



Macro-economics of Zambia, March 2019

Main Economic Statistical Indexes		2018	2019
1.	Population (millions)	17.09 (2017)	-
2.	Population growth rate (%)	3.0 (2017)	-
3.	Unemployment rate (%)	41.8 (Q3)	41.8 (2018, Q3)
4.	Life Expectancy (age) [M= male, F= female]	51.4(M)/54.7(F) (est)	-
5.	GDP (million USD)*1	25,868 (2017)	-
6.	GDP growth rate (%)	3.4 (2017)	3.6 (proj)
7.	GNI per capita (USD)	1,290 (2017)	-
8.	Inflation rate (%)	7.9 (Dec)	7.5 (Mar)
9.	Consumer Price Index (year 2009 =100)	216.99 (Dec)	223.29 (Mar)
10.	Balance of trade (million USD)	-438.39	52.72*2
11.	Balance of trade against Japan (million USD)	109.86*4	2.99*3
12.	Export (million USD)	9,059.36	1,287.46*2
13.	Export against Japan (million USD)	168.30*4	9.77*3
14.	Import (million USD)	9,497.75	1,234.74*2
15.	Import against Japan (million USD)	58.44*4	6.78*3
16.	Balance of current account (million USD)	-1,006 (2017, est)	-
17.	Outward direct investment (million USD)	-149 (2017)	-
18.	Inward direct investment (million USD)	1,091 (2017)	-
19.	Gold, Foreign currency reserve (million USD)	1,590 (est)	1,569 (Dec, 2018)
20.	External Debt (million USD)	10,050 (Dec)	10,050 (Dec, 2018)
21.	Exchange rate (Kwacha/ USD, average)	10.45ZMW	12.03 ZMW (Mar)
22.	Main policy interest rate (annual rate %)	9.75 (Nov)	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-February 2019. 1USD = 11.93ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-February 2019. 1USD =112.5YEN (Bank of Japan rate)
	Main export products [February 2019]: Copper anodes for electrolytic refining, Cathodes of refined copper, Electro-won copper cathodes, Copper blister, Sulphuric acid and Oleum in bulk. Five (5) Main trade partners(export) [February 2019]: Switzerland 40.7%, China 17.4%, Congo DR 11.8%, Singapore 9.3%, South Africa 4.2% and Other destinations 16.6%.
	Main import products [February 2019]: Petroleum oil, Static converters, Towers and lattice masts of iron or steel, Gas oil, Medicaments of mixed or unmixed products. Five (5) Main trade partners(import) [February 2019]: South Africa 29.8%, China 18.6%, Kuwait 9.0%, United Arab Emirates 6.7%, India 5.9%, and Other sources 29.9%.
*4	Based on 1USD = 110YEN (Bank of Japan rate, 2018 average)

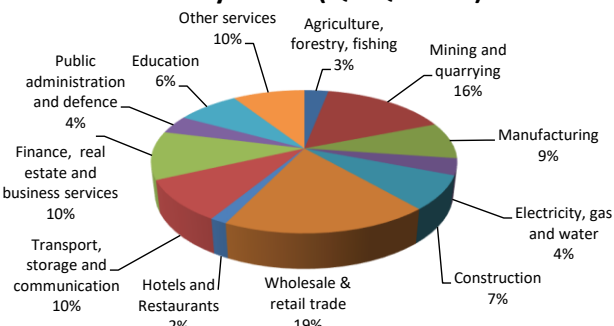
<Source>
1, 2, 5-7, 20:World Bank / 3: Zambia Labour Force Survey Report (CSO & Ministry of Labour and Social Security) / 4, 16: The World Factbook (CIA) / 8, 9, 10, 12, 14: Monthly Bulletin (CSO) & EIU Country Report / 19, 21: Country Report (EIU) & Bank of Zambia / 11, 13, 15: Trade Statistics of Japan (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-Q4 2018)



(Source: The Monthly, Central Statistical Office, March 2019)

Monthly News (Economics)

1. WB-JICA Funded Programme Taking Power to Rural Communities (4th March, Times of Zambia)

Energy Minister Matthew Nkhuwa has said Government, through a World Bank and Japan International Cooperation Agency (JICA) funded programme, is keen to provide electricity to more people in rural areas to help improve their lives. Mr. Nkhuwa said the US\$26 million programme was helping ZESCO to accelerate new electricity connections at a subsidised cost, especially in selected rural areas to help uplift the people's living conditions.

2. Private Sector Must Drive Investment, Says Lungu (7th March, Daily Mail)

President Edgar Lungu says the private sector is best suited to lead Zambia's investment drive, while Government's role is to provide a conducive environment for businesses to thrive. Mr. Lungu says a conducive business environment also depends on a tax regime that makes both the investor and Government win. "Private sector initiative is key for economic growth. Only when we collaborate and explain to the people on tax regime can we make Zambia the best investment destination," President Lungu said.

3. Trade, Invest Within Africa, Advises Lungu (19th March, Daily Mail)

President Edgar Lungu says African countries need to trade and invest within the continent before looking elsewhere. The Head of State was speaking when a delegation of Egyptian businessmen and women paid a courtesy call on him. "The potential to invest in Zambia is immense. Other African countries should look to us for investment," President Lungu said.

4. Copper Prices Rise (21st March, Daily Nation)

Copper prices have picked up following China's move to cut tax for manufacturers starting next month, as the Kwacha trades on the back foot against the dollar. This is according to the Barclays Bank Zambia daily market update. Three-month copper on the London Metal Exchange (LME) rose 0.3 percent to US\$6,440.5 a tonne.

5. Goods & Services Tax will Trigger High Inflation – ZANACO (27th March, Daily Nation)

The implementation of the Goods and Services Tax (GST) will elevate inflation rate to above 10 percent this year, ZANACO head of Economic research Patrick Chileshe has said. Dr. Chileshe explained that inflation rate was expected to increase to double digits with the implementation of the GST this year as it would push up the cost of production.

6. Zambia in K309m Trade Deficit (29th March, Daily Nation)

Zambia has recorded a trade deficit of K309 million in the month of February 2019 from a surplus of K938 million recorded in January 2019, Central Statistical Office (CSO) Acting Director of Census and Statistics Goodson Sinyenga has said. Mr. Sinyenga said exports decreased notably by 16.6 percent from K8, 373.6 million in January 2019 to K6, 985.6 million in February 2019. He said the decrease in the value of exports was mainly attributed to the decrease in exports of intermediate goods by 21.5 percent.