



Macro-economics of Zambia, March 2018

Main Economic Statistical Indexes	2017	2018
1. Population (millions)	16.59(2016)	-
2. Population growth rate (%)	3.00 (2016)	-
3. Unemployment rate (%)	7.4(2014)	-
4. Life Expectancy (age) [M= male, F= female]	51.1(M)/54.4(F)	-
5. GDP (million USD)*1	21,064(2016)	-
6. GDP growth rate (%)	4.2(proj)	4.5(proj)
7. GNI per capita (USD)	1,360(2016)	-
8. Inflation rate (%)	6.1(Dec)	7.1(Mar)
9. Consumer Price Index (year 2009 =100)	201.18(Dec)	207.62(Mar)
10. Balance of trade (million USD)	-669.34*2	70.66*2
11. Balance of trade against Japan (million USD)	-22.90*4 (2016)	7.11*3
12. Export (million USD)	6,436.31*2	860.60*2
13. Export against Japan (million USD)	24.13*4 (2016)	37.36*3
14. Import (million USD)	7,105.64*2	789.93*2
15. Import against Japan (million USD)	47.03*4 (2016)	30.25*3
16. Balance of current account (million USD)	-932 (2016)	-
17. Outward direct investment (million USD)	37(2016)	-
18. Inward direct investment (million USD)	469(2016)	-
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	9.59ZMW (Mar)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	9.75 (Mar)

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

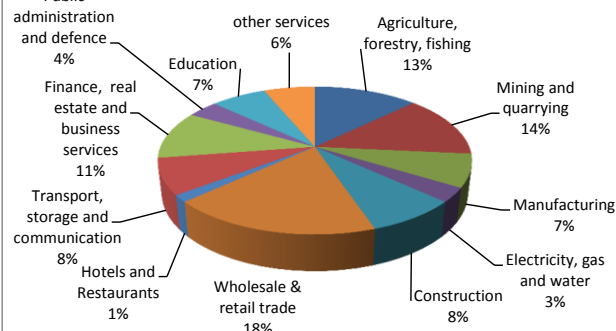
*1	GDP at market prices (Current USD)
*2	Accumulated average rate of January-February 2018. 1USD = 9.83ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January- February 2018. 1USD =113YEN (Bank of Japan rate)
	Main export products [February 2018]: Copper anodes for electrolytic refining, Cathodes of refined copper, Copper blister, Sulphuric acid, Oleum in bulk and Cobalt Alloy.
	Five (5) Main trade partners(export) [February 2018]: Switzerland 43.3%, China 10.4%, Singapore 8.2%, South Africa 7.7%, Congo DR 7.0%, and Other destinations 23.4%.
	Main import products [February 2018]: Copper concentrates, Cobalt oxides and hydroxides, Petroleum oils and oils obtained from bituminous minerals, crude, Gas oils, Motor Spirit.
	Five (5) Main trade partners(import) [February 2018]: South Africa 27.5%, Congo DR 24.1%, China 10.8%, United Arab Emirates 5.7%, Kuwait 5.2% and Other sources 26.7%.
*4	Based on 1USD = 111YEN (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.

GDP by sector (Q1 2016 to Q3 2017)



(Source: Central Statistical Office, National Account. Zambia CSO Jan 2018, The Monthly Vol.177)

Monthly News (Economics)

1. "Development programmes gobble K6bn" (6th March, Daily Mail)

The national treasury last month released K5.63 billion towards developmental programmes and Government operations across the country. Out of this amount, K2.14 billion was channeled to personal emoluments for public service workers, K1.5 billion went towards debt service, and K799 million was released for grants while the remainder of K1.22 billion went to other key programmes including capital projects.

2. "IMF talks at Zambia's pace –Mwanakatwe" (10th March, Daily Mail)

Government and the International Monetary Fund (IMF) will in April this year resume ongoing talks on a bailout package. Minister of Finance Margaret Mwanakatwe said Government has never disengaged with the IMF, adding that the talks are continuous, because Zambia is a shareholder. She said it was important for the IMF to be part of Zambia's development agenda.

3. "ZRA, Kaizen Institute of Zambia sign agreement" (March 17th, Times)

The Zambia Revenue Authority (ZRA) has signed a Memorandum of Understanding (MoU) with the Kaizen Institute of Zambia to improve revenue collection in a sustainable manner within the framework of prevailing legislation. ZRA commissioner general Kingsley Chanda said Kaizen had a structured methodology for not only achieving continuous improvements in all aspects of an organisation but it also comes with tools for identifying, planning, implementing and measuring improvements.

4. "Zambia formulates new debt management system" (March 21st, Daily Nation)

Government is revalidating the country's debt management system, says finance minister Margaret Mwanakatwe. Ms. Mwanakatwe said to that end, government was working on national fiscal affairs to ensure that the Public Financial Management Reforms, the Medium Term Debt Strategy and the Economic Stabilization and Growth Programme were implemented diligently.

5. "Zambia to reduce trade barriers" (March 22nd, Daily Mail)

Zambia yesterday signed the continental free-trade area (CFTA) agreement to reduce trade barriers and increase trade of goods and services among African countries. Ministry of Commerce, Trade and Industry Permanent Secretary Kayula Siame said as the continent embraces free trade, there is need to build productive alliances and the necessary capabilities for the industry to take advantage of emerging opportunities while minimizing the negative impact.

6. "Donor funds for development –Govt" (March 23rd, Daily Nation)

Government says it will put in place measures to ensure that 70 percent of the available donor funding for 2018 is used up to stimulate development. Minister of Finance Margaret Mwanakatwe said measures will be put in place to ensure that the absorption capacity of available donor resources in 2018 was increased to stimulate development.

7. "TDB injects over \$60m into tobacco industry" (March 26th, Daily Mail)

The Trade and Development Bank (TDB) has in the last two years injected over US\$60 million in Zambia to support the tobacco industry. The capital injection is part of the over US\$300 million provided to countries, including Malawi and Uganda, to accelerate the agriculture industry and agribusiness.

8. "Economic diversification gets policy push" (March 28th, Daily Mail)

Speedy implementation of Zambia's economic diversification programme has been boosted by Cabinet's approval of the National Industrial Policy. Minister of Commerce, Trade and Industry Christopher Yaluma said the policy will stimulate creation of more industries in various sectors of the country's economy.