THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM

2027 NATIONAL BUDGET HIGHLIGHTS

Grow Zambia

From stabilisation to unlocking opportunities, creating jobs and improving livelihoods for all.

RSM ZAMBIA | TAX AND BUSINESS INSIGHT



2027 Budget at a glance

EXECUTIVE SNAPSHOT

TOTAL BUDGET
K284.8bn
28.4% of GDP

DOMESTIC REVENUE
K233.7bn
82.1% of the budget

FISCAL DEFICIT
3.0%
2027 target; 5.9% projected for 2026

GDP GROWTH
4.9%+
2027 real GDP growth target

The strategic pivot

- The policy narrative moves from stabilisation to private-sector-led, export-oriented growth.
- Mining, agriculture, energy, tourism, transport and manufacturing are the primary growth engines.
- The growth agenda is matched by a stronger domestic revenue effort and tighter digital compliance.

RSM perspective

The opportunity is compelling

Businesses should enter 2027 with updated pricing, payroll, tax models, customs classifications and Smart Invoice processes already tested.

© 2026 RSM Zambia

The Grow Zambia Agenda

FIVE PILLARS

01

Growing the economy

Mining, agriculture, tourism, manufacturing and MSMEs

02

Connecting the nation

Energy, transport, logistics and ICT

03

Improving living standards

Education, health, water and social protection

04

A delivery-oriented public sector

Fiscal reform, debt, governance and SOEs

Financing our future

FDI, PPPs, green finance and capital markets

The remainder of this bulletin follows the Budget's pillar structure and translates each pillar into commercial implications.

© 2026 RSM Zambia

Pillar 1 | Growing the economy

PRODUCTION · EXPORTS · JOBS

PRIVATE-SECTOR LED

Core targets

COPPER BY 2031

3m tonnes

Grow Zambia anchor target

MAIZE

10m tonnes

Grow Zambia anchor target

INTERNATIONAL TOURISTS

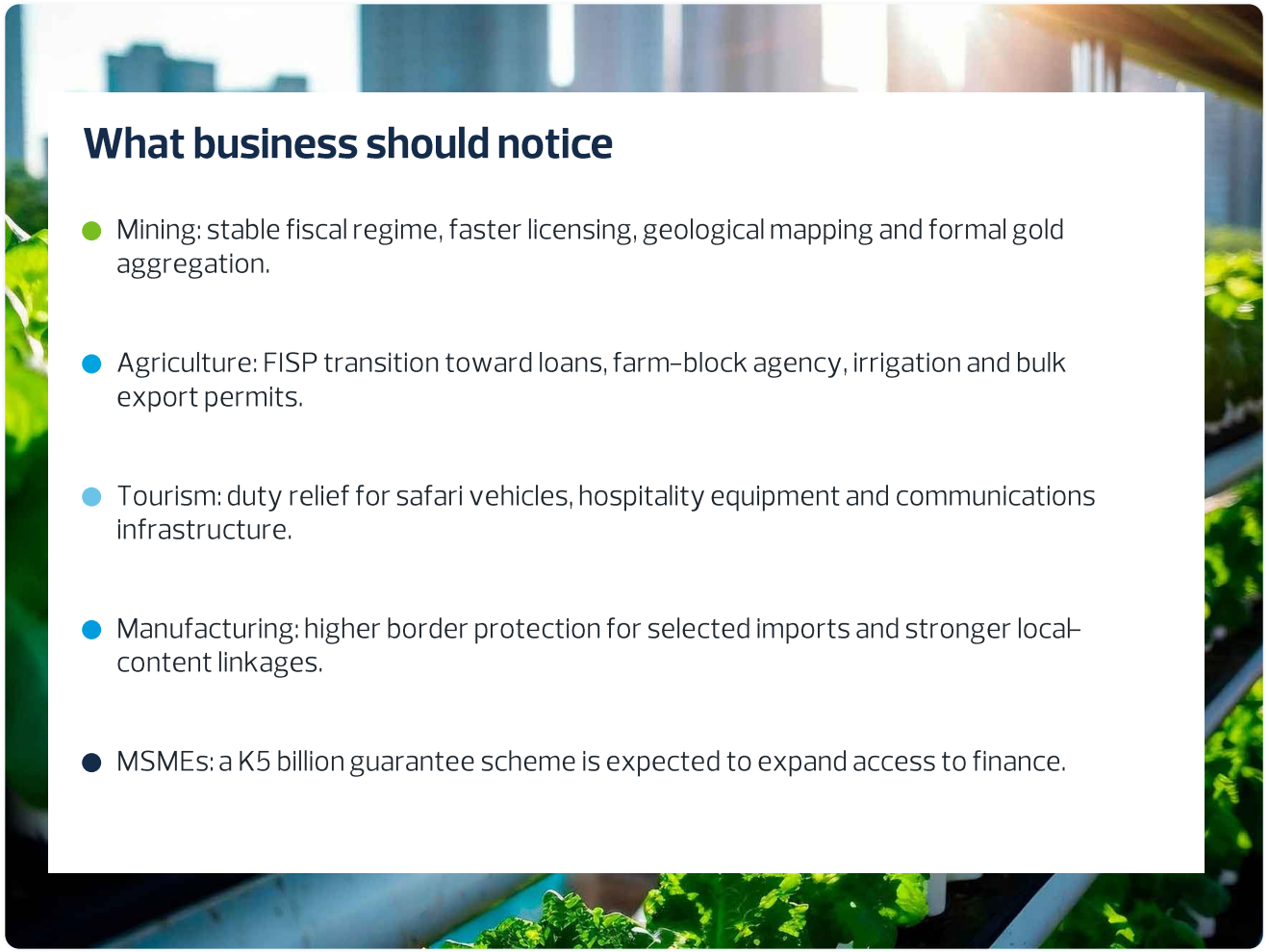
5m arrivals

Grow Zambia anchor target

BEEF EXPORTS

US$1bn

Grow Zambia anchor target



What business should notice

- Mining: stable fiscal regime, faster licensing, geological mapping and formal gold aggregation.
- Agriculture: FISP transition toward loans, farm-block agency, irrigation and bulk export permits.
- Tourism: duty relief for safari vehicles, hospitality equipment and communications infrastructure.
- Manufacturing: higher border protection for selected imports and stronger local-content linkages.
- MSMEs: a K5 billion guarantee scheme is expected to expand access to finance.

RSM action: reassess investment cases, incentives, capital allowances, customs costs and financing structures.

© 2026 RSM Zambia

Pillar 2 | Connecting the nation

ENERGY · LOGISTICS · DIGITAL

Energy

1,400MW

expected to be added in 2027

10,000MW target by 2031

Roads

787km

to be constructed or rehabilitated

K18.1bn allocation

Airports

K2.4bn

airport infrastructure allocation

Mansa and Mfuwe completion

Digital

35 councils

additional e-Council onboarding

Integrated digital identity

Corridors become commercial platforms

- Lobito, TAZARA, Zambia Railways, Nacala and western corridors are positioned to unlock export-oriented investment.
- Open access in electricity and rail is intended to crowd in private capital and improve service reliability.

Boardroom question

Where should the business locate capacity to capture corridor, power and digitalisation benefits?

© 2026 RSM Zambia

Pillar 3 | Improving living standards

PEOPLE · SERVICES · INCLUSION

EDUCATION

K38.2bn

13.4% of total budget

HEALTH

K30.3bn

10.6% of total budget

SOCIAL PROTECTION

K16.2bn

5.7% of total budget

WATER & HOUSING

K4.6bn

1.6% of total budget

Delivery commitments

Education	31 secondary schools completed; six new universities commence; 100,000 additional training places.
Health	3,125 frontline personnel; K6.4bn for drugs and medical supplies; continued digital records rollout.
Social protection	Over 1.6 million households will benefit; monthly social cash transfers increase to K450, and to K650 for households with eligible persons with disabilities.
Water	Dams, boreholes, piped schemes and sanitation linked to climate resilience and productive sectors.

Business implications

- Healthcare supply chain and infrastructure opportunities.
- Education, skills, technology and PPP delivery models.
- Workforce planning should reflect the new PAYE top band.

© 2026 RSM Zambia

Pillar 4 | An effective, delivery-oriented public sector

FISCAL DISCIPLINE · GOVERNANCE

DEBT SERVICE

K67.6bn

K50.8bn domestic; K16.8bn external

ARREARS CLEARANCE

K4.7bn

Budget allocation for dismantling arrears

DOMESTIC REVENUE

23.3%

target as a share of GDP

DEFICIT BY 2029

1.2%

medium-term fiscal objective

The operating environment becomes more transparent and more enforceable

Smart Invoice	Stronger use of digital compliance and data sharing.
SOEs	Restructuring, strategic partnerships and selective divestment.
Governance	Tighter oversight of procurement, recruitment and licensing.
Pensions	Reforms to strengthen regulation and extend coverage.
Environment	Digital approvals, carbon registry and stronger enforcement.

RSM risk lens

Tax governance, digital evidence and control ownership will matter as much as the tax calculation itself.

© 2026 RSM Zambia

Pillar 5 | Financing our future

CROWDING IN PRIVATE CAPITAL

Government as catalyst, not sole financier

The financing model combines domestic revenues, borrowing and stronger private-sector participation.

~14% OF THE 2027 BUDGET WILL BE FINANCED THROUGH BORROWING

Key 2027 moves

- K400 million allocated to establish a development finance institution.
- K507.3 million for PPP viability-gap financing.
- Capital Markets Master Plan and Securities Act reforms to deepen citizen ownership.

Financing channels

- FDI
- PPPs
- Green finance
- Value-chain finance
- Blended finance
- Capital markets

RSM lens: match the funding instrument to cash-flow maturity, currency exposure and project risk.

© 2026 RSM Zambia

Revenue measures | The tax reset

WHAT CHANGES FROM 1 JANUARY 2027

VAT

16.0% –> 16.5%

Update prices, contracts and systems

Preferential CIT

+5 percentage points

Rates below 30% increase by five points

PAYE

39.5% top band

Income above K37,000 per month

Mining dividends

15% WHT

Up from zero percent

MAT

3 loss years

Narrowed to persistent loss makers

Revenue raised

K10.8bn

Estimated net impact

Important: the measures remain subject to Parliamentary approval and final enacted legislation.

© 2026 RSM Zambia

Preferential company income tax rates | Detailed impact

CURRENT RATE -> PROPOSED RATE

The proposal adds 5 percentage points to qualifying categories currently taxed below the standard 30% CIT rate.

Farming, agro-processing and qualifying farming/agro-processing NTE exports	10%	→	**15%**	50% increase in the headline rate
Producers of organic and chemical fertilisers	15%	→	**20%**	33.3% increase in the headline rate
Export of non-traditional products	20%	→	**25%**	25% increase in the headline rate
Companies adding value to copper cathodes	20%	→	**25%**	25% increase in the headline rate

Worked example

Taxable profit: K10 million

10% -> 15%

CIT rises from K1.0m to K1.5m
Additional annual tax: K500,000

The same K10m profit moving from 20% to 25% also adds K500,000.

Planning implications

- Reforecast current and deferred tax for 2027.
- Revisit pricing, margins and investment returns.
- Confirm eligibility and ring-fence qualifying income.

© 2026 RSM Zambia

Customs and excise | Winners and pressure points

LOCAL PRODUCTION

Higher landed cost / stronger protection

Ceramic tiles	40% customs duty
Aluminium profiles	25% duty + 20% surtax
Processed meat	30% surtax
Crude edible oils	15% duty; selected oils + 10% surtax
Single-use plastics	200% excise duty
Plastic bottles	80 ngwee per bottle

Relief and investment support

Safari vehicles	Duty suspended
Hospitality equipment	Duty suspended
Sanitary-product inputs	Duty and VAT exemption
Gold royalty	3% for approved aggregator sales
PPP contractors	Extended VAT zero-rating
Bonded warehousing	Simplified procedures

Action: refresh HS classifications and landed-cost models before purchase orders are committed for 2027.

© 2026 RSM Zambia

Compliance | Digital by default

SYSTEMS · DATA · EVIDENCE

01	**Smart Invoice**	Valid Smart Invoices expected for export declarations, subject to exceptions.
02	**Electronic service**	Tax notices and official communications recognised electronically.
03	**Information exchange**	Legal framework for Automatic Exchange of Information.
04	**Customs controls**	Escalating penalties, tighter bonds and shorter drawback claim period.
05	**Incentive accountability**	Investment incentives linked to delivery of pledged investment and jobs.

Control checklist

- ☐ Tax master data
- ☐ Smart Invoice mapping
- ☐ User access controls
- ☐ Exception monitoring
- ☐ Evidence retention
- ☐ Board reporting

© 2026 RSM Zambia

The 90–day business response

RSM ACTION PLAN

FINANCE

Reforecast effective tax rate, cash tax, VAT working capital and customs costs.

PRICING

Model VAT and excise pass–through; check tax–change and gross–up clauses.

PAYROLL

Update PAYE, executive packages and housing / motor vehicle benefits.

SYSTEMS

Configure ERP, POS, payroll and Smart Invoice interfaces before go–live.

SUPPLY CHAIN

Validate HS codes, surtax exposure, import alternatives and local sourcing.

GOVERNANCE

Assign owners, deadlines, evidence standards and board oversight.

Move early. The measures are proposed for 1 January 2027 implementation.

© 2026 RSM Zambia

The headline is growth.
The discipline is execution.

RSM Zambia can help businesses quantify the impact, redesign processes and implement the 2027 tax changes with control and confidence.

This publication is general guidance and is based on proposed measures subject to Parliamentary approval and enacted legislation.

Public

Contacts



Given Ian Ncube
Managing Partner & CEO
T +260 211 258 705/6
ian.ncube@rsmzm.co.zm



Masautso Mwale
Director – Audit and Assurance
T +260 211 258 705/6
masautso.mwale@rsmzm.co.zm



Prasitha Prasad
Associate Director – Audit & Assurance
T +260 211 258 705/6
prasitha.prasad@rsmzm.co.zm



John Mwale
Associate Director – Audit & Assurance
T +260 211 258 705/6
John.mwale@rsmzm.co.zm



Izukanji Mwaba
Tax Manager
T +260 211 258 705/6
izukanji.mwaba@rsmzm.co.zm



Frazer Sekeleti
Tax Specialist
T +260 211 258 705/6
frazer.sekeleti@rsmzm.co.zm



Stephen Kangwa
Tax Specialist
T +260 211 258 705/6
stephen.kangwa@rsmzm.co.zm

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Zambia Chartered Accountants

Ground Floor, Mt Meru Building,
Plot 34360 255/609/A Zambezi Road
P.O Box 645 P/B E851
Lusaka, Zambia
T +26 (0)211 258705/6
rsm.global/zambia

RSM Zambia is a member firm of the RSM network in Zambia and trades as RSM Zambia Chartered Accountants. Each member of the RSM network is an independent accounting and consulting firm, each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 200 Aldersgate Street, Upper Ground Floor South, London, EC1A 4HD. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

© RSM International Association, 2026