

- **RIGHT HONOURABLE SAULOS KLAUS CHILIMA, VICE PRESIDENT OF THE REPUBLIC OF MALAWI;**
- **THE SPEAKER OF THE NATIONAL ASSEMBLY, RIGHT HONOURABLE RICHARD MSOWOYA, M.P.;**
- **YOUR LADYSHIP THE CHIEF JUSTICE, HONOURABLE ANASTASIA MSOSA sc;**
- **JUSTICES OF APPEAL AND JUDGES OF THE HIGH COURT;**
- **HONOURABLE DEPUTY SPEAKERS;**
- **HONOURABLE LEADER OF THE HOUSE;**
- **HONOURABLE GOODALL GONDWE, MINISTER OF FINANCE, ECONOMIC PLANNING AND DEVELOPMENT;**
- **HONOURABLE LEADER OF THE OPPOSITION;**
- **HONOURABLE MEMBERS OF PARLIAMENT;**
- **LEADERS OF POLITICAL PARTIES REPRESENTED IN PARLIAMENT;**
- **YOUR EXCELLENCY MADAM THANDIWE DUMBUTCHENA, DEAN OF THE DIPLOMATIC CORPS AND HEADS OF DIPLOMATIC MISSIONS;**
- **MRS. HAWA NDILOWE, CHIEF SECRETARY TO THE GOVERNMENT;**
- **DISTINGUISHED INVITED GUESTS;**
- **LADIES AND GENTLEMEN.**

INTRODUCTION

Mr. Speaker, Sir, I am pleased to be here this morning to preside over the official opening of the 45th Session of Parliament and Provisional Budget Meeting; and as per tradition during this period, deliver a statement on where we stand as a nation as well as our plans for the future.

This is an exciting meeting of Parliament for a number of reasons.

To begin with, it is the first meeting of Parliament since Malawians participated in the first ever tripartite elections that enabled them elect a President, Members of Parliament and Councillors on 20th May, 2014.

Secondly, Mr. Speaker, Sir, we will be celebrating our Golden Jubilee of independence on 6th July, 2014. As a nation, we have come a long way through thick and thin. Although we have registered many successes, we have also encountered immense challenges. As a result, today, almost fifty years of independence, Malawi remains a least developed country.

This meeting, therefore, sets the stage for our Golden Jubilee as well as our development agenda for the next fifty years and beyond. We need, as a Nation, to realise that this is a befitting moment for us to look back and reflect on our successes and challenges so that we can reposition ourselves for a great future. I have no doubt that we will seize this moment to reassert ourselves and act with greater determination and vigour to achieve fundamental transformation of our country.

Mr. Speaker, Sir, I am fully aware that in the recent past, Malawians have expressed dissatisfaction with some of the governance and administrative systems and structures of our country.

I have heard the concerns and share the dissatisfaction. I therefore, wish to promise Malawians that the Democratic Progressive Party (DPP) led Government is determined to put in place systems and structures that will promote good governance and transform the economy. In this regard, Mr. Speaker, Sir, I am proud and delighted to report that the DPP has a comprehensive manifesto which is consistent with our people's aspirations.

Mr. Speaker, Sir, DPP is a party that dreams in colour. I realize, however, that our situation is such that dreaming alone is not enough. Actual progress will only come about through actions and not mere dreaming.

Government will, therefore, ensure that these dreams and aspirations are always translated into implementable and effective policies. We will continue from where we left in 2012 to fight poverty, under-development and economic and social injustices that are still prevalent in our society.

Mr. Speaker, Sir, the DPP-led Government still stands on the pillars of prosperity, justice and security. With the support of all Malawians, we will make Malawi a truly democratic and progressive nation, for this is the wish of the nation. This is the dream of our people.

Mr. Speaker, Sir, it is against this background that I have decided to title my Address *Transforming Our Country into a Prosperous Nation with a Shared Vision*.

But before I delve much into the speech, let me take this opportunity to extend my heartfelt congratulations to all the Honourable Members of Parliament on your election to the august House. I specially recognise and salute those Honourable Members who are joining the House for the first time. I wish you the best. I am however disheartened to learn that the number of women Parliamentarians has reduced from

forty three to thirty. This is very unfortunate and retrogressive to our efforts of achieving gender parity and equity in this country.

I also wish to warmly congratulate you, Mr. Speaker, Sir, as well as your two Deputies on being elected to your respective distinguished positions. I have no doubt that, together, you will faithfully and diligently discharge the duties expected of you. Malawians expect this august House to serve them with honour, selflessness, honesty and purpose.

Let me at this juncture, call upon the Honourable Members on the Opposition side of the House to join hands with my Administration to run the affairs of the state in a spirit of cooperation, collaboration and complementarity.

I sincerely look forward to your unwavering support as we begin to implement our national agenda and fully engage in the transformation of our country. I regard your role as being vital to our democracy and the journey towards prosperity. In fact, Mr Speaker, Sir, our manifesto speaks about a better Malawi, and that can only be achieved through collaboration and working together by putting the people of Malawi first. They matter the most, all of us are mere servants. I therefore call for a new style of leadership, Servant-Leadership.

Tripartite Elections

Mr. Speaker, Sir and Honourable Members of this august House, join me in congratulating all Malawians who took part in the first ever tripartite elections. Despite the challenges faced, the people of Malawi continued to observe peace, law and order. We, as a people, should, therefore, be proud of the manner in which we conducted ourselves during such a crucial event in the history of our nation.

At this juncture, let me thank all those who contested in the elections. As I stated in my inaugural speech, I pledge to work with all political parties and independent members so that together, we can move our country forward. It is time to roll up our sleeves and begin to transform our country.

I would like also to express my sincere gratitude and appreciation to our development partners and other stakeholders for the assistance that they rendered to this country throughout the whole electoral process. We do not take their support for granted.

GOOD GOVERNANCE

Mr. Speaker, Sir, the mission of the DPP-led Government is to instill self-confidence and a sense of socio-economic independence in Malawians, by creating an environment that is conducive to hard work, creating more sustainable jobs, redistributing incomes and increasing the supply of quality goods and services for the domestic and international markets.

Mr. Speaker, Sir, in order to achieve this mission, my Administration firmly believes in the principles of Good Governance which, among others, call for equitable allocation and distribution of public resources for all people, especially the vulnerable groups. In this respect, we will establish a transparent, accountable and responsible Government in which decision-making and power-sharing are exercised through the will of the people.

Mr. Speaker, Sir, we will encourage local participation in decision-making by mobilising and empowering the masses for socio-economic development in their respective areas. I, therefore, would like to urge all the newly elected councillors to work hand-in-hand with the local people in designing and implementing programmes aimed at improving their standard of living.

Mr. Speaker, Sir, my Administration has noted, with great concern, that national priorities in this country keep changing to suit the political party in power. This has proved to be detrimental to our country's development. To ensure that development projects continue, regardless of the political party in power, my Administration will establish a *Council* with statutory powers to guide long-term national decision-making.

Economic Governance

Mr. Speaker Sir, our Government will give special importance to the design and implementation of sound macro-economic policies as a critical factor to support good governance. There will be an appropriate policy mix to enable the economy to attain full recovery leading towards sustained growth and development.

Mr. Speaker, Sir, we will create an enabling environment to achieve four principal objectives: (a) attaining macro-economic growth; (b) allocating resources more efficiently; (c) mobilizing domestic and foreign resources to support economic growth; and (d) reduction of public expenditure. This, Mr. Speaker, Sir, will address the current internal disequilibrium in our economy characterized by serious foreign exchange shortages, unsustainable budget deficits and mounting domestic debt service burdens.

More importantly, Mr. Speaker, Sir, my Administration will follow the laws governing Public Finance Management.

Corporate Governance

Mr. Speaker, Sir, we will put in place policies that will restore the private sector confidence in the economy and consequently strengthen business enterprises to contribute more positively to the socio-economic development of this country.

Democratic Governance

Rule of Law

Mr. Speaker, Sir, my Administration recognises that adherence to the rule of law is necessary for the achievement of sustainable and inclusive economic growth and development of our country. In this respect, we will promote the supremacy and respect for the Constitution of the Republic of Malawi. We will further promote justice and a legal system that is accessible, affordable and people-centred.

Zero Tolerance to Corruption

Mr. Speaker, Sir, corruption is evil as it deprives the people of Malawi, particularly the poor, of their legitimate right to economic prosperity by diverting resources meant for socio-economic development into the pockets of a few greedy individuals. It also scares away potential investors. My Administration will, therefore, maintain zero tolerance to corruption, fraud, theft and any other economic crime. There will be no sacred cows! Indeed, there will be no untouchables!

Mr. Speaker, Sir, some of the measures which my Administration will adopt to fight corruption include:—

- prosecution of all public officers and private sector individuals involved in the theft, fraud and mismanagement of public resources;
- enhancing the capacity of governance institutions including the Auditor General's Office, the Anti-Corruption Bureau, the Financial Intelligence Unit and the Public Accounts Committee;
- further strengthening the financial management systems and institutions for detection of fraud and theft; and

- non-interference in procurement by depoliticising the procurement process.

Cashgate Scandal

Mr. Speaker, Sir, the recent revelations of the *Cashgate Scandal* in which unscrupulous individuals stole huge sums of money from Government coffers brought to light serious laxity in the adherence to laid down rules and regulations. To this end, the DPP-led Government will put in place stringent measures aimed at preventing a recurrence. In particular, Government will enforce the existing rules and regulations so that the management of public finances should be done within the existing policy and legal framework.

Going forward, Mr. Speaker, Sir, as one way of decisively dealing with the challenges of *Cashgate* and a means of addressing the weaknesses identified in the Forensic Audit Report by Baker Tilly of the United Kingdom, Government has formulated a comprehensive action plan on public finance and economic management. It has been developed to ensure a shared vision and one plan for improving public finance management systems. The action plan looks at short, medium and long term measures which Government needs to implement to prevent another *Cashgate* and avoid theft of public funds. The action plan looks at all aspects of public finance and economic management, including accounting, internal controls, budgeting, procurement, disciplinary issues, administrative reforms and capacity building needs.

Human Rights

Mr. Speaker, Sir, the DPP-led Government is fully committed to the promotion and protection of human rights. Respect for human rights contributes to the creation of an enabling environment for people to realize their full potential in social, cultural, economic and political development.

Mr. Speaker, Sir, history has taught us that a nation with people who enjoy their full liberties will tremendously develop. In this regard, my Administration will ensure that we adhere to the Bill of Rights enshrined in the Republican Constitution, the Universal Declaration of Human Rights of the United Nations as well as all international human rights conventions to which Malawi is a party.

We will also adopt a human rights based approach by, among other things, promoting equal opportunities and choices and recognizing each person's inherent dignity and worth without discrimination.

Public Safety and Security

Mr. Speaker, Sir, my Administration is aware that recent global trends have posed a wide range of security threats to the Government and people of Malawi. These threats range from transnational organized crime, terrorist activities and natural disasters. In this regard, we are committed to providing a safe and secure environment conducive to the social, cultural, economic and political development of our people.

Mr. Speaker, Sir, I am aware that sometimes our security institutions do not perform their duties effectively and efficiently due to resource constraints. To address the challenges that our security institutions encounter, Government will, among other things:—

- enhance the capacity and professional competence of security institutions to enable them respond adequately to the security needs of the country;
- allow the Malawi Police Service and the Malawi Defence Force execute their mandates without political interference; and

- transform community policing into Citizen's Police which will be better equipped and trained in crime prevention.

Mr. Speaker, Sir, Government is concerned with the high influx of illegal immigrants trekking into our country. To address this challenge, we will intensify day and night patrols in all strategic boundaries. Furthermore, we will put in place programmes that will dissuade traditional leaders and their subjects from harbouring and aiding illegal immigrants.

Mr. Speaker, Sir, Government will also establish a National Security Council which will provide oversight on matters of national security.

International Relations

Mr. Speaker, Sir, the DPP-led Government believes in fostering international relations that can ably strengthen Malawi's drive towards a developmental state by embracing development diplomacy.

Mr. Speaker, Sir, while maximizing the country's comparative advantages in line with the *different but equal principle* under the law of nations, we will pursue people-centered international relations that will translate into Malawi's ability to meaningfully participate in international trade.

Mr. Speaker, Sir, our Government will ensure that the economy progresses towards self reliance and attracts primarily and progressively aid packages which support investment, productivity and long-term development projects.

Furthermore, Mr. Speaker, Sir, we will actively engage donors in dialogue towards mutual goals that include embracing of home-grown policies, doing away with one-size-fits-all approaches, and adopting people-centred development practices.

Mr. Speaker, Sir, we will establish and strengthen relations with development partners from the West, the East, North and South, alike. We will remain committed to the ideals of the Southern Africa Development Community (SADC), the Common Market for Eastern and Southern Africa (COMESA), the African Union (AU), the United Nations (UN) and other International Organisations where Malawi is a member.

Public Sector Management

The Civil Service

Mr. Speaker, Sir, as Honourable Members will agree, the success of any administration, and indeed, the ability of a government to efficiently deliver public services and enhance the welfare of its citizenry largely depends on the dedication and professionalism of the public service. In this regard, we will reorganize the public service in a manner that will promote professionalism, integrity, technical competence and efficiency.

Mr. Speaker, Sir, the Malawi Civil Service was once renowned for its professionalism and dedication to duty. It is therefore, regrettable that recently there has been laxity, indiscipline and pre-occupation with selfish motives by a few individuals, which led to the plunder of public resources through *Cashgate*. It is now becoming clearer as to what really happened; and therefore, Government will establish a corrupt-free Civil Service. This will be done through full compliance with existing public financial management rules, regulations and practices so as to enhance the professionalism of the Civil Service. Our aim, Mr. Speaker, Sir, is to restore the Civil Service to its past glory.

We will make sure that the Civil Service is non-partisan and serves the Government of the day. We will further ensure that civil servants strictly adhere to the chain of command in financial management. We will also ensure that no civil servant is victimised because of change of Government.

Mr. Speaker, Sir, my Administration will walk the talk on priority setting in this country, and as a start, we will, among others, reduce:

- the number of ministerial portfolios, including Deputy Ministers, to 20;
- the budgetary allocation for the maintenance of state residences; and
- the number of foreign missions abroad.

Public Service Appointments

The DPP-led Government will reduce concentration of power in the presidency, especially as it relates to the appointment and removal of heads of Governance Institutions and Parastatals.

Public Service Remuneration

Mr. Speaker, Sir, since this country attained independence, the objectives of implementing public sector reforms have been to strengthen and improve efficiency and effectiveness of all branches of Government.

Considering that the quality of public service delivery depends on the quality of the Civil Service, Mr. Speaker, Sir, my Administration will implement reforms aimed at improving the conditions of service and professionalism of our civil servants. We will therefore, ensure that the Civil Service is well-trained, professional, highly motivated, competent, corrupt-free and well remunerated. More importantly, recruitment and promotion will be purely based on merit and not on political affiliation.

Mr. Speaker, Sir, my Administration will establish a Public Service Remuneration Board, which will be responsible for the harmonization of pay in the public service. It will be mandated to remove the inequalities that exist in the system whereby

employees doing similar work at similar grades are remunerated differently merely because they work for different departments and agencies of the Government.

Mr. Speaker, Sir, Section 8 of the Public Service Act states that “The basis for remuneration of public officers shall be equal pay for work of equal value and recognition for excellence in the performance of their duties as determined by an objective method of evaluation”. We will, therefore, aim at achieving equal pay for equal work across the entire public service and put in place a mechanism for recognizing good performance. From the lowest to highest grade, training will be a pre-requisite in order to continuously raise the bar of excellence in the Civil Service. In order to provide equal and quality services to our people irrespective of their location, all civil servants working in rural areas will be given incentives to encourage them to continue providing efficient services to rural communities.

MACRO-ECONOMIC POLICY REFORMS

Mr. Speaker, Sir, after 50 years of attaining our independence, our economy is still fragile and marred by so many challenges. As a nation, we are still considered as one of the poorest countries in the world.

Mr. Speaker, Sir, experience has shown us that our development journey has been that of a vicious cycle, characterized by moments of brilliance, which have quickly been superseded by periods of stagnation.

Our economy is currently performing poorly due to problems that have emanated from fiscal slippages, among other factors. Our development partners have already expressed grave concerns over our poor public finance management and economic governance, as evidenced by gross fiscal fraud, to the extent that most of them have suspended their budget support to Malawi.

Government's immediate task is, therefore, to reverse this gloomy and precarious trend. Government will, therefore, design and implement sound macroeconomic policy reforms that will transform the economy to attain full recovery and achieve sustained inclusive economic growth and development. Government will also endeavour to allocate resources efficiently and create an enabling environment that allows the country to reduce non productive public expenditures and achieve positive and inclusive macro-economic growth, efficient mobilisation and allocation of resources.

Mr. Speaker, Sir, our foreign exchange reserves are still far from being adequate. As a nation, we are still being faced with challenges to build up foreign exchange reserves to stabilize the exchange rate and inflation. These are ills of our economy that have to be addressed immediately. It will be critical for my Administration to take stringent measures that will ensure that stability in macroeconomic indicators such as interest rates, inflation and exchange rates prevail in the economy.

To this end, Government will implement fiscal and monetary policy reforms aimed at reducing and eventually eliminating huge domestic borrowing, reducing balance-of-payments deficits and lowering interest rates in order to improve our domestic savings and investment financing.

We will implement a strict and disciplined fiscal policy on recurrent expenditures and management of donor funds, as provided by the law and international agreements.

Mr. Speaker, Sir, these efforts will restore private sector confidence in the economy.

2014/2015 Budget Framework

Mr. Speaker, Sir, after a careful review of what has been prepared so far, we find that the 2014/2015 Budget is far from being ready. The work that has been done so far is not well developed and the proposed budgetary allocations are either

illogical or conflicting with the DPP view points. Moreover, there are a number of issues that need to be resolved before the budget can be finalized, including consultations with the general public, the academia, private sector, civil society organizations, the Cabinet, the International Monetary Fund (IMF) and donors. We also need to verify the stock of arrears before the budget is finalized. We therefore, need more time to analyze the various problems so that we can come up with a budget that is more credible.

To this end, in accordance with Section 178 of the Malawi Constitution, the Minister of Finance, Economic Planning and Development will initially present a provisional budget for the period July-October, 2014. We expect to present the 2014/2015 Budget in September, 2014 when outstanding issues will have been resolved.

SUSTAINABLE ECONOMIC GROWTH

Agriculture and Food Security

Mr. Speaker, Sir, agriculture remains a key driver of our economy. About 85 percent of the country's population is engaged in agricultural activities. The contribution of this sector to GDP is currently at 30 percent and brings in over 80 percent of the country's export earnings. My Administration will, therefore, continue to prioritize the agriculture sector as a basis for maintaining sustainable livelihoods and inclusive economic growth.

Mr. Speaker, Sir, Government will continue to implement the Farm Input Subsidy Programme (FISP) to support maize production by subsistence maize farmers. We are, however, aware of the challenges faced in the implementation of the Programme. To address the challenges, Government will abolish the coupon system and put in place measures to ensure that the subsidized inputs are made available to subsistence maize farmers who deserve it.

Government will further institute reforms in the agricultural sector to support viable agro-processing industries, while at the same time increasing agriculture production through increased investments in agriculture extension, research, livestock production, horticulture, fish farming and irrigation agriculture.

To achieve this, Government will, among others:

- support rapid agricultural production by linking it with industry so as to ensure adequate and reliable supplies of raw materials to support our agro-processing industries;
- promote horticulture farming, processing and marketing through the establishment of horticulture bulking groups in rural areas who will be provided with cold room storage facilities and processing equipment;
- promote fish farming among smallholder farmers by constructing fishponds and dams in rural areas;
- promote community participation in livestock breeding and multiplication; and
- accelerate the restructuring of ADMARC to carry out social and commercial functions separately with a view to making it a viable and competitive institution that will no longer rely on Government subvention.

Mr. Speaker, Sir, Government is aware of the need to diversify agriculture exports in order to increase the economy's resilience to the impact of unstable prices in the global economy and to achieve sustained inclusive economic growth and development. In this regard, Government will promote:

- a “basket of commodities” that will initially include cotton, tobacco, sugar, tea, rice, paprika, cassava, groundnuts, sunflower and macademia nuts;

- cotton as a special crop through the establishment of an Integrated Cotton Textiles Industry that will eventually incorporate several industrial processes such as cotton ginning, cotton spinning, cotton weaving, cotton fabric printing and garment manufacturing; and
- value addition to increase export earnings from tobacco through manufacturing of cigarettes, pipe tobacco, snuff, cigars and cigarillos.

Irrigation Development

Mr. Speaker, Sir, the irrigation sub sector contributes to the economic growth of this country by supporting rain-fed agricultural production thereby leading to the attainment of both household and national food and income security.

Mr. Speaker, Sir, my Government will, in this respect, accelerate the implementation of the “Green Belt” Initiative.

The Green Belt will stretch from Karonga all the way to Nsanje and will entail irrigation of land of up to 20 kilometres from the water bodies.

Under the Initiative, crops such as rice, maize, millet, potatoes, cassava, beans, soya beans, wheat, lentils, sugarcane, cotton, groundnuts and sunflower will be grown for export and domestic consumption. To this effect, Government will provide more rural farmers with treadle pumps, sprinklers, and motorized pumps.

Mining

Mr. Speaker, Sir, Malawi is richly endowed with high value mineral resources which constitute an important source of wealth for development and foreign exchange for Malawi. The contribution of this sector to the country’s GDP has risen from

3 per cent in 2009 to 10 per cent currently; but has the potential to rise to 20 per cent by 2016 due to Malawi's unique mineral potential. Government will, therefore, prioritize the effective exploration of these resources.

Mr. Speaker, Sir, Government is committed to the promotion of the mining sector in the country. In this regard, we will endeavour to provide an enabling environment for attracting investments into the sector through the development of new policy, legal and institutional frameworks that protect the long term interests of the country.

Mr. Speaker, Sir, currently, there are a number of foreign companies that are actively engaged in the exploration and evaluation of various minerals in different parts of the country, including rare earth metals, uranium, gold and titanium bearing heavy mineral sands.

Mr. Speaker, Sir, I wish to inform this august House that Government, with support from the World Bank and the European Union started carrying out a country-wide airborne geophysical survey to identify areas with mineral potential and provide readily available information to prospective investors in the sector.

Mr. Speaker, Sir, Government will, in the coming financial year, commence a Geological Mapping exercise of the whole country, with support from the French Government. This will lead to the production of new geological, mineral occurrence, geochemical, metallogenic and seism-tectonic maps for our country.

Mr. Speaker, Sir, Government will also ensure that in future, mining contracts are properly negotiated to maximise benefits for the country. In this regard, Government will establish an independent contract negotiating unit in extractive resources. Further, we will subscribe to the Extractive Industries Transparency Initiative (EITI).

Tourism, Wildlife and Culture

Mr. Speaker, Sir, tourism, wildlife and culture have the potential to significantly contribute towards the country's socio-economic development through increased foreign exchange earnings, employment creation and the development of Micro, Small and Medium Enterprises (MSMEs). Despite this, the country is unable to fully realise the potential of the sector owing to, among other things, inadequate infrastructure, non-aggressive promotion and marketing strategies and stiff competition from other attractive tourist destinations globally.

In view of this, Government will identify and develop areas of tourist attraction where Malawi has a competitive advantage over other countries in the region. We will also enter into mutually benefiting partnerships with regional neighbours as well as establish recreational centres in major cities and towns of Malawi. Government will also develop the Bingu International Conference Centre (BICC) into an office and tourist park.

Industry, Trade and Private Sector Development

Mr. Speaker, Sir, Government recognizes the important role the private sector plays as an engine for economic growth and a source of direct revenue and employment. However, the business environment in Malawi has, in recent years deteriorated due to some macroeconomic, security and structural challenges. This has led to several economic problems such as low volume of foreign direct investments, low industrial output and unsustainable structural trade deficit, among several others.

In view of this, Government will strive to address these challenges by carrying out some regulatory and institutional reforms aimed at addressing constraints affecting enterprise

development in the country. We will improve Malawi's standing on the Ease of Doing Business Index so as to make Malawi a better investment destination.

We will also continue to implement the National Export Strategy which was launched in December, 2012, and will be implemented up to 2018. The Strategy provides a road map for developing Malawi's productive base to allow for both export competitiveness and economic empowerment. Government is determined to double exports in the next five years.

In addition, Government will:—

- facilitate the promotion of quality in local products and promote the **Best-Buy-Malawian** campaign;
- empower Malawians to venture into tangible businesses through deliberate economic empowerment strategies;
- support Malawians to enter into joint ventures with foreign investors;
- establish a “one-stop” investment centre to promote and encourage increased investment in the productive sectors especially in agriculture, mining, manufacturing and tourism; and
- strengthen and develop viable financial institutions that will undertake trade financing so that every product made in Malawi finds a market either locally or abroad.

Natural Resources and Environmental Management

Mr. Speaker, Sir, Government recognizes that conservation and protection of the environment and natural resources is important in promoting sustainable economic growth and poverty reduction.

In view of the challenges that natural resources are facing in Malawi due to competing needs of a growing population, industrial development, physical infrastructure and wildlife, Government will:

- continue to develop measures aimed at promoting cleaner energy practices that will help to protect, conserve and restore natural resources and the environment;
- cooperate with neighbouring countries to combat pollution and illegal dumping of toxic wastes;
- cooperate with international and regional institutions so as to develop more effective programmes for the management of natural resources;
- continue to comply with local, regional and international instruments in the management, preservation and protection of natural resources and the environment; and
- intensify reforestation programmes by promoting the planting of one tree per year by each citizen for the next five years at the end of which Malawi will have at least 50 million new trees.

Employment and Labour

Mr. Speaker, Sir, Government is concerned with soaring levels of unemployment in Malawi. My Administration will, therefore, implement a carefully selected mix of economic, fiscal, monetary, trade and investment policies in order to promote the creation of productive and decent employment. Investments in the productive sector of the economy will continue to be prioritized as the basis for creating new jobs.

Mr. Speaker, Sir, Government will encourage self-employment through the creation and empowerment of Micro, Small and Medium Enterprises.

Mr. Speaker, Sir, my Administration has elevated the Ministry of Labour to a key ministry because we believe it can play a critical role in the creation of decent jobs in the country. It is therefore, critical that the Ministry of Labour takes the lead in the planning and creation of new jobs to enable the education and training sector respond with appropriate skills development in order to meet human resource requirements in both the public and private sectors.

Integrated Rural Development

Mr. Speaker, Sir, a few years ago, the DPP-led Government embarked on the creation of new rural growth centres with facilities that are usually available in urban centres including tarred roads, piped water, electricity, banks, post offices, hospitals, secondary schools and trading centres, to facilitate rural development in the country. Under the programme, many Malawians in rural areas have been given the opportunity to access better information, education and grow their businesses.

Mr. Speaker, Sir, my Administration will, therefore, continue to create new rural growth centres and rural based enterprises, develop and strengthen rural co-operatives and facilitate the establishment of rural factories to spearhead rural development.

INFRASTRUCTURE DEVELOPMENT

Mr. Speaker, Sir, infrastructure development contributes to the realization of sustainable economic development for Malawi. Between 2004 and 2012, the DPP-led Government initiated and launched key infrastructure development projects which

include the Parliament Building, the President Hotel, the Bingu International Conference Centre, the Presidential Villas, the Karonga-Chitipa road, the Malawi University of Science and Technology (MUST), the National Stadium and the Kapichila Power Station.

Energy

Mr. Speaker, Sir, availability of reliable, sustainable and affordable energy, whether in the form of electricity, liquid fuels or biomass, is a necessary precondition for economic growth, social development and for the survival of all human societies.

In recognition of this fundamental link to economic growth, social development and human survival, Government is committed to the search for alternative sustainable energy sources and initiating energy projects that are cost effective and centred on the priority needs of the people and investors. We will, therefore, encourage Public Private Partnerships (PPPs) in the energy sector and:—

- introduce viable alternative sources of energy such as solar, wind and biogas;
- provide new incentives and opportunities to people in the rural areas to use electricity while growing more trees;
- enhance efficiency of the services of the Electricity Supply Corporation of Malawi (ESCOM) by separating its functions into electricity production, distribution and marketing which will be run by autonomous institutions; and
- encourage private sector players to invest in the energy sector.

Transport Infrastructure

Mr. Speaker, Sir, good transport infrastructure is vital for our development as it eases mobility of people and carriage of goods from one place to another. Government will therefore, give special attention to all transport sector initiatives as a catalyst for agricultural development, industrialisation, tourism and trade.

Road Transport

On road transport infrastructure, Mr. Speaker, Sir, Government is committed to the resuscitation and completion of construction of a number of road projects that include:

- Mzimba–Mzalongwe Road, Mzuzu–Nkhata Bay Road, Jenda–Embangweni–Edingeni Road, and Mzuzu city roads in the Northern Region;
- Lilongwe Old Airport–Kasiya–Santhe Road, Lumbadzi–Dowa–Chezi Road, Dzaleka–Ntchisi–Malomo Road and Lilongwe city roads in the Central Region, and;
- Zomba–Jali–Phalombe Road, Thyolo–Thekerani–Muona–Bangula Road and Blantyre city roads, including the Chipembere Highway in the Southern Region.

Furthermore, Government will promote the construction of a new and comprehensive network of rural access roads and trunk roads to serve rural areas; and upgrading, maintaining and repairing of roads and bridges across the country.

Water Transport

Mr. Speaker, Sir, on water transport, Government will operationalise the Nsanje World Inland Port once the feasibility study of the Shire–Zambezi Waterway Project is completed. The opening of the Port will cut transportation costs of imports and

exports by 60 percent. It will also support national development programmes and promote inter-state links with Mozambique, Tanzania, Zambia, Zimbabwe and the rest of the world.

Rail Transport

Mr. Speaker, Sir, under the rail transport sub-sector, Government will soon embark on the rehabilitation of existing rail lines and develop new railway networks for integration with regional networks. We will harmonise the railway policy, administration practices and procedures to ensure that railway networks are compatible with the other modes of transport.

Air Transport

Mr. Speaker, Sir, Government is poised to develop the air transport sub-sector. Government will, among other developments, continue upgrading and maintaining Kamuzu and Chileka International Airports; and construct international airports in Mangochi, Nsanje, Mzuzu and Karonga.

Water Development

Mr. Speaker, Sir, Government recognises that water development and the provision of clean and potable water is key to the socio-economic development of the country. Government will therefore ensure that clean and potable water is available to all Malawians in both urban and rural areas. Government will also construct five multipurpose dams across the country to make water resources readily available for multiple usage.

Information and Communication

Mr. Speaker, Sir, Government is aware that well developed information and communication infrastructure is essential to

the development of the country. In this respect, Government will ensure that affordable and quality communication services are available countrywide. My Administration will, therefore, ensure that our ICT infrastructure is modern and conforms to international standards.

Land

Mr. Speaker, Sir, land is an important factor of production which must be prudently utilised. However, Government is aware that the land sector faces several challenges, including high demand for land owing to rapid population growth; high rate of urbanisation; poor land practices; and insufficient public awareness on land related laws.

My Administration will, therefore, among other things:

- advocate for the enactment of all land-related Bills that were submitted to Parliament;
- improve land management and use for national development;
- undertake a land profiling study of the whole country in order to identify availability of land for various uses; and
- conduct comprehensive public awareness campaigns on existing land laws.

Housing

Mr. Speaker, Sir, every Malawian citizen has the right to decent housing. In this regard, my Administration will subsidize prices of iron sheets and cement so that people can afford to build their own houses. We will also encourage construction of low-cost, durable and habitable housing units by Government as well as the private sector to be sold to the people of Malawi who can afford.

Furthermore, the Malawi Housing Corporation will be organised to directly assist poor individuals to acquire low-interest loans from building societies, commercial banks and other lending institutions. There will be a more vigorous policy for rehabilitation, development and maintenance of all Government houses and buildings.

SOCIAL DEVELOPMENT

Public Health

Mr. Speaker, Sir, the public health sector is very important in the social and economic development of our country. However, as you might be aware, the health delivery system has, in the past few years, faced enormous challenges including non availability of essential drugs, medical supplies and facilities.

My Administration will, therefore, improve the health sector to ensure efficient and effective delivery of health services in the country. In this regard, Government will:—

- ensure that all districts in Malawi have adequate medical facilities, including primary health care within a reasonable walking distance from people's homes;
- end critical shortages of staff, medicine and drugs in all hospitals and clinics across the country;
- introduce new mobile medical facilities in the rural areas;
- promote new research in medical science and technology in public universities and other research laboratories so that medicine and treatment of patients conform to international standards; and
- intensify programmes aimed at managing HIV and AIDS and preventing its further spread.

Mr. Speaker, Sir, for the first time, Government will introduce a Health Insurance Scheme for all public servants while exploring possibilities of health insurance for all Malawians.

Education and Human Development

Mr. Speaker, Sir, Government recognises the role that education plays in fostering innovation and creativity. However, education standards in the country have plummeted due to a number of factors, including inadequate teaching and learning materials, insufficient classroom blocks and a high pupil-teacher ratio.

To address these challenges, Government will, among other things:—

- provide adequate teaching and learning materials in all public schools;
- construct and rehabilitate school blocks and girls hostels;
- promote learning of science, technology and technical subjects in our schools;
- provide computer laboratories in all public secondary schools; and
- revise the terms and conditions of service for teachers to make the profession attractive and competitive.

Mr. Speaker, Sir, with regard to human capital development Government will:

- design basic education in a manner that it produces youth who are able to engage in trade, business, production and self employment;
- create a Special Child and Youth Rehabilitation Fund to enable children and youth from impoverished families

have access to vocational and technical training that equips them to become self-reliant and entrepreneurs; and

- introduce innovative community colleges that will make use of existing structures in all the districts to provide practical knowledge and skills relevant to our economy and for self-employment.

Mr. Speaker, Sir, the DPP-led Government will fulfill its promise on new universities and colleges. In addition, Mr. Speaker, Sir, Government will, in the next five years add 10,000 new students to the Polytechnic, Mzuzu University, Lilongwe University of Agriculture and Natural Resources, Chancellor College and various Technical, Entrepreneurial, Vocational, Education and Training (TEVET) Programmes. Out of the 10,000 students, 6,000 students will pursue degree programmes in mining, geology, mineral processing, metallurgy, electronic engineering, telecommunications, construction technology, bio-medics, education, tourism, just to mention a few; while 4,000 rural youths will pursue various TEVET programmes.

Youth Development

Mr. Speaker, Sir, Government recognises the importance of the youth in national development. In this respect, Government will strive to effectively harness the potential of the youth and equip them with knowledge and skills necessary for their full participation in the social, cultural, economic and political development of the country.

Specifically, the youth will be empowered through the following initiatives:

- establishment of a National Youth Development Service (NYDS) to develop skills for the youth to enable them to be self-reliant;

- empowerment of the youth to articulate their own needs through the formation of area, district and national youth organizations;
- establishment of new vocational and business training centres for vendors; and
- creation of new opportunities for soft loans to enable the youth to start their own businesses.

Mr. Speaker, Sir, these initiatives will encourage our youth to develop a mentality towards non-white collar jobs and be prepared for self-employment and entrepreneurship.

Science and Technology

Mr. Speaker, Sir, the DDP-led Government is aware that there has not been a deliberate policy for developing science and technology for macroeconomic growth in our country. We will therefore give very high priority to locally-based research programmes and adaptation and utilization of science and technology specifically designed to convert our agricultural primary commodities, minerals and other natural resources into new wealth.

Women and Development

Mr. Speaker, Sir, the DPP-led Government is committed to gender parity, women empowerment and upholding of women's rights as a prerequisite to poverty reduction and sustainable development.

However, Government is concerned with the continued marginalisation and under-representation of women in our development process despite numerous efforts being made to uplift their status and improve their representation in the decision making positions of our country.

Mr. Speaker, Sir, my Administration is, therefore, determined to promote the status of women through affirmative action, empowerment initiatives and skills development.

Persons with Disabilities

Mr. Speaker, Sir, I wish to re-affirm Government's commitment to promote the quality of life of persons with disabilities and ensure that they fully participate in the social, cultural, economic and political development of the country. In this regard, my Administration will:—

- remove all forms of discrimination against people with disabilities, both in the public and private sector, in order to promote their right to social protection to enable them benefit from economic growth, development and prosperity; and
- expedite the finalisation of the Disability Policy to ensure effective implementation of the Disability Act.

The Elderly

Mr. Speaker, Sir, Government considers the elderly as important members of our society who deserve special attention. Government will, therefore, introduce a new culture to enable the elderly feel useful and appreciated and be able to impart their accumulated wealth of knowledge and experiences, specifically to younger generations and society in general, so as to preserve our tradition and heritage. Further, my Administration will continue to adopt special measures to provide the elderly with adequate medical facilities, clothing, food and other forms of social support within their own communities.

Media, Civil Society Organizations and Non-Governmental Organisations

Mr. Speaker, Sir, Civil Society Organizations (CSOs), Non-Governmental Organisations (NGOs) and the Media play an important role in the economic and social development of our country. In recognition of their role, Government will endeavour to motivate the CSOs and NGOs to meaningfully complement Government's work. To this end, Government will:

- review the NGO law to facilitate, and not stifle, their contribution in the development of the country;
- expedite the process to enact the **Access to Information** Bill into law;
- ensure that Malawi Communications Regulatory Authority (MACRA) and the Malawi Broadcasting Corporation (MBC) are professional and report to Parliament annually as required by law; and
- continue to create a conducive environment for freedom of speech and freedom of the press.

Disaster Risk Management

Mr. Speaker, Sir, disasters are becoming a common occurrence due to the impacts of climate change and environmental degradation, among other factors. Government will, therefore, put in place disaster risk management measures to enhance our preparedness to respond to disasters.

We will strengthen our early warning systems in order to enhance preparedness and timely response to disasters. Furthermore, Government will expedite the review of the Disaster Preparedness and Relief Act to guide in the management of disasters and disaster risks. We will work with development partners in planning, implementing, monitoring and evaluating programmes aimed at reducing the risks of disasters.

CONCLUSION

In conclusion, Mr. Speaker, Sir, I would like to assure the people of Malawi that my Administration will work tirelessly to deliver on its promises. It is sad to note that after 50 years of independence, a large proportion of our people still live in abject poverty. The majority of our youth remain jobless; many of our people do not know where their next meal will come from; and our infrastructure leaves a lot to be desired.

Mr. Speaker, Sir, we want to have a country where our youth have more paid employment, self-employment and entrepreneurship opportunities; where everyone has food at their table; where our people have decent accommodation; a country with modern infrastructure; where no one lives below the poverty line; and where the quality of life is high.

I wish to assure this august House that Government will do everything possible to ensure that Malawians live fulfilled and dignified lives. The DPP-led Government is determined to lay solid foundations and put effective systems in place.

We will reprioritise and allocate resources to productive areas with a view to promoting sustainable and inclusive economic growth. We will overhaul our public service systems to ensure effectiveness and efficiency in the delivery of services. This will help us realise well-planned and comprehensive development that guarantees a brighter future for our beloved nation.

To achieve this, Mr. Speaker, Sir, we must all strive for unity of purpose. I strongly believe that, together, we can turn around the plight of the people of Malawi. We can make Malawi a nation of endless opportunities and a better place for everyone. It will not happen overnight, but, with dedication and hard work, we can transform our country from poverty to prosperity.

I, therefore, call upon Malawians from all sectors of our society, namely: the public service, private sector, non-governmental

organisations, the civil society, the media, traditional leaders, religious leaders and members of all political parties to join me in transforming our economy for a better Malawi.

At this juncture, Mr. Speaker, Sir, I wish to express my sincere gratitude to the people of Malawi for their spirit of hard work and dedication. I also wish to acknowledge and appreciate the contribution of our development and cooperating partners towards the development of our country.

The DPP guarantees remain the same, Mr. Speaker, Sir, that we will work with, and for, all people of Malawi regardless of their geographical regions of origin, race, creed, or colour so as to develop one nation. We will work together for the common good of all our people.

With these remarks, Mr. Speaker, Sir, I now have the singular honour and privilege to declare the 45th Session of Parliament and the July-October, 2014 Provisional Budget Meeting officially open.

May the Almighty God bless Malawi.

Thank you, Mr. Speaker, Sir.

**TRANSFORMING OUR COUNTRY INTO A
PROSPEROUS NATION WITH A SHARED
VISION**

STATE OF THE NATION ADDRESS

by

**HIS EXCELLENCY
PROF. ARTHUR PETER MUTHARIKA
PRESIDENT OF THE REPUBLIC OF MALAWI**

on the occasion of

THE STATE OPENING OF THE 45TH SESSION
OF PARLIAMENT AND THE JULY-OCTOBER, 2014
PROVISIONAL BUDGET MEETING

LILONGWE

