

## Tanzania poised for contentious U-Turn on COVID-19 and foreign investor attitudes

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Despite a likely contentious argument within Tanzania's ruling Chama Chama Mapinduzi (CCM) party over the political direction of the country, Tanzania's new President Mrs Samia Suluhu is ultimately poised for a public U-turn on her predecessor's controversial covid policies and negative attitudes towards foreign investors.

After three weeks out of the public eye and the rumour mill about his whereabouts and health in over drive, it was announced on 17 March that President Magufuli died in a Dar es Salaam hospital. The official reason given was complications to do with a pre-existing heart condition. In a country that has imposed virtually no Covid-19 related restrictions, the consensus among the population is that Magufuli likely died from the virus. If this is the case, this would make Magufuli the only sitting head of state to die from the virus to date. His death, and the death of numerous other high ranking government officials in the past few months may see Tanzania change its approach on managing the virus, be it putting measures in place to curb the spread of the virus and potentially allowing vaccines into the country. Although Tanzania has never witnessed the death of a sitting head of state, the constitution is clear as to what is supposed to happen next. The country's vice president Samia Suluhu will be elevated to the role of president until the next general election takes place in 2025.

Opposition leader, Tundu Lissu, led speculation that the 61-year old president was in Kenya, then India, receiving specialist medical treatment for Covid-19. The office of the presidency played down the rumours, reiterating Magufuli's good health. However, on 17 March Magufuli, Tanzania's president since 2015 who won a second term in 2020, died in Dar es Salaam, with the official statement attributing his death to a heart condition.

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## **What now?**

Under Article 37 of Tanzania's constitution, if a president dies while in office then the vice president assumes the presidency for the remainder of the term (until 2025 in this case). As a result, Vice President Samia Suluhu should become Tanzania's first female and first Zanzibari president. Suluhu would also become the second female head of state in Africa (although Ethiopia's presidency is largely ceremonial) and East Africa's first sworn-in female president. However, although there is a constitutional plan for succession, Suluhu's ability to govern as Magufuli's successor is more complicated. Magufuli's succession was not prearranged and there is significant uncertainty over the transition in power. Suluhu is unlikely to retain the loyalty afforded to Magufuli from within the ruling party, Chama Cha Mapinduzi (CCM). The party is due to hold an extraordinary meeting on 20 March to discuss the succession.

Infighting has been a growing dynamic within the CCM since October's election. Magufuli retains loyalists within key facets of government, notably the intelligence services, but elements within the CCM are likely to be eager to marginalise the influence of Magufuli loyalists, while supporters of the late president will almost certainly seek to maintain influence and steer government. As a result, there is a heightened risk of accentuated factionalisation within the CCM. This would most likely undermine the new president's ability to govern effectively and has the potential to disrupt flagship government policies.

Suluhu is not a particularly controversial figure. She has been loyal to Magufuli and but has not been a 'loyalist'. As a Muslim and hailing from semi-autonomous Zanzibar, Hassan is likely to be contentious within some traditional Christian elements of the CCM. Suluhu lacks her own support base but is likely to draw from Tanzania's Muslim population (35%) and reportedly has the support of former president, Jakaya Kikwete. Suluhu's ability to govern will depend on her ability to manage factions within her party. Should Suluhu be sworn in as president, the choice of vice president could be an early indication of her support base within government.

Although Suluhu held multiple ministerial positions before rising to the role of vice president, she is not regarded as a political heavyweight in the party. She has the power to nominate her new vice president, however in reality the power brokers of the ruling Chama Cha Mapinduzi (CCM), likely with input from the influential Tanzania Intelligence and Security Service (TISS), will make this decision for her. It is unclear as to who the front runner is to become the new vice president however it is likely to be a Christian male. Whoever this candidate is, they are likely to be the real decision maker until the next general election in 2025, and potentially longer.

## **Early indicators of political direction**

Samia Suluhu is a very different individual to John Magufuli. The vice president's prominence has risen in recent years, particularly appearances on the international stage. Unsurprisingly, Suluhu is highly likely to be far less sporadic than Magufuli, while her soft rhetoric contrasts Magufuli's more brazen approach. However, although a Suluhu presidency could be a reset in style, this does not mean a reset in policies.

The first indication of the presidency's political direction is likely to be Covid-19. Tanzania has been an outlier in its approach to the pandemic, undergoing a policy of Covid-19 denial, suspending testing in April 2020 and dismissing both social distancing measures and vaccines. Much of this strategy has been attributed to Magufuli's own claims that divine intervention had defeated Covid-19 in Tanzania. Public and institutional pressure on the

government to accept the reality of the public health situation has grown over the last few months. An adjustment in strategy on Covid-19, or at least cooperation with the World Health Organization (WHO), could be a more straightforward change.

However, radical change in other areas of government is unlikely in the short run. The new president is highly unlikely to be able to significantly re-sculpt policies of certain government departments at the expense of support from the complex party landscape she will inherit. There will also likely be significant opposition to Suluhu if she is perceived to be eroding Magufuli's legacy – a potential complication for a total U-turn on Tanzania's current Covid-19 strategy.

Suluhu has previously demonstrated a pro-business narrative, particularly towards mining, in contrast to Magufuli's more confrontational, protectionist and anti-western approach in recent years. Anticipated legislation, such as expected anti-business mining reforms, are likely to be delayed or potentially revamped. It is conceivable that a Suluhu presidency could make Tanzania more accessible, but the incoming president will have a difficult dynamic to manage within her party first.

Although incoming president Samia Suluhu is a steady pair of hands to guide the country in this unprecedented period, it is likely to be her vice president that holds the answers to these questions above. What is sure at this point is that Tanzania has lost a leader who consolidated his grip on the ruling CCM and the country more so than perhaps any of his predecessors. He will leave a legacy that is second only to the country's founding president Julius Nyerere.

*In terms of the next steps for investors, the key things to watch include:*

- Is Tanzania at risk of a constitutional crisis if the country is not governed by a president elected by the people, or if CCM deviates from the steps outlined in the constitution and decides not to elevate Suluhu?
- Does corruption start to increase now that Magufuli is not in office to crack down on those caught stepping out of line?
- Will power be less centralized with ministers afforded the ability to run their own ministries and make significant decisions without the approval of the president?
- Does the bureaucracy speed up now that it is not paralyzed by the fear of making a wrong decision; a fear instilled by Magufuli's keenness to fire those who make the wrong decision that has seen many officials instead make no decisions.
- Will Tanzania take a more conventional approach to managing the Covid-19 pandemic? If so we are likely to see a significant influx of donor funds pour into the country.
- Noting the recent ill-health of the minister for finance and planning Philip Mpango, is the country's budget prepared in time for the June parliamentary sitting?

- Will Magufuli's mega-projects, including the Julius Nyerere Hydropower Project, ongoing revival of Air Tanzania and the building of a new airport on the outskirts of the country's capital Dodoma be mothballed?
- Will the country accept more donor assistance to support its national budget, perhaps taking the pressure off the Tanzania Revenue Authority (TRA) to aggressively broaden and deepen the country's tax base?
- Will Tanzania finally be "open for business" with a fair and predictable fiscal and policy regime that encourages new investment and supports existing investment?

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