

2021 MID-YEAR ECONOMIC REPORT

PART 2

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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.

TOURISM



The tourism sector was adversely affected by the COVID-19 Pandemic during the review period. This is evidenced by a reduction in most tourism sector performance indicators.

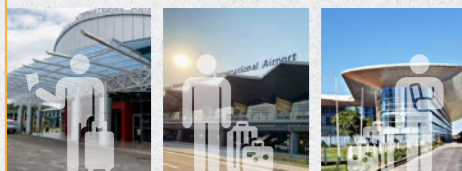
International tourist arrivals at ports of entry decreased by 16.0% to 237,983 from 283,456 in 2020.

237,983 ↓
International tourist arrivals

International tourist arrivals at airports in the first half of 2021 decreased by 40.6% to 39,823 from 55,978 in the first half of 2020.

40.6%
39,823
International tourist arrivals

Tourist arrivals at Harry Mwaanga Nkumbula, Simon Mwansa Kapwepwe and Kenneth Kaunda International Airports declined by 553.1%, 25.8% and 21.6%, respectively.



Tourist arrivals at Mfuwe International Airport, however, increased by 18.2%.

↑18.2%
Tourist arrivals at Mfuwe

Tourist arrivals at border entries decreased by 12.9% to 198,160 in the first half of 2021 compared to 227,478 arrivals recorded during the same period in 2020.

BORDER ENTRIES DECREASED

Out of the sixteen (16) border entries, ten (10) recorded a decrease while six (6) border entries recorded an increase.

BORDER ENTRIES



Tourist visits to national parks increased by 33.1% to 16,144 from 12,133 visitors in the corresponding period of 2020.

16,144 ↑
Tourist visits to national parks

South Luangwa National Park recorded the highest increase at 65.8%. Lusaka National Park recorded a decrease of 42.5%.

65.8% ↑
South Luangwa National Park

42.5% ↓
Lusaka National Park

In terms of category, international visitors in the first half of the year increased by 140.4% to 12,638 from 5,257 during the same period in 2020. On the other hand, domestic visitors declined by 49.0% to 3,506 from 6,876 in 2020.

↑140.4% International visitors
↓49.0% Domestic visitors

There was an increase in the number of tourist visits to waterfalls of 42.6% to 68,340 visitors in the first half of 2021 from 47,914 visitors in the corresponding period of 2020.

Lufubu Waterfalls recorded the highest increase in the number of tourist visits of 200.7%. Visits to Kundalila and Chishimba, however, decreased by 52.3 and 19.7 percent, respectively.

The number of tourist visits to museums in the first half of 2021 increased by 44.6% to 20,771 visitors from 14,366 visitors during the same period in 2020. All the Museums, except Choma Museum, recorded significant increases with the highest increase of 127.0% recorded at Livingstone Museum.

Revenue generated through various tourism activities increased by 55.6% to K70.9 million from K45.9 million recorded in the corresponding period in 2020. All revenue stream posted a significant increase except for Tourism Enterprise licenses which declined by 67.7%.

ENERGY



In the first half of 2021, total electricity generation increased by 16.2% to 8,451,292 Mwh compared to 7,272,305 Mwh recorded in the first half of 2020.

Electricity exports increased by 52.3% to 1,010,798 Mwh in the first half of 2021, compared to 663,752 Mwh recorded during the same period in 2020.

52.3% ↑
Electricity exports

Electricity imports reduced by 92.8% to 8,462 Mwh during the first half of 2021 from 116,792 Mwh in the same period in 2020. Electricity consumption increased by 9.4% to 6,437,709 Mwh compared to 5,882,076 Mwh recorded over the same period in 2020.

9.4% ↑
Electricity consumption

The mining sector continued to be the largest consumer followed by the services sector.

LARGEST CONSUMER

The supply of petroleum products remained stable. In spite of this, there was reduction in feedstock due to non-importation of commingled feedstock by INDENI during the period under review compared to 196,000 Mt in the corresponding period in 2020. The national consumption was met through the importation of finished products by Government suppliers and Oil Marketing Companies.

National consumption of petroleum products increased by 5.4% to 660,743 Mt from 627,029 Mt in the corresponding period in 2020.

5.4% ↑
consumption of petroleum products

The consumption of petrol, diesel and Jet A-1 increased whilst the consumption of kerosene, heavy fuel oil and liquefied petroleum gas decreased on account of the lack of commingled feedstock at INDENI.

PETROL DIESEL JET A-1 ↑

Preliminary data in the first half of 2021 indicates that the consumption of diesel decreased by 9.4% relative to the corresponding period in 2020. Diesel consumption in the mining and retail sectors increased by 5.0% and 39.9%, respectively. A reduction in consumption, however, was noted in the electricity, Government and manufacturing sectors on account of disruptions in economic activities. The retail sector was the largest consumer of diesel at 41%, indicating an increase of 9% points from the first half of 2020 followed by the mining sector at 35%. The share of consumption in the electricity and transport sectors increased by 3% points.

TRANSPORT AND COMMUNICATION



During the first half of 2021, the number of motor vehicle registrations increased by 28.4% to 19,339 from 15,057 recorded in the corresponding period in 2020.

The cargo transported by road increased by 9.5% to 12,479,308.85 Mt from 11,394,420.50 Mt recorded during the same period in 2020.

CARGO TRANSPORTED BY ROAD INCREASED

The passenger movement at the four international airports and the 10 aerodromes declined by 13.7% to 289,392 from 335,245 recorded over the same period in 2020.

PASSENGER MOVEMENT DECLINES

The volume of cargo and mail transported by air increased by 18% to 10,396.23 Mt of cargo and mail from 8,802.68 Mt recorded over the same period in 2020.

CARGO AND MAIL TRANSPORTED

The total number of passengers transported by rail increased by 1.6% to 432,224 recorded over the same period in 2020.

432,224 ↑
passengers transported by rail increased

The ridership for Zambia Railways Limited (ZRL) increased by 9.3% to 48,106 passengers from 43,993 recorded in 2020 during the same period. Similarly, Tanzania Zambia Railways (TAZARA) recorded an increase of 0.8% to 384,138 passengers from 381,268 passengers recorded in 2020.

PASSENGER INCREASE

The volume of cargo transported by rail increased by 5.0% to 589,404 Mt in the first half of 2021 from 561,197 Mt recorded in the same period of 2020.

VOLUME OF CARGO RAIL INCREASED

Zambian exports passing through Mpulungu Harbour during the first half of 2021 increased by 17.6% to 115,192.8 Mt from 97,308.82 Mt over the same period in 2020.

INFORMATION AND COMMUNICATION



During the first half of 2021, the number of active mobile cellular subscriptions increased by 9.8% to 19.7 million subscriptions from 17.9 million reported at the end of June 2020.

19.7 MILLION ↑
mobile cellular subscriptions increased

This performance represents a growth of 6.8% in the mobile penetration rate to 107 in 2021 from 100.2 in 2020.

MTN Zambia Limited and Airtel Zambia Limited continued to have relative dominance in market share accounting for 45.1% and 36.5% shares, respectively. This represented a 2% points increase for MTN and Airtel compared to their June 2020 market shares. However, Zamtel reported the least mobile cellular subscription market share of 18.4%, a notable reduction of 0.8% points in their share compared to June 2020.



The total domestic incoming traffic increased by 11.0% to 1.2 billion minutes from 1.1 billion minutes reported over the same period in 2020.

Similarly, the total domestic outgoing traffic increased by 12.8% to 11.2 billion minutes from 9.9 billion minutes reported at end June 2020.

DOMESTIC OUTGOING TRAFFIC ↑ **12.8%**

The volume of incoming international traffic declined to 9.4 million minutes in June 2021 from nearly 13.0 million minutes in June 2020. Correspondingly, international outgoing traffic also declined to 8.1 million minutes in June 2021 from 13.9 million minutes reported in June. The total number of active internet subscriptions increased to 10.4 million recorded at the end of June 2021 from 9.5 million subscriptions reported at the end of June 2020 despite the significant drop in fixed internet subscription.

↑10.4 M
internet subscriptions

The increase in internet subscriptions reflected an increase in the internet penetration rate from 52.9% reported in June 2020 to 56.3% attained in June 2021.



The number of communication towers in Zambia increased by 2.4% to 3,409 recorded at end June 2021 from 3,328 reported at end June 2020.

The number of telecommunication sites in the country increased by 7.8% to 11,144 sites in June 2021 from 10,338 reported in June 2020.

This followed increases in all types of telecommunication sites. The largest proportion of these sites in June 2021 continued to be 2G sites accounting for 39.9% followed by 3G sites at 32.2%. Only 27.9% of the telecommunication sites were 4G/LTE sites.

3G SITES 32.2%
4G/LTE SITES 27.9%