**PRESS BRIEFING**

**1.0 PREAMBLE**

1.1 Peoples Transformation Party [**PETRA**] is deeply concerned about the general state of affairs in our nation. Some of the issues besetting the citizenry are lack of forex, devaluation of the Malawi Kwacha as being suggested by certain quarters and much to the chagrin of scores of Malawian people including our own Reserve Bank of Malawi and a host of other socio-economic challenges.

1.2 As a result, the Malawian people are going through very difficult times. However, they are not being genuinely informed by the political leadership as to the real cause of the prevailing adverse economic situation and what are the short- medium- and long-term solutions to the situation.

1.3 PETRA feels duty abound to address some of these challenges and seek to provide possible solutions on these matters of national importance.

1.4 AND hence this press briefing

**2.0 DEVALUATION OF THE MALAWI KWACHA**

2.1 Recently there have been calls for re-alignment of the local currency, or put simply, a devaluation of the Malawi Kwacha. The calls are coming at a time when Malawians are still suffering from the effects of the last 25% devaluation, cyclone Freddy, cholera. However, the question Malawians ought to answer is whether another devaluation is the panacea for our forex nightmares.

2.2 PETRA contends that another devaluation is not a solution. Matter of fact it would simply aggravate the already bad economic plight of ordinary Malawians:

* Local farmers would suffer due to increased prices of farm inputs from a campaign price of K4,950 per bag and beyond the current price of K80,000 per bag;
* Basic life amenities like salt, sugar, maize, cooking oil, soap, etc. would become more expensive;
* School fees would be hiked, and scores of learners would drop out of school;
* Building materials would become unaffordable to most people;
* Fuel including paraffin prices would skyrocket;
* Bus and taxi fares would immediately jump to the detriment of the populace;
* So too the price of tomatoes, onions, vegetables
* Electricity and water tariffs would jump

2.3 Everything would be negatively affected and if the current administration has any grit at all, it must at all cost avoid any further devaluation of the Kwacha as it would grievously harm the already vulnerable Malawian people.

2.4 It is a well-known fact that devaluation does not and cannot guarantee forex availability in Malawi. What needs urgently addressing is the supply side of forex. The past decades of multiple Kwacha devaluations have taught us that they only benefit the IMF and other foreign business interests. Foreign money fetches more, life for foreigners with forex becomes more affordable while economic miseries for the ordinary Malawians mount. Poverty becomes deepened and more entrenched. In any case, calls for devaluations have been solicited by our own poor economic management.

**3.0 SO, WHAT OUGHT MALAWI DO instead of a devaluation?**

3.1 The country must urgently identify a viable alternative. The discretionary monetary policy must be abandoned without further delay. On 2nd December 2022, I was privileged to submit to the State President a proposal for a Currency Board Arrangement (**CBA**) economic model. Renowned economists both local and international have for some time been mulling over the said model. Government ought to quickly organize a symposium where eminent Economists can thoroughly debate this economic model. Malawi must come out of its cocoon. CBAs are currently in use in Singapore, Russia, Bulgaria etc.

3.2 Economies of the above nations do not operate on the whims of IMF unlike Malawi.

Adoption of a CBA would quickly address Malawi’s perennial forex drought amongst several benefits. Apparently, Malawi was on this policy during the colonial rule.

3.3 The question that never ceases to baffle us is why Malawi is obsessed with the discretionary monetary economic policy that has for the past 59 years dismally failed to make the country economically vibrant.

By the time PETRA quit the ‘Tonse’ Alliance, its leadership had not yet heard from the President to date.

3.4 With a CBA, Malawi’s chronic economic woes cannot remain. However, if the discretionary policy is not changed, we in PETRA shall not hesitate to question the motive behind lack of action. We shall in such case be keen to find out as to who is benefitting from this dysfunctional monetary policy.

3.5 Further, **PETRA** is calling for a major shakeup at Reserve Bank and the Treasury. WE need to engage experts that can swiftly reign in the free fall of the Kwacha and bring about a stable economic environment.

**4.0 FOREX USAGE**

4.1 In Malawi, the little forex the country generates is not being used wisely. It’s spent on imports of non-essential foreign travel, import eggs, match sticks, bananas, corn flakes, jam, juices etc, and certain useless foreign travel. Forex must be only spent on essential items like medicines, manufacturing tools and equipment, learning materials etc.

4.2 **OUR MESSAGE is simple.**

4.2.1 Stop forthwith all unnecessary imports. Instead, support local Malawians who are struggling to produce the same products locally and, in the process, create jobs apart from building local capacities. Tomatoes are a case in point. While there are tomatoes all over the country, some of which go unsold, we are spending forex importing tomato paste, juice and other tomato products.

4.2.2 Curb the high appetite for foreign travel. If top government officials cannot lead the way, no one shall heed the call. Vast resources are wasted on external travel, some of which could easily be delegated to the country’s foreign missions. Let’s maximize what we have.

4.3 Fiscal discipline is equally required in the consumption of locally generated revenue. The extravagance that continues to be displayed by government officials is simply mind boggling. The priorities obviously are upside down. There’s simply no seriousness on the part of the government machinery that seems far removed from economic realities on the ground.

4.4 Of course, **we must produce for export.** There is no substitute for exports for a lasting forex generation. That forex is not in heaven; it is right here in this nation. One must have a discerning eye and acumen to locate it and quickly get it.

4.5 Malawi must as a matter of urgency man up and take bold steps that can permanently rid us of international ignominy.

**5.0 PUBLIC SECTOR REFORMS**

5.1 The nation is still trying to come to terms with the surprise statement that the report on the recommended public sector forms is not meant for public consumption. This position clearly is against the public announcement that was made at the commissioning of the Reforms team.

5.2 In any case, everybody understands that a recommendation is not law although it would not make sense why a sound recommendation cannot be adopted. Further, nobody expects all the recommendations in the Report to be implemented at once. Therefore, the contrary stance has left the nation in deep shock and wondering as to the President’s sincerity. It thus remains the expectation of the general public that the decision not to share the Report shall be rescinded in the near future bearing in mind the assignment was funded by taxpayers. Fear of the unknown will not take the nation anywhere near the dream land.

**6.0 INFRASTRUCTURE DEVELOPMENT**

6.1 It is common knowledge that major construction works are taking forever to be completed and often sub-standard. In no time potholes begin to manifest. Meanwhile the general public continues to be subjected to endless inconveniences which adversely affect business. Besides, delayed completion of public works means taxpayers unnecessarily forking out more resources as costs of both labor and materials escalate. The additional resources could have been deployed to other essential projects like construction of classroom blocks, clinics, bridges etc. Protracted construction is also very fertile ground for diversion of public funds. There are several cases of ‘forever’ projects, namely.

* the Lilongwe multi lane road
* the new interchange in Lilongwe
* Mahatma Ghandi & Kapeni Roads
* the M1 road from Lilongwe, Kasungu to Karonga
* Chileka airport, which has seen large sums of money being allocated from the national budget over the years for its improvement with very little to show for it
* The much talked about Orton Chirwa International airport in Mzuzu; when shall we see it?
* And the generally extremely poor state of most public roads, bridges and buildings

just to mention a few.

Fire engines from KIA had to come to the rescue which in itself is highly risky given the sensitivities of airports. Anytime there could be an emergency landing demanding the presence of adequate fire engines.

6.2 We therefore call for immediate resumption of construction works with the aim of speedy completion thereof. As well, please share agreed completion dates of the said projects for proper public monitoring failing which it shall be concluded personal benefit is at the center of it all.

**7.0** **TORCHING OF GOVERNMENT/STATUTORY BUILDINGS AND OFFICES**

7.1 **PETRA** is appalled to witness the unabated criminal behavior of torching public buildings which were constructed during Dr H. Kamuzu Banda’s regime using taxpayers’ money. What we find even more reprehensible is that no one has so far been held accountable. Some of these buildings are;

* Ministry of Agriculture Headquarters
* Most recently Tikwere House pending an investigation.
* Electoral Commission warehouse in Lilongwe
* ESCOM head office in Blantyre in respect of which insurance monies were paid but the building remains as it was. Where have the insurance proceeds gone?

7.2 Due to lack of punitive action, more are being emboldened to commit similar criminal acts. We therefore call upon the Executive to come out clearly with appropriate measures to bring culprits to justice with clear timelines.

**8.0 PARDON OF CERTAIN CONVICTS**

8.1 The recent pardon of certain convicts has sent a bad message to the youth and future generations given the serious nature of the offences that were committed. Most unfairly, the citizenry continues to pay dearly on account of the criminal acts for which the individuals in reference were convicted. Visa exemptions to countries like United Kingdom have been withdrawn due to loss of public trust. It is widely believed some of these interventions are a sign of desperation on the part of the authorities.

8.2 Convictions serve as a deterrent factor. Therefore, pardons ought to be sound and in the best interest of both the nation and the convicts in that order. They ought not to be done for political ends. Unfortunately, some of the recent pardons are highly suspicious. They do not inspire confidence. They may be doing more harm to the social fabric of the Malawian society than otherwise.

**9.0 FERTILIZER PROCUREMENT**

The nation is now gripped with yet another fertilizer procurement deal which has generated a lot of controversy. It must be said that with last year’s procurement debacle, the Malawian people are entitled to raise their eyebrows. This is tax payers’ money. Usually, it’s the government style of sealing public deals in secrecy with unorthodox suppliers that is cause for concern. It’s said once beaten twice shy. The onus is on the Agriculture Ministry to satisfy the public curiosity. Dubious deals will soon be found out which shall solicit serious consequences. In the words of **President Abraham Lincoln**: *you can never fool all people all the time.*

Dated this 12th June 2023.

**Kamuzu Chibambo**

(President)