

Macro-economics of Zambia (October 2020)

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

1. Monthly News (Economics)

<p>1. “Minister assures creditors” (Daily Nation, Thursday 1st) Finance Minister Bwalya Ng’andu has assured that government will continue engaging in a constructive and good faith dialogue with creditors to provide Zambia the necessary time to finalize the assessment of its public debt situation and to calibrate key parameters of debt management exercise in coordination with the IMF.</p>
<p>2. “3 Japanese organizations donate to Central Schools” (Times of Zambia, Friday 2nd) Three Japanese non-profit organizations namely, Rocinantes, Hokkaido University and TCV Corporation collectively donated 2,000 face masks, 670 sanitizers and hand soaps, nine buckets with faucet for handwashing as well as nine thermometers and sensitization posters, to the Central Province Provincial Administration to help protect school children from contracting Coronavirus (COVID-19) following the re-opening of schools.</p>
<p>3. “New lab targets 5,000 daily COVID tests” (Daily Nation; Times of Zambia, Tuesday 6th) The Government has launched the National Public Health Laboratory to increase daily COVID-19 tests to 5,000. Similarly, a national COVID-19 prevalence survey targeting 19,000 people to ascertain the extent of the disease in the country has been introduced.</p>
<p>4. “IMF extends Rapid Financing Instruments increased access limits” (Times of Zambia, Wednesday 7th) The International Monetary Fund (IMF) has approved the extension of increased access limits under the Rapid Financing Instrument (RFI), available to all member countries including Zambia. Member countries can access the facility to urgently address their balance of payment needs arising from persistent related economic disruptions.</p>
<p>5. “Zambia airways to hit sky December” (Daily Nation, Thursday 8th) Civil Aviation Authority (CAA) Director General, Gabriel Lesa said that Zambia Airways is expected to take to the skies in the next two months, and he stressed that the national carrier would tremendously contribute to the revival of the economy as transportation for economic development.</p>
<p>6. “Zambia gets WTTC safety travel stamp” (Daily Mail; Times of Zambia, Monday 12nd) The World Travel and Tourism Council (WTTC) has given Zambia an endorsement COVID-19 safety travel stamp amid the pandemic. The stamp is an endorsement of the country’s adherence to COVID-19 prevention measures under the new normal.</p>
<p>7. “Kazungula Bridge done” (Daily Mail; Daily Nation, Monday 19th) Zambia and Botswana have fulfilled their contractual obligations towards building of the Kazungula Bridge project. Construction of the bridge across the Zambezi River was a joint venture between the two countries costing US\$259.3 million.</p>
<p>8. “ERB calms waters” (Daily Mail, Wednesday 21st) There are adequate stocks of petroleum products in the country and people should not panic-buy the commodity, Energy Regulation Board (ERB) has said. It says the shortage of fuel reported in some parts of the country has been caused by industrial action by some truck drivers over the weekend.</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	24,248 (est)	21,005 (est)
6. GDP growth rate (%)	1.44	-4.83 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	11.7 (Dec)	16.0 (Oct)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	274.20 (Oct)
10. Balance of trade (million USD)	-438.39	1591.52 *2
11. Balance of trade against Japan (million USD)	109.86	-148.85 *3
12. Export (million USD)	9,059.36	5532.22 *2
13. Export against Japan (million USD)	168.3	118.82 *3
14. Import (million USD)	9,497.75	3940.7 *2
15. Import against Japan (million USD)	58.44	267.67 *3
16. Balance of current account (million USD)	146	44 (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	873 (est)
20. External debt (million USD)	13,800	13,800 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	20.2ZMW (Oct)
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-September 2020. 1USD = 17.51ZMW (Bank of Zambia)

*3 Accumulated average rate: January-September 2020. 1USD = 108.22YEN (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 (September 2020)

- 1st: Switzerland 45.2%
- 2nd: China 20.3%
- 3rd: Singapore 11.4%
- 4th: South Africa 2.9%
- 5th: Zimbabwe 1.2%
- Other destination 19.0%

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 (September 2020)

- 1st: South Africa 36.6%
- 2nd: China 12.5%
- 3rd: UAE 9.6%
- 4th: India 8.1%
- 5th: Japan 2.6%
- Other destination 30.6%

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.