



Macro-economics of Zambia, June 2018

Main Economic Statistical Indexes	2017	2018
1. Population (millions)	16.59(2016)	-
2. Population growth rate (%)	3.00 (2016)	-
3. Unemployment rate (%)	41.2	41.2(2017)
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)	7.4(June)
9. Consumer Price Index (year 2009=100)	201.18(Dec)	210.35(June)
10. Balance of trade (million USD)	-568.3	-108.78*2
11. Balance of trade against Japan (million USD)	128.58*4	52.74*3
12. Export (million USD)	8,150.1	4250.16*2
13. Export against Japan (million USD)	179.54*4	76.11*3
14. Import (million USD)	8,718.4	4358.94*2
15. Import against Japan (million USD)	50.96*4	23.37*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)	1,779(April)
20. External Debt (million USD)	7,900 (Dec)	9,370 (June)
21. Exchange rate (Kwacha/ USD, average)	9.53ZMW	10.04ZMW (June)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	9.75 (June)

*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-May 2018. 1USD = 9.76ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January- May 2018. 1USD =110YEN (Bank of Japan rate)

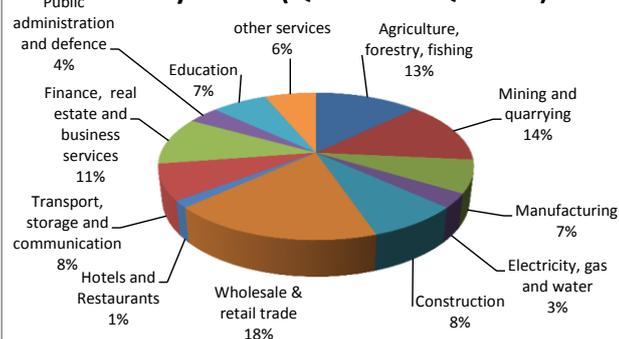
Main export products [May 2018]: Cathodes of refined copper, Copper anodes for electrolytic refining, Copper blister, Sulphuric acid, Oleum in bulk and Bullion in semi-manufactured forms.
Five (5) Main trade partners(export) [May 2018]: Switzerland 55.6%, China 13.5%, Congo DR 7.7%, South Africa 5.0%, Singapore 4.3%, and Other destinations 13.9%.
Main import products [May 2018]: Cobalt oxides and hydroxides, Copper concentrates, Copper concentrate sulphide, Petroleum oils and oils obtained from bituminous minerals.
Five (5) Main trade partners(import)[May 2018]:Congo DR 31.4%, South Africa 25.2%, China 10.7%, United Arab Emirates 4.1%, Kuwait 3.9% and Other sources 24.7%.

*4	Based on 1USD = 112YEN (Bank of Japan rate, 2017 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. "Copper Prices Go Up" (2nd June, Daily Nation)

Copper prices have risen after the manufacturing sector in China, the world's top metals consumer, grew at its fastest pace in eight months. London Metal Exchange copper price climbed 0.5 percent to US\$6,874.50 on Thursday and is currently trading at US\$6,834.00, according to Reuters.

2. "Zambia Metal Exports Drop" (4th June, Daily Mail)

Zambia has recorded a decline in metal exports by about K1 billion due to a drop in copper exports in April. Central Statistical Office (CSO) data indicate that metal exports decreased by 15.7 percent from over K6 billion in March to about K5 billion in April. CSO acting director of census and statistics Goodson Sinyenga said at the monthly briefing last week that the volume of copper exported in April decreased by 6.2 percent from over 85,000 tonnes in March to almost 80,000 tonnes in April.

3. "Economic Conditions Stable – Stanbic" (7th June, Daily Mail)

Stanbic Bank says economic conditions are stable and have signaled an overall improvement in the health of the private sector due to stronger market conditions. Stanbic Bank head of global markets Victor Chileshe said "A record increase in new orders underpinned stronger market conditions, with firms reporting a subsequent rise in business activity. Furthermore, both purchasing activity and stock levels rose."

4. "New Accountability Laws Comes into Effect" (7th June, Daily Mail)

Minister of Finance Margaret Mwanakatwe has issued a Statutory Instrument that brings into effect the Public Finance Management Act to enhance accountability of public resources. "It is envisaged that with effective enforcement of the Public Finance Management Act No. 1 of 2018, transparency and accountability in public finance management in Zambia will tremendously improve", Mrs. Mwanakatwe said. She also said incidences of misuse and theft of public resources will also be reduced and ultimately eliminated.

5. "Zambia Impress on IMF Rankings" (12th June, Daily Nation)

For the first time in 30 years, Zambia is not among the top 20 poorest countries. According to an IMF report, Zambia has made tremendous strides in growing its economy and lifting its people out of poverty. "Although there are concerns around its debt ratio to its growth domestic product (GDP), the country is on track to become a middle income country," reads the report in part.

6. "Mining Records \$13bn investment" (22nd June, Times of Zambia)

About US\$13.13 billion has been invested in the mining sector since privatization of mining companies 20 years ago. Mines and Minerals Minister Richard Musukwa said the resultant impact of the inflow of the investment was evident in the turnaround of the sector and the economy at large. "Mining accounts for about 10 percent of the Gross Domestic Product (GDP), 70 percent of foreign exchange earnings and is the second formal employer after Government", Mr. Musukwa said.

7. "Zambia Closer to \$1.3bn IMF Deal" (25th June, Daily Nation)

Zambia's recent sharp economic activities and adjustments indicate that the country might be closer to getting the US\$1.3 billion IMF programme deal, says Barclays Group head of Africa macro research Jeff Gable. Mr. Gable observed that recent economic adjustments and fundamentals indicated that Zambia's outlook was up-beat, therefore getting ready for an IMF programme.