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United States (US) deputy assistant secretary of state Joy Basu on 2 March warns Tanzania against further delaying the host government agreement for the \$42 billion liquefied natural gas plan. Norway-based Equinor and United Kingdom-based Shell emphasise that there is a limited time window before demand for fossil fuels begins to wane. Tanzania gets a much needed boost of electricity with an injection of 235 megawatts (MW) to the national grid from the first turbine of the Julius Nyerere Hydropower Plant on 25 February. Opposition party Chadema concludes its first round of protests in Arusha and announces a second round commencing in April.

LNG delay risks investor confidence

United States (US) deputy assistant secretary of state Joy Basu on 2 March issued a stern warning to the Tanzanian government to increase pace on finalising the host government agreement (HGA) for the \$42 billion offshore liquefied natural gas (LNG) project. US-based **Exxon Mobil** is one of several multinational companies partnered in the anticipated project which will be developed off the coast of **Lindi** in the southern **Mtwara** province. Exxon Mobil holds a stake in Block 2 which is operated by **Norway**-headquartered **Equinor**. **United Kingdom**-headquartered **Shell** operates Block 1 and 4 with partners, **Singapore**-headquartered **Pavilion Energy** and **Indonesia**-headquartered **Medco Energi**.¹ State owned **Tanzania Petroleum Development Corporation (TPDC)** is also partnered on the project which has total estimated recoverable gas reserves of 16 trillion cubic feet.²

Equinor started exploration drilling activities in 2011 and, following the finding of significant reserves the Tanzanian energy ministry announced intentions to develop an LNG plant in 2014.³ Progress was stalled under former president **John Magufuli's** (2015-2021) foreign investor wary leadership. In June 2022, the Tanzanian government signed a framework agreement with Equinor and Shell and in May 2023 the partners concluded negotiations with the government on key agreements in anticipation of signing the HGA and an amended production sharing Agreement (PSA). However, since then the government has stalled, and the project has not advanced.

Energy minister and deputy prime minister **Doto Biteko** told reporters that the HGA is still being negotiated but provided no further elaborations.⁴ Basu told reporters of **Kenya**-based media outlet **The East African** that the delay could lead to an "exodus of investors" as the decades long negotiations could decrease investor trust in the government's contract mechanisms:

"There is LNG in lots of places around the world now, and for Tanzania the window for this particular investment is closing fast. Such windows do not remain open forever."⁵

Tanzania's LNG project Equinor spokesman **Ola Morten Aanestad** added to the concerns of delay, noting:

¹ [The East African](#), 2 Mar 2024

² [Offshore Technology](#), 22 May 2023

³ [Tanzania Invest](#), 21 Apr 2021

⁴ [Bloomberg](#), 28 Feb 2024

⁵ [The East African](#), 2 Mar 2024

“Progress has indeed been slower than we expected...as the world’s energy system is slowly transitioning from oil and gas, we hope to advance Tanzania LNG – an attractive project in many respects – on time.”⁶

The slow pace and lack of transparency regarding the hold-up could lead companies to invest elsewhere on the continent. In January, Exxon Mobil confirmed that it is in talks with **Algeria's** national state-owned oil company **Sonatrach** about oil and gas exploration opportunities.⁷ Demand for natural gas is also expected to slow in coming years, with the **International Energy Agency (IEA)** forecasting in October 2023 that growth in global demand for natural gas could slow to 1.6% a year between 2022-2026, down from 2.5% between 2017-2021.⁸ The **Russia- Ukraine** war has led many **European** countries to seek alternative solutions to maintain energy security which has resulted in increased LNG imports from the US and companies seeking more agreements in the **Mediterranean and Africa**. However, greater focus on renewables and improved energy efficiency is expected to decrease demand for natural gas in the long term.

In a potential bid to hold favour with project partners, President **Samia Suluhu Hassan** (2021-present) embarked on a state visit to Norway between 13 and 14 February where she met with **King Harald** and **Queen Sonja** and participated in the Tanzania-Norway business forum organised by the **Norwegian African Business Association (NABA)**.⁹ Hassan also attended the **Oslo Energy Forum**, during which Norway’s prime minister **Jonas Støre** (2021-current) stated intentions to reduce production of oil and gas by 2030 bolstered by increased focus on renewable energies such as offshore wind.

Tanzania boosts electricity capabilities

On 25 February, Biteko witnessed the activation of the first of nine turbines of the 2,115 megawatt (MW) **Julius Nyerere Hydropower Project**, connecting up to 235 MW to the national grid.¹⁰ The switching on of the hydropower plant marks a significant development towards solving the country’s frequent power blackouts and shortages. During the site visit Biteko stated that the supply of 235MW would reduce power rationing by 85%, and the activation of a second turbine in mid-March would inject an additional 235MW that would “*completely solve the power rationing problem.*”¹¹ Hassan and **Egypt’s** President **Abdel Fattah El-Sisi** (2014-present) are expected to official launch the project’s operations in mid-March.¹² If the added electricity to the grid prove to visibly improve daily conditions for Tanzanians throughout economic and domestic sector, Hassan and her government’s popularity is expected to increase.

However, the project has not been without issue - the \$2.9 billion hydropower project is situated in the **Morogoro** region’s **Selous Game Reserve**, a **United Nations (UN)** designated **World Heritage Site** which has prompted concern about the project’s negative environmental impacts on the natural ecosystem.¹³ However, the project’s construction contractors - Egyptian companies **Arab Contractors** and **El-Sewedy Electric** - and the Tanzanian government have stressed their commitment to minimising environmental harm on the region’s biodiversity.¹⁴ Former energy minister and current foreign affairs minister **January Makamba** previously stated that the **Tanzania Electric Supply Company (Tanesco)** had allocated TSh 5 billion (\$1.95m) for environmental conservation efforts.¹⁵

Further increasing Tanzania’s electrical progress was the announcement by **Bosnian** engineering company **Energoinvest** that they had completed a \$40m 400 kilovolt (kV) transmission line from

⁶ [Bloomberg](#), 28 Feb 2024

⁷ [Reuters](#), 10 Jan 2024

⁸ [International Energy Agency](#), 10 Oct 2023

⁹ [Office of the Prime Minister of Norway](#), 14 Feb 2024

¹⁰ [Reuters](#), 26 Feb 2024

¹¹ [The Citizen](#), 26 Feb 2024

¹² [Daily News](#), 27 Feb 2024

¹³ [World Wildlife Fund](#), 4 Jul 2017

¹⁴ [BNN](#), 26 Feb 2024

¹⁵ [Tanzania Digest](#), 24 Dec 2023

Arusha to Namanga which will, for the first time, connect the power systems of Tanzania and Kenya.¹⁶ Kenya's energy and petroleum cabinet secretary **Davis Chirchir** stated that this increased capabilities of the countries' cross-border exchange of excess electricity which has been a long time ambition of the **Eastern African Power Pool (EAPP)**. The EAPP is a regional organisation established to facilitate the development and integration of power infrastructure across East Africa. The organisation announced that they aim to begin power auctioning between member countries by December 2024.¹⁷ The Kenya-Tanzania line, which has a transfer capacity of up to 2,000 MW in either direction, has largely been financed by the **African Development Bank (AfDB)**. The AfDB also wants to see further progress between the neighbours resulting in a wheeling agreement between Tanesco and **Kenya Electricity Transmission Company (Ketraco)**, a power exchange deal between **Kenya Power** and Tanesco, and a tripartite deal for the maintenance of the interconnected grid.¹⁸

The line will also allow Tanzania to access cheap hydroelectricity from **Ethiopia**. Ethiopian prime minister **Abiy Ahmed** (2019-present) met with Hassan during a state visit between 29 February and 2 March where the countries signed memorandums of understandings (MoUs) to increase bilateral collaboration and agreed to collaborate in power generation through technology exchange under the EAPP programme.¹⁹ **Ethiopian Electric Power (EEP)** chief economic officer **Ashebir Balcha** said that the company is in the "final stages" of an energy deal with the Tanzanian government for an initial 100MW through the Kenyan grid at a rate of \$0.01 per megawatt hour (MWh) for the wheeling service provided by Kenya.²⁰

The production of electricity from the hydropower plant and connection of the Tanzania and Kenyan grids is an extremely positive development for Tanzania's energy security and for the region. Increased regional connectiveness through cross border power-exchange could markedly improve the supply, reliability, and affordability of electricity for much of the population. As Tanzania is also a member of the **Southern African Power Pool (SAPP)** the country has the potential to connect its northern neighbours to the southern region which includes the massive market potential of **South Africa**.

Peaceful protests and increased civil engagement expected ahead of local elections

Main opposition party **Chadema** held protests in **Mwanza, Mbeya, and Arusha** on 13, 20 and 27 February respectively, to exert pressure on the government to amend electoral laws and develop a new constitution. The February protests marked the conclusion of Chadema's recent series of protests which they called **Vuguvugu La Kudai Haki Ya Watanzania** (movement to claim the right of Tanzanians).²¹ The protests officially began on 24 January in **Dar es Salaam** (see *ARC Briefing Tanzania Feb 2024*).

As in January, the February protests were peaceful and, despite a heightened police presence, participants were able to exercise their freedom to assemble as promised when Hassan lifted Magufuli's ban on opposition gatherings in January 2023. Despite adverse weather conditions varying from high temperatures in Dar es Salaam to pouring rain in Arusha, protesters turned up in the hundreds to the various protests which were strategically held in Tanzania's major cities.²²

Following the conclusion of this series of protests, Chadema leadership convened in **Mtwara** between 4-6 March for a central committee meeting during which they developed the **Mtwara Declaration** and discussed further courses of action.²³ Party chairman **Freeman Mbowe** announced in a press conference on 6 March that a second series of protests would involve a week of demonstrations from

¹⁶ [Sarajevo Times](#), 20 Feb 2024

¹⁷ [The Exchange](#), 29 Feb 2024

¹⁸ [Zawya](#), 31 Jan 2024

¹⁹ [The East African](#), 3 Mar 2024

²⁰ [The Reporter](#), 24 Feb 2024

²¹ [Mwanzo TV](#), X, 27 Feb 2024

²² [The Citizen](#), 27 Feb 2024

²³ [The Chanzo](#), 28 Feb 2024

22 to 30 April in regional capitals throughout Tanzania.²⁴ Mbowe also told reporters that Chadema would make a statement at an **International Women's Day** event in **Dodoma** on 8 March regarding the party's position concerning Tanzania's controversial health insurance reforms.²⁵

Holding demonstrations in every region is an escalation of action and is likely to be accompanied with increased police presence and local disruptions to business and traffic. It also raises the question of how the protests will be organised and if they are to be decentralised from central party control it creates opportunities for agents provocateurs to disrupt peaceful protests and increase the risk of violence by police.

Fellow opposition party **ACT Wazalendo** is also preparing for the upcoming elections with leadership change following **Zitto Kabwe's** announcement that he would step down as party leader. During a party conference on 6 March, the party voted **Dorothy Semu** as its new leader and **Zanzibar's** first vice president **Othman Masoud Othman** as the party's new national chairperson.²⁶ In late 2024 Tanzanian citizens will vote to elect local chairpersons and representatives and increased party engagement with civil society in the lead up to elections can be expected. This is a big step forward for Tanzanian democracy and multiparty politics and, although the electoral laws have not been reformed to the oppositions demands, Hassan has shown an increased tolerance and acceptance of increased multiparty engagement across the political landscape.

Planner

4-5 Apr 2024 **Arusha (Tanzania)** 3rd Tanzania Cybersecurity Forum 2024
 24-25 Apr 2024 **Zanzibar (Tanzania)** 1st East African Battery Minerals Summit
 11- 12 Sep 2024 **Dar es Salaam (Tanzania)** Tanzania Energy Congress
 25-26 Oct 2024 **Dar es Salaam (Tanzania)** Tanzania Mining and Investment Forum
 Dec 2024 **(Tanzania)** Local elections;
 Oct 2025 **(Tanzania)** General elections;
 2025 **(Tanzania and Uganda)** Completion of **East African Crude Oil Pipeline (EACOP)**;

Chronology

4 Mar 2024 **Arusha (Tanzania)** *CGTN Africa*. **Somalia** is formally admitted into the **East African Community (EAC)** with its deposit of the instrument of ratification on the treaty of accession at the EAC headquarters in **Arusha**;

3 Mar 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Foreign affairs minister **January Makamba** clarifies that the **East African Community (EAC)** single currency will be finalised by 2031, despite earlier reports showing a proposed specimen of the currency;

1 Mar 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Finance minister **Mwigulu Nchemba** says he is confident that the supply of dollars in Tanzania will stabilise once mega projects are operational, easing the pressure of importing necessary equipment;

29 Feb 2024 **Dar es Salaam (Tanzania)** *BBC*. Former president **Ali Hassan Mwinyi** (1985-1995) dies aged 98;

²⁴ [Tanzania Web](#), 6 Mar 2024

²⁵ [HabariLeo](#), 6 Mar 2024

²⁶ [The Chanzo](#), 7 Mar 2024

28 Feb 2024 **Zanzibar (Tanzania)** *The Citizen*. Despite a 19 February high court injunction, the **Zanzibar Liquor Control Board (ZLCB)** directs Zanzibar port management to prohibit three companies **Zanzibar Maritime and Mercantile International Co Ltd (ZMMI)**, **One Stop Company Limited**, and **Scotch Store Limited** from importing alcoholic beverages;

27 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. President **Samia Suluhu Hassan** hosts **Ethiopia's** prime minister **Abiy Ahmed** for a three-day state visit;

27 Feb 2024 **Dar es Salaam (Tanzania)** *Daily News*. Transport minister **Makame Mbarawa** tells stakeholders during the **East African Transportation Stakeholders' Summit** that the government is ready to receive their views on improving efficiency in the transport sector and boosting its contribution to economic development;

27 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. The **United Kingdom's (UK)** export credit agency, **UK Export Finance**, expresses its readiness to support eco-friendly projects in Tanzania with a credit guarantee of nearly £2 billion (\$2.5 billion);

26 Feb 2024 **Dar es Salaam (Tanzania)** *Daily News*. **Tanzania Railways Limited (TRC)** launches its first official test run for the country's first electric train from Dar es Salaam to **Morogoro**;

26 Feb 2024 **Tanga (Tanzania)** *The East African*. **Uganda** and Tanzania are reportedly close to reaching an agreement that will see the former import fuel via the port of **Tanga**, the second-largest port in Tanzania;

26 Feb 2024 **Dar es Salaam (Tanzania)** *Daily News*. **Tanzania Investment Centre (TIC)** and **CRDB Bank** sign a memorandum of understanding (MoU) to promote investment by simplifying the payments platform and upgrading the centre's electronic investment system;

25 Feb 2024 **Dar es Salaam (Tanzania)** *Reuters*. Deputy prime minister and energy minister **Doto Biteko** announces that the first turbine of the 2,115 megawatt (MW) **Julius Nyerere Hydropower Plant** has been switched on and is contributing up to 235 MW to the grid;

24 Feb 2024 **Mtwara (Tanzania)** *The Citizen*. Minerals minister **Anthony Mavunde** announces the introduction of drone-based exploration for mineral research and mapping targeting graphite, nickel, iron, and titanium;

24 Feb 2024 **Dodoma (Tanzania)** *The East African*. The **Parliamentary Budget Committee** releases the **Government Budget Implementation Report** covering February 2023 to January 2024 and reports that national debt increased by over TSh12 trillion (\$4.71 billion) to TSh87.47 trillion (\$34.3 billion) by December 2023;

24 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **Bank of Tanzania (BoT)** (central bank) launches a new round of treasury bonds in an effort to contain domestic debt and improve money supply amid shortages of foreign currency;

23 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **African Development Bank (AfDB)** signs a \$91.76m financing agreement with the government for the construction of the **Standard Gauge Railway (SGR)** that will connect Tanzania to **Burundi** and **Democratic Republic of Congo**;

23 Feb 2024 **Mwanza (Tanzania)** *The Chanzo*. Police arrest journalist **Kazimbaya Makwega** for allegedly publishing false information on his blog, **Mwanakwetu**, about the **University of Dodoma (UDOM)**, accusing the public university of mismanagement and other malpractices.

22 Feb 2024 **Dodoma (Tanzania)** *Ikulu*. President **Samia Suluhu Hassan** appoints former **Tanzania Petroleum Development Company (TPDC)** managing director **James Peter Mataragio** as the energy ministry's deputy permanent secretary, replacing **Athumani Selemani Mbutuka**, who will be assigned to other duties;

- 22 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **United States**-based multinational tobacco **Philip Morris International** announces plans to acquire a minimum of 12,000 tonnes of Tanzanian tobacco annually and confirms intentions to build a cigarette factory in **Morogoro**;
- 21 Feb 2024 **Dar es Salaam (Tanzania)** *Global Mining Review*. **Australia**-based **Askari Metals Limited**, via its wholly owned Tanzanian subsidiary **Infinum Uranium Limited**, announces that it has acquired a 100% interest in the **Matemanga Uranium Project** located in southern Tanzania;
- 21 Feb 2024 **Nairobi (Kenya)** *The East African*. Energy generating company **KenGen** managing director **Peter Njenga** says KenGen will soon sign a contract to drill three explorative wells in **Tanzania** as the country seeks to plug into geothermal energy and KenGen aims to cement its revenue diversification by venturing into markets outside Kenya;
- 20 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **African Development Bank (AfDB)** projects that Tanzania's economy will grow by 6.1% this year, ahead of its **East African** peers, except **Rwanda**, which will grow by 7.2%;
- 19 Feb 2024 **Zanzibar (Tanzania)** *The East African*. High court grants an injunction requested by **Zanzibar Maritime and Mercantile International Co Ltd (ZMMI)**, **One Stop Company Limited**, and **Scotch Store Limited**, restraining the **Zanzibar Liquor Control Board (ZLCB)** from interfering with their operations, suspending their permits or delaying their goods;
- 19 Feb 2024 **Dar es Salaam (Tanzania)** *Daily News*. Tanzanian and **Egyptian** officials meet to discuss cooperation and opportunities in the transport sector;
- 19 Feb 2024 **Nairobi (Kenya)** *Business Daily*. Kenya's trade numbers indicate that imports from **Tanzania** fell by KSh10.23 billion (\$70.79m) off the back of renewed trade barriers and tensions;
- 16 Feb 2024 **Addis Ababa (Ethiopia)** *BNN*. Tanzania is re-elected to the **Africa Union (AU) Peace and Security Council (PSC)**;
- 16 Feb 2024 **Dar es Salaam (Tanzania)** *Daily News*. Tanzania and **Zambia** sign an agreement to increase border security cooperation against illicit drug trafficking and illegal migration;
- 15 Feb 2024 **Dar es Salaam (Tanzania)** *Mining Weekly*. **United Kingdom**-headquartered **Shuka Minerals** signs a definitive settlement agreement with **Upendo Group**, which holds a historic residual 10% interest in Tanzania's **Rukwa** coal mining licence;
- 13 Feb 2024 **Dar es Salaam (Tanzania)** *Sputnik*. Tanzania's Ambassador to **Russia**, **Fredrick Ibrahim Kibuta**, says that the two countries are in the final stages of signing an agreement to facilitate direct flights between Russia and Tanzania;
- 12 Feb 2024 **St Petersburg (Russia)** *Neva*. The **St. Petersburg Chamber of Commerce and Industry** hosts a conference titled "**Russia - Tanzania: opportunities for mutually beneficial cooperation**;"
- 13 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. President **Samia Suluhu Hassan** arrives in **Norway** for a diplomatic visit, the first Tanzanian state visit to Norway since 1976;
- 12 Feb 2024 **Dar es Salaam (Tanzania)** *Daily News*. President **Samia Suluhu Hassan** will meet with **Pope Francis** during her visit to the **Vatican City** commencing today;
- 12 Feb 2024 **Dar es Salaam (Tanzania)** *The East African*. Tanzania is reportedly courting **Ugandan** businesses to utilise the port of **Dar es Salaam** by offering incentives, including 30 days' free storage for all imports and a dedicated goods shed at the port;
- 10 Feb 2024 **Dar es Salaam (Tanzania)** *The East African*. Former prime minister **Edward Lowassa** dies in hospital aged 70;

9 Feb 2024 **Dar es Salaam (Tanzania)** *Embassy of Poland in Tanzania*. **Poland's** President **Andrzej Duda** meets with President **Samia Suluhu Hassan** to discuss strengthening bilateral ties in tourism, agriculture, modern industry, information and communication technologies, water resources management and education;

8 Feb 2024 **Dar es Salaam (Tanzania)** *Bloomberg*. **China** presents a plan to spend more than \$1 billion refurbishing **TAZARA**, the key railway connecting **Zambia's** copper heartland with the **Indian Ocean** port of **Dar es Salaam** in neighbouring Tanzania;

7 Feb 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Government says it is considering adopting artificial intelligence (AI) in its e-government system as a way to upgrade the system.

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