

# Macro-economics of Zambia (June 2020)

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

## 1. Monthly News (Economics)

<p><b>1. “Nakonde economic wheels roll again” (Times of Zambia, Thursday 4<sup>th</sup>)</b> Business at Zambia’s border has resumed with traffic flowing normally following the reopening of the entry point which was temporarily shut down due to the COVID-19 pandemic.</p>
<p><b>2. “AfDB moots nutrition plan” (Times of Zambia, Wednesday 10<sup>th</sup>)</b> Yesterday, the African Development Bank (AfDB) has unveiled a strategic roadmap of projects and programmes to assist African countries in tackling the nutrition and food security aspects of the COVID-19 crisis through a raft of longer-term measures.</p>
<p><b>3. “Cash for needy” (Times of Zambia; Daily Mail, Friday 12<sup>th</sup>)</b> One million households adversely hit by COVID-19 will receive financial aid under the emergency cash transfer. The project spear-headed by Government and World Food Programme (WFP) will see families in Kafue, Livingstone, Lusaka, Kitwe and Ndola receive between K400 and K875 per month.</p>
<p><b>4. “Suspend Paris Club debt payments” (Times of Zambia; Daily Nation, Tuesday 16<sup>th</sup>)</b> Zambia has asked the Paris Club of creditor nations to let it suspend principal and interest payments on debts to all its official creditors from May to the end of December, This is according to Finance Ministry spokesperson, Chileshe Kandeta.</p>
<p><b>5. “Kazungula Bridge 98% complete” (Daily Mail, Thursday 18<sup>th</sup>)</b> The US\$259.3 million Kazungula Bridge project is almost completed and will be handed over to the governments of Zambia and Botswana soon. Works on the bilateral project have reached 98 percent completion stage. Launched in 2014, the project has been implemented with support from the AfDB and the Japanese Government through the Japanese International Cooperation Agency (JICA).</p>
<p><b>6. “K89bn COVID – 19 bond coming” (Times of Zambia, Tuesday 23<sup>rd</sup>)</b> Cabinet has approved in principle the establishment of a K8 billion economic stimulus package that will be financed through the issuance of the COVID-19 bond. Its allocation will go towards such needy areas as financing retirees, contractors and suppliers.</p>
<p><b>7. “Zambia, IMF in crunch virtual meetings” (Daily Nation, Wednesday 24<sup>th</sup>)</b> IMF has confirmed that it has started having virtual meetings with the Zambian Government regarding a request for emergency financing. the IMF consultative exchange mission for Zambia started on Monday and continues to July 1.</p>
<p><b>8. “Airports reopened” (Times of Zambia; Daily Mail, Friday 26<sup>th</sup>)</b> President Edgar Lungu has directed the re-opening of the three international airports (Livingstone, Ndola and Mfuwe) which were closed in March as a measure to prevent the spread of coronavirus. The measure to re-open the airports is aimed at revamping the tourism sector, which has been badly impacted by the pandemic.</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)	19,411 (est)
6. GDP growth rate (%)	1.52	-3.51 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	15.9 (Jun)
9. Consumer Price Index (year 2009 =100)	216.99 (Dec)	264.94 (Jun)
10. Balance of trade (million USD)	-438.39	527.99 *2
11. Balance of trade against Japan (million USD)	109.86	-58.78 *3
12. Export (million USD)	9,059.36	2,677.55 *2
13. Export against Japan (million USD)	168.3	90.78 *3
14. Import (million USD)	9,497.75	2149.56 *2
15. Import against Japan (million USD)	58.44	149.56 *3
16. Balance of current account (million USD)	241	-420 (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	1,073 (Jun)
20. External debt (million USD)	11,300	11,300 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	18.18ZMW (Jun)
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-May 2020. 1USD = 16.53ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-May 2020. 1USD = 108.8YEN (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 (May 2020)

- 1<sup>st</sup>: Switzerland 41.5%
- 2<sup>nd</sup>: China 21.9%
- 3<sup>rd</sup>: Congo DR 14.0%,
- 4<sup>th</sup>: Singapore 11.6%
- 5<sup>th</sup>: South Africa 3.3%
- Other destination 7.7%

#### 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 (May 2020)

- 1<sup>st</sup>: South Africa 30.0%
- 2<sup>nd</sup>: China 19.0%
- 3<sup>rd</sup>: UAE 6.0%
- 4<sup>th</sup>: India 5.0%,
- 5<sup>th</sup>: USA 2.7%
- Other destination 37.2%

#### 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.