



Macro-economics of Zambia, March 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	22.2 (Mar)
10. Consumer Price Index (year 2009 =100)	155.82	181.68(Mar)
11. Balance of trade (million USD)	-1,527.89	-60.29(Feb)*1
12. Balance of trade against Japan (million USD)	-26.90 *3	-1.40(Feb)*2
13. Export (million USD)*3	6,978.34	465.49(Feb)*1
14. Export against Japan (million USD)	46.34 *3	1.20(Feb)*2
15. Import (million USD)*3	8,506.23	525.79(Feb)*1
16. Import against Japan (million USD)	73.24 *3	2.60(Feb)*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	11.34 ZMW*4 (Mar)
23. Main policy interest rate (annual rate %)	13.0	15.50 (Dec, 2015)

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

*1	1USD = 11.33 ZMW (Bank of Zambia rate, February 2016 average)
*2	1USD = 122YEN (Bank of Japan rate, February 2016 average)
	Main export products [February 2016]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Bullion semi-manufactured forms, Sulphuric acid; oilium in bulk, maize(excl.seed). Five (5) Main trade partners(export) [February 2016]: Switzerland 37.5%, China 23.3%, South Africa 7.7%, Zimbabwe 6.6%, United Kingdom 6.0% and Other destinations 18.9% Main import products [February 2016]: Petroleum oils, Motor Spirits, Gas oils, Cobalt oxides and hydroxides; commercial cobalt oxides in bulk, Telephones for cellular networks or for other wireless networks. Five (5) Main trade partners(import) [February 2016]: South Africa 33.6%, Mauritius 11.1%, Kuwait 10.3%, China 9.5%, Congo DR 6.5%, and Other sources 29.0%.
*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).

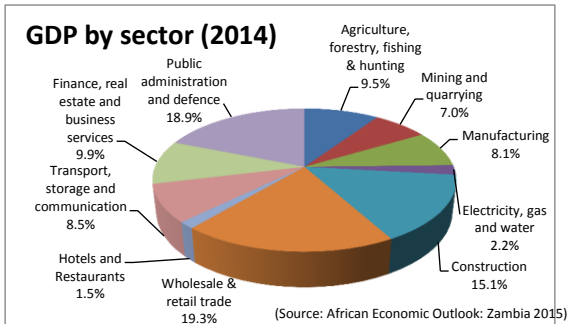
<Source>

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 / 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.



Monthly News (Economics)

1. "Zambia records increase in economic crimes" (Times, 2nd)

The 2016 Global Economic Crime Survey has indicated that Zambia has recorded a 36 per cent increase in the economic crimes over a two-year period and ranks third in the world. South Africa tops the list followed by France, according to the survey findings released by Pricewaterhouse Coopers. At the launch of the report in Lusaka yesterday, PWC country senior partner Nasir Ali called on the Government to empower law-enforcement agencies with the skills and resources required to detect and prosecute offenders.

2. "2016 Trade Fair stresses agro, energy innovation" (Times, 9th)

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3. "Chikwanda explains forex interventions" (Daily Mail, 12th)

Minister of Finance Alexander Chikwanda says the Bank of Zambia (BoZ) offloaded on the foreign exchange market US\$808.5 million from January to December 2014 and another US\$230 million from January to August 2015 to cushion the impact of the Kwacha depreciation.

4. "AGOA market strategy complete" (Times, 17th)

The six-month African Growth Opportunity Act (AGOA) Strategy Development Initiative for a sustainable strategy for Zambian businesses to access the American market has been completed. AGOA expired in 2015 after 15 years, but was re-authorised last July for another 10 years.

5. "Zambia's economy under intense pressure – IMF" (Daily Nation, 19th)

Zambia's economy is under intense pressure as a result of low copper prices, electricity shortages and poor rainfall and resolute action is needed as quickly as possible to restore macroeconomic stability and pave way for a return to high sustained growth, the International Monetary Fund (IMF) has acknowledged. IMF team leader to Zambia Tsidi Tsikata said in a statement yesterday that Government finances were under immense stress as its expenditure was running far above the budget largely as a result of fuel subsidies, and contracted emergency electricity imports. He observed that domestic and external financing option had become more limited along with rising interest rates as well as mounting domestic arrears.

6. "Zambia, Mozambique enter power pact" (Daily Mail, 19th)

A coal-powered plant to produce 1,200 megawatts of electricity will be built in Mozambique and it will benefit Zambia. The intention was put on paper on Friday with the signing of a Memorandum of Understanding (MoU) between the two countries. Speaking at a joint media briefing, Zambia's Foreign Affairs minister Harry Kalaba said in the energy sector, Zambia stands to benefit from the coal plant that Mozambique will build in the port city of Nacala.

7. "ERB waives time limits" (Daily Mail, 22nd)

The Energy Regulation Board (ERB) has waived the requirement for petroleum transporters to transport fuel only between 06:00 hours and 18:00 hours to ensure quick movement of petroleum products following recent shortages.

8. "Chambishi MFEZ attracts over \$1bn investments" (Times, 23rd)

The Zambia-China Economic and Trade Cooperation Zone Limited (ZCCZ) has attracted 55 enterprises to the Chambishi Multi-Facility Economic Zone (MFEZ), bringing in accumulated investment worth more than US\$1.57 billion. ZCCZ corporate affairs manager Steven Lindunda said they are also looking for investments in skills training, beneficiation of materials into fertiliser or cement and solar power stations, among others.

9. "ZDA unveils strategic plan to promote diversification" (Daily Nation, 25th)

The Zambia Development Agency (ZDA) has launched its K357 million five-year strategic plan aimed at promoting and facilitating the increase of non-traditional exports into new and existing markets through value addition and diversification. ZDA director general Patrick Chisanga said the agency will use its third strategic plan to attract private sector participation in the development of public infrastructure and provision of services through public private partnerships and other strategic alliances.

10. "ZTK power project commences" (Times, 28th)

The first phase of the 2,300-kilometre regional power inter-connector project to link Zambia, Tanzania and Kenya (ZTK) power grids is expected to be completed by December this year. The Common Market for Eastern and Southern Africa (COMESA) energy expert, Seif Elnasr Mohamedain said feasibility studies for Mbeya in Tanzania and Kasama-Kabwe sections of the project were on course. Once the ZTK power interconnector project is successfully completed, it would help meet the immediate and future power demand in the region by linking the East African Power Pool (EAPP) with the Southern Africa Power Pool (SAPP).