



Macro-economics of Zambia, May 2013

Main Economic Statistical Indexes	2012	2013
1. Population (millions)	13.82	13.9 (2013 est)
2. Population growth rate (%)	2.8	2.8 (2000–2010)
3. Unemployment rate (%)	13.0 (2010)	-
4. Life Expectancy (age)	-	49.2(male)/53.4(female)
5. Real GDP (million USD)	20,680	-
6. Nominal GDP (million USD)	23,680	21,360 (2013 est)
7. GDP growth rate (%)	6.1 ~ 6.5	6.9 (2013 est)
8. GNI per capita (USD)	1,358*1	-
9. Inflation rate (%)	6.57	7.0 (May)
10. Consumer Price Index (year 2009 =100)	126.1 (Dec)	130.7 (May)
11. Balance of trade (million USD)	1,067	61.38 (April)*2
12. Balance of trade against Japan (million USD)	-97.48*4	-5.77 (April)*3
13. Export (million USD)*5	8,346	926.68 (April)*2
14. Export against Japan (million USD)	50.45*4	5.36 (April)*3
15. Import (million USD)*5	7,279	865.30 (April)*2
16. Import against Japan (million USD)	147.94*4	11.13 (April)*3
17. Balance of current account (million USD)	-1.048	-
18. Outward direct investment (million USD)	3,448 (2011)	-
19. Inward direct investment (million USD)	12,932 (2011)	-
20. Gold, Foreign currency reserve (million USD)	2,616 (2012 year-end)	-
21. External Debt (million USD)	5,445 (2012 year-end)	-
22. Exchange rate (Kwacha/ USD, average)	5100 ZMK	5.32 ZMW(May)*5
23. Main policy interest rate (annual rate %)	9.09	9.25 (May)

*Figures are rounded off to two decimal places.

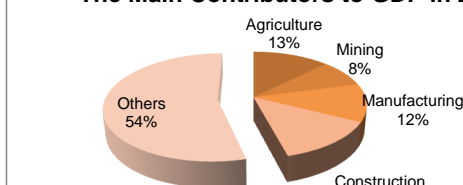
*1	GNI per capita based on purchasing power parity (PPP).
*2	Based on 1USD = 5.36 ZMW (Bank of Zambia rate, April 2013)
*3	Based on 1USD = 93 YEN (Bank of Japan rate, April 2013)
*2' /3'	<April, 2013> Main export products: copper/cobalt/manganese, cotton, hydraulic power engines/motors. Main trade partners(export): Switzerland 39.0%, China 20.8%, South Africa 13.4%, Democratic Republic of the Congo 6.5%, United Arab Emirates 6.1%. Main import products: copper/cobalt related goods, machinery, transportation equipments, petroleum products, fabric. Main trade partners(import): South Africa 29.7%, Democratic Republic of the Congo 22.8%, China 9.2%, Kenya 6.3%, Japan 2.9%.
*4	Based on 1USD = 79 YEN (Bank of Japan rate, 2012 average)
*5	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
<Source> 1.-2., 5.-7.: Country Report 2013 (EIU), The World Factbook(CIA)/3.-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.: 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: 6 %
- 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 2012



(Source: Zambia Development Agency (ZDA) HP)

Monthly News (Economics)

1. "Chikwanda signs monetary SI" (Daily Mail, 6th)

Minister of Finance Alexander Chikwanda (left) has signed a statutory instrument (SI) which will give the Bank of Zambia power to monitor balance of payments beginning May 16. The move to monitor the balance of payments is aimed at increasing transparency and accountability.

2. "Zambia's economic growth robust – Reuters poll" (Daily Mail, 9th)

Zambia's economic growth is expected to remain strong this year, with a predicted rally in China's growth (tipped at 8.0 percent) set to lend support to Africa's top copper producer through increased demand for the metal, according to a Reuters poll.

3. "Zambia experts to record 8% GDP" (Post, 10th)

The Zambian economy is this year expected to record eight per cent GDP due to the large infrastructure investments, expansion in mining projects and emerging consumer class, says a senior market analyst.

4. "State advises firms to utilise economic zones" (Daily Mail, 14th)

Government has urged local firms to utilise the implementation of multi-facility economic zones (MFEZ) by working with upcoming investors to foster economic development in the country. Ministry of Commerce, Trade and Industry permanent secretary Stephen Mwansa said with the implementation of the MFEZs, the country will be able to record increased activity in the trade and manufacturing sectors.

5. "SI 32 improve macro economy" (Daily Mail, 15th)

The Bankers Association of Zambia (BAZ) has welcomed the issuance of SI 32 of 2013 as it will assist with improved macro-economic management. Meanwhile, the association says the economy has remained steadfast, and that the projected economic growth forecasts of seven percent will hold. BAZ chief executive officer David Chewa said the law is principally to enhance the monitoring of balances of payments and assist with improved macro-economic management.

6. "Govt encourages private sector to introduce more airlines" (Post, 17th)

The vision of the government is to open up the air transport and reduce road traffic accidents which have cost many lives, says Nicholas Banda. And proflight has been cleared to start air operations into neighbouring Malawi, Zimbabwe and the Democratic Republic of Congo.

7. "Stabilise Kwacha, EAZ urges Govt" (Times, 20th)

The Economics Association of Zambia (EAZ) has urged Government to work towards stabilising the Kwacha to reduce the impact of high food prices in view of the recent removal of subsidies on fuel and maize. EAZ said the price of goods had gone up sharply, due to the Kwacha's poor performance against the dollar and other convertible currencies.

8. "Zambia ranked tops" (Daily Mail, 20th)

Goldman Sachs, a full service global investment banking and securities firm, has ranked Zambia as the most promising country in Africa out of a survey of 14 African countries whose economies must grow quickly. While in the past, only gross domestic product (GDP) growth rates have been used to come up with such rankings, in the case of Goldman Sachs, a more robust approach, combining Growth environment scores (GES) and capital accumulation has been used to favour Zambia in the scientific survey.

9. "Govt to lend SMEs US\$ 20m of Eurobond money" (Post, 21st)

Commerce, trade and industry minister Emmanuel Chenda says the government, through Development Bank of Zambia, has availed US\$20 million (about KR100, 000,000) from the Eurobond for lending to micro, small and medium enterprises.

10. "Govt pledges to create conducive environment for all investors" (Post, 22nd)

Luapula Province minister Brigadier General Benson Kapaya says the government will continue to create a conducive environment for all investors to create employment for local people. Brigadier General Kapaya said the government under the leadership of President Michael Sata was always committed to promoting Public Private Partnership (PPP) aimed at creating jobs in the country.

11. "Subsidy removal to benefit nation - Japan" (Times, Daily Mail, 24th)

Japanese Ambassador to Zambia Akio Egawa says Government's removal of subsidies on maize and fuel is a bold decision which will benefit the nation in the long run. Mr Egawa said in an interview that although the removal of subsidies might cause pain, the ultimate benefits would improve the majority of the people's welfare. He said Government was aiming at a long term goal to bring about inclusive and equitable development.

12. "Japan pledges US\$28 million for Lusaka ring roads" (Daily Mail, 27th)

The Japanese government will contribute US\$28 million towards the construction of ring roads in Lusaka. Japanese Ambassador to Zambia Akio Egawa said the road project which is being implemented by the Ministry of Local Government and Housing through the Lusaka City Council is cardinal as it will significantly reduce traffic congestion. Mr Egawa said in an interview that the project will form part of the regional corridor as Lusaka is centrally located.

13. "Japanese firm to set up fertiliser production plant" (Times, 31st)

A Japanese firm Toyota Japan has indicated its readiness to invest in a mega fertiliser production plant in Zambia. The company which has embarked on a diversification programme from its traditional car manufacturing is ready to invest in the agro input production in Zambia. Zambia's Extraordinary and Plenipotentiary Ambassador to Japan Mwelwa Chibesakunda said this in Tokyo.