



Macro-economics of Zambia, July 2014

| Main Economic Statistical Indexes | 2013 | 2014 |
|--|-----------------------|-----------------|
| 1. Population (millions) | 14.5 (est) | 14.9 (proj) |
| 2. Population growth rate (%) | 2.8 (est) | 2.8 (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) | 24,746 (est) | 25,981 (proj) |
| 7. GDP growth rate (%) | 6.4 | 7.0 (proj) |
| 8. GNI per capita (USD) | 1,358*1 (2012) | 1,358*1 (2012) |
| 9. Inflation rate (%) | 7.1 | 8.0 (Jul) |
| 10. Consumer Price Index (year 2009 =100) | 131.26 | 142.57 (Jul) |
| 11. Balance of trade (million USD) | 423 | 7.66 (Jun)*2 |
| 12. Balance of trade against Japan (million USD) | -80.31*5 | -7.75 (Jun)*3 |
| 13. Export (million USD)*3 | 10,608 | 747.6 (Jun)*2 |
| 14. Export against Japan (million USD) | 53.02*5 | 0.34 (Jun)*3 |
| 15. Import (million USD)*3 | 10,185 | 740.0 (Jun)*2 |
| 16. Import against Japan (million USD) | 133.33*5 | 8.09 (Jun)*3 |
| 17. Balance of current account (million USD) | -1.007 | - |
| 18. Outward direct investment (million USD) | 177 (2012) | - |
| 19. Inward direct investment (million USD) | 1,066 (2012) | - |
| 20. Gold, Foreign currency reserve (million USD) | 2,852 (2013 year-end) | 2,673 (Feb) |
| 21. External Debt (million USD) | 3,200 (2013 year-end) | 3,160 (Mar) |
| 22. Exchange rate (Kwacha/ USD, average) | 5.39 ZMW*4 | 6.15 |
| 23. Main policy interest rate (annual rate %) | 9.52 | 12.00 (Jul) |

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

| | |
|---|---|
| *1 | GNI per capita based on purchasing power parity (PPP). |
| *2 | 1USD = 6.31 ZMW (Bank of Zambia rate, June 2014 average) |
| *3 | 1USD = 103 YEN (Bank of Japan rate, June 2014 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 = 94YEN (Bank of Japan rate, 2013 average) |
| Main export products [June 2014]: Copper Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, oleum in bulk, semi-manufactured gold (including Gold plated with platinum). | |
| Five (5) Main trade partners(export) [June 2014]: Switzerland 46.7%, China 17.2%, South Africa 6.6%, Democratic Republic of the Congo 6.6%, Singapore 4.2% and Other destinations 18.7%. | |
| Main import products [June 2014]: Structures and parts of structures, nes. of iron or steel, Copper ores and concentrates, Gas oils, Motor spirit, Road tractors for semi-trailers, Parts of machinery of 84.74, Machinery for the extraction/preparation of animal/vegetable fats or oil, Otehr medicaments of mixed or unmixed products, for retail sale, nes, generating sets with compression-ignition engines, >375 kVA. | |
| Five (5) Main trade partners(import) [June 2014]: South Africa 33.3%, Democratic Republic of the Congo 20.1%, Kenya 7.8%, China 7.6%, India 3.3%, and Other sources 27.9%. | |

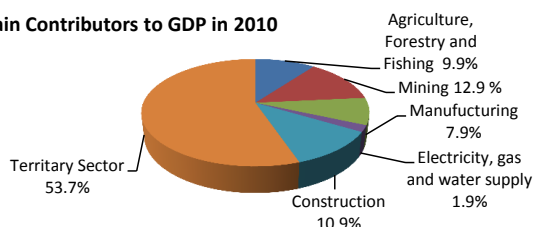
< Source >
 1.-2., 5.-7.: Country Report March 2014 (EIU), Monthly Bulletin (CSO), The World Factbook (CIA) /
 3.: Zambia Labour Force Survey Report, 2012 (CSO & Ministry of Labour and Social Security) / 4.: Census 2010 /
 8.: UNDP Human Development Report / 9.-11., 13., 15.: Monthly Bulletin (CSO) / 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)

- 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 Main Contributors to GDP in 2010



(Source: Data extracted from Central Statistical Office website)

Monthly News (Economics)

1. "Crop marketing season starts" (Daily Mail, 2nd)

FRA public relations officer Daniel M'soka said that the maize marketing season started yesterday (1st July, 2014) in areas where moisture content had reached the required 12.5 percent

2. "Zambia ranked 3rd peaceful country in Sub-Saharan Africa" (Daily Mail, 4th)

Zambia has been ranked the third most peaceful country in sub-Saharan Africa. This is according to the 2014 Global Peace Index (GPI), the world's leading measure of national peacefulness and the most peaceful country in the sub-Saharan Africa region is Mauritius, followed by Botswana.

3. "Utilise incentives, State urges investors" (Times, 10th)

The Government has called on investors to utilise the investment incentives being offered by the Zambia Development Agency (ZDA) to develop the national parks and game management areas.

4. "State to build one-stop border posts" (Daily Mail, 11th)

Government will soon construct one-stop border posts at Victoria, Kazungula and Katima Mulilo border posts in Southern and Western provinces to enhance revenue collection in the country, says Minister of Finance Alexander Chikwanda says.

5. "BoZ measures restore stability" (Times, 16th)

The Bank of Zambia (BoZ) says the past six weeks have seen some stability return to the financial sector, as a direct result of the measures undertaken to contain inflation and stabilise the foreign exchange market. BoZ Governor Michael Gondwe said that the Kwacha had appreciated to its current levels of around K6.1 per United States (US) dollar, from more than K7 a dollar at the most extreme point of its depreciation.

6. "High borrowing caused rise in interest rates - BoZ" (Daily Mail, 16th)

The Bank of Zambia (BoZ) has attributed the recent rise in interest rates by financial lending institutions to high borrowing by Government, which has been necessitated by the strong infrastructure investment.

7. "Airline revival doc done" (Times, 21st)

A technical committee, which was constituted by Government to spearhead the revival of a national airline, has finalised the document that is currently being tabled by Cabinet. The document, which was finalised last month, will give guidelines on how Government will approach the formation of the national flag carrier.

8. "Excess Kwacha appreciation not good for economy - Saasa" (Post, 24th)

Professor Oliver Saasa says that Zambia should not aspire to appreciate the Kwacha to below K5.5 to one US dollar as such a strong Kwacha won't help the economy.

9. "Zambia's auto potential huge" (Times, 28th)

Zambia has huge potential for expanding automotive trade in the Southern African Development Community (SADC) region because of its strategic location. Visiting South African Automechanika Johannesburg business relations manager Robert Kaiser said the country, which had robust economic activities, had potential because it served as a focal point for major transport routes.

10. "Chenda highlights investment opportunities in Zambia" (Daily Mail, 28th)

Minister of Local Government and Housing Emmanuel Chenda has highlighted various investment opportunities in Zambia and government-initiated reforms to diversify the economy and create jobs. These opportunities are in mining, agriculture, tourism, construction, manufacturing and other sectors.

11. "Improve policy on agro marketing" (Times, 29th)

The Economic Association of Zambia (EAZ) has urged Government to consider improving policy environment on marketing in the agriculture sector. EAZ president Isaac Ngoma said the improvement in the Government policy environment on agricultural marketing among small-scale farmers would increase productivity as well as create certainty and investor confidence in the sector.

12. "Mulobezi railway rolls back to life" (Daily Mail, 30th)

After more than 40 years of pathetic operations, Government has rekindled vibrancy in passenger and cargo train services between Livingstone and Mulobezi at US\$1.2 million.