



REPUBLIC OF MALAWI

STATE OF THE NATION ADDRESS

**“THE PATH TO ECONOMIC RECOVERY:
DELIVERING A PEOPLE-CENTERED
DEVELOPMENT”**

by

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

on the occasion of the

**STATE OPENING OF THE 2ND MEETING
OF THE 52ND SESSION OF PARLIAMENT
AND THE 2026/2027 BUDGET MEETING**

LILONGWE, MALAWI

Friday, 13TH February, 2026

- YOUR EXCELLENCY PROFESSOR GERTRUDE MUTHARIKA, FIRST LADY OF THE REPUBLIC OF MALAWI;
- RIGHT HONOURABLE DR. JANE MAYEMU ANSAH, SC, JUSTICE OF APPEAL (RETIRED), FIRST VICE PRESIDENT OF THE REPUBLIC OF MALAWI;
- RIGHT HONOURABLE ENOCK KANZINGENI CHIHANA, SECOND VICE PRESIDENT OF THE REPUBLIC OF MALAWI;
- RIGHT HONOURABLE SAMEER GAFFAR SULEMAN, M.P., SPEAKER OF THE NATIONAL ASSEMBLY;
- YOUR LORDSHIP HONOURABLE JUSTICE LOVEMORE CHIKOPA, SC, DEPUTY CHIEF JUSTICE, REPRESENTING THE CHIEF JUSTICE;
- HONOURABLE DEPUTY SPEAKERS;
- HONOURABLE LEADER OF THE HOUSE;
- HONOURABLE CABINET MINISTERS AND DEPUTY MINISTERS;
- HONOURABLE JUSTICES OF APPEAL AND JUDGES OF THE HIGH COURT;
- HONOURABLE LEADER OF THE OPPOSITION;
- LEADERS OF POLITICAL PARTIES REPRESENTED IN PARLIAMENT;
- HONOURABLE MEMBERS OF PARLIAMENT;
- YOUR EXCELLENCY DR. NANCY SAUNGWEME, DEAN OF THE DIPLOMATIC CORPS AND ALL HEADS OF DIPLOMATIC MISSIONS, HERE PRESENT;
- DR. JUSTIN ADACK SAIDI, CHIEF SECRETARY; AND ALL SENIOR GOVERNMENT OFFICIALS, HERE PRESENT
- TRADITIONAL LEADERS, HERE PRESENT;
- DISTINGUISHED INVITED GUESTS;
- LADIES AND GENTLEMEN.

Mr. Speaker, Sir, this is a historic Session of Parliament. This is the time my Government will present the first budget of our vision since the DPP returned to power.

This is the time my Government will begin implementing our manifesto and its economic programs in full.

Mr. Speaker, Sir, this House recalls that during my inauguration, I said that Malawi is in a crisis. And it is a man-made crisis that can be solved by humans.

When I got into office, there was no food for millions of Malawians. We could not produce our own food. Let alone feed our own people. There was no forex to import essentials including fuel. Businesses were closing.

Prices were rising every day. Life was becoming impossible for most Malawians.

At the same time, there were no medicines in the hospitals. We were a country that could not even afford basic painkillers. Sadly, very sadly, the economy was collapsing while public resources were being looted.

As soon as I took over Government, **Mr. Speaker, Sir,** I set out an agenda - to reverse the economic crisis and rebuild the economy.

I am here today, to report back to the nation, the progress we have made thus far and to unveil the plans that lie ahead.

Mr. Speaker, Sir, the journey started with restoring order in public sector management because we found total chaos.

In this regard, my Government has undertaken the following measures:

- 1.stopped fraudulent contracts;
- 2.reduced reckless travelling and spending on non-essential activities;
- 3.audited personnel and flashed out ghost workers; and
- 4.appointed officials on merit.

Mr. Speaker, Sir, my Government has introduced further measures targeted at economic recovery to restore macroeconomic stability and stimulate growth.

Accordingly, to bring the economy back on course and to reduce the hardships faced by our citizens, we have implemented the following strategic measures:

- 1.We bought maize to address the hunger crisis;
- 2.We procured affordable fertilizer within the shortest time possible and made it available to farmers; and
- 3.We restocked the fuel supplies to end the fuel crisis and resuscitate the private sector.

Mr. Speaker, Sir, what we have managed to deliver in four months, is far more than what some governments could not deliver in five years. It is for this reason that the theme of this address is:

“THE PATH TO ECONOMIC RECOVERY: DELIVERING A PEOPLE-CENTERED DEVELOPMENT”

Now, allow me, **Mr. Speaker, Sir**, to outline our national situation and plans on a sector-by-sector basis.

MACROECONOMIC ENVIRONMENT

Mr. Speaker, Sir, our nation continues to face a severe economic crisis.

But I would like to assure Malawians that we will succeed in restoring our lost glory. I do what I promise and I do not promise what I cannot do.

Mr. Speaker, Sir, as I speak, most prices have already stabilized and some are in fact going down. For instance, the price of maize and cement have gone down.

Mr. Speaker, Sir, we found inflation at 28.7% in September, 2025 and we project to reduce it to less than 21 % in 2026. We also found economic growth at 2.7% and we project it to rise to 3.8% in 2026 and 4.9% in 2027.

However, foreign exchange reserves remain below the desired three months import cover.

My Government is therefore implementing strong measures to support forex generation. These include the ongoing review of foreign exchange regulations, increased gold purchases and its monetisation.

Mr. Speaker, Sir, my Government has also instituted austerity measures to save resources for improved service delivery.

These include reducing fuel entitlements for Cabinet Ministers and Government officials; and also restricting local and foreign travel.

Mr. Speaker, Sir, I would like to thank Malawians for their understanding that we are in an economic crisis and we need to make tough and painful decisions, which will soon be offset by the expected gains.

DECENTRALIZATION AND LOCAL DEVELOPMENT

Mr. Speaker Sir, my Government has prioritised decentralisation to improve efficiency, accountability, and accelerate development at the grassroot level.

My Government has taken a bold step to increase the reformed Constituency Development Fund (CDF) from MK 220 million to MK 5 billion per constituency per year.

We have also shifted management responsibility to controlling officers in local authorities.

This is a fundamental transformation in how we finance local development.

Mr. Speaker, Sir, to ensure transparency and accountability, my Government has developed CDF Guidelines and will invest in national CDF digital dashboard to give Malawians real-time access to information on CDF.

Mr. Speaker, Sir, I want to make it very clear that these resources are for the benefit of local Malawians and are performance based. I will, therefore, not tolerate any mismanagement. Those found mismanaging resources will face the long arm of the law.

According to the Constitution, the National Local Government Finance Committee is mandated to facilitate financial management for local councils.

I expect this committee to be active, effective and urgently foster strong partnerships with key accountability stakeholders to ensure that councils account for the resources.

Mr. Speaker, Sir, as part of accelerating local development, I am pleased to announce that in the 2026/27 financial year, with financing from International Fund for Agricultural Development, my Government will construct 2-storey market buildings in the cities of Blantyre, Lilongwe and Mzuzu.

AGRICULTURE AND FOOD SECURITY

When I assumed office, Malawi was in a serious food crisis. The price of maize was beyond the reach of many families.

My Government bought maize and distributed it freely to Malawians in need. This strategic intervention increased maize supply on the market and brought prices down.

Today, maize is selling at between MK38,000 and MK55,000 per 50kg bag from around MK100,000 before my Government took over.

Despite getting into office almost a week before planting rains, we have made affordable fertilizer available to many Malawians.

We have so far distributed to 65% of the targeted 1.1 million beneficiaries. By this time last year, only 45% had received fertilizer.

In the 2026/27 Agriculture Season, Malawians should expect a better and improved delivery of affordable fertilizer programme.

However, I must emphasize that we need an affordable, and sustainable solution for fertiliser. As such, we are facilitating the commencement of fertilizer production in the country.

Mr. Speaker, Sir, You will also recall that we found many tobacco farmers stranded with 3.5 million kilograms of unsold tobacco on the auction floors.

In my mid-year budget review statement, I directed that the tobacco be sold. I am pleased to report that almost all the tobacco was sold, earning US\$8.6 million.

Mr. Speaker, Sir, despite billions of kwachas being channeled towards mega farms, the programme was a total mess.

I have since directed the responsible Minister to review and redesign the programme so that it works efficiently and serves all Malawians.

INDUSTRIALIZATION AND TRADE

Mr. Speaker, Sir, my development agenda is to transform Malawi from a consuming and importing nation to a producing and exporting one, with industrialization as the pillar of growth.

In pursuit of this agenda,

1. Government will continue with the development of Special Economic Zones to attract high-value investments.

These include Magwero, Chigumula, Matindi, and Dunduzu Industrial Parks; and

2. Government will also strengthen Cooperatives and Micro, Small and Medium Enterprises to boost value addition and increase import substitution.

Mr. Speaker, Sir, My Government will intensify support for local production to further drive down commodity prices, create jobs and grow the economy.

TOURISM DEVELOPMENT

Mr. Speaker Sir, My Government is committed to promoting tourism. I can report that we have operationalised the Tourism Authority to accelerate implementation of flagship projects such as:

1. Salima Integrated Tourism Resort; and
2. Likoma Activity Center.

ENERGY

Mr. Speaker, Sir, my Government is determined to invest adequately in the energy sector.

Electricity

For many years, the electricity sub-sector has been constrained by inadequate generation and aging infrastructure, resulting in frequent blackouts. We are determined to reverse this.

Thus far, we have:

1. Repaired generators at Tedzani Hydro, and restored 31 megawatts to the grid;
2. Commissioned 10 megawatts at Raiply Biomass in Mzimba; and
3. Installed another 10 megawatts at Nanjoka-Egenco Solar plant in Salima.

Our target is to raise generation capacity from the current 551 megawatts to over 1,000 megawatts by 2030.

Fuel

Mr. Speaker, Sir, when I assumed office in October 2025, the fuel crisis was at its peak. My Administration acted decisively to restore supply, end queues, and stabilize the sector.

Going forward, my Government will ensure that procurement of fuel remains a priority.

We will also double the national fuel storage capacity from 60 million to 120 million litres through the construction of new facilities in Blantyre, Lilongwe, and Mzuzu.

MINING

Mr. Speaker, Sir, mining is very key for Malawi's economic growth. However, the sector faces numerous challenges including:

1. Inadequate and limited mineral exploration;
2. legal and regulatory frameworks; and
3. Limited capacity to negotiate mining development agreements.

To this effect, Government has:

1. Suspended issuance of all types of licenses;
2. Initiated auditing of the licence registry; and
3. Banned the export of raw minerals pending review of the legal and regulatory framework.

Mr. Speaker, Sir, in addition, I have directed the Minister of Finance and the Minister responsible for Mining to enhance Malawi's capacity for negotiating Mining Development Agreements.

Going forward,
My Government will capacitate the state owned Malawi Mining Investment Company (MAMICO) to undertake detailed exploration of our mineral deposits.

Mr. Speaker, Sir, as I had promised, Government is at an advanced stage of establishing a Sovereign Wealth Fund to ensure that proceeds from mining benefit Malawians.

TRANSPORT INFRASTRUCTURE

Road Infrastructure

Mr. Speaker Sir, the state of our roads from Chitipa to Nsanje is extremely pathetic. You can't believe that the previous Administration stopped maintaining roads in 2022.

My Government is resuming maintenance of roads with immediate effect. In this regard, Government has reinstated the fuel Automatic Pricing Mechanism to ensure predictable flow of resources for road maintenance.

Mr. Speaker, Sir, I direct that tollgate revenues collected along the M1 Road be ringfenced for the maintenance of that road alone.

In November 2025, my Government launched the Resilient and Strategic Transport Operational Enhancement Project to address climate-induced damage in the Lower Shire.

Through this initiative, we will rehabilitate the 99-kilometre stretch of the M1 Road from Thabwa to Bangula, and strengthen drainage and culverts along the S152 Road from Thabwa in Chikwawa to Seveni Trading Centre in Nsanje.

In the 2026/27 Financial Year, Government will prioritize the rehabilitation of the following roads:

1. The M5 Road from Kaphatenga to Benga;
2. Four sections of the M1 Road between Lilongwe and Chiweta;

3. The Nsipe – Liwonde Road;
4. Masasa – Golomoti – Monkey Bay Turn off Road (Khwekhwerere Road); and
5. The Mangochi – Monkey Bay Road.

Additionally, my Government will upgrade the following roads:

1. The Lirangwe – Chipini Road section;
2. The Ntcheu – Tsangano – Neno –Mwanza Road;
3. The Chimwaza – Nambuma Road section; and
4. The Rumphu – Nyika – Chitipa Road.

Furthermore, we will construct the Thuchila Bridge and enhance the capacity of the M1 Road from Crossroads to Murray Road.

Mr. Speaker, Sir, we will rehabilitate more roads as we mobilize more financing.

Civil Aviation

Mr. Speaker, Sir, in partnership with Ethiopian Airlines, my Government will expand the Malawi Airlines fleet from three to ten aircraft within five years.

This strategic growth will increase international destinations from seven to twenty seven, thereby strengthening Malawi's global connectivity.

Rail Transport

Mr. Speaker, Sir, my Government is committed to move cargo and people at a low cost. We will embark on serious rehabilitations of the Marka-Bangula rail line among others.

In the 2026/27 Financial Year, my Government will:

1. Expedite the signing of a Memorandum of Understanding for the Nacala Rail Corridor;
2. Advance works on the Kanengo–Mchinji line; and
3. Commence feasibility and design studies for rail

expansion from the Central to the Northern Region.

Marine and Water Transport

Mr. Speaker, Sir, in the 2026/27 Financial Year, My Government will:

1. Complete construction of Likoma Port;
2. Rehabilitate and upgrade Chipoka Port; and
3. Facilitate private sector participation in lake transport to invest modern cargo and passenger vessels.

These efforts in the transport sector will position Malawi as a competitive hub for regional trade.

EDUCATION

Basic Education

Mr. Speaker, Sir, my Government is advancing quality basic education that will be accessible to all children. We will continue to introduce learners to digital skills and e-learning at a tender age. We will also introduce pre-primary education.

In the 2026/27 Financial Year, we will continue constructing primary schools under Malawi Education Reform Program, supported by the Global Partnership for Education.

Secondary Education

Mr. Speaker, Sir, last year, I announced that secondary education in public schools will be free except for boarding.

There were many doubting Thomases. Today, I can confirm that free secondary education has begun.

Financial burden on several parents has been lifted. Over 1,800 students who dropped out of school on financial grounds have already returned to school.

Higher Education

Mr. Speaker, Sir, my Government will continue to invest in higher education institutions. In 2026/27 Financial Year, my Government is going to allocate adequate financial resources for Mombasa University, whose construction had stalled.

Mr. Speaker, Sir, My Government will also continue providing loans to support students who cannot afford university education. We will raise the number of beneficiaries from the current 32,480 to 38,000.

HEALTH AND SANITATION

Mr. Speaker, Sir, during my Mid-Year Budget Review address, I directed that the drug shortage in public health facilities be resolved.

I am pleased to report that supply of drugs in our public health facilities has since improved. Our health facilities now have adequate stock of essential drugs including for malaria, TB and HIV/AIDS.

My Government increased health budget by MK17 billion, alongside an extra MK 5 billion dedicated to children vaccines. Funding of this scale, with our own resources, is the first of its kind in our history.

Mr. Speaker, Sir, I am also pleased to announce that in the coming Financial Year, Mzuzu Central Hospital will start offering dialysis services.

Mr. Speaker, Sir, my Government has secured a five-year grant of USD 744 million from the United States Government to support health services delivery. This funding is a strong vote of confidence in my Government.

Mr. Speaker, Sir, regarding healthcare infrastructures, my Government will commence construction of Blantyre and Chikwawa District Hospitals in the 2026/27 Financial Year.

Using the increased funding in Constituency Development Fund, I also expect more healthcare facilities to be built across the country.

LABOUR, YOUTH EMPOWERMENT AND SKILLS DEVELOPMENT

Mr. Speaker, Sir, labour is one of Malawi's most valuable resources. As such, my Government will:

1. Prioritise community colleges and resume constructing colleges that were abandoned;
2. Continue with the Graduate Internship Program; and
3. Allocate MK100 million soft loans for the Youth in every constituency, every year, starting in the 2026/27 Financial Year.

NATURAL RESOURCES

Mr. Speaker, Sir, natural resources are foundational to human existence, economic development and ecological balance. But Malawi is facing challenges of climate change and environmental degradation.

My Government will therefore implement policies that mitigate the negative impacts of climate change by:

1. Developing Climate Change Management Legislation to promote climate resilience and access to finance;
2. Implementing framework and safeguards for carbon market projects; and
3. Promoting reforestation to keep Malawi green.

WOMEN EMPOWERMENT AND SOCIAL INCLUSION

Mr. Speaker, Sir, I believe in leaving no one behind. We are therefore safeguarding and promoting the rights and welfares of women, children, and persons with disabilities, and in the 2026/27 financial year my Government will:

1. Commence the disbursement of MK100 million as annual soft loans for women in every constituency to support economic empowerment;
2. Disburse MK250 million in grants to persons with disabilities; and
3. Fully support the National Children's Commission, which Government launched in December, 2025 to promote the rights and welfare of children.

DISASTER MANAGEMENT

Mr. Speaker, Sir, in October 2025, I declared a state of disaster and appealed for humanitarian assistance to avert a hunger crisis.

Four million Malawians required emergency food relief valued at MK209 billion, of which MK138 billion has been mobilized. I wish to express my most profound gratitude to those who supported us in cash and kind.

Mr. Speaker, Sir, we however continue to experience more natural disasters.

This rainy season has so far caused 43 deaths, out of which 22 were due to lightning. In addition, 39,200 households, have been affected by floods, leaving families vulnerable in urgent need of support. My Government, would therefore, like to renew its appeal for support towards those affected by these calamities.

FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION

Mr. Speaker, Sir, since I took over Government, we have restored global confidence and trust in our country. We have recalled diplomatic and service passports that were unprocedurally issued in the past five years, thereby restoring the dignity of our travel documents.

Mr. Speaker, Sir, in the quest for economic transformation, my Government's strategy is to leverage our diplomatic missions abroad as hubs for investment and remittances. In this regard, we are recalling all diplomatic officers and we will replace them with fewer and qualified diplomats.

NATIONAL PEACE AND SECURITY

Passports

Mr. Speaker, Sir, the congestion we have been seeing at Immigration Offices is unacceptable. I mentioned in this House that I want to see an improvement. Mr Speaker, Sir, within my first one month in office, my Government added a heavy-duty passport printer that increased the number of passports printed per day.

As it stands, we have procured two more heavy duty printers. Mr Speaker Sir, we are on track to end the chaos.

National Identity Cards

Mr. Speaker, Sir, I am aware that most of the National Identity cards have expired. Therefore, this year, my Government will undertake a mass renewal of all expired National Identity Cards. We are also piloting a Digital Identity Wallet to modernise identity services and establish non-expiring identity cards.

CONCLUSION

Mr. Speaker, Sir, as I draw to a close, let me address a few strategic issues:

First, I direct all Ministries, Departments and Agencies to embrace digital technology. We need to ensure that Malawi's economy is driven by digital technologies.

Malawians must now fully utilize online platforms for application of passports, national IDs, and driving licenses, as well as for public procurement and other essential services.

Secondly, **Mr. Speaker, Sir,** I am directing everyone serving in my Government to follow the law and principles of good governance. My Government will always remain fully committed to strengthening good governance, upholding the rule of law, safeguarding justice, and ensuring fiscal responsibility to protect life and public resources.

Therefore, let me make it clear that my Government will arrest anyone involved in corrupt malpractices. **Mr. Speaker, Sir,** when I say anyone, I mean anyone! It doesn't matter whether you are a Cabinet Minister, Party official, Member of Parliament or Government official. I will shield no one. And there will be no sacred cows. Let us make Malawi a land of justice!

Mr. Speaker, Sir, let me end my address with an appeal to all the three branches of Government – Executive, Judiciary and Legislature.

In our respective line of duty, we must never make decisions that are against the interests of our country. We must be patriotic. This is the least we can do for the millions who look up to us, and for the generations yet to come.

Thank you!
May God bless you all!
And may God bless Malawi!