

## INTRODUCTION

The 2021 Mid-Year Economic Report presents the developments in the global and domestic economy in the first half of 2021. On the basis of first half performance, a forecast is also made for the remainder of the year.

## DEVELOPMENTS IN THE GLOBAL ECONOMY

Global economic activity is projected to expand by **6.0% in 2021**, compared to a contraction of **4.0% in 2020**.



In advanced economies, growth is projected at **5.6% in 2021** from a contraction of **4.6% in 2020**.



Growth in the United States of America is projected to rebound to **7.0%** from a contraction of **3.5%** in 2020, reflecting large fiscal support and the anticipated impact of the legislation boosting infrastructure investment.

Emerging market and developing economies are expected to grow by **6.3%** from a contraction of **2.1%** in 2020.

In Sub-Saharan Africa, growth is projected at **3.4%** in 2021, compared to a contraction of **1.8%** in 2020, buoyed by the global recovery, higher commodity prices, increased trade and an increase in mining output, especially for larger economies such as South Africa.

Commodity prices continued to recover in the first quarter of 2021, and are expected to remain at the current levels for the rest of the year. This will be supported by the steady global vaccine roll out and as economies fully open.

Copper prices in the first half of 2021 increased by **20.6%** to an average of **US \$9,094.61 per MT** from an average of **US \$5,591.69 per MT** in the same period in 2020.

During the first half of 2021 Crude Oil Prices increased by **34.5%** to an average of **US \$66.20 per Barrel** from an average of **US \$38.93 per Barrel** in the same period in 2020.



The improvement in global economic activity as COVID-19 Pandemic measures began to be eased had a positive impact on the performance of the domestic economy.

The easing of trade restrictions led to an increase in exports which resulted in increased foreign exchange earnings. Consequently, the exchange rate remained relatively stable in the first half of 2021.

## REAL SECTOR DEVELOPMENTS

During the first quarter of 2021, real GDP grew by **0.7%** compared to a contraction of **0.3%** recorded during the same period in 2020.



## AGRICULTURE, FORESTRY AND FISHERIES

### 1. Crop Production

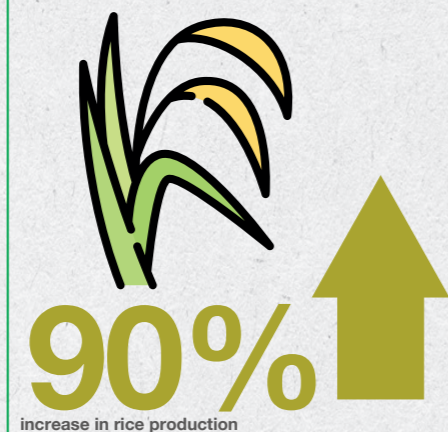
Maize production grew by **7.0%** to **3,620,244 Mt** from **3,387,469 Mt** in the 2019/2020 agricultural season.



Soya beans production increased by **38%** to **411,115 Mt** from **296,866 Mt** produced in the previous season.



The production of rice increased by **90%** to **65,875 Mt** from **34,630 Mt** in the 2020/2021 farming season.



The production of sorghum, millet, seed cotton, Irish potatoes and barley, however, reduced.



### 2. National Food Security Position

The National Food Balance Sheet for the 2021/2022 marketing season indicates that the country has **adequate Maize for both human consumption and industrial use.**



The country had significant opening stocks of maize amounting to **840,944 Mt**, which combined with output in the 2020/2021 farming season resulted in a surplus of about **1,528,980 Mt**.

### 3. Farmer Input Support Program (FISP)

Government continued with the implementation of the FISP aimed at improving access of small-scale farmers to inputs and **enhancing the participation and competitiveness** of the private sector in the supply and distribution of agriculture inputs.

During the 2020/2021 agriculture seasons, FISP was implemented under two modalities: The **Electronic Voucher (E-Voucher)** and **Direct Input Supply (DIS)** targeting a total of **1,024,414 beneficiaries in 114 districts**

### 4. Livestock Population

In the review period, the livestock population generally increased. The number of cattle increased by **2.9%** to **3,999,014** from **3,885,336** recorded in the corresponding period of 2020.



Similarly, the number of sheep and goats increased to **181,412** and **4,113,663** by **4.3%** and **4.0%** respectively.



Pig population increased by **7.0%** as a result of marginal reduction in pig feed prices between November 2020 and April 2021.



### 5. Livestock Products

The production of all livestock products apart from milk recorded significant reduction.

Milk production, increased by **30.9%** to **1,075,115 Mt** compared to **821,558 Mt** in the corresponding period in 2020.



Significant reductions were, however, recorded for **Pork, Hides and Poultry Products** production at **82.8%**, **12.8%** and **11.5%**, respectively.

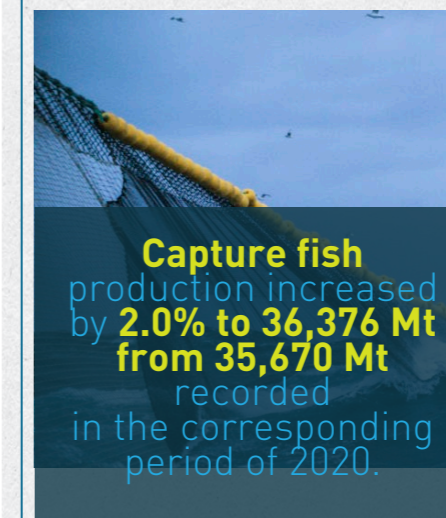


Marginal declines were posted in eggs and beef production of **8.1%** and **6.6%** respectively.



### 6. Fisheries

The overall fish production rose by **18.3%** to **65,307 Mt** from **55,212 Mt** produced in the first half of 2020.



Aquaculture fish production increased by **48.0%** to **28,931 Mt** compared to **19,542 Mt** registered in the same period in 2020.

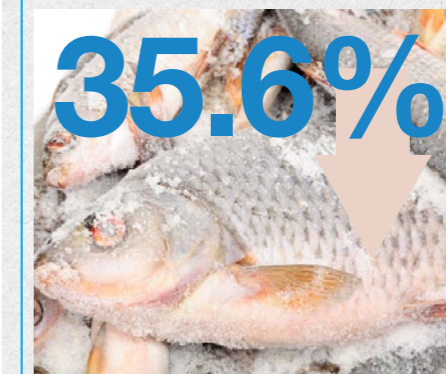
Currently, the country imports about **80,000Mt** of fish per annum.



increase in aquaculture fish production

### 7. Fish and Fish Products Imports and Exports

During the period January to May of 2021, fish and fish products exports **decreased by 35.6%** to **1,9775 Mt** compared to **3,068 Mt** in the same period of 2020.



Conversely, fish imports increased by **8.0%** to **37,718 Mt** from **34,918 Mt** during the same period of 2020 due to increased local demand.

## MINING

Copper output declined by **3.6%** to **393,115 Mt** in the first half of 2021 compared to **407,808 Mt** produced in the corresponding period of 2020.



Gold production reduced by **4.5%** in the first half of 2021 to **1,770 Kgs** from **1,854 Kgs** in the first half of 2020.



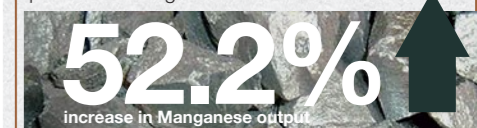
There was a **26.3%** increase in gemstone production to **5,025 Kgs** in the first half of 2021 from **3,980 Kgs** in the corresponding period of 2020.



Coal production increased by **49.9%** to **277,620.4 Mt** from **185,225.2 Mt** produced during the first half of 2020.



Manganese output increased by **53.2%** from **25,714 Mt** the first half of 2020 to **39,397 Mt** produced during the first half of 2021.



## MANUFACTURING

Preliminary data indicates that the manufacturing sector grew by **2.1%** in the first quarter of 2021 compared to a growth of **0.3%** in the corresponding period of 2020.

Growth in the sector was attributed to improvements in electricity supply during the review period, relative to 2020, which supported manufacturing activity.