



Macro-economics of Zambia, April 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
10. Consumer Price Index (year 2009 =100)	141.51	149.66(Apr)
11. Balance of trade (million USD)	145.19 *2	-42.16 (Mar)*2
12. Balance of trade against Japan (million USD)	-64.65 *5	-4.98 (Mar)*3
13. Export (million USD)*3	9,696.20	543.59(Mar)*2
14. Export against Japan (million USD)	36.84 *5	6.99 (Mar)*3
15. Import (million USD)*3	9,551.01	587.73(Mar)*2
16. Import against Japan (million USD)	101.49 *5	11.98 (Mar)*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	7.39ZMW (Apr)*4
23. Main policy interest rate (annual rate %)	11.56	12.50 (Mar)

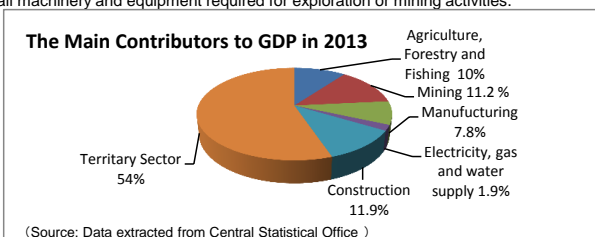
※Figures are rounded off to two decimal places. ※est = estimated, proj = projected

*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 7.36 ZMW (Bank of Zambia rate, March 2015 average)
*3	1USD = 118YEN (Bank of Japan rate, March 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 [March 2015]: Copper blister, Cathodes & Sections of Cathodes of refined Copper, Sulphuric acid, oleum in bulk, Electrical Energy, Raw cane sugar, semi-manufactured gold (including Gold plated with platinum), Precious or semi-precious stones.
	Five (5) Main trade partners(export) [March 2015]: Switzerland 31.5%, China 15.5%, South Africa 13.1%, Democratic Republic of the Congo 12.2%, Singapore 11.2%, and Other destinations 16.4%.
	Main import products [March 2015]: Gas oils, Urea, Towers and lattice masts of iron or steel, Petroleum oils and oils obtained from bituminous minerals, crude, Generating sets, (excl.wind-powered), other live cattle - cows and calves, Other medicaments of mixed or unmixed products, for retail sales, nes.
	Five (5) Main trade partners(import) [March 2015]: South Africa 35.9%, China 12.2%, Democratic Republic of the Congo 8.9%, India 6.6%, Kuwait 6.6% and Other sources 29.8%.
<Source>	
1.-2., 5.-7.: Country Report April 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. "ZDA urges finished copper products" (Times, 3rd)

The Zambia Development Agency (ZDA) has called on investors to invest in finished copper products to help widen the export offering. More than 90 percent of copper produced in the country is exported in its raw form.

2. "State to boost energy sector" (Daily Mail, 9th)

Deputy Minister of Mines, Energy and Water Development Charles Zulu said Government is in the process of formulating a renewable energy feed-in-tariff policy aimed at supporting the growth of the power sector.

3. "Cabinet Approves Mineral Royalty Tax Changes" (Daily Mail, Times & Post, 14th)

Cabinet has approved changes to the mineral royalty tax regime and President Lungu has directed ministers to bring to next Monday's meeting details to be presented to Parliament. This is contained in a statement issued yesterday by special assistant to the President for press and public relations Amos Chanda.

4. "Zambia's economy up by 1.25 %" (Daily Mail, 15th)

Zambia's economy is estimated to have grown by 1.25 percent in the first quarter of 2015 due to growth in non-mining sectors, according to Quka Consulting, a local research firm which is part of the World Economic Forum Global Leader. The growth rate however translates into a marginal reduction from 1.5 percent last year (2014) in the same period.

5. Zambia's economy is improving despite a challenging fiscal position- Chikwanda (Lusaka Times, 20th)

Finance Minister Alexander Chikwanda said the Zambian economy was improving but the lower commodity prices have caused problems on the Balance of Payments (BoP) and the fiscal position of the country. Speaking at the just ended International Monetary Fund (IMF)/ World Bank Spring Meeting in Washington DC, Mr Chikwanda described the meetings as successful saying that it was a good interaction for Zambia.

6. ZESCO to import electricity (Daily Nation, 21th)

ZESCO says it may consider importing electricity from the neighboring countries following the low water levels at Lake Kariba. Zesco senior manager for marketing and public relations Bessie Banda revealed that the firm's transmission and distribution capacity was currently constrained. Last week, the Zambezi River Authority (ZRA) announced that it had decided adjust water for power generation at Kariba Dam by 10 percent downward for the 2015 allocation following the inadequate rainfall received in the Zambezi basin during the 2014/2015 rain season.

7. "Zambia's Lumwana mine overturns decision to halt operations -official" (Reuters, 23th)

Zambia's Lumwana open pit copper mine, owned by Barrick Gold Corp., has rescinded its decision to suspend operations after the cabinet reduced mining royalties, a senior government official said on Thursday.

8. "No job cuts at Lumwana -Govt" (ZNBC, 23th)

Lumwana Mine has rescinded its decision to lay off 4 thousand workers following government's move to revise the Mineral Royalty Tax regime. North Western Province Permanent Secretary, Amos Malupenga says Lumwana Mine General Manager, Bill Macnevin communicated the decision to his office on Wednesday. He said that the people of North Western province are happy that government revised the Mining Taxation regime which would have had negative impact on the mining sector in the country.

9. "Power black-out countered as mines suffer " (Daily Mail, Times & Post, 29th)

ZESCO Senior Manager – Marketing and Public Relations Ms. Bessie Banda says the power black-out that affected eight (8) of Zambia's ten (10) provinces on Monday night was caused by a fault at its Kitwe substation, which later spread to Luano substation. Ms. Banda said in a statement yesterday that the fault at the two substations caused the entire ZESCO grid to experience excessive high voltages due to the sudden drop in loads. This triggered the automatic switching off of the generators at Kariba North Bank and Kafue Gorge power stations to safeguard and protect them from damage.