Proposed Measures

- Introduce an additional Income Tax band at 39.5 percent for Pay-As-You-Earn on individuals earning above ZMW 37,000 per month.
- Increase by 5 percent the tax rate applicable to income categories that are currently taxed at rates below the standard Company Income Tax rate of 30%.
- Limit the application of Minimum Alternative Tax (MAT) of 1% of total turnover of businesses that make losses for three consecutive years.
- Increase the Withholding Tax rate on dividends paid by mining companies from zero percent to 15 percent.
- Reduce the rate of Mineral Royalty on Gold to 3 percent from 6 percent for artisanal and small-scale mining operators who sell gold to approved aggregators.
- Adjust mobile money levy rates by 100%.
- Increase the Value Added Tax ("VAT") rate from the standard rate of 16% to 16.5%.
- Revise the rate of VAT on energy saving appliances from 0% to 16%.
- Introduce a VAT exemption on the importation of raw materials used in the manufacture of sanitary products including sanitary pads, panty liners and related hygiene products.
- Extend zero-rating to goods supplied to or imported by contractors for public-private partnership (PPP) projects.
- Introduce customs, excise and surtax taxes on various goods.

Contacts



Alice Jere Tembo
Country Managing Partner
atembo@deloitte.co.zm
+260 211 226 679



Victor Muhundika
Partner | Tax & Legal
vmuhundika@deloitte.co.zm
+260 211 232 314



Wendy Kodhiambo
Associate Director | Tax & Legal
wkodhiambo@deloitte.co.zm
+260 211 228 677



Liywalii Kanyimba
Associate Director | Tax & Legal
lkanyimba@deloitte.co.zm
+260 211 228 677



Kumoyo Wambulawae
Associate Director | Audit & Assurance
kwambulawae@deloitte.co.zm
+260 211 228 677



Aaron Kabwe
Associate Director | Audit & Assurance
akabwe@deloitte.co.zm
+260 977 793 610



Brian Sitamulaho
Associate Director | ITDA & CA
bsitamulaho@deloitte.co.zm
+260 975 146 209

Office address
Deloitte Square
2374/B Thabo Mbeki Road
P.O.Box 30030, Lusaka
Phone: +26 (0)21 1 228 677-9

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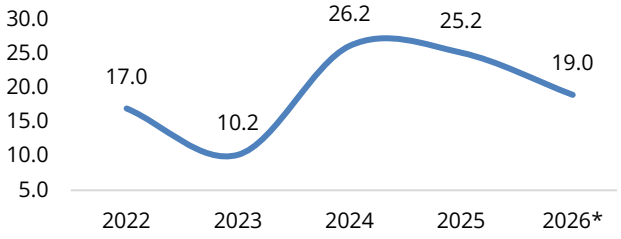
Zambia 2027
Budget Bite

Building Momentum: From Stabilisation to Growth

MAKING AN IMPACT THAT MATTERS since 1845

Summary of Key Indicators

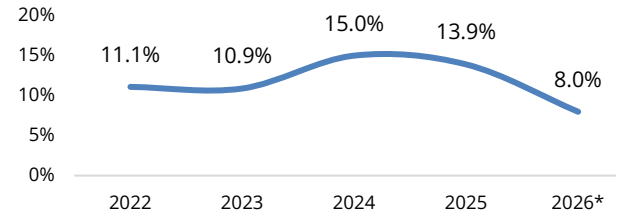
Exchange rate - Period Average, USD:K



Source: Bank of Zambia ** refers Jan to August 2025*

- Inflation has declined sharply from 11.2% in December 2025 to 6.3% in October 2026, remaining within the Bank of Zambia's 6%-8% target range. This improvement was supported by a bumper maize harvest and the appreciation of the Kwacha against major currencies.
- The easing inflationary environment has created room for monetary policy relaxation, with the policy rate reduced from 14.25% in December 2025 to 10.75% in September 2026. However, elevated fuel prices remain a key upside risk and could pose challenges to maintaining inflation within the target range.

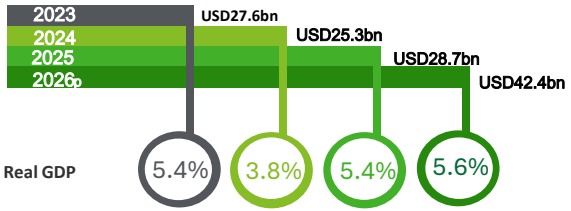
Inflation, Annual Average (%)



Source: ZamStats ** Refers Jan to August 2025*

GDP Growth

- Zambia's economy expanded by 5.4% in 2025, up from 3.8% in 2024, driven by strong growth in five key sectors: ICT, Agriculture, Forestry & Fishing, Mining & Quarrying, Construction, and Transport & Storage.
- The economy is projected to grow by 5.6% in 2026, driven by a strong recovery in agriculture following a bumper maize harvest, improved electricity supply, and continued expansion in the mining sector, with copper production expected to reach 930,000 metric tonnes.

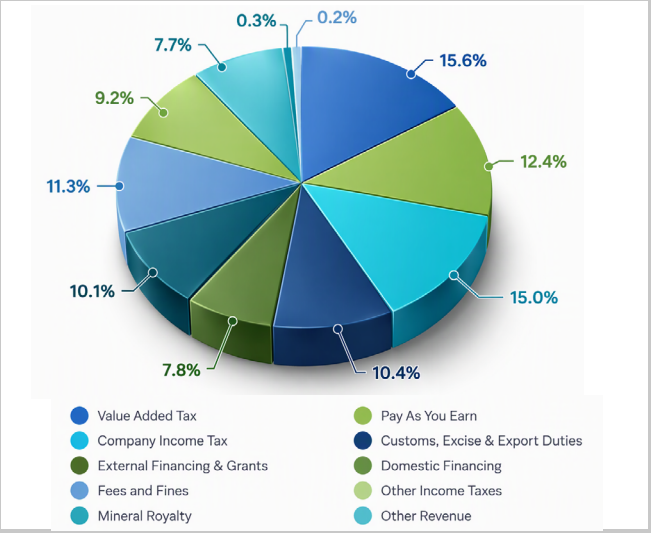


Source: ZamStats, IMF, Deloitte analysis *e – estimate, p - projection*

Copper Production & Output

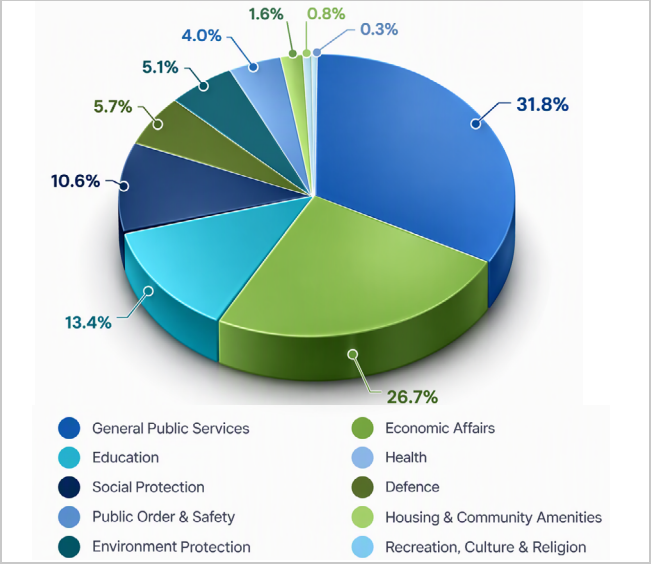
	2023	2024	2025	2026p
Copper Output(Metric Tonnes, "000")	737	835	890	930
Av. Copper Price (USD/ MT)	8 490	9 120	9 553	13 542

Budget Contribution to Revenue



Source: 2027 National Budget Speech

Budget Expenditure

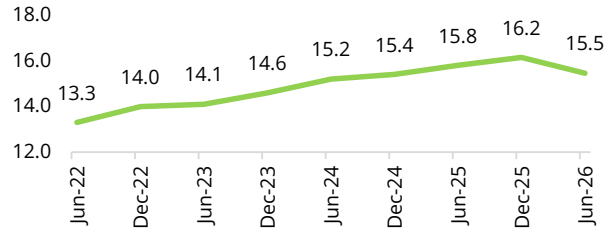


Source: 2027 National Budget Speech

Public Debt

- Zambia's central government external debt stock (excluding publicly guaranteed debt) declined from USD 16.2bn at the end of December 2025 to USD 15.5bn by June 2026, largely driven by the successful USD 1.36bn Eurobond buy-back, which buttressed the country's debt sustainability efforts.
- In June 2026, Zambia successfully repurchased USD 1.36bn of its outstanding Eurobond following a tender offer launched on 29 May 2026. The offer invited bondholders to sell their notes back to Government ahead of maturity, subject to financing conditions. By 9 June 2026, tenders received amounted to USD1.36 bn, representing 97.85% of the outstanding notes. The transaction marked a significant milestone in Zambia's debt management and restructuring agenda, reducing future debt obligations and improving the country's debt profile.

Central Govt Debt Stock, in USD ("bn")



Source: MoFNP

Useful Insights

- The proposed 2027 National Budget stands at ZMW 284.8bn, representing 28.4% of GDP.
- Domestic revenues will remain the primary source of financing, contributing ZMW 233.7bn (82.1% of the Budget), with tax revenue accounting for ZMW 178.1bn and non-tax revenue contributing ZMW 55.6bn.
- Grants from Cooperating Partners are projected at ZMW 9.2bn, representing 3.2% of total Budget financing.
- The remaining ZMW 41.9bn (14.7% of the Budget) will be financed through a combination of domestic and external borrowing in line with the 2027 Annual Borrowing Plan.
- General Public Services commands the largest share of the 2027 Budget at ZMW 90.5bn (31.8%), largely driven by debt service obligations, including ZMW 50.8bn for domestic debt and ZMW 16.8bn for external debt.
- Economic Affairs (ZMW 75.9bn), Education (ZMW 38.2bn), Health (ZMW 30.3bn), and Social Protection (ZMW16.2bn) emerge as the other major budget winners, reflecting Government's focus on growth, human capital development, healthcare, and social welfare.