

Macro-economics of Zambia (February 2022)

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

1. Monthly News (Economics)

<p>1. “Kwacha hits new low” (Daily Mail, Tuesday 1st) According to Zambia Industrial Commercial Bank (ZICB), despite the Bank of Zambia’s dollar selling intervention in response to the low of 18 Kwacha per United States (US) dollar recorded at the end of January, the downward trend of Kwacha due to increased demand for the US dollar has continued.</p>
<p>2. “Zambia is food secure despite floods” (Daily Mail, Friday 4th) Vice-President Mutale W.K. Nalumango says Zambia is food secure despite the disasters which have hit some parts of the country in the wake of adverse weather. Moreover, Mrs. Nalumango has appealed to local and international stakeholders to partner with Government to find a permanent solution to flooding in various parts of the country.</p>
<p>3. “ZDA scouts for investor to venture into e-commerce infrastructure” (Daily Nation, Wednesday 9th) The Zambia Development Agency (ZDA) is scouting for an investor that can invest in e-commerce infrastructure to ensure that the exporters keep interacting with importers in other countries to clinch as well as seal exports deals. All that is required is a reliable online platform to connect the buyers and sellers, ZDA acting Director General Mr. Albert Halwampa said.</p>
<p>4. “Zambia’s fiscal deficit to reduce - BoZ” (Daily Nation, Thursday 17th) Dr. Denny Kalyalya, Bank of Zambia Governor, predicted yesterday that Zambia’s fiscal deficit will gradually narrow to 6.7%, 6.3% and 5.2% from this year onwards through improved revenue performance, tighter expenditure control and approval of the up-coming IMF programme.</p>
<p>5. “State tips Kaizen for growth” (Daily Nation, Sunday 20th) Justice Minister Mulambo Haimbe (Acting Minister of Labour and Social Security) said yesterday the Japanese Kaizen concept has potential to resolve most of the challenges the country is facing such as low levels of competitiveness, high unemployment levels, high indebtedness, and low levels of productivity. Mr. Haimbe said this in Lusaka when he officially opened the national Kaizen conference.</p>
<p>6. “Issuance of mining licenses suspended” (Daily Mail, Thursday 24th) Mines and Minerals Development Minister Paul Kabuswe has suspended the issuance of mining licenses for 30 days until 23rd March, with immediate effect, to pave way for investigations into corruption allegations in the process of granting the permits. After the suspension period, the ministry will determine the courses of actions, including an extension of the suspension period.</p>
<p>7. “Economy headed to full recovery – Veep” (Times of Zambia, Saturday 26th) Vice-President Mutale W.K. Nalumango said last Friday the country’s economy is headed towards full recovery as signaled by the downward trend of inflation rate. In addition, Mrs. Nalumango explained the downward inflation will result in lower commodity prices countrywide.</p>
<p>8. “Govt stations plane in Poland for evacuation” (Daily Mail; Daily Nation; Times of Zambia, Sunday 27th) Government has stationed a plane in Warsaw, Poland, to evacuate all the 146 Zambians in Ukraine. Minister of Foreign Affairs and International Cooperation Stanley Kakubo said at media briefing yesterday that all Zambians at Lviv were expected to move towards the Polish border.</p>

2. Main Economic Statistical Indexes

Economic Index	2021	2022
1. Population (millions)	17.89 (2020)	-
2. Population growth rate (%)	2.89 (2020)	-
3. Unemployment rate (%)	13 (est)	13 (est)
4. Life expectancy (age, M/F)	60.8/66.9 (2019)	-
5. GDP (million USD)*1	21,699 (est)	23,967 (est)
6. GDP growth rate (%)	1.6 (est)	-
7. GNI per capita (USD)	1,160 (2020)	-
8. Inflation rate (%)	16.4 (Dec)	14.2 (Feb)
9. Consumer Price Index (year 2009 =100)	336.31 (Dec)	350.90 (Feb)
10. Balance of trade (million USD)	4,008.02	376.59 *2
11. Balance of trade against Japan (million USD)	-509.99	-47.16 *3
12. Export (million USD)	11,007.01	967.56 *2
13. Export against Japan (million USD)	175.73	29.18 *3
14. Import (million USD)	6,998.10	590.96 *2
15. Import against Japan (million USD)	685.72	76.34 *3
16. Balance of current account (million USD)	2,319.9 (est)	-
17. Outward direct investment (million USD)	133 (2020)	-
18. Inward direct investment (million USD)	234 (2020)	-
19. Gold, Foreign currency reserve (million USD)	2,800 (Dec)	-
20. External public debt (million USD)	16,860 (Jun)	-
21. Exchange rate (Kwacha/USD, average)	19.96ZMW	18.10ZMW (Feb)
22. Main policy interest rate (annual rate, %)	9.0 (Nov)	9.0 (Nov, 2021)

*1 GDP at market prices (Current USD)

*2 Accumulated average rate: January 2022. 1USD = 17.26ZMW (Bank of Zambia)

*3 Accumulated average rate: January 2022. 1USD = 114JPY (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 (January 2022)

1st: Switzerland 41.2%
2nd: China 23.2%
3rd: Singapore 13.8%
4th: Congo DR 10.0%
5th: South Africa 1.8%
Other destination 9.9%

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 (January 2022)

1st: South Africa 25.7%
2nd: Congo DR 17.6%
3rd: China 11.8%
4th: UAE 7.6%
5th: India 6.3%
Other destination 31.1%

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.