



Macro-economics of Zambia, February 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 (%)	3.5(proj)	3.7 (proj)
8. GNI per capita (USD)	1,619 (2014)	-
9. Inflation rate (%)	10.0	22.9 (Feb)
10. Consumer Price Index (year 2009 =100)	155.82	180.81(Feb)
11. Balance of trade (million USD)	-1,527.89	-15.51(Jan)*1
12. Balance of trade against Japan (million USD)	-26.90 *3	-1.90(Jan)*2
13. Export (million USD)*3	6,978.34	560.49(Jan)*1
14. Export against Japan (million USD)	46.34 *3	0.95(Jan)*2
15. Import (million USD)*3	8,506.23	575.99(Jan)*1
16. Import against Japan (million USD)	73.24 *3	2.85(Jan)*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)	2,980 (Dec, 2015)	-
21. External Debt (million USD)	6,400 (Dec, 2015)	-
22. Exchange rate (Kwacha/ USD, average)	8.63ZMW *4	11.33 ZMW*4 (Feb)
23. Main policy interest rate (annual rate %)	13.0	15.50 (Feb)

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

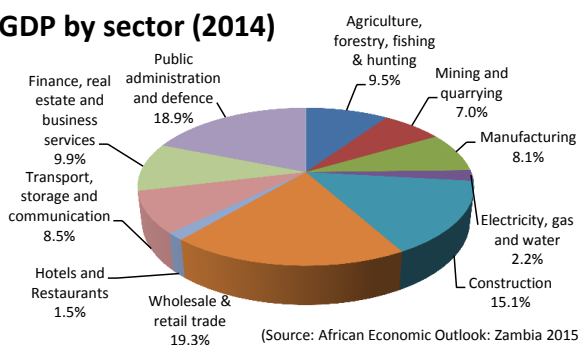
*1	1USD = 11.13 ZMW (Bank of Zambia rate, January 2016 average)
*2	1USD = 123YEN (Bank of Japan rate, January 2016 average)
	Main export products [January 2016]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid; oleum in bulk, Raw cane sugar, Magnesia and other magnesium oxide. Five (5) Main trade partners(export) [January 2016]: Switzerland 49.0%, China 17.6%, Democratic Republic of the Congo 5.4%, South Africa 5.4%, Singapore 4.2% and Other destinations 18.4%
	Main import products [January 2016]: Telephones for cellular networks, Gas oils, Motor Spirits, petroleum oils. Five (5) Main trade partners(import) [January 2016]: South Africa 25.0%, Mauritius 13.4%, Democratic Republic of the Congo 11.5%, Kuwait 9.9%, China 9.6%, and Other sources 30.7%
*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.: Country Report 2016 (EIU) / 3.: Zambia Labour Force Survey Report, 2014 (CSO&Ministry of Labour and Social Security) / 4., 17.: The World Factbook (CIA)/Census 2010 / 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 / 7.20.-21.: Ministry of Finance/Bank of 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.

GDP by sector (2014)



Monthly News (Economics)

1. "Lungu clinches 6 deals" (Daily Mail, 9th)

PRESIDENT Lungu's three-day official visit to France has immediately yielded six deals that will see Zambia receive significant investment in the energy, aviation and other sectors. Following bilateral talks between the President and his counterpart Francois Hollande at Elysee Palace here yesterday, France has promised to, through Airbus, help Zambia establish a national airline.

2. "Preps, political commitment impress AfDB boss" (Daily Mail, 16th)

African Development Bank (AfDB) president Akinwumi Adesina is impressed with preparedness and commitment shown by President Lungu and his administration to host the multilateral development finance institution's annual meeting scheduled for May 23 to May 27, 2017 in Lusaka. "We discussed economic diversification with emphasis on developing agriculture, which has potential to create jobs, increase poor people's incomes and transform rural economies." Dr. Adesina said.

3. "Zambeef is Africa's second fastest growing retailer" (Times, 17th)

Zambeef Products Plc has been named the second fastest growing retailer in Africa by influential African powers of retailing. According to the report issued by Deloitte Africa, a leading accountancy firm, Zambeef's revenue grew by 23 percent in 2013 only surpassed by Botswana's Choppies Enterprises Limited.

4. "Mine taxes improved" (Daily Mail, 18th)

Cabinet has redesigned the mining taxation regime in a bid to enhance mine operations, reduce job cuts and increase tax revenue from the sector when copper prices rise. Minister of Information and Broadcasting Services Chishimba Kambwili said that Cabinet has introduced varied mineral royalty rate for copper based on the prevailing copper price; flat mineral royalty rate of five percent for other base metals, industrial minerals and energy minerals; and flat mineral royalty rate of six (6) percent for precious metals and gemstones.

5. "Economy to grow at 3.7 percent – Chikwanda" (Daily Mail, 24th)

Minister of Finance Alexander Chikwanda yesterday told Parliament that the economy is expected to grow at around 3.7 percent this year against the budget projection of around seven percent. Mr Chikwanda said in a ministerial statement on the state of the economy that the lower-than-expected out-turn is on account of the expected continuation of adverse weather conditions, persistent electricity deficit and the challenges associated with the mining sector, which have their origins in depressed commodity prices. The minister said preliminary estimates indicate that the economy grew by 3.5 percent in 2015. "This reflects generally slow global growth which has dampened demand and prices of many commodities including copper," Mr Chikwanda said.

6. "February inflation hits 22.9%" (Post, 26th)

Zambia's annual rate of inflation has hit a record high of 22.9 per cent for February on account of continued price hikes in essential food and non-food items, a Central Statistical Office report has revealed. And Central Statistical Office director John Kalumbi says the upward inflationary trend is likely to persist until mid-2016 when food prices are likely to stabilise.

7. "Jackets fly in Parley uproar" (Daily Mail, 26th)

Parliament yesterday adopted the motion for the House to authorize Finance Minister Alexander Chikwanda to increase by Statutory Instrument (SI) the maximum amount outstanding at any one time on external loans raised outside Zambia and payable over a period of more than one year from K60 billion to K160 billion.

8. "Chikwanda woos British investors" (Times, 28th)

Finance Minister Alexander Chikwanda has urged the British business community to take advantage of Zambia's peace and stability to invest in various sectors of the economy. Speaking during a dinner hosted in honour of the Lord Mayor of London Jeffrey Mountevans in Lusaka on Friday evening, Mr Chikwanda implored the British business community to consider investing in Zambia's growth sectors such as manufacturing, agriculture and tourism.