

Malawi loses K27bn natural resources

BY MADALITSO MUSA

AN economic study conducted by The Malawi Poverty and Environment Initiative (MPEI) has revealed that Malawi has been losing about K27 billion annually on unsustainable natural resources use since 2007.

The study, whose primary aim is to provide evidence on the costs and benefits of sustainable and unsustainable natural resource management in Malawi, focused on four selected natural resources: forestry resources, fisheries resources, wildlife resources and soils.

"Malawi pays a high price for unsustainable natural resource use. This cost is equivalent to giving up 5.3 percent of GDP each year.

Malawi would be richer by K26.6 billion (US\$191 million) each year in 2007 prices if soil, forest, fishery and wildlife resources were used sustainably," it reads.

The study says that natural resources can contribute significantly to the country's economy if put to good use. But the study bemoaned the mismanagement of the resources which makes the country lose a lot.

According to the study, the situation is worsened by lack of proper tracking of the losses since statistics are not properly documented.

"The economic contribution made by renewable natural resources to Malawi is very significant but is not adequately captured in official statistics. Estimates of Gross Domestic Product (GDP) do not record the

contribution of soils or wildlife. Even where natural resource use is recorded in GDP, the values tend to be understated. For example, official GDP figures in Malawi significantly understate the true contribution of forestry by not capturing the extensive use of wood for fuel," it reads.

It further states that due to soil degradation and negligence of the environment, the country GDP falls.

"There is compelling evidence that unsustainable natural resource management leads to increased poverty in Malawi. For instance, World Bank data from 1992 indicated average annual agricultural yield loss of four to eleven percent as a result of soil erosion, while a 2008 study ... estimated mean

annual yield losses of eight to twenty five percent.

"To relate, some evidence suggests that achieving six percent growth in agricultural yields during 2005-2015 would increase overall GDP growth by three to five percent per year, leading to the proportion in poverty falling to 34.5 percent by 2015. This is considerably lower than the 47 percent poverty rate projected in the absence of the additional agricultural growth."

The figure lost is more than the total funding allocated to the education sector and to the health sector in the 2009 Budget.

The report urged farmers to be motivated to adopt recommended technologies and techniques of conservation farming practices which will also enable them to make more profit on a sustainable basis.