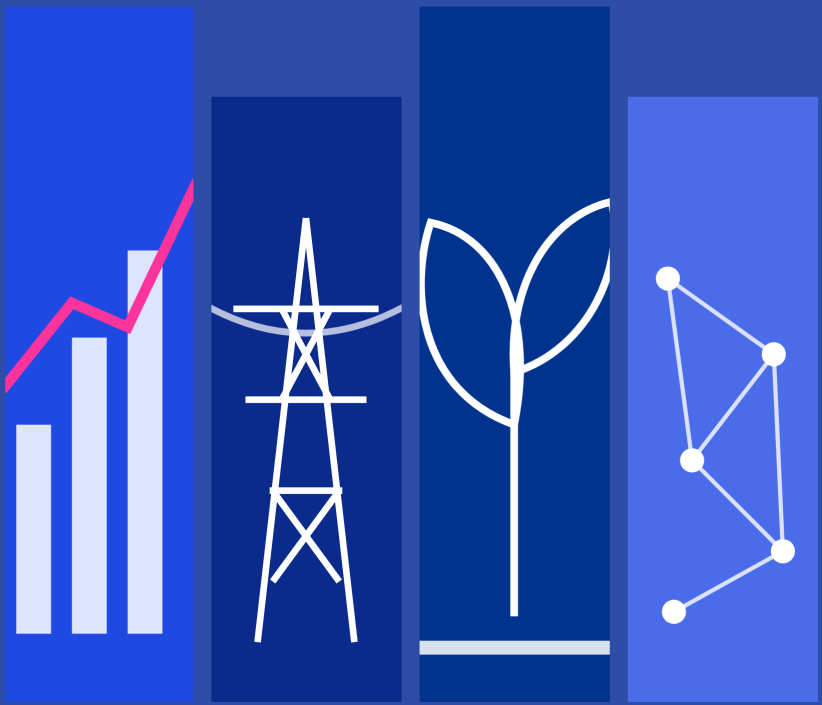
2027 Pre-Budget Survey Report - Zambia

Stakeholder perspectives on the business environment and priorities for the 2027 National Budget

November 2026



Contents

Foreword 3
Executive summary 6
Introduction 9
Macroeconomic snapshot 12
Business sensitivity to macroeconomic conditions 13
Economic challenges impacting businesses 15
Tax environment and revenue mobilisation 18
Government programmes and fiscal measures 23
Debt-for-development financing 27
ESG and green finance 28
Women's economic empowerment and inclusion 31
Conclusions and recommendations 33
Contact 35

Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

How to read this report. Throughout, results from the 2027 survey are shown in **primary blue** and results from the 2026 survey in **light blue**. Changes between surveys are expressed in **percentage points (pp)** – the arithmetic difference between two percentages – not as percentage changes. Comparisons are shown only where the question, response options and calculation base are equivalent.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Foreword
KPMG



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This is the second edition of the Pre-Budget Survey prepared by KPMG Zambia in partnership with the United Nations Development Programme (UNDP) in Zambia. The survey gives organisations operating in Zambia a structured way to tell the Government how fiscal policy is affecting them and what they would like the 2027 National Budget to achieve.

The 2027 results describe a difficult year. Kwacha fluctuations, consumer spending, inflation and interest rates weighed on organisations during 2026, and high utility costs were the most commonly reported shock, cited by 70% of respondents. Profitability fell for **87%** of respondents, half scaled down their operations and 41% reduced their workforce – double the share recorded in the 2026 survey.

Respondents are clear about where the Budget should start. They want the cost of doing business reduced – above all through cheaper and more reliable power – and they want the existing tax system to work better before it is extended: 87% say compliance and collection should improve before new or higher taxes are introduced, and 83% prioritise more efficient and transparent state-owned enterprises.

We are grateful to every organisation that took part. We hope these findings will support the Ministry of Finance and National Planning and all stakeholders in their deliberations on the 2027 Budget.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Foreword
UNDP



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With four years remaining to 2030, the world is falling short of the 2030 Agenda. According to the Sustainable Development Goals Report 2026, globally, only 36 per cent of assessable SDG targets are on track or making moderate progress, while 15 per cent have regressed below their 2015 baselines. These gaps underscore the urgent need to accelerate implementation. Recognising this, the private sector and civil society organisations are increasingly seeking ways to contribute to the SDG agenda and innovative means of advancing progress.

Government, for its part, has continued to demonstrate its commitment through a range of policies, programmes and initiatives in support of the SDGs. In 2025, the country restructured approximately 94 per cent of its external debt and successfully completed the 38-month IMF Extended Credit Facility (ECF) programme. In 2026, Zambia secured a successor IMF programme, reflecting the Government's resolve to restore macroeconomic stability and strengthen economic management.

These efforts, among others, have begun to yield notable results. Inflation has returned to the Bank of Zambia's target range of 6–8 per cent, the Kwacha has shown resilience amid recent global economic disruptions, and the country has received credit rating upgrades from major international rating agencies. These are significant and hard-won gains, signalling renewed economic confidence and placing Zambia on a stronger footing to pursue sustainable and inclusive growth.

However, macroeconomic stability is a foundation for development, not an end in itself. With around 60 per cent of Zambians living in poverty, according to the Zambia Statistics Agency's 2022 Living Conditions Monitoring Survey, and inequality persistently high, the benefits of recovery have yet to reach many households and communities. As the first budget under the Grow Zambia Agenda, the 2027 National Budget can set the direction for a development pathway that is inclusive and broad-based, improves livelihoods, leaves no one behind and advances progress towards the SDGs.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

This second edition of the Pre-Budget Survey continues the partnership between UNDP and KPMG Zambia, giving organisations operating in Zambia a structured way to share their perspectives, priorities and expectations for the 2027 National Budget.

The survey shows that the gap between recovery and lived experience extends to the organisations that drive production and employment. Profitability fell for 87 per cent of respondents in 2026. Half scaled down their operations, 46 per cent reduced investment and 41 per cent cut their workforce, double the share recorded a year earlier. Smaller organisations, including the micro, small and medium-sized enterprises (MSMEs) that are central to Zambia's productive capacity and job creation, adjusted most sharply: among those with 30 or fewer employees, 54 per cent reduced staff and 58 per cent scaled down operations. If sustained, these pressures could undermine business growth, constrain productive investment and limit employment, with disproportionate consequences for workers, households and communities that are already vulnerable.

The fiscal findings of the survey underscore the need to balance domestic revenue mobilisation with inclusive economic growth. Respondents want the existing tax system to work better before it is extended: 87 per cent want compliance and collection improved before new or higher taxes are introduced, and 83 per cent prioritise more efficient and transparent state-owned enterprises. Majorities also support tax incentives for job creation among youth, persons with disabilities and women (67 per cent), ring-fencing tax revenue for social spending (65 per cent) and a review of tax expenditures (59 per cent).

UNDP remains a committed partner to the Government and people of Zambia in advancing the country's development aspirations. We hope this report provides timely evidence and practical insights to inform policy dialogue and the formulation of the 2027 National Budget. We are grateful to all respondents for their time, valuable insights and candid contributions, which have informed the findings and recommendations presented here. We look forward to strengthening our collaboration with Government, the private sector and other stakeholders. Together, we can build an economy that is stable, inclusive and resilient, and that translates economic progress into tangible improvements in the lives of all Zambians.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Executive summary

2027 at a glance

46
organisations responded to the 2027 survey

87%
reported lower profitability in 2026 (80% in the 2026 survey)

70%
experienced high utility costs – the most common shock

41%
reduced their labour force (+20 pp on the 2026 survey)

87%
want tax compliance and collection improved before new or higher taxes

83%
prioritise efficiency and transparency of state-owned enterprises

76%
would direct debt-swap savings to energy and electricity

67%
support removing VAT and excise on essential female hygiene products

The message for the 2027 Budget: reduce the cost of doing business – above all utility costs and power reliability – make the existing tax system work better before extending it, and target and earmark the tax measures that are used.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Key findings

- **Business environment.** 2026 was a difficult year. Kwacha fluctuations were rated a high or highest-impact factor by 63% of respondents, followed by consumer spending (53%), inflation (51%) and interest rates (46%). Fewer respondents rated these factors high than in the 2026 survey – inflation fell 17 pp – consistent with an easing macroeconomic environment.
- **Performance.** 87% reported a fall in profitability and 20% a fall of more than 31%. Half scaled down operations, 46% reduced investment and 41% cut staff. Smaller and provincial organisations adjusted most sharply.
- **Revenue.** Respondents want the existing system to work better: 87% favour better compliance and collection before new taxes, 83% SOE reform and 59% a review of tax expenditures. Only 22% see a high impact of revenue mobilisation on service delivery.
- **Targeted taxes.** 67% back incentives for job creation among youth, persons with disabilities and women; 65% back ring-fencing revenue for social spending; 83% support higher excise on harmful products, and 78% would be more likely to support it if the revenue funded health.
- **MSMEs.** Awareness of support is high (76% for finance) but satisfaction is low (43%).
- **Spending.** Health and education rank first, followed by manufacturing. Energy leads the uses of debt-swap savings (76%), and 78% support the National Grid Resilience Programme.
- **ESG and climate.** 87% want ESG criteria to guide public spending, but only one respondent ranked climate initiatives first for budget allocation.
- **Inclusion.** Removing VAT on female hygiene products (67%) and simplifying the regime for small-scale and cross-border traders (54%) lead the measures for women.

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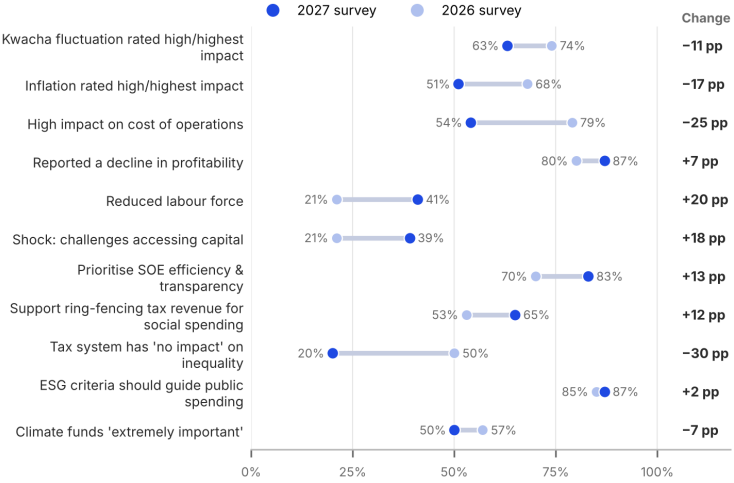
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

What changed since the 2026 survey

The chart compares indicators for which the question and calculation base are equivalent in both surveys. Pressure from prices and the exchange rate eased, but the effects on organisations deepened: more reported falling profits, twice as many cut staff and almost twice as many cited difficulty accessing capital. Support for reforming SOEs and ring-fencing revenue grew.

Figure 1: Selected indicators, 2027 and 2026 surveys (% of respondents)



pp = percentage points. 2027 survey refers to conditions in 2026; 2026 survey to conditions in 2025. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

A full comparison of all comparable indicators is set out in the Annex.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Introduction

This report presents the findings of the 2027 Pre-Budget Survey, a collaboration between KPMG Zambia and UNDP Zambia. The survey captures stakeholder views on the economic and business environment, the pressures organisations experienced during 2026 and their priorities for the 2027 National Budget. It covers macroeconomic conditions, business performance, economic shocks, revenue mobilisation and tax policy, MSME support, public spending priorities, debt-for-development financing, ESG and green finance, and women's economic empowerment.

The findings are intended to provide evidence for the Government of Zambia, particularly the Ministry of Finance and National Planning, as it prepares the 2027 National Budget, and to inform national dialogue on the Budget thereafter.

Survey design and limitations

- **Sample.** 46 organisations responded. Results are reported as a share of all respondents unless a smaller base is stated.
- **Concentration.** 78% of respondents are in Lusaka. The sample is a pulse of the formal, urban corporate base along the Lusaka–Copperbelt–North-Western corridor, not a statistically representative sample of Zambian businesses.
- **Non-market entities.** 30% of respondents are non-profit or public research organisations; 70% are commercial.
- **Small subgroups.** With ten respondents outside Lusaka, one respondent moves that group's share by 10 pp. Subgroup results are indicative only.
- **Comparisons with 2026.** The two samples differ in size mix and location, and several 2026 multiple-response results were published as a share of responses rather than of respondents. Those results are not compared.

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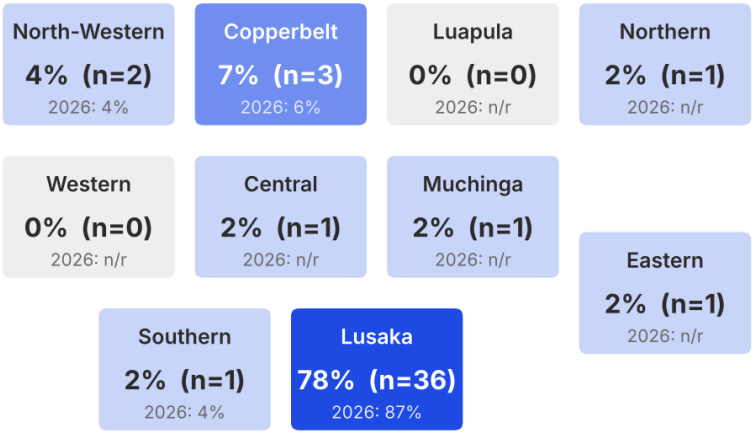
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Respondent profile

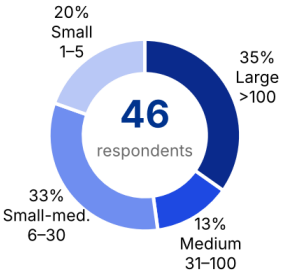
Lusaka accounted for 36 respondents (78%), the Copperbelt for 7% and North-Western for 4%. Central, Eastern, Muchinga, Northern and Southern provinces each provided one respondent; there were none from Luapula or Western. Compared with 2026, the sample is slightly less concentrated in Lusaka (78% against 87%) and reaches four more provinces.

Figure 2: Respondents by province, 2027 (share and number), with 2026 share



Schematic tile map – positions approximate; not to scale. n/r = not reported in 2026.
Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Figure 3: Respondents by organisation size, 2027



Large organisations (more than 100 employees) were the largest group at 35%, but the 2027 sample is markedly smaller in profile than 2026: organisations with 30 or fewer employees make up 52%. Non-market entities account for 30% of the sample.

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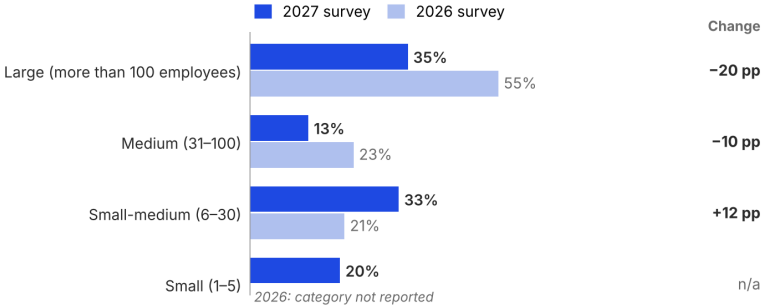
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Figure 4: Organisation size, 2027 and 2026 surveys (% of respondents)



Shares rounded; 2027 figures 34.7%, 13.0%, 32.6% and 19.5%. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Table 1: Respondent characteristics, 2027 and 2026

Indicator	2027 survey	2026 survey	Change
Respondents (number)	46	Not stated	n/a
Lusaka Province	78%	87%	-9 pp
Copperbelt Province	7%	6%	+1 pp
Provinces represented	8 of 10	4 of 10	+4
Organisations with >100 employees	35%	55%	-20 pp
Organisations with ≤30 employees	52%	21%[1]	n/c
Female respondents	35%	28%	+7 pp
Non-market entities	30%	Not reported	n/a

[1] 2026 reported 6–30 employees only; 1–5 not reported. n/c = not comparable. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Macroeconomic snapshot

Respondents report that the operating environment in 2026 was shaped more by prices, the exchange rate and financing costs than by overall economic growth. The 2027 survey analysis also notes that macroeconomic conditions have since improved, but that the cuts organisations made to investment, staff and operations are likely to persist.

63%

rated Kwacha fluctuation a high or highest-impact factor

53%

rated consumer spending high or highest

51%

rated inflation high or highest (68% in 2025 survey)

26%

rated GDP growth high or highest – 48% rated it 'mid'

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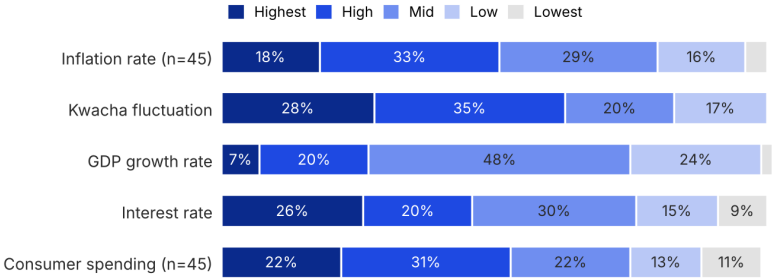
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Business sensitivity to macroeconomic conditions

Kwacha fluctuations were the most highly rated factor: 28% rated their impact 'highest' and 35% 'high'. Interest rates had the largest share of 'highest' ratings after the Kwacha (26%) but also the widest spread of views. GDP growth was most commonly rated 'mid' (48%).

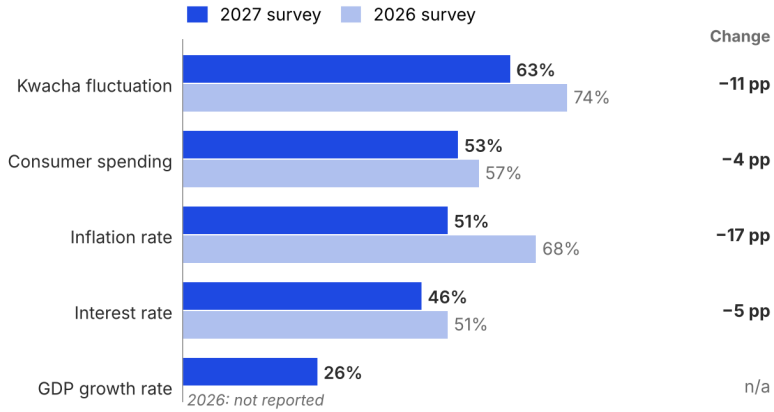
Figure 5: Rating of macroeconomic factors by impact on the organisation, 2027 (% of respondents)



Base: all respondents (n=46) unless stated. Segments under 6% not labelled. Survey question 6. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Every factor that can be compared was rated high or highest by fewer respondents than in 2026. The largest fall was for inflation (-17 pp), followed by the Kwacha (-11 pp). The ranking also changed: consumer spending moved above inflation.

Figure 6: Factors rated high or highest impact, 2027 and 2026 surveys



2026 values from the 2026 report (Figure 4, 'high to highest'). GDP growth not reported in 2026. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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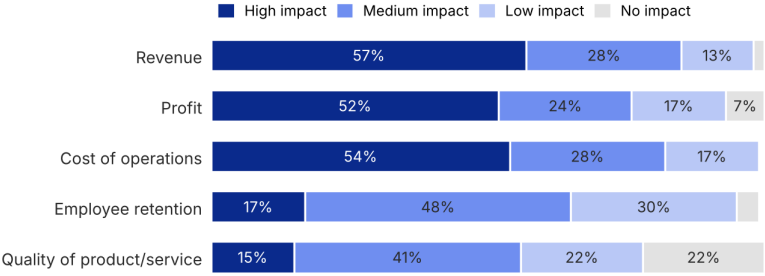
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Impact on revenue, profit, costs and employment

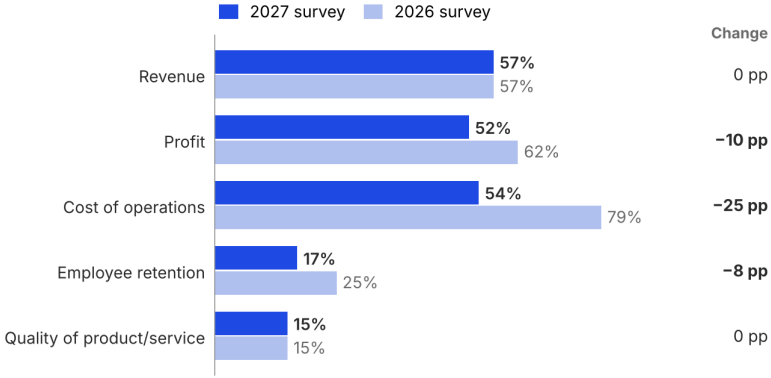
Economic conditions were transmitted mainly through financial performance. 57% reported a high impact on revenue, 54% on the cost of operations and 52% on profit. Effects on employee retention and on product or service quality were more moderate.

Figure 7: Impact of economic conditions on business outcomes, 2027



Base: all respondents (n=46), including 14 non-business organisations. Survey question 7. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Figure 8: High impact on business outcomes, 2027 and 2026 surveys



2026 values from the 2026 report, Table 2. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

The share reporting a high impact on operating costs fell from 79% to 54% (-25 pp) and on profit from 62% to 52% (-10 pp), while the high impact on revenue was unchanged at 57%.

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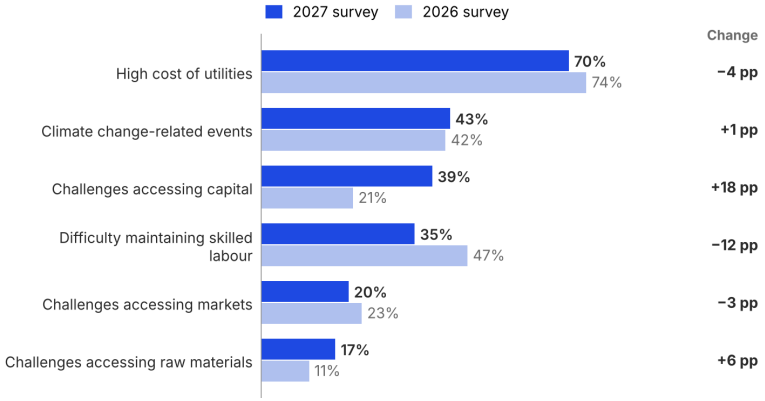
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Economic challenges impacting businesses

70% high utility costs	**43%** climate-related events
39% difficulty accessing capital	**35%** difficulty keeping skilled labour

High utility costs remained the most common shock (32 respondents). Organisations faced a combination of cost, climate, financing and labour pressures rather than a single dominant shock. The sharpest change from 2026 is in access to capital, reported by 39% against 21% (+18 pp), while difficulty retaining skilled labour eased (-12 pp).

Figure 9: Shocks experienced, 2027 and 2026 surveys (% of respondents)



Multiple responses allowed. 2026 values from the 2026 report, Figure 6. Survey question 8. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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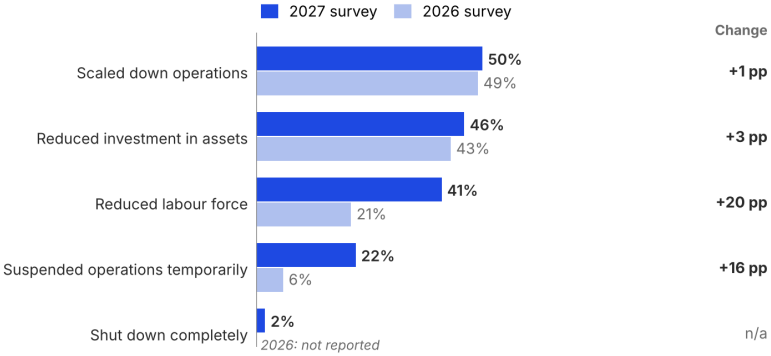
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

How organisations responded

Organisations did not only cut costs; they reduced investment, staff and the scale of their operations, with consequences for future growth and employment. The share reducing their labour force doubled to 41% (+20 pp), and temporary suspensions rose from 6% to 22% (+16 pp). One organisation shut down completely.

Figure 10: Effect on operations, 2027 and 2026 surveys (% of respondents)

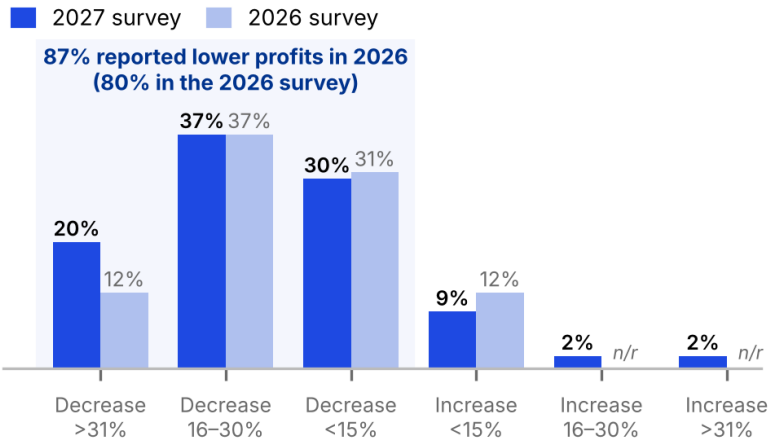


Multiple responses allowed. 2026 values from the 2026 report, Figure 7. Survey question 9. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Profitability

40 of 46 respondents (87%) reported lower profitability in 2026, compared with 80% in the 2026 survey. Declines of more than 31% rose from 12% to 20%. Only six respondents reported an increase.

Figure 11: Change in profitability, 2027 and 2026 surveys (% of respondents)



n/r = not reported separately in 2026 (2026 reported 20% with increases, of which 12% below 15%). Survey question 10. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Differences by organisation size and location

Smaller organisations adjusted more sharply. Among those with 30 or fewer employees, 54% reduced staff (27% of larger organisations) and 58% scaled down operations (41%). Larger organisations appear to have absorbed shocks through margins, while smaller firms cut labour and capacity – changes that may prove lasting.

Figure 12: Business conditions by organisation size and location, 2027 (% of respondents in each group)

	All (46)	≤30 staff (24)	>30 staff (22)	Lusaka (36)	Other prov. (10)
High impact on revenue	57	50	64	64	30
High impact on profit	52	50	55	50	60
High impact on cost of operations	54	58	50	44	90
High impact on employee retention	17	21	14	11	40
Shock: high cost of utilities	70	67	73	67	80
Shock: climate-related events	43	29	59	42	50
Shock: accessing capital	39	46	32	39	40
Shock: maintaining skilled labour	35	33	36	31	50
Shock: accessing raw materials	17	25	9	17	20
Scaled down operations	50	58	41	50	50
Reduced investment in assets	46	50	41	39	70
Reduced labour force	41	54	27	39	50
Suspended operations temporarily	22	29	14	22	20
Any decrease in profitability	87	79	95	83	100
Profit decrease >31%	20	25	14	14	40

Group sizes in brackets; groups include non-business respondents. One respondent outside Lusaka = 10 pp. Survey questions 7–10. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Respondents outside Lusaka reported harsher conditions on most measures: all ten reported a fall in profitability, 90% a high impact on operating costs (44% in Lusaka) and 70% reduced investment (39%). Revenue was the exception. The subgroups are small, so these patterns are indicative only.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Tax environment and revenue mobilisation

87%
improve compliance and collection before new or higher taxes

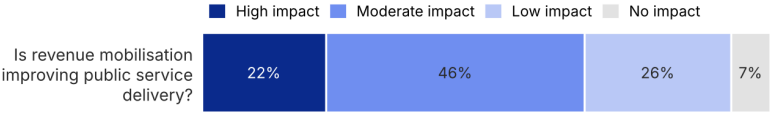
22%
see a high impact of revenue mobilisation on service delivery

52%
say broadening the VAT base is effective

83%
support higher excise on harmful products

Domestic resource mobilisation is critical to Zambia's economic and social goals, but respondents are not yet convinced that it is translating into better services: only 22% see a high impact, while a third see a low impact or none.

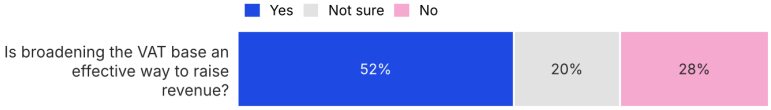
Figure 13: Is revenue mobilisation improving public service delivery? (2027)



Survey question 11. Not comparable with the 2026 question on the impact of taxes on business operations. Source: UNDP and KPMG 2027 Pre-Budget Survey.

A clear majority (87%) want compliance and collection improved before the Government introduces new or higher taxes. Views on broadening the VAT base are more divided: 52% think it effective, 28% do not and 20% are unsure.

Figure 14: Is broadening the VAT base an effective way to raise revenue? (2027)



Survey question 32. Source: UNDP and KPMG 2027 Pre-Budget Survey.

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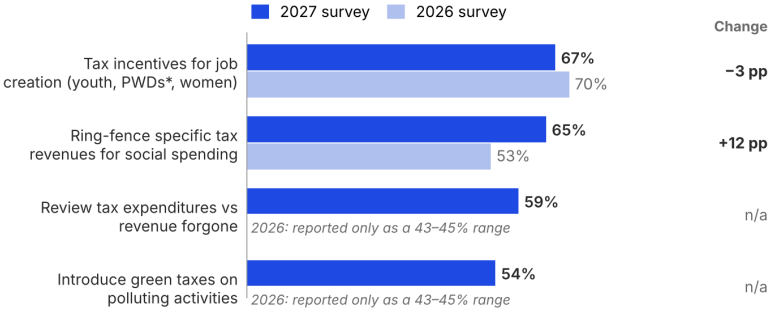
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Fiscal policies to review for 2027

Targeted job-creation incentives remain the top fiscal priority (67%), essentially unchanged on 2026 (-3 pp). Support for ring-fencing tax revenues for social spending rose to 65% (+12 pp). A review of tax expenditures (59%) and green taxes on polluting activities (54%) also command majority support.

Figure 15: Fiscal policies the Government should review, 2027 and 2026 surveys

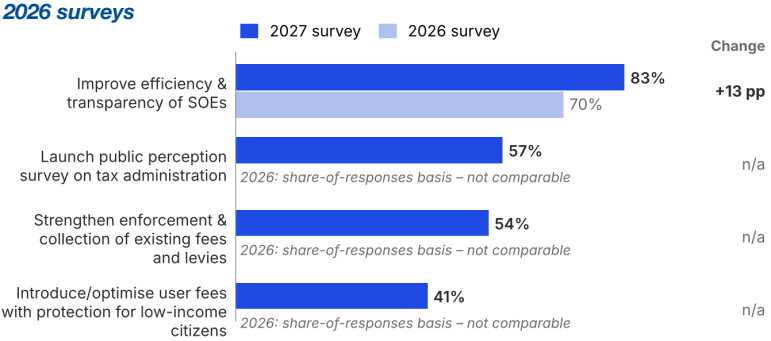


*PWDs = persons with disabilities; the 2026 option referred to youth and women only. Multiple responses allowed. Survey question 12. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Non-tax revenue and efficiency measures

Improving the efficiency and transparency of state-owned enterprises is the clear first choice, rising from 70% to 83% (+13 pp).

Figure 16: Non-tax revenue and efficiency measures to prioritise, 2027 and 2026 surveys



Multiple responses allowed. Other 2026 results were reported as a share of responses and are not compared. Survey question 13. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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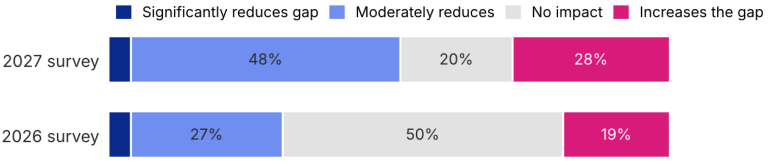
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Tax and inequality

Views on whether the tax system narrows the gap between rich and poor have shifted. Half of 2026 respondents saw no impact; in 2027, 48% say it moderately reduces the gap (+21 pp) – but the share saying it widens the gap also rose, to 28% (+9 pp).

Figure 17: Does Zambia's tax system reduce the gap between rich and poor?



Survey question 29. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Table 2: Tax and inequality, 2027 and 2026

Indicator	2027 survey	2026 survey	Change
Significantly reduces the gap	**4%**	4%	**0 pp**
Moderately reduces the gap	**48%**	27%	**+21 pp**
Has no impact	**20%**	50%	**-30 pp**
Increases the gap	**28%**	19%	**+9 pp**

Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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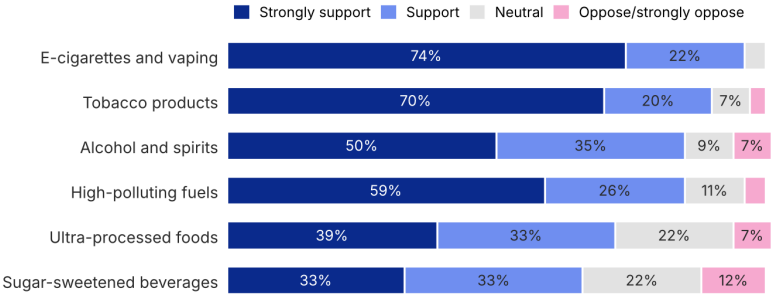
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Health taxes

Support for higher excise on harmful products is strong: 61% strongly agree and 22% agree (83%); 9% disagree. Support is highest for e-cigarettes and vaping (96%) and tobacco (90%), and lowest – though still a majority – for sugar-sweetened beverages (66%), which also drew the most opposition.

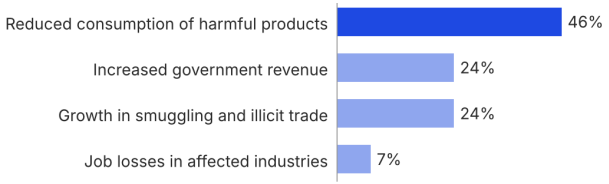
Figure 18: Support for higher excise taxes, by product (2027)



Base: all respondents (n=46). Segments under 7% not labelled; small residual segments not reported numerically in the analysis are shown as calculated remainders. Survey question 35. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Respondents expect higher excise mainly to reduce consumption (46%), but as many expect smuggling and illicit trade to grow (24%) as expect more revenue (24%). Earmarking would broaden support: **78%** would be more likely to support higher excise if revenue funded health services and treatment of non-communicable diseases.

Figure 19: Most likely impact of higher excise on harmful products (2027)



Survey question 31. Source: UNDP and KPMG 2027 Pre-Budget Survey.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Respondents' own proposals

In open answers, the most common thread was to raise more from the existing base rather than through higher rates.

1 Broaden the base
Bring traders and partially formal businesses into the net; digitise and automate collection; tax high-net-worth individuals.

2 Rebalance PAYE
Improve collection efficiency rather than raise PAYE, described as high relative to wages; one respondent asked for PAYE to be reduced.

3 Incentives
Views divided: tax holidays for start-ups, SMEs and exploration, against calls to reduce fuel subsidies and tax holidays.

4 Mining revenue
Review mining tax policy; ring-fence revenue for host communities and set aside a portion for a sovereign wealth fund.

5 Fees and levies
Abolish the mobile money levy; rationalise fees, charges, fines and licences.

6 Government as payer
Pay suppliers on time – late payment leaves firms facing tax penalties and interest.

7 Accountability
Greater accountability in service delivery; more funding against corruption and illicit financial flows.

> These proposals echo the survey's central finding: respondents want the existing system to work better – and to see the results in public services – before being asked to pay more.

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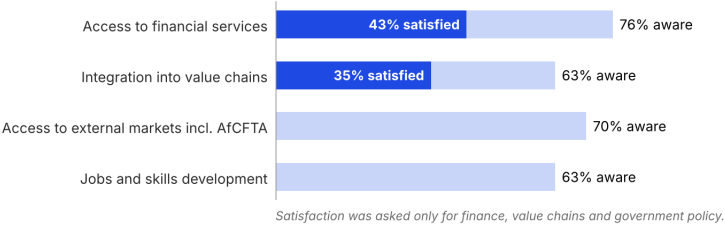
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Government programmes and fiscal measures

MSME enabling environment

Awareness of MSME support initiatives is relatively high: 76% know of initiatives on access to financial services and 70% of opportunities to access external markets, including through the African Continental Free Trade Area (AfCFTA). Satisfaction is much lower. The gap is widest for finance: 76% are aware, but fewer than half (43%) are satisfied.

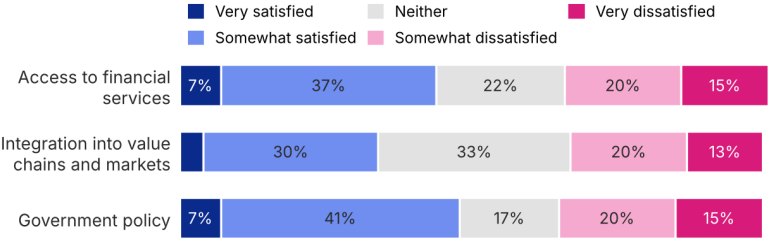
Figure 20: Awareness of and satisfaction with MSME initiatives (2027)



Satisfaction was asked only for finance, value chains and government policy.

Base: all respondents (n=46). Satisfied = very or somewhat satisfied. Survey questions 15 and 16. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Figure 21: Satisfaction with government initiatives to support MSMEs (2027)



Base: all respondents, including those not aware of the initiatives. Survey question 16. Source: UNDP and KPMG 2027 Pre-Budget Survey.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Smaller and larger organisations compared

Table 3: Awareness of and satisfaction with MSME initiatives by organisation size, 2027 (% of respondents in each group)

	All (46)	≤30 staff (24)	>30 staff (22)
Aware of initiative			
Access to financial services	76	79	73
Access to external markets incl. AfCFTA	70	71	68
Integration into value chains	63	71	55
Jobs and skills development	63	71	55
Satisfied			
Access to financial services	43	54	32
Integration into value chains and markets	35	46	23
Government policy	48	46	50

Survey questions 15 and 16. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Smaller organisations are more aware of all initiatives and more satisfied with most of them. Larger organisations are more often neutral (32% on finance, 45% on value chains), consistent with the initiatives being less relevant to them.

What MSMEs ask for

- **Cheaper, more accessible finance** – lower borrowing costs, credit guarantee schemes and better access to CDF and CEEC funds.
- **A lighter compliance burden** – simpler licensing, longer time-to-pay arrangements and faster tax clearance certificates.
- **Prompt payment by Government** – clearing arrears to suppliers, a low-cost measure the 2027 Budget could take.
- **Market access** – support for small-scale farmers and businesses, and wider access to digital technology.

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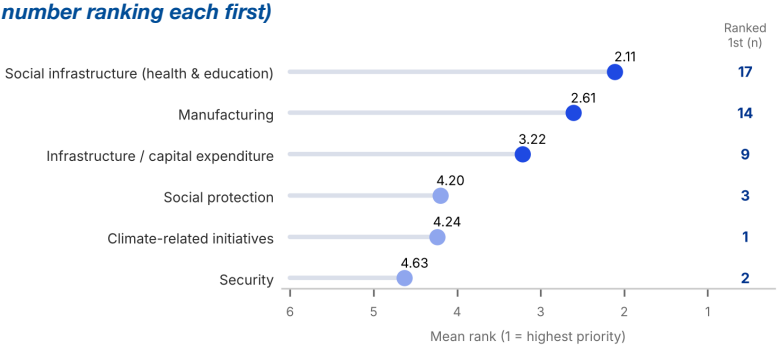
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Public spending priorities

Respondents ranked six areas for increased allocation. Social infrastructure (health and education) ranked highest, with a mean rank of 2.11 and 17 first-place rankings, followed closely by manufacturing (2.61; 14). Together they took 31 of the 46 first places. The order of the top two is unchanged from 2026.

Figure 22: Areas for increased budget allocation, 2027 (mean rank and number ranking each first)



Base: all respondents (n=46); each ranked all six areas. Survey question 17. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Table 4: Budget priorities – rank order, 2027 and 2026

Indicator	2027 survey	2026 survey	Change
Social infrastructure (health, education)	1st	1st	Unchanged
Manufacturing	2nd	2nd	Unchanged
Infrastructure / capital expenditure	3rd	3rd	n/c
Social protection	4th	4th	n/c
Climate-related initiatives	5th	Low priority	n/c
Security	6th	Low priority	n/c

2026 ranked by share selecting 'highest/high priority'; 2027 by mean rank. Rank order only is compared. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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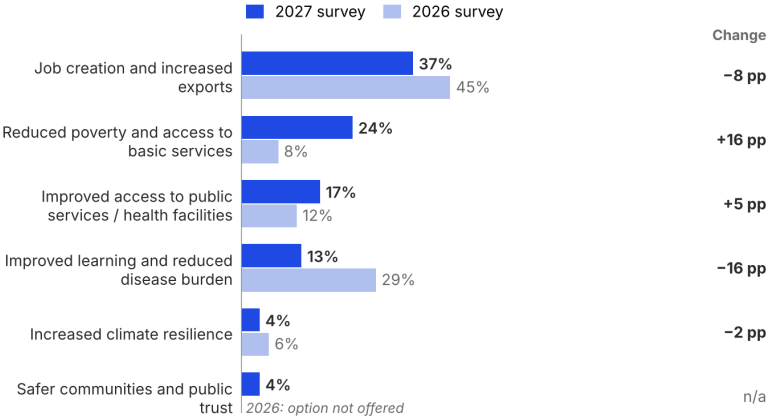
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Expected outcomes

Job creation and exports remain the most common expected outcome (37%), but less dominant than in 2026 (45%). Reduced poverty and access to basic services rose to 24% (+16 pp). Taken together, social outcomes account for 54% of responses.

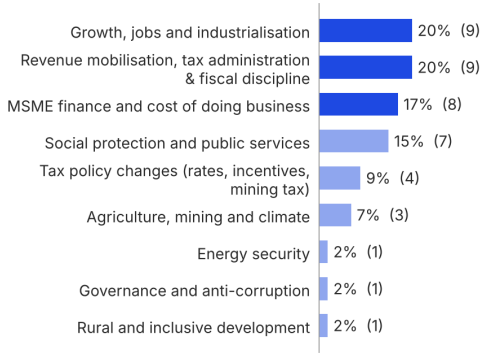
Figure 23: Primary expected outcome of prioritised sectors, 2027 and 2026 surveys



Survey question 18. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Priorities in respondents' own words

Figure 24: Government priorities for the next fiscal year – open answers coded by theme (2027)



Base: all respondents (n=46). Draft coding; Open answers coded by primary theme. Survey question 14. Source: UNDP and KPMG 2027 Pre-Budget Survey.
Three respondents gave no answer.

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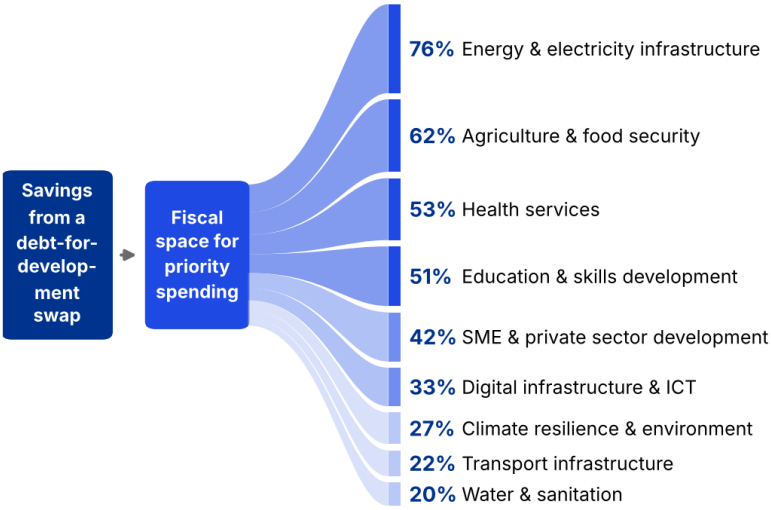
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Debt-for-development financing

A debt-for-development swap reduces debt-service obligations in exchange for commitments to spend the savings on agreed development priorities. Respondents were asked which sectors should benefit. Energy and electricity infrastructure was chosen by three in four (76%), followed by agriculture and food security (62%), health (53%) and education and skills (51%).

Figure 25: From debt-service savings to priority spending – sectors respondents would fund (2027)

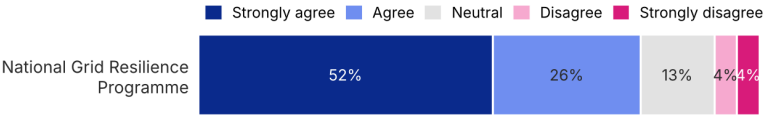


Band width = share of respondents selecting each sector (multiple responses), not a proposed allocation of funds. Base: respondents answering (n=45); asked for top three, limit not enforced. Survey question 19. Source: UNDP and KPMG 2027 Pre-Budget Survey.

National Grid Resilience Programme

Support for the National Grid Resilience Programme is strong: 52% strongly agree and 26% agree (78%). Together with the 70% who experienced high utility costs, this makes power the single clearest cost-of-doing-business priority.

Figure 26: Agreement with the National Grid Resilience Programme (2027)



Survey question 20. Source: UNDP and KPMG 2027 Pre-Budget Survey.

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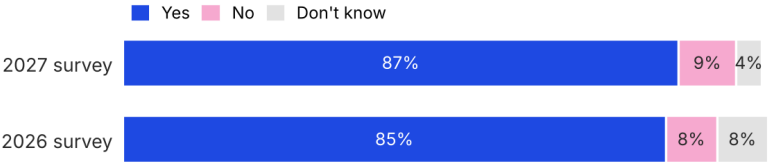
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

ESG and green finance

Support for using Environmental, Social and Governance (ESG) criteria in public spending remains very strong at 87% (+2 pp).

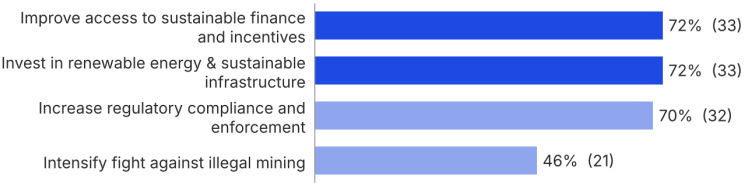
Figure 27: Should ESG criteria guide government spending and investment?



Survey question 21. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

To improve Zambia's ESG ratings, respondents rank access to sustainable finance and investment in renewable energy equally highest (72% each), with regulatory compliance close behind (70%). Renewable energy was also the top choice in 2026.

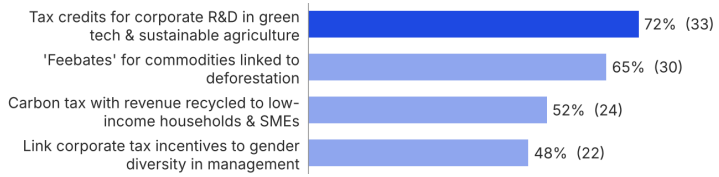
Figure 28: What the Government should do to improve Zambia's ESG ratings (2027)



Multiple responses allowed; number of respondents in brackets. Survey question 22. Source: UNDP and KPMG 2027 Pre-Budget Survey.

On fiscal instruments, respondents favour incentives over levies: 72% support tax credits for green R&D – also the top choice in 2026 – and 65% 'feebates' on commodities linked to deforestation.

Figure 29: Fiscal actions to promote ESG (2027)



Multiple responses allowed. Survey question 25. Source: UNDP and KPMG 2027 Pre-Budget Survey.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

ESG inside organisations

ESG adoption is driven mainly by external pressure: stakeholder expectations (67%) and regulatory trends (52%) – the same top two as in 2026.

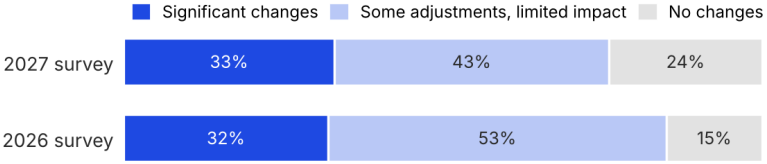
Figure 30: Main drivers of ESG within organisations (2027)



Multiple responses allowed. Survey question 23. Source: UNDP and KPMG 2027 Pre-Budget Survey.

ESG has changed operations significantly for a third of organisations (33%), broadly unchanged on 2026 (+1 pp); the share reporting no change rose to 24% (+9 pp).

Figure 31: Has the focus on ESG changed operations and decisions?



Survey question 24. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Engagement in sustainable activities or green finance is mixed: 24% actively engaged, 30% partially, 30% indirectly and 24% not engaged (some selected more than one level).

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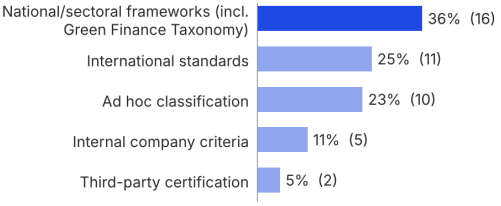
Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Classifying green activity

National or sectoral frameworks, including the Green Finance Taxonomy, are the most common basis for classifying green activities (36%). But around a third of organisations use no standardised approach – ad hoc (23%) or internal criteria (11%). Wider adoption of the national taxonomy would improve the comparability of green finance data.

Figure 32: How green activities are classified (2027)

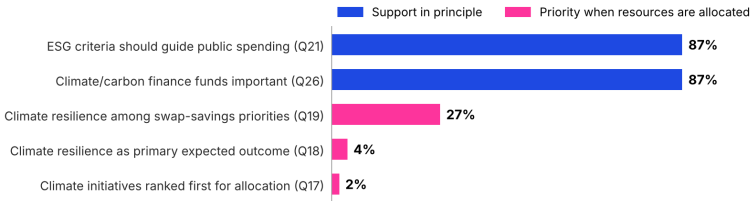


Base: respondents answering (n=44). Survey question 28. Source: UNDP and KPMG 2027 Pre-Budget Survey.

The climate paradox

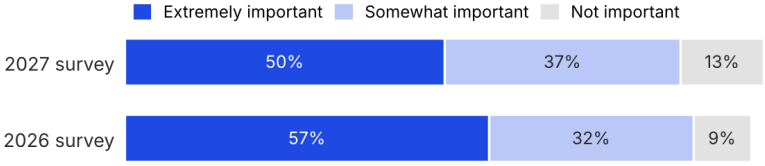
Half of respondents consider dedicated climate or carbon finance funds extremely important (57% in 2026) and 87% consider them at least somewhat important. Yet when resources are allocated, climate falls away

Figure 33: Climate: support in principle versus priority in allocation (2027)



Survey questions 17, 18, 19, 21 and 26. Different bases and question types; shown together to illustrate the contrast. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Figure 34: Importance of dedicated climate or carbon finance funds



Survey question 26. Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

Climate initiatives ranked fifth of six for budget allocation, climate resilience was the primary expected outcome for only 4% and 27% would direct debt-swap savings to it. Linking climate finance to the energy and agriculture priorities that respondents do rank highly may be the most practical route to closing this gap.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Women's economic empowerment and inclusion

67%
remove VAT and excise on essential female hygiene products

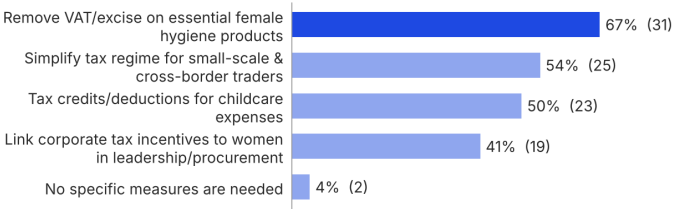
54%
simplify the tax regime for small-scale and cross-border traders

50%
tax credits or deductions for childcare expenses

41%
link corporate incentives to women in leadership or procurement

Removing VAT and excise duties on essential female hygiene products is the most supported measure (67%), as it was in 2026. Simplifying the tax regime for small-scale and cross-border traders – a sector with high female participation – moved into second place (54%), ahead of childcare tax credits (50%). Only 4% think no specific measures are needed.

Figure 35: Tax measures to support women's economic empowerment (2027)



Multiple responses allowed. Survey question 34. 2026 results were published as a share of responses; rank order only is compared. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Multiple responses allowed. Survey question 34. 2026 results were published as a share of responses; rank order only is compared. Source: UNDP and KPMG 2027 Pre-Budget Survey.

Table 5: Women's economic empowerment – rank order, 2027 and 2026

Indicator	2027 survey	2026 survey	Change
Remove VAT/excise on female hygiene products	**1st**	1st	**Unchanged**
Simplify regime for small-scale/cross-border traders	**2nd**	3rd	**Up**
Childcare tax credits or deductions	**3rd**	2nd	**Down**
Incentives linked to women in leadership	**4th**	4th	**Unchanged**

Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Disability inclusion and wider gender measures

67%

back tax incentives for job creation among youth, persons with disabilities and women – the top fiscal policy choice

48%

back linking corporate tax incentives to gender diversity in management

Inclusion also features in the wider fiscal results. In 2027 the job-creation incentive option explicitly included persons with disabilities, and it remains the most supported fiscal measure. Respondents' open answers also called for rural and inclusive development and for support for small-scale farmers and traders to reach markets.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Conclusions and recommendations

The 2027 survey describes organisations that came through a difficult 2026 with lower profits, smaller workforces and reduced investment. Macroeconomic pressure has eased, but its effects on productive capacity are likely to persist. Respondents ask the 2027 Budget to lower the cost of doing business, make the existing tax system work better before extending it, and target spending and tax measures at the outcomes they value most.

The recommendations below are ordered by importance and the level of stakeholder support. Each is drawn directly from the survey findings.

	Recommendation and supporting evidence	Support
1	**Reduce the cost of doing business, starting with power** Prioritise utility costs and reliability of supply through the National Grid Resilience Programme and direct debt-swap savings to energy. Evidence: 70% utility-cost shock · 78% back NGRP · 76% swap - energy	Very high
2	**Make the existing tax system work before extending it** Strengthen compliance and collection, review tax expenditures and reform SOEs ahead of new or higher taxes. Evidence: 87% compliance first · 83% SOE reform · 59% review tax expenditures	Very high
3	**Target and earmark tax measures** Use job-creation incentives for youth, persons with disabilities and women; ring-fence revenue for social spending; earmark higher health excise for health, with action on illicit trade. Evidence: 67% job incentives · 65% ring-fence · 83% excise, 78% if earmarked	High
4	**Protect small and provincial firms** Clear arrears to suppliers, simplify licensing, extend time-to-pay and make MSME finance reach intended firms. Evidence: 54% of small organisations cut staff · all 10 respondents outside Lusaka lost profit · 76% aware vs 43% satisfied	High
5	**Invest in health, education and manufacturing** Combine human-capital spending with support for productive capacity and jobs. Evidence: Mean ranks 2.11 and 2.61 · 31 of 46 first places	High
6	**Make the tax system gender-responsive** Remove VAT and excise on essential female hygiene products; simplify the regime for small-scale and cross-border traders. Evidence: 67% hygiene products · 54% small traders	High
7	**Turn ESG support into budget allocations** Expand access to sustainable finance, invest in renewables, use green R&D tax credits and promote the Green Finance Taxonomy. Evidence: 87% ESG criteria · 72% sustainable finance & renewables · climate ranked 5th of 6	Moderate–high

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
Contact

Annex: comparison of 2027 and 2026 survey results

Table 6: All comparable indicators (% of respondents)

Indicator	2027 survey	2026 survey	Change
Kwacha fluctuation – high/highest impact	**63%**	74%	**-11 pp**
Consumer spending – high/highest impact	**53%**	57%	**-4 pp**
Inflation – high/highest impact	**51%**	68%	**-17 pp**
Interest rate – high/highest impact	**46%**	51%	**-5 pp**
High impact on revenue	**57%**	57%	**0 pp**
High impact on profit	**52%**	62%	**-10 pp**
High impact on cost of operations	**54%**	79%	**-25 pp**
High impact on employee retention	**17%**	25%	**-8 pp**
High impact on product/service quality	**15%**	15%	**0 pp**
Shock: high utility costs	**70%**	74%	**-4 pp**
Shock: climate-related events	**43%**	42%	**+1 pp**
Shock: accessing capital	**39%**	21%	**+18 pp**
Shock: maintaining skilled labour	**35%**	47%	**-12 pp**
Shock: accessing markets	**20%**	23%	**-3 pp**
Shock: accessing raw materials	**17%**	11%	**+6 pp**
Scaled down operations	**50%**	49%	**+1 pp**
Reduced investment	**46%**	43%	**+3 pp**
Reduced labour force	**41%**	21%	**+20 pp**
Suspended operations temporarily	**22%**	6%	**+16 pp**
Any decline in profitability	**87%**	80%	**+7 pp**
Profit decline of more than 31%	**20%**	12%	**+8 pp**
Job-creation tax incentives	**67%**	70%	**-3 pp**
Ring-fence revenue for social spending	**65%**	53%	**+12 pp**
SOE efficiency and transparency	**83%**	70%	**+13 pp**
Tax system: no impact on inequality	**20%**	50%	**-30 pp**
Tax system: increases inequality	**28%**	19%	**+9 pp**
Outcome: job creation and exports	**37%**	45%	**-8 pp**
Outcome: reduced poverty	**24%**	8%	**+16 pp**
Outcome: learning and disease burden	**13%**	29%	**-16 pp**
ESG criteria should guide spending	**87%**	85%	**+2 pp**
ESG: significant changes to operations	**33%**	32%	**+1 pp**
ESG: no changes	**24%**	15%	**+9 pp**
Climate funds extremely important	**50%**	57%	**-7 pp**

2027 survey refers to conditions in 2026; 2026 survey to 2025. Samples differ (see Introduction).
Source: UNDP and KPMG 2027 and 2026 Pre-Budget Surveys.

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Foreword
Executive summary
Introduction
Macroeconomic snapshot
Business sensitivity to macroeconomic conditions
Economic challenges impacting businesses
Tax environment and revenue mobilisation
Government programmes and fiscal measures
Debt-for-development financing
ESG and green finance
Women's economic empowerment and inclusion
Conclusions and recommendations
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