

Macro-economics of Zambia (September 2020)

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

1. Monthly News (Economics)

<p>1. “Zambia to receive normal rainfall” (Daily Nation, Sunday 6th) Ministry of Transport and Communication has announced that the country is likely to receive normal to above rainfall during the 2020-2021 rain season. However, the Ministry also revealed that some parts of the country will experience prolonged dry spells like North-Western, Muchinga, Luapula and Northern Province.</p>
<p>2. “Government sets up Post-COVID clinic” (Daily Nation, Monday 7th) Government has established a Post Covid-19 clinic to deal with complications that arise in people who have recovered from the pandemic. Consultant Interventional Cardiologist, Lorrita Kabwe said health authorities had learnt of complications that appear among some people who have healed from the pandemic, saying there was need to monitor them.</p>
<p>3. “Proflight adds cargo flights to schedule” (Daily Mail, Wednesday 9th) Proflight Zambia announced its freight flights between Lusaka and Johannesburg will operate every Tuesdays and Thursdays throughout September and will be operated by the Jetstream 41 aircraft and later upgrade to the Canadair Regional Jet (CRJ) if demands increases.</p>
<p>4. “ZICTA initiates process to source 4th mobile operator” (Times of Zambia, Wednesday 9th) Zambia Information and Communications Technology Authority (ZICTA) has commenced the process of securing a fourth mobile telecommunication provider in the country. This would be the third privately owned service provider, the other two being Airtel and MTN Zambia, while Zamtel is Government owned entity.</p>
<p>5. “Baby boom on the cards” (Daily Mail, Friday 11th) Ministry of National Development Planning predicted that the Zambia’s population will increase from 17.9 million to 26.9 million by 2035, partly due to the high fertility rate among young population. The socioeconomic challenges in the current situation include high level of teenage fertility, child marriages and rural-urban migration.</p>
<p>6. “Govt seeks debt waiver” (Daily Mail; Times of Zambia, Wednesday 23rd) Government has requested for suspension of debt service payment for three Eurobonds for six months in view of the unbudgeted costs triggered by COVID-19. Government issued three Eurobonds - US\$750 million due in 2022, US\$1billion maturing in 2024 and US\$ 1.25 billion payable between 2026 and 2027.</p>
<p>7. “Anti-locust team goes into action” (Times of Zambia, Friday 25th) The delegation comprising officials from the Ministry of Agriculture, Disaster Management and Mitigation Unit (DMMU) led by Agriculture Minister Michael Katambo arrived in Western province on 22nd and launched the aerial and ground spraying against the African Migratory Locusts which have invaded some parts of the region. Currently, more than 22,000 hectares of land has been invaded by the locusts.</p>
<p>8. “ZRL passenger trains back” (Times of Zambia, Friday 25th) Zambia Railways says it will resume operations on all its passenger train service next week. The company suspended passenger trains services on April 6, as a precautionary measure following the outbreak of Covid-19. The new passenger trains services would cover the main routes from Livingstone to Kitwe, as well as Livingstone to Mulobezi.</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)	20,555 (est)
6. GDP growth rate (%)	1.52	-3.51 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	15.7 (Sep)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	270.81 (Aug)
10. Balance of trade (million USD)	-438.39	1207.79 *2
11. Balance of trade against Japan (million USD)	109.86	-121.48 *3
12. Export (million USD)	9,059.36	4658.18 *2
13. Export against Japan (million USD)	168.3	114.35 *3
14. Import (million USD)	9,497.75	3450.39 *2
15. Import against Japan (million USD)	58.44	235.83 *3
16. Balance of current account (million USD)	241	43 (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	1,044 (est)
20. External debt (million USD)	11,300	11,300 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	19.81ZMW (Sep)
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-August 2020. 1USD = 17.22ZMW (Bank of Zambia)

*3 Accumulated average rate: January-August 2020. 1USD = 108.38YEN (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 (August 2020)

- 1st: Switzerland 44.5%
- 2nd: China 20.0%
- 3rd: Singapore 12.4%
- 4th: Congo DR 10.4%
- 5th: South Africa 2.9%
- Other destination 9.8%

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 (August 2020)

- 1st: South Africa 33.8%
- 2nd: China 14.8%
- 3rd: UAE 11.7%
- 4th: India 6.0%,
- 5th: USA 2.6%
- Other destination 31.2%

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.