

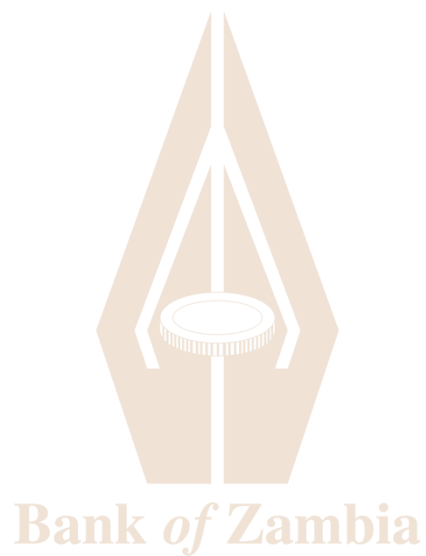
Direction of Trade Report



February 2023



Bank of Zambia



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This Report analyses the direction of merchandise trade for the fourth quarter of 2022. 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.).

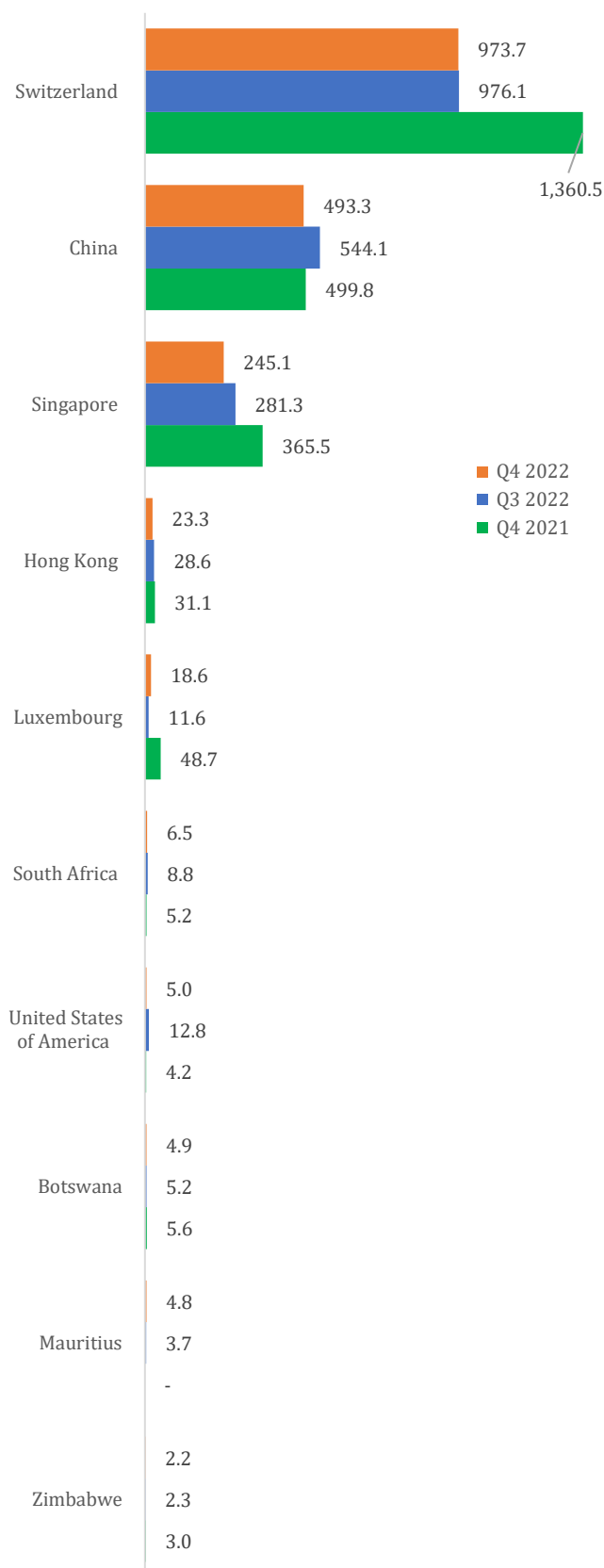
1.0 Major Destinations for Zambia's Exports

... major export destinations were Switzerland, China, Singapore, Hong Kong, Luxembourg and South Africa

Total export earnings fell to US\$2.8 billion in the fourth quarter of 2022, 10.8 percent lower than a year ago. This was mainly due to a decline in mineral exports earnings attributed to the reduction in average realised copper prices. However, non-traditional exports (NTEs) increased by 16.0 percent to US\$857.3 million, dominated by cement and lime, mineral fuels and oils as well as iron and steel (Charts 2 and 3). The main destinations for NTEs were the Democratic Republic of Congo and other neighbouring countries as well as South Africa.

Copper export earnings declined by 23.7 percent to US\$1.8 billion from US\$2.3 billion a year ago. The fall in earnings is mostly attributed to lower export volumes and lower copper prices. A strong US dollar, weak demand from China, tightening global monetary conditions and negative spill overs from the protracted Russia-Ukraine conflict weighed on copper prices.

Chart 1 and Table 1 show export earnings from the main destinations as well as products and associated destination countries, respectively.



Source: Zambia Statistics Agency (Zamstats) and Bank of Zambia

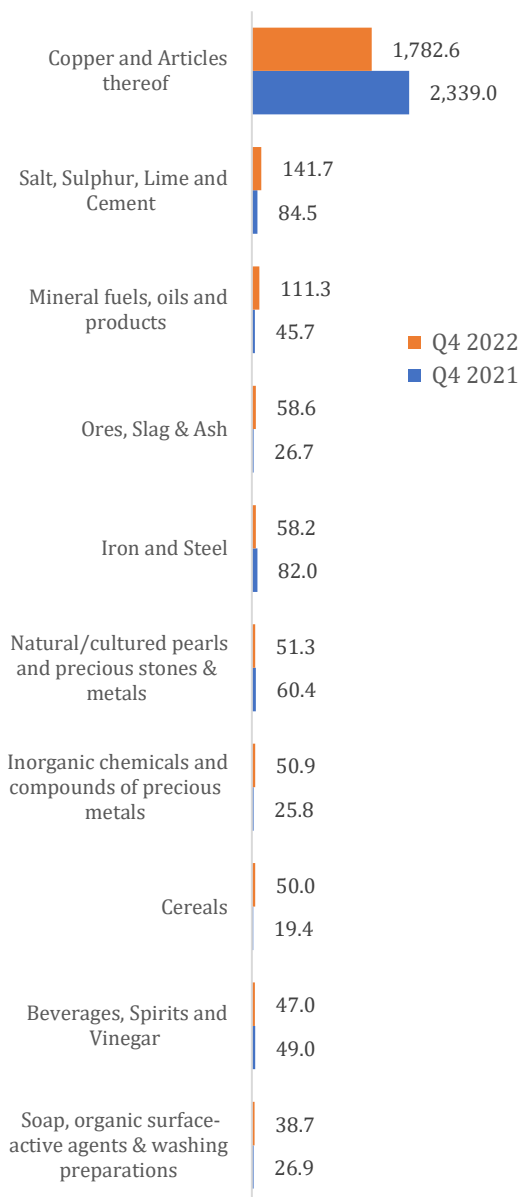
Chart 1: Major Export Destinations (US\$ millions)

Table 1: Top Export Destinations by Product Type (US\$ millions)

Country	Main Product (s)	Q4 2021	Q4 2022	Percent Change
Switzerland	Copper and articles thereof	1,360.5	973.7	(28.4)
Democratic Republic of Congo	Salt, Sulphur, Lime, and Cement	53.2	111.9	110.3
Namibia	Mineral fuels, oils and products	17.7	34.8	96.2
Switzerland	Ores, Slag and Ash	22.5	31.8	41.0
Democratic Republic of Congo	Iron and Steel	9.9	14.4	45.2

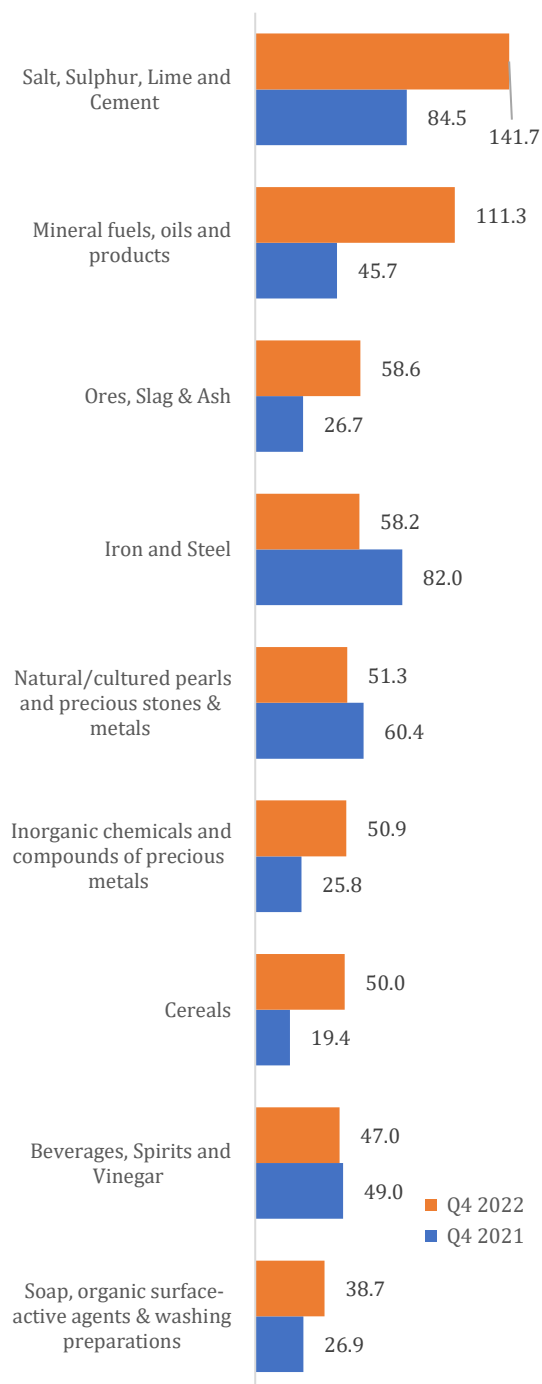
Source: Zamstats and Bank of Zambia

Chart 2: Export Earnings (US\$ millions)



Source: Zamstats and Bank of Zambia

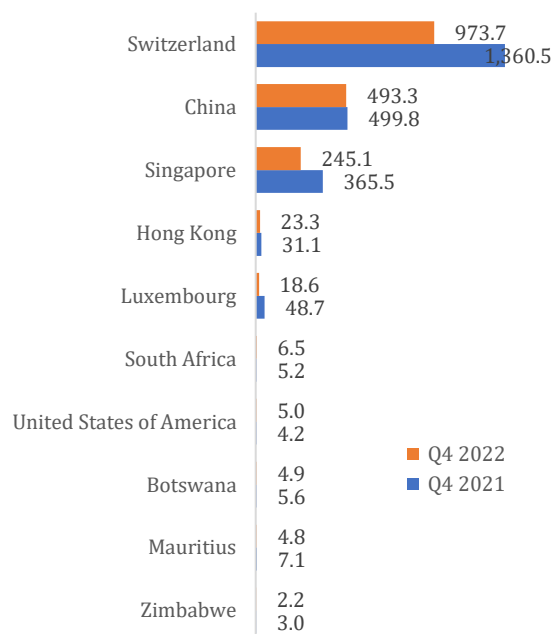
Chart 3: Export earnings, excluding Copper (US\$ millions)



Source: Zamstats and Bank of Zambia

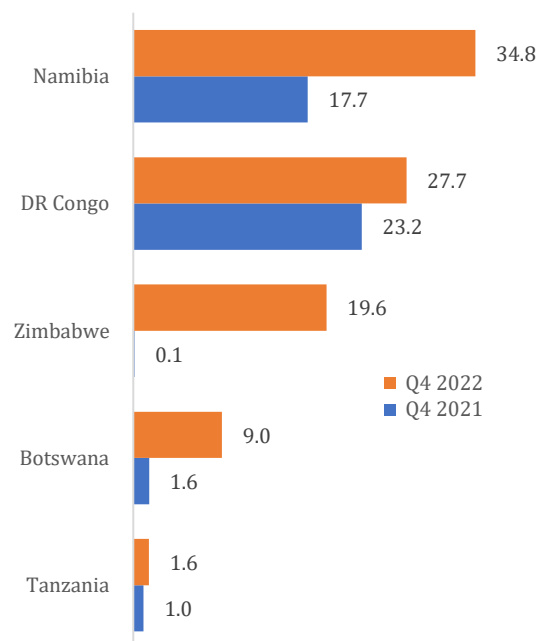
The major export destinations for the top five export commodities are shown in Charts 4-8.

Chart 4: Major export destinations for Copper and articles thereof (US\$ millions)



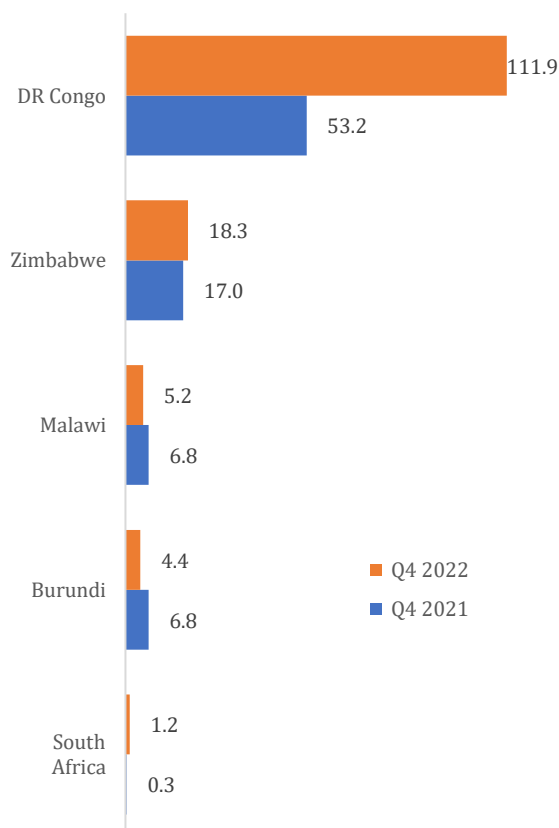
Source: Zamstats and Bank of Zambia

Chart 6: Major export destinations of Mineral fuels, oils, and products (US\$ millions)



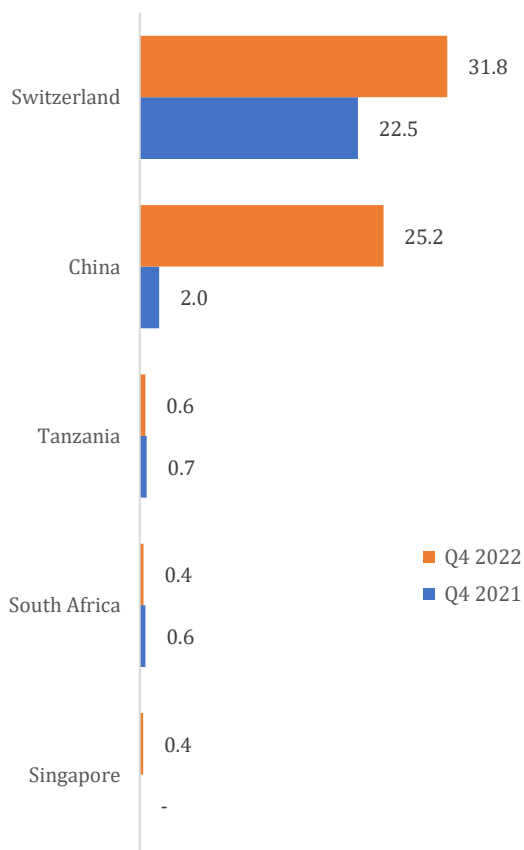
Source: Zamstats and Bank of Zambia

Chart 5: Major export destinations for Salt, Sulphur; Lime and Cement (US\$ millions)



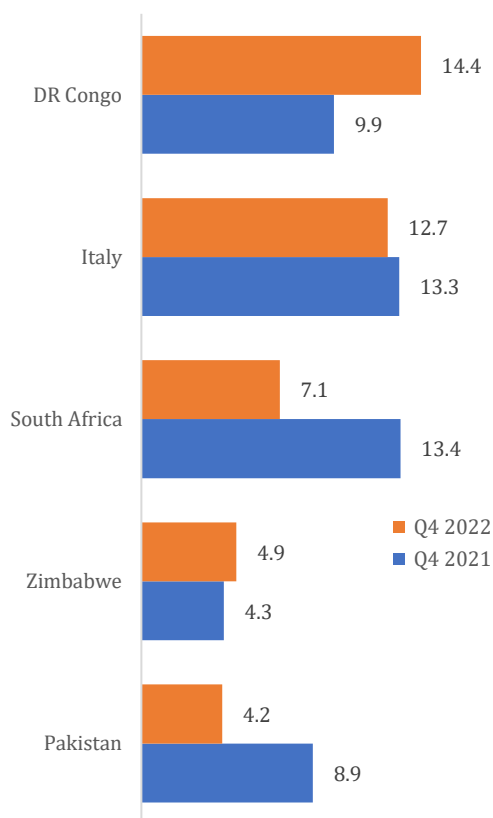
Source: Zamstats and Bank of Zambia

Chart 7: Major Export destinations of Ores, Slag and Ash (US\$ millions)



Source: Zamstats and Bank of Zambia

Chart 8: Major export destinations of Iron and Steel (US\$ millions)



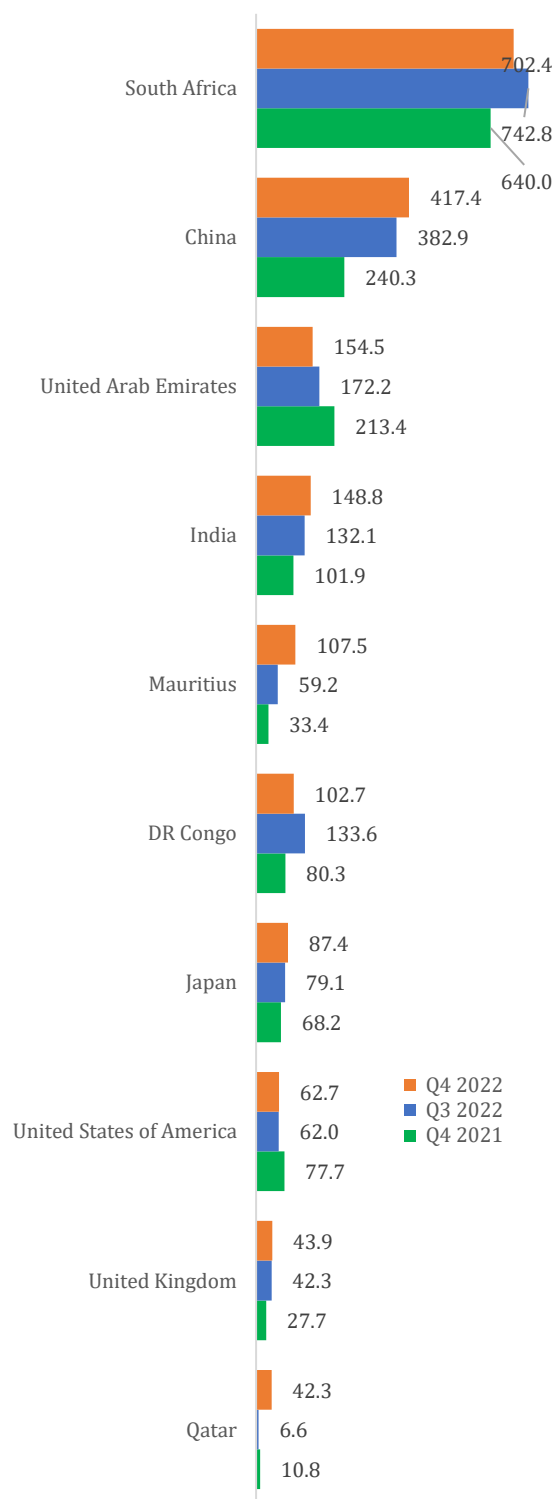
Source: Zamstats and Bank of Zambia

2.0 Major Source Countries for Zambia's Imports

... major source countries for imports were South Africa, China, United Arab Emirates, India, Mauritius and Democratic Republic of Congo

Merchandise imports were 25.8 percent higher, at US\$2.4 billion, in the fourth quarter of 2022 than a year ago. The top five source countries accounted for 66.6 percent of imports with South Africa being the largest contributor at 28.7 percent (Chart 9). The increase in imports was broad-based as shown in Table 2.0.

Chart 9: Top Source countries for Imports (US\$ millions)



Source: Zamstats and Bank of Zambia

Strong seasonal demand for fertiliser coupled with higher expenditure on industrial boilers and equipment as well as motor vehicles explain the rise in imports.

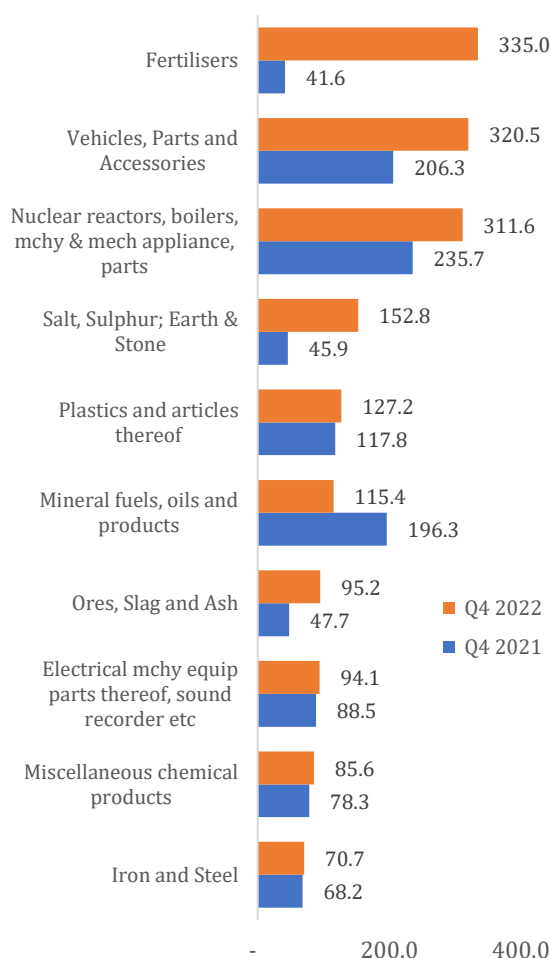
Table 2: Import performance by product and source country (US\$ millions)

Country	Main Product (s)	Q4 2021	Q4 2022	Percent Change
Mauritius	Fertilisers	12.9	71.0	448.4
South Africa	Vehicles and Vehicle accessories	65.1	99.9	53.3
South Africa	Nuclear Reactors, Boilers, and Mechanical Appliances and parts	67.2	81.6	21.5
South Africa	Salt, Sulphur; Earth & Stone	32.5	43.9	34.9
South Africa	Plastics and articles thereof	56.2	45.1	(19.6)

Source: Zamstats and Bank of Zambia

The top ten import commodities are presented in Chart 10.

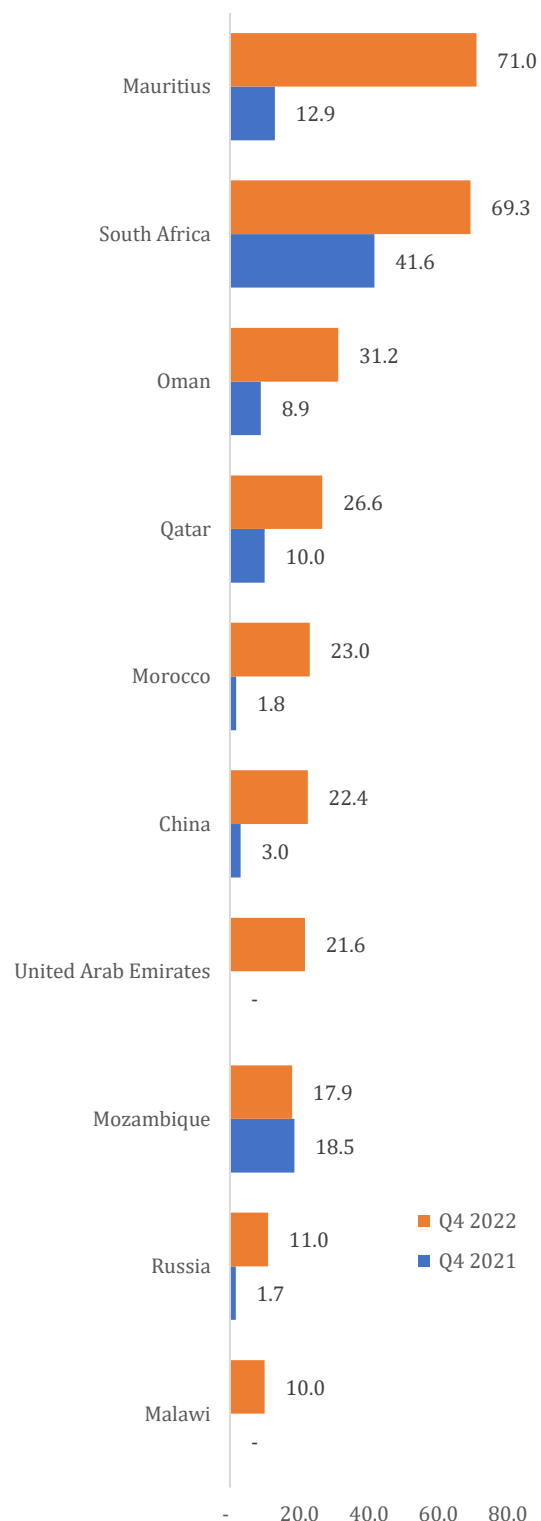
Chart 10: Major Import Commodities (US\$ millions)



Source: Zamstats and Bank of Zambia

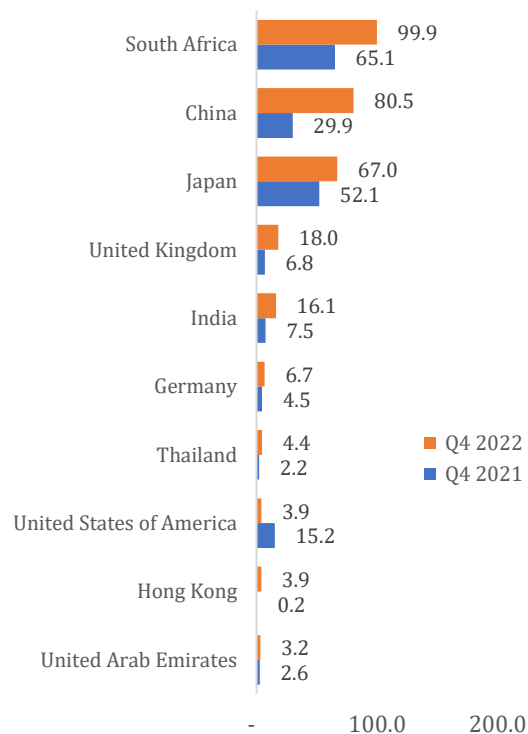
The source countries for Zambia's top five major imports are given in Charts 11 to 15.

Chart 11: Source countries for Fertilisers (US\$ millions)



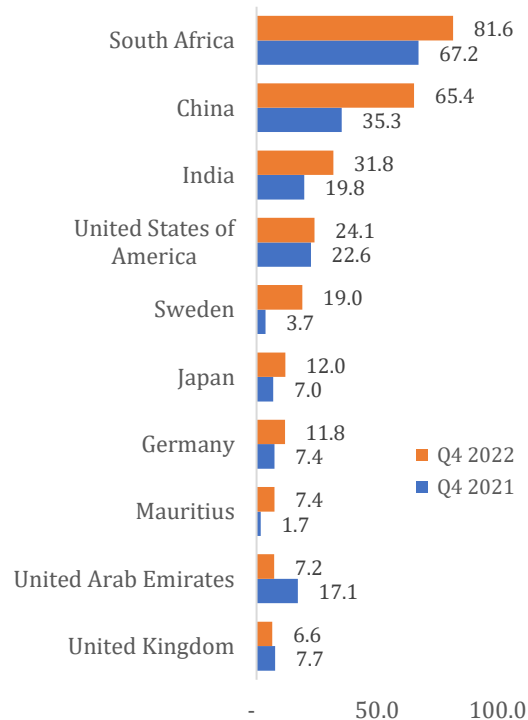
Source: Zamstats and Bank of Zambia

Chart 12: Source countries for Vehicles and Vehicle Accessories (US\$ millions)



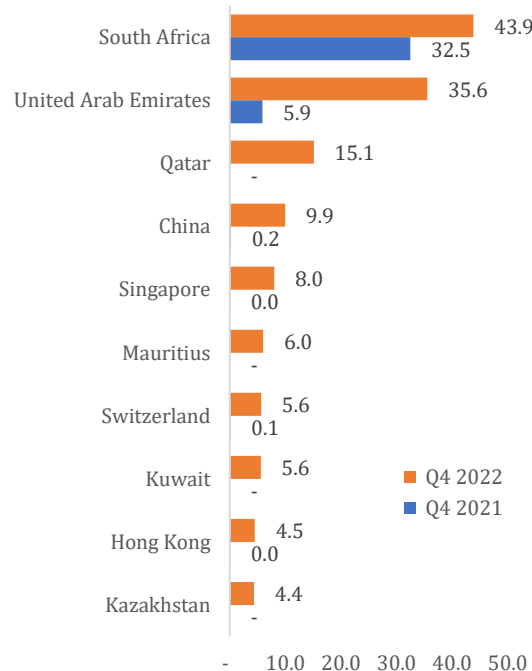
Source: Zamstats and Bank of Zambia

Chart 13: Source countries for Nuclear Reactors, Boilers, and Mechanical Appliances and parts (US\$ millions)



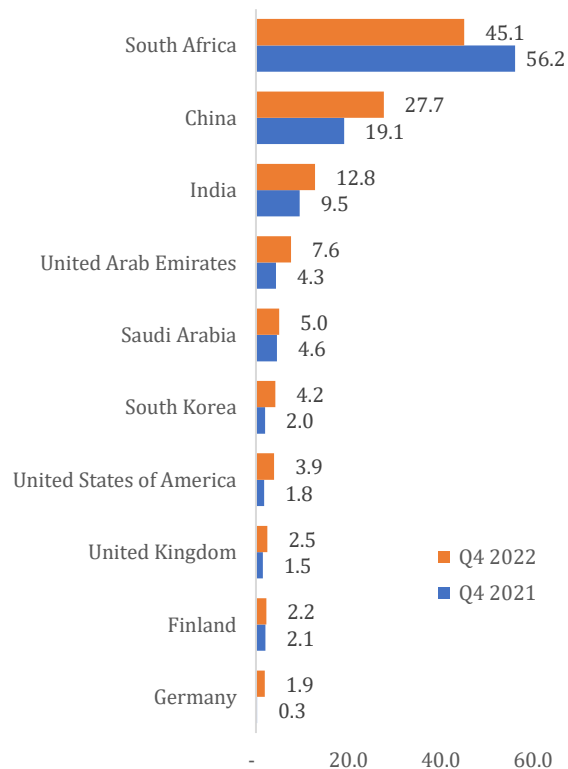
Source: Zamstats and Bank of Zambia

Chart 14: Source countries for Salt, Sulphur; Earth & Stone (US\$ millions)



Source: Zamstats and Bank of Zambia

Chart 15: Source countries for Plastics and articles thereof (US\$ millions)



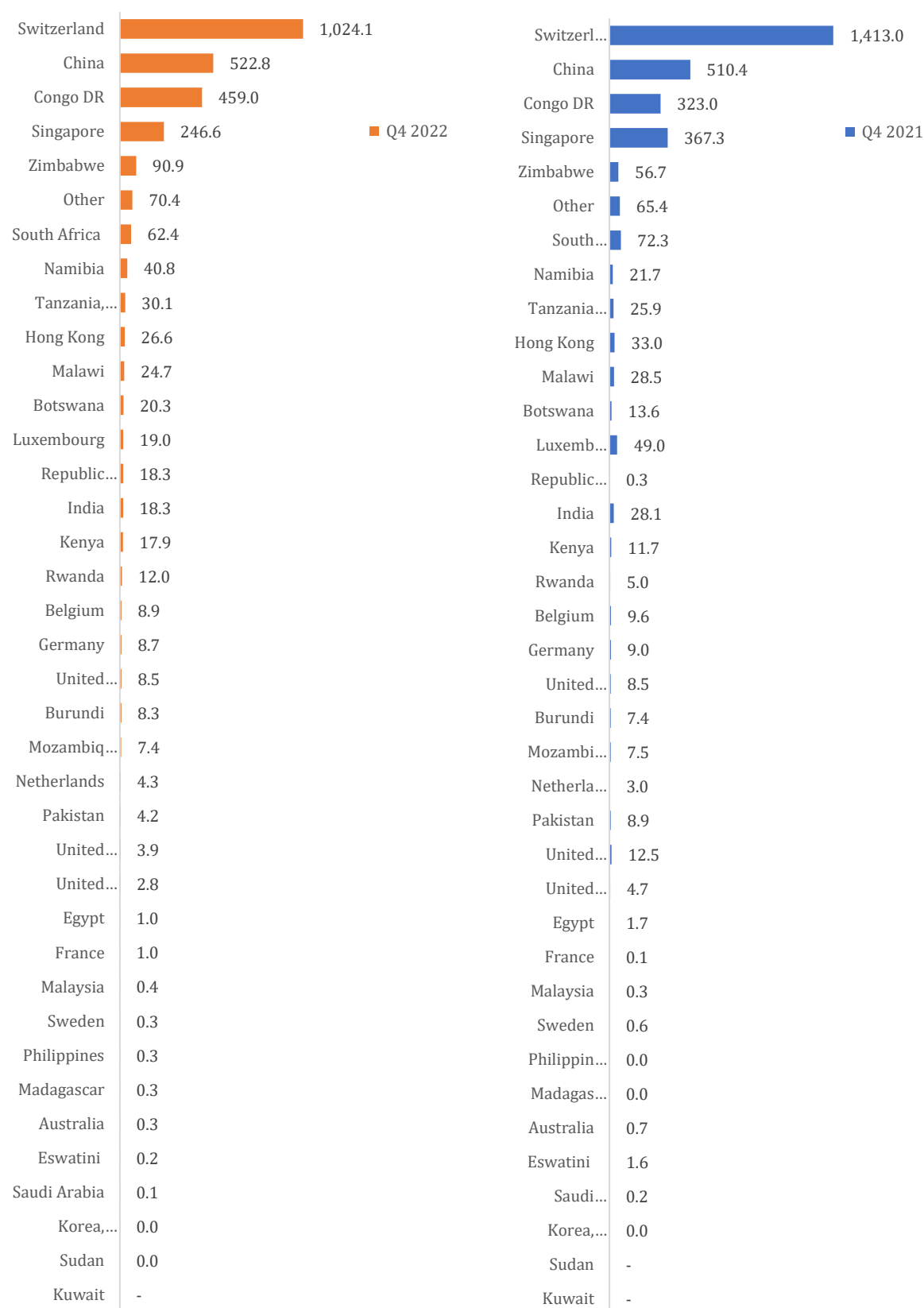
Source: Zamstats and Bank of Zambia

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

COUNTRY	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Australia	0.7	0.6	0.1	0.1	0.3
Belgium	9.6	3.2	1.5	8.4	8.9
Botswana	13.6	15.9	10.2	10.7	20.3
Burundi	7.4	4.8	5.3	5.9	8.3
China	510.4	623.7	663.6	599.3	522.8
Congo DR	323.0	309.9	354.2	476.2	459.0
Egypt	1.7	0.6	2.3	0.4	1.0
Eswatini	1.6	0.0	0.8	2.0	0.2
France	0.1	0.2	0.4	0.2	1.0
Germany	9.0	8.7	3.4	6.7	8.7
Hong Kong	33.0	32.3	43.1	29.5	26.6
India	28.1	6.6	5.7	7.6	18.3
Kenya	11.7	14.3	20.8	31.8	17.9
Korea, Republic of (South)	0.0	1.5	0.6	0.0	0.0
Kuwait	-	-	-	-	-
Luxembourg	49.0	20.2	19.8	12.1	19.0
Madagascar	0.0	0.4	0.1	0.1	0.3
Malawi	28.5	20.6	41.2	34.3	24.7
Malaysia	0.3	0.0	0.1	0.3	0.4
Mozambique	7.5	7.3	7.7	9.1	7.4
Namibia	21.7	23.6	37.3	39.8	40.8
Netherlands	3.0	5.9	4.1	4.0	4.3
Other	65.4	65.1	67.9	50.8	70.4
Pakistan	8.9	8.4	1.9	2.8	4.2
Philippines	0.0	0.0	0.1	0.0	0.3
Republic of Thailand	0.3	0.1	0.2	0.1	18.3
Rwanda	5.0	3.0	3.9	8.0	12.0
Saudi Arabia	0.2	-	0.3	0.0	0.1
Singapore	367.3	340.3	356.8	283.3	246.6
South Africa	72.3	63.7	69.9	72.5	62.4
Sudan	-	0.2	0.1	0.0	0.0
Sweden	0.6	1.4	0.1	0.0	0.3
Switzerland	1,413.0	1,308.3	1,096.7	1,049.0	1,024.1
Tanzania, United	25.9	44.2	65.4	42.5	30.1
United Arab Emirates	12.5	13.5	1.9	16.8	3.9
United Kingdom	4.7	5.7	5.8	7.7	2.8
United States of America	8.5	9.8	18.7	16.6	8.5
Zimbabwe	56.7	39.8	51.5	85.6	90.9
Total	3,101.5	3,003.7	2,963.5	2,914.3	2,765.2

Source: Zamstats and Bank of Zambia

Chart 16: Major Export Destinations for Zambia's Exports (US\$ millions)



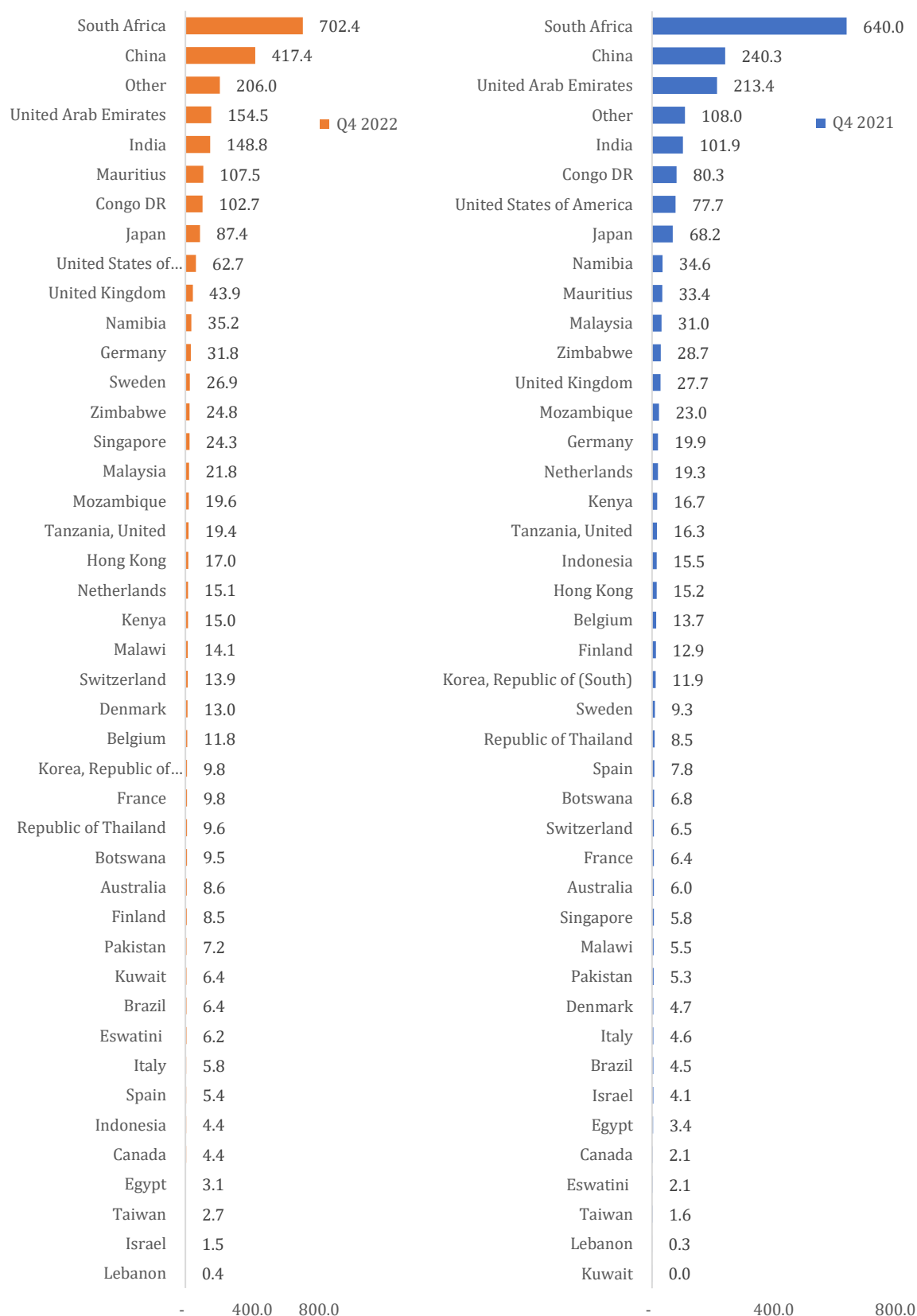
Source: Zamstats and Bank of Zambia

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

COUNTRY	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Australia	6.0	6.2	7.0	6.9	8.6
Belgium	13.7	14.1	63.3	29.0	11.8
Botswana	6.8	42.4	6.6	6.5	9.5
Brazil	4.5	3.7	4.1	6.7	6.4
Canada	2.1	2.6	6.0	3.2	4.4
China	240.3	270.5	331.6	382.9	417.4
Congo DR	80.3	212.4	205.7	133.6	102.7
Denmark	4.7	1.5	2.3	4.5	13.0
Egypt	3.4	2.9	3.9	7.1	3.1
Eswatini	2.1	3.2	6.1	6.0	6.2
Finland	12.9	8.4	12.5	15.6	8.5
France	6.4	9.6	8.6	26.5	9.8
Germany	19.9	19.9	24.6	31.4	31.8
Hong Kong	15.2	7.6	11.9	22.0	17.0
India	101.9	127.6	181.9	132.1	148.8
Indonesia	15.5	3.9	6.5	3.6	4.4
Israel	4.1	1.1	0.2	0.4	1.5
Italy	4.6	4.7	19.0	16.7	5.8
Japan	68.2	67.1	82.5	79.1	87.4
Kenya	16.7	10.0	15.6	13.2	15.0
Korea, Republic of (South)	11.9	12.7	8.5	9.7	9.8
Kuwait	0.0	0.1	0.0	8.1	6.4
Lebanon	0.3	0.7	2.1	0.5	0.4
Malawi	5.5	5.0	9.7	6.6	14.1
Malaysia	31.0	16.2	19.1	18.9	21.8
Mauritius	33.4	16.0	21.1	59.2	107.5
Mozambique	23.0	14.2	7.4	7.2	19.6
Namibia	34.6	32.5	39.2	37.9	35.2
Netherlands	19.3	18.2	17.6	18.0	15.1
Other	108.0	93.2	101.2	121.2	206.0
Pakistan	5.3	6.3	7.2	6.9	7.2
Republic of Thailand	8.5	14.0	18.2	10.0	9.6
Singapore	5.8	6.4	11.9	16.0	24.3
South Africa	640.0	545.8	724.8	742.8	702.4
Spain	7.8	9.1	6.8	7.4	5.4
Sweden	9.3	7.9	14.0	9.4	26.9
Switzerland	6.5	11.1	3.3	7.2	13.9
Taiwan	1.6	1.5	1.7	1.9	2.7
Tanzania, United	16.3	14.0	13.0	15.8	19.4
United Arab Emirates	213.4	156.6	196.5	172.2	154.5
United Kingdom	27.7	33.4	44.2	42.3	43.9
United States of America	77.7	60.5	59.4	62.0	62.7
Zimbabwe	28.7	17.4	21.3	27.0	24.8
Total	1,944.8	1,912.5	2,348.4	2,335.2	2,446.5

Source: Zamstats and Bank of Zambia

Chart 17: Major Source Countries for Zambia's Imports (US\$ millions)



Source: Zamstats and Bank of Zambia

Appendix Three: Zambia's Trade with SADC (Exclusively) (US\$ millions)

	Q4 2021		Q1 2022		Q2 2022		Q3 2022		Q4 2022	
COUNTRY	X	IM	X	IM	X	IM	X	IM	X	IM
Angola	1.1	2.9	2.0	0.0	1.3	0.0	1.5	0.0	2.2	0.1
Botswana	13.6	6.8	15.9	42.4	10.2	6.6	10.7	6.5	20.3	9.5
Lesotho	0.0	0.2	0.0	0.0	0.0	0.0	2.3	0.0	0.1	0.0
Mozambique	7.5	23.0	7.3	14.2	7.7	7.4	9.1	7.2	7.4	19.6
Namibia	21.7	34.6	23.6	32.5	37.3	39.2	39.8	37.9	40.8	35.2
South Africa	72.3	640.0	63.7	545.8	69.9	724.8	72.5	742.8	62.4	702.4
Tanzania	25.9	16.3	44.2	14.0	65.4	13.0	42.5	15.8	30.1	19.4
TOTAL	121.9	723.5	127.9	648.2	191.8	791.1	178.3	810.3	163.2	786.2

X and IM denote exports and Imports, respectively

Source: Zamstats and Bank of Zambia

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

	Q4 2021		Q1 2022		Q2 2022		Q3 2022		Q4 2022	
COUNTRY	X	IM	X	IM	X	IM	X	IM	X	IM
Burundi	7.4	0.0	4.8	0.0	5.3	0.0	5.9	0.0	8.3	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	1.7	3.4	0.6	2.9	2.3	3.9	0.4	7.1	1.0	3.1
Eritrea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ethiopia	0.1	0.5	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0
Kenya	11.7	16.7	14.3	10.0	20.8	15.6	31.8	13.2	17.9	15.0
Libya	0.6	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	5.0	1.6	3.0	0.0	3.9	0.1	8.0	0.0	12.0	0.1
Sudan	0.0	0.0	0.2	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Uganda	5.3	0.5	4.5	2.0	5.0	0.3	3.9	0.3	5.3	0.7
TOTAL	31.9	22.7	27.7	14.9	37.4	19.9	50.0	20.7	44.5	18.9

X and IM denote exports and Imports, respectively

Source: Zamstats and Bank of Zambia

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

	Q4 2021		Q1 2022		Q2 2022		Q3 2022		Q4 2022	
COUNTRY	X	IM	X	IM	X	IM	X	IM	X	IM
Congo DR	323.0	80.3	309.9	212.4	354.2	205.7	476.2	133.6	459.0	102.7
Madagascar	0.0	0.0	0.4	0.0	0.1	0.0	0.1	0.1	0.3	0.3
Malawi	28.5	5.5	20.6	5.0	41.2	9.7	34.3	6.6	24.7	14.1
Mauritius	8.7	33.4	6.8	16.0	8.7	21.1	5.6	59.2	5.0	107.5
Seychelles	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.0	5.9
Eswatini	1.6	2.1	0.0	3.2	0.8	6.1	2.0	6.0	0.2	6.2
Zimbabwe	56.7	28.7	39.8	17.4	51.5	21.3	85.6	27.0	90.9	24.8
TOTAL	397.0	184.0	356.0	253.7	456.4	264.0	604.1	232.6	580.0	261.5

Note: X and IM denote exports and Imports, respectively

Source: Zamstats and Bank of Zambia



Bank of Zambia