



## Macro-economics of Zambia, July 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	26,963(2014)	-
6. GDP growth rate (%)	3.6(estj)	3.8(proj)
7. GNI per capita (USD)	1,710(2014)	-
8. Inflation rate (%)	10.1	20.2(July)
9. Consumer Price Index (year 2009 =100)	155.82	183.43(July)
10. Balance of trade (million USD)	-717.00	-416.81*2
11. Balance of trade against Japan (million USD)	-26.90*4	-10.73*3
12. Export (million USD)	6,997.00	3,158.02*2
13. Export against Japan (million USD)	46.34*4	10.89*3
14. Import (million USD)	7,714.00	3,574.84*2
15. Import against Japan (million USD)	73.24*4	21.62*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	2,372(proj)
20. External Debt (million USD)	7,373 (2014)	-
21. Exchange rate (Kwacha/ USD, average)	10.98ZMW*5 (end-period)	9.90ZMW(July)*5
22. Main policy interest rate (annual rate %)	13.0	15.50 (July)

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

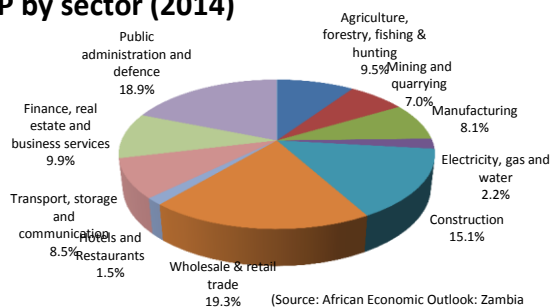
*1 GDP at market prices (Current USD)
*2 Accumulated average rate from January to June, 2016. 1USD = 10.72 ZMW (Bank of Zambia rate, average from January to June, 2016)
*3 Accumulated average rate from January to June, 2016. 1USD = 117YEN (Bank of Japan rate, average from January to June, 2016)
Main <b>export</b> products [June 2016]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Copper anodes for electrolytic refining, Telephones for cellular or other wireless networks, Copper blister, Bullion semi-manufactured forms.
Five (5) Main trade partners( <b>export</b> ) [June 2016]: Switzerland 40.8%, China 18.6%, South Africa 7.4 %, United Arab Emirates 6.1%, United Kingdom 5.9%, and Other destinations 21.2%.
Main <b>import</b> products [June 2016]: Machinery for milling or working cereals or dried vegetables, Petroleum oils and oils obtained from bituminous minerals, crude, Telephones for cellular or for other wireless networks, other copper concentrates, and Copper concentrate oxide.
Five (5) Main trade partners( <b>import</b> ) [June 2016]: South Africa 25.2%, Turkey 23.4%, Congo DR 8.5%, Kuwait 8.5%, China 5.5%, and Other sources 28.9%.
*4 Based on 1USD = 121 YEN (Bank of Japan rate, 2015 average)
*5 The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
<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, ZEIT

- 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. "Nyusi tips Zambia" (Times, 4th)

Mozambican President Filipe Nyusi has said that Zambia and Mozambique should be agents of productivity and promoters of prosperity owing to the human and natural resources the two countries have. Mr Nyusi said Zambia and Mozambique were endowed with human and natural resources enough to be exploited and barricade the two countries in terms of productivity and reduce poverty levels. The Mozambican leader was speaking in Ndola yesterday during the official opening of the 52nd Zambia International Trade Fair (ZITF). He said the two countries needed to move away from mining and optimise their resources by focussing on collaborating on common programmes in areas of infrastructure, energy, agriculture, tourism, scientific research and education.

#### 2. "Lungu commissions US\$90m sugar plant" (Daily Nation, 7th)

Zambia Sugar has commissioned its US\$90 million product alignment refinery plant in Zambia, with President Edgar Lungu saying Government will prioritise industrialization as a vehicle for economic growth by encouraging investment in value addition to primary materials. He said Government through the Ministry of Commerce, Trade and Industry was finalizing Zambia's national industrial policy and the country's investment promotion strategy which would attract more investment once implemented.

#### 3. "FBZ to merge with Banc ABC" (Times, 7th)

Atlas Mara Limited has acquired Finance Bank Zambia (FBZ), to merge with Banc ABC Zambia and create one of the largest banks in the country. Atlas Mara Limited chief executive officer John Vitalo announced the completion of its acquisition of FBZ on June 30, 2016. The acquisition positions the combined banks as the fifth largest bank in Zambia by asset value with pro forma combined assets as at December 31, 2015 of approximately US\$567 million. The merged bank will be one of the largest banks in terms of branch footprint in Zambia with the physical presence increasing from 23 branches to 65 branches, a total of 176 ATMs and 23 agencies.

#### 4. "IDC stakes \$100m for SOEs" (Times, 8th)

THE Industrial Development Corporation (IDC) is to mobilise a line of credit of US\$100 million from Development Finance Institutions (DFIs) to recapitalize and reposition 34 State Owned Enterprises (SOEs). IDC chief executive officer Andrew Chipwende said with the establishment of IDC, it was expected that a consolidated ownership structure would ensure that all SOEs align their strategic objectives with Government's policy of industrialisation and job creation.

#### 5. "2016/17 FISP launched" (Times, 20th)

Government has launched the Farmer Input Support Programme (FISP) for the 2016/17 farming season to benefit more than one million farmers countrywide. Agriculture Minister Given Lubinda said yesterday, Government was also set to implement the e-voucher services to farmers.

#### 6. "ZDA gets \$1.8bn investment pledges" (Daily Mail, 21st)

The Zambia Development Agency (ZDA) has recorded an increase in investment pledges in the first half of this year from US\$1.5 billion in 2015 to US\$1.8 billion. ZDA director general Patrick Chisanga attributed the increase to sustained investor confidence and the conducive business environment which has been demonstrated by an increased number of high level international business activities in the first half of 2016. During the period under review, the energy sector registered the highest amount of pledges, followed by the agriculture and the manufacturing sectors.

#### 7. "Local fish supplies increases" (Daily Mail, 26th)

Zambia's local fish supply increased from 5,125 metric tonnes in 2004 to 22,753 metric tonnes in 2015 due to continued investments in the sector. Ministry of Fisheries and Livestock permanent secretary David Shamulenge said the country needs to produce 246,890 metric tonnes of fish by 2025 if Government's desire for every Zambian to consume 12kilogrammes (kg) of fish annually is to be attained.