

# Macro-economics of Zambia (November 2020)

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

## 1. Monthly News (Economics)

<p><b>1. “Kafue Gorge turbines roar” (Daily Mail, Friday 6th)</b> The filling of the US\$2.3 billion Kafue Gorge Lower Power Station Dam in readiness for commissioning later this month will start on Sunday and will take about a week to be full. Minister of Energy Matthew Nkhuwa told parliament in a ministerial statement yesterday that during the first 24 hours of filling up the new dam, Kafue Gorge Upper Power Station’s generation will reduce to 100 megawatts (MW) from 750MW, and it will increase to 500MW for the rest of the days.</p>
<p><b>2. “Bondholders reject Zambia’s request for debt relief” (Daily Nation, Saturday 14th)</b> The bondholders yesterday rejected a request to defer interest payments due on each of the bonds during the period from October 14, 2020 until April 14, 2021. It is adding more pressure on how the country will sustain its debt.</p>
<p><b>3. “Zambia to re-engage bondholders” (Daily Nation, Monday 16th)</b> Minister of Finance, Dr. Bwalya Ng’andu said Zambia will re-engage bondholders on how best to restructure the debt following the rejection of its request to defer interest payments in November 13th. Dr. Ng’andu said government would push to come to the table with the lenders in an effort to agree how best the debt could be restructured.</p>
<p><b>4. “Cabinet nods 8NDP for 2022-2026” (Daily Nation, Tuesday 17th)</b> Cabinet has approved the commencement of the development of the Eighth national Development Plan (8NDP) covering 2022 to 2026, that should be Reform and Recovery-focused, guided by the process and roadmap provided in the Concept Note.</p>
<p><b>5. “Business conditions on recovery path” (Daily Mail; Daily Nation; Times of Zambia, Wednesday 18th)</b> Business conditions in November have shown signs of recovery as evidenced by Purchasing Managers’ Index (PMI), which improved to 48.9 up from 46.6 in September. This is the highest in the current 20-month sequence of sub-50 readings. Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show a deterioration.</p>
<p><b>6. “Japan pumps \$1.5m in women’s health project” (Times of Zambia, Thursday 19th)</b> The Japanese government has supported the promotion of women’s health through a one-stop service site project in Zambia at the cost of more than USD1.5 million for a period of three years. The project is being implemented by Japanese Organization for International Corporation in Family Planning (JOICFP) in partnership with Planned Parenthood Association of Zambia (PPAZ).</p>
<p><b>7. “Govt adopts e-commerce strategy to boost trade” (Times of Zambia, Wednesday 25th)</b> Government has embarked on the development of an electronic commerce strategy to facilitate creation of new channels for trade, job creation and reduce transaction time. Commerce, Trade and industry Minister Christopher Yaluma said during the 2020 Virtual Import and Export Conference and Exhibition in Lusaka yesterday that Government was developing the strategy to be abreast with the current trends of conducting business electronically.</p>
<p><b>8. “Zambia pledges cooperation with IMF” (Daily Nation, Thursday 26th)</b> Finance Minister, Bwalya Ng’andu said Zambia has reiterated its willingness to foster and deepen the strategic partnership with the IMF. The Minister said this when IMF Resident Representative for Zambia Ms. Preya Sharma paid a courtesy call on him at the Ministry of Finance offices yesterday.</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)	21,119 (est)
6. GDP growth rate (%)	1.44	-4.83 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	11.7 (Dec)	17.4 (Nov)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	280.21 (Nov)
10. Balance of trade (million USD)	-438.39	1950.67 *2
11. Balance of trade against Japan (million USD)	109.86	-122.44 *3
12. Export (million USD)	9,059.36	6311.37 *2
13. Export against Japan (million USD)	168.3	176.86 *3
14. Import (million USD)	9,497.75	4360.70 *2
15. Import against Japan (million USD)	58.44	299.30 *3
16. Balance of current account (million USD)	146	218 (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	20.83ZMW (Nov)
22. Main policy interest rate (annual rate, %)	9.75 (Nov)	8.0 (Nov, 2020)

\*1 GDP at market prices (Current USD)

\*2 Accumulated average rate: January-October 2020. 1USD = 17.78ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-October 2020. 1USD = 108.00YEN (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 (October 2020)

- 1<sup>st</sup>: Switzerland 43.2%
- 2<sup>nd</sup>: China 20.9%
- 3<sup>rd</sup>: Singapore 11.9%
- 4<sup>th</sup>: Congo DR 11.1%
- 5<sup>th</sup>: South Africa 2.5%
- 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 (October 2020)

- 1<sup>st</sup>: South Africa 34.8%
- 2<sup>nd</sup>: China 17.5%
- 3<sup>rd</sup>: India 7.8%
- 4<sup>th</sup>: UAE 3.9%
- 5<sup>th</sup>: Japan 2.7%
- Other destination 33.2%

#### 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.