

# Macro-economics of Zambia (March 2021)

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

## 1. Monthly News (Economics)

<p><b>1. "Zambia, Angola Oil Pipeline talks underway" (Daily Nation, Wednesday 3rd)</b> Energy Minister Matthew Nkhuwa has said that the Government has started talks with the Angolan government to embark on construction of an oil pipeline. The minister also mentioned that the Government will promote the construction of the depots in some selected areas in the country.</p>
<p><b>2. "Japan funds TB fight" (Daily Mail; Daily Nation; Times of Zambia, Thursday 4th)</b> The Japanese Government has given Japan Anti-Tuberculosis Association (JATA) Zambia, a grant worth US\$443,607 to help the Ministry of Health eliminate tuberculosis (TB) in the country. Japanese Ambassador to Zambia Ryuta Mizuuchi said that the upcoming programme would focus on monitoring of TB patients to prevent the treatment dropout rate of the patients. He said this on the occasion of the contract signing ceremony between the Japanese Government and JATA.</p>
<p><b>3. "Zambia, IMF agree roadmap towards recovery" (Daily Nation, Friday 5th)</b> Zambia and the IMF have concluded virtual meetings on the request of Extended Credit Facility (ECF) yesterday and agreed to use the recently launched Economic Recovery Program (ERP) as a foundation for a more detailed policy reform agenda aimed at restoring public finance sustainability while at the same time securing the country's development objectives and ensuring social protection for most vulnerable groups in the country.</p>
<p><b>4. "Air traffic to Zambia drops" (Times of Zambia, Tuesday 9th)</b> According to Zambia Tourism Agency (ZTA), commercial air traffic to Zambia's four international airports declined in 2020 due to the ongoing spread of the COVID-19 pandemic. The total commercial air traffic excluding charter flights recorded at the four international airports in 2020 was 264,270, down by 70.7 percent compared to 2019 with 902,572.</p>
<p><b>5. "Japan delivers new Luangwa bridge plans" (Times of Zambia, Wednesday 10th)</b> Japanese Ambassador to Zambia Ryuta Mizuuchi and JICA representative yesterday met Housing and Infrastructure Development Minister Vincent Mwale to show him the proposed plans for the new Luangwa River Bridge. So far, the Japanese have developed three proposed plans for the new Luangwa bridge and two of the plans, if either were selected, will result in the relocation of Luangwa Bridge Primary and Secondary School and the market at Luangwa.</p>
<p><b>6. "Japan funds Kabwe school" (Daily Mail; Daily Nation, Wednesday 17th)</b> The Japanese Government has provided a US\$71,246 grant, under the framework of the grant assistance for Grassroot Human Security project, for construction of two school buildings and sanitary facilities at Chitakata Community school in Kabwe, which will enable over 400 children have access to education.</p>
<p><b>7. "Economy shrinks by 2.7 p.c" (Times of Zambia, Friday 26th)</b> Zambia Statistics Agency interim Statistician General, Mulenga Musepa said in Lusaka yesterday that Zambia's economy has contracted by 2.7 per cent in the fourth quarter of 2020 from 0.2 per cent growth posted the corresponding period in 2019. The contraction in growth was mainly attributed to the underperformance of five industries namely Wholesale and Retail trade, Education, public administration, accommodation and food as well as entertainment and recreation.</p>
<p><b>8. "Zambia's non-traditional exports rise" (Daily Nation, Monday 29th)</b> According to the Zambia Statistics Agency, Zambia's Non-Traditional Exports (NTEs) earnings have increased by 9.8 percent to K3.8 billion in February this year from K3.5 billion in the month before. In terms of share in total exports, NTEs accounted for 23 percent share of total export earnings in February.</p>
<p><b>9. "Vaccine in April - Minister" (Daily Mail; Times of Zambia, Tuesday 30th)</b> Minister of Health Dr. Jonas Chanda has said that Zambia will receive coronavirus vaccines from the Serum Institute of India under the COVID-19 Vaccines Global Access (COVAX) facility between April and May this year. The minister, however, said the Government is pursuing other avenues through which to bring vaccines into the country earlier than the anticipated time.</p>

## 2. Main Economic Statistical Indexes

Economic Index	2020	2021
1. Population (millions)	17.89	-
2. Population growth rate (%)	2.89 (2019)	-
3. Unemployment rate (%)	11.4 (est)	11.4 (est)
4. Life expectancy (age, M/F)	60.5/66.4 (2018)	-
5. GDP (million USD)*1	18,909 (est)	19,564 (est)
6. GDP growth rate (%)	-4.2 (est)	1.8 (est)
7. GNI per capita (USD)	1,430 (2019)	-
8. Inflation rate (%)	19.2 (Dec)	22.8 (Mar)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	312.68 (Mar)
10. Balance of trade (million USD)	2629.53	812.34 *2
11. Balance of trade against Japan (million USD)	-173.71	-37.22 *3
12. Export (million USD)	7920.20	1593.18 *2
13. Export against Japan (million USD)	186.45	22.17 *3
14. Import (million USD)	5290.67	780.84 *2
15. Import against Japan (million USD)	360.16	59.39 *3
16. Balance of current account (million USD)	1,673 (est)	-
17. Outward direct investment (million USD)	294 (2019, est)	-
18. Inward direct investment (million USD)	753 (2019, est)	-
19. Gold, Foreign currency reserve (million USD)	1,311 (est)	-
20. External debt (million USD)	13,800 (2019)	-
21. Exchange rate (Kwacha/USD, average)	18.31ZMW	22.01ZMW (Feb)
22. Main policy interest rate (annual rate, %)	8.0 (Nov)	8.5 (Feb)

\*1 GDP at market prices (Current USD)

\*2 Accumulated average rate: January-February 2021. 1USD = 21.44ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-February 2021. 1USD = 104JPY (Bank of Japan)

<Source> 1, 8, 9, 10, 12, 14: Central Statistics Office / 2, 4, 7: World Bank / 3: ILO / 5: IMF / 6, 16, 19, 20: Ministry of Finance / 11, 13, 15: Trade Statistics of Japan (Ministry of Finance Japan) / 17, 18: UNCTAD / 21, 22: Bank of Zambia

## 3. Trade Statistics

### • Export

#### 1. Export destination (February 2021)

- 1<sup>st</sup>: Switzerland 39.7%
- 2<sup>nd</sup>: China 21.8%
- 3<sup>rd</sup>: Singapore 13.9%
- 4<sup>th</sup>: Congo DR 9.7%
- 5<sup>th</sup>: India 2.9%
- Other destination 11.9%

#### 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 (February 2021)

- 1<sup>st</sup>: South Africa 35.9%
- 2<sup>nd</sup>: China 14.0%
- 3<sup>rd</sup>: India 7.6%
- 4<sup>th</sup>: Ireland 4.1%
- 5<sup>th</sup>: UK 3.5%
- Other destination 34.9%

#### 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.