



## Macro-economics of Zambia, June 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	6.8(Jun)
9. Consumer Price Index (year 2009 =100)	183.66	195.82(Jun)
10. Balance of trade (million USD)	325.0(est)	-140.10*2
11. Balance of trade against Japan (million USD)	-22.90*4	41.73*3
12. Export (million USD)	7,036.0	3,153.82*2
13. Export against Japan (million USD)	24.13*4	63.40*3
14. Import (million USD)	6,710.0	3,293.93*2
15. Import against Japan (million USD)	47.03*4	21.68*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)	9.25ZMW(June)
22. Main policy interest rate (annual rate %)	13.0	12.5

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

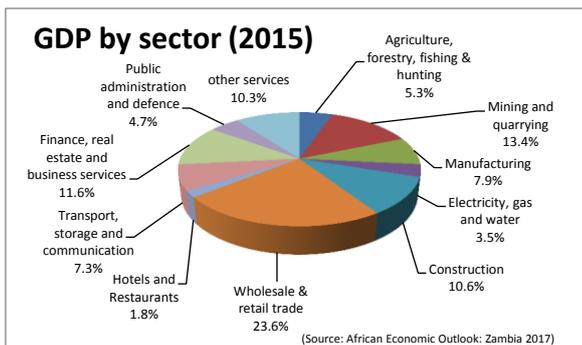
*1 GDP at market prices (Current USD)
*2 Accumulated average rate from January to May, 2017. 1USD = 9.60ZMW (Bank of Zambia rate, average from January to May, 2017)
*3 Accumulated average rate from January to April, 2017. 1USD = 113YEN (Bank of Japan rate, average from January to May, 2017)
Main export products [May 2017]: Copper, Bullion semi-manufactured forms, Cobalt, Sulphuric acid, Maize.
Five (5) Main trade partners(export) [May 2017]: Switzerland 45.1%, China 20.3%, Congo DR 6.1%, Singapore 5.8%, South Africa 5.5%, and Other destinations 17.2% .
Main import products [May 2017]: Copper, Sulphuric acid, Gas Oils, Bullion semi-manufactured forms, Sulphur of all kinds.
Five (5) Main trade partners(import) [May 2017]: South Africa 31.1%, Congo DR 14.2%, China 10.8%, Kuwait 9.3%, India 4.3%, and Other sources 30.2%.
*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) & EIU 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.



### Monthly News (Economics)

#### 1. "IMF concludes mission" (Times, 11th)

The International Monetary Fund (IMF) staff has concluded its two-week mission in the country and agreed with the Zambian Government to reach staffing level agreement on a programme under the IMF's Extended Credit Facility (ECF). IMF team leader Tsidi Tsikata announced on Friday that the near term outlook of the economy had improved in the recent months, driven by good rains and positive sentiments in the financial markets as evidenced by increased foreign investor participation in the Government securities market.

#### 2. "We can all prosper" (Times, 22nd)

President Edgar Lungu launched the Seventh National Development Plan (7NDP) 2017-2021 yesterday. President Lungu said Government had intensified countrywide infrastructure development, more still needed to be achieved to address rural poverty which, according to 2015 statistics, stood at 76.6 percent and unemployment at 7.4 percent. The President expressed confidence that the 7NDP which would be tied to the National Budget and the home-grown economic recovery programme 'Zambia-Plus' would lead to inclusive economic growth which benefited everyone.

#### 3. "Zambia's external debt rises to US\$7.2bn" (Daily Mail, 23rd)

Minister of Finance Felix Mutati, has announced that Zambia's external debt stock has risen as at the end of May 2017 increased to US\$7.2 billion from US\$6.9 billion in December 2016. Mr. Mutati said the domestic debt stock was K38.6 billion in May 2017, compared to K33 billion in December 2016. Mr. Mutati said that in order to ensure continued debt sustainability, Government has finalised a Medium Term Debt strategy.

#### 4. "ZRA goes K480m above target" (Daily Mail, 23rd)

The Zambia Revenue Authority (ZRA) has exceeded the 2017 operational target for the first five months by 480 million, representing 3.3 per cent above target. ZRA senior corporate communications officer Oliver Nzala said in a statement yesterday that so far, K 1.4 billion has been collected from January 1 to May 31, 2017. Mr Nzala said the authority is confident of meeting the revenue collection target of over K36.7 billion by the end of the year.

#### 5. "Budget consultation to start" (Daily Nation, 26th)

The Government is scheduled to commence full-scale consultations for the 2018 National Budget and the 2018-2020 Medium Term Expenditure Framework this week, Ministry of Finance, head of public relations Chileshe Kandeta has announced. Mr. Kandeta said the consultations would focus on the key area of the Seventh National Development Plan (7NDP) which was launched by President Edgar Lungu last week. He explained that it would target areas such as agriculture and agro processing, manufacturing, tourism, resource mobilisation for acceleration of sustainable and inclusive growth, investment and job creation.

#### 6. "Sinking fund can wait, says Mutati" (Daily Nation, 29th)

Government will not operationalize the sinking fund this year due to an export deficit currently being experienced in the country, Minister of Finance Felix Mutati has announced. Government announced in 2015 that it would initially invest over K380 million in setting up a sinking fund for 2016.

#### 7. "Zambia should improve spending on agriculture" (Daily Mail, 30th)

Launching the World Bank's first half of the year economic brief titled 'Reaping riccer returns from public expenditures in agriculture yesterday, World Bank country manager Ina-Marlene Ruthenberg says Zambia should improve its public spending in agriculture if the country is to promote a non-copper economy to improve rural livelihoods. Ms. Ruthenberg yesterday said Zambia's economy has picked up in 2017 from the tough conditions of 2015 and 2016.