



Macro-economics of Zambia, January 2016

Main Economic Statistical Indexes	2015	2016
1. Population (millions)	15.5 (est)	15.9 (proj)
2. Population growth rate (%)	2.88 (est)	2.6 (est)
3. Unemployment rate (%)	7.4 (2014)	-
4. Life Expectancy (age) [M= male, F= female]	50.5(M)/53.8(F)	-
5. Real GDP (million USD)	-	-
6. Nominal GDP (million USD)	21,902(est)	20,395(proj)
7. GDP growth rate (%)	3.9(proj)	3.1 (proj)
8. GNI per capita (USD)	1,619 (2014)	-
9. Inflation rate (%)	10.0	21.8 (Jan)
10. Consumer Price Index (year 2009 =100)	155.82	178.70(Jan)
11. Balance of trade (million USD)	-1,527.89	-71.85(Dec, 2015)*1
12. Balance of trade against Japan (million USD)	-26.90 *3	0.54(Dec, 2015)*2
13. Export (million USD)*3	6,978.34	648.71(Dec, 2015)*1
14. Export against Japan (million USD)	46.34 *3	3.70(Dec, 2015)*2
15. Import (million USD)*3	8,506.23	720.55(Dec, 2015)*1
16. Import against Japan (million USD)	73.24 *3	3.16(Dec, 2015)*2
17. Balance of current account (million USD)	-360 (2014)	-
18. Outward direct investment (million USD)	-213(2014)	-
19. Inward direct investment (million USD)	2,484 (2014)	-
20. Gold, Foreign currency reserve (million USD)	3,600(Sep, 2015)	-
21. External Debt (million USD)	6,300 (Sep, 2015)	-
22. Exchange rate (Kwacha/ USD, average)	8.63ZMW *4	11.13 ZMW(Jan)*4
23. Main policy interest rate (annual rate %)	13.0	15.50 (Dec,2015)

*1 Figures are rounded off to two decimal places. *2 est = estimated, proj = projected

*1 1USD = 10.84ZMW (Bank of Zambia rate, December 2015 average)

*2 1USD = 120YEN (Bank of Japan rate, December 2015 average)

Main export products [December 2015]: Cathodes & Sections of Cathodes of refined Copper, Raw cane sugar, Maize (excl. seed), Magnesia and other magnesium oxide.

Five (5) Main trade partners(export) [December 2015]: Switzerland 53.9%, China 12.3%, South Africa 6.3%, Democratic Republic of the Congo 5.9%, Zimbabwe 3.2% and Other destinations 18.5%

Main import products [December 2015]: Road tractors for semi-trailors, Gas oils, Motor Spirits, petroleum oils

Five (5) Main trade partners(import) [December 2015]: South Africa 28.9%, Democratic Republic of the Congo 20.3%, Mauritius 10.7%, Kuwait 5.2%, India 4.5%, and Other sources 30.4%

*3 Based on 1USD = 121 YEN (Bank of Japan rate, 2015 average)

*4 The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).

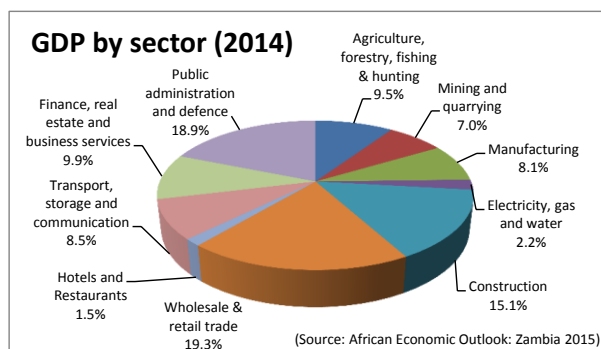
<Source>

1.-2. 6.-7.: Country Report 2016 (EIU) /3. Zambia Labour Force Survey Report, 2014 (CSO&Ministry of Labour and Social Security) /4. 17.: The World Factbook (CIA) /8.: National Accounts Main Aggregates Database (UNSTAT) /9.-11., 13., 15.: Monthly Bulletin (CSO) /12., 14., 16.: Trade Statistics of Japan (Ministry of Finance) /18.-19.: UNCTAD /20., 21.: Ministry of Finance in Zambia /22.-23.: Bank of Zambia

Mining Sector Taxes Source: ZRA, ZEITI)

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - Underground mining 6%
 - Open Cast mining 9%
- 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. Zesco tariffs cut (Daily Mail, 4th)

Special assistant to the President for press and public relations Amos Chanda told journalists in Lusaka yesterday that President Lungu has decided to reverse the tariffs because of an outcry from most consumers. This change which was effected on January 1.

2. "IDC to partner with finance institutions" (Times, 12th)

Chief executive officer Andrew Chipwende said IDC would partner with the development finance institutions and the private sector to help construct 100 kilometres of road network in the Lusaka South Mukti-Facility Economic Zone (LS-MFEZ). Mr Chipwende said in order to support the Government's economic diversification policy, the LS-MFEZ needed to be at the centre of industrial activities and operations.

3. "Lungu seeks WFP help" (Times, 15th)

President Edgar Lungu has appealed to the World Food Programme (WFP) to help Zambia and the rest of Southern Africa cope with an impending food shortage in the wake of the prevailing drought. The Head of State was speaking yesterday when WFP executive director Ertharin Cousin paid a courtesy call on him.

4. "Investment forum launched" (Times, 18th)

Government has launched the Zambia International Investment Forum (ZIIIF-2016). The forum which is expected to attract over 500 potential investors from around the world would be held from April 21 – 22 at Lusaka's Radisson Blu Hotel.

5. "ZCCM-IH aids ex-miners" (Times, 19th)

ZCCM-Investment Holdings (IH) has come up with a number of interventions to absorb some for the retrenched miners on the Copperbelt. Some of the interventions include coming up with a cement factory in Ndola which would provide about 10,000 jobs at construction stage. Chief Executive Officer, Pius Kasolo said the continued sliding in metal prices which had not just affected Zambia but the world at large, was a source of worry for ZCCM-IH.

6. "Fuel tanker drivers' strike ends" (Daily Mail, 22nd)

The strike by fuel tanker drivers, which caused an acute shortage of fuel in Lusaka, has ended, Minister of Energy and Water Development Dora Siliya and her Labour and Social Security counterpart Fackson Shamenda have said.

7. "Kalumbila cuts 735 mine jobs" (Post, 24th)

Kalumbila Minerals Limited has informed the government and the unions in the mines that it will cut 735 jobs at its Sentinel Mine with immediate effect. Mineworkers Union of Zambia general secretary, Joseph Chewe, said the union has advised Kalumbila Minerals not to go ahead with retrenchments because the issue of energy crisis could be resolved with the involvement of the government and stakeholders.

8. "State urged to maintain fiscal sustainability" (Daily Mail, 26th)

With the current deterioration in credit ratings, capital outflows and exchange rate depreciation, the World Bank has urged Government to maintain fiscal sustainability as it is crucial for investor confidence. The bank said Government should move towards fiscal sustainability by setting accurate economic targets that will be monitored and achieved to enable the country to improve the performance of Balance of Payments (BoPs).

9. "SA firm to set up \$250m solar plant" (Daily Mail, 27th)

A South African firm has been allocated 150 hectares of land in Eastern Province where it intends to invest over US\$250 million to install a solar energy plant. The Industrial Development Corporation (IDC) is expected to facilitate the signing of the power purchase agreement with Zesco Limited. The project is scheduled to start in April after all logistics have been put in place. Eastern Province permanent secretary Chanda Kasolo, however, could not disclose the name of the firm, saying it will only be revealed when all logistics have been put in place.

10. "Zambia Inflation Quickens Sixth Straight Month to 12-Year High" (Bloomberg, 28th)

Inflation rate rose by 21.8 percent year-on-year in January from 21.1 percent a month earlier, the Central Statistical Office said in a statement. Zambian consumer prices accelerated for a sixth consecutive month to a fresh 12-year high amid a power crisis and currency weakness.