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OF 7

Tanzania

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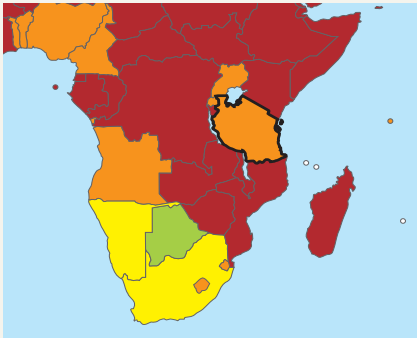
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Basic facts (2025)

Population: 68 million

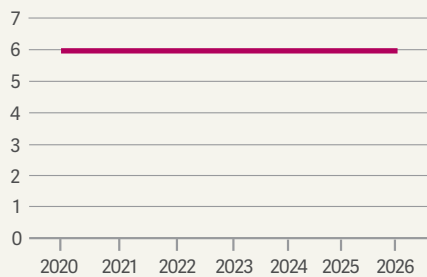
GDP, nominal: USD 87 billion

GDP/capita: USD 1 292



The country risk categories are arranged on a scale from 0 to 7. The lower the figure, the better the country's creditworthiness

Country classification history



Source: EKN

Strengths

- + High average economic growth and strong growth potential
- + Moderate public debt levels
- + Relatively low cost of public debt

Weaknesses

- Low GDP per capita
- Large agricultural sector with high exposure to climate risks
- Weak institutional capacity
- Weak business and investment climate

Background

Since 2010, economic growth in Tanzania has been strong, averaging around six per cent per year. The economy is relatively diversified, and growth potential is favourable, not least due to high levels of savings and investment compared with most economies on the continent.

From a macroeconomic and fiscal perspective, Tanzania is stable in a regional context. Inflation is low compared with the regional average. Public debt as a share of GDP is on an upward trend, but at a significantly slower pace than in many other African economies that, like Tanzania, have invested heavily in infrastructure.

One explanation is that Tanzania's Ministry of Finance is relatively cautious regarding external borrowing and sovereign guarantees compared with many other African countries. Extensive bureaucracy also acts as a constraint, as decisions on external borrowing, as well as most other public sector decisions, are subject to a comprehensive consultative process. Tanzania's largest export product is gold, accounting for nearly 40 per cent of total exports.

Weak institutions and a challenging business environment, including high levels of corruption, dominate the risk profile. Tanzania scores 45/100 in the World Bank's Worldwide Governance Indicators (WGI), reflecting broad shortcomings in public administration.

The large agricultural sector exposes the country to climate-related risks, particularly storms and wildfires. Low-income levels and weak institutional capacity limit Tanzania's ability to mitigate these risks. In the ND-GAIN Index (2025), which measures vulnerability to climate change and capacity to manage such risks, Tanzania ranks 150th out of 187 countries. The need for economic transition is moderate, with the exception of large gas reserves, the development of which may become more difficult to finance in the future. International criticism of the oil pipeline under construction from Uganda to the port of Tanga (EACOP), for example, has been substantial.

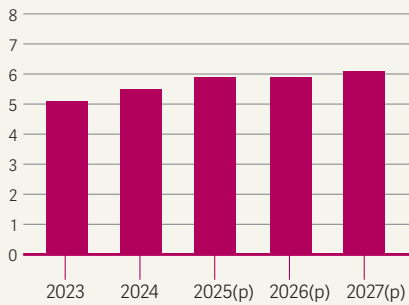
Politics is dominated by the ruling party, Chama Cha Mapinduzi (CCM), which, together with its predecessor TANU, has governed the country since independence. CCM is largely synonymous with the state, and political freedoms are significantly restricted.

Since 2021, Samia Suluhu Hassan has served as president. Under her leadership, Tanzania has adopted a more active foreign policy, and the business climate has become less unpredictable compared with the years under former president Magufuli. Initial steps were also taken towards greater political openness, but over the past year this trend has been replaced by increased political repression. The large-scale protests and the government's forceful response in connection with the October 2025 election raise questions regarding future political stability.

No longer politically stable

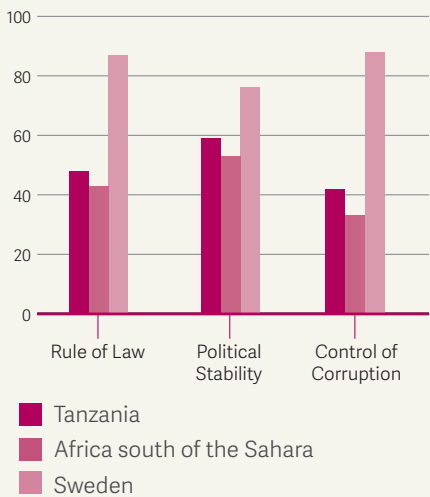
Tanzania is experiencing a negative risk trend due to political unrest and the war in the Middle East. The local elections in November 2024 foreshadowed developments in the presidential election held less than a year later. On that

**Real GDP growth
(constant prices, % per annum)**



Source: IMF WEO, Macrobond

Business environment



Ranking from 0 (worst) to 100 (best)

Source: The World Bank, Macrobond

**Swedish export to
Tanzania**

	MSEK
2025	577
2024	618
2023	477
2022	478
2021	529

Source: SCB

EKN:s exposure

	MSEK
Guarantees	1 332
Offers	9 707

occasion, CCM won an implausible 99 per cent of the vote in a tightly controlled election. Nevertheless, many were surprised by the scale of unrest surrounding the presidential election on 29 October 2025, in which President Samia was re-elected with 98 per cent of the vote and sworn in behind closed doors.

The protests, which spread across the country, were violently suppressed by the military and police. Internet services were shut down, banks and petrol stations were closed, and domestic transport was severely disrupted. According to the final report of the government-appointed commission of inquiry, at least 518 people died in the post-election unrest. The opposition claims the death toll was several thousand. The acute political crisis subsided within a few weeks, and the economy gradually reopened towards the end of November 2025. Some infrastructure was damaged during the unrest, but this did not result in any major disruption to the economy.

However, the unrest has serious long-term implications. From a country risk perspective, Tanzania can no longer be considered politically stable, which had previously been a strength. The protests represent the culmination of a longer-term negative trend in domestic politics, marked by increasing arrests and disappearances. The two main opposition parties were entirely excluded from the election, and opposition leader Tundu Lissu has been imprisoned since April 2025.

The opposition and several international NGOs, including Human Rights Watch, have criticised the government for not publishing the final report of the commission of inquiry and for the lack of accountability for the violence. Without democratic reforms and reconciliation, repression is likely to continue in order for CCM to retain power. Tanzania is thus moving in the direction of Uganda, where repression and the persecution of opposition figures form part of everyday political life, not only during election periods.

During 2026, President Samia has held several meetings with Kenya's William Ruto, Uganda's Yoweri Museveni, and Rwanda's Paul Kagame. In media statements, the leaders have expressed a shared commitment to countering regional and foreign elements blamed for the unrest in their respective countries over the past year. Samia has also conducted the first state visit to Russia since founding president Julius Nyerere visited in 1969, signalling a clear shift in response to strong criticism from Western countries regarding the government's actions.

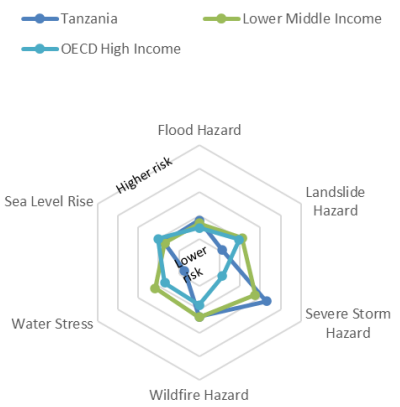
The war in the Middle East and the closure of the Strait of Hormuz have had a significant impact on the country. Economies along Africa's eastern coast are generally among the most vulnerable in the region, primarily due to extensive trade links with the Gulf and high imports of refined oil. Tanzania is particularly exposed to high prices for oil and fertilisers. Approximately 15 per cent of the country's imports pass through the Strait, and net oil imports correspond to 3.3 per cent of GDP. Energy subsidies are limited, which reduces pressure on public finances.

At the same time, fuel prices have increased by 40–50 per cent since the start of the conflict. This is expected to have knock-on effects, including rising inflation. Fuel shortages are already being felt and would worsen significantly if the conflict is not durably resolved. The political situation in Tanzania, combined with public dissatisfaction over rising fuel prices, also risks reinforcing instability. Several countries in the region, including Kenya and Mozambique, experienced

Risk profile Human Rights



Risk profile Climate Risks



The foregoing chart information was obtained from Verisk Maplecroft*

violent and destabilising protests in spring 2026 in response to deteriorating economic conditions for the population.

Despite this, Tanzania remains one of the more stable economies on the continent from a macroeconomic perspective, which mitigates vulnerability. According to the IMF's April forecast, GDP growth is expected to reach 5.9 per cent in 2026, in line with the previous year. Growth is primarily driven by agriculture, financial services, and construction. Inflation is projected to rise to four per cent due to higher oil prices but remains low in a regional context and below the central bank's long-term target of five per cent.

Public finances remain stable. The budget deficit is expected to widen slightly to 3.2 per cent of GDP, but public debt continues on a downward trajectory. In 2026, public debt is projected to amount to 49 per cent of GDP, below the regional average of 56 per cent.

External accounts are also stable. The current account deficit is expected to narrow to 2.3 per cent of GDP in 2026, despite rising oil import prices. Export revenues from tourism, gold, cashew nuts, and tobacco support the current account. External debt stands at just under 40 per cent of GDP, which is high but manageable.

Foreign exchange reserves remain stable, corresponding to just under four months of import cover excluding gold. In addition, since 2024 the Bank of Tanzania has conducted substantial direct purchases of gold, increasing its share of total reserves. According to the central bank, total reserves, including gold, amounted to 4.8 months of import cover at the beginning of 2026.

Over the past two years, EKN has observed increased payment delays in the pulp and paper industry due to foreign currency pressures, although the situation appears to have improved.

Since 2024, when the Bank of Tanzania adopted a policy rate framework, the Tanzanian shilling has been allowed to fluctuate more freely. This has resulted in higher exchange rate volatility than previously, particularly at the beginning of the year when export revenues from agricultural products and tourism tend to be lower. Overall, however, the more flexible exchange rate regime is beneficial for the economy.

So far, the global oil crisis has had a limited impact on the Tanzanian economy. However, IMF projections are based on the assumption that the war in the Middle East will be short-lived and were made in early March 2026, only a few weeks into the conflict. In the event of a prolonged conflict, outcomes may be somewhat weaker than projected.

Overall, country risk developments over the past year have been negative, meaning that the multi-year positive trend that could have led to an upgrade in the country risk classification has stalled. From a risk perspective, Tanzania is assessed to be in the middle of country risk class 6.

Business environment

Under President Samia, predictability in political leadership has increased, the tax authority is less frequently used for political purposes, and cross-border trade has expanded due to improved relations with neighbouring countries. Regulations governing work permits for investors and foreign entrepreneurs

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have also become more accommodating. These improvements are reflected in the World Bank's WGI, where Tanzania's scores have improved somewhat in rule of law, control of corruption, and government effectiveness in recent years. Compared with the Magufuli era, business confidence—particularly among international companies—has increased.

The port of Dar es Salaam remains inefficient, but improvements have been made, and for the past three years it has been operated by the Dubai-based company DP World. In 2024, performance continued to improve according to the World Bank and S&P's Container Port Performance Index, with the port climbing several positions in the global ranking. Investments in railway networks, hydropower dams, and transmission infrastructure are ongoing. Major investments are being made in the Dar es Salaam–DRC–Burundi railway and the EACOP oil pipeline from Uganda.

In its business assessments, EKN considers the risk of adverse impacts on human rights. The focus is on potential impacts arising from operations in the countries where exported goods are used. Key issues include working conditions, child and forced labour, excessive use of force by security forces, indigenous rights, and land rights.

According to Maplecroft's human rights index for these dimensions, Tanzania exhibits a significantly higher risk profile across all indicators compared with OECD high-income countries. However, relative to countries at a similar income level, Tanzania is close to the average across these indicators.

EKN's policy

EKN applies normal risk assessment for sovereign, corporate, and bank risks, for both short- and long-term tenors. For other public sector risks, such as ministries or government agencies, letters of credit, bank guarantees, or sovereign guarantees are required.

EKN's commitment and experience

EKN's exposure consists almost exclusively of one guarantee and one commitment related to deliveries to the Standard Gauge Railway (SGR), both sovereign risks. In addition, there is a range of smaller transactions, primarily in mining, transport, engineering, and pulp and paper.

Payment experience is generally good for both public and private risks. Current claims relate almost exclusively to three transactions with buyers in the transport sector from 2015–2019, with commercial causes.

Sweden has concluded four Paris Club agreements with Tanzania. In the early 2000s, Tanzania received debt relief under the HIPC Initiative, which also included Sweden.