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MONTHLY ECONOMIC REPORT

September 2026

Investment Management | Corporate Finance | Investor Services

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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
EDF:	Electricité de France
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 on Month
MSE:	Malawi Stock Exchange
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
PCE:	Personal Consumption Expenditure
PCL:	Press Corporation Plc
PPP:	Public-Private Partnership
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:	Uganda Bureau of Statistics
UGX:	Ugandan Shillings
UK:	United Kingdom
US:	United States
US$:	United States Dollar
Y-O-Y:	Year on Year
ZAR:	South African Rand
ZK:	Zambian Kwacha

EXECUTIVE SUMMARY

Economic Outlook — Malawi

Malawi's economic outlook remains challenging, with real GDP growth projected at 2.6% in 2026. Economic activity continues to be constrained by persistent foreign exchange shortages, elevated inflation, fuel and electricity supply disruptions, and structural bottlenecks. Agriculture remains vulnerable to weather-related shocks and limited access to inputs, while weaker tobacco sales have reduced export earnings and incomes for farming households. Although mining offers potential for economic diversification, growth remains insufficient to generate substantial improvements in living standards. Inflation eased to 19.4% in September from 20.0% in August, driven by a decline in food inflation to 12.5% and a moderation in non-food inflation to 31.5%. However, persistent cost pressures and the onset of the lean season remain risks to price stability.

Monetary policy is expected to remain tight, with the Policy Rate and the Liquidity Reserve Requirement on local currency deposits maintained at 24.0% and 12.0%, respectively. Fiscal and external vulnerabilities remain pronounced. Although fiscal consolidation measures have helped narrow the fiscal deficit, high public debt and interest costs continue to constrain public spending, while a widening trade deficit and critically low foreign exchange reserves limit the country's capacity to meet import requirements. The outlook therefore remains exposed to exchange-rate pressures, adverse weather conditions, higher import costs and delays in securing external financing. Sustained fiscal discipline, reforms to improve foreign exchange market functioning and stronger export performance will be important for restoring macroeconomic stability and supporting a durable recovery.

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 September 2026 stood at 19.40%, a decrease from 20.00% reported in August 2026. The decline in inflation was driven by a decrease in both food and non-food inflation.

	Sep-26	Aug-26	Sep-25	% Change (1 Months)	% Change (12 Months)
Headline inflation	19.40%	20.00%	28.70%	-0.60%	-9.30%
Food	12.50%	13.40%	33.00%	-0.90%	-20.50%
Non-food	31.50%	31.80%	28.70%	-0.30%	2.80%

Government Securities (Source: RBM)

In September 2026, the average yield for all type Treasury bill was 14.17% from 14.33% in August 2026.

Tenor	Sep-26	Aug-26	Sep-25	Change 1 Month	Change 12 Months
91 days	12.00%	12.00%	16.00%	0.00%	-4.00%
182 days	14.50%	15.00%	20.00%	-0.50%	-5.50%
364 days	16.00%	16.00%	26.00%	0.00%	-10.00%
All Type	14.17%	14.33%	20.67%	-0.17%	-6.50%

Total Treasury Bill applications for the month of September 2026 stood at MK353.87 billion with MK188.58 billion allotted representing 53.29% allotment. The 364-day paper accounted for the highest subscription rate at 96.02%, followed by the 182-day paper at 3.88% and lastly 91-day paper at 0.09%.

During the month of September 2026, the Reserve Bank conducted two Treasury Note Auctions for the 2-year treasury notes. The auctions raised a total of K199.85 billion from the K211.43 billion applied. The average weighted yield was 5.48%.

Foreign Currency Market (Source: RBM)

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

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

CURRENCY	Sept-26	Aug-26	Sept-25	% Movement 1 month	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	0.00%	0.00%
MK/GBP	2,379.70	2,437.74	2,423.25	2.38%	1.80%
MK/ZAR	110.12	110.79	103.37	0.60%	-6.53%
MK/EUR	2,046.83	2,083.82	2,103.34	1.78%	2.69%

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 August 2026 decreased to a daily average of MK79.77 billion from MK106.36 billion in August 2026. Utilization of the Lombard facility rose to MK2.56 trillion, up from MK1.27 trillion in July 2026.

Interbank borrowing averaged MK99.77 billion at an average rate of 16.00%, compared to MK172.51 billion at an average rate of 15.40% in July 2026, reflecting decreased demand for interbank funds alongside higher borrowing costs.

The reference rate in August 2026 stood at 21.20% from 20.80%.

Foreign Exchange Reserves (Source: RBM)

	Jul-26 (US$ million)	Jun-26 (US$ million)	Jul-25 (US$ million)	% 1 month change	% 12 months change
Total	600.60	616.10	607.70	-2.52%	-1.17%
Import Cover (Months)					
Total	2.40	2.50	2.40	-4.00%	0.00%

At the end of July, total forex reserves stood at US$600.60 million (2.4 months of import cover); a decrease from US$616.30 million in June 2026 (2.5 months of import cover) and US$607.70 million in July 2025 (2.4 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) to 490,269.10 points registered on 30 September 2026 from 499,484.85 points registered on 31 August 2026, giving a return on index of -1.85%. The negative return was driven by price losses registered by OMU (-30.19%), TNM (-10.27%), NITL (-8.64%), FDHB (-5.52%), FMBCH (-5.09%), NBM (-1.89%), NBS (-1.73%), NICO (-0.40%) and STANDARD (-0.16%). These losses were enough to offset share price gains registered by PCL (14.98%), Airtel (0.06%) and MPICO (0.05%) resulting into a downward movement of the Malawi All Share Index.

	Sep-26	Aug-26	Sep-25	Change (1 month)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	101.89	101.83	137.95	0.06%	-26.14%
BHL	17.52	17.52	15.02	0.00%	16.64%
CHL	208.93	210.00			
FMBCH	464.95	489.89	637.89	-5.09%	-27.11%
FDHB	1789.86	1894.42	1898.08	-5.52%	-5.70%
ICON	17.00	17.00	17.95	0.00%	-5.29%
ILLOVO	3,502.01	3,502.11	1,792.02	0.00%	95.42%
MPICO	19.61	19.60	19.55	0.05%	0.31%
NBM	9,124.02	9,299.97	10,904.73	-1.89%	-16.33%
NBS	628.67	639.71	1,024.50	-1.73%	-38.64%
NICO	1336.98	1342.35	1,739.85	-0.40%	-23.16%
NITL	3288.88	3599.87	3,551.02	-8.64%	-7.38%
OMU	3,700.00	5,300.00	2,500.06	-30.19%	48.00%
PCL	312.78	272.03	216.86	14.98%	44.23%
STANDARD	3,932.56	3,938.79	6,468.90	-0.16%	-39.21%
SUNBIRD	3499.98	3500.02	500.04	0.00%	599.94%
TNM	25.50	28.42	32.00	-10.27%	-20.31%
MASI	490,269.10	499,484.85	291,644.54	-1.85%	68.11%
DSI	365,938.09	369,247.89	205,607.20	-0.90%	77.98%
FSI	89,558.52	95,651.22	68,836.03	-6.37%	30.10%

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

Published Financials for 2026 and 2025						
	Net Profit/(Loss) (MK'Billion)			Total Dividend (Per Share) (Kwacha)		
Period (Full year)	**Feb-26**	**Feb-25**	**% Change**	**Feb-26**	**Feb-25**	**% Change**
ILLOVO	58.12	26.33	120.74%	8.00	3.50	128.57%
Period (Half Year)	**Jun-26**	**Jun-25**	**% Change**	**Jun-26**	**Jun-25**	**% Change**
AIRTEL	10.65	22.41	-52.48%	3.50	2.00	75.00%
BHL	0.13	3.32	-96.08%	0.00	0.00	N/A
ICON		12.73	N/A	0.31	0.15	106.67%
MPICO	13.25	7.60	74.34%	0.00	0.00	N/A
STANDARD	67.47	48.39	39.43%	0.00	0.00	N/A
NBM	133.97	84.12	59.26%	64.25	35.64	80.27%
NBS BANK	90.23	73.25	23.18%	0.00	4.70	-100.00%
NICO	100.64	124.91	-19.43%	0.00	6.00	-100.00%
NITL	(26.97)	84.16	-132.05%	0.00	5.00	-100.00%
FDH BANK	86.42	60.28	43.36%	0.00	1.02	-100.00%
TNM	11.56	7.97	45.04%	0.26	0.20	30.00%
SUNBIRD	6.00	5.46	9.89%	3.46	2.80	23.57%
PCL	138.56	94.39	46.80%	135.42	50.60	167.63%
	Net Profit/(Loss) (ZAR' billion)			Total Dividend (Per Share) (ZAR)		
Period (Half Year)	**Jun-26**	**Jun-25**	**% Change**	**Jun-26**	**Jun-25**	**% Change**
OMU	3.89	4.10	-5.12%	40.00	37.00	8.11%
	Net Profit/(Loss) (US$' million)			Total Dividend (Per Share) (US Cents)		
Period (Half Year)	**Jun-26**	**Jun-25**	**% Change**	**Jun-26**	**Jun-25**	**% Change**
FMBCH	86.29	72.89	18.38%	0.44	0.30	-67.19%

TRADING STATEMENT	
AIRTEL	Expects that profit after tax for the half year ending June 2026 to be between 47% and 57% lower than corresponding period
MPICO	Expects that profit after tax for the half year ending June 2026 to be between 62% and 80% higher than corresponding period
PCL	Expects that profit after tax for the half year ending June 2026 to be between 37% and 57% higher than corresponding period
TNM	Expects that profit after tax for the half year ending June 2026 to be between 35% and 55% higher than corresponding period

OTHER MARKET DEVELOPMENT

WFP Allocates $19.7 Million for Food and School Feeding Support (WFP)

The World Food Programme (WFP) has committed to feed approximately 600,000 food-insecure people in four southern region districts during the 2026/27 lean season alongside a $19.7 million (K33.6 billion) allocation to sustain school feeding for 611,800 learners threatened by funding cuts. The response addresses acute hunger projected by Malawi Vulnerability Assessment Committee (MVAC) to affect more than 2.6 million people, though its ultimate impact will depend on closing WFP's $17 million (K29.7 billion) lean season funding gap and the sustainability of nutrition and school-feeding support. The intervention forms part of WFP's response to Malawi's 2026/27 Lean Season Food Insecurity Response Plan, within a wider funding requirement that includes MVAC's estimated 97,887 metric tonnes of maize, worth about K124.3 billion, needed to cushion vulnerable households for three to four months.

Automatic Fuel Pricing Mechanism Reduces Fuel and Levy Arrears (Source: The National).

Malawi government's restoration of the Automatic Pricing Mechanism (APM) implementation has cut fuel importer under-recoveries by 21.6% to K743.8 billion and statutory levy arrears by 20.5% to K401.08 billion by August 2026, down from K949.2 billion and K504.37 billion respectively in December 2025. This is easing liquidity pressure on importers and improving remittances to levy-dependent institutions — notably the Roads Fund Administration (over 85% of income from the road maintenance levy) and the Malawi Rural Electrification Program (90% of capital from the rural electrification levy). The residual K743.8 billion and K401.08 billion balances remain material fiscal and operational risks, with further progress contingent on sustained APM discipline, forex availability and fuel-procurement efficiency.

Malawi's Mining Sector Growth Potential (Source: World Bank).

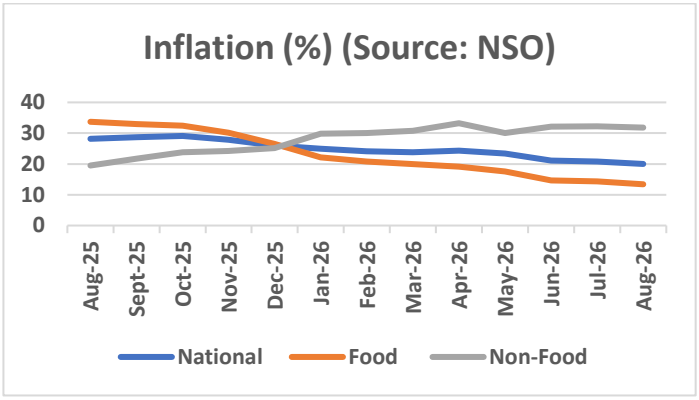
Malawi's mining sector could generate over US$30 billion in exports between 2026 and 2040, with annual government revenue potentially reaching about US$600 million by 2040 under an unconstrained development scenario, according to the latest World Bank report. This compares with around US$400 million under a business-as-usual scenario. The projections highlight the sector's significant growth potential despite its limited contribution at present, with mining currently accounting for less than 1% of GDP and actual mining revenue estimated at only about US$25 million in FY2022/23. Unlocking this potential will require reliable power, with mining demand projected at around 160 MW and 1,000 GWh annually, while the broader energy system requires about US$1.9 billion in investment. Only US$530 million is currently secured, leaving a substantial financing gap.

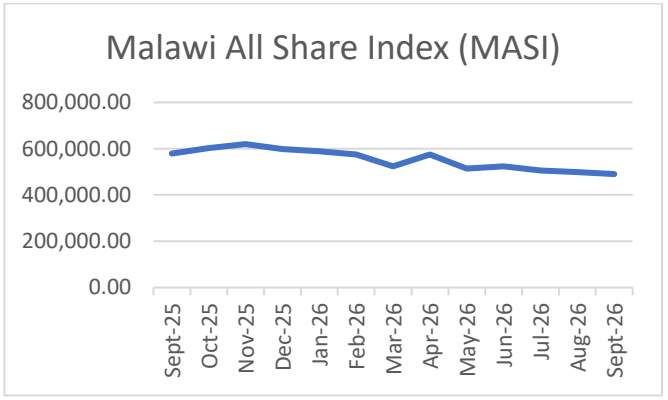
Maize prices (Source: IPFRI).

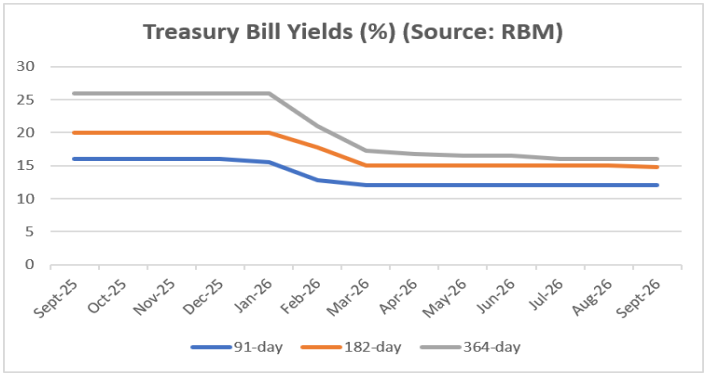
National average retail maize prices increased by a modest 3% from K966/kg in the final week of August to K997/kg in the final week of September, continuing the upward trend observed since July. Despite this increase, prices remained 27% below the September 2025 average of K1,361/kg, reflecting relatively favourable supply conditions. By the end of September, prices in most monitored markets across the Southern and Central Regions exceeded the government-prescribed minimum farmgate price of K900/kg, with Tsangano in Ntcheu being the exception. In the Northern Region, only Nkhata Bay recorded a price at the minimum threshold, suggesting that farmers in most northern markets who sold maize during the month may have received prices below the official benchmark, potentially constraining farm incomes.

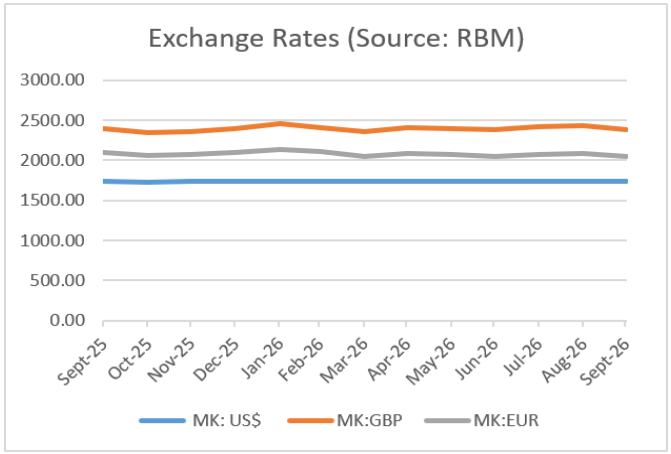
Regional price movements remained uneven, with the typical pattern of the lowest prices in the North and highest in the South persisting. Between the final weeks of August and September, average maize prices increased by 5% in the Northern Region, 2% in the Central Region and 4% in the Southern Region, reaching K796/kg, K961/kg and K1,088/kg, respectively, by month-end. Prices exceeded the government-prescribed minimum farmgate price in 24 of the 31 monitored markets. Cross-border imports continued to dominate maize trade through most monitored border points, with only limited exports reported at Mqocha/Jenda in Mzimba and Marka in Nsanje. Relatively stable maize prices in neighbouring countries and informal exchange rates used by cross-border traders limited the increase in imported maize prices to less than 4% during September.

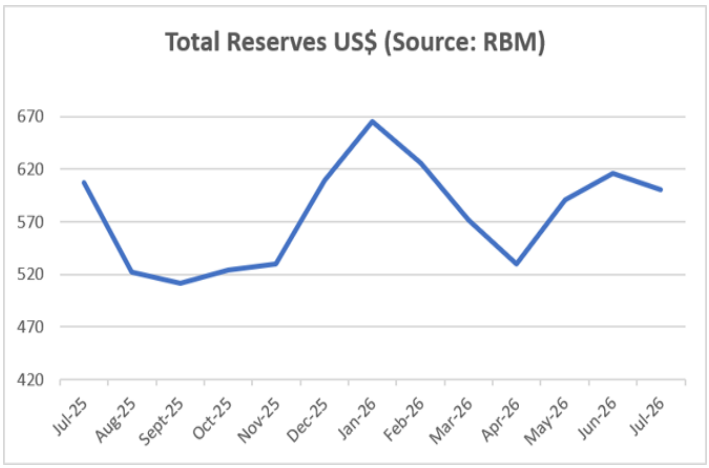
TREND GRAPHS

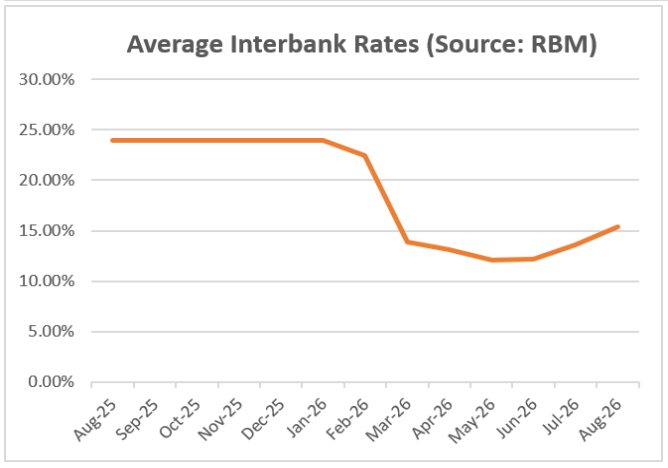












GLOBAL DEVELOPMENTS

ECONOMIC GROWTH

According to the IMF's *October 2026 World Economic Outlook*, global growth is projected at 3.1% in 2026, up from 3.0% in its July forecast, before reaching 3.4% in 2027. Global headline inflation is projected to rise to 4.7% in 2026 before easing to 4.1% in 2027. The OECD's *September 2026 Interim Economic Outlook* projects slower growth of 2.9% in 2026 and 3.0% in 2027, while S&P Global raised its 2026 forecast to 2.6% in October, citing stronger economic momentum and trade. Despite this resilience, higher energy and commodity prices, persistent geopolitical tensions, fiscal vulnerabilities and tighter financial conditions continue to threaten growth. AI-related investment remains an important support, although uncertainty over future returns presents a downside risk.

The United States is projected by the IMF to grow by 2.3% in both 2026 and 2027, supported partly by technology-related investment and domestic demand. The Euro area is expected to grow by 1.1% in 2026 and 1.2% in 2027, as higher energy costs and subdued demand constrain activity. China's growth is forecast at 4.5% in 2026 before slowing to 4.0% in 2027, reflecting structural headwinds and external uncertainty, despite continued support from manufacturing and technology-related activity.

Growth in emerging markets and developing economies is projected to slow from 4.5% in 2025 to 3.7% in 2026, before recovering to 4.4% in 2027. The outlook remains uneven, as technology-linked economies and some commodity exporters benefit from investment and export demand, while energy-importing countries face higher costs and financing pressures. EIU's global outlook also highlights policy uncertainty, geopolitical risks and borrowing costs as key challenges. From an investment perspective, these divergent conditions reinforce the need for country-specific risk assessment, particularly regarding inflation, sovereign credit quality, exchange-rate volatility and sustainable investment returns.

Global Oil

Global oil prices strengthened sharply in September 2026, with the OPEC Reference Basket (ORB) increasing by $24.15 per barrel month-on-month to average $110.59 per barrel. Brent crude prices rose by $13.94 per barrel to average $102.02 per barrel, while West Texas Intermediate (WTI) increased by $13.24 per barrel to average $95.69 per barrel. The gains reflected heightened geopolitical tensions in the Middle East, disruptions to regional crude flows and strong demand for prompt-loading cargoes, particularly from Asian refiners. However, prices eased towards month-end as supply concerns moderated. Hedge funds and money managers initially increased their bullish positions before reducing them in the second half of the month. OPEC's global economic growth forecasts remained unchanged at 3.0% for 2026 and 3.2% for 2027, supported by resilient economic activity across major economies.

On the demand side, OPEC revised its forecast for global oil demand growth in 2026 slightly downward to 0.2 million barrels per day (mb/d), with OECD demand expected to decline by 0.2 mb/d while non-OECD demand grows by 0.4 mb/d. Demand growth for 2027 was revised upward to approximately 2.6 mb/d, comprising 0.5 mb/d from the OECD and around 2.0 mb/d from non-OECD economies. Global oil supply is expected to remain robust, with production from non-DoC countries forecast to grow by 0.6 mb/d in both 2026 and 2027, driven by Brazil, the United States, Canada and Argentina in 2026, and Qatar, Canada, Brazil and Argentina in 2027. Meanwhile, crude oil production by DoC countries increased by 0.90 mb/d in September to average approximately 39.07 mb/d, according to secondary sources. Demand for DoC crude was revised downward to 42.1 mb/d for 2026 but upward to 43.9 mb/d for 2027.

Currency Movements

The GBP/USD pair weakened during September, declining by approximately 2.0% from 1.354 at end-August to 1.327 at month-end. Sterling came under pressure as the US Federal Reserve raised its policy rate by 25 basis points to 3.75%–4.00% on 16 September, while the Bank of England maintained its rate at 3.75%. The widening interest-rate differential in favour of the US dollar, alongside heightened geopolitical uncertainty and rising energy prices, contributed to sterling's depreciation.

The EUR/USD pair also weakened in September, declining by approximately 2.1% from 1.1596 at end-August to 1.1355 at month-end, based on European Central Bank reference rates. The euro's depreciation occurred despite the ECB raising its deposit facility rate by 25 basis points to 2.50%, effective 16 September. The US dollar benefited from tighter Federal Reserve policy, while escalating Middle East tensions and higher energy prices added to market uncertainty.

The GBP/EUR pair strengthened marginally during September, increasing by approximately 0.2% from 1.1676 at end-August to around 1.1701 at month-end, based on ECB reference rates. Sterling's relative resilience against the euro reflected differences in monetary policy expectations, although the Bank of England held its policy rate while the ECB tightened monetary policy. Overall, currency movements during September were shaped by diverging central-bank decisions, US dollar strength and heightened geopolitical and energy-market risks.

Global Trade

Global trade remained resilient in September despite disruptions associated with the Middle East conflict. The WTO's September Goods Trade Barometer rose to 102.0 from 101.7 in June, remaining above its neutral 100-point threshold. Strong demand for AI-related electronics continued to offset some of the pressure from geopolitical tensions, while the container shipping index slipped below trend to 99.6, reflecting ongoing logistical challenges. In its October outlook, the WTO revised its 2026 merchandise trade volume growth forecast upwards to 3.9%, from 1.9% previously, following stronger-than-expected first-half growth of 3.5%. Trade in AI-enabling goods increased by 67% year-on-year, reinforcing the importance of technology investment to global trade performance.

However, the outlook remains uneven across sectors. The WTO lowered its forecast for commercial services trade growth to 3.3% in 2026, from 4.8%, as higher fuel costs and Middle East disruptions weigh on transport and tourism. Energy and fertilizer supply chains remain exposed to constraints associated with the Strait of Hormuz, with the WTO highlighting significant disruptions to fertilizer shipments and potential implications for agricultural production and food security. For 2026, African merchandise exports and imports are projected to grow by 5.6% and 8.9%, respectively, although higher import costs remain a risk for vulnerable economies.

Looking ahead, global trade prospects will depend on the duration of Middle East disruptions, energy and fertilizer prices, and the sustainability of AI-related investment. Although stronger goods trade forecasts suggest greater resilience than previously anticipated, elevated transport and input costs could continue to pressure corporate margins and import-dependent economies. For Malawi, higher fertilizer, fuel and shipping costs could increase agricultural production expenses, import bills and inflationary pressures, with potential implications for food security, foreign exchange demand and domestic economic growth

Interest Rate Movements

The US Treasury yield (10-Year) remained at increased to 5.29% in September 2026 from 4.75% in August 2026.

	Sep-26	Aug-26	Sep-25	Change 1 month	Change 12 months
US Fed Rate	3.88%	3.75%	3.88%	0.03%	0.00%
US Treasury yield (10 years)	5.29%	4.75%	4.06%	0.54%	1.23%
BOE Rate	3.75%	3.75%	4.00%	0.00%	-0.25%
ECB Rate	2.50%	2.25%	2.15%	0.25%	0.35%

(Source: US Federal Reserve, Refinitiv)

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

According to the IMF's *Regional Economic Outlook: Sub-Saharan Africa (October 2026)*, regional growth is projected at 4.5% in both 2026 and 2027, following 4.5% in 2025. The outlook reflects resilience supported by global supply adjustments, favorable commodity export receipts in some economies and earlier reforms. However, growth prospects remain uneven, with non-resource-intensive economies expected to slow from 6.4% in 2025 to 6.0% in 2026. The Middle East conflict continues to pose downside risks through higher energy, food and fertilizer costs, while median inflation is projected to rise from 3.4% in 2025 to 4.3% in 2026 and 5.0% in 2027. These pressures could weaken household purchasing power, increase production costs and complicate monetary policy decisions.

Fiscal and external vulnerabilities remain significant, with high interest payments, limited foreign-exchange reserves and declining aid constraining countries' capacity to absorb further shocks. Although higher oil, copper and gold receipts may benefit some exporters, energy-importing economies face rising import bills and widening external deficits. Nevertheless, structural reforms, improved commodity production and greater regional integration offer opportunities for sustained growth. The outlook remains vulnerable to renewed energy disruptions, adverse weather conditions, particularly El Niño, and tighter global financing conditions. These developments 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 slowed to 6.1% in September 2026, down from 6.2% in August. The deceleration was driven primarily by easing food prices, which dropped to 5.8%. The Zambian Kwacha closed the month of September at ZK19.54/US$1. According to the IMF, Zambia's economic growth is projected at 5.8% in 2026.

Zimbabwe

Zimbabwe's annual ZiG inflation rose to 3.7% in September 2026, up from 2.9% in August. The ZiG closed the month of September at ZiG26.80/US$1. According to the IMF, Zimbabwe's economic growth is projected at 5.0% in 2026.

Uganda

Uganda's annual headline inflation increased to 4.6% in September 2026, up from 4.1% in August 2026. The Ugandan Shilling closed the month of September at approximately UGX 3,921.72/US$1. According to the IMF, Uganda's economic growth is projected at roughly 7.0% to 7.6% for the fiscal period.

Tanzania

Tanzania annual headline inflation rate stood steady at 4.3% in September 2026 unchanged from August 2026, with food inflation edging up slightly to 3.9% (from 3.7% in August). The Tanzanian Shilling closed out September 2026 at approximately TSh2,997.64/US$1. The IMF projects Tanzania's real GDP growth at 5.9% for 2026, with official Q1 2026 economic growth recorded at 6.0%

South Africa

South Africa's annual headline inflation rose to 4.5% in September 2026, up from 4.4% in August 2026. The South African Rand closed the month of September at ZAR16.42/US$. According to the IMF, South Africa's economic growth is projected at 1.1% in 2026.

OUTLOOK FOR OCTOBER AND BEYOND – MALAWI

Exchange Rates

Malawi's official exchange rate remained broadly stable against the US dollar during August, with the Kwacha closing the month at around MWK1734.01 per US dollar, while the parallel market rate remained significantly higher at MK4,200.00 per US Dollar reflecting continued foreign exchange shortages and pressure on the currency. During the month, the Kwacha depreciated against the Euro, South African Rand and British Pound, while remaining broadly unchanged against the US dollar. Foreign exchange reserves stood at US$600.60 million, equivalent to 2.4 months of import cover, by the end of July. 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 Euro, 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.

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. Reduced tobacco export receipts coupled with continued import demand and a weak export base could put pressure on the currency and constrain the availability of foreign exchange.*

Inflation

Malawi's year-on-year headline inflation declined to 19.4% in September from 20.0% in August driven by decline in both food and non-food inflation. Food inflation decreased to 12.5% from 13.4% as non-food inflation moderated to 31.5% from 31.8%. 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 as well as a decline in health, communication, recreation and culture and restaurants and hotels.

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 narrowed to US$193.0 million in July 2026, from US$340.8 million in June 2026, although it remained wider than the US$173.0 million recorded in July 2025. The improvement reflected a 157.8% increase in exports to US$145.8 million, coupled with a 14.7% decline in imports to US$338.8 million. Consequently, the export-to-import ratio improved to 0.43 from 0.14 in June, indicating that export proceeds financed approximately 43% of import payments, although Malawi remained heavily dependent on imports.

Total exports increased by 157.8% from US$56.6 million in June 2026 to US$145.8 million in July 2026, also exceeding the US$117.1 million recorded in July 2025. The improvement was primarily driven by higher tobacco, pulses and sugar receipts, which rose to US$48.7 million, US$16.6 million and US$3.3 million, respectively. Gold exports contributed a further US$43.0 million, providing a significant boost to export earnings and foreign exchange inflows.

Meanwhile, total imports declined by 14.7% to US$338.8 million in July 2026, from US$397.4 million in June, although they remained above the US$290.1 million recorded in July 2025. The decline was largely attributable to lower fuel imports, which fell to US$98.0 million from US$126.1 million, alongside reduced imports of printed books, newspapers and pictures, and pharmaceuticals. However, fertiliser imports increased to US$16.3 million from US$7.4 million, reflecting continued demand for agricultural inputs.

Looking ahead, Malawi's external sector is expected to remain vulnerable to import dependence and fluctuations in export receipts, although improved tobacco, pulses and gold earnings could support foreign exchange inflows. The continued trade deficit, alongside substantial fuel import requirements, remains a key vulnerability amid elevated global commodity and energy prices. Sustained improvement will depend on export diversification, stronger domestic production and continued growth in foreign exchange-generating sectors.

POSSIBLE IMPACT: *The narrowing trade deficit and stronger export receipts could ease pressure on foreign exchange availability in the near term. However, the deficit remained wider than a year earlier, while continued dependence on imported fuel and other essential inputs leaves Malawi exposed to external price shocks and potential exchange-rate pressures.*

Monetary Policy

The Monetary Policy Committee (MPC) met on 29-30 August 2026 and maintained the Policy Rate at 24.0% while also maintaining the Liquidity Reserve Requirement (LRR) on local currency deposits at 12.0% and 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 2.55% in 2026. See table below:

Real GDP Growth Projections				
	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.50%
IMF	1.50%	1.80%	2.10%	2.60%
WORLD BANK	1.40%	1.80%	1.90%	2.30%
GOVERNMENT	1.50%	1.70%	2.70%	2.80%
Average Real GDP	**1.50%**	**1.65%**	**2.08%**	**2.55%**

(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 2.3% and 2.6%, with the IMF projecting 2.6%, the EIU 2.5%, 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, 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.
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)

	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26
Exchange Rate													
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	2,410.82	2,385.74	2,344.69	2,387.63	2,415.26	2,426.20	2,382.32	2,402.65	2,407.74	2,381.38	2,408.94	2,418.11	2,379.70
MK : ZAR	102.35	103.41	103.67	105.96	109.79	111.62	106.77	107.98	108.31	108.99	108.85	110.65	110.12
MK : EUR	2,095.34	2,079.64	2,063.92	2,089.95	2,097.15	2,112.64	2,063.65	2,089.70	2,084.71	2,057.06	2,069.65	2,069.65	2,046.83
Forex reserves (Source: RBM)													
Total Reserves (US$'mn)	511.80	526.80	530.00	608.90	659.50	625.70	571.60	530.00	596.50	616.30	600.60		
Total Import Cover (months)	2.00	2.10	2.10	2.40	2.60	2.50	2.30	2.10	2.40	2.50	2.40		
% Inflation (NSO)													
Headline Inflation	28.69	29.11	27.91	26.02	24.87	24.09	23.82	24.30	23.35	21.12	20.80	20.00	19.40
Food	33.01	32.38	30.13	26.48	22.12	20.83	20.00	19.08	17.63	14.68	14.30	13.40	12.50
Non Food	21.70	23.78	24.20	25.22	29.85	30.05	30.74	33.23	33.04	32.12	32.20	31.80	31.50
Interbank Rates (Source: RBM)	**Sept-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**	**Jul-26**	**Aug-26**	
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Average Interbank Rate	23.98%	23.98%	23.98%	23.98%	23.98%	22.42%	13.87%	13.17%	12.08%	12.18%	13.60%	15.43%	16.00%
Average Base Lending Rates	25.30%	25.40%	25.30%	25.30%	25.20%	23.70%	22.40%	22.80%	22.60%	22.40%	20.50%	20.80%	21.20%
Treasury Bill Yields (Source: RBM)													
91 day	16.00%	16.00%	16.00%	16.00%	15.25%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
182 day	20.00%	20.00%	20.00%	20.00%	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	14.50%
364 day	26.00%	26.00%	26.00%	26.00%	26.00%	17.89%	17.00%	16.50%	16.50%	16.50%	16.00%	16.00%	16.00%
Stock Market Indices (Point) (Source:													
MASI	579,212.79	602,600.89	619,709.36	598,062.80	588,918.94	574,679.80	575,320.68	524,387.05	513,462.78	524,002.31	505,773.08	499,484.85	490,269.10
DSI	441,898.89	437,930.45	417,628.19	405,749.03	406,964.07	402,723.18	403,989.25	394,615.70	391,735.45	391,195.33	374,826.29	369,247.89	365,938.09
FSI	94,071.23	124,300.17	167,481.69	158,350.47	146,972.95	136,674.36	135,842.57	92,021.47	83,672.89	95,724.37	95,718.04	95,651.22	89,558.52
Fuel Prices per Litre (Source: MERA)													
Petrol	2,530.00	3,499.00	3,499.00	3,499.00	4,965.00	4,965.00	4,965.00	6,972.00	6,972.00	5,619.00	5,619.00	5,619.00	5,619.00
Diesel	2,734.00	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	5,863.00	5,863.00
Paraffin	1,910.00	1,910.00	1,910.00	1,910.00	3,822.00	3,822.00	3,822.00	5,709.00	5,709.00	4,771.00	4,771.00	4,389.00	4,389.00

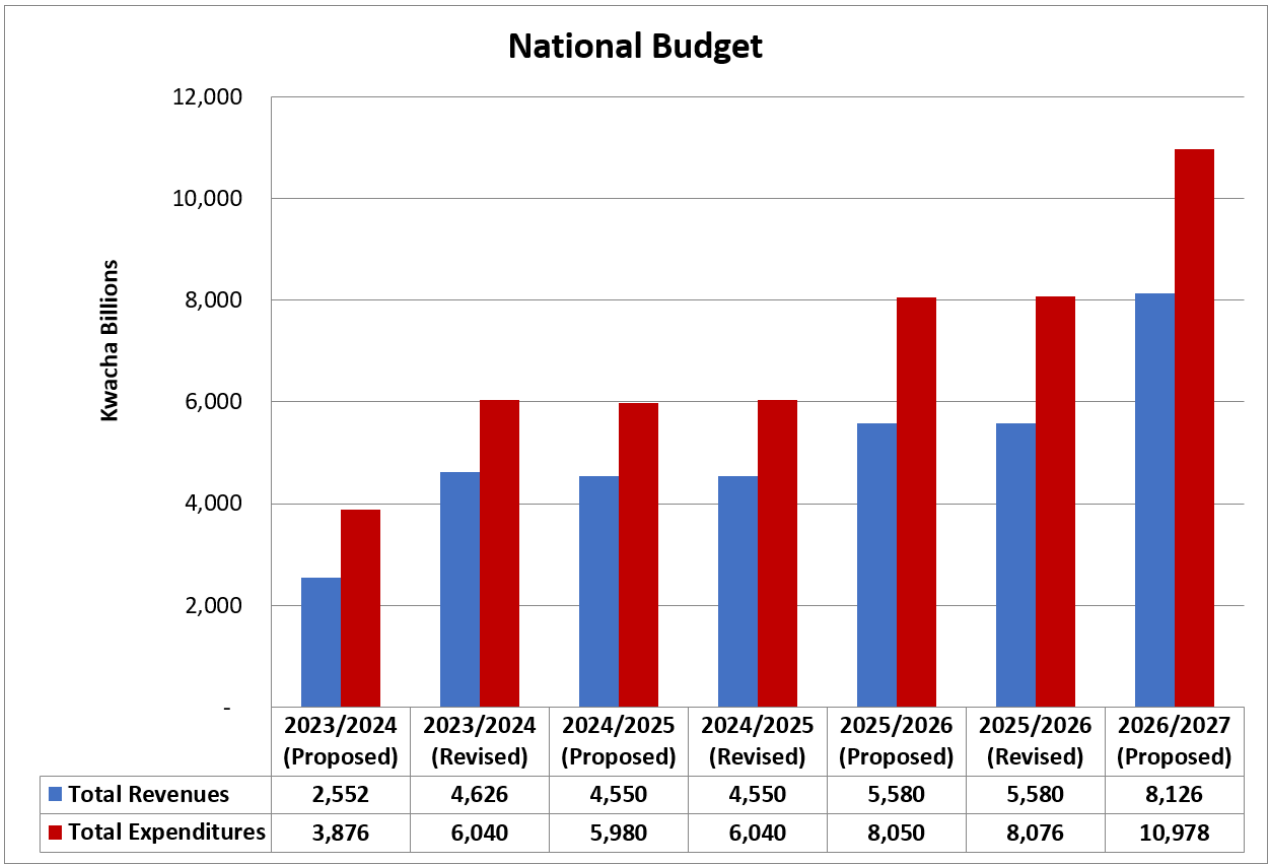
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26
TANZANIA													
Exchange rate													
US$	2,442.85	2,451.64	2,436.80	2,447.46	2,518.05	2,542.45	2,577.40	2601.98	2609.21	2,623.52	2,649.75	2,639.88	2,642.50
GBP	3,285.14	3,260.44	3,222.91	3,303.59	3,461.57	3427.22	3416.70	3506.43	3504.17	3474.59	3536.99	3,586.01	3495.97
ZAR	141.45	142.01	142.21	147.15	157.49	159.69	150.54	155.43	160.80	159.59	161.54	164.85	160.75
EUR	2,870.83	2,854.69	2,820.59	2,877.97	3,000.01	3002.38	2966.07	3040.68	3038.95	2992.12	3011.78	3,074.40	2990.76
Inflation %	3.40	3.50	3.40	3.60	3.30	3.20	3.20	4.00	4.20	4.00	4.20	4.30	4.30
UGANDA													
Exchange rate													
US$	3,492.30	3,480.00	3,629.00	3,623.10	3,603.20	3,603.30	3762.90	3761.00	3,769.90	3,659.40	3,691.34	3,770.00	3921.72
GBP	4,685.76	4,577.94	4,809.19	4,877.28	4,866.62	4,855.94	4968.04	5111.41	5079.10	4867.98	4850.00	5,106.28	5201.98
EUR	4,089.50	4,014.50	4,213.00	4,251.00	4,212.50	4,254.00	4340.00	4407.50	4399.50	4192.00	4225.00	4,368.49	4442.35
Inflation %	4.00	3.40	3.10	3.10	3.20	2.90	2.80	3.00	3.20	3.70	4.00	4.10	4.60
ZAMBIA													
Exchange rate													
US$	23.87	22.20	22.97	22.14	19.75	18.80	19.12	18.79	18.39	18.08	18.88	19.02	19.60
GBP	32.10	29.22	30.29	29.78	27.06	25.39	25.30	25.69	24.73	24.10	25.00	25.77	26.01
ZAR	1.39	1.28	1.34	1.34	1.23	1.18	1.14	1.13	1.13	1.10	1.10	1.18	1.20
Inflation %	12.30	11.90	10.90	11.20	9.40	7.50	7.10	6.80	6.60	6.50	6.50	6.20	22.24
MOZAMBIQUE													
Exchange Rate													
US$	63.91	63.62	63.62	63.90	63.59	63.91	64.59	63.91	64.59	64.60	63.91	63.91	63.91
ZAR	3.71	3.69	3.73	3.86	3.96	4.02	3.72	3.78	3.92	3.88	3.96	3.97	3.91
EUR	74.99	73.73	74.20	74.69	75.71	75.57	73.48	74.62	74.14	72.65	87.18	73.82	72.60
Inflation%	4.93	4.83	4.38	3.23	3.04	3.20	3.40	4.41	7.22	7.51	9.25	6.45	6.31

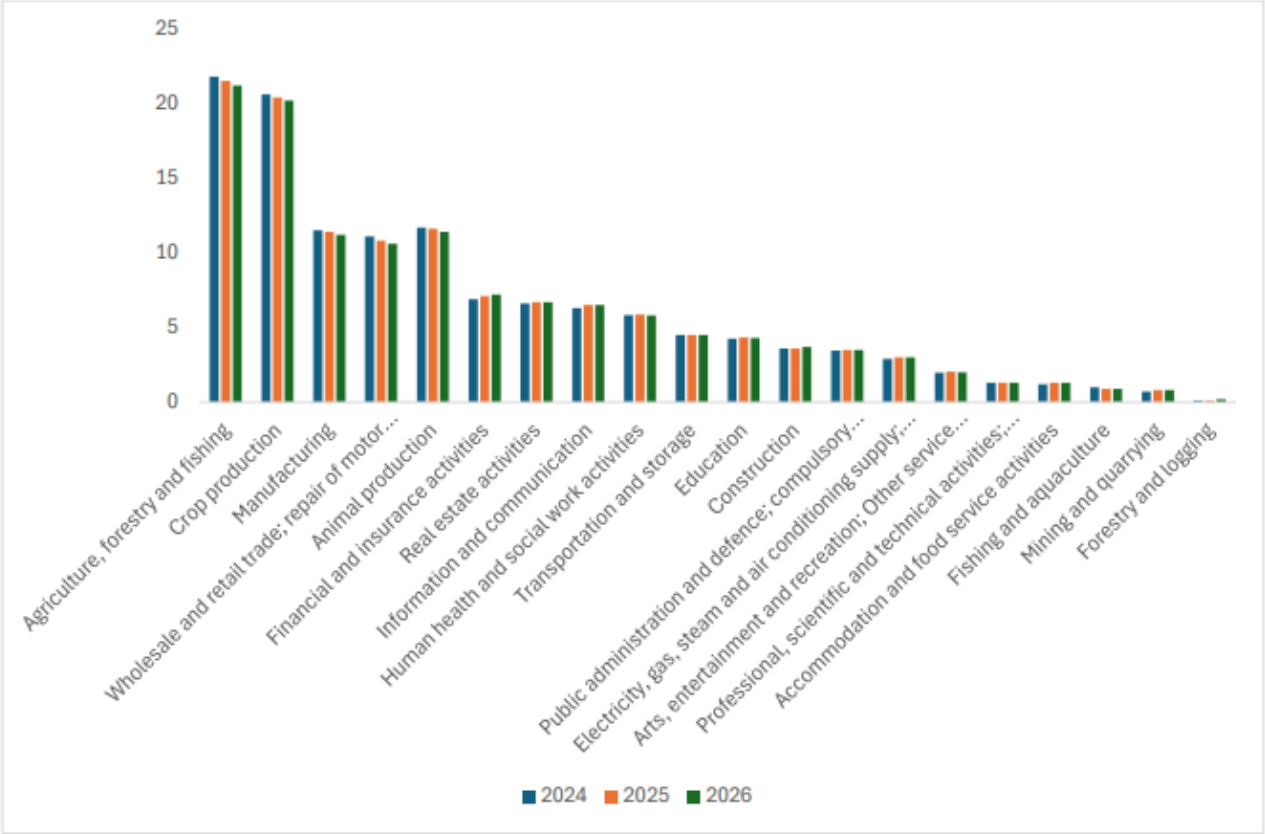
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

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**
Reccurent 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 GDP [1]								
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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