

Monday, January 23, 2023

Min for intensified irrigation farming

By Gospel Mwalwanda, contributor

Output for agricultural commodities could increase substantially if irrigation farming is scaled up at all levels, the Ministry of Agriculture has said.

This, the ministry said, could also help increase the sector's share to gross domestic product.

Principal Secretary

for Irrigation Geoffrey Mamba said this after touring projects under the Shire Valley Transformation Programme (SVTP) in Chikwawa District.

"We are reaching a stage where irrigation is the in-thing. It is the future of agriculture in the country," he said.

The Ministry of Agriculture is implementing the SVTP

through the Department of Irrigation (DoI).

SVTP is reportedly the biggest irrigation project in the Southern African Development Community region, building a 118-km main canal from Kapichira Dam in Chikwawa to Bangula in Nsanje.

It will irrigate 43,370 hectares of land by abstracting water from the Shire

River at Kapichira Dam and conveying it by gravity to irrigable areas in Chikwawa and Nsanje districts through secondary canals.

The main objective of the SVTP is to increase agricultural productivity and promote commercialisation among the two districts' targeted 223,000

The 14-year multi-

billion Kwacha programme is also intended to improve sustainable management and utilisation of natural resources in Chikwawa and Nsanje.

The World Bank, African Development Bank, Opec Fund for International Development, the Global Environmental Facility and the Malawi Government are funding

the first phase of the SVTP. The World Bank is currently funding the second phase of the project.

Mamba said the implementation of the SVTP demonstrates the government's desire to commercialise agriculture and improve farmers' livelihoods through increased crop production and revenue.

By Justin Mkwewu

Total nominal value for government listed securities—including Treasury bills (TBs) and Treasury notes (TN)—increased by 63 percent in 2022 to K2.67 trillion from K1.64 trillion in the preceding year.

This is according to figures contained in the 2022 Annual Economic Review released recently by financial advisory firm, Bridgepath Capital Limited.

According to the report, in the year under review, total applications for TBs amounted to K662 billion, representing a 61 percent increase from K410 billion applied for in 2021.

It adds that in 2022, the government awarded a total of K595 billion through TBs auctions, representing a 51 percent increase from K392 billion awarded in 2021.

The report says applications for TNs amounted to K1.36 trillion, an increase of 76 percent from a total of K777 billion applications in 2021 and that, during the period under review, the government awarded a total of K1.23 trillion through TNs auction.

"The increase in government borrowing in

Debt securities value up 63%



WORKING TO CONTAIN PRESSURE—Gwengwe

2022 has been on account of increasing fiscal deficits which are being financed through both domestic and foreign borrowing," the report reads.

Economist from Malawi University of



FOR PRUDENCE—Tchereni

Business and Applied Sciences Betchani Tchereni said the country mostly borrows to fund expenditure and loan repayment or interest payment.

He said this affects development strides

as the country mostly borrows for consumption rather than production.

"Most development projects come from outside the country which is not ideal. A country which borrows domestically to spend the

money on development budgets grows faster," he said.

Minister of Finance and Economic Affairs Sosten Gwengwe acknowledged that rising debt continues to pile pressure on the fiscal space.

In his mid-year budget statement, Gwengwe conceded that rising public debt was on account of persistent budget deficit, suspension of budgetary support and clearing arrears incurred in the previous financial year, among other things.

However, he is on record to have said that the government is working towards managing the debt levels while containing the appetite for borrowing.

Gwengwe said the government is working towards addressing the

situation by, among other things, narrowing the budget deficits and the debt-to-GDP-ratio by about 1.1 percent each year.

The Treasury has since set a debt treatment structure where it is asking creditors to restructure the debt.

The government is also on a grant mobilisation drive where a multi-donor fund has been set to solicit bailout packages.

Public debt increased to 64.0 percent of GDP in 2021, up from 54.8 percent of GDP in 2020.

Financing of fiscal deficits through domestic resources has led to the accumulation of domestic debt, which increased from 21.9 percent of GDP in 2020 to 31.2 percent of GDP in 2021 according to the World Bank.