



Bank of Zambia

Zambia

Direction of Trade

Report

(First Quarter 2019)

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Executive Summary

Zambia's total trade (exports and imports) declined to US\$3.76 billion in the first quarter of 2019 from US\$4.66 billion recorded in the corresponding period in 2018, representing a decline of 19.3%. The fall of trade was on account of a decrease in both export earnings and imports. Exports decreased mainly due to lower copper export earnings. Imports declined mostly on account of lower imports of copper ore. Other import commodities that recorded a decline included fertilisers; mineral fuels, oils and products of their distillation; electrical machinery equipment and parts thereof; and vehicles and vehicle accessories. The Report further indicates that Switzerland remained the top major destination for Zambia's exports and South Africa continued to be the top source country for Zambia's imports.

1.0 Introduction

This report analyses Zambia's direction of merchandise trade for the first 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 Exports¹

Zambia's total exports in Q1 2019 declined by 17.3% to US \$1.94 billion compared to US \$2.35 billion in Q1 2018. The decline in exports was largely attributed to a fall in copper export earnings from Switzerland. The top six destinations for Zambia's exports, from highest to lowest, were Switzerland, China, Congo DR, Singapore, United Kingdom and South Africa (Figure 1). Exports to these countries accounted for 88.9% of total exports.

Consequently, earnings from Switzerland decreased by 17.1% to US \$807.8 million from US \$974.6 million. This was mainly as a result of lower copper earnings which declined to US \$802.87 million from US \$969.27 million in the first quarter of 2018 (Figure 1).

Export earnings from South Africa decreased by 58.0% to US \$71.8. The decrease was mainly on account of a fall in exports of copper and articles thereof.

However, export earnings from China, Congo DR, Singapore and the United Kingdom increased.

Exports to China increased by 38.1% to US \$377.81 million compared to US \$273.62 million mainly on account of a rise in copper export earnings. Copper export earnings from

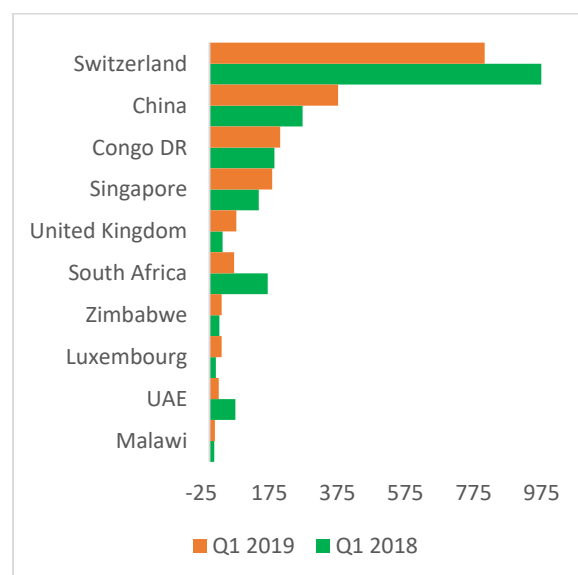
China rose by 54.8 % to US \$368.15 million from US \$237.80 million recorded during the corresponding quarter of 2018.

Further, exports to Congo DR increased by 9.3% to US \$207.82 million compared to US \$190.17 million on account of incremental changes to various NTEs particularly from inorganic chemicals and compounds of precious metals; salt, sulphur, earth, plastering material, lime and cement; mineral fuels, oils and products of their distillation and.

Export earnings from Singapore increased by 27.0% to US \$183.72 million from US \$144.71 million mainly on account of a rise in exports of copper.

Export earnings from the United Kingdom increased by 104.2% from US \$38.4 mainly due to an increase in exports of printed books, newspapers and pictures to that country.

Figure 1: Major Export destinations (USD millions)



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

The top five export commodities were: copper; printed books, newspapers and pictures; inorganic chemicals and compounds of precious metals; salt, sulphur, plastering material, lime and cement; and nuclear reactors and boilers. The earnings from these commodities fell by 17.8% to US \$1,664.26 million compared to US \$2,023.80 million in the corresponding quarter in 2018 (Figures 2a and 2b).

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

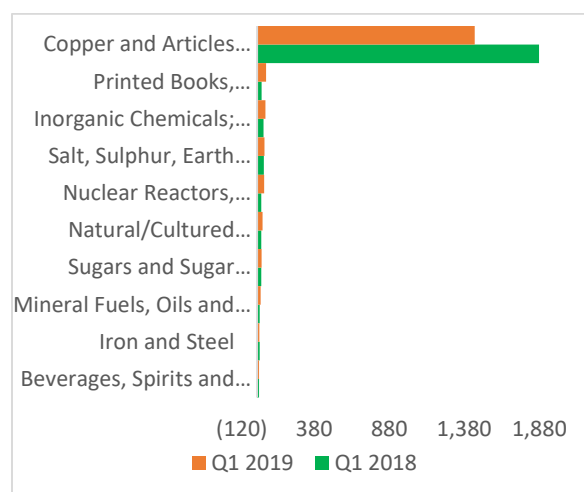
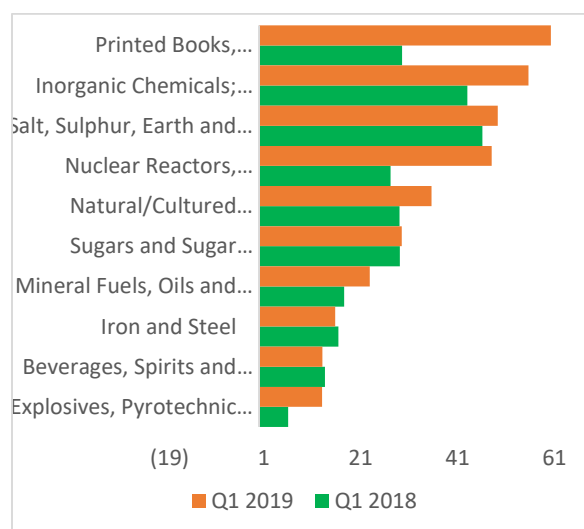


Figure 2b: Export Earnings, Excluding Copper (USD millions)



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

Figure 3a: Q1 2018 and Q1 2019 Copper Major Export Destinations (USD Millions)

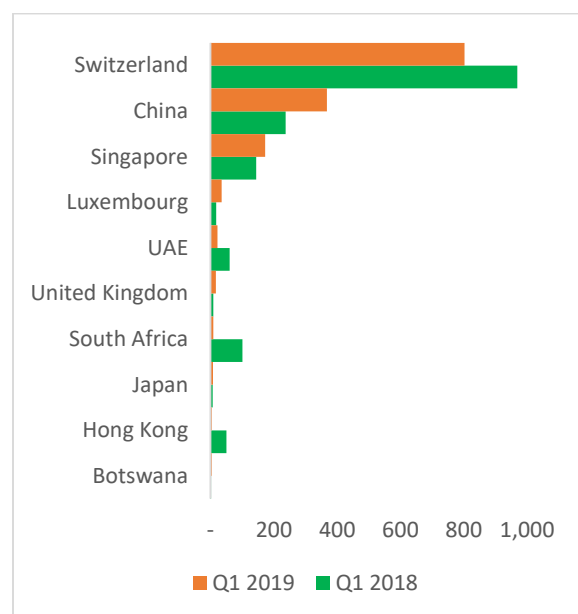


Figure 3b: Q1 2018 and Q1 2019 Major Export destinations of printed books, newspapers, pictures and other products (USD millions)

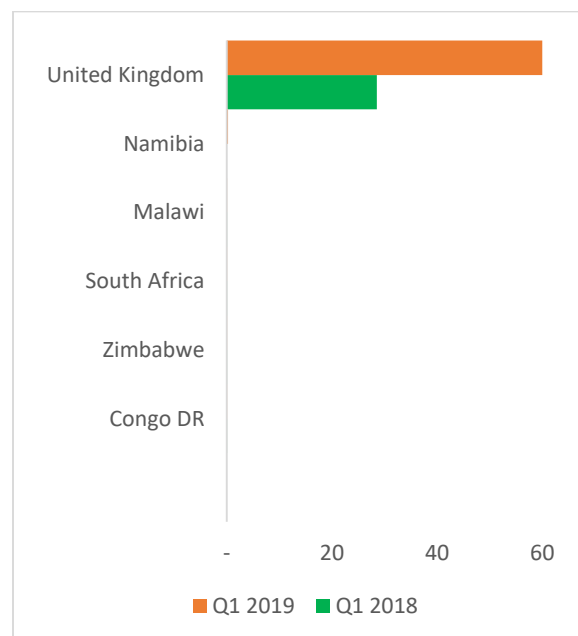


Figure 3c: Q1 2018 and Q1 2019 Major Export destinations of inorganic chemicals and compounds of precious metals (USD millions)

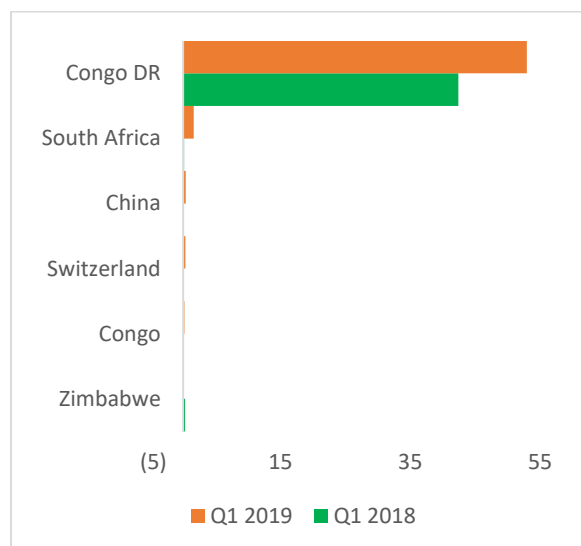


Figure 3d: Q1 2018 and Q1 2019 Major Export destinations of salt, Sulphur, plastering material, lime and cement (USD millions)

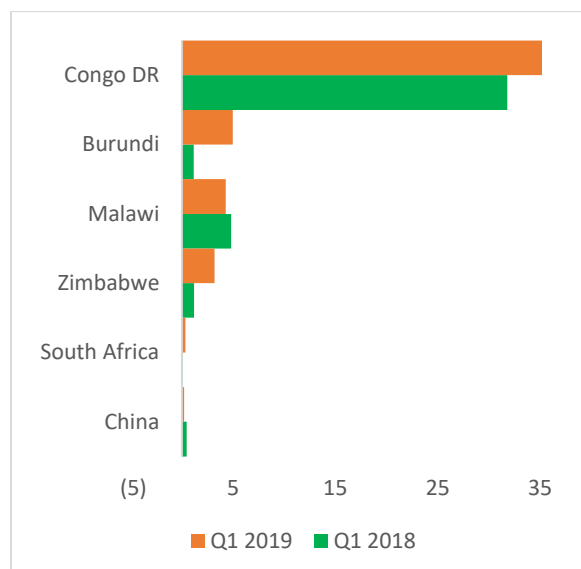
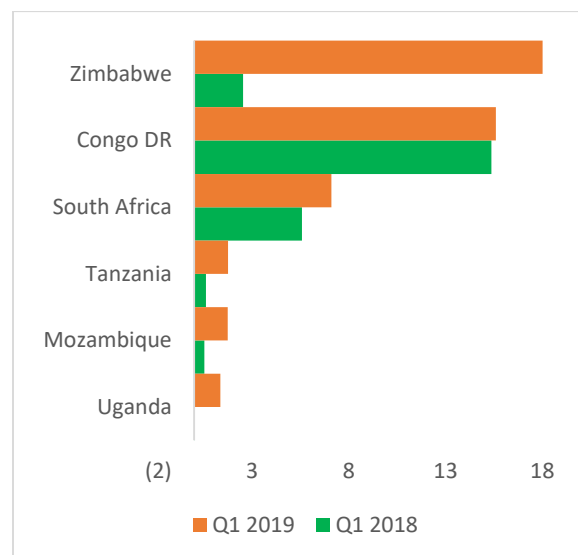


Figure 3e: Q1 2018 and Q1 2019 Major Export destinations of Nuclear reactors, boilers, machinery, mechanical appliances, and parts (USD millions)

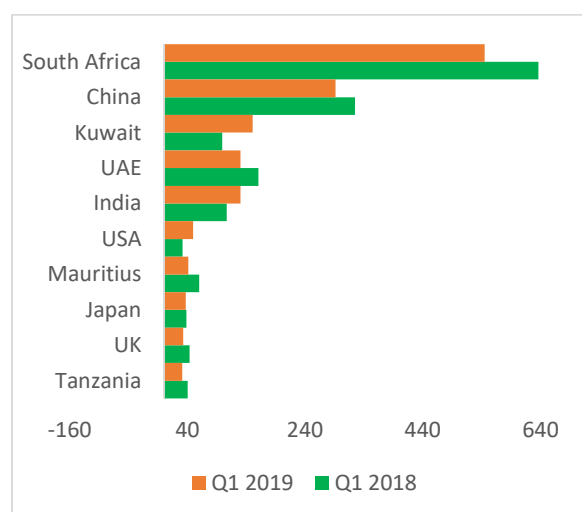


3.0 Major Source Countries for Zambia's Imports

Merchandise imports in Q1 2019 declined by 21.4% to US \$1.82 billion from US \$2.32 billion recorded in Q1 2018. The decline in imports was mainly attributed to a slump in imports of copper ore from Congo DR.

During the review period, the top five source countries for Zambia's imports, from highest to lowest, were: South Africa, China, Kuwait, United Arab Emirates (UAE) and India (Figure 4). Imports from these countries accounted for 68.6% of total imports with South Africa being the highest contributor at 29.9%.

Figure 4: Zambia's Q1 2019 Top Source Countries for Imports (USD millions)



A decrease of 14.4% in imports from South Africa was recorded in Q1 2019, decreasing to US \$544.93 million from US \$636.58 million recorded in Q1 2018. The reduction was mainly on account of a fall in imports of mineral fuels, oils and products of their distillation; nuclear reactors, boilers, machinery and mechanical appliances; fertilisers; and electrical machinery equipment and parts thereof.

Zambia's imports from China decreased by 10.2% to US \$291.75 million in Q1 2019 from US \$324.73 million in the corresponding

quarter in 2018. This was mainly on account of a decrease in imports of nuclear reactors and boilers; and vehicles and vehicle accessories.

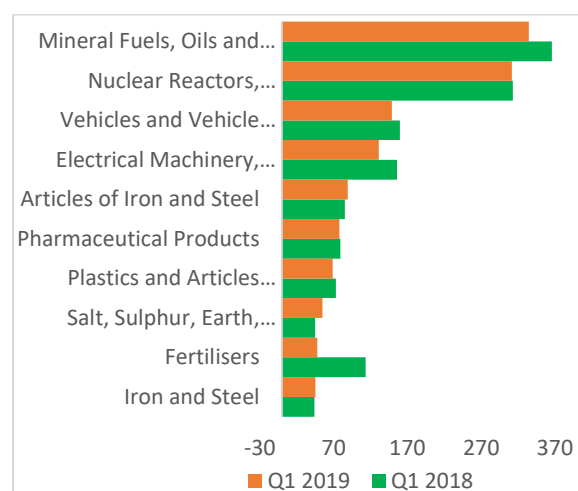
The imports from the UAE declined by 18.9% to US \$130.18 million in Q1 2019 compared to US \$160.57 million in the corresponding quarter in 2018, mainly on account of a decrease in imports of mineral fuels, oils and product of their distillation; fertilisers; and organic chemicals.

However, imports from Kuwait increased by 52.4 % to US \$151.00 million in Q1 2019 from US \$99.08 million in Q1 2018 on account of a rise in imports of mineral fuels, oils and products of their distillation.

Further, imports from India increased by 21.7% to US \$130.12 million in Q1 2019 from US \$106.94 million in Q1 2018. This increase was mainly on account of a rise in imports of nuclear reactors and boilers.

Zambia's top five import commodities were; mineral fuels, oils and products of their distillation (US \$334.85 million), nuclear reactors and boilers (US \$311.76 million), vehicles and vehicle accessories (US \$149.00 million), electrical machinery, equipment and parts thereof (US \$131.21 million), and articles of iron and steel (US \$89.24 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)

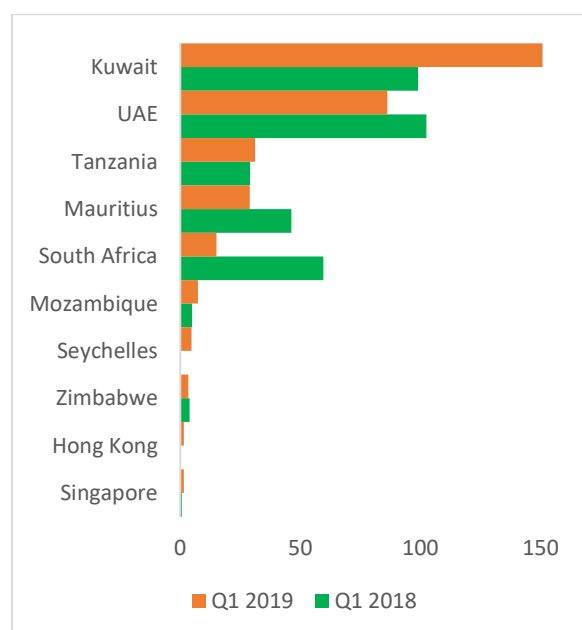


Figure 6b: Source countries for Nuclear Reactors, Boilers and Accessories (USD millions)

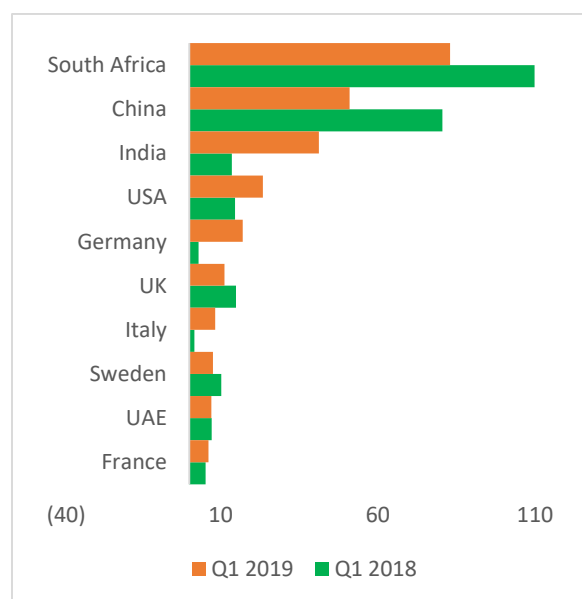


Figure 6c: Source countries for vehicles and vehicle accessories (USD millions)

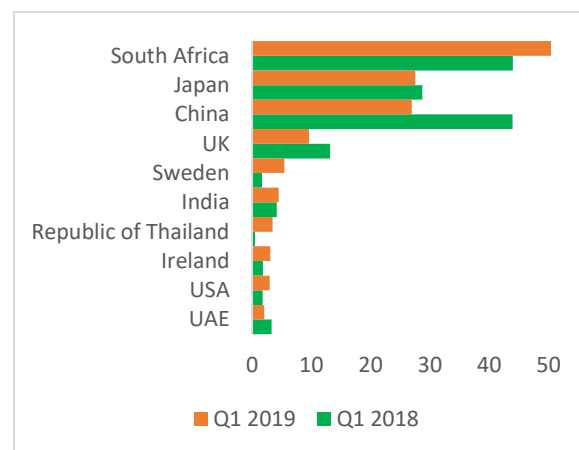


Figure 6d: Source countries for electrical machinery, equipment and parts thereof (USD millions)

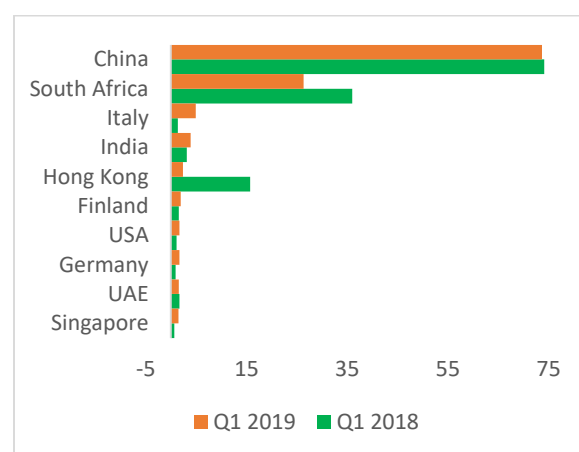
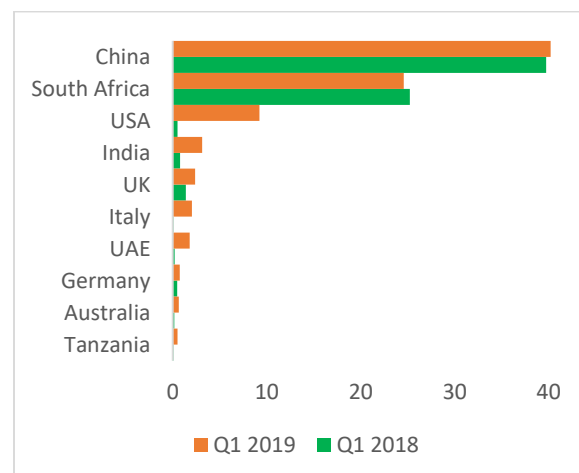


Figure 6e: Source Countries for articles of iron and steel (USD millions)



4.0 Conclusion

During the quarter under review, trade decreased compared to the first quarter of 2018. Zambia's total trade declined by 19.3%, explained by a reduction in export earnings and imports. Export performance worsened largely on account of a decrease in exports of copper. Imports declined largely on account of a decrease in imports of copper ore.

APPENDIX ONE: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS

COUNTRY	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Australia	0.4	0.4	0.0	6.5	0.4	0.3
Belgium	1.1	1.6	1.9	1.2	0.9	0.4
Botswana	12.2	0.0	0.0	0.0	0.0	7.4
Burundi	7.0	4.5	5.5	5.0	5.3	6.4
China	306.9	273.6	336.7	424.1	302.5	377.8
Congo DR	145.0	190.2	211.8	231.0	222.7	207.8
Egypt	0.0	0.0	0.0	0.0	0.0	0.0
France	0.0	0.1	0.2	1.2	0.0	0.2
Germany	4.9	4.3	3.0	4.9	5.4	3.6
Hong Kong	34.5	52.9	29.3	48.4	11.7	4.7
India	39.4	75.3	34.1	16.9	59.7	6.8
Kenya	22.5	10.2	10.7	28.1	11.1	13.0
Korea, Republic of	1.2	0.5	1.2	0.0	0.1	-
Kuwait	0.0	0.0	0.0	0.0	0.0	-
Luxembourg	15.1	18.3	16.6	2.2	39.6	35.5
Madagascar	0.0	0.1	0.1	0.1	0.0	0.1
Malawi	17.1	14.0	31.9	20.7	18.2	16.8
Malaysia	0.2	0.1	0.1	0.4	0.3	0.1
Mozambique	4.8	2.7	2.1	5.3	2.3	6.5
Namibia	2.4	9.0	9.5	7.7	4.8	8.3
Netherlands	1.4	1.6	1.5	1.6	1.3	1.8
Pakistan	0.0	0.0	0.0	0.0	0.0	-
Philippines	0.0	0.0	0.0	0.2	0.0	-
Republic of Thailand	0.1	0.0	0.0	0.0	0.0	0.0
Rwanda	9.5	3.3	4.6	5.1	6.5	3.0
Saudi Arabia	0.0	0.0	0.0	0.0	0.0	-
Singapore	112.6	144.7	116.2	190.2	248.7	183.7
South Africa Republic of)	121.1	170.8	82.3	89.0	96.7	71.8
Sudan	0.0	0.0	0.0	0.0	0.8	0.0
Swaziland	0.6	1.4	1.1	1.2	1.7	0.0
Sweden	0.1	0.4	0.4	0.3	0.3	0.4
Switzerland	1,146.5	974.6	1027.6	908.9	898.1	807.8
Tanzania, United	21.8	12.9	17.1	21.9	32.2	10.9
United Arab Emirates	101.6	76.0	83.0	35.0	42.6	27.1
United Kingdom	70.3	38.4	47.1	192.2	75.1	78.4
United States of America	2.0	2.2	4.0	5.0	1.3	1.6
Zimbabwe	32.1	29.2	34.7	43.7	29.6	36.4
Other	207.7	235.2	130.4	28.9	28.1	24.1
TOTAL	2,418.5	2,348.5	2,244.6	2,326.7	2,147.8	1,942.8

APPENDIX TWO: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS

COUNTRY	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Australia	12.0	14.5	15.6	9.3	11.0	8.8
Belgium	13.8	12.5	8.9	12.9	9.7	8.7
Botswana	6.3	5.5	6.5	6.4	5.3	3.3
Brazil	3.6	3.3	1.6	2.9	3.3	3.5
Canada	5.1	6.5	5.1	6.6	4.4	5.3
China	242.4	324.7	297.0	298.9	370.0	291.7
Congo DR	592.5	338.8	397.7	325.9	331.4	14.1
Denmark	7.3	9.2	8.2	5.6	7.6	4.1
Egypt	4.4	2.6	4.0	3.6	4.2	3.3
Finland	10.3	24.5	12.4	7.5	11.6	11.7
France	6.0	12.2	9.8	10.8	11.4	11.2
Germany	18.0	15.2	25.4	31.0	35.9	30.1
Hong Kong	16.0	21.5	16.1	18.3	17.4	12.2
India	72.7	106.9	137.9	92.3	105.4	130.1
Indonesia	1.4	0.7	1.3	2.1	3.5	1.8
Israel	1.2	52.5	34.2	1.0	2.3	22.3
Italy	5.1	4.1	6.8	3.5	4.9	17.0
Japan	32.5	38.5	40.7	45.7	43.6	37.2
Kenya	10.8	13.4	11.3	11.5	14.0	10.5
Korea, Republic of (South)	9.4	12.1	9.6	12.3	11.8	7.5
Kuwait	71.6	99.1	117.0	147.3	77.0	151.0
Lebanon	1.0	1.1	1.0	0.8	0.9	0.7
Malawi	4.0	2.6	3.6	3.8	3.4	2.3
Malaysia	2.1	2.8	3.4	5.3	4.1	6.7
Mauritius	101.7	60.3	50.8	52.1	42.9	41.7
Mozambique	42.8	21.2	28.9	46.6	38.9	19.5
Namibia	58.8	28.6	29.2	21.4	25.1	23.0
Netherlands	14.0	8.4	16.3	11.9	13.7	14.7
Pakistan	1.3	1.8	1.7	2.5	1.9	2.1
Republic of Thailand	3.6	3.0	2.9	3.3	3.2	6.0
Singapore	6.6	11.4	2.9	5.9	12.9	8.0
South Africa	641.4	636.6	688.4	673.1	728.7	544.9
Spain	4.6	3.5	5.0	5.5	9.3	5.1
Swaziland	6.0	2.1	4.0	3.6	4.2	2.6
Sweden	8.9	20.4	28.8	18.1	22.2	17.5
Switzerland	16.0	17.8	10.3	10.3	12.2	4.5
Taiwan, Province of China	2.5	3.3	2.3	4.8	3.5	1.6
Tanzania, United	46.2	40.5	43.5	44.9	51.9	42.3
United Arab Emirates	127.8	160.6	105.7	134.2	195.2	130.2
United Kingdom	38.3	43.9	45.8	50.0	45.7	32.6
United States of America	29.9	31.8	57.4	61.5	43.9	49.9
Zimbabwe	21.4	17.0	17.9	18.9	20.4	14.7
Other	98.0	79.0	64.0	93.7	67.0	63.7
TOTAL	2,419.3	2,315.9	2,380.9	2,327.8	2,437.0	1,820.1

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

	Q2 2018		Q3 2018		Q4 2018		Q1 2019	
COUNTRY	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Angola	0.8	0.0	0.8	0.0	1.7	0.0	0.8	0.0
Botswana	0.0	6.5	0.0	6.4	-	5.3	-	3.3
Lesotho	0.6	0.0	0.1	0.1	0.0	0.0	-	0.0
Mozambique	2.1	28.9	5.3	46.6	2.3	38.9	6.5	19.5
Namibia	9.5	29.2	7.7	21.4	4.8	25.1	8.3	23.0
South Africa	82.3	688.4	89.0	673.1	96.7	728.7	71.8	544.9
Tanzania	17.1	43.5	21.9	44.9	32.2	51.9	10.9	42.3
TOTAL	112.3	796.5	124.6	792.5	137.6	849.8	98.3	633.0

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

	Q2. 2018		Q3.2018		Q4 2018		Q1 2019	
COUNTRY	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Burundi	5.5	0.0	5.0	0.0	5.3	0.0	6.4	0.0
Comoros	-	-	-	-	-	-	-	-
Djibouti	-	-	-	0.0	0.0	-	-	-
Egypt	0.0	4.0	0.0	3.6	0.0	4.2	0.0	3.3
Eritrea	-	-	-	-	-	-	-	-
Ethiopia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Kenya	10.7	11.3	28.1	11.5	11.1	14.0	13.0	10.5
Libya	-	-	-	-	-	-	-	-
Rwanda	4.6	0.0	5.1	0.1	6.5	0.0	3.0	0.0
Sudan	-	0.0	0.0	0.0	0.8	0.0	0.0	0.2
Uganda	2.7	7.9	1.4	1.8	1.9	2.2	3.3	6.3
TOTAL	23.5	23.3	39.6	17.0	25.5	20.4	25.8	20.6

APPENDIX FIVE: ZAMBIA'S TRADE WITH SADC AND COMESA

	Q2. 2018		Q3. 2018		Q4 2018		Q1 2019	
COUNTRY	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Congo DR	211.8	397.7	231.0	325.9	222.7	331.4	207.8	14.1
Madagascar	0.1	-	0.1	0.0	-	0.0	0.1	0.0
Malawi	31.9	3.6	20.7	3.8	18.2	3.4	16.8	2.3
Mauritius	1.4	50.8	0.4	52.1	0.5	42.9	4.9	41.7
Seychelles	0.0	0.2	-	0.0	-	0.1	-	4.7
Swaziland	1.1	4.0	1.2	3.6	1.7	4.2	0.0	2.6
Zimbabwe	34.7	17.9	43.7	18.9	29.6	20.4	36.4	14.7
TOTAL	280.9	474.2	297.0	404.3	272.6	402.3	266.0	80.2