



Macro-economics of Zambia, August 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	8.0 (Aug)
10. Consumer Price Index (year 2009=100)	131.26	143.46 (Aug)
11. Balance of trade (million USD)	423	19.05 (Jul)*2
12. Balance of trade against Japan (million USD)	-80.31*5	-11.99 (Jul)*3
13. Export (million USD)*3	10,608	871.9 (Jul)*2
14. Export against Japan (million USD)	53.02*5	3.1 (Jul)*3
15. Import (million USD)*3	10,185	852.85 (Jul)*2
16. Import against Japan (million USD)	133.33*5	15.09 (Jun)*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)	3,200 (2013 year-end)	3,160 (Mar)
22. Exchange rate (Kwacha/ USD, average)	5.39 ZMW*4	6.11
23. Main policy interest rate (annual rate %)	9.52	12.00 (Aug)

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

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.15 ZMW (Bank of Zambia rate, July 2014 average)
*3	1USD = 102 YEN (Bank of Japan rate, July 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 [July 2014]: Copper Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, oleum in bulk, semi-manufactured gold (including Gold plated with platinum).	
Five (5) Main trade partners(export) [July 2014]: Switzerland 54.4%, China 13%, Democratic Republic of the Congo 6.7%, South Africa 5.0%, Australia 4.3% and Other destinations 16.6%.	
Main import products [July 2014]: Liquid electric transformers, power handling capacity >1000kva, Copper ores and concentrates, Gas oils, Motor spirit, petroleum oils and oils obtained from bituminous minerals, crude, Machinery for the extraction/preparation of animal/vegetable fats or oil, for retail sale, nes, generating sets with compression-ignition engines, >375 kVA.	
Five (5) Main trade partners(import) [July 2014]: South Africa 33.7%, Kuwait 7.4%, Kenya 7.4%, Democratic Republic of the Congo 4.3%, and Other sources 38.4%.	

<Source >

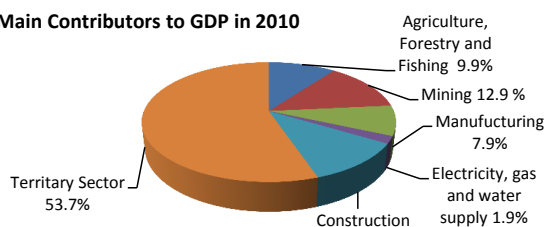
1.-2., 5.-7.: Country Report March 2014 (EIU), Monthly Bulletin (CSO), The World Factbook(CIA) / 3.: Zambia Labour Force Survey Report, 2012 (CSO&Ministry of Labour and Social Security) / 4.: Census 2010 / 8.: UNDP Human Development Report / 9.-11., 13., 15.: Monthly Bulletin (CSO) / 12., 14., 16.: Trade 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. "Milk output rises to 452 million litres" (6th, Times)

Agriculture and Livestock Deputy Minister Greyford Monde says small-holder dairy farming has potential to enhance the development of the dairy industry in Zambia. He revealed that Government had so far constructed 50 milk collection centres in the country and milk production had increased from 128 million litres per year in 2005 to 452 million litres per year in 2013.

2. "HFO power costly - State" (7th, Times)

The Government is reviewing the purchase and distribution costs of greenfield electricity before encouraging investment in the roll-out of heavy fuel oil (HFO) power plants across the country. This is according to the Mines, Energy and Water Development Permanent Secretary Charity Mwansa.

3. "Zambia's financial reforms bear fruit" (8th, Times)

Africa Export and Import Bank (Afrexim) has said Zambia's financial reforms and monetary policies are bearing fruit as evidenced by continued economic growth. Afrexim bank president Jean Louis Ekra praised Zambia for implementing sound financial reforms and prudent monetary policies that helped the country maintain a positive balance between inflation control and economic growth

4. "Govt ponders new investors in sugar" (12th, Post)

The government says three sugar plantations in three provinces are being considered to facilitate for new investors in the sugar industry. The Consumer Unity and Trust Society (CUTS) said the cost of sugar on the Zambian market was excessively high despite the country having one of the lowest unit costs of production for sugar at \$169 per tonne, as compared to a world average of \$263 per tonne.

5. "2015 budget set for Oct 10" (22nd, Post)

The government plans to increase expenditure by K3 billion in the 2015 national budget to be presented to Parliament on October 10 this year, says Secretary to Treasury Fredson Yamba.

6. "Economic growth to hit 7% - Yamba" (22nd, Daily Mail)

Economic growth will exceed seven percent per year from 2015 onwards and inflation will fall to under six percent by 2017 with continuing implementation of enhanced levels of investment in major socio-economic infrastructure, the ministry of Finance has projected, Secretary to the Treasury Fredson Yamba said.

7. "2015 Budget: Tax evaders face tougher sanctions" (25th, Times)

The 2015 National Budget has proposed stringent measures to enhance domestic revenue by, among others, stiffening sanctions for tax evasion, the Medium Term Expenditure Framework for 2015-2017 has said.

8. "Zambia GDP to hit over K200 billion" (26th, Daily Mail)

Zambia's gross domestic product (GDP) is expected to grow substantially by K54.8 billion in the next three years. Secretary to Treasury Fredson Yamba has said. Meanwhile, government through the Zambia Revenue Authority (ZRA) has projected to collect revenue amounting to K30.2 billion by the end of 2014. Mr Yamba said the GDP would rise from k189.8 billion in 2015 to K244.6 billion in 2017.

9. "We're committed to debt repayment - Chikwanda" (29th, Daily Mail)

Government says it will focus on growing the national economy to enable the country pay back the US\$750 million and US\$1 billion sovereign bonds issued in 2012 and 2014, Finance Minister Alexander Chikwanda has said.

10. "Zambia's exports hit K400m" (29th, Times)

Zambia's non-traditional exports (NTEs) have made a remarkable increase in the past month rising to more than K400 million from less than K3,5 million recorded the previous month.