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WEEKLY EDITION

Monday 5 to Tuesday 13 October 2026

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IMF AND WORLD BANK ANNUAL MEETINGS | BANGKOK

Zambia Takes Its US\$1.47 Billion Question to Bangkok

A staff-level deal with the IMF is in hand. The Board vote, the prior actions and the price of credit at home are not.



Finance Minister Dr Situmbeko Musokotwane (left) with World Bank Group President Ajay Banga and Thailand's Deputy Prime Minister and Finance Minister Ekniti Nitithanprapas on arrival in Bangkok. Photo: Ministry of Finance and National Planning.

By The Zambian Economist Analyst | Bangkok and Lusaka

Zambia's Finance Minister arrived in Bangkok on Sunday for the 2026 IMF and World Bank Annual Meetings, which run from 12 to 18 October. Dr Situmbeko Musokotwane leads a delegation that includes Secretary to the Treasury Felix Nkulukusa, Bank of Zambia Governor Dr Denny Kalyalya and Zambia Revenue Authority Commissioner General Dingani Banda.

The timing matters more than the airport photographs. On 9 October Zambia reached a staff-level agreement with the IMF on a proposed 36-month Extended Credit Facility of US\$1.47 billion, equal to SDR 1.076 billion. That agreement is not yet a loan. Prior actions, policy commitments and approval by IMF Management and the Executive Board still stand between the handshake and the first disbursement.

The Fund wants a primary surplus of 3 percent of GDP by 2029, the fence inside which every growth promise must fit.

A club for borrowers

On Monday the Minister spoke for the African members of the Borrowers' Platform at its

first Governing Council, held at the United Nations Conference Centre on the margins of the meetings. Launched in Washington in April, the Platform has 31 formal members, and more than 100 developing countries have been invited. UNCTAD runs its Secretariat.

It is not a debt restructuring mechanism, and it is not a bloc formed to negotiate against creditors. Its stated job is technical cooperation, information sharing and a louder borrower voice in global debt talks.

Economists back the deal, with a condition

At home, the Economics Association of Zambia welcomed the agreement as zero-interest concessional finance of the kind Zambia should prioritise. Its statement, issued by National Secretary Dr John Musantu, says the facility should help steady inflation, interest rates, the exchange rate and reserves.

EAZ attached one condition. It wants the new money to reduce government borrowing on the domestic market, so that banks lend more to businesses and less to the Treasury. It also asked government to keep disclosing programme information openly.

INSIDE THIS EDITION

p.2 Budget squeeze, kwacha, K700, school grants, 20-year bond. **p.3** Grow Zambia, Lobito, EAZ. **p.4** Parliament, reserved seats, audit, CDF. **p.5** Numbers, diary, every story.

2027 BUDGET HEARINGS

K271.9 Billion to Spend, K6.9 Billion to Play With

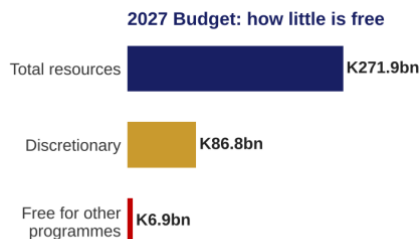
The Treasury has told ministries to do more with less. Once arrears, social cash transfers, CDF, free education and school feeding are paid, little of next year's envelope is free.

By The **Zambian Economist Analyst** | 7 October

Zambia expects about K271.9 billion in resources for 2027, and the Treasury has told spending institutions that very little of it is uncommitted. Opening the 2027 Budget Hearings, Secretary to the Treasury Felix Nkulukusa directed Ministries, Provinces and Agencies to stay within approved ceilings and to show measurable results for what they spend. "We must do more with less," he said.

Permanent Secretary for Budget and Resource Mobilisation Mwaka Mukubesa put the 2027 envelope at K18.8 billion, or about 7.4 percent, above the 2026 approved level of K253.1 billion. The discretionary budget rises from K67.8 billion to K86.8 billion, which absorbs nearly the whole increase.

The squeeze comes after fixed claims. Once arrears, social cash transfers, the Constituency Development Fund, free education and school feeding are covered, the Treasury says roughly K6.9 billion is left for every other programme.



Source: Ministry of Finance, 2027 Budget Hearings.

CURRENCY

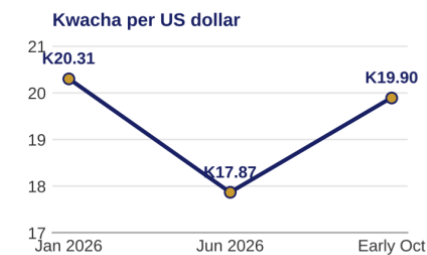
The Kwacha's October Slide: Why Copper Dollars Are Not Enough

By **Kelvin Chisanga** | Guest analysis

The kwacha has weakened from K17.87 per dollar in June to about K19.9 in early October, giving back most of a gain that began the year at K20.31. That has happened with copper selling near US\$14,000 a tonne.

Chisanga's explanation is timing. Copper helped Zambia to a K30.1 billion trade surplus in the first seven months of 2026, but mining dollars reach the market on the mines' payment schedule, while the fuel bill falls due every month. With oil above US\$100 a barrel, the Energy Regulation Board raised October pump prices to K31.46 for petrol and K33.27 for diesel.

The Bank of Zambia's cut in the policy rate to 10.75 percent is a supporting factor, not the cause. The risk he flags is a second round: a weaker kwacha lifts fuel and input costs, prices climb, and firms buy dollars early, adding fresh pressure.



Higher means a weaker kwacha. Source: TZE analysis.

COST OF LIVING

The K700 Question: Is the Pay Rise Buying More?

By **Nathan Meleki** | Guest analysis

Public servants have received an extra K700 a month in basic pay since January 2026, and the daily meal allowance rose from K150 to K175. Annual inflation eased from 6.2 percent in August to 6.1 percent in September. Food inflation fell from 6.0 to 5.8 percent; non-food inflation held at 6.6 percent.

Meleki reads the economy as a thermometer that is cooling. Lower inflation does not mean lower prices, only that prices are rising more slowly. A household in Kitwe still pays more for food and transport than a year ago. The K700 lifts nominal income; its real value depends on what happens to prices and to production.

EDUCATION FINANCE

K806.1 Million Completes 2026 School Grants

The Treasury has released K806.1 million in fourth-quarter school grants through the Ministry of Education, completing a 2026 provision of more than K2.3 billion. The money pays for school feeding, teaching materials, learner welfare and building maintenance.

This tranche arrived within the first two weeks of the quarter. In January, the first release was late enough for NAQEZ to raise the alarm two days after schools reopened. Dr Musokotwane called compliance with

financial management rules "mandatory and non-negotiable".

CAPITAL MARKETS

A 20-Year Bond Tests the Depth of the Market

By **Kelvin Chisanga**

The Bank of Zambia announced on 1 October a 20-year Government bond, the longest tenor yet on the domestic market. The fourth-quarter programme provides for K2.2 billion in Treasury bills and K6.3 billion in bonds, with auctions on 20 November and 18 December.

It gives pension funds a long-dated asset. Chisanga's test is what the money finances: production and exports that can repay it.

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GROW ZAMBIA AGENDA

Eight Numbers, One Economy: How Far Grow Zambia Has to Travel

The plan to more than double the economy by 2031 rests on targets for maize, power, tourism, copper, soya, wheat, sugar and beef. Copper has the longest road.

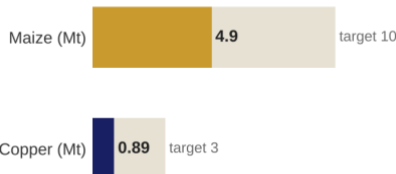
By The *Zambian Economist* Analyst | 9 October

President Hakainde Hichilema's second-term programme compresses its ambition into a code: 10-10-5-3-3-1-1-1. By 2031 Zambia aims for 10 million tonnes of maize, 10,000 megawatts of generating capacity, five million tourists, three million tonnes each of copper and soya beans, one million tonnes each of wheat and sugar, and US\$1 billion in beef exports.

Copper, the revenue engine, must climb from 890,346 tonnes in 2025 to three million tonnes. Output in the first half of 2026 grew by 0.45 percent. Agriculture sits closest to target, with maize forecast at a record 4.9 million tonnes this season against a goal of ten.

The IMF agreement announced on 9 October now sets the fiscal limits for delivery, including a primary surplus of 3 percent of GDP by 2029. Growth averaged 5.2 percent between 2021 and 2024 and inflation is back inside the Bank of Zambia's 6 to 8 percent band. Finance Minister Musokotwane has set the agenda's own test: whether growth turns into jobs and household income, not headline tonnage.

Grow Zambia: distance to 2031



Copper: 2025 output. Maize: 2025/26 forecast.

ANALYSIS: THE FORMATION ON THE PITCH

Writing on 6 October, **Nathan Meleki** argued that the eight targets are one connected system, not separate ambitions. A bag of maize grown in Mkushi passes through transporters, millers and traders before it reaches a shop shelf in Kitwe. Electricity sits under almost every target, from irrigation to smelting. Copper earns the foreign exchange that pays for imported machinery, and beef exports show how much lies between a farmer and an overseas buyer: animal health, certified processing, cold storage, logistics and finance.

REGIONAL TRADE

Lobito Corridor Talks Open in Lusaka With a US\$28 Billion Pipeline



Delegates at the Second Lobito Corridor Coordination Meeting in Lusaka.

By The *Zambian Economist* Analyst | 5 October

President Hichilema opened the Second Lobito Corridor Coordination Meeting at the InterContinental Hotel in Lusaka on 5 October, co-convened by the Government and the World Bank Group, with ministers from Angola and the Democratic Republic of Congo.

World Bank Managing Director of Operations Anna Bjerde said IFC diagnostics have identified 118 anchor investment opportunities worth over US\$28 billion in mining, energy, agribusiness, logistics and forestry. The agenda covered a joint trade facilitation roadmap, corridor master plans, Lobito Atlantic Railway operations and milestones for the next 6 to 24 months.

Zambia's planned rail link to the Angolan line, roughly 550 km on the Zambian side, is backed by a US\$255 million African Development Bank loan approved in August. The commercial test is freight: the new line needs 2.5 to 3 million tonnes a year to pay its way, against about one million tonnes committed as of April.

PROFESSIONAL BODIES

EAZ Takes Its Partnership Drive to Uganda and the Banks

The Economics Association of Zambia met a six-member delegation from the Applied Economics Association of Uganda, led by Emmanuel Okware, in a virtual meeting on 12 October. The talks covered six areas of cooperation, including joint Zambia and Uganda economic outlook reports, a continental summit and a shadow monetary policy committee that would publish an independent view on interest rates. A

memorandum of understanding is under discussion; no signing date has been set.

A week earlier, EAZ President Dr Edna Kabala-Litana met FNB Zambia's economics team, led by Country Economist Chileshe Moono, to seek support for November's Post-Budget Analysis Dinner and to propose an MoU on economic literacy, financial inclusion, research and professional development.

DIPLOMACY

Hichilema Congratulates Abiy Ahmed

President Hichilema has written to Prime Minister Abiy Ahmed after Ethiopia's House of Peoples' Representatives re-elected him on 5 October for a new five-year term. The message pledges closer cooperation founded on mutual respect and African solidarity.

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THE 14TH NATIONAL ASSEMBLY

Hichilema Opens Zambia's Largest Parliament With the Economy Watching

A 272-member House, 61 women MPs and a 2027 Budget with very little room. Jobs, copper, power and the fiscal envelope are the tests investors will read.

By The **Zambian Economist Analyst** | 9 October

President Hichilema addressed the First Session of the 14th National Assembly on 9 October. The House now has 226 constituency seats, up from 156, plus 40 proportional representation seats reserved for women, young people and persons with disabilities. Women hold 61 seats, against 25 in the last Parliament.

He spoke with inflation at 6.1 percent, the policy rate just cut to 10.75 percent and growth projected at 5.3 percent, but with the kwacha back near K20 per dollar and copper output up only 0.45 percent in the first half. Having spent five years saying the economy has been stabilised, the Government now has to show it can grow fast enough to create jobs. The address frames the policy direction for 2026 and 2027 and sets the tone for the Budget.

ELECTORAL REFORM

Forty Seats, Many Questions

By **Lewis Chingi** | Guest analysis from Kitwe

The Constitution of Zambia (Amendment) Act No. 13 of 2025 created 40 new seats: 20 for women, 15 for youths and 5 for persons with disabilities, all filled by proportional representation. The Electoral Process (Amendment) Act No. 12 of 2026 set the rules, first used in the August election.

Chingi supports the seats but faults the machinery. Parties without a presidential candidate get nothing, votes for independent presidential candidates drop out of the calculation, and party lists are drawn up only after results are known. Only two parties qualified in 2026. He proposes seven reforms, including published party lists before polling, counting every valid vote, and replacing recall "at any time" with defined grounds and a fair process.

THE ECZ SAYS NO SEATS WERE STOLEN

On 11 October the Electoral Commission dismissed as false a claim, attributed to Antonio Mwamba, that reserved seats meant for the New Restoration Party went to the UPND. Seats are shared after the presidential result by formula, using national vote shares, so a fraction of a point can move a seat. Our view: the Commission should publish the full allocation table, with raw shares and rounding steps, so anyone can check all 40 assignments.

LOCAL GOVERNMENT

Mwewa Sworn In and Installed as Lusaka Mayor

Chitambala Mwewa took his oath before Chief Resident Magistrate Nthandose S. Chabala on 7 October. Town Clerk Oliver Muuka said the oath is a requirement under the Local Government Act No. 2 of 2019, read with Article 260 of the Constitution. Installed the same afternoon, the Mayor named nine priorities: waste management, drainage, roads, sanitation, housing, traffic, the environment, street lighting and markets. Officiating, Foreign Affairs Minister Mulambo Haimbe urged humility, integrity and prudent use of public resources.

PUBLIC SERVICE

Ministry of Health Sends 123 Officers Back to Their Stations

Health Minister Professor Roma Chilengi says an internal assessment found 123 officers serving at headquarters under temporary arrangements outside the approved 2021 establishment of 403 posts. They return to their substantive stations and pay points. No job losses have been announced. Staff in approved posts now face a qualifications check, and those who fall short will be reassigned to operational stations that match their credentials.

AUDIT

Auditors Turn Scrutiny on Their Own Budgets

Acting Auditor General Patricia Malaila closed the Office of the Auditor General's budget preparation meeting with a call for prudent prioritisation and realistic costing. Every provision, she said, must be justified, linked to institutional priorities and focused on measurable results, so that core audit work stays protected when money is tight.

Separately, about 350 internal auditors across ministries, provinces and agencies will be trained and certified through NIPA. Controller of Internal Audit Jamie Mukuwa told the first cohort that weak controls end in undelivered services and wasted resources, and asked auditors to follow findings through until corrective action is taken.

CONSTITUENCY DEVELOPMENT FUND

Is CDF Money Reaching Small Farmers and Students?

By **Kelvin Chisanga**

The CDF no longer has a size problem; it has a delivery problem. Chisanga notes K30.6 billion in play, with the secondary school component at K3.6 billion, about K31.0 million for each of 116 rural constituencies, and K4.8 billion for skills bursaries. The fund has grown 25-fold since 2021 to K40 million per constituency, yet absorption keeps lagging allocation, and the ministry responsible has not shown that the money reaches the farmers and vulnerable learners it was meant for.

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THE WEEK IN NUMBERS

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US\$1.47bn Proposed IMF Extended Credit Facility, staff-level agreement of 9 October	K271.9bn Resources projected for the 2027 Budget	K6.9bn Left for all other programmes after fixed commitments	6.1% Annual inflation in September, down from 6.2% in August
10.75% Bank of Zambia policy rate after the latest cut	K19.9 Kwacha per US dollar in early October, from K17.87 in June	US\$28bn Private investment pipeline identified on the Lobito Corridor	K806.1m Fourth-quarter school grants, completing 2026 releases
272 Members in the 14th National Assembly; 61 are women	123 Ministry of Health officers sent back to their stations	350 Internal auditors to be certified through NIPA	31 Formal member countries of the Borrowers' Platform

COMING UP

Zambia@62: A Self-Funded Independence Week

Zambia marks 62 years of independence on Saturday, 24 October, under the theme “Zambia@62: Our Journey, Our Growth, Our Future”. Cabinet Office Circular Minute No. 29 of 2026 sets Independence Week for 17 to 23 October: cleaning schools, markets and health and correctional facilities, donating food, clothes and books, and planting trees.

The circular directs that activities run within available resources and whatever communities and stakeholders can raise, in line with the Treasury’s call to do more with

less. President Hichilema addresses the nation on 23 October and leads the wreath laying at the Freedom Statue on 24 October. Vice-President Mutale Nalumango hoists the flag at the Lusaka Showgrounds on Independence Eve.

The economy reaches 62 with inflation at its lowest since 2018, but with a weaker kwacha, dearer fuel and an IMF programme still awaiting Board approval.

THE DIARY	
12 to 18 Oct	IMF and World Bank Annual Meetings, Bangkok
17 to 23 Oct	Independence Week: community service nationwide

23 Oct	President’s address to the nation; flag hoisting at Lusaka Showgrounds
24 Oct	Zambia@62: wreath laying at the Freedom Statue, Lusaka
November	EAZ Post-Budget Analysis Dinner
20 Nov	First Q4 bond auction, including the new 20-year bond
18 Dec	Second Q4 bond auction

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EVERY STORY THIS WEEK

All 24 stories, 5 to 13 October

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Mon 5	EAZ Courts FNB Zambia for Post-Budget Dinner Support and a Formal Partnership	Fri 9	Grow Zambia Agenda: The Eight Numbers Behind the Plan
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Tue 6	Acting Auditor General Malaila Calls for Prudent Budgeting	Sun 11	The ECZ Says No Seats Were Stolen. Here Is the Arithmetic.
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Wed 7	Hichilema Congratulates Abiy Ahmed on Re-election	Mon 12	K806.1 Million Released for School Grants
Wed 7	Chitambala Mwewa Sworn In as Lusaka Mayor	Mon 12	EAZ Backs US\$1.5 Billion IMF Deal, Wants Room for Private Borrowers
Wed 7	Mwewa Installed as Lusaka Mayor, Puts Waste, Drainage and Roads First	Mon 12	Zambia@62: A Self-Funded Independence Week
Thu 8	Zambia Moves to Standardise Internal Audit: 350 Auditors Through NIPA	Tue 13	Musokotwane Calls for Stronger African Voice in Global Debt Decisions
Thu 8	The Kwacha’s October Slide: Why Copper Dollars Are Not Enough	Tue 13	EAZ Opens Partnership Talks With Uganda Economists
Thu 8	Is CDF Money Reaching Small Farmers and Students?	Tue 13	Ministry of Health Sends 123 Officers Back to Their Stations

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