

AFRICA RISK CONSULTING

Tanzania Monthly Briefing September 2021

Tanzania Summary 6 September 2021

Police label the killing of four people in Dar es Salaam by lone shooter Hamza Mohamed a "terrorist attack". Tanzania's parliament passes a number of laws aimed at increasing the ease of doing business and removing barriers to hiring expatriates. The government agrees to reduce fees it imposed on mobile money transfers by 30%. President Samia Suluhu Hassan (2021-present) and her administration continue attempts to curb the spread of the Covid-19 pandemic by encouraging citizens to be vaccinated. Uptake remains low, with estimates that just 300,000 Tanzanians have opted to receive the free Johnson & Johnson Covid vaccine donated by the United States (US) embassy. Parliament has been cracking down on politicians who speak out against the government's vaccination plans.

Terrorist attack in Dar es Salaam

Tanzanian police say that the lone gunman who killed four people in **Dar es Salaam** on 25 August was a terrorist.¹ Police shot and killed Tanzanian citizen **Hamza Mohamed** after he shot four people dead on **Ali Hassan Mwinyi Road**, a main road in close proximity to the **French** embassy, in the early afternoon.² Although initial reporting focused on the proximity of the attack to the embassy, there has been no evidence that the embassy was a target. Hamza appeared to target Tanzanian police officers, killing three during the attack. Hamza also shot and killed a security guard working in the vicinity of the attack, who had approached and tried to disarm him. Anecdotal rumours initially reported that the attack was due to Hamza's frustration with the local police, claiming that the police had stolen from him. However, criminal investigation director **Camilius Wambura** said on 2 September that the attack was terror related, noting that Hamza was communicating with "people who live in countries with terrorism-related acts", but "mainly he was learning through radical social media pages".³

The attack happened in the same week that suspected terrorists were arrested in **Mombasa (Kenya)**, not far from the border with Tanzania. However, there is no indication to date of links between the two incidents.⁴ Despite the incident, there has been no visible increase in military and police presence in Dar es Salaam since the attack, nor have there been additional security check points or measures at large venues or government offices.

Parliament sits in Dodoma

Parliament sat in the capital of **Dodoma** in the weeks beginning 30 August and 6 September. Following President **Samia Suluhu Hassan's** (2021-present) numerous statements that the country would seek to become an easier place to do business, parliament has sought to enact a number of these initiatives into law.

Parliament has tabled an **Amendments Bill** for the current session, seeking to alter a number of pieces of legislation including the **Companies Act** and the **Non-Citizens (Employment Regulations) Act**.⁵ Currently, company directors must be between the ages of 21 and 70, however the amendments seek to remove the upper age limit and reduce the minimum age from 21 to 18. The bill will also

¹ Reuters, 2 Sep 2021

² The Citizen, 25 Aug 2021

³ Reuters, 2 Sep 2021

⁴ The East African, 30 Aug 2021

⁵ The Citizen, 4 Sep 2021

reduce the number of documents required for registration of businesses, a key complaint among many investors and potential investors.

The **Written Laws (Miscellaneous Amendments) Act (No. 4)** is seeking to amend the **Non-Citizens (Employment Regulations) Act** in order to remove some of the barriers to companies hiring expatriates. Currently, expatriates can only receive a work permit in a single organisation for a maximum of five years. The amendment will see this extended to eight years, although applications for renewals will still need to be lodged for approval every two years. Parliament is also finalising proposed amendments that will increase the number of expatriates allowed to work on a project.

In a move popular among citizens, the government has also announced that it has reduced by 30% the levy it imposed on mobile money transactions in July, through amendments to the **Regulations for Electronic Transactions Levy for 2021**. The levy, imposed by the **Electronic and Postal Communication Act (CAP 306)**, saw fees between TSh10 (\$0.0043) and TSh 10,000 (\$4) added to each transaction, depending on the size of the transaction.⁶ This is in addition to fees charged by the mobile network operator. Tanzania news outlet **The Citizen** noted that fees for sending and receiving TSh 1m (\$433) totaled TSh 31,000 (\$14.28), prior to the reduction.⁷

The mobile money transaction levy had aimed to raise an additional TSh 1.254 trillion (\$500 m) for the government to support the 2021/22 budget. Finance and planning minister **Mwigulu Nchemba** noted that since coming into effect, the government had collected TSh 63 billion (\$28 m) in revenue.⁸ However, the additional fees were very unpopular, particularly since mobile money services such as **Vodacom's M-Pesa** are viewed as key tools in increasing social inclusion. Even the smallest of fee increases can price many users out of the market.

The reduction in fees came after a committee was formed with members from the finance and planning ministry and the ministry of communications and information communication technology to review the impact of the recent price hike. The ministries consulted with mobile network operators, which have agreed to reduce their fees on mobile money transactions by 10%. Users and mobile network operators alike have welcomed the announcement that the fees would be significantly reduced.

Suluhu continues to prioritise vaccines in the fight against Covid-19

President Suluhu and her administration continue to emphasise the importance of vaccines as the country tries to control the spread of the **Covid-19** pandemic. Tanzania commenced its nationwide vaccination programme on 28 July, following the 23 July announcement that the **United States (US)** embassy had donated 1 million **Johnson & Johnson** vaccines to Tanzania.⁹ Vaccines were initially made available to Tanzanian citizens over the age of 55, or those who had pre-existing medical conditions or worked in healthcare. Vaccination centres were established in every region of the country. However, the ministry of health announced on 11 August that citizens and residents above the age of 18 were eligible to receive free vaccines.¹⁰ The broadening of the criteria less than one month into the vaccination campaign was perceived as a sign that uptake of the free vaccinations was low. As of 29 August, approximately 300,000 people were reported to have been vaccinated as part of the drive, meaning that over two-thirds of the initial batch of vaccines remain unused.¹¹

While the health ministry is not releasing current case numbers or deaths associated with the pandemic, prominent figures have recently died of Covid-19-related illness. The government announced on 17 August that former finance minister **Basil Mramba** had died aged 81 at **Regency Hospital** in Dar es Salaam, due to complications associated with the virus.

⁶ The Citizen, 31 Aug 2021

⁷ The Citizen, 31 Aug 2021

⁸ The East African, 2 Sep 2021

⁹ Daily News, 23 Jul 2021

¹⁰ The Citizen, 11 Aug 2021

¹¹ The Daily News, 29 Aug 2021

Parliament has also been cracking down on those who cast doubt on the impact of the virus, or raise questions about vaccines. The parliamentary privileges, ethics and powers committee on 31 August suspended ruling party **Chama Cha Mapinduzi (CCM)** members of parliament **Bishop Josephat Gwajima** and **Jerry Silaa** from parliament for the September and November sittings following their public remarks against vaccines for Covid-19.¹² Gwajima, who is also a pastor, reportedly told his followers at **Glory of Christ Tanzania Church** in Dar es Salaam that government officials had been bribed to allow vaccines into the country.

Despite its crackdown on questioning Covid-19 policy, the government is yet to enforce the ban on all unnecessary public gatherings, as announced by health minister **Dr Dorothy Gwajima** on 23 July.¹³ Many remain of the view that the announcement of potential bans was more a tactic to ban potential political rallies, rather than a concerted effort to stop the spread of the virus.

Barriers to travel in and out of the country have also been eased slightly with the announcement by the health ministry on 11 August that government testing fees for those requiring Covid-19 tests have been reduced from \$100 to \$50, although hospital testing centres may charge an additional fee. Rapid tests for those entering the country have also been reduced from \$25 to \$10.¹⁴

Although some mechanisms are now in place to roll out the Covid-19 vaccines and ensure that international travel is made easier, there are no signs that the government intends to impose harsh lockdowns, curfews or restrictions on movement within the country.

Planner

2021 **(Tanzania)** Commencement of construction of **Uganda-Tanzania** oil pipeline

2024 **(Tanzania)** Local elections

2025 **(Tanzania)** General elections

Chronology

3 Sep 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Meteorological Authority (TMA)** has issued a drought warning for the upcoming rainy season;

2 Sep 2021 **Dar es Salaam (Tanzania)** *The Daily News*. Police confirm that **Hamza Mohamed**, who shot dead four people on 25 August, was a terrorist;

2 Sep 2021 **Nairobi (Kenya)** *The East African*. The government has decreased by 30% the mobile money levy it imposed in July following public backlash;

1 Sep 2021 **Dar es Salaam (Tanzania)** *The Daily News*. President **Samia Suluhu** and German chancellor **Angela Merkel** speak over the phone to discuss areas of mutual cooperation;

31 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. Members of parliament **Bishop Josephat Gwajima** and **Jerry Silaa** are suspended from parliament for the September and November sittings due to their public remarks against vaccines for **Covid-19**;

29 Aug 2021 **Dar es Salaam (Tanzania)** *The Daily News*. More than 300,000 **Tanzanians** have been vaccinated against **Covid-19** since the commencement of the vaccine drive on 28 July;

27 Aug 2021 **Dar es Salaam (Tanzania)** *The Daily News*. **Vodacom Tanzania** announces that **South African** national **Sitholizwe Mdlalose** is the company's new managing director;

27 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The **Danish** ministry of foreign affairs announces that it will shut down its embassy in **Tanzania** in 2024 as part of an adjustment of

¹² The Citizen, 31 Aug 2021

¹³ The Citizen, 23 Jul 2021

¹⁴ The Citizen, 11 Aug 2021

Denmark's international presence;

26 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. **United States (US)** company **Ward Holdings International** announces it will buy all of this season's processed cashews in **Tanzania**;

25 Aug 2021 **Unguja (Tanzania)** *The Citizen*. **Tanzania's AICL Group** and **Edinburgh Crowland Management Ltd** announce plans to build a \$1.3 billion skyscraper in **Zanzibar**;

25 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. A lone gunman kills four people in **Dar es Salaam** before being shot dead by police;

25 Aug 2021 **Nairobi (Kenya)** *The East African*. **Tanzania** and **Kenya** set a December deadline to resolve their outstanding disputes over non-tariff barriers;

21 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. **United States (US)** president **Joe Biden** nominates **Michael Battle** as the new US ambassador to **Tanzania**;

20 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. **Tanzania** signs five international development assistance loans with the **World Bank** worth \$1.67 billion;

17 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. President **Samia Suluhu** announces a number of new ambassadorial postings, including **Elsie Sia Kanza** as **Tanzania's** new ambassador to the **United States (US)**;

17 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. Former finance minister **Basil Mramba** dies aged 81 at **Regency Hospital** in **Dar es Salaam**;

12 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The **World Bank** appoints **Tanzania's Maryam Salim** as World Bank country manager for **Cambodia**;

11 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The ruling **Chama Cha Mapinduzi (CCM)** party suspends **Uhuru** newspaper for seven days accusing it of distorting comments made by President **Samia Suluhu**;

11 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The health ministry announces that citizens and residents above the age of 18 are now eligible to receive free **Covid-19** vaccines;

11 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The health ministry announces that government testing fees for those requiring **Covid-19** tests have been reduced from \$100 to \$50 while rapid tests for those entering the country have been reduced from \$25 to \$10;

10 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. Inflation in **Tanzania** hit 3.5% in July, the highest rate in 19 months;

9 Aug 2021 **Dar es Salaam (Tanzania)** *The Daily News*. The **Court of Appeals** dismisses with costs an appeal lodged by **United Kingdom (UK)** parent company of **Ophir Tanzania Limited** over an unsettled tax dispute;

9 Aug 2021 **Dar es Salaam (Tanzania)** *The Citizen*. **Tanzania** will commence exporting livestock to **Saudi Arabia** following a visit by a delegation of **Saudi Arabia's** food and drug authority inspector.

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 whistle-blower support on one end to crisis media management and regular monitoring on the other.

www.africariskconsulting.com

About ARC Briefing:

ARC Briefing is ARC's essential business information service.

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

ARC Briefing is an information service keeping you:

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

www.africariskconsulting.com

Getting in touch

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

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