



## PEOPLE'S TRANSFORMATION PARTY

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### PRESS STATEMENT

On Thursday 9 November 2023, Malawians woke up to the shocking announcement of a massive 44% devaluation of the Malawi Kwacha. This Kwacha decapitation comes hot on the heels of several other devaluations effected in the course of the year.

Not surprisingly, this has triggered an avalanche of huge price increases of goods and services. As a result, many Malawians have become poorer as they can no longer afford basic necessities of life and more lives shall be lost as they cannot manage to buy medicines. This decision is bad *ab initio* as it does not prioritize the ordinary Malawian and PETRA joins the nation in condemning it.

In his Press release of yesterday, the Minister of Finance outlined a couple of measures which he claims are aimed at curbing forex shortage and cushioning vulnerable communities. However, the statement in our view dismally fails to outline the underlying causes of the endless devaluations. We expected the Minister to point out some of the causes of forex drought which include the following:

1. Lack of control on imports a good number of which can easily be locally produced;
2. Poor monetary policy and lack of a true recovery strategy from the current disastrous economic situation;
3. Unbridled appetite for external travel by the Executive with bloated delegations;
4. A duty-free imports week observed last year which was simply disastrous;
5. Excess diplomatic missions which cannot be properly maintained;
6. Failure to formulate and implement appropriate policies for industrialization

7. Public officials demanding bribes from prospective investors which has led to investments being relocated to neighboring countries

Malawi's current legal framework is adequate enough to deal with a host of issues that beset the nation but where the country continues to lag behind lies in implementation.

Besides, the measures the Minister has spelt out to a large extent are premised on the goodwill of development partners. This cannot be a strategy considering the financial and material contribution development partners are already making in Malawi and the perceptible fatigue of the donor community.

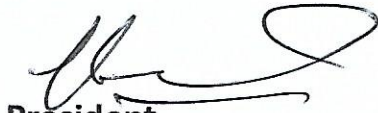
PETRA instead demands the following steps which if implemented can bring about a quick economic turnaround;

1. Quick introduction of measures to stabilize the currency, such as adopting a transparent and disciplined monetary policy. The discretionary monetary policy which Malawi has pursued for decades has failed to cure Malawi's economic woes but simply brought more economic misery than good. It is high time Malawi seriously considered other alternatives like a Currency Board Arrangement (CBA).
2. Improvement of the business environment and a spirited fight against corruption to spur investment and industrialization;
3. Timely execution of infrastructure projects like roads, railway line as protracted projects are not only a big inconvenience but highly costly;
4. Adoption of a clear strategy for the reduction of public debt which with the current devaluation stands at an unsustainable level of approximately MK12 trillion;
5. Major reduction of Cabinet to below 20 inclusive of the President and Vice President, while merging some of them and bringing others under the Presidency;

6. Reduction of diplomatic missions and consolidating the most essential ones. A simple analysis can be made of those that should remain and those that must be closed; and
7. Strict fiscal discipline with the Executive leading by example;

PETRA shall be closely monitoring the next steps the 'Tonse' administration under President Chakwera shall be taking to address the wide range of socio-economic challenges affecting the citizenry. AND PETRA demands real action now.

Dated this 14<sup>th</sup> day of November 2023.



**President**  
(Kamuzu Chibambo)