

Malawi

Key indicators

Population (millions)	18.6
GDP (\$ billions)	5.5
GDP per capita (\$)	293.8
Share of world GDP (PPP\$, %)	0.0
Current account surplus/deficit, share of GDP (%)	-15.8
Tariff preference margin (percentage points)	8.6
Imports and exports (goods and services), share of GDP (%)	52.8
Services exports, share of total exports (%)	8.8
Geographic region	Africa
Country group	LDC, LLDC
Income group	Low income

SME Competitiveness Grid Summary

Average scores [0-100]	Compete	Connect	Change
Small	28.7	27.2	32.7
Medium	41.3	58.1	54.3
Large	54.0	75.1	59.8
All	37.9	39.8	47.3
BUSINESS ECOSYSTEM	37.3	32.4	48.0
NATIONAL ENVIRONMENT	49.7	12.5	30.2

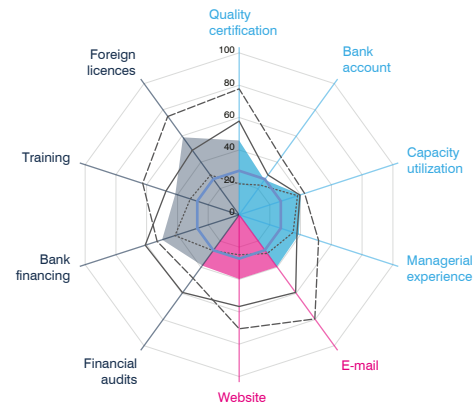
Reference level: 27.1 (a function of GDP per capita)

Weaknesses are scores below: 13.6 | **Strengths are scores above: 40.7**

SME Competitiveness Grid

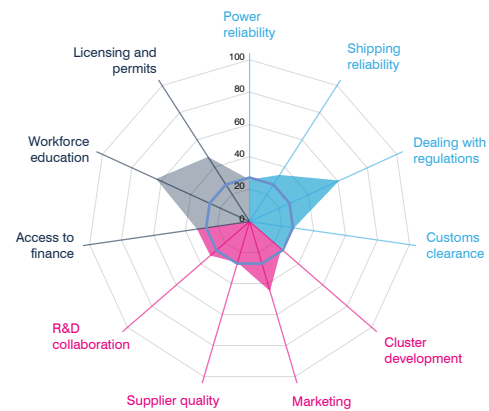
FIRM CAPABILITIES (Normalized scores)

Compete	Small	Medium	Large	All
International quality certificate	19.1	57.8	77.8	45.9
Bank account	22.5	30.3	44.0	26.8
Capacity utilization	38.0	39.6	42.6	40.1
Managerial experience	35.2	37.6	51.7	38.9
Connect				
E-mail	29.5	59.5	79.7	39.8
Firm website	24.8	56.7	70.5	39.7
Change				
Audited financial statement	27.4	59.5	48.4	38.8
Investment financed by banks	41.6	61.0	53.2	50.0
Formal training programme	31.7	47.5	62.6	41.4
Foreign technology licences	30.2	49.2	75.0	59.1



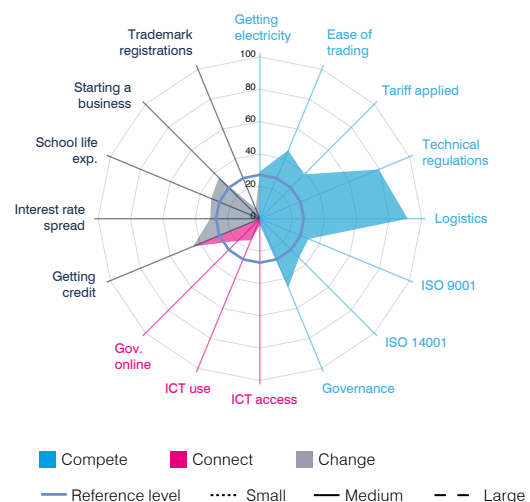
BUSINESS ECOSYSTEM (Normalized scores)

Compete	Small	Medium	Large	All
Power reliability	27.5	20.4	33.1	25.9
Domestic shipping reliability	50.0	46.0	16.0	34.2
Dealing with regulations	65.9	54.0	57.7	61.1
Customs clearance efficiency	-	0.0	48.2	27.9
Connect				
State of cluster development				25.9
Extent of marketing				44.9
Local supplier quality				26.5
University-industry collaboration in R&D				32.2
Change				
Access to finance	27.9	34.5	52.6	32.9
Access to educated workforce	62.8	61.4	70.2	63.6
Business licensing and permits	43.9	52.5	54.9	47.5



NATIONAL ENVIRONMENT (Normalized scores)

Compete	All
Getting electricity	29.2
Ease of trading across borders	45.8
Applied tariff, trade-weighted average	38.7
Prevalence of technical regulations	79.5
Faced tariff, trade-weighted average	91.4
Logistics performance index	-
ISO 9001 quality certificates	32.5
ISO 14001 environmental certificates	34.1
Governance index	46.0
Connect	
ICT access	4.0
ICT use	14.3
Government's online service	19.3
Change	
Ease of getting credit	44.8
Interest rate spread	30.7
School life expectancy	32.6
Ease of starting a business	36.0
Patent applications	-
Trademark registrations	6.8



Note: Scores range from 0 to 100, a higher score indicates a better outcome. Series with missing data are indicated as (-) in the tables and omitted from the radar charts.

Source: World Bank Enterprise Survey (2014) for firm level data; for other sources and methodology see Annex.

SME Export Potential

Malawi is a low income country with a population of 18.6 million and GDP of \$5.5 billion. Goods and services account for 91.2% and 8.8% of exports, respectively.

The country's unrealized potential to increase existing exports lies mainly within its home region and to Asia and Europe (see table below). *Birds' eggs* have an unrealized export potential in the home region of nearly \$18 million. Other products with unrealized potential to these regions include *black tea* and *groundnuts*.

Regarding new export products, Malawi has diversification opportunities in chemicals, beverages as well as minerals and metals with products such as *wattle extract*, *unfermented pineapple juice*, and *Portland cement*. The production of the latter good involves a relatively strong representation of SMEs and scores relatively well on the price stability indicator. Other products identified for diversification include *undenatured ethyl alcohol* and *flat-rolled products of iron or non-alloy steel*.

Small firms in Malawi perform well in dealing with regulations and accessing an educated workforce. They underperform, however, in owning international quality certificates. This category is also the largest performance gap between small and large firms. The country's national environment scores well in the trade policy-related indicator.

Unrealized potential: Existing export products

Product description	Product code	Exports (\$ million)	Value of unrealized potential exports by destination (\$ million)					Development indicators						
			Africa	Americas	Asia	Europe	Oceania	Price stability	SME presence	Women employed	Technology			
			0 38	0 38	0 38	0 38	0 38							
Raw cane sugar, in solid form, not containing added flavouring or colouring matter	1701XX	93	38		38						Green	Red	Green	Green
Birds' eggs, in shell, fresh, preserved or cooked	0407	13	38								Red	Red	Red	Red
Groundnuts, whether or not shelled or broken (excluding roasted or otherwise cooked)	1202	28					38				Green	Red	Red	Red
Black fermented tea and partly fermented tea, whether or not flavoured, in immediate packings...	090240	77	38								Green	Red	Red	Red
Fresh or dried nuts (excluding coconuts, Brazil nuts, cashew nuts, almonds, hazelnuts, filberts, walnuts...	0802Xc	17									Red	Red	Red	Red
Dried, shelled peas "Pisum sativum", whether or not skinned or split	071310	15									Green	Red	Red	Red
Self-propelled mechanical shovels, excavators and shovel loaders (excluding self-propelled...	842959	5	38								Red	Green	Red	Green
Wood, sawn or chipped lengthwise, sliced or peeled, sanded or end-jointed, of a thickness of > 6 mm...	4407Xb	6									Green	Red	Red	Red
Wheat or meslin flour	110100	3	38								Green	Red	Green	Green
Cotton, neither carded nor combed	520100	35									Green	Red	Red	Red

Notes: Unrealized potential table: Top 10 products in decreasing order of unrealized export potential to the world. **Exports:** Average value over 2011-2015. **Price stability, SME presence, and Women employed:** Green - performance above a country's trade-weighted mean. Red - the opposite. **Technology:** Green - transformed products exported by countries at least matching the country's per capita GDP. Red - the opposite. Blank spaces - data not available.

Source: ITC Export Potential Map, <http://exportpotential.intracen.org>