

# Macro-economics of Zambia (July 2020)

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

## 1. Monthly News (Economics)

### 1. “Govt keen on enhancing economic growth - Lungu” (Times of Zambia, Saturday 4<sup>th</sup>)

President Edgar Lungu has pledged commitment to continue fostering an enabling investment environment to add impetus to economic growth. He said the Government will ensure that economic development is accelerated across all sectors of the economy and in all parts of the country.

### 2. “Capital Market performance drops” (Daily Nation; Daily Mail, Tuesday 7<sup>th</sup>)

The performance of capital markets in the last nine months has gone down due to the current macro-economic environment which has affected the exchange and the inflation rates. The stability of the exchange and inflation rates is key to the performance of the capital markets, says Securities Exchange Commission (SEC) Chief Executive Officer, Phillip Chitalu.

### 3. “Airport re-opening will boost growth – Aviation expert” (Daily Nation, Thursday 9<sup>th</sup>)

Gabriel Lesa, Civil Aviation Authority (CAA) Director General has said that all international airports will be operational by end of this month, a development that will help revive the economy and steer growth as Zambia continues to battle against COVID-19.

### 4. “Zambia wants to narrow trade imbalances” (Daily Nation, Friday 10<sup>th</sup>)

Zambia requires business models that will enhance export of value added products to South Africa to address the existing trade imbalances between the two countries, Commerce, Trade and Industry Minister Christopher Yaluma has said.

### 5. “Geothermal projects \$3.2m” (Times of Zambia, Monday 13<sup>th</sup>)

The Renewable Energy Performance Platform (REPP) has allocated a US\$3.2 million loan to Kalahari GeoEnergy Limited, to finance three new exploratory wells as part of building Zambia’s first commercial geothermal power plant.

### 6. “IMF talks to continue” (Times of Zambia, Thursday 16<sup>th</sup>)

IMF has said it will continue to hold discussions with Zambia in order to take the next step on the country’s request for support. The IMF statement was released yesterday in view of the completed virtual mission with the Government, Bank of Zambia and private sector, held from June 22 to July 10.

### 7. “New COVID-19 centre opens” (Times of Zambia, Monday 27<sup>th</sup>)

Health Minister Chitalu Chilufya said the Ministry had also set into operation a new COVID -19 wing at Levy Mwanawasa Hospital with a 52-bed capacity. Dr. Chilufya is grateful to partners such as the United States, Chinese, British, Japanese governments, the United National Agencies and the private sector for their support.

### 8. “Poor in COVID cash” (Daily Mail, Wednesday 29<sup>th</sup>)

An emergency social cash transfer program targeting 656,000 vulnerable households in 16 districts affected by COVID-19 has been launched. The targeted households will each receive K400 per month for six months. Government is implementing the program in partnership with three UN agencies namely WFP, ILO and UNICEF.

## 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	24,252 (est)	19,313 (est)
6. GDP growth rate (%)	1.52	-3.51 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	15.8 (Jul)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	265.83 (Jul)
10. Balance of trade (million USD)	-438.39	612.47 *2
11. Balance of trade against Japan (million USD)	109.86	-76.04 *3
12. Export (million USD)	9,059.36	3,189.11 *2
13. Export against Japan (million USD)	168.3	94.77 *3
14. Import (million USD)	9,497.75	2576.64 *2
15. Import against Japan (million USD)	58.44	170.81 *3
16. Balance of current account (million USD)	241	-535 (est)
17. Outward direct investment (million USD)	5,048 (2018)	-
18. Inward direct investment (million USD)	25,777 (2018)	-
19. Gold, Foreign currency reserve (million USD)	1,450	1,073 (est)
20. External debt (million USD)	11,300	11,300 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	18.15ZMW (Jul)
22. Main policy interest rate (annual rate, %)	9.75 (Nov)	9.25 (May, 2020)

\*1 GDP at market prices (Current USD)

\*2 Accumulated average rate: January-June 2020. 1USD = 16.8ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-June 2020. 1USD = 108.67YEN (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 (June 2020)

1<sup>st</sup>: Switzerland 47.5%  
2<sup>nd</sup>: Congo DR 18.0%  
3<sup>rd</sup>: Singapore 12.0%,  
4<sup>th</sup>: China 7.9%  
5<sup>th</sup>: South Africa 4.2%  
Other destination 10.3%

#### 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 (June 2020)

1<sup>st</sup>: South Africa 34.5%  
2<sup>nd</sup>: China 16.6%  
3<sup>rd</sup>: Congo DR 6.1%  
4<sup>th</sup>: India 3.6%,  
5<sup>th</sup>: Mauritius 3.1%  
Other destination 36.1%

#### 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.