Sovereign Debt News Update No. 169: Reclaiming Value Through Mineral Beneficiation: Malawi's Suspension of Mining Licenses and Ban on Raw Mineral Exports

By:

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Like many resource-rich African economies, Malawi has historically exported raw materials with limited downstream processing. In a new development, on the 13th of February 2026 during Malawi's 2026 State of the Nation Address, President Arthur Peter Mutharika announced a wide-ranging set of measures that are set to reshape the governance trajectory of the country's mining sector. These measures include the immediate suspension of the issuance of new mining licenses, a ban on the export of raw minerals, and a full audit of the licensing registry. These announcements were framed as part of a broader effort to enhance transparency, improve efficiency in mineral rights administration, and ensure that Malawians derive greater value from their

mineral wealth. The announcements followed an order by the country's vice president to review all existing contracts, a procedure scheduled to take 21 days. According to reports, the suspension and export freeze are linked to a comprehensive audit of existing mining contracts and licenses, with the government signaling its intent to reset the sector and align it with national development priorities.

Background

Malawi's minerals include rare earth elements, uranium, graphite, bauxite and gemstones such as rubies and sapphires. Despite being resource-rich in this regard, Malawi has not been able to benefit as much as it should from its mining industry. This is particularly interesting, considering that although mining is a major contributor to Malawi's economic expansion, the industry does not bring in enough money for the nation; an acknowledgement made by the President in his address. In the tradition of the Africa Mining Vision's call for mineral based industrialization, these steps taken by the Malawian government reflect a deliberate pivot toward mineral beneficiation and value addition as central pillars of economic transformation. At the heart of the development in Malawi is a recognition that exporting raw minerals entrenches structural dependency and forecloses opportunities for domestic industrialization.

The Africa Mining Vision calls for transparent, equitable and optimal exploitation of mineral resources to underpin broad based sustainable growth and socio-economic development. In alignment, Malawi's Department of Mining is currently engaging key stakeholders on Draft Regulations intended to regulate the exportation of minerals from the country. The drafting of these Regulations followed Executive Order Number 2 of 2025, which prohibits the exportation of raw and unprocessed minerals. The proposed regulatory framework seeks to ensure that minerals extracted within Malawi undergo local processing or value addition prior to export, thereby anchoring greater economic activity within national borders. This policy direction is expressly aligned with the MW2063 Vision, which prioritizes industrialization, job creation, and value chain development as central pillars of economic transformation. By promoting mineral beneficiation, the Regulations are expected to stimulate domestic manufacturing, attract investment into processing and downstream industries, generate employment opportunities, and strengthen productive

linkages between mining and other sectors of the economy.

It is imperative that Malawi's recent policy shift be understood within this continental framework, which emphasizes downstream processing, local content, and linkages between mining and other sectors of the economy. Rather than allowing mineral extraction to function as an enclave economy, the government appears intent on restructuring the sector to stimulate local processing industries, create employment, and expand fiscal space. The timing and scope of these measures suggest that the suspension of new licenses and the ban on raw mineral exports are not isolated administrative actions but components of a deeper structural reform agenda.

The Suspension of New Mining Licenses and Audit of Contracts

According to reports, the decision to suspend the issuance of new mining licenses pending a comprehensive review of the sector was accompanied by an order to audit all existing mining contracts and mineral rights, with the stated objective of identifying irregularities, strengthening oversight, and ensuring compliance with the country's legal framework. The audit is expected to examine the terms under which licenses were granted, the extent of compliance with environmental and fiscal obligations, and whether the country is receiving fair value from its mineral resources. By pausing the issuance of new licenses, the government has effectively created policy space to assess institutional weaknesses and recalibrate regulatory mechanisms before further expanding extraction activities.

The Ministry of Mining of Malawi reportedly indicated that the suspension would remain in force until the audit process is concluded and new administrative safeguards are put in place. This suggests a recognition that unchecked licensing, particularly in contexts of weak oversight, can undermine revenue mobilization and public trust. Reports indicate that officials framed the move as necessary to "*bring efficiency and transparency in the mineral rights administration*," underscoring concerns about governance gaps within the sector. The government has therefore signaled that no new licenses will be issued during the review period, and that existing agreements will be scrutinized to ensure they align with national interests.

Alongside the licensing suspension, the government announced a ban on the export of raw minerals, including gemstones and precious minerals, as part of a broader strategy to promote value addition within the country. Reports indicate that the freeze on exports was implemented with immediate effect and is tied to the ongoing audit process. By retaining minerals within national borders for processing, Malawi seeks to stimulate domestic industries such as cutting, polishing, refining, and manufacturing, thereby generating employment and technology transfer. The emphasis on transparency and administrative efficiency suggests that the export freeze is intertwined with broader governance reforms rather than a standalone trade restriction. For a country seeking to address persistent current account deficits and limited industrial capacity, the shift toward beneficiation represents a strategic recalibration. It signals an understanding that long term development cannot be anchored in the perpetual export of unprocessed commodities.

Crucially, the audit and suspension also reflect heightened awareness of the risks associated with opaque contracting and revenue leakages in mineral rich but fiscally constrained economies. Malawi has long struggled with fiscal pressures, debt sustainability challenges, and foreign exchange shortages. Ensuring that mining contracts are transparent, equitable and development oriented is therefore central to strengthening domestic resource mobilization. By placing a temporary halt on new licenses, the government is asserting regulatory control over the pace and direction of mineral sector expansion, rather than allowing market forces alone to dictate outcomes. This approach is consistent with continental debates that stress the need for states to exercise policy sovereignty in structuring mineral governance frameworks.

Regional Trends and Continental Context

Malawi's turn toward mineral beneficiation is not occurring in isolation. Across the continent, several countries have adopted policies aimed at restricting the export of raw minerals and encouraging domestic processing. For example, in June 2023, Namibia had already banned the export of unprocessed lithium and other critical minerals. As reported in the Afronomicslaw Sovereign Debt News Update No. 159, in May 2025, Guinea took a bold step towards tightening oversight in its mining sector by revoking the licenses of 46 mining companies. In June 2025 Zimbabwe announced an export ban on certain raw minerals to

promote local value addition, effective 2027. In June 2025, Tanzania introduced measures to require in country processing of gold. In February 2026, Ghana has also announced policies aimed at strengthening local content and downstream processing in its mineral sector. These developments reflect a broader continental shift toward beneficiation as a means of restructuring Africa's position in global value chains.

In this context, Malawi's measures align with an emerging pattern of African states asserting greater control over mineral governance to promote industrialization. The Africa Mining Vision explicitly encourages states to leverage mineral resources for structural transformation, including through local processing and manufacturing. By suspending new licenses and banning raw exports, Malawi is operationalizing these principles in a concrete manner. The trend suggests that mineral governance in Africa is increasingly shaped by developmental imperatives rather than narrow extraction focused models.

It is important to highlight that the timing of this wave of mineral beneficiation is notable. Global competition for critical minerals is intensifying, with the United States, China and the European Union actively securing supply chains. Smaller producers are under pressure to negotiate from a position of strength rather than fragmentation. By temporarily consolidating control over licensing and export policy, Malawi (and many other countries who have jumped onto this wave) are set to contributing to a broader continental reimagining of mineral governance grounded in transparency, equity, and transformative development.

Conclusion

Malawi's suspension of new mining licenses, ban on the export of raw minerals and audit of the license registry mark a significant inflection point in the governance of its mineral sector. Situated within the normative framework of the Africa Mining Vision, the policy shift reflects a deliberate embrace of mineral beneficiation as a pathway to industrialization and structural transformation. By seeking to retain greater value within its borders, Malawi is challenging the long-standing pattern of exporting unprocessed commodities with limited domestic benefit.

As other African countries pursue similar strategies to deepen value addition and strengthen local linkages, Malawi's experience will offer important lessons on the design and implementation of beneficiation policies. The success of this approach will hinge on institutional reform, industrial capacity building, and sustained political commitment. If effectively executed, the current reset could position Malawi's mining sector as a driver of inclusive growth rather than an enclave economy.

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