



Macro-economics of Zambia, May 2016

Main Economic Statistical Indexes	2015	2016
1. Population (millions)	15.72(2014)	-
2. Population growth rate (%)	3.15 (2014)	-
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	27,070(2014)	-
6. GDP growth rate (%)	3.5(proj)	3.8(proj)
7. GNI per capita (USD)	1,680(2014)	-
8. Inflation rate (%)	10.1	21.3(May)
9. Consumer Price Index (year 2009 =100)	155.82	182.68(May)
10. Balance of trade (million USD)	-540	-225.94*2
11. Balance of trade against Japan (million USD)	-26.90*4	-6.04*3
12. Export (million USD)	7,097.00	2075.62*2
13. Export against Japan (million USD)	46.34*4	7.64*3
14. Import (million USD)	7,637.00	2301.55*2
15. Import against Japan (million USD)	73.24*4	13.68*3
16. Balance of current account (million USD)	-360 (2014)	-
17. Outward direct investment (million USD)	-213 (2014)	-
18. Inward direct investment (million USD)	2,484(2014)	-
19. Gold, Foreign currency reserve (million USD)	2,968(est)	2,372(proj)
20. External Debt (million USD)	7,373(2014)	-
21. Exchange rate (Kwacha/ USD, average)	10.98ZMW*5 (end-period)	10.05ZMW(May)*5
22. Main policy interest rate (annual rate %)	13.0	15.50 (May)

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

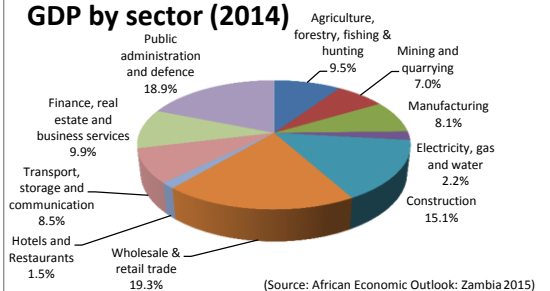
*1	GDP at market prices (Current USD)
*2	Accumulated average rate from January to April, 2016. 1USD = 10.89 ZMW (Bank of Zambia rate, average from January to April, 2016)
*3	Accumulated average rate from January to April, 2016. 1USD = 118YEN (Bank of Japan rate, average from January to April, 2016)
	Main export products [April 2016]: Copper Blisters; Other mineral substances, ores; other articles of cobalt, ores; bullion semi-manufactured forms; sulphuric Acid, oleum in bulk. Five (5) Main trade partners(export) [April 2016]: Switzerland 34.3%, China 22.0%, Singapore 12.3%, Congo DR 6.8%, South Africa 6.5% and Other destinations 18.2% .
	Main import products [April 2016]: Copper concentrates; Telephones for cellular networks or for other wireless networks; Petroleum oils and oils obtained from bituminous minerals, crude; Cobalt oxides and hydroxides; Motor Spirit. Five (5) Main trade partners(import) [April 2016]: South Africa 34.8%, Congo DR 14.2%, China 8.6%, Mauritius 6.3%, Kuwait 4.9% and Other sources 31.3%.
*4	Based on 1USD = 121 YEN (Bank of Japan rate, 2015 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 2016) & EU Country Report 2016 / 19, 21(2015): Country Report 2016 (EIU) & Bank of Zambia /11, 13, 15:Trade Statistics of Japan (Ministry of Finance Japan)/17, 18:UNCTAD /21(2016), 22:Bank of Zambia	

Mining Sector Taxes Source: ZRA,ZEITI

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - From 4% to 6% (depends on the London Mealt Exchange (LME) price of copper)
- 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. "Zambia forecasts a Maize Surplus for the 2015/2016 season" (Lusaka Times, 4th)

THE 2015/2016 crop forecasting survey has revealed that the country will record an increased maize harvest, Agriculture Minister Given Lubinda has said. Mr Lubinda told Parliament in a ministerial statement yesterday that the forecast indicated an output of 2,873,052 tonnes, an increase of 9.73 percent from the 2,618,221 tonnes produced last year.

2. "Mopani gets more life...Lungu launches \$323 million shaft..." (Daily Mail, 6th)

President Lungu yesterday commissioned the US\$323 million synclinorium shaft at Mopani Copper Mine (MCM)'s Nkana Mine in Kitwe with an assurance that Government will sustain operations of the mines as it pursues a robust diversification programme to forestall global economic shocks.

3. "Lungu launches \$1.2bn solar power plant works" (Daily Mail, 8th)

President Lungu has launched construction works for the US\$1.2 billion first ever solar power station plants, making Zambia the first African country to implement the World Bank Group's Scaling Solar Programme. Mr Lungu said this yesterday at the Lusaka South Multi- Facility Economic Zone when he inaugurated two sites to accommodate the first 100 megawatts of power. The President said the Industrial Development Corporation (IDC), in partnership with the International Finance Corporation, commenced preliminary works on two solar plants of 50 megawatts each, representing 100 megawatts out of the targeted 600 megawatts of the scaling programme.

4. "FQM backs amended Mines Act" (Times, 9th)

Welcoming Government's move to revamp mining royalties, FQM government affairs manager, John Gladston described the initiative as a step in the right direction but that more needed to be done in ensuring long-term competitiveness and renewed investment in the sector. The new Mines and Minerals Development Amendment Act 2015 was on Friday passed by Parliament and will bring into force the new tax regime, back-dated to April 1, once it is signed by President Edgar Lungu. The new law puts mineral royalty rates at between four and six per cent depending on the London Metals Exchange (LME) price of copper, for both open-cast and underground copper mines.

5. "BoZ seizes 3 financial providers" (Times, 10th)

The Bank of Zambia (BoZ) has taken possession of three financial service providers for allegedly being insolvent. BoZ head of communications Kanguya Mayondi said Cetzam Financial Services Plc, Genesis Finance Limited and Commercial Leasing Zambia Limited, have been taken over with immediate effect.

6. "Zambia gets over \$700m investment pledges" (Daily Mail, 16th)

Zambia has attracted over US\$700 million in investment pledges. Zambia Development Agency (ZDA) has received investment pledges amounting to US\$720 million in the first quarter of 2016, attributing this to the country's good business environment. This is in comparison to the same period last year when the ZDA recorded US\$287 million, translating in a 150 percent rise. In an interview on Friday, ZDA director-general Patrick Chisanga said the pledges that ZDA has recorded this year is evidence that investor confidence in Zambia remains strong and robust.

7. "Saudi cheap fuel deal sealed" (Daily Mail, 18th)

Minister of Energy and Water Development Dora Siliya says the US\$20 million supply of cheaply-priced fuel will reduce pressure on the treasury and help reduce the fuel pump price. Ms Siliya told journalists at the Jeddah Conference Palace here yesterday that the five-year concessional financing deal with Saudi Fund for Development is timely because it comes at a time Zambia is grappling with challenges in the electricity and petroleum sectors. "This is a first and extremely strategic visit to Saudi Arabia by President Lungu," Ms Siliya said.

8. "Lungu lauds AfDB energy principles" (Daily Nation etc, 25th)

President Edgar Lungu said at the formal opening of the annual meetings of the African Development Bank (AfDB) Group that annual meeting in Lusaka yesterday that with the growing industrialisation, energy challenges were expected to manifest. President Lungu congratulated AfDB president Dr. Akinwumi Adesina and his team on the launch of a new deal on energy. Dr. Adesina said that the bank has raised its level of aspiration in Africa through its High-5 Development priorities.