

CONFIDENTIAL

MINISTRY OF  
FINANCE  
INFORMATION &  
TOURISM

## MEMORANDUM TO HIS EXCELLENCY THE PRESIDENT

File Ref. ....

Date 14th December, 1971

Connected Files .....

SUBJECT: .....

Your Excellency

As Your Excellency will recall, on August 21, 1971, Hotels and Tourism Limited opened the Malawi Arts and Crafts Centre in Blantyre. This Memorandum will provide Your Excellency with a summary of the progress made by the Centre to date.

2. By the close of the 14th week of operation the business has grossed over K12,000 in retail sales for a daily average in excess of K140. It is estimated that roughly 40% of this revenue is in foreign currency, principally in U.S. Dollars, Rand and Rhodesian Dollars.

3. Hotels and Tourism Limited's fixed asset investment is just over K5,000 for fixtures, fittings and other requirements necessary for business operation. Costs of sales run roughly at K700 per month, which includes fixed overhead and craft purchases. The initial capital investment in this project was recovered at the end of October, moving the business into a profitable position at that time. Conservative retail projections for 1972 are for K32,000 gross income. Export revenue is forecast to at least double that, bringing net profits for 1972 to over K21,000.

4. The Centre has proved to be extremely popular with tourist and resident alike. The visitors have almost unanimously commented on our reasonable prices and high quality of the various Malawi-made art forms, including Malawi's national dress which is extremely popular. Your Excellency will note that only Malawi-made items are sold in the Centre, which is staffed entirely by Malawian sales hostesses in National Dress.

5. Wood carvings represent our most significant business, followed by Virundu and other art forms. The Centre has already sold at least 250 Virundu, almost all to tourists who have expressed their delight with the style.

6. The Centre's next major project is to fully enter the export market. The Company's management has already made all of their export contacts and are currently preparing an export catalogue and price list for distribution by the beginning of 1972. In addition, it is the company's intention to include a branch of the Malawi Arts and Crafts Centre in all future company hotel projects.

*Aleke K. Banda*  
Aleke K. Banda