



Macro-economics of Zambia, September 2015

Main Economic Statistical Indexes		2014	2015
1.	Population (millions)	15.0 (est)	15.5 (proj)
2.	Population growth rate (%)	2.88 (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	4.6 (proj)
8.	GNI per capita (USD)	1,358*1 (2012)	1,358*1 (2012)
9.	Inflation rate (%)	7.9	7.7 (Sep)
10.	Consumer Price Index (year 2009 =100)	141.51	155.00 (Sep)
11.	Balance of trade (million USD)	145.19 *2	-89.58 (Aug)*2
12.	Balance of trade against Japan (million USD)	-64.65 *5	-3.36(Aug)*3
13.	Export (million USD)*3	9,696.20	668.83(Aug)*2
14.	Export against Japan (million USD)	36.84 *5	2.61(Aug)*3
15.	Import (million USD)*3	9,551.01	758.41(Aug)*2
16.	Import against Japan (million USD)	101.49 *5	5.97(Aug)*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)	3,100(Dec 2014)	3,600(Sep 2015)
21.	External Debt (million USD)	4,700 (Dec 2014)	6,300 (Aug 2015)
22.	Exchange rate (Kwacha/ USD, average)	6.15ZMW *4	10.20 ZMW
23.	Main policy interest rate (annual rate %)	11.56	12.5 (Jan)

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

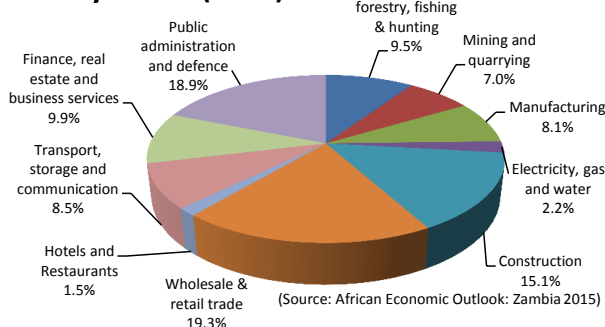
*1	GNI per capita based on purchasing power parity (PPP).
*2	1USD = 8.09 ZMW (Bank of Zambia rate, August 2015 average)
*3	1USD = 124YEN (Bank of Japan rate, August 2015 average)
*4	The Zambia Kwacha has been re-denominated since 1st January, 2013. 1,000 ZMK (pre-rebasing Kwacha) = 1 ZMW (rebased).
*5	Based on 1USD = 106 YEN (Bank of Japan rate, 2014 average)
Main export products [August 2015]: Cathodes & Sections of Cathodes of refined Copper, Copper Blisters, Sulphuric acid, Raw Cane sugar, semi-manufactured gold (incl. gold plated with platinum)	
Five (5) Main trade partners (export) [August 2015]: Switzerland 48.9%, China 15.2%, Singapore 9.3%, South Africa 5.9%, Democratic Republic of the Congo 5.4% and Other destinations 15.3%	
Main import products [August 2015]: Gas oils, Parts of Machinery, Road tractors for semi-trailers, Generating sets, (excl. wind-powered) Motor Spirits, petroleum oils	
Five (5) Main trade partners (import) [August 2015]: South Africa 27.6%, Democratic Republic of the Congo 12.2%, China 10.2%, Kuwait 5.8%, Switzerland 5.1% and Other sources 39.1%	
<Source>	
1.-2., 5.-7.: Country Report May 2015 (EIU), May 2015 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:
 - Underground mining 6%
 - Open Cast mining 9%
- 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.

GDP by sector (2014)



Monthly News (Economics)

1. "Baluba Mine closes" (Times, 7th)

Chinese-owned CNMC Luanshya Copper Mine's Baluba Underground operation will be closed and placed under care and maintenance today, and about 1,640 workers will be sent home.

2. "Kwacha is world's worst performer this quarter – Bloomberg" (Post, 8th)

The Kwacha has slumped 27 per cent this quarter, the most among more than 150 currencies monitored by Bloomberg, driving up debt-service costs and threatening to fuel inflation and undermine efforts to cut the budget.

3. "IDC takes over 29 firms" (Daily Mail, 10th)

Government has transferred shares of 29 out of 33 State-owned Enterprises (SOEs) from the Minister of Finance to the Industrial Development Corporation (IDC).

4. "No job cuts - Lungu" (Times, 10th)

President Edgar Lungu has stepped in to restore sanity at Luanshya Copper Mines (LCM) and ordered the mine owners to rescind the decision to lay off 1,200 miners at its Baluba Mine.

5. "Economic activities deteriorated in the first half of 2015 – BoZ" (Post, 14th)

The economic activities in Zambia have deteriorated in the first half of this year as evidenced by key indicators, according to a Bank of Zambia survey. BoZ's bi-annual survey of Business Opinion and Expectations (BSBOE) report for first half of 2015 revealed that expectations of firms were that inflation, credit availability, commercial banks' lending rates and commercial banks' lending rates and exchange rate would also deteriorate.

6. "Opening of Nippon Sushi welcome" (Times, 18th)

There is an eatery providing authentic Japanese food in Lusaka, following the recent opening of the Nippon Sushi Mai Catering Limited. The opening of the first Japanese restaurant in Zambia will promote the Japanese culture and provide authentic Japanese food to the consumers in the capital city.

7. "Baluba Mine tells State House it can't resume operations" (Post, 24th)

Luanshya Copper Mines (LCM) has told President Edgar Lungu that it will not resume Baluba underground operations and recall workers because, apart from electricity challenges, the quality of copper ore has declined.

8. "State bans wheat importation" (Daily Mail, 25th)

Government has with immediate effect banned the importation of wheat saying Zambian farmers have the capacity to meet local demand.

9. "Glencore notifies Govt. it's cutting 3,800 jobs" (Post, 26th)

Swiss mining giant Glencore, hard hit by collapsing commodity prices, has notified the Government that its Mopani copper mine will cut nearly 3,800 jobs, Minister of Labour and Social Security Fackson Shamenda said on Wednesday.

10. "SA honey market opens for Zambia" (Daily Mail, 28th)

South Africa has granted Zambia access to its pure honey market following Zambia's compliance with that country's sanitary import requirements.

11. "Moody's defends its rating for Zambia" (Post, 30th)

Moody's investors Service says it downgraded Zambia's credit rating based on sufficient information that reflects the state of the country's economy.