



## Macro-economics of Zambia, December 2016

Main Economic Statistical Indexes	2015	2016
1. Population (millions)	16.21(2015)	-
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	7.5(Dec)
9. Consumer Price Index (year 2009=100)	155.82	189.64(Dec)
10. Balance of trade (million USD)	-717.00	-903.61*2
11. Balance of trade against Japan (million USD)	-26.90*4	-20.34*3
12. Export (million USD)	6,997.00	5,902.06*2
13. Export against Japan (million USD)	46.34*4	20.88*3
14. Import (million USD)	7,714.00	6,805.67*2
15. Import against Japan (million USD)	73.24*4	41.23*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)	9.85ZMW(Dec)
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 November, 2016. 1USD = 10.35ZMW (Bank of Zambia rate)

\*3 Accumulated average rate from January to November, 2016. 1USD = 111YEN (Bank of Japan rate)

Main **export** products [November 2016]: Copper, Telephones for cellular or other wireless networks, Cobalt, Other manufactured tobacco, Sulphuric acid.

Five (5) Main trade partners(**export**) [November 2016]: Switzerland 41.9%, China 16.6%, Congo DR 6.5%, Singapore 6.2%, United Arab Emirates 5.7%, and Other destinations 23.1%.

Main **import** products [November 2016]: Copper, Cobalt, Gas Oils, Petroleum oils and oils obtained from bituminous minerals, electrical energy.

Five (5) Main trade partners(**import**) [November 2016]: South Africa 35.3%, Congo DR 17.7%, China 8.3%, United Arab Emirates 5.0%, Kuwait 4.5% and Other sources 29.3%.

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

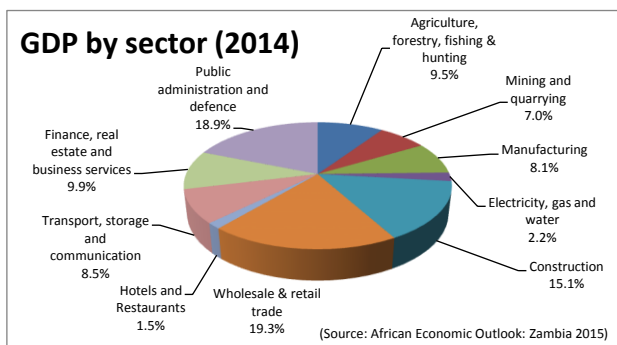
<Source>

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) & 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. "MIGA provides \$29m for power generation" (Times, 2nd)

Multilateral Investment Guarantee Agency (MIGA) has provided a guarantee worth US\$29.1 million to support Zambia's power generation. The guarantee will support operation of a 210 megawatts (MW) hydropower station on Itezhi tezhi dam along the Kafue River.

#### 2. "Zambia, Russia in nuclear energy pact" (Daily Mail, 8th)

Zambia has signed four memorandums of understanding (MoU) in nuclear development with Russia's energy giant Rosatom. The MoUs signed are on co-operation enhancement of public awareness of nuclear energy in Zambia; co-operation in training and skills development in the field of nuclear sciences; co-operation in nuclear safety and regulation; and for the construction of a centre for nuclear science and technology in Zambia.

#### 3. "Mutati gives ZRA K4bn target" (Daily Mail, 9th)

Minister of Finance Felix Mutati says Zambia's revenue collection target will decline by 15 percent by the end of 2016, due to a slowdown in economic activities. Speaking during the launch of the eighth Zambia Economic Brief on "Raising Revenue for Economic Recovery" yesterday, Mr Mutati has since challenged the Zambia Revenue Authority (ZRA) to raise at least more than K4 billion per month through border areas.

#### 4. "Zambia, France ink €68m energy loan deal" (Daily Mail, 14th)

Zambia and France have signed a €68.5 million loan agreement to improve the country's electricity distribution network's performance, coverage and increase access to electricity. This will be implemented by Zesco through a project called "Sustainable Electricity Supply in Southern Division".

#### 5. "ZDA attracts Polish investors" (Daily Mail, 15th)

The Zambia Development Agency (ZDA) hosted a 24-member delegation of Polish investors that came into the country to explore investment opportunities and business co-operation with Zambia. The delegation comprised of the Polish Chamber of Commerce, companies in the energy, agriculture, information and communications technology, transport and logistics sectors, as well as government representatives.

#### 6. "World Bank approves US\$100m deal" (Daily Mail, 21st)

The World Bank's Board of Executive Directors approved US\$65.6 million to reduce environmental health risks for people residing in polluted mining areas on the Copperbelt and Kabwe, while the US\$40 million will support Zambia's economic diversification effort through the Zambia Agribusiness and Trade Project.

#### 7. "K64bn budget approved" (Times, 23rd)

Parliament has unanimously approved the K64.5 billion National Budget for 2017. The Budget was approved in the House around 23:40 hours on Wednesday night without any amendments. Finance Minister Felix Mutati said the key task that lay ahead was implementation of the Budget in line with its theme dubbed 'Restoring fiscal fitness for sustained inclusive growth and development'.

#### 8. "North oil exploration licence granted" (Times, 30th)

The government has issued a licence to a firm from the Middle East, Sagas Petroleum, for the exploration of oil and gas in block 51 located in Northern Province last week. Mines and Mineral Development Permanent Secretary Paul Chanda said that the company was soon expected to commence the explorations.