



TANZANIA PRIVATE  
SECTOR FEDERATION



# Quarterly Economic Newsletter



Q3 2026

## Executive Policy Note

The third quarter of 2026 marked the first full quarter of delivery under Tanzania Development Vision 2050 (DIRA 2050). With the Finance Act, 2026 in force from 1 July, the fiscal reforms debated during the budget cycle moved from paper to operations raising a big question of how fast firms can turn them into investment, jobs and exports.

Two developments defined the quarter. First, on 3 August 2026 the Government and the private sector signed a Joint Declaration on implementing Vision 2050, which expects the private sector to lead roughly 70% of implementation. Second, the Fourth Five-Year Development Plan (FYDP IV) confirmed that TZS 477 trillion worth of investment will have to be mobilized, of which about TZS 334 trillion is expected from the private investment. Tanzania has placed its development ambitions squarely on the shoulders of enterprise, and that is both an opportunity and a responsibility.

The macroeconomic backdrop remains supportive but is getting tighter. Growth held at around 6% in the first half of 2026, exports continued to expand on the strength of gold and tourism, and foreign reserves of about USD 6 billion cover 4.3 months of imports. However, higher global energy, fertilizer and freight costs linked to conflict in the Middle East pushed headline inflation to 4.3% in August, its highest level since April 2023, and prompted the Bank of Tanzania to raise the Central Bank Rate to 6.25%. For businesses, this means borrowing costs are unlikely to fall soon, which makes the productivity and cost-of-doing-business agenda more urgent.

This edition looks at the key economic and policy developments affecting businesses, investment and trade, including the fiscal and monetary environment and Tanzania's growing regional trade opportunities. Additionally, readers will interact with the key achievements the federation obtained throughout the quarter from membership recruitment, to programs intervention and the policy performance. I invite members, sector associations and other stakeholders to share their views and experiences. Your feedback on business costs, regulations, investment opportunities and market conditions will help TPSF strengthen its policy engagement as the voice of the private sector and ensure that our advocacy reflects the realities facing businesses.

**Deogratius Massawe,**  
Ag. Chief Executive Officer



# Macroeconomic Dashboard & Economic Outlook

This section summarises the indicators that shape private sector planning, pricing and investment decisions, and sets out what they mean for businesses in the months ahead.

## Macro Dashboard, Q3 2026

**6%**

GDP growth, Mainland,  
H1 2026

**4.3%**

Headline inflation,  
August 2026

**6.25%**

Central Bank Rate (from  
5.75%)

**28.1%**

Private sector credit  
growth, Q2 2026

**\$5.6B**

Official reserves (4.4  
months of imports)

**2,654**

TZS per USD, 15  
September 2026

Sources: Bank of Tanzania MPC statement (July 2026); Red = pressure point; green = supportive.

## Key Macroeconomic Drivers Explained

### GDP Growth

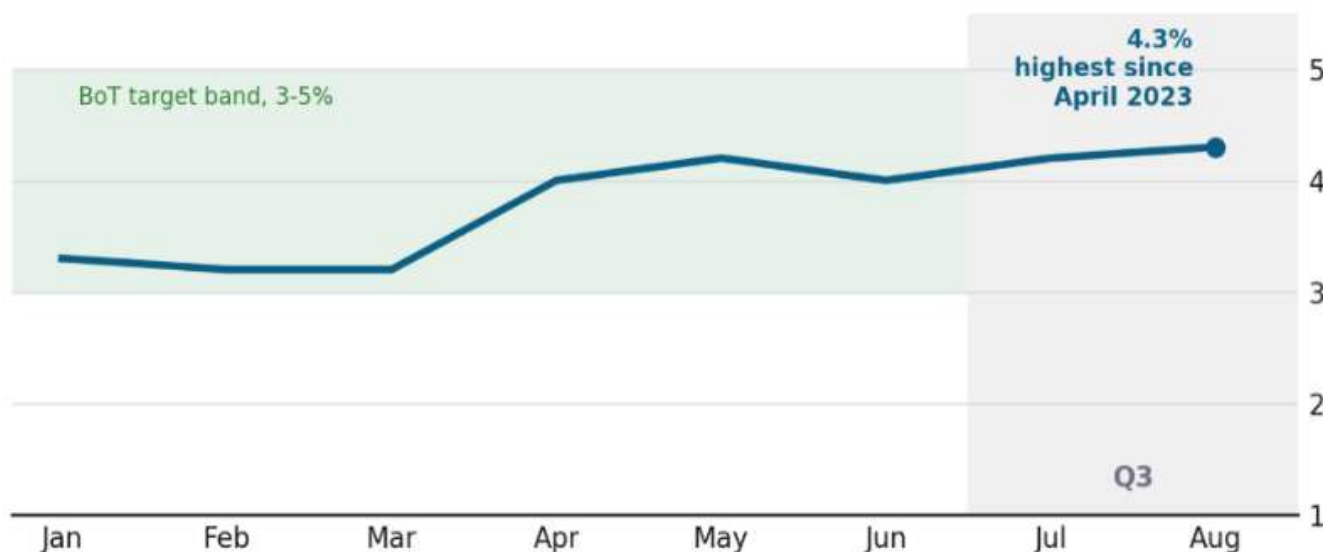
The Bank of Tanzania estimates that the economy grew by about 6% in the first half of 2026. Growth was driven by agriculture, construction, mining, financial services and tourism. For the private sector, sustained growth supports market demand and creates room for business expansion and new investment. However, higher fuel and freight costs could raise operating costs and squeeze margins. Maintaining macroeconomic stability and containing business costs will therefore be important to sustain private-sector investment.

### Inflation

Headline inflation on the mainland rose to 4.3% in August 2026, the highest reading since April 2023. The main driver was transport, where prices were 13.8% higher than a year earlier, followed by education (3.2%) and housing and utilities (2.5%). While inflation remains inside the Bank of Tanzania's 3-5% band, the direction of travel matters, input costs for manufacturers, distributors and exporters are rising faster than earlier in the year.

## Creeping up

Mainland Tanzania, headline inflation, 2026, % year on year



Source: National Bureau of Statistics; Trading Economics; TPSF analysis

Rising inflation could put pressure on profit margins, consumer prices and competitiveness. While inflation remains within the BoT's target range, the upward trend warrants close monitoring.

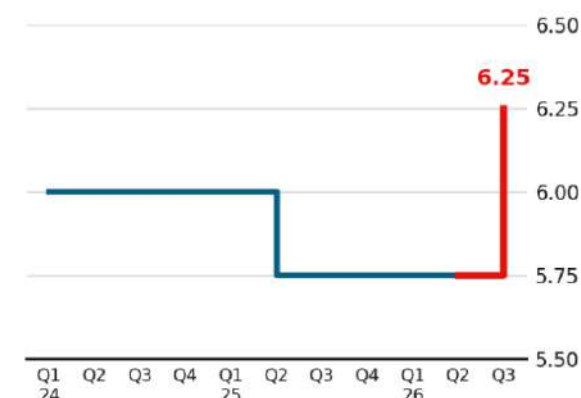
## Monetary policy and interest rates

On 2 July 2026 the Monetary Policy Committee raised the Central Bank Rate by 50 basis points to 6.25%, reversing the 2025 cut. The Committee cited higher global energy, fertiliser and transport costs linked to the Middle East conflict and the need to keep inflation inside the target range. A Government fuel subsidy in May and June helped contain price pressures.

Credit conditions remain healthy. Private sector credit grew by an average of 28.1% in Q2 2026, and the non-performing loans ratio was 2.8% in December 2025 down from 3.4% in December 2024. The overall lending rate was about 15.2%, with negotiated rates for prime customers at about 11.9%. Businesses should not expect lending rates to ease in the near term; the priority should be to lock in affordable, longer-tenor finance where possible.

### Tightening again

Central Bank Rate, %, by quarter



Source: Bank of Tanzania

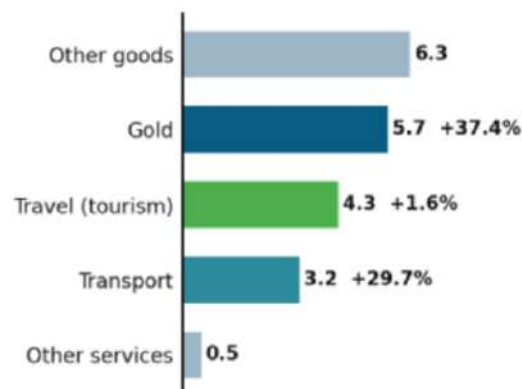
## External sector: gold and tourism lead

Exports of goods and services rose by 16.5% to USD 20.0 billion in the year ending July 2026. Goods exports grew by 20.7% to USD 12 billion, led by gold, which rose 37.4% to USD 5.7 billion and now accounts for 47.4% of goods export earnings. Manufactured goods jumped 46% to USD 2.2 billion, and traditional exports such as tobacco and coffee rose 14.9% to USD 1.6 billion. Services exports grew 10.7% to USD 8.0 billion: transport receipts surged 29.7% to USD 3.2 billion on rising transit trade, while travel receipts edged up 1.6% to USD 4.3 billion.

Imports also rose by 18.3%, to USD 20.8 billion, reflecting demand for capital goods, industrial inputs and fuel. As a result, the current account deficit widened slightly to USD 2.2 billion, or about 2.4% of GDP. The reliance on a single commodity for over a quarter of export earnings is a risk that value addition and export diversification must address.

### Golden goose

Exports, year to July 2026, \$bn  
(total \$20.0bn, +16.5%)



Source: Bank of Tanzania MER, Sept 2026

## Reserves, exchange rate and public finances

Official foreign reserves reached about USD 5.6 billion, enough to cover 4.3 months of projected imports and above the national adequacy benchmark. The shilling traded at around TZS 2,654 per US dollar in early September 2026. On the fiscal side, domestic revenue collection improved to 16.8% of GDP in 2025/26, from 15.6% in 2024/25, reflecting stronger compliance efforts. TPSF continues to urge that further revenue gains come from broadening the tax base and formalising businesses, rather than raising the burden on firms that are already compliant.

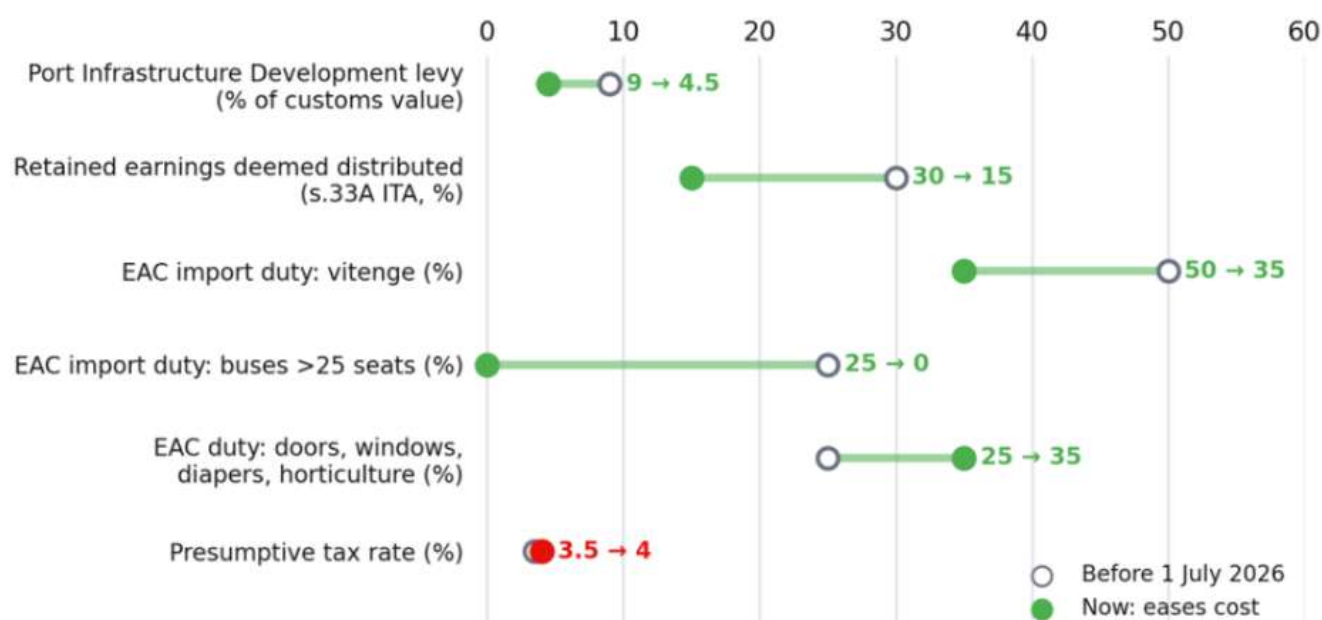
# Policy Analysis & Scorecard

The 2026/27 budget cycle produced a large number of changes, and most of them took effect on 1 July 2026. This quarter's Policy Watch looks beyond the headlines and asks a simpler question: on balance, do the new settings make it cheaper or dearer to do business in Tanzania? The answer is mixed. Trade and logistics costs are falling, while the cost of money and the tax burden on the smallest firms are rising.

## Policy Watch

### Moving parts

Selected fiscal, trade and monetary settings, before and after the 2026/27 cycle



The figure above, highlights few fiscal and monetary changes before and after the financial year 2026 / 2027. The 50 basis-point increase in the Central Bank Rate is a reasonable response to imported inflation, but it arrives just as the Government is asking the private sector to finance 70% of FYDP IV. With lending rates already above 15%, the gap between what the plan requires and what firms can afford to borrow is the single largest risk to the private sector-led growth model. Long-term, affordable finance must become a policy priority in its own right.

Furthermore, the 2026/27 EAC Common External Tariff changes cut duties on buses and on vitenge, while raising duties on selected finished goods, such as doors, windows, diapers and horticultural products, from 25% to 35%. Duty remission for approved textile and footwear manufacturers continues. Local producers in protected lines gain room to grow, but importers and downstream users will face higher costs, and firms should review their sourcing strategies accordingly.

**Table 1: Policy Scorecard: Q3 2026**

| Measure                                      | What changed                                                                               | Implication for business                                                   | TPSF assessment |
|----------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------|
| <b>Vision 2050 Joint Declaration</b>         | Private sector to lead ~70% of implementation; outcomes framework launched                 | Stronger voice in delivery; higher expectations on investment              | POSITIVE        |
| <b>Income tax holiday for new businesses</b> | One-year holiday for newly registered presumptive taxpayers                                | Encourages formalisation and new enterprise creation                       | POSITIVE        |
| <b>Excise duty indexation</b>                | 8% plus an annual indexation at March inflation plus 2 points                              | Greater predictability for pricing and planning                            | POSITIVE        |
| <b>EAC CET 2026/27</b>                       | Duty cuts on buses and vitenge; increases to 35% on selected finished goods                | Protection for local producers; higher costs for importers                 | POSITIVE        |
| <b>Withholding tax on retained earnings</b>  | Deemed distribution reduced from 30% to 15%; excludes some sectors                         | Relief for eligible firms; exclusions create an uneven field               | MIXED           |
| <b>Presumptive tax regime</b>                | Rate up from 3.5% to 4.0%; turnover ceiling raised from TZS 100 Million to TZS 200 Million | Wider coverage with a 12.5% in the rate translating to an increased burden | MIXED           |
| <b>Central Bank Rate</b>                     | Raised from 5.75% to 6.25% (2 July 2026)                                                   | Credit costs stay high; pressure on SME working capital                    | WATCH           |

The quarter's reforms point in the right direction on investment, trade and logistics but the access to finance parameter is a bit worrying to the private sector.

## Tanzania As a Gateway to East & Central Africa

Tanzania borders eight countries, six of which are landlocked and rely heavily on Tanzanian ports and corridors. Together, these neighbors have a population of about 230 million. Access to the East African Community (EAC), the Southern African Development Community (SADC) and the African Continental Free Trade Area (AfCFTA) makes Tanzania a natural base for firms that want to serve East and Central Africa.

### Gateway to East and Central Africa

Tanzania's trade corridors, ports and investment opportunities serving six landlocked neighbours with a combined population of about 230m, 2026



**Table 2: Strategic Corridor Opportunity Matrix**

| Corridor                                          | Markets served                                   | Priority opportunities                                                                                        | Entry points for Tanzanian firms                                                                      |
|---------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>Central Corridor &amp; SGR</b>                 | DRC, Rwanda, Burundi, Uganda (via Lake Victoria) | Freight and logistics, dry ports and ICDs, cold chain, fuel distribution, building materials, food processing | Kwala and Dodoma logistics hubs; Kigoma port and SEZ; Mwanza lake port; DRC dry port in Dar es Salaam |
| <b>TAZARA &amp; Tunduma corridor</b>              | Zambia, southern DRC (Copperbelt), Malawi        | Mining inputs and services, bulk haulage, fertiliser and grain trade, warehousing                             | Mbeya and Tunduma border hubs; TAZARA concession supply chain; AGCOT agribusiness clusters            |
| <b>Mtwara Development Corridor</b>                | Malawi, northern Mozambique                      | Graphite and critical minerals, LNG-linked services, cashew and oilseed processing                            | Mtwara port; Lindi LNG supply chain; Mchuchuma-Liganga coal and iron                                  |
| <b>Northern &amp; EACOP corridor</b>              | Kenya, Uganda, South Sudan                       | Oil and gas services, horticulture exports, tourism, light manufacturing                                      | Tanga port and EACOP terminal; Arusha-Moshi tourism and horticulture belt                             |
| <b>Lake Tanganyika &amp; Lake Victoria routes</b> | DRC, Burundi, Uganda, Zambia                     | Shipping, fisheries, agricultural trade, cross-border retail                                                  | Kigoma, Kalemie and Mpulungu links; Mwanza-Port Bell routes                                           |
| <b>Zanzibar &amp; the blue economy</b>            | Indian Ocean islands, Gulf, Asia                 | Tourism, maritime services, seaweed and fisheries, financial and ICT services                                 | Fumba and other Zanzibar free zones; Zanzibar Investment Promotion Authority (ZIPA)                   |

## What Should the Private Sector Do?

With the private sector expected to finance about TZS 334 trillion of FYDP IV and lead about 70% of Vision 2050 implementation, Tanzanian firms need to move from reacting to policy to shaping and using it. TPSF proposes the following call of actions.

The agenda starts with going regional. Using Tanzanian ports as their base, firms can set up distribution, logistics or sales partnerships in DRC, Zambia, Rwanda and Burundi. This regional push goes hand in hand with investing along the transport corridors, in dry ports, warehousing, cold chain, truck services and agro-processing near Kwana, Dodoma, Mbeya, Kigoma and Mwanza.

Beyond winning new work, firms need to capture more value from what they already produce. Rather than exporting raw gold, minerals and crops, they should move into refining, processing and packaging, using the incentives available in Special Economic Zones (SEZs) and Export Processing Zones (EPZs). As they grow, they also need to protect themselves against cost and currency risk. That means hedging fuel and foreign exchange exposure, renegotiating supplier terms, and locking in longer-term finance before interest rates rise further.

Access to wider markets also depends on formalising and getting certified. New businesses can use the new income tax holiday, while firms should obtain TBS, EAC and export certification so they can sell across the region. Once they are ready to trade, businesses should make full use of the AfCFTA and EAC trade rules. They should check rules of origin and changes to the Common External Tariff (CET), apply for duty remission where eligible, and review where they source their inputs.

Finally, the private sector will have far more influence if it speaks with one voice. When firms channel their sector evidence through TPSF, advocacy on finance, tax and regulation is based on data and coordinated across the whole sector.

## Can the Private Sector achieve the 5 years targets on Investment: What Q4 2025/26 Signals for DIRA 2050.

In this Newsletter TPSF reflects on the investment performance as published by TISEZA for the final quarter of FY2025/26. The numbers provide an important glimpse into the investment position Tanzania carries towards DIRA 2050. During April–June 2026, TISEZA registered 243 projects under the General Investment Scheme, valued at USD 1.88 billion and expected to generate 33,805 jobs. When EPZ/SEZ schemes are included, the quarter recorded 250 new projects.

The sectoral composition is particularly important for the private sector to note. Manufacturing accounted for 139 projects worth USD 764.07 million, making it both the largest destination by project numbers and capital. Tourism attracted 23 projects worth USD 361.36 million, while agriculture recorded another 23 projects worth USD 69.27 million. TISEZA itself describes the growing concentration in manufacturing and related industries as evidence of a gradual shift towards value addition aligned with DIRA 2050 and FYDP IV.

**Table 3: Tanzania Investment by Sector April - June 2026**

| Sector                                                   | Number of Projects |
|----------------------------------------------------------|--------------------|
| Manufacturing                                            | 139                |
| Agriculture                                              | 23                 |
| Tourism                                                  | 23                 |
| Transportation                                           | 18                 |
| Commercial Building                                      | 17                 |
| Commercial Building/Construction/Economic Infrastructure | 13                 |
| Mining and Petroleum                                     | 4                  |
| Services                                                 | 4                  |
| Energy                                                   | 2                  |

Source: TISEZA Quarterly Investment Bulletin April - June 2026

Since FYDP IV targets private sector investment worth TZS 377 trillion beginning 1st July 2026, the figures recorded between April and June 2026 the final quarter of DIRA 2025 provide an encouraging starting point. At the same time, the numbers highlight the need to broaden the investment pipeline. Investment remains geographically concentrated, with Dar es Salaam and Pwani alone accounting for 131 of the 243 GIS projects. Dar es Salaam attracted USD 946.41 million, while Pwani received USD 264.18 million.

## **The Presidential Dialogue: Aligning Private Capital With Dira 2050**

The Presidential Dialogue between H.E. Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, and the private sector marked an important milestone in the implementation of DIRA 2050 which commenced on 1 July 2026. TPSF supported the participation of over 150 members and the Dialogue provided an important platform to strengthen public–private collaboration and identify practical actions to support Tanzania's economic transformation.

**Table 4: Key Milestone from the Presidential Dialogue**

| Milestone                                                                                                                                                                                                                                                                                | Strategic Significance                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| A Joint Declaration between the Private and the Public Sector                                                                                                                                                                                                                            | Establishes mutual accountability between Government and the private sector |
| Launch of 4 implementation instruments namely; Long Term Perspective Plan 2026/27- 2050/51, The Fourth Five - Year Development Plan (FYDP IV 2026/27 – 2030/31, The National Framework for Delivery and Performance Management of Development Plans and DIRA 2050 Communication Strategy | Moves DIRA 2050 from aspiration to execution                                |
| Government commitment to improving the business environment                                                                                                                                                                                                                              | Reinforces Private Sector confidence and policy predictability              |
| Commitment to continued dialogue                                                                                                                                                                                                                                                         | Strengthens institutional mechanisms for policy reforms                     |

The significance of the Presidential Dialogue will ultimately be measured by how effectively these commitments translate into reforms, investment and opportunities for businesses. Sustained dialogue, clear implementation mechanisms and accountability will be critical to turning the ambitions of DIRA 2050 into tangible economic outcomes. You can access the full Policy Brief on TPSF Reflections on the Presidential Dialogue between H.E. Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania and the Private Sector through this link: <https://www.tpsf.or.tz/publications>

## Program Impact Spotlight & Membership

### Leadership Capacity Building: TPSF Leadership Training in Zanzibar

Delivering Vision 2050 requires executive capacity across Tanzania's business community. Understanding the role of the private sector and particularly the quality of human capital required in delivering the vision, TPSF has introduced the TPSF Elevate program, a capacity development initiative aimed to build capacity of the leaders and employees across different sectors. In the first cohort, TPSF hosted a 3 days executive (C-suite) leadership training program in Zanzibar. The training themed: Leadership That Delivers Result convened executive participants from medium and large companies, sector association representatives, and some government agencies such as Dar es Salaam Stock Exchange (DSE) and the Tanzania Investment and Special Economic Zones Authority (TISEZA).

#### Key Outcomes & Forward Program

- Through master class training provided by 2 featured guest Expert trainers, Mr. Salim Seif Elbusaidy, the Chief Executive Officer, SAS Logistics Ltd and Mr Dhruv Jog The Managing Director (CEO) Advent Construction Limited, the participants were able to obtain the key insight and practical knowledge on how to successfully run and scale generation businesses. The participants were also able to connect and continue to receive some mentorship beyond the training dates
- Next Steps: TPSF will roll out the leadership modules across other parts of the country, continue to conduct need assessment and deliver training in other areas to impact the private sector and the country as a whole.

*"Strong private sector leadership is not optional, it is the prerequisite for converting Vision 2050 from a policy document into measurable industrial growth."*— **TPSF Training Secretariat**



## Membership Growth & Sector Integration

During Q3 2026, TPSF welcomed new corporate members and sector associations into the federation. By uniting individual corporations alongside Member-Based Organizations (MBOs), TPSF continues to reinforce its role as the central policy representative for Tanzania's business community.

- Newly Recruited Associations: Strengthened representation in logistics, digital commerce, financial services, and agro-processing.
- Corporate Integration: Expanded membership across manufacturing, renewable energy, and regional trade infrastructure.



# Q3 2026 Activity Highlights

## Local Events & Policy Platforms



01/07/2026

**Business & Investment Forum**

Tanzania–Poland Business and Investment Forum held at Johari Rotana Hotel, Dar es Salaam



13/07/2026

**Engagement**

Courtesy Visit by ACCA-Tanzania. Country Director of ACCA-Tanzania.



14/07/2026

**Trade**

TPSF received an Appreciation Award for its contribution as a DITF Supporting Partner at the 50th Dar es Salaam International Trade Fair (Sabasaba).



15/07/2026

**Trade**

Private Sector Sensitisation Workshop on Regional and Continental Trade Opportunities at King Jada Hotel, Dar es Salaam.



15/07/2026

**Business Forum**

TPSF joined the Dar es Salaam - Yokohama Forum at Karimjee Hall.



18/07/2026

**Business Forum**

The Tanzania–Egypt Business Forum 2026 at the Hyatt Kilimanjaro Hotel, Dar es Salaam



**30/07/2026**

### Digital Trade

The E-Commerce Stakeholder's Roundtable, themed "Strengthening Tanzania's Digital Trade".



**01/08/2026**

### Participation

TPSF participated in the launch of the ARSO Certification Mark in Tanzania.



**03/08/2026**

### Implementation

Launch of the implementation of Tanzania Vision 2050



**04/08/2026**

### MoU

Tanzania Private Sector Federation signed a memorandum of understanding with Dar es Salaam Stock Exchange (DSE)



**05/08/2026**

### Trade & Investment

EABC CEOs – Trade & Investment Roundtable – Tanzania Edition



**05/08/2026**

### Business Forum

Infra for Africa Forum 2026 in Dar es Salaam



**19/08/2026**

### Capacity Building

TPSF Elevate Program in Zanzibar



**04/09/2026**

### Content Forum

5th National Local Content Forum organized by the National Economic Empowerment Council (NEEC).



**06/09/2026**

### Capacity Building

Training on Effective Investment Facilitation, held in Dodoma on 2nd–3rd September 2026.



**07/09/2026**

### Trade & Investment

Tanzania–Malawi Trade and Investment Forum in Dar es Salaam



**17/09/2026**

### Trade

TPSF, TANTRADE strengthen Cooperation to promote the Private Sector and Trade in Tanzania



**23/09/2026**

### Networking

Business Connect at Sunset

## International events



06/07/2026

### Strategic Partnership

Tanzania Private Sector Federation (TPSF) and the International Chamber of Commerce (ICC) entered into a strategic partnership.



19/08/2026

### Conference

3rd Annual Regional Industrialization Conference (RIC2026) in Kampala



01/09/2026

### Business Mission

Tanzania-Türkiye Business Promotion Mission



07/09/2026

### Business Mission

Tanzania-Japan Business promotion Mission



09/09/2026

### Networking

Private-sector networking dinner on the sidelines of AIM Congress 2026 in Dubai



18/07/2026

### MoU

TPSF has signed a Memorandum of Understanding (MoU) with the AIM Global Foundation, organizers of the Annual Investment Meeting (AIM) Congress.



# Becoming a Member

## Why Join TPSF

- **Influence Policy and Reforms** – Contribute to shaping business policies, regulations, and reforms through structured public-private dialogue with Government.
- **Strong Advocacy and Representation** – Benefit from TPSF's role as the apex private sector body representing business interests at national, regional, and international levels.
- **Direct Access to Decision Makers** – Engage with senior government officials, policymakers, regulators, and development partners on matters affecting business growth and competitiveness.
- **Business Networking and Partnerships** – Connect with industry leaders, investors, development partners, and local and international business communities to create new opportunities.
- **Access to Strategic Information** – Receive timely updates on economic developments, regulatory changes, investment opportunities, and emerging business trends.
- **Support in Resolving Business Challenges** – Leverage TPSF's advocacy platform to address policy, regulatory, taxation, licensing, and operational challenges affecting your business.
- **Capacity Building and Knowledge Sharing** – Participate in business forums, workshops, training programs, and thought leadership engagements that enhance organizational growth.
- **Investment and Market Opportunities** – Access trade missions, business delegations, investment forums, and market linkages that support business expansion.
- **Development Partner Engagement** – Benefit from programs, initiatives, and opportunities facilitated through TPSF's partnerships with development organizations and financial institutions.
- **Collective Strength and Visibility** – Join a unified and influential private sector network dedicated to advancing a competitive and prosperous business environment in Tanzania.

## Membership Categories



### CORPORATE MEMBERSHIP

For legally registered  
private companies  
operating in Tanzania



### ORDINARY MEMBERSHIP

For sector associations  
such tourism, ICT,  
manufacturing, and others.



### ASSOCIATE MEMBERS

Government Agencies  
Facilitating Trade  
and Investment.

## Application Procedure

Application are submitted online through the **TPSF Membership Portal**.

APPLY NOW >

[www.tpsf.or.tz/apply](http://www.tpsf.or.tz/apply)