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MONTHLY ECONOMIC REPORT

NOVEMBER 2025

Investment Management | Corporate Finance | Investor Services

Contents

LIST OF ACRONYMS

ADB:	Authorized Dealer Bank
AFE:	Eastern and Southern Africa
BAM:	Bankers Association of Malawi
BOE:	Bank of England
BHL:	Blantyre Hotels Plc
DOC:	Declaration of Cooperation
DSI:	Domestic Share Index
ECB:	European Central Bank
ECF:	Extended Credit Facility
EIU:	Economist Intelligence Unit
EU:	European Union
EUR:	Euro
EMDE:	Emerging Market and Developing Economy
ESIA:	Environmental and Social Impact Assessment
FSI:	Foreign Share Index
GBP:	British Pound
GDP:	Gross Domestic Product
IMF:	International Monetary Fund
K:	Malawi Kwacha
LRR:	Liquidity Reserve Ratio
MASI:	Malawi All Share Index
MB/D:	Million barrels per day
MPC:	Monetary Policy Committee
M-O-M:	Month of Month
MSE:	Malawi Stock Exchange
MEPA:	Malawi Environment Protection Authority
NBM:	National Bank of Malawi Plc
NBS:	NBS Bank Plc
NGLs:	Natural Gas Liquids
NICO:	NICO Holdings Plc
NITL:	National Investment Trust Plc
NSO:	National Statistical Office
Non-Doc:	Countries not participating in Declaration of Cooperation
OECD:	Organization for Economic Co-operation and Development
OMO:	Open Market Operations
OPEC:	Organization of the Petroleum Exporting Countries
ORB:	OPEC Reference Basket
PCL:	Press Corporation Plc
RBM:	Reserve Bank of Malawi
SSA:	Sub Sahara Africa
Sunbird:	Sunbird Tourism Plc
TB:	Treasury Bills
TNM:	Telekom Networks Malawi Plc
TSH:	Tanzania Shillings
TT:	Telegraphic Transfer
UBOS:	Ugandan Bureau of Statistics
UGX:	Ugandan Shillings
UK:	United Kingdom
US:	United States
US$:	United States Dollar
WAEMU:	West African Economic and Monetary Union
WTO:	World Trade Organisation
WEO:	World Economic Outlook
Y-O-Y:	Year on Year
ZAR:	South African Rand
ZK:	Zambian Kwacha

EXECUTIVE SUMMARY

Economic Outlook — Malawi

Malawi's economy is projected to expand by 2.18% in 2025, up from 1.65% last year, led by mining and quarrying. A 340,000-ton maize shortfall has curbed agriculture, keeping the outlook cautious despite mining gains.

The EIU forecasts that the Kwacha will continue to depreciate gradually over the forecast period as the RBM allows greater exchange-rate flexibility—to MK2,438:US$1 at end-2026 and MK3,250:US$1 at end-2029, in line with IMF guidance and reflecting the paucity of foreign-exchange reserves.

The revised budget for the 2025/2026 fiscal year—following mid-year budget adjustments—has projected total revenue and grants at K5.46 trillion (down from K5.58 trillion), with domestic revenues estimated at K4.44 trillion (tax revenues at K4.328 trillion; other revenues at K149.51 billion from K106.02 billion) and grants at K1.14 trillion. Total expenditure has been set at K8.59 trillion (up from K8.05 trillion), with recurrent expenses at K6.66 trillion (77.6% of total) and development expenditure at K1.93 trillion (down from K2.01 trillion), including foreign-financed projects at K1.26 trillion (from K1.44 trillion) and domestic-financed projects at K670.22 billion (from K578.60 billion). The budget has foreseen a deficit of K3.13 trillion (11.9% of GDP, up from K2.47 trillion or 9.5% of GDP), to be financed through domestic borrowing of K2.94 trillion (from K2.33 trillion) and foreign borrowing of K189.19 billion (from K145.78 billion).

The IMF team wrapped up a five-day visit to Malawi with a grim verdict on its macroeconomic mess. It flagged a bigger-than-expected fiscal deficit, galloping inflation, exchange-rate woes and stubborn food insecurity. The Fund called for rapid fiscal tightening and stricter monetary policy.

Key Economic Risks – Malawi

1. **Escalation of Geopolitical Conflicts (e.g., Russia-Ukraine, Middle East tensions)** – Supply chain disruptions and surging commodity prices (oil, gas, grains) leading to heightened imported inflation and reduced global trade volumes, straining fiscal space in the economy.
2. **Uncertainty in External Environment and Trade Protectionism** – Persistently weak export base due to falling demand and protectionist policies, affecting currency stability and exacerbating foreign exchange imbalances from widening trade deficits.
3. **Climate Change/Natural Disasters** – Changes in weather patterns and extreme conditions like droughts and floods, impacting agricultural production, livelihoods, and infrastructure development.
4. **Rising Government Debt and Fiscal Strain** – High debt levels create future obligations for repayment plus interest, crowding out private investment and risking sovereign debt crises.
5. **Persistent Inflation and Cost-of-Living Crisis** – High inflation rates driving up living costs, eroding purchasing power, with measures to curb it resulting in elevated borrowing costs that hinder production and growth.
6. **Foreign Exchange Volatility and Shortages** – Scarcity of foreign exchange leading to higher import costs and potential fuel crises as importing essentials becomes challenging.
7. **Fuel and Energy Shortages** – Scarcity of fuel combined with recurrent power outages constrains industrial output and elevates operational costs.
8. **Financial Sector Vulnerabilities** – High concentration of bank portfolios in government securities increases systemic exposure to fiscal stress. Shallow diversification constrains the sector’s ability to absorb shocks, heightening the risk of liquidity pressures or instability during periods of macroeconomic tightening or fiscal slippage

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation for November 2025 stood at 27.91%, a decrease from 29.11% reported in October 2025. The decline in inflation was on account of a decrease in food inflation.

	Nov-25	Oct-25	Nov-24	% Change (1 Months)	% Change (12 Months)
Headline inflation	27.90%	29.11%	27.00%	-1.21%	0.90%
Food	30.10%	32.38%	35.60%	-2.28%	-5.50%
Non-food	24.20%	23.78%	17.20%	0.42%	7.00%

Government Securities (Source: RBM)

In November 2025, the average yield for all types of Treasury bills was 20.67%, unchanged from October 2025.

Tenor	Nov-25	Oct-25	Nov-24	Change 1 Month	Change 12 Months
91 days	16.00%	16.00%	16.00%	0.00%	0.00%
182 days	20.00%	20.00%	20.00%	0.00%	0.00%
364 days	26.00%	26.00%	26.00%	0.00%	0.00%
All Type	20.67%	20.67%	20.67%	0.00%	0.00%

Total Treasury bill applications for the month of November 2025 stood at K29.39 billion and the entire amount was fully allotted. The 364-day paper accounted for the highest subscription rate at 68.57%, followed by the 182-day paper at 31.01%, and lastly the 91-day paper at 0.42%.

During the month of November 2025, the Reserve Bank conducted several Treasury Note Auctions. These auctions included the 2-year, 3-year, 5-year, 7-year and 10-year treasury notes. The auctions raised a total of K581.39 billion, and the entire amount was fully allotted. The weighted average yields were 28.75%, 30.00%, 32.00%, 34.00%, and 35.00% respectively.

Foreign Currency Market (Source: RBM)

During the month of October 2025, the Malawi Kwacha depreciated against the Euro, British Pound and South African Rand.
The Kwacha remained unchanged against the US Dollar. See the table below:

CURRENCY	Nov-25	Oct-25	Nov-24	% Movement 1 months	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	0.00%	0.00%
MK/GBP	2,359.88	2,349.17	2,269.87	-0.46%	-3.97%
MK/ZAR	104.06	103.34	98.82	-0.70%	-5.30%
MK/EUR	2,068.76	2,066.62	1,887.66	-0.10%	-9.59%

Note: Rates used are Middle Exchange Rates (Source: RBM)

Interbank Markets and Interest Rates (Source: RBM, BAM)

Liquidity levels (excess reserves after Central Bank operations) in November 2025 decreased to a daily average of K48.66 billion from K130.24 billion in October 2025. Access to the Lombard facility (discount window borrowing) during the month under review averaged K74.63 billion per day, at an average rate of 26.20%, compared to K45.61 billion during the month of October 2025 at an average rate of 26.20%.

In November 2025, the overnight borrowing between banks increased to a daily average of K141.58 billion at an average rate of 23.98%, compared to an average of K71.52 billion per day at an average rate of 23.98% in October 2025.

The reference rate in November 2025 stood at 25.30%, a decrease from 25.40% in October 2025.

Foreign Exchange Reserves (Source: RBM)

For the month of October, total forex reserves stood at US$526.80 million (2.10 months of import cover); an increase from US$511.80 million (2.00 months of import cover); registered at the end of September 2025 (October 2024: US$519.00 million, representing 2.10 months of import cover).

	Oct-25 (US$ million)	Sep-25 (US$ million)	Oct-24 (US$ million)	% 1 month change	% 12 months change
Total	526.80	511.80	519.00	2.93%	1.50%
Import Cover (Months)					
Total	2.10	2.00	2.10	5.00%	0.00%

Stock Market (Source: MSE)

The stock market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 602,600.89 points registered in October 2025 to 619,709.36 points registered in November 2025, giving a month-on-month return on index of 2.84% (2.84% in US$ terms). The positive return registered by FMBCH(34.77%), OMU(31.83%), SUNBIRD(26.07%), BHL(0.07%), NICO(0.01%) and ILLOVO(0.001%) were enough to offset share price losses registered by STANDARD(-15.03%), AIRTEL (-7.78%), NBS(-7.72%), TNM(-0.76%), ICON(-0.22%), MPICO(-0.20%), FDHB(-0.13%), NBM(-

0.0077%), NITL(-0.0076%) and PCL(-0.001%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index fell by –4.64% from 437,930.45 to 417,628.19 points whilst the Foreign Share Index inched upwards by 34.74% from 124,300.17 to 167,481.69 points.

Market capitalization increased in both Malawi Kwacha and US Dollar terms from MK32.81 trillion (US$18.92 billion) to MK33.71 trillion (US$19.45 billion) driven by share price gains.

The market transacted a total of 23.35 million shares at a total consideration of MK16.16 billion (US$9.32 million) in 4,360 trades in the month of November 2025. In the previous month of October 2025, the market transacted a total of 38.83 million shares at a total consideration of MK27.56 billion (US$15.89 million) in 5,462 trades. This reflects a –39.85% decrease in terms of share volume traded and a –41.36% (-41.36% in US Dollar terms) decrease in share value traded.

	Nov-25	Oct-25	Nov-24	Change (1 month)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	124.44	134.94	97.24	-7.78%	27.97%
BHL	15.04	15.03	14.55	0.07%	3.37%
FMBCH	3383.99	2511.01	450.00	34.77%	652.00%
FDHB	636.74	148.62	148.62	328.43%	328.43%
ICON	17.91	17.95	18.05	-0.22%	-0.78%
ILLOVO	2,330.02	2,330.00	1,355.09	0.00%	71.95%
MPICO	19.51	19.55	18.52	-0.20%	5.35%
NBM	12,398.99	12,399.95	3,450.01	-0.01%	259.39%
NBS	943.93	1022.88	151.98	-7.72%	521.09%
NICO	1739.99	1739.79	287.02	0.01%	506.23%
NITL	3939.70	3940.00	440.00	-0.01%	795.39%
OMU	3,790.00	2,875.00	1,950.01	31.83%	94.36%
PCL	8,728.49	8,728.59	2,499.78	0.00%	249.17%
STANDARD	4,399.99	5,199.95	6,000.09	-15.38%	-26.67%
SUNBIRD	725.01	575.10	240.03	26.07%	202.05%
TNM	31.49	31.73	25.98	-0.76%	21.21%
MASI	619,709.36	602,600.89	163,189.14	2.84%	279.75%
DSI	417,628.19	437,930.45	127,560.53	-4.64%	227.40%
FSI	167,481.69	124,300.17	22,536.25	34.74%	643.17%

Below is a presentation of the latest published 2025 and 2024 half year financials for the respective companies:

Published Half Year Financials for 2025 and 2024						
	Net Profit/(Loss) (MK'Billion)			First Interim Dividend (Per Share) (Kwacha)		
Period (Half-Year)	Jun-25	Jun-24	% Change	Jun-25	Jun-24	% Change
STANDARD	48.39	43.37	11.57%	0.00	0.00	N/A
FDH BANK	60.28	27.94	115.75%	1.02	1.89	-46.03%
TNM	7.97	2.26	252.65%	0.20	0.00	
NBS BANK	73.45	32.64	125.03%	4.70	1.60	193.75%
NICO	124.91	49.28	153.47%	6.00	3.00	100.00%
SUNBIRD	5.46	5.42	0.74%	2.80	2.50	12.00%
NITL	84.27	4.32	1850.69%	5.00	2.50	100.00%
ICON	12.73	9.73	30.83%	0.15	0.14	7.14%
AIRTEL	22.41	21.33	5.06%	0.00	0.00	N/A
BHL	3.33	-0.78	526.92%	0.00	0.00	N/A
MPICO	7.60	5.70	33.33%	0.00	0.00	N/A
PCL	94.39	45.28	108.46%	20.79	11.25	84.80%
NBM	84.11	42.08	99.88%	35.64	27.84	28.02%
	Net Profit/(Loss) (US$' million)			First Interim Dividend (Per Share) (US$)		
FMBCH	72.89	46.82	55.68%	0.30	0.21	42.86%
TRADING STATEMENT						
ILLOVO	Expects that profit after tax for the year ending 31 August 2025 to be between 230.0% and 250.0%					

OTHER MARKET DEVELOPMENT

Tobacco Sales (Source: AHL & TC).

The 2025 tobacco marketing season advanced through November, stretching the market beyond its usual August close. Earnings consistently outpaced those of 2024, as total revenue hit US$542.31 million from 221.3 million kilograms sold at an average price of US$2.45 per kilogram. By contrast, the same period in 2024 recorded US$396.78 million from 133.3 million kilograms sold at a higher price of US$2.98. The notable surge in revenue owed largely to a 66.0% increase in sales volume, underscoring robust demand despite a dip in average prices.

Highlights of the 2025/2026 Mid-Year National Budget Statement (Source: Ministry of Finance).

Total revenue and grants for the 2025/26 fiscal year have been revised downwards to K5.46 trillion from K5.58 trillion. Domestic revenues have been revised upwards to K4.44 trillion from K4.48 trillion, with tax revenues held steady at K4.33 trillion and other revenues having been revised upwards to K149.51 billion from K106.02 billion.

Grants have been revised downwards to K979 billion from K1.14 trillion, including K869.98 billion from international organizations (having been revised down from K1.06 trillion) and K109.02 billion from foreign governments (having been revised up from K86.36 billion).

Total expenditure has been revised upwards by K512.56 billion to K8.59 trillion from K8.05 trillion. Recurrent spending has been revised upwards by K620 billion to K6.66 trillion (77.6% of the total).

Development expenditures have been revised downwards to K1.93 trillion from K2.01 trillion—foreign-financed projects have been revised down to K1.26 trillion from K1.44 trillion, domestic-financed projects have been revised up to K670.22 billion from K578.60 billion.

The overall balance has been revised to a wider K3.13 trillion deficit (11.9% of GDP), from K2.47 trillion (9.5%). Domestic borrowing has been revised upwards to K2.94 trillion from K2.33 trillion and foreign borrowing has been revised upwards to K189.19 billion from K145.78 billion.

The government has introduced new tax measures in the mid-year budget review: VAT up from 16.5% to 17.5%; levies on bank transfers (0.05%) and mobile money; PAYE restructuring with a 40.0% top bracket and scrapping of the 25.0% band; plus a 0.5% minimum alternate tax on corporate turnover.

IMF Team Visited Malawi (Source: IMF)

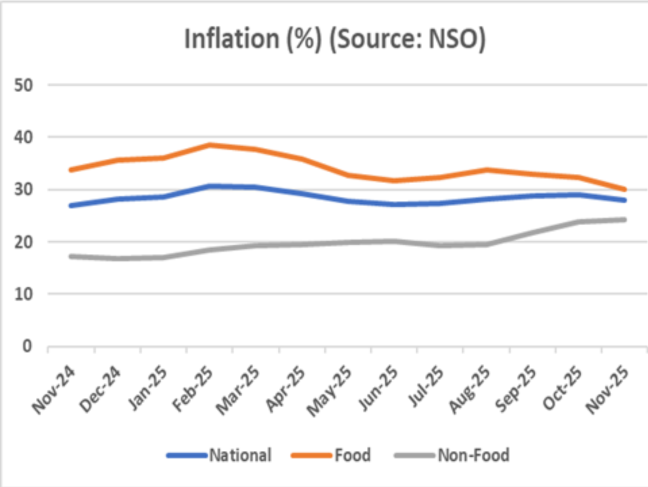
The IMF team wrapped up a five-day visit to Malawi with a grim verdict on its macroeconomic position. It flagged a bigger-than-expected fiscal deficit, galloping inflation, exchange-rate woes and stubborn food insecurity. The Fund called for rapid fiscal tightening and stricter monetary policy, while praising early reforms like restarting fuel-price adjustments and tightening expenditure controls.

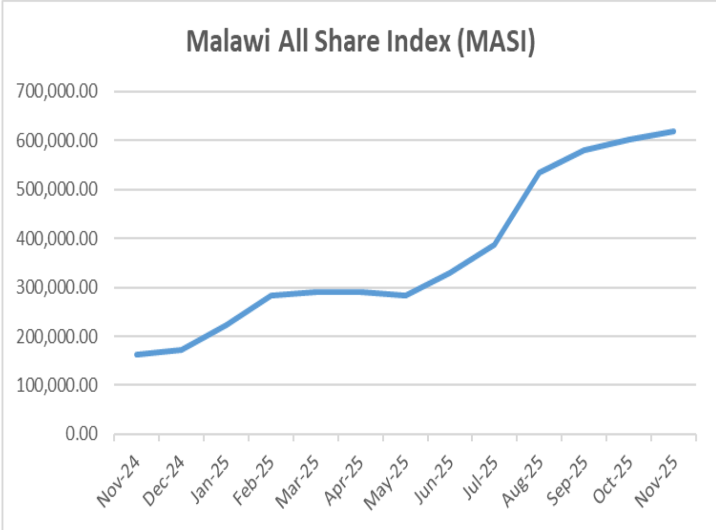
Maize prices (Source: IPFRI).

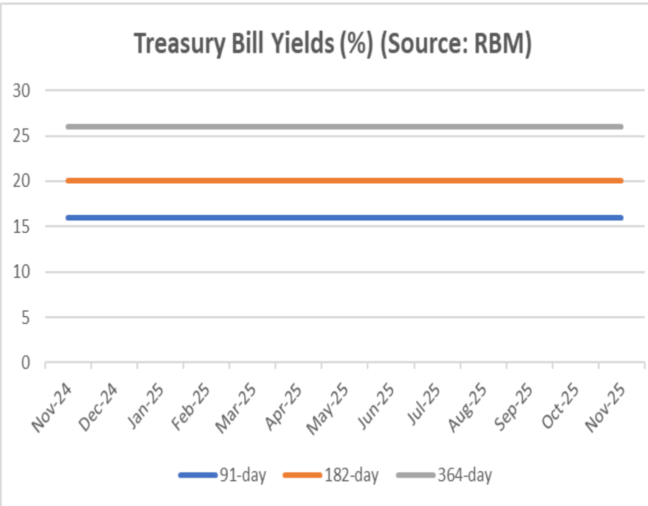
Maize prices fell 6% in November, from K1,238 per kg in late October to K1,168 per kg across nearly all surveyed markets—an unusual decline for the lean season approach, unlike the 5% rise seen last November. Declines averaged 6% in Central and Southern Regions (sharpest in Chikwawa boma at 12% and Salima at 11%), versus 3% in the North, narrowing the typical north-to-south price gradient (North: K1,009/kg; Central: K1,160/kg; South: K1,228/kg).

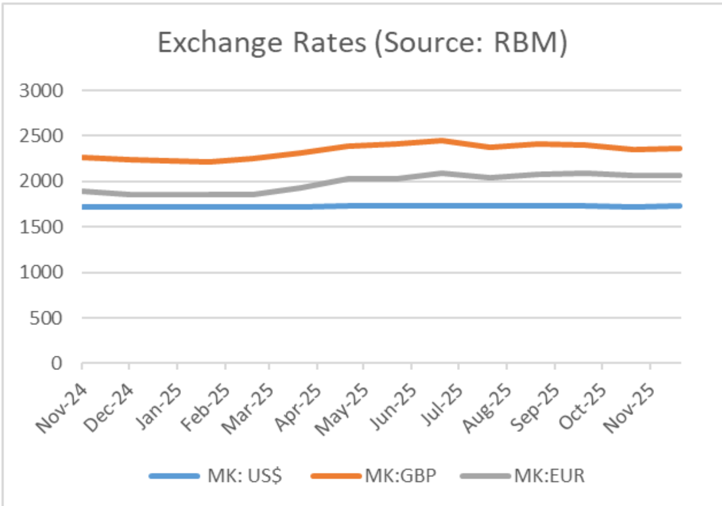
Malawi remained a net maize importer in November, with inflows at most border points extending inland to Blantyre, Zomba, Mangochi, Nkhotakota, and Karonga—unlike October's border-limited trade. A brief second-week outflow through Mchinji to Chipata was an anomaly, but steady informal exchange rates supported price stability amid ongoing cross-border reliance.

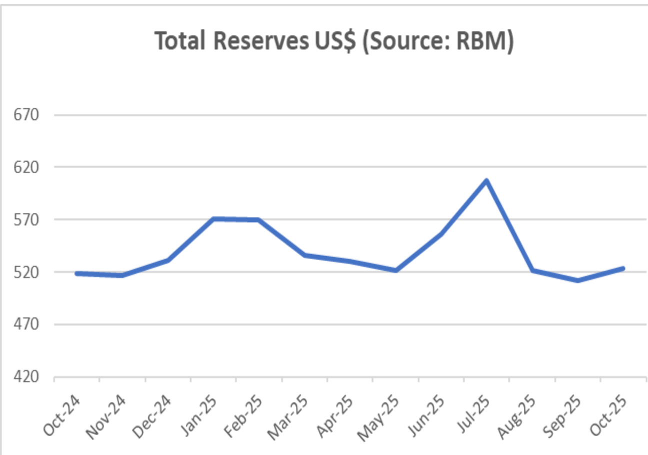
TREND GRAPHS

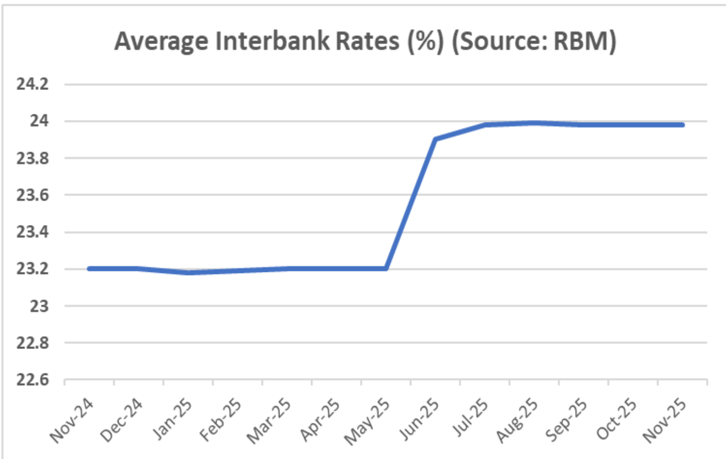












GLOBAL DEVELOPMENTS

Economic Growth

According to the IMF Global outlook, Prospects, global growth is set to slow to slow to 3.2% in 2025 and 3.1% in 2026. On a quarter-to-quarter basis, growth declines more sharply, from 3.6% in late 2024 to 2.6% in 2025, before recovering to 3.3% in 2026. At market exchange rates, world output is projected to grow 2.6% in both 2025 and 2026, down from 2.8% in 2024. These forecasts are little changed since July 2025 but remain well below the pre-pandemic average of 3.7%. Adjusting for front-loaded trade activity in early 2025, the global economy is expected to grow at an annualised 3.0% from mid-2025 through 2026, a slowdown of 0.6 percentage points in 2024's pace. The forecast also trails the October 2024 outlook by 0.2 percentage points, reflecting major policy shifts and trade uncertainties since then. This underscores how global growth continues to adapt gradually to new trade realities while facing persistent headwinds.

Growth in the euro area is forecast to rise modestly to 1.2% in 2025 and 1.1% in 2026. While this marks an improvement from earlier forecasts in April and July, it still represents a cumulative downward revision of 0.4 percentage points from the October 2024 outlook. Elevated uncertainty and higher tariffs are the main drags, partially offset by stronger private consumption supported by rising real wages and fiscal easing in Germany in 2026. Ireland's robust performance also buoyed growth in 2025. Overall, the euro area economy is expected to grow at close to its potential by 2026.

The United States economy is forecast to slow to 2.0 percent growth in 2025, holding steady at 2.1 percent in 2026. This outlook is broadly unchanged since July and improved relative to April, thanks to lower effective tariff rates, fiscal stimulus from the One Big Beautiful Bill Act (OBBBA) and easing financial conditions. However, it represents a sharp slowdown from 2024, incorporating a downward revision of 0.1 percentage point from October 2024 World Economic Outlook and 0.7 percentage point relative to the January 2025 update.

China's GDP growth forecast for 2025 was revised down by 0.6 percentage points in April, reflecting heightened trade tensions with the US. However, by July, the outlook improved with a 0.8 percentage point upward revision after a pause on rate hikes in May. The World Economic Outlook projects China's growth at 4.8% for 2025, boosted by stronger-than-expected trade front-loading and robust domestic consumption, supported by fiscal policy. Growth is expected to moderate to 4.2% in 2026 as export growth slows and fiscal stimulus eases. This forecast balances headwinds from tariffs and uncertainty against solid economic momentum.

Growth in emerging markets and developing economies is expected to ease moderately from 4.3% in 2024 to 4.2% in 2025, and then to 4.0% in 2026. This forecast remains broadly unchanged from July 2025 World Economic Outlook update and represents a 0.6 percentage point upward revision from April 2025. However, it is 0.2 percentage points lower than the October 2024 projection, with the largest downward revisions seen in low-income developing countries compared to their middle-income peers. This outlook reflects a modest slowdown amid ongoing global uncertainties and varying regional growth dynamics.

Global Oil

In November, the ORB value dropped by 74 cent per barrel (¢/b), month-on-month (m-o-m), to average $64.46 per barrel (/b). The ICE Brent front-month contract dropped by 29¢/b, m-o-m, to average $63.66/b, and the NYMEX WTI dropped by 59¢/b, m-o-m, to average $59.48/b. The ICE Brent–NYMEX WTI front-month spread averaged $4.18/b in November, up by 30¢/b, m-o-m. The GME Oman front-month contract dropped 41¢/b, m-o-m, in November to average $64.53 /b.

The global oil demand growth forecast for 2025 remains at 1.3 million per barrel (mb/d), year-on-year (y-o-y), unchanged from last month's assessment. In the Organization of Economic Cooperation and Development (OECD), oil demand is forecast to grow by about 0.1 mb/d in 2025, while the non-OECD is forecast to grow by about 1.2 mb/d. In 2026, global oil demand is forecast to grow by about 1.4 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by about 0.2 mb/d, y-o-y, while the non-OECD is forecast to grow by about 1.2 mb/d, y-o-y.

Production from countries not participating in the declaration of cooperation (Non-DoC) liquids is forecast to grow by about 1.0 mb/d, y-o-y, in 2025, revised up slightly from last month's assessment. The revision is only about 50 tb/d, mainly to accommodate for seasonality and data received so far for 4Q25. The main growth drivers for 2025 are expected to be the US, Brazil, Canada, and Argentina. The non-DoC liquids production growth forecast for 2026 remains at 0.6 mb/d, y-o-y, unchanged from last month's assessment, with Brazil, Canada, the US, and Argentina as the main growth drivers. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the Declaration of Cooperation (DoC) are forecast to grow by 0.1 mb/d, y-o-y, in 2025, to average 8.6 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average about 8.8 mb/d. Crude oil production by countries participating in the DoC increased by 43 Thousand barrels per day (tb/d in November, m-o-m, to average about 43.06 mb/d, according to available secondary sources.

Currency Movements

The Euro began November on the back foot and spent much of the month wrestling with a persistent ceiling against a structurally robust dollar. European woes—weak German retail sales, worsening French fiscal health, political instability, and subdued inflation expectations—curbed any meaningful Euro rally, confining the pair to a narrow 1.1550–1.1650 range below the monthly moving average. Meanwhile, the dollar found support from steady US economic data, hawkish Federal Reserve signals, and risk-off sentiment amid the lingering government shutdown. Despite occasional ECB rhetoric that hinted at possible easing, the euro lacked the conviction to break resistance levels, ending the month under pressure as traders braced for fresh German inflation data and the possibility of renewed euro weakness.

GBP/USD endured a steady decline against the dollar in November, weighed down by mounting fiscal concerns in the UK and uncertainty in the United States. Early in the month, Chancellor Rachel Reeves' hints of higher taxes on capital gains and pension contributions stoked fears of capital flight, pushing the cable below 1.3100 as disappointing UK GDP and soft business investment figures kept hopes of a Bank of England hike at bay. Meanwhile, the longest-ever US government shutdown unsettled markets, driving investors toward the dollar's safe-haven appeal amidst patchy economic data and resilient inflation prints. Sterling briefly rallied following a more measured autumn budget, with gilt yields dropping and the pound reaching 1.327, but the bounce proved fleeting. By month's end, the currency remained fragile, haunted by prospects of rate cuts, subdued growth forecasts, and political infighting within the Labour Party.

Global Trade

Global trade in November 2025 faltered under the weight of escalating tariffs and policy fog, with the World Trade Organisation's outlook painting a picture of merchandise volumes scraping a mere 0.9% gain for the year—down sharply from baseline hopes and a whisker above April's contraction call. North America's export plunge of 12.6% hogged the headlines, siphoning 1.7 points off global growth as front-loading ahead of reciprocal duties warped flows, while Asia and Europe clung to slim positives from energy and intra-bloc trade.

Services held firmer at 4.0-9.0% expansion, their digital bent shielding them from goods' woes, yet AI's long-term trade jolt—34-40% by 2040—stumbled against regulatory rifts and digital divides. United Nations Conference on Trade and Development's (UNCTAD) concurrent update flagged environmental goods like solar kit outpacing industrials, a green glint amid the chill, but least-developed economies nursed tighter finance and slack demand just as they eyed value-chain climbs. Overall, November served notice: trade's engine sputters when geopolitics trumps prices.

Interest Rate Movements

The US Treasury yield (10-Year) increased to close at 4.09% in November 2025 from 4.06% recorded in October 2025.

	Nov-25	Oct-25	Nov-24	Change 1 month	Change 12 months
US Fed Rate	3.88%	3.88%	4.88%	0.00%	-1.00%
US Treasury yield (10 years)	4.09%	4.06%	3.72%	0.03%	0.37%
BOE Rate	4.00%	4.00%	5.00%	0.00%	-1.00%
ECB Rate	2.15%	2.15%	3.65%	0.00%	-1.50%

(Source: US Federal Reserve, Refinitiv)

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

According to the International Monetary Fund's Subsaharan economic outlook, economic growth in Sub-Saharan Africa is forecast to hold steady at 4.1% in 2025, matching last year's pace, with a gentle uptick expected in 2026. Slightly revised forecasts reflect ongoing strides in macroeconomic stabilisation and reforms, notably in Ethiopia and Nigeria. Over recent years, the region has weathered a string of major shocks with notable resilience, boasting some of the world's fastest-growing economies—Benin, Côte d'Ivoire, Ethiopia, Rwanda and Uganda among them. Yet, growth remains uneven. Resource-dependent nations and conflict-hit states, home to most of the population—continue to lag. There, rises in income per person are barely 1% a year on average, and even fewer in the poorest countries.

In parts of the region, reforming debt transparency and rebuilding trust in debt management would significantly boost investor confidence and lower borrowing costs. Transparency raises the chances that funds are channelled into investments that drive growth and exports. It also helps reduce risks to debt sustainability and is crucial for current and future debt restructuring efforts. These measures are especially important as sovereign debt portfolios grow more complex with the rise of private bonds and collateralised borrowing. In this evolving landscape, clarity and accountability are key to unlocking better financing terms and sustainable development.

Global growth is slowing, with forecasts revised slightly downwards for 2025–26. Commodity markets show mixed signals: falling oil prices hurt fuel exporters, while cocoa, coffee, copper, and gold remain strong, aiding resource-rich countries like Ethiopia. Borrowing conditions have eased modestly, aided by a weaker dollar and easing policies in emerging markets, leading to narrower sovereign spreads and resumed portfolio inflows. However, trade tensions have worsened, with rising US tariffs and the end of preferential African trade access, while foreign aid to the region is plunging, straining public services in fragile states. Fiscal space is limited, heightening risks from trade tensions, aid cuts, geopolitical instability and financial volatility, which will particularly challenge resource-intensive and fragile economies.

Zambia

Zambia's headline inflation decreased to 10.9% in November 2025, down from 11.9% October 2025. The Zambian Kwacha closed at ZK22.97/US$1 in November 2025, compared to ZK22.21/US$1 recorded in October 2025. According to the IMF, economic growth is projected to grow by 5.8% in 2025.

Zimbabwe

Inflation decreased to 19.7% in November, down from 32.7% in October 2025, driven by falling food and services prices. The Zimbabwean Gold (ZiG) closed at ZiG26.19/US$1 in November 2025, compared to ZiG26.39/US$1 in October 2025. According to the IMF, economic growth is projected to grow at 6.0% in 2025.

Uganda

Uganda's headline inflation decreased to 3.1% in November 2025, down from 3.4% in October 2025. The Ugandan Shilling depreciated against the US Dollar in November 2025, closing at UGX3,624.91/US$1, compared to UGX3,481.00/US$1 recorded in October 2025. Uganda's economy is projected to grow by 6.4% in 2025.

Tanzania

Tanzania's headline inflation decreased to 3.4% in November 2025, down from 3.5% in October 2025. The Tanzanian Shilling appreciated against the US Dollar and closed at TSh2,436.80/US$1, compared to TSh2,451.64/US$1 recorded in October 2025. According to the IMF, Tanzania's economy is projected to grow by 6.0% in 2025.

South Africa

South Africa's headline inflation decreased to 3.5% in November 2025, down from 3.6% in October 2025. The South African Rand appreciated against the US Dollar and closed at ZAR17.11/US$1 in November 2025, compared to ZAR17.24/US$1 recorded in the previous month. The IMF has projected that economic growth outlook for South Africa to grow at 1.1% in 2025.

OUTLOOK FOR NOVEMBER AND BEYOND – MALAWI

Exchange Rates

Owing to persistent shortages of hard currency and speculation, the spread between the formal exchange rate in November 2025 stood at K1,751.00:US$1 (TT sell), while the informal market exchange rate was K4,500:US$1.

The Ministry of Finance announced tighter oversight of foreign-exchange dealers to curb market malpractice. Measures included annual licence renewals and a ban on forex derivatives until regulations are finalised. The government prohibited derivatives trading in the mid-year budget review.

The Economist Intelligence Unit (EIU) forecast that the kwacha will depreciate gradually over the forecast period as the central bank allows greater exchange-rate flexibility—to MK2,438:US$1 at end-2026 and MK3,250:US$1 at end-2029—in line with IMF guidance under a new funded programme. This will also reflect the paucity of foreign exchange reserves, which we forecast will remain low in 2025-26, at an average of 0.9 months of import cover, before rising to 1.8 months at end-2029. By 2029 the kwacha will be trading close to its fair value (with a narrower spread between the official and the parallel-market rates), reflecting achievement of the policy goal of exchange-rate flexibility, coupled with lower inflation. On this basis, we expect steady real effective depreciation over the course of 2026-29.

POSSIBLE IMPACT: *Lower foreign exchange inflows coupled with a large appetite for imports are likely to maintain downward pressure on the value of the Kwacha as foreign reserves continue to decline, resulting in further depreciation of the Kwacha. This will also induce inflationary pressures stemming from increased price of imports in domestic currency terms.*

Inflation

Malawi's year-on-year headline inflation rose to 27.9% in November 2025, down from 29.1% in October 2025, driven primarily by rising food prices. Food inflation decreased slightly from 32.4% to 30.1%, while non-food inflation increased from 23.8% to 24.2%. This decrease can be attributed to falling prices in key food items such as rice, maize, and maize products moderated, with a notable decline in vegetable prices.

November's month-on-month inflation rose to 2.3% from 2.2% in October, as food inflation climbed from 1.7% to 2.4%. Non-food inflation eased to 2.1% from 3.0%, which reflected declines in key components: Housing, Water, and Electricity (23.7% of CPI basket) fell from 3.05% to 2.66%; Transportation (4.1% of CPI) dropped sharply from 8.13% to 1.31%; and Restaurants & Hostels (2.0% of CPI) decreased from 1.92% to 0.55%.

The EIU marginally revised down its 2025 inflation forecast to average 27.6% over full year down from 28.1% previously. This will be a result of high base effects and will moderate the rate of price growth.

The Monetary Policy Committee will continue to monitor inflation and, if necessary, will raise the policy rate to contain inflation.

POSSIBLE IMPACT: *Rising prices reduce the purchasing power of households and lower the consumption of important items, especially food. Poor households will suffer disproportionately from food inflation, given the large share of food in their consumption basket.*

External Sector

In November 2025, Malawi's total exports fell to US$109.4 million, a 26.7% decrease from US$149.1 million in November 2024, reflecting persistent challenges in key sectors such as tobacco amid weaker global commodity prices and domestic production constraints. On a month-on-month basis, however, exports showed recovery, rising 25.5% from US$87.1 million in October 2025 from US$315.9 million in October 2025 to US$109.4 million in November 2025.

Total Imports reached US$348.3 million in November 2025, up 15.6% from US$301.2 million a year earlier and driven by elevated costs for essentials like fuel, fertilizers, and machinery to support agriculture and infrastructure. Month-on-month, imports climbed by 10.2% from US$315.9 million in October 2025 to US$348.3 million in November 2025.

This dynamic resulted in a trade deficit of US$238.9 million in November 2025, which widened 57.1% year-on-year from US$152.1 million in November 2024. Month-on-month, the deficit grew more modestly by 4.4% from US$228.8 million in October 2025 to US$238.9 million in November 2025. With an export-to-import ratio of 0.31—meaning exports covered just 31.0% of imports. The imbalance underscores persistent structural weaknesses in the current account, exerting downward pressure on foreign exchange reserves and contributing to kwacha depreciation.

However, Malawi's import requirements, primarily for fuel, food, and manufactured goods, will remain substantial. The primary income account deficit will remain large but is expected to narrow slightly over the forecast period as debt restructuring eases the external debt-repayment schedule.

POSSIBLE IMPACT: *A widening current account deficit will continue to exert further downward pressure on the Kwacha against currencies of Malawi's trading partners. Malawi will need to improve its competitiveness and diversify its export base to improve its trade position.*

Monetary Policy

During the Fourth Monetary Policy Committee (MPC) meeting on October 30th and 31st, 2025, the committee maintained the policy rate at 26.0%. The committee observed that Committee observed that inflation edged up slightly from 28.0% in the previous quarter to 28.1% in the third quarter of 2025. The Committee revised its inflation forecast for 2025 upward to 28.9% from the 28.5% projected at its third meeting, citing increased pump fuel prices as a key driver. Persistent supply-side constraints and limited fiscal consolidation continue to keep inflation elevated, slowing the pace of disinflation.

The national maize requirement is 3.5 million tons, but the estimated output stood at only 2.9 million tons, indicating a deficit that is likely to further increase food prices. Government plans to import 200,000 tons from Zambia, will shrink the shortfall to 340,000 tons.

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The MPC welcomed the government's move to import maize to address food shortages, which is expected to ease food-related inflation. It stressed the need for deliberate fiscal consolidation complemented by supply-side reforms to tackle structural bottlenecks and stabilize the macroeconomy. These combined efforts are essential to successfully curb inflation and support sustainable growth.

Inflationary headwinds will continue to linger, arising from fiscal slippages (which trigger money-supply growth and drive inflation), local currency weakness due to exchange-rate liberalization and higher government expenditure due to the general elections in 2025. These factors will compel the RBM to maintain a tight monetary policy in 2025 but will likely initiate cuts to the policy rate in 2026-27 as inflation falls toward the target and support growth. The Economic Intelligence Unit (EIU) expects the policy rate to fall to 24.0% by the end of 2026, maintaining a positive real interest rate.

POSSIBLE IMPACT: *Rising interest rates may result in a slowdown of inflation due to a decrease in consumption spending. However, this will be at a cost of rising costs of borrowing which will hamper investments in the real economy and hinder economic growth.*

Fiscal Policy

For the 2025/2026 fiscal year, approved estimates for total revenue and grants have been revised downward from K5.58 trillion to K5.46 trillion. Domestic revenues have been projected upward to K4.44 trillion from K4.38 trillion, including tax revenues held steady at K4.328 trillion and other revenues increased to K149.51 billion from K106.02 billion.

Total expenditure for the fiscal year has been revised upward by K512.56 billion to K8.59 trillion from K8.05 trillion. Recurrent expenditure has been estimated at K6.66 trillion (up from K6.04 trillion), accounting for 77.6% of total expenditure. Development expenditure has been revised downward from K2.01 trillion to K1.93 trillion, with foreign-financed projects allocated K1.26 trillion (down from K1.44 trillion) and domestically financed projects at K670.22 billion (up from K578.60 billion).

In the 2025/2026 mid-year budget, the government has introduced new tax measures to boost domestic revenue amid downward revisions in total revenue and grants. These have included VAT raised from 16.5% to 17.5%; levies on bank transfers (0.05%) and mobile money; PAYE restructuring with reintroduction of the 40.0% bracket and removal of the 25.0% bracket; and minimum alternate tax for corporates at 0.5% of turnover. These measures have been introduced to increase revenue generation, which will be used to service debt and slow further borrowing.

The overall fiscal deficit for the 2025/2026 financial year has been projected at K3.13 trillion (11.9% of GDP), up from the previous estimate of K2.47 trillion (9.5% of GDP). This deficit will be financed through domestic borrowing of K2.94 trillion (up from K2.33 trillion) and foreign borrowing of K189.19 billion (up from K145.78 billion).

POSSIBLE IMPACT: *The Government faces significant risks to its target of reducing the fiscal deficit, including decrease in support from the country's development partners. The fiscal deficit is likely to increase in the short to medium term, putting further upward pressure on interest rates due to increased borrowing to finance the budget.*

Economic Growth

Malawian economy is expected to grow by an average of 2.18% in 2025 from 1.65 in 2024. See table below:

Real GDP Growth Projections				
	2022	2023	2024	2025
EIU	0.70%	1.60%	1.30%	1.60%
IMF	0.90%	1.50%	1.80%	2.40%
WORLD BANK	0.90%	1.40%	1.80%	1.90%
GOVERNMENT	1.19%	1.50%	1.70%	2.80%
Average Real GDP	**0.92%**	**1.50%**	**1.65%**	**2.18%**

(Source: EIU, IMF, WBG, MoF)

Malawi's government has pledged to press ahead with the Mozambique-Malawi interconnector, a power line that will let it import electricity from its neighbour and join the Southern African Power Pool (SAPP) for regional trading. The government has highlighted that 95.0% of work on the Malawian side has been done, against 75% in Mozambique; commissioning has been slated for the first quarter of 2026. If completed on time, the link will bolster industrialisation by easing chronic power shortages, thereby spurring economic growth.

The EIU forecasts real GDP growth of just 1.6% in 2025, up from an estimated 1.3% in 2024, as hard-currency shortages and drought conditions hamper agricultural output and worsen erratic power supply, negatively impacting private consumption (as agriculture remains the main source of livelihoods), investment, and net exports. Assuming progress with debt restructuring and the eventual resumption of a funded IMF programme from early 2026, which will play a major role in attracting donor funding and supporting investor confidence, growth will gradually pick up, averaging 2.7% a year in 2026-29.

The continuation of operations of uranium mining at the Kayelekera mine (after the site was mothballed in 2013) will boost export revenue from 2026 (with output reaching full capacity towards the end of the forecast period). Two other sites—the Kangankunde mine owned by Australian mining firm Lindian Resources Ltd and the Kanyika mine owned by Globe Metals (also of Australia)—are scheduled to be operational by 2027, although both projects have already faced considerable delays, and further setbacks are likely. We expect stronger export growth from the mining sector in the latter part of our forecast period.

POSSIBLE IMPACT: *Malawi's weak business environment, fiscal indiscipline and rising current account deficit will continue to stunt economic growth in the short to medium term. However, successful implementation of the MW2063 agenda enhances the future economic growth prospects of the country in the long term*

ECONOMIC RISKS

ECONOMIC RISK	IMPACT ON ECONOMY	MITIGATING MEASURES
Escalation of Geopolitical Conflicts (e.g., Russia-Ukraine, Middle East tensions)	1. Prolonged supply chain disruptions, especially energy and food. 2. Surging commodity prices (oil, gas, grains). 3. Heightened imported inflation. 4. Reduced global trade volumes.	1. Diversify supply chains away from conflict zones. 2. Build strategic reserves for energy and food. 3. Strengthen regional trade agreements. 4. Promote domestic production of critical goods.
Climate Change/ Natural Disasters	1. Persistent agricultural losses due to droughts, floods, and heatwaves. 2. Widespread infrastructure damage. 3. Rising insurance costs and unbudgeted recovery spending. 4. Displacement of populations affecting labour markets.	1. Invest in climate-resilient agriculture (e.g., drought-resistant crops). 2. Upgrade infrastructure with adaptive designs. 3. Expand early warning systems and disaster response. 4. Diversify economic reliance beyond vulnerable sectors.
Persistent Inflation and Cost-of-Living Crisis	1. Sustained high cost of living eroding purchasing power. 2. Wage stagnation relative to prices. 3. Elevated borrowing costs impacting businesses and households. 4. Social unrest due to declining living standards.	1. Tighten monetary policy to control inflation. 2. Expand social safety nets (e.g., subsidies for essentials). 3. Encourage wage growth in key sectors. 4. Promote competition to reduce price gouging.
Rising Government Debt and Fiscal Strain	1. Larger budget deficits due to servicing high debt levels. 2. Crowding out private investment as borrowing competes for funds. 3. Risk of sovereign debt crises in vulnerable economies.	1. Implement fiscal consolidation through targeted spending cuts. 2. Broaden tax base and improve compliance. 3. Negotiate debt relief or restructuring with creditors.
Foreign Exchange Volatility and Shortages	1. Higher costs for imports, exacerbating inflation. 2. Reduced industrial output due to scarce raw materials 3. Currency depreciation straining forex reserves. 4. Fuel shortages disrupting transport and energy sectors.	1. Diversify exports to stabilize forex inflows. 2. Encourage remittances via incentives for diaspora. 3. Promote local manufacturing for import substitution. 4. Secure forex swaps or credit lines with allies. 5.
Insufficient Power Supply	1. Commercial productivity remains small scale as large-scale enterprises are difficult to implement with limited power supply. 2. Low industrial productivity in the manufacturing sector resulting in low economic productivity and dampening economic growth. 3. Deferment of development by investors due to lack of infrastructure	1. Encourage use of energy-saving bulbs. 2. Rehabilitate and develop new power plants. 3. Public-Private Partnerships to enhance energy production through alternative power sources. 4. The entrance of Independent Power Producers (IPPs) may help boost power generation.
High Population Growth and Demographic Pressures	1. Lower per capita income as resources stretch thin. 2. Overburdened public services (health,	1. Enhance family planning education and access. 2. Invest in education and skills

	education). 3. Youth unemployment fuelling social instability.	training for youth. 3. Stimulate job creation in urban and rural areas.
Uncertainty in External Environment and Trade Protectionism	1. Falling demand for exports due to global slowdowns. 2. Reduced foreign investment amid protectionist policies. 3. Lower remittances as host economies tighten borders. 4. Barriers to accessing international finance.	1. Diversify export markets and products. 2. Strengthen domestic investment climate. 3. Negotiate trade deals to counter protectionism. 4. Build resilience through regional economic blocs

APPENDIX

Appendix 1: Selected economic indicators for Malawi (RBM, MSE, MERA, NSO)

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Exchange Rates													
MK : US$	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01
MK : GBP	2,269.87	2,240.22	2,218.25	2,310.59	2,246.47	2,392.21	2,407.39	2,451.51	2,370.42	2,410.07	2,400.96	2,349.17	2,359.88
MK : ZAR	98.82	95.03	96.24	96.63	98.00	96.39	100.61	100.72	99.39	100.78	103.64	103.34	104.06
MK : EUR	1,887.66	1,857.65	1,855.51	1,854.62	1,926.24	2,033.40	2,026.61	2,096.62	2,044.47	2,083.05	2,096.44	2,066.62	2,068.76
Forex reserves (Source: RBM)													
Total Reserves (US$'mn)	519.00	516.90	530.90	569.50	536.00	530.00	521.00	555.90	607.70	521.90	511.80	526.80	N/A
Total Import Cover (months)	2.10	2.10	2.10	2.30	2.10	2.10	2.10	2.20	2.40	2.10	2.00	2.10	N/A
% Inflation (NSO)													
Headline Inflation	27.00	28.10	28.50	30.70	30.50	29.20	27.70	27.10	27.30	28.20	28.70	29.11	27.91
Food	33.70	35.60	36.00	38.50	37.30	35.80	32.70	31.60	32.40	33.70	33.00	32.38	30.13
Non Food	17.20	16.80	16.90	18.50	19.20	19.40	20.00	20.10	19.30	19.50	21.70	23.78	24.20
Interbank Rates (Source: RBM)													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate	24.20%	20.39%	24.20%	24.20%	23.18%	23.20%	23.20%	23.90%	23.98%	23.98%	23.98%	23.98%	23.98%
Average Base Lending Rates	25.40%	25.50%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%
Treasury Bill Yields (Source: RBM)													
91 day Treasury Bill Yield	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
182 day Treasury Bill yield	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364 day Treasury Bill yield	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Stock Market Indices (Point) (Source:													
MASI	163,189.14	172,039.93	223,474.92	283,722.24	291,644.54	289,692.81	283,146.74	329,922.87	386,281.85	535,303.19	579,212.79	602,600.89	619,709.36
DSI	127,560.53	131,362.56	173,854.75	197,589.16	205,607.20	213,500.56	213,341.45	248,718.38	289,041.04	412,549.45	441,898.89	437,930.45	417,628.19
FSI	22,536.25	27,738.47	31,921.06	70,073.16	68,836.03	56,537.57	49,302.03	57,277.29	69,606.94	81,906.38	94,071.23	124,300.17	167,481.69
Fuel Prices per Litre (Source: MERA)													
Petrol	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	3,499.00	3,499.00	3,499.00
Diesel	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	3,500.00	3,500.00	3,500.00
Paraffin	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00

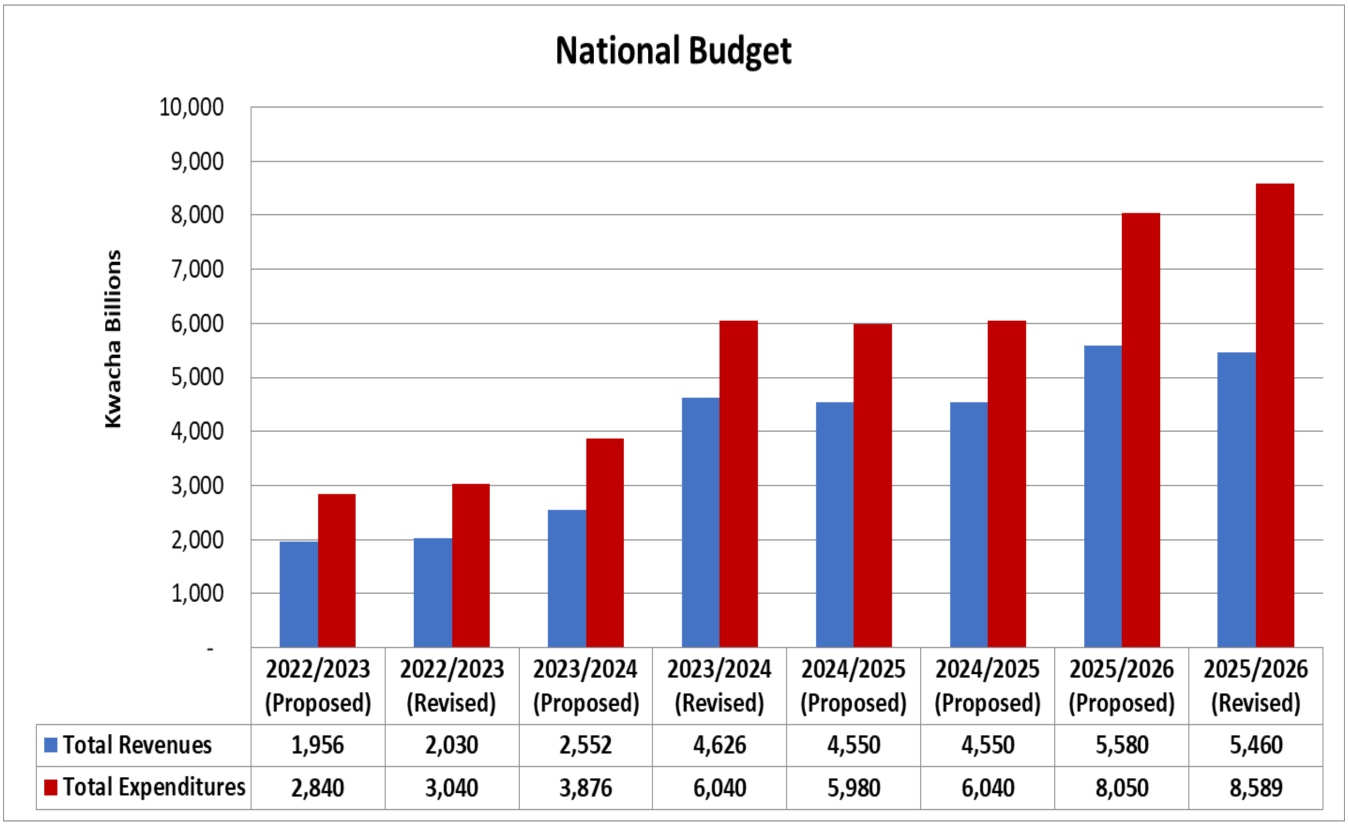
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
TANZANIA													
Exchange rate													
US$	2,620.50	2,394.76	2,695.00	2,581.29	2,649.98	3,053.62	2,583.82	2,618.32	2,545.79	2,466.06	2,442.85	2,451.64	2,436.80
GBP	3,319.88	3,015.60	3,546.08	3,263.78	3,426.42	3591.74	3496.81	3598.89	3387.18	3329.64	3285.14	3260.44	3222.91
ZAR	144.37	127.81	151.91	151.91	144.78	144.78	143.67	147.30	141.73	139.56	141.45	142.01	142.21
EUR	2,764.57	2,501.92	2,985.32	2,696.67	2,858.47	3,053.62	2,976.56	3,073.65	2,920.54	2,876.63	2,870.83	2,854.69	2,820.59
Inflation %	3.10	3.10	3.10	3.20	3.30	3.20	3.20	3.30	3.30	3.40	3.40	3.50	3.40
UGANDA													
Exchange rate													
US$	3,667.00	3,681.14	3,720.82	3,677.71	3,662.55	3,665.64	3,630.86	3,594.41	3,585.09	3,552.14	3,490.18	3,481.00	3,624.91
GBP	4,690.00	4,670.00	4,899.20	4,899.20	4,745.93	4,905.73	4,892.95	4,934.41	4,792.55	4,792.73	4,533.20	4,704.71	4,796.84
EUR	3,885.00	3,850.00	4,121.55	4,121.55	3,969.47	4,167.47	4,120.30	4,214.45	4,145.80	4,142.51	4,095.90	4,044.22	4,200.00
Inflation %	2.90	3.30	3.60	3.70	3.40	3.50	3.80	3.90	3.80	3.80	4.00	3.40	3.10
Central Bank Rate %	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
ZAMBIA													
Exchange rate													
US$	26.92	27.89	26.12	26.12	28.21	27.96	26.62	23.81	22.98	23.58	23.87	22.21	22.97
GBP	34.02	34.96	34.40	35.95	36.98	37.27	35.87	32.61	30.34	31.74	32.02	29.11	30.36
ZAR	1.49	1.52	1.48	1.55	1.56	1.50	1.48	1.34	1.27	1.33	1.38	1.28	1.34
Inflation %	16.50	16.70	16.70	16.80	16.50	16.50	15.30	14.10	13.00	12.60	12.30	11.90	10.90
Central Bank Rate %	14.00	14.00	14.00	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	
MOZAMBIQUE													
Exchange Rate													
US$	63.90	63.91	64.54	63.90	63.90	63.27	63.90	63.90	63.91	63.91	63.91	63.90	63.27
ZAR	3.54	3.47	3.65	3.49	3.49	3.42	3.62	3.62	3.63	3.65	3.66	3.52	3.70
EUR	67.52	66.44	71.43	69.64	69.12	72.18	72.95	75.22	74.79	74.70	73.87	74.00	73.20
Inflation%	2.84	4.15	2.75	4.74	4.77	3.99	4.00	4.50	3.96	4.79	4.93	4.83	4.38

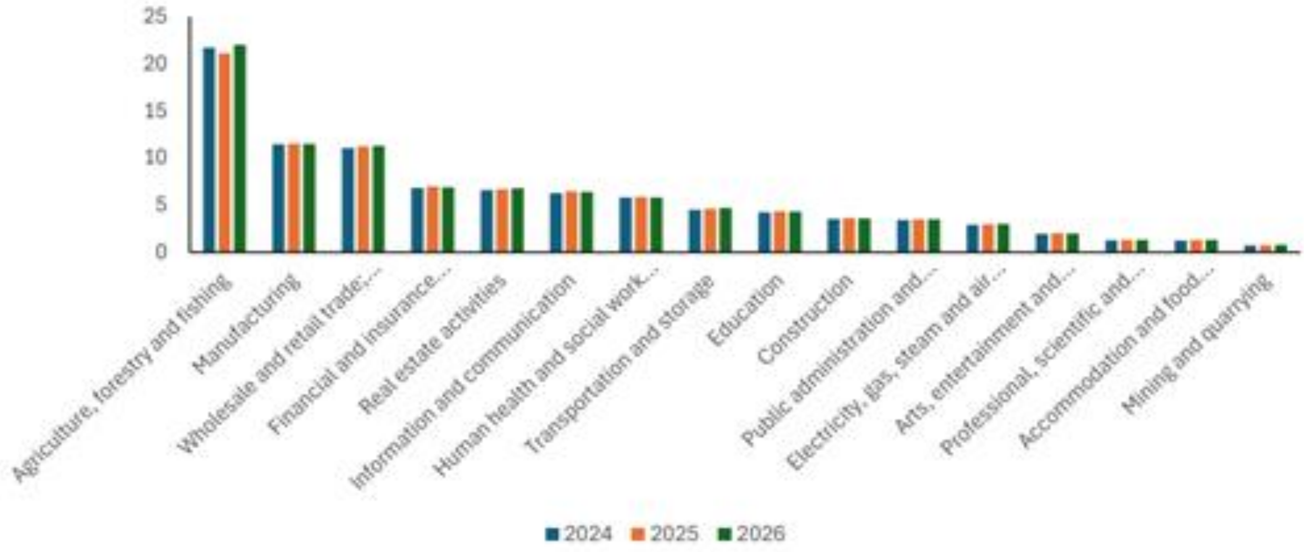
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

Appendix 3: Budget Framework (Source: Ministry of Finance)

K'Billion	2022/2023 (Proposed)	2022/2023 (Revised)	2023/2024 (Proposed)	2024/2024 (Revised)	2024/2025 (Proposed)	2024/2025 (Revised)	2025/2026 (Proposed)	2025/2026 (Revised)
Total Revenues	**1,956**	**2,030**	**2,552**	**4,626**	**4,550**	**4,550**	**5,580**	**5,461**
Domestic revenues	1,636	1,628	2,240	3,386	3,380	3,380	3,386	4,478
Grants	320		312	1,240	1,170	1,170	1,140	979
Budgetary support								
Earmarked grants								
Total Expenditure	**2,840**	**3,040**	**3,876**	**6,040**	**5,980**	**6,040**	**8,050**	**8,589**
Reccurent expenditure	2,019		2,980	4,456		2,217	6,040	6,663
Wages & Salaries	670						1,530	1,630
Interest on debt	524						2,170	2,272
Investment Expenditure	821		896	1,584	1,770	1,770	2,010	1,926
Deficit/Surplus	**(883)**	**(1,010)**	**(1,325)**	**(1,414)**	**(1,430)**	**(1,490)**	**(2,470)**	**(3,128)**
Deficit as a % of Revenue	**-45%**	**-50%**	**-52%**	**-31%**	**-31%**	**-33%**	**-44%**	**-57%**

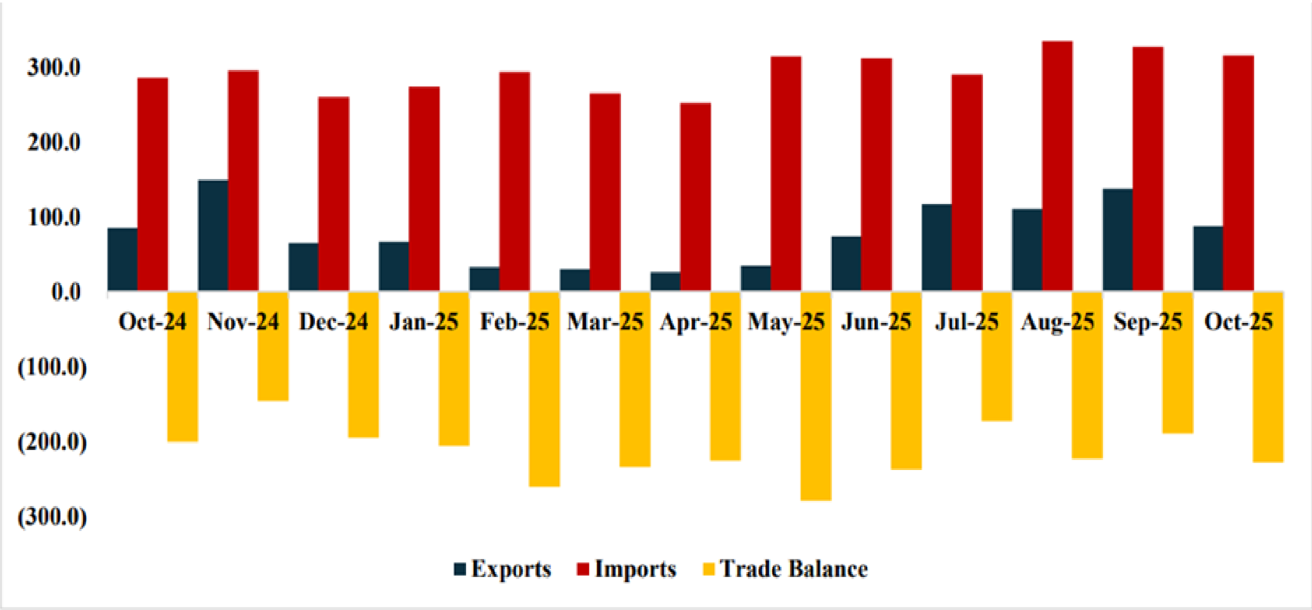


Appendix 4: GDP per sector (Source: RBM)



Source: National Statistical Office, Reserve Bank, Ministry of Finance and Economic Affairs

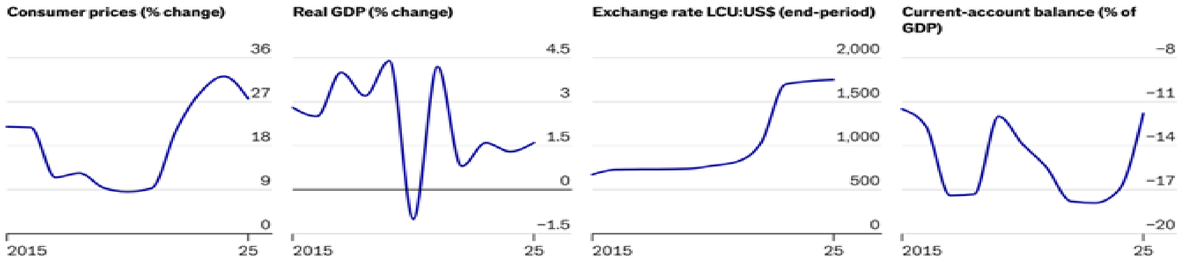
Appendix 5: Merchandise Trade (US$' millions) (Source: RBM)



Source: National Statistical Office

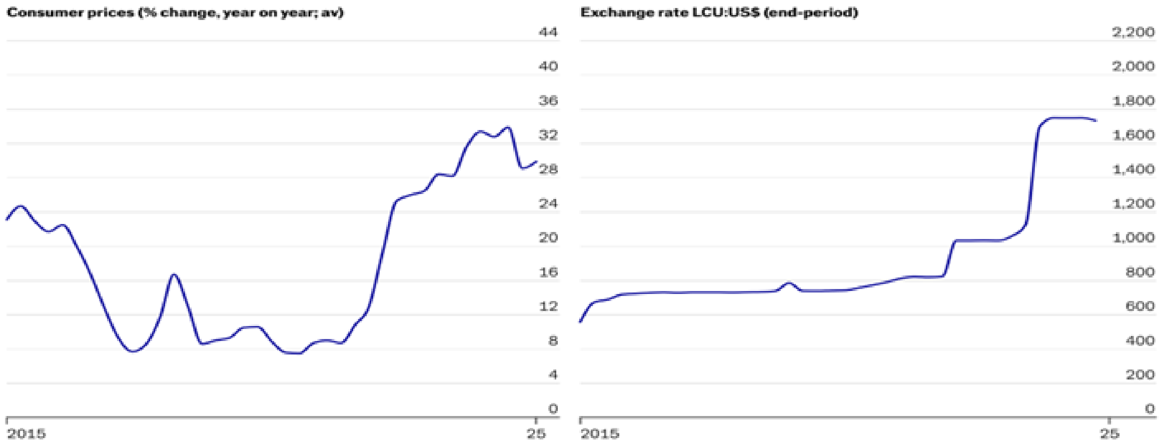
Appendix 6: Comparable Indicators (Source: EIU)

Key annual indicators



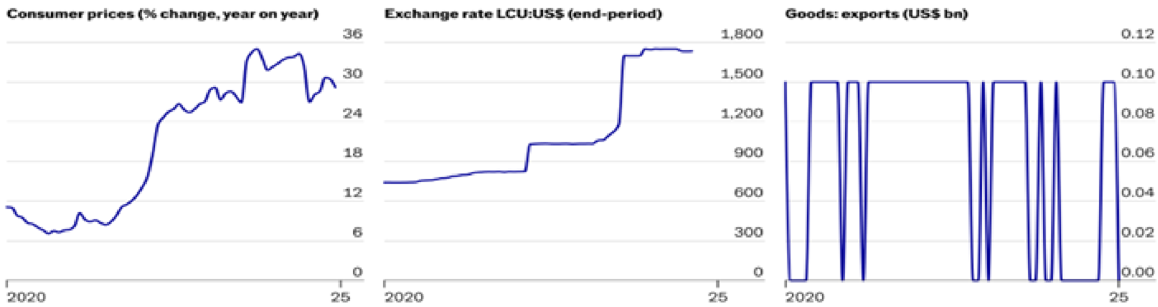
Source: EIU.

Key quarterly indicators



Source: EIU.

Key monthly indicators



Appendix 7: Global Projections (Source: World Bank)

	2022	2023	2024e	2025f	2026f	2027f	2025f	2026f
World	**3.3**	**2.8**	**2.8**	**2.3**	**2.4**	**2.6**	**-0.4**	**-0.3**
Advanced economies	**2.9**	**1.7**	**1.7**	**1.2**	**1.4**	**1.5**	**-0.5**	**-0.4**
United States	2.5	2.9	2.8	1.4	1.6	1.9	-0.9	-0.4
Euro area	3.5	0.4	0.9	0.7	0.8	1.0	-0.3	-0.4
Japan	0.9	1.4	0.2	0.7	0.8	0.8	-0.5	-0.1
Emerging market and developing economies	**3.8**	**4.4**	**4.2**	**3.8**	**3.8**	**3.9**	**-0.3**	**-0.2**
East Asia and Pacific	3.6	5.2	5.0	4.5	4.0	4.0	-0.1	-0.1
China	3.1	5.4	5.0	4.5	4.0	3.9	0.0	0.0
Indonesia	5.3	5.0	5.0	4.7	4.8	5.0	-0.4	-0.3
Thailand	2.6	2.0	2.5	1.8	1.7	2.3	-1.1	-1.0
Europe and Central Asia	1.5	3.6	3.6	2.4	2.5	2.7	-0.1	-0.2
Russian Federation	-1.4	4.1	4.3	1.4	1.2	1.2	-0.2	0.1
Türkiye	5.5	5.1	3.2	3.1	3.6	4.2	0.5	-0.2
Poland	5.3	0.2	2.9	3.2	3.0	2.9	-0.2	-0.2
Latin America and the Caribbean	4.0	2.4	2.3	2.3	2.4	2.6	-0.2	-0.2
Brazil	3.0	3.2	3.4	2.4	2.2	2.3	0.2	-0.1
Mexico	3.7	3.3	1.5	0.2	1.1	1.8	-1.3	-0.5
Argentina	5.3	-1.6	-1.8	5.5	4.5	4.0	0.5	-0.2
Middle East and North Africa	5.4	1.6	1.9	2.7	3.7	4.1	-0.7	-0.4
Saudi Arabia	7.5	-0.8	1.3	2.8	4.5	4.6	-0.6	-0.9
Iran, Islamic Rep. [2]	3.8	5.0	3.0	-0.5	0.3	1.8	-3.2	-1.9
Egypt, Arab Rep. [2]	6.6	3.8	2.4	3.8	4.2	4.6	0.3	0.0
South Asia	6.0	7.4	6.0	5.8	6.1	6.2	-0.4	-0.1
India [2]	7.6	9.2	6.5	6.3	6.5	6.7	-0.4	-0.2
Bangladesh [2]	7.1	5.8	4.2	3.3	4.9	5.7	-0.8	-0.5
Pakistan [2]	6.2	-0.2	2.5	2.7	3.1	3.4	-0.1	-0.1
Sub-Saharan Africa	3.9	2.9	3.5	3.7	4.1	4.3	-0.4	-0.2
Nigeria	3.3	2.9	3.4	3.6	3.7	3.8	0.1	0.0
South Africa	2.1	0.8	0.5	0.7	1.1	1.3	-1.1	-0.8
Angola	3.0	1.0	4.4	2.7	2.6	3.2	-0.2	-0.3
Memorandum items:								
Real GDP[1]								
High-income countries	2.9	1.7	1.9	1.3	1.5	1.7	-0.5	-0.4
Middle-income countries	3.9	4.8	4.4	4.1	4.0	4.0	-0.2	-0.1
Low-income countries	4.4	2.8	4.6	5.3	6.1	6.0	-0.4	0.2
EMDEs excluding China	4.2	3.7	3.6	3.4	3.7	4.0	-0.4	-0.2
Commodity-exporting EMDEs	3.3	2.7	3.1	2.9	3.2	3.4	-0.3	-0.2
Commodity-importing EMDEs	4.0	5.2	4.7	4.3	4.1	4.2	-0.2	-0.1
Commodity-importing EMDEs excluding China	5.4	4.9	4.2	3.9	4.4	4.6	-0.5	-0.2
EM7	3.5	5.4	4.8	4.1	3.9	3.9	-0.1	0.0
World (PPP weights) [3]	3.5	3.4	3.3	2.9	3.0	3.1	-0.3	-0.2
World trade volume [4]	**5.9**	**0.8**	**3.4**	**1.8**	**2.4**	**2.7**	**-1.3**	**-0.8**

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"To provide innovative investment and financial solutions that grow our client's' wealth"

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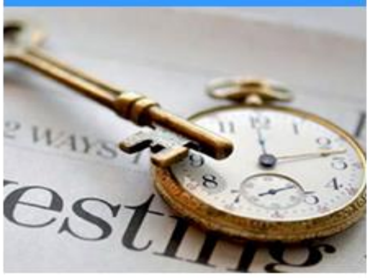

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