



CSPR'S REACTION TO THE MINISTER OF FINANCE AND NATIONAL PLANNING; HON DR. SITUMBEKO MUSOKOTWANE MP' POSITION; TO MOVE ZAMBIA INTO A PRODUCTION AND EXPORT LED PHASE IN LINE WITH THE GROW ZAMBIA AGENDA

CSPR has taken interest in the Minister of Finance and National Planning Dr Situmbeko Musokotwane's position during the ZNBC Sunday interview on 20th September 2026, in which the Honorable Minister outlined Government's plan to move Zambia into a stronger production and export-led phase, with increased private sector investment, job creation and higher household incomes at the centre of the Grow Zambia Agenda. From our perspective, this is direction we anticipated to see as we hold the view that Zambia's economy must not remain indefinitely dependant on copper exports, improving public spending and strengthening macroeconomic stabilization alone. The country now needs to convert stability into productive investment, value addition, exports and decent jobs. Given Zambia's limited fiscal space, the private sector will have to carry a significant share of the investment required to expand production. One of the most important issues is how the Government intends to crowd in private investment. Zambia does not have sufficient public resources to finance the scale of investment required under the Grow Zambia Agenda, so foreign and domestic private capital will be necessary. However, attracting investment is not enough. The critical question is how much of the value created by that investment remains within the Zambian economy.

It is our considered view and position that macroeconomic stability is a necessary foundation but not a guarantee of broad-based growth. The IMF has projected stronger growth for Zambia of about 5.8%, while the World Bank has provided estimates that are more cautious at slightly below 4%. This difference reminds us that the recovery remains

vulnerable to electricity shortages, drought, copper-price fluctuations, high financing costs and weak implementation capacity.

Our position is that the first priority is to reduce the cost of doing business to ensure competitiveness. Businesses need reliable electricity, affordable finance, predictable taxes, efficient transport and faster licensing and customs procedures. The current electricity risks are of great concern as they raise potential high production costs, disruption to factories and can make it difficult for exporters to meet delivery commitments. Government therefore needs to accelerate investment in solar energy transmission, storage and regional power trading, while also improving the financial sustainability of the electricity sector.

Secondly, Government must implement the policies that already in existence. The Eighth National Development Plan, the National Industrial Policy, the Zambia Development Agency Act No. 17 of 2022, the Investment, Trade and Business Development Act No. 18 of 2022 and the MSME Development Policy provide an anchoring framework to effectively support this. The challenge that is yet to be addressed is poor coordination, weak financing and inadequate accountability systems and mechanisms.

Industrial policy should focus on a few competitive value chains instead of spreading limited resources across too many projects. These could include agro-processing, copper fabrication, mining inputs, fertilizer, pharmaceuticals, construction materials, tourism and digital services. Tax incentives and other support should be linked to clear results: investment realized, jobs created, local suppliers engaged, skills transferred and exports generated.

The Zambia Development Agency should also be assessed by the investment that actually reaches production, rather than by the number of investment pledges or certificates issued. Investors need coordinated support after approval, including access to land, utilities, licenses and export facilitation. It is our view that future proposed reforms around strengthening the institution of the ZDA should focus on this aspect more deliberately.

Small and medium enterprises must be central to this strategy. Most Zambian businesses and many jobs are found in small and informal enterprises. The MSME Policy should therefore deliver affordable finance, simplified regulation, quality certification, access to public procurement and links to large mining, agricultural and infrastructure projects.

Zambia should also use available regional markets more effectively within established regional economic zones. The COMESA, SADC and AfCFTA markets provide opportunities for processed foods, pharmaceuticals, fertilizer, mining inputs and other value-added products. But this requires efficient borders, trade finance, compliance with standards and practical support for smaller traders.

There are useful lessons from other African countries. Rwanda demonstrates the importance of coordinated investment facilitation. Kenya shows that special economic zones work only when they are connected to reliable infrastructure and export logistics. Ethiopia shows that attracting factories is not enough if local supplier linkages, skills and foreign-exchange systems remain weak.

The biggest risk is achieving GDP growth without structural transformation. Zambia experienced strong growth during the copper boom, but this did not create enough productive jobs or reduce poverty sufficiently. Therefore, the success of the Grow Zambia Agenda should be measured by jobs, wages, household incomes, non-traditional exports, manufacturing output, electricity reliability and participation by women- and youth-owned enterprises.

CSPR's conclusion is that the policy shift is welcome, but implementation will determine the outcome. Zambia already has many of the required policies. What is needed now is consistent and efficient execution, transparent monitoring and a clear focus on lowering business costs, supporting local enterprises and building competitive value-added exports. That is how macroeconomic stability can become meaningful improvements in the lives of households and businesses.

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