

# Macro-economics of Zambia (September 2021)

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

## 1. Monthly News (Economics)

<p><b>1. "Musokotwane meets IMF" (Daily Nation; Times of Zambia, Wednesday 1st)</b> Finance Minister, Dr. Situmbeko Musokotwane has held his first meeting with International Monetary Fund (IMF) Resident Representative for Zambia, Preya Sharma to discuss various aspects of strengthening the partnership between Zambia and the IMF.</p>
<p><b>2. "Zambia in record demand for cash" (Daily Mail, Sunday 5th)</b> The Bank of Zambia (BoZ) has noted an unprecedented rise in demand for cash countrywide, unusual during an election period and crop-marketing season. BoZ said, it has in collaboration with commercial banks put in place measures to ensure that there are enough bank notes and coins in circulation throughout the country.</p>
<p><b>3. "Mealie-meal prices falls" (Times of Zambia, Monday 6th)</b> Mealie-meal prices have dropped on the local market due to low demand and appreciation of the Kwacha against the United States Dollar. The appreciation of Kwacha has resulted in the country losing the export market grip, the Millers Association of Zambia (MAZ) has said.</p>
<p><b>4. "IMF deal in sight – Fitch" (Daily Nation, Monday 13th)</b> Zambia is more likely to get the US\$1.3 billion financial programme deal with the IMF over the next few months as investor confidence has surged, Fitch Solutions has predicted.</p>
<p><b>5. "Copper production in 3.6% decline" (Daily Mail, Tuesday 14th)</b> According to data obtained from the Ministry of Mines and Minerals Development, Zambia's target to produce 900,000 tons of copper in 2021 hangs in balance as the country recorded a 3.6 percent decline in copper production in the first half of this year, hitting 393,114.88 metric tons from last year's 407,807.70 tons.</p>
<p><b>6. "Budget framework approved" (Daily Mail; Times of Zambia, Monday 20th)</b> Cabinet has approved the 2022 budget framework, which will focus on restoring economic growth and safeguarding livelihoods. President Hakainde Hichilema chaired his first cabinet meeting, which deliberated on budget policy paper on the 2022-2024 medium term expenditure framework (MTEF) and the 2022 national budget.</p>
<p><b>7. "Hichilema commits to stable business environment" (Daily Nation, Thursday 23rd)</b> President Hakainde Hichilema says Zambia will dedicate efforts to guarantee a stable and predictable environment that will attract and protect local, regional and foreign direct investment as well as enhance local participation in the economy. President Hichilema said this was a prerequisite for a vibrant private sector-led economy and thus create jobs for everyone.</p>
<p><b>8. "IMF staff date Zambia" (Times of Zambia, Tuesday 28th)</b> The IMF staff are scheduled to be meeting with the Zambian government officials from yesterday up to October 1. The Treasury said in a statement "The IMF staff will work with the ministry to understand the key policies and specific reform measures prioritised by the New Dawn administration".</p>
<p><b>9. "Japan, UNIDO to train 500 youths" (Times of Zambia, Thursday 30th)</b> Japan and the United Nations Industrial Development Organization (UNIDO) have agreed to assist Zambia train 500 youths in construction equipment operating skills over a four-year period at a cost of US\$4 million.</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 (%)	-3.0 (est)	1.6 (est)
7. GNI per capita (USD)	1,190	-
8. Inflation rate (%)	19.2 (Dec)	22.1 (Sep)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	330.73 (Sep)
10. Balance of trade (million USD)	2629.53	2597.77 *2
11. Balance of trade against Japan (million USD)	-173.71	-230.29 *3
12. Export (million USD)	7920.20	7020.48 *2
13. Export against Japan (million USD)	186.45	143.44 *3
14. Import (million USD)	5290.67	4422.72 *2
15. Import against Japan (million USD)	360.16	373.73 *3
16. Balance of current account (million USD)	2,319.9 (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)	2,900 (Aug)
20. External public debt (million USD)	14,315.15	-
21. Exchange rate (Kwacha/USD, average)	18.31ZMW	16.37ZMW (Sep)
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-August 2021. 1USD = 21.48ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-August 2021. 1USD = 106.5JPY (Bank of Japan)

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

## 3. Trade Statistics

### • Export

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

1<sup>st</sup>: Switzerland 48.5%  
2<sup>nd</sup>: China 16.4%  
3<sup>rd</sup>: Singapore 11.6%  
4<sup>th</sup>: Congo DR 9.5%  
5<sup>th</sup>: South Africa 2.8%  
Other destination 11.3%

#### 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 (August 2021)

1<sup>st</sup>: South Africa 28.0%  
2<sup>nd</sup>: China 14.0%  
3<sup>rd</sup>: Congo DR 10.5%  
4<sup>th</sup>: UAE 6.5%  
5<sup>th</sup>: India 4.4%  
Other destination 36.7%

#### 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.