

Macro-economics of Zambia (June 2021)

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

1. Monthly News (Economics)

<p>1. “Crop price raised 200%” (Daily Mail, Saturday 1st) The staple maize, soya bean and paddy rice have had their prices increased by between 37 to 233 percent, which is the best raise in decades. Farmers have in recent years bemoaned low prices of crops considering high production costs, mainly fertilizer and seed.</p>
<p>2. “Japan donates \$3 million health kit” (Daily Mail, Thursday 6th) As part of its economic and social development program, Japan, has donated health kits to the Ministry of Health valued at over US\$2.75 million. The 1,190 health center kits will be distributed to facilities countrywide. Embassy of Japan in Zambia, Charge d’Affaires OMINATO Satoshi said the gesture of donating medical kits is cardinal especially now that COVID-19 has put pressure on the health sector.</p>
<p>3. “Lungu allows maize export” (Daily Mail; Daily Nation; Times of Zambia, Tuesday 11th) In an effort to ensure that farmers earn foreign exchange from sale of their crops, Government will this year allow export of a lot of maize and mealie-meal to neighboring countries. President Edgar Lungu wants farmers to accrue monetary benefits from their hard work by selling their produce to the international market.</p>
<p>4. “Zambia, Burundi to sign trade deal” (Times of Zambia, Tuesday 11th) Zambia and Burundi will in the next few months sign an agreement to enhance trade between the private sectors from both countries. The agreement will be signed through the chambers of commerce from both countries.</p>
<p>5. “KK dies” (Daily Mail, Sunday 16th) Founding President Kenneth Kaunda has died aged 97. Dr. Kaunda, one of Africa’s foremost liberation heroes and the last of his generation surviving, died yesterday at Maina Soko Medical Centre. President Edgar Lungu has declared 21 days of national mourning in honour of the Founding President.</p>
<p>6. “Economy in marginal growth” (Times of Zambia, Thursday 20th) Zambia’s economy in the first quarter of this year grew by 0.7 percentage point driven by the agriculture, financial and information and communication sectors. This represents a one percent increase from negative 0.3 percentage point recorded in the same period of last year 2020.</p>
<p>7. “It’s now grave” (Daily Nation, Friday 21st) It is now an all-round overwhelming situation. Finding bed space for coronavirus patients is almost impossible, oxygen is in short supply, testing kits are running out and vaccines are equally running inadequate. Deaths have shot up to an average of 50 per day, the University Teaching Hospitals (UTH) mortuary is overflowing and burial grounds are growing smaller.</p>
<p>8. “Zambia to benefit from IMF’s \$650bn boost” (Daily Mail, Friday 28th) Increase in Special Drawing Rights (SDR) by the International Monetary Fund (IMF) for member states totaling an additional US\$650 billion, which will be approved in the coming weeks, will boost Zambia’s foreign exchange reserves.</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)	24.6 (June)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	330.14 (June)
10. Balance of trade (million USD)	2629.53	1932.91 *2
11. Balance of trade against Japan (million USD)	-173.71	-109.26 *3
12. Export (million USD)	7920.20	4332.27 *2
13. Export against Japan (million USD)	186.45	99.57 *3
14. Import (million USD)	5290.67	2399.36 *2
15. Import against Japan (million USD)	360.16	208.83 *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	22.59ZMW (Jun)
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-May 2021. 1USD = 21.91ZMW (Bank of Zambia)

*3 Accumulated average rate: January-May 2021. 1USD = 105.2JPY (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 (May 2021)

1st: Switzerland 45.8%
2nd: China 19.3%
3rd: Singapore 13%
4th: Congo DR 8.6%
5th: South Africa 2.5%
Other destination 10.8%

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 (May 2021)

1st: South Africa 32.4%
2nd: China 10.2%
3rd: Congo DR 7.6%
4th: UAE 6.3%
5th: India 6.2%
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.