



Bank of Zambia

Direction of Trade Report

First Quarter 2020
May 2020

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1.0 Introduction

This Report analyses Zambia’s direction of merchandise trade for the first quarter of 2020 compared to the corresponding quarter in 2019. 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.).

2.0 Major Destinations for Zambia’s Exports

Major destinations for Zambia’s exports were Switzerland, China, the Democratic Republic of Congo (DRC), Singapore, South Africa, and Zimbabwe

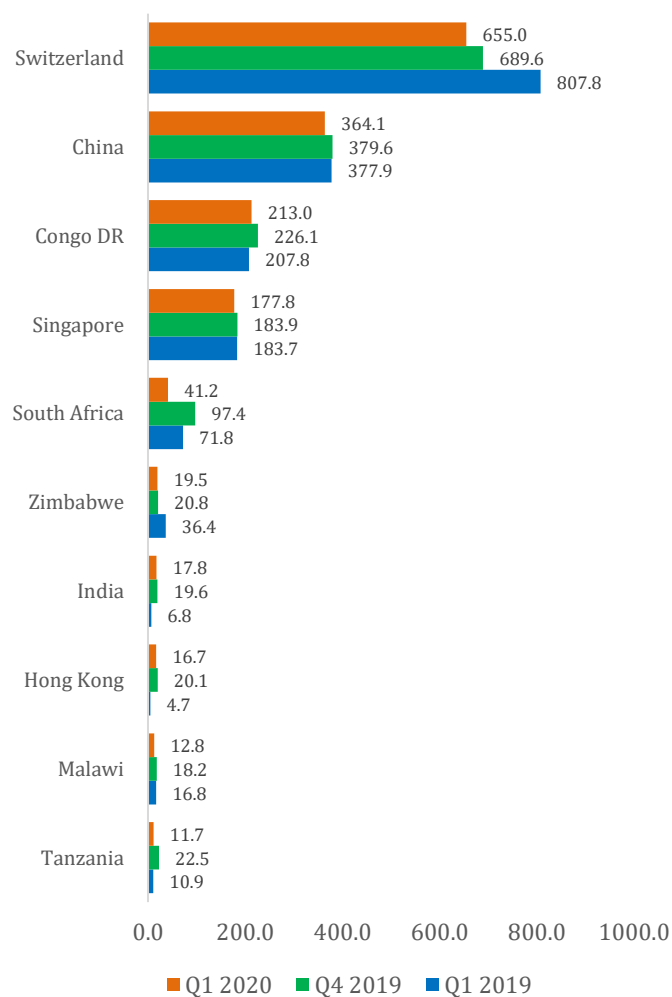
Total exports earnings were US\$1.59 billion in the first quarter of 2020 compared to US\$1.88 billion in the corresponding quarter in 2019, a decline of 15.1%. This downturn was largely due to the fall in copper export earnings from Switzerland and China following a drop in both export volumes and average realised prices (Table 1 and Chart 1). The fall in average realised prices largely reflects the impact of the COVID-19 pandemic while the decline in copper and cobalt export volumes was largely due to lower production following a reduction in concentrate imports from DRC. However, some non-traditional exports (NTEs) such as salt, sulphur, earth and stone; plastering materials, lime and cement; and precious stones registered some marginal increases (Table 1 and Chart 2a).

Table 1: Products accounting for export performance with top destinations (US\$ millions)

Country	Main Product (s)	Q1 2019	Q1 2020	% Change
Switzerland	Copper and articles thereof	802.9	648.3	-19.2
China	Copper and articles thereof	368.2	326.0	-11.5
Congo DR	Salt; Sulphur, Earth and Stone; Plastering Materials, Lime and Cement	36.0	44.4	23.2
Singapore	Copper and articles thereof	172.8	164.7	-4.6
South Africa	Natural/Cultured Pearls, Precious Stones & Metals	18.1	14.0	-22.4
Zimbabwe	Oil Seed, Oleagi Fruits, Seed, Fruit	1.2	4.6	283.8

Source: Zambia Statistics Agency (ZSA) and Bank of Zambia (BoZ)

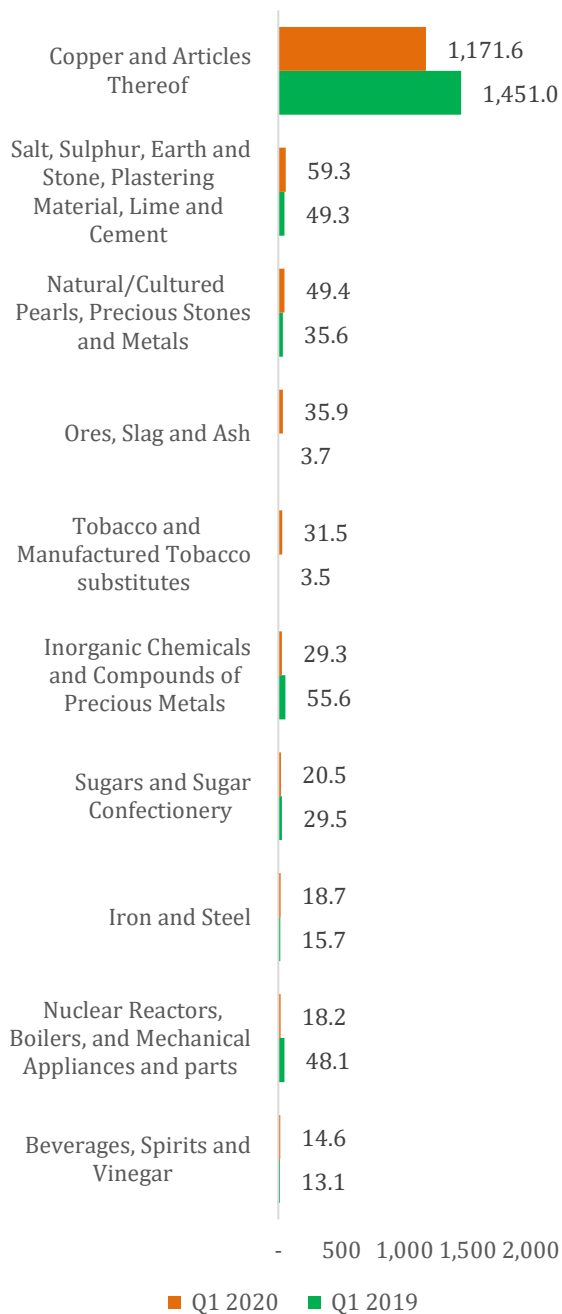
Chart 1: Major Export Destinations (US\$ millions)



Source: Source: ZSA and BoZ

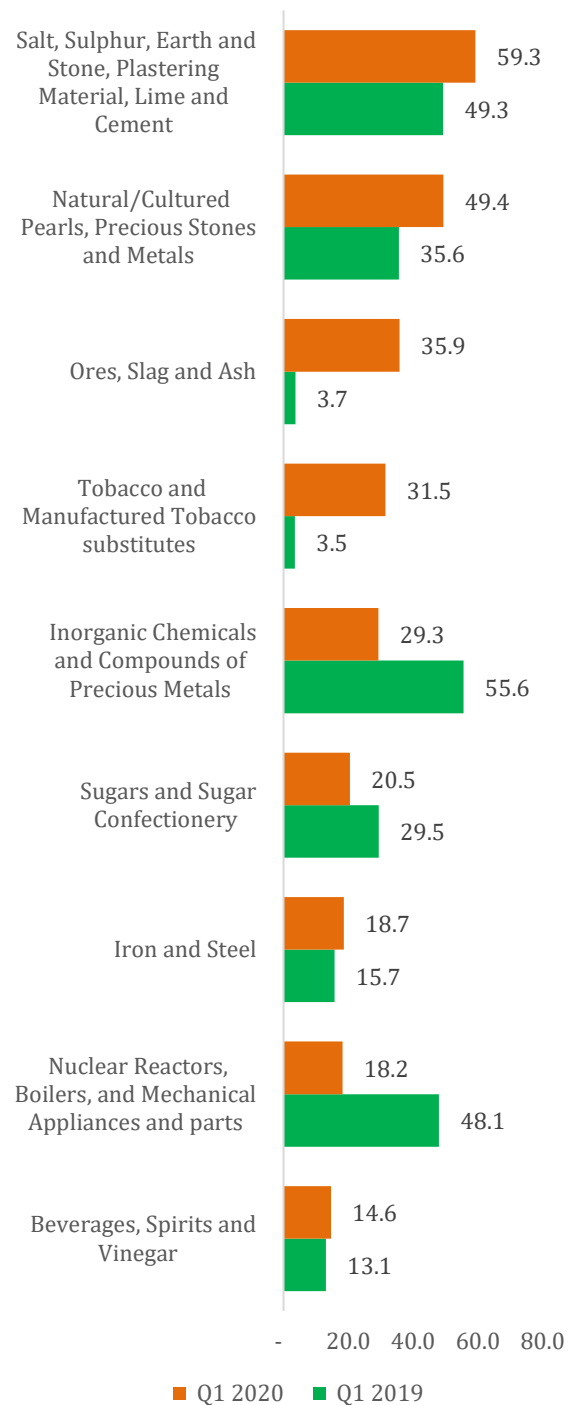
The top five export commodities were copper and articles thereof; salt, sulphur, plastering material, lime and cement; natural/cultured pearls, precious stones and metals; ores, slag and ash and tobacco and manufactured tobacco substitutes. The top ten export commodities are presented in Charts 2a and 2b.

Chart 2a: Export Earnings, including copper (US\$ millions)



Source: ZSA and BoZ

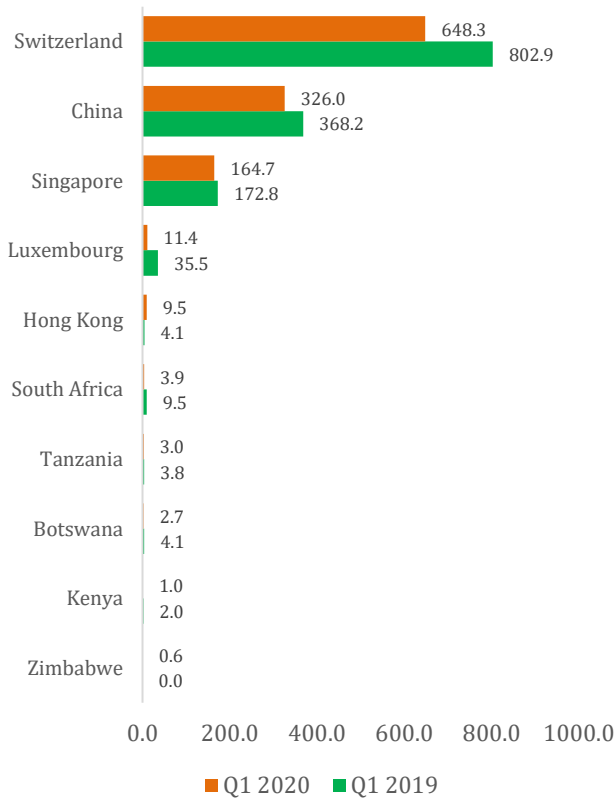
Chart 2b: Export Earnings, Excluding Copper (US\$ millions)



Source: ZSA and BoZ

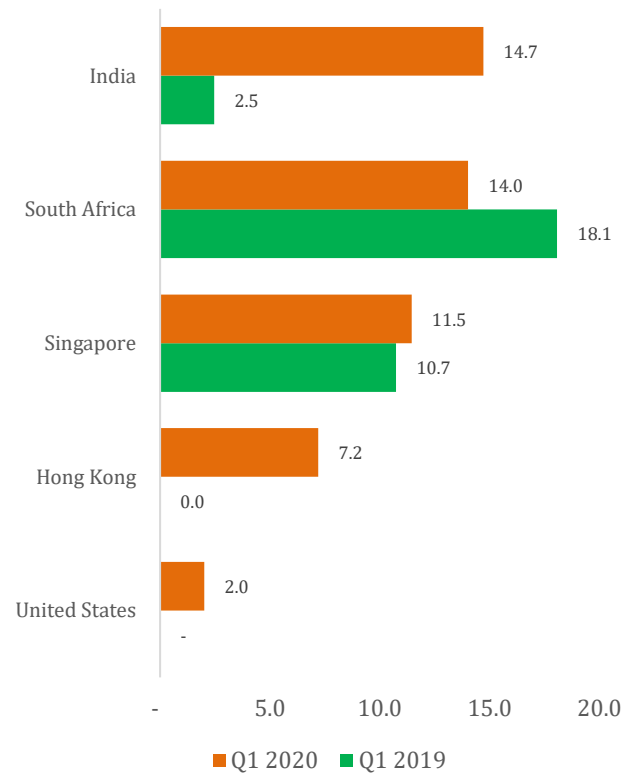
The major export destinations for Zambia's top five export commodities are shown in Charts 3a to 3e.

Chart 3a: Q1 2020 and Q1 2019 Major Export Destinations for Copper (US\$ millions)



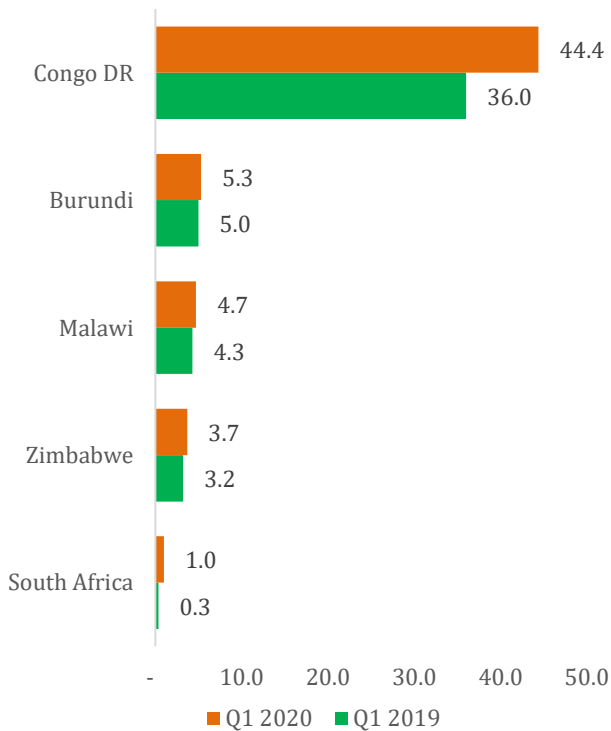
Source: ZSA and BoZ

Chart 3c: Q1 2020 and Q1 2019 Major Export destinations of Natural/Cultured Pearls, Precious Stones and Metals (US\$ millions)



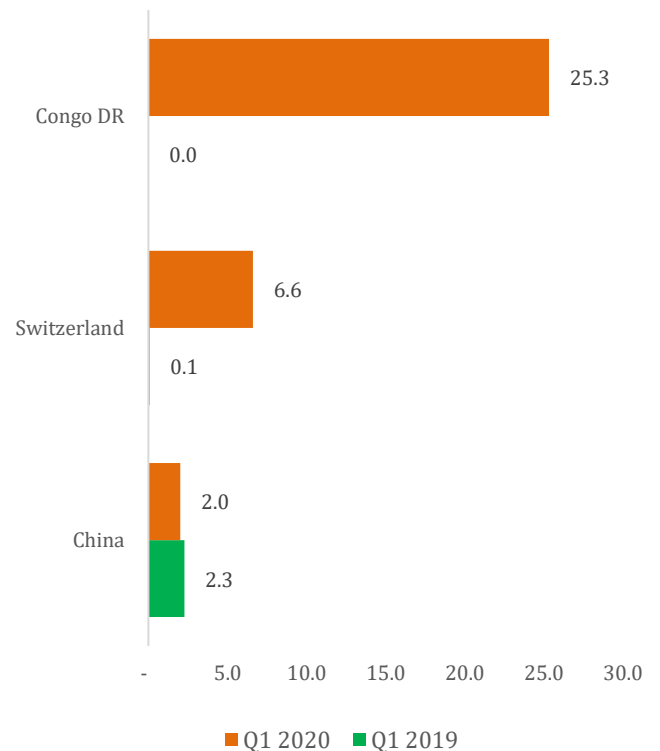
Source: ZSA and BoZ

Chart 3b: Q1 2020 and Q1 2019 Major Export destinations for Salt, Sulphur, Earth and Stone, Plastering materials, Lime and Cement (US\$ millions)



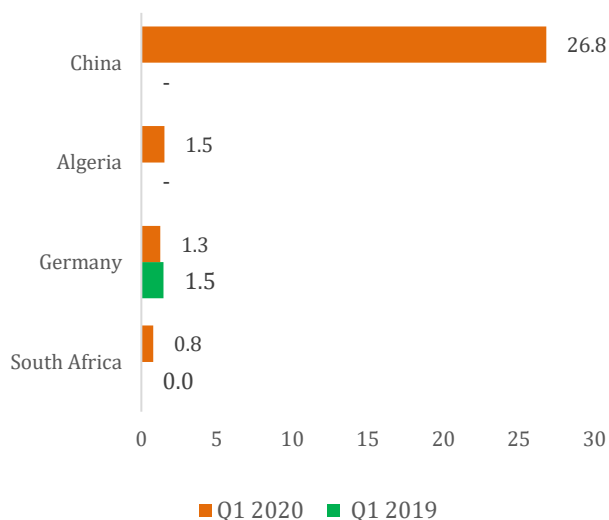
Source: ZSA and BoZ

Chart 3d: Q1 2020 and Q1 2019 Major Export destinations of Ores, slag and ash (US\$ millions)



Source: ZSA and BoZ

Chart 3e: Q1 2020 and Q1 2019 Major Export destinations of Tobacco and Manufactured tobacco substitutes (US\$ millions)



Source: ZSA and BoZ

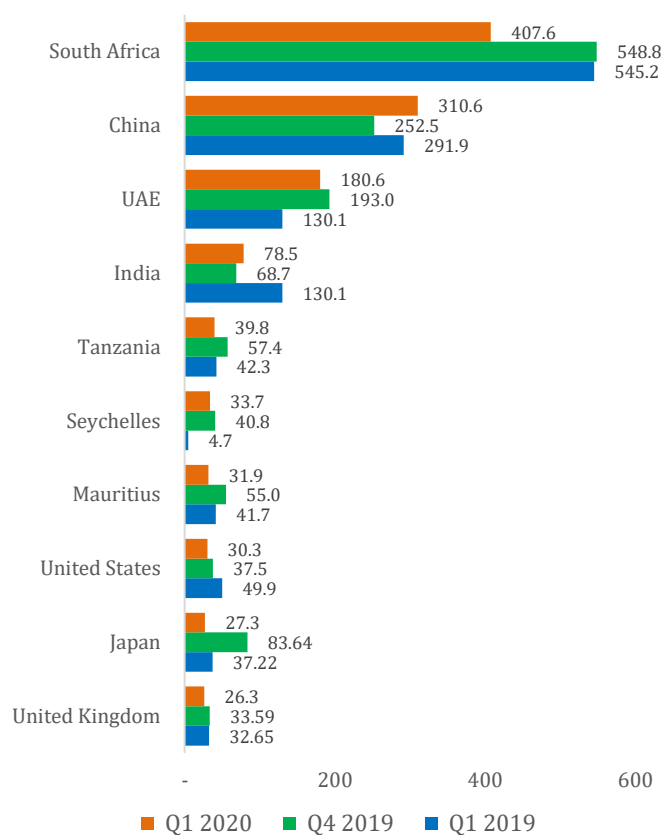
3.0 Major Source Countries for Zambia's Imports

Major source countries for Zambia's imports were South Africa, China, United Arab Emirates (UAE), India and Tanzania in that order

Merchandise imports were US\$1.45 billion in the first quarter of 2020 compared to US\$1.82 billion in the corresponding quarter in 2019, a decline of 20.1%. The decline was largely attributed to the sharp depreciation of the Kwacha against the US dollar, subdued domestic economic activity, coupled with declining real incomes as inflation remains high.

There was a reduction in imports of nuclear reactors, boilers and mechanical appliances (South Africa), pharmaceutical products (India) and mineral fuels and oils (Tanzania). Imports from the top five source countries accounted for 69.9% of total imports with South Africa being the highest contributor, at 28.0%.

Chart 4: Top Source Countries for Imports (US\$ millions)



Source: ZSA and BoZ

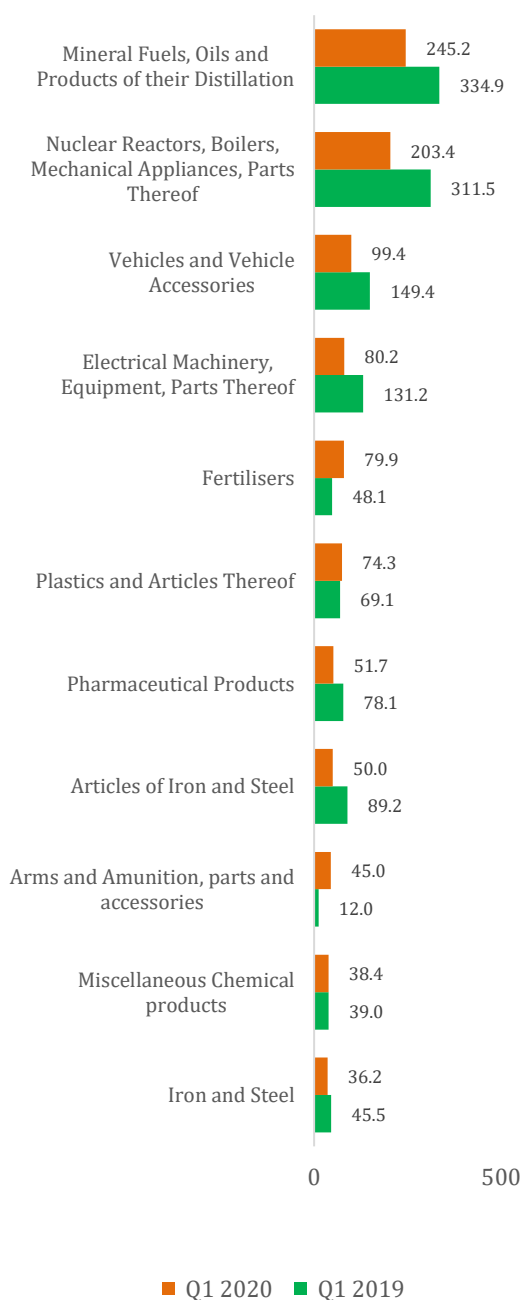
Table 2: Products accounting for import performance with top destinations (US\$ millions)

Country	Main Product (s)	Q1 2019	Q1 2020	% Change
South Africa	Nuclear Reactors, Boilers, and Mechanical Appliances and parts	82.9	60.4	-27.1
China	Nuclear Reactors, Boilers, and Mechanical Appliances and parts	51.1	60.7	18.8
UAE	Mineral Fuels, Oils and Products of their Distillation	86.2	142.6	65.4
India	Pharmaceutical products	43.9	29.3	-33.2
Tanzania	Mineral Fuels, Oils and Products of their Distillation	31.3	30.4	-2.7

Source: ZSA and BoZ

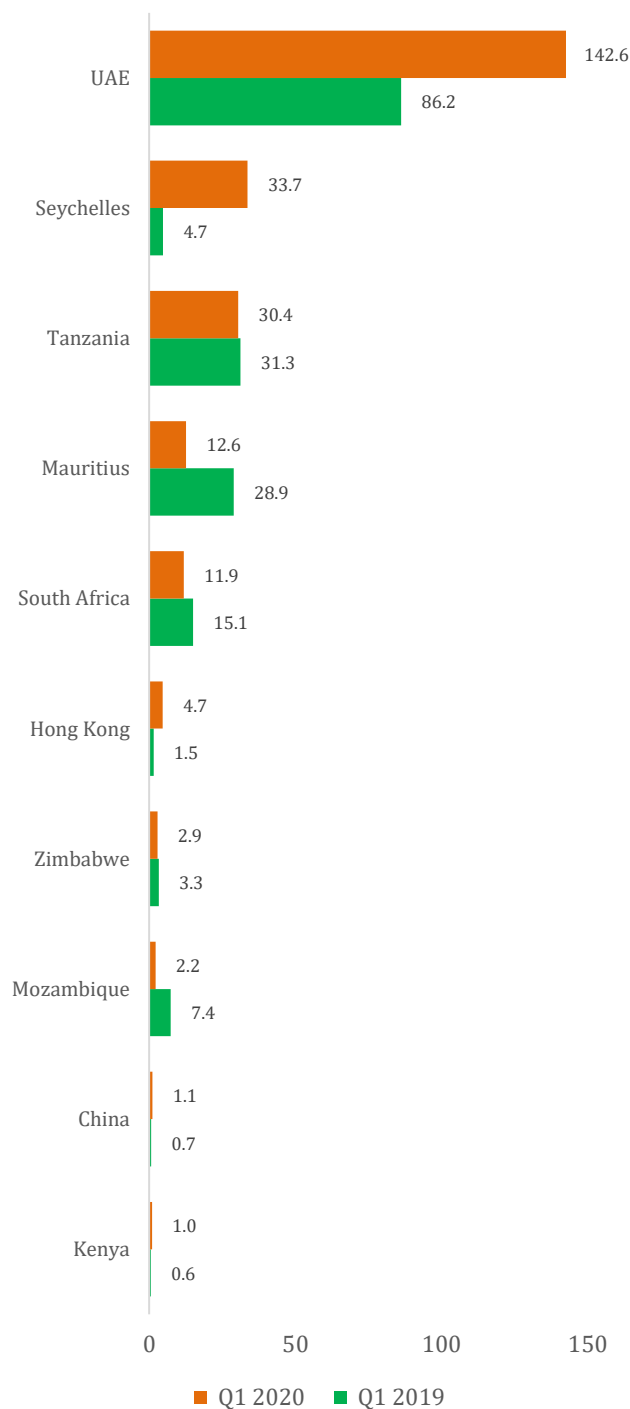
The top five import commodities are presented in Chart 5.

Chart 5: Major Import Commodities (US\$ millions)



Source: ZSA and BoZ

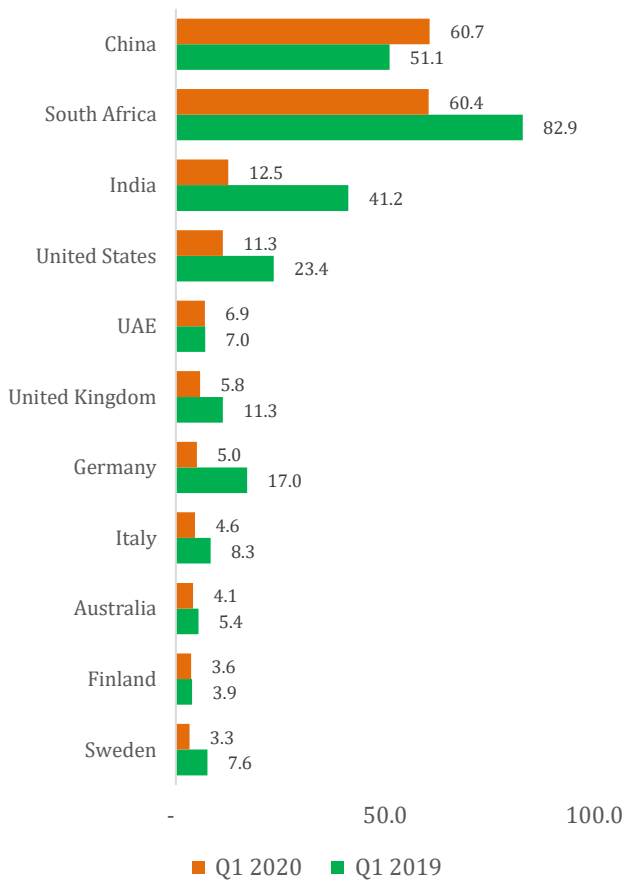
Chart 6a: Q1 2020 and Q1 2019 Source countries for mineral fuels, oils and products of their distillation (US\$ millions)



Source: ZSA and BoZ

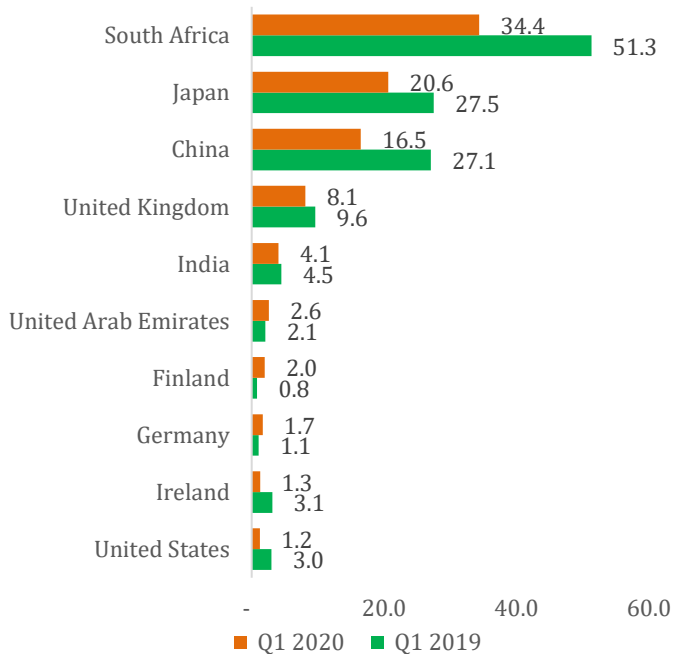
The source countries for Zambia's top five major imports are given in Charts 6a to 6e.

Chart 6b: Q1 2020 and Q1 2019 Source countries for Nuclear Reactors, Boilers and Mechanical Appliances (US\$ millions)



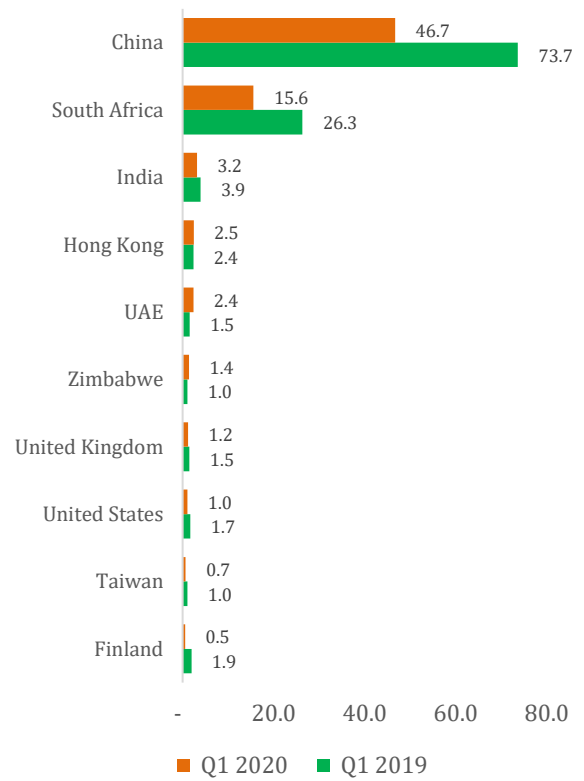
Source: ZSA and BoZ

Chart 6c: Q1 2020 and Q1 2019 Source countries for Vehicles and Vehicle accessories (US\$ millions)



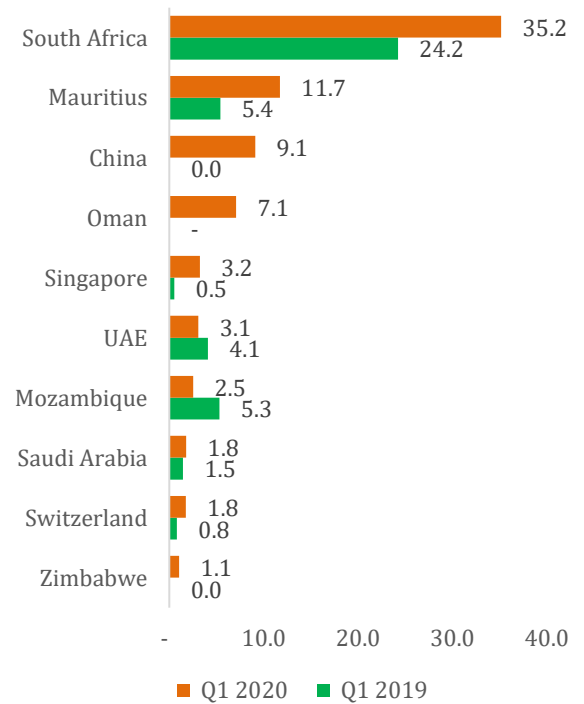
Source: ZSA and BoZ

Chart 6d: Q1 2020 and Q1 2019 Source countries for electrical equipment and parts thereof (US\$ millions)



Source: ZSA and BoZ

Chart 6e: Q1 2020 and Q1 2019 Source Countries for Fertilisers (US\$ millions)



Source: ZSA and BoZ

4.0 Conclusion

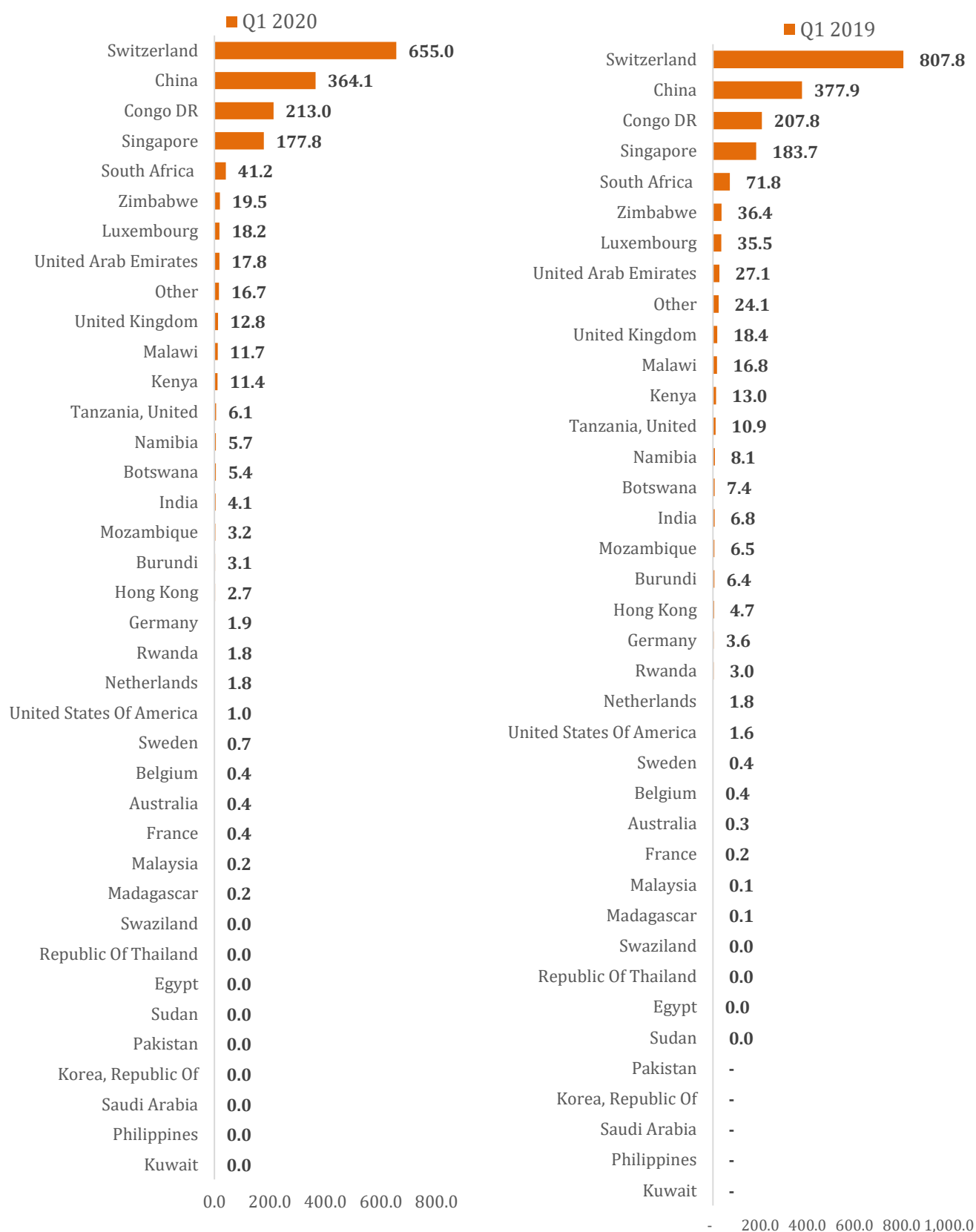
Trade decreased in the first quarter of 2020 compared to the first quarter of 2019. Export performance declined by 15.1%, reflecting the fall in earning from copper on account of the reduction in average realised prices and export volumes. The drop in average realised price was as a result of the reduction in commodity prices in mostly driven by the COVID-19 pandemic while export volumes fell due to the decline in imports of copper concentrate from the DRC. Equally, import performance recorded a decline of 20.1%, reflecting subdued domestic economic activity and the sharp depreciation of the Kwacha against the US dollar.

APPENDIX ONE: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS (US\$ MILLIONS)

COUNTRY	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Australia	0.4	0.3	0.0	0.1	0.6	0.4
Belgium	0.9	0.4	0.0	0.0	0.2	0.4
Botswana	0.0	7.4	8.1	8.3	7.3	5.4
Burundi	5.3	6.4	0.6	1.4	1.5	3.1
China	302.5	377.9	404.0	341.3	379.6	364.1
Congo DR	222.7	207.8	237.2	240.4	226.1	213.0
Egypt	0.0	0.0	0.0	0.0	0.2	0.0
France	0.0	0.2	0.2	0.7	0.0	0.4
Germany	5.4	3.6	3.3	7.6	9.7	1.9
Hong Kong	11.7	4.7	2.1	2.9	3.3	2.7
India	59.7	6.8	8.2	14.7	11.2	4.1
Kenya	11.1	13.0	18.6	2.2	10.4	11.4
Korea, Republic of	0.1	0.0	0.0	0.0	0.0	0.0
Kuwait	0.0	0.0	0.0	0.0	0.1	0.0
Luxembourg	39.6	35.5	22.2	15.1	13.4	18.2
Madagascar	0.0	0.1	0.8	1.2	0.0	0.2
Malawi	18.2	16.8	11.0	16.8	22.5	11.7
Malaysia	0.3	0.1	0.1	0.2	0.0	0.2
Mozambique	2.3	6.5	3.7	4.5	2.0	3.2
Namibia	4.8	8.1	16.4	21.0	12.8	5.7
Netherlands	1.3	1.8	2.2	1.9	2.0	1.8
Other	28.1	24.1	26.2	24.9	20.1	16.7
Pakistan	0.0	0.0	0.0	0.2	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.0	0.0
Republic of Thailand	0.0	0.0	0.1	0.0	0.1	0.0
Rwanda	6.5	3.0	3.5	3.5	4.5	1.8
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	0.0
Singapore	248.7	183.7	75.1	145.0	183.9	177.8
South Africa	96.7	71.8	67.5	59.0	97.4	41.2
Sudan	0.8	0.0	0.0	0.0	0.0	0.0
Swaziland	1.7	0.0	0.0	0.0	0.0	0.0
Sweden	0.3	0.4	1.3	3.3	0.7	0.7
Switzerland	898.1	807.8	836.2	571.9	689.6	655.0
Tanzania, United	32.2	10.9	4.7	5.4	6.1	6.1
United Arab Emirates	42.6	27.1	12.4	16.1	19.6	17.8
United Kingdom	75.1	18.4	39.3	29.7	18.2	12.8
United States of America	1.3	1.6	11.5	1.8	0.8	1.0
Zimbabwe	29.6	36.4	21.8	20.7	20.8	19.5
Total	2,147.8	1,882.7	1,838.2	1,561.6	1,764.9	1,598.3

Source: ZSA and BoZ

CHART A1: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS (US\$ MILLIONS)



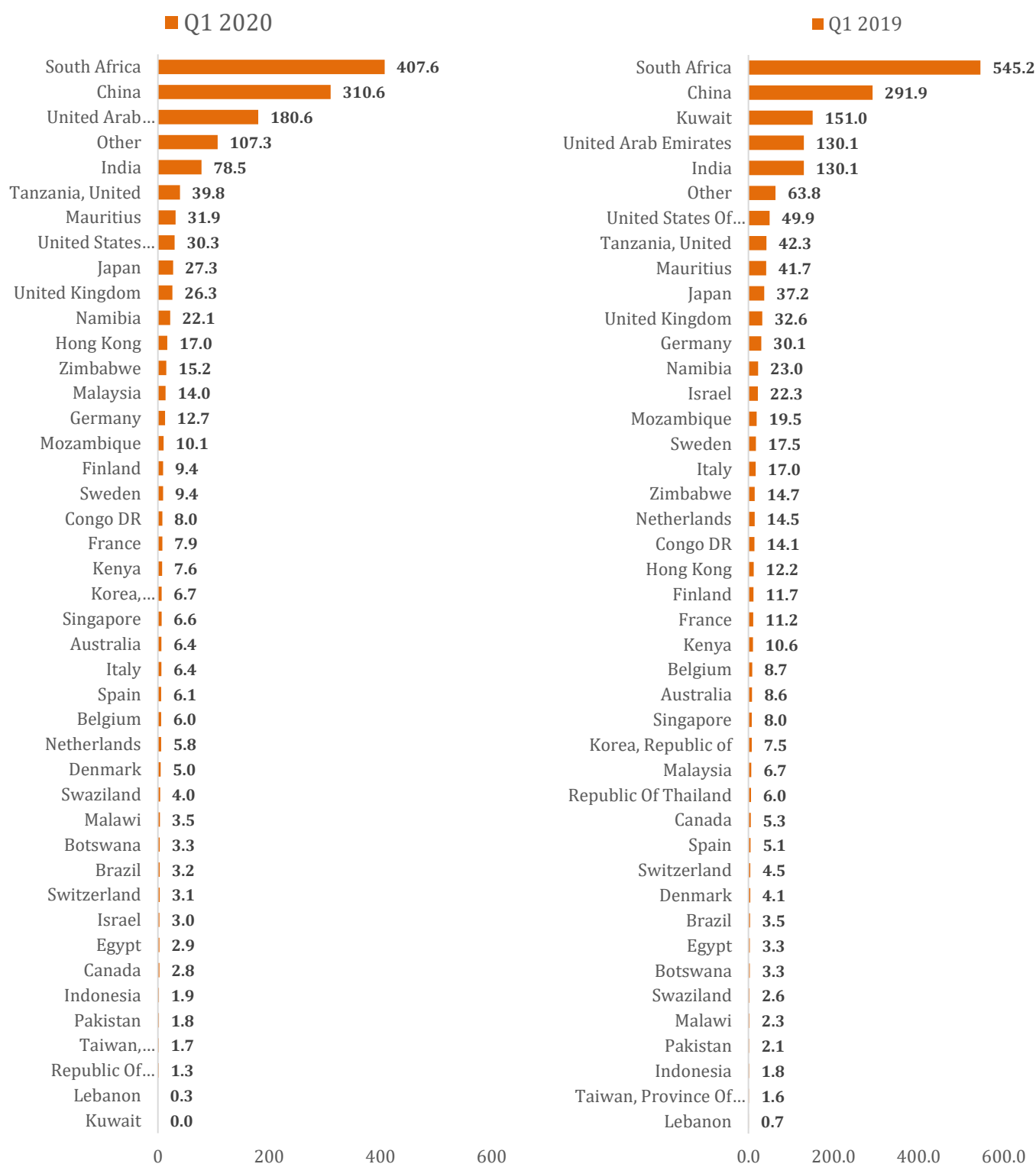
Source: ZSA and BoZ

APPENDIX TWO: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS (US\$ MILLIONS)

COUNTRY	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Australia	11.0	8.6	17.6	10.4	7.5	6.4
Belgium	9.7	8.7	13.0	11.9	7.2	6.0
Botswana	5.3	3.3	4.5	4.3	5.1	3.3
Brazil	3.3	3.5	2.5	2.7	3.1	3.2
Canada	4.4	5.3	5.2	5.2	9.5	2.8
China	370.0	291.9	216.4	260.1	252.5	310.6
Congo DR	331.4	14.1	199.5	17.5	1.2	8.0
Denmark	7.6	4.1	9.2	4.4	10.7	5.0
Egypt	4.2	3.3	4.2	4.7	3.5	2.9
Finland	11.6	11.7	14.4	14.8	10.3	9.4
France	11.4	11.2	6.2	6.1	4.9	7.9
Germany	35.9	30.1	30.4	24.2	28.5	12.7
Hong Kong	17.4	12.2	13.2	11.6	18.1	17.0
India	105.4	130.1	76.0	77.1	68.7	78.5
Indonesia	3.5	1.8	4.4	3.0	3.7	1.9
Israel	2.3	22.3	1.9	3.3	2.7	3.0
Italy	4.9	17.0	14.9	19.9	6.9	6.4
Japan	43.6	37.2	43.7	54.0	83.6	27.3
Kenya	14.0	10.6	10.2	12.1	9.3	7.6
Korea, Republic of	11.8	7.5	8.5	5.4	6.1	6.7
Kuwait	77.0	151.0	0.0	0.0	0.0	0.0
Lebanon	0.9	0.7	0.8	1.3	3.3	0.3
Malawi	3.4	2.3	3.2	9.9	5.7	3.5
Malaysia	4.1	6.7	7.4	9.0	17.5	14.0
Mauritius	42.9	41.7	52.5	51.0	55.0	31.9
Mozambique	38.9	19.5	24.9	19.1	18.9	10.1
Namibia	25.1	23.0	23.4	33.2	26.0	22.1
Netherlands	13.7	14.5	17.2	13.7	11.3	5.8
Other	67.0	63.8	76.0	109.0	115.2	107.3
Pakistan	1.9	2.1	1.5	1.3	1.7	1.8
Republic of Thailand	3.2	6.0	4.0	3.6	3.2	1.3
Singapore	12.9	8.0	15.4	12.8	19.3	6.6
South Africa	728.7	545.2	557.0	571.7	548.8	407.6
Spain	9.3	5.1	4.2	5.6	6.0	6.1
Swaziland	4.2	2.6	4.0	7.1	5.5	4.0
Sweden	22.2	17.5	26.7	10.5	12.9	9.4
Switzerland	12.2	4.5	5.8	6.1	7.6	3.1
Taiwan, Province of China	3.5	1.6	3.7	2.7	1.9	1.7
Tanzania, United	51.9	42.3	40.5	64.3	57.4	39.8
United Arab Emirates	195.2	130.1	213.8	203.3	193.0	180.6
United Kingdom	45.7	32.6	31.6	32.9	33.6	26.3
United States of America	43.9	49.9	41.1	58.0	37.5	30.3
Zimbabwe	20.4	14.7	15.1	15.9	16.1	15.2
Total	2,437.0	1,820.3	1,865.8	1,794.6	1,740.6	1,455.2

Source: ZSA and BoZ

CHART A2: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS (US\$ MILLIONS)



Source: ZSA and BoZ

APPENDIX THREE: ZAMBIA'S TRADE WITH SADC (EXCLUSIVELY) (US\$ MILLIONS)

	Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020	
COUNTRY	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Angola	0.8	0.0	0.4	0.0	1.5	0.2	0.5	0.0	0.8	0.1
Botswana	7.4	3.3	8.1	4.5	8.3	4.3	7.3	5.1	5.4	3.3
Lesotho	0.0	0.0	0.0	0.0	0.8	0.0	0.3	0.0	0.4	0.0
Mozambique	6.5	19.5	3.5	24.9	3.5	19.1	4.5	18.9	1.8	10.1
Namibia	8.1	23.0	8.2	23.4	14.7	33.2	11.2	26.0	4.1	22.1
South Africa	71.8	545.2	67.5	557.0	59.0	571.7	97.4	548.8	41.2	407.6
Tanzania	10.9	42.3	11.0	40.5	16.8	64.3	22.5	57.4	11.7	39.8
TOTAL	105.5	633.4	98.6	650.3	104.4	692.7	143.8	656.2	65.4	483.0

Source: ZSA and BoZ

APPENDIX FOUR: ZAMBIA'S TRADE WITH COMESA (EXCLUSIVELY) (US\$ MILLIONS)

	Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020	
COUNTRY	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Burundi	6.4	0.0	4.7	0.0	5.4	0.0	6.1	0.0	6.1	0.0
Comoros	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0
Egypt	0.0	3.3	0.0	4.2	0.0	4.7	0.1	3.5	0.0	2.9
Eritrea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ethiopia	0.0	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.0	8.7
Kenya	13.0	10.6	16.4	10.2	21.0	12.1	12.8	9.3	5.7	7.6
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	3.0	0.0	3.7	0.1	4.5	0.0	2.0	0.1	3.2	0.0
Sudan	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	3.3	6.3	1.9	2.1	1.1	0.8	1.6	0.8	1.7	1.1
TOTAL	25.8	20.7	26.8	16.6	32.1	17.7	22.7	13.8	16.7	20.2

Source: ZSA and BoZ

APPENDIX FIVE: ZAMBIA'S TRADE WITH SADC AND COMESA (US\$ MILLIONS)

	Q1 2019		Q2 2019		Q3 2019		Q4 2019		Q1 2020	
COUNTRY	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
DRC	207.8	14.1	237.2	199.5	240.4	17.5	226.1	1.2	213.0	8.0
Madagascar	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0
Malawi	16.8	2.3	39.3	3.2	29.7	9.9	18.2	5.7	12.8	3.5
Mauritius	4.9	41.7	0.3	52.5	4.2	51.0	0.9	55.0	0.0	31.9
Seychelles	0.0	4.7	0.0	23.4	0.0	27.3	0.0	40.8	0.0	33.7
Swaziland	0.0	2.6	0.2	4.0	0.7	7.1	0.0	5.5	0.4	4.0
Zimbabwe	36.4	14.7	21.8	15.1	20.7	15.9	20.8	16.1	19.5	15.2
TOTAL	266.0	80.2	298.9	297.7	295.7	128.7	266.2	124.5	245.7	96.2

Source: ZSA and BoZ

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