



Macro-economics of Zambia, August 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	19.6(Aug)
9. Consumer Price Index (year 2009 =100)	155.82	184.07(Aug)
10. Balance of trade (million USD)	-717.00	-420.31*2
11. Balance of trade against Japan (million USD)	-26.90*4	-10.97*3
12. Export (million USD)	6,997.00	3,744.37*2
13. Export against Japan (million USD)	46.34*4	13.37*3
14. Import (million USD)	7,714.00	4,164.68*2
15. Import against Japan (million USD)	73.24*4	24.33*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)	10.01ZMW(Aug)*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 July, 2016. 1USD = 10.60 ZMW (Bank of Zambia rate, average from January to July, 2016)

*3 Accumulated average rate from January to July, 2016. 1USD = 116YEN (Bank of Japan rate, average from January to July, 2016)

Main export products [July 2016]: Copper, Telephones for cellular or other wireless networks, Bullion semi-manufactured forms, Cotton, Cobalt.

Five (5) Main trade partners(export) [July 2016]: Switzerland 39.4%, China 17.5%, South Africa 8.5%, United Arab Emirates 7.5%, Congo DR 5.8%, and Other destinations 21.3%.

Main import products [July 2016]: Copper, Petroleum oils and oils obtained from bituminous minerals, crude, Telephones for cellular or other wireless networks, Fertilizers, Cobalt.

Five (5) Main trade partners(import) [July 2016]: South Africa 34.7%, Congo DR 14.3%, China 6.5%, Kuwait 5.5%, India 5.1% and Other sources 33.9%.

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

<Source>

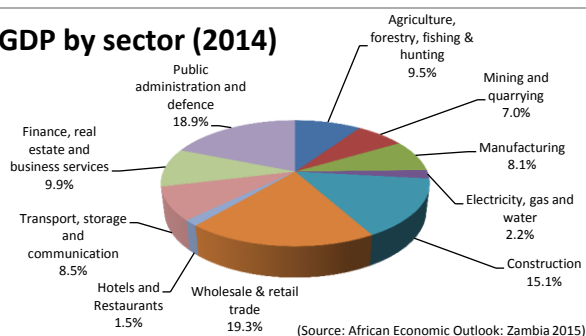
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Mining Sector Taxes Source: ZRA, ZEITI

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - 4-6% (Variable depending on copper price at LME)
- 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. "Mulungushi Textiles reopens" (Times, 2nd)

President Edgar Lungu yesterday officially opened Mulungushi Textiles in Kabwe with a pledge to create more than 20,000 jobs in the next five years. The Industrial Development Corporation (IDC) and its partners would mobilise and invest an initial US\$15 million in cutting edge technology and rehabilitation of the textile plant which closed about 10 years ago.

2. "Maamba thermal power plant commissioned" (Times, 8th)

The 150 megawatts Maamba Thermal Plant in Sinazongwe, Southern Province, has been commissioned with President Edgar Lungu saying the development will drastically reduce loadshedding. The President said the commissioning also demonstrated the Government's resolve to achieve the goal of diversifying the energy sector. Mr Lungu said the Government would soon address the question of cost-reflective tariffs, which was a source of concern for the investors.

3. "Copper production increases" (Daily Mail, 12th)

Zambia's copper production increased by eight percent to 368,371 tonnes in the first six months of this year due to Kalumbila Mine's increased production, Zambia Chamber of Mines has disclosed. Zambia Chamber of Mines president Nathan Chishimba said in a statement issued on Tuesday that the 8% increase in copper production in the same period last year has also been attributed to the favourable mining tax regimes and fiscal stability in the country.

4. "Lusaka-Kafue water project starts" (Daily Mail, 18th)

Construction of the US\$150 million water pipeline from Kafue to Lusaka has started, Lusaka Water and Sewerage Company (LWSC) public relations officer Topsy Sikalinda has said. The project will be completed over a period of two years.

5. "Japan to invest \$30bn in Africa" (Times, 29th)

Japan will pour \$30 billion of investment into Africa by 2018, including \$10 billion in infrastructure development, Prime Minister Shinzo Abe said on Saturday at the sixth Tokyo International Conference on African Development (TICADVI) summit in Nairobi. Mr. Abe is using the conference to meet dozens of leaders from across Africa, among them Kenya's President Uhuru Kenyatta and South Africa's Jacob Zuma. It is the first time that TICAD is being held in Africa, with all five previous events hosted in Japan.

6. "IDC, Japanese firm sign textile deal" (Daily Mail, 31st)

The Industrial Development Corporation (IDC) and Marubeni, a Japanese textile company, have signed a memorandum of understanding to rehabilitate Mulungushi Textiles Limited in Kabwe. IDC executive director of operations Paul Siame said on Sunday that the memorandum of understanding (MoU) will also set ground for Zambia to buy equipment from Japan to revamp the plant. The signing ceremony was witnessed by President of Kenya Uhuru Kenyatta and Prime Minister of Japan Shinzo with several other African government officials.

7. "ZDA, Japanese bank partner" (Times, 31st)

The Zambia Development Agency (ZDA) has signed a Memorandum of Understanding with Mizuho Bank Financing Group of Japan aimed at promoting collaboration between the two institutions in the fields of trade and investment activities. The MoU was signed on the sidelines of the Tokyo International Conference on African Development (TICAD) in Nairobi, Kenya. Commerce, Trade and Industry Permanent Secretary, Kayula Siame, who was the Zambian delegation leader, witnessed the signing of this agreement.