



# Malawi

Malawi is a small landlocked country in south east Africa, with approximately one fourth of its area covered by Lake Malawi. It is amongst the 10 least developed countries in the world. Its economy is based mainly on agriculture: the country's staple is maize, while tobacco is by far the largest export crop. Malawi also depends heavily on foreign aid.

The aim of this report is to show where this country could go in the next years. It is true that Malawi faced a severe food crisis in the past two years, but with the assistance of international donors, this has now been somewhat solved. It is true that, like most countries in Africa, Malawi faces the challenges of HIV/AIDS, which is killing entire generations and posing a threat to the future of the whole continent: government, opposition parties, and international donors all cooperate in awareness campaigns and assistance to people in pain, but much more should be done at the international level. It is true that Malawi has not yet developed a full democracy: the opposition, the media, civil society, are not functioning properly.

Against this negative background, however, this country report wants to look at the future with some degree of optimism. An important decision was made in October 2003: first the IMF, followed by four European donors, recognising the progress made by government in macro-economic stability, decided to restore their budgetary support aid, which had been frozen for the past two years. This will probably boost the private sector, which in the past years has suffered from the high interest rates caused by the excessive borrowing by government. Malawi and its leader have finally realised that they cannot rely only on tobacco and subsistence agriculture: there is a need to diversify the economy and this is where Malawi wants to go in the short/medium term.

*Report and photos (unless indicated otherwise) by Maurizio Carbone*

