

## AFRICA RISK CONSULTING

### Tanzania Monthly Briefing February 2019

---

#### Tanzania Summary 20 February 2019

*Parliament passes amendments to the Political Parties Act, which gives the government direct control over all political parties. Critics accuse President John Magufuli (2015-present) of establishing a de facto one-party state. Tanzania drops seven points in Freedom House's report for 2019 amidst escalating restrictions on civil liberties, and stagnates in Transparency International's latest Corruption Perception Index (CPI) rankings. Kisumu Resident Magistrate's Court sentences high-profile and politically connected ivory trafficker Yang Feng Glan to 15 years in prison.*

---

#### New law gives government sweeping powers over political parties...

Tanzania's parliament passed amendments to the **Political Parties Act** on 29 January that give a government-appointed regulator considerable power to monitor all registered political parties' funding, membership, and strategies.<sup>1</sup> The move heightens fears of increased centralisation of power and a return to one-party rule by President **John Magufuli** (2015-present).<sup>2</sup> The amendments will also give the registrar power to de-register political parties, and impose jail terms on political activists engaged in any unapproved civic actions, such as voter registration.<sup>3</sup> The registrar would be immune from prosecution and have the power to suspend or deregister any party that contravenes the law.<sup>4</sup> The ruling **Chama Cha Mapinduzi (CCM)** party justified the move as necessary to have a regulator who functions as an umpire in electoral processes to ensure fairness and transparency in financial management, and internal elections to party positions and election candidatures.<sup>5</sup>

Local opposition parties dismissed the amendments as CCM's strategy to control political activity in Tanzania, turning it into a de facto one-party state.<sup>6</sup> The leader of the opposition **ACT-Wazalendo** party, **Zitto Kabwe**, unsuccessfully sought an injunction to block parliament from passing the law, arguing that it would give the government power to violate the constitutionally mandated principle of freedom of association.<sup>7</sup> Opposition legislator **Esther Bulaya** described the amendments as a tool for the government to interfere with opposition political parties' internal affairs, including deciding who would constitute leadership positions, and stripping individuals of their party membership if their actions were deemed illegal.<sup>8</sup>

This latest development is consistent with President Magufuli's increasingly authoritarian style of governance, in which he has curtailed freedom of speech in the press and social

---

<sup>1</sup> Bloomberg, 6 Feb 2019.

<sup>2</sup> Bloomberg, 6 Feb 2019.

<sup>3</sup> Reuters, 30 Jan 2019.

<sup>4</sup> Bloomberg, 6 Feb 2019.

<sup>5</sup> Reuters, 30 Jan 2019.

<sup>6</sup> Reuters, 30 Jan 2019.

<sup>7</sup> Reuters, 30 Jan 2019.

<sup>8</sup> Bloomberg, 6 Feb 2019.

media.<sup>9</sup> This has included banning newspapers, restrictions on opposition rallies, and arrests and detentions of political activists whose activities police deem to be illegal. Local and international commentators and foreign governments have criticised the restrictions. Several Western donors, including **Denmark** and the **World Bank**, withdrew funding to Tanzania in November (see *ARC Briefing Tanzania December 2018*).<sup>10</sup> The **European Union (EU)** withdrew its ambassador to Tanzania in November over concerns about human rights abuses,<sup>11</sup> and the **United States (US) State Department** also issued a statement in November criticising the deterioration of civil liberties and human rights in the country.<sup>12</sup>

### ... as Tanzania drops in Freedom House rankings

US-based government-funded non-governmental organisation (NGO) **Freedom House** has lowered Tanzania's ranking by seven points in its "**Freedom In the World**" report for 2019, released on 8 February.<sup>13</sup> The rankings confirm criticism by Magufuli's opponents of his attacks on political dissent and freedom of association (see above).<sup>14</sup> Freedom House focuses on promoting freedom and democracy worldwide, and releases annual reports detailing the state of political freedom in the world.<sup>15</sup> Tanzania scored 45 aggregate points in 2019, down from 52 points in 2018, as Magufuli's government draws criticism for increasingly restricting political freedoms in the country.<sup>16</sup>

Although Tanzania's ranking dropped substantially, it remains higher than other countries in the **East African Community (EAC)** region.<sup>17</sup> **Uganda** scored 37 points, while **Rwanda** scored 23, and **Burundi** has the lowest score at 18.<sup>18</sup> **Kenya** ranks highest in the EAC region, scoring 48 points.<sup>19</sup>

The report lists Tanzania as "*partly free*", and describes the political environment as follows:

*"Space for political activity continued to close in... Tanzania, where the government arrested prominent opposition leaders, stifled anti-government protests, and pushed for legislation that further strengthens the ruling party's stranglehold on domestic politics."*<sup>20</sup>

The report further cites several developments in 2018 that highlight the erosion of freedom in Tanzania.<sup>21</sup> This includes the arrest of opposition **Chama Cha Demokrasia na Maendeleo (Chadema)** leader **Freeman Mbowe**, whom police detained for a year before trial on accusations of involvement in a protest in February.<sup>22</sup> It also highlights parliament's passing of the **Electronic and Postal Communications (Online Content) Regulations Act**, which imposes a fine of \$900 on online content producers whose material the government deems to

<sup>9</sup> Bloomberg, 6 Feb 2019.

<sup>10</sup> Bloomberg, 6 Feb 2019.

<sup>11</sup> The East African, 10 Nov 2018.

<sup>12</sup> Council for Foreign Relations, 7 Feb 2019.

<sup>13</sup> The Citizen, 10 Feb 2019.

<sup>14</sup> The Citizen, 10 Feb 2019.

<sup>15</sup> The Citizen, 10 Feb 2019.

<sup>16</sup> The Citizen, 10 Feb 2019.

<sup>17</sup> The Citizen, 10 Feb 2019.

<sup>18</sup> The Citizen, 10 Feb 2019.

<sup>19</sup> The Citizen, 10 Feb 2019.

<sup>20</sup> Quoted from Freedom House 2019 Report, p.12

<sup>21</sup> Freedom House Country Profile (Tanzania), 2019

<sup>22</sup> Freedom House Country Profile (Tanzania), 2019

be illegal.<sup>23</sup> The report also mentions the amendments to the **Political Parties Act**, which limits the scope of activities that political parties would be able to conduct.<sup>24</sup>

Despite garnering initial praise for being tough on corruption and implementing crucial reforms to improve efficiency in the private sector, President Magufuli has a reputation as an autocrat.<sup>25</sup> However, he maintains considerable popularity among a substantial proportion of the population as the first post-independence leader to conduct a strong anti-corruption crusade and target public sector officials for poor service delivery.<sup>26</sup> Magufuli has reduced government spending and targeted businesses engaged in tax evasion and other corrupt practices.<sup>27</sup> Corruption, which had become a largely normalised daily practice, has become a high-risk activity.<sup>28</sup>

**Transparency International's 2018 Corruption Perceptions Index (CPI)** captures the impact of Magufuli's anti-corruption drive. The index, which is designed to give a sense of public sector corruption, rates countries on a scale of zero (highly corrupt) to 100 (very clean). Tanzania has improved from a ranking of 117 out of 168 countries and a score of 30 in 2015 when Magufuli entered office, to its latest ranking of 99 out of 180 countries with a score of 36.<sup>29</sup>

TI 2018 CPI Rankings for Tanzania					
	2018	2017	2016	2015	2014
<b>Ranking</b>	99/180	103/180	116/176	117/168	119/175
<b>Score</b>	36	36	32	30	31

Tanzania ranks above the **sub-Saharan African** average of 32/100 and compares well with regional counterparts. Tanzania outperforms Kenya (144<sup>th</sup> with 27 points), Uganda (149<sup>th</sup> with 26 points), and Burundi (170<sup>th</sup> with 17 points), but trails Rwanda (48<sup>th</sup> with 56 points).<sup>30</sup>

TI CPI Rankings 2018: Regional comparison (EAC)					
	Burundi	Kenya	Rwanda	Tanzania	Uganda
<b>Ranking</b>	170/180	144/180	48/180	99/180	149/180
<b>Score</b>	17	27	56	36	26

<sup>23</sup> Freedom House Country Profile (Tanzania), 2019

<sup>24</sup> Freedom House Country Profile (Tanzania), 2019

<sup>25</sup> Source, analyst, London

<sup>26</sup> Source, analyst, London

<sup>27</sup> Source, analyst, London

<sup>28</sup> Source, analyst, London

<sup>29</sup> Transparency International's 2018 CPI Report

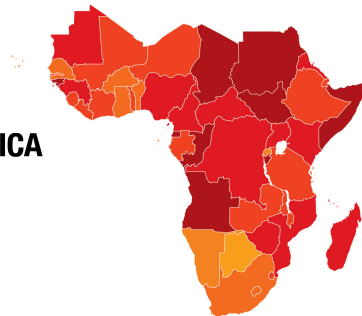
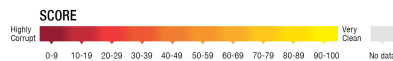
<sup>30</sup> Transparency International's 2018 CPI Report

# CORRUPTION PERCEPTIONS INDEX 2018

## SUB-SAHARAN AFRICA

# 32/100

AVERAGE SCORE



SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK	SCORE	COUNTRY/TERRITORY	RANK
66	Seychelles	28	34	Ethiopia	114	23	Mozambique	158
61	Botswana	34	34	Niger	114	22	Zimbabwe	160
57	Cabo Verde	45	32	Liberia	120	20	Democratic Republic of the Congo	161
56	Rwanda	48	32	Malawi	120	19	Angola	165
53	Namibia	52	31	Mali	120	19	Chad	165
51	Mauritius	56	31	Djibouti	124	19	Congo	165
46	Sao Tome and Principe	64	30	Gabon	124	17	Burundi	170
45	Senegal	67	30	Sierra Leone	129	16	Equatorial Guinea	172
43	South Africa	73	28	Togo	129	16	Guinea Bissau	172
41	Burkina Faso	78	27	Guinea	138	16	Sudan	172
41	Ghana	78	27	Comoros	144	13	South Sudan	178
41	Lesotho	78	27	Kenya	144	10	Somalia	180
40	Benin	85	27	Mauritania	144			
38	Swaziland	89	26	Nigeria	144			
37	Gambia	93	26	Central African Republic	149			
36	Tanzania	99	26	Uganda	149			
35	Cote d'Ivoire	105	25	Cameroon	152			
35	Zambia	105	25	Madagascar	152			
			24	Eritrea	157			



#cpi2018

[www.transparency.org/cpi](http://www.transparency.org/cpi)

This work from Transparency International (2018) is licensed under CC BY-ND 4.0

In the long term, increased political repression is likely to lead to political instability, further withdrawal of aid and investment, and an increased budget deficit, which will weaken the economy.<sup>31</sup> Criticism against Magufuli is growing and investors are increasingly adopting a wait-and-see attitude. Although Magufuli has recently appeared more conciliatory (see *ARC Briefing Tanzania January 2019*), mining companies are wary of Tanzania's growing regulatory and legislative instability.

### Prominent trafficker jailed amid wildlife industry overhaul

**Kisutu Resident Magistrate's Court** convicted and sentenced a **Chinese** businesswoman, **Yang Feng Glan**, to 15 years in prison on 19 February for charges of smuggling elephant tusks out of Tanzania to China.<sup>32</sup> The ruling demonstrates the Tanzanian government's tougher stance on wildlife trafficking and highlights elite-level corruption amid an international reputation for elephant poaching.<sup>33</sup> Local and international conservation groups have criticised the government for neglecting the wildlife sector, which they claim has resulted in "industrial scale" poaching and smuggling.<sup>34</sup> Tanzania's former natural resources and tourism minister, **Lazaro Nyalangu**, revealed in June 2015 that Tanzania's elephant population had drastically declined from 109,051 in 2009, to 43 330 in 2014, because of poaching.<sup>35</sup> However, local conservation groups such as **PAMS Foundation** acknowledge that there has been a significant shift in policy since President Magufuli's election in 2015.<sup>36</sup>

Police arrested Feng Glan in September 2015 and charged her and two accomplices with smuggling over 860 elephant tusks worth more than \$6.45m to **Asian** countries between 2000 to 2004 alone, particularly her native China, one of the world's leading markets for

<sup>31</sup> Source, analyst, London

<sup>32</sup> CNN, 19 Feb 2019.

<sup>33</sup> CNN, 19 Feb 2019.

<sup>34</sup> CNN, 19 Feb 2019.

<sup>35</sup> Traffic, 2 Jun 2015.

<sup>36</sup> CNN, 19 Feb 2019.

ivory.<sup>37</sup> Prosecutors accused Feng Glan, along with two Tanzanian accomplices, **Salivius Matembo** and **Manase Philemon**, of running a sophisticated criminal gang, through which they facilitated elephant poaching and ivory smuggling through Tanzania's ports.<sup>38</sup> Feng Glan was reportedly a high-profile link between **East African** ivory smuggling and Chinese buyers for over a decade.<sup>39</sup> She has lived in Tanzania since 1975, opening a restaurant business in 1998 and once served as the secretary general of the **China-Africa Business Council of Tanzania**.<sup>40</sup> She was regarded as very well connected in Tanzania's business and political elite and the Chinese expatriate community.<sup>41</sup> She allegedly used the political connections to smuggle ivory from Tanzania to China.<sup>42</sup>

The high-profile arrest and sentencing highlight the issue of patronage and corruption in Tanzania. A Tanzania analyst noted Feng Glan's arrest goes beyond ivory smuggling and signals the government's ability and willingness to bring well-connected businesspeople to account:

*"Tanzania's ruling Chama Cha Mapinduzi party is a dominant party, which has been in power since independence in 1961. Inevitably, it has a long-standing problem of patronage and corruption, where different factions in government collude with business-people in various sectors to obtain financial benefits in exchange for political favours. What worsens corruption is the fragmentation and relative autonomy of the intra-government factions, which has often made it difficult for the successive heads of state to deal with corruption decisively. However, the jury is out on whether this policy will be sustained, or a once-off thing."*<sup>43</sup>

Although Feng Glan's arrest has attracted substantial attention thanks to her level of political connections and the scale of wildlife trafficking, she is not the first Chinese trafficker whom police have arrested in recent years.<sup>44</sup> Others include two Chinese men convicted and sentenced to 35 years each in prison in March 2016, and four Chinese men convicted and sentenced to 20 years each for smuggling ivory to China.<sup>45</sup> Feng Glan's conviction will attract considerable praise for President Magufuli's government, and signals its commitment to ending corruption in the wildlife and tourism sector.<sup>46</sup> Wildlife is a central component of Tanzania's tourism sector, one of the key foreign currency earners.<sup>47</sup> Natural resources and tourism minister **Hamis Kigwangala** revealed on 6 February that the government expects to earn \$26m from tourists on hunting safaris in the 2018-19 financial year.<sup>48</sup> He also revealed that the government expected to earn \$16 billion from the tourism sector at large by 2025.<sup>49</sup> The **World Bank** predicts that annual tourist arrivals to Tanzania will increase from 1.8 million to 8 million by 2025.<sup>50</sup>

<sup>37</sup> New York Times, 19 Feb 2019.

<sup>38</sup> New York Times, 19 Feb 2019.

<sup>39</sup> New York Times, 19 Feb 2019.

<sup>40</sup> New York Times, 19 Feb 2019.

<sup>41</sup> New York Times, 19 Feb 2019.

<sup>42</sup> New York Times, 19 Feb 2019.

<sup>43</sup> Source, analyst, London

<sup>44</sup> New York Times, 19 Feb 2019.

<sup>45</sup> New York Times, 19 Feb 2019.

<sup>46</sup> Source, analyst, London

<sup>47</sup> Source, analyst, London

<sup>48</sup> Xinhua, 6 Feb 2019.

<sup>49</sup> Xinhua, 6 Feb 2019.

<sup>50</sup> Xinhua, 6 Feb 2019.

## Planner

22-24 Feb 2019 **Dar es Salaam (Tanzania)** Building Tanzania;  
 2-8 Mar 2019 **Dar es Salaam (Tanzania)** Tree Tanzania;  
 27-29 Mar 2019 **Dar es Salaam (Tanzania)** East Africa Health & Medical Expo;  
 9-11 Apr 2019 **Dar es Salaam (Tanzania)** Sub-Saharan Oil and Gas Summit and Exhibition;  
 3-5 Jun 2019 **Arusha (Tanzania)** Africa Aviation Conference and Exhibition (AACE);  
 25-28 Jun 2019 **Dar es Salaam (Tanzania)** Expo Tanzania (Trade Fair);  
 3-4 Jul 2019 **Dar es Salaam (Tanzania)** Africa LPG Summit;  
 27-29 Sep 2019 **Dar es Salaam (Tanzania)** Tanzania Oil, Gas & Mining Expo;  
 7-9 Nov 2019 **Dar es Salaam (Tanzania)** Power & Energy Africa;  
 2020 **(Tanzania)** General elections;

## Chronology

20 Feb 2019 **Arusha (Tanzania)** *Reuters*. The National **Bureau of Statistics** rebases its economy, increasing economic growth by 3.8%;

20 Feb 2019 **Dar es Salaam (Tanzania)** *Reuters*. **Canada**-based mining company **Barrick Gold**, reaches a deal with the government to settle the disputes of its subsidiary, **Acacia Mining**, including a \$300m payment to resolve tax claims;

19 Feb 2019 **Dar es Salaam (Tanzania)** *The New Times*. Authorities install CCTV cameras around the **Mirerani** mine to prevent theft, as President **John Magufuli** ordered in January;

15 Feb 2019 **Arusha (Tanzania)** *Global Construction Review*. An independent report forecasts the **Stiegler's Gorge** dam to cost \$10 billion, much higher than the estimated \$3 billion initial forecast;

12 Feb 2019 **Dar es Salaam (Tanzania)** *IOL*. The government plans to ban foreign fish imports to boost the local sector;

11 Feb 2019 **Dar es Salaam (Tanzania)** *Reuters*. The **Bank of Tanzania** (central bank) forecasts 7.3% growth in 2019, up from 7.2% in 2018;

11 Feb 2019 **Arusha (Tanzania)** *Daily Nation*. Permanent secretary of trade and industries **Joseph Buchweishaija** defends the decision to sell \$180m worth of cashew nuts to a little-known **Kenya**-based company **Indo Power Solutions**;

4 Feb 2019 **Arusha (Tanzania)** *Construction Review*. Senior manager of the **Tanzania Electric Supply Company (TANESCO)**, **Emmanuel Manirabona**, confirms that TANESCO will connect the **Kenya** and **Tanzania** power lines to the **Southern Africa Power Pool**;

31 Jan 2019 **Arusha (Tanzania) Vanguard**. The **National Electoral Commission** plans to update its voters register and will add four million new voters prior to the 2020 general elections;

30 Jan 2019 **Arusha (Tanzania) EWN**. Parliament passes legislative amendments which gives power to a government-appointed registrar to de-register political parties and jail individuals for unauthorised civic education;

### About Africa Risk Consulting:

**Africa Risk Consulting (ARC)** is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

**ARC's** core consulting services include integrity due diligence and corporate investigations, political advisory and country assessments, opportunity monitoring and reputation risk management. Most relevant to private equity firms is ARC's integrity due diligence and corporate investigations capability. Specifically, ARC offers pre-deal integrity checks to highlight red flags before negotiations start; full detailed multi-jurisdictional reputation due diligence; and supplier and senior hire vetting and repeat due diligence for compliance programmes. ARC is unique in that it offers a 10-day delivery for a routine integrity due diligence. ARC also offers a suite of corporate investigations services from immediate investigation, evidence gathering, e-discovery, forensic accounting and whistleblower support on one end to crisis media management and regular monitoring on the other.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### About ARC Briefing:

**ARC Briefing** is ARC's essential business information service.

Companies at any stage in their Africa expansion, whether building or communicating an Africa strategy, investing directly, expanding current operations, financing other investors, doing the legal leg-work or researching the Africa growth trend, need ARC Briefing.

**ARC Briefing** is an information service keeping you:

- Up to date with Country Chronologies of business-critical events
- In the know via Country Briefings on political, economic, business and operating trends. Written in-country, ARC experts analyse and comment
- Ahead with Country Planner which details future elections, budgets, regulatory changes etc.

[www.africariskconsulting.com](http://www.africariskconsulting.com)

### Getting in touch

Please contact us by email [info@africariskconsulting.com](mailto:info@africariskconsulting.com) or call + 44 (0) 20 7078 4080

Follow us on Twitter: [@ARCBriefing](https://twitter.com/ARCBriefing)