



Macro-economics of Zambia, September 2019

Main Economic Statistical Indexes	2018	2019
1. Population (millions)	17.35	18.2 (proj)
2. Population growth rate (%)	2.9	2.84 (proj)
3. Unemployment rate (%)	41.8 (Q3)	41.8 (Q3:2018)
4. Life Expectancy (age) [M= male, F= female]	51.4(M)/54.7(F) (est)	-
5. GDP (million USD)*1	26,720	24,822 (proj)
6. GDP growth rate (%)	3.8	2.3 (proj)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	10.5(Sept)
9. Consumer Price Index (year 2009 =100)	216.99 (Dec)	234.08(Sept)
10. Balance of trade (million USD)	-438.39	67.78*2
11. Balance of trade against Japan (million USD)	109.86	65.21 *3
12. Export (million USD)	9,059.36	4987.41*2
13. Export against Japan (million USD)	168.3	95.62 *3
14. Import (million USD)	9,497.75	4,919.61*2
15. Import against Japan (million USD)	58.44	30.41 *3
16. Balance of current account (million USD)	-1,006 (2017, est)	-1,146 (proj)
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)	1,405(Jul)
20. External Debt (million USD)	10,050 (Dec)	10,560 (Sep)
21. Exchange rate (Kwacha/ USD, average)	10.45ZMW	13.14ZMW (Sept)
22. Main policy interest rate (annual av. rate %)	9.75 (Nov)	10.25 (Sept)

※Figures are rounded off to two decimal places. ※est = estimated, proj = projected, av = average, Q1= First & Q4 = Third Quarters

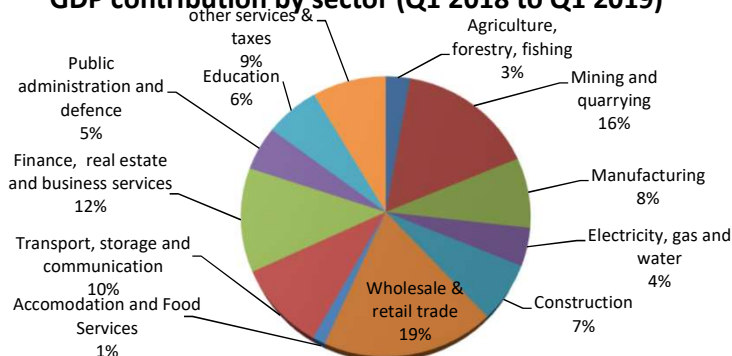
*1 GDP at market prices (Current USD)
*2 Accumulated average rate: January-August 2019. 1USD = 12.54ZMW (Bank of Zambia)
*3 Accumulated average rate: January-August 2019. 1USD = 110.63YEN (Bank of Japan)
Main export products [August 2019]: Copper anodes for electrolytic refining; Copper blister; Rubbies, Sapphires and emeralds, worked but not set; Electro-won copper cathodes(High Purity); Bullion semi-manufactured forms; and Sulphur of all kinds (excl. sublimed, precipitated and colloidal sulphur).
Five (5) Main trade partners(export) [August 2019]: Switzerland 31.7%, China 24.9%, Congo DR 13.3%, Singapore 8.9%, South Africa 5.1%, and Other destinations 16.1%.
Main import products [August 2019]: Petroleum oils and oils obtained from bituminous minerals, Crude; Gas Oils; Sulphur of all kinds (excl. sublimed, precipitated and colloidal sulphur); Motor Spirit; and, Road Tractors for semi-trailers.
Five (5) Main trade partners(import) [August 2019]: South Africa 29.8%, China 14.2%, United Arab Emirates 11.2%, India 5.0%, Tanzania 4.2%, and Other sources 35.6%.
<Source> 1, 2, 5, 7, 19:EIU Country Report/4, 16:The World Factbook (CIA) /3, 8, 9, 10, 12, 14: Monthly Bulletin (CSO)/ 6, 20: Ministry of Finance/ 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 contribution by sector (Q1 2018 to Q1 2019)



(Source:: Central Statistical Office (CSO) Zambia, June 2019, The Monthly Vol.195)

Monthly News (Economics)

1. "Nuclear option the answer" (Times of Zambia, Page 1, Monday 9th)

The Zambia Atomic Energy Agency (ZAMATOM) has said that setting up a nuclear power plant is the answer to addressing the nation's power deficit to help grow the economy. ZAMATOM director general Roland Msiska said having a nuclear plant will optimize production and distribution of energy to all citizens and ensure effective use.

2. "ZRA pays out K4bn VAT refunds" (Daily Mail, Page 12, Monday 9th)

Over K4 billion has been paid in value added tax (VAT) refund claims under the 2017 financial year, Zambia Revenue Authority (ZRA) Commissioner General Kingsley Chanda said. Mr. Chanda said that out of the over K4 billion refund that was paid out, almost 70 percent was paid to the mining sector.

3. "ZCM projects dip in copper production" (Times of Zambia, Page 7, Tuesday 10th)

The Zambia Chamber of Mines (ZCM), through its Chief Executive Officer, Sokwani Chilembo, has projected a massive drop in mineral production this year due to the increase of 1.5 percent in mineral royalty. Copper production is expected to drop by a 100,000 tonnes this year, leading to a total drop from 860, 000 tonnes last year 2018 to 750,000 tonnes expected this year 2019.

4. "Zambia's sectors attractive" (Daily Nation, Page 6 & Times, Page 7, Friday 13th)

The Minister of Commerce Trade and Industry, Mr. Christopher Yaluma, says Zambia is an attractive investment destination offering lucrative opportunities in Tourism, Agriculture, manufacturing and other sectors. The minister further highlighted that the country also has opportunities in the Energy, Mining, construction and information Communication Technology sector for investment.

5. "Japanese textile firm coming" (Daily Mail, Page 4, Monday 16th)

Marubeni Group of Companies, a giant Japanese textile firm, will set up a hub in Kabwe and is projected to create 3,000 employment opportunities. Japanese Ambassador to Zambia Hidenobu Sobashima said the company will engage local people during the construction phase, which is expected to start soon. Mr. Sobashima said the textile company will be manufacturing a wide range of fabrics such as uniforms for military personnel and schools.

6. "Japanese envoy says goodbye" (Daily Mail, Page 2, Wednesday 18th)

Out-going Japanese Ambassador to Zambia Hidenobu Sobashima is encouraged by President Edgar Lungu's commitment to develop the country through interactions with other countries. Mr. Sobashima is proud that President Edgar Lungu's visits to Japan in December 2018 and last month have strengthened the two country's relationship. Mr. Lungu thanked Mr. Sobashima for his services, which have strengthened the relationship between the two countries.

7. "Inflation up to 10.5 p.c." (Times of Zambia, Page 7, Friday 27th)

Zambia's annual inflation rate for September 2019 increased to 10.5 percent from 9.3 percent in August due to price movements in food items. And Zambia's trade deficit decreased by 42.5 percent from K786.2 million in July to K451.9 million in August this year. The increase was mainly attributed to upward price adjustments in maize products.

8. "VAT stays" (Daily Mail, Page 1, Saturday 28th)

Government has abandoned implementation of the controversial sales tax and will instead maintain Value Added Tax (VAT). Minister of Finance Bwalya Ng'andu, however said that Government will strengthen enforcement and efficiency of VAT. Dr. Ng'andu said serious concerns were raised by various stakeholders, hence the decision to maintain the VAT.

9. "IMF bailout plan back on table" (Daily Mail, Page 1, Monday 30th)

Minister of Finance Dr. Bwalya Ng'andu highlighted that Government has started re-engaging the International Monetary Fund (IMF) for a possible bailout package. The IMF had suspended discussions on a possible economic bailout program last year because Zambia's borrowing plans compromised the country's debt sustainability, which in turn undermined macroeconomic stability.