



Macro-economics of Zambia, October 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)	4.0(proj)
7. GNI per capita (USD)	1,360(2016)	-
8. Inflation rate (%)	6.1(Dec)	8.3(Oct)
9. Consumer Price Index (year 2009=100)	201.18(Dec)	213.42(Oct)
10. Balance of trade (million USD)	-568.3	-1,161.27*2
11. Balance of trade against Japan (million USD)	128.58*4	94.08*3
12. Export (million USD)	8,150.1	6,953.84*2
13. Export against Japan (million USD)	179.54*4	137.12*3
14. Import (million USD)	8,718.4	8,115.11*2
15. Import against Japan (million USD)	50.96*4	43.04*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)	1,629(Sept)
20. External Debt (million USD)	7,900 (Dec)	9,510 (Sept)
21. Exchange rate (Kwacha/ USD, average)	9.53ZMW	11.91.ZMW (Oct)
22. Main policy interest rate (annual rate %)	10.25 (Dec)	9.75 (Oct)

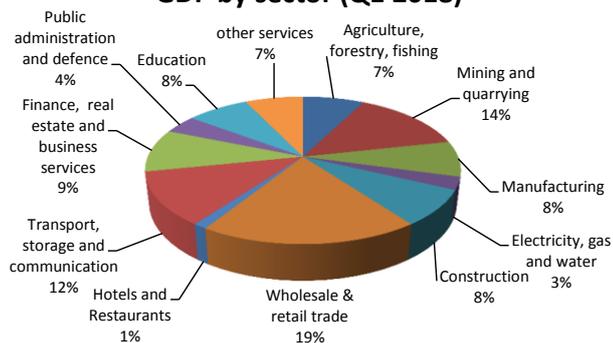
*Figures are rounded off to two decimal places. *est = estimated, proj = projected, Q1 = First Quarter

*1	GDP at market prices (Current USD)
*2	Accumulated average rate of January-September 2018. 1USD = 9.98ZMW (Bank of Zambia rate)
*3	Accumulated average rate of January-September 2018. 1USD =110YEN (Bank of Japan rate)
	Main export products [September 2018]: Copper anodes for electrolytic refining, Cathodes of refined copper, Plates, Sheets and strips of refined copper, Copper blister, Sulphuric acid, and Oleum in bulk. Five (5) Main trade partners(export) [September2018]: Switzerland 43.0%, China 16.2%, Singapore 9.8%, Congo DR 9.7%, United Kingdom 6.5% and Other destinations 14.8%.
	Main import products [September 2018]: Cobalt oxides and hydroxides, Commercial cobalt oxides in bulk, Copper concentrates, Sulphide concentrates, and Petroleum oils and oils obtained from bituminous minerals. Five (5) Main trade partners(import) [September 2018]: Congo DR 25.6%, South Africa 23.3%, China 11.6%, United Arab Emirates 5.6%, Kuwait 5.2%, and Other sources 28.7%.
*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, 2017 (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 2018)



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

Monthly News (Economics)

1. Fuel Prices Go Up (3rd October, Daily Nation)

The Energy Regulation Board (ERB) has adjusted the pump price of fuel upwards effective last midnight citing changes in exchange rate of the Kwacha and crude oil prices in international markets. A liter of petrol will now cost K16.06 from K13.75 while a liter of diesel will sell at K14.65 from K12.14 and a liter of kerosene has been increased from K8.85 to K11.34.

2. Global Investors Prodded (12th October, Daily Mail)

At the 2018 Annual Meetings of IMF and World Bank held in Bali, Indonesia, Minister of Finance Margaret Mwanakatwe told investors that manufacturing, the agriculture value-chain, tourism, energy and infrastructure development offer great prospects for greenfield investments in Zambia. She cited the precious metals sub-sector as another potential area of investment in Zambia. The minister also assured investors that Zambia's total debt to China is below 30 percent, and that measures are being implemented to ensure that the country's debt remains within sustainable thresholds.

3. Stick to Debt Management, WB Advises (15th October, Times)

World Bank vice-president Axel Von Trotsenberg has encouraged Zambia to remain steadfast with debt management in order to contribute to effective economic management and secure public welfare. He urged Zambia, as an emerging market and developing country, to opt for concessional loans provided under multilateral sources such as the World Bank's International Development Association [IDA].

4. Government Sets Up Public Investment Management System (21st October, Times)

Government through the Ministry of National Development Planning is establishing the Public Investment Management System to ensure that major projects were appraised before implementation. Acting Secretary to the Cabinet Christopher Mvunga said the Government recognises the challenges that currently exist in the way public investment projects are managed, adding that one clear manifestation of the challenge was in the number of projects being implemented at the same time. He said the Government was committed to strengthen transparency, accountability and effectiveness in the utilization of the limited national resources.

5. State, IMF Engagement to Continue (26th October, Daily Mail)

Government will continue putting in place measures that will form the basis for facilitating discussions with the International Monetary Fund (IMF) on the possibility of securing more financial support. Minister of Finance Margaret Mwanakatwe said Zambia's cooperation with donors will always be based on principles of transparency, accountability, prudence and cost-effectiveness in the use of their resource. Mrs. Mwanakatwe said Government will also continue to strengthen its financial governance systems and detecting fraud-related activities before they happen.

6. Mwanakatwe Warns Loss Making Parastatals (28th October, Daily Nation)

At the 2nd IDC Annual Group Conference in Livingstone, Finance Minister Margaret Mwanakatwe has warned that Government will not continue financing loss making State Owned Enterprises (SOEs) which are draining the treasury instead of making profits to contribute to state coffers. She also said "The reform we have embarked on to reshape State Owned Enterprises will not fail. We will not tolerate Boards and CEOs that resist reforms."

7. Japanese Government Pledges to Support Vision 2030 (31st October, Times)

Japanese Ambassador to Zambia Hidenobu Sobashima said his government would cooperate with Zambia in developmental projects meant to uplift the livelihoods like agriculture and access to clean and safe water. Mr. Sobashima said his country attached importance to the agricultural corporation with Zambia hence sending a high-level special advisor to ensure that the sector advances. He said this when he was in Luapula Province to conduct a press tour aimed at highlighting the activities been undertaken by his government.