



Macro-economics of Zambia, September 2016

Main Economic Statistical Indexes	2015	2016
1. Population (millions)	15.72(2014)	-
2. Population growth rate (%)	3.15 (2014)	-
3. Unemployment rate (%)	7.4(2014)	-
4. Life Expectancy (age) [M= male, F= female]	50.5(M)/53.8(F)	-
5. GDP (million USD)*1	26,963(2014)	-
6. GDP growth rate (%)	3.6(estj)	3.8(proj)
7. GNI per capita (USD)	1,710(2014)	-
8. Inflation rate (%)	10.1	18.9(Sep)
9. Consumer Price Index (year 2009 =100)	155.82	184.22(Sep)
10. Balance of trade (million USD)	-717.00	-495.36*2
11. Balance of trade against Japan (million USD)	-26.90*4	-14.11*3
12. Export (million USD)	6,997.00	4,278.57*2
13. Export against Japan (million USD)	46.34*4	14.27*3
14. Import (million USD)	7,714.00	4,773.94*2
15. Import against Japan (million USD)	73.24*4	28.38*3
16. Balance of current account (million USD)	-360 (2014)	-
17. Outward direct investment (million USD)	-213 (2014)	-
18. Inward direct investment (million USD)	2,484(2014)	-
19. Gold, Foreign currency reserve (million USD)	2,968	2,372(proj)
20. External Debt (million USD)	7,373 (2014)	-
21. Exchange rate (Kwacha/ USD, average)	10.98ZMW*5 (end-period)	9.98ZMW(Sep)*5
22. Main policy interest rate (annual rate %)	13.0	15.50 (July)

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

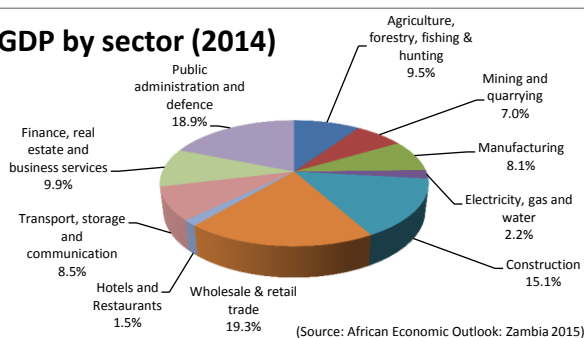
*1 GDP at market prices (Current USD)
*2 Accumulated average rate from January to August, 2016. 1USD = 10.44 ZMW (Bank of Zambia rate, average from January to August, 2016)
*3 Accumulated average rate from January to August, 2016. 1USD = 114YEN (Bank of Japan rate, average from January to August, 2016)
Main export products [August 2016]: Copper, Telephones for cellular or other wireless networks, Bullion semi-manufactured forms, Cotton, Cobalt.
Five (5) Main trade partners(export) [August 2016]: Switzerland 35.9%, China 14.7%, South Africa 9.2 %, United Arab Emirates 8.2%, United Kingdom 7.1%, and Other destinations 24.8%
Main import products [August 2016]: Copper, Petroleum oils and oils obtained from bituminous minerals, crude, Telephones for cellular or for other wireless networks, Motor Spirit, Gas oils.
Five (5) Main trade partners(import) [August 2016]: South Africa 32.2%, Congo DR 14.7%, Kuwait 9.2%, China 9.1%, United Arab Emirates 4.9% and Other sources 30.0%.
*4 Based on 1USD = 121 YEN (Bank of Japan rate, 2015 average)
<Source> 1, 2, 5-7, 20:World Bank / 3: Zambia Labour Force Survey Report, 2014 (CSO & Ministry of Labour and Social Security) / 4, 16:The World Factbook (CIA) / 8, 9, 10, 12, 14: Monthly Bulletin (CSO 2016) & EIU Country Report 2016 / 19, 21(2015): Country Report 2016 (EIU) & Bank of Zambia / 11, 13, 15:Trade Statistics of Japan (Ministry of Finance Japan) / 17, 18:UNCTAD / 21(2016), 22:Bank of Zambia

Mining Sector Taxes Source: ZRA,ZEITI

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - 4-6% (Variable depending on copper price at LME)
- 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.

GDP by sector (2014)



Monthly News (Economics)

1. "ZRA starts electronic tracking" (Daily Mail, 2nd)

The Zambia Revenue Authority (ZRA) has started the implementation of an electronic cargo tracking system (ECTS) to help promote transparency and curb transit fraud. ZRA commissioner customs Dingani Banda said the US\$1.6 million project is World Bank-funded and aimed at curbing unfair competition.

2. "ZCCM-IH woos Japanese to help develop energy sector" (Daily Nation, 8th)

ZCCM-IH says it interacted with Japanese companies in the power sector at the just ended Tokyo International Conference for African Development (TICAD) summit last month in Nairobi. According to the ZCCM-IH weekly updates, the company was invited by the Zambia Development Agency (ZDA) to be part of the Zambian delegation. At the summit, ZDA signed memorandum of understanding (MoUs) with Mizuho Financial Group (MHFG) of Japan.

3. "Lungu establishes Kafue economic zone" (Daily Mail, 14th)

President Lungu has declared Kafue an iron and steel facility economic zone to stir economic growth. Speaking in his inaugural speech, President Lungu said he was impressed with the local investment in the iron and steel plant in Kafue hence his motivation to declare the town an economic zone in the sector. He said the objective is to develop Kafue into a centre of excellence to stir economic growth and that similar zones will be established in other parts of the country.

4. "Mutati heads Finance" (Times, 15th)

MMD president Felix Mutati is the new Finance Minister replacing Alexander Chikwanda, as President Edgar Lungu unveiled part of his new cabinet yesterday.

5. "Saudi oil to start flowing into Zambia" (Daily Mail, 16th)

Zambia is soon expected to start receiving cheaper oil from Saudi Arabia following the finalisation of both the financing and supplying contracts, Zambia's Ambassador to Saudi Arabia Ibrahim Mumba has said. In May, President Lungu visited Jeddah, Saudi Arabia, at the invitation of the King of Saudi Arabia, where he signed a US\$20 million financing agreement for the supply of cheaply-priced fuel to Zambia. Mr Mumba said once logistics are put in place, Saudi Aramco, the world's largest oil company, will immediately start producing and supplying oil to Zambia.

6. "Mutati calls for collective wisdom on economy" (Daily Mail, 16th)

Minister of Finance Felix Mutati said in an interview shortly after he was sworn in at State House yesterday that pending International Monetary Fund (IMF) programmes that Zambia will adopt require a practical approach and collective wisdom. "The journey is going to be painful and endurance. The IMF is one option that we have to deal with going forward and how we deal with that depends on our collective wisdom. I am confident that Zambians will be together to deal with the difficulties we have" Mr. Mutati said.

7. "Zambia, Turkey ties deepen" (Daily Mail, 28th)

The Zambian Mission in Ankara, Turkey, has embarked on an exercise to connect Zambian entrepreneurs to Turkish business entities for possible partnerships. According to a statement issued yesterday, six Zambian companies have had their business proposals requesting for Turkish business partners submitted by the Zambian Mission to the Foreign Economic Relations Board (DEIK), a Government institution responsible for coordinating foreign investment.

8. "Zimbabwe, Mozambique, Malawi get Zambia's food aid" (Daily Mail, 29th)

The World Food Programme (WFP) in Zambia has dispatched 48,000 metric tonnes of relief maize to Zimbabwe, Mozambique and Malawi to help alleviate hunger in the three neighbouring countries. WFP Country Director Simon Cammelbeeck said Zambia is the only country with food surplus in the Southern African Development Community (SADC) region.