



Bank of Zambia

Direction of Trade Report

Fourth Quarter 2019
March 2020

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1.0 Introduction

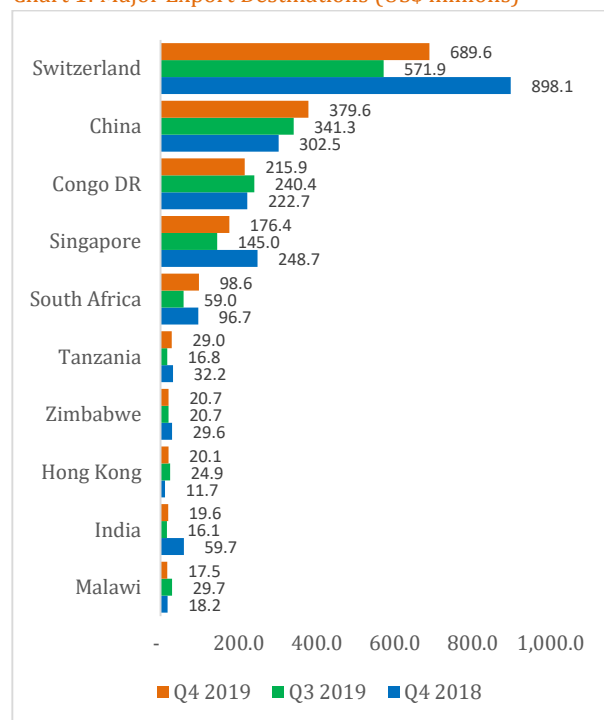
This report analyses Zambia's direction of merchandise trade in the fourth quarter of 2019 compared to the corresponding quarter in 2018. Statistics based on the Harmonised Coding System (HS) are reported and exports are valued as free on board (f.o.b.) while imports are reported at cost, including insurance and freight (c.i.f.).

2.0 Major Destinations for Zambia's Exports

Major destinations for Zambia's exports remained Switzerland, China, Democratic Republic of Congo (DRC), Singapore, South Africa, and Tanzania

Total exports earnings were US\$1.8 billion in the fourth quarter of 2019 compared to US\$2.2 billion in the corresponding quarter in 2018. This represents a decline of 18.6% (Chart1). The decline in copper exports to Switzerland due to the reduction in export volumes and average realized prices largely explain the sluggish performance of exports. The fall in copper exports largely reflected the lingering effects of the 5.0% import duty on copper and cobalt concentrate that led to a slump in concentrate imports. Temporary shut-down of operations at some mining companies also contributed to decrease in production and export volumes. However, exports to China and South Africa improved slightly following increases in copper and articles thereof, as well as base metals and cermets, respectively (Table 1).

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



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

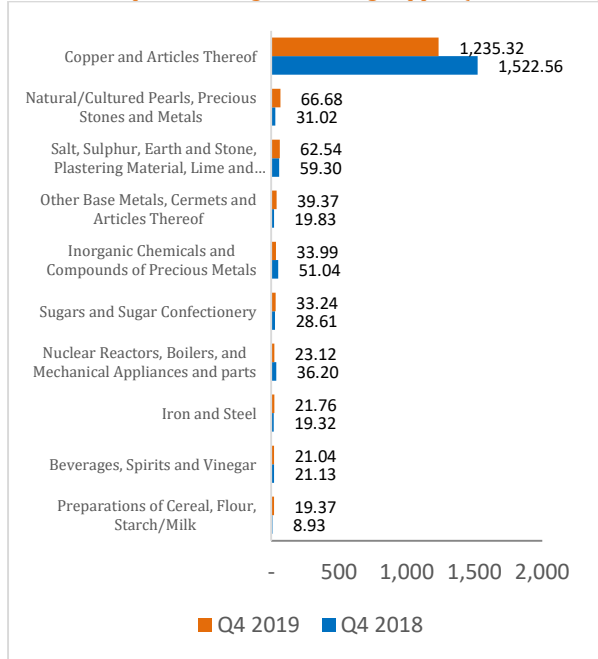
Table 1: Products accounting for export performance with top destinations (US\$ millions)

Country	Main Product(s)	Q4 2018	Q4 2019	% Change
Switzerland	Copper and articles thereof	881.3	672.4	-23.7
China	Copper and articles thereof	249.9	370.3	48.2
Democratic Republic of Congo	Inorganic Compounds & Chemicals	46.7	30.7	-34.3
	Mineral Fuels	7.5	1.2	-84.0
Singapore	Copper and articles thereof	246.1	156.7	-36.3
South Africa	Base Metals Cermets	26.9	39.4	46.5

Source: ZSA and BoZ

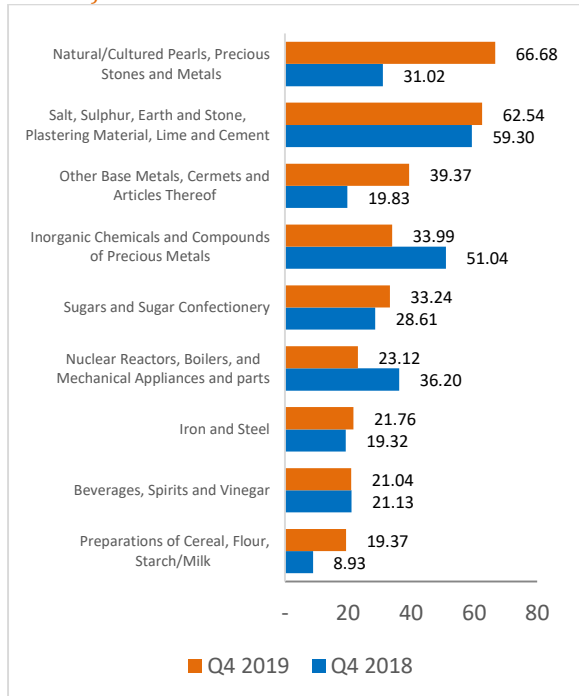
The top five export commodities are presented in Charts 2a and 2b and the pattern did not change.

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



Source: ZSA and BoZ

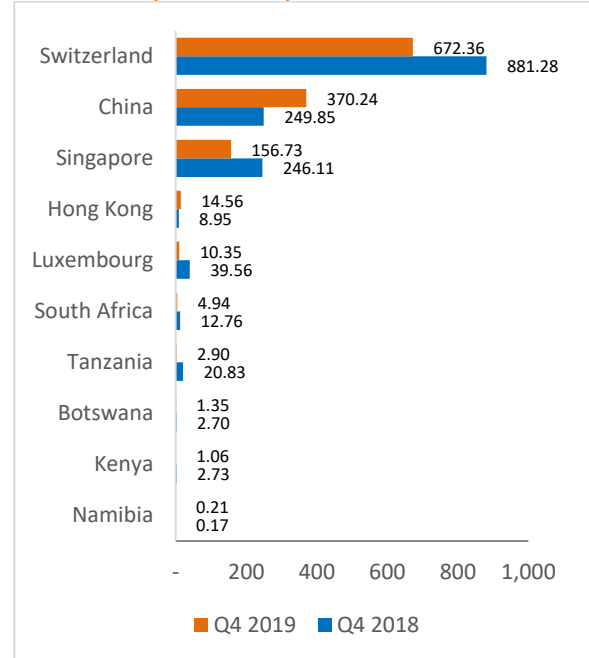
Chart 2b: Export Earnings, Excluding Copper (US\$ millions)



Source: ZSA and BoZ

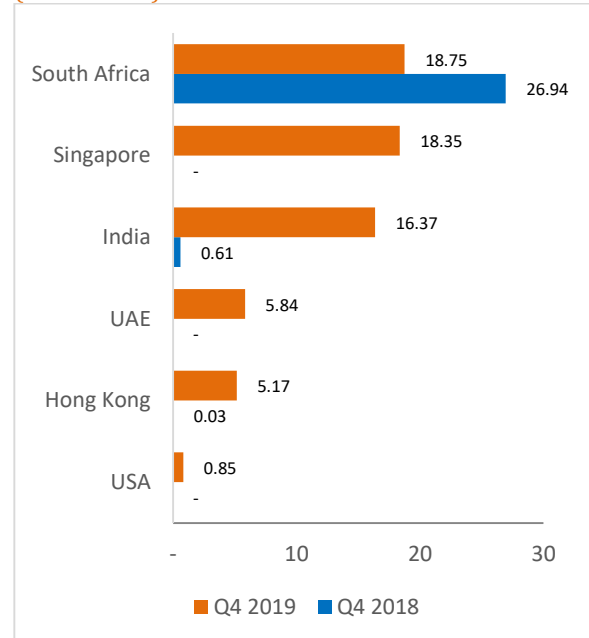
The major export destinations for Zambia's top five export commodities did not change as shown in Charts 3a to 3e.

Chart 3a: Q4 2018 and Q4 2019 Major Copper Export Destinations (US\$ millions)



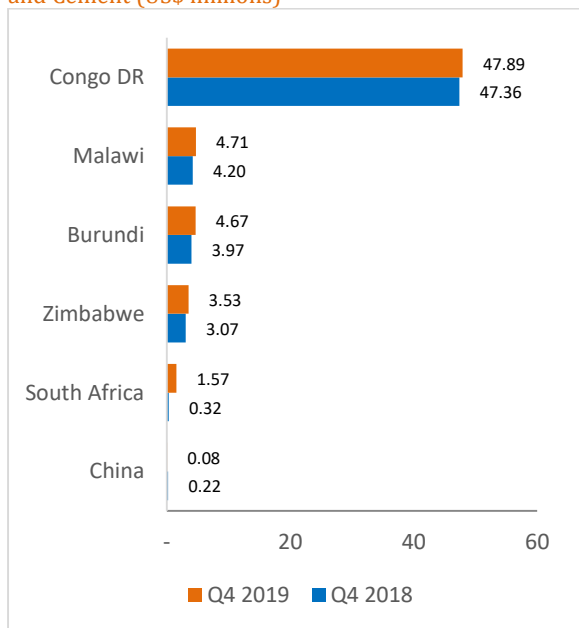
Source: ZSA and BoZ

Chart 3b: Q4 2018 and Q4 2019 Major Export destinations for natural/cultured pearls, precious stones and metals (US\$ millions)



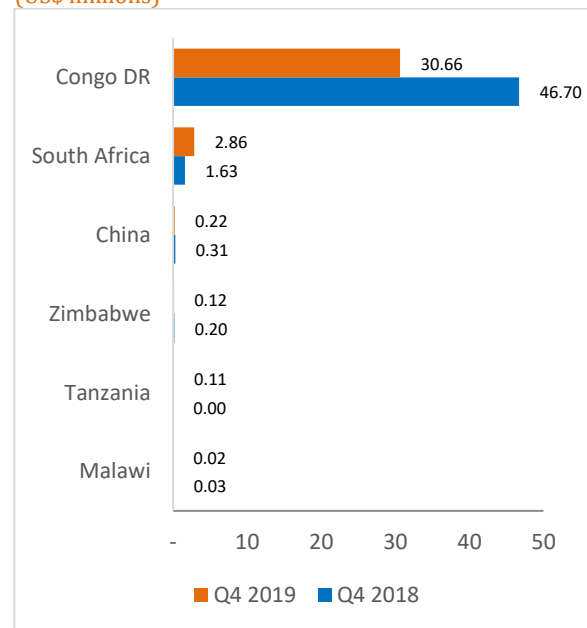
Source: ZSA and BoZ

Chart 3c: Q4 2018 and Q4 2019 Major Export destinations for Salt; Sulphur; Earth and Stone; Plastering Material; Lime and Cement (US\$ millions)



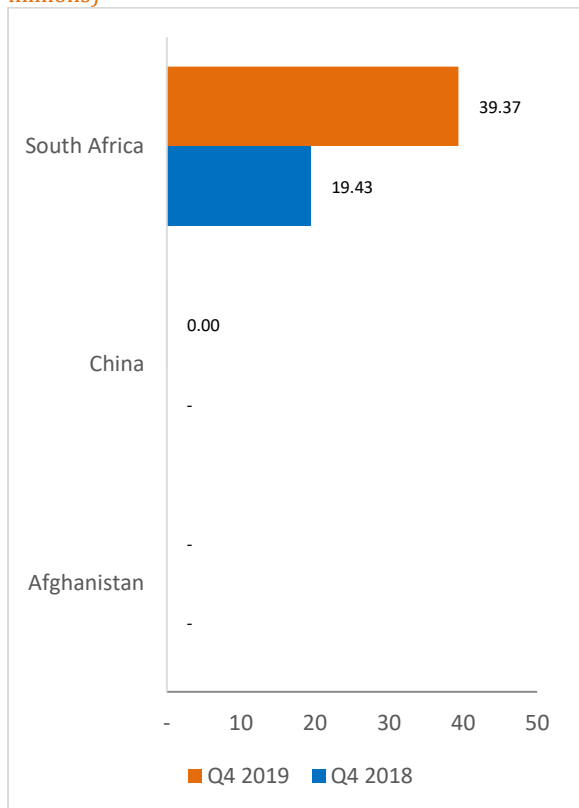
Source: ZSA and BoZ

Chart 3e: Q4 2018 and Q4 2019 Major Export destinations for inorganic chemicals and compounds of precious metals (US\$ millions)



Source: ZSA and BoZ

Chart 3d: Q4 2018 and Q4 2019 Major Export destinations for other base metals, cermets and articles thereof (US\$ millions)



Source: ZSA and BoZ

3.0 Major Source Countries for Zambia's Imports

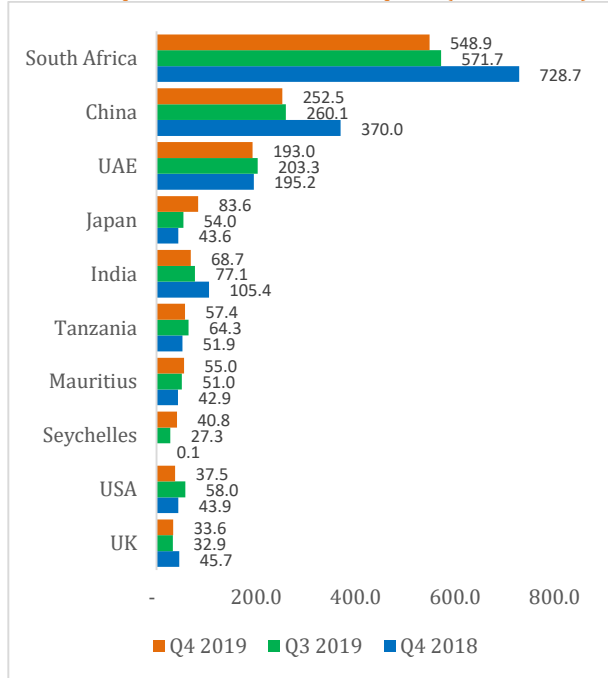
Major source countries for Zambia's imports remained South Africa, China, United Arab Emirates, Japan, and India in that order

Merchandise imports were US\$1.7 billion in the fourth quarter of 2019 compared to US\$2.4 billion in the corresponding quarter in 2018. This represents a decline of 28.6%. The decline in imports was broad based, largely reflecting subdued domestic economic activity and declining real incomes.

A reduction in imports of nuclear reactors, boilers and mechanical appliances from South Africa, China and United Arab Emirates largely explained the decline in imports. The slowdown in domestic economic activity could have dampened demand for these commodities. In addition, lower imports of pharmaceutical products also contributed to lower imports during the quarter (Table 2).

Imports from the top five source countries accounted for 65.9% of total imports with South Africa being the highest contributor, at 31.5% (Table 2).

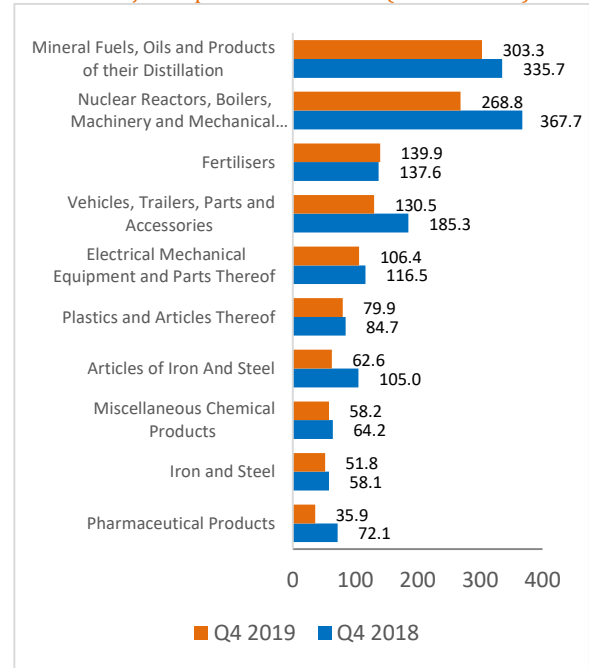
Chart 4: Top Source Countries for Imports (US\$ millions)



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

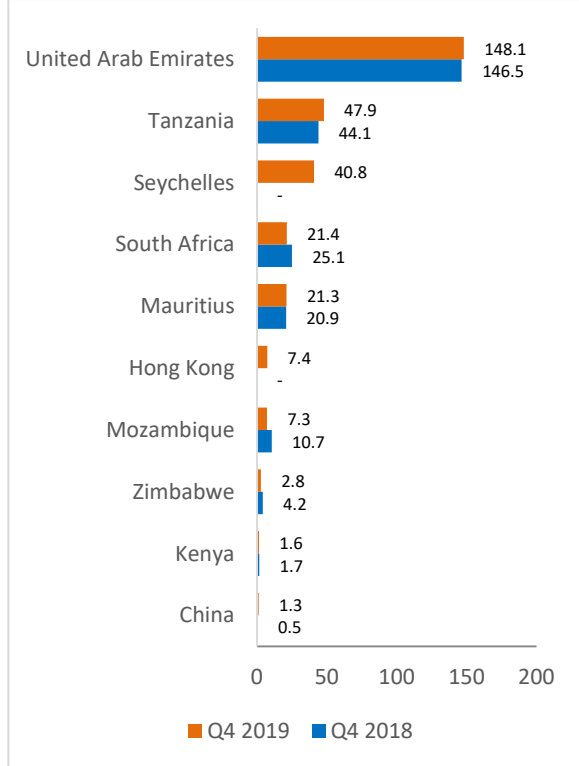
Table 2: Products accounting for import performance from top source countries (US\$ millions)

Country	Main Product(s)	Q4 2018	Q4 2019	% Change
South Africa	Fertiliser	80.8	40.6	-49.8
	Nuclear reactors and boilers	103.2	76.2	-26.2
	Salt, Sulphur, Earth	41.7	18.4	-55.9
China	Nuclear reactors and Boilers	119.3	38.8	-67.5
	Electrical Machinery	45.8	43.9	-4.1
United Arab Emirates	Petroleum Oils, Crude	0	116.6	n.a
	Gas oils	98.0	22.0	-77.6
Japan	Nuclear Reactors and Boilers	2.9	47.0	1,520.7
India	Pharmaceutical products	37.6	17.1	-54.5

Source: ZSA and BoZ

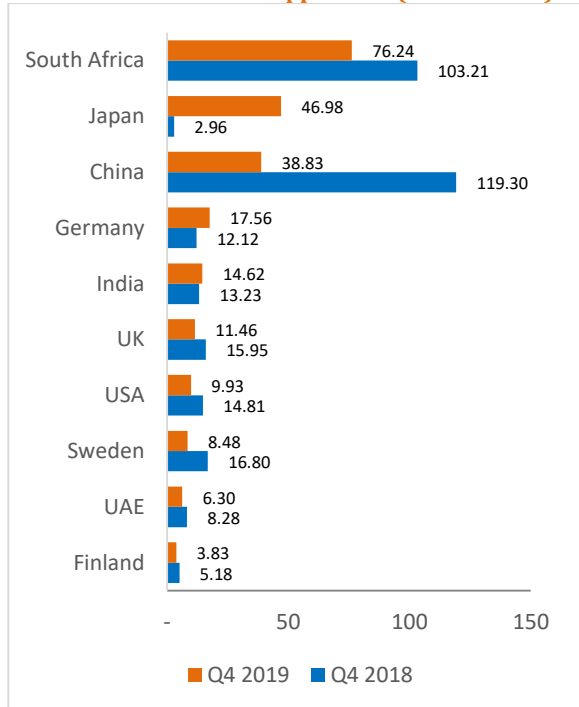
The source countries for Zambia's top five major imports are given in Charts 6a to 6e.

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



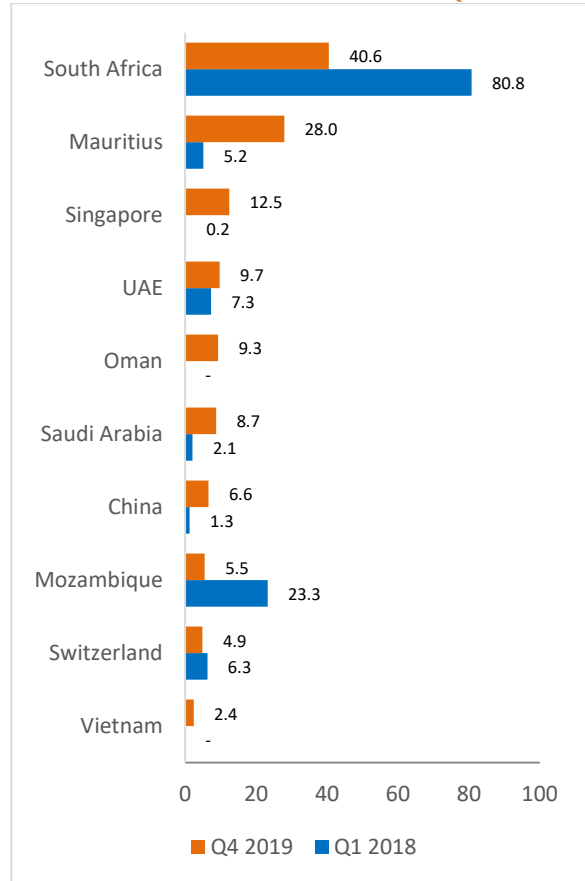
Source: ZSA and BoZ

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



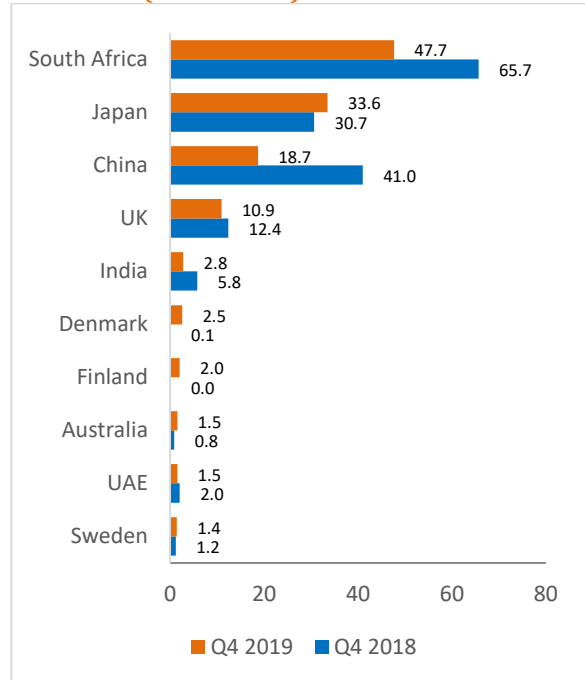
Source: ZSA and BoZ

Chart 6c: Source countries for Fertiliser (US\$ millions)



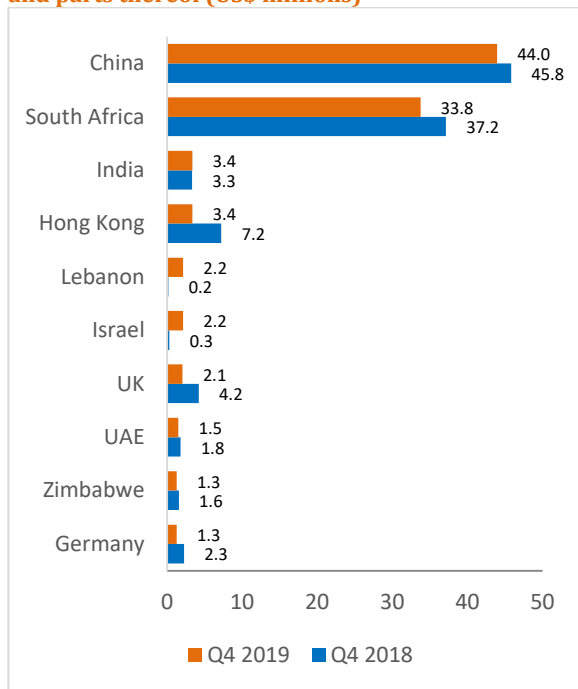
Source: ZSA and BoZ

Chart 6d: Source countries for vehicles and vehicle accessories (US\$ millions)



Source: ZSA and BoZ

Chart 6e: Source Countries for electrical equipment and parts thereof (US\$ millions)



Source: ZSA and BoZ

4.0 Conclusion

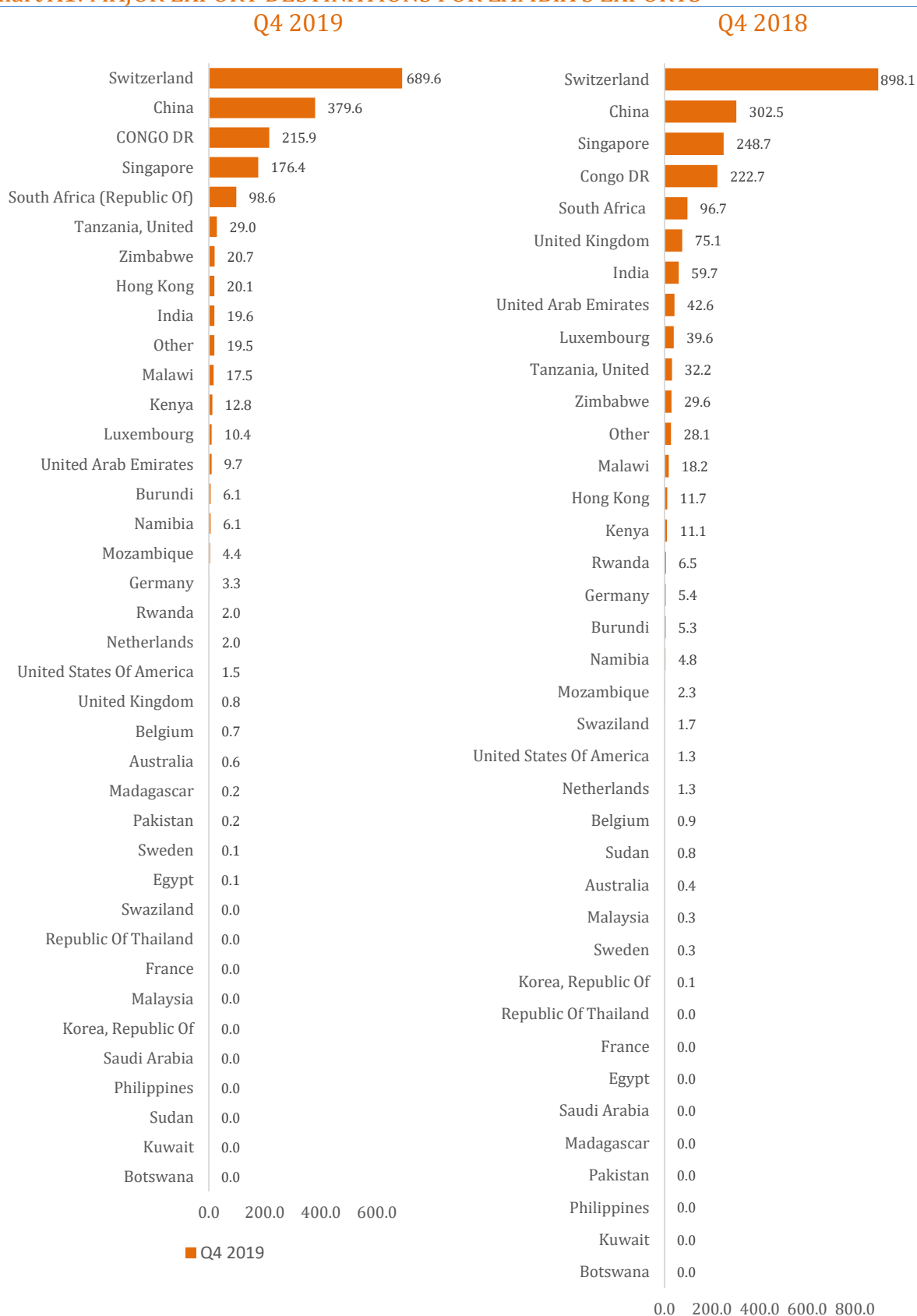
Trade was lower in the fourth quarter of 2019 compared to the corresponding period in 2018. It declined by 25.9%, explained by a larger reduction in imports than export earnings. Due to weak domestic demand, imports slumped with a broad based decline across most products. The sluggish performance in exports was mainly due to reduced earnings from copper occasioned by a fall in both copper export volumes and average realized prices.

APPENDIX ONE: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS

COUNTRY	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Switzerland	908.9	898.1	807.8	836.2	571.9	689.6
China	424.1	302.5	377.9	404.0	341.3	379.6
Congo DR	231.0	222.7	207.8	237.2	240.4	215.9
Singapore	190.2	248.7	183.7	74.3	145.0	176.4
South Africa	89.0	96.7	71.8	67.5	59.0	98.6
Tanzania	21.9	32.2	10.9	11.0	16.8	29.0
Zimbabwe	43.7	29.6	36.4	21.8	20.7	20.7
Hong Kong	48.4	11.7	4.7	26.2	24.9	20.1
India	16.9	59.7	6.8	12.4	16.1	19.6
Malawi	20.7	18.2	16.8	39.3	29.7	17.5
Kenya	28.1	11.1	13.0	16.4	21.0	12.8
Luxembourg	2.2	39.6	35.5	18.6	2.2	10.4
United Arab Emirates	35.0	42.6	27.1	3.3	7.6	9.7
Burundi	5.0	5.3	6.4	4.7	5.4	6.1
Namibia	7.7	4.8	8.1	8.1	14.7	6.1
Mozambique	5.3	2.3	6.5	3.5	3.5	4.4
Germany	4.9	5.4	3.6	2.1	2.9	3.3
Rwanda	5.1	6.5	3.0	3.7	4.5	2.0
Netherlands	1.6	1.3	1.8	2.2	1.9	2.0
United States Of America	5.0	1.3	1.6	0.6	1.4	1.5
United Kingdom	192.2	75.1	18.4	11.5	1.8	0.8
Belgium	1.2	0.9	0.4	1.3	3.3	0.7
Australia	6.5	0.4	0.3	0.0	0.1	0.6
Madagascar	0.1	0.0	0.1	0.0	0.0	0.2
Pakistan	0.0	0.0	0.0	0.0	0.0	0.2
Sweden	0.3	0.3	0.4	0.1	0.0	0.1
Egypt	0.0	0.0	0.0	0.0	0.0	0.1
Swaziland	1.2	1.7	0.0	0.2	0.7	0.0
Republic of Thailand	0.0	0.0	0.0	0.0	0.0	0.0
France	1.2	0.0	0.2	0.8	1.2	0.0
Malaysia	0.4	0.3	0.1	0.1	0.2	0.0
Korea, Republic of	0.0	0.1	0.0	0.0	0.0	0.0
Saudi Arabia	0.0	0.0	0.0	0.0	0.2	0.0
Philippines	0.2	0.0	0.0	0.0	0.0	0.0
Sudan	0.0	0.8	0.0	0.0	0.0	0.0
Botswana	0.0	0.0	0.0	0.0	0.0	0.0
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0
Other	28.9	28.1	31.6	30.3	23.4	19.5
TOTAL	2,326.7	2,147.8	1,882.7	1,837.4	1,561.6	1,747.8

Source: ZSA and BoZ

Chart A1: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS



Source: ZSA and BoZ

APPENDIX TWO: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS

COUNTRY	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
South Africa	673.1	728.7	545.0	557.0	571.7	548.9
China	298.9	370.0	291.9	216.4	260.1	252.5
United Arab Emirates	134.2	195.2	130.1	213.8	203.3	193.0
Japan	45.7	43.6	37.2	43.7	54.0	83.6
India	92.3	105.4	130.1	76.0	77.1	68.7
Tanzania, United	44.9	51.9	42.3	40.5	64.3	57.4
Mauritius	52.1	42.9	41.7	52.5	51.0	55.0
United States Of America	61.5	43.9	49.9	41.1	58.0	37.5
United Kingdom	50.0	45.7	32.6	31.6	32.9	33.6
Germany	31.0	35.9	30.1	30.4	24.2	28.5
Namibia	21.4	25.1	23.0	23.4	33.2	26.0
Singapore	5.9	12.9	8.0	15.4	12.8	19.3
Mozambique	46.6	38.9	19.5	24.9	19.1	18.9
Hong Kong	18.3	17.4	12.2	13.2	11.6	18.1
Malaysia	5.3	4.1	6.7	7.4	9.0	17.5
Zimbabwe	18.9	20.4	14.7	15.1	15.9	16.1
Sweden	18.1	22.2	17.5	26.7	10.5	12.9
Netherlands	11.9	13.7	14.6	17.2	13.7	11.3
Denmark	5.6	7.6	4.1	9.2	4.4	10.7
Finland	7.5	11.6	11.7	14.4	14.8	10.3
Canada	6.6	4.4	5.3	5.2	5.2	9.5
Kenya	11.5	14.0	10.6	10.2	12.1	9.3
Switzerland	10.3	12.2	4.5	5.8	6.1	7.6
Australia	9.3	11.0	8.6	17.6	10.4	7.5
Belgium	12.9	9.7	8.7	13.0	11.9	7.2
Italy	3.5	4.9	17.0	14.9	19.9	6.9
Korea, Republic of	12.3	11.8	7.5	8.5	5.4	6.1
Spain	5.5	9.3	5.1	4.2	5.6	6.0
Malawi	3.8	3.4	2.3	3.2	9.9	5.7
Swaziland	3.6	4.2	2.6	4.0	7.1	5.5
Botswana	6.4	5.3	3.3	4.5	4.3	5.1
France	10.8	11.4	11.2	6.2	6.1	4.9
Indonesia	2.1	3.5	1.8	4.4	3.0	3.7
Egypt	3.6	4.2	3.3	4.2	4.7	3.6
Lebanon	0.8	0.9	0.7	0.8	1.3	3.3
Republic Of Thailand	3.3	3.2	6.0	4.0	3.6	3.2
Brazil	2.9	3.3	3.5	2.5	2.7	3.1
Israel	1.0	2.3	22.3	1.9	3.3	2.7
Taiwan, Province Of China	4.8	3.5	1.6	3.7	2.7	1.9
Pakistan	2.5	1.9	2.1	1.5	1.3	1.7
Congo DR	325.9	331.4	14.1	199.5	17.5	1.2
Kuwait	147.3	77.0	151.0	0.0	0.0	0.0
Other	93.7	67.0	63.8	76.0	109.0	115.2
TOTAL	2,327.8	2,437.0	1,820.3	1,865.8	1,794.6	1,740.6

Source: ZSA and BoZ

Chart A2: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS



Source: ZSA and BoZ

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

COUNTRY	Q1 2019		Q2 2019		Q3 2019		Q4 2019	
	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
Botswana	-	3.3	-	4.5	-	4.3	-	5.1
Lesotho	-	0.0	-	0.0	0.8	0.0	0.3	0.0
Mozambique	6.5	19.5	3.5	24.9	3.5	19.1	4.4	18.9
Namibia	8.1	23.0	8.1	23.4	14.7	33.2	6.1	26.0
South Africa	71.8	545.0	67.5	557.0	59.0	571.7	98.6	548.9
Tanzania	10.9	42.3	11.0	40.5	16.8	64.3	29.0	57.4
TOTAL	98.1	633.2	90.5	650.3	96.2	692.8	138.9	656.3

Source: ZSA and BoZ

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

COUNTRY	Q1 2019		Q2 2019		Q3 2019		Q4 2019	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Burundi	6.4	0.0	4.7	-	5.4	0.0	6.1	0.0
Comoros	-	-	-	-	0.0	-	-	-
Djibouti	-	-	-	-	-	-	-	-
Egypt	0.0	3.3	-	4.2	0.0	4.7	0.1	3.6
Eritrea	-	-	-	0.0	0.0	-	-	-
Ethiopia	0.0	0.3	0.0	0.0	0.0	0.0	0.1	-
Kenya	13.0	10.6	16.4	10.2	21.0	12.1	12.8	9.3
Libya	-	-	-	-	-	-	-	-
Rwanda	3.0	0.0	3.7	0.1	4.5	0.0	2.0	0.1
Sudan	0.0	0.2	-	-	-	0.0	0.0	0.0
Uganda	3.3	6.3	1.9	2.1	1.1	0.8	1.6	0.8
TOTAL	25.8	20.7	26.8	16.6	32.1	17.7	22.7	13.8

Source: ZSA and BoZ

APPENDIX FIVE: ZAMBIA'S TRADE WITH SADC AND COMESA

COUNTRY	Q1 2019		Q2 2019		Q3 2019		Q4 2019	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Congo DR	207.8	14.1	237.2	199.5	240.4	17.5	17.5	215.9
Madagascar	0.1	0.0	-	0.0	0.0	0.0	0.0	0.2
Malawi	16.8	2.3	39.3	3.2	29.7	9.8	9.9	17.5
Mauritius	4.9	41.7	0.3	52.5	4.2	51.0	51.0	0.9
Seychelles	-	4.7	-	23.4	-	27.3	27.3	-
Swaziland	0.0	2.6	0.2	4.0	0.7	7.1	7.1	0.0
Zimbabwe	36.4	14.7	21.8	15.1	20.7	15.9	15.9	20.7
TOTAL	266.0	80.2	298.9	297.7	295.7	128.7	128.7	255.4

Source: ZSA and BoZ

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