



Macro-economics of Zambia, June 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	7.3 (June)
10. Consumer Price Index (year 2009 = 100)	126.1 (Dec)	131.13 (June)
11. Balance of trade (million USD)	1,067	50.38 (May)*2
12. Balance of trade against Japan (million USD)	-97.48*4	-7.68 (May)*3
13. Export (million USD)*5	8,346	913.72 (May)*2
14. Export against Japan (million USD)	50.45*4	2.74 (May)*3
15. Import (million USD)*5	7,279	863.35 (May)*2
16. Import against Japan (million USD)	147.94*4	10.42 (May)*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	5.42 ZMW(June)*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 = 5.32 ZMW (Bank of Zambia rate, May 2013)

*3 Based on 1USD = 95 YEN (Bank of Japan rate, May 2013)

*2 <May, 2013>

/3 Main export products: copper/cobalt/manganese, cotton, food products (maize etc), beverage (including alcoholic beverage).
Main trade partners(export): Switzerland 34.1%, China 20.6%, Democratic Republic of the Congo 12.5%, South Africa 9.3%, United Arab Emirates 8.1%.
Main import products: copper/cobalt related goods, machinery, structures & parts of structures, petroleum products.
Main trade partners(import): South Africa 29.6%, Democratic Republic of the Congo 19.8%, China 12.4%, Kenya 7.4%, Germany 3.2%.

*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)/

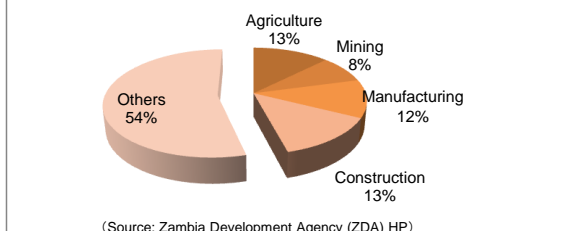
18.-19.: UNCTAD/22.-23.: Bank of Zambia

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



Monthly News (Economics)

1. "Japan's green productivity concept impresses Chenda" (June 3rd, Post)

Commerce minister Emmanuel Chenda says the green productivity concept is appealing to Zambia in its pursuit to accelerate economic development. Addressing delegates to the Tokyo International Conference on African Development (TICAD V) during a sideline seminar on technical productivity improvement in African nations, Chenda said Zambia attached great importance to issues relating to sustainability in business activities.

2. "Sata woos Japanese investors" (June 4th, Times)

President Michael Sata has invited Japanese investors to come to Zambia and assured that the Government will provide sufficient safe guards for investment. The Head of State was speaking when he held private talks with Japanese Prime Minister Shinzo Abe yesterday (June 3rd). Mr Sata, who has been Japan for the TICAD V meeting, held private talks with Mr Abe at Inter - Continental Hotel.

3. "Sata seeks Japan's help in railway sector" (June 4th, Post)

President Michael Sata has appealed to the Japanese government to transfer its technological advancements in the railway sector to Zambia. And Civic Commission of Africa (CCA) president Gustave Assah has warned African leaders not to use the Japanese TICAD V 32 billion yen aid committed to Africa for the next five years on projects that would disempower and disenfranchise the local communities.

4. "Govt targets 8% annual economic growth" (June 7th, Post)

The government will target annual economic growth of eight per cent over the next five years and wants to stabilise inflation around the five percent in the medium term, finance deputy minister Keith Mukata said. Mr Mukata said high growth and low inflation was needed to cut poverty in the country.

5. "BoZ urges flexible affordable banking services" (June 11th, Times)

The Bank of Zambia (BoZ) has urged the banking sector to make services accessible and affordable to promote sustainable growth. Meanwhile, First National Bank (FNB) has identified the Zambian economy as the prime area for investment in the region. BoZ deputy governor Tukiya Kankasa-Mabula said the central bank would continue supporting the banking sector, which should in turn ensure that services contributed to economic growth.

6. "Zambia's FDIs swell to \$1.6 bn" (June 13th, Times)

Commerce, Trade and Industry Permanent Secretary Stephen Mwansa said the estimated value of the FDIs grew in 2012 in contrast to the figures for the previous year when there was a drop. Mr Mwansa said in response to a Press query that the FDI inflows recorded by the Zambia Development Agency (ZDA) in 2012 rose to \$1.6 billion, from \$1.1 billion in 2011.

7. "Peaceful Zambia ranks top four" (June 15th, Times)

Zambia is among top four most peaceful countries in Africa and below 50 on the world scale, the Global Peace Index (GPI) analysis has revealed. The GPI analyses the state of peace around the world, identifying trends in violence and conflict, as well as the key drivers of peace. According to the 2013 GPI report published this month, Zambia is standing on number four most peaceful countries in Africa with Mauritius, Botswana and Namibia, leading the pack as first, second and third respectively.

8. "Storella 'full-marks' Zambia" (June 14th, Daily Mail)

Mark Storella, the United States ambassador to Zambia, has described the country as one of the best countries to live and work in on the entire African continent. Mr Storella, a career diplomat with some 29 years of diplomacy work on his resume, says working in Zambia has been very fulfilling and probably the best thing that ever happened in his career.

9. "Zambia should consider tax reforms - report" (June 19th, Times)

Zambia should consider tax reforms to diversify its economy, generate more revenue from its copper which should be ploughed into growing other industries, the 2013 Economic Report on Africa has suggested. The 2013 Economic report was released by United Nations Economic Commission on Africa (UNECA) and the African Union (AU) at Hotel Inter-Continental under the theme "Making the Most of Africa's Commodities: Industrialising for Growth, Job and Economic Transformation.

10. "Performance of 2013 budget impressive" (June 26th, Post)

The performance of the 2013 national budget has been impressive so far, says Secretary to Treasury Fredson Yamba. And Yamba says the high wage increments for public service workers expected to be effected in September will be sustained by projected higher tax revenue collections and some contingency funds.

11. "Planning budget policy vital, says Chikwanda" (June 28th, Daily Mail)

Minister of Finance Alexander Chikwanda says it is important to have a planning and budget policy because this will ensure programmes and projects are thoroughly assessed through a comprehensive appraisal system and effectively monitored. He said over the years, the planning and budgeting processes have lacked a comprehensive and well articulated guide. The draft policy will also enhance transparency and accountability and provide a basis for evidence-based decision-making process.