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### **Zambia: Statistical Appendix**

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# INTERNATIONAL MONETARY FUND

## ZAMBIA

### Statistical Appendix

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Approved by the African Department

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Table 1. Zambia: Gross Domestic Product by Type of Expenditure, 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
(At current prices, in billions of kwacha)									
Total consumption	95	200	574	1,316	1,980	2,779	3,608	4,752	5,905
Government consumption 1/	17	35	102	192	313	489	714	857	982
Private consumption	78	165	472	1,124	1,667	2,290	2,894	3,895	4,923
Total investment	20	24	68	223	284	394	582	701	900
Gross fixed capital formation	19	25	65	217	276	385	566	681	876
Public	8	13	23	50	235	198	239	278	482
Private	11	12	42	167	41	187	327	403	395
Changes in stocks	1	-1	3	6	9	9	16	20	23
Net exports of goods and services	-1	-6	-72	-57	-23	-175	-246	-284	-564
Exports of goods and services	41	76	210	498	785	1,109	1,344	1,715	1,831
Of which : Exports of goods	38	70	195	454	714	1,027	1,200	1,565	1,626
Imports of goods and services	-41	-81	-282	-555	-809	-1,284	-1,590	-2,000	-2,395
Of which : Imports of goods	-33	-62	-233	-465	-671	-1,034	-1,275	-1,601	-1,907
Total GDP	113	218	570	1,482	2,241	2,998	3,945	5,169	6,241
(In percent of GDP)									
Total consumption	83.5	91.6	100.7	88.8	88.4	92.7	91.5	91.9	94.6
Government consumption 1/	14.8	16.2	17.9	13.0	14.0	16.3	18.1	16.6	15.7
Private consumption	68.7	75.4	82.8	75.8	74.4	76.4	73.4	75.4	78.9
Total investment	17.3	11.0	11.9	15.0	12.7	13.1	14.8	13.6	14.4
Gross fixed capital formation	16.7	11.4	11.4	14.6	12.3	12.8	14.3	13.2	14.0
Public	6.8	5.8	4.0	3.4	10.5	6.6	6.0	5.4	7.7
Private	9.9	5.5	7.4	11.3	1.8	6.2	8.3	7.8	6.3
Changes in stocks	0.6	-0.3	0.5	0.4	0.4	0.3	0.4	0.4	0.4
Net exports of goods and services	-0.7	-2.6	-12.6	-3.8	-1.0	-5.8	-6.2	-5.5	-9.0
Exports of goods and services	35.9	34.6	36.8	33.6	35.0	37.0	34.1	33.2	29.3
Of which : Exports of goods	33.8	32.2	34.2	30.6	31.9	34.3	30.4	30.3	26.1
Imports of goods and services	-36.6	-37.2	-49.4	-37.4	-36.1	-42.8	-40.3	-38.7	-38.4
Of which : Imports of goods	-29.0	-28.2	-40.8	-31.4	-29.9	-34.5	-32.3	-31.0	-30.6
Gross domestic savings	16.5	8.4	-0.8	11.2	11.6	7.3	8.5	8.1	5.4
Public 2/	5.5	2.5	0.4	2.9	6.1	3.6	2.6	3.2	2.4
Private	11.0	5.9	-1.2	8.3	5.5	3.7	5.9	4.9	3.0
Resource gap	-0.7	-2.6	-12.6	-3.8	-1.0	-5.8	-6.2	-5.5	-9.0
Gross national savings 3/	14.8	11.3	7.8	14.1	14.1	8.9	11.1	7.4	6.4
Balance on current account	-2.5	0.3	-4.1	-0.9	1.4	-4.2	-3.7	-6.2	-8.0

Sources: Zambian authorities; and staff estimates.

1/ Current government expenditure excluding subsidies, interest, and transfers and pensions.

2/ Total revenue (excluding grants) minus government consumption.

3/ Gross domestic savings plus net factor income and net current transfers from abroad.

Table 2. Zambia: Gross Domestic Product by Sector of Origin at Current Prices, 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
(In billions of kwacha)									
Agriculture, forestry, and fishing	21	35	121	452	302	487	612	845	1,080
Mining and quarrying	10	18	32	130	374	433	476	511	378
Manufacturing	36	73	189	370	220	298	466	612	713
Electricity, gas, and water	1	2	7	16	72	94	129	215	241
Construction	4	8	21	39	112	123	137	231	316
Wholesale and retail trade	11	25	40	137	332	438	692	864	1,056
Transport and communications	6	11	25	65	134	179	230	271	362
Community, social, and personal services 1/	7	14	42	102	179	251	281	412	560
Financial institutions and insurance	3	5	18	24	183	309	348	451	598
Real estate and business services	5	11	24	72	113	155	220	295	416
Restaurants and hotels	3	5	21	54	36	51	85	111	145
Plus: import duties	8	14	34	30	290	359	469	612	692
Less: imputed banking service charges	1	1	5	10	105	178	200	259	314
Total GDP	113	218	570	1,482	2,241	2,998	3,945	5,169	6,241
(In percent of GDP)									
Agriculture, forestry, and fishing	18.2	15.8	21.3	30.5	13.5	16.2	15.5	16.3	17.3
Mining and quarrying	9.0	8.4	5.6	8.8	16.7	14.4	12.1	9.9	6.1
Manufacturing	31.9	33.3	33.2	25.0	9.8	9.9	11.8	11.8	11.4
Electricity, gas, and water	0.5	0.8	1.3	1.1	3.2	3.1	3.3	4.1	3.9
Construction	3.9	3.8	3.7	2.6	5.0	4.1	3.5	4.5	5.1
Wholesale and retail trade	9.6	11.6	7.1	9.3	14.8	14.6	17.5	16.7	16.9
Transport and communications	4.9	5.1	4.4	4.4	6.0	6.0	5.8	5.2	5.8
Community, social, and personal services 1/	6.2	6.4	7.5	6.9	8.0	8.4	7.1	8.0	9.0
Financial institutions and insurance	2.8	2.1	3.1	1.6	8.2	10.3	8.8	8.7	9.6
Real estate and business services	4.3	4.8	4.2	4.9	5.0	5.2	5.6	5.7	6.7
Restaurants and hotels	2.6	2.2	3.7	3.7	1.6	1.7	2.2	2.1	2.3
Plus: import duties	7.0	6.2	5.9	2.0	12.9	12.0	11.9	11.8	11.1
Less: imputed banking service charges	0.8	0.6	0.9	0.7	4.7	5.9	5.1	5.0	5.0
Total GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Central Statistical Office.

1/ Includes public administration, defense, sanitary services, education, health, recreation, and personal services.

Table 3. Zambia: Gross Domestic Product by Sector of Origin at Constant Prices, 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
(In millions of kwacha)									
Agriculture, forestry, and fishing	315	331	222	373	302	403	400	380	357
Mining and quarrying	480	436	492	449	374	271	278	284	253
Manufacturing	233	233	261	241	220	219	231	248	256
Electricity, gas, and water	65	71	67	70	72	71	67	70	68
Construction	186	183	173	141	112	108	94	126	121
Wholesale and retail trade	382	375	350	388	332	297	399	408	398
Transport and communications	139	133	139	141	134	130	138	139	150
Community, social, and personal services 1/	169	171	170	173	179	177	182	183	177
Financial institutions and insurance	177	180	172	177	183	218	200	201	202
Real estate and business services	105	102	106	110	113	122	141	159	178
Restaurants and hotels	29	26	42	41	36	37	40	44	46
Plus: import duties	339	362	462	428	290	262	277	286	276
Less: imputed banking service charges	68	69	70	148	105	125	115	115	116
Total GDP	2,551	2,536	2,589	2,583	2,241	2,190	2,334	2,412	2,364
Memorandum items:									
Nonagricultural GDP	2,236	2,205	2,367	2,210	1,938	1,787	1,934	2,032	2,008
Nonmining GDP	2,071	2,099	2,096	2,133	1,867	1,919	2,056	2,128	2,111
(Percentage change)									
Agriculture, forestry, and fishing	-8.9	5.2	-33.1	68.1	-18.9	33.4	-0.6	-5.1	-6.1
Mining and quarrying	-7.3	-9.0	12.8	-8.7	-16.8	-27.6	2.6	2.4	-11.0
Manufacturing	7.8	0.0	12.1	-7.9	-8.6	-0.4	5.5	7.3	3.0
Electricity, gas, and water	17.8	8.5	-5.0	3.5	3.5	-1.6	-5.6	4.2	-2.9
Construction	-1.1	-1.3	-5.3	-18.8	-20.8	-3.4	-12.4	33.8	-4.0
Wholesale and retail trade	-3.3	-1.8	-6.6	10.7	-14.4	-10.6	34.3	2.4	-2.6
Transport and communications	-7.4	-4.9	4.7	1.3	-4.9	-2.8	6.0	0.6	8.3
Community, social, and personal services 1/	1.6	1.6	-0.6	1.8	3.0	-1.2	3.4	0.3	-3.5
Financial institutions and insurance	1.7	1.7	-4.6	2.9	3.2	19.3	-8.3	0.3	0.4
Real estate and business services	-5.2	-2.5	4.3	3.1	3.1	8.2	15.6	12.3	11.9
Restaurants and hotels	17.3	-9.8	60.7	-3.7	-11.8	3.2	8.2	9.2	3.4
Plus: import duties	-6.5	6.9	27.6	-7.4	-32.3	-9.4	5.8	3.0	-3.2
Less: imputed banking service charges	-2.1	-1.3	-111.9	29.1	-3.1	-19.3	8.3	-0.4	-0.3
Total GDP	-3.4	-0.6	2.1	-0.2	-8.6	-2.3	6.6	3.3	-2.0
Memorandum items:									
Nonagricultural GDP	-2.5	-1.4	7.4	-6.6	-12.3	-7.8	8.2	5.1	-1.2
Nonmining GDP	-2.4	1.4	-0.1	1.8	-12.5	2.8	7.2	3.5	-0.8

Source: Central Statistical Office.

1/ Includes public administration, defense, sanitary services, education, health, recreation, and personal services.

Table 4. Zambia: Index of Industrial Production, 1990-98

(1980 = 100)

	Weight	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
Mining and quarrying	57.2	79.8	72.0	80.5	73.5	60.9	54.5	62.3	62.9	57.6
Manufacturing	36.7	125.4	117.8	125.8	111.8	101.1	98.5	84.4	96.9	84.0
Food, beverages, and tobacco	10.4	127.0	130.9	164.4	158.5	154.3	161.0	111.0	94.0	79.0
Textiles and clothing	7.4	166.6	139.4	134.7	95.2	90.2	80.0	103.0	187.0	150.0
Wood and wood products	1.3	109.4	109.8	105.4	111.1	91.6	83.0	36.0	40.0	33.0
Paper and paper products	2.1	137.0	134.4	122.4	121.8	120.9	95.0	93.0	85.0	84.0
Chemicals, rubber and plastics	6.7	112.6	99.4	92.8	97.4	75.1	68.0	70.0	72.0	65.0
Nonmetallic mineral products	1.9	122.2	117.9	114.3	104.2	71.5	76.0	81.0	83.0	91.0
Basic metal industries	0.9	49.4	50.2	60.4	59.3	55.9	54.0	41.0	34.0	35.0
Metal products and other	6.0	98.2	95.0	97.0	73.5	62.7	66.0	48.0	49.0	52.0
Electricity	6.1	84.3	94.2	82.5	85.3	88.3	89.7	75.5	89.8	78.9
Total industrial production	100.0	96.3	90.0	96.7	88.3	77.3	73.1	71.3	77.1	68.6

Source: Central Statistical Office.

Table 5. Zambia: Volume of Mineral Production, 1983-98

(In thousands of metric tons)

	Coal 1/	Cobalt	Copper	Lead 2/	Zinc 2/
1983	453.0	2.4	575.6	14.6	37.8
1984	511.0	3.5	522.2	8.8	29.2
1985	511.0	4.4	479.4	8.8	22.8
1986	557.0	4.3	459.1	6.6	22.5
1987	557.0	4.5	483.0	8.0	21.0
1988	523.7	5.1	422.2	6.1	20.2
1989	394.8	4.9	450.4	3.8	12.9
1990	330.0	4.6	426.6	3.9	10.6
1991	401.0	4.6	376.9	2.7	6.8
1992	398.3	4.7	441.5	2.7	6.7
1993	328.6	4.1	403.1	1.5	4.7
1994	160.9	2.5	353.5	0.0	0.0
1995	151.9	2.9	307.9	0.0	0.0
1996	128.1	4.7	313.9	0.0	0.0
1997	164.4	4.1	314.7	0.0	0.0
1998	130.6	4.9	291.0	0.0	0.0

Sources: Central Statistical Office and the Bank of Zambia.

1/ The 1998 volume of coal production is for the period January-August.

2/ ZCCM, the mining parastatal stopped producing lead and zinc in 1994.



Table 6. Zambia: Marketed Production of Selected Agricultural Crops, 1989/90 - 1997/98 1/

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
(In metric tons)									
Maize	601,165	602,884	258,965	929,836	476,288	344,676	668,123	314,608	182,384
Tobacco (Virginia)	2,712	864	1,258	4,121	5,015	2,240	1,950	3,504	3,892
Tobacco (burley)	1,486	810	1,050	2,513	1,083	1,560	1,892	939	5,099
Sugarcane	1,136,963	1,126,539	1,136,075	1,255,209	1,222,037	...	...	...	...
Mixed beans	428	6,018	11,774	15,930	13,755	13,792	13,006	6,930	7,467
Groundnuts	4,268	8,850	8,042	23,109	13,711	13,198	14,669	17,559	24,151
Sunflower seeds	14,038	15,216	9,074	20,758	15,517	19,285	37,962	7,983	5,888
Seed cotton	33,545	48,711	25,892	47,844	33,093	16,578	40,834	74,647	100,000
Wheat	45,739	51,231	46,845	60,204	53,607	31,816	49,402	...	...
Paddy rice	5,609	8,905	5,846	10,219	3,553	6,388	7,475	8,216	1,568
Soya beans	7,060	24,392	23,549	27,327	20,698	17,382	37,580	23,073	13,098
Sorghum	205	1,007	664	5,310	3,722	7,751	7,017	5,129	3,917
(1990/91 = 100)									
Maize	99.7	100.0	43.0	154.2	79.0	57.2	110.8	52.2	30.3
Tobacco (Virginia)	313.9	100.0	145.6	477.0	580.4	259.3	225.7	405.6	450.5
Tobacco (burley)	183.5	100.0	129.6	310.2	133.7	192.6	233.6	115.9	629.5
Sugarcane	100.9	100.0	100.8	111.4	108.5	...	...	...	...
Mixed beans	7.1	100.0	195.6	264.7	228.6	229.2	216.1	115.2	124.1
Groundnuts	48.2	100.0	90.9	261.1	154.9	149.1	165.8	198.4	272.9
Sunflower seeds	92.3	100.0	59.6	136.4	102.0	126.7	249.5	52.5	38.7
Seed cotton	68.9	100.0	53.2	98.2	67.9	34.0	83.8	153.2	205.3
Wheat	89.3	100.0	91.4	117.5	104.6	62.1	96.4	...	...
Paddy rice	63.0	100.0	65.6	114.8	39.9	71.7	83.9	92.3	17.6
Soya beans	28.9	100.0	96.5	112.0	84.9	71.3	154.1	94.6	53.7
Sorghum	20.4	100.0	65.9	527.3	369.6	769.7	696.8	509.3	389.0

Source: Central Statistical Office.

1/ Crop years run from May 1 to April 30.

Table 7. Zambia: Area Under Cultivation for Selected Crops, 1989/90-1996/1997 1/

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97
	(In hectares)							
Maize	639,390	661,605	623,340	679,914	520,165	675,565	649,069	510,374
Groundnuts	80,470	68,724	71,415	105,737	100,431	89,488	126,573	154,682
Sunflower seeds	36,490	32,302	39,450	31,079	32,433	47,621	20,745	15,692
Cotton	74,020	59,614	76,492	50,067	35,200	66,217	89,879	...
Soya beans	29,200	22,786	19,864	25,447	21,612	25,489	17,273	11,681
Wheat	11,595	11,849	10,964	13,656	11,566	7,821	10,327	...
Virginia tobacco	1,262	2,961	3,558	1,900	1,353	1,594	...	5,400
Paddy rice	13,450	14,396	13,802	7,177	9,746	9,888	12,412	9,065
Sugarcane	11,974	10,968	11,304	11,497	...	...	...	...
Sorghum	31,790	40,323	46,563	55,245	40,365	47,839	40,237	35,864
Millet	45,270	66,598	52,654	82,302	73,809	76,930	78,639	90,047
Mixed beans	28,940	38,508	38,489	48,599	41,462	43,240	41,541	35,379
	(Percentage change)							
Maize	-37.3	3.5	-5.8	9.1	-23.5	29.9	-3.9	-21.4
Groundnuts	27.9	-14.6	3.9	48.1	-5.0	-10.9	41.4	22.2
Sunflower seeds	-18.8	-11.5	22.1	-21.2	4.4	46.8	-56.4	-24.4
Cotton	-30.4	-19.5	28.3	-34.5	-29.7	88.1	35.7	...
Soya beans	36.9	-22.0	-12.8	28.1	-15.1	17.9	-32.2	-32.4
Wheat	17.4	2.2	-7.5	24.6	-15.3	-32.4	32.0	...
Virginia tobacco	-65.7	134.6	20.2	-46.6	-28.8	17.8	...	...
Paddy rice	5.0	7.0	-4.1	-48.0	35.8	1.5	25.5	-27.0
Sugarcane	...	-8.4	3.1	1.7	...	...	...	...
Sorghum	...	26.8	15.5	18.6	-26.9	18.5	-15.9	-10.9
Millet	...	47.1	-20.9	56.3	-10.3	4.2	2.2	14.5
Mixed beans	...	33.1	0.0	26.3	-14.7	4.3	-3.9	-14.8

Sources: National Commission for Development Planning; and Central Statistical Office.

1/ Crop years run from May 1 to April 30.

Table 8. Zambia: Paid Employment by Economic Sector, 1990-98  
(In number of employees)

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
Agriculture, forestry, and fishing	79,800	77,800	82,000	82,800	79,300	69,079	68,300	58,898	57,529
Mining and quarrying	64,700	64,800	62,100	58,200	51,200	52,215	47,700	44,498	39,434
Manufacturing	77,100	75,400	73,600	67,600	57,100	55,654	47,400	47,118	43,320
Electricity and water	7,100	7,600	8,400	5,700	5,100	5,067	4,400	5,009	4,760
Construction	33,400	33,100	27,800	22,100	17,500	10,518	13,100	17,106	18,257
Transport and communications	33,800	34,300	31,000	29,000	29,000	36,542	46,800	48,893	49,985
Distribution and trade (wholesale and retail)	55,100	53,200	51,300	49,300	49,900	41,398	38,300	45,963	46,176
Finance and insurance	32,900	35,800	39,000	37,000	34,100	41,890	37,600	37,862	37,607
Public administration	159,400	162,200	170,700	168,300	173,800	172,604	175,800	169,814	167,949
All sectors	543,300	544,200	545,900	520,000	497,000	484,967	479,400	475,161	465,017

Source: Central Statistical Office.

Table 9. Zambia: Index of Retail Prices, 1990-98

	Weights	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
(1994 = 100, annual averages)										
Metropolitan group										
Low income	261	4.2	8.3	23.1	65.3	100.0	135.8	192.8	237.8	294.1
High income	295	4.5	9.2	23.0	63.5	100.0	135.3	188.3	235.1	293.6
Nonmetropolitan group	444	4.3	8.4	22.6	65.1	100.0	134.2	196.3	244.7	305.3
Composite index	1,000	4.3	8.6	22.8	64.7	100.0	134.9	193.0	240.1	298.9
(Average annual percentage change)										
Metropolitan group										
Low income		110.0	97.6	178.3	182.7	53.1	35.8	42.0	23.3	23.7
Food, beverages and tobacco		111.1	92.1	219.2	181.5	52.4	38.4	42.8	20.7	22.2
Clothing and footwear		116.2	66.3	109.8	140.5	49.0	29.2	51.0	33.8	30.1
Rent, fuel and lighting		114.3	233.3	103.0	214.8	56.5	39.6	40.0	34.0	31.2
Furniture and household goods		100.0	97.2	238.0	179.6	49.0	22.2	29.4	20.2	26.1
Medical care		100.0	100.0	225.0	746.2	127.3	65.8	22.2	30.9	20.4
Transport and communication		175.0	90.9	169.8	320.0	40.1	25.3	43.0	35.0	20.2
Recreation and education		78.6	116.0	128.7	119.8	84.2	29.8	48.5	27.5	22.6
All other goods and services		114.9	89.1	36.6	155.2	50.2	24.5	36.0	21.8	21.1
High income		95.7	104.4	150.0	176.1	57.5	35.3	39.2	24.9	24.9
Food, beverages and tobacco		100.0	88.0	155.3	173.8	52.2	32.6	42.1	21.5	23.8
Clothing and footwear		114.8	96.6	115.8	165.9	52.9	34.2	51.3	29.3	29.4
Rent, fuel and lighting		61.5	166.7	160.7	333.6	58.0	52.1	39.4	34.7	32.1
Furniture and household goods		90.0	97.4	182.7	175.5	71.2	23.2	29.5	24.4	27.1
Medical care		120.0	72.7	242.1	598.5	120.3	60.7	23.0	33.8	21.5
Transport and communication		109.1	132.6	136.4	151.0	57.5	37.3	33.6	21.5	23.7
Recreation and entertainment		96.3	94.3	132.0	128.5	83.2	33.2	49.6	31.4	24.2
Other goods and services		135.5	82.2	153.4	95.0	52.2	24.4	32.9	22.7	20.1
Nonmetropolitan group		104.8	95.3	169.0	188.1	53.6	34.2	46.3	24.7	24.8
Food, beverages and tobacco		105.6	91.9	219.7	194.3	49.7	34.3	42.6	21.9	23.3
Clothing and footwear		116.2	67.5	109.7	139.5	48.6	27.6	48.4	33.2	30.5
Rent, fuel and lighting		115.4	232.1	102.2	248.4	52.7	27.8	45.8	39.5	35.4
Furniture and household goods		88.9	97.1	241.8	186.0	52.7	25.3	32.0	21.1	25.2
Medical care		100.0	93.8	235.5	391.3	95.7	52.1	16.1	28.7	21.0
Transport and communication		166.7	87.5	171.7	276.7	62.9	67.3	83.8	15.7	17.3
Recreation and education		78.3	119.5	127.8	121.0	120.8	35.6	71.5	46.6	25.1
All other goods and services		114.9	89.1	37.2	155.3	49.5	23.8	35.5	21.3	17.9
Composite index		107.0	97.7	165.7	183.8	54.6	34.9	43.1	24.4	24.5

Source: Central Statistical Office.

Table 10. Zambia: Summary of Central Government Operations, 1990-98  
(In millions of kwacha)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Revenue and grants	27,927	71,906	188,113	390,342	676,346	870,808	1,058,415	1,282,895	1,529,054
Revenue	23,001	40,814	104,521	235,256	449,618	595,911	816,579	1,022,656	1,131,405
Tax revenue	22,577	39,954	99,819	227,248	418,879	545,911	751,446	966,923	1,093,819
Company income tax	7,120	9,509	15,651	39,487	43,011	38,355	49,366	60,080	90,000
Personal income tax	1,701	4,825	21,464	41,859	86,202	134,153	172,703	236,313	291,000
Excise taxes	3,266	7,804	15,526	33,067	70,204	84,616	126,623	168,189	211,000
Sales tax/Value-added tax	2,182	4,600	12,765	34,394	76,104	107,678	136,854	183,688	200,000
Trade taxes 1/	8,308	13,216	34,413	78,441	138,536	163,155	242,900	287,982	284,819
Extraction royalty	0	0	0	0	4,821	17,954	23,000	30,671	17,000
Nontax revenue	424	860	4,702	8,008	30,739	50,000	65,133	55,733	37,586
Grants	4,926	31,092	83,592	155,086	226,728	274,897	241,836	260,239	397,649
Total expenditures and net lending	37,342	87,828	212,063	530,795	854,435	1,000,169	1,213,888	1,406,848	1,943,165
Current expenditure	30,283	63,997	155,063	389,563	624,735	726,913	869,041	1,017,277	1,262,735
Wages and salaries	5,960	13,372	34,045	70,524	115,051	177,903	221,428	324,226	327,273
Public service retrenchment	0	0	1,703	4,101	1,980	1,127	0	2,000	76,957
Recurrent departmental charges	5,157	8,846	20,907	54,425	63,181	100,672	119,637	136,769	161,397
Transfers and pensions	2,909	6,162	13,954	38,498	89,663	106,997	96,165	126,894	149,277
Subsidies	4,060	8,744	4,437	2,500	0	0	0	0	0
Interest due	8,859	18,445	48,591	182,618	260,493	258,729	322,023	326,237	420,848
Other current expenditure	3,337	3,104	14,622	1,305	62,444	55,885	79,431	98,037	111,692
Agricultural expenditure	0	5,324	16,804	35,592	31,923	25,600	30,357	3,114	15,291
Capital expenditure	7,059	23,831	57,000	141,232	229,700	273,256	344,847	389,571	680,430
Net lending	0	0	0	0	0	0	0	0	0
Overall balance (accrual)	-9,415	-15,922	-23,950	-140,453	-178,089	-129,361	-155,473	-123,953	-414,111
Financing	9,415	15,921	23,950	140,453	178,089	129,361	155,473	123,953	414,111
Domestic	2,224	11,019	726	-11,374	52,627	7,600	-43,142	-93,028	149,541
Non banks	-306	3,577	10,618	5,881	3,024	-4,037	1,494	-14,000	-3,431
Banking system	2,270	10,585	-14,201	-17,122	24,898	-3,861	12,300	10,400	223,803
Domestic arrears	260	-3,143	4,309	-133	27,432	1,815	-50,891	-68,900	-116,746
Change in balances and other	0	0	0	0	-2,727	13,683	-6,045	-20,528	45,915
Foreign 2/	7,191	4,902	23,224	151,827	125,462	121,761	198,615	216,981	264,570
Memorandum items:									
Domestic balance (cash) 3/ 4/	-3,747	-17,800	-22,889	-61,517	-29,157	7,940	49,180	64,434	25,185
Overall balance (cash) 4/	-9,155	-19,064	-19,641	-140,586	-153,384	-113,863	-212,409	-213,381	-484,942

Sources: Zambian authorities; and staff estimates.

1/ Including sales tax/VAT on imported goods.

2/ Including interest arrears and debt relief.

3/ Fiscal balance excluding grants, interest payments on foreign debt, and foreign-financed capital expenditures.

4/ To approximate a cash-based presentation, an adjustment is made for line ministries' payments of arrears and changes in balances.

Table 11. Zambia: Summary of Central Government Operations, 1990-98  
(In percent of GDP)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Revenue and grants	24.6	32.9	33.0	26.3	30.2	29.0	26.8	24.8	24.5
Revenue	20.3	18.7	18.4	15.9	20.1	19.9	20.7	19.8	18.1
Tax revenue	19.9	18.3	17.5	15.3	18.7	18.2	19.0	18.7	17.5
Company income tax	6.3	4.4	2.7	2.7	1.9	1.3	1.3	1.2	1.4
Personal income tax	1.5	2.2	3.8	2.8	3.8	4.5	4.4	4.6	4.7
Excise taxes	2.9	3.6	2.7	2.2	3.1	2.8	3.2	3.3	3.4
Sales tax/Value-added tax	1.9	2.1	2.2	2.3	3.4	3.6	3.5	3.6	3.2
Trade taxes 1/	7.3	6.1	6.0	5.3	6.2	5.4	6.2	5.6	4.6
Extraction royalty	0.0	0.0	0.0	0.0	0.2	0.6	0.6	0.6	0.3
Nontax revenue	0.4	0.4	0.8	0.5	1.4	1.7	1.7	1.1	0.6
Grants	4.3	14.2	14.7	10.5	10.1	9.2	6.1	5.0	6.4
Total expenditures and net lending	32.9	40.2	37.2	35.8	38.1	33.4	30.8	27.2	31.1
Current expenditure	26.7	29.3	27.2	26.3	27.9	24.2	22.0	19.7	20.2
Wages and salaries	5.3	6.1	6.0	4.8	5.1	5.9	5.6	6.3	5.2
Recurrent departmental charges	4.6	4.1	3.7	3.7	2.8	3.4	3.0	2.6	2.6
Transfers and pensions	2.6	2.8	2.4	2.6	4.0	3.6	2.4	2.5	2.4
Subsidies	3.6	4.0	0.8	0.2	0.0	0.0	0.0	0.0	0.0
Interest due	7.8	8.5	8.5	12.3	11.6	8.6	8.2	6.3	6.7
Other current expenditure 2/	2.9	1.4	2.6	0.1	2.8	1.9	2.0	1.9	1.8
Agricultural expenditure	0.0	2.4	3.0	2.4	1.4	0.9	0.8	0.1	0.2
Capital expenditure	6.2	10.9	10.0	9.5	10.3	9.1	8.7	7.5	10.9
Net lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Overall balance (accrual)	-8.3	-7.3	-4.2	-9.5	-7.9	-4.3	-3.9	-2.4	-6.6
Financing	8.3	7.3	4.2	9.5	7.9	4.3	3.9	2.4	6.6
Domestic	2.0	5.0	0.1	-0.8	2.5	0.3	-1.1	-1.8	2.4
Non banks	-0.3	1.6	1.9	0.4	0.1	-0.1	0.0	-0.3	-0.1
Banking system	2.0	4.8	-2.5	-1.2	1.2	-0.1	0.3	0.2	3.6
Domestic arrears	0.2	-1.4	0.8	0.0	1.3	0.1	-1.3	-1.3	-1.9
Change in balances	0.0	0.0	0.0	0.0	-0.1	0.5	-0.2	-0.4	0.7
Foreign 3/	6.3	2.2	4.1	6.4	4.3	4.1	5.0	4.2	4.2
Memorandum items:									
Domestic balance (cash) 4/ 5/	-3.3	-8.2	-4.0	-4.2	-1.3	0.3	1.2	1.2	0.4
Overall balance (cash) 5/	-8.1	-8.7	-3.4	-9.5	-6.8	-3.8	-5.4	-4.1	-7.8

Sources: Zambian authorities; and staff estimates.

1/ Including sales tax/VAT on imported goods.

2/ Excluding accrued arrears.

3/ Including interest arrears and debt relief.

4/ Fiscal balance excluding grants, interest payments on foreign debt, and foreign-financed capital expenditures.

5/ To approximate a cash-based presentation, an adjustment is made for line ministries' payments of arrears and changes in balances.

Table 12. Zambia: Summary of Central Government Revenues and Grants, 1990-98

(In millions of kwacha)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Revenue and grants	27,927	71,906	188,113	390,342	676,345	870,808	1,058,415	1,282,895	1,529,054
Revenue	23,001	40,814	104,521	235,256	449,617	595,911	816,579	1,022,656	1,131,405
Tax revenue	22,577	39,954	99,819	227,248	418,879	545,911	751,446	966,923	1,093,819
Company income tax	7,120	9,509	15,651	39,487	43,011	38,355	49,366	60,080	90,000
Personal income tax	1,701	4,825	21,464	41,859	86,202	134,153	172,703	236,313	291,000
PAYE 1/	1,092	3,793	19,249	35,132	69,732	104,716	128,830	180,239	249,000
Withholding tax and other	609	1,032	2,215	6,727	16,470	29,437	43,873	56,074	42,000
Excise taxes	3,266	7,804	15,526	33,067	70,204	84,616	126,623	168,189	211,000
Sales tax/Value-added tax	2,182	4,600	12,765	34,394	76,104	107,678	136,854	183,688	200,000
Trade taxes 2/	8,308	13,216	34,413	78,441	138,536	163,155	242,900	287,982	284,819
Extraction royalty	0	0	0	0	4,821	17,954	23,000	30,671	17,000
Nontax revenue	424	860	4,702	8,008	30,738	50,000	65,133	55,733	37,586
User fees and charges	...	...	...	...	12,292	17,255	12,102	38,678	17,095
Privatization receipts 3/	...	...	...	...	...	12,468	27,022	1,775	757
Other exceptional receipts	...	...	...	...	18,446	20,277	26,009	15,280	19,734
Grants	4,926	31,092	83,592	155,086	226,728	274,897	241,836	260,239	397,649

Sources: Zambian authorities; and staff estimates.

1/ Pay-as-you-earn.

2/ Including sales tax/VAT on imported goods.

3/ Net of direct privatization costs.

Table 13. Zambia: Summary of Central Government Expenditures, 1990-98

(In millions of kwacha)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total expenditures and net lending	37,342	87,728	212,063	530,795	854,435	1,000,169	1,213,888	1,406,848	1,943,165
Current expenditure	30,283	63,897	155,063	389,563	624,735	726,913	869,041	1,017,277	1,262,735
Wages and salaries	5,960	13,272	34,045	70,524	115,051	177,903	221,428	324,226	327,273
Personal emoluments	5,960	13,272	34,045	70,524	92,188	151,262	201,497	270,152	262,273
Non defense	4,483	10,458	26,303	50,153	68,974	124,337	169,712	225,551	208,711
Defense	1,477	2,814	7,742	20,371	23,214	26,925	31,785	44,601	53,562
Wage adjustment	0	0	0	0	22,863	26,641	19,931	54,074	65,000
Public service retrenchment	0	0	1,703	4,101	1,980	1,127	0	2,000	76,957
Recurrent departmental charges	5,157	8,846	20,907	54,425	63,181	100,672	119,637	136,769	161,397
Non defense	4,651	8,177	18,887	51,647	60,267	91,498	112,308	127,397	134,565
Defense	506	669	2,020	2,778	2,914	9,174	7,329	9,372	26,832
Transfers and pensions	2,909	6,162	13,954	38,498	89,663	106,997	96,165	126,894	149,277
Grants and payments 1/	...	...	...	...	80,009	93,997	82,726	105,394	129,899
Pensions	...	...	...	...	9,654	13,000	13,439	21,500	19,378
Subsidies	4,060	8,744	4,437	2,500	0	0	0	0	0
Interest due	8,859	18,445	48,591	182,618	260,493	258,729	322,023	326,237	420,848
Domestic debt	1,584	3,662	15,577	71,463	102,538	77,029	121,846	115,228	80,139
Foreign debt	7,275	14,783	33,014	111,155	157,955	181,700	200,177	211,009	340,709
Other current expenditure 2/	3,337	3,104	14,622	1,305	62,444	55,885	79,431	98,037	111,692
Defense	2,237	2,092	7,073	0	13,042	7,856	4,888	0	0
Awards and compensation	0	0	0	0	0	0	22,636	13,892	6,453
Contingency	0	0	0	0	0	0	15,123	20,675	22,197
Zambia Revenue Authority funding	0	0	0	0	0	0	24,339	33,146	48,500
Bank of Zambia capitalization	0	0	0	0	0	0	3,500	0	0
Other	1,100	1,012	7,549	1,305	49,402	48,029	8,945	30,324	34,542
Agricultural expenditure	0	5,324	16,804	35,592	31,923	25,600	30,357	3,114	15,291
Drought relief	...	...	...	...	0	6,750	575	0	4,167
Strategic food reserve	...	...	...	...	27,623	2,500	14,500	3,114	11,124
Input financing	...	...	...	...	4,300	9,350	3,250	0	0
Other 3/	...	...	...	...	0	7,000	12,032	0	0
Capital expenditure	7,059	23,831	57,000	141,232	229,700	273,256	344,847	389,571	680,430
Financed by the government of Zambia	4,000	6,258	9,670	18,232	36,700	58,256	40,596	70,026	113,363
Non defense	...	...	...	...	33,786	54,455	38,895	68,983	109,394
Defense	...	...	...	...	2,914	3,801	1,701	1,043	3,969
Foreign financed	3,059	17,573	47,330	123,000	193,001	215,000	304,251	319,545	567,067

Sources: Zambian authorities; and staff estimates.

1/ Including 15,507 millions of Kwacha grants to Ministry of Defence in 1998.

2/ Including unclassified expenditures.

3/ Funding of Agricultural Sector Investment Program.



Table 14. Zambia: Expenditures by Functional Classification (Domestic Budget), 1990-98 1/

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
(In millions of kwacha)									
General public services	6,716	14,436	46,889	83,368	145,482	156,552	94,934	135,081	166,538
Defense	4,220	5,575	16,835	23,149	42,083	47,756	45,702	55,016	99,870
Public order and safety	1,022	2,651	5,172	15,711	5,998	8,349	13,960	13,017	18,770
Education	2,499	6,020	11,980	28,915	49,902	68,121	95,925	138,508	148,744
Primary education	718	2,317	4,010	11,059	23,317	24,720	43,000	71,378	62,652
Secondary education	424	833	1,795	3,009	7,129	8,154	9,950	21,591	21,433
Tertiary education	530	1,247	2,943	8,284	10,118	18,711	21,199	13,187	25,715
Other	827	1,623	3,232	6,563	9,338	16,536	21,776	32,352	38,944
Health	2,780	3,287	8,144	24,818	44,409	55,657	66,416	97,212	111,694
Social security and welfare	517	2,230	3,057	11,788	19,659	23,597	28,560	65,530	20,350
Housing and community services	154	418	428	79	5,992	13,048	20,238	21,840	21,064
Recreational, cultural, and religious affair:	463	778	1,866	4,254	9,587	11,889	16,797	43,902	39,852
Energy	30	52	195	652	16,875	31,814	35,402	28,937	27,258
Agriculture, forestry, and fishing	1,729	3,791	3,229	7,926	53,171	51,453	17,659	52,940	32,257
Mining, manufacturing, and construction	268	997	3,837	2,351	4,842	7,349	11,550	15,608	14,240
Transport and communication	1,131	2,251	11,401	12,168	3,304	3,315	12,762	17,017	26,376
Debt service	1,584	3,662	15,577	71,463	102,538	77,029	121,848	115,228	118,302
Other	3,895	9,224	3,109	10,003	0	47,540	127,707	76,458	190,074
<b>Total</b>	<b>27,008</b>	<b>55,372</b>	<b>131,719</b>	<b>296,645</b>	<b>503,842</b>	<b>603,469</b>	<b>709,460</b>	<b>876,294</b>	<b>1,035,389</b>
(In percent of total)									
General public services	24.9	26.1	35.6	28.1	28.9	25.9	13.4	15.4	16.1
Defense	15.6	10.1	12.8	7.8	8.4	7.9	6.4	6.3	9.6
Public order and safety	3.8	4.8	3.9	5.3	1.2	1.4	2.0	1.5	1.8
Education	9.3	10.9	9.1	9.7	9.9	11.3	13.5	15.8	14.4
Primary education	2.7	4.2	3.0	3.7	4.6	4.1	6.1	8.1	6.1
Secondary education	1.6	1.5	1.4	1.0	1.4	1.4	1.4	2.5	2.1
Tertiary education	2.0	2.3	2.2	2.8	2.0	3.1	3.0	1.5	2.5
Other	3.1	2.9	2.5	2.2	1.9	2.7	3.1	3.7	3.8
Health	10.3	5.9	6.2	8.4	8.8	9.2	9.4	11.1	10.8
Social security and welfare	1.9	4.0	2.3	4.0	3.9	3.9	4.0	7.5	2.0
Housing and community services	0.6	0.8	0.3	0.0	1.2	2.2	2.9	2.5	2.0
Recreational, cultural, and religious affair:	1.7	1.4	1.4	1.4	1.9	2.0	2.4	5.0	3.8
Energy	0.1	0.1	0.1	0.2	3.3	5.3	5.0	3.3	2.6
Agriculture, forestry, and fishing	6.4	6.8	2.5	2.7	10.6	8.5	2.5	6.0	3.1
Mining, manufacturing, and construction	1.0	1.8	2.9	0.8	1.0	1.2	1.6	1.8	1.4
Transport and communication	4.2	4.1	8.7	4.1	0.7	0.5	1.8	1.9	2.5
Debt service	5.9	6.6	11.8	24.1	20.4	12.8	17.2	13.1	11.4
Other	14.4	16.7	2.4	3.4	...	7.9	18.0	8.7	18.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Sources: Ministries of Finance, Education and Health; and staff estimates.

1/ Total expenditures and net lending (Table 13) excluding interest payments on foreign debt, and foreign-financed capital expenditures.

Table 15. Zambia: Zambia Consolidated Copper Mines Ltd. (ZCCM), Consolidated Profit and Loss Account, 1989/90 - 1997/98 1/

(In millions of kwacha)

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98
Sales	32,876	60,775	123,333	359,086	574,957	1,121,301	1,591,158	1,504,730	1,301,797
<i>Of which: copper</i>	28,853	56,789	74,955	248,664	390,579	598,245	1,236,300	1,111,300	949,338
Cost of sales	22,430	42,774	91,782	251,136	570,039	1,007,392	1,473,157	1,555,370	1,537,337
Profit/loss (-) on sales	10,446	18,001	31,551	107,950	4,918	113,909	118,001	-50,640	-235,540
Other costs (net) 2/	4,890	6,775	17,241	41,657	76,327	79,086	128,638	143,356	230,180
Profit/loss (-) before taxation	5,556	11,226	14,310	66,293	-71,409	34,823	-10,637	-193,996	-465,720
Profit/loss (-) after taxation 3/	2,586	5,190	4,103	41,529	-72,733	3,436	-29,981	-198,722	-468,108

Source: Zambia Consolidated Copper Mines, Ltd.

1/ The ZCCM financial year runs from April 1 to March 31.

2/ Includes net interest, exchange losses, and share of associated companies' profits.

3/ Including taxation recoveries from the carry over of losses against profits for the previous year.

Table 16. Zambia: Monetary Survey, 1990-98

	1990	1991	1992	1993	1994 1/	1995 1/	1996	1997	1998
(In billions of kwacha; end of period)									
Net foreign assets	-72	-149	-568	-743	-965	-985	-1,217	-1,129	-2,262
Monetary authorities	-77	-158	-604	-837	-1,012	-1,092	-1,394	-1,335	-2,677
Commercial banks	5	9	36	94	47	107	176	206	415
Net domestic assets	102	210	674	957	1,314	1,526	1,944	2,031	3,367
Net domestic credit	...	...	...	...	248	398	542	579	1,106
Net claims on government 2/	...	...	...	...	85	92	113	122	557
Monetary authorities	...	...	...	...	13	-58	-46	-37	489
Commercial banks	3	11	33	66	72	150	159	159	68
Claims on nongovernment	...	...	...	...	163	306	429	457	549
Monetary authorities	...	...	...	...	2	15	25	27	34
Commercial banks	13	22	42	92	161	291	404	430	515
Other items (net)	...	...	...	...	1,066	1,128	1,402	1,451	2,261
Broad money	29	61	106	214	348	541	727	901	1,105
Narrow money	15	24	51	96	144	228	270	355	398
Currency outside banks	5	9	19	40	57	79	106	137	170
Demand deposits	10	15	32	56	82	140	163	217	226
Bank of Zambia deposits	0	0	0	0	6	9	1	1	1
Quasi money	15	37	55	118	204	312	457	546	708
Savings deposits	4	8	...	...	67	74	114	141	146
Time deposits	11	29	...	...	109	151	182	197	167
Foreign currency deposits	...	...	...	...	28	88	161	207	394
(Twelve-month percentage change)									
Net foreign assets	...	-105.5	-282.0	-30.9	-29.9	-2.1	-23.6	7.2	-100.3
Net domestic assets	...	106.5	221.0	42.0	37.3	16.1	27.4	4.4	65.8
Net domestic credit	...	...	...	...	...	60.3	36.3	6.9	91.0
Net claims on government	...	...	...	...	...	7.5	22.7	8.4	355.4
Claims on nongovernment	...	...	...	...	...	88.1	40.4	6.5	20.2
Other items (net)	...	...	...	...	...	5.9	24.3	3.5	55.7
Broad money	75.7	108.7	73.1	101.5	62.8	55.3	34.4	24.0	22.6
Narrow money	83.0	68.2	109.8	87.4	50.0	58.1	18.4	31.6	11.9
Quasi money	69.1	148.5	48.7	114.6	73.2	53.2	46.3	19.5	29.6
(Twelve-month change as percentage of beginning of period broad money)									
Net foreign assets	...	-259.6	-683.0	-165.2	-103.9	-5.7	-43.0	12.1	-125.6
Net domestic assets	...	368.3	756.1	266.7	166.9	60.9	77.4	11.9	148.2
Net domestic credit	...	...	...	...	...	43.0	26.7	5.1	58.5
Net claims on government	...	...	...	...	...	1.8	3.9	1.3	48.2
Claims on nongovernment	...	...	...	...	...	41.1	22.8	3.8	10.3
Other items (net)	...	...	...	...	...	17.9	50.7	6.7	89.8
Broad money	75.7	108.7	73.1	101.5	62.8	55.3	34.4	24.0	22.6
Narrow money	39.4	33.8	43.8	42.3	22.5	24.1	7.7	11.7	4.7
Quasi money	36.3	75.0	29.3	59.2	40.3	31.2	26.7	12.3	17.9
Memorandum items:									
Velocity (GDP/average M2)	3.9	3.6	5.4	7.5	7.1	6.4	6.0	6.3	6.5
Money multiplier 2/	2.5	2.8	2.9	2.2	2.5	5.1	4.3	4.2	3.8

Sources: Bank of Zambia; and staff estimates.

1/ Since January 1995 balance sheet of the Bank of Zambia has been compiled on the basis of the new chart of accounts. Complete historical data go back to December 1994 only.

2/ Ratio of broad money to reserve money. The increase in the multiplier in 1995 resulted from the reduction in the required reserve ratio from 30 to 3 percent.

Table 17. Zambia: Accounts of the Monetary Authorities, 1990-98

	1990	1991	1992	1993	1994	1995 1/	1996	1997	1998
(In millions of kwacha)									
Net foreign assets	...	...	...	...	-1,012	-1,092	-1,394	-1,335	-2,677
Gross reserves	...	...	...	...	192	200	271	337	159
Liabilities	...	...	...	...	-1,204	-1,293	-1,664	-1,671	-2,835
Net domestic assets	...	...	...	...	1,154	1,198	1,563	1,547	2,965
Net domestic credit	...	...	...	...	26	79	139	121	685
Net claims on government	...	...	...	...	13	-58	-46	-37	489
Claims on government	...	...	...	...	52	102	181	224	665
Government deposits	...	...	...	...	-39	-160	-226	-260	-176
Claims on nongovernment	...	...	...	...	13	137	185	158	196
Of which: claims on banks	...	...	...	...	11	122	160	131	161
Other items (net)	...	...	...	...	1,128	1,119	1,424	1,426	2,280
Reserve money	12	22	36	97	142	105	169	212	288
Currency in circulation	5	11	21	47	64	92	127	158	196
Liabilities to commercial banks	6	11	15	50	77	11	40	54	92
Liabilities to nonbanks	0	0	0	0	1	2	2	1	1
(Twelve-month percentage change)									
Net foreign assets	...	...	...	...	...	-7.9	-27.6	4.2	-100.5
Net domestic assets	...	...	...	...	...	3.8	30.5	-1.0	91.6
Net domestic credit	...	...	...	...	...	203.4	76.9	-13.3	467.0
Net claims on government	...	...	...	...	...	-540.8	-20.7	-19.9	-1428.9
Claims on nongovernment	...	...	...	...	...	966.8	35.5	-14.9	24.3
Other items (net)	...	...	...	...	...	-0.8	27.2	0.2	59.9
Reserve money	75.5	89.9	66.1	165.1	46.8	-26.0	60.7	25.9	35.7
(Twelve-month change as percentage of beginning of period reserve money)									
Net foreign assets	...	...	...	...	...	-56.5	-287.1	34.9	-631.8
Net domestic assets	...	...	...	...	...	30.8	347.7	-9.3	667.5
Net domestic credit	...	...	...	...	...	37.2	57.6	-10.9	265.5
Net claims on government	...	...	...	...	...	-50.0	11.4	5.4	247.5
Claims on nongovernment	...	...	...	...	...	87.2	46.2	-16.3	18.0
Other items (net)	...	...	...	...	...	-6.3	290.1	1.7	402.0
Reserve money	75.5	89.9	66.1	165.1	46.8	-26.0	60.7	25.9	35.7

Source: Bank of Zambia.

1/ Since January 1995, the balance sheet of the Bank of Zambia has been compiled on the basis of the new chart of accounts. Complete historical data only go back to December 1994.

Table 18. Zambia: Accounts of Commercial Banks, 1990-98

(In billions of kwacha)

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
Net foreign assets	5	9	36	94	47	107	176	206	415
Gross assets	7	12	43	103	57	117	191	225	457
Liabilities	-2	-3	-7	-8	-11	-9	-14	-19	-42
Net domestic assets	15	30	41	64	241	344	441	557	518
Net position with the Bank of Zambia	8	15	19	50	93	-26	-23	5	113
Currency	1	1	2	7	16	14	20	21	26
Current accounts at the Bank of Zambia	0	1	2	5	8	20	3	17	42
Statutory reserves (kwacha)	7	12	15	38	69	9	29	33	44
Statutory reserves (foreign exchange)	0	0	0	0	2	0	11	16	23
Credit from Bank of Zambia	0	0	0	0	3	69	87	82	21
Net Domestic credit	16	33	75	158	225	441	563	589	583
Net claims on government	3	11	33	66	72	150	159	159	68
Claims	4	14	38	71	85	194	216	223	156
Treasury bills	4	14	38	71	81	142	164	189	142
Other assets	0	0	0	1	4	53	52	34	13
Deposits	-1	-3	-6	-6	-12	-45	-58	-64	-88
Claims on nongovernment	13	22	42	92	153	291	404	430	515
Other items (net)	-9	-18	-53	-143	-77	-71	-98	-37	-178
Private sector liabilities	20	39	77	159	288	451	618	763	933
Demand deposits	8	13	32	56	99	203	344	443	583
Savings and time deposits	12	26	45	103	189	248	274	320	350

Source: Bank of Zambia.

Table 19. Zambia: Structure of Interest Rates, 1990-98

(In percent; end of period)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
<b>Bank rate</b>	34.0	42.0	54.0	122.5	24.8	51.5	69.8	23.3	43.6
Treasury bill rate 1/ 2/	30.5	40.0	47.0	115.9	23.1	51.3	59.6	18.8	33.0
One-year government bond 3/	9.5	11.0	11.0	11.0	32.2	43.6	37.0	23.3	43.9
18-month government bond 3/	...	15.0	15.0	15.0	36.3	...	...	...	...
<b>Kwacha deposit rates 4/</b>									
Savings	27.0	33.0	43.0	80.9	13.3	30.6	30.2	16.5	7.6
Short-term deposits	25.6	27.9	...	...	16.4	40.9	47.0	27.2	14.9
3 months	29.0	33.2	...	...	14.4	36.7	44.6	25.4	16.4
6 months	29.5	33.0	...	...	13.3	33.1	32.0	24.3	13.3
12 months and over	30.3	33.8	...	...	...	...	...	...	...
24-hour call rate	...	...	36.5	66.3	9.9	31.1	30.5	14.6	7.1
Notice (7-90 days)	...	...	50.2	85.2	14.0	36.7	44.6	25.4	...
Fixed deposit (30-365 days)	...	...	48.8	93.6	13.3	33.1	32.0	24.3	...
<b>Lending rates 4/</b>									
Bank overdraft (minimum)	40.0	46.0	60.6	119.6	45.8	66.7	69.0	37.2	37.4
Residential mortgages (minimum)	35.0	36.0	42.0	75.0	80.0	60.0	50.0	40.0	...
Commercial and individual mortgages	39.0	45.0	55.0	90.0	100.0	85.0	60.0	45.0	...

Source: Bank of Zambia.

1/ Annualized (weighted by maturity).

2/ Treasury bill rates became market determined in 1993.

3/ One-year bond introduced in December 1989; 18-month bond introduced in January 1991.

4/ Commercial bank rates were liberalized in 1992.

Table 20. Zambia: Balance of Payments, 1990-98

(In millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
<b>Current account</b>	-93	8	-135	-30	47	-146	-122	-239	-269
Trade balance	179	133	-218	-24	64	-8	-62	-27	-148
Exports, f.o.b.	1,263	1,085	1,133	994	1,066	1,186	993	1,191	874
Metals	1,150	998	1,033	870	910	984	754	895	585
Other	113	88	100	124	157	202	239	296	288
Imports, c.i.f.	-1,084	-952	-1,351	-1,019	-1,003	-1,194	-1,055	-1,218	-1,022
Metals sector	-346	-285	-323	-242	-287	-271	-237	-291	-216
Other	-738	-667	-1,028	-777	-716	-923	-818	-927	-806
Services (net)	-206	-222	-201	-100	-99	-194	-141	-189	-154
Transfers (net)	253	481	606	321	319	298	287	182	226
Interest on official debt	-329	-381	-320	-216	-233	-252	-198	-195	-179
Other factor transactions (net)	10	-3	-2	-10	-4	10	-8	-10	-14
<b>Capital account 1/</b>	-261	-99	-141	-37	-12	-77	49	166	-5
Official disbursements	169	317	467	455	212	234	206	190	91
Official amortization	-318	-337	-358	-306	-309	-338	-255	-181	-136
Private capital (net) 1/	-112	-79	-250	-186	85	27	98	157	40
Errors and omissions	0	0	18	-115	-106	-13	-8	-54	25
<b>Overall balance</b>	-354	-91	-258	-182	-70	-236	-80	-127	-249
<b>Financing</b>	354	91	258	182	70	236	80	127	249
IMF (net)	97	-39	-39	-73	-18	0	0	14	0
Purchases	0	0	0	0	0	1,264	0	14	0
Repurchases (scheduled)	-113	-59	-6	-3	-18	-1,264	0	0	0
Change in overdue obligations	210	21	-33	-70	0	0	0	0	0
Other foreign assets (net)	-3	28	-70	-14	-63	23	-53	-46	128
Central bank (net)	-4	28	-91	26	-141	69	-31	-38	162
Assets	7	10	-23	-5	-80	90	-3	-27	169
Liabilities	-11	18	-68	31	-61	-21	-27	-11	-7
Commercial banks (net)	1	0	21	-40	78	-46	-22	-8	-34
Net change in arrears (decrease -)	-465	-192	-183	-90	-76	176	-176	0	0
Debt reduction/rescheduling received	725	293	551	359	227	37	310	159	122
<b>Memorandum items:</b>									
Current account, excluding interest obligations and official transfers	-48	-125	-454	-154	-58	-213	-228	-242	-330
Copper export volume (in thousands of metric tons)	440	375	409	413	366	341	327	301	259
Copper price (U.S. dollars per lb)	1.09	1.08	0.98	0.79	0.90	1.13	0.79	0.98	0.75

Sources: Bank of Zambia; and staff estimates.

1/ Including net errors and omissions.

Table 21. Zambia: Merchandise Exports, 1990-98

(In millions of U.S. dollars, unless otherwise indicated)

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
Total exports, f.o.b.	1,262.9	1,085.0	1,132.8	994.2	1,066.4	1,185.9	993.4	1,190.8	873.6
Metal exports, f.o.b.	1,149.9	997.5	1,032.8	870.1	909.9	984.4	754.2	895.0	585.2
Copper									
Value	1,055.0	895.1	880.0	717.2	729.2	851.0	567.7	649.4	430.9
Volume (thousands of metric tons)	440.0	375.0	408.8	412.8	366.4	341.4	327.5	301.2	259.4
Price (U.S. dollars per lb) 1/	1.09	1.08	0.98	0.79	0.90	1.13	0.79	0.98	0.75
Cobalt									
Value	77.2	93.5	144.4	148.9	180.7	133.4	186.5	245.6	154.3
Volume (thousands metric tons)	4.9	4.5	2.7	3.6	4.3	2.3	3.9	4.9	3.7
Price (U.S. dollars per lb) 1/	7.21	9.42	24.20	18.80	19.10	26.00	21.90	22.80	19.10
Lead									
Value	1.2	0.4	0.4	0.1	0.0	0.0	0.0	0.0	0.0
Volume (thousands of metric tons)	2.0	1.0	1.0	0.4	0.0	0.0	0.0	0.0	0.0
Price (U.S. dollars per lb)	0.31	0.22	0.21	0.19	...	...	...	...	...
Zinc									
Value	16.5	8.5	8.0	3.9	0.0	0.0	0.0	0.0	0.0
Volume (thousands of metric tons)	11.0	8.0	7.0	4.5	0.0	0.0	0.0	0.0	0.0
Price (U.S. dollars per lb) 1/	0.68	0.48	0.52	0.39	...	...	...	...	...
Non-metal exports, f.o.b.	113.0	87.5	100.0	124.1	156.5	201.5	239.2	295.8	288.4

Sources: Bank of Zambia; and staff estimates.

1/ Net of freight and insurance.



Table 22. Zambia: Foreign Trade Volume and Unit Value, 1990-98

(Percentage change from the preceding year, unless otherwise indicated)

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
<b>Volume</b>									
Exports	-16.6	-10.3	14.7	7.0	-2.7	-9.4	9.4	7.0	-12.4
Imports	7.8	-2.3	7.6	-19.5	-3.9	8.4	-10.9	25.3	-10.0
<b>Unit value 1/</b>									
Exports	9.2	-4.9	-10.8	-18.3	10.7	22.7	-23.5	12.0	-16.3
Imports	-1.4	-10.2	1.9	-6.3	2.4	9.9	-0.8	-7.9	-6.6
<b>Terms of trade</b>	10.7	5.9	-10.7	-12.8	8.1	11.7	-22.8	21.6	-10.3
<b>Terms of trade index (1990=100)</b>	100.0	105.9	94.5	82.4	89.1	99.5	76.8	93.4	83.8

Source: Staff estimates.

1/ In U.S. dollar terms.

Table 23. Zambia: Net Foreign Assets of the Banking System, 1990-98

(In millions of U.S. dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Net foreign assets of the Bank of Zambia	-1,818	-1,797	-1,684	-1,632	-1,039	-1,146	-1,087	-943	-1,155
Assets	175	165	188	193	268	211	211	238	69
Gold	8	9	9	10	10	0	0	0	0
Other	167	156	179	183	258	211	211	238	69
Liabilities	-1,993	-1,962	-1,872	-1,825	-1,307	-1,357	-1,298	-1,181	-1,224
IMF	-1,330	-1,291	-1,261	-1,186	-1,168	-1,240	-1,210	-1,139	-1,187
Other	-663	-671	-611	-639	-138	-117	-88	-43	-36
Net foreign assets of commercial banks	127	127	106	146	68	114	137	146	179
Assets	157	168	127	159	84	123	149	159	197
Liabilities	-30	-41	-21	-13	-16	-9	-11	-13	-18
Net foreign assets of the banking system	-1,691	-1,670	-1,578	-1,486	-1,017	-985	-949	-798	-976
Assets	332	333	315	352	366	317	360	397	266
Liabilities	-2,023	-2,003	-1,893	-1,838	-1,383	-1,302	-1,309	-1,195	-1,242

Sources: Bank of Zambia; and staff estimates.

Table 24. Zambia: Scheduled External Debt Service Payments, 1990-98

	1990	1991	1992	1993	1994	1995	1996	1997	1998
									Est.
	(In millions of U.S. dollars)								
Scheduled debt service	647	718	678	522	541	590	453	376	315
Interest	329	381	320	216	233	252	198	195	179
<i>Of which</i> : Fund charges/interest	117	112	89	64	42	57	10	9	9
Amortization	318	337	358	306	309	338	255	181	136
<i>Of which</i> : Fund repurchases	122	59	6	3	18	0	0	0	0
	(In percent of exports of goods and services)								
Scheduled debt service	47.4	60.6	56.3	49.4	46.2	46.1	39.6	28.8	32.0
Interest	24.1	32.2	26.6	20.5	19.8	19.6	17.3	14.9	18.2
<i>Of which</i> : Fund charges/interest	8.6	9.5	7.4	6.1	3.6	4.4	0.9	0.7	0.9
Amortization	23.3	28.4	29.7	29.0	26.3	26.4	22.3	13.9	13.8
<i>Of which</i> : Fund repurchases	8.9	5.0	0.5	0.3	1.5	0.0	0.0	0.0	0.0
Memorandum item:									
Exports of goods and services (in millions of U.S. dollars)	1,364	1,185	1,205	1,056	1,173	1,281	1,143	1,305	983

Sources: Bank of Zambia; and staff estimates.

Table 25. Zambia: External Debt, 1990-98 1/2/

	1990	1991	1992	1993	1994	1995	1996	1997	1998 Est.
(In millions of U.S. dollars)									
Total external debt	6898	6827	4981	5102	6397	7041	7085	6971	6613
Medium- and long-term debt	6517	6435	4738	4858	6156	6817	6880	6924	6613
Multilateral	2969	2843	2714	2734	3127	3325	3381	3397	3412
IMF	1362	1326	1238	1188	1216	1239	1198	1138	1132
Other	1607	1517	1476	1546	1911	2086	2182	2259	2280
Bilateral official	3265	3348	2017	2107	2945	3272	3345	3431	3141
Paris Club	2508	2362	1583	1674	2361	2863	2936	3022	2732
Other	757	986	434	433	584	409	409	409	409
Suppliers and other	283	244	7	17	84	220	155	95	60
Short-term debt	381	392	243	244	241	224	205	47	0
(In percent of exports of goods and services)									
Total external debt	505.7	576.1	413.4	483.1	545.2	549.6	619.8	534.2	672.5
Medium- and long-term debt	477.8	543.0	393.2	460.0	524.7	532.2	601.9	530.6	672.5
Multilateral	217.7	239.9	225.2	258.9	266.5	259.6	295.8	260.3	347.0
IMF	99.9	111.9	102.7	112.5	103.6	96.7	104.8	87.2	115.1
Other	117.8	128.0	122.5	146.4	162.9	162.8	190.9	173.1	231.9
Bilateral official	239.4	282.5	167.4	199.5	251.0	255.4	292.6	262.9	319.4
Paris Club	183.9	199.3	131.4	158.5	201.2	223.5	256.9	231.6	277.8
Other	55.5	83.2	36.0	41.0	49.8	31.9	35.8	31.3	41.6
Suppliers and other	20.7	20.6	0.6	1.6	7.2	17.2	13.5	7.3	6.1
Short-term debt	27.9	33.1	20.2	23.1	20.5	17.5	17.9	3.6	0.0
Memorandum item:									
Exports of goods and services (in millions of U.S. dollars)	1,364	1,185	1,205	1,056	1,173	1,281	1,143	1,305	983

Sources: Bank of Zambia; and staff estimates.

1/ Including arrears.

2/ Excludes "dormant" commercial debt not tendered in 1994 buyback, which the authorities estimate to amount to US\$85 million.

Table 26. Zambia: Nominal, Nominal Effective, and Real Effective  
Exchange Rates, 1990: Q1-1998: Q3

(Index, 1990=100)

	Official U.S. Dollar/Kwacha exchange rate	Nominal Effective Exchange Rate	Real Effective Exchange Rate
1990 Q1	130.08	126.77	100.77
Q2	104.56	108.21	99.27
Q3	89.64	91.06	99.24
Q4	75.72	73.96	100.72
1991 Q1	61.31	60.88	96.57
Q2	49.33	53.12	93.46
Q3	41.39	45.29	89.18
Q4	35.50	37.61	93.46
1992 Q1	25.71	27.18	93.12
Q2	20.83	21.28	91.33
Q3	17.14	16.61	86.37
Q4	12.26	12.74	86.49
1993 Q1	7.21	7.89	70.35
Q2	5.68	6.10	75.39
Q3	6.71	7.37	119.56
Q4	7.56	8.40	140.22
1994 Q1	4.55	5.10	92.94
Q2	4.38	4.81	95.83
Q3	4.44	4.71	99.10
Q4	4.43	4.65	102.28
1995 Q1	3.98	4.13	98.40
Q2	3.55	3.54	87.20
Q3	3.18	3.24	86.45
Q4	3.18	3.27	101.38
1996 Q1	2.86	3.00	99.14
Q2	2.43	2.59	93.07
Q3	2.37	2.51	96.46
Q4	2.36	2.52	102.07
1997 Q1	2.33	2.60	111.51
Q2	2.31	2.62	114.30
Q3	2.28	2.65	120.14
Q4	2.21	2.58	122.17
1998 Q1	1.95	2.36	116.01
Q2	1.65	2.00	105.66
Q3	1.55	1.90	106.98

Source: IMF, Information Notice System.

## Zambia: Summary of the Tax System as of July 1, 1998

Tax	Nature of Tax	Exemptions and Deductions 1/	Rates	
1. Taxes on income and profits (Income Tax Act of 1966 and amendments)				
1.1. Corporate profit tax	A flat rate on profits of corporations; profits are defined as revenues minus depreciation, production costs and wages. Fringe benefits paid are non deductible.	As of April 1, 1997 losses may be carried forward for up to five years only, except for former ZCCM companies. Depreciation schedules: 2 years for machinery, plants and equipment used in farming and the tourism industry; 4 years for plants and machinery (all business other than farming and tourism industry and for assets used wholly for commercial purposes); 5 years for vehicles; 10 years for housing; 20 years for industrial building; and 50 years for commercial buildings.  Tax credit for tax paid abroad on dividends and interest.  Deduction of K 240,000 for each handicapped employee.  All prospecting and exploration expenditures for mining companies are deductible immediately.	<i>Category</i>	<i>Rate</i>
			General	35 percent
			Companies listed on the Lusaka Stock Exchange	30 percent
			Profits of (unlisted) banks above K 100 million	45 percent
			Profits from agriculture, nontraditional exports, and chemical fertilizer	15 percent
1.2. Personal income tax	A progressive tax on global personal income. (Tax on salaries is withheld at source under the pay-as-you-earn system. Withholding tax on other income described below.)	Income paid into pension funds up to K 120,000 per annum.  Some capital gains not taxable.  Contributions to charitable organizations deductible up to 15 percent of taxable income.	<i>Taxable income</i>	<i>Rate</i>
			Under K 1,200,000	10 percent
			K 1,200,000- K 1,800,000	20 percent
			Over K 1,800,000	30 percent
			A tax credit of K 84,000 applies	
1.3 Withholding tax on capital income	Tax withheld at source for interest, dividends, capital gains, and rents. Withholding tax on interest and dividends paid by former ZCCM companies.	K 240,000 per annum is exempt (interest only).		15 percent
				10 percent

## Zambia: Summary of the Tax System as of July 1, 1998 (continued)

Tax	Nature of Tax	Exemptions and Deductions 1/	Rates	
1.4. Mineral resource levy (Mines and Minerals Act of 1997)	Royalty levied upon the net smelter value of the natural resource.	The Minister of Finance can exempt companies from payment.	<i>Product</i>	<i>Rate</i>
			Base or precious metals	2 percent
			Industrial minerals	2 percent
			Gemstones	2 percent
2. Taxes on property				
2.1. Property transfer tax	Levied upon the selling price of transferred property and shares.	Shares listed on the Lusaka Stock Exchange are exempt.		2.5 percent
2.2. Property tax	Specific tax levied by local authorities			Varies across districts
3. Taxes on goods and services				
3.1. Value-added tax (Value - Added Tax Act of 1995)	Multistage tax on the value added	Foodstuffs, books, educational materials, health care expenditure, and rents are exempt.		17.5 percent
3.2. Excise taxes (Customs and Excise Act of 1986 and amendments)	A tax levied on products in the second schedule of the act.	Purchases by diplomats and allowable losses.		
3.2.1. Tobacco and tobacco products	Ad valorem excise.	Purchases by diplomats.		125 percent
3.2.2. Alcoholic beverages	Ad valorem excise.	Fermented liquor, other than opaque beer, containing more than 3 percent of proof spirits when for own use and not for sale.	<i>Product</i>	<i>Rate</i>
		Sales to the military	Clear beer, ale and stout	100 percent
			Wine	125 percent
			Opaque beer	35 percent (+15 percent surcharge)
			Spirits, liquor	125 percent

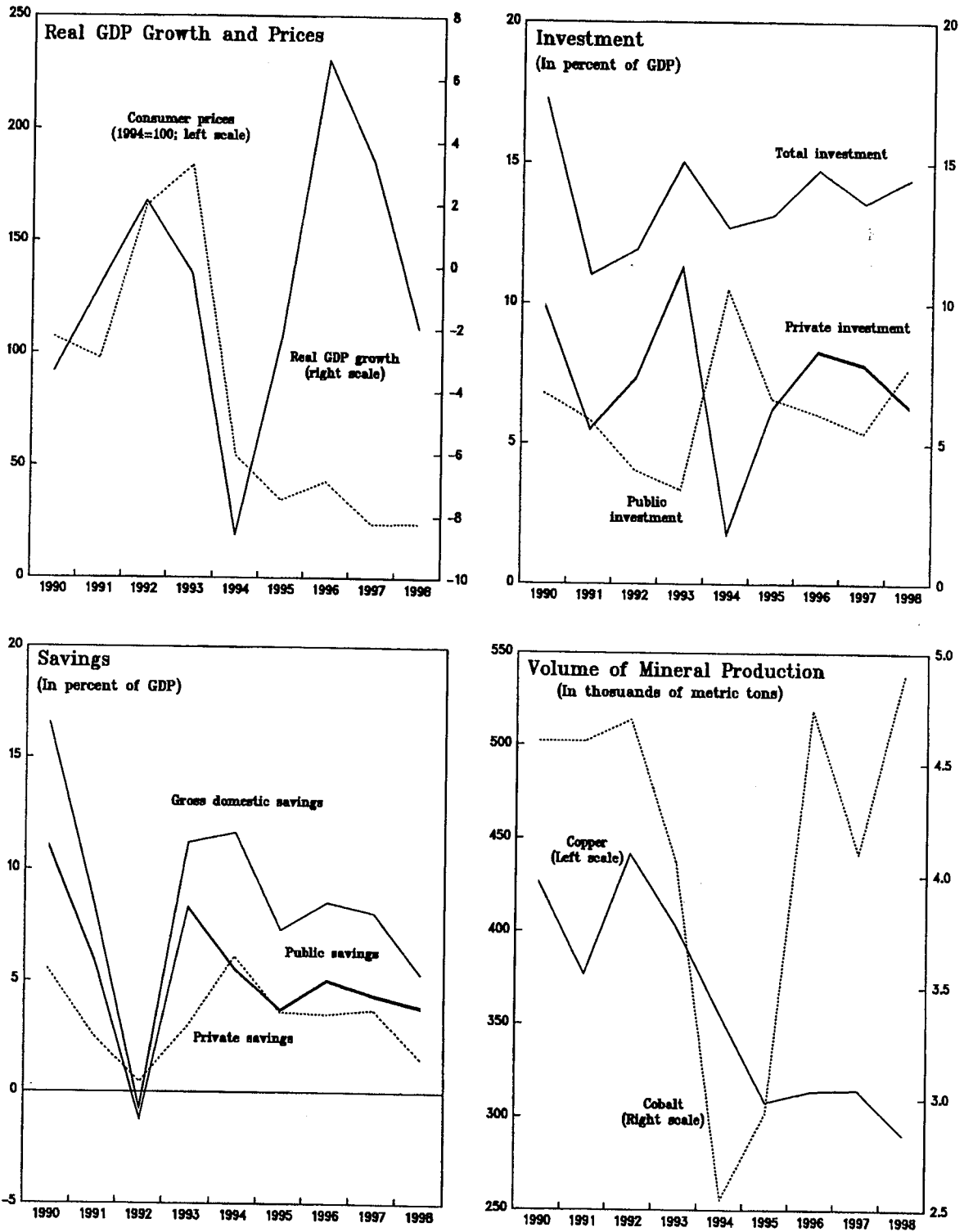
## Zambia: Summary of the Tax System as of July 1, 1998 (concluded)

Tax	Nature of Tax	Exemptions and Deductions 1/	Rates																		
3.2.3. Hydrocarbon oils	Ad valorem excise.	Embassies and approved foreign organizations are exempt.	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 70%;"><i>Product</i></th> <th style="text-align: right;"><i>Rate</i></th> </tr> </thead> <tbody> <tr> <td>Petroleum</td> <td style="text-align: right;">45 percent</td> </tr> <tr> <td>Diesel</td> <td style="text-align: right;">45 percent</td> </tr> <tr> <td>Kerosine</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Household use</td> <td style="text-align: right;">15 percent</td> </tr> <tr> <td style="padding-left: 20px;">Industrial use</td> <td style="text-align: right;">30 percent</td> </tr> <tr> <td>Light oil</td> <td style="text-align: right;">15 percent</td> </tr> <tr> <td>Fuel oil</td> <td style="text-align: right;">15 percent</td> </tr> <tr> <td>Gases and other gaseous hydrocarbons</td> <td style="text-align: right;">30 percent</td> </tr> </tbody> </table>	<i>Product</i>	<i>Rate</i>	Petroleum	45 percent	Diesel	45 percent	Kerosine		Household use	15 percent	Industrial use	30 percent	Light oil	15 percent	Fuel oil	15 percent	Gases and other gaseous hydrocarbons	30 percent
<i>Product</i>	<i>Rate</i>																				
Petroleum	45 percent																				
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Kerosine																					
Household use	15 percent																				
Industrial use	30 percent																				
Light oil	15 percent																				
Fuel oil	15 percent																				
Gases and other gaseous hydrocarbons	30 percent																				
3.2.4. Mineral water and soft drinks	Ad valorem excise.	Sales to military.	25 percent																		
3.2.5. Excise on tires	Ad valorem excise.		10 percent																		
3.2.6. Fuel levy	Specific excise on gasoline, applied on the wholesale price.		15 percent																		
4. <i>Taxes on international trade</i>																					
4.1 Customs tariffs	Ad valorem customs tariffs on the c.i.f. value of imports.	Goods originating in Common Market for Eastern and Southern Africa countries pay only 60 percent of the standard rate.	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 70%;"><i>Rate</i></th> <th style="text-align: right;"><i>Rate</i></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">0, 5, 15, and 25 percent</td> </tr> </tbody> </table>	<i>Rate</i>	<i>Rate</i>		0, 5, 15, and 25 percent														
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	0, 5, 15, and 25 percent																				

1/ The Minister of Finance has the power to grant exemptions under the Customs and Excise, Income Tax, and Value-Added Tax Acts. On May 31, 1996, the government published a notice that no new exemptions would be granted in 1996 apart from those referred to in the January 26, 1996 budget address.

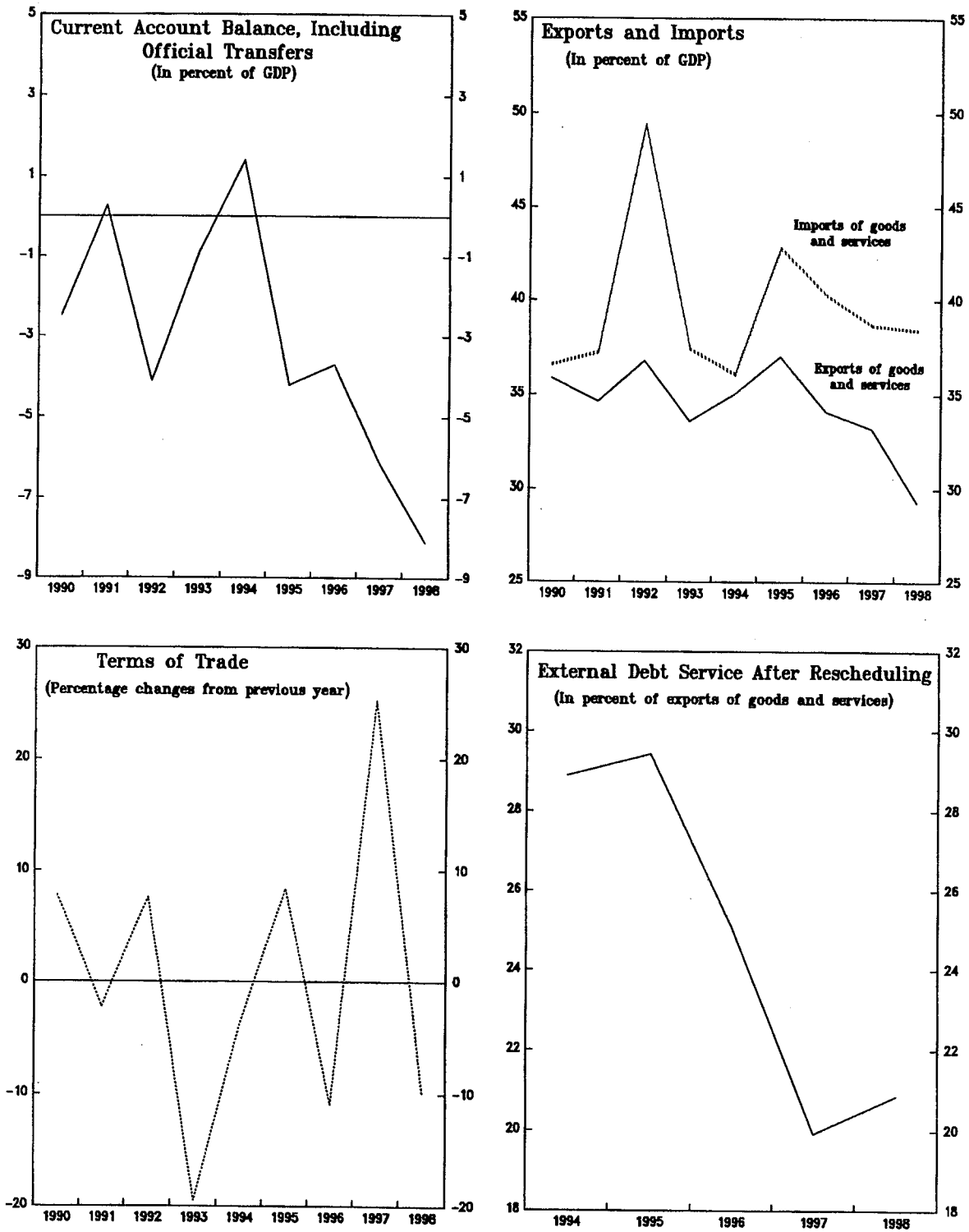


Figure 1. Zambia: Selected Real Sector Indicators, 1990-1998



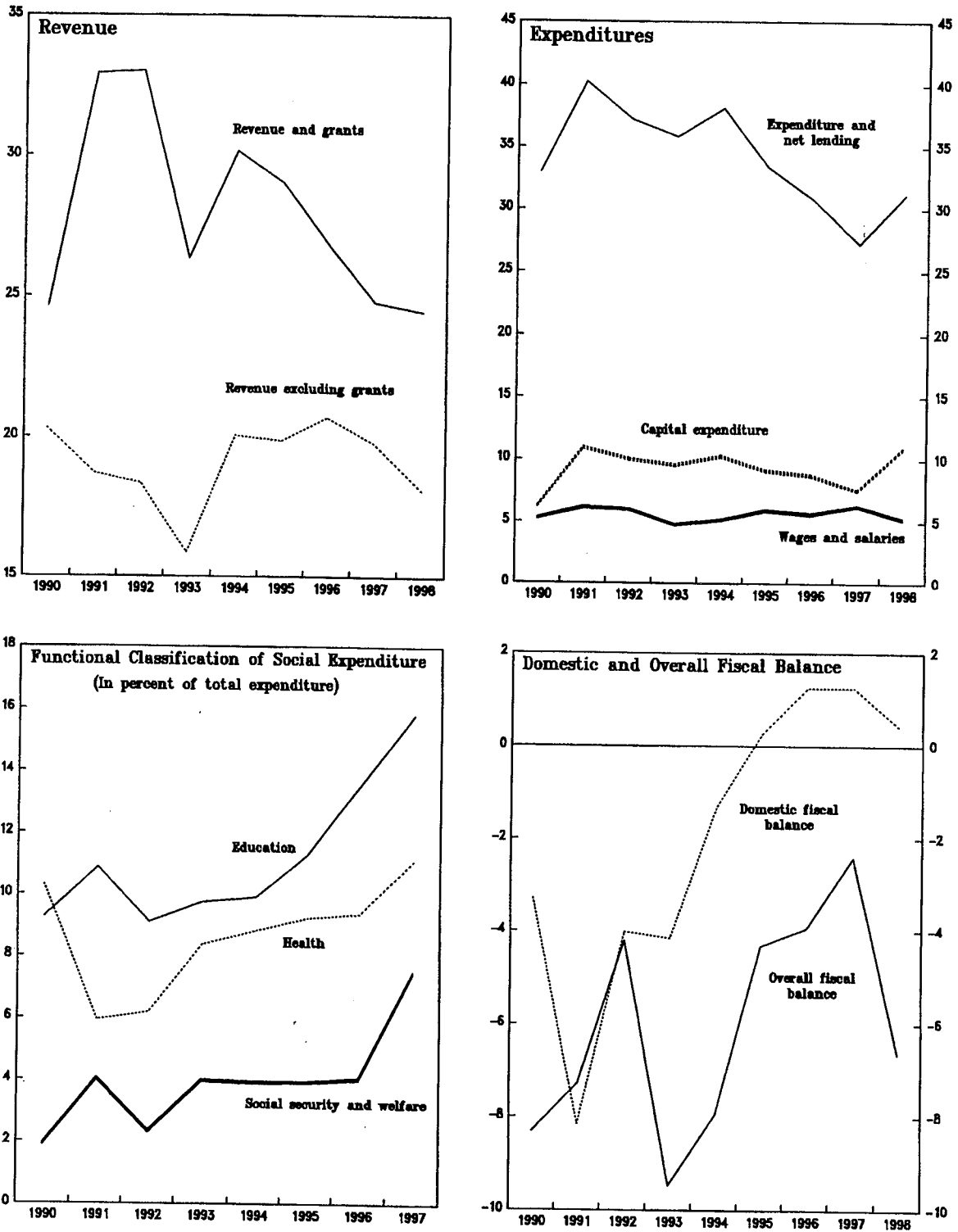
Sources: Zambia authorities; and Fund staff estimates.

Figure 2. Zambia: Selected External Sector Indicators, 1990-1998



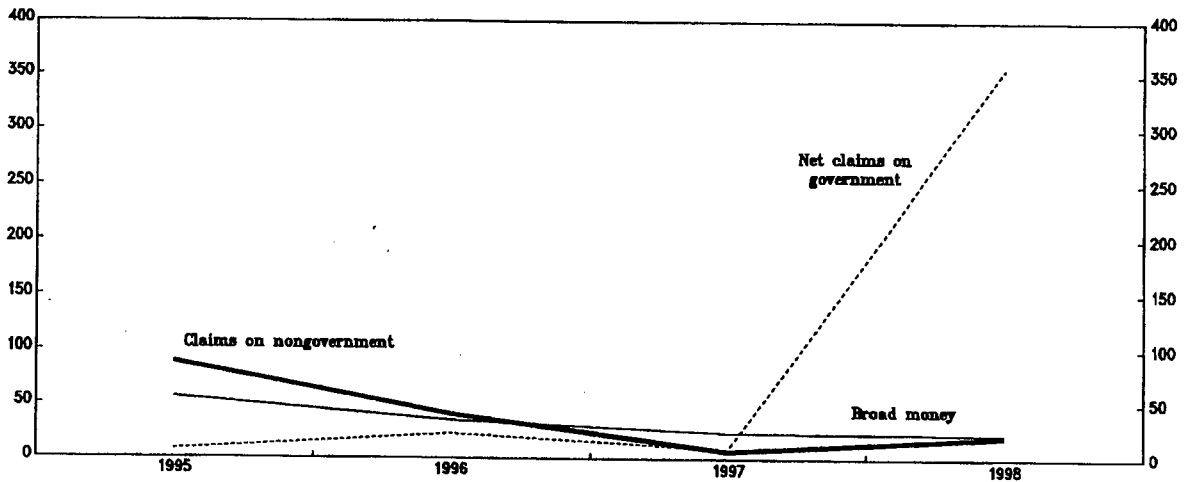
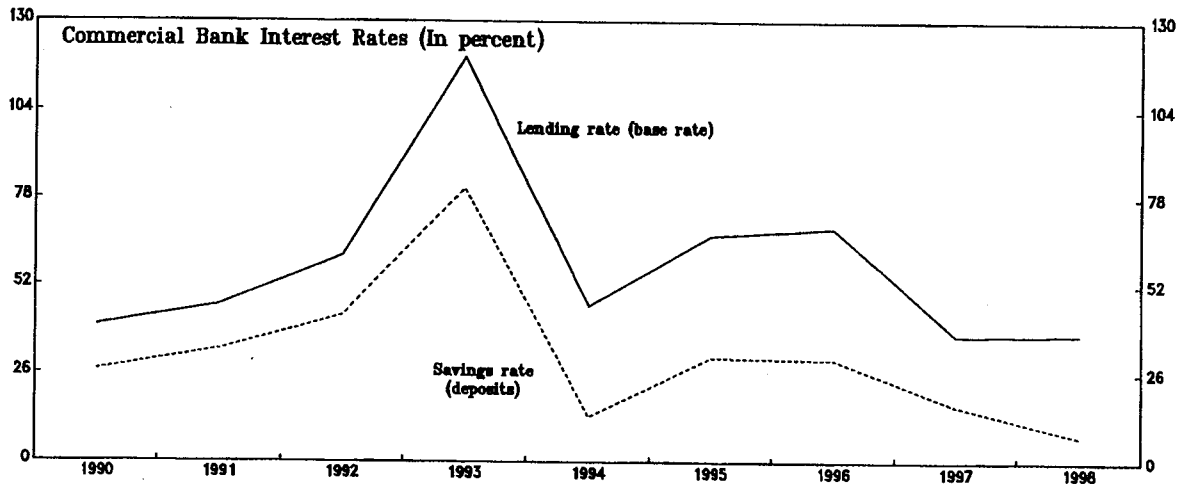
Sources: Zambia authorities; and Fund staff estimates.

Figure 3. Zambia: Selected Fiscal Sector Indicators, 1990-1998  
(In percent of GDP, unless otherwise indicated)



Sources: Zambia authorities; and Fund staff estimates.

Figure 4. Zambia: Selected Monetary Sector Indicators, 1990-1998



Sources: Zambia authorities; and Fund staff estimates.