



Macro-economics of Zambia, December 2015

Main Economic Statistical Indexes		2014	2015
1.	Population (millions)	15.0 (est)	15.5 (proj)
2.	Population growth rate (%)	2.88 (est)	3.3 (est)
3.	Unemployment rate (%)	7.8 (2012)	7.8 (2012)
4.	Life Expectancy (age) [M= male, F= female]	49.2(M)/53.4(F)	49.2(M)/53.4(F)
5.	Real GDP (million USD)	-	-
6.	Nominal GDP (million USD)	26,758(est)	28,567(proj)
7.	GDP growth rate (%)	6.0	4.6 (proj)
8.	GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9.	Inflation rate (%)	7.9	21.1 (Dec)
10.	Consumer Price Index (year 2009 =100)	141.51	176.46 (Dec)
11.	Balance of trade (million USD)	145.19 *2	-100.67(Nov)*2
12.	Balance of trade against Japan (million USD)	-64.65 *5	0.84(Nov)*3
13.	Export (million USD)*3	9,696.20	667.96(Nov)*2
14.	Export against Japan (million USD)	36.84 *5	3.41(Nov)*3
15.	Import (million USD)*3	9,551.01	768.63(Nov)*2
16.	Import against Japan (million USD)	101.49 *5	2.57(Nov)*3
17.	Balance of current account (million USD)	-1,250 (2013)	-
18.	Outward direct investment (million USD)	181 (2013)	-
19.	Inward direct investment (million USD)	1,811 (2013)	-
20.	Gold, Foreign currency reserve (million USD)	3,100(Dec)	3,600(Sep 2015)
21.	External Debt (million USD)	4,700 (Dec)	6,300 (Aug 2015)
22.	Exchange rate (Kwacha/ USD, average)	6.15ZMW *4	10.84 ZMW*4
23.	Main policy interest rate (annual rate %)	11.56	15.50 (Dec)

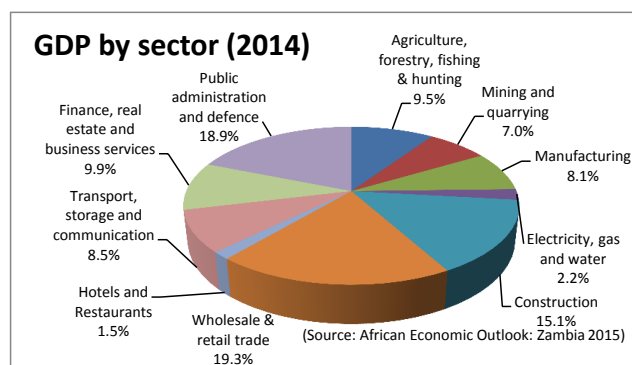
*Figures are rounded off to two decimal places. *est = estimated, proj = projected

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 12.18 ZMW (Bank of Zambia rate, November 2015 average)
*3	1USD = 120YEN (Bank of Japan rate, November 2015 average)
*4	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
*5	Based on 1USD = 106 YEN (Bank of Japan rate, 2014 average)
Main export products [November 2015]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, wire of aluminium, Sulphuric acid, semi-manufactured gold (incl. gold plated with platinum).	
Five (5) Main trade partners (export) [November 2015]: Switzerland 43.8%, China 11.6%, Singapore 6.8%, South Africa 6.2%, Democratic Republic of the Congo 5.3%, and Other destinations 26.2%	
Main import products [November 2015]: Gas oils, Sulphur of all kinds, Motor Spirits, petroleum oils, Herbicides.	
Five (5) Main trade partners (import) [November 2015]: South Africa 27.1%, Mauritius 13.8%, Democratic Republic of the Congo 12.6%, Kuwait 7.6%, China 7.2%, and Other sources 31.7%.	
<Source>	
1.-2., 5.-7.: Country Report May 2015 (EIU), May 2015 Monthly Bulletin (CSO), The World Factbook (CIA) / 3.: Zambia Labour Force Survey Report, 2012 (CSO & Ministry of Labour and Social Security) / 4.: Census 2010 / 8.: UNDP Human Development Report / 9.-11., 13., 15.: Monthly Bulletin (CSO) / 12., 14., 16.: Trade Statistics of Japan (Ministry of Finance) / 17., 20.-21.: Bank of Zambia, Ministry of Finance, The World Factbook (CIA) / 18.-19.: UNCTAD / 22.-23.: Bank of Zambia	

Mining Sector Taxes Source: ZRA, ZEITI

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - Underground mining 6%
 - Open Cast mining 9%
- Customs & Excise Duty: The rate of duty varies per commodity from 0% to 25%.
 - Mining capital equipment are taxed at 0% duty (duty free)
 - Export levy on concentrates is charged at 15%
- Withholding Tax: 15%.

Note: A holder of a mining right is exempt from customs, excise and VAT duties in respect of the all machinery and equipment required for exploration or mining activities.



Monthly News (Economics)

1. "FDI inflows rise to \$3.2 billion" (Daily Mail, 2nd)

Zambia's net foreign direct investment (FDI) inflows rose from US\$1,690.5 million in 2013 to US\$3,194.9 million last year, according to the 2015 Foreign Private and Investor Perceptions Survey. Bank of Zambia governor Denny Kalyalya said at the opening of the dissemination workshop in the 2015 Foreign Private and Investor Perceptions Survey on Tuesday that preliminary analysis of the available data for the first half of 2015 shows notable pick up in investment momentum, with FDI inflows higher than recorded during the first half of 2014.

2. "Zesco hikes electricity tariffs" (Times, 3rd)

The ERB has sanctioned the upward adjustment of Zesco electricity tariffs for various customer categories from an average of 37 Ngwee to K1.13 per kilowatt hour. The new tariffs were effected last night.

3. "Japan eyes Zambia's energy sector" (Daily Nation, 11th)

Japan is interested in investing in the Zambian energy sector to stabilize power supply which has directly affected Japanese economic activities in Zambia, says visiting Japanese parliamentary foreign affairs vice minister Hitoshi Kikawada. Mr Kikawada, speaking at a press briefing in Lusaka yesterday, said that he had already met President Edgar Lungu, Energy Minister Dora Siliya, Foreign Affairs Minister Harry Kalaba, and Agriculture Minister Given Lubinda to discuss Zambian economic developments.

4. "Economic growth to drop - WB" (Daily Mail, 11th)

World Bank senior economist Gregory Smith said at the launch of the sixth World Bank Zambia economic brief on Wednesday that the drop in oil prices, copper and iron ore prices, the slowdown of the Chinese economy and tightening global financial conditions are the main factors causing this deceleration in Zambia's growth. These external and domestic challenges will affect gross domestic product (GDP) growth, which is expected to be between three to 3.5 percent in 2016.

5. "Zambia faces a torrid 2016, will be forced to borrow more money-Fitch" (Post, 13th)

Zambia is in for a torrid time in 2016 and will be forced to borrow more as it faces extremely challenging conditions, says Fitch. And Fitch says Zambia will be forced to issue another Eurobond next year owing to its expanding expenditure.

6. "Northern, Luapula, Muchinga provinces set for boom" (Daily Mail, 16th)

President Lungu has assured the people of Northern, Luapula, and Muchinga provinces of improved livelihoods following the commissioning of the Pensulo-Kasama 330-kilovolt power transmission line (US\$153 million) financed by the Industrial and Commercial Bank of China. Meanwhile, the President launched the K10 million Shiwang'andu Forest Plantation which will create over 2,000 jobs when the project is fully-fledged, and 500 jobs in the first phase.

7. "Bio-fuel coming" (Times, 17th)

President Edgar Lungu yesterday launched the construction of Zambia's first ever bio-refinery, which will cater for 20 percent of the country's petroleum requirements. The plant will be part of a US\$ 190 million project which will include a cassava plantation. The project will be located in the Luena farm bloc of Kawambwa District in Luapula Province. Construction of the plant will start next year with production slated for 2017.

8. "Fuel shortage ends" (Daily Mail, 20th)

A fuel shortage which had hit most parts of Lusaka has ended. The shortage was caused by a strike by tanker drivers who were protesting the gunning down of their colleague who was allegedly stealing fuel. On Friday, Minister of Local Government and Housing Stephen Kampyongo, Minister of Home Affairs Davis Mwila, and Deputy Minister of Energy Charles Zulu held a lengthy meeting with the drivers, who agreed to resume transporting fuel to service stations.

9. "Copper target may not be feasible" (Daily Mail, 23rd)

Zambia Chamber of Mines president Nathan Chishimba said the country is unlikely to achieve this year's set target of producing 808,000 metric tonnes of copper after the industry experienced lower global prices, electricity shortages and delayed VAT (value added tax) refund payments. Last year, Zambia, which produced about 708,000 tonnes has at end of August 2015 only produced 441,584 tonnes.

10. "Inflation hits 21.1%" (ZNBC, 31st)

Zambia's annual inflation rate is closing the year 2015 at 21.1 percent. This up by 1.6 percent in December from 19.5 percent recorded in November.