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Malawi—Statistical Appendix

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INTERNATIONAL MONETARY FUND

MALAWI

Statistical Appendix

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Approved by the African Department

April 25, 1995

	<u>Contents</u>	<u>Page</u>
Basic Data		iii
<u>Tables</u>		
1.	Gross Domestic Product by Economic Activity at Constant 1978 Factor Cost, 1989-94	1
2.	Gross Domestic Product by Expenditure at Constant 1978 Market Prices, 1989-94	2
3.	Gross Domestic Product by Expenditure at Current Market Prices, 1989-94	3
4.	Saving and Investment, 1989-94	4
5.	Marketed Production of Principal Crops, 1989-94	5
6.	Average Auction Prices for Tobacco and Tea, 1989-94	6
7.	Selected ADMARC Producer Prices, 1989-94	7
8.	Index of Industrial Production, 1989-94	8
9.	Wage Employment and Average Monthly Earnings by Sector, 1989-94	9
10.	Composite Retail Price Index, 1988-94	10
11.	Central Government Operations, 1989/90-1994/95	11
12.	Central Government Revenue, 1989/90-1993/94	12
13.	Economic Classification of Current and Development Expenditure, 1989/90-1993/94	13
14.	Functional Classification of Central Government Current Expenditure, 1989/90-1993/94	14
15.	Central Government Development Expenditure by Main Sectors, 1989/90-1993/94	15
16.	Accounts of Leading Public Enterprises, 1989/90-1994/95	16
17.	ADMARC Summary Accounts, 1989/90-1993/94	18
18.	Interest Rates, 1989-94	19
19.	Monetary Survey, March 1990-December 1994	20
20.	Summary Accounts of the Monetary Authorities, March 1990-December 1994	21

21.	Summary Accounts of the Commercial Banks, March 1990-December 1994	22
22.	Distribution of Commercial Banks' Advances by Main Sector, 1989-September 1994	23
23.	Summary Accounts of Nonbank Financial Institutions, March 1990-September 1994	24
24.	Balance of Payments, 1989-94	25
25.	Composition of Exports, 1989-94	26
26.	Tobacco Exports, 1989-94	27
27.	Composition of Imports, 1985-90	28
28.	Foreign Trade Indicators, 1988-94	29
29.	Geographical Distribution of Trade, 1987-90	30
30.	Public External Debt Disbursed and Outstanding, 1989-94	31
31.	Public External Debt and Debt Service, 1989-94	32

Annex

Summary of Tax System	33
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Malawi – Basic Data

Area
Population: Total (1994)
Growth rate
GDP per capita (1994)

118,500 square kilometers
9.7 million
3.6 percent per annum
US\$134

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u> Prel.
National accounts						
(In units indicated)						
GDP at 1978 factor cost (in millions of Malawi kwacha)	934.8	979.4	1,055.8	972.2	1,077.1	944.0
In percent of total:						
Agriculture	34.9	33.3	34.8	28.3	39.1	31.3
Manufacturing	12.8	13.6	13.0	14.6	11.8	13.9
Government	15.3	14.8	14.2	15.9	14.3	15.6
Other	36.9	38.3	38.0	41.2	34.8	39.2
Annual real rate of growth (percentage change)	4.1	4.8	7.8	-7.9	10.8	-12.4
GDP at current market prices (in millions of Malawi kwacha)	4,199.2	5,069.9	6,105.5	6,693.8	8,942.2	11,311.8
In percent of total:						
Domestic expenditure	116.4	109.8	112.2	113.4	111.8	116.4
Private consumption	78.2	75.4	78.1	79.8	86.2	79.1
Government consumption	17.1	15.2	14.0	18.5	17.1	21.8
Gross fixed capital formation	16.7	16.2	16.9	16.1	10.0	13.4
Stockbuilding	4.5	3.0	3.3	2.7	2.2	2.1
Imports of goods and nonfactor services	-36.1	-33.8	-35.8	-35.9	-28.2	-45.7
Exports of goods and nonfactor services	19.6	24.1	23.5	22.5	16.4	29.2
Central government finance 1/						
(In millions of Malawi kwacha)						
Total revenue and grants	1,204.1	1,156.0	1,389.9	1,505.0	1,912.8	4,231.3
Revenue	994.3	1,043.3	1,181.9	1,331.4	1,628.6	2,329.2
Grants	209.9	112.7	208.0	173.6	284.2	1,902.1
Total expenditure	1,295.6	1,401.7	1,577.3	2,379.4	2,428.0	5,940.7
Current expenditure	932.0	1,090.0	1,262.5	1,263.1	1,838.9	3,780.2
Development expenditure	295.3	311.6	314.8	469.4	464.4	1,233.5
Drought-related expenditure	--	--	--	450.0	124.7	927.0
Extrabudgetary expenditure	68.3	--	--	196.9	--	--
Overall deficit (excluding grants)	-301.4	-358.4	-395.4	-1,048.0	-799.4	-3,611.5
Overall deficit (including grants)	-91.5	-245.7	-187.4	-874.4	-515.2	-1,709.4
Financing	91.5	246.3	187.4	874.4	515.2	1,709.4
Foreign	133.7	266.0	202.4	356.2	658.0	1,363.2
Domestic	-42.2	-19.7	-15.0	518.2	-142.8	346.2
Of which: nonbank financing	(11.0)	(-1.2)	(17.9)	(-8.6)	(0.5)	(85.6)
Money and credit (end of period) 1/ 2/						
(Twelve-month change as percent of beginning period money stock)						
Net foreign assets	-23.8	3.2	-13.4	-40.5	44.5	2.1
Net domestic assets	27.0	8.8	31.6	68.6	-2.9	37.8
Credit to the Government	-8.1	-2.8	-6.7	59.1	-12.6	23.4
Credit to statutory bodies	-2.3	-0.7	9.7	-9.8	9.6	-7.5
Credit to the private sector	27.1	11.1	19.2	16.7	7.8	23.9
Other assets (net)	10.4	1.1	9.4	2.5	-7.8	-2.0
Money plus quasi-money	3.2	12.0	18.2	28.0	41.5	39.9

Malawi -- Basic Data (concluded)

	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u> Prel.
Prices						
	(Percent change)					
GDP deflator	21.2	11.5	13.4	18.3	21.8	42.0
Consumer prices (annual average)	15.7	11.5	8.2	23.2	22.8	34.6
Export price index ^{3/}	7.6	-1.6	8.8	-17.1	-13.3	3.4
Import price index ^{3/}	2.8	1.0	0.7	-2.3	-4.5	0.4
Terms of trade (deterioration -)	4.7	-2.6	8.1	-15.2	-9.3	2.9
Balance of payments						
	(In millions of SDRs)					
Exports, f.o.b.	209.7	303.4	347.5	282.2	227.2	252.9
Imports, c.i.f.	-316.0	-361.6	-449.8	-505.9	-449.0	-387.0
Of which: freight and insurance	(-120.1)	(-137.4)	(-176.7)	(-171.9)	(-147.4)	(-138.0)
Trade balance	-106.3	-58.3	-102.3	-223.8	-221.9	-134.1
Services and private transfers	-59.6	-48.3	-80.5	-39.9	-25.0	-32.7
Current account balance ^{4/}	-165.8	-106.6	-182.8	-263.7	-246.9	-166.8
Capital account (including net errors and omissions)	136.8	119.5	185.7	160.1	279.4	165.4
Overall balance	-29.0	12.9	2.9	-103.5	32.5	-1.4
Gross official foreign reserves	78.5	95.5	102.7	33.4	39.2	24.6
In months of nonmaize imports	3.0	3.2	2.9	0.9	1.2	0.9
External debt						
Disbursed and outstanding						
Including Fund credit	988.4	1,037.9	1,127.7	1,230.0	1,337.5	1,383.1
Excluding Fund credit	912.3	959.3	1,047.2	1,156.3	1,274.8	1,306.2
Debt service ratio ^{5/}						
Including Fund credit	39.5	23.3	21.2	24.7	25.0	24.1
Excluding Fund credit	29.2	18.2	15.7	19.5	22.3	22.2

Sources: Data provided by the Malawian authorities; and staff estimates.

^{1/} Fiscal year starting April 1 of the year indicated.

^{2/} Figures for 1994 are for December.

^{3/} In SDR terms.

^{4/} Excluding official transfers.

^{5/} Debt service as a percentage of exports of goods and nonfactor services, before debt relief.

Table 1. Malawi: Gross Domestic Product by Economic Activity
at Constant 1978 Factor Cost, 1989-94

	1989	1990	1991	1992	1993	1994 Prel.
(In millions of Malawi kwacha)						
Agriculture	326.6	325.8	367.5	275.2	421.0	295.8
Smallholders <u>1/</u>	244.0	235.6	269	168.3	311.1	206.9
Estates	82.6	90.2	98.5	106.9	109.9	88.9
Manufacturing	120.0	133.5	137.5	141.6	126.8	130.8
Electricity and water	20.7	23.1	24.5	26.3	27.2	29.3
Construction	40.5	41.5	43.9	43.0	41.2	39.8
Distribution	111.2	123.5	132.1	129.5	118.4	112.6
Transport and communication	53.7	57.6	60.0	59.4	56.7	51.8
Financial and professional services	59.8	67.0	71.7	71.4	67.3	62.3
Ownership of dwellings	40.5	42.2	43.6	44.4	44.9	45.9
Private community services	41.1	42.5	43.9	44.9	45.1	46.4
Government services	143.3	145.3	149.8	154.8	154.2	147.3
Unallocable financial charges	-22.6	-22.6	-18.8	-18.4	-25.7	-18.0
GDP at constant 1978 factor cost	934.8	979.4	1,055.8	972.2	1,076.9	943.8
<u>Memorandum items:</u>						
GDP at current factor cost	3,730.7	4,539.1	5,529.9	6,045.0	8,173.9	10,157.5
GDP deflator at factor cost (1978 = 100)	414.8	463.5	527.7	621.8	759.1	1,076.0
(Annual change in percent)						
Agriculture	2.4	-0.2	12.8	-25.1	53.0	-29.7
Smallholders	0.2	-3.4	14.2	-37.4	84.8	-33.5
Estates	9.8	9.2	9.2	8.5	2.8	-19.1
Manufacturing	8.5	11.3	3.0	3.0	-10.5	3.2
Electricity and water	8.4	11.6	6.1	7.3	3.2	7.8
Construction	6.3	2.5	5.8	-2.1	-4.2	-3.5
Distribution	4.9	11.1	7.0	-2.0	-8.6	-4.9
Transport and communication	4.1	7.3	4.2	-1.0	-4.6	-8.7
Financial and professional services	9.1	12.0	7.0	-0.4	-5.8	-7.4
Ownership of dwellings	2.5	4.2	3.3	1.8	1.0	2.4
Private community services	3.3	3.4	3.3	2.3	0.5	2.8
Government services	0.5	1.4	3.1	3.3	-0.4	-4.5
Unallocable financial charges	--	--	16.8	2.1	-39.7	30.0
GDP at constant 1978 factor cost	4.1	4.8	7.8	-7.9	10.8	-12.4
<u>Memorandum items:</u>						
GDP at current factor cost	21.6	21.7	21.8	9.3	35.2	24.3
GDP deflator at factor cost	21.4	11.7	13.9	17.8	22.1	41.8

Source: Ministry of Economic Planning and Development.

1/ Including smallholders (up to 4 employees) in other sectors of the economy.

Table 2. Malawi: Gross Domestic Product by Expenditure at Constant 1978 Market Prices, 1989-94

	1989	1990	1991	1992	1993	1994 Prel.
(In millions of Malawi kwacha)						
GDP at market prices	987.3	1,068.8	1,134.6	1,051.4	1,153.2	1,027.1
Net exports	-31.1	22.2	-21.8	24.5	34.1	130.4
Imports of goods, f.o.b. ^{1/}	-158.9	-164.1	-186.5	-162.8	-151.5	-105.5
Imports of nonfactor services ^{2/}	-118.9	-121.9	-157.2	-127.8	-113.6	-87.1
Exports and re-exports of goods	231.2	291.8	306.2	306.3	291.8	312.6
Exports of nonfactor services	15.5	16.4	15.7	8.9	7.4	10.4
Gross domestic expenditure	1,018.4	1,046.5	1,156.4	1,026.8	1,119.1	896.7
Consumption	902.7	898.1	980.2	894.0	1,026.8	829.5
Private	658.5	650.8	728.3	640.4	777.6	582.3
Monetary ^{3/}	335.5	336.3	385.1	378.1	378.5	291.2
Nonmonetary ^{4/}	322.9	314.5	343.2	262.3	399.1	291.1
Government and statutory bodies	244.2	247.3	251.9	253.6	249.2	247.2
Employee compensation	173.1	178.0	179.2	186.3	175.2	167.8
Goods and services	71.1	69.3	72.7	67.3	74.0	79.4
Fixed capital formation	115.7	123.2	146.0	117.5	84.2	59.8
Public investments	53.1	59.4	70.0	68.6	62.5	50.2
Private investments	62.7	63.9	76.0	48.9	21.7	9.6
Stock building	35.5	25.3	30.1	22.0	19.9	17.9
<u>Memorandum items:</u>						
Monetary GDP ^{5/}						
In millions of Malawi kwacha	664.4	754.3	791.4	789.1	754.1	735.9
GDP deflator at market prices (1978 = 100)	425.3	474.4	538.1	636.7	775.4	1,098.6
(Annual change in percent)						
GDP at market prices	1.3	8.3	6.2	-7.3	9.7	-10.9
Net exports	-151.1	-171.5	-197.8	-212.8	39.0	282.1
Imports of goods, f.o.b.	23.1	3.3	13.6	-12.7	-7.0	-30.3
Imports of nonfactor services	18.9	2.5	28.9	-18.7	-11.1	-23.3
Exports and re-exports of goods	-15.7	26.2	4.9	0	-4.7	7.1
Exports of nonfactor services	-1.9	5.8	-4.5	-43.4	-17.0	40.9
Gross domestic expenditure	11.5	2.8	10.5	-11.2	9.0	-19.9
Consumption and stock building	11.1	-0.5	9.1	-8.8	14.9	-19.2
Private	14.3	-1.2	11.9	-12.1	21.4	-25.1
Monetary	32.4	0.2	14.5	-1.8	0.1	-23.1
Nonmonetary	0.1	-2.6	9.1	-23.6	52.2	-27.1
Government and statutory bodies	3.6	1.3	1.9	0.7	-1.7	-0.8
Employee compensation	3.0	2.8	0.6	4.0	-6.0	-4.2
Goods and services	5.1	-2.6	5.0	-7.5	10.0	7.2
Fixed capital formation	14.3	6.5	18.5	-19.6	-28.3	-29.0
Public investments	-1.5	11.9	18.0	-2.1	-8.8	-19.7
Private investments	32.3	1.9	19.0	-35.7	-55.6	-55.7
Stock building	40.2	28.8	19.1	-27.0	-9.5	-10.0
<u>Memorandum items:</u>						
Monetary GDP	2.0	13.5	4.9	-0.3	-4.4	-2.4
GDP deflator at market prices	21.2	11.5	13.4	18.3	21.8	41.7

Source: Ministry of Economic Planning and Development.

^{1/} Including MK 12.0 million and MK 13.9 million for drought-related commercial and free maize imports f.o.b. for Malawians in 1992 and 1993, respectively, and excluding maize for refugees.

^{2/} Including shipment costs of MK 17.4 million and MK 19.6 million for drought-related commercial and free maize in 1992 and 1993, respectively, and excluding shipment costs for maize for refugees.

^{3/} Calculated as a residual.

^{4/} Smallholder production less ADMARC purchases, including MK 16.8 million of drought-related free maize imports in 1992 and MK 16.5 million in 1993.

^{5/} GDP less nonmonetary consumption.

Table 3. Malawi: Gross Domestic Product by Expenditure at Current Market Prices, 1989-94

	1989	1990	1991	1992	1993	1994 Prel.
(In millions of Malawi kwacha)						
GDP at market prices	4,199.2	5,069.9	6,105.5	6,693.8	8,942.2	11,283.7
Net exports	-690.6	-494.7	-747.6	-897.6	-1,054.2	-301.0
Imports of goods, f.o.b. ^{1/}	-866.5	-984.2	-1,185.5	-1,345.6	-1,443.0	-1,977.4
Imports of nonfactor services ^{2/}	-648.2	-731.1	-999.3	-1,056.2	-1,081.9	-1,631.5
Exports and re-exports of goods	741.7	1,123.1	1,333.0	1,431.6	1,396.6	3,167.4
Exports of nonfactor services	82.4	97.5	104.2	72.7	74.1	140.6
Gross domestic expenditure	4,889.8	5,564.6	6,853.2	7,591.3	9,996.4	11,584.6
Gross fixed capital formation	699.6	820.0	1,030.0	1,077.0	890.0	1,243.0
Public	320.7	395.0	494.0	628.7	660.6	1,043.0
Government	228.8	245.0	294.0	394.1	361.9	700.0
Statutory bodies	91.9	150.0	200.0	234.6	298.7	343.0
Private	378.9	425.0	536.0	448.3	229.4	200.0
Large-scale	292.5	338.6	446.0	358.3	112.4	150.0
Small-scale	86.4	86.4	90.0	90.0	117.0	50.0
Consumption	4,001.2	4,594.6	5,623.2	6,581.3	9,237.4	10,101.6
Private	3,284.4	3,821.7	4,770.8	5,340.4	7,708.4	7,536.3
Monetary	1,598.8	1,997.1	2,559.6	3,096.5	3,804.0	3,747.4
Nonmonetary ^{3/}	1,685.6	1,824.6	2,211.1	2,244.0	3,904.4	3,788.9
Government and statutory bodies	716.8	772.9	852.4	1,240.9	1,529.0	2,565.3
Employee compensation	341.1	370.3	387.2	737.5	847.6	1,350.6
Goods and services	375.7	402.6	465.2	503.4	681.4	1,214.7
Stockbuilding	189.0	150.0	200.0	180.0	200.0	240.0
Memorandum items:						
Monetary GDP ^{4/}	2,513.6	3,245.3	3,894.4	4,449.8	5,037.8	7,494.8
Net indirect taxes ^{5/}	468.5	530.8	575.6	648.8	768.3	1,126.2
(Share of GDP in percent)						
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0
Net exports	-16.4	-9.8	-12.2	-13.4	-11.8	-2.7
Imports of goods, f.o.b.	-20.6	-19.4	-19.4	-20.1	-16.1	-17.5
Imports of nonfactor services	-15.4	-14.4	-16.4	-15.8	-12.1	-14.5
Exports and re-exports of goods	17.7	22.2	21.8	21.4	15.6	28.1
Exports of nonfactor services	2.0	1.9	1.7	1.1	0.8	1.2
Gross domestic expenditure	116.4	109.8	112.2	113.4	111.8	102.7
Gross fixed capital formation	16.6	16.1	16.9	16.2	10.0	11.0
Public	7.6	7.8	8.1	9.4	7.4	9.2
Government	5.4	4.8	4.8	5.9	4.0	6.2
Statutory bodies	2.2	3.0	3.3	3.5	3.3	3.0
Private	9.0	8.4	8.8	6.7	2.6	1.8
Large-scale	7.0	6.7	7.3	5.4	1.3	1.3
Small-scale	2.1	1.7	1.5	1.3	1.3	0.4
Consumption	95.3	90.6	92.1	98.2	103.3	89.5
Private	78.2	75.4	78.1	79.8	86.2	66.8
Monetary	38.1	39.4	41.9	46.3	42.5	33.2
Nonmonetary	40.1	36.0	36.2	33.5	43.7	33.6
Government and statutory bodies	17.1	15.2	14.0	18.5	17.1	22.7
Employee compensation	8.1	7.3	6.3	11.0	9.5	12.0
Goods and services	8.9	7.9	7.6	7.5	7.6	10.8
Stockbuilding	4.5	3.0	3.3	2.7	2.2	2.1
Memorandum items:						
Monetary GDP	59.9	64.0	63.8	66.5	56.3	66.4
Net indirect taxes	11.2	10.5	9.4	9.7	8.6	10.0

Source: Ministry of Economic Planning and Development.

^{1/} Including MK 92.8 million and MK 132.4 million for drought-related commercial and free maize imports f.o.b. for Malawians in 1992 and 1993, respectively, and excluding maize for refugees.

^{2/} Including shipment costs of MK 148.2 million and MK 198.6 million for drought-related commercial and free maize in 1992 and 1993, respectively, and excluding shipment costs for maize for refugees.

^{3/} Smallholder production less ADMARC purchases. Including drought-related free maize imports of MK 177.5 million in 1992, and MK 193.1 in 1993.

^{4/} GDP less nonmonetary consumption.

^{5/} GDP at current market prices less GDP at current factor prices

Table 4. Malawi: Saving and Investment, 1989-94

	1989	1990	1991	1992	1993	1994 Prel.
(In millions of Malawi kwacha)						
National saving	302.0	575.3	492.8	21.3	-348.0	935.4
Domestic saving	198.0	475.3	482.4	112.4	-295.2	1,182.0
Net factor income	-137.6	-118.2	-130.4	-140.5	-184.0	-405.3
Net private transfers	241.6	218.2	140.8	49.4	131.2	158.7
Foreign saving <u>1/</u>	586.6	394.7	737.2	1,235.7	1,438.0	547.6
Gross investment	888.6	970.0	1,230.0	1,257.0	1,090.0	1,483.0
Fixed capital formation	699.6	820.0	1,030.0	1,077.0	890.0	1,243.0
Public	320.7	395.0	494.0	628.7	660.6	1,043.0
Government	228.8	245.0	294.0	394.1	361.9	700.0
Statutory bodies	91.9	150.0	200.0	234.6	298.7	343.0
Private	378.9	425.0	536.0	448.3	229.4	200.0
Large-scale	292.5	338.6	446.0	358.3	112.4	150.0
Small-scale	86.4	86.4	90.0	90.0	117.0	50.0
Stock building	189.0	150.0	200.0	180.0	200.0	240.0
(In percent of GDP at market prices)						
National saving	7.2	11.3	8.1	0.3	-3.9	8.3
Domestic saving	4.7	9.4	7.9	1.7	-3.3	10.5
Net factor income	-3.3	-2.3	-2.1	-2.1	-2.1	-3.6
Net private transfers	5.8	4.3	2.3	0.7	1.5	1.4
Foreign saving <u>1/</u>	14.0	7.8	12.1	18.5	16.1	4.9
Gross investment	21.2	19.1	20.0	18.8	12.2	13.1
Fixed capital formation	16.7	16.1	16.8	16.2	10.0	11.0
Public	7.6	7.8	8.0	9.4	7.4	9.2
Government	5.4	4.8	4.8	5.9	4.0	6.2
Statutory bodies	2.2	3.0	3.3	3.5	3.3	3.0
Private	9.0	8.4	8.7	6.7	2.6	1.8
Large-scale	7.0	6.7	7.3	5.4	1.3	1.3
Small-scale	2.1	1.7	1.5	1.3	1.3	0.4
Stockbuilding	4.5	3.0	3.3	2.7	2.2	2.1
Memorandum items:						
GDP at market prices (in millions of Kwacha)	4,199.2	5,069.9	6,105.5	6,693.8	8,942.2	11,283.7
National saving/investment (in percent)	34.0	59.3	40.1	1.7	-31.9	63.1
Foreign saving/investment (in percent)	66.0	40.7	59.9	98.3	131.9	36.9

Source: Ministry of Economic Planning and Development.

1/ Current account deficit excluding official transfers.

Table 5. Malawi: Marketed Production of Principal Crops, 1989-94

(In thousands of metric tons)

	1989	1990	1991	1992	1993	1994 Prel.
Tobacco (auction sales)	86.3	101.0	113.4	127.2	130.4	97.6
Flue-cured	19.8	21.8	23.9	24.4	24.6	20.7
Fire-cured	4.9	13.8	17.7	8.6	4.1	5.1
Northern division	4.6	13.4	17.2	8.1	3.4	4.7
Southern division	0.3	0.4	0.5	0.5	0.7	0.3
Burley	61.2	64.0	70.1	93.5	101.6	71.3
Other	0.4	1.4	1.7	0.7	0.1	0.5
Tea	39.5	38.9	40.5	28.1	39.5	35.0
Sugar	162.3	189.3	191.1	200.4	128.8	196.4
Maize	233.1	200.7	575.2	168.0	378.0	63.0
Groundnuts	0.6	4.5	6.0	2.0	1.0	2.0
Cotton	28.3	32.0	71.0	28.0	35.0	5.0
Rice	10.2	7.9	3.7	3.0	13.0	6.0
General produce	6.8	17.0	...	...	...	...
Of which: pulses	(5.6)	(14.3)	(24.0)	(11.0)	(14.0)	(6.0)
<u>Memorandum item:</u>						
ADMARC purchases of tobacco	5.8	16.9	25.8	14.6	18.0	5.9

Sources: National Statistical Office, Monthly Statistical Bulletin; and data provided by the Malawian authorities.

Table 6. Malawi: Average Auction Prices for Tobacco and Tea, 1989-94

(In Malawi kwacha per metric ton)

	1989	1990	1991	1992	1993	<u>1994</u> Prel.
Tobacco <u>1</u> /	4,814	5,373	6,583	6,117	4,956	9,593
Flue-cured	5,029	6,482	7,958	7,182	5,830	11,161
Fire-cured	6,909	4,232	3,682	3,455	4,069	13,595
Northern division	6,945	4,727	4,163	3,630	2,623	14,925
Southern division	6,299	3,736	3,201	3,279	5,314	12,265
Burley	3,700	5,183	6,824	6,481	4,889	9,365
Sun/air-cured	...	5,053	3,823	3,676	6,151	12,686
Tea						
London auction <u>2</u> /						
Pence sterling per kg	98	80	77	85	97	99
Tambala per kg	442	389	372	248	...	...
Malawi auction						
Tambala per kg	268	263	282	314	433	713

Sources: National Statistical Office, Monthly Statistical Bulletin; data provided by the Malawian authorities; and staff estimates.

1/ Weighted average of auction prices in Lilongwe and Limbe.

2/ Weighted average of London auction prices for Malawian tea.

Table 7. Malawi: Selected ADMARC Producer Prices, 1989-94
(In Malawi kwacha per metric ton)

Crop year ^{1/}	1989	1990	1991	1992	1993	1994
Cotton (Grade A)	770	810	860	900	920	1,000
Groundnuts (Grade A)	850	950	1000	1,120	1,500	1,980
Macadamia nuts (Grade I)	1,000	2,000	2,500	...	...	...
Maize	240	260	270	297	430	470
Rice (Grade 1)	300	350	370	390	470	900
Soybean	470	600	650	650	650	700
Sunflower (grey stripe, white)	350	500	540	...	...	...
Tobacco						
Northern Division Dark Fired (Grade G2)	1,210	1,574	1,696	1,696	1,696	1,696
Southern Division Dark Fired (Grade S2)	1,980	2,174	2,174	2,174	2,174	2,214

Sources: ADMARC Annual Reports; and data provided by the Malawian authorities.

^{1/} Beginning April; prices are announced around October of the previous year.

Table 8. Malawi: Index of Industrial Production, 1989-94 ^{1/}
(1984 = 100)

	Weight	1989	1990	1991	1992	1993	<u>1994</u> Prel. ^{2/}
Total production	100.0	115.8	131.8	138.6	137.0	128.1	126.1
Total manufacturing	86.0	113.4	129.5	136.0	132.4	121.8	117.8
Domestic goods	63.0	120.1	133.8	140.7	138.1	123.6	120.9
Consumer goods	45.0	122.8	136.9	146.8	142.9	131.5	133.4
Food, beverages, and tobacco	13.0	152.1	162.5	150.0	158.8	162.0	172.4
Footwear, clothing, and textiles	9.0	66.4	76.8	114.7	99.4	79.5	77.0
Other	23.0	128.3	146.0	157.5	151.0	122.6	150.2
Products for building and construction	18.0	113.3	126.0	125.4	126.2	103.8	89.9
Export goods	23.0	95.1	117.8	123.4	126.2	116.6	109.2
Electricity and water	14.0	130.8	145.5	154.0	116.6	164.0	176.8

Sources: National Statistical Office, Monthly Statistical Bulletin; and data provided by the Malawian authorities.

^{1/} The index is based on the monthly production of about 50 firms, each with over 100 employees. These firms account for approximately 75 percent of the net output of all manufacturing firms with 20 or more employees, and for over 60 percent of the total monetary net output of the manufacturing sector.

^{2/} The indices for 1994 are based on data between January and September.

Table 9. Malawi: Wage Employment and Average Monthly Earnings by Sector, 1989-92 ^{1/}

	<u>Wage Employment</u>				<u>Average Monthly Earnings</u>			
	1989	1990	1991	1992	1989	1990	1991	1992
	<u>(In thousands; at year-end)</u>				<u>(In Malawi kwacha per worker)</u>			
Agriculture, forestry, and fishing	213.1	207.8	296.8	255.9	37.3	40.4	41.4	67.0
Mining and quarrying	0.2	0.6	0.8	0.9	46.7	54.4	101.6	86.0
Manufacturing	55.3	63.4	76.4	85.6	147.0	156.9	167.8	138.2
Electricity and water	4.9	5.0	6.9	7.7	149.9	213.3	269.2	138.8
Building and construction	34.6	43.6	44.4	49.6	80.3	83.4	109.2	91.3
Wholesale, retail trade, hotels, and restaurants	25.1	25.7	28.5	27.6	183.2	213.6	261.4	351.2
Transport, storage, and communications	20.2	25.3	21.9	21.3	171.5	172.9	177.7	174.3
Financing, insurance, and business services	14.7	15.6	16.8	18.4	412.9	431.2	508.1	658.8
Community, social, and personal services	65.7	80.2	74.9	78.2	149.6	158.9	189.6	180.8
All industries	433.8	467.1	567.5	627.5	100.4	112.2	119.4	115.3
Government	86.7	98.5	97.6	101.7	107.8	121.3	123.3	129.8
Private	347.1	368.6	469.9	523.9	98.5	109.8	118.4	269.2
<u>Memorandum item:</u>								
Minimum wage in Blantyre and Lilongwe (Malawi kwacha per day; end of period) ^{2/}	...	...	...	...	2.2	2.2	...	...

Sources: National Statistical Office, Monthly Statistical Bulletin; and data provided by the Malawian authorities.

^{1/} Average of end-quarter levels.

^{2/} Increased to MK 2.60, effective May 1, 1992.

Table 10. Malawi: Composite Retail Price Index, January 1988-February 1995 ^{1/}

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Average
(Composite index, 1980=100)													
1988	296.4	306.8	317.8	326.3	331.1	335.7	343.6	350.3	353.8	359.0	364.7	369.2	337.9
1989	374.5	378.8	384.4	383.7	385.0	385.3	387.7	391.2	389.2	389.5	394.8	396.9	386.8
1990	408.3	414.3	421.4	423.4	425.7	428.9	434.4	437.1	439.6	443.1	447.1	452.5	431.3
1991	456.6	460.1	461.8	467.5	467.9	471.4	478.4	477.1	478.9	487.2	488.1	490.3	481.3
1992	509.1	527.0	528.8	540.6	559.0	552.0	587.0	606.3	627.3	641.7	660.5	667.1	583.9
1993	682.4	696.4	702.1	699.1	694.7	687.2	682.0	703.1	732.6	753.1	778.0	798.8	716.7
1994	821.0	856.6	884.7	892.7	894.1	878.3	878.4	906.3	977.3	1,084.5	1,195.0	1,311.1	965.0
1995	1,412.6	1,489.6											
(Twelve-month and annual percentage change)													
1988	37.1	35.7	33.4	31.4	30.6	28.6	28.3	29.2	29.2	29.7	28.7	28.0	30.6
1989	26.4	23.5	21.0	17.6	16.3	14.8	12.8	11.7	10.0	8.5	8.2	7.5	14.5
1990	9.0	9.4	9.6	10.3	10.6	11.3	12.0	11.8	13.0	13.8	13.2	14.0	11.5
1991	11.8	11.0	9.6	7.8	9.9	9.9	10.1	9.2	8.9	10.0	9.2	8.3	11.6
1992	11.5	14.6	14.5	18.4	19.5	17.1	22.7	27.1	31.0	31.7	35.3	36.1	21.3
1993	34.0	32.1	32.8	29.3	24.3	24.5	16.2	16.0	16.8	17.4	17.8	18.4	22.8
1994	20.3	23.0	26.0	27.7	28.7	27.8	28.8	28.9	33.4	44.0	53.6	66.0	34.6
1995	72.1	73.9											
(Monthly change)													
1988	2.7	3.5	3.6	2.7	1.5	1.4	2.3	2.0	1.0	1.5	1.6	1.2	2.1
1989	1.4	1.1	1.5	-0.2	0.3	0.1	0.6	0.9	-0.5	0.1	1.4	0.5	0.6
1990	2.9	1.5	1.7	0.5	0.5	0.8	1.3	0.6	0.6	0.8	0.9	1.2	1.1
1991	0.9	0.8	0.4	1.2	0.1	0.7	1.5	-0.3	0.4	1.7	0.2	0.4	0.7
1992	3.8	3.5	0.3	2.2	3.4	-1.3	6.3	3.3	3.5	2.3	2.9	1.0	2.6
1993	2.3	2.1	0.8	-0.4	-0.6	-1.1	-0.8	3.1	4.2	2.8	3.3	1.5	1.4
1994	3.9	4.3	3.3	0.9	0.2	-1.8	--	3.2	7.8	11.0	10.2	9.7	4.4
1995	7.7	5.5											

Sources: National Statistical Office, Monthly Statistical Bulletin; data provided by the Malawian authorities; and staff estimates.

^{1/} Since January 1992, the composite CPI, which previously covered the lower, middle, and high income groups in Blantyre and Lilongwe, has been linked to the National Composite Price Index.

Table 11. Malawi: Central Government Operations, 1989/90-1994/95 ^{1/}

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 Rev. proj.
(In millions of Malawi kwacha)						
Total revenue and grants	1,204.1	1,156.0	1,389.9	1,505.0	1,912.8	4,231.3
Revenue	994.3	1,043.3	1,181.9	1,331.4	1,628.6	2,329.2
Tax	844.5	888.1	1,021.8	1,126.4	1,407.7	1,960.4
Nontax	149.7	155.2	160.1	205.0	220.9	191.6
Maize sales	--	--	--	--	--	177.2
Grants	209.9	112.7	208.0	173.6	284.2	1,902.1
Expenditure	1,295.6	1,401.7	1,577.3	2,379.4	2,428.0	5,940.7
Current expenditure	1,000.4	1,090.0	1,262.5	1,263.1	1,838.9	3,780.2
Wages and salaries	223.6	237.9	289.5	450.0	576.2	1,019.0
Interest payments	240.4	177.8	165.8	218.5	300.5	736.0
Other recurrent expenditure ^{2/}	468.0	674.4	807.1	594.6	962.2	2,025.2
Development expenditure	295.3	311.6	314.8	469.4	464.4	1,233.5
Domestically financed	40.0	39.8	109.7	86.7	96.5	156.4
Foreign financed	255.3	271.8	205.1	382.7	367.9	1,077.1
Drought-related expenditure	--	--	--	450.0	124.7	927.0
Extrabudgetary expenditure	68.3	--	--	196.9	--	--
Overall deficit						
Excluding grants	-301.4	-358.4	-395.4	-1,048.0	-799.4	-3,611.5
Including grants	-91.5	-245.7	-187.4	-874.4	-515.2	-1,709.4
Financing	91.5	245.7	187.4	874.4	515.2	1,709.4
Foreign, net	133.7	265.4	202.4	356.2	658.0	1,363.2
Borrowing	284.6	403.2	319.9	532.7	820.3	1,794.6
Repayments	-150.9	-137.8	-117.5	-176.5	-162.3	-431.4
Domestic, net	-42.2	-19.7	-15.0	518.2	-142.8	346.2
Nonbank financing	11.0	-1.2	17.9	-8.6	0.5	85.6
Bank financing	-53.2	-18.5	-32.9	526.8	-143.3	260.6
(In percent of GDP)						
Revenue and grants	26.4	21.7	22.2	20.7	20.1	31.4
Revenue	21.8	19.6	18.9	18.4	17.1	17.3
Tax	18.5	16.7	16.3	15.5	14.8	14.6
Nontax	3.3	2.9	2.6	2.8	2.3	1.4
Maize sales	--	--	--	--	--	1.3
Grants	4.6	2.1	3.3	2.4	3.0	14.1
Expenditure	28.4	26.3	25.2	32.8	25.5	44.1
Current expenditure	20.4	20.5	20.2	17.4	19.3	28.1
Development expenditure	6.5	5.8	5.0	6.5	4.9	9.2
Drought-related expenditure	--	--	--	6.2	1.3	6.9
Extrabudgetary expenditure	1.5	--	--	2.7	--	--
Overall deficit (excluding grants)	-6.6	-6.7	-6.3	-14.4	-8.4	-26.8
Overall deficit (including grants)	-2.0	-4.6	-3.0	-12.1	-5.4	-12.7
Memorandum item:						
GDP (millions of MK, fiscal year) ^{1/}	4,558.6	5,328.8	6,252.6	7,255.2	9,518.0	13,462.0

Sources: Ministry of Finance; and staff estimates.

^{1/} Fiscal year is April/March.

^{2/} Includes statistical adjustment (which is treated by the staff mainly as unclassified expenditure).

Table 12. Malawi: Central Government Revenue, 1989/90-1993/94

(In millions of Malawi kwacha)

	1989/90	1990/91	1991/92	1992/93	1993/94
Total tax revenue	844.5	888.1	1,021.8	1,126.4	1,407.7
Taxes on incomes and profits	349.6	371.3	412.4	424.8	509.1
Companies	206.1	222.8	241.1	207.0	251.8
Individuals	143.5	148.5	171.3	217.8	257.3
Minimum	3.1	2.6	3.2	1.8	--
Minimum remittances	2.4	3.6	4.0	2.3	--
Graduated	5.7	7.5	9.7	10.0	10.3
PAYE deductions ^{1/}	111.7	104.2	108.8	142.0	196.5
Fringe benefits	--	--	--	13.0	7.2
District commissioners' assessments	0.5	0.5	0.6	0.4	0.8
Withholding tax	20.2	30.0	45.1	48.3	42.5
Taxes on property	1.2	0.5	0.5	0.5	0.6
Taxes on goods and services	336.2	347.2	391.1	422.9	619.4
Surtax	293.6	301.8	342.9	372.0	548.1
On imports	165.1	178.0	205.7	191.1	304.2
On domestic manufactures	128.5	123.8	137.2	180.9	243.9
Excise duties	28.8	30.2	32.8	38.4	59.6
Licenses for goods and services	10.8	11.7	11.8	7.4	10.3
Business and professional	2.0	2.0	2.0	1.4	1.6
Motor vehicle tax	8.8	9.7	9.8	6.0	8.7
Accommodation and refreshment tax	3.1	3.5	3.5	5.2	1.4
Taxes on international trade	152.2	162.8	211.5	256.2	270.0
Import duties	152.2	162.8	211.5	256.2	270.0
Customs duties	151.3	162.8	210.0	255.5	267.9
Other	0.9	--	1.5	0.7	2.1
Stamp duties	5.4	6.3	6.3	8.0	8.6
Drought levy	--	--	--	14.0	--
Nontax revenue	149.7	155.2	160.1	205.0	220.9
Treasury funds receipts	16.1	13.5	15.6	15.7	23.5
Rents	10.1	11.9	18.7	18.0	28.9
Departmental receipts	103.9	109.1	100.0	143.1	153.7
Other	19.6	20.7	25.8	28.2	14.8
Total revenue	994.3	1,043.3	1,181.9	1,331.4	1,628.6

Source: Ministry of Finance; and staff estimates.

^{1/} Pay-as-you-earn deductions.

Table 13. Malawi: Economic Classification of Current and Development Expenditure, 1989/90-1993/94

(In millions of Malawi kwacha)

	1989/90	1990/91	1991/92	1992/93	1993/94
Total expenditure <u>1/</u>	1,346.5	1,371.9	1,534.1	2,379.4	2,428.0
Current expenditure	982.8	1,060.3	1,219.3	1,263.1	1,838.9
Wages and salaries	223.6	237.9	289.5	450.0	576.2
Other goods and services	344.5	435.2	500.1	325.5	659.1
Special expenditure	36.0	40.0	38.0	--	--
Interest payments	240.4	177.8	165.8	218.5	300.5
External	86.1	84.7	...	112.7	115.1
Domestic	154.4	93.1	...	105.8	185.4
Pensions and gratuities	24.6	34.5	31.7	55.0	75.0
Transfers	80.0	91.4	100.0	164.7	160.8
Local authorities	2.9	2.3	3.5	4.9	5.5
Public bodies	62.9	73.7	60.8	115.5	110.3
Private	8.4	9.5	13.6	20.7	21.3
Abroad	5.8	5.9	22.3	23.6	23.7
Gross fixed capital formation	29.3	38.5	85.4	41.3	57.6
Loans and capital transfers	4.4	5.0	8.8	8.1	9.7
Development expenditure	295.3	311.6	314.8	469.4	464.4
Gross consumption	68.1	86.1	87.0	151.3	139.0
Wages and salaries	16.2	25.6	25.9	38.5	37.6
Other goods and services	51.9	60.5	61.1	112.8	101.4
Agricultural subsidies	7.8	6.0	6.1	3.6	5.5
Gross fixed capital formation	217.3	206.5	208.6	312.8	316.3
Buildings	80.6	73.6	74.8	112.6	117.7
Construction and works	65.2	54.2	54.8	91.3	99.2
Of which: roads and bridges	(46.0)	(47.6)	(48.2)	(89.8)	(90.3)
Services	23.2	3.9	3.9	53.6	42.8
Equipment	48.3	73.7	74.1	54.1	55.3
Other	--	1.1	1.1	1.1	1.3
Loans to public enterprises	2.1	13.0	13.1	1.7	3.6
Drought-related expenditure	--	--	--	450.0	124.7
Extrabudgetary expenditure on maize-related operations, net	68.3	--	--	196.9	--

Source: Ministry of Finance.

1/ Excludes statistical adjustment (treated by the staff as unclassified expenditures).

Table 14. Malawi: Functional Classification of Central Government
Current Expenditure, 1989/90-1993/94

	1989/90	1990/91	1991/92	1992/93	1993/94
	(In millions of Malawi kwacha)				
General services	314.6	399.7	417.8	648.4	657.6
General administration	147.3	212.2	247.0	439.2	475.3
Nacala	36.0	40.0	38.0	33.0	--
Defence	66.1	62.0	66.5	99.1	90.4
Justice and public order	65.3	85.6	66.3	77.2	91.9
Social services	208.7	239.1	215.0	328.9	408.2
Education	111.3	127.1	104.2	190.3	251.0
Health	71.5	76.9	81.2	94.6	113.2
Community and social development	25.9	35.1	29.7	44.0	44.0
Economic services	160.0	161.0	306.0	237.1	390.5
Natural resources	96.4	90.4	163.5	141.1	184.7
Transportation	41.5	46.4	51.9	40.6	60.2
Post and telecommunications	11.3	11.2	11.9	14.0	2.7
Other	10.8	13.0	78.7	41.4	142.9
Unallocable	299.5	260.5	280.5	498.7	507.3
Interest on public debt	240.5	177.8	165.8	165.3	281.0
Pensions and gratuities	24.4	34.3	31.7	55.0	94.2
Other	34.7	48.3	83.0	278.4	132.1
Total ^{1/}	982.8	1,060.3	1,219.3	1,713.1	1,963.6
	(In percent of total current expenditure)				
General services	32.0	37.7	37.1	37.9	33.5
General administration	15.0	20.0	21.8	25.6	24.2
Nacala	3.7	3.8	3.6	1.9	--
Defence	6.7	5.8	6.0	5.8	4.6
Justice and public order	6.6	8.1	5.7	4.5	4.7
Social services	21.2	22.6	22.3	19.2	20.8
Education	11.3	12.0	12.2	11.1	12.8
Health	7.3	7.3	7.3	5.5	5.8
Community and social development	2.6	3.3	2.8	2.6	2.2
Economic services	16.3	15.2	16.8	13.8	19.9
Natural resources	9.8	8.5	9.4	8.2	9.4
Transportation	4.2	4.4	4.8	2.4	3.1
Post and telecommunications	1.1	1.1	1.2	0.8	0.1
Other	1.1	1.2	1.4	2.4	7.3
Unallocable	30.5	24.6	23.7	29.1	25.8
Interest on public debt	24.5	16.8	15.4	9.6	14.3
Pensions and gratuities	2.5	3.2	3.2	3.2	4.8
Other	3.5	4.6	5.1	16.3	6.7
Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance; and staff estimates.

^{1/} Excludes extrabudgetary expenditure and statistical adjustment (treated by the staff mainly as unclassified expenditure) and includes drought-related expenditure.

Table 15. Malawi: Central Government Development Expenditure by Main Sectors, 1989/90-1993/94

	1989/90	1990/91	1991/92	1992/93	1993/94
	(In millions of Malawi kwacha)				
Agriculture and natural resources	55.3	62.2	65.5	91.6	66.0
Agriculture	37.5	45.8	47.5	55.4	28.0
Forestry and game	14.0	10.5	10.2	24.1	29.8
Veterinary services	1.7	3.0	3.9	2.2	1.1
Surveys and lands	0.5	1.8	2.4	1.0	0.8
Fisheries	1.6	1.2	1.6	8.9	6.4
Social services	48.0	70.4	83.2	120.2	148.5
Education	25.8	40.2	43.9	73.8	82.7
Health	21.4	25.9	33.7	39.3	58.6
Community and social development	0.8	4.4	5.7	7.2	7.2
Transportation and communications	136.8	121.9	101.7	134.6	11.3
Transportation ^{1/}	106.0	112.5	94.2	134.6	11.3
Post and telecommunications ^{2/}	30.8	9.4	8.2	--	--
Other services	55.2	57.1	64.4	123.1	238.8
Power ^{3/}	2.6	3.8	4.9	--	--
Government buildings	2.2	9.5	12.3	13.5	8.0
Housing	11.6	3.1	4.1	8.2	8.9
Water and sanitation	23.3	15.6	20.3	64.1	40.2
Finance, commerce, and industry	6.5	11.7	11.5	4.2	3.7
Miscellaneous	9.1	13.5	11.2	33.0	177.8
Total	295.3	311.6	314.8	469.4	464.4
	(In percent of total development expenditure)				
Agriculture and natural resources	18.7	20.0	19.7	19.5	14.2
Agriculture	12.7	14.7	14.7	11.8	6.0
Forestry and game	4.7	3.4	2.5	5.1	6.4
Veterinary services	0.6	1.0	1.1	0.5	0.2
Surveys and lands	0.2	0.6	1.0	0.2	0.2
Fisheries	0.5	0.4	0.3	1.9	1.4
Social services	16.2	22.6	33.8	25.6	32.0
Education	8.7	12.9	15.8	15.7	17.8
Health	7.2	8.3	16.3	8.4	12.6
Community and social development	0.3	1.4	1.7	1.5	1.6
Transportation and communications	46.3	39.1	25.1	28.7	2.4
Transportation ^{1/}	35.9	36.1	23.3	28.7	2.4
Post and telecommunications ^{2/}	10.4	3.0	1.8	--	--
Other services	18.7	18.3	21.4	26.2	51.4
Power ^{3/}	0.9	1.2	0.9	--	--
Government buildings	0.7	3.0	5.8	2.9	1.7
Housing	3.9	1.0	2.5	1.8	1.9
Water and sanitation	7.9	5.0	6.4	13.6	8.7
Finance, commerce, and industry	2.2	3.7	2.9	0.9	0.8
Miscellaneous	3.1	4.3	3.0	7.0	38.3
Total	100.0	100.0	100.0	100.0	100.0

Source: Ministry of Finance.

^{1/} Estimate for 1990/91 excludes Northern Transport Corridor.

^{2/} Excluding foreign loan-financed development expenditures for a Post Office microwave facility of MK 57 million in 1988/89.

^{3/} Excludes Electricity Supply Commission (ESCOM).

Table 16. Malawi: Accounts of Leading Public Enterprises, 1989/90-1994/95

(In thousands of Malawi kwacha)

	Revenue	Interest Charges	Depreciation	Net Profit or Loss	Gross Investment
ADMARC					
1989/90	158,380	10,528	2,936	16,915	8,764
1990/91	249,406	10,188	3,614	14,640	17,203
1991/92	324,205	9,119	4,809	-563	10,473
1992/93	213,668	9,679	5,000	-527	6,744
1993/94	324,902	16,999	5,468	32,849	7,545
1994/95 Prel.	439,880	20,423	7,000	52,130	21,921
Malawi Railways					
1989/90	22,444	839	3,176	-7,478	6,179
1990/91	27,754	1,262	3,267	-8,564	38,878
1991/92	25,092	1,640	3,774	-8,573	6,901
1992/93	28,835	2,350	6,134	-13,217	6,108
1993/94	30,031	2,100	6,276	-25,775	25,038
1994/95 Prel.	41,272	7,236	4,854	-61,664	3,070
Electricity Supply Commission (ESCOM)					
1989/90	77,960	10,017	16,040	29,035	31,260
1990/91	75,528	9,770	16,568	36,617	51,055
1991/92	89,619	8,234	15,172	38,693	119,605
1992/93	114,290	10,712	21,452	43,872	158,831
1993/94	148,464	17,817	24,099	44,433	258,177
1994/95 Prel.	219,675	26,115	34,739	84,878	222,526
Malawi Development Corporation ^{1/}					
1989	6,298	2,093	113	2,973	6,425
1990	6,995	1,987	179	2,426	2,286
1991	8,339	1,817	173	3,230	419
1992	13,556	1,757	250	6,005	938
1993	28,809	3,551	250	20,438	21,882
1994 Prel.	39,093	5,805	250	26,690	44,549
Malawi Housing Corporation					
1989/90	16,247	1,005	1,601	994	747
1990/91	21,866	773	1,415	3,818	2,163
1991/92	27,953	2,780	1,473	4,959	2,750
1992/93	34,911	8,225	1,454	1,850	4,648
1993/94	23,619	6,286	16,244	-26,416	3,000
1994/95 Prel.	28,204	8,516	15,772	-35,574	11,627
Air Malawi					
1989/90	53,662	302	1,224	1,100	2,042
1990/91	48,973	689	774	1,253	2,124
1991/92	60,824	827	6,550	2,988	161,676
1992/93	83,731	5,136	11,076	7,222	6,486
1993/94	92,998	1,136	8,766	-22,780	23,170
1994/95 Prel.	143,907	1,494	10,197	-65,106	8,942
Blantyre Water Board					
1989/90	17,677	2,661	4,795	668	3,033
1990/91	16,851	2,087	4,722	-144	4,889
1991/92	21,425	2,281	5,139	2,033	9,118
1992/93	26,755	3,798	8,059	-2,547	8,744
1993/94	30,757	2,932	10,862	-10,752	8,238
1994/95 Prel.	47,203	6,730	14,250	-20,289	53,094

Table 16 (concluded). Malawi: Accounts of Leading Public Enterprises, 1989/90-1994/95

(In thousands of Malawi kwacha)

	Revenue	Interest Charges	Depreciation	Net Profit or Loss	Gross Investment
Lilongwe Water Board					
1989/90	7,404	684	1,977	16	21,904
1990/91	8,973	569	1,872	771	23,962
1991/92	11,729	536	2,763	1,873	14,585
1992/93	15,035	2,929	3,898	931	11,237
1993/94	17,544	10,640	5,147	-33,373	9,345
1994/95 Prel.	24,865	14,050	6,948	-20,245	3,175
Malawi Book Service					
1989/90	16,263	--	131	1,459	245
1990/91	11,712	--	168	131	426
1991/92	11,119	--	191	-2,890	889
1992/93	12,686	300	248	-649	1,565
1993/94	13,372	120	163	-622	251
1994/95 Prel.	14,895	323	308	-3,466	348
Wood Industries Corporation ^{2/}					
1989/90	5,958	1,515	670	-3,657	399
1990/91	7,761	1,516	604	-533	156
1991/92	9,689	1,589	612	-4,234	608
1992/93	14,022	1,725	759	-6,214	1,486
1993/94	...	...	...	...	...
Mining Investment and Development Corporation (MIDCOR)					
1989/90	2,348	3	367	-646	2,362
1990/91	3,024	47	417	-1,227	684
1991/92	4,262	100	601	-2,310	1,875
1992/93	21	651	800	351	--
1993/94	113	125	87	86	360
1994/95 Prel.	10	24	128	-114	424
Malawi Dairy Industries ^{3/}					
1989/90	16,240	214	861	1,363	431
1990/91	20,035	--	906	2,937	1,117
1991/92	24,699	476	2,088	1,074	2,355
1992/93	38,658	500	2,200	1,886	4,509
1993/94	44,236	823	3,684	2,575	3,923
1994/95 Prel.	78,210	--	--	7,412	10,074
Consolidated					
1989/90	400,881	29,861	33,891	42,742	83,791
1990/91	498,878	28,888	34,806	52,125	144,943
1991/92	618,925	29,399	43,345	36,280	331,254
1992/93	596,168	47,762	61,330	38,963	211,296
1993/94 ^{4/}	772,723	62,529	82,083	-18,619	362,027
1994/95 Prel. ^{4/}	1,077,214	90,716	94,446	-35,348	379,750

Source: Data provided by the Ministry of Statutory Corporations.

^{1/} Year ended December 31.

^{2/} The company was privatized in 1994.

^{3/} Year ended September 30.

^{4/} Excluding Wood Industries Corporation.

Table 17. Malawi: ADMARC Summary Accounts, 1989/90-1993/94

(In millions of Malawi kwacha)

	1989/90	1990/91	1991/92	1992/93	1993/94
Operating profit (crop trading)	29.3	21.1	-12.1	-49.5	2.4
Maize	6.6	5.7	14.8	4.4	28.8
Tobacco	16.7	13.2	-24.8	-31.9	-7.2
Cotton	3.6	2.8	-4.0	-4.6	6.3
Groundnuts	-0.7	1.7	1.5	-0.4	--
Rice	0.5	0.1	-0.2	-0.1	-1.7
General produce	2.6	-1.5	-1.0	--	6.6
Farm inputs	--	-0.9	1.4	-17.0	-30.4
Other revenue	11.5	11.4	25.9	42.1	20.0
Of which: interest received	(5.9)	(5.9)	(5.8)	(17.5)	(12.7)
Other expenses	10.9	12.3	15.1	11.3	21.8
Of which: interest paid	(8.0)	(10.2)	(9.2)	(8.8)	(17.0)
Net profit or loss	29.9	20.2	-1.3	-18.7	0.6

Sources: ADMARC Annual Reports; and data provided by Ministry of Statutory Corporations.

Table 18. Malawi: Interest Rates, 1989-94

(In percent per annum; end of period)

	1989	1990	1991	1992	1993	1994
Reserve Bank of Malawi						
Bank rate	11.00	14.00	13.00	20.00	25.00	40.00
Treasury bills						
30 days	--	--	--	--	--	40.71
61 days	--	--	--	--	--	42.68
91 days	15.75	15.75	11.50	16.50	22.26	45.61
182 days	--	--	--	--	--	54.38
Commercial banks ^{1/}						
Lending rates ^{2/}						
Minimum (= prime lending rate)	16.00	15.00	14.00	21.00	26.00	40.00
Maximum	23.00	20.00	...	28.00	31.00	...
Deposits						
Savings	10.75	14.00	13.00	20.00	24.00	34.00
Short-term ^{3/}						
3 months	12.75	13.25	12.25	19.25	24.25	34.00
12 months	13.25	13.75	12.75	19.75	24.75	33.00
Other financial institutions ^{1/}						
Malawi Savings Bank ^{4/}						
Deposits	10.75	10.75	10.75	16.00	18.00	18.00
New Building Society						
Fixed deposits (6-11 months)	13.25	13.25	13.25	19.50	...	25.25
Savings deposits	10.75	9.75	9.75	17.00	22.00	23.00
Investment deposits	12.25	13.20	13.20	17.50	22.50	23.50
Minimum mortgage rate ^{2/}	12.75	12.75	12.75	12.75	19.75	19.75
Leasing and Finance Co.						
Lending rate	24.96	23.86	25.00	31.00	36.00	36.00
3-month time deposits	13.25	13.50	13.50	19.75	24.75	24.75
12-month time deposits	14.25	14.50	15.00	21.25	26.25	26.25
24-month time deposits	14.75	15.00	16.25	22.00	27.25	27.25
36-month time deposits	15.25	16.00	18.25	23.25	28.25	28.25
60-month time deposits	16.25	17.00	19.00	24.00	29.00	29.00
Investment and Development Bank						
24-hour notice of withdrawal (minimum MK 250,000)	...	...	4.00	7.50	8.00	17.50
30-day time deposits	...	...	...	13.50	18.00	31.00
12-month time deposits	...	...	...	20.00	25.00	35.50
Local registered stock ^{5/}	19.75	15.50	15.50	15.50	23.75	38.00
Memorandum items:						
Real interest rates ^{6/}						
Commercial banks						
Prime lending rate	0.2	3.2	1.9	-1.9	2.6	6.5
Savings deposits	-4.3	2.3	1.0	-2.7	1.0	1.9
12-month time deposits	-2.2	2.1	0.8	-2.9	1.6	1.1
Local registered stock	3.5	3.6	3.2	-6.3	0.8	4.9
Composite consumer price index (period average)						
	15.7	11.5	11.9	23.3	22.8	31.5

Sources: Reserve Bank of Malawi, Financial and Economic Review; data provided by the Malawi authorities; and staff estimates.

^{1/} Selected from a much wider range of rates offered by the institutions.

^{2/} Effective July 23, 1987, these rates were deregulated and set independently by the commercial banks.

^{3/} MK 10,000 or over; subject to 30 days' written notice of withdrawal; maximum MK 1 million.

^{4/} After the separation from the Post Office in 1993, the Post Office Savings Bank has been renamed Malawi Savings Bank.

^{5/} Maximum available nominal rate on stock with five years or more to redemption.

^{6/} Deflated by the rate of change of the annual average composite consumer price index.

Table 19. Malawi: Monetary Survey, March 1990–December 1994 1/

	1990		1991		1992		1993				1994			
	Mar.	Dec.	Mar.	Dec.	Mar.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
(In millions of Malawi kwacha; end of period)														
Net foreign assets 2/	-124.6	-2.2	-103.0	8.9	-203.9	-493.8	-565.4	-550.9	-399.0	-322.7	-58.0	-352.5	-210.3	-287.1
Monetary authorities	-74.1	25.2	-76.1	49.9	-191.7	-409.8	-499.6	-474.9	-415.3	-290.7	-187.4	-718.8	-582.2	-547.8
Foreign assets	209.5	359.6	280.6	391.4	140.3	202.3	105.0	95.2	105.2	241.9	472.9	172.3	300.6	510.3
Foreign liabilities	-283.6	-334.4	-356.7	-341.5	-332.0	-612.1	-604.6	-570.1	-520.5	-532.6	-660.3	-891.1	-882.8	-1,058.1
Commercial banks	-50.5	-27.4	-26.9	-41.0	-12.2	-84.0	-65.8	-76.0	16.3	-32.0	129.4	366.3	371.9	260.7
Net domestic assets	797.6	824.7	857.0	991.6	1,095.4	1,712.5	1,706.6	1,986.9	2,183.4	2,051.1	1,673.2	2,265.8	2,378.7	2,704.6
Domestic credit (net)	732.6	732.4	784.3	887.2	951.6	1,594.1	1,540.2	1,755.7	1,856.8	1,761.6	1,595.3	2,279.5	2,348.4	2,449.2
Credit to the Government	323.9	223.2	305.3	213.0	254.8	739.0	781.6	956.1	1,105.0	941.0	637.8	1,310.4	1,421.4	1,345.1
Credit to statutory bodies	-69.9	-7.8	-74.4	15.7	-1.3	-29.3	-88.3	-40.9	-7.7	55.7	21.5	-7.8	-149.4	-74.0
Credit to the private sector	478.6	517.0	553.4	658.5	698.1	884.4	846.9	840.5	759.5	764.9	936.0	976.9	1,076.4	1,178.1
Other items (net)	65.0	92.3	72.7	104.4	143.8	118.4	166.4	231.2	326.6	289.5	77.9	-13.7	30.3	255.4
Money and quasi-money	673.0	822.5	754.0	1,000.5	891.5	1,218.7	1,141.2	1,436.0	1,784.4	1,728.4	1,615.2	1,913.3	2,168.4	2,417.5
Money	328.7	403.4	373.1	518.3	446.1	675.7	627.0	810.1	1,055.6	920.1	857.5	1,017.5	1,256.7	1,414.0
Quasi-money	344.3	419.1	380.9	482.2	445.4	543.0	514.2	625.9	728.8	808.3	757.7	895.8	911.7	1,003.5
(Twelve-month change as percent of beginning period money stock)														
Net foreign assets	-23.8	6.5	3.2	1.3	-13.4	-50.2	-40.5	-17.9	0.9	14.0	44.5	13.8	10.6	2.1
Net domestic assets	27.0	5.8	8.8	20.3	31.6	72.1	68.6	34.9	34.4	27.8	-2.9	19.4	10.9	37.8
Credit to the Government	-8.1	-16.6	-2.8	-1.2	-6.7	52.6	59.1	38.7	32.1	16.6	-12.6	24.7	17.7	23.4
Credit to statutory bodies	-2.3	0.6	-0.7	2.9	9.7	-4.5	-9.8	-4.4	0.6	7.0	9.6	2.3	-7.9	-7.5
Credit to the private sector	27.1	18.3	11.1	17.2	19.2	22.6	16.7	2.5	-7.5	-9.8	7.8	9.5	17.8	23.9
Other assets (net)	10.4	3.5	1.1	1.5	9.4	1.4	2.5	-1.9	9.2	14.0	-7.8	-17.1	-16.6	-2.0
Money and quasi-money	3.2	12.3	12.0	21.6	18.2	21.8	28.0	17.0	35.3	41.8	41.5	33.2	21.5	39.9
Memorandum item:														
Credit to the private sector														
(12-month percentage change)	58.6	35.0	15.6	27.4	26.1	34.3	21.3	3.8	-11.5	-13.5	10.5	16.2	41.7	54.0

Sources: Data provided by the Reserve Bank of Malawi.

1/ This monetary survey differs from that officially reported by the Reserve Bank of Malawi (RBM). "Other items (net)", which is reported as a separate component, has been combined with net domestic assets (NDA) as officially reported to give a broader classification of NDA that covers all domestic assets and liabilities, while foreign currency deposit liabilities (FCDs), reported as part of commercial banks' foreign liabilities, have been reclassified and included under "Other assets (net)."

2/ Valued at current MK/SDR exchange rate.

3/ Includes foreign currency deposit liabilities of commercial banks, and "other items (net)" as classified by the Reserve Bank of Malawi.

Table 20. Malawi: Summary Accounts of the Monetary Authorities, March 1990–December 1994 ^{1/}

(In millions of Malawi kwacha; end of period)

	1990		1991		1992		1993				1994			
	Mar.	Dec.	Mar.	Dec.	Mar.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Net foreign assets	-74.1	25.2	-76.1	49.9	-191.7	-409.8	-499.6	-474.9	-415.3	-290.7	-187.4	-718.8	-582.2	-547.8
Foreign assets	209.5	359.6	280.6	391.4	140.3	202.3	105.0	95.2	105.2	241.9	472.9	172.3	300.6	510.3
Foreign liabilities	-283.6	-334.4	-356.7	-341.5	-332.0	-612.1	-604.6	-570.1	-520.5	-332.6	-660.3	-891.1	-882.8	-1,058.1
IMF 2/	-245.2	-298.6	-318.0	-306.4	-290.4	-373.7	-362.4	-375.7	-371.4	-367.2	-392.9	-622.0	-601.2	-722.8
Other	-38.4	-35.8	-38.7	-35.1	-41.6	-238.4	-242.2	-194.4	-149.1	-165.4	-267.4	-269.1	-281.6	-335.3
Net domestic assets	159.4	53.6	130.2	81.6	204.2	555.2	499.8	715.3	858.9	795.7	790.5	1,126.4	984.4	1,103.4
Net domestic credit	280.2	185.6	255.4	208.2	204.2	666.0	627.5	811.1	950.8	678.8	560.2	1,134.6	975.3	1,060.9
Credit to the Government (net)	241.3	142.8	229.7	141.6	161.9	568.3	551.2	733.0	870.6	606.9	477.1	1,035.0	877.0	959.9
Credit	472.3	440.5	558.4	459.2	463.6	803.3	771.3	952.2	1,096.5	958.7	760.2	1,242.6	1,082.2	1,309.5
Deposits	-231.0	-297.7	-328.7	-317.6	-301.7	-235.0	-220.1	-219.3	-225.9	-351.7	-283.2	-207.6	-205.2	-349.5
Credit to statutory bodies (net)	38.9	42.8	25.7	66.6	42.3	97.7	76.3	78.1	80.2	71.9	83.1	99.6	98.3	101.0
Credit	85.1	81.3	81.3	131.8	91.8	119.7	104.6	102.3	113.7	117.5	117.9	119.2	116.2	115.5
Deposits	-46.2	-38.5	-55.6	-65.2	-49.5	-22.0	-28.3	-24.2	-33.5	-45.6	-34.8	-19.6	-17.9	-14.5
Other assets (net)	-120.8	-132.0	-125.2	-126.6	0.0	-110.8	-127.7	-95.8	-91.9	116.9	230.3	-8.2	9.1	42.5
Blocked deposits	-167.2	-165.8	-165.8	-165.5	-145.2	-118.9	-118.2	-97.7	-77.9	-77.1	-77.1	-68.5	-68.5	-68.5
Old 3/	-2.7	-2.7	-2.7	-2.7	--	--	--	--	--	--	--	--	--	--
New 4/	-164.5	-163.1	-163.1	-162.8	-145.2	-118.9	-118.2	-97.7	-77.9	-77.1	-77.1	-68.5	-68.5	-68.5
Capital and reserves	-62.7	-146.8	-112.7	-160.9	-100.9	-218.9	-247.8	-252.3	-272.2	-180.6	-95.8	-351.3	-363.3	-377.2
Other assets (net)	109.1	180.6	153.3	199.8	246.1	227.0	238.3	254.2	258.2	374.6	403.2	411.6	440.9	488.2
Other items (net)	-233.5	-255.9	-255.9	-265.5	-256.5	-380.8	-381.1	-377.8	-377.8	-399.3	-399.3	-631.7	-608.9	-628.3
Revaluation accounts	-272.0	-297.6	-297.6	-308.5	-299.5	-444.2	-444.5	-444.5	-444.5	-466.0	-466.0	-737.9	-715.1	-734.5
Profit and loss on devaluation account	--	-15.2	--	--	9.0	-135.7	--	--	--	--	--	-271.9	-249.1	--
Promissory notes	-272.0	-282.4	-297.6	-308.5	-308.5	-308.5	-444.5	-444.5	-444.5	-466.0	-466.0	-466.0	-466.0	-734.5
SDR allocation	38.5	41.7	41.7	43.0	43.0	63.4	63.4	66.7	66.7	66.7	66.7	106.2	106.2	106.2
Reserve money	318.8	336.1	310.0	454.8	269.0	499.3	435.4	677.5	938.4	794.4	722.1	998.1	1,019.3	1,216.1
Liabilities to banks	186.4	176.7	157.6	232.1	72.9	209.5	152.0	291.4	436.6	380.2	323.4	434.4	439.2	591.4
Cash in vault	7.6	16.3	9.9	18.2	16.4	23.0	21.8	24.8	26.6	26.5	25.2	35.8	34.8	47.3
Deposits with RBM	178.8	160.4	147.7	213.9	56.5	186.5	130.2	266.6	410.0	353.7	298.2	398.6	404.4	544.1
Liabilities to the private sector (currency in circulation)	132.4	159.4	152.4	222.7	196.1	289.8	283.4	386.1	501.8	414.2	398.7	563.7	580.1	624.7

Source: Data provided by the Reserve Bank of Malawi.

^{1/} Totals may not be the sum of their parts, owing to rounding.^{2/} Outstanding use of Fund resources plus outstanding Trust Fund obligations as recorded in the Reserve Bank of Malawi's (RBM) balance sheet, less Malawi's reserve tranche position with the Fund.^{3/} Farm account deposits.^{4/} Counterparts of the Government's and statutory bodies' rescheduled debt service payments paid into blocked accounts at the Reserve Bank of Malawi.

Table 21. Malawi: Summary Accounts of the Commercial Banks, March 1990–December 1994 1/

(In millions of Malawi kwacha; end of period)

	1990		1991		1992		1993				1994			
	Mar.	Dec.	Mar.	Dec.	Mar.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec.
Net foreign assets	-50.5	-27.4	-26.9	-41.0	-12.2	-84.0	-65.8	-76.0	16.3	-32.0	129.4	366.3	371.9	260.7
Foreign assets	12.6	29.7	28.6	12.1	45.2	44.2	57.0	83.7	152.1	77.9	243.7	447.7	507.6	390.9
Foreign liabilities	-63.1	-57.1	-55.5	-53.1	-57.4	-128.2	-122.8	-159.7	-135.8	-109.9	-114.3	-81.4	-135.7	-130.2
Cash and reserves	186.4	176.7	157.6	174.3	94.0	209.5	152.0	291.4	436.6	380.2	323.4	434.4	439.2	591.4
Cash	7.6	16.3	9.9	18.2	16.4	23.0	21.8	24.8	26.6	26.5	25.2	35.8	34.8	47.3
Deposits with Reserve Bank	178.8	160.4	147.7	156.1	77.6	186.5	130.2	266.6	410.0	353.7	298.2	398.6	404.4	544.1
Net domestic assets	404.7	513.8	470.9	644.5	613.6	803.4	771.6	834.5	829.7	966.0	853.3	834.2	1,188.5	1,227.0
Domestic credit (net)	452.4	546.8	528.9	679.0	747.4	928.1	912.7	944.6	906.0	1,082.8	1,035.1	1,144.9	1,373.1	1,388.3
Credit to the Government (net) 2/	82.6	80.4	75.6	71.4	92.9	170.7	230.4	223.1	234.4	334.1	160.7	275.4	544.4	385.2
Credit to statutory bodies	-108.8	-50.6	-100.1	-50.9	-43.6	-127.0	-164.6	-119.0	-87.9	-16.2	-61.6	-107.4	-247.7	-175.0
Credit	26.4	45.6	34.6	84.1	71.6	22.5	26.4	77.3	140.8	154.3	148.5	159.6	77.4	47.6
Deposits	-135.2	-96.2	-134.7	-135.0	-115.2	-149.5	-191.0	-196.3	-228.7	-170.5	-210.1	-267.0	-325.1	-222.6
Credit to the private sector	478.6	517.0	553.4	658.5	698.1	884.4	846.9	840.5	759.5	764.9	936.0	976.9	1,076.4	1,178.1
Other assets (net)	-47.7	-33.0	-58.0	-34.5	-133.8	-124.7	-141.1	-110.1	-76.3	-116.8	-181.8	-310.7	-184.6	-161.3
Claims on other banks	77.6	88.4	91.1	73.2	75.0	87.9	86.9	130.0	153.3	110.1	146.6	97.0	213.3	283.4
Premises and other equipment	33.1	33.7	43.3	60.6	62.4	65.2	65.8	68.2	69.5	66.9	77.5	81.4	86.5	198.8
Other assets	18.6	37.3	32.1	54.5	42.2	73.1	46.1	53.4	73.4	76.9	75.8	90.3	112.0	100.1
Liabilities to other banks	-10.9	-23.4	-28.6	-28.8	-62.6	-20.2	-8.4	-26.8	-14.9	-17.7	-27.3	-15.3	-23.7	-43.7
Capital accounts	-106.3	-102.5	-110.2	-146.3	-161.4	-184.5	-180.8	-192.0	-203.8	-205.7	-224.8	-269.2	-303.8	-410.5
Reserve Bank of Malawi bills	--	--	11.0	40.8	2.0	--	--	--	--	--	--	--	--	--
Nonperforming debts	-23.1	-63.3	-23.2	-29.0	-29.0	-29.0	-29.0	-29.0	-29.0	-29.0	-35.7	-35.7	-35.7	-35.7
Other liabilities	-36.7	-3.2	-73.5	-59.5	-62.4	-117.2	-121.7	-113.9	-124.8	-118.3	-193.9	-259.2	-233.2	-253.7
Deposits of the private sector	540.6	663.1	601.6	777.8	695.4	928.9	857.8	1,049.9	1,282.6	1,314.2	1,306.1	1,634.9	1,999.6	2,079.1
Demand deposits	196.3	244.0	220.7	295.6	250.0	385.9	343.6	424.0	553.8	505.9	548.4	739.1	1,087.9	1,075.6
of which: FCD 3/	--	--	--	--	--	--	--	--	--	--	89.6	285.3	411.3	286.3
Time and saving deposits	344.3	419.1	380.9	482.2	445.4	543.0	514.2	625.9	728.8	808.3	757.7	895.8	911.7	1,003.5
Memorandum items:														
Reserve/deposit ratio (in percent) 4/	27.6	23.3	21.4	19.1	11.6	19.4	14.5	23.4	28.9	25.6	21.3	22.8	18.9	25.7

Source: Data provided by the Reserve Bank of Malawi (RBM).

1/ Totals may not be the sum of their parts, owing to rounding.

2/ Calculated by the RBM based on total deposits in the previous month.

3/ Foreign currency deposits.

4/ Including deposits of statutory bodies.

Table 22. Malawi: Distribution of Commercial Banks' Advances by Main Sector, 1989-September 1994

	1989	1990	1991	1992	1993	1994 Sept.
<u>(In millions of Malawi kwacha: end of period)</u>						
Agriculture	125.7	136.2	143.3	227.1	214.1	283.0
Mining and quarrying	0.8	0.7	0.4	0.6	1.2	0.9
Manufacturing	83.4	119.2	114.2	130.1	214.1	326.9
Electricity, water, and gas	--	0.5	--	0.2	0.1	0.2
Construction and civil engineering	2.5	4.6	8.8	6.7	18.4	22.4
Wholesale and retail trade	105.5	173.6	212.6	346.5	192.9	268.8
Transport, storage, and communications	6.8	13.2	21.5	23.4	22.7	28.2
Finance, insurance, real estate, and business services	24.9	43.4	69.4	94.1	72.5	69.5
Community, social, and personal services	15.1	12.2	8.7	14.1	12.3	18.0
Personal accounts	11.4	9.4	25.9	43.0	47.4	67.1
Total	376.1	513.0	604.8	885.7	795.6	1,084.9
<u>(In percent of total)</u>						
Agriculture	33.4	26.5	23.7	25.6	26.9	26.1
Mining and quarrying	0.2	0.1	0.1	0.1	0.2	0.1
Manufacturing	22.2	23.2	18.9	14.7	26.9	30.1
Electricity, water, and gas	--	0.1	--	--	--	--
Construction and civil engineering	0.7	0.9	1.5	0.8	2.3	2.1
Wholesale and retail trade	28.0	33.8	35.2	39.1	24.2	24.8
Transport, storage, and communications	1.8	2.6	3.6	2.6	2.9	2.6
Finance, insurance, real estate, and business services	6.6	8.5	11.5	10.6	9.1	6.4
Community, social, and personal services	4.0	2.4	1.4	1.6	1.5	1.7
Personal accounts	3.0	1.8	4.3	4.9	6.0	6.2
Total	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Reserve Bank of Malawi, Financial and Economic Review; and data provided by the Malawian authorities.

Table 23. Malawi: Summary Accounts of Nonbank Financial Institutions, March 1990-September 1994

(In millions of Malawi kwacha; end of period)

	1990		1991		1992		1993		1994	
	March	Dec.	March	Dec.	March	Dec.	March	Dec.	March	Sept.
Cash deposits with monetary authorities	17.2	1.5	1.7	2.3	6.4	4.8	18.0	10.7	4.6	7.5
Domestic assets (net)	100.8	193.1	184.5	278.6	305.8	357.7	393.4	338.3	368.6	349.7
Credit to the Government	25.7	36.5	24.4	25.9	30.2	27.4	22.5	29.2	28.6	10.3
Credit to statutory bodies	1.6	1.4	1.4	1.3	1.0	6.3	6.0	5.3	5.8	5.9
Credit to the private sector	85.7	161.7	177.9	249.7	280.9	331.1	390.9	324.5	342.5	371.2
Other assets (net)	-12.2	-6.5	-19.2	1.7	-6.3	-9.1	-26.0	-20.7	-8.2	-37.8
Other assets (gross), including bank credit, if any, of MSB, NBS, and Indebank <u>1/</u>	6.7	28.6	28.0	63.0	24.1	21.2	23.2	31.5	37.6	43.9
Other liabilities (gross), including nondeposit liabilities of MSB and NBS <u>1/</u>	-18.9	-35.1	-47.2	-61.3	-30.4	-30.3	-49.2	-52.2	-45.8	-81.6
Deposits	74.8	125.0	137.6	219.7	240.0	290.5	307.1	280.6	292.0	320.6
Share capital	43.2	54.6	56.4	58.4	66.5	88.0	109.1	99.2	102.9	103.1
Liabilities to banks (MCB only) <u>1/</u>	--	2.9	1.9	0.3	0.9	2.8	8.9	--	--	--
Insurance and assurance companies										
Credit to the Government	...	69.0	69.4	60.9	62.9	84.9	61.5	71.1	61.5	60.4
Credit to statutory bodies	...	0.7	0.7	--	--	--	--	--	--	--
Credit to the private sector	...	95.9	78.9	113.9	128.9	140.8	200.2	197.6	200.2	258.7
Credit to banks	...	81.7	89.0	55.9	43.9	49.9	73.4	58.7	73.4	68.9
Demand deposits	1.3	2.1	1.7	3.1	2.5	5.6	22.8	-0.8	22.8	6.8
Time and savings deposits	...	79.6	87.3	52.8	41.4	44.3	50.5	59.4	50.5	62.1
Other assets	...	28.6	29.3	--	10.4	11.4	39.6	29.9	39.6	35.1
Total assets	...	275.9	267.3	242.7	246.1	287.0	347.7	357.2	374.7	423.1
Premiums received	...	16.7	27.5	14.1	10.9	12.0	15.0	11.7	15.0	15.7
Expenses, commissions, and claims paid	...	14.3	24.1	13.7	8.1	8.8	13.3	9.1	13.3	11.6
Premiums (net)	...	2.4	3.4	0.4	2.8	3.2	1.7	2.6	1.7	4.1

Sources: Reserve Bank of Malawi, Financial and Economic Review; and data provided by the Reserve Bank of Malawi.

1/ Malawi Savings Bank (MSB), New Building Society (NBS), Mercantile Credit Bank (MCB), and Investment and Development Bank (Indebank).

Table 24. Malawi: Balance of Payments, 1989-94

	1989	1990	1991	1992	1993	1994 Est.
(In millions of SDRs)						
Current account	-165.8	-106.6	-182.8	-263.7	-246.9	-166.8
Trade balance	-106.3	-58.3	-102.3	-223.8	-221.9	-134.1
Exports, f.o.b.	209.7	303.4	347.5	282.2	227.2	252.9
Imports, c.i.f. 1/	-316.0	-361.6	-449.8	-505.9	-449.0	-387.0
Nonmaize, c.i.f.	-316.0	-361.6	-449.8	-437.1	-381.9	-344.9
Drought-related maize, c.i.f. 2/	--	--	--	-68.8	-67.1	-42.0
Services and private transfers	-59.6	-48.3	-80.5	-39.9	-25.0	-32.7
Nonfactor services	-9.8	-8.2	-22.2	-22.0	-16.4	-14.1
Factor services (net)	-38.9	-31.9	-34.0	-27.7	-29.9	-31.3
Private transfers	-10.9	-8.2	-24.3	9.7	21.3	12.7
Capital account	136.2	120.2	185.7	160.1	279.4	165.4
Long-term (net)	102.9	138.3	127.3	167.7	225.4	181.7
Official transfers (net)	58.1	59.8	43.4	104.4	86.3	77.1
Balance of payments support	14.0	22.6	20.1	5.2	36.1	40.6
Government loans (net)	25.4	53.6	51.4	34.7	106.8	88.3
Credit	71.0	83.6	84.2	66.1	133.2	118.3
Balance of payments support	38.6	54.3	31.9	15.8	50.2	66.9
Debit	-45.6	-29.9	-32.8	-31.4	-26.5	-30.0
Public enterprises (net)	10.9	19.1	30.5	27.1	31.1	17.6
Private sector (net)	8.5	5.8	2.0	1.5	1.3	-1.3
Short-term and unidentified	33.3	-18.1	58.4	-7.5	54.0	-16.2
Overall balance	-29.6	13.6	2.9	-103.5	32.5	-1.4
Financing	29.6	-13.6	-2.9	103.5	-32.5	1.4
Official net foreign assets (- increase)	17.1	-13.1	-6.4	80.9	-20.7	24.0
Gross official reserves (- increase)	26.4	-17.0	-7.2	69.3	-5.8	14.6
Change in liabilities	-9.3	4.0	0.8	11.6	--	9.4
Purchases	--	--	--	--	--	12.7
ESAF credit	18.6	18.6	14.9	--	--	5.6
Repurchases	-19.0	-12.8	-15.4	-13.7	-5.4	-4.0
Bilateral (South African) credit	-10.1	--	--	8.0	-2.5	--
Change in other liabilities	1.2	-1.8	1.3	17.3	7.9	-4.9
Net foreign assets of commercial banks (- increase)	-1.2	-0.5	3.5	3.1	-8.7	-16.9
Change in arrears	--	--	--	19.5	-3.1	-5.7
Public debt service-related 3/	--	--	--	--	--	3.5
Private import-related 4/	--	--	--	19.5	-3.1	-9.2
Debt relief	13.7	--	--	--	--	--
(In units indicated)						
Memorandum items:						
Current account (in percent of GDP)						
Excluding official transfers 5/	-13.4	-7.8	-11.4	-14.8	-12.4	-13.8
Including official transfers 5/	-8.7	-3.4	-8.7	-6.9	-6.4	-5.3
Excluding official transfers but including drought maize.	-13.4	-7.8	-11.4	-20.0	-17.0	-18.5
Overall balance (in percent of GDP)	-2.4	1.0	0.2	-7.9	2.2	-0.2
Gross reserves of the banking system						
End-period stock (in millions of SDRs)	84.8	103.4	105.9	40.7	51.8	42.2
In months of imports, c.i.f. 5/	3.2	3.4	2.9	1.1	1.6	1.5
Gross official (RBM) reserves						
End-period stock (in millions of SDRs)	78.5	95.5	102.7	33.4	39.2	24.6
In months of imports, c.i.f. 5/	3.0	3.2	2.9	0.9	1.2	0.9
C.i.f. margin (in percent of c.i.f. value)	38.0	38.0	39.3	39.3	38.6	40.0
Imports for displaced persons, c.i.f.	79.2	67.1	61.0	22.4	21.5	24.8

Sources: Data provided by the Malawian authorities; and staff estimates.

1/ Figure for 1991 includes purchase of an airplane by Air Malawi, amounting to SDR 18.8 million.

2/ Total maize imports of 559,700 MT at US\$360/MT, of which 245,000 MT in 1992 and the remainder in 1993. Drought-related imports in 1994 is estimated at 194,000 MT at US\$180/MT.

3/ At end-1994, public sector external debt service arrears amounted to US\$5.0 million, of which US\$1.7 million was related to interest.

4/ In 1993, commercial banks were allowed to hold foreign exchange to meet import requirements for their clients, resulting a buildup of reserves above their normal operating levels. It is estimated that SDR 9.2 million of these reserves was run down during 1994.

5/ Excluding drought-related maize in 1992-96.

Table 25. Malawi: Composition of Exports, 1989-94

(Values in millions of SDRs; volumes in thousands of tons; and unit values in SDRs per ton) 1/

	1989	1990	1991	1992	1993	1994 Est.
Tobacco						
Value	129.6	207.9	256.1	203.0	152.5	174.4
Volume	54.6	89.1	97.2	97.3	95.7	103.2
Unit value	2,372.2	2,333.6	2,634.6	2,085.6	1,593.1	1,689.4
Tea						
Value	28.6	34.4	27.1	21.1	25.5	18.5
Volume	38.3	43.0	41.2	37.1	35.3	37.6
Unit value	746.9	799.7	657.1	567.9	722.1	492.0
Sugar						
Value	18.5	20.8	20.8	19.3	11.2	18.3
Volume	53.1	60.2	53.6	46.0	26.8	40.2
Unit value	347.5	345.2	387.8	418.7	417.8	454.5
Coffee						
Value	4.8	7.6	6.7	6.1	5.7	10.2
Volume	3.6	7.2	5.4	8.3	5.7	4.7
Unit value	1,329.3	1,062.3	1,235.0	737.4	990.0	2,176.3
Groundnuts						
Value	0.3	--	0.5	...	...	...
Volume	1.3	--	0.9	...	...	...
Unit value	221.4	472.7	521.5	...	...	...
Cotton						
Value	4.7	2.9	8.7	3.3	1.5	1.2
Volume	4.2	3.6	9.1	4.7	1.9	2.5
Unit value						
Rice						
Value	1.2	1.1	0.6	0.4	...	0.6
Volume	3.3	3.8	1.9	0.9	...	3.2
Unit value	361.3	285.1	335.4	428.8	...	199.6
Maize						
Value	...	...	...	...	...	1.3
Volume	...	...	...	...	...	12.4
Unit value	...	...	...	...	...	108.2
Pulses						
Value	1.8	1.5	1.8	1.4	1.0	1.0
Volume	7.7	5.9	6.2	5.7	3.5	7.2
Unit value	230.7	262.3	294.4	242.7	278.5	144.1
Other						
Value	17.0	20.3	16.6	19.8	23.4	21.8
Unit value (index, 1990=100)	101.7	100.0	103.3	103.5	108.1	105.6
Domestic exports, f.o.b.	206.4	296.5	338.8	274.2	220.6	247.4
Re-exports (value, f.o.b.)	3.3	6.8	8.8	8.0	6.5	5.5
Total exports, f.o.b.	209.7	303.4	347.5	282.2	227.2	252.9

Sources: Data provided by the Malawian authorities; and staff estimates.

1/ Unit values are inclusive of changes in (the rate of) transport costs.

Table 26. Malawi: Tobacco Exports, 1989-94

(Values in millions of Malawi kwacha; volumes in thousands of tons; and unit values in Malawi kwacha per ton)

	1989	1990	1991	1992	1993	1994 Est. 1/
Flue-cured						
Value	115.1	163.8	248.4	276.4	218.5	476.9
Volume	14.3	15.8	22.7	23.4	20.6	24.0
Unit value	8,048.0	10,368.0	10,936.2	11,818.6	10,589.9	19,870.1
Burley						
Value	307.8	391.3	651.7	665.2	609.1	1,494.1
Volume	41.6	43.5	58.7	55.4	58.3	71.0
Unit value	7,400.0	8,996.0	11,104.2	12,011.8	10,447.7	21,043.1
Flue-cured (Northern Division)						
Value	...	86.1	67.8	90.1	52.6	152.9
Volume	...	14.0	11.2	14.2	6.5	7.0
Unit value	...	6,157.0	6,027.9	6,335.0	8,109.2	21,840.1
Fire-cured (Southern Division)						
Value	...	2.4	1.9	4.1	1.5	4.3
Volume	...	0.4	0.3	0.6	0.2	0.2
Unit value	...	6,015.0	5,778.6	6,925.4	6,515.6	21,716.0
Sun/Air-cured						
Value	...	8.2	7.5	5.6	2.6	14.8
Volume	...	1.4	1.1	0.6	0.2	0.6
Unit value	...	5,852.0	7,009.7	8,682.3	11,165.3	24,611.5
Other						
Value	54.1	...	4.1	3.6	1.5	6.9
Volume	2.0	...	0.5	0.3	0.1	0.4
Unit value	27,050.0	...	7,827.7	10,887.8	15,298.0	17,372.8
Total						
Value	477.0	651.8	981.5	1,045.0	885.8	2,149.9
Volume	57.9	75.1	94.6	94.6	86.0	103.2
Unit value	8,238.8	8,678.7	10,377.0	11,051.7	10,302.3	20,832.2

Sources: Data provided by the Malawian authorities; and staff estimates -- See 1994.

1/ Values and prices are based on a conversion rate of MK8.6864/US\$.

Table 27. Malawi: Composition of Imports, 1985-89

	1985	1986	1987	1988	1989
	(In millions of SDRs)				
Total imports, c.i.f.	282.4	219.1	228.8	313.8	395.5
Consumer goods	35.5	29.7	24.0	29.1	43.9
Nondurable	30.3	25.0	20.1	24.4	36.5
Durable	5.2	4.7	3.9	4.7	7.4
Machinery and equipment	40.3	30.5	43.2	48.5	58.8
Operating machines	23.9	17.2	23.9	32.8	39.7
Auxiliary equipment	16.4	13.3	19.3	15.7	19.1
Transport equipment	36.0	32.6	21.2	38.6	56.5
Automobiles and bicycles	6.5	4.5	2.6	3.4	8.3
Other	29.5	28.1	18.6	35.2	48.2
Construction materials	17.1	12.0	10.9	19.4	22.4
Basic and auxiliary materials	102.2	72.7	86.5	123.5	148.2
Parts, tools, and appliances	9.3	8.2	7.3	9.9	12.3
Textiles and clothing	6.4	4.8	2.9	6.1	8.4
Oils, fuels, and lubricants	33.5	26.9	31.2	36.1	40.7
Other	2.1	1.7	1.6	2.6	4.3
	(In percent of total)				
Total imports, c.i.f.	100.0	100.0	100.0	100.0	100.0
Consumer goods	12.6	13.6	10.5	9.3	11.1
Machinery and equipment	14.3	13.9	18.9	15.5	14.9
Transport equipment	12.7	14.9	9.3	12.3	14.3
Construction materials	6.1	5.5	4.8	6.2	5.7
Basic and auxiliary materials	36.2	33.2	37.8	39.4	37.5
Parts, tools, and appliances	3.3	3.7	3.2	3.2	3.1
Textiles and clothing	2.3	2.2	1.3	1.9	2.1
Oils, fuels, and lubricants	11.9	12.3	13.6	11.5	10.3
Other	0.7	0.8	0.7	0.8	1.1

Sources: National Statistical Office, Monthly Statistical Bulletin; and data provided by the Malawian authorities.

Table 28. Malawi: Foreign Trade Indicators, 1989-94

	1989	1990	1991	1992	1993	1994 Est.
<u>(Values in terms of SDRs; 1990=100)</u>						
Exports, f.o.b.						
Value	69.9	100.0	113.7	93.1	76.6	85.8
Volume	68.8	100.0	104.6	103.3	98.1	106.3
Unit value ^{1/}	101.6	100.0	108.8	90.1	78.1	80.7
Imports, c.i.f. ^{2/}						
Value	87.4	100.0	119.2	120.9	105.6	95.4
Volume	88.2	100.0	118.4	122.9	112.4	101.2
Unit value ^{1/}	99.0	100.0	100.7	98.4	93.9	94.3
Terms of trade index ^{1/}	102.6	100.0	108.1	91.6	83.1	85.6
<u>(Annual percentage change)</u>						
Exports, f.o.b.						
Value	-9.5	43.1	13.7	-18.2	-17.6	12.0
Volume	-20.6	45.4	4.6	-1.3	-5.0	8.4
Unit value ^{1/}	7.6	-1.6	8.8	-17.1	-13.3	3.4
Imports, c.i.f. ^{2/}						
Value	14.6	14.5	19.2	1.4	-12.6	-9.7
Volume	11.6	13.3	18.4	3.8	-8.5	-10.1
Unit value ^{1/}	2.8	1.0	0.7	-2.3	-4.5	0.4
Terms of trade index ^{1/}	2.1	-2.6	8.1	-15.2	-9.3	2.9
Memorandum items:						
Foreign market growth ^{3/}	7.3	3.1	1.8	1.2	1.5	2.8
Real effective exchange rate ^{4/}	5.2	0.4	4.4	-7.3	2.2	-28.5

Sources: Data provided by the Malawian authorities; and staff estimates.

^{1/} Inclusive of changes in transportation mark-up rates.

^{2/} - Excluding purchase of airplane in 1991 and drought-related maize in 1992-94.

^{3/} Total real domestic demand of industrial partner countries.

^{4/} Trade-weighted period average (minus represents a depreciation).

Table 29. Malawi: Geographical Distribution of Trade, 1991-93

	Exports, f.o.b., to			Imports, c.i.f., from		
	1991	1992	1993	1991	1992	1993
(In millions of U.S. dollars)						
Industrial countries	357.4	354.0	250.0	284.5	309.0	155.0
Germany	62.0	92.0	36.0	30.0	37.0	24.0
France	11.0	18.0	8.0	28.0	37.0	8.0
Japan	71.0	63.0	48.0	44.0	44.0	26.0
Netherlands	35.0	29.0	25.0	11.0	18.0	16.0
U.K.	41.0	35.0	30.0	61.0	46.0	30.0
U.S.A.	71.0	58.0	60.0	60.0	15.0	17.0
Other	66.4	59.0	43.0	50.5	112.0	34.0
Developing countries	90.0	95.0	100.0	285.5	313.0	364.0
Africa	64.0	64.0	74.0	255.0	273.0	326.0
Botswana	4.0	4.0	5.0	3.0	3.0	3.0
Mozambique	16.0	17.0	20.0	1.1	1.0	1.0
South Africa	29.0	32.0	38.0	188.5	207.0	247.0
Tanzania	1.0	1.0	1.0	1.0	1.0	1.0
Zambia	5.0	5.0	5.0	13.0	15.0	18.0
Zimbabwe	3.0	2.0	3.0	47.0	45.0	53.0
Other	6.0	3.0	2.0	1.4	1.0	3.0
Asia	13.0	16.0	10.0	29.0	37.0	37.0
Other	13.0	15.0	15.0	1.5	3.0	3.0
All countries	447.4	450.0	350.0	570.0	623.0	519.0
Of which: CBI ^{1/}	(9.0)	(8.0)	(11.0)	(63.0)	(63.0)	(75.0)
PTA ^{2/}	(25.0)	(25.0)	(31.0)	(64.1)	(64.0)	(76.0)
(In percent of total)						
Industrial countries	79.9	78.7	71.4	49.9	49.6	29.9
Germany	13.9	20.4	10.3	5.3	5.9	4.6
France	2.5	4.0	2.3	4.9	5.9	1.5
Japan	15.9	14.0	13.7	7.7	7.1	5.0
Netherlands	7.8	6.4	7.1	1.9	2.9	3.1
U.K.	9.2	7.8	8.6	10.7	7.4	5.8
U.S.A.	15.9	12.9	17.1	10.5	2.4	3.3
Other	14.9	13.1	12.3	8.9	18.0	6.6
Developing countries	20.1	21.1	28.6	50.1	50.2	70.1
Africa	14.3	14.2	21.1	44.7	43.8	62.8
Botswana	0.9	0.9	1.4	0.5	0.5	0.6
Mozambique	3.6	3.8	5.7	0.2	0.2	0.2
South Africa	6.5	7.1	10.9	33.1	33.2	47.6
Tanzania	0.2	0.2	0.3	0.2	0.2	0.2
Zambia	1.1	1.1	1.4	2.3	2.4	3.5
Zimbabwe	0.7	0.4	0.9	8.2	7.2	10.2
Other	1.3	0.7	0.6	0.2	0.2	0.6
Asia	2.9	3.6	2.9	5.1	5.9	7.1
Other	2.9	3.3	4.3	0.3	0.5	0.6
All countries	100.0	100.0	100.0	100.0	100.0	100.0
Of which: CBI ^{1/}	(2.0)	(1.8)	(3.1)	(11.1)	(10.1)	(14.5)
PTA ^{2/}	(5.6)	(5.6)	(8.9)	(11.3)	(10.3)	(14.6)

Source: Direction of Trade Statistics, IMF.

^{1/} Participants in the Cross-Border Initiative (CBI), established in August 1993, comprising (apart from Malawi) Burundi, Comoros, Kenya, Madagascar, Mauritius, Namibia, Rwanda, Seychelles, Tanzania, Uganda, Zambia, and Zimbabwe.

^{2/} Preferential Trade Area countries, comprising (apart from Malawi) Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Mauritius, Mozambique, Namibia, Rwanda, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.

Table 30. Malawi: Public External Debt Disbursed and Outstanding, 1989-94 ^{1/}

	1989	1990	1991	1992	1993	1994 Est.
<i>(In millions of SDRs; end of period)</i>						
Total debt outstanding	988.4	1,037.9	1,127.7	1,230.0	1,337.5	1,383.1
Excluding Fund credit and Trust Fund	912.3	959.3	1,047.2	1,156.3	1,274.8	1,306.2
<i>(By debtor)</i>						
Central Government	876.9	926.5	991.2	1,124.9	1,244.9	1,277.1
Of which: Trust Fund	(0.8)	(--)	(--)	(--)	(--)	(--)
Central Bank	75.3	78.6	80.5	73.7	62.7	76.9
Of which: Fund credit	(75.3)	(78.6)	(80.5)	(73.7)	(62.7)	(76.9)
Public corporations	28.0	27.3	30.8	26.3	27.8	27.1
Of which: ADMARC	(1.0)	(0.6)	(0.3)	(0.1)	(--)	(--)
Blantyre Water Board	(2.5)	(2.3)	(2.0)	(1.6)	(1.0)	(1.0)
ESCOM	(23.4)	(23.7)	(22.7)	(23.4)	(21.3)	(20.6)
Malawi Development Corporation	(--)	(--)	(5.0)	(--)	(--)	(--)
Mixed enterprises and the private sector	8.2	5.5	25.2	5.1	2.0	2.0
Of which: Dwangwa Sugar Corporation	(8.2)	(5.5)	(3.8)	(3.1)	(2.1)	(1.5)
Indebank	(--)	(--)	(--)	(1.5)	(--)	(--)
<i>(By creditor)</i>						
Supplier's credits	14.5	11.5	16.0	20.0	20.8	5.8
Of which: France	(1.6)	(1.0)	(8.4)	(12.8)	(12.5)	(1.8)
Japan	(9.3)	(7.7)	(6.7)	(6.5)	(7.8)	(0.3)
United Kingdom	(1.7)	(1.2)	(0.7)	(0.1)	(--)	(0.4)
Financial institutions	47.1	45.9	66.7	41.1	41.1	30.9
Of which: United Kingdom	(6.4)	(7.6)	(5.0)	(4.0)	(3.0)	(2.3)
United States	(0.2)	(0.2)	(2.9)	(2.8)	(1.3)	(0.4)
Multiple lenders	(26.7)	(25.0)	(24.7)	(16.5)	(19.1)	(11.1)
Multilateral	772.3	824.7	884.1	996.3	1,107.8	1,134.0
Of which: IDA	(495.2)	(537.0)	(571.8)	(668.3)	(773.4)	(796.8)
IBRD	(58.9)	(51.1)	(55.4)	(54.1)	(48.8)	(47.1)
IMF ^{2/}	(76.1)	(78.6)	(80.5)	(73.7)	(62.7)	(76.9)
Bilateral	154.5	155.8	160.9	172.6	167.7	212.4
Of which: Japan	(89.9)	(105.3)	(111.6)	(109.8)	(121.0)	(160.3)
South Africa	(8.6)	(11.4)	(12.4)	(5.5)	(5.5)	(5.3)
United Kingdom	(29.8)	(22.4)	(24.6)	(30.9)	(26.8)	(23.0)
United States	(22.1)	(--)	(--)	(--)	(7.2)	(5.8)
Memorandum item:						
External debt in percent of GDP ^{3/}	79.7	75.7	70.4	93.5	92.0	153.2

Source: Data provided by the Malawian authorities.

^{1/} Public and publicly guaranteed external debt with original maturity of one year and above.

^{2/} Comprises Trust Fund and Fund credit.

^{3/} The significant rise in external debt in percent of GDP in 1994 reflects almost entirely the sharp depreciation of the Malawi kwacha.

Table 31. Malawi: Public External Debt and Debt Service, 1989-94

	1989	1990	1991	1992	1993	1994 Est.
<i>(In millions of SDRs)</i>						
Debt outstanding ^{1/}	988.4	1,037.9	1,127.7	1,230.0	1,337.5	1,383.1
Of which: debt to IMF ^{2/}	(76.5)	(80.8)	(80.5)	(73.7)	(62.7)	(76.9)
Total debt service ^{3/}	92.0	76.7	79.4	73.3	59.9	63.6
Principal	70.2	49.4	50.9	48.9	34.8	38.5
Of which: debt conversion	(9.2)	(3.1)	(--)	(1.5)	(--)	(--)
Interest	31.0	30.4	28.5	25.9	25.1	25.1
Debt service to IMF ^{2/}	23.9	16.8	20.7	15.6	6.6	4.9
Repurchases and ESAF repayments	19.3	12.8	15.4	13.7	5.4	4.0
Charges and ESAF interest	4.6	4.0	5.3	1.9	1.2	0.9
<i>(Ratios in percent)</i>						
Debt outstanding ^{4/}	79.7	75.7	70.4	93.5	92.0	153.2
Of which: debt to IMF ^{2/}	(6.2)	(5.9)	(5.0)	(5.6)	(4.3)	(8.5)
Total debt service ^{3/ 5/}	39.5	23.3	21.2	24.7	25.0	24.1
Principal	30.1	15.0	13.6	16.5	14.5	14.6
Interest	13.3	9.2	7.6	8.7	10.5	9.5
Debt service to IMF ^{2/ 5/}	10.3	5.1	5.5	5.3	2.8	1.9
Repurchases and ESAF repayments	8.3	3.9	4.1	4.6	2.3	1.5
Charges and ESAF interest	2.0	1.2	1.4	0.6	0.5	0.3
Memorandum items:						
Debt rescheduling (in millions of SDRs)	13.7	--	--	--	--	--
Current maturities	13.7	--	--	--	--	--
Principal	12.5	--	--	--	--	--
Interest	1.2	--	--	--	--	--
Debt service ratio after debt relief ^{5/}	33.6	23.3	21.2	24.7	25.0	24.1

Sources: Data provided by the Malawian authorities; and staff projections

^{1/} End-period, public and publicly guaranteed, medium- and long-term external debt disbursed and outstanding.

^{2/} Excludes the Trust Fund but includes purchases.

^{3/} Before debt relief; total is sum of principal (excluding debt conversion) and interest.

^{4/} In percent of GDP.

^{5/} In percent of exports of goods and nonfactor services.

Table 1. Malawi: Summary of Tax System, as of End-December 1994

(All amounts in Malawi kwacha)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1. <u>Taxes on net income and profits</u>			
1.1 <u>Taxes on companies, corporations, and enterprises</u> Taxation Act (Cap. 41:01)	<p>Annual tax on net income, including net capital gains realized in cash or otherwise, received by or accrued to domestic companies from sources in Malawi. Income for services rendered in Malawi is deemed to be income accrued from a source in Malawi even though the income is received from a source outside Malawi. Dividend income was "grossed up" in the hands of the taxpayers who were allowed a credit for the company tax paid until 1992, but was subsequently phased out. Nonresident companies are subject to tax on income which accrues or is received from sources in Malawi. A 5 percent branch profits tax also applies to these companies. Unabsorbed losses can be carried forward indefinitely.</p> <p>The taxable income of cooperative societies, clubs, and other recreation organizations is deemed to be an amount equivalent to 6.25 percent of turnover.</p>	<p>The receipts of land and agricultural banks, registered trade unions, non-profit organizations, and religious and educational institutions are exempt, as is the income of certain noncommercial statutory corporations, life insurance companies, and local authorities.</p> <p>Deductions include any expenditure and losses (not of a capital nature) wholly and exclusively incurred in the production of income; bad and doubtful debts; direct expenditure on, and sums contributed for, scientific experiments and research related to the taxpayer's trade; ordinary expenditure on repairs to premises, plant and machinery employed in the business; annuity allowance, or pension paid to a retired former employee; and certain expenditure incurred in establishing a manufacturing business.</p>	<p>35 percent of taxable income.</p> <p>An additional tax of 5 percent of taxable income is charged in the case of companies: (1) which are not incorporated in Malawi, in respect of profits; (2) which are incorporated in Malawi, in respect of profits distributed to nonresident shareholders, provided in both cases that so much of the 5 percent tax is waived as represents the amount by which the tax rate in the country of incorporation, or residence of the shareholders, respectively, is lower than 40 percent.</p>

Table 1. Malawi: Summary of Tax System, as of End-December 1994 (continued)

(All amounts in Malawi kwacha)

Tax	Nature of Tax	Exemptions and Deductions	Rates										
1.1 <u>Taxes on companies, corporations, and enterprises</u> Taxation Act (Cap. 41:01) (concluded)	A border tax on dividends, interest income, and other remittances to taxes.	Capital allowances are deductible as follows: an investment allowance of 40 percent on new and unused industrial buildings and plant and machinery, or an initial allowance of 10 percent on plant and farm improvements, 20 percent on machinery and equipment, and 33 1/3 percent on farm fencing. These reduce the basis for calculating the annual allowance of 5 percent on industrial buildings, railway lines and farm improvements, 10 percent on farm fencing, and an unspecified annual allowance for machinery and equipment to be determined on the basis of its useful life and rate of utilization.	15 percent.										
1.2 <u>Taxes on individuals</u>													
1.21 <u>Income tax</u> Taxation Act (Cap. 41:01)	Applies to individuals accruing or receiving income, in cash or otherwise, from sources in Malawi. In general, the income of a married woman not separated from her husband, and of minor children, is deemed to accrue to the head of the family. Where it is to the taxpayer's advantage, tax is chargeable on the wife's earned income as though she were a single person. Nonresidents are liable to income tax on income which accrues or is received from sources in Malawi, with the exception of dividends from companies incorporated in Malawi, and subject to the provisions of the various double taxation agreements in existence.	Exemption includes the emoluments of the President, certain officers of foreign governments and international organizations, and persons rendering service in Malawi whose salaries are exempt under an agreement. Exemptions also apply to retirement and disability benefits; interest received from the Malawi Post Office Savings Bank, Malawi development bonds, and any public loan issued subject to interest exemption; the income of certain noncommercial statutory corporations, certain foreign service allowances; and scholarships.	The amount of tax payable is calculated according to the rates shown below:										
	Assessable income, in cash or otherwise, including inter alia, annuities, amounts received by reason of cessation of employment or withdrawal from a pension fund; employee cash benefits (excluding foreign passages). Taxable income is assessable income less permissible deductions.	Deductions include any expenditure wholly and exclusively incurred in the production of income, bad and doubtful debts; pension contributions up to 8 percent of pensionable emoluments or MK 3,000 per annum, whichever is the smaller; and approved charitable contributions over MK 250 up to any amount in any one year of assessment.	Table of Tax on Taxable Income										
			<table border="1"> <thead> <tr> <th>Taxable income (thousands of kwacha)</th> <th>Rate (percent)</th> </tr> </thead> <tbody> <tr> <td>First 3,600</td> <td>0</td> </tr> <tr> <td>Next 6,000</td> <td>15</td> </tr> <tr> <td>" 26,400</td> <td>25</td> </tr> <tr> <td>In excess of 36,000</td> <td>35</td> </tr> </tbody> </table>	Taxable income (thousands of kwacha)	Rate (percent)	First 3,600	0	Next 6,000	15	" 26,400	25	In excess of 36,000	35
Taxable income (thousands of kwacha)	Rate (percent)												
First 3,600	0												
Next 6,000	15												
" 26,400	25												
In excess of 36,000	35												

Table 1. Malawi: Summary of Tax System, as of End-December 1994 (continued)

(All amounts in Malawi kwacha)

Tax	Nature of Tax	Exemptions and Deductions	Rates
1.21 <u>Income tax</u> Taxation Act (Cap. 41:01) (continued)	Employers are required to deduct tax under a PAYE scheme according to prescribed deduction tables in respect of wages and salaries exceeding MK 3,600 per annum.	Personal allowances are now no longer deductible from taxable income.	
1.22 <u>Fringe benefits: tax</u>	Employers, both corporate and individuals who provide benefits-in-kind such as accommodation, automobiles, etc., are chargeable to tax on the value of the benefits provided. The value is determined either by reference to the cost to the employer of providing the benefit or the value is determined by reference to guidelines issued by the Commissioner.	Exempt income includes war disability and war widows' pensions; old age pensions paid out of public funds; and disability benefits.	35 percent.
1.3 <u>Taxes on property</u>	Duty is levied on the principal value of all property belonging to the deceased at his death. The duty is payable by the executor of the deceased; and beneficiary of the estate is also liable up to the amount of his interest in the estate.	Estates valued at less than MK 30,000 are effectively exempt. There is a provision for reduced duty in the case of quick succession to land or a business.	Principal value <u>of estate</u>
1.31 <u>Death duties</u> Estate Duty (Cap. 43:02) as amended			Rate <u>in %</u>
			0
			4
			5
			6
			7
			8
			9
			10
2. <u>Taxes on goods and services</u>			
2.1 <u>Surtax</u>	Levied on imports (of mainly consumer goods) and on domestic manufactures. The tax is ad valorem and is payable by the importer or the manufacturer of taxable goods.	Exemptions include basic foodstuffs such as live animals, animal products, vegetable products including cereals, and vegetable oils. Also exempt are certain industrial raw materials and all goods which attract a customs tariff of less than 10 percent as applied to imports from "ACP states" within the meaning of the Lome convention, GATT, EEC, and Commonwealth countries. Goods so exempt include most agricultural and industrial machinery and equipment, intermediate goods, and construction materials.	The following rates are applied to the taxable value: <u>Percent</u>
			For domestic products
			20
			For imports
			Low rate
			10
			Basic
			15
			Other nonluxury
			25
			Luxury
			45
			Other luxury
			70

Table 1. Malawi: Summary of Tax System, as of End-December 1994 (continued)

(All amounts in Malawi kwacha)

Tax	Nature of Tax	Exemptions and Deductions	Rates		
2.1 <u>Surtax (concluded)</u>			(including petroleum, paraffin, diesel). The taxable value is the national wholesale selling price. For domestic manufacturers, it is the normal ex-factory selling price which includes any duty payable other than surtax and the cost of ordinary packaging. For imports, it is 100 percent of the sum of the value for customs duty purposes plus the customs duty payable.		
2.2 <u>Selective excises on goods</u> Customs and Excise Act (Cap. 42:01) as amended.	Excise duties are levied at specific or ad valorem rates on selected goods manufactured or produced in Malawi, including cigarettes, alcoholic drinks, soap, solid cane sugar, soft drinks, and woven cotton fabrics.		Excisable <u>good</u>	Unit <u>Unit</u>	Tax <u>(percent)</u>
			Beer (excluding Chibuku)		40
			Portable spirits		40
			Low to medium-priced cigarettes		30
			Other tobacco products		40
			Soap		
			Toilet	ton	10.00
			Other	ton	12.00
			Cane sugar (solid)	ton	12.00
			Soft drinks	hl	3.45
			Woven cotton fabrics		
			Fents	ton	95.45
			Other	100 sq. m.	2.30
2.3 <u>Selective excises on services</u>	Levy on expenditure incurred by individuals in hotels and registered restaurants.	None.	10 percent.		
	Airport tax.	None.	MK 20 per Malawian citizen. US\$10 per non-Malawian.		
2.4 <u>Withholding tax</u>	Tax on receipts from rent of properties, royalties, fees and commission, and supplies to institutions under tender on any other arrangements with a value of K 500 or more at any one single time.	None.	5-15 percent.		
2.5 <u>Taxes on use of goods or property</u>					

Table 1. Malawi: Summary of Tax System, as of End-December 1994 (continued)

(All amounts in Malawi kwacha)

Tax	Nature of Tax	Exemptions and Deductions	Rates
2.5.1 <u>Motor vehicle taxes</u>	Owners of motor vehicles are subject to several types of taxes including registration fees, licensing fees, and road service permit fees. The taxes are levied at specific rates that vary according to type of vehicle and weight.	None.	
			<u>Registration fees</u>
			(kwacha)
			Commercial vehicles 45.00
			Private cars and public service vehicles 45.00
			Motorcycles 15.00
			<u>Licensing fees</u>
			(kwacha)
			Vehicles
			Commercial
			(per 50 kg net weight)
			Goods 4.00
			Private passenger and public service
			(a) for each 50 kg net weight 5.00
			(b) for each licensed passenger 4.00
			<u>Road service permit fees</u>
			(kwacha)
			Annual fees
			Public service vehicles 50.00
			Heavy goods vehicles 50.00
			Light goods vehicles 210.00
			Buses 50.00
			Short-term permits
			Vehicles registered in Malawi
			Per month 6.00
			Per two months 10.00
			Per three months 15.00
			Foreign registered (per month) 100.00

Table 1. Malawi: Summary of Tax System, as of End-December 1994 (concluded)

(All amounts in Malawi kwacha)

Tax	Nature of Tax	Exemptions and Deductions	Rates															
3. <u>Taxes on international transactions</u>																		
3.1 <u>Import duties</u>	<p>Malawi maintains a two-column tariff schedule based on the Customs Cooperation Council Nomenclature (CCCN). This provides for a preferential rate of duty for import from "ACP States" within the meaning of the Lome Convention, the Commonwealth, GATT, and EEC countries; and a most-favored-nation rate for the rest of the world. Specific and ad valorem customs duties are imposed on all goods imported into Malawi for home consumption. With respect to ad valorem import duties, the BDV applies.</p>	<p>The law provides for suspensions, rebates, remissions, and refunds of duty in certain circumstances, and general exemptions from duty including, inter alia, goods imported for the use of the President and goods entered for transit or temporary importation or exportation. Manufacturers are granted rebates on imported materials required for further processing in Malawi; for most of these goods, a low rate of duty of 10 percent is generally applicable.</p>	<p>Ad valorem rates of customs duties may be summarized as follows: (1) low rates of, e.g., 10 and 25 percent applying to necessities and seminecessities; (2) intermediate rates of, e.g., 35 and 40 percent; (3) high rate of, e.g., 45 percent.</p> <p>Some commodities, mainly petroleum products, are subject to a specific import duty, e.g.,</p> <table border="1" data-bbox="1399 617 1884 729"> <thead> <tr> <th data-bbox="1399 617 1487 631">Dutiable</th> <th data-bbox="1638 642 1685 656">Unit</th> <th data-bbox="1836 642 1884 656">Rate</th> </tr> </thead> <tbody> <tr> <td data-bbox="1399 637 1487 652"><u>good</u></td> <td></td> <td></td> </tr> <tr> <td data-bbox="1399 661 1473 675">Petrol</td> <td data-bbox="1638 661 1685 675">liter</td> <td data-bbox="1817 661 1884 675">0.165</td> </tr> <tr> <td data-bbox="1399 681 1467 695">Diesel</td> <td data-bbox="1638 681 1685 695">liter</td> <td data-bbox="1817 681 1884 695">0.12</td> </tr> <tr> <td data-bbox="1399 701 1487 716">Paraffin</td> <td data-bbox="1638 701 1685 716">liter</td> <td data-bbox="1817 701 1884 716">0.08</td> </tr> </tbody> </table>	Dutiable	Unit	Rate	<u>good</u>			Petrol	liter	0.165	Diesel	liter	0.12	Paraffin	liter	0.08
Dutiable	Unit	Rate																
<u>good</u>																		
Petrol	liter	0.165																
Diesel	liter	0.12																
Paraffin	liter	0.08																
4. <u>Other taxes</u>	<p>Duty is levied on a range of instruments including agreements; bills of exchange; bonds; leases and licenses; mortgages; insurance policies.</p>	<p>General exemptions include:</p> <p>(1) Any instrument on which stamp duty would be payable by the Government.</p> <p>(2) Any pension warrant issued by any government.</p> <p>(3) Any will or other testamentary disposition.</p> <p>(4) Instruments relating to embassies/diplomatic missions whose countries have reciprocal/similar exemption arrangements granted to Malawi.</p>	<p>Rates of duty vary depending on the nature of the instrument, the matter to which it relates, and the value thereof.</p>															

Source: Ministry of Finance.