

# Macro-economics of Zambia (December 2019)

Embassy of Japan in the Republic of Zambia  
Economic Cooperation/Affairs Section

## 1. Monthly News (Economics)

<p><b>1. "State wants foreign investors to offload shares locally" (Times of Zambia, Monday 2<sup>nd</sup>)</b> Foreign investors conducting business in Zambia should off-load a percentage of shares to the locals through listing on the Lusaka Stock Exchange, Finance Minister Bwalya Ng'andu has said. Dr. Ng'andu said local ownership in the business entity guaranteed sustainability and was a way of empowering the locals.</p>
<p><b>2. "Wina confident Sweden will resume SCT support" (Times of Zambia, Thursday 5<sup>th</sup>)</b> Vice-President Inonge Wina has appealed to the Swedish Government to resume funding towards the Social Cash Transfer (SCT) scheme. She said yesterday that the withdrawal of funding by the Swedish Government had a negative impact on many Zambians who were benefitting from the program. She said Government had taken measures by commencing legal action against the suspects to curb all malpractices in the administration of the scheme. Mrs. Wina was speaking when Swedish Envoy to Zambia Anna Hultgard paid a courtesy call on her.</p>
<p><b>3. "BoZ banks on agriculture to rein in inflation" (Times of Zambia, Monday 9<sup>th</sup>)</b> The Bank of Zambia (BoZ) has said Zambia's inflation rate will reduce within six to eight percent target range in the medium to long term if the agriculture production improves. BoZ Governor Denny Kalyalya said there was still hope that the agriculture sector would improve with anticipated better rainfall this farming season. Zambia's production capacity is currently under pressure due to the extended hours of load-shedding which had led to low agricultural production.</p>
<p><b>4. "Mines produce 600,000 tons of copper" (Daily Mail, Thursday 12<sup>th</sup>)</b> The mining sector has this year produced 667,173 tons of copper compared with 741,560 tons produced in 2018. This represents a decline of about 73,387 tons of copper. Zambia Chamber of Mines (ZCM) president Goodwell Mateyo said the downgrade was necessitated by the drastic drop in imports from the Democratic Republic of Congo (DRC) from about US\$100 million by December 2018 to zero in January 2019.</p>
<p><b>5. "SA electricity deal intact" (Daily Mail, Saturday, 14<sup>th</sup>)</b> Minister of Energy Matthew Nkhwa says Eskom of South Africa will continue supplying power to Zambia until the US\$27 million contract expires. Mr. Nkhwa said a power agreement was signed with Eskom before South Africa experienced a power crisis. He was responding to a question from Leader of the Opposition in Parliament, Jack Mwiimbu who wanted to know what will happen to the power agreement with Eskom now.</p>
<p><b>6. "Zambia seeks \$50bn for greenhouse gas control" (Daily Mail, Sunday 15<sup>th</sup>)</b> Zambia is seeking about US\$50 billion to implement its ambitious initiative of reducing greenhouse gas emissions by 2030. The Ministry of National Development Planning has told delegates to the ongoing UN Climate Change Conference (COP25) in Madrid, Spain, that Zambia has developed an ambitious National Determined Contribution aimed at reducing greenhouse gas emissions.</p>
<p><b>7. "Marijuana legalized" (Daily Mail, Tuesday 17<sup>th</sup>)</b> Chief Government spokesperson Dora Siliya confirmed that Cabinet approved to the Ministerial Technical processing and exporting of cannabis for economic and medicinal purposes. Ms. Siliya said Cabinet directed the Ministry of Health to provide overall leadership and coordinate the issuance of licenses for the cultivation, processing and export of cannabis for medicinal purposes under the Dangerous Drugs Act.</p>
<p><b>8. "Digital stamps to enhance compliance- ZRA" (Daily Nation, Sunday 23<sup>th</sup>)</b> The Zambia Revenue Authority (ZRA) will next year start implementing the Digital Tax Stamp (DTS) to enhance compliance particularly on products that attract Excise Duty such as alcohol and beverages. ZRA Corporate and Communications Manager, Topsy Sikalinda, said the DTS was one of the innovations that the Authority had planned to undertake in its 2019-2021 Corporate Strategic Plan.</p>

## 2. Main Economic Statistical Indexes

Economic Index	2018	2019
1. Population (millions)	17.6	18.1 (est)
2. Population growth rate (%)	2.9	2.84 (est)
3. Unemployment rate (%)	11.5	11.4
4. Life expectancy (age, M/F)	51.4/54.7 (est)	-
5. GDP (million USD)*1	26,720	23,620 (est)
6. GDP growth rate (%)	3.8	2.0
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	11.7 (Dec)
9. Consumer Price Index (year 2009 =100)	216.99 (Dec)	242.42 (Dec)
10. Balance of trade (million USD)	-438.39	42.03 <sup>*2</sup>
11. Balance of trade against Japan (million USD)	109.86	97.2 <sup>*3</sup>
12. Export (million USD)	9,059.36	6,697.10 <sup>*2</sup>
13. Export against Japan (million USD)	168.3	138.82 <sup>*3</sup>
14. Import (million USD)	9,497.75	6,655.06 <sup>*2</sup>
15. Import against Japan (million USD)	58.44	41.62 <sup>*3</sup>
16. Balance of current account (million USD)	-342	-1,117 (est)
17. Outward direct investment (million USD)	5,048	-
18. Inward direct investment (million USD)	25,777	-
19. Gold, Foreign currency reserve (million USD)	1,590 (est)	1,405 (Jul)
20. External debt (million USD)	10,050 (Dec)	10,560 (Sep)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	14.38ZMW (Dec)
22. Main policy interest rate (annual rate, %)	9.75 (Nov)	11.50 (Nov)

\*1 GDP at market prices (Current USD)

\*2 Accumulated average rate: January-November 2019. 1USD = 12.78ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-November 2019. 1USD = 109.6YEN (Bank of Japan)

<Source> 1, 2, 5, 16, 19: EIU Country Report/4: The World Factbook (CIA) /3, 8, 9, 10, 12, 14: Monthly Bulletin (CSO)/6, 20: Ministry of Finance/ 7: World Bank/11, 13, 15: Trade Statistics of Japan (Ministry of Finance Japan) /17, 18: IMF/21, 22: Bank of Zambia

## 3. Trade Statistics

### • Export

#### 1. Export destination (November 2019)

1<sup>st</sup>: Switzerland 38.9%  
2<sup>nd</sup>: China 18.3%  
3<sup>rd</sup>: Congo DR 11.6%,  
4<sup>th</sup>: Singapore 8.7%  
5<sup>th</sup>: South Africa 8.2%  
Other destination 14.3%

#### 2. Export products

Copper anodes for electrolytic refining; Copper blister; Rubbies, Sapphires and emeralds, worked but not set; Electro-won copper cathodes; Bullion semi-manufactured forms; and Sulphur of all kinds.

### • Import

#### 1. Import destination (November 2019)

1<sup>st</sup>: South Africa 29.3%  
2<sup>nd</sup>: China 16.1%  
3<sup>rd</sup>: UAE 10.1%  
4<sup>th</sup>: Japan 9.1%,  
5<sup>th</sup>: India 4.1%  
Other destination 31.3%

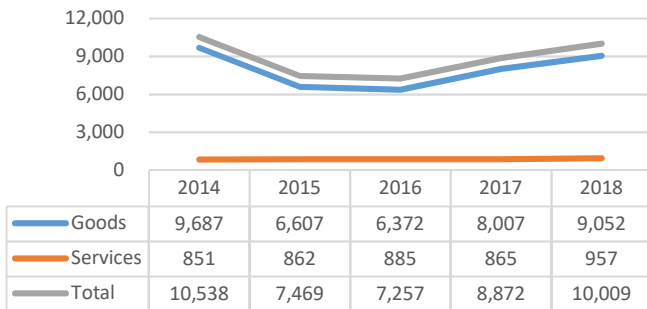
#### 2. Import products

Petroleum oils and oils obtained from bituminous minerals, Crude; Gas Oils; Sulphur of all kinds (excl. sublimed, precipitated and colloidal sulphur); Motor Spirit; and, Road Tractors for semi-trailers.

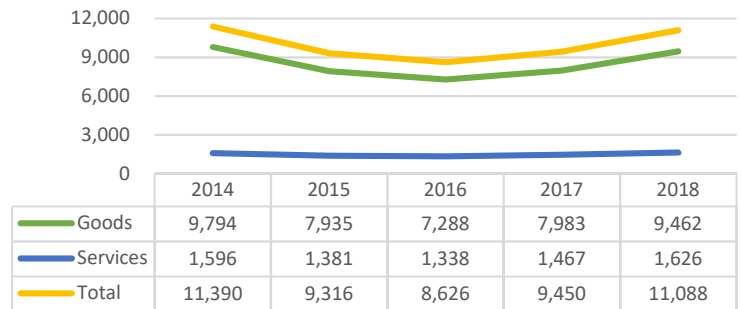
## 4. Topic of the Month: Trade

- Export and Import values have been increasing in recent years, of which 90% of the total trade accounts for trade in goods.
- Switzerland and China occupy the majority share of exports destination (Japan: 0.3% of the total export), the major products are copper and cobalt.
- South Africa, Congo DR and China occupy the majority share of imports destination (Japan: 1.8% of the total import), the major products are oils and copper ores.

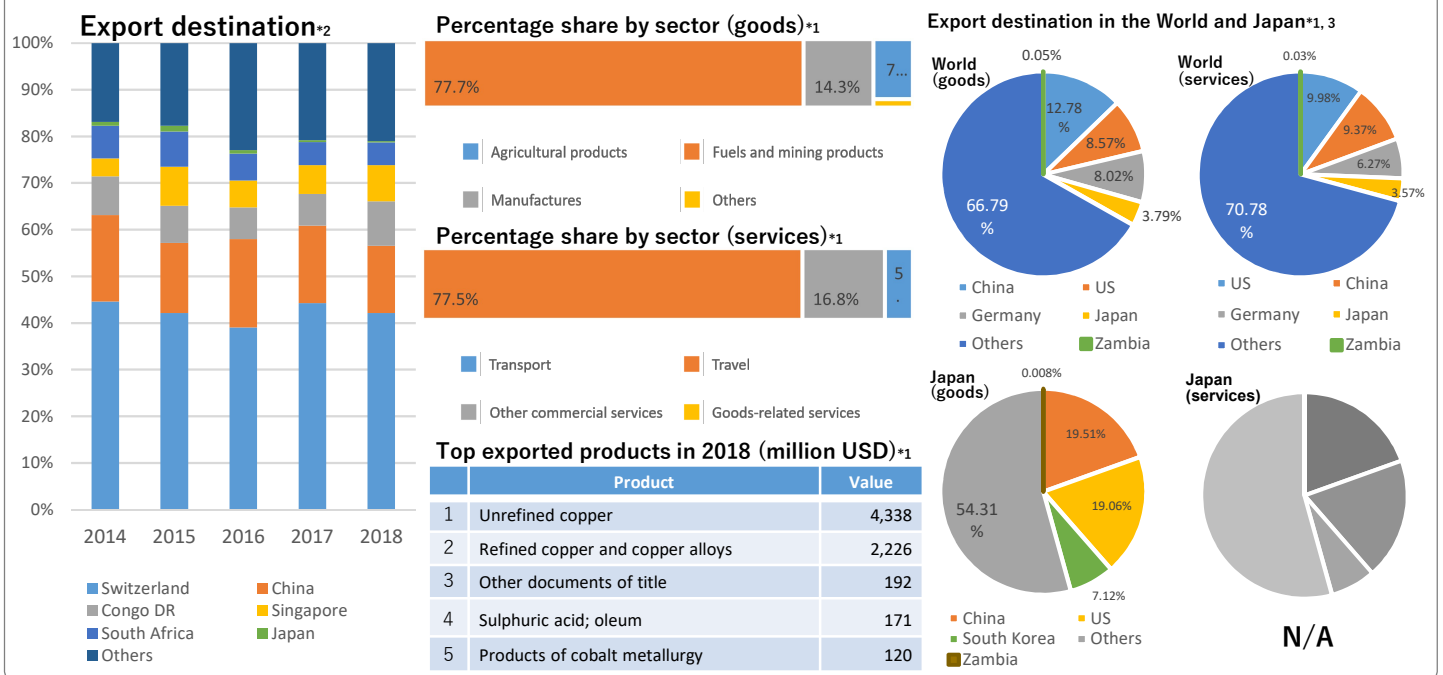
### • Export value (million USD)<sup>\*1</sup>



### • Import value (million USD)<sup>\*1</sup>



### • Export



### • Import

