

THE WAVERLEY SERIES

ZAMBIA

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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ZAMBIA — AT A GLANCE

Capital	Lusaka
Real GDP growth	Estimates for 2025 range from 3.8% (AfDB, revised down from an initial 5.2%) to 5.2% (IMF); projected between 5.0% and 5.8% for 2026 and around 6.3% for 2027, among the highest in the region, driven by mining, agriculture and energy recovery
Inflation	Declined to 14.0% in 2025; projected to ease further to roughly 8.5-9.3% in 2026
Public debt	Dropped to approximately 87.6% of GDP following the completed debt restructuring
Fiscal and current account	A fiscal surplus, projected to narrow to around 1.1% of GDP in 2026 from 3.1% in 2025; the current account is projected to swing to a 0.8% of GDP surplus on higher copper export earnings
Foreign reserves	More than USD 6.5 billion as of March 2026
IMF programme	The IMF completed the sixth and final review of Zambia's Extended Credit Facility, approving a USD 190 million disbursement and bringing total programme support to USD 1.7 billion; discussions on a possible successor arrangement are underway
Key sectors	Copper mining (Zambia is Africa's second-largest producer), agriculture, energy and tourism
Governing framework	President Hakainde Hichilema (United Party for National Development), re-elected outright on 13 August 2026 with 60.49% of the vote against Brian Mundubile's 37.87%; inaugurated for a second term on 1 September 2026; EU election observers described the vote as free and transparent but not fair, citing misuse of state resources and restrictions on opposition campaigning

Zambia enters this reporting period fresh from a decisive re-election of President Hakainde Hichilema and a genuinely remarkable economic turnaround story: a completed debt restructuring, the IMF's completed six-review Extended Credit Facility programme, and growth rates among the highest in the region, all anchored by a resurgent copper-mining sector. This progress unfolds alongside real, documented tension in the 13 August 2026 election: European Union observers characterised the vote as free and transparent but not fair, citing misuse of state resources and restrictions on opposition campaigning, while Hichilema's main challenger, Brian Mundubile, was arrested during vote counting and subsequently charged with treason after refusing to accept the results, a charge carrying particular resonance given Hichilema himself spent four months jailed on similar charges as an opposition figure before his own 2021 victory. Investors should weigh Zambia's genuine, internationally recognised economic reform credentials against this specific, documented electoral and post-election tension.

1. INVESTMENT & FDI

UNCTAD has named Zambia one of Africa's most reform-driven economies, with the government explicitly committing to continued foreign investment openness even as it navigates a still-fragile fiscal recovery.

UNCTAD's 2025 World Investment Report specifically highlighted Zambia as one of Africa's most reform-driven economies, citing its fiscal consolidation, debt restructuring and inflation control. Finance and National Planning Minister Situmbeko Musokotwane reaffirmed this orientation on 22 September 2026, telling ZNBC's Sunday Interview that Zambia 'will not shy away from foreign direct investment,' explicitly framing FDI as essential to an export-led economy given that locally available capital is insufficient to undertake massive projects alone, while stressing that the government's immediate priority remains maintaining economic stability to avoid a return to high inflation. Zambia's 2024 Eurobond restructuring separately sparked an 18% increase in the value of the country's dollar-denominated sovereign bonds, according to Bloomberg's Matthew Winkler, a rally that outperformed emerging-market peers over the same period.

- **An internationally validated reform narrative:** UNCTAD's specific designation of Zambia as one of Africa's most reform-driven economies represents genuine, independent third-party validation of the country's fiscal and debt-management progress.
- **A direct, current ministerial FDI commitment:** the Finance Minister's explicit, recent public statement that Zambia will not shy away from FDI, tied directly to the country's capital-constrained ability to fund large projects domestically, represents a clear and current policy signal to prospective investors.
- **A genuinely strong bond-market vote of confidence:** the 18% rally in Zambia's dollar bonds following the 2024 restructuring, outperforming emerging-market peers, represents a concrete, market-based validation of the debt-restructuring outcome specifically.
- **Continued mining-sector expansion across multiple operators:** expansion projects at Barrick Lumwana, Konkola Copper Mines, Lubambe and Mopani, supported by a stable tax and regulatory environment, together represent broad-based investor confidence across Zambia's core copper-mining sector.

2. TRADE & BUSINESS

Zambia's current account is swinging into surplus on the strength of copper exports, even as economists warn against over-reliance on traditional commodities alone.

Zambia's current account is projected to swing to a surplus of 0.8% of GDP in 2026, driven by higher copper export earnings, with foreign reserves exceeding \$6.5 billion as of March 2026. Economist Trevor Hambayi has specifically called for a \$10 billion increase in non-traditional exports to help stabilise the exchange rate, arguing that Zambia needs to move beyond reliance on traditional exports and build sectors capable of generating foreign exchange through value addition.

- **A genuine external-position improvement:** the projected swing to a current account surplus, combined with reserves above \$6.5 billion, represents a meaningfully stronger external buffer than Zambia has maintained in recent years.
- **A specific, quantified diversification challenge:** Hambayi's explicit \$10 billion non-traditional export target provides a concrete benchmark against which Zambia's progress toward reducing commodity concentration can be measured going forward.
- **Copper's continued structural centrality:** as Africa's second-largest copper producer, Zambia's near-term external performance remains substantially tied to global copper prices and demand, even as the current account outlook has genuinely improved.

3. MAJOR ECONOMIC DEVELOPMENTS

A decisive but contested re-election, followed by serious post-election legal action against the opposition, unfolds alongside genuinely strong economic momentum and a landmark IMF programme completion.

President Hakainde Hichilema was re-elected outright in the 13 August 2026 general election with 60.49% of the vote (2,965,326 votes) against opposition leader Brian Mundubile's 37.87% (1,856,222 votes), avoiding the need for a run-off. European Union election observers characterised the process as free and transparent but not fair, citing misuse of state resources and restrictions on opposition campaigning. In a serious post-election development, Mundubile was arrested during vote counting in a raid the government linked to alleged militia activity, an allegation his party denied; the same raid resulted in ten additional arrests and the death of former minister Mutotwe Kafwaya. Mundubile refused to accept the results and was subsequently charged with treason, a charge carrying particular historical resonance given that Hichilema himself spent four months jailed on treason charges as an opposition leader under former President Edgar Lungu, before defeating Lungu in the 2021 election. A December 2025 constitutional amendment, signed by Hichilema, increased parliamentary constituencies from 156 to 226 and created 40 new reserved seats for women, youth and persons with disabilities; in the resulting parliamentary election, Hichilema's UPND won 136 of 226 seats, a clear majority. Hichilema's inauguration on 1 September 2026 at National Heroes Stadium drew five African heads of state, though as of 10 September 2026 he had yet to name his new Cabinet. Separately, the IMF completed the sixth and final review of Zambia's Extended Credit Facility programme, approving a \$190 million disbursement and bringing total programme support to \$1.7 billion, with discussions on a possible successor arrangement now underway.

- **A decisive election result with genuine, documented observer concerns:** the EU's specific characterisation of the vote as 'free and transparent but not fair' represents a nuanced, credible assessment that investors should weigh directly rather than treating the large winning margin alone as evidence of an unproblematic process.
- **A serious post-election legal action against the opposition:** the treason charge against Mundubile, following his arrest during vote counting and a raid that resulted in a death, represents a significant escalation that international observers and investors should track closely as it proceeds through Zambia's courts.
- **A notable historical irony shaping the political narrative:** Hichilema's own prior imprisonment on treason charges as an opposition figure, before his 2021 election victory, adds a specific, well-documented layer of context to the current charges against his own political rival.
- **A landmark, now-complete IMF programme:** the sixth and final ECF review, bringing total support to \$1.7 billion, represents a genuine, successfully concluded multilateral financial relationship, with successor-programme discussions already underway.
- **Strong regional diplomatic engagement at the inauguration:** the attendance of five African heads of state underscores Zambia's continued regional standing, even as the delayed Cabinet appointment as of mid-September reflects a still-ongoing governmental transition.

4. MAJOR PROJECTS & INFRASTRUCTURE

President Hichilema is directly pressing mining houses to accelerate power-generation investment, recognising electricity as the binding constraint on the broader 'Grow Zambia Agenda.'

President Hichilema has urged Vedanta Resources Holdings Limited to accelerate its power-generation investment plans, directly tying this to the country's broader copper-sector expansion push; electricity generation has been identified as a precondition for nearly every other target within the government's flagship Grow Zambia Agenda. Separately, Ministry of Information spokesperson Henry Kapata described a growing network of infrastructure spanning railways, highways, bridges, border posts, electricity interconnectors, pipelines, mining supply chains and trade corridors, creating physical links between Zambia and markets stretching from the Indian Ocean to the Atlantic.

- **Power generation as the binding constraint on broader economic targets:** the government's own framing of electricity generation as a precondition for nearly every other Grow Zambia Agenda target means the pace of Vedanta's and other mining houses' power investment will directly determine the speed of Zambia's broader economic progress.
- **A genuinely extensive regional infrastructure network:** the described combination of rail, road, border, energy and pipeline infrastructure connecting Zambia to both the Indian Ocean and Atlantic coasts represents substantial, multi-decade regional connectivity investment relevant to logistics and trade-focused investors specifically.

5. CONFERENCES, FORUMS & EXHIBITIONS

President Hichilema's inauguration itself became a platform for regional investment diplomacy, with five African heads of state in attendance.

- **Presidential inauguration, National Heroes Stadium:** held 1 September 2026 and attended by Presidents Ruto of Kenya, Samia Suluhu Hassan of Tanzania, Mnangagwa of Zimbabwe, Nandi-Ndaitwah of Namibia and Boko of Botswana, the event was directly framed by government spokesperson Henry Kapata as spotlighting billions of dollars in infrastructure, energy, trade and investment opportunities tied to Zambia's geographic position.

6. BUSINESS & INVESTMENT EVENTS

Direct presidential engagement with Vedanta on power investment, alongside the Finance Minister's public FDI commitment, define this month's clearest investment-promotion signals.

- **Presidential engagement with Vedanta:** Hichilema's direct call for accelerated power-generation investment represents concrete, high-level government engagement with a specific major mining investor on a specific, named constraint.
- **Finance Minister's public FDI commitment:** Musokotwane's 22 September 2026 ZNBC interview represents a direct, current articulation of government investment policy delivered to a domestic public audience.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

A landmark, now-complete IMF programme and a bond-market rally following debt restructuring define Zambia's most consequential recent multilateral financial relationships, even as election-related tensions draw international observer scrutiny.

- **IMF:** the completed sixth and final Extended Credit Facility review, bringing total programme support to \$1.7 billion, with successor-arrangement discussions now underway, represents Zambia's central multilateral financial relationship.
- **Eurobond holders:** the completed 2024 restructuring and subsequent 18% bond-value rally reflect a substantially repaired relationship with Zambia's international private creditors.
- **European Union:** the election observation mission's specific 'free and transparent but not fair' assessment represents a formal, credible international judgment on the conduct of the August 2026 election.
- **Regional heads of state:** the five-country attendance at Hichilema's inauguration reflects genuine, active regional diplomatic engagement independent of the domestic political tensions surrounding the election itself.
- **UNCTAD:** the 2025 World Investment Report's reform-driven-economy designation represents a further, independent multilateral validation of Zambia's economic policy direction.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

A specific economist-identified need for \$10 billion in non-traditional export growth highlights the structural diversification challenge facing Zambia's private sector beyond mining.

Beyond the mining sector's continued dominance, the government has specifically encouraged 'inclusive investment' in mining, suggesting a deliberate effort to broaden participation beyond Zambia's established mining houses. Economist Trevor Hambayi's specific call for \$10 billion in non-traditional export growth, described in Section 2, directly targets the private sector's need to develop value-addition capacity beyond raw commodity exports.

- **A deliberate inclusive-investment framing for mining:** the government's specific 'inclusive investment' messaging suggests an intentional effort to widen mining-sector participation beyond the largest, already-established operators.
- **A clear, quantified private-sector diversification target:** Hambayi's \$10 billion non-traditional export figure provides private-sector investors and policymakers alike with a concrete benchmark for measuring genuine progress on economic diversification beyond copper.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Power-generation investment, mining expansion, and broader trade-corridor infrastructure define Zambia's most concretely promoted new investment channels.

- **Power generation:** the Vedanta-focused push described in Section 4 represents a critical, near-term investment need directly tied to unlocking the Grow Zambia Agenda's broader economic targets.
- **Mining expansion projects:** Barrick Lumwana, Konkola Copper Mines, Lubambe and Mopani together represent Zambia's clearest, most active current mining-sector investment opportunities.
- **Regional trade corridor infrastructure:** the described network of railways, highways, bridges, border posts and pipelines connecting Zambia to Indian Ocean and Atlantic markets offers a broad range of transport and logistics-sector investment opportunities.

SUMMARY ASSESSMENT

Zambia enters this reporting period fresh from a decisive re-election of President Hichilema and a genuinely remarkable economic turnaround story: a completed debt restructuring that sparked an 18% rally in Zambia's dollar bonds, the IMF's completed six-review Extended Credit Facility programme totalling \$1.7 billion, and growth rates among the highest in the region, all anchored by a resurgent copper-mining sector that UNCTAD has specifically credited as part of one of Africa's most reform-driven economic stories.

This progress unfolds alongside real, documented tension in the August 2026 election: European Union observers characterised the vote as free and transparent but not fair, citing misuse of state resources and restrictions on opposition campaigning, while Hichilema's main challenger was arrested during vote counting and subsequently charged with treason after refusing to accept the results, a charge carrying particular resonance given Hichilema's own history of imprisonment on similar charges as an opposition figure.

Investors should weigh Zambia's genuine, internationally recognised economic reform credentials directly against this specific, documented electoral and post-election tension, watching closely how the treason case against the opposition leader proceeds and whether the government's continued FDI-openness commitments translate into the non-traditional export diversification independent economists say remains necessary.