

Macro-economics of Zambia (October 2021)

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

1. Monthly News (Economics)

<p>1. "COVID-19 restrictions lifted" (Times of Zambia, Saturday 2nd) Government has lifted all COVID-19-related restrictions for one month effective today, a week ahead of the planned re-launch of a nation-wide vaccination campaign by President Hakainde Hichilema.</p>
<p>2. "Zambia ranked 94th in digital quality of life" (Times of Zambia, Tuesday 5th) Zambia has been ranked 94th among 110 countries in Digital Quality of Life (DQL) index 2021. Zambia showed its best results in e-security (64th), but displayed low indexes in internet affordability (81st), internet quality (95th), e-infrastructure (100th), and e-government (109th) respectively.</p>
<p>3. "Zambia-IMF talks enrich 2022 Budget framework" (Times of Zambia, Wednesday 6th) Zambia and the International Monetary Fund (IMF) have concluded technical discussions on new economic reform priorities with Finance Minister Situmbeko Musokotwane, saying the talks enriched the 2022 Budget framework and the 2022-2024 Medium Term Expenditure Framework.</p>
<p>4. "Diarrhea surges in Lusaka" (Daily Mail, Thursday 14th) Three weeks after the Ministry of Health warned of possible cholera outbreak in some parts of the country this month, Lusaka is reporting a surge in diarrhea cases suspected of being dysentery and typhoid.</p>
<p>5. "Japan donates \$150,000 COVID – 19 kit" (Times of Zambia, Sunday 24th) The Japanese Government has donated assorted equipment to the Zambian Government worth more than \$150,000 to boost the Health Ministry's preparations to deal with the projected fourth wave of COVID-19 pandemic. This equipment will be installed in the medical centres in Eastern, Luapula, Muchinga and Western Province.</p>
<p>6. "Economy to grow by 2.2% this year – World Bank" (Daily Mail, Thursday 28th) World Bank Zambia Senior economist Samson Kwalingana says the country's economy is expected to grow moderately by 2.2 percent in 2021 driven by high copper prices, rising market confidence and normal rainfall patterns.</p>
<p>7. "Govt keen to build new Luangwa Bridge – Milupi" (Times of Zambia, Thursday 28th) The Zambian Government says plans to construct the new Luangwa Bridge in collaboration with the Japanese Government and JICA have been tabled before Cabinet for approval and this matter would be considered favourably. Infrastructure, Housing and Urban Development Minister Charles Milupi said this yesterday when Japanese Ambassador to Zambia, Ryuta Mizuuchi paid a courtesy call on him.</p>
<p>8. "UPND unveils K173bn budget" (Daily Nation, Saturday 30th) Dr. Situmbeko Musokotwane, Minister of Finance and National Planning has proposed to spend K173.0 billion in 2022, increased from K106.0 billion which was suggested to be spent this year. The 2022 National Budget is equivalent to 37.1 percent of GDP.</p>
<p>9. "Zambia shifts focus to debt restructuring – Minister" (Daily Nation, Saturday 30th) Dr. Situmbeko Musokotwane, Minister of Finance and National Planning Zambia said, in his 2022 budget speech, that the Zambian Government aims to conclude with creditors for restructuring of debt by the first quarter of 2022. Government has therefore proposed to spend K51.3 billion on external debt service in 2022 while K27.4 billion will go towards domestic debt service.</p>
<p>10. "Jobs galore" (Daily Mail, Saturday 30th) The biggest beneficiaries from the new administration's promise of jobs, at least immediately, will be teachers and health workers with 40,000 of them expected to be recruited next year. Teachers alone will be 30,000 while 11,200 health personnel are expected to be recruited next year.</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	19,319 (est)	21,699 (est)
6. GDP growth rate (%)	-3.0 (est)	1.6 (est)
7. GNI per capita (USD)	1,190	-
8. Inflation rate (%)	19.2 (Dec)	21.1 (Oct)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	332.11 (Oct)
10. Balance of trade (million USD)	2629.53	2898.13 *2
11. Balance of trade against Japan (million USD)	-173.71	-292.68 *3
12. Export (million USD)	7920.20	7991.39 *2
13. Export against Japan (million USD)	186.45	149.74 *3
14. Import (million USD)	5290.67	5088.47 *2
15. Import against Japan (million USD)	360.16	442.42 *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	14,710 (Sep)
21. Exchange rate (Kwacha/USD, average)	18.31ZMW	17.04ZMW (Oct)
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-September 2021. 1USD = 20.91ZMW (Bank of Zambia)

*3 Accumulated average rate: January-September 2021. 1USD = 106.89JPY (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 (September 2021)

- 1st: Switzerland 40.3%
- 2nd: China 17.1%
- 3rd: Singapore 12.0%
- 4th: Congo DR 11.7%
- 5th: Luxembourg 2.7%
- Other destination 16.2%

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 (September 2021)

- 1st: South Africa 29.2%
- 2nd: China 15.2%
- 3rd: UAE 8.0%
- 4th: India 5.8%
- 5th: Congo DR 4.7%
- Other destination 37.1%

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.