



Macro-economics of Zambia, February 2018

Main Economic Statistical Indexes	2017	2018
1. Population (millions)	16.59(2016)	-
2. Population growth rate (%)	3.00 (2016)	-
3. Unemployment rate (%)	7.4(2014)	-
4. Life Expectancy (age) [M= male, F= female]	51.1(M)/54.4(F)	-
5. GDP (million USD)*1	21,064(2016)	-
6. GDP growth rate (%)	4.2(proj)	4.5(proj)
7. GNI per capita (USD)	1,360(2016)	-
8. Inflation rate (%)	6.1(Dec)	6.1(Feb)
9. Consumer Price Index (year 2009 =100)	201.18(Dec)	204.91(Feb)
10. Balance of trade (million USD)	-669.34*2	-661.05*2
11. Balance of trade against Japan (million USD)	-22.90*4 (2016)	10.82*3
12. Export (million USD)	6,436.31*2	8,305.57*2
13. Export against Japan (million USD)	24.13*4 (2016)	41.07*3
14. Import (million USD)	7,105.64*2	8,966.73*2
15. Import against Japan (million USD)	47.03*4 (2016)	30.25*3
16. Balance of current account (million USD)	-932 (2016)	-
17. Outward direct investment (million USD)	37(2016)	-
18. Inward direct investment (million USD)	469(2016)	-
19. Gold, Foreign currency reserve (million USD)	2,430(Dec)	2,430(Dec 2017)
20. External Debt (million USD)	7,900 (Dec)	7,900 (Dec 2017)
21. Exchange rate (Kwacha/ USD, average)	9.53ZMW	9.79ZMW (Feb)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	9.75 (Feb)

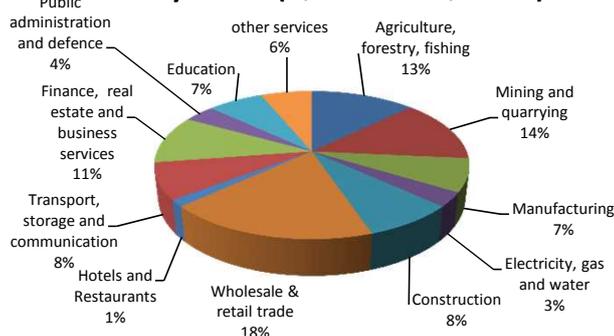
*Figures are rounded off to two decimal places. *est = estimated, proj = projected, Q1 = First Quarter

*1	GDP at market prices (Current USD)
*2	Accumulated average rate of January, 2018. 1USD = 9.86ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January, 2018. 1USD = 113YEN (Bank of Japan rate)
	Main export products [January 2018]: Copper anodes for electrolytic refining, Cathodes of refined copper, Copper blister, Sulphuric acid, Oleum in bulk, cobalt oxides and hydroxides; commercial cobalt oxides in bulk. Five (5) Main trade partners(export) [January 2018]: Switzerland 43.9%, China 14.5%, Congo DR 7.0%, Singapore 5.6%, India 3.2% and Other destinations 25.8%.
	Main import products [January 2018]: Cobalt oxides and hydroxides, Copper concentrates and sulphide, Urea, Parts and accessories for vehicles, and Gas oils. Five (5) Main trade partners(import) [January 2018]: South Africa 21.5%, Congo DR 20.4%, China 13.9%, United Arab Emirates 5.6%, India 4.6%, Other sources 24.0%.
*4	Based on 1USD = 111YEN (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: Country Report (EIU) & Bank of Zambia / 11, 13, 15: Trade Statistics of Japan (Ministry of Finance Japan) / 17, 18: UNCTAD / 21, 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 (Q1 2016 to Q3 2017)



(Source: Central Statistical Office, National Account. Zambia CSO Jan 2018, The Monthly Vol.177)

Monthly News (Economics)

1. "Government halts commercial borrowing" (1st February, Daily Mail)

Cabinet has halted commercial borrowing to reduce deficits and accumulation of debt stock, Finance Minister Felix Mutati has said. Mr. Mutati said the decision is an expression of Government's commitment to fiscal consolidation, restoration of policy credibility and debt capping, which is an interest that is allowed to fluctuate, but which cannot surpass a stated interest cap.

2. "Economy grows, says Mutati" (4th February, Daily Mail)

Government says the economy is beginning to strengthen following the reforms undertook in 2017. Minister of Finance Felix Mutati said "GDP is solid and growing, we are achieving stability in the foreign exchange, inflation is low and stable between 6-8 percent and this enable central bank to reduce the statutory reserves and policy rate, fiscal deficit was below target at 6.1 percent against the projection of 7 percent."

3. "K5.2 billion budget allocation released" (6th February, Daily Nation)

A total of K5.2 billion was released by the Treasury last month out of which K1.6 billion was for personal emoluments for public service workers, K1.8 billion went to debt servicing, and K1 billion was allocated for grants while K0.8 billion went to other programmes. Minister of Finance, Felix Mutati said by sharing the financial status the ministry hoped to have citizens participating in economic transformation programmes by taking greater interest in monitoring government-financed projects.

4. "Finance starts quarterly reports on Zambia's debt" (6th February, Daily Nation)

Government will start publishing quarterly reports on the country's debt status for the public, says Ministry of Finance Permanent Secretary, Mukuli Chikuba. Mr. Chikuba said Government is concerned at the different debt figures being quoted by the public. Mr. Chikuba said to avoid the public being uninformed of the debt status, the ministry has decided to commence publication of quarterly debt bulletins that will be made available to the public.

5. "Utilise Zambia's economic policies" (8th February, Daily Mail)

The Japan External Trade Organization (JETRO) has urged Japanese investors to take advantage of Zambia's sound economic policies and political stability to invest in the agriculture sector. JETRO executive vice-president Katsumi Hirano said "The Japanese government appreciates the prevailing peace and stability in Zambia which is the main driving force for encouraging more Japanese companies to explore much of the country's investment potential."

6. "Government stops receiving grants in monetary form" (14th February, Daily Mail)

Government has migrated from receiving grants in monetary form to project-based systems to enhance accountability in budget implementation. Minister of Finance Felix Mutati feels that allowing donors to implement projects than providing monetary support to the budget, is significant in shaping the management and governance of resources in achieving economic growth.

7. "Mwanakatwe assures investors" (24th February, Daily Mail)

Minister of Finance Margaret Mwanakatwe has urged the international community to ignore politicians who have continued discrediting Zambia's governance system with the aim of eroding investor confidence. The minister said the international community should be wary of doomsayers who are peddling lies against Government on various international media platforms to advance their presidential ambitions.

8. "Zambia attractive for investment" (26th February, Daily Mail)

Axis Advisory says Zambia has become one of the most attractive investor nations in Africa in various sectors. Axis Advisory Limited general manager Hilda Phiri said the partnership will lead to growth of local firms and "Zambia has become one of the leading investor countries in almost all sectors of the economy, including agriculture, energy, and mining, among others."