

AFRICA RISK CONSULTING

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The impasse between former president Edgar Lungu's (2015-2021) family and the Zambian government continues over his burial, devolving into a protracted and deeply politicised standoff. Finance and national planning minister Situmbeko Musokotwane announces a range of new taxes and tax increases in the 2025 supplementary budget presented to parliament on 26 June, with the aim of enhancing domestic revenue collection. Facing escalating tensions with Mali's military-led government, Canadian mining giant Barrick Mining is strategically pivoting its focus and capital, significantly accelerating its commitment to its Zambian copper operations.

Lungu's burial serves as litmus test for political polarisation ahead of 2026

The impasse between former president **Edgar Lungu's** (2015-2021) family and the **Zambian** government over his burial has persisted, with Lungu's remains still in **South Africa**, where he passed away on 5 June. Lungu's passing was expected to be a moment of national reflection but has devolved into a protracted and deeply politicised standoff, prompting concern over the country's unity and foreshadowing a potentially turbulent run-up to the 2026 general elections.

Lungu's family had planned to bury him in South Africa on 25 June, but the process was stopped by a South African court, which gave the Zambian government until 4 July to explain why it wants to repatriate Lungu's body.¹ The government maintains that Lungu, as a former head of state, deserves a state-assisted funeral, which includes burial at the **Presidential Embassy Memorial Park** in **Lusaka**, the designated resting place for former presidents. Lungu's family's steadfast refusal, viewing the Embassy Memorial Park as politicised and contrary to Lungu's desires, has led to the unprecedented stalemate.

Lungu's widow, **Esther Lungu**, has revealed in an affidavit filed before South Africa's **Gauteng** high court that one of her husband's final wishes before undergoing surgery in South Africa on 3 June was that President **Hakainde Hichilema** (2021-present) not attend his funeral or even view his body.² This revelation forms part of Lungu's family opposition to the Zambian government's application to have Lungu's remains repatriated for burial in Zambia. The state, through attorney-general **Mulilo Kabesha**, maintains that it has the legal authority to decide the burial arrangements of a former head of state under the **Former Presidents' Benefits Act**. However, Esther Lungu insists that the act no longer applied at the time of Lungu's death, as all his benefits and privileges were revoked in 2023.

Esther Lungu also accused the government of orchestrating a prolonged campaign of political persecution against the Lungu family, including arrests, property seizures, and criminal charges involving several of their children. She believes these actions stem from political retaliation over Hichilema's arrest in 2017 during Lungu's presidency. Supporting her claims, Esther Lungu attached videos and podcast interviews in which the late president expressed deep mistrust of

¹ BBC, 25 Jun 2025

² Zambia Monitor, 12 Jul 2025

the current government. In one recording, he stated, “*one who torments another in life must not preside over the funeral in death.*”³

This impasse is far more than a dispute over burial rites; it is a stark manifestation of Zambia's deep political divisions, with government supporters framing the family's stance as disrespectful to the presidency and driven by the former ruling **Patriotic Front's (PF)** political motives to cast the ruling **United Party for National Development (UPND)** administration as vindictive. On the other hand, Lungu's party and supporters see the government's insistence as deliberate humiliation of their leader, continuing a pattern of perceived persecution since the UPND took power. The PF has leveraged the issue to rally their base, framing it as an attack on their identity and legacy.⁴ The constant media coverage and social media vitriol surrounding the case has entrenched existing biases and inflame tensions.

The spectacle of a former president's body held in limbo in a foreign country due to political wrangling erodes public trust and damages Zambia's reputation for peaceful transitions. It also overshadows pressing national issues and deepens the ‘us versus them’ mentality that plagues Zambia's political landscape. The unresolved burial impasse serves as a potent symbol and catalyst for the polarisation that will likely define the 2026 campaign. It reinforces narratives of victimhood on one side and institutional disrespect on the other.

South Africa's high court will hear the matter as a special motion on 4 August, but the pending court ruling risks being viewed through purely partisan lenses, regardless of its legal merits, potentially triggering further unrest or deepening resentment.

New taxes unveiled in supplementary budget

Finance and national planning minister **Situmbeko Musokotwane** has proposed mid-year tax amendments for 2025, under a supplementary budget presented to parliament on 26 June, with the aim of enhancing domestic revenue collection. Among the tax amendments include the introduction of a **Minimum Alternative Tax (MAT)**, proposed at 1% of turnover and will apply to all business income taxpayers except those on turnover tax.⁵

The minister also proposed to increase the withholding tax rate on interest from **Treasury Bills** and government bonds from 15% to 20% while also proposing increases in excise duties on alcohol, tobacco, and non-alcoholic beverages, as well as the introduction of a 10% duty on betting services. Tax on spirits and wines will be raised from 60% to 80%, while a 50% duty on clear alcohol has been reintroduced, and excise duty on sugary drinks has been doubled.⁶

In addition to tax changes, a regulatory powers amendment was also included, granting the minister broad powers to make regulations for the administration, assessment, collection, and recovery of the new MAT and other tax changes. Musokotwane announced the tax changes as part of a K33.6 billion (\$1.42 billion) supplementary budget, as the country contends with mounting fuel arrears, external debt servicing obligations, and the need to sustain critical social and agricultural programmes.⁷

Delivering the supplementary estimates of expenditure, Musokotwane outlined key proposed allocations designed to address the country's immediate fiscal and socio-economic priorities. Out of the proposed supplementary budget, K11 billion (\$454m) - accounting for 32.9 % - has been earmarked under loans and investments for the dismantling of outstanding fuel arrears, and a further K8.5 billion (\$333m), or 23.5%, will go towards constitutional and statutory

³ Lusaka Times, 13 Jul 2025

⁴ Zambia Monitor, 2 Jul 2025

⁵ Zambia Monitor, 27 Jun 2025

⁶ Zambia Monitor, 27 Jun 2025

⁷ Diggers, 27 Jun 2025

expenditure.⁸ The minister explained that Zambia's debt payment obligations have increased following the conclusion of several external debt restructuring agreements, necessitating interest payments to creditors in the fourth quarter of 2024, which will fall due in 2025.

While the tax changes are aimed at bolstering fiscal revenues, the proposed changes may influence Zambia's investment environment and business operations as well as put a squeeze on consumers already grappling with high inflation. In response to the supplementary budget, the **Consumer Unity and Trust Society (CUTS) International** called on the government to introduce measures to cushion the impact of the new taxes on consumers and local manufacturers. In a statement, CUTS communication officer, **Nancy Mwape**, acknowledged the government's commitment to strengthening domestic resource mobilisation but cautioned against the potential unintended consequences of the tax measures.⁹

Barrick doubles down on Zambia's copper as Mali woes mount

Facing escalating tensions with **Mali's** military-led government, **Canadian** mining giant **Barrick Mining** is strategically pivoting its focus and capital, significantly accelerating its commitment to its **Zambian** copper operations, particularly the massive expansion underway at its **Lumwana Copper Mine**. The move also signals Zambia's stability and potential.

Barrick's dispute with Mali began after the country's 2023 mining code granted the state up to a 50% stake in projects and sought to apply the new terms retroactively. Barrick rejected this, calling it a breach of existing agreements tied to its **Loulo-Gounkoto Mine**. Tensions escalated when the junta appointed a provisional administrator and on 10 July seized one tonne of gold, worth approximately \$117m, by military helicopter, following earlier seizures and export blocks.¹⁰ Barrick has since launched international arbitration, accusing Mali of violating investment treaties in a case that underscores rising resource nationalism across military-led African states.

Barrick's CEO, **Mark Bristow**, was in Lusaka on 11 July and announced the company was pressing ahead with its \$2 billion expansion of its Lumwana mine in the **Copperbelt** while also expanding its exploration in the country:

"When we reviewed the Lumwana mine in 2019, it was high-cost and underperforming. Today, it's a growing force in African copper. With this expansion gaining momentum, Lumwana is on course to join the world's list of large and strategically important copper mines, and a powerful driver of growth for both Zambia and Barrick."¹¹

The expansion, already underway, aims to double annual copper output at Lumwana to 240,000 tonnes, using a new processing plant that can handle 50 million tonnes of ore annually. The project also includes new electricity lines being built with Zambia's national power company, **Zambia Electricity Supply Corporation Limited (ZESCO)**. Bristow confirmed Barrick has started a partnership with the government to explore some of the parts of the Copperbelt in Zambia that have not been evaluated, building on a recently signed memorandum of understanding (MoU).¹²

Barrick's significant troubles in Mali have acted as a catalyst, accelerating a strategic shift firmly towards Zambia, indicating that Barrick sees Zambia as a critical long-term growth pillar. By doubling down on Zambia's copper potential and leveraging its improving investment climate,

⁸ Zambia Monitor, 27 Jun 2025

⁹ Zambia Monitor, 11 Jul 2025

¹⁰ Reuters, 10 Jul 2025

¹¹ Business Insider, 13 Jul 2025

¹² Zambia Monitor, 13 Jul 2025

Barrick is not only mitigating risks in Mali but also positioning itself decisively for the future energy transition.

Planner

13 Aug 2025 **Lusaka (Zambia) Bank of Zambia** (central bank) **Monetary Policy Committee (MPC)** meeting
 Oct 2025 **(Zambia) International Monetary Fund (IMF) Extended Credit Facility (ECF)** concludes
 Aug 2026 **Lusaka (Zambia)** General election

Chronology

14 Jul 2025 **Lusaka (Zambia) Miningmx. Zambian Consolidated Copper Mines (ZCCM)** head **Kakenenwa Muyangwa** says they are pushing for the **United States** to grant exemptions from proposed 50% copper import duties, arguing that such tariffs could undermine a major infrastructure initiative such as the **Lobito Corridor** project;

14 Jul 2025 **Lusaka (Zambia) Lusaka Times.** Zambia's strategic partnership with the **United Arab Emirates (UAE)** receives a major boost following a high-level bilateral meeting between President **Hakainde Hichilema** and UAE foreign affairs minister Sheikh **Shakhbout Bin Nahyan Al Nahyan**, at state house in Lusaka;

14 Jul 2025 **Lusaka (Zambia) Zambia Monitor.** Mines and minerals development minister announces plans to subdivide mining areas in **Mufumbwe District** for allocation to cooperatives, in a move aimed at curbing nomadic mining and creating structured opportunities for young Zambians;

14 Jul 2025 **Lusaka (Zambia) Diggers. Economics Association of Zambia (EAZ)** accuses **Oil Marketing Companies (OMCs)** of deliberately hoarding fuel to create artificial shortages and profit from potential future price increases;

13 Jul 2025 **Lusaka (Zambia) Zambia Monitor.** **BAT Zambia** managing director, **Mukubesa Maliande**, reveals their estimates show the illicit cigarette market in Zambia nearly doubled from 12% in 2024 to around 23.8% following an earlier excise hike this year, with the government losing an estimated \$50m annually in revenue due to illicit cigarette sales;

12 Jul 2025 **Lusaka (Zambia) Diggers.** Mines ministry permanent secretary Dr **Hapenga Kabeta** announces that the ministry will collaborate with large-scale investors to enhance gold mining operations in Zambia;

11 Jul 2025 **Lusaka (Zambia) Reuters.** **Canada**-based **First Quantum Minerals'** country director, **Anthony Mukutuma**, says their recent 15% investment in **Australia**-listed **Prospect Resources** is key to the extension of mine life at Zambia's **Sentinel Mine**;

10 Jul 2025 **Lusaka (Zambia) Diggers.** Finance ministry says the treasury released K22.9 billion (\$984m) in June 2025, of which about 50%, K11 billion (\$473m), was spent on debt service;

9 Jul 2025 **Lusaka (Zambia) Zambia Monitor.** **United Kingdom**-based **Vedanta Resources** has reportedly contracted **Australia**-based **Worley** to raise \$1 billion for the revamping of operations at **Konkola Copper Mines (KCM)**;

9 Jul 2025 **Lusaka (Zambia) Lusaka Times.** **United States (US)** ambassador to Zambia, **Mike Gonzalez**, speaks at a meeting with President **Hakainde Hichilema**, criticising the country's past investment climate and stressing the need for tangible reforms to attract US businesses;

8 Jul 2025 **Lusaka (Zambia) Diggers. Zambia Environmental Management Agency (ZEMA)** announces that during its June environmental assessment committee meeting, it approved 115 development projects with a total investment value of \$627m;

7 Jul 2025 **Lusaka (Zambia) Diggers.** Energy ministry says it has identified a portfolio of strategic power projects intended to add 1,000MW to the national grid by December, in line with President **Hakainde Hichilema's** directive;

4 Jul 2025 **Lusaka (Zambia) Zambia Monitor. Copperbelt Energy Corporation (CEC)** announces plans to triple its solar photovoltaic (PV) capacity to 300MW by 2027, in a bid to enhance Zambia's energy security amid ongoing drought-induced power challenges;

4 Jul 2025 **Lusaka (Zambia) Zambia Monitor. Bank of Zambia (BoZ)** (central bank) is set to introduce a new capital adequacy framework for banks and financial institutions aimed at strengthening capital quality and expanding access to financial services;

4 Jul 2025 **Lusaka (Zambia) Zambia Monitor. United States-based Moody's** downgrades the **African Export-Import Bank (Afreximbank)** from Baa1 to Baa2, its second cut in four weeks, reflecting weaker asset quality from unsecured loans to distressed sovereigns like **Ghana** and **Zambia**, both undergoing debt restructuring;

3 Jul 2025 **Lusaka (Zambia) Zambia Monitor. Lusaka Securities Exchange (LuSE)** closes June with a 31% year-to-date gain, as the **All-Share Index** reached 20,214.88 points with strong performances from companies such as **Airtel Zambia, Metal Fabricators** and **AECI Mining**;

2 Jul 2025 **Lusaka (Zambia) Zambia Monitor. India** has reportedly dispatched a team of geologists to Zambia to explore copper and cobalt deposits as part of India's strategy to get a share of critical minerals;

2 Jul 2025 **Lusaka (Zambia) Diggers. World Bank** country manager for Zambia Dr **Achim Fock** says the country's economic outlook is improving with robust momentum in the mining sector, and a rebound in agriculture, among others;

2 Jul 2025 **Lusaka (Zambia) Diggers. United Nations Conference on Trade and Development** recognises Zambia as one of **Africa's** leading reform-driven economies, especially under President **Hakainde Hichilema's** administration;

1 Jul 2025 **Lusaka (Zambia) Club of Mozambique.** President **Hakainde Hichilema** announces that Zambia launched its largest grid-connected solar power plant, the 100MW **Chisamba Project**, which will supply electricity to **Canada**-headquartered **First Quantum Minerals**;

28 Jun 2025 **Lusaka (Zambia) Daily Nation.** Constitutional court orders the government to comply with the spirit of the Constitution by ensuring that any constitutional amendment process is people-driven and led by an independent body of experts, following wide consultations with the public;

28 Jun 2025 **Lusaka (Zambia) Lusaka Times.** Zambia acquires a 26% stake in **Angola's Lobito Refinery**, marking a strategic shift from being a fuel importer to an equity partner in regional energy production;

27 Jun 2025 **Lusaka (Zambia) Diggers. ZamStats** estimated the economy grew 4.5% in the first quarter of 2025, compared to 2.2% in the first quarter of 2024, with growth mainly attributed to agriculture, forestry and fishing among others;

27 Jun 2025 **Lusaka (Zambia)** *Diggers*. **ZamStats** reports annual inflation decreased to 14.1% in June from 15.1% in May, mainly attributed to price movements in both food and non-food items;

27 2025 **Lusaka (Zambia)** *Bloomberg*. **Bank of Zambia (BoZ)** (central bank) aims to raise about K8.9 billion (\$378m) by asking banks to sell **United States (US)** dollars and use the proceeds to buy local-currency bonds as it seeks to secure funds to pay government fuel-import arrears without depleting its foreign-exchange reserves;

26 Jun 2025 **Lusaka (Zambia)** *Zambian Monitor*. Mines and minerals development ministry confirms that the high-resolution nationwide aerial geophysical survey remains on track for completion by mid-2026;

24 Jun 2025 **Lusaka (Zambia)** *Zambian Monitor*. Mines and minerals development minister, **Paul Kabuswe** says the government is considering the establishment of a **Minerals Protection Unit** in the wake of the deadly mine collapse in **Mufumbwe (North-Western Province)**, which has so far claimed eight lives;

24 Jun 2025 **Lusaka (Zambia)** *Znbc*. Transport minister **Frank Tayali** says Zambia hopes to start work on the **Lobito Corridor** railway connecting its copper belt to **Angola's Atlantic coast** by the third quarter of 2026, as the project moves forward amid financing negotiations;

21 Jun 2025 **Lusaka (Zambia)** *Zambian Monitor*. Transport and logistics minister, **Frank Tayali** says the **Namibian** government has written off 50% of the \$700,000 historical debt owed by Zambia in relation to the operation of the **Zambian Dry Port at Walvis Bay**;

17 Jun 2025 **Lusaka (Zambia)** *Zambian Monitor*. **United States**-based **Metalex Commodities** and **Zambian-owned Terra Metals Limited** have entered into a joint venture agreement to establish **Lunda Resources**, a new company that will develop and operate the **Mwinilunga Copper Mine** in **North-Western Province**;

17 Jun 2025 **Lusaka (Zambia)** *Zambian Monitor*. The **Zambia Environmental Management Agency (ZEMA)** takes over responsibility for conducting an environmental assessment following the pollution of the three rivers in **Chambishi District** in the **Copperbelt** by **China's Metals Leach Zambia Limited**, with the company to bear the full cost of the assessment;

16 Jun 2025 **Lusaka (Zambia)** *Zambian Monitor*. Secretary to the treasury, **Felix Nkulukusa** says the government has a financing strategy that will sustain the economy post the **International Monetary Fund's Extended Credit Facility (ECF)**, which will be concluded in October.

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