



## Macro-economics of Zambia, January 2018

Main Economic Statistical Indexes	2017	2018
1. Population (millions)	16.21(2015)	-
2. Population growth rate (%)	3.11 (2015)	-
3. Unemployment rate (%)	7.4(2014)	-
4. Life Expectancy (age) [M= male, F= female]	50.5(M)/53.8(F)	-
5. GDP (million USD)*1	21,154(2015)	-
6. GDP growth rate (%)	4.3(proj)	4.0(proj)
7. GNI per capita (USD)	1,490(2015)	-
8. Inflation rate (%)	6.1(Dec)	6.2(Jan)
9. Consumer Price Index (year 2009 =100)	201.18(Dec)	203.15(Jan)
10. Balance of trade (million USD)	-669.34*2	-586.65*2
11. Balance of trade against Japan (million USD)	-22.90*4 (2016)	128.21*3
12. Export (million USD)	6,436.31*2	8,154.41*2
13. Export against Japan (million USD)	24.13*4 (2016)	179.19*3
14. Import (million USD)	7,105.64*2	8,723.27*2
15. Import against Japan (million USD)	47.03*4 (2016)	50.98*3
16. Balance of current account (million USD)	-932 (2016)	-
17. Outward direct investment (million USD)	-283 (2015)	-
18. Inward direct investment (million USD)	1,653(2015)	-
19. Gold, Foreign currency reserve (million USD)	2,430(Dec)	2,430(Dec 2017)
20. External Debt (million USD)	7,900 (Dec)	7,900 (Dec 2017)
21. Exchange rate (Kwacha/ USD, average)	9.53ZMW	9.86ZMW (Jan)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	10.25 (Jan)

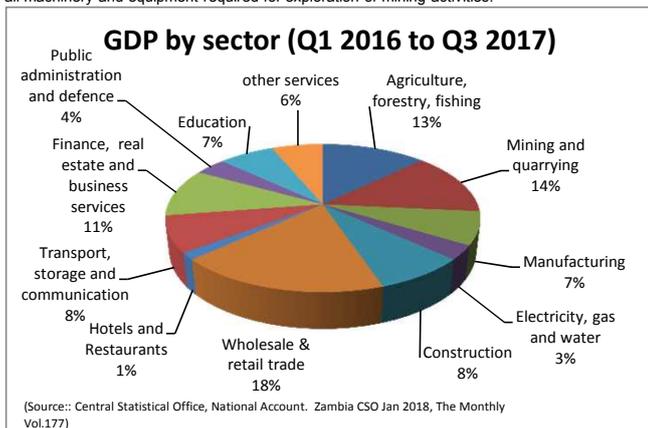
\*Figures are rounded off to two decimal places. \*est = estimated, proj = projected, Q1 = First Quarter

*1 GDP at market prices (Current USD)
*2 Accumulated average rate from January to December, 2017. 1USD = 9.53ZMW (Bank of Zambia rate, average from January to December, 2017)
*3 Accumulated average rate from January to December, 2017. 1USD = 112YEN (Bank of Japan rate, average from January to December, 2017)
Main <b>export</b> products [December 2017]: Copper anodes for electrolytic refining, Cathodes of refined copper, Copper blister, Sulphuric acid;oleum in bulk, cobalt oxides and hydroxides; commercial cobalt oxides in bulk. Five (5) Main trade partners( <b>export</b> ) [December 2017]: Switzerland 43.9%, China 15.5%, Congo DR 6.2%, United Kingdom 5.1%, Singapore 4.8% and Other destinations 24.5%.
Main <b>import</b> products [December 2017]: Cobalt oxides and hydroxides; commercial cobalt oxides in bulk, Copper concentrates and sulphide, Petroleum oils and oils obtained from bituminous minerals, crude, and Gas oils. Five (5) Main trade partners( <b>import</b> ) [December 2017]: South Africa 26.2%, Congo DR 24.1%, China 9.4%, United Arab Emirates 6.9%, Kuwait 4.5%, Other sources 28.9%.
*4 Based on 1USD = 111 YEN (Bank of Japan rate, 2016 average)
<Source > 1, 2, 5-7, 20: World Bank / 3: Zambia Labour Force Survey Report, 2014 (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:
  - 4-6% (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.



### Monthly News (Economics)

#### 1. "Zambia's economy grows –CSO" (1st January, Daily Mail)

Zambia's economy grew by 3.3 percent in the third quarter of last year, which was 0.1 percentage point higher than the growth registered in the second quarter, says Central Statistical Office (CSO). CSO Director of Census John Kalumbi disclosed that the highest contributor to the growth was human health and social work industry at 21.9 percent, followed by electricity generation sector, which grew by 19.8 percent, while agriculture, forestry and fishing stood at 15.5 percent.

#### 2. "Zambia has potential to produce over 305,000 tonnes of cotton – UNCTAD" (17th January, Times)

Zambia has the potential to produce over 305,000 tonnes of cotton stalk annually which gives an opportunity to would-be investors and farmers to add value to the commodity. This is according to a survey conducted by the United Nations Conference on Trade and Development (UNCTAD) on the development of cotton byproducts in Zambia recently.

#### 3. "Zambia gets US\$575m WB soft loan for poverty reduction" (18th January, Daily Nation)

The World Bank has this year allocated US \$575 million soft loan to Zambia under its country partnership framework for the next three years. This is part of the funds allocated to countries that fall under the International Development Association (IDA) category for the World Bank which allocated money specifically for poverty reduction and not for investment in any projects.

#### 4. "ZDA registers increase in investment" (23rd January, Daily Mail)

The Zambia Development Agency (ZDA) has registered an increase in actualized investments in nine sectors worth about US\$160 million last year. Data shows that from January to September 2017, the total investments were US\$158.9 million, translating in a 94.3 percent project implementation rate, with real estate accounting for the huge chunk of over US\$6 million.

#### 5. "Copper production hits 850,000 tonnes" (29th January, Times)

Zambia's copper production has hit 850,000 tonnes, representing an increase of 100,000 in last year's output. The increase has been attribute to the stability in the copper prices, which has been hovering around US\$7,000 throughout the year, thereby boosting morale for the mining houses to revive stalled projects.

#### 6. "AfDB expects mining boom" (31st January, Daily Mail)

Zambia's mining sector is this year expected to boom due to policy regime stability, African Development Bank (AfDB) has predicted. "Demand for copper in China this year anticipated to continue, combined with the forecasted copper supply deficit, prices are expected to remain at their current levels or rise slightly this year" AfDB notes.

#### 7. "Zambia in top 10 countries for Japanese investments" (31st January, Times)

A Zambian team of government officials have since travelled to Japan to attend the second Zambia-Japan Quality Infrastructure Dialogue which is aimed at helping officials appreciate high quality construction systems. And deputy minister for Construction, Engineering and Real Estate, Yoshiyuki Aoki, said Zambia was ranked 10<sup>th</sup> favorite destination in Africa where Japanese companies were interested in doing business.

#### 8. "IMF deal delay won't affect budget implementation" (31st January, Times)

The Ministry of Finance has said the delay in concluding an agreement with the International Monetary Fund (IMF) will not weaken the ability of the country to implement the 2018 National Budget. The Government, however, remained optimistic that when the support from the IMF was finally agreed the recovery and positive performance that the country was currently experiencing would further be augmented resulting in accelerated recovery and robust growth.