

BUFF/19/14

July 19, 2019

**Statement by the Staff Representative on Zambia  
Executive Board Meeting  
July 24, 2019**

The information below has become available following the issuance of the staff report (SM/19/188). It does not alter the thrust of the staff appraisal.

1. **The Honorable Dr. Bwalya Ng'andu was sworn in as Minister of Finance on July 15th, replacing the Honorable Margaret Mwanakatwe.**
2. **On July 17<sup>th</sup>, Minister Ng'andu released an Update on Economic Developments.** Preliminary data indicated the economy grew by 2.6 percent in Q1 2019 compared to the prior year, and inflation rose to 8.6 percent (year on year) in June. The external debt stock at end-June was reported at \$11.5 billion (inclusive of guarantees), and domestic government securities and bonds stood at 60.3 billion Kwacha. Gross international reserves stood at \$1.41 billion at end-June, the same level as at end-March. The preliminary balance of payments estimates for 2018 had also been revised in May, and the revised estimated current account deficit in 2018 stood at \$341.4 million (1.3 percent of GDP) compared to the previously-estimated deficit of \$708 million (2.6 percent of GDP). A more favorable performance on primary income explains the bulk of the change from the earlier estimate.
3. **Spreads on Zambia's Eurobonds narrowed somewhat in comparison to levels seen in late May to early July and stood at 1,442 on July 18<sup>th</sup>.** The authorities also reported having cleared the *de minimus* arrears earlier reported by France to the Paris Club, and had begun clearing *de minimus* arrears to Belgium.