ECAMA NEWSLETTER

JANUARY - JUNE 2025 ISSUE

The official newsletter of the Economics Association of Malawi

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FROM THE PRESIDENT'S DESK

Pic: Malawi Law Society

It is our pleasure to present you to this edition of the Economics Association of Malawi (ECAMA) newsletter. As we continue to navigate an ever-changing economic landscape, this newsletter serves as a platform to share insights, highlight our work, and engage with our members and the broader public on key economic issues affecting Malawi and the region.

The Malawian economy continues to face complex challenges, including inflation, foreign exchange and fiscal pressures, debt management concerns, and the need for sustainable economic growth. ECAMA remains committed to promoting evidence-based policy dialogue and advocating for transparency, fiscal discipline, and economic reforms that drive inclusive development.

Looking ahead, we are optimistic about the potential for transformative change of our economy. Through research, policy analysis, and multi-stakeholder engagement, we aim to contribute to a future where Malawi achieves sustainable economic growth, equitable opportunities, and improved livelihoods for all.
Over the past months, ECAMA has been actively engaged in several initiatives. We are now approaching the end of the implementation of a project on debt accrued by State-Owned Enterprises (SOEs), funded by the US Embassy, whose aim was to understand the magnitude of debt but also to promote transparency in debt accrued by the SOEs. We have also collaborated with the National Democratic Institute (NDI), in implementing a project aimed at promoting public debt transparency and accountability ahead of the 2025 General Elections. We have also been actively engaging university students, keeping students actively involved in discussions to nurture the next generation of economists and ensure that their voices are contributing in shaping policy.

I am also excited to announce our upcoming Annual Economic

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Conference, themed "Beyond the Crises: Reshaping the Economy." The conference will bring together policymakers, economists, private sector representatives, civil society and academia to discuss Malawi's current economic challenges, explore innovative solutions, and outline strategies for sustainable and inclusive growth. I wish to extend my invitation to you all, therefore, to be part of the robust dialogue that will help chart a path toward a resilient and prosperous economy.

Finally, I extend my sincere gratitude to all our members for their unwavering support and dedication. Your engagement and commitment are the pillars of ECAMA's success. As we move forward, I assure you that we will continue to uphold our mandate, and work collaboratively to influence policies that benefit Malawi and its citizens.

With warm regards,

Dr. Bertha Bangara-Chikadza

<u>President</u>

HIGHLIGHTS OF THE PRESIDENT'S JOURNEY DURING THE PERIOD

Dr. Bertha Bangara Chikadza attended the Malawi Law Society Annual General Meeting and Conference where she was the Guest of Honour. Dr Chikadza delivered a keynote address under the theme "*Upholding the Rule of Law: The Legal Profession's Sacred Duty, a Covenant of Legal Integrity*,". In her speech, she emphasized the vital role of legal practitioners in safeguarding justice, stability, and national cohesion. Dr. Chikadza reminded participants that lawyers and judicial officers are the "guardians of justice and the glue that holds our nation together in times of political contestation." She further emphasized the importance of judicial efficiency, warning that delayed justice undermines investor confidence and hampers economic growth. Her remarks were well received, reinforcing the centrality of

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the legal profession in shaping Malawi's economic trajectory.

On 19th May 2025, the President of the Economics Association of Malawi (ECAMA), Dr. Bertha Bangara Chikadza, was interviewed by SABC's Channel Africa on the recently approved Mpatamanga Hydropower Storage Project (MHSP). The World Bank has committed a $350 million rant towards this initiative, which is being developed as a public–private partnership led by the Export Development Fund (EDF) and SN Malawi BV. With a total estimated cost of $1.5 billion, this represents the largest foreign direct investment in Malawi's history.

Once completed, Mpatamanga will add 358 MW of hydropower capacity, effectively double Malawi's current electricity generation and producing over 1,500 GWh annually, which is enough to power more than one million households. Strategically located on the Shire River, the project will include a main and regulating dam to guarantee supply stability and efficiency.

During the interview, Dr. Chikadza emphasized that reliable energy is not just an infrastructure milestone but a development imperative. She noted that the project will not only ease Malawi's persistent power shortages but also stimulate industrial growth, unlock agricultural productivity, enhance mining and tourism, and generate employment opportunities. She highlighted that Mpatamanga stands as a catalyst for economic transformation, positioning Malawi on a path toward inclusive and sustainable development.

The president represented the association at several significant forums where the views, concerns and suggestions from the association, were presented and discussed. Among the notable activities, she attended the "Just Transition Water" Symposium at BICC from 5-7 March 2025. She was a panel discussant during the public hearing on the national budget at BICC and a discussant at a webinar on "Political economy of aid in the context of recent shifts in US and UK policies". Dr Chikadza attended all the three Monetary Policy Committee meetings of the Reserve Bank of Malawi for the year and participated in the learning visit at the Ghana Deposit Protection Corporation in Accra, Ghana from 6th to 8th May 2025. She also attended the African Development Bank Annual Meetings held in Abidjan, Ivory Coast from 26th to 30th May 2025.

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ECAMA WELCOMES THE NEW EXECUTIVE DIRECTOR: DR. ESMIE KORIHEYA KANYUMBU

The Economics Association of Malawi (ECAMA) has started a new chapter under the leadership of Dr. Esmie Koriheya Kanyumbu, who assumed the role of Executive Director (ED) on 1st February 2025.

Dr. Kanyumbu brings with her over 15 years of rich experience in financial economics, monetary policy, and institutional leadership. With a PhD in Financial Economics from Loughborough University in the United Kingdom, a Masters of Arts in Economics and Bachelor of Social Science degree from the University of Malawi (UNIMA), Dr. Kanyumbu exemplifies both academic excellence and professional impact.

Prior to joining ECAMA, Dr. Kanyumbu served in strategic roles at the Reserve Bank of Malawi (RBM), where she played a pivotal role in advancing financial market analysis and development, banking system liquidity forecasting, global market research and designing policies to enhance financial inclusion and stability. She led technical analyses for the Monetary Policy Technical Committee (MPTC) on interbank markets, foreign exchange dynamics, and monetary policy frameworks. Her research contributions include financial product development, legislative reforms, and market diversification. Dr. Kanyumbu was also involved in development of capacity building programs to support capacity building for the Malawi financial sector. Beyond national borders, Dr. Kanyumbu is a seasoned researcher within the African Economic Research Consortium (AERC) network and a research fellow for the Southern African Institute for Economic Research (SAIER). In 2018, she served as a visiting scholar at the International Monetary Fund (IMF). As an independent researcher, Dr. Kanyumbu has produced outstanding input to the research outputs of the Frontclear in Netherlands, the SOAS University of London in the

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United Kingdom and the Southern African Institute of International Affairs (SAIIA).

Dr. Kanyumbu's experience and leadership instills confidence across the Association's diverse network, from the Secretariat to students, professionals, institutions, and partners.

ECAMA SIGNS MOU WITH THE AFRICAN ECONOMIC RESEARCH CONSORTIUM (AERC)

In a significant step toward positioning itself as a leading economic think tank in Malawi, ECAMA has signed a Memorandum of Understanding (MoU) with the AERC, effective 27th May 2025. Recognizing that AERC and ECAMA have similar goals in the areas of supporting evidence-based policymaking in Africa and that both organizations support policy research and capacity strengthening in Africa as a key step towards increased economic development, the cooperation aims at facilitating the attainment of their respective goals and strengthening the impact of the activities of both parties in the African continent.

The MOU, therefore, acts as a high-level vision statement through which the two parties have agreed to align a number of detailed projects, work plans and deliverables appropriate to achieve their common objectives. Precisely, the MOU provides a framework for cooperation and to facilitate collaboration between the two institutions in areas of economic policy research and dissemination,
capacity building, and policy engagement across Malawi and the continent. This partnership with Africa's largest economic research think tank marks a strategic leap forward for ECAMA and it opens new doors for the association's members, economists, policy actors and Malawi as a whole. This collaboration, therefore, marks a renewed drive by ECAMA to engage with leading institutions and ensure that our members shape and benefit from the continental and global economic policy agenda.

IMF MISSION ENGAGES ECAMA ON MALAWI'S MACROECONOMIC OUTLOOK

On 29th May 2025, ECAMA held a high-level lunch meeting with the IMF Mission to Malawi at Woodlands Restaurant in Lilongwe. The meeting was part of the IMF's Article IV

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Consultations and aimed to capture ECAMA's perspectives on the country's economic trajectory, particularly in the wake of the lapse of the Extended Credit Facility (ECF).

ECAMA was represented by the Executive Director, Dr. Esmie Kanyumbu; Senior Economist (SE), Mr. Lucious Pawa; and Economist, Ms. Tadala P. Chikafutwa. Among other things, the meeting discussed the recently lapsed ECF by specifically focusing on the structural benchmarks and the importance of stakeholder engagement during the formation of the benchmarks. The discussion also tackled the Agriculture, Tourism, Mining, and Manufacturing (ATMM) strategy including its challenges and including the current foreign exchange regime that may affect the implementation of the strategies. Another discussion was around inflation and energy challenges with a focus on the causes of the fuel shortages and procurement processes and how it may affect the economy in the future. The meeting ended with an inquiry on political governance and how political manifestos are scrutinized including the availability of accountability mechanisms for political promises. ECAMA explained the role of the Malawi Electoral Commission in reviewing party manifestos, while both sides acknowledged the limited oversight of constituency level promises.

BUDGET ANALYSIS RESULTS DISSEMINATION

The Audience including the ECAMA President

On 11th March 2025, ECAMA in collaboration with the National Planning Commission (NPC) hosted a Budget Analysis Meeting at the Bingu International Convention Centre (BICC) in Lilongwe. The purpose of the meeting was to disseminate research findings to relevant authorities regarding how the national budget was aligned towards achievement of the national goals as outlined in the Malawi Implementation Plan-1 of the Malawi 2063. The session brought together key stakeholders from government, including the Secretary to Treasury (ST) and the Budget Director, to reflect on the proposed national budget and

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its alignment with Malawi's development agenda. The ECAMA president, Dr. Bertha Bangara- Chikadza and the Executive Director Dr. Esmie Kanyumbu led the ECAMA team and led some of the sessions. The NPC team was led by the former Director General, Dr. Thomas Munthali.

Key findings

i. The fiscal deficit will persist with the budget projecting a deficit of (MK2.47tn), representing 9.5% of GDP.

ii. 25.0% (K2.01tn) of the total budget allocated to the development budget (a 5 percentage points decline) while 27.3% (K2.2tn) of the total budget formed the interest payment share.

- Development part I grew by 4.0% and -22.0% in real terms
- Development part II grew by 48.0% and 12.0% in real terms

iii. The analysis revealed that although the development budget was allocated the recommended percentage of the budget, more financing was allocated to governance and social sectors and not economic sectors. For example, Agriculture (26.0%) - urbanization (tourism), industrialization (manufacturing and mining) and private sector development was allocated 3.0% of development budget collectively while human capital development got 37.0% of development budget perhaps due to contractual obligations that need to be honored.

During the meeting, not only was the importance of critical and independent review of the national budget emphasized, but also the need towards a deliberate shift towards wealth creation and generation through adequate resource allocation towards key sectors and the pillars as outlined in the MIP-1.

The meeting concluded with a call for improved tracking of budget implementation and better alignment of spending with national priorities. ECAMA reaffirmed its commitment to facilitating dialogue that enhances transparency, accountability, and long-term economic planning.

The ST, Professor Betchani Tchereni. making his remarks

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ECAMA STRENGTHENS STUDENT CHAPTERS

"Everyone who walks the ECAMA path becomes someone great in life," was the main message that was being delivered during recent university visits calling for students to affiliate themselves with the Association.

In March, ECAMA launched an ambitious drive to establish new student chapters and strengthen existing ones across Malawi's universities. The goal is to equip young people with economic knowledge, build networks, and nurture future leaders in the profession.

Since the launch, the ECAMA Secretariat and members of the Executive Committee have visited seven out of the ten targeted universities: UNIMA, Central Christian University (CCU), Blantyre International University (BIU), Catholic University of Malawi (CUNIMA), Lilongwe University of Agriculture and Natural Resources (LUANAR), Malawi School of Government (MSG), and Malawi Assemblies of God University (MAGU).

During these visits, students were encouraged not only to form and join clubs but also to formally affiliate themselves with the Association and enjoy the full benefits of membership.

The response has been overwhelmingly positive. The visits have sparked a surge in student membership, which is also a promising sign of ECAMA's growing influence in academic spaces.

Part of the student audience at CUNIMA

MALAWI REVENUE AUTHORITY CONSULTATION MEETING

On 26th May 2025, the Malawi Revenue Authority (MRA) Domestic Taxes Division invited ECAMA to a meeting to a feedback session for the new

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Electronic Invoicing System (EIS) that intends to replace the Electronic Fiscal Device (EFD). ECAMA was represented by the Executive Director, Dr. Esmie Kanyumbu; the Senior Economist, Mr. Lucious Pawa; Economists, Ms. Tadala P. Chikafutwa and Ms. Tadala Y. Mauluka; the Administrative and Accounts Officer, Ms. Tandulechi Mtambo; and the ICT Officer, Mr. Joshua Chirambo. The meeting took place at the Crossroads Hotel in Lilongwe.

The meeting began with a background to the EIS which is an upgrade from the EFDs. The team was informed that the EFDs will no longer be in use once the EIS is fully rolled out. The new system will target 70,000 taxpayers from the 10,000 targeted through the EFD system. Moreover, it was noted that the EIS will not make any changes to the invoice process but rather will be integrated into already existing invoice systems within the businesses and the MRA. The MRA team emphasized that the new system will also help with curbing informality as it will now be easier to trace suppliers through the system.

ECAMA commended the MRA on this initiative, noting that it will be critical in increasing revenue for the government as it will track all business invoices. However, the team expressed concerns over the usability and understandability of the system since it is an online platform with English as its main command. The MRA understood these concerns and informed the team that with time, the system will be translated to allow all users to fully understand it. Additionally, awareness campaigns will take place in all districts and will include media awareness.

ECAMA EXECUTIVE DIRECTOR MODERATES PANEL DISCUSSION AT THE 2025 DYNAMIC LEADERS AND GATEKEEPERS FORUM

On 20th June 2025, ECAMA participated in the 8th Dynamic Leaders and Gatekeepers Forum (DLGF) which was held under the theme ***“Revitalizing* he Economy: Investing in a Stronger and More Sustainable Future”.** The event took place at Bingu International Conference Centre (BICC) in Lilongwe and was officially opened by the Minister of Finance and Economic Affairs, Honourable Simplex Chithyola Banda, M.P. The forum brought together leaders and gatekeepers to discuss pressing economic issues and explore innovative solutions.

The forum featured three subthemes as follows:

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- Reviewing Malawi's Economic Recovery Plan: Addressing Hunger, Forex shortages and inflation
- Optimising Civil Service Reforms as a Pathway to Inclusive Wealth Creation
- United in purpose for Economic Recovery.

The ECAMA ED moderated the panel discussion, and the discussants were: Secretary to the Treasury, Ass. Prof. Betchani Tchereni; ICAM Executive Director, CA. Noel Zigowa; and NPC Director of Development Planning, Dr. Andrew Jamali.

As the session kicked off, the panelists agreed on the following:

- Malawi continues to face a growing number of urgent and structural challenges, including vulnerabilities from escalating impacts of climate change, the international trade wars and foreign aid withdrawals.
- The challenges have proven to be complex, unpredictable and interlinked, demanding solutions that not only need to keep pace with the magnitude of these issues but a more proactive approach of managing uncertainties.
- There is an urgent need to find ways to build an economic environment that is able to anticipate, absorb, recover and adapt quickly to the evolving risks and uncertainties.
- Malawi continues to borrow due to insufficient domestic production and export capacity, leading to foreign exchange shortages and contributing to challenges such as high inflation.
- The private sector's ability to stimulate growth is influenced by a combination of internal factors and the broader economic environment.

Currently, the private sector's access to finance remains limited coupled with high interest rates. This makes it difficult for businesses to invest in innovation, infrastructure and expansion which are crucial for economic growth.

Key takeaways

- The fiscal and monetary authorities need to collaborate to ensure coherent economic strategies that maintain macroeconomic stability and achieve sustainable economic growth.

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- Agricultural commercialization and value-addition, and industrialization are key in achieving the development goals. Therefore, the ATMM Strategy remains the government's priority.
- Fiscal leakages and unbudgeted expenditure require urgent attention as they undermine efforts to achieve sustainable development.
- Access to finance for the private sector needs to be improved, as well as access to markets for businesses that are producing high quality and value products that can be exported.

2025 ANNUAL ECONOMIC CONFERENCE

The 2025 ECAMA Annual Economic Conference (AEC) will take place from 30th to 31st October 2025 at Sunbird Nkopola in Mangochi. This year's discussion will centre around the theme "Beyond the crises: Reshaping the Economy".

The theme reflects Malawi's urgent need to transition from reactive crisis management to proactive and sustainable economic transformation given the recent global shocks, such as aid withdrawals, trade wars, pandemics, climate volatility, and fiscal instability, that have underscored systemic vulnerabilities in Malawi's economy.

By focusing on reshaping the economy, the 2025 AEC aims to catalyze dialogue on breaking cyclical dependencies, leveraging innovation, and aligning short-term recovery with Malawi's long-term vision, the Malawi 2063 (MW2063).

Part of the audience at the 2024 AEC

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The conference participation fees are as follows:

Members

With accommodation: **MK1,160,000**

Without accommodation: **MK2,210,000**

Non-members

With accommodation: **MK1,400,000**

Without accommodation: **MK2,450,000**

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CLIMATE CHANGE IMPACTS ON WATER AND AGRICULTURE SECTORS IN SOUTHERN AFRICA: THREATS AND OPPORTUNITIES FOR SUSTAINABLE DEVELOPMENT

BY: DR. GREENWELL MATCHAYA

Abstract

Agriculture remains important in driving economic transformation, sustainable livelihoods, and development in developing countries. This paper provides a comprehensive analysis and discussion of climate change impacts on water and agriculture sectors and implications for the attainment of developmental outcomes such as food security, poverty reduction, and sustainable development in Southern Africa. The review gives policy messages for coping, adapting, and building resilience of water and agricultural production systems in the face of projected changes in climate and variability. The aim is to guide the region towards the achievement of the Sustainable Development Goals. Future projections for Southern Africa indicate reduced rainfall, increased temperatures, and high variability for the greater part of the region with severe reductions on the drier and marginal western parts.

These impacts have profound implications for agriculture performance and contribution to national and regional developmental goals. The region is projected to experience reductions of between 15% and 50% in agricultural productivity, a scenario that would exacerbate food insecurity in the region. The challenge is to increase productivity on current arable land through efficient and sustainable management of available water and energy, and at the same time reducing pressure on the environment. Affordability and accessibility of innovative adaptation measures on water resources remain critical and these strategies should be part of broader sustainable development efforts. Overall, efforts to enhance agricultural productivity need to emphasise investments in sustainable management and use of water and energy resources in agriculture to achieve sustainable economic growth and livelihoods.

Read full paper here:
https://doi.org/10.3390/w12102673

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FEEDING THE NATION OR FEEDING THE CYCLE? RETHINKING FOOD POLICY

BY: BENADETHA BANDA

STUDENT MEMBER FROM THE UNIVERSITY OF MALAWI

Food prices in Malawi keep going up and many families are struggling to afford basic meals. Every year we hear about the same reasons such as poor harvests, high transportation costs and global price changes. But even with all the plans and policies the problem keeps coming back. This raises a question: are we truly solving the issue or just repeating the cycle? This article looks at how Malawi responds to food inflation and why we need new ideas that can bring lasting change.

In recent months, food prices in Malawi have continued to rise. As of May 2025, statistics show that food inflation stood at 32.7% up from 24.7% in May last year. This means that the cost of basic food items like maize, beans and cooking oil has risen by nearly a third in just twelve months. This has made it harder especially for families in rural areas to afford enough food. Several factors have contributed to this. Poor rainfall and dry spells have reduced harvests. At the same time, the cost of farming inputs like fertilizer has gone up, partly due to the weakening of the Kwacha. Many farmers could not plant or harvest enough, and this has lowered food supply. As of early 2025, 5.7 million Malawians were facing acute food shortages. Although the government has tried to help through programs like the Affordable Inputs Program (AIP), many feel these efforts are not reaching everyone or addressing the root cause of the problem. The food crisis returns each year and it is clear that something needs to change.

For Malawi to break the cycle of food inflation, it needs to stop thinking of hunger as just a farming issue. There is a need to improve how we manage the crops that feed most families, especially maize, beans, soybeans and ground nuts. These are not just for consumption but are a source of income for many households.

Here are some of the ways we can do better; Shifting mindsets around harvest-time spending is one of the solutions. In many rural communities, families sell most of their harvest too early and often at low prices just to buy things like new clothes, meat and rice. This

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feels good in the short term but later leads to food shortages before the next farming season. Families are then forced to borrow or buy food when prices are highest. While some argue this happens because of poverty, it is also about habits and expectations. After months of hard work, people want to enjoy the harvest and that is understandable. But the problem comes when they do not keep enough food for later causing suffering.

So, how do we change the mindset? First, we can launch Food First Campaigns led by trusted community voices. Village heads, church leaders and youth groups can hold simple and respectful talks during community or church meetings. These should not be lectures but rather honest conversations that ask: "How can we enjoy harvest without going hungry later?". Songs, short stories and plays in local languages can be used in such gatherings to help make the message stick. Secondly, we can create a culture where proper food planning is seen as an achievement. We do not necessarily need to give them prizes for storing food wisely throughout the year, but we can simply recognize them. For example, a village head can mention them during a meeting or ask them to share how they achieved it. This kind of public respect costs nothing but can shift how people see food planning because it becomes something admirable. The question is how can village leaders lead these conversations if they have not been prepared? Can they just wake up one day and start talking about food budgeting without any guidance?

Now this is where the government needs to step in by training local leaders to guide food planning talks. Training can include harvest planning and risks of selling food too early. A one-day workshop at a T/A (Traditional Authority) level can make a big difference. Beyond that, government can also help by including mindset change in national food policies. Right now, most food policies focus inputs like fertilizer and pricing. Government can go further by including behavioral change as part of food security strategy. This means budgeting for awareness campaigns, supporting community dialogues and tracking how people use their harvest beyond just focusing on how much they grow.

In conclusion, Malawi's food story is not just about what we grow but about what we keep, how we plan and what we believe

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will get us through the hunger season. Real change will come when we stop treating food inflation like an annual surprise and start seeing it as a system we can fix. If we want long-term food security, mindset change must be part of our strategy. And that means supporting local leaders to guide these conversations with honesty and care. When smart behavior meets a good policy, the cycle can break. Until then, we risk having the same problem every season.

DECARBONISATION AND ECONOMIC GROWTH IN MALAWI. BALANCING THE ACT FOR THE FUTURE

BY: SYDNEY NKHOMA

STUDENT MEMBER FROM THE UNIVERSITY OF ZAMBIA

The Malawi economic landscape has been significantly impacted by climate change and its associated effects over the past few decades. Climate change negatively impacts Malawi's economic prosperity in the arenas of agriculture, health and education as evidenced by an increase in inequalities, poverty and food insecurity in the country. In two recent major climatic events (Cyclone Freddy and El Niño), over 6 million farmers lost their crops, and over 4 million are food and insecure, according to the European Commission (2024). As of 2025, Malawi ranks 172nd in the global Human Development Index (0.508), 167th in the Notre Dame Global Adaptation Initiative Index (ND-GAIN) (36.9), and 5th in the global Climate Risk Index. With much of its youthful population, resource constraints, the severity of children's exposure to climate change is high (6.7/10) as defined by the Children's Climate Risk Index (CCRI) by UNICEF and the country ranks 115th (33.9) in the FM Resilience index to physical risks such as climate change.

It has been emphasized by different authors that the continued use of fossil fuels for energy production contributes to mass carbon accumulation in the atmosphere. The effect of this trend in developing countries like Malawi halts economic growth, as the economy is not able to withstand or recover from the experienced effects. Again, carbonisation also explains the slow-paced economic growth in Malawi, averaging 4.07% from 1994 to 2024. The 2030 Sustainable Development Goals advocate for inclusive economic growth for countries, ending poverty, zero hunger and reduced inequalities. The domestication of the SGDs in Malawi through the Malawi Vision

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2063 positions the country on a wealth and inclusive radar, with strong dependency and progress in agriculture, mining and industrialisation, according to the Malawi National Planning Commission. Following Bassanini et al. (2005), the aforementioned achievements require a 6% economic growth per annum. In light of this, decarbonisation is a new development strategy that can help developing countries like Malawi realise their goals. Decarbonisation aims at net-zero greenhouse gas emissions by increasing the adoption and use of green energy sources such as wind, solar, hydropower and biogas. Similarly, this can be done by using storage facilities that can store the released CO_2 in the atmosphere. It's worth noting that decarbonisation has economic opportunities, such as increasing efficiencies in production and opening new markets for low-emission products, for instance, carbon markets.

As far as carbon markets are concerned, Malawi has the potential to sell carbon credits at a global scale and earn approximately $600 million annually. Evidence from the Ministry of Natural Resources and Climate Change highlights that Malawi sold 75000 credits in 2024 and earned MWK 150 million.

However, the United Nations Trade and Development (UNCTAD) (2024) stresses that despite the least developed countries contributing less to the global carbon emissions, problems such as poor financing mechanisms, undeveloped regulatory frameworks, limited compliance with the market's requirements, and structural regidities have provided limited finance to them. UNCTAD (2024) highlights that the achievement of the SDGs requires approximately $1 trillion annually, but the least developed countries accumulate approximately $403 million, which is below the target.

Therefore, it is imperative to develop strong climate policy interventions. Some of the policies include: the development of the Malawi Climate Financing Act and other institutional frameworks. These have the potential to provide transformative and transparent climate action, which promotes awareness and identifies loopholes to illicit financial flows towards climate justice.

Again, institutional frameworks which encourage coordinated efforts across NGOs, private and public sectors, and promote globalisation to learn the best climatic efforts from other countries are desirable in Malawi. This has the potential to reduce poverty, food insecurity, and

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accelerate economic growth in Malawi.

PRICE SPECULATION AND SOCIAL MEDIA: THE HIDDEN THREAT TO MALAWI'S ECONOMY

BY: HOPKINS MKANDAWIRE

STUDENT MEMBER FROM LILONGWE UNIVERSITY OF AGRICULTURE AND NATURAL RESOURCES

Price speculation has become an increasingly worrisome trend in Malawi's economy, with its impact felt across essential commodities, agriculture inputs and basic consumer goods. While speculation is not new, the rise of social media has amplified its effects creating an environment where unverified information spread rapidly and fuels price increase.

In recent years, social media platforms like Facebook, X and WhatsApp groups are now major channels for spreading unverified information, for instance fake post claiming sugar shortages often cause panic buying in local market. Some traders again hide large quantities of sugar to create artificial scarcity which then pushes prices far above normal levels.

Similarly, speculations about farming inputs like fertilizer and seeds are common, especially during growing seasons. Rumors about fertilizer shortage or price hikes forces traders to buy and stoke piles of inputs at inflated prices. This affects mainly smallholder farmers who already face tight budgets for production.

Fuel is another prime example. speculation post about impending fuel shortages or price hikes spreads quickly on social media. This triggers panic buying and long queues at filling stations, even when the actual supply is stable hoarding by fuel vendors may follow, further worsening artificial scarcity and pushing price up.

Proposed solutions

Regulating online misinformation

The Malawi Communications Regulatory Authority (MACRA) should strengthen monitoring of misleading posts about commodity shortages and price hikes on social media. Working together with social media companies, MACRA can help identify and remove fake news that causes unnecessary panic. Clear policies should also hold individuals

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and businesses accountable for spreading false economic information

Sharing Proactive and Transparent information

Government institutions like the Ministry of Trade, Ministry of Agriculture, the Reserve Bank of Malawi, and MERA should release timely and accurate updates about commodity availability and official price changes. For example, when MERA promptly announces fuel price adjustments, it helps counter false posts that often trigger panic buying goods like sugar and poultry due to fears of transport cost increases.

Strengthening Market Monitoring and Enforcement

The Competition and Fair-Trading Commission (CFTC) should intensify market inspections and take swift action against traders who hoard sugar, fertilizers, seeds, or poultry products to create artificial scarcity. Effective enforcement will discourage unfair price manipulation.

Community-Based Financial and Digital Literacy Campaigns

Educating consumers, traders, and farmers about how speculation works, and its negative impact can reduce panic buying. People should learn to verify information before acting on rumors. Radio shows, community meetings, and local youth groups can help raise awareness.

REMINDER

2025 MEMBERSHIP SUBSCRIPTION

ECAMA would like to encourage its esteemed members to renew their membership and pay subscription fees for 2025 to ensure continuity of the operations of the Secretariat.

The corporate membership categories and their revised annual fees are as follows:

Membership category	Amount (MK)
Platinum	3,300,000.00
Gold	1,650,000.00
Silver	1,100,000.00
Bronze	550,000.00

The revised individual membership annual fees are **K200,000** per member while annual fees for postgraduate students and undergraduate students are **K20,000** and **K5,000** each, respectively.

For more information, please contact the ECAMA Secretariat through the contacts listed below.

2024 ECAMA ANNUAL ECONOMIC CONFERENCE PLATINUM SPONSORS

FDH Bank Plc

OLDMUTUAL

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