



Macro-economics of Zambia, August 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	6.3(Aug)
9.	Consumer Price Index (year 2009 =100)	183.66	195.75(Aug)
10.	Balance of trade (million USD)	325.0(est)	-135.77*2
11.	Balance of trade against Japan (million USD)	-22.90*4	96.69 *3
12.	Export (million USD)	7,036.0	4,537.11 *2
13.	Export against Japan (million USD)	24.13*4	127.06 *3
14.	Import (million USD)	6,710.0	4,673.03 *2
15.	Import against Japan (million USD)	47.03*4	30.37 *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)	9.02ZMW(Aug)
22.	Main policy interest rate (annual rate %)	13.0	11.0

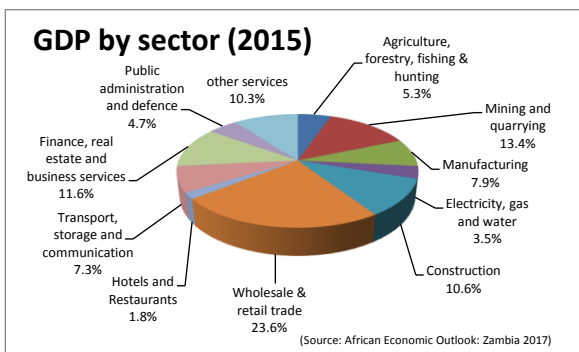
*Figures are rounded off to two decimal places. **est = estimated, proj = projected

*1	GDP at market prices (Current USD)
*2	Accumulated average rate from January to July, 2017. 1USD = 9.45ZMW (Bank of Zambia rate, average from January to July, 2017)
*3	Accumulated average rate from January to July, 2017. 1USD = 112YEN (Bank of Japan rate, average from January to July, 2017)
Main export products [July 2017]: Copper anodes and Cathodes, Cobalt oxides and hydroxides, Cobalt, Sulphuric acid, Quicklime.	
Five (5) Main trade partners(export) [July 2017]: Switzerland 50.2%, China 11.8%, South Africa 10.1%, Congo DR 5.8%, Hong Kong 4.1%, and Other destinations 17.9% .	
Main import products [July 2017]: Cobalt oxides and hydroxides, Copper concentrates, Petroleum oils and oils obtained from bituminous minerals, Mineral or chemical fertilizers, nitrogenous, Gas oils.	
Five (5) Main trade partners(import) [July 2017]: South Africa 29.6%, Congo DR 22.6%, China 10.5%, Kuwait 7.1%, India 3.1%, and Other sources 27.0%.	
*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.



1. "State launched rapid private sector development" (Daily Nation, 1st August)

Government launched the private sector Development rapid results initiative aimed at promoting business and economic growth in the next 100 days. Ministry of National Planning Development permanent secretary Auxillia Ponga said the initiative was aimed at developing and helping in the implementation of designed programmes such as the 7th National Development Plan.

2. "Agric-based MFEZs can work" (Daily Mail, 3rd August)

Government is looking at the possibility of creating agricultural-based multi-facility economic zones (MFEZs) to encourage investments in rural areas and promote diversification. The Minister of Commerce, Trade and Industry Mrs. Margaret Mwanakatwe highlighted this.

3. "ZDA attracts US\$1bn investment in greens" (Daily Nation, 8th August)

The Zambia Development Agency (ZDA), through the Director-Enterprise Development, Mr. Mukula Makasa, announced that Zambia received tremendous investment of more than US\$1 billion in the green industry in 2016 for the projects related to hydro power stations.

4. "Zambia attracts aviation investors" (Times, 9th August)

Some foreign investors have expressed interest in investing in Zambia's aviation sector, the Civil Aviation Authority (CAA) has said. This follows the European Union's (EU) decision in June 2016 to lift the ban on Zambian registered aircrafts. In 2009, the EU banned all Zambian registered aircrafts from entering the European air space due to poor safety standards.

5. "Robust economy brings down monetary policy" (Daily Mail, Times, 11th August)

The Monetary Policy Committee reduced the benchmark lending rate (Policy Rate) by 150 basis points from 12.5 percent to 11 percent. These measures are aimed at increasing access to credit by productive sectors of the economy to spur economic growth.

6. "Zambia gets positive sovereign rating" (Daily Mail, 28th August)

A rating agency Standards and Poors Global (S&P Global) upgraded Zambia's sovereign rating from negative to positive with a stable outlook. Minister of Finance Felix Mutati described the upgrade as "an endorsement of the soundness of the policies being implemented by the government to stabilize and grow the economy."

7. "Govt. ponders engaging Japan to modernize border posts" (Times, 29th August)

Government is considering engaging the Japanese Government for the modernization and development of border posts in the country. The Commerce Trade and Industry Minister Mrs. Margaret Mwanakatwe attended the Tokyo International Conference for African Development (TICAD VI) Ministerial Conference in Maputo, Mozambique, which focused on the development of priority sectors such as private sector, Infrastructure, sanitation and social security.

8. "Copper pricing making kwacha strong" (Daily Mail, 31st August)

Zambia's positive macro-economic fundamentals are expected to augment business operations and build up on investor confidence. Currently, copper is trading at about US\$6,800 a tonne while the Kwacha is below the K10 mark and inflation rate is at 6.3 percent. According to Madison Financial Services, the current increase in the copper prices on the international market will result in the Kwacha remaining strong and points to a steady operating environment.

9. "CEC, Mopani power traiffs rift ends" (Times, 31st August)

State House said yesterday the standoff between MCM and CEC over the revised electricity tariffs had been resolved, with the two firms reaching an agreement leading to the resumption of power supply to the mine.