



## Macro-economics of Zambia, April 2018

Main Economic Statistical Indexes	2017	2018
1. Population (millions)	16.59(2016)	-
2. Population growth rate (%)	3.00 (2016)	-
3. Unemployment rate (%)	7.2 (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)	7.4(Apr)
9. Consumer Price Index (year 2009=100)	201.18(Dec)	208.93(Apr)
10. Balance of trade (million USD)	-568.3	51.35*2
11. Balance of trade against Japan (million USD)	128.58*4	39.11*3
12. Export (million USD)	8,150.1	2606.12*2
13. Export against Japan (million USD)	179.54*4	54.41*3
14. Import (million USD)	8,718.4	2554.77*2
15. Import against Japan (million USD)	50.96*4	15.30*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	9.48ZMW (Apr)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	9.75 (Apr)

\*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-March 2018. 1USD = 9.75ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January- March 2018. 1USD = 113YEN (Bank of Japan rate)

Main export products [March 2018]: Copper anodes for electrolytic refining, wire of refined copper, Cathodes of refined copper, Copper blister, Sulphuric acid, Oleum in bulk.

Five (5) Main trade partners(export) [March 2018]: Switzerland 32.3%, South Africa 21.9%, Congo DR 7.6%, China 7.3%, United Arab Emirates 3.8%, and Other destinations 27.1%.

Main import products [March 2018]: Cobalt oxides and hydroxides, copper concentrates, cobalt concentrates, Motor Spirit, Towers and Lattice masts of iron or steel, Gas oils

Five (5) Main trade partners(import)[March 2018]:South Africa 27.5%, Congo DR 22.7%,China 13.9%,United Arab Emirates 4.7%, India 3.9% and Other sources 27.3%.

\*4 Based on 1USD = 112YEN (Bank of Japan rate, 2017 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)

1. Value Added Tax (VAT): 16% 2. Corporate Income Tax : 30%

3. Mineral Royalty tax:

- 4-6% (Variable depending on copper price at LME)

4. Customs & Excise Duty: The rate of duty varies per commodity from 0% to 25%.

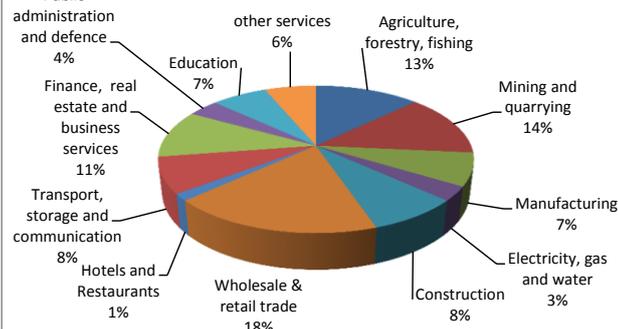
- Mining capital equipment are taxed at 0% duty (duty free)

- Export levy on concentrates is charged at 15%

5. 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. "GDP records over K29m growth" (4<sup>th</sup> April, Daily Mail)

Zambia's gross domestic product (GDP) has witnessed significant growth of K29.7 million due to strong activities in the retail, trade and mining sectors. According to preliminary results measured by Central Statistical Office (CSO), GDP is projected to grow by over K245.7 billion in 2017 compared to about K216 billion in 2016. Of the total amount, wholesale and retail trade industry had the highest share accounting for 19.1 percent followed by mining and quarrying sector at 14.8%.

#### 2. "Zambia's economy in top 10" (6<sup>th</sup> April, Daily Mail)

Quantum Global, a Switzerland-based investment and asset organization, has ranked Zambia as the eighth best performing country out of 54 in Africa. Quantum Global's 2018 Africa Investment Index puts Zambia's economy in third place in the Southern African Development Community (SADC) after Botswana and South Africa. The top 10 economies are Morocco, Egypt, Algeria, Botswana, Ivory Coast, South Africa, Ethiopia, Zambia, Kenya and Senegal.

#### 3. "Copper price edges up" (6<sup>th</sup> April, Daily Mail)

The price of copper on the international market has edged up to trade at US\$6,734 per tonne lifted by positive sentiments concerning trade relations between China and the United States. Its price is rebounding from a three-month low of US\$6,532 a tonne hit on March 23.

#### 4. "Zambia, Japan negotiate FDI deal" (10<sup>th</sup> April, Daily Mail)

The Japanese government is negotiating for an investment promotion agreement with Zambia that will boost volume of foreign direct investment and strengthen trade relations between the two countries. Japanese Ambassador to Zambia Hidenobu Sobashima said with Zambia's economy growing and Government attaching great importance to developing agriculture, tourism and manufacturing, the country's volume of exports to Japan will increase.

#### 5. "Zambia's Economy Stable and Growing" (18<sup>th</sup> April, Daily Nation)

Government has assured investors to consider Zambia as their investment destination because the country is risk free while its economy is stable and growing. Finance Minister Margaret Mwanakatwe assured investors that highlights of the Debt Sustainability Analysis (DSA) would be made public and available to both the domestic and foreign financial market players.

#### 6. "Zambia records trade surplus" (27<sup>th</sup> April, Daily Mail)

Zambia has again recorded a trade surplus for second time this year valued at K632.7 million while inflation has slightly increased by 0.3 percentage points. Central Statistical Office (CSO) has attributed the surplus to an increase in the non-traditional exports (NTEs) which grew by 66.2 percent. CSO acting director of census and statistics Goodson Sinyenga however, said Zambia's trade surplus decreased by 8.9 percent from K694 million in February to K632.7 million in March.

#### 7. "Economy in stable condition" (27<sup>th</sup> April, Daily Mail)

Despite the fluctuating copper price on the global market, the country has continued to experience stable macro-economic conditions with the Kwacha trading below K10. Ministry of Commerce, Trade and Industry permanent secretary Kayula Siame said since January this year, the Kwacha has been trading below K10 and inflation rate at 7.1 percent while average interest rates are below 30 percent.