



Bank of Zambia

Zambia Direction of Trade Report

(Third Quarter 2017)

CONTENTS

Executive Summary..... iii

1. Introduction..... 1

2. Major Destinations for Zambia’s Exports 1

3. Major Source Countries for Zambia’s Imports 4

4. Conclusion..... 6

Executive Summary

This report presents Zambia's direction of merchandise trade for the third quarter of 2017 paralleled to the corresponding quarter in 2016. In the third quarter of 2017, Zambia's total trade (exports and imports) increased to US\$4.22 billion from US\$3.31 billion in the corresponding period in 2016. The improvement in trade was on account of an increase in both export and import performance. Exports rebounded due to higher copper exports and non-traditional exports such as articles of copper; stamp-impressed paper; gold; cotton, and tobacco. Equally, imports recovered largely on account of higher imports of mineral fuels, oils and products of their distillation; inorganic chemicals; nuclear reactors and boilers; ores, slag and ash; and vehicles. Switzerland remained the top major destination for Zambia's exports and South Africa is the top major source for Zambia's imports.

1. Introduction

This report analyses Zambia's direction of merchandise trade for the third quarter of 2017 compared with the corresponding quarter in 2016. Statistics, based on the Harmonised Coding System (HS) are reported and exports are valued as free on board (f.o.b.) while imports are reported at cost, including insurance and freight (c.i.f.).

In the third quarter of 2017, Zambia's total trade (exports and imports) was US\$4.22 billion compared to US\$3.31 billion in the corresponding period in 2016. This present growth in trade of about 27.5%.

2. Major Destinations for Zambia's Exports¹

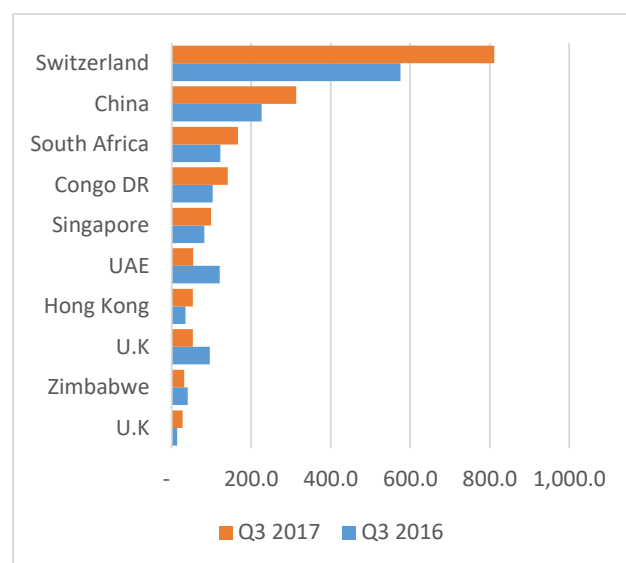
Zambia's total exports in Q3-2017 were US\$1.94 billion compared to US\$1.54 billion in Q3-2016. The top six destinations for Zambia's exports, from highest to lowest, were Switzerland, China, South Africa, Congo DR, Singapore, and the United Arab Emirates (Figure 1). Exports to these countries accounted for 81.9% of total exports.

Exports to Switzerland rose by 41.0% to US\$811.1 million from US\$575.2 million, attributed to an increase in copper earnings from that country (Figure 1).

Likewise, exports to China increased by 38.2% to US\$313.2 million from US\$226.58 million mainly on account of a surge in exports of copper blister, cathodes of refined copper, other refined copper, and sections of cathodes of refined copper.

Further, exports to South Africa rose by 36.2% to US\$166.7 million from US\$122.4 million on account of an increase in exports of pearls, precious stones and metals, copper and articles thereof and gold.

Figure 1 Major Export destinations (USD millions)



Exports to Congo (DR) recorded a 6.1% increase to US\$114.9 million from US\$108.3 million on account of small incremental increases in various NTE commodities such as salt, sulphur, lime, cement and inorganic chemicals.

Similarly exports to South Africa rose to US\$88.8 million from US\$82.8 million on account of an increase in exports of copper and articles thereof and cultured pearls, precious stones and metals.

On the other hand, exports to the United Arab Emirates declined by 35.9% to US\$62.7 million from US\$97.8 million mainly on account of a reduction in exports of Electrical machinery equipment and parts thereof.

The top five export commodities were copper and articles thereof; stamp-impressed paper; gold; cotton, and tobacco. The country earned US\$1.37 billion from copper exports compared to US\$1.04 billion in the corresponding quarter in 2016 (Figures 2a and 2b).

¹The Appendices shows the major export destinations, source countries for Zambia's imports and Zambia's trade with SADC and COMESA countries.

Figure 2a: Export Earnings including copper (USD millions)

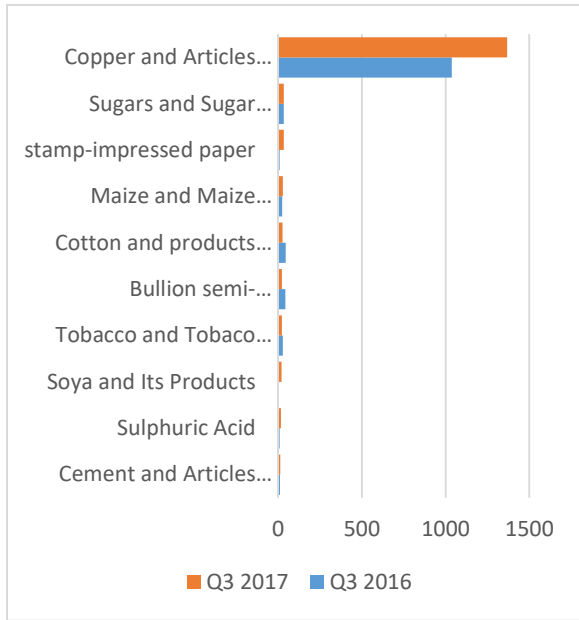


Figure 3a: Q3 2016 and Q3 2017 Copper Major Export Destinations (USD Millions)

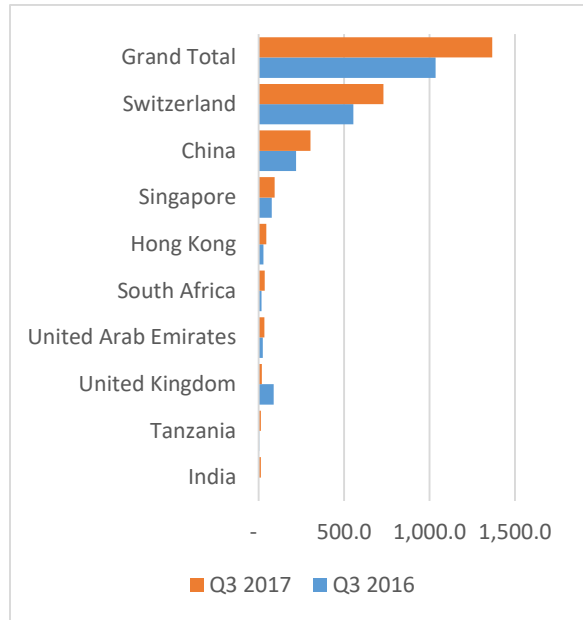


Figure 2b: Export Earnings excluding copper (USD millions)

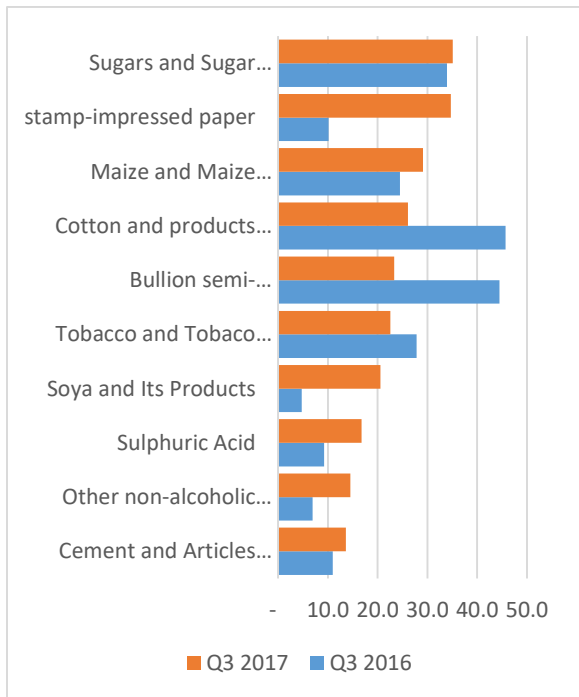
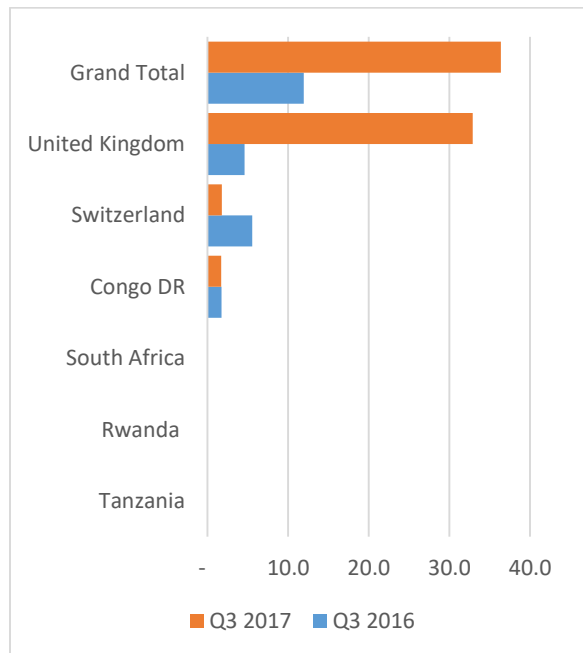


Figure 3b: Q3 2016 and Q3 2017 Major Export destinations of stamp-impressed paper (USD millions)



The major export destinations for Zambia's top five export commodities are shown in figures 3a to 3e.

Figure 3c: Q3 2016 and Q3 2017 Major Export destinations for gold (USD millions)

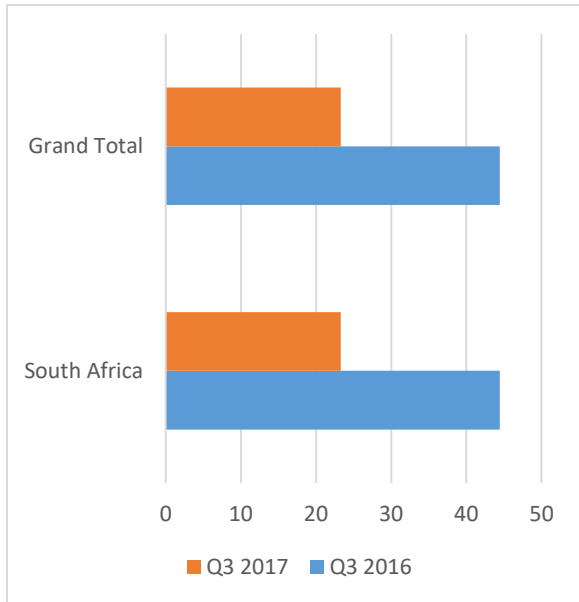


Figure 3e: Q3-2016 and Q3-2017 Major Export destinations for tobacco (USD millions)

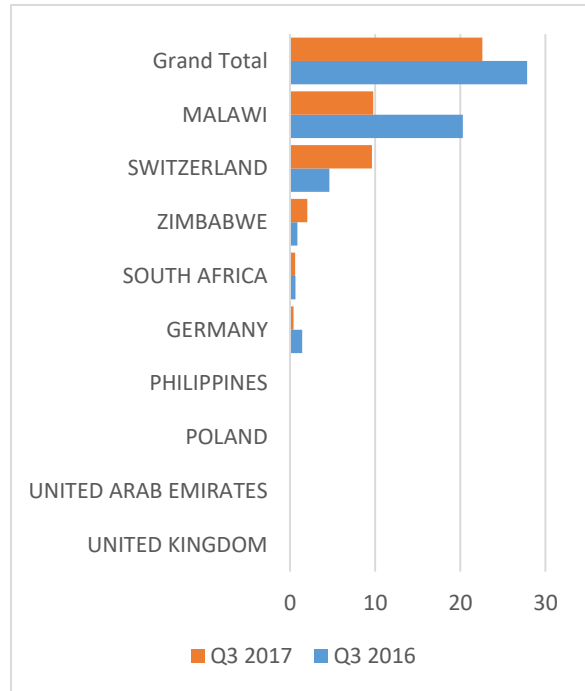
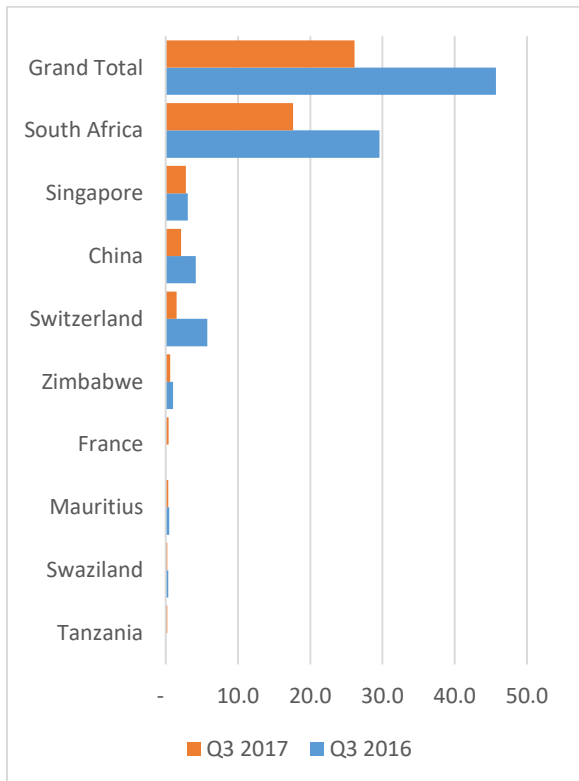


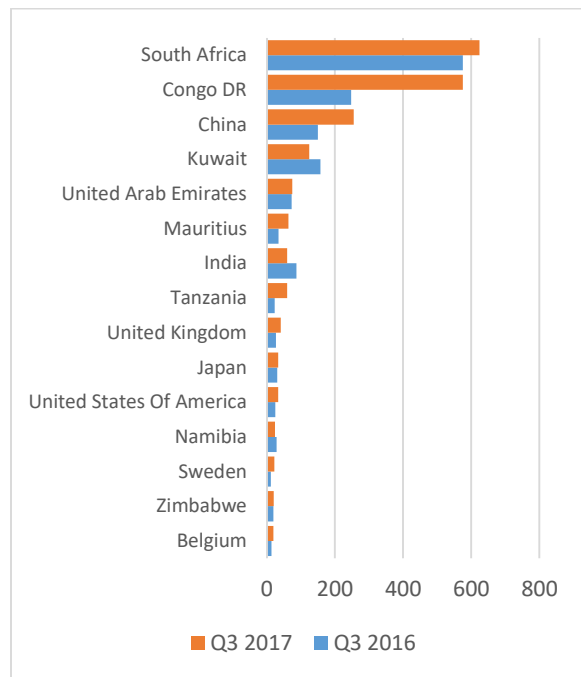
Figure 3d: Q3-2016 and Q3-2017 Major Export destinations for cotton (USD millions)



3. Major Source Countries for Zambia's Imports

Merchandise imports in Q3 2017 increased by 8.0 percent from US\$2.11 billion recorded in Q2 to US\$2.28 billion recorded in Q3 2017. On an annual basis, the US\$2.28 billion represents a growth rate of 28.9% from US\$ 1.77 billion recorded in Q3 2016. During the review period, the top five source countries for Zambia's imports were: South Africa, Congo DR, China, Kuwait and the United Arab Emirates in that order (Figure 4).

Figure 4: Zambia's Q3-2017 Top Source Countries for Imports (USD millions)



Imports from South Africa rose by 8.4% to US\$624.1 million from US\$575.6 million on account of a rise in imports of Nuclear reactors and boilers; inorganic chemicals; animal and vegetable fats and oils; articles of iron and steel; vehicles; and mineral fuels and oils.

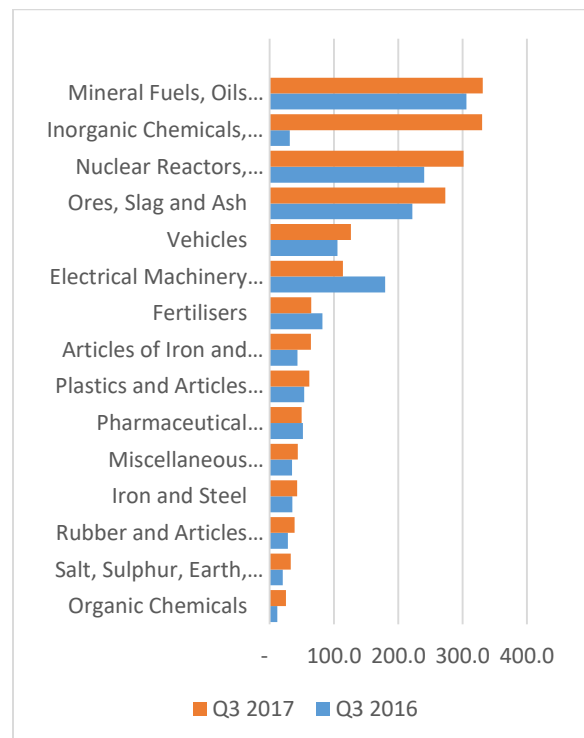
An increase of 132.5% in imports from Congo DR was recorded to US\$574.9 million from US\$247.2million mainly on account of an increase in imports of inorganic chemicals and compounds of precast metals; and ores, slag and ash. Imports from China rose by 69.7% to

US\$254.5 million from US\$150.0 million on account of a rise in imports of nuclear reactors and boilers; electrical machinery and parts thereof; iron and steel and articles thereof.

Imports from the United Arab Emirates increased by 2.7% to US\$74.8 million from US\$72.9 million on account of a rise in the imports of organic chemicals; inorganic chemicals; and electrical equipment and parts thereof. Conversely, imports from Kuwait declined by 20.7% to US\$124.6 million from US\$157.2 million mainly attributed to a decrease in imports of mineral fuels, oils and products of their distillation from that country.

Zambia's top five import commodities were: mineral fuels, oils and products of their distillation (US\$331.5 million); inorganic chemicals (US\$330.2 million); nuclear reactors and boilers (US\$301.7 million); ores, slag and ash (US\$273.0 million); and vehicles (US\$126.6 million).

Figure 5: Major Import Commodities (USD millions)



The source countries for Zambia's top five major imports are given in figures 6a to 6e.

Figure 6a: Source countries for mineral fuels, oils and products of their distillation (USD millions)

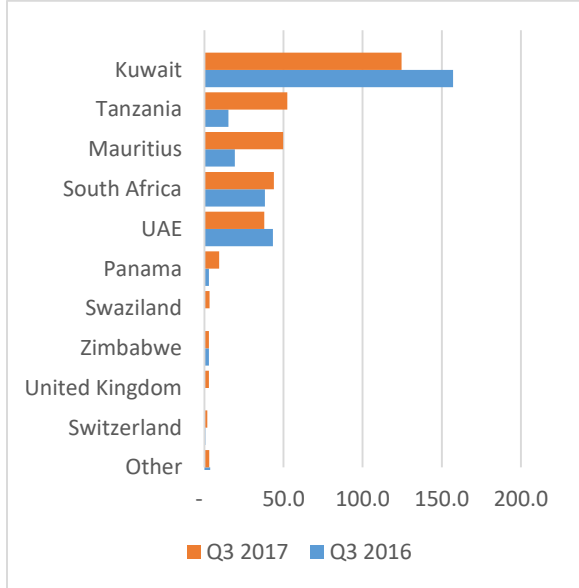


Figure 6c: Source countries for nuclear reactors and boilers (USD millions)

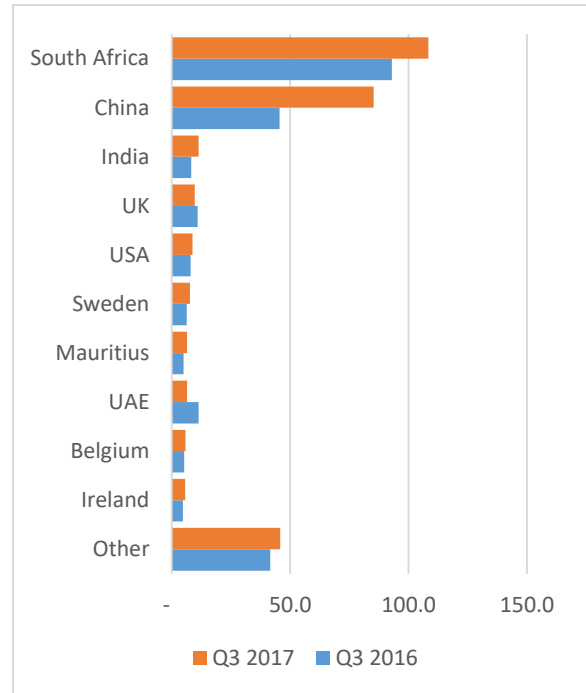


Figure 6b: Source countries for inorganic chemicals (USD millions)

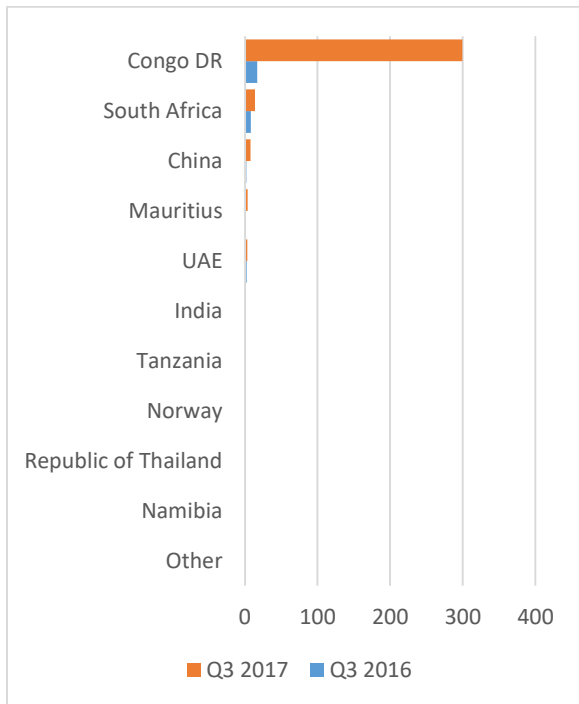


Figure 6d: Source countries for ores, slag and ash (USD millions)

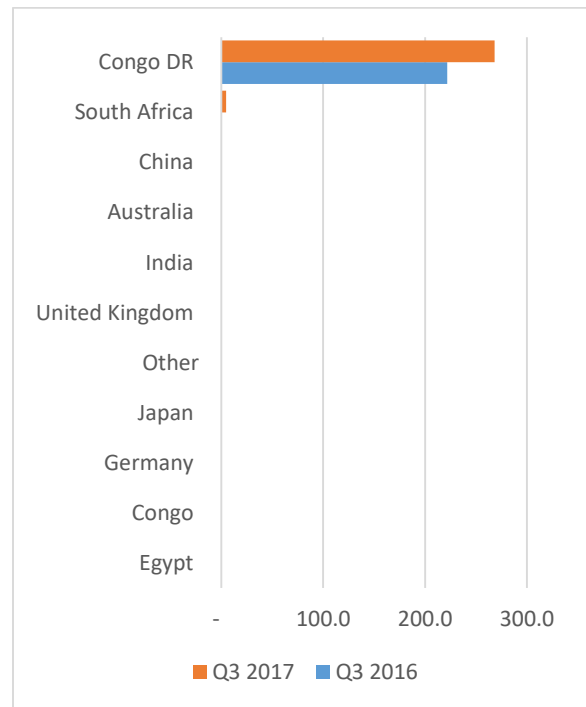
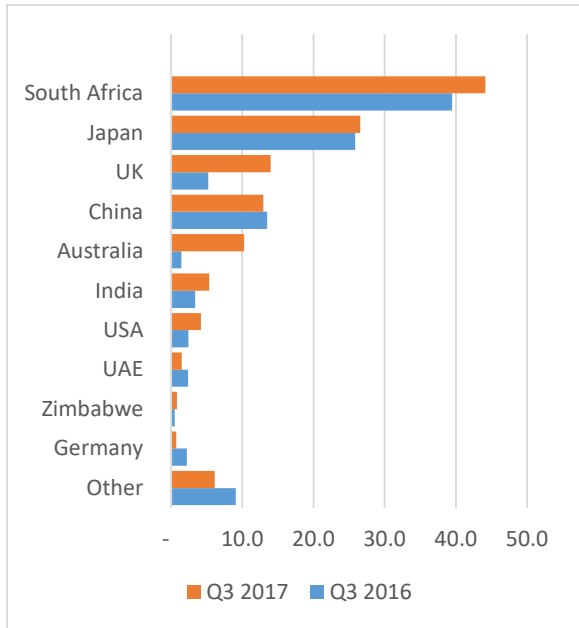


Figure 6e: Source Countries for vehicles (USD millions)



4. Conclusion

During the period under review exports performance improved largely on account of an increase in exports of copper and non-traditional exports such as articles of copper; stamp-impressed paper; gold; cotton, and tobacco. Copper exports increased due to an increase in both volumes of copper exports and realized prices. On a similar account imports rebounded largely on account of imports of mineral fuels, oils and products of their distillation; inorganic chemicals; nuclear reactors and boilers; ores, slag and ash; and vehicles.

APPENDIX ONE: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS

COUNTRY	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Australia	0.1	0.1	0.2	0.1	0.1	0.4
Belgium	1.3	3.9	1.0	1.3	1.2	1.4
Botswana	4.0	3.9	7.0	4.2	5.6	7.2
Burundi	2.4	4.0	3.8	4.5	6.5	6.4
China	335.6	226.6	341.6	334.2	376.0	313.2
CONGO DR	108.3	109.9	115.3	113.4	129.3	141.2
Egypt	0.0	0.1	0.0	0.0	0.0	0.0
France	0.1	0.2	0.0	0.1	0.1	0.5
Germany	1.0	2.6	4.5	2.1	1.5	1.1
Hong Kong	20.7	34.9	29.6	29.7	28.1	53.2
India	42.3	14.2	5.0	77.0	35.4	24.1
Kenya	9.7	8.5	10.3	8.1	24.5	17.4
Korea, Republic Of	0.9	1.3	1.2	0.9	0.8	1.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0
Luxembourg	0.3	6.1	7.5	10.4	15.9	10.8
Madagascar	0.0	0.0	0.2	0.0	0.0	0.1
Malawi	31.2	42.8	30.2	20.4	35.2	27.0
Malaysia	0.0	0.0	0.0	0.0	0.0	0.0
Mozambique	1.6	2.3	10.7	5.5	4.7	2.6
Namibia	1.0	3.3	5.5	5.5	6.2	5.7
Netherlands	1.7	1.3	3.6	7.1	1.1	0.8
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.0	0.1
Republic Of Thailand	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	5.9	8.5	7.4	7.1	8.2	8.9
Saudi Arabia	0.0	0.0	0.1	0.0	0.0	0.0
Singapore	109.7	81.8	101.0	162.9	120.5	99.2
South Africa (Republic Of)	82.8	122.4	84.6	76.9	88.8	166.7
South Sudan	0.0	0.0	0.0	0.0	0.0	0.0
Swaziland	2.0	0.9	2.2	1.0	0.3	2.2
Sweden	0.1	0.3	0.9	0.4	0.0	0.0
Switzerland	643.8	575.2	755.2	827.9	847.9	811.1
Tanzania, United	6.5	13.3	15.3	45.0	19.3	27.3
United Arab Emirates	97.8	120.6	91.9	75.5	62.7	54.0
United Kingdom	41.4	95.7	49.3	30.7	30.4	53.1
United States Of America	0.5	0.5	0.9	0.2	0.9	0.9
Zimbabwe	30.8	40.1	89.4	34.3	36.0	31.5
Other	9.4	24.0	20.4	20.1	14.8	53.9
TOTAL	1593.3	1549.4	1788.7	1902.4	1901.7	1936.2

APPENDIX TWO: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS

COUNTRY	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Australia	7.8	12.4	12.2	10.1	11.0	19.4
Belgium	7.4	13.9	32.3	10.4	14.1	19.7
Botswana	3.5	4.9	5.0	2.2	4.6	4.8
Brazil	3.6	0.8	1.8	3.3	2.6	2.9
Canada	3.5	3.7	7.4	6.3	3.3	5.5
China	134.5	150.0	158.2	314.3	309.3	254.5
Congo DR	204.1	247.2	349.1	276.7	360.4	574.9
Denmark	5.8	3.8	9.7	8.6	8.8	10.2
Egypt	4.7	2.0	2.3	3.4	2.6	3.3
Finland	18.9	32.1	14.0	9.8	12.5	7.0
France	4.3	10.8	20.7	7.1	6.1	6.0
Germany	13.1	12.5	18.6	10.2	22.4	19.4
Hong Kong	12.3	6.1	6.5	8.8	15.1	9.5
India	68.1	86.8	85.4	53.9	59.4	60.1
Indonesia	0.8	0.7	1.1	1.3	3.8	4.3
Israel	1.8	0.7	2.5	0.9	0.9	0.8
Italy	3.5	2.9	29.7	2.9	3.2	3.2
Japan	25.5	30.2	33.1	28.0	35.0	33.6
Kenya	11.4	9.1	10.4	7.1	8.0	9.6
KOREA, REPUBLIC OF (SOUTH)	7.3	8.7	9.3	12.0	9.2	8.5
Kuwait	151.8	157.2	117.2	120.8	149.6	124.6
Lebanon	1.1	0.6	2.2	0.3	0.7	0.8
Malawi	2.1	3.0	11.7	3.6	2.7	4.6
Malaysia	4.6	6.6	4.2	4.7	1.6	4.7
Mauritius	77.8	34.3	53.8	28.6	23.7	63.4
Mozambique	13.2	26.3	70.5	21.1	104.3	10.3
Namibia	25.0	28.7	21.6	20.3	22.0	24.8
Netherlands	10.0	11.6	12.5	14.6	20.8	9.2
Pakistan	3.0	0.6	1.1	5.7	6.3	0.8
Republic Of Thailand	2.8	1.9	3.9	1.8	1.9	2.5
Singapore	6.9	12.3	8.8	8.9	4.8	8.3
SOUTH AFRICA	577.6	574.2	728.7	594.4	590.3	629.9
Spain	1.5	0.8	2.2	1.5	3.9	3.1
Swaziland	1.3	2.4	5.0	2.4	2.7	5.9
Sweden	16.8	11.8	16.7	6.4	16.2	22.2
Switzerland	4.2	16.0	11.9	11.4	11.0	7.0
Taiwan, Province Of China	1.9	2.0	1.6	2.2	3.7	3.2
Tanzania, United	74.0	22.7	46.3	14.2	45.0	50.7
United Arab Emirates	46.1	72.9	105.9	113.2	81.2	85.9
United Kingdom	37.2	27.0	33.1	29.9	32.6	40.9
United States Of America	32.8	25.1	22.6	24.3	21.3	33.0
Zimbabwe	19.6	19.0	19.7	15.8	17.1	20.1
Other	61.5	15.0	16.6	11.0	4.2	4.5
TOTAL	1714.5	1769.6	2193.0	1896.1	2113.1	2282.7

APPENDIX THREE: ZAMBIA'S TRADE WITH SADC (EXCLUSIVELY)

COUNTRY	Q4.2016		Q1.2017		Q2.2017		Q3.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Angola	0.3	1.4	0.6	0.0	0.4	0.1	0.3	0.2
Botswana	7.0	5.0	0.0	2.2	4.9	4.6	0.0	4.8
Lesotho	0.4	0.0	1.3	0.0	0.0	0.0	0.0	0.0
Mozambique	10.7	70.5	5.5	18.6	4.6	102.2	2.6	10.3
Namibia	5.5	21.6	5.5	20.3	1.4	22.0	5.7	24.8
South Africa	84.6	728.7	76.9	590.3	88.8	590.1	0.0	629.9
Tanzania	15.3	46.3	45.0	0.0	18.9	45.0	27.3	59.7
TOTAL	123.8	873.6	134.9	631.4	119.0	764.0	238.5	1,398.5

APPENDIX FOUR: ZAMBIA'S TRADE WITH COMESA (EXCLUSIVELY)

COUNTRY	Q4.2016		Q1.2017		Q2.2017		EXPORTS	IMPORTS
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS		
Burundi	3.8	7.4	4.5	6.3	6.5	0.0	6.4	0.0
Comoros	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Djibouti	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Egypt	0.0	2.3	0.0	3.3	0.0	2.6	0.0	3.3
Eritrea	0.0	0.2	0.3	0.1	0.0	0.0	0.0	0.0
Ethiopia	0.0	14.0	0.0	9.8	0.0	0.0	0.0	0.0
Kenya	1.2	10.4	0.9	7.1	24.5	8.0	17.4	9.6
Libya	7.5	0.2	10.4	0.7	0.0	0.0	0.0	0.0
Rwanda	7.4	10.2	7.1	17.3	8.2	0.0	8.9	0.0
Sudan	0.0	2.2	0.0	1.5	0.0	0.0	0.0	0.0
Uganda	0.0	0.4	0.0	0.0	1.4	0.2	1.6	0.5
TOTAL	8.8	46.3	11.6	51.1	40.6	10.8	34.3	13.5

APPENDIX FIVE: ZAMBIA'S TRADE WITH SADC AND COMESA

COUNTRY	Q4.2016		Q1.2017		Q2.2017		Q3.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Congo(DR)	115.3	349.1	113.4	276.1	114.9	360.3	141.2	360.4
Madagascar	0.2	0.0	0.0	0.0	0.0	0.3	0.1	0.0
Malawi	30.2	11.7	20.4	3.6	35.2	2.7	27.0	4.6
Mauritius	0.7	53.8	0.4	28.6	0.2	23.7	0.5	63.4
Seychelles	0.0	0.2	0.0	0.0	0.0	0.2	0.0	0.0
Swaziland	2.2	5.0	1.0	2.4	0.3	2.7	2.2	5.9
Zimbabwe	89.4	19.7	34.3	15.9	35.9	17.1	31.5	20.1
TOTAL	237.8	439.5	169.5	326.6	186.5	407.0	202.5	668.9