



Macro-economics of Zambia, July 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)	7.8(July)
9. Consumer Price Index (year 2009 =100)	201.18(Dec)	210.92(July)
10. Balance of trade (million USD)	-568.3	-272.63*2
11. Balance of trade against Japan (million USD)	128.58*4	72.67*3
12. Export (million USD)	8,150.1	5102.96*2
13. Export against Japan (million USD)	179.54*4	102.58*3
14. Import (million USD)	8,718.4	5375.59*2
15. Import against Japan (million USD)	50.96*4	29.91*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	9.89.ZMW (June)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	9.75 (July)

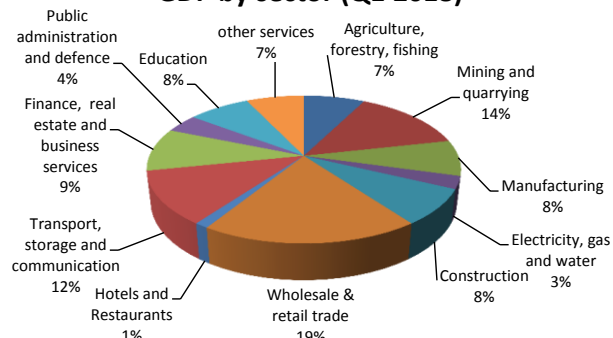
*Figures are rounded off to two decimal places. *Est = estimated, proj = projected, Q1 = First Quarter

*1	GDP at market prices (Current USD)
*2	Accumulated average rate of January-June 2018. 1USD = 9.81ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-June 2018. 1USD =110YEN (Bank of Japan rate)
	<p>Main export products [July 2018]: Copper anodes for electrolytic refining, Cathodes of refined copper, Copper blister, Sulphuric acid; Oleum in bulk and Bullion in semi-manufactured forms.</p> <p>Five (5) Main trade partners(export) [July 2018]: Switzerland 47.9%, China 15.2%, Congo DR 8.3%, Singapore 5.0%, South Africa 4.7%, , and Other destinations 18.9%.</p> <p>Main import products [July 2018]: Cobalt oxides and hydroxides, Copper and cobalt concentrates, Petroleum oils and oils obtained from bituminous minerals, Gas oils and Sulphur. of all kinds.</p> <p>Five (5) Main trade partners(import) [July 2018]: Congo DR 30.6%, South Africa 23.8%, China 9.6%, India 8.5%, Kuwait 3.9% and Other sources 23.5%.</p>
*4	Based on 1USD = 112YEN (Bank of Japan rate, 2017 average)
<p><Source></p> <p>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</p>	

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 2018)



(Source: Central Statistical Office, National Account. Zambia CSO June 2018, The Monthly Vol.1)

Monthly News (Economics)

1. World Bank Commends Zambia (6th July, Daily Mail & Daily Nation)

World Bank country manager Ina Marie Ruthenberg said during a meeting with Finance minister Margaret Mwanakatwe yesterday in Lusaka that the measures taken by the Zambian Government to consolidate fiscal prudence were commendable. And Ms. Mwanakatwe reiterated the Zambian Governments' gratitude to the World Bank for the opportunity to host the 18th International Development Association (IDA) high level mid-term review meeting which would be held in Livingstone, from 13th to 15th November, 2018.

2. GDP in 4.1% Growth (6th July, Daily Mail)

Zambia's economic trajectory has remained strong with GDP growing by 4.1 percent in the second quarter of this year, National Economic Advisory Council (NEAC) says. NEAC executive director Webby Wake attributes the growth performance to the current development programmes in agriculture and agro industries. Mr. Wake, however, said the growth is expected to be subdued in the first half of 2019 due to fiscal consolidation and global trends.

3. Copper Price Falls to Weakest Point (12th July, Daily Mail)

Copper price on the international market yesterday slumped to its weakest since July last year after the United States raised the stakes in a trade war with China with threats of more tariffs. The commodity is Zambia's major sources of foreign exchange and was trading at US\$6,141.50 a tonne yesterday.

4. ZDA Records \$928m Investment (12th July, Times of Zambia)

The Zambia Development Agency (ZDA) recorded a total of US\$928.7 million surpassing the projected \$422.7 million investment figure after monitoring 137 enterprises around the country. ZDA says it also recorded an increase in projected investment of 100 percent in 2017 to US\$7,159 million from US\$3,564 million recorded in 2016 due to significant investment in energy and manufacturing sectors.

5. AfDB Approves \$50m Funding (16th July, Daily Mail)

African Development Bank (AfDB) has approved a US\$50 million framework financing small-scale renewable energy projects in Zambia to enable the country to diversify its energy generation that is heavily reliant on hydro-electricity.

6. Zambia Ranks 54th in Political, Economic Stability (18th July, Daily Mail, Daily Nation & Times of Zambia)

The Global Innovation Index (GII) has ranked Zambia as a politically and economically stable country standing at 54 of the 126 countries that have been graded in political and economic stability in 2018. Zambia has also been categorised as one of the countries with a record of adherence to the rule of law and has been ranked 80 from among the 126 countries that have been grades by the GII.

7. Govt Tackles Debt, Liquidity, Fiscal Deficit (31st July, Daily Nation)

Government is swiftly implementing measures as part of a broader policy reform to tackle the challenges that relate to debt, liquidity and fiscal deficit, Finance Minister Margaret Mwanakatwe said yesterday. She said the measures would lead to a slowing down of the rate of debt accumulation in 2018 and over the medium term as well as tackle the fiscal deficit that is forecast to be below the 2017 announced deficit of 7.8% of GDP. "These measures include limiting domestic financing of the budget, cutting expenditures on personal emoluments and reducing the cost of public sector operations and government is proceeding to dismantle arrears in different sectors," Ms. Mwanakatwe said.