

AFRICA RISK CONSULTING

Zambia Monthly Briefing December 2025

Zambia Summary 16 December 2025

National Assembly passes the Constitution of Zambia (Amendment) Bill No. 7 of 2025 after several months of fierce disapproval from the opposition and civic society. United States (US)-headquartered Fitch Ratings upgrades Zambia's Long-Term Foreign-Currency Issuer Default Rating (IDR) to B- from Restricted Default (RD) and assigns a stable outlook, marking the country's formal exit from default status as its international debt restructuring nears completion. The US and Zambia appear to be resetting their bilateral relationship following months of diplomatic strain, with the US proposing a \$2 billion grant package over the next five years.

Parliament passes controversial Constitutional Amendments Bill

After several months of opposition and civic society disapproval, the **National Assembly**, on 15 December, [passed](#) the **Constitution of Zambia (Amendment) Bill No. 7 of 2025** after a special session convened for that purpose. The special session allowed parliament to rush the bill through its final stages without the standard notice period or procedural delays.

Vice president **Mutale Nalumango**, on 12 December, had moved a motion to suspend standing orders allowing for the bill to be fast-tracked, as parliament rules typically require 24 hours' notice for proposed amendments to legislation and prohibit more than one stage of a bill, second reading, committee stage, and third reading from being completed in a single sitting.

The suspension of rules enabled the government to complete all remaining stages of Bill 7 in a single day, with 131 members voting for the bill after the second reading and debating, allowing the new law to proceed to the procedural committee stage. It then passed third reading with 135 votes. The bill now awaits the president's assent before it becomes law. Some opposition members boycotted parliament in protest but the ruling **United Party for National Development (UPND)** only required 111 votes to pass the bill, which is the required two-thirds majority.

Bill 7 introduces wide-ranging changes to Zambia's constitutional and electoral make-up. Key among the amendments are revisions to the composition of the National Assembly, including an expansion of constituency-based seats from 156 to 211, and adjustments to the number of nominated members of parliament (MPs). It also proposes a mixed-member proportional representation element intended to improve representation for women, youth, and persons with disabilities. Other changes cover by-election procedures, nomination rules, parliamentary dissolution timing, and harmonisation of the terms of parliament and local councils.

The bill's proponents, including the UPND, say that the proposed amendments are non-contentious and aimed at improving governance. They further argue the reform clarifies legal ambiguities, strengthens governance structures, and aligns the electoral framework with contemporary needs. Government officials have [dismissed](#) claims that the amendments are meant to benefit the incumbent or extend presidential power, noting the changes do not alter presidential term limits. However, critics argue that the bill seeks to expand executive power, alter electoral timelines to entrench incumbency advantage, and replace by-elections with party-controlled replacements.

President **Hakainde Hichilema** (2021-present) [described](#) the outcome as a victory for the public and for democratic institutions, emphasising that MPs acted as representatives of the people. The opposition **Forum for Democracy and Development (FDD)** spokesperson, **Anthony Chibuye**, [criticised](#) the outcome, describing it as an attack on the constitution through alleged executive corruption and the betrayal of MPs

Legal experts, civil society organisations, and opposition figures, contend that the rushed passage undermines democratic norms and that parts of the amendment process may be unconstitutional. Some [warn](#) that the changes, especially around parliamentary dissolution and campaign timing, could strengthen incumbency advantages and weaken electoral fairness. The bill is expected to play a large role in the build-up to the 2026 elections.

Zambia's credit picture improves but risks remain

United States (US)-headquartered **Fitch Ratings** on 28 November upgraded Zambia's Long-Term Foreign-Currency Issuer Default Rating (IDR) to B- from Restricted Default (RD) and assigned a stable outlook, marking the country's formal exit from default status as its international debt restructuring nears completion. Fitch [cited](#) the successful bondholder support for the restructuring, improving debt metrics and stronger macroeconomic projections as the main drivers of the move.

Only days earlier, fellow US-headquartered credit ratings agency, **S&P Global**, had already [moved](#) Zambia out of a selective-default classification, raising its long- and short-term foreign-currency ratings to CCC+/C with a stable outlook, another signal that international investors and multilateral creditors now see material progress in Zambia's debt repair process. The S&P action and Fitch's upgrade together transform the market narrative that Zambia is no longer treated as technically in default, which should lower perceived sovereign risk and ease access to international capital markets over time.

Both agencies pointed to the same core facts, which include a near-completion of a comprehensive debt restructuring that secured high bondholder participation; commitments to fiscal consolidation and primary surpluses; and projections that government debt will fall materially over the next two years as a result of the restructuring, stronger nominal growth, and planned primary surpluses.

The technical exit from default and the two upgrades carry several benefits, including lowering borrowing costs on new external issues as investors reassess sovereign risk while bilateral lenders and multilaterals may be more willing to resume larger financing packages. Improved ratings could also encourage private investment by reducing the perceived political-credit risk.

While the upgrades have been largely welcomed, the government has been warned that the country remains vulnerable to economic and political shocks despite the credit upgrade. Civil society group **Debt Alliance** [warned](#) that the uplift does not eliminate Zambia's vulnerabilities, cautioning that the country remains exposed to economic and political shocks, and urged continued strict fiscal discipline, stronger debt management and transparency to avoid backsliding.

Zambia-US reset relations amid \$2 billion grant and mineral interests

The US and Zambia appear to be resetting their bilateral relationship following months of diplomatic strain, with the US [proposing](#) a \$2 billion grant package, direct to the government, over the next five years. The move signals not only a reset in relations but also a broader shift in US economic strategy in Africa, one that prioritises direct government-to-government engagement, strategic competition with **China**, and access to critical minerals.

Relations between Zambia and the US had cooled earlier this year after the US [imposed](#) stricter visa restrictions on Zambian nationals in August, a move widely perceived in Zambia as punitive and poorly communicated (*see ARC Briefing Zambia Aug 2025*). Tensions were further inflamed around the same time when US officials publicly [commented](#) on an environmental pollution case involving a Chinese-owned mining firm, remarks that some Zambian officials interpreted as diplomatic overreach into domestic regulatory matters (*see ARC Briefing Zambia Sep 2025*).

Against this backdrop, the announcement of a substantial grant package suggests a deliberate effort by US to stabilise ties and reassert its influence in a country that has become geopolitically and economically strategic. Central to this renewed engagement is the **Millennium Challenge Corporation (MCC)**, a US development agency that blends aid with policy reform incentives. The announcement emerged following a [visit](#) by **Caleb Orr**, a US State Department official responsible for energy and business development, to Zambia, where he met with Hichilema. During this visit, Orr emphasised that economic cooperation must take precedence over health funding, essentially linking the two areas.

The US government reportedly recent [approved](#) the MCC to enter into mining investments in Africa, with the first deals expected to be signed with **Liberia** and **Mozambique**. Although critical minerals have not been explicitly named in official statements, [they](#) loom large in the subtext of the deal as Zambia is a key producer of copper and cobalt, minerals vital for electric vehicles, renewable energy infrastructure, and advanced manufacturing. As global competition for these resources intensifies, the US is increasingly [using](#) development finance and grants as tools to counter China's entrenched position in African mining supply chains.

By channelling grants directly to the Zambian government rather than through civil society organizations (CSOs) or non-governmental organisations (NGOs), the US appears to be betting that stronger state institutions will provide a more reliable long-term partner, both politically and economically. However, this shift has sparked unease among Zambia's civil society. NGOs and CSOs [argue](#) that bypassing them in favour of direct government funding risks promoting state capture, weakening accountability, and reducing oversight of public spending.

Organisations such as **ActionAid** have warned that concentrating large volumes of external funding within government systems, especially in countries with fragile accountability mechanisms, can entrench elite interests and marginalise community voices.

While framed as a development partnership, the proposed \$2 billion package is also a strategic investment in influence, access to critical minerals, and competition with China in southern Africa.

2026 outlook

As Zambia approaches the 2026 electoral cycle, the implementation of Bill 7 is expected to intensify political debate, with observers watching closely for legal challenges and broader implications for the nation's democratic trajectory. Hichilema will be running for a second term in the August 2026 election, and is already tipped to win as there is not outstanding opposition candidate at this point. However, the passage of the new bill could harm his campaign and support for him could drop.

Economically, Zambia is expected to continue stabilising in 2026. The **International Monetary Fund (IMF)** has projected GDP growth to reach between 5.2% and 5.8% this year, with a forecast of between 5.8% and 6.4% in 2026. However, a single poor harvest, a spike in global interest rates, or election-period instability could quickly reverse confidence in this. What will help drive this economic growth is the expectation that copper production will surpass one million metric tonnes in 2026 as major mines expand and activity rebounds. Increased investment and confidence in the sector is expected to continue in 2026, as the government aims to reach its goal of producing three million metric tonnes by 2031.

Planner

15 Jan 2025 **Chawama (Zambia)** Chawama by-election
 9-12 Feb 2026 **Cape Town (South Africa)** Mining Indaba 2026
 Aug 2026 **Lusaka (Zambia)** General election

Chronology

15 Dec 2025 **Lusaka (Zambia)** *The Citizen*. Zambia reaffirms its commitment to strengthening **Tanzania's** transport and logistics sector, emphasising continued cooperation to enhance regional connectivity and trade;

14 Dec 2025 **Lusaka (Zambia)** *Lusaka Times*. Government unveils a long-term power expansion plan to stabilise electricity supply by increasing generation capacity, diversifying the energy mix beyond hydropower, and upgrading transmission and distribution infrastructure;

12 Dec 2025 **Lusaka (Zambia)** *Zambia Monitor*. Home affairs and internal security minister, **Jack Mwiimbu** says the government has rolled out a new online passport application and payment system, marking a major step in the digitalisation of public services;

11 Dec 2025 **Lusaka (Zambia)** *Lusaka Times*. Zambia and **Tanzania** sign a mutual recognition framework agreement to harmonise measurement standards in the petroleum sector, reducing business costs and improving trade efficiency;

11 Dec 2025 **Lusaka (Zambia)** *Diggers*. Chief government spokesperson **Cornelius Mweetwa** thanks courts for dismissing attempts by the opposition and the **Oasis Forum** to oust Bill 7 from parliament, saying the **National Assembly** is on firm ground to continue the constitutional amendment processes;

11 Dec 2025 **Lusaka (Zambia)** *Diggers*. Energy minister **Makozo Chikote** says the government has increased power supply, with some areas now receiving up to ten hours of electricity from the previous three hours a day;

10 Dec 2025 **Lusaka (Zambia)** *Diggers*. **Tanzania's AMSONS Group** signs a strategic partnership with Zambia's **Exergy Africa Limited** to jointly develop 1,300MW of power projects in Zambia, consisting of 1,000MW of solar and 300MW of coal generation, representing a combined investment of \$900m;

10 Dec 2025 **Lusaka (Zambia)** *Zambia Monitor*. Technology and science minister, **Felix Mutati**, has called for closer collaboration with **Serbia** to help bridge the research and development gap, particularly in the energy and agriculture sectors;

9 Dec 2025 **Lusaka (Zambia)** *Lusaka Times*. **World Bank** confirms a \$200m grant for Zambia to support wide-ranging reforms in the energy sector, a development officials say reflects renewed confidence in ongoing restructuring efforts;

8 Dec 2025 **Lusaka (Zambia)** *Diggers*. The **Electoral Commission of Zambia (ECZ)** sets 15 January 2026 as the date for the parliamentary by-election in **Chawama** constituency after parliament declared the seat, held by **Tasila Lungu**, the daughter of former president **Edgar Lungu**, vacant because of her continued absence in the wake of his death;

7 Dec 2025 **Lusaka (Zambia)** *Zambia Monitor*. State-owned **ZCCM Investments Holdings Plc (ZCCM-IH)** reports group net profit rose to \$1.52 billion in 2024, reversing a post-tax loss of \$198.59m in 2023, driven by the **Mopani** strategic transaction that provided financial stability and restructured the company's balance sheet;

7 Dec 2025 **Lusaka (Zambia)** *Lusaka Times*. **Electoral Commission of Zambia** confirms it has added 1.6 million new registrants through nationwide continuous voter registration, expecting that the voter roll will reach 8.8 million in 2026;

6 Dec 2025 **Nakonde (Zambia)** *Diggers*. A consortium of political parties consisting of the **New Heritage Party, People's Alliance for Change (PAC), United Liberal Party (ULP), United National Independence Party (UNIP)** and the **Zambia We Want (ZWW)** has launched the **We're One Zambia Alliance (WOZA)**;

5 Dec 2025 **Lusaka (Zambia)** *Diggers*. A **PwC** mining industry review report forecasts that the country might record a total copper production of 960,000 metric tonnes in 2025 with copper mining potential standing at 1.96 million tonnes annually;

4 Dec 2025 **Lusaka (Zambia)** *Lusaka Times*. Parliament passes the **Occupational Health and Safety Institute (OHSI) Bill No. 17** of 2025, paving the way for a major overhaul of workplace safety regulations in Zambia;

4 Dec 2025 **Lusaka (Zambia)** *Diggers*. **Law Association of Zambia (LAZ)** says it is deeply alarmed by the government's decision to reintroduce **Bill 7**, a controversial constitutional amendment bill, in the **National Assembly** despite a constitutional court ruling that the process leading to the presentation of the bill was unconstitutional;

3 Dec 2025 **Chingola (Zambia)** *Lusaka Times*. The army issues an immediate eviction order to all illegal miners operating in the **Lower Zambezi** area of **Siavonga District**, warning that those who fail to leave voluntarily will face a military-led removal;

28 Nov 2025 **Lusaka (Zambia)** *Zambia Monitor*. The **Federation of Small-Scale Mining Associations of Zambia (FSSMAZ)** expresses serious concern over what it calls "*fundamentally misaligned*" regulatory conditions under the newly introduced **Artisanal Mining Right (AMR)**, warning that the current framework risked excluding the very people it was meant to support;

27 Nov 2025 **Lusaka (Zambia)** *APA News*. **Zambia Statistics Agency (ZamStats)** reports annual inflation dropped to 10.9% in November, down from 11.9% in October;

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)