



OUR TOBACCO OUR ECONOMY

**Provide regulatory services for
production and marketing of
tobacco in Malawi**

Enigma of the Tobacco Industry: clearing negative perception



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Tale of Negative Perception



Presidential Assurance to the Nation

Malawi Parliament 27th May 2021.

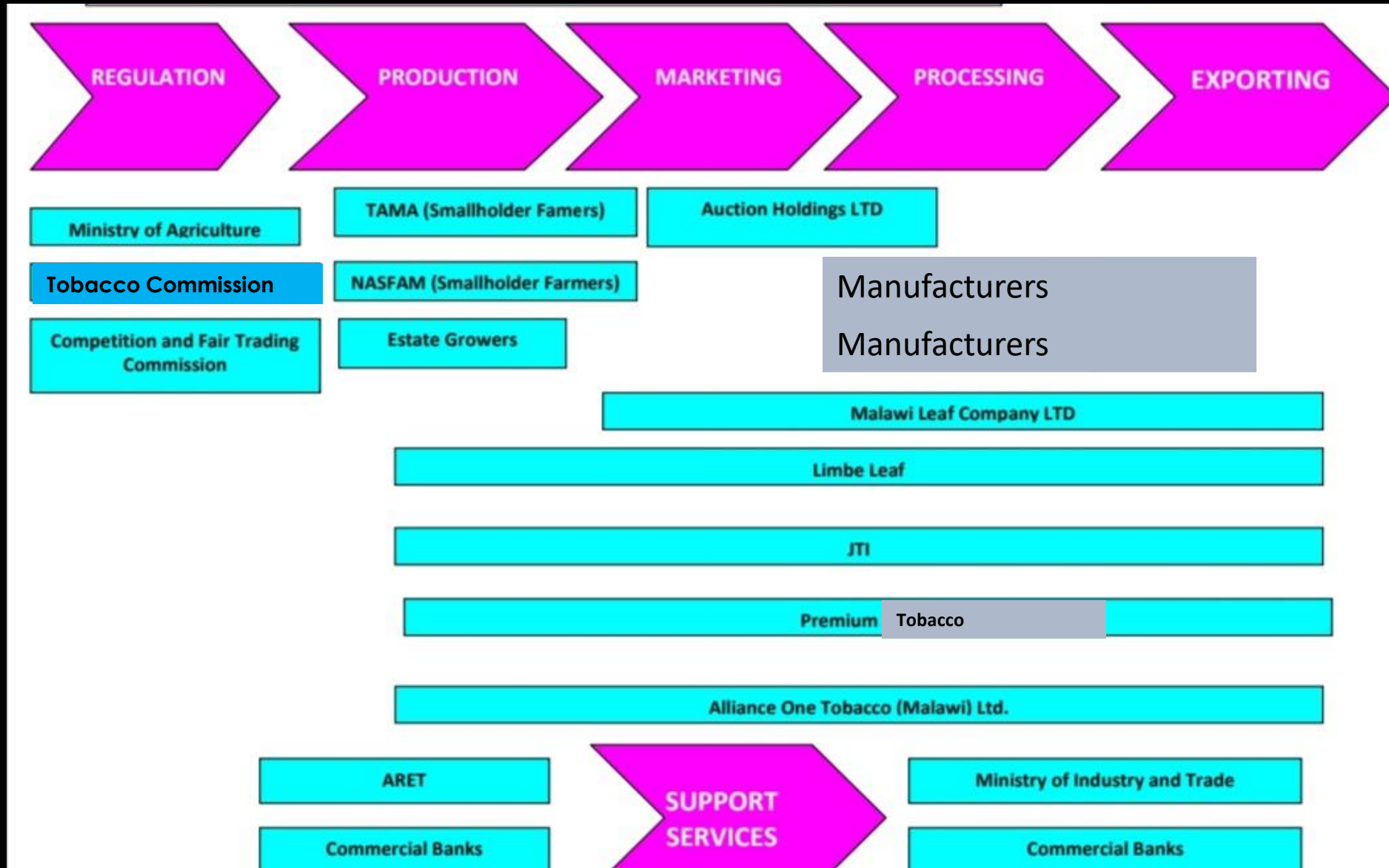


Facts

- There is no single crop, at the moment and in the near foreseeable future, that can surpass the contribution that tobacco makes to the economy of this country
- The Transformation in the Tobacco industry has been misunderstood as signs of a dying industry, particularly portrayed so by the media, and other interest groups

So, what is the overview of the T.
Industry?

Supply chain Actors

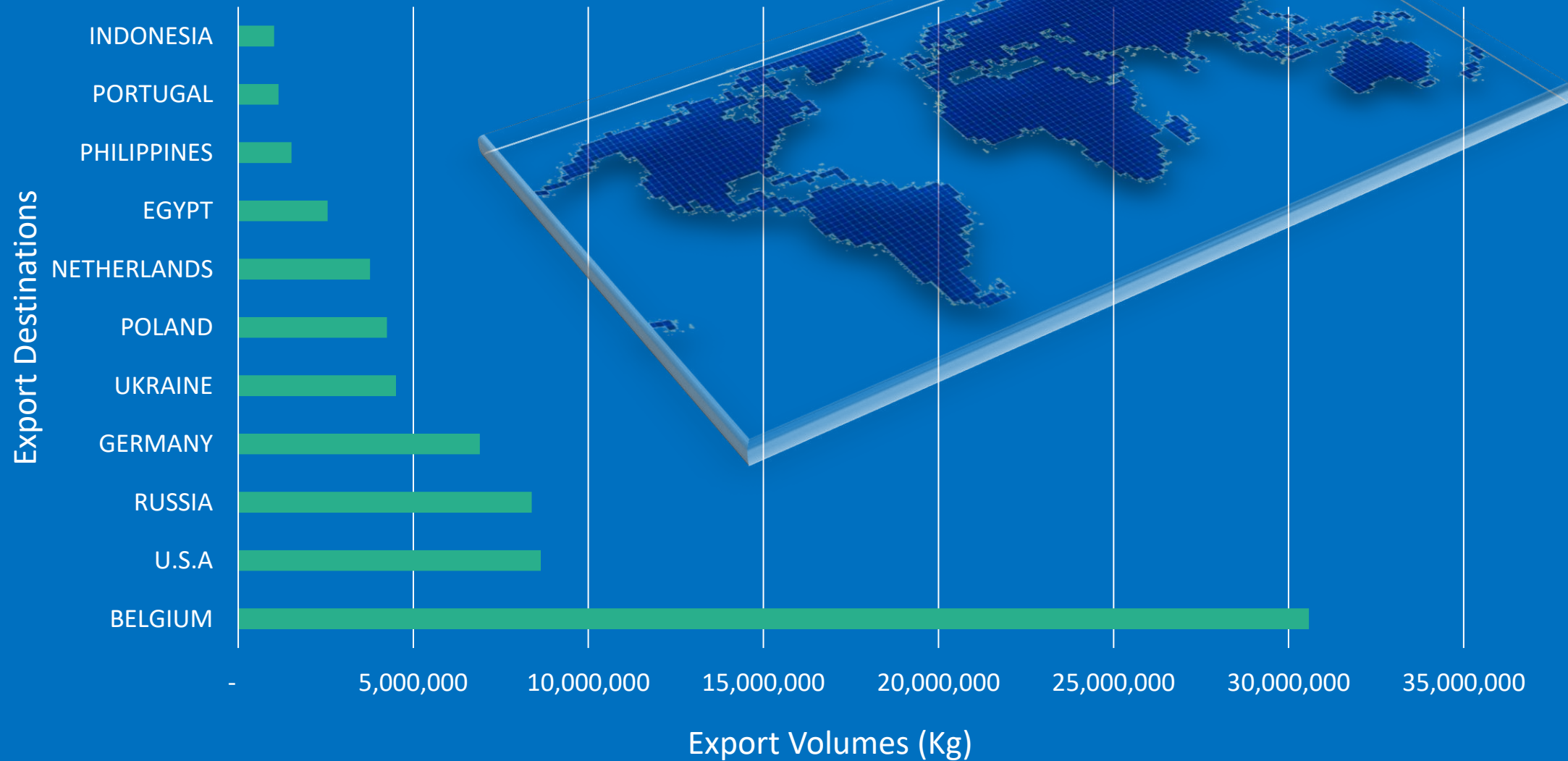


Major buyers



Premium Tobacco

Destination Countries



What do destination countries require from producing countries?



ESG

- ESG compliance (Environmental, Social, Governance)

In short, Tobacco produced free of human rights violations

- Why? Largely, to avoid law suits

Europe: EU Supply chain Due diligence

USA: withhold release order

These compliance issues have been mistaken as anti-smoking campaign

So, What happens if we don't comply with ESG requirements?

- Trade demand will be reduced
- Our quota allocation will be migrated to other countries

Is Malawi complying?, Not fully, trying

We need to keep ourselves within the ESG requirements

Times Business

Tuesday, September 14, 2021

By Justin Mkweu

Players in the tobacco supply chain say they are keen to operate within frameworks of the European Union (EU) Supply Chain Due Diligence law aimed at protecting human rights and the environment.

The laws aim at ending tenancy, promoting decent working conditions and ending child labour and will

ban exports to Europe of agricultural produce cultivated under human rights violations.

One of the tobacco buyers, Japan Tobacco International (JTI) Leaf Malawi, which buy on contract only, says the firm has already been implementing measures

that protect human rights.

JTI Leaf Malawi Corporate Affairs and Communications Director Limbani Kakhoma said the firm was creating awareness on the law among farmers it works with.

"We have also produced labour

registered books that are going to help farmers have contracts with workers. They are paying wages according to the Employment Act and are regulating hours of work, among other things," he said.

The company has since stopped purchasing

tobacco from auction indicating that it is hard to trace such produce.

Tobacco Commission Chief Executive Officer Joseph Chidanti Malunga said the commission was working tirelessly to safeguard the rights of farm workers.

"We are amending the

law so that, if someone violates human rights in tobacco farming, they should be punished. The time of violating human rights is over," he said.

In 2019, the United States announced a ban of tobacco imports from Malawi over child labour allegations.

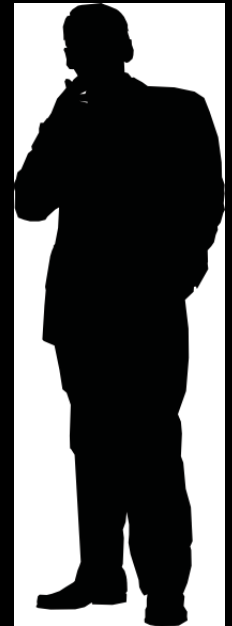
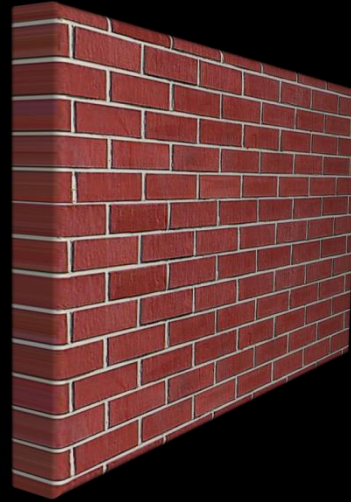
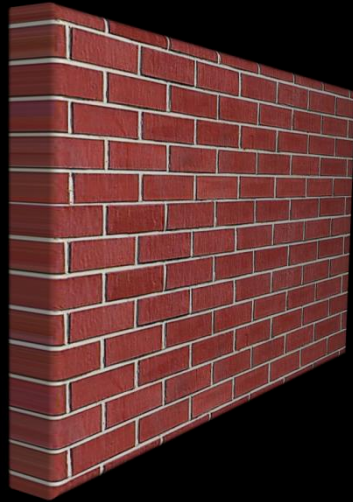
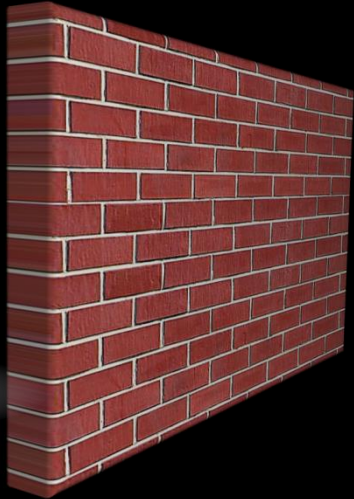
Tobacco industry ready for EU laws

'Cost of living still high'

By Chimwemwe Mangazi



What are other major challenges of the industry



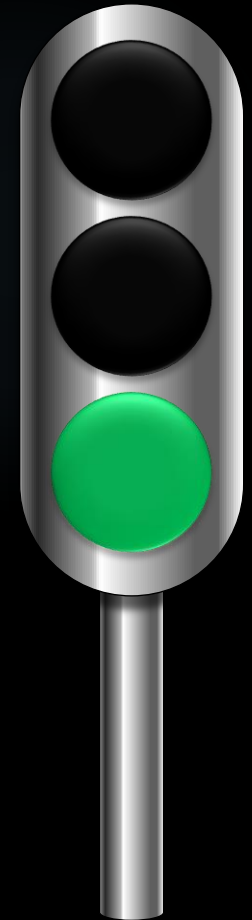
Regional Competition: T5 Countries



So, with these challenges, is there a future for Malawi tobacco?



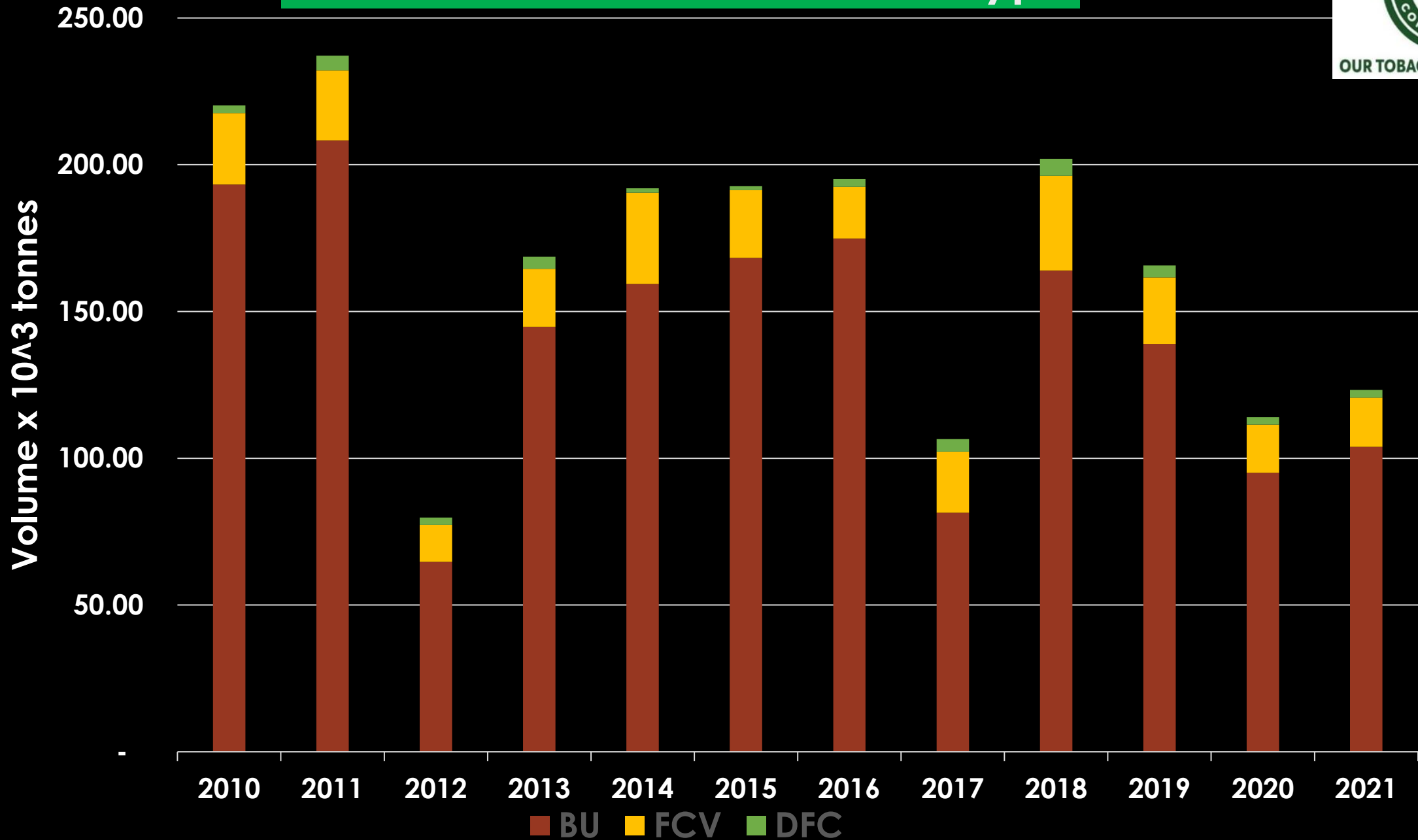
We need to meet and sustain ESG requirements



Trade Volumes Per Tobacco Type



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Realization (USD)



Thank You



QUESTIONS