

# 2025 Zambia Investment Climate Statement

## Executive Summary

Located in the center of Southern Africa, Zambia borders:

- Angola,
- the Democratic Republic of Congo,
- Tanzania,
- Zimbabwe,
- Namibia,
- Mozambique,
- Malawi,
- and Botswana.

A politically stable, multi-party democracy that is rich in natural resources, Zambia produces about 4 percent of the global copper supply and possesses 6 percent of the world's known copper reserves. With copper generating more than 75 percent of the country's export earnings and 44 percent of the government's revenue, Zambia's economy depends on increasing copper production and globally stable copper prices. Following its 2020 eurobond default, Zambia accepted a three-year, \$1.9 billion International Monetary Fund (IMF) Extended Credit Facility program, which is scheduled to end in October 2025. In 2024, Zambia's economic recovery was impeded by a severe drought which pushed 5 million Zambians into acute food insecurity and – due to the country's overdependence on hydropower – caused a nationwide electricity shortage. Despite these economic headwinds, the Zambian government reported 3.9 percent GDP growth in 2024, driven by significant growth in the country's three largest sectors in terms of contribution to GDP (noting that some observers have questioned the accuracy of the government's 2024 GDP calculation):

- Information and Communications Technology (ICT; 12.4 percent),
- Construction (9.6 percent), and
- Mining (9.2 percent).

Zambia seeks to increase foreign investment and has the building blocks to attract investors in the following sectors:

- mining,
- energy,
- ICT,
- transportation,
- agriculture, and
- tourism.

However, it has struggled to secure this investment due to its challenging business environment, policy inconsistency, and failure to enact reforms to improve Zambia's investment competitiveness. Businesses frequently cite impediments to doing business and sources of risk, including Zambia's:

- ineffective bureaucracy,
- onerous licensing requirements,
- limited access to affordable credit,
- difficulty obtaining work permits for expatriate staff, and
- pervasive corruption.

## Section 1. Openness to, and Restrictions upon, Foreign Investment

### Policies toward Foreign Direct Investment

President Hichilema often states, “Zambia is open for business.” However, his administration has not broadly enacted reforms that would substantively improve the country’s business enabling environment or investment attractiveness. Businesses frequently cite Zambia’s ineffective bureaucracy, onerous licensing requirements, limited access to affordable credit, difficulty obtaining work permits for expatriate staff, and pervasive corruption as impediments to doing business and factors that increase the country’s investment risk assessment. The current administration established the Presidential Delivery Unit (PDU) to help State House ensure ministries implement the President’s directives. However, due to a pervasive culture of unaccountability, the PDU’s impact has been limited. Businesses, including projects President Hichilema has deemed national priorities, must often repeatedly rely on high-level contacts to resolve administrative challenges that would otherwise linger without resolution. Government tenders are generally non-transparent, and procurement and contracting decisions are often politically influenced. Companies have also reported that, due to ongoing fiscal constraints, government payments to vendors are often delayed and years-long arrears in government’s reimbursements of VAT refunds to companies represents an additional de facto private sector tax.

Zambian law establishes certain limits on foreign investment and land ownership. Regulatory and tax enforcement agencies tend to more rigorously enforce policy compliance on foreign-owned or foreign-financed companies, with the exception of Chinese-linked firms.

The [Zambia Development Agency \(ZDA\)](#), a semi-autonomous institution with a Board of Directors appointed by the Minister of Commerce Trade and Industry, is responsible for promoting and facilitating trade, investment, and business development in Zambia. ZDA also issues investment licenses, and helps companies apply for additional business licenses that are issued by other agencies. The PDU is also responsible for helping priority projects navigate Zambia’s bureaucratic processes. However, in practice, its impact has been limited.

To improve relations with the private sector, which had significantly deteriorated under the previous administration, the current government established the [Public Private Dialogue Forum \(PPDF\)](#) in 2022. The Forum was intended to host candid discussions between the private sector and government and facilitate the realization of mutually beneficial outcomes. However, while the Forum enabled private companies to voice concerns, ministries have seldom incorporated this feedback into new regulations or legislation or acted upon it.

## **Limits on Foreign Control and Right to Private Ownership and Establishment**

Foreign and domestic private entities have a right to establish and own business enterprises and engage in all forms of remunerative activities.

While all land is officially vested in the President, Zambia has a dual land tenure system: customary and leasehold. Customary land, which comprises 54 percent of Zambia's territory, is managed by traditional leaders (chiefs) who have authority to oversee land administration, regulate its use, and adjudicate land disputes. Zambia's remaining territory is State Land, which the government, through the President, holds, manages, and can grant renewable 99-year leasehold titles to individuals or organizations. Traditional leaders manage their land according to customary law, without land leases. The 1995 Lands Act strengthened the role of traditional leaders by officially recognizing Zambia's dual land tenure system and establishing that affected traditional leaders must approve any government request to convert customary land into State Land.

Details on foreign limitations and requirements applied to foreign investors in Zambia can be found in the ZDA's [Instructions on Foreign Investment in Zambia document](#). Investments projected to total less than \$1 million, or that require a long-term property lease for capital investment, are subject to Zambian citizen shareholding requirements (Refer to the ZDA's Foreign Investment Instructions for details).

- To obtain a long-term land lease, multinationals often establish a 100 percent foreign-owned Zambian subsidiary, secure a ZDA license, and lease the land through that company. The subsidiary can mortgage, sell, or lease property like any local firm.

- Broadcasting licenses are limited to companies with at least 75 percent Zambian ownership
- Licensed insurers/reinsurers or insurance brokers must be at least 30 percent and 51 percent Zambian owned, respectively. Certain Western insurance brokers have said these requirements are unimplementable and could force foreign insurance companies out of the market. Foreign insurance companies have until December 2026 to comply with these equity requirements.
- Airport services providers must have at least a 10 percent Zambian shareholding.
- Banks and other financial institutions or financial advisors must be locally incorporated in Zambia.
- The government of Zambia prohibits artisanal mining and timber concessions for non-citizens.
- Zambia requires a minimum 5 percent local ownership in companies that:
  - sell live birds,
  - perform domestic haulage related to government tendered projects,
  - provide commercial cleaning services,
  - conduct small-scale mining,
  - trade in minerals, and
  - provide non-consulting services below ZMW 1 million (approx. \$38,200).

Zambian-owned companies receive preferential treatment in some open government tenders:

- Public procurements of goods under ZMW 3 million (approx. \$115,000),
- Building and construction works not exceeding ZMW 20 million (approx. \$764,000), and
- Civil and road works not exceeding ZMW 30 million (approx. \$1,146,000).

Foreign investors in Zambia are required to obtain an Investment Certificate of Registration – which is also commonly referred to as an “Investment License” – from the ZDA and a Certificate of Incorporation from the Patents and Companies Registration Agency (PACRA). Investment License applicants must submit:

- a business plan,
- a feasibility study,
- proof of project financing, and
- other related documents.

Certificate of Incorporation applicants must submit business registration forms and beneficial ownership information. These review processes appear to be routine and non-discriminatory, and applicants have the right to appeal decisions. Details can be found on the [ZDA- Starting a Business](#), [PACRA](#), and [Business License Portal](#) websites.

## **Other Investment Policy Reviews**

Zambia’s most recent third-party investment policy review was [the WTO Trade Policy Review in July 2016](#).

## **Business Facilitation**

The ZDA is responsible for issuing Investment Certificates of Registration to foreign investors and facilitates applications for multiple licenses issued by other agencies. The ZDA also oversees the establishment and management of Special Economic Zones (SEZs) in Zambia, which are designated areas aimed at promoting economic growth through targeted tax exemptions that incentivize investment in manufacturing, value addition processing, and increased exports. While the ZDA was established in 2006, it has been revamped under the current administration, and thus, is still developing systems and processes, and determining how to effectively collaborate with other government agencies it relies on to fulfill its mandate. Zambia has signed the WTO Investment Facilitation for Development Agreement (IFD).

The government of Zambia established [ZamPortal](#), an online One-Stop Shop for all Public Services provided by various Zambian authorities including domestic and foreign company registration services. To establish a new company, applicants must submit documentation for:

- [Zambia Development Agency \(ZDA\)](#): Investment Certificate of Registration;
- PACRA: Company Registration
- [Zambia Revenue Authority \(ZRA\)](#): Tax Identification Number, import and export permits.
- Zambia Environmental Management Agency (ZEMA): Approval of Environmental Impact Assessment (if required).
- Ministry of Labour and Social Security (MLSS): Social security payments for employees.
- Additional sector-specific approval (e.g., mining, energy, manufacturing).
- Business license registration from a Council authority.

PACRA's initial business registration process usually takes 24 hours, and its business licensing and permits take two to four weeks, while impact assessments can take one to two years depending on the scope and complexity of the project.

## Outward Investment

Zambia neither incentivizes nor restricts outward investment.

## Section 2. Bilateral Investment and Taxation Treaties

Zambia has signed [bilateral investment treaties \(BITs\)](#) with 16 countries (10 of which are in force). Zambia is also a member of the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC), and the African Continental Free Trade Area (AfCFTA).

Zambia does not have a bilateral income tax treaty with the United States.

Parliament enacted the [Property Transfer Tax Act No. 27 of 2024](#) on January 1, 2025. This act increased the tax rate for transferring mineral exploration licenses, land titles, company shares, and intellectual property from five to 8 percent of the realized value. The tax rate on the sale of mining and mineral processing licenses remained at 10 percent of the realized total value.

The Income Tax Act (Amendment), 2024, also increased the turnover tax registration ceiling from ZMW 800,000 (approx. \$28,800) to ZMW 5 million (approx. \$180,000) and the applicable tax rate from 4 to 5 percent.

Zambia's Mobile Money Transaction Levy Act of 2023, amended in 2024, established a levy on each mobile money transaction. Overall, Zambia's tiered schedule of levies is comparatively low for the region.

## **Section 3. Legal Regime**

### **Transparency of the Regulatory System**

While government policies are generally transparent, the government often fails to comply with, or enforce, its own policies. This has created a competitive disadvantage for Western companies that are accountable to stockholders and generally refuse to engage in corrupt practices. Western companies often call on the government to equitably enforce its environmental, labor, and tax regulations to “level the playing field.” The growing role of various government entities in the agricultural sector, combined with ad hoc restrictions on the movement or sales of agricultural products undermines market-based competition in the sector.

There are no informal regulatory processes managed by nongovernmental organizations or private sector associations. National regulations and investment laws, which are the most relevant for foreign businesses, are developed by the ministry responsible for the affected sector, generally via a non-transparent process. The responsible ministry conducts stakeholder consultations to varying extents but incorporates limited stakeholder feedback into subsequent drafts. After the consultative process is completed, the regulations are not made publicly available again until they have been signed into law. The government seldom conducts, or



requests assistance to conduct, legally mandated regulatory impact assessments. Regulations on the movement or trade of agricultural products are often made by writ within the Ministry of Agriculture, without any clear process beyond public announcements – which immediately go into effect.

Since 2005, the primary accounting framework used in Zambia has been the International Financial Reporting Standards (IFRS) - without any modifications. Per the [Zambian Institute of Certified Accountants](#)’ directive, the Lusaka Securities Exchange requires its listed companies to comply with the IFRS.

The complete text of bills and laws are published on the [National Assembly of Zambia \(NAZ\) website](#). Regulations produced by specific ministries are generally approved by the respective minister and published on the ministry’s website and in gazette notices available on the NAZ website.

Government agencies including PACRA, ZDA, ZRA and the Business Regulatory Review Agency (BRRA) have boards of directors that provide oversight and ensure required administrative processes are followed. Not all boards of directors have executive authority, undermining their ability to enforce compliance. Additionally, Zambia’s Supreme Audit Institution annually audits every government agency for fiscal compliance and effectiveness and publishes its findings in its annual report.

Zambia enacted the Trademarks Act (TMA) of 2023, replacing the 1958 Trademarks Act. The new TMA enhances the protection of trademarks and ‘gives effect to’ the Madrid Protocol (trademark owners will be able to designate Zambia in international registrations).

Parliament enacted the Minerals Regulation Commission Act (MRCA) in December 2024. The MRCA replaces the 2015 Mines Act and aims to establish an autonomous Minerals Regulation Commission (MRC) that will serve as the regulatory authority for Zambia’s mining sector, including managing mining and exploration licenses. The MRC is expected to increase oversight of the sector, particularly related to compliance with environmental and tax regulations.

The government launched a new electronic tax invoicing system in 2024 to enable ZRA to enhance revenue collection and increase transparency across a broad range of taxes and levies. All businesses operating in Zambia are now required to use the Smart Invoice system.

Zambia has made limited progress in fully implementing the regulatory reform efforts announced in prior years, including the requirement to conduct Regulatory Impact Assessments for proposed laws and policies that will have an economic impact.

If effectively implemented, these reforms could lead to a more equitable enforcement of Zambia's regulations in the affected sectors. This would benefit reputable companies which often feel disadvantaged by the government's current inconsistent enforcement that benefits companies that do not voluntarily comply with labor, environmental, and tax regulations and/or are willing to engage in corrupt practices to avoid accountability for non-compliance. Additionally, these reforms could reduce illicit trade and generate more than \$500 million in government revenue annually, which could lead to improved infrastructure as well as a healthier and more educated workforce.

Zambia's primary regulatory enforcement mechanisms are ZEMA, ZRA, and the Zambia Information and Communications Technology Authority (ZICTA), as well as the ministries that oversee their respective sectors through inspections and audits. However, these agencies and inspectorates are generally understaffed, underresourced, and not empowered to fulfill their mandates. These enforcement processes are not reviewable, digitalized, or otherwise transparent to the public.

Zambia's public finances and debt obligations are transparent and the information is publicly available ([see the U.S. Department of State's 2023 Fiscal Transparency Report for Zambia](#)). Budgets are available on the [National Assembly's website](#). The Ministry of Finance and National Planning publishes debt information, including explicit and contingent liabilities, which can be accessed in the [Quarterly Debt Statistical Burden](#) bulletins. Budget implementation is audited by the Office of the Auditor General (OAG), which audits financial statements from every government institution, parastatal organization, statutory board, and any other entity which receives public resources. The OAG's annual audit reports can be accessed at the [Office of the Auditor General website](#).

## International Regulatory Considerations

Zambia is a member of the:

- SADC,
- COMESA, and
- AfCFTA.

Zambia's domestic regulatory system generally aligns with SADC and COMESA. There is no noticeable theme of Zambian law being modeled on other regulatory frameworks. The Zambian government notifies draft technical regulations to the WTO Committee on Technical Barriers to Trade.

## Legal System and Judicial Independence

Zambia has a dual legal system that consists of statutory and customary law enforced through a formal court system. Statutory law is derived from the English legal system with some pre-independence laws still in force. Most traditional and customary laws relevant to the private sector have been codified under post-independence laws.

Zambia has a written commercial law. The Commercial Court, a division of the High Court, deals with disputes regarding commercial transactions. Appeals from the Commercial Court fall under the Court of Appeals. Zambia's Lands Tribunal, Ratings (land valuation) Appeals Tribunal, Tax Appeals Tribunal, and Competition and Consumer Protection Tribunal each have the same ranking as the High Court. Under the Foreign Judgments (Reciprocal Enforcement) Act, Chapter 76, Zambia can enforce judgments issued in a foreign court, if the country a reciprocal treatment agreement with Zambia. The registration of a foreign judgment is not automatic. Although Zambia is a signatory to international human rights and regional instruments, its dualist system of jurisprudence considers international treaty law as a separate system, rather than domestic law. Domestication of international instruments requires a parliamentary act, which tends to be a slow process.

While Zambia's judiciary is officially independent, critics frequently allege the executive branch unduly influences it. A [2024 policy brief released by the Southern African Institute for Policy and Research](#) highlights that, as Judicial Service Commission's mandate is ensuring judicial independence, selecting its Chairperson via presidential appointee creates a conflict of interest. Despite these concerns, the judicial process is generally considered procedurally competent, fair, and reliable. However, due to an insufficient number of judges and inefficient processes, it can take about 12 to 24 months for a case to be brought and receive a judicial ruling. Enforcement actions are appealable and adjudicated in the national court system.

## **Laws and Regulations on Foreign Direct Investment**

Zambia's legal system generally offers fair and equitable treatment to foreign investment. However, foreign participation is limited in certain sectors, such as artisanal mining, construction, and public procurements of services valued at less than ZMW 3 million (approx. \$115,000).

The primary laws regulating foreign investment in Zambia are accessible at the [National Assembly of Zambia website](#) and include the:

- [Zambia Development Agency Act of 2022](#)
- [Companies Act of 2017](#)
- [Investment, Trade and Business Development \(Amendment\) Act of 2024,](#)
- [Investment, Trade and Business Development \(Amendment\) Act of 2022,](#)
- [Value Added Tax Act of 1995](#) and the [VAT \(Amendment\) of 2023](#)
- [Employment Code Act of 2019](#)
- [Competition and Consumer Protection Act of 2010 /Competition and Consumer Protection \(Amendment\) Act of 2023 \(CCPA\)](#)
- [Public- Private Partnership Act of 2023](#)
- [Insurance Act No. 38 of 2021](#)

Laws related to foreign investment can also be found on the [Zambia Revenue Authority website](#) and [ZDA guidelines for certificate of registration](#)

The Investment, Trade and Business Development Act of 2022, was amended in 2024 to expand tax breaks to incentivize investments in production or processing facilities in export-focused special economic zones, government-determined priority sectors to include rural areas or farm blocks. In 2024, Zambia's mining sector saw significant legal reforms, including the enactment of the 2024 Minerals Regulation Commission Act (MRCA), which centralized regulatory functions under the yet to be established Mining Commission.

[ZDA's website is a "one-stop-shop" for general information regarding foreign investment and new business registration](#), and provides more specific guidance regarding the agriculture, energy, and manufacturing sectors – the government's priority sectors for investment. Additional information can be found on the relevant ministry's website.

The Ministry of Energy also implemented [Energy Single Licensing System \(ESLS\)](#) to streamline the power development licensing process. The initiative aims to expedite the issuance of licenses and permits for power generation projects by reducing redundancy, improving response times, and enhancing coordination among agencies.

The standard corporate tax rate in Zambia is 30 percent, though rates are adjusted for certain sectors, including farming and agro-processing at 10 percent, non-traditional exports at 15 percent, and telecommunications at 35 percent.

## **Competition and Antitrust Laws**

[The Competition and Consumer Protection Commission \(CCPC\)](#) reviews transactions and assesses competition-related concerns. There were no known significant competition cases over the past year.

The CCPC appears to adhere to fair and transparent norms and procedures, acting only when it deems a company has abused its dominant position in the market. The CCPC's decisions can be appealed to the tribunal and judicial system. The judicial system can also adjudicate consumer complaints.

## Expropriation and Compensation

The Zambian government may legally expropriate property when it is determined to be in the “public interest” and/or intended to redress historical discriminatory practices. Government decisions to expropriate property must be approved by Parliament and may be challenged in court. The ZDA Act states that, when expropriating private assets, the government must compensate the owner “at a fair market value,” however, the method for determining this value is poorly defined.

Based on an assertion that mining companies were evading taxes and unduly profiting from their operations without benefitting the Zambian people, from 1969–1992, the Zambian government expropriated the country’s mining assets without paying fair compensation. Due to the subsequent collapse of mining production, the government re-privatized the mines from 1992–2000. However, in 2019 and 2021, the government nationalized one of its largest copper mines. Once again, the government, without filing formal charges, accused the mine operator of tax evasion, insufficient community investment, and asserted it could more effectively operate the mine and share the profits with Zambians more broadly. However, the government was unable to effectively manage the asset, and, after a change in administrations, re-privatized them in 2023. The resource nationalism narrative remains strong in Zambia and while the Minerals Regulation Commission Act (2024) and the Geological and Minerals Development Act (2025) offer improved protections such as mining license tenure and court redress of expropriated licenses, future expropriation is not explicitly prohibited.

There are credible allegations that the Mining Cadastre, which is responsible for regulating and administering the issuance and transference of mining licenses has unduly rescinded reputable investors’ exploration and mining licenses, without any notification or due process, and reissued them to politically exposed Zambian or Chinese companies. Albeit solely based on anecdotal evidence, the frequency of such occurrences seems to be increasing. Relatively small Zambian-owned companies and large multinationals have been affected, raising concerns about mining license tenure security in Zambia. The Ministry of Mines and Minerals Development is aware of these issues and the pervasive corruption in the Cadastre. However, yet, there is no

credible mechanism for appealing these license seizures and the current administration has not taken any noticeable actions to rein in malfeasance at the Cadastre.

The Zambian government also owes the private sector over \$2 billion in overdue value added tax (VAT) reimbursements. Due to the Zambian government's fiscal constraints and inefficient bureaucratic processes, it has been unable to process corporate VAT refunds in a timely manner. However, the government now allows companies to deduct pending VAT refunds from subsequent tax liabilities.

## **Dispute Settlement**

### ***ICSID Convention and New York Convention***

Zambia is a party to the Convention of the Settlement of Investment Disputes Between States and Nationals of Other States, and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. Domestically, these conventions are enforced under the Investment Disputes Convention Act, Chapter 42.

### ***Investor-State Dispute Settlement***

The Zambian Arbitration Act Number 19 of 2000 incorporates the UN Commission on International Trade Law (UNCITRAL) and the New York Convention on the recognition and enforcement of foreign arbitral awards. The Act applies to both domestic and international arbitration and is based on the UNCITRAL Model Law. The U.S. Embassy is unaware of any investment disputes involving a U.S. company/person or other foreign investors.

### ***International Commercial Arbitration and Foreign Courts***

Foreign lawyers cannot be used to represent parties in domestic or international arbitrations taking place in Zambia. There are no facilities that provide online arbitration, although the Zambia Institute of Arbitrators promotes and facilitates arbitration and other forms of ADR. The New York Convention on the recognition and enforcement of foreign arbitral awards has been domesticated into Zambian legislation by virtue of Section 31 of the Arbitration Act.

Arbitration awards are enforced in the High Court of Zambia, and judgments enforcing or denying enforcement of an award can be appealed to the Supreme Court.

Most companies that enter high value contracts with Zambian companies or the government include a provision which designates a U.S. or UK entity as the ultimate arbitrator.

## **Bankruptcy/Insolvency Regulations**

The Bankruptcy Act, Chapter 82, provides for the administration of bankrupt persons' estates and punishment for any related criminal offenses. The Act also governs reciprocity in bankruptcy proceedings to ensure equitable compensation between creditors from Zambia and other countries. Bankruptcy judgments are made in local currency (kwacha) but can be paid out in any internationally convertible currency.

## **Section 4. Industrial Policies**

### **Investment Incentives**

The Government of Zambia provides tax incentives to stimulate investment. Under the Income Tax Amendment Act No. 16 of 2017 and the Trade, Investment and Business Development Act No. 18 of 2022, investors (both local and foreign) who invest at least \$50,000 in Zambian-owned companies or \$1 million in foreign owned companies in priority sectors, including:

- manufacturing (in an SEZ),
- mining,
- education,
- health,
- housing,
- agriculture,
- tourism,
- energy,



- water,
- fuel,
- and water supply (see [ZDA's guidelines](#) for more details on priority sectors) are entitled to import capital equipment and machinery for five years duty free, plus accelerated depreciation on capital equipment and machinery imports.

Export-focused manufacturing sector investors located in a Multi-Facility Economic Zone (MFEZ), industrial parks, rural areas, or farm blocks can receive income, dividend, and export tax reductions for 10 or more years.

Zambian government does not have sufficient resources or the credit history to issue guarantees or provide joint financing. Investment incentives are generally applied uniformly and systematically.

### **Foreign Trade Zones/Free Ports/Trade Facilitation**

An investor may apply to establish and operate a bonded factory under Section 65 of the Customs and Excise Act. The government has established Multi-Facility Economic Zones (MFEZ), which provide investors with waivers on customs duty on imported equipment, excise duty, and value added tax, among other concessions. There are currently five MFEZs in Zambia. While the Lusaka South MFEZ (owned by the Zambian Government) hosts a mix of multinational firms, the others (privately owned) are heavily/if not exclusively occupied by Chinese companies, including in:

- Chambishi (Copperbelt Province),
- Lusaka East (near Kenneth Kaunda International Airport),
- Chibombo (Central Province), and
- Kalumbila (North-Western Province).

Sub-Saharan Gemstones Exchange Industrial Park in Ndola (Copperbelt Province) and Roma Industrial Park in Lusaka also qualify for the same incentives as MFEZs. Foreign-owned firms enjoy the same investment opportunities as domestic firms in MFEZs. The government has

prioritized designated areas for future MFEZs, but investors may also request approval to develop an MFEZ in their preferred location.

## **Performance and Data Localization Requirements**

Per the National Council for Construction Act No. 13 of 2003 and the Citizens' Economic Empowerment Commission Act No.9 of 2006, foreign companies implementing Zambian government contracts must award 20 percent of the sub-contracted work to Zambian citizen-owned companies. However, the government's monitoring, evaluation, and enforcement of this requirement have been inconsistent. See the September 2020, [Republic of Zambia Report of the Committee on Transport, Works and Supply](#) for additional details regarding local procurement thresholds for different sectors and projects. [Statutory Instrument \(SI\) No. 35 of 2021](#), under the [Citizen Economic Empowerment Act of 2006](#), requires producers, manufacturers or users of a raw material of a commodity listed in the Schedule of the SI to give "preference" to local (minimum 5 percent Zambian ownership) road transporters: for 100 percent of domestic and 50 percent of international haulage. The Geological and Minerals Development Act of 2025 empowers the Minister of Mines to establish a local content policy via an SI; the Minister has stated he intends to enact this SI before the end of 2025.

[The Geological and Minerals Development Act of 2025](#) requires holders of licenses for mining, mineral processing, or petroleum trading give "preference" to materials and products made in Zambia as well as contractors, transporters, suppliers and services agencies located in Zambia and owned by citizens or citizen-owned companies during construction and operations. As of May 2025, these requirements have yet to be enforced.

The U.S. Embassy is unaware of specific performance requirements in Zambia. However, authorities expect business license applications to highlight positions to be filled by Zambians and a plan for transitioning certain leadership positions to Zambian hires after a defined period of time. Some companies have raised concerns that the Zambian government has tried to pressure companies to hire Zambians for senior positions intended to be filled by expatriates, by refusing to issue work permits for the foreign worker(s).

In April 2025, the government enacted the Cyber Security Act and the Cyber Crimes Act, which require ICT companies, upon request by law enforcement, to intercept and transfer to the government personal electronic communications, including:

- calls,
- emails,
- text messages,
- and streamed content.

The telecommunications sector is governed by the Information and Communications Technology Act No. 15 of 2009 (ICT Act), which falls under the Ministry of Technology & Science, and is regulated by the ZICTA.

While implementing regulations for the Data Protection Act (DPA) of 2021, and the 2025 Cyber Security and the Cyber Crimes acts are still pending, as written, the DPA currently only allows individuals to freely transmit their own personal data outside of Zambia. The DPA affords the Minister of Technology & Science the authority to establish criteria for cross border data transfers via a statutory instrument, but this has yet to be done. Additionally, the Data Protection Commissioner may approve individual or a group of data transfers. The Zambian government has yet to enforce these restrictions, but it appears poised to increase its control over data and communication flows as the 2026 elections draw nearer.

The [Data Protection Act](#) of 2021, mandates that sensitive personal data (e.g., race, marital status, health data) must be stored on a server, or in a data center, located in Zambia. The Office of the Data Protection Commission (DPC) of Zambia, operating under Ministry of Technology and Science, is responsible for overseeing and enforcing data protection regulations in both public and private institutions.

## Section 5. Protection of Property Rights

### Real Property

Real property rights and the regulation of property are well defined in Zambian law. However, in practice, the judiciary is an unreliable arbiter of contract and property disputes. Insufficient capacity, overburdened courts, and susceptibility to corruption often lead to slow and unpredictable outcomes. While Zambia has a generally reliable system for recording property rights, property disputes are not uncommon and, in some instances, the government titling office has created and illicitly sold duplicate titles creating land disputes. Mortgages and liens exist, however, due to inadequate legislation regarding asset seizure, many financial institutions are reluctant to accept personal assets as loan collateral. The absence of a functional credit bureau also undermines borrowers' ability to establish personal credit history.

The [Lands and Deeds Registry Act](#) and [Constitution of Zambia](#), empower the President, through the Lands Commission, to allocate land to both citizens and non-citizens in the form of renewable 99-year leases. However, this allocation does not confer ownership. The ZDA, in consultation with the Ministry of Lands, can assist investors to identify land suitable for their specific investment needs, and help them apply for a lease with the Ministry of Lands. While land is technically owned by the President, it is important to note that traditional chiefs have jurisdiction over customary land, which constitutes approximately 54 percent of Zambia.

In 2014, when Zambia's National Land Titling Program (NLTP) was developed, the government estimated that only 20 percent of Zambia's land was titled. The implementation of the NLTP began in 2019, however, due to multiple challenges the program's progress has been limited.

If land is not developed within a period of five years, the lease can revert to the government to be reallocated.

Zambia is a contracting party to the 2001 Cape Town Convention on International Interests in Mobile Equipment (CTC). The U.S. Embassy has not been approached about any disputes under the CTC.

## Intellectual Property

Zambia's Trademarks Act, enacted in December 2023, repealed and replaced the Trademarks Act of 1958, to provide for the registration and protection of trademarks and geographical indications. This Act domesticates the Madrid Protocol related to the International Registration of Trademarks, the Paris Convention for the Protection of Industrial Property, and the World Intellectual Property Organization (WIPO) treaties. Zambia is a member of the African Regional Intellectual Property Organization and is also a contracting party to the Patent Cooperation Treaty. [Information on protecting intellectual property in Zambia can be found on PACRA's website](#). Intellectual Property Rights (IPR) enforcement in Zambia is generally weak and the U.S. Embassy is unaware of any IPR-related lawsuits, arrests, or prosecutions. There were no new IP laws/regulations enacted in 2024, and no such laws are pending.

Zambia does not publish data regarding the seizure of counterfeit goods. Companies commonly express concerns about competing with counterfeit goods and illicit imports – which enter the country without paying the required duty. The ZRA and Zambia Police Service (ZPS), which are under-resourced, have demonstrated little interest in independently investigating these crimes, but have responded to specific reports of illicit goods. The U.S. Embassy is unaware of any IPR violations being prosecuted. Fines for IPR violations are insufficient to create a deterrent, and repeat offenders are rarely prosecuted or forced to close their shops. Zambia is not listed in USTR's Special 301 report and notorious market report.

For additional information about national laws and points of contact at local IP offices, please see [WIPO's country profiles](#).

## Section 6. Financial Sector

### Capital Markets and Portfolio Investment

The Zambian government generally supports foreign portfolio investment. Government regulations allow for the free flow of capital in and out of the country. Zambia maintains a free-floating currency, the kwacha (ZMW).

The Securities Act of 2016 and the Securities (Amendment) Act of 2022 established the Lusaka Securities Exchange (LuSE), which is supervised by the Securities and Exchange Commission (SEC) of Zambia and is structured to meet international standards of clearing and settlement operations. There are no restrictions on foreign participation but secondary trading of financial instruments in the market remains very low. LuSE has 22 members, with Shoprite (a South African grocery store chain) comprising nearly 60 percent of the ZMW 277 billion (approx. \$10.05 billion) market capitalization. Thirteen corporate bonds are available through LuSE. Given the limited volume of trade and investment, there is insufficient information to assess the Zambian SEC's enforcement standards and capability. The Bank of Zambia respects IMF Article VIII related to payments and transfers for current international transactions and through its currency transactions.

Credit is allocated at market terms and foreign investors in Zambia can get credit through commercial banks and other commercial finance companies. However, a combination of high yields on government securities, Zambia's 2020 debt default, and weak asset seizure laws have made private sector credit prohibitively expensive for many businesses, with annualized interest rates of about 28 percent in June 2025. Additionally, the combination of high yields on domestic securities, a relatively high bank reserve rate, and inadequate U.S. dollar and foreign exchange liquidity have reduced amount of funds financial institutions have made available for private sector credit.

## **Money and Banking System**

According to the World Bank, only about 30 percent of Zambians have access to formal financial services, and about 10 percent of micro, small, and medium sized enterprises are banked. A Bank of Zambia survey found that only 24 percent of Zambians could correctly answer basic financial literacy questions. An estimated 32 percent of adult Zambians utilize informal financial services. While the use of mobile money in Zambia is not as widespread as in East Africa, in 2020, the government estimated that almost 60 percent of adult Zambians used mobile money and usage was increasing rapidly.

As of May 2025, there were [100 registered Non-Bank Financial Institutions in Zambia](#) comprised of:

- 66 bureau de change,
- 27 micro-finance institutions,
- five leasing and finance companies,
- one credit reference bureau, and
- one development finance institution (under Bank of Zambia Possession).

Zambia's banking sector is well positioned to withstand shocks, as most of Zambia's banks have minimal lending risk exposure as they primarily lend to the government by buying domestic securities – which are virtually risk free. Due to the domestic securities' high risk-free yield, and weak collateral seizure laws, Zambia's banks limit the amount of funds available for private sector credit, and the interest rates on those loans are quite high. Most of Zambia's banks are regional, headquartered outside of Zambia. Thus, their total risk portfolio is not Zambia dependent.

As of September 2024, Zambia's Non-Performing Loans Ratio was 4.8 percent, a slight increase from 4.2 percent in December 2023. As of April 2025, Zambia's largest three banks' assets were worth an estimated \$5.19 billion, comprising over 51 percent of the country's total banking assets (approx. \$10.09 billion).

Foreign banks or branches are allowed to operate in Zambia, in compliance with Bank of Zambia (central Bank) requirements, including a \$100 million minimum capital requirement for foreign owned banks (the minimum capital requirement for domestic banks is \$20 million). Commercial banks in Zambia must be licensed through the Registrar of Banks, Financial Institutions, and Financial Businesses ("the Registrar") whose office is based at the Bank of Zambia (BOZ). Banks and non-bank financial institutions are subject to regulatory requirements governing their prudential position, consumer protection, and market conduct to safeguard the overall soundness and stability of the financial system. According to the BOZ, many banks in the country have correspondent banking relationships. The U.S. Embassy is unaware of Zambia

losing any correspondent banking relationships over the past three years and is unaware of any correspondent banking relationships currently in jeopardy.

To open a bank account, foreign nationals must provide a copy of their work permit or visa and may be asked to provide a “letter of introduction” from an employer, attorney, or other recognized professional, in addition to the standard requirements of a passport or national registration card and proof of address.

## **Foreign Exchange and Remittances**

### ***Foreign Exchange***

There are currently no restrictions or limitations placed on foreign investors converting, transferring or repatriating funds associated with an investment — including remittances of wages, investment capital, earnings, loan repayments—into freely usable currency at a legal market-clearing rate.

Funds associated with investments can be freely converted into internationally convertible currencies. At banks, over-the-counter cash conversion of kwacha into foreign currency is restricted to \$10,000 maximum per transaction for bank account holders and \$5,000 for non-account holders. There are no legal restrictions on non-cash transactions.

The BOZ maintains a floating exchange rate for the kwacha. From May 1, 2024, to May 1, 2025, the kwacha declined in value against the U.S. dollar from ZMW 26.99/\$1 to ZMW 27.75/\$1 (2.8 percent), but within that period the exchange rate fluctuated significantly.

### ***Remittance Policies***

The BOZ expects to complete the roll out of its Export Proceeds Tracking System in 2025, which aims to reconcile ZRA trade data with financial sector export receipts. BOZ also requires exporters to deposit their export proceeds into a Zambia domiciled bank account. Exporters retain full control of their funds, and the funds are not required to remain in this account for any period. This system will track the flow of export earnings and enhance the transparency and oversight of foreign currency flows. The 2024 amendment to the Income Tax Act



established a 15 percent “Advance Income (withholding) Tax” on remittances from Zambia, including export transactions exceeding \$2,000 that are not accompanied by a Tax Clearance Certificate (TCC). TCC requirements were expanded to capture mining and trading related licenses and motor vehicle registrations. There are no time limitations on remittances.

## **Sovereign Wealth Funds**

Zambia does not have a sovereign wealth fund.

## **Section 7. State-owned Enterprises**

Zambia has 48 state-owned enterprises (SOEs), operating in:

- the food and agriculture value chain (8 SOEs),
- construction (1 SOE),
- education (2 SOEs),
- energy (5 SOEs),
- financial services (8 SOEs),
- manufacturing (6 SOEs),
- healthcare (1 SOE),
- mining (2 SOEs),
- ICT (7 SOEs),
- tourism (4 SOEs), and
- supply chain services (4 SOEs).

Notable SOEs include:

- Zambia Electricity Supply Corporation (ZESCO),
- Zambia Consolidated Copper Mines Investment Holdings (ZCCM-IH) (which holds a minority stake in every mining operation in Zambia),

- Tanzania–Zambia Mafuta Pipeline Limited (TAZAMA), and
- ZAMTEL (telecom).

The Government of Zambia owns a minority stake in 12 companies, including:

- three banks,
- two power companies, and
- KAGEM Mining.

The government wholly owns or is the majority equity holder in the remaining SOEs. [Audited financial statements from 2022](#) reported 38 SOEs held total assets worth \$1.9 billion, with a net annual income of \$13.2 million. In 2022, the World Bank estimated that Zambia’s SOEs employed about 13,000 people. The Zambia National Service, under the Ministry of Defense, is not a formal business enterprise but includes a public works mandate and frequently wins government contracts and holds mining and construction concessions as a private company would.

SOEs are managed by relevant ministries and governed by boards of directors, which are generally comprised of government officials appointed by the relevant minister. The board chairs report to the Minister of Finance and the Minister responsible for managing the SOE. The [Industrial Development Corporation \(IDC\)](#) provides performance oversight for 43 of Zambia’s SOEs.

There is no consolidated list of SOEs. The [IDC Portfolio tab](#) and the [audited financial statements](#) capture most of the current SOEs. A few SOEs, such as TAZAMA and Zambia National Broadcasting Corporation are not under the IDC’s purview.

As most of Zambia’s majority and wholly government-owned SOEs have struggled to maintain profitability due to weak corporate governance, inefficiencies, high debt levels, and inadequate financial oversight, the government has provided its SOEs with capital infusions to keep them solvent and operational. Beyond this direct budget support, Zambia’s SOEs are expected to operate under the same regulations and tax regimes as private companies.

Zambian agriculture SOEs export grains to other SADC and COMESA countries. The U.S. Embassy is unaware of any Zambian SOEs investing in the United States. Zambia's SOEs generally do not adhere to the OECD Guidelines on Corporate Governance for SOEs.

## **Privatization Program**

In 2024, the government did not have a privatization program or privatize any SOEs.

## **Section 8. Corruption**

The Anti-Corruption Act of 2012 (ACA), the Public Finance Management Act of 2018, the National Policy on Anti-Corruption of 2024, and the Access to Information Act of 2023, provide the legal foundation for the government and judiciary to combat corruption in Zambia and apply to family members of officials and members of political parties. Overall, Zambia's anti-corruption efforts have failed to live up to commitments made by the current government and have primarily targeted officials from the previous administration over those currently in government and focused on asset recovery of relatively smaller scale past corruption than the grand corruption, which continues to thrive. The Anti-Corruption Commission (ACC) is the supreme institution mandated to fight corruption in Zambia, in partnership with other law enforcement and accountability agencies. The ACC's prosecutorial authority comes from the Director of Public Prosecution (DPP), who must at a minimum authorize prosecution of a corruption case. The DPP and ACC Directors General positions are subject to politicization, as both are directly appointed by the President. The Drug Enforcement Commission (DEC) also assists with investigation of allegations of corruption and financial crimes. The government established the independent Financial Intelligence Center (FIC) in 2010, but it lacks the mandate to investigate and prosecute financial crimes and relies upon law enforcement agencies to act upon its recommendations.

Zambia has enacted the Public Procurement Act, Zambia Code of Conduct for Procurement Officers, Public Officers, Bidders and Suppliers, Ministerial, Parliamentary Code of Conduct Act, and the Public Interest Disclosure (Protection of Whistle Blowers) Act of 2010 to prevent conflict-of-interests in awarding contracts or government procurement. However,

implementation of these policies and regulations often falls short due to pervasive corruption and a culture of unaccountability.

Government policies and officials encourage private companies to establish internal codes of conduct that prohibit bribery of public officials. However, in practice, corruption in Zambia remains pervasive. Virtually all companies with foreign equity holders establish robust internal controls to mitigate the risks of theft, malfeasance, and corruption.

Zambia signed and ratified the United Nations Convention against Corruption (UNCAC) and domesticated the UNCAC through enactment of the Public Interest Disclosure (Protection of Whistleblowers) Act No. 4 of 2010. Zambia also participates in the SADC Protocol against Corruption and the AU Convention on Preventing and Combating Corruption.

The [Public Interest Disclosure Act \(Protection of Whistleblowers Act\)](#) offers protection to individuals, including NGOs, reporting corruption. However, language in the act allowing prosecution of individuals disclosing “in bad faith” likely deters reporting.

U.S. firms have identified corruption as one of the primary obstacles to investing in Zambia, particularly regarding government procurements, mining licensing, contracting, and dispute settlement. A private, public, or foreign official giving, accepting, or requesting a bribe is a criminal act, punishable by fine or a prison term. Despite these laws, many businesses have complained that some Zambian officials will not perform their regularly mandated duties without receiving a bribe, and well-connected local partners are often key to securing large scale transactions in Zambia.

## Resources to Report Corruption

- [Anti-Corruption Commission](#)

Ms. Daphne Chabu, Director General

Anti-Corruption House, Cha Cha Cha Road, P.O. Box 50486, Lusaka

**Telephone:** +260 211 4444604 and 0973039550

- [Transparency International Zambia](#)

Mr. Maurice Nyambe, Executive Director,  
3880 Kwacha Road, Olympia Park, P.O. Box 37475, Lusaka  
**Telephone:** +260 211 290080

## Section 9. Political and Security Environment

Zambia is generally a peaceful country with no history of significant political violence. The national elections in 2021 were largely peaceful, and former President Edgar Lungu conceded defeat to President Hakainde Hichilema. No known incident of damage to investment projects and/or installations in the past 10 years.

President Hakainde Hichilema's administration has increasingly employed tactics to silence critics and political opponents. Combined with significant increases in food prices, erratic electricity availability, and perceptions of growing ethnic preference, these dynamics fuel concerns of civil unrest, particularly as Zambia approaches elections in August 2026.

## Section 10. Labor Policies and Practices

Zambia's [2023 Labour Force Survey \(LFS\)](#) estimated the working-age population (age 15 and older) to be 11.6 million out of a total population of 20.1 million. However, by estimating the actual labor to be only 4.5 million people, the Survey determined the unemployment rate was only 12 percent. Independent analysts assert the actual unemployment rate is significantly higher.

In 2023, the government reported a national literacy rate of 88 percent. However, with more than 30 percent of the population stunted due to chronic malnutrition and a 60 percent poverty rate, analysts assess the actual literacy rate to be significantly lower.

Due to pervasive deficiencies in Zambia's education system, employers often find Zambian university graduates require extensive retraining. Only 30 percent of Zambia's students (116,000 students annually) complete secondary education. Most Zambians who are qualified to fill non-labor related position complete their higher education abroad. The Ministry of

Labour and Social Services (MLSS) established a [tiered schedule of minimum wages](#) based on skills and education required for each level.

Zambia's informal economy accounts for between 76 percent (Zambian government reporting) and 84 percent (International Labor Organization) of employment in Zambia, and about 40 percent of the country's GDP. The informal economy does not influence which companies have access to certain industries.

In 2023, the government reported that 51 percent of the labor force has insufficient skills to meet employers' needs. Less than 5 percent of Zambians aged 15 to 24 (out of a population of four million) attend university or Technical Education, Vocational and Entrepreneurship Training (TEVET). The [World Bank's 2023 Review of the Landscape of TEVET and Skills Development in Zambia](#) reported that less than 10 percent of Zambia's 308 TEVET programs have the combination of management, accredited trainers, classroom, workshop, and ICT resources, and conducive learning environment to be considered "very good." Less than 50 percent of programs offer training programs longer than a couple of months and only 18 percent of programs offer a technical or management diploma.

Per [The Employment Code Act of 2019 \(ECA\)](#), employers may only hire expatriates for vacant positions on the "critical skills" list, if there are no qualified Zambian applicants. However, the critical skills list has yet to be developed. Under the ECA, "where applicable," employers should train Zambian staff to eventually assume roles held by expatriate staff.

The [Geological and Minerals Development Act of 2025](#) requires mining sector employers to give "preference" to hiring qualified Zambian applicants and conduct training programs to transfer technical and managerial skills to Zambian employees. Violations of these provisions are punishable by fines. However, such fines are rarely assessed. Enforcement of these requirements has been inconsistent. When enforced, it has typically been done by refusing the issuance of a work permit to the expatriate employee. If an expatriate employee is denied a work permit, the company can apply for a waiver.

The [Employment Code Act of 2019](#) details employers' and employees' obligations and rights. Employers terminating employment contracts without cause must provide notice of up to 60

days, along with the appropriate severance. Employees terminated with cause are not entitled to severance. Currently, there is no unemployment insurance or similar social safety net programs in Zambia.

While ZDA offers incentives for investment in Zambia and special economic zones, these incentives do not extend to labor laws. Nearly 490,000 trade union members, representing 10 percent of the formal economy, in:

- the agriculture,
- mining,
- education,
- health,
- public service,
- and transportation sectors can participate in collective bargaining.

Employment law does not limit the formation of unions or the scope of collective bargaining, but it allows either party, in certain cases, to refer a labor dispute to court or arbitration. The law provides for the right to strike for up to 14 days if all legal options are first exhausted and the workers are not engaged in essential services including:

- activities related to the generation or distribution of electricity;
- water and sanitation;
- fire departments;
- mining;
- law enforcement; and
- the Zambian Defense Forces.

Workers who engage in illegal strikes may be dismissed by employers. The law also gives the labor commissioner the power to suspend and appoint an interim executive board of a trade union, as well as to dissolve the board and call for a new election.

The Industrial and Labor Relations Act, Chapter 269, Part IX allows a labor officer to attempt to affect a settlement between aggrieved parties, encouraging the use of collective bargaining facilities where applicable. Disputes between an employer and trade union can be referred to a conciliator appointed by both parties. If the conciliator fails to resolve the problem, the Minister of Labour may appoint a new conciliator. If all efforts to resolve the matter fail, it is then taken to the Industrial Relations Court for arbitration.

In 2024, no strikes occurred that posed a risk to foreign direct investment in Zambia, where labor strikes are generally uncommon. The Zambian government adheres to International Labor Organization (ILO) conventions and has ratified all eight core conventions. Fundamental labor rights are recognized under domestic law, including the elimination of:

- forced labor,
- child labor, and
- employment discrimination

as well as setting:

- minimum wages,
- occupational safety and health standards, and
- weekly work hours.

However, enforcement of labor laws can be weak due to limited resources, with inspections typically responding to complaints in the formal sector. Local subcontractors in sectors with high informal labor and child labor prevalence should be carefully evaluated. There were no new labor-related laws or pending bills in 2024.

## **Section 11. U.S. International Development Finance Corporation (DFC) and Other Investment Insurance or Development Finance Programs**

DFC currently supports 13 projects in Zambia in sectors including:

- agriculture,



- energy,
- finance and insurance,
- healthcare,
- hospitality, and
- mining.

## Section 12. Contact for More Information

U.S. Embassy | Political/Economic SectionCommercial Team

Stand 100, Kabulonga Road, Ibex Hill, Lusaka, Zambia

**Telephone:** +260 211 35 7000

[Contact Us](#)