

AFRICA RISK CONSULTING

Zambia Monthly Briefing September 2025

Zambia Summary 15 September 2025

The toxic spill at Sino Metals copper mine in Kitwe (Copperbelt Province) in February has escalated and emerged as a flashpoint in tensions between the United States (US) and China. National power utility, ZESCO, is once again forced to implement lengthy load shedding schedules, signalling a deepening energy crisis that threatens to hamper economic activity and disrupt daily life. Record high international gold prices are fuelling cases of illegal mining and smuggling, leading government to implement a multifaceted offensive.

Zambia navigates geopolitical crossfire in pollution case

The toxic spill at **Sino Metals** copper mine in **Kitwe (Copperbelt Province)** in February has escalated and emerged as a flashpoint in tensions between the **United States (US)** and **China**. Sino Metals, a subsidiary of **China Nonferrous Metal Mining (CNMC)**, reported the sulphuric acid leak, a key solvent in mineral extraction, in February, and while the incident was disclosed, subsequent investigations, notably from international watchdogs and the US government, [have](#) alleged the scale of the pollution and its devastating impact on local waterways and communities was significantly underreported.

This environmental failure provided an opening for the US to amplify its criticism of China's **Belt and Road Initiative (BRI)** and its practices abroad. The US embassy in Zambia [issued](#) a stark warning, stating the spill had "*devastated the aquatic ecosystem*" of the **Kafue River** and represented a broader pattern of "*environmental degradation, disregard for Zambian labour laws, and unsafe working conditions*" at some Chinese-owned enterprises. The alert also stated that the US had reassigned personnel from and imposed travel restrictions on US government personnel in **Chambishi** town, all areas along the **Chambishi Stream** and **Mwambashi River** to the Mwambashi-Kafue confluence point, and Kitwe town.

A Chinese foreign ministry spokesman [dismissed](#) the US accusations as "*irresponsible*" and urged "*certain countries*" not to interfere in the bilateral relations between China and Zambia. This defensive posture highlighted China's sensitivity to international criticism of its flagship BRI investment programme, especially in a strategically important region.

For the Zambian government, the situation presents a complex dilemma. The nation is heavily indebted to China and relies on continued Chinese investment to fuel its economic recovery and develop its crucial mining sector. President **Hakainde Hichilema's** (2021-present) administration, which came to power on a promise of economic revitalisation and anti-corruption, cannot afford to alienate a key financial partner.

Yet, immense domestic pressure has forced it to act. The Zambian government has pressed Sino Metals and its parent company, CNMC, for more substantial compensation for the affected communities, moving beyond the initial, and widely criticised, offer of ZMW 400,000 (\$15,000). The government has now ordered Sino Metals to pay ZMW 1.5m (\$63,000) to compensate affected communities and pay for an assessment of the environmental damage. However, a group of farmers told local radio station that they received compensation worth just ZMW 2,000 (\$84) for the loss of their crops and livestock – an amount they described as insulting. Potentially escalating this case is a group of 150 affected households [demanding](#) Sino-

Metals pay \$200m in compensation and set up a reparation fund to address the long-lasting impacts to communities and the environment.

Hichilema addressed the controversy during a visit to the Copperbelt on 23 August, simply [stating](#) “let’s deal with mine pollution without geopolitics”, while adding that Zambia is not against China. He reaffirmed that Zambia remains “open for business to all,” a clear indication that the country seeks investment from all corners of the globe and refuses to be forced into choosing sides. Hichilema’s response indicates its balancing act of holding a powerful investor accountable for its actions while attempting to avoid a full-blown diplomatic or economic rift.

The Sino Metals case underscores a new reality for resource-rich but capital-poor nations across Africa. As competition between the world’s superpowers intensifies, local issues are increasingly amplified on a global stage, used as ammunition in a wider ideological and economic war.

Zambia faces renewed power crisis as load shedding returns

State-owned power utility **ZESCO** has once again been forced to [implement](#) lengthy load shedding schedules, signalling a deepening energy crisis that threatens to hamper economic activity and disrupt daily life. After a brief period of improved supply, ZESCO recently announced a regression, confirming that customers can now expect up to 18 hours of load shedding per day. This is a stark reversal from earlier communications that hinted at stability.

The utility has [attributed](#) this reduction to “system instability,” a term that points to vulnerabilities within the national grid itself, beyond just raw power generation. Load shedding experienced in 2023 and 2024 was squarely blamed on drought that negatively impacted hydroelectric generation but the current situation presents a more complex picture of systemic challenges.

The instability has reportedly been caused by the unexpected shutdown of key hydro generation units at critical power stations in addition to the ongoing planned bi-annual maintenance at the coal-fired **Maamba Power Plant**. These unplanned outages have created a substantial deficit, forcing ZESCO to manage the national grid through controlled power cuts to prevent a complete and catastrophic system collapse.

In response to the growing public outcry, authorities are pursuing a multi-pronged approach to remedy the situation. ZESCO’s immediate focus is on completing the urgent maintenance on the offline units to return them to the grid as swiftly as possible. This is the most critical short-term fix to boost available generation capacity.

Simultaneously, the utility is looking to external sources to bridge the gap. Plans are underway to import power from neighbouring countries to supplement the depleted domestic supply. However, such imports often come at a high financial cost, which can have longer-term implications for the country’s economy and electricity tariffs.

Furthermore, the crisis has ignited a significant political and public debate, putting ZESCO’s policy of exporting power under intense [scrutiny](#). As highlighted by the opposition **Democratic Party Patriots (DPP)** and other commentators, the continuation of power exports to neighbouring nations while load shedding is experienced locally is increasingly untenable. There are growing calls, echoed on public platforms, for ZESCO to immediately suspend all export agreements to prioritise domestic demand. This political [pressure](#) adds a new dimension to the crisis, compelling authorities to balance international commitments against dire local needs. While drought remains a perennial threat, the current instability reveals an urgent need for more resilient infrastructure and proactive maintenance.

Soaring prices fuel illegal mining and smuggling

As international gold prices scale unprecedented heights, averaging \$3,400 to \$3,450 per ounce in August, Zambia is grappling with a surge in illegal artisanal mining and sophisticated gold smuggling networks. The situation mirrors a trend seen across Africa, where high commodity prices are fuelling not only unregulated mining but illegal export of such minerals.

Unregulated miners, known as ‘jerabos’, are descending on known gold deposits in areas like **Rufunsa (Lusaka Province)**, **Vubwi**, and **Petauke (Eastern Province)**, operating with impunity and causing significant environmental degradation. The illegal mining activities have extended beyond just gold to other minerals such as manganese, copper, sugilite, tin and lithium, mainly exploited by artisanal and small-scale miners. However, the actual mining is just the beginning of the issues, with gold smuggled out of the country through intricate channels, evading taxes and export duties.

Mines and minerals development minister, **Paul Kabuswe**, speaking at the **Artisanal and Small Scale Mining Conference** on 8 September, [said](#) there is a strong belief that foreigners are the primary instigators:

"The issue of illegal mining is being encouraged by foreigners who are coming with equipment and money to entice our people."

A stark example of the scale of this financial flow emerged when an Indian national was [caught](#) in April at **Kenneth Kaunda International Airport** attempting to move \$2m in cash out of the country, with the funds suspected to be linked to illegal mineral dealings.

In response to this issue, the Zambian government has launched a multi-pronged offensive. Hichilema has [issued](#) stern warnings against the smugglers, pledging a robust crackdown to protect the nation's resources. In a significant escalation, the government has deployed military units to known hotspots, aiming to dismantle illegal mining operations and restore order through a show of force.

Alongside enforcement, authorities are [pushing](#) for structural reform. The government has announced plans to establish a **Minerals Regulation Commission**, a dedicated body designed to bring order to the sector, formalise artisanal miners, and tighten the oversight of mineral production and exports. Industry bodies like the **Mineworkers Union of Zambia (MUZ)** have [welcomed](#) this move, having long advocated for stricter regulations to combat illegality and ensure Zambians benefit from their natural wealth.

But steep challenges remain - the astronomical profit margins offered by record gold prices create a powerful incentive that is difficult to stamp out. Smugglers continuously devise new methods to bypass authorities, and poverty in rural areas makes local communities vulnerable to recruitment by these illegal networks.

Planner

Oct 2025 (Zambia) Zambia and Brazil to hold a business and investment symposium
13 Nov 2025 Lusaka (Zambia) Bank of Zambia (central bank) Monetary Policy Committee (MPC) meeting
Nov/Dec 2025 Lusaka (Zambia) 2026 National budget announcement
Aug 2026 Lusaka (Zambia) General election

Chronology

11 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. Commerce, trade and industry minister **Chipoka Mulenga** says the manufacturing sector now contributes 9% of GDP, the highest level since 1990, attributing the increase to government-led economic recovery initiatives and investment momentum;

11 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. President **Hakainde Hichilema** officially opens the **2025 Energy Forum for Africa Conference** in Lusaka, urging the global investment community to scale up commitments in Africa's energy sector;

11 Sep 2025 **Lusaka (Zambia)** *Diggers*. Health ministry announces that it will not renew contracts for more than 3,500 health workers employed under the health ministry/**Centre for Disease Control and Prevention** cooperative agreement, following uncertainty surrounding **United States** foreign assistance to Zambia;

10 Sep 2025 **Lusaka (Zambia)** *Zambia Monitor*. President **Hakainde Hichilema** warns miners to trade through formal channels and desist from smuggling gold, cautioning that offenders would face the full force of the law, including imprisonment;

10 Sep 2025 **Nakonde (Zambia)** *Reuters*. Zambia's high court has ruled that **United Kingdom** based-**Standard Chartered** does not have to pay \$500,000 compensation to a former client it sold a now-defaulted **Chinese** property bond to at the height of China's real estate crisis;

10 Sep 2025 **Lusaka (Zambia)** *Zambia Monitor*. The **Non-Governmental Gender Coordinating Council (NGOCC)** has called on President **Hakainde Hichilema** to remain steadfast in his commitment to heed stakeholders' concerns that led to the deferment of **Constitution Amendment Bill No. 7**;

10 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. **Civil Servants and Allied Workers Union of Zambia (CSAWUZ)** threaten to strike if government does not resolve persistent salary delays, which have left employees struggling with rent, school fees and heavy borrowing;

9 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. President **Hakainde Hichilema** opens Zambia's first **Artisanal and Small-Scale Mining (ASM) Conference**, urging miners to operate legally, safely and through formal markets;

9 Sep 2025 **Lusaka (Zambia)** *Diggers*. State-owned power utility **ZESCO Ltd** attributes the reduced electricity supply currently affecting some parts of the country to "system instability" as some citizens complain about receiving as little as three hours of power daily;

9 Sep 2025 **Lusaka (Zambia)** *Diggers*. Mines and minerals development minister, **Paul Kabuswe** says one of the biggest challenges facing the country is the involvement of foreign nationals in artisanal mining who encourage unconventional mining practices, including unsafe methods for cleaning minerals such as gold, which pollute the environment;

8 Sep 2025 **Lusaka (Zambia)** *Diggers*. **Electoral Commission of Zambia (ECZ)** chief electoral officer, **Brown Kasaro** says individuals who either voted in the 2021 general election or have retained their 2020-issued voter's card do not need to re-register during the mass registration process for the 2026 general election;

8 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. **International Monetary Fund** resident representative **Eric Lautier** says Zambia has made major progress in restoring fiscal and debt sustainability since 2021 through disciplined reforms and targeted spending;

7 Sep 2025 **Lusaka (Zambia)** *Zambia Monitor*. **Northern Province** authorities disclose that **Mpulungu District** has recorded 29 confirmed positive cholera cases, with 19 being Zambian nationals while 10 were from **Tanzania**;

6 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. **Luapula Province** acting deputy permanent secretary **Evans Sikabubba** says the province is poised to become a new hub for mineral development, with geological surveys underway to assess its full mineral potential;

4 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. **Lusaka Magistrate Court** sentences former foreign affairs minister **Joseph Malanji** and former secretary to the treasury **Fredson Yamba** in a major corruption case;

3 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. A Lusaka court convicts former treasury chief **Fredson Yamba** on charges of abuse of office and unlawfully authorising \$4.6m in public funds for a property purchase for Zambia's mission in **Turkey**;

1 Sep 2025 **Lusaka (Zambia)** *Lusaka Times*. The **Bank of Zambia** (central bank) introduces new KMW 100 (\$4.24) and KMW 50 (\$2.12) banknotes, featuring advanced security elements;

29 Aug 2025 **Lusaka (Zambia)** *Zambia Monitor*. The annual inflation rate for August 2025 decreases to 12.6 %, from 13.0 % recorded in July, due to price movements in both food and non-food items;

29 Aug 2025 **Lusaka (Zambia)** *Diggers*. The **Pharmaceutical Society of Zambia (PSZ)** warns that the withdrawal of **United States Agency for International Development (USAID)** funding from the health sector has created a \$42m gap in HIV treatment, which could lead to a crisis if not addressed in the 2026 national budget;

29 Aug 2025 **Lusaka (Zambia)** *Bloomberg*. The **Lusaka Securities Exchange All Share Index** is leading year-to-date gains globally, at almost 56% in local currency terms and up 84% measures in **United States (US)** dollars;

28 Aug 2025 **Lusaka (Zambia)** *Diggers*. **Drug Enforcement Commission (DEC)** arrests former health ministry acting permanent secretary for administration, **Sivah Kachimba**, alongside senior **Zambia Medicines and Medical Supply Agency (ZAMMSA)** officials in the ongoing investigations in the health sector;

28 Aug 2025 **Lusaka (Zambia)** *Lusaka Times*. The **Central Province** administration has shut down the operations of **Superdeal Zinc** processing plant in **Kabwe's** mining area for violating environmental and general safety regulations;

28 Aug 2025 **Lusaka (Zambia)** *Lusaka Times*. Government allocates K200m (\$8.5m) to the **Local Authorities Superannuation Fund** to clear pension arrears;

25 Aug 2025 **Lusaka (Zambia)** *African Business*. State-owned power utility, **ZESCO**, enters a \$300m joint venture with **Mauritius**-headquartered **Anzana Electric Group** to extend electricity access to nearly two million people along the **Lobito Corridor** by 2030;

25 Aug 2025 **Lusaka (Zambia)** *Reuters*. Holders of Zambia's **United States (US)** dollar-denominated **Eurobonds**, totalling about \$3 billion, are expected to reject the government's request to defer interest payments, citing the absence of a clear restructuring plan and limited engagement from the authorities;

25 Aug 2025 **Lusaka (Zambia)** *Diggers*. Mines and minerals development permanent secretary, **Hapenga Kabeta** says the establishment of the **Minerals Regulation Commission** will help to curb illegal mining;

21 Aug 2025 **Lusaka (Zambia) Diggers**. The **Electoral Commission of Zambia (ECZ)** unveils an online voter pre-registration platform with voter registration to begin on 13 October ahead of the 2026 General Elections;

19 Aug 2025 **Lusaka (Zambia) Zambia Monitor**. Zambia secures a landmark investment commitment worth \$19 billion from **Qatar's Al Mansour Holdings** following the signing of a Memorandum of Understanding (MoU) that will strengthen cooperation across 11 key sectors of the economy;

15 Aug 2025 **Lusaka (Zambia) Diggers**. Mines minister, **Paul Kabuswe**, says copper production in the second quarter of year has increased 17 % to 439,644.29 metric tonnes from 373,263.9 metric tonnes recorded in the same period last year;

14 Aug 2025 **Lusaka (Zambia) Lusaka Times**. A recent **TransUnion Zambia** survey shows that despite economic pressures, 79% of Zambians remain optimistic about their household finances over the next year, with some reporting higher incomes and faster debt repayments;

13 Aug 2025 **Lusaka (Zambia) Lusaka Times**. Zambia and **Botswana** agree to expand trade infrastructure at the **Kazungula Bridge** to increase cargo throughput, reduce delays and unlock new regional trade opportunities;

13 Aug 2025 **Lusaka (Zambia) Diggers**. Cabinet approves the export of surplus maize grain totalling 501,620.61 metric tonnes, or its equivalent quantity of mealie meal to various destinations in the region;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

ARC's core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistle-blower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

ARC Briefing is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment

- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

www.africariskconsulting.com

Getting in touch

Please contact us by email info@africariskconsulting.com

Africa Risk Consulting (ARC) Pty Ltd expressly forbids the collection of information and content from ARC Briefing as data to train generative artificial intelligence models.

© Africa Risk Consulting (ARC)