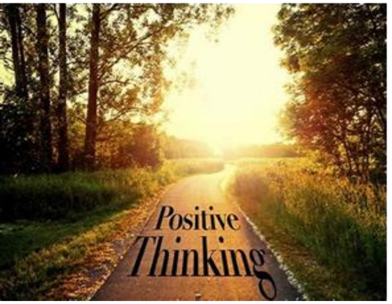
2026 ICAM ANNUAL LAKESHORE CONFERENCE

Let the Silos Fall: The Unfinished Dream of Malawi 2063

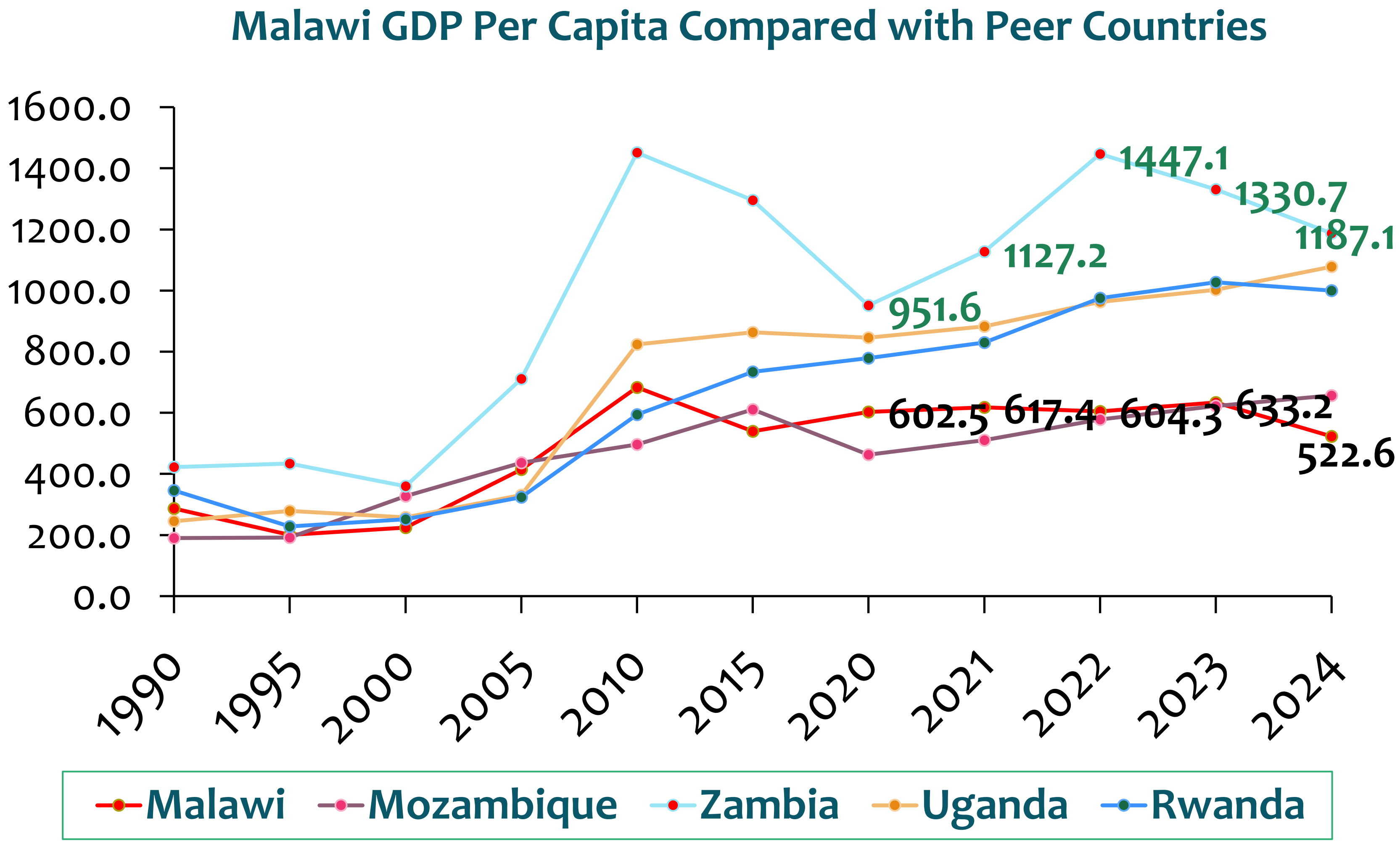
Confronting political economy, Statistics, Value Capture, and Subsidy Paradox behind MIP-1 Implementation

National Planning Commission

Institute of Chartered Accountants in Malawi • Annual Lakeshore Conference • 18 September 2026



TRENDS IN GROSS DOMESTIC PRODUCT



- Malawi behind peers in size, health and growth of economy.
- Structural, policy, programs reforms required to reposition the curve to a path of growth.

OPENING PROVOCATION

Malawi does not lack a vision, but implementation is constrained.

This is the account this conversation exists to give.

THE DREAM

One national aspiration. Ten connected engines.

Malawi 2063 is designed as a system, not a collection of sector plans.

Agricultural productivity & commercialisation

Industrialisation

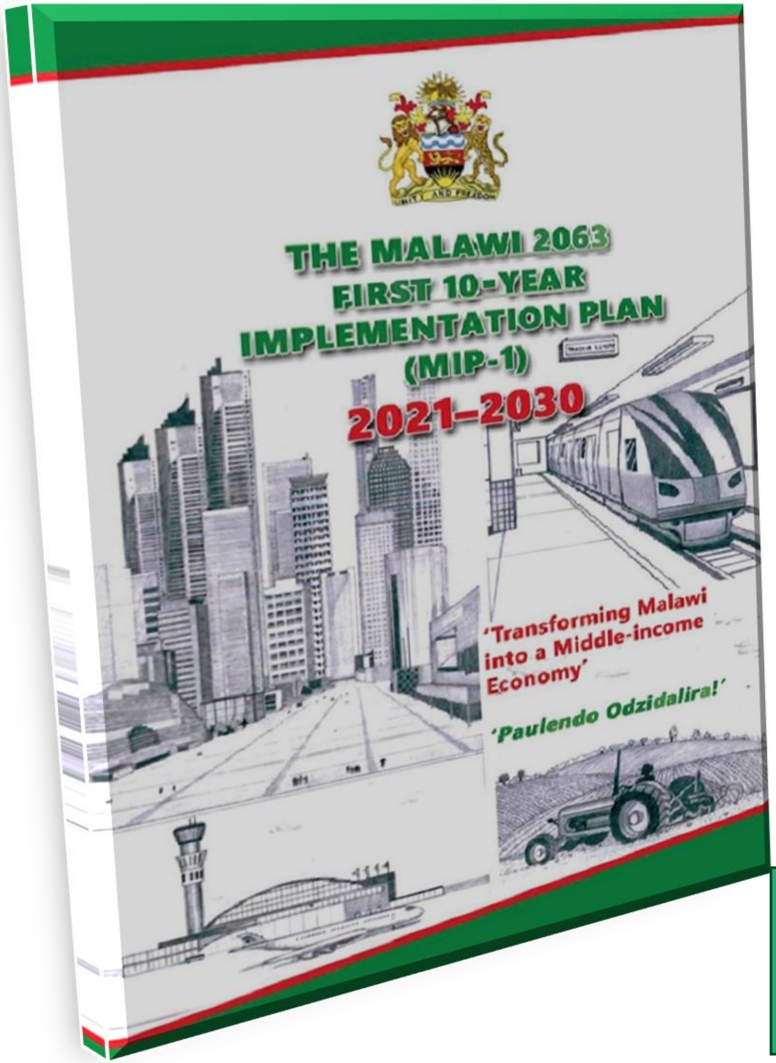
Urbanisation

PROPELLED BY

- Mindset change
- Governance
- Public sector performance
- Private sector dynamism
- Human capital development
- Economic infrastructure
- Environmental sustainability

"An inclusively wealthy and self-reliant nation"

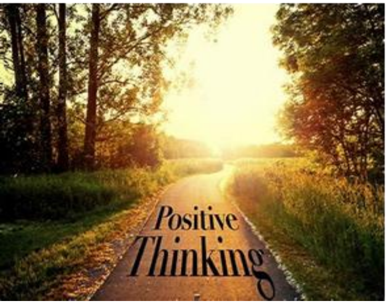
MW2063 First 10-Year Implementation Plan (MIP-1)



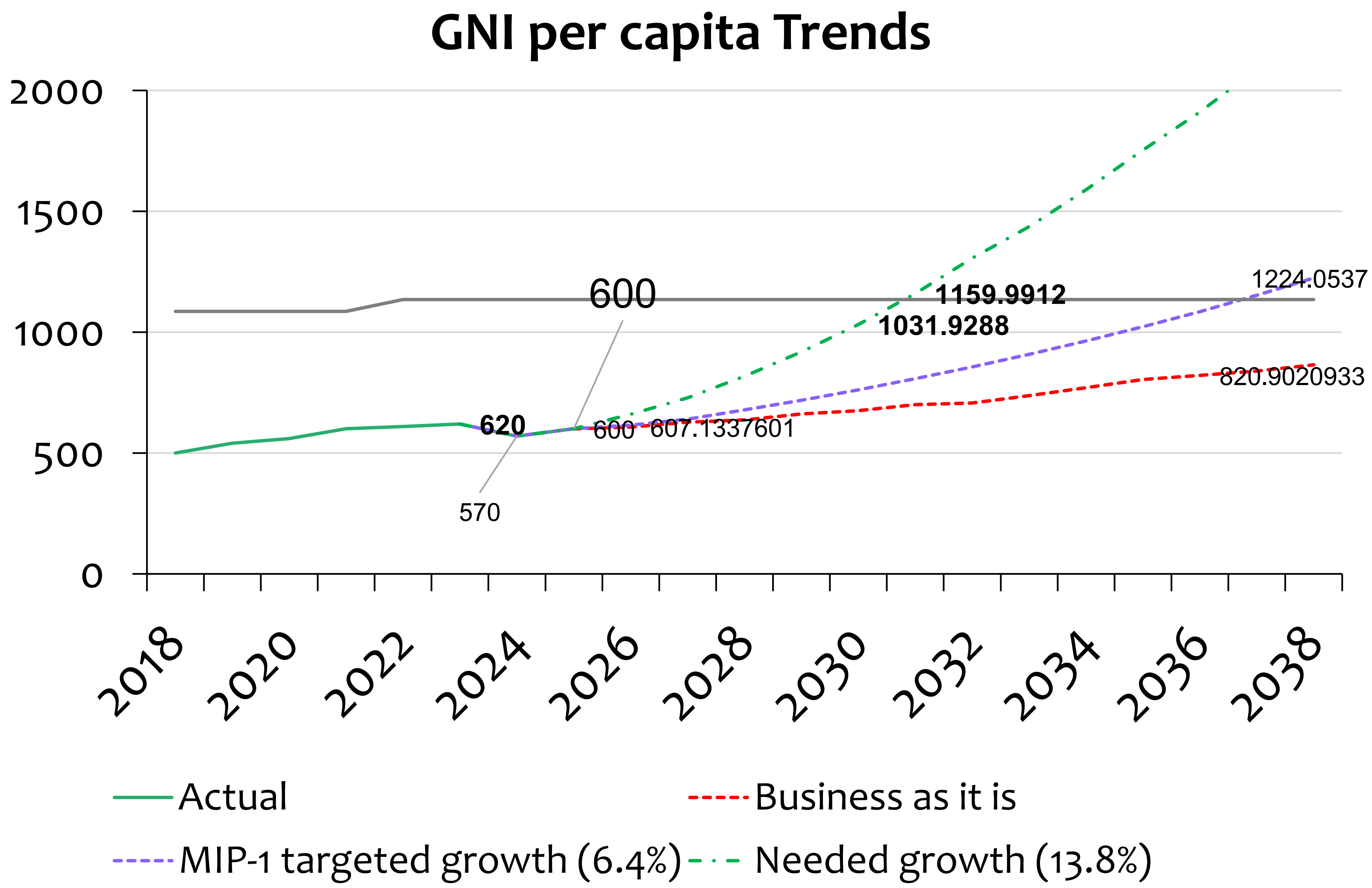
Two Milestones by 2030:

- Graduating the country into a low middle-income economy
- Meeting most of the SDGs

NOTE: The MIP-1 provides strategies on how to realize each of the aspirations of the Vision in the first 10 years (Represented by Pillar and Enabler)



GRADUATING TO A LOWER-MIDDLE-INCOME (LMI) ECONOMY (GNI $1,176)



- Actual GDP growth rate 2021–2025 averaged only 2%, against 6.4% target.
- The widening gap undermines per capita income gains.
- GNI per capita fell from $600 (2021) to $570 (2024)
- Malawi needs 14% GDP growth to attain LMI target by 2030.

REFLECTION

...What Malawi lacks is an honest account, in the accountant's sense of the word, of why implementation keeps falling short of the plan.

This is the account this conversation exists to give.

Why This Conversation Belongs to This Room

- **You sit on both sides of the ledger: In government**, you are Accountants General, Auditors General, internal auditors, the people who see where the money actually went**. In practice and industry**, you are statutory auditors, tax advisors, corporate finance professionals, the people who see where value is actually captured.

- **You are trained to distrust a headline number:** Revenue without cost of sale. A balance without a reconciliation. A plan without a variance analysis. That instinct – not economics, not politics, iis exactly what several of Malawi's guiding policy numbers are missing.

- **You are rarely invited to the policy table:** Technical assistance on policy design comes from economists and development advisors. It rarely comes from the profession whose discipline is verifying whether a stated number is real. That is the gap this conversation names.

- **Silence has a cost you already know how to price:** Every one of you knows what a qualified opinion costs an institution's credibility. Malawi's development story carries several unqualified opinions on numbers that would not survive an audit committee.

Five Binding Constraints/Silos: Where Your Profession Sits

1

Political Economy & Corruption

Why good policy dies in implementation

2

Statistics vs. Data

Why national accounts need an accounting lens, not only an economics one

3

Trade & Value Capture

Why 'high-value' crops don't make Malawians wealthier

4

The Subsidy Paradox

Why more maize can mean poorer maize farmers

1

OF 5

CONSTRAINT 1 OF 4

Political Economy & Corruption: Why good policy dies in implementation

THE DIAGNOSIS

Three decades of technical assistance — PFM systems, procurement reform, tax-administration upgrades — assumed better tools produce better outcomes. Where the underlying political settlement rewards patronage over performance, the tools get adopted and the outcomes don't follow. Sen's insight — poor economies are poor theory before poor data — has a political-economy corollary: they are poor incentive structures before they are poor systems.

THE EVIDENCE

Malawi scored 34/100 on the 2025 Corruption Perceptions Index, ranked 109 of 182 — essentially unchanged since 2014, despite a strengthened Anti-Corruption Bureau and a dedicated Financial Crimes Court (Transparency International, 2025). A decade of flat scores through multiple administrations is not a data problem. It is a political-economy equilibrium.

WHERE YOU FIT: Audit opinions, forensic investigations and whistle-blower protection are the profession's actual anti-corruption infrastructure. The candid question: how often does professional courage lose to institutional pressure — and what would change that?

A Conversation We Don't Usually Have Out Loud

SELF REFLECTION

- **Think of one instance — public or private sector (**You don't have to name it) **— where you knew a number was wrong, or a process was being gamed, and the institutional cost of saying so felt higher than the cost of staying quiet.**
- Just answer honestly: what would need to change — for you personally, or your institution — to make silence the more expensive option?
- As a profession, is ICAM already that change, or still building toward it?

WHY THIS MATTERS: Corruption survives on aggregated small silences from people exactly like you — the ones positioned to see it first. Naming the incentive is the first step toward changing it.

CONSTRAINT 2 OF 4

Statistics vs. Data: The Missing Accounting Lens in the National Accounts

THE DIAGNOSIS

National accounts rank sectors by contribution to GDP — in effect, by revenue. No accountant ranks a business unit by turnover alone, without cost structure and capital intensity. An ICOR or macro-efficiency lens asks **how much capital a sector consumes to generate that revenue, not just the revenue itself.** Malawi's statistics publish the first and rarely the second — a silo between the economists who produce the headline number and the accounting lens that would qualify it.

THE EVIDENCE

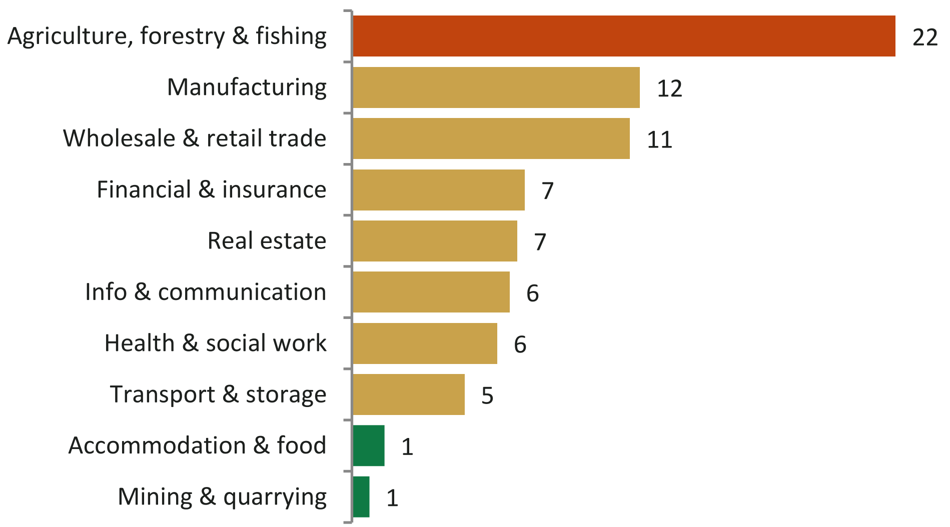
Official 2023 sector shares (GoM Annual Economic Report 2024): Agriculture, Forestry & Fishing — 22.3% of GDP, ranked first. Mining & Quarrying — 0.7%. Accommodation & Food Services — 1.2%, near the bottom. On capital productivity, this ranking likely inverts. A GDP share is a top-line number — not yet an analysis.

WHERE YOU FIT: This is management accounting wearing an economics costume. You distinguish sales value from contribution margin daily. NSO and the Reserve Bank are, in effect, publishing sales figures and calling them profitability.

CONSTRAINT 2, CONTINUED — THE EVIDENCE IN FULL

The Chart That Should Make Every Accountant Uncomfortable

Rank sectors by revenue and Malawi's story is agriculture-first, mining and tourism last. Rank them by return, and the story changes.



Ember *= agriculture in each country.* ***Green*** *= mining and the tourism proxy (accommodation & food). Malawi's 6 mid-sized sectors (education, construction, public administration, electricity, arts, professional services — together ~15.5% of GDP) are omitted here for legibility. Sources: GoM Annual Economic Report*

INVERTS

ICOR / macro-efficiency: capital consumed per unit of output puts agriculture near the bottom.

UNFAVORABLE

agriculture's benefits outweigh costs

WEAKEST

Multiplier effect: a Kwacha into agriculture circulates less than one into manufacturing or exports.

CONSTRAINT 3 OF 4

Trade & Value Capture: Why 'High-Value' Crops Don't Make Malawians Wealthier

THE DIAGNOSIS

Crop policy leans on value-chain analysis — which crop earns most somewhere along its chain, in principle. Wrong question for a country exporting most of that crop raw. **The right question is value capture: how much of that value is captured inside Malawi, and by whom?** Soya is ranked 'high-value' against maize, yet Malawi exports most of it unprocessed, and the processing margin is rarely captured by Malawian-owned traders.

THE EVIDENCE

At the 2025/26 minimum farm-gate prices — soya K1,700/kg, maize K900/kg (Ministry of Agriculture) — 800kg/ha of soya earns about K1.36m per hectare. Maize at attainable input-driven yields can generate a comparable or higher gross value, near K1.9m per hectare.

WHERE YOU FIT: Value-capture analysis is margin accounting applied to trade policy. Transfer-pricing scrutiny and export costing are core competencies here — and almost entirely absent from how Malawi sets crop and trade priorities.

4

OF 5

CONSTRAINT 4 OF 4

The Subsidy Paradox: When Correct Economics Produces the Wrong Outcome

THE DIAGNOSIS

The Agricultural subsidies pairs two goals that sound complementary: **food security through higher maize output, and improved farmer incomes.** They are in tension. Maize is a staple with inelastic demand — Malawians don't buy proportionally more as it cheapens. A subsidy-driven output surge, without matching demand, storage or export capacity, depresses the farm-gate price. The programme can hit its production target and undermine its income target in the same season.

THE EVIDENCE

This is a textbook feature of inelastic-demand staples: aggregate farmer income can fall even as aggregate output rises, because the percentage price decline outweighs the percentage volume gain. It isn't a Malawi-specific glitch — it's what elasticity theory predicts whenever a production subsidy isn't paired with a demand or export strategy. Design documents rarely model the trade-off explicitly.

WHERE YOU FIT: A programme with two objectives and one instrument needs an integrated cost-benefit model pricing the trade-off — a costing exercise this profession runs routinely for capital allocation, and is rarely invited to run for public expenditure this size.

FROM CONFERENCE TO ACTION

Notice what none of the five constraints is: a shortage of vision, or a shortage of money. What's unfinished is the accounting for how power, theory and data actually behave once the plan meets them...

This is the account this conversation exists to give.

ACTIONABLE REQUEST 1 OF 3

If You Sit in Government

- **Attach an efficiency note to every revenue note:** Insist any national statistic used to justify a decision carries a capital-efficiency or return note beside the revenue-share note — as a footnote on the same page, not a separate technical paper.
- **Demand the elasticity and value-capture modelling in writing:** Before the next subsidy or crop-promotion programme is designed — not as an assumption buried in a foreword.

ACTIONABLE REQUEST 2 OF 3

If You Sit in Practice or Industry

- **Ask where value is captured, not only whether a deal is compliant:** Where you advise on trade, agro-processing or export structuring: ask your client where in the chain Malawi actually captures value, and whether it could capture more.
- **Treat stagnant governance indicators as a risk factor:** Where you sit on audit or risk committees: a flat Corruption Perceptions Index and an unreported tax-expenditure blind spot are systemic risks for the sectors you serve, not abstractions for someone else's mandate.
- **Teach value-capture analysis alongside the standard curriculum:** Malawi's binding constraints will need accountants who can read a national account the way they read a set of management accounts.
- **Advice on margin analysis**: export invoicing and transfer pricing as part of the mechanisms by which trade policies are designed.

ACTIONABLE REQUEST 3 OF 3

If You Sit on This Institution

- **Formalise a seat for the profession at policy-design tables:** Value-capture analysis, subsidy costing are accounting competencies, and this room is where they live.
- **Publish an annual ‘state of the numbers’ commentary:** Apply the same scrutiny to GDP composition and subsidy design that the profession already applies to financial reporting standards.

THE NPC PROMISE

Prioritize impactful things.
Prepare them properly.
Fund the right things.
Bring the actors together.
Resolve obstacles quickly.
Show the transformation.

NPC can make Malawi's development priorities more coordinated, investable, accountable and deliverable.

CLOSING REFLECTION

By 2063, someone will ask what the accountants in this room knew, and what they did about that. Decide now what you want that record to show.

Every generation leaves a legacy…

MESSAGE TO REMEMBER

“The Accounting profession should not confine itself to auditing the past. It should help design the future. Malawi needs accountants at the policy table, not simply reviewing decisions after they have already been made."

THANK YOU

Let the silos fall. To download Malawi 2063, MIP-1, or the latest MIP-1 implementation progress report, or for any information on the Commission, visit www.npc.mw or write to dg@npc.mw

CONSTRAINT 2, CONTINUED — THE EVIDENCE IN FULL

The Chart That Should Make Every Accountant Uncomfortable

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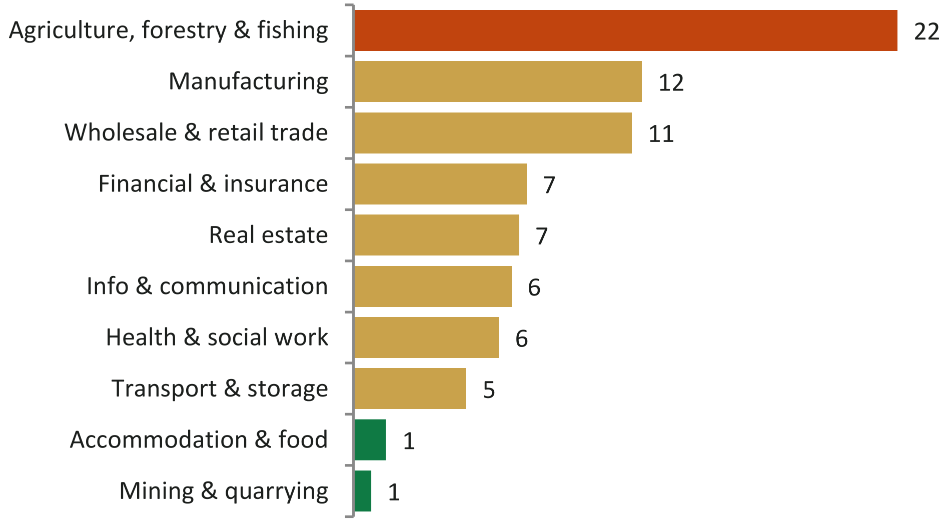
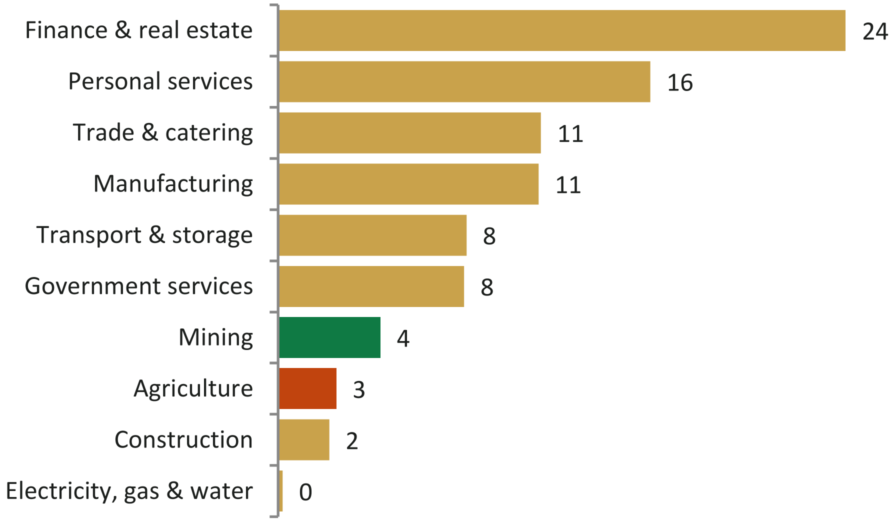
MALAWI — TOP 10 SECTORS BY GDP SHARE, 2023 (%)



SOUTH AFRICA — SECTOR SHARE OF GDP, 2024 (%)



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