



Macro-economics of Zambia, January 2015

Main Economic Statistical Indexes		2014	2015
1.	Population (millions)	15.0 (proj)	15.5 (proj)
2.	Population growth rate (%)	2.8 (est)	3.3 (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)	26,758 (est)	28,567 (proj)
7.	GDP growth rate (%)	6.0	5.5 (est)
8.	GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9.	Inflation rate (%)	7.9	7.7(Jan)
10.	Consumer Price Index (year 2009 =100)	141.51	146.76(Jan)
11.	Balance of trade (million USD)	145.19	-12.92 (Dec)*2
12.	Balance of trade against Japan (million USD)	-64.65 *5	-5.0 (Dec)*3
13.	Export (million USD)*3	9,696.20	830.93 (Dec)*2
14.	Export against Japan (million USD)	36.84 *5	2.59 (Dec)*3
15.	Import (million USD)*3	9,551.01	843.85 (Dec)*2
16.	Import against Japan (million USD)	101.49 *5	7.59 (Dec)*3
17.	Balance of current account (million USD)	-1,250 (2013)	-
18.	Outward direct investment (million USD)	181 (2013)	-
19.	Inward direct investment (million USD)	1,811 (2013)	-
20.	Gold, Foreign currency reserve (million USD)	3,040(Sept)	3,040(Sept, 2014)
21.	External Debt (million USD)	4,700 (Dec)	4,700 (Dec,2014)
22.	Exchange rate (Kwacha/ USD, average)	6.15 _{ZMW} *4	6.47 _{ZMW} (Jan)*4
23.	Main policy interest rate (annual rate %)	11.56	12.50 (Jan)

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

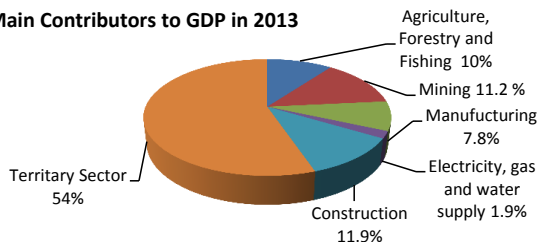
*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.34 ZMW (Bank of Zambia rate, December 2014 average)
*3	1USD = 108 YEN (Bank of Japan rate, December 2014 average)
*4	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
*5	Based on 1USD = 106YEN (Bank of Japan rate, 2014 average)
Main export products [December 2014]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, oleum in bulk, semi-manufactured gold (including Gold plated with platinum)	
Five (5) Main trade partners(export) [December 2014]: Switzerland 53.5%, China 15.2%, Democratic Republic of the Congo 7.2%, Singapore 6.9%, South Africa 4.3%, and Other destinations 12.9%.	
Main import products [December 2014]: Urea, Gas oils, Motor spirit, Ceramic electrical insulators, Dumpers for off-highway use, nes	
Five (5) Main trade partners(import) [December 2014]: South Africa 32.5%, Democratic Republic of the Congo 19.6%, Kenya 9.4%, China 7.5%, India 4.2%, and Other sources 26.7%.	
< 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 /	
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	

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:
 - Underground mining 8%
 - Open Cast mining 20%
- 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)

Monthly News (Economics)

1. "Business costs can reduce further" (Times, 5th)

The Research finding by Hans Jensen, dubbed African Integration, shows that the cost of doing business in the region will reduce by 20 percent if Zambia and other neighbouring countries fully operationalize the Free Trade Area (FTA).

2. "Invite investors to boost fertilizer production" (Times, 7th)

There is need to attract more investment in the local fertilizer production to lower the prices of the commodity on the Zambian market, the National Union for Small-Scale Farmers of Zambia (NUSFAZ) has said.

3. "Zambia growth path bright - WB" (Daily Mail, 12th)

Zambia's growth outlook for 2015 remains positive with the gross domestic product (GDP) projected to be at 6.7 percent, the World Bank has observed. The Bank, however, noted that despite the positive growth outlook, the domestic and external risks will cloud the economy's medium-term position.

4. "Royalty tax final - Chikwanda" (Daily Mail, 14th)

Government says the current mineral royalty tax is final and it will not go back on its word. Minister of Finance Alexander Chikwanda said the new mineral regime is a fair route and makes it simple for the Zambia Revenue Authority (ZRA) and the mines to plan.

5. "Multi-Facility Economic Zones to promote value addition" (Daily Mail, 19th)

Establishment of multi-facility economic zones in districts such as Kabwe will help in creating jobs and promotion of value addition to various raw materials, Minister of Commerce, Trade and Industry Bos Sichinga has said. The Minister described the status of the textile industry in Zambia as "precarious", which is why Government wants to revive the sector.

6. "Lusaka MFEZ to get dry-port" (Times, 22nd)

The Government is working with the private sector to establish a dry-port at the Lusaka South Multi-facility Zone (LS-MFEZ) to ease the clearing of goods by investors in the MFEZ. LS-MFEZ managing director Fortune Kamusaki said that the dry-port would be jointly operated by the private sector and the MFEZ.

7. "Infrastructure development tops State agenda" (Daily Mail, 23rd)

Government will continue focusing on the development of infrastructure and human capacities as well as reducing poverty and inequality to attain its development objects in the Sixth National Development Plan.

8. "Medicine production starts July" (Times, 27th)

NRB Pharma Limited of India, the company constructing a medicine manufacturing plant in Lusaka, will commence commercial production of medicines in July this year. The plant is located at the Lusaka South Multi-Facility Economic Zone (LS-MFEZ) with an estimated US\$10 million investment to develop the manufacturing plant. The plant will start manufacturing malaria drugs and HIV/AIDS medicines among others for the local, regional and international markets.

9. "Policy imbalances affecting Zambia's economy - IMF" (Post, 28th)

The IMF says imbalances in Zambia's macro-economic policies are putting pressure on the country's exchange and inflation rates. The International Monetary Fund indicated in its 2015 regional economic outlook for sub-Saharan Africa that although most African economies had shown signs of strength, most of them were over-shadowed by health, energy and infrastructure challenges.

10. "ZDA targets over K3bn FDI pledges" (Daily Mail, 30th)

The Zambia Development Agency (ZDA) projects to attract over US\$3 billion in foreign direct investment (FDIs) pledges this year. Last year, the agency recorded about US\$4.25 billion of pledged investment against a target of US\$4 billion.