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Samuel Maimbo is very competent for AfDB Presidency — Musokotwane



Sam Maimbo is a first-class candidate — Kalyalya



I will Focus on Implementation

— Maimbo



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**I'll Focus on
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ZAMBIA IS READY FOR BUSINESS



Mr Albert Halwampa
Director General, ZDA

THE Zambia Development Agency (ZDA) is a statutory body mandated by an Act of Parliament to foster economic growth and development by promoting trade and investment in Zambia.
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Dr Samuel Maimbo
AfDB Presidency Candidate

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- Zero percent tax on profits made on exports from first year of commencement of works, for companies in an MFEZ, Farm Block or IP for 10 years.

SUPPORT FOR DR MAIMBO'S AfDB PRESIDENCY

ZDA is proud to associate with the aspiration of Dr Samuel Maimbo to be the next President of the African Development Bank.

For more information on investment opportunities and facilitation contact the ZDA.

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Quest for AfDB Presidency

It is almost set for stakeholders of the regional and non-regional members of the African Development Bank (AfDB) to elect one out of the five presidential candidates as the next President of the continent's premier development institution.

The candidate who eventually emerges victorious will succeed the incumbent President, Dr Akinwumi Adesina, who will vacate the position in the next few months after leading the Bank for 10 years.

One of the front runners in the race for the top job is Dr. Samuel Munzele Maimbo, the erstwhile Vice President of the World Bank for Budget, Performance Review, and Strategic Planning. An accomplished technocrat, the Zambian national has been a 'finance man' all his life. Buoyed by his 30 years of experience in development finance, most of that time in and around the top decision-making level at the Bretton Woods institutions, Dr Maimbo now wishes to fully dedicate his development expertise to Africa.

As the contestants for the top job intensify their last-minute vote-canvassing rounds, the Banking & Finance team of editors had an exclusive interview with Dr Maimbo. In our Cover Interview, he provides insight into his vision for the AfDB, and his carefully thought-out solutions to the continent's paradox of poverty amidst so many resources and endowments. Dr Maimbo also pledges to completely follow through on project and policy implementation to deliver meaningful transformative outcomes if given the nod to serve as the next AfDB President.



Dear sir,

Dr Samuel Munzele Maimbo's interview in *Banking and Finance*, October 2024 edition titled: "I shall make a positive difference in AfDB and Africa," is interesting. It provides a detailed account of Maimbo's vision for the African Development Bank (AfDB), if elected the President of the multilateral institution.

What is more, the interview chronicles his professional background spanning 30 years experience in international finance and development, traversing different continents and multilateral organizations. Maimbo's vast exposure puts him in a better stead to make the desired positive difference, if elected. Currently the Vice President at the World Bank, Maimbo also understands the inner workings of a large multilateral organization such as the AfDB.

I believe that if given the opportunity to serve, he will hit the ground running. His knowledge and exposure will come handy in pushing through his ambitious agenda for Africa's development.

Nelson Odaro, Benin City, Edo State, Nigeria.

Sir,

The story, "Gabon eyes new international players" in *Banking and Finance*, October 2024 edition is a cheery news. For quite sometime, Gabon's economic growth has been on a slow pace and unpredictable due to its overdependence on mining. It's therefore reassuring to see the President, General Brice Oligui Nguema, opening up the country to foreign investors.

Gabon, rich in mineral resources, needs selfless leaders with creative ideas on industrial growth and technological transformation. Despite its relatively higher GDP per Capita within the sub Saharan region, poverty rate in the country is high and this calls for concern.

The government is, therefore, expected to cut costs of governance and ensure speedy response to pressing issues.

Laurince Mengue, Franceville, Gabon.

Dear Editor,

Dr Denny Kalyalya's special interview titled: "Price, Financial System Stability Are Priorities" in the October 2024 edition of *Banking and Finance* magazine detailed the Bank of Zambia's operations with much emphasis on the dynamics of monetary policy formulation and regulation.

As the Bank boss, Dr Kalyalya is saddled with the task of ensuring a robust monetary system capable of withstanding the shocks of foreign exchange volatility.

His objective to stabilize price as well as achieve financial system stability is clearly paying off with the cut in inflation, maintenance of sustainable debt profile and elimination of the middle-men syndrome.

As Zambia's economy picks up, the need to maintain financial system stability becomes paramount and, from all indications, the Kalyalya-led Bank of Zambia is set for the task.

Noah Sonkwe, Lusaka, Zambia.



Dear Editor,

Your news story, "Sierra Leone's financial inclusion drive" is heartwarming.

For me, Dr Ibrahim Stevens' appointment as the Governor of the Bank of Sierra Leone was a big score for President Julius Maada Bio. Driving the monetary policy initiatives of the Bio administration, Dr Stevens has left no one in doubt as to his capability to transform the country's financial system.

Part of his plans as the apex bank's chief is to promote digitization of financial services which aids the seamless operation of mobile money.

Interestingly, mobile money transfer eases financial operations and integrates the largely unbanked rural dwellers.

Nevertheless, the government needs to invest more in infrastructure, attract more private sector players and ensure security of funds and personnel at all times.

*— Sulaiman Osman
Freetown, Sierra Leone.*

RBZ's push to stabilise local currency

THE Reserve Bank of Zimbabwe's Financial Intelligence Unit (FIU) is expanding operations outside Harare to ensure stability of the local currency, the Zimbabwe Gold (ZWG) and compliance with exchange regulations.

The interventions will involve issuance of high-quality and durable banknotes to be distributed to remote areas where electronic money platforms are not available.

Zimbabwe's Reserve Bank (RBZ) is addressing



John Mushayavanhu: Governor, Reserve Bank of Zimbabwe

challenges in rural areas by promoting the use of the ZWG currency, which

is mostly circulated on electronic platforms. Small businesses without

POS machines rely on hard cash and close out more customers with ZWG.

The Reserve Bank carried out financial literacy programmes targeting rural areas during Global Money Week held from March 17 to March 21, 2025.

The bank is committed to ensuring all Zimbabweans, particularly those in rural, marginalized, and outlying areas, have access to financial services as outlined in the National Financial Inclusion Strategy.

Côte d'Ivoire finalizes CFA450bn bond exchange

CÔTE D'IVOIRE has completed a CFA 450 billion bond exchange on the West African Economic and Monetary Union (WAEMU) market, offering investors new bonds with 5- and 7-year maturities at interest rates of 5.90% and 6%, respectively.

The operation aimed to reschedule part of the country's 2025 debt

payments and avoid a payment spike. The transaction is part of Côte d'Ivoire's proactive public debt management strategy, as its debt now approaches 60% of GDP.

Zambia enhances ties with World Bank

ZAMBIA'S President Hakainde Hichilema has praised the government's partnership with the World Bank, highlighting the country's ability to deal with high financing costs

and negotiate priority areas. He expressed confidence in Zambia's economic growth projections and the lessons learned from the drought. He emphasized the need for energy reforms and urged the country not to rely on one energy source. The World Bank has tripled its support to Zambia in the past two years, largely due to the UPND administration's commitment to economic reforms and development.

30.6m

Approximately 30.6 million Nigerians will likely face acute food and nutrition insecurity between June and August 2025, as per a recent report by the Food and Agriculture Organization (FAO)



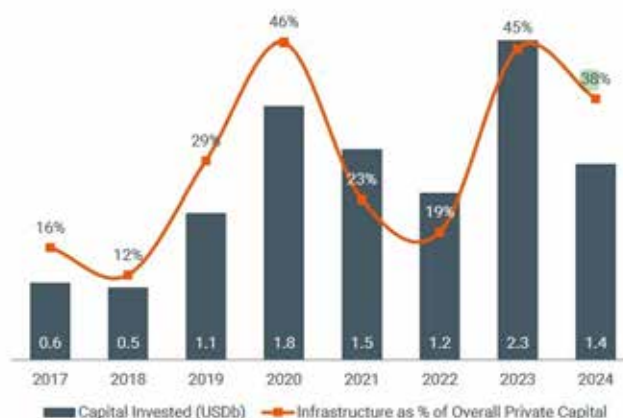
38%

Private equity investments in infrastructure across Africa saw a decline in 2024, falling to 38% of the total private equity funding on the continent, according to the GPCA, a global association of private equity professionals

Declining investment in African infrastructure

PRIVATE equity investments in Africa's infrastructure sector declined in 2024, with 38% of total funding falling to \$1.4 billion. This represents a drop from \$2.3 billion in 2023. Despite this, Africa remains a significant growth region, with a rapidly growing population and a strong focus on renewable energy. Renewable energy has seen \$6.7 billion invested between 2015 and 2024, while other sectors like telecommunications, logistics, and industrial supply chains attract substantial investments. South Africa, Nigeria, and Kenya are top destinations for private equity investments.

Private Capital Investment in Africa Infrastructure, 2017-2024



Guinea to establish Sovereign Wealth Fund

GUINEA is set to join a growing list of African countries, establishing a Sovereign Wealth Fund (SWF).

Guinea is home to some of the world's largest and highest-grade iron ore reserves. As the government works to monetise these resources, it plans to invest the proceeds into a sovereign wealth fund for better management.

Establishing SWFs is a growing trend as African nations shift towards more sustainable and responsible management of their natural resources.

While presenting a unique opportunity for Guinea and these other African nations, the key is to ensure that concrete investment structures grounded in sound governance enhances transparency and accountability for current and future generations.

If managed well, these SWFs can pursue ethically focused investments and play an active role in the urgent need for patient capital, particularly in financing infrastructure and energy transition projects both in the home state and across Africa.



Mamady Doumbouya, President, Republic of Guinea

Bayer's €32m maize seed facility in Zambia

BAYER has opened a €32 million maize seed facility in Zambia, aiming to triple its capacity for high-quality maize seed production in the country by 2025.

This will result in annual maize consumption for around 30 million people in the region. The

high-yielding seeds will reach 6.4 million smallholder farmers in Zambia and other sub-Saharan African countries this year and up to 10 million by 2030. The investment is the second largest private investment by a German company in Zambia.

Bayer aims to address food and nutrition insecurity in sub-Saharan Africa

by increasing the quantity and quality of available certified seeds, offering higher yields and enhanced resilience to climate and disease.

The facility will help improve food security, empower smallholder farmers, and support communities in numerous African countries.

MALAWI

Cost of inaction

MALAWI'S economic recovery remains fragile due to the slow implementation of macroeconomic adjustment reforms and a series of recent shocks, according to the World Bank Malawi Economic Monitor (MEM).

Food insecurity is a major concern in Malawi due to weak harvests, inflation, and rapid money supply growth. Despite high profits and stability, stress tests reveal vulnerabilities in the banking sector.

The Reserve Bank of Malawi has acknowledged that Malawi's banking sector can withstand individual shocks, but multiple simultaneous shocks could pose a threat. Continued vigilance, risk management, and diversification will be crucial to reinforce resilience.

The 20th edition of the Malawi Economic Monitor (MEM) finds that the cost of inaction is rising, as continued delays in addressing

widening fiscal and current account deficits increase the scale of the eventual adjustment and heighten the risk of further deterioration.



Mafuta Mwale: Governor, Reserve Bank of Malawi

CENTRAL AFRICAN REPUBLIC

Low human capital, development scores



Hervé Ndoba

Minister of Finance and Budget

THE Central African Republic economy is expected to stagnate, with GDP growth of 0.7% in 2024. This is primarily due to fuel shortages and power outages.

The 7th Edition of the World Bank's Economic Update suggests inflation should decrease to 1.5% in 2024, but the country still has low human capital and development scores.

Poverty remains high, with 65.7% living in extreme poverty. Security issues continue to impact economic stability.

ZIMBABWE

Economic outlook looks promising

ZIMBABWE'S economic activity has started recovering after the El Niño-induced drought, with growth slowing from 5.3% to 2% in 2024.

However, strong remittances supported domestic trade, services, and construction, improving the current account surplus to 1.4% of GDP. The ZiG willing-buyer willing-seller exchange rate stabilized, and the government implemented emergency spending cuts due to fiscal pressures.

Growth is projected to increase to 6% in 2025, with improved agriculture output and improved terms-of-trade.



Mthuli Ncube: Finance Minister

BEAC

Recruitment drive amid dispute

THE Bank of Central African States (BEAC) has launched a recruitment drive for 157 middle-management positions in six CEMAC member states – Cameroon, the Central African Republic (CAR), Chad, Equatorial Guinea, Gabon, and the Republic of Congo.

The positions require qualifications equivalent to a two- or three-year post-secondary degree and applicants must be no older than 35 years. The open positions cover various roles, including administrative officers, IT specialists, protocol officers, actuaries, security agents, project management assistants, auditors, economists-statisticians, HR managers, accountants, lawyers, executive secretaries, and technical maintenance and procurement positions.

The recruitment process comes amid an ongoing dispute over a previous hiring process.

In December 2021, BEAC launched a recruitment competition for senior management positions, with 66 successful candidates. However, the process was suspended in June 2023, and the 66 accepted candidates formed a group and threatened legal action. BEAC's new governor, Yvon Sana Bangui, has made resolving the dispute a priority.



Yvon Sana Bangui: *BEAC Governor*



Abdelaziz Fayed: *Minister of Finance*

MOROCCO-ALGERIA

Morocco rises, Algeria falls in 2025 Index of Economic Freedom

THE Heritage Foundation's Index of Economic Freedom has ranked Morocco as 'moderately free', up 15 places from its previous rating of 'mostly unfree'.

Morocco's progress is attributed to government reforms, strengthening the private sector, and monetary stability. Algeria ranks 160th globally in terms of economic freedom with a score of 47.5, and a rating of 'repressed'.

The Foundation identifies weaknesses in Algeria's economy, including judiciary vulnerability, political interference, and corruption. To overcome these challenges, Algeria must implement structural reforms.

CHAD

Economic freedom rating improves, but...

CHAD'S economic freedom score is 52.2, ranking 27th out of 47 in the Sub-Saharan Africa region. The country is considered "mostly unfree" due to weak rule of law, weak property rights protection, corruption, and inefficient regulatory systems. Business freedom is restricted by poor infrastructure, transportation, electricity, and contract enforcement. The oil sector accounts for 60% of export revenues.



Tahir Hamid Nguilin
Minister of State, Finance, Budget, Economy, and Planning





Transforming Zambia into an Aviation Hub

ESTABLISHED by Act No. 7 of 2012 as an autonomous aviation regulator, the Civil Aviation Authority (CAA) has been working closely with other stakeholders in the industry to develop, regulate and promote the safety and security of civil aviation in Zambia.

The CAA has ensured that every service provider in the aviation industry in the country complies with aviation international standards developed by International Civil Aviation Organisation (ICAO) and domesticated by Zambia. It has also continued to drive aerodrome safety through training, certification, and regulation adherence, prioritising responsible operation by all.

Under the leadership of its Director General, Captain Derrick Luembe, the CAA has continued to soar to greater heights, as it has always approached its responsibilities with optimism, determination, and a shared vision for a safe, efficient, and sustainable aviation industry.

Reflecting on the accomplishments, challenges and aspirations of the civil aviation industry recently, Capt. Luembe said the CAA has navigated evolving issues, strengthened safety protocols, and championed sustainability initiatives to shape a brighter future for the industry.

Aviation has been identified to be a key driver and catalyst to Zambia's socio – economic development and this has been clearly spelt out in the country's 8th National Development Plan (NDP). The 8th NDP provides for a coordinated and integrated national development planning process that is participatory, responsive and results oriented. One of the four strategic development areas identified in the plan is economic transformation and job creation of which tourism is a driver, Transport and Logistics an enabler and aviation development a key programme. The ultimate goal is to transform Zambia into a regional transport and logistics hub.

Against this background, CAA has been working through the Ministry of Transport and Logistics to achieve these lofty goals. The Year 2023 witnessed a key milestone where the Minister of Transport and Logistics, Honourable Frank Museba Tayali, MP, launched the National Civil Aviation Strategy which will run up to 2026. The strategy provides strategic direction in achieving sustainable growth in the sector. As a result, the government has prioritised aviation and has been undertaking massive investments in airport infrastructure. Three of the international airports, namely the Kenneth Kaunda, Simon Mwansa Kapwepwe and Harry Mwanga Nkumbula International Airports were constructed and/or upgraded to international certification standards. The CAA has since successfully certified the three airports according to international standards thus aligning with the Abuja safety targets. The government has also invested huge funds to upgrade the provincial aerodromes in order to create a hub and spoke scenario where the provincial aerodromes feed into the main or international airports.

Recently, the Zambian Government, through the Ministry of Transport and Logistics, signed contracts with the Zambia National Service (ZNS) and Anhui Shui'an Construction Group Corporation Zambia Limited for the construction of a greenfield airport in Nakonde and the rehabilitation cum upgrading of



Captain Derrick Luembe, Director General, CAA



Samuel Maimbo, AfDB Presidency Candidate

Mfuwe International Airport. The Minister of Transport and Logistics, Hon. Tayali says the construction of Nakonde Airport will be a game-changer and critical in facilitating trade.

As an organisation which values innovation, excellence, courage and integrity, CAA's Director General, Capt. Luembe, says its management is pleased to support the aspiration of Dr Samuel Maimbo to be the next President of the African Development Bank (AfDB).

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I'll Focus on Implementation

— Maimbo

DR Samuel Maimbo's rational proposition of a new African model has a daring feel and structure. He wants to move the continent's economy to a dynamic private sector-led development strategy from the age-long, lethargic public sector-led approach. For an accomplished technocrat who has chalked-up over three decades in development finance, most of that time in and around the top decision-making level at the Bretton Woods institutions, this Zambian national oozes the confidence and passion expected of a true top contender for the Presidency of the African Development Bank (AfDB), Africa's premier development institution.

In this exclusive frank discussion with editors of Banking and Finance, Dr Maimbo lays bare his long-held vision for his beloved continent. He also unveils his thought-out solutions to Africa's paradoxical poverty amidst so much potential and palpable mix of resources and endowments. He stands out in the race due to a sterling pledge to completely follow on project and policy implementation. Keenly aware of the "multifaceted challenges" confronting Africa and the resultant AfDB's mandate to deliver "meaningful transformative outcomes", Dr Maimbo gives a glimpse of the strategic approach he hopes to adopt as steersman of Africa's foremost multilateral financial institution.



My core commitments for the AfDB are aimed at pragmatically, practically, and swiftly delivering on Africa's aspirations for self-reliant, lasting development and economic success

What motivated you to leave the comforts of Washington D.C. to contest for the AfDB presidency?

I was born and raised in Lusaka and have spent the past 30 years working on development finance solutions on our continent. This has been my calling since day one.

While Africa is experiencing fast economic growth, the paradox persists: average citizens are getting poorer. To effectively address today's developmental obstacles and seize emerging opportunities, we must execute growth strategies that are more efficient and fundamentally more inclusive.

My strategic vision for the Bank centres on radically reimagining our institutional approach—emphasizing operational precision, tangible impact, and meaningful outcomes for each government and citizen we serve. I am confident we can elevate our collective aspirations for the continent and provide meaningful support to governments seeking equitable access to critical financial solutions and investment. We must stop talking about Africa's potential and focus on getting things done.

What is the first step in this direction?

In my view, that would be tackling headlong AfDB's challenges.

What do you consider as the major challenges facing the AfDB?

Africa faces profound and multifaceted challenges. Governments across the continent are grappling with mounting fiscal pressures and limited capacity to generate resources.

Climate change disproportionately impacts Africa, creating severe economic vulnerabilities. Persistent inequality undermines our progress. The AfDB must dedicate its full energy to generating meaningful, transformative outcomes.

My strategic approach for the AfDB focuses on driving expansive, transformational job creation that aligns with Africa's distinctive strengths and potential. We will strategically mobilize opportunities across diverse sectors—from agriculture and manufacturing to the creative arts and sustainable tourism. Our fundamental objective is to propel Africa's economic model from a predominantly public infrastructure-driven approach to a dynamic, private sector-led development approach. This transformation hinges on addressing critical foundational elements that are holding us back: enhancing regional economic collaboration, modernizing infrastructure, ensuring energy access, and leveraging digital technologies. These are the universal pillars that have underpinned economic metamorphosis in successful economies worldwide.

Do these universal pillars have any bearing on your recent statement that "No African country will enjoy the full benefits of its economic freedom until the rest of Africa achieves economic freedom"?

No single economy, no matter the size, can thrive alone. When we work together and deepen our integration, we can supercharge our economic growth and self-sufficiency. Every individual market will be more powerful and prosperous when

trading across borders—leveraging strengths and complementing limitations.

We must expedite intra-continental trade and dramatically expand intra-African commercial exchanges. By doing so, we'll elevate the value of our goods, expand revenue streams, and position ourselves to more effectively advocate for Africa's long-term trade policy interests. We will cultivate economic resilience by retaining capital within our economies, nurturing entrepreneurship, generating employment opportunities, and establishing regional value chains that reduce overdependence on raw material exports.

How best can African countries leverage the AfCFTA, and how prepared are businesses and SMEs to access it?

Globally, countries are being very proactive in developing their industries. Africa needs to do the same thing. Therefore, you never bury your head in the sand when such challenges come. That is, you come together with your neighbouring countries and the private sector, and discuss the requisites for development. The formula hasn't changed. The issues persist—what policies do we have in place? Where is the financing coming from? Who are our critical partners? And who are the people who needs to get the table? And for Africa, it is the SMEs. The informal sector—small businesses—still accounts for the majority of our economies. But that's not the only sector we have. We have more than 200 firms that are African with revenues of over \$1 billion each.

We must all work together to ensure that our smaller businesses can carve out some of that business and that we continue to create jobs in our economies. It will be challenging, and there is where the African Development Bank (AfDB) comes in. The Bank needs to be candid, to have an honest discourse in which we will experience the pain and make adjustments while

By reducing trade barriers and improving connectivity, we can unlock the continent's agricultural potential ... We can transform agriculture into a dynamic, job-creating economic engine and food security powerhouse



We must stop talking about Africa's potential and focus on getting things done

always focusing on the long term. It would take time to create a billion jobs for our people, but we can get there as long as we roll up our sleeves and focus on action. Africa has enough plans. Let's focus on implementation. At the AfDB, I will focus on implementation.

What impact would the global new trade tariffs have on Africa's development agenda?

The tariffs are similar to any other challenges we have faced. The short-term impact is going to be painful and severe. The United States has stated that as well. We have seen trillions of dollars wiped off the markets. However, in my line of work, I always focused on the long-term. So, what are the trends? For Africa, it implies we must discuss our tariffs with one another. We need to lower those tariffs as fast as they are rising around the world. That's the way to get through this particular situation and ensure we emerge from it stronger than we have ever been. It is time to begin

the conversation about the African Continental Free Trade Agreement (AfCFTA) and ensure that it is implemented now rather than over a 10-year period.

Africa faces a myriad of challenges, particularly the time and resources spent on debt resolutions. Can Africa ever get out of this? How can this best be addressed?

Under my presidency, the AfDB will support countries' debt challenges through comprehensive strategies, including sophisticated restructuring, advanced solvency solutions, innovative debt management approaches, and expanded revenue generation—from diverse domestic, regional, and global sources.

We must cultivate greater transparency regarding debt characterization, understanding its usage and procurement processes. Debt should be viewed as one among many nuanced financial instruments—similar to how businesses employ diverse financial

strategies. African governments should be supported in applying a full range of tools, including national resource utilization, guarantees, and other fiscal management approaches.

Rather than addressing debt challenges on a piecemeal, country-by-country basis, we must adopt a holistic continental perspective. This involves confronting the overarching factors that escalate debt levels, examining risk premiums, and identifying impediments to effective debt management. The AfDB has a major role to play by using data analytics to combat and contextualize risk perceptions.

My leadership of the AfDB would be centred on levelling the playing field around how debt is applied to Africa. Africa must get a fair shot at accessing the resources it needs to deliver for its citizens.

You have acknowledged that the global financial system is biased against developing countries, particularly in Africa, which contributes to the elevated cost of financing for these countries. If elected, how do you think the AfDB can best assist in mitigating this challenge?

From high-risk premiums to global trade standards, Africa often gets a bad deal. We have to work together to tell Africa's story better. It is incumbent on all of us to plug the knowledge gap and reshape narratives about our continent on the global stage to increase investor confidence and showcase the vibrancy of our people and economies.

We must take advantage of data and analytics—the AfDB should lead the way. The availability and effective use of credit statistics is critical to mobilizing more private investment into emerging markets and developing economies by helping investors better understand the risk profile of investments. The Bank can provide up-to-date insights on African markets and carry out campaigns to highlight Africa's growth opportunities and successes.

I would also prioritize mitigation instruments that can offer guarantees

to reduce investment risks and reduce costs of financing.

We also must focus on homegrown financial pools and resources. We have a lot of capital on the continent, which can and should be incentivized to invest in our own continent's development—for example, pension funds, insurance companies, and large corporations have a lot of potential financing power, which the Bank can facilitate to be a win-win.

Africa boasts 65% of the world's uncultivated arable land, abundant water resources, and over 300 days of sunshine annually. Many believe that the continent should feed itself comfortably. Why has it failed to do so, and how can the AfDB turn words into action to make Africa self-sufficient in food production?

Having personally experienced agricultural realities growing up on a farm near Lusaka, I understand in my bones the sector's challenges and potential. Africa possesses extraordinary agricultural capabilities—with 65% of the world's uncultivated arable land, abundant water resources, and consistent solar exposure.

We can transform agriculture into a dynamic, job-creating economic engine and food security powerhouse. We'll revolutionize agribusiness by supporting mechanization, promoting climate-smart practices, and enhancing productivity. Key focus areas will include providing affordable agricultural inputs, developing farmer-led irrigation systems, establishing agro-processing hubs, and championing climate-resilient crop varieties.

Infrastructure modernization is critical. Currently, intra-continental transportation costs are paradoxically higher than

No single economy, no matter the size, can thrive alone. When we work together and deepen our integration, we can supercharge our economic growth and self-sufficiency

international shipping routes. By reducing trade barriers and improving connectivity, we can unlock the continent's agricultural potential. With strategic investments and policy reforms, Africa's food and beverage markets could potentially reach \$1 trillion by 2030.

You mentioned that energy poverty underpins Africa's challenge in achieving the essential uplift for its overall transformation. What are the most effective strategies for the AfDB to confront this issue?

Energy poverty constrains Africa's developmental trajectory. The AfDB will champion an ambitious agenda to significantly expand our current targets for energy access.

Our aim will be to create a continent-wide electricity market, enhancing cross-border network efficiency and reducing consumer costs. By advocating for regional energy integration, we anticipate saving \$40 billion in capital expenditure and reducing annual consumer costs by \$10 billion by 2040. My approach emphasizes revolutionary project preparation, early-stage funding, and efficient capital allocation.

We'll invest in diversifying renewable energy solutions, including solar, wind, and hydropower. Strategic investments in mini-grids and off-grid technologies will empower rural and peri-urban businesses. We can expand energy access and make it more equitable—reaching

all communities across the entire continent.

Bureaucratic red tape has been recognized as a factor that hinders the AfDB from executing many of its excellent initiatives. How has your experience at the World Bank equipped you to deal with this issue?

As I work to strengthen the foundations of the AfDB, I will focus on ensuring that operational effectiveness, productivity, transparency, and decentralization guide everything we do.

One of the major obstacles in large institutions is an over-concentration of power at the top, leading to bottlenecks. At the AfDB, I will ensure that staff and leadership levels are empowered to make decisions according to their geographic and thematic focus. Regional and country-level teams must have the authority to advise the best pathway to delivering what governments and people need, how to overcome hurdles, seize opportunities, and get things done at pace and scale. This will create clear, results-driven leadership at every level, ensuring that teams are accountable for real outcomes rather than process management.

Any large institution will benefit from redundancy processes to eliminate inefficiencies. My approach will be to evaluate existing workflows and give staff the licence to focus on what truly adds value. Creating a system that allows for agile decision-making and quick adaptation will be key.

One of the most effective ways to cut bureaucracy is to engage directly with staff and hear their insights on inefficiencies firsthand. At the World Bank, I met with 450 out of the 600 staff whom I oversaw within my

Africa must get a fair shot at accessing the resources it needs to deliver for its citizens

Rather than addressing debt challenges on a piecemeal, country-by-country basis, we must adopt a holistic continental perspective



first two months on the job, leading to remarkable ideas for improving productivity. At the AfDB, I will personally meet with as many staff as possible within my first few months to fully, deeply understand challenges and opportunities at all levels.

My core commitments for the AfDB are aimed at pragmatically, practically, and swiftly delivering on Africa's aspirations for self-reliant, lasting development and economic success. Our focus will not be on ribbon-cuttings and press conferences, but on rolling up our sleeves, digging into the details, and delivering results for our governments and our people.

Experts indicate that over the past several decades, those vying for the

presidency of the AfDB have had strong concepts yet consistently fall short in terms of execution. How would you prevent this apparent pitfall?

There are more than enough smart plans and ideas for how to supercharge Africa's growth and prosperity. What we must focus on now is the execution—getting our systems, our processes, and our priorities to a place where the solutions are executed at pace and scale. This is the missing puzzle piece: a laser focus on efficient project delivery, impactful and measurable outcomes, and the last mile. I shall squarely focus on implementation of policies and programmes to achieve verifiable results.

I have built my entire career as a

problem solver and fast-tracker of impact. I roll up my sleeves and focus on the “boring” details that are the most critical to getting the job done effectively. I am not looking for the limelight; I am looking to get into the plumbing of our continent's development finance and fix the blockages, create pragmatic and realistic solutions, and deliver results.

Some analysts argue that you have limited experience with the African condition, having worked most of your adult life at the World Bank. What is your response?

I have spent three decades working across most African countries, from our largest economies to our most fragile states. I was born and raised here; I am one hundred percent African. I spent one-third of my professional life living and working in African countries, and 80 percent of my efforts and time at the World Bank have been focused on Africa.

I had the great privilege of working on some of the most innovative, partnership-driven development finance initiatives our continent has experienced: helping establish the Making Finance Work for Africa Partnership, which spurred expansion of African banks across the continent; working with the African Trade Insurance Agency, championing the use of insurance for development; and working with the African Risk Capacity to expand the use of sovereign disaster risk financing tools. I worked hard to introduce mobile money in Somalia, a new currency in Sudan, to support private sector investment across our continent, and I led the World Bank's long-term finance team in Africa for four years. When I led the International Development Association's record-breaking \$93 billion replenishment in 2021, more of that money went to African countries than any other region. When you keep adding up those numbers, you'll soon realize I never left Africa. Moreover, I have what Africa mostly needs—the capacity to mobilize resources for the continent's development.

Access Bank Zambia: A Journey of Growth

ACCESS Holdings Plc is a Global African Bank with operations through a connected network spanning three continents (Africa, Europe, and Asia), 22 countries, over 740 branches and more than 30,000 employees. With a fast-growing footprint and a customer first philosophy, the bank continues to shape the future of banking across Africa, combining technology, purpose, and scale. It operates in key markets including Nigeria, Ghana, Rwanda, Kenya, and South Africa, with strong links to international corridors in Europe and Asia.

Trusted by over sixty million customers, Access Bank Plc is Africa's largest universal bank by customer base. The Bank is a part of a diversified financial services holding company (Access Corporation) that plays across digital lending, payment services, insurance brokerage, pension funds management and offers deep corporate banking expertise. Access Bank Plc takes pride in its tradition of working together to curate stronger solutions for customers, a reality that has come to bear on Access Bank Zambia following the successful integration with Atlas Mara Zambia in April 2024.

For nearly 17 years, the bank has steadily reinforced the brand's presence in the country, holding the largest branch network which currently stands at 73 outlets covering all 10 provinces. Leveraging on the strength of its global presence, with commitment to customer centricity at the heart of its operations, Access Bank Zambia provides a holistic range of services that cater to customers from all walks of life, supported by experienced teams, digital platforms, and world-class systems.

Guided by the values of inclusion, empowerment, and long-term impact, the bank is redefining what it means to be a global African financial institution. Access Bank Zambia champions trade facilitation, intra Africa payments, SME development, and the financial inclusion of women and youth. These priorities are not just aligned to national agendas, but to the growth and transformation of the continent.

Managing Director Mr. Lishala C. Situmbeko, says "Our strategic intent



is to be both globally competitive and locally relevant. We aim to be a true partner in Zambia's progress, responding to the needs of individuals, businesses, and the broader community."

Speaking on the bank's presence in Zambia, he says "Growing our presence as we serve our customers remains a strategic priority, leveraging the synergies from stakeholders and drawing from our strong track record of post-merger integration to ensure a successful transition beyond our integration for the benefit of all stakeholders."

Access Bank Zambia is making a positive contribution to Zambia's development with areas of focus aligned to those of Zambia and the continent of Africa. The bank continues to play a central role in the future of the country through enhancing financial inclusion and empowering corporates, SMEs, women and youth. Beyond that, the bank aims to leverage its regional presence to evolve into a leader in international trade facilitation within the continent, providing seamless person to person intra Africa funds transfer and inter Africa trade facilitation.

Access Bank Zambia serves key sectors such as public sector, mining, agriculture and agro processing, infrastructure, and energy. With specialized teams supporting local and international enterprises, Access Bank Zambia is contributing meaningfully to economic growth. Small and Medium Enterprises remain central to this agenda. This year

alone, the bank has earmarked approximately K1 billion for SME lending, supporting entrepreneurs across critical industries.

In agriculture, Access Bank Zambia continues to roll out customised financing to empower both smallholder and commercial farmers.

The bank is also advancing inclusive finance through targeted programs such as the W Initiative, which supports women entrepreneurs with access to capital, mentorship, and business training. The initiative is a one stop shop for what it has to offer women, whether entrepreneurs, professional women or home makers.

Digital innovation remains a top priority as evidenced in the bank's continuous investment in platforms that ensure convenience, security, and seamless service delivery. In parallel, its commitment to sustainability is reflected through the Employee Volunteering Programme and The Imiti Ikula Initiative, a programme designed to build capacity and financial literacy amongst children from their early years.

Access Bank Zambia has continued to reinforce its standing in the local financial services sector with added accolades such as the recognition by the Global Brands Magazine, which awarded the bank with three accolades: Fastest Growing Corporate Bank Zambia 2024, Fastest Growing Retail Banking Brand Zambia 2024, and Most Innovative Banking CEO Zambia 2024.

With a strong foundation, regional support, and customer trust, Access Bank Zambia is well positioned to help shape the country's economic future. As part of a dynamic Global African Bank, the bank is committed to support Zambians through every phase of their journey, delivering financial services with heart, vision, and purpose.

Expanding global partnerships to advance Africa's aspirations

By Vera Songwe



THE renewed global scramble for markets, partnerships, and influence presents a unique opportunity for Africa. How Africa manages these battles will impact its economic growth trajectory and political stability over the next decade.

Africa's economic footprint remains modest on the global stage. With a GDP of about \$2.8 trillion in 2024, Africa contributes less than 3% to the world's GDP and accounts for about 2% of global trade. However, politically, Africa's voice is strong. The continent plays an increasingly pivotal role in global diplomacy, with 54 countries totaling almost 1.5 billion people. By 2050, one in four people will be African, with the continent housing the largest number of youths across the globe.

Africa's demographic weight gives it a unique and increasingly influential voice in political

African nations must negotiate carefully to avoid conflicts between their economic interests and their political ones

institutions where one country, one vote is the norm, such as the United Nations. Africa's voice was clearly heard, for example, when several African nations chose to abstain from a vote on a resolution placing sanctions on Russia at the UN General Assembly. These abstentions have continued on subsequent votes on the matter, showing a growing willingness for African countries to assert their own interests and perspectives on global and continental policy, even when at odds with those of Western powers.

Against this backdrop, advanced economies have begun to re-evaluate their bilateral collaborations and redefine their partnerships with Africa based on how African countries view issues that matter to them. As the continent seeks to increase its voice on the political stage, it must pay even closer attention to shifting political alliances among the G7, G20, and even the BRICS countries. Africa must develop policies to manage the changing geopolitical landscape with the singular objective to ensure that partnerships foster sustainable development and empower the African people.

As relationships shift, Africa's trade partners are diverging from its aid providers. Africa has diversified its trading and financing partners substantially, while it has continued to depend largely on the U.S. and European countries with traditional colonial ties for foreign aid. Historically, bilateral partnerships with these Western countries have delivered improved human development gains facilitated by the multilateral development banks (MDBs). In recent years, however, Africa has built new trade partners in emerging economies such as China, Turkey, India, and various Gulf states where the partnerships have focused

on infrastructure. Middle powers such as these have thus risen in influence on the continent, making substantial investments in mining, military preparedness, and more.

Despite this shift towards non-Western trade relationships, Africa continues to receive substantial aid from its traditional Western partners. The G7 countries have also remained the largest donors to Africa's MDB system, as evidenced by the International Development Association (IDA) commitment to send 70% of their contributions to African countries to meet their development needs.

As Africa seeks to redefine its global partnerships, it must be able to do so without compromising its access to cheaper, long-term, concessional capital from MDBs.

Africa is facing a unique tension where trade and aid are now increasingly becoming decoupled. Increasingly, trade partners are demanding political alignment from each other, resulting in friendshoring – the act of moving production and supply chain to allied countries – becoming more commonplace. This creates a new partnership dynamic that African nations must negotiate carefully to avoid conflicts between their economic interests and their political ones.

The key to Africa's ability to navigate this new landscape lies in regional integration. Africa must continue to leverage its political importance to build more beneficial and stable economic partnerships.

Africa can increase its economic attractiveness by deepening regional cooperation to create larger markets and more economies of scale and, ultimately, increase Africa's share of the global GDP.

The green economy

Africa has significant potential in untapped carbon markets and renewable energy. The climate crisis provides Africa with the opportunity to build new partnerships around economic transformation based on a sustainable net zero investment agenda. By leveraging its natural resources, the continent can create a sustainable economic future while capitalizing on global demand for green technologies and carbon credits. Rich in rare minerals like lithium and cobalt, Africa should be a key player in climate policy discussions, enhancing its role in the global green tech industry if it builds the right partnerships.

Demographic advantage

With a young, growing population, Africa holds a significant demographic advantage. The increasing youth workforce provides an opportunity for Africa to take control of various markets beyond those related to mineral extraction. Inter-African migration is one way to build comparative advantages across African countries, allowing each region to specialize in economic activities that provide them the best economic outcomes. Several agreements have been put in place to allow the free movement of labour across the continent, including the African Union Passport and Free Movement of People, the East African Community Common Market Protocol,

the Southern Africa Development Community Treaty, and the Economic Community of West Africa States Free Movement of Persons Protocol, among others. In the long run, migration is a source of economic growth for both the recipient and the exporting countries only when it is managed effectively.

While many regional agreements regarding migration and the free movement of people have been developed across the continent, Africa has yet to develop an effective migration policy with nations outside of Africa similar to those between Philippines and the Gulf states or India and the United States. The shifting global demographic landscape in Africa and Europe, and to some extent in Asia, requires that Africa actively manage the migration debate in a way that provides mutual economic benefits.

Changing global dynamics and influences

There are also many opportunities to embrace new technologies and Artificial Intelligence to accelerate Africa's integration into the global economy, but only if African nations are able to set up a policy environment for the effective and efficient deployment of these technologies. Today Africa has cost, access, and bandwidth issues which severely handicap the development of these technologies. Furthermore, Africa is faced with both political and economic decisions regarding which technologies it adopts. It must also agree on the appropriate regulations to deploy across the continent for data usage, storage, and privacy.

As Africa seeks to redefine its global partnerships, it must be able to do so without compromising its access to cheaper, long-term, concessional capital from MDBs. This will require successfully changing the partnership structures of the Bretton Woods institutions. The voting rights systems in these institutions continue to mirror old political alliances and economic realities, with



With a young, growing population, Africa holds a significant demographic advantage. The increasing youth workforce provides an opportunity for Africa to take control of various markets beyond those related to mineral extraction

many European countries having an outsized voice compared to those from the Global South. Efforts at the International Monetary Fund and World Bank Group to change the system have been slow and not yet yielded the intended results because of the complex external environment.

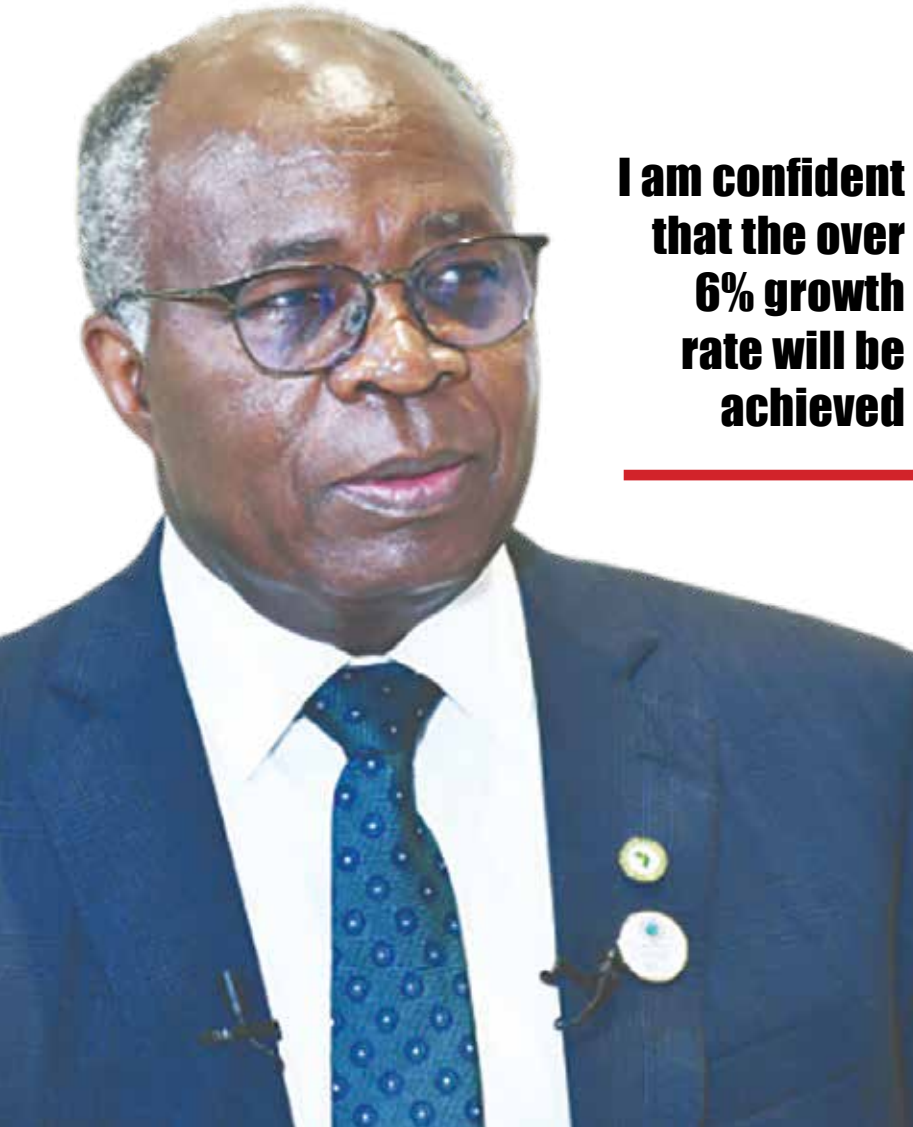
Strategic global partnerships can help Africa meet the key priorities of building up the private sector and accelerating sustainable and inclusive growth. A growing number of regional partnerships provide a promising avenue for African countries to leverage their comparative advantages, creating strong economic growth and development. Traditional intergovernmental organizations and multilateral partnerships must adapt to the needs and maturing influence of Africa for the betterment of the world.

Vera Songwe is a Nonresident Senior Fellow - Global Economy and Development, Africa Growth Initiative

Samuel Maimbo is very competent for AfDB Presidency – Musokotwane

Renowned for his intellectual brilliance and forthrightness on issues in the arcane world of development finance and its players, Hon. Dr. Situmbeko Musokotwane, Zambia's Minister of Finance and National Planning, brims with optimism and assures the world that his country can meet and even exceed its targeted 6.6% growth rate for 2025/2026, citing their successful attraction of the \$7 billion investment into the vital mining sector.

On the forthcoming Presidential election for the African Development Bank, he's unreservedly rooting for his compatriot Dr. Samuel Maimbo to clinch the position. He is very excited and proud of the candidate's qualities and vast experience as revealed in this exclusive interview. Excerpts:



I am confident that the over 6% growth rate will be achieved

Is the Zambian economy's projected 6.6% growth rate for 2025/2026 achievable?

A growth rate of more than 6% is very achievable. It should have been reached last year, but for the drought. So, with favourable rains this year, as well as robust investments in mining, manufacturing, tourism, and services, I am confident that the over 6% growth rate will be achieved. The creation of a conducive environment for investors to choose Zambia as their investment destination is the straightforward explanation for this. We have created a favourable environment for investments in mining and other vital sectors of the economy.

Records show that more than \$7 billion in investments have flown into the mining sector. How do you intend to leverage this opportunity to enhance the sector's productive capacity to stimulate economic growth?

Zambia has always been a mining country. To put it differently, mining is the foundation and the bedrock of this country's economy. As mining thrives, other industries follow suit. Of course, the reverse is also true. We're very excited about the more than \$7 billion investment in our mining sector. This is what will boost productivity, increase foreign exchange inflows, create jobs and economic growth. Certainly, the resurgence of the mining sector is the beginning of a significant economic leap forward.

Zambia's population is expected to double in the next 25 years. What measures is the government taking to capitalise on this demographic surge?

Zambia's population was approximately 13 million in 2011. It is currently around 20 million.

So it is rapidly growing. Population growth rates such as this can be a big resource for developing countries because human capital is essential for economic development. It is not anything else but humans who develop an economy. So, the more of them, assuming all else remains constant, the more you can grow the country because there are more hands, brains, eyes and even more mouths to feed. However, human beings, like many other resources, must be properly used in order to contribute to national development. If you don't do that, you've created a problem: how can you care for so many people with a poor resource base? In terms of the specific efforts being taken to tap the demographic potential, this government, since 2022, has introduced free education from primary school to high school, fully funded by the government.

From primary school to high school?

Yes, everyone is covered and it is completely free. We also grant scholarships to students in universities and those in other tertiary education, which is a level below university. All of these support programmes are nationally funded but administered at the constituency level. The government allocates funds to each constituency to send children to school. This is significant because, if it were centralised, the likelihood of a person in a remote area receiving a scholarship would be limited due to the reach of influential individuals in Lusaka. Instead, all the funds are in the constituencies, naturally, through the parliamentarians. This process ensures that underprivileged children receive training. As I previously stated, education serves as a gateway to the development of competent individuals capable of working in mines, factories, farms, hotels, and other industries. In short, the demographic dividend is being tapped through deliberate training and development of human capital, which empowers our youth to be more productive workers and

citizens.

You cited education as one strategy to capitalise on this demographic potential. Are there other options?

The other option is related to the challenge of creating and fostering a conducive investment climate. Even though you can train people, it won't help them get employment if there are no investments. Therefore, in tandem with the training of individuals, we are designing investment platforms which will enable our Zambian computer specialists, engineers, and artisans to fill the positions created by the mines. Otherwise, there will be investments, and labour will be imported from outside the nation to fill vacancies.

Unemployment is a concern in many African countries. How does government respond? For example, money is given to young people in Nigeria, Ghana, and Kenya, who want to start their own enterprises or pursue other interests.

We have similar support programmes. We distribute funds to constituencies. There are three components. The first component is one that sends youngsters to school. The second component is empowerment, specifically financial empowerment through loans. Again, it is important to focus on the constituency as you're moving deeper and deeper. If you contribute loans in Lusaka (national capital city), you wouldn't be able to help rural people because the powerful individuals in the city will grab it all. But the money has to be shared across all constituencies, say, free education and women empowerment. Free education

The government allocates funds to each constituency to send children to school

Sam Maimbo is well-suited to lead the Bank at this critical juncture

has resulted in a shortage of classrooms, necessitating additional infrastructure – construction of class rooms, labs, and teachers' homes – using local labour. The implication on job creation is obvious. The money is retained in the localities where the needs are met. Thus, this project gives cash to rural communities in general, not only to assist their children's education but also to provide them with economic opportunities.

The Zambian government and people fully support Dr. Samuel Maimbo's candidacy for President of the African Development Bank (AfDB). You've been supporting him. What drives your optimism?

My optimism stems from the fact that Samuel Maimbo is a very competent African international public servant. This is a critical factor in the race. We also support him because we believe that Africa's needs the best. Why am I saying Maimbo is competent? He is a highly intelligent chartered accountant and business professional and holds a PhD. He breezed through all of those levels, demonstrating exceptional competency and intelligence. But, beyond being brilliant, he demonstrates competence in the workplace. He joined the World Bank as a young professional. Over the years, he has risen through the ranks based solely on his expertise and goal-achieving determination. And you know that Africa is at a disadvantage in those institutions, but he was able to break through because of his competence. He is a Vice President of the Bank, in charge of budget, supervision, and procurement. So,



it is this competence that leads us to believe that he would assist in transforming our premier African bank to better serve the continent. It's all about competence! That is what inspires so many people to support him. As you are aware, he was directly involved in the enhanced mobilisation of IDA funding, as Director. He mobilised huge funds for the IDA. This competence is highly needed at the African Development Bank since Africa requires a lot more resources for its development. His capacity to mobilise funds will be greatly needed by the African Development Bank so that the Bank can provide additional support to countries.

What makes Maimbo stand out from the other candidates?

He has demonstrated the ability to transition from vision to getting things done. His emphasis on delivery at the AfDB and in Africa is key for the development of the

My optimism stems from the fact that Samuel Maimbo is a very competent African international public servant, which is a critical factor in the race

continent. We often make lofty declarations and concepts, but Africa has lacked hard-nosed leadership to ensure that things get done. And this is where Sam's strength lies. I am very certain that during his AfDB presidency, he would talk less and do more.

How optimistic are you about your campaign, and how well has it been received?

The campaign has been very favourably received. Africa is made up of 54 countries. The first step is to persuade your neighbours that you are a credible candidate. Most contenders

initially gain the backing of their neighbouring countries. Even so, convincing a neighbouring country is difficult; it requires competition. Here, we have the SADC and the COMESA. We also have the East African neighbourhood. There was competition in all of these locations, but because Samuel Maimbo demonstrated exceptional qualities at every stage of that competition, the neighbourhood generously endorsed him to be the next AfDB President. I'd also like to point out that even with this level of competition, there were other good candidates in the community. There were strong contenders throughout SADC, including a great lady from Tanzania. There was competition from Mozambique and Angola, both with very good candidates too. Starting at the technical, ministerial, and presidential levels, they all agreed that among these excellent candidates, Sam is the finest, and that we should run alongside with him. So, a lot has been covered in terms of the regions I mentioned: SADC, COMESA, and the East African Community. Of course, we also reached out to colleagues in West Africa, a critical group. Nigeria's vote is vital, and we have contacted countries in North Africa, another very important voting bloc. I believe we have taken all necessary steps to reach out. Finally, we have done a significant amount of work talking to non-regionals, such as the United States, members of the European Union, the United Kingdom, Japan, China, and Brazil, all of whom are very important stakeholders because a candidate must win both within and outside of the African region. So far, I believe we are satisfied. Therefore, I am very optimistic that Sam will be the next president of the African Development Bank because the next generation of African leaders will recognise that we are looking for a relatively youthful president, knowledgeable of contemporary issues who will help the continent move forward and take Africa to the next level. Sam Maimbo is well-suited to lead the Bank at this critical juncture.



Significant Milestones in the Sugar Industry

ZAMBIA Sugar Plc has in the past 61 years carved a niche for itself as the largest single mill cane sugar producer in Africa, with a strong focus on sustainability, community empowerment, and industrial growth. The company produces a wide range of sugar and sugar products under the renowned Whitespoon brand. This includes direct consumption sugar enriched with Vitamin A (refined, brown and household), refined sugar for industrial customers, syrup, specialty sugars as well as molasses for both local and export markets.

The company has recorded remarkable achievements in the sugar industry and contributed to Zambia's economic growth. Over the years, it has implemented initiatives such as the outgrower scheme to support local farmers, contributing to the nation's agricultural development. It has grown to become one of Zambia's largest employers. It has over 7,200 direct employees and operates an out grower programme made up of commercial and small holder farmers that collectively constitute an additional 4,800 indirect employees. Zambia Sugar prides itself as a world-class company serving the domestic market and regional markets.

During the company's 60th anniversary last year, President Hakainde Hichilema recognised Zambia Sugar as a shining example of investment success, growth, and job creation on the African continent, with a global impact. He commended the company's innovative business model, particularly its outgrower scheme. "This scheme



Oswald Magwenzi,
Managing Director, Zambia Sugar Plc



Samuel Maimbo
AfDB Presidency Candidate

has become a critical factor in Zambia Sugar's success story, and we encourage them to keep expanding this program to benefit even more farmers," President Hichilema said.

The Zambian leader affirmed that Zambia Sugar stands as a beacon of national progress. He was particularly delighted that the company has become one of Africa's leading sugar producers, known for both its production scale and its ability to adapt to modern challenges, including Zambia's energy challenge last year caused by severe drought. President Hichilema described the company's self-sufficiency in energy production as inspiring. The company currently generates 40 megawatts of electricity and is working to increase capacity by an additional 60 megawatts, which would bring their total production to 100 megawatts—enough to contribute surplus energy to

the national grid via ZESCO.

Recently, Zambia Sugar rewarded its retailers at a ceremony in Lusaka. Oswald Magwenzi, Managing Director of the company said the initiative which started in 2019 is aimed at supporting the work of resellers.

Chipoka Mulenga, Minister of Commerce, Trade and Industry poured encomiums on Zambia Sugar for its continued commitment to supporting businesses. He urged other businesses to emulate this leading sugar company by rewarding their retailers.

Certainly, Zambia Sugar has continued to record significant milestones and made enviable contributions to the economic development of Zambia. As a global sugar company which is thriving based on the conducive business environment created by the government, Zambia Sugar is pleased to associate with the aspiration of Dr Samuel Maimbo to be the next President of the African Development Bank.

Sam Maimbo is a first-class candidate — Kalyalya



Zambia is highly confident in Dr Samuel Maimbo's candidacy for the African Development Bank presidency. Having worked with him, particularly in the Bank of Zambia, how would you describe him?

As I stated in an interview with *Banking & Finance* magazine in October 2024, he is superb. Sam is young, and I think this may be the first time the Bank will have someone of his age. Additionally, he has spent his whole adult life working in development finance, particularly at a senior level for a global multilateral institution. Those of us who have worked with him believe he is well suited to become the next President of the African Development Bank (AfDB) because he understands Africa's development needs and challenges. I began my response deliberately with the age factor to highlight the large youth population in Africa and the need to tap this demographic dividend. Sam understands this generation's dynamics and needs, as well as those of the Continent, including the need for vital infrastructure, like energy, to absorb the youth. Digitalisation, which will enable the Continent to leapfrog, is another concept he comprehends well. So, we believe he comes to the table with the mindset of "We have talked enough; now we must deliver." So, implementation is currently at the top of his agenda.

Dr Denny Kalyalya, Governor, Bank of Zambia (BoZ), a monetary policy expert and time-tested central banker, isn't one to make frivolous recommendations. So, when he backs Dr Samuel Maimbo, a compatriot and currently Vice President at the World Bank responsible for Budget Performance Review and Strategic Planning for the Presidency of the African Development Bank (AfDB), the institution's stakeholders take notice.

Citing personal work experience with the candidate and impressive career achievements, Dr Kalyalya unfurls a believable profile, setting out why Dr Maimbo should get the challenging task of leading Africa's premier multilateral development institution.

From the candidate's meritorious service as Chief of Staff to two World Bank Presidents to his reputation as a champion fundraiser with a record \$93billion for IDA19 replenishment, Dr Kalyalya paints a picture of a competent technocrat whose service the AfDB needs at this critical juncture in geo-political and economic development.

Interspersing Dr Maimbo's sterling qualities, such as his relative youthfulness with tidbits of Zambia's own successes at reforming its financial system for efficiency and sustainable development, the BoZ's steersman provides refreshing snippets into the dynamics of Africa's evolving place in the global economy. Excerpts:

How can the AfDB be positioned to take significant action to drive Africa's development at this time?

I believe that Africa requires the AfDB more than ever. So, we need to galvanise the institution to move forward in a way that prioritises Africa. If we do not do this, we may face more challenges. I believe Sam is best suited to lead this charge.

What unique skills do you think Dr Maimbo will bring to the African Development Bank, which sets him apart from other high-quality contenders?

Indeed, Sam is up against good contenders. He, however, comes with the benefit of having worked at a very senior level at the largest multilateral development agency in the world – the World Bank. Also, he has demonstrated capacity as a tested global funds mobiliser. Raising US\$93 billion under IDA20, during the Covid period, is no small achievement. He wasn't alone, of course, but in his capacity as Director of the International Development Association (IDA), he played a significant role. With the COVID-19 pandemic, IDA19 had to be compressed, but they were able to organise and deploy resources to complete their agenda for IDA19 and then raise additional funds for the next phase, IDA20. As a Co-chair of the IDA20 replenishment, I observed their progress. Physical meetings were not possible at the time, so they had to do the mobilisation virtually and convince countries that were all facing similar challenges. Sam excels in resource mobilisation, demonstrating his persuasive skills acquired through his extensive experience in diverse environments. While at the World Bank, Sam worked in challenging areas. Consequently, he understands how to address the challenges faced by marginalised or conflict-ridden people. He is a mobiliser who effectively brings people together to address the issue at hand. No wonder he is focused on making the AfDB fit for purpose.

He has also been Chief of Staff to two former Presidents of the World Bank. Will this add anything to his capacity?

Absolutely. As Chief of Staff, he was one of the persons who saw what the institution's President saw firsthand because all the other players must crystallise matters in the President's office. And he had the opportunity to see what was coming

Sam is young... Those of us who have worked with him believe he is well suited to become the next President of the African Development Bank (AfDB) because he understands Africa's development needs and challenges

and then devise a programme for the President. He was able to make decisions under the direction of different presidents, as they carried out their mandates. So, he was part of that process, and he understands that he has that reach to the same presidents who were there. He knows what it takes to be President of a large institution with diverse interests. Therefore, he is not a stranger to being able to reach out, as the AfDB also works with these other Multilateral Development Institutions (MDIs). He is acquainted with the people and leaders from these institutions, and so he can pick up a phone and contact them.

Last year, the Bank of Zambia celebrated its sixth-decade anniversary with the theme "Repositioning for Sustainable and Inclusive Growth in a Digitalised World." What are the key elements of the Bank's repositioning efforts, and how would you rate their impact so far?

For us at the Bank, we see it through the lens of our ever-changing strategic plan. We presently have one that was started in 2024, and its theme is somewhat like the one we had for the 60th Anniversary, "Repositioning for sustainable and inclusive growth". The theme of our 2024-2027 strategic plan is "Promoting inclusive and sustainable development in a digitalised world." The main components are inclusive growth, sustainability, and a digitalised

We're strongly pushing digital financial services... We believe digitalisation is the way to go because it allows for instant payments

world. What this means is that we must continue to advance the agendas of financial inclusion and sustainability in a digitalised world. In terms of sustainability, we are looking at environmental matters. We have embraced ESG (Environmental, Social, and Governance) as one of our main areas of focus to 'achieve sustainable development. We're talking to the banks to incorporate ESG at their lending levels because it occurs there. If the projects they finance do not take that into account, it means that we are not tackling environmental challenges from the start.

Then in digitalisation, we're strongly pushing digital financial services, and we've done a lot and continue to do so. We launched a national financial switch in 2018, and it has been successful. When you look at what we're doing, you'll see that our peers started with different payment channels, but ours has been integrated. We believe digitalisation is the way to go because it allows for instant payments, the capacity to transfer funds from wallets to banks and vice versa, and the ability to process all future Government payments. Additionally, we are looking at cybersecurity, and we have already established the FINCIRT (Financial Sector Cyber Incident Response Team), a group of staff that are essentially the troubleshooters when it comes to cybersecurity. To keep up with technological advancements, we also implemented sandbox regulations in 2021. Moreover, we want to incorporate the QR code or rapid response code into all our transactions.

We are collaborating with various organisations to launch the national digital ID. We're also working on a centralised electronic Know Your Customer (eKYC) system to make it easy for anyone to onboard these institutions. We have implemented several regulations in the foreign exchange arrangements that are completely digital. This year, we are conducting our FinScope survey, marking the five-year mark when such surveys are supposed to be



Sam excels in resource mobilisation, demonstrating his persuasive skills acquired through his extensive experience in diverse environments

undertaken. We expect financial inclusion to have increased, although we continue to advocate for greater financial inclusion. The lessons we have learned over the past 60 years will be applied to help us do better in the future.

You recently launched six new banknotes and coins. What influenced this decision, given that the Bank itself declared that it has no effect on the value of the kwacha?

We launched the new banknotes and coins in March. This is a normal function for the Central Bank. The Republican Constitution now confers that right on us, as the subsidiary legislation has been all along. Our last currency change was in 2012 when we rebased our currency. That is how long it has been. So,

obviously, when you introduce a currency, it is in a family. You have the high-value notes that are for store of value. Then there is the middle value, which is more commonly used for transactions, and the lower value, which is more frequently used. The smaller ones are for micro-transactions. So, when we introduced the high denomination of 100 Kwacha in 2012, it was our highest value note, but this note has been losing value since 2015 due to inflation. It is now more widely used, necessitating the introduction of other denominations with higher values, which is why we issued the 200- and 500-Kwacha notes.

Let us not forget that as technology advances, counterfeiting also tends to increase immensely. So, printing more 100 Kwacha notes would be counterproductive because it would

increase our supply, which makes them more vulnerable to counterfeiting and increases the cost. That explains why we have introduced this new currency. The new currency has more features, including security protection. You will also notice features for the visually impaired.

Were these features not in the old notes?

No, these features were not in the old notes. We have adopted new technology. We want to make transactions more efficient and remain as safe as possible for a long while. People need to do their transactions and move on. But this is also being done at a time when we're pushing for Go-cashless. This is not inconsistent because it allows us to deal with the currency in circulation without having to maintain the same volume of cash that we had in the market.

You were recently quoted as saying that to enhance macroeconomic stability, the Bank will continue to implement prudent monetary policies while exploring liquidity management and foreign exchange reforms, some of which you are already doing. To what extent do you believe these measures will impact Zambia's business environment?

The essence of monetary policy is to maintain price and financial stability, which basically means low and stable inflation. We're concerned about the current inflation rate of 16.8%, which is too high. So, we need to bring it down to the range of 6 to 8% as a medium-term target. Inflation is like a thief in the night. As you sleep, your money loses value. Inflation has caused the currency to lose its value. We hope that people understand the consequences of inflation so that when we are pushing the measures to tackle it, they see them in the perspective of helping to reduce inflation. Financial stability is also important, but it's often taken for granted until there is a crisis. The two go hand in hand.

The main monetary policy tool we are using is the policy rate, but it is not the only one that determines our monetary policy stance. You mentioned liquidity management,

which is important because exchange rate fluctuations can affect inflation. However, it is recognised that the policy rate takes time to produce the intended results. So, to get quick results, you need liquidity management. Putting it another way, the policy rate is looking at the aggregate demand side of the situation, whereas liquidity is really pinpointing where you could restrain demand quickly. If the kwacha is trading at 28 Kwacha to the dollar, for example, it means you must find the kwacha to trade. This, therefore, is what we're trying to restrict so that you can adjust.

The Government is consolidating fiscal operations, aimed at achieving a positive fiscal primary balance. As you may be aware, the negative fiscal balance has also had negative consequences for inflation. We are, therefore, confident that in the coming period, things will begin to move in the right direction as the other variables fall into place.

Are you happy with where you are?

I am happy in the following sense: We have come through a very rough and tough path. We had a debt default (in November 2020), whose adverse impact many underestimated. During this time, the COVID-19 pandemic raged, and the Russian-Ukrainian conflict broke out. It is well known that advanced countries' monetary policies were tightened, thus raising interest rates. Capital flowed in the opposite direction for emerging countries. We used to say, "We are going into the ring to box with our hands tied behind our backs." As a result of the debt default, we had to rely solely on our domestic market, but with the debt restructuring, multilateral organisations have been providing new funding. As we resolve this, we will have new lines of business open. Additionally, our mining sector was in serious trouble. We had two big mines not functioning. First, the owners left, leaving the Government with a debt payment of 1.5 billion dollars. The Government, on the other hand, chose to take the severe step of putting one under liquidation for non-performance. Suddenly, these major actors stopped making contributions to the economy. There were also cascading impacts

as investors adopted a mindset of "wait and see what happens" after witnessing the developments in the mining sector.

Therefore, the Government had to take several actions to reassure investors that they could invest and feel safe to do so. We will soon see more copper output. The Government has set a target of around 3 million tonnes in 10 years. Setting a target is important because it allows you to strive towards achieving it. We have dealt with some of the difficult situations. Last year, we experienced a severe drought. However, it seems that prospects for increased agricultural production improved this year as the rains were a lot better than last season. This means, too, that food security will improve. Notwithstanding this, we believe that the drought created an opportunity for the Government to modify its energy policy. The Government has responded positively by removing some of the obstacles to private sector participation in electricity generation. Going forward, we see that our dependence on hydro could be mitigated since we have embraced other sources of energy. The Government also increased social cash transfers in terms of value and number of people and introduced a cash-for-work programme to cushion the vulnerable groups from the adverse effects of the drought. With all these and other developments mentioned earlier, I believe that we are at that point where the prospects are much brighter.

How do you rate the chances of your candidate for the AfDB presidency, Dr Maimbo?

He's well-suited. He has what it takes to ascend to that office. It's not an easy road, but the fact that the SADC, COMESA and the East African Community have endorsed him is important; they considered his qualities rather than just his region, which is what convinced the Heads of State and Government to support him; they see that he's



He (Sam Maimbo) comes to the table with the mindset of "We have talked enough; now we must deliver."

well-positioned to assume the role. Without a doubt, Samuel Maimbo is a first-class candidate in terms of fund mobilisation record, demonstrated capacity to work with diverse people and the zeal to produce results for Africa. Of course, there are other great candidates, but he has an advantage in terms of his focus, the quality of his experience having worked in a global multilateral institution, and what he can do for the organization, judging from his track record.

Samuel Maimbo has requisite skills to lead AfDB

— Mulambo Haimbe



If anything has served Zambia's position in the rough and tumble of geo-economic-cum-political relations, it is the country's foreign policy of "positive neutrality". Honourable Mulambo Haimbe, Minister for Foreign Affairs and International Cooperation also credits President Hakainde Hichilema's good-natured rebranding of the country as a "land-linked" rather than a land-locked country with the positive relations it has built, especially with neighbouring countries, among others on the continent. Zambia has chosen to leverage and benefit from, rather than rue, its lack of access to the sea. Small wonder then that it has been able to secure the nod of both SADC and COMESA regional bodies of Africa for the candidacy of its national nominee, Dr Samuel Maimbo, for the presidency of the African Development Bank. The East African Economic Community is the latest regional bloc to lend support to Maimbo. Haimbe rounds off this dialogue with Banking & Finance with a credible profile and a sound, believable pitch for Dr Maimbo's skilful leadership at AfDB.

President Hichilema has adopted a proactive stance towards Zambia's foreign relations while upholding the country's long-standing policy on "positive neutrality", allowing Zambia to proactively engage across global political divides. How has this paid off?

President Hakainde Hichilema's proactive foreign policy, emphasising "positive neutrality", has enabled Zambia to balance international partnerships for economic development and attract diversified investment. This approach has yielded significant benefits in terms of international relations and economic gains for Zambia. Zambia has undergone economic advancement in areas such as debt restructuring and infrastructure development. By engaging constructively with both Western and Chinese creditors, the administration secured a \$1.4 billion loan from the International Monetary Fund (IMF) to help restore macroeconomic stability and foster higher, more resilient, and more inclusive growth. This achievement was facilitated by Zambia's commitment to economic reforms and its ability to navigate complex international financial landscapes. In June 2023, during the Summit for a New Global Financing Pact in Paris, Zambia reached a pivotal agreement with its official creditors to restructure \$6.3 billion of its external debt. This accord marked a significant step towards stabilising Zambia's

economy and setting a precedent for other nations grappling with similar debt challenges. Zambia has seen new investments and development support from a diversified mix of partners, including Brazil, India, Japan, Saudi Arabia, South Africa, Turkey, and the United Arab Emirates. The policy has also helped Zambia by attracting Foreign Direct Investment (FDI). The President's international engagements have revitalised relationships with Western nations and maintained strong ties with countries like China.

These efforts have led to a steady influx of foreign direct investments in the renewables and mining sectors. The United Kingdom has committed £1 billion, while the United Arab Emirates has pledged \$2 billion to enhance Zambia's renewable energy sector. In the mining sector, Chinese investments, including a \$500 million project by CNMC-Luanshya Copper Mines to reopen the Old Luanshya Mine, are estimated to provide over 3,000 jobs and 40,000 tonnes of copper concentrate per year.

Leveraging Zambia's active participation in global summits, such as being a guest at the 15th BRICS Summit in August 2023, President Hichilema engaged in dialogues on global economic strategies, emphasising Zambia's commitment to international collaboration. In November 2023, he participated in the 5th G20 Compact with Africa Summit in Berlin, engaging in

bilateral discussions with German Chancellor Olaf Scholz to enhance cooperation between Zambia and Germany.

What impact has positive neutrality had on Zambia's economic diplomacy?

Zambia's "positive neutrality", rooted in its post-independence non-alignment, has enabled the country to proactively engage across global divides, fostering economic benefits through balanced international partnerships. President Hichilema's administration has particularly emphasised economic cooperation, trade, and inward investment, marking a shift towards enhanced economic diplomacy. This approach has been key to attracting investment, managing debt, and strengthening global relationships.

Further, Zambia's commitment to "positive neutrality" has allowed it to maintain relationships with both Western and Chinese entities, resulting in economic benefits. President Hichilema's administration is signalling a return to the country's traditional approach to foreign partners.

President Hichilema has repeatedly emphasised Zambia's geographical advantages, describing the country as 'land-linked' rather than 'landlocked' and citing the lack of sea access as an advantage. What impact has this had on Zambia's balancing diplomacy in the region?

President Hichilema's strategic rebranding of Zambia from a "landlocked" to a "land-linked" nation has significantly enhanced its regional diplomatic engagements, leveraging its central geographic position to foster economic integration and cooperation.

The country has actively engaged with various international partners to attract foreign direct investment and promote trade. This includes participation in regional economic communities like the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), positioning Zambia as a strategic link in regional development plans.

The Zambian government has launched initiatives to align its foreign policy with economic goals, focusing on trade, investment, and technological advancement. This strategic alignment underscores Zambia's commitment to leveraging its central geographic position as a 'land-linked' nation to enhance regional integration, facilitate cross-border trade, and attract foreign investment.

What informed the country's bid for the presidency of the African Development Bank?

Zambia's bid for the African Development Bank (AfDB) presidency is informed by a desire to accelerate Africa's economic growth, create jobs, and ensure the continent catches up with the rest of the world. Zambia believes that Africa needs bold, results-driven leadership to propel its economic transformation.

Dr Samuel Maimbo's decision to run for AfDB

President is rooted in his extensive understanding of development finance and a strong aspiration to speed up Africa's economic growth. He has seen countries develop and others struggle, which motivated him to seek the AfDB presidency. We believe Dr Maimbo's experience, including serving as Vice President for Strategy and Budget at the World Bank, positions him to effectively lead the AfDB in tackling Africa's economic challenges and unlocking its potential.

Zambia, with the backing of the Southern African Development Community (SADC) and the Common Market for Eastern and Southern Africa (COMESA), emphasises the need for strategic investment and financial support to address the challenges faced by African countries. The Zambian government has expressed confidence in Dr Maimbo's ability to lead the AfDB and drive Africa's economic growth. Zambia is seeking to strengthen AfDB's role in regional integration, infrastructure development, and tackling poverty, climate change, and youth unemployment.

Dr Samuel Maimbo's decision to run for AfDB President is rooted in his extensive understanding of development finance and a strong aspiration to speed up Africa's economic growth

South Africa, the giant of your subregion, has bottled away from supporting your candidate, who is the SADC candidate. They are even going ahead with their candidate. What impact would this have on Dr Maimbo?

South Africa's stance reflects its own strategic interests. We are confident in Dr Maimbo's qualifications and believe his leadership would benefit the entire continent. Diplomatic efforts are ongoing to secure broad support for his candidacy. Dr Maimbo was endorsed by the 44th Ordinary Summit of SADC Heads of State and Government on 17th August, 2024, in Harare, Zimbabwe (16 Member States) and the 23rd Summit of COMESA Heads of State and Government on 31st October, 2024, in Bujumbura, Burundi (21 Member States). Zambia remains confident in the credentials of Dr Maimbo.

Dr Maimbo currently serves as Vice President for Budget, Performance Review and Strategic Planning at the World Bank in Washington D.C., where he has overseen the transformation of the World Bank's business, planning, and budgeting process. He also previously served as the Chief of Staff to World Bank Presidents David Malpass and Ajay Banga, as well as Senior Advisor to two World Bank Group Chief Financial Officers. Dr Maimbo has acquired over 30 years of experience in international finance and development, equipping him with the necessary skills and tools to lead the AfDB at this pivotal moment.

Ultimately, while South Africa's stance presents a challenge, it also offers Dr Maimbo an opportunity to demonstrate his ability to unify diverse interests across the continent, strengthening his leadership credentials. Zambia stands firmly behind Dr Maimbo's vision for a stronger, more resilient African Development Bank, confident that his leadership will drive inclusive growth and transformative development across the continent.



Zambia's New Economic Direction



By Chris Ajaero

THE Government of Zambia is leaving nothing to chance to set the country on the path of sustainable economic recovery and growth. President Hakainde Hichilema demonstrated his country's preparedness to toe a new development path right from his inauguration as the seventh president, back in August, 2021. In his inaugural address, he promised to focus on macroeconomic stability and the sustainable economic transformation of the country.

Since then, his cabinet of fired-up ministers has been implementing the bold reforms embedded in Zambia's 8th National Development Plan (8NDP) launched in September 2022. The four strategic development areas outlined in the plan are Economic Transformation and Job Creation; Human and Social Development; Environmental Sustainability; and Good Governance Environment.

To fast-track Zambia's economic recovery drive and promote growth, the 2025 National Budget with the theme: "Building Resilience for Inclusive Growth and Improved Livelihoods" revolves around economic diversification with priority on developing critical sectors such as agriculture, mining, energy, manufacturing, tourism, and education. To effectively harness the Southern African country's potential in the key sectors; President Hichilema's administration is promoting private sector investment while working closely with development partners and multilateral institutions, including the International Monetary Fund (IMF) and the World Bank.

Stabilising the macroeconomic environment

To restore macroeconomic stability, the administration had as far back as 2022 embarked on structural reforms which facilitated meaningful engagements with creditors. It prudently started out with the IMF's Extended Credit Facility to work on the country's default on sovereign debts racked up in the wake



His Excellency, President Hakainde Hichilema

of the COVID-19 pandemic. Following a long drawn-out debt restructuring process with creditors, Zambia's credibility in the international financial system has been firmly re-established.

The restored international goodwill has given the Hichilema administration the leverage to unlock the growth potential of the country's economy. Although the recent devastating drought orchestrated by el Niño weather conditions had a negative impact on most sectors of the Zambian economy, especially agriculture, water, and energy, the administration is working diligently to enhance national resilience and sustain socio-economic gains recorded in the past few years. The administration is currently focused on overcoming these challenges through



Situmbeko Musokotwane, Minister of Finance & National Planning (2nd left) unveiling the new currency notes while Denny Kalyalya, Governor, Bank of Zambia (2nd right) and two other officials watch with admiration

interventions in the various sectors of the economy under its economic transformation and job creation pillar. The administration strives to use this strategy to place the economy back on a positive growth track. Before the debilitating effects of the drought, Zambia's gross domestic product (GDP) had posted positive growth, averaging 5.3% in the first three years of the present administration. Due to the negative impact of the drought, the economic growth forecast for 2024, had to be revised downwards from 4.7% to 2.3%.

However, with expected positive

outcomes from interventions in the critical sectors of the economy, Zambia is projected to attain a real GDP growth rate of 6.6% in 2025/2026. Dr Situmbeko Musokotwane, Zambia's Minister of Finance and National Planning is optimistic the country can easily meet and even exceed the projection. He cites the attraction of over \$7 billion investments into its mining sector as proof of the country's renewed great relationship with investors. "With favourable rains this year, as well as robust investments in mining, manufacturing, tourism, and services, I am confident that the over 6% growth rate will be achieved," he says.

Sound fiscal and monetary policies

The Zambian government is making a head-way in implementing sound fiscal and monetary policies. The authorities have been working harmoniously to build a resilient financial sector and maintain the country's growth stabilisation trajectory. The most recent measure was the introduction of

Zambia's Macroeconomic Indicators Projection 2025 - 2027			
	2025	2026	2027
Real GDP Growth	6.60%	5.90%	5.60%
Nominal GDP (in millions of Kwacha)	817,512.20	908,840	1,016,424
CPI Inflation (Annual Average)		6-8%	
Domestic Revenue (% of GDP)	20.9	21	21.2
Copper Prices (in US \$ per MT)	10,329	10,228	10,029
Copper Productions (MT)	822,661.30	905,249.90	1,012,699.30
Oil Price (in US Dollar per barrel)	80	80	81

Source: Ministry of Finance & National Planning Projection

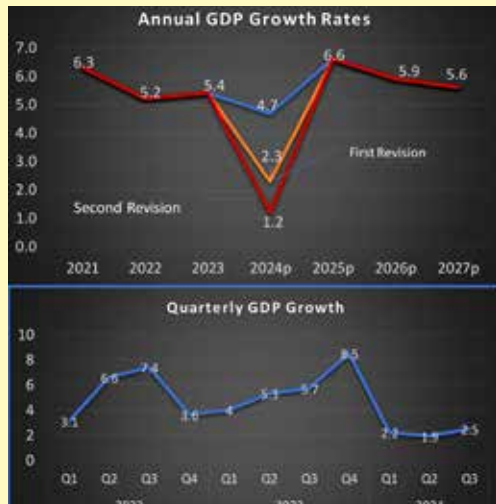
new currency notes dubbed *heritage series*. The colourful new bills, according to Musokotwane, celebrate ‘the unique fauna and flora,’ amidst awe-inspiring waterfalls that showcase the natural beauty of Zambia. Besides, the finance minister says, government remains resolute in strengthening fiscal discipline, enhancing debt management and promoting inclusive policies. The goal over the medium-term is to achieve fiscal consolidation through domestic resource mobilisation and expenditure rationalisation.

On the monetary side, the Bank of Zambia (BoZ) has adopted strategic measures to deliver on its mandate of price and financial system stability to assist the government in fostering sustainable and inclusive development. Dr Denny Kalyalya, Governor, BoZ, assures that the Bank will continue to implement prudent monetary policies while exploring liquidity management and foreign exchange reforms. The monetary authorities are tightening domestic rates to moderate inflation. The medium-term target is to reduce inflation from its current rate of 16.8% to the target range of 6 - 8%.

Bolstering the mining sector

Mining is without doubt the crucial revenue earner for the Zambian economy, with copper trade alone accounting

ZAMBIA'S GDP GROWTH RATES



Source: Ministry of Finance & National Planning



Dr Situmbeko Musokotwane, Minister of Finance & National Planning (left) and Kristalina Georgieva, IMF boss during the IMF/WBG Spring Meetings, Washington DC, USA

for over 70% of the country’s exports. The country’s diverse mineral resources, including cobalt, nickel, manganese, lithium, gold, gemstones, and a variety of other industrial minerals, provide good prospects in mineral extraction and processing. Government’s goal is to utilise Zambia’s abundant natural resources not just for immediate gains but also for the creation of long-term wealth that benefits the people.

Its target is to triple current copper output from 800,000 tonnes per year to three million tonnes within a decade. Government has improved the mining investment climate to attract vibrant companies to the sector and create jobs. It has revamped the mining policy to align with global standards, ensuring competitiveness and stability. The administration showed commitment by resolving the challenges at two big players in the sector, namely, Konkola Copper Mines (KCM) and Mopani Copper Mines. Proof of success has come quickly. At Mopani Copper Mines, International Resources Holdings is investing US\$1.1 billion. With respect to KCM, Vedanta Resources is investing US\$1.2 billion.

Similarly, Lumina Mines pledged an additional \$2 billion investment, reflecting the renewed confidence in Zambia’s economy. In like manner, China Nonferrous



President Hichilema commissioning the Sinomine Kitumba Mine

Metal Mining Corporation (CNMC) is committing US\$500 million in reviving production at 28 Shaft in Luanshya.

The dividends of this slew of bold investments are clear for the world to see. Total copper output for 2024 was 820,676.34 metric tonnes, a significant increase on the 732,583.45 metric tonnes produced in 2023.

Beyond copper, the Zambian government has formalised trading in gold through the establishment of gold marketing centres with pilot projects in Mumbwa and Rufunsa districts.

In July, last year, First Quantum Minerals (FQM), a global mining company with operations in nickel, gold, and cobalt commenced production after ploughing in \$1.3 billion. The mine is expected to upscale annual production of nickel to 30,000 tonnes over the next two years. This will make Zambia the continent's largest producer of that important mineral for electric vehicle batteries.

Already, Zambia is in partnership with neighbouring Democratic Republic of Congo (DRC) to bolster the EV industries of both nations. In 2023, the United States signed a Memorandum of Understanding (MoU) with Zambia and DRC to strengthen

Government has improved the mining investment climate to attract vibrant companies to the sector and create jobs.

electric vehicle battery value chains.

President Hichilema is pushing policies to support and increase local participation and ownership by Zambian nationals in the strategic mining sector.

Agricultural transformation

Zambia's agriculture sector is, expectedly, a priority area of the economy. It employs a significant portion of the population involved in crop farming, livestock, fisheries and sundry businesses along their value chains. As part of measures to diversify the economy, government hopes to move the country from import-dependency into a net exporter of vital agricultural goods, using her large expanse of arable land. The objective is not just to increase agricultural productivity, but also to improve Zambia's food security, and economic resurgence foray into agro-allied manufacturing.

In line with this plan, it launched in July last year, the Comprehensive Agriculture Transformation Support Programme. It has seven main components, namely, irrigation, mechanisation financing, farm block development, extension services, input support, agro-processing, and infrastructure development.

The interest of the smallholder farmer is now being aligned with those in large-scale farming, through the provision of affordable financing for mechanisation and irrigation to enable all-year-round farming. While it has scaled-up ongoing irrigation schemes across the country, government has embarked on the construction of five new dams, namely, Chinkhombe in Katete, Kashambana in Nkeyema, Mulemba in Kalomo, Namakala in Mulobezi, and Pemba.

To increase areas under agricultural production, government has stepped up the development of "farm blocks" at Luena, Nansanga and Shikabeta. To stimulate and vastly increase the production of the populace's staple, maize, a viable agricultural credit window has been created in its banking system. Consequently, in the 2024

planting season, 2.2 million hectares of land were under maize cultivation, compared to 1.8 million hectares in the 2023 season.

In the 2024/25 agricultural season, the financing facility has been enhanced to the tune of over K1.2 billion from K400 million in the 2023/2024 season.

Direct assistance on the field include supply of early maturing, disease and pest tolerant, high yielding and climate-smart seed varieties of maize, cassava, rice, sorghum, millet, sugar, soya beans, pigeon pea, coffee and groundnuts. Farm inputs such as fertilisers and seeds are being distributed to over one million farmers under the Farmer Input Support Programme (FISP) using the e-voucher system in 74 districts and the direct input supply (DIS) system in 42 districts.

Livestock and fisheries too...

The growth of the livestock sub-sector in Zambia has long been constrained by disease outbreaks. This explains why government is prioritising control and prevention of livestock diseases. The goal is to increase livestock production to seven million by 2027.

The fisheries sub-sector is equally being reformed for better operations and productivity. To ensure all-year-round production of fingerlings at government

To reduce dependence on hydroelectric power, government is promoting alternative sources of electricity generation

fish farms, greenhouses are being constructed at Chadiza, Kaoma, Mwenda, Mwinilunga, and Sinda fish farms.

Fixing the power problem

In recent times, Zambia's energy sector has been facing significant challenges, with the country generating 1,205 MW out of a possible 3,811 MW of installed capacity. Based mainly on hydro-energy, the sector, an enabler of economic growth, has been severely affected by the drought and substantial decline in electricity generation due to low water levels.

To reduce dependence on hydroelectric power, government is promoting alternative sources of electricity generation. Against this background, it has commissioned the construction of the 300 megawatts thermal power plant in Maamba, which will double its generation to 600MW. This power plant is expected to come on stream by mid-2026.

To broaden the energy mix and further address the country's current power deficit, its public power company, ZESCO



Situmbeko Musokotwane (2nd left) and other panellists at the recent Investing In Africa Mining Indaba in South Africa



President Hichilema (front) pushes the start button to commission the fifth generator at the Kafue Gorge Lower Hydropower Station

Limited, has been collaborating with various partners, to develop solar electricity projects at strategic locations. These include 100 megawatts each at Chisamba, Kasama and Kariba as well as 50 megawatts at Choma.

Today, 62 rural electrification projects, including 19 solar mini-grids have been completed. This initiative provided 3,421 new connections by the end of last year, expanding access to electricity in rural areas and promoting economic development.

Building infrastructure for development

In terms of road infrastructure, the administration has secured funding from cooperating partners for the rehabilitation

of 162 kilometres of the Chinsali-Mpika Road. In addition, government through the Transport Corridor for Economic Resilience Project will rehabilitate the road network from Serenje to Mpika. It will also continue rehabilitating and upgrading the Monze-Niko Road, Lusaka-Mongu Road and the Batoka-Maamba Road all scheduled to be completed in 2026.

Through the Public-Private Partnerships (PPPs) model, a total coverage of 838 kilometres is marked for construction. Among the roads is the flagship Lusaka-Ndola dual carriageway. Border crossing points are equally being worked on at Chirundu, Sakania, Mokambo, Kipushi and Kambimba to make international traffic flows faster and efficiently.

The railway sub-sector is benefitting from the upgrading works too. A memorandum of understanding (MoU) with the governments of China and Tanzania for the rehabilitation and modernisation of the Tanzania-Zambia Railway (TAZARA) is in the bag. Once rehabilitated, tonnage on the railway line will increase from the current half a million metric tonnes per annum to 2.5 million metric tonnes. To accelerate the Chingola to Livingstone railway project, government will secure an additional grant financing for its rehabilitation.

Aviation development is another concern. A second runway at the Kenneth Kaunda International Airport in Lusaka is on the cards. Provincial and strategic airports located at Mansa, Kasama, and Nakonde are also being



Tanzania-Zambia Railway (TAZARA) train

upgraded to international standards with state-of-the-art infrastructure as part of government's broader vision of boosting economic development in the Northern Corridor of Zambia.

Stimulating manufacturing

Last year, the Lusaka South Multi-Facility Economic Zone secured US\$110 million in investment from 15 companies bringing the cumulative investment to US \$1.6 billion. Currently, the Zone has 30 fully operational companies, which have created about 16,000 jobs. Besides, 21 companies are at the construction stage and have created 8,450 jobs. The Jiangxi Multi-Facility Economic Zone in Chibombo has attracted investment in excess of US\$40 million in the production and recycling of batteries and manufacturing of copper cables.

To further spur manufacturing, government is in the process of establishing special economic zones for beef in the Kafue Flats and crop production in Kafulafuta, Lufwanyama, Masaiti, Mpongwe, and Ngabwe districts. The goal is to transform Zambia into an export hub for beef and crops.

Another milestone recorded in manufacturing is the reopening of Zambia-China Mulungushi Textiles in August, last year with a planned investment of US\$170 million. The company, which was abandoned for about 17 years, was reopened through the intervention of the present administration.

Initiatives in manufacturing have enabled Zambia to move from being a net importer to a net exporter of Compound D fertiliser. Just over 19,000 metric tonnes of fertiliser were exported to neighbouring countries in 2023. The tonnage shot up to 91,000 metric tonnes in 2024, riding on the "Proudly Zambian" Campaign to create a buzz for locally manufactured products.

Boosting tourism

The Zambia's potential as a great tourist destination has been known for a long time. The country boasts 19 national parks and 34 game management reserves.

The world's seventh wonder, the Victoria Falls or the Mosi-oa-Tunya, its local pet name, is housed in Livingstone and



President Hichilema commissioning the 300MW Phase II of the Maamba Power Expansion Project

possesses vast potential for investment in the hospitality industry. In recent times, there has been robust marketing of Zambia's tourist attractions through conferences and incentives as visa fees waiver for tourists. This is yielding results as Zambia received 2,199,820 international tourists in 2024, a 35.3% increase from 2023.

Leveraging that success story, work has commenced on the US \$100 million Green, Resilient and Transformational Tourism Development Project to facilitate the development of tourism infrastructure at Kasaba Bay, Liuwa National Park, and the source of the Zambezi River.

Bridging MSMEs funding gap

Micro, Medium and Small Enterprises (MSMEs) funding has become more accessible through such empowerment programmes as the Citizens Economic Empowerment Fund (CEEC) and the Constituency Development Fund (CDF). They are supporting climate smart infrastructure for building resilience, providing resources for the youths, women and people living with disabilities thereby promoting inclusive growth. Under the CEEC Fund, government had in the past few years, disbursed over K950 million to about 83,000 beneficiaries. Similarly, through the CDF, it handed out more than K485 million to the youths, women, persons living with disabilities, and cooperatives in 2024.



President Hichilema inspecting a ranch

Partnering with the private sector

Back in April 2022, the Zambian government unveiled the Public-Private Dialogue Forum (PPDF). The PPDF promotes collaboration between stakeholders and private sector companies. It provides the private sector the platform for presenting policy issues requiring improvement or outright cancellation and solutions after deliberations.

Since PPDF's debut, it has introduced a National Arts Policy which provides creative infrastructure through nationwide centres such as the Lusaka Arts Contemporary Centre, to promote Zambia's global artistic standing.

Human and social development

The free education policy of the Zambian government has led to a huge increase in enrolment of children in primary and high schools across the country. To promote life-long learning, entrepreneurship, and practical skills required in the digital age, the government developed a new national education curriculum framework.

Under the CDF, government has constructed 1,551 new classroom blocks while 332 existing classroom blocks have been rehabilitated countrywide. Government has used its generous school feeding programme to cushion learners from the effects of the drought, keep them in school and improve learning outcomes. The programme benefits about 2.3 million learners in 70 districts across the 10 provinces. The plan is to extend coverage for the programme from 70 districts to all the 116 districts this year.

The government is expediting the completion of hostel construction to tackle the shortage of quality and affordable student housing in public universities.

To enhance quality and access to vocational skills training, government is prioritising the expansion of Technical Education, Vocational and Entrepreneurship Training (TEVET) infrastructure, particularly in rural areas. Consequently, it has completed the construction of Lundazi and Mporokoso Trade Training institutes. Government has promised to ensure that TEVET education is accessible to all eligible learners through the provision of bursaries under the CDF.



Construction of the Lusaka-Ndola Dual Carriageway

Economic Diplomacy

President Hichilema's administration continues to maintain a proactive stance towards Zambia's foreign relations, upholding the country's long-standing policy on "positive neutrality."

Honourable Mulambo Haimbe, Minister of Foreign Affairs and International Cooperation says this posture has enabled the country balance international partnerships for economic development and attract diversified investments. In the past few years, the country has attracted new investments and development support from a diversified mix of partners, including Brazil, India, Japan, Saudi Arabia, South Africa, Turkey, and the United Arab Emirates.

The President's international engagements have revitalised relationships with Western nations and deepened ties with China. It has led to a steady influx of foreign direct investments (FDIs) in critical sectors of the economy. The country's membership of regional bodies such as the Common Market for Eastern and Southern Africa (COMESA), Southern African Development Community (SADC) and the African Continental Free Trade Area (AfCFTA) has helped to



Kenneth Kaunda International Airport

increase the export of Zambian products into regional and international markets.

From all indications, the present administration is leading Zambia toward a sustainable future. Dr Musokotwane, the Zambia's fiscal policy chief, squarely in synch with the President's transformational agenda exudes confidence that government is moving the nation in the right direction. "It is no empty boast to say that, as the New Dawn Government, we are truly building resilience for inclusive growth and improved livelihood," he says.



President Hichilema poses for a snap shot with teachers and pupils

Leaning on customs duties

Top 12 African countries most reliant on customs duties for tax revenue



President Joao Lourenco of Angola



President Denis Sassou Nguesso of Republic of Congo

CUSTOMS duties significantly contribute to the tax revenue generation in African nations.

Tariffs on imported goods in some countries account for over 40% of total tax revenue, highlighting the significant reliance on international trade for government funding.

In 2020, customs duties contributed over 40% of tax revenue in 15 African countries, while in 24 countries, they contributed over 30%.

Customs duties in Benin, The Gambia, and Lesotho accounted for over 60% of total tax revenue.

In extreme cases such as São Tomé and Príncipe, customs duties have been found to contribute 100% of the tax revenue.

Statista's 2020 study provides a detailed breakdown of customs duties as a percentage of tax revenue.

Customs duties continue to be a significant source of tax revenue across the continent.

The reliance on import duties in these nations highlights



President Brice Oligui Nguema of Gabon

their economic structure, as they are a crucial funding source for government operations.

Customs duties are taxes or tariffs imposed on goods transported across international borders, serving various purposes such as revenue generation, domestic industry protection, import/export regulation, and restricted goods entry control.

African governments generate revenue through various sources, including customs duties, corporate income tax, personal income tax, value-added tax, petroleum taxes, and exemption duties for specific goods like alcohol, tobacco, and fuel.

Over-reliance on customs duties poses financial instability during economic downturns, trade disruptions, or global supply chain crises, despite their essential revenue.

Tax diversification is crucial to develop stronger domestic tax bases, as Africa's tax structure varies across nations, with customs duties serving as a primary revenue source.

The heavy reliance on these taxes highlights the need for policy shifts towards diversified tax systems to ensure long-term economic growth and financial stability.

Country	Customs Duties as % of Total Tax Revenue
São Tomé and Príncipe	100%
Nigeria	64%
Cameroon	45%
Angola	43%
Gabon	43%
Chad	41%
Republic of Congo	41%
DR Congo	39%
Uganda	36%
Central African Republic	35%
Malawi	32%
Ethiopia	32%

Source: Statista, a German online platform that specialises in data gathering and visualisation

South Sudan's instant payments push

A full rollout of South Sudan's instant payments system is expected by December, after an initial pilot, to enable faster money transactions.

Designed by the central bank and nonprofit AfricaNenda, the system aims to connect local mobile money providers, such as MTN and Zain, with banks, aiming to expand the population's access to financial services.

South Sudan's target for full functionality by December is "realistic," Robert Ochola, CEO of

AfricaNenda, said, noting that it gave time for more financial service providers to integrate into the network.

South Sudan follows in the footsteps of countries such as Nigeria and Ghana whose instant payments frameworks are among the continent's best.

Last year, Lesotho became the latest entrant to the space, bringing the number of African countries with such systems to 20, according to AfricaNenda.



James Alic Garang
Governor, Central Bank of South Sudan

Fast tracking revenue collection

Meeting in Douala between March 11 and 14, the Directors General of Taxes of the CEMAC member states, accompanied by IMF experts, brainstormed on developing a joint roadmap to improve domestic resource mobilisation, which is critical for the region's economic stability and fiscal sovereignty

FACED with persistent economic challenges and low non-oil tax revenues, the Central African Economic and Monetary Community (CEMAC), with the support of the International Monetary Fund (IMF), launched a high-level seminar in Douala, Cameroon. The objective: to implement a regional strategy aimed at strengthening domestic resource mobilization and ensuring greater resilience of local economies. Opening the seminar, CEMAC Common Market Commissioner Mbogo Ngabo Seli emphasized the crucial importance of this initiative in a context marked by economic tensions and an urgent need for economic diversification.

The low ratio of non-oil tax revenues to non-oil GDP in the CEMAC region poses a significant obstacle to financing essential infrastructure and public services. Roger Athanase Meyong Abath, Director General of Taxation of Cameroon, emphasized the need to strengthen domestic resource mobilization. According to him, this is not only a constraint, but a strategic lever to ensure fiscal sovereignty and meet the



expectations of the population. The seminar also follows the extraordinary summit of CEMAC heads of state held last December in Yaoundé, where improving the macroeconomic framework and community solidarity were central to the discussions.

The work in Douala is expected to result in concrete recommendations for reforming national tax systems and strengthening their harmonization within CEMAC. These conclusions will

be submitted to the CEMAC Permanent Commission for Tax and Accounting Harmonization, which will review their implementation. This initiative illustrates the member states' desire to strengthen their financial autonomy and build a more stable and prosperous economic future for the region. By diversifying their revenue sources and improving tax collection, they intend to better respond to development challenges and the aspirations of their populations.

Transforming Uganda's banking sector



Michael Atingi-Ego: Governor, Bank of Uganda

THE rapid growth of fintech is significantly transforming Uganda's banking sector, offering new opportunities for financial inclusion and transforming the way Ugandans manage their money.

A report by Financial Sector Deepening Uganda (FSD Uganda), indicates that the Ugandan fintech sector generated over 10,000 jobs in 2022, with an expected increase to 20,000 by 2025, with 184 fintechs in operation as of October 2024.

Ugandans increasingly rely on fintech companies for digital banking, mobile payments, lending platforms, and wealth management tools, as these companies contribute 7% to the nation's GDP.

As of June 30, 2023, there were 42.9 million registered mobile money users in Uganda, up 11.4% from June 2022's 38.5 million users, as per data from the Bank of Uganda. This number is a major contributor to the rise of fintech in the nation.

The value of mobile money transactions in Uganda increased by 23% from 2022 to \$52 billion in the year ending June, indicating the sector's growing dominance.

Fintech companies are making financial services more affordable for Ugandans by operating more efficiently than traditional banks.

The impact of fintech on Uganda's banking industry has been profound. Traditional banks, once the mainstay of financial services, are now facing increased competition and are being forced to adapt.

Comoros' digital payment switch

THE interoperability of digital payments is emerging as a crucial driver for modernizing financial systems and boosting banking inclusion. Comoros will adopt an interoperable digital payment switch, with a Moroccan electronic payment solutions business, PayLogic, handling the project.

PayLogic is partnering with local stakeholders to develop a more inclusive and efficient financial

infrastructure in the Union of Comoros.

The platform, part of the Financial Sector Development Support Project (PADSF), aims to establish a seamless digital payment ecosystem, enabling instant transfers between mobile operators and banks.

The initiative aligns with the Central Bank of Comoros' policy to promote financial inclusion. The institution has encouraged local banks to offer free bank account openings for individuals and fee-free money transfers for the diaspora. Since early August, this measure has led to the opening of hundreds of new accounts, with a goal of reaching a 50% banking penetration rate by the end of 2025.

PayLogic's interoperable switch could bolster these efforts by increasing access to digital financial services, particularly among rural populations and the diaspora. Reducing reliance on cash and improving transaction efficiency will lead to greater use of banking and online payment services across the country.



Dr. Younoussa Imani: Governor, Central Bank of Comoros

Digitizing Ethiopia's Economy

ETHIOPIA is advancing digital payments, marking significant progress in its 2020 digital transformation strategy, aiming to digitize the economy by 2025.

With over 41 million internet users, a significant increase from 17 million in 2018, the future of payments is digital, fueled by increased digital adoption nationwide, creating a fertile ground for digital payments.

Digital payments in Ethiopia are transforming the economy by promoting financial inclusion, allowing access to savings, credit, and insurance for individuals and businesses. This, in turn, can drive significant economic growth. Research indicates that transitioning to a digital economy can boost global GDP by 1-2% annually, with a 1% increase in

card usage potentially increasing annual consumption by \$67 billion.

Ethiopia is embracing digital payments, with 80% of merchants adopting the technology within two years, according to a Visa-commissioned study. E-commerce growth and the rise of SMEs also contribute to this trend.

An impressive 92% of SMEs using financial technology report satisfaction with digital solutions, valuing institutional support and quicker payment processing, promoting further investment in digital payments.

In particular, merchants prioritize customer convenience, reduced fraud risk, and improved efficiency, leading to operational efficiency, cost savings, and customer satisfaction. 64% of digitally enabled SMEs plan to expand payment capabilities.



Ahmed Shide: Minister of Finance

Africa's quest for unbiased credit rating

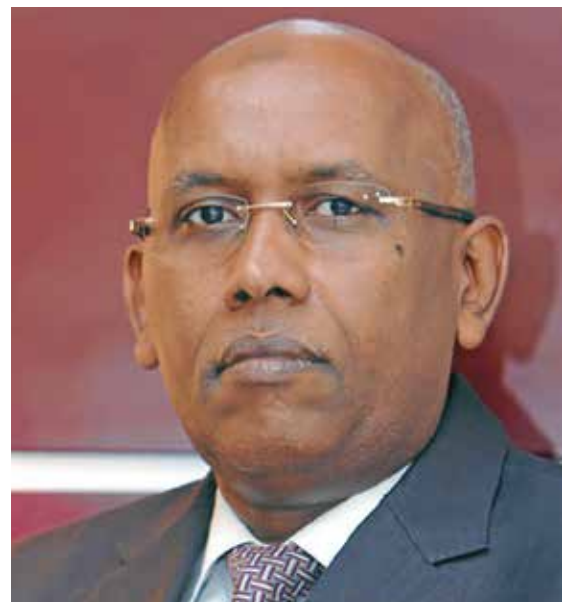
AFRICAN countries in the African Union (AU) intend to establish the Africa Credit Rating Agency (AfCRA), which will be facilitated by the African Peer Review Mechanism.

The continent suffers an 'African Premium' issue in the international credit market, which is dominated by the top three credit agencies: S&P, Fitch Ratings, and Moodys. These organisations collectively control 95% of the financial industry credit rating sector.

These credit rating agencies' assessments are influenced by factors such as political risk and economic instability, resulting in significantly higher borrowing costs that investors associate with the risks of African countries. As a result, nearly all African countries struggle with the high cost of borrowing.

A growing sense of perceived bias has led to a vocal response from African nations, highlighting the urgent need for a well-informed credit rating assessment system that accurately reflects Africa's economic, social, and political realities. This system should be based on real-time, on-the-ground data.

African countries have a strong demand for Eurobonds and will continue to seek access to foreign markets to address budget deficits and support social and infrastructural initiatives. The winds of change in Africa, fuelled by economic reforms, infrastructure development, and improved currency



*Ilyas Moussa Dawaleh
Minister, Economy and Finance, Djibouti*

stability, necessitate a more nuanced assessment from credit agencies.

Islamic financial institutions' growing appetite



Farid Al Mulla
Chief Executive Officer, Emirates Islamic Bank

AFRICA'S energy sector is gaining interest from Islamic financial institutions, as evidenced by the \$400 million Murabaha financing secured by the Africa Finance Corporation (AFC).

The transaction underscores Islamic finance's

growing role in Africa's infrastructure development and highlights potential for deeper financial cooperation between Arab and African nations in the energy sector.

The high demand for AFC's facility, which drew 11 Islamic financial institutions including Abu Dhabi Islamic Bank, Al Rajhi Bank, and Emirates Islamic Bank, indicates a growing enthusiasm among Middle Eastern banks to invest in Africa's development.

The facility, which was expanded from an initial \$300 million due to strong investor demand, strengthens AFC's objective of diversifying its financial source and corresponds with broader attempts to expand energy investment

agreements between Arab and African countries.

Islamic finance is emerging as a key source of funding for Africa's energy sector, particularly for large-scale infrastructure projects. The Murabaha financing structure used in AFC's deal aligns with Sharia principles, offering an attractive and ethical investment vehicle for Middle Eastern and North African financial institutions seeking African market exposure. This move complements AFC's recent \$500 million hybrid bond issuance and the corporation's ongoing efforts to attract diverse capital sources, including potential Panda bonds in China.

Mauritania records low banking rate despite growth in financial sector



Mohamed Lemine Ould Dhehby
Governor, Central Bank of Mauritania

MAURITANIA'S financial sector has experienced a significant growth, with the number of banks nearly doubled from 10 in 2008 to over about in just over a decade. However, the banking rate remains low at 9%, up 4 points from 2010.

The low banking rate is the result of Mauritania's lack of trust in conventional banks due to unregulated interest rates that do not follow Islamic law standards. To balance the scales, some banks have established Islamic services, which are thought to be more reliable.

"Mauritania, as you know, is a 100% Muslim country. So this

new alternative to offer Islamic financial services is a new opportunity that people are trying to use to in order to move towards Islamic banks that operate in conformation to Sharia," says Mahmoud EL Hacem, a director of bank operations.

Another factor that could explain the low rate of banking is the attitude of banks, which are often accused of serving only the interests of the groups to which they are affiliated. The issue presents a challenge to Mauritanian authorities who are already aware of the local banking sector dilemma which they say is in need of comprehensive reforms.

Algeria's Revolutionary Mobile Payment System

ALGERIA'S new mobile payment platform, "DZ MOB PAY," marks a significant milestone in the country's digital development. The new technology enables citizens to make secure payments and transfer money using their smartphones.

The National Bank of Algeria (BNA), Al Salam Bank Algeria, and Algeria Post will lead the platform, which will simplify transactions for both individuals and merchants, in line with Algeria's goals of financial inclusion and digitalisation. Payments can be made by scanning QR codes.

The service is intended to be user-friendly and free of charge for both users and merchants, hence encouraging

widespread usage. The "DZ MOB PAY" platform draws on Algeria's growing digital payment ecosystem, which has seen considerable increase in mobile payments since 2022. Interoperability across banks is now possible thanks to the launch of the Switch Mobile platform in June 2024, which improves the mobile payment experience.

By October 2024, Algeria had experienced a considerable increase in electronic payments, with over 14.8 million online transactions and more than 75 million smartphone-based transactions, establishing "DZ MOB PAY" as a crucial development in the country's continuous modernisation efforts.



Salah Eddine Taleb: Governor, Bank of Algeria

For a slice of Egypt's \$10b remittance market

RESIDENTS of the United Arab Emirates can now send money straight to Egyptian bank accounts thanks to the expansion of Careem Pay, the payments platform within the Careem app.

The UAE has a sizable Egyptian expat population, making Egypt one of the top five remittance recipients, according to Careem. In recent years, the overall market size for remittances from the UAE to Egypt has reached around \$10 billion.

Careem Pay facilitates money transfers to major remittance corridors, enabling quick and easy support for families, financial management, and investment abroad.

The new corridor launch came in time for Ramadan, a period when remittances typically see a spike as customers increase financial support to their families for charitable purposes and Eid celebrations.

Careem Pay aims to streamline financial services in the region by offering a comprehensive payments platform for P2P, international transfers, bill payments, and digital wallet services.



Hassan Abdalla: Governor, Central Bank of Egypt

Bank of Zambia ups its game



Dr. Francis Chipimo, Deputy Governor, Operations, Bank of Zambia

THE Bank of Zambia (BoZ) has set 2025 monetary policy priorities to combat inflation, support agriculture, and stabilize the Kwacha amid global economic challenges such as drought.

Dr. Denny H. Kalyalya, Governor of the Bank of Zambia, discussed many steps aimed at preserving economic stability and resilience at the National Symposium on the Budget 2025. These include lowering inflation to the medium-term aim of 6-8%, providing support for drought-affected sectors through a K5 billion Stability and Resilience Fund, and preserving international reserves greater than three months' import cover.

Here are the Bank of Zambia's monetary policy highlights:

Inflation Management

Inflation is expected to decrease from 15.0% in 2024 to 13.9% in 2025 and further to 9.0% in 2026, thanks to a combination of tight monetary policy and strengthened financial controls.

Agriculture and Energy Sector Support

The 2023/24 drought reduced maize production from 3.3 million metric tonnes in 2023 to 1.5 million metric tonnes in 2024, resulting in a 45.7% year-on-year increase in maize prices. To address this, the BoZ established a K5 billion fund to stabilise and support the impacted sectors.

Exchange Rate Stabilization

The Kwacha fell 7% in 2024, ending the year at K27.58 per USD. The BoZ intends to alleviate these pressures by managing demand and supply and keeping international reserves at \$4.1 billion (4.4 months of import coverage as of November 2024).

Export Proceeds Tracking Framework

Launched in 2024, this framework recorded \$7.7 billion in export earnings processed through local banks. BoZ intends to expand the system in 2025 to include imports and services for comprehensive data.

Digital Economy Support

To encourage a 24-hour economy, the Real-Time Gross Settlement (RTGS) system's operating hours have been extended for a six-month experimental period.

Regulatory Updates

Strengthening the Kwacha's role as legal tender is also at the heart of Bank's monetary policy priorities with the expected unveiling of currency directives. The National Payment Systems Act of 2017 will be replaced to align with advancements in financial technologies. A Deposit Protection Fund is also being operationalized to safeguard deposits.

Dr. Kalyalya emphasised the significance of these measures, saying that "the 2025 monetary policy framework reflects our commitment to ensuring economic stability and resilience in the face of ongoing challenges."

"We are focused on lowering inflation, stabilising the exchange rate, and promoting long-term growth," he said.



President Cyril Ramaphosa

South Africa loses its shine

South Africa's crumbling infrastructure has cost it its gateway status to Africa

SOUTH Africa is no longer Africa's trade gateway with the rest of the world, thanks to its decrepit goods transportation infrastructure, including freight, ports, and rail networks. The country's infrastructure, which is necessary to support investment and trade, has regressed.

The country's role as a gateway to Africa has shifted, with numerous other nations now serving as entry points for industrial goods. South

Africa will remain economically and socially behind if it doesn't clean up its ports and rail infrastructure. The energy crisis is the crucial issue. Without power, no airway, port, or train network could function.

South Africa's transition from apartheid to democracy in 2010 led to high hopes for economic growth, but this geostrategic position has been eroded by corruption, maladministration, and inadequate

infrastructure, affecting its global connectivity. The country has gone backward in terms of infrastructure.

China is now investing heavily in Africa to build roads, railroads, and bridges to improve resource access and infrastructure, particularly in ports like Mombasa, Djibouti, Dar es Salaam, and Walvis Bay, putting these nations in good stead to fill the gap.

Optimism over Zim's insurance market



President Emmerson Mnangagwa

ZIMBABWE'S insurance market's gross written premium (GWP) is expected to reach US\$2,51 billion this year, primarily due to the growth in non-life insurance.

Statista, a global statistics agency, expects that non-life insurance would continue to dominate Zimbabwe's insurance industry, accounting for \$1.45 billion in 2025.

"The average spending per capita in the insurance market is estimated to be US\$144,71 in 2025," reads part of the report.

The firm emphasized the importance of Zimbabwean insurance companies no adapting to evolving market conditions and customer to maintain competitiveness and drive industry growth.

Zimbabwe's insurance market is experiencing a shift towards more comprehensive coverage options, indicating a growing awareness of the importance of insurance protection.

Mali's economic upturn



Alousséni Sanou
Minister of Finance and Economy

Mali's economic recovery is expected to continue, with GDP growth of 5.3% in 2025, up from 4.7% in 2024 and 4.3% in 2023. Extractive activities are likely to boost growth, with lithium production beginning in 2024, the textiles sector reviving, and wheat production and processing capabilities expanding.

Inflation is predicted to fall to 1.8% in 2025, down from 2% in 2024, due to the continuation of restrictive monetary policy. The current account deficit is expected to improve to 6.4% of GDP in 2024 and 5.9% in 2025, owing to stronger cotton exports in 2024, higher gold exports in 2024 and 2025, and the start of lithium exports in 2024.

The Malian economy is built around the export of important traditional raw resources like

cotton and gold. The country's GDP, calculated in market exchange rates (MER), increased from US\$4.5 billion in 1990 to US\$18.6 billion in 2023, ranking fifth in West Africa behind Nigeria, Ghana, Côte d'Ivoire, and Senegal.

During this period, Mali's average GDP growth rate was 4.3% per year, which was higher than the African low-income countries' average of 3.9%. According to the Institute for Security Studies (ISS) African Futures, GDP is expected to more than triple to US\$53 billion by 2043, with an average growth rate of 5.4% between 2024 and 2043.

The Institute conducts independent research on Africa's development prospects using a dynamic and constantly updated forecasting platform to understand the continent's potential progress.

Benin scales back stake in banking sector



Romuald Wadagni
Minister of Finance and Economy

THE Beninese government raised CFA100 billion (\$165.6 million) by selling 33% of its shares in Banque Internationale pour l'Industrie et le Commerce (BIIC), despite not meeting its initial target of selling 30.4%-40% of the bank's capital.

Regional asset management firms have acquired shares of BIIC, making it the third Beninese company listed on the regional stock exchange, following Loterie Nationale du Bénin and BOA Bénin.

The move aims to free up government cash for development projects and boost the private sector's role in the banking industry.

The public offering, launched on December 24, 2024, aimed

to sell 17.56-23.1 million shares at CFA5,250 per share, with EDC Investment Corporation as lead arranger and syndicate of underwriters.

Benin sold 7 million LNB shares in October 2024, raising CFA43 billion, aligning with the government's strategy of gradually reducing its stake in public companies.

BIIC, founded in 2020, was Benin's top bank in 2024, surpassing competitors like BOA, Coris Bank, and Ecobank in total assets, loans, securities, and customer deposits. BIIC, with a total assets of CFA1.41 trillion and an equity capital of CFA107.9 billion, is the second most capitalized bank in Benin.

Niger ready for business

NIGER is a promising investment destination thanks to its strategic location, abundant resources, and economic reforms.

Crops like millet and cowpeas are grown in Niger, where agriculture accounts for 40% of the country's GDP and employs a sizable section of the workforce.

The government is modernising farming practices and putting irrigation projects into place to lessen the agricultural sector's need on seasonal rainfall and lessen the effects of climate change.

In addition to its agricultural sector, Niger is a major producer of uranium due to its abundant mineral resources, which include uranium.

Despite volatile worldwide pricing, Niger's economy is mostly dependent on uranium exports, gold, coal, and phosphate deposits.

The energy sector in Niger is expanding through the development



Ali Lamine Zeine

Prime Minister and Minister of Economy and Finance of the Republic of the Niger

of new oil fields and infrastructure projects, and investing in renewable energy projects like solar power to address electricity shortages and improve access to energy.

Niger's government has simplified the registration process for businesses, reducing the minimum capital requirement, making starting a business easier.

Bangura's recipe for West Africa's prosperity



Sheku Fantamadi Bangura

SIERRA Leone's Minister of Finance Sheku Fantamadi Bangura believes intra-West African trade is a game changer for the region's prosperity. He suggests member states of the West Africa Monetary Zone and ECOWAS invest in projects facilitating trade and economic integration, such as roads, rails, transportation, energy, and technology.

Bangura also highlights the importance of an ECOWAS currency union for improving trade and investment flows, enhancing stability against external shocks, and preventing the damage caused by the COVID-19 pandemic. Despite significant investment in the single currency programme, Bangura emphasizes the need for member countries to work together to meet Convergence targets by 2027.

Only 23% of Brits Trust Finance Apps



Andrew Bailey: Governor, Bank of England

WHILE financial apps have become central to personal finance management in the UK, mobile app service provider Apadmi has

revealed that nearly one in four Brits believe financial apps need improvement.

Apadmi released new study that examines how consumers use finance applications and how these platforms may be improved after customers of Lloyds Bank, Halifax, TSB, and Bank of Scotland had trouble accessing their banking apps earlier this year.

Apadmi's financial services growth director, Vino Nandagopalan, emphasizes the need for developers and financial organizations to implement robust testing protocols, invest in IT system maintenance, and deploy advanced monitoring tools.

Surveying 1,000 users, the mobile service provider also compiled 'The Apadmi Finance App Report', which found that 23 per cent of finance app users only somewhat trust their finance apps, indicating a need for better trust-building measures.

According to the findings, nearly three in 10 (28 per cent) cite security concerns as the primary reason for not using finance apps. Meanwhile, 40 per cent of non-users still prefer visiting branches or post offices, highlighting a preference for traditional banking methods.

Backing Xi's private-sector push with \$11bn tech fund



President Xi Jinping

THE Industrial and Commercial Bank of China (ICBC), the country's largest state-owned lender, is establishing an 80 billion yuan (\$11 billion) fund to support private-sector technology companies, aligning with Beijing's emphasis on the private sector for economic growth.

ICBC's technology and innovation fund will invest in companies and offer various forms of support.

The Bank of China, the country's fourth-largest state-controlled bank, has also increased its startup fund to more than 50 billion yuan, up from 30 billion in August.

Highlighting its outreach to the tech sector, the Bank of China invited top executives from major companies, including Alibaba Group and Tencent Holdings, to a roundtable hosted by the All-China Federation of Industry and Commerce.

Chinese President Xi Jinping pledged unwavering support for the private sector at a symposium with tech titans, including Alibaba founder Jack Ma, who had vanished from public eye after criticizing regulatory authorities. China seeks to enact a new law designed to promote the private economy, encouraging market entries and fair competition.

Vietnam permits 49% foreign ownership of some banks

VIETNAM'S government permits 49% foreign ownership of struggling banks, aiming to expedite the central bank's restructuring of troubled lenders, effective May 19.

This strategy will boost foreign investment and strategic partnerships for some banks, encouraging them to participate in the restructuring process of weaker ones.

The State Bank of Vietnam transferred two distressed banks – Global Petroleum Bank, known as GPBank, to Vietnam Prosperity Joint Stock

Commercial Bank, or VPBank; and DongA Bank to Ho Chi Minh Development Joint Stock Commercial Bank, or HDBank – as part of the regulator's overhaul of weak domestic banks. GPBank and DongA Bank are now 100 per cent owned, respectively, by VPBank and HDBank.

Two other distressed lenders were transferred to other banks last year. Bank for Foreign Trade of Vietnam, or Vietcombank, took over Ocean Bank. Military Commercial Joint Stock Bank absorbed Construction Bank.



Nguyen Thi Hong
Governor, State Bank of Vietnam

Banks to boost risk tech investment amid macro challenges

A new global report indicates that 75% of banks plan to increase investment in risk technology infrastructure, highlighting a surge in risk management priorities within the banking industry.

FT Longitude and SAS polled 300 senior managers and executives from investment, commercial, corporate, and retail banks. It found a significant increase in investment in risk management IT infrastructure and solutions, driven by the difficult macroeconomic climate.

The “Transforming Risk Management” report shows a significant increase in bank investments and spending on third-party software from 43% in 2021 to 51%. It also showed that 64% of banks plan to increase spending on third-party software, compared to 43% in 2021.

In-depth interviews with risk management executives from major multinational banks, including Capital One, Commerzbank, General Bank of Canada, and Santander Portugal, provided context to the survey data.

Santander Portugal's Chief Risk Officer, Carlos Diaz Alvarez, emphasized the need for integrated decision-making for banks to manage liquidity, capital, and credit risk more effectively.

The research indicates that 67% of banks plan to



Pedro Castro e Almeida: CEO, Banco Santander Portugal

improve risk modelling capabilities over the next two years, with 63% viewing it as a competitive advantage, up from 47% in 2021.

The Global South Needs to Own Its AI Revolution

By Kate Kallot



An estimated 2.6 billion people – one-third of the global population – are digitally unconnected and thus unaccounted for in training large language models (like the one powering ChatGPT). This reinforces Western-centred worldviews that dismiss our challenges

strengthens their agency, and solves the most pressing challenges facing the planet.

Like colonial economies, the tech industry is fundamentally extractive. Modern AI systems, whether built by OpenAI or Meta, rely on data labelled by people in the law and medium-income countries. But, the Global North retains control of the industry and its profits, relegating Global South populations to the role of passive participants with high usage rates, rather than as innovators or equal actors.

An estimated 2.6 billion people – one-third of the global population – are digitally unconnected and thus unaccounted for in training large language models (like the one powering ChatGPT). This reinforces Western-centred worldviews that dismiss our challenges, erase our histories, and stifle our potential. Unless we take urgent action, the Global North will continue to dominate AI and develop new forms of economic and cultural dependency, widening the chasm between those who shape the future and those who are shaped by it.

To move beyond colonial patterns of dependence, we should harness the potential of our youthful, digitally native populations, rather than chasing the largest models or building supercomputers. In this sense, the absence of legacy infrastructure, often framed as a barrier to innovation, is actually our biggest strength.

Unburdened by outdated systems and rigid processes, we can build lean, purpose-driven data architectures that align with our needs and principles of data sovereignty.

Converting scarcity into innovation begins with education. That could mean introducing mandatory coding classes at schools or creating AI literacy programs to build a digitally fluent workforce.

Embracing global technologies does not mean accepting them without question. We should also be prepared to create our own innovation ecosystem. Government programs, tax policies, and other measures are critical for supporting bottom-up initiatives in LMICs.

Even as we chart our own path, our communities and technologists should engage in efforts to shape global AI ethics, localisation, and governance, which requires establishing meaningful, equitable, and collaborative partnerships. And we should not hesitate to forswear initiatives that undermine our freedom to develop and use locally relevant technology.

Low – and medium-income countries should act collectively to determine the best way to develop shared AI infrastructure and pool resources. Some countries can host data centres to create a robust, secure, and inclusive ecosystem, while others can build distributed computer nodes and processing centres.

Such a collaborative framework requires open dialogue, knowledge sharing, and mutual support. The question was never whether we in the Global South could “catch up” with the Global North’s AI dominance. The question is whether we will use technology as an equaliser to build a better world. LMICs have already started down this path, which suggests that the real AI revolution will unfold in Accra, Sao Paulo, Nairobi, and Jakarta, not in Silicon Valley.

This is how it should be, because a data-rich, community-driven, and inclusive AI ecosystem in the Global South benefits everyone.

Kate Kallot is the founder and CEO of Amini.

The urgency of global debt reform

By Anne O. Krueger

HIGH debt levels are once again setting off alarm bells around the world. In developed countries, attention is focused on the rapid increase in public debt, while developing economies are struggling to service their external obligations amid slowing growth and stagnating exports.

Despite their current challenges, most analysts believe that developed economies will avoid a full-blown crisis, owing to their ability to issue debt in their own currencies and implement targeted fiscal and monetary measures.

By contrast, the outlook for emerging and developing economies appears increasingly bleak. In 2023, developing countries spent 1.2 per cent of their gross national income on interest payments, while debt service amounted to nearly 6 per cent of export earnings in countries eligible for International Development Association (IDA) aid. The World Bank's latest Debt Report warns that low-income countries face a "metastasizing solvency crisis."

Several developing countries, including Sri Lanka, have already defaulted on their external obligations, triggering a slow and painful process of debt restructuring and sweeping economic reforms. Many others are on the edge of a crisis. In Mozambique, for example, interest payments amounted to 38 per cent of export earnings in 2023. According to the World Bank, 52 per cent of low-income countries are at or near debt distress.

Since the end of World War II, the world has witnessed numerous financial crises stemming from the unique nature of sovereign borrowing. On one hand, government debt can reflect the pursuit of potentially high-return investments that cannot be financed by domestic savings alone.

But borrowing can also finance unproductive expenditures, such as excessive public employment or private consumption, which generate little to no return. Consequently, debt service grows without any corresponding increase in governments' ability to sustain payments. This is rarely an issue for countries that invest in high-return projects. But when resources are misallocated and debt-service costs mount without the means to cover them, a crisis becomes inevitable.

In such cases, international financial institutions (IFIs), especially the



The World Bank's latest Debt Report warns that low-income countries face a "metastasizing solvency crisis"

International Monetary Fund, play a critical role in helping countries restore creditworthiness by providing financing and recommending reforms. The IMF specialises in assessing indebted countries' macroeconomic outlook, pinpointing necessary economic reforms, and steering them back toward financial stability and sustainable growth.

IMF-recommended reforms typically involve expenditure cuts, limiting future pension increases, reducing civil-service salaries, and scaling back certain investments, alongside efforts to increase tax revenue. They often also include structural adjustments, such as modifying the exchange-rate regime, removing domestic price controls, and eliminating regulations that impede economic growth. Identifying the most urgent reforms is essential, as these measures often determine a country's ability to foster growth and improve living standards.

Economic-policy reforms become particularly important when a government lacks the resources to meet future debt-servicing payments or fund the investments needed to boost income and growth. In the absence of such reforms, heavily indebted countries risk falling back into patterns of excessive spending, undermining their growth prospects and resulting in recurring crises.

Regrettably, many well-meaning leaders and policymakers overlook the necessity of combining debt restructuring and new financing with economic reforms. Sympathy for the impoverished populations of indebted countries and acknowledgment of their overwhelming financial burdens often lead to calls for the IMF and World Bank to provide financial support without demanding structural adjustments. When international institutions succumb to such pressures, economic gains tend to be short-lived: growth stagnates, and debt-servicing difficulties return.

These challenges are compounded by the emergence of new major creditors, especially China, and the growing role of private-sector actors in sovereign lending. In recent years, China has overtaken the World Bank as the largest lender to many low-income countries. As a result, implementing economic reforms now requires the support of China and other creditors.

Traditional sovereign creditors, including the US and the European Union, must persuade emerging major lenders of the need for a faster, more effective restructuring mechanism. Without such a framework, the world's poorest countries will remain trapped in a never-ending cycle of debt distress.

Anne O. Krueger, a former World Bank chief economist is Senior Research Professor of International Economics at the Johns Hopkins University School of Advanced International Studies

Reconnecting Morality with Political Economy

Putting moral insight back into economics enhances understanding of political outcomes writes Benjamin Enke

FOR much of the 20th century, the disciplines of moral psychology and economics were seen as distinct—each focused on separate concerns, with little cross-pollination. This wasn't always the case.

If we look back to philosophers such as Adam Smith and Karl Marx, discussions of political economy were deeply intertwined with questions of morality. More recently, these fields have started to reconnect, recognizing that morality influences economic behavior, and vice versa, in profound ways. It's something I discussed in a recent review of the latest literature in this field (2024).

As an economist, I believe this growing intersection offers valuable lessons not only for academia but also for policymakers grappling with today's biggest challenges, such as greater inequality, political polarization, and diminishing trust in institutions.

One of the most foundational ideas driving the reconnection of moral psychology with economics is the notion, originating from moral psychology, that morality evolved as an economically functional tool, as, for example, Jonathan Haidt, the American psychologist, noted in *The Righteous Mind: Why Good People Are Divided by Politics and Religion*.

In simple terms, morality is thought to be a mechanism through which societies enforce cooperation, enabling large-scale production, exchange, and social cohesion. The idea that morality is socially and economically functional is deeply rooted in an evolutionary perspective: As humans formed increasingly complex societies, cooperation became essential for survival, and moral systems emerged to enforce prosocial behaviors.

Economic imperialism

From an economist's perspective, this framing of morality as a response to economic problems—like ensuring cooperation in transactions—suggests



Exposure to markets also plays a critical role in shaping moral values. In societies where market interactions among strangers are common, universalist values—such as fairness in dealings with people outside one's immediate circle—are likely to thrive

that morality is not fixed but adaptable. As economic environments change, so too do moral values. The rise of globalized markets may, for instance, shift societies from particularist moral frameworks—those that prioritize close-knit, in-group cooperation—to more universalist values that emphasize fairness and equality across broader social networks.

Economists have used these ideas from moral psychology and expanded them. This phenomenon, often referred to as “economic imperialism,” occurs when economists apply their tools and

methodologies to areas traditionally explored by other social sciences, such as psychology or anthropology. While this approach has occasionally been criticized for encroaching on other disciplines, it can be highly productive when done collaboratively.

Rather than attempting to replace moral psychology, economists have successfully tested and validated its theories—like the functional role of morality—through large-scale empirical work. By doing so, they have contributed valuable insights, especially when empirical testing in broader, real-world settings is required.

To understand how moral systems evolve in response to economic environments, we can look at several key examples. First, historical kinship structures offer a compelling case study. Societies with strong extended family networks often rely on close-knit cooperation within families, which leads to particularist moral values. These societies prioritize loyalty to family and local communities, and their moral systems reflect this emphasis.

Societies with looser kinship networks, however, tend to develop more universalist moral values, with fairness extended to strangers and distant relations alike, as I showed in a 2019 paper. This distinction between universalist and particularist morality, and its link to historical kinship structures, explains much of the cross-cultural variation in moral beliefs, values, and emotions.

Second, exposure to markets also plays a critical role in shaping moral values. In societies where market interactions among strangers are common, universalist values—such as fairness in dealings with people outside one's immediate circle—are likely to thrive. A growing body of research, including my own 2023 paper, shows that societies with greater historical exposure to

markets exhibit higher levels of universalism. The more people interact with strangers in markets, the more they develop moral norms that favor impersonal cooperation and trust.

Finally, ecology—the natural environment in which societies are embedded—can also influence morality. Where intensive cooperation with neighbors was necessary for survival, such as in regions with homogeneous and fertile land, particularist values often developed. These values emphasize close community ties, which were essential for agricultural productivity.

Conversely, regions with more variable or fragmented ecological conditions may have fostered universalist values, as cooperation with (and learning from) close neighbors was less important for economic production, as noted by the Israeli economist Itzhak Tzachi Raz. The influence of morality on economic behavior goes both ways: Economic conditions shape moral values, but those values, in turn, shape political and economic outcomes.

Political, economic outcomes

The influence of morality on economic behavior goes both ways: Economic conditions shape moral values, but those values, in turn, shape political and economic outcomes. In today's politically polarized climate, moral differences often underpin divisions over economic policy. For example, the distinction between universalist and particularist values helps explain why different groups hold opposing views on issues like taxation, redistribution, immigration, climate change, globalization, and foreign aid.

The main insight is that many traditionally left-wing policies are relatively universalist in nature. Universalist individuals, who prioritize fairness and equality for all, are more likely to support redistributive policies aimed at reducing income inequality, including for people from foreign countries. They are also more

supportive of “globalist” policies such as foreign aid, globalization, and climate change prevention. Particularist individuals, who prioritize loyalty to their in-group, often oppose such policies, fearing that redistribution may benefit out-groups or strangers at the expense of their own community, or that immigration may harm their neighbors' prospects of finding a job. This moral cleavage contributes to political polarization and complicates efforts to reach consensus on economic policies.

One of my studies on US voting patterns shows that the moral values of voters closely align with the rhetoric and policies of political candidates. Recent evidence I gathered with Raymond Fisman, Luis Mota Freitas, and Steven Sun

The influence of morality on economic behavior goes both ways: Economic conditions shape moral values, but those values, in turn, shape political and economic outcomes

strengthens this connection further. We quantify moral universalism using large-scale donations data. According to our approach, US districts are said to be more universalist when a larger share of donations from that district goes to more distant beneficiaries, geographically or socially. Universalists are thus not more or less prosocial—instead, universalist districts give more to faraway places but less to local community causes.

We document that districts with higher universalism tend to vote more for Democratic candidates and elect representatives who use universalist moral language in their speeches. In addition, these districts' representatives exhibit more left-leaning roll-call voting behavior, even within the same party, further demonstrating how these moral values shape both electoral outcomes and legislative actions.

Interdisciplinary approach

Economists have traditionally been cautious about delving into moral questions, preferring to stick to empirical, data-driven analysis. However, I believe that economists stand to gain by engaging more deeply with moral psychology, just as psychologists can benefit from incorporating economic insights into their work. Each discipline brings unique strengths to the table: Economists excel in managing and analyzing large-scale data, while moral psychologists are adept at understanding the intricate processes of individual decision-making and moral reasoning.

This interdisciplinary approach can lead to richer, more nuanced understanding of complex social and political phenomena. Take, for example, the issue of redistribution. Psychological research can shed light on why people hold certain moral beliefs about fairness and equality; economic data can reveal how these beliefs translate into voting patterns and policy preferences. By combining these approaches, we can develop a more comprehensive picture of how moral values influence economic behavior and outcomes.

What does all this mean for policymakers? Above all, it suggests that effective economic policy cannot ignore moral considerations. Policymakers must recognize that people's economic preferences are often shaped by their moral beliefs, which can vary widely across different groups. As a result, policies that align with the moral values of one group may be strongly opposed by another group with different values.

Understanding these moral divisions can help policymakers craft more effective and equitable policies. For instance, redistributive policies that appeal to universalist values might be more successful if they are framed in ways that resonate with particularist individuals as well, such as emphasizing the benefits to local communities.

In addition, recognizing the role of morality in economic behavior can help policymakers anticipate and address political polarization. This could prove vital to bridging the moral divides that push us farther away from consensus.

BENJAMIN ENKE is the Paul Sack Associate Professor of Political Economy at Harvard University

How agency banking is transforming financial access in developing countries

By Mxolisi Msutwana



Inadequate infrastructure and barriers like low incomes and high fees leave many in Africa disconnected from formal financial systems

THE journey toward financial inclusion begins with trust. For individuals unfamiliar with formal financial systems, having low-cost and reliable ways to deposit and withdraw money – cash-in, cash-out (CICO) services – is essential. These accessible solutions build confidence, encouraging people to store money in digital formats and explore other financial tools.

When empowered to engage meaningfully in the economy, individuals can fund small businesses, drive entrepreneurship, and contribute to local development. Financial inclusion enables communities to go beyond survival and build resilience, helping them weather economic shocks, reduce poverty, and foster sustainable growth. These opportunities create a ripple effect, strengthening economies at the individual and community levels.

Despite its established importance, access to financial services remains a critical challenge in many developing countries. Inadequate infrastructure and barriers like low incomes and high fees leave many in Africa disconnected from formal financial systems. The scarcity of bank branches, ATMs, and digital networks, coupled with long distances to urban centres in some cases, restricts access to communities living in geographical and economic peripheries, perpetuating economic inequality and limiting growth opportunities.

To illustrate, only 49% of adults across sub-Saharan Africa own a formal bank account, though

this figure varies widely between countries. For instance, in Ghana, 62% of adults have bank accounts; in Nigeria, the figure is 64%; and in Kenya, where mobile money has been a key factor in expanding access, it's 79%. Similarly, the availability of Automated Teller Machines (ATMs) per 100,000 adults varies significantly: in Nigeria, there are approximately 16.2 ATMs; in Kenya, about 6.9; and in Ghana, around 11.4. It is crucial to note that Africa is vast, and the financial landscape is not uniform, as evidenced by the number of ATMs in South Africa, which had 43.6 ATMs per 100,000 adults in 2021. In contrast, developed countries tend to have a higher

density of ATMs; for example, high-income countries have an average of 62.7 ATMs per 100,000 adults.

Internet usage also highlights these challenges. As of 2022, 70% of Ghana's population used the internet, compared to 35% in Nigeria and 41% in Kenya. Nigeria and Kenya fall significantly below the global internet usage rate of 64%.

Such disparities highlight the importance of innovative solutions like agency banking. We've seen how effective it can be in places like Nigeria and Kenya, and it has the potential to improve financial access in other developing countries as well. By relying on a network of authorised agents equipped with point-of-sale (POS) devices, agency banking can offer essential services such as cash deposits, withdrawals, bill payments, and money transfers.

Imagine it like a water distribution system. Instead of everyone having to walk several kilometres to a central source of water (the bank), smaller taps (agents) are installed throughout every area. These taps provide the same clean water (financial services) directly to people where they live, saving time and effort while ensuring everyone can stay hydrated (financially included).

Agency banking in action

Agency banking model has gained traction in Nigeria due to its ability to offer convenience through proximity and responsiveness.

Recent IMF data highlights this trend, illustrating the rapid expansion of non-traditional access points across sub-Saharan Africa, with mobile money agents nearly doubling from 2019 to 2023.

In Kenya, an agent network played a crucial role in the growth of M-Pesa by significantly expanding its reach and accessibility. By establishing a

widespread network of local agents, M-Pesa was able to provide services in various communities, including rural areas where traditional banking infrastructure was limited. These agents facilitate transactions, enabling users to deposit, withdraw, and transfer money conveniently.

Today, agency banking operates under the framework established by the Central Bank of Kenya, allowing commercial banks to partner with third-party retailers who serve as authorised banking agents. While agency banking adoption has been slower in Ghana than in other developing nations, it has steadily grown since arriving in 2013. Partnerships between financial institutions—such as traditional banks, fintechs, and telcos—and local agents have enabled rural populations to access microloans and savings accounts, contributing to economic empowerment.

Challenges and opportunity for growth

Despite its success, agency banking faces unique challenges, especially in the areas that need it most – rural and peri-urban communities. These challenges can be grouped into three key areas: operational difficulties, financial constraints, and regulatory inconsistencies.

Operational Challenges: Given the limited presence of banks or ATMs in remote locations, agents often face logistical hurdles, such as restocking cash supplies. Additionally, they are prone to risks such as hardware or software failures. Fraud and counterfeit bills also pose significant risks, exposing agents to financial losses.

Financial Viability: First-movers – or organisations pioneering agency banking in new markets – often face significantly higher costs. These include training agents, educating users, and building trust in communities unfamiliar with formal banking.

Regulatory Barriers: The lack of consistent regulatory frameworks

across African markets leads to fragmented implementation. In some regions, agency banking faces stricter oversight, increasing compliance burdens, while in others, inadequate regulation creates gaps that expose agents and customers to higher operational risks, such as a lack of recourse mechanisms in cases of fraud.

Still, agency banking offers significant growth opportunities. Financial institutions can tackle these hurdles by investing in training programs, upgrading network facilities and using advanced technologies.

Successful innovations in markets like Kenya showcase the potential. Biometric systems have increased security and reduced fraud, while countries like Ghana and Nigeria are exploring ways to link agent banking with digital wallets and e-commerce.

Financial inclusion enables communities to go beyond survival and build resilience, helping them weather economic shocks, reduce poverty, and foster sustainable growth

The Role of Governments and Public-Private Partnerships

Private sector-led agency banking has expanded successfully in urban areas, but rural expansion remains challenging. Unlike cities, rural areas have lower transaction volumes, dispersed populations, and weaker economic activity, making agent operations less profitable. Rural areas often have unique financial systems that differ within and across countries. Expanding into these markets requires tailored strategies rather than a direct urban replication.

Regulatory barriers further limit private investment. In countries like South Africa, agency banking networks are dominated by large retailers and supermarkets, as

banks prefer partners with existing infrastructure and the ability to meet compliance requirements.

To address these limitations, governments and regulatory bodies must play a key role in promoting agency banking by creating public-private partnerships (PPPs) that combine private innovation with public resources. India's Business Correspondent (BC) model is a great example of how these collaborations can expand financial services to underserved communities.

The Business Correspondent (BC) model, launched by the Reserve Bank of India in 2006, utilised agency banking to address the distribution of welfare payments, ensuring payments went directly to the right beneficiaries and improved financial access in rural areas.

The BC model became even more efficient with the introduction of Aadhaar, India's biometric ID system. Aadhaar-enabled tools like eKYC helped agents quickly verify customer identities, cut onboarding costs, and speed up service delivery. Interoperable agent networks enabled multiple banks to utilise the same infrastructure, extending services to remote areas.

Conclusion

Agency banking represents a transformative approach to bridging the financial inclusion gap in developing countries. By decentralising access to essential financial services, it empowers underserved communities, fosters entrepreneurial activity, and cultivates trust in formal financial systems. As illustrated by its successes in Nigeria and Kenya, agency banking provides immediate convenience and promotes long-term economic resilience by enabling individuals to manage their finances effectively.

Mxolisi Msutwana, Managing Director, Anglophone West Africa, Onafriq

Global System Took Advantage of America on Trade and Defense. That Free Ride is Over

By John Rakolta



We are still the world's most powerful nation — economically, militarily, technologically. What we lack is alignment between our global commitments and our national interests. That's why this moment demands bold action. Incremental change is no longer enough.

and vulnerable.

Now they are competitors. They sell into our markets while protecting their own. They underfund defense while relying on us to keep the peace. Meanwhile, our own infrastructure is crumbling, our debt exceeds \$36 trillion, and too many Americans remain uninsured, under-trained or economically stuck.

The American people are asking: Why are we still doing this?

President Donald Trump's proposed reciprocating tariffs aren't just about trade. They mark the clearest signal yet that the era of strategic altruism is ending. For decades, we accepted lopsided trade deals and tolerated unfair tariffs from allies in exchange for Cold War alignment. That made sense in 1947. Even in 1987. It doesn't make sense now.

Take Canada. Our friendly neighbor to the north enjoys one of the largest per capita trade surpluses with the United States while protecting key industries like dairy, telecom and energy through tariffs and regulation. Canada also continues to fail its NATO defense spending commitment, investing only 1.3% of GDP when the standard is 2%.

Or Europe. Despite facing Russian aggression, many EU countries still fall short of NATO targets, preferring to spend on domestic programs while letting the U.S. deter their enemies.

Russia is no longer the global menace it once was. The war in Ukraine has exposed a brittle, corrupt and backward military. Its economy is fragile, its influence shrinking, and its population aging. It is not a superpower — it is a wounded regional actor with nuclear weapons.

China presents a more sophisticated challenge. But even it faces a looming demographic collapse, economic slowdowns, and rising global backlash. Our response should not be to double down on outdated security guarantees or trade relationships that favor them more than us. The answer is to refocus

America's power and priorities.

We are still the world's most powerful nation — economically, militarily, technologically. What we lack is alignment between our global commitments and our national interests. That's why this moment demands bold action. Incremental change is no longer enough.

We must begin to phase out our role as the primary security guarantor for nations that are fully capable of defending themselves. This includes Europe — and Canada. The U.S. should remain in NATO but as a strategic deterrent, not the first line of defense. Allies must rearm, reinvest and take responsibility for their sovereignty.

If tariffs are the tool, use them with judgment. They are not economic warfare — they are leverage. They show that America is serious about fairness.

Most importantly, we must rebuild at home. Our roads, ports, power grid, schools and healthcare systems need modernizing. Our industrial base must be restored. Our workforce must be re-skilled. And our economy must be made resilient — not dependent.

Some critics say this strategy risks a trade war. Maybe. But far better to recalibrate now, while we're strong, than wait until we're overextended and vulnerable. Others worry we'll alienate allies. That's possible too. But true partnerships require shared sacrifice. If these countries are our equals, then it's time they act like it.

To those who prefer gradualism and summit diplomacy, I say this: we don't have the luxury of slow change. The global order is shifting. Our adversaries and allies alike are watching.

This is a tipping point. If we don't meet it with strength, we will drift into decline — not because we lacked power, but because we lacked purpose.

America must stop managing the old world and start shaping the new one. It's time to stop apologizing for our strength — and start using it to protect our people, our economy and our future.

John Rakolta Jr. served as the United States ambassador to the United Arab Emirates (UAE)

For nearly eight decades, the United States has shouldered a disproportionate burden in maintaining global peace, prosperity and order. After World War II, we had little choice. The world lay in ruins, and America alone had the industrial strength and confidence to lead. We opened our markets, extended our military shield, rebuilt broken nations and underwrote a new international system. But that era is over. And our policies haven't caught up.

Today, wealthy nations like Germany, France, Japan, South Korea — and yes, Canada — enjoy universal healthcare, world-class infrastructure and generous social safety nets, all while under-investing in their own defense and benefiting from privileged access to American markets. Their security remains subsidized by U.S. taxpayers, our troops and defense treaties forged when these nations were fragile

Why cyber recovery requires a different approach from disaster recovery

By Modeen Malick

THE distinction between Disaster Recovery (DR) and cyber recovery is more crucial than ever. While both strategies aim to safeguard organisations from disruptions, they address fundamentally different threats and require tailored approaches. What I found particularly interesting were recent insights from a survey conducted by Commvault in partnership with ESG that shed light on the complexities surrounding cyber recovery, revealing a pressing need for organisations to rethink their strategies.

Understanding the differences

At its core, DR is all about getting operations back on track after unexpected disruptions like natural disasters, hardware failures, or power outages. Think of it as the safety net that catches your business when something outside your control goes wrong. It is about restoring systems, data, and processes so that you can resume business as usual as quickly as possible. Cyber recovery, however, is a whole different ballgame. It's not about accidental disruptions – it is about intentional, malicious attacks.

Cyber recovery focuses on dealing with the aftermath of cyberattacks like ransomware, data breaches, or other forms of hacking. These are not random events; they are calculated moves by bad actors aiming to disrupt your business, steal sensitive data, or hold your systems hostage. This fundamental difference in intent – accidental versus deliberate – means that organisations cannot simply lump cyber recovery into their existing DR plans.

The methodologies for each need to be distinct and purpose-built. While DR is often about speed and getting back online quickly, cyber recovery requires a more cautious approach. It involves forensic analysis to understand the scope of the attack,

This fundamental difference in intent – accidental versus deliberate – means that organisations cannot simply lump cyber recovery into their existing disaster recovery plans

ensuring systems are clean before restoring them, and implementing measures to prevent reinfection.

The survey unearthed several alarming trends among IT and security leaders:

Low Confidence Levels: Only 26% of respondents feel confident in their ability to protect mission-critical applications and data, with just 20% feeling adequately protected when it comes to operational data.

Complexity of Cyber Recovery: A staggering 70% reported that cyber recovery is either more complex or time-consuming than traditional disaster recovery, primarily due to the additional steps required to manage cyber incidents effectively.

Challenges in Cyber Recovery: An overwhelming 91% highlighted the necessity for extensive forensic analysis to fully understand incidents before recovery can begin. Additionally, 85% acknowledged the risks involved in recovering systems without first ensuring a secure environment.

Need for Specialised Skills: Nearly 59% of respondents noted difficulties in hiring qualified personnel for cyber recovery compared to DR, indicating a significant skills gap in this area.

Targeted Attacks on Backups: The survey found that 92% of organisations have experienced attacks aimed at their backup systems, with 71%



reporting these attacks as a significant portion of their overall incidents. However, 96% have implemented additional protective measures for their backup data.

Integration with DR: Despite the differences between the two approaches, over 52% of organisations are integrating cyber recovery planning into their broader DR strategies, reflecting a trend toward alignment in processes and protocols.

What these findings underscore is the critical need for organisations to enhance their cyber recovery strategies while maintaining robust disaster recovery protocols.

I believe that cyber recovery should be viewed as a distinct approach from traditional DR, requiring tailored investments in technology and training. By integrating cyber recovery into broader disaster recovery plans and proactively addressing these challenges, organisations can enhance their resilience against future threats. Ultimately, being prepared is essential in today's digital landscape, allowing businesses to not only recover but also emerge stronger from incidents.

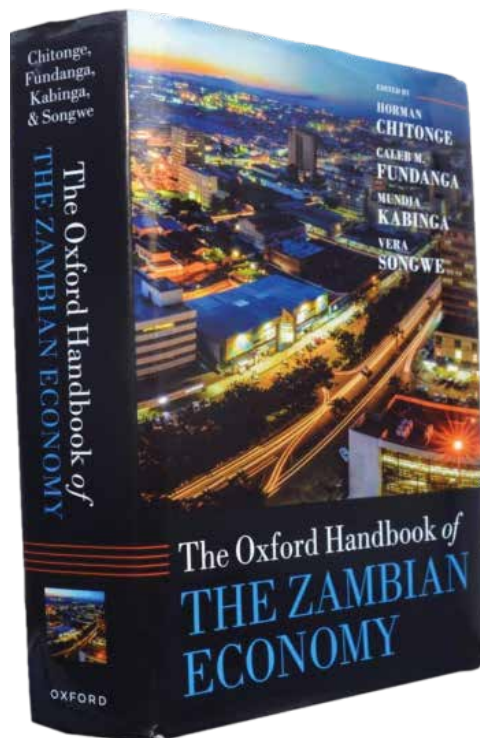
Modeen Malick, Principal Engineer at Commvault

BOOK REVIEW

The Oxford Handbook of The Zambian Economy

EDITED BY HORMAN CHITONGE, CALEB M. FUNDANGA, MUNDIA KABINGA, AND VERA SONGWE

Oxford University Press, 2024, 822pp.



The overall effort is evidently aimed at giving present and future leaders of Zambia an informed guide to avoid the pitfalls of the past

THIS scintillating volume, an audacious intellectual project, aggregates the wisdom of 87 experts familiar with the Zambian economy and society, including professional and academic economists. They have presented evidence-based assessments in sectors they are personally involved in. The reader is assured of comprehensive, authoritative, as well as a balanced analysis of Zambia's economy, featuring past and current trends.

To give order to a work of this size, the editors, after a breezy foundational introduction, did a great job of diving it into six sequential but convenient

parts. It opens, naturally, with the country's historical background in colonial times when it transitioned from Northern Rhodesia to its current identity of Zambia. It then gets down to the real business of dealing with the main sectors of the economy viz. socio-economic, primary, secondary, the macroeconomic context and Zambia's engagements within the global economy. The book rounds off, again naturally, by taking a hard look at the country's position in today's rapidly evolving global economy before peering into the future. The Oxford Handbook of the Zambia Economy contains a trove of information that is presented in a reader-friendly style.

Over the years, since the attainment of independence in 1964, one clear feature of the Zambian economy stands out: its heavy reliance on mining, especially of copper, for much of government revenue, export earnings, and contribution to GDP, which was 20 percent as of end-2020. Agriculture, which once contributed over 17 percent, has slipped to a mere three percent. Predictably, the services sector now leads with almost 54 percent. The editors note that this "servicification of the economy" is a phenomenon that has been reported in other African and developing countries.

By blending sectoral analyses with dynamics in the overall economy, contributors show how successive governments of Zambia have been unable to achieve their stated aim of sufficiently diversifying the economy away from the mercurial extractive sector/industry. The inevitable consequence is the unacceptable level of poverty in the land even when compared to its peers in Africa, despite posting relatively high growth rates, especially between 2000 and 2014. The editors posit that a significant reduction of poverty will only come with a genuine transformation of the current structure of the economy, which still favours mining, financial services, and real estate, which account for less than 7 percent of employment.

Not to leave any base untouched, some of the contributing authors were mandated to produce entire chapters on contemporary global socio-economic issues such as climate change and gender dynamics as they affect the Zambian economy.

Every chapter devotes good time and space to pragmatic solutions, gleaned from other economic jurisdictions not just from comparable African economies but also global best practices. The overall effort is evidently aimed at giving present and future leaders of Zambia an informed guide to avoid the pitfalls of the past. It also offers the reading world in general a dependable reference and resource material for understanding the dynamics and contradictions inherent in the economies of developing countries, which, like Zambia, depend inordinately on export proceeds from primary commodities.

Indeed, this 822-page handbook can also be extrapolated by anyone who wants to learn about other developing economies.



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