

# Macro-economics of Zambia (July 2022)

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

## 1. Monthly News (Economics)

<p><b>1. "Fuel prices up" (Daily Mail; Daily Nation, Friday 1st)</b> The Energy Regulation Board (ERB) has adjusted upwards the pump prices of petroleum products by K1.8 per litre for petrol, K2.37 per litre for diesel and K2.51 per litre for Kerosene. The petrol price has been increased from K24.95 to K26.75 per liter, price of Low Sulphur Diesel price from K25.64 to K28.01, the kerosene price from K18.76 to K21.27 respectively.</p>
<p><b>2. "Zambia dropped to low income bracket" (Daily Nation, Monday 4th)</b> World Bank has reclassified Zambia as low-income country, according to the latest ranking. The classifications are updated each year on July 1, and based on the GNI per Capita of the previous year measures expressed in United States dollars (USD).</p>
<p><b>3. "FISP gets lion's share of agro-budget" (Daily Mail, Tuesday 5th)</b> Ministry of Agriculture Permanent Secretary Green Mbozi says the Farmer Input Support Program (FISP) gobbles 90 percent of the ministry's budget allocated K5 billion in the 2022 budget, leaving little resources for implementation of other key programs.</p>
<p><b>4. "Govt. targets 50,000 more public service jobs" (Times of Zambia, Monday 11th)</b> The Government is targeting to create another 50,000 public service jobs from next year to 2025 aimed at improving public service delivery, according to Medium Term Budget Plan (MTBP) released on Friday.</p>
<p><b>5. "Let's beat hunger" (Daily Mail; Daily Nation; Times of Zambia, Monday 18th)</b> President Hakainde Hichilema yesterday opened the 4th Mid-Year Coordination Summit of Heads of State and Government of the AU, with a call on Africa to increase food production to guard against food insecurity. Mr. Hichilema said Africa should emphasis on value addition through agro-processing, accelerate agricultural research and increase support to rural farmers whose livelihoods depended on farming.</p>
<p><b>6. "Post-COVID air passenger traffic recovery gains momentum" (Times of Zambia, Wednesday 20th)</b> Air passenger traffic recovery in Zambia has reached 79 percent of the pre-Coronavirus (COVID-19) levels in the first half of this year compared to 34 percent in 2021 and 39 percent in 2020 due to the pandemic, Zambia Airport Corporation Limited (ZACL) has said.</p>
<p><b>7. "Zambia net exporter of power – minister" (Daily Nation, Saturday 23rd)</b> Zambia has become a net exporter of electricity following the coming on board of four power generation units at Kafue Lower Gorge Power Station, Energy Minister Peter Kapala has said. Zambia has achieved an electricity generation surplus of 1,156MW following the commissioning of 4 units.</p>
<p><b>8. "\$250m for electric car battery plant" (Daily Mail, Tuesday 26th)</b> African Export-Import Bank (Afreximbank) says it will finance Zambia's first-ever electric car battery-manufacturing plant to a tune of US\$250 million. Zambia and the Democratic Republic of Congo recently signed agreements to explore investment opportunities in the car battery mineral value chain.</p>
<p><b>9. "Govt. cancels some loan-financed projects" (Daily Mail, Sunday 31st)</b> As part of the additional measures to address the current debt challenges, Cabinet has decided at its sitting on Thursday to cancel some loan financed projects while a few critical projects are being re-scoped. The undisbursed loan-financed projects seeking cancellation by the government are totaling US\$ 2.05 billion.</p>
<p><b>10. "Aroma of \$1.4bn in air" (Times of Zambia, Sunday 31st)</b> Zambia's creditors have assured they would negotiate a restructuring of its debt. IMF managing director Kristalina Georgieva said yesterday that she was very pleased the Official Creditor Committee for Zambia has provided its financial assurances clearing the way for a Fund program.</p>

## 2. Main Economic Statistical Indexes

Economic Index	2021	2022
1. Population (millions)	17.89 (2020)	-
2. Population growth rate (%)	2.88	-
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)	1,040	-
8. Inflation rate (%)	16.4 (Dec)	9.9 (July)
9. Consumer Price Index (year 2009 =100)	336.31 (Dec)	363.91 (July)
10. Balance of trade (million USD)	4,008.02	1,597.02 *2
11. Balance of trade against Japan (million USD)	-509.99	-360.39 *3
12. Export (million USD)	11,007.01	5,855.75 *2
13. Export against Japan (million USD)	175.73	171.61 *3
14. Import (million USD)	6,998.10	4,258.73 *2
15. Import against Japan (million USD)	685.72	532.00 *3
16. Balance of current account (million USD)	2,319.9 (est, 2020)	-
17. Outward direct investment (million USD)	-453	-
18. Inward direct investment (million USD)	-457	-
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	16.42ZMW (July)
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-June 2022. 1USD = 17.47ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-June 2022. 1USD = 117.17JPY (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 (June 2022)

1<sup>st</sup>: Switzerland 36.9%  
2<sup>nd</sup>: China 22.0%  
3<sup>rd</sup>: Congo DR 12.8%  
4<sup>th</sup>: Singapore 11.1%  
5<sup>th</sup>: Tanzania 2.7%  
Other destination 14.5%

#### 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 (June 2022)

1<sup>st</sup>: South Africa 27.5%  
2<sup>nd</sup>: China 16.0%  
3<sup>rd</sup>: India 10.1%  
4<sup>th</sup>: UAE 8.4%  
5<sup>th</sup>: Congo DR 6.2%  
Other destination 31.8%

#### 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.