

Macro-economics of Zambia (January 2020)

Embassy of Japan in Zambia
Economic Cooperation/Affairs Section

1. Monthly News (Economics)

<p>1. “Together we win” (Daily Mail, Wednesday 1st) President Edgar Lungu delivered a message of hope to Zambians in the face of economic headwinds in 2019 and called for greater unity this year. Delivering his New Year’s message on December 31st, 2019, the President said in as much as Zambians may have differences, the country remains a beacon of peace, which makes it easy for Government to deliver development.</p>
<p>2. “Zambia towers in global tourism” (Daily Mail, Friday 3rd) Zambia has been listed as one of the 20 best countries in the world to visit this year by CNN Travel team. And President Edgar Lungu has thanked the CNN Travel team for highlighting the country’s tourism potential. The CNN Travel team nominated its favorite places for 2020 and Zambia was named for its beautiful national parks, water bodies and wildlife.</p>
<p>3. “Lungu launches \$190 million game-changer” (Daily Mail, Tuesday 7th) The US\$190 million cassava out-grower plantation opened by President Edgar Lungu in Kawambwa yesterday will engage 20,000 farmers, produce biofuel and reduce fuel imports by 10 percent. The Head of State has heard concerns by some investors about unnecessary delays in receiving services in some government departments.</p>
<p>4. “Zambia to get over 1,200MW additional power” (Times of Zambia, Thursday 9th) Zambia is expected to have more than 1,200 Megawatts (MW) of additional power this year to mitigate the power deficit being experienced in the country, Zesco Limited has said. Zesco says Zambia currently had a power deficit of about 800MW, but plans were underway to commission new projects which would generate 1,265 MW of electricity. The new projects to be commissioned this year are: Kafue Gorge Lower with 750MW as well as the 500MW solar project and the 15MW Lusiwasi power project.</p>
<p>5. “Japan awards national who has lived in Zambia for 42 years” (Times of Zambia, Saturday 18th) The Japanese government has awarded a Japanese who has lived in Zambia for 42 years, Hatsuko Takara for her contribution towards strengthening ties between Zambia and Japan, in the field of education, social issues and welfare. The commendation award of the Japanese Ministry of Foreign Affairs was bestowed upon Ms. Takara by Japanese Ambassador to Zambia Ryuta Mizuuchi at his residence in Lusaka. The event was attended by Zambia’s founding President Kenneth Kaunda and Health Permanent Secretary Kennedy Malama.</p>
<p>6. “Zambia loses \$13bn” (Daily Mail, Thursday 23rd) In the last three decades, Zambia has lost an estimated US\$13.8 billion worth of gross domestic product (GDP) due to floods and drought, World Wild Fund (WWF) country director Nachilala Nkombo has said. Ms. Nkombo said increased frequency and severity of floods has also threatened Zambia’s infrastructure upon which agricultural production and marketing depend.</p>
<p>7. “Zambia to get \$60m more” (Daily Mail, Friday 24th) The World Bank will soon approve additional funding to Zambia’s current credit facility of US\$60 million for improving the quality of education in the country. World Bank global director education Jaime Saavedra has reaffirmed the World Bank’s commitment to continue supporting Zambia’s general education system. Mr. Saavedra said this when he met General Education Minister David Mabumba in London.</p>
<p>8. “Japan funds women health promotion” (Daily Nation, Monday 27th) Japan has provided US\$331,087 grant towards improvement of Women’s Health in Masaiti, Mpongwe and Lufwanyama districts on Copperbelt. The grant will be managed by Japanese Organization for Cooperation in Family Planning (JOICFP), a Japanese NGO in the field of reproductive health.</p>

2. Main Economic Statistical Indexes

Economic Index	2019	2020
1. Population (millions)	18.1 (est)	18.7 (est)
2. Population growth rate (%)	2.84 (est)	3.31 (est)
3. Unemployment rate (%)	11.4 (est)	11.4
4. Life expectancy (age, M/F)	-	-
5. GDP (million USD)*1	25,426 (est)	26,167 (est)
6. GDP growth rate (%)	2.0	-
7. GNI per capita (USD)	-	-
8. Inflation rate (%)	11.7 (Dec)	12.5 (Jan)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	-
10. Balance of trade (million USD)	74.30*2	-
11. Balance of trade against Japan (million USD)	96.51 *3	-
12. Export (million USD)	7,280.42*2	-
13. Export against Japan (million USD)	140.87 *3	-
14. Import (million USD)	7,206.12*2	-
15. Import against Japan (million USD)	44.36 *3	-
16. Balance of current account (million USD)	109 (est)	-705 (est)
17. Outward direct investment (million USD)	-	-
18. Inward direct investment (million USD)	-	-
19. Gold, Foreign currency reserve (million USD)	1,376 (Nov)	-
20. External debt (million USD)	10,560 (Sep)	-
21. Exchange rate (Kwacha/USD, average)	12.91ZMW	14.40ZMW (Jan)
22. Main policy interest rate (annual rate, %)	11.50	11.50 (Nov, 2019)

*1 GDP at market prices (Current USD)

*2 Accumulated average rate: January-December 2019. 1USD = 12.91ZMW (Bank of Zambia)

*3 Accumulated average rate: January-December 2019. 1USD = 110YEN (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 (December 2019)

- 1st: Switzerland 39.8%
- 2nd: China 22.9%
- 3rd: Singapore 11.8%,
- 4th: Congo DR 11.7%
- 5th: South Africa 4.2%
- Other destination 9.7%

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 (December 2019)

- 1st: South Africa 31.9%
- 2nd: China 13.2%
- 3rd: UAE 11.3%
- 4th: Mauritius 4.5%,
- 5th: Tanzania 3.8%
- Other destination 35.2%

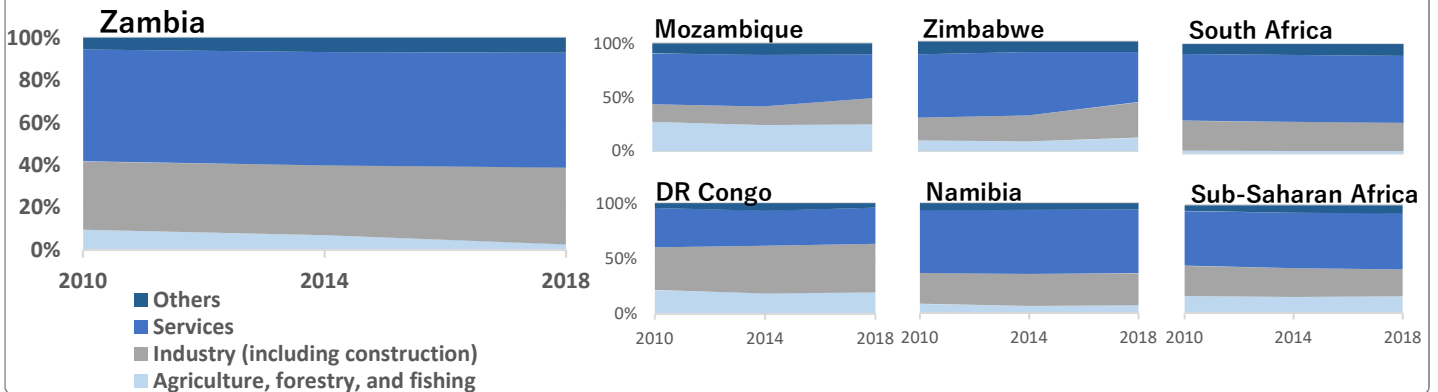
2. Import products

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.

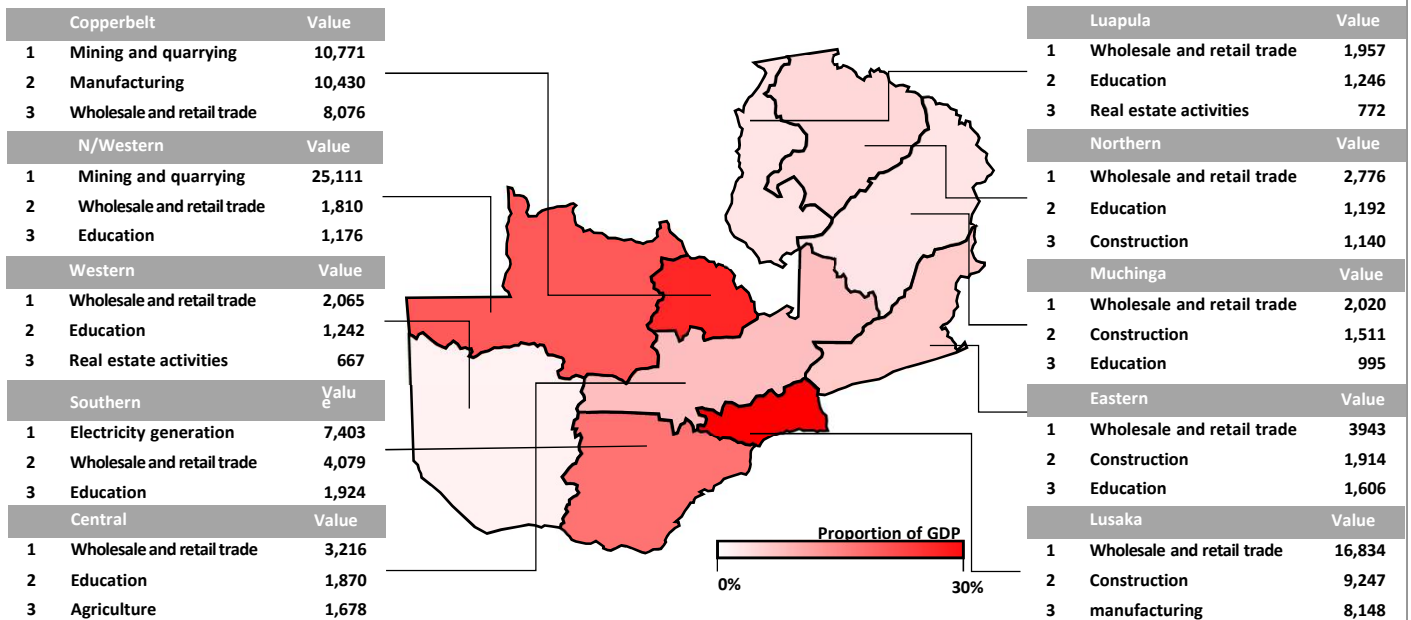
4. Topic of the Month (Industry)

- The primary industry rate in Zambia has been decreasing, while the rate of secondary industry is on the rise. [Figure 1]
- Each province has its own characteristics in its main industry, and Lusaka and Copperbelt occupy the majority share of GDP. [Figure 2]
- Electricity and transport has been the most growing industries for the last 5 years, while mining has the highest GDP per working population. [Figure 3]
- The rate of new businesses registered in Zambia has been increasing, compared to that of the entire Sub-Saharan region. [Figure 4]

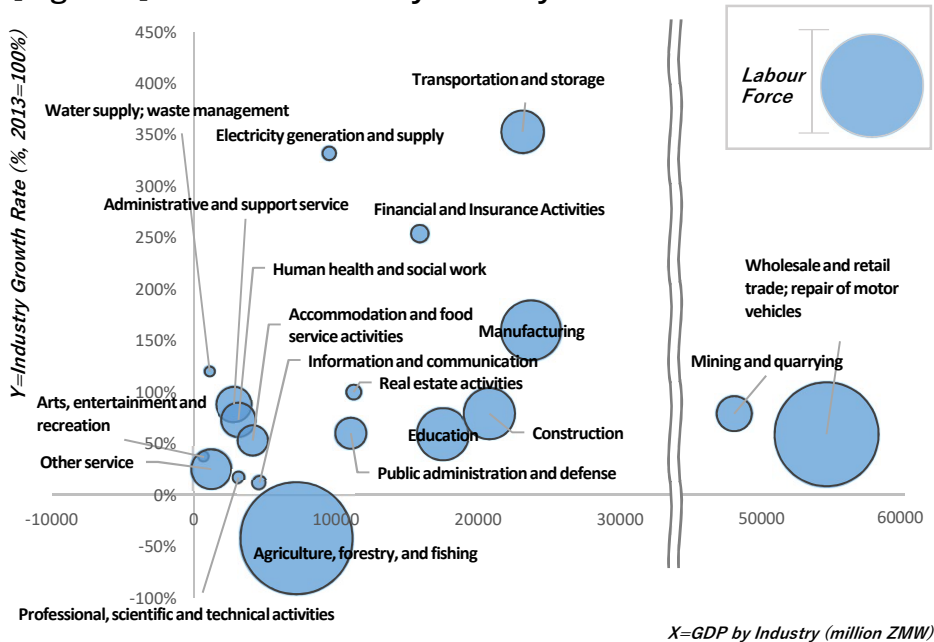
[Figure 1] GDP by Industry (%) ^{*1}



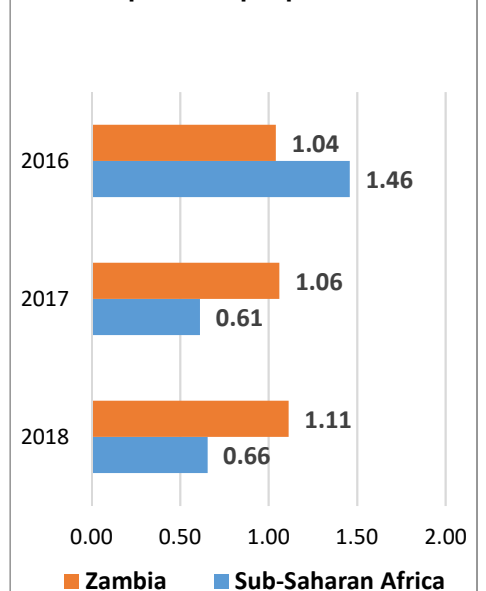
[Figure 2] Industry by Province; Provincial GDP in 2018 (million USD) ^{*2}



[Figure 3] Economic Scale by Industry in 2018 ^{*3, *4}



[Figure 4] New Business Registration per 1000 people in 2018 ^{*5}



Source : *1: (World Bank, n.d.). World Bank national accounts data, and OECD National Accounts data files., *2: (CSO, December 2019). Monthly Bulletins., *3: (CSO, August 2019). Labour Force Survey Report 2018., *4: (Ministry of Finance in Zambia, 2019). Annual Economic Report 2018., *5: (World Bank, n.d.). World Bank's Entrepreneurship Survey and database.