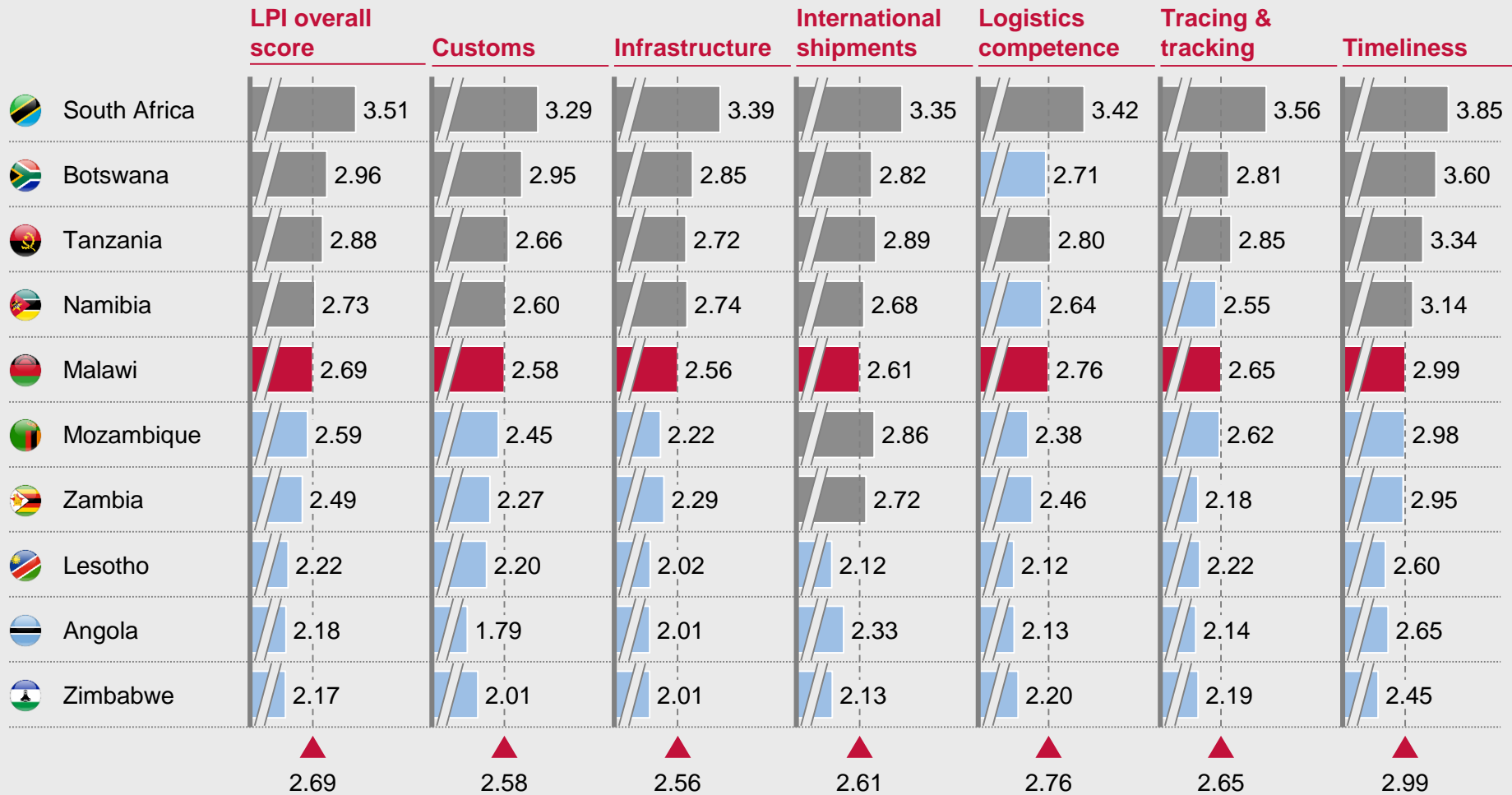


World Bank Aggregated Logistics Performance Index (LPI), 2012-2018

1 represents low, 5 represents high performance

▲ Malawi's score

■ Countries outperformed by Malawi



ACRONYMS

ACRONYMS (1/3)

Term	Definition
2G	Second Generation
ATM	Automated Teller Machine
BRP	Business Residence Permit
CONREMA	Cooperation Network for Renewable Energy in Malawi
CV	Curriculum Vitae
DFID	Department For International Development
DRC	Democratic Republic of Congo
EIU	Economist Intelligence Unit
EUR	Euro
FDI	Foreign Direct Investment
GBP	British Pound
GDP	Gross Domestic Product
GOM	Government of Malawi
HS	Harmonised System
IAC	Investment Approval Committee
ICAM	Institute of Chartered Accountants in Malawi
IEC	International Electrotechnical Commission
IPN	Instant Payment Notification
IPP	Independent Power Producer
IRP	Integrated Resource Plan
KES	Kenya Shilling
km	Kilometer



ACRONYMS (2/3)

Term	Definition
kW	Kilowatt
kWh	Kilowatt Hours
LIBOR	London Inter-bank Offered Rate
LPI	Logistics Performance Index
MAMN	Malawi Microfinance Network
MBS	Malawi Bureau of Standards
MCC	Millenium Challenge Corporation
MERA	Malawi Energy Regulatory Authority
MFI	Microfinance Institution
MGDSIII	Third Malawi Growth and Development Strategy
MITC	Malawi Investment and Trade Center
MPC	Malawi Posts Corporation
MPICO	Malawi Property Investment Company
MRA	Malawi Revenue Authority
MRES	Malawi Renewable Energy Strategy
MS	Malawi Standard
MW	Megawatt
MWK	Malawian Kwacha
OSSC	One Stop Service Centre
OTC	Over The Counter
p.a.	Per Annum
PAYG	Pay As You Go



ACRONYMS (3/3)

Term	Definition
PPP	Public-private Partnerships
REIAMA	Renewable Energy Industry Association of Malawi
RET	Renewable Energy Technologies
SACCO	Savings and Credit Cooperatives
SAEP	Southern Africa Energy Programme
SE4ALL	Sustainable Energy For All
SHS	Solar Home Systems
SME	Small and medium enterprises
Sqkm	Square kilometers
TBD	To Be Decided
TEP	Temporary Employment Permit
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USD	United States Dollar
VAT	Value Added Tax
W	Watt
ZAR	South African Rand
ZMW	Zambian Kwacha



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