



# Macro-economics of Zambia, November 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	8.1 (Nov)
10.	Consumer Price Index (year 2009 =100)	131.26	144.63 (Nov)
11.	Balance of trade (million USD)	423	10.58 (Oct)*2
12.	Balance of trade against Japan (million USD)	-80.31*5	-6.20 (Oct)*3
13.	Export (million USD)*3	10,608	815.85 (Oct)*2
14.	Export against Japan (million USD)	53.02*5	3.92 (Oct)*3
15.	Import (million USD)*3	10,185	805.26 (Oct)*2
16.	Import against Japan (million USD)	133.33*5	10.12 (Oct)*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	6.35 ZMW
23.	Main policy interest rate (annual rate %)	9.52	12.50 (Nov)

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

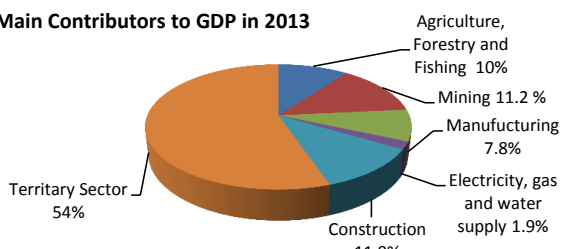
*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.33 ZMW (Bank of Zambia rate, October 2014 average)
*3	1USD = 103 YEN (Bank of Japan rate, October 2014 average)
*4	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
*5	Based on 1USD = 94YEN (Bank of Japan rate, 2013 average)
<p>Main <b>export</b> products [October 2014]: Cathodes &amp; 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</p> <p>Five (5) Main trade partners(<b>export</b>) [October 2014]: Switzerland 44.7%, China 17.6%, South Africa 10.1%, Democratic Republic of the Congo 8.1%, , Australia 4.5% and Other destinations 15.5%.</p> <p>Main <b>import</b> products [October 2014]:Dampers for off-Highway use, Gas oils, Motor spirit, bitumen and asphalt; natural asphalties and asphaltic rocks, cobalt and copper ores and concentrates, towers and lattice masts of iron or steel.</p> <p>Five (5) Main trade partners(<b>import</b>) [October 2014]: South Africa 35.9%, Democratic Republic of the Congo 15.6%, China 8.0%, Kenya 7.4%, United Arab Emirates 5.3%, and Other sources 27.8%.</p>	
<p>&lt;Source&gt;            1.-2., 5.-7.:Country Report March 2014 (EIU), Monthly Bulletin (CSO),The World Factbook(CIA) /            3.: Zambia Labour Force Survey Report, 2012 (CSO&amp;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</p>	

### 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 funding to fall" (Times, 5th)

Moody's Investors Service has projected a slowdown in funding to Zambia due to the interim political uncertainty. Moody's associate analyst Jeff Christiansen said organizations like International Monetary Fund (IMF) had postponed financial and technical assistance to Zambia owing to the policy vacuum created by the death of President Sata.

### 2. "Kwacha has remained relatively stable – BoZ" (Post, 5th)

The economy has remained healthy as fundamentals are still strong and the kwacha remains relatively stable during this period of political transition says the Bank of Zambia governor Dr. Micheal Gongwe.

### 3. "Zambia's ranking drops" (Times, 6th)

Zambia has dropped four places on the 2015 Ease of Doing Business (EDB) Index compiled by the World Bank Group, owing to the increasing Property Transfer Tax (PTT) from five to ten percent (5% to 10%). Zambia's global rank on the EDB now stands at 111 from 107 in 2014 and this is out of the 183 competing economies.

### 4. "Zambia to remain net maize exporter for next 10 years" (Post, 6th)

Zambia is expected to remain a net exporter of maize over the next 10 years with an average export of around 480,000 tonnes annually. This is according to a forecast by the Regional Network of Agricultural Research Institutes (ReNAPRI).

### 5. "Zambia continues to woo investors" (Daily Mail, 7th)

International interest in Zambia remains high with investors keen to explore non-traditional sectors, Pangaea Securities chief executive Caesar Siwale notes.

### 6. "Branson's visit to Zambia cheers ZDA" (Post, Daily Mail, Times, 10th)

Having billionaire entrepreneur and founder of the Virgin Group, Sir. Richard Branson in the country next month (December 4th and 5th) is a timely affirmation of the enduring qualities of Zambia's economy and its resilience, said the Zambia Development Agency Director general Patrick Chisanga.

### 7. "State to increase MFEZs - Chisanga" (Daily Mail, 13th)

Zambia Development Agency (ZDA) director-general Patrick Chisanga said recently that Government, through the ZDA, intends to increase the number of MFEZs to 10 to accelerate national growth.

### 8. "Govt constrained to refund mines – Chikwanda" (Post, 14th)

Winding up debate on the 2015 national budget in Parliament yesterday (13th November), Finance Minister Alexander Chikwanda revealed that some mining companies that are demanding Value Added Tax refunds have commenced legal proceedings against the State, making it difficult for the government to resolve the matter.

### 9. "State works on renewable energy tariff" (Times, 18th)

The Government will soon develop a tariff policy for the utilization of renewable energy resources in Zambia, a government energy expert said.

### 10. "Zambia on course for 6.5% growth - BoZ" (Daily Mail, 20th)

The Bank of Zambia (BoZ) is confident that the country's growth target of 6.5 percent will be maintained with a possibility of an even higher rate being achieved this year.

### 11. "State to liberalise energy sector" (Daily Mail, 26th)

Government will soon revise the electricity and the energy regulation Acts to liberalise the energy sector in a quest to attract more players in the market, according to the Deputy Minister of Mines, Energy and Water Development Mr. Charles Zulu.

### 12. "Japan pledges more support" (Times, 27th)

Ambassador to Zambia, Kiyoshi Koinuma has said that his country placed great importance to promoting trade and investment between the two countries. Mr Koinuma said the mission was considering the Japanese Chamber of Commerce and Industries in South Africa to visit Zambia in order to look for investment opportunities.