

Fact Sheet: Malawi



In this fact sheet, we have summarised answers to frequently asked questions about this country in one document for you. This information is not economic data, but rather statements on a wide range of practical topics that influence business activities within the country. In this publication, you will find basic information on:

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Trade

Malawi is a democratic republic in South-East Africa. Malawi has enjoyed sustained peace and stable governments since independence in 1964. The economy is heavily dependent on agriculture, which employs over 60% of the population, with the tobacco sector playing an important role. It is vulnerable to external influences, such as droughts, agricultural pests or price fluctuations on the world market. However, the country has undertaken diversification measures in recent years to reduce its dependence on a single export product.

The economic situation in Malawi is challenging. The country faces problems such as poverty, unemployment, and inadequate infrastructure. Growth is forecast to increase by 2% in 2024. In 2023, economic growth was 1.5%. However, growth continues to be subdued by a severe and persistent shortage of foreign currency, limited availability of agricultural inputs and the impact of prolonged dry spells during the growing season. Nevertheless, there are market opportunities, particularly in the areas of agriculture, renewable energies, tourism and mining.

The business language is English, and the currency is the Malawi-Kwacha (MWK). As of September 2024: 1 EUR = 1936.60 MWK.

Contact persons and relevant authorities

Malawi Investment and Trade Centre – the MITC

Role: MITC exists to promote and develop Malawian exports, to attract and nurture foreign and domestic direct investment, and to lobby for a conducive business climate in Malawi.

Goals:

- To provide specialized support to foreign and local investors in all prioritized sectors for industrializing Malawi and
- To promote and facilitate export products and services of Malawi to international markets.
- In addition, the Centre plays an advisory role to Government on policies with a bearing on business environment.

Contact details within the MITC can be found on the website [here](#).

MITC provides a range of services through its One-Stop Service Centre for business start-ups. More information can be found on the [MITC Website](#).

Malawi Revenue Authority – MRA

Role: The Malawi Revenue Authority (MRA) is an agency of the Government of Malawi responsible for assessment, collection and accounting for tax revenues. MRA was established by an Act of Parliament in 1998 and was launched in February 2000. It was formed to improve the functions previously carried out by Divisions of Customs and Excise, and Income Tax in the Ministry of Finance. The Authority operates as a government tax administration agency under the Ministry of Finance.

More information can be found on the [MRA Website](#).

Trade Information

Customs airports:	Lilongwe Kamuzu International Airport, Blantyre Chileka International Airport, Karonga National Airport, Mzuzu National Airport, Kasungu National Airport, Malawi Likoma Island National Airport.
Customs harbours:	Malawi is a landlocked country that relies on the Port of Beira and the Port of Maputo in Mozambique, Port of Durban and the Port of Cape Town in South Africa, and to a lesser degree, the Port of Dar-es-Salaam in Tanzania.
ISO currency code:	MWK
Customs tariff:	Harmonised System, customs clearance according to FOB value
ISO country code:	MWI

Preferential trade relations with the EU

Malawi benefits from preferential treatment and its exports to the EU market enjoy quota and duty-free access under the 'Everything but Arms (EBA)' agreement.

Norms and Standards in Malawi

The contact for norms and standards is the Malawi Bureau of Standards ([MBS](#)). The MBS Library holds a wide collection of national (Malawi), international, and foreign national standards, and other publications related to standardization. The catalogue of standards can be downloaded [here](#).

List of existing trade agreements

AfCFTA	African Continental Free Trade Area	The agreement establishing the African Continental Free Trade Area (AfCFTA) entered into force in 2019 and since the beginning of 2021, member states (including Malawi) have been trading based on the AfCFTA .
AGOA	African Growth and Opportunity Act	A unilateral programme that gives African countries duty-free access to the US market.
Comesa Free Trade Area	Common Market for Eastern and Southern Africa (COMESA)	COMESA promotes regional integration through trade for its 21 African member states. This organization includes Trade Promotion, the formation of a Customs Union and the establishment of a Free Trade Area (FTA) into its priority areas. The FTA was established in October 2000 when nine of the member States namely Djibouti, Kenya, Madagascar, Malawi, Mauritius, Sudan, Zambia and Zimbabwe

eliminated their tariffs on COMESA originating products, in accordance with the tariff reduction schedule adopted in 1992.

[COMESA-EAC-SADC](#) Tripartite Free Trade Area (TFTA)

The TFTA consists of 29 Member/ Partner States across the three Regional Economic Communities (RECs) namely COMESA, EAC and SADC. The agreement has officially [come into force](#) on 25 July 2024, as the required 14 ratifications among the Member States were attained. The Decision to establish the Tripartite FTA was made on 22 October 2008. The objective was to enhance market access, address multiple memberships and further the objectives of cooperation, harmonization, and coordination of policies.

[OACPS](#) (1975)

Organisation of African, Caribbean and Pacific States

79 Member States from Africa, the Caribbean and the Pacific. OACPS strives to achieve the sustainable development of its Members and their progressive integration into the world economy. There is also a longstanding partnership between OACPS and the EU (OACPS-EU).

[SADC](#)

Southern African Development Community

A regional economic community of 16 member states (including Malawi) with the aim of strengthening regional integration, promoting poverty reduction in Southern Africa through economic development and ensuring peace and security.

[WTO](#)

World Trade Organization

Malawi has been a member of the WTO since 1995.

Bilateral Investment Treaties

1. In addition, the country also has bilateral agreements with China, South Africa, Zimbabwe, Mozambique, and Botswana.

2. Malawi has bilateral investment agreements with the following countries: Egypt, Italy, Taiwan, and the Netherlands.
3. Treaties have been signed, but are not yet in force, with Brazil, Malaysia, and Zimbabwe.

Import Regulation

According to customs regulations, the following documents can be demanded by customs officials:

- Advice notes
- Bill of lading
- Certificate of origin
- Commercial invoice
- Malawi Revenue Authority Form 12
- Customs declaration for Mozambique (transit document if the goods are coming via Mozambique)
- Delivery order
- Malawi Revenue Authority Form 19
- Inspection report from scanner (transit document)
- Packing list
- Release order
- Report order

MRA customs forms are available on the [MRA Customs and Excise](#) page, and other important import information is available on the [Malawi Trade Portal](#) Website.

Please be aware that there are a few additional requirements based on the mode of transport (road, aircraft, train) into Malawi, which can be found [here](#).

Finding a commercial agent/distributor

The AHK Southern Africa supports the search for potential local business partners, such as representatives and distributors, as part of its service portfolio.

Visa Regulations and Immigration

The [Department of Immigration and Citizen Services](#), which falls under the Ministry of Homeland Security of the Republic of Malawi, is responsible for civic services and immigration. They offer a multitude of services to the citizens of Malawi, as well as foreigners who wish to visit, work or stay in Malawi.

As of February 7th, 2024, the Government of Malawi has officially waived the visa requirements for tourists and visitors from Germany and 78 other countries. This means German citizens can now visit Malawi visa-free for up to 90 days. The validity of multiple entry visas in Malawi (6 months and 12 months) shall reciprocate to the validity of multiple entry visas in the corresponding country.

Types of Permits available in Malawi

- Visitors / Business Permit (permit issued to a foreign national allowing him/her to enter and reside in Malawi for a short period for purposes of tourism, visiting relatives and business. It is valid for 30 days which may be extended for a further 60 days upon application and payment of appropriate fees)
- Temporary Residence Permit (issued to a visitor with a valid Visitors /Business Visit permit who has resided in Malawi for the maximum of 90 days but has a legitimate and justifiable reasons for continued residence)
- Temporary Permit (permit authorising a Prohibited Immigrant to enter Malawi for temporary residence therein or to travel through Malawi upon such conditions as may be prescribed by the Minister) For more information on what a Prohibited Immigrant is, please see here: <https://www.immigration.gov.mw/repartriation/prohibited-immigrants/>
- Temporary Employee Permit (issued to persons before they enter Malawi for the purpose of taking up specified employment in Malawi)
- Student Permit (permit which allows person to enter Malawi and study at an approved Educational Institution)
- Permanent Residence Permit (PRP is a permit issued to a person authorising one to reside in Malawi permanently)
- Business Residence Permit (permit which authorises a person to reside in Malawi for the purpose of carrying on, practicing or engaging in such business, profession or occupation for gain, profit or reward as self –employed person or a partner or proprietor. The funds to be invested should originate from a legal source outside minimum \$50,000.00. The permit is valid for 5 years from date of approval and is renewable for successive period of 5 years.)

For more information and requirements on the above-mentioned permits, please see the Department of Immigration's website: <https://www.immigration.gov.mw/permits/>.

Requirements for entering Malawi

- A valid and acceptable passport or travel document for your intended stay.
- The passport must be valid for a minimum of 6 months.
- A return or onward ticket (in some cases)
- Yellow fever vaccination certificate, but only if the visitor is arriving from any country where the disease is endemic.
- We advise that you check the latest entry requirements with the Malawian Department of Immigration before your trip.

Labour Laws

The [Ministry of Labour](#) of the Republic of Malawi is the relevant authority responsible for employment, technical and vocational training, workers compensation, labour services, trade testing and occupational health and safety in Malawi.

Malawian labour legislation is governed by the Employment and Labour Acts. The most important laws at a glance:

- [The Labour Relations Act, 1996](#)
 - The Labour relations act promotes sound labour relations through the protection and promotion of freedom of association, the encouragement of effective collective bargaining and the promotion of orderly and expeditious dispute settlement, conducive to social justice and economic development.
- [The Employment Act, 2000](#)
 - The Employment Act establishes, reinforces, and regulates minimum standards of employment with the purpose of ensuring equity necessary for enhancing industrial peace, accelerate economic growth and social justice.
- [The Workers Compensations Act](#)
 - The Workers' Compensation Act provides for compensation for injuries suffered or diseases contracted by workers in the course of their employment or for death resulting from such injuries or diseases; it provides for the establishment and administration of a Workers' Compensation Fund.
- [Occupational Safety, Health and Welfare Act, 1997](#)
 - The Occupational Safety, Health and Welfare Act makes provision for the regulation of the conditions of employment in workplaces as regards the safety, health and welfare of persons employed therein; for the inspection of certain plant and machinery, and the prevention and regulation of accidents occurring to persons employed or to go into the workplaces.

Taxes and Duties

The authority responsible for taxes and duties is the [Malawi Revenue Authority](#) (MRA).

The most important taxes are:

- Company Tax
 - All companies (resident and non-resident) are subject to tax on Malawi-source income.
 - Branches of foreign companies are taxed at 35%, while Malawi-registered companies are taxed at the rate of 30%.
- Presumptive Tax on Turnover
 - Applies to small businesses with a turnover of less than MWK 12.5 million. The rates are as follows: 0 for income up to MWK 4 million, MWK 110,000 for income between 4 and 7 million, MWK 170,000 for income between 7 and 10 million, MWK 225,000 for income between 10 and 12.5 million. The tax does not apply on rental income and professional management fees; income of corporate companies; and any income that is subject to final withholding tax.

- Capital Gains Tax
 - Capital gains are taxed at the rate applicable to the particular entity (30% standard rate, 35% for branches of foreign companies, 15% for designated priority industries, etc.).
- Stamp Duty
 - Imposed at 1.5% on transfers of immovable properties (while share transfers are not subject to stamp duty)
- Fringe Benefits Tax
 - A fringe benefits tax is charged at the rate of 30% (benefits include housing, school fees, utilities, travels, etc.). The rate is 15% of the original cost for motor vehicles.
- Social Security Contributions
 - Under the National Pension Scheme (NPS), an employee contributes a minimum of 5% of the pensionable emoluments while the employer contributes at least 10% of the employee's pensionable emoluments. Contributions by the employer are tax deductible up to a maximum of 15% of the employee's pensionable emoluments while those made by the employee are not.
- Income tax
 - Non-resident tax is payable on income sourced from Malawi at the rate of 15% of the gross income and 10% for income derived from a mining project by way of interest, royalty, payment for independent personal services, or dividend.
 - Any income payable to a person who is not resident in the country arising from a source within Malawi is liable to a final withholding tax of 15% of the gross income.
- Value Added Tax
 - 16,5%
 - No reduced rates are available. Nevertheless, several items are zero-rated, including exports of goods and services; exercise books; fertilizers; solar products and others.

More information on the relevant taxes for Malawi can be found on the Standard Bank website [here](#).

Basis of Calculation

Residents and non-residents pay tax only on their Malawi-source income and not on passive foreign income.

Double Tax Treaty with Germany

There is no double taxation treaty between Malawi and Germany.

Business Establishment and Investment Incentives

The [Malawi Investment and Trade Centre \(MITC\)](#) exists to promote and develop Malawian exports, to attract and nurture foreign and domestic direct investment, and to lobby for a conducive business climate in Malawi.

MITC One-Stop-Shop

MITC operates as a [One-Stop Service Centre](#) for business start-ups as mandated by the Investment and Export Promotion Act of 2012.

MITC'S Investment Promotion and Facilitation function focuses on promoting investment opportunities in Malawi, incl. attracting both domestic and foreign investments into targeted growth sectors. MITC provides a range of services, which include:

- [Project Appraisal](#)
Analyse prospective project viability in financial, cost-benefit, social and environmental terms.
- [Investment Certificates](#)
Processing and issuance of Investment Certificates.
- [Facilitation of Access to Land for Investment](#)
Identification and evaluation, coordination, pre-planning and evaluation of sites and post site visits (carried out by the Lands Specialist within the One Stop Service Centre).
- [Business Permits](#)
Processing Business Residence Permits and Temporary Employment Permits applications and approvals (carried out by the Immigration Specialist within the One Stop Service Centre).
- [Joint Venture Facilitation](#)
Sourcing of joint venture partners, domestic and foreign for both Malawian and international companies.
- [General Business Advice](#)
Providing a wide range of investment advice regarding locations, business conditions, labour practices, and business services.
- [Business Retention and After Care services](#)
Facilitating local and foreign business retention, expansion and aftercare services.
- [Incentives](#)
Facilitation of access to tax incentives.
- [Inward and Outward Investment Promotion Missions](#)
Hosting and coordinating inbound foreign and local business delegations and undertaking outbound missions promoting Malawi as an ideal investment and trade destination.
- [Project Profiling](#)
Profiling local project-based investment opportunities through local and international exhibitions, seminars and conferences.
- [Company Registration](#)
Facilitation of company registration and incorporation.

- Other Sector permits and investor requirements

Facilitation of access to other sector permits and investor requirements.

Special Economic Zones (SEZs)

Special Economic Zones (SEZs), are geographically designated areas of a country set aside for specifically targeted economic activities, supported through incentives. The purpose of the SEZ is to expand the strategic industrialisation focus to cover diverse regional development needs and contexts.

Malawi is establishing Special Economic Zones (SEZs) to fast-track industrialization, leading to sustainable economic growth and development. This initiative is being championed by the Ministry of Industry and Trade (MoIT) through the Malawi Investment and Trade Centre (MITC). The government has identified four sites for the development of these SEZs and Industrial Parks.

The four designated sites for the development of SEZs and Industrial Parks are as follows:

- Mzuzu (Dunduzu – 72 hectares)
- Lilongwe (Area 55 – 417 hectares)
- Blantyre (Matindi – 130 hectares)
- Chigumula, located in Blantyre, spanning an area of 22.7 hectares.

Investment Opportunities

Private investment in Malawi is regulated by the Investment and Export Promotion Bill 2012.

The Act states that investors, both domestic and foreign are allowed to invest in any sector of the economy, with no restriction on ownership. Further, it puts no restrictions on the size of investment, the source of funds, or whether products are destined for export or the domestic market. Read more on the laws and regulations governing investment [here](#).

The MITC has identified six priority sectors to further the industrialization of Malawi. These are:

- Mining
- Tourism
- Agriculture
- Manufacturing
- Forestry
- Energy

Further to this, they have identified certain investment projects (including Public Private Partnerships) within these sectors. Read more information here: <https://mitc.mw/invest/index.php>

Forms of Businesses and Company Registration

- Sole Proprietorship
- Limited Liability Company
 - Private Limited Liability Company

- Public Limited Liability Company
- Company Limited by Guarantee
- State Owned Company
- Partnership

Tax Incentives in Malawi

Tax incentives in Malawi are enshrined in the main tax legislation that include the customs and Excise Act, the Taxation Act, the VAT Act and the Export Processing Zones (EPZ) Act, to encourage investment. Based on these acts, the government offers the following incentives for investors:

- 100% investment allowance on new and unused industrial buildings, plant and machinery
- No minimum tax based on turnover
- 25 % export allowance on revenue for non-traditional exports
- No taxes on gains from sales of shares held for more than 1 year
- 40% investment allowances for used buildings, plant and machinery
- Transport tax allowance of 25% on international transport costs, excluding traditional exports
- Allowance for manufacturing companies to deduct all operating expenses incurred up to 25 months before the start of operations
- Exemption of Duty, Excise and VAT on raw materials used in manufacturing - subject to approval
- Exemption of Duty, Excise and VAT on industrial machinery and equipment
- Carry forward of loss, up to seven years, enabling companies to take advantage of allowances
- Additional allowance of 15% for investment in designated areas of the country
- Exemption of Duty on importation of buses with a seating capacity of 45 persons and above
- Exemption of Duty on direct importation of goods used in the tourism industry

For more information read the MITC Incentives page [here](#).

Banking and Forex

FOREX

Malawi has been suffering from an acute shortage of foreign exchange since 2021. To stabilise the dwindling foreign currency reserves, the Malawian central bank devalued the kwacha by 25% in May 2022. In October 2023, the currency weakened by a further 4.87%. Foreign exchange demand and supply imbalances persisted in the first half 2024, leading to a 3% depreciation of the Kwacha in March 2024. This, combined with the 44% devaluation in November 2023, led to the first half closing exchange rate position of MK1,749.5 against the United States dollar compared to MK1,058.8 at the end of June 2023. The economy is expected to grow by 2% in 2024.

Exchange Control Regulations:

- Malawi applies Exchange Control Regulations under the [Exchange Control Act of 1989](#), which is administered by the commercial banks and foreign exchange bureaux under the supervision of the Reserve Bank of Malawi ("RBM").

- Foreign investors are generally free to repatriate income and capital after tax. However, foreign direct investment in the form of equity and loans, management, technical services, royalties and licence agreements must be registered with the RBM. Transfers of payments for interest, management fees, licences, royalties and similar fees require the prior approval of the RBM.

Banking System

Malawi has a generally sound banking sector, overseen and regulated by Central Bank, the [Reserve Bank of Malawi \(RBM\)](#). According to the Institute of Bankers in Malawi, only 25 percent of the adult population in Malawi use banking services. Access to credit remains one of the biggest challenges for businesses and particularly SMEs, mostly due to the cost of credit.

The [Registrar of Financial Institutions](#) regulates and supervises the banking sector.

General Overview/ Presence of Foreign Banks

- The banking system in Malawi consists of eight commercial banks:
 - CDH Investment Bank
 - Ecobank Malawi
 - FDH Bank
 - First Capital Bank Malawi Limited
 - National Bank of Malawi
 - NBS Bank Plc
 - MyBucks Banking Corporation Limited
 - Standard Bank Malawi
- The two largest banks are the National Bank of Malawi and Standard Bank.

Requirements to open an account

Individuals with temporary or permanent residence visas can open an account in Malawi with the following information:

- Identity document / passport with residence permit
- Letter from employer (if employed)
- Recent pay-slip
- Proof of residence either utility bill or letter of residential verification from employer or Lease agreement
- Employment permit (for employed foreigners)
- Business Permit (for business foreigners)
- Source of income and business registration certificate (for self-employed customers)

To open a business account ([current account](#)), you will need a Certificate of Registration, Memorandum of and Articles of Association (MEMARTS), proof of address and proof of income.

Contact Details

The information contained in this document was compiled by AHK Southern Africa. For further assistance and questions, please contact:

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