



## Macro-economics of Zambia, July 2013

Main Economic Statistical Indexes	2012	2013
1. Population (millions)	13.82	13.9 (2013 est)
2. Population growth rate (%)	2.8	2.8 (2000-2010)
3. Unemployment rate (%)	13.0 (2010)	-
4. Life Expectancy (age)	-	49.2(male)/53.4(female)
5. Real GDP (million USD)	20,680	-
6. Nominal GDP (million USD)	23,680	21,360 (2013 est)
7. GDP growth rate (%)	6.1 ~ 6.5	6.9 (2013 est)
8. GNI per capita (USD)	1,358*1	-
9. Inflation rate (%)	6.57	7.3 (July)
10. Consumer Price Index (year 2009=100)	126.1 (Dec)	131.99 (July)
11. Balance of trade (million USD)	1,067	20.11 (June)*2
12. Balance of trade against Japan (million USD)	-97.48*4	-7.23 (June)*3
13. Export (million USD)*5	8,346	829.89 (June)*2
14. Export against Japan (million USD)	50.45*4	5.92 (June)*3
15. Import (million USD)*5	7,279	809.78 (June)*2
16. Import against Japan (million USD)	147.94*4	13.15 (June)*3
17. Balance of current account (million USD)	-1,048	-
18. Outward direct investment (million USD)	3,448 (2011)	-
19. Inward direct investment (million USD)	12,932 (2011)	-
20. Gold, Foreign currency reserve (million USD)	2,616 (2012 year-end)	-
21. External Debt (million USD)	5,445 (2012 year-end)	-
22. Exchange rate (Kwacha/USD, average)	5100 ZMK	5.48 ZMW(July)*5
23. Main policy interest rate (annual rate %)	9.09	9.75 (July)

\*Figures are rounded off to two decimal places.

\*1 GNI per capita based on purchasing power parity (PPP).

\*2 Based on 1USD = 5.42 ZMW (Bank of Zambia rate, June 2013)

\*3 Based on 1USD = 98 YEN (Bank of Japan rate, June 2013)

\*2' <June, 2013>

/3 Main export products: copper/cobalt/manganese, petroleum, cement, sulphur, tobacco, food products (maize etc)  
Main trade partners(export): Switzerland 34.6%, China 20.0%, Democratic Republic of the Congo 12.1%, South Africa 8.8%, Malawi 6.9%  
Main import products: copper/cobalt related goods, gas, machinery, structures & parts of structures, petroleum products.  
Main trade partners(import): South Africa 29.0%, Democratic Republic of the Congo 15.9%, China 8.5%, Kenya 7.6%, United Kingdom 5.0%.

\*4 Based on 1USD = 79 YEN (Bank of Japan rate, 2012 average)

\*5 The Zambia Kwacha has been re-denominated since 1st January, 2013.  
1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).

<Source>

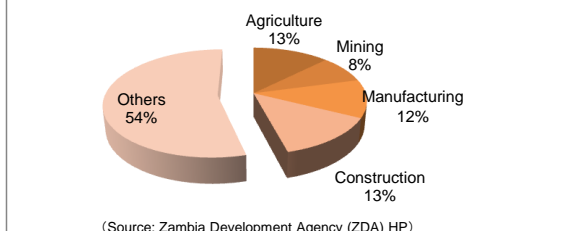
1.-2., 5.-7.: Country Report 2013 (EIU), The World Factbook(CIA)/3.-4.: Census 2010  
8.: UNDP Human Development Report/9.-11., 13., 15.: Monthly Bulletin (CSO)/  
12., 14., 16.: Trade Statistics of Japan (Ministry of Finance)/17., 20.-21.: The World Factbook (CIA)/  
18.-19.: UNCTAD/22.-23.: Bank of 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 2012



### Monthly News (Economics)

#### 1. "Zambia ramps up COMESA exports" (July 3<sup>rd</sup>, Times)

Zambia's exports into the Common Market for Eastern and Southern Africa (COMESA) have risen to US\$1.4 billion in 2012. And the country's imports from the COMESA market increased from US\$ 237 million in 2000 to US\$ 1.9 billion in 2012. Commerce Trade and Industry Minister Emmanuel Chenda said exports from Zambia into the COMESA market rose from US\$152 million in 2000 to US\$1.4 billion in 2012.

#### 2. "ZRA to implement new tax collection strategy" (July 3<sup>rd</sup>, Times)

The Zambia Revenue Authority (ZRA) is in the process of implementing a pilot scheme where a team of tax collectors will go door to door, collecting returns from people in middle and small tax payer brackets. ZRA corporate communications manager Mumbuna Kufekisa said the Block Management System (BMS) which has already been rolled out in some parts of Lusaka, is meant to help the authority broaden its tax base so as contribute more funds to the treasury.

#### 3. "Introduction of SI 55 safe move" (July 4<sup>th</sup>, Daily Mail)

The Bank of Zambia (BoZ) has reiterated that the introduction of the Statutory Instrument number (SI no) 55 and the SI no 33 do not amount to capital controls, saying they are merely a key step to ensure greater transparency in reporting external sector statistics. BoZ governor for administration, Dr. Tukiya Kankasa-Mabula, said the primary objectives of the instruments are in line with practices in other countries.

#### 4. "Weak manufacturing sector affects Zambia's exports" (July 8<sup>th</sup>, Times)

The lack of reliable manufacturing industries in the Zambian economy has had an effect on the amount of goods the country exports, Mediterranean Shipping Company (MSC) has said. Company director Mesele Seyuba said in Lusaka that Zambia lacked a strong manufacturing base, a situation which had resulted into lopsided balance of trade.

#### 5. "TICAD-V highlights different African challenges" (July 9<sup>th</sup>, Daily Mail)

The fifth Tokyo International Conference on African Development (TICAD-V) was held in Yokohama, Japan from June 1-3, 2013 and 41 African presidents including President Sata, along with United Nations Secretary General Ban Ki Moon and World Bank President Jim Yong Kim, attended. Japanese Prime Minister Shinzō Abe opened the conference by announcing a five-year US\$32 billion package to support infrastructure development and boost economic growth in Africa. However, most African leaders had their own share of challenges that were highlighted at the summit.

#### 6. "Zambia rated low-risk" (July 10<sup>th</sup>, Daily Mail)

Zambia has been given a favourable "low risk" ranking by an influential international ranking agency, which has also predicted continued economic growth for the Southern African country. The award-winning South Africa-based agency known as NKC, however, cautioned that political tensions between government and the opposition may inevitably heighten, given the fact that the ruling party is now approaching its "mid-term" in office.

#### 7. "State targets rural development" (July 10<sup>th</sup>, Daily Mail)

Government says it will continue investing in rural electrification programmes to promote economic and social development among people in the countryside. Deputy Minister of Mines, Energy and Water Development Charles Zulu said President Sata wants to ensure that the vision of empowering the poor and vulnerable people is achieved.

#### 8. "Policy measures good for business" (July 12<sup>th</sup>, Daily Mail)

Government has assured the business fraternity that recent policy measures such as the monitoring of balance of payment will create an enabling business environment. Meanwhile the Zambia Association of Manufacturers (ZAM) has backed the move by Government to introduce Statutory Instrument 55 (SI 55) but said it should have clearly supported the locals interests.

#### 9. "ZRA launches online tax system" (July 19<sup>th</sup>, Post)

ZRA has introduced an online system that will now require taxpayers to submit all returns electronically aimed at improving service delivery and making tax compliance easier. The new system, which will officially be rolled out next month, would compel all forms of tax returns to be submitted in line with the new format.

#### 10. "Yamaji hopes govt continues to focus on national development" (July 22<sup>nd</sup>, Post)

Japanese Embassy Deputy Chief of Mission Hideki Yamaji says he is hopeful that the government can continue its focused approach to national development. In an interview, Yamaji said he did not expect drastic change in next year's national budget as the government was on the right track in terms of economic development.

#### 11. "\$3bn international reserves safe" (July 24<sup>th</sup>, Daily Mail)

Zambia's gross international reserves, which are currently standing at slightly below US\$3 billion, are safe to serve as a buffer from external shocks, Economics Association of Zambia (EAZ) president Isaac Ngoma has said. Mr Ngoma said if reserves provide the required import cover of between three to four months cover, they are sufficient for the country to be protected from any shocks.

#### 12. "Japan releases funds for property systems" (July 30<sup>th</sup>, Daily Mail)

The Japanese Government has released about K 31million to increase awareness on the importance of the industrial property systems in the country. During the official opening ceremony of the training seminar on Searching Patents, Scientific and Technical Journal Database at Cresta Hotel in Lusaka last week, Embassy of Japan Chargé d'affaires, Hideki Yamaji said the funds released are through the World Intellectual Property Organisation (WIPO) funds-in- trust to promote patent information.

#### 13. "State seeking to activate Industrial Devt Policy" (July 31<sup>st</sup>, Times)

The Government has made significant progress towards actualisation of the Industrial Development commission (IDC), a national strategy aimed at turning Zambia into a manufacturing hub in the Southern African region. Commerce, Trade and Industry Minister Emmanuel Chenda said that the IDC would spur Government's agenda to create more jobs and add value to the country's manufacturing sector.