



Macro-economics of Zambia, July 2017

Monthly News (Economics)

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	6.6(Jul)
9. Consumer Price Index (year 2009 =100)	183.66	195.60(Jul)
10. Balance of trade (million USD)	325.0(est)	-176.88*2
11. Balance of trade against Japan (million USD)	-22.90*4	69.32*3
12. Export (million USD)	7,036.0	3,792.96*2
13. Export against Japan (million USD)	24.13*4	94.94*3
14. Import (million USD)	6,710.0	3,969.83*2
15. Import against Japan (million USD)	47.03*4	25.62*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)	6,900 (Dec)	7,200 (May)
21. Exchange rate (Kwacha/ USD, average)	9.81ZMW (end-period)	8.92ZMW(Jul)
22. Main policy interest rate (annual rate %)	13.0	12.5

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

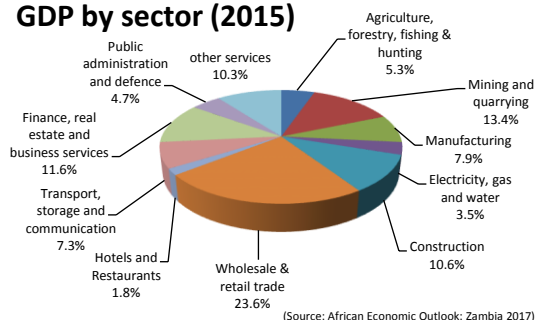
*1	GDP at market prices (Current USD)
*2	Accumulated average rate from January to June, 2017. 1USD = 9.54ZMW (Bank of Zambia rate, average from January to June, 2017)
*3	Accumulated average rate from January to June, 2017. 1USD = 113YEN (Bank of Japan rate, average from January to June, 2017)
	Main export products [June 2017]: Copper, Cobalt oxides and hydroxides, Cobalt, Sulphuric acid, Quicklime.
	Five (5) Main trade partners(export) [June 2017]: Switzerland 45.0%, China 17.5%, Singapore 7.0%, Congo DR 6.2%, United Arab Emirates 3.7%, and Other destinations 20.6%
	Main import products [June 2017]: Copper, Cobalt oxides and hydroxides, Petroleum oils and oils obtained from bituminous minerals, Mineral or chemical fertilizers, nitrogenous, Gas oils.
	Five (5) Main trade partners(import) [June 2017]: South Africa 30.7%, Congo DR 19.7%, China 10.5%, Kuwait 5.3%, Mozambique 4.1%, and Other sources 29.6%
*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.

GDP by sector (2015)



1. "Zambia, DRC sign Kasumbalesa trade deal" (Times, 1st)

Zambia and the Democratic Republic of Congo (DRC) have signed a bilateral trade agreement to begin operations on the one-stop border post at Kasumbalesa in Chilabombwe District on the Copperbelt Province yesterday. The two Governments agreed to form a joint-border post committee to facilitate cross-border trade and officially launch the Simplified Trade Regime (STR).

2. "\$144m released for debt" (Daily Mail, 6th)

Government has this year spent US\$144 million on servicing the external debt which currently stands at US\$7.2 billion. Ministry of Finance permanent secretary economic management Mukuli Chikuba said Zambia's domestic debt currently stands at K38.6 billion as at the end of May this year compared to K33 billion at the end of December last year.

3. "Mutati assures donors" (Times, 16th)

Minister of Finance Felix Mutati has assured the international community that Zambia is serious about prudent economic management and enhancement of domestic resource mobilization during the WCO Global Transit Conference held in Brussels, Belgium. Mr. Mutati also assured Senior Vice President of the Japan International Development Cooperation Agency (JICA) Kenichi Tomiyoshi, that as part of the process of ensuring prudent resource management, Zambia was willing to work with Japan to improve tax administration.

4. "IDC stitching \$350m textile factory" (Daily Mail, 21st)

The Industrial development Corporation (IDC) is expected to invest US\$350 million in the establishment of a greenfield textile factory in Kabwe. Acting group chief executive officer Mateoyo Kaluba said construction of a brand new textile factory would commence in the first quarter of 2018, adding that a total of 2,895 jobs are expected to be created as a result of this project. He said the factory would be located at the Kabwe Multi Facility Economic Zone (MFEZ) and about 24 hectares of land had already been allocated by the Kabwe City Council. Mr. Kaluba said the factory will be built by partners from Japan, Marubeni Corporation who will provide the engineering works. The plant will be fully owned by IDC.

5. "Poverty levels drop" (Daily Mail, 24th)

An investment of over K896 million by Government in the social cash transfer (SCT) programme in the last 11 years has yielded positive results with the programme contributing to reducing poverty in the nation. According to the Central Statistical Office (CSO), poverty levels in Zambia have reduced from 60.5 percent of the total population in 2010 to 54.4 per cent in 2015.

6. "Hitachi hailed for adopting ward at Chongwe hospital" (Daily Mail, 25th)

Government has lauded Hitachi Construction Machinery Zambia Ltd for adopting the critical care unit at Chongwe District Hospital and donating equipment worth K135,000. Lusaka Province Minister Japhen Mwakalombe said the decision by Hitachi Construction Machinery Zambia Ltd to adopt the critical care unit will make it easy for the health institution to provide quality health services to road accident victims and other illnesses. Hitachi Construction Machinery Zambia Ltd president Takuji Tagawa said the company believes in making a positive impact in communities where it operates from. He said the firm will continue supporting and empowering the local community by providing various amenities and essentials for orphans.

7. "Government woos more Japanese investors" (Daily Nation, 27th)

Government is open and eager to more investment in various sectors in a bid to transform the nation into an economic hub for Africa, says Commerce, Trade and Industry permanent secretary Kayula Siame. Ms. Siame said this during a presentation on waste management by Meiwa Company Limited on the side-lines of the second Japan Africa Business Forum in Tokyo. And speaking when she held talks with a team from Toyota Tshusho Corporation, Ms. Siame requested the company to extend their investment to manufacturing of batteries in Zambia.