

# Macro-economics of Zambia (December 2022)

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

## 1. Monthly News (Economics)

- 1. "Petrol price goes up" (Daily Mail; Times of Zambia, Thursday 1st)**  
The combined effect of the depreciation of the Kwacha and high international oil prices have triggered the increase in petrol by K1.58, kerosene by K1.22 and A1 by K1.45, while the price for low sulphur diesel remains unchanged.
- 2. "Copper production could slump" (Daily Nation, Friday 2rd)**  
The Ministry of Finance and National Planning has projected a reduction in copper production this year owing to factors relating to mineable resources, among others. The Secretary - Budget and Economic Affairs Mukuli Chikuba says initial projected copper output for this year was about 830,000 tonnes, but so far the country is standing at 759,000 tonnes.
- 3. "US\$531m fertilizer plant deal sealed" (Times of Zambia, Saturday 3rd)**  
United Capital Fertiliser Zambia Company (UCF) has signed an Engineering Procurement and Construction (EPC) contract with Wuhuan Engineering Company to set up a second fertilizer plant of ammonia and urea at a total cost of US\$531 million. The ultra-modern plant will have an annual production capacity of 180,000 tonnes of ammonia and 300,000 tonnes of urea.
- 4. "\$150m mining deal sealed" (Daily Mail; Times of Zambia, Thursday 15th)**  
A partnership between the Zambian and United States of America (USA) companies has culminated into a US\$150 million investment from KoBold Metals to own, explore and develop the Mingomba deposit in Chililabombwe.
- 5. "HH confident on debt deal with creditors" (Daily Nation, Monday 19th)**  
President Hakainde Hichilema is optimistic that Zambia will soon reach an agreement on the common framework with its creditors regarding the country's debt. The President said a technical committee engaged in the process is working towards addressing issues of debt sustainability
- 6. "Manufacturers see brighter 2023" (Daily Mail, Tuesday 27th)**  
Zambia's industries witnessed positive trends this year, backed by improved macro-economic fundamentals and business environment. According to analysts' expectations, the country's GDP is expected to close the year on US\$27 billion.
- 7. "Foreign liabilities stock drop to \$18.9bn" (Times of Zambia, Wednesday 28th)**  
The stock of Zambia's private sector foreign liabilities has declined by 11.7 percent to US\$18.9 billion during the first half of 2022 due to losses in the mining sector. BOZ Governor Denny Kalyalya indicated that foreign liability outflows increased to US\$345.8 million in 2021 from US\$45.4 million in 2020.
- 8. "Import waiver on petrol ends on New Year" (Daily Mail; Daily Nation, Thursday 29th)**  
Government has re-stated that with effect from January 1 next year, it will implement the removal of import duty on petroleum products supplied to Zambia. The customs duty rate has amended from 25 percent to free rate.
- 9. "Inflation rate closes at 9.9p.c" (Daily Nation; Sunday Times, Friday 30th)**  
Zambia's annual inflation rate has closed the year at 9.9 percent as compared to 15.1 per cent it started in January. An increase in non-food items such as fuels and lubricants has pushed the December annual inflation rate to 9.9 per cent, an increment of 0.1 per cent when compared to last month
- 10. "Zambia records one COVID-19 death, 54 new cases" (Times of Zambia, Saturday 31st)**  
One person has died of Coronavirus (COVID-19), bringing the total to five deaths in about one week. The death was recorded in Lusaka Province, which also had 54 new confirmed cases. The figure is out of the 131 detections in eight provinces after 1,540 tests were conducted, bringing the country's positivity rate at nine percent as at yesterday (30/12/22).

## 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	21,313 (est)	27,025 (est)
6. GDP growth rate (%)	3.6 (est)	-
7. GNI per capita (USD)	1,040	-
8. Inflation rate (%)	16.4 (Dec)	9.9 (Dec)
9. Consumer Price Index (year 2009 =100)	336.31 (Dec)	369.60 (Dec)
10. Balance of trade (million USD)	4,008.02	2,670.62 *2
11. Balance of trade against Japan (million USD)	-509.99	-754.02 *3
12. Export (million USD)	11,007.01	10,824.93 *2
13. Export against Japan (million USD)	175.73	254.44 *3
14. Import (million USD)	6,998.10	8,154.30 *2
15. Import against Japan (million USD)	685.72	1008.46 *3
16. Balance of current account (million USD)	2,351.7 (est)	-
17. Outward direct investment (million USD)	-453	-
18. Inward direct investment (million USD)	-457	-
19. Gold, Foreign currency reserve (million USD)	2,800 (Dec)	3,000 (Jun)
20. External public debt (million USD)	17,270 (Dec)	-
21. Exchange rate (Kwacha/USD, average)	19.96ZMW	17.58ZMW (Dec)
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-Nov 2022. 1USD = 16.85ZMW (Bank of Zambia)

\*3 Accumulated average rate: January-Nov 2022. 1USD = 125.55JPY (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 (November 2022)

- 1<sup>st</sup>: Switzerland 39.6%
- 2<sup>nd</sup>: China 16.4%
- 3<sup>rd</sup>: Congo DR 15.9%
- 4<sup>th</sup>: Singapore 9.2%
- 5<sup>th</sup>: Zimbabwe 3.2%
- Other destination 15.7%

#### 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 (November 2022)

- 1<sup>st</sup>: South Africa 29.4%
- 2<sup>nd</sup>: China 16.4%
- 3<sup>rd</sup>: Congo DR 7.7%
- 4<sup>th</sup>: India 5.7%
- 5<sup>th</sup>: UAE 4.1%
- Other destination 36.6%

#### 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.