



Macro-economics of Zambia, August 2015

Main Economic Statistical Indexes		2014	2015
1.	Population (millions)	15.0 (est)	15.5 (proj)
2.	Population growth rate (%)	2.88 (est)	3.3 (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)	26,758(est)	28,567 (proj)
7.	GDP growth rate (%)	6.0	5.5 (proj)
8.	GNI per capita (USD)	1,358 ⁺¹ (2012)	1,358 ⁺¹ (2012)
9.	Inflation rate (%)	7.9	7.3(Aug)
10.	Consumer Price Index (year 2009 =100)	141.51	153.94(Aug)
11.	Balance of trade (million USD)	145.19 *2	-124.94 (Jul)*2
12.	Balance of trade against Japan (million USD)	-64.65 *5	-3.68 (Jul)*3
13.	Export (million USD)*3	9,696.20	649.36(Jul)*2
14.	Export against Japan (million USD)	36.84 *5	3.23 (Jul)*3
15.	Import (million USD)*3	9,551.01	774.22(Jul)*2
16.	Import against Japan (million USD)	101.49 *5	6.91 (Jul)*3
17.	Balance of current account (million USD)	-1,250 (2013)	-
18.	Outward direct investment (million USD)	181 (2013)	-
19.	Inward direct investment (million USD)	1,811 (2013)	-
20.	Gold, Foreign currency reserve (million USD)	3,040(Sept)	3,040(Sept 2014)
21.	External Debt (million USD)	4,700 (Dec)	4,700 (Dec 2014)
22.	Exchange rate (Kwacha/USD, average)	6.15 _{ZMW} *4	8.09 _{ZMW} *4
23.	Main policy interest rate (annual rate %)	11.56	12.50

Monthly News (Economics)

1. "Dangote Cement launched" (Times, Post, 5th)

President Edgar Lungu yesterday launched the US\$400 million (K2 billion) Dangote Cement Plant in Masaiti on the Copperbelt. The President also commissioned a 30 megawatt coal-fired power plant in Masaiti.

2. "More jobs saved" (Times, 6th)

About 1,480 jobs which were earmarked for lay-offs at Sentinel Mine in North-Western Province have been secured following Government's lifting of the restriction on electricity supply to First Quantum Minerals (FQM).

3. "FQM at full power" (Daily Mail, 11th)

ZESCO Limited has restored full power supply to First Quantum Minerals (FQM) Kansanshi Mines and Sentinel project in North-Western Province. FQM president Clive Newall said full power restoration was done last Thursday.

4. "FRA prices maize at K70" (Daily Mail, 13th)

The Food Reserve Agency (FRA) has maintained the purchase price of maize at K70 per 50-kilogramme bag and will this year spend about K700 million to buy grain from farmers during the crop marketing season which opens next Monday.

5. "Zambia's trade balance declines" (Daily Mail, 13th)

Bank of Zambia (BoZ) governor Denny Kalyalya said on Tuesday that Zambia's international trade balance declined in the second quarter recording a deficit of US 12.5 million. Dr. Kalyalya said cobalt export earnings declined by 60 percent, while non-traditional exports fell by 27.6 percent.

6. "Eurobond 'gold rush'" (Times, 20th)

Zambia's US\$1.25 million Eurobond has rippled the global market attracting 175 investors from across Europe, the United States of America (USA). This is according to a statement by Secretary to the Treasury Fredson Yamba. Mr. Yamba said the repayment of the bond will be made in three equal installments \$416.7 million in July 2025, July 2026 and July 2027.

7. "Coffee exports flagged off" (Times, 20th)

The first shipment of Zambia coffee beans by Northern Coffee Corporation Limited (NCCL) owned by Olam International of Singapore to Japan was made yesterday.

8. "Increase fish farming" (Daily Mail, 21th)

President Lungu yesterday launched a US\$ 10 million privately-owned Yalelo fish farm with a call to increase domestic fish production. And President Lungu has urged financial institutions and the private sector to increase investment in fish production.

9. "K48.8bn for 2016 budget" (Times, 31st)

Government projects to spend K48.8 billion as the National Budget for next year as it focuses on rolling back the frontiers of poverty and promote sustained economic growth for the country.

10. "Kwacha, other emerging currencies, still unstable trend" (Daily Mail, 31st)

Most emerging markets' currencies, including the Kwacha will continue experiencing instability due to the uncertainty around the timing of interest rate moves in the United States (US) and the performance of the Chinese economy, First National Bank (FNB) has observed.

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

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 7.67 ZMW (Bank of Zambia rate, July 2015 average)
*3	1USD = 121YEN (Bank of Japan rate, July 2015 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 = 106 YEN (Bank of Japan rate, 2014 average)
Main export products [July 2015]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Tobacco, Sulphuric acid, Raw Cane sugar, cotton.	
Five (5) Main trade partners(export) [July 2015]: Switzerland 53.7%, China 15.0%, Democratic Republic of the Congo 6.8%, South Africa 4.5%, Singapore 4.4%, and Other destinations 15.6%	
Main import products [July 2015]: Gas oils, Dumpers for off-highway use, Road tractors, Urea, Motor Spirits, petroleum oils.	
Five (5) Main trade partners(import) [July 2015]: South Africa 30.3%, Democratic Republic of the Congo 15.2%, China 8.8%, Kenya 8.6%, Kuwait 6.3%, and Other sources 30.8%.	
<Source> 1.-2., 5.-7.: Country Report May 2015 (EIU), May 2015 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

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - Underground mining 6%
 - Open Cast mining 9%
- 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)

