

AFRICA RISK CONSULTING

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Tanzania Summary 6 January 2021

President John Magufuli (2015-present) announces his cabinet just over a month after the national electoral commission confirmed the election results. The cabinet comprises a mixture of old and new faces, with a few surprise entrants. The Africa Continental Free Trade Area (AfCFTA) comes into effect but Tanzania is one of 21 countries yet to ratify the agreement. Freedom of the press and declining civil liberties in Tanzania are in the headlines again as the Tanzania Communication Regulatory Authority (TCRA) shuts down privately owned Wasafi TV for six months. Tanzania continues its unconventional strategy to tackle the Covid-19 pandemic. The government has not released nationwide statistics since 29 April, when there were 509 cases and 21 deaths. Tanzanians have not experienced the lockdowns, curfews and stay-home orders that many neighbouring countries put in place. It may be too soon to fully appreciate the economic impact of the pandemic in Tanzania, but the country's decision to operate under business-as-usual conditions is likely to see Tanzania recover faster than many of its neighbours.

Magufuli announces his cabinet

President **John Magufuli** (2015-present) announced his new ministerial team on 5 December.¹ Ministers were sworn in at a ceremony in **Dodoma** on 9 December, **Tanzania's** independence day. The 23 ministers will join the president, vice president, president for **Zanzibar**, prime minister, attorney general and chief secretary in forming the country's cabinet. In a break from tradition, none of the 23 ministers is from Zanzibar, a decision that politicians in the isles will not forget.

Magufuli's ministers are a mix of old faces and new entrants. Of the 23 ministers, 13 held ministerial dockets in the president's previous administration. A number of key senior ministers retained their positions including **Palamagamba Kabudi** in foreign affairs and **East African** cooperation, **Philip Mpango** in finance and planning, **Medard Kalemani** in the energy ministry, and **Doto Biteko** in minerals. The consistency in key ministerial roles will provide continuity for the workings of government and for investors in the extractives sectors.

The cabinet also comprises a raft of new faces, many from Tanzania's bureaucracy, including former high-ranking permanent secretary **Adolf Mkenda**, who has been elevated to the challenging role of agriculture minister, and **Kitila Mkumbo**, former permanent secretary in the ministry of water and irrigation, who is now the minister in the president's office in charge of investment.² The inclusion of these former technocrats and others is being interpreted as an attempt to further professionalise and increase efficiencies in the government.

To make room for the new entrants, a number of ministers were relegated to the backbench. These include former minister for agriculture **Japhet Hasunga**, minister for works, transport and communications **Isaack Kamwelwe**, minister for natural resources and tourism **Hamisi Kigwangalla**, and minister for livestock and fisheries **Luhaga Mpina**.

Magufuli used the commencement of his second term in office to create a new ministry of communications and information technology. Previously communications was included in a mega ministry that also encompassed works and transport. The new ministry, which brings information

¹ The Citizen, 5 Dec 2020

² Daily News, 6 Dec 2020

technology to greater prominence in government, is to be led by former deputy minister for health **Faustine Ndugulile**. Ndugulile's inclusion in the cabinet comes as a surprise as he was sacked as deputy minister for health during the outbreak of **Covid-19** in May 2020 (see *ARC Briefing Tanzania June 2020*).³ The rising prominence of information technology comes at an opportune time as the country is seeking to further digitise and provide internet access to schools and health facilities across the country.

The new cabinet met for the first time on 16 December and no doubt has taken the holiday break as a period to re-group and work on its strategy for the next five years.⁴ Part of this strategy will be the president's stated desire to help facilitate further investment into the country. Magufuli announced that the **Tanzania Investment Centre (TIC)** will now report to his office, rather than to the prime minister's office, with Mkumbo as minister in the president's office for investment charged with helping to create an environment more conducive to attracting investment. The country's ability to attract investment, as well as rein in the **Tanzania Revenue Authority's (TRA)** at times aggressive approach to tax collection, will be a key test for the administration as to whether improving the business climate is merely rhetoric or is actually a key policy of the new administration.

AfCFTA comes into effect

The **African Continental Free Trade Area (AfCFTA)** officially came into effect on 1 January, launching the start of official trading under the preferences of the AfCFTA. The AfCFTA agreement, signed in **Rwanda** on 21 March 2018, initially requires all participating countries to remove tariffs from 90% of goods when dealing with other countries on the continent. AfCFTA secretary general **Wamkele Mene** described it as an "historic day", noting that:

*"Today is a day we take **Africa** a step closer to a vision of an integrated continent, a vision of an integrated market on the African continent."*⁵

In terms of the number of participating countries, the agreement makes the AfCFTA the largest trading bloc to be established since the formation of the **World Trade Organization**. As it currently stands, all 54 African countries have signed onto the agreement and 33 have ratified it. Tanzania is, however, one of those countries yet to ratify the agreement. Neighbouring countries including **Kenya**, **Rwanda** and **Uganda** have all ratified the agreement.⁶

There appear to be several reasons for Tanzania's failure to ratify the agreement. Magufuli has taken a far more protectionist approach to trade than many of his regional neighbours. This was evident in 2016 when Tanzania refused to sign the trade deal between the **East African Community (EAC)** and the **European Union (EU)**.⁷ In addition, with the country requiring significant money in the short term to pay for its many mega-infrastructure projects, the government may be unwilling to play the long game when it comes to the benefits of the deal.

The **United Nations Economic Commission for Africa** estimates that Tanzania may lose 1.3% of government revenue by removing the tariffs required to participate in AfCFTA. These are due to be offset in the longer term. Although the UN body estimates that these losses would be more than made up in the mid to long term, short-term revenue is desperately required and likely compounded by the economic impact of Covid-19 (see below). Additionally, over two-thirds of Tanzania's exports are currently to other EAC partner states, therefore the government may feel that it can have the best of both worlds in continuing its free trade within the EAC while continuing to apply tariffs in its trade with the broader continent. It remains to be seen if and when Tanzania will ratify the pan-African free trade agreement and ultimately whether it can see the longer game and benefits that they will bring to the country.

³ The Citizen, 16 May 2020

⁴ The Citizen, 16 Dec 2020

⁵ African Union, 1 Jan 2021

⁶ AfCFTA, 2019

⁷ The Conversation, 21 July 2016

Press freedoms and civil liberties continue to falter

Freedom of the press and civil liberties continues to falter under President Magufuli. In the most recent crackdown, the **Tanzania Communication Regulatory Authority (TCRA)** suspended popular television channel **Wasafi TV** for six months.⁸ The suspension comes after the channel allegedly violated broadcasting guidelines by airing footage from the **Tumewasha** festival, a New Year's Day celebration held at **Jamhuri** stadium in **Dodoma**. Wasafi FM is privately owned and run by well-known music star **Diamond Platnumz**, who was also hosting the New Year's Day event. The TCRA alleges that Wasafi TV aired content showing prominent Tanzanian performer **Gigy Money** dancing semi-naked on stage. The artist was fined TSh1m (\$430) and has been banned from performing, both inside and outside Tanzania, for six months.⁹ In September the TCRA banned Wasafi TV's affiliated radio broadcaster, **Wasafi FM**, for seven days for using inappropriate language on air.¹⁰

The TCRA's willingness to crack down on media outlets for violating a whole host of regulations appears to be increasing under Magufuli, in part facilitated by multiple amendments to the **Electronic and Postal Communications Regulatory Act** that have taken place under the current administration. This has culminated in a heavily restricted press, unable to provide critical analysis on a range of matters including, but not limited to, the health of the country's economy, the status of the Covid-19 pandemic (see below), and any coverage that is deemed to be critical of the president or the ruling **Chama Cha Mapinduzi (CCM)**.

In better news, however, the **Kisutu Resident Magistrate's Court** released **Tito Magoti** of the **Legal and Human Rights Centre (LHRC)** after he pled guilty to economic sabotage charges and paid a fine of TSh17.3m (\$7,400).¹¹ At the time of his release, Magoti had spent over a year in jail. The government's tactic of arresting people on charges of economic sabotage – an unbailable offence – and after multiple delays in court proceedings, allowing them to pay for their freedom, has become more prevalent under Magufuli's administration. It appears to be used as a way to raise funds when needed. In the lead-up to the November 2019 local elections, the government allowed 467 detainees to negotiate their freedom, allegedly raising TSh108 billion (\$46.5m) for the government in a short period.¹² Such tactics continue to undermine the country's justice system and add further scepticism to the continuing arrests, often of high-profile or outspoken Tanzanians.

Covid-19 update

Tanzania continues its unconventional path in responding to the Covid-19 pandemic. The government has not released nationwide statistics since 29 April, when there were 509 cases and 21 deaths among its population of roughly 60 million.¹³ Tanzanians have not experienced the lockdowns, curfews and stay-at-home orders that many neighbouring countries put in place. It may be too soon to fully appreciate the economic impact of the pandemic in Tanzania, but the country's decision to operate under business-as-usual conditions is likely to mean that Tanzania will recover faster than many neighbouring countries.

⁸ The Citizen, 5 Jan 2021

⁹ The Standard, 6 Jan 2021

¹⁰ The Citizen, 11 Sep 2020

¹¹ The Citizen, 5 Jan 2021

¹² The East African, 30 Sep 2019

¹³ Worldometers, accessed 6 Jan 2021

Planner

21 Jan 2021 **Tanzania** Revolution day (national holiday)

Jan 2021 **Dodoma (Tanzania)** Parliament reconvenes

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

Chronology

5 Jan 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The **Kisutu Resident Magistrate's Court** releases **Tito Magoti** of the **Legal and Human Right Centre (LHRC)** after he pled guilty to economic sabotage charges and paid a fine of TSh17.3mm (\$7,400);

5 Jan 2021 **Dar es Salaam (Tanzania)** *The Citizen*. The **Tanzania Communication Regulatory Authority (TCRA)** suspends local television channel **Wasafi TV** for six months for violations committed when airing the **Tumewasha** festival and airing videos of “*inappropriately dressed*” dancers;

4 Jan 2021 **Dar es Salaam (Tanzania)** *The East African*. **Tanzania's** chief medical officer announces that **Covid-19** test results for travelers will now be made available within 24 hours, to help transiting passengers;

1 Jan 2021 **Dar es Salaam (Tanzania)** *The Citizen*. After unsuccessfully running as opposition **ACT-Wazalendo** party's presidential candidate, **Bernard Membe** has quit the party;

31 Dec 2020 **Dar es Salaam (Tanzania)** *Daily News*. State owned **Air Tanzania** announces it will commence direct flights from **Dar es Salaam** to the gold mining town of **Geita** on 9 January;

29 Dec 2020 **Arusha (Tanzania)** *The Citizen*. **The African Court of Human and People's Rights (AfCHPR)** is engaging with countries, including **Tanzania**, that have withdrawn from the court's protocol to allow non-government organisations (NGO) to file cases against governments;

24 Dec 2020 **Dar es Salaam (Tanzania)** *Daily News*. President **John Magufuli** appoints court of appeal judge **Sivangilwa Sikalalilwa Mwangesi** as the new commissioner for the secretariat for the ethics of public officials;

20 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Prime minister **Kassim Majaliwa** issues a 14-day ultimatum to the **Tanzania Port Authority (TPA)** to ensure operation of the **Kagunga Port** in **Kigoma** commences;

18 Dec 2020 **Dar es Salaam (Tanzania)** *The East African*. The **Tanzania Petroleum Development Corporation (TPDC)** says it is optimistic that negotiations on the host government agreement to govern the country's liquefied natural gas project will re-commence in January 2021, after stalling in August 2019;

16 Dec 2020 **Dodoma (Tanzania)** *The Citizen*. President **John Magufuli** chairs the first cabinet meeting of his new administration following the October 2020 general elections;

16 Dec 2020 **Dar es Salaam (Tanzania)** *Daily News*. The **European Union (EU)**, via the **French Development Agency (FDA)**, has provided **Tanzania** with TSh84 billion (\$36m) to finance construction of an electric transmission line between **Tanzania** and **Zambia**;

16 Dec 2020 **Dar es Salaam (Tanzania)** *Daily News*. President **John Magufuli** and **China's** President **Xi Jinping** discuss strengthening economic ties between the two countries;

15 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Newly appointed minister for investment **Kitila Mkumbo** briefs the **Tanzania Investment Centre (TIC)**, instructing it to make it easier for companies to invest in **Tanzania**;

15 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. **Confederation of Tanzania Industries**

(CTI) chairman and **Motisun Group** managing director **Subhash Patel** dies in Dar es Salaam;

11 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. **Dar es Salaam** regional commissioner **Abubakar Kunenge** disbands talks between the **Tanzania Private Sector Foundation (TPSF)** and the government, announcing that the government was ill-prepared to engage with the private sector;

10 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Former opposition member of parliament **Godbless Lema** and his family gain asylum in **Canada** after fleeing **Tanzania** following the October general election;

9 Dec 2020 **Dodoma (Tanzania)** *The Citizen*. Chief secretary **John Kijazi** presides over the swearing-in of the new ministers at **State House** in **Dodoma**;

9 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Prime minister **Kassim Majaliwa** instructs the industry and trade ministry to set a cap on the price of cement in the country to curb rising prices;

6 Dec 2020 **Zanzibar (Tanzania)** *The Citizen*. Opposition party **ACT-Wazalendo** agrees to form a government of national unity in **Zanzibar**;

5 Dec 2020 **Dodoma (Tanzania)** *The Citizen*. President **John Magufuli** announces his cabinet more than one month after winning the general election;

5 Dec 2020 **Dar es Salaam (Tanzania)** *The Citizen*. Foreign exchange from tourism drops to a 10-year low.

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