



**Bank of Zambia**

# Zambia Direction of Trade Report

**(Fourth Quarter 2017)**

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### **Executive Summary**

*In the fourth quarter of 2017, Zambia's total trade (exports and imports) increased to US\$4.84 billion from US\$3.98 billion in the corresponding period in 2016. The improvement in trade was on account of an increase in both export and import performance. Exports rebounded due to higher copper exports and non-traditional exports such as inorganic chemicals; cereals; other base metals, cements, and articles thereof; and works of art. Copper exports increased due to higher copper prices. Imports also recovered largely on account of higher imports of mineral fuels, oils and products of their distillation; ores, slag and ash; inorganic chemicals; nuclear reactors and boilers; and fertilisers. Switzerland remained the top major destination for Zambia's exports and South Africa is the top major source for Zambia's imports.*

## 1. Introduction

This report analyses Zambia's direction of merchandise trade for the fourth quarter of 2017 compared with the corresponding quarter in 2016. 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.).

In the fourth quarter of 2017, Zambia's total trade (exports and imports) increased by 21.6% to US\$4.84 billion compared to US\$3.98 billion in the corresponding period in 2016.

## 2. Major Destinations for Zambia's Exports<sup>1</sup>

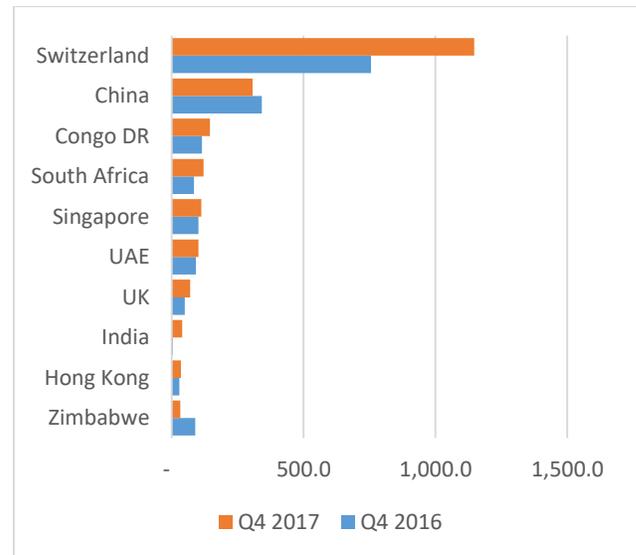
Zambia's total exports in Q4-2017 increased by 35.2% to US\$2.42 billion compared to US\$1.79 billion in Q4-2016. The top six destinations for Zambia's exports, from highest to lowest, were Switzerland, China, Congo DR, South Africa, Singapore, and the United Arab Emirates (Figure 1). Exports to these countries accounted for 80.0% of total exports.

Exports to Switzerland rose by 51.7% to US\$1,146.5 million from US\$755.9 million, attributed to an increase in copper earnings from that country (Figure 1).

However, exports to China reduced by 10.2% to US\$306.9 million from US\$341.6 million mainly on account of a reduction in exports of copper and articles thereof.

Further, exports to South Africa rose by 43.1% to US\$121.1 million from US\$84.6 million on account of an increase in exports of inorganic chemicals; pearls, precious stones and metals; nuclear reactors and residues and waste from the food industry.

**Figure 1 Major Export destinations (USD millions)**



Exports to Congo (DR) recorded a 25.8% increase to US\$145.0 million from US\$115.3 million on account of a rise in exports of inorganic chemicals; sugars and sugar confectionery and small incremental increases in various NTE commodities such as soap, beverages, explosives, organic chemicals and cereals and cereal products.

Exports to Singapore rose by 11.4% to US\$112.6 million from US\$101.0 million on account of an increase in exports of articles of art.

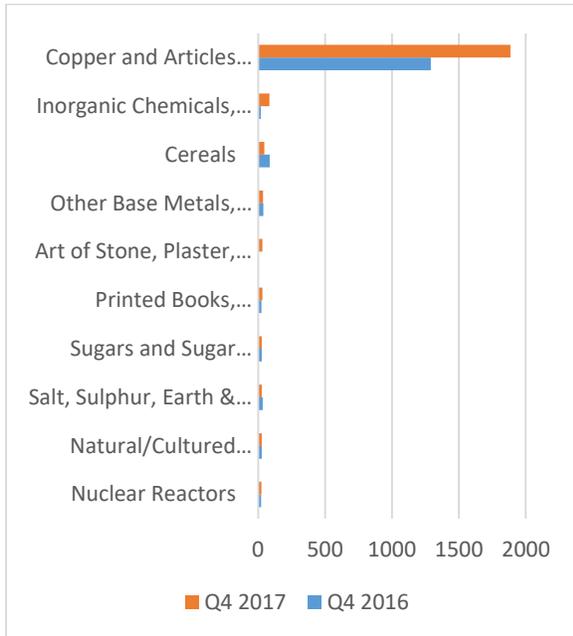
In addition, exports to the United Arab Emirates increased by 10.6% to US\$101.6 million from US\$91.9 million mainly on account of a rise in exports of copper and articles thereof.

The top five export commodities were copper and articles thereof; inorganic chemicals; cereals; other base metals, cements, and articles thereof; and works of art. The country earned US\$1.37 billion from copper exports

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

compared to US\$1.04 billion in the corresponding quarter in 2016 (Figures 2a and 2b).

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

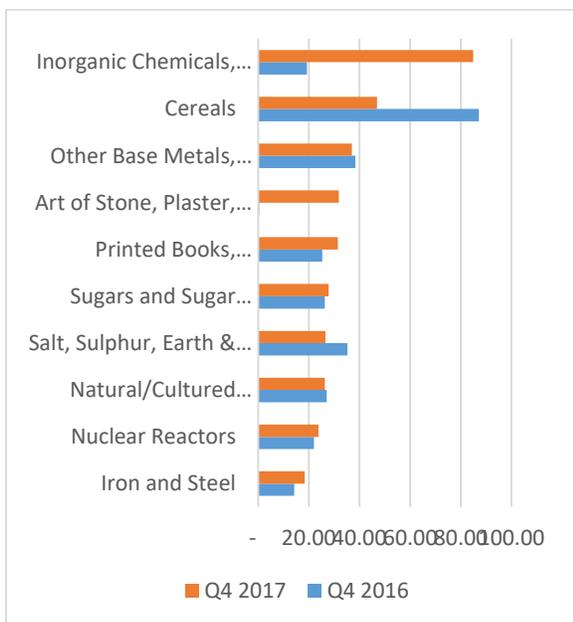


The major export destinations for Zambia's top five export commodities are shown in figures 3a to 3e.

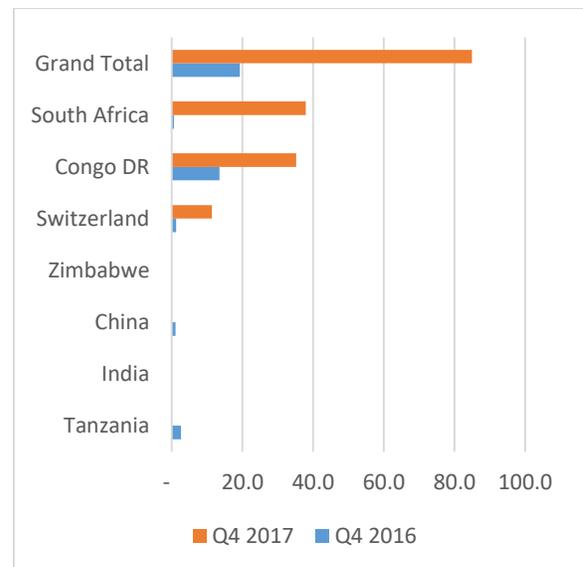
**Figure 3a: Q4 2016 and Q4 2017 Copper Major Export Destinations (USD Millions)**



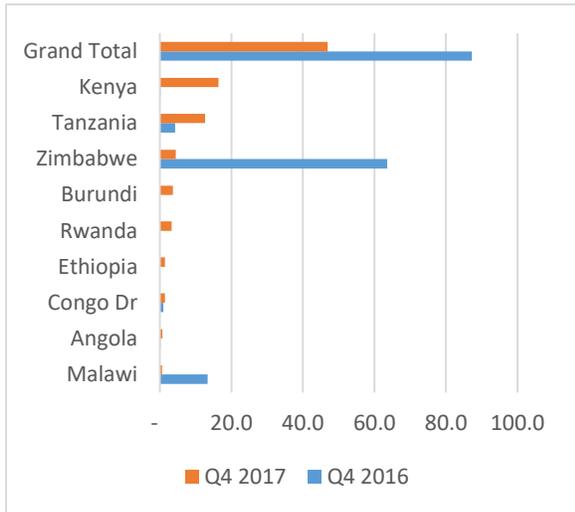
**Figure 2b: Export Earnings excluding copper (USD millions)**



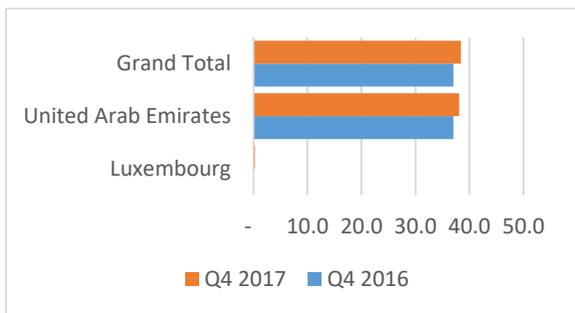
**Figure 3b: Q4 2016 and Q4 2017 Major Export destinations of inorganic chemicals (USD millions)**



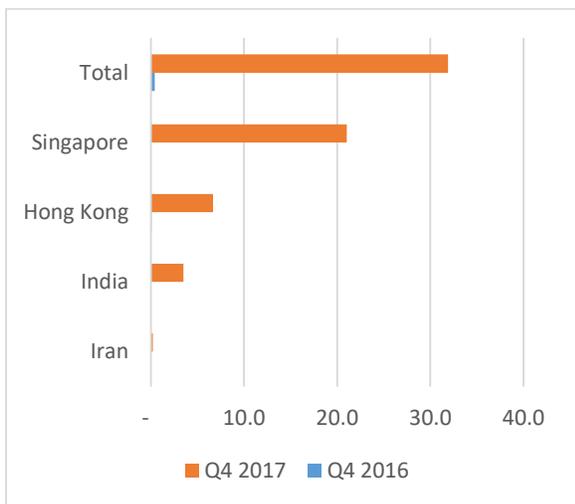
**Figure 3c: Q4 2016 and Q4 2017 Major Export destinations of cereals (USD millions)**



**Figure 3d: Q4-2016 and Q4-2017 Major Export destinations of other base metals, cements, and articles thereof (USD millions)**



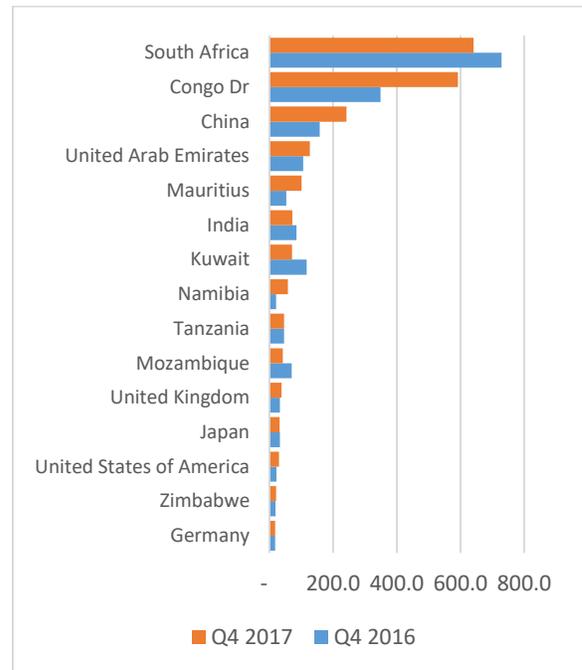
**Figure 3e: Q4-2016 and Q4-2017 Major Export destinations of works of art (USD millions)**



### 3. Major Source Countries for Zambia's Imports

Merchandise imports in Q4 2017 increased by 5.4% to US\$2.42 billion from US\$2.30 billion recorded in Q3 2017. On an annual basis, the US\$2.42 billion represents a growth rate of 10.3% from US\$ 2.19 billion recorded in Q4 2016. During the review period, the top five source countries for Zambia's imports were: South Africa, Congo DR, China, United Arab Emirates and Mauritius in that order (Figure 4).

**Figure 4: Zambia's Q4-2017 Top Source Countries for Imports (USD millions)**



Imports from South Africa reduced by 12.0% to US\$641.4 million from US\$728.7 million mainly on account of a decrease in imports of mineral fuels, oils and products of their distillation; vehicles; fertilisers; electrical machinery and parts thereof; and salt, Sulphur, plastering material, lime and cement.

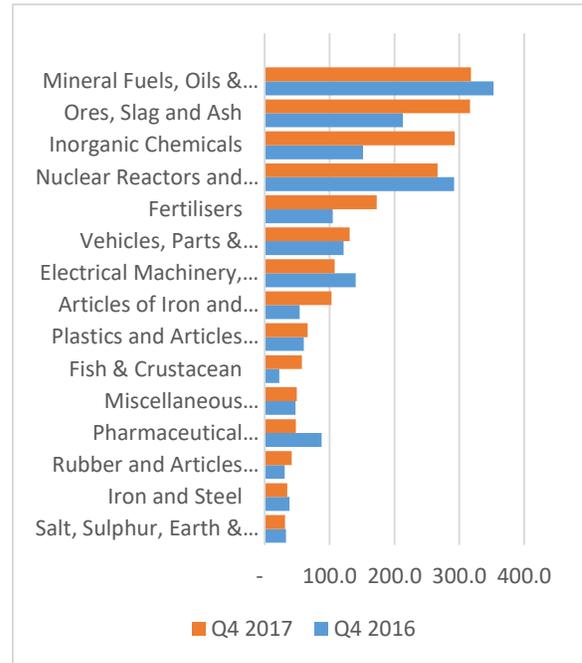
An increase of 69.7% in imports from Congo DR was recorded to US\$592.5 million from US\$349.1 million mainly on account of an increase in imports of inorganic chemicals; ores, slag and ash; and copper and articles

thereof. Imports from China also rose by 53.2% to US\$242.4 million from US\$158.2 million on account of a rise in imports of articles of iron and steel; electrical machinery and parts thereof; and vehicles, parts and accessories thereof.

Imports from the United Arab Emirates increased by 20.3% to US\$127.8 million from US\$106.3 million on account of a rise in the imports of mineral fuels, oils and products of their distillation; inorganic chemicals; and fertilisers. Imports from Mauritius also increased by 89.2% to US\$101.7 million from US\$53.8 million mainly attributed to a rise in imports of mineral fuels, oils and products of their distillation; and fertilisers from that country. The rise in the importation of mineral fuels is consistent with the general uptick in economic activity as they are used as a raw material in a number of industries. The rise in fertilisers is due to seasonal factors.

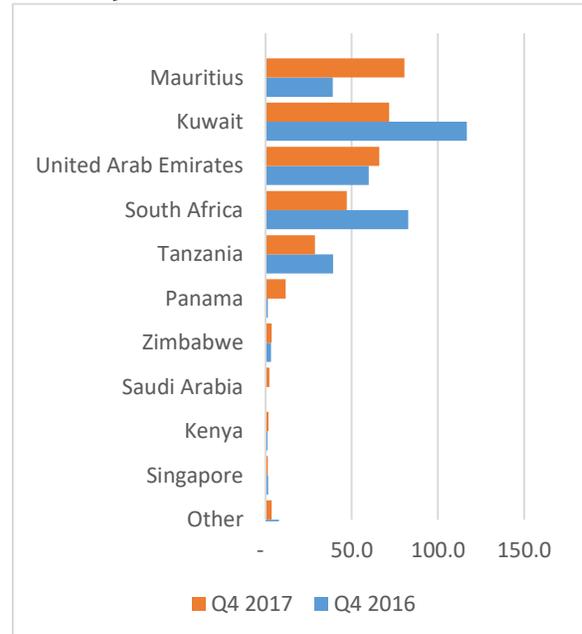
Zambia's top five import commodities were: mineral fuels, oils and products of their distillation (US\$318.1 million); ores, slag and ash (US\$316.3 million); inorganic chemicals (US\$293.2 million); nuclear reactors and boilers (US\$266.5 million); and fertilisers (US\$172.5 million).

**Figure 5: Major Import Commodities (USD millions)**

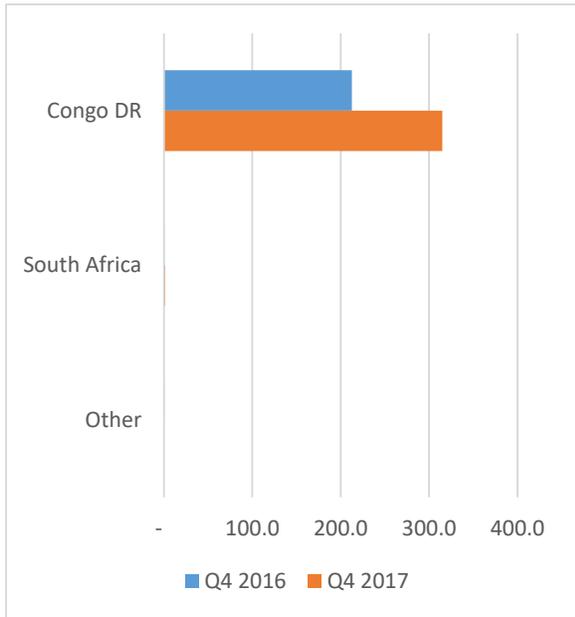


The source countries for Zambia's top five major imports are given in figures 6a to 6e.

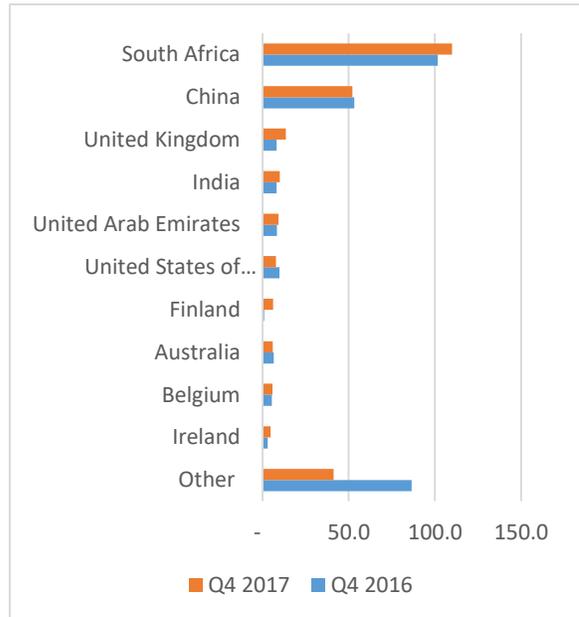
**Figure 6a: Source countries for mineral fuels, oils and products of their distillation (USD millions)**



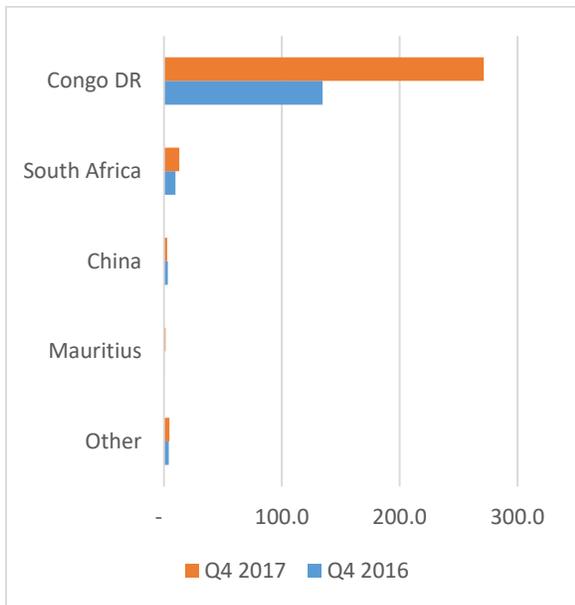
**Figure 6b: Source countries for ores, slag and ash (USD millions)**



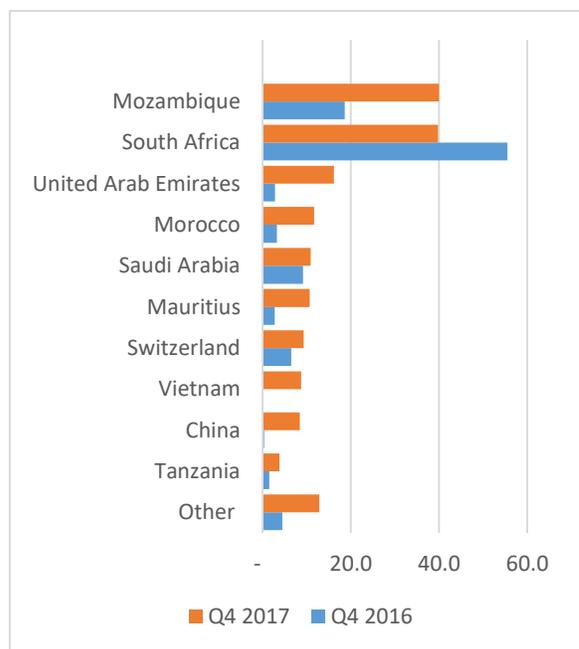
**Figure 6d: Source countries for nuclear reactors and boilers (USD millions)**



**Figure 6c: Source countries for inorganic chemicals (USD millions)**



**Figure 6e: Source Countries for fertilisers (USD millions)**



#### **4. Conclusion**

During the quarter under review trade increased compared to the fourth quarter of 2016. This was due to a 35.2% increase in exports and a 5.4% rise in imports. Exports performance improved largely on account of an increase in exports of copper and non-traditional exports such as inorganic chemicals; cereals; other base metals, cements, and articles thereof; and works of art. Copper exports increased due to an increase in both volumes of copper exports and realized prices. Imports rebounded largely on account of imports of mineral fuels, oils and products of their distillation; ores, slag and ash; inorganic chemicals; nuclear reactors and boilers; and fertilisers.

## APPENDIX ONE: MAJOR EXPORT DESTINATIONS FOR ZAMBIA'S EXPORTS

COUNTRY	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Australia	0.1	0.2	0.1	0.1	0.4	0.4
Belgium	3.9	1.0	1.3	1.2	1.4	1.1
Botswana	3.9	7.0	3.4	4.9	6.6	12.2
Burundi	4.0	3.8	4.5	6.5	6.4	7.0
China	226.6	341.6	334.2	375.8	313.2	306.9
Congo DR	109.9	115.3	113.4	129.3	147.7	145.0
Egypt	0.1	0.0	0.0	0.0	0.0	0.0
France	0.2	0.0	0.1	0.1	0.5	0.0
Germany	2.6	4.5	2.1	1.5	1.1	4.9
Hong Kong	34.9	29.6	29.7	28.1	53.2	34.5
India	14.2	5.0	77.0	35.4	24.1	39.4
Kenya	8.5	10.3	8.1	24.5	17.4	22.5
Korea, Republic of	1.3	1.2	0.9	0.8	1.0	1.2
Kuwait	0.0	0.0	0.0	0.0	0.0	0.0
Luxembourg	6.1	7.5	10.4	15.9	10.8	15.1
Madagascar	0.0	0.2	0.0	0.0	0.1	0.0
Malawi	42.8	30.2	20.4	35.2	27.0	17.1
Malaysia	0.0	0.0	0.0	0.0	0.0	0.2
Mozambique	2.3	10.7	5.5	4.7	2.6	4.8
Namibia	3.3	5.5	5.5	6.2	7.4	2.4
Netherlands	1.3	3.6	7.1	1.1	0.8	1.4
Pakistan	0.0	0.0	0.0	0.0	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.1	0.0
Republic of Thailand	0.0	0.0	0.0	0.0	0.0	0.1
Rwanda	8.5	7.4	7.1	8.2	8.9	9.5
Saudi Arabia	0.0	0.1	0.0	0.0	0.0	0.0
Singapore	81.8	101.0	162.9	120.5	99.2	112.6
South Africa Republic of)	122.4	84.6	77.0	88.8	166.7	121.1
South Sudan	0.0	0.0	0.0	0.0	0.0	0.0
Swaziland	0.9	2.2	1.0	0.3	2.2	0.6
Sweden	0.3	0.9	0.4	0.0	0.0	0.1
Switzerland	575.2	755.2	827.9	847.9	811.1	1,146.5
Tanzania, United	13.3	15.3	20.6	19.3	27.4	21.8
United Arab Emirates	120.6	91.9	75.5	62.7	54.0	101.6
United Kingdom	95.7	49.3	30.7	30.4	53.1	70.3
United States of America	0.5	0.9	0.2	0.9	0.9	2.0
Zimbabwe	40.1	89.4	34.3	35.9	31.6	32.1
Other	24.0	20.4	27.7	34.6	83.9	207.7
<b>TOTAL</b>	<b>1549.4</b>	<b>1788.7</b>	<b>1,877.9</b>	<b>1901.7</b>	<b>1,944.7</b>	<b>2,418.5</b>

## APPENDIX TWO: MAJOR SOURCE COUNTRIES FOR ZAMBIA'S IMPORTS

COUNTRY	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Australia	12.4	12.2	10.1	11.0	19.4	12.0
Belgium	13.9	32.3	10.4	14.1	19.7	13.8
Botswana	4.9	5.0	2.2	4.6	4.8	6.3
Brazil	0.8	1.8	3.3	2.6	2.9	3.6
Canada	3.7	7.4	6.3	3.3	5.5	5.1
China	150.0	158.2	314.3	309.3	254.6	242.4
Congo DR	247.2	349.1	276.7	360.4	574.9	592.5
Denmark	3.8	9.7	8.6	8.8	10.2	7.3
Egypt	2.0	2.3	3.4	2.6	3.3	4.4
Finland	32.1	14.0	9.8	12.5	7.0	10.3
France	10.8	20.7	7.1	6.1	6.0	6.0
Germany	12.5	18.6	10.2	22.4	19.4	18.0
Hong Kong	6.1	6.5	8.8	15.1	9.5	16.0
India	86.8	85.4	53.9	59.4	60.2	72.7
Indonesia	0.7	1.1	1.3	3.8	4.3	1.4
Israel	0.7	2.5	0.9	0.9	0.8	1.2
Italy	2.9	29.7	2.9	3.2	3.2	5.1
Japan	30.2	33.1	28.0	35.0	33.6	32.5
Kenya	9.1	10.4	7.1	8.0	9.6	10.8
Korea, Republic of (South)	8.7	9.3	12.0	9.2	8.5	9.4
Kuwait	157.2	117.2	120.8	149.6	124.6	71.6
Lebanon	0.6	2.2	0.3	0.7	0.8	1.0
Malawi	3.0	11.7	3.6	2.7	4.6	4.0
Malaysia	6.6	4.2	4.7	1.6	4.7	2.1
Mauritius	34.3	53.8	28.6	23.7	63.4	101.7
Mozambique	26.3	70.5	21.1	104.3	11.8	42.8
Namibia	28.7	21.6	20.3	22.0	24.8	58.8
Netherlands	11.6	12.5	14.6	20.8	9.2	14.0
Pakistan	0.6	1.1	5.7	6.3	0.8	1.3
Republic of Thailand	1.9	3.9	1.8	1.9	2.5	3.6
Singapore	12.3	8.8	8.9	4.8	8.3	6.6
South Africa	574.2	728.7	594.4	590.3	630.2	641.4
Spain	0.8	2.2	1.5	3.9	3.1	4.6
Swaziland	2.4	5.0	2.4	2.7	5.9	6.0
Sweden	11.8	16.7	6.4	16.2	22.2	8.9
Switzerland	16.0	11.9	11.4	11.0	7.0	16.0
Taiwan, Province of China	2.0	1.6	2.2	3.7	3.2	2.5
Tanzania, United	22.7	46.3	14.2	45.0	59.7	46.2
United Arab Emirates	72.9	105.9	113.2	81.2	96.5	127.8
United Kingdom	27.0	33.1	29.9	32.6	40.9	38.3
United States of America	25.1	22.6	24.3	21.3	33.0	29.9
Zimbabwe	19.0	19.7	15.8	17.1	20.1	21.4
Other	15.0	16.6	72.5	57.1	60.6	98.0
<b>TOTAL</b>	<b>1769.6</b>	<b>2193.0</b>	<b>1896.1</b>	<b>2113.1</b>	<b>2295.4</b>	<b>2,419.3</b>

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

COUNTRY	Q1.2017		Q2.2017		Q3.2017		Q4.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Angola	0.6	0.0	0.4	0.1	0.3	0.2	0.9	0.0
Botswana	3.4	2.2	4.9	4.6	6.6	4.8	12.2	6.3
Lesotho	1.3	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Mozambique	5.5	21.1	4.7	104.3	2.6	11.8	4.8	42.8
Namibia	5.5	20.3	6.2	22.0	7.4	24.8	2.4	58.8
South Africa	77.0	594.4	88.8	590.3	166.7	630.2	121.1	641.4
Tanzania	20.6	0.0	19.3	45.0	27.4	59.7	21.8	46.2
<b>TOTAL</b>	<b>113.9</b>	<b>638.0</b>	<b>124.3</b>	<b>766.3</b>	<b>211.0</b>	<b>731.5</b>	<b>163.2</b>	<b>795.6</b>

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

COUNTRY	Q1.2017		Q2.2017		Q3.2017		Q4.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Burundi	4.5	0.0	6.5	0.0	6.4	0.0	7.0	0.0
Comoros	0.0	0.1	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
Egypt	0.0	3.4	0.0	2.6	0.0	3.3	0.0	4.4
Eritrea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ethiopia	0.0	0.1	0.0	0.0	0.0	0.0	1.7	0.0
Kenya	8.1	7.1	24.5	8.0	17.4	9.6	22.5	10.8
Libya	10.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	7.1	0.0	8.2	0.0	8.9	0.0	9.5	0.0
Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Uganda	0.8	0.0	1.4	0.2	1.6	0.5	1.2	2.6
<b>TOTAL</b>	<b>30.9</b>	<b>11.4</b>	<b>40.6</b>	<b>10.8</b>	<b>34.3</b>	<b>13.4</b>	<b>42.5</b>	<b>17.8</b>

**APPENDIX FIVE: ZAMBIA'S TRADE WITH SADC AND COMESA**

COUNTRY	Q1.2017		Q2.2017		Q3.2017		Q4.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Congo DR	113.4	276.7	129.3	360.4	147.7	574.9	145.0	592.5
Madagascar	0.0	0.0	0.0	0.3	0.1	0.0	0.0	0.0
Malawi	20.4	3.6	35.2	2.7	27.0	4.6	17.1	4.0
Mauritius	0.4	28.6	0.2	23.7	0.5	63.4	0.0	101.7
Seychelles	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Swaziland	1.0	2.4	0.3	2.7	2.2	5.9	0.6	6.0
Zimbabwe	34.3	15.8	35.9	17.1	31.6	20.1	32.1	21.4
<b>TOTAL</b>	<b>169.5</b>	<b>327.1</b>	<b>200.9</b>	<b>407.1</b>	<b>209.1</b>	<b>668.9</b>	<b>194.8</b>	<b>725.6</b>