



OPPORTUNITIES FOR PRIVATE SECTOR PARTICIPATION IN INFRASTRUCTURE DEVELOPMENT & ENABLING ENVIRONMENT IN MALAWI

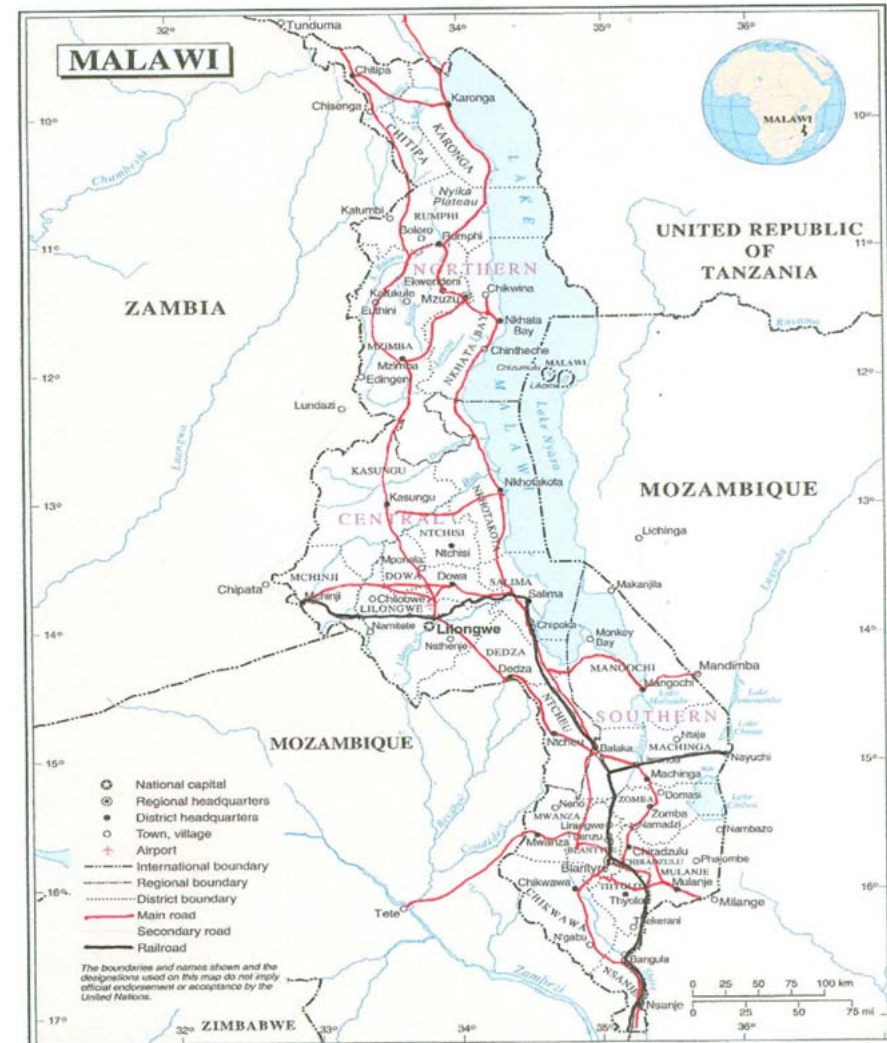


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INFRASTRUCTURE INVESTMENT SEMINAR, TOKYO
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INVEST IN MALAWI

- ❑ Peace and Stability
- ❑ Security of life and property guaranteed
- ❑ No history of civil war & stable democratic government
- ❑ Peaceful co-existence
- ❑ The second most peaceful country in Africa as rated by Global Peace Index in 2009
- ❑ Free repatriation of profits
- ❑ Member of MIGA
- ❑ Sustained strong economic growth: GDP of over 7% for past 5 years
- ❑ Supportive pro-business policies
- ❑ Second fastest growing economy in the world 2009 by economic intelligence unit



INVESTMENT OPPORTUNITIES

Government encourages investment in nine priorities within priorities:

- Agriculture and Food security
- The Green Belt Initiative
- Education Science and Development
- Transport and Nsanje Inland World Free Port/ Shire Zambezi Waterway
- Climate Change, Natural Resources and Environment
- Integrated rural development
- Public health, sanitation, and HIV/Aids Management
- Youth Development
- Energy, Mining and Industrial Development



DWANGWA CANE FACTORY

GREEN BELT INITIATIVE (GBI)

- ❑ Aims to contribute towards the attainment of sustainable economic growth and development
- ❑ Reducing poverty, improving livelihood and sustainable food security
- ❑ Target coverage of 1 million hectares of land



SHIRE VALLEY IRRIGATION SCHEME

Target 42,320 hectares

The project would involve:

- ✓ Conducting feasibility studies
- ✓ Construction of irrigation canal infrastructure
- ✓ Building warehouses
- ✓ Bringing electricity infrastructure
- ✓ Cold rooms
- ✓ Agro-processing factories
- ✓ Road network construction
- ✓ Health centres
- ✓ Banks school

MPATAMANGA GORGE HYDRO POWER PROJECT

Construction of Hydro power station of 310 MW

ACTIVITIES:

- ✓ Feasibility studies
- ✓ Conducting and EIA
- ✓ Construction of hydro electricity generation plant
- ✓ Other related infrastructure

Total Investment is \$310million



LOWER FUFU HYDRO POWER PROJECT

Construction of Hydro power station South Rukuru River

Pre-feasibility studies were done by Norconsult in March 1996

This has estimated potential to generate 100 – 175MW with gross head ranging from 345-365m.

Detailed Feasibility Studies and EIA including designing of the Power Plant recommended

Total Investment is \$140million



RAILWAY REHABILITATION PROJECT

797 km of railway track

ACTIVITIES:

- ✓ Rehabilitation of the 495 km railway tracks
- ✓ Rehabilitation of bridges and culverts
- ✓ Acquisition of operational vehicles and equipment.
- ✓ Construction of main and sub-stations

Total Investment is \$200 million



LIKOMA JETTY CONSTRUCTION PROJECT

Construction of Bailey bridge and floating pontoon

Construction of Buildings

(a) Warehouse

(b) Offices

(c) Arrival and Departure Terminals

(d) Staff Houses

(e) Security Equipment

(f) Rescue Boats

Supply of port

Total Investment is \$20 million

REGIONAL COMMUNICATIONS INFRASTRUCTURE PROJECT

The government through the PPP arrangement seek to attract new private sector investment in Malawi to lay fiber optic cable telecommunication backbone infrastructure connectivity to Malawi from Daar es Salaam and onward transit over submarine optic cable.

Aims to diversify international routes and reducing international connectivity prices through increased competition

Designated route is Lilongwe-Karonga 670km

ACTIVITIES

- Construct, install, maintain and operate a Virtual Landing Point(VLP) and fiber optic cable system between the VLP in Lilongwe and an interconnection point at Malawi Tanzania Border with the corresponding fiber optic cable telecommunication facilities in Tanzania and onward transit over submarine optic cable.



Total Estimated cost **\$10MILLION**

CHILEKA AIRPORT PROJECT

- Total Investment \$200million

- Expanding Runway: 4.7km

- Rehabilitation of Terminal Building



- Airport Security Fence



KAMUZU AIRPORT PROJECT

- Total Investment \$150million



- Rehabilitation of Terminal Building



- New Runway for domestic flights

INVESTMENT PROCESS IN MALAWI

- ❑ Register a company with Registrar of companies
- ❑ Minimum investment : \$50,000
- ❑ Investment License with MIPA
- ❑ Investment License: \$1000
- ❑ Temporary Employment Temporary(TEP):
 - ❑ Fees: \$850
 - ❑ Expatriates
 - ❑ Valid for 2 years renewable
- ❑ Business Residence Permit (BRP)
 - ❑ Fees : \$3,500
 - ❑ Company directors
 - ❑ Valid for 5 years
- ❑ Other approvals such as Title deeds, EIAs, Mineral Prospecting Licenses, MBS certifications etc.

INVESTMENT ENABLING ENVIRONMENT

- ✓ PPP transactions fully covered by the PPP Act Number 27 of 2011
- ✓ PPP Arrangements fully provided for in the PPP Act
- ✓ Functions and Obligations of contracting parties fully provided in the PPP Act
- ✓ Security of investment, issues of dispute handling are adequately addressed in the PPP Act
- ✓ In addition, Malawi is signatory to MIGA and many multilateral and regional bodies, therefore, your investment is more than safe in Malawi

INFRASTRUCTURE INVESTMENT INCENTIVES

- ❑ 40 percent investment allowance on qualifying expenditure for new building and machinery;
- ❑ Allowance up to 20 percent for used buildings and machinery
- ❑ Allowance for manufacturing companies to deduct all operating expenses incurred up to 25 months prior to the start of operations;
- ❑ Loss carry forward of up to seven years, enabling companies to take advantage of allowances;
- ❑ Free repatriation of profits, dividends and royalties
- ❑ Duty and Excise free importation of raw materials under Industrial Rebate Scheme
- ❑ Duty and Excise free importation of machinery and equipments.
- ❑ Minister of Finance has powers to grant extra investment incentives as per investor request through MITC

INVESTMENT AND BUSINESS INQUIRY

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THE END

MANY

THANKS

