



## Macro-economics of Zambia, August 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)	9.3 (Aug)
9. Consumer Price Index (year 2009 =100)	216.99 (Dec)	231.27 (Aug)
10. Balance of trade (million USD)	-438.39	104.51*2
11. Balance of trade against Japan (million USD)	109.86*4	50.33*3
12. Export (million USD)	9,059.36	4,385.13*2
13. Export against Japan (million USD)	168.30*4	78.17*3
14. Import (million USD)	9,497.75	4,280.62*2
15. Import against Japan (million USD)	58.44*4	27.84*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)	1,402 (June)
20. External Debt (million USD)	10,050 (Dec)	10,230 (June)
21. Exchange rate (Kwacha/ USD, average)	10.45ZMW	13.03 ZMW (Aug)
22. Main policy interest rate (annual rate %)	9.75 (Nov)	10.25 (Aug)

\*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-July 2019. 1USD = 12.46ZMW (Bank of Zambia rate)

\*3 Accumulated average rate of January-July 2019. 1USD =111YEN (Bank of Japan rate)

Main **export** products [July 2019]: Copper anodes for electrolytic refining, Electro-won copper cathodes, Copper blister, Sulphuric acid and Oleum in bulk, Portland cement, and raw cane sugar.

Five (5) Main trade partners(**export**) [July 2019]: Switzerland 39.0%, China 16.7%, Congo DR 14.3%, Singapore 10.7%, Kenya 2.3% and Other destinations 17.0%.

Main **import** products [July 2019]: Petroleum oils, Motor spirit, Gas oils, Sulphur of all kinds and Medicaments.

Five (5) Main trade partners(**import**) [July 2019]: South Africa 32.7%, China 13.1%, United Arab Emirates 11.5%, India 4.4%, Tanzania 3.6%, and Other sources 34.7%.

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

<Source>

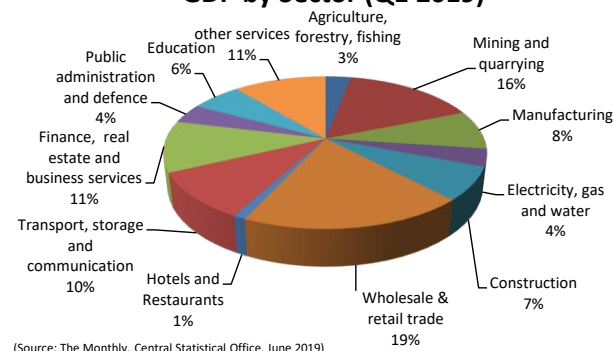
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### Mining Sector Taxes Source : ZRA, ZEITI)

- 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)



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

## Monthly News (Economics)

### 1. State Withdraws Sales Tax Bill (3rd August, Daily Nation)

Sales tax will only be implemented in January, 2020 after Finance Minister Bwalya Ng'andu, yesterday moved a motion in Parliament to withdraw Sales Tax Bill to give room for further refinement. Dr. Ng'andu moved a motion in Parliament to withdraw the Sales Tax Bill from the current sitting of Parliament and the bill will now be reintroduced during the Budget Session of Parliament. "This will allow for sufficient time to address the concerns in the Sales Tax Bill that stakeholders raised during the comprehensive consultations that were undertaken on Sales Tax implementation and for businesses to adapt," Dr. Ng'andu said.

### 2. Zambia Scores a First (8th August, Daily Mail)

President Edgar Lungu says now is the time for Africa to adopt home-grown solutions to address its many challenges. Mr. Lungu said this yesterday during the launch of the Sustainable Development Goals (SDGs) sub-regional centre for southern Africa at Mulungushi International Conference Centre. The SDG regional centre, the first of five to be established across the continent, will be a vehicle to accelerate progress towards attainment of SDGs by building capacities of member countries as well as sharing ideas. President Kagame, who is the founding chairperson of the SDG board, commended Zambia for its quick response in establishing a regional hub for SDGs. Nongolo Mbumba, Vice-President of Namibia, said institutionalizing SDGs is the best way to ensure that they are attained.

### 3. Use \$750M AfDB Financing to Grow, Advises Ng'andu (8th August, Daily Mail)

Minister of Finance Bwalya Ng'andu has urged the private sector to tap into the US\$750 million financing facility offered by the African Development Bank (AfDB) to sustain their growth and become more competitive. Dr. Ng'andu assured AfDB that Government will soon finish its internal processes so that small and medium-scale enterprises can start getting the money.

### 4. Tourism Levy Nets K8.3M (12th August, Daily Mail)

The Ministry of Tourism and Arts has collected K8.3 million from tourism levy from January to date. Ministry of Tourism and Arts Permanent Secretary Howard Sikwela said in an interview that the ministry projects to surpass its target of K13.8 million because of increased tourist arrivals. Mr. Sikwela said if well harnessed, the tourism sector has potential to immensely contribute to economic growth, employment creation and rural development.

### 5. Govt Calls for Debate on 2020 National Budget Proposals (15th August, Daily Mail)

Finance Minister, Bwalya Ng'andu, has challenged the business sector and the public to respond to Government's call for tax and non-tax proposals for the 2020 national budget. Dr. Ng'andu said he expected the public and the business community to respond as he would soon be presenting the 2020 national budget.

### 6. Zambia, Toyota Tsusho Seal Solar Deal (29th August, Times of Zambia)

Zambia has signed a Memorandum of Understanding with Toyota Tsusho Corporation for the development and implementation of a 100 megawatts (MW) solar power project in Western Province to ease the power deficit in the region. Toyota Tsusho Corporation through its implementation agency, El Sewedy Electric Company of Egypt, would establish two separate 50 MW power plants in Sesheke and Mongu. President Edgar Lungu witnessed the signing ceremony which took place on the margins of the TICAD7 in Yokohama yesterday.

### 7. Japan to Assist Zambia on Debt (31st August, Daily Mail)

Japan will assist Zambia in its efforts to safeguard debt sustainability. Japanese Prime Minister Shinzo Abe said the Asian country has since dispatched an expert to the Ministry of Finance to achieve that goal. Mr. Abe said this yesterday during bilateral talks with President Edgar Lungu. In response, President Lungu thanked Mr. Abe for his country's support to Zambia in education, health, water and sanitation, transport, energy, refugee welfare and resettlement of former refugees. President Lungu also acknowledged Japan's support in agriculture and fisheries, infrastructure development, sports and private sector development.