

HIGHLIGHTS OF THE 2015/16 BUDGET STATEMENT

Introduction

- The 2015/16 budget does not have budgetary support from our development partners. The AfDB has, however, taken a decision to disburse budgetary support during the 2014/15FY. The EU and the World Bank may also resume budgetary support to Malawi during the 2015/16FY and should that happen, the resources will be used to procure additional vehicles for the Malawi Police Service.
- However, while budgetary support is dwindling, development partners are now providing more off-budget support. It is important, therefore, that the analysis of the budget should take into account this structural change.

Performance of the FY2014/15 Budget

- The revised 2014/15 budget of K800.7 billion is expected to hold to the end of the financial year. The projected revenues and grants are expected to be higher than the revised amount by K42.3 billion to K683.3 billion. This is mainly on account of a substantially large amount of RBM dividend received in the year.
- The major pressure points for the budget included Wages and Salaries which increased from K163 billion to K198 billion due to recruitment of 10,500 primary school teachers and 500 secondary school teachers, and the salary increase demands in the public service. In addition, interest payments on debt rose from K80.4 billion to K105.9 billion mainly as a result of an increase in the domestic debt stock.
- The overall deficit for the 2014/15 budget of K117.4 billion is projected to be higher than was budgeted by K10.3 billion,