

Macro-economics of Zambia (August 2020)

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

1. Monthly News (Economics)

<p>1. “More austerity ahead” (Times of Zambia, Saturday 1st) Government has spent K46.8 billion from January to June, less than what was projected because of the revenue loss as a result of COVID-19 and devaluation of Kwacha. Secretary to the Treasury Fredson Yamba said that expenditure cuts were inevitable as a response to dwindling resources.</p>
<p>2. “LMSFEZ lures \$350m actualized investment” (Daily Mail, Tuesday 4th) The Lusaka South Multi-Facility Economic Zone (LMSFEZ) has attracted over US\$350 million of actualized investment and created close to 2,000 jobs as at June 2020. Ten companies are currently operating and two international companies are likely to invest about US\$150 million in a solar-power project.</p>
<p>3. “72 p.c. business in critical state” (Times of Zambia, Thursday 6th) The survey on the financial impact of COVID-19 on SMEs conducted by Financial Sector Deepening Zambia in collaboration with BFA Global reveals that 72 percent of the Zambian businesses are unable to raise funds to sustain their operations due to the adverse effects of the COVID-19.</p>
<p>4. “Zambia wants to have go at COVID vaccine trials” (Daily Mail, Friday 14th) Zambia has engaged the African Centre for Disease Control (ACDC) and other global health organizations for the country to participate in coronavirus vaccine trials. Minister of Health Chitalu Chilufya said Government has engaged ACDC and other organizations on the matter so that Zambia moves at the same pace with other global researchers in finding a vaccine for COVID-19.</p>
<p>5. “Japan hands over training centre” (Daily Nation; Times of Zambia, Saturday 15th) Japan has handed over a vocational training centre for youths in Kabwata in Lusaka under the Given Lubinda Foundation. MIZUUCHI Ryuta, the Japanese Ambassador to Zambia, said that youths held the key to the healthy development of communities of Zambia. He said that with proper educations and vocational training, youths had the potential to contribute to the development of the economy.</p>
<p>6. “Virus to suck \$300m out of tourism” (Daily Mail, Tuesday 18th) The Livingstone Tourism Association (LTA) has predicted that Zambia is likely to lose over US\$300 million revenue this year if no measures are put in place against coronavirus which is affecting all sectors.</p>
<p>7. “BOZ Governor sacked” (Daily Mail; Daily Nation, Sunday 23rd) The statement by Isaac Chipampe, Special Assistant to the President for Press and Public Relations mentioned that President Edger Lungu appointed deputy secretary to the Cabinet for finance and economic development, Christopher Mvunga as new BOZ governor replacing Dr. Denny Kalyalya.</p>
<p>8. “Emirates resumes Lusaka flights ” (Daily Mail, Saturday 29th) The Zambian skies are beginning to open up with Emirates announcing the resumption of passenger services to Lusaka effective September 4. Emirates joins Kenyan Airways which resumed the passenger service on August 1 after flights were suspended as Zambia and the rest of the world grapple with COVID-19.</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	24,252 (est)	19,930 (est)
6. GDP growth rate (%)	1.52	-3.51 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	15.5 (Aug)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	267.07 (Aug)
10. Balance of trade (million USD)	-438.39	910.59 *2
11. Balance of trade against Japan (million USD)	109.86	-90.68 *3
12. Export (million USD)	9,059.36	3,896.78 *2
13. Export against Japan (million USD)	168.3	112.43 *3
14. Import (million USD)	9,497.75	2986.18 *2
15. Import against Japan (million USD)	58.44	203.11 *3
16. Balance of current account (million USD)	241	-190 (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	1,026 (est)
20. External debt (million USD)	11,300	11,300 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	18.78ZMW (Aug)
22. Main policy interest rate (annual rate, %)	9.75 (Nov)	8.0 (Aug, 2020)

*1 GDP at market prices (Current USD)

*2 Accumulated average rate: January-July 2020. 1USD = 17.0ZMW (Bank of Zambia)

*3 Accumulated average rate: January-July 2020. 1USD = 108.43YEN (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 (July 2020)

- 1st: Switzerland 49.9%
- 2nd: Congo DR 13.6%
- 3rd: Singapore 11.8%
- 4th: China 9.8%
- 5th: South Africa 3.0%
- Other destination 12.0%

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 (July 2020)

- 1st: South Africa 36.2%
- 2nd: China 18.7%
- 3rd: India 4.5%
- 4th: UAE 3.3%,
- 5th: Mauritius 2.6%
- Other destination 34.7%

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.