

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

ZAMBIA

Africa South

Dialogue | Trust | Partnership

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WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Lusaka	Capital, financial and administrative hub	Banking, government contracts, services
Copperbelt Province (Kitwe, Chingola, Mufulira, Chililabombwe)	Core of Zambia's copper-mining industry, Africa's second-largest copper producer	Copper mining and processing
Kansanshi mine, North-Western Province	Major copper operation undergoing the S3 Expansion Project, running above design capacity	Copper mining and processing expansion
Konkola Copper Mines (KCM), Chililabombwe	Major copper operation under active recapitalisation, output up 21.4% in H1 2026	Copper mining, recapitalisation-linked investment
Lobito Corridor rail route (Copperbelt to Angola's Lobito port via DRC)	US- and EU-backed strategic rail corridor for critical-mineral exports, targeting a doubling of cargo to 800,000 tonnes by 2027	Rail and logistics infrastructure, critical-minerals export logistics
Lower Zambezi / Kariba hydropower zone	Hydroelectric power generation, recovering after prior drought-driven shortages	Power generation, energy infrastructure
Eastern and Southern Province agricultural belt	Agriculture and agro-processing development zone	Agriculture, agro-processing

INVESTOR ENTRY ROUTES

- Zambia Development Agency (ZDA) registration and facilitation
- Mining licence via the Ministry of Mines and Minerals Development, including participation in ongoing recapitalisation at assets such as KCM
- Lobito Corridor-linked rail and logistics infrastructure co-investment, backed by US, EU and multilateral financing
- Power-sector investment via ZESCO and independent power producer (IPP) routes, supporting continued post-drought electricity-supply recovery
- IMF Extended Credit Facility-linked structural-reform co-financing, following the program's sixth and final review
- Agro-processing and SADC-market-facing manufacturing investment in the Eastern and Southern provinces

MARKET-ENTRY OBSERVATION

Zambia's economy is on a genuinely strong growth trajectory: the IMF forecasts real GDP growth of 5.8% in 2026, up from an estimated 5.2% in 2025, following the sixth and final review of its Extended Credit Facility program. Growth is being driven by a recovery in electricity production after prior drought-related hydropower shortages and by strong mining and services activity, with copper output rising modestly in the first half of 2026 (up 0.45% to 447,182 tonnes), led by a 21.4% increase at Konkola Copper Mines following recapitalisation and a 2.4% rise at Kansanshi as its S3 Expansion Project ran above design capacity. Zambia's debt restructuring continues to bear fruit, with public debt projected to fall from 133% of GDP in 2023 to around 90.7% in 2025, though the IMF still rates the country at high risk of overall and external debt distress.

Zambia's strategic position has also been reinforced by the US- and EU-backed Lobito Corridor, a rail route connecting the Copperbelt through the Democratic Republic of Congo to Angola's Lobito port, explicitly positioned as a Western-backed alternative to Chinese-linked mineral-export routes. The Lobito Atlantic Railway concessionaire has secured a USD 753 million financing package and is targeting a doubling of international cargo volumes to 800,000 tonnes by 2027. Politically, President Hakainde Hichilema won a second

term in the 13 August 2026 election with approximately 61.4% of the vote against challenger Brian Mundubile's 38%, though the process was marked by real tension: an election-night raid involving gunfire led to 11 arrests including opposition figures, vote-counting was suspended for hours over violence against polling staff and reported ballot theft, and EU election observers, while describing the vote itself as largely peaceful, said the broader process 'took place in an environment that limited fundamental freedoms,' citing late legal changes and unequal campaign conditions.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Election-related tension around the August 2026 presidential vote: an election-night raid involving gunfire and 11 arrests (including opposition figures and a wounded MP, per the opposition), hours-long suspension of vote-counting over violence against polling staff and alleged ballot theft, and EU observer concerns about an environment that 'limited fundamental freedoms'	While Hichilema's victory margin was decisive and broadly accepted, the specific incidents point to real strain in Zambia's electoral and political environment that investors should not assume is fully resolved	Monitor the post-election political environment directly, including the opposition's independent-investigation demands; avoid association with partisan political activity
Zambia remains at high risk of overall and external debt distress despite substantial restructuring progress (133% to roughly 90.7% of GDP)	Residual fiscal vulnerability could affect government co-financing capacity and broader macroeconomic stability if conditions deteriorate	Monitor successive IMF reviews and debt-sustainability assessments; treat government co-financing commitments as still carrying some execution risk
Heavy continued economic dependence on the mining sector, with the IMF explicitly flagging this as a medium-term risk even amid current strong output	Growth and fiscal performance remain exposed to global copper price cycles and mining-investment trends	Avoid treating current strong mining-sector momentum as a guarantee of medium-term stability; monitor global copper-price trends
Hydroelectric power generation remains vulnerable to drought and climate variability, even amid the current 2026 recovery	A renewed power-supply shock would directly threaten the growth recovery the IMF is currently forecasting	Factor power-supply volatility risk into industrial and mining-sector project planning; consider captive or IPP-based generation
Mixed performance across individual copper mines, with declines at NFCA Mining, Chibuluma Mines and Mopani Copper Mines due to maintenance shutdowns and input-supply constraints (fuel, domestic sulphuric acid)	Signals that the sector's aggregate growth masks real operational and supply-chain fragility at specific assets	Evaluate mine-specific operational and input-supply conditions rather than relying on aggregate sector growth figures
Lobito Corridor infrastructure remains under active construction and ramp-up, competing with the established Chinese-backed Tazara/Dar es Salaam route	Full logistics benefits for Zambian copper exporters are not yet realised and depend on continued multi-country financing and construction execution	Monitor Lobito Corridor construction and cargo-ramp-up milestones directly before assuming full logistics benefits
Landlocked geography requiring reliance on regional transport corridors (Lobito, Tazara, or routes through South Africa)	Adds logistics cost and complexity for all trade-dependent sectors	Factor regional transport-corridor reliability and diversification into supply-chain planning

INVESTOR RISK NOTE

Zambia's macroeconomic trajectory is genuinely positive - strong forecast growth, a maturing debt-restructuring program, recovering hydropower output, and growing strategic significance as the Lobito Corridor positions it within a Western-backed critical-minerals supply chain. This is a real, substantive improvement on the fiscal-crisis conditions of recent years. Investors should weigh this against a more mixed political picture following the August 2026 election: Hichilema's victory was decisive and Zambia's democratic record (every presidential transition since 1991 has come through elections) remains a genuine comparative strength regionally, but the specific incidents around the vote - an armed raid and arrests, suspended counting amid violence and alleged ballot theft, and EU observers' concerns about a restricted campaign environment - are concrete, current data points that merit independent monitoring rather than dismissal as routine electoral noise.

On the economic side, Zambia's 'high risk of debt distress' rating despite real restructuring progress, and its continued heavy reliance on a single commodity sector, mean the current growth story remains more fragile than the strong 2026 forecast alone might suggest. Investors should track both the political aftermath of the election and successive IMF debt-sustainability assessments as the two key indicators of whether Zambia's current positive trajectory is durable.

MARKET ACCESS

ZDA's facilitation role and the maturing IMF-backed reform program have materially improved Zambia's policy predictability relative to its pre-restructuring fiscal-crisis years, and the country's status as Africa's second-largest copper producer continues to draw strong international mining-sector interest.

The Lobito Corridor's USD 753 million financing package and US/EU strategic backing give Zambia a genuinely significant new logistics and geopolitical positioning advantage as a Western-aligned critical-minerals supplier, complementing its existing Copperbelt mining infrastructure and established international offtake relationships.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Zambia Development Agency (ZDA)	Primary FDI facilitation and investment-promotion agency	Central registration and incentive-coordination contact for new entrants
Ministry of Mines and Minerals Development	Mining-sector licensing and policy	Confirm current mining-licence terms and recapitalisation-linked investment opportunities
ZESCO (Zambia Electricity Supply Corporation)	National power utility, currently in post-drought recovery	Route for power-sector and IPP co-investment
Bank of Zambia (central bank)	Monetary policy and banking supervision	Confirm current foreign-exchange and banking-sector conditions
Ministry of Finance and National Planning	Fiscal policy and debt-restructuring implementation	Monitor IMF program reviews and debt-sustainability developments
Lobito Atlantic Railway (LAR) concessionaire	Lobito Corridor rail infrastructure operation and investment	Route for rail and logistics infrastructure co-investment
Office of the President (Hakainde Hichilema) / government	Executive authority, newly re-elected for a second term amid contested election dynamics	Monitor post-election political developments and opposition response directly

CURRENT INTERNATIONAL BUSINESS CHANNELS

The United States and European Union have both deepened engagement with Zambia through the Lobito Corridor initiative, explicitly framed around reducing reliance on Chinese-linked mineral-export routes, while China remains a major historical investor in Zambian copper mining and infrastructure more broadly. The IMF and World Bank anchor the ongoing debt-restructuring and reform program, and South Africa remains an important regional trade and logistics partner given Zambia's landlocked geography.

INVESTOR PROFILE BEST SUITED

Zambia is best suited to copper and critical-minerals investors able to engage directly with established Copperbelt operations or the Lobito Corridor logistics opportunity, power-sector investors supporting post-drought generation capacity expansion, and investors comfortable with a still-high (though improving) sovereign debt-risk profile.

It is a weaker near-term fit for investors requiring a fully settled post-election political environment or complete resolution of debt-distress risk, given both remain live, trackable variables rather than fully resolved conditions.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Confirm the Sector and Entry Vehicle

Determine whether ZDA registration, a mining licence, or a Lobito Corridor-linked infrastructure route fits the project.

STEP 2: Engage ZDA and the Relevant Sector Body Early

Open parallel conversations with ZDA and, where relevant, the Ministry of Mines and Minerals Development or ZESCO.

STEP 3: Assess Political and Debt-Sustainability Risk Directly

Monitor the post-election political environment and track successive IMF debt-sustainability assessments before committing capital.

STEP 4: Secure the Licence, Concession or Co-Investment Agreement

Finalise the specific legal and commercial structure for the chosen entry route.

STEP 5: Launch and Monitor

Begin operations while tracking copper-price trends, Lobito Corridor construction milestones, and power-supply conditions.

WAVERLEY'S ROLE

- Independent due-diligence and structuring advisory across ZDA, mining-licensing and Lobito Corridor-linked entry routes

- Introductions to ZDA, the Ministry of Mines and Minerals Development, ZESCO and Lobito Atlantic Railway counterparts
- Ongoing monitoring of post-election political developments, IMF debt-sustainability reviews, and copper-market conditions
- Coordination with experienced local legal, tax and project-finance advisory specialists

INVESTOR CALL TO ACTION

Investors seeking exposure to Zambia's copper and critical-minerals sector, its Lobito Corridor-linked logistics opportunity, or its power-sector recovery are invited to engage Waverley for a confidential, risk-calibrated structuring consultation.

INTELLIGENCE → RISK ASSESSMENT → STRUCTURING → MARKET ENTRY

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Current pipeline items Waverley is tracking include continued ramp-up of the Lobito Corridor toward its 800,000-tonne 2027 cargo target; Konkola Copper Mines' ongoing recapitalisation and the approved USD 498 million KCM tailings plant; the Kansanshi S3 Expansion Project; ZESCO power-sector recovery and IPP opportunities; and the post-election political and governance environment following the August 2026 vote.

POSITIONING

Waverley approaches Zambia as one of the more genuinely improving investment stories in the region - strong forecast growth, a maturing debt-restructuring program, and growing strategic significance as a Western-aligned critical-minerals supplier via the Lobito Corridor.

Our role is to help investors capture that improving trajectory while applying clear-eyed monitoring to the specific political tensions that surfaced around the August 2026 election and to Zambia's still-elevated debt-distress risk rating.

SELECTED SOURCES

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