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Research Article

## Measuring The Disparities In Sectoral Contribution To The Gdp Of Malawi

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#### **ABSTRACT**

Malawi's is an agro-based economy as it heavily relies on agriculture for employment and foreign exchange generation. This dependence traces its origins from the time the country was under British Colonial rule which adopted an agriculture based economic model with estate farming and subsistence farming. Although a considerable period has passed since it gained independence in 1964, agriculture as a single sector continues to consistently dominate the economy of Malawi by contributing more to its GDP than other sectors. However, this paper shows that the share of agriculture is slowly reducing as that of services and industry is increasing but the disparity is still high. Industry output has remained low since the trade liberalization under the Structural Adjustment Programme (SAPs). Other reasons for this disparity are Low levels of competitiveness, Limited investment in physical and human capital, and small and fragmented markets, there is lack of appropriate skills and uptake of technology, high costs of doing business and deficient support infrastructure, market access to export markets; barriers to MSME participation in manufacturing.

Key words: Malawi, Sectors, Disparity

#### INTRODUCTION

Malawi, is a low income country located in Africa and it has a dependence on rain-fed agriculture. Agriculture has been a key sector for economic growth, foreign exchange generation and employment in Malawi since the time the country was under British rule. The British Government established a two-tier agricultural economic structure which comprised of estate farming (coffee, tobacco and tea), and small-scale Malawian subsistence farming. During the time the country was under British rule, there was little attention paid to the overall development infrastructure development or investment in manufacturing. As such the country was mainly an agro-based economy with little development of other sectors. (Kwengwele, 2011).

After gaining independence in 1964, the same economic model was adopted and the political elites took over the estate farming, leaving the majority of Malawians to continue practicing subsistence farming. In terms of industrial production, food, beverages and tobacco expanded

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much faster than that of other goods, particularly after 1972 driven by sugar production. However, industry remained a relatively small sector of the economy. (World Bank, 1981). Although there was some growth in the industry sector, the introduction of the Structural Adjustment Programme by IMF/World Bank the sector. This was because on of the recommendations was the liberalization of trade to allow the country to open up to the world but this caused an influx of cheap imports into the country. This stifled growth in the sector and caused premature de-industrialization and as such, output from the sector has remained low. For service sectors, since they are a combination of a multitude of subsectors, they have been growing at their own pace. There are around 11 sub-sectors and the most dominant sector is the wholesale and retail sector and it has remained like that for a long time. Following this sector, the second dominant sub-sector is the real estate and then 'other services'. The financial and insurance sub-sector is still emerging but does not dominate the sector.

It has been observed that there is a significant disparity with how the sectors contribute to Malawi's GDP. Using disparity ratios there has been a significant disparity between agriculture's contribution with industry. From the onset, agriculture has contributed more than industry but overtime from 1995 to 2020, its contribution has slightly declined in comparison to that of Industry as it has slightly increased. In terms of agriculture and services, services are continuing to contribute more as agriculture's share is declining. However, there are a lot more sub-sectors within the service sector and each of them have been increasing in contribution. What this shows is that Malawi did not transition to an industrial sector but is transitioning to a service sector as it experienced pre-mature de-industrialization. However, agriculture remains an important sector for the country.

#### **OBJECTIVES OF THE STUDY**

### General objective:

 To measure the disparity in contribution of the agriculture, industry and services to the GDP of Malawi from 1995 to 2020

## Specific objective:

- To understand the overall composition of Sectors that contribute to the GDP of Malawi from 1995 to 2020
- To understand the reasons why the disparities, exist.

#### **METHODOLOGY**

Secondary data on sector output from the National Statistical Office (NSO) will be used. To understand the composition of sectors in Malawi, I used excel to plot the sectoral output for 2020. Bar charts were used during this period to illustrate how the sectors have changed

To measure the disparity in the sectors I used disparity ratio for agriculture and non-agriculture sectors to the GDP of Malawi. The disparity ratios were on:

- Agriculture/Industry
- Services/Agriculture
- Services/Industry

Oualitative analysis by reviewing the following literature:

- The Annual Economic Reports 2006 to 2020
- Malawi Vision 2020
- The Census of Economic Activities, Malawi (2016/17)
- National Industrial Policy of Malawi 2014

#### **REVIEW OF LITERATURE**

When Malawi was a new independent country, there were many prospects as to how and by what means it would develop. **Pollock** (1967) indicated that there were many prospects for the country to become an industry hub producing textiles, furniture, spirits, commodities, etc since the country was experiencing increased economic activity. At that time manufacturing was on the rise with 200 enterprises which was a lot for a small country. This would ensure that Malawi reduces agriculture dependence and moves to other sectors just as it is done by countries in the same situation.

This would move Malawi from its agro-dependence which at that time was a lot as most of the people lived in rural villages and mainly grew maize. According to **Thomas (1975)**, in the early years after independence, manufacturing was growing at a very fast rate and this caused Malawi to reduce the amount of imports into the country. There was participation from the government but they also encouraged private players to enter the industry by improving sites, liberal tax regulations and protecting the industry.

In an ideal situation, as economies progress, the share of the primary sector declines whilst that of the secondary sector increases making it the dominant sector. Malawi's did not have the opportunity to move from the primary sector to the secondary sector since when the SAPs were being implemented, any growth in the sector was affected by outside imports. So in the same manner, the amount that it contributed at that time remained low and things have not necessarily changed in the current setting. But this problem was not observed in other countries that implemented this programme such as those in the eastern part of Asia. **Munthali (2004).** 

**Anwar** (2007) showed that sector disparities happen among those who work in high value sectors like Finance, Electricity, Manufacturing, and Community services. Households in these sectors are well to do compared to agriculture as in this sector the value of what is produced is comparatively lower and this happens in all countries as well.

A study on China and India conducted by **Hussin & Yik** (2012) showed that the strong connection of the sectors and GDP. They found that these sectors have positive relationship with GDP per capita in the two countries. However, a few notable differences were that in the case of China, it had managed to transition to manufacturing before services but for India, it jumped to services as it contributes more to the economy.

Some countries like Malawi have infrastructural challenges which prevent other sectors from growing. For instance, Malawi's energy sector, has for a long time failed to effectively contribute to the country's economic growth due to its unreliability and insufficiency, and thus is unable to meet energy demand. This means that the households have to fight over energy with the manufacturing sector and other service and industrial sectors which results in mismatched demand and supply thereby affecting the sectors. (Gamula et al., 2012)

The intra-sectoral gaps caused by disparities in the way these sectors impact the whole economy was studied by **Chaverra et al.** (2016). This study showed that this issue was mainly secluded to those countries that were newly developing as they previously relied on agriculture. As they slowly changed, so did the composition their sectors as this is essentially a common thing.

According to Degu (2019) the relationships between the sectors are very important as seen in the case of Ethiopia where the three sectors are seen to have a strong relationship. Ethiopia is also a developing country which also is seen as a success when it comes to moving from only relying on agriculture. Since this sector acts as a source of input for the secondary sector they can grow together through proper implementation of strategies and subsequently they can promote more to their country's growth.

Although these sectors are interlinked, they don't grow at the same rate and as a result, a disparity in their contribution to GDP exists. **Hari and Reddy** (2019) compared the disparity in sectoral contribution to GDP in India using secondary data. According to the study, the Economic Policy that was adopted in 1991 caused a paradigm shift.

Malawi's economic future is dependent upon a transformation of the economy which will involved increased economic productivity and considerable movement of labour and capital out of agriculture and into manufacturing and services. Using a dynamic computable General Equilibrium model, **Benson and Hartley (2020)** found an important trade off in the choice of which sector to receive substantial economic development strategy. It showed that a services led strategy would result in higher economic growth, rising income and contributing the most to structural transformation of the Malawi economy.

**Akram et. al (2020)**, looked at the different levels that these three sectors contribute to their economies and they provided some advise addressed to policy makers. They observed that it is important for countries to have policies that would target sectors thereby improving how much they grow the economy. Certain policies tend to favour sectors that governments target as the backbone just as the way agriculture is treated in developing countries. So in this case, it is important to also consider policies that also develop other sectors as well.

### THE COMPOSITION OF SECTORS IN MALAWI

To measure sectoral disparities in contribution to the GDP it is important to understand the composition of Malawi's sectors. Malawi, has three (3) sectors which are agriculture, industry and services. Of all these, agriculture is considered the dominant sector as it is the main employer and contributes significantly more to exports. 80 percent of all Malawi's food and 20 percent of exports are produced by smallholder subsistence farmers but estates cultivate 60 percent of tobacco, 20 percent of tea, 18 percent of sugar and 2 percent for cash crops and other food crops. Estates account for 25% of agricultural GDP, 10% of agricultural employment, 9% of total GDP and 90% of export earnings (mainly through export of the major cash crops of tobacco, tea and sugar).(FAO,2015)

According to figure 1, the Agriculture sector has the following subsectors: crops and animal production which dominates the agriculture sector, followed by forestry and logging and lastly, fishing and aquaculture. Forest subsector remains the second largest subsector under agriculture and forests cover about 34.4% (3,237,000 ha) of Malawi. The fisheries subsector still makes up a

small proportion of the agriculture sector although it has a lake covering 20 percent (24 405 km<sup>2</sup>) of the total surface area. (FAO, 2020)

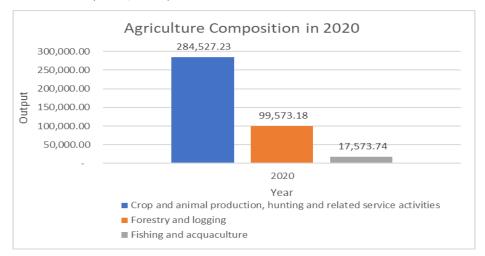


Figure 1 Composition of Agriculture sector in Malawi

**SOURCE**: Annual Economic Report 2020

In every country, industry and trade is important in driving socio-economic growth and development. A conducive business environment is the key to ensuring that the sector sustainably grows and in so doing, achieves its mandate. The majority of Malawi's industrial activity comes from manufacturing and food processing as seen in figure 2. Aside from manufacturing, the sector is comprised of other subsectors such as electricity, gas and water, mining and quarrying and construction.

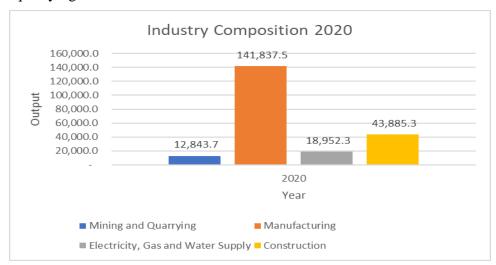


Figure 2 Composition of Agriculture sector in Malawi

**SOURCE**: Annual Economic Report 2020

#### MEASURING THE DISPARITIES IN SECTORAL CONTRIBUTION TO THE GDP OF MALAWI

In Malawi the manufacture of wood, paper and paper products; and printing has the largest share of enterprises (24 percent), this is followed by food products at 21 percent and glass products at 19 percent. Manufacturing of beverages and tobacco registered the least share of enterprises at 4 percent. (NSO, Malawi)

Electricity is mainly produced by the Electricity Supply Commission of Malawi (ESCOM). The total installed capacity is about 363 MW, of which 95percent is generated by hydropower. The mining sector arguably has the most viable potential in the Malawi economy. Currently, Malawi mines coal, (with over 22 million tonnes), cement, agriculture lime and gemstones.

The construction industry in Malawi is primarily governed by the National Construction Industry Council (NCIC). The construction sub-sector is responsible for transforming various resources into physical, economic and social infrastructure that is essential for socio-economic development for Malawi.

The services sector has the largest number of sub-sectors compared to agriculture and Industry and is dominated by wholesale, followed by real estate services, financial and insurance, information and technology subsector. The sector has both private run enterprises and publicly run enterprises with some government stake. For education, health, public administration, the government has its own enterprises. Figure 3 gives a picture of the composition of the service sector in Malawi.

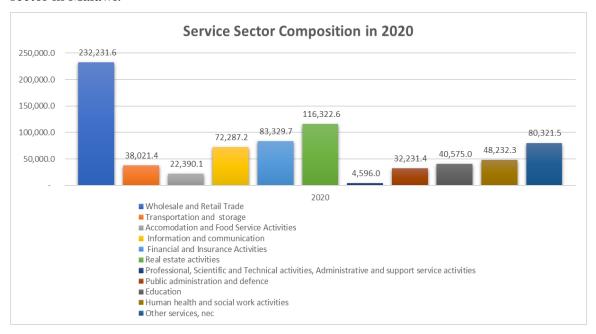


Figure 3 Composition of Agriculture sector in Malawi

**SOURCE**: Annual Economic Report 2020

To understand the size of the sector, as stated in the census of Economic Activities in Malawi 2016/17, there are 18,497 enterprises and the sector with the most enterprises most of them are in the wholesale, retail and repair of motor vehicles and Motorcycles with 8,968. Following that construction had 1,839 enterprises, Real Estate had 489; transport had 918, and the majority

(734). The financial and insurance sector had 247 and out of these, 135 are involved in financial services; 59 are involved in insurance services.

The education subsector has 374 and out of these 239 are secondary, technical and vocational schools and 76 are primary secondary schools and 29 Higher Education. There are 391 enterprises for human health and social activities and out of these, 291 involve hospital activities. The subsector known as 'others' has 228 enterprises and these include activities of trade unions, religious organisation, activities of business.

#### THE DISPARITIES IN SECTORAL CONTRIBUTION TO THE GDP OF MALAWI

# **Disparity Between Agriculture and Industry**

Malawi's sectors are essential in contributing to the growth of the economy, however, their growth is not balanced. Whereas some sectors have consistently grown and thereby contributed more to GDP, others have grown at a very small pace. This has resulted in a disparity in the contribution of each of these sectors to the GDP of the country. Firstly, looking at agriculture and industry, figure 4 shows a disparity in the contribution of these two sectors to GDP. Notably, from around 1995 to 2001 the contribution of agriculture is seen to increase thereby widening the disparity between the two. However, there was a sharp drop in 2002 when drought conditions caused agriculture output to decline. Another notable change was in 2007 due to the increase in industrial production which boosted its contribution to the GDP in comparison to agriculture.

In 2015, 2016 and 2018 causing divergence due to the drought, flood and pest infestation that affected agriculture output. (AER 2014-2019). Of interest is the narrowing of the disparity from 2020 brought on by the sharp decline in the agriculture production due to losses through winter cropping as a result of the COVID-19 pandemic that affected agriculture. Although Industry was also affected, the drop in agriculture production narrowed the disparity between the two sectors.

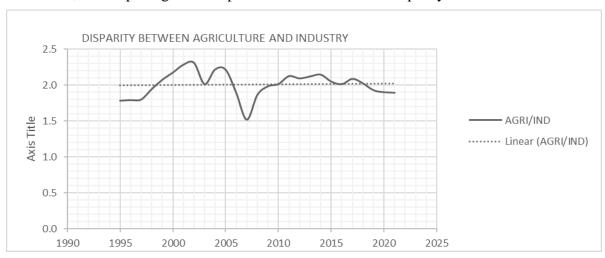


Figure 4 Disparity Between Agriculture and Industry

SOURCE: Generated by Scholar

#### **Disparity Between Agriculture and Services**

The service sector, although as a whole, commands more of the contribution to GDP than agriculture as it has many sub-sectors within it. Figure 5 shows that from 1995 to 2020, the gap between the two sectors has been fluctuating throughout the period. The trend initially shows an increase as in the beginning, agriculture commanded more than services. However, after 2002 the share of agriculture declined compared to that of services.

According to the graph, the contribution of agriculture is seen to be fluctuating in the early years from 1995 to the early 2000s. The volatility was due to the decline in output of agriculture most notably in 2002. After that there is a stable but decreasing trend as agriculture share is decreasing and services is decreasing. Malawi's service sector is continuing to contribute more to the economy and agriculture's contribution is slowly declining.

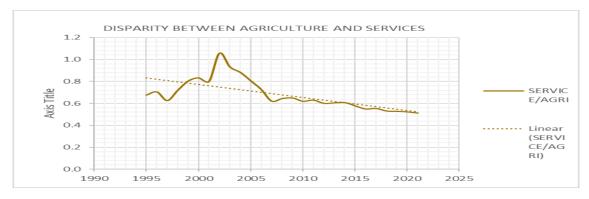


Figure 5 Disparity between Agriculture and Services

**SOURCE:** Generated by Scholar

#### **Disparity Between Services and Industry**

Whereas Malawi's industrial sector experienced a premature de-industrialization due to the effects of the SAPS, the service sector steadily grew in terms of output thereby contributing more to the country's GDP. According to figure 6, the upward trend indicates that the share of services is increasing more than that of industry thus showing that the disparity between these two is increasing. Malawi is moving from an agriculture based economy towards the service sector and bypassing the industry sector.

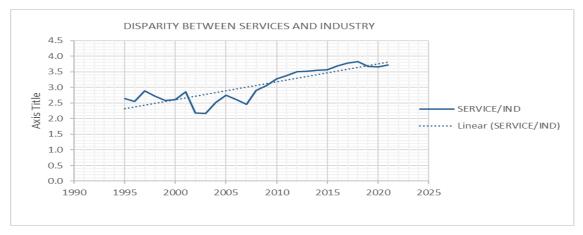


Figure 6 Disparity Between Service and Industry

**SOURCE:** Generated by Scholar

# Discussion on the Reasons Behind the Disparity in the Contribution of the Sectors to the GDP of Malawi

Malawi, has constantly relied on agriculture for employment generation, foreign exchange earnings and for sustenance. It has not been able to transform from the primary sector to the secondary sector but rather, has seen the tertiary sector become a larger contributor to GDP. There are several reasons why there has been this disparity in the contribution of these sectors to the GDP of the country. Most notably, the reasons why the industry sector has not been able to contribute more to the GDP of Malawi in comparison to agriculture are: low levels of competitiveness, limited investment in physical and human capital, and small and fragmented markets. In Malawi there is still lack of appropriate skills and uptake of technology, high costs of doing business and deficient support infrastructure. Worst still, there is the problem of poor market access to export markets and barriers to MSME participation in manufacturing. (Industrial Policy, Malawi 2014)

Lastly, lack of investment initiatives in infrastructure have affected sectors such, mining, road networks, electricity, water and gas and has kept the shares contribution low. Since the country cannot generate electricity that is sufficient to meet demand, this affects investment in processes that are power intensive across sectors. Lack of consistent supply of power impacted water supply which in turn impacted food processing and production. Malawi's power production is also poor because it depends on hydroelectric power from the Shire River, which is insufficient for domestic and industrial use. As a country that has a high dependence on agriculture, it is the most funded sector as it received 474 million U.S. dollars, which is 19.9 percent of the total budget, representing 5 percent of GDP seconded by the health sector with an allocation of 273.5 million U.S. dollars, representing 11.5 percent of the total budget and 2.9 percent of GDP. Xinua (2020)

The majority of the agriculture budget was intended for the implementation of the Affordable Input Program (AIP) in which 4.2 million farming households in the country will access subsidized fertilizer and maize seed. The implementation of the AIP has significantly had a positive impact on the output of the sector since its initiation in 2004.

#### RECOMMENDATIONS

- There is need to resuscitate the industry sector by improving power generation to ensure that there are no disruptions to production.
- There should be diversification of the agriculture sector to ensure that it produces a wide range of valuable produce for the manufacturing sector.
- It is important to promote good agricultural practices such as investment in large scale irrigation to cushion weather related shocks.
- There should be a drive to build infrastructure in tourism to make it attractive for tourist to patronize the country.
- Malawi should resume production of uranium to boost the mining sector and exploration of
  other minerals and finding markets for miners who currently mine informally should be done
  by the government
- Malawi should create a conducive environment to encourage the participation of Small and Medium Enterprises.

### **CONCLUSION**

In conclusion, Malawi, as a developing country, heavily relies on agriculture for economic growth, export generation and employment. The sector has driven the country's GDP since before its independence and as such, it has contributed more. However, from the early 1990s, other sectors have steadily increased in their contribution to the GDP of Malawi surpassing that of Agriculture. Whereas the contribution of industry has slightly been declining, that of services has been increasing

Whereas the services sector on aggregate contributes more to the economy of Malawi, each individual sector pales in comparison to agriculture because as one sector, its influence to the economy is still high. Nevertheless, it shows that as Malawi is on the course of moving from only relying on agriculture but also increasing its reliance on services.

## **APPENDIX**

# Table 1 GDP IN 2010 CONSTANT PRICES (MK' MN)

| ITEM DESCRIPTION                               | 1995     | 1996     | 1997     | 1998     | 1999     | 2000     | 2001     | 2002      | 2003      | 2004      | 2005      | 2006      | 2007      | 2008      | 2009      | 2010       | 2011       |
|--|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
| Agriculture                                    | 3737.70  | 4063.50  | 4068.90  | 4489.60  | 4943.80  | 5129.70  | 4810.10  | 104058.76 | 113259.98 | 131414.53 | 142497.04 | 167851.79 | 170686.00 | 224136.00 | 265944.10 | 310167.10  | 329025.57  |
| 2.Mining and Quarrying                         | 47.10    | 205.70   | 157.40   | 164.00   | 169.60   | 187.90   | 202.00   | 1364.35   | 2150.60   | 2582.17   | 3233.91   | 3747.14   | 4647.10   | 4460.40   | 7155.50   | 10527.60   | 9785.87    |
| 3.Manufacturing                                | 1685.20  | 1675.10  | 1691.30  | 1717.30  | 1748.60  | 1695.90  | 1455.70  | 33209.50  | 42217.21  | 42689.07  | 44514.45  | 67450.88  | 86543.90  | 87620.40  | 90707.90  | 104182.40  | 105474.27  |
| 4. Electricity, Gas and Water Supply           | 151.90   | 151.70   | 160.50   | 172.20   | 171.50   | 189.00   | 175.70   | 2894.48   | 3142.70   | 4173.05   | 4466.24   | 4785.26   | 6912.60   | 9748.80   | 11737.50  | 13640.00   | 13990.09   |
| 5.Construction                                 | 208.50   | 232.70   | 248.50   | 253.30   | 292.50   | 286.00   | 272.60   | 7578.39   | 8691.60   | 9798.69   | 12146.57  | 12658.61  | 14019.10  | 18318.30  | 24385.20  | 31393.00   | 31544.74   |
| 6. Wholesale and Retail Trade                  | 2576.80  | 2593.00  | 3008.60  | 2811.00  | 2759.20  | 2752.00  | 2782.10  | 24793.28  | 25360.07  | 34877.53  | 44111.59  | 68861.91  | 91030.60  | 135349.90 | 140821.80 | 162125.50  | 165990.43  |
| 7.Transportation and storage                   | 546.10   | 506.10   | 548.30   | 546.50   | 572.70   | 548.60   | 545.60   | 5923.99   | 6055.53   | 8331.96   | 9184.66   | 11464.19  | 14431.60  | 19506.70  | 22165.30  | 27742.10   | 28221.72   |
| 8. Accomodation and Food Service Activities    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 3837.51   | 4680.23   | 4729.66   | 5046.31   | 5804.43   | 8663.50   | 11301.00  | 15939.40  | 19324.00   | 19959.46   |
| 9.Information and communication                | 215.30   | 236.50   | 260.10   | 262.00   | 263.90   | 271.20   | 279.00   | 7252.09   | 10278.54  | 9693.81   | 10069.18  | 15377.55  | 17306.40  | 20521.40  | 27443.00  | 37833.50   | 39488.02   |
| 10. Financial and Insurance Activities         | 690.70   | 834.40   | 1127.70  | 1034.30  | 1031.10  | 1052.20  | 1018.50  | 6017.70   | 8349.60   | 8988.32   | 10162.76  | 13757.77  | 16179.40  | 19737.30  | 36038.40  | 48389.00   | 52846.98   |
| 11.Real estate activities                      | 165.20   | 168.80   | 172.40   | 176.10   | 179.90   | 184.60   | 189.70   | 21838.55  | 23284.30  | 26261.09  | 31239.99  | 40489.14  | 50217.50  | 57160.60  | 64689.30  | 83404.90   | 87420.96   |
| 12. Professional, Scientific and Technical     |          |          |          |          |          |          |          |           |           |           |           |           |           |           |           |            |            |
| activities, Administrative and support service |          |          |          |          |          |          |          |           |           |           |           |           |           |           |           |            |            |
| activities                                     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 1518.88   | 893.54    | 1103.04   | 1565.21   | 1937.59   | 2242.05   | 2420.10   | 3147.00   | 3081.90    | 3168.69    |
| 13. Public administration and defence          | 1346.70  | 1439.60  | 1403.90  | 1427.10  | 1359.30  | 1359.80  | 1206.60  | 1216.20   | 9151.60   | 14037.81  | 17114.14  | 20609.72  | 18976.60  | 13153.10  | 13960.40  | 20058.10   | 21289.92   |
| 14.Education                                   | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 8375.54   | 11034.15  | 13218.87  | 15353.64  | 12398.28  | 13632.20  | 18664.90  | 22667.50  | 25134.30   | 26547.97   |
| 15. Human health and social work activities    | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 5389.64   | 7789.44   | 8174.20   | 12408.56  | 18119.49  | 18047.10  | 17350.50  | 22712.70  | 27228.70   | 28257.79   |
| 16.Other services, nec                         | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 0.00     | 12357.37  | 14749.29  | 19711.53  | 20900.89  | 22491.98  | 25080.80  | 33702.00  | 40963.60  | 47768.60   | 50495.11   |
| GDP at Constant Prices                         | 10674.90 | 11738.40 | 12510.40 | 12643.60 | 13091.00 | 13116.80 | 12582.00 | 268065.52 | 312677.11 | 378564.07 | 432929.90 | 543784.72 | 620421.90 | 747723.00 | 873982.30 | 1033587.16 | 1069287.48 |

# SOURCE: National Statistial Office of Malawi

# Table 2 GDP IN 2010 CONSTANT PRICES (MK' MN)

| ITEM DESCRIPTION                               | 2012       | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Agriculture                                    | 326761.20  | 347178.54  | 368910.02  | 365106.08  | 364902.79  | 387295.81  | 389645.74  | 406329.60  | 410326.14  | 423248.66  |
| 2.Mining and Quarrying                         | 11239.90   | 12020.80   | 11467.48   | 11596.93   | 11647.37   | 11836.96   | 12104.46   | 12593.90   | 12976.34   | 13378.99   |
| 3.Manufacturing                                | 104302.60  | 110095.50  | 117007.96  | 121493.32  | 123096.34  | 125521.79  | 129870.01  | 136870.15  | 139439.00  | 143977.02  |
| 4. Electricity, Gas and Water Supply           | 14331.17   | 15117.68   | 15575.49   | 15954.62   | 15977.87   | 16394.99   | 17116.71   | 18200.40   | 18755.51   | 19630.73   |
| 5. Construction                                | 32343.85   | 32979.76   | 34562.51   | 35781.43   | 37002.12   | 38623.13   | 40472.18   | 42831.45   | 44403.56   | 46250.25   |
| 6. Wholesale and Retail Trade                  | 169578.53  | 182887.86  | 194360.24  | 203911.06  | 208654.27  | 219106.27  | 227810.90  | 237944.72  | 239664.43  | 254660.80  |
| 7.Transportation and storage                   | 29591.33   | 31167.75   | 32580.88   | 33995.24   | 35651.83   | 37773.77   | 39636.28   | 39955.55   | 40326.83   | 41844.16   |
| 8.Accomodation and Food Service Activities     | 20989.15   | 22064.95   | 23372.07   | 24554.35   | 25956.93   | 27043.30   | 28404.13   | 29765.90   | 26828.49   | 29285.93   |
| 9.Information and communication                | 42150.17   | 45291.71   | 50810.91   | 55194.37   | 57950.82   | 61730.84   | 66158.23   | 70176.92   | 73339.26   | 77603.94   |
| 10.Financial and Insurance Activities          | 56060.42   | 58171.36   | 61348.04   | 64948.42   | 68748.02   | 72509.47   | 76914.26   | 81162.41   | 83016.11   | 87561.72   |
| 11.Real estate activities                      | 90735.13   | 92962.28   | 96428.39   | 98288.53   | 101287.14  | 105712.33  | 109167.73  | 112949.79  | 115669.70  | 120247.56  |
| 12.Professional, Scientific and Technical      |            |            |            |            |            |            |            |            |            |            |
| activities, Administrative and support service |            |            |            |            |            |            |            |            |            |            |
| activities                                     | 3244.82    | 3422.07    | 3675.05    | 3858.20    | 3998.18    | 4156.25    | 4361.11    | 4595.76    | 4772.06    | 5063.06    |
| 13. Public administration and defence          | 22254.42   | 22853.50   | 24016.91   | 25530.01   | 27122.70   | 28661.86   | 30664.53   | 32607.51   | 34543.41   | 36357.51   |
| 14.Education                                   | 28127.38   | 29651.41   | 30822.92   | 32717.51   | 35308.03   | 37634.80   | 40910.75   | 44170.07   | 45634.22   | 47938.43   |
| 15. Human health and social work activities    | 29424.00   | 30910.70   | 32209.31   | 33378.53   | 35777.06   | 37683.51   | 40278.02   | 42959.14   | 44458.49   | 46493.19   |
| 16.Other services, nec                         | 53304.65   | 56225.05   | 59287.58   | 62780.22   | 66215.68   | 69038.98   | 72730.92   | 76346.28   | 79270.78   | 81973.30   |
| GDP at Constant Prices                         | 1091570.54 | 1159847.06 | 1231916.88 | 1272271.36 | 1306383.41 | 1374504.93 | 1427942.06 | 1499564.70 | 1527735.98 | 1595897.44 |

**SOURCE**: National Statistical Office of Malawi

**Table 3 Disparity Ratios** 

| YEAR | Agriculture/<br>Industry | Agriculture/<br>Services | Services/<br>Industry |
|------|--------------------------|--------------------------|-----------------------|
| 1995 | 1.8                      | 0.7                      | 2.6                   |
| 1996 | 1.8                      | 0.7                      | 2.6                   |
| 1997 | 1.8                      | 0.6                      | 2.9                   |
| 1998 | 1.9                      | 0.7                      | 2.7                   |
| 1999 | 2.1                      | 0.8                      | 2.6                   |
| 2000 | 2.2                      | 0.8                      | 2.6                   |
| 2001 | 2.3                      | 0.8                      | 2.9                   |
| 2002 | 2.3                      | 1.1                      | 2.2                   |
| 2003 | 2                        | 0.9                      | 2.2                   |
| 2004 | 2.2                      | 0.9                      | 2.5                   |
| 2005 | 2.2                      | 0.8                      | 2.8                   |
| 2006 | 1.9                      | 0.7                      | 2.6                   |
| 2007 | 1.5                      | 0.6                      | 2.5                   |
| 2008 | 1.9                      | 0.6                      | 2.9                   |
| 2009 | 2                        | 0.6                      | 3.1                   |
| 2010 | 2                        | 0.6                      | 3.3                   |
| 2011 | 2.1                      | 0.6                      | 3.4                   |
| 2012 | 2.1                      | 0.6                      | 3.5                   |
| 2013 | 2.1                      | 0.6                      | 3.5                   |
| 2014 | 2.1                      | 0.6                      | 3.5                   |
| 2015 | 2                        | 0.6                      | 3.6                   |
| 2016 | 2                        | 0.5                      | 3.7                   |
| 2017 | 2.1                      | 0.6                      | 3.8                   |
| 2018 | 2                        | 0.5                      | 3.8                   |
| 2019 | 1.9                      | 0.5                      | 3.7                   |
| 2020 | 1.9                      | 0.5                      | 3.7                   |

**SOURCE:** Generated by Scholar

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