

# Macro-economics of Zambia (July 2021)

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

## 1. Monthly News (Economics)

<p><b>1. “Zambia walks tight rope” (Daily Mail, Friday 9th)</b> Moody’s Investors Services, in its latest report, says that Zambia is among several African countries that are likely to face higher exposure to a potential tightening in financial conditions following a surge in gross borrowing requirements during the coronavirus era.</p>
<p><b>2. “Lusaka South-MFEZ nets K25m” (Times of Zambia, Monday 12th)</b> The Lusaka South Multi-Facility Economic Zone (LSMFEZ) recorded K25.4 million revenue in the year 2020 despite the impact of COVID-19 on the economy. The MFEZ realized a net profit after tax of K2.2 million compared to a net loss of K5.4 million recorded in 2019 representing 141 percent growth.</p>
<p><b>3. “ZRA exceeds revenue target by K10 billion” (Daily Mail, Wednesday 14th)</b> Despite negative pressure in revenue collection, caused by COVID-19, Zambia Revenue Authority (ZRA) has exceeded its target by over K10 billion by collecting over K45 billion in the last six months from the projected K30 billion.</p>
<p><b>4. “World Bank predicts improved budget outlay for Zambia” (Daily Nation, Friday 16th)</b> Zambia’s budget deficit which has widened substantially is expected to gradually narrow as COVID-19 recedes, the World Bank has predicted. It however quickly mentioned that this would not be sufficient to close fiscal deficits opened by last year’s shortfalls.</p>
<p><b>5. “More Foreign Direct Investment needed” (Daily Mail, Wednesday 21st)</b> The Zambia Tax Platform (ZTP) says improving investment inflows from foreign countries and economic diversification is critical for Zambia’s economic recovery and sustainable growth amid the coronavirus pandemic.</p>
<p><b>6. “Kwacha continues gaining strength” (Daily Mail; Times of Zambia, Tuesday 27th)</b> The Kwacha, which significantly appreciated last week after months of trading above the K22 mark against the United States (US) dollar, is expected to continue on a positive footing. Government said the appreciation of the Kwacha largely reflects increases in the supply of foreign exchange and broad improvements in market expectations.</p>
<p><b>7. “State launches national AfCFTA implementation strategy” (Daily Mail; Daily Nation; Times of Zambia, Thursday 29th)</b> Government has launched the African Continental Free Trade Area (AfCFTA) national implementation strategy to position the country as a strong trade partner on the continent. The strategy is a blueprint for Zambia’s engagement with the 54 member states.</p>
<p><b>8. “Japan defers Zambia’s debt repayment” (Daily Mail; Daily Nation; Times of Zambia, Saturday 31st)</b> Japan has deferred Zambia’s debt of about US\$822,000 (over K15 million) under the G20 Debt Service Suspension Initiative (DSSI). The deferred debt will be paid in six equal semi-annual instalments beginning June 15, 2022.</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 (July)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	331.15 (July)
10. Balance of trade (million USD)	2629.53	2163.49 *2
11. Balance of trade against Japan (million USD)	-173.71	-146.33 *3
12. Export (million USD)	7920.20	5179.38 *2
13. Export against Japan (million USD)	186.45	120.50 *3
14. Import (million USD)	5290.67	3015.44 *2
15. Import against Japan (million USD)	360.16	266.83 *3
16. Balance of current account (million USD)	1,673 (est)	-
17. Outward direct investment (million USD)	133	-
18. Inward direct investment (million USD)	234	-
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	21.62ZMW (July)
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-June 2021. 1USD = 22.02ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-June 2021. 1USD = 105.83JPY (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 (June 2021)

1<sup>st</sup>: Switzerland 29.4%  
2<sup>nd</sup>: China 27.7%  
3<sup>rd</sup>: Singapore 13.4%  
4<sup>th</sup>: Congo DR 12.1%  
5<sup>th</sup>: South Africa 3.5%  
Other destination 14.0%

#### 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 (June 2021)

1<sup>st</sup>: South Africa 32.0%  
2<sup>nd</sup>: China 10.8%  
3<sup>rd</sup>: Congo DR 6.2%  
4<sup>th</sup>: India 5.1%  
5<sup>th</sup>: UAE 4.4%  
Other destination 41.5%

#### 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.