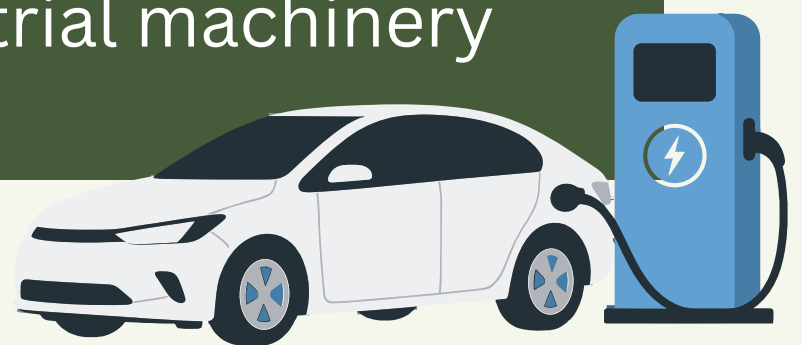
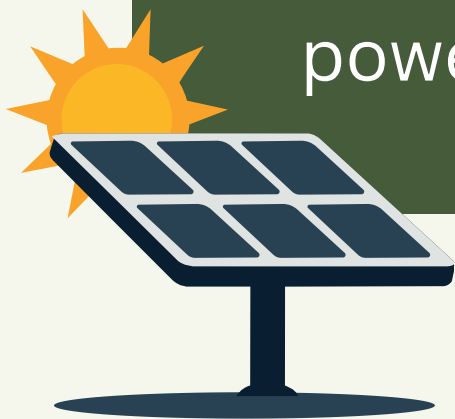


Zambia's Export Tax on Copper Concentrate



Copper is a critical mineral valued for its high electrical conductivity, durability, and corrosion resistance. It can be used for renewable energy systems (wind/solar), electric vehicles (EVs), power grids, and industrial machinery

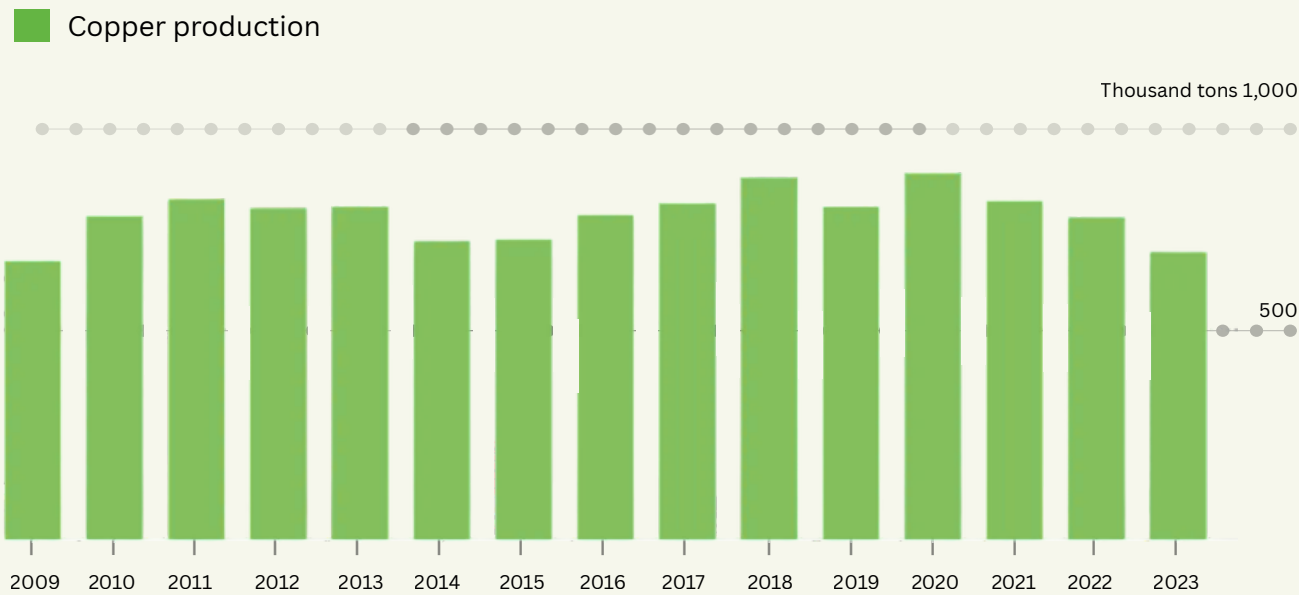


Zambia is Africa's second largest producer of copper, which accounts for around 70% of its export earnings



Declining Output

Zambia's copper production is set to fall to lowest since 2009



Source: Finance ministry data compiled by Bloomberg
2023 total is a projection

Zambia's 10% export tax on copper concentrates was first enacted in 2012 by President Michael Sata.

The tax was designed to discourage the export of unprocessed ore and compel mining companies to process, smelt, and refine copper within Zambia while increasing public revenue.

The tax has faced frequent suspensions, most recently a three-month suspension (SI No. 47 of 2025) running from August to October 2025.

The export tax suspension was later extended until September 2026.

Suspensions are often the result of lobbying from large-scale mining firms.

The recent suspension aimed to appease these firms and accommodate planned smelter maintenance.



Zambia possesses the highest smelting capacity in Africa, capable of refining 750,000 metric tonnes (Mt) annually.

Despite this capacity, the country only refines ~ 350,000 Mt annually, creating a massive bottleneck in the refining stage and leaving a significant portion of its infrastructure underutilized.

Of the copper cathode produced, less than 15% (15,000 Mt) is used for local fabrication by companies like ZAMEFA and Neelkanth Cables.

ZAMEFA and Neelkanth Cables are the two principle fabricators of wires and cables, and operate at less than 50% of their productive capacities.

Roughly 95% of Zambia's copper cathodes are exported in raw or semi-processed form.



Domestic fabricators struggle because they must purchase copper from local mines at London Metal Exchange (LME) prices, arguing that they should receive a discount to reflect their proximity to the source of extraction.

A lack of adequate transportation infrastructure and unreliable energy provision, requiring the need for costly back-up generators to sustain production, have also made exports of fabricated copper products less competitive.





The tax has failed to spur value addition because an export levy alone cannot create a copper fabrication industry; it requires supplementary measures like infrastructure investment and targeted industrial policies.

Policy Options

Incentivize the manufacturing of copper semi-fabricates and fabricated products by implementing targeted industrial policies that encourage domestic value addition.

Expand investments in Research, Development and Innovation (RDI) and Technical and Vocational Education and Training (TVET) to strengthen the technological and human resources necessary for copper fabrication.

Invest in transport and energy infrastructure to support mineral beneficiation by lowering production and transaction costs.

Implement an export quota system, requiring large scale mines to sell a minimum percentage of processed cathode to local fabricators.

