

# MALAWI INVESTMENT AND TRADE CENTRE



**PROFILED INVESTMENT OPPORTUNITIES IN MALAWI**

## 1.0 **BRIEF INTRODUCTION**

Malawi is located in South-Eastern Africa. It is bordered by Tanzania to the north, Zambia to the west, and Mozambique to the east and south. Lake Malawi, the third largest lake in Africa and one of the deepest in the world, accounts for almost one-fifth of the country's area. The terrain of Malawi is breath taking, comprising of plateaus, plains, hills and mountains. These include the Nyika and Viphya Plateaus and Misuku Hills to the north, and the Dedza and Kirk Range Mountains in the central region. In the south, the terrain is equally varied with escarpments, highlands and mountains and low marshy lands along the Shire River, Lake Malawi's outlet in the south. The Mulanje Mountain, home to the rare Mulanje Cedar, is the highest mountain in Central Africa, with the highest point, Sapitwa Peak, rising to 3,050 meters above sea level. The total surface area for Malawi is 118,485km.<sup>2</sup>

## 2.0 **SECTORAL OPPORTUNITY HIGHLIGHTS**

Malawi Presents a plethora of project opportunities for joint venture partnership prospects, trading and marketing arrangements, financing prospects, and prospects of 100% direct foreign investment. Being an agro-based economy whose primary resources are largely exploited, Malawi presents opportunities for resourced-based industries in the following areas:

- Agro-based industries to add value to Malawi's soybean crop whose present production area covers approximately 75,000 hectares with potential to grow, given a ready market;
- Agro-based industries to add value to Malawi's maize crop, which is also the country's staple food. Malawi produces in excess of 3.4 million metric tones of maize. There is opportunity to market maize products to domestic, regional and international markets. For example, the Malawi Government has plans to scale up the National Schools Meals Program and this will result in a demand gap of about 25,000 metric tons of maize soya blend by 2016.
- Agro-based industries to add value to Malawi's pigeon peas. Malawi is the third largest producer of pigeon peas worldwide, after India and Myanmar, and dominates the African production landscape. There is high demand for pigeon peas domestically and globally. India's growing supply gap of approximately 7% offers a large market for the export of pigeon peas. Furthermore, vast domestic, regional and international marketing opportunities for pigeon peas exist.
- Agro-based industries to add value to Malawi's groundnuts. Presently, there are very limited operators who are adding value to groundnuts in Malawi, yet Malawi is one of the key groundnut producers in the region (produces approximately 297,000 metric tons) despite its relative size.
- An agro-based industry to produce sugar. Because of Malawi's favourable climatic conditions, Malawi's sugar is very tasty and is on high demand on the international market. Present producers have to balance between domestic needs and export demand, such that they are unable to satisfy the regional and international markets. Sugarcane in Malawi yields 62% above the weighted regional average because of the favourable climatic conditions. Regional demand gap for Malawi sugar presently stands at approximately 33% and a growing global demand gap of approximately 8%, which presents a huge prospect for investments in the sub-sector.
- The Malawi Government de-regularized the energy sector to allow private sector players to be involved in offering energy services. Presently,

Electricity Supply Commission of Malawi (ESCOM) is the sole power provider of electricity in the country, and a huge demand gap still exists.

Current electricity demand in Malawi stands at 347 MW. The current installed capacity stands at 283.5 MW. The untapped hydro power potential in Malawi is over 2000MW.

The following are the current energy demand growth drivers:

- Mining Sector (minimum of 800MW)
- The Green Belt Irrigation Initiative – A Government project intended for agro-development (minimum of 130MW)
- Service – ICT, Tourism, Banks, Hospitals, Offices and education (minimum of 500MW)
- Manufacturing and processing (minimum of 700MW)
- Domestic Demand (minimum of 700MW)

There is huge opportunity to invest for export to regional and extra-regional markets

- The Mining Sector offers vast opportunities for the mining of Malawi is naturally endowed with vast unexploited mineral resources. Government expects steady increase in the contribution of the mining sector to GDP by at least 10% annually. Currently mining is limited to: coal mining, quarrying, limestone production, and gemstone mining. Gemstone exports are dominated by aquamarine, amethyst, red and rhodolite garnets, quartz, and feldspar.

Investment Opportunities:

- Gold
- Uranium

- Platinum group of minerals (PGMs)
  - Establishment of new Hydro stations
  - Base metals
  - Nickel and copper
  - Dimension stone
  - Phosphates
  - Heavy mineral sands
  - Graphite
- Malawi is endowed with beautiful and unique tourist sports including Lake Malawi, national parks and Game Reserves, Mulanje Mountain, wild game (the big five), forest reserves, and cultural and historical sites such as missionary graves and slave trade villages.

### 3.0 **SOME SPECIFIC PROJECT OPPORTUNITIES**

The following are some specific investment opportunities seeking investment either as green-field prospects, joint ventures, or financial arrangements:

#### **Investment Prospect 1**

**Company name:** Greenfield Opportuntiy – Sugarcane opportunity

#### **Company**

**Description :** The investment opportunity is a green field sugarcane production and processing venture. It is founded upon the Government of Malawi’s Green Belt Initiative (GBI) and the development of 6,000 ha of irrigated land set aside for the production of sugarcane. The Green Belt Initiative is an ambitious project where the Government of Malawi has set aside 1,000 hectares of land for the development of productive agro-based ventures.

In addition to developing the land for sugarcane production, a processing facility will be established. Malawi's potential to achieve high sugarcane yields of excellent quality provide the investment with strong profit generating potential. As a public-private partnership (PPP) the investor can be assured of government support in all aspects of the investment. There is high potential for social impact due to the planned engagement of smallholder farmers (SHFs) as out-growers, as well as the expected job creation from the processing plant.

**Products/  
Services**

: Sugar to be supplied to the local market and, taking advantage of Malawi's exceptional yields and favourable agro-climactic conditions, the regional and international markets.

**Goals**

: The government of Malawi is seeking new producers and processors to secure sufficient volumes of sugarcane for the local market while also expanding the competitive landscape in the sugarcane sub-sector.

**Location**

: Chikwana in Salima, which is along Lake Malawi.

**Proposed  
Investment**

: As part of the Green Belt Initiative (GBI) the Government of Malawi is looking for a strategic partner to form a public/private partnership in the development of a 6,000ha sugarcane estate.

– 4,000ha of the land is to be made available to the investor to develop a sugar plantation, whilst the remaining 2,000ha will be developed for SHFs who will operate as out growers.

• The produce from both the anchor farm and the outgrowers will supply a processing plant to be built by the Government of Malawi within the production area.

An Indian company will be contracted to build the processing plant and to run it for the first year or two of operation, after which the investor will take over to run the plant under the public-private arrangement. The choice of contractor stems from Malawi having been granted a US\$40m line of credit by the Indian government.

**Investment Requirements**

- : US\$70m in total. Breakdown:
- Development of Irrigated Land: US\$42m
  - Agricultural Machinery and Equipment: US\$19m
  - Inputs, Training and Market Development: US\$9m

**Investment Considered**

: Public-private partnership

**Further info**

: A comprehensive analytical profile (sponsored by USAID) of the opportunity is available. Please contact MITC at address at end of document.

**Investment Prospect 2**

**Company Name**

: Greenfield Opportunity – Pigeon peas processing

**Company Description**

: The investment opportunity is a Greenfield investment into pigeon pea production through an anchor farm and accompanying out-grower scheme. The anchor farm will consist of 2,000 ha of land with an additional 1,000 ha servicing has land for smallholder out-growers.

**Products/ Services:**

: Excellent market opportunities exist for the supply of pigeon peas, both domestically, to local processors for value addition, and globally, due to high demand in Asia, particularly India

whose supply gap is increasing. As the world's third largest producer, Malawi is in a good position to further increase its volumes and serve this demand.

**Goals** : The aim is to produce close to 12,300 MT/annum (~6% of national output), making the investor a major actor in the Malawian pigeon pea production landscape, particularly given the absence of any commercial competitors.

**Location** : Multiple location prospects southern Malawi

**Proposed Investment** : Investment opportunity is to establish a 2,000ha pigeon pea anchor farm with an accompanying 1,000ha out-grower scheme. Expected annual production volumes of ~12,300MT.

In summary:

- 3,000 ha cultivated area, of which 2,000ha are under irrigation.

- Average yields of 2MT/ha

- Two harvests/annum

Equivalent to ~6% of national output

**Investment Requirements** : US\$33m in total. Breakdown:  
Land Development: US\$21m  
Agricultural Machinery and Equipment: US\$8m  
Inputs, Labour and Training: US\$4m

**Investment Considered** : Various options would be considered. However, it is anticipated that the investor would have full control over all operation.

**Further info** : A comprehensive profile analysis of the opportunity is available. Please contact MITC.



### **Investment Prospect 3**

#### **Company**

**Name** : Afriseed Limited Company

#### **Company**

**Description** : Seed multiplication using social entrepreneurship model and working with rural women farmers.

#### **Products/**

**Services** : Legumes seed production  
Quality seed distribution  
Grading service and packaging  
Hiring out of farm equipment to farmers

**Turnover** : US\$5m-US\$20m

**Goals** : One year: value chain seed development  
Two years: value addition (processing)  
Five years: exports

**Location** : Lilongwe in Malawi, Chipata in Zambia, Tete Mozambique and South Africa

#### **Proposed**

**Investment** : Afriseed is seeking for equity financing. The local company will contribute land, labour and market (ready market for procurement of seed by government through subsidy programme). The equity funds are for purchasing of breeder seed and all required farm inputs, purchasing of farm mechanization and construction of warehouses for seed storage and distribution and construction of packaging space and purchase of packaging equipment.

#### **Investment**

**Requirements** : Required investment: US\$20m  
Internal company capital: US\$2m

**Investment**

**Considered** : Both equity and donor financing. Donor funding under the women groups for training, sourcing of private sector extension services, mobilization of women groups and skill transfer to the women groups.

**Contact** : **Grace Mijiga**  
[gracemijiga@yahoo.co.uk](mailto:gracemijiga@yahoo.co.uk)

**Investment Prospect 4****Company**

**Name** : Sunbird Tourism Limited.

**Company**

**Description** : Sunbird Tourism Limited, (STL) incorporated in 1988, is a publicly quoted company, listed on the Malawi Stock Exchange. The major shareholder at 71% is MDC Limited, a dormant company, owned by the Malawi Government. STL is a leading operator in the hospitality industry in Malawi and has as its main activity, the ownership, operation and management of seven hotel properties in Malawi. Catering Solutions Limited, a 65% owned subsidiary, is involved in the provision of catering services. With this portfolio, STL is by far the largest single hospitality and tourism enterprise in Malawi employing about 1,000 people and commanding 33% of the total market share.

**Products/**

**Services** : Business Concept: The Company's business can be summed up into three main categories.

- The provision of accommodation to business and leisure travelers.
- The provision of meetings and convention facilities to various user segments.

- The provision of food and beverage services to guests staying on premises and or conducting business (meetings and convention) at the hotel.

**Turnover** : 2012 Annual Turnover was US\$14m.

**Goals** :

One year:

- Improve shareholders wealth: improve the return on Capital Employed.
- Capital restructuring: inject additional equity capital in Sunbird.

Two years:

- Expansion. Develop two eco lodges in Malawi's Game Reserves.

Five years:

- Manage other hotels under the Sunbird Brand.

**Location** : The company's registered office and head office is, Sunbird Mount Soche, Glyn Jones Road, Box 376, Blantyre. The group has a total of 7 hotels, all strategically located in Malawi's key business hubs and resort locations.

**Proposed Investment** :

1. Develop a 25 room/unit eco lodge within Liwonde National Park on the Upper Shire River.
2. Develop a 25 room/unit eco lodge within Majete Game Reserve.

**Investment Requirements** : Required investment for the two eco lodges amounts to US\$8m.

**Investment Considered** : The proposal is to have equity finance. The equity capital has not been mobilized yet.

A full business plan is available on request.

**Contact** : **Patrick Lisilira**  
[patrick@sunbirdmalawi.com](mailto:patrick@sunbirdmalawi.com)  
**+265 (0)1 820 815**

### **Investment Prospect 5**

**Company Name** : Mpatsa Holdings Ltd

**Company Description** : The investment arm of Mpatsa Trust has several business interests throughout Malawi.

**Products/ Services** : In addition to cash crops, products and services currently offered include real estate, distribution, hospitality, and advertising.

**Turnover** : US\$1-US\$5m

**Goals** : The aim of the current proposed investment is to increase the productivity and environmental efficiency of existing agricultural land in various locations around Malawi by investing in modern irrigation equipment.

**Location** : Blantyre, Zomba, Thyolo, Mangochi and Salima

**Proposed Investment** : Irrigation equipment for cash crop farming

**Investment Requirements** : US\$7m

**Investment**

**Considered** : All options to be considered

**Contact** : **Jimmy Mpatsa**  
[jimmy@mpatsa.com](mailto:jimmy@mpatsa.com)

### **Investment Prospect 6**

#### **Company**

**Name** : Universal Industries Ltd

#### **Company**

**Description** : Universal Industries Ltd for the past 55 years has always been synonymous with biscuits, confectionery and snacks, being the biggest manufacturer of these products in the country. Over the last decade the company evolved, moving away from being just a pure food manufacturer and turning itself into a dynamic entity actively engaged in the supply chain of its raw materials. This strategy entailed backward integrating its processes and thereby creating its subsidiary, Universal Farming and Milling Ltd (UFML) based at Njuli in Chiradzulu district.

UFML spearheads the Universal Groups mission of adding value to Malawian crops in addition to its mandate of bringing about innovation in Agriculture/Agro-processing. The company has identified 3 major crops that it currently works at every level of the supply chain, right from growing it to adding value to packing for the supermarket shelf.

#### **Products/ Services**

: Quality Biscuits, Confectionery, Savoury Snacks, Beverages, Pre-packs of Bakery Ingredients, Anchor milk powder, Nutri Gluco Phala (NGP), Maize milled products, High Quality Cassava flour (HQCF), Green Coffee, & Potatoes.

**Turnover** : >US\$30m

**Goals** : One year: To encourage innovation and through Inclusive business model link smallholder farmers to UFML (Thus develop reliable supply chain).

Two years: Production to meet agreed targets, and Sales growth by 10% of previous year

Five years: To provide shareholder returns and Advance food security and Nutrition.

**Sector** : Agro-processing

**Location** : Head Office, Universal Industries Ltd (UIL), Ginnery Corner, Masauko Chipembere Highway, P.O. Box 507, Blantyre, Malawi, Central Africa

**Proposed Investment** : There are 3 new value chains projects that the company has embarked on. These projects are;

- High Quality Cassava Flour (HQCF),
- Potato Multiplication Project & Nutritional Projects (Soya based, Soya

The following projects are off-spin projects that can be developed out of the primary project implemented:

- Soy oil by using Extrusion process,
- Soy Chunk by using defatted soya cake from Soya oil,
- Corn-Soy Blend (CSB) prepared from heat-treated Maize and Soya beans, sugar, vitamins and minerals for adult and children over than 6 months.

Nutri Gluco Phala (NGP) containing 40% Soya is done at head office UIL. The Projects will start in March 2013 (HQCF), and Soya Projects will start in July 2013 -2014.

**Investment Requirements** : US\$5m capital requirement.

US\$2m working capital requirement.

**Investment**

**Considered** : Debt finance or equity – hence intention to list on stock market.

Full business plans for each of the three projects are available on request.

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**00 265 888 201 620**

**Investment Prospect 7**

**Company**

**Name** : RAB Processors Ltd- Soy beans

**Company**

**Description** : Rab Processors Ltd was founded in 1983 and is a leading company in Malawi's agro industry, specializing in value addition and the trading of local produce to act as a conduit between producers and global customers.

**Products/**

**Services** : The company offers a broad range of agriculture-related products, including farm inputs, raw commodities and nutritional food products.

Non-food goods: The company is a key regional supplier of basic non-food household and agricultural items such as fertilizer, bicycles, paraffin and cement. The sourcing, storing and sale of Rab's products is facilitated by the country-wide network of Kulima Gold depots allowing service to local, regional and international markets.

Raw Commodities: Rab's also specializes in the trading and export of locally grown produce. Examples of what they

trade include: groundnuts, faya rice, corn soya blend (CSB), maize, pigeon peas, soya beans, sugar beans and tea.

Food Products: Rab's have a broad product offering such as flour, milk powder, nuts, peanut butter, rice, salt, tea and other consumer products. They also supply the World Food Program with nutritional products and have two in-house brands: Likuni Phala (CSB) and Sibusiso Ready Food Supplement (high energy food supplement).

- Goals** : Key organizational goals are to:
- Provide farm inputs and basic needs to support smallholder farmers (SHFs)
  - Create a market for SHFs to sell their produce
  - Maximize the value of Malawi's agricultural outputs
  - Act as a conduit between local producers and global customers
- Location** : Limbe, Malawi
- Proposed Investment** : Rab Processors Ltd are looking for a strategic partner to diversify into the production of textured soy protein which requires investment into plant, equipment and working capital. Equipment is needed for oil extraction and refinery.
- Investment Requirements** : US\$6m
- Investment Considered** : Rab is looking for debt or equity financing from a financial or operational investor.
- Contact** : **Ahmed Sunka**  
[dsm@rabmw.com](mailto:dsm@rabmw.com)



## **Investment Prospect 8**

### **Company**

**Name** : Mpatsa Holdings Ltd – Proposal to establish a commercial bank

### **Company**

**Description** : The Mpatsa family would like to set up a retail commercial bank whose overall objective is to assist most economically active Malawians achieve sustainable livelihoods and contribute to poverty reduction by increasing access to financial services (loans, savings, payment services, money transfers, and/or insurance) for the under-banked, unbanked (missing middle) and vulnerable populations, with priority given to increasing access to the “missing middle” such as SMEs and those living just below the poverty line and whose demand for services is greatest. The bank will focus on the middle to low end mass market in delivering its services. These are estimated to be around 4.2m people.

### **Products/**

**Services** : Loans, savings, payment services, money transfers, and/or insurance.

**Turnover** : The bank is expected to breakeven in year 2 of operations and become fully and consistently profitable by the end of year three.

**Goals** : Mpatsa Bank has purposefully chosen to be a differentiated provider of financial services for most Malawians. Its competitive advantage will come from delivering the services based on the Critical Success Factors (CSF) for its target market of middle and lower class and clients of the various development projects run by NGOs such as:

- Access to financial services at fair prices (cost of funds, loan loss, interest and fee rates)

- Respectful staff
- Operating close to homes of its clients and workplaces
- Fast turnaround time on client dealings
- Profitable linkages with both suppliers and clients and particularly those organizations running developmental projects.

**Location** : Suitable premises in Blantyre, Limbe and Lilongwe are already owned by Mpatsa Holdings Ltd.

**Proposed Investment** : In order to capitalize the bank, support lending growth and a standby liquidity to ease seasonal liquidity crunches, at least US\$5m in long-term loans is required.

**Investment Requirements** : US\$5m

**Investment Considered** : Debt

**Contact** : **Jimmy Mpatsa**  
[jimmy@mpatsa.com](mailto:jimmy@mpatsa.com)

### **Investment Prospect 9**

**Company Name** : NASCOMEX LIMITED

**Company Description** : Commercial arm of the National Smallholder Farmer Association of Malawi (NASFAM), which is the largest smallholder association in Malawi with a combined membership of over 100,000 smallholder farmers. NASCOMEX is involved in input and output marketing mainly involved in commodity trading and agro processing.

**Products/**

- Services** : Input marketing: Supply of fertilizer and various seed including legume seed output marketing and agro processing of various commodities such as groundnuts, rice, chillies, peas, sunflower, soya, beans, maize and other commodities
- Turnover** : For year ending Feb 2013: US\$5m-US\$20m
- Goals** : Immediate: Continue with the provision of stable and reliable markets for the farmers
- One year: Explore possibilities of expanding the agro processing and volumes handled by the Company
- Two years: Introduce additional processing and value addition to produce handled by the company with individually or through joint ventures.
- Five years: Increase processing capabilities and export potential to achieve higher percentage of processed goods sales and export sales.
- Location** : NASFAM is present in 19 districts in Malawi. Nascomex operates from Lilongwe, Malawi
- Proposed Investment** : Groundnut oil production
- Investment Requirements** : Approx US\$5m
- Investment Considered** : Mixture of equity and donor grants
- Contact** : **Mohamed Makda**  
[mmakda@nasfam.org](mailto:mmakda@nasfam.org)

## **Investment Prospect 10**

**Company Name** : Promotion of Rural Initiatives and Development Enterprises (PRIDE Malawi Ltd), a Company limited by guarantee and licensed by Reserve Bank of Malawi as Non Deposit Taking Microfinance Institution.

**Company Description** : PRIDE Malawi (PM) is a first microfinance company. It has operational establishments throughout the country with robust microfinance products tailor-made to serve the SMEs in Malawi.

**Products/ Services** : PM uses two distinct lending methodologies based on servicing an individual client as a unit and servicing clients under group based loans product.

**Goals** : Balanced Score Cards for years 2 – 5 are available in the Business Plan and Strategy document upon request.

One year: increase capital base to MK500m (US\$1.3m) and Loan Portfolio to MK650m (US\$1.7m). OSS>200%, FSS >140%

Two years: increase capital base to MK800m (US\$2.1m) and Loan Portfolio to MK900m (US\$2.35m). OSS>280%, FSS >180%

Five years: increase capital base to MK1.8bn (US\$4.7m) and Loan Portfolio to MK2.2bn (US\$5.7m). OSS>370%, FSS >200%

**Location** : Throughout Malawi.

**Proposed Investment** : Loan Fund and limited systems infrastructure upgrade. Loan portfolio growth is limited due to limited loan funds. PM

extends loans to largely women. Currently 65% of the active clients are women. Penetration is limited due to unavailability of capital. PM has Prudential regulated license for Microfinance. Further capital injection would enable PM to upgrade to deposit taking status which would make the company fully sustainable as portfolio growth would be derived from customer deposits. PM is committed to grow the company as detailed in its current business plan.

PM is seeking debt financing phased over three years. This investment would increase finance available to SMEs, in particular those run by women, and improve PM's IT systems. The overall result for the company is expected to be a trebling of active client numbers.

**Investment Requirements** : PM requires a three tranced investment of US\$1m each in the space of 18 months. US\$150k is also required for systems upgrade and institutional development.

**Investment Considered** : PM is awaiting approval for transformation to a shareholder ownedregulated financial institution. It is likely to be granted within 2013 and this would enable PM to seek equity investment as well as debt financing. PM would also appreciate grants towards the systems upgrade and institutional development.

**Contact** : [matthews.mtumbuka@mw.airtel.com](mailto:matthews.mtumbuka@mw.airtel.com);  
[cmajawa@pridemalawi.com](mailto:cmajawa@pridemalawi.com)

## **Investment Prospect 11**

**Company Name** : Skyband Corporation Ltd

**Company**

**Description** : Skyband Corporation Ltd at its core is a communications technology company providing internet services in Malawi with a product suite geared primarily (but not exclusively) towards the enterprise/corporate market and includes, but is not limited to, corporate Internet, MPLS, VPNs and wide area networks, VSAT and remote support, email and web hosting and basic data centre services; and private consumer internet, including Wi-Fi hotspots and nomadic 3G dongle services. Skyband has two main offices being Blantyre and Lilongwe and a third smaller office in Mzuzu. It has a point of sale in over 140 hotspot locations across Malawi. There are approximately 80 members of staff employed of which all are local Malawians except one expatriate. Skyband pride itself in offering the premier internet service in Malawi.

**Products/ Services** : As stated above Skyband has a wide range of enterprise/corporate connectivity packages, as well as managing over 140 hotspots across the country and a 3G network. Skyband also provides a range of other products and services such as 2-way radios, WAN's (wide area networks), data center, hosting facilities and others.

**Goals** : Immediate: to commission multiple metro fiber rings throughout the cities of Blantyre and Lilongwe in order to increase the capacity and reliability of services available to Skyband's growing customer base. This investment will also allow Skyband to increase market share by expanding its coverage to segments of the market that it is currently unable to serve.

**Location** : Skyband currently has two main offices in Blantyre and Lilongwe and also has a third smaller branch office in Mzuzu. Blantyre covers services offered in the South of the country, Lilongwe covers the Center and Mzuzu covers the North. This

proposed investment would be for the two main centers being Blantyre and Lilongwe.

**Proposed Investment of** : To commission multiple metro fiber rings throughout the cities of Blantyre and Lilongwe.

**Investment Requirements** : An investment of US\$3m is required for this project.

**Investment Considered** : Any investment option will be considered.

**Contact** : **Barry Brown**  
[barry@skyband.mw](mailto:barry@skyband.mw)

## **Investment Prospect 12**

**Company Name** : Company X

**Company Description** : Company X is a groundnut processing facility producing peanuts and peanut paste. It was founded as a commercial and development joint venture and started full operations in 2011. Its domestic market share is ~4%.

**Products/ Services** :  
– Shelled, high quality peanuts that meet stringent EU market standards (includes Fairtrade certification).  
– Blanched peanuts and roasted kernels, as well as peanut paste for peanut butter and nutritional supplements.

**Goals** : Key organizational aims are to:

- Move smallholder groundnut producers up the value chain (i.e., link them to output markets).
- Expand the volume of Fairtrade and other value-added peanuts for international, regional and domestic markets.
- Maximize potential for groundnut trade in Malawi for the benefit of smallholders and the economy at large.

**Location** : Available on request.

**Proposed Investment** : Company X is seeking investment to purchase new equipment and increase capacity to 20,000 MT by 2016.

Plans for future growth:

- Supply growing market demand by increasing capacity from 6,000 to 20,000 MT / annum by 2016.
- Take over post-harvest handling and further reduce the risk of aflatoxin contamination.
- Cover full spectrum of groundnut processing operations (i.e., peanut paste, oil, animal feed).

Equipment Needed:

- Total value of equipment needed is ~US\$1.2m, which covers: Shelling plant, color sorter, improved peanut paste processing equipment and oil extraction machinery.
- ~US\$1m to purchase own processing site instead of renting.

**Investment Requirements** : US\$2.2m

**Investment Considered** : Not specified

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### **Investment Prospect 13**

**Company**

**Name** : Bio Energy Resources Limited

**Company**

**Description** : Bio Energy Resources Ltd (BERL), founded in 2006, is a dual product company. Similar process technology is used to produce bio fuel from jatropha – a non-edible crop – and cooking oil from sunflower. The company holistically supports the value chains for both oilseed crops. The BERL team implements a business model with the Malawian context at heart; jatropha is only grown with smallholder farmers as a boundary hedge, ensuring that the fuel crop does not compete with food crops. Sunflower, which was adopted by BERL in late 2011, is procured from the same smallholder network. Combined, these crops are providing an annual income to smallholder farmers and their families.

**Products/**

**Services** : The jatropha nuts are processed into jatropha straight vegetable oil and seedcake. The oil is blended with both diesel and paraffin, for fuelling diesel engines and paraffin lamps respectively. The seedcake is sold as bio-fertiliser for use on Maize, Sunflower and Tobacco. The sunflower seeds are processed into cold pressed virgin sunflower oil and seedcake. The oil is sold as high quality cooking oil and the seedcake is sold as a component of animal feed. All of BERL's products are sold on the domestic market thus reducing the country's import bill and trade deficit.

**Goals**

additional

: Immediate 2013 - To install a second press and processing equipment

Year One 2014- To be cash positive

Year Two 2015 - To have 30,000 smallholder farmers with 12m trees producing 3235 tonnes of Jatropha and 4250 tonnes of sunflower

Year Five 2018 - To have 60,000 smallholder farmers with 20m trees producing over 4750 tonnes of Jatropha and 4250 tonnes of sunflower

**Location** : Operational in 10 Districts of Malawi, with the head office and oil processing facility located in Lilongwe.

**Proposed Investment** : To date, US\$8.4m of equity finance has been invested. This proposal requests debt financing in the tune of US\$1.25m for further development of BERL's oil processing facility. The long-term loan will finance further seed / oil cleaning and storage equipment, an additional oil press and initial working capital for the procurement of increased volumes of sunflower feedstock.

**Investment Requirements** :  
Oil Press \$ 300,000  
Seed and Oil Cleaning Equipment \$ 200,000  
Seed and Oil Storage Equipment \$ 100,000  
Initial Working Capital \$ 650,000

Total: \$ 1,250,000

**Investment Considered** : Preferably debt but equity is possible.

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**00 265 999 012 006**

## **Investment Prospect 14**

### **Company**

**Name** : Paragon Ceramics Ltd – Dedza Pottery (& Lodge) Branch

### **Company**

**Description** : Paragon Ceramics Ltd is the owner of Dedza & Nkhotakota Potteries which manufacture high quality ceramics from mainly locally found raw materials, and 4 Lodges at Dedza, Nkhotakota, and Likoma Island which provide mid-range accommodation and restaurant services for both Local and overseas visitors.

### **Products/**

**Services** : The potteries manufacture a wide range of ceramics including handcrafted pottery, quarry tiles, firebricks and electrical insulators. The Lodges are busy with tourists, business people, conferences, and school groups.

**Goals** : Immediate: To handover all responsibilities for the Dedza Branch of the business. Ideally both the pottery production unit and the lodge.

**Location** : Outskirts of Dedza Town, District Headquarters for Dedza District. The Pottery and the Lodge have stunning views of the mountainous Dedza landscape.

### **Proposed**

**Investment** : Current shareholders, Christopher & Charity Stevens would like to sell the business to a buyer who would be interested to continue to develop the enormous possibilities of this unique company that they have built up over the past 25 years. If required, advice and consultations from Christopher & Charity for up to 24 months can be written into any sale agreement.

### **Investment**

**Requirements** : Required investment would be in the order of US\$1m + and would probably require a professional valuation of the properties and business before any sale. The company has no significant loans or debts and staff pensions are fully paid up in line with the new Pension Act.

**Investment Considered** : Any of the following would be considered:-

- Sale of Site and Business of Pottery Production and Lodge.
- Sale of majority Shareholding to an investor who would take full executive responsibility for the business.
- Sale of the Business with the Site and Buildings on a long term repairing lease.
- The Pottery, Lodge & Restaurant very much complement each other but we would consider selling the businesses separately.

The site is on 99 year lease from government which has over 80 years of lease remaining.

**Contact** : [christopher@africa-online.net](mailto:christopher@africa-online.net)  
**00 265 999 263 325**

## **Investment Prospect 15**

### **Company**

**Name** : Mpatsa Holdings Ltd – Nkhonjeni Integrated Fish Farming Project

### **Company**

**Description** : The Mpatsa Fish farming is a project that Mpatsa Trust will implement in a 23 hectare dam that lies within 700 hectare farm (Khonjeni Estate) about 15 km from East of Thyolo Boma. Fish will be reared in cages and fingerlings and breeding will be done in hapa. In addition the project will rear

pig to supply manure. The project will target to have 36 cages constructed in the water body. Pig houses will be constructed in strategic places of the dam. Stocking fish in the dam has other synergetic advantages as the dam will be utilized for other ecotourism activities such as sport fishing. In fact, stocking fish in the dam will be in-situ fish conservation and improve productivity of the water through fish production there by increasing the value of the dam.

**Products/  
Services**

: Data indicates that nominal demand for fish is very high in both urban and rural areas while nominal supply is declining such that gap of fish demand and supply is becoming larger in the domestic market. Fish production gap is likely to increase with increasing population of the nation. The project will target four tilapia fish species: makumba, chilunguni, chambo and mlamba. Mlamba will be reared in future after getting proper source of fingerlings. The fish will be sold in strategic markets within the domestic markets as follows; selling at farm gate, selling in tea estates, selling in peri urban and urban markets. As production increases, some fish will be sold through supermarkets.

**Goals:**

: To maximize the productivity and profitability of the existing 23 hectare damn by selling fish in various strategic markets within Malawi where demand currently outstrips supply.

**Location**

: Khonjeni Estate about 15 km east of Thyolo Boma.

**Proposed  
Investment**

: Although the project has commenced, further financing is required to construct new dams and fish cages in order to fully realize the potential of the business plan.

**Investment  
Requirements**

: US\$750k - US\$1m.

**Investment**

**Considered** : Debt is preferred but other forms of financing may be considered.

**Contact** : [jimmy@mpatsa.com](mailto:jimmy@mpatsa.com)

**Investment Prospect 16****Company**

**Name** : Beta Television

**Company**

**Description** : Beta Television Limited is a wholly Malawian owned television company. It aims to provide superior fact-checked news coverage, edutainment infotainment, programs and business services to people of all ages in Malawi and beyond, using Beta Television channel as a medium of communications.

**Products/**

**Services** : Broadcasting of content including entertainment, news & current affairs, educational, health, good governance, environmental, human interest, political, awareness programs, advertising space for companies and organizations operating in Malawi.

**Turnover** : US\$1m-US\$5m (projected)

**Goals** : One year: Acquisition of Studio/Transmission/support Equipment, Human Resource, Training of HR, Installation of Equipment, Acquisition of foreign content and production of local content

Two years: Expansion program of the TV station i.e. Infrastructure, personnel, national coverage area, local content production, and radio station license acquisition Five

years: Expansion program continue to print media equipment acquisition

**Proposed Investment** : Financing is sought for studio broadcasting and transmitting equipment plus support equipment such as studio furniture, motor vehicles, air-conditioners, office equipment and desks. Human resource training, wages and salaries plus operating costs

**Investment Requirements** : US\$850k

**Investment Considered** : Different options will be considered. Current owners' equity invested is US\$230k.

**Contact** : [visioneer.betatv@gmail.com](mailto:visioneer.betatv@gmail.com)  
**+265 2 12233215**

### **Investment Prospect 17**

**Company Name** : Eqnon Electricity Kiosks - Malawi

**Company Description** : Increasing access to electricity by installing and operating electricity kiosks

**Products/ Services** : Operating electricity kiosks where people can rent batteries for their basic electricity needs, such as lighting, mobile phone charging and listening to the radio. Batteries with more capacity are offered allowing people to start a new business, e.g. a barbershop, video hall or a cooled drinks store.

- Goals** : Current: Renting 300 batteries (pilot funded by Scottish Government)  
 Immediate: Renting additional 1,600+ batteries  
 One year: Renting additional 10,000 batteries  
 Two years: Renting additional 100,000 batteries  
 Five years: Renting additional 1,000,000+ batteries
- Location** : Rural areas with no direct access to the electricity grid and not being part of a planned grid expansion plan
- Proposed Investment** : The investment requested will scale up the existing pilot and rent an additional 1,600+ batteries
- Investment Requirements** : Required equity investment: US\$0.4m
- Investment Considered** : 40% equity, 60% debt / donor finance (US\$0.6m donor funding has already been requested)
- Contact** : [arjan.visser@eqnon.com](mailto:arjan.visser@eqnon.com)  
 00 265 999 261 228

### **Investment Prospect 18**

- Company Name** : Tafika Milling – Maize (USAID)
- Company Description:** : Tafika Milling Company is a 100% Malawian owned and operated corn soya blend (CSB) processor with a growing reputation for its high quality products. The company was founded in 2010 and is owned and operated by Rhoda Misomali, a Malawian national.
- Products/ Services** : Under its Zathanzi brand, Tafika offers three main products:



- Likuni Phala Porridge (CSB)
- Cream of maize (maize flour)
- Fat soya cake

Zathanzi has not publicly launched for general retail and is only sold in bulk, but plans are in place to launch the retail brand this year.

- Goals** : Plans for future growth:
- Increase processing capacity from current 20MT/day to 60MT/day
  - Increase level of mechanization to become a certified supplier to WFP, Mary’s Meals and UNICEF Leverage regional market potential and start exporting to SADC countries
- Location** : Blantyre, Malawi
- Proposed Investment** : Equipment needed to upgrade the plant include, amongst others: supplements to cleaning section (e.g. cleaner with cyclone), dry extruder, cooling system, electrical plant control panel, conversion kit for starch.
- Investment Requirements** : US\$300k
- Investment Considered** : Debt or equity not specified, Tafika wants to leverage technical and strategic expertise from an investor.
- Contact Lilongwe** : **Malawi Investment and Trade Centre (MITC) offices in City Centre Aquarius House, or call 01 771315/01 770800 [enquiries@mitc.mw](mailto:enquiries@mitc.mw)**

## **Investment Prospect 19**

### **Company**

**Name** : Ink IT Design Print and Press

### **Company**

**Description** : The company is a unique design and print company that is environmentally focused and gender bias. It provides for design and printing solutions on recyclable paper only making it a green printing press, the only one of its kind in Malawi. The company advocates for both technology and services to help organization's print less as ultimately no printing is the most ecofriendly solution, to this end the company explores unique and inexpensive approaches to information dissemination that limit the amount of paper that needs to be consumed by companies. At present the company only employs female staff as a conscious way to provide formal employment to Malawian women.

### **Products/**

**Services** :  
Communication strategy development  
Consultancy services in limiting paper consumption  
Providing print alternative  
Printing on recyclable paper  
Advocacy for greener solutions to communication  
Education and training in design, print and press  
Peer to peer conversation program

**Turnover** : US\$0-\$250k

### **Goals**

: One year:  
Procure a digital heavy duty recyclable paper printer,  
Recruit and train additional staff.

Two years:  
Roll out the peer to peer conversation

program in schools and formal private and public sector  
Procure a heavy duty recyclable packaging and branding  
press

Five years:

Replace all thin plastic paper carrier bags with recyclable  
paper bags in Malawi

**Location** : Headquarters are in Lilongwe but project has a nation wide  
Outreach

**Proposed Investment** : The investment required is solely for the procurement of  
capital equipment over a three year expansion period.

**Investment Requirements** : Capital Investment of US\$300k  
US\$250k Required investment  
US\$50k Internal Company capital

**Investment Considered** : Debt and Donor financing

**Contact** : **Hellen Zalira**  
[hellenzalira@gmail.com](mailto:hellenzalira@gmail.com)

## Investment Prospect 20

**Company Name** : Naturals, P.O. Box 31927, Blantyre, Malawi  
Tel: 265 212 956 246  
Email: Naturals@teecs.net

**Company Description** : The business is a duly registered owned by two Malawian  
ladies Mrs Towera Jalakasi and Mrs Ntchindi Masamba.

Established in 2006, the business manufactures and sells baobab juice to wholesalers and Retailers in Malawi, mainly through chain stores such as Peoples and Shoprite.

**Products/  
Services**

: The product is baobab juice marketed under the brand name Khathi Khathi. It is available in 250ml, 500ml and one liter bottles.

**Goals**

: One year: Improve raw material resource and add other products such as baobab oil, baobab soap.

Two years: Building the capacity of delivery of products to consumers including exports

Five years: Up grading & up-rating current Production Processes to meet quality requirements and demand

**Location**

: Blantyre, Malawi.

**Proposed  
Investment**

- baobab  
fruit
- Acquisition of machinery for Extraction of powder from baobab fruit
  - Acquisition of machinery for Extraction of oil from seeds
  - Acquisition of new vehicles for distribution
  - Acquisition of coolers for display in shops
  - Acquisition of modern processing machinery and building for the factory.

**Investment  
Requirements**

: US\$300k

**Investment  
Considered**

: Equity currently stands at US\$30k. There is financial obligation that is winding up in March 2013. Looking at the asset requirement of the business, it will be necessary to

secure long term facility to finance long term assets. Different options will be considered.

**Contact** : **Towera Jalakasi**  
[towera@teecs.net](mailto:towera@teecs.net)  
**00 265 993 928 312**

### **Investment Prospect 21**

**Company Name** : Water Waste and Environment

**Company Description** : Water, Waste and Environment Consultants is a private consulting firm, registered under the Business Names Registration Act (Cap. 46.02), and with the National Construction Industry Council (NCIC). The firm has extensive experience working with and for international organizations. The firm has six full time consultants with relevant expertise in Water and Wastewater Engineering, Social Sciences, Environmental Management, Civil Engineering, Forestry Management, Agricultural Engineering, Water Resources Management and Irrigation Engineering. In addition, the firm has an extensive network with other consulting firms as well as individual consultants working in specialized fields to offer a wide range of services. Main clients of WWEC include, among others, the Government of Malawi through various Ministries, the World Bank, European Union, other donors; and other foreign governments such as the Government of Mozambique, Tanzania and Uganda.

**Products/ Services** : (a) Project Designing  
(b) Baseline Socioeconomic including Health and Gender Studies

- (c) Water Supply and Sanitation
- (d) Wastewater Engineering
- (e) Solid Waste Management
- (f) Project Monitoring and Evaluation
- (g) Development of Monitoring and Evaluation Frameworks
- (h) Process Design
- (i) Environment Management and Impact Assessment
- (j) Development of Environmental Management Tools, and
- (k) Provision of related services.

**Goals**

One year: Advertise and Build Customer Base

Two years: Build Capacity and meet market demands

Five years: Maintain being the leading manufacturer of Biosand filters

**Location** : Malawi

**Proposed Investment** : Invest in staff, infrastructure and dissemination of knowledge of Biosand filter production

**Investment Requirements** : US\$290k

**Investment Considered** : Debt, Equity and donor finance

**Contact** : **Kent Kafatia**  
[kentwjr@gmail.com](mailto:kentwjr@gmail.com)  
 00 265 999 544 477

**Investment Prospect 22**

**Company**

<b>Name</b>	:	Namiashi Lodge
<b>Company Description</b>	:	Namiashi Lodge is a family owned lake-side lodge and camping ground, which has been in operation for over 15 years.
<b>Products/ Services</b>		Namiashi Lodge offers customers four double bedrooms, two single rooms, and a two double bedroom chalet – all rooms are self-contained. The lodge has a full service restaurant, bar, a twenty person conference facility, a secure camping ground and ablution facility.
<b>Turnover</b>	:	US\$0-US\$250k
<b>Goals</b>	:	<p>Immediate:</p> <p>Design, renovate and expand the infrastructure to reflect the local natural and cultural environment using sustainable designs which incorporate minimal use of natural resources and promote renewable alternatives.</p> <p>One year:</p> <p>Work in collaboration with Women Forum (an established grassroots women community empowerment program) and involve them in the planning of the Sima Singing Safari ecotourism</p> <p>Program</p> <ul style="list-style-type: none"> <li>• Train a team of competent staff committed to excellence in ecotourism.</li> </ul> <p>Two years:</p> <ul style="list-style-type: none"> <li>• Complete construction.</li> <li>• Increase exposure locally and internationally through a well designed evidence based marketing strategy.</li> </ul>

- Increase occupancy 10% every year, exceed clientele expectations.

Five years:

- Investigate the economic, cultural and environment impact of the Sima Singing Safari on the local community.
- Continue to maintain eco-tourist excellence and high occupancy rates at 80%.
- Consider other ecotourist programs e.g. conservation research.

**Location** : Namiashi Lodge is located on the northern lakeshore at Chiweta, near Chitimba, Rumph. Namiashi lodge is located on a main throughfare along the M1 motorway. 120km from Mzuzu, 80km from Karonga, 60km from Rumphi and 15km from Livingstonia.

**Proposed Investment:** : Be the premier destination in Malawi for a locally owned ecotourism lodge committed to local community development and the ideals of preserving culture and supporting a sustainable environment. Sima Singing Safari is proposed as a program that will expand accommodation assets, create community wealth while providing opportunities to promote and preserve Malawians culture. This will involve (1) designing and redeveloping Namiashi Lodge as an ecotourist facility (2) developing a community program.

**Investment Requirements** : US\$100k

**Investment Considered** : Equity

**Contact** :



## **Investment Prospect 23**

### **Company**

**Name** : Farming and Engineering Services Limited

### **Company**

**Description** : Distributor of mechanized agricultural and construction machinery and agricultural contractor.

### **Products/**

**Services** : Sole franchise holders for Massey Ferguson (tractors and generators), Komatsu (construction machinery), Toyota Forklift & Baldan implements. We also do lease hire and machinery contracting.

### **Goals**

: Immediate: Increase tractor market share by 10% & maintain contract obligations

One year: Expand the contracting business opportunities within the sugar industry

Two years: Capitalise on current mining exploration with Komatsu franchise

Five years: Be well positioned for agricultural commercialization (enabling MW to feed the expanding nation). Likewise be market leader within the construction machinery market, in anticipation of the numerous mining explorations coming to fruition.

### **Location**

: Throughout Malawi (Head Office in Blantyre)

### **Proposed**

**Investment** : Sale of business

### **Investment**

**Requirements** : To be based on valuation of the business

### **Investment**

**Considered** : Equity

**Contact** : [mikewinn@fesmw.com](mailto:mikewinn@fesmw.com) ; [mmathias@fesmw.com](mailto:mmathias@fesmw.com)  
**+265 999 821804**

**For more information, please contact:**

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**First Floor, Aquarius house**

**Private Bag 302**

**Capital City, Lilongwe 3**

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