



Macro-economics of Zambia, November 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)	11.9(Q1)
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	6.3(Nov)
9.	Consumer Price Index (year 2009 =100)	183.66	199.84(Nov)
10.	Balance of trade (million USD)	325.0(est)	-669.34*2
11.	Balance of trade against Japan (million USD)	-22.90*4	116.63*3
12.	Export (million USD)	7,036.0	6,436.31*2
13.	Export against Japan (million USD)	24.13*4	155.57*3
14.	Import (million USD)	6,710.0	7,105.64*2
15.	Import against Japan (million USD)	47.03*4	43.94*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)	2,195(est)	2,430(proj)
20.	External Debt (million USD)	6,900 (Dec)	7,560 (August)
21.	Exchange rate (Kwacha/ USD, average)	9.81ZMW (end-period)	10.04ZMW (Nov)
22.	Main policy interest rate (annual rate %)	13.0	10.25 (Nov)

*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 from January to October, 2017. 1USD = 9.43ZMW (Bank of Zambia rate, average from January to October, 2017)
*3	Accumulated average rate from January to October, 2017. 1USD =112YEN (Bank of Japan rate, average from January to October, 2017)
Main export products [October 2017]: Copper anodes for electrolytic refining, Cathodes of refined copper, Copper blister, Cobalt oxides and hydroxides, Articles of stone or other mineral substances, Sulphuric acid and Oleum in bulk. Five (5) Main trade partners(export) [October 2017]: Switzerland 53.5%, China 7.5%, South Africa 6.4%, Singapore 6.2%, Congo DR 5.8%, and Other destinations 20.5%.	
Main import products [October 2017]: Cobalt oxides and hydroxides; commercial cobalt oxides in bulk, Copper concentrates and sulphide, Cobalt concentrates, Towers and lattice masts of iron or steel, Gas oils. Five (5) Main trade partners(import)[October 2017]:South Africa 26.6%, Congo DR 23.2%,China 11.2%,United Arab Emirates 4.6%, Kuwait 4.3%,Other sources 30.1%.	
*4	Based on 1USD = 111 YEN (Bank of Japan rate, 2016 average)

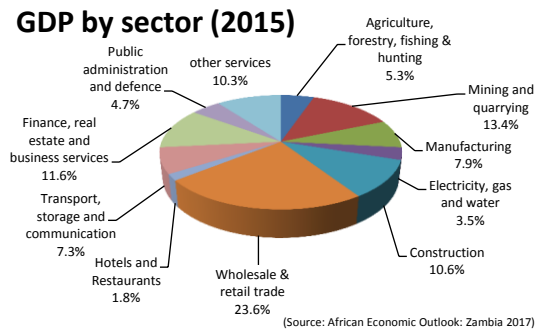
<Source>
1, 2, 5-7, 20:World Bank /3: Zambia Labour Force Survey Report, 2014 (CSO& Ministry of Labour and Social Security) /4, 16:The World Factbook (CIA) /8, 9, 10, 12, 14: Monthly Bulletin (CSO) & EIU Country Report /19, 21(2016): Country Report (EIU) & Bank of Zambia /11, 13, 15:Trade Statistics 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.

GDP by sector (2015)



Monthly News (Economics)

1. "World Bank rates Zambia among top ten improved economies" (1st November, Daily Nation)

Zambia is one of ten economies showing the most notable improvement in doing business in 2018, according to the World Bank ease of doing business rankings. Zambia is ranked 85th on the ease of doing business 2018 according to a report which was launched in Washington on 31st October 2017. According to the report, the increase of 3.92 points means that in the last year, Zambia has improved its business regulations as captured by the doing business indicators in absolute terms.

2. "Lending to the private sector still too low" (4th November, Daily Nation)

The expansion of credit in Zambia to private sector has remained stagnant thereby undermining growth in the area, says finance minister Felix Mutati. Mr. Mutati said the credit to the private sector had stagnated and averaged K26 billion annually. Mr. Mutati observed that commercial banks had continued to be hesitant to extend credit to the private sector. Instead the banks had preferred participating in Government securities and yet it is important for the financial institutions to support enterprises in Zambia.

3. "WB wants more open border trade" (7th November, Daily Nation)

Government needs to improve on policies related to trading across the borders to further improve on Zambia's performance in the ease of doing business report, World Bank Group, manager Doing Business Unit, Rita Ramalho has advised.

4. "Cabinet resolves to limit borrowing" (9th November, Daily Mail)

Cabinet has resolved to limit commercial borrowing and concentrate in concessional borrowing to minimize external shocks. Government in partnership with the World Bank, has also launched the Zambia National Financial Sector Development Policy and National Financial Inclusion Strategy that seek to develop a robust financial sector. Minister of Finance Felix Mutati said concessional borrowing is cheaper and external risks are minimal.

5. "Kwacha performance maintains stability" (14th November, Daily Mail)

Zambia's foreign exchange market has seen stability on account of various measures implemented by the Bank of Zambia (BoZ). Currently, the Kwacha is trading in the range of K9.90 and K10.10 on the bid and offer, respectively.

6. "BoZ calls for boost in digital financial services" (16th November, Daily Nation)

The Bank of Zambia, through the Deputy Governor Dr. Bwalya Ng'andu has highlighted the need for more efforts to increase financial inclusion and the penetration of Digital Financial Services (DFSs) in Zambia. Dr. Ng'andu said DFSs such as mobile money platforms had the potential to transform and significantly increase the number of electronic transactions and drive financial inclusion through increased access to financial services even for those that were in remote areas.

7. "ZRA hails cooperating partners" (20th November, Daily Mail)

The Zambia Revenue Authority (ZRA) notes that project support portfolio of about US\$8.1 million from cooperating partners has assisted the authority to develop and implement modernization reforms to enhance compliance in the country. ZRA says that donors have created a basket of funds called Public Management Reform Programme being managed by the World Bank for various modernization reforms.

8. "Japanese investors gets land for new textile plant" (27th November, Daily Nation)

The Zambian Government has allocated land to a Japanese investor in the Kabwe Multi facility Economic Zone (MFEZ) for setting up of a textiles plant.