



## Macro-economics of Zambia, July 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)	8.8 (July)
9.	Consumer Price Index (year 2009 =100)	216.99 (Dec)	229.56 (July)
10.	Balance of trade (million USD)	-438.39	165.06*2
11.	Balance of trade against Japan (million USD)	109.86*4	36.0*3
12.	Export (million USD)	9,059.36	3,841.54*2
13.	Export against Japan (million USD)	168.30*4	58.34*3
14.	Import (million USD)	9,497.75	3,676.47*2
15.	Import against Japan (million USD)	58.44*4	22.34*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	12.75 ZMW (July)
22.	Main policy interest rate (annual rate %)	9.75 (Nov)	10.25 (July)

\*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-June 2019. 1USD = 12.42ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-June 2019. 1USD = 111.17YEN (Bank of Japan rate)

Main **export** products [June 2019]: Copper anodes for electrolytic refining, Electro-refined copper cathodes, Electro-won copper cathodes, Copper blister, Sulphuric acid and Oleum in bulk, Portland cement, Bullion semi-manufactured forms and Tobacco.

Five (5) Main trade partners(**export**) [June 2019]: Switzerland 42.1%, China 22.3%, Congo DR 14.1%, South Africa 4.2%, Malawi 2.8% and Other destinations 14.5%.

Main **import** products [June 2019]: Cobalt oxides and hydroxides, Copper concentrate, Petroleum oils, Gas oils, Sulphur of all kinds and Road tractors for semi-trailers.

Five (5) Main trade partners(**import**) [June 2019]: South Africa 31.0%, Congo DR 12.7%, China 11.6%, United Arab Emirates 10.0%, India 3.4%, and Other sources 31.3%.

\*4 Based on 1USD = 110YEN (Bank of Japan rate, 2018 average)

<Source>

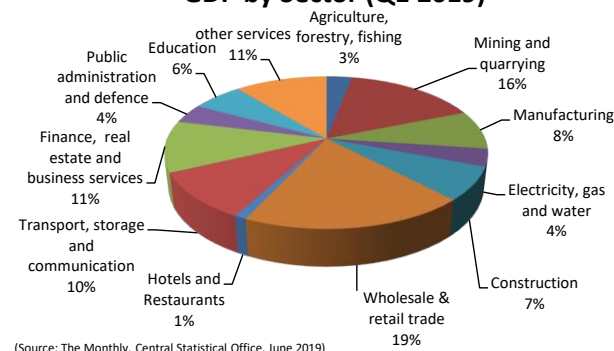
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### Mining Sector Taxes Source : ZRA, ZEITI

- 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. Boost Zambia's Tourism, Lungu Urges Investors (6<sup>th</sup> July, Daily Mail)

Foreign and local investors should take advantage of the favourable environment Government had created to set up businesses in the tourism and hospitality industry, President Edgar Lungu said. President Lungu said because of the attractive environment in the tourism and hospitality industry, hotels and lodges are being built in line with Government's efforts to diversify the economy as outlined in the Seventh National Development Plan.

#### 2. K10m Released for Contractors (10<sup>th</sup> July, Daily Nation)

Government says it has started dismantling the arrears it owes local contractors. Minister of Finance Margaret Mwanakatwe said Government last month released about K10 million to pay the local contractors. She said Government would this month release another K10 million because it wanted to ensure that all the arrears were cleared. Ms. Mwanakatwe said Government had about K15.8 billion local debt which was supposed to be paid off in the next few months.

#### 3. Zambia to Ratify AfCFTA (13<sup>th</sup> July, Daily Nation)

Zambia will ratify the African Continental Free Trade Area (AfCFTA) membership to benefit from the large African market, Zambia's Ambassador to Ethiopia Emmanuel Mwamba has said. Mr. Mwamba said Zambia would ratify the CFTA in the legislative sitting of parliament in August as stakeholder consultations had come out positive from both Government and the private sector. He said the geographical location of Zambia would easily make the country a hub for manufacturing and transportation of goods and services.

#### 4. Mwanakatwe Fired (15<sup>th</sup> July, Daily Mail)

President Edgar Lungu has fired Minister of Finance Margaret Mwanakatwe and has appointed Bank of Zambia (BoZ) Deputy Governor Dr. Bwalya Ng'andu to replace her. President Lungu has thanked Mrs. Mwanakatwe, who is Lusaka Central MP, for services rendered to the Government and the country.

#### 5. Zambia's External Debt Increases (18<sup>th</sup> July, Times of Zambia)

Finance Minister Bwalya Ng'andu said the external debt stock rose to US\$10.23 billion as at June 2019 from \$10.18 billion as at end of March this year. Dr. Ng'andu said during the second quarter briefing on performance of the economy in Lusaka that domestic debt also increased to K60.3 billion as at end of June 2019 from K58.3 billion as at end of March this year.

#### 6. Copper Prices Rise (20<sup>th</sup> July, Daily Nation)

Three month London Metal Exchange (LME) copper price rose as much as two percent to US\$6,102 a tonne yesterday, the highest since May 16 this year. Barclays Bank Zambia indicated that this was after the red metal retreated from a two-week high on Wednesday after United States President Donald Trump threatened to impose further tariffs on China.

#### 7. Zambia Records US\$5.3 Billion Investments in 2019 (31<sup>st</sup> July, Daily Nation)

Zambia has received investments worth US\$5.3 billion into the various sectors of the economy during the first half of 2019, with the highest being in the energy sector at US\$3.4 billion. Zambia Development Agency (ZDA) acting director general, Matongo Matamwandi, said the investments in the energy sector represented 65 percent of the total projected investment during the first half of this year. He said the second highest receipts were in mining sector with US\$998 million, representing 19 percent of the total receipts.