

Macro-economics of Zambia (May 2022)

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

1. Monthly News (Economics)

<p>1. "Fuel prices reduced" (Daily Mail; Daily Nation; Times of Zambia, Sunday 1st) Energy Regulation Board (ERB) has yesterday revised downwards the fuel pump prices for the month of May. Petrol will now cost K24.15 per litre from the April pricing of K26.5 per litre. Low Sulfur Diesel will now cost K25.64 per litre from K26.22. Kerosene has reduced from K19.32 to K18.76 per litre.</p>
<p>2. "Govt. earmarks to save USD10 million monthly on fuel imports" (Daily Mail, Tuesday 10th) Minister of Energy Peter Kapala said, in ZNBC's Interview on 8th May, that Government will save about USD10 million per month from fuel imports once Zambia starts producing blended fuel using ethanol. By August this year, Government will start producing ethanol, which will be blended with imported petrol to reduce the price of petroleum.</p>
<p>3. "FQM stakes USD 1.35 billion" (Daily Mail; Daily Nation; Times of Zambia, Tuesday 10th) First Quantum Minerals (FQM) Limited has approved USD 1.35 billion to expand its Kansanshi Copper Mine and start its Kalumbila nickel project following the new administration's commitment to creating an enabling investment climate. Further, FQM is intending to employ about 1,500 people permanently.</p>
<p>4. "Online payment portal for mines coming – HH" (Times of Zambia, Wednesday 11th) President Hakainde Hichilema says Government will soon launch an online payment portal to promote efficiency in the administration system of mining rights. President Hichilema indicated that the Government had imposed a moratorium on the issuance of mining rights to facilitate for a comprehensive audit of mining rights administration.</p>
<p>5. "100,000 hectares reserved for foreign investors" (Daily Mail, Saturday 14th) Minister of Foreign Affairs and International Cooperation Stanley Kakubo said yesterday that over 100,000 hectares of land in farm blocks in the 10 provinces has been reserved for foreign investment to promote economic diversification.</p>
<p>6. "Open EU market" (Daily Mail; Daily Nation; Times of Zambia, Thursday 19th) The first ever EU-Zambia Economic Forum in Lusaka was held in Lusaka yesterday. At the opening ceremony of the forum, President Hakainde Hichilema has appealed to Europe to open its market to allow more Zambian products, with Zambia targeting to boost European Union (EU) investments from the current Euro 1.6billion to Euro 5 billion.</p>
<p>7. "No death penalty" (Daily Mail; Daily Nation; Times of Zambia, Wednesday 25th) President Hakainde Hichilema has taken a decision to end the death penalty as a show of respect for human life. Government will work with Parliament to run through this process as the country transitions from the death penalty and focuses on preserving and rehabilitating life, while still delivering justice for all.</p>
<p>8. "2023 National Budget preps commence" (Times of Zambia, Wednesday 25th) Acting secretary to the treasury Davies Chisenda said that the Ministry of Finance and National Planning has commenced preparations for the 2023 National Budget and Medium Term Expenditure Framework (MTEF) covering the period 2023-2025. The Ministry will be conducting broad-based consultations on the 2023 National Budget and 2023-2025 MTEF to facilitate interactive preparation.</p>
<p>9. "Zimbabwe to import maize from Zambia" (Times of Zambia, Friday 27th) Zimbabwe will import 400,000 tons of white maize from Zambia and Malawi, the Grain Millers Association of Zimbabwe (GMAZ) said, as the country faces a reduced harvest this year. The white maize from Zambian side will be sourced from the Food Reserve Agency of Zambia.</p>
<p>10. "Eight districts record 50p.c COVID vaccination" (Times of Zambia, Saturday 28th) The Ministry of Health says eight district out of the total of 116 have recorded over 50 percent of their eligible population fully vaccinated against COVID-19. Acting Health Minister Charles Milupi said the eight districts were Chembe, Chiengi, Luampa, Luangwa, Lunga, Mwand, Sesheke and Shibuyunji.</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)	61.1/67.2 (2020)	-
5. GDP (million USD)*1	20,753 (est)	26,665 (est)
6. GDP growth rate (%)	1.6 (est)	-
7. GNI per capita (USD)	1,160 (2020)	-
8. Inflation rate (%)	16.4 (Dec)	10.2 (May)
9. Consumer Price Index (year 2009 =100)	336.31 (Dec)	359.04 (May)
10. Balance of trade (million USD)	4,008.02	1,267.22 *2
11. Balance of trade against Japan (million USD)	-509.99	-216.41 *3
12. Export (million USD)	11,007.01	3,893.72 *2
13. Export against Japan (million USD)	175.73	113.97 *3
14. Import (million USD)	6,998.10	2,626.50 *2
15. Import against Japan (million USD)	685.72	330.38 *3
16. Balance of current account (million USD)	2,319.9 (est, 2020)	-
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)	2,900 (Mar)
20. External public debt (million USD)	17,270 (Dec)	-
21. Exchange rate (Kwacha/USD, average)	19.96ZMW	17.09ZMW (May)
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-March 2022. 1USD = 17.77ZMW (Bank of Zambia)

*3 Accumulated average rate: January-March 2022. 1USD = 114.33JPY (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 (April 2022)

1st: Switzerland 38.2%
2nd: China 23.6%
3rd: Singapore 12.6%
4th: Congo DR 10.7%
5th: South Africa 2.5%
Other destination 12.4%

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 (April 2022)

1st: South Africa 29.1%
2nd: China 14.1%
3rd: Congo DR 11.3%
4th: UAE 10.4%
5th: India 7.1%
Other destination 28.0%

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.