



Macro-economics of Zambia, October 2019

Main Economic Statistical Indexes	2018	2019
1. Population (millions)	17.6	18.1 (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	23,675 (proj)
6. GDP growth rate (%)	3.8	2.3 (proj)
7. GNI per capita (USD)	1,430	-
8. Inflation rate (%)	7.9 (Dec)	10.7(Oct)
9. Consumer Price Index (year 2009 =100)	216.99 (Dec)	236.28(Oct)
10. Balance of trade (million USD)	-438.39	9.49*2
11. Balance of trade against Japan (million USD)	109.86	65.59 *3
12. Export (million USD)	9,059.36	5,484.80*2
13. Export against Japan (million USD)	168.3	99.82 *3
14. Import (million USD)	9,497.75	5,475.31*2
15. Import against Japan (million USD)	58.44	34.23 *3
16. Balance of current account (million USD)	-342	-1,099 (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)	1,405(Jul)
20. External Debt (million USD)	10,050 (Dec)	10,560 (Sep)
21. Exchange rate (Kwacha/ USD, average)	10.45ZMW	13.18ZMW (Oct)
22. Main policy interest rate (annual rate %)	9.75 (Nov)	10.25 (Oct)

*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-September 2019. 1USD = 12.60ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-September 2019. 1USD =110.33YEN (Bank of Japan rate)
Main export products [September 2019]: Copper anodes for electrolytic refining; Copper blister; Electro-won copper cathodes(High Purity); Sulphuric acid; oleum in bulk; Other non-alcoholic beverages, nes.; Other raw cane sugar; and Bullion semi-manufactured forms. Five (5) Main trade partners(export) [September 2019]: Switzerland 34.3%, China 20.2%, Congo DR 15.1%, Singapore 6.7%, South Africa 3.3%, and Other destinations 20.4%.	
Main import products [September 2019]: Petroleum oils and oils obtained from bituminous minerals, Crude; Sulphur of all kinds (excl. sublimed, precipitated and colloidal sulphur); Dumpers for off-highway use; Gas Oils; and Tanker Trailers and Tanker semi-trailers. Five (5) Main trade partners(import) [September 2019]: South Africa 33.3%, China 16.3%, United Arab Emirates 11.3%, India 3.4%, Tanzania 2.8%, and Other sources 32.9%.	

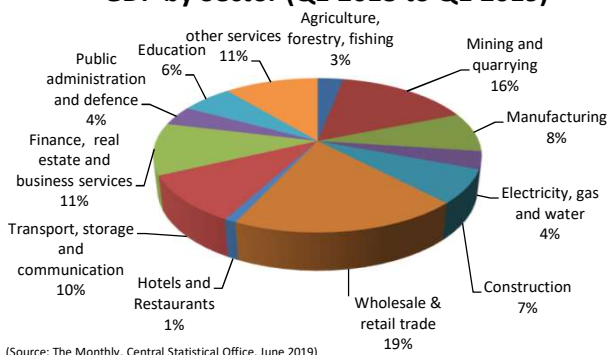
< Source >
 1, 2, 5, 7, 19:EIU Country Report/4, 16:The World Factbook (CIA) /3, 8, 9, 10, 12, 14: Monthly Bulletin (CSO)/ 6, 20: Ministry of Finance/ 11, 13, 15:Trade Statistics of Japan (Ministry of Finance Japan)/17, 18:UNCTAD/21, 22:Bank of Zambia

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 2018 to Q1 2019)



Monthly News (Economics)

1. “Withdrawing Sales Tax major relief – ZCM” (1st October, Times of Zambia)

The Zambia Chamber of Mines (ZCM) said the decision to maintain Value Added Tax (VAT) in the 2020 National Budget is a major relief to the mining sector. The chamber however said Government would have provided more tax reliefs to boost the sectors contribution to the country’s economic recovery.

2. “Two Zambian firms win awards in Japan” (5th October, Daily Nation)

Two Zambian companies scooped three gold medals in production, maintenance and quality categories at the Tokyo International Convention on Quality Control Circles (ICQCC). StrongPak Zambia Limited and Kafue Steel were sponsored by KAIZEN Institute Zambia with support from JICA. The competition was held in Tokyo, Japan from September 23rd to 26th this year.

3. “Zambia’s debt to rise – WB” (10th October, Times of Zambia)

The World Bank Group has said Zambia’s debt stock is projected to rise by nine percentage points this year due to high fiscal deficits and large currency depreciation.

The latest 20th edition of Africa’s Pulse report launched yesterday in Lusaka indicated that the increase in Government debt among metal exporters such as Zambia and South Africa reflected rising debt levels.

4. “ZIPAR nudges Govt. towards IMF” (14th October, Times of Zambia)

Zambia needs to quickly get an International Monetary Fund (IMF) package to move towards medium risks of debt distress, the Zambia Institute for Policy Analysis and Research (ZIPAR) has said. ZIPAR says an IMF package would put Zambia back on the path of economic recovery, improve the living standards of citizens as well as send positive signals to foreigners.

5. “We’re on course, Ng’andu assures investors” (21st October, Times of Zambia)

The Government is on course with the agenda to implement economic reforms despite the country’s power supply and fiscal constraints, Finance Minister Bwalya Ng’andu has said. Zambia has made development efforts through measures targeted at addressing some external, internal and natural vulnerabilities being faced.

6. “Japanese firm to invest \$200m in solar power” (26th October, Times of Zambia)

A Japanese firm, Univergy Solar Company, is set to invest over US\$200 million in two solar power generation plants in Zambia. Univergy Solar will generate 200 megawatts, which will be added to the national grid. The 200 megawatts will be shared between Mpika, which will receive 135 megawatts, and Mufulira, which will get 65 megawatts.

7. “State plans 2nd thermal power plant in Maamba” (28th October, Daily Mail)

Government plans to set up a second thermal power plant in Maamba and undertake other solar energy projects to mitigate the power deficit the country is facing, Minister of Finance Bwalya Ng’andu has said. Dr. Ng’andu said Government is also responding to the power shortage situation by importing more electricity because economic productivity is being negatively affected.

8. “2020 budget will put pressure on foreign debt” (29th October, Daily Nation)

According to Fitch Ratings Agency, Zambia’s 2020 National Budget could increase risks to sovereign’s external debt sustainability unless new sources of grant funding or concessionary lending are found. According to the Fitch report, the budget envisages a significant increase in funding, but does not identify the likely sources.