

Malawi's President: Measures to Address Economic Crisis

November 22, 2023

November 22, 2023: **Campaign against Child Marriages:** Amal Clooney, 45 years old Advocate, is a crusader against child marriages along with her Hollywood actor husband, George. In Africa, the society of Muinchi district is afflicted with the curse of child marriages. Three power women of the world went to Malawi to carry forward the campaign.



November 21, 2023: **Malawi, Mchinji Boma, Ludzi Girls School: Clooney Foundation for Justice: Amal Clooney** (Advocate from USA, **Michelle Obama** and **Melinda Gates**

Mchinji is a town (Population: 28,000) and the capital of the Mchinji District in the Central Region of Malawi.

It is located **12 Km from the Zambian border** and 109 km from the national capital, **Lilongwe**. It has a **major railroad junction**.

Boma is the area of Government Offices in a city.

November 21, 2023: Lilongwe, **Malawi:** Ten envoys, including the new **High Commissioner of Canada** to Malawi **Aldler Aristilde** presented their letters of credence to **President Lazarus Chakwera** at **Kamuzu Palace**

Reference: <https://malawi24.com/2023/11/21/10-envoys-present-letters-of-credence-to-chakwera/>

November 16, 2023: Lilongwe: **Restoring Stability to Economy:** President Lazarus Chakwera unveiled a comprehensive set of measures aimed at healing the country's economy and restoring stability. The President's speech was eagerly anticipated, as Malawi had been grappling with a severe economic crisis characterized by **fuel shortages, inflated food prices,** and a **shortage of foreign exchange.**



AUSTERITY MEASURES: President Chakwera suspended foreign trips by government officials, including himself. As a part of this travel suspension, ministers who were currently outside the country were directed to return home immediately. Any travel deemed absolutely necessary during the suspension period would require submission to the president's office for personal authorization.

President Chakwera also cancelled his own attendance at the upcoming COP28 climate change conference in **Dubai.**

Another notable measure was the **reduction of fuel entitlements** for cabinet ministers and senior government officials by 50 percent.

The president's address received mixed reactions from the public and political commentators. While the President's commitment to transparency, accountability, and fiscal discipline provided **a glimmer of hope,** some commentators expressed skepticism and called for more comprehensive reforms to tackle systemic issues.

CIVIL SERVANTS AND INFLATION: Recognizing the plight of civil servants who had been grappling with stagnant wages, President Chakwera directed the minister of finance to include provisions for a **reasonable wage increase for all public sector employees in the midyear budget review.** This decision will ensure that the incomes of civil servants keep pace with the rising costs of living.

Furthermore, President Chakwera ordered a **lowering of income tax on individuals** to provide relief for workers whose incomes had been eroded by inflation.



MALAWI

Population: 20.09 Mn (62nd)

GDP: \$13.18 Bn (149th)

GDP/capita: \$579 (190th)

Capital: **Lilongwe**

Population (capital): 1.12 Mn

6th July 1964: Nyasaland got **independence**

renamed Malawi, Prime Minister Hastings Banda

6th July 1966: **one-party republic, President Banda**

1971: Banda, President for life

1993: a multiparty system

1994: General Election- Banda defeated

Now, an elected president, peaceful transitions of power

Malawi- Member of the **Commonwealth**, the **Southern African Development Community (SADC)**, the **Common Market for Eastern and Southern Africa (COMESA)**, and the **African Union (AU)**

CENTRAL BANK ACTION: The Bak announced **devaluation** of the local currency against the United States dollar **by nearly 30 percent**. This move will address the shortage of foreign exchange but it would have implications for import costs and inflation in the economy.