

High Impact Initiative - Transforming4Trade

17 September 2023

11:45 – 13:15 (New York time)

17:45 – 19:15 (Geneva time)

Conference Room 1

United Nations Headquarters

New York

Statement by Hon. Mr. Simplex Chithyola Banda, Minister of Trade and Industry of Malawi

Excellences,

Distinguished Guests,

Ladies and gentlemen,

I am delighted to be here today to discuss the topic of productive capacities development to achieve sustainable structural transformation in the framework of the Transforming4Trade High Impact Initiative.

This is indeed my primary focus area in Malawi as the Minister responsible for Trade and Industry, and I am extremely happy that UNCTAD has committed to undertake this initiative in my country.

In Malawi, we have our long-term plan the Malawi 2063 and this Vision aims to transform Malawi into a wealthy, self-reliant, industrialized upper-middle-income country, through a focus on agriculture commercialization, industrialization, and urbanization.

This is a long way to go for us, but we believe that we can achieve it, with the support of UNCTAD, its collaborating agencies and all the supporters of holistic approach to economic development gathered here today and those that we mobilize onboard in the future.

To support our trade diversification initiative, we are implementing the National Export Strategy that is being implemented to enhance our export diversification initiative or drive. For the past years, the concentration has been on tobacco and few other commodities and through this national export strategy, we are diversifying into the production of agriculture-related products namely oilseeds such as soya beans, ground nuts, pigeon peas, beans sunflower, amongst others;

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To promote Industrialization, Malawi is a country of great potential. Our agriculture sector provides products that are in global demand, and we have the opportunity to develop these sectors further through value addition.

We have a promising manufacturing base that can be further enhanced through the optimal use of new technologies, and a rich services sector, including tourism, health services, the banking sector, telecommunications, and retail. The export of labour and tourism sectors are some of the low-hanging fruits which we are working on to reap more benefits from the services. This is a solid basis to build on.

Despite these initiatives we are undertaking, there are some constraints to our development agenda that have kept us from reaching our actual potential and these include:

- A. Dependence on few commodities as described above; similarly to other LDCs' economies – Malawi remains heavily dependent on a few commodities, which makes it vulnerable to external shocks. Our mainstay are agriculture products, yet we don't at the moment take this sector to the next level through value addition and approaches that would enable us to break the vicious cycle of dependency and vulnerability to external shocks.
- B. High population growth rates or youth boom most of which is idle;
- C. Low Productive base and capacities;
- D. Low skills capacities.

This is why our country is particularly keen to implement this holistic approach to economic development and strengthen our productive capacities to achieve sustainable development. I personally requested UNCTAD to carry out a productive capacities gaps assessment for Malawi, so that we are able to know where Malawi stands vis-à-vis its own development trajectory, and vis-à-vis other countries, in the productive capacities ladder.

I am so happy, Secretary General, that you have responded positively to our request for support, thank you very much.

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We have started this process with UNCTAD, and the next step will be a capacity building of our own statisticians and policymakers so that they can learn how to employ the Productive Capacities Index (PCI) and use it as a tool in economic policymaking in Malawi. This is something that I value very much because we will be capacitated to use this statistical tool which can serve as a basis for this new evidence-based approach to holistic economic policymaking, and embed it into our own national institutions.

From this training, we will move to a National Productive Capacities Gaps Assessment for Malawi, and I very much count on this assessment to help us identify the gaps and the ways to address them. This will be instrumental for our future development policies and the measures that we take in the different areas that together make up productive capacities.

Malawi is rich in the area of natural capital, but how can we harness this richness further? We have a young population with so much talent, but how to help them obtain the opportunities they reserve, in our country, Malawi?

How should we develop our transport infrastructure so that it serves the purposes of a more diversified, value-adding economy? And how about new technologies – how can we make better use of them for our development? These are some of the questions I have and I am looking to find answers to through the Productive Capacities Gaps Assessment.

It is from there that we can then move to the development of a Holistic Productive Capacities Development Programme that will support us on our path towards sustainable structural economic transformation. This Programme will work to address the gaps identified in the National Productive Capacities Gaps Assessment, and – having learnt what has been achieved in Angola – I am very keen to have this on the ground in Malawi as soon as possible.

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I am particularly fascinated by the holistic approach because it brings onboard all actors in society to work towards the common goal of sustainable economic development.

We therefore welcome the holistic, multisectoral and multi-actor approach to economic development, and want to particularly emphasize the human capital development that is at the core of this approach.

We want to link this to improved market access and trading possibilities within the Africa Continental Free Trade Area, and also explore markets beyond Africa.

We want to build the capacities of our youth to take up these opportunities that are opening for us. We want to capacitate our entrepreneurs;

Development of industrial parks amongst others;

Build a vibrant private sector to drive this process further. We need to know how to attract sustainable investments to the new and revived sectors. All this should be embedded in our national institutions like we have seen it done in Angola.

It is key for us that the UN system as a whole and our development partners adopt this holistic approach to economic development and support us on the path towards sustainable structural transformation that will help to bring opportunities, development and welfare to our populations.

All these efforts, and the long-term vision that it requires, needs resources to be implemented. For this, we need everyone to participate in this lasting development partnership for a better and

more sustainable future, one that is built on solid ground in our countries and national economies, one that will break the cycle of dependence and vulnerability.

I thank you very much.