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AFRICA RISK CONSULTING

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The 13 August general election has shaped into a contest between incumbent President Hakainde Hichilema (2021-present) of the United Party for National Development (UPND) and opposition challenger, Brian Mundubile of the Tonse Alliance. Hichilema maintains a slight edge over the opposition, buoyed by the advantages of incumbency and signs of macroeconomic recovery. Zambia aims to secure a new programme with the International Monetary Fund (IMF) before the end of 2026 as it seeks to consolidate recent economic gains. The government awards Switzerland-based global energy trader Vitol Group an emergency contract granting it exclusive access to the country's strategic TAZAMA pipeline to supply diesel until September, a move that has reignited the IMF's concerns over transparency and competition in Zambia's fuel procurement system.

Election shapes into straight contest between Hichilema and Mundubile

Zambia's 13 August general election is increasingly shaping into a contest between incumbent President **Hakainde Hichilema** (2021-present) of the **United Party for National Development (UPND)** and opposition challenger, **Brian Mundubile** of the **Tonse Alliance**. Hichilema, who still maintains a slight edge over the opposition, entered the election year as the clear favourite, buoyed by the advantages of incumbency and signs of macroeconomic recovery. However, the opposition has regained momentum in recent months by capitalising on widespread frustration over the high cost of living, unemployment and persistent economic hardships affecting ordinary Zambians.

The election represents a test of Hichilema's first five years in office, which have seen him restore relations with international creditors, secure a landmark debt restructuring agreement, attract foreign investment and oversee improvements in inflation, exchange rate stability and electricity supply following the severe drought that affected the country in 2024 and 2025. However, many households argue that these macroeconomic gains have yet to translate into lower food prices, cheaper transport or meaningful job creation, creating an opening for the opposition.

Hichilema's campaign has centred on continuity and economic reform. The UPND argues that difficult but necessary reforms, including fiscal consolidation, debt restructuring and cooperation with the **International Monetary Fund (IMF)**, have laid the foundation for sustainable growth. The president has repeatedly appealed to voters to allow his government to complete its reform agenda, promising that economic gains will increasingly filter down to ordinary citizens through investment, infrastructure development, mining expansion and agricultural recovery.

Mundubile has emerged as the principal challenger after being adopted by the Tonse Alliance, a coalition largely built around the former ruling **Patriotic Front (PF)**. His campaign has focused squarely on the rising cost of living, arguing that ordinary Zambians are struggling despite government claims of economic progress. The alliance has pledged to ease the cost of basic commodities, improve social welfare, and restore what it describes as more people-centred economic policies. The opposition has also accused the government of restricting political freedoms and using state institutions to disadvantage rivals, allegations that the government has consistently denied. Recent incidents, including police's disruption of opposition campaign activities, have reinforced these claims in the eyes of Tonse supporters.

Although several smaller parties are fielding presidential candidates, the contest has increasingly become a two-horse race, with most viewing Hichilema and Mundubile as the only realistic contenders for State House. The parliamentary race is likely to be more fragmented, with the UPND seeking to retain or expand its majority while the Tonse Alliance aims to rebuild the parliamentary strength the PF previously enjoyed before its defeat in 2021.

Regional voting patterns are also once again expected to play a decisive role, with Hichilema continuing to enjoy strong support in **Southern**, **Western** and **North-Western** provinces, areas that have traditionally backed the UPND. The Tonse Alliance is concentrating much of its effort in **Northern**, **Luapula** and **Muchinga** provinces, regions that formed the core support base of the PF under former president **Edgar Lungu** (2015-2021). By consolidating these northern strongholds while making gains in urban constituencies affected by rising living costs, the opposition hopes to narrow Hichilema's national advantage. With 2.7 million registered voters, **Lusaka** and the **Copperbelt** form the largest electoral region, and unlike traditional strongholds, these provinces are highly competitive and often determine the national outcome.

One of the most interesting dynamics of the 2026 election is that it has over 100 independent candidates are contesting the election. These independent candidates 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. Many are former members of the UPND, PF and other parties who failed to secure party nominations but retain significant local support. Their participation could reshape constituency contests by splitting traditional party votes, increasing the likelihood of closely fought races and reducing the dominance of the two main political blocs. In some constituencies, independents may even emerge victorious where local personalities outweigh party loyalties.

The presence of independents may also influence the post-election parliamentary landscape. Should neither major party secure an overwhelming majority, successful independents could become important swing legislators on key votes, giving them leverage over legislative priorities and government formation. The **Electoral Commission of Zambia (ECZ)** has already declared six mayoral candidates and seven parliamentary candidates elected unopposed from the 280 **National Assembly** seats.

Zambia eyes new IMF deal to sustain economic recovery

Zambia is aiming to secure a new programme with the IMF before the end of 2026 as it seeks to consolidate recent economic gains, attract fresh investment and maintain policy credibility after emerging from one of **Africa**'s most complex sovereign debt restructurings. Finance minister **Situmbeko Musokotwane** confirmed on 16 July that the government hopes to conclude negotiations with the IMF before year-end, although discussions are expected to continue after the general election.

The proposed programme would succeed Zambia's previous $1.7 billion **Extended Credit Facility (ECF)**, which concluded earlier this year. That programme played a pivotal role in restoring macroeconomic stability, guiding fiscal reforms and helping the country restructure more than $13 billion in external debt following its 2020 sovereign default *(see ARC Briefing Zambia Nov 2020)*.

Unlike the previous arrangement, which was primarily focused on stabilisation and debt sustainability, the new programme is expected to support Zambia's transition towards stronger economic growth and private sector-led investment. Musokotwane said the government's priority is to use the IMF partnership to boost investor confidence, particularly in strategic sectors such as mining, energy and agriculture, which are expected to drive job creation and export earnings over the coming years. The government has also indicated that tax administration reforms and measures to improve revenue collection will form part of the new programme.

Although Zambia is no longer in acute financial distress, the IMF programme will act as an internationally recognised seal of approval for economic management, helping to reassure international investors, bilateral partners and development finance institutions that the government remains committed to prudent fiscal policies, structural reforms and transparent public financial management. While the government projects economic growth of 6.4% in 2026, the IMF has adopted a more cautious outlook, forecasting growth of around 4.3%, citing electricity shortages, weaker mining output and global economic uncertainty as key downside risks that could slow Zambia's recovery despite improving macroeconomic fundamentals.

The proposed programme also comes at a politically sensitive moment as the country heads towards a general election (see above). Since taking office, Hichilema's administration has implemented economic reforms, including subsidy reductions, fiscal consolidation and debt restructuring, many of which were conditions under the previous IMF programme. While these reforms have helped restore confidence among international lenders, they have also imposed short-term costs on households through higher living expenses and tighter government spending. Opposition parties have sought to capitalise on these economic pressures during the election campaign, arguing that many ordinary Zambians have yet to experience the benefits of the reforms.

Nevertheless, the government believes continued IMF engagement will help unlock private capital needed to expand mining production, while also supporting investments in electricity generation, transport infrastructure and agriculture. Zambia is seeking to attract new investment into its expanding copper industry as global demand for copper is expected to rise significantly over the next decade due to the energy transition and growing electric vehicle (EV) production. Zambia could be a major beneficiary of these developments if it can maintain macroeconomic stability and improve its investment climate.

Emergency fuel deal draws scrutiny

The government has awarded **Switzerland**-headquartered global energy trader **Vitol Group** an emergency contract granting it exclusive access to the country's strategic **TAZAMA** pipeline to supply diesel until September, a move that has reignited the IMF's concerns over transparency and competition in Zambia's fuel procurement system.

Ephraim Munshifwa, permanent secretary in the energy ministry, confirmed the deal on 18 June. The emergency arrangement was introduced in April after disruptions in fuel supplies raised fears of diesel shortages, prompting authorities to bypass the country's competitive Open Access Framework (OAF). Under the agreement, Vitol became the sole importer of diesel through the TAZAMA pipeline, which transports petroleum products from the port of **Dar es Salaam** in **Tanzania** to **Ndola** in Zambia.

While the government has defended the arrangement as a temporary measure to safeguard energy security, the IMF has urged the country to restore the OAF and publicly disclose the terms of the emergency contract. The IMF reported that the competitive procurement system had reduced fuel import premiums by around 50% before it was suspended, illustrating the savings that competition can generate for both the government and consumers.

The IMF has consistently cautioned Zambia against relying on exclusive fuel supply arrangements. In previous programme reviews, the IMF argued that sole-supplier contracts increase procurement costs, reduce transparency and expose the country to governance risks. Instead, it has encouraged Zambia to maintain competitive bidding processes that lower costs and improve accountability in public procurement.

Fuel procurement has long been a contentious issue in Zambia. For years, diesel imports were handled through government-negotiated contracts, with critics arguing that the system lacked transparency and often resulted in higher import costs. To address these concerns, the government in 2025 introduced the OAF, allowing multiple qualified suppliers to compete for access to the TAZAMA pipeline. Development partners and industry stakeholders welcomed the reforms as they increased competition and reduced the cost of importing fuel.

The latest disagreement comes at a sensitive time as Zambia is seeking a new programme with the IMF (see above). The IMF has repeatedly stressed that structural reforms, including improvements in governance, public procurement and state-owned enterprises, remain critical to sustaining economic recovery. The IMF's latest assessment reiterated that restoring competitive fuel procurement is an important part of these reforms and called on the government to ensure that the emergency arrangement with Vitol remains temporary.

Planner

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

16 Sep 2026 **Lusaka (Zambia)** Monetary Policy Committee (MPC) Decision

Chronology

22 Jul 2026 **Lusaka (Zambia)** Digger*s.* **Transparency International Zambia (TI-Z)** expresses concern over traditional leaders and public officials engaging in partisan politics, saying this risks increased regional divisions during campaigns;

21 Jul 2026 **Lusaka (Zambia)** *Lusaka Times.* President **Hakainde Hichilema** commissions the 100MW **Chisamba Phase II Solar Power Plant**, describing the $75m investment as a major milestone in the transition to clean and sustainable energy;

21 Jul 2026 **Lusaka (Zambia)** Digger*s.* The **Electoral Commission of Zambia (ECZ)** discloses that six mayoral, seven parliamentary and 176 local government candidates will go unopposed in the upcoming 2026 general election;

18 Jul 2026 **Lusaka (Zambia)** *Lusaka Times.* President **Hakainde Hichilema** draws massive crowds during a campaign tour through four **Northern Province** districts - **Kaputa**, **Chilubi**, **Nsama** and **Mporokoso** - ahead of the 13 August general election;

16 Jul 2026 **Lusaka (Zambia)** *Reuters.* Finance minister **Situmbeko Musokotwane** says the government hopes to reach agreement with the **International Monetary Fund (IMF)** on a new support programme by the end of the year to attract investment and drive economic growth;

15 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* A legal question over the future of presidential tickets ahead of the 13 August general election is now before the constitutional court, with governance activist, **Isaac Mwanza**, seeking clarity on whether a presidential candidate can remain in the race after a vice-presidential running mate withdraws or resigns;

13 Jul 2026 **Lusaka (Zambia)** *Diggers.* The **Minerals Regulation Commission (MRC)** says it has reviewed a total of 462 applications for artisanal mining rights, disclosing that 305 have been approved, 151 deferred, while six have been rejected;

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13 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* The **Bank of Zambia**'s **(BoZ)** (central bank) latest treasury bill auction was reportedly oversubscribed by 54%, reflecting strong investor appetite for government securities despite a challenging market environment;

11 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* **Transparency International Zambia (TI-Z)** calls for stronger integrity and anti-corruption measures across all sectors, warning that legislation and institutions alone were insufficient to curb corruption without consistent enforcement, adequate resources and political will;

6 Jul 2026 **Lusaka (Zambia)** *Further Africa.* The **Lobito Corridor** railway has reached financial close at $753m, marking one of Africa's most significant recent cross-border transport financings and reinforcing confidence in large-scale infrastructure investment across the continent;

6 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* **Zambia Statistics Agency (ZamStats)** statistician general, **Sheila Mudenda**, says they are undertaking a Gross Domestic Product (GDP) rebasing exercise from the current 2010 base year to 2023, enabling economic data to reflect developments across key sectors better;

6 Jul 2026 **Lusaka (Zambia)** *Lusaka Times.* Opposition leader **Brian Mundubile** challenges President **Hakainde Hichilema** at a rally in **Kasama**, demanding answers over an alleged $10 billion in illicitly externalised funds;

4 Jul 2026 **Lusaka (Zambia)** *Lusaka Times.* **Northern Province** acting permanent secretary **Beauty Undi-Phiri** urges political tolerance and national unity ahead of the upcoming 13 August general elections following an outbreak of campaign violence that left one person dead in the **Kaputa District**;

4 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* More than 9,100 new companies were registered in Zambia between January and May 2026, marking a 7% increase over the same period in 2025, as transport and information and communication technology (ICT) businesses led new incorporations;

4 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* The **National Reconciliation Party for Unity and Prosperity** and the **Resolute Party** accuse the **Electoral Commission of Zambia** of undermining the credibility of the general election through what they called "*an unmistakable pattern of selective enforcement*";

2 Jul 2026 **Lusaka (Zambia)** *Lusaka Times.* An investment promotion and protection agreement between Zambia and **Japan,** signed in **Tokyo** on 6 February 2025, will enter into force on 30 July;

1 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* The state has asked the constitutional court to interpret Article 51(a) of the Constitution as requiring independent candidates to have ceased being members of a political party for at least two months immediately before election day, rather than at the time of nomination;

1 Jul 2026 **Lusaka (Zambia)** *Zambia Monitor.* President **Hakainde Hichilema** directs security agencies to investigate reported incidents of political violence in **Kaputa** and **Mazabuka** and ensure perpetrators face the law;

30 Jun 2026 **Lusaka (Zambia)** *Lusaka Times.* An **International Monetary Fund (IMF)** staff team reports that while Zambia has successfully built up its international reserves and brought inflation down to its target band, its 2026 economic growth forecast has been revised downward to 4.3%;

29 Jun 2026 **Lusaka (Zambia)** *AP News.* Zambia accuses the **United States (US)** of using 'America First' transactional diplomacy to tie a $2 billion health aid package to access to the nation's critical minerals while demanding "*unacceptable*" citizen data sharing;

29 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor.* Zambia's tobacco production has risen from about 30 million kilogrammes in 2022 to more than 100 million kilogrammes in 2025, boosting export earnings, GDP contribution and rural livelihoods;

27 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor.* Zambia has intensified preparedness and anticipatory measures to safeguard national food security and protect farmer livelihoods ahead of forecasts showing a high likelihood of **El Niño** conditions during the 2026/2027 agricultural season;

26 Jun 2026 **Lusaka (Zambia)** *Diggers.* Statistician general **Sheila Mudenda** says the country recorded a 7.7% economic growth rate in the first quarter of 2026 compared to 4.5% in the same period in 2025;

25 Jun 2026 **Lusaka (Zambia)** *Bloomberg.* Statistician general **Sheila Mudenda** reports annual inflation fell to 6.5% in June, the lowest level since early 2018, with the recovery largely driven by an appreciation of the local currency and increased copper exports;

23 Jun 2026 **Lusaka (Zambia)** *Reuters.* A **South African** appeals court rules that the family of former Zambian president **Edgar Lungu** (2015-2021) should decide where he is buried, overturning a lower court's order that Zambia's government could repatriate Lungu's body for a state funeral;

23 Jun 2026 **Lusaka (Zambia)** *Zambia Monitor.* The **Bank of Zambia** (central bank) approves the transfer of **Standard Chartered Zambia**'s wealth and retail banking business to **First National Bank (FNB) Zambia**, clearing the way for the completion of a transaction first announced in October 2025;

22 Jun 2026 **Lusaka (Zambia)** *Diggers.* The **Energy Regulation Board** says it is waiting for the government's decision on the status of the fuel tax waivers, which were scheduled for three months ending at the end of June;

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