



Macro-economics of Zambia, April 2017

Main Economic Statistical Indexes	2016	2017
1. Population (millions)	16.21(2015)	-
2. Population growth rate (%)	3.11 (2015)	-
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	21,154(2015)	-
6. GDP growth rate (%)	2.9(est)	4.0(proj)
7. GNI per capita (USD)	1,490(2015)	-
8. Inflation rate (%)	18.2	6.7(Apr)
9. Consumer Price Index (year 2009 =100)	183.66	194.48(Apr)
10. Balance of trade (million USD)	325.0(est)	30.61*2
11. Balance of trade against Japan (million USD)	-22.90*4	12.62*3
12. Export (million USD)	7,036.0	1,925.72*2
13. Export against Japan (million USD)	24.13*4	24.84*3
14. Import (million USD)	6,710.0	1,895.10*2
15. Import against Japan (million USD)	47.03*4	12.22*3
16. Balance of current account (million USD)	-932	-
17. Outward direct investment (million USD)	-283 (2015)	-
18. Inward direct investment (million USD)	1,653(2015)	-
19. Gold, Foreign currency reserve (million USD)	2195(est)	2,430(proj)
20. External Debt (million USD)	8,785 (2015)	-
21. Exchange rate (Kwacha/ USD, average)	9.81ZMW (end-period)	9.44ZMW(Apr)
22. Main policy interest rate (annual rate %)	13.0	14.0

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

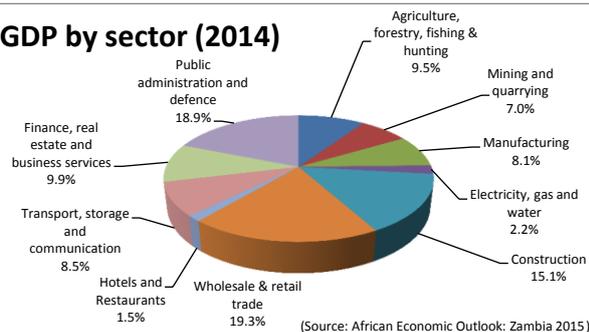
*1 GDP at market prices (Current USD)
*2 Accumulated average rate from January to March, 2017. 1USD = 9.76ZMW (Bank of Zambia rate, average from January to March, 2017)
*3 Accumulated average rate from January to March, 2017. 1USD = 113YEN (Bank of Japan rate, average from January to March, 2017)
Main export products [March 2017]: Copper, Bullion semi-manufactured forms, Sulphuric acid, Maize, Natural magnesium carbonate.
Five (5) Main trade partners(export) [March 2017]: Switzerland 45.1%, China 22.2%, Singapore 6.4%, Congo DR 6.0%, South Africa 5.3%, and Other destinations 14.9% .
Main import products [March 2017]: Coper, Parts and accessories for machines, Mineral or chemical fertilizers with nitrogen, Petrol, Parts of aeroplanes or helicopters.
Five (5) Main trade partners(import) [March 2017]: South Africa 23.9%, China 22.4%, Congo DR 18.0%, Mozambique 7.5%, Kuwait 7.1%, and Other sources 21.2%.
*4 Based on 1USD = 111 YEN (Bank of Japan rate, 2016 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) & EU Country Report / 19, 21(2016): Country Report (EIU) & Bank of Zambia / 11, 13, 15:Trade Statistics of Japan (Ministry of Finance Japan) / 17, 18:UNCTAD / 21(2017), 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. "SA firm plans US\$1.2 billion investment Zambia" (Daily Mail, 1st)

MDH South Africa (Pty) Limited is in Zambia to discuss with the government its plans to construct a US\$1.2 billion hydro-power plant on the Luangwa River in Eastern Province with capacity to generate 235 megawatts. MDH South Africa has proposed the project to be called Ndevu Gorge Power. The company has already applied for authority to proceed with feasibility studies through the Ministry of Energy.

2. "Zambia, Malawi seal double tax deal" (Daily Mail, 7th)

Zambia and Malawi have signed a double taxation avoidance agreement (DTAA) to boost trade and investment and facilitate capital flows between the two countries. The two countries have also agreed to hold the 16th session of the Zambia/Malawi joint permanent commission (JPC) of co-operation in Lilongwe in 2019.

3. "Govt, FQM K-MFEZ discussions progress" (Times, 19th)

Discussion between Government and First Quantum Minerals (FQM) on the opening of the US\$350 million Kalumbila Multi-Facility Economic Zone (K-MFEZ) in North-Western Province, have advanced. FQM was in discussion with Ministry of Commerce, Trade and Industry together with the Zambia Development Agency (ZDA) to finalise a Statutory Instrument declaring the Multi-Facility Economic Zone for Kalumbila.

4. "Zambia's economy on recovery path – Mutati" (Times, 21st)

Zambia is on a constructive path to full economic recovery, social economic stability and creation of jobs, Minister of Finance Felix Mutati has said. The minister said this when the Zambian delegation at the 2017 International Monetary Fund (IMF)/World Bank Spring meetings in Washington DC, United States, commenced discussions with the IMF on the homegrown economic stability and growth programme. Meanwhile, Standard Chartered Bank managing director Daniel Hanna said Zambia's engagement with the IMF was a strong statement to the international investor community that the country was committed to positively transform, stabilise and grow the economy.

5. "Petroleum sub-sector bill drafted" (Daily Mail, 26th)

Minister of Energy David Mabumba says a Bill to govern the petroleum sub-sector has been drafted following Government's decision to limit its participation in the procurement of fuel. This will enable Government to save US\$1 billion per annum from fuel procurement. Effective this July, Government will move away from the process of procuring fuel and it will be left to the private sector through strengthened regulations by the Energy Regulation Board (ERB).

6. "Put candles away" (Times, 26th)

ZESCO has stopped load-shedding, company spokesperson Henry Kapata has said. The company intensified its load-shedding in 2015 and 2016 after water levels in the Kariba Dam, the country's main source of hydro power dipped to historical lows.

7. "Economic boom shaming doomsayers- Lungu" (Daily Mail, 24th)

Officially commissioning the NRB Pharma Limited drug manufacturing plant in the Lusaka South Multi Facility Economic Zone (LS-MFEZ) yesterday, President Lungu said developments taking shape in the economic zones and other areas in the country are a testimony that Zambia's economy is back on track. Earlier, NRB Group chairman Narayan Bandekar said the US\$12 million is an initial investment but the company will inject more financing to scale up operations.

8. "Be accountable for toll revenue" (Times, 28th)

President Edgar Lungu has commissioned three conventional toll plazas constructed at a cost of US\$ 6.8 million. He said the National Road Fund Agency (NRFA) and Road Development Agency (RDA) should ensure that every Kwacha and Ngwee that was collected at the toll gate plazas was accounted for and applied on the maintenance and construction of roads. President Lungu was speaking when he commissioned three conventional toll gates at Katuba toll plaza while the other two facilities were at Shimabala on the Lusaka-Kafue Road and the Mumbwa one on Lusaka-Mongu road.