



## Macro-economics of Zambia, December 2014

Main Economic Statistical Indexes		2013	2014
1.	Population (millions)	14.5 (est)	14.9 (proj)
2.	Population growth rate (%)	2.8 (est)	2.8 (est)
3.	Unemployment rate (%)	7.8 (2012)	7.8 (2012)
4.	Life Expectancy (age) [M= male, F= female]	49.2(M)/53.4(F)	49.2(M)/53.4(F)
5.	Real GDP (million USD)	-	-
6.	Nominal GDP (million USD)	24,746 (est)	25,981 (proj)
7.	GDP growth rate (%)	6.4	7.0 (proj)
8.	GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9.	Inflation rate (%)	7.1	7.9 (Dec)
10.	Consumer Price Index (year 2009 =100)	131.26	145.74(Dec)
11.	Balance of trade (million USD)	423	8.49 (Nov)*2
12.	Balance of trade against Japan (million USD)	-80.31*5	-3.63 (Nov)*3
13.	Export (million USD)*3	10,608	833.73 (Nov)*2
14.	Export against Japan (million USD)	53.02*5	3.93 (Nov)*3
15.	Import (million USD)*3	10,185	825.24 (Nov)*2
16.	Import against Japan (million USD)	133.33*5	7.56 (Nov)*3
17.	Balance of current account (million USD)	-1.007	-
18.	Outward direct investment (million USD)	177 (2012)	-
19.	Inward direct investment (million USD)	1,066 (2012)	-
20.	Gold, Foreign currency reserve (million USD)	2,852 (2013 year-end)	2,673(Feb)
21.	External Debt (million USD)	3,500 (2013 year-end)	4,700 (Sept)
22.	Exchange rate (Kwacha/ USD, average)	5.39 ZMW*4	6.34 ZMW
23.	Main policy interest rate (annual rate %)	9.52	12.50 (Dec)

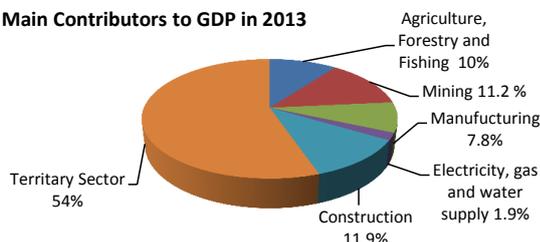
\*Figures are rounded off to two decimal places. \*est = estimated, proj = projected

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.35 ZMW (Bank of Zambia rate, November 2014 average)
*3	1USD = 107 YEN (Bank of Japan rate, November 2014 average)
*4	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
*5	Based on 1USD = 94YEN (Bank of Japan rate, 2013 average)
Main export products [November 2014]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, oleum in bulk, semi-manufactured gold (including Gold plated with platinum), Precious or semi-precious stones	
Five (5) Main trade partners(export) [November 2014]: Switzerland 41.4%, China 18.2%, South Africa 9.5%, Singapore 7.5%, Democratic Republic of the Congo 6.5%, and Other destinations 16.9%.	
Main import products [November 2014]: Structures and parts of structures, nes, Dampers for off-Highway use, Gas oils, Motor spirit, bitumen and asphalt; natural asphalties and asphaltic rocks.	
Five (5) Main trade partners(import) [November 2014]: South Africa 32.0%, Democratic Republic of the Congo 16.3%, China 9.2%, Kenya 8.3%, India 3.3%, and Other sources 30.7%.	
< Source >	
1.-2., 5.-7.: Country Report March 2014 (EIU), Monthly Bulletin (CSO), The World Factbook(CIA) / 3.: Zambia Labour Force Survey Report, 2012 (CSO&Ministry of Labour and Social Security) / 4.: Census 2010 / 8.: UNDP Human Development Report / 9.-11., 13., 15.: Monthly Bulletin (CSO) / 12., 14., 16.: Trade Statistics of Japan (Ministry of Finance) / 17., 20.-21.: Bank of Zambia, Ministry of Finance, The World Factbook (CIA) / 18.-19.: UNCTAD / 22.-23.: Bank of Zambia	

### Mining Sector Taxes (Source: ZRA, ZEITI)

- Corporate/company Tax at 35%. Companies listed on the Lusaka Stock Exchange are levied 30%.
  - Value Added Tax (VAT): 16%.
  - Mineral Royalty tax: 6%
  - 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 Main Contributors to GDP in 2013



(Source: Data extracted from Central Statistical Office website)

### Monthly News (Economics)

#### 1. "Zambia named as food secure country" (5th, Daily Mail)

Zambia is among the eight landlocked member states of Common Market for Eastern and Southern Africa (COMESA), which have contributed to the development of rural household food security and livelihoods. The Commodity Trade in Eastern and Southern Africa (ACTESA) says the other seven landlocked COMESA member states include Burundi, Malawi, Zimbabwe, Ethiopia, Swaziland, Rwanda and Uganda.

#### 2. "BoZ revises government security operation rules" (10th, Daily Mail)

The Bank of Zambia (BoZ) has amended the Government Securities operation rules in the second phase of its implementation of the central securities depository (CSD) to allow investors submit their bids through their respective commercial banks.

#### 3. "Coal possible major power source, says ZDA" (10th, Daily Mail)

With current electricity deficit in the region, coal mining has the potential to become the major source of power generation, Zambia Development Agency (ZDA) says. According to the latest, ZDA Zambia sector energy profile, the country's energy sector has the potential to be a major electricity exporter, if strategies to fully maximise the industry are put in place.

#### 4. "Zambia's economic growth stable" (11th, Times)

Zambia's strong economic growth and robust Government fiscal strength continue to support its B1 stable credit profile, Moody's Investors Service announced in its latest annual Credit Analysis report. The rating agency however noted that the small size and relatively undiversified nature of Zambia's economy meant that it was vulnerable to adverse conditions in the agriculture sector and volatility in global copper prices.

#### 5. "State launches E-Government data portals" (11th, Daily Mail)

Government has launched the E-Government statistical data portals to help policy makers and the public easily access economic indicators from government statistical agencies.

#### 6. "Zambia's economy improving - WB" (12th, Times)

World Bank country director Kundhavi Kadiresan said the fiscal position of the country was beginning to improve but faced threats as a result of the upcoming elections.

#### 7. "FDI inflows increase" (12th, Daily Mail)

Bank of Zambia (BoZ) governor Michael Gondwe says a recent survey has shown that foreign direct investment inflows (FDIs) to Zambia grew by 21.3 percent to US\$2.1 billion in 2013 from US\$1.7 billion recorded in 2012. Dr Gondwe said the increase in FDIs was largely driven by investments in the mining and manufacturing sectors.

#### 8. "Govt signs SI 59 to allow trading of grain on JSE" (19th, Post)

The government has signed a statutory instrument to pave the way for Zambian grains to be traded on the Johannesburg Stock Exchange. Agriculture minister Wylbur Simuusa, who confirmed signing on behalf of Zambia Statutory Instrument (SI) number 59 of November 2014 gives an oversight role of the warehouse receipting system to the Zambia Agricultural Commodities Exchange (ZAMACE).

#### 9. "Zambia gets rating agency" (19th, Daily Mail)

The first ever credit rating firm has been established in Zambia to spur investor confidence. The Credit Rating Agency Limited (CRA) becomes the fourth rating agency to be established in Africa after South Africa, Nigeria and Senegal.

#### 10. "Zambia's potential high" (20th, Daily Mail)

The International Monetary Fund (IMF) says Zambia's growth potential remains high, but the medium-term outlook is clouded by domestic and external risks. And the IMF says it will engage Government after the January 20 presidential election.