



Macro-economics of Zambia, April 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)	7.7 (Apr)
9.	Consumer Price Index (year 2009 =100)	216.99 (Dec)	224.92 (Apr)
10.	Balance of trade (million USD)	-438.39	115.71*2
11.	Balance of trade against Japan (million USD)	109.86*4	9.76*3
12.	Export (million USD)	9,059.36	1,934.18*2
13.	Export against Japan (million USD)	168.30*4	21.19*3
14.	Import (million USD)	9,497.75	1,818.47*2
15.	Import against Japan (million USD)	58.44*4	11.43*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)	10,178 (Mar)
21.	Exchange rate (Kwacha/ USD, average)	10.45ZMW	12.30 ZMW (Apr)
22.	Main policy interest rate (annual rate %)	9.75 (Nov)	9.75 (Apr)

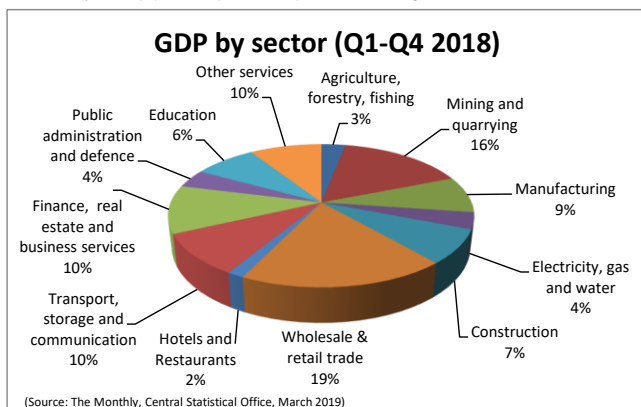
*Figures are rounded off to two decimal places. **est = estimated, proj = projected, Q1 = First Quarter

*1	GDP at market prices (Current USD)
*2	Accumulated average rate of January-March 2019. 1USD = 11.96ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-March 2019. 1USD = 111.3YEN (Bank of Japan rate)
	Main export products [March 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) [March 2019]: Switzerland 42.8%, China 19.2%, Congo DR 11.4%, Singapore 8.6%, South Africa 3.8% and Other destinations 14.2%.
	Main import products [March 2019]: Petroleum oil, Gas oil, Furniture (excl. seats) of plastics, Sulphur of all kinds, Road tractors for semi-trailers, Medicaments of mixed or unmixeds products. Five (5) Main trade partners(import) [March 2019]: South Africa 36.4%, China 12.5%, Kuwait 7.8%, United Arab Emirates 5.8%, India 4.9%, and Other sources 32.6%.
*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:
 - 5.5-10% (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.



Monthly News (Economics)

1. Sales Tax Deferred to July 1 (1st April, Daily Nation)

Government has proposed to implement sales tax by July 1, 2019 to replace Value Added Tax (VAT). Finance Minister Margaret Mwanakatwe told Parliament that the draft bill had been concluded and it would be presented to Parliament for the first reading by April 2, 2019. Ms. Mwanakatwe said the bill would then undergo further stakeholder consultation through the parliamentary committee and interaction by the Ministry of Finance and with different economic players. She said the ministry would in the June parliamentary session take the bill to Parliament for second reading and finalization.

2. Cabinet Approves Sales Tax Bill (3rd April, Times of Zambia)

Cabinet has approved the Sales Tax Bill, 2019 which is aimed at stopping the escalation of Value Added Tax (VAT) refunds estimated at K17.9 billion as at January this year. The introduction of the sales tax would enhance domestic revenue mobilization by broadening the tax base and simplifying administration as well as compliance processes, Chief Government spokesperson Dora Siliya said in a statement on Monday. Finance Minister Margaret Mwanakatwe said the Bill sought to introduce a nine percent tax on locally supplied goods and services on manufacturers, producers, distributors, wholesalers, retailers and importers of goods. She said the Bill also sought the introduction of a 16% tax on imported goods and services.

3. State Launches Trade Policy Strategy (3rd April, Daily Mail)

Government has launched a national trade policy and export strategy aimed at having structurally transformed, diversified and competitive export sector. "Government vision is to make Zambia a net exporter of value-added goods and services through competitiveness at domestic, regional and global level. The aim of the policy is to contribute towards Zambia's economic diversification by promoting and stimulating a competitive trade sector to increase the market in the global economy," Minister of Commerce, Trade and Industry Christopher Yaluma said. Mr. Yaluma said "The general target of the strategy is to grow total exports by 15 percent in value annually and to grow Zambia's total non-traditional exports by 25 percent in value annually."

4. Copper Prices Go Up (16th April, Daily Nation)

Copper prices rose yesterday after data from China showed higher unwrought copper imports, the Barclays Bank daily report says. The report says three-month copper on the London Metal Exchange (LME) rose 0.4 % to \$6,510.50 a tonne while the most-traded copper contract on the Shanghai Futures Exchange advanced 0.8 % to 49,610 Yuan (\$7,397.19) a tonne.

5. Finance Minister Mwanakatwe Sees Ray of Hope after IMF/World Bank Meetings (17th April, Daily Mail)

Minister of Finance Margaret Mwanakatwe says the just-ended annual Spring meetings in Washington have offered a ray of hope of investment in various sectors of the country such as energy and industrial development. Other sectors expected to get a touch of investment are technology, agriculture, education, health, and social investment. According to a statement issued by Ministry of Finance spokesperson Chileshe Kandeta, Mrs. Mwanakatwe said the meetings were a success. Mrs. Mwanakatwe held meetings with the IMF, World Bank, JICA and the UK Department for International Development. "The meetings were very insightful and further strengthened the country's cooperation with both multilateral and bilateral partners," Mrs. Mwanakatwe said.

6. Zambia Records Trade Surplus (26th April, Daily Nation)

Zambia has recorded a trade surplus of K754.9 million in March from a trade deficit of K309.9 million recorded in February 2019, Central Statistical Office (CSO) acting Director, Goodson Sinyenga has said. Mr. Sinyenga said exports increased significantly by 11.3% from K6,985.8 million in February 2019 to K7,773.4 million in March 2019. He said the increase in value of exports was mainly attributed to the increase in exports of intermediate goods and consumer goods by 12.6% and 21.8% respectively, and the volume of copper exported in March 2019 increased by 5.5 percent from 68,979.2 metric tonnes in February 2019 to 72,790.3 metric tonnes.

7. State to Strengthen Debt Management Capacity (29th April, Daily Nation)

Government will work with the International Monetary Fund (IMF) in strengthening fiscal frameworks, improving debt management capacity, and implement the updated debt sustainability framework which is consistent with the level of national income, says, Finance Minister Margaret Mwanakatwe. And Ms. Mwanakatwe has announced that Government would conduct a crop forecast survey to assess the country's food security and put in place relevant disaster mitigation strategies in motion if need arises. Ms. Mwanakatwe said her ministry was currently hosting a mission from the IMF for Article IV consultations and that the work was expected to be concluded during the week.