

Macro-economics of Zambia (May 2021)

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

1. Monthly News (Economics)

<p>1. “Zambia, Angola seal K5 billion oil line deal” (Daily Mail, Saturday 1st) Zambia’s cost of importing fuel is expected to reduce significantly, following the signing of the memorandum of understanding (MoU) with Angola to develop a US\$ 5 billion oil pipeline. The MoU will pave way for feasibility studies for development and implementation of the Refined Petroleum Multi-Product and Natural Gas Pipeline Project (AZOP).</p>
<p>2. “Record harvest expected” (Daily Mail, Thursday 6th) Zambia is this year poised for a third consecutive maize bumper harvest of 3.6 million tons, the highest in the country’s history. The 3,620,244 tons of maize projected harvest represents an increase by seven percent from the 3,387,469 metric tons recorded in the 2019/2020 farming season.</p>
<p>3. “Lungu, Masisi officially open Kazungula bridge” (Daily Mail; Daily Nation; Times of Zambia, Tuesday 11th) President Lungu and President of Botswana Mokgweetsi Masisi commissioned the Kazungula bridge and One-Stop Border Post facilities yesterday. President Lungu said his government would continue to channel efforts towards enhancing the well-being of the Zambian people through strategic infrastructure, and so forth.</p>
<p>4. “IMF talks with Govt. on Extended Credit Facility continue” (Times of Zambia, Tuesday 11th) The International Monetary Fund (IMF) mission has continued discussions with the Government during April-May, this year, on Zambia’s request for an Extended Credit Facility (ECF). IMF said that building on earlier discussions in February-March, there was broad agreement on the macroeconomic framework.</p>
<p>5. “Japan weighs in with K24m” (Daily Mail, Sunday 16th) Japan has given Zambia K24 million through United Nations Children’s Fund (UNICEF) to support the vaccination roll-out. The funding will support cold chain infrastructure which is used to transport and store vaccines.</p>
<p>6. “Zambia to get J&J COVID jab – AU” (Times of Zambia, Thursday 20th) The African Union (AU) says it has signed an agreement for delivery of 400 million doses of the Johnson and Johnson vaccine which will be disbursed to all 55 member states including Zambia.</p>
<p>7. “BoZ initiates deposit protection scheme” (Daily Nation, Friday 21st) Implementation of a deposit protection scheme meant to protect depositors in cases where commercial banks become insolvent has been started by Bank of Zambia (BoZ). The Central Bank has therefore developed guidelines and directives for the scheme to be set-up within the provision of the banking and financial services Act.</p>
<p>8. “Govt. workers back to rotating” (Daily Mail, Friday 28th) With COVID-19 showing no signs of relenting, Government has reverted to rotational work schedules for public employees. Secretary to the Cabinet, Simon Miti issued a circular which instructing public workers to revert to alternative working arrangements to prevent the further spread of the virus.</p>

2. Main Economic Statistical Indexes

Economic Index	2020	2021
1. Population (millions)	17.89	-
2. Population growth rate (%)	2.89	-
3. Unemployment rate (%)	12.2	-
4. Life expectancy (age, M/F)	60.8/66.9 (2019)	-
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)	1,190	-
8. Inflation rate (%)	19.2 (Dec)	23.2 (May)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	325.82 (May)
10. Balance of trade (million USD)	2629.53	1627.18 *2
11. Balance of trade against Japan (million USD)	-173.71	-75.98 *3
12. Export (million USD)	7920.20	3439.85 *2
13. Export against Japan (million USD)	186.45	89.26 *3
14. Import (million USD)	5290.67	1812.67 *2
15. Import against Japan (million USD)	360.16	165.24 *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 public debt (excl. publicly guaranteed debt, million USD)	12,740	-
21. Exchange rate (Kwacha/USD, average)	18.31ZMW	22.43ZMW(May)
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-April 2021. 1USD = 21.78ZMW (Bank of Zambia)

*3 Accumulated average rate: January-April 2021. 1USD = 104.25JPY (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 (April 2021)

- 1st: Switzerland 44.3%
- 2nd: Singapore 17.6%
- 3rd: China 17.6%
- 4th: Congo DR 8.4%
- 5th: Luxembourg 2.2%
- Other destination 9.9%

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 (April 2021)

- 1st: South Africa 33.8%
- 2nd: China 11.0%
- 3rd: India 8.9%
- 4th: UAE 5.8%
- 5th: Seychelles 4.3%
- Other destination 36.2%

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.