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MONTHLY ECONOMIC REPORT

July 2026

Investment Management | Corporate Finance | Investor Services

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LIST OF ACRONYMS

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

EXECUTIVE SUMMARY

Economic Outlook — Malawi

Malawi's economic outlook remains cautiously positive, with economic growth projected at around 2.53% in 2026, although persistent foreign exchange shortages, elevated inflation, fiscal pressures and weather-related risks continue to constrain the pace of recovery. Growth is expected to be supported by improved tobacco export receipts, the revival of mining operations, expansion in manufacturing, tourism development and investment in energy and infrastructure, while the anticipated reopening of the Kayelekera uranium mine and gradual improvements in electricity supply could strengthen economic activity over the medium term. Inflation continued to

moderate in July, supported by lower food prices and improved domestic supply, although the onset of the lean season, elevated fuel costs and exchange rate pressures remain key upside risks.

Monetary policy is expected to remain tight, with the Policy Rate at 24.0% and the Liquidity Reserve Requirement on local currency deposits at 12.0%, as the Reserve Bank of Malawi seeks to sustain disinflation and anchor inflation expectations. Meanwhile, fiscal and external sector pressures remain significant, with high public debt, a large fiscal deficit, a widening trade deficit and continued foreign exchange shortages posing risks to macroeconomic stability.

Key Economic Risks – Malawi

1. **Interest Rate Risk** - Short-term deposit rates are poised to rise in response to persistent high inflation and limited economic resilience. Month-on-month increases in food prices are exerting upward pressure on borrowing costs. In this environment of heightened risk, the Reserve Bank of Malawi may be compelled to tighten monetary policy further by increasing its policy rate to rein in inflationary pressures.
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 El Nino 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. **Exchange Rates** - A widening gap between its official and parallel exchange rates, driven by acute foreign exchange scarcity. This divergence heightens exchange rate risk for companies with significant FX exposure, such as Airtel and Illovo. The issue is under close watch, as there is possibility that post-election, authorities may pursue a currency realignment to unify rates, reduce the parallel market premium, and restore external competitiveness.
6. **High Population Growth and Demographic Pressures** – Rapid population growth reducing per capita income and overburdening public services, limiting resources for productive economic activities.
7. **Sovereign Debt** - Discussions on domestic debt restructuring between the Government of Malawi and the banking sector are currently underway, although the specific terms and conditions remain unclear. The outcome of these negotiations carries significant implications for financial sector stability, given the high exposure of listed financial institutions to government securities. Any restructuring that materially alters the terms of existing debt holdings could affect bank balance sheets, capital adequacy and profitability. The situation is being closely monitored, as the resolution of these discussions will also influence investor confidence in future government debt issuances and the broader appetite for sovereign paper among institutional investors.

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation for July 2026 stood at 20.80%, a decrease from 21.10% reported in June 2026. The decline in inflation was driven by a decrease in food prices.

	Jul-26	Jun-26	Jul-25	% Change (1 Months)	% Change (12 Months)
Headline inflation	20.80%	21.10%	27.30%	↓ -0.30%	↓ -6.50%
Food	14.30%	14.70%	32.40%	↓ -0.40%	↓ -18.10%
Non-food	32.20%	32.10%	19.30%	↑ 0.10%	↑ 12.90%

Government Securities (Source: RBM)

In July 2026, the average yield for all type Treasury bill was 14.33%, unchanged from June 2026.

Tenor	Jul-26	Jul-26	Jul-25	% Change (1 Months)	% Change (12 Months)
91 days	12.00%	12.00%	16.00%	⇒ 0.00%	↑ 4.00%
182 days	15.00%	15.00%	20.00%	⇒ 0.00%	↑ 5.00%
364 days	16.00%	16.50%	26.00%	↓ -0.50%	↑ 10.00%
All Type	14.33%	14.50%	20.67%	↓ -0.17%	↑ 6.33%

Total Treasury Bill applications for the month of July 2026 stood at MK236.41 billion with MK144.63 billion allotted representing 61.17% allotment. The 364-day paper accounted for the highest subscription rate at 67.13%, followed by the 182-day paper at 32.72% and lastly 91-day paper at 0.14%.

During the month of July 2026, the Reserve Bank did not conduct Treasury Note Auctions.

Foreign Currency Market (Source: RBM)

During the month, the Malawi Kwacha appreciated against the Euro but depreciated against South African Rand and British Pound.

The Kwacha remained unchanged against the US Dollar. See the table below:

CURRENCY	Jul-26	Jun-26	Jul-25	% Movement 1 month	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	⇒ 0.00%	⇒ 0.00%
MK/GBP	2,408.94	2,362.56	2,431.79	↓ -1.96%	↑ 0.94%
MK/ZAR	108.85	107.50	100.84	↓ -1.26%	↓ -7.94%
MK/EUR	2,057.12	2,095.37	2,109.20	↑ 1.83%	↑ 2.47%

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 July 2026 increased to a daily average of MK196.14 billion from MK56.36 billion in June 2026. Utilization of the Lombard facility moderated to MK1.29 trillion, down from K1.43 trillion in June 2026.

Interbank borrowing averaged MK77.84 billion at an average rate of 14.62%, compared to K64.55 billion at 12.19% in June 2026, reflecting increased demand for interbank funds alongside moderately higher borrowing costs.

The reference rate in July 2026 stood at 20.50%.

Foreign Exchange Reserves (Source: RBM)

	Jun-26 (US\$ million)	May-26 (US\$ million)	Jun-25 (US\$ million)	% 1 month change	% 12 months change
Total	616.30	596.50	555.90	↑ 3.32%	↑ 10.87%
Import Cover (Months)					
Total	2.50	2.40	2.20	↑ 4.17%	↑ 13.64%

Up until the month of June, total forex reserves stood at US\$616.30 million (2.5 months of import cover); an increase from US\$596.50 million in May 2026 (2.4 months of import cover) and US\$555.90 million in June 2025 (2.2 months of import cover).

Stock Market (Source: MSE)

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 524,002.31 points registered on 30 June 2026 to 505,773.08 points registered on 31 July 2026, giving a return on index of -3.48%. The negative return was driven by price losses registered by NICO (-17.75%), NBS (-9.64%) AIRTEL (-8.76%), FDHB (-6.16%), NITL (-5.41%), NBM (-4.68%), TNM (-2.14%). These losses were enough to offset share price gains registered by BHL (0.40%), MPICO (0.10%) and PCL (0.23%) resulting into a downward movement of the Malawi All Share Index.

Counter	Jul-26	Jun-26	Jul-25	Change (1 months)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	102.33	111.29	135.05	↓ -8.05%	↓ -24.23%
BHL	17.48	17.41	14.60	↑ 0.40%	↓ 19.73%
FDHB	499.88	530.66	527.42	↓ -5.80%	↓ -5.22%
FMBCH	1895.79	1895.92	1399.98	↓ -0.01%	↑ 35.42%
ICON	17.00	17.02	17.94	↓ -0.12%	↓ -5.24%
ILLOVO	3501.95	3501.82	1791.23	↑ 0.00%	↑ 95.51%
MPICO	19.59	19.57	19.51	↑ 0.10%	↑ 0.41%
NBM	9,548.83	9,996.00	6505.62	↑ -4.47%	↑ 46.78%
NBS	673.07	737.96	700.00	↓ -8.79%	↓ -3.85%
NICO	1348.83	1588.28	995.00	↓ -15.08%	↑ 35.56%
NITL	3699.73	3900.00	1000.01	↓ -5.14%	↑ 269.97%
OMU	5,300.02	5,300.01	2,500.05	→ 0.00%	↑ 112.00%
PCL	9,521.77	9,500.00	5,100.01	↑ 0.23%	↑ 86.70%
STANDARD	3,995.87	3,999.38	2,942.74	↓ -0.09%	↑ 578.94%
SUNBIRD	3550.00	3550.00	460.00	→ 0.00%	↑ 671.74%
TNM	28.56	29.17	39.50	↓ -2.09%	↓ -27.70%
MASI	505,773.08	524,002.31	386,281.85	↓ -3.48%	↑ 30.93%
DSI	374,826.29	391,195.33	289,041.04	↓ -4.18%	↑ 29.68%
FSI	95,718.04	95,724.37	69,606.94	↓ -0.01%	↑ 37.51%

Below is a presentation of the latest published 2025 and 2026 half year financials for the respective companies:

Published Half Year Financials for 2026 and 2025						
	Net Profit/(Loss) (MK'Billion)			Total Dividend (Per Share) (Kwacha)		
Period	Feb-26	Feb-25	% Change	Feb-26	Feb-25	% Change
ILLOVO	58.12	26.33	↑ 120.74%	8.00	3.50	↑ 128.57%
Period	Jun-26	Jun-25	% Change	Dec-25	Dec-24	% Change
BHL	(0.09)	3.33	↑ 102.70%	0.00	0.00	N/A
Period (Half-year)	Jun-26	Jun-25	% Change	Jun-26	Jun-25	% Change
AIRTEL	10.65	22.41	↑ 5.06%	3.50	2.00	↑ 75.00%
FDH BANK	88.65	60.28	↑ 47.06%	8.27	3.20	↑ 158.44%
ICON		12.73	N/A	0.00	0.30	↓ -100.00%
MPICO	13.01	7.60	↑ 71.18%	0.00	0.00	N/A
NBM	133.73	84.11	↑ 58.99%	85.94	53.90	↑ 59.44%
NBS BANK	89.05	73.45	↑ 21.24%	23.00	13.00	↑ 76.92%
NICO	96.00	124.91	→ -23.14%	40.10	22.00	↑ 82.27%
NITL	(26.50)	84.27	↓ -131.45%	11.00	5.00	↑ 120.00%
PCL	138.56	94.39	↑ 46.79%	135.42	50.60	↑ 167.63%
STANDARD	61.65	48.39	↑ 27.40%	14.23	21.31	↓ -33.22%
SUNBIRD	5.46	5.46	→ 0.00%	11.54	13.30	↓ -13.23%
TNM	11.56	7.97	↑ 44.98%	0.26	0.20	↑ 30.00%
TRADING STATEMENT						
FDH Bank	Expects its 2026 half year profit after tax to be between 42% and 52% higher than the					
BHL	Expects its 2026 half year profit after tax to be between 103.1% and 102.5% lower					
Airtel	Expects its 2026 half year profit after tax to be between 47% and 57% lower than the					
Standard	Produced 2026 half year profit after tax of 39.42 higher than the previous					
NBS Bank	Expects its 2026 half year profit after tax to be between 20% and 23% higher than the previous corresponding period					
NBM	Expects its 2026 half year profit after tax to be between 49% and 69% higher than the previous corresponding period					
FMBCH	Expects its year ending 31 December 2025 profit after tax to be between 32% and 51% higher than the previous corresponding period					
TNM	Expects its half year profit after tax to be between 35% and 55% higher than the previous corresponding period					
NITL	Expects its half year profit after tax to be between 129% and 134% lower than the previous corresponding period					
NICO	Expects its half year profit after tax to be between 27% and 18% lower than the previous corresponding period					
MPICO	Expects its 2026 half year profit after tax to be between 62% and 80% higher than the previous corresponding period					
PCL	Expects its 2026 half year profit after tax to be between 37% and 57% higher than the previous corresponding period					

OTHER MARKET DEVELOPMENT

UK Government Reduces Aid to Malawi (Source: Scotland Malawi Partnership)

The UK Government announced significant reductions in its official development assistance (ODA) to Malawi, with funding expected to decline from £50.2 million in 2025/26 to £20 million in 2026/27, £10 million in 2027/28, and £5 million in 2028/29. The reductions, introduced as part of measures to help finance increased UK defense spending, are expected to affect key sectors in Malawi, including healthcare, education, food security, and climate resilience. The substantial decline in development assistance could place additional fiscal and development pressures on Malawi, particularly given the country's reliance on external support for the financing of key development programs.

El Niño Preparedness Measures (Source: Ministry of Finance).

Malawi, alongside 11 other African countries, is set to benefit from a US\$202 million (approximately MK354 billion) Joint Anticipatory Action Appeal launched by the Food and Agriculture Organization (FAO) and the World Food Programme (WFP) to help protect vulnerable communities from the expected impacts of the 2026 El Niño weather phenomenon. The funding will support early interventions such as cash assistance, distribution of drought-tolerant seeds, livestock protection and water harvesting to strengthen food security and climate resilience. The initiative follows warnings by Malawi's Department of Climate Change and Meteorological Services that El Niño could disrupt rainfall patterns later this year, underscoring the importance of early preparedness to mitigate risks to agricultural production and livelihoods.

Tobacco Sales (Source: AHL & TC).

This month, Malawi's tobacco market generated US\$80.75 million from the sale of 42.74 million

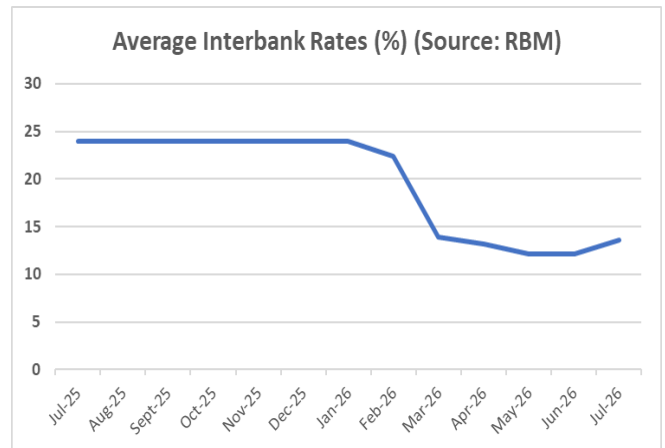
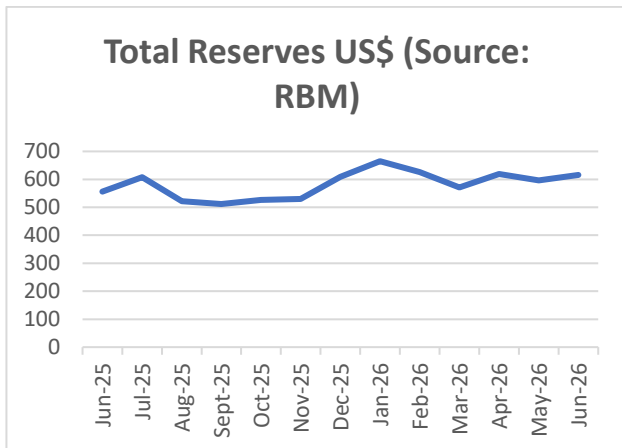
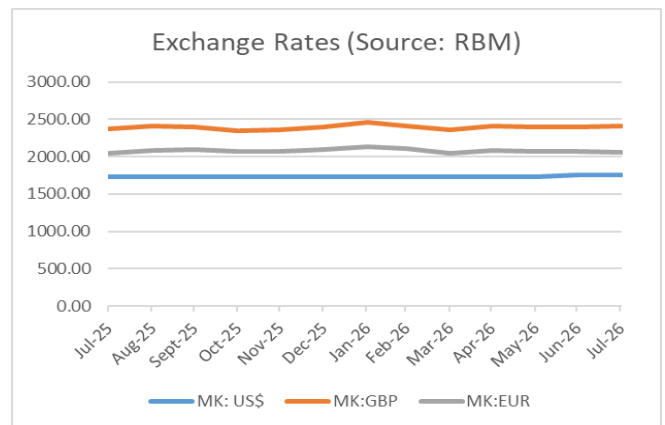
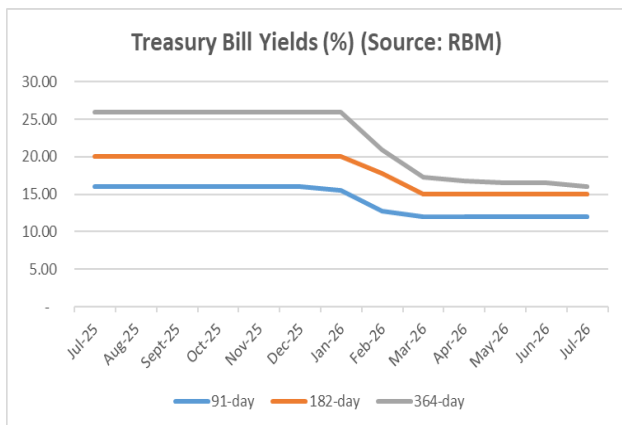
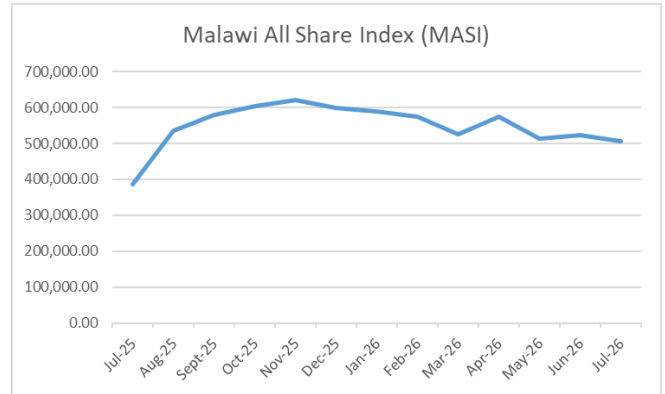
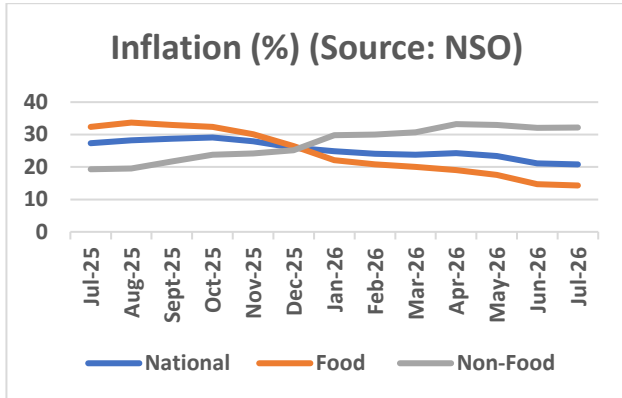
kilograms of leaf at an average price of US\$1.89/kg, compared with US\$84.75 million generated in June from the sale of 41.12 million kilograms at an average price of US\$2.06/kg, representing a 4.71% decline in revenue. Compared with the same period in 2025, when 50.01 million kilograms were sold at an average price of US\$2.55/kg, generating US\$132.80 million in revenue, the month recorded a 7.27 million kilogram decline in volumes and an estimated US\$52.05 million shortfall in revenue.

Maize prices (Source: IPFRI).

The national average retail price rose by 8% from K731/kg in the final week of June to K791/kg in the final week of July, although it remained significantly below the government-set minimum farm gate price of K900/kg. This suggests that many farmers may have sold their maize below the official benchmark, potentially constraining farm incomes. Compared with July 2025, when the national average retail price stood at K1,169/kg, current prices were 32% lower, reflecting relatively improved supply conditions.

Regional price movements remained uneven, with prices highest and rising fastest in the Southern Region, while the Northern Region recorded a slight decline. Between the final weeks of June and July, maize prices increased by 14% in the Southern Region and declined by 1% in the Northern Region, resulting in average prices of K866/kg, K773/kg, and K618/kg in the Southern, Central, and Northern Regions, respectively. Cross-border imports continued to dominate maize trade through monitored border points, with import parity prices remaining below domestic retail prices despite the depreciation of the Malawi kwacha against the Zambian kwacha. This continued to provide an effective cap on domestic maize prices and helped moderate upward price pressures.

TREND GRAPHS



GLOBAL DEVELOPMENTS

Economic Growth

According to the World Bank's *Global Economic Prospects (June 2026)*, global growth is projected to slow from 2.9% in 2025 to 2.5% in 2026, before recovering to 2.8% in 2027–28. However, the July outlook was complemented by the IMF's *July 2026 World Economic Outlook Update*, which projects global growth at 3.0% in 2026 and 3.4% in 2027, broadly unchanged from its April assessment. The IMF noted that the global economy has remained resilient to the Middle East conflict, with AI-related investment and technology demand partly offsetting the drag from higher energy costs and disrupted trade. Nevertheless, global disinflation has stalled, while renewed conflict, financial market repricing, trade fragmentation and commodity supply disruptions remain key downside risks.

The United States remains relatively resilient, with the IMF projecting growth of 2.3% in 2026 and 2.2% in 2027, supported by fiscal policy, accommodative financial conditions and continued technology-related investment. The Euro area is projected to grow by 0.9% in 2026 and 1.2% in 2027, with higher energy prices and weak consumer confidence weighing on activity despite some fiscal cushioning. China's growth is forecast at 4.6% in 2026 and 4.1% in 2027, reflecting higher global oil prices, external uncertainty and structural headwinds, although high-tech manufacturing and exports continue to provide support.

Growth in emerging market and developing economies (EMDEs) is projected at 3.8% in 2026 before strengthening to 4.5% in 2027. The July outlook remains uneven, with energy exporters and economies integrated into global technology value chains benefiting from favorable terms of trade and AI-driven demand, while energy-importing and financially constrained economies face greater pressure from higher input costs and tighter financial conditions. From an actuarial and investment perspective, this divergence increases the importance of country-specific risk assessment, particularly regarding inflation persistence, sovereign credit quality, exchange-rate volatility and the sustainability of investment returns.

Global Oil

Global oil prices weakened during July 2026, with the OPEC Reference Basket (ORB) declining by US\$6.76 per barrel month-on-month to average US\$82.99 per barrel. Brent crude prices also fell to

US\$83.97 per barrel, while West Texas Intermediate (WTI) declined to US\$79.22 per barrel. The declines reflected improved expectations of crude availability early in the month, although renewed geopolitical tensions and concerns over supply disruptions supported prices in the second half of July. OPEC revised down its global economic growth forecast for 2026 slightly to 3.0%, while maintaining its 2027 forecast at 3.2%, reflecting weaker growth expectations in some major economies.

On the demand side, OPEC revised down its forecast for global oil demand growth in 2026 to 0.6 million barrels per day (mb/d), driven mainly by non-OECD economies, while demand growth for 2027 was revised upward to 2.2 mb/d. Global oil supply is expected to remain robust, with production from non-OPEC+ (Non-DoC) countries forecast to grow by 0.6 mb/d in both 2026 and 2027, led by Brazil, the United States, Canada and Argentina. Meanwhile, crude oil production by OPEC+ (DoC) countries increased by 1.42 mb/d in July to average 37.66 mb/d, according to secondary source.

Currency Movements

The GBP/USD pair strengthened during July, rising by approximately 1.7% from 1.3257 at end-June to 1.3481 at month-end. Sterling initially came under pressure as stronger US dollar sentiment and expectations of Federal Reserve tightening weighed on the pair, with GBP/USD falling towards 1.327 in late July. However, sterling recovered towards month-end as markets reassessed US monetary policy expectations and reduced bearish positioning on the pound. The Federal Reserve and Bank of England both maintained their policy rates at their July meetings, while continued uncertainty around UK fiscal conditions and the Middle East conflict contributed to volatility.

The EUR/USD pair also strengthened during July, increasing by approximately 0.8% from 1.1394 at end-June to 1.1485 by month-end. The euro remained supported as markets continued to assess the relative monetary policy paths of the European Central Bank and Federal Reserve, while fluctuations in energy prices and geopolitical developments contributed to volatility. The pair reached a monthly low of around 1.1367 before recovering towards the end of the month, reflecting renewed pressure on the US dollar and changing expectations around US interest rates.

The GBP/EUR pair traded within a relatively narrow but volatile range during July, with sterling appreciating by approximately 0.7%, from 1.1609 at end-June to around 1.1686 at month-end. Sterling initially strengthened as expectations of tighter UK monetary policy supported the currency, reaching above 1.18 in mid-July, before retreating as softer UK inflation data and renewed geopolitical tensions reduced expectations of an imminent Bank of England rate increase. The pound subsequently recovered towards month-end as bearish positioning eased and both the BoE and ECB maintained their policy settings. Overall, currency movements during July remained driven primarily by changing interest-rate expectations, geopolitical risks and shifts in investor positioning.

Global Trade

Global trade remained relatively resilient in July despite persistent trade-policy uncertainty and geopolitical tensions. The World Trade Organization (WTO) reported that world merchandise trade volume increased by 1.9 percent quarter-on-quarter and 3.2 percent year-on-year in the first quarter of 2026, supported particularly by strong demand for electronic components associated with artificial intelligence. However, the WTO noted that the effects of the Middle East conflict, including disruptions to shipments through the Strait of Hormuz and higher energy prices, are expected to become more pronounced in subsequent trade data.

Trade-policy uncertainty also remained elevated during July. Updated WTO-IMF data showed that

global trade-policy activity reached a new high in early 2026, with activity during January–May running nearly twice its 2024 level and around a quarter above the 2025 average. The continued use of tariffs and other trade measures increases uncertainty for businesses and may affect investment decisions, supply chains and cross-border trade flows.

Looking ahead, global trade prospects will remain dependent on the evolution of geopolitical tensions, energy prices and trade-policy measures. While continued investment in AI-related goods and resilient demand in major markets could support trade growth, disruptions to key shipping routes, higher transport and energy costs, and further trade fragmentation remain important downside risks. From an actuarial and investment perspective, these developments increase uncertainty around supply-chain costs, corporate earnings and asset valuations, particularly for emerging and developing economies that remain highly dependent on international trade and external financing.

Interest Rate Movements

The US Treasury yield (10-Year) increased to 4.75% in July 2026 from 4.44% recorded in June 2026.

	Jul-26	Jun-26	Jul-25	Change 1 month	Change 12 months
US Fed Rate	3.63%	3.63%	4.38%	↗ 0.00%	↘ -0.75%
US Treasury yield (10 years)	4.75%	4.44%	4.42%	↗ 0.31%	↗ 0.33%
BOE Rate	3.75%	3.75%	4.36%	↗ 0.00%	↘ -0.61%
ECB Rate	2.15%	2.15%	2.25%	↗ 0.00%	↘ -0.10%

(Source: US Federal Reserve, Refinitiv)

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

The World Bank's *Global Economic Prospects, June 2026* report maintained its outlook for Sub-Saharan Africa (SSA), with growth estimated at 4.1% in 2025 and projected at 4.0% in 2026 before strengthening to an average of around 4.4% in 2027–28. The regional outlook remains supported by improved agricultural output, easing inflation, gradual monetary policy relaxation and stronger commodity production. However, growth remains vulnerable to weaker external demand, elevated energy costs and tighter global financial conditions. During July, the economic effects of the Middle East conflict continued to present downside risks, particularly through higher energy, food and fertiliser costs. As most SSA economies are net energy importers, sustained cost pressures could weaken household purchasing power, increase production costs and constrain the pace of disinflation and monetary easing.

Fiscal and debt pressures also remained significant during July, with high borrowing costs, elevated debt-service obligations and limited concessional financing constraining fiscal space, particularly among low-income economies. The regional outlook therefore remains sensitive to changes in global financial conditions, commodity prices and geopolitical developments. Nevertheless, structural reforms in major economies, deeper regional integration through the African Continental Free Trade Area and rising demand for critical minerals associated with the energy transition and artificial intelligence provide potential sources of medium-term growth. The combination of moderate growth and elevated external risks continues to warrant close monitoring of inflation, sovereign credit risk, exchange-rate pressures and the sustainability of investment returns across SSA markets.

Zambia

Zambia's headline inflation remained at 6.5% in July unchanged from June. The Zambian Kwacha closed the month at ZK18.8754/ US\$1. According to the IMF, Zambia's economic growth is projected at 5.8% in 2026.

Zimbabwe

Zimbabwe's inflation reduced significantly to 3.2% in July from 4.7% in June. The ZiG closed at ZiG26.6812/ US\$1. According to the IMF, economic growth is projected to be approximately 5.0% in 2026.

Uganda

Uganda's headline inflation increased slightly to 4.0% in July from 3.7% in June 2026. The Ugandan Shilling closed the month at UGX3,691.34/US\$1. The IMF has projected that the economy of Uganda will grow at 7.5% in 2026.

Tanzania

Tanzania's headline inflation rate increased moderately to 4.2% in July from 4.0% in June. The Tanzanian Shilling depreciated against the US Dollar and closed at TSh2,649.75/US\$1 in July from TSh2,623.51/US\$1 in June. The IMF has projected that the economy of Tanzania will grow at 5.9% in 2026 but their official 1Q of 2026 was 6.0%.

South Africa

The headline inflation rate dropped significantly to 4.3% from 5.0% in June. The South African Rand depreciated slightly against the US Dollar and closed at ZAR16.55/US\$1 in July 2026, compared to ZAR16.41/US\$1 recorded in the previous month. The IMF has projected that economic growth outlook for South Africa to grow at 1.1% in 2026.

OUTLOOK FOR JULY AND BEYOND – MALAWI

Exchange Rates

Malawi's official exchange rate remained broadly stable against the US dollar during July, with the Kwacha closing the month at around MK1,749.93 per US dollar, while the parallel market rate remained significantly higher at MK4,000.00 per US Dollar reflecting continued foreign exchange shortages and pressure on the currency. During the month, the Kwacha appreciated against the Euro but depreciated against the South African Rand and British Pound, while remaining broadly unchanged against the US dollar. Foreign exchange reserves stood at US\$616.30 million, equivalent to 2.5 months of import cover, by the end of June, providing some improvement in external liquidity compared with the previous month. However, continued foreign exchange shortages and the persistent gap between official and parallel market rates remain key vulnerabilities for the external sector.

The stability of the Kwacha against the US dollar remains positive for Malawi, particularly as key imports such as fuel, fertiliser and machinery are predominantly invoiced in US dollars. This stability helps contain import costs and provides some support to domestic price stability. However, the depreciation against the British Pound and South African Rand could increase the cost of imports from these trading partners, placing additional pressure on businesses and consumers reliant on imported goods. Conversely, the appreciation against the Euro provides some relief for importers sourcing goods and services from the Euro area.

POSSIBLE IMPACT: *Persistent foreign exchange shortages and the wide gap between the official and parallel market rates continue to expose the Kwacha to depreciation risks. Although improved tobacco export receipts and higher foreign exchange reserves provide some near-term support, continued import demand and a weak export base could maintain pressure on the currency and constrain the availability of foreign exchange.*

Inflation

Malawi's year-on-year headline inflation declined to 20.8% in July from 21.1% in June driven by falling food prices. Food inflation decreased from 14.7% to 14.3%, while non-food inflation increase from 32.1% to 32.2%. This decrease can be attributed to a

reduction in the prices of some food items such as maize grains and its products, for example, maize flour, rice, and vegetables.

Inflation is expected to remain on a moderating path over the coming months, supported by improved food availability following the stronger 2026 harvest. However, the onset of the lean season is likely to place some upward pressure on maize prices as household stocks decline and market dependence increases, although improved production should cushion the seasonal increase. Fuel prices present an additional upside risk, as continued conflict in the Middle East has kept international oil prices elevated, potentially increasing transport and production costs. Consequently, the pace of disinflation may moderate, with improved domestic food supply providing support while external energy pressures remain a key risk.

Despite the improving outlook, inflationary risks remain. Exchange rate depreciation, elevated non-food inflation, adverse weather conditions that could affect future agricultural production, and fluctuations in global commodity and energy prices could slow the pace of disinflation. Therefore, while headline inflation is expected to continue declining, the pace may remain gradual, with inflation likely to stay above the Reserve Bank of Malawi's medium-term target in the near term.

POSSIBLE IMPACT: *Lower inflation is expected to improve household purchasing power and support consumer spending. However, persistent non-food inflation and exchange rate pressures may keep the Reserve Bank of Malawi cautious, delaying monetary policy easing and keeping interest rates elevated in the near term.*

External Sector

The merchandise trade deficit widened to US\$340.8 million in June 2026, from US\$322.5 million in May 2026 and US\$237.9 million in June 2025. The deterioration reflected an 8.5% increase in imports to US\$397.4 million, which outweighed a 29.2% rise in exports to US\$56.6 million. Consequently, the export-to-import ratio remained low at 0.14, indicating that export proceeds financed only about 14% of import payments and highlighting Malawi's continued dependence on imports.

Total exports increased by 29.2% from US\$43.8 million in May 2026 to US\$56.6 million in June 2026, although they remained below the US\$73.6 million recorded in June 2025. The monthly improvement was mainly driven by higher earnings from tobacco, pulses, tea and sugar, reflecting increased activity during the tobacco marketing season. By the end of June, tobacco sales had generated US\$174.1 million from 84.1 million kilograms at an average price of US\$2.07 per kilogram, providing an important source of foreign exchange.

Meanwhile, total imports increased by 8.5% to US\$397.4 million in June 2026 from US\$366.2 million in May and were also higher than the US\$311.5 million recorded in June 2025. The increase was largely driven by higher imports of pharmaceuticals, plastics and cement, while fuel and fertilizer imports declined during the month. Despite the wider trade deficit, total foreign exchange reserves increased to US\$616.3 million, equivalent to 2.5 months of imports, from US\$596.5 million in May, while the Malawi kwacha remained stable against the US dollar at K1,749.93 per US dollar at end-June.

Looking ahead, Malawi's external sector is expected to remain under pressure as import demand continues to exceed export earnings, although the tobacco marketing season and improved export receipts could support foreign exchange inflows. The wider trade deficit and continued reliance on imported fuel, machinery and industrial inputs remain key vulnerabilities, particularly amid elevated global commodity and energy prices. Sustained improvement will therefore depend on export diversification, stronger foreign exchange generation and continued accumulation of reserves.

POSSIBLE IMPACT: *The widening trade deficit may exert pressure on foreign exchange reserves and the exchange rate over time, although stronger tobacco receipts and the recent improvement in reserves provide some near-term cushioning.*

Monetary Policy

The Monetary Policy Committee (MPC) met on 29–30 April 2026 and maintained the Policy Rate at 24.0%, while increasing the Liquidity Reserve Requirement (LRR) on local currency deposits to 12.0% from 10.0% and maintaining the 3.75% requirement for foreign currency deposits. The Committee considered the policy stance appropriate to contain excess liquidity, sustain the disinflation process and anchor inflation expectations. Although inflation is projected to average 22.0% in 2026, down from 28.4% in 2025, upside risks from geopolitical

tensions, higher fuel prices and exchange rate pressures continue to limit the scope for monetary easing, reinforcing the need for continued fiscal consolidation and structural reforms to support macroeconomic stability.

POSSIBLE IMPACT: *The tighter monetary policy stance is expected to reduce inflationary pressures and support exchange rate stability. However, higher borrowing costs and reduced liquidity may slow private sector investment and economic growth.*

Fiscal Policy

Malawi's 2026/27 national budget projects total expenditure of MK10.978 trillion (34.9% of GDP), against total revenue and grants of MK8.126 trillion (25.8% of GDP), resulting in a fiscal deficit of MK2.852 trillion (9.06% of GDP). Domestic revenue is estimated at MK6.454 trillion, although revenue mobilization remains a challenge as past performance has fallen below the targets set under the Domestic Revenue Mobilization Strategy (DRMS).

Fiscal pressures remain significant, with public debt projected at MK23.9 trillion, equivalent to 91% of GDP. Domestic debt interest payments account for the largest share of interest obligations, highlighting the risks associated with increased reliance on domestic borrowing. However, the budget shows efforts towards fiscal consolidation, with statutory obligations expected to decline from an average of 94.05% of domestic revenue between 2022/23 and 2025/26 to about 78.9% in 2026/27.

The budget places greater emphasis on productive sectors, allocating approximately MK395 billion (19.92% of the development budget excluding CDF) to Agriculture, Tourism, Mining and Manufacturing. Agriculture receives the largest share, while mining allocations have increased, reflecting efforts to support industrialization and economic diversification. Nevertheless, the report notes that stronger investment is still needed in areas such as manufacturing, structured markets, and value addition to achieve Malawi's long-term transformation goals under MW2063

POSSIBLE IMPACT: *The large fiscal deficit and high debt levels could increase government borrowing needs, placing upward pressure on interest rates. Continued fiscal pressures may also limit spending flexibility, while stronger investment in agriculture and*

productive sectors could support growth, improve food security, and reduce economic vulnerability if implementation is effective.

Economic Growth

Various institutions have revised their projections for the Malawian economy, and based on these revisions, the economy is expected to grow by an average of 2.53% in 2026. See table below:

Real GDP Growth Projections				
	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.00%
IMF	1.50%	1.80%	2.40%	2.70%
WORLD BANK	1.40%	1.80%	1.90%	2.60%
GOVERNMENT	1.50%	1.70%	2.70%	2.80%
Average Real GDP	1.50%	1.65%	2.15%	2.53%

(Source: EIU, IMF, WBG, MoF)

The Government of Malawi has revised downward its 2026 growth projection to 2.8%, from 3.8%, reflecting downside risks from the ongoing conflicts in the Middle East and the continued closure of the Strait of Hormuz, which could constrain global oil supply and increase fuel and fertilizer costs. The anticipated El Niño weather conditions may further weigh on agricultural output and crop yields. Nevertheless, the revival of mining operations, expansion of manufacturing activity, tourism development, and investment in energy and infrastructure are expected to partly offset these risks by easing structural constraints, supporting economic activity, and underpinning a stronger and more sustainable growth trajectory.

Malawi's economic recovery remained modest during the first half of 2026, constrained by persistent foreign exchange shortages, elevated inflation, fiscal pressures and the lingering effects of weather-related shocks on agricultural production. Although growth

prospects improved slightly compared with 2025, economic activity continued to be weighed down by limited access to imported inputs, subdued private consumption and investment, and weak industrial production. Forecasts for 2026 generally place real GDP growth between 2.0% and 2.3%, with the IMF projecting 2.2%, the EIU 2.0%, and both the World Bank and African Development Bank around 2.3%.

The Reserve Bank of Malawi (RBM) continues to identify adverse weather conditions, foreign exchange shortages and inflationary pressures as key downside risks to growth. Nevertheless, improved tobacco marketing receipts during the 2026 season, together with continued progress toward the reopening of the Kayelekera uranium mine, are expected to strengthen export earnings over the medium term. Electricity supply has also shown gradual improvement as additional generation capacity, including renewable energy projects, is incorporated into the national grid, supporting activity in the manufacturing and services sectors. While import demand remains constrained by limited foreign exchange availability, imports are expected to recover gradually as macroeconomic conditions improve. At the same time, the government's commitment to fiscal consolidation under the IMF-supported program is expected to moderate public expenditure growth while helping restore macroeconomic stability over the medium term.

POSSIBLE IMPACT: *The improved growth outlook is expected to support higher investment, export earnings, and economic activity. However, persistent foreign exchange shortages, inflation, and fiscal pressures remain key risks that could constrain the pace of recovery.*

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 disrupt 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 stretches thin. 2. Overburdened public services (health, education). 3. Youth unemployment fuelling social instability.	1. Enhance family planning education and access. 2. Invest in education and skills 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)

	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
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	2,370.42	2,410.07	2,400.96	2,349.17	2,359.88	2,402.57	2,457.58	2,405.96	2,310.59	2,408.29	2,392.75	2,381.38	2,408.94
MK : ZAR	99.39	100.78	103.64	103.34	104.06	107.50	112.16	112.37	98.00	106.17	108.71	107.50	108.85
MK : EUR	2,044.47	2,083.05	2,096.44	2,066.62	2,068.76	2,095.37	2,130.74	2,108.23	1,926.24	2,085.91	2,073.23	2,057.06	2,057.12
Forex reserves (Source: RBM)													
Total Reserves (US\$m)	607.70	521.90	511.80	526.80	530.00	608.90	659.00	625.70	571.60	530.00	596.50	616.30	N/A
Total Import Cover (months)	2.40	2.10	2.00	2.10	2.10	2.40	2.60	2.50	2.30	2.10	2.40	2.50	N/A
% Inflation (NSO)													
Headline Inflation	27.30	28.20	28.70	29.11	27.91	26.00	24.87	24.09	23.82	24.30	23.40	21.10	20.80
Food	32.40	33.70	33.00	32.38	30.13	26.50	22.12	20.83	20.00	19.08	17.60	14.70	14.30
Non Food	19.30	19.50	21.70	23.78	24.20	25.40	29.85	30.05	30.74	33.23	33.00	32.10	32.20
Interbank Rates (Source: RBM)													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Average Interbank Rate	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	22.42%	23.87%	13.17%	12.08%	12.18%	13.60%
Average Base Lending Rates	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	23.70%	22.40%	20.80%	20.60%	20.40%	20.50%
Treasury Bill Yields (Source: RBM)													
91 day Treasury Bill Yield	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	15.62%	12.75%	12.00%	12.00%	12.00%	12.00%	12.00%
182 day Treasury Bill yield	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	17.75%	15.00%	15.00%	15.00%	15.00%	15.00%
364 day Treasury Bill yield	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	20.97%	17.29%	16.75%	16.50%	16.50%	16.50%
Stock Market Indices (Point) (Source: MSE)													
MSI	386,281.85	535,303.19	579,212.79	602,600.89	619,709.36	598,062.80	598,062.80	574,679.80	575,320.68	524,387.05	513,426.78	524,002.31	505,773.08
DSI	289,041.04	412,549.45	441,898.89	437,930.45	417,628.19	405,749.03	405,749.03	402,723.18	403,989.25	394,615.70	391,735.45	391,195.33	374,826.29
FSI	69,606.94	81,906.38	94,071.23	124,300.17	167,481.69	158,350.47	158,350.47	136,674.36	135,842.57	92,021.47	83,672.89	95,724.37	95,718.04
Fuel Prices per Litre (Source: MERA)													
Petrol	2,530.00	2,530.00	3,499.00	3,499.00	3,499.00	3,499.00	4,965.00	4,965.00	4,965.00	6,672.00	6,209.00	5,619.00	5,619.00
Diesel	2,734.00	2,734.00	3,500.00	3,500.00	3,500.00	3,500.00	4,945.00	4,945.00	4,945.00	6,687.00	6,687.00	6,306.00	6,306.00
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	3,200.00	5,824.00	5,709.00	4,771.00	4,771.00

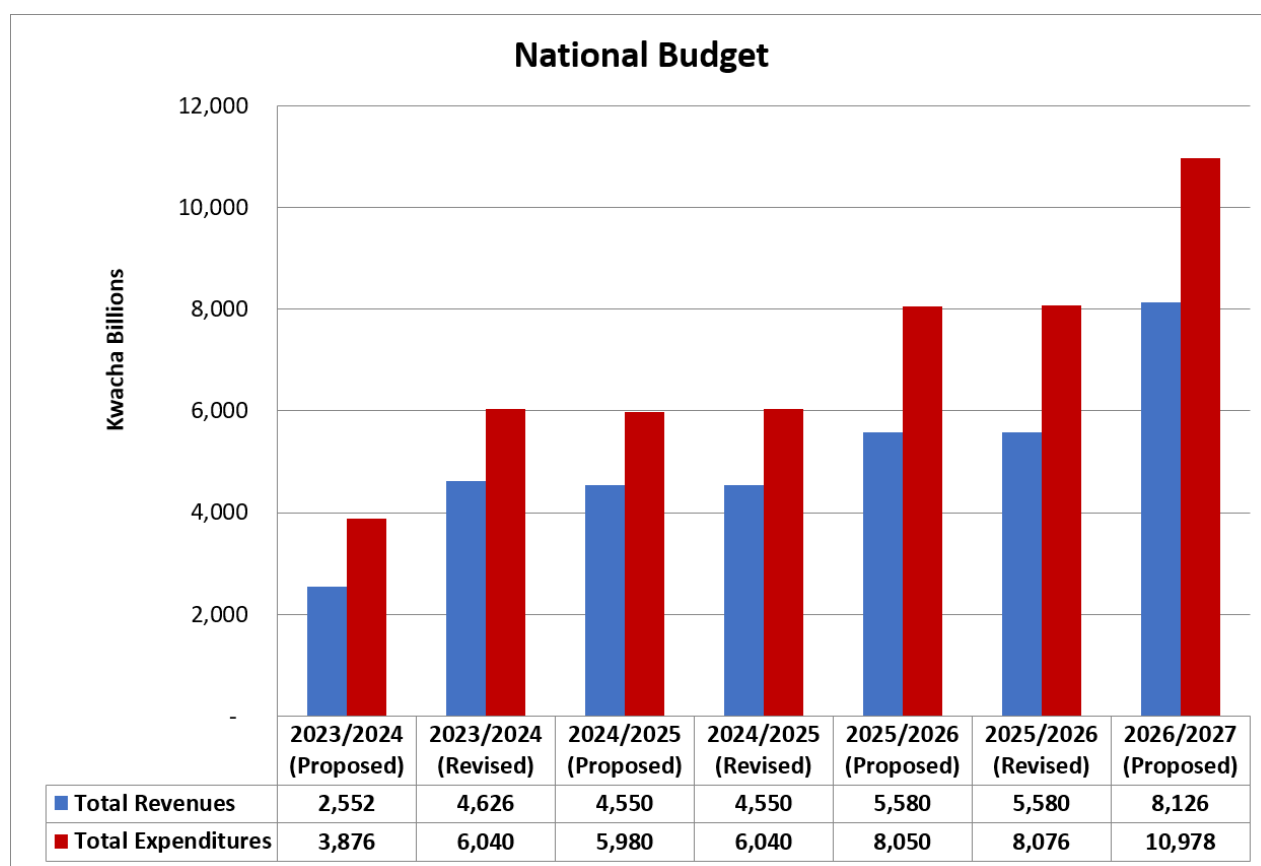
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
TANZANIA																
Exchange rate																
US\$	3,053.62	2,583.82	2,618.32	2,545.79	2,466.06	2,442.85	2,451.64	2,436.80	2,453.55	2,518.05	2,546.74	2,581.57	2,599.00	2,609.21	2,623.52	2,649.75
GBP	3,591.74	3,496.81	3,598.89	3,387.18	3,329.64	3,285.14	3,260.44	3,222.91	3,311.80	3,461.57	3,450.83	3,416.70	3,470.00	3,504.17	3,474.59	3,536.99
ZAR	144.78	143.67	147.30	141.73	139.56	141.45	142.01	142.21	147.51	157.49	160.17	150.54	155.57	160.80	159.59	161.54
EUR	3,053.62	2,976.56	3,073.65	2,920.54	2,876.63	2,870.83	2,854.69	2,820.59	2,885.00	3,000.01	3,007.95	2,965.70	2,950.00	3,038.95	2,992.12	3,011.78
Inflation %	3.20	3.20	3.30	3.30	3.40	3.40	3.50	3.40	3.60	3.30	3.20	3.20	4.00	4.20	4.00	4.20
UGANDA																
Exchange rate																
US\$	3,665.64	3,630.86	3,594.41	3,585.09	3,552.14	3,490.18	3,481.00	3,624.91	3,619.73	3,580.14	3,599.64	3,756.41	3,761.00	3,769.90	3,659.40	3,691.34
GBP	4,905.73	4,892.95	4,934.41	4,792.55	4,792.73	4,533.20	4,704.71	4,796.84	4,878.07	4,953.84	4,855.56	4,957.15	5,010.00	5,079.10	4,867.98	4,850.00
EUR	4,167.47	4,120.30	4,214.45	4,145.80	4,142.51	4,095.90	4,044.22	4,200.00	4,248.30	4,290.98	4,251.18	4,307.29	4,280.00	4,399.50	4,192.00	4,225.00
Inflation %	3.50	3.80	3.90	3.80	3.80	4.00	3.40	3.10	3.10	3.20	2.90	2.80	3.00	3.20	3.70	4.00
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	9.75	9.75	9.75
ZAMBIA																
Exchange rate																
US\$	27.96	26.62	23.81	22.98	23.58	23.87	22.21	22.97	22.11	19.75	18.80	19.12	18.79	18.29	18.06	18.88
GBP	37.27	35.87	32.61	30.34	31.74	32.02	29.11	30.36	29.82	27.15	25.33	25.33	25.38	24.73	24.10	25.00
ZAR	1.50	1.48	1.34	1.27	1.33	1.38	1.28	1.34	1.34	1.24	1.18	1.12	1.12	1.13	1.10	1.10
Inflation %	16.50	15.30	14.10	13.00	12.60	12.30	11.90	10.90	11.20	9.40	7.50	7.10	6.80	6.60	6.50	6.50
Central Bank Rate %	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.25	14.25	14.25	13.50	13.50	13.25	13.25	13.25	13.25
MOZAMBIQUE																
Exchange Rate																
US\$	63.27	63.90	63.90	63.91	63.91	63.91	63.90	63.27	63.62	63.67	63.92	63.91	73.00	64.59	64.60	63.91
ZAR	3.42	3.62	3.62	3.63	3.65	3.66	3.52	3.70	3.85	3.94	3.90	3.80	97.00	3.92	3.88	3.96
EUR	72.18	72.95	75.22	74.79	74.70	73.87	74.00	73.20	74.70	75.58	75.41	73.85	83.00	74.14	72.65	87.18
Inflation%	3.99	4.00	4.50	3.96	4.79	4.93	4.83	4.38	3.23	3.04	3.20	3.37	4.41	7.22	7.51	9.25

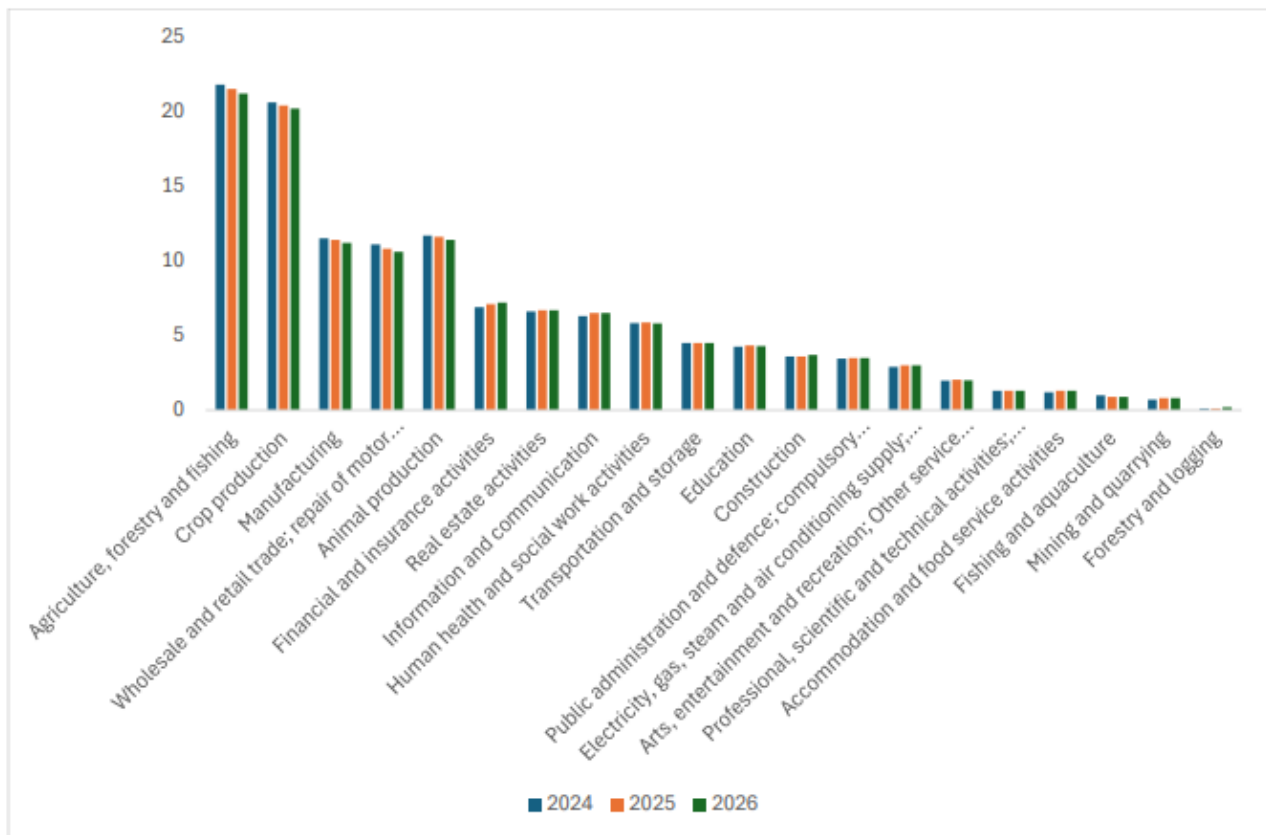
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

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

K' Billion	2022/2023 (Revised)	2023/2024 (Proposed)	2023/2024 (Revised)	2024/2025 (Proposed)	2024/2025 (Revised)	2025/2026 (Proposed)	2025/2026 (Revised)	2026/2027 (Proposed)
Total Revenues	2,030	2,552	4,626	4,550	4,550	5,580	5,528	8,126
Domestic revenues	1,628	2,240	3,386	3,380	3,380	3,386	4,545	
Grants		312	1,240	1,170	1,170	1,140		
Budgetary support								
Earmarked grants								
Total Expenditure	3,040	3,876	6,040	5,980	6,040	8,050	8,430	10,978
Recurrent expenditure		2,980	4,456		2,217	6,040	6,667	
Wages & Salaries						1,530		
Interest on debt						2,170		
Investment Expenditure		896	1,581	1,770	1,770	2,010		
Deficit/Surplus	(1,010)	(1,325)	(1,414)	(1,430)	(1,490)	(2,470)	(2,902)	(2,852)
Deficit as a % of Revenue	-50%	-52%	-31%	-31%	-33%	-44%	-52%	-35%



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: Global Projections (Source: World Bank)

	2023	2024	2025e	2026f	2027f	2028f	2026f	2027f
World	2.8	2.9	2.9	2.5	2.8	2.8	-0.1	0.1
Advanced economies	1.6	1.8	1.8	1.5	1.8	1.7	-0.1	0.2
United States	2.9	2.8	2.1	2.2	2.1	2.0	0.0	0.2
Euro area	0.5	1.0	1.4	0.8	1.3	1.3	-0.1	0.1
Japan	0.7	-0.2	1.1	0.7	0.9	0.8	-0.1	0.1
Emerging market and developing economies	4.3	4.4	4.4	3.6	4.2	4.1	-0.4	0.1
East Asia and Pacific	5.2	5.0	5.0	4.2	4.4	4.3	-0.2	0.1
China	5.4	5.0	5.0	4.2	4.3	4.2	-0.2	0.1
Indonesia	5.0	5.0	5.1	5.0	5.2	5.2	0.0	0.0
Thailand	2.2	2.9	2.4	1.7	2.1	2.4	-0.1	-0.4
Europe and Central Asia	3.6	3.9	2.5	2.1	2.3	2.6	-0.3	-0.4
Russian Federation	4.1	4.9	1.0	0.8	0.7	0.7	0.0	-0.3
Türkiye	5.0	3.3	3.6	2.8	3.7	4.3	-0.9	-0.7
Poland	0.2	3.2	3.6	3.1	2.6	2.9	-0.1	-0.3
Latin America and the Caribbean	2.3	2.3	2.3	2.2	2.5	2.6	-0.1	-0.1
Brazil	3.2	3.4	2.3	1.9	2.0	2.2	-0.1	-0.3
Mexico	3.1	1.4	0.6	1.3	1.7	1.9	0.0	-0.1
Argentina	-1.9	-1.3	4.4	3.6	3.7	3.5	-0.4	-0.3
Middle East, North Africa, Afghanistan, and Pakistan	2.0	2.9	4.0	1.6	5.0	4.0	-2.7	0.7
Saudi Arabia	0.5	2.6	4.5	3.1	4.9	3.7	-1.2	0.5
United Arab Emirates	4.3	6.6	6.2	2.4	4.1	4.2	-2.6	-1.0
Egypt, Arab Rep. ²	3.8	2.4	4.4	4.6	4.0	4.6	0.3	-0.8
South Asia	6.6	6.8	7.0	6.3	6.9	7.1	0.1	0.4
India ²	7.2	7.1	7.7	6.6	7.2	7.0	0.1	0.6
Bangladesh ²	5.8	4.2	3.5	3.8	4.6	5.5	-0.8	-1.5
Sri Lanka	-2.0	5.0	5.0	3.6	3.8	3.9	0.1	0.7
Sub-Saharan Africa	3.0	3.8	4.1	4.0	4.4	4.5	-0.3	-0.1
Nigeria	3.3	4.1	4.0	4.1	4.2	4.3	-0.3	-0.2
South Africa	0.8	0.5	1.1	1.0	1.5	1.7	-0.4	0.0
Ethiopia ²	7.2	8.1	9.2	8.0	6.9	8.4	0.9	-0.8
Memorandum items:								
Real GDP¹								
High-income countries	1.7	1.9	1.9	1.5	1.9	1.8	-0.2	0.1
Middle-income countries	4.7	4.5	4.6	3.9	4.3	4.3	-0.3	0.0
Low-income countries	1.2	3.7	5.0	5.4	5.6	5.4	-0.3	0.0
EMDEs excluding China	3.6	4.0	3.9	3.2	4.1	4.1	-0.6	0.1
Commodity-exporting EMDEs	2.9	3.5	3.3	2.4	3.5	3.3	-0.9	0.1
Commodity-importing EMDEs	5.0	4.8	4.8	4.2	4.5	4.5	-0.2	0.1
Commodity-importing EMDEs excluding China	4.3	4.5	4.5	4.1	4.7	5.0	-0.2	0.0
EM7	5.2	4.9	4.6	3.9	4.2	4.2	-0.2	0.1
World (PPP weights) ³	3.2	3.4	3.5	2.9	3.4	3.4	-0.3	0.1
World trade volume ⁴	0.4	3.8	4.8	2.9	3.3	3.1	0.7	0.6

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