



Bank of Zambia

Direction of Trade Report

Second Quarter 2020
August 2020

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1.0 Introduction

This Report analyses Zambia’s direction of merchandise trade for the second quarter of 2020 in comparison with the corresponding quarter in 2019. 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, Luxembourg, and Hong Kong

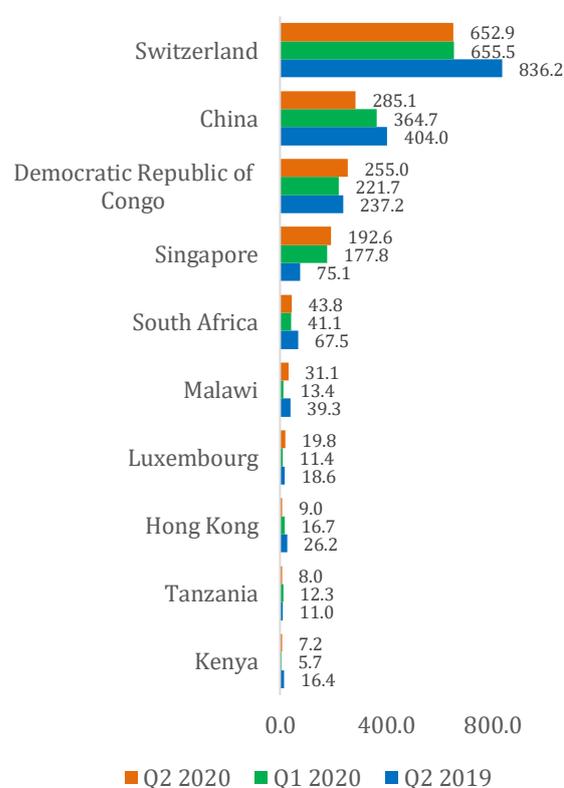
Total exports earnings were US\$1.57 billion in the second quarter of 2020, 14.5% lower than the US\$1.83 billion reported in the corresponding quarter in 2019. This was largely due to the fall in copper export earnings from Switzerland and China (Chart 1 and Table 1). Supply chain disruptions, the fall in commodity prices, and subdued global economic activity caused by COVID-19 largely accounted for lower export earnings. There was, however, a notable increase in export earnings from soap and washing detergents to the Democratic Republic of Congo (DRC) and Malawi due to heightened demand for sanitary products to combat COVID-19.

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

Country	Main Product (s)	Q2 – 19	Q2 – 20	% Change
Switzerland	Copper and articles thereof	827.3	635.6	-23.2
China	Copper and articles thereof	392.7	276.4	-29.6
Singapore	Copper and articles thereof	51.5	192.2	273.6
Democratic Republic of Congo	Ores, Slag, and Ash	0.0	61.7	

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

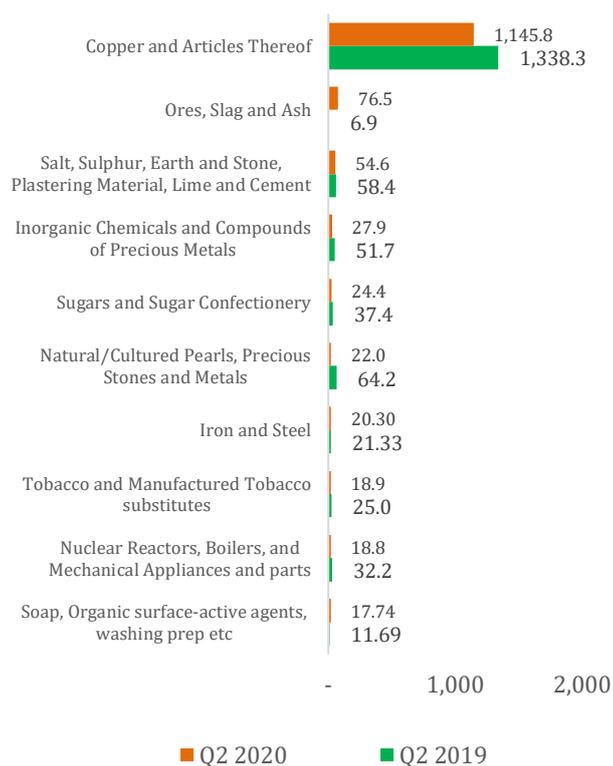
Chart 1: Major Export Destinations (US\$ millions)



Source: Source: ZSA and BoZ

The top five export commodities were copper and articles thereof; ores, slag and ash; salt, sulphur and plastering material; lime and cement; inorganic chemicals and compounds of precious metals; as well as sugars and sugar confectionery (Charts 2a and 2b).

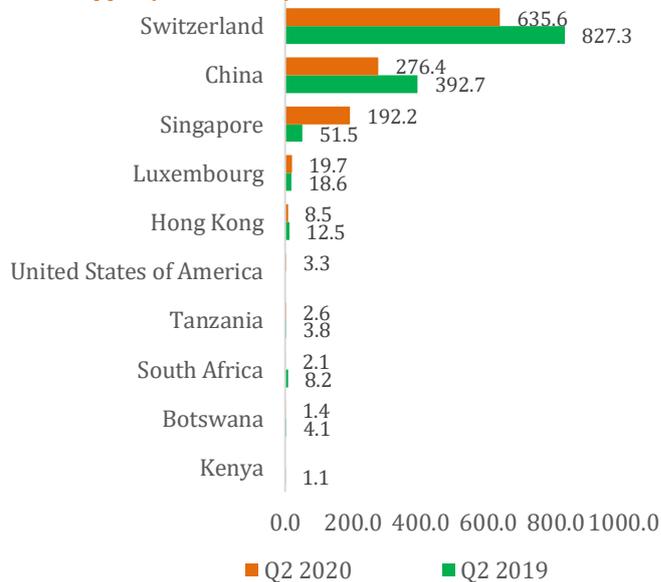
Chart 2a: Export Earnings, including copper (US\$ millions)



Source: ZSA and BoZ

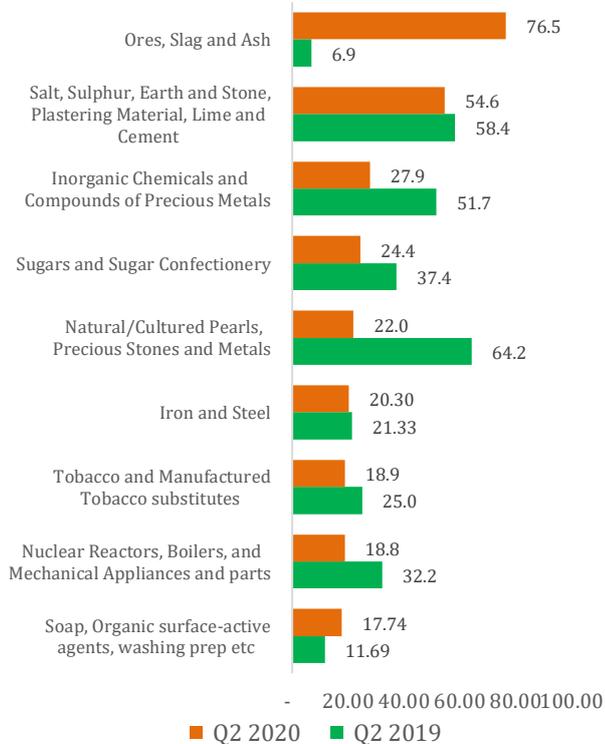
The major export destinations for Zambia's top five export commodities are shown in Charts 3a-3e.

Chart 3a: Q2 2020 and Q2 2019 Major Export Destinations for Copper (US\$ millions)



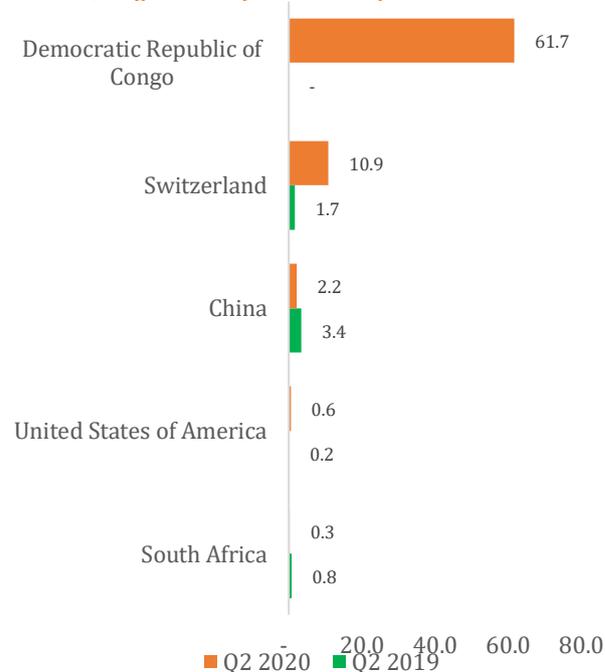
Source: ZSA and BoZ

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



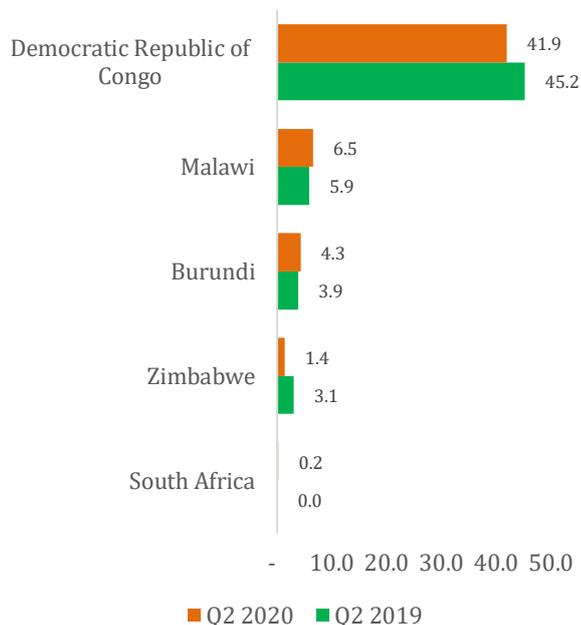
Source: ZSA and BoZ

Chart 3b: Q2 2020 and Q2 2019 Major Export destinations for Ores, Slag and Ash (US\$ millions)



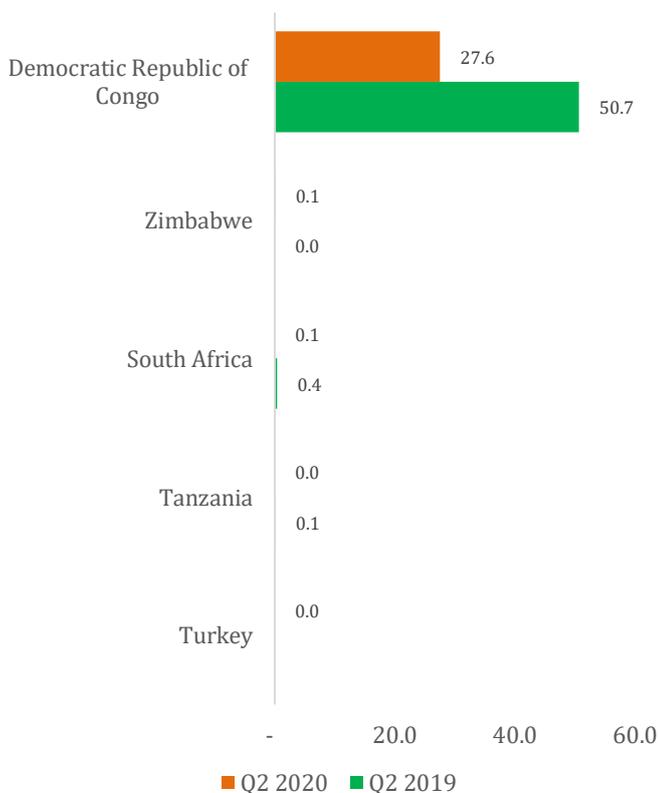
Source: ZSA and BoZ

Chart 3c: Q2 2020 and Q2 2019 Major Export destinations of Salt, Sulphur, Earth and Stone; Plastering materials; Lime and Cement (US\$ millions)



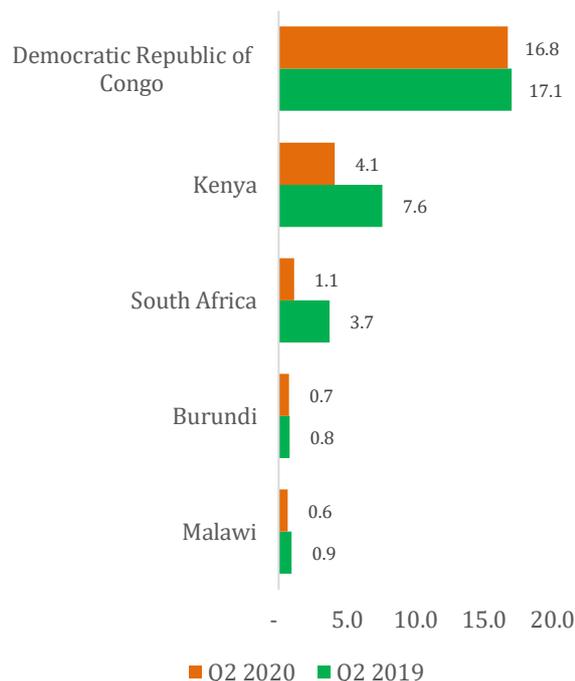
Source: ZSA and BoZ

Chart 3d: Q2 2020 and Q2 2019 Major Export destinations of Inorganic Chemicals and compounds of precious metals (US\$ millions)



Source: ZSA and BoZ

Chart 3e: Q2 2020 and Q2 2019 Major Export destinations of Sugar and Sugar confectionary (US\$ millions)



Source: ZSA and BoZ

3.0 Major Source Countries for Zambia's Imports

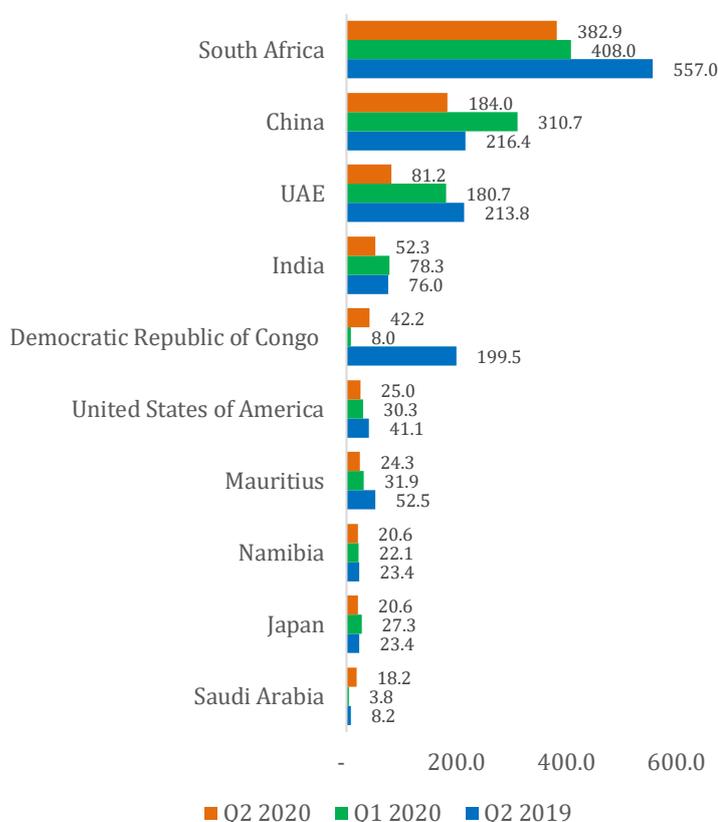
Major source countries for Zambia's imports were South Africa, China, United Arab Emirates (UAE), India, DRC, and United States of America

Merchandise imports were US\$1.14 billion in the second quarter of 2020 compared to US\$1.86 billion in the corresponding quarter in 2019, representing a decline of 38.7%. Imports from the top five source countries accounted for 18% of total imports with South Africa being the highest contributor, at 10% (Chart 4). Significant reductions in imports of mineral fuels and vehicles were recorded (Table 2).

Generally, the decline in imports was largely attributed to the COVID-19 related lockdown and other restrictions imposed to prevent the spread of the virus which saw companies scale down operations resulting in weak demand for imported goods. In addition, lower consumer demand

contributed to the significant fall in the volume of imports.

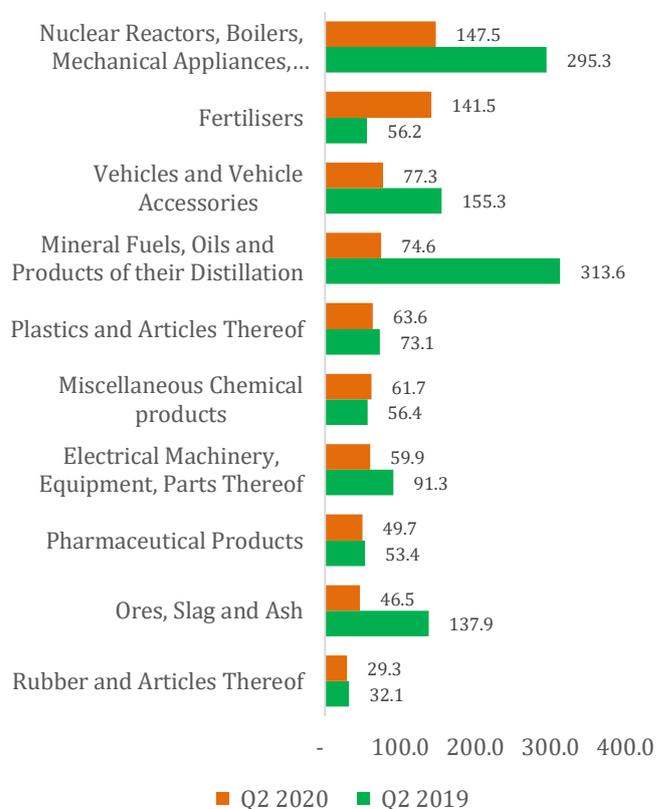
Chart 4: Top Source Countries for Imports (US\$ millions)



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

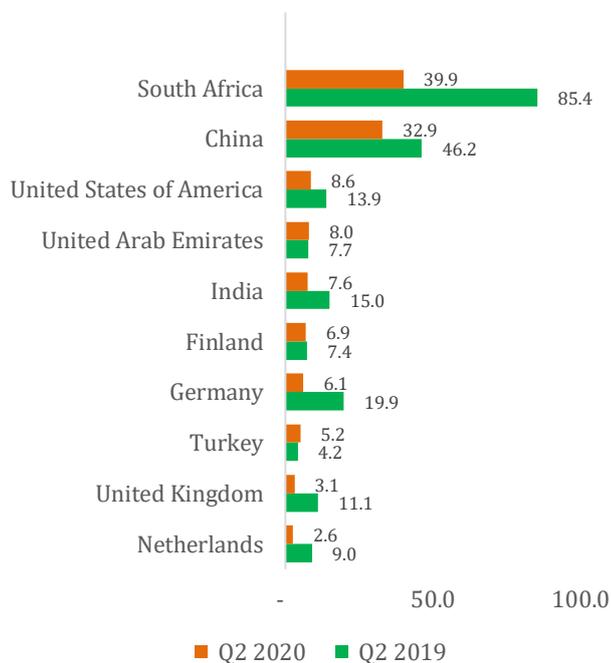
Table 2: Products accounting for import performance with top destinations (US\$ millions)

Country	Main Product(s)	Q2-19	Q2-20	% Change
South Africa	Fertilisers	33.5	68.7	105.2
UAE	Mineral Fuels, Oils and Products of their Distillation	177.0	39.9	-77.5
China	Vehicles and Vehicle accessories	26.3	26.3	-0.1

Source: ZSA and BoZ

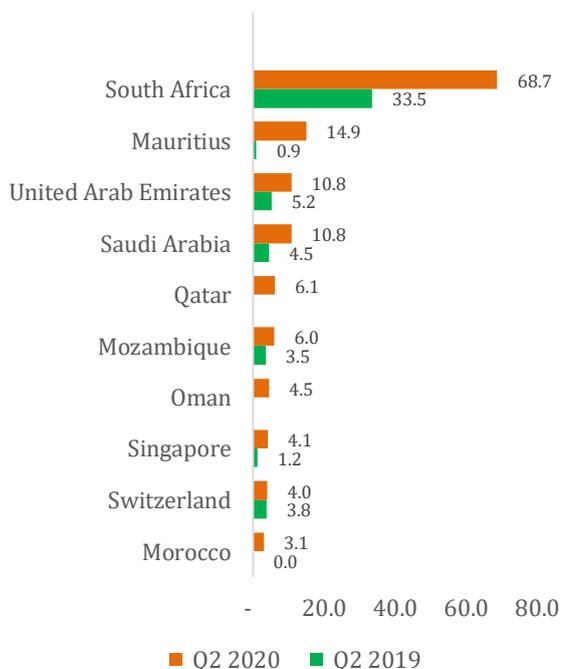
The source countries for Zambia's top five major imports are given in Charts 6a to 6e.

Chart 6a: Q2 2020 and Q2 2019 Source countries for mineral fuels, oils and products of their distillation (US\$ millions)



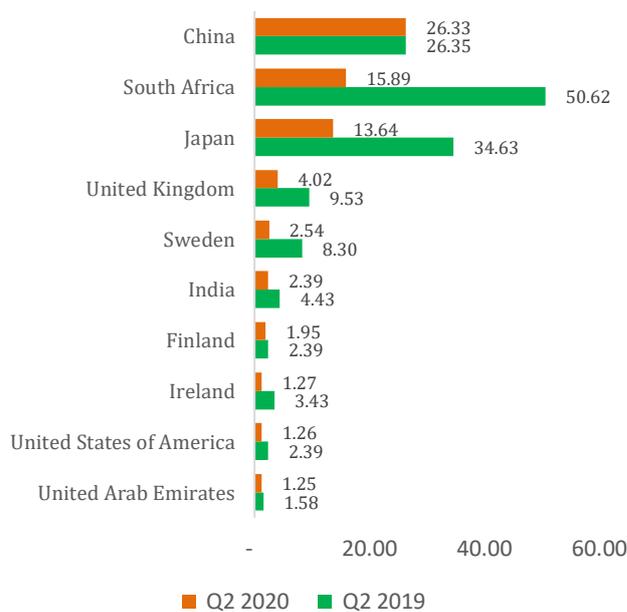
Source: ZSA and BoZ

Chart 6b: Q2 2020 and Q2 2019 Source countries for Fertilisers (US\$ millions)



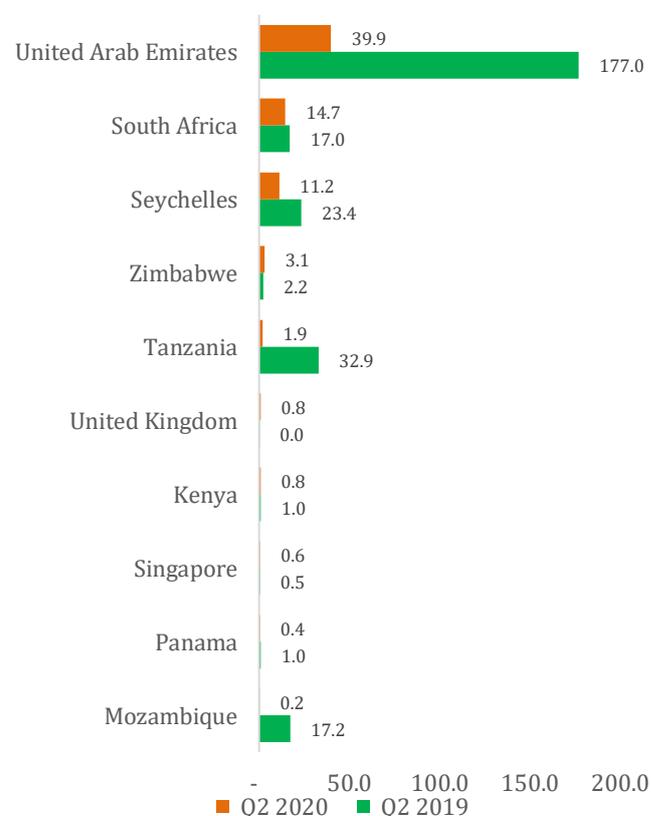
Source: ZSA and BoZ

Chart 6c: Q2 2020 and Q2 2019 Source countries for Vehicles and Vehicle accessories (US\$ millions)



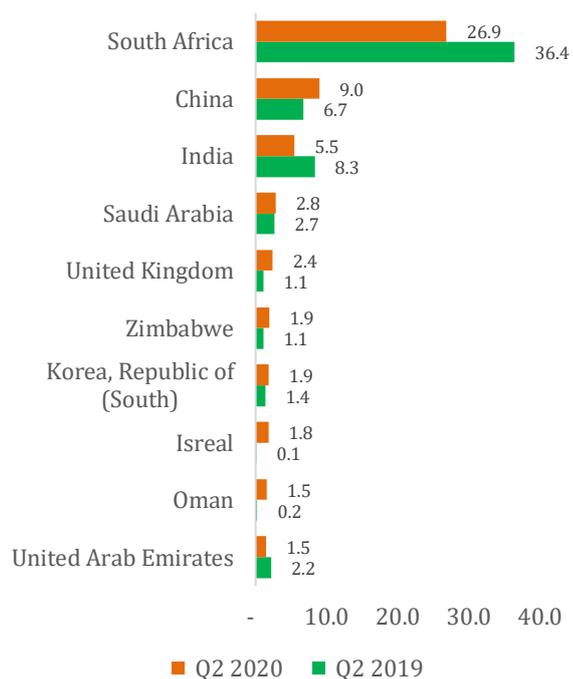
Source: ZSA and BoZ

Chart 6d: Q2 2020 and Q2 2019 Source countries for Mineral Fuels, oils and products of their distillation (US\$ millions)



Source: ZSA and BoZ

Chart 6e: Q2 2020 and Q2 2019 Source Countries for Plastics and articles Thereof (US\$ millions)



Source: ZSA and BoZ

4.0 Conclusion

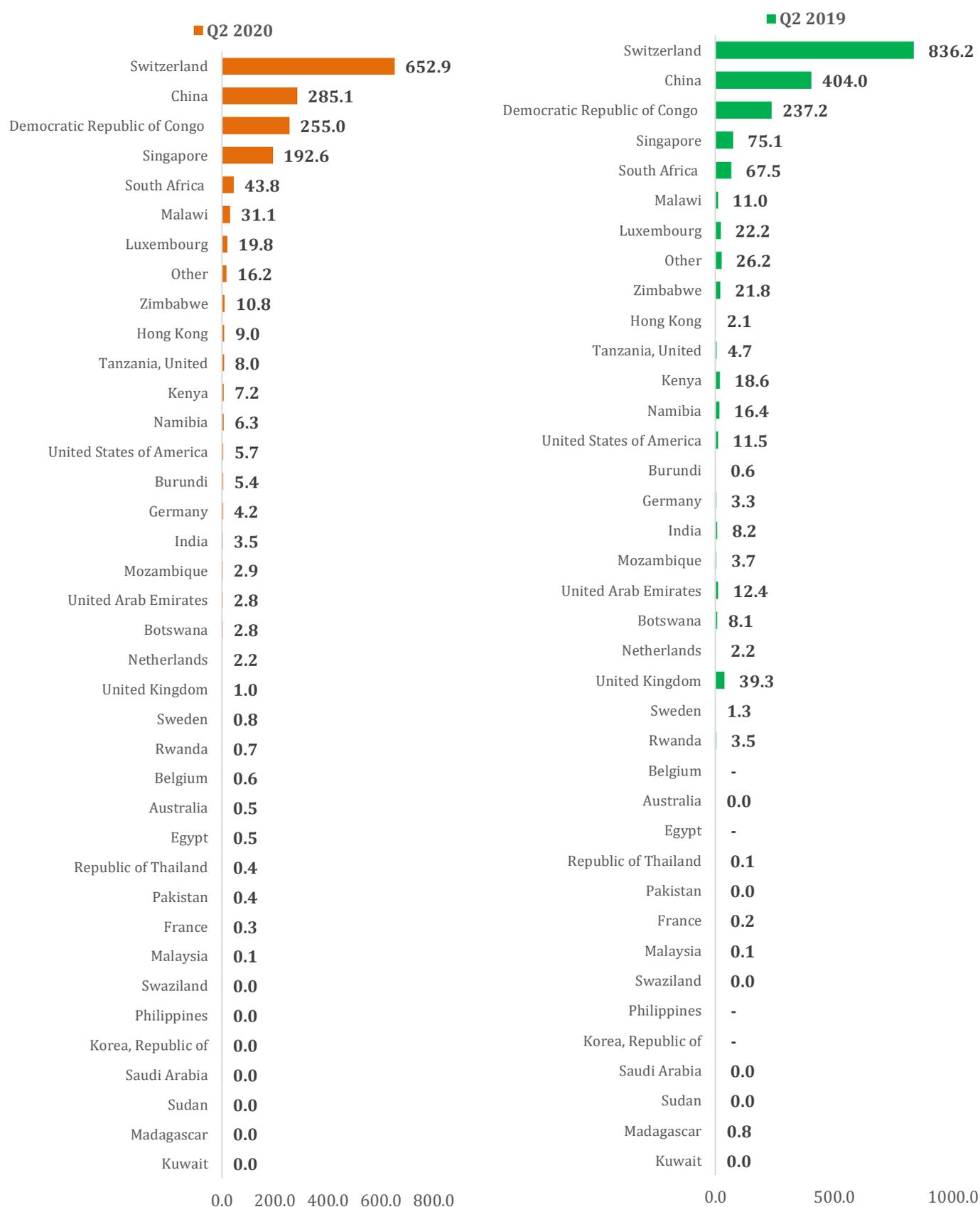
Trade decreased in the second quarter of 2020 compared to the second quarter of 2019. Export performance declined by 14.5%, reflecting the fall in copper earnings due to the continued downward trend in commodity prices. Imports declined faster at of 38.7%, reflecting supply chain disruptions, subdued domestic economic activity and weak consumer demand.

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

COUNTRY	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Australia	0.0	0.1	0.6	0.4	0.5
Belgium	0.0	0.0	0.2	0.7	0.6
Botswana	8.1	8.3	7.3	6.4	2.8
Burundi	0.6	1.4	1.5	6.1	5.4
China	404.0	341.3	379.6	364.7	285.1
Democratic Republic of Congo	237.2	240.4	226.1	221.7	255.0
Egypt	0.0	0.0	0.2	0.0	0.5
France	0.2	0.7	0.0	0.2	0.3
Germany	3.3	7.6	9.7	2.7	4.2
Hong Kong	2.1	2.9	3.3	16.7	9.0
India	8.2	14.7	11.2	17.8	3.5
Kenya	18.6	2.2	10.4	5.7	7.2
Korea, Republic of	0.0	0.0	0.0	0.0	0.0
Kuwait	0.0	0.0	0.1	0.0	0.0
Luxembourg	22.2	15.1	13.4	11.4	19.8
Madagascar	0.8	1.2	0.0	0.0	0.0
Malawi	11.0	16.8	22.5	13.4	31.1
Malaysia	0.1	0.2	0.0	0.2	0.1
Mozambique	3.7	4.5	2.0	1.9	2.9
Namibia	16.4	21.0	12.8	13.0	6.3
Netherlands	2.2	1.9	2.0	1.8	2.2
Other	26.2	24.9	20.1	18.2	16.2
Pakistan	0.0	0.2	0.0	0.4	0.4
Philippines	0.0	0.0	0.0	0.0	0.0
Republic of Thailand	0.1	0.0	0.1	0.0	0.4
Rwanda	3.5	3.5	4.5	3.2	0.7
Saudi Arabia	0.0	0.0	0.0	0.0	0.0
Singapore	75.1	145.0	183.9	177.8	192.6
South Africa	67.5	59.0	97.4	41.1	43.8
Sudan	0.0	0.0	0.0	0.0	0.0
Swaziland	0.0	0.0	0.0	0.4	0.0
Sweden	1.3	3.3	0.7	0.0	0.8
Switzerland	836.2	571.9	689.6	655.5	652.9
Tanzania, United	4.7	5.4	6.1	12.3	8.0
United Arab Emirates	12.4	16.1	19.6	1.9	2.8
United Kingdom	39.3	29.7	18.2	1.0	1.0
United States of America	11.5	1.8	0.8	3.1	5.7
Zimbabwe	21.8	20.7	20.8	19.6	10.8
Total	1,838.2	1,561.6	1,764.9	1,619.5	1,572.4

Source: ZSA and BoZ

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



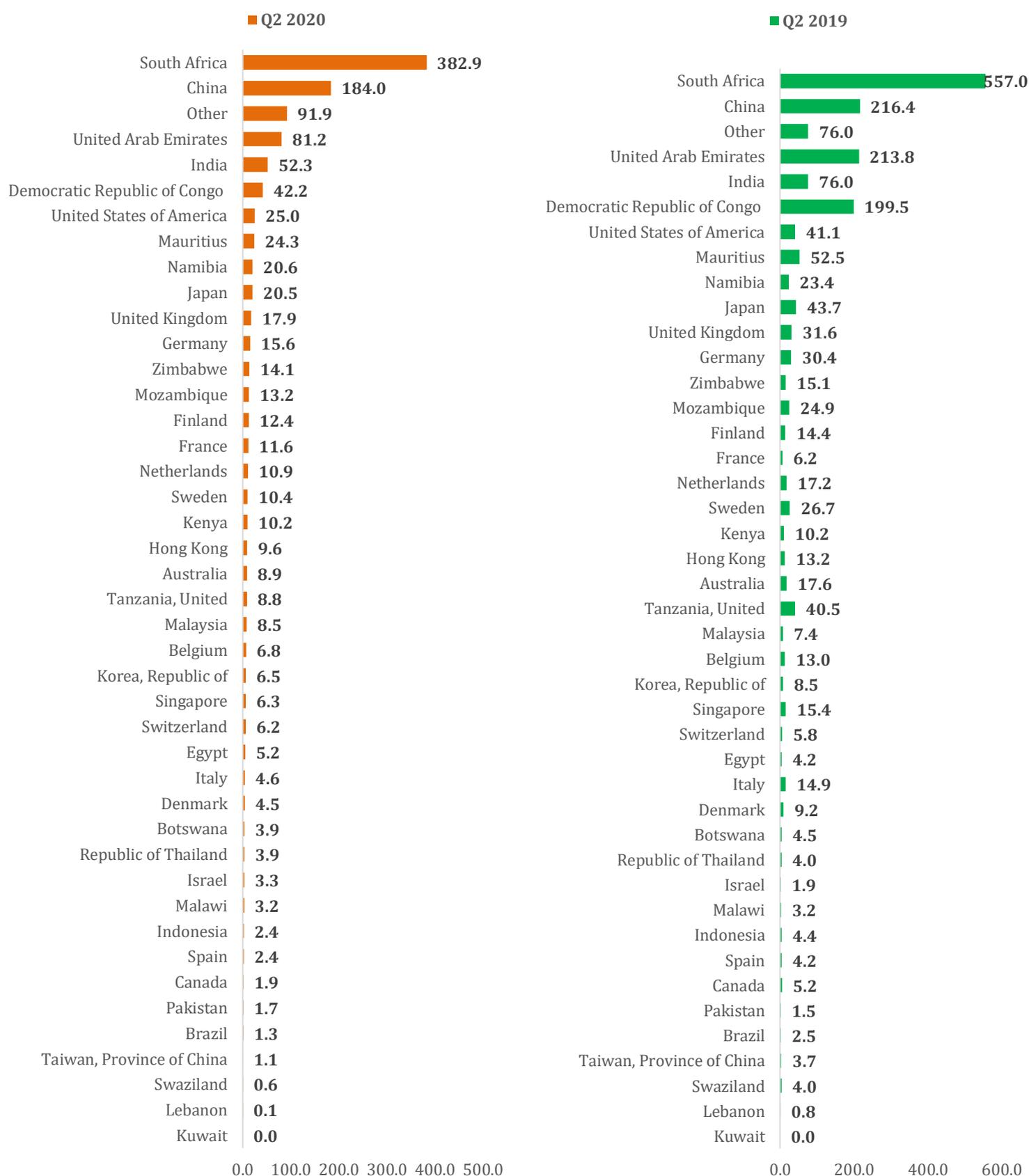
Source: ZSA and BoZ

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

COUNTRY	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Australia	8.6	17.6	10.4	7.5	6.4	8.9
Belgium	8.7	13.0	11.9	7.2	6.0	6.8
Botswana	3.3	4.5	4.3	5.1	3.3	3.9
Brazil	3.5	2.5	2.7	3.1	3.2	1.3
Canada	5.3	5.2	5.2	9.5	2.8	1.9
China	291.9	216.4	260.1	252.5	310.7	184.0
Democratic Republic of Congo	14.1	199.5	17.5	1.2	8.0	42.2
Denmark	4.1	9.2	4.4	10.7	5.0	4.5
Egypt	3.3	4.2	4.7	3.5	2.9	5.2
Finland	11.7	14.4	14.8	10.3	9.4	12.4
France	11.2	6.2	6.1	4.9	7.9	11.6
Germany	30.1	30.4	24.2	28.5	12.7	15.6
Hong Kong	12.2	13.2	11.6	18.1	17.0	9.6
India	130.1	76.0	77.1	68.7	78.3	52.3
Indonesia	1.8	4.4	3.0	3.7	1.9	2.4
Israel	22.3	1.9	3.3	2.7	3.0	3.3
Italy	17.0	14.9	19.9	6.9	6.4	4.6
Japan	37.2	43.7	54.0	83.6	27.3	20.5
Kenya	10.6	10.2	12.1	9.3	7.6	10.2
Korea, Republic of	7.5	8.5	5.4	6.1	6.7	6.5
Kuwait	151.0	0.0	0.0	0.0	0.0	0.0
Lebanon	0.7	0.8	1.3	3.3	0.3	0.1
Malawi	2.3	3.2	9.9	5.7	3.6	3.2
Malaysia	6.7	7.4	9.0	17.5	14.0	8.5
Mauritius	41.7	52.5	51.0	55.0	31.9	24.3
Mozambique	19.5	24.9	19.1	18.9	10.1	13.2
Namibia	23.0	23.4	33.2	26.0	22.1	20.6
Netherlands	14.5	17.2	13.7	11.3	5.8	10.9
Other	63.8	76.0	109.0	115.2	107.3	91.9
Pakistan	2.1	1.5	1.3	1.7	1.8	1.7
Republic of Thailand	6.0	4.0	3.6	3.2	1.3	3.9
Singapore	8.0	15.4	12.8	19.3	6.6	6.3
South Africa	545.2	557.0	571.7	548.8	408.0	382.9
Spain	5.1	4.2	5.6	6.0	6.1	2.4
Swaziland	2.6	4.0	7.1	5.5	4.0	0.6
Sweden	17.5	26.7	10.5	12.9	9.4	10.4
Switzerland	4.5	5.8	6.1	7.6	3.1	6.2
Taiwan, Province of China	1.6	3.7	2.7	1.9	1.7	1.1
Tanzania, United	42.3	40.5	64.3	57.4	40.0	8.8
United Arab Emirates	130.1	213.8	203.3	193.0	180.7	81.2
United Kingdom	32.6	31.6	32.9	33.6	26.5	17.9
United States of America	49.9	41.1	58.0	37.5	30.3	25.0
Zimbabwe	14.7	15.1	15.9	16.1	15.4	14.1
Total	1,820.3	1,865.8	1,794.6	1,740.6	1,456.3	1,142.9

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)

COUNTRY	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
	X	IM	X	IM	X	IM	X	IM	X	IM
Angola	0.4	0.0	1.5	0.2	0.5	0.0	0.8	0.1	0.1	0.1
Botswana	8.1	4.5	8.3	4.3	7.3	5.1	6.4	3.3	2.8	3.9
Lesotho	0.0	0.0	0.8	0.0	0.3	0.0	0.4	0.0	0.1	0.0
Mozambique	3.5	24.9	3.5	19.1	4.5	18.9	1.9	10.1	2.9	13.2
Namibia	8.2	23.4	14.7	33.2	11.2	26.0	13.0	22.1	6.3	20.6
South Africa	67.5	557.0	59.0	571.7	97.4	548.8	41.1	408.0	43.8	382.9
Tanzania	11.0	40.5	16.8	64.3	22.5	57.4	12.3	40.0	8.0	8.8
TOTAL	98.6	650.3	104.4	692.7	143.8	656.2	75.9	483.5	64.0	429.5

X are Exports and IM are Imports

Source: ZSA and BoZ

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

COUNTRY	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
	X	IM								
Burundi	4.7	0.0	5.4	0.0	6.1	0.0	6.1	0.0	5.4	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	0.0	4.2	0.0	4.7	0.1	3.5	0.0	2.9	0.5	5.2
Eritrea	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ethiopia	0.0	0.0	0.0	0.0	0.1	0.0	0.0	8.7	0.0	0.3
Kenya	16.4	10.2	21.0	12.1	12.8	9.3	5.7	7.6	7.2	10.2
Libya	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rwanda	3.7	0.1	4.5	0.0	2.0	0.1	3.2	0.0	0.7	0.0
Sudan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uganda	1.9	2.1	1.1	0.8	1.6	0.8	1.7	1.1	1.0	0.9
TOTAL	26.8	16.6	32.1	17.7	22.7	13.8	16.7	20.2	14.6	16.7

X are Exports and IM are Imports

Source: ZSA and BoZ

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

COUNTRY	Q2 2019		Q3 2019		Q4 2019		Q1 2020		Q2 2020	
	X	IM	X	IM	X	IM	X	IM	X	IM
DRC	237.2	199.5	240.4	17.5	226.1	1.2	221.7	8.0	255.0	42.2
Madagascar	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.1
Malawi	39.3	3.2	29.7	9.9	18.2	5.7	13.4	3.6	31.1	3.2
Mauritius	0.3	52.5	4.2	51.0	0.9	55.0	0.0	31.9	2.3	24.3
Seychelles	0.0	23.4	0.0	27.3	0.0	40.8	0.0	33.7	0.0	11.2
Swaziland	0.2	4.0	0.7	7.1	0.0	5.5	0.4	4.0	0.0	0.6
Zimbabwe	21.8	15.1	20.7	15.9	20.8	16.1	19.6	15.4	10.8	14.1
TOTAL	298.9	297.7	295.7	128.7	266.2	124.5	255.2	96.6	299.2	95.6

X are Exports and IM are Imports

Source: ZSA and BoZ

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