

Macro-economics of Zambia (December 2020)

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

1. Monthly News (Economics)

- 1. "Japan pleased with Zambia's efforts of integrating former refugees" (Daily Nation; Times of Zambia, Wednesday 2nd)**
Japanese Ambassador to Zambia MIZUUCHI Ryuta signed an approximately US\$ 340,000 grant contract within the framework of the Grant Assistance for Japanese NGO projects. This financed project titled "Supporting Livelihood Activities through Agriculture in Meheba Local Integration Area" will be conducted by Association for Aid and Relief (AAR) Japan. Ambassador Mizuuchi said protection of refugees was a noble cause and an act of humanity hence he was pleased that Zambia's efforts of integrating former refugees into local communities were being supported by a Japanese organization.
- 2. "Bioenergy boost - Zambia has potential to produces 1, 192 megawatts off-grid electricity" (Daily Mail, Friday 4th)**
Ministry of Energy Permanent Secretary Trevor Kaunda said that the latest study has revealed that Zambia has potential of producing 1,192 megawatts off-grid electricity and 15,797 tera-joules of energy for alternative cooking per year from the bioenergy. The study further revealed that the country has a combined achievable potential of 74 million litres per year of ethanol from molasses and cassava.
- 3. "4,000 to benefit from Japanese water project" (Daily Mail; Daily Nation; Times of Zambia, Tuesday 8th)**
The Japanese Government has given a grant worth US\$115,648 to Undikumbukile Project Zambia for the rehabilitation of the water supply system for the Katombora community in Kazungula district. Charge D' Affairs Ad interim at the Embassy of Japan in Lusaka, SUGIURA Toshio said the project will benefit 3,800 in Katombora, Maluka, Mushekwa, and surrounding communities.
- 4. "IMF weighs bid" (Daily Mail, Thursday 10th)**
Government has formally requested for a financing arrangement with the International Monetary Fund (IMF) to support its reform efforts. The IMF is currently assessing the application. On Monday, President Edgar Lungu met the IMF delegation at State House and discussed the way forward regarding the relationship between the two institutions.
- 5. "Budget designed to cushion COVID-19 impact on economy" (Times of Zambia, Sunday 13th)**
Finance Minister Bwalya Ng'andu says Government has put in place a combination of fiscal and monetary relief measures to cushion the projected impact of the COVID-19 pandemic on the economy in 2021. Also, Dr. Ng'andu noted that it was important for citizens to begin the proved of achieving a national paradigm shift which would reduce the physical dependence on imported goods.
- 6. "E-money transactions up" (Daily Mail, Tuesday 15th)**
As a rare positive from COVID-19, electronic money transactions in the country have in the last one year increased from K18.99 billion to K43 billion, representing an increment of 126 percent. Zambia Information and Communications Technology Authority (ZICTA) says more people are now using electronic platforms like mobile money for businesses.
- 7. "EL launches economic recovery program" (Times of Zambia, Thursday 17th)**
President Edgar Lungu is today expected to launch the 2020-2023 Economic Recovery Program (ERP). Secretary to the Treasury Fredson Yamba said the ERP has been formulated to address various dimensions of the economic challenges that the country is currently facing resulting from a number of factors such as the COVID-19 pandemic.
- 8. "Business record improved demand" (Daily Nation, Thursday 24th)**
Business conditions in Zambian private sector neared stabilization in November, sustained by an improvement in demand. Purchasing Managers Index (PMI) stood at 49.3 in November, rebounding from October's 48.9 but staying below the 50- mark separating the expansion from contraction.
- 9. "Fuel prices to remain unchanged - ERB" (Daily Mail, Thursday 31st)**
Energy Regulation Board (ERB) executive director Langiwe Lungu has said that there are no factors to warrant an adjustment in fuel pump prices despite the effects of COVID-19 and fluctuation of the Kwacha against the US dollar.

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	21,214 (est)
6. GDP growth rate (%)	1.4	-4.2 (est)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	11.7 (Dec)	19.2 (Dec)
9. Consumer Price Index (year 2009 =100)	242.42 (Dec)	289.04 (Dec)
10. Balance of trade (million USD)	-438.39	2316.74 *2
11. Balance of trade against Japan (million USD)	109.86	-143.99 *3
12. Export (million USD)	9,059.36	7122.28 *2
13. Export against Japan (million USD)	168.3	183.56 *3
14. Import (million USD)	9,497.75	4805.54 *2
15. Import against Japan (million USD)	58.44	327.55 *3
16. Balance of current account (million USD)	145	1,673 (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)	1,425	1,311 (est)
20. External debt (million USD)	13,800	13,800 (2019)
21. Exchange rate (Kwacha/USD, average)	10.45ZMW	21.09ZMW (Dec)
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-November 2020. 1USD = 18.06ZMW (Bank of Zambia)

*3 Accumulated average rate: January-November 2020. 1USD = 107.82YEN (Bank of Japan)

<Source> 1, 2, 5: EIU Country Report / 3: ILO / 4: The World Factbook (CIA) / 6, 16, 19, 20: Ministry of Finance / 7: World Bank / 8, 9, 10, 12, 14: Monthly Bulletin (CSO) / 11, 13, 15: Trade Statistics of Japan (Ministry of Finance Japan) / 17, 18: IMF / 21, 22: Bank of Zambia

3. Trade Statistics

• Export

1. Export destination (November 2020)

- 1st: Switzerland 47.4%
- 2nd: China 18.2%
- 3rd: Singapore 11.1%
- 4th: Congo DR 9.9%
- 5th: Luxembourg 2.1%
- Other destination 11.4%

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 (November 2020)

- 1st: South Africa 35.6%
- 2nd: China 12.8%
- 3rd: India 6%
- 4th: UAE 5.8%
- 5th: Netherlands 2.8%
- Other destination 37.0%

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.