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The Lusaka High Court drops all treason charges against opposition United Party for National Development (UNPD) leader, Hakainde Hichilema, and five others at the request of the director of public prosecutions, Lillian Siyuni. Commonwealth secretary-general Patricia Scotland helps to facilitate Hichilema's release and will assist in future dialogue between President Edgar Lungu (2015-present) and Hichilema. Despite Hichilema's release, the partial state of emergency that Lungu decreed in July remains in place. South African opposition Democratic Alliance party leader Mmusi Maimane refuses to meet with Lungu until the state of emergency is repealed after Lungu summons Maimane and South African opposition Economic Freedom Fighters party leader Julius Malema to explain their comments regarding Hichilema's trial. First Quantum Minerals agrees to pay the \$0.09 tariff after state-run electricity company Zambia Electricity Supply Corp (Zesco) restricts power to several of its copper mining operations. Tullow Oil begins oil and gas exploration in northern Zambia as the government attempts to diversify away from copper and heavy metals mining.

High Court drops treason charges against Hakainde Hichilema

The **Lusaka High Court** dropped treason charges against **Hakainde Hichilema**, the leader of the opposition **United Party for National Development (UNPD)**, as well as five others, on 16 August.¹ **Zambia's** director of public prosecutions, **Lillian Siyuni**, reportedly asked the court to drop the charges against Hichilema.² At the start of the trial, High Court judge **Charles Chanda** stated that,

"The DPP (director of public prosecutions) has decided to terminate these proceedings by virtue of her constitutional powers. Therefore, you're hereby discharged."³

The deal for Hichilema's release was reportedly brokered by the **Commonwealth** secretary-general, **Patricia Scotland**, who visited Zambia in early August to meet President **Edgar Lungu** (2015-present) as well as Hichilema.⁴ Scotland will reportedly facilitate a dialogue between the two leaders. A government source stated that,

"...the process of dialogue, which the Commonwealth secretary-general, Baroness Patricia Scotland is leading with the help of the Catholic bishops, starts with the release of the opposition leader from prison."⁵

Additionally, the Zambian government agreed to drop all charges against Hichilema and the other accused.

"The state will discontinue the treason case in the public interest as both the opposition leader and the head of state are committed to burying their past and starting dialogue envisaged to help address some of the issues the opposition raised after the 2016 elections so that the 2021 elections are better held."⁶

¹ News24, 16 Aug 2017.

² News24, 16 Aug 2017.

³ IOL, 16 Aug 2017.

⁴ EWN, 13 Aug 2017.

⁵ EWN, 13 Aug 2017.

⁶ EWN, 13 Aug 2017.

According to a Zambian public prosecutor, there is enough evidence to indict Hichilema, but the government decided that it was best for the country to not pursue the case. The public prosecutor stated that Hichilema committed,

“... an overt act serious enough to warrant prosecution but the public interest seems to be the overriding consideration, so a nolle prosequi will be entered.”⁷

Hichilema appeared in court on 14 August, amid rumours of his imminent release, and pleaded not guilty to the treason charges.⁸ UPND spokesman **Charles Kakoma** said that all six “*denied the charge of treason*” which led to the court reserving a court date for trial.⁹ The court date set was 16 August, which then coincided with the dropping of the charges.¹⁰

Hichilema was detained in April after allegedly blocking Lungu’s motorcade with his own convoy (see *ARC Briefing Zambia April 2017*.)¹¹ The arrest, detention and release of Hichilema appear to have done more to strengthen the opposition than the ruling **Patriotic Front (PF)** party. Hichilema’s detention has isolated the PF from many of its foreign backers, with both domestic and foreign organisations noting a troubling decrease of democracy in Zambia.¹² Leaders of **South Africa’s** opposition parties, the **Democratic Alliance (DA)** and the **Economic Freedom Fighters (EFF)**, **Mmusi Maimane** and **Julius Malema**, rejected Lungu’s attempts to speak to them.¹³ The **Zambian High Commission in Pretoria** reportedly stated that Lungu summoned Maimane and Malema after both made remarks about the issues in Zambia, though both refused the summons.¹⁴ Hichilema, on the other hand, appears to be more popular than before. Political analyst **Laura Miti** states that,

“Lungu made a hero out of [Hichilema]. The international community is talking about him now. Even his supporters see him in a new light – he didn’t break, he didn’t capitulate. I think it was a real mistake by the president.”¹⁵

...though the partial state of emergency remains

Despite Hichilema’s release and the dropped charges, the state of emergency remains in place. Lungu declared a partial state of emergency on 6 July after several arson attacks (see *ARC Briefing Zambia July*).¹⁶ The national assembly ratified the state of emergency on 12 July, extending it for 90 days.¹⁷ Lungu has not stated whether or when he plans to end the state of emergency. South Africa’s opposition DA party leader, Mmusi Maimane, whom Lungu summoned to meet with him on 19 August, has stated that he will not meet the Zambian president until Lungu,

“... publicly commits to a programme that works to restore Zambia’s democracy. This must include lifting the 90-day state of emergency; reconvening parliament; restoring the independence of the justice system; ensuring the media is free from suppression and intimidation; and ending the oppressive treatment of the opposition in Zambia.”¹⁸

Hichilema, after his release, stated that he was not surprised that Lungu called for the state of emergency.

⁷ EWN, 13 Aug 2017.

⁸ News24, 14 Aug 2017.

⁹ Al Jazeera, 14 Aug 2017.

¹⁰ News24, 14 Aug 2017.

¹¹ News24, 16 Aug 2017.

¹² Multiple sources: News24, 18 Jun 2017; The Star (Kenya), 19 Jun 2017; Newsweek, 15 May 2017.

¹³ News24, 20 Aug 2017.

¹⁴ News24, 20 Aug 2017.

¹⁵ Daily Maverick, 17 Aug 2017.

¹⁶ Quartz, 6 Jul 2017.

¹⁷ News24, 12 Jul 2017.

¹⁸ IOL, 19 Aug 2017.

*"My party and I have been living under an undeclared state of emergency for a long time now. As far as we're concerned, that just made it official."*¹⁹

First Quantum Minerals agrees to conditional electricity tariff increase

Canada-based **First Quantum Minerals** agreed to a conditional electricity tariff with Zambian authorities on 4 August.²⁰ Letters from First Quantum on 29 June and 4 August stated that it agreed to pay a flat \$0.09 per kilowatt hour for electricity from Zambia's state-run power company, **Zambia Electricity Supply Corp (Zesco)**, and that the agreement also allowed First Quantum to source 200 megawatts (MW) of power from other suppliers.²¹ First Quantum Minerals also offered to build more capacity in the interconnector between **Zimbabwe** and **Livingstone** in Zambia.

The agreement should stop further power cuts to First Quantum's copper smelters and allow it to continue operations at its **Mopani** copper mine, which it operates along with **Glencore Plc**.²² According to the Zambian energy minister, **David Mabumba**, First Quantum and Glencore were the only two mining companies who had refused to pay the increased tariff, which increased from \$0.06 per kilowatt in January 2017,²³ in addition to an almost 30% tariff increase in 2014.²⁴ First Quantum and Glencore's refusal to pay led to Zesco subsequently cutting supply at the **Sentinel** mine from 155MW to 100MW and at the **Kansanshi** mine from 187MW to 133MW.²⁵ Additionally, **Copperbelt Energy Corp**, which purchases power from Zesco to sell to the mines, reduced electricity supply at Mopani copper mines from 190MW to 94MW.²⁶ The power cuts forced Glencore to halt production at the **Kitwe** and **Mufulira** copper mines.²⁷ Mabumba stated on 15 August that the Zambian government would not allow some mines to pay less.

*"They [First Quantum and Glencore] have still got a significant amount of power for them to operate, but obviously their operations will not be at 100 percent because of the power restrictions. The mines that are not paying should not blackmail [the] government. We have been very patient and tolerant. If domestic customers are paying, why should they be subsidising industries? I think it would be very unfair. There is no one person that is going to be given special considerations."*²⁸

Tullow Oil starts oil and gas exploration in Zambia

United Kingdom (UK)-based **Tullow Oil** started oil and gas exploration in Zambia on 11 August.²⁹ Tullow executive vice president **Ian Cloke** stated that exploration in northern Zambia would last between two and ten years, while development of any oil discoveries could take between three and ten years, followed by 20 to 50 years of production.³⁰ Cloke stated that Tullow is,

*"... exploring a large area that includes **Northern** and **Luapula** provinces. With Tullow's exploration credentials, I can confidently say that if there is any oil to be found in this area of Zambia, Tullow will find it."*³¹

Soil samples that were sent to **European** laboratories reportedly show good traces of crude oil, though Tullow is one of the first companies to explore for oil in Zambia.³²

¹⁹ Daily Maverick, 20 Aug 2017.

²⁰ MiningMX, 16 Aug 2017.

²¹ MiningMX, 16 Aug 2017.

²² MiningMX, 16 Aug 2017.

²³ MiningMX, 16 Aug 2017.

²⁴ Mining.com, 15 Aug 2017.

²⁵ MiningMX, 16 Aug 2017.

²⁶ MiningMX, 16 Aug 2017.

²⁷ Bloomberg, 15 Aug 2017.

²⁸ Bloomberg, 15 Aug 2017.

²⁹ New York Times, 11 Aug 2017.

³⁰ New York Times, 11 Aug 2017.

³¹ New York Times, 11 Aug 2017.

While discoveries of oil in any country are likely to be positive for the economy, Zambia is hoping that oil and gas will help to diversify away from its reliance on copper and heavy metals. Copper accounts for 70% of Zambia's foreign exchange³³ and it is hoping that oil and gas will help insulate its economy from price shocks in copper and other metals. Lungu reiterated this, stating at the Tullow ceremony that

*"... our economy has been dependent on copper and vulnerable to shocks in global copper prices, which lie beyond our control."*³⁴

At the event, Lungu also stated that the revision of Zambia's petroleum legislation will be completed soon. Lungu stated that he wanted to,

*"... publicly reassure Tullow and other petroleum exploration companies that my government will complete the revision of legislation for the petroleum industry to create clarity and establish a conducive and fair regulatory environment. The ministry of mines and minerals development is also undertaking capacity building programmes to strengthen administration and management of the oil and gas industry to prepare the country for development of this sector."*³⁵

³² New York Times, 11 Aug 2017.

³³ New York Times, 11 Aug 2017.

³⁴ Reuters, 11 Aug 2017.

³⁵ Zambian Daily Mail, 12 Aug 2017.

About Africa Risk Consulting:

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