

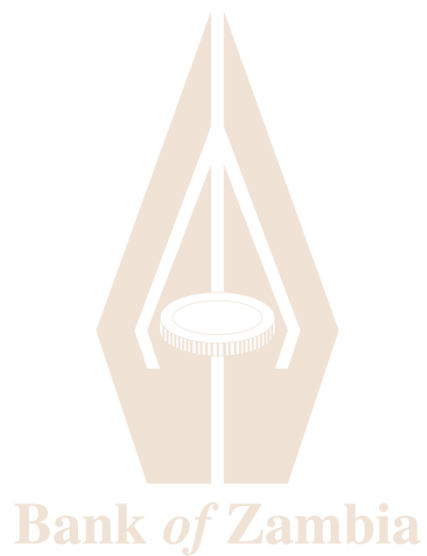
Direction of Trade Report Fourth Quarter 2020



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Bank of Zambia



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1.0 Introduction

This Report analyses Zambia's direction of merchandise trade for the fourth quarter of 2020.

The 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, Singapore, the Democratic Republic of Congo, South Africa, and Luxembourg

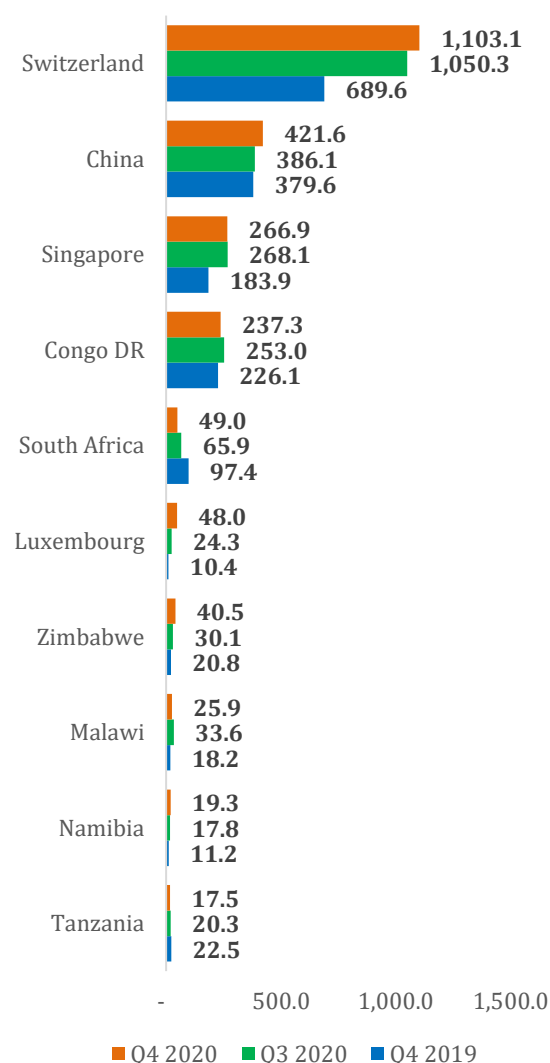
Total export earnings were US\$2.33 billion in the fourth quarter of 2020, 32.6% higher than the US\$1.76 billion reported in the corresponding quarter in 2019. This was largely driven by copper export receipts on account of higher production at most mines that benefited from lower operational costs and higher ore grades (Table 1 and Chart 1). In addition, the recovery in economic activity in China, as well as production disruptions at copper mines in Chile and Peru contributed to the recovery in copper prices.

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

Country	Main Product (s)	Q4 2019	Q4 2020	% Change
Switzerland	Copper and articles thereof	672.4	970.7	44.4
China	Copper and articles thereof	370.2	409.8	10.7
Singapore	Copper and articles thereof	156.7	252.9	61.3
Switzerland	Ores, Slag and Ash	4.9	108.0	2124.6
Democratic Republic of Congo	Salt, Sulphur, Earth and Stone, Plastering Material, Lime and Cement	47.9	51.2	6.8

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

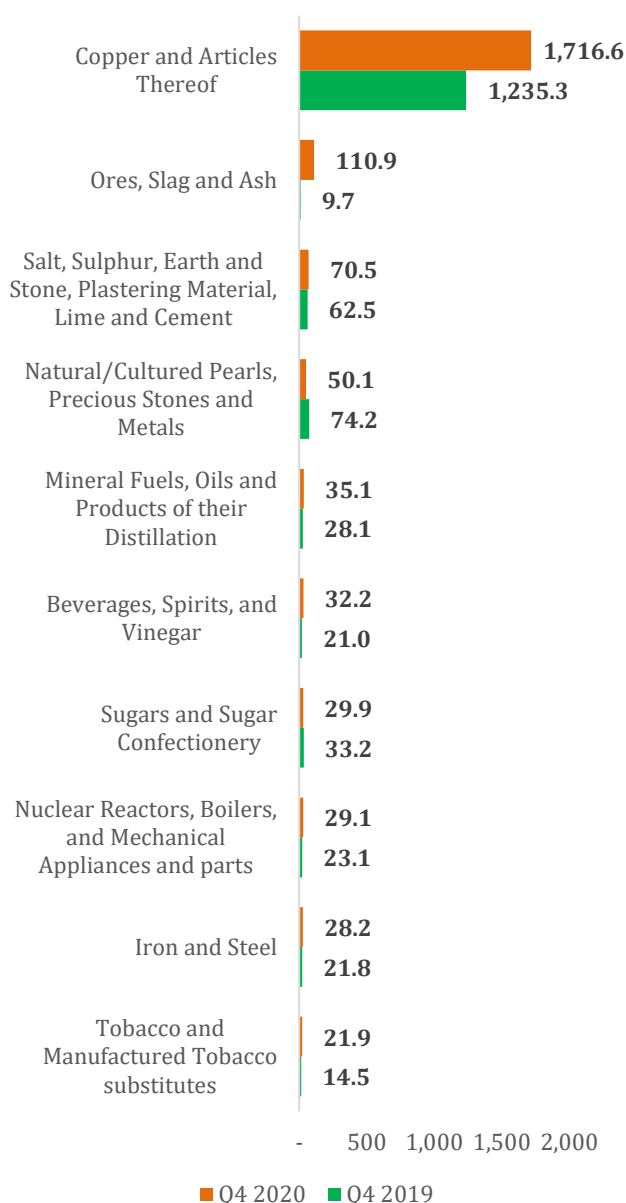
Chart 1: Major Export Destinations (US\$ millions)



Source: Source: ZSA and BoZ

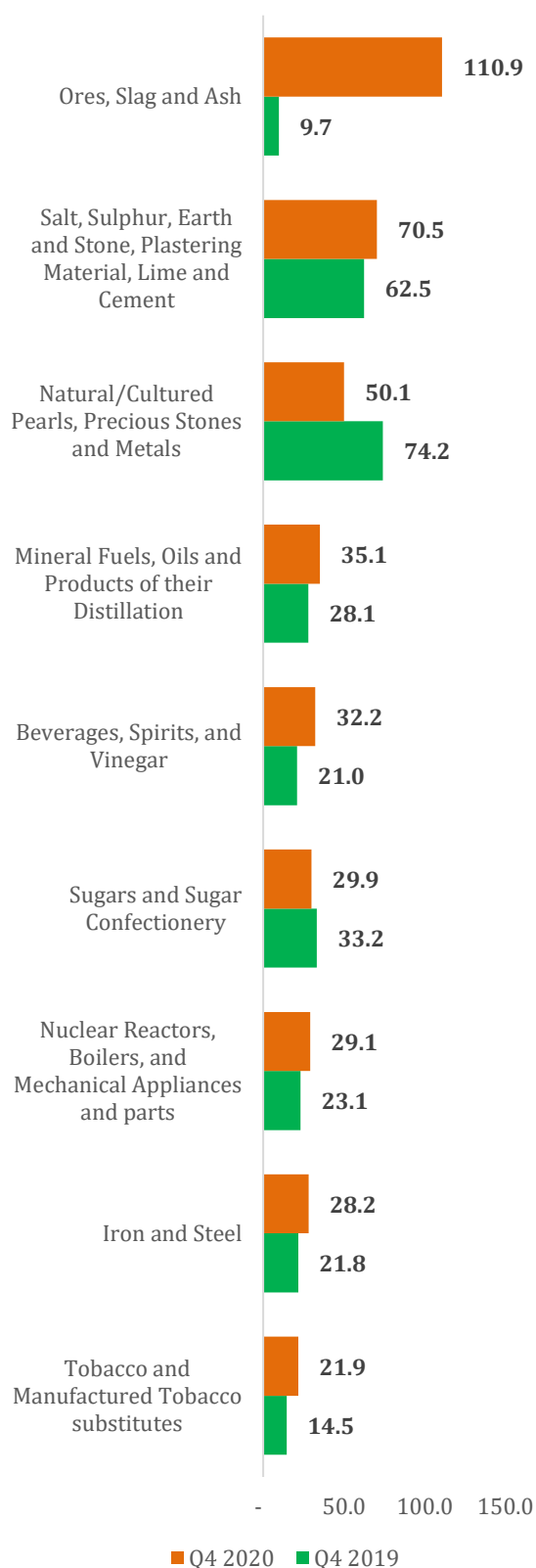
The major export commodities were copper and articles thereof; ores, slag and ash¹; Salt, sulphur, plastering material, lime and cement; natural/cultured pearls, precious stones and metals, as well as mineral fuels, oils and products of their distillation (Charts 2a and 2b).

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



Source: ZSA and BoZ

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

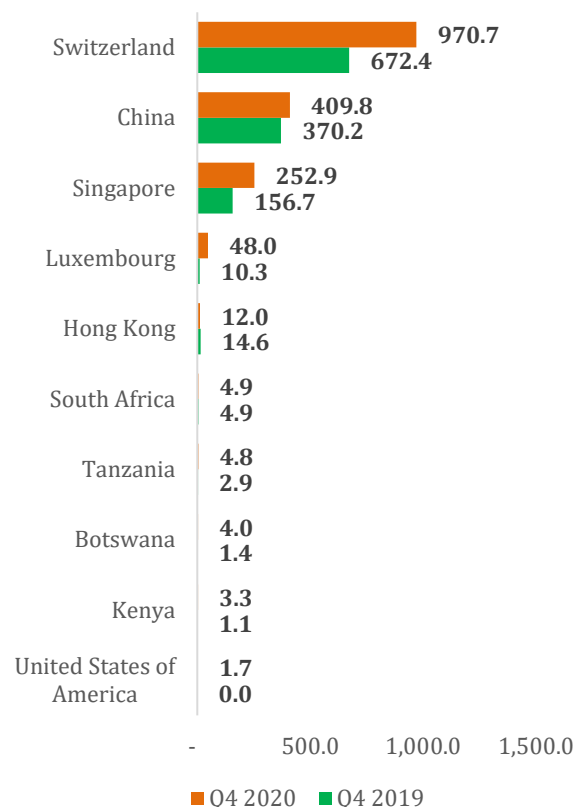


Source: ZSA and BoZ

¹ Ores, slag, and ash include copper, cobalt, manganese, nickel, and other elements.

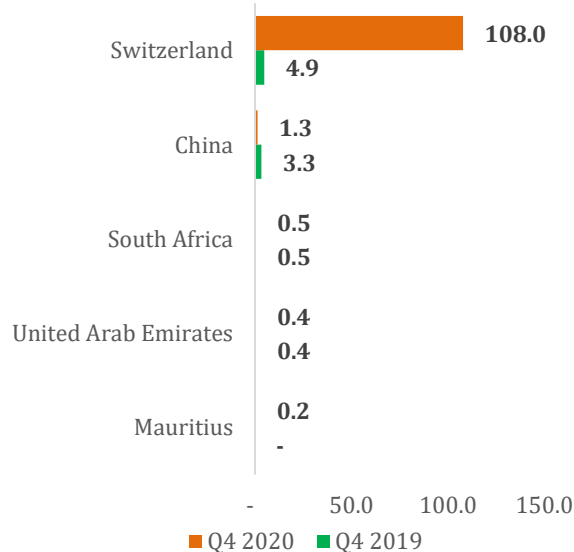
The major export destinations for Zambia's top five export commodities are shown in Charts 3a-3e.

Chart 3a: Q4 2020 and Q4 2019 Major Export Destinations for Copper and Articles thereof (US\$ millions)



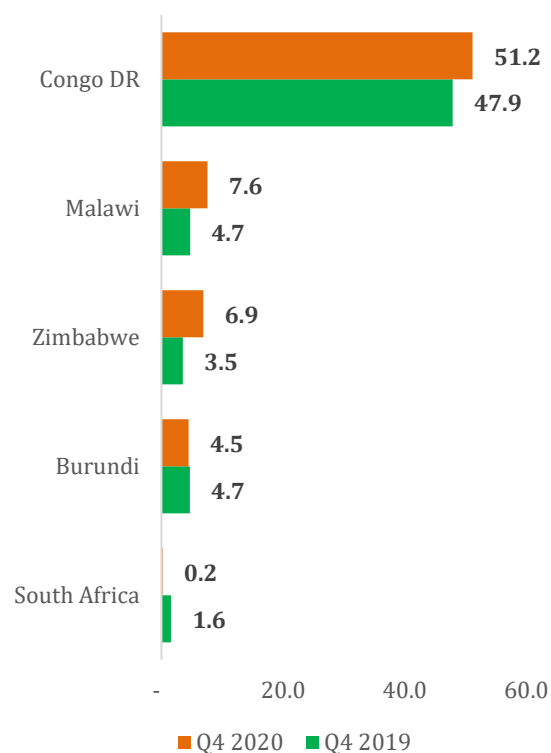
Source: ZSA and BoZ

Chart 3b: Q4 2020 and Q4 2019 Major Export destinations for Ores, Slag and Ash (US\$ millions)



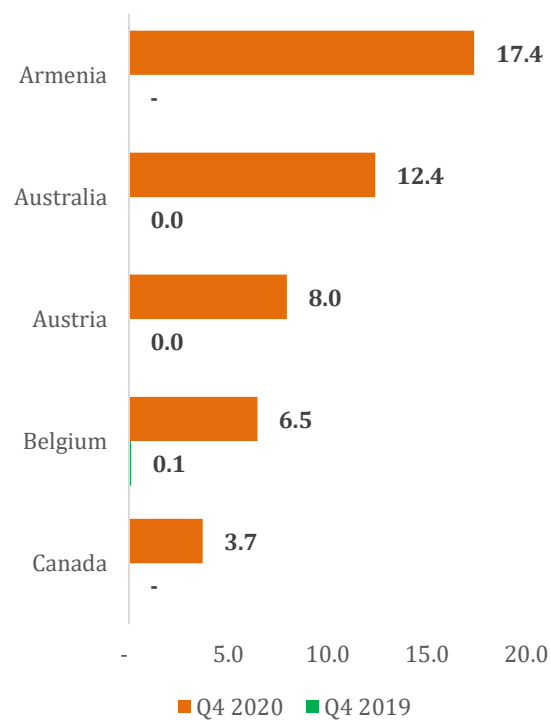
Source: ZSA and BoZ

Chart 3c: Q4 2020 and Q4 2019 Major Export destinations of Salt, Sulphur, Lime and Cement (US\$ millions)



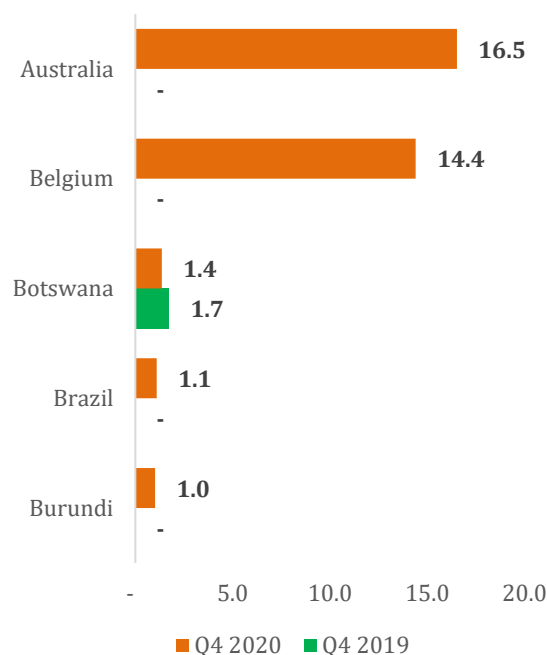
Source: ZSA and BoZ

Chart 3d: Q4 2020 and Q4 2019 Major Export destinations of Natural/Cultured pearls, precious stones, and metals (US\$ millions)



Source: ZSA and BoZ

Chart 3e: Q4 2020 and Q4 2019 Major Export destinations of Mineral fuels, oils and products of their distillation (US\$ millions)



Source: ZSA and BoZ

3.0 Major Source Countries for Zambia's Imports

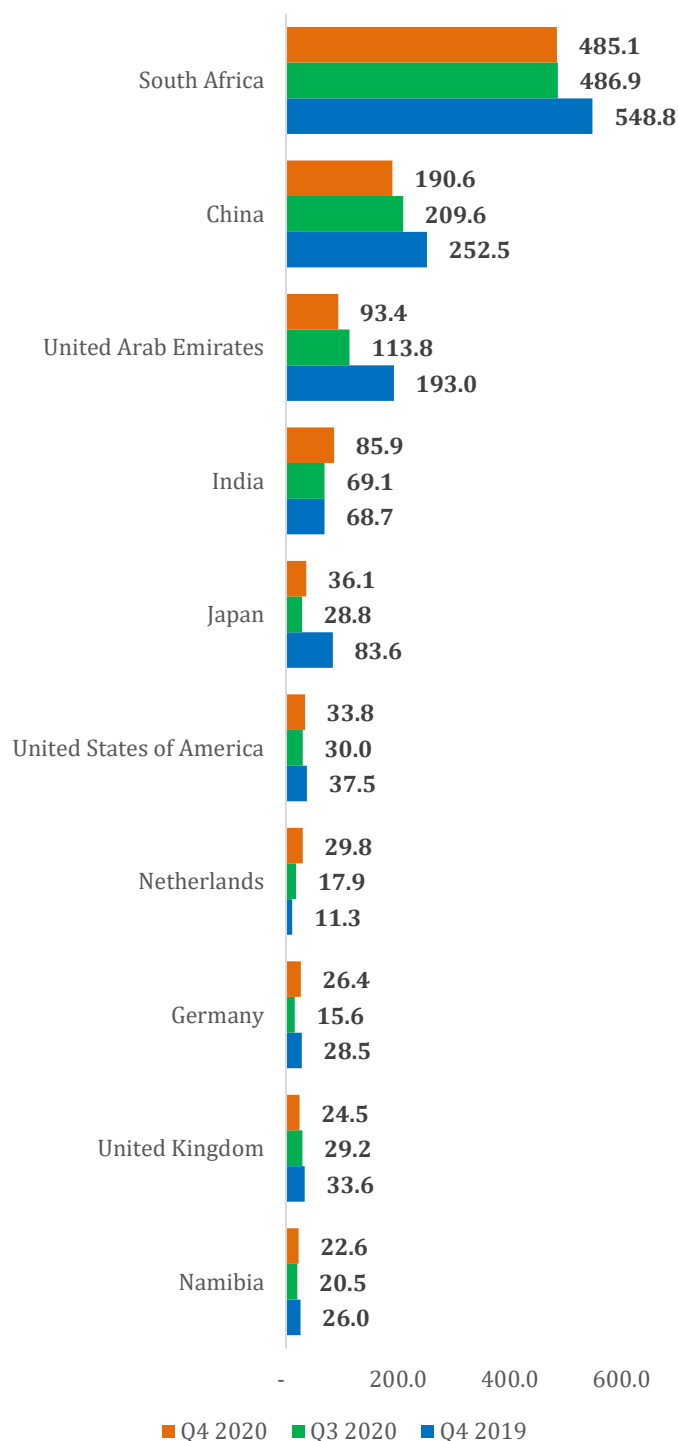
Major source countries for Zambia's imports were South Africa, China, United Arab Emirates, India, Japan, and United States of America

The value of merchandise imports was US\$1.36 billion in the fourth quarter of 2020 compared to US\$1.74 billion in the corresponding quarter in 2019, representing a contraction of 21.7%.

Imports from the top five source countries accounted for 65.4% of total imports with South Africa being the largest contributor, at 35.6% (Chart 4). There was a significant reduction in imports across all major categories except vehicles and vehicle accessories as well as pharmaceutical products that increased by 20.3% and 123.1%, respectively (Table 2).

Generally, the continued depreciation of the Kwacha, subdued domestic economic activity, and COVID-19 pandemic related trade disruptions contributed to a decline in imports recorded during the fourth quarter of 2020.

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



Source: ZSA and BoZ

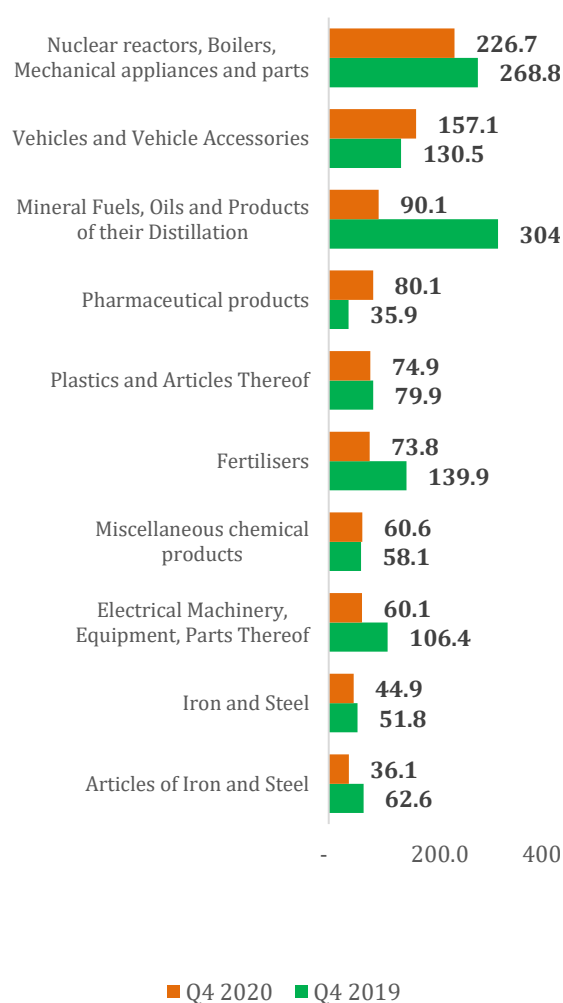
Table 2: Products accounting for import performance with top destinations (US\$ millions)

Country	Main Product (s)	Q4 2019	Q4 2020	% Change
South Africa	Nuclear Reactors, Boilers, and Mechanical Appliances and parts	76.3	62.9	-17.5
South Africa	Vehicles and Vehicle Accessories	47.7	66.9	40.4
United Arab Emirates	Mineral Fuels, Oils and Products of their Distillation	148.1	43.8	-70.4
India	Pharmaceutical products	17.1	30.4	77.4
South Africa	Plastics and articles thereof	37.0	38.0	2.8

Source: ZSA and BoZ

The top five import commodities are presented in Chart 5.

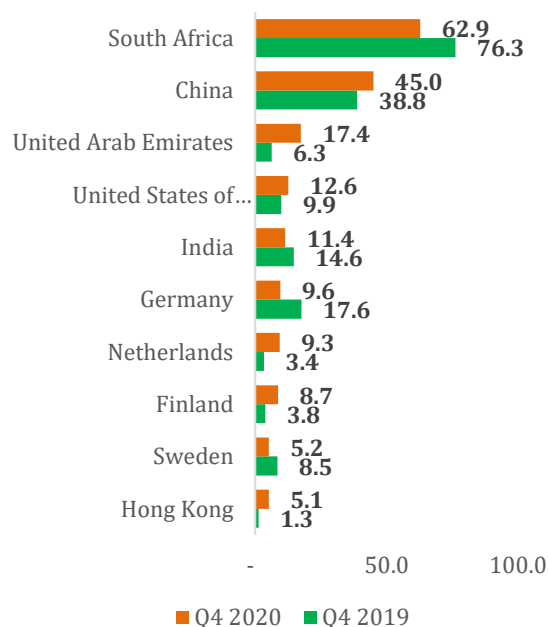
Chart 5: Major Import Commodities (US\$ millions)



Source: ZSA and BoZ

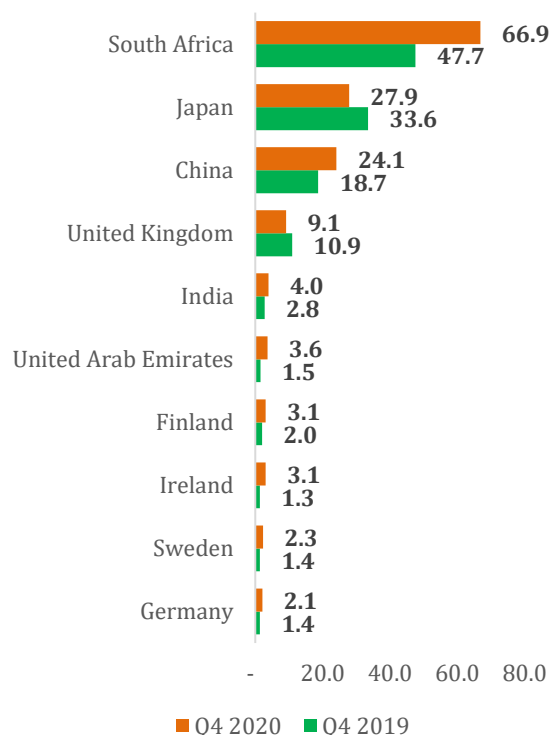
The source countries for Zambia's top five major imports are given in Charts 6a to 6e.

Chart 6a: Q4 2020 and Q4 2019 Source countries for Nuclear Reactors, Boilers, and Mechanical Appliances and parts (US\$ millions)



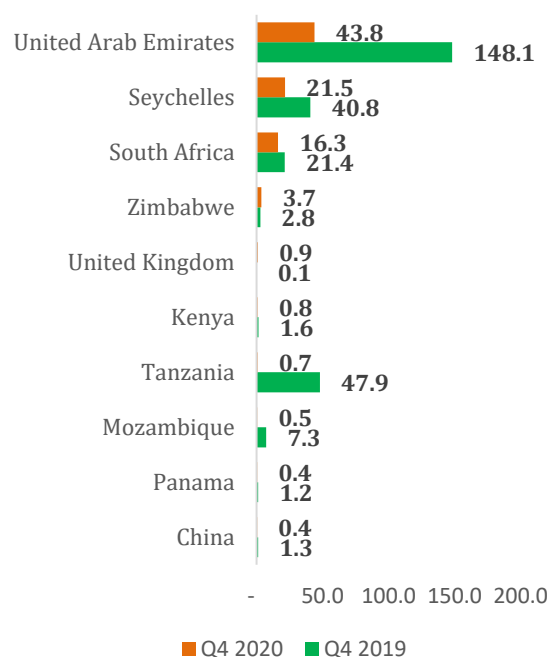
Source: ZSA and BoZ

Chart 6b: Q4 2020 and Q4 2019 Source countries for Vehicles and Vehicle Accessories (US\$ millions)



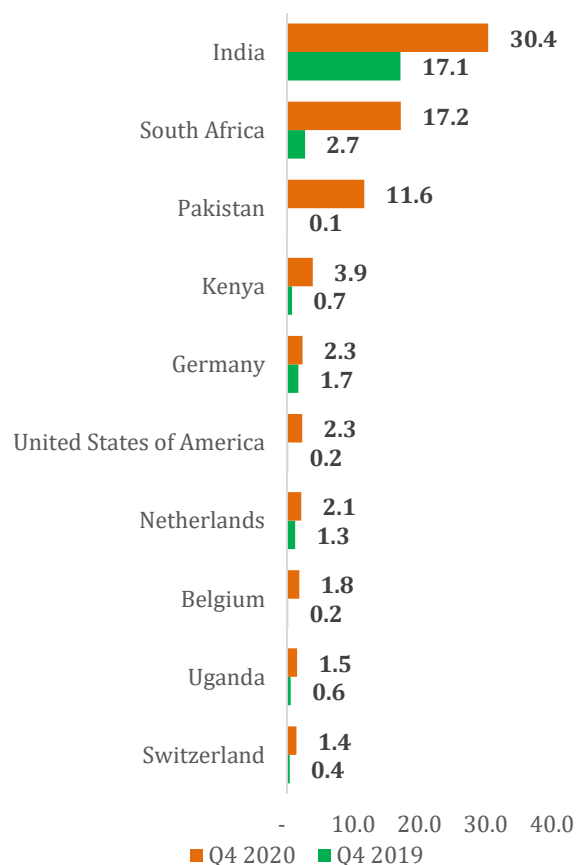
Source: ZSA and BoZ

Chart 6c: Q4 2020 and Q4 2019 Source countries for Mineral Fuels, oils and products of their distillation (US\$ millions)



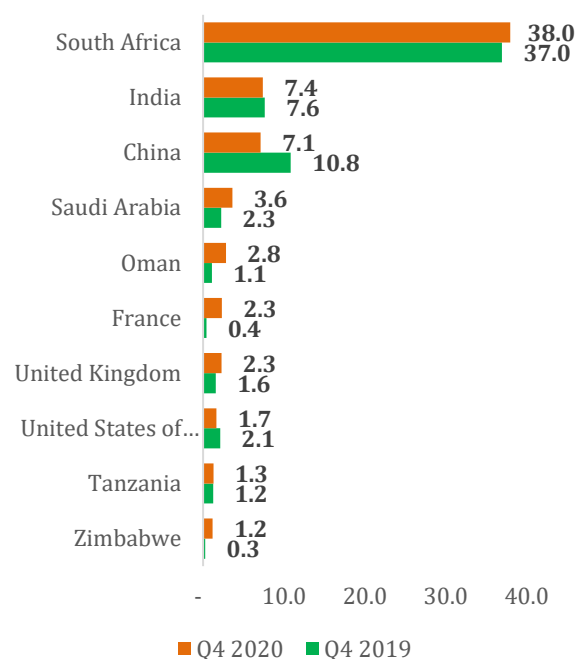
Source: ZSA and BoZ

Chart 6d: Q4 2020 and Q4 2019 Source countries for Pharmaceutical products (US\$ millions)



Source: ZSA and BoZ

Chart 6e: Q4 2020 and Q4 2019 Source Countries for Plastics and articles thereof (US\$ millions)



Source: ZSA and BoZ

4.0 Conclusion

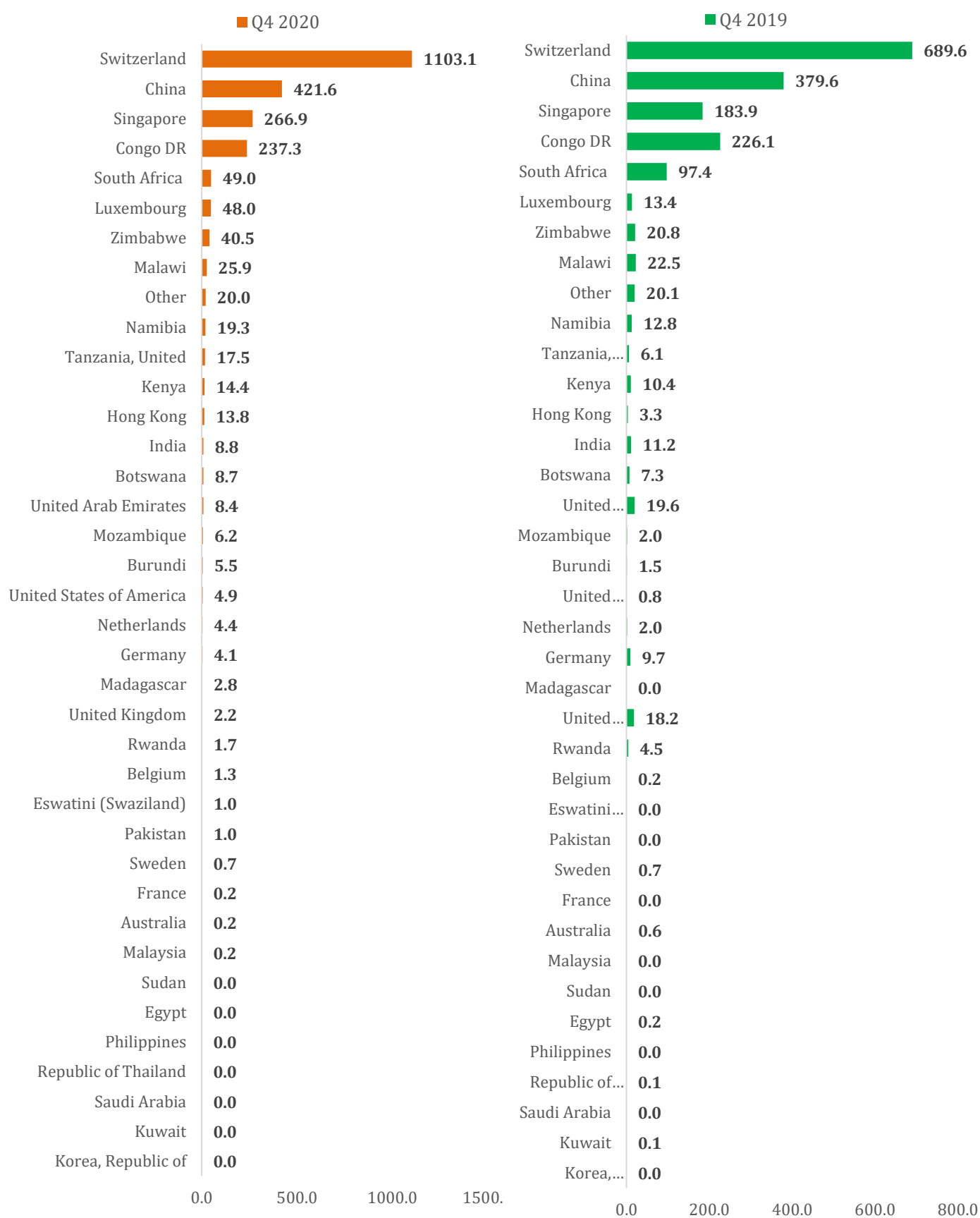
The overall trade balance surplus rose significantly during the fourth quarter of 2020 to US\$907.8 million from a surplus of US\$61.3 million during the fourth quarter of 2019. Exports significantly increased in the fourth quarter of 2020 compared to the corresponding period in 2019. On the other hand, imports declined by 21.7% on account of COVID-19 related supply chain disruptions, sustained depreciation of the Kwacha and subdued domestic economic activity.

Appendix One: Major Export Destinations for Zambia's Exports (US\$ Millions)

COUNTRY	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Australia	0.6	0.4	0.5	0.1	0.2
Belgium	0.2	0.7	0.6	10.0	1.3
Botswana	7.3	6.4	3.6	5.0	8.7
Burundi	1.5	6.1	5.4	7.5	5.5
China	379.6	365.5	285.4	386.1	421.6
Congo DR	226.1	221.7	264.9	253.0	237.3
Egypt	0.2	0.0	0.5	0.0	0.0
Eswatini (Swaziland)	0.0	0.4	0.0	0.7	1.0
France	0.0	0.2	0.3	0.1	0.2
Germany	9.7	2.7	4.2	2.0	4.1
Hong Kong	3.3	16.7	9.0	11.9	13.8
India	11.2	17.8	5.5	7.9	8.8
Kenya	10.4	5.7	7.2	12.0	14.4
Korea, Republic of	0.0	0.0	0.0	0.3	0.0
Kuwait	0.1	0.0	0.0	0.0	0.0
Luxembourg	13.4	11.4	19.8	24.3	48.0
Madagascar	0.0	0.0	0.0	0.0	2.8
Malawi	22.5	13.4	31.8	33.6	25.9
Malaysia	0.0	0.2	0.1	0.1	0.2
Mozambique	2.0	1.9	2.9	6.9	6.2
Namibia	12.8	13.0	15.0	17.8	19.3
Netherlands	2.0	1.8	2.2	2.5	4.4
Other	20.1	18.2	14.1	19.6	20.0
Pakistan	0.0	0.4	0.4	0.2	1.0
Philippines	0.0	0.0	0.0	0.0	0.0
Republic of Thailand	0.1	0.0	0.4	0.0	0.0
Rwanda	4.5	3.2	0.7	4.3	1.7
Saudi Arabia	0.0	0.0	0.0	0.0	0.0
Singapore	183.9	177.8	192.6	268.1	266.9
South Africa	97.4	40.3	43.6	65.9	49.0
Sudan	0.0	0.0	0.0	0.0	0.0
Sweden	0.7	0.0	0.8	0.0	0.7
Switzerland	689.6	655.5	652.9	1050.3	1103.1
Tanzania, United	6.1	12.3	8.6	20.3	17.5
United Arab Emirates	19.6	1.9	2.8	9.3	8.4
United Kingdom	18.2	1.0	1.0	4.8	2.2
United States of America	0.8	3.1	5.7	9.3	4.9
Zimbabwe	20.8	19.6	10.8	30.1	40.5
Total	1,764.9	1,619.6	1,593.2	2,264.1	2,339.7

Source: ZSA and BoZ

Chart A1: Major Export Destinations for Zambia's Exports (US\$ Millions)



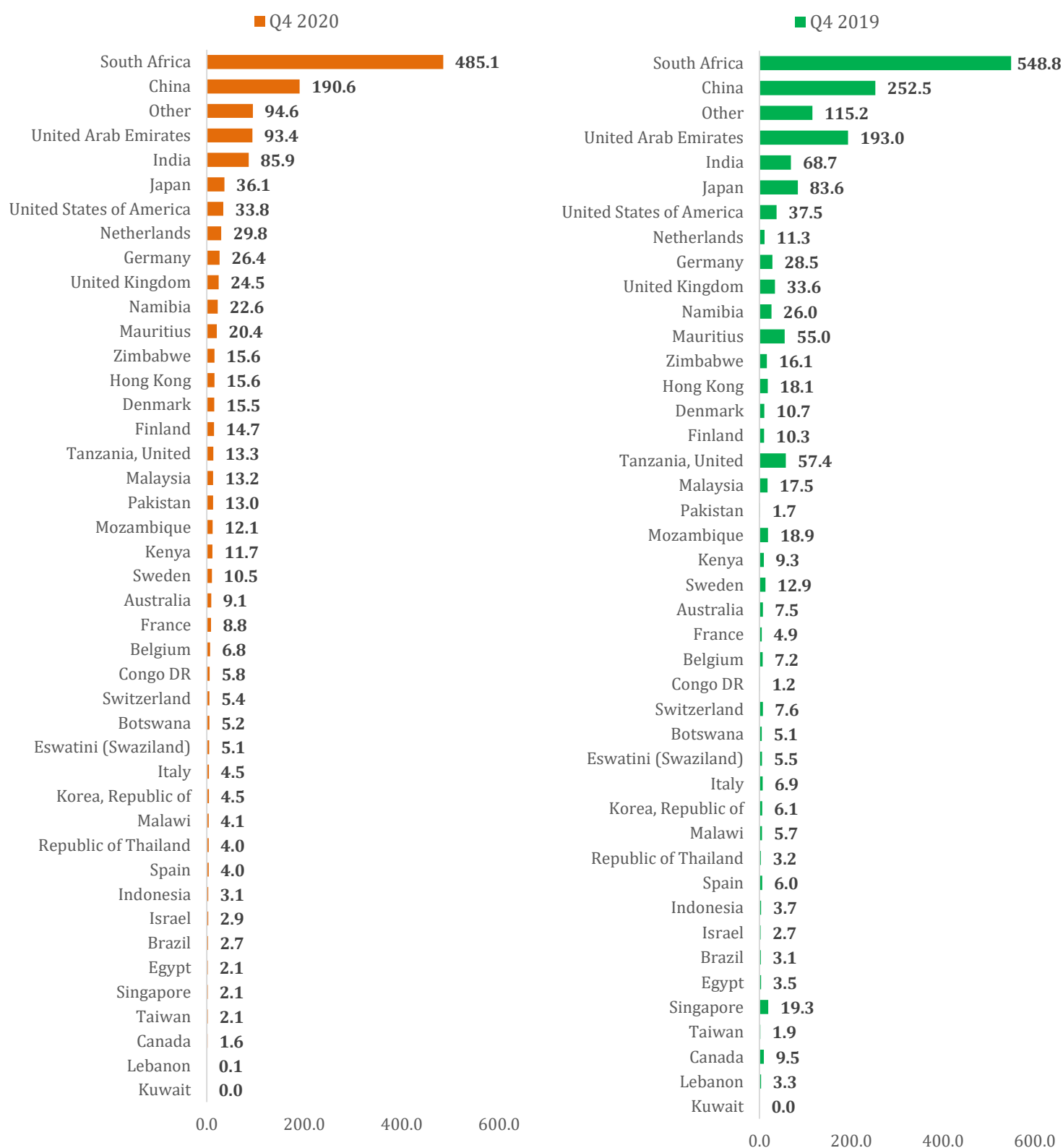
Source: ZSA and BoZ

Appendix Two: Major Source Countries for Zambia's Imports (US\$ Millions)

COUNTRY	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Australia	7.5	6.4	8.9	6.0	9.1
Belgium	7.2	6.0	6.8	10.0	6.8
Botswana	5.1	3.3	3.9	5.3	5.2
Brazil	3.1	3.2	1.3	2.2	2.7
Canada	9.5	2.8	1.9	2.1	1.6
China	252.5	310.7	184.2	209.6	190.6
Congo DR	1.2	8.0	42.2	15.1	5.8
Denmark	10.7	5.0	4.5	4.3	15.5
Egypt	3.5	2.9	5.2	4.4	2.1
Eswatini (Swaziland)	5.5	4.0	0.6	3.9	5.1
Finland	10.3	9.4	12.4	11.6	14.7
France	4.9	7.9	11.6	6.9	8.8
Germany	28.5	12.8	15.6	15.6	26.4
Hong Kong	18.1	17.0	9.6	10.2	15.6
India	68.7	78.2	52.3	69.1	85.9
Indonesia	3.7	1.9	2.4	1.7	3.1
Israel	2.7	3.0	3.3	2.8	2.9
Italy	6.9	6.4	4.6	12.3	4.5
Japan	83.6	27.2	20.5	28.8	36.1
Kenya	9.3	7.6	10.2	17.1	11.7
Korea, Republic of	6.1	6.7	6.5	6.1	4.5
Kuwait	0.0	0.0	0.0	0.0	0.0
Lebanon	3.3	0.3	0.1	0.2	0.1
Malawi	5.7	3.6	3.2	4.1	4.1
Malaysia	17.5	14.0	8.5	9.0	13.2
Mauritius	55.0	31.9	24.3	33.2	20.4
Mozambique	18.9	10.1	13.2	13.2	12.1
Namibia	26.0	22.1	20.6	20.5	22.6
Netherlands	11.3	5.8	10.9	17.9	29.8
Other	115.2	107.4	91.9	91.8	94.6
Pakistan	1.7	1.8	1.7	1.4	13.0
Republic of Thailand	3.2	1.3	3.9	3.5	4.0
Singapore	19.3	6.6	6.3	3.7	2.1
South Africa	548.8	408.2	383.0	486.9	485.1
Spain	6.0	6.1	2.4	5.3	4.0
Sweden	12.9	9.4	10.4	6.5	10.5
Switzerland	7.6	3.1	6.2	8.9	5.4
Taiwan	1.9	1.7	1.1	2.1	2.1
Tanzania, United	57.4	39.9	8.8	11.8	13.3
United Arab Emirates	193.0	180.7	81.2	113.8	93.4
United Kingdom	33.6	26.4	17.7	29.2	24.5
United States of America	37.5	30.3	25.0	30.0	33.8
Zimbabwe	16.1	15.4	14.1	17.2	15.6
Total	1,740.6	1,456.4	1,143.2	1,355.1	1,362.4

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)

	Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020	
COUNTRY	X	IM	X	IM	X	IM	X	IM	X	IM
Angola	0.5	0.0	0.8	0.1	0.1	0.1	0.4	0.1	0.4	0.0
Botswana	7.3	5.1	6.4	3.3	3.6	3.9	5.0	5.3	8.7	5.2
Lesotho	0.3	0.0	0.4	0.0	0.1	0.0	1.6	0.1	0.3	0.0
Mozambique	4.5	18.9	1.9	10.1	2.9	13.2	6.9	13.2	6.2	12.1
Namibia	11.2	26.0	13.0	22.1	15.0	20.6	17.8	20.5	19.3	22.6
South Africa	97.4	548.8	40.3	408.2	43.6	383.0	65.9	486.9	49.0	485.1
Tanzania	22.5	57.4	12.3	39.9	8.6	8.8	20.3	11.8	17.5	13.3
TOTAL	143.8	656.2	75.2	483.7	73.8	429.7	117.9	537.7	101.4	538.3

X are Exports and IM are Imports

Source: ZSA and BoZ

Appendix Four: Zambia's Trade with COMESA (Exclusively) (US\$ Millions)

	Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020	
COUNTRY	X	IM	X	IM	X	IM	X	IM	X	IM
Burundi	6.1	0.0	6.1	0.0	5.4	0.0	7.5	0.1	5.5	0.1
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	0.1	3.5	0.0	2.9	0.5	5.2	0.0	4.4	0.0	2.1
Eritrea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ethiopia	0.1	0.0	0.0	8.7	0.0	0.3	0.0	0.7	0.0	0.3
Kenya	12.8	9.3	5.7	7.6	7.2	10.2	12.0	17.1	14.4	11.7
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	2.0	0.1	3.2	0.0	0.7	0.0	4.3	0.2	1.7	0.0
Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	1.6	0.8	1.7	1.1	1.0	0.9	2.3	1.7	2.5	1.8
TOTAL	22.7	13.8	16.7	20.2	14.6	16.7	26.2	24.1	24.1	16.0

X are Exports and IM are Imports

Source: ZSA and BoZ

Appendix Five: Zambia's Trade with SADC and COMESA (US\$ Millions)

	Q4 2019		Q1 2020		Q2 2020		Q3 2020		Q4 2020	
COUNTRY	X	IM	X	IM	X	IM	X	IM	X	IM
Congo DR	226.1	1.2	221.7	8.0	264.9	42.2	253.0	15.1	237.3	5.8
Madagascar	0.2	0.1	0.0	0.0	0.0	0.1	0.0	0.0	2.8	0.0
Malawi	18.2	5.7	13.4	3.6	31.8	3.2	33.6	4.1	25.9	4.1
Mauritius	0.9	55.0	0.0	31.9	0.3	24.3	1.1	33.2	0.3	20.4
Seychelles	0.0	40.8	0.0	33.7	0.0	11.2	0.0	6.5	0.0	21.5
Eswatini	0.0	5.5	0.4	4.0	0.0	0.6	0.7	3.9	1.0	5.1
Zimbabwe	20.8	16.1	19.6	15.4	10.8	14.1	30.1	17.2	40.5	15.6
TOTAL	266.2	124.5	255.2	96.6	307.8	95.6	318.4	80.0	307.9	72.6

X are Exports and IM are Imports

Source: ZSA and BoZ



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