

AHK EASTERN AFRICA NOTICE BOARD

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No. 16 | 2025

Tanzania



Delegation der Deutschen
Wirtschaft für Ostafrika
Delegation of German Industry
and Commerce for Eastern Africa

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Federal Ministry
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Tanzania's Budget Speech 2025/26

Tanzania's Finance Minister Dr Mwigulu Nchemba delivered the 2025/26 national budget on June 12, unveiling a Tsh 56.49 trillion fiscal plan anchored on the theme "Inclusive Economic Transformation through Domestic Resource Mobilisation and Resilient Strategic Investment for Job Creation and Improved Livelihoods".

The budget aims to accelerate GDP growth to 6 percent in 2025, up from 5.6 percent in 2024, while maintaining inflation within the 3–5 percent target range. Domestic revenue is set to rise to 16.7 percent of GDP, reflecting a strong push toward economic self-reliance, especially amid a realignment of donor funding. Strategic fiscal reforms include the introduction of new taxes and levies, such as mandatory travel insurance for foreign visitors, as well as the end of tax holidays for EPZ/SEZ shipments sold locally. Finally, the speech proposed a bold move mandating large-scale gold miners to refine and trade at least 20 percent of output locally, reinforcing value-addition ambitions

For more information, please click here:

<https://bit.ly/3FT1DxB>

Highlights

- Tanzania's Budget Speech 2025/26
- Tanzania's Budget 2025/26 Seen as Tanzania's First Step Towards Economic Self-Reliance
- Tanzania's 2025/26 Budget Debate: Key Focus Areas for Lawmakers
- Tanzania to Introduce Mandatory Travel Insurance for Foreign Visitors
- Tanzania to Receive \$227 Million from World Bank for Marine Resources and Climate Action
- Bank of Tanzania Clarifies Foreign Currency Regulations for 2025

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF FINANCE

SPEECH BY THE MINISTER FOR FINANCE,
HON. DR. MWIGULU LAMECK NCHEMBA MADELU (MP),
PRESENTING TO THE NATIONAL ASSEMBLY, THE ESTIMATES
OF GOVERNMENT REVENUE AND EXPENDITURE
FOR 2025/26





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Tanzania's Budget 2025/26 Seen as Tanzania's First Step Towards Economic Self- Reliance

After press release in Dodoma, Dodoma, Tanzania - Tanzania's recently tabled 2025/26 national budget is being hailed as a significant stride towards the nation's economic self-reliance. Presented by Finance Minister Dr. Mwigulu Nchemba, the budget, totaling TZS 56.49 trillion (approximately \$22.07 billion), emphasizes strengthening domestic revenue collection and reducing reliance on foreign aid. This fiscal year's budget aims to achieve a 6% GDP growth and aligns with the final year of the Third Five-Year National Development Plan (2021/22–2025/26) and Vision 2025. For more information, please click here:

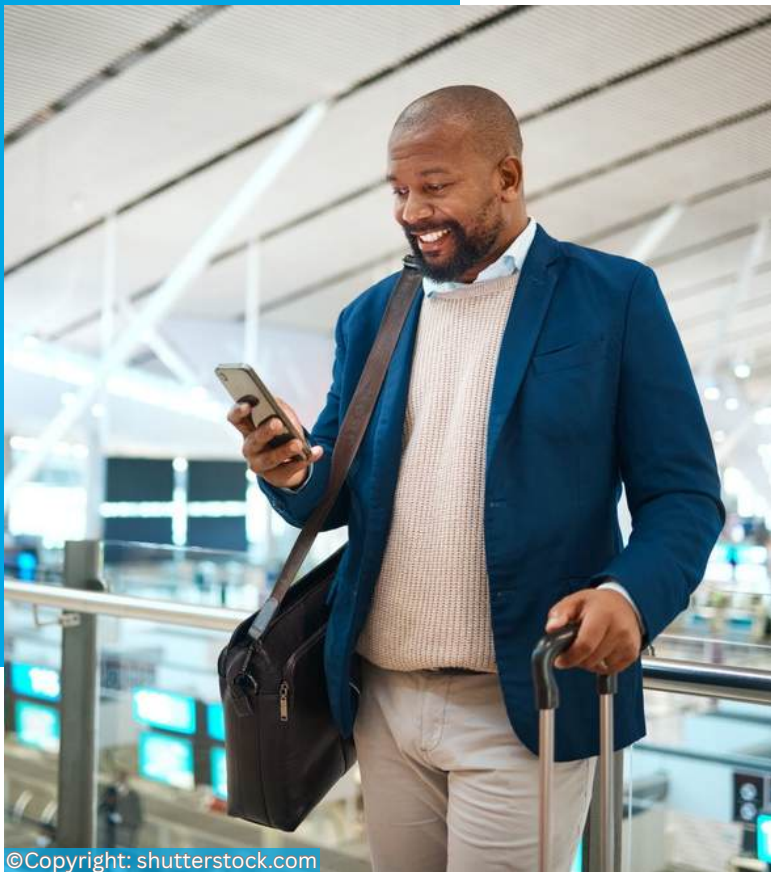
<https://bit.ly/409zh93>

Tanzania's 2025/26 Budget Debate: Key Focus Areas for Lawmakers

After press release in Dar es Salaam, As the Parliament starts to debate Sh. 52 trillion national budget for 2025/2026 on Monday, economic analysts have listed several critical areas for close scrutiny to ensure fiscal measures do not hinder investment, economic growth or social protection. Public debt sustainability: As of April 2025, Tanzania's government debt stood at Sh107.7 trillion, Sh72.94 trillion external and Sh34.76 trillion domestic. Though total debt equals 40.3 % of GDP (below the 55 % threshold), experts warn the upward debt trend may undermine fiscal stability. Extractive sector levies: Proposed new taxes include a 3.5 % levy on forest product sales, a 0.1 % mineral value fee, higher withholding taxes, and a mandate that at least 20 % of gold output be refined domestically. Supporters argue this promotes local value addition, while critics warn such abrupt measures could chill investment. <https://bit.ly/4l9i9lu>



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Tanzania to Introduce Mandatory Travel Insurance for Foreign Visitors

After press release in Dodoma, The Citizen reports that Tanzania will introduce a mandatory USD 44 travel insurance fee for all non-resident foreign visitors starting July 2025. The insurance will cover medical emergencies, accidents, loss of belongings, and repatriation, valid for 62 days on the mainland and up to 92 days in Zanzibar. Finance Minister Dr. Mwigulu Nchemba said the initiative aims to protect tourists, ease the burden on public health services, and boost tourism competitiveness. Visitors from East African Community (EAC) countries will be exempt, while SADC nationals may pay a reduced fee. For more information please click here: <https://bit.ly/3G9hjwy>.

Tanzania Seeks Global Efforts to Curb Marine Pollution

After press release in Paris, Tanzanian Vice President Dr. Philip Mpango, representing President Samia Suluhu Hassan at the Third United Nations Ocean Conference (UNOC3) in Nice, France, has urged global nations to collaborate on reducing marine pollution and protecting ocean biodiversity. He emphasized the need for decisive action and sustainable investment in the blue economy for current and future generations. Dr. Mpango highlighted Tanzania's ongoing efforts to protect its marine environments, including expanding marine protected areas with a goal to cover 20% of its ocean territory by 2030. He also stressed the importance of increased financial support for low-income countries and Small Island Developing States (SIDS) to address ocean-related challenges and achieve Sustainable Development Goal 14 (SDG 14). For more information, please click here: <https://bit.ly/4e8kukX>



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Tanzania to Introduce Mandatory Travel Insurance for Foreign Visitors

Washington, The World Bank has approved new financing for Tanzania totaling \$227 million in grants and credits. This funding is dedicated to two key projects: Tanzania Scaling-Up Sustainable Marine Fisheries and Aquaculture Management Project (TAFSAM): This project aims to enhance the sustainable management of marine resources and improve economic opportunities for beneficiaries in targeted areas. Scaling-Up Locally Led Climate Action Program (SCALE): This program will strengthen national and local government systems to increase climate resilience and invest in locally led climate action in selected districts.

<https://bit.ly/3FVg6ZU>

Bank of Tanzania Clarifies Foreign Currency Regulations for 2025

After press release in Arusha, The Bank of Tanzania (BoT) has issued a clarification regarding its 2025 foreign currency usage regulations, aiming to foster a more business-friendly environment, particularly for the tourism sector. According to Emmanuel Akaro, BoT's Director of Financial Markets, the updated regulations permit transactions for goods and services between residents and non-residents, including tourists, to be conducted in foreign currencies. However, all transactions between Tanzanian residents must be settled exclusively in Tanzanian shillings. It is an offense for any service provider to refuse payments made in the national currency for local transactions. These regulations, enacted under Section 26 of the Bank of Tanzania Act of 2006, came into effect on March 28, 2025.

For more information, please click here:

<https://bit.ly/4n7VH4o>



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Uganda



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Highlights

- Uganda's Private-Sector Credit Picks Up Momentum - Bank of Uganda
- Uganda's Vanilla Exports Double to USD 16.6 Million in 2024



Monetary Policy Report May 2025

German Delegation Visits Uganda to Deepen Economic and Development Cooperation

The Bank of Uganda's May 2025 Monetary Policy Report reveals a rebound in private-sector credit growth—reaching its fastest pace in two years—as the economy gains strength under stable monetary conditions.

Highlights:

- Private-sector lending surged, marking a notable improvement and support for business expansion and investment.
- The Central Bank Rate has been held steady at 9.75%, reflecting a deliberate balance between controlling inflation and sustaining credit availability.

This upswing aligns with recent data showing that private-sector lending rose at the fastest rate in two years, driven largely by commercial banks' increased appetite—indicating renewed confidence in Uganda's economic trajectory. For more information, please click here: <https://bit.ly/4jTLJkk>



Uganda's Vanilla Exports Double to USD 16.6 Million in 2024

The surge reflects growing recognition of Uganda as a reliable source of premium, natural vanilla—particularly in markets that prioritize sustainability, traceability, and ethical sourcing. Behind this momentum is a network of dedicated smallholder farmers across regions like Mukono, Bundibugyo, and Kasese, whose increased engagement and adherence to good agricultural practices have strengthened supply and quality consistency. The surge reflects growing recognition of Uganda as a reliable source of premium, natural vanilla, particularly in markets that prioritize sustainability, traceability, and ethical sourcing.



Key Takeaways:

- Export volumes rose sharply in the past year, fueled by smallholder farmers in key vanilla-growing regions.
- Uganda is gaining traction in premium, natural vanilla markets—an indicator of both quality and market access.
- The surge underscores the potential of high-value agricultural products in Uganda's export portfolio.
- The bulk of Uganda's vanilla exports are destined for Germany, France and the United States.

This is a strong signal that Uganda's agricultural export diversification strategy is working—shifting from conventional commodities to value-rich specialties. For businesses and investors, it presents compelling opportunities in upstream farming, processing, logistics, certification services, and export partnerships.

For more information, please click here:

<https://bit.ly/3Ts6R6u>



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Ethiopia



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Highlights

- Ethiopian Airlines Soars Again at Skytrax 2025
- Ethiopia's EV Adoption Triples in Two Years

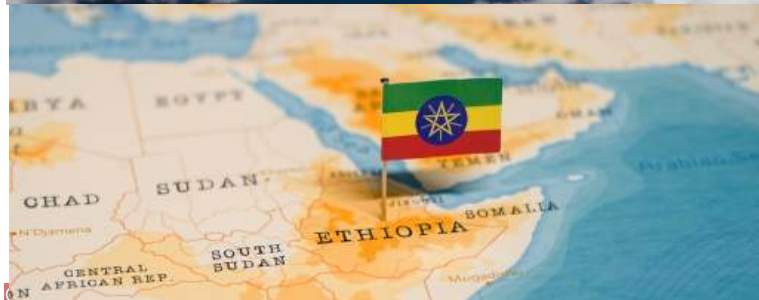
Ethiopian Airlines Soars Again at Skytrax 2025

Ethiopian Airlines has once again solidified its position as Africa's aviation leader, winning four prestigious awards at the Skytrax 2025 World Airline Awards held at the iconic Fairmont Windsor Park, UK:

- Best Airline in Africa – for the 8th consecutive year
- Best Business Class in Africa
- Best Economy Class in Africa
- Best Cabin Crew in Africa

With these accolades, Ethiopian Airlines not only reaffirms its leadership on the continent, but it also signals a compelling opportunity for German and other international businesses in aviation, engineering, logistics, digital systems, and training to partner with Africa's most awarded carrier and tap into one of the world's fastest-growing aviation markets. For more information, please click here:

<https://bit.ly/3HPqa7b>



Ethiopia's EV Adoption Triples in Two Years

Ethiopia's electric vehicle (EV) fleet has surged from 4,600 in early 2023 to 14,000 by early 2025, driven by a mix of fiscal incentives, regulatory reforms, and currency restrictions that have made importing fuel-powered vehicles nearly impossible.

Over 60% of new car registrations in 2024 were electric—an unprecedented shift fueled by:

- A de facto ban on ICE vehicles (via halted forex allocations)
- Heavy import taxes on used fuel vehicles
- Elimination of VAT, excise, and surtax on EV imports (2022 directive)
- Reduced customs duties (as low as 5% for semi-knocked-down kits; 0% for local assembly)



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Charging Infrastructure Still Lags

Although progress is strong, Ethiopia's EV push faces major bottlenecks in charging infrastructure. A new regulatory directive sets standards for station licensing, tariffs, and security—with plans for charging stations every 50–120 km nationwide.

Additional trends:

- Rollout of electric buses in Addis Ababa
- Phasing out fuel-powered motorcycles in the capital
- National fleet projected to reach 113,000 EVs by 2030, nearly 28% of total cars

Affordability remains a key challenge for lower-income households despite tax breaks. Broader EV adoption will depend on financing tools, expanded infrastructure, and public education. For more information, click here:

<https://bit.ly/409SoQg>



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Kenya



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Budget Statement FY2025/26

On the afternoon of 12th June 2025, the Cabinet Secretary for the National Treasury and Economic Planning, Hon. FCPA John Mbadi, officially presented the Budget Statement for the Financial Year 2025/2026 before the National Assembly at the Parliament Buildings in Nairobi. The highly anticipated presentation marked a critical step in Kenya's fiscal planning and policy direction for the coming year, attracting national attention from policymakers, economists, businesses, and citizens alike.

The theme for this year's Budget Statement is:
"Stimulating Sustainable Economic Recovery for Improved Livelihoods, Job Creation, and Business and Industrial Prosperity in line with the Bottom-Up Economic Transformation Agenda."

This theme underscores the government's commitment to fostering inclusive economic growth, enhancing social welfare, and revitalising key productive sectors through strategic public investments and policy reforms. For more information, please click here: <https://bit.ly/3FHZpRG>

Highlights

- Budget Statement FY2025/26
- Ruto Makes Changes in Govt Structure After Executive Order 1 of 2025
- MPC lowers the CBR to 9.75 percent
- About 2,250 MSMEs set to benefit from a two-year capacity-building program
- Harnessing Technology for Agricultural Transformation and Food Security
- Africa Public Service Day 2025 Celebrations: A Commitment to Resilient and Citizen-Centric Governance
- Funding of Science, Research and Innovation programmes.



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Ruto Makes Changes in Govt Structure After Executive Order 1 of 2025

H.E. President Dr. William Samoei Ruto signed Executive Order No. 1 of 2025, setting out a revised structure for the Government of Kenya. This Executive Order marks a significant step in the administration's continued efforts to realign and streamline government functions for enhanced service delivery, efficiency, and alignment with national development priorities.

For more information, please click here:

<https://bit.ly/44cSZSH>

MPC lowers the CBR to 9.75 percent

On June 10, 2025, the Monetary Policy Committee (MPC) of the Central Bank of Kenya (CBK) held its scheduled policy meeting and announced a decision to lower the Central Bank Rate (CBR) from 10.50 percent to 9.75 percent. This marks a significant shift in monetary policy, reflecting the Committee's confidence in the country's improving macroeconomic conditions and the easing of inflationary pressures.

According to the CBK, the decision to ease the policy rate was guided by recent economic indicators showing a decline in headline inflation, stable foreign exchange markets, and resilient economic activity, particularly in key sectors such as agriculture, manufacturing, and services. The Committee noted that previous tightening measures had successfully anchored inflation expectations and moderated excessive volatility in the financial markets.

The reduction in the CBR aims to support credit growth to the private sector, encourage investment and consumption, and ultimately stimulate domestic economic activity. For more information, please click here: <https://bit.ly/44cSZSH>



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About 2,250 MSMEs set to benefit from a two-year capacity-building program

About 2,250 micro, small, and medium enterprises (MSMEs) in Turkana are set to benefit from a two-year capacity-building program aimed at helping them meet international trade standards and tap into global markets. The initiative is a partnership between the Turkana County Government and the International Trade Center (ITC), with funding from the Korea International Cooperation Agency (KOICA).

For more information, please click here:

<https://bit.ly/45ogTwK>

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Harnessing Technology for Agricultural Transformation and Food Security

In an era defined by innovation, the agricultural sector stands to benefit immensely from the integration of cutting-edge technologies. From precision farming and smart irrigation systems to digital marketplaces and data-driven decision-making tools, technological advancements are revolutionizing how we grow, distribute, and consume food. These innovations not only enhance efficiency and sustainability but also contribute to the development of smarter, more resilient, and inclusive agricultural systems—critical for ensuring food security in the face of climate change, population growth, and resource constraints.

On June 11, 2025, the 10th Agritec Africa International Exhibition and Conference officially opened its doors to stakeholders across the agri-value chain. The event was graced by Hon. Jonathan Mueke, Principal Secretary for Livestock Development, who represented Cabinet Secretary Sen. Mutahi Kagwe. For more information, please click here:

<http://bit.ly/43R2p7t>



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Funding of Science, Research and Innovation programmes.

PS Science, Research and Innovation Prof. Shaukat Abdulrazak on June 14, 2025 held discussions with officials from the Africa Development Bank (AfDB) on opportunities for funding of Science, Research and Innovation programmes. The PS noted that through support from the AfDB, this will enable the country move closer towards achieving the goal of mainstreaming science, research and innovation in different scientific clusters. Prof. Shaukat emphasized on capacity building especially for women and youth in STEM for socioeconomic transformation under BETA initiative. For more information, please click here:

<http://bit.ly/3FU28aF>

Africa Public Service Day 2025 Celebrations: A Commitment to Resilient and Citizen-Centric Governance

The Africa Public Service Day (APSD) 2025 celebrations commenced June 10, 2025 at the Kenyatta International Convention Centre (KICC) and ran through June 12, 2025. These celebrations highlighted Kenya's dedication to an evolving, resilient, and citizen-focused public service that is responsive, inclusive, and future-oriented. During the official opening ceremony, the Cabinet Secretary for the Ministry of Public Service, Hon. Geoffrey Ruku Kiringa, praised Kenya's public service as a beacon of resilience and innovation. He emphasized the duty of public servants to honor taxpayers through timely, transparent, and efficient service. Noting that modern challenges demand a shift in both mindset and method, he called on public institutions to embrace digital transformation and emerging technologies—including Artificial Intelligence (AI)—to improve efficiency and accountability.

For more information, please click here:

<http://bit.ly/3FMqmUh>



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