



Macro-economics of Zambia, September 2014

Monthly News (Economics)

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	7.8 (Sep)
10. Consumer Price Index (year 2009 =100)	131.26	143.87 (Sep)
11. Balance of trade (million USD)	423	16.11 (Aug)*2
12. Balance of trade against Japan (million USD)	-80.31*5	-1.90 (Aug)*3
13. Export (million USD)*3	10,608	809.15 (Aug)*2
14. Export against Japan (million USD)	53.02*5	5.36 (Aug)*3
15. Import (million USD)*3	10,185	793.04 (Aug)*2
16. Import against Japan (million USD)	133.33*5	7.26 (Aug)*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	6.14 ZMW
23. Main policy interest rate (annual rate %)	9.52	12.00 (Sept)

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

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.11 ZMW (Bank of Zambia rate, August 2014 average)
*3	1USD = 102 YEN (Bank of Japan rate, August 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 [Aug 2014]: Copper 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) [Aug 2014]: Switzerland 51.9%, China 13.3%, South Africa 7.6%, Democratic Republic of the Congo 7.2%, Singapore 4.1% and Other destinations 15.9%.
	Main import products [Aug 2014]: other medicaments of mixed and unmixed products for retail sale, self-propelled bulldozers, excavators, Gas oils, Motor spirit, bitumen and asphalt
	Five (5) Main trade partners(import) [Aug 2014]: South Africa 34.1%, China 10.5%, Kenya 8.6%, United Arab Emirates 7.5%, Democratic Republic of the Congo 5.8%, and Other sources 33.6%.

<Source>

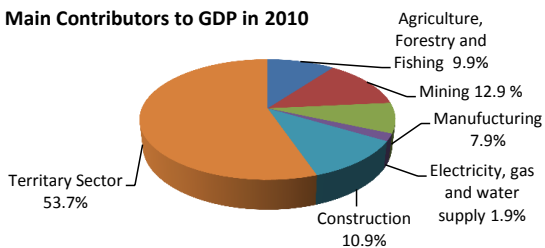
1.-2., 5.-7.: Country Report March 2014 (EIU), Monthly Bulletin (CSO), The World Factbook(CIA) / 3.: Zambia Labour Force Survey Report, 2012 (CSO&Ministry of Labour and Social Security) / 4.: Census 2010 / 8.: UNDP Human Development Report / 9.-11., 13., 15.: Monthly Bulletin (CSO) / 12., 14., 16.: Trade 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 all machinery and equipment required for exploration or mining activities.

The Main Contributors to GDP in 2010



(Source: Data extracted from Central Statistical Office website)

1. "BoZ committed to stable prices exchange rate" (2nd, Daily Mail)

The Bank of Zambia (BoZ) will continue putting in place measures to maintain price stability and exchange rate to stimulate sound economic growth, Finance Minister Alexander Chikwanda said.

2. "AfDB approves \$1.5m for SMEs" (8th, Daily Mail)

African Development Bank (AfDB) has approved a US\$1.5 million to increase support to micro and small-scale entrepreneurs in Zambia. The loan will be disbursed under the Africa small and medium-scale entrepreneurs (SMEs) programme to Cetzam Financial Services (CFS).

3. "Govt seeks Indeni equity partner" (9th, Times)

Government is yet to find a suitable equity partner to acquire the 49 per cent shares in Indeni Petroleum Refinery in Ndola, Mines, Energy and Water Development permanent secretary Charity Mwansa has said.

4. "Zambia among top 10 economies" (10th, Times)

Zambia is ranked among the top 10 most competitive economies in sub-Saharan Africa, the latest edition of the global competitiveness report by the World Economic Forum (WEF) has revealed. Globally, however, the country has recorded a marginal movement of three places down from last year's ranking of 93rd to 96th out of 144 countries, scoring 3.86 points.

5. "Minerals mapping exercise advances" (11th, Daily Mail)

Government has made considerable progress on the location and extent of minerals in Zambia. Mines and Mineral Development deputy minister Richard Musukwa said the on going works on the mapping to show the geographical mineralisation in the country was progressing well. Government has mapped 58 percent of the country and the ministry was now remaining with 42 percent of the exercise..

6. "BoZ to start relaxing tight liquidity conditions" (17th, Post)

The Bank of Zambia says it will start relaxing tight liquidity conditions following the Kwacha's current stability. Central bank governor Dr Michael Gondwe said tight monetary controls implemented early this year to tame pressure on the kwacha had paid off.

7. "ZRA withholds K4bn refund" (19th, Daily Mail)

The Zambia Revenue Authority (ZRA) has withheld K4 billion Value Added Tax (VAT) refunds on account of tax-payers not submitting necessary documents in accordance with Rule 18. And ZRA has also paid out K762,747,465.47 in taxes to exporters, including those in the mining sector who have submitted receipts and export certificates in compliance with VAT Rule 18.

8. "Zambia's outlook positive - Yamba" (23rd, Times)

Secretary to Treasury Fredson Yamba has described the change in Zambia's outlook from stable to positive by one of the World's top three rating agencies Fitch as a testimony of the confidence the international community has in the way the Zambian Government is managing the economy.

9. "Zambia's inflation projected at 9%" (29th, Daily Mail)

Zambia's optimal inflation level has been estimated at nine percent for policy planning purposes, a study commissioned by the National Economic Advisory Council (NEAC) has revealed.

10. "No mining projects without environmental impact assessments, says Yaluma" (30th, Daily Mail)

Minister of Mines, Energy and Water Development Christopher Yaluma says Government will no longer allow investors to undertake mining projects without conducting environmental impact assessments (EIA).