



## **2026 Budget Bulletin**



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## Acknowledgment

We would like to acknowledge the following Institutions for providing valuable reports and information to enable us prepare this budget bulletin:

- Bank of Zambia (BOZ)
- Chamber of Mines
- Energy Regulation Board (ERB)
- Lusaka Securities Exchange (LuSE)
- Ministry of Agriculture
- Ministry of Community Development and Social Security
- Ministry of Education
- Ministry of Energy
- Ministry of Finance & National Planning
- Ministry of Health
- Ministry of Infrastructure, Housing and Urban Development
- Ministry of Labour and Social Security
- Ministry of Livestock and Fisheries
- Ministry of Mines & Minerals Development
- Ministry of Tourism
- Ministry of Transport and Logistics
- Ministry of Information and Media
- Ministry of Water Development and Sanitation
- Securities and Exchange Commission (SEC)
- Road Development Agency (RDA)
- Zambia Association of Manufacturers
- Zambia Development Agency (ZDA)
- Zambia Information and Communications Technology Authority (ZICTA)
- Zambia Institute for Policy Analysis and Research (ZIPAR)
- Zambia National Farmers Union (ZNFU)
- Zambia Statistics Agency (ZSA)
- Zambia Revenue Authority (ZRA)
- ZESCO Limited

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# 2026 Budget Commentary

The 2026 National Budget was presented by the Honourable Minister of Finance to the National Assembly on 26 September 2025.

The theme of the 2026 budget is “Consolidating Economic and Social Gains Towards a Prosperous, Resilient and Equitable Zambia”.

The country is projected to achieve a positive 5.8% of Gross Domestic Product (GDP) growth in 2025, compared to 3.8% in 2024.

The improvement is mainly attributed to:

- Increased mining activity;
- Recovery in agriculture; and
- Strong performance of the information and communication technology sector.

## Projected GDP Growth in 2026

The strategy to achieve the growth objectives will be founded on four thematic areas as outlined in the Presidential Address delivered on the Official Opening of the Fifth Session of the Thirteenth National Assembly. The Address provided the policy direction as laid out in the Eighth National Development Plan and the 2026 budget.

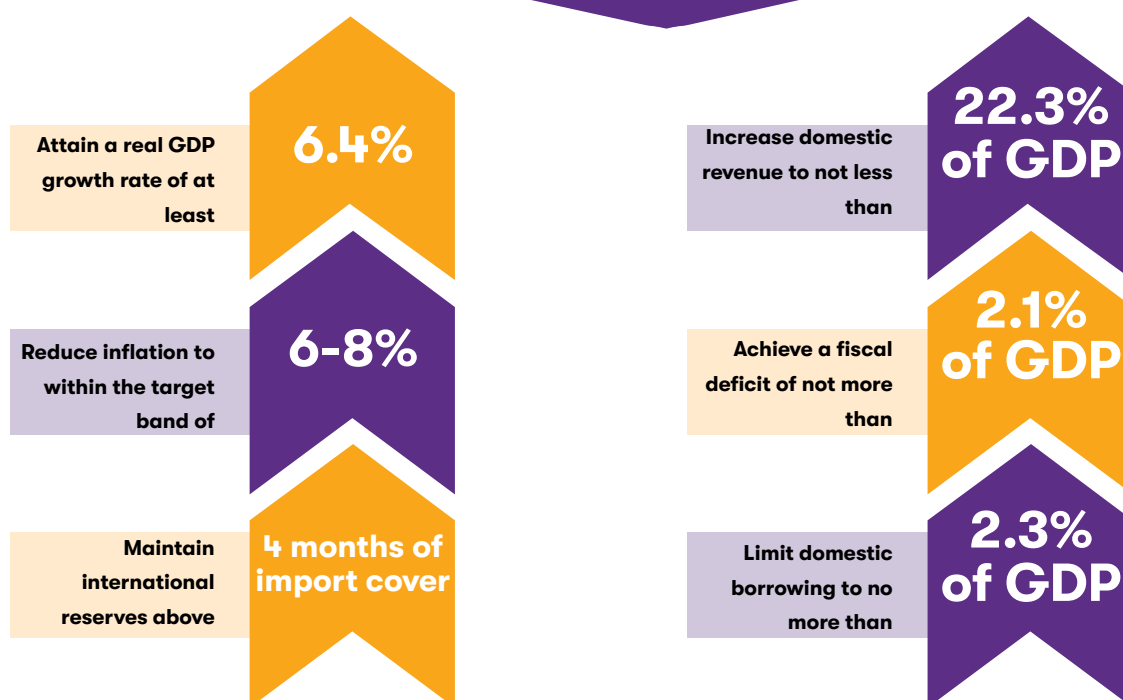
The four thematic areas are:

- Economic transformation and job creation;
- Human and social development;
- Environmental sustainability; and
- Good governance environment.



	2025 Budgeted outturn	2025 Projected outturn
GDP growth rate	6.6%	5.8%
Inflation rate (30 September 2025)	6 - 8%	12.3%
Overall fiscal deficit to GDP	4.8%	6.4%
Gross International reserves of import cover (31 July 2025)	3 months	4.8 months
Domestic debt (K billion – 31 August 2025)	229.4	242.0
Central Government external debt (US\$ billion – 30 June 2025)	15.43	15.78
Government guaranteed debt (US\$ billion – 30 June 2025)	1.36	1.36
Domestic arrears, including fuel and electricity (K billion – 31 August 2025)	80.8	84.1

**Government has set the following macroeconomic objectives for 2026:**



In order to achieve the budget objectives and targets for 2026, Government has proposed to spend K253.1 billion (2025:K217.1 billion).



**K218.60** billion  
Total Domestic Revenue (23.7% of GDP)



**K21.62** billion  
Domestic Financing (2.3% of GDP)



**K165.76** billion  
Tax Revenue (17.9% of GDP)



**K12.15** billion  
Foreign Grants (1.3% of GDP)



**K12.87** billion  
Foreign Financing (1.4% of GDP)

## 2026 Budget Commentary (Continued)

The allocation of the budgeted expenditure in percentage terms is as follows:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	%	%	%	%	%	%	%	%	%	%	%	%	%
General Public Service	25.1	25.8	36.1	27.9	36.1	36.0	41.5	48.3	49.9	39.5	33.1	34.0	36.6
Economic Affairs	28.0	27.3	24.9	31.1	24.1	23.8	20.6	18.0	19.5	20.9	22.3	22.4	23.2
Education	20.2	20.2	17.2	16.5	16.2	15.4	12.4	11.5	10.4	13.9	15.4	14.5	13.0
Health	9.9	9.6	8.3	8.9	9.5	9.3	8.8	8.1	8.0	10.4	11.8	10.7	10.3
Defence	6.4	6.9	5.9	5.0	4.9	5.8	6.2	4.7	4.5	4.9	5.6	4.7	4.7
Public Order and Safety	5.0	4.7	3.5	3.6	3.0	3.3	3.8	2.6	2.0	3.1	3.8	3.9	3.8
Environmental Protection	0.4	0.4	0.3	1.0	1.3	1.0	0.6	0.8	0.6	0.6	0.8	0.7	0.6
Housing and Community Amenities	1.5	1.7	0.9	1.3	1.1	2.6	3.3	1.9	1.4	1.5	1.5	1.4	1.3
Recreation, Culture and Religion	0.7	0.7	0.5	0.5	0.6	0.3	0.4	0.1	0.1	0.3	0.3	0.3	0.3
Social Protection	2.8	2.7	2.4	4.2	3.2	2.5	2.4	4.0	3.6	4.9	5.4	7.4	6.2
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



## Overall Comments

- Spending on social security has seen an increase in proposed allocation.
- The New Dawn Administration has produced a budget that aims to continue empowerment of people at the constituency level by increasing the Constituency Development Fund (CDF) from K36.1 million in 2025 to K40.0 million per constituency in 2026.
- Furthermore, people at the local level will continue to make decisions on how to spend the CDF.
- The need for efficient and effective procurement of goods and services so as to achieve the right price, right quality and delivery on time continues to be emphasised.
- Completion of the restructuring of the external debt remains an urgent objective to deal with the principal and interest arrears as well as have an agreed way forward with the remaining lenders.
- Job creation for the youth continues to be a priority with the intended recruitment of 2,500 teachers and 2,000 health workers in 2026.
- Mining continues to receive particular attention so as to increase production from 800,000 tonnes currently to 3,000,000 tonnes per annum in 6 years.
- Allocation to health has increased to bridge the gap arising from some of the donors withdrawing their financial support.
- The Minister resisted the temptation to increase expenditure in an election year that would affect the macro economics stability.



## Challenges

- The implementation of the Budget is dependent on Government continuing to meet its revenue targets.
- The Budget faces the following risks:
  - Increased infrastructure development costs;
  - Any slowness in implementation of projects at the local level under CDF in some constituencies;
  - Exchange rate fluctuations on account of high demand for importation of commodities and foreign debt service;
  - Climate change effects that pose a risk in terms of both food security and hydropower generation; and
  - Subdued global growth due to geopolitical tensions, climate change events, and relatively tight financial conditions.

## Presidential Comment on opening of Parliament

The Fifth Session of the Thirteenth National Assembly was opened by the President on 12th September 2025. The Theme of the Presidential speech focused on the positive strides on the Zambian economic and social transformation agenda.

The president highlighted:

- ☛ the economic growth,
- ☛ the market confidence regained,
- ☛ and the restoration of rule of law.

He emphasized that these efforts are yielding the desired results and more remains to be done.

The address was under the theme **“Consolidating economic and social gains towards a prosperous, resilient and equitable Zambia”**.

The theme is anchored on a commitment to a national mission of

- ☛ building a prosperous Zambia.
- ☛ A Zambia where business and job opportunities are available to all,
- ☛ A Zambia where quality education and accessible healthcare are assured for all, and
- ☛ A Zambia where every citizen lives a dignified life and can achieve their potential.



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# 2026 Sectoral Impact

## Agriculture, Livestock and Fisheries

- To make the Farmer Input Support Programme (FISP) more cost effective and efficient, Government will roll out the e-voucher system to all 116 districts during the 2025/2026 farming season.
- In 2026, Government will construct 9 dams, complete 7 and maintain 300.
- To address the unpredictability in agriculture markets and commodity prices, Government will introduce the Agricultural Marketing Bill and amend the Food Reserve Act, 2020, and the Agricultural Credits Act, 2010. The desired outcome is increased production and productivity, food and nutrition security, value addition, exports and job creation.
- In 2026, Government will establish additional disease-free compartments in Choma, Mazabuka, Mkushi and Sinda. Government will also support the livestock sector through enhanced disease control and surveillance, improved animal breeds, and strengthened extension service support.
- Government will operationalise regional laboratories in Isoka, Mongu, Ndola and Solwezi districts to complement the already functional laboratories in Chipata, Choma and Kasama. This is in addition to the five disease -free compartments at Chikankata, Chipata, Chisamba, Mumbwa and Namwala.
- The national fish deficit has reduced significantly, positioning the country to achieve the projected fish consumption of 16 kilograms per person per annum by 2026 from the current 13.3 kilograms.
- In 2026, Government will continue to implement the Genetic Improvement Programme (GIP) to enhance the performance of our local cultural fish species. Government will also operationalise aquaculture parks in Kasempa, Mungwi, Mushindamo and Samfya.

## Constituency Development Fund (CDF)

- The programme has become one of the most powerful tools for delivering equitable, inclusive and sustainable development to the people.
- Proposed increase in CDF allocation to K6.2 billion in 2026 from K5.6 billion in 2025.
- Allocation to each constituency therefore increased to K40 million from K36.1 million.
- In 2026, Government, using CDF, will continue to construct maternity annexes across the country.

## Construction

- Rehabilitation of the Batoka – Maamba road which is at 39 percent with works expected to be completed in 2027.
- Government will in 2026 embark on the construction of the following:
  - Mufulira – Mokambo - Mansa Road via Chembe
  - Luansobe – Mpongwe – Machiya Road including the Ngabwe bridge
  - Chipata - Lundazi Road
  - Mutanda – Mwinilunga Road
  - Livingstone – Kazungula – Sesheke Road
  - other vital road links
- The Lusaka – Ndola Dual Carriageway is expected to be delivered before the official completion date of August 2027.
- Following the signing of the Concession Agreement for the rehabilitation and upgrading of the 371 kilometres of the Mutanda to Kaoma via Kasempa Road, works are expected to commence before end of 2025.

### Construction (continued)

- Government targets to upgrade 808 kilometres of feeder roads to gravel standard. These will include:
  - Lumpuma – Mukutuma – Mukambo Road in Lufwanyama
  - Musele – Wamafwa Road in Kalumbila
  - Chilombo - Katoya Road in Kaoma
  - Nshindaila – Chunga Kalaba Road in Lupososhi and Samfya
  - Chisanga - Kakanko Road in Ngabwe
  - Chinambi - Mbizi Road in Nyimba
  - Chikowa Turnoff – Kabindwa Village in Mambwe and
  - Lwimba – Katoba Road in Changwe

The remaining roads are expected to be completed in 2026.

- Government will commence construction of the following:
  - Kalabo - Sikongo Road
  - Mpika - Chinsali Road
  - Serenje - Mpika Road
  - Mwinilunga - Jimbe Road (including the Boarder Post at Jimbe). These roads are a significant part of the Lobito Corridor.
- Rehabilitation works in the eight districts to continue, 50 kilometres targeted to be completed in 2025, another 50 in 2026 while the remaining 27 kilometres is scheduled for completion in 2027.
- Government plans to construct 15 acrow bridges across the country to enhance connectivity in rural areas.
- Negotiations with the China Civil Engineering Construction Corporation and the Government of the United Republic of Tanzania to sign the concession agreement for Tanzania – Zambia Railway Authority have been concluded. Signing is expected end of 2025.

### Construction (continued)

- Under the concession, railway infrastructure will be rehabilitated to enable efficient transportation of minerals, agriculture products and other essential goods and passengers on the TAZARA corridor.
- Government to commence construction of Choma, Kasaba Bay and Nakonde Airports.
- Land for the future development of Chipata, Solwezi and Mongu Airports secured.
- Plan to upgrade facilities at the Chirundu one stop border.
- Katima Mulilo and Kasumbalesa earmarked to become one stop border posts. The Public Private Partnership (PPP) mode will be used to finance most of these projects.
- Government plans to develop harbour infrastructure at Siavonga, Chipepo, Sinazongwe and Shang'ombo in 2026.
- 46 Secondary schools scheduled for completion in 2025. The remaining 120 are targeted to be completed in 2026.
- Government to complete the construction of hostel blocks at the Copperbelt University and the University of Zambia in 2026.
- In 2026 Government will continue to construct maternity annexes across the country.
- Proposed allocation of K14.5 billion for the construction, rehabilitation and maintenance of roads to include urban and feeder roads across the country.
- Government will continue to construct roads using (PPP) mode so that cash saved may be deployed on roads that cannot attract PPP funding.
- Proposed to allocate K1.1 billion for developing provincial airports.
- In 2026 Government will construct 9 dams, complete 7 and maintain 300 to enhance climate resilience.



### Construction (continued)

- Government has commenced under Phase two, the construction of five level 1 hospitals in the following:
  - Choma
  - Kabwe;
  - Monze;
  - Solwezi; and
  - Zambezi.
- Construction of 120 mini hospitals across the country has commenced.
- In 2026 works are expected to start on the interconnection between Zambia and Tanzania.
- Government remains committed to ensuring that communication towers are constructed to strengthen e-governance and digital services.

### Environmental Sustainability

- Government continues to promote sustainable development and environment protection by enhancing the regulatory framework, advancing green financing and investing in weather and climate services.
- Environmental pollution remains one of the most pressing challenges.
- To address this, Government has discouraged excessive use of plastic being a major source of land and water pollution, encouraging the use of environmentally friendly alternatives.
- Government proposes to increase excise duty to 100 percent from 30 percent on single use plastics.
- Government has further intensified measures to curb the use of mercury in mining activities, particularly in artisanal and small scale operations.

### Environmental Sustainability (continued)

- In addition, Government has strengthened enforcement against illegal mining, promoting mercury free gold processing technologies, enhancing awareness campaigns on the dangers of mercury to human health and the environment as well as supporting alternative livelihoods for communities dependent on such practices.

### Energy

- Government efforts will be targeted at increasing generation capacity from non-hydro sources. The target is to increase the share of non-hydro renewable energy generation mix to 33.0 percent from the current 3.0 percent.
- In 2026 works will start on the interconnector between Zambia and Tanzania which will give Zambia connection to other East African Countries like Kenya, Uganda and Ethiopia.
- Government will implement 100 on-grid and 30 off-grid projects through the Rural Electrification Programme.
- As part of efforts to provide a conducive policy environment and adopt progressive reforms that attract Private investments, Government will establish an Electricity Fund. K500 million has been allocated in the budget.
- The Electricity Fund will strengthen electricity security and ensure stable supply.
- Other key reforms include the Multi-Year Framework, Electricity Open Access Framework, Net Metering Policy Framework and the Energy Single Licensing System.

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### Energy (Continued)

- To attract investment in the electricity sub-sector and improve electricity supply, Government proposes to:
  - Provide duty relief for machinery and equipment required for transmission and distribution of electricity; and
  - Increase the period to 10 years from 7 years in which a business in hydro electricity generation can claim a refund on VAT incurred on eligible goods before commencement of commercial operations.

### Education

- To complement free education, Government has scaled up the home-grown school feeding programme. In 2026, the programme will be rolled out to all 116 districts.
- To improve the quality of education, Government will recruit a further 3,500 teachers in 2026.
- To align the education system with the demands of the labour market, Government is implementing the 2023 revised curriculum. This is being done in a phased approach with full roll out expected in 2029.
- Government proposes to spend K33.0 billion or 13.0 percent of the total budget on education.
- K2.4 billion is for the free education programme and K2.3 billion for the completion and rehabilitation of schools and university infrastructure across the country.
- K1.4 billion has been allocated to the Higher Education Loans and Scholarship Board. This will ensure that students from poor families can be supported.
- K300.0 million has been allocated to the revised national education curriculum to equip learners with skills necessary to respond to the demands of the labour market.

### Fiscal Policy and Measures

- Government will look to strengthen revenue mobilisation and channel resources to areas with a direct impact on the livelihoods of the Zambian people, especially the vulnerable.
- The aim is to further reduce budget deficits and consolidate fiscal sustainability.
- To simplify and harmonise tax administration procedures across different tax types, Government will present the Tax Administration Bill to help ease compliance and streamline tax administration.
- With the objective of improving the performance of state-owned enterprises, Government has revised the State-Owned Enterprises Policy. It looks to strengthen good corporate governance, enhance fiscal performance and improve financial stability.
- The State-Owned Enterprises Bill will provide the legal framework for state-owned enterprises, whilst strengthening accountability, oversight, management and control of these state-owned enterprises.
- Government has established the Debt Management office responsible for annual debt sustainability analysis, medium term debt strategies and credit risk analysis.
- Government will take a proactive market-based approach to debt management involving various operations aimed at optimising Zambia's debt portfolio and supporting development of the domestic market using market-based tools.
- It is proposed Government will spend K253.1 billion (27.4% of GDP) in 2026.

## Fiscal Policy and Measures (Continued)

- Government spending in 2026 is planned to be funded as follows:
  - K206.5 billion from Domestic Revenues
  - K12.1 billion from Grants from Co-operating Partners
  - K34.5 billion from Domestic and External Borrowing
- Domestic borrowing is projected to be K21.6 billion, while external borrowing will be K12.9 billion.
- In maintaining a flexible exchange rate regime, and enhancing foreign exchange earnings, Government will continue to accumulate reserves, provide market support to avoid exchange rate volatility, foster diversification of exports and sustain foreign investment flows.
- To operationalise the Fiscal Risk Statement, a Fiscal Risk Management Framework will be developed to outline the roles and responsibilities of ministries, provinces and agencies.

## Health

- Government's focus is on achieving universal health coverage and the provision of quality health services through the recruitment of health personnel, provision of medicine and medical supplies as well as infrastructure development.
- Government will continue to use CDF to construct maternity annexes across the country.
- The construction of the Ndola Cancer Treatment Centre and Cancer Diseases Hospital in Lusaka are still on going.
- Government will continue to implement the SmartCare Pro System to improve patient record management in public health facilities.

## Health (Continued)

- In 2026, Government proposes to spend K26.2 billion, or 10.3 percent of the budget, to support health service delivery across the country:
  - K6.4 billion to be apportioned to the procurement of drugs and medical supplies, which is an increase from 2025 of 30.0 percent.
  - K953.5 million allocated for maintenance and procurement of essential medical equipment.
  - K1.7 billion towards health infrastructure development to expand access to healthcare.
  - K249.5 million for the ongoing construction of mini hospitals under phase 2 of the project.

## Manufacturing and Industrialisation

- The manufacturing sector is among the sectors that has attracted huge investments.
- Essential machinery for the Zambia - China Mulungushi Textiles has been received and is being installed in readiness for commencement of production. This will create employment and provide farmers with an opportunity to supply cotton through-out grower schemes.
- Propose to revise the selected goods surtax and customs duty on imported steel products, pasta, processed meat and edible offals, carbon dioxide, flexible PVC pipes, polyester fibre and float glass.
- Propose to remove customs duty on complete knock-down components for the assembly of motor vehicles, including tipper trucks, electric vehicles, tricycles, motor cycles, truck trailers and tractors.

### Monetary and financial Sector Policies

- Monetary policy will continue to play a critical role in fostering price stability by steering inflation back to the target band of 6 – 8 percent over the medium term.
- The Bank of Zambia will issue regulations by end of 2025 to reinforce the use of the Kwacha in domestic transactions. The regulations will outline exemptions and will be accompanied by detailed guidelines.
- Government will table a bill to revise the Banking and Financial Services Act to Parliament during the current session. The revision of the Act is aimed at strengthening the resilience and integrity of the financial system.
- The Deposit Protection Scheme bill will also be tabled to Parliament during the current session.
- The Bank of Zambia will issue the Banking and Financial Services (Deposit Protection) rules by end of 2025. Under the rules, a fund will be established to pay out deposits up to specific amounts in the event of failure of a financial institution.
- Government will continue supporting the de-risking of lending to Small and Medium Enterprises (SMEs) through the Zambia Credit Guarantee Scheme.
- The Bank of Zambia is on course to launch a K5 billion fund to support small businesses by providing credit guarantees through commercial banks and the financial services providers. The fund is expected to be launched in the first quarter of 2026.
- Government will continue to maintain a flexible exchange rate regime, build international reserves and provide market support to mitigate excessive exchange rate volatility.

### Monetary and financial Sector Policies (Continued)

- The scope to the Export Proceeds Tracking Framework is being expanded to include trade in services and tracking of imports. The framework has helped to enhance the quality of balance of payments data as this was not captured previously.

### Mining Sector

- Target of one million metric tonnes of copper production already in sight towards three million metric tonnes target per annum by 2031.
- To address the increased incidences of accidents and deaths due to unsafe mining practices, Government has allocated financial resources.
- Government is constructing two market centres in Mumbwa and Rufunsa districts expected to be completed by the end of 2025.
- The initiative is expected to be rolled out to other districts where mining and trading activities are already taking place.
- Government plans to form an entity to exclusively manage the trade in gold.
- The mapping of economic mineral potential using the country-wide High Resolution Aerial Geophysical Survey which was launched in July 2024 is expected to continue in 2026.
- The Mineral Regulation Commission Act 2024 is expected to be operational late 2025.
- The Commission will also work with the Zambia Revenue Authority to ensure that all mining operations big and small adhere to tax laws.

### Mining Sector (Continued)

- Propose to increase spending on mining related activities to K1.2 billion:
  - K541.5 million on Aerial Geological and Geophysical Mapping.
  - K449.5 million to support artisanal and small scale mining mainly for construction of mineral processing hubs and market centres.
  - K75.9 million to operationalise the Mineral Regulation Commission.
- The expenditure is an investment expected to open new doors for more mining in Zambia.

### Micro, Small and Medium Enterprises (MSMEs) and the Capital Markets

- Government will continue to implement empowerment programmes.
- The allocation to Zambia Credit Guarantee for 2026 will be maintained at K851.7 million as in the previous year.
- Allocation for empowerment funds has been increased to K588.5 million from K391.9 million in 2025.
- Government proposes to spend K4.7 billion towards the dismantling of arrears to suppliers of goods and services.
- To promote MSMEs to grow, Government has proposed the following tax reliefs:
  - Increase the tax-exempt threshold for turnover tax and rental income to K2,500 from K1,000 per month;
  - Increase the turnover tax threshold for artisanal and small-scale mining to K5,000,000 from K800,000; and
  - Reduce the penalty for late turnover tax payment to 0.5 percent from 5.0 percent.
- Government proposes to adjust upwards mobile money transaction levy rates.

### Information and Communication Technology

- Government has prioritised construction of communication towers in underserved and unserved areas.
- Government remains committed to ensuring that communication towers are constructed to strengthen e-governance and digital services.
- These towers are expected to:
  - enable farmers to access markets and weather updates;
  - support delivery of Government programmes such as the Social Cash Transfer and FISP; and
  - expand mobile money usage which underpins 55 percent of financial inclusion.
- Government with cooperating partners will procure Starlink Kits and provide internet to 400 health facilities under the solar for health project.
- Government continues to roll out the Government Wide Area Network to public institutions.

### Public Sector

- Government is developing the State-owned Enterprises Bill which will provide the legal framework for state-owned enterprises.
- The Bill will strengthen accountability, oversight, management and control of state-owned enterprises.

### Tourism

- K1.5 billion has been allocated in the budget.
- Focus areas on tourism sector funding include infrastructure improvement, support to wildlife conservation and tourism marketing.
- Provincial airport infrastructure has been allocated K1.1 billion to enhance air connectivity and position Zambia as a regional hub.

### **Tourism (Continued)**

- Government estimates that K79 million will be raised as revenue from Tourism Levy.

### **Youth**

- Government will complete the construction of hostel blocks at the Copperbelt University and the University of Zambia in 2026.
- In 2026, Government will provide bursaries to 6,000 students and train 100,000 youth in various skills.
- Government is also enhancing crop diversification and alternative livelihoods through the livestock pass on scheme.
- Government will reform the cash for work programme to address some of the challenges experienced and improve targeting.
- K2.3 billion allocated for the completion and rehabilitation of schools and university infrastructure across the country.

### **Water and Sanitation**

- In 2026, Government will construct nine dams, complete seven and maintain 300 in concerted efforts towards improving operational efficiency.
- The water supply and sanitation sector continues to face challenges with the increasing gap between cost of service provision and the average tariff which has negatively affected the financial viability of the commercial utility companies.
- The average cost of producing a cubic metre of water stands at K18 whilst the same is sold for K7.90 resulting in a financial gap of about K1.3 billion cumulatively per annum.
- To unlock the potential of the water and sanitation sector and attract private sector investment, Government emphasises the need to undertake structural and fiscal reforms.

### **Water and Sanitation (Continued)**

- This requires implementation of a cost recovery tariff framework with targeted support for the poor, strengthening of corporate governance, recapitalisation of utilities and leveraging Public Private Partnerships to attract new capital and technologies.
- These measures create a strong foundation towards the attainment of universal access to clean water supply and adequate sanitation for all citizens by 2030.
- The Government has proposed an allocation of K3.2 billion to housing and community amenities out of which K1.8 billion is to improve access to safe drinking water, particularly in rural and peri-urban areas.

### **Social Protection**

- Government will continue to increase and broaden social security coverage.
- In 2026, Government will further increase the number of beneficiaries to 1.5 million households impacting over 8.4 million people.
- The Food Security Pack (FSP) beneficiaries will be increased to more than 320,000 over the medium term.
- To further enhance pension benefits for public service workers by building a sustainable and resilient pension system that protects retirees from old age destitution, Government has embarked on comprehensive pension reforms, which include the introduction of an occupational pension scheme for public service workers.
- In 2026, Government will reform the Cash For Work (CFW) programme to address some of the challenges experienced and improve targeting.
- Government is developing a national social registry to streamline the social protection and human capital development agenda.



## Social Protection (Continued)

- Government proposes to spend a total of K15.7 billion on Social Protection Programmes which include the following:
  - K7.6 billion for the Social Cash Transfer Programme;
  - K4.9 billion for pension payment to retirees; and
  - Food Security Pack allocation to increase from K1.2 billion to K1.5 billion to include more beneficiaries.

## Transport

- Government will embark on the construction of the:
  - Mufulira - Mokambo
  - Mansa Roads via Chembe,
  - Luansobe - Mpongwe - Machiya Road including the Ngambwe bridge,
  - Chipata - Lundazi road,
  - Muntanda - Mwinilunga road,
  - Livingstone - Kazungula - Sesheke road and other vital road links.
- Progress on the construction of the 327 kilometer Lusaka-Ndola dual carriageway flagship project stands at 45 percent. The project is expected to be delivered before the official completion date of August 2027.
- Following the signing of the concession Agreement for the rehabilitation and upgrading of the 371 kilometers of the Mutanda to Kaoma via Kasempa Road, works are expected to commence before the end of this year.

## Transport (Continued)

- Government targets to upgrade 808 kilometers of feeder roads to gravel standard. These include
  - Lumpuma-Mukutuma
  - Mukumbo road in Lufwanyama,
  - Musele Wamafwa road in Kalumbila,
  - Chilombo – Katoya Road in Kaoma,
  - Nshindaila-Chungu-Kalaba road in Lupososhi and Samfya,
  - Chisanga -Kakonko Road in Ngambwe,
  - Chinambi-Mbizi road in Nyimba,
  - Chikowa turnoff – Kabidwa village in Mambwe and Lwimba
  - Katoba road in Chongwe.

So far 300 Kilometers have been completed while the remaining works will be completed in 2026.

- Government will commence the construction of:
  - Kalabo-Sikongo road,
  - Mpika-Chinsali road,
  - Serenje-Mpika road and Mwinilunga - Jimbe road including the border post at Jimbe.
- Government will also commence works to rehabilitate the:
  - Mutanda – Kisasa - Mwinilunga - Jimbe road and
  - Kasempa turnoff to Kabompo via Mufumbwe road. These roads are a significant part of the Lobito Corridor.
- Government is rehabilitating and upgrading roads in eight districts. Of the 127 kilometres of selected road network being worked on, 50 kilometres will be completed this year and another 50 kilometres in 2026. The remaining 27 kilometres is scheduled for completion in 2027.
- In 2026, Government will construct 15 acrow bridges across the country.

### Transport (Continued)

- Government has concluded tripartite negotiations with the China Civil Engineering Construction Corporation and the Government of the Republic of Tanzania to sign the concession agreement for Tanzania Zambia Railway Authority. Under the concession railway infrastructure will be rehabilitated to enable efficient transportation of minerals, agricultural products, other essential goods and passengers on the Tazara corridor.
- Progress made on the Zambia - Lobito Railway include the completion of the first draft of the feasibility study.
- Katima Mulilo and Kasumbalesa are earmarked to become one stop border posts while works to upgrade the Chanida, Sakania, Sikongo and Zombe border posts are currently ongoing.
- Government plans to develop harbour infrastructure at Siavonga, Chipeco, Sinazongwe and Shango'mbo in 2026.
- Government has allocated K14.5 billion for the construction, rehabilitation and maintenance of roads, including urban and feeder roads across the country.

# Review of 2025 Economic Performance

## Overview

- In the domestic economy, real GDP growth is projected at 5.8% in 2025, up by 2.0% points compared to 2024. The global economies are expected to grow by 3.0 % in 2025, compared to 3.2 % in 2024. Two notable events that increased global growth are improved financial conditions and fiscal expansion in major economies.
- The agriculture, livestock, forestry and fisheries sectors performed very well. This was mainly due to improved rainfall and timely delivery of inputs.
- The Kwacha exchange rate appreciated from around K27.89 per United States dollar as at 31 December 2024 to about K23.74 by 30 September 2025. This was attributed to improved foreign exchange inflows from the mining sector.
- The 2025 budget deficit is expected to be at 4.6% of GDP from the target of 3.1 % of GDP. This is due to the realignment of the budget. The adjustment was effected to accommodate clearance of fuel arrears and increased external debt service payments.
- The goal of the monetary policy in 2025 was anchored on bringing back inflation to the target range of 6-8 % in the Medium Term. As at 30 September 2025, the inflation rate reduced to 12.3 % from 16.7% as at 31 December 2024.
- The total exports in the period 1 January 2025 to 31 August 2025 were US\$8.18 billion whilst the imports for the same period were US\$8.21 billion.
- The amount of money lent by the banking system to households and businesses grew by 20.7% in the first six months of 2025.

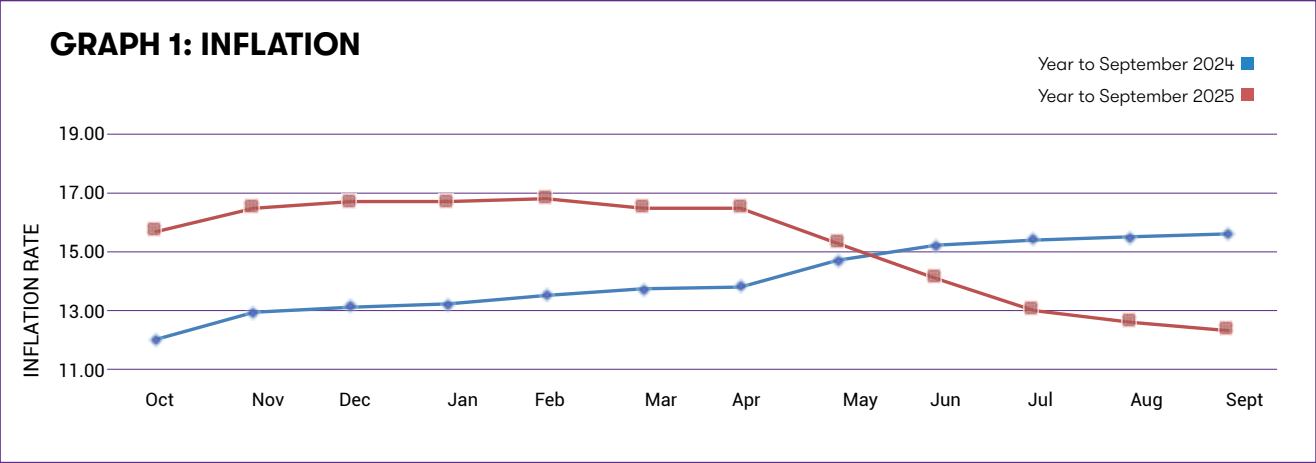
Key Performance Indicator	31 Dec 2025 (projected)	31 Dec 2024 (Actual)
Gross Domestic Product (GDP)	5.8%	3.8%
Inflation (30 September 2025)	12.3%	16.7%
Commercial bank average lending rate (31 August 2025)	29.0%	26.6%
US\$ Exchange rate (30 September 2025)	23.74	27.89
Foreign debt stock (US\$bn) – (30 June 2025)	15.78	15.43
Government guaranteed debt (US\$ bn -30 June 2025)	1.36	1.36
Domestic Government debt stock (Kbn) (31 August 2025)	242.0	229.4
Government arrears to suppliers (Kbn) (30 June 2025)	84.1	80.8
Monetary Policy Rate (31 August 2025)	14.5%	14.0%
Statutory reserve ratio (31 August 2025)	26.0%	26.0%



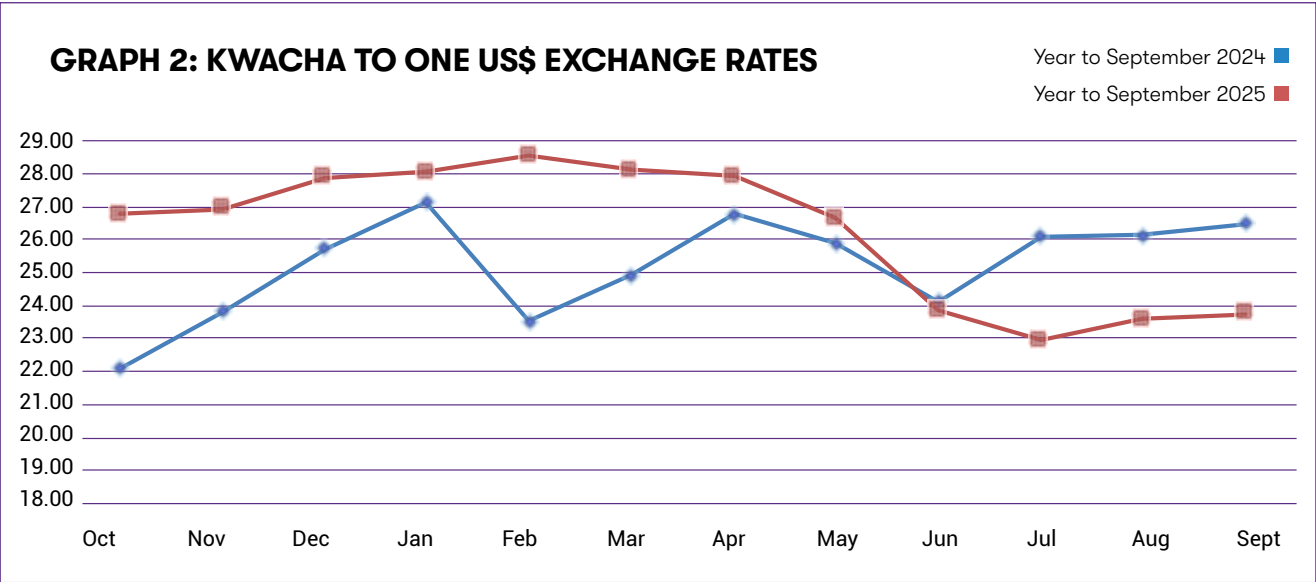
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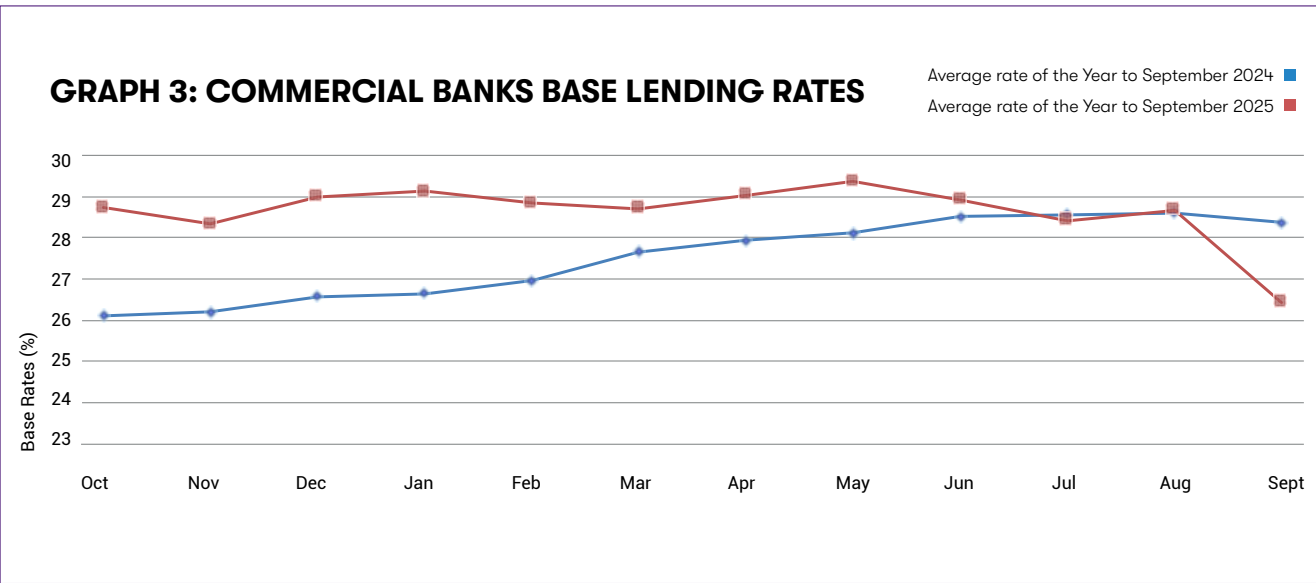




Source: Central Statistical Office



Source: Bank of Zambia



Source: Bank of Zambia



### **Agriculture, Fisheries and Livestock**

- In agriculture, there was a rebound in the production levels across major crops.
- In the 2024/2025 farming season, maize production increased to a historical 3.7 million metric tonnes, compared to 1.5 million in the 2023/2024 season.
- Soya beans production increased to 760,000 metric tonnes from 400,000.
- Maize seed production increased to 94,300 metric tonnes in 2024 from 52,000 in 2023.
- The country is now self-sufficient in maize seed production and exporting locally produced maize seed to a number of countries in Africa and Europe.
- Additional investment in maize seed production has continued with the completion of the Bayer Itaba seed production facility in Kabwe. Zambia is now the largest maize seed producer in Sub-Saharan Africa.
- Key drivers of growth in agriculture production include increased private sector participation and Government reforms such as FISP e-voucher. A total of 730 thousand farmers were migrated onto the e-voucher.

### **Agriculture, Fisheries and Livestock (continued)**

- By migrating these farmers, GRZ was able to remove over 210 thousand fraudulent beneficiaries.
- Of the farmers that migrated to the e-voucher, 99 percent received their inputs ahead of the rains. In addition, a broader choice of inputs is being made available to them.
- GRZ is committed to a 100 percent roll-out to all 116 districts from the 74 that were initially on the programme.
- More than 5,000 jobs were created across the agro-sector supply chain, resulting in the transformation of lives and stimulation of rural economies across Zambia.
- To ameliorate the effects of climate change and improve resilience, GRZ is supporting the development of irrigation agriculture.
- Currently, 200 thousand hectares of irrigated land is being utilized to grow maize and other crops.
- To support the irrigation agenda, GRZ is carrying out a number of interventions. These include water harvesting, the rehabilitation and construction of dams, as well as canals, all across the country.
- A total of 9,000 farmers received loans from the Sustainable Agriculture Financing Facility (SAFF) in the 2024/2025 farming season, compared to 4,300 in the previous season. Financial disbursements more than doubled, increasing from K272.3 million in the previous season to K667.3 million in the 2024/2025 farming season.
- Through SAFF, farmers have been able to acquire agricultural equipment and other inputs to improve their production and productivity.

**Agriculture, Fisheries and Livestock (continued)**

National level- Area Planted (Ha), Area to be Harvested (Ha), Expected Production (Mt), Yield (Mt/Ha) and Sales (Mt) by Crop: 2023/2024 Agricultural Season VS 20													
Crop	Area Planted (Ha)			Expected Area Harvested (Ha)			Expected Production (Mt)			Expected Yield (MT/Ha)			
	CFS2024	CFS2025	% change	CFS2024	CFS2025	% change	CFS2024	CFS2025	% change	CFS2024	CFS2025	% change	
Maize (for grain)	2,209,160.39	2,172,268.29	-1.67%	684,402	1,690,797.38	147.05%	1,511,143.43	3,655,645.59	141.91%	0.68	1.68	146.02%	
Sorghum (for Grain)	42,371.53	54,891.18	29.55%	4,524	27,759.09	513.54%	2,864.90	13,794.80	381.51%	0.07	0.25	271.69%	
Rice	86,832.28	37,789.29	-56.48%	23,162	32,223.89	39.12%	24,565.61	39,457.11	60.62%	0.28	1.04	269.07%	
Millet	41,712.26	63,954.96	53.32%	18,220	43,281.96	137.55%	15,389.58	24,132.88	56.81%	0.37	0.38	2.28%	
Sunflower	463,106.98	360,521.49	-22.15%	103,777	278,562.24	168.42%	44,128.43	115,011.17	160.63%	0.10	0.32	234.79%	
Groundnuts (Unshelled)	353,441.11	170,753.19	-51.69%	129,357	147,366.54	13.92%	87,655.18	101,884.01	16.23%	0.25	0.60	140.59%	
Soya beans	376,051.46	294,184.22	-21.77%	157,796	257,997.48	63.50%	169,699.71	288,793.17	70.18%	0.45	0.98	117.54%	
Irish potatoes	2,400.64	2,041.91	-14.94%	1,631	1,875.72	15.03%	34,152.85	21,532.11	-36.95%	14.23	10.55	-25.88%	
Mixed beans	85,673.95	80,391.18	-6.17%	69,668	70,010.26	0.49%	38,937.43	38,381.99	-1.43%	0.45	0.48	5.05%	
Bambara nuts	7,810.27	2,156.97	-72.38%	2,897	1,746.33	-39.72%	2,154.26	1,210.72	-43.80%	0.28	0.56	103.50%	
Cow peas	42,793.21	32,724.80	-23.53%	3,584	21,813.63	508.59%	1,082.67	6,110.20	464.37%	0.03	0.19	638.00%	
Sweet potatoes (for Tuber)	49,199.74	56,140.53	14.11%	29,784	50,224.16	68.63%	83,542.38	141,664.89	69.57%	1.70	2.52	48.61%	
Cassava	267,331.46	286,831	7.29%	267,331	286,831	7.29%	3,127,778.10	3,167,650	1.27%	11.70	11.04	-5.61%	
Wheat (for Grain)	28,051.74	17,822.26	-36.47%	28,052	17,812.26	-36.50%	198,886.38	129,523.51	-34.88%	7.09	7.27	2.50%	
Barley (for Grain)	1,261.03	259.00	-79.46%	1,261	259.00	-79.46%	8,153.61	2,016.00	-75.27%	6.47	7.78	20.38%	
Source: 2023/2024& 2024/2025 MoA/ZAMSTATS Crop Forecasting Survey													

### **Agriculture, Fisheries and Livestock (continued)**

- To modernise agriculture, Government has for the first time, established 40 mechanisation service centres in 2024. These centres are providing agricultural machinery and equipment for hire by small-scale farmers. So far, more than 2,500 farmers have accessed mechanisation services ranging from ploughing, planting, spraying and harvesting.
- To complement this effort, 10 mechanisation centres of excellence have been established to provide capacity building to agricultural staff, mechanisation service providers and farmers. In 2024, more than 210 farmers received training from the mechanisation centres of excellence.
- The country is close to achieving self-sufficiency in fertilizer production and is already a net exporter of compound fertilizer. The ammonia and urea plant at United Capital Fertiliser Zambia Limited is now operational.
- Zambia is, therefore, also poised to become a net exporter of ammonia and urea, creating rewarding jobs for the people. The plant will produce 180 thousand metric tonnes of ammonia and 300 thousand metric tonnes of urea annually.
- Additionally, from a total investment of close to US\$7 million, Nitrogen Chemicals of Zambia (NCZ) will have the capacity to produce 144 thousand metric tonnes of granulated Compound D fertiliser and 288 thousand metric tonnes of blended fertilisers.

Table 2: National (CEREALS AND TUBERS) Food Balance for Zambia for the 2025/2026 Agricultural Marketing Season. Based on the 2024/2025 MoA/ZAMSTATS Crop Forecasting Survey and MoA/ZAMSTATS/Private Sector Utilization Estimates (MT).

		Maize	Paddy Rice	Wheat (Preliminary)	Sorghum & Millet	Sweet and Irish potatoes	Cassava flour	Total (maize equivalent)
Availability:								
A.	(i) Opening stocks (1st May 2025)	1/ 384,999	649	59,273	2,335	0	0	446,310
	(ii) Total production (2024/25)	2/ 3,655,646	39,457	129,524	37,928	163,197	791,913	4,644,995
	Total availability	4,040,645	40,106	188,797	40,263	163,197	791,913	5,091,305
Requirements:								
B.	(i) Staple food requirements: Human consumption	3/ 2,029,886	91,772	509,979	33,784	155,037	1,341,752	3,948,346
	Strategic Reserve Stocks (net)	4/ 500,000	0	0	0	0	0	500,000
	(ii) Industrial requirements: Stockfeed	5/ 413,811	0	0	0	0	41,974	452,743
	Breweries	6/ 151,538	0	0	4,000	0	5,513	160,535
	Grain retained for seed and other uses	7/ 11,006	1,499	280	582	0	0	13,303
	(iii) Losses	8/ 182,782	1,973	6,476	1,896	8,160	39,596	232,250
	(iv) Structural cross-border trade	9/ 250,000						250,000
	Total requirements	3,539,023	95,244	516,735	40,262	163,197	1,428,835	5,557,177
C.	Surplus/deficit (A-B)	10/ 501,622	(55,138)	(327,938)	0	0	(636,922)	(465,872)
D.	Potential Commercial imports/ exports	11/ (501,622)	55,138	327,938	0	0	0	0
E.	Food aid import requirements	12/ 0	0	0	0	0	0	0

## Notes:

- 1/ Stocks held by commodity traders, millers, brewers, FRA and commercial and small-scale farmers as at 1st May 2025
- 2/ Production estimates by MOA/ZAMSTATS. Cassava production is based on the total area under cassava, using an annual yield figure of 11.7 tonnes per hectare (MAFF Root and Tuber Improvement Programme, 1996). A flour extraction rate of 25 percent is used.
- 3/ Human staple food consumption represents 70 percent (1,470 kCal/person/day, ZAMSTATS) of total diet (2,100 kCal/person/day, National Food and Nutrition Commission), for the national population of 22.66 million people (based on ZAMSTATS Census projections with 2025 and 2026 average population used). The food balance shows an overall deficit of staple foods. Food prices may affect the level of food consumption.
- 4/ National strategic requirements expected to be carried over into the next season by FRA. (this amount of 500,000 Mt includes equivalent to 3 months cover)
- 5/ Estimated requirements by major stockfeed producers.
- 6/ Estimated requirements by industrial breweries.
- 7/ Estimated retention of grain for other uses by smallholders.
- 8/ Post harvest losses are estimated at 5 percent for grains, sweet potatoes and cassava, in line with estimates from other SADC countries.
- 9/ Structural exports represent cross-border trade, mostly to the DRC and Malawi that occurs on a continuing basis and that is likely to occur during the 2025/26 marketing season. It does not include formal trade.
- 10/ Expected surpluses or deficits that arise after meeting minimum overall staple human consumption requirements as well as industrial requirements. The total surplus/deficit is expressed as maize equivalent using energy values.  
The rice deficit is based on a 3 year rolling average of what is known to be imported each year, as indicated under D.
- 11/ Commercial imports/exports represent expected regional and international trade by the private sector.  
For cassava, the deficit represents cassava that is still in the ground and may not necessarily be harvested.
- 12/ Total estimated requirement for food relief among vulnerable groups, to be imported. This could be met with maize or other grains.

### Livestock

- GRZ has set a target of US\$1 billion in beef export revenues. To support this push, GRZ has intensified disease surveillance, prevention and control measures across the country.
- The vaccination coverage against major livestock diseases, such as Contagious Bovine Pleuro Pneumonia (CBPP) and Foot and Mouth Disease (FMD), is now close to 90 percent.
- To boost the vaccination drive, GRZ has continued with local production of critical vaccines. These include vaccines against Anthrax, Black Quarter, Newcastle and East Coast Fever. The country has exceeded the vaccination target for anthrax.
- GRZ has commenced the construction of the animal viral vaccine plant in Chilanga district.
- GRZ has intensified efforts to establish disease free zones and increase exports of beef and other animal products. In the initial phase, it is establishing four beef compartments in Eastern, Central and Southern provinces. Over time, this programme will be expanded to other regions.
- The fisheries sub-sector equally continues to register positive growth. Fish production increased from both farmed and natural sources, increasing from 178 thousand metric tonnes in 2023 to 197 thousand metric tonnes in 2024.

### Education

- The free education policy that was introduced in 2022, has given an opportunity to all children, regardless of their social-economic status to attend school.
- Over 2.3 million learners have since returned to school, primary and secondary schools particularly benefiting girls and vulnerable children.

### Education (Continued)

- To better equip learners with the requisite skills for the job market, the Government has revised the national education curriculum. The Government has also revised the national education policy to address barriers to accessing equitable and quality education for all.
- To ensure no child sits on the floor in schools, so far, 1.6 million desks have been procured out of which over 670 thousand were financed through the enhanced CDF.
- To address the teacher deficit, Government has continued to increase the number of teachers in the schools. Since 2022, 42 thousand teachers have been recruited. This year, 2,000 more teachers are set to be recruited.
- To keep more learners healthy and improve their learning outcomes, Government has continued to expand the home-grown school feeding programme. The programme has been extended to 106 districts in 2025 up from 70 in 2021.
- The number of beneficiaries has, therefore, increased to over 4.6 million learners from 1.9 million in 2021. The programme will be extended to all 116 districts to cover over 5 million learners.
- Government will continue expanding support to the girl child through the “Keeping girls in school Initiative”. Government plans to continue increasing the number of girls on the programme.
- Of 317 secondary schools under construction in 2024, 151 were completed in 2024 and 46 are yet to be completed in 2025.
- Government is working on completing construction of hostel blocks at Public Universities.
- Since 2022, bursaries have been provided to 28,212 students and 209,864 youths have been trained from TEVET institutions.



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## Education (Continued)

- Government has placed a high value on education as a means of uplifting the livelihoods of people by providing teaching and learning requisites, recruiting human capital, developing infrastructure, implementing appropriate curriculum and skills development.

## Health

- Government has emphasised enhancing domestic health investments in response to declining global health financing. The focus has been on strengthening primary healthcare, expanding infrastructure, improving medicine supply chains, and building human capital.
- Investments expected to reduce the economic burden of seeking specialised treatment abroad, keeping medical expenditure within the domestic economy include:
  - a. 282 new health facilities that have been constructed, comprising 7 level-1 hospitals, 111 mini-hospitals, 33 health centres, and 131 health posts.
  - b. Constituency Development Fund (CDF) resources have financed 164 of these facilities, as well as 206 maternity annexes, demonstrating the Government's strategy of decentralised financing.
- Major ongoing projects include:
  - the King Salman Bin Abdulaziz Specialist Hospital for Women and Children,
  - rehabilitation of the Cancer Diseases Hospital in Lusaka which stands at 40 percent completion, and
  - construction of a new Cancer Diseases Hospital in Ndola which is at 75 percent completion.
- To address the significant human resource gap and improve patient ratios, Government prioritized the recruitment of health personnel, 18,305 were hired and an additional 2,000 to be hired by end of 2025.

## Health (Continued)

- Investment in local production of vaccines such as cholera vaccine, other medicines and medical accessories further positions the country to reduce import dependence and stabilise costs.
- As at end of June 2025, essential drugs availability significantly increased to 90 percent for health centres and hospitals from 46 percent in 2021.
- Since 2023, over 2,000 health facilities have been connected through the SmartCare Pro System for storage of patient medical history.
- Enhanced surveillance at major ports of entry and increased immunisation coverage (from 75 percent in 2022 to 81 percent in 2024) highlight progress in preventive healthcare by strengthening the management of the supply chain for medicine and medical supplies through the reorganising of the Zambia Medicines and Medical Supplies Agency (ZAMMSA).

## Manufacturing & Industrialisation

- Government has made significant progress in accelerating the development of special economic zones across the country.
- The zones have attracted 87 companies that are fully operational with an investment outlay of US\$2.9 billion.
- Over 48 thousand jobs have been created in the special economic zones.
- 47 companies are at construction stage in various special economic zones.
- Jiangxi Multifacility Economic Zone in Chibombo attracted investment in excess of US\$128 million and created 1,100 jobs.

## Manufacturing & Industrialisation (Continued)

- Investment incentives in Multi-Facility Economic Zones (MFEZ) included:
  - 0 percent tax for a period of 10 years from the first year of commencement of works;
  - 0 percent tax on dividends declared on profits made on exports from first year of commencement of works;
  - 0% tax on profits made on exports from first year of commencement of works for a period of 10 years and:
    - i) for years 11 to 13, only 50% of profits to be taxed; and
    - ii) for years 14 to 15, only 75% of profits to be taxed.
  - Extension of the validity period for the customs duty incentives accessible by the developer in the MFEZ up to 15 years upon fulfilment of the conditions as may be prescribed; and
  - Income tax concessions on income generated from local sales of corn starch by agro-processing businesses operating in an MFEZ Industrial Park or rural area as follows:
    - i) 0% Corporate Income Tax charged on profits arising from local sales of corn starch for the 2023 – 2033 charge years;
    - ii) 50% Corporate Income Tax charged on profits arising from local sales of corn starch for the 2034 – 2036 charge years;
    - iii) 25% Corporate Income Tax charged on profits arising from local sales of corn starch for 2037 – 2038 charge years; and
    - iv) Waive withholding tax on dividends declared on profits made from local sales of corn starch for the 2023 – 2033 charge years.

## Construction

- 166 new secondary schools across the country are being constructed and are scheduled to be completed in 2026.
- Since 2022, over 2,800 additional classroom blocks have been constructed using the enhanced CDF.
- In addition, 38 early childhood education hubs are under construction and will be completed by 2026. Further, 110 early childhood education hub centres and 112 satellite centres have already been constructed.
- At tertiary level, Government resumed the construction of hostels that stalled in 8 public universities. Once completed, over 8,400 additional bed spaces will be created for students.
- Construction of lecture theatres, staff houses and student hostels is ongoing at the following universities: The University of Zambia, Copperbelt, Mulungushi, Chalimbana, Palabana, Mukuba, Robert Makasa and Kwame Nkrumah.
- New trades training institutes have been constructed in the Sesheke, Mporokoso and Lundazi districts.
- In Lufwanyama, construction of the Chapula Vocational Training Centre is underway, while the rehabilitation of Kaoma Trades Training Institute will commence before the end of 2025.
- Government prioritised the rehabilitation, upgrading and construction of provincial and strategic airports. Government has rehabilitated Kasama, Chipata, Mongu and Solwezi airports and currently they are upgrading Mansa airport and Mfuwe International Airport.
- Furthermore, Government has identified land for the construction of new airports in Choma, Chinsali and Nakonde.

### Construction (Continued)

- The Lusaka-Ndola dual carriageway project is progressing well under a Public Private Partnership (PPP) model. As of 30 June 2025, construction had reached 36% completion. This critical project has also engaged over 3,500 Zambian workers.
- Other PPPs model financed projects are:
  - Chingola-Kasumbalesa
  - Lumwana-Kambimba
  - Katete – Chanida
  - Mufulira-Ndola Sakania road and Border post
  - Kaomeno – Mwenda
  - Solwezi – Kipushi
  - Mutanda – Kaoma via Kasempa
  - Monze-Niko road – By mid 2025, rehabilitation works were at 72% completion.
- Construction of Mongu-Limulunga road and upgrading of Muoyo road to bituminous standard is ongoing. Overall physical progress stands at 99.8% and the contract was expected to be completed in the second quarter of 2025.
- Batoka – Maamba Road: The contract for the rehabilitation of 88 Km was signed on 6 March 2024. Overall physical progress stands at 30%.
- Road Development Agency (RDA) intends to construct 131 acrow bridges. To date, a total of 16 acrow bridges have been completed and are open to traffic.
- Chikankata and Samfya – Kasaba Roads: RDA signed contracts to upgrade these roads in August 2025.
- Katundu – Lukulu-Watopa – Mumbezhi Road: A ground breaking ceremony was held in August 2025 to begin upgrading approximately 80 Km of this road to bituminous standard.

### Construction (continued)

- Government constructing two toll plazas along the Chinsali-Nakonde Road and rehabilitating the 15 kilometre stretch from Chinsali-Nakonde Road junction to Chinsali town.
- Completed the Mongu Limulunga and Chibuluma Roads. Chibuluma Road is the first ever concrete road in Zambia.

### Social Protection

- The Government has been implementing a number of social protection programmes to reduce poverty and inequality in the country.
- These include:
  - Social Cash Transfer;
  - Food Security Pack;
  - Women and Youth empowerment;
  - Public Welfare Assistance Scheme (PWAS); and
  - Girls' Education.
- Since 2021, Government has increased the number of beneficiary households on the regular social cash transfer from 895 thousand in 2021 to 1.3 million households to date.
- The Emergency Social Cash Transfer and Cash for Work programmes were introduced during the drought experienced in the 2023/2024 farming season. Under the programmes, over 2.4 million beneficiaries have been recruited and empowered.
- In addition, Government increased the number of vulnerable but viable household beneficiaries from 244,000 to more than 320,000 over the medium term through the Food Security Pack Programme.
- Under the Emergency Social Cash Transfer, 915 thousand beneficiary households have been reached, bringing the total to 2.2 million people. The transfer value was K400 per month.

### Social Protection (Continued)

- Through the Food Security Pack Programme, the Government continued to provide farming inputs, such as seed and fertilizer.
- In 2024, a total of 540 thousand farmers benefited from this programme.
- Under phase one of the Girls' Education and Women's Empowerment and Livelihood Programme, 317,608 girls and women were supported.
- In 2025, Government launched phase two of the programme to benefit 1.5 million vulnerable households, including extending nutrition support to at least 25,000 households in hard to reach communities.
- To safeguard retirees, Government has liquidated pension benefits and in the past four years K8.6 billion has been released enabling 11,921 retirees to be paid.

### Mining

- The sector continued to play a significant role in national economic development, with a state of stability and positive future outlook.
- Production of various minerals increased in 2025, which includes copper and gold.
- Commodity prices, particularly for copper, registered a positive trend on the international market mainly driven by geopolitics emanating from the USA and China.

### Mining (Continued)

- Production performance during the first half of the year was as shown below:

Mineral	2025	2024	%
Copper	439,644 mt	373,264 mt	18%
Cobalt	197 tons	21 tons	838%
Gold	1,778 kg	1,364kg	30%
Nickel	9,570 tons	12,062 tons	(21%)
Manganese	28,565 tons	87,484 tons	(67%)

- Overall increase in copper production is attributed to increase in production output at Konkola Copper Mines, Mopani Copper Mines, Kansanshi Mine and Chibuluma Mine.
- Cobalt production increased due to increased cobalt alloy production at Konkola Copper Mines (KCM).
- Decrease in Nickel production was due to low production both at Albion Zambia's Munali Nickel Mine and First Quantum Mine (FQM) Trident's Enterprises Nickel Mine.
- Manganese production decreased mainly due to electricity challenges.

**Mining (Continued)**

- Commodity prices in US\$ during the period and the comparable period for 2024 were as follows:

**COPPER (US\$/Metric Tonne)**

Month	2025	2024
January	8,977	8,343
February	9,329	8,310
March	9,731	8,675
April	9,191	9,482
May	9,529	10,128
June	9,833	9,641

**GOLD (US\$/Troy oz)**

Month	2025	2024
January	2,708	2,035
February	2,893	2,024
March	2,983	2,158
April	3,210	2,336
May	3,279	2,351
June	3,352	2,326

**COBALT (US\$/Tonne)**

Month	2025	2024
January	23,631	28,440
February	21,349	28,048
March	30,810	28,029
April	33,081	27,763
May	33,009	27,235
June	32,732	26,575

**Mining (Continued)**

- Government has strengthened the investment in environmental policy and regulatory certainty to enhance citizen participation.
- To ensure a stable, predictable and competitive business environment, there is now certainty in the Mining Fiscal Regime as well as mining rights.
- A countrywide High-Resolution Geophysical Survey is being conducted, with Western, North Western and part of Copperbelt provinces being covered so far.
- To address illegal mining activities in the Artisanal and Small Scale Mining (ASM) subsector, Government embarked on formalising the subsector.
- About 1,498 licences have been granted since January 2023 to artisanal miners, of which 312 are to mining co-operatives and 1,176 are to individuals.
- Zambia Gold Company Limited commenced buying of gold from ASMs in Rufunsa in February 2025 and Mumbwa in March 2025.
- Some existing mines had some expansion projects in 2025:
  - Launch of FQMs US\$1.3 billion investment in the Kansanshi Mine S3 Expansion project expected to extend the lifespan of the mine by 20 years.
  - Lumwana Mine Super Pit at Barrick Lumwana Mine, expected to increase the mine's annual copper production from about 150,000 metric tonnes in 2025 to an average of 240,000 metric tonnes per annum from 2030.
  - KCM is investing in key projects, mainly the Konkola Deep Mining project and other infrastructure related projects.

### **Mining (Continued)**

- Copper production projection above 3.0 million metric tonnes per annum by 2031, with a projected average growth of 11.7 percent.
- Unlocked new mining projects and revived dormant mines.

### **Environmental Sustainability**

- Environmental sustainability remains a critical issue both locally and globally, as ecosystems are increasingly threatened by climate change. Zambia, like many countries, is experiencing the impact of extreme weather events such as rising temperatures, droughts and flash floods. These challenges have stressed the importance of sustainable development, which continues to be a guiding principle in the nation's socio-economic policies.
- Government has made significant efforts toward promoting sustainability through initiatives focused on renewable energy, sustainable agriculture, biodiversity protection, and social equity. A key development in this area is the enhancement of the country's early warning systems. This includes the construction of modern weather stations across all districts and major water bodies and significantly improving the dissemination of weather information. By digitizing meteorological data, Government has made it easier for communities and farmers to access vital weather updates.

### **Environmental Sustainability (Continued)**

- Since 2021, Government has actively pursued forest conservation efforts. Over 10.3 million hectares of forest land are now co-managed with 359 community-based forest management groups and 56 Chiefdoms in Eastern province. These partnerships are central to the country's afforestation programs, which aim to conserve natural resources and protect the environment for future generations.
- To strengthen national capacity for resilience, Government has installed 250 automatic weather stations and 300 rainfall stations within agricultural camps across the country.
- While the country has made progress, certain sectors remain environmentally hazardous. Mining and energy, in particular, continue to pose significant risks to the environment. Government has committed to ensuring eco-friendly and sustainable practices within these sectors, focusing on strengthening environmental compliance and holding companies accountable for violations of environmental protection laws.
- One of the country's major energy challenges is its heavy dependence on hydroelectric power, which accounts for 85% of Zambia's energy mix. This reliance makes the country particularly vulnerable to the effects of climate change, especially during periods of drought. To mitigate this risk, Government is actively working to diversify the energy mix, ensuring greater resilience to climate-related disruptions.



### **Environmental Sustainability (Continued)**

- Another pressing environmental concern is the impact of industrial activities on the environment. A notable example is the toxic waste disaster in the Kafue River, which poisoned water sources and affected farmland and aquatic ecosystem. In response, the Government has strengthened enforcement measures and accountability mechanisms to ensure that companies cannot profit at the expense of the environment and public health.

### **Decentralisation**

- Zambia has been implementing successive National Development Plans (NDPs) to drive economic diversification, industrialisation and job creation.
- Government has continued to devolve Government functions to ensure improved service delivery and enhanced citizen participation.
- In line with its commitment to decentralization, Government has reallocated resources from the central administration to local communities. More than K16 billion has been disbursed through the Constituency Development Fund (CDF) since 2022, ensuring that investments in sustainable development are felt directly at the grassroots level.
- National functions, including agriculture, education, museum, community development and environmental management, continued to be devolved to the Local Authorities in 2025.
- Increasing the generation of local Own Source Revenue (OSR) and mitigating the escalation of Local Authority debt stock still remained a key focus in 2025.
- Government continued to utilise the Constituency Development Fund (CDF) as a vehicle for local development and to address the effects of climate change at a community level.

### **Decentralisation (Continued)**

- With the aim of facilitating better public service delivery for all Local Authorities, new sources of financing have been pursued, such as using alternative financing frameworks that involve Public Private Partnerships (PPP).
- Government continued to encourage diversification and value addition in key industries and devolved functions, noting that the use of advanced technology remains pivotal to the improvement of service delivery to citizens.

### **Water and Sanitation**

- Government through the Ministry of Water Development and Sanitation has continued to implement interventions aligning closely with the Economic Transformation and job creation of the eighth National Development Plan (8<sup>th</sup> NDP).
- Government undertook projects to strengthen water security by building, upgrading and maintaining essential infrastructure dams, exploratory boreholes, solar powered water systems and weirs to increase water access.
- This includes construction of 2,189 boreholes, 491 piped water schemes and rehabilitation of 671 boreholes countrywide from 2021 to 2025. These facilities are benefiting over 687,000 people in rural areas.
- Further, the number of people served with water supply increased by 517,000 while sanitation services increased by 738,000 people in urban areas.
- Additionally, Government is currently constructing 168 modern water-borne sanitation and hygiene facilities in public places such as markets, schools, health centres, bus stations and communities using the enhanced CDF.

### Water and Sanitation (Continued)

- Since 2022, Government has constructed six dams, namely, Kapekesa and Kawawa in Eastern Province, Muyembe in Luapula province, Shikezhi in North-Western province and Chuundwe and Jongolo in Southern province.
- These dams are benefiting over 126,000 people and 221,000 livestock.
- Government rehabilitated 10 dams and maintained 791 dams nationwide creating 8,000 jobs.
- As a result of these interventions, incidences of waterborne diseases such as cholera have drastically reduced.
- Water supply and sanitation facilities across the country have expanded through completion of major projects like, Kafulafuta water system benefiting over 1 million residents on the Copperbelt province, Kazungula Water Supply and Sanitation project benefiting over 20,000 people in Southern province, Kaputa Water Supply and Sanitation project as well as Kafue bulk water supply project.

### Public Sector

- Government has continued to accelerate the implementation of the decentralization agenda.
- Allocation to CDF has been enhanced since 2022.
- 13 functions have been devolved from Central Government to Local Authorities with matching resources. This is to enhance service delivery and accountability.
- Provision of public services transformed and modernised through digitisation.
- Public services offered online through the Zamportal increased to 368 in 2025 from 116 in 2021.
- Online citizens' support services portal established through which members of the public can interact with Government departments on service delivery.
- Progress made in digitising Government internal processes and systems to enhance efficiency and reduce incidences of corruption.

## Energy

- Growth in demand for power consumption significantly outstripped investment in power generation, transformation and distribution in the 57 years prior to 2021. Government is working to address this challenge and is committed to deliver new generation capacity through sweeping policy reforms:
  - Implementation of cost reflective tariffs to drive more investments.
  - Undertaking development in transmission infrastructure as well as promoting off-grid solutions in rural areas beyond the reach of the national grid.
  - Liberalising the energy sector with an open access regime which allows access to the grid by any willing developer to any willing off-taker as well as introduction of private power trading, net metering, tariff blending and interconnectors with neighboring countries.
- The country is vulnerable to climate change due to over - dependence on hydro-electric power currently at 85% of the energy mix.
- The energy mix is being diversified to make the sub-sector resilient to climate change and increase the country's generation capacity. The following key projects were undertaken to achieve this:
  - The 100 megawatts Chisamba solar phase-1 project was commissioned in July 2025. Phase-2 of the project will be commencing soon.
  - Works on the 136 megawatts Copperbelt Energy Corporation (CEC), Itimpi Solar Power Station Phase-2 are on-going. The 34 Megawatts Riverside Solar PV Plant was commissioned in February 2023 and the 60 megawatts Itimpi Solar project was commissioned in 2024.
  - Works on the 300 megawatts Maamba Thermal Power Plant Phase-2 expansion project are ongoing which are targeted for completion mid 2026.

## Energy(Continued)

- New solar projects that will be commissioned over the next 12 months will generate a total of 740 megawatts. These will be located across seven (7) provinces where levels of solar energy are most suitable: Luapula, Central, Southern, Western, Northern, Eastern and Muchinga.
- A number of private sector driven projects are currently in development that will take the country's new solar power generation capacity beyond the target of 1,000 megawatts, over the next 12 months.
- Zambia signed the country compact under the Mission 300 initiative in Tanzania, along with 29 African heads of state. This underscores Government's commitment to deliver 10 gigawatts by 2030 to the initiative.
- 3.2 million unserved Zambians are part of the 300 million Africans that will gain access to electricity from the initiative.
- Government is devising interim measures to ensure greater access to electricity for SMEs and townships.
- The Ministry of Energy has been directed to ensure that supply to townships is prioritised, while encouraging and incentivising the installation of solar home systems where appropriate.
- In the petroleum sub-sector, Government has continued to implement reforms aimed at ensuring security of supply of petroleum products through enhanced private sector participation.
- Historical inefficiencies in the utilisation of the strategic fuel reserve infrastructure to safeguard the fuel supply security are being addressed.

### Energy(Continued)

- Sweeping reforms have been made to the low Sulphur diesel supply chain by introducing the fuel open access regime on the TAZAMA Pipeline. This has allowed Government to lower the pump price of diesel since April 2025.
- There are plans to strengthen the open access framework and further deliver stable and competitive pricing for diesel and further extend this to petrol.
- Government continues to work on a process aimed at constructing a new multi-product pipeline between Zambia and Tanzania to carry petrol, diesel and kerosene into the Zambian market. This will complement the capacity of the existing pipeline.

### Monetary and Financial Sector

- Decisions on the policy rate continue to be guided by inflation outcomes, forecasts and identified risks including those associated with financial stability.
- At its meeting on 11 – 12 August 2025, the Monetary Policy Committee (MPC) decided to maintain the Monetary Policy Rate at 14.5 percent. The policy rate at the beginning of the year was 13.5 percent and was raised to 14 and 14.5 percent in February 2025 and May 2025 respectively.
- Since March 2025, inflation has been on a downward trend declining to 12.3 percent in September 2025 from 16.5 percent in March 2025. The inflation rate as at 31 December 2024 was 16.70 percent.
- The main drivers of the decrease in inflation were improved maize supply, lower fuel prices and the appreciation of the Kwacha against major currencies.
- Inflation remains well above the target rate of the 6-8 percent target bands, but it is projected to fall within the target band from the first quarter of 2026.

### Monetary and Financial Sector (Continued)

- The updated forecast suggests inflation averaging 13.3 percent in 2025 compared to the previous 13.8 percent.
- The risk to inflation outlook has been assessed as:
  - Expected increased earnings from Copper exports.
  - Subdued crude oil.
  - Working through the exchange rate and expectations channel.
- The growth in credit standard was down in the second quarter of 2025 on account of reduced demand for general secured debt and this affected the growth in money supply.
- Early data suggests a slowdown in economic activity in Zambia's major trading partner economies in Q1 of 2025, reflected by the fall in the GDP - 9 Index, with reduced economic activity in the Democratic Republic of Congo (DRC), South Africa and the United Kingdom (UK) noted.
- The volume of foreign exchange transactions has continued to steadily increase during the first half of 2025 showing sustained growth across various sectors.
- Money supply growth (M3) was volatile in Q1 of 2025. A slow down to 22.5 percent was noted compared to 23 percent in December 2024.
- Real GDP continued to grow in Q1 of 2025, increasing by 7.9 percent.
- Commercial banks continued to have relatively higher demand from several sectors, primarily with the electricity, gas and water supply sectors.
- Banks' net sales at the end of Q1 of 2025 were recorded at US\$220.0 million and US\$190.7 million in the wholesale and retail sectors respectively. This reflected payment for imports of production inputs and finished consumer goods.

### Monetary and Financial Sector (Continued)

- The foreign financial sector sold a net of US\$132.8 million to commercial banks in Q1 of 2025 compared to US\$56.8 million at the end of 2024, reflecting increased financial portfolio investments into Kwacha-denominated assets.
- The Central Bank revised the Foreign Exchange Market Guidelines by adjusting the negotiable threshold between commercial banks and their clients, with the aim of improving operations on the foreign exchange market.
- As at June 2025, the Overnight Interbank Rate had increased to 14.5% from 14.0% in the previous quarter.
- Despite the real return on savings remaining negative, the 6-month savings rate continued to gradually increase (7.4% to 7.5%).
- By June 2025 the weighted yield rate on Treasury Bills increased to 13.9%, whilst the Government Bond yield rate continued its declining trend by 1.5%, to 19.8%.
- Strong demand for Government securities by commercial banks and more lending in foreign currency was noted in the early parts of 2025.
- Domestic debt as at the end of June 2025 marginally increased to K242.7 billion from K229.37 billion at the end of 2024. This was due to an increase in the issuances of securities.

### Micro, Small and Medium Enterprises (MSMEs) and the Capital Markets

- The LuSE All Share Index (LASI) for the first time crossed the 20,000 – index level mark in June 2025 and for the first time the market capitalisation exceeded US\$1 billion.
- The LASI recorded an increase of 46% year on year to 20,214.88 from 13,873.85. The notable increases in the LASI include ZCCM-IH (87%), Chilanga Cement (86%), Copperbelt Energy Corporation (110%) and ZAMEFA 100%.
- The equity turnover increased to K674 million in 2025 from K586 million in 2024, representing an increase of 15%. There was however, a decrease in the volume of shares traded by 88% from 123,035,960 as of the first half of 2024 to 15,046,932 in the first half of 2025.
- There was improvement in the capitalisation in both Kwacha and Dollar terms of 159% and 182% respectively. The increase is attributed to the price increments and the appreciation of the Kwacha against the Dollar and the other major currencies. The Kwacha to Dollar exchange rate was K24.7 in June 2024 compared to K23.8 in June 2025.
- The equity turnover ratio in the first half of 2025 compared to the first half of 2024 decreased by 55% due to the increase in market capitalization of 159% compared to the percentage increase in turnover of 15%.
- The net position of the foreign portfolio deteriorated by 1,261% between the two comparative first half periods.
- The table below summarises the performance of the Lusaka Securities Exchange for the period January – June 2025:



**Micro, Small and Medium Enterprises (MSMEs) and the Capital Markets (Continued)****Equity**

	Jan – June 2025	Jan-June 2024	% change
LASI	20,214.88	13,873.85	45.7
Market Cap (Inc. Shoprite (K'billion)	296.2	114.4	158.92
Market Cap (Exc. Shoprite) K'billion)	106.14	70.9	49.70
Market Cap (US\$)	12,424	4,401	182.30
Number of listed firms	22	22	0
Equity turnover (K)	674,067,530	586,203,994	14.99
Turnover Ratio	0.0004533	0.0010156	(55.37)
Inflow (US\$)	10,157,555	19,917,428	(49.00)
Outflow (US\$)	16,456,344	20,379,940	(19.25)
Net position (US\$)	(6,298,791)	(462,512)	(14.62)

- The Collective Investment Schemes (CIS) Assets Under Management (AUM) in aggregate increased by 15% year on year from K2.4 billion to K2.8 billion despite one of the funds winding down upon expiration of its tenor and two other funds recording a decline in AUM due to redeployment.

Fund Manager	Jan – June 2025 K	Jan- June 2024 K	% Change
Mpile	1,165,929,474	1,244,308,328	(6.30)
ABC	544,923,376	442,995,275	23.00
Madison	158,193,087	158,193,082	-
Hobbiton	293,395,985	121,522,190	141.43
Longhorn	93,828,484	70,496,854	33.10
ECR	21,668,346	42,523,172	(49.04)
Altus	40,104,634	32,854,661	22.07
Kukula	-	14,664,952	(100.00)
Laurence Paul	13,465,194	13,465,194	-
Intermarket	9,453,719	7,686,160	23.00
Prudential	56,046,852	23,196,081	141.62
Total AUM Local	2,397,009,151	2,171,905,949	10.36
Foreign AUM	476,658,126	324,649,643	46.82
Total Local & Foreign	2,873,667,277	2,496,552,592	15.11

**Micro, Small and Medium Enterprises (MSMEs) and the Capital Markets (Continued)**

- As at 31 March 2025, the Corporate Bond market showed moderate growth, with total outstanding bonds going up from K2.5 billion as at June 2024 to K5.5 billion. This is attributed to several issuances notably the second tranche issued by CEC Renewables Limited under their US\$200 million Green Bond Programme where the company raised US\$96.72 million.

The table below shows the outstanding corporate bonds as at 31 March 2025:

<b>Issuer</b>	<b>Outstanding 31.03.2025 (K)</b>	<b>Outstanding 30.06.2024 (K)</b>
CEC Renewables	4,243,511,840	1,340,591,520
International Finance Corporation	427,200,000	427,200,000
Bayport Financial Services Limited	280,897,000	280,897,000
Real Estate Investment Zambia	259,540,765	227,039,420
Ulendo RINP	136,500,000	136,500,000
Zambia Home Loans	87,091,230	76,190,878
Izwe Loans Zambia Limited	69,141,000	-
Focus Financial Services	28,500,000	28,500,000
	<b>5,532,381,835</b>	<b>2,516,918,818</b>

- The nominal value of GRZ Bonds traded on the secondary market increased by 32% from K31.9 billion in 2024 to K42.1 billion in 2025, with the traded consideration of K24.7 billion in 2024 which increased by 66% to K40.9 billion in 2025. The average turnover ratio for the first half of 2025 was 6.3% compared to 2.97% for the comparative period.
- Government continues to fund the Citizens Economic Empowerment Commission with funding allocation currently at K1.5 billion per year. To strengthen management, accountability, financial literacy and the need to pay back loans, Government has rolled out nationwide capacity building programmes in all ten provinces.
- Government enhanced Constituency Development Fund to K36.1 million per year per constituency.
- Government is devising interim measures to ensure greater access to electricity for SME's.
- As at end – August 2025, a total of 19,819 small scale and medium enterprise and farmers had benefited from Zambia Credit Guarantee Scheme.
- To build capacity of local businesses to compete fairly, retain wealth and contribute to industrialisation, Government issued statutory instrument No. 45 of 2025 to give preference to Small and Medium Enterprises in public procurement.

### Fiscal policy and measures

- With the aim of restoring debt sustainability, Government has reached an agreement with both the Official Creditors Committee and the Bondholders to restructure approximately 75% of the Country's debt to within the restructuring parameter.
- Government looked to limit borrowing in 2025 to only Multilateral Partners (e.g World Bank, IMF and the African Development Bank). In addition to this, Government only contracted highly concessional loans for priority projects.
- The persistent depreciation of the exchange rate into the first quarter of 2025 led to increased liquidity management operations by the Government, with the focus being on constraining cash in the banking system to moderate the adverse effects of excess liquidity on demand for foreign exchange.
- Domestic credit growth rebounded in March 2025, growing by 15.3% compared to 5.4% at the end of 2024. This resulted in the credit gap becoming positive.
- The preliminary cash fiscal deficit for Q1 of 2025 was less than the target which can be largely attributed to lower than anticipated expenditure on capital projects and public sector operations.
- As at June 2025, total Government Revenue and Grants stood at K17,723.4 million (3.5% above the target). Tax Revenue collection amounted to K14,330.1 million (being 81% of total Government Revenue and Grants) with K9,161.1 million of these directly attributable to Income Taxes.
- Non-tax Revenue collection amounted to K2,634.6 million (0.8% higher than the target).
- Total Government expenditure, as at June 2025, was 2.2% lower than the target, standing at K23,183.8 million.

### Fiscal policy and measures (Continued)

- Zambia's External Central debt stock stood at US\$15.8 billion at the end of June 2025 where it must be noted that significant progress has been made with the external debt restructuring programme having achieved over 92% agreement (i.e less than 8% debt still to be restructured).
- The Executive Board of the International Monetary Fund (IMF) concluded its 5<sup>th</sup> review of Zambia's Extended Credit Facility (ECF) Programme and approved the disbursement of an additional US\$184 million, taking Zambia's total disbursement to about US\$1.55 billion.
- The ECF programme was due to conclude on 31 October 2025, however, Cabinet authorized the extension of the programme to 31 October 2026, subject to the IMF Executive Board decision.

### Transport and Logistics

Government continued to develop the transport infrastructure throughout the country, by utilising both the public and private financing using the Public Private Partnership (PPP):

- The Chingola - Kasumbalesa Road was completed.
- The Luanshya-Fisenge -Masangano Road was completed.
- The all-concrete Kitwe-Chibuluma road was completed.
- Works on Ndola-Sakania Road, Ndola-Mufulira - Mokambo Roads are progressing well with 17 kilometres leading to Sakania border completed.
- Works on the Great North Road, from Chinsali to Nakonde are progressing well.
- 2,450 kilometres of rural roads have been rehabilitated since 2021.
- 860 kilometres of feeder roads have been worked on by Local Authorities through CDF.

### Transport and Logistics (Continued)

- Lusaka-Ndola Dual Carriageway: This critical project is progressing well under a PPP model. As of 30 June 2025, construction had reached 36% completion.
- Monze-Niko Road: is at 74% and is expected to be completed in 2025.
- Mongu - Limulunga road and upgrading of Muoyo road to bituminous standard is ongoing during the period under review. Overall physical progress stands at 99.8% and the contract is expected to be completed in 2025.
- Batoka-Maamba Road: The contract for the rehabilitation of 88Km was signed on 5 March 2024. Overall physical progress stands at 39 percent and is expected to be completed in 2027.
- Lusaka-Mongu road from Tateyoyo to Katundu/Lukulu junction which is for a thirty (30) month duration commenced on 24 June 2024 is at 24 percent and is expected to be completed in 2026.
- 7Km Chibuluma road rigid pavement contract was signed on 11 August 2023: Overall physical progress is estimated at 96 percent.
- 65Km of Chipata-Chadiza Road, including 15Km of Township roads in Chipata and 5Km of Township roads in Chadiza in Eastern Province commenced on 1 January 2025 and 14.07 percent physical progress has been recorded.
- Kasomeno-Mwenda Toll Road: This large-scale PPP project, which includes a bridge over the Luapula River and a One-Stop Border Post, continues to advance.
- Chinsali and Nakonde Toll Plazas: Construction works are nearing completion, with the Nakonde plaza at 87 percent and the Chinsali plaza at 76 percent as of mid-2025.

### Transport and Logistics (continued)

- Mutanda-Kasempa-Kaoma Road (Western Corridor): In February 2025, a newsletter from the Ministry of Infrastructure, Housing and Urban Development detailed a US\$326 million concession agreement signed in December 2024 to upgrade this route to a bituminous standard under a PPP.
- Blue Lagoon Road: The construction of this road was launched in July 2025, with site establishment for associated works beginning in June 2025.
- The Kasama, Chipata, Mongu and Solwezi airports rehabilitation was completed.
- The Mansa and Mfuwe international airports upgrades are underway.
- Land for the construction of new airports in Choma, Chinsali and Nakonde has been identified.
- Negotiations for the concession agreement on the revitalization of Tazama have been concluded.
- The Road Transport Safety Agency (RTSA) launched a single license disc for motorists on 1 September 2025.
- Government has completed the construction of Nchelenge harbour, while work at Samfya harbour are at 98 percent with completion expected in 2025.

### Information and Communication Technology

- Government enacted the Cyber Crime Act No. 4 and Cyber Security Act No. 3, replacing the 2021 Act. These laws enhance consumer protection, child safety on online platforms, and established the Zambia Cyber Security Agency and related institutions for better cyber resilience.
- A \$120 million grant was secured under the Digital Zambia Acceleration Project to expand digital infrastructure, especially in rural areas, and to support AI, connectivity, and digital skills development.

## Information and Communication Technology (Continued)

- By June 2025, 129 valid postal and courier licenses were issued, up 14.2 percent from 113 in June 2024, driven by SME growth and urban parcel demand.
- Zambia's ICT Development Index score rose from 55.6 to 60.3, an 8 percent increase. Universal connectivity improved by 14 percent, though the country remains below the global average of 78, with meaningful connectivity outperforming universal by 30.9 points.
- Mobile subscriptions grew by 12.1 percent to 24.51 million by the end of the first half of 2025, raising penetration from 109 to 119 subscriptions per 100 inhabitants. Growth was driven by ICT demand, digital platforms, mobile money services and affordable bundled offers.
- By end of the first quarter of 2025, Airtel Zambia led with 12.8 percent growth to 11.81 million subscribers. Zedmobile reached 829,329 subscriptions. MTN Zambia declined by 7.7 percent, while Zamtel rose by 21.7 percent.
- The mobile cellular subscriptions market experienced shifts in market share between June 2024 and June 2025. Airtel held 48.2 percent, MTN dropped to 26.1 percent, Zamtel rose to 22.3 percent, and Zedmobile captured 3.4 percent.
- Telecom sites increased by 8.2 percent to 14,162, driven by 5G, 4G, and 2G expansion. 2G sites made up 38.4 percent, 4G 32.5 percent, 3G 25.5 percent, and 5G 3.6 percent, tripling from June 2024.
- The Ministry of Science and Technology launched the revised 2025 Science, Technology and Innovation (STI) Policy to include Emerging Technologies and AI.
- Scholarships were awarded to 247 postgraduate students, 129 MSc and 118 PhD students in strategic fields like Energy, Agriculture, and ICT by the Ministry.

## Information and Communication Technology(Continued)

- Innovation efforts led to the commercialisation of the Off-Shelf Bio-digester and Comgrow Application, a fintech for digitising informal savings groups.
- Three new curricula were developed: Diploma in Electric Vehicle Technology, Skills Award in Generative AI, and Skills Award in ICT Generative AI, aligning education with global tech trends.
- Government has prioritised the construction of communicator towers in underserved and unserved areas, resulting in expansion of mobile money usage which underpins 55 percent of financial inclusion.
- Deployed 525 Starlink Kits to 230 Government departments, all 156 constituency offices, 109 post offices, 23 youth resources centres and 7 to other public institutions.
- Continued to roll out the Government Wide Area Network to public institutions, including 93 local authorities, 79 district administration offices and 29 schools.
- Installed solar energy in all the 116 councils.
- During the year, the Ministry of Science and Technology successfully generated Non-Tax Revenue, as outlined in table:



**Information and Communication Technology (Continued)****Non Tax Revenue**

<b>Source</b>	<b>Q1 &amp; Q2 2024 Outturn K</b>	<b>Q1 &amp; Q2 2025 Outturn K</b>
Regulatory ICT Fees (ZICTA)	246,020,649	293,903,006
RPA Internally Generated Funds	13,577,843	20,451,564
RPA Donor Funds	611,873	402,341
<b>Total</b>	<b>260,210,365</b>	<b>314,756,911</b>

- Revenue collection challenges persisted, especially from State Owned Entity (SOEs) due to delayed payments, affecting ZICTA's targets.
- Radio communications Regulations (SI No. 35 of 2025) were gazetted in September 2024, but billing only began in June 2025, leaving many fees unpaid.
- The Ministry of Science and Technology was allocated K520,965,432 for Q1 and Q2 2025, with actual expenditure at K435,284,074, supporting policy implementation in Science, Technology and Innovation, ICT, and Skills Development.

**Tourism, Arts and Culture**

- Continued marketing and promotion of Zambia as a tourism destination of choice through increased use of digital marketing partnerships.
- International tourist arrivals increased tremendously in the first half of the year compared to the same period in 2024.
- Projected growth in the medium term is averaging 6.1 percent.
- Government's focus is to support infrastructure investment in the tourism industry through showcasing of investment ready project opportunities in various Tourism Development Areas (TDAs).
- Collaborated with UN Tourism in translating the tourism investment guide into Chinese to tap into the investment opportunities of China.

**Tourism, Arts and Culture (Continued)**

- Government will utilize the National Community Based Natural Resources Management (CBNRM) policy to encourage diversification.
- Continued collaboration with private sector to promote Zambia as a tourist destination both domestically and globally.
- Enhancement of recreational facilities to attract Meetings, Conferences, Incentives and Exhibitions (MICE) as well as participating in major regional and international trade shows.
- The country hosted major international conferences as well as successful implementation of the waiver of visa fees.
- Projects being undertaken to improve connectivity to tourism sites and circuits include: upgrading of Jeki airstrip in Lower Zambezi National Park, Chunga airstrip in Kafue National Park and Kalabo airstrip under the Green Resilient and Transformational Tourism Development Project (GREAT TDP).
- Marketing and investment activities undertaken in 2025 included:
  - UK Trade Training webinar to educate UK-based travel agents about Zambia's unique offerings.
  - Safari Club International, held in Nashville, United States of America at which the Minister of Tourism was honoured.

**Tourism, Arts and Culture (continued)**

- Webinar for French travel trade to on-board new trade buyers selling Zambia.
- ITB trade show held in Berlin, Germany, aimed at attracting buyers from Germany.
- Osaka Expo 2025 hosted in April 2025 in Japan, organized by the Ministry of Commerce, Trade and Industry to promote Trade and Investment in Zambia.
- Africa's Travel Indaba held in South Africa between 12<sup>th</sup> and 15<sup>th</sup> May, where 41 co-shares were registered compared to 30 co-shares in 2024.
- Malawi International Travel Expo (MITE) – Takulandilani held from 24<sup>th</sup> to 26<sup>th</sup> April 2025 whose objective was to promote the upcoming Zambia Travel Expo (ZATEX).
- Briggate Travel (UK FAM Trip) through the mission in London Coordinated a post Indaba Fam trip with a tour operator from the UK called Briggate Travel.

**Tourism, Arts and Culture (continued)**

- Domestic initiatives included:
  - “Take a Holiday Yamu Loko” campaign with 41 tourism partners offering discounted rates.
  - Kasensi Kabumi Mini-Series Exhibition with over 500 community members showcasing a variety of destinations products and experiences.
  - Cultural and heritage events.
  - Africa's Eden Travel show which attracted 55 exhibitors, 51 buyers and 17 attendees.
  - “Local is Laka” comedy show.
  - Zambia Tourism Expo (ZATEX).
  - Information both at the Mosi Day of Thunder event which attracted over 8,000 attendees.
  - Participation in the PANAFCON – 3 exhibitions which emphasized sustainable tourism practices.
  - Hosting of several MICE events.
  - The Ministry of Tourism started the process of amending laws and policies aimed at improving the tourism sector.

**International Tourist arrivals at international airports, January-June 2025 and January-June 2024**

Port of Entry	Jan-June 2025	Jan-June 2024	Percentage Change
Kenneth Kaunda International Airport	179,643	116,831	54
Simon Mwansa Kapwepwe International Airport	20,940	19,074	10
Harry Mwaanga Nkumbula International Airport	13,274	19,491	(32)
Mfuwe International Airport	107	49	118
Total	213,964	155,445	38

Source: Ministry of Tourism (DMIS)

**Tourism, Arts and Culture (continued)****International Tourist arrivals at Border Posts, January – June 2025 and January-June 2024**

Ports of Entry	Jan - June 2025	Jan - June 2024	Percentage change
Chanida	20,444	5,998	241
Chirundu	195,409	155,469	26
Feira/Luangwa	192	559	(66)
Jimbe	-	753	-
Kariba	14,183	13,698	4
Kasumbalesa	86,057	47,677	81
Katimamulilo	39,842	14,615	173
Kazungula	116,605	54,151	115
Kipushi	-	5,887	-
Mokambo	23,507	13,257	77
Mpulungu	688	2,420	(72)
Mwami	37,820	30,993	22
Nakonde	161,477	106,504	52
Nsumbu	-	345	-
Sakania	37,683	23,027	64
Victoria Falls	123,559	101,934	21
Total	857,466	577,287	49

Source: Ministry of Tourism (DMIS)

**Tourism, Arts and Culture (continued)**

- Tourist visits to national parks in the first half of 2025 decreased by 0.3 percent to 31,639 visits from 31,734 visits recorded in the corresponding period in 2024.

**Tourist visits to National Parks, January – June 2025 and January-June 2024**

National Park	Jan – June 2025	Jan – June 2024	Percentage Change
Mosi-Oa-Tunya	7,165	6,783	6
Lower Zambezi	3,729	3,087	21
South Luangwa	9,187	8,407	9
Kafue	4,618	4,314	7
Lusaka	4,056	5,472	(26)
Nsumbu	864	1,787	(52)
North Luangwa	56	57	(2)
Luambe	-	1	(100)
Lochinvar	656	548	20
Sioma Ngwezi	8	79	(90)
Liuwa	14	137	(90)
Mweru Wantipa	908	764	19
West Lunga	19	27	(30)
Kasanka	74	162	(54)
Lavushi Manda	5	9	(44)
Lukusuzi	39	100	(61)
Blue Lagoon	235	-	100
Lusenga	6	-	100
Total	31,639	31,734	0.3

Source: Ministry of Tourism (DNPW)

**Tourism, Arts and Culture (continued)**

- The number of tourist visits to waterfalls increased by 34 percent to 139,947 visits from 104,212 visits in the same period in 2024. There were notable decreases in tourism visits to the Chipoma, Kalambo, Kundabwika, Mutanda, and Nyambwezu waterfalls.

**Tourist visits to Waterfalls: January – June 2025 and January-June 2024**

Site Name	Jan - June 2025	Jan - June 2024	Percentage Change
Chilambwe Falls	231	162	43
Chipoma Falls	374	534	(30)
Chishimba Falls	5,009	3,864	30
Kabwelume Falls	255	201	27
Kalambo Falls	715	754	(5)
Kundalila Waterfalls	449	371	21
Kundabwika Falls	-	20	(100)
Lufubu Falls	416	341	22
Lumangwe Falls	471	459	3
Mambilima Falls	505	391	29
Mumbuluma Falls	1,313	907	45
Mutanda Falls	33	34	(3)
Ntumbachushi Falls	1,969	1,612	22
Nyambwezu Falls	83	101	(18)
Victoria/Mosi-O-Tunya Falls	128,124	94,461	36
Total	139,947	104,212	34

Source: National Heritage Conservation Commission



### Tourism, Arts and Culture (continued)

- In the first half of 2025, tourist visits to heritage sites increased by 2 percent to 13,200 visits from 12,935 visits recorded in the corresponding period of 2024.

#### Tourist visits to other Heritage Sites: January - June 2024 and January-June 2025

Site Name	Jan - June 2025	Jan - June 2024	Percentage Change
Chilenje House National Monument	1,095	501	119
Chinyungu Hot Spring	3,140	2,991	5
Dag Hammarskjöld	950	844	13
David Livingstone Memorial National Monument	113	78	45
Presidential Burial Site	2,810	3,409	(18)
Ing'ombe Ilede	224	32	600
Kifubwa	672	1,149	(42)
Lake Kashiba	114	174	(35)
Mumbwa Caves	65	141	(54)
Mwela Rock Art	1,203	1,236	(3)
Nachifuku Cave	99	106	(7)
Nsalu Caves	-	1	(100)
Oliver Tambo	163	176	(7)
Railway Museum	2,254	1,710	32
Von Lettow Vorbeck	46	57	(19)
Zambezi Source	252	330	(24)
Total	13,200	12,935	2

Source: National Heritage Conservation Commission

- The number of tourists visits to museums increased by 35 percent to 62,134 visits from 45,957 visits during the same period in 2024.

#### Tourist Visits to National Museums: January - June 2025 and January-June 2024

National Museum	Jan - June 2025	Jan - June 2024	Percentage Change
Choma	1,727	1,499	15
Copperbelt	2,180	4,635	(53)
Livingstone	29,919	17,922	67
Lusaka	22,515	19,209	17
Moto Moto	5,793	2,692	115
Total	62,134	45,957	35

Source: Ministry of Tourism –(National Museum Board)

### Tourism Revenue (K'000)

Type	Jan – June 2025	Jan- June 2024	Percentage
Tourism Levy	24,944	26,700	(7)
Hunting and Park fees	214,352	106,513	101
Casinos	918	971	(5)
Hotel Managers Registration	801	601	33
Tourism Enterprise	878	430	104
<b>Total</b>	<b>241,893</b>	<b>135,215</b>	<b>79</b>

Source: Ministry of Tourism

### Constituency Development Fund (CDF)

- CDF remains a game changer in the development of the country.
- 2025 saw a proposed increase in CDF allocation from K4.8 billion in 2024 to K5.6 billion in 2025.
- Allocation to each constituency therefore increased to K36.1 million from K30.6 million.
- To improve the enrolment of learners, Government procured over 670 thousand desks using CDF.
- Since 2022, over 2,800 additional classroom blocks have been constructed using enhanced CDF.
- Bursary scheme under CDF has seen an increase in the number of females participating in TEVET programmes to 45 thousand from 16 thousand in 2021.
- 164 new health facilities constructed across the country using CDF since 2021.
- 206 maternity annexes were constructed and rehabilitated country wide using the enhanced CDF.
- 2,700 water, sanitation and hygiene facilities constructed in public places using enhanced CDF.
- Since 2021, 860 kilometers of feeder roads have been rehabilitated by local authorities using CDF.

### Constituency Development Fund (CDF) (Continued)

- 82,652 secondary school learners have been granted boarding bursaries.
- 151,518 youths have been enrolled in various skills training courses.
- 47,246 women and youth groups empowered with grants and 14,773 empowered with loans.
- Over K16 billion of CDF disbursed since 2022.
- Since 2021 transport logistics in constituencies have been eased by the provision of the following for each constituency:
  - Ambulance Land Cruiser;
  - Project monitoring Land Cruiser
  - Police service Land Cruiser
- Many Constituencies acquired road maintenance yellow equipment.

### Youth Affairs

- Government has prioritised skills development as a driver for economic transformation and job creation.
- The student enrolment in TEVET institutions increased to 96 thousand from 38 thousand in 2021.

### **Youth Affairs (Continued)**

- Government has also recorded an increase in the number of female students participating in TEVET programmes to 45 thousand in 2024, from 16 thousand in 2021. This has been made possible by the bursary scheme under the enhanced CDF.
- Government introduced the Zambia National Service (ZNS) voluntary skills training programme to enhance capacity for the youth.
- 2.4 million vulnerable people have benefited from the cash for work programme since its introduction in August 2024. Cash for work will continue with some refinements.
- Through the food security pack programme, Government has continued to provide farming inputs, such as seed and fertilizer, to vulnerable but viable farmers.



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# Budget Highlights

## Taxation

The Honourable Minister of Finance in his Budget Speech indicated that the focus of the 2026 Budget is to provide fiscal context to the theme of “Consolidating Economic and Social Gains Toward a Prosperous, Resilient and Equitable Zambia”.

The theme for the 2026 budget is “Consolidating Economic and Social Gains Towards a Prosperous, Resilient and Equitable Zambia”.

## Personal Taxation

There are no changes that have been made to the tax bands in the 2026 Budget. The 2026 Tax Bands will therefore remain the same as the 31 December 2025 Fiscal Year Tax Bands:

### a) Annual basis

#### Year to 31 December 2026

Income Band	Rate	Income Band	Rate
	%		%
First K61,200 per annum	Nil	First K61,200 per annum	Nil
Next K23,988 per annum	20	Next K23,988 per annum	20
Next K25,188 per annum	30	Next K25,188 per annum	30
Above K110,400 per annum	37	Above K110,400 per annum	37

#### Year to 31 December 2025

### b) Monthly basis

#### Year to 31 December 2026

Income Band	Rate	Income Band	Rate
	%		%
K0-K5,100 per month	Nil	K0-K5,100 per month	Nil
K5,101– K7,100 per month	20	K5,101– K7,100 per month	20
K7,101 – K9,200 per month	30	K7,101 – K9,200 per month	30
Above K9,200 per month	37	Above K9,200 per month	37

#### Year to 31 December 2025

The tax credit for people with disabilities remains at K600 per month.



	31 December 2026	31 December 2025
<b>Company Tax</b>	<b>%</b>	<b>%</b>
Tax rates		
Farming		
- Local	10	10
- Export of cotton	30	30
Rural business except for mining for first 5 years	24	24
Export of non-traditional products - others	20	15
Other sources:		
- Manufacturing	30	30
- Others	30	30
- Fertilizers	15	15
Trusts, deceased or bankrupt estates	30	30
Banks	30	30
Companies listed on the Lusaka Securities Exchange:		
- Existing	28	28
- New (only for the first year the company gets 2% discount on the applicable tax rate)		
- New with more than 33% shares held by Zambians (the 5% discount applies to the particular rate of income tax)	26.6	26.6
Mining:		
- All other mining companies (mining industrial minerals)	30	30
- Tolling	30	30
- Income earned from processing of purchased Mineral ores, concentrates and any other semi – processed minerals	30	30
- Mineral royalty: (final tax)		
- Underground mining operations	6	6
- Open cast mining operations	9	9
- Capital allowances		
Mining equipment	20	20
Rate for capital equipment	25	25

	31 December	31 December
	2026	2025
<b>Company Tax (Continued)</b>	%	%
- Implements, machinery and plant used in the generation of electricity	50	50
- Implements, machinery and plant used in farming	100	100
- New implements, plant or machinery for developers in Multi-facility		
Economic Zones	100	100
- Capital expenditure on new projects to be ring- fenced and deductible when production commences		
- A reference price deemed to be at arm's length will be the basis for assessing of mineral royalties on base metals, gemstones and precious metals. The reference price shall be the price tenable at the London Metal Exchange, Metal Bulletin or any other commodity exchange market recognized by the Commissioner General.		
- Turnover tax threshold for artisanal and small scale mining increased to K5,000,000 from K800,000.		
Telecommunications:		
- Taxable profit – up to K250,000	35	35
- Taxable profit – Over K250,000	35	35
- Companies that add value to copper cathodes	20	20
Others:		
- Carry forward of losses for 10 years for the energy sector extended to businesses generating electricity using other sources of energy such as wind and solar.		
2% local content allowance on income earned from value addition to tomato, cassava, mango, pineapple, sorghum and millet.		
- 5 years development allowance applicable to persons growing rose flowers, tea, coffee, banana plant or citrus fruits or other similar plants or trees.		
- Advance income tax on commercial imports by non registered traders	15	15

	31 December 2026	31 December 2025
<b>Company Tax (Continued)</b>	%	%
- Lapidary and jewellery facilities	25	25
- Refund of up to 15% of expenses incurred in shooting movies locally.		
- All statutory bodies will be mandated to pay tax on rental income above K5,000,000 at the rate of 30%	30	30
- Insurance premium levy	5	5
- Skills Development levy	0.5	0.5
- Tourism levy	1.5	1.5
<b>Turnover Tax</b>		
Companies with annual turnover of K5,000,000 and below	0	0
*Companies with annual turnover of K30,000 (2025 : K12,000) up to K5,000,000 per annum	5	5
Service Providers in the gig economy (Limit K5,000,000)	4	4
*Rental income above K30,000 (2025 : K12,000) up to K800,000 per annum	4	4
Rental income above K800,000 per annum	16	16
*Tax exempt threshold for turnover tax and rental income increased from K1,000 to K2,500 per month.		
Reduce penalty for late remittance of turnover tax payment to 0.5 percent from 5.0 percent.		
<b>Withholding Tax</b>		
<b>Individuals</b>		
- Interest (final tax)	0	0
- Dividends (final tax)	15	15
- Dividends earned by individuals from companies listed on LuSE	0	0

<b>Withholding Tax (continued)</b>	<b>31 December</b>	<b>31 December</b>
	<b>2026</b>	<b>2025</b>
	<b>%</b>	<b>%</b>
- Royalties, management and consultancy fees - resident	15	15
- Royalties, management and consultancy fees – non-resident	20	20
- Commissions - resident	15	15
- Commissions - non - resident	20	20
- Interest earned on village banking and cooperatives	0	0
<b>Persons other than individuals</b>		
<b>Dividends (final tax)</b>		
- other	15	15
- mining	0	0
- non-residents	20	20
- MFEZ	0	0
<b>Interest on green bonds listed on the Securities Exchange in Zambia</b>	<b>0</b>	<b>0</b>
<b>Interest (not final tax)</b>		
- other	15	15
- mining	15	15
- MFEZ and Industrial Parks (foreign contractors)	0	0
- non-residents	20	20
- Government Securities – non-residents	20	15
- Government Securities – residents	20	20
Royalties, management and consultancy fees – resident	15	15
Royalties, management and consultancy fees – non-resident	20	20
- Commissions, public entertainment fees and contractor – non-resident	20	20
- mining companies	15	15
- MFEZ and Industrial Parks (foreign contractors)	0	0
- Commissions	15	15
- Branch profits distribution	20	20
- Reinsurance with Insurers not Licenced in Zambia	0	0
- Life Insurance funds investment income	0	0

<b>Withholding Tax (continued)</b>	31 December	31 December
	2026	2025
	%	%
Other payments		
- Non-resident contractors	20	20
- Public entertainment fees (non-resident only)	20	20
<b>Tax Regime on Casino, Lottery, Betting and Gaming</b>		
- Online casino live games (gross takings)	20	20
- Online casino machine games (gross takings)	35	35
- Online lottery winnings (net proceeds)	35	35
- Lottery winnings (brick and mortar -net proceeds)	15	15
- Casino games (brick and mortar K5,000 per table)		
- Gaming machines K500 per machine)		
- Online betting (gross stakes)	25	25
- Betting (gross takings)	15	15
<b>Property transfer tax</b>		
- On the realisable value of the property	8	8
(Property means: any land and improvements thereon and any share issued by a company in Zambia)		
Exclusion from liabilities of interest on related party loans used to purchase shares, unless conducted at arm's length		
- Sale or transfer of mining right	10	10
- Transfer of intellectual property	8	8
- On the value attributable to a Zambian asset where indirect ownership or control changes outside the Republic of Zambia	8	8
- Transfer of mineral processing and other mine related licences	10	10



	31 December	31 December
	2026	2025
	%	%
<b>Advance Income Tax – Without a valid Tax Clearance Certificate (TCC)</b>		
Export goods for commercial purposes	15	15
Remitting a transaction above US\$2,000 or Kwacha equivalent through a commercial bank	15	15

### Customs and Excise

<ul style="list-style-type: none"> <li>Revise the selected goods surtax and customs duty on imported steel products, meat and edible offal carbon dioxide, flexible PVC pipes, polyester fibre and float glass.</li> </ul>
<ul style="list-style-type: none"> <li>Remove excise duty on complete knock-down components for the assembly of motor vehicles, including tipper trucks, electric vehicles, tricycles, motor cycles, truck trailers and tractors.</li> </ul>
<ul style="list-style-type: none"> <li>Increase customs duty on powdered milk imported for resale and for further processing to 40 percent and 25 percent from 25 percent and 15 percent respectively.</li> </ul>
<ul style="list-style-type: none"> <li>Provide duty relief for machinery and equipment required for transmission and distribution of electricity.</li> </ul>
<ul style="list-style-type: none"> <li>Harmonise, at 10 percent, the selected goods surtax on imported milk, cheese and yoghurt.</li> </ul>
<ul style="list-style-type: none"> <li>Increase customs duty on cheese, yoghurt and long-life milk to 40 percent from 25 percent.</li> </ul>
<ul style="list-style-type: none"> <li>Remove the 15 percent customs duty on milk pasteurization machinery.</li> </ul>
<ul style="list-style-type: none"> <li>Reduce excise duty to 15 percent from 30 percent on selected new hybrid vehicles.</li> </ul>
<ul style="list-style-type: none"> <li>Change the valuation of duty for used hybrid motor vehicles to specific rates.</li> </ul>
<ul style="list-style-type: none"> <li>Increase excise duty to 100 percent from 30 percent on single-use plastics.</li> </ul>
<ul style="list-style-type: none"> <li>Harmonise the customs duty on firearms upwards at 25 percent.</li> </ul>
<ul style="list-style-type: none"> <li>Introduce a 30 percent excise duty on firearms and ammunition.</li> </ul>

### Non-Tax Revenue Measures

- Adjust upwards citizenship fees, visa fees, firearm license fees and mobile money levy rates. Further, Government proposes to adjust toll fees upwards on all motor vehicles except small and light vehicles and buses.

Fees and Levies proposed to be increased in the 2026 Budget

**Table: Mobile Money transaction Levy**

	Amount Range	Current Mobile Money Transaction Levy (Kwacha)	Proposed Mobile Money Transaction Levy (Kwacha)
1.	Between K1 to K150	0.16	0.32
2.	Above K150 to K300	0.20	0.40
3.	Above 300 to K500	0.40	0.80
4.	Above K500 to K1,000	1.00	2.00
5.	Above K1,000 to K3,000	1.60	4.00
6.	Above K3,000 to K5,000	2.00	7.50
7.	Above K5,000 to K10,000	3.00	8.00

**Table 2: Toll Fees**

	Vehicle Description	Current Tolls Fee (Kwacha)		Proposed Tolls Fee (Kwacha)	
		Michael Chilufya Sata Toll Plaza	All other Toll Plazas	Michael Chilufya Sata Toll Plaza	All other Toll Plazas
1.	Medium heavy vehicle with 2 – 3 axles (more than 6.5 tons) (rigid) (single access)	300	50	400	200
2.	Heavy vehicle with 4 axles and above (single access)	460	250	600	300
3.	Abnormal load vehicle (single access)	800	800	1,000	3,000

**Non-Tax Revenue Measures (continued)**

Fees and Levies proposed to be increased in the 2026 Budget (continued)

**Table 3: Citizenship Fees**

	Description	Current Fee (Kwacha)	<b>Proposed Fee</b>
1.	Application for Citizenship by Registration	1,466.66	USD 1,000 or Kwacha equivalent
2.	Certificate of Citizenship by Registration	26,466.66	USD 10,000 or Kwacha equivalent
3.	Application for Bestowal of Citizenship	1,466.66	K5,000.00
4.	Certificate of Bestowal of Citizenship	13,333.33	K25,000.00
5.	Declaration of Renunciation of Citizenship	2,666.66	K5,000.00
6.	Letter of confirmation	1,333.33	K2,500.00

**Table 4: Firearm License fees**

	Description	Current fee (Kwacha)	Proposed fee (Kwacha)
1.	Tourist's Import Permit.	88.88	3,600.00
2.	Certificate of Exemption.	22.40	1,200.00
3.	Firearm licence: In respect of each rifle or pistol entered on certificate.	88.88	2,400.00
	In respect of each breech-loading firearm other than rifle or pistol.	16.80	1,200.00
	In respect of each muzzle-loading firearm.	44.80	360.00
4.	Duplicate firearm certificate.	22.40	600.00
5.	Certificate of exemption (antique firearm).	22.40	1,200.00
6.	Certificate of registration as a firearm dealer.	333.33	3,600.00
7.	Firearm Dealer's Import Permit.	333.33	1,200.00
8.	Permit for repair, test proof.	333.33	600.00

### Direct Taxes

- Extend the 2 percent local content allowance to income earned from value addition to milk, raw hides and skins.
- Exclude buses with a seating capacity of 50 and above from presumptive tax and register them under turnover tax or corporate income tax.
- Remove the five-year carry forward limitation period of disallowed interest.
- Increase the allowable income tax deduction for companies employing persons with disabilities to K2,500 from K2,000.
- Extend the charge of advance income tax to all remittances.
- Provide incentives to revamp the rail sector.

### Value Added Tax

- Increase the period to 10 years from seven years in which a business in hydroelectricity generation can claim a refund on vat incurred on eligible goods before the commencement of commercial operations.
- Zero-rate the supply of mains (piped) water for value added tax purposes.

### House Keeping Measures

- Amend the Income Tax Act, the Customs and Excise Act, the Value Added Tax Act, the Zambia Revenue Authority Act and other relevant laws. This is aimed at updating, strengthening and removing ambiguities in certain provisions of the laws and making revenue administration more effective.



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# Detailed Analysis of Budget

Revenue	Note	2026 K'million	%	2025 K'million	%
<b>Domestic Revenue and Financing</b>					
Mineral Royalty Tax		18,199.88	7.2	17,354.62	8.0
Income Tax	1	82,486.33	32.6	65,810.24	30.3
Value Added Tax		54,377.54	21.5	48,341.42	22.3
Customs and Excise duty	2	28,899.50	11.4	23,262.44	10.7
Domestic Financing		21,620.00	8.5	15,359.23	7.1
Non-Tax Revenue		22,488.76	8.9	19,419.68	8.9
Total Domestic Revenue and Financing		228,072.01	90.1	189,547.63	87.3

## External Assistance

External financing and grants	3	25,017.44	9.9	27,557.75	12.7
Total Foreign Grants and Loans		25,017.44	9.9	27,557.75	12.7
Total Revenue and Financing		253,089.45	100	217,105.38	100

Note:		K'million	K'million
		2026	2025
1)	Income tax		
	Company income tax	30,064.68	22,950.47
	PAYE	31,379.99	26,984.99
	Withholding and other taxes	21,041.66	15,874.78
		82,486.33	65,810.24
2)	Customs and excise duty		
	Customs duty	14,385.33	10,557.96
	Export duty	419.16	408.31
	Excise duty	14,095.01	12,296.17
		28,899.50	23,262.44
3)	External Financing and grants		
	Project and programme loans	12,869.60	19,388.56
	Project grant	12,147.84	8,169.19
		25,017.44	27,557.75

Expenditure	Note	2026 K'million	%	2025 K'million	%
General Public Services	1	92,607.31	37	73,815.23	34
Defence		11,869.12	5	10,321.44	5
Public Order and Safety	2	9,633.14	4	8,406.14	4
Economic Affairs	3	58,649.79	23	48,713.51	22
Environmental Protection		1,574.42	1	1,480.37	1
Housing and Community Amenities	4	3,202.79	1	2,988.71	1
Health	5	26,174.42	10	23,167.33	11
Recreation, Culture and Religion	6	668.57	0	558.71	0
Education	7	33,036.71	13	31,493.30	15
Social Protection	8	15,673.20	6	16,160.64	7
Total expenditure		253,089.45	100	217,105.38	100

Notes:		K'million
1)	The total amount includes:	
	- Local Government Equalisation Fund	1,449.07
	- External debt interest & amortisation	16,664.31
	- Domestic Debt Interest	52,001.22
	- Compensation Fund	810.16
	- Dismantling of Arrears	5,674.87
	- 2026 General Elections	1,186.77
	- Other General Public Services	14,820.91
2)	The total amount includes:	
	- Integrated National Registration Information System (INRIS)	217.80
	- Support to Law Enforcement Agencies	940.73
3)	The total amount includes:	
	- Road infrastructure	14,494.95
	- Rural Roads	271.17
	- Strategic Food Reserve	2,101.20
	- Farmer Input Support Programme	9,153.62
	- Animal Health Services	764.71
	- Other Agriculture Funding	3,525.44

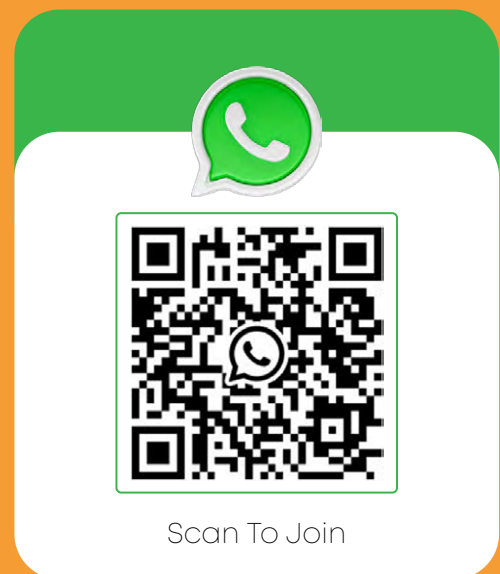
Note:		K million
	- Tourism	1,535.62
	- Aerial Geological and Geophysical Mapping	541.47
	- Electricity Fund	500.00
	- Constituency Development Fund	6,245.08
	- Artisanal and Small-Scale Mining	449.50
	- Other Mining Funding	211.17
4)	The total amount includes:	
	- Water supply and sanitation infrastructure	1,829.92
	- Other Housing and Community Amenities	1,372.85
5)	The total amount includes:	
	- Drugs and Medical Supplies	6,401.09
	- Medical Equipment	953.53
	- Health Infrastructure	1,697.28
	- Hospital Operations	1,147.17
	- Other Health Funding	15,975.35
6)	The total amount includes:	
	- Chiefs' welfare	200.63
7)	The total amount includes:	
	- School Operation	2,434.62
	- School and University Infrastructure	2,290.04
	- Student Loans and Scholarships	1,359.58
	- Revised Education Curriculum	300.00
8)	The total amount includes:	
	- Public Service Pension Fund	4,923.38
	- Social Cash Transfer	7,649.88
	- Food Security Pack	1,512.70
	- Cash for work programme	1,032.18



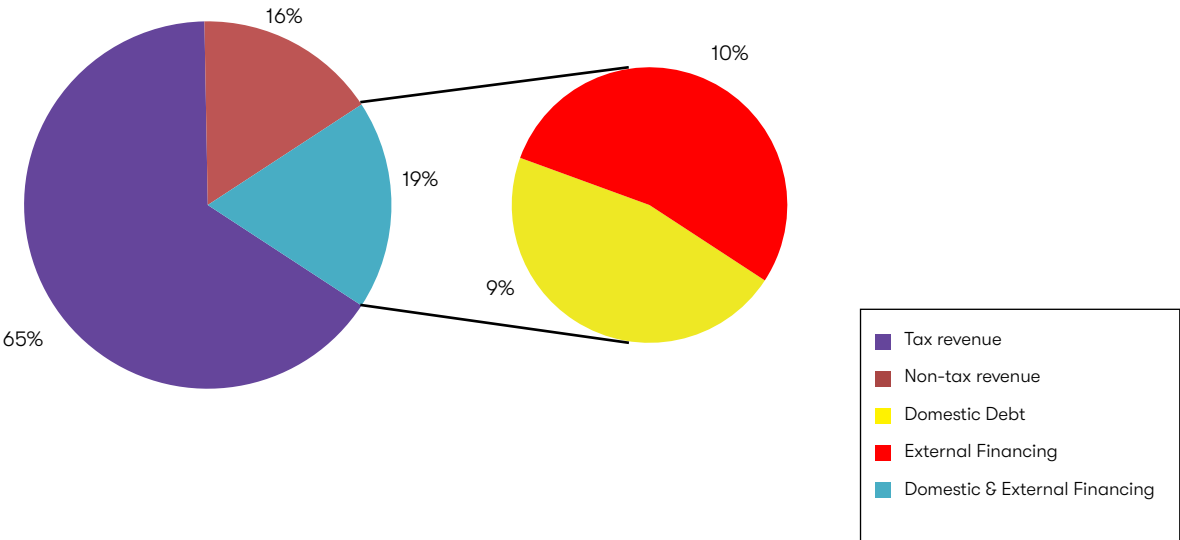
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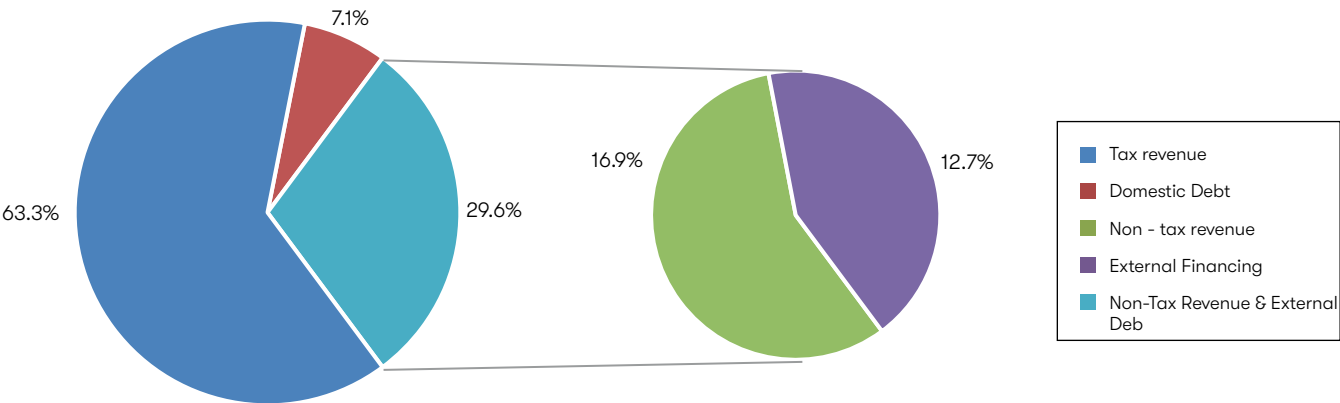
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- ✔ **Updates on restoration times**
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- ✔ **New service announcements**



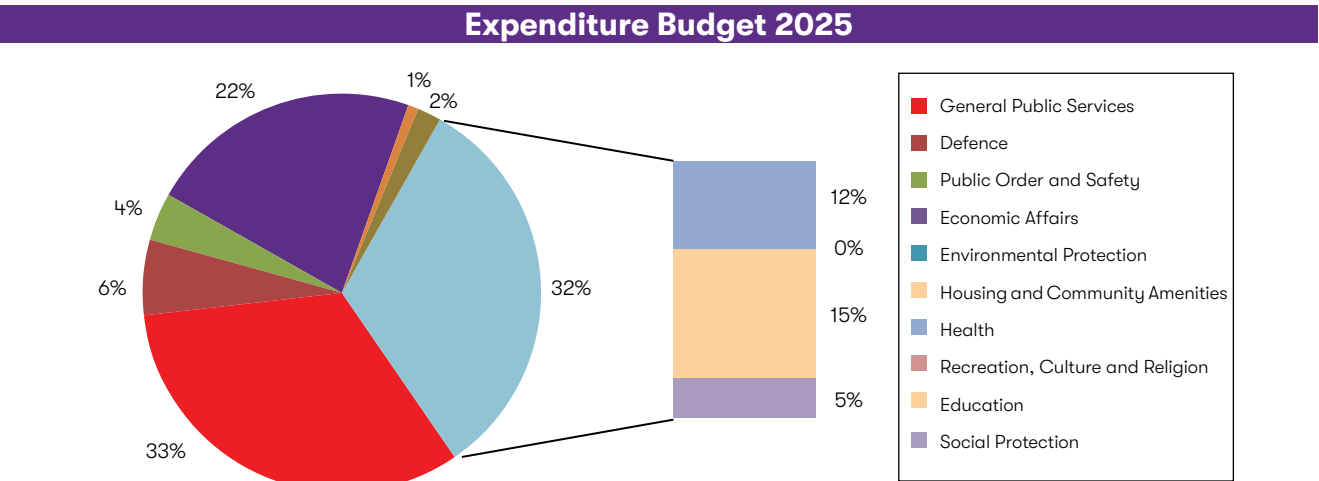
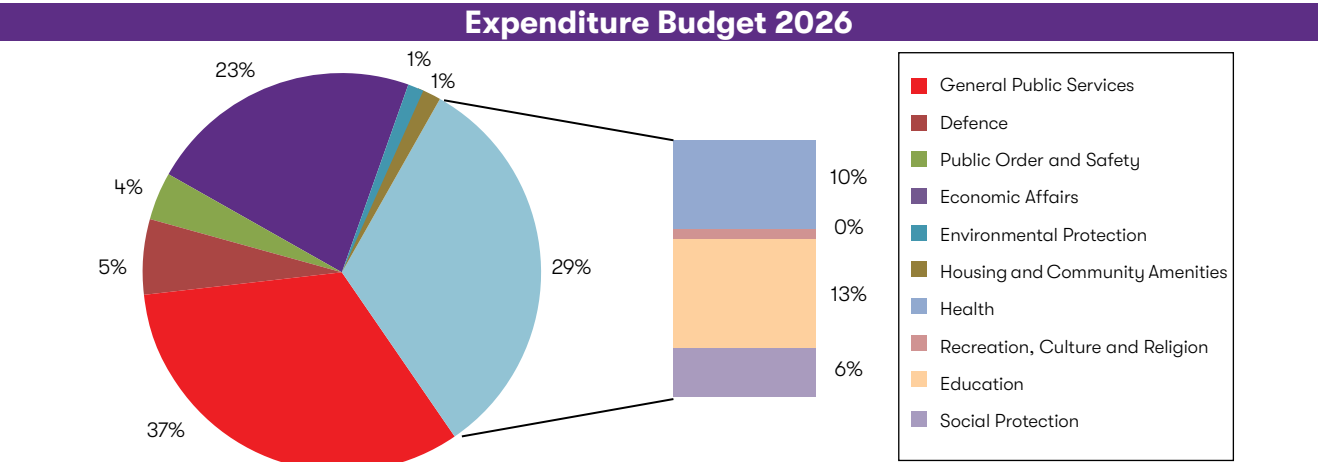
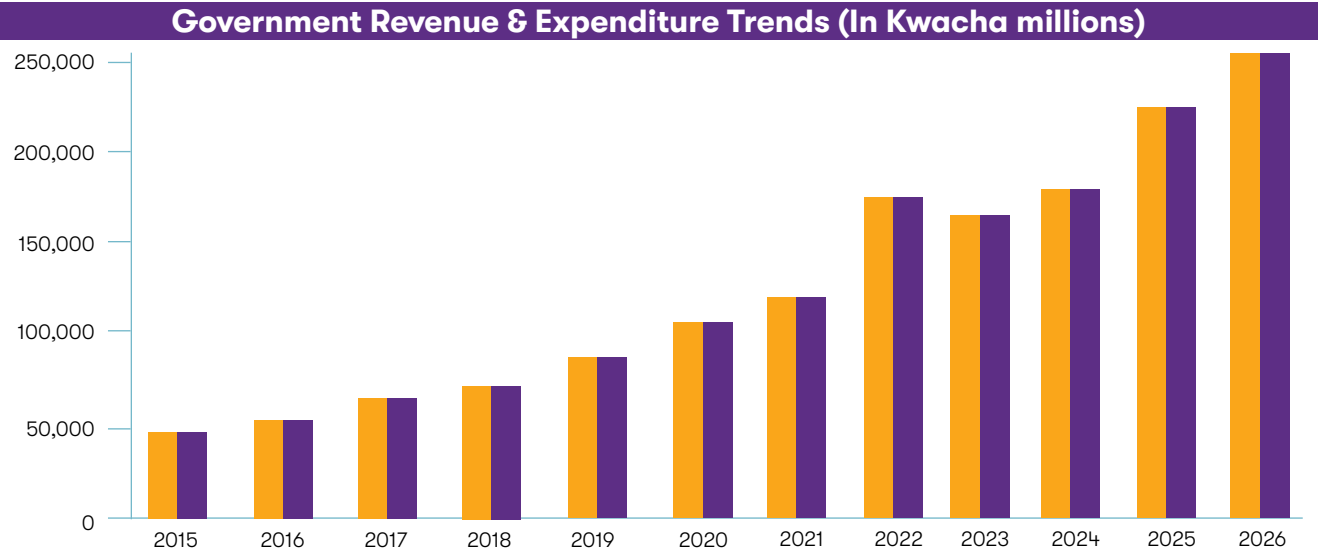
Revenue Budget 2026



Revenue Budget 2025









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# Tax Measures Specified by Zambia Revenue Authority (ZRA)

## INCOME TAX MEASURES

### REVENUE CONCESSION MEASURES

- **Extend the 2 percent local content allowance to income earned from value addition to milk, raw hides and skins.**

This measure is aimed at extending local content allowance to milk, raw hides and skins, to encourage value addition in the leather and dairy sub-sectors.

Currently, there is a 2 percent local content allowance on income earned from value addition to tomatoes, pineapples, cassava, mango, sorghum, and millet.

- **Remove carry forward time limitation of disallowed interest under section 29(4) of the Income Tax Act.**

This measure seeks to remove the current time limitation that restricts businesses from carrying forward disallowed interest expenses beyond the stated periods.

Currently, there is a time limit of 10 years for the mining and electricity generation sectors and 5 years for all other sectors, on the excess interest expense that a business can deduct subject to the carry forward time limitation. The amount of interest expenses that is allowed for deduction is capped at 30 percent of the business' Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA).

- **Increase the Turnover Tax and Rental Income Tax exempt threshold to K2,500 from K1,000 per month.**

This measure seeks to raise the tax-exempt threshold which is currently at K1,000 per month, to provide relief to small businesses and low-income earners. This adjustment would not only lessen the tax burden on the most vulnerable businesses but also stimulate economic activities in the informal sector.

## INCOME TAX MEASURES (Continued)

### REVENUE CONCESSION MEASURES (Continued)

- **Increase the turnover threshold for Artisanal and Small-Scale mining from K800,000 to K5,000,000 to align with the standard Turnover Tax threshold.**

This measure intends to align the Artisanal and Small-Scale mining turnover threshold with the standard Turnover Tax threshold to simplify and enhance compliance in the sector.

Currently, a person under Artisanal or Small-Scale mining with annual turnover of K800,000 and below pays a presumptive tax at 4 percent of the turnover less the mineral royalty paid while the Turnover Tax annual turnover threshold is at K5,000,000.

- **Reduce the penalty for late Turnover Tax payment to 0.5 percent from 5 percent per month or part thereof.**

The measure is intended to reduce the late payment penalty to 0.5 percent for businesses on Turnover Tax to encourage voluntary compliance.

Currently, the penalty for late payment of Turnover Tax is 5 percent of the unpaid tax per month or part thereof.

- **Increase the allowable income tax deduction for companies that employ Persons with Disabilities to K2,500 from K2,000 per annum.**

This measure is intended to increase the tax rebate to encourage more businesses to employ persons with disabilities.

Currently, an employer who employs a person with a disability on a full-time basis is entitled to an allowance of K2,000 per employee as a credit against the employer's taxable income.

**INCOME TAX MEASURES (Continued)****REVENUE CONCESSION MEASURES (Continued)**

- Income Tax concessions for Railway sub-sector Public-Private Partnership**

Amend the Income Tax Act to provide for the fiscal regime for the Public Private Partnership (PPP) for the rehabilitation, renovation, operation, maintenance, management, and financing of the TAZARA Special Purpose Vehicle (SPV).

**Table 1: Income Tax Concessions for the Railway Sector**

S/No	Measure	Period	Proposed Rate (%)
1.	Reduce the Corporate Income Tax rate from 30 percent of the SPV during the operation period as follows:	Year 1 to 5	0
		Year 6 to 15	10
		Year 16 to 25	12
		Year 26 to 28	30
2.	Exemption from the Minimum Alternative Tax for the first 12 years of operation;		
3.	Deductibility of losses incurred in a charge year to 70 percent from the current 50 percent of income tax from the same source.		
4.	Increase the carry forward period of losses from the current 5 years to 12 years		
5.	Increase the capping on interest deduction from 30 percent to 70 percent of EBITDA		
6.	Increase the carry forward period of disallowed interest from the current 5 years from 12 years, subject to Section 29(4) of Income Tax Act.		

## INCOME TAX MEASURES (Continued)

### REVENUE CONCESSION MEASURES (Continued)

#### COMPENSATING MEASURES

- **Exclude public service vehicles with seating capacity of 50 and above from Presumptive Tax and subject the income earned to Turnover Tax or Corporate Income Tax.**

This measure seeks to subject income earned from buses with a seating capacity of above 50, used for the carriage of persons to Corporate Income Tax, if the annual turnover is above K5 million per year, or Turnover Tax, where the annual turnover is K5 million or less.

- **Extend the charging of Advance Income Tax (AIT) on foreign remittances above US\$2,000, to other financial institutions and platforms.**

This measure is intended to extend the requirement of AIT on remittance to other financial institutions and remittance platforms.

Currently, any person sending funds outside Zambia exceeding US\$2,000 through the bank is required to avail a valid Tax Clearance Certificate. Failure to provide a valid Tax Clearance Certificate attracts a 15 percent Withholding Tax. This, however, does not apply when sending money through non-bank platforms.

#### HOUSEKEEPING MEASURES

- **Remove the reference to the Mines and Minerals Development Act, 2015 in the Income Tax Act and replace with “Minerals Regulation Commission Act, 2024”, wherever the reference is made.**

This measure seeks to update the Income Tax Act by removing reference to the repealed Mines and Minerals Development Act, 2015 wherever it appears, and replacing with the Minerals Regulation Commission Act 2024.

## INCOME TAX MEASURES (Continued)

### REVENUE CONCESSION MEASURES (Continued)

- **Allow mineral processing businesses to keep books of accounts in US dollars.**

This measure seeks to extend the option to maintain books of accounts in US dollars to businesses engaged in mineral processing.

Currently, a person carrying out any mining operations and earning not less than 75 percent of income in form of foreign exchange from outside Zambia, may elect to keep books of accounts in US dollars of all transactions relating to, connected with, or incidental to mining operations.

- **Allow taxpayers on voluntary VAT registration scheme to register for Turnover Tax.**

This measure seeks to allow taxpayers on voluntary VAT registration scheme to register for Turnover Tax following the increase of Turnover Tax threshold to K5 million in 2025, which allows a person to be on both Turnover Tax and VAT.

Under the current law, persons on voluntary VAT are required to be registered for Income Tax, even if they fall below the Income Tax registration threshold.

- **Align the legal framework governing disclosure of information received pursuant to Exchange of Information Agreements, with the international standards in Section 74 of the Income Tax Act.**

This measure seeks to strengthen the provisions of Section 74 of the Income Tax Act to treat information received under Exchange of Information agreements as secret and restricting its disclosure to the precise conditions set out in each treaty.



## INCOME TAX MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Remove penalties chargeable on a taxpayer that has made a voluntary disclosure to the Zambia Revenue Authority.**

This measure aims to remove the penalties chargeable on a taxpayer that has made voluntary disclosure of errors or omissions.

This will act as an incentive to encourage voluntary disclosure. Currently, there is no provision to encourage taxpayers to voluntarily disclose errors or omissions.

- **Introduce an Anti-Fragmentation Rule that treats all related business activities carried out at one or more fixed locations in Zambia, as a single permanent establishment, whenever their combined functions go beyond mere preparatory or auxiliary tasks.**

This measure introduces an Anti-Fragmentation Rule that treats all related business activities carried out at one or more fixed locations in Zambia as a single permanent establishment, whenever their combined functions go beyond mere preparatory or auxiliary tasks. This will align the domestic law with OECD BEPS Action 7, which specifically targets artificial avoidance of permanent establishment status through fragmentation and dependent-agent schemes, and strengthens the Country's ability to curb base erosion, and upholds internationally agreed standards for fair and effective cross-border taxation.

## INCOME TAX MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Replace reference to subsection (7) with subsection (6) in Section 84(7) of the Income Tax Act.**

This measure intends to remove the ambiguity and make it clear that agents who fail to remit on time will clearly face the intended 1.0 percent monthly penalty.

Currently, subsection (7) of section 84 mistakenly refers to the same subsection instead of subsection (6), which sets out when an appointed agent must remit withheld tax.

- **Exempt Private Funds from Income Tax.**

The measure seeks to exempt income earned and retained by a private fund from Corporate Income Tax.

Currently, income of a private fund is exempt to the extent to which it is distributed to participants in the private fund.

- **Broaden the Definition of "Commodity Royalty" to include financing arrangements where no purchase price has been made to a resident company or where the payment of dividends to shareholders has been recharacterised as a Commodity Royalty.**

This measure intends to broaden the scope of Commodity Royalties to include financing arrangements where no payment of purchase price has been made. Currently, for a payment to qualify as a commodity royalty, the financing arrangement should include a purchase price which, is an amount advanced in return for the future payment of commodity royalty.



## INCOME TAX MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Remove the term limit of tax collection agency contracts.**

The measure intends to remove the two-term limit of tax collection agency contracts of appointed tax agents. This will facilitate uninterrupted tax collection services at the local level.

The current provision limits the appointment of tax collection agents to a maximum of two terms, each lasting two years, capping service to four years.

- **Limit the types of surrender or forfeiture that are exempt for Property Transfer Tax purposes.**

This measure intends to curb avoidance of Property Transfer Tax to preserve the tax base. Currently, Section 6(1)(h) of the Property Transfer Tax Act exempts any share surrender or forfeiture, where there is no consideration.

- **Extend the relief applicable to group reorganisation under Section 5(2)(A) of the Property Transfer Tax Act to cases that result in change of shareholding with respect to a company incorporated in Zambia, where companies involved in the transfer have been part of the group for three years or more, preceding the transfer.**

The measure is intended to provide for use of nil realised value where the transfer of shares for the purpose of group reorganisation, will result in change of shareholding in a company incorporated in Zambia provided companies involved in the transfer have been part of the group for three years or more, preceding the transfer.

## INCOME TAX MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

Currently, a nil value may be determined for Property Transfer Tax purposes where a transfer of shares is made in a company incorporated outside Zambia, for the purposes of group reorganisation, when;

- a. there is no change in shareholding with respect to the company resident in Zambia; and
- b. the companies involved in the transfer have been part of the group for three years or more preceding the transfer.

- **Amend the Registration of Business Names Act to make it compliant with the Global Forum's recommendation.**

This measure is intended to provide disclosure of beneficial ownership information under the registration of Business Names Act. This will enable Zambia meet the international standards regarding disclosure of beneficial ownership as recommended by the Global Forum on Transparency and Exchange of Information for Tax Purposes.

## VALUE ADDED TAX MEASURES

### REVENUE CONCESSION MEASURES

- **Increase the intending trader period to 10 years from 7 years for hydro-electricity generation for VAT purposes.**

This measure aims to extend the intending trader period to 10 years from 7 years, for businesses under the hydro-electricity subsector so as to attract more investment in the sector. Eligible businesses will be allowed to claim VAT on inputs for up to 10 years.

Currently, the intending trader period for hydro-electricity is 7 years.

## VALUE ADDED TAX MEASURES (Continued)

### REVENUE CONCESSION MEASURES (Continued)

- **Zero rate the supply of mains water.**

This measure intends to zero rate mains water supply by water utility companies. This will allow the water utility companies to claim attributable input VAT, hence reducing their operating costs.

Currently, mains water supply services are VAT exempt, meaning utility companies can neither charge VAT on their services nor claim VAT paid on inputs such as chemicals, pipes, energy or technical services.

- **Zero rate supplies to Government projects funded through loans.**

The measure intends to zero rate supplies of the Government projects funded through loans which will ease Government cashflow.

Currently, supplies to donor funded Government projects are zero rated for VAT purposes while supplies to loan funded Government projects are standard rated.

## VALUE ADDED TAX MEASURES (Continued)

### REVENUE CONCESSION MEASURES (Continued)

#### HOUSEKEEPING MEASURES

- **Amend Regulation 12 of the VAT regulation by inserting the word “taxable” before the word “supplier”.**

This measure seeks to insert the word “taxable” before “supplier”.

- **Amend Section 19 of the VAT Act to provide for remission of irrecoverable debt by the Minister responsible for Finance, on recommendation by the Commissioner General under specific conditions.**

This measure seeks to introduce new subsections (1A) and (1B) to Section 19 to equip the Minister responsible for Finance with documentary support from the Commissioner- General to waive or reduce principal tax in clearly defined circumstances such as the taxpayer’s insolvency, death without sufficient estate, prolonged dormancy of ten years, pre-privatization liabilities or nominal debts whose collection costs exceed their value.

**MOBILE MONEY TRANSACTION LEVY ACT****REVENUE MEASURE**

- **Amend Section 5(1) of the Mobile Money Levy Act to adjust mobile money levy rates as follows;**

Amount Range	Current Mobile Money Levy (K)	Proposed Mobile Money Levy (K)	Proposed Change or increase
Between K1 to K150	0.16	0.32	0.16
Above K150 to K300	0.20	0.40	0.20
Above K300 to K500	0.40	0.80	0.40
Above K500 to K1,000	1.00	2.00	1.00
Above K1,000 to K3,000	1.60	4.00	2.40
Above K3,000 to K5,000	2.00	7.50	5.50
Above K5,000 to K10,000	3.00	8.00	5.00

This measure is intended to raise revenue for government.

**HOUSEKEEPING MEASURES**

- **Clarify that Person-to-Person Transfer includes a transfer of electronic money from one person to another or to the same person.**

Currently, the definition under section 2 of the Mobile Money Transaction Levy Act of Person-to-Person transfer is that “Person-to-person transfer” means a transfer of electronic money from one person to another person. This definition implies that in an instance where the initiator of the transaction was both the sender and recipient of the electronic money, the levy would not be applied. Thus, this measure seeks to clearly define person-to-person transaction in relation to mobile money levy and ensure that electronic money transfers to and from the same person are not excluded from the collection of Mobile Money Levy.

**CUSTOMS AND EXCISE MEASURES****REVENUE CONCESSION MEASURES**

- **Remove the 5 percent Selected Goods Surtax (SGS) on float glass.**

This measure is intended to reduce the cost of float glass and thereby promote local construction sectors.

- **Remove the 5 percent Selected Goods Surtax (SGS) applicable on flat-rolled products of iron or non-alloy steel, painted, varnished, or coated with plastics (HS Code 7210.70.00).**

The measure is intended to lower input costs, enhance manufacturing efficiency and sustain jobs.

## CUSTOMS AND EXCISE MEASURES (Continued)

### REVENUE CONCESSION MEASURES (Continued)

- **Remove Customs Duty on Complete Knock Down Components for the assembly of motor vehicles, including tipper trucks, electric vehicles (EVs), tricycles, truck trailers, and tractors.**

This measure is intended to encourage the assembly of motor vehicles and foster growth in Zambia's automotive industry.

- **Remove the 15 percent Customs Duty on milk pasteurisation machinery of HS code 8419.19.00.**

The measure is intended to reduce the cost of machinery and encourage further investments in the dairy sector.

- **Reduce Excise Duty to 15 percent from 30 percent on new Hybrid Motor Vehicles of HS Heading 8703.**

This measure is aimed at promoting the use of environmentally friendly vehicles in line with the Government Policy of reducing emission of greenhouse gases.

- **Introduce Specific Duties on second hand Hybrid Motor Vehicles in order to align the treatment with the second-hand petroleum propelled vehicles.**

The measure intends to harmonise the treatment of all second-hand motor vehicles and thereby make these environmentally friendly vehicles affordable. Second hand hybrid vehicles currently pay Duties based on Ad valorem rates.

### COMPENSATING MEASURES

- **Introduce Customs Duty at the rate of 25 percent on selected steel products under HS Codes 7213, 7214, 7215, and 7228.**

The measure is intended to support and strengthen local manufacturers, enabling them to increase production and promote local value addition.

## CUSTOMS AND EXCISE MEASURES (Continued)

### COMPENSATING MEASURES (Continued)

- Increase the Customs Duty rate to 40 percent from 25 percent on processed meat products of Bovine, Sheep, Goats, Horses, Mules, and Edible Offal of Bovine and other Animals, Pig and Poultry Fat, Meat and Edible Meat Offal, Salted, Dried, or Smoked, and Flours, Meals and Pellets of Meat or Meat Offal.

The measure is intended to harmonise the Customs Duty rate on all meat products and promote domestic producers and local value addition.

- **Increase and harmonise the Customs Duty rate on float glass to 25 percent from 5 percent and 15 percent.**

The measure seeks to harmonise the Customs Duty rate at 25 percent on float glass under HS Codes 7005.10.00, 7005.21.00, and 7005.29.00, thereby creating a uniform tariff regime for float glass products.

- **Increase Customs Duty on powdered milk of heading 04.02 imported for further processing from 15 percent to 25 percent and harmonise Selected Goods Surtax on imported milk and cream.**

The measure is intended to promote local value addition and reduce dependency on imported dairy products.

- **Increase Customs Duty on powdered milk imported for resale to 40 percent from 25 percent.**

This measure intends to enhance local production of long-life milk and yoghurt, thereby creating employment and contributing to economic growth.

## CUSTOMS AND EXCISE MEASURES (Continued)

### COMPENSATING MEASURES (Continued)

- **Increase Customs Duty on cheese of heading 04.06 to 40 percent from 25 percent.**

The measure is intended to promote local value addition to dairy products and reduce dependency on imported dairy products.

- **Increase Customs Duty on yoghurt of heading 04.03 and long-life milk of heading 04.01 to 40 percent from 25 percent.**

The measure is aimed at increasing local production and promote local value addition.

## CUSTOMS AND EXCISE MEASURES (Continued)

### COMPENSATING MEASURES (Continued)

- **Increase the Excise Duty on Single-Use Plastics to 100 percent from 30 percent.**

The measure aims to discourage the use of single-use plastics and motivate consumers and businesses to shift towards environmentally friendly alternatives such as reusable bags, biodegradable packaging, and paper-based substitutes.

- **Introduce, increase, and harmonise the Selected Goods Surtax on selected locally available goods as follows;**

S/No	Goods Description	HS Code	Current Rate (%)	Proposed Rate (%)
1.	Selected steel products	7213, 7214, 7215, and 7228	5 & 10	20
2.	Flexible PVC hoses	39.17	N/A	20
3.	Carbon Dioxide	2811.2110 and 2811.2190	N/A	10
4.	Polyester Fibre	5503.20.00	N/A	10
5.	Mechanically deboned meat	0201,0202,0203 and 0204	10	20





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## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES

- **Clarify that machinery and equipment required in mining and exploration are Customs Duty exempt.**

This measure is aimed at providing clarity on the provisions of Regulation 96 of the Customs and Excise (General) Regulations of 2000, that Customs Duty exemption is on machinery, equipment and other goods used in geothermal, oil and gas exploration.

- **Provide for Customs conversion of foreign-currency amounts at the daily spot exchange rate published by the Bank of Zambia.**

Currently, the Zambia Revenue Authority applies an exchange rate fixed every two weeks, determined as the median of commercial bank rates and applies it for all customs valuations during that period. The measure therefore, intends to require the use of the Bank of Zambia daily spot exchange rate for all customs foreign-currency conversions.

- **Provide for a 30-day period within which an assessment of Domestic Excise Duty can be objected or subjected to review by the Commissioner-General.**

This measure will compel timely settlement of challenged assessments and provide taxpayers with clear timeline for objection, which is consistent across all indirect tax regimes.

Currently, under the Customs and Excise Act, there is no statutory deadline for lodging objections to domestic Excise Duty assessments, undermining the predictability of the dispute resolution process.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Reduce the number of days to 3 from 5 within which a payment has to be made after assessment under Regulation 31 of the Customs and Excise (General) Regulations, 2000.**

This measure aligns the number of days within which payment has to be made after assessment in the Regulations with the Act, thereby removing ambiguity.

- **Provide for special disposal of goods that may be considered to be perishable or dangerous in nature by the Commissioner General.**

Currently, the Customs and Excise Act provides for the disposal of goods after formally being forfeited to the State regardless of the goods being perishable or dangerous. Therefore, this measure will provide for disposal of perishable or dangerous goods in order to avoid wastage of the goods or the risk of a hazard occurring from keeping the goods during the forfeiture period or the period of concluding an appeal or investigation.

- **Provide clear procedural guidance for effecting the arrest of individuals suspected of committing offences under the Act.**

This measure is necessary to ensure legal certainty, enhance procedural transparency, and strengthen enforcement under the Customs and Excise Act by aligning it with established arrest and warrant procedures. The current provisions in the Customs and Excise Act lack clarity in relation to the officer's authority and the procedure to be followed when a suspected offence arises.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Empower the Commissioner General to restrict disposal of taxpayers' property and bank accounts.**

Currently, restrictions on taxpayers' bank accounts and assets rely on external agencies like the Drug Enforcement Commission (DEC), for seizure requests and the Financial Intelligence Centre, for account freezes resulting in substantial delays and a fragmented enforcement framework. This provision is intended to provide the Commissioner-General with power to issue "Restraining Notices".

- **Empower the Commissioner General to suspend or withhold any tax refunds due to a taxpayer who is under investigation for a suspected offence under any Tax Act.**

This measure will ensure that funds legitimately subject to recovery remain secure until investigations conclude.

Currently, taxpayers under investigation can still receive refunds which they may then dissipate before any adverse finding, creating a loophole that undermines both revenue protection and the integrity of criminal inquiries.

- **Permit the Zambia Revenue Authority to submit records of unresolved tax liabilities to the Credit Reference Bureau**

This measure will amend the secrecy clauses to allow targeted disclosure of unresolved tax debts to the Credit Reference Bureau (CRB). This will allow Zambia Revenue Authority (ZRA) to share non-compliance details with private credit information Bureaus.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Allow use of the Mineral Valuation Certificate issued under the Minerals Regulation Commission Act, 2024 as an alternative basis for determining the Free-On-Board (FOB) value of exported minerals.**

This measure intends to harmonise Customs valuation with the Minerals Regulation framework in the valuation of minerals.

While the Minerals Regulation Commission Act, 2024 which repealed and replaced the Mines and Minerals Development Act, 2015 introduced the Mineral Valuation Certificate as the official mechanism for valuing mineral exports, Section 88C of the Customs and Excise Act mandates only transaction-based Free On Board (FOB) pricing.

- **Require valid Tax Clearance Certificate for all Customs Incentives.**

This measure provides for requirement of valid Tax Clearance Certificate as a precondition for accessing Customs and Excise incentives. This will ensure that only compliant taxpayers access Customs Duty reliefs and rebates.

- **Harmonise pre-clearance requirements with regards to time limit.**

The measure is aimed at harmonising the legal provisions for pre-clearance.

Currently, the Customs and Excise Act provides for preclearance to be made 5 days prior to importation, which provision was abolished in the 2025 National Budget.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Include Saturdays, Sundays and public holidays when counting calendar days with regard to assessment notices.**

This measure is intended to align the Regulation with the Act.

Currently, the Customs and Excise Regulations require that duty assessed on imported goods be paid within three days of service of the assessment notice excluding Saturdays, Sundays, and public holidays. The exclusion provision in the Regulation contradicts the provisions of the Act.

- **Remove the exclusion of Saturdays, Sundays and public holidays in the counting of 3 days in which additional Duty should be paid after issuance of assessment notice.**

The measure intends to remove the exclusion of weekends and public holidays in counting of days in which additional Duty should be paid so as to harmonise the Regulation with the Customs and Excise Act.

The current provision under Regulation 19 of SI 54 of 2000, requires importers declared liable for additional Duty to settle that charge within three working days of receiving the assessment notice, excluding weekends and public holidays.

- **Explicitly provide for non-collection of fees on the issuance of an electronic Certificate of Origin.**

This measure seeks to exempt the electronic Certificate of Origin from payment of the fee.

Currently, Regulation 69AF requires importers and exporters to pay a prescribed fee of 25 fee units (K10) for each manual Certificate of Origin.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Provide for the annual renewal of the red book issued for motor vehicles imported under these provisions.**

This measure is intended to improve compliance with motor vehicles that are imported on a rebate.

- **Explicitly require Ad valorem assessment on new motor vehicles when finally cleared for home consumption after temporary importation; and introduce a five-year restriction on re-importation of the same vehicle under temporary admission.**

The current framework allows temporary importation of vehicles with minimal advance charges but does not prescribe how duties should apply when they are finally cleared. This creates uncertainty and opportunities for abuse, including clearing new vehicles at lower specific rates or avoiding duty altogether. This measure seeks to align the current provision with the Customs Tariff and ensures that new vehicles pay duties proportionate to their value, maintaining fairness with ordinary imports.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Provide for a break of not more than six (6) months in the four-year period under the Returning Resident tax incentive in instances where a Zambian citizen comes back to Zambia for a holiday or for any purpose.**

The measure is intended to provide for an allowance for a temporary visit of not more than 6 months without losing eligibility for Duty rebate.

Currently, the Customs and Excise (General) Regulations provides for a remission of Duty on household and personal effects goods, including one motor vehicle per household imported by a new resident who has been resident outside Zambia for a period of not less than four years before the date of arrival in or return to Zambia. However, Zambian citizens who qualify for the four-year returning resident tax incentive lose that benefit the moment they return home even if it's just for a short holiday because there's no allowance for a temporary visit.

- **Provide for a definition of used high-performance Motor Bikes.**

The measure is intended to define "used high performance motor bikes" as any previously registered motorcycle with at least a 1,000-cc engine and 200 hp, and apply a more appropriate Duty level to the luxury grade machines. This distinction will ensure that high value imports are taxed differently.

Currently, all used motorcycles whether basic commuter bikes or high-performance "superbikes", attract the same duty without regarding value, engine size, and intended use.

## CUSTOMS AND EXCISE MEASURES (Continued)

### HOUSEKEEPING MEASURES (Continued)

- **Provide for the inclusion of government fees due on any imported goods that are carried by the customs carrier to be secured by a bond/guarantee.**

The measure is intended to secure government fees through a bond or guarantee to ensure that government revenue is safeguarded.

Currently, government fees that are collected on behalf of other government agencies are not secured by a bond. The collection of these fees has been a challenge in instances where the principal defaults and is not traceable.

- **Provide for the inclusion of government fees due on any imported goods that are subsequently warehoused in the bonded warehouse to be secured by a bond/guarantee.**

This measure is intended to safeguard government revenue by ensuring that all government fees associated with warehoused goods are backed by a bond or guarantee, thereby minimising the risk of non-payment, protecting government revenue, and strengthening compliance with statutory obligations.

## CROSS-CUTTING MEASURES

### EXTEND ENERGY PRIORITY SECTOR INCENTIVES TO TRANSMISSION AND DISTRIBUTION OF ELECTRICITY.

The measure intends to extend the relief to projects for electricity transmission and distribution.

Currently, the Investment, Trade and Business Development (Priority Sector declaration) Order, Statutory Instrument No. 47 of 2023 lists electricity generation as a priority sector, and as such, provides customs duty relief on machinery and equipment required for installing power stations. However, the relief does not extend to transmission and distribution of electricity.

# 2026 Annual Borrowing Plan

## GENERAL STATEMENT

The 2026 Annual Borrowing Plan (ABP) outlines Government's plan to mobilise resources required to finance the deficit in the 2026 National Budget. The 2026 ABP has, therefore, been prepared in accordance with Section 9 of the Public Debt Management Act No. 15 of 2022, and reflects Government's commitment to prudent and sustainable borrowing for strategic national development. Approval of the 2026 ABP by the National Assembly implies approval of the loans contained therein for the 2026 financial year.

Notwithstanding the reforms being undertaken to restore debt sustainability, Government acknowledges the need to continue providing essential public goods and services for economic transformation and job creation. Therefore, the 2026 ABP addresses the requirement for the Government to bridge the financing gap in the 2026 National Budget, underpinned by the debt strategies outlined in the 2025 - 2027 Medium-Term Debt Management Strategy (MTDS).

Publication of the ABP demonstrates Government's commitment to enhance transparency and accountability in the contraction of public debt.

## ACRONYMS

8NDP Eighth National Development Plan  
ABP Annual Borrowing Plan  
ECF Extended Credit Facility  
IMF International Monetary Fund  
MTDS Medium Term Debt Strategy  
NDF Net Domestic Financing

## DEFINITIONS

**Debt service** refers to payments made to meet a debt obligation and it includes interest payments and principal repayments.

**Debt stock** is the total amount of debt outstanding at a particular point in time.

**Disbursements/Drawdowns** are agreed amounts of money under a loan contract paid from the lender's account to the borrower's account. Once received by the borrower, disbursements/drawdowns on a loan become part of the debt stock.

**Government securities** are debt instruments used by the Government to raise financing for budget support. They constitute Treasury bills, which mature within a year and Government bonds, which have a maturity period of more than one year.

**Maturities** refer to the principal repayment on a loan due at a particular point in time.

**Net Domestic Financing (NDF)** refers to the total domestic borrowing less maturities on Government securities falling due during the period under consideration, available to finance the budget.

**T+4 (Treasury Bills)** refers to the date of the auction (T) which is usually on a Thursday plus 4 days from the date of the Auction which is usually on a Monday when settlement takes place.

**T + 3 (Bonds)** is the date of the auction (T) which is usually on a Friday plus 3 days from the date of the Auction which is usually on a Monday when settlement takes place.

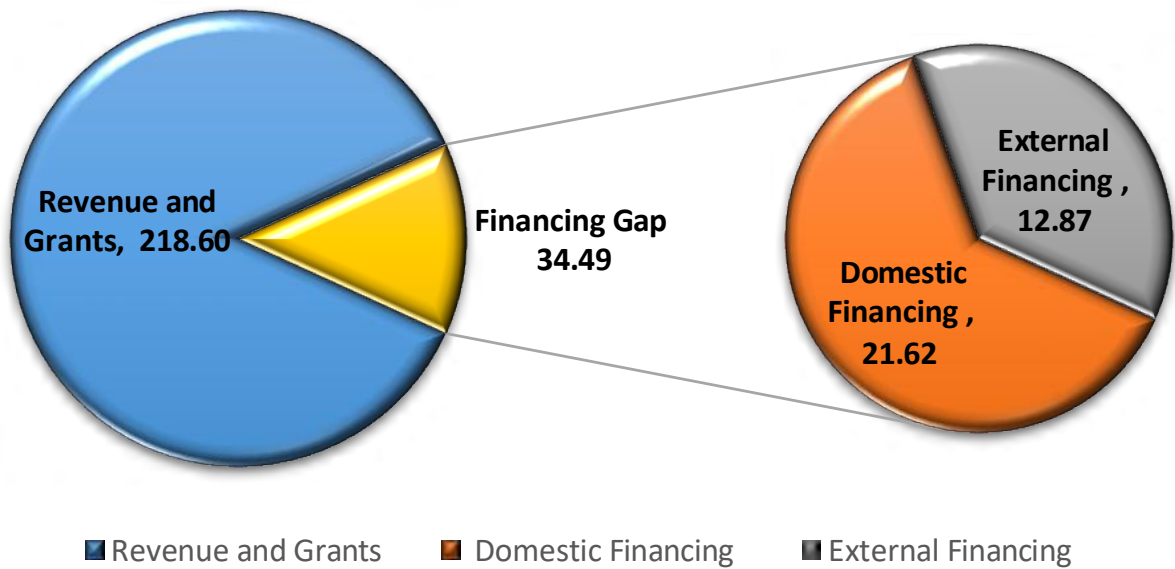
**TOTAL BORROWING NEEDS FOR THE FINANCIAL YEAR 2026**

In 2026, Government plans to spend **K253.09 billion**, with funding sourced from tax and non-tax revenues, grants, and debt. Total revenue and grants are projected at **K218.60 billion**, resulting in a fiscal deficit of **K34.49 billion**. This deficit will be financed through a combination of domestic financing of **K21.62 billion** and external financing of **K12.87 billion**.

**TOTAL BORROWING NEEDS FOR THE FINANCIAL YEAR 2026 (Continued)**

The domestic financing of **K21.62 billion** relates to new debt to be raised from the domestic market through issuances of Government securities in 2026, while the external borrowing of **K12.87 billion** relates to projected disbursements on already contracted loans.

**Figure 1: 2026 Resource Requirements (K' Billion)**



Source: Ministry of Finance and National Planning



- **Debt to be Contracted in 2026**

In 2026, the Government plans to borrow **K21.62 billion** from the domestic market for budget support. Government does not plan to contract any new external loans in 2026, therefore, external financing in the 2026 budget relates only to disbursements on already contracted debt.

### **DOMESTIC FINANCING**

In line with the Medium-Term Debt Strategy, borrowing from the domestic market will be utilised to refinance domestic debt falling due within 2026 and finance part of the budget deficit. Government Bonds will continue to be issued at face value with market driven coupon rates while Treasury Bills will continue to be issued at a discount at market yield rates. Additionally, Government securities will be issued in local currency through competitive and non- competitive bidding at single price allotment.

Accordingly, gross domestic borrowing for the financial year 2026 is projected at **K106 billion**. Of this amount, **K21.62 billion** will go towards financing part of the 2026 budget deficit, with the remaining **K84.38 billion** being utilised to refinance domestic debt maturities.

Further, commencing in 2026, Government will undertake market based domestic debt portfolio optimisation operations. These operations are intended to develop and deepen the domestic debt and capital markets through the re-introduction of Government's benchmark bond programme, as well as optimise our debt management strategies with the goal of elongating the maturity profile and smoothening the redemption profile of our existing debt in the medium to long term.

- **Methods of Raising Domestic Financing**

Borrowing from the domestic market during the review period will principally be conducted through competitive public auctions of Government securities. The Bank of Zambia as the fiscal agent of the Government will continue to facilitate the issuance of Government securities for purposes of raising domestic financing.

- **Domestic Debt Borrowing Instruments**

**Government Bonds** will constitute both medium and long-term domestic debt instruments to be issued during the year. The tenors on offer will be the 2-year, 3-year, 5-year, 7-year, 10-year and 15-year bonds to be issued monthly, with T + 3 being the settlement date.

**Treasury Bills** will constitute 91-day, 180-day, 273-day and 364-day bill tenors to be issued fortnightly, with T + 4 being the settlement date.

Other instruments in line with the debt strategy may be introduced as and when deemed necessary upon sufficient market feedback.

- **2026 Issuance Calendar**

Indicative timing of Government securities auctions will be published through quarterly issuance calendars with Government bond auctions generally expected to be conducted on a monthly basis and Treasury bills auctions fortnightly. However, the issuance calendar will provide the actual auction dates and offer amounts for each public auction during the course of a quarter.

Further, issuance calendars will be published for domestic debt portfolio optimisation operations for which the applicable terms will be shared through respective prospectus.

The calendars will be published on the Bank of Zambia website and in daily newspapers for wider circulation in Zambia.

- **Broad Terms of Borrowing**

Yield rates on Government securities will be market driven. The Government will, however, monitor movements in the yield rates in line with Government's objective of borrowing at least cost with a prudent degree of risk.

- **Maximum Limit on Net Domestic Financing**

The maximum limit on Net Domestic Financing for the 2026 financial year is Twenty-One Billion, Six Hundred and Twenty Million Kwacha only, **(K21,620,000,000)**.

## EXTERNAL FINANCING

- **2026 Projected Disbursements on Existing Loans**

In 2026, disbursements on loan financed projects are projected at **US\$494.98 million**. The timing of the disbursements will be in line with the implementation schedules and quarterly milestones of the projects. The funds will be utilised for the implementation of ongoing projects across various sectors of the economy.

Implementation of these projects is key to achieving economic transformation as set out in the 8NDP.

**Table 1: Projected Disbursements on Existing External Loans**

Description	2026 Projected Disbursements (US \$)
Drawdown on already contracted loans	494,984,000.00

Source: Ministry of Finance and National Planning

## NET CHANGE IN PUBLIC DEBT

Total Government securities issuances in 2026 are projected at **K106 billion**. With maturities on domestic debt estimated at **K84.38 billion**, the net increase on the domestic debt stock is projected at **K21.62 billion** as at end December 2026.

On the external side, disbursements are projected at **US\$ 494.98 million (K12.87 billion)**, while principal repayments are projected at **US\$573.04 million (K14.90 billion)**, resulting in a net decrease of **US\$78.06 million (K2.03 billion)** in the external debt stock.

Overall, the projected impact of Central Government borrowing operations in 2026, both domestic and external, is a net increase of **K19.59 billion (US\$509.35 million)** in the stock of Central Government debt by end December 2026, relative to the debt stock as at end December 2025.

## RISK MANAGEMENT

### • Debt Financing Risks

- **Refinancing Risk:** A high proportion of short-term domestic debt instruments are largely associated with high refinancing risks as they mature within a period of a year and at a higher frequency;
- **Low Subscriptions:** Undersubscription in Government securities may arise due to the unpredictability of investor demand. This risk has potential to limit actualisation of the net domestic financing contribution to the 2026 budget; and
- **Interest Rate Risk:** A rise in interest rates increases the cost of borrowing from both the domestic and international market.

### • Risk Mitigation

The Government, in collaboration with the Bank of Zambia, will continue broadening and diversifying the investor base in the domestic market in order to promote competitive pricing and sustained demand for Government securities. In addition, Government will re-introduce the Benchmark Bond Programme to mitigate the refinancing risks on the domestic portfolio. The aforementioned risk mitigation measures will be supported by a stepped-up stakeholder engagement programme.

### Annex 1: Public Debt Position as at end June 2025

Description	Amount (US\$ million)
Central Government External Debt	15,784
Publicly Guaranteed External Debt	1,369
Domestic Debt (Government Securities)	10,206
Total	27,359

Source: Ministry of Finance and National Planning

**Annex 2: Projected Disbursements on Existing Loans**

PROJECT NAME	PROJECTED DISBURSEMENTS (USD)
Small Towns Water Sanitation	70,377.10
Chinsali Nakonde Road Rehabilitation	42,565,917.57
Kabwe & Bauleni Water	3,000,000.00
Rural Water Sanitation Phase II	1,532,551.97
Small Towns Water Supply	7,298,568.73
Chiansi Small Holder	3,500,000.00
Itezhi-Tezhi Hydro Transmission Line	1,034,925.16
Kariba Dam Rehabilitation	1,450,077.91
Nacala Road Corridor Development	4,000,000.00
PIDACC Zambezi	4,170,079.09
Zambia Emergency Food Production	1,147,745.45
Kalabo Sikongo- Tranche I	8,000,000.00
Kalabo Sikongo- Tranche II	12,000,000.00
Cancer Treatment Centres	1,210,000.00
Great East Road Rehabilitation	4,936,740.12
Great North Road (T2) Upgrade	2,000,000.00
Kafue-L/Stone Transmission Line	5,000,000.00
Lusaka Sanitation Programme	17,895,408.63
Africa CDC Regional Investment	15,100,000.00
Devolution Support Programme	41,000,000.00
Education Enhancement	16,967,452.49
Education Enhancement Phase III	10,000,000.00
Kariba Dam Rehabilitation	6,000,000.00

**Annex 2: Projected Disbursements on Existing Loans (Continued)**

PROJECT NAME	PROJECTED DISBURSEMENTS (USD)
SADC Regional Statistics Programme	10,000,000.00
Tourism Development	23,800,000.00
Zambia Agribusiness and Trade II	49,820,000.00
Zambia Growth Opportunities	106,400,000.00
Zambia Improved Rural Communication	49,900,000.00
E-Slip Additional Financing	4,000,000.00
Financial Inclusion	3,000,000.00
Cancer Treatment Centres	6,296,864.60
National Rural Water and Sanitation	1,257,840.99
King Salman Hospital Additional Financing	9,975,732.14
King Salman Hospital & UTH Modernisation	20,654,322.49
<b>TOTAL</b>	<b>494,984,000.00</b>

Source: Ministry of Finance and National Planning

# 2025 – 2027 Medium Term Budget Plan (MTBP)

## Contents

1. 2025 – 2027 MTBP Macro Economic Objectives
2. Macro Economic Framework 2025 – 2027 Projections
3. 2025 – 2027 Projection of Budget Resources & Debt Payments
4. Revenue Mobilisation and Financing Strategy for 2025 - 2027
5. Financing Strategy 2025 - 2027
6. Expenditure Policy
7. 2025 – 2027 MTBP allocations by functions of Government (As share of total budget)
8. Risks to the 2026 Budget and 2025 – 2027 MTBP

### 1. 2025 – 2027 MTBP Macro Economic Objectives

GDP Growth	Attain a real GDP growth rate of at least 6.0 percent by 2027
Inflation	Sustain single digit inflation (6-8 percent)
Reserves	Maintain foreign exchange reserves of at least 3 months of import cover
Revenues	Mobilise domestic revenues of at least 21.2 percent of GDP by 2027
Deficit	Reduce the fiscal deficit to no more than 2.1 percent of GDP by 2026
Debt	Limit domestic borrowing to no more than 2.0% of GDP by 2027

### 2. Macro Economic Framework 2025 – 2027 Projections

Macroeconomic Indicator	2025	2026	2027
Real GDP Growth (%)	6.6	5.9	5.6
Nominal GDP (In millions of Kwacha)	817,512.2	908,940.0	1,016,424.0
CPI Inflation (annual average)	6-8		
Domestic Revenue (% of GDP)	20.9	21.0	21.2
Copper Prices (In US\$ per MT)	10,329.0	10,228.0	10,029.0
Copper Production (Metric Tonnes)	822,661.3	905,249.9	1,012,699.3
Oil Price (in US Dollar per barrel)	80.0	80.0	81.0

Source: Ministry of Finance and National Planning

### 3. 2025 – 2027 Projection of Budget Resources & Debt Payments

- The 2025 – 2027 medium term fiscal policy is anchored on enhancing domestic resource mobilization to finance public expenditure that will catalyse a spur in economic growth and improve livelihoods.
- Revenue and grants are projected to increase to K253.6 billion in 2026 from K217.1 billion in 2025.
- Financing (borrowing) to reduce gradually over the medium term, from the planned K42.9 billion in 2025 to K34.5 billion in 2026.



#### 4. Revenue Mobilisation and Financing Strategy for 2025 - 2027

- The Government is committed to strengthening domestic resource mobilization as a key measure to restore fiscal sustainability. Over the medium term, the Government will focus on strengthening tax policies and to leverage on technology to enhance tax administration and enhance compliance. Over the 2025-2027 medium term, the Government targets to raise domestic revenue generation to at least 21.2 percent of GDP by 2027.
- An integrated, enhanced and diversified revenue collection system will be key in supporting Government programmes and operations over the medium term that will foster fiscal consolidation, economic transformation and job creation, and sustain investments across all sectors.
- In this regard, the following measures to enhance domestic revenue collections will be undertaken:
  - a. Index specific excise duties on selected goods in order to preserve their respective yield values;
  - b. Continue with the implementation of the Smart Invoicing System with the aim of enhancing monitoring and verification of tax invoices issued by businesses. Implementation of the smart invoicing system commenced on 1 April, 2024;
  - c. Review the Value Added Tax Registration Threshold and continue with voluntary registration so that small enterprises are not disproportionately affected by high compliance costs;
  - d. Introduce a tax expenditure framework to evaluate the effectiveness and efficiency of tax incentives with the view of ensuring that incentives are better targeted and support Government policy direction;

#### 4. Revenue Mobilisation and Financing Strategy for 2025 - 2027 (Continued)

- e. Finalise the assessment of options to implement the Two-Pillar Solution to address the tax challenges arising from the digitalization of the economy in order to prevent erosion of the tax base;
- f. Maintain certainty on tax policy and enhance facilitation of tax payer services to encourage tax taxpayers to meet their obligations; and
- g. Expedite the mass valuation of properties to ensure that property values remain current, facilitating for billing and collection of rates. This will enhance the collection of property tax by local authorities in line with the ongoing decentralization process.

4 Revenue Mobilisation and Financing Strategy for 2025 – 2027 (continued)

Revenue Forecast 2025 – 2027

	2024 approved budget	2025 Projection		2026 Projection		2027 Budget Projection		2025-2027 Total		Average
		K'thousand	% of GDP	K'thousand	% of GDP	K'thousand	% of GDP	K'thousand	% of GDP	
Gross Domestic Product	641,020,800	100.0%	817,512,200	100.0%	908,840,000	100.0%	1,016,424,000	100.0%	2,742,776,200	914,258,733
Total Resources	144,548,825	22.5%	177,635,480	21.7%	197,693,182	21.8%	222,899,587	21.9%	598,228,249	199,409,416
Total Domestic Revenues	141,113,730	20.0%	171,013,495	20.9%	190,909,965	21.0%	215,738,521	21.2%	577,661,981	192,553,994
Tax Revenue	114,832,255	17.9%	136,657,125	16.7%	153,144,494	16.9%	174,130,203	17.1%	463,931,822	154,643,941
O/w Income Taxes	61,322,018	9.6%	69,200,589	8.5%	77,359,943	8.5%	88,955,802	8.8%	235,516,334	78,505,445
Value Added Taxes	36,361,861	5.7%	46,926,481	5.7%	52,536,802	5.8%	59,016,876	5.8%	158,480,159	52,826,720
Customs and Excise Duties	16,774,267	2.6%	19,989,167	2.4%	22,668,050	2.5%	25,526,440	2.5%	68,183,657	22,727,886
2. Non Tax Revenue	26,281,476	4.1%	34,356,370	4.2%	37,765,472	4.2%	41,608,318	4.1%	113,730,160	37,910,053
O/w Mineral Royalty	10,004,180	1.6%	16,308,964	2.0%	17,798,235	2.0%	19,532,185	1.9%	53,639,384	17,879,795
Grants	3,435,095	0.5%	6,621,985	0.8%	6,783,216	0.7%	7,161,066	0.7%	20,566,268	6,855,423

## 5 Financing Strategy 2025 – 2027

- Over the medium term, the following measures will form part of the financing strategy:
  - a. Continue with the moratorium on the contraction of commercial loans;
  - b. Continue contracting concessional external financing characterized by long maturities and low interest rates to minimize the debt service burden;
  - c. Continue contracting domestic debt through issuance of Government bonds and Treasury Bills on competitive public auctions, without recourse to costly private placements; and
  - d. Continue collaboration with the private sector to secure financing, through Public-Private Partnerships (PPPs), for commercially viable projects. By leveraging the expertise and resources of the private sector, Zambia can address infrastructure gaps, improve service delivery, and stimulate economic growth.

	2024 approved budget		2025 Projection		2026 Projection		2027 Budget Projection		2025-2027	
									Total	Average
	K000	% of GDP	K000	% of GDP	K000	% of GDP	K000	% of GDP	K000	K000
Financing	30,818,163	4.8%	28,695,286	3.5%	23,968,786	2.6%	1,673,943	0.2%	54,338,015	18,112,672
Net Domestic Financing	16,328,756	2.5%	17,356,157	2.1%	30,798,904	3.4%	18,061,867	1.8%	66,216,928	22,072,309
Net External Financing	14,489,408	2.3%	11,339,129	1.4%	(6,830,118)	-0.8%	(16,387,925)	-1.6%	(11,878,913)	(3,959,638)

## 6 Expenditure policy

- The public service wage bill will be contained at not more than 42.0 percent of domestic revenues and ensure it remains within sustainable levels.
- Increase the drug budget in order to make drugs readily available in all health facilities.
- Maintain debt service payments at the utmost at 6.5 percent of GDP whilst meeting all the debt service obligations.
- Prioritise social sector releases.

**7 2025 – 2027 MTBP allocations by functions of Government (As share of total budget)**

Function	2024 Approved budget	2025 projection	2026 projection	2027 projection	2025 – 2027 Average
General public services	33.1%	30.6%	37.5%	36.1%	34.7%
Defence	5.6%	4.7%	4.6%	4.6%	4.7%
Public Order and Safety	3.8%	3.5%	3.5%	3.5%	3.5%
Economic Affairs	22.3%	23.0%	21.0%	22.3%	22.1%
Environmental Protection	0.8%	0.8%	0.8%	0.8%	0.8%
Housing and Community Amenities	1.5%	1.9%	1.8%	1.8%	1.8%
Health	11.8%	12.0%	11.5%	11.5%	11.7%
Recreation, Culture and Religion	0.3%	0.3%	0.3%	0.3%	0.3%
Education	15.4%	15.4%	14.6%	14.5%	14.9%
Social Protection	5.4%	7.6%	4.4%	4.6%	5.5%
Total	100%	100%	100%	100%	100%

**General Public Services**

- Over the medium term, the Government projects to spend an average of K81.4 billion or 34.7 percent on General Public Services. The allocation towards this classification is meant to cater for activities such as servicing of the nation's debt obligations, dismantling of arrears owed to suppliers of goods and services as well as to cater for programmes such as the Compensation Fund.

**Economic Affairs**

- The Government will, over the medium term, spend an average of K51.5 billion or 22.1 percent on the Economic Affairs expenditure category. This allocation will cater for strategic reserves in order to enhance the nation's food security, the development of electricity infrastructure in rural areas in order to increase the electricity access through the Rural Electricity Programme as well as empowerment programmes in order to increase access to affordable financing for Small and Medium Enterprises. The classification will also cater for Government's fiscal decentralization agenda through the CDF which is aimed at developing local communities through actualization of community projects as well as through women and youth empowerment funds.

## **7 2025 – 2027 MTBP allocations by functions of Government (As share of total budget) (Continued)**

### **Education**

- Over the medium term, Government will spend an average of K34.6 billion or 14.9 percent of the projected expenditures on the education sector. The allocation under this classification is meant to cater for programmes such as the implementation of Government's free education policy through the provision of primary school grants, the construction of new and on-going education infrastructure, recruitment of teachers and the implementation of a school feeding programme to improve the nutrition status of pupils which has the benefit of improving their concentration and academic performance. In addition, expenditure under this classification will also cater for skills development and training so as to provide individuals with the skills needed to improve their quality of life.

### **Health**

- Government will spend an average of K27.2 billion or 11.7 percent of the projected expenditures on the health sector. The allocation under this sector will cater for the improved access to healthcare services which will reduce the incidences of diseases and subsequently improve overall wellbeing and productivity in the nation. The classification will also cater for the recruitment of medical personnel such as medical doctors and nurses, the procurement of drugs and medical equipment as well as the construction and completion of new and ongoing medical facilities in order to improve access to healthcare services.

### **Housing and Community Amenities**

- The allocation for Housing and Community Amenities is projected to average K4.3 billion or 1.8 percent of total expenditure over the medium term. The allocation under this classification will cater for water infrastructure. This will also include the construction, upgrading and rehabilitation of waterborne sanitation facilities in public places such as schools, health facilities, markets and bus stops.

### **Public Order and Safety**

- Over the medium term, Government will spend an average of K8.1 billion or 3.5 percent of total expenditures to maintain public order and safety. The allocations under this classification will cater for the recruitment of personnel in the security wings as well as the construction and upgrading of infrastructure in order to modernize the security wings.

### **Other Functions**

- The remaining functions such as Social Protection, Environmental Protection, Defence, Recreation, Culture and Religion will account for an average of K26.1 billion or 11.3 percent of total expenditure over the medium term. The allocation under these categories will cater for the protection of livelihoods through relief cash programmes such as the Social Cash Transfer as well as programmes/projects that will enhance environmental protection and climate resilience.

## 8 Risks to the 2026 Budget & 2025 – 2027 MTBP

- **Climate change** which may negatively affect the rain cycle for an extended period of time and this may impact the economy which is heavily dependent on hydropower generation and rain-fed agriculture. Conversely, a *La Nina* rainy season, which usually follows an *El Nino*, is characterised by high precipitation levels may also cause flooding and other high water related adverse effects in 2025;
- **Exchange rate pressures** may further heighten inflationary pressures as well as disrupt consumption patterns and planned investments;
- **Lower copper prices** may pose a risk to growth and revenues as copper is the country's major foreign exchange earner;
- **Delayed implementation of pledged investments** may negatively affect planned investment projects in the mining, agriculture and energy industries, among others, and weigh down growth prospects;
- **Slowdown in global economic growth** mainly due to a contraction of China's economy poses a risk to growth as this dampens demand and may negatively affect foreign exchange earnings as China is a main market for the country's copper exports;
- **Debt vulnerabilities** may lead to tighter global financial conditions and elevated borrowing costs which may negatively affect investment and expenditure prospects;
- **Delayed implementation of policy reforms** would likely heighten fiscal risk; and
- **Geopolitical conflicts** pose risks to global supply chains and heighten the risk of inflationary pressures that may negatively impact domestic growth prospects.



# Doing Business in Zambia

- Zambia continues to attract Foreign Direct Investments (FDIs). This attests to the attractiveness of doing business in Zambia. Since 1991, the Government of the Republic of Zambia (GRZ) has been providing an enabling environment for businesses, both public and private to thrive. For the last 61 years since its independence in 1964, Zambia has been politically stable and has a young and stable democracy. It is an oasis of peace.
- The Government continues to create an enabling and conducive regulatory environment for operating business in Zambia through:
  - Revamping of the Patents and Companies Registration Agency (PACRA) and the creation of a one-stop shop.
  - Elimination of the minimum capital contribution requirement for business start-up.
  - Land registry computerisation and creation of a customer service centre to eliminate the backlog of registration requests. As a result, the time required to register property in the country has reduced. A new electronic land registration system has also been implemented.
  - Positioning the country well with comparator economies on the ease of obtaining credit by strengthening access to credit information through the use of credit reference reports and data provided to the Credit Reference Bureau by banks and non-bank financial institutions.
  - Implementation by Zambia Revenue Authority (ZRA) of electronic filing and payment (e-filing and e-payment) systems to enhance tax compliance.
  - Implementation of one-stop border posts at Chirundu, Kazungula, Kasumbalesa, Mwami – Mchinji and Nakonde to ease trade for importers and exporters of goods. Zambia Revenue Authority (ZRA) has also launched web-based submission of customs declaration and scanning machines at some border posts.

## Why Invest in Zambia

- Zambia is a large country with a relatively small but increasing population, good climate to live in and has abundant natural resources and consequently a conducive country to do business in. Some of the salient statistics of Zambia are shown in the table below:

Land area	752,618 sq. km
Population	Approx. 22 million, made up of mainly young people and relatively skilled labour force.
Gross Domestic Product (GDP) per capita	Approx. US\$ 1,681
GDP growth (annual)	About 5.8 %
Exchange rate	US\$1=24 Zambian Kwacha (K)
Inflation rate	Approx. 12.3%
Repatriation of Profits	100%
Exchange Control	None. Free floating currency
Natural Resources	Abundant
Taxation system	Attractive and progressive
Electricity and Energy	Normally abundant except in drought years, relatively expensive.
Average Lending Rate (ALR)	Approx. 29.0%
Legal Framework	Zambian Companies Act and Statutory Instruments subsequently issued.

Source: ZDA (why invest in Zambia – (updated))

## Infrastructure Development

- Government has in the last twenty years or so invested heavily in general infrastructure to improve on the environment for supporting businesses. For example:
  - Billions of Dollars have been invested in the main trunk roads, in urban roads and rural roads;
  - Millions of Dollars have been invested in the educational system to increase the quality and quantity of labour;
  - Millions of Dollars have been invested in the health facilities, equipment and health personnel to move towards a healthy population;
  - Various legal reforms have been embarked on to have a conducive environment; and
  - Tax incentives have been availed to investors in rural areas and strategic sectors.
- Government has continually streamlined the licensing and administrative processes for the private sector through the Private Sector Development and Reform Program (PSDRP). Government has also provided for Public Private Dialogue Forum.
- The Certificate of Registration for investments under the ZDA Act provides investment guarantees and protection against state nationalisation.
- In addition to the statistics shown above the Government of the Republic of Zambia has formulated very attractive Investment Incentives. Investors are allowed to form any type of companies but GRZ encourages partnering with local businesses and people.

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### Infrastructure Development (Continued)

- Zambia has been moving towards a One Stop Shop for Business Registration (OSSBR) by bringing in the Zambia Development Agency (ZDA), the Investment Centre, Patents and Companies Registration Agency (PACRA) and other agencies as an OSSBR. The objectives are to improve efficiency, reduce cost and time, make business registration more accessible and increase the level of compliance. This has been done through streamlining business registration procedures, having integrated IT systems, decentralisation and carrying out sensitisation and awareness campaigns.
- The mainstay of the Zambian economy remains Mining (mainly copper). The other major sectors are Tourism, Agriculture, Construction and Transport. There is potential in the Manufacturing and Financial Services sectors which are growing and thriving. There are also various other niche sectors which offer attractive investment opportunities.
- The Financial Services sector is regulated by the Banking and Financial Services Act through the Bank of Zambia (BOZ) which falls under the Ministry of Finance and the Pension Scheme Regulation Act and Insurance Act through the Pensions and Insurance Authority (PIA).
- The banking sector in Zambia comprises some large and internationally renowned commercial banks such as ABSA Bank, Standard Chartered Bank, Stanbic Bank and First National Bank (FNB) of South Africa and local banks such as the Zanaco (the largest bank in Zambia), National Savings and Credit Bank, Zambia Industrial and Commercial Bank (ZICB), First Alliance Bank and Access Bank.

### Infrastructure Development (Continued)

- There is also a thriving Micro Financial Services Sector dominated by the private sector such as Madison Finance Services Limited, Pulse Financial Services Limited trading as Entrepreneurs Financial Centre (EFC), Bayport Financial Services, Micro Bankers Trust and Finca Zambia Limited.
- The Insurance Companies and Pension Funds are both public and privately owned. These include the National Pension Scheme Authority (NAPSA), ZSIC Life Company, ZSIC General Insurance Company, Local Authorities Superannuation Fund (LASF), Madison General Insurance Company, Madison Life Insurance Company, Professional Insurance Corporation of Zambia (PICZ), Prudential Life Assurance, Zambia Reinsurance, Sanlam, Saturnia Regna under African Life Assurance, Klaptan Reinsurance, Emeritus Reinsurance and Goldman Insurance (Goldman).

### Incentives

#### Eligibility Criteria

The Zambia Development Agency Act shows the eligibility criteria for investors to benefit from tax incentives indicated below:

- Special Economic Zone.
- Business operating in a priority sector or rural area.
- Meet the investment threshold.

#### Definitions of the Criteria

##### Special Economic Zone

Defined under the Act as an area that is subject to unique economic regulations and includes multi-facility economic zones, industrial parks, inter-country trade zones and export processing zones.

### Priority Sector

Defined as a sector or product that has a high growth potential as may be prescribed and as listed in the Statutory Instrument No. 17 of 2014 to be the following:

- Manufacturing
- Construction and Establishment of Infrastructure excluding Renovation, Expansion and Refurbishment
  - Tourism
  - Health
  - Housing
  - Education
  - Agriculture
- Energy and Water Development
  - Power
  - Fuel
  - Water Supply

### Investment Threshold

Investor Type	Shareholding Structure	Investment Threshold USD
Local Investor	100% Zambian	50,000
Citizen Owned Company	50.1% and /or greater Zambian	100,000
Citizen Empowered Company	25.1% to 50% Zambian	150,000
Citizen Influenced	5% to 25% Zambian	500,000
Foreign Investor	100% Foreign	1,000,000

The Incentives include:

- Zero percent import duty rate on capital equipment and machinery for five years
- Accelerated depreciation on capital equipment and machinery for five years
- Investment in any sector or product not provided for as a priority sector or product under the Act are entitled to non-fiscal incentives as follows:
  - Investment guarantees and protection against state nationalisation, except by Act of Parliament in critical circumstances;
  - Facilitation of access to factors of production and utilities such as land, water, electric power, transport and communication services for their investments;
  - Free facilitation for application of immigration permits, secondary licenses, and certificates; and
  - Access to any other after-care assistance that may be required.
- Tax concession for businesses in a rural area at 20% of the applicable corporate income tax rate for the first 5 years in operation in all sectors except mining.

In addition, investors who invest in Zambia enjoy the following guarantees:

- Free repatriation of profits and dividends.
- Protection against non-commercial risks, as Zambia is a signatory of Multilateral Investment Guarantee Agency (MIGA) and Africa Trade Insurance Agency.
- Impartial forum for resolving disputes.
- Special Bilateral Investor Protection Agreements exist while new ones can be entered into.

### **Additional Incentives for Investors Operating in MFEZs**

Investors in the Manufacturing sector and are export oriented are eligible for additional tax incentives if located in a Multi Facility Economic Zone (MFEZ) or Industrial Park. These include:

- Zero percent tax for a period of 10 years from the first year of commencement of works in a Multi Facility Economic Zone or Industrial Park;
- Zero percent tax on dividends declared on profits made on exports from first year of commencement of works, for companies in a Multi Facility Economic Zone or Industrial Park, for a period of 10 years;
- Zero percent tax on profits made on exports from first year of commencement of works, for companies in a Multi Facility Economic Zone or Industrial Park, for a period of 10 years;
- For years 11 to 13, only 50 percent of profits to be taxed;
- For years 14 and 15, only 75 percent of profits to be taxed; and
- Accelerated depreciation of up to 100% of any new implement, plant or machines for developers.

### **Other Sector Specific Incentives (Not In ZDA Legislation) According To ZRA Incentives Booklet**

#### **Agriculture**

- Guaranteed VAT input tax claim for four years prior to commencement of production for businesses in the agricultural sector that make taxable supplies.
- Zero-rating of taxable agricultural products and supplies.
- Increased number of zero-rated agricultural equipment and accessories.

### **Other Sector Specific Incentives (Not In ZDA Legislation) According To ZRA Incentives Booklet (Continued)**

#### **Agriculture (Continued)**

- VAT deferment on importation of some agricultural equipment and machinery.
- Zero-rating of the principal amount on finance leases for purchasing agricultural equipment and accessories listed in the Value Added Tax Zero-Rating Order.
- Income taxed at a reduced rate of 10%.
- Farm improvement allowance at 100% on fencing, appropriate farming and farm dwelling occupied by farm workers whose original cost is not in excess of K20,000.
- Farm works allowance at 100% for the full cost of stumping and clearing, works for prevention of soil erosion, boreholes, wells, aerial and geophysical surveys and water conservation.
- Dividends paid out of farming profit are exempt from tax for the first five years from the date the company commences farming.
- Development allowance is given for any person who incurs expenditure on the growing of tea, coffee, or banana plant or citrus trees or other similar plants or trees. An allowance of 10% of such expenditure shall be deducted in ascertaining the gains or profits of that business.
- Increased capital allowance rate to 100% from 50% for implements, plant and machinery used in farming and agro – processing.

#### **Mining**

- Guaranteed input tax claim for ten years on pre-production expenditure for exploration companies in the mining sector.
- Interest on which a deduction is not allowed (in excess of threshold) may be treated as incurred during the next charge year and carried forward for a period of ten years.

#### **Mining (Continued)**

- Tax losses shall be deducted from 50% of the income of the person from the mining operation provided that the losses shall not be carried forward beyond 10 subsequent charge years after the charge year in which the loss is incurred.
- Any mining company holding a mining license carrying on the mining of base metals is taxed at 30%.
- Dividends paid by a mining company holding a mining license and carrying on mining operations is taxed at 0%.
- 20% mining deduction on capital expenditure on buildings, railway lines, equipment, shaft sinking or any similar works.
- Allowable deduction of actual costs incurred by way of restoration and rehabilitation works or amounts paid into the Environmental Protection Fund pursuant to Section 86 of the Mines and Minerals Development Act 2015.
- Mineral Royalty deductible for Corporate Income Tax assessment purposes.
- Capital allowances at 50% of the cost of implements, plant or machinery used exclusively for mineral processing, 25% on commercial vehicles and 20% on plant and machinery.
- Zero rating of capital equipment and machinery listed in the Second Schedule of the Zero-rating Order when supplied to a holder of a large-scale mining licence.
- 15% corporate tax for companies processing copper to copper cathodes.
- Mineral royalty rates:
  - Five percent base metals (excluding copper and cobalt);
  - Six percent precious metals;
  - Eight percent cobalt and vanadium; and
  - Four to ten percent copper (depending on norm value).



## Manufacturing

- Guaranteed input tax claim for two years prior to commencement of production.
- Reduction of Licence fees for manufacturers of excisable products from K9,000 to K4,500.
- Income from organic and chemical manufacturing of fertilizers is taxed at a reduced rate of 15%.
- Capital allowances on industrial buildings used for the purposes of manufacturing shall be entitled to a deduction of 10% in the case of low-cost housing and 5% for other industrial buildings of the cost of the building.
- Persons who incur capital expenditure on an industrial building are entitled to claim a deduction called initial allowance at 10% of the cost incurred in the charge year in which the industrial building is first brought into use.
- Any person who incurs capital expenditure on an industrial building is entitled to an investment allowance at 10% of such expenditure in the first year used for manufacturing purposes.
- Suspended Corporate Income Tax for persons carrying on business of manufacturing ceramic products for the charge years 2022 and 2023.
- Capital allowances at 50% of the cost of implements, plant and machinery.
- The following are the incentives in the cotton value chain:
  - 5 year tax holiday on profit for local producers of cotton;
  - 5 year tax holiday on profit from ginning of cotton; and
  - 10 year tax holiday on profit made from spinning of cotton and weaving of thread.
- Duty on selected raw materials at 5%.

## Tourism

- Zero-rating of VAT on tourist services provided to foreign tourists other than those included in tour packages.
- No import VAT on all goods temporarily imported into the country by foreign tourists.
- Capital allowances at 50% of the cost of implements, plant or machinery.
- Investment allowance at 10% of the cost of an extension to a hotel (being an industrial building).
- 5% wear and tear allowance to an extension to a hotel (being an industrial building)
- 10% initial allowance on an extension to a hotel (being an industrial building) in the year the building is first brought into use.
- Income taxed at a reduced rate of 15% for hotels and lodges on accommodation and food services.

## Energy

Zero percent duty and zero percent VAT on selected components of solar mini grids, solar lanterns and solar home systems.

## Technology and science

- Abolishment of two tier corporate tax regime in the ICT sector to a single corporate tax rate of 35%.
- Zero percent VAT and zero percent customs duty on selected telecommunication equipment and electronic equipment.

## Courier sector

- 15% customs duty on importation of electronic motor cycles and vehicles.



#### POSTGRADUATE PROGRAMMES

1. Executive Master of Business Administration in Leadership and Wealth Creation
2. Master of Laws in Labour Law
3. Master of Arts in Development Studies
4. Master of Arts in Human Resource Management
5. Master of Business Administration
6. Master of Business Administration - Finance
7. Master of Business Administration in Health Care Management
8. Master of Law in Environmental Laws
9. Master of Law in General Laws
10. Master of Law in Human Rights Laws
11. Master of Laws in Banking and Finance Law
12. Master of Laws in Commercial & Corporate Law
13. Master of Laws in Competition Law
14. Master of Laws in Constitutional and Administrative Law
15. Master of Laws in Criminal Litigation
16. Master of Laws in Intellectual Property Law
17. Master of Laws in International Trade and investment Law
18. Master of Laws in Mineral Resources, Extraction and Law
19. Master of Laws in Public International Law
20. Master of Laws in Tax Law
21. Master of Peace and Security Studies
22. Master of Political Science and International Relations
23. Master of Public Administration
24. Master of Public Health
25. Master of Science in Accounting and Finance
26. Master of Science in Actuarial Science
27. Master of Science in Auditing
28. Master of Science in Computer Science
29. Master of Science in Cyber Security
30. Master of Science in Data Science
31. Master of Science in Development Economics
32. Master of Science in Economics and Finance
33. Master of Science in Environmental Management
34. Master of Science in Epidemiology and Biostatistics
35. Master of Science in Infectious Diseases
36. Master of Science in information Technology
37. Master of Science in Insurance and Pensions Management
38. Master of Science in Logistics and Transport Management
39. Master of Science in Marketing Management
40. Master of Science in Procurement and Supply Chain Management
41. Master of Science in Project Management
42. Master of Science in Public Finance and Taxation
43. Master of Science in Risk Management

The programmes consist of four (4) stages. The first three stages constitute the taught component while the fourth stage is the research/dissertation component. However, Master of Laws have only three (3) stages in which the first two stages are the taught component and the third stage is the research/dissertation component.

#### ENTRY REQUIREMENTS:

Applicants must have a first degree in a relevant field from a recognized University or full ACCA/CIMA. Applicants of Master of Laws (LLM) must be holders of a Bachelor of Laws degree from a recognized University.

**DURATION: 18 - 24 MONTHS**

**MODE OF DELIVERY: PART-TIME & DISTANCE LEARNING**

#### POSTGRADUATE DIPLOMA PROGRAMMES

- Postgraduate Diploma in Supervision and Examination of Students Research Projects
- Postgraduate Diploma in Quality Assurance in Higher Education
- Postgraduate Diploma in Teaching Methodology

#### DOCTORAL PROGRAMMES

1. Doctor of Business Administration
2. Doctor of Philosophy (PhD) in Business Administration
3. Doctor of Philosophy (PhD) in Human Resource Management
4. Doctor of Philosophy in Accounting and Finance
5. Doctor of Philosophy in Computer Science
6. Doctor of Philosophy in Cyber Security
7. Doctor of Philosophy in Data Science
8. Doctor of Philosophy in Development Studies
9. Doctor of Philosophy in Economics
10. Doctor of Philosophy in Education Management and Administration
11. Doctor of Philosophy in Environmental Management
12. Doctor of Philosophy in Information Technology
13. Doctor of Philosophy in Law
14. Doctor of Philosophy in Marketing
15. Doctor of Philosophy in Project Management
16. Doctor of Philosophy in Public Health

#### BACHELOR'S DEGREE PROGRAMMES

1. Bachelor of Accountancy
2. Bachelor of Arts in Development Studies
3. Bachelor of Arts in Economics
4. Bachelor of Business Administration
5. Bachelor of Laws
6. Bachelor of Medicine and Bachelor of Surgery
7. Bachelor of Pharmacy
8. Bachelor of Science in Actuarial Science
9. Bachelor of Science in Banking and Finance
10. Bachelor of Science in Biomedical Science
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12. Bachelor of Science in Cyber Security
13. Bachelor of Science in Economics and Finance
14. Bachelor of Science in Human Resource Management
15. Bachelor of Science in Information Systems and Technology
16. Bachelor of Science in Insurance and Pensions Management
17. Bachelor of Science in Logistics and Transport Management
18. Bachelor of Science in Marketing
19. Bachelor of Science in Nursing
20. Bachelor of Science in Politics and International Relations
21. Bachelor of Science in Public Health
22. Bachelor of Science in Purchasing and Supply Chain Management
23. Bachelor of Science Public Administration
24. Diploma in Nursing

**Entry Requirements:** Five (5) "O" level credits or better which must include English Language and Mathematics.

- Medicine & Surgery - "O" Levels graded Merit or better in Mathematics, Biology, Chemistry, & Physics
- Actuarial Science - Merit in Mathematics

**Duration:** Degree - 4 years | Diploma - 3 years | Medicine & Surgery - 6.5 years  
**Mode of Delivery:** Full-time, Part-time and Distance learning

#### HOW TO APPLY?

Applicants can apply online via our official website: [www.unilus.ac.zm](http://www.unilus.ac.zm) by clicking "Apply Now" and following the instructions provided.

A non-refundable application fee is applicable as follows:

- Postgraduate Programmes: K250 for local and SADC applicants; \$50 for international applicants
- Undergraduate Programmes: K200 for local and SADC applicants; \$50 for international applicants

**NOTE: THE GRADE 12 CERTIFICATE ( "O" LEVEL RESULTS) AND OTHER QUALIFICATIONS SHOULD BE VERIFIED BY THE ZAMBIA QUALIFICATIONS AUTHORITY (ZAQA)**

# Profile and Services

## Who we are

### Going beyond business as usual

We invest in listening, building relationships and understanding your concerns to deliver an experience that's more personal, agile and proactive.

We work at the pace that matters; Yours.

That's why we celebrate fresh thinking and diverse perspectives to find better solutions. We don't predict the future. We help you shape it.

### We embrace what makes each market unique.

### On a global scale.

We are a global network of 68,000 people in member firms in over 145 countries with a common goal — to help you realise your ambitions. Which is why our network combines global scale and capability with local insights and understanding. So, whether you're growing in one market or many, looking to operate more effectively, managing risk and regulation, or realising stakeholder value, our member firms have the **Assurance, Tax and Advisory** capabilities you need with the quality you expect.

## What we do

### Audit/Assurance

- Statutory financial statements audit
- Grant aided project audit
- Agreed upon procedures

### Taxation services

- Preparation of corporate tax computations
- Preparation of annual returns
- VAT accounting
- Withholding tax accounting
- Tax planning
- Transfer pricing
- Global mobility services
- Transactional tax advice & review
- Reverse VAT agent

We unite with all member firms in living our global values: Unite through global **Collaboration**, demonstrate **Leadership** in all we do, promote a consistent culture of **Excellence**, act with **Agility**, ensure deep **Respect** for people and take **Responsibility** for our actions.

### Advisory

- Human resources
- Information technology
- Corporate finance
- Mergers and acquisitions
- Internal audit services
- Due diligence
- Reporting accountants

### Other services

- Corporate Recovery
- Statutory and business services
- Forensics
- Receiverships
- Liquidations
- Company formation
- Accountancy services
- Payroll handling
- Business rescue
- Company administration



5 Partners



95 Staff



2 Offices



Lusaka  
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**T**AZAMA Pipelines Limited was incorporated in 1968 and owns and Operates a Petroleum Product Pipeline that runs from Dar es salaam in Tanzania to Ndola in Zambia. Previously TAZAMA used to pump Crude Oil to the Indeni Refinery in Ndola, but was converted to pumping finished product (Low Sulphur Gasoil) in March 2023.

The Pipeline covers the distance of 1,710 kilometers comprising of 954 kms of 8" diameter Pipeline and 798 kilometers of 12" diameter Pipeline. The Pipeline has installed capacity of 1.1 million metric tons per annum. Currently the Drag Reducing Agent will enable the Company achieve this projected installed throughput. The company also operates a Tank Farm facility situated at Kigamboni in Dar es salaam which comprises of six tanks with total holding capacity of 232,500 cubic meters.

TAZAMA runs and maintains the Ndola Fuel Terminal through a subsidiary Company, TAZAMA Petroleum Products which manages the Lusaka Fuel Depot, Mpika Fuel Depot, Solwezi Fuel Depot, Mongu Fuel Depot, Mansa Fuel Depot and Chipata Fuel Depot on behalf of the Government. The Company also operate Empty Container Depot which is very near to the Port of Dar es salaam, with turnaround of upto 6,000 containers per month.

The ownership of TAZAMA is through the Government of Zambia with two thirds share Capital, and the Government of the United Republic of Tanzania, which hold one third of the share Capital. The Company operates under a convention between the Governments of Zambia and Tanzania which regulates on ownership, tax status, land ownership including Right of way and any other issues affecting smooth operations of the Pipelines.

TAZAMA also has new Projects of expansion and diversification as follows :-

- Six new Products Tank Farm with total Capacity 120,000 cubic metres
- New natural gas Pipeline to be constructed from Tanzania to Chinsali in Zambia
- New Petroleum Product Pipeline (7 MPTA) from Dar es salaam to Ndola also with off-takes in Tanzania (3) and Zambia (2). In this case the existing pipeline will be upgraded to transport Gasoline for both Zambia and Tanzania.
- New gas fired gas turbines to be supplied by Natural gas for generating Electricity up to 400MW at Chinsali Area.

