

ECAMA NEWSLETTER

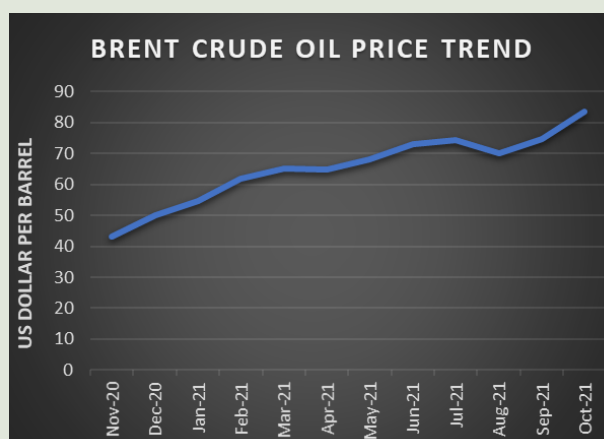
OCTOBER 2021 ISSUE

The official monthly newsletter of the Economics Association of Malawi

Feature Article BEHIND THE FUEL PRICE INCREASES

Brent Crude Oil produced in the North Sea is considered a major benchmark price for purchases of oil worldwide. Oil production from other regions of the world such as Europe, Africa and the Middle East tend to be priced relative to this oil. Petrol and diesel are derivative products of crude oil. Brent crude oil prices have been steadily increasing in 2021, recording their highest in October at US\$85 per barrel (/b) owing to a US\$10/b increase in the preceding month. The surge in oil prices is mainly due to the increase in demand as economies worldwide start to recover and open up. Despite the increase in demand, the Organization of Petroleum Exporting Countries (OPEC) stands by the decision made at their last conference to only increase production by 400,000 barrels per day in November 2021.

Oil supply is forecasted to reduce as the northern hemisphere begins to experience colder weather. According to the United States Energy Information Administration, Brent Crude oil prices are expected to remain near current levels, averaging US\$81/b, for the remainder of 2021, largely due to the lower global supply of oil.



Source: Federal Reserve Economic Data (FRED)

However, in 2022 oil prices are expected to drop as a result of growth in production across a range of producers, OPEC included.

To what extent does the fuel price increase affect the economy and livelihoods? Increase in fuel prices impacts the economy by increasing inflation rates through, initially, increases in the cost of production and transportation. Furthermore, the increase in fuel prices also increase the public's longer-term inflation expectations which puts additional upward pressure on inflation. The rise in inflation leads to an increase in the cost of living and a reduction in the purchasing power, hence a deterioration in poverty levels.

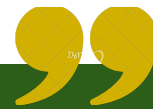
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Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the State.



– Adam Smith

HIGHLIGHTS FOR THE MONTH

THIRD ECAMA EXECUTIVE COMMITTEE MEETING

ECAMA Executive Committee held its third meeting of the year 2021 on 8th October 2021 at Sunbird Livingstonia Hotel in Salima. The meeting was chaired by ECAMA President, Lauryn Nyasulu. Among several issues which were discussed, it was agreed that elections for the vacant post of the Vice President in the Executive Committee should take place during the annual economic conference scheduled for November 2021.



2021 Q3 ECAMA Executive Meeting in progress

At the meeting, the Secretariat shared some proposed plans to increase the Association's visibility and the benefits which members derive from their membership. The plans will be shared with all members once they are approved by the Board of Trustees.

WORKSHOP FOR PEER REVIEW OF RESEARCH PAPERS

Following a call for papers in preparation for the PFM Research Symposium, ECAMA organized a workshop in Mponela on 11th October, 2021 to peer review papers which were submitted. Participants included

consortium members from Oxfam in Malawi and Lilongwe University of Agriculture and Natural Resources, research experts and ECAMA Executive Committee member.

The Secretariat received a number of full research papers from various researchers in different sectors including the academia. The main objective of the workshop was to review each paper by assessing its relevance to the conference topic, appropriateness of methodology used, quality/clarity of empirical findings, relevance of recommended policy and general coherence/quality of the paper. Papers that received a high rating were selected to be presented at the research symposium.

The research symposium which was initially scheduled for 21st October 2021 has been rescheduled to take place on 30th November, 2021.

ECAMA ATTENDS FIMDA ANNUAL CONFERENCE

ECAMA attended the 2021 Financial Market Dealers Association (FIMDA) annual lake conference held at Sunbird Nkopola in Mangochi from the 15th - 17th October, 2021. The theme for the conference was **"Fostering a Resilient Financial System and Economy: The Role of Market Participants"** which resonated well with one of the sub themes for ECAMA's upcoming annual conference called "building resilient industries amidst the COVID-19 pandemic".

ECAMA is of the view that the other sectors could draw some lessons from the financial sector resilience to the COVID-19 pandemic shock.

UNIMA WINS THE 2021 UNIVERSITY STUDENTS' DEBATES

The finals for the 2021 University Students' Debates competition were held on 29th October, 2021 at Sunbird Capital Hotel in Lilongwe. This followed a 3 months long competition involving eight universities from across the country. University of Malawi (UNIMA) and Blantyre International University (BIU) emerged as finalists from tightly contested semi-final rounds between UNIMA and Lilongwe University of Agriculture and Natural Resources, and BIU and Malawi Assemblies of God University (MAGU). BIU was the most improved team this year as they outclassed the 2019 University Students' Debates champions, Catholic University of Malawi, in the preliminary rounds and went on to win against the Malawi Assemblies of God University in semi-finals.



BIU debaters pose with the RBM Deputy Governor Dr Grant P. Kabango and Oxfam in Malawi Country Director Ms. Lingalireni Mihowa

The Guest of Honor at the event was the Deputy Governor of the Reserve Bank of Malawi, Dr Grant P. Kabango. The finals were also graced by representatives from European Union Delegation to Malawi and Oxfam in Malawi, government officials from Ministries, Departments and Agencies and members from various Civil Society Organizations.

UNIMA emerged as the winners of the 2021 University Students' Debates competition and walked away with trophy and prize money amounting to K500,000.00.

BIU, who were the runners up received medals and K250,000.00.



The 2021 University Students' Debates Winners

ECAMA acknowledges the highly valued technical and financial support that has been provided by the European Delegation to Malawi and Oxfam in Malawi in order to make this year's students' debates competition a success. ECAMA would also like to sincerely thank the management of all the participating universities, the coaches and students for participating in this year's debates. We also extend our gratitude to the judges of the competition for availing themselves.

REMINDER

2021 MEMBERSHIP SUBSCRIPTION

ECAMA would like to encourage its esteemed members to renew their membership and pay subscription fees for 2021.

The corporate membership categories and their annual fees are as follows:

Platinum Members	K3,000,000
Gold Members	K1,500,000
Silver Members	K500,000

Individual membership annual fees are at K50,000 per member and K5,000 each for students.

The membership form can be downloaded from the following link:
<http://www.ecamamw.com/about-us/membership>

UPCOMING EVENTS

Date	Activity	Venue
04/11/2021	PFM Research Teams Capacity Development Workshop	Mponela
11/11/2021	2021 ECAMA Annual Economic Conference	Mangochi
30/10/2021	Public Finance Management Research Symposium	Lilongwe

OFFICIAL COMMUNICATION CHANNELS

Any update on activities being undertaken by the Secretariat in collaboration with the Executive Committee is officially communicated through the following:



www.ecamamw.com



facebook.com/ECAMA4



twitter.com/ECAMA_official



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