



Macro-economics of Zambia, January 2017

Main Economic Statistical Indexes	2016	2017
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 (%)	2.9(est)	4.0(proj)
7. GNI per capita (USD)	1,490(2015)	-
8. Inflation rate (%)	18.2	7.0(Jan)
9. Consumer Price Index (year 2009 =100)	183.66	191.28(Jan)
10. Balance of trade (million USD)	325.0	-
11. Balance of trade against Japan (million USD)	-22.90*3	-
12. Export (million USD)	7,036.0	-
13. Export against Japan (million USD)	24.13*3	-
14. Import (million USD)	6,710.0	-
15. Import against Japan (million USD)	47.03*3	-
16. Balance of current account (million USD)	-932	-
17. Outward direct investment (million USD)	-283 (2015)	-
18. Inward direct investment (million USD)	1,653(2015)	-
19. Gold, Foreign currency reserve (million USD)	2195(est)	2,430(proj)
20. External Debt (million USD)	8,785 (2015)	-
21. Exchange rate (Kwacha/ USD, average)	9.81ZMW (end-period)	9.93ZMW(Jan)
22. Main policy interest rate (annual rate %)	13.0	15.5

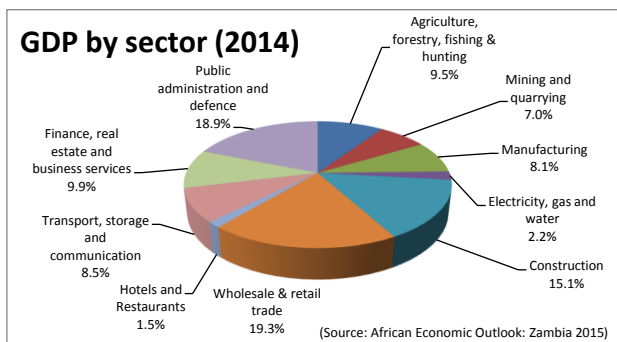
*Figures are rounded off to two decimal places. *est = estimated, proj = projected

*1 GDP at market prices (Current USD)
*2
*3 Accumulated average rate from January to December, 2016. 1USD = 111YEN (Bank of Japan rate)
Main export products [December 2016]: Copper, Maize, Sulphuric acid, Vegetable fats and oils, other non-alcoholic beverages.
Five (5) Main trade partners(export) [December 2016]: Switzerland 44.0%, China 24.0%, Congo DR 5.9%, Singapore 5.4%, Zimbabwe 3.7%, and Other destinations 17.0% .
Main import products [December 2016]: Coper, Cobalt, Electrical energy, Gas oils, Motor spirit.
Five (5) Main trade partners(import) [December 2016]: South Africa 34.9%, Congo DR 17.2%, China 7.6%, Mozambique 6.7%, United Arab Emirates 4.7%, and Other sources 28.8%.
*4
<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(2016): Country Report (EIU) & Bank of Zambia / 11, 13, 15:Trade Statistics of Japan (Ministry of Finance Japan) / 17, 18:UNCTAD / 21(2017), 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. “ERB cuts fuel prices” (Times, 4th)

The Energy Regulation Board (ERB) has reduced petroleum wholesale and pump prices effective midnight yesterday. Petrol will now cost K12.50 from 13.70, diesel K10.70 from K11.40 and kerosene will cost K6.81 from K8.03.

2. “Govt. releases K30.8m to help contain army worms invasion”(Times, 7th)

The Government has released K30.8 million to assist in the fight against army worms. Finance Minister Felix Mutati said the army worms have become a threat to economic diversification because they are adversely affecting agriculture development.

3. “Zambia’s tobacco output drops” (Times, 10th)

Zambia's tobacco production for the 2015/16 marketing season drastically reduced by over 35 percent due to low demand on the global market, a recent report has shown. In 2016, Zambia produced 21,622,951 kilograms (Kgs) of tobacco compared to 34,820,515 Kgs in 2015, translating in a 37.5 percent reduction.

4. “Zambia, Japan ink housing infrastructure deal” (Times, 10th)

Zambia and Japan yesterday signed a memorandum of understanding (MoU) aimed at improving housing infrastructure in the country. Minister of Housing and Infrastructure Development Ronald Chitotela signed on behalf of Zambia while Japanese Minister of Land, Infrastructure, Transport and Tourism Sinsuke Suematsu signed on behalf of his government. Speaking before the signing ceremony held on the sidelines of the Zambia-Japan public private conference in Lusaka yesterday, Mr Chitotela said the MoU was timely especially that Zambia is grappling with a 1.5 million housing deficit. And Mr Suematsu said his country is committed to promoting the construction of quality, eco-friendly and durable infrastructure in Zambia. He said quality infrastructure is key to sustainable development of any country, especially Zambia, which is landlocked and engaged in trade with other nations.

5. “Grain traders to offload 245,000 tonnes of maize” (Daily Mail, 15th)

The Grain Traders Association of Zambia (GTAZ) has agreed to offload 245,000 metric tonnes of maize to millers country-wide to lower the price of mealie-meal. The maize will be released on the market between January and May this year.

6. “COMESA to discuss Zambia-Uganda rail” (Times, 24th)

The Common Market for Eastern and Southern Africa (COMESA) will this year discuss the construction of a railway line between Zambia and Uganda. COMESA Secretary General Sindiso Ngwenya said the rail project would boost the performance of cross-border trade in the region yesterday.

7. “Swedish itch to invest in Zambia” (Daily Mail, 27th)

Minister of Finance Felix Mutati says Government is overwhelmed by the increase in the number of Swedish companies itching to invest in the development of Zambia's energy sector. Mr Mutati is on an economic diplomacy tour of Europe to woo investment into Zambia's various economic sectors.

8. “Qatar Airways to fly Zambian sky” (Times, 30th)

Qatar Airways is set to commence flights between Doha and Lusaka in June this year. The airline which is scheduled to start flights between the two destinations in June 2017 will start operating three weekly flights using a 254-seater Dreamliner B787 direct between Doha and Lusaka.