



## Macro-economics of Zambia, December 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)	11.9(Q1)
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	6.1(Dec)
9.	Consumer Price Index (year 2009 =100)	183.66	201.18(Dec)
10.	Balance of trade (million USD)	325.0(est)	-620.86*2
11.	Balance of trade against Japan (million USD)	-22.90*4	110.15*3
12.	Export (million USD)	7,036.0	7,313.28*2
13.	Export against Japan (million USD)	24.13*4	157.93*3
14.	Import (million USD)	6,710.0	7,934.13*2
15.	Import against Japan (million USD)	47.03*4	47.78*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)	2,195(est)	2,430(proj)
20.	External Debt (million USD)	6,900 (Dec)	7,560 (August)
21.	Exchange rate (Kwacha/ USD, average)	9.81ZMW (end-period)	10.03ZMW (Dec)
22.	Main policy interest rate (annual rate %)	13.0	10.25 (Nov)

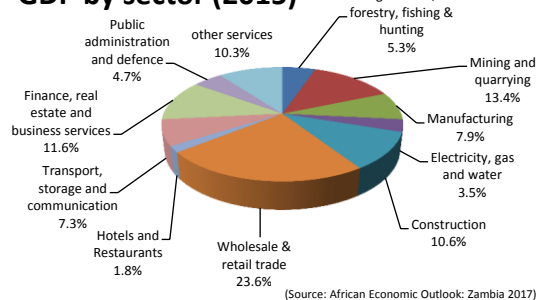
\*Figures are rounded off to two decimal places. \*\*est = estimated, proj = projected, Q1 = First Quarter

*1	GDP at market prices (Current USD)
*2	Accumulated average rate from January to October, 2017. 1USD = 9.49ZMW (Bank of Zambia rate, average from January to November, 2017)
*3	Accumulated average rate from January to October, 2017. 1USD =112YEN (Bank of Japan rate, average from January to November, 2017)
Main export products [November 2017]: Copper anodes for electrolytic refining, Cathodes of refined copper, Copper blister, semi-manufactured forms of bullion, and articles of cobalt. Five (5) Main trade partners(export) [November 2017]: Switzerland 45.9%, China 14.2%, South Africa 5.9%, Congo DR 5.9%, United Arab Emirates 4.1%, and Other destinations 24.0%.	
Main import products [November 2017]: Cobalt oxides and hydroxides; commercial cobalt oxides in bulk, Copper concentrates and sulphide, Cobalt concentrates, Gas oils, Motor Spirit. Five (5) Main trade partners(import)[November 2017]:South Africa 26.8%, Congo DR 26.1%,China 9.4%, Mauritius 4.4%, United Arab Emirates 4.4%,Other sources 29.0%.	
*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.

### GDP by sector (2015)



### Monthly News (Economics)

#### 1. "Zambia's trade deficit drops to K1.2bn" (1<sup>st</sup> December, Daily Mail)

Zambia's trade deficit has reduced by about K1.2 billion, the Central Statistical Office (CSO) has said. CSO director of census and statistics John Kalumbi said the trade def is mainly on account of a 25.2 percent increase in the volume of copper exported from 60,896.3 tonnes to 76,250.3 tonnes, and its corresponding revenue as the commodity accounts for the largest weight in the export profile.

#### 2. "Zambia to restore fiscal fitness" (1<sup>st</sup> December, Daily Mail)

Government has pledged its commitment to warrant fiscal consolidation under the Economic Stabilisation and Growth programme to achieve the targeted growth trajectory. Secretary to the Treasury Fredson Yamba said Zambia's focus for 2018 is to restore fiscal fitness to reduce pressure on other sectors of the economy. Zambia's GDP is expected to grow by four percent by the end of 2017 while inflation is expected to be within single digit.

#### 3. "Zambia's debt to exceed benchmark" (5<sup>th</sup> December, Times)

Zambia's public debt is projected to exceed the benchmark level of 56 percent of Gross Domestic Product (GDP). The country's external debt currently stands at US\$7.6 billion while domestic debt is at US\$4.5 billion as at October 2017.

#### 4. "Zambia, Japan to expand economic investment" (7<sup>th</sup> December, Times)

At a reception held to celebrate the birthday of the Emperor of Japan, Japanese Ambassador to Zambia Hidenobu Sobashima said he is looking forward to an early conclusion of the investments between Japan and Zambia. He has also mentioned that a number of programmes were earmarked for next year to build on the current investments, among them, an investment agreement between Zambia and Japan.

#### 5. "Copper closes year on a high" (15<sup>th</sup> December, Daily Mail)

Zambia's copper production is projected to close the year at about 850,000 tonnes due to improved power supply and expansion of production capacity by existing mines, Minister of Mines and Mineral Development Christopher Yaluma has said.

#### 6. "WTO conference ends without deal" (18<sup>th</sup> December, Daily Mail)

The 11th World Trade Organisation (WTO) ministerial conference ended last week after three days of intensive negotiations without any substantial deals reached by the 164 member states. Zambia like most least developing countries (LDCs) wanted to see the conclusion of, the negotiations under the Doha Development Agenda in line with the African Union agenda.

#### 7. "Brazil cancels Zambia's \$90.7M debt" (19<sup>th</sup> December, Daily Nation)

Brazil and Zambia have finally signed a US\$90.7 million debt write-off, 12 years after the 2005 Paris Club Agreement and six years after the bilateral agreement. Before the debt write-off was executed, Zambia owed the South American economic giant a consolidated amount of US\$113.4 million of which 80 percent has now been written-off.