

AFRICA RISK CONSULTING

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Zambia Summary 19 June 2026

President Hakainde Hichilema (2021-present) kicks off his election campaign with a pledge to continue economic recovery and create two million jobs in the next five years. Zambia successfully executes a major Eurobond buyback transaction aimed at reducing future debt servicing costs, strengthening fiscal sustainability, and unlocking investment in critical energy infrastructure. The government and the United States (US) Millennium Challenge Corporation (MCC) agree to broaden the scope of a \$491m agricultural productivity grant programme to include support for infrastructure linked to the critical minerals sector despite recent diplomatic tensions between the two countries.

Hichilema seeks second term on continued economic recovery

Zambia has entered campaign season ahead of the 13 August general election, setting the stage for a contest that will largely be fought over the economy, jobs, the cost of living, and governance issues.

Electoral Commission of Zambia (ECZ) has cleared 14 presidential candidates to contest the election, but President **Hakainde Hichilema** (2021-present) and his **United Party for National Development (UPND)** are expected to dominate the race alongside a fragmented opposition led by **Tonse Alliance** candidate **Brian Mundubile**, **Citizens First** leader **Harry Kalaba**, **Socialist Party** president **Fred M'membe**, and **Zambia Must Prosper** leader **Kelvin Bwalya Fube**.

At the centre of Hichilema's campaign is a message of continuity, economic recovery, and stability, with the president asking voters to renew his mandate based on what his administration describes as substantial progress since taking office in 2021.

Launching the UNPD election manifesto on 11 June, Hichilema described the document as a growth manifesto focused on production, jobs, investment, and improving living standards. The manifesto sets out seven major production targets expected to generate about \$65 billion annually and drive the next phase of Zambia's economic transformation. The targets include producing 10 million metric tonnes of maize, generating 10,000MW of electricity, attracting five million tourists annually, producing three million metric tonnes of copper and three million metric tonnes of soya beans, harvesting one million metric tonnes of wheat, and growing beef exports to \$1 billion. He also [promised](#) to create two million more jobs in the next five years.

The UPND has also highlighted Zambia's debt restructuring, the rebuilding of foreign exchange reserves, renewed investor confidence, and more than \$11 billion in mining investment commitments as evidence that the country is advancing successfully. The ruling party argues that a second term will allow it to complete ongoing reforms, expand mining production, create jobs, and accelerate economic growth.

The opposition is campaigning on a very different narrative. While acknowledging improvements in macroeconomic indicators, opposition parties argue that ordinary Zambians have yet to feel the benefits. Rising food prices, unemployment and the high cost of living remain central in the opposition's campaign. Mundubile has [focused](#) on what he describes as the

gap between positive economic statistics and household realities, arguing that economic recovery has not translated into improved living standards for many citizens.

The key issues likely to shape the election are the cost of living, employment creation, economic management, agriculture, and governance. Despite progress in debt restructuring and attracting investment, many Zambians continue to face high food prices and economic pressures linked to recent droughts and broader regional economic challenges.

Compared to the 2021 election, the political landscape has also changed significantly. In 2021, Hichilema was the opposition candidate challenging an incumbent, former president **Edgar Lungu** (2015-2021), blamed for economic decline and debt distress. The former ruling **Patriotic Front**, which was the UPND's main rival in 2021, has fractured into competing factions and alliances following Lungu's death and internal leadership disputes.

Not all opposition parties have joined the Tonse Alliance but those that have appear to have had a successful first campaign with thousands of people, miners, contractors, vendors, and ordinary **Copperbelt** residents [attending](#) the launch of Mundubile as its presidential candidate in **Kitwe** on 13 June.

While the presidential race appears to be a two-horse race between Hichilema and Mundubile, with the incumbency effect likely to hand Hichilema an upper hand, the 50 plus one requirement still makes the race uncertain, and a runoff may be required if no candidate gets more than 50% of the votes.

In contrast, the parliamentary election will be significantly larger than in 2021 due to constitutional amendments signed into law in late 2025. Parliament has expanded from 167 members to about 280 seats, with new constituencies created and additional reserved seats for women, youth and people with disabilities.

One of the most interesting dynamics of the 2026 election is that it has over 100 independent candidates [contesting](#), who are likely to split opposition votes in constituencies where the anti-UPND vote is already divided among Tonse Alliance, Citizens First, Socialist Party and Zambia Must Prosper candidates. Equally importantly, the independent candidates could turn out to be kingmakers if the **National Assembly** turns out to be more fragmented.

Eurobond buyback marks new phase in debt recovery strategy

Zambia has taken another significant step in its economic recovery programme after successfully executing a major **Eurobond** buyback transaction aimed at reducing future debt servicing costs, strengthening fiscal sustainability, and unlocking investment in critical energy infrastructure.

The government on 4 June launched a tender offer to repurchase part of its \$1.36 billion fixed-rate step-up amortising notes due in 2053, a bond created as part of Zambia's landmark debt restructuring completed in 2024. The operation achieved an impressive participation rate of nearly 98%, [signalling](#) strong investor confidence in Zambia's debt management strategy and economic reform programme. A \$600m concessional loan from the **African Development Bank (AfDB)** is financing the buyback, supplemented by government resources. By replacing expensive commercial debt with cheaper multilateral financing, authorities hope to significantly reduce future debt obligations and improve the country's overall debt profile.

Zambia became the first **African** country to default on its sovereign debt during the **Covid-19** pandemic in 2020, triggering years of complex negotiations with bilateral creditors, bondholders and multilateral institutions under the **G20 Common Framework**. Those [negotiations](#) culminated in debt restructuring agreements that restored debt sustainability and reduced immediate repayment pressures.

However, restructuring alone did not eliminate Zambia's long-term debt burden. The 2053 Eurobond targeted in the buyback carries 'step-up' interest rates, meaning borrowing costs increase progressively over time. Retiring the bond early allows Zambia to avoid escalating future interest payments while replacing them with financing on more favourable terms.

Government officials have said the buyback is [intended](#) to reduce debt servicing costs, strengthen public finances and improve Zambia's prospects of returning to international capital markets. It also sends a positive signal to investors that the country is moving beyond crisis management toward proactive debt reduction and fiscal discipline.

The most notable feature of the transaction is its direct connection to Zambia's energy sector. The AfDB financing is tied to a 15-year **National Grid Resilience Programme**, a major initiative designed to strengthen electricity transmission and distribution infrastructure across the country. Zambia committed up to \$275m over 15 years to the programme, with **GreenCo Power Services** coordinating implementation. The [programme](#) aims to improve the reliability and affordability of electricity supply for mining, manufacturing, agriculture and other productive sectors that the government hopes will drive economic growth and job creation. Recent drought-induced electricity shortages have highlighted the vulnerability of Zambia's power system and reinforced the need for long-term investment in grid resilience.

Under the arrangement, savings generated from lower debt servicing obligations are expected to create additional fiscal space for development spending, while simultaneously supporting investments in energy infrastructure. The government believes the combination of reduced debt costs and improved electricity supply will strengthen economic competitiveness and support future investment.

While some civil society organisations have [called](#) for greater transparency regarding the terms of the AfDB loan and the long-term financial implications of the deal, the buyback has the potential to ease future repayment pressures and improve debt sustainability if managed prudently.

Zambia and US deepen minerals cooperation despite diplomatic rift

Despite recent diplomatic tensions between Zambia and the **United States (US)**, the two countries have moved ahead with a major development partnership that will see a US-funded agriculture programme expanded to support infrastructure linked to Zambia's growing critical minerals sector.

The Zambian government and the US' **Millennium Challenge Corporation (MCC)** on 18 June [agreed](#) to broaden the scope of a \$491m grant programme originally designed to improve agricultural productivity and rural development. The revised framework will now also support strategic infrastructure that is expected to facilitate investment in Zambia's critical minerals industry, highlighting the continued economic cooperation between the two countries despite mounting political disagreements. In a highly unusual farewell speech on 30 April, US ambassador **Michael Gonzales** [accused](#) Hichilema's administration of presiding over what he described as "*institutionalised and refined corruption*", alleging that some officials were more interested in enriching themselves than pursuing development initiatives that would benefit ordinary Zambians.

The ambassador further claimed that government officials had frustrated efforts to implement a US-backed healthcare initiative intended to improve health services in Zambia. According to Gonzales, corruption and rent-seeking behaviour undermined negotiations over the programme, leading to growing frustration within **Washington DC**.

Zambian authorities [responded](#) angrily to the allegations and rejected suggestions that the government had obstructed development assistance. Officials instead questioned the motives

behind the proposed healthcare arrangement, arguing that the package came with conditions that would have granted the US preferential access to Zambia's critical minerals as well as access to sensitive health-related data.

As one of Africa's leading copper producers and a key source of minerals needed for electric vehicles, renewable energy technologies and battery manufacturing, Zambia has become an important player in global efforts to secure critical mineral supply chains. Against this backdrop, the decision to expand the MCC programme suggests that both governments remain committed to pursuing areas of mutual economic interest despite political disagreements. The 'farm-to-market' grant, signed in 2024, was originally aimed at boosting agricultural development in Zambia and the realignment will now [support](#) both Zambia's agricultural and critical minerals economy in the **Lobito Corridor**, which is centred on a rail link between Zambia, the **Democratic Republic of Congo (DRC)**, and **Angola's** port of Lobito.

While diplomatic relations may have been strained by recent exchanges, the expansion of the MCC programme suggests that both sides recognise the value of cooperation in areas where their interests overlap, even as disagreements over governance, corruption, and sovereignty continue to test the relationship.

Planner

13 Aug 2026 **Lusaka (Zambia)** General election

16 Sep 2026 **Lusaka (Zambia)** **Bank of Zambia** (central bank) **Monetary Policy Committee (MPC)** decision

Chronology

17 Jun 2026 **Lusaka (Zambia)** *Bloomberg*. **Konkola Copper Mines**, a unit of **United Kingdom**-based **Vedanta Resources**, plans to build a \$317m coal-fired power station in southern Zambia to address chronic electricity shortages caused by dependence on hydropower;

11 Jun 2026 **Lusaka (Zambia)** *Lusaka Times*. **Chinese**-owned mining processing company, **U-Metals**, resumes operations in **Chingola**, eight months after it was shut for rampant pollution by a team led by former **Copperbelt** minister **Elisha Matambo**;

10 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. The **Financial Intelligence Centre (FIC)** says Zambia has lost more than \$3.5 billion in the past year through illicit financial flows, largely driven by commercial activities involving multinational enterprises;

10 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. President **Hakainde Hichilema** declines to assent to the **Public Gatherings Bill** and refers it back to **Parliament** for reconsideration, citing concerns that certain provisions in the proposed law were not fully aligned with established judicial precedents and constitutional guarantees;

9 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. **United States (US)**-based **S&P Global Ratings** affirms Zambia's long- and short-term foreign-currency sovereign credit ratings at CCC+/C with a stable outlook, providing a vote of confidence in the country's ongoing economic recovery and debt management efforts;

9 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. The **Zambia Army** cautions members of the general public against the reckless abuse of social media platforms and Artificial Intelligence (AI) tools to generate and disseminate content that ridicules or defames office bearers;

8 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. The **Electoral Commission of Zambia (ECZ)** announces the suspension of all political campaign activities in **Mazabuka Central Constituency** until further notice, citing an unstable security situation in the area;

7 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. Vice president **Mutale Nalumango** says the government has intensified national preparedness measures for **Ebola** virus disease following an outbreak in the **Democratic Republic of the Congo (DRC)** and **Uganda**;

7 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. A planned campaign rally by an independent aspiring **Mazabuka** member of parliament, **Gary Nkombo**, is halted after a heavy deployment of police officers blocked the gathering at **Ndeke Community Football Ground**;

5 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. The legal team of **Xavier Chungu**, presidential candidate for the **Liberal Democrats**, confirms police rearrested Chungu shortly after his release from police custody;

5 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. **Stanbic Bank Zambia** Purchasing Managers' Index (PMI) shows that Zambia's private sector returned to contraction in May as weakening customer demand and persistent liquidity constraints weighed on business activity;

4 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. **Gary Nkombo**, **Dr. Chitalu Chilufya**, and 103 other parliamentary candidates will remain on the ballot for the 13 August general elections after the Lusaka high court dismisses a petition seeking to invalidate their nominations as independent candidates;

4 Jun 2026 **Lusaka (Zambia)** *Lusaka Times*. President **Hakainde Hichilema** signs five bills into law, including four pension reform bills that will increase the minimum pension, provide advance lump-sum payments to approximately 30,000 retirees, and enhance pension savings;

3 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor*. Government has reportedly repatriated 40 of its nationals from **South Africa** following concerns over anti-foreigner demonstrations in **KwaZulu-Natal Province**;

3 Jun 2026 **Lusaka (Zambia)** *Reuters*. Zambia has extended the suspension of a 10% duty on copper concentrate exports to 30 September to help clear stockpiles of unprocessed material as the country's major smelters undergo extended maintenance and repairs;

30 May 2026 **Lusaka (Zambia)** *Diggers*. **Transparency International Zambia (TI-Z)** says there is a need to investigate what is causing the withdrawals of independent aspiring members of parliament (MPs) ahead of the 13 August election;

29 May 2026 **Lusaka (Zambia)** *Zambia Monitor*. **Consortium of Civil Societies for Good Governance and Constitutionalism** files a petition seeking the nullification of nominations for more than 100 independent parliamentary candidates allegedly linked to the ruling **United Party for National Development (UPND)** and the opposition **Patriotic Front (PF)**, arguing that the aspirants illegally filed nominations as independent candidates while still belonging to political parties;

29 May 2026 **Lusaka (Zambia)** *Diggers*. **United States (US)** embassy in Lusaka says political activity ahead of the 13 August elections could lead to civil unrest, with demonstrations that may escalate into violence, urging citizens to avoid large crowds, demonstrations and political gatherings;

29 May 2026 **Lusaka (Zambia)** *Bloomberg*. A **London (United Kingdom)** arbitration tribunal orders Zambia's majority state-owned investment company, **ZCCM Investments Holdings Plc**, to pay **Singapore**-based **Trafigura** about \$92m in a long-running dispute over a prepayment agreement between Trafigura and **Konkola Copper Mines**;

28 May 2026 **Lusaka (Zambia)** *Diggers*. **Zambia Statistics Agency (ZamStats)** reports annual inflation rate declined to 6.6% in May, down from 6.8% recorded in April, with the slowdown largely influenced by price movements in key food items;

28 May 2026 **Lusaka (Zambia)** *Zambia Monitor*. Zambia's **Eurobonds** record strong gains in the second quarter of 2026, driven by continued progress in debt restructuring and improving investor confidence in the country's economic outlook;

27 May 2026 **Lusaka (Zambia)** *Zambia Monitor*. **ZCCM Investments Holdings Plc (ZCCM-IH)** enters into a joint venture agreement with local industrial conglomerate **Wonderful Group of Companies Limited** to establish and operate an integrated lime and cement production facility under a newly incorporated company, **Ndola Lime (2026) Limited**;

27 May 2026 **Lusaka (Zambia)** *Lusaka Times*. **European Investment Bank's** development arm, **EIB Global**, selects Zambia, **Angola**, **Burundi**, and **Ethiopia** as beneficiaries of a €10m (\$10.8m) global health fund initiative aimed at strengthening their primary healthcare systems;

26 May 2026 **Lusaka (Zambia)** *Lusaka Times*. **Canada**-headquartered **First Quantum Minerals** reports it contributed \$3.46 billion to the **Zambian economy** during 2025;

26 May 2026 **Lusaka (Zambia)** *Zambia Monitor*. The latest **Crop Forecast Survey** estimates total production for the 2025/2026 season at 4.94 million metric tonnes(mt) of maize, 71,938 mt of **paddy rice**, and 81,822 mt of **wheat**;

21 May 2026 **Lusaka (Zambia)** *Lusaka Times*. Violence erupts during Zambia's election nomination process after ruling **United Party for National Development** cadres reportedly attacked former minister **Gary Nkombo** as he filed to run as an independent candidate for **Mazabuka Central**;

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