



Macro-economics of Zambia, June 2019

Main Economic Statistical Indexes		2018	2019
1.	Population (millions)	17.35	-
2.	Population growth rate (%)	2.9	-
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	26,720	-
6.	GDP growth rate (%)	3.8	3.6 (proj)
7.	GNI per capita (USD)	1,430	-
8.	Inflation rate (%)	7.9 (Dec)	8.6 (June)
9.	Consumer Price Index (year 2009 =100)	216.99 (Dec)	228.54 (June)
10.	Balance of trade (million USD)	-438.39	208.85*2
11.	Balance of trade against Japan (million USD)	109.86*4	36.0*3
12.	Export (million USD)	9,059.36	3,231.71*2
13.	Export against Japan (million USD)	168.30*4	55.89*3
14.	Import (million USD)	9,497.75	3,022.86*2
15.	Import against Japan (million USD)	58.44*4	19.89*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)	1,345 (Apr)
20.	External Debt (million USD)	10,050 (Dec)	10,230 (June)
21.	Exchange rate (Kwacha/ USD, average)	10.45ZMW	13.05 ZMW (June)
22.	Main policy interest rate (annual rate %)	9.75 (Nov)	10.25 (May)

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

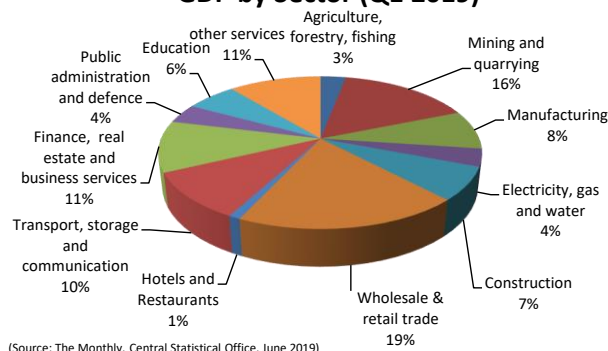
*1	GDP at market prices (Current USD)
*2	Accumulated average rate of January-May 2019. 1USD = 12.29ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-May 2019. 1USD = 111YEN (Bank of Japan rate)
	Main export products [May 2019]: Copper anodes for electrolytic refining, Electro-refined copper cathodes, Electro-won copper cathodes, Copper blister, Sulphuric acid and Oleum in bulk, Rubies, Sapphires and Emeralds and Gold. Five (5) Main trade partners(export) [May 2019]: Switzerland 42.9%, China 22.1%, Congo DR 11.3%, Singapore 5.8%, South Africa 3.5% and Other destinations 14.4%.
	Main import products [May 2019]: Copper concentrate, Sulphur of all kinds, Petroleum oils, Gas oil, Medicaments of mixed or unmixed products and Motor spirit. Five (5) Main trade partners(import) [May 2019]: South Africa 28.9%, United Arab Emirates 12.4%, China 11.2%, Congo DR 10.4%, India 5.0%, and Other sources 32.2%.
*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.

GDP by Sector (Q1 2019)



Monthly News (Economics)

1. ZRA Exceeds First Quarter Target (4th June, Daily Nation)

The Zambia Revenue Authority (ZRA) has exceeded its first quarter target by 4.7 percent due to enhanced enforcement. ZRA collected K17.6 billion revenue against a target of about K16.8 billion between January and April this year, representing a 4.7 percent growth.

2. Copper Prices Rises by 1.5% (12th June, Daily Mail)

The price of Zambia's top-earning commodity copper has increased marginally on the global market to US\$5,921 per tonne on anticipated demand from world's largest consumer, China. Copper prices increased by 1.5 percent and 0.8 percentage point on the Shanghai Future Exchange and London Metal Exchange (LME), respectively. Reuters reports that Zambia's main source of export revenue, copper, will witness relief as China's appetite for the commodity could grow.

3. Government Approves Projects Feasibility Studies (19th June, Daily Mail)

Government has approved feasibility studies for projects worth US\$245 million to be implemented under the public-private partnerships (PPPs) in various sectors. In 2009, Government enacted the PPPs Act to promote and facilitate segments of privately financed projects and the Act was amended last year. This led to the establishment of the PPPs department under the Ministry of Finance. Minister of Finance Margaret Mwanakatwe said the approved feasibility studies are for projects in the agriculture, tourism, energy, infrastructure and technology sectors.

4. Lungu Upbeat on Free Trade Area (20th June, Daily Nation)

President Edgar Lungu says the African Continental Free Trade Area will create deeper interaction among all countries across the continent. Speaking in Mozambique yesterday during the US-Africa business summit, President Lungu said he was optimistic that the African Continental Free Trade Area would enhance the flow of trade. "We African counties have developed production capacities and clinch markets for trade. This is crucial for creating jobs and reducing poverty on the African continent. Let us not be negative over the Free Trade Area because it is the way to go," President Lungu said.

5. Zambia in US\$200m Emeralds Windfall (24th June, Daily Nation)

Zambia has received about US\$200 million in taxes from emeralds auction since 2009, Kagem Chief Executive Officer Sean Gilbertson has disclosed. Mr. Gilbertson said emeralds were beginning to play a significant role in the country's economy as the precious stones had now contributed hugely to the country's revenue. Mr. Gilbertson said that Zambia today produced an estimate of 25 percent of the world's emeralds supply.

6. State Geared to Diversify Economy (27th June, Daily Nation)

Government will continue to grow the agriculture sector to avoid dependence on mining, Ministry of Agriculture Permanent Secretary Sangowayo Zyambo has said. Mr. Zyambo said the agricultural sector played a vital role in the economy and that was why government had placed much importance on it in a bid to move away from over dependence on mining to reliance on agriculture.

7. Sales Tax Frozen to Sept 1 (29th June, Daily Mail)

After months of consultations with various stakeholders, Government has again deferred the implementation of sales tax to September 1 this year from July 1. During presentation of the 2019 national budget, Minister of Finance Margaret Mwanakatwe announced the proposed change in the country's tax system from Value Added Tax (VAT), which cost Government K4.2 billion annually in refunds. Mrs. Mwanakatwe told Parliament yesterday that Government found it prudent to defer sales tax implementation to September 1 after hearing views of stakeholders across the country.