

# Macro-economics of Zambia (May 2020)

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

## 1. Monthly News (Economics)

<p><b>1. “Social cash transfer to continue” (Daily Nation, Sunday 3<sup>rd</sup>)</b> Disbursement of funds to the vulnerable through the Social Cash Transfer will be up-scaled in the wake of the COVID-19 outbreak. This is according to the Minister of Community Development and Social Services Ms. Kampamba Mulenga. Ms. Mulenga said the vulnerable needed everyone’s support now more than ever.</p>
<p><b>2. “Zambia in line for IMF COVID-19 funds” (Daily Mail, Friday 8<sup>th</sup>)</b> Zambia is among the 50 countries that could receive funds under the IMF’s rapid credit facility aimed at cushioning the impact of the coronavirus. IMF is considering requests from Zambia.</p>
<p><b>3. “Life opens new normal chapter” (Daily Mail, Saturday 9<sup>th</sup>)</b> President Edgar Lungu has urged citizens to embrace the ‘new normal’ in the face of challenges posed by COVID -19. President Lungu said Zambia should embrace itself to live in the new normal, the same way people have lived with other diseases like malaria, TB and HIV/AIDS.</p>
<p><b>4. “ Govt warns ‘indisciplined’ employers” (Times of Zambia, Thursday 14<sup>th</sup>)</b> Labour and Social Security Minister Joyce Simukoko disclosed her ministry had received several complaints relating to illegal job dismissals, non-payment of salaries and sending of employees on forced leave by some employers, in the face of the COVID-19 outbreak.</p>
<p><b>5. “National Budget to be revised” (Daily Nation, Monday 18<sup>th</sup>)</b> Finance Minister Dr. Bwalya Ng’andu says Government will revise the 2020 national budget. Dr. Ng’andu further said the revision of the budget is on account of the revenue base having reduced substantially due to a number of factors such as persistent floods, droughts and the current COVID-19.</p>
<p><b>6. “Zambia’s economy on path to recovery” (Daily Nation, Wednesday 20<sup>th</sup>)</b> Zanaco has predicted that Zambia’s economy is expected to record a recovery next year due to a rebound in agro-sector production following a relatively better rainy season in the 2019/2020.</p>
<p><b>7. “Focus turns to MSMEs” (Daily Mail, Friday 22<sup>nd</sup>)</b> To assess the impact of coronavirus on micro, small and medium-scale enterprises (MSMEs), Government in partnership with UNDP, has launched a rapid COVID-19 business survey. The survey will provide comprehensive data about the socio-economic situation of MSMEs affected by the pandemic, thus assisting in the formation of relevant policies.</p>
<p><b>8. “COMESA wants smooth trade during COVID-19” (Daily Nation, Monday 25<sup>th</sup>)</b> The COMESA Council of Ministers has adopted various guidelines to ensure continued trade among Member States during the Covid-19 period. The guidelines are aimed at facilitating a coordinated broad and effective regional response to the Covid-19 pandemic while avoiding disruptions.</p>

## 2. Main Economic Statistical Indexes

Economic Index	2019	2020
1. Population (millions)	17.9 (est)	18.4 (est)
2. Population growth rate (%)	2.87 (est)	2.79 (est)
3. Unemployment rate (%)	11.4	11.4
4. Life expectancy (age, M/F)	51.4/54.7 (est)	-
5. GDP (million USD)*1	25,512 (est)	21,731 (est)
6. GDP growth rate (%)	1.52	-3.51 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	16.6 (May)
9. Consumer Price Index (year 2009 =100)	216.99 (Dec)	264.38 (May)
10. Balance of trade (million USD)	-438.39	303.37 *2
11. Balance of trade against Japan (million USD)	109.86	-36.44 *3
12. Export (million USD)	9,059.36	2,095.37 *2
13. Export against Japan (million USD)	168.3	86.10 *3
14. Import (million USD)	9,497.75	1792 *2
15. Import against Japan (million USD)	58.44	122.54 *3
16. Balance of current account (million USD)	241	-1,203 (est)
17. Outward direct investment (million USD)	5,048	-
18. Inward direct investment (million USD)	25,777	-
19. Gold, Foreign currency reserve (million USD)	1,450	1,029 (May)
20. External debt (million USD)	11,300	11,300 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	18.22ZMW (May)
22. Main policy interest rate (annual rate, %)	9.75 (Nov)	9.25 (May)

\*1 GDP at market prices (Current USD)

\*2 Accumulated average rate: January-April 2020. 1USD = 16.10ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-April 2020. 1USD = 109.25YEN (Bank of Japan)

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

## 3. Trade Statistics

### • Export

#### 1. Export destination (April 2020)

- 1<sup>st</sup>: Switzerland 35.1%
- 2<sup>nd</sup>: China 24.5%
- 3<sup>rd</sup>: Congo DR 16.9%,
- 4<sup>th</sup>: Singapore 13.2%
- 5<sup>th</sup>: Luxemburg 2.2%
- Other destination 8.1%

#### 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 (April 2020)

- 1<sup>st</sup>: South Africa 34.7%
- 2<sup>nd</sup>: UAE 12.9%
- 3<sup>rd</sup>: China 12.1%
- 4<sup>th</sup>: Congo DR 5.2%,
- 5<sup>th</sup>: India 5.1%
- Other destination 30.1%

#### 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.