



Macro-economics of Zambia, October 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	12.5(Oct)
9.	Consumer Price Index (year 2009 =100)	155.82	185.16(Oct)
10.	Balance of trade (million USD)	-717.00	-592.40*2
11.	Balance of trade against Japan (million USD)	-26.90*4	-17.91*3
12.	Export (million USD)	6,997.00	4,728.95*2
13.	Export against Japan (million USD)	46.34*4	15.56*3
14.	Import (million USD)	7,714.00	5,321.35*2
15.	Import against Japan (million USD)	73.24*4	33.47*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 (end-period)	9.88ZMW(Oct)
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 September, 2016. 1USD = 10.47ZMW (Bank of Zambia rate, average from January to September, 2016)
*3	Accumulated average rate from January to August, 2016. 1USD = 113YEN (Bank of Japan rate, average from January to September, 2016)
	Main export products [September 2016]: Copper, Telephones for cellular or other wireless networks, Cobalt, Vegetable fats and oils and their fractions, hydrogenerated, Other manufactured tobacco.
	Five (5) Main trade partners(export) [September 2016]: Switzerland 36.2%, China 11.3%, United Arab Emirates 7.8%, Congo DR 7.7%, Singapore 6.6%, and Other destinations 30.3%.
	Main import products [September 2016]: Petroleum oils and oils obtained from bituminous minerals, Copper, Cobalt, Telephones for cellular or for other wireless networks, Other medicaments of mixed or unmixed products, for retail sale.
	Five (5) Main trade partners(import) [September 2016]: South Africa 30.8%, Kuwait 12.2%, Congo DR 11.7%, China 10.0%, India 5.4% and Other sources 29.9%.
*4	Based on 1USD = 121 YEN (Bank of Japan rate, 2015 average)

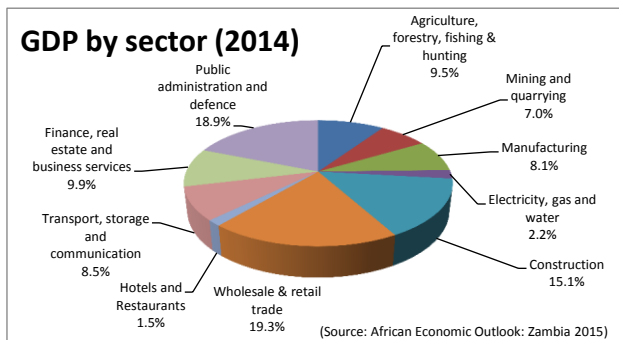
<Source>

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) & EIU 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:
 - 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.



Monthly News (Economics)

1. "Kariba Dam rehab starts February 2017" (Daily Mail, 6th)

The rehabilitation of the Kariba Dam estimated to cost over US\$290 million will start early next year, Zambezi River Authority (ZRA) has said. The rehabilitation of the dam is being funded by the European Union, World Bank, African Development Bank, Sweden, Zambia and the Zimbabwean governments.

2. "Reduced subsidies to ease budget deficit- Mutati" (Daily Mail, 9th)

Zambia's budget deficit, which is expected to hit 12 percent by close of the year, will be reduced by half when subsidies estimated at about US\$1 billion are removed and revenue measures are implemented, Minister of Finance Felix Mutati has said yesterday. Mr Mutati has also said about US\$800 million will be required to cushion the current challenges and to finance the 2017 national budget. He admitted that the measures will have a negative impact on the people in the short term but benefits of the measures will be realised in the medium to long term.

3. "Fuel prices hiked"(Times, 15th)

The Energy Regulation Board (ERB) has increased the pump prices of petrol and other petroleum products. Petrol has been increased to K13.70 from K9.87 per litre, diesel K11.40 from K8.59. This increase was effective from midnight.

4. "Zambia, Botswana seal K263m border post deal" (Daily Mail, 18th)

Zambia and Botswana on Monday signed a K263 million contract with Anhui Foreign Economic Construction Group of China to build a one-stop border post (OSBP) at Kazungula. The project is being funded through a loan from the African Development Bank (AfDB).

5. "ZDA records \$2.6bn investment pledges" (Times, 19th)

The Zambia Development Agency (ZDA) has recorded US\$2.6 billion worth of investment pledges. This is for the first three quarters of this year. ZDA Director General Patrick Chisanga said the agency was firm in building and enhancing the country's investment profile for increased capital inflows, capital formation, and employment creation.

6. "Mutati unveils recovery plan" (Daily Mail, 21st)

Government has unveiled a five-pronged economic recovery plan dubbed 'Zambia Plus.' Minister of Finance Felix Mutati has also said that Zambia has not yet held any detailed programme discussions with the International Monetary Fund (IMF) and assured that the global lending institution has not set any preconditions.

7. "Indian investment swell" (Times, 26th)

Indian private sector investment in Zambia has increased to about US\$4 billion in 2016 up from \$3 billion which was recorded in 2015 in various sectors of the economy. Indian High Commissioner Gaddam Dharmendra said a number of Indian businesspersons were interested in exploring business opportunities in the country's mining, health, agriculture, and infrastructure sectors.

8. "Mopani commits \$167m for expansion" (Daily Mail, 29th)

Glencore, the owner of Mopani Copper Mines (MCM), has committed US\$167 million towards its expansion projects next year aimed at increasing copper production. MCM chief operating officer Chris Vermulen said Glencore still has confidence in MCM's abilities hence its commitment to continuing supporting the mining company's expansion and modernisation plans.