



National Statistical Office of Malawi

CIRA & NSO Market Advisory: Impact of Recent Fuel Price Increases on Construction Costs Indices

Background

Fuel is a key input in construction. It is a key driver of construction costs, affecting both plant operations and logistics.

The Malawi Energy Regulatory Authority (MERA) approved new petrol and diesel pump prices effective 1st April 2026, following significant global supply disruptions linked to the ongoing Middle East conflict. Compared to Quarter Four 2025-2026 prices, petrol and diesel have increased by 34% and 35%, respectively.

Approved Pump Prices (effective 1st April 2026)

Product	Previous Price (MWK/Litre)	New Price (MWK/Litre)	% Change
Petrol	4,965	6,672	34%
Diesel	4,945	6,687	35%

Implications for Construction Costs

- Immediate to medium term upward increases in the cost of key materials, freight and other inputs as costs are passed on to the next level of production.
- Likely shortage of the fuel on the market which may worsen logistics lead-time and reliability
- Construction plant and equipment operating costs increase hourly costs and reduce productive machine hours per budgeted fuel allocation

Important Clarification:

The fuel price adjustment was made after the close of the Q4 2025/26 reference period (January–March 2026). **Therefore, the Q4 Construction Cost Indices do not reflect these new fuel prices and should be interpreted as reflecting market conditions prevailing during the January to March 2026 period only.** The impact of the fuel price increase will be captured in the next publication (Q1 2026/27 indices).