



Macro-economics of Zambia, October 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	7.9 (Oct)
10. Consumer Price Index (year 2009=100)	131.26	144.00 (Oct)
11. Balance of trade (million USD)	423	16.32 (Sep)*2
12. Balance of trade against Japan (million USD)	-80.31*5	-4.76 (Sep)*3
13. Export (million USD)*3	10,608	819.5 (Sep)*2
14. Export against Japan (million USD)	53.02*5	4.70 (Sep)*3
15. Import (million USD)*3	10,185	803.18 (Sep)*2
16. Import against Japan (million USD)	133.33*5	9.46 (Sep)*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	6.33 ZMW (Oct)*4
23. Main policy interest rate (annual rate %)	9.52	12.00 (Oct)

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

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.14 ZMW (Bank of Zambia rate, September 2014 average)
*3	1USD = 102 YEN (Bank of Japan rate, September 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 [September 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) [September 2014]: Switzerland 42.6%, China 21.6%, Democratic Republic of the Congo 9.8%, South Africa 6.4%, Australia 4.1% and Other destinations 15.5%.	
Main import products [September 2014]: Generating sets (excl. wind powered) nes, Gas oils, Motor spirit, bitumen and asphalt; natural asphalties and asphaltic rocks	
Five (5) Main trade partners(import) [September 2014]: South Africa 35.3%, Democratic Republic of the Congo 16.3%, China 9.4%, Kenya 7.6%, India 4.2%, and Other sources 27.2%.	

<Source>

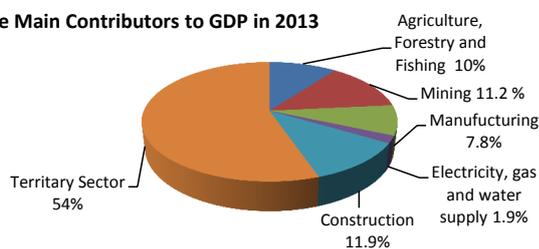
1.-2., 5.-7.: Country Report March 2014 (EIU), Monthly Bulletin (CSO), The World Factbook (CIA) / 3.: Zambia Labour Force Survey Report, 2012 (CSO & Ministry of Labour and Social Security) / 4.: Census 2010 / 6.: UNDP Human Development Report / 9.-11., 13., 15.: Monthly Bulletin (CSO) / 12., 14., 16.: 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 2013



(Source: Data extracted from Central Statistical Office website)

1. "Zambia tops in FDI inflows" (3rd, Times)

Zambia is topping other 16 landlocked African countries in foreign investment inflows. According to the United Nations Conference on Trade and Development (UNCTAD), Zambia has the highest inflow of Foreign Direct Investment (FDI) among the 16 Landlocked Developing Countries (LLDCs) in Africa.

2. "State to prop policies for private sector - Yamba" (3rd, Daily Mail)

Secretary to the Treasury Fredson Yamba says Government will focus on providing good investment policies to drive private sector-led economic growth.

3. "Mines blackmailing State over VAT refunds - Yaluma" (6th, Daily Mail)

Government is disappointed that the mining industry is using blackmail to push for value added tax (VAT) refunds, Minister of Mines, Energy and Water Development Christopher Yaluma has said.

4. "AfDB invests \$11bn to boost trade" (13th, Times)

The African Development Bank (AfDB) has invested approximately US\$11 billion in the construction of the necessary infrastructure in Africa to boost trade and economic growth. Among the key investments are bridges, border posts, fiber optic energy centers, railways, airports and ports.

5. "Zambia edible oil industry could boom - Sichinga" (14th, Daily Mail)

Zambia has the capacity to be self-sufficient in edible oil production due to availability of raw materials, Minister of Commerce, Trade and Industry Robert Sichinga says.

6. "Zambia's external debt rises to \$4.7billion" (15th, Daily Mail)

Zambia's external debt stock has increased by US\$1.2 billion as at September due to the issuance of the US\$1 billion Eurobond in April. However, the country is expected to register a surplus in balance of payments (BoPs) of US\$486 million on account of Eurobond proceeds and higher copper export earnings.

7. "World Bank, State facilitate border trade" (23rd, Daily Mail)

Government and the World Bank (WB) have introduced a charter initiative to facilitate trade across borders and promote behavioural change among traders. The initiative will also promote behavioural change among border officials and encourage gradual formalisation of informal cross-border trade.

8. "Economy in safe hands" (30th, Times)

The business community in Zambia said President Michael Sata's death will affect the economy in the short-term but that the long-term targets will remain on course. The Economic Association of Zambia (EAZ) said it anticipated that the death of President Sata would not affect the country in any way in the long-term, while Private Sector Development Association (PSDA) said in the short-term the development would bring about a lot of anxieties within the private sector.

9. "Kwacha tumbles on Sata's death" (30th, Post)

Bank of Zambia yesterday intervened in the market after the Kwacha came under pressure on news of the demise of President Michael Sata. The Kwacha weakened 0.7 per cent to K6.45 per dollar by mid-morning on the announcement of President Sata's death before the Central Bank intervened through selling of foreign currency to halt the currency's fall.

10. "Kwacha rebounds as relative calm returns to forex market" (31st, Post)

Relative calm has returned to the foreign exchange market, with the kwacha yesterday managing to recover its earlier losses following news of president Michael Sata's death. The Kwacha which touched the lows of K6.50/K6.52 to a dollar, recovered to trade at K6.35/K6.48 by mid-day yesterday.