

AFRICA RISK CONSULTING

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Tanzania Summary 20 February 2026

Foreign affairs minister Mahmoud Thabi Kombo meets with his Russian counterpart, Sergey Lavrov, in Moscow (Russia) on 9 February to discuss expanding bilateral relations, specifically delivering a letter from President Samia Suluhu Hassan (2021-present) to Russia's President Vladimir Putin (2012-present) outlining Tanzania's commitment to doing so. Minister of state in the president's office, Kitila Mkumbo, confirms on 26 January that Hassan instructed the Bank of Tanzania (BoT) (central bank) to proceed with a partial sale of its gold reserves, prompting debate over whether the decision was part of an economic strategy or to shore up finances for infrastructure spending as international partners seek to reduce their official development aid (ODA) to Tanzania in the fallout of the election. Mkumbo also announces during his briefing on 26 January that the government expects to sign an agreement for the long-delayed \$42-billion LNG project in the Lindi Region before June, with commercial discussions concluded and the legal framework still under discussion.

Tanzania and Russia elevate ties

As **Tanzania** continues to feel the outfall of the contested October 2025 election, which saw the **European Union (EU)** and **United States (US)** call for a review of ties with Tanzania, the country is seeking to foster stronger relations with other powers, including **Russia**. Foreign affairs minister **Mahmoud Thabi Kombo** [met](#) with his Russian counterpart, **Sergey Lavrov**, in **Moscow** (Russia) on 9 February to discuss expanding bilateral relations, specifically delivering a letter from President **Samia Suluhu Hassan** (2021-present) to Russia's President **Vladimir Putin** (2000-2008; 2012-present), outlining Tanzania's commitment to doing so. Hassan indicated in her letter that she was postponing her upcoming visit to Russia on 12 February, rather than cancelling it.

Russia and Tanzania have increased ties in recent years, and as of June 2024, conduct trade in their respective currencies and not the **United States (US)** dollar. However, while trade between them [increased](#) by nearly 20% in the first 11 months of 2025, the focus of their latest cooperation is political and investment [ties](#). Tanzania remains a non-aligned partner and has abstained from **United Nations (UN)** votes related to Russia and its war in **Ukraine**.

With respect to investment, Russia's state-owned **Rosatom** is developing a uranium project in **Ruvuma** through **Mantra Tanzania Limited**, a subsidiary of **Uranium One Group**, which Rosatom owns. During Kombo's visit, Russia's economic development minister, **Maxim Reshetnikov**, [added](#) that large Russian companies are ready to import Tanzania's gas exports when they come online, expanding their partnership into the energy field.

Following the October election, Russia was one of the first countries to [send](#) a delegation to Tanzania, at a time when the country was facing international criticism, reinforcing its stance towards Tanzania (and more widely, its willingness to overlook alleged human rights violations). Sources told ARC that in an address to diplomats and international organisations based in Tanzania at the start of the year, Russian and **Chinese** representatives were seated in the front rows while those from traditional western partners sat further back, interpreted as sending a message to countries that were critical of the election process. While Tanzania is seeking to expand partnerships, so is Russia, as it continues to feel pressure from sanctions implemented against it by various countries.

Tanzania to sell gold reserves

Minister of state in the president's office, **Kitila Mkumbo**, confirmed on 26 January that President Hassan had instructed the **Bank of Tanzania (BoT)** (central bank) to proceed with a partial sale of its gold reserves, prompting debate over whether the decision was part of an economic strategy or to shore up finances for infrastructure spending as international partners seek to reduce their official development aid (ODA) to Tanzania in the fallout of the October election. In the briefing where Mkumbo announced this, he [stated](#):

"We need cash. We have a lot of infrastructure projects that are going on and they need funding, so they have been instructed to sell part of it so that we get money for the infrastructure."

Alongside **US Agency for International Development (USAID)** funding cuts, the **European Union (EU) Parliament** voted on 27 November to suspend direct aid to Tanzania and withdraw \$185m in pending aid under an annual programme while the **US Department of State** announced on 4 December that it was reviewing its relationship with Tanzania following the post-election violence (see *ARC Briefing Tanzania Dec 2025*).

While the EU's direct aid has not been halted and the \$185m has just been frozen for now, the risk remains, and Tanzania would need to prepare a buffer accordingly. ODA has declined significantly in recent years, from \$389m in 2024 to \$118m in 2025 following the USAID cuts, and any further cuts or pauses would have a notable impact.

However, prime minister **Mwigulu Nchemba** told [parliament](#) on 31 January that the sale is part of a normal central bank policy for managing foreign exchange reserves and that the government is able to fund development projects through several avenues required without needing gold as additional budgetary support. The BoT also released a statement [noting](#) "the purchase and sale of the mineral is part of the Bank of Tanzania's statutory duties".

BoT foreign markets department manager **Emmanuel Akaro** clarified that the [sale](#) is a reserve management decision, helping to sell off excess gold reserves to balance the central bank's portfolio, and any proceeds will be reinvested in foreign currencies and not used to help pay for infrastructure projects or plug gaps in the budget. However, these foreign reserves can be used for imports and budgetary items such as debt-servicing.

BoT governor **Emmanuel Tutuba** [confirmed](#) that as of 15 February, the central bank's gold holdings had reached 19.3 tonnes, worth approximately just over \$3 billion. The bank's ceiling for gold reserves is \$3 billion to avoid excessive exposure to a single asset, so anything above this is [considered](#) eligible for sale.

Minister gives update on \$42 billion LNG project

Mkumbo also announced during his briefing on 26 January that the government expects to sign an agreement for the long-delayed \$42 billion LNG project in the **Lindi Region** before June, with commercial discussions concluded and the legal framework still under discussion. **Norway's Equinor** and **United Kingdom-headquartered Shell** are the joint operators of the project alongside US-headquartered **ExxonMobil**, **Indonesia-headquartered Medco Energi**, **Singapore-headquartered Pavilion Energy**, and national oil company **Tanzania Petroleum Development Corporation (TPDC)**. Mkumbo added that production is expected to commence in eight years and will see the development of over 47 trillion cubic feet of gas; the country has total estimated reserves of 54 trillion cubic feet.

While Mkumbo's announcement will be welcomed as progress in the negotiation process, delays with the legal frameworks are likely. The project's process has been fraught with delays and issues, including a lack of transparency around fiscal terms and regulatory arrangements as well as policy uncertainty.

Acting US ambassador to Tanzania, **Andrew Lentz**, raised in an [interview](#) with local media that the project has been negotiated for over 13 years with no sign of finalisation, an indication of the barriers investors are facing. He added that US companies are experiencing predatory tax practices and non-tariff obstacles in Tanzania, which is of concern to the embassy.

The LNG project would be the single-largest investment in Tanzania, and requires careful navigation to ensure full benefit for all parties involved, but the ongoing dragging of negotiations does not bode well for investor confidence in Tanzania. Getting the project over the line would help to improve perception of the investment environment.

It should be noted that negotiated agreements must still be submitted to cabinet for approval before the project-specific bill is submitted to parliament for ratification. According to sources, this bill has not yet been drafted and it could take a significant amount of time before it is ready to be presented to parliament. Further delays are expected as parliament scrutinises the bill.

Planner

Oct 2026 (**Tanzania and Uganda**) Exports of oil via the **East African Crude Oil Pipeline (EACOP)**
 19 – 21 Nov 2026 (**Tanzania**) 7th **Tanzania Mining and Investment Conference**
 2026 (**Tanzania**) **Ntorya Gas Project** to begin operations

Chronology

17 Feb 2026 **Dar es Salaam (Tanzania)** *The Citizen*. **Stanbic Bank Tanzania** head of client coverage for corporate and investment banking **Elias Ngunangwa** notes that Tanzania's mining sector is transitioning from a period of growth to one focused on execution, prioritising the development and operationalisation of existing projects rather than expansion;

13 Feb 2026 **Arusha (Tanzania)** *The Citizen*. Trade within the **East African Community (EAC)** surges 21.9% in 2025, reaching \$40.3 billion, reflecting deeper regional integration and stronger economic linkages among member states;

10 Feb 2026 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania launches one of **Africa's** largest compressed natural gas (CNG) hubs as part of its push to accelerate the country's green energy transition and reduce reliance on more polluting fuels;

9 Feb 2026 **Dar es Salaam (Tanzania)** *The Citizen*. Deputy industry and trade minister **Denis Londo** launches an \$8.8m apparel manufacturing plant in Dar es Salaam by global safety wear firm **Portwest**, supporting the government's push to become a regional hub for industrial textiles and PPE;

4 Feb 2026 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania orders a **Burundian** investor to accelerate the **Kasulu** cement project, signalling a push to boost local industrial development and infrastructure;

3 Feb 2026 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania unveils a record Sh61.9 trillion (\$25.8 billion) budget framework for the 2026/27 financial year, aiming to stimulate economic growth, strengthen human capital and promote social and environmental development;

2 Feb 2026 **Dar es Salaam (Tanzania)** *Tech Cabal*. **United States (US)**-headquartered **Uber** exits Tanzania, following a long-running dispute with the **Land Transport Regulatory Authority (LATRA)**;;

29 Jan 2026 **Dar es Salaam (Tanzania)** *The Citizen*. President **Samia Suluhu Hassan** appoints **Rahma Salim Mahfoudh** as deputy governor in charge of administration and internal control at the **Bank of Tanzania** (central bank);

28 Jan 2026 **Dar es Salaam (Tanzania)** *The Citizen*. **United States**-headquartered **SinoAm Global Fund** announces plans to invest up to \$5 billion in Tanzania, targeting sectors such as infrastructure, energy, agriculture and manufacturing, following meetings with government officials;

27 Jan 2026 **Dar es Salaam (Tanzania)** *The Citizen*. Tanzania and **South Korea** are partnering to establish a modern minerals technology centre, aimed at advancing the country's mining sector through technology transfer, capacity building, and innovation;

22 Jan 2026 **Dar es Salaam (Tanzania)** *Miningmx*. **Zambia**-headquartered **Kanona Power Co.** announces plans to build a \$100m power line to Tanzania, creating the first such connection and providing alternative electricity for copper mines;

22 Jan 2026 **Dar es Salaam (Tanzania)** *The Citizen*. **National Bank of Commerce (NBC)** commits to strengthening partnerships to support the government's agenda of building a competitive and inclusive economy, aiming to expand access to affordable, customer-focused financial services for individuals and institutions across various sectors;

20 Jan 2026 **Dar es Salaam (Tanzania)** *Daily News*. Energy minister **Deogratius Ndejemi** notes that Tanzania has invested TSh 280 billion (\$119m) in multiple electricity projects to ensure a reliable power supply in Dar es Salaam;

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