AFRICA RISK CONSULTING

Zambia Monthly Briefing October 2026

Zambia Summary 31 October 2026

President Hakainde Hichilema completes his post-election cabinet reshuffle. The main change is that the energy portfolio is split into electricity and petroleum. Hichilema re-appoints his ally Peter Chibwe Kapala as energy minister and gives the petroleum portfolio to Makozo Chikote. He appoints former Barrick employee, Brenda Tambatamba, as mines minister. The government finalises a $1.5 billion IMF agreement, to be released in seven instalments. Finance minister Situmbeko Musokotwane downgrades growth forecasts citing threats from El Niño and the Iran war. The fiscal position deteriorates in the pre-election period as government overspent buying grain and maize for the Food Reserve Agency (FRA), leaving a substantial budget shortfall. El Niño is expected to impact the country differently, with the north facing abnormal rains and the south facing severe drought. Drought may impact electricity generation should Kariba hydroelectric dam water levels fall.

Hichilema continues his post-election reshuffle

President **Hakainde Hichilema** (2021-present) swore in 24 new cabinet members following his re-election to a second and final term in the August general elections, with the cabinet setting out his policy priorities. At the swearing in ceremony on 28 October, Hichilema set goals for the new cabinet, urging ministers to put the national interest above personal interests, to make decisions quickly, to reduce excessive bureaucracy and overlapping approval systems, and to support investors. Hichilema urged the cabinet to accelerate the implementation of projects to meet his target of 10,000MW of electricity generation and expanding petroleum pipeline connectivity in the region. Finalising his address to his new ministers, he said memorably:

> *"The days of being a minister as a graduation into laziness and just hanging around are gone. Let us have a habit of hard work and enjoying our work. The focus is delivery."*

The most significant change in the cabinet line-up has been the split of the energy ministry into two portfolios - the electricity and petroleum ministries. Hichilema appointed **Peter Chibwe Kapala** as energy minister who will have responsibility for delivering the president's second term target of delivering the additional 10,000MW. Kapala, an engineer, had previously served as energy minister in Hichilema's first cabinet but was demoted to the fishing and livestock ministry. Kabala's appointment is a substantial rehabilitation. ARC sources who worked with Kapala in his previous roles found him to be competent and responsive, Hichilema demoted him after he faced a barrage of criticism in May 2024.

The **Oil Marketing Companies Association of Zambia (OMCAZ)** called for Kapala's immediate resignation as minister to allow for competent people to take over during an energy crisis in both electricity and fuel supply. Kapala's energy ministry also got a dishonourable mention in the **Office of the Auditor General**'s report of March 2024 which said, "*there is stealing at the ministry of energy, so it is all evident and documented*".The special report then revealed anomalies amounting to over K483m ($18.9m) in the procurement of petroleum products at the energy ministry between January 2019 to December 2022 as well as delays in payments of suppliers in some areas and overpayments in others. Local sources report that Kapala is close

to Hichilema – hence his rehabilitation to the electricity-only portfolio and Hichilema entrusting one of his key objectives for his second term to Kapala. The newly shrunken petroleum portfolio was given to **Makozo Chikote**, who had succeeded Kapala in the energy post. Chikote is responsible for expanding Zambia's petroleum pipeline network.

The crucial mines ministry also got a new minister, **Brenda Mwika Tambatamba**. Tambatabma succeeds **Paul Kabuswe** and becomes the first woman to hold a senior portfolio in Hichilema's presidency. Tambabama, a social worker, had previously served as labour minister. She also has mining experience having worked at **Canada**-headquartered miner, **Barrick**'s **Lumwana** copper mine prior to entering politics.

Security is the next main theme of the reshuffle. While the defence ministry remains in the hands of **Ambrose Lwiji Lufuma**, who served as defence minister throughout Hichilema's first term, Dr **Clement Andeleki** is the new home affairs and internal security minister. Andeleki - whose doctorate was in the philosophy of law - has extensive parliamentary experience gained in legal affairs, human rights and governance. With his human rights and governance experience, his appointment could be seen as an attempt by Hichilema to get ahead of the criticism he faced for the arrest, detention and harassment of opposition figures in the days after the general elections. However, in the same reshuffle Hichilema appointed former interior minister from his first term, **Jacob Jack Mwimbu**, as justice minister. Mwimbu was the minister in charge in the run up to elections and beyond when the authorities targeted opposition figures, prompting five civil-society organisations to accuse the government of an escalating disregard for constitutional rights *(see ARC Briefing Zambia Sep 2026)*.

Musokotwane finalises the IMF staff level agreement

In an early sign of a commitment to economic continuity, Hichilema had already re-appointed **Situmbeko Musokotwane** to the all-important economic portfolio in September. Musokotwane's reappointment comes at a critical time as the country emerges from debt distress.

Musokotwane, who holds a doctorate in monetary economics, served as finance minister under Hichilema's first term and under the presidency of **Rupiah Bwezani Banda** (2008-2011). During Hichilema's first term, Musokotwane led Zambia's renegotiations to restructure the country's debt following its default in 2020 and has led negotiations on the country's next **International Monetary Fund (IMF)** programme, which was finalised on 9 October.

The new programme replaces the country's previous $1.7 billion programme which supported the country through a prolonged debt crisis after Zambia became the first country to default on its debt in 2020 during the **Covid-19** pandemic. The new programme funds will be released in seven instalments, with the first amounting to about $221m. The new arrangement is aimed at providing Musokotwane support as he prepares the 2027 budget.

The IMF noted that although the economy had strengthened considerably and that inflation had fallen sharply, fiscal pressures had intensified in 2026. The new programme aims to support the government's attempts to restore fiscal buffers by increasing revenues and cutting spending all the while protecting priority social spending. Zambia enters the programme from a position of strength, expected to achieve growth of 5.6% in 2026, with inflation contained at 6.1% while external reserves remained solid at $6.1 billion.

However, almost as soon as the IMF had issued its statement, Musokotwane contradicted its positivity. On 13 October, citing threats from **El Niño** and the prolonged impact of the **Iran** war, the finance minister downgraded GDP growth forecasts to 4.9% in 2027 and 5% in 2028, down from previous estimates of 6% and 7.5% respectively.

But the country suffers a post-election hangover

The fiscal position also weakened as spending increased in the run up to the elections, largely because the government spent more than budgeted on the **Food Reserve Agency (FRA)** and a temporary fuel-tax relief. Hichilema's election will now enable Musokotwane to return to more targeted spending programmes.

A businessman involved in agro-industry told ARC Briefing that a massive grain buying programme was launched before elections, which put enormous pressure on the fiscal situation. Zambia has some 800,000 small maize producing farmers. According to IMF figures the original maize buying target was 500,000 to 543,000 tonnes but the government purchased 1.65 million tonnes using domestic bank loans to finance it. The government reportedly now has no spare grain storage capacity and a K9 billion ($400m) budgetary shortfall, of which K5 billion ($190m) is owed to domestic banks.

In the second half of his first term, Hichilema's government's reputation for transparency and anti-corruption suffered a setback. The IMF has highlighted several areas where the fund would like to see better governance and transparency; notably in mining licence procedures including disclosure of beneficial ownership as a priority reform and reintroducing an open tender processing for petroleum products via the 1,710 km **Tazama** pipeline that links **Dar es Salaam (Tanzania)** and the Zambian Copperbelt. Zambia is a landlocked country and depends on the Tazama railway for all its fuel imports. The government initially launched an open tender system where qualified marketers qualified to import competitively thus reducing costs to consumers. The open tender system fell away during the second half of Hichilema's term. Local sources interviewed for this report allege that the petroleum import and distribution system has been a centre of heart of corruption and money laundering allegations.

The impact of El Niño climate event on the grain mountain

The future of the grain mountain will likely to depend on the impact that the **El Niño** weather pattern and climate event has on Zambia. According to the **Zambia Meteorological Department**, Zambia faces a significant risk of drought during the 2026/27 period. October is the critical month when rains are due. The latest forecasts suggest that the **Northern** and **Eastern** provinces are expected to have normal to above normal rainfall including some flooding risk, while **Southern**, **Lusaka** and **Western** provinces are expected to have below normal rain and to face drought.

The drought is expected to affect Zambia's neighbouring countries to the south which are expected to have 50% less rainfall than normal – which will also have a negative impact on maize and grain production. Depending on how serious is the drought, the FRA may be able offload some of its grain mountain onto neighbouring countries. However, should the drought be prolonged, it may see the government holding on to its extra strategic reserves.

A severe drought affecting the southern part of the country could also have an impact on water levels in the **Zambezi** catchment area that feeds **Kariba** – Zambia's main hydroelectric plant. Although water levels in Kariba are reasonably high this year, any significant fall will impact electricity production. Electricity is critical for the successful operation of the country's all important copper industry – which in turn makes Hichilema's target of 10,000MW of electricity from alternative sources all the more important.

Planner

Dec 2026 **Washington DC (United States) International Monetary Fund (IMF)** board to ratify Zambia's extended credit facility and economic programme.

Chronology

29 Oct 2026 **Lusaka (Zambia)** *Anadolu Ajansi.* President **Hakainde Hichilema** swears in 24 ministers to form a unified cabinet following his re-election to a second term in the country's August general elections;

26 Oct 2026 **Lusaka (Zambia)** *Diggers.* President **Hakainde Hichilema** approves a proposal to restructure government, increasing the number of ministries from 25 to 30 by splitting several existing ministries and creating new ones;

21 Oct 2026 **Lusaka (Zambia)** *Mining Weekly.* **Canadian** miner **First Quantum Minerals** says that its expanded **Kansanshi** copper mine in Zambia is on track to process about 27 million metric tonnes of ore in 2026, exceeding its design capacity by 8% and supporting a stronger production outlook;

13 Oct 2026 **Lusaka (Zambia)** *Africa.* Citing threats from **El Niño** and the prolonged impact of the **Iran** war, finance minister **Situmbeko Musokotwane** says Zambia has downgraded its GDP growth forecasts to 4.9% in 2027 and 5.0% in 2028, down from previous estimates of 6% and 7.5% respectively;

9 Oct 2026 **Lusaka (Zambia)** *CNBC Africa.* The **International Monetary Fund (IMF)** says it has reached a staff-level agreement with Zambia on a new **Extended Credit Facility (ECF)** worth about $1.5 billion;

9 Oct 2026 **Lusaka (Zambia)** *Africa News.* Zambia and the **United States (US)**are negotiating a separate framework on critical minerals, distinct from the $1.5 billion health and data-sharing agreement signed by the two countries;

6 Oct 2026 **Kinshasa (DRC)** *Bloomberg*. **Singapore**-headquartered **Trafigura Group** and partners have agreed to build a $300m high-voltage transmission line linking **Zambia**'s power grid to the DRC's **Copperbelt**;

5 Oct 2026 **Port Louis (Mauritius)** *Channel Africa.* The **African Union (AU**) is set to launch the **Africa Credit Rating Agency (AfCRA)** in Port Louis this week, aiming to provide independent, Africa-focused assessments of the creditworthiness of governments, businesses and institutions across the continent;

5 Oct 2026 **Lusaka (Zambia)** *Diggers.* President **Hakainde Hichilema** has reportedly fired deputy inspector general of police in charge of administration, **Charity Munganga**, with speculation that more changes within the **Zambia Police Service** are to come;

28 Sep 2026 **Lusaka (Zambia)** *EWN*. Anti-corruption police arrest Archbishop**Alick Banda**, an outspoken supporter of the main opposition challenger in the August election that secured President **Hakainde Hichilema** a second term;

29 Sep 2026 **Lusaka (Zambia)** *Miningmx.* State-owned **ZCCM Investments Holdings** accuses the **Abu Dhabi-**backed **International Resources Holding** of breaching financial and operational commitments linked to its control of **Mopani Copper Mines**;

28 Sep 2026 **Lusaka (Zambia)** *CNBC Africa*. The finance ministry says that Zambia aims to lift economic growth to an average of 7% over the next three years, building on progress in restructuring its external debt;

28 Sep 2026 **Lusaka (Zambia)** *Business Insider Africa*. **Swiss** global commodities trader **Mercuria** is entering Africa's regional power market with a $250m investment in Zambia, as private investors increasingly target the continent's electricity shortages and cross-border transmission gaps;

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 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)