

Macro-economics of Zambia (November 2021)

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

1. Monthly News (Economics)

<p>1. “Invest in Zambia, Veep invites Japanese” (Daily Mail; Times of Zambia, Thursday 4th) Vice President WK Mutale Nalumango has called on Japanese private sector to take advantage of the conducive investment climate prevailing in Zambia by investing in the economy while being confident that Government is addressing various economic challenges.</p>
<p>2. “Japan hands theatre, 2 operating rooms over to Govt.” (Times of Zambia, Friday 12th) Under the framework of the “Grant Assistance for Grassroots Human Security Projects Programme”, the Japanese Government has handed over a furnished theatre with two operating rooms, equivalent to US\$89,000, to St. John Paul II Hospital in order to supplement the efforts by the Zambian Government to achieve universal health coverage.</p>
<p>3. “Manufacturing Industry registers growth” (Daily Mail; Times of Zambia, Thursday 16th) Government says the manufacturing industry has recorded an average growth of 4.5 percent in the last nine years, contributing seven percent to the country’s gross domestic product (GDP). Minister of Commerce, Trade and Industry Chipoka Mulenga said the industry has been able to record tremendous growth because of the resilience of the local manufacturers.</p>
<p>4. “Government ponders termination of road contracts” (Daily Mail, Wednesday 17th) The Patriotic Front (PF) administration gave out 1,005 road contracts in 10 years, valued at K127 billion, Parliament heard yesterday. Minister of Finance and National Planning Situmbeko Musokotwane says Government may have to terminate some contracts in the sector as way of dismantling the huge debt owed to contractors.</p>
<p>5. “Zambia Airways to hit skies Dec. 1” (Daily Mail, Tuesday 23rd) About 27 years since it ceased taking to the skies, the dream of resuscitating the national airline is close to reality following the planned resumption of Zambia Airways Limited’s operations on December 1, initially with domestic flights to Livingstone and Ndola.</p>
<p>6. “Zambia values Japan ties – HH” (Times of Zambia, Thursday 25th) President Hakainde Hichilema has said the UPND administration is committed to promoting good governance between Japan and Zambia to help foster development. The President said this in a speech read on his behalf by Finance Minister Situmbeko Musokotwane during the Japan Overseas Cooperation Volunteers (JOVC) 50th anniversary yesterday.</p>
<p>7. “BoZ raise Monetary Policy Rate” (Times of Zambia, Thursday 25th) The Bank of Zambia (BoZ) has adjusted the Monetary Policy Rate (MPR) by 50 basis points to nine percent from 8.5 percent as it calls for effective implementation of fiscal reforms to respond to high inflation.</p>
<p>8. “COVID-19: Emirates halts flights to Zambia” (Times of Zambia, Sunday 29th) Zambia is one of the countries affected by Emirates Airline, the Dubai-based carrier’s decision to suspend travel from southern African nations due to concerns related to the new COVID-19 variant.</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)	19.3 (Nov)
9. Consumer Price Index (year 2009 =100)	289.04 (Dec)	334.20 (Nov)
10. Balance of trade (million USD)	2629.53	3226.12 *2
11. Balance of trade against Japan (million USD)	-173.71	-374.25 *3
12. Export (million USD)	7920.20	8932.75 *2
13. Export against Japan (million USD)	186.45	164.80 *3
14. Import (million USD)	5290.67	5706.63 *2
15. Import against Japan (million USD)	360.16	539.05 *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	17.54ZMW (Nov)
22. Main policy interest rate (annual rate, %)	8.0 (Nov)	9.0 (Nov)

*1 GDP at market prices (Current USD)

*2 Accumulated average rate: January-October 2021. 1USD = 20.52ZMW (Bank of Zambia)

*3 Accumulated average rate: January-October 2021. 1USD = 107.2JPY (Bank of Japan)

<Source> 1, 8, 9, 10, 12, 14: Central Statistics Office / 2, 4, 7: World Bank / 3: ILO / 5: IMF / 6, 16, 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 (October 2021)

1st: Switzerland 47.9%
2nd: China 17.0%
3rd: Congo DR 9.0%
4th: Singapore 7.9%
5th: India 2.6%
Other destination 15.6%

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 (October 2021)

1st: South Africa 33.2%
2nd: China 12.3%
3rd: India 5.3%
4th: UAE 5.2%
5th: USA 5.0%
Other destination 39.0%

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.