

AFRICA RISK CONSULTING

Zambia Monthly Briefing August 2025

Zambia Summary 14 August 2025

Relations between the United States (US) and Zambia turn tense in early August after the US orders the immediate withdrawal of its citizens from Kitwe and the surrounding areas affected by the China-based Sino Metals mine tailings dam spill in February and implements a requirement for Zambians to pay a \$15,000 deposit for a tourist or business visa. Government confirms its intention to extend its International Monetary Fund (IMF) programme, due to end in October, by a year, to unlock a further \$145m in funding. The Bank of Zambia (central bank) keeps its benchmark lending rate unchanged at 14.5% as inflation remains above its target band of 6% to 8%.

US actions strain relations with Zambia

Traditionally warm relations between the **United States (US)** and **Zambia** have been tense in the past weeks, with two incidents in early August leaving the Zambian government unhappy with the administration of US President **Donald Trump** (2025-present).

In a health alert issued on 5 August, the US government [ordered](#) the immediate withdrawal of all its citizens from **Kitwe** and the surrounding areas affected by the **China-based Sino Metals** mine tailings dam spill that happened in February this year (see *ARC Briefing Zambia Aug 2025*). The US government revealed that newly obtained information indicated the presence of hazardous substances and heavy metals that could pose both immediate and long-term health risks if left in the environment. The alert further advised US personnel to avoid any travel to Kitwe that would make them reliant on municipally supplied water for drinking or food preparation.

The Zambian government immediately responded, [saying](#) there was no need to alarm the nation and the international community over the pollution, assuring that no deaths or health risks had been recorded relating to the matter. Chief government spokesperson, **Cornelius Mweetwa**, said that laboratory results showed pH levels had returned to normal and that heavy metal concentrations were steadily decreasing, indicating that the immediate danger to humans, animals, and plants had been averted.

He [stated](#) that the serious implications on public health, water safety, agriculture, and the environment had been brought under control, and that there was no cause for alarm. He revealed that apart from three suspected cases of food and water-related illnesses in **Ngabwe** - where the patients have since fully recovered - no major health complications or outbreaks linked to the pollution had been recorded.

In another incident that riled the Zambian government, the US state department [announced](#) that, as part of Trump's agenda of stemming illegal immigration, it would now require citizens from Zambia and **Malawi** to pay a \$15,000 deposit for a tourist or business visa, effective 20 August. In response, foreign minister **Mulambo Haimbe** said while the US has a prerogative to initiate policy changes, the Zambian government viewed this development with serious concern, given its potential economic implications on trade, investment, tourism, and people-to-people exchanges. Other political leaders also [voiced](#) their concern at the visa requirement, with **Democratic Union** leader, **Ackim Njobvu**, urging the Zambian government to boost trade with

Eastern countries such as **China, India, and Russia**, while reciprocating the visa decision by the US.

Zambians perceived the US' unilateral pollution advisory as an overreach, undermining local authorities and damaging Kitwe's reputation without clear, shared verification. The perception was one of the US acting unilaterally, disregarding Zambian competence, and potentially harming the local economy through negative publicity. This incident touched on a sensitive issue regarding sovereignty and external interference. On the other hand, the new visa requirement was widely interpreted in Zambia as discriminatory, punitive, and based on negative stereotypes. While the core US-Zambia partnership, particularly in health and mining, remains important, these incidents underscore the fragility of goodwill.

Zambia seeks another \$145m in IMF programme extension

A cabinet statement from 30 July [confirmed](#) the government's intention to extend its **International Monetary Fund (IMF)** programme, due to end in October, by another year and unlock a further \$145m funding as the country seeks to stabilise its economic recovery and debt restructuring. Zambia has been working to get its finance back on course with IMF support after defaulting on its debt. Zambia's IMF loan programme has sought to "*entrench macroeconomic stability, restore debt and fiscal sustainability, enhance public governance, and foster inclusive growth.*"

The IMF [said](#) on 25 July its executive board had completed a fifth review of Zambia's loan programme, unlocking another disbursement of approximately \$184m, the final disbursement under the 38-month **Extended Credit Facility (ECF)**, which was approved in August 2022 for an initial \$1.3 billion but was later increased to \$1.7 billion. So far, approximately \$1.55 billion has been disbursed.

The IMF noted Zambia's programme performance has been broadly satisfactory, with all end-December 2024 quantitative targets and most end-March 2025 indicative targets met. Three end-March 2025 indicative targets on non-mining tax revenues, arrears clearance, and reserve accumulation-, were missed.

Finance and national planning minister Dr **Situmbeko Musokotwane** [said](#) if Zambia were to end its IMF programme in October, it would also lose some donor support that is contingent on an IMF programme being in place. The IMF [said](#) via a spokesperson that the team working on Zambia was told of the government's intention to request a 12-month programme extension and that discussions would take place in the context of the next review.

With the effects of the historic drought receding, Zambia's economic outlook remains positive. Real GDP growth is estimated at 4% in 2024, underpinned by stronger mining and services performance as electricity access was prioritised for productive sectors. Real GDP growth in 2025 is projected at 5.8% on the back of continued recovery in agricultural production in the wake of the drought and continued strong performance in mining and services. Another IMF programme would help instil confidence from donors and creditors while also stabilising government finances through the extra \$145m.

Central bank maintains rate as inflation remains above target

The **Bank of Zambia (BoZ)** (central bank) on 13 August [kept](#) its benchmark lending rate unchanged at 14.5% as inflation remains above its 6% to 8% target range. Annual inflation has been on a downward trend in recent months on the back of improved maize supply, lower fuel prices, and appreciation of the kwacha, [falling](#) to 13% in July, down from 14.1% the previous month, but remains out the target band. At its last meeting in May, the central bank also held its policy rate in an attempt to steer inflation towards the target range.

The country has been trying to get its public finances back on track by restructuring its debt, though the process has taken far longer than intended. The government hopes growth will pick up this year and in 2026 as the economy recovers from a severe regional drought. Headline inflation, which was elevated in 2024 largely due to drought effects, is expected to gradually decline to 11% by the end of 2025 and fall back within the target range in the first quarter of 2026.

In its latest assessment, the central bank cited in its decision that inflation remains above target and that uncertainties associated with global trade policies and persistent geopolitical tensions are lingering. In a statement on 5 August, the IMF [said](#) the central bank should maintain an appropriately tight monetary policy stance to combat inflation, supporting the BOZ's data-driven approach to policy decisions, while also emphasising the need to further strengthen monetary policy transmission to anchor inflation expectations. The MPC will meet again in November.

Planner

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

Chronology

12 Aug 2025 **Lusaka (Zambia) Zambia Monitor**. The **Common Market for Eastern and Southern Africa (COMESA)** announces the signing of a **Mutual Recognition Agreement (MRA)** for conformity assessment between **Malawi** and Zambia, marking a major step towards enhancing trade between the two member states;

12 Aug 2025 **Lusaka (Zambia) Zambia Monitor**. The **Zambia Development Agency (ZDA)** has reportedly recorded business transactions worth \$30.1m following a recent trade mission to **Angola**;

12 Aug 2025 **Lusaka (Zambia) Lusaka Times**. Finance and national planning minister **Situmbeko Musokotwane** says Zambia will, in the next month, sign a concession agreement with **TAZARA** for the development of the **Lobito Corridor** to facilitate trade and promote regional integration;

11 Aug 2025 **Nakonde (Zambia) Lusaka Times**. Police are investigating the theft of 30 tonnes of copper cathodes worth over K6.6 m (\$292,000), stolen while being transported from **Ndola** to **South Africa**;

9 Aug 2025 **Lusaka (Zambia) Diggers**. **Konkola Copper Mines (KCM)** says it is encouraged by President **Hakainde Hichilema's** directive to maintain and accelerate progress on the **Konkola Deep Mining Project (KDMP)**, with the goal of achieving an annual copper production target of 300,000 tonnes by 2031;

9 Aug 2025 **Lusaka (Zambia) Zambia Monitor**. Mines and minerals development ministry, in collaboration with the **British Geological Survey (BGS)**, launches a ground-breaking guide showcasing Zambia's vast potential in critical minerals, positioning the country as a future powerhouse in the global clean energy transition;

9 Aug 2025 **Lusaka (Zambia) Diggers. Electoral Commission of Zambia (ECZ)** announced that the **Mfuwe** parliamentary by-election has been won by **Mufunelo Malama** of the **United Party for National Development (UPND)**, who beat **Mubanga Charles** of the **Socialist Party** and **Kunda Brian** of the **New Congress Party**;

8 Aug 2025 **Lusaka (Zambia) Lusaka Times. Maamba Energy Limited (MEL)** chief executive officer, **Cyrus Minwalla**, announces that the company is on track to deliver a total of 700MW into the national grid by the middle of next year;

8 Aug 2025 **Lusaka (Zambia) Lusaka Times. A South African** court orders the repatriation of former president **Edgar Lungu's** body for a state funeral, siding with Zambia's government over his family, who wanted him buried in **South Africa**, not in the presence of his successor;

8 Aug 2025 **Lusaka (Zambia) Diggers. ZCCM Investments Holdings Plc (ZCCM-IH)** announces that the government has formally mandated it to take the lead in formalising, developing, and transforming the gold sector in Zambia;

8 Aug 2025 **Lusaka (Zambia) Diggers. Bank of Zambia (BoZ)** (central bank) governor, **Denny Kalyalya**, says BoZ is in the process of expanding its domestic gold purchase program to include artisanal miners;

7 Aug 2025 **Lusaka (Zambia) Diggers. Socialist Party** national youth chairperson, **Kelvin Kaunda** says the opposition is developing a process to select a candidate for the 2026 elections;

7 Aug 2025 **Lusaka (Zambia) Lusaka Times. Socialist Party** president **Fred M'membe** criticises President **Hakainde Hichilema** and the ruling **United Party for National Development (UPND)** for resubmitting bills previously rejected by parliament, calling the move arrogant, undemocratic and wasteful;

4 Aug 2025 **Lusaka (Zambia) Lusaka Times. Centre for Trade Policy and Development** warns that Zambia faces a worsening fiscal crisis if it fails to address \$3.5 billion in illicit financial flows identified in 2024, driven by tax evasion, trade mis-invoicing, and illegal mining;

3 Aug 2025 **Lusaka (Zambia) Diggers. President Hakainde Hichilema** says Zambia and **Botswana** have agreed to extend the **Kazungula Bridge** by adding a railway link, which will eventually stretch to **Namibia**, in a move aimed at unlocking greater economic potential for the region;

31 Jul 2025 **Lusaka (Zambia) Diggers. Zambia and Brazil** are set to hold a business and investment symposium in October, aimed at Brazilian companies interested in entering the southern African market through Zambia;

28 Jul 2025 **Lusaka (Zambia) Zambia Monitor. Bank of Zambia (BoZ)** (central bank) governor, **Denny Kalyalya**, says the central bank has not abandoned its dedollarization project, which it embarked on last year;

27 Jul 2025 **Lusaka (Zambia) Diggers. Infrastructure, housing and urban development ministry** reveals that construction firm, **China Henan International Cooperation Group Company Limited**, is eyeing four road projects in Zambia under a **Public-Private Partnership (PPP)** arrangement;

26 Jul 2025 **Lusaka (Zambia) Zambia Monitor. Constitutional court** dismisses a petition challenging the legality of Zambia's laws that criminalise same-sex relations and certain sexual practices, regardless of gender;

- 24 Jul 2025 **Lusaka (Zambia)** *Lusaka Times*. Finance minister **Situmbeko Musokotwane** reports steady economic growth averaging 4% since 2021, driven by mining, tourism and energy sector gains, with expectations of stronger performance from 2026 onward;
- 21 Jul 2025 **Lusaka (Zambia)** *Reuters*. Finance ministry says economic growth in Zambia is expected to accelerate to 6.4% next year from 5.8% this year, driven by its mining and agriculture sectors;
- 21 Jul 2025 **Lusaka (Zambia)** *Reuters*. Government signs an agreement that paves the way for the development of a \$1.1 billion crude oil refinery and energy complex in **Ndola (Copperbelt Province)**;
- 17 Jul 2025 **Lusaka (Zambia)** *Lusaka Times*. President **Hakainde Hichilema** launches the **Invest in Zambia International Conference** to attract global investment and promote economic transformation through policy reforms and strategic partnerships;
- 17 Jul 2025 **Lusaka (Zambia)** *Zambia Monitor*. The **Industrial Development Corporation (IDC)** signs two memoranda of understanding (MoUs) worth over \$2 billion with two major **Chinese** corporations, securing significant investments in Zambia's energy and agricultural sectors;
- 15 Jul 2025 **Lusaka (Zambia)** *Bloomberg*. Development finance institutions from the **United Kingdom** and **Sweden** partner with Zambia's **National Pension Scheme Authority (NAPSA)** to launch a new investment platform aimed at supporting Small and Medium-sized Enterprises (SMEs) backed by an initial capital of \$70m;
- 15 Jul 2025 **Lusaka (Zambia)** *Bloomberg*. **Geneva-based Mercuria** and state-owned **Industrial Development Corporation** are set to ship their first copper under a new trading partnership after obtaining a government waiver to export a semi-processed form of the metal;

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