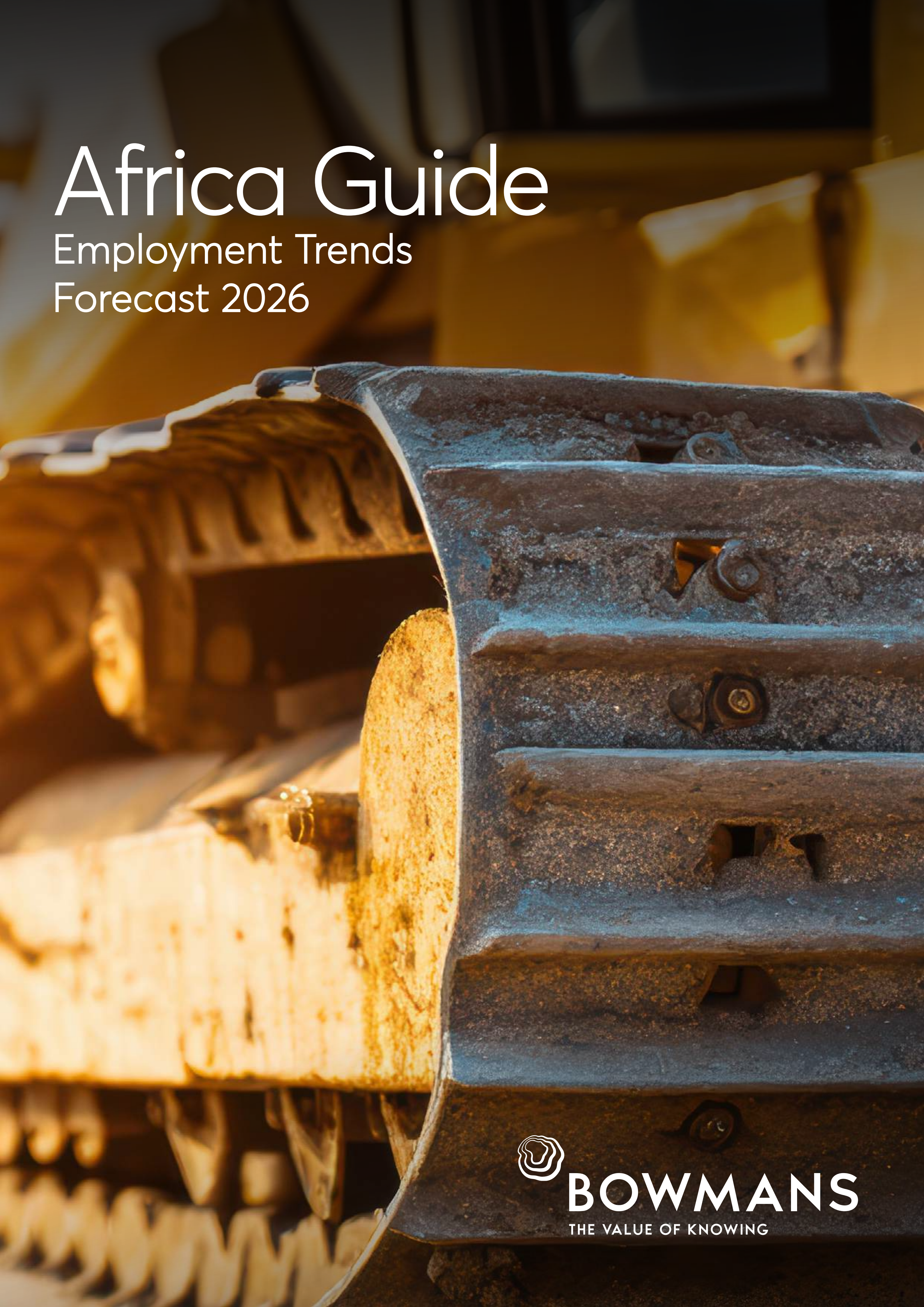

Africa Guide

Employment Trends Forecast 2026

BOWMANS

THE VALUE OF KNOWING

Contents

Introduction

As the year draws to a close, it is an opportune moment to reflect on recent developments and anticipate what lies ahead for employers. From evolving employment legislation and new workplace trends to changing workforce expectations, our goal is to keep clients well informed, enabling them to prepare effectively for the new year.

To provide an outlook on the anticipated employment landscape for 2026, we have gathered insights from our colleagues across the African continent on their forecasts for the year ahead. This guide has been prepared with input from members of our Employment and Benefits Practice in all our offices, as well as our alliance, relationship and other firms across Africa.

Across the region, the **labour law reform agenda remains active**. Several jurisdictions have recently introduced or proposed comprehensive changes to employment and social security laws, while others are clarifying and operationalising earlier reforms through subordinate legislation. Notable developments in 2025 include significant overhauls to core employment statutes and procedures in Tanzania, continued bedding-in of Angola's General Labour Law with complementary regulations on temporary work and foreign hires, and significant reform to the occupational health and safety framework in Uganda. Further developments are anticipated in Botswana, Ghana, Senegal, South Africa and Zambia, where a number of amendment bills or codes are in the pipeline and at various stages of their legislative journeys.

Additional compliance themes stand out. Firstly, **nationalisation and localisation policies** – especially in oil and gas, mining and other strategic sectors – are intensifying in markets such as Gabon, Senegal and Uganda, and feature in Mozambique's emerging local content framework. Employers should expect tighter quotas, more rigorous skills-transfer requirements, and closer inspection of expatriate hiring in these jurisdictions. By contrast, recruitment of skilled foreign professionals will be easier for designated startups in Ethiopia in terms of the recent Startup Proclamation, aimed at supporting the startup ecosystem, and for businesses in Mauritius, where work permit applications and renewals can now be done online via digital platforms.

The other noticeable theme is **employment equity** and the imposition of targets for representivity and inclusion of previously marginalised groups in the workplace. In particular, we see Kenya's Persons with Disabilities Act, 2025 impose a 5% target when it comes to the employment of persons with disabilities; a gender equity target of 30% women in public and private institutions in Ghana by 2026; and the newly established five-year sector targets applicable to 'designated groups' under South Africa's Employment Equity Act, 1998. The equality theme can also be seen through anticipated, or recently effected, changes to the parental leave frameworks in Botswana, Ghana and South Africa (the latter as a result of an October 2025 Constitutional Court decision that found the existing framework to be discriminatory against certain parents).

When it comes to workplace trends, the continent continues to calibrate **hybrid and remote** work models to local operational realities, with clearer rules and policies becoming the norm in corporate centres. **Mental health and employee wellbeing** are also now firmly on HR agendas, with broader access to assistance programmes and policies designed to address stress and burnout.

While the use of artificial intelligence (**AI**) still remains largely unregulated on the continent, governments like those in Cameroon, Ethiopia, Ghana, Senegal and South Africa have adopted national AI strategies or policies, and employers are scaling AI from pilots to embedded tools across recruitment, performance management, analytics and knowledge work. As regulation develops, employers are encouraged to adhere to existing laws around fairness and data protection, particularly where automated decision-making is involved, for example, in hiring or discipline.

We are also pleased to introduce, for the first time in this guide, our **'sector-specific outlooks'** which highlight key forecasts for specific industries in each region. These spotlights distil what employers can expect in 2026 in sectors such as oil and gas, mining, banking, infrastructure and information and communication technologies.

Please reach out to any of the key contacts included in the country chapters if you would like to discuss its contents in more detail.

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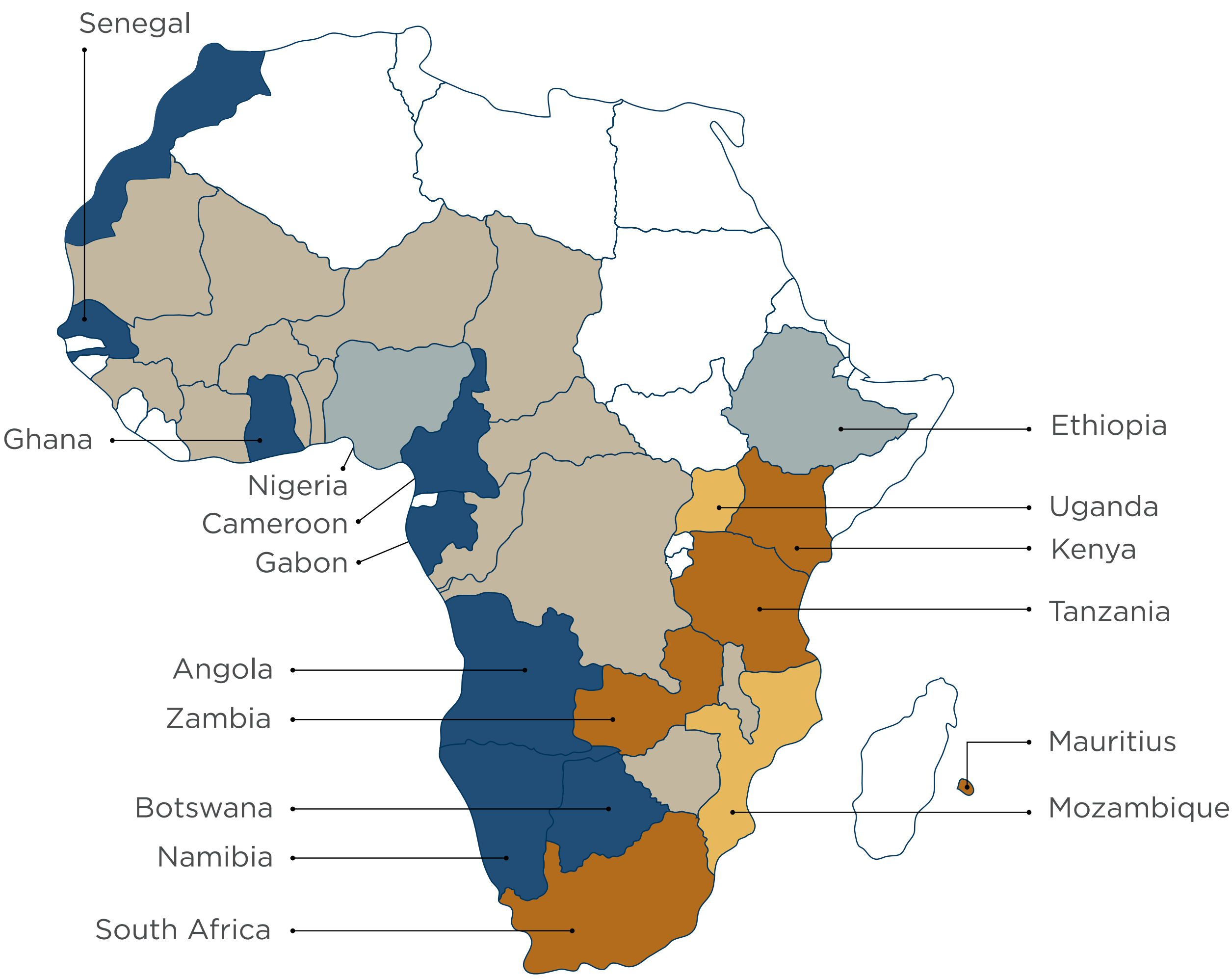
The content of this publication is accurate as at October 2025 and is for reference purposes only. It is not



Click on the country to view a forecast

Angola

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Legislative developments

Refinements to Angola's labour framework

The year was marked by the continued implementation of Angola's new General Labour Law (Law No. 12/23) (**GLL**), which came into force in March 2024. Over the last year, the Government introduced a series of complementary regulations aimed at clarifying and operationalising key aspects of the new framework. These developments reflect a broader effort to modernise employment relations and align national labour standards with international best practices.

- **New rules on the employment of non-resident foreign workers:** Presidential Decree No. 49/25 of 18 February 2025 introduced a new legal framework for the employment of non-resident foreign workers. The decree requires that contracts with expatriates be concluded in writing, for a fixed term, and registered with the Employment Centres within 30 days of commencement. A registration fee of 5% of the employee's monthly salary applies. The law also clarifies that resident foreigners are now considered part of the national workforce, reinforcing the 70/30 ratio between national and foreign employees. These changes require employers to reassess their international hiring practices and ensure compliance with the new administrative obligations.

- **Regulation of temporary work and agency assignments:** Presidential Decree No. 51/25 of 19 February 2025 sets out the legal regime for temporary employment contracts and the assignment of workers by licensed agencies. Temporary contracts must comply with the same justification and renewal limits applicable to fixed-term contracts under the GLL. The decree prohibits the successive use of temporary workers in the same role and introduces a licensing regime for temporary work agencies, valid for 24 months. The new framework aims to ensure equal treatment for temporary workers and greater oversight of agency practices.

National minimum wage increase

The second phase of the national minimum wage increase, approved under Presidential Decree No. 152/24, entered into force on 16 September 2025. The general minimum wage rose to AOA 100 000, while the rate for micro-enterprises and startups remained at AOA 50 000. Employers facing financial hardship may apply for a temporary exemption of up to 24 months, subject to proof of incapacity. While the increase presents challenges for some businesses, it reflects the Government's continued efforts to improve workers' living conditions and strengthen social protection.

New framework for labour administrative offences

Presidential Decree No. 50/25 of 19 February 2025 introduced a structured national framework for labour violations, complementing the GLL. It classifies offences as minor, serious or very serious, updates fine levels and clarifies additional sanctions and enforcement procedures. Amendment No. 8/25 of 21 April 2025 subsequently revised the allocation of collected fines to the Ministry of Public Administration, Labour and Social Security. The new regime strengthens compliance mechanisms and provides greater legal certainty for employers.

Temporary exemption from employer social security contributions

Following unrest in late July 2025, Presidential Decree No. 151/25 of 4 August 2025 introduced a temporary exemption from the employer's 8% social security contribution for businesses whose premises were affected. The exemption applies from 1 August to 31 December 2025 and does not affect workers' contributory records, which are treated as if fully paid. Eligibility is subject to proof of damage and maintenance of employment levels, and fraudulent use may trigger criminal liability and recovery of unpaid amounts.

Ongoing implementation of occupational health and safety reforms

The implementation of Presidential Decree No. 179/24, which regulates workplace health, environment and safety (**HSE**) services, continued throughout 2025. Employers are required to establish internal or external HSE services and register them with the General Labour Inspectorate. In parallel, Angola ratified ILO Convention No. 161 through Resolution No. 105/24, signalling its commitment to aligning domestic occupational health standards with international best practices. While the ratification does not yet impose new obligations, it is expected to pave the way for further regulatory developments in this area.

Anticipated workplace trends

International commitments and anticipated developments

Between October 2024 and October 2025, Angola ratified the following international labour instruments, signalling a gradual alignment with international and regional standards:

- Ratification Letter No. 15/24 of 15 October – ILO Convention No. 155 (National OSH Policy);
- Ratification Letter No. 16/24 of 15 October – ILO Convention No. 122 (Employment Policy);
- Ratification Letter No. 19/24 of 14 November – ILO Convention No. 161 (Occupational Health Services);
- Accession Letter No. 3/25 of 31 March – ILO Convention No. 187 (Occupational Safety and Health Framework);
- Accession Letter No. 4/25 of 31 March – ILO Convention No. 190 (Violence and Harassment in the World of Work); and
- Accession Letter No. 6/25 of 1 April – SADC Protocol on Employment and Labour

Employers are sure to see trends developing as on-the-ground implementation of these instruments begins.

Use of remote work contract

The formal recognition of remote work as a special employment contract under Angola's GLL and Presidential Decree No. 52/22 has prompted companies to reassess how they manage flexible work arrangements. Remote work is now legally defined and regulated, with contracts required to be in writing and include specific terms such as working hours, duties, remuneration and the ownership of work tools.

In practical terms, however, the uptake has been limited. Remote work has only started to be implemented within larger employers, particularly in corporate structures where it is technically feasible. Most services and industrial activities in Angola are performed by low-skilled workers whose functions require constant on-site presence, making telework structurally incompatible with the majority of roles. As such, remote work remains a restricted model, gradually emerging within a small segment of the economy rather than as a generalised form of employment.

AI in the workplace

Artificial intelligence is not yet a regulated topic in Angola. There is currently no legislation, enforcement guidance or official government procedures addressing its use in employment relations or corporate governance. However, despite the absence of a legal framework, certain companies have begun to explore AI-based tools on an isolated and experimental basis. These initiatives remain largely informal and unregulated, suggesting that the debate around AI is likely to emerge in the coming years, even if it has not yet entered the legislative agenda.

Sector-specific outlooks

Spotlight on oil and gas

The oil and gas sector remained a core employer in 2025 but operated under continued pressure from declining production and lower international prices. Although total output contracted by approximately 9% in the first half of 2025, new offshore projects such as the Begónia and CLOV Phase 3 fields contributed to stabilising operations by adding around 60 000 barrels per day from July onwards.

On the downstream side, the Cabinda Refinery was inaugurated in September 2025 and is expected to begin production before the end of the year. Construction also continued on the Lobito and Soyo refineries, supported by international financing. These developments created selective recruitment needs in engineering, refining and compliance, although large-scale workforce expansion remained limited due to cost management strategies.

The regulatory framework also evolved. The Natural Gas Master Plan (Presidential Decree No. 72/25) introduced long-term operational targets that required concessionaires to revise internal structures and training plans. Executive Decrees Nos. 687/25, 688/25 and 691/25 established new reporting obligations that affect human resources and compliance functions. In parallel, Joint Executive Decree No. 13/24 introduced a mandatory job classification catalogue for the sector. As a result, employers continued to prioritise specialised and certified profiles, while focusing on internal capacity-building and stronger compliance controls.

Spotlight on agriculture

Agriculture remained a strategic component of the National Development Plan 2023–2027, with Government policy focused on diversification and rural employment. The relaunch of the National Grain Production Promotion Plan (Planagrão) became the main driver of expansion, backed by international partnerships and long-term tax incentives. These initiatives generated recruitment needs in farming, logistics and processing, particularly in the eastern regions, although infrastructure gaps and uneven participation of smallholder producers continued to limit scaling.

The National Employability Programme 2025, supported by international funding, delivered large-scale vocational training in agricultural and rural services, helping to formalise labour in previously informal segments.

From a regulatory perspective, Presidential Executive Decree No. 406/25 defined the list of agricultural and agro-industrial goods eligible under the National Production Incentive Regime. Producers of these goods are now required to formalise employment relationships, register workers with social security, and comply with fiscal and operational standards in order to access institutional support.

As a result, employers are faced with growing pressure to transition towards structured workforce management. Expansion created opportunities in production and processing, while simultaneously increasing the need for training, certification and compliance with health and safety requirements.

Botswana

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Legislative developments

Impending reform of employment law landscape

The Employment and Labour Relations Bill, 2025 (**Bill**) seeks to overhaul Botswana's labour law regime by repealing and consolidating the Employment Act (Cap. 47:01), Trade Disputes Act (Cap. 48:02), and Trade Unions and Employers' Organisations Act (Cap. 48:01) into a single framework. Key reforms include:

- recognition of fundamental workplace rights, including protection from discrimination, harassment and forced labour;
- establishment of the Employment and Labour Relations Council to promote social dialogue and tripartite consultation;
- creation of an independent Mediation and Arbitration Commission to streamline dispute resolution;
- expanded statutory leave entitlements, including parental and adoption leave;
- codification of unfair labour practices, enhanced termination and severance rules, and express provisions on fixed-term and part-time contracts; and
- new regulatory powers for the Minister to issue codes and guidelines and require employer compliance reporting.

The Bill, once enacted, will mark the most comprehensive reform of Botswana's employment landscape in decades. The Bill is currently awaiting Presidential assent, after which it will become law. The timing of the assent remains uncertain and employers should keep a close eye on developments as we move into the new year.

Anticipated workplace trends

Digital transformation and continued skills development

Botswana's workforce is increasingly embracing digital transformation. Employers are adopting advanced HR technologies to streamline recruitment, performance management and employee engagement processes.

To remain competitive, Botswana's employers also continue to invest in the continuous development of their workforces. Skills development and flexible work arrangements remain key differentiators in attracting and retaining talent amid evolving legal and technological expectations. Trends include providing training opportunities to help employees acquire new skills and adapt to changing job requirements.

Prioritising employee wellbeing

There is a growing emphasis on fostering a healthy work environment that prioritises employee wellbeing. Employers are expected to focus more on supporting employee wellbeing, including mental health programmes and flexible working conditions. This aligns with global trends in workplace sustainability and employee support, particularly in light of post-pandemic shifts towards remote and hybrid working models.

Hybrid work models

Post-pandemic, remote and hybrid work models continue to gain traction. Employers are adapting by establishing clear guidelines and expectations for remote work to maintain productivity and accountability.

AI in the workplace

Employers in Botswana are gradually adopting AI tools to streamline recruitment, performance management and operational efficiency. These technologies are being deployed cautiously, primarily within the parameters of the Data Protection Act, 2018, which regulates the processing of personal data and requires transparency, consent, and safeguards against unfair automated decision-making.

Sector-specific outlooks

Spotlight on mining

Botswana's diamond mining sector remains the backbone of the economy but is experiencing pressure from subdued global demand, softer rough-diamond prices, and ongoing negotiations between the Government and De Beers over long-term supply and beneficiation arrangements. While large-scale retrenchments have not been reported, employers are prioritising cost control, productivity measures, and localisation of skills, consistent with Government policy to expand value addition and local beneficiation. The outlook is cautious, with production expected to remain steady but margins tightening. In contrast, the tourism sector shows gradual recovery, driven by stable regional travel and moderate investment in eco-tourism.

Cameroon

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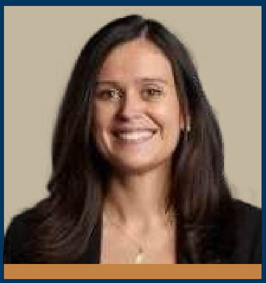

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Legislative developments

Increase in the national minimum wage

Cameroon's labour framework remained largely stable in 2025, with no major changes to the Labor Code. The only notable update was a small increase in the national minimum wage, from FCFA 41 875 to FCFA 43 969 per month, and some limited revisions to industry-specific collective agreements, mainly in the transport and logistics sector. Further possible wage adjustments are anticipated next year. Overall, employers faced no significant new labour obligations and looking ahead to 2026, no sweeping labour reforms are expected.

Handling of employee data

A key development was the adoption of Cameroon's first comprehensive data protection law. On 23 December 2024, Parliament passed Law No. 2024/017 on Personal Data Protection, creating a Data Protection Authority and granting organisations an 18-month compliance period. While not a labour law *per se*, it introduces stricter rules on employee data handling and employers should monitor incremental developments in this regard.

Anticipated workplace trends

Hybrid work

Hybrid arrangements, mixing remote and on-site work, are now widely accepted, especially in corporate sectors. No dedicated legislation yet governs remote or hybrid work, which remains subject to individual agreements. Many employers have formalised hybrid policies or included them in collective agreements. Going forward, clear internal rules will be essential to ensure consistency and compliance.

Push-back on return-to-office mandates

As elsewhere, Cameroonian employees, especially in urban sectors, prefer flexible or hybrid work. Companies enforcing strict return-to-office (**RTO**) policies have faced push-back and morale issues. Most are now opting for balanced arrangements that preserve flexibility while meeting business needs.

Accelerating AI adoption

After cautious testing, companies are expanding AI use beyond recruitment into customer service, automation and data analytics. The Government's National AI Strategy, aiming to train 60 000 specialists and create 12 000 AI jobs by 2040, reinforces this shift and foresees a future legal framework on AI ethics and governance. Employers adopting AI should balance innovation with safeguards on privacy, discrimination and employee upskilling.

Rising focus on mental health

Mental health has moved to the forefront of workplace priorities. Following the country's first Mental Health Rights Congress in December 2024, awareness is growing rapidly. Employers are increasingly offering counselling and wellness initiatives, even in the absence of specific legislation, to address stress and burnout and maintain workforce engagement.

In short, 2026 will blend technological progress with human-centric management. Employers who update policies, invest in responsible AI use, and support wellbeing will be best positioned to attract and retain talent.

Sector-specific outlooks

Spotlight on agriculture and agro-industry

After years of crisis, the Cameroon Development Corporation (**CDC**) has stabilised thanks to Government payments clearing wage arrears (over FCFA 35 billion by 2025). The sector is regaining momentum, though maintaining peace with unions and improving working conditions remain priorities.

Spotlight on technology and digital services

The technology sector is expanding fast, driven by the National AI Strategy and digital investment. The new data protection law requires companies – especially those in ICT, banking and telecoms – to strengthen compliance (eg appoint data protection officers). Employers face both opportunities for growth and pressure to secure skilled talent and meet emerging regulatory standards.

Ethiopia

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Legislative developments

Greater support for startups

The recently enacted Startup Proclamation No. 1396/2025 (**Proclamation**) is expected to stimulate job creation by formalising and supporting a startup ecosystem that encourages innovation, entrepreneurship and access to finance. By providing tax exemptions, grants, credit guarantees and duty-free privileges for designated startups and ecosystem builders, the law lowers entry barriers for new enterprises and makes early-stage businesses more viable. As startups scale, they create both direct employment in technology, services and manufacturing, and indirect employment through supply chains, incubators and professional services.

The Proclamation's establishment of a National Credit Guarantee Fund and Startup Grant Program increases access to credit for small and medium enterprises (**SMEs**). Moreover, foreign startups that fulfil the requirements of the Startup Proclamation are permitted to register in Ethiopia without the minimum investment capital requirement provided under the investment law. It also grants foreign nationals employed by designated startups exemption from employment income tax for the duration of the 'startup' designation. Further, it introduces a special startup visa and work permit valid for three years, simplifying recruitment and mobility of skilled foreign professionals.

The implementation of the Proclamation is pending the enactment of regulations and directives before its contents are fully operational.

Special economic zone

Under Special Economic Zone Proclamation No. 1322/2024, foreign nationals employed by enterprises that export goods or services are exempted from taxes on employment income for five consecutive years commencing from the date on which the enterprise obtains a business licence.

Anticipated workplace trends

Minimum wage reforms

The Government raised civil service payment in 2025. Unions/ labour groups are urging for a private sector minimum or sectoral floors in 2026.

Final stages in accession to the World Trade Organization (WTO)

Ethiopia has committed to finalising accession to the WTO by March 2026. Accession will require Ethiopia to adopt legally binding rules governing tariffs, transparency, non-discrimination and trade in services. These reforms may have a ripple effect across the labour market of industry sectors that will be impacted by the accession.

Implementation of the African Continental Free Trade Area (AfCFTA)

The AfCFTA is moving from policy to practice, with it now being actively implemented. This will progressively reduce intra-African tariffs, harmonise standards, and facilitate regional value chains. For employers, this shift will open larger markets for goods and services.

AI in the workplace

The only regulatory instrument of Ethiopia currently governing AI is the National Artificial Intelligence Policy (**Policy**). While the Policy does not directly legislate AI in the workplace, it defines the context in which employers are expected to operate. Employers are encouraged to adopt AI tools to improve efficiency and competitiveness. However, the policy also recognises that such adoption requires a skilled and informed workforce. It highlights the need to cultivate employees capable of understanding and using AI.

In addition, the policy addresses the economic impact of AI-supported automation, acknowledging that AI may replace some forms of human labour. It warns that employees lacking relevant digital skills may be marginalised as AI systems assume more tasks previously performed by people. Consequently, employers may be expected to play a role in supporting labour transition. The Ministry of Labor and Skills is mandated to provide re-training programmes for workers displaced due to AI adoption.

Sector-specific outlooks

Spotlight on infrastructure

Ethiopia's infrastructure sector is entering a new phase of large-scale development, marked by Government-led projects collectively valued at over USD 30 billion. These initiatives reflect a strategic shift towards industrialisation, energy self-sufficiency and regional economic leadership. Building on the successful completion of the Grand Ethiopian Renaissance Dam (**GERD**), the Government's plan encompasses energy, transport and housing projects. The scope of these undertakings is expected to not only drive economic growth but also expand employment opportunities across construction, engineering, logistics and manufacturing.

The Government's energy and industrial drive is at the heart of this new infrastructure vision. Following the GERD, Ethiopia plans to inaugurate its first gas factory, commence construction of a much larger second plant, and launch an oil refinery, all within a short timeframe. The announcement of a nuclear power plant, described as equal in scale to the GERD, further underscores the country's long-term energy ambitions. These projects are expected to generate significant employment across energy production, engineering and manufacturing supply chains. Employers should prepare for increased competition for skilled labour, potential wage pressures, and the need for structured workforce planning as industrial activity expands rapidly.

Transport infrastructure forms another central pillar of Ethiopia's development agenda. The construction of a new airport for Ethiopian Airlines, envisioned as Africa's largest, with capacity for 60 million passengers annually, represents a major investment in national and continental connectivity. Beyond aviation, job opportunites are expected in associated sectors such as logistics and construction.

The Government has also committed to constructing 1.5 million homes within the next five to six years. This housing programme is expected to boost employment in construction, real estate and building materials production. The scale of this initiative will likely encourage greater formalisation of employment within the construction industry, where informal labour remains prevalent. Employers should anticipate heightened demand for both skilled and semi-skilled workers and may need to strengthen recruitment pipelines, training programmes and employment documentation to meet project requirements effectively.

Gabon

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Legislative developments

'Gabonisation' of employment

In a major policy shift, Gabon overhauled its rules on employing foreign workers. On 21 March 2025, Decree No. 0150/PR/MTLCC (**Decree**) introduced new quotas capping expatriate participation by job category: up to 15% in managerial roles, 10% in supervisory/ technical positions, and 5% among rank-and-file workers. This replaces the 2016 framework and aims to accelerate the 'Gabonisation' of employment.

The Decree also sets application fees for work permits and specifies how these funds are used, adding an administrative cost for employers. Work authorisations will now be granted strictly based on proven labour market needs, reinforcing the priority of hiring nationals.

With these quotas now in force, employers must adapt recruitment and succession planning accordingly. Stronger enforcement is expected in 2026 and beyond, pushing companies, especially those reliant on expatriates, to invest in local training and skills development to meet compliance and sustain operations.

Anticipated workplace trends

Workforce nationalisation and local content development

Local content and nationalisation efforts are accelerating. In 2024, Gabon reinforced its priority on hiring nationals – especially in oil, gas and mining – and this will intensify under the new Decree. The Government is clearly urging employers to 'accord priority of employment to nationals and valorise the Gabonese workforce'.

In practice, companies in strategic sectors must go beyond compliance by investing in training, apprenticeships and knowledge transfer to prepare Gabonese staff for technical and leadership roles. Through initiatives such as the Decent Work Country Programme 2024–2027 (developed with the ILO), the State is promoting job creation and skills development. By 2026, 'Gabonisation' will not only be a legal requirement but also a business necessity for sustainable operations in Gabon.

Data privacy and regulatory enforcement

Data privacy compliance is becoming a key enforcement focus in Gabon. The Commission Nationale pour la Protection des Données Personnelles (**CNPDCP**) has stepped up oversight of how companies manage personal data. During Data Protection Day 2024, it warned that non-compliant organisations face fines of between 1 and 100 million CFA francs. Sectors handling sensitive data – such as banking, telecom, healthcare, and oil and gas – have since seen stricter audits. Even workplace CCTV use now requires prior authorisation, with violations subject to sanctions.

Looking ahead to 2026, companies should expect more frequent inspections and ensure all data processing is properly declared or approved. Robust data-security controls and staff training are essential. The Government also moved closer to ratifying the African Union Convention on Cyber Security and Data Protection, paving the way for updated national rules.

In short, data protection is now a high-risk compliance area. Businesses that fail to strengthen privacy governance face not only financial penalties but also serious reputational damage.

Hybrid work and flexibility

Hybrid work continued to expand gradually in 2025, mainly in urban professional sectors, multinationals and parts of public administration. Employees in finance, tech and consulting increasingly seek flexible hours or part-time remote work options, prompting some large employers to pilot hybrid policies.

However, growth remains limited by infrastructure constraints – unstable electricity and internet still restrict large-scale telework – and by the nature of many jobs that require physical presence. As a result, hybrid work will likely remain concentrated in white-collar roles in Libreville and Port-Gentil through 2026.

Employers adopting hybrid models must also comply with the Labor Code's general provisions on working time, health and safety, which apply equally to remote staff. Overall, flexible work is advancing slowly but steadily, though cultural and logistical barriers mean a full shift towards remote work will take time.

Focus on employee wellbeing

Employee wellbeing, including mental health and work-life balance, is gaining prominence in Gabon. While overall stress levels remain moderate by regional standards, studies show high pressure among healthcare staff and teachers due to long hours and limited support. In response, both Government and employers are placing wellbeing higher on the agenda.

Companies increasingly mark events like the World Day for Safety and Health at Work, and in 2025, Sobraga hosted a major safety day promoting occupational health, anti-alcohol programmes and a 'zero accident by 2026' goal, signalling a growing wellness culture.

Looking ahead to 2026, more employers are expected to invest in healthcare coverage, counselling and safe workplaces, while encouraging open discussions on stress, burnout and mental health. Authorities are also emphasising social dialogue and better working conditions, pushing companies to improve not just pay but also management practices and workload balance.

In line with global trends, Gabonese employers increasingly recognise that supporting employee wellbeing enhances productivity, retention and overall workplace harmony – a focus likely to deepen in 2026.

AI in the workplace

AI is an emerging focus for employers in Gabon. Although adoption remains limited, 2025 saw growing interest, especially in finance, customer service and IT, where companies are testing chatbots, data-analysis tools and process automation. Larger employers are also exploring AI-based recruitment and HR analytics, raising new legal and ethical challenges.

Gabon currently has no AI-specific labour laws or case law, so existing frameworks apply. The Data Protection Act governs any automated processing of personal data, requiring transparency, security and respect for privacy, especially in employee monitoring or recruitment. Employers must also ensure AI tools do not lead to discriminatory outcomes, as the Labor Code strictly prohibits bias in employment decisions.

Regulatory oversight is expected to grow. In mid-2025, Gabon partnered with UNESCO on ethical AI workshops to shape a national AI strategy, signalling future rules on algorithmic transparency, accountability and human oversight in automated decisions.

For 2026, companies should deploy AI carefully and transparently, informing affected employees, maintaining human review in key HR actions, and updating internal policies on generative AI and data protection. Following principles of fairness, privacy and human dignity will help employers benefit from AI's efficiencies while avoiding legal and reputational risks.

Sector-specific outlooks

Spotlight on oil and gas

The oil and gas sector, central to Gabon's economy, is undergoing major labour reforms. Beyond the local content drive, the Government in late 2025 introduced measures to end precarious short-term contracts and improve employment conditions. For years, many companies relied on rolling one-month contracts, which unions decried as unstable and unfair. Authorities have now banned these short contracts, aiming to restore job security and dignity for oil workers. There is also a strong push to narrow wage gaps between Gabonese and expatriates performing similar roles.

To enforce compliance, the Ministries of Petroleum and Labor launched joint inspection campaigns, beginning with Ogooué-Maritime in late 2025, to review companies' HR practices, contract types, benefits and pay structures. In 2026, 'Gabonisation' in oil and gas will thus extend beyond hiring quotas to ensuring fair, stable and lawful employment terms.

While these measures may raise short-term labour costs, they align with the Government's long-term goal of building a sustainable, locally anchored energy sector. At the same time, new exploration initiatives are expected to generate fresh opportunities for Gabonese professionals as the industry adjusts to this more regulated labour landscape.

Spotlight on mining

Gabon's mining sector is set for closer regulatory scrutiny and gradual growth. In late 2025, the Government created the National Observatory of Mining Risks, signalling a stronger focus on health and safety oversight. This initiative is expected to bring tighter inspections, mandatory reporting of incidents, and stricter enforcement of safety measures such as protective equipment use and medical monitoring. Mining employers should ensure active Health & Safety Committees (Comités SST) and full compliance with labour safety regulations to avoid penalties or shutdowns.

Economically, the outlook is mixed but promising. Gabon's wealth in manganese, gold and iron ore continues to attract investment, particularly in local processing and refining projects that could generate new jobs. However, infrastructure gaps and global price volatility remain challenges. If commodity prices stay favourable, 2026 may see new recruitment drives for skilled roles – engineers, geologists and operators – supported by training partnerships with technical institutions.

Looking ahead, companies should also prepare for possible local content requirements in mining, mirroring those in oil and gas, as well as rising ESG expectations around community employment and working conditions. In short, the mining sector in 2026 will balance expansion opportunities with tougher safety and social compliance standards, rewarding firms that invest early in workforce development and responsible operations.

Ghana

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Legislative developments

Draft Labour Bill reaching fruition

Although a draft Labour Bill (**Bill**) was expected to be passed in 2024 under the previous Government, to strengthen labour administration, its passage did not materialise. The new Government has indicated that the Bill will be passed by the end of 2025, however, we anticipate the passage of the Bill may extend into 2026.

While yet to make its way through parliamentary process and presidential assent, it is important to note the following expected changes outlined in the Bill:

- **Paternity leave:** The Bill provides for paternity leave of not less than five days within a 24-month window afforded to a male worker, to be taken within three months of the birth of a child, or the adoption of a child younger than one year old.
- **Compassionate leave:** An employee will be entitled to up to five days of compassionate leave for the loss of a close relative or a serious emergency (robbery, fire or break-in). This leave should not, on any account, be construed as part of annual leave.
- **Maternity and other leave related to a female worker:** The Bill increases the minimum amount of time allowed for maternity leave from 12 to at least 14 weeks. The Bill also provides for an extension of leave for a female employee who suffers a stillbirth or loses their baby before the original leave expires.
- **Whistleblower protection:** The Bill defines unfair termination to include firing a worker solely for acting as a whistleblower. Employers are required to have a policy statement that includes measures to protect a whistleblower against victimisation or retaliation.

Gender equity compliance

Gender equity will remain an important compliance item for employers in 2026. The Affirmative Action (Gender Equity) Act, 2024 (**AA Act**), enacted in August 2024, mandates the attainment of gender equity across all spheres of society. This requires both public and private sector employers to adopt a new, proactive approach to hiring and internal policy.

The AA Act is not optional. It requires private sector employers to take measures to ensure progressive gender equity among employees, and maintain a gender equity policy that must be reviewed periodically, at least every four years.

Public and private institutions are also required to meet the following general gender equity targets within the specified periods provided below:

- 30% of women from 2024 to 2026
- 35% of women from 2027 to 2028
- 50% of women from 2029 to 2034

The AA Act also attempts to use incentives such as tax benefits for employers and preferential treatment in the award of government contracts under Ghana's public procurement laws to promote compliance with the AA Act. The AA Act also establishes the Gender Equity Committee, which is responsible for monitoring compliance, receiving complaints of non-compliance, and investigating instances of gender discrimination.

Recruitment protocols

The National Service Authority Act, 2024 (**NSA Act**) came into force in 2024, introducing two immediate and mandatory compliance obligations that will directly affect the hiring costs and recruitment protocols for all employers in 2026.

Some key developments under the NSA Act are as follows:

- **Prohibition on hiring non-compliant individuals:** Employers are now prohibited from hiring individuals who have not completed their mandatory national service, unless they have been exempted. An employer will be liable to pay an administrative penalty if it violates this provision under the NSA Act.
- **User Agency Fees:** Public and private sector employers who apply to engage national service personnel must pay a user agency fee of at least 20% of the prevailing national service allowance in respect of each personnel that undertakes national service with the employer. This increases the cost of utilising national service personnel as a workforce option.

Anticipated workplace trends

AI integration in the workplace

The workforce is gradually embracing AI, as many have come to understand that the primary effect of AI is augmentation and not mass replacement. Considering this, some employers are integrating AI into their systems and providing training on AI tools to their employees. AI is also being used in recruitment in

Ghana, for scanning through applicant résumés and for screening interviews.

Currently, there are no laws regulating the use of AI in Ghana. It is, however, important to note that Ghana's Ministry of Communication, Digital Technology and Innovations has recently introduced new bills including the Emerging Technologies Bill, 2025 (**ET Bill**). Public/stakeholder consultation on the ET Bill has ended and it is expected to be referred to the appropriate Parliamentary Committee for consideration.

The ET Bill proposes the establishment of an Emerging Technologies Agency to advance and facilitate the adoption of emerging technologies; to promote research, innovation and development of emerging technology tools to increase social and economic productivity; to provide a harmonised body of rules on emerging technology obligations, rights, ethics and safety, and for related matters.

It defines 'emerging technology' as novel or evolving systems, tools or methods that have transformative impact on industry, society, economy, and governance, and includes but is not limited to, AI. If the ET Bill is passed into law, it will regulate the use of AI in Ghana.

We anticipate that the adoption of AI in offices will accelerate in 2026, as more employers will integrate AI into their systems to improve efficiency and operations, and reduce costs.

Until laws are enacted to specifically deal with the issues arising out of the use of AI, such as inaccuracies, data privacy infractions etc, it is important that employers adopt an AI acceptable use policy and adhere strictly to Ghana's data protection laws to ensure that all AI systems process personal data securely and in full compliance with the principles set out in the Data Protection Act, 2012.

Mental health issues

Mental health challenges are increasingly emerging as a critical workplace concern. Notably, Ghana lacks legislation specifically addressing the mental health of workers, although generally, employers have an obligation to ensure that they provide safe workspace to their employees.

Recently, a dispute has arisen in Ghana between Meta and Majorel (a content moderation company) on the one hand, and some content moderators employed by Majorel, on the other. The content moderators claim to have experienced depression, anxiety, PTSD and other forms of severe psychological injury related to exposure to extreme content, including videos of child abuse, murder and torture, without adequate training and support (including psychological support), fair pay or safe working conditions.

Although the dispute has not yet been initiated in court, it marks a significant step towards recognising the importance of employee mental wellbeing and psychological safety in the Ghanaian workplace.

Talent migration

Over the years, Ghana has witnessed the migration of workers to regions with greater opportunities, like North America, Europe, the Gulf States, etc. We expect this to continue in 2026, in light of the rising demand for better compensation and career development, which will continue to fuel the migration of top talent from Ghana to other regions.
Further, the Government of Ghana is proactively working on a number of Bilateral Labour Migration Agreements (**BLMAs**) with partner countries, including Kuwait, Saudi Arabia and the UAE, which are expected to guide labour export.

In light of the increasing talent migration, the Government is expected to continue taking steps to enter into these BLMAs to formalise labour export pathways and protect migrant workers. In pursuance of this, the Ministry of Labour, Jobs and Employment, in collaboration with the International Organization for Migration (**IOM**) and the International Labour Organization (**ILO**), concluded a national capacity-building workshop aimed at enhancing Ghana's ability to negotiate, implement and monitor these agreements.

The operationalisation of these agreements will significantly intensify the talent migration challenge for domestic employers by creating clear, attractive and protected channels for skilled Ghanaian labour to exit the local market, making the local talent pool more difficult and expensive to retain.

Sector-specific outlooks

Spotlight on mining

The Government has indicated plans to undertake a major review of the Minerals and Mining Act, 2006 and the 2014 Mining Policy to modernise the sector and align it with global best practices. Key suggested reforms include:

- a General/ Critical Minerals Policy to address global demand for transition minerals like lithium and rare earth elements, essential for renewable energy technologies;
- Community Development Agreements requiring 1% of mining revenues to directly support local communities;
- reduced licence durations with prospecting licences capped at nine years and mining leases capped at 15 years;
- introducing a medium-scale mining category to bridge the gap between small- and large-scale operations; and
- introducing climate change and environmental, social and governance (**ESG**) standards to ensure responsible mining practices.

Spotlight on textile and garment manufacturing

The Government has announced its intention to scale up Ghana's textile and garment manufacturing industry to exceed USD 2 billion in value by 2033. This plan aims to attract USD 1.2 billion in fresh investments, create around 150 000 direct and indirect jobs, and revive cotton cultivation on 50 000 hectares of farmland across the country.

The Government has also urged stakeholders to design policies that promote inclusive job creation, especially for women and young people.

Kenya

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Legislative developments

Employer compliance and tax incentives under Kenya's Persons with Disabilities Act, 2025

Kenya's Persons with Disabilities Act, 2025 (**Act**), which came into effect on 27 May 2025, marks a decisive shift from aspirational targets to enforceable duties, embedding disability inclusion into core employment compliance and bringing it front of mind for employers going into the new year.

Employers with at least 20 employees must reserve a minimum 5% of positions for persons with disabilities, adopt non-discriminatory recruitment and advancement practices, provide reasonable accommodation and workplace modifications, and submit annual employment returns to the National Council for Persons with Disabilities (**Council**).

The Act extends the retirement age for employees with disabilities by five years and strengthens enforcement through discrimination and accessibility offences.

The Act also introduces meaningful fiscal levers: private employers may claim a deduction equal to 25% of salaries and wages paid to accredited employees with disabilities and a further 50% deduction of direct costs for accessibility improvements and services; in addition, employers may deduct reasonable accommodation expenditures, including modifications and assistive technologies, in computing taxable income. To unlock these incentives, one must maintain documentation, ensure employee accreditation with the Council, and align HR, tax and facilities functions around a documented inclusion and reporting framework.

Employment law changes arising from the Finance Act, 2025

The Finance Act, 2025 (assented to on 27 June 2025) made sweeping amendments, with practical implications for employers' payroll, benefits and vendor arrangements which include relief and definitions relevant to payroll and benefits, including confirmation of social health insurance fund (**SHIF**) exemptions and clarified treatment of fringe benefit tax at the corporate rate.

Fixed-term contracts and legitimate expectations

In 2023, the Court of Appeal in Transparency International *Kenya v Teresa Carlo Omondi* (Civil Appeal No. 18 of 2018) [2023] held that legitimate expectation does not arise in a fixed-term contract, therefore the non-renewal of a fixed-term contract cannot constitute unfair termination.

Although the Employment and Labour Relations Court (**ELRC**) is bound by decisions of the Court of Appeal, its recent judgment in *Mweni v Child Welfare Society* of Kenya (Appeal E040 of 2024) [2025] KEELRC 1951 (KLR) appears to depart from that court's earlier approach by holding that where fixed-term contracts condition renewal on specified criteria, performance, funding availability, employee conduct, organisational productivity, and HR needs, employees have a legitimate expectation that the employer will assess renewal against those criteria; and an employer's failure to demonstrate such an assessment amounts to unfair termination.

Out of an abundance of caution, going forward employers should:

- avoid including conditional clauses in employment contracts; alternatively, ensure that all conditional renewal clauses in fixed-term contracts are objectively assessed and documented before making renewal decisions;
- clearly communicate decisions regarding renewal or non-renewal to the employee, with supporting records maintained; and
- be aware that failure to follow these steps may expose them to claims of unfair termination based on legitimate expectation.

Resignations/ retirements during disciplinary proceedings

The Court of Appeal's decision in *Chege v Timsales Limited* [21 October 2025] clarifies that employees cannot evade ongoing or imminent disciplinary proceedings by tendering a resignation or electing early retirement 'with immediate effect'.

The Court affirmed that once an employer has lawfully initiated disciplinary action, signalled by a charge or notice to show cause, any subsequent attempt to terminate the relationship to avoid accountability is ineffective, and the process may proceed, provided section 41 fair-hearing standards are met.

The Court further underscored that 'immediate' resignation/ retirement has no legal footing absent an employer waiver, and where contracts or collective bargaining agreements (**CBAs**) are silent, section 35 notice periods apply.

For employers, the ruling reduces the risk of strategic exits frustrating discipline but heightens the need to evidence the point at which proceedings begin, to issue prompt show-cause letters, to codify notice requirements for elective retirement in CBAs and policies, and to recognise that a valid pre-charge termination generally deprives the employer of disciplinary jurisdiction thereafter.

Protection of migrant workers

The Labour Migration Management Bill, 2024 regarding fair employee transfers remains under consideration. Recruiters and employers engaging migrant workers should anticipate heightened compliance obligations once enacted.

Anticipated workplace trends

Growing scrutiny over the 'gig economy'

Platform work and digital labour remain in focus. While the gig economy is now an established fixture, scrutiny of working conditions on digital platforms has intensified. Data protection, algorithmic transparency in assignments and ratings, and fair pay policies are key risk areas. Employers and platforms should refresh policies on worker status assumptions, health and safety expectations for platform tasks, and grievance mechanisms proportionate to digital workflows.

As the sector expands, policy reform is expected to impose stronger protections for gig workers, forcing firms to rethink contract terms, benefits and regulatory exposure. Those companies that proactively engage with the changing legal landscape and offer fair, transparent gig-working models will likely attract better talent and reduce reputational and legal risk.

AI integration

Kenya's workplace continues to shift around digitalisation, task automation and new work models, with AI now matured from pilots to embedded tools across recruitment, performance management, customer support and analytics.

For employers, this means new opportunities for flexible scaling, lower overheads and tapping into talent beyond urban centres, but also risks around quality control, worker satisfaction and compliance.

Sector-specific outlooks

Spotlight on the banking industry

The recent ELRC decision in *Akala v Kenya Commercial Bank Limited* [2025] (**KLR**) has set a clear procedural benchmark for disciplinary processes that rely on investigation reports. Where an employer grounds disciplinary action on an investigation report, the Court held the employee must be given the entire report, not selective excerpts, well in advance of any hearing. Partial disclosure was found to breach the right to a fair hearing and to render the process procedurally unfair. Although the ruling applies across sectors, its effects are particularly pronounced in the banking industry, where investigations are frequent, multi-stakeholder and often sensitive.

Banks conduct internal investigations routinely, including into fraud, AML/ CFT red flags, cyber incidents, conflicts of interest, harassment and conduct breaches arising from regulated roles.

The decision crystallises a key procedural expectation: if an investigation underpins a disciplinary charge, the employee must see the full report early enough to prepare a meaningful response. That reshapes how banks plan investigations, manage confidentiality concerns, and stage-case use of sensitive material.

The Court's articulation of fairness principles imposes three operational constraints. First, the full report must be disclosed, not curated extracts or summaries. Second, disclosure must be timely, "well before" the hearing, so the employee can instruct counsel, gather evidence, and test the narrative. Third, redactions are permissible only to protect whistleblower identities; blanket or convenience redactions risk invalidating the process. For banks, which often hold sensitive third-party data and intelligence, this narrows the scope for withholding material and heightens the importance of robust redaction protocols that protect informants without undermining the employee's right to know the case to meet.

Employers in the sector should expect longer investigation-to-hearing timelines, higher compliance and documentation costs, and greater litigation exposure for unfair termination if disclosure is partial or late, reshaping the employment law landscape for banking in Kenya.

Mauritius

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Legislative developments

Employment law changes arising from the Finance Act, 2025 (Finance Act) and Economic and Financial Measures (Miscellaneous Provisions) Act, 2025 (EFM Act)

The Finance Act and EFM Act brought about notable changes to certain leave provisions and immigration laws this year, which employers will need to bear in mind going forward. Some of the key changes are as follows:

- **Leave for healthcare-related issues:** The EFM Act has amended the Workers' Rights Act, 2019 (**WRA**) to expand the leave entitlements of workers (being those whose basic salary does not exceed MUR 50 000) in relation to healthcare-related issues of their families. The WRA previously provided that leave with pay could be taken by a worker to care for a child, parents and grandparents. The new amendment now extends such leave, so that a worker can also be granted leave with pay to care for their spouse with healthcare-related issues. The leave will be deducted either from the worker's annual leave, sick leave or vacation leave as provided under the WRA or any other enactment, and will be granted on production of the medical certificate of the spouse if the worker's absence exceeds three consecutive working days, among other things. Any request for such leave to care for a spouse must not exceed 10 days.
- **Annual fee payable in respect of a non-citizen:** The Finance Act amended the Immigration Act, 2022 by introducing a requirement for every employer, who has in its employment a non-citizen worker (being a worker who has been issued a work permit under the Non-Citizens (Employment Restriction) Act), to pay an annual non-refundable prescribed fee per non-citizen worker to the Director-General of Immigration.
- **Application for work permit:** An application for a work permit or for renewing a work permit under the Non-Citizens (Employment Restriction) Act can now be made through the digital platform, the National Electronic Licensing System, or through any other digital platform as prescribed. The work permit issued by the Ministry of Labour and Industrial Relations can now be an electronic version.
- **Combined work and residence permit:** A person holding a work permit and who has also been issued with a non-citizen residence permit will be issued with a combined work and residence permit. This amendment will, however, come into operation on a future date.

Anticipated workplace trends

Flexible work arrangements

Further to the Budget Speech 2025-2026 (**Budget Speech**), it was annouced that the Workers' Rights (Working from Home) Regulations, 2020 would be replaced by a Workers' Rights (Flexible Work Arrangement) framework, aimed at making the job market more accessible to women. The aforementioned regulations have not yet come into force and are something for employers to watch for in 2026.

Lodging Accommodation Framework

The Budget Speech also mentioned that the Lodging Accommodation Framework would be revamped to make it easier for employers to recruit foreign workers by allowing owners of lodging accommodations to hold a Lodging Accommodation Permit to lodge foreign workers of several employers centrally in their lodging accommodations. Likewise, such proposition has not yet been introduced into law.

AI in the workplace

It is becoming increasingly common for employees in the workplace to incorproate AI in their daily activities. There are now various tools readily accessible such as ChatGPT and Copilot and licensed products for particular fields, such as Harvey for the legal profession.

By next year, employers are expected to make use of AI tools as an integral part of their daily activities for purposes such as screening CVs, drafting job descriptions, interview support tools, skills matching, and workforce planning. In terms of productivity and knowledge management, AI embedded in office suites will be heavily relied on for drafting, translation and summarisation.

Importantly, AI-enabled threat detection and email security will become more prevalent.

While there is no AI-specific employment legislation or regulation or case law development in this sphere to date, existing Mauritian law on data protection provides a legal framework for data protection, fairness, transparency, proportionality in monitoring, and robust vendor and security controls.

We look forward to seeing further concrete developments in the legislative framework and relevant case law in the coming year.

Sector-specific outlooks

Spotlight on information and communication technologies

The Budget Speech referenced the intent of magnifying the role of technology, AI and innovation in the information and communication technology (**ICT**) sector in Mauritius.

The ICT industry in Mauritius remains a key pillar of the economy and continues to be one of the largest employers in the country, employing 34 500 people. However, the ICT industry is undergoing a transformative evolution by advancements in AI. The impact on employment is yet to be observed although it may lead to both job displacement in routine task-oriented roles and the creation of new, high-value employment opportunities.

Mozambique

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Legislative developments

Adjustment of national minimum salary in 2025

On 2 September 2025, the Council of Ministers of the Republic of Mozambique (**Council of Ministers**) approved new national minimum wages by sector of activity, with retroactive effect from 1 July 2025.

Although no significant change has been made to the minimum salary table approved in 2024, the increase in minimum salaries will contribute, albeit insignificantly, to improving the quality of life of employees employed in the sectors covered.

Employers operating in the sectors covered must immediately implement and/ or comply with the new minimum wages in their labour relations with their employees.

Waiver of fines and reduction of late payment interest for contributors to the Compulsory Social Security System

The Council of Ministers approved, on 1 July 2025, Decree No. 20/2025 of 9 July 2025, which grants a waiver of fines and a reduction of late payment interest to contributors to the Compulsory Social Security System who have failed to comply with their contributory obligations, namely the payment of contributions, fines and late payment interest, during the period from June 2022 to June 2025.

Excluded from the scope of this Decree on the Waiver of Fines and Reduction of Late Payment Interest are those contributors who executed the deed of adherence to previous Decrees on the waiver of fines and reduction of late payment interest but failed to meet their contributory obligations.

This legal instrument aims to ensure the recovery of compulsory social security contributions owed by contributors and self-employed employees, to facilitate the settlement of debts and, thereby, to guarantee full access to benefits by employees or their dependants, while at the same time stimulating economic activity by mitigating the burden arising from fines and late payment interest.

Regulation of Private Employment Agencies and the hiring of foreign employees

In order to align the operation of Private Employment Agencies with the current challenges of employability and national development, the Council of Ministers approved, through Decree No. 16/2025 of 19 June 2025, the Regulation on Licensing and Operation of Private Employment Agencies (**Regulation**) and repealed Decree No. 16/2018 of 23 April 2018, which amended and republished Decree No. 36/2016 of 31 August 2016, as well as Decree No. 87/2023 of 29 December 2023, concerning the revision of the Regulation on Licensing and Operation of Private Employment Agencies.

This Regulation essentially broadened the scope of action of duly licensed Private Employment Agencies, allowing them also to provide employment intermediation services. These services aim to bring together labour supply and demand by facilitating the placement of candidates, without the intermediary becoming a party to any employment relationship that may arise from such placement. Likewise, the duration of the special licence permit for Private Employment Agencies was extended from one year to three years.

With regard to the hiring of foreign employees, Decree No. 88/2024 of 17 December 2024 recently approved the Regulation on Mechanisms and Procedures for the Hiring of Foreign Nationals, which essentially added the regime of hiring within government-approved investment projects to the previously established regimes for the employment of foreign labour, namely the work authorisation regime, the quota regime, and the short-term employment regime. It further regulates the process of hiring foreign employees within the framework of diplomatic and consular relations.

Anticipated workplace trends

Virtual working

There is still no specific legislation regulating virtual working. However, in practice, employers, depending on the nature of the activity, have been implementing this mode of work performance, adopting, through internal regulations, a hybrid regime of work provision.

Thus, on intervening days, employees commonly carry out their activities remotely, that is, from their homes or other locations, and in person at their employers' premises.

AI use in the workplace

In a world undergoing profound technological transformation, there is a need for employers to equip their employees with training in AI, so that they may, through digital platforms, adequately and effectively respond to the prevailing demands in their respective sectors of activity. Although, as predicted last year, the use of AI is increasing in Mozambique, there are no legislative developments in sight. Employers must continue to have regard to issues such as confidentiality and data protection in allowing employees to use AI in the workplace.

Sector-specific outlooks

Spotlight on petroleum and gas operations

The Government has prepared a draft Local Content Law (**draft Law**) which will establish the legal framework governing the acquisition of goods, services and labour by projects and undertakings within the petroleum and natural gas industry.

At present, the process of public consultation on the draft Law is underway, and it is expected that the proposal will be submitted to the Assembly of the Republic of Mozambique for approval before the end of the current year.

With the approval of the draft Law, significant economic growth and increased employment opportunities for Mozambicans in the petroleum and gas sector are anticipated. Entities engaged in the exploitation of these resources shall, on the one hand, be under a duty to enter into partnerships with national companies and, on the other hand, be required to give preference to the recruitment of national labour, with the purpose of training, knowledge transfer and the development of competences appropriate to the petroleum sector.

Spotlight on information and communication technologies

Employers operating in the information and communication technologies sector should remain attentive to the forthcoming regulatory instruments, soon to enter into force, concerning the protection of personal data, cybercrime and cybersecurity, in order to comply with legal requirements in the production of their goods and services.

Namibia

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Legislative developments

Increases to the national minimum wage for certain employees

Arguably the most significant development in the Namibian labour market is the implementation of a national minimum wage, the first in Namibia's history. The national minimum wage was gazetted in 2024 and took effect from 1 January 2025. Almost a year down the line, the labour market has felt its impact.

In terms of the Wage Order Setting the National Minimum Wage for Employees, 2024 (**Wage Order**), basic minimum wages are set for all employees, including employees placed by private employment agencies, but excluding members of the Namibian Defence Force, Namibian Police Force, Municipal Police Service, Namibia Central Intelligence Service and the Namibian Correctional Service.

The implementation of the Wage Order on 1 January 2025 set a minimum basic salary of NAD 18 per hour for most sectors. The Wage Order is couched in a way that leaves very little wiggle room for employers to manoeuvre and restructure benefits and allowances so that the total cost to company of an employee's remuneration remains relatively unchanged. It has pushed up the cost of labour significantly in some sectors. This has guaranteed many employees a basic minimum wage that significantly increased their monthly take home salary. It also forced employers that are engaged in sectors where a large workforce of unskilled labour is employed, for example the retail, wholesale and hospitality sectors, to restructure their business model and workforce, and, in many instances, to retrench employees due to significantly reduced profit margins.

Alive to the impact that this may have on certain sectors, a staggered approach was implemented for those employed in the private security, agriculture and domestic worker sectors such that the basic wage starts at an amount lower than NAD 18 per hour and builds up as the years go by. In January 2025, an amendment was made to the Wage Order, adding security workers as an additional category to which different rates apply. As from 1 January 2026, domestic workers must be paid NAD 15 per hour; agriculture workers receive NAD 14 per hour; and security workers receive NAD 16 per hour. All categories of worker will then be paid NAD 18 per hour from 1 January 2027.

Ultimately, whether the implementation of the Wage Order is beneficial for economic growth in Namibia remains to be seen. The Wage Order was introduced just before the most recent national elections in November 2024 and is considered a strategic initiative by the ruling party to gain voter sentiment.

Employers must pay their employees at least the national minimum wage, or a higher wage as agreed. Failure to pay at least the minimum wage would amount to a contravention of the Labour Act, 2007 (**Labour Act**). The Labour Act also affords employers the right to apply for exemption from the operation of a wage order for a stipulated period in certain circumstances. The number of applications for continuous operations and exemptions have shown a relative increase over 2025, most likely because of the minimum wage coming into force and the drive for employers to restructure their working hours in an economically efficient manner.

Anticipated workplace trends

AI in the workplace

The use of AI in the workplace is becoming an increasingly important consideration for employers in Namibia seeking to automate routine tasks, enhance decision-making through data analytics and improve HR processes like recruitment. While there are currently no AI-specific laws in the country, Namibia launched its AI Readiness Assessment Report in August 2025, providing key findings and recommendations across legal, social, cultural, scientific, educational, economic and technical domains. Following the launch of the report, members of Parliament participated in UNESCO-led training on AI and the Rule of Law in October 2025 to strengthen understanding of ethical AI utilisation in policy and decision-making. The country is currently developing a national AI strategy and establishing an AI Institute led by the National Commission on Research, Science and Technology. Accordingly, regulatory development in this area is anticipated.

Increased focus on disability inclusion and accommodation

An amended National Disability Policy (**Policy**) came into operation on 14 October 2025, by way of an amended schedule to the National Disability Council Act, 2004 (**NDCA**). The NDCA establishes the National Disability Council of Namibia, that is mandated to implement the Policy and make recommendations for law reform. The Policy is grounded in Namibia's Constitution (Article 144) and domesticates the UN Convention on the Rights of Persons with Disabilities (**UNCRPD**) and the African Disability Protocol, both of which are binding and form part of Namibian law.

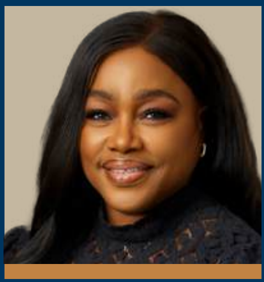
Among other things, the Policy recognises that, despite Namibian laws promoting inclusive employment – including the Labour Act, that prohibits both direct and indirect discrimination based on physical or mental disability in employment and permits affirmative measures for persons with disabilities; and the Affirmative Action (Employment) Act, 1998, which recognises persons with disabilities as a designated group for affirmative action purposes – persons with disabilities still face barriers to securing and retaining jobs. One of the objectives of the Policy is, accordingly, to continue strengthening equal employment opportunities for persons with disabilities in the labour market. To this end, the Government will encourage public and private sector employers to adopt and strengthen workflow and processes to accommodate persons with disability to perform work with the assistance of technical aids and assistive devices, to enable maximum participation in decent jobs. Going into 2026, employers in Namibia should place increased focus on reasonable accommodation measures.

Sector-specific outlooks

Spotlight on mining

The mining sector – one of the key economic sectors in Namibia – is gearing up for transformation, with lawmakers currently reviewing the Minerals (Prospecting and Mining) Act, 1992 (**Act**). A draft amendment bill is undergoing public comment, with the aim to amend the Act to, among other things, formalise local content, beneficiation (especially of diamonds and uranium) and equity participation requirements. Among the key proposed amendments include provisions for mandatory local employment to ensure that a greater portion of jobs in the sector are filled by Namibian citizens. The proposed changes signal a stronger political will to ensure that the country's mineral wealth translates into more substantial benefits for the domestic economy. On a related note, amendments are also intended to be made to the Petroleum (Exploration and Production) Act, 1991 to deal with the potential upsurge in activity if the recent oil and gas finds go into production.

Nigeria



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Legislative developments

New data protection standards for employers

The Nigeria Data Protection Act, 2023 (**NDPA**), which is the extant law on data protection in Nigeria, continues to exert a significant influence on the compliance practices of organisations, including their employment practices.

This has been further enhanced by the issuance of the General Application and Implementation Directive (**GAID**) by the Nigeria Data Protection Commission (**NDPC**) in March 2025. The GAID came into effect on 19 September 2025 and provides comprehensive and binding guidance on the interpretation and application of the NDPA across all sectors, including employment. Specifically, it imposes more stringent compliance obligations on all organisations subject to the NDPA, including employers in their capacity as data controllers and processors.

Under the GAID, employers to which the NDPA applies are required to adopt robust security protocols and safeguards for all kinds of personal data processing activities (including collection, storage, disclosure, alteration, retrieval or transfer) to ensure the security of personal data. It also guarantees the rights of employees and other data subjects whose personal data is handled by an employer, such as independent contractors, vendors, customers or business partners.

The GAID is applicable to a data controller or processor where (i) it is domiciled, resident or operating in Nigeria; (ii) the processing of personal data occurs within Nigeria; or (iii) it is not domiciled, resident or operating in Nigeria, but is processing personal data of a data subject in Nigeria.

Every data controller or processor to which the GAID applies is expected to revise its internal policy documents and ensure adequate mechanisms are in place to ensure compliance with the GAID. Failure to comply with the provisions of the GAID may result in an investigation by the NDPC, sanctions, administrative penalties, other forms of enforcement action, or litigation from aggrieved data subjects, all of which could result in financial loss or reputational damage.

As a result, employers must now adopt a proactive, risk-based approach to data governance and ensure their human resource and information technology practices align with Nigeria's evolving data protection regime.

Implications of the Nigeria Tax Act, 2025 for employment relationships

The Nigeria Tax Act, 2025 (**NTA**), which repealed various tax laws, including the Personal Income Tax Act (Chapter P8) LFN 2004 (as amended) (**PITA**), was signed into law on 26 June 2025. The commencement date of the NTA is 1 January 2026. This means that the PITA and other repealed laws remain operative until 1 January 2026, when the NTA takes effect. The NTA provides a unified fiscal legislation governing taxation in Nigeria and introduces structural reforms to broaden the tax base.

Regarding employment relationships, the NTA introduces comprehensive reforms to the definition and treatment of employment income and benefits. The changes introduced will have a direct impact on employees' take-home pay and payroll calculations, requiring employers to update their payroll processes accordingly. Some of the changes introduced by the NTA as it relates to employment relationships include, but are not limited to:

- **New income bands and tax rates:** New personal income tax bands and rates are introduced, which provide greater relief for lower-income employees while applying progressively higher rates to higher-income individuals.
- **Clearer definition of resident and non-resident individual:** The NTA now provides a clear definition of when an individual is considered resident in Nigeria. Under the NTA, a resident individual is an individual who, in a year of assessment: (i) is domiciled in Nigeria; (ii) has a permanent place available for their domestic use in Nigeria; (iii) has a place of habitual abode in Nigeria; (iv) has substantial economic and immediate family ties in Nigeria; (v) sojourns in Nigeria for a period of up to or more than 183 days in a 12-month period, inclusive of annual leave or temporary period of absence; or (vi) serves as a diplomat or diplomatic agent of Nigeria in another country. An individual who does not meet any of these conditions is considered a non-resident individual.
- **Benefit in kind for rent:** The NTA caps the taxable value of accommodation benefits at 20% of an employee's annual gross income. Where premises in Nigeria are made available by an employer to the employee, the spouse or family and the employee pay no rent, or pay a rent less than the annual rental value of the premises, the employee will be treated as receiving additional emoluments equal to the annual rental value of the premises, capped at a maximum of 20% of their annual gross employment income.

Proposed enactment of the Nigeria Social Security Trust Fund Act

It is anticipated that in 2026, the Nigeria Social Security Trust Fund Bill (**NSSTF Bill**) will be enacted into law, having already passed its second reading in the Nigerian Senate as of the date of this publication.

The NSSTF Bill is designed to repeal the Nigeria Social Insurance Trust Fund Act, Cap N88, LFN 2004, and the Employees' Compensation Act, Cap E17, LFN 2004, consolidating their provisions into a single, streamlined framework.

The NSSTF Bill aims to provide comprehensive compensation to workers for any death, injury, disease or disability arising out of, or in the course of, their employment, as well as to address related matters. Once enacted, the NSSTF Bill is expected to reduce the fragmentation of worker compensation legislation in Nigeria.

Anticipated workplace trends

In-house AI development

The adoption of AI in Nigerian workplaces continues to grow, particularly across sectors such as finance, telecommunications, logistics, legal services, manufacturing and public administration.

In 2026, a notable workplace trend in Nigeria is expected to be the growing adoption of in-house AI solutions. Instead of relying solely on external platforms, organisations are increasingly investing in proprietary AI systems tailored to their specific operational requirements, industry contexts and local conditions. This shift is motivated by the need for greater control over sensitive data, the ability to customise solutions for Nigerian markets, and the pursuit of long-term cost efficiencies.

Although Nigeria does not yet have a dedicated law regulating the use of AI in the workplace, the development and use of in-house AI tools in employment will be guided by Nigeria's evolving data protection framework.

The NDPA, the GAID, and other data protection legislation set out clear rules on transparency, accountability and security regarding the handling of personal data. Organisations will be expected to adopt privacy by design and by default methodologies and intentionally build these principles directly into their AI systems to ensure that employee and customer information is handled responsibly and in compliance with the law.

As Nigerian organisations continue to adopt and develop in-house AI solutions, the successful integration of these technologies will depend on balancing innovation with compliance. By embedding data protection principles into AI systems from the outset, companies can enhance operational efficiency while safeguarding the rights and trust of employees and customers.

Looking ahead, the workplace of 2026 is poised to become more technologically advanced, data-conscious and ethically responsible, setting a strong example of how AI can be harnessed safely and effectively in the Nigerian context.

Remote work rules

Although the National Employment Policy 2025 (**NEP**) is not a law, it serves as a strategic policy framework issued by the Federal Ministry of Labour and Employment, aimed at promoting youth empowerment, providing targeted support to vulnerable groups, and strengthening Nigeria's employment infrastructure.

The NEP sets out approximately 12 objectives, including promoting full employment as a key priority in national, economic and social policy, and ensuring that all men and women who are willing and able to work can achieve a secure and sustainable livelihood through productive and freely chosen employment.

The NEP recognises remote work, or teleworking, as an important aspect of Nigeria's evolving labour market. It outlines strategies and principles to guide remote work arrangements between employers and employees, emphasising flexible work structures that allow employees to perform their duties outside traditional office settings while leveraging digital technologies to maintain productivity and engagement. The policy recommends that employers provide teleworkers with the necessary tools and equipment for remote work. Where employees use their own tools, a monthly compensation may be agreed upon.

Employers are also encouraged to reimburse teleworking-related expenses not normally incurred in the course of work and may agree with employees on a monthly allowance to cover internet, telephone and energy costs.

By promoting remote work, the NEP aims to create a framework in which employers and employees can operate with clear protections for labour rights, fair treatment, and alignment with global best practices. As a result, we can expect more organisations to formalise their approach to remote work by implementing policies that clearly outline provisions for tools, reimbursement of expenses, allowances for internet and energy costs, and other aspects of digital connectivity.

Sector-specific outlooks

Spotlight on financial services

Nigeria's removal from the Financial Action Task Force's (**FATF**) Grey List in October 2025 represents a significant step in strengthening the country's anti-money laundering and counter-terrorist financing (**AML/ CFT**) framework. The delisting is expected to have tangible benefits for Nigerian businesses, particularly in the financial sector. It is likely to ease restrictions in correspondent banking relationships, reduce the enhanced due-diligence requirements previously imposed by foreign counterparties, and lower compliance-related costs in cross-border payments, trade finance and international lending.

A clearer and more credible regulatory environment also boosts investor confidence, potentially attracting both foreign and domestic investment and supporting business expansion. As companies grow and formalise operations, this may translate into more structured employment opportunities, greater adherence to labour laws, and improved compliance with regulatory requirements.

Employers may also encounter increased obligations in areas such as AML and financial reporting, influencing background checks for prospective employees, internal controls and staff responsibilities. Overall, Nigeria's exit from the FATF Grey List is expected to enhance transparency, accountability and formalisation in workplaces, creating benefits for both employers and employees.

Senegal

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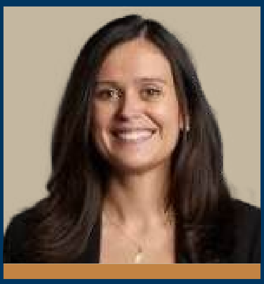

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Legislative developments

A Labor Code reform in the making

Senegal's Labor Code (enacted by Law No. 9717 of 1 December 1997) has remained largely unchanged for over 25 years. The new Government under President Bassirou Diomaye Faye (elected April 2024) has prioritised in-depth legal reform to promote local jobs and strengthen worker protections. In early 2025, the authorities confirmed a comprehensive Labor Code reform is under way, with the draft expected by the end of 2025. Key aims are aligning the Code with today's economy, reinforcing workers' rights, and giving labour inspectors more powers to enforce the law. The reform is also expected to include stricter conditions on hiring expatriates to ensure priority for Senegalese workers. Employers should prepare for a more pro-worker regime and faster administrative processing.

The Grand Mosque of Dakar, Senegal's capital city, hosts government and business centres where new labour reforms will be implemented.

Enforcement of local content requirements

Senegal is also cracking down on local content rules, especially in energy and mining. Laws introduced in 2019 (oil/ gas) and 2022 (mining) require oil, gas and mineral projects to use Senegalese workers and suppliers. In 2024 and 2025, regulators warned companies that these rules will be strictly enforced. Authorities are preparing new decrees to empower inspectors to monitor hiring and impose fines for non-compliance. In practice, this means oil, gas and mining firms must ensure a significant portion of their workforce is Senegalese. When Senegal became a first-time oil producer in 2024, the Government stated jobs for nationals would be a top priority. In short, companies in extractive industries should double-check their local-hiring and procurement plans now to comply with the evolving rules.

Anticipated workplace trends

AI in the workplace

Like many countries, Senegal is seeing growing interest in AI in the workplace. Employers are exploring AI for efficiency, using chatbots, analytics, or task automation, but no AI-specific legislation yet exists. The National AI Strategy, launched in 2023, promotes ethical use, yet as of 2025, companies must rely on existing laws to govern AI deployment.

Key legal considerations include data protection, equality and transparency. Under Act 2008-12, any personal data processed by AI, such as during recruitment or performance reviews, must be handled securely and lawfully. Employers must avoid discrimination and ensure that important employment decisions are not fully automated without human oversight.

As Senegal develops its digital framework, future AI governance rules are expected, likely inspired by international models. Until then, employers should self-regulate by updating HR and IT policies, restricting the use of public AI tools for confidential data, and training staff on responsible AI use. In short, AI offers opportunities for productivity gains, but companies should proceed cautiously and compliantly within existing labour and privacy laws.

Sector-specific outlooks

Spotlight on energy (oil, gas and mining)

The extractive sector will be central to Senegal's economy in 2026. With oil production now underway, the oil and gas industry is expanding rapidly, creating new jobs and business opportunities.

The Government aims to reshape the sector to favour national participation, complementing stricter local content enforcement with additional measures such as tighter inspections of foreign contractors and stronger requirements for technology and skills transfer to Senegalese workers.

With first oil from Sangomar in 2024 and gas production starting, President Faye has ordered audits of resource contracts and may renegotiate terms to secure greater local benefits. The President's plan to review and renegotiate contracts may bring new obligations on labour costs, training and working conditions. Yet, rising production (Sangomar alone is expected to reach about 100 000 barrels per day) should generate employment in engineering, construction and operations.

Companies in extractive industries should expect close monitoring and must maintain clear Local Content Plans. To stay ahead, companies should invest in local workforce development and align with government training programmes.

Overall, 2026 will see the sector both closely regulated and rapidly growing, as Senegal consolidates its position as a leading regional hydrocarbons producer with a stronger local talent base.

Spotlight on technology and the digital economy

Senegal's technology sector is entering a major growth phase, driven by strong government backing. In early 2025, the country launched a 'Technological New Deal', a digital transformation plan to make Senegal a leading African tech hub. The strategy focuses on modernising infrastructure, expanding internet access, and supporting startups through simplified procedures, tax incentives and a dedicated Start-Up Act, one of the first of its kind in Africa.

By 2026, sectors like software development, fintech and telecommunications are expected to expand sharply, creating high demand for skilled talent. Dakar is emerging as a regional digital centre, attracting both local and international companies. Employers should prepare for intense competition for tech professionals and consider retention measures such as flexible work or equity-based incentives.

As digitalisation advances, new compliance rules for cybersecurity, data protection or e-commerce may gradually follow. Overall, Senegal's tech industry is on a strong upward path, offering major opportunities for businesses that align with the country's digital transformation agenda.

South Africa

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Legislative developments

First swell in the 'wave' of labour law amendments

In 2024, the Department of Employment and Labour (**DoEL**) advised the public that a new 'wave' of labour law amendments was in the pipeline in South Africa. In February 2025, the NEDLAC Report on the Labour Law Reform Process (**NEDLAC Report**) was published and submitted to the Minister of Employment and Labour (**Minister**) along with four proposed amendment bills. These bills propose 47 amendments to the Labour Relations Act, 1995 (**LRA**), 13 amendments to the Basic Conditions of Employment Act, 1997 (**BCEA**), two amendments to the National Minimum Wage Act, 2018 (**NMWA**) and three amendments to the Employment Equity Act, 1998 (**EEA**). In 2026, we expect to see the bills start to make their way through the Parliamentary processes.

Key proposals include simplifying procedural fairness and limiting compensation for procedurally unfair dismissals, excluding high-paid employees from certain statutory protection, dismissal and retrenchment procedures, improving the efficiency of bargaining councils and the Labour Court, and introducing a broader definition of 'employees'.

In the meantime, the first 'swell' of reform has hit our shores, with a new Code of Good Practice: Dismissals (**New Code**) effective from 4 September 2025. Going into 2026, employers will need to become familiar with the New Code and consider updating their policy documents, where needed.

Restructuring of parental leave framework

On 3 October 2025, the Constitutional Court handed down judgment in *Van Wyk and Others v Minister of Employment and Labour* which restructures the statutory parental leave framework under the BCEA and, in parallel, affects entitlements under the Unemployment Insurance Act, 2002 (**UIA**). The Court declared certain provisions of these statutes invalid because they unfairly discriminate between mothers and fathers and different categories of parents in terms of the duration of leave afforded to them and the extent and duration of benefits provided. It suspended the declarations of invalidity for 36 months to allow Parliament an opportunity to cure the defects in the legislation and ordered an interim reading-in for the BCEA, with immediate effect from the date of the order. In practice, the effect of the Court's reading-in is that the separate statutory categories of maternity, parental, adoption and commissioning parental leave are, for the interim period, consolidated into a single parental leave framework.

In short, a single parent, or a parent who is the only employed party in a parental relationship, is entitled to at least four consecutive months' unpaid parental leave. Where both parties are employed, they are entitled to share four months and 10 days' unpaid parental leave. Certain statutory protections remain in place for birth mothers: a birth mother is legally prohibited from working for six weeks after birth unless certified fit to do so, and she is entitled to commence parental leave any time from four weeks before birth.

The judgment has raised several legal and practical difficulties for employers to navigate, particularly those who have historically provided enhanced parental leave benefits. Going into 2026, employers must give careful thought to how they update their leave policies to ensure that they are legally defensible, while also remaining supportive for employees, and operationally and financially sustainable.

Employment equity compliance

Employment equity compliance and the application of sector targets are likely to be front of mind for many South African employers next year.

Section 15A under the Affirmative Action chapter of the recently amended Employment Equity Act, 1998 (**EEA**) empowers the Minister to identify national economic sectors and to determine numerical targets for demographic representivity in the workplaces of 'designated employers' in these sectors. In setting its numerical goals in its employment equity plan, a designated employer must take into account any applicable sector target, as well as the applicable economically active population and its workforce profile.

The amendments to the EEA came into force on 1 January 2025 and on 15 April 2025, the Minister published the 'Determination of Sectoral Numerical Targets' and the 'Employment Equity Regulations, 2025' (together the **EE Regulations**), which repealed the Employment Equity Regulations, 2014.

There are a number of ongoing legal challenges to both the EE Regulations and to the amendments to the EEA itself, with some stakeholders challenging the constitutionality of the provisions and others taking issue with the process that was followed in publishing the EE Regulations.

Unless or until the impugned provisions are set aside, designated employers must put in place new employment equity plans (for the period 1 September 2025 until 31 August 2030) and are required to submit their first report under the new regime, the deadline for online submissions being 15 January 2026. Designated employers will not be measured on their annual employment equity targets in this first year of reporting, but will be assessed against their first-year targets in the 2026 reporting period. Designated employers will accordingly need to take steps in 2026 to implement their first-year objectives and goals, as set out in their plans, and be prepared to justify any non-compliance by raising applicable justifiable reasons as contemplated in the EE Regulations.

For the first time, employers seeking to do business with the State will also need to apply for their employment equity certificate of compliance. Applications must be made online on the DoEL's website.

Remuneration disclosure

Employers are still awaiting the effective date of the remuneration disclosure provisions of the Companies Amendment Bills, 2023, promulgated in July 2024.

Among other things, the amendments will introduce changes to corporate pay gap disclosure practices for public and state-owned companies. Affected companies are encouraged to take proactive steps to prepare for the amendments, including by amending their remuneration policies, adapting governance documents and considering which employees and legal entities to include for purposes of disclosure and what elements of pay constitute 'total remuneration'.

Additionally, political party Build One South Africa has proposed amendments to the EEA by way of the 'Fair Pay Bill' (**Bill**) which aims to end salary discrimination and promote equal opportunity in the workplace. At its core, the Bill seeks to ban employers from asking about a candidate's previous salary history and requires employers to be transparent about what they are willing to pay for a role. While still to make its way through the Parliamentary process, the Bill provides an opportunity for employers to consider modernising their approaches to pay, to attract the best talent and build fairer and more inclusive workplaces.

Anticipated workplace trends

AI in the workplace

Whilst South Africa has yet to enact binding legislation regulating AI use following the National AI Policy Framework released by the Department of Communications and Digital Technologies in 2024, employers in the country are increasingly harnessing AI across a wide range of workplace functions, from streamlining recruitment and automating administrative processes to enhancing data analysis and supporting decision-making. This widespread adoption is not only driving operational efficiency but also reshaping job roles, with organisations needing to invest in upskilling their workforce to work alongside AI systems.

As AI becomes more deeply embedded in daily business operations, employers will need to place greater emphasis on addressing the associated legal, ethical and data protection considerations to ensure responsible and compliant use of these technologies.

Mental health matters

The number of mental ill-health-related matters in the workplace continues to rise and we expect that this will continue next year. In response, more employers are providing comprehensive support systems like Employee Assistance Programmes and mental health days, among other things, to foster a healthier work environment.

Sector-specific outlooks

Spotlight on mining

In 2025, we saw a flurry of new health and safety guidelines published in terms of the Mine Health and Safety Act, 1996 (**MHSA**) dealing with issues from road safety management and fires, to change management and the prevention and management of non-communicable diseases and mental health disorders in the mining industry. In terms of the MHSA, employers in the mining industry are required to prepare and implement codes of practice (**COP**) on any matter affecting the health and safety of employees or others who may be directly affected by their activities if the Chief Inspector of Mines (**Chief Inspector**) requires it. Such COPs must be submitted to the Chief Inspector and must comply with any guidelines issued by the Chief Inspector. The various guidelines will come into effect in October and November 2025 respectively and some require ongoing monitoring and evaluation of the relevant programmes. These health and safety matters should accordingly be a focus area for mining employers in the coming year.

Spotlight on manufacturing

The South African manufacturing industry remains a critical component of the national economy, contributing significantly to employment and GDP.

As of late 2025, amid ongoing global economic pressures, the industry faces substantial challenges that are likely to persist into 2026. Chief among these are persistent energy supply constraints, rising electricity costs and poor rail and ports infrastructure. Additionally, manufacturers are contending with global supply chain disruptions, high input costs, and heightened competition from imported goods. Against this backdrop, we have seen a number of employers having to resort to retrenchments in 2025, which may continue in 2026.

Tanzania

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Legislative developments

Significant amendments to employment laws

In the first quarter of 2025, Parliament enacted the Labour Laws (Amendments) Act, 2025 (**LLAA**). It came into operation on 14 March 2025. The LLAA amends various provisions of the following laws:

- The Employment and Labour Relations Act [Cap. 366, R.E. 2019] which is now Revised Edition 2023. This Act has been amended in sections 4, 9, 14, 33, 37, 40, 71, 73, 86, 87, 88, 94 and 97 and new sections 16A, 34A and 41A have been added;
- The Labour Institutions Act [Cap. 300, R.E. 2019] which is now Revised Edition 2023; and
- The Non-Citizens (Employment Regulations) Act [Cap. 436 R.E. 2019] which is now Revised Edition 2023. This Act has been amended in sections 9, 10 and 12.

The amendment has resulted in major changes in the employment laws. For example, in the Employment and Labour Relations Act, fixed-term contracts of employment are no longer limited to professionals and employees in management. If an employee meets any of the nine conditions listed in section 16, they qualify. Leave without pay is now allowed if conditions stated in the law have been fulfilled. The law has also set the minimum and maximum compensation for unfair termination of employment depending on the reasons which led to termination. The law now prohibits commencement and continuation of disciplinary proceedings against an employee if the matter has been referred to the Commission for Mediation and Arbitration. Going into 2026, employers will need to continue to align their employment practices with these updates to the legal framework.

Anticipated workplace trends

Leave without pay

As the law now allows an employee to take leave without pay, we anticipate employees who have some personal commitments to apply for leave without pay for the period which the law allows.

Increased use of fixed-term contracts

Since contracts for specified periods are no longer limited to professionals and employees in management, we anticipate increased use of these contracts going forward.

Sector-specific outlooks

Spotlight on mining and energy, and transport and logistics

In July 2025, Tanzania launched its 2025-2050 vision where it identified nine strategic sectors which will drive the economy in the next 25 years. These are: (i) agriculture, (ii) mining and energy, (iii) tourism and creative economy, (iv) blue economy, (v) industrialisation and manufacturing, (vi) ICT and innovation, (vii) transport and logistics, (viii) financial services and investment, and (ix) human capital development.

Out of the nine strategic sectors, two sectors, namely (i) mining and energy, and (ii) transport and logistics, are anticipated to be significant for economic growth and job opportunities. In mining and energy, Tanzania will prioritise extraction of minerals – particularly critical and strategic minerals needed for green technologies. In transport and logistics, strategic investment will continue to be in railway, road, port and aviation infrastructure to make Tanzania a regional logistics hub.

Uganda

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Legislative developments

Occupational safety and health reforms arising from the Occupational Safety and Health (Amendment) Act, 2025

The Occupational Safety and Health (Amendment) Act, 2025 (**Act**) was assented to by the President on 10 April 2025. The Act introduces significant reforms to Uganda's occupational safety and health framework, aimed at strengthening workplace health standards and compliance. Briefly, the Act seeks to, among other things:

- expand the scope of the Occupational Safety and Health Act to apply to all workplaces regardless of size or sector (previously, the law required an employer with at least 20 workers to have an OSH policy);
- empower inspectors to prosecute offences under the Act with the consent of the Director of Public Prosecutions;
- introduce the registration and licensing of safety and health practitioners, making it an offence to conduct safety audits or risk assessments without certification;
- require employers to implement measures for monitoring the health of workers;
- mandate annual safety and health audits and risk assessments to ensure safe and healthy working environments;
- require that all machine, plant and equipment operators be trained and certified; and
- impose obligations on occupiers to ensure electrical safety and the safe disposal of hazardous substances in accordance with the National Environment (Waste Management) Regulations, 2020.

The Act is now in force and employers should ensure that they update their policies and practices accordingly to ensure compliance.

Public service pension reforms arising from the Public Service Pension Fund Bill, 2024

The Public Service Pension Fund Bill, 2024 was passed by Parliament. This law introduces comprehensive reforms to Uganda's public service pension system. Briefly, it seeks to, among other things:

- establish a Public Service Pension Fund (**Fund**) and a contributory public service pension scheme, replacing the current non-funded, non-contributory model under the Pensions Act, Cap. 89;
- create a Board of Trustees to oversee the management, investment and administration of the Fund;
- require mandatory contributions from both employees and employers, with employees contributing 5% of their basic salary and employers contributing 10% of the employee's basic salary. Contributions are payable monthly by the 15th of the following month, and the Minister may adjust rates based on actuarial valuations;
- assign a unique identification number to each member for purposes of collecting contributions, recording and processing information on the member; and
- impose penalties for late remittance of contributions, calculated at 1.5% of the unpaid amount, with further penalties accruing monthly until payment is made.

Regulation of human resources practitioners

The Human Resource Managers' Professionals Bill, 2025 (**Bill**) seeks to professionalise and regulate human resource management in Uganda by establishing the Human Resource Management Professionals Society and its governing Council. It introduces registration categories (professional, fellow, associate, honorary), licensing and practicing certificates, and recognition of consulting firms. It also sets up a Disciplinary Committee, a professional code of conduct, and penalties for malpractice. The Bill emphasises continuous professional development, accreditation of HR programmes, and harmonisation with regional standards. Through structured governance, accountability and regulation, it aims to standardise HR practice, strengthen professionalism, and enhance organisational performance across public and private sectors.

The Bill was tabled in Parliament as a private members bill by Workers MP Margaret Rwabushaija.

Anticipated workplace trends

Importance of issuing investigative reports prior to disciplinary proceedings

Recent jurisprudence in Uganda underscores the critical role of procedural fairness in disciplinary hearings. In *Shallon Kansiime v Finance Trust Bank*, LDR No. 059 of 2021, the Industrial Court highlighted that employees must be provided with a copy of any investigation report prior to a disciplinary hearing. The Court referenced *Kabagambe v Post Bank U Ltd* and *Douglas Lukwago v Uganda Registration Services Bureau* LDR 107 of 2020, where the Industrial Court observed that it is well settled that where the termination of an employee is based on an investigation, principles of natural justice dictate that the employee in issue must be given the report before the disciplinary hearing to enable them to respond to its findings. The Court held the omission as a breach of the principles of natural justice and declared the hearing unfair.

Remote working and 'employer of record' (EOR) services, and emerging workplace models

In 2025, hybrid and remote working models continued to gain traction. Many organisations now allow employees to work remotely for part of the work week, balancing flexibility with operational needs. This trend is expected to expand further as organisations refine policies to support productivity, collaboration and employee wellbeing.

As anticipated, we also saw increased adoption of EOR arrangements and expect this trend to continue in 2026. An EOR is a third-party entity that assumes the role of legal employer and takes on all employer-related responsibilities on behalf of another company.

An EOR allows companies to efficiently engage talent without the compliance risk of violating local employment laws. Multinationals in the oil and gas sector were the biggest adopters in 2024. However, we also saw companies in the financial services and construction sectors increasingly take advantage of EOR arrangements.

Other key workplace trends that emerged in 2025 include:

- **Gig economy growth:** Platforms enabling freelance, short-term and task-based work are expanding opportunities for flexible employment, particularly in logistics, transport and digital services.
- **Shared and co-working spaces:** Organisations are increasingly leveraging co-working spaces to reduce costs, support hybrid teams, and foster collaboration in urban centres.

Integration of ESG in workplaces and reporting

Workplaces in Uganda are increasingly embedding environmental, social and governance (**ESG**) considerations into their policies, operations and corporate culture. Organisations are also introducing policies on environmental sustainability in their financial reporting and have considered introducing ESG roles (eg Officer ESG) to manage this development. This is prevalent within employment sectors such as banking, insurance, etc.

AI adoption

AI continues to force its way into the workplace in Uganda, including in the human resources space.

Given the significance of the technology, the Uganda Communications Commission launched an AI Task Force to drive the adoption of AI in the communications sector. The Task Force will review existing laws and regulations related to AI, identify gaps and challenges, and explore ethical considerations and international best practices.

The Task Force will also analyse the economic impact of AI on job creation, productivity and overall economic growth, identify educational needs, and encourage innovation and entrepreneurship in AI-related fields. We expect that the use of AI will only pick up steam, and that regulation around such usage might be formulated in 2026.

Sector-specific outlooks

Spotlight on oil and gas

The oil and gas sector in Uganda continues to grow, presenting opportunities and regulatory obligations for employers. A major focus is local content and empowerment, backed by sector-specific laws and policies, as follows:

- **Petroleum (Exploration, Development and Production) (National Content) Regulations, 2016:** Licensees, contractors and subcontractors must prioritise sourcing goods and services from Ugandan companies and citizens, promote the training and employment of Ugandans, and submit national content programmes and quarterly performance reports to the Petroleum Authority of Uganda.
- **Petroleum (Exploration, Development and Production) Act, Cap. 161:** This operationalises the National Oil and Gas Policy by supporting state participation and national content. Section 125 provides that licensees, contractors and subcontractors must give preference to Ugandan goods and services, and where unavailable, goods or services must be supplied through joint ventures with Ugandan companies holding at least 48% share capital.
- **Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, Cap. 162:** This reinforces national content in midstream operations. Section 53 requires licensees, contractors and subcontractors to prioritise Ugandan citizens and registered entities owned by Ugandans in the provision of goods and services.

Spotlight on mining

The Mining and Minerals Act, Cap. 159 (**Act**) was passed with the purpose to promote local content in the mineral subsector. Section 194 (1) of this Act provides that a mineral right, licence or permit issued under the Act shall include a commitment by the holder to maximise knowledge transfer to Ugandan citizens and to establish in the country, management and technical capabilities and any necessary facilities for technical work. Further, section 195(1) of the Act guides that a mineral rights holder, licensee, contractor or subcontractor shall employ and train Ugandan citizens and implement a succession plan for the replacement of expatriate employees in a manner prescribed by regulations.

Zambia

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Legislative developments

Anticipated employment law reform

In the first quarter of 2024, the Employment Code (Amendment) Bill (**Bill**), which sought to amend the Employment Code Act, 2019 (**ECA**), was released for stakeholder engagements and consultations. However, it was withdrawn in response to concerns raised by various stakeholders, such as trade unions, who threatened to organise nationwide protests if the Government did not retract the amendments.

In the second quarter of 2025, statements made in the National Assembly confirmed revisions and proposed changes of the ECA and the Industrial and Labour Relations Act as part of the decent-work agenda.

In addition, in or around July 2025, the Chandler Institute of Justice submitted a technical report on the ECA to the Ministry of Labour and Social Security. The report contained proposed recommendations and amendments to the ECA; however, the details of these recommendations have not yet been made public. Accordingly, while amendments to the ECA can be reasonably anticipated, it remains uncertain which specific provisions may be subject to revision.

Earlier this year, the Ministry of Labour and Social Security introduced two Bills. The first Bill seeks to refine social security schemes and address deficiencies in their design, financing, administration, and supervision. Consequently, reforms in the pension industry are expected; however, such reforms are unlikely to have a direct impact on employees or employers.

The second Bill, the Workers' Compensation Bill, aims to repeal and replace the Workers' Compensation Act, 1999 with the objective of improving the benefits provided under the Act and extending coverage to the informal sector as well as to public service employees. These Bills are yet to be tabled before Parliament; however, it is anticipated that the proposed reforms will receive broad public support.

In addition, in August 2025, the Government approved the Workers' Compensation (Funeral Expenses Reimbursement) Order of 2025 (**Order**), which provides for the payment of funeral expense reimbursements to the families of workers who die in the course of their duties. The Order establishes funeral expense reimbursement as a legal obligation. However, it does not alter the amount employers are required to remit to the Workers' Compensation Fund.

Lastly, the National Pension Scheme Authority (**NAPSA**) has revised the maximum monthly employee deductible contribution for the year 2025 to ZMW 1 708.20. Correspondingly, the maximum combined monthly statutory contribution, comprising both employer and employee contributions, has been adjusted to ZMW 3 416.40. Notwithstanding the above, the contribution rate remains unchanged at 10%. This revision does not constitute a legislative reform but rather an administrative adjustment to the payroll system, increasing the cap or ceiling on the maximum amount that may be contributed towards the social security fund.

Minimum wage for vulnerable employees

An upward revision of minimum wages for truck and bus driver workers was made following extensive consultations with social partners in a bid to improve and ensure inclusivity and fairness for vulnerable employees. This revision serves as part of the Zambian Government's initiative in addressing the rising cost of living and inflation, as well as the prevailing energy crisis. The revision of minimum wages for truck and bus driver workers aims at ensuring that employers meet minimum wage requirements for the said vulnerable employees.

Through Statutory Instrument, 2025, the Zambian Government placed an increment on minimum wages for truck drivers and bus drivers with an additional ZMW 1 000 and ZMW 800 respectively. Thus, the basic minimum wages for truck and bus drivers currently stand at K4 000, up from ZMW 3 000 for truck drivers and ZMW 3 000, up from ZMW 2 200 for bus drivers.

Data protection compliance

Compliance with Zambia's Data Protection Act, 2021 (**DPA**) has become obligatory since the operationalisation of the Data Protection Commissioner's office, as anticipated. Penalties for non-compliance with the DPA are prescribed and include financial and other legal penalties.

Following the full operationalisation of the DPA, employers are to obtain consent for biometric or video monitoring of employees, secure personal employee data, as well as report any breaches to the Data Protection Commissioner.

Complementing the DPA is the Cyber Security Act, 2025 which aims at regulating cyberspace. This Act provides for offences relating to computers and computer systems, the protection of persons against cybercrime, as well as child online protection and related matters.

For the year 2026, we anticipate the Zambian cyber-governance environment to become more significantly regulated and structured with continued protection against various cybercrimes.

Anticipated workplace trends

Integration of AI

The first half of 2025 illustrated a continued use of AI which has increased rapidly. Employers have begun integrating AI into their systems and providing training to their employees on AI tools, where necessary.

In 2026, we anticipate more integration of AI by employers looking to explore and adopt AI-powered technology in their systems to improve efficiency, reduce costs and operate competitively. However, there are still privacy and data protection issues that may arise.

Focus on employee wellbeing

There is a growing emphasis on mental health and wellbeing in the workplace, reflecting a crucial recognition of its impact on employee performance and satisfaction. As awareness of mental health issues rises, employers are increasingly implementing comprehensive policies and programmes that support employee wellness, such as access to mental health resources, flexible working arrangements, and training for managers to address mental health concerns effectively.

This shift not only fosters a supportive environment for open conversations about mental health, but also contributes to enhanced productivity and job satisfaction. Ultimately, we expect this to lead to more engaged and resilient workforces in workplaces for the year 2026.

Policies for energy solutions

The prevailing energy crisis in Zambia, the worst in the nation's history, has prompted employers to create policies supporting alternative energy solutions for their employees. These policies include providing solar-powered solutions and offering salary advances or loans specifically to enable employees to procure alternative energy sources. We expect this trend to gain traction in the coming year as more employers recognise the benefits of supporting their employees in this way.

Sector-specific outlooks

Spotlight on mining

With Zambia targeting a copper production output of about 1 million metric tons, from 820 000 metric tons between 2025 and 2026, this production increase is likley to have a multiplier effect in the mining industry value chain. Key sectors that are likley to be stimulated from the increased copper production include construction, transport, power and services that are a core component of the mining sector. Therefore, we anticipate a lot of job opportunities in the mining sector as well as the related sectors in the supply chain.

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