

AFRICA RISK CONSULTING

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International Monetary Fund (IMF) on 17 May concludes a staff-level agreement on the third review of Tanzania's Extended Credit Facility (ECF) and reaches a staff-level agreement on a new \$790m Resilience and Sustainability Facility (RSF). Tanzania Ports Authority (TPA) enters a 30-year concession agreement with Adani Ports and Special Economic Zone Ltd. (APSEZ) to manage and operate Container Terminal 2 at Dar es Salaam Port. Aspiring political parties, the Independent People's Party (IPP) and Action for Human Justice (AHJ Wajamaa), express frustration over delays and a lack of transparency in the political party registration process.

Tanzania seeks \$790m in IMF support for climate resilience and sustainability

The **International Monetary Fund (IMF)** released a statement on 17 May confirming the completion of a staff-level agreement on the third review of Tanzania's **Extended Credit Facility (ECF)** arrangement. The discussions, which took place between 2 and 17 May in **Dodoma** and **Dar es Salaam**, included key figures such as finance minister **Mwigulu Nchemba**, **Bank of Tanzania (BoT)** (central bank) governor **Emmanuel Tutuba**, senior government officials, development partners, and private sector representatives.¹ Pending IMF executive board approval, the review will unlock a disbursement of \$150m, bringing Tanzania's total disbursement under the arrangement to \$604.2m.²

The IMF highlighted Tanzania's positive economic outlook and noted that the economy grew by 5.1% in 2023 with inflation remaining within the central bank's target, standing at 3.1% year-on-year, despite a deviating increase to 3.9% in April 2024. The IMF projects economic growth to further rise to 5.4% in 2024, supported by improvements in the business environment and declining global commodity prices.³

During the recent meetings, the IMF team also discussed the government's request to access funds under the **Resilience and Sustainability Facility (RSF)**. The RSF is a comprehensive reform programme aimed at addressing the challenges posed by climate change. Launched in late 2022 as the operational arm of the \$50 billion **Resilience and Sustainability Trust (RST)**, the RSF is designed to support countries in their climate transition and pandemic preparedness efforts. Pending review and approval by the IMF executive board the facility could support Tanzania with \$790m in concessional financing to aid in addressing climate policy challenges, implementing necessary reforms, and enhancing the resilience and sustainability of the economy.⁴

Specific initiatives under the RSF for Tanzania include improving governance and coordination of climate change policies, strengthening the disaster risk management framework, integrating climate policies into budgeting and public investment planning, aligning sectoral climate policies with national commitments, and enhancing financial sector supervision related to climate risks.⁵ Although the RSF funding cannot finance the energy transition on its own, the IMF expects that the successful implementation of RSF-supported reforms will boost private investment and encourage further climate adaptation.

¹ [The Citizen](#), 18 May 2024

² [Reuters](#), 17 May 2024

³ [Media Wire Express](#), 20 May 2024

⁴ [International Monetary Fund](#), 17 May 2024

⁵ [International Monetary Fund](#), 17 May 2024

Tanzania heavily relies on non-renewable energy sources to meet its growing energy needs and the country's coal, oil, and natural gas reserves play an important role in the economy and attracting foreign direct investment.⁶ The continued development of the oil and gas sector is expected to significantly boost the economy with projects such as the **East African Crude Oil Pipeline (EACOP)** and the \$42 billion offshore **Lindi LNG** project spearheaded by **Norway's Equinor** and **United Kingdom-headquartered Shell**. Although the government has not yet completed negotiations on the host government agreement (HGA), the project is anticipated to increase Tanzania's GDP by over \$7 billion annually once operational.⁷

While commitment to the RSF does not directly mandate changing the terms of existing contracts in the extractives sector, the implementation of associated reforms could indirectly influence the sector's practices. For example, the RSF encourages the adoption of sustainable and environmentally friendly mining practices to reduce negative environmental impacts such as deforestation, water pollution, and greenhouse gas emissions. Countries receiving RSF support may need to implement regulatory reforms which could lead to new regulations and companies might be required to comply with stricter environmental and social standards to align with RSF goals.

Tanzania Ports Authority partners with India's Adani Ports and Special Economic Zone Ltd

Adani International Ports Holdings Pte Ltd. (AIPH), a wholly owned subsidiary of **India's** largest commercial ports operator **Adani Ports and Special Economic Zone Ltd. (APSEZ)**, on 31 May signed a 30-year concession with the **Tanzania Ports Authority (TPA)** to manage and operate Container Terminal 2 (CT2) at **Dar es Salaam Port**. This terminal consists of berths 8-11 and has an annual cargo handling capacity of 1 million 20-foot equivalent units (TEUs), handling about 83% of Tanzania's total container volumes in 2023.⁸ Currently, a maximum of 12 vessels can dock at one time and, as part of the concession deal, Adani is expected to invest in increasing the depth of the berths to increase capacity and efficiency.⁹

The agreement entailed the establishment of a joint venture named **East Africa Gateway Limited (EAGL)**, in which Adani, with a controlling stake, partnered with **Abu Dhabi-based AD Ports Group** and **East Harbour Terminals Limited** to acquire **Tanzania International Container Terminal Services Ltd (TICTS)** for \$39.5m from **Hong Kong-headquartered Hutchison Port Holdings Limited, Hutchison Port Investments Limited** and **Harbours Investment Limited**.¹⁰ TICTS, which houses all the port handling equipment and employees, will operate CT2 under Adani's management.¹¹

The recent deal comes in parallel with Tanzania's October 2023 concession deal with **Dubai-based DP World** to operate berths 4-7 at the port. This agreement, also spanning 30 years, focuses on the modernisation and operation of the port through an initial investment of \$250m over the next five years.¹² While the DP World deal faced significant opposition and protests about the transparency of the agreement and its potential negative impacts on Tanzania's sovereignty and economic interests, there has been no comparable public reaction to the recent Adani deal.¹³

The recent agreement is part of the Adani conglomerate's broader strategy to become one of the largest global port operators by 2030. Dar es Salaam is its first container terminal on the African continent.¹⁴ The deal also aligns with Tanzania's ambitions to bolster its port infrastructure and improve its position in the regional logistics market. Tanzania boasts "*gateway access*" to land-locked

⁶ Tanzania's 2023 energy mix comprised 63.2% natural gas, 31.8% hydropower, 4.4% diesel, and 0.6% biomass, [Tanzania Invest](#), 31 Dec 2023

⁷ [The Citizen](#), 27 Oct 2022

⁸ [Tanzania Invest](#), 4 Jun 2024

⁹ [Maritime Executive](#), 2 Jun 2024

¹⁰ [Bloomberg](#), 31 May 2024

¹¹ [The Citizen](#), 2 Jun 2024

¹² [Reuters](#), 22 Oct 2023

¹³ [BBC News](#), 23 Oct 2023

¹⁴ [Maritime Executive](#), 2 Jun 2024

African countries such as **Malawi, Zambia, the Democratic Republic of Congo (DRC), Burundi, Rwanda, and Uganda**. However, Tanzania faces stiff competition to be the region's logistics hub from **Kenya's Mombasa Port**.

Despite undergoing substantial upgrades through the \$421m **Dar es Salaam Maritime Gateway Project (DMGP)** to enhance Dar es Salaam Port's capacity and efficiency, challenges, particularly in terms of clearance times and overall efficiency remain.¹⁵ The average dwell time for domestic goods is seven days, and for transit goods, it is ten days. Delays are often exacerbated by system outages and infrastructure limitations.¹⁶ For comparison, Mombasa Port has an average container dwell time of 2.9 days.¹⁷ However, Dar es Salaam has lower costs - DRC businessman **Peterside Otieno** reported that while a single unit of cargo at Mombasa costs approximately \$600 to clear, the same can be cleared at Dar es Salaam for around \$250.¹⁸

The concession agreement with Adani shows that the government is making strategic efforts to modernise its port infrastructure and enhance its position in the regional logistics market. The privatisation of key infrastructure enables Tanzania to leverage the expertise and networks of leading global port operators and increases Dar es Salaam port's competitiveness on the continent which could potentially lead to further investment.

New political parties face hurdles in registration process ahead of elections

In the lead-up to local elections in December 2024 and the general election in October 2025, questions are being raised about President **Samia Suluhu Hassan's** (2021-current) commitment to ensuring free and fair elections, particularly concerning the registration of new political parties. The opposition **Independent People's Party (IPP)** and **Action for Human Justice (AHJ Wajamaa)** on 1 June reported frustrations to the media over delays and lack of transparency in securing registration certificates in time for the local election.

The registration process is an extremely lengthy process involving several steps governed by the **Political Parties Act 2019** and overseen by the office of the **Registrar of Political Parties (ORPP)**.¹⁹ In July 2023 the registrar, Judge **Francis Mutungi** introduced a block on new registrations to enable an auditing of existing parties without designating a clear timeline to resume.²⁰ There are currently 19 registered political parties in Tanzania and the ORPP has not registered any new ones since registering **ACT-Wazalendo** in May 2014.²¹ In December AHJ Wajamaa party chairperson **Maghus Msambila** addressed a letter to Hassan to clarify when party registration would resume and to understand whether the freeze order was formally endorsed by the president's office or not.²² The party has been seeking registration since 2016 and despite completing all formalities in 2022, including meeting relevant conditions and paying the TSh 1m (\$384) provisional registration fee, they have had no response from the registrar.

IPP began their provisional registration process in April 2023 and in March 2024, the ORPP informed it that they had issues with their documentation and had "*failed to provide proof of Tanzanian citizenship*" despite including the party leaders' Tanzanian birth certificates.²³ Co-founder **Andrew Bomani** is an independent political commentator who is often critical of the current state of democracy in the country. His father **Mark Bomani** was the former attorney general (1965-76) who worked as the chief legal aide to former President **Julius Nyerere** (1964-1985) and was one of the legal architects of Tanzania's multi-party political system. In light of the ORPP's response to their

¹⁵ Dar es Salaam Maritime Gateway Program (DMGP), [Tanzania Ports Authority](#)

¹⁶ [Business Daily](#), 26 Mar 2024

¹⁷ [Business Daily](#), 26 Mar 2024

¹⁸ [The Star](#), 20 May 2024

¹⁹ [The Political Parties Act](#), Government of Tanzania, 6 Dec 2019

²⁰ [The Citizen](#), 31 Jan 2024

²¹ [The East African](#), 1 Jun 2024

²² [The East African](#), 1 Jun 2024

²³ [Africa Center for Strategic Studies](#), 8 Sep 2020

application, Bomani stated that the founders were considering legal action.²⁴ Bomani further cast scepticism over claims that Tanzania had become more democratic under Hassan, calling it “an oversimplification at best – or worse, a misleading lie”²⁵

The lack of transparency about the registration process for fledgling parties has raised observers’ doubts about Hassan’s commitment to meaningful electoral reform and multiparty democracy. Although parliament approved electoral reform bills in February 2024 which were purported to increase electoral transparency, opposition leaders have called for broader electoral reforms to ensure genuine independence and fairness in the electoral process (*see ARC Briefing Tanzania Feb 2024*).²⁶

Global coalition of centre-right political parties the **International Democracy Union (IDU)**²⁷ along with other international observers highlighted in January that they were “*profoundly concerned*” that the bills did not align with directives from the **East Africa Court of Justice** and the **African Court on Human and Peoples’ Rights** and did not reflect a “*clear and genuine*” intention by the government to improve Tanzania’s democracy through fundamental electoral reforms.²⁸ In April, prime minister **Kassim Majaliwa** emphasised that preparations such as updating the voter registry and improving election management systems were underway to ensure smooth and fair elections.²⁹

Enabled by Hassan’s liberalisation of the political space by lifting the ban on opposition gatherings in January 2023, opposition parties such as **Chadema** and ACT-Wazalendo have increasingly challenged the ruling **Chama Cha Mapinduzi (CCM)** party. Voter engagement in the upcoming elections will likely be significantly larger than in the previous November 2019 local elections which Chadema and ACT-Wazalendo boycotted due to the arbitrary mass disqualification of their party candidates.³⁰ As the 2024 local elections are largely viewed as a precursor to the 2025 general elections the process will provide important insights into voter preferences and the overall political climate.

Planner

1-2 Jul 2024 **Zanzibar (Tanzania)** 1st East African Critical Minerals Summit
 4-5 Jul 2024 **Dar es Salaam (Tanzania)** 3rd Blue Economy Conference 2024
 10-11 Jul 2024 **Dar es Salaam (Tanzania)** Centre for Effective Global Action (CEGA) 12th Africa Evidence Summit
 11- 12 Sep 2024 **Dar es Salaam (Tanzania)** Tanzania Energy Congress
 Dec 2024 **(Tanzania)** Local elections;
 2024 **Dar es Salaam (Tanzania)** Tanzania Mining and Investment Forum
 5-7 Mar 2025 **(Tanzania)** 11th East African Petroleum Conference and Exhibition 2025 (EAPCE’25)
 Oct 2025 **(Tanzania)** General elections
 2025 **(Tanzania and Uganda)** Completion of East African Crude Oil Pipeline (EACOP)

Chronology

6 Jun 2024 **Dodoma (Tanzania)** *The Chanzo*. President **Samia Suluhu Hassan** announces several government appointments and transfers, the most notable of which is the appointment of former

²⁴ [The East African](#), 1 Jun 2024

²⁵ [The Continent](#), issue 162, 18 May 2024

²⁶ [The Chanzo](#), 28 May 2024

²⁷ Chadema chairperson Freeman Mbowe is the IDU vice-chairperson

²⁸ [International Democracy Union](#), 23 Jan 2024

²⁹ [Daily News](#), 5 Apr 2024

³⁰ [Sauti Kubwa](#), 7 Nov 2019

presidential communications director **Zuhura Yunus** as deputy permanent secretary (PS) in the prime minister's office;

6 Jun 2024 **Arusha (Tanzania)** *The East African*. The **African Court on Human and Peoples' Rights** reiterates its order to Tanzania to revoke the death penalty within six months in line with the continental charter on the right to life;

5 Jun 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Finance minister **Mwigulu Nchemba** presents his ministry's budget to parliament for 2024/2025, setting aside TSh 13.13 trillion (\$5.02 billion) for servicing government debt;

4 Jun 2024 **Dar es Salaam (Tanzania)** *Africa24.IT*. A delegation led by **Ugandan** energy minister **Ruth Nankabirwa** arrives in Tanzania to discuss bilateral cooperation in the energy, mining, oil and gas sectors, with the **East African Crude Oil Pipeline Project (EACOP)** and **Tanzania-Uganda Gas Pipeline Project** to be key points of discussion;

4 Jun 2024 **Dar es Salaam (Tanzania)** *Daily News*. **Turkish** construction company **Yapi Merkezi** conducts successful train trials from **Dar es Salaam** to **Morogoro** for key stakeholders in Tanzania's Standard Gauge Railway (SGR) project ahead of the expected launch of services in July;

3 Jun 2024 **Dar es Salaam (Tanzania)** *Logistics Update*. **Air Tanzania Cargo** operates its first flight to **Hong Kong** using its only **Boeing 767-300** freighter as part of the air carrier's strategy to increase its presence in the global air freight market and meet demand for cargo transportation;

1 Jun 2024 **Dar es Salaam (Tanzania)** *Xinhua*. Natural resources and tourism minister **Angellah Kairuki** states that foreign tourist arrivals in Tanzania increased 24.3% in 2023, from 1,454,920 arrivals in 2022 to 1,808,205 and tourism sector earnings increased from \$2.5 billion to \$3.4 billion;

31 May 2024 **Dar es Salaam (Tanzania)** *Daily News*. President **Samia Suluhu Hassan** commences a six-day work visit to **South Korea** at the invitation of President **Yoon Suk Yeol** during which the two leaders are expected to sign seven deals, including a soft loan framework agreement worth \$2.5 billion to fund development projects in Tanzania over the next five years;

31 May 2024 **Zanzibar (Tanzania)** *IPP Media*. Following a meeting with **Norwegian** ambassador to Tanzania **Tone Tinnes**, **Zanzibar** President **Hussein Ali Mwinyi** extends a formal invitation to Norway to explore investment opportunities in Zanzibar's oil and gas sector;

31 May 2024 **Zanzibar (Tanzania)** *The Chanzo*. **Finland, Norway, Denmark, and Sweden's** ambassadors share experiences on sustainable blue economy practices during the annual **Nordic Week** which highlights collaboration between Nordic countries and Tanzania in sustainable development;

30 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Government and investors of the proposed \$42 billion **Lindi** liquefied natural gas (LNG) project will reportedly have to go back to the negotiating table after attorney general **Eliezer Feleshi** raised queries on the draft host government agreement (HGA);

30 May 2024 **Dar es Salaam (Tanzania)** *African Development Bank Group*. The **African Development Bank Group (AfDB)** publishes the **African Economic Outlook 2024** which notes that Tanzania's slow structural transformation has deterred labour productivity growth;

29 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **India's** high commission in **Dar es Salaam** reports that bilateral trade between India and Tanzania increased by 22% in the current financial year, reaching \$7.9 billion by 27 May;

26 May 2024 **Dar es Salaam (Tanzania)** *Trade Arabia*. **Omani** energy company **ARA Petroleum** announces that its joint venture has secured a 25-year development licence from the Tanzanian energy ministry for the country's largest onshore gas development, the **Ntorya** gas field;

24 May 2024 **Dar es Salaam (Tanzania)** *IPP Media*. Prime minister **Kassim Majaliwa** launches a two-day **Tanzania-Uganda Business Forum**, dedicated to enhancing economic and investment ties between the two countries;

23 May 2024 **Brussels (Belgium)** *Daily News*. **Tanzania's** embassy in Brussels announces that the **European Union** has pledged a €4m (\$4.3m) grant to fund surveying and research of minerals in the country;

22 May 2024 **Dar es Salaam (Tanzania)** *The East African*. State-run **National Food Reserve Agency (NFRA)** signs an agreement with **Democratic Republic Congo's (DRC) Quincy Company** to sell 500,000 tonnes of maize to DRC;

22 May 2024 **Dar es Salaam (Tanzania)** *Offshore Energy*. **Egyptian** firm **Rosetta Energy Solutions** signs a heads of terms (HoT) agreement with **Tanzania Petroleum Development Corporation (TPDC)** and the **Africa50** infrastructure investment platform to develop Tanzania's first small-scale liquefied natural gas (LNG) project;

21 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **Canadian** firm **Rocky Mountain GTL** reportedly plans to build a \$420m plant in Tanzania to produce diesel and jet fuel from natural gas;

20 May 2024 **Dar es Salaam (Tanzania)** *Ministry of Works*. **Russian** ambassador to Tanzania **Andrey Avetisyan** meets with works minister **Innocent Bashungwa** to discuss increasing bilateral trade and cooperation in the construction sector;

20 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. **British International Investment (BII)** signs a \$30m financing agreement with **TowerCo of Africa Tanzania** for the construction of 200 additional telecommunication sites throughout Tanzania;

18 May 2024 **Dar es Salaam (Tanzania)** *Business Insider Africa*. Information, communication, and information technology minister **Nape Nnauye** reveals that Tanzania plans to establish its first-ever space agency in the 2024/2025 fiscal year and promote satellite technology for communication, defence, security, research, disaster management, and weather forecasting;

17 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. President **Samia Suluhu Hassan** and her **French** counterpart **Emmanuel Macron** discuss the security situation in northern **Mozambique** and eastern **Democratic Republic of Congo (DRC)**;

16 May 2024 **Zanzibar (Tanzania)** *Foundation for Civil Society*. The **Centre for Strategic Litigation (CSL)**, in collaboration with **Waandishi wa Habari za Maendeleo Zanzibar (WAMAHAZA)**, **Tanzania Centre for Democracy (TCD)**, and the **Legal and Human Rights Center (LHRC)** host the **Tanzania Democracy Forum 2024**;

16 May 2024 **Dar es Salaam (Tanzania)** *Global Affairs Canada*. **Canada's** international development minister **Ahmed Hussein** meets with vice president **Philip Mpango** and several other government officials to discuss increasing bilateral cooperation and \$194.9m in new development projects;

15 May 2024 **Dodoma (Tanzania)** *The Citizen*. Home affairs minister **Hamad Masauni** says that the government plans to install 6,500 security cameras with Artificial Intelligence (AI) technology in key economic areas in **Arusha, Dar es Salaam, Dodoma, and Mwanza** through a \$145.2m concessional loan from the **United Arab Emirates (UAE)** government

13 May 2024 **Dar es Salaam (Tanzania)** *United States Embassy*. The **United States** embassy in Tanzania announces it is closing for two days and will not be accessible to the public due to the degraded network service in the country caused by faults in the under-sea cable that connects **East Africa**;

13 May 2024 **Dar es Salaam (Tanzania)** *The Citizen*. Internet outage in Tanzania has significantly affected sectors such as banking, media and healthcare, hampering service delivery in some hospitals, with patients experiencing delays in receiving critical medical results;

12 May 2024 **Dar es Salaam (Tanzania)** *BBC*. Faults in the under-sea cable that connects **East Africa** cause interruptions in **Kenya**, Tanzania, **Rwanda** and **Uganda**.

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