

**OPENING REMARKS BY HON. PROF. KITILA ALEXANDER MKUMBO (MP),  
MINISTER OF STATE, PRESIDENT’S OFFICE – PLANNING AND INVESTMENT,  
AT THE CONSULTATIVE MEETING ON THE ASSESSMENT OF ECONOMIC  
IMPACTS ON TANZANIA ARISING FROM THE GULF CRISIS.**

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**Dar es Salaam, Friday 22 May 2026 2026**

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Dr. Tausi Mbagi Kida, Permanent Secretary (Planning) and Executive Secretary,  
National Planning Commission

Ms. Susan Ngongi Namondo, United Nations Resident Coordinator in Tanzania

Mr. Shigeki Komatsubara, Resident Representative, United Nations Development  
Programme (UNDP) Tanzania

Dr. Mursali Milanzi, Deputy Executive Secretary, National Planning Commission

Dr. Blandina Kilama, Deputy Executive Secretary, Trade and Innovation, National  
Planning Commission

Mr. Sosthenes Kewe, Deputy Executive Secretary, Performance Management and  
Evaluation, National Planning Commission

Mr. Raymond Gilpin, Chief Economist, UNDP Regional Bureau for Africa

Distinguished Guests

Ladies and Gentlemen,

Good morning.

Let me begin by expressing my sincere appreciation to the National Planning Commission, in collaboration with the United Nations Development Programme and the broader United Nations system, for convening this important consultative meeting and for bringing together distinguished experts and stakeholders from within and outside the country. The timing of this discussion could not be more appropriate.

***Distinguished Participants,***

Allow me to begin with an observation that has become increasingly evident in recent years: the strategic influence of states in the global economy is now closely linked to their position within global supply chains and their ability to influence critical trade and transport corridors. This reality is reshaping geopolitical behaviour and intensifying competition for control and influence over strategic chokepoints such as the Strait of Hormuz.

There are two additional realities that are particularly relevant to our discussion today.

First, Tanzania, like many countries in East Africa, remains a net importer of petroleum products, with limited domestic refining capacity and no crude oil production. Second, a substantial share of our imported petroleum products originates from countries in the Gulf region, particularly the United Arab Emirates and the Kingdom of Saudi Arabia, whose oil exports depend heavily on the Strait of Hormuz for maritime transportation.

It therefore follows that the ongoing conflict involving Iran and the wider Gulf region poses significant risks to Tanzania's economy. The key questions before us are not whether there will be an impact, but rather the magnitude of that impact, its likely duration, and the most effective policy responses available to mitigate its effects.

***Distinguished Participants,***

The disruptions we are witnessing in global energy markets, shipping routes, logistics systems, fertiliser supply chains and financial markets are no longer distant geopolitical events. Their effects are already being felt across developing economies through rising production costs, pressure on household welfare, investor uncertainty and reduced fiscal space for development financing. This makes the task of building economic resilience more urgent than ever before.

Today's consultation is therefore both timely and necessary. We look forward to benefiting from your insights and recommendations on how Tanzania can best navigate and minimise the economic consequences of the ongoing Gulf crisis.

### ***Distinguished Participants,***

Several important assessments have already been published regarding the implications of the conflict for Africa and the global economy. A consistent message emerging from these studies is that prolonged instability in the Gulf region presents significant risks for African economies and could trigger wider humanitarian and development challenges if the conflict persists.

For example, the 7 April 2026 policy brief jointly prepared by the African Development Bank, the African Union Commission, the United Nations Economic Commission for Africa and UNDP identifies five major transmission channels through which the crisis affects African economies. These include:

- energy, food and fertiliser shocks;
- disruptions in trade, logistics and supply chains;
- capital market and foreign exchange volatility;
- geopolitical fragmentation and security risks; and
- heightened uncertainty in global markets.

Similarly, a recent study by the Economic and Social Research Foundation (ESRF) titled *Global Oil Price Volatility and Tanzania: Impacts and Policy Implications* identifies several likely domestic consequences, including:

- increased fuel import costs;
- higher transportation costs;

- rising production expenses;
- inflationary pressures; and
- increased costs of doing business.

***Distinguished Participants,***

I am encouraged that many of these studies also propose practical policy responses to cushion African economies from the adverse effects of ongoing global shocks. These include strengthening strategic fuel reserves, expanding regional energy integration, diversifying sources of fuel imports, and accelerating investment in renewable and alternative energy sources.

I am pleased to note that Tanzania is already pursuing a number of these initiatives at various stages of implementation. In many respects, the current crisis reinforces the urgency of accelerating these reforms and investments in order to strengthen our long-term economic resilience.

At the same time, we continue to hope for peaceful diplomatic solutions to the conflict, recognising that durable global economic stability ultimately depends on peace, dialogue and international cooperation.

***Dear Participants,***

While the crisis presents serious challenges, it may also create strategic opportunities for Africa.

First, rising geopolitical uncertainty in traditional energy-producing regions is encouraging global investors to diversify their energy portfolios and explore alternative investment destinations. Africa, with its significant untapped oil and gas potential, stands to benefit from this shift. Promising geological prospects and expanding offshore exploration activities are already attracting renewed investor interest across the continent.

According to recent industry estimates, a substantial share of globally identified high-impact oil discoveries is located in Africa, while upstream oil and gas investments in the continent are projected to increase significantly over the coming years. This

presents opportunities not only for increased investment, but also for technology transfer, employment creation and infrastructure development.

Second, despite Africa's considerable potential in petroleum refining, much of the continent's refining infrastructure remains limited, outdated or underutilised. The current global energy uncertainty therefore presents an opportunity for African countries to rethink and strengthen domestic and regional refining capacity as part of broader industrialisation efforts.

Third, the crisis reinforces the importance of deepening intra-African trade under the African Continental Free Trade Area (AfCFTA). Stronger regional value chains and greater intra-African trade can help reduce external vulnerabilities and improve economic resilience in times of global uncertainty.

### ***Distinguished Participants,***

Allow me to make one final observation.

Although global crude oil prices have risen sharply following the escalation of the conflict, current Brent crude prices remain below the peak levels experienced during the early stages of the Russia–Ukraine conflict in 2022, and significantly below some of the more pessimistic projections initially feared by global markets. Continued expectations of diplomatic engagement and market adjustments have helped moderate some of these pressures.

Nevertheless, we must remain realistic and prudent. Government alone cannot fully absorb a shock of this magnitude through broad and untargeted fiscal interventions without risking macroeconomic stability. A responsible policy response must balance the need to protect vulnerable groups with the equally important need to preserve fiscal discipline, macroeconomic stability and investor confidence.

This is why a whole-of-society approach is essential.

Government will continue to provide strategic policy direction, regulatory oversight and targeted interventions where necessary. The private sector also has an important responsibility to ensure responsible pricing behaviour, improve supply chain

efficiency and invest in innovations that reduce production and logistics costs. Financial institutions must continue supporting productive sectors through adequate liquidity and financing mechanisms. Development partners can assist through technical support, concessional financing and risk-sharing instruments. Regulatory authorities must likewise strengthen market transparency and guard against exploitative practices.

***Distinguished Participants,***

In conclusion, the Gulf crisis is both a challenge and a strategic inflection point. If we respond with foresight, discipline, partnership and innovation, Tanzania can not only mitigate the immediate economic risks, but also strengthen its long-term resilience and advance more confidently towards the aspirations of Dira 2050.

With those remarks, I now declare this Consultative Meeting officially open.

***Asanteni sana!***