



Macro-economics of Zambia, April 2013

Main Economic Statistical Indexes	2012	2013
Population (millions)	13.82	13.9 (2013)*1
Population growth rate (%)	2.8	2.8 (2000-2010)
Unemployment rate (%)	13.0 (2010)	-
Real GDP (million USD)	20,680	-
Nominal GDP (million USD)	23,680	21,360 (2013)*1
GDP growth rate (%)	6.1 ~ 6.5	6.9 (2013)*1
GNI per capita (USD)	1,358*2	-
Inflation rate (%)	6.57	6.5 (April)
Consumer Price Index (year 2009 =100)	126.1 (Dec)	129.6 (April)
Balance of trade (million USD)	1,067	57.18 (March)*3
Balance of trade against Japan (million US	-97.48*5	-8.63 (March)*4
Export (Gross, million USD)*6	8,346	871.48 (March)*3
Export against Japan (million USD)	50.45*5	3.28 (March)*4
Import (million USD)*6	7,279	814.30 (March)*3
Import against Japan (million USD)	147.94*5	11.91 (March)*4
Balance of current account (million USD)	-1.048	-
Outward direct investment (million USD)	3,448 (2011)	-
Inward direct investment (million USD)	12,932 (2011)	-
Gold, Foreign currency reserve (million US	2,616 (2012 year-end)	-
External Debt (million USD)	5,445 (2012 year-end)	-
Exchange rate (Kwacha/ USD, average)	5100 ZMK	5.350 ZMW(April)*6
Main policy interest rate (annual rate %)	9.09	9.25
Rural electrification rate (%)	3.1 (2004 est)	4.5 (2010 est)

※ Figures are rounded off to two decimal places.

*1	Economist Intelligence Unit Forecast.
*2	GNI per capita based on purchasing power parity (PPP).
*3	Source: CSO. Based on 1USD = 5.369 ZMW (Bank of Zambia rate, March 2013)
*4	Source: Trade Statistics of Japan, Ministry of Finance. Based on 1USD = 89 YEN (Bank of Japan rate, March 2013)
*3' /4'	<March, 2013> Main export products: copper/cobalt/manganese, cotton, hydraulic power engines/motors. Main trade partners(export): Switzerland 34.8%, China 23.1%, Democratic Republic of the Congo 17.6%, South Africa 8.8%, India 3.7%. Main import products: copper/cobalt related goods, machinery, transportation equipments, petroleum products, fabric. Main trade partners(import): South Africa 31.9%, Democratic Republic of the Congo 18.9%, China 7.6%, Kenya 7.3%, Japan 4.9%.
*5	Source: Trade Statistics of Japan, Ministry of Finance. Based on 1USD = 79 YEN (Bank of Japan rate, 2012 average)
*6	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).

Corporate Tax: The Zambia Revenue Authority levies corporate tax at the rate of **35%**. However, income from the agricultural sector and non-traditional exports (all exports except copper and cobalt) is levied at **15%**, while companies listed on the Lusaka Stock Exchange are taxed at the rate of **33%**. Banks with income in excess of K250 million are levied corporate tax at the rate of **40%**

Value Added Tax (VAT): VAT is levied at **16%**. Some specified goods and services are zero-rated or exempt. Registration for VAT purposes is mandatory for every dealer in or supplier of standard rated and zero-rated goods and services, as defined in the VAT Act No. 4 of 1995 (which replaced sales tax), whose taxable turnover exceeds K200 million per annum. Voluntary registration is acceptable for dealers whose turnover falls below the stipulated minimum turnover.

Customs Duty: There are three categories for import duties:

- 25%** for finished products
- 15%** intermediate goods
- 0 – 5%** raw materials and capital goods.

Monthly News (Economics)

1. "Sata signs BoZ Bill" (Daily Mail, 2nd)

In a key move aimed at halting illegal capital flight, president Sata has assented to the Bank of Zambia (BoZ) bill which gives powers to the central bank to monitor transactions of investors locally and abroad. He said the bill went through Parliament during its last sitting and was assented to last week and is now law.

2. "State gives ZRL \$50m for railway rehabilitation" (Daily Mail, 2nd) Government last month released US\$50 million to Zambia Railways Limited (ZRL) to rehabilitate its infrastructure. Minister of Transport, Works, Supply and Communications Christopher Yaluma said Government had earlier provided US\$120 million to ZRL.

3. "Britain injects KR130m in nutrition programme" (Times, 3rd) The United Kingdom (UK), through the Department for International Development (DfID), will invest a sum of KR130 million to reduce under-nutrition among children and women of child bearing age.

4. "State to issue notices on oil, gas exploration" (Daily Mail, 4th) Government says it has started issuing default notices to the 15 firms that were awarded oil and gas exploration licences in 2011. The government has also said it will re-advertise for oil and gas blocks after a new transparent and accountable system is in place.

5. "Invest in Zambia" (Times, 8th)

President Michael Sata has called on Asian countries to look to Zambia as an entry point into the wider African market. Mr Sata said Zambia has an attractive investment climate.

6. "State approves revised decentralised policy" (Daily Mail, 10th)

Government has approved the revised national decentralisation policy. The review was necessitated by the need to ensure that the policy reflects the vision of the Patriotic Front government.

7. "Zambia must invest in private sector - envoy" (Times, 11th)

Zambia has reached the peak of economic activity and requires a vibrant private sector to actively participate in driving it forward, British High Commissioner James Thornton has said. Mr Thornton led a delegation of investment experts who held talks with acting Finance Minister Nkandu Luo and Ministry of Finance officials at the Ministry of Finance offices in Lusaka. The envoy said that Britain was happy with the positive economic achievements Zambia had continued to record, and that the donor community was aware of the positive environment in Zambia and stood ready to render the necessary support.

8. "Sata assures investors" (Times, 12th)

The recently amended Bank of Zambia (BoZ) Act will not stifle foreign investment but will instead enhance growth opportunities and facilitate a smooth planning process, President Michael Sata has said. Mr Sata was making reference to the recently introduced monitoring mechanism in the amended BoZ Act, which aims at halting illegal capital flight among other objectives. Mr Sata said the monitoring of the financial sector was meant to protect local and foreign interests.

9. "ADF to support livestock sector" (Daily Mail, 16th)

African Development Fund (ADF) plans to give Zambia an advance loan for the livestock infrastructure support project (LISP) to improve household income of live stock farmers.

10. "Chinese firm to build Betty Kaunda a school" (Times, 19th)

A Chinese mining firm (Hwatai Mining Investments Corporation) has announced plans to build an ultra-modern multi-million Kwacha skills training school to cater for the underprivileged in society in honour of late Betty Kaunda, the wife of first Republican President Kenneth Kaunda.

11. "Zambia lands EU community school grant" (Times, 19th)

The European Union (EU) has given Zambia a 750,000 Euro KR 5,250,000) financial grant to help the country improve facilities and train staff in community schools.

12. "Zambia expects to register increase in investment" (Daily Mail, 23rd)

Zambia is expected to register increased investment this year due to various pledges the country is receiving with foreign direct investment (FDI) projection at US\$10 billion this year.

13. "IMF, World Bank optimistic about Zambia" (Times, 25th)

The International Monetary Fund (IMF) and the World Bank are optimistic about positive strides Zambia is recording in key economic sectors, Finance Minister Alexander Chikwanda has said.

14. "Zambia's B+ ratings solid" (Times, 26th)

Standard and Poor's Ratings services has affirmed its B+ long and short-term foreign and local currency sovereign credit ratings on Zambia. They said Zambia's outlook is stable. Their transfer and convertibility assessment for Zambia remains B+, the statement released in Frankfurt, Germany.

15. "Demand for steel to rise to 300,000 tonnes - ZDA" (Daily Mail, 29th)

The Zambia Development Agency (ZDA) says steel demand in Zambia is expected to increase to about 300,000 tonnes in 2016 from 200,000 tonnes in 2011 at an average annual growth of 12 percent.

16. "ZDA registers 66.4% investment pledges" (Post, 30th)

ZDA has in the first quarter of 2013 registered 66.4 per cent investment pledges owing to the country's suitable investment climate. According to the first quarter report by the Zambia Development Agency, a total of US\$ 2,316,897,694 investment pledges were registered by the agency in different sectors of the economy compared to US\$ 1,392,093,476 recorded during the same period in 2012.