

Zambia National Budget 2027

Theme: *Grow Zambia: from stabilisation to unlocking opportunities, creating jobs and improving livelihoods for all*

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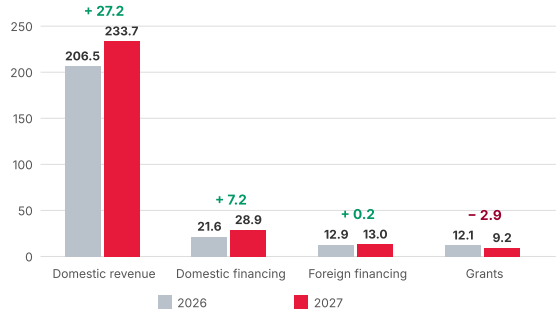


2027 National Budget in numbers

Budget size

2026	2027
ZMW (billion) **253.1**	ZMW (billion) **284.8**
27.4% of GDP	28.4% of GDP
INCREASE	**+12.5%**

Resource envelope (K billion)



Budget expenditure comparisons



General public services
K92.7bn
K90.5bn



Economic affairs
K58.6bn
K75.9bn



Education
K33.0bn
K38.2bn



Health
K26.2bn
K30.3bn

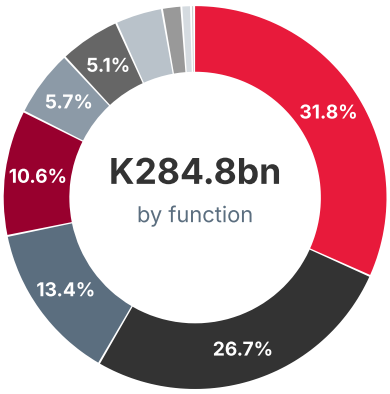


Social protection
K15.7bn
K16.2bn



Defence
K11.9bn
K14.7bn

2026 2027



Expenditure by function, 2027

General public services	**K90.5bn**
Economic affairs	**K75.9bn**
Education	**K38.2bn**
Health	**K30.3bn**
Social protection	**K16.2bn**
Defence	**K14.7bn**
Public order & safety	**K11.4bn**
Housing & community amenities	**K4.6bn**
Environmental protection	**K2.3bn**
Recreation, culture & religion	**K0.7bn**

Macroeconomic objectives

Indicator	2026 target	2027 target
Real GDP growth	At least 6.4%	At least 4.9%
Inflation	6–8% band	6–8% band
Fiscal deficit	2.1% of GDP	3.0% of GDP
Domestic revenue	At least 22.3% of GDP	At least 23.3% of GDP
International reserves	Above 4 months of import cover	Above 4 months of import cover
Net domestic borrowing	2.3% of GDP	2.9% of GDP

2027 national budget in numbers

Key highlights of Zambia's 2027 national budget.

Grow Zambia.

Unlocking opportunities.

Total budget

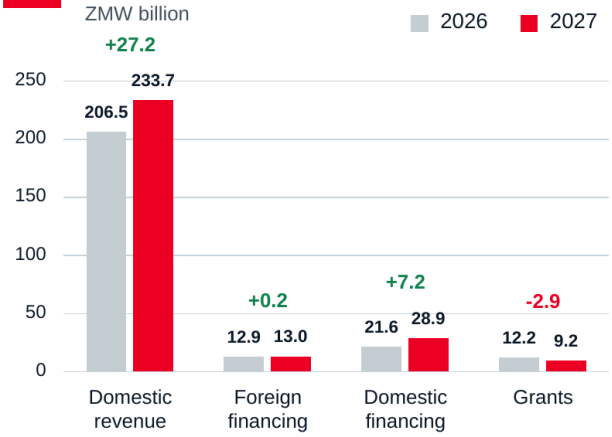
ZMW 284.8 billion

% of GDP

28.4%

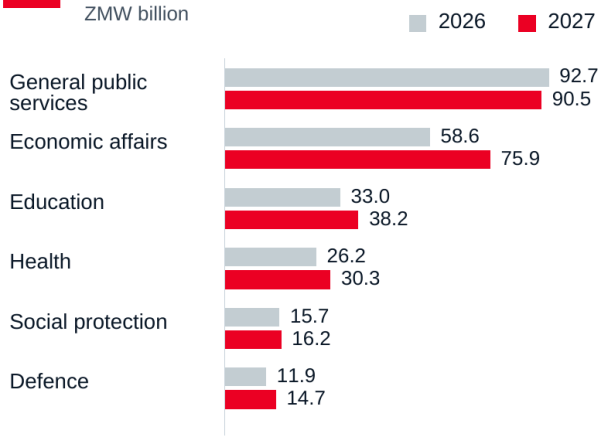
01 Resource envelope

ZMW billion



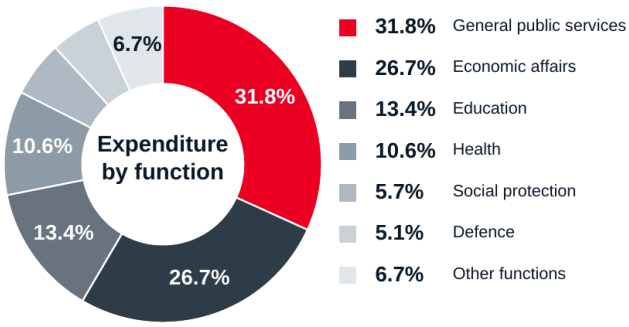
02 Expenditure comparisons

ZMW billion



03 Expenditure by function

% share of total expenditure



04 Sector allocations

ZMW billion

1	General public services	K90.5
2	Economic affairs	K75.9
3	Education	K38.2
4	Health	K30.3
5	Social protection	K16.2
6	Defence	K14.7
7	Public order & safety	K11.4
8	Housing & community amenities	K4.6
9	Environmental protection	K2.3
10	Recreation, culture & religion	K0.7

05 Macroeconomic objectives for 2027

Real GDP growth
At least 4.9%
6.4% target in 2026

Inflation
6-8%
6-8% target in 2026

Fiscal deficit
3.0% of GDP
2.1% target in 2026

Domestic revenue
At least 23.3% of GDP
22.3% target in 2026

International reserves
>4 months
of import cover

Net domestic borrowing
Up to 2.9% of GDP
2.3% target in 2026

Grow Zambia

The distance to the targets

Eight national ambitions, reported performance and the priorities for delivery.

From stabilisation to growth

Grow Zambia aims to expand production, exports and investment, creating jobs and wider economic opportunity.

Maize

10

million tonnes a year

2025/26 harvested output

4,900,000 t

49.0% of target

Remaining gap: 5,100,000 t

Electricity

10,000

MW generation capacity

Current installed capacity

4,722 MW

47.2% of target

Remaining gap: 5,278 MW

Tourism

5

million arrivals a year

2025 international arrivals

2.3m arrivals

46.0% of target

Remaining gap: 2.7m arrivals

Copper

3

million tonnes a year

2025 production

890,000 t

29.7% of target

Remaining gap: 2,110,000 t

Soya beans

3

million tonnes a year

2025/26 harvested output

267,000 t

8.9% of target

Remaining gap: 2,733,000 t

Wheat

1

million tonnes a year

2025/26 harvested output

81,000 t

8.1% of target

Remaining gap: 919,000 t

Sugar

1

million tonnes a year

2025/26 reported production

410,000 t

41.0% of target

Remaining gap: 590,000 t

Beef exports

US$1

billion export earnings a year

2025 exports

US$4.1m

0.4% of target

Remaining gap: US$995.9m



The Minister of Finance and National Planning, Hon. Dr. Situmbeko Musokotwane, MP, delivered the 2027 National Budget to the National Assembly on 6 November 2026. It is the first budget of the new parliamentary term following the August 2026 general elections, and covers the fiscal year 1 January to 31 December 2027.

In his speech, the Minister reported that over the past five years Government's efforts were directed at stabilising the economy. Growth averaged 5.2% a year, external debt was restructured, inflation was brought down, the exchange rate stabilised, international reserves increased and investor confidence improved. With that foundation in place, the 2027 Budget turns the emphasis firmly towards growth.

The budget, themed **"Grow Zambia: From Stabilisation to Unlocking Opportunities, Creating Jobs and Improving Livelihoods for All,"** is anchored on the **Grow Zambia Agenda**. The Agenda sets eight (8) headline targets, coded **10-10-5-3-3-1-1-1**, to be pursued through growth that is private sector-led and export-oriented, supported by foreign direct investment and skills development.

10m tonnes of maize	**10,000** MW generation capacity	**5m** international tourist arrivals	**3m** tonnes of copper
3m tonnes of soya beans	**1m** tonnes of wheat	**1m** tonnes of sugar	**US$1bn** beef export earnings

Grow Zambia Agenda targets, as set out in the Budget Speech. Copper, electricity and agriculture targets are stated for 2031; tourism over the next five years.

1.1 Sector analysis

Mining

Copper production is projected to reach a record **930,000 metric tonnes in 2026**, as progress continues towards the target of 3 million tonnes by 2031. The Minister pointed to the resolution of sector disputes, expansion at First Quantum Minerals, Barrick Lumwana, Konkola Copper Mines and Mopani, the rehabilitation of old mines such as Kalengwa and Luanshya, and greenfield development at Kitumba and KoBold. The aerial geophysical survey is due for completion by the end of 2026, and the 2027 Budget funds ground-based geological verification.

Government will establish a **gold trading agency** to aggregate gold and formalise trading, supported by a reduced mineral royalty for artisanal and small-scale miners who sell to approved aggregators. Mining-related activities receive K1.2 billion, including K467.2 million for geological mapping, K450.7 million for artisanal and small-scale mining, and K171.7 million for mining standards and mineral regulation (up from K75.9 million in 2026).

Agriculture, livestock and fisheries

Five of the eight Grow Zambia targets relate to agriculture and livestock. Government will set up a **farm block development agency**, which will also act as a special purpose vehicle to coordinate private investment. The model combines large investors with small-scale producers, as at Nakambala Sugar Estate. The TAZARA and Lobito railway corridors have been identified for large-scale production of maize, wheat, soya beans, sugar and forestry.

Planned reforms include:

- six mechanisation centres in each district by 2031;
- irrigation of at least 500,000 hectares by 2031; and
- transition of the Farmer Input Support Programme into an agricultural loan scheme, starting in 2027.

Commencement orders will be issued for the Food Reserve Agency Act, the Agricultural Marketing Act and the Agricultural Credit and Warehouse Receipts Act, all of 2026.

The sector receives K22.7 billion, including K9.1 billion for FISP and K100 million to establish beef compartments towards the US$1 billion beef export target. Fish production is projected to reach 300,000 tonnes in 2027, up from 270,000 tonnes. Bulk export permits will be introduced for large-volume exporters, and the permit system will recognise rail wagons as well as trucks.



Government will establish a gold trading agency to aggregate gold and formalise trading.

Tourism

Government aims to grow international tourist arrivals to **5 million per year** over the next five years, from 2.3 million in 2025. To achieve this target, efforts will focus on addressing infrastructure deficiencies, streamlining the multiple licensing requirements, strengthening destination marketing and diversifying the tourism product offering.

A total of K1.4 billion has been allocated to tourism programmes, while K2.4 billion has been earmarked for airport infrastructure, more than double the 2026 allocation. The funding will facilitate the completion of Mansa and Mfuwe Airports, continued works at Nakonde Airport, commencement of construction at Choma Airport, and upgrades to Chipata, Mongu and Solwezi Airports.

Additionally, customs duty on safari vehicles, hospitality equipment and communications infrastructure will be suspended to support investment, reduce operational costs and enhance the competitiveness of the tourism sector.

Manufacturing and MSMEs

Manufacturing currently employs about 320,000 people. Government aims to raise the sector's share of GDP above 8.5% and increase employment by:

- reducing regulatory costs and red tape;
- expanding value chain and development finance;
- expanding multi-facility economic zones and industrial parks; and
- strengthening local content and skills.

The Minister cited fertiliser exports, which rose to US$131.9 million in 2025 from US$19.9 million in 2021. This year's customs package raises protection for local producers of tiles, aluminium products, processed meat, edible oils and packaging bags. For MSMEs, the Bank of Zambia will launch a small business growth initiative backed by a **K5 billion guarantee scheme**, run through a special purpose vehicle and financial service providers.

Energy

The target is **10,000 MW** of generation capacity by 2031. Installed capacity has grown by 42% over the past five years, to 4,722 MW from 3,318 MW, mostly through private sector investment. More than **1,400 MW** of non-hydro capacity is expected to be added in 2027, diversifying the energy mix and providing a buffer against drought. Government will accelerate the Mission 300 energy compact, which includes:

- continued migration towards cost-reflective tariffs;
- strengthening ZESCO's operational and financial performance;
- continued implementation of the electricity open access regime; and
- interconnectors including Zambia–Tanzania 330kV, Zambia–Malawi 400kV and Kalumbila–Kolwezi 330kV.

K391.3 million from Eurobond buyback savings goes to the Grid Resilience Programme. In petroleum, Government is working with Tanzania on a new multi-product pipeline and the rehabilitation of the TAZAMA pipeline under a PPP model.

Transport and logistics

Government is developing export corridors that double as economic corridors:

- **Lobito:** ground-breaking on the railway line is expected in the fourth quarter of 2027;
- **TAZARA:** rehabilitation, with a new dry port at Kapiri Mposhi; and
- **Zambia Railways:** €60 million already secured for the Kapiri Mposhi–Ndola section;

Roads receive **K18.1 billion** (2026: K14.5 billion) to construct, upgrade or rehabilitate 787 km, including Kazungula–Sesheke, Kisasa–Mwinilunga and Chipata–Lundazi. The Railways Act will be replaced with a model that separates infrastructure management from operations and opens train services to private operators. The smart gate at Kazungula is expected to be completed in 2027, and will then be replicated at Kasumbalesa, Mokambo, Nakonde and Sakania.

ICT and digitalisation

The national fibre-optic backbone now exceeds 42,000 km, up from 15,000 km, and active internet subscriptions stand at 15.5 million. In 2027 Government will fast-track the integrated national digital identity system. Only 572 of the 1,578 services targeted for the Government Service Bus have been onboarded, so a "one-Government" digitalisation approach will be adopted. A further 35 councils will join the e-Council platform, after a pilot in eight councils collected over K290 million in six months. Digitalisation of Government services is allocated K1.7 billion.

Education and skills

Education receives **K38.2 billion**, up from K33.0 billion in 2026. This includes:

- K3.2 billion for school and university infrastructure;
- K2.8 billion for school operations under the free education policy;
- K1.9 billion for higher education loans and scholarships; and
- K1.0 billion for the school feeding programme (2026: K523 million).

A further 31 secondary schools will be completed in 2027, and construction of six new provincial universities will begin under a PPP model. Skills training capacity is to expand by an additional 100,000 trainees, with bursaries refocused on agriculture, tourism, mining and manufacturing.

Health

Health receives **K30.3 billion**, up from K26.2 billion. This includes K6.4 billion for drugs and medical supplies, K866.7 million for mini and district hospitals and K360 million to support the National Health Insurance Scheme. Government plans to recruit 3,125 frontline health workers in 2027, complete the Ndola Cancer Diseases Hospital and King Salman Bin Abdulaziz Specialised Hospital, and reform the National Health Insurance Scheme to address arrears and financial viability.

Water, sanitation and social protection

Water and sanitation receive K2.1 billion, with priority on dam construction and rehabilitation. Social protection receives K16.2 billion. The Social Cash Transfer allocation is K10.4 billion, reaching over 1.6 million households. The monthly transfer rises to **K450** (from K400) and to **K650** (from K600) for households with persons with disabilities. Public service pensions receive K5.2 billion to cut waiting times, and a unified national social registry will be operationalised in 2027.

Public finance, governance and the financial sector

- A new development finance institution will be established, with an initial allocation of K400 million.
- K507.3 million is set aside for PPP viability gap financing.
- The Ninth National Development Plan (2027–2031) will be anchored on the Grow Zambia Agenda.
- Government will start liability management operations on domestic debt and will prioritise fixed-rate securities.
- The Banking and Financial Services Act, the National Payment System Act and the Zambia Deposit Insurance Corporation Act, all of 2026, will be operationalised.
- The Pension Scheme Regulation Act of 1996 will be repealed and replaced, extending pension coverage to the self-employed and informal sector.
- The Constituency Development Fund rises to K9.0 billion. This keeps the allocation at K40 million per constituency now that the number of constituencies has increased.

Macroeconomic developments in 2026

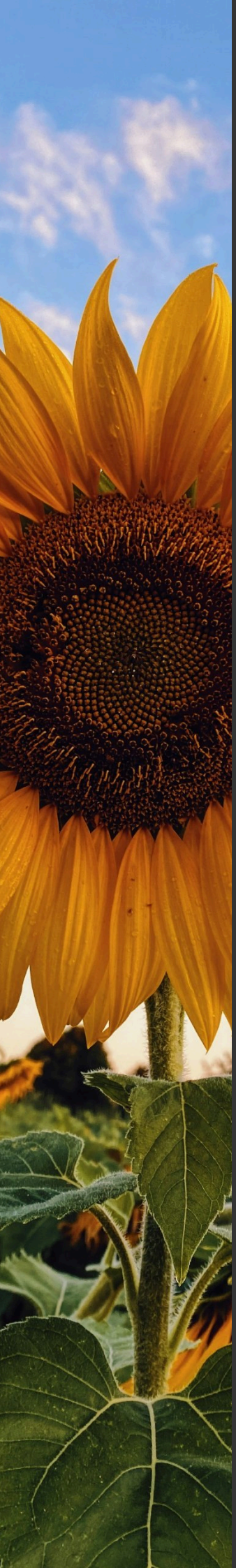
- Real GDP growth averaged **7.4%** in the first half of 2026, driven by agriculture, mining and ICT.
- Inflation fell to **6.3%** in October 2026 from 11.2% in December 2025, helped by a bumper maize harvest and a stronger Kwacha. The Bank of Zambia cut the Monetary Policy Rate to **10.75%** in September 2026 from 14.25%.
- Revenue fell short of target, largely due to the suspension of VAT and excise duty on fuel, while food security spending rose. The 2026 fiscal deficit is now projected at **5.9% of GDP** against a target of 2.1%.
- Central Government external debt declined to **US$15.5 billion** at end-June 2026 from US$16.2 billion, mainly due to the Eurobond buyback. Domestic debt rose to K280.9 billion from K253.7 billion.
- Gross international reserves rose to **US$6.1 billion** (end-August 2026) from US$5.5 billion, supported by a positive trade balance. Moody's upgraded Zambia to Caa1 from Caa2 with a positive outlook.

Macroeconomic objectives for 2027

Indicator	2026 target	2027 target
Real GDP growth	At least 6.4%	At least 4.9%
Inflation	6–8% band	6–8% band
Gross international reserves	Above 4 months of import cover	Above 4 months of import cover
Domestic revenue	At least 22.3% of GDP	At least 23.3% of GDP
Fiscal deficit	2.1% of GDP	3.0% of GDP
Net domestic borrowing	2.3% of GDP	2.9% of GDP

The medium-term objective is to reduce the fiscal deficit to 1.2% of GDP by 2029. The wage bill will be contained within 35% of domestic revenue, and a Medium-Term Revenue Strategy will broaden the tax base and rationalise exemptions and incentives.





02 | Budget highlights for 2027

2.1 Direct taxes

- **PAYE:** new top band of **39.5%** on individual monthly income above K37,000. The other bands remain unchanged.
- **Company income tax:** tax rates below the standard 30% rate increased by **5 percentage points**. For example, farming and agro-processing move from 10% to 15%.
- **Withholding tax** on dividends paid by mining companies rises to **15%** (from 0%).
- **Minimum alternative tax** will apply only to businesses with losses for three consecutive years.
- **Mineral royalty on gold** falls to **3%** (from 6%) for artisanal and small-scale miners who sell to approved aggregators.
- **Betting levy** is extended to gaming without betting accounts, with remittance deadlines and daily penalties for agents.

2.2 Value added tax

- The standard rate rises to **16.5%** (from 16%).
- Zero-rating of energy-saving appliances is discontinued.
- Zero-rating is extended to contractors implementing PPP projects.

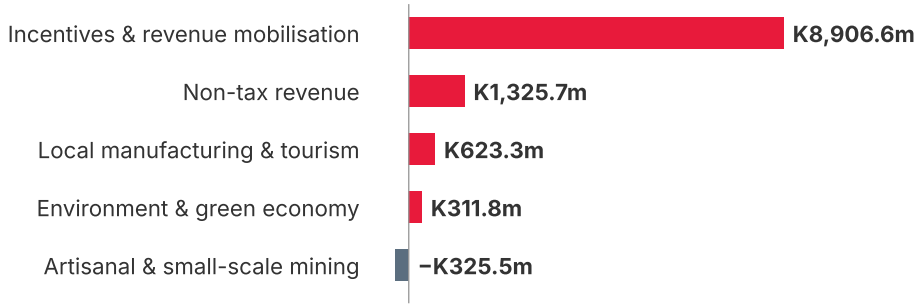
2.3 Customs and excise

- Customs duty is suspended on safari vehicles, hospitality equipment and communications infrastructure used in tourism.
- Raw materials for sanitary products are fully exempt from duty and VAT.
- Duty and surtax increase on ceramic tiles, aluminium bars, rods and profiles, processed meat, crude edible oils, float glass and packaging bags.
- Excise on single-use plastics rises to **200%**.
- A new 5% export duty applies to zinc concentrates.

2.4 Non-tax revenue measures

- The mobile money levy is **doubled** across all bands.
- Fees increase for passports, immigration permits, civil registrations, NGO registration services, mining licenses and area charges.
- Mechanical horses are reclassified to the heavy vehicle toll class.

2.5 Estimated revenue impact of 2027 measures





The following measures are proposed to take effect from 1 January 2027, subject to approval by Parliament.

3.1 Personal tax rates

A new top tier rate of **39.5%** is introduced on individual income above K37,000 per month. Individuals earning K37,000 or less per month are not affected. Only the portion of income above K37,000 is taxed at the new rate.

PAYE tax computation bands 2027 (monthly)

Tax band	2026	2027
First K5,100.00	0%	0%
Next K5,100.01 but not exceeding K7,100.00	20%	20%
Next K7,100.01 but not exceeding K9,200.00	30%	30%
Next K9,200.01 but not exceeding K37,000.00	37%	37%
Above K37,000.00	37%	**39.5%**

Illustration: an employee earning K50,000 a month would pay PAYE of K16,451 in 2027, compared to K16,126 in 2026. That is an increase of K325 a month (2.5% on the K13,000 above the threshold).

What the measure seeks to achieve: To make the Pay-As-You-Earn system more progressive by applying a higher rate to higher-income earners, while leaving the tax treatment of individuals earning K37,000 per month or less unchanged.

i. Fringe benefits: motor vehicles and housing

The measure proposes increasing the disallowed amount by 10% where an employer provides a motor vehicle as a non-cash benefit. The disallowed amount for employer-provided housing rises to 40% from 37%.

What the measure seeks to achieve: To increase the portion of employer-provided motor vehicle and housing benefits that is disallowed for tax purposes.

3.2 Corporate income tax (CIT)

i. Increase in company income tax rates on preferential income

Company income tax rate rises by 5 percentage points on income currently taxed below the standard 30% rate. The aim is to harmonise rates over the medium to long term and promote fairness across sectors.

Category	Current rate	Proposed rate
Farming, agro-processing, or export of non-traditional products from farming/agro-processing	10%	15%
Income of producers of organic and chemical fertilisers	15%	20%
Export of non-traditional products	20%	25%
Companies adding value to copper cathodes	20%	25%

What the measure seeks to achieve: To progressively harmonise company income tax rates over the medium to long term, promoting fairness and consistency in the taxation of income across all sectors.

ii. Withholding tax on dividends paid by mining companies

Withholding tax on dividends paid by mining companies rises to 15% from 0%.

What the measure seeks to achieve: To align withholding tax treatment of dividends distributed by mining companies with the rates that apply to dividends in other sectors.

iii. Reform of the Minimum Alternative Tax (MAT)

MAT will apply only where a business has declared losses for three consecutive years. Current legislation applies regardless of whether a business declares a profit or a loss, with limited exemptions for persons liable to presumptive or turnover tax and railway sector special purpose vehicles. This change brings only persistent loss-makers into the MAT net, while giving businesses facing temporary downturns room to recover.

What the measure seeks to achieve: To give relief by exempting consistently profitable businesses and encourage sustained profitability, by confining MAT to businesses with a persistent pattern of losses (three consecutive years).

iv. Reduced mineral royalty on gold for artisanal and small-scale miners

The mineral royalty rate on gold falls to 3% from 6% for artisanal and small-scale miners who sell to aggregators approved by the Ministry of Mines and Minerals Development.

What the measure seeks to achieve: To encourage artisanal and small-scale gold miners to sell through aggregators approved by the Ministry of Mines and Minerals Development, bringing more gold into the formal value chain alongside the proposed gold trading agency to support sustained growth of the subsector.

v. Legal framework for automatic exchange of information

The Income Tax Act will be amended so that Zambia can implement the Automatic Exchange of Information (AEOI), in line with the standards of the Global Forum on Transparency and Exchange of Information for Tax Purposes, which Zambia joined in 2024. A related cross-cutting measure will prohibit unlawful access to, or use of, information held under the tax Acts.

What the measure seeks to achieve: To provide the legal basis for Zambia to exchange tax information automatically with other Global Forum members.

3.3 Betting

i. Taxation of online betting income

Income of businesses providing online betting services is subject to the Betting Levy, not income tax. The Betting Levy was introduced in 2026.

What the measure seeks to achieve: To remove uncertainty by confirming that income from online betting services falls under the Betting Levy, which replaced income tax on gaming and betting in 2026, rather than under income tax.

ii. Broader scope of the Betting Levy

The levy is extended to betting and gaming that is not brick-and-mortar and does not run through a customer's betting account. This includes mobile lotteries where entry is by SMS code and the fee is deducted from airtime.

What the measure seeks to achieve: To ensure that all betting and gaming activities are taxed equitably, including mobile phone lotteries paid for with airtime, which currently fall outside the Betting Levy Act because they do not use betting accounts.

iii. Remittance by appointed agents

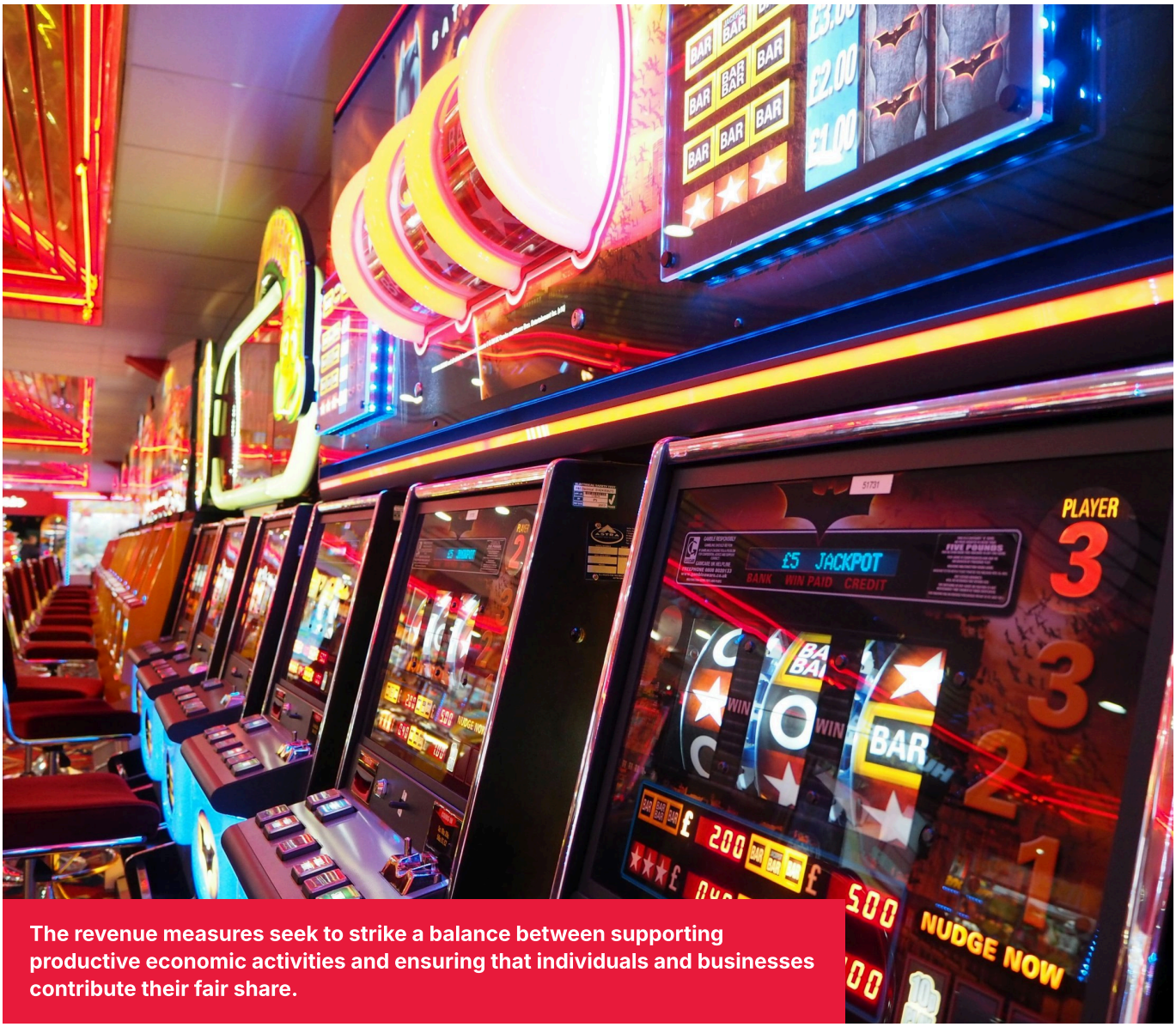
The Zambia Revenue Authority may require appointed agents to remit Betting Levy withheld within a prescribed period.

What the measure seeks to achieve: To secure the timely remittance of Betting Levy withheld by appointed agents and so speed up the collection of revenue.

iv. Penalty for late remittance

A penalty of **10,000 penalty units for each day**, or part of a day, applies where an appointed agent fails to remit Betting Levy withheld within the prescribed period.

What the measure seeks to achieve: To strengthen compliance with the Betting Levy Act by deterring agents from delaying or failing to remit levy withheld, and to give ZRA an effective enforcement tool.



The revenue measures seek to strike a balance between supporting productive economic activities and ensuring that individuals and businesses contribute their fair share.



Breakfast Mealie Meal 25kg	245.00 Z
Fresh Milk 2L	116.00 A
2 x 58.00	
Cooking Oil 2.5L	189.50 A
White Sugar 2kg	72.00 A
Washing Powder 1kg	64.99 A
Brown Bread 700g	57.00 Z
2 x 28.50	
Soft Drink 2L	38.00 A
Items: 9	
TOTAL	**K 782.49**
CASH	K 800.00
CHANGE	K 17.51

VAT	Net	VAT	Gross
A 16%	414.22	66.27	480.49
Z 0%	302.00	0.00	302.00
Total	**716.22**	**66.27**	**782.49**

Prices include VAT. A = Standard rated 16%, Z = Zero rated

The following amendments to the VAT Act are proposed to take effect from 1 January 2027.

4.1 Increase in the standard rate to 16.5%

The standard VAT rate rises by 0.5 percentage points to **16.5%** from 16%.

> **What the measure seeks to achieve:** To raise additional revenue to finance the implementation of Government programmes.

4.2 Discontinuation of zero-rating on energy-saving appliances

The zero-rating of energy-saving appliances by Statutory Instrument No. 86 of 2022 under Group 7 of the Zero-rating Order is withdrawn. It goes together with the removal of the customs duty exemption on the same goods under Statutory Instrument No. 102 of 2021.

> **What the measure seeks to achieve:** To broaden the tax base by removing the zero-rating currently granted to energy-saving appliances.

4.3 Zero-rating for public private partnership (PPP) contractors

Zero-rating is extended to goods supplied to, or imported by, contractors engaged by a concessionaire or special purpose vehicle (SPV) to implement a public-private partnership project.

> **What the measure seeks to achieve:** To allow contractors appointed by concessionaires or special purpose vehicles to buy or import goods for PPP projects without incurring VAT, recognising that they carry out the works on behalf of the concessionaire or SPV.

4.4 Housekeeping measures

i. Definition of cross-border electronic services (CBES)

Cross-border electronic services are clarified to mean electronic services supplied in Zambia by a supplier based outside Zambia.

> **What the measure seeks to achieve:** To provide greater clarity on which services fall within the cross-border electronic services provisions, by specifying that they are services supplied in Zambia by businesses operating outside the country.

ii. Waiver of Smart Invoice fines

The proposal seeks to empower Zambia Revenue Authority to waive fines imposed for failure to issue invoices using Smart Invoice platform.

What the measure seeks to achieve: To give the Zambia Revenue Authority flexibility in dealing with non-compliance, by allowing fines imposed for failure to use Smart Invoice to be waived.

iii. VAT exemption on sanitary product raw materials

Imported raw materials used to manufacture sanitary products are exempt from VAT, alongside a 100% customs duty exemption (see section 6 of this booklet).

What the measure seeks to achieve: To reduce manufacturing costs and improve the affordability and accessibility of locally produced sanitary products.





The following measure is proposed to take effect from 1 January 2027.

Increase in the mobile money levy

The mobile money levy is doubled across all bands, following the increases made in the 2026 Budget.

Transaction amount range	Current levy (K)	Proposed levy (K)	Increase (K)
K0 to K150	0.32	0.64	0.32
Above K150 to K300	0.40	0.80	0.40
Above K300 to K500	0.80	1.60	0.80
Above K500 to K1,000	2.00	4.00	2.00
Above K1,000 to K3,000	4.00	8.00	4.00
Above K3,000 to K5,000	7.50	15.00	7.50
Above K5,000 to K10,000	8.00	16.00	8.00

What the measure seeks to achieve: To enhance domestic revenue mobilisation, in line with Government's fiscal consolidation agenda.



Second consecutive increase: the levy on a K5,000–K10,000 transfer has risen from K3.00 to K16.00 in two years.



The following measures are proposed to take effect from 1 January 2027.

6.1 Promoting investment in tourism

Customs duty is suspended on safari vehicles, hospitality equipment and communications infrastructure used in tourism.

> **What the measure seeks to achieve:** To promote investment in the tourism sector by reducing the cost of acquiring specialised equipment, supporting business growth, modernisation and better service delivery, in line with the target of 5 million tourist arrivals a year.

6.2 Supporting local manufacturing

Goods description	HS code	Current	Proposed
Ceramic tiles	69.07	CD 25%	CD 40%
Sanitary products imported raw materials	various	varied	Exempt
Aluminium bars, rods and profiles	76.04	CD 0% / 5%	CD 25% + SGS 20%
Processed meat and edible offal (bovine, sheep, goats, horses, mules)	Various	SGS 20%	SGS 30%
Crude soya bean oil and crude sunflower oil	Various	CD 0%	CD 15% + SGS 10%
Crude palm oil	Various	CD 0%	CD 15%
Float glass	70.05	CD 15%	CD 25%
Cement packaging bags and woven bags	6305.33.00 / 3923.29.99	Varied	SGS 30%

What each measure seeks to achieve

- **Ceramic tiles:** To strengthen the domestic ceramic tile industry by giving local manufacturers greater protection and improving their competitiveness against imports.
- **Aluminium bars, rods and profiles:** To encourage local manufacturing, support industrial growth and make domestic producers more competitive in local and regional markets.
- **Processed meat and edible offal:** To support domestic meat processing, promote local production and create jobs in the sector.
- **Crude soya bean, sunflower and palm oil:** To encourage local growers of edible oils.
- **Float glass:** To align the tariff treatment of similar products, remove inconsistencies in duty rates, reduce the risk of misclassification and strengthen compliance.
- **Cement packaging and woven bags:** To remove disparities in surtax treatment, improve the competitiveness of local manufacturers, make better use of existing production capacity and encourage import substitution, employment and local value addition.

6.3 Environmental protection

Product	Current	Proposed
Single-use plastics	Excise 100%	Excise 200%
Plastic bottles	No excise	K0.80 per bottle
Selected plastic articles (HS 3918, 3923, 3926)	Various	Excise 30%

What each measure seeks to achieve

- **Single-use plastics:** To reduce consumption of single-use plastics, given their environmental impact through non-biodegradability, littering and pressure on waste management systems.
- **Plastic bottles:** To encourage substitution towards better environmental impact packaging.
- **Selected plastic articles (HS 3918, 3923, 3926):** To discourage excessive use of plastic materials, most of which are non-biodegradable, and make environmental taxation more consistent.

6.4 Broadening the tax base

- **Second-hand clothing and handbags** are excluded from customs duty relief for approved Public Benefit Organisations (PBOs).

  Seeks to achieve: To focus duty-free relief for PBOs on critical needs.

- **Energy-saving appliances:** the customs duty exemption (SI No. 102 of 2021) is discontinued, alongside the VAT zero-rating.

  Seeks to achieve: To reinstate customs duty on energy-saving appliances to broaden the tax base.

- **Zinc concentrates:** a new export duty of 5%.

  Seeks to achieve: To promote local value addition, tax mineral products equitably, enhance revenue and curb misclassification, by aligning zinc concentrates with other mineral ores and concentrates.

- **Sugar:** a new excise duty of K1 per kilogram, aligning its treatment with sugar-based drinks.

  Seeks to achieve: To align the excise treatment of sugar with that of sugar-based drinks, promoting tax equity and broadening the tax base.

- **Chocolate and sugar confectionery** (HS 18.06 and 17.04): To introduce a new excise duty of 20%.

  Seeks to achieve: To bring similar products into the excise regime consistently, broadening the tax base and promoting tax equity.

6.5 Housekeeping measures

i. Inward reports (form CE 1)

Introduce a penalty to apply to carriers who fail to submit an inward report on time.

What the measure seeks to achieve: To strengthen transporter accountability in the goods declaration process, improve compliance with customs requirements and safeguard revenue through clear penalties for non-compliance.

ii. Hydrocarbons in bonded warehouses

Return filing and payment are aligned, with both due on the fifth day after the end of the accounting period.

What the measure seeks to achieve: To harmonise the return filing and payment due dates for hydrocarbons and other oil products removed from bonded warehouses.

iii. Direct bonding

Imported goods can be deposited directly into a licensed bonded warehouse, without a prior removal-in-bond procedure.

What the measure seeks to achieve: To reduce the cost of doing business by removing unnecessary removal-in-bond declarations, fees and formalities, and to make customs procedures more efficient where the final destination of goods is already known.

iv. Bonded warehouse controls

A single consolidated guarantee is introduced for removal-in-bond and bonded warehouse operations, and warehouse bonds can cover goods for export. The Zambia Revenue Authority may call up bonds on goods not cleared within 10 days after the one-year limit, with a daily penalty on expired entries. Re-warehousing of goods exported from bond is limited to one year.

What the measure seeks to achieve: To strengthen compliance and the integrity of the warehousing regime: securing timely revenue recovery, reducing outstanding bonded entries and preventing goods being disguised as exports so they can be re-warehoused beyond the maximum period. Allowing warehouse bonds to cover export goods and a single consolidated guarantee are intended to lower the cost of doing business and remove duplicated security requirements.

v. Gold and high-risk goods

A declaration is required for gold imported or exported in any form. The Zambia Revenue Authority may issue rules on importing risk goods, such as alcohol above 80% strength.

What the measure seeks to achieve: To strengthen revenue protection and regulatory oversight: improving monitoring of high-risk gold movements and data on the mineral trade, and setting clear controls on the importation, storage, use and disposal of high-strength alcohol to reduce revenue leakage and enforcement risk.

vi. Exports and Smart Invoice

Export goods must leave Zambia within five days of the final export documents being issued. Smart Invoices become the only invoices accepted for export declarations, and declarations without one may be declined.

What the measure seeks to achieve: To strengthen export administration by improving compliance, making export timelines more predictable, reducing reliance on extensions, improving the accuracy and authenticity of export invoice data, and supporting audit trails and reconciliation between customs and domestic tax records.

vii. Penalties, interest and fines

The power to remit interest and fines is clarified. An escalatory penalty regime and a code of conduct for clearing and forwarding agents are introduced, and late-exit penalties apply after transit extensions.

What the measure seeks to achieve: To give the Zambia Revenue Authority clear legal authority to remit interest and fines where appropriate, and to make penalty administration more enforceable, consistent and transparent. The code of conduct is intended to raise professional and ethical standards among clearing and forwarding agents and ensure consistent disciplinary processes.

viii. Drawback claims

The period for claiming drawback on imported goods re-exported unused is reduced to six months from two years.

What the measure seeks to achieve: To strengthen the verification and audit of duty drawback claims, reducing the risk of fraudulent or unsupported claims, safeguarding revenue and improving administrative efficiency.

ix. Rates at time of declaration

Duties are to be based on the rates in force at the time of declaration, subject to post-importation adjustment where discrepancies are found.

What the measure seeks to achieve: To provide legal certainty, speed up customs clearance and reduce disputes arising from changes in duty rates before goods arrive.

x. Self-clearance

The framework for agent appointments is clarified, and a self-clearance option is provided for low-risk, compliant traders.

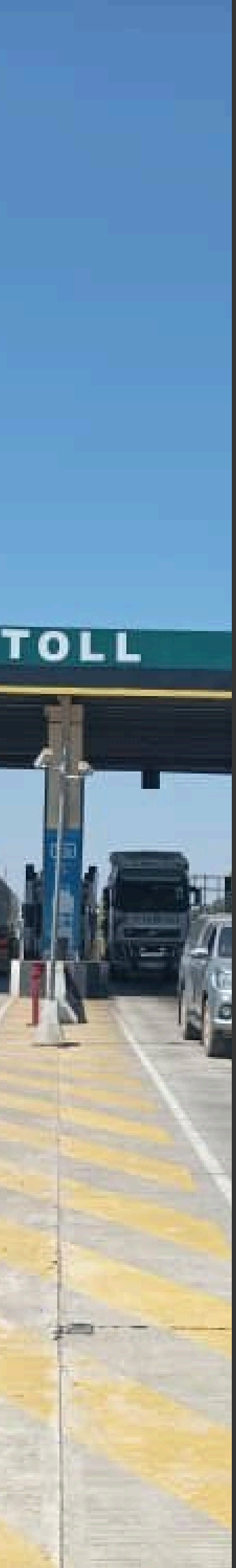
What the measure seeks to achieve: To establish a structured self-clearance regime that improves compliance, reduces the risk of misrepresentation and lowers costs for low-risk, compliant traders.

xi. Technical corrections

"Working days" become calendar days, HS 2022 descriptions are aligned, errors in specific duties on hatchbacks (HS 8703.50.19 and 8703.50.39) are corrected, and the list of suppliers to the Defence Forces is updated.

What the measure seeks to achieve: To remove inconsistencies and errors in the legislation, so that timelines are interpreted consistently, duty rates reflect the intended policy position and excise provisions on supplies to the Defence Forces are based on an accurate list of suppliers.





07 | Other measures

The following non-tax revenue measures are proposed to take effect from 1 January 2027.

7.1 Passport and travel document fees

Passport fees are revised for the first time since August 2008, to reflect production costs and the move to online applications and e-passports. Selected fees are shown below.

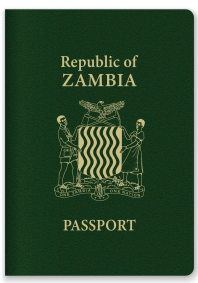
Service	Current (K)	Proposed (K)
Passport application form	44.44	Nil
Ordinary passport, 32 pages (first time or renewal)	666.68	1,000
Ordinary passport, 48 pages (first time or renewal)	1,111.12	1,500
Express issuance within 5 days, 32 pages	1,111.12	2,000
Express issuance within 5 days, 48 pages	755.56	3,000
Premium issuance within 2 days	None	5,000
Replacement of lost or stolen passport, 32 / 48 pages	88.88 / 133.32	500 / 1,000
Travel document of identity (issue or renewal)	70	200

What the measure seeks to achieve: To address the rising cost of passport production and support the modernisation of passport services, including online applications and e-passports. Application form fees are removed following the move to online applications.

7.2 Immigration permit fees

Permit fees, last revised in 2021, increase across all categories. Selected private sector fees are shown below.

Permit	Current (K)	Proposed (K)
Employment permit: issuance / renewal	24,000 / 28,000	30,000 / 35,000
Investor's permit: issuance / renewal	16,000 / 20,000	20,000 / 25,000
Residence permit: issuance	20,000	25,000
Temporary employment permit: issuance / renewal	18,000 / 21,000	22,500 / 26,500
Spouse permit: issuance / renewal	3,000 / 6,000	9,000 / 18,000
Cross-border permit: issuance / renewal	6,000 / 9,000	7,500 / 11,500
Visiting permit: issuance / renewal	6,667 / 10,000	8,500 / 12,500



What the measure seeks to achieve: To reflect higher administrative and compliance enforcement costs, as permit fees were last revised in 2021.

7.3 Civil registration fees

Service	Current (K)	Proposed (K)
Birth certificate (0–12 months)	Gratis	Gratis
Delayed birth certificate (above 1 year): Zambian / non-Zambian	None	50 / 500
Replacement of lost birth certificate	8	300
Change of names	6	500
Adoption certificate: Zambian / non-Zambian child	101	500 / 10,000
Marriage registration	7	500
Certificate of non-impediment to marriage	None	500

What the measure seeks to achieve: To address the rising cost of providing civil registration services, including information and communication technology, equipment and registration materials. Initial birth and death registrations remain free.

7.4 Toll fees: mechanical horses

Mechanical horses (truck heads) are reclassified to the class of heavy vehicles with four axles and above, which streamlines vehicle classification.

Vehicle type	NRFA current	NRFA proposed	MCS current	MCS proposed
Heavy vehicle with 4 axles and above, including mechanical horse (single access)	K200	K300	K400	K600

What the measure seeks to achieve: To harmonise vehicle classification and apply road toll charges consistently, supporting road infrastructure maintenance.

7.5 NGO registration fees

A **K100** name reservation fee is introduced, and registration fees, which were unchanged for 13 years, have increased. For example, local NGO registration fee rises to K1,300 from K1,120 and international NGO registration fee to K2,700 from K2,240.

What the measure seeks to achieve: To align NGO name reservation with the practice of other registration agencies, support sustainable delivery of registration services, and reflect increased service costs after fees remained unchanged for over 13 years.

7.6 Mining license fees and area charges

Mining fees, unchanged since 2016, move to a transparent cadastre-based system. Fees are set by the number of cadastre units held (one unit is 3.34 hectares), with lower rates for Zambian-owned entities

License (selected)	Current (K)	Proposed (K)
Small-scale exploration license: Zambian-owned	1,200	7,500 – 30,000
Large-scale exploration license: foreign-owned	4,000	128,000 – 320,000
Small-scale mining license: Zambian-owned	6,000	20,000 – 80,000
Large-scale mining license: Zambian-owned	64,000	128,000 – 512,000
Large-scale mining license: foreign-owned	64,000	384,000 – 1,536,000
Mineral trading permit: citizen-influenced company	2,800	25,000

What the measure seeks to achieve: To replace a fee structure largely unchanged since 2016 with a transparent, cadastre-based system that reflects the area held, the type of right and the ownership category. It is also meant to discourage speculative acquisition and retention of mining rights, promote productive use of mineral resources and secure fair value for Government.

7.7 Cross-cutting measures

- Electronic communication is recognised as a valid way to serve notices under the tax laws.

  Seeks to achieve: To modernise tax administration through timely, cost-effective communication between ZRA and taxpayers. Taxpayers should monitor their registered electronic channels so they do not miss statutory deadlines.

- Unlawful access to, or use of, information held under the tax Acts is prohibited, with penalties (in preparation for AEOI).

  Seeks to achieve: To align the tax laws with Global Forum recommendations ahead of Automatic Exchange of Information, protecting confidential taxpayer information from unauthorised access and misuse.

- References to the repealed Mines and Minerals Development Act, 2015 are replaced with the Minerals Regulation Commission Act, 2024.

  Seeks to achieve: To harmonise the tax laws with the current mining regulatory framework and promote consistent interpretation of mining tax provisions.

- The Zambia Revenue Authority, working with Zambia Development Agency, may recommend that incentives be suspended or withdrawn where investors do not deliver pledged investment or jobs.

  Seeks to achieve: To ensure that only investors who meet their pledged investment and employment commitments continue to benefit from incentives. Investors should track their commitments and keep evidence of compliance.

- A legal basis is provided for betting house and lottery inspection fees.

  Seeks to achieve: To provide a legal basis for recovering inspection costs from betting and lottery operators.



08 | Double tax agreements

Country	Dividends	Interest	Royalties	Tech./mgmt fees	OECD MTC format	Year in force
Botswana	5% or 7%	10%	10%	10%	No	2015
Canada	15%	15%	15%	0%	No	1989
China	5%	10%	5%	0%	No	2011
Denmark	15%	10%	5% or 15%	0%	No	1974
Finland	5% or 15%	15%	5% or 15%	0%	No	1985
France	20%	20%	0%	0%	No	1951
Germany	5% or 15%	10%	10%	0%	No	1975
India	5% or 15%	10%	10%	10%	No	1984
Ireland	0%	0%	0%	0%	No	1973
Italy	5% or 15%	10%	10%	0%	No	1990
Japan	0%	10%	10%	0%	No	1971
Kenya	0%	20%	20%	0%	No	1968
Morocco	10%	10%	10%	10%	No	2019
Netherlands	5% or 15%	10%	7.5%	0%	Yes	2018
Norway	5% or 15%	10%	10%	0%	Yes	Signed 2015 (not in force)
Seychelles	5% or 10%	5%	10%	0%	No	2013
South Africa	20%	20%	20%	20%	No	1956
Sweden	5% or 15%	10%	10%	0%	No	1974
Switzerland	5% or 15%	10%	5%	0%	No	2020
Tanzania	0%	20%	20%	0%	No	1968
Uganda	0%	20%	20%	0%	No	1968
United Arab Emirates	5%	5%	5%	5%	No	2023
United Kingdom	5% or 15%	10%	10%	0%	Yes	1973

Rates as published in our 2026 edition. No changes to Zambia's double tax agreements were announced in the 2027 Budget. Please contact us to confirm treaty rates before relying on them.



09 | ESG and sustainable growth in Zambia

Environmental, social and governance (ESG) factors are becoming an increasingly important part of Zambia's economic landscape.

Although comprehensive ESG reporting is not yet mandatory, Government has shown its commitment to sustainability. Initiatives include the Ministry of Green Economy and Environment, the integration of climate and social objectives into national development plans, and support for global disclosure standards. Global frameworks such as IFRS S1 and S2 on sustainability and climate-related disclosures are expected to shape Zambia's future reporting environment. Companies that align now will be better positioned when regulation follows.

What the 2027 Budget signals

- **Plastics:** higher excise on single-use plastics (200%), a new levy on plastic bottles (K0.80 per bottle) and 30% excise on selected plastic articles.
- **Carbon markets:** stronger institutional capacity, maintenance of the national carbon registry and improved verification of carbon credits.
- **Climate resilience:** digital climate advisory services to reach four million farmers by 2029, up from one million, plus investment in water harvesting and dams.
- **Environmental approvals:** enforcement of statutory timelines, digital licensing and simplified environmental impact assessments, and a ZEMA laboratory.
- **Energy transition:** more than 1,400 MW of non-hydro generation expected in 2027 under the Mission 300 compact.
- **Forests:** intensified conservation and landscape restoration through community participation.

Key ESG developments in Zambia

- The Ministry of Green Economy and Environment guides sustainable policy.
- There is a growing focus on sustainability reporting for listed companies under LuSE guidelines.
- Government is committed to climate-resilient growth and the UN Sustainable Development Goals.
- Global disclosure standards such as IFRS S1 and S2 are expected to be adopted in the coming years.

BDO Zambia is ready to support businesses on this journey, from ESG readiness assessments and strategy integration to data collection, reporting and stakeholder engagement.





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Elevating society

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