



Macro-economics of Zambia, December 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 (%)	7.8	-
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	7.1 (Dec)
10.	Consumer Price Index (year 2009 =100)	126.1 (Dec)	135.08 (Dec)
11.	Balance of trade (million USD)	1,067	-59.24 (Nov)*2
12.	Balance of trade against Japan (million USD)	-97.48*4	-4.76 (Nov)*3
13.	Export (million USD)*5	8,346	811.41 (Nov)*2
14.	Export against Japan (million USD)	50.45*4	7.30 (Nov)*3
15.	Import (million USD)*5	7,279	870.65 (Nov)*2
16.	Import against Japan (million USD)	147.94*4	12.06 (Nov)*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	5.53 ZMW(Dec)*5
23.	Main policy interest rate (annual rate %)	9.09	9.75 (Dec)

*Figures are rounded off to two decimal places.

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

*2 Based on 1USD = 5.52 ZMW (Bank of Zambia rate, November 2013)

*3 Based on 1USD = 99 YEN (Bank of Japan rate, November 2013)

*4 <November, 2013>

*5 Main export products: copper/cobalt/manganese, sulphuric acid, sulphur, semi-manufactured gold, tobacco, cement, cotton.
Main trade partners(export): Switzerland 41.4%, China 23.7%, Democratic Republic of the Congo 10.4%, South Africa 8.2%, United Arab Emirates 4.8%.
Main import products: copper/cobalt related goods, gas oil, motor spirit, machinery, structures & parts of structures.
Main trade partners(import): South Africa 31.2%, Democratic Republic of the Congo 15.4%, Kenya 13.6%, China 8.4%, India 3.1%.

*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 >

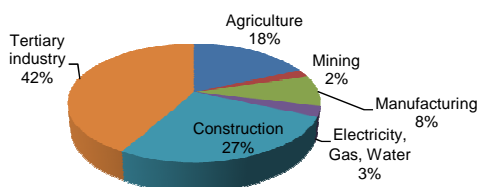
1.-2., 5.-7.: Country Report 2013 (EIU), The World Factbook(CIA)/3.: Zambia Labour Force Survey Report, 2012 (CSO&Ministry of Labour and Social Security)/ 4.: Census 2010/ 8.: UNDP Human Development Report/ 9.-11., 13., 15.: Monthly Bulletin (CSO)/12., 14., 16.: Trade Statistics of Japan (Ministry of Finance)/ 17., 20.-21.: 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



(Source: Data extracted from Central Statistical Office website)

Monthly News (Economics)

1. "Zambia, Mozambique, Malawi ink rail deal" (Daily Mail, 4th)

Zambia, Mozambique and Malawi have signed a tripartite agreement to open access to train operations on the Nacala Corridor once operational. The three railway firms are Zambia Railways Limited (ZRL), Central East African Railways (CEAR) of Malawi and Corridor de Desenvolvimento do Norte (CDN) Mozambique. Minister of Transport, Works, Supply and Communication Yamfwa Mukanga said for Zambia, the line is part of Government's policy of connecting the country to the oceans through several alternative routes.

2. "Japan, Zambia trade volume triples" (Post, 5th)

Japan and Zambia have tripled their bilateral trade volume to nearly 16 billion yen (US\$156 million) over the last three years, says a Japanese envoy. Hideki Yamaji, the Japanese deputy chief of mission in Zambia, said the ties between the two countries have strengthened further over the years. Investment in Zambia is also on the rise. In July this year, we witnessed the opening of Toyota Tsusho Zambia office here in Lusaka. Prior to this, Hitachi Construction Machinery started operating a re-manufactured parts plant, Japan Tobacco International also opened its office in Zambia, he said. Yamaji was speaking in Lusaka on Tuesday at a reception to celebrate the 80th birth Anniversary of His Imperial Majesty, Emperor Akihito of Japan.

3. "BoZ to apply banking sector gauge" (Times, 5th)

The Bank of Zambia (BoZ) will commence the implementation of the Basel II framework next month aimed at contributing to a more resilient and stable banking system that is capable of promoting sustainable economic growth. Basel II is a globally accepted standard by which the banking sector's solvency is measured. Central Bank deputy governor in charge of administration Tukiya Kankasa-Mabula said the implementation of the Basel II in Zambia would commence in January, 2014 after the conclusion of the parallel run.

4. "AfDB releases K38.5m for Nacala road" (Times, 6th)

The African Development Bank (AfDB) has released a total of K38.5 million to the Zambian Government to facilitate construction of road infrastructure in the Nacala Corridor. AfDB said the funds would be used to develop phase four of the multi-national Nacala Road Corridor which will link Zambia to Malawi and Mozambique.

5. "Angola to supply fuel to Zambia" (Times, 10th)

OIL-rich Angola has undertaken to supply Zambia with sufficient stocks of refined petroleum products which will help stabilise local fuel prices. According to Mines, Energy and Water Development Minister Christopher Yaluma, who was recently in that country, said Angola was ready to supply fuel to Zambia on an annual basis.

6. "Govt to set up firm to attract investors" (Times, 11th)

Government is to set up an Industrial Development Corporation aimed at attracting massive investments in high risk areas shunned by the private sector. The state-run firm will also act as an umbrella institution to deal with all the parastatals in the country. Commerce, Trade and Industry Minister Emmanuel Chenda said in Lusaka that, once the firm was approved by Cabinet, it would encourage the revival of industries such as the now defunct Mwinilunga Pineapple factory in North-western province.

7. "Zambia, donors seal aid agreement" (Times, 14th)

Government has signed the Mutual Accountability Framework with cooperating partners outlining the common understanding on the promotion of aid and development effectiveness. The framework is intended to encourage cooperating partners to complete the unfinished business of the aid effectiveness agenda in Zambia, committed internationally in Paris in 2005, in Accra in 2008 and in 2011 in Busan. The agreement was signed by the African Development Bank, Denmark, European Union, Finland, Germany, Ireland, Japan, Norway, Sweden, United Kingdom, United Nations System, United States and the World Bank.

8. "ZRA unveils 24 hours service at Nakonde" (Times, 16th)

The Zambia Revenue Authority (ZRA) will this month open the 24-hour Anaconda border post in Muchinga Province. Corporate communications manager Mumbuna Kufekisa said the development will improve service delivery and trade facilitation between Zambia and neighbouring countries.

9. "BoZ to improve financial instruments" (Daily Mail, 20th)

The Bank of Zambia (BoZ) has made changes to the operating rules and guidelines for Government securities to enhance the development of financial instruments. The changes come into effect on January 2, 2014. BoZ head of public relations Kanguya Mayondi said the amount offered on the off-tender window, which is a non-competitive outlet will now be limited to 10 percent of the total amount on offer on every tender.

10. "Zambia eyes increased investments from Japan" (Post, 24th)

Zambia is eyeing more investment flows from Japan next year (2014) after trade volumes between the two nations tripled to nearly US\$156 million over the last three years. Japanese investments into Zambia have been on an increase with companies such as Hitachi Construction Machinery Zambia, which has alone invested US\$15 million. The Zambia Development Agency (ZDA) in conjunction, with Japan External Trade Organisation (JETRO) and the Embassy of Japan will soon be holding the Zambia-Japan Trade and Investment Promotion Forum aimed at promoting business between Zambia and Japan, and to explore possibilities for further involvement of Japanese companies in the economic development of Zambia.

11. "Low plot uptake at Lusaka MFEZ worries Govt" (Times, 24th)

Government is concerned about the low uptake of plots by investors in the Lusaka South Multi-Facility Economic Zone (MFEZ) despite offering them attractive incentives, Commerce, Trade and Industry Minister Emmanuel Chenda has said. Mr Chenda said that Government was saddened to note that the uptake of plots at the Lusaka South MFEZ had been very slow and so far, only one company had managed to establish its base.