



Macro-economics of Zambia, March 2015

Monthly News (Economics)

Main Economic Statistical Indexes	2014	2015
1. Population (millions)	15.0 (est)	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 (proj)
8. GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9. Inflation rate (%)	7.9	7.2(Mar)
10. Consumer Price Index (year 2009 =100)	141.51	148.63(Mar)
11. Balance of trade (million USD)	145.19 *2	-15.90 (Feb)*2
12. Balance of trade against Japan (million USD)	-64.65 *5	-4.35 (Feb)*3
13. Export (million USD)*3	9,696.20	594.18(Feb)*2
14. Export against Japan (million USD)	36.84 *5	3.66 (Feb)*3
15. Import (million USD)*3	9,551.01	610.07(Feb)*2
16. Import against Japan (million USD)	101.49 *5	8.01 (Feb)*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(Sep 2014)
21. External Debt (million USD)	4,700 (Sept)	4,700 (Sep 2014)
22. Exchange rate (Kwacha/ USD, average)	6.15ZMW *4	7.36ZMW (Mar)*4
23. Main policy interest rate (annual rate %)	11.54	12.50 (Mar)

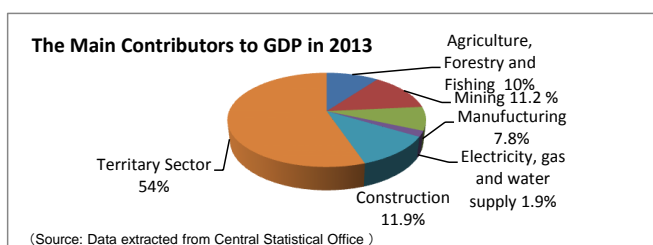
*Figures are rounded off to two decimal places. **est = estimated, proj = projected

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 6.75 ZMW (Bank of Zambia rate, February 2015 average)
*3	1USD = 119YEN (Bank of Japan rate, February 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 [February 2015]: Copper blister, Cathodes & Sections of Cathodes of refined Copper, Sulphuric acid, oleum in bulk, Electrical Energy, semi-manufactured gold (including Gold plated with platinum), Precious or semi-precious stones.	
Five (5) Main trade partners(export) [February 2015]: Switzerland 32.6%, China 16.5%, Democratic Republic of the Congo 12.8%, South Africa 9.4%, Singapore 7.6%, and Other destinations 21.0%.	
Main import products [February 2015]: Structures & Parts of Iron or Steel, Urea, Gas oils, electrical conductors, Generating sets, (excl.wind-powered).	
Five (5) Main trade partners(import) [February 2015]: South Africa 33.6%, Democratic Republic of the Congo 15.9%, China 11.3%, India 4.5%, United Kingdom 3.9% and Other sources 30.9%.	
<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 (Under Revision):
 - 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.



1. "IMF to aid economic growth" (Times, 3rd)

The International Monetary Fund (IMF) through its resident representative Tobias Rasmussen will assist Zambia in developing the macroeconomic framework that supports the country's development objectives.

2. "Tax system reforms vital" (Daily Mail, 3rd)

The Policy and Monitoring Research Centre (PMRC) has urged Government to continue reforming the tax system to make it simpler.

3. "Utilise idle land for industry - BoZ" (Daily Mail, 3rd)

The Bank of Zambia (BoZ) Deputy Governor for operations Dr. Bwalya Ng'andu has called on investors utilise idle land Zambia by transforming it into productive industries to contribute to economic development and job creation. Dr Ng'andu has observed that most of the land in the countryside remains idle with the potential of investment in various sectors such as agriculture and construction.

4. "Lungu woos Japanese investors" (Times, 6th)

President Edgar Lungu has appealed to Japanese investors to consider entering into partnership ventures with local business entities in Zambia to maximise on investment opportunities in the two countries. Mr Lungu said partnerships between the Japanese and local business entities would make it easier for investors from the far East country to access more business opportunities available in Zambia.

5. "Zambeef courts Japanese investors" (Daily Mail, 6th)

Zambeef Products Plc Group chief executive officer Francis Grogan has called on Japanese investors to consider venturing into the development of irrigation infrastructure to boost agricultural production.

6. "State to revamp agro sector" (Times, 10th)

Agriculture and Livestock Minister Given Lubinda has prioritized the review of the agriculture sector policies to make it more viable and earn foreign exchange. Mr Lubinda noted that a number of policies for the sector need to be reviewed.

7. "Indeni Petroleum shuts" (Daily Mail, 11th)

Indeni Petroleum Refinery in Ndola has shut down due to lack of crude oil feedstock. Minister of Mines, Energy and Water Development Christopher Yaluma assured on Monday that there is enough fuel in the country.

8. "Zambia takes 40% entrepreneurship lead" (Daily Mail, 17th)

Global Entrepreneurship Monitor (GEM) has revealed that sub-Saharan Africa has the highest number of people engaged in early stage entrepreneurial activity, with Zambia and Nigeria recording 39.9 percent.

9. "Indeni resumes operations" (Post, 23th)

Indeni Petroleum Refinery has resumed production after a two-week shutdown which sparked petrol shortages in the country, according to energy minister Christopher Yaluma.

10. "Zambia urged to prioritize intra-trade" (Daily Mail, 25th)

Market for Eastern and Southern Africa (COMESA) chief advisor on trade negotiations Moses Tekere has advised Zambia to prioritize regional trade integration before entering into an Economic Partnership Agreement (EPA) with the European Union (EU).

11. "Reserve ratio hike good, but" (Daily Mail, 26th)

Credit Rating Agency Limited (CRA) says the central bank's move to increase the statutory reserve (SR) ratio by four percent to 18 percent will in the short-term strengthen the Kwacha but, is expected to result in the high cost of borrowing in the long-term.

12. "Amend mine tax" (Times, 26th)

President Edgar Lungu has directed the ministers' of Finance and Mines to amend the 2015 mineral royalty tax system and make fresh recommendations on the policy to Cabinet by April, 8 this year.