2027 National Budget Snapshot

Economic Growth Target: 4.9% of GDP

Inflation Target: 6-8%

Fiscal Deficit Target: 3% of GDP

Jobs: More and better-quality opportunities

Inclusive Growth: Raising incomes and improved livelihoods

A. The Government's Agenda for 2027

The 2027 Budget advances the Grow Zambia Agenda, which focuses on sustained and inclusive economic growth, job creation, increased household incomes and improved service delivery. It builds on the stability achieved over the past five years and sets clearer targets to accelerate investment and economic transformation.

The Grow Zambia Targets (10–10–5–3–3–1–1–1)

- **10** Megawatts of electricity generation
- **10** Metric tonnes of Maize Production
- **5** Million International tourist arrivals
- **3** million metric tonnes of Copper production
- **3** million metric tonnes of Soya bean production
- **1** million metric tonnes of wheat production
- **1** million metric tonnes of sugar production
- **1** Billion USD of annual beef exports

B. The 2027 Budget Envelope and Public Spending

The 2027 National Budget amounts to K284.77 billion, financed mainly from domestic revenue, with additional support from grants and borrowing. The budget prioritises programmes that drive growth, create jobs and improve livelihoods, while supporting social services and targeted investments across key sectors.

Where the Money Comes From

Source of Funds	Amount (K billion)	Share
Domestic Revenue	K233.66	82.1%
Grants	K9.23	3.2%
Borrowing (Net)	K41.88	14.7%
Total Budget	**K284.77**	**100.0%**

Key Areas of Government Spending (Selected)

Spending Area	Amount (K billion)	Share
✓ Economic Affairs	K50.63	17.78%
✓ Education	K38.24	13.40%
✓ Health	K30.25	10.60%
✓ Social Protection	K16.18	5.70%
✓ Agriculture	K22.70	7.97%
✓ Tourism	K1.36	0.42%
✓ Mining	K1.21	0.48%

C. Key Tax Changes and What They Mean

The Budget introduces a mix of tax reliefs, revenue measures and administrative changes aimed at supporting key sectors, broadening the tax base and improving compliance.

Tax Area	Key Changes for 2027
PAYE (Individuals)	• New top tax band of 39.5% for monthly earnings above K37,000. • Other bands and the tax-free threshold remain unchanged.
Company Income Tax	• No change to the standard corporate tax rate however, incentivised tax rates increased by 5% e.g farming, export of non traditional products
Mineral Royalty	• Reduced to 3% (from 6%) on gold for artisanal and small-scale miners who sell to approved aggregators.
VAT	• VAT standard rate increased to 16.5% from 16%
Customs & Excise	• Selected duty and excise adjustments, including support for productive sectors and higher excise on certain products.
Betting Levy	• Administrative updates to enhance collection and compliance.

D. Impact on Employees – PAYE Example

The new 39.5% tax rate applies only to the portion of monthly income above K37,000. The example below shows the tax for an employee earning K50,000 per month.

Calculation (Monthly)	Current Regime (2026)	Proposed Regime (2027)
Monthly salary	K50,000	K50,000
PAYE (per month)	**K16,126**	**K16,451**
Additional PAYE (per month)	–	**K325**
Additional PAYE (per year)	–	**K3,900**

E. Sector Impact – What Businesses Should Expect

Mining	Lower gold royalty (3%) for small-scale miners supports formalisation and investment.
Agriculture	Continued investment, input support and improved market access create opportunities for agribusiness and value addition.
Manufacturing	Ongoing incentives and trade measures to boost local production and competitiveness.
Infrastructure	Higher public investment in roads, energy and social infrastructure creates more business opportunities.
Tourism	Achieve an increase of tourist arrivals of 5 million from 2.3 million

F. Key Takeaways for Businesses

Assess the tax changes and update payroll, pricing and tax planning.

Identify opportunities in priority sectors such as agriculture, manufacturing, tourism, energy and infrastructure.

Ensure compliance with new and revised tax administrative rules.

Monitor sector-specific regulations and incentive conditions as they are finalised.