



Macro-economics of Zambia, October 2015

Main Economic Statistical Indexes	2014	2015
1. Population (millions)	15.0 (est)	15.5 (proj)
2. Population growth rate (%)	2.88 (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	4.6 (proj)
8. GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9. Inflation rate (%)	7.9	14.3(Oct)
10. Consumer Price Index (year 2009=100)	141.51	164.65(Oct)
11. Balance of trade (million USD)	145.19 *2	-178.37(Sep)*2
12. Balance of trade against Japan (million USD)	-64.65 *5	-1.71(Sep)*3
13. Export (million USD)*3	9,696.20	496.97(Sep)*2
14. Export against Japan (million USD)	36.84 *5	3.66(Sep)*3
15. Import (million USD)*3	9,551.01	675.34(Sep)*2
16. Import against Japan (million USD)	101.49 *5	5.37(Sep)*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)	3,100(Dec 2014)	3,600(Sep 2015)
21. External Debt (million USD)	4,700(Dec 2014)	6,300(Sep 2015)
22. Exchange rate (Kwacha/ USD, average)	6.15ZMW *4	12.02
23. Main policy interest rate (annual rate %)	11.56	12.5(Jan)

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

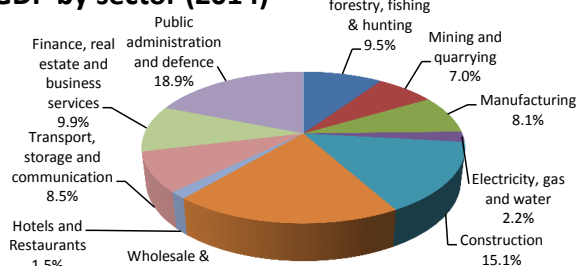
*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 10.20ZMW (Bank of Zambia rate, September 2015 average)
*3	1USD = 123YEN (Bank of Japan rate, August 2015 average)
*4	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
*5	Based on 1USD = 106 YEN (Bank of Japan rate, 2014 average)
	Main export products [September 2015]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, Maize (excl. seed),Oleum in bulk, semi-manufactured gold(incl.gold plated with platinum).
	Five (5) Main trade partners(export) [September 2015]: Switzerland 54.8%, China 9.1%, Democratic Republic of the Congo 7.7%, South Africa 6.8%, Zimbabwe 5.5% and Other destinations 16.2%
	Main import products [September 2015]: Gas oils, Boring or sinking Machinery (excl. self propelled), sodium sulphides in bulk, Motor Spirits, petroleum oils.
	Five (5) Main trade partners(import) [September 2015]: South Africa 30.1%, Democratic Republic of the Congo 12.4%, Mauritius 9.0%, China 7.8%, Kuwait 6.0% and Other sources 34.7%.
	<Source>
	1.-2., 5.-7.: Country Report May 2015 (EIU), May 2015 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

- Value Added Tax (VAT): 16%
- Corporate Income Tax : 30%
- Mineral Royalty tax:
 - Underground mining 6%
 - Open Cast mining 9%
- 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.

GDP by sector (2014)



Monthly News (Economics)

1. "State takes over Mulungushi Textiles" (Times, 1st)

Government has taken over Zambia-China Mulungushi Textiles in Kabwe after the investor failed to make progress in resuscitating the institution.

2. "Zesco proposes to increase tariffs" (Daily Mail, 2nd)

Zesco Limited has proposed to increase electricity tariffs by more than 50 per cent for commercial, social and industrial users, while residential customers, whose consumption is below 500 units (kWh) per month have been spared and will continue paying the current tariff of K0.15 per kilo watt hour (kWh).

3. "SA business delegation in to seek investments"(Daily Mail, 6th)

A 35-man business delegation from South Africa is in the country on a trade and investment mission to cement trade and investment ties between Zambia and that country. The delegation, which will be led by officials from South African Department of Trade and Industry (DTI), will be in the country from today to October 8, 2015.

4. "K53bn smart budget" (Daily Mail, 10th)

Minister of Finance Alexander Chikwanda on Friday unveiled a K53.14 billion 2016 national budget with a focus on laying a foundation for a "Smart economy."

5. "Zambia among top economies in Africa" (Daily Mail, Times, 14th)

The Global Competitiveness Report 2015-2016 has placed Zambia at 7 in Africa, with Tourism said to be a key boost. The report ranks Zambia 96 in the world with Switzerland topping chart, with Singapore and the United States of America at the second and the third position, respectively.

6. "Public workers in pay rise (Times, 15th)

Civil Servants and Allied Workers Union of Zambia (CSAWUZ) president David Chiyobe and Public Service Management Division (PSMD) Permanent Secretary Velep Mtonga signed the new collective agreement regarding salary increment of public service yesterday. Public service workers have been awarded a salary increment ranging from nine to 29 per cent for the highest and lowest paid worker respectively. The increment will take effect starting from January to December next year.

7. "Zambia falling into debt distress – IMF" (Times, 15th)

Zambia's accumulating public debt position in recent years is a source of concern and will significantly increase the country's risk of falling into debt distress warns IMF country representative Tobias Rasmussen. "The deficit target of 3.8 per cent of GDP is ambitious and there are still a number of questions about what the plans are for achieving this result, especially in regard to new revenue measures," stated Rasmussen.

8. "Japan Tobacco records slump in 2015 production" (Post, 22nd)

JTI Leaf Zambia Ltd general manager Mike Roach said the company's crop size and production had been negatively affected by the El Nino.

9. "Inflation hits 14.3% from 7.7%" (Times, Daily Mail, Post, 30th)

The annual inflation rate for October has hit double digits, rising to 14.3 per cent from 7.7 per cent recorded last month. John Kalumbi Central Statistical Office (CSO) director said a comparison of retail prices between September and October shows that the national average price of a 25 kilogramme of breakfast mealie meal increased to K71.92 from K69.16, while roller mealie meal was raised to K56.46 from K53.47.