

Macro-economics of Zambia (April 2021)

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

1. Monthly News (Economics)

1. "Kazungula bridge commissioning in May" (Times of Zambia, Thursday 1st)
President Edgar Lungu who yesterday hosted Botswana President Mokgweetsi Masisi in Zambia on a working visit, said Zambia and Botswana have agreed to commission Kazungula bridge in May, which the President Lungu believes should be showcased as an example of integration.
2. "Zambians live longer" (Daily Mail, Friday 9th)
Ministry of National Development Planning Permanent Secretary for development cooperation, monitoring and evaluation Trevor Kaunda said Zambia's life expectancy has improved from about 53 years in 2016 to over 67 years in 2019 because most citizens are able to access basic needs such as education and health services.
3. "Work-from-home ends" (Times of Zambia, Friday 9th)
Cabinet has directed civil servants, with immediate effect, to revert to the normal working schedule, following a reduction in the number of COVID-19 cases. Secretary to the Cabinet Simon Miti said the government had decided that the working arrangements be normalized while adhering to COVID-19 guidelines under the new normal.
4. "Let's get the job done" (Times of Zambia, Tuesday 13th)
Zambia received the 228,000 doses of COVID-19 vaccine from AstraZeneca, yesterday with Health Minister Jonas Chanda advising people to ignore the myths being shared on social media platforms on Coronavirus vaccines.
5. "Fitch upgrades Zambia" (Daily Mail, Wednesday 14th)
Credit rating agency Fitch Ratings has upgraded Zambia's local currency debt rating from CC to CCC. A triple C rating means "substantial credit risk where default is a real possibility", while a double C means "very high levels of credit risk, where default of some kind appears probable.
6. "Batoka Power Project shelved till next year" (Times of Zambia, Monday 19th)
The development of the US\$4 billion Batoka Gorge Hydropower plant on the Zambia-Zimbabwe border will be delayed until next year because of the adverse effect of COVID-19 pandemic.
7. "Fisheries fund coming" (Daily Mail, Wednesday 21st)
To ensure a self-sustaining fish production sector, President Edgar Lungu has ordered the setting up of a Fisheries and Aquaculture Development Fund. The President is confident that the introduction of the fund will complement Zambia's efforts to produce 162,000 tons of fish per year by 2025.
8. "Japan gives Zambia \$2.7m" (Daily Mail; Daily Nation; Times of Zambia, Thursday 22nd)
Japan has given Zambia a grant of US\$2.7 million for solid waste management under the economic and social development framework. Japanese Ambassador to Zambia, Mr. MIZUUCHI Ryuta pointed that waste management is a serious challenge in Lusaka City. He said this yesterday during the signing of the grant with the Minister of Finance, Dr. Bwalya Ng'andu.
9. "Annual inflation rate drops" (Daily Mail; Daily Nation; Times of Zambia, Friday 30th)
The drop in prices of some food items has resulted in the annual inflation rate to decrease by 0.6 percentage point to 22.7 percent in April from 22.8 percent last month. Zambia Statistics Agency Statistician General Mulenga Musepa announced yesterday that the annual food inflation for April was recorded at 27.2 percent from 27.8 in March due to a drop in prices of fish, fruits and cereals.

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	18,529 (est)	18,955 (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)	22.7 (Apr)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	319.41 (Apr)
10. Balance of trade (million USD)	2629.53	1141.05 *2
11. Balance of trade against Japan (million USD)	-173.71	-41.34 *3
12. Export (million USD)	7920.20	2430.64 *2
13. Export against Japan (million USD)	186.45	69.78 *3
14. Import (million USD)	5290.67	1289.59 *2
15. Import against Japan (million USD)	360.16	111.12 *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)	12,740	-
21. Exchange rate (Kwacha/USD, average)	18.31ZMW	22.21ZMW (Apr)
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-March 2021. 1USD = 21.63ZMW (Bank of Zambia)

*3 Accumulated average rate: January-March 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 (March 2021)

- 1st: Switzerland 42.3%
- 2nd: China 21.7%
- 3rd: Singapore 12.4%
- 4th: Congo DR 8.6%
- 5th: South Africa 3.5%
- Other destination 11.5%

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 (March 2021)

- 1st: South Africa 33.2%
- 2nd: China 15.4%
- 3rd: India 5.5%
- 4th: Seychelles 5.1%
- 5th: UK 3.4%
- Other destination 37.4%

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.