

# MALAWI

## INVESTMENT PROJECTS

# 2016





**PROFESSOR ARTHUR PETER MUTHARIKA**  
**PRESIDENT OF THE REPUBLIC**  
**OF MALAWI**



# FOREWORD

**H.E PROFESSOR ARTHUR PETER MUTHARIKA**  
**PRESIDENT OF THE REPUBLIC OF MALAWI**

I was pleased to present the first Malawi Investment Projects Compendium to investors in 2014. The response was overwhelming. It is in fact amazing to see what we have achieved through the first compendium outline.

My Government has been able to attract investors who pledged to invest more than US\$500 million in 2015. I cannot take such a massive response from the private sector for granted.

When I became President of Malawi in 2014, I promised to support and strengthen the private sector because it is the engine for economic development. The net effect of the first compendium therefore was that it began to attract investors who can lead to the growth of our economy. We need to apply more effort for us to keep moving forward.

I am therefore delighted to present to you yet another compilation of transformational investment projects in this revised Malawi Investment Projects Compendium 2016.

This is an inspiring volume that will motivate more transformational decisions for the growth of the Malawi economy. The Compendium also provides another life time opportunity to discover new secrets of investment prosperity. Like its predecessor, the 2016 Compendium has prioritized projects which Government deems to be essential to the development of Malawi.

In this regard, our focus has remained on promoting investments that lead to sustainable economic growth

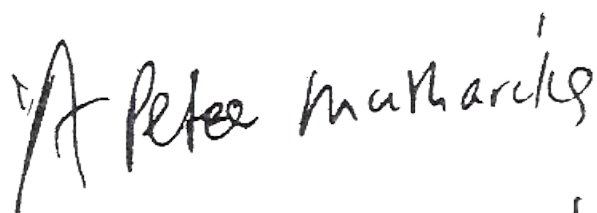
through the thematic areas identified in the Malawi Growth and Development Strategy II. These areas are:

- (1) Agriculture and Food Security;
- (2) Transport Infrastructure;
- (3) Energy, Industrial Development, Mining and Tourism;
- (4) Education Science and Technology;
- (5) Public Health, Sanitation, Malaria and HIV/AIDS Management;
- (6) Integrated Rural Development;
- (7) Green Belt Irrigation and Water Development;
- (8) Child Development, Youth Development and Empowerment; and
- (9) Climate Change, Natural Resources and Environmental Management.

Unlike its predecessor however, this Compendium contains projects which will remind the reader that my Government recognizes that investors are not here for charity. They are here to do business with us. They need to make profit. In return, we will bring more technology to Malawi, create wealth, create jobs, and transfer skills to local people. Investment benefits the investor, the country and the people.

To all the investors, both domestic and foreign, I welcome you to our land of opportunities. Rest assured that my Government will support you throughout the investment process and the entire lifespan of your investment.

I am certain that you will enjoy exploring the opportunities in this Compendium. Make Malawi your home of investment.



**HIS EXCELLENCY PROFESSOR ARTHUR PETER MUTHARIKA**  
**PRESIDENT OF THE REPUBLIC OF MALAWI**



**HON. JOSEPH MATHYOLA MWANAMVEKHA MP,  
MINISTER OF INDUSTRY, TRADE AND  
TOURISM**



# PREFACE

BY HON. JOSEPH MATHYOLA MWANAMVEKHA MP,  
MINISTER OF INDUSTRY, TRADE AND TOURISM

It is with utmost pleasure that I present the 2016 Investment Projects Compendium for Malawi. After developing the Investments Projects Compendium 2014 and having successfully marketed it, the government, through my Ministry, sent a strong message that our desire to promote private sector led growth is matched by action. It is in the same spirit that the Malawi Investment Projects Compendium 2016 has been crafted. This compendium provides a buffet of compelling investment opportunities in the different priority sectors of our economy.

Promotion of private sector development remains at the heart of the Government's development agenda, realizing that a vibrant private sector spearheads economic growth and development. To this end, the government continues to create an enabling environment for businesses.

The business process reengineering which was conducted in 2014 has yielded tremendous results with the creation of the One Stop Service Centre (OSSC) at the Malawi Investment and Trade Centre (MITC). The OSSC ensures that investors get all essential services at the convenience of one roof.

The presence of officers from the Malawi Revenue Authority (MRA), the Ministry of Lands Housing and urban Development, the Registrar General's Office and the Department of Immigration at the OSSC ensures that the Centre expedites the processing of land acquisition, business registration, investment certificates, business resident permits (BRPs) and employment permits among others. This has contributed to Malawi's recent improvement on the Doing Business index.

The government is also implementing the National Single Window (NSW) which is an automated information

transaction system through which a trader can submit electronic trade declarations to various authorities for processing and approval in a single application. The NSW is expected to reduce any delays and high costs associated with trade facilitation, and in the process ease doing business in Malawi.

I would like to assure all investors, existing and potential, that the government is committed to, and will continue supporting the business community by providing reliable and effective transport, communications as well as energy infrastructure which are key factors in all investment decisions.

In this vein, the government is tirelessly improving transport infrastructure to ensure that the country is well connected with regional markets and the world at large. Government will very soon be awarding approvals to Independent Power Producers (IPPs) in order to ensure reliable and consistent power supply for both industrial and domestic use. This will significantly reduce the cost of doing business.

With the very best of Malawi's investment opportunities unearthed in this document, I sincerely hope that investors will not hesitate to take advantage of the same. I believe these projects offer a great chance for investors to grow their businesses which will eventually lead the country on its economic structural transformation and industrialization trajectory.

In this compendium, you will find investment projects that are ready for offtake. I therefore call upon all potential investors to come and invest in Malawi and expect the best returns.



**HON. JOSEPH MATHYOLA MWANAMVEKHA MP,**  
MINISTER OF INDUSTRY, TRADE AND TOURISM



CLEMENT ANDREW KUMBEMBA

**CHIEF EXECUTIVE OFFICER**

MALAWI INVESTMENT AND TRADE CENTRE



# INTRODUCTION

BY CLEMENT ANDREW KUMBEMBA

CHIEF EXECUTIVE OFFICER, MALAWI INVESTMENT AND TRADE CENTRE

It has now been two years since I last felt this happy about my work. Nothing brings me more satisfaction than to see a satisfied investor, whether domestic or foreign. When we launched the first Malawi Investment Projects Compendium in 2014, it was a clear message to the private sector that indeed we are in a new era where it is no longer business as usual, especially in the public sector.

The response we received from the private sector is a clear indication that Malawi is indeed destined for economic success. That is why I am now happy, again, to be part of those responsible for that economic break-through, by presenting to you another volume of what you have been waiting for, the Malawi Investment Projects Compendium 2016.

This compendium comes as one of the government efforts to improve the ease of doing business in Malawi as it provides valuable information which would have otherwise been obtained at a high cost if investors were to look for it on their own.

The information is a product of coordinated efforts from different government departments and private sector organizations. It, therefore, provides investment projects that reflect a balance between goals from all the stakeholders who are part and parcel of the development process.

During the implementation of the previous compendium, the main challenge faced was that some of the projects

which were being promoted were not well defined for implementation. Therefore, automatically, it became as a priority when developing this compendium that those projects which suffered this deficiency be refined so that our valued clients should be making well informed decisions. In addition, we have added new projects which present our clients with more options and we are glad to let you know that the 2016 project compendium has focused on a wider numbers of sectors.

This compendium, however, while it provides critical information in terms of where the winners in business should be focusing on, it is not the answer to all the business questions that our clients usually have, but MITC is.

Therefore, I would like to ask all readers to engage further with the Malawi Investment and Trade Centre for further technical support with regards to issues of investment and trade regardless of whether it has been covered in this compendium or not. We have a dedicated team that gets satisfied only when the investor is satisfied.

Lastly, let me thank the President of the Republic of Malawi, Professor Arthur Peter Mutharika for the valuable support and guidance he has provided to my organization in developing this compendium. Let me also thank the Ministry of Industry, Trade and Tourism for directing us every step of the way. To our clients, my message is simply that, we exist to serve you, and as MITC, we are proud to continue existing for this valuable purpose.



**CLEMENT ANDREW KUMBEMBA**

CHIEF EXECUTIVE OFFICER, MALAWI INVESTMENT AND TRADE CENTRE

# Malawi

## *In Brief*



Malawi is a safe, sensible and profitable free market economy, strategically located between Zambia, Tanzania and Mozambique which are all huge markets. Malawi is well positioned to act as your global export base in an increasingly competitive market, where timely access to raw materials and markets is critical to successful business.

Though small in size, Malawi is part of a huge regional and intra-regional market. Malawi offers cost-effective labour which is paramount to business profitability. The country is also ranked highly as a peaceful nation with relatively low crime rate.

### MARKET ACCESS

Malawi is party to a number of regional and international trade agreements that has proved to be enormous benefits to new and existing investors. Malawi enjoys:

- Preferential trade agreement with China
- Bilateral agreements with Zimbabwe, Mozambique and South Africa
- SADC
- COMESA
- AGOA
- Everything But Arms (EBA)

### WHY INVEST IN MALAWI

#### 1. STREAMLINED INVESTMENT ESTABLISHMENT PROCEDURES

Malawi operates the One-Stop Service Centre through MITC, where investors get all necessary investment-processing requirements under one roof in just under five days.

#### 2. POLITICAL STABILITY AND SECURITY

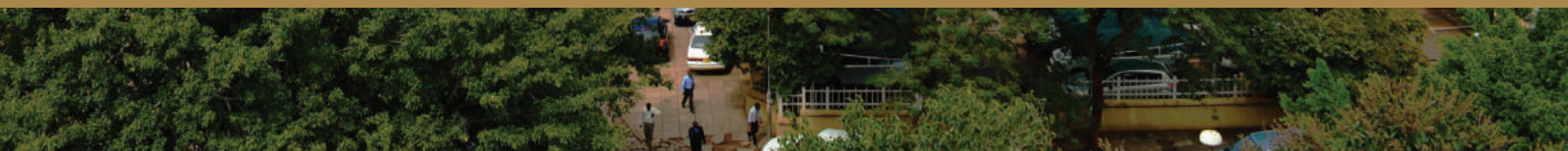
Malawi has no history of civil war and has a vibrant democracy.

#### 3. LIBERALISED ECONOMY AND POLITICAL COMMITMENT

Market-determined interest rates and floating exchange rate. Government Support towards private sector growth and development through reforms and strategic co-investments and turn-key projects.

#### 4. COMPETITIVE LABOUR MARKET

Malawi prides itself on its large, highly educated, skilled, hardworking, trainable English speaking workforce trained within the country and in institutions around the world.







#### 5. PREFERENTIAL ACCESS TO MARKETS

Malawi is signatory to a number of multilateral and bilateral trade agreements as part of its trade policy. These provide preferential access to world markets under COMESA, SADC, EU and AGOA.

#### 6. UNTAPPED INVESTMENT OPPORTUNITIES

Malawi is a gold mine, flooded with untapped economic opportunities waiting to be explored. Potential opportunities for investment abound, particularly in the following sectors: agriculture, energy, mining, manufacturing, infrastructure development/ICT, Tourism and finance.

#### 7. INVESTOR-FRIENDLY CLIMATE

Malawi offers an increasingly attractive destination for foreign investors, with competitive investors' tax incentives package. The country is party to investor protection agreements and is becoming the most competitive place to do business in the region.

#### 8. EASE OF ACCESS

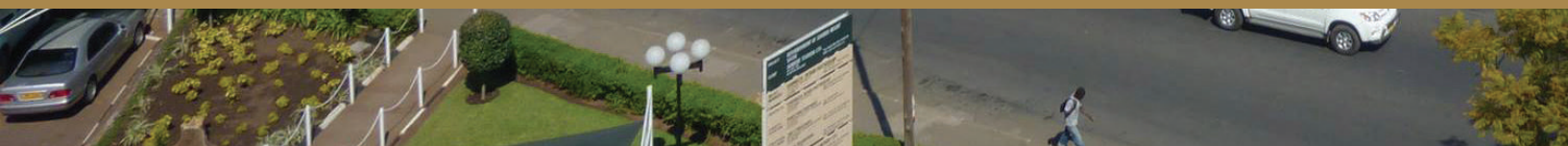
Malawi has modern telecommunication, daily flight connections and access to regional and international markets.

#### 9. GROWING ECONOMY

The country has been showing an upward trend in economic growth since 2007.

#### 10. DEVELOPING INFRASTRUCTURE

Malawi has seen tremendous infrastructure development in the last ten years in sectors such as transport and property development.



# ABOUT MITC

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Malawi Investment and Trade Centre (MITC) is an organisation established by an act of Parliament, The Investment and Export Promotion Act, to become an integrated Investment and Trade Promotion Centre with an encompassing mandate of investment promotion and attraction, and export promotion.

MITC identifies, develops and packages investment opportunities in Malawi; provides a professional service to all clientele; brands and markets Malawi as an investment destination; retains and expands trade and export activities and links opportunities to the developmental needs of the Malawi community.

Through its critical role within Malawi's economy, MITC further encourages domestic investment and expansion, promotes locally manufactured goods to regional and international markets, contributes towards improvement of the investment climate through policy advocacy, increases citizen participation in the economy and creates sustainable job opportunities.

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

## SERVICES

### INVESTMENT PROMOTION AND FACILITATION

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MITC's Investment Promotion and Facilitation function focuses on promoting investment opportunities in Malawi, attracting both domestic and foreign investments into targeted growth sectors and on providing a resource of information to stimulate the investment climate in Malawi.

In actively promoting business investment in Malawi, MITC provides a range of services, which include:

- Project Appraisal
- Site Identification and Evaluation (Under the auspices of the Lands Specialist within the One Stop Service Centre)
- Business Permits (under the auspices of the Immigration specialist within the One Stop Service Centre)
- Joint Venture Facilitation

- General Business Advice
- Business Retention and After Care services
- Facilitation of access to Incentives
- Inward and outward investment promotion missions
- Project Profiling

### TRADE PROMOTION AND FACILITATION

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MITC's Trade Promotion and Facilitation's function is to identify market outlets for locally manufactured products, with a major strategic focus on discovering and promoting new products that are suitable for export.

Export Promotion Interventions: Missions and Trade Fairs

Working in conjunction with Malawi manufacturers, producers and exporters, MITC actively engages in export promotion events in foreign markets, designed to advance the following objectives:

- Expose Malawi's manufacturers and producers to foreign markets and increase the number of exporting companies that export by heightening their awareness of potential export opportunities; training and guiding to their first export sales.
- Promote Malawi products in foreign markets and increase export sales.
- Train and guide existing exporters and potential exporters in consolidating foreign market presence and in product diversification.
- Penetrate new markets.
- Expand Malawi's market share both regionally and internationally
- MITC's trade promotion programme aims to diversify and expand the country's exports; training companies to be export ready, with a special focus on targeting sectors highlighted in the National Export Strategy and identifying potential sectors for growth.

### BUSINESS INFORMATION SERVICES

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MITC offers a wide range of business information services. The Centre provides inquiry –reply services, dissemination, information research, reference services, internet, printing services and product displays.



# THE ONE STOP SERVICE CENTRE



Malawi is a solid investment choice, open to partner with the right companies and ready to support business investment from around the world.

MITC is your first point of contact for investment enquiries and has the expertise to provide you with an efficient and rewarding business experience. At MITC's One Stop Service Centre you are guaranteed the following:

#### CONVENIENCE

Key investment related permits and Government services accessed under one roof

#### EFFICIENCY

All services facilitated within a predefined short timeframe

#### PROFESSIONAL GUIDANCE

Direct access to senior officials with vast experience and knowledge in their fields

#### KEY SERVICES OFFERED

- Facilitation of company registration and incorporation
- Processing and issuance of Investment Certificates
- Processing and issuance of Employment Permits and Business Residence Permits
- Facilitation of access to land for investment
- Facilitation of access to tax incentives
- Facilitation of access to other sector permits and investor requirements

#### FOR MORE INFORMATION, CONTACT US ON:-

The One Stop Service Centre | Malawi Investment and Trade centre  
Private Bag 302, Lilongwe 3, Malawi.

Tel: +265 770 800 / +265 771 315; | Fax: +265 771 781 | Email: [onestop@mitc.mw](mailto:onestop@mitc.mw)  
Website: [www.mitc.mw](http://www.mitc.mw)



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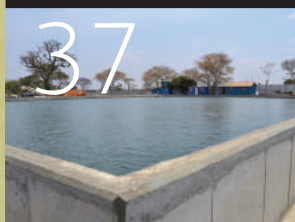
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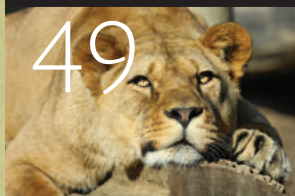
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Tanzania | Uganda | Mozambique







# 1.0

## ENERGY SECTOR

Malawi's ever-growing economy has stretched the demand for energy required for profitable functioning of domestic and industrial activities. Generally, the demand for biomass energy far exceeds the demand for electricity and petroleum because many people rely on wood for fuel. Most of the industrial activities depend on hydro-electric power which is commonly prey to droughts and high operational costs leading to persistent erratic electricity supply. Compared to the 315MW that was achievable in 2015, the electricity generation requirement alone is expected to hit over 1000 MW by 2020, a figure that calls for considerable amounts of new investments. The growth of energy demand is expected not to slow down as the economy continues to expand and many more development projects set in.

In light of this, the Government of Malawi has aligned its policies, in addition to introducing fiscal incentives, to facilitate increased investments in the generation, transmission and distribution of electricity. The Government has opened up the energy sector to both public and independent power producers to ensure that the country's economic development is not hampered by energy gaps. The presence of abundant year-round sunlight and strong winds present investors with opportunities to venture into other forms of energy production beyond hydroelectric power. The following section singles out projects viable for investment.



## 1.1 DEVELOPMENT OF A BIO-GAS AND BIO-REFINERY PROJECT IN ZOMBA

### PROJECT DESCRIPTION

Production of renewable energy generated from biomass resources from crop, plant and animal residues and forest-based value added products.

### PROPOSED INVESTMENT

The project proposes two complementing streams to produce the renewable power:

1. Use of anaerobic digestion technology to convert into biogas the residues from slaughterhouses; residual manure; sewage from animal breeding and residual stovers; and rapiers from vegetable crops;
2. The second system involves the 'Innovative Bio-Refinery' that produces fuel grade gasoil and kerosene through bio-cracking of residual biomass and/or organic wastes: the so called 'Synthetic Fuel Catalytic Cracking (SFCC)' process

### PROJECT LOCATION

The project will be located in Mangochi and is owned by Maldeco, a local company that is well established in the fisheries industry. Mangochi is about 220 kilometers from Blantyre.

### ESTIMATED COST OF PROJECT

A feasibility study is yet to be undertaken for the Malawi project. However, based on a similar project implemented in Indonesia, the total project cost is €15,830,000 both for the biogas and bio-refinery plants (€4,370,000 and €11,460,000 respectively for the complementing streams).

### PROJECT REQUIREMENT

The project is seeking equity or financing partners and the promoter is open to discussion with possible partners on an effective working collaboration.

#### CONTACTS



#### THE MANAGING DIRECTOR MALDECO

P O Box 45, Mangochi, MALAWI. • Tel: +265 (0) 1 594 300 • Fax: +265 (0) 1 594 724

## 1.2 ESTABLISHMENT OF 80-MW COAL POWERED PLANT

### PROJECT DESCRIPTION

Mchenga Coal Mine Ltd is the largest coal mine in Malawi with production capacity of 6,000mt/month. The Mine sells coal as an industrial fuel to local industry: tobacco, textiles, cement, food and beverage manufacturers, steel and poultry processing. It also exports coal to Tanzania. The Mine does not currently produce enough coal for existing customers and is unable to exploit other markets such as schools and hospitals. As a consequence, some 4,000mt/mth has to be imported to fill the industry supply gap. Mchenga has proven reserves of 2.5 million tonnes of high quality coal with coking properties.

### PROPOSED INVESTMENT

The project proposes to construct a modular 80 MW coal fired power plant on or near the mine to produce and supply power to the grid. However, this phase will come after the mine has opened new mine working areas within Mchenga's 24 Km<sup>2</sup> mining concession and to expand production to 20,000mt/month.

### PROJECT LOCATION

Mchenga Coal Mine is located in the Northern Region of Malawi, at Chiweta, Rumphi District.

### ESTIMATED COST OF PROJECT

US\$175m is required for the Coal Mine Expansion & Building the 80 MW Coal Powered Plant phased as follows:

Phase I: \$5m Expansion of Coal Mine Output .

Phase II: \$170m 80 MW Coal Fired Power Plant



## PROJECT REQUIREMENT

The project is seeking a Loan/Equity/Joint Venture Partner and a Technical Partner and are open to discussion with possible partners on an effective working collaboration.

### CONTACTS



Mr Lincoln Baily, OPERATIONS DIRECTOR **MCHENGA COAL MINE LIMITED**

Tel: +265 (0) 1 334 493 • Fax: + 265 (0) 1 332 298 • E-mail: lbailey@gis.mw

• lbailey@mchengacoalmine.mw

## 1.3 CONSTRUCTION AND MANAGEMENT OF A HYDRO-POWER STATION ON MULUNGUZI RIVER

### PROJECT DESCRIPTION

This project aims at generating additional hydro-sourced electricity to supplement Zomba City's electric power requirements which presently falls short by about 13 MW. In 2008, Zomba City Council with technical and financial support from the Germany Government undertook a pre-feasibility study on the viability of the Mulunguzi Dam to generate hydro-electric power.

### PROPOSED INVESTMENT

The project proposes a 9 Megawatt hydro-power plant.

### PROJECT LOCATION

The project will be located on Zomba Plateau in Zomba.

### ESTIMATED COST OF PROJECT

The detailed costs will be determined after a feasibility study is undertaken by the interested party.

### PROJECT REQUIREMENT

The project will be implemented under a Public-Private Partnership structure. The parties will agree on a plausible operating structure.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER **ZOMBA CITY COUNCIL**

Tel: +265 (0) 1 525 039 • Fax: +265 (0) 1 525 367

## 1.4 LOWER SONGWE DAM AND HYDRO-POWER PLANT PROJECT UNDER THE SONGWE RIVER BASIN DEVELOPMENT PROGRAMME

### PROJECT DESCRIPTION

The Songwe River Basin Development Programme (SRBDP) is a bilateral initiative between Malawi and Tanzania on the trans-boundary Songwe River. The SRBDP has now grown to become a major international, trans-boundary river basin development intervention consisting of significant multipurpose water resources and power infrastructure. The Programme was designed to have three phases out of which Phase I and Phase II have been accomplished successfully and Phase III is underway for implementation.

With a catchment area of 3,559 km<sup>2</sup> and an average annual inflow of 38 m<sup>3</sup>/s, the reservoir of the Lower Songwe Dam has a total volume of almost 330 Mio. m<sup>3</sup> at the full supply level of 820.00 m asl. Having this reservoir as a storage volume, the project is designed to fulfil the following purposes:

- i) Generation of hydroelectric power by utilizing the head between the water level impounded by the dam and the tailwater level in the river further downstream, at the location of the tailrace outlet;
- ii) Flood protection for the downstream reach of the Songwe River, particularly for the Lower Songwe Sub-Basin (floodplain), by retaining flood waters in the reservoir.
- iii) Provision of irrigation water for the irrigation areas in the floodplain.

Other potential uses of the reservoir could be the promotion of fisheries and tourism in the area.

### PROPOSED INVESTMENT

One of the interventions is for the development of the Lower Songwe Dam and Hydropower plant with a capacity of 180.2MW.

### PROJECT LOCATION

The Lower Songwe Dam and Hydropower Plant ("HPP) is located in Ileje and Kyela Districts on the Tanzania side and Chitipa and Karonga Districts on the Malawi side, at the boundary where the Songwe River leaves its Middle Sub-Basin and enters into the Lower Sub-Basin.

### ESTIMATED COST OF PROJECT

The total project cost the Lower Songwe Dam and Hydro-power Plant is USD 550,000,000.

### PROJECT REQUIREMENT

The project intends to involve private sector participation through investment in the energy sector component of the entire program. Expressions of Interest should be made to the Ministry of Natural Resources, Energy and Mines.

#### CONTACTS:



**THE PRINCIPAL SECRETARY, MINISTRY OF NATURAL RESOURCES, ENERGY AND MINES**

Tel: +265 (0) 1 789 488/ +265 (0) 1 788 135

## 1.5 KHOLOMBIDZO HYDRO-POWER PLANT

### PROJECT DESCRIPTION

Malawi's growing demand for power has put considerable strain on the limited capacity of the power supply network. This has resulted in several investments stalling due to unavailability of adequate power supply.

Only about 8% of the population has access to electricity, mostly in urban centers. For the 80% of the people living in rural areas, access to electricity is less than 1%. Currently, electricity supply cannot meet demand and new capacity is urgently needed in the generation system.

The lack of access to modern electricity for a large segment of the population is evidenced by the heavy utilization of biomass to meet a high proportion of the country's energy demand. This unsustainable level of biomass energy usage for household cooking is an increasingly critical development issue in Malawi.

Growing demand for charcoal and wood fuel has been a primary factor in the widespread exhaustion of woodlots across Malawi, with notable, "hotspots" more than 100 km in diameter around the main cities and in the Shire Valley. The impacts are multi-sectoral: deforestation is resulting in soil fertility degradation, erosion and river siltation, which in turn undermine subsistence livelihoods, increase flood risks and damage hydro-power infrastructure.

### PROPOSED INVESTMENT

The project proposes a 200 Megawatt hydro-power plant. The main structures of the project will include a diversion dam and appurtenant structures and the left bank underground waterway and power generation system. Surface powerhouse equipped with four 53 MW class Francis turbine coupled to a 66,5 MVA generator.



The Kholombidzo HPP site is utilizing the natural head at Shire river, the Kholombidzo falls and Toni rapids, located downstream of existing Matope bridge. The natural head the rapids offer is approximately 55 m.

Flow duration curve variability at Kholombidzo can be considered low. The Shire river flow regime at Kholombidzo suggests a minimum turbinised flow in the order of magnitude of 100-150 m<sup>3</sup>/s in order to avoid outages in operation due to insufficient inflow. The design of the powerhouse and number of units' selection shall take this factor into consideration. The transmission line will be designed to conform with the existing installations as much as possible. It is proposed that the two 132 kV Double Circuit Transmission Lines be run on Lattice Steel Towers and the conductors have to be of type Lynx running in a flat formation. The power will be evacuated to the new Phombeya substation located 16 kilometers from the power plant.

## PROJECT LOCATION

The Kholombidzo HPP is the first step of the cascade development of the middle Shire river. It is located 60 km downstream of Liwonde barrage and 18 km upstream of Nkula HPP.

The location requires minimal compensation expenses of the community because the area between the proposed generation site and Kammwamba trading centre is less developed. When the line crosses the M1 road to join the 132kV power corridor, there is an secured wayleave all the way to the proposed Phombeya Substation.

The location has a flat terrain, therefore less challenging during construction and maintenance.

## ESTIMATED COST OF PROJECT

A Bankable feasibility study, which is presently underway, will be completed by December, 2016. However, preliminary feasibility studies have revealed that the project will cost about US\$ 435 million with specific project investments ranging from 1,750 to 2,360 USD/kW.

## PROPOSED PARTNERSHIP

Once the feasibility study is complete, the project will be packaged for a competitive bidding process. However, interested promoters are welcome to submit their Expressions of Interest which will form part of the possible short-listed incumbents.

### CONTACTS



#### PRINCIPAL SECRETARY, MINISTRY OF NATURAL RESOURCES, ENERGY AND MINING

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## 1.6 LOWER FUFU HYDRO-POWER PLANT

### PROJECT DESCRIPTION

The Fufu Hydroelectric Power Project has been identified as one of the best and most viable major hydroelectric power sites in the Northern Region in screening (reconnaissance) studies conducted by various consultants. The hydropower potential sites in the South Rukuru and North Rumphi river catchments is estimated to be Malawi's second largest basins for power potential (after the Shire river).

Almost 98% of Malawi's power generation comes from hydro, and most of it exists on the Shire river which is marred with challenges like siltation and inadequate water supply thereby affecting power generation and increasing power blackouts. Over reliance of power from shire river, which is in the southern part of Malawi has proven costly especially when transmitting power to the northern part of the country due to electricity losses. The Fufu power plant will reduce power transmission losses and provide diversification of power sources.

### PROPOSED INVESTMENT

The project proposes a 200 Megawatt hydro-power plant. The main structures of the project will include a dam and underground waterway and power generation system, and a surface powerhouse equipped with four 50 MW class Francis turbine generator.

The FUFU HPP will utilize water from the south Rukuru and north rumphi rivers, that will both feed into the dam which will be constructed at Fufu falls. The preliminary studies have shown that the power plant will have same value for energy throughout the year. However, if one considers the limited storage capacity of the hydropower production assets of Malawi, having additional production during the dry season, (since most other hydropower plants in the country are run-of-river), can be beneficial. Therefore, FUFU site having a dam option, with possibility to regulate the flow with a relatively large reservoir, provides potential added benefits.

Water from south Rukuru is not enough to keep the power plant running for the whole year. This being the case, the plant will divert water from north rumphi river into the Fufu power plant's dam so as to maximize plant availability.

The transmission line will be designed to conform with the existing installations as much as possible. It is proposed that power will be evacuated to the nearest substation which is Bwengu, about 40 kilometers from the power plant.

## PROJECT LOCATION

The area of the Fufu project extends from the Livingstonia Hills and Uzumara Plateau, where the South Rukuru flows in the Northern part of its valley, to the shore of Lake Malawi in the East.

## ESTIMATED COST OF PROJECT

The information provided is based on preliminary studies done. However, the full feasibility study that will inform on the detailed costs is in progress. The bankable feasibility study will be completed by April, 2017. Nonetheless, preliminary feasibility studies have revealed that the project will cost will be about US\$ 244 million.

## PROPOSED PARTNERSHIP

Once the feasibility study is complete, the project will be packaged for a competitive bidding process. However, interested promoters are welcome to submit their Expressions of Interest which will form part of the possible short-listed incumbents.

### CONTACTS



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## 1.7 MPATAMANGA HYDRO-POWER PLANT

### PROJECT DESCRIPTION

Mpatamanga Hydropower Project is located at Shire River, in between the existing HPPs Tedzani and Kapichira. Mpatamanga HPP offers the possibility to cover both the peak and off-peak power demands on a mid- and long-term basis, with the power potential of more than 300 MW. Compared to the present power production capacities of Malawi, which amount to approximately 350 MW, Mpatamanga HPP shall take over the role of the country's lead power plant. Similarly, to the development of the existing power plants at the Shire river, which followed the development of the power system of the country, the Mpatamanga HPP can be developed in stages, thus following/responding to the actual needs of the power system/power demand.

After the interconnecting transmission line (backbone TL project, 400 kV) is built, Mpatamanga HPP is envisioned to represent one of the main regional production capacities, both for the provision of peak and off-peak power.

The key to the definition of the design parameters (dam height, reservoir volume and installed discharge in the first line) at Mpatamanga HPP is its role in the system. As the Malawi power system is in an early stage of development, the importance of provision of peak power should be explored and the technical and financial performance evaluated accordingly. Key role in the strategic, conceptual planning of Mpatamanga HPP on the short- mid and long-term horizon have the MONREM and ESCOM.



## PROPOSED INVESTMENT

The project proposes a 350 Megawatt hydro-power plant. The present design envisions 90 MW each. This will be the subject of the subsequent optimization analyses to be performed within the full FS level. Mpatamanga dam is located at the upstream end of Mpatamanga Gorge. It is envisioned as a rockfill dam, approximately 45 m high with the crest elevation at 280 masl. Dam crest elevation and the reservoir operating levels were governed by the tailwater level at the upstream located HPP Tedzani. Normal Operating Level of 275 masl was preliminarily selected.

Considering the long amount of available hydrological records and corresponding hydrological analyses, the hydrology is known quite well. Nevertheless, in hydrological predictions certain amount of risks remains.

Splitting of the installed discharge into higher number of units shall increase the flexibility of the plant toward different flow availability.

The plant will be connected to the existing power network system via approximately 20 km long transmission line, operated at the 132 kV voltage level. The line route will follow the corridor of the existing Transmission Line Tedzani - Kapichira. Depending on the finally selected installed capacity at the Mpatamanga HPP, the transmission line will be either double or triple circuit.

## PROJECT LOCATION

Mpatamanga Hydropower Project is located at Shire River, in between the existing HPPs Tedzani and Kapichira. Mpatamanga dam will be located at the upstream end of Mpatamanga Gorge.

## ESTIMATED COST OF PROJECT

A bankable feasibility study, which is currently underway, will be completed by April, 2017. However, preliminary feasibility studies have revealed that the project will cost about US\$ 435 million with specific project investments ranging from 1,750 to 2,360 USD/kW.

## PROPOSED PARTNERSHIP

Once the feasibility study is complete, the project will be packaged for a competitive bidding process. However, interested promoters are welcome to submit their Expressions of Interest which will form part of the possible short-listed incumbents.

### CONTACTS



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## 1.8 WASTE TO ENERGY (BLANTYRE CITY COUNCIL)

### INTRODUCTION

Blantyre City is the commercial and industrial capital of Malawi with current population of around 1,100,000. The population exceeds to a million during the day with people coming in from Chiradzulu and Thyolo to work in the City. The City has of late been experiencing high urbanization rates of around 5% per annum.

Blantyre City is home to most of the commercial banks and industries. The City offers numerous economic opportunities such as retail trade, construction, manufacturing of food products, transport, textile manufacturing, motor vehicle sales among others. About 45% of Blantyre's population is employed in the private sector, 12% in the public sector, 36% are self-employed, and 7% work in the agricultural sector. Over 65% of the city residents reside in the informal and peri-urban settlements.

Blantyre is nationally and regionally linked with road, rail and air transport. These provide an important contribution to the functioning of the City as the commercial and industrial hub of the country.



## PROJECT DESCRIPTION AND LAYOUT

The Blantyre City Council, which is the custodian of the City of Blantyre, aspires the development of a waste to energy project that would supply to the national grid or that can alternatively identify particular targets to which to supply its electricity.

Average solid waste amount generated each day in Blantyre is over 600 metric tons, 80 % of which is organic and biodegradable. There is potential of higher volumes of solid waste because in the peri-urban areas, there is no regular solid waste collection system in place, partly because there are few access roads for the City trucks to get there. As a result, household solid waste is often dumped into pits, drains, or indiscriminately discarded on the streets.

## ESTIMATED FINANCIAL INDICATORS

• Project Cost	:	Not determined
• Production estimate	:	Accumulative amount not determined
• Estimated price/unit	:	Not determined
• Possible Annual Revenues	:	Not determined

## PROPOSED PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK

The Blantyre City Council invites Expressions of Interest for private off-takers for this project.

### CONTACTS



**CHIEF EXECUTIVE OFFICER, BLANTYRE CITY COUNCIL**

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## 1.9 WASTE TO ENERGY PROJECT (LILONGWE CITY COUNCIL)

### INTRODUCTION

Lilongwe City Council is mandated to offer Lilongwe City's residents and businesses with quality and reliable infrastructure, services and facilities within the context of a well-planned City. Lilongwe City Council's role is to lead the process in this respect and to enable the investment environment in Lilongwe for private sector participation in the development process of the City.

Issues of Waste to Energy come under the Directorate of Health and Social Welfare Services whose operations are mainly guided by the Public Health Act and Lilongwe City Council by-laws such as the Food By-law, Solid Waste Management By-law, the Occupation and Business Licensing By-law, Control of Animals By-law etc.

### PROJECT DESCRIPTION AND LAYOUT

The Lilongwe City Council is responsible for collecting and dumping waste from households, business premises, and from within the open city to a pre-stipulated dumping site. However, this waste, while accumulating over the years, has not been utilized in any way for productive use.

Government has therefore conceptualized the prospect to use the waste to produce energy. The capacity for production will be determined by short-listed promoters in their Expressions of Interest.

Lilongwe produces over 150 tonnes of waste per day. However, this figure represents waste collected mostly from residential areas but misses out data from other sources. Thus, the actual figures are much higher than this.

### ESTIMATED FINANCIAL INDICATORS

• Project Cost	:	Not determined
• Production estimate	:	Over 150 tons per day
• Estimated price/unit	:	Not determined
• Possible Annual Revenues	:	Not determined

### PROPOSED PUBLIC-PRIVATE PARTNERSHIP FRAMEWORK

The Lilongwe City Council, working with the Public Private Partnership Commission (PPPC) seeks an operator that will finance, build, own and operate the facility

### CONTACTS



#### CHIEF EXECUTIVE OFFICER, LILONGWE CITY COUNCIL

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## *Regulating Energy for Sustainable Development*

MERA is a body corporate established under the Energy Regulatory Act No. 20 of 2004 as the Energy Sector-wide Regulator with the mandate to regulate the energy sector in Malawi in a fair, transparent, efficient and cost effective manner for the benefit of the consumers and operators. This mandate is derived from the Energy Laws in general and the Energy Regulation Act in particular. Specifically, MERA is mandate mandated to:

1. receive and process license applications for energy undertakings;
2. grant, revoke or amend licenses under the Act and Energy Laws;
3. approve tariffs and prices of energy sales and services;
4. monitor and enforce compliance by licensees with licensing conditions granted under the Act and the Energy Laws;
5. develop and enforce performance and safety standards for energy undertakings;
6. prescribe and collect fees, charges, levies or rates under the Energy Regulation Act and Energy Laws;
7. arbitrate commercial disputes under the Act and Energy Laws; and do all such things as are necessary or incidental or conducive to the better carrying out of the functions of the Authority provided for in the Act and Energy Laws;
8. promote the interest of consumers of energy with respect to energy prices and charges and the continuity and quality of energy;
9. monitor the efficiency and performance of energy undertakings, having regard to the purpose for which they were established;
10. in conjunction with other relevant agencies, monitor the levels and structures of competition within the energy sector in order that competition in, and accessibility to, the energy sector in Malawi should be promoted;
11. facilitate increasing access to energy supplies;
12. promote energy efficiency and energy saving;
13. promote consumer awareness and education;
14. promote the integrity and sustainability of energy undertakings and seek to ensure that energy undertakings, whilst providing efficient service, are able to finance the carrying on of the activities which they are licensed or authorized to carry on;
15. in conjunction with other relevant agencies, formulate measures to minimize the environmental impact of the exploitation, production, transportation, storage, supply and use of energy and enforce such measures by the inclusion of appropriate conditions to licenses held by energy undertakings;
16. promote the exploitation of renewable energy resources; and
17. take all such measures as are necessary to fulfil the above purposes through regulations to be made under this Act or the Energy Laws.

Contact details:

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Website : [www.meramalawi.mw](http://www.meramalawi.mw)





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CDH House 5, Independence Drive, Blantyre, Malawi  
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**Lilongwe Banking Centre**  
City Mall, Miching' Roundabout, Lilongwe 3, Malawi  
Tel: +265 (0) 1 753 464, Fax: +265 (0) 1 753 833

**Unmodi Park Agency**  
Unmodi Park, Chilimbwe Road, City Centre, Lilongwe, Malawi  
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# 2.0

## MINING SECTOR

Mineral exploration in Malawi started a long time ago in 1906 and so far the country has undertaken four phases of exploration programs. Among these, the most recent exploration program was conducted between the years 2013-2014 and the data was launched on 20 August 2015. This involved radiometric and gravity methods and it has since put Malawi on the map as one of the few countries in Africa to have conducted a country wide high resolution Airborne Geophysical Survey Programme. As an outcome from such activities, the government has gathered important information indicating the likelihood of availability of different valuable minerals in the country including Uranium, Niobium, Tantalum, Bauxite, Coal, Cement, Nickel, Copper, Platinum, Rubies, Chromium, Lead, Zinc, Phosphate, Gold, Potassium, Rare earths and petroleum.

In Malawi, mining activities are regulated by the Ministry of Energy, Mining and Natural Resources. Following the discovery of these minerals, several companies have been issued with certificates to carry out exploration/mining activities.

However, although Malawi started showing interest in the sector in the early years of the previous century, it is only

within the previous decade that government has stepped up its efforts in developing the sector. Thus within this period, the government started recognizing the mining sector as one of the pillars of the economic development such that after mining of Uranium started, the sector qualified as the second largest foreign exchange earner in the country where tobacco remains the first.

Therefore, while in the past mining has been ignored (when compared to high employment creating sectors like Agriculture), upon recognizing the revenue potential mining has, government has recently put in place incentives to attract potential investors with the aim of transforming the mining sector into a potential leading sector that drives the economy. This has so far seen the sector's contribution to GDP growth from 5 percent in 2005 to 10.8 percent in 2010. Key to the sector's economic contribution will be beneficiation of the resources.

If an investor wishes to obtain an exploration license in Malawi, the best way is to start by looking at the data from the country wide airborne geophysical survey. Thus this part of the compendium presents opportunities in the sector.

## 2.1 KANYIKA NOBIUM MINE

### PROJECT DESCRIPTION

The Kanyika Mining Project is a mining and mineral processing enterprise that is planned to elevate Malawi into the ranks of the world's major producers of the specialty-metal Niobium (Nb).

Processing of the Kanyika orebody will produce a mineral concentrate, which will be smelted to yield Niobium (Nb) and Tantalum (Ta) ferrometal products.

Mining will involve conventional open-cast methods: drill-and-blast followed by load-haul using large mechanical shovels and off-road haul-trucks. The project will launch with several 'starter pits', linking subsequently into a single major excavation.

Ultimately, the Kanyika open pit will extend for 2.2 km, by 300 m wide and 130 m deep. Ore will be trucked to the plant for crushing, processing, and concentrating – with waste rock being used for civils construction and roadbuilding.

### PROPOSED INVESTMENT AND LAYOUT

Phase 1 of the project is designed – initially - to produce ~1,500 tons a year of Nb and up to 100 t/y of Ta. A minor fraction of uranium present in the orebody will be securely stockpiled for possible subsequent extraction, dependent on favourable economic conditions in the future.

The plan currently allows for the project to operate in excess of 21 years, with further identification of resources allowing the time-scale to be extended.

### PROJECT LOCATION

Kanyika is located in the Mzimba District in the Northern Region of Malawi, approximately 55 km north east of the town of Kasungu and 180 km by road from the Malawian capital of Lilongwe. The project site falls within the area of Traditional Authority (TA) of Mabulabo, and is located on the edge of a three tier boundary separating the TAs of Mabulabo and Sim-lemba; the boundary between the districts of Mzimba and Kasungu; and the frontier between the Northern and Central Regions of Malawi. The administrative centre for the Northern Region is Mzuzu with Lilongwe being the administrative centre for the Central Region.

### ESTIMATED COST OF PROJECT

The projected Capital investment requirement for Phase 1 is estimated at US\$150 million.

### PROPOSED PARTNERSHIP

Globe Metals and Mining Limited, Australian developers of the Kanyika project, are in discussion with potential Malawian investors aimed at enabling meaningful local participation. Substantial international financial backing will be required for the successful development of the Kanyika Niobium Project.

### CONTACTS



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# 3.0

## AGRICULTURE SECTOR

The Malawian economy is agrarian in nature. This is most evidenced with the agricultural sector accounting for an average of 80 percent of the labour force and about 30 percent of GDP, providing nearly 65 percent of raw materials for the manufacturing sector, dominating the export commodity bundle with tobacco accounting for about 50 percent of all exports, and perhaps most telling, catering for 63 percent of the income of the rural people who make up a significant proportion of the population. The sector has long been identified as key for ensuring food security and propelling economic growth.

The agriculture sector is however characterized by numerous constraints that include dependence on rain-fed farming, low productivity, high transport costs, inadequate farmer organizations, insufficient extension services, inadequate markets and market information, limited access to agricultural credit, inefficient input and output markets and low technology development, low absorption of improved technologies, weak private sector participation, and lack of investment in mechanization. And as is usually the case, such a need opens up opportunity for investment.

With these constraints in mind government developed policy thrusts that focused on enhancing agricultural productivity, diversification, and food security. These initiatives would allow moving up the value chain in key crops and livestock and increase agro-processed products for both domestic and export markets.

The Agriculture Sector Wide Approach was introduced in order to provide a strategy for supporting priority activities in the agricultural sector to increase agricultural productivity as well as agro-processing activities. And in line with this strategy, investments within the agricultural sector are afforded a number of incentives with particular focus on agro-processing as a priority industry as qualifying investments enjoy a zero rated corporate tax for any number of years not exceeding 10.

The sector however also presents other investment opportunities such as plantation agriculture of various crops (including Macadamia Nuts, Rubber, Coffee, and Sugar), irrigation agriculture to utilize abundant water resources and value addition of a number of agricultural commodities that are mostly exported in their primary state.

## 3.1 COMMERCIAL FARMING ON 24,000 HECTARES OF LAND

### PROJECT DESCRIPTION

Press Agriculture Limited (PAL) is an agricultural company that is involved in the commercial growing of such various crops as flue cured tobacco, commercial maize, commercial sugar beans for export and seed crops including maize, soya, beans, groundnuts and cowpeas. PAL currently produces approximately 45% of Malawi's seed crop production for Monsanto, SeedCo, Demeter Agriculture Limited and Pannar Seed. The company recently divested out of tobacco and has been focusing on various cereals and legume crops for both local and export market.

The company is the single largest land holder in Malawi and has a gross of 34,000 hectares of land (arable approximately 25,000 hectares) on 75 estates in the Kasungu and Mchinji Districts of Malawi. Out of the 34,000 hectares, PAL is currently operating on 22,500 hectares while the remaining 11,500 hectares were subleased on long term basis.

### PROPOSED INVESTMENT

PAL has 22,500 hectares of available land on which it intends to:

1. Recapitalize its operations in the initial 10 years by investing in farm equipment, a pigeon pea (DHAL) processing plant and irrigation equipment. The company has 16 dams with a capacity of 2.5 billion litres of water that require maintenance, electrification and piping. New dams will also be constructed;
2. Increase its crop production from an annual average of 3,000 hectares in the 2015/16 season to 12,500 hectares beginning the 2016/17 season and further increase to 13,200 hectares from the 2017/18 season; Grow an average of 7,000 hectares of pigeon peas for value addition and export and 4,500 hectares of commercial maize for the strategic grain reserves Project

### PROJECT LOCATION

The affected estates are located in Kasungu and Mchinji (Central Region of Malawi).

### ESTIMATED COST OF PROJECT

US\$50 million

### PROJECT REQUIREMENT

PAL is initially looking for DEBT FINANCING for its working capital. Press Trust ("PT"), a Trust registered in Malawi ("the Controlling Shareholder"), would also consider equity partnership or joint venture in PAL. In the event of equity partnership, the controlling shareholder would consider a negotiated dilution of its current stake in Press Agriculture Limited from 93% to below 50%.

#### CONTACTS:



#### THE CHIEF EXECUTIVE OFFICER **PRESS AGRICULTURE LIMITED**

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## 3.2 DEVELOPMENT OF HORTICULTURE FARM AT KAMUZU INTERNATIONAL AIRPORT

### PROJECT DESCRIPTION

Kamuzu International Airport directly and indirectly supports over 10,000 jobs which are estimated to be worth over US\$141 million in total annual incomes. Kamuzu International Airport is the main international gateway into Malawi and both directly and indirectly connects to over 100 destinations worldwide. Plans to more than double passenger growth by 2020 will continue to see this growth benefiting the local and international economy. The airport is managed by Airport Development Limited (ADL)



### PROPOSED INVESTMENT

ADL owns approximately 300 hectares of arable farming land on which it envisages the development of a horticulture farm producing products largely for the export market. Detailed assessment of the actual horticulture products that can be viable for the purpose has not been done.

### PROJECT LOCATION

At the peripherals of Kamuzu International Airport in Lumbadzi.

### ESTIMATED COST OF PROJECT

A study is yet to be undertaken. However, the promoters have engaged experts to undertake an analysis of what horticulture crops could be developed.

### PROJECT REQUIREMENT

The project is seeking an equity and technical partner who can finance and manage the project under a Public-Private Partnership. A plausible partnership structure will be discussed with the interested party.

#### CONTACTS:



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## 3.3 COMMERCIAL DAIRY PRODUCTION

### PROJECT DESCRIPTION

This project entails a community-based commercial dairy production plant on an impact investment model. The plant will purchase milk from the farmers who will be given dairy cows and will manage them under supervision, and the milk will be purchased exclusively by the plant in which, as an incentive for loyalty, the farmers will have a share in. Thus, value will be added to farmers' raw milk by pasteurizing it, which will then be packaged and sold to end consumers. The farmers will own part of the shares of the processing company thereby earning dividends from profits and part of their earnings from the processing company will be saved in a local savings cooperative to be formed as part of the project.

### PROPOSED INVESTMENT

A project that will produce wholesome fresh milk, yoghurts and juices. Participating farmers will be grouped into functional and formal cooperatives that will own the dairy cattle. The cooperatives will also own 20% shares in the processing plant and any subsequent value addition activity based on the cooperative activities.

### PROJECT LOCATION

Chiradzulu, in the Southern Region of Malawi.

### ESTIMATED COST OF PROJECT

The estimated cost of the project is US\$2.25 million.

### PROJECT REQUIREMENT

The project promoters are looking for financial and/or equity partners. Shareholding structure will be discussed.

#### CONTACTS



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## 3.4 COMMERCIAL FARMING PROJECT

### PROJECT DESCRIPTION

NASFAM is a farmer-member controlled system. This control starts at Association level. The NASFAM system is organised into a unique extension network to support its membership of around 100,000 smallholder farmers. The smallest operational unit of NASFAM is the Club, made up of 10-15 individual farmers. Clubs combine to form Action Groups that are the key points in the extension network for dissemination of information to members, and for the bulking of member crops. Action Groups combine to form NASFAM's Associations. Currently, NASFAM has 43 associations.

NASFAM also has a profit-oriented arm called NASFAM Commercial, which provides services to the NASFAM system in terms of commodity trading, product development and commercialization, marketing programs, wholesale and retail sales, crop financing and input supply.

### PROPOSED INVESTMENT

NASFAM owns two farms on which it intends to undertake commercial farming activities. Determination of exact activities to carry out is yet to be undertaken. However, both farms present a vast potential for the development of a wide variety of crops & livestock.

### PROJECT LOCATION

Farm 1 is located in Mbalachanda in Mzimba district and is 2,000 hectares. The farm has a dam and is surrounded by virgin forest.

Farm 2 is located in Kasungu and is 3,500 hectares. The farm has electricity, and has two dams, a school and a clinic. It is close to the M1 road and has a lot of outgrower potential.

### ESTIMATED COST OF PROJECT

Studies are yet to be undertaken to determine specific economic interventions and costs thereof that will be undertaken at the respective farms. However, this can be done in collaboration with an interested party.

### PROJECT REQUIREMENT

The project is open to a long lease, joint venture or other possible arrangements.

#### CONTACTS:



#### THE CHIEF EXECUTIVE OFFICER **NASFAM**

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Website: [www.nasfam.org](http://www.nasfam.org)

## 3.5 AFRI-SEED

### PROJECT DESCRIPTION

Afri-Seed Limited is a limited liability company incorporated under the Companies Act in Malawi whose business model uses rural women for seed production. The organization's goal is to achieve a combination of traditional farming methods, irrigation farming and mobile technology to improve the efficiency and quality of legume seed yield. Afri-Seed provides the agri-inputs, access to contract commodity buyers, extension services, grading services, packaging services, and farm mechanization to sustainably achieve its aspired goals.

Afri-Seed is a growing company with huge potential, considering that 90% of Malawi's economic activities surround agriculture. Presently, annual turnover is in excess of US\$2 million. The company's activities cover soya and groundnut seed production, packaging, hiring out of farming equipment and seed marketing. There is huge demand for these products both on the local, regional and extra-regional markets. Presently, the company has developed pigeon peas on 1,000 hectares (community-based) destined for the export market.

### PROPOSED INVESTMENT

The proposed investment entails purchasing breeder seed and all required farm inputs, purchasing of farm and irrigation equipment, construction of warehouses for seed storage and distribution and purchase of packaging equipment.



### PROJECT LOCATION

Presently, Afri-Seed interventions are mostly concentrated in the Eastern Region of Malawi, and parts of the Central Region, but with potential to extend to the northern and southern regions of the country.

### ESTIMATED COST OF PROJECT

Estimated financial outlay to enable cost-effective sustainable operations is US\$2 million.

### PROJECT REQUIREMENT

The project seeks equity/financial partner.

#### CONTACTS



MS GRACE MIJIGA, MANAGING DIRECTOR **AFRISEED**  
Mobile: +265 (0) 999 953 596 • Email: [gracemijiga@yahoo.co.uk](mailto:gracemijiga@yahoo.co.uk)

## 3.6 COMMERCIAL IRRIGATION FARMING

### PROJECT DESCRIPTION

Malembo 1 & 2 are estates under Mpatsa Farms Limited. Malembo 1 Estate comprises of virgin land covering 700 hectares stretching from the lake to the main road. Malembo 2 also encompasses virgin and fertile soils covering 400 hectares. The estates are 7 kilometres apart of each other. Lake Malawi is third largest lake in Africa and has water which can be used for irrigation at the estates even if the rains are unavailable.

Malembo 1 has grown crops such as maize, Sunflower and vegetables at a small scale on trial basis. Malembo 2 estate is still virgin and requires thorough cultivation in order to begin crop cultivation.

Both estates have flat lands which can wholly be cultivated under rain-fed as well as irrigation cropping. The Estates will be utilized into growing legumes for export market with other crops grown for crop rotation purposes.

### PROPOSED INVESTMENT

Mpatsa Farms Limited is embarking on a project at Malembo Estate to utilize water from Lake Malawi to produce two cycles of harvest in a year earmarked for the export market. PV solar irrigation system will be installed and commissioned on the entire estate. Consolidated annual yield for the estates is projected at an average of 3,780 metric tonnes.

### PROJECT LOCATION

Malembo 1 & 2 Estates are situated along the Lake Malawi in Mangochi district and have a consolidated arable virgin land of 1,100 hectares.

### ESTIMATED COST OF PROJECT

USD6,400,000 (capital investment and working capital)

### PROJECT REQUIREMENT:

The project is seeking equity or financing partners and are open to discussion with possible partners on an effective working collaboration

#### CONTACTS:



MR KOREA MPATSA, MANAGING DIRECTOR **MPATSA HOLDINGS LIMITED**  
P O Box 3055, Blantyre, Malawi • Tel: +265 (0) 1 824 454 • Email: [jimmy@mpatsa.com](mailto:jimmy@mpatsa.com)

## 3.7 COMMERCIAL FARMING UTILIZING PV SOLAR POWERED IRRIGATION

### PROJECT DESCRIPTION

Khonjeni Estate is owned by Mphatsa Holdings Limited and sits on a 700 hectare land in Thyolo, a district in the southern region of Malawi. It has a water dam with a capacity of 1.5 billion litres. For many years the estate has been registering minimum success with average harvests mainly from rain-fed agricultural cropping.

Khonjeni Estate intends to utilize its water dam to produce two cycles of harvest in a year thereby contributing to the national food security through cultivation of crops such as maize and rice as well as contribute to the country's foreign exchange earnings through export of legumes. The farm will soon venture into Seed multiplication.

### PROPOSED INVESTMENT

The project entails development of a mechanized PV solar irrigation system to replace the present irrigation system driven by hydroelectric power supplied by the country's power generation company, ESCOM. The farm currently has a total of 300 hectares under irrigation and a plan is being executed to make an additional 100 hectares, making it 400 hectares under irrigation. Essentially the estate is being redesigned to be financially profitable, with better returns on investment through a cost-effective and sustainable irrigation system coupled with additional land under irrigation farming.

### PROJECT LOCATION

The Estate is located at Khonjeni in Thyolo district, about 15 kilometres from the Thyolo – Mulanje main road. It has the following facilities;

- Dam – A dam with a capacity of 1.5 billion litres of water which is mainly used for irrigation, and other minor activities as may be required at the estate.
- Sheds – The estate has the processing sheds where activities like shelling, sorting and parking take place
- Warehouse – This a sizable storage facility which will be used to temporarily store produce before being taken to market
- Farm manager's house

### ESTIMATED COST OF PROJECT

USD3, 278,000 (capital investment and working capital).

### PROJECT REQUIREMENT

The project is seeking equity or financing partners and are open to discussion with possible partners on an effective working collaboration.

#### CONTACTS:



**MR KOREA MPATSA, MANAGING DIRECTOR MPATSA HOLDINGS LIMITED**  
P O Box 3055, Blantyre, Malawi • Tel: +265 (0) 1 824 454 • Email: jimmy@mpatsa.com







## MALAWI'S DIVERSIFIED STRATEGIC AND INVESTMENT PARTNER



Agricultural value addition,  
grading, re-handling and hessian  
scheme management.



**Agricultural Trading Company**

Agro-inputs and equipment,  
pest control services and commodity trading.



**AHL Tobacco Sales**

Conducting transparent selling of Malawi tobacco,  
administering tax collection and aggregating  
foreign exchange proceeds from tobacco.



**Malawi Leaf Company Limited**

Purchasing, processing and exporting tobacco  
to various destinations worldwide.



**AHL Commodities Exchange**

Providing efficient, fair and transparent  
marketing platform for agricultural commodities.



**AHL Chemicals and Steel Limited**

Production and marketing of agrochemicals  
and steel products.









A photograph of a lush green rice field with rows of rice plants growing in water. In the background, there are rolling hills under a clear sky. A green horizontal bar with rounded ends is positioned at the top of the image, containing the text '4.0' and 'AGRI-BUSINESS' in white.

# 4.0

# AGRI-BUSINESS



## 4.1 COMMERCIAL RICE MILLING

### PROJECT DESCRIPTION

Nkhotakota Milling Company Limited buys Rice (Paddy) from smallholder farmers, processes it into polished rice and packages it under the brand name SUNGU for sale to off-takers who are mainly chain store owners within the Republic of Malawi. The company owns warehouses which are capable of handling 3000 metric tons of paddy and 1,000 metric tons of polished rice.

The Company intends to capitalize its operations through purchase of more machinery and expansion of its warehousing holding capacity. The company also intends to increase the capacity of its warehouses to accommodate an additional 10,000 metric tons.

The project is located on about a hectare of land next to Lake Malawi on which further developments can take place in the future. The outlay of the project infrastructure, apart from the factory facility, comprises the following:

- 3 big houses
- 4 small houses
- 1 big shed (can take up to 2,000 tonnes)
- 3 smaller brick sheds
- 1 office building
- 22 smaller houses (for menial workers)

### PROPOSED INVESTMENT

The project is to replace its obsolete and broken-down industrial mill with a new one, and also intends to structure the supply-side capacity in terms of paddy production in the fields.

### PROJECT LOCATION

Nkhotakota District.

### ESTIMATED COST OF PROJECT

US\$1 million.

### PROJECT REQUIREMENT

An equity or financial partner. Terms of any agreed-on arrangement will be discussed between the parties.

#### CONTACTS



**MR CLEMENT STAMBULI, NKHOTAKOTA MILLING COMPANY LIMITED**

P.O. Box 38, Nkhotakota, Malawi • Mobile: +265 (0) 999 650 897

Email: chestambuli@yahoo.co.uk

## 4.2 SPINNING COTTON LINT INTO YARN

### PROJECT DESCRIPTION

Cotton Spinners is a locally owned limited liability company owned by an indigenous Malawian entrepreneur. The company is yet to be operational but the promoter has done substantial assessment studies to establish the potential of the proposed venture.

On average, Malawi produces cotton on about 200,000 hectares in the lower shire valley and the lake shore areas. The lower Shire valley accounts for about 50% of the production, southern region uplands around 36% and the lake shore areas the remaining 14%.

There are currently 11 ginning companies in Malawi with a combined ginning capacity of more than 150,000MT per annum, and only one spinner of cloth in the country.

### PROPOSED INVESTMENT

- To spin cotton lint into yarn for export;
- To dye yarns, weave towels, knit jerseys, and make sewing threads (Second phase)

### PROJECT LOCATION

The project will be located along the Blantyre - Lilongwe Road, which is proximate to the export route of Beira, the shortest export route to extra-regional markets. It is the most proximate to regional markets of Mozambique, Zimbabwe, Zambia and beyond.



### ESTIMATED COST OF PROJECT

The project is estimated at US\$17 million. A feasibility study report is available.

### PROJECT REQUIREMENT

Equity/Financial partners who can take up at least 49% shareholding in the total project.

#### CONTACTS



**MR RICHARD KAZEMBE, MANAGING DIRECTOR, COTTON SPINNERS COMPANY LTD**

P/Bag 86, Lilongwe, Malawi. • Tel: +265 (0) 1 773 330. • Mobile: +265 (0) 888 843 482  
Fax: +2651775595 • Email: richardkazembe@yahoo.com

## 4.3 PRODUCTION OF DRIED FRUITS

### PROJECT DESCRIPTION

Malawi has a very varied topography within a small distance, and grows a range of fruits, often in large volumes that are not yet fully commercialized: mango, pineapple, bananas, and other products such as paprika and chilies. There is an opportunity to extend the range of fruit products offered in Malawi and the region. Competition is not well developed, and the growing middle class in the region makes new fruit-based products viable. Presently a very significant proportion of Malawi's fruit is wasted.

### PROPOSED INVESTMENT

This opportunity offers drying and packaging of various fruits for supply to local supermarkets, hawkers, caterers, the hospitality industry, and even exporting it to regional and extra-regional markets.

### PROJECT LOCATION

Fruits of various kinds are grown both widely (such as Mangoes) and in a structured manner through-out the country. Thus, location of processing facility can be determined vis-à-vis ease of access to raw materials supplies.

### ESTIMATED COST OF PROJECT

Project costs will depend on promoter's preference of project scale upon undertaking a feasibility study.

### PROJECT REQUIREMENT

The project requires a promoter to finance and own it.

#### CONTACTS



**THE CHIEF EXECUTIVE OFFICER, MALAWI INVESTMENT & TRADE CENTRE**

Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781  
Email: mitc@mitc.mw

## 4.4 FROZEN FRUIT AND VEGETABLES

### PROJECT DESCRIPTION

Malawi produces fruit and vegetables across a range of topography, from highlands to hot and humid lakeshore. Much of Malawi's production achieves low value-addition and is subject to large fluctuations in price through seasonality and spoilage. An improving logistical business environment, including opportunities in cold-chain distribution, will transform the production opportunities available, and Malawi's low-cost agricultural base can be used to better effect, efficiency and return, whereas it is currently held back not by cost of labour but by other constraints.

### PROPOSED INVESTMENT

With the present exponential growth in middle class demand for restaurants, hotel catering, and convenience foods, the need for cold-chain supplied products is imminent, with an opportunity to package and on-sell local fruits and vegetables to supermarkets, hospitality and commercial catering. Possible products include frozen mango, fresh peas, beans, tomatoes, spinach / greens, herbs.

### PROJECT LOCATION

Fruits of various kinds are grown both widely (such as Mangoes) and in a structured manner through-out the country. Thus, location of processing facility can be determined vis-à-vis ease of access to raw materials supplies.

### ESTIMATED COST OF PROJECT

Project costs will depend on the promoter's preference of project scale upon undertaking a feasibility study.

### PROJECT REQUIREMENT

The project seeks a promoter to finance and own the project.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTRE**

Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781

Email: mitc@mitc.mw

## 4.5 CONTRACT PACKAGING AND COLD CHAIN

### PROJECT DESCRIPTION

The lack of availability of high quality packaging and cold chain infrastructure is one of the most binding constraints on the growth of Malawi's manufacturing sector. Existing options limit shelf life and processing options. This tends to restrict the market potential of many goods to the domestic market. Where high quality packaging is used, this is usually imported, adding significant cost to the final output.

Currently no contract packaging service exists in Malawi and cold chain logistics and storage are limited. An investment in this area therefore has huge potential to transform Malawi's exporting capability and would have a broad client base cutting across agriculture and manufacturing.

### PROPOSED INVESTMENT

The project offers strategically located contract packaging and cold chain facilities in Malawi. By achieving scale economies, these facilities will be able to serve a whole range of firms at competitive prices, far lower than imported packaging and without the expense and risk of investing in in-house packaging and cold chain facilities. Packaged products would then be distributed locally and/or for export from the central facility.

### PROJECT LOCATION

The main project facility may be centralized in Lilongwe (the Capital City – which is centrally located in Malawi) or in Blantyre (the commercial capital city) with distribution channels through-out the country.

### ESTIMATED COST OF PROJECT

Project costs will depend on the promoter's preference of project scale upon undertaking a feasibility study.

### PROJECT REQUIREMENT

The project seeks a promoter to finance and own the project.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTRE**

Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781

Email: mitc@mitc.mw

## 4.6 STARCH PRODUCTION PLANT

### PROJECT DESCRIPTION

Malbro Group of Companies is an existing entity that is involved in various subsidiary activities, including real estate, agriculture, construction, and mining. The company is owned by indigenous Malawians. Malbro Corn Tech is a subsidiary company under the Group.



### PROPOSED INVESTMENT

The project proposes using green technology and wet mill process to convert maize into refined starches which can be used for production of products such as pharmaceuticals, textiles, ethanol, animal feed, corn oil etc. At full production the Starch plant uses just under a million tons of maize per annum. Considering the amount of waste that will be generated by the operations, the project will adopt an 80MW waste to energy plant in the second phase.

### PROJECT LOCATION

The project will be located a few kilometers from the Malawi – Zambia Border. This is for the reason that the project model involves the farming communities who are anticipated to grow 200,000 hectares of the raw material required by the project.

### ESTIMATED COST OF PROJECT

The total project cost is US\$130 million.

### PROJECT REQUIREMENT

The project seeks an equity/financial partner in the project.

#### CONTACTS



MR NOEL MALUZA, MANAGING DIRECTOR, **MALBRO LIMITED**

P /Bag 31210, Lilongwe, Malawi • Mobile: +265 (0) 999 916 106 • Email: noel.maluza@gmail.com

## 4.7 FINANCING OPPORTUNITY FOR SPINNING, WEAVING AND TEXTILE MILL

### PROJECT DESCRIPTION

Cotton Ginners Limited owns a spinning, weaving and textile mill in Blantyre. Malawi has invested significantly in the cotton industry focusing particularly on ginneries. However, Cotton Ginners Africa Limited would like to work along the value chain where they already have three ginneries. They also have a sister company which crushes cotton seed into lint and also makes laundry soap. The company now aspires to further add value to their lint with the proposed project.

With a population of over 17 million people, Malawi has 400,000 cotton farmer who produce not less than 100,000 mt of seed cotton in an area of 130,000 Ha. Approximately 39,000 mt of lint is produced per annum and out of which only 5% is used by a local manufacturer, leaving 95% for export.

### PROPOSED INVESTMENT

A 3,000 Kilowatts spinning facility utilizing latest European (Switzerland and Italy) technology on the spinning market, with opening blending and cleaning; carding; drawing; combing; Roving and Rotor spinning capabilities. The project will primarily target the export market, particularly Europe and other yarn importing countries.

### PROJECT LOCATION

Blantyre.

### ESTIMATED COST OF PROJECT

US\$ 46.8 million.

### INVESTMENT REQUIREMENTS

The project is seeking a financier.

#### CONTACTS



MANAGING DIRECTOR, **COTTON GINNERS LTD**

Private Bag 594, Liimbe, Blantyre, Malawi. • Tel: +265 (0) 1 848 817. • Fax: +265 (0) 1 848 816 • Email: spencer@cgalmw.com







5.0

FISHERIES

## 5.1 MALDECO FISHERIES PROJECT

### PROJECT DESCRIPTION

The Foods Company Limited (Maldeco) is the largest supplier of fish in Malawi through capture fisheries and aquaculture. The demand for fish is increasing with population growth and increased standard of living and urbanization. The majority of Malawi's domestic fish supply comes from the Lake Malawi Capture fishery which is showing signs of diminishing yields and future increase in fish capture is not expected.

There are no imports and surplus demand is met through fish imports. The development of aquaculture is essential in Malawi in order to secure supply of fish for the growing population, augmenting the Lake capture fisheries and replacing fish imports. At the moment, the aquaculture production in Malawi is estimated at 1,600 to 2,500 tons per year, representing approximately 2% of capture fishery output.

MALDECO is currently the main supplier of fish on the Malawi Market. The products that are currently sold by Maldeco include fresh, dry and frozen fish which is sold either whole, in chunks or filleted.

### PROPOSED INVESTMENT

MALDECO Aquaculture has planned a land based aquaculture project which entails construction of 200 ponds of 1 hectare each. The land, water and climatic conditions in Malawi are most suitable for fish farming. The project will use the "Continuous Production- Marketing Strategy" resulting in availability of fish 365 days in a year. The project will produce Tilapia Rendalli and African Catfish *Clarias gariepinus* which are both native fish species.

The project will be developed in three phases, at the end of the last phase, the total capacity will be 7,200 tons per year of fish. Human skills are locally available. The project will employ an additional 180 employees but depending on the nature of technology, there might be need to employ expatriates. In the first phase of the project, the continuous production plan of both fish species will result to 3.5 tons per week of Tilapia and 3.85 tons per week of catfish.

### PROJECT LOCATION

The project will be located in Nkhosla Estate in Mangochi district. The farm is owned by MALDECO and covers 673 hectares of land and is located 3 kilometers from Lake Malawi.

### ESTIMATED COST OF PROJECT

The feasibility study for this project was carried out in 2015. The total investment required for all three stages of the project is US\$23,372,000.00.

### PROJECT REQUIREMENT

The project promoter proposes to be the majority shareholder where they will hold at least 51%. The company is seeking equity partners to take up the rest of the stake.

#### CONTACTS:



**THE GROUP OPERATIONS EXECUTIVE, PRESS CORPORATION LIMITED**

P O Box 1227, Blantyre, Malawi • Tel: +265 (0) 1 833 569 • Website: [www.presscorp.com](http://www.presscorp.com)

## 5.2 COMMERCIAL FISH FARMING PROJECT

### PROJECT DESCRIPTION

Aqua-Engineering is a locally incorporated company promoted by two indigenous Malawian entrepreneurs. The company is headquartered in Lilongwe, the Capital City of Malawi and is already undertaking fish pond farming at a small scale.

### PROPOSED INVESTMENT

The project entails an integrated farming project proposed by the Aqua Engineering Limited along the lake shore in the district of Salima. A fish farm will be set up to grow fish in earth ponds adjacent to the lakeshore and some fish will also be grown in cages to be set up in the lake. The earth ponds will be used to produce mainly fingerlings which will be reared in the cages to market size. Some of the earth ponds will however be used to grow fish to market size to supplement the supply from the cages. Some of the fingerlings will be produced for supply to other fish farmers in the country. A commercial chicken and vegetable production unit will also be set up as part of the fish farm to achieve an integrated model.



### PROJECT LOCATION

The project will be located at Khombedza Village, Traditional Authority Bibi Kuluunda, in Salima District, Central Region of Malawi.

### ESTIMATED COST OF PROJECT

The estimated cost of the project is US\$341,000.

### PROJECT REQUIREMENT

The promoters seek a partner that would take up 51% stake in the project.

#### CONTACTS:



**LUCKY PENUMLUNGU/BRIAN RASHIDI, AQUA ENGINEERING LIMITED**

P. O. Box 30151, Lilongwe 3. Malawi • Tel: +265 (0) 997 332 255 / 999 951 955

Fax.: +265 1 701 238 • E-mail : rashidibrian@gmail.com/ pedspenumlungu@yahoo.com.

## 5.3 LAKE MALAWI AQUACULTURE PROJECT (LMAP) - CAGE CULTURE DEVELOPMENT (AT SEVERAL LOCATIONS ON LAKE MALAWI)

### PROJECT DESCRIPTION

The annual production of fish especially Chambo, has declined from about 15, 000 tonnes in the 1980s to less than 5,000 tonnes for the past two decades. This has resulted in reduced per capita fish consumption. While the per capita annual fish supply was 12.9 kg in the 1970s, this has now fallen to about 6 kg which is far below the 13-15kg as recommended by the World Health Organization (WHO).

This is despite the fact that the Malawi's fisheries sector is of great importance to the national economy as it contributes 4% to the Gross Domestic Product (GDP) and is also a source of employment, food, rural income, export, import substitution and conservation of biodiversity. The sector directly employs about over 60,000 fishers and 9,000 fish farmers and indirectly supports 500,000 people who are involved in fish processing, fish marketing, boat building and engine repair. Over 60% of dietary animal protein intake of Malawians comes from fish and 40% of the total protein supply. Much of the fish is consumed in rural areas, contributing significantly to daily nutritional requirements.

### PROPOSED INVESTMENT

The proposed project will set up a hatchery for production of high quality fingerlings for its use and for sale to farmers, produce table fish (through cage fish farming) and fish products such as fillets, sausages and canned fish for sale across the country. It will also produce fish feed for its use and for sale. The project will also buy fish from small-scale fish farmers thereby providing a ready market for the producers. This project also intends to promote fish tourism.

### PROJECT LOCATION

There are several prospective project sites which have been identified on Lake Malawi as follows: Mangochi (Southern Malawi), Salima and Nkhosha (Central Malawi), Likoma and Nkhosha-Bay (Northern Malawi).

### ESTIMATED COST OF PROJECT

A feasibility study is yet to be undertaken and will determine cost of the project. It is envisaged that the interested project promoter will undertake the feasibility study to among others determine the cost.

### PROJECT REQUIREMENT

The Government of Malawi seeks a private sector project promoter who can finance, own and manage the project on a 100% direct investment model. Joint venture between foreign and domestic investors is encouraged.

#### CONTACTS:



**DIRECTOR OF FISHERIES, DEPARTMENT OF FISHERIES**

P.O Box 593, Lilongwe • Tel. +265 (0) 1 788 511/571 • Fax. +265 (0) 1788 712

Email. fisheriesdept@sdp.org.mw

## 5.4 CAGE CULTURE FISH PRODUCTION AND PROCESSING PROJECT AT KASINTHULA IN CHIKWAWA DISTRICT.

### PROJECT DESCRIPTION

The annual production of fish especially Chambo, has declined from about 15, 000 tonnes in the 1980s to less than 5,000 tonnes for the past two decades. This has resulted in reduced per capita fish consumption. While the per capita annual fish supply was 12.9 kg in the 1970s, this has now fallen to about 6 kg which is far below the 13-15kg as recommended by the World Health Organization (WHO). This is despite the fact that the Malawi's fisheries sector is of great importance to the national economy as it contributes 4% to the gross Domestic Product (GDP) and is also a source of employment, food, rural income, export, import substitution and conservation of biodiversity. The sector directly employs about over 60,000 fishers and 9,000 fish farmers and indirectly supports 500,000 people who are involved in fish processing, fish marketing, boat building and engine repair. Over 60% of dietary animal protein intake of Malawians comes from fish and 40% of the total protein supply. Much of the fish is consumed in rural areas, contributing significantly to daily nutritional requirements.

### PROPOSED INVESTMENT

The project aims to produce Chambo fish (Tilapia) for local and international markets, and to process to add value to fish. The Components of the project will include the following:

- Fish production
- Value addition
- Feed production
- Hatchery management

### PROJECT LOCATION

The proposed area for this aquaculture investment is approximately 280 ha and is owned by the Government. It is located at Kasinthula in Chikwawa at a distance of about 10km south of Chikwawa Boma at 60 m above sea level and longitude at 340 05'E and latitude 160 00'S. In addition, water supply is guaranteed since Shire River is the main source. In terms of climate, Kasinthula records a mean annual rainfall of 700 mm, most of which comes within the short period from November to March. Maximum temperatures range from 25oC to 49oC, while the minimum temperature ranges from 10oC to 20oC which makes it more suitable for production of fish such as tilapia including *Oreochromis mossambicus*, *O. shiranus*, and *O. Karongae*.

### ESTIMATED COST OF PROJECT

A feasibility study is yet to be undertaken and will determine cost of the project. A joint feasibility study will be undertaken with the interested party to among others determine the cost.

### PROJECT REQUIREMENT

The Government of Malawi seeks an equity partner in the project. The project structure will be discussed and determined between the parties.

#### CONTACTS:



**DIRECTOR OF FISHERIES, DEPARTMENT OF FISHERIES**

P.O Box 593, Lilongwe • Tel. +265 (0) 1 788 511/571 • Fax. +265 (0) 1788 712

Email. fisheriesdept@sdnp.org.mw

## 5.5 LAKE MALAWI OFFSHORE DEEP WATER FISHING PROJECT

### PROJECT DESCRIPTION

There is a proven existence of under exploited fisheries resources in the offshore deep waters of Lake Malawi, of which about 33,000 tonnes can sustainably be exploited on an annual basis. However, appropriate technology for deep water fishing has been the main constraint. This project seeks investors who can deploy deep water fishing to exploit these potential fishery resources.





### PROPOSED INVESTMENT

The proposed Lake Malawi Fisheries Project will focus on various economic activities along the value chain. It will involve procurement of fishing vessels suitable for fish harvesting in deep waters; post-harvest handling facilities (e.g. cold rooms, ice plants and refrigerated vans); and construction of jetties. Thus, the core objectives of this project are:

- To undertake offshore deep waters fish harvesting in Lake Malawi
- To add value to fish

### PROJECT LOCATION

The areas for fish harvesting will be at various locations within Lake Malawi from Nkhotakota to Karonga.

### ESTIMATED COST OF PROJECT

A feasibility study is yet to be undertaken and will determine cost of the project. A joint feasibility study will be undertaken with the interested party to among others determine the cost.

### PROJECT REQUIREMENT

The Government is seeking a private sector promoter who can invest in the project under Government concession.

#### CONTACTS:



#### **DIRECTOR OF FISHERIES, DEPARTMENT OF FISHERIES**

P.O Box 593, Lilongwe • Tel. +265 (0) 1 788 511/571 • Fax. +265 (0) 1788 712

Email. fisheriesdept@sdnp.org.mw







# 6.0

## WATER DEVELOPMENT



## 6.1 REHABILITATION AND UPGRADING OF LIKUNI WATER SUPPLY SYSTEM

### PROJECT DESCRIPTION

The water supply market for Lilongwe Water Board has grown tremendously over the past years due to rapid urbanisation as well as population and economic growth of Lilongwe City.

The existing abstraction and water production infrastructure for LWB includes Kamuzu Dam 1 and Kamuzu Dam II (with combined capacities of 24.3million m<sup>3</sup> . Since establishment of the LWB, these infrastructures have been periodically upgraded to increase their capacity. The total available water for consumption is 81,250 m<sup>3</sup> / day. This is only even sufficient for projected demand of 2017. The project aims at increasing production for the ever growing market. Lilongwe Water Board would like to improve the efficiency of its network to reduce the Non-Revenue Water (NRW) to 20% (it's presently at 35%).

### PROPOSED INVESTMENT

Lilongwe Water Board intends to upgrade and extend Likuni water system to improve its economic efficiency. The system is presently running on aged infrastructure much of which has outlived its designed life span with more than two folds. As a result the system is not technically or economically efficient. The proposed project area has the potential to operate as an isolated strategic business unit. Thus the project will:

- conduct a detailed design study including Social and Environmental Impact Assessment studies of the system.
- supply and install a pipe network including pumping substation and storage reservoir to preserve system efficiency.

Demand assessment studies have been completed and the project is expected to provide an Internal Rate of Return of 47%.

### PROJECT LOCATION

The project already exists at Likuni within Lilongwe City.

### ESTIMATED COST OF THE PROJECT

The feasibility study for this project has not been conducted. However, an estimated cost has been developed based on proration of similar projects which have been implemented by other reputable companies in Lilongwe. The estimated cost of this investment is US\$ 5.4 million.

### PROJECT REQUIREMENTS

The project is seeking prospective partners who can invest in the project on the following optional basis:

#### a. Concessionary Loan

The investor is expected to provide capital at an agreed interest rate and repayment period as a soft loan. Lilongwe Water Board is expected to service the loan according to the terms and conditions agreed within the legal framework of Malawi Government who would provide guarantee for the loan.

#### b. Build Own Operate and Transfer (BOOT), Build Operate Transfer (BOT)

Lilongwe Water Board shall delegate to a private sector entity to design and build infrastructure and to operate and maintain these facilities for an agreed period.

#### c. Grants

The traditional assumption of water as a social commodity has necessitated financing of water related infrastructure by provision of grants subsidising the low income areas which are booming in the city of Lilongwe. An investor would consider providing an element of grant for this concept.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **LILONGWE WATER BOARD (LWB)**

P.O Box 96, Lilongwe 3 • Tel: +265 (0) 1 750 366 • Fax: +265 (0) 1 752 294

Email: madzi@lwb.mw



## 6.2 CONSTRUCTION OF LILONGWE WATER BOARD'S 30,000 M<sup>3</sup> PER DAY TREATMENT WORKS III AND ASSOCIATED WORKS

### PROJECT DESCRIPTION

The infrastructure development project aims at increasing the production of potable water with 30,000 m<sup>3</sup> /day (from 125,000 m<sup>3</sup> /day to 155,000 m<sup>3</sup> /day) so as to meet the water supply requirements of Lilongwe City up to 2022. The project will enhance an increase in customer base with additional 250,000 population equivalents in Lilongwe City requiring extension of water supply services.

### PROPOSED INVESTMENT

The project entails

- raising the intake weir at Water Works based on the recent bathymetric studies;
- conducting preliminary design studies of the raw water intake station and pre-settling structure for the new and existing treatment plants;
- constructing a 33,000 m<sup>3</sup> / per day reinforced concrete water treatment plant and associated structures

Lilongwe water Board through World Bank IDA financing has completed Preliminary Designs studies and cost estimates for the project. The investment is expected to generate a Net Present worth Value of USD 166million (assumed at 25% discounting factor) and an Internal Rate of Return of 67%.

### PROJECT LOCATION

The project will be located in Lilongwe within the premises of Lilongwe Water Board Head offices in Area 3 off Likuni Road. This new infrastructure will augment the existing treatment plants already existing in the area. The land to be used as a private land belonging to Lilongwe Water Board and is bounded by a security fence. The power supplier has dedicated transformers located in the area with enough capacity to accommodate the proposed treatment plant.

### PROPOSED INVESTMENT

The project seeks private sector participation as follows:

#### a. Concessionary Loan

The investor is expected to provide capital at an agreed interest rate and repayment period as a soft loan. Lilongwe Water Board is expected to service the loan according to the terms and conditions agreed within the legal framework of Malawi. Malawi Government would provide a guarantee for the loan.

#### b. Build Own Operate and Transfer (BOOT), Build Operate Transfer (BOT)

In the BOT (Turkey) framework a third party, Lilongwe Water Board shall delegate to a private sector entity to design and build infrastructure and to operate and maintain these facilities for an agreed period. The facility will be then transferred to the Board at the end of the concession agreement.

#### c. Public Private Partnership

A public-private partnership (PPP) between Lilongwe Water Board and a private party in which the private party manages the project and assumes substantial financial, technical and operational risk in the project. Lilongwe Water Board prepared to retain 20% of the investment cost.

#### d. Grants

The traditional assumption of water as a social commodity has necessitated financing of water related infrastructure by provision of grants subsidizing the low income areas which are booming in the City of Lilongwe. An investor should consider to provide an element of grant for this concept.

### ESTIMATED COST OF PROJECT

Lilongwe Water Board embarked on a similar project in 2014/2015 through National Water Development Project. Through the experience gained in procurement for that project the estimated cost of this investment is USD20 million.

### CONTACT



THE CHIEF EXECUTIVE OFFICER, **LILONGWE WATER BOARD (LWB)**

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Email: madzi@lwb.mw

## 6.3 DEVELOPMENT OF NTOFU DAM AND ASSOCIATED WORKS

### PROJECT DESCRIPTION

The existing abstraction and water production infrastructure for Lilongwe Water Board includes Kamuzu Dam 1 and Kamuzu Dam II (with combined capacities of 24.3 million m<sup>3</sup>) on Lilongwe River. Since establishment of LWB, these infrastructures have been periodically upgraded to increase their capacity in order to meet water demand for the city until the year 2017. Recent studies have concluded that continuously impounding Lilongwe River is technically impossible. The current production capacity of LWB's Treatment Works is 125,000 m<sup>3</sup>/day with Non-Revenue Water standing at 35%. The total available water for consumption is 81,250 m<sup>3</sup>/day. This is only sufficient for projected demand of 2017. The project aims at developing another source of water and associated production facilities.

### PROJECT INVESTMENT

Due to supply deficit against projected demand Lilongwe Water Board intends to construct a dam and associated treatment works on Ntofu River to improve the water supply continuity for the Northern part of the Lilongwe City.

### PROJECT LOCATION

The project will be located on Ntofu River in the Northern part of Lilongwe City.

### ESTIMATED COST OF THE PROJECT

The feasibility study for this project has been conducted. The total cost of this investment is US\$ 45million.

### PROJECT REQUIREMENT

The promoters seek investors on the following options:

#### a. Concessionary Loan

The investor is expected to provide capital at an agreed interest rate and repayment period as a soft loan. Lilongwe Water Board is expected to service the loan according to the terms and conditions agreed within the legal framework of Malawi.

#### b. Build Own Operate and Transfer (BOOT), Build Operate Transfer (BOT)

In the BOT (Turnkey) framework a third party, Lilongwe Water Board shall delegate to a private sector entity to design and build infrastructure and to operate and maintain these facilities for an agreed period. The Tariff model of Lilongwe Water Board shall be applied. The facility will then be transferred to the Board at the end of the concession agreement.

#### c. Public Private Partnership (PPP)

A public-private partnership (PPP) between a Lilongwe Water Board will entail, any private party, in which the private party provides and assumes substantial financial, technical and operational risk in the project. Lilongwe Water Board will retain 20% of the investment cost.

#### d. Grants

The traditional assumption of water as a social commodity has necessitated financing of water related infrastructure by provision of grants subsidising the low income areas which are booming in the city of Lilongwe.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **LILONGWE WATER BOARD (LWB)**

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## 6.4 CONSTRUCTION OF MULTIPURPOSE DAMS (3 DAMS)

### PROPOSED INVESTMENT

This opportunity entails the construction of Multipurpose Dams to supplement water demand for domestic use, irrigation, energy generation, industrial use, tourism and fisheries in designated places in Malawi. The project is intended:



- To supply a minimum yield of 250,000m<sup>3</sup> /day along Diamphwe River
- To supply 34,000 m<sup>3</sup> per day in 2025 and 75,000 m<sup>3</sup> per day in 2040 along Mzimba and Lambilambi Rivers

#### PROJECT LOCATION

- Diamphwe River in Dedza District (Central Malawi)
- Lambilambi River in Chikangawa (Northern Malawi)
- Along Mzimba River in Mzimba (Northern Malawi)

#### ESTIMATED COST OF PROJECT

For all project components, the total estimated cost for the proposed investment is U\$378.9 million.

#### PROJECT REQUIREMENT

The promoter seeks private sector promoters who could respectively build, operate and maintain the whole or part of the water supply and storage infrastructure. Remuneration will be paid through a share of tariffs (under a Public-Private Partnership framework).

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **LILONGWE WATER BOARD (LWB)**

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## 6.5 CONSTRUCTION OF INTAKE WORKS ON SHIRE RIVER, WATER TREATMENT PLANT, PUMPING STATIONS, PIPELINES AND RESERVOIRS FOR BLANTYRE

#### PROJECT DESCRIPTION

Blantyre Water Board is currently supplying potable water to over 800,000 customers within the City and surrounding areas. The customer base include industrial, commercial, institutional and domestic with 60 percent domestic customers. The Board produces 100 million litres of water per day which is a little short from the current demand of 110 million litres. Blantyre City demand is projected to increase from 110 to 230 million liters in 2040.

The population of Blantyre City during independence (1966) was 109,461 (UN-HABITAT, 2011) and increased to 661,256 in 2008 (NSO, 2008). The projection by UN-HABITAT (2011) showed that the population in 2015 would be 1,068, 681 and 1,274,564 in 2020 with growth rates ranging from 3.64 to 4.35.

#### PROPOSED INVESTMENT

This project proposes:

- To increase daily water production from the current 100 million litres to 250 million litres to meet demand for year 2040.
- To increase water storage capacity from the existing 90 million litres to 150 million liters.

The project involves construction of a new raw water intake on Shire River to produce 230 million litres of water per day. This includes construction of all associated water supply system components such as additional water treatment plant to treat 130 million litres of water, two high-lift pumping stations at Walkers Ferry on Shire River and Chileka in Blantyre. Additionally, the project will construct 4.3 km raw water transmission main of 1600 mm diameter, 40 km clear water transmission mains of 1200mm diameter, other transmission mains to reservoirs of sizes ranging from 250mm- 400 mm diameter and additional 55 million- capacity water storage reservoirs.

#### PROJECT LOCATION

The new water intake will be constructed in Mandiwa village along the Shire River. The area is under customary ownership and the Board together with Malawi Government will acquire it through normal procedures from the owners. The proposed new water intake is located at 4.3 km away from the existing Walkers Ferry Station where power will be tapped. All the other project locations have available power only that they would need upgrade to some extent.

The treatment plant, pumping stations and most reservoirs are planned to be constructed in the Board's own land and where there are existing structures. All pipelines will be installed along existing roads and highways, although in some areas within the city, some compensations will have to be made for easy access.

### ESTIMATED COST OF PROJECT

The estimated total cost of the project from the detailed design study is US\$ 165.57 million which is broken down as follows:

- Intake and Raw Water Mains US\$ 17.092 million
- Water Treatment Works and Pumping stations US\$ 56.987 million
- Transmission mains and Reservoirs US\$ 91.493 million

### PROJECT REQUIREMENT

The project preferably seeks a financier offering affordable rates.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **BLANTYRE WATER BOARD (BWB)**  
P.O Box 30369, Blantyre • Tel: +265 (0) 1 872 000 • Email: bwb@bwb.mw

## 6.6 CONSTRUCTION OF A NEW WATER SOURCE FROM LIKHUBULA RIVER IN MULANJE TO BLANTYRE

### PROJECT DESCRIPTION

The population of Blantyre City during independence (1966) was 109,461 (UN-HABITAT, 2011) and increased to 661,256 in 2008 (NSO, 2008). The projection by UN-HABITAT (2011) showed that the population in 2015 would be 1,068, 681 and 1,274,564 in 2020 with growth rates ranging from 3.64 to 4.35.

Blantyre Water Board is currently supplying potable water to over 800,000 customers within the City and surrounding areas. The customer base include industrial, commercial, institutional and domestic with 60 percent domestic customers. The Board produces 100 million litres of water per day which is a little short from the current demand of 110 million litres. Blantyre City demand is projected to increase from 110 to 230 million litres in 2040.

The implementation of this project is based on the following reasons:

- To meet demand up to 2020 which is expected to grow to about 123 million litres per day.
- To act as an alternative water source in case there is a limitation at Shire River which is the main source.

### PROPOSED INVESTMENT

The project involves construction of a new raw water intake on Likhubula River in the district of Mulanje to produce 20 million litres of water per day. This includes construction of all associated water supply system components such as water treatment plant to treat 20 million litres of water and one pumping station at Nguludi in Chiradzulu district. Additionally, the project will construct 50 km raw water transmission main of 600 mm diameter, 12 km clear water transmission main of 500 mm diameter, 6 km distribution mains of 350 mm and 400 mm diameter and one 5 million- capacity water storage reservoir.

### PROJECT LOCATION

The new water intake which is proposed to be constructed in Mulanje Mountain on Likhubula River. Mulanje Mountain is a conservation area which is managed by various groups, the most notable one being the Mulanje Mountain Conservation Trust (MMCT). The Mountain is owned by the Malawi Government.

The treatment plant and pumping station are proposed to be constructed on customary land at Nguludi in Chiradzulu district. These structures will require 2 hectares of land. On the other hand, the water reservoir is planned to be constructed on Mpingwe Hill in Blantyre on a land belonging to Blantyre City Council. The total land requirement for the reservoir is 0.5 hectares. This land will be acquired from the Council and steps have already been taken to





that effect. The first portion (6 km) of the raw water pipeline from the intake will pass through the Mulanje Forest Reserve. All other pipelines will be installed along existing roads and highways, although in some areas within the city, some compensation will have to be made for easy access.

### ESTIMATED COST OF PROJECT

The estimated total cost of the project from the detailed design study is US\$ 25 million.

### PROJECT REQUIREMENT

The project preferably seeks a financier offering affordable rates

#### CONTACTS



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## 6.7 DEVELOPMENT OF RELIABLE WATER SOURCE ON BUA RIVER AT KWENGWELE

### PROJECT DESCRIPTION

Central Region Water Board is a public commercial-statutory corporation established by the Waterworks Act No. 17 of 1995 to produce and provide water services to all districts in the Central Region of Malawi apart from Lilongwe City. The Board operates in 20 schemes grouped into five zones as follows:

<b>Kasungu Zone</b>	:	Kasungu, Mchinji and Kochilira-Kamwendo
<b>Mponela Zone</b>	:	Mponela, Ntchisi, Madisi and Dowa
<b>Dedza Zone</b>	:	Dedza, Dedza Secondary School, Bembeke, Linthipe and Ntcheu
<b>Salima Zone</b>	:	Salima, Senga-Bay (Salima Lakeshore), Chipoka, Nkhota-kota, Lifuwu and Dwangwa.
<b>Mitundu Zone</b>	:	Mitundu and Bunda

The Kasungu Water Supply Scheme is covered under NWDP II. Because of unavailability of funds, envisaged expansion programs have not been undertaken over the years and thus the existing water sources for Kasungu have been outmatched by the water demand caused by increased population. As such there is urgent need to invest in development of water source.

### PROPOSED INVESTMENT

The project will involve development of reliable water source (dam) and installation of adequate treatment and storage facilities. The scope of works will include:

- Design a multi-purpose dam on Bua River at Kwengwele
- Construct a multi-purpose dam
- Install water intake with abstraction capacity of 22,500 m<sup>3</sup>/day in 2036
- Install 5.86km DN 450mm DI transmission main to WTP
- Construct a 22,500 m<sup>3</sup>/day capacity water treatment plant
- Construct balancing storage tank with capacity of 4800m<sup>3</sup>
- Construct a pump station of 244 l/s
- Install 35km DN80 to 600 mm PVC pipeline

### PROJECT LOCATION

The Kasungu scheme of Central Region Water Board is located in Kasungu Municipality. It is 120 km north of Lilongwe City along the M1 road.

### ESTIMATED COST OF PROJECT

The cost of the investment is estimated at USD US\$ 48,401,500.

### PROPOSED PARTNERSHIP

Central Region Water Board is a state owned parastatal organization with 100 % shares owned by the government of Malawi. The proposed partnership for Kasungu Multi-purpose dam project will be Build Operate Own and Transfer after 20 years.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **CENTRAL REGION WATER BOARD**  
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## 6.8 DEVELOPMENT OF RELIABLE WATER SOURCE DAM ON KASANGADZI RIVER

### PROJECT DESCRIPTION

Central Region Water Board is a public commercial-statutory corporation established by the Waterworks Act No. 17 of 1995 to produce and provide water services to all districts in the Central Region of Malawi apart from Lilongwe City. The Board operates in 20 schemes grouped into five zones as follows:



<b>Kasungu Zone</b>	:	Kasungu, Mchinji and Kochilira-Kamwendo
<b>Mponela Zone</b>	:	Mponela, Ntchisi, Madisi and Dowa
<b>Dedza Zone</b>	:	Dedza, Dedza Secondary School, Bembeke, Linthipe and Ntcheu
<b>Salima Zone</b>	:	Salima, Senga-Bay (Salima Lakeshore), Chipoka, Nkhota-kota, Lifuwu and Dwangwa.
<b>Mitundu Zone</b>	:	Mitundu and Bunda

Although Mponela has benefited from the just ended NWDP II, its source of water does not prove to be sustainable, as the borehole yields are getting lower and lower while water quality is also fast deteriorating. Some groundwater points in the scheme discharge salty water which is objectionable to customers.

### PROPOSED INVESTMENT

The project will involve development of reliable water source (dam on Kasangadzi River at Kanyungu confluence) and installation of adequate treatment and storage facilities. The scope of works will include:

- Construct a dam on Kasangadza of storage capacity 24.2 Mm<sup>3</sup> and active storage volume of 17.7 Mm<sup>3</sup>
- Construct a water supply intake capacity of 13,215 m<sup>3</sup>/day
- Install pumping station with 10 pumps, 2 being standby of 100 m<sup>3</sup>/hr rating
- Install 2,880 m<sup>3</sup> sump
- Install 580 m of DN 1000 mm transmission main from intake to treatment plant
- Construct water treatment plant with throughput of at least 13,215 m<sup>3</sup>/day
- Construct 1No. 6,480 m<sup>3</sup> capacity storage tanks
- Install 5 km DN 600 mm transmission main from treatment plant to service reservoirs
- Install 17.5 km distribution network of DN 80 mm to DN 500mm

### PROJECT LOCATION

The Mponela scheme of Central Region Water Board is located in Dowa district. It is 60 km north of Lilongwe City along the M1 road.

### ESTIMATED COST OF PROJECT

The cost of the investment is estimated at USD US\$ 46,057,405.

### PROPOSED PARTNERSHIP

The Central Region Water Board is a state owned parastatal organization with 100 % shares owned by the government of Malawi.

The proposed partnership for Mponela Multi-purpose dam project will be Build Operate Own and Transfer after 20 years.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **CENTRAL REGION WATER BOARD**  
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## 6.9 DEVELOPMENT OF RELIABLE WATER SOURCE (DAM) AND INSTALLATION OF ADEQUATE TREATMENT AND STORAGE FACILITIES

### PROJECT DESCRIPTION

Central Region Water Board is a public commercial-statutory corporation established by the Waterworks Act No. 17 of 1995 to produce and provide water services to all districts in the Central Region of Malawi apart from Lilongwe City. The Board operates in 20 schemes grouped into five zones as follows:

<b>Kasungu Zone</b>	:	Kasungu, Mchinji and Kochilira-Kamwendo
<b>Mponela Zone</b>	:	Mponela, Ntchisi, Madisi and Dowa
<b>Dedza Zone</b>	:	Dedza, Dedza Secondary School, Bembeke, Linthipe and Ntcheu

**Salima Zone** : Salima, Senga-Bay (Salima Lakeshore), Chipoka, Nkhota-kota, Lifuwu and Dwangwa.  
**Mitundu Zone** : Mitundu and Bunda

With internally generated revenue, the Board established Dwangwa Water Supply Scheme in 2007. The scheme serves Dwangwa town in Nkhota-kota and has a total supply capacity of 16,000m<sup>3</sup>/month. The present water supply coverage is 70 % with 8 hours of supply per day. The Scheme is experiencing a lot of problems like inadequate raw water sources (boreholes) and abstraction capacity, lack of effective water treatment plant, inadequate water storage and distribution pipe network. Specifically, water quality for the existing boreholes has deteriorated and has high quantities of iron and manganese. The borehole yields have also significantly deteriorated. This has rendered them unsuitable for water supply as such there is urgent need to invest.

### PROPOSED INVESTMENT

The project will involve development of reliable water source (dam) and installation of adequate treatment and storage facilities. The scope of the works includes:

- Install water intake of abstraction capacity 11,932m<sup>3</sup>/day
- Install 6.5km DN400mm DI transmission main from intake to water treatment plant (WTP)
- Construct a Water Treatment Plant with a throughput of at least 11,800m<sup>3</sup>/day
- Construct a pumping station of 11,800m<sup>3</sup>/day capacity
- Install DN 300mm and DN 200mm clear water transmission mains to storage tank
- Construct 450m<sup>3</sup> sump
- Construct 2,000m<sup>3</sup> concrete storage tank
- Install water distribution network 35km DN63mm to 200mm PVC

### PROJECT LOCATION:

The Dwangwa scheme of Central Region Water Board is located in Dwangwa Town in Nkhota-kota district. The scheme is along the M5 road 60 km north of the district.

### ESTIMATED COST OF PROJECT

The cost of the investment is estimated at USD 6,690,400.00

### PROPOSED PARTNERSHIP

The Central Region Water Board is a state owned parastatal organization with 100 % shares owned by the government of Malawi. The proposed partnership for Dwangwa project will be Joint Venture for 15 years where the government and the private sector will each own shares in the investment. After this period the government will retain its full management control of the water supply system.

### CONTACTS



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## 6.10 DEVELOPMENT OF RELIABLE WATER SOURCE (DAM)-NTCHEU

### PROJECT DESCRIPTION

Central Region Water Board is a public commercial-statutory corporation established by the Waterworks Act No. 17 of 1995 to produce and provide water services to all districts in the Central Region of Malawi apart from Lilongwe City. The Board operates in 20 schemes grouped into five zones as follows:

<b>Kasungu Zone</b>	:	Kasungu, Mchinji and Kochilira-Kamwendo
<b>Mponela Zone</b>	:	Mponela, Ntchisi, Madisi and Dowa
<b>Dedza Zone</b>	:	Dedza, Dedza Secondary School, Bembeke, Linthipe and Ntcheu
<b>Salima Zone</b>	:	Salima, Senga-Bay (Salima Lakeshore), Chipoka, Nkhota-kota, Lifuwu and Dwangwa.
<b>Mitundu Zone</b>	:	Mitundu and Bunda

CRWB has been operating for more than fifteen years and, throughout this time, it is facing a lot of problems which, among the notable ones, include low water coverage, high non-revenue water and suppressed demand. To increase coverage of safe potable water, CRWB needs to invest in development of reliable water source, water transmission and treatment improvement.

Ntcheu Town water supply challenges include limited quantity of water to meet present and future demand and poor quality water source due to high pollution from encroachment of forest reserves in which run-of-the-river intakes are situated and limited water treatment capacity.

### PROPOSED INVESTMENT

The project will involve development of reliable water source (dam) and installation of adequate treatment and storage facilities. The scope of the works includes:

The scope of the works includes:

- Design and construct a multi-purpose dam
- Install water intake with abstraction capacity of 5,182m<sup>3</sup>/day
- Install 10km DN 350mm DI transmission main to WTP
- Construct a 5,182m<sup>3</sup>/day capacity water treatment plant
- Construct 2 000m<sup>3</sup> concrete tank at Nkhande
- Construct a pump station for Nkhande Tank
- Install 11km DN63 to 200mm PVC pipeline

### PROJECT LOCATION

The Ntcheu scheme of Central Region Water Board is located at Ntcheu District Centre. The scheme is along the M1 road 140 km south-east of Lilongwe.

### ESTIMATED COST OF PROJECT

The cost of the investment is estimated at USD US\$ 4,073,821.

### PROPOSED PARTNERSHIP

Central Region Water Board is a state owned parastatal organization with 100 % shares owned by the government of Malawi. The proposed partnership for Ntcheu project will be Joint Venture for 15 years where the government and the private sector will each own shares in the investment. After this period the government will retain its full management control of the water supply system.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **CENTRAL REGION WATER BOARD**  
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A close-up photograph of a lion's face and paw. The lion is looking down at a rock, with its paw resting on it. The background is blurred, showing a natural, outdoor setting.

# 7.0

## TOURISM SECTOR

Situated in the Great Rift Valley, Malawi, the Warm Heart of Africa boasts a beautiful landscape, variety of wildlife and a rich and diverse culture that make this small country the ideal place to invest in. From the tip of Lake Malawi through the exciting towns and cities, to the peak of Mulanje Mountain, tourists and business people are constantly flooding the country all year round. There are plenty of rewarding investments waiting to be explored in Malawi. When investing in Malawi's tourism sector you are eligible for exemption of various import duty and import excise on various goods.

The Government of Malawi identifies the tourism sector as a key driver for sustainable economic growth and development in the country. The sector accounted for 3.4% of Malawi's

GDP in the 2015/2016 fiscal year and this is expected to rise by 2.9% in 2016/2017. The sector also directly created 205,000 jobs, and indirectly created 446,500 more jobs. The Department of Tourism within the Ministry of Industry, Trade and Tourism is tasked with ensuring that tourism is developed and promoted in a manner that brings meaningful economic benefits to the people of the country.

The department is working to improve the business environment for new and established businesses, address infrastructure development and strengthen public-private sector dialogue.

There are numerous investment opportunities in the tourism sector with ones outlined as selected few.

## 7.1 DEVELOPMENT OF 2 HOTELS IN BLANTYRE

### PROJECT DESCRIPTION

The Countrywide Group of Companies is a result of a journey that commenced in 1990s by a local entrepreneur who started a car hire company called Countrywide Car Hire. Today, the company has diversified into the tourism industry (with two up-class lodges standing and operational) and real estate.

Countrywide Car Hire has operations through-out the country and has three regional offices in all three regions of the country. The company also operates from the major airports of the country. The company presently owns 100 up-class vehicles.

### PROPOSED INVESTMENT

Countrywide seeks to build two hotels. The land has been purchased and architectural work completed. One of them is already under construction.

### PROJECT LOCATION

The project sites are in Blantyre and at the Shores of Lake Malawi.

### ESTIMATED COST OF PROJECT

US\$10 million

### PROJECT REQUIREMENT

The promoter is seeking a debt and/or equity partner

#### CONTACTS



**MIKE MLOMBWA, MANAGING DIRECTOR, COUNTRYWIDE GROUP OF COMPANIES**

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## 7.2 ESTABLISHMENT OF INTEGRATED CABLE CAR RESORT ON MOUNT MULANJE

### PROJECT DESCRIPTION

The Mulanje Massif, also known as Mount Mulanje, is a large monadnock in southern Malawi only 94 km east of Blantyre, rising sharply from the surrounding plains of Chiradzulu, and the tea-growing Mulanje district. It measures approximately 13x16 miles (22x26 kilometres) and has a maximum elevation of 3,002 metres at its highest point, Sapitwa Peak.

Much of the Massif consists of rolling grassland at elevations of 1800–2200 metres, intersected by deep forested ravines. It has many individual peaks reaching heights of over 2500 metres, including Chambe Peak, the West Face of which is the longest rock climb in Africa. The first European to report seeing the Massif was David Livingstone in 1859, but archeological investigation reveals evidence of human visits to the Massif from the Stone Age onwards. The forested slopes of the Massif support a sizable timber industry. At one time there was a cableway to transport timber from the edge of the plateau down to the Likhubula Forestry Station but it fell into disrepair.

The mountain itself is part of the protected Mulanje Mountain Forest Reserve. The park contains plants and animal species such as forest butterflies, birds such as the cholo alethe and white-winged apalis, a dwarf chameleon, geckos, skinks, the squeaker frog, and a rare limbless burrowing skink species.

The Massif is popular for hiking and climbing, and has several mountain huts scattered across it which are maintained by the Malawi Mountain Club and the Malawi Forestry Department. Sapitwa peak was first climbed in 1894, and is now the most popular climb on the plateau.

In 2014 the site was unsuccessfully nominated for World Heritage Status.



### PROPOSED INVESTMENT

The project proposes development of a world-class tourism destination based on fantasy and adventure. Underpinned by a Cable Car facility, the project will include luge & skyride, Segway fun rides, health spa and wellness centre, living museum story-telling, eco-lodge, eco-adventure activities and a variety of themed restaurants. Nearby tea and coffee plantations are additions to the development.

### PROJECT LOCATION

Mount Mulanje in Zomba.

### PROJECT REQUIREMENT

Being in a protected area under Forest Reserves, the project will be under Public-Private Partnership with Government providing land and infrastructure such as roads. Local communities will also be encouraged to take up investment opportunities (stakes) as individuals and blocs.

### ESTIMATED COST OF PROJECT

The project cost is estimated at US\$150 million. A detailed feasibility study, however, will have to be undertaken by the interested parties to determine actual costs.

### PROJECT REQUIREMENT

The project is calling for equity partners.

#### CONTACTS:



THE PRINCIPAL SECRETARY, **DEPARTMENT OF TOURISM**

Private Bag 326, Lilongwe 3 • Tel: +265 (0) 1 775 499 • Fax: +265 (0) 1 770 650

## 7.3 DEVELOPMENT OF HOTEL AT CHINTHECHE

### PROJECT DESCRIPTION

Wallie Resorts is an established private company headquartered in Mzuzu in the Northern Region of Malawi. The promoters own a number of investments primary of which is a vehicle panel beating facility in Mzuzu. However, they are also in real estate development.

### PROPOSED INVESTMENT

The project entails the development of a hotel by Lake Malawi which will comprise 20 rooms, a conference center, bar, restaurant and three staff houses. The project framework also includes 10 town houses.

### PROJECT LOCATION

The hotel facility shall be located at Chintheche on the beautiful sandy beach of Lake Malawi, 46 km from Nkhatabay Boma and 86 km from Mzuzu City. The site is one of the prime sites along the lake in Nkhatabay with ease of accessibility to tourists.

The town houses will be located at Msongwe on the outskirts of Mzuzu City, a conducive environment for tourists wishing to spend quiet time from the noise of the City. The site is at a strategic location on the gateway to the north of Malawi. Therefore it is a convenient place for stopover visitors or those coming to Mzuzu. These two sub-projects (the hotel and the townhouses) will complement each other in their operations.

### ESTIMATED COST OF PROJECT

The project cost is estimated at USD \$ 467,894

### PROJECT REQUIREMENT

The project promoter is seeking an equity and/or financial partner in the project.

#### CONTACTS



MR FAISAL W. KARIM, MANAGING DIRECTOR, **MZUZU PANEL BEATERS.**

59 Kanjedza Drive, Light industrial Area, • P.O. Box 709 Mzuzu, Malawi.

Cell: +265 (0) 999 822 710 / +265 (0) 888 822 710 • Email: Karim@mzuzupanelbeaters.com

## 7.4 EXPANSION OF CHILEMBWE LODGE TO HOTEL STATUS

### PROJECT DESCRIPTION

Chilembwe Lodge is a family business owned by an established indigenous entrepreneur since 1991. The Lodge comprises 35 rooms complete with requisite restaurant, lounge among others.

### PROPOSED INVESTMENT

The promoters of the lodge have acquired land to expand from their current 35 room lodge to a 65 room hotel with restaurant, meeting room, conference facilities swimming pool, and business center. The expansion plan is based on the large number of hotel rooms required in Blantyre. Further, having had a good sense of their rivals, the Chilembwe lodge intends to position itself in a place where it can compete with the high quality hotels by providing a quality service while affordable rates yet still maintaining a smaller status. The hotel will provide an upgrade to the Lodge by offering full restaurant, conferencing and other services to enhance the spend-per-customer and to attract a wider range of business clients seeking a full hotel offering.

### PROJECT LOCATION

The project will be located in Blantyre

### ESTIMATED COST OF PROJECT

The estimated cost of the project is US\$2 million

### PROJECT REQUIREMENT

The project promoters are looking for a debt and/or equity partners

#### CONTACTS



Email: [imbewe@yahoo.co.uk](mailto:imbewe@yahoo.co.uk) • Tel: +265 (0) 824 688

## 7.5 CAPE MACLEAR RESORT

### PROJECT DESCRIPTION

The Lonely Planet describes Cape Maclear as follows: “A long stretch of powder-fine sand bookended by mountains and lapped by dazzling water, Cape Maclear deserves all the hype thrown at it.”

The project is promoted by the Cape Maclear Hotel and Golf Resort Limited, which acquired a 99-year leasehold of 101 hectares along the premier beach of Lake Malawi near the Lake Malawi National Park, a UNESCO World heritage site. However, there will be annexed developments as described below that will make it an integrated project.

### PROPOSED INVESTMENT

The project is an initiative consisting of three projects conceived and pursued by Cape Maclear Hotel and Golf Resort Limited and AE7 Group of Companies (together called the “Cape Maclear Consortium”). The initiative is being developed on a combined plot exceeding 4 square kilometers and consists of the following three projects:

#### 1. Cape Maclear Resort

A touristic, leisure and residential project featuring 5 hotels, serviced residences, a signature golf club and golf course, an aqua park, an aquarium, a cultural village and a major events arena. The resort will be developed over a 275 hectares plot by Lake Malawi, near Lake Malawi National park

#### 2. Cape Maclear International Airport

An international airport and logistics center project proposed to be located on a Government-owned 4 square kilometer site within 15 kilometers-40 kilometers of the resort site. The airport will feature a 3.5 kilometer runway capable of landing wide-bodies planes. In addition, the airport will feature a regional logistics and processing free zone.



### 3. Cape Maclear Business Hub

A smart economic city anchored around the following proposed two key free zones:

- Regional business and trading free zone; and
- Regional banking and finance (regulated) free zone.

#### PROJECT LOCATION

The project will be located at Cape Maclear along Lake Malawi. Cape Maclear offers the most prime beaches and crystal-clear waters on Lake Malawi.

#### ESTIMATED COST OF PROJECT

The total project cost is estimated at US\$2.6 billion.

#### PROJECT REQUIREMENT

The project has so far secured 60% of the project financing and is seeking equity off-takers for the remaining 40% stake.

#### CONTACTS



#### THE PROMOTER, CAPE MACLEAR HOTEL AND GOLF RESORT

P O Box 350, Blantyre • Mobile: +265 (0) 998 733 060 • Email: bmalopa@hotmail.com

## 7.6 MALAWI INSTITUTE OF TOURISM

#### PROJECT DESCRIPTION

The Malawi Government, through the Department of Tourism initiated the proposal to develop an Institute of Tourism (MIT) in Lilongwe. The objective of the project is to build required human capacity in the tourism industry which would provide quality service in the tourism industry and help contribute to growth of the tourism sector. In other words, it will be a school of excellence for the development of human resources in the Tourism Industry.

#### PROPOSED INVESTMENT

The project proposes a learning institution of a capacity to take 480 students. The institution will have hostel accommodation, classroom blocks, training kitchen, training restaurant, laboratories, among others. Preliminary works have commenced.

#### PROJECT LOCATION

The project will be located in Lilongwe.

#### ESTIMATED COST OF PROJECT

The project is estimated at US\$5,715,000.00

#### PROJECT REQUIREMENT

Government is seeking a partner who can take up stakes in the establishment of this institution. Details on operational structuring will be discussed with interested parties.

#### CONTACTS



#### THE PRINCIPAL SECRETARY, DEPARTMENT OF TOURISM

Private Bag 326, Lilongwe 3 • Tel: +265 (0) 1 775 499 • Fax: +265 (0) 1 770 650

## 7.7 REHABILITATION AND OPERATIONALIZATION OF THE BLANTYRE CULTURAL CENTRE

#### PROJECT DESCRIPTION

The Government of Malawi, through the Department of Culture, owns and runs the Blantyre Culture Center (BCC) – formerly French Cultural Center – which is located in the heart of Blantyre.

The BCC is a complex that comprises an amphitheater (carrying capacity of over 200 people), indoor auditorium, a library connected to an open gallery where visual artists showcase their works, offices, 3 classrooms, a dress-room, an audiovisual room, a 3-bedroomed house for the Manager, with a lot of remaining land for new building establishments.

While the facility is operational and artists utilize the space frequently, there is dire need for rehabilitation and stocking of up-to-date equipment and facilities necessary to upgrade it to a modern integrated facility for art and craft.

Rehabilitation of Blantyre Cultural Centre, with further modifications, shall show-case music performances, art exhibitions, theater, product/service and film exhibitions. The Centre will act as a commercial outlet for traditional costumes and accessories, and a Centre for demonstrational sessions in children's traditional music and games. It will further act as a platform for traditional functions like weddings, chief installation ceremonies; and festivals, among others. It shall also sale, promote, and revive Malawi's culture to all age groups through performances, educational sessions, displays, and sale of traditional costumes, and hand crafts.

Not only will the Centre improve the general economic welfare of artists and the country through the sale of creative works and job creation for the artists, who are mostly the youths, but it will also realize its high potential to realize maximum revenue.

### PROPOSED INVESTMENT

The project proposes rehabilitation of the following areas:

- Auditorium
- Open air theatre
- Exhibition hall, reception area, and attached offices
- Classrooms and library
- Staff house and servant quarters
- Customized beautification of the landscape

The project also entails stocking the facility with the requisite equipment, materials and facilities as will be discussed with the interested partner.

### PROJECT LOCATION

Blantyre Cultural Centre is located in the country's commercial city of Blantyre which is the capital of the southern region. Blantyre city is Malawi's economic and financial hub. Most industry is located in Blantyre, and so with various commercial activities such as high-end shopping. It is also a market place for art works from districts especially those located in the southern region.

Blantyre Cultural Centre is conveniently situated as it is 15 kilometres from Chileka airport and is in close proximity to frequently visited places like the Chichiri shopping mall, Kamuzu stadium, and the civic centre. In addition; the city has other tourist attractions ranging from old colonial buildings, and the museum which complements the Centre.

### ESTIMATED COST OF PROJECT

Preliminary costing on rehabilitation works have been done. However, the Department is working on a detailed integrated project cost for a full rehabilitation exercise including requisite equipment, fittings, materials etc. This will be shared with interested parties.

### PROJECT REQUIREMENT

The project is seeking for a partner who will invest and operate the facility under an appropriate PPP framework.

#### CONTACTS



**THE PRINCIPAL SECRETARY FOR CIVIC EDUCATION, CULTURE AND  
COMMUNITY DEVELOPMENT**

Private Bag 384, Lilongwe 3





## 7.8 EXPANSION OF SUNBIRD LIVINGSTONIA BEACH HOTEL

### PROJECT DESCRIPTION

Sunbird Tourism Limited, (STL) incorporated in 1988, is a publicly quoted company, listed on the Malawi Stock Exchange. The major shareholder at 71% is MDC Limited, a dormant company, owned by the Malawi Government.

STL is a leading operator in the hospitality industry in Malawi and has as its main activity, the ownership, operation and management of seven hotel properties in Malawi. Catering Solutions Limited, a 100% owned subsidiary, is involved in the provision of catering services.

With this portfolio, STL is by far the largest single hospitality and tourism enterprise in Malawi employing about 1,000 people and commanding 33% of the total market share. In 2015, the Group achieved a turnover of US\$21 million.

The group has a total of 7 hotels, all strategically located in Malawi's key business hubs and resort locations.

### PROPOSED INVESTMENT

The proposed investment entails the reconstruction of Sunbird Livingstonia Beach hotel to a 4-5 star status with the following main facilities:

- 150 bedrooms
- 300 seat conference Centre
- 9 hole golf course
- Water world

There is presently no lakeside resort with the envisaged facilities.

### PROJECT LOCATION

The project is existent and operational and is located by Lake Malawi in Salima.

### PROJECT REQUIREMENT

The required investment capital for the new Sunbird Livingstonia Beach hotel is estimated at \$20 million. The project seeks equity participation and/or financial support.

### CONTACTS



**THE CHIEF EXECUTIVE OFFICER, SUNBIRD TOURISM LIMITED, MALAWI**

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### CONTACT

Malawi Investment and Trade Centre

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Private Bag 302, Capital City, Lilongwe 3, Malawi

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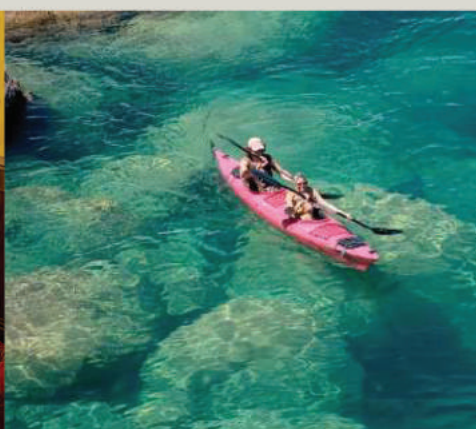


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# 8.0

## MANUFACTURING SECTOR

The manufacturing sector in Malawi is stagnant but in its infancy stage and contributes around 9 percent of GDP. As such, the country has exported more of its produce as raw materials than intermediate and finished products. This is in spite of the current global trend where the bulk of international trade is in intermediate goods. Essentially Malawi is yet to integrate into global and regional value chains.

Malawi's export commodity bundle is concentrated with agricultural commodities which continue experiencing not only weakening terms of trade but also volatile prices. Developing the manufacturing sector would not only enhance value addition and increase exports but would also trim the prevailing high levels of unemployment and increase revenues.

The Government of Malawi has given attention to creating an enabling environment for rural industrialization,

agro-processing and further investments into manufacturing sector to enhance value-addition particularly for the agricultural products and accommodate new technologies in the production processes. The government therefore introduced incentives for the sector including loss carry forward for six years, 100 percent capital allowance on new and unused plant and machinery and industrial building and a 40 percent capital allowance on used plant and machinery and industrial building. The manufacturing sector is endowed with vast investment opportunities including agro-processing, textiles and garments manufacturing, farm inputs production, bicycle assembly and supply of building materials.

Below is a cocktail of some of the opportunities in the sector.

## 8.1 MANUFACTURING OF BOTTLE-TOPS (CROWN CORKS)

### PROJECT DESCRIPTION

King Tins Manufacturing is a locally owned company. In 2014 the company installed a crown cork production line. The crown corks are supplied to Carlsberg Malawi (ltd) under a 5 year exclusive contract. Kings Tin is currently awaiting final South African Bureau of Standards accreditation to provide crown caps to Coca-Cola which will further expand the market for the crown corks. Presently, Kings Tin supplies 20 million crowns monthly to Carlsberg which will increase with an increased production capacity. The company also manufactures tin cans which are currently purchased by Rainbow paints, Monolux paints and Plascom. The company has its own building and factory premises in Blantyre and has been operational since 2012.

### PROPOSED INVESTMENT

Kings Tin intends to expand its crown corks and tin can manufacturing operations through the purchase of a new line of machinery.

### PROJECT LOCATION

Blantyre.

### ESTIMATED COST OF PROJECT

US\$3 million.

### PROJECT REQUIREMENT

The company seeks equity partners or debt financing.

#### CONTACTS



MR JAMES CHUMA, MANAGING DIRECTOR, **KINGS TIN MANUFACTURING**  
P.O Box 2442 • Email: kingstin.mw@gmail.com

## 8.2 LOCAL PRODUCTION OF ETHANOL

### PROJECT DESCRIPTION

Mpatsa Holdings is a locally owned group of companies operating in a number of sectors. The company intends to venture into ethanol production, taking advantage of Government's prioritization indicated through a programme to replace fossil fuel with bio fuel (Ethanol fuel). Currently the fossil/ethanol fuel blend is 80/20 but the Government has decided to change this to 100% Ethanol fuel. The current suppliers in Malawi are unable to reach the required demand for the product.

Mpatsa Farms Ltd, owns 1,100 Hectares of Land which it has allotted to this project. In addition, discussions are underway to acquire an additional 2,000 Hectares in the same area.

### PROPOSED INVESTMENT

The project plans to convert this land into a sugarcane plantation with the aim of producing Ethanol fuel and the resultant Biomass will be used to generate electricity that will be sold to ESCOM through the national grid. In addition, the project will encourage smallholder farmers in the area to grow sugarcane which will be sold to the project.

### PROJECT LOCATION

Along Lake Malawi in the Chantulo area, Monkey Bay/Mangochi.

### ESTIMATED COST OF PROJECT

Approximately US\$60 million.



## PROJECT REQUIREMENT

The project seeks debt and/or equity

### CONTACTS



MR KOREA MPATSA, MANAGING DIRECTOR, **MPATSA HOLDINGS LIMITED**  
P O Box 3055, Blantyre, Malawi • Tel: +265 (0) 1 824 454 • Email: jimmy@mpatsa.com

## 8.3 LOCAL PRODUCTION OF ORGANIC FERTILIZER

### PROJECT DESCRIPTION

Deforestation and heavy use of synthetic fertilisers in Malawi has severely reduced the quality of top-soils in Malawi with a knock-on effect to the quantity and quality of its agricultural output. On top of this, fertilizer is largely imported, resulting in a high import bill and high farm input costs.

### PROPOSED INVESTMENT

This is a greenfield investment proposition for large-scale manufacturing of organic fertilizer within Malawi. Fertiliser could be made from a variety of domestically abundant resources, including agricultural and livestock waste, thus replenishing top-soils and reducing the import bill.

### PROJECT LOCATION

The project can be at any viable location in Malawi.

### ESTIMATED COST OF PROJECT

The project cost is not determined yet. Interested promoters will have to undertake a feasibility study to determine scope and cost of project.

### PROJECT REQUIREMENT

The project calls for an off-taker.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTRE**  
Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781  
Email: mitc@mitc.mw

## 8.4 INVESTMENT IN MACOHA'S MANUFACTURING OPERATIONS

### PROJECT DESCRIPTION

MACOHA Bangwe factory is a manufacturing unit of Malawi Council for the Handicapped (MACOHA) established in 1975 to provide on-the-job training and serve as a source of income for persons with disabilities and to serve as a model to change the attitudes among the local industries. The factory is a sheltered employment unit which has enjoyed government protection for many years.

The factory was designed to operate on commercial basis in order to generate profits which could be used for MACOHA's other rehabilitation programs and service for the community of persons with disabilities.

The land, buildings and machinery at Bangwe factory are fully owned by MACOHA. The machinery and equipment is basic and labor-intensive in nature and in most cases inadequately maintained. Salaries of the employees are sub-vented by the government. All other operational costs are funded through sales revenue.

### PROPOSED INVESTMENT

The revitalization of MACOHA Bangwe factory will require investment in the following areas:

- (a) Factory Redesigning;

- (b) Machinery;
- (c) Working Capital;
- (d) Office Equipment; and
- (e) Skilled human Resource

The factory will require replacement of obsolete machinery with modern ones e.g. replacing hand spinning wheels with automated spinning wheels. The factory will migrate from domestic tailoring and embroidery sewing machines to industrial and modern equipment. Finally, there will be need for increased working capital to sustain stocking of raw materials.

## PROJECT LOCATION

The project is located in the City of Blantyre, the commercial hub of Malawi.

## ESTIMATED COST OF PROJECT

The current investment required on the factory is estimated at US\$2.5 million. A study has not been undertaken yet to quantify rehabilitation and restructuring works.

## PROJECT REQUIREMENT

The project is seeking a 51% private investor.

### CONTACTS



#### THE PROJECT PROMOTER, **MALAWI COUNCIL FOR THE HANDICAPPED (MACOHA)**

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Fax: +265 (0) 1 883 890 • Email: [macohabangwefactory@yahoo.com](mailto:macohabangwefactory@yahoo.com)

Website: [www.bangwefactory.mw](http://www.bangwefactory.mw)



## 8.5 SYRUP MILL COMPLETE WITH A 9MW COGENERATION PLANT

### PROJECT DESCRIPTION

Press Cane Limited, a subsidiary of the Press Corporation Ltd, owns and operates an Ethanol Distillery situated in Chikwawa District in Malawi. The Distillery was established in 2004 and uses molasses supplied by the Nchalo Sugar Mill as a feedstock to produce ethanol. The Distillery is currently operating below its installed capacity due to insufficient supply of molasses from the sugar mill which is located 28km away in the south of the distillery.

Compounding the molasses supply challenge, the price of the molasses has increased by more than 300% while the price of fuel ethanol has increased by 190% in the past five years. This has inevitably had an impact on the company's profitability. Going forward, margins are likely to take further knocks in tandem with declining global oil prices. Further to this, and in response to growing need to increase use of fuel ethanol, Press Cane Limited has increased the capacity of the Distillery to 90,000 litres per day hence the need to augment molasses supplied by Nchalo Sugar Mill.



Thus, the aim of this Project is to build the capacity of Out-grower farmers in the Chikwawa area to grow sugarcane, which will be crushed and processed into juice and syrup as additional feedstock for Press Cane Limited. It is envisaged that a six stage process engineering approach will be used for the production of syrup from sugarcane comprising of Cane receiving, Cane preparation, Extraction, Clarification, Evaporation and Syrup storage.

While addressing the risk posed by procurement of its critical production input from a single source, the project will benefit Out-growers from the creation of a new market for sugarcane grown on land hitherto used by lower value crops. This will contribute significantly to improvement of livelihoods of over 2000 families in the area surrounding the Distillery

## PROPOSED INVESTMENT

The proposed investment comprises design, engineering supply, erection, installation and commissioning of a 1,650 TCD sugar syrup plant with latest technology coupled with a Co-generation plant (9MW) for production of electricity for own use and for export (of the excess) into the National Grid. The plan will be complete with an attached Effluent Treatment Plant at the back end, capable of handling 1,080m<sup>3</sup> of vinasse per day which will be used to produce fertilizer under EPC (Turnkey) basis.

## PROJECT LOCATION

The Project is situated in Chikhwawa on the west bank of the Shire River about 28 km north of the Illovo sugar mill (Nchalo) and 55km south of Blantyre. This area lies within the Government Green Belt initiative catchment area which possesses an opportunity for targeted out-grower farmers to access Government support in form of extension, land expertise and business management capacity building trainings among others. The soils and climatic conditions are most favorable for sugarcane growing and this is evident from the success of nearby sugarcane growing institutions like Kasinthula and Illovo. This gives confidence that the out grower sugarcane production for Press Cane will be successful in terms of sugarcane productivity.

The factory site is about 1 km from a sustainable water source (Shire River) and 500m from the National grid Electricity supply. This will implies that water abstraction will be easy and cost effective, at the same time possibility of power import and export to and from the National grid achievable to the achievement of the project goals

## ESTIMATED COST OF PROJECT

The project cost for the sugar mill and out grower farms are estimated at:

- Sugar mill: US\$31million
- Out grower Farms: US\$24

Press Cane's CAPEX investment will be funded through a commercial loan which will be repaid over 7 years at a dollar rate of 6% (inflated to allow for country/exchange rate risk). A payback period of 10.77 years is expected.

## PROJECT REQUIREMENT

The project is seeking for equity participation of a maximum of 40% in the sugar mill. Press Cane already owns the land for constructing the sugar mill

### CONTACTS



#### THE CHIEF EXECUTIVE OFFICER, **PRESS CANE LIMITED**

P O Box 236, Chikhwawa, Malawi • Tel: +265 (0) 1 420 517 /1 420 518

Fax: +265 (0) 1 420 516 • Email: [achanje@pressethanolmw.com](mailto:achanje@pressethanolmw.com)

## 8.6 SYRUP MILL COMPLETE WITH A 7MW COGENERATION PLANT

### PROJECT DESCRIPTION

Ethanol Company Limited (EthCo), a subsidiary of Press Corporation, Malawi, owns and operates an ethanol distillery situated at Dwangwa in Nkhosha District. The ethanol distillery uses molasses, a byproduct of the sugar production process carried out by Dwangwa Sugar Co. (a division of Illovo Sugar Ltd.) as a feedstock for the ethanol production process.

The EthCo distillery has a capacity to produce approximately 18 million litres of ethanol per annum with a daily throughput of 60 000 litres. The current actual output is only half of the installed capacity due to inadequate availability of feedstock (molasses). The Company has therefore embarked on a greenfield project to mobilize farmers in T/A Mphonde's area in Nkhotakota, to develop about 2,000 Hectares of irrigated sugar cane which EthCo will be processed into syrup for use as additional feedstock for ethanol production.

This project would enable Ethanol Company to assist in meeting Malawi's current fuel ethanol demand (by law, Malawi has a 20% ethanol blending mandate for all petrol sold in the country) and also gear up for the Malawi Government's Ethanol Driven Vehicle Program initiative that will see vehicles running on hydrous ethanol as a stand-alone fuel.

Irrigation designs for the project have already been prepared. It is estimated that once fully developed, the irrigated farms will produce up to 200,000 tons of cane. The 2000 Ha of land belongs to out grower farmers with most of them owning less than 5 Ha. The farmers will work together in cooperatives or zones to run a farm. There will be up to 6 farming units.

Current demand for fuel ethanol in Malawi is estimated at 24 million litres. Current production using locally supplied molasses is 16 million litres. It is projected that demand will grow to 50 million litres as the economy grows and once the Ethanol Drive Vehicle Program is implemented. The syrup mill is being sized to fill up the existing feedstock gap and will be designed for scaling up as the demand grows.

## PROPOSED INVESTMENT

1. A 1500 Tons Cane per Day syrup mill complete with a 7MW cogeneration plant at Mpondagaga in T/A Mphonde's area
2. A 2000 Hectare sugar cane irrigation scheme and associated infrastructure

The front end of the factory will be exactly like any sugar mill but instead of producing sugar, the process will stop after the sugar cane juice has been concentrated into syrup. The syrup will be treated to prevent degradation and then transported to the Distillery 45 Kilometers away, in road tankers.

## PROJECT LOCATION

The project will be located at Mpondagaga, 15 km from Nkhotakota. Both 33 kVA and 11 kVA lines are within 3 km of the proposed factory site which will make electricity easily accessible. Furthermore the project envisages producing about 7 MW of electricity which can also be on-loaded to the grid.

The syrup mill will be located just a few metres from the M5 road, near a small trading centre. The area is already inhabited by local villagers. The distillery is 45 km away from the mill using the M5 road. The project location is 220 kilometers from Lilongwe and 600 kilometers from the Tanzanian boarder of Songwe.

## ESTIMATED COST OF PROJECT

A feasibility study was undertaken and established the following project costs:

- US\$21 million for the Syrup Mill;
- US\$26 million for developing the plantation and associated works

## PROJECT REQUIREMENT

The project is 40% shareholding in the project to willing prospective partners

### CONTACTS



#### THE CHIEF EXECUTIVE OFFICER, **ETHANOL COMPANY LIMITED**

P O Box 50, Dwangwa, Malawi • Tel: +265 (0) 1 295 225/ +265 (0) 1 295 200  
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Email: lchakaniza@ethanolmw.com











**9.0**

**SERVICES SECTOR**



## 9.1 ICT SOFTWARE DEVELOPMENT

### PROJECT DESCRIPTION

IC-Tech is a Malawian company that was incorporated in 2015. The company is a wholly owned subsidiary of AHL Group Limited of Malawi. AHL Group Limited is one of the top five holding companies in Malawi and owns the following subsidiary operations:

- AHL Tobacco Sales
- Agriculture Trading Company
- TIL Limited
- Malawi Leaf Company Limited
- AHL Chemicals and Steel Limited
- AHL Commodities Exchange Limited

IC-Tech was established to provide ICT Solutions to the companies within the AHL Group (a ready market) and to corporates, non-governmental organizations (NGOs) and Government Departments and Organizations in Malawi, and to markets in the region and extra-region.

### PROPOSED INVESTMENT

IC-Tech intends to invest in upscaling technologies for ICT enablers in Agriculture and Education as a way of improving efficiencies towards increased agricultural production and management systems in the Agriculture sector. Such investment areas include the following:

#### Agriculture

- Enabling farmer access to price and other market intelligence through mobile phones and interactive radio broadcasts to solve problems;
- Digital multimedia to share new techniques/practices and provide ICT based information on grades and standards;
- GPS technology for plotting source of produce;
- Websites development or farmer organizations and producer groups, including on-line discussions forums that can help farmers reach out to wider markets;

#### Education

- Public Private Partnership in development and management of computer laboratories across the country;
- Internet enabled vans to provide internet connectivity in rural areas;
- School management system to handle various school systems and sub-systems;

### PROJECT LOCATION

The project is located on Plot No. 29/285 in Kanengo Industrial area, Lilongwe

### ESTIMATED COST OF PROJECT

Costings will be worked out and agreed with possible partners depending on scope and framework of investment area agreed.





### PROJECT REQUIREMENT

The project seeks equity and technical partners. Structure and areas of partnership will be discussed among the parties.

#### CONTACTS:



#### THE CHIEF EXECUTIVE OFFICER, **IC-TECH AFRICA LIMITED**

P O Box 40108, Lilongwe 4 • Tel: +265 (0) 1 710 092 • Mobile: +265 (0) 888 846 509

Email: pmkali@ahlmw.com

## 9.2 INVESTMENT IN MOBILE PHONE COMPANY

### PROJECT DESCRIPTION

Celcom Limited was incorporated on 16th March 2010 as a private limited company under registration no 10394 in the Republic of Malawi. Celcom Limited was formed as an investment vehicle for MBL Holdings Limited with the objective of diversifying into the telecommunication sector within Malawi. MBL Holdings Limited is a diversified group with multiple subsidiaries engaged in Transport, Farming, Agriculture Commodity Trading, Tourism Pharmaceutical, Timber and Garment Manufacturing.

### PROPOSED INVESTMENT

The investment entails the development of a cellular phone venture. Celcom Limited is a third GSM cellphone Licensee in Malawi. It was issued a GSM operating license in 2011 after emerging successful in the evaluation of bids following the invitation by the Malawi Communications Regulatory Authority (MACRA) for submission of tender bids to offer Mobile Telecommunication Services in the country.

### PROJECT LOCATION

The company will be headquartered in Blantyre. The building infrastructure is already available.

### ESTIMATED COST OF PROJECT

Over US\$150 million

### PROJECT REQUIREMENT

The project seeks a technical and financial partner.



#### MR LESTON TED MULLI, CHAIRMAN, **CELCOM LIMITED**

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Email: babamulli@gmail.com / mdmatandika@yahoo.com



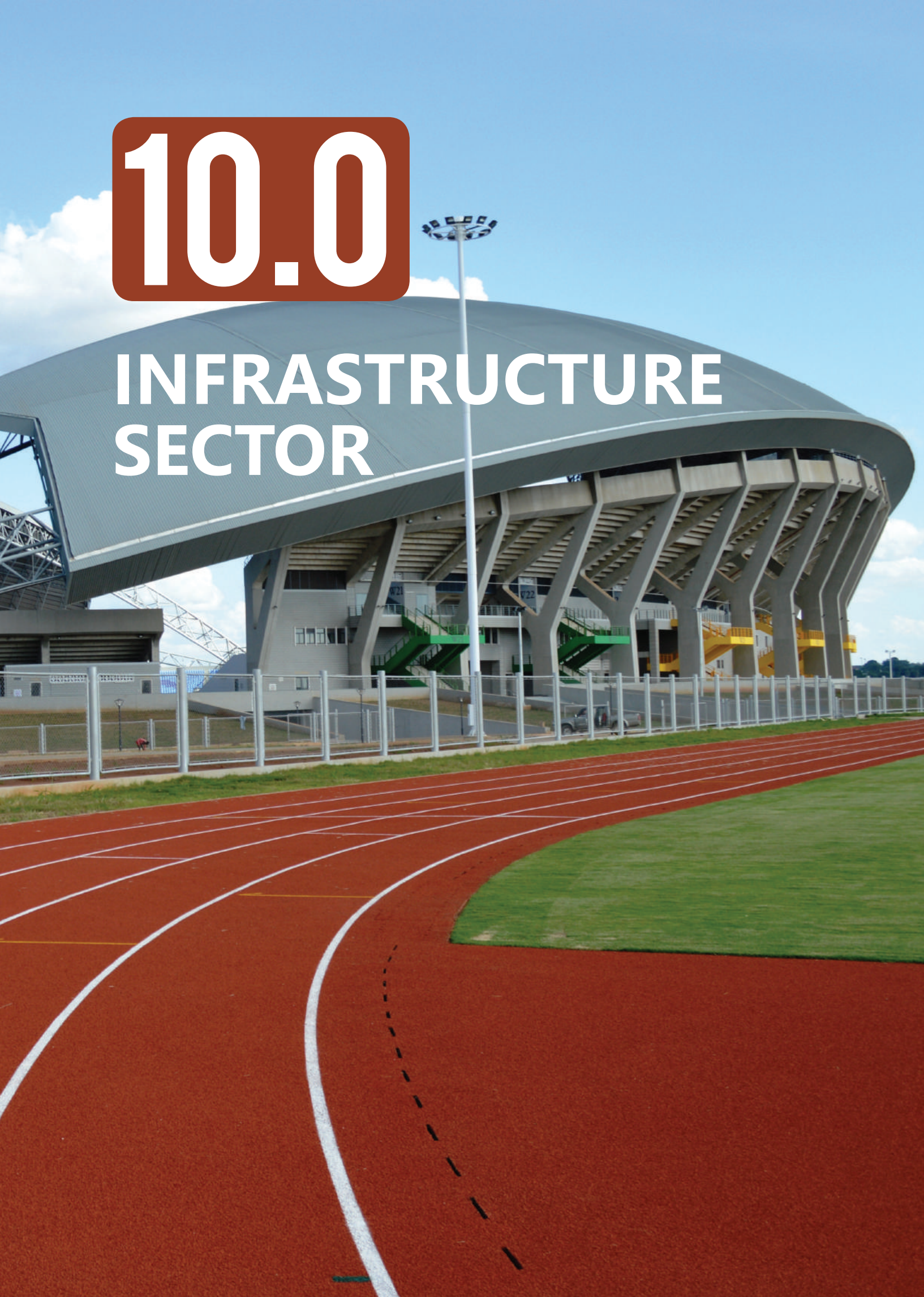






10.0

# INFRASTRUCTURE SECTOR



## 10.1 DEVELOPMENT OF SHOPPING MALL IN ZOMBA

### PROJECT DESCRIPTION

Zomba City Council serves as the administration center for the City of Zomba, located in the Southern region of Malawi. The Zomba City Council is a public institution under the Ministry of Local Government. The Council has the responsibility of enhancing infrastructure development in the City particularly where the infrastructure enhances the welfare of citizenry in the City.

Zomba city is in the Shire Highlands, with a population of about 500,000 people. Zomba is the fourth largest city in Malawi following Lilongwe, Blantyre and Mzuzu. It was the administrative capital of the colonial government, Nyasaland, before the establishment of the Republic of Malawi in 1964.

The city is known for its British colonial architecture, its location at the base of the majestic Zomba Plateau, and its diverse ethnic mix. The town is reasonably close to Blantyre which offers a greater range of shops and entertainment, but is also close to Liwonde National Park which is famous for sightings of various kinds of deer and avian life. One can also travel beyond Liwonde to Lake Malawi, where places such as Cape Maclear and the southern lake shore are a good break from the hassle of urban life.

The Zomba Plateau is also home to one of the finest hotels in Malawi – the Ku Chawe Inn, the Zomba Forest Lodge, the Trout Farm and the Mulunguzi Dam. Zomba Plateau is unique - a great slab of a mountain rising to 6000ft (1800m), it has vast tracts of cedar, pine and cypress but elsewhere the vegetation is wild and mixed. The plateau top is criss-crossed by streams and there are tumbling waterfalls and still lakes.

### PROPOSED INVESTMENT

The project proposes the construction of a shopping Mall in Zomba City comprising shopping and office complex, restaurants, motor vehicle service centre, car park and other auxiliary services. The Shopping Mall will be the first of its kind in Zomba city.

Zomba City serves as a commercial centre for the eastern region comprising five districts with a catchment population of about 4 million. The mall is expected to offer both local and international products.

### PROJECT LOCATION

The shopping Mall will be located along the main M3 road; 2 kilometers away from the city centre. Zomba City Council has 2.5 hectares of land earmarked for the project. This is a strategic location accessible from all parts of the eastern region.

### ESTIMATED COST OF PROJECT

No studies have been undertaken to, among others, determine cost of project. However, this undertaking will be done together with the interested party.

### PROJECT REQUIREMENT

The proposed partnership structure of the project will be on Build Own Operate (BOO) model under the Public Private Partnership. Zomba City Council is expected to partly invest and own some shares in the project whose proportions will be discussed.

### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **ZOMBA CITY COUNCIL**

Private Bag 43, Zomba • Tel: +265 (0) 1 525 039 • Fax: +265 (0) 1 525 367

## 10.2 MZUZU UNIVERSITY CONFERENCE AND BUSINESS CENTER

### PROJECT DESCRIPTION

Mzuzu University is located in Mzuzu, in the northern region of Malawi. It was founded in 1997 and accepted its first students in 1999. It is one of the principal universities in Malawi.



Mzuzu University seeks to construct a conference and business centre, complete with dining facilities, as a service and income generating venture that would serve the campus and the City of Mzuzu. The facility as currently envisaged would comprise conference room with breakaway meeting rooms and office space as well as 6 shops for use as retail or banking outlets and an upmarket bar and restaurant. The layout, though, is open to discussion and negotiation with a serious partner.

### PROPOSED INVESTMENT

The business centre, as currently envisaged, will comprise the following facilities --

- Conference room sitting 300 persons with two VIP lounges
- Communication area providing for refreshments, an internet room and two offices, including a printing and photocopying services
- 4 meeting rooms/offices
- 6 shops/banks
- Ablutions
- VIP bar and Restaurant (50 persons seating capacity) with kitchen
- VIP drop off and car park

### PROJECT LOCATION

The project will be located at the Mzuzu University main campus immediately to the right of the main entrance, adjacent to the M1 road and with direct access to the road, ensuring that the business area is detached from the University Learning area to minimise conflicts with student education activities. The University has ample land for the proposed development.

### ESTIMATED COST OF PROJECT

The estimated cost of the project is US \$ 3million

### PROJECT REQUIREMENT

The University is looking at a Public-Private Partnership arrangement e.g. through a Build, Operate and Transfer Agreement, or 100% direct investment/joint venture, subject to negotiation.

Expressions of interest from any prospective investor will be evaluated by internal procurement committee with final approval by the University Council.

#### CONTACTS



#### THE VICE CHANCELLOR, MZUZU UNIVERSITY

Private Bag 201, Mzuzu 2, Malawi • Tel: +265 (0) 1 320 722/575 • Email: [ur@mzuni.ac.mw](mailto:ur@mzuni.ac.mw)

## 10.3 ESTABLISHMENT OF SHIPBUILDING AND REPAIR FACILITIES ON LAKE MALAWI

### PROJECT DESCRIPTION

This project is promoted by Government through the Ministry of Transport and Public Works, which is Government's sector Ministry responsible for the legislative and policy management of the transport sector and construction and related activities in Malawi.

### PROPOSED INVESTMENT

The project involves the establishment of shipbuilding and ship repair facilities on the shores of Lake Malawi. The facilities shall include, among others, fully fitted workshops capable of designing, fabricating, fitting and painting different sizes of vessels for cargo, passengers, fishing, pleasure, tourism, patrol, research, dredging, etc. In addition, there shall be repair facilities and slipways for various vessels and the supply of spare parts. There shall also be warehouses and administrative offices to provide the necessary support services.

The shipyard will have adequate technological capacity to design, construct, and conduct sea trials and commission different sizes and types of vessels which can be used for fishing, tourism, transportation of passengers and cargo, dredging, towing, patrols, ambulances, research, etc. The vessels will be made from any other modern materials,

except wood. In addition, the shipyard will have ship repair facilities for various types and sizes of vessels. It will also supply and sell spare parts of various ship machinery, equipment and consumables.

### PROJECT LOCATION

The project will be located at Dindano in Nkhata Bay District. This site used to be a paramilitary training base with a few gun boats. The site still remains Government property.

Dindano is a natural harbour, deep and well sheltered, quite ideal for the establishment of a shipyard

### ESTIMATED COST OF PROJECT

A rough estimation places the project cost at US\$75 million. However, a feasibility study will have to be undertaken with the interested party to determine the actual scope and cost of the project.

### PROJECT REQUIREMENT

The project will be under a Public Private Partnership arrangement. Government will provide the land and local personnel while the concessionaire will provide the required capital for investment, the technical expertise, including the required naval architects and specialized engineers to construct and operate the shipyard.

#### CONTACTS



PRINCIPAL SECRETARY, **MINISTRY OF TRANSPORT AND PUBLIC WORKS**

Private Bag 322, Lilongwe 3 • Tel: +265 (0) 1 789 377/328 • Fax: +265 (0) 1 789 328

## 10.4 REHABILITATION AND RECONSTRUCTION OF THE SENA LINE (LIMBE TO MARKA)

### PROJECT DESCRIPTION

This project is promoted by Government through the Ministry of Transport and Public Works, which is Government's sector Ministry responsible for the legislative and policy management of the transport sector and construction and related activities in Malawi.

### PROPOSED INVESTMENT

The project is in two parts. The first part will involve a complete rehabilitation of the line from Limbe to Makhanga. This line is in use and it is the oldest line in Malawi and is therefore in need of complete rehabilitation. The second part will involve reconstruction of the rail section from Makhanga to Marka. This section is no longer serviceable. Government would like to have a serviceable line from Limbe in Blantyre all the way to the border with Mozambique at Marka. Eventually the intention is to have the line connected to the one in Mozambique enroute to the port of Beira.

The project will ensure that there is a serviceable rail line from Blantyre all the way to the border with Mozambique which could eventually link Malawi to the Port of Beira by rail, thereby offering a rail route alternative to the one through Nacala.

The objective of the project is to ease transport of particularly cargo to the export port of Beira in Mozambique.

### PROJECT LOCATION

The entire stretch of the line from Limbe in Blantyre to Marka in Nsanje (Mozambique border).

### ESTIMATED COST OF PROJECT

The estimated cost for the project is USD250 million.

### PROJECT REQUIREMENT

Government is open to discussing any feasible investment arrangement under a Public Private Partnership framework, such as BOT.

#### CONTACTS



PRINCIPAL SECRETARY, **MINISTRY OF TRANSPORT AND PUBLIC WORKS**

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## 10.5 REHABILITATION OF THE RAIL LINE BETWEEN NKAYA AND MCHINJI

### PROJECT DESCRIPTION

This project is promoted by Government through the Ministry of Transport and Public Works, which is Government's sector Ministry responsible for the legislative and policy management of the transport sector and construction and related activities in Malawi.

The Malawi Railway Network is single track, with narrow (1,067mm - Cape) gauge. The railway was constructed between 1908 and 1980 and extends for approximately 933km, running from Mchinji at the Zambian border in the west, via Lilongwe, to Blantyre and Makhanga in the South, up to the border with Mozambique at Marka. At Nkaya Junction, it links with the Nacala Corridor line, running eastwards via Nayuchi to Mozambique's deep-water port at Nacala on the Indian Ocean.

A Brazilian multinational mining company Vale is the main investor constructed a 912km long railway line between Moatize and Nacala-a-Velha in Mozambique. The line became functional in 2015. The new line links with the current CEAR line to Liwonde and Nayuchi at Nkaya in Malawi. The line is being operated by a Vale majority owned logistics company called CLN.

In August, 2010 a 24 km railway section between Mchinji in Malawi and Chipata in Zambia was commissioned. This was later followed by an access and trackage rights agreement between Zambia Railways Limited (ZRL) and the Malawian concessionaire Central East African Railways Limited (CEAR). Currently ZRL is running their locomotives and rolling stock in the CEAR concession territory.

### PROPOSED INVESTMENT

The proposed investment for the project will involve detailed design for the track infrastructure (including signalling and telecommunication systems), crossing structures, and rehabilitation of the 399 km railway section between Nkaya and Mchinji. The infrastructure is in a poor state of repair, mainly due to the following:

- Rail joints not maintained;
- Rail fastenings missing;
- Broken, cracked concrete sleepers due to derailments and alkali-aggregate reaction;
- Lack of ballast;
- Pipe culvert linings missing and now collapsed; and
- Embankment wash-aways.

The railway passes through an area of rich agricultural activities including tobacco, groundnuts, maize and animal farming. A feasibility study for the section is ongoing.

### PROJECT LOCATION

The project is located in the southern and central region of the country covering Balaka, Ntcheu, Dedza, Salima, Dowa, Lilongwe and Mchinji Districts. The project is along the existing railway alignment with a 30m railway reserve between Nkaya and Salima and 90m between Salima and Mchinji.

### ESTIMATED COST OF PROJECT

The estimated cost of the project will be determined by the on-going feasibility study. This information will be made available to interested parties.

### PROJECT REQUIREMENT

Government is open to discussing any capital investment or sharing arrangement under a Public Private Partnership.

#### CONTACTS



**PRINCIPAL SECRETARY, MINISTRY OF TRANSPORT AND PUBLIC WORKS**

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## 10.6 DEVELOPMENT OF 2,500 DWELLING HOUSES

### PROJECT DESCRIPTION

Malawi Housing Corporation is a statutory corporation which was established in 1964 by the Malawi Housing Corporation Act, Chapter 32:02 of the laws of Malawi. The Corporation has a mandate to develop affordable housing and presently owns 6,000 houses nationwide.

### PROPOSED INVESTMENT

Construction of dwelling units in blocks of Flats with ancillary works

### PROJECT LOCATION

Blantyre, Lilongwe and Mzuzu

### ESTIMATED COST OF PROJECT

US\$137,131,900 US dollars

### PROJECT REQUIREMENT

The project will be implemented under a Public Private Partnership framework. Details of the structure will be discussed between the parties.

#### CONTACTS



**THE CHIEF EXECUTIVE OFFICER, MALAWI HOUSING CORPORATION**

P.O. Box 414, Blantyre • Tel: +265 (0) 1 876 822 • Fax: +265 (0) 1 872 054

## 10.7 CONSTRUCTION OF AN OFFICE COMPLEX

### PROJECT DESCRIPTION

Malawi Housing Corporation is a statutory corporation which was established in 1964 by the Malawi Housing Corporation Act, Chapter 32:02 of the laws of Malawi. The Corporation has a mandate to develop affordable housing and presently owns 6,000 houses nationwide.

### PROPOSED INVESTMENT

The project entails the construction of an office complex for a firm client which has various agencies in Malawi. The rationale is for all the agencies to operate in one building.

### PROJECT LOCATION

Lilongwe

### ESTIMATED COST OF PROJECT

The project is estimated at US\$8.1 million.

### PROJECT REQUIREMENT

The project will be implemented under a Public Private Partnership framework. Details of the structure will be discussed between the parties.

#### CONTACTS



**THE CHIEF EXECUTIVE OFFICER, MALAWI HOUSING CORPORATION**

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## 10.8 MZUZU CITY HOUSING DEVELOPMENT

### PROJECT DESCRIPTION

Mzuzu City, with a population of 133,968 and growing at 4.2 percent per annum, is one of the fastest growing cities in Malawi and is the third largest urban centre after Lilongwe and Blantyre. It is the hub of government administration, business, industry, commerce, and services for the northern region of Malawi, and it serves a hinterland with a population of 1,708,930. Originating from a Tung Oil Estate in 1947, the city has grown from 23km<sup>2</sup> to 143.8 km<sup>2</sup> in 2008 and was declared a city in 1985.

Mzuzu is the largest urban center in the Northern Region of Malawi and the Third largest city of the country after Lilongwe and Blantyre. Therefore, it plays an important role as a regional center in the settlement hierarchy of Malawi. The city is situated 385km north of the Capital City Lilongwe, and some 300km from Malawi and Tanzania border. The road distance to Lake Malawi and the small harbour town Nkhata Bay is 47 km.

### PROPOSED INVESTMENT

The project entails the construction of low cost housing and provision of serviced plots.

### PROJECT LOCATION

Luwinga ward in Mzuzu.

### ESTIMATED COST OF PROJECT

US\$1 million.

### PROJECT REQUIREMENT

The project will be implemented under a Public Private Partnership framework. Details of the structure will be discussed between the parties.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI HOUSING CORPORATION**

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## 10.9 DEVELOPMENT OF INDUSTRIAL PARK IN BLANTYRE

### PROJECT DESCRIPTION

The Malawi Investment and Trade Center (MITC) was created by Act of Parliament (2012) to attract both local and foreign investment into Malawi. MITC has been entrusted by the Government to develop industrial parks for the steady location of appropriate investment projects.

### PROPOSED INVESTMENT

The prospective site for Chigumula Industrial Park is Namalowe Estate along the Limbe-Thyolo Road in the Southern part of Malawi. The plot has already been surveyed and topography assessment has already been done. The plot measures 22 hectares. Presently, the promoter is working on the layout plan of the park.

### PROJECT LOCATION

The project site is in Chigumula, Blantyre.

### ESTIMATED COST OF PROJECT

The project will be undertaking a feasibility study soon in order to determine scope and cost of project, and to determine possible collaboration arrangements with private sector.

### PROJECT REQUIREMENT

The project seeks implementation equity and financial partners. The determination of the structural arrangement has not been made, nonetheless these can be discussed with interested parties.

#### CONTACTS:



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTRE**

Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781

Email: mitc@mitc.mw

## 10.10 DEVELOPMENT OF INDUSTRIAL PARK IN LILONGWE

### PROJECT DESCRIPTION

The Malawi Investment and Trade Center (MITC) was created by Act of Parliament (2012) to attract both local and foreign investment into Malawi.

MITC has been entrusted by the Government to develop industrial parks for the steady location of appropriate investment projects.

### PROPOSED INVESTMENT

MITC will be allocated with a reasonable amount of land in the City of Lilongwe (Capital City) to develop an industrial park. MITC envisages developing a mixed industry park.

### PROJECT LOCATION

Lilongwe

### ESTIMATED COST OF PROJECT

The cost is yet to be determined.

### PROJECT REQUIREMENT

Though the land is yet to be allocated and any works undertaken, MITC seeks Expression of Interest from possible partners.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTRE**  
Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781  
Email: mitc@mitc.mw

## 10.11 CONSTRUCTION OF INDUSTRIAL PARK AT CHINTHECHE, NKHATA-BAY

### PROJECT DESCRIPTION

Government of Malawi is in the process of allotting part of about 2100 hectares of land at Chintheche in Nkhata-Bay for the development of an Industrial Park. This parcel of land was gazetted as public land in 1977, then for pulpwood investment which did not take place. The Ministry of Lands, Housing and Urban Development and the Nkhata-Bay District Council are in the process of determining the exact location where the park would be.

MITC has since prepared a roadmap for the development of the park. Additionally MITC is working with Water Wheels International of the U.S.A. that are undertaking a feasibility study for a 15-30 MW hydro power project and who are supporting MITC in designing the horizontal infrastructure for the park. The intention is that the industrial park will be a partial market for the hydro-power project.

### PROPOSED INVESTMENT

An industrial park that will comprise mixed industry.

### PROJECT LOCATION

Chintheche, Nkhata-bay (Northern Region of Malawi).

### ESTIMATED COST OF PROJECT

The cost of the project is yet to be determined.

### PROJECT REQUIREMENT

Though the project is not yet well defined, MITC is calling for initial Expressions of Interest to collaborate in the development and ownership of this ambitious project. MITC will engage parties which it has reached an understanding to develop the project.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTER**  
Private Bag 302, Lilongwe 3 • Tel: +265 (0) 993 886 658 • Fax: +265 (0) 1 771 781  
Email: mitc@mitc.mw



## 10.12 DEVELOPMENT OF SHOPPING CENTRE IN LILONGWE

### PROPOSED INVESTMENT

The project entails an integrated shopping town in Lilongwe's old town. The shopping town will be a modern multi-purpose one stop town that aims at bringing products and services at one place to maximize consumer satisfaction. The Shopping town will not be just another mega shopping mall but a deliberately designed mini-town to provide wide shopping options, modern recreational facilities, educative materials, lodging with other numerous support services.

### PROJECT LOCATION

The project is located in Area 1 along the Kamuzu Procession Road in Lilongwe where Malawi Police Service "C" Company is. The rationale is the party(s) that will take up this prospect will re-locate the police to a new designated area. The details of this will be discussed with possible interested parties.

### ESTIMATED COST OF PROJECT

The cost for the project has not been determined yet.

### PROJECT REQUIREMENT

The project requires interested off-takers to indicate their interest. The Government and the selected promoter will develop the concept further together.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTER**

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Email: mitc@mitc.mw

## 10.13 DEVELOPMENT OF KANENGO NORTHGATE INDUSTRIAL PARK

### PROJECT DESCRIPTION

GM Properties Ltd (GMP) is a locally owned private company that owns approximately 450 hectares of land in Lilongwe. In 2008 GMP started developing a modern residential and commercial park in (KANENGO) Lilongwe to take pressure off the enormous demand on the housing market, as well as to offer alternative shopping experiences which are very limited in Lilongwe. This project too has stalled having built a number of units. Nonetheless, a big chunk of the land remains undeveloped and presents an investment opportunity.

### PROPOSED INVESTMENT

GMP has plans to build a shopping mall, hotel, warehouses, industrial buildings, a primary school, a nursery school, clinics and will make provision for the Police, postal and banking services and a service station. To enhance the natural beauty in the area of the project, a golf village, an angling pond/dam, and beautifully landscaped conservation and recreation areas will also be created in the sectors unsuitable for habitation. GMP's residential concept is the construction villages, enclosed in a common security wall/fence, with a common manned entry/exit gatehouse.

### PROJECT LOCATION

The project is located along the M1 Road between the Kamuzu International Airport and Kanengo Industrial Site in Lilongwe. The land is located only 12 kilometres from the City Centre of Lilongwe, and lies along both sides of the M1 route to the International Airport. On the eastern side the Park lies along the M6 highway to the scenic Lake Malawi, which is only 80 kilometres away.

### ESTIMATED COST OF PROJECT

A detailed cost analysis of the entire project has not been undertaken yet, except for the residential development (which is also a prospect). However, respective studies will be undertaken with respective undertakers who indicate commitment.

### PROJECT REQUIREMENT

GMP seeks promoters that are interested to take up equity/financing partnership in a component(s) of the project or in the entire project. The details of the partnership structure can be discussed between the parties.

#### CONTACTS



MR NOEL MALUZA , MANAGING DIRECTOR, **GM PROPERTIES**

Mobile: +265 (0) 999 288 073 • Email: noel.maluza@yahoo.com

## 10.14 MULTI-PURPOSE SCIENCE, TECHNOLOGY AND INNOVATION BUSINESS PARK

### PROJECT DESCRIPTION

The National Commission for Science and Technology (NCST) is a government central organization with a mandate to promote, support, co-ordinate and regulate research, the development and application of science and technology matters in Malawi.

The NCST is established by the Science and Technology Act No.16 of 2003 with the principal function to advise the Government and other stakeholders on all science and technology matters in order to achieve a science and technology led development. The role of NCST is, thus, one of coordination and provision of advice on issues of science and technology.

### PROPOSED INVESTMENT

The project entails the construction of a multi-purpose Science, Technology and Innovation Park (STI) in order to promote investments and activities pertaining to science and technology in Malawi. The multi-purpose STI infrastructure will serve as an innovation hub for the country.

As such the project will provide a number of facilities for promoting technology development, application, transfer and STI information sharing and networking. These facilities include office blocks, cyber-infrastructure, Science Park, STI incubation centre, R&D initiatives, Science Centre and museum, STI Radio and TV broadcasting studios, conference center, resource center, cafeteria, recreation facilities, among others.

### PROJECT LOCATION

The project will be located in Lilongwe, which is centrally located in the country.

### ESTIMATED COST OF PROJECT

In as much as a detailed study is yet to be undertaken, an initial scoping study places the total investment in excess of US\$5 million for the basic infrastructure.

### PROJECT REQUIREMENT

Though detailed studies are yet to be undertaken, investors are called upon to submit their Expressions of Interest to collaborate with the Government in developing the concept further.

#### CONTACTS



**NCST SECRETARIAT**

Lingadzi House, P/Bag B303, Lilongwe 3, Malawi • Tel: +265 (0) 1 771 550

Fax: +265 (0) 1 772 431 • E-Mail: [directorgeneral@ncst.mw](mailto:directorgeneral@ncst.mw)

## 10.15 ESTABLISHMENT OF AN AIRPORT CITY IN LUMBADZI (MAIN INTERNATIONAL AIRPORT)

### PROJECT DESCRIPTION

Kamuzu International Airport is the main international gateway into Malawi and both directly and indirectly connects to over 100 destinations worldwide. Plans to more than double passenger growth by 2020 will continue



to see this growth benefiting the local and international economy. The airport is managed by Airport Development Limited (ADL) and directly and indirectly supports over 10,000 jobs which are estimated to be worth over US\$141 million in total annual incomes. Airport City will be implemented on approximately 367 hectares of land in the Airport vicinity.

### PROPOSED INVESTMENT

The project will involve building an airport city within the vicinity of Kamuzu International Airport. The facilities will include a hotel and conferencing facility Heath facilities, warehousing facilities, town houses, cargo processing facilities, recreation facilities, eateries, shopping malls, among others.

The Airport City will have all the necessary facilities and amenities for travelers and the general public. It will also have facilities for processing exports and imports. These services would complement the service that the airport offers as a commercial Center. The project will also offer the public an option of modern shopping away from the hustle and bustle of the towns.

### PROJECT LOCATION

The project location is Kamuzu International Airport in Lumbadzi, Lilongwe, about 27 km from the City of Lilongwe.

### ESTIMATED COST OF PROJECT

The project is currently been designed. However determination of project cost for individual investment components in the project area will be determined by respective individual interested parties on undertake of respective feasibility studies.

### PROJECT REQUIREMENT

ADL invites Expressions of Interest to participate in the development of Airport City for further engagement once the detailed plans are ready.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER **AIRPORT DEVELOPMENT LIMITED**,  
P.O. Box 30311, Lilongwe 3. MALAWI. • Tel: +265 (0) 1 700 899 / +265 (0) 1 700 215  
Email: ceo@adlmw.com, rchattaika@adlmw.com

## 10.16 CONSTRUCTION OF OFFICE COMPLEX

### PROJECT DESCRIPTION

Airport Development Limited (ADL) plans to construct of an office complex and houses to house Malawi Revenue Authority at Kamuzu International Airport in Lilongwe.

### PROJECT LOCATION

ADL has idle land at Kamuzu International Airport near the current cargo terminal complex and another land in Lumbadzi.

### ESTIMATED COST OF PROJECT

The project is estimated at US\$6million

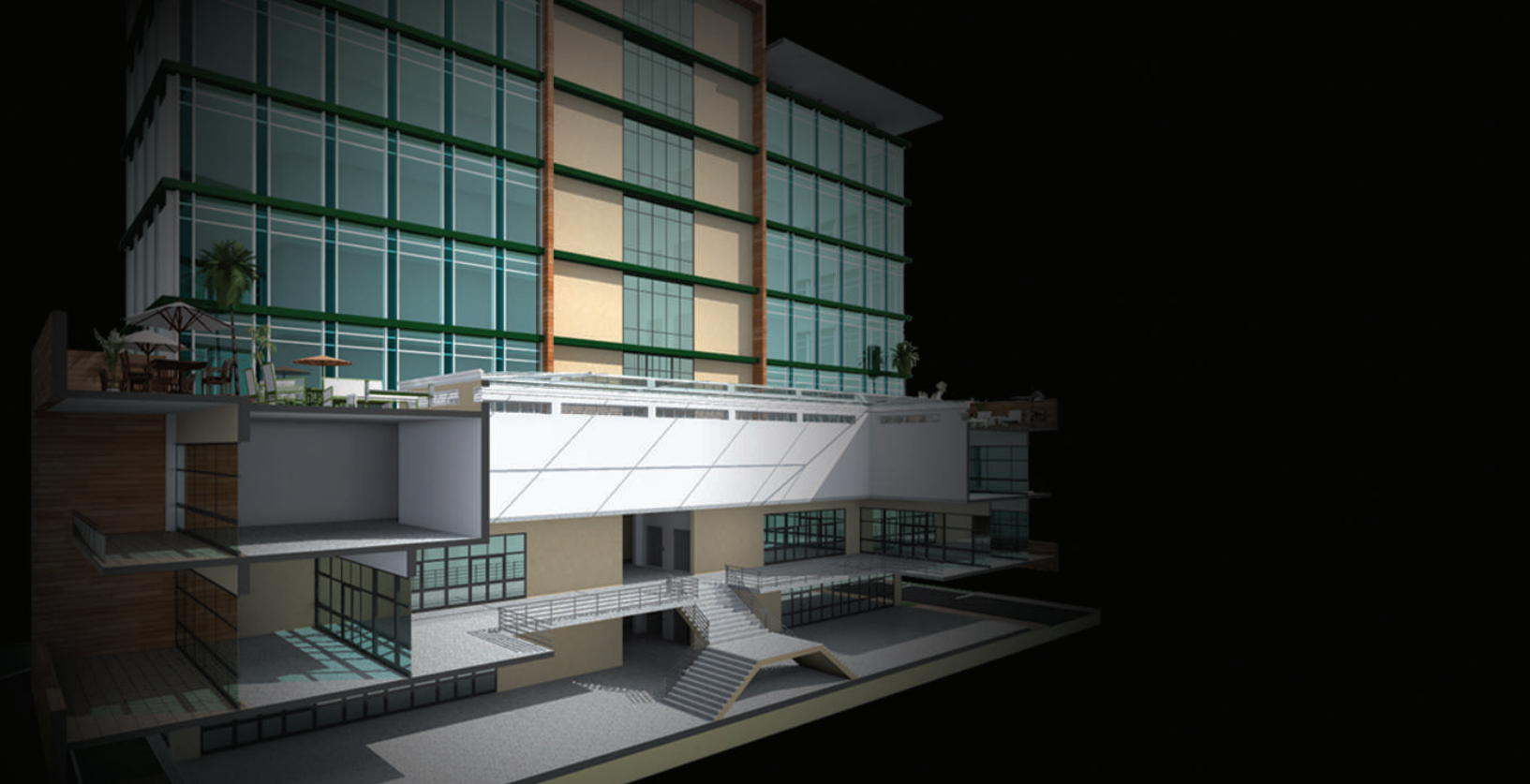
### PROJECT REQUIREMENT

ADL is looking for Public Private Partnership with an interested investor.

#### CONTACTS



THE CHIEF EXECUTIVE OFFICER **AIRPORT DEVELOPMENT LIMITED**,  
P.O. Box 30311, Lilongwe 3. MALAWI. • Tel: +265 (0) 1 700 899 / +265 (0) 1 700 215  
Email: ceo@adlmw.com, rchattaika@adlmw.com



## 10.17 CONSTRUCTION OF MITC OFFICE COMPLEX

### PROJECT FINANCE PROPOSAL

#### MITC –ONE STOP SERVICE CENTRE BUILDING PROJECT PROPOSAL

#### **Project Proposal Seeking Financing through Build-Operate and Transfer (BOT) mode of financing.**

Malawi Investment and Trade Centre (MITC) plans to construct an ultra-modern office complex to house its One Stop Service Centre and acquire some office space for letting out in a bid to achieve its financial sustenance strategic objective. Located in the serene and prime part of Lilongwe the Capital City of Malawi, the project is expected to yield USD2.8 million per annum. The proposed project is not only viable but also profitable if leveraged by an appropriate financing model.

### PROJECT LOCATION

The building will be constructed in the City Centre of the capital city of Malawi (Lilongwe). It will be situated at a prime location along the Presidential Way. MITC has already secured the respective plot from Department of Lands. The plot is 40 x 60 meters in size and is in the vicinity of upcoming new property developments which include modern hotels and modern offices.

### PROJECT SCOPE

The project comprises construction of an eight storey (Twin Tower) ultra-modern office building yielding a handsome 24,000 square meters of office space and 104 underground parking slots. The building will have an appealing theme with a decorative finish in the form of modern aluminum paneling and curtain walling. Another outstanding feature will be a roof top solar farm that will be generating electricity to the main grid on a reverse meter basis.

### POTENTIAL TENANT PROFILE

The scoping exercise of the property market of Lilongwe City Centre revealed that it is a vibrant one with high pent up demand for office space. Similar upmarket property companies are currently not satisfying demand for office space. The current rental rates for similar properties range from USD10 to USD12 per square meter. The prime project location, the ambience that it will provide and the parking convenience will enable it to attract blue chip anchor tenants in the Diplomatic community, NGO sector and the Banking sector.



### PROJECT DESIGNS AND COST

All the required designs were formulated. These include Architectural drawings, Structural drawings, Service All the required designs were formulated. These include Architectural drawings, Structural drawings, Service drawings and Landscape drawings. The off plan sale process to secure anchor tenants is underway.

### PROPOSED FINANCIAL PARTNERSHIP

MITC is looking for a partner who can finance the project and recover their investment plus a return thereon over an agreed period through retention of net rentals.

### PROPOSED PARTNERSHIP STRUCTURE

Malawi Government has already committed USD 1.8 million. MITC has also secured strong interest from three blue chip institutions that intend to inject equity finance. MITC is seeking BOT financing to finance the financial shortfall. The BOT partner would recover their investment plus a commercial return thereon and transfer the underlying stake to MITC after the BOT period.



### CONTACTS



THE CHIEF EXECUTIVE OFFICER, **MALAWI INVESTMENT & TRADE CENTER**  
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Email: mitc@mitc.mw

## 10.18 ESTABLISHMENT OF AN INTEGRATED BUS AND SERVICES TERMINAL IN BLANTYRE

### PROJECT DESCRIPTION

Blantyre City is the commercial and industrial capital of Malawi with a population of 661,444 as per the 2008 National Population Census. The current population is approximately 850,000 but exceeds to over a million during the day with people coming in from Chiradzulu and Thyolo to work in the City.

Blantyre City is managed by Blantyre City Council (BCC) which provides urban services. The City is managed in accordance with the 1998 Local Government Act and the 1998 National Decentralization Policy.

The City is home to most of the commercial banks and industries in the country. The City offers numerous economic opportunities such as retail trade, construction, manufacturing of food products, transport, textile manufacturing, and motor vehicle sales among others. About 45% of Blantyre's population is employed in the private sector, 12% in the public sector, 36% are self-employed, and 7% work in the agricultural sector. The City is nationally and

regionally linked with road, rail and air transport. These provide an important contribution to the functioning of the City as the commercial and industrial capital of Malawi.

Blantyre City is one of the seven millennium cities in Sub Saharan Africa. Blantyre was identified and selected as Africa's second city that would pilot the Millennium Cities Initiative (MCI) under the United Nations Millennium Project. The millennium initiative is being carried out in a wide array of social sectors which includes transportation infrastructure to enable the millennium cities to generate integrated City Development Strategies that are explicitly predicated on achieving the MDGs.

### PROPOSED INVESTMENT

One of the challenges facing the City is provision of a new adequate transport infrastructure in the form of a proper central bus terminal. This will ease movement of people in and out of the City whilst reducing traffic congestion caused by minibuses.

The proposed bus terminal shall comprise of the following:

#### A) BUS TERMINALS

- a) International terminals
- b) Intercity terminals
- c) Local terminals
- d) Banking services e.g. ATMs
- e) Shops
- f) Ticketing offices
- g) Security
- h) Washrooms/change rooms
- i) Automated visual and audio notifications

#### B) SERVICE AREAS

- i. Parking areas
- ii. Banking services e.g. ATMs
- iii. Vending machines
- iv. Shops e.g. coffee and gift shops, ice cream parlors
- v. Internet café
- vi. Security services
- vii. Restrooms and washrooms
- viii. Food outlets
- ix. Filling stations

### PROJECT LOCATION

The location of the bus terminal is in Wenela area near Blantyre railway station staff houses about 1 Km from Blantyre Central Business District (CBD) and 0.5Km from the current Wenela bus depot. Land has already been secured for the proposed project. Total land size is 32 hectares.

### Estimated Cost of Project

US\$7,000,000

### Proposed Partnership

Blantyre City Council seeks a financial/ equity investor with whom it can partner to develop this project under an appropriate PPP framework.

#### CONTACTS



CHIEF EXECUTIVE OFFICER, **BLANTYRE CITY COUNCIL**

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## 10.19 ESTABLISHMENT OF A HIGH-RISE PARKADE IN BLANTYRE

### PROJECT DESCRIPTION

Blantyre City is the commercial and industrial capital of Malawi with a population of 661,444 as per the 2008 National Population Census. The current population is approximately 850,000 but exceeds to over a million during the day with people coming in from Chiradzulu and Thyolo to work in the City.

Blantyre City is managed by Blantyre City Council (BCC) which provides urban services. The City is managed in accordance with the 1998 Local Government Act and the 1998 National Decentralization Policy.

The City is home to most of the commercial banks and industries in the country. The City offers numerous economic opportunities such as retail trade, construction, manufacturing of food products, transport, textile manufacturing, and motor vehicle sales among others. About 45% of Blantyre's population is employed in the private sector, 12% in the public sector, 36% are self-employed, and 7% work in the agricultural sector. The City is nationally and regionally linked with road, rail and air transport. These provide an important contribution to the functioning of the City as the commercial and industrial capital of Malawi.

Blantyre City is one of the seven millennium cities in Sub Saharan Africa. Blantyre was identified and selected as Africa's second city that would pilot the Millennium Cities Initiative (MCI) under the United Nations Millennium Project. The millennium initiative is being carried out in a wide array of social sectors which includes transportation infrastructure to enable the millennium cities to generate integrated City Development Strategies that are explicitly predicated on achieving the MDGs.

### PROPOSED INVESTMENT

The Blantyre City Council is presenting a project opportunity for the development of a high-rise parkade in Blantyre. One of the challenges facing the City is provision of adequate parking space in the City. The City currently experience serious parking problems, with parking utilization rates presently at 165%. There is little opportunity to increase on-street parking since these are virtually fully utilized. Nevertheless, on-street parking is not optimally utilized.

The proposed parkade shall be 4 floors with the ground floor accommodating commercial activities. Once completed the building shall accommodate 300 vehicles, greatly reducing parking congestion on the main streets of Blantyre Central Business District (CBD).

### PROJECT LOCATION

The location of the project site is in close proximity to the main streets of Victoria Avenue, Glyn Jones Road and Chilembwe Road in downtown Blantyre. The area is 1.05Ha in size and currently used as an open car park. This is an attractive site to customers and tourists wishing to access the businesses and attractions within the area.

### ESTIMATED COST OF PROJECT

The amount required to establish the bus terminal is estimated at USD 3,000,000.00.

### PROPOSED PARTNERSHIP

Blantyre City Council seeks a financial/ equity investor with whom it can partner to develop this project under an appropriate PPP framework.

#### CONTACTS



#### CHIEF EXECUTIVE OFFICER, **BLANTYRE CITY COUNCIL**

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## 10.20 DEVELOPMENT OF THE NEW INTERNATIONAL BUS-TERMINAL IN LILONGWE.

### PROJECT DESCRIPTION

A primary challenge facing the City of Lilongwe is provision of structured and centralized transport infrastructure in the form of, among others, a proper central bus terminal, which if established will ease the movement of people in and out of the City whilst reducing traffic congestion caused by minibuses.

International travel by land has over the years increased enormously due to increased surge for business and tourist ventures both by Malawians and non-Malawians. Every year, an estimated 30% of Malawians travel to neighboring countries and beyond in-search for business, education and employment opportunities, and the majority use bus transport. Currently, International buses use rented premises as temporal departure and arrival lounges. Some even park by the road sides.

This project will see the establishment the country's first central bus terminal for international Buses to and from other African countries such as Zambia, Tanzania, Zimbabwe, Nigeria, Uganda, Botswana and South Africa just to mention a few.

### PROPOSED INVESTMENT

The proposed project will have the following main components:

- Concrete bus bays;
- Passenger "departure" and passenger "arrival" terminal lounges;
- A food court and special warehouse;
- A coffee shop, security office and a Mini-Superette;
- A pharmacy shop and decent ablution block;
- A forex bureau and internet café;
- Taxi terminal;
- Service Station;
- Connection point to future transport systems (LRT systems)

### PROJECT LOCATION

The Lilongwe City Council owns 6.5 hectares of land in Area 46 where the newly opened Western By-pass road has been constructed. The location is proximate to Old town built up sector (only two kilometers) which is the main stopping town in the City; it is also proximate to the newly opened City Malls; Game Stores and Shoprite; the Lilongwe Police station; Cross Roads Hotel, lodges and Villas. It has direct connection points to international corridors, for example to Mchinji road that connects Malawi to Zambia through Chipata (only about 120 kilometers away).

### ESTIMATED COST OF PROJECT

No assessment studies to determine costs are yet to be undertaken.

### PROPOSED PARTNERSHIP

It is anticipated that the project will be implemented under a B.O.T arrangement. The Lilongwe City Council will contribute prime land for the development of the bus terminal, initiate provision of relevant reticulation services to the project site. The prospective private sector operator will design (together with the City Council) finance, and own the project for a period that will be agreed between the two parties.

### CONTACTS



#### CHIEF EXECUTIVE OFFICER, LILONGWE CITY COUNCIL

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## 10.21 DEVELOPMENT OF SHOPPING MALL, BANKING HALL AND MULTI STOREY OFFICE COMPLEX AT WENELA

### PROJECT DESCRIPTION

Lilongwe City Council is mandated to offer Lilongwe City's residents and businesses with quality and reliable infrastructure, services and facilities within the context of a well-planned City. Lilongwe City Council's role is to lead the process in this respect and to enable the investment environment in Lilongwe for private sector participation in the development process of the City.

Lilongwe Capital City's (the City Council) very rapid urbanization is neither backed by sustainable economic growth nor deliberate support particularly potential SMEs. Most buildings, offices and shops in the Central Business District (CBD) are unaffordable by most SMES and nonetheless offer an excellent business case. In this respect, the City Council would like to develop a multi-storey office complex with a shopping mall and banking hall at its prime land within the CBD.

### PROPOSED INVESTMENT

The proposed project entails an integrated development comprising the following:

- Shopping mall
- Four-Storey Office Complex
- Banking hall
- Car park

The City Council owns more than 3 hectares of prime land in the Central Business District. The area is connected to electricity and water reticulation.

### PROJECT LOCATION

The project is located in Area 4.

### ESTIMATED COST OF PROJECT

No assessment studies to determine costs are yet to be undertaken.

### PROPOSED PARTNERSHIP

The project will operate under a B.O.T. arrangement. The City Council will be responsible for contributing the land, doing the project designs, will ensure that approval processes for the designs are expeditiously handled and will also partake in supervision of the project while the investor will be responsible for project implementation and operation (for a pre-stipulated period).

### CONTACTS



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# DISCOVER





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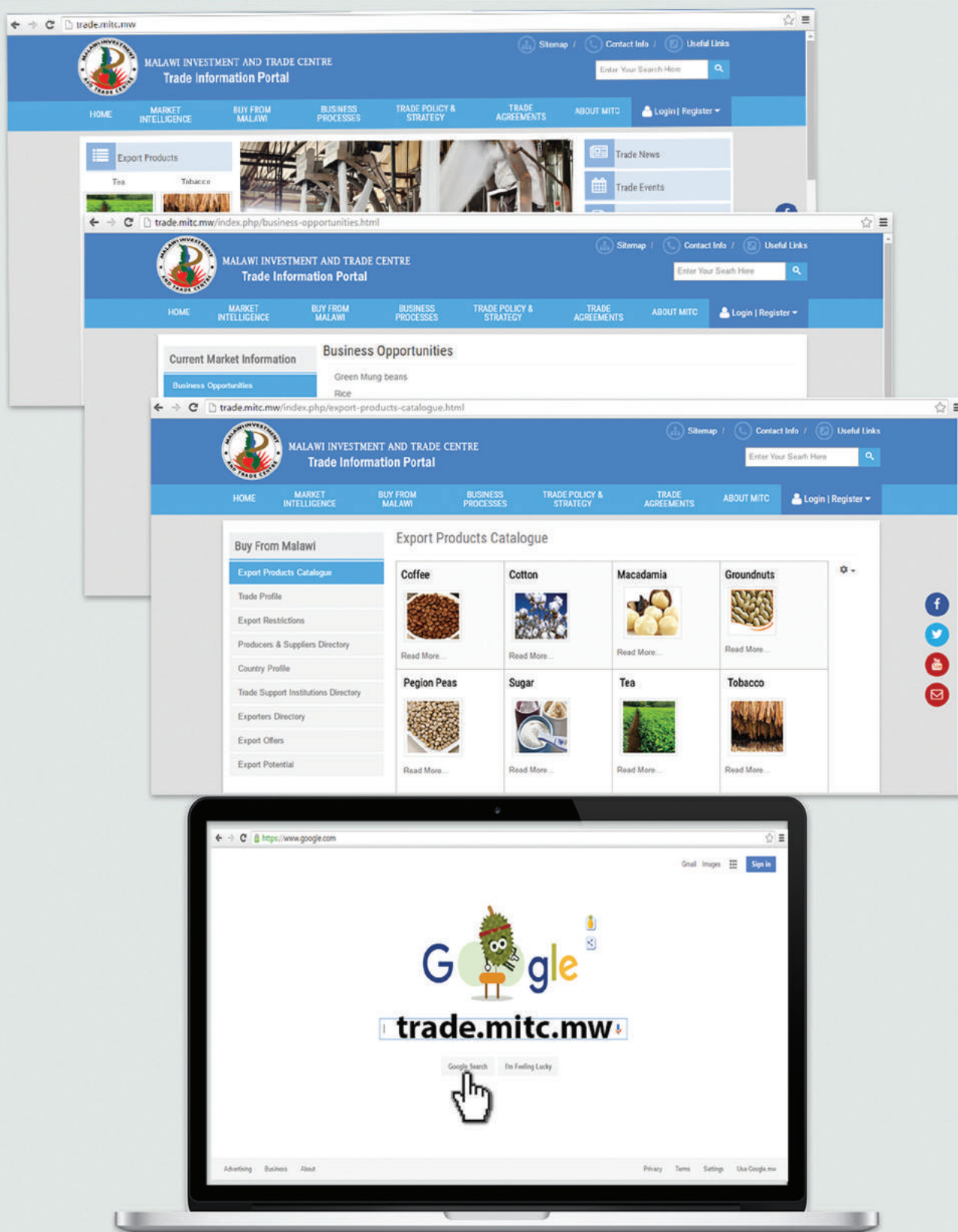
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[www.mitc.mw](http://www.mitc.mw)



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# THE INVESTMENT PROCESS

## STEP 1: OBTAIN CERTIFICATE OF INCORPORATION FROM THE REGISTRAR OF COMPANIES

A company is incorporated either as a Local Company or an External Company.

A Local Company is a company incorporated under the Malawi Companies Act. A local company registration requires submission to the Registrar of Companies the following:-

- Memorandum of Association with at least two subscribers (shareholders/members)
- Articles of Association. The Articles should show the following information:-
  - full name, residential and postal addresses and occupation of first directors and secretary of the company;
  - location and postal address of Company's registered office; and
  - All documents need to be signed by or on behalf of directors.

An External Company is a corporate body formed outside Malawi which establishes or maintains an established place of business in Malawi. An external company registration requires the following:-

- Power of Attorney by an agent to represent the company for registration
- A duly authenticated (notarized) copy of the Memorandum and Articles of Association
- A notarized Certificate of Incorporation issued by the registration Authority in the country of origin/incorporation.
- Notarized shareholder resolution authorization the opening of a branch or subsidiary in Malawi
- Authenticated copies of passport copies of shareholders
- List of directors resident in Malawi

## STEP 2: OBTAIN INVESTMENT CERTIFICATE FROM MALAWI INVESTMENT AND TRADE CENTRE

All investors are required to obtain an Investment Certificate before they establish their business in Malawi. Prospective investors are required to put up investments of not less than US\$ 50,000 as minimum investment capital to be able to obtain an investment certificate from the Malawi Investment and Trade Center (MITC). To obtain this certificate the following should be submitted to MITC:

- Duly completed Investment Certificate Application Forms
- Detailed Business Proposal /Plan
- Certificate of Incorporation
- Copy of Memorandum of Association
- Copy of Passport information of all shareholders

The application fee for the certificate is US \$200 and issuance fee is US\$ 800.

The application is appraised and processed by an Internal Investment Approval Committee (IAC). Once the certificate is approved, the investor is expected to pay the issuance fee of US\$800 in order to obtain the certificate.

## STEP 3: OBTAIN SECTOR PERMITS AND LICENSES

Once the Investment Certificate is approved, MITC assists investors to get any additional licenses and permits that the investors might need in order to start their operations. These include, Business Residence Permits, Temporary Employment Permits, Tourism Licenses, Communications Licenses, and Energy Licenses, among others.

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FOR FURTHER INFORMATION ON  
THE INVESTMENT PROCESS AND INVESTMENT PROJECTS LISTED IN THE DOCUMENT, PLEASE CONTACT:

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# MALAWI

*Diplomatic Missions Abroad*



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## BELGIUM

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The Embassy of the Republic of Malawi to the Kingdom of Belgium and Mission to the European Communities – Brussels  
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## BRAZIL

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Malawi Embassy to Brazil

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Fax : (61) 3365-2149

Email : [malawiembassybrazil@bol.com.br](mailto:malawiembassybrazil@bol.com.br)

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## CHINA

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Embassy of the Republic of Malawi – Beijing

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## EGYPT

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## ETHIOPIA

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## FEDERAL REPUBLIC OF GERMANY

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## MALAWI CONSULATE - JOHANNESBURG

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## UNITED NATIONS

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Malawi Permanent Mission of the Republic of Malawi to the  
United Nations  
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## UNITED STATES OF AMERICA

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