

## AFRICA RISK CONSULTING

### Tanzania Monthly Briefing February 2024

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#### Tanzania Summary 7 February 2024

*Opposition party Chadema holds large-scale protests on 24 January with supporters marching to Dar es Salaam's United Nations (UN) offices petitioning against three proposed electoral bills. National assembly on 3 February passes the bills despite the opposition's complaints. State-owned Tanzania Petroleum Development Corporation (TPDC) pays \$23m to double its Mnazi Bay gas field share in a historic deal with French-headquartered Maurel & Prom (M&P). Zanzibar's tourism and cultural heritage minister Simai Mohammed Said resigns due to an "unfriendly environment" as the island faces alcohol shortages due to a recent decision by the Zanzibar Liquor Control Board (ZLCB).*

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#### Chadema's peaceful protest fails to deter parliament passing electoral bills

National Assembly on 3 February unanimously approved three electoral reform bills: the **National Electoral Commission (NEC) Bill (2023)**, the **Presidential, Parliamentary and Local Government Elections Bill (2023)** and the **Political Parties Affairs Laws (Amendment) Bill (2023)**. While members of parliament laud these bills as emblematic of President **Samia Suluhu Hassan's** (2021-current) commitment to enhancing democracy and reconciliation in Tanzania, the opposition party **Chadema** regards the reforms as purely "*cosmetic*."<sup>1</sup> Parliament, which is dominated by the ruling **Chama Cha Mapinduzi (CCM)** that holds 364 out of 392 seats, approved the rebranding of the NEC as the **Independent National Electoral Commission** and a new system for recruiting commission members. While commissioners were previously appointed directly by the president the new bill sees the establishment of a recruitment committee. However, although it appears to be a liberalisation of the head of state's powers, it is not. The president will maintain the final say on the appointment of half of the members and approve the nominees for the roles of chairperson and vice chairperson.<sup>2</sup>

Since the bills were proposed in November 2023 opposition parties have repeatedly expressed their dissatisfaction with the proposed reforms citing a lack of consultations with stakeholders.<sup>3</sup> On 24 January Chadema held its first government-sanctioned public demonstration since 2015. Chadema marched from three different locations in **Dar es Salaam** converging at the **United Nations (UN)** head office in the **Upanga** district. At the UN office, Chadema chairman **Freeman Mbowe** presented a petition to resident coordinator **Zlatan Milisic**.<sup>4</sup> The letter, addressed to UN secretary-general **António Guterres** detailed Chadema's wishes for the withdrawal of the proposed bills as they "*do not address the fundamental problems of the electoral commission's structure and election laws*."<sup>5</sup> The new bills did not address the opposition's concern that once the electoral commission declares the presidential election results, the results are final and are not legally challengeable in court. Chadema further outlined the necessity of expediting the new constitution writing process alongside a roadmap defining steps to realise the document. Despite earlier indications for rewriting Tanzania's 1977 Constitution, in September 2023 Hassan announced that constitutional reform would be delayed until 2027, allowing her to stand for presidential re-election in 2025 under the pre-existing laws.<sup>6</sup>

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<sup>1</sup> [Barrons](#), 30 Jan 2024

<sup>2</sup> [Daily News](#), 3 Feb 2024

<sup>3</sup> [The Citizen](#), 2 Feb 2024

<sup>4</sup> [IPP Media](#), 25 Jan 2024

<sup>5</sup> [The Citizen](#), 3 Feb 2024

<sup>6</sup> [The East African](#), 1 Sep 2023

The protest was the first major political rally since former president **John Magufuli** (2015-2021) banned political gatherings in 2016. Hassan lifted the ban in January 2023 and Chadema's peaceful protest was a marked success for the opposition.<sup>7</sup> The 24 January protest proceeded without any conflict is significant and sets a positive precedent for holding future political rallies. Mbowe called the protests "*just the beginning*," claiming that protests would spread country-wide until their demands were met by the government.<sup>8</sup> The protest required Chadema to stringently plan and seek approval from government authorities and local police and while they were initially against the protest - the Dar-es-Salaam regional commissioner declared that government officials and the army would be holding a sanitation exercise in the streets on the same day - Chadema was granted permission for their protest.<sup>9</sup> It will be interesting to see whether this was a one-off gesture of goodwill and part of Hassan's 2025 election strategy or if future opposition events will face increased obstacles.

### Tanzania and Indonesia partner in Mnazi Bay gas project

State-owned **Tanzania Petroleum Development Corporation (TPDC)** and **French** oil and gas exploration and production company **Maurel & Prom (M&P)** on 3 February participated in a signing ceremony to announce their new partnership in **Mnazi Bay**. TPDC paid \$23m to double its share in the Mnazi Bay gas field to 40% after M&P finalised a buyout of **United Kingdom**-headquartered **Wentworth Resources** which formerly held a 31.94% stake. Although Wentworth's sale to M&P was agreed upon in December 2022, in June 2023 Wentworth warned that TPDC had raised objections and raised the prospect of using its right of first refusal.<sup>10</sup> TPDC managing director **Mussa Makame** stated that per the **Tanzania Petroleum Act 2015**, TPDC has first right of refusal in case any shareholder in the project wants to sell their shares and, after learning about Wentworth's intention to sell, TPDC assessed its position and decided to purchase shares "*following the laws and provisions of the contract*."<sup>11</sup> A resolution was reached whereby M&P provided a call option to TPDC, which allowed the Tanzanian company to buy a 20% stake in the asset after closing, resulting in a final shareholding structure of 60% M&P and 40% TPDC.<sup>12</sup>

The finalisation of this deal is a direct result of increased bilateral cooperation between Tanzania and **Indonesia**. Indonesia's state-owned energy company **Pertamina** has been the controlling shareholder (64.46%) of M&P since 2017.<sup>13</sup> In the past year, there has been a visible increase in relations between Tanzania and Indonesia - in June 2023 Tanzania opened a high commission in **Jakarta** and in August 2023 Indonesian President **Joko Widodo** (2014 - present) paid a state visit to Hassan which was marked by the signing of seven key agreements (*see ARC Briefing Tanzania Sep 2023*). Between 24 and 26 January Hassan paid a reciprocal visit to Indonesia to further strengthen ties in investment, agriculture, and education.<sup>14</sup>

During the ceremony, TPDC and M&P additionally signed a joint operating agreement which grants TPDC decision-making power in the development and operation of the gas field, including sending its staff on long-term secondments.<sup>15</sup> Hassan witnessed the signing and called it a "*historic moment*" for Tanzania as it was the first time that the government was buying shares from a private company.<sup>16</sup> She further directed TPDC officials and other government agencies to prioritise national interests to ensure Tanzanian citizens can benefit from their country's national resources.<sup>17</sup> M&P CEO **Olivier de**

<sup>7</sup> [Human Rights Watch](#), 7 Aug 2023

<sup>8</sup> [Ujasusi Blog](#), 28 Jan 2024

<sup>9</sup> [Ujasusi Blog](#), 28 Jan 2024

<sup>10</sup> [Energy Voice](#), 7 Dec 2023

<sup>11</sup> [The Chanzo](#), 3 Feb 2024

<sup>12</sup> [Energy Voice](#), 7 Dec 2023

<sup>13</sup> [The Energy Year](#), 30 Jan 2017

<sup>14</sup> [Business Insider](#), 24 Jan 2024

<sup>15</sup> [Reuters](#), 3 Feb 2024

<sup>16</sup> [Daily News](#), 3 Feb 2024

<sup>17</sup> [Daily News](#), 3 Feb 2024

**Langavant** welcomed the partnership with TPDC, claiming it will “bring about the continued growth and development of Tanzania’s natural gas sector”.<sup>18</sup>

Mnazi Bay is a conventional gas field located onshore in the **Mtwara** region of southern Tanzania with an estimated 641 billion cubic feet of recoverable natural gas reserves and daily production of 120 million cubic feet.<sup>19</sup> It currently provides 48% of the gas needed to produce Tanzania’s electricity and **Tanzania Electric Supply Company Limited (TANESCO)** is its largest consumer.<sup>20</sup> Regarding future development of the gas field, Makame outlined that the 2024 budget provided for the drilling of two wells and the installation of an additional pressure machine to increase production to meet national demand.<sup>21</sup> Increased production would also play a role in boosting the economy through natural gas exports and expanding pipelines to neighbouring countries such as **Uganda, Zambia,** and the **Democratic Republic of Congo (DRC)**. Prime Minister **Kassim Majaliwa** expressed confidence that the forthcoming strategic developments would “*significantly enhance*” the lives of those residing in the **Lindi** and Mtwara regions and deputy prime minister **Dotto Biteko** revealed that plans are already underway to construct a new health centre, road infrastructure, street lighting, and an ambulance in Mtwara.<sup>22</sup> No mention was given to the anticipated Liquefied Natural Gas (LNG) project by UK-headquartered **Shell** and **Norway’s Equinor** which in September 2023 was awaiting final negotiations.<sup>23</sup> Future agreements regarding strategic projects will likely need to ensure favourable terms to Tanzania as the president has tasked officials to put national interests at the forefront of discussions with private investors.

### Zanzibar’s tourism and cultural heritage minister resigns

**Zanzibar’s** tourism and cultural heritage minister **Simai Mohammed Said** on 26 January announced his resignation from the post citing an “*unfriendly environment*” which impeded his ability to fulfil his duties as a presidential advisor.<sup>24</sup> The resignation came unexpectedly as Said was considered a close ally of Zanzibar President **Hussein Mwinyi** (2020-present).<sup>25</sup> Mwinyi criticised Said’s method of announcing his resignation and called individuals to be “*truthful and transparent*” and advised officials to consult with the person who appointed them before taking such action.<sup>26</sup> Said’s resignation resulted in a reshuffle of Mwinyi’s cabinet with **Hamoud Mohamed Rashid** appointed as the new Permanent Secretary (PS) of the tourism and cultural heritage ministry. Mwinyi also appointed **Mudrik Ramadh Soraga** to the tourism and antiquities ministry, **Shaaban Ali Othman** as the new blue economy and fisheries minister; **Juma Makungu Juma** as deputy minister of state in the president’s office for finance and planning, **Zawadi Amour Nassor** as the new water, energy, and minerals deputy minister, and **Salha Mohamed Mwinjuma** as the land and housing development deputy minister.<sup>27</sup>

Said’s resignation followed the 24 January press conference during which he publicly accused the **Zanzibar Liquor Control Board (ZLCB)** of mismanaging the liquor industry. On 2 January ZLCB decided to not renew the licenses of the three existing alcohol importing agents - **Scotch Store Ltd, One-stop,** and **Zanzibar Maritime and Mercantile International (ZMMI)** - which have been operating on the island for more than a decade, in favour of granting licenses to newcomers **Kifaru Group, Bevko** and **Zanzi Imports**.<sup>28</sup> According to the **Zanzibar Alcohol Control Act 2020** licences for the importation of alcoholic drinks can be issued to no more than three dealers, the owner must be a Zanzibari resident with a clean tax payment record, and they must pay an annual fee of \$12,000 to

<sup>18</sup> [Energy Voice](#), 7 Dec 2023

<sup>19</sup> [Energy Voice](#), 7 Dec 2023

<sup>20</sup> [Daily News](#), 4 Feb 2024

<sup>21</sup> [Daily News](#), 4 Feb 2024

<sup>22</sup> [Daily News](#), 3 Feb 2024

<sup>23</sup> [Daily News](#), 19 Sep 2023

<sup>24</sup> [Daily News](#), 27 Jan 2024

<sup>25</sup> [Tanzania Business Insight](#), 26 Jan 2024

<sup>26</sup> [The Chanzo](#), 2 Feb 2024

<sup>27</sup> [Daily News](#), 27 Jan 2024a

<sup>28</sup> [BBC News](#), 3 Feb 2024

the regulatory board.<sup>29</sup> ZLCB's reasons for replacing the established importers are unknown and the ownership structure of the new licensees is unclear. It is reported that the new companies are unorganised and have yet to establish operations.<sup>30</sup> On 19 January Kifaru Group posted job advertisements for an operations manager and sales and marketing manager which suggests they are still in the early stages of company development.<sup>31</sup> Although the **LinkedIn** profile of **Laurence Okelo** states that he has been the sales and marketing manager of Zanzi Imports since 2021, no further open-source information on the company was found.<sup>32</sup> When contacted by the media to better understand the situation, ZLCB chairman **Juma Chum** refused to answer further exacerbating questions about the board's decision.<sup>33</sup>

The change in licensed importers has already negatively affected the supply of alcohol on the island which imports drinks from the mainland and abroad. Scotch Store Ltd director **Arvind Asawla** noted the industry needs "urgent action" by the government before stock runs dry.<sup>34</sup> In the past weeks, beer prices have increased from TSh 2,500 (\$0.98) to TSh 5,000 (\$1.96).<sup>35</sup> Although Zanzibar is a Muslim country, the government permits tourist hotels, pubs, and restaurants to sell alcohol. The tourism sector is the leading economic contributor to Zanzibar and contributes an estimated 27% to its gross domestic product (GDP), 80% of its foreign exchange earnings, and provides 60,000 jobs.<sup>36</sup> In 2022 Zanzibar witnessed a 16% increase in tourists from foreign countries with numbers reaching over 630,000 tourists.<sup>37</sup> The government's sustained tourism promotion drive puts the industry at significant risk if demand cannot be met.

The shake-up of alcohol-importing licenses also highlights issues of corruption in Zanzibar. Although it is not confirmed, there is speculation that Said's family runs several restaurants on the island including **6 Degrees South** restaurant<sup>38</sup> which is co-founded by **Stephi Said** who is also named as co-founder, with **Saleh Said**, of ZMMI.<sup>39</sup> Mwinyi alluded to this connection when reacting to Saima Said's resignation:

*"Tell the truth, say there is a conflict of interest, I am an importer of something and you have blocked it, we must be honest."*<sup>40</sup>

However, there also are rumours that the newly licensed importers are connected to Mwinyi's business interests.<sup>41</sup> Overall the lack of transparency of the process and the questions of the new licensee's ability and capacity to meet the demand of burgeoning tourist numbers present serious risks to businesses involved in catering to the tourism market.

## Planner

11 -12 Feb 2024	<b>Vatican City (Italy)</b>	President <b>Samia Suluhu Hassan</b> state visit
13-14 Feb 2024	<b>Oslo (Norway)</b>	President <b>Samia Suluhu Hassan</b> state visit
21-22 Feb 2024	<b>Zanzibar (Tanzania)</b>	Zanzibar Tourism Summit
24-25 Apr 2024	<b>Zanzibar (Tanzania)</b>	1 <sup>st</sup> East African Battery Minerals Summit
11- 12 Sep 2024	<b>Dar es Salaam (Tanzania)</b>	Tanzania Energy Congress

<sup>29</sup> [BBC News](#), 3 Feb 2024

<sup>30</sup> [The Citizen](#), 29 Jan 2024

<sup>31</sup> [Career Jet](#), 20 Jan 2024; [Career Jet](#), 20 Jan 2024;

<sup>32</sup> [LinkedIn](#), 5 Feb 2024

<sup>33</sup> [BBC News](#), 3 Feb 2024

<sup>34</sup> [Daily News](#), 25 Jan 2024

<sup>35</sup> [IPP Media](#), 1 Feb 2024

<sup>36</sup> [Daily News](#), 27 Jan 2024

<sup>37</sup> [BBC News](#), 3 Feb 2024

<sup>38</sup> [Jamii Forums](#), 26 Jan 2024

<sup>39</sup> [Stephi Hill Said](#), zaltsalt.co.tz

<sup>40</sup> [The Chanzo](#), 2 Feb 2024

<sup>41</sup> [Barua Ya Chalhali](#), 3 Feb 2023

2024 (**Tanzania**) Local elections;  
 Oct 2025 (**Tanzania**) General elections;  
 2025 (**Tanzania and Uganda**) Completion of **East African Crude Oil Pipeline (EACOP)**;

## Chronology

6 Feb 2024 **Dodoma (Tanzania)** *Daily News*. National Assembly advises the government to increase the budget for **Tanzania National Roads Agency (TANROADS)** from TSh 1.4 trillion (\$584.9m) to TSh 5 trillion (\$1.96 billion) to better address the country's infrastructure challenges;

6 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **Transparency International's 2023 Corruption Perception Index (CPI)** ranks Tanzania as the second least corrupt country, after **Rwanda**, in the **East African Community (EAC)**. Overall the country ranks 86 out of the 180 countries assessed;

5 Feb 2024 **Zanzibar (Tanzania)** *Construction Briefing*. **Zanzibar Ports Corporation (ZPC)** signs a concession agreement with **Dutch** development firm **Zanzibar Ferry Development Company (ZF Devco)** to develop an advanced passenger and roll on/roll-off (RoRo) ferry terminal in Zanzibar, Tanzania;

5 Feb 2024 **Cape Town (South Africa)** *Mining Review Africa*. Minerals minister **Anthony Mavunde** outlines Tanzania's mining strategy at the **2024 Mining Indaba in South Africa** as focusing on driving investment, economic growth, value addition, and sustainable and responsible mining practices. In 2023 the mining sector contributed to around 10% of Tanzania's GDP and generated nearly 60% of the country's foreign exchange;

4 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Health officials implement measures at border points to help prevent the spread of cholera from neighbouring countries including **Zambia**;

3 Feb 2024 **Dar es Salaam (Tanzania)** *The East African*. The **World Bank** is investigating allegations of human rights violations raised in the implementation of Tanzania's \$150m tourism resource management project after authorities failed to settle disputes with project-affected communities;

3 Feb 2024 **Dar es Salaam (Tanzania)** *Bloomberg*. **Bank of Tanzania** (central bank) forecasts GDP growth of 5.5% in 2024 after a projected 5% in 2023;

3 Feb 2024 **Dar es Salaam (Tanzania)** *The East African*. The **Bank of Tanzania** (central bank) introduces regulations that prohibit the employment of non-Tanzanians in the country's microfinance service sector. The draft **Microfinance (Non-Deposit Taking Microfinance Service Providers) Regulations, 2024** propose that in the event non-Tanzanians are given opportunity to work for these institutions their number should not exceed five at any given time;

30 Jan 2024 **Dar es Salaam (Tanzania)** *Daily News*. The **Tanzania Chamber of Commerce Industry and Agriculture (TCCIA)** signs a contract with the **United Arab Emirates (UAE)**-based **International Credit Rating Agency (ICRA)** allowing Tanzanian businesses to acquire loans from abroad;

29 Jan 2024 **Dar es Salaam (Tanzania)** *Business Insider Africa*. **China** and Tanzania sign a \$9.7m tourism deal that aims to develop the **Ngorongoro Lengai Geopark Project**;

25 Jan 2024 **Jakarta (Indonesia)** *The Chanzo*. Tanzania and Indonesia sign four Memorandums of Understanding (MoUs) during President **Samia Suluhu Hassan's** three-day state visit. The MoUs encompass cooperation in agriculture, minerals, blue economy, and diplomatic capacity building;

25 Jan 2024 **Dar es Salaam (Tanzania)** *Xinhua*. **Drug Control and Enforcement Authority (DCEA)** commissioner **Aretas Lyimo** announces a special nationwide operation targeting illicit drug sales focusing on drug selling points, pharmacies, and entertainment venues where Shisha is available;

23 Jan 2024 **Dar es Salaam (Tanzania)** *The Chanzo*. Deputy finance minister **Hamad Chande** and **Iran's Organisation for Investment, Economic and Technical Assistance** director-general **Ali Fekri** sign an agreement for Tanzania to pay \$7m monthly to Iran to service their TSh1.48 trillion (\$582.9m) debt;

23 Jan 2024 **Dar es Salaam (Tanzania)** *Down To Earth*. Tanzania, **Uganda** and **Kenya** meet for a multination stakeholder consultation to consider strategies to restore **Lake Victoria**;

22 Jan 2024 **Dar es Salaam (Tanzania)** *Daily News*. Tanzania announces plans to conduct political dialogue with its neighbours, including **Burundi**, **Rwanda** and **DRC**, to explore options to repatriate refugees;

22 Jan 2024 **Dar es Salaam (Tanzania)** *Engineering News*. **Botswana**-based **KS Energy Africa** enters into an agreement with **Tanzania Petroleum Development Corporation (TPDC)** for the construction of a small LNG production plant project in the **Mtwara** region;

21 Jan 2024 **Dar es Salaam (Tanzania)** *Business Insider Africa*. Foreign affairs and **East African** cooperation minister **January Makamba** says President **Samia Suluhu Hassan** is expected to meet **Pope Francis** during a visit to the **Vatican** on 11 and 12 February and will tour **Indonesia** from 24 to 26 January and **Norway** from 13 to 14 February;

19 Jan 2024 **Arusha (Tanzania)** *The Citizen*. The **World Economic Outlook** issued by the **International Monetary Fund (IMF)** indicates that the **East African Community (EAC)** is poised for 5.9% economic growth this year. Tanzania will also record the lowest inflation rate among the EAC member countries this year at 5%;

19 Jan 2024 **Dar es Salaam (Tanzania)** *Reuters*. The **Bank of Tanzania** (central bank) sets its main interest rate at 5.5%. The decision is the first by the central bank since it said earlier this month that it would start using a benchmark interest rate to signal its monetary policy direction. Inflation also fell to 3% in December from 3.2% in November;

18 Jan 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Analysts say that recurrent trade-related rows between Tanzania and **Kenya** stem from the fact that **East Africa's** two largest economies largely depend on similar sectors to drive growth;

16 Jan 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania says it has reinstated approval for **Kenya Airways** to operate flights between **Nairobi** and Dar es Salaam after a brief suspension;

15 Jan 2024 **Arusha (Tanzania)** *SABC News*. **East African Community (EAC)** urges **Burundi** and **Rwanda** to adopt peaceful measures of resolving their current tensions for the good of the region;

15 Jan 2024 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Civil Aviation Authority (TCAA)** announces the suspension of all passenger flights between **Nairobi** and **Dar es Salaam** operated by **Kenya's** national carrier, **Kenya Airways (KQ)**, effective 22 January, in response to Kenya's recent denial of Tanzania's request for cargo flights by its carrier, **Air Tanzania Company Limited (ATCL)**, between Nairobi and Dar es Salaam. KQ operates 33 scheduled flights per week between Nairobi and Dar es Salaam;

14 Jan 2024 **Dar es Salaam (Tanzania)** *VOA News*. Authorities state that the collapse of an illegal small-scale gold mine has killed at least 22 people in **Simiyu** region;

14 Jan 2024 **Arusha (Tanzania)** *The Citizen*. **South Africa**-based mining company **AngloGold Ashanti** recommences exploration activities in Tanzania using its newly formed company, **Greenfield Exploration Ltd**, as it seeks discoveries to complement the existing mines with CEO **Alberto Calderon** saying President **Samia Suluhu Hassan** has fostered a favourable investment climate in Tanzania;

12 Jan 2024 **Arusha (Tanzania)** *The Citizen*. The **East African Legislative Assembly (EALA)** announces that it will review its Rules of Procedure following the expansion of the **East African Community (EAC)** to include the **Democratic Republic of the Congo (DRC)** in 2022;

11 Jan 2024 **New York (United States)** *Reuters*. **Germany**-based software company **SAP** agrees to pay the **US Department of Justice** \$222m to settle investigations into bribery schemes in seven countries including **Azerbaijan, Ghana, Kenya, Malawi, Tanzania, Indonesia, and South Africa**;

11 Jan 2024 **Zanzibar (Tanzania)** *Daily News*. Deputy prime minister and energy minister **Doto Biteko**, speaking at the signing of a cooperation agreement between the **Tanzania Petroleum Development Corporation (TPDC)** and Tanzania-based **Ndovu Gas Drilling Company** in **Ruvuma**, announces plans to cut fuel import bills by 28% by 2050 through increased exploration and drilling of local natural gas.