



Macro-economics of Zambia, February 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	5.5 (proj)
8. GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9. Inflation rate (%)	7.9	7.4(Feb)
10. Consumer Price Index (year 2009=100)	141.51	147.13(Feb)
11. Balance of trade (million USD)	145.19 *2	-17.57 (Jan)*2
12. Balance of trade against Japan (million USD)	-64.65 *5	-4.50 (Jan)*3
13. Export (million USD)*3	9,696.20 *2	566.92(Jan)*2
14. Export against Japan (million USD)	36.84 *5	3.04 (Jan)*3
15. Import (million USD)*3	9,551.01*2	584.50(Jan)*2
16. Import against Japan (million USD)	101.49 *5	7.54 (Jan)*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 (Sept)	4,700 (Sept 2014)
22. Exchange rate (Kwacha/ USD, average)	6.15ZMW *4	6.75ZMW (Feb)*4
23. Main policy interest rate (annual rate %)	11.56	12.50 (Jan)

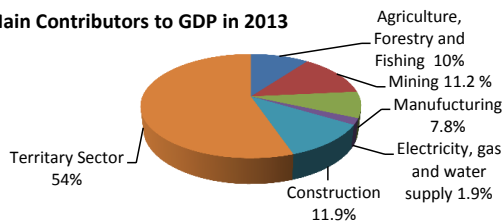
*Figures are rounded off to two decimal places. *est = estimated, proj = projected

*1 GNI per capita based on purchasing power parity (PPP).
*2 1USD = 6.47 ZMW (Bank of Zambia rate, January 2015 average)
*3 1USD = 116 YEN (Bank of Japan rate, January 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 KZ (Bank of Japan rate, 2014 average)
Main export products [January 2015]: Copper Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, oleum in bulk, semi-manufactured gold (including Gold plated with platinum), Precious or semi-precious stones, Maize (excl.seed).
Five (5) Main trade partners(export) [January 2015]: Switzerland 34.6%, China 17.6%, Democratic Republic of the Congo 13.8%, Singapore 10.3%, South Africa 7.8%, and Other destinations 15.8%.
Main import products [January 2015]: Structures & Parts of Iron or Steel, Urea, Gas oils, Ceramic electrical insulators, Generating sets, (excl.wind-powered), bitumen and asphalt
Five (5) Main trade partners(import) [January 2015]: South Africa 29.4%, China 17.9%, Democratic Republic of the Congo 8.8%, Kenya 5.6%, India 5.0%, and Other sources 33.4%.
<Source> 1.-2., 5.-7.: Country Report February 2015 (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)

- Value Added Tax (VAT): 16%
 - Corporate Income Tax : 30 %
 - 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)

Monthly News (Economics)

1. "Zambia's economy on growth path" (Daily Mail, 2nd)

Frontier Strategy Group (FSG), a United States-based advisory services, has projected Zambia's economic growth to be seven percent this year due to social economic reforms. Meanwhile, the firm says currency volatility will increase in sub-Saharan Africa (SSA) this year as a result of rising inequality, widening fiscal deficits, critical elections, and falling oil prices.

2. "New mining tax formulated to deal with fraud" (Times, 6th)

The Government maintains its stance on the new mining tax regime because it was formulated to deal with fraud in the old system. Finance Minister Alexander Chikwanda said the new taxation model was a final tax and had the intrinsic value of simplicity in line with the interests of the Zambian people.

3. "Private sector must help in development - Lungu" (Daily Mail, 7th)

President Edgar Lungu said that the private sector should enhance its participation in development because Government alone cannot meet all the needs of people. Mr. Lungu said the road to prosperity requires concerted efforts from all stakeholders, and welcomes ideas that can lead Zambia to prosperity calling on those interested to sell their ideas to both Government and the private sector.

4. "Zambia Railways scouts for partners" (Daily Mail, 10th)

Zambia Railways Limited (ZRL) is looking for partnerships to manufacture railway slippers under a public private partnership (PPPs) to ensure reliable supply. Company chief executive officer Muyenga Atanga said the railway firm wants to venture in a PPP arrangement to reduce on high importation costs.

5. "Lungu outlines foreign policy" (Daily Mail, 12th)

President Lungu says that, based on the revised 2014 foreign policy, Zambia will continue to aggressively pursue a foreign policy that will enhance economic co-operation and promote trade and investment. Mr Lungu also said Zambia is "gravely" concerned by continued conflicts not only in Africa but world over because wars lead to loss of lives and resources meant for socio-economic development.

6. "Zambia to adopt over-the counter derivatives" (Daily Mail, 16th)

The Bonds and Derivatives Exchange (BaDex) plans to engage financial markets in Zambia this year to adopt the Group of Twenty (G20) commitment on over-the-counter derivatives (OTC) in line with international developments.

7. "Investors wanted for Nansanga bloc" (Times, 18th)

The Zambia Development Agency (ZDA) communications and public relations manager Margaret Chimanse said that ZDA is looking for private investors to partner with the Government in the development of infrastructure of 11,921 hectares of land in Nansanga farming bloc in Serenje District.

8. "Zambia's economic growth slows to 6.0% in 2014" (Post, 19th)

Zambia's economic growth slowed down in 2014, ending the year at 6.0 per cent from 6.7 per cent recorded in 2013. The Central Bank's latest figures however show a slightly higher economic growth rate than the International Monetary Fund (IMF)'s projection of 5.5 per cent in December.

9. "State to reduce cost of doing business" (Times, 21st)

Commerce, Trade and Industry Minister Margaret Mwanakatwe said that by June this year the Government will present 11 Bills that will reduce unnecessary licensing to provide a conducive environment in order to promote investment and business growth.