



**Bank of Zambia**

# Zambia Direction of Trade Report

**(Second Quarter 2017)**

**CONTENTS**

*Executive Summary*..... iii

1. Introduction..... 1

2. Major Destinations for Zambia’s Exports ..... 1

3. Major Source Countries for Zambia’s Imports ..... 4

4. Conclusion..... 6

**Executive Summary**

*In the second quarter of 2017, Zambia's total trade (exports and imports) increased to US\$3.96 billion from US\$3.31 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 salt and sulphur; sugars and confectionery; and inorganic chemicals. Imports also recovered largely on account of higher imports of nuclear reactors and boilers, mineral fuels, copper ores, slag and ash. 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 second 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 second quarter of 2017, Zambia’s total trade (exports and imports) was US\$3.96 billion compared to US\$3.31 billion in the corresponding period in 2016.

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

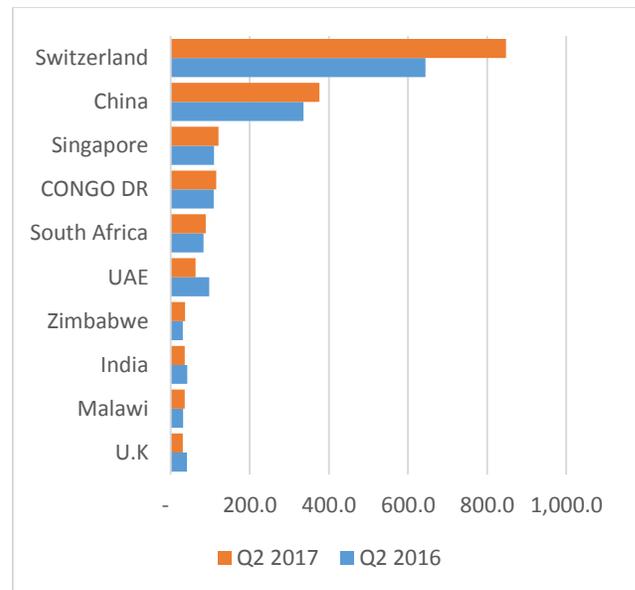
Zambia’s total exports in Q2-2017 were US\$1.88 billion compared to US\$1.59 billion in Q2-2016. The top six destinations for Zambia’s exports, from highest to lowest, were Switzerland, China, Singapore, Congo DR, South Africa, and the United Arab Emirates (Figure 1). Exports to these countries accounted for 85.6% of total exports.

Exports to Switzerland rose by 31.7% to US\$847.7million from US\$643.8 million, attributed to an increase in copper earnings from that country (Figure 1).

Likewise, exports to China increased by 12.0% to US\$376.02 million from US\$335.6 million mainly on account of a surge in exports of copper and articles thereof and ores, slag and ash.

Further, exports to Singapore rose to US\$120.5 million from US\$109.7 million on account of an increase in exports of copper and articles thereof.

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



Exports to Congo (DR) recorded a 6.0% increase to US\$114.9 million from US\$108.3 million on account of small incremental increases in various NTE commodities such as salt, sulphur, plastering material, lime, cement and inorganic chemicals.

Similarly exports to South Africa rose to US\$88.8 million from US\$82.8 million on account of an increase in exports of copper and articles thereof and cultured pearls, precious stones and metals.

On the other hand, exports to the United Arab Emirates declined by 35.9% to US\$62.7 million from US\$97.8 million mainly on account of a reduction in exports of Electrical machinery equipment and parts thereof.

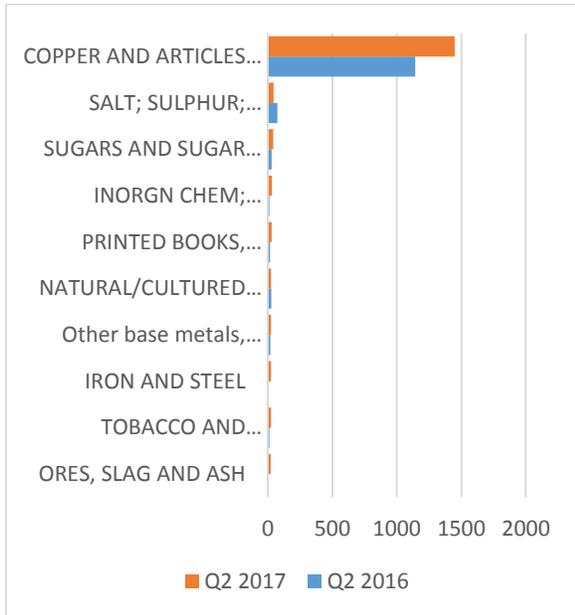
The top five export commodities were copper and articles thereof; salt and Sulphur; sugars and confectionery; inorganic chemicals, and printed books, newspapers and pictures. The country earned US\$1.45 billion from copper

<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.

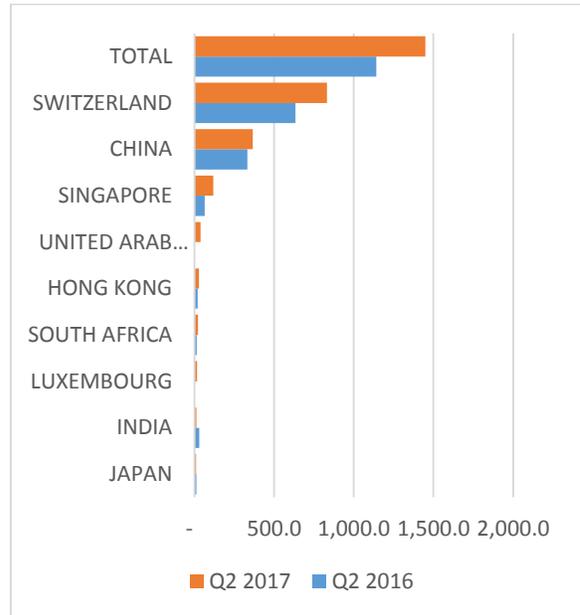
exports compared to US\$1.14 billion in the corresponding quarter in 2016 (Figures 2a and 2b).

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

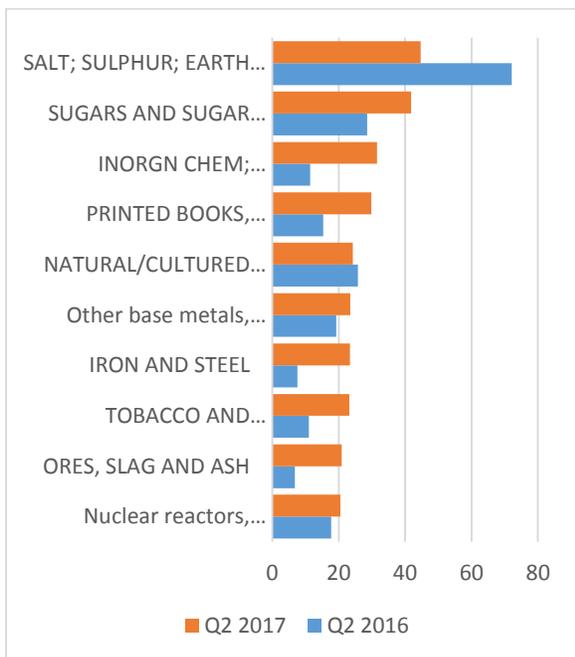


The major export destinations for Zambia's top five export commodities are shown in figures 3a to 3e.

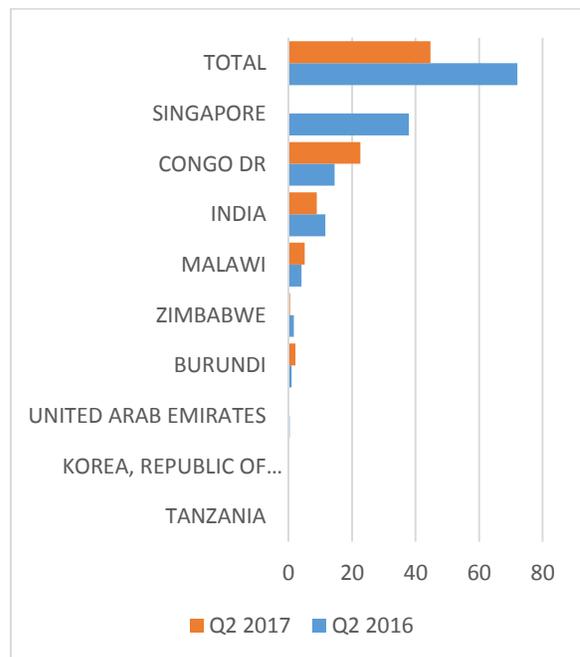
**Figure 3a: Q2 2016 and Q2 2017 Copper Major Export Destinations (USD Millions)**



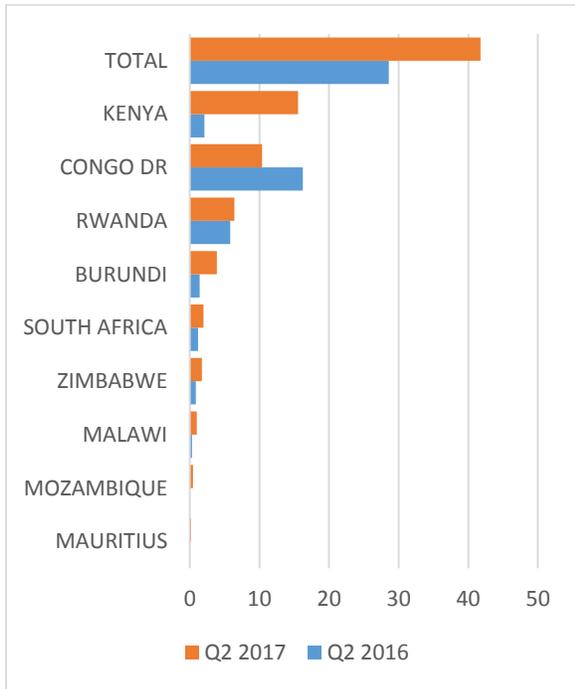
**Figure 2b: Export Earnings (USD millions excluding copper)**



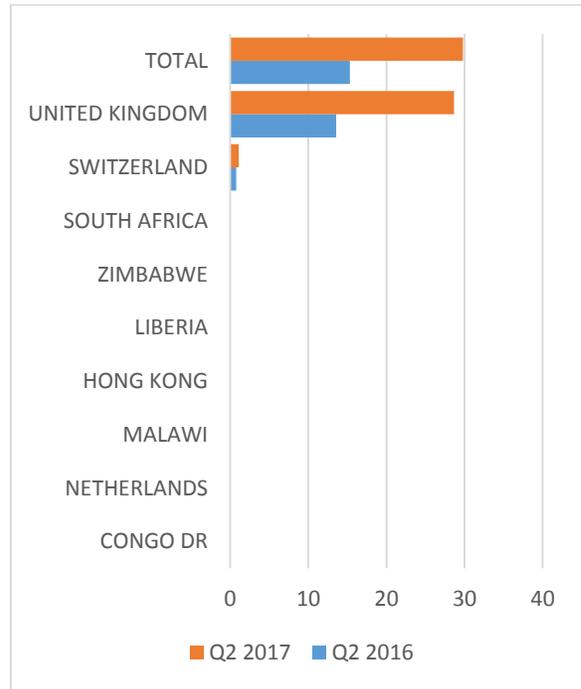
**Figure 3b: Q2 2016 and Q2 2017 Major Export destinations Salt and Sulphur (USD millions)**



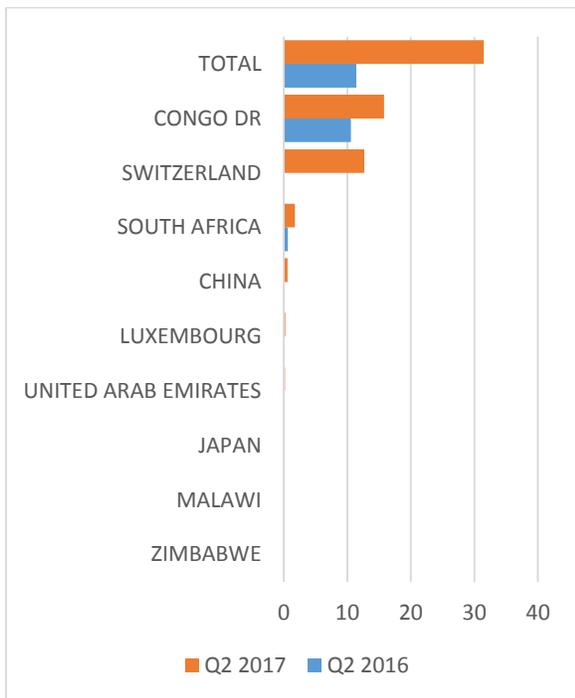
**Figure 3c: Q2 2016 and Q2 2017 Major Export destinations for Sugars and Confectionery (USD millions)**



**Figure 3e: Q2-2016 and Q2-2017 Major Export destinations for printed books, newspapers, pictures and other products (USD millions)**



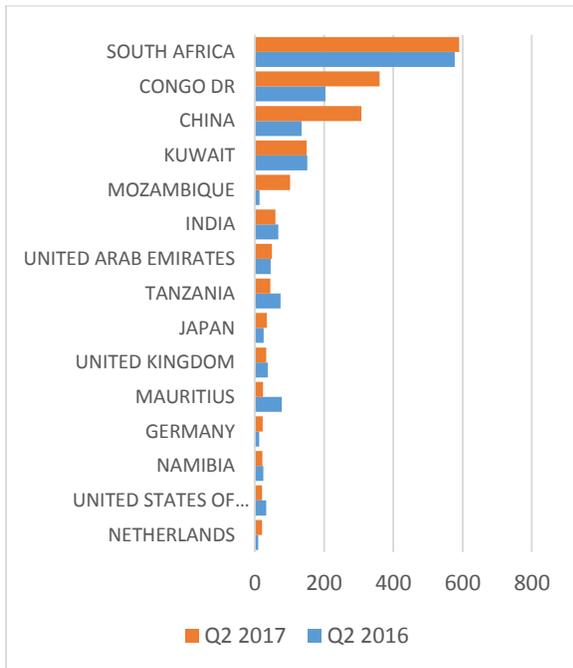
**Figure 3d: Q2-2016 and Q2-2017 Major Export destinations for Inorganic Chemicals (USD millions)**



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

Merchandise imports in Q2 2017 increased by 21.6 percent from US\$1.71 billion recorded in Q1 to US\$2.08 billion recorded in Q2 2016. During the review period, the top five source countries for Zambia's imports were: South Africa, Congo DR, China, Kuwait and Mozambique (Figure 4).

**Figure 4: Zambia's Q2-2017 Top Source Countries for Imports (USD millions)**



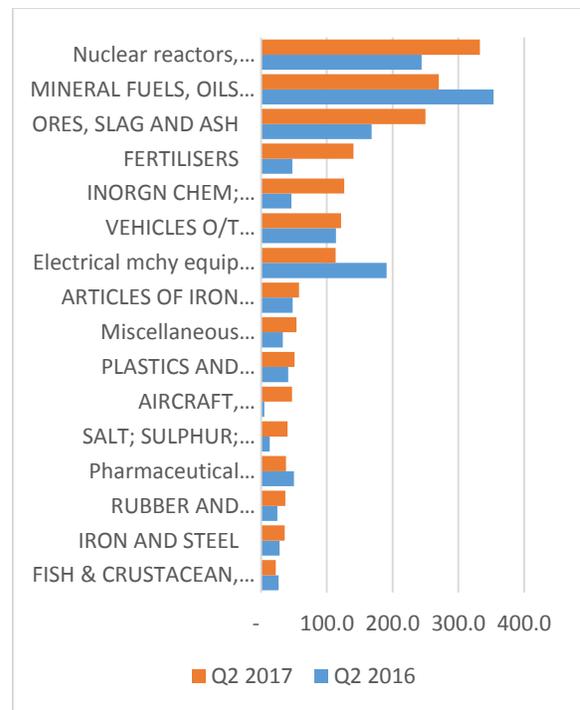
Imports from South Africa rose by 2.2% to US\$590.1 million from US\$577.6 million on account of a rise in imports of fertilisers; salt and sulphur; mineral fuels; vehicles and inorganic chemicals.

An increase of 76.5% in imports from Congo DR was recorded to US\$360.3 million from US\$204.1 million on account of an increase in imports of ores, slag and ash; inorganic chemicals and zinc and articles thereof. Imports from China rose by 129.0% to US\$308.1 from US\$134.5 million on account of a rise in imports of nuclear reactors and boiler; aviation equipment and Electrical machinery and parts thereof.

Correspondingly, imports from Mozambique increased by more than seven times to US\$102.2 million from US\$13.2 million largely attributed to an increase in imports of fertilisers from that country. Conversely, imports from Kuwait declined to US\$149.6 million from US\$151.8 million on account of a decrease in the imports of mineral fuels.

Zambia's top five import commodities were: nuclear reactors and boilers (US\$332.6 million); mineral fuels, oils and products of their distillation (US\$270.0 million); ores, slag and ash (US\$249.9 million); fertilisers (US\$140.4 million); and inorganic chemicals (US\$126.5 million).

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

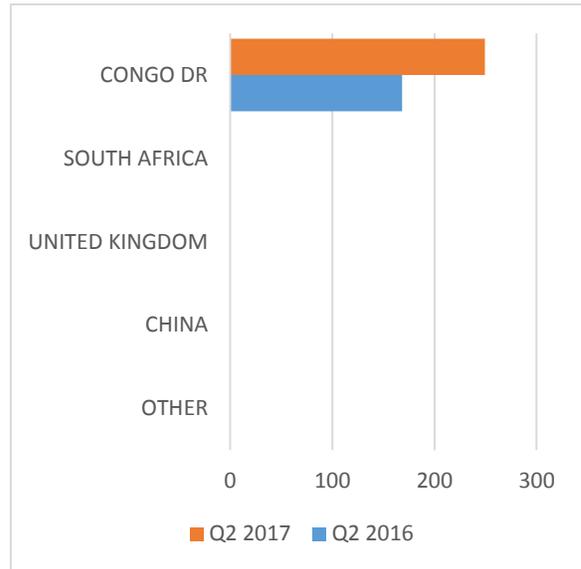


The source countries for Zambia's top five major imports are given in figures 6a to 6e.

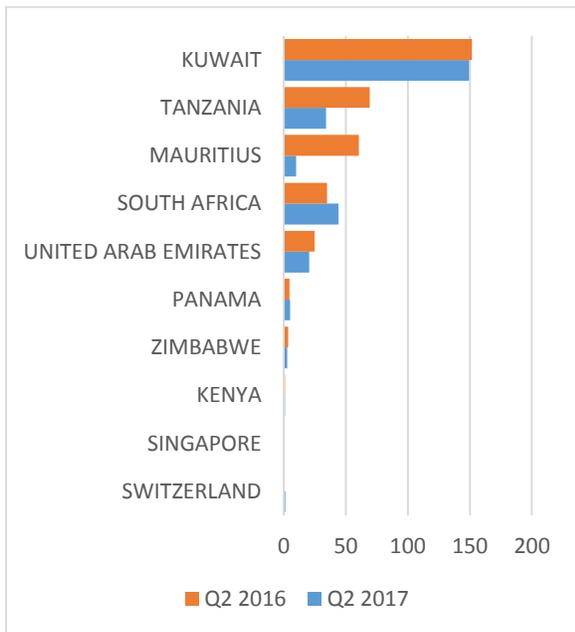
**Figure 6a: Source countries for nuclear reactors (USD millions)**



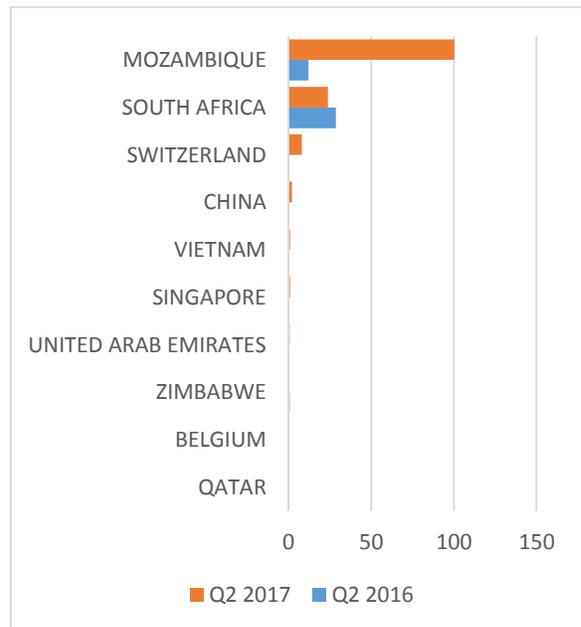
**Figure 6c: Source countries for Copper Ores (USD millions)**



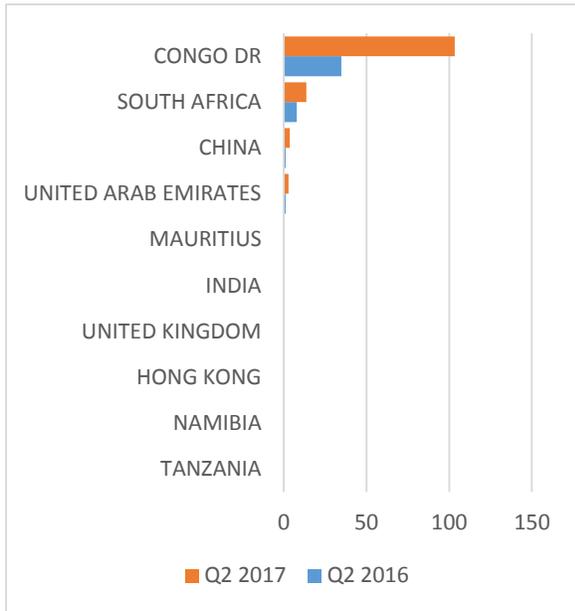
**Figure 6b: Source countries for mineral fuels (USD millions)**



**Figure 6d: Source countries for fertilizers (USD millions)**



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



#### 4. Conclusion

During the period under review exports performance improved largely on account of an increase in exports of copper and non-traditional exports such as salt and sulphur; sugars and confectionery; inorganic chemicals and printed books, newspapers and pictures. Copper exports increased due to an increase in both volumes of copper exports and realized prices. On a similar account imports rebounded largely on account of imports of nuclear reactors and boilers, mineral fuels, oils and products of their distillation, and ores, slag and ash.

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

COUNTRY	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Australia	0.1	0.1	0.2	0.1	0.1
Belgium	1.3	3.9	1.0	1.3	1.2
Botswana	4.0	3.9	0.0	0.0	4.9
Burundi	2.4	4.0	3.8	4.5	6.5
China	335.6	226.6	341.6	334.2	376.0
CONGO DR	108.3	109.9	115.3	113.4	114.9
Egypt	0.0	0.1	0.0	0.0	0.0
France	0.1	0.2	0.0	0.1	0.1
Germany	1.0	2.6	4.5	2.1	1.5
Hong Kong	20.7	34.9	29.6	29.7	28.1
India	42.3	14.2	5.0	77.0	35.4
Kenya	9.7	8.5	10.3	8.1	24.5
Korea, Republic Of	0.9	1.3	1.2	0.9	0.8
Kuwait	0.0	0.0	0.0	0.0	0.0
Luxembourg	0.3	6.1	7.5	10.4	15.9
Madagascar	0.0	0.0	0.2	0.0	0.0
Malawi	31.2	42.8	30.2	20.4	35.2
Malaysia	0.0	0.0	0.0	0.0	0.0
Mozambique	1.6	2.3	10.7	5.5	4.6
Namibia	1.0	3.3	5.5	5.5	1.4
Netherlands	1.7	1.3	3.6	7.1	1.1
Pakistan	0.0	0.0	0.0	0.0	0.0
Philippines	0.0	0.0	0.0	0.0	0.0
Republic Of Thailand	0.0	0.0	0.0	0.0	0.0
Rwanda	5.9	8.5	7.4	7.1	8.2
Saudi Arabia	0.0	0.0	0.1	0.0	0.0
Singapore	109.7	81.8	101.0	162.9	120.5
South Africa (Republic Of)	82.8	122.4	84.6	76.9	88.8
South Sudan	0.0	0.0	0.0	0.0	0.0
Swaziland	2.0	0.9	2.2	1.0	0.3
Sweden	0.1	0.3	0.9	0.4	0.0
Switzerland	643.8	575.2	755.2	827.9	847.7
Tanzania, United	6.5	13.3	15.3	45.0	18.9
United Arab Emirates	97.8	120.6	91.9	75.5	62.7
United Kingdom	41.4	95.7	49.3	30.7	30.4
United States Of America	0.5	0.5	0.9	0.2	0.9
Zimbabwe	30.8	40.1	89.4	34.3	35.9
Other	9.4	24.0	20.4	20.1	14.8
<b>TOTAL</b>	<b>1593.3</b>	<b>1549.4</b>	<b>1788.7</b>	<b>1902.3</b>	<b>1881.3</b>

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

COUNTRY	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017
Australia	7.8	12.4	12.2	10.1	11.0
Belgium	7.4	13.9	32.3	10.4	14.1
Botswana	3.5	4.9	5.0	2.2	4.6
Brazil	3.6	0.8	1.8	3.3	2.6
Canada	3.5	3.7	7.4	6.3	3.3
China	134.5	150.0	158.2	314.1	308.1
Congo DR	204.1	247.2	349.1	276.1	360.3
Denmark	5.8	3.8	9.7	8.6	8.8
Egypt	4.7	2.0	2.3	3.3	2.6
Finland	18.9	32.1	14.0	9.8	12.5
France	4.3	10.8	20.7	7.1	6.1
Germany	13.1	12.5	18.6	10.2	22.4
Hong Kong	12.3	6.1	6.5	8.8	15.1
India	68.1	86.8	85.4	53.9	59.4
Indonesia	0.8	0.7	1.1	1.3	3.8
Israel	1.8	0.7	2.5	0.9	0.9
Italy	3.5	2.9	29.7	2.9	3.2
Japan	25.5	30.2	33.1	28.0	35.0
Kenya	11.4	9.1	10.4	7.1	8.0
KOREA, REPUBLIC OF (SOUTH)	7.3	8.7	9.3	12.0	9.2
Kuwait	151.8	157.2	117.2	120.8	149.6
Lebanon	1.1	0.6	2.2	0.3	0.7
Malawi	2.1	3.0	11.7	3.6	2.7
Malaysia	4.6	6.6	4.2	4.7	1.6
Mauritius	77.8	34.3	53.8	28.6	23.7
Mozambique	13.2	26.3	70.5	18.6	102.2
Namibia	25.0	28.7	21.6	20.3	22.0
Netherlands	10.0	11.6	12.5	14.6	20.8
Pakistan	3.0	0.6	1.1	5.7	6.3
Republic Of Thailand	2.8	1.9	3.9	1.8	1.9
Singapore	6.9	12.3	8.8	8.9	4.8
SOUTH AFRICA	577.6	574.2	728.7	590.3	590.1
Spain	1.5	0.8	2.2	1.5	3.9
Swaziland	1.3	2.4	5.0	2.4	2.7
Sweden	16.8	11.8	16.7	6.4	16.2
Switzerland	4.2	16.0	11.9	11.4	11.0
Taiwan, Province Of China	1.9	2.0	1.6	0.0	3.7
Tanzania, United	74.0	22.7	46.3	0.0	45.0
United Arab Emirates	46.1	72.9	105.9	113.2	49.0
United Kingdom	37.2	27.0	33.1	29.9	32.6
United States Of America	32.8	25.1	22.6	24.3	21.3
Zimbabwe	19.6	19.0	19.7	15.9	17.1
Other	61.5	73.2	82.6	88.9	57.2
<b>TOTAL</b>	<b>1714.5</b>	<b>1769.6</b>	<b>2193.0</b>	<b>1888.5</b>	<b>2077.1</b>

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

COUNTRY	Q3.2016		Q4.2016		Q1.2017		Q2.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Angola	0.2	0.0	0.3	1.4	0.6	0.0	0.4	0.1
Botswana	3.9	4.9	7.0	5.0	0.0	2.2	4.9	4.6
Lesotho	0.8	0.0	0.4	0.0	1.3	0.0	0.0	0.0
Mozambique	2.3	26.3	10.7	70.5	5.5	18.6	4.6	102.2
Namibia	3.3	28.7	5.5	21.6	5.5	20.3	1.4	22.0
South Africa	122.4	574.2	84.6	728.7	76.9	590.3	88.8	590.1
Tanzania	13.3	22.7	15.3	46.3	45.0	0.0	18.9	45.0
<b>TOTAL</b>	<b>146.2</b>	<b>656.9</b>	<b>123.8</b>	<b>873.6</b>	<b>134.9</b>	<b>631.4</b>	<b>119.0</b>	<b>764.0</b>

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

COUNTRY	Q3.2016		Q4.2016		Q1.2017		Q2.2017	
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS
Burundi	4.0	3.7	3.8	7.4	4.5	6.3	6.5	0.0
Comoros	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Djibouti	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Egypt	0.0	2.0	0.0	2.3	0.0	3.3	0.0	2.6
Eritrea	0.0	0.0	0.0	0.2	0.3	0.1	0.0	0.0
Ethiopia	0.1	32.1	0.0	14.0	0.0	9.8	0.0	0.0
Kenya	1.3	9.1	1.2	10.4	0.9	7.1	24.5	8.0
Libya	6.1	0.1	7.5	0.2	10.4	0.7	0.0	0.0
Rwanda	8.5	9.2	7.4	10.2	7.1	17.3	8.2	0.0
Sudan	0.0	0.8	0.0	2.2	0.0	1.5	0.0	0.0
Uganda	0.0	0.1	0.0	0.4	0.0	0.0	1.4	0.2
<b>TOTAL</b>	<b>7.7</b>	<b>56.7</b>	<b>8.8</b>	<b>46.3</b>	<b>11.6</b>	<b>51.1</b>	<b>40.6</b>	<b>10.8</b>

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

COUNTRY	Q3.2016		Q4.2016		Q1.2017		EXPORTS	IMPORTS
	EXPORTS	IMPORTS	EXPORTS	IMPORTS	EXPORTS	IMPORTS		
Congo(DR)	109.9	247.2	115.3	349.1	113.4	276.1	114.9	360.3
Madagascar	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.3
Malawi	42.8	3.0	30.2	11.7	20.4	3.6	35.2	2.7
Mauritius	5.9	34.3	0.7	53.8	0.4	28.6	0.2	23.7
Seychelles	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.2
Swaziland	0.9	2.4	2.2	5.0	1.0	2.4	0.3	2.7
Zimbabwe	40.1	19.0	89.4	19.7	34.3	15.9	35.9	17.1
<b>TOTAL</b>	<b>199.6</b>	<b>306.1</b>	<b>237.8</b>	<b>439.5</b>	<b>169.5</b>	<b>326.6</b>	<b>186.5</b>	<b>407.0</b>