Tanzania
Market Report

youthful exuberance

Tanzania has achieved some of the fastest growth rates in Africa, attributed to its strategic position as a key seaport hub in East Africa, rich natural resources, and political stability. **The country's gambling industry is witnessing remarkable expansion, largely fuelled by the rise of online sports betting and a growing number of betting shops**, particularly in major urban areas like Dar Es Salaam.

Tanzania's economy largely relies on tourism, mining, agriculture and manufacturing. The types of goods Tanzania exports have changed over the past two decades, from agricultural products to minerals. As of February 2024, agriculture contributes one-third to the gross domestic product (GDP) and employs two-thirds of Tanzania's population.

The youthful demographic of Tanzania, comprising approximately 64 per cent of the population under the age of 24, is poised to be a major catalyst for the growth of sports betting in the coming years. Indeed, leading operators have already gained a foothold in the market and the government is reaping significant revenue benefits. As the government aims for 80 per cent internet access by 2025, the industry is expected to continue to grow.

POPULATION

Tanzania's population has increased by 37 per cent over the past decade to almost 63 million according to the latest UN figures, and, projections suggest that it is expected to grow between 2 per cent and 3 per cent a year until 2050. At the current annual population growth Tanzania's population is doubling approximately every 23 years. The size of the Tanzanian population is estimated to range from about 120 million to 141 million by 2050. Tanzania has one of the word's fastest growing young people's populations. According to UNICEF more than 50 per cent are under 18 and over 70 per cent are under 30. Adolescents form over 12 million of the overall population.

POLITICS

Tanzania has conducted regular multiparty elections since shifting from a one-party state in the early 1990s, yet the opposition remains relatively weak. The ruling party, Chama cha Mapinduzi (CCM), has maintained power for over 60 years, winning every election since the country gained independence from Britain in 1961. Following the election of the late John Magufuli as president in 2015, the government intensified its crackdown on critics within the political opposition, the media, and civil society.

After Magufuli's death, Samia Suluhu Hassan, who had served as his running mate in both 2015 and 2020, became Tanzania's first female president in 2021. Under her leadership, opposition parties have been permitted to hold rallies and express criticism of the government without fearing severe repercussions. Through her 4Rs agenda Reconciliation, Resilience, Reform, and Rebuild Hassan has rolled back many of her predecessor's repressive policies.

However, there are growing concerns that Tanzania might be regressing towards the autocratic practices of the past due to recent incidents, such as the abduction and disappearance of dissidents, and the arrests of opposition members.

ECONOMY

Tanzania's economy largely relies on tourism, mining, agriculture and manufacturing. The types of goods Tanzania exports have changed over the past two decades, from agricultural products to minerals. As of February 2024, agriculture contributes one-third to the gross domestic product (GDP) and employs two-

thirds of Tanzania's population. Minerals made up 49 per cent of exported goods, followed by manufactured goods at 17 per cent and agricultural products at 12 per cent. China is the top investor in Tanzania, with a portfolio of 1,098 investment projects valued at $9.6 billion, outpacing the UK and the US.

Tanzania's economic hub Dar es Salaam is set to become a megacity by 2050. The Indian Ocean port remains the most populated region with around 5.4 million residents. The port acts as a key driver, facilitating trade, industrialisation, and population influx. Its expansion and modernisation efforts enhance its capacity to handle increasing trade volumes, further cementing Dar es Salaam's status as an economic powerhouse in East Africa.

According to the World Bank's latest report on Tanzania published in 2024 Tanzania has successfully maintained its growth momentum despite the escalating impacts of climate change. The country's real GDP growth rate increased from 4.6 percent in 2022 to 5.2 percent in 2023, driven by a more favourable business environment and improved trade balances which bolstered aggregate demand, countering the adverse effects of droughts and floods on household incomes. Meanwhile the services sector was responsible for half of the GDP growth in the first three quarters of 2023, with strong contributions from financial and insurance services, tourism, transportation, and the accommodation sector.

Indeed, Tanzania's economy is forecast to grow faster this year than in 2023 according to Kitila Mkumbo, Minister of State in the president's Office for Planning and Investment. In June 2024 Mkumbo told parliament that the economy was projected to grow 5.4 per cent this year. However, Mkumbo noted that the benefits of the growth were not evenly distributed, especially among the country's poorest.

Recent progress has mainly occurred in sectors that provide limited employment opportunities for individuals from low-income households, which restricts the overall impact on poverty levels. The national poverty rate declined slightly from an estimated 27 per cent in 2022 to about 26.5 percent in 2023. Nevertheless, the income improvements for poorer households have not kept pace with population growth, leading to an increase in the number of people living below the poverty line, estimated at 15 million in 2022.

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Capital:
Dodoma
Total Area:
947,300 sq km
Population:
63,000,000
Median age:
19.1 years
Religions:
Christian 63.1per cent, Muslim 34.1per cent, folk religion 1.1per cent, Buddhist <1per cent, Hindu <1per cent, Jewish <1per cent, other <1per cent, unspecified 1.6per cent (2020 est.) note: Zanzibar is almost entirely Muslim
Languages:
Kiswahili or Swahili (official), Kiunguja (name for Swahili in Zanzibar), English (official, primary language of commerce, administration, and higher education), Arabic, many local languages
Currency:
The shilling
Government type:
Presidential Republic
Chief of State:
President Samia Suluhu Hassan (since 19 March 2021)
Head of Government:
President Samia Suluhu Hassan (since 19 March 2021)
Elections:
President and Vice President directly elected on the same ballot by simple majority popular vote for a 5-year term (eligible for a second term); election last held on 28 October 2020 (next to be held in October 2025); prime minister appointed by the president.
Unemployment:
2.61 per cent
Tourism:
1.8 million

TOURISM

Tanzania is a breathtaking destination for tourism, known for its stunning landscapes, rich wildlife, and vibrant cultures. Tanzania boasts some of Africa's most spectacular natural wonders, making it a premier destination for adventure and wildlife enthusiasts. The Serengeti National Park is renowned for the Great Migration, where millions of wildebeest and zebras traverse the plains, providing unparalleled wildlife viewing throughout the year. Nearby, the Ngorongoro Crater, a UNESCO World Heritage site, is a massive volcanic caldera that is home to a diverse array of animals, making it one of the best locations for safari experiences. Mount Kilimanjaro, Africa's highest peak, attracts trekkers and climbers from all over the globe.

In addition to its wildlife and mountains, Tanzania offers beautiful coastal experiences in Zanzibar, an archipelago known for its pristine beaches. Lake Victoria is the largest lake in Africa, while other national parks and reserves, offer unique wildlife experiences.

In 2023, Tanzania's tourism industry experienced a significant rebound, with both tourist arrivals and revenues exceeding pre-pandemic figures. In June 2024, Tanzanian Minister of Natural Resources and Tourism, Angellah Kairuki, announced that foreign tourist arrivals rose to 1,808,205 in 2023, up from 1,454,920 in 2022—an increase of 24.3 per cent. Additionally, earnings from the tourism sector grew from 2.5 billion U.S. dollars in 2022 to 3.4 billion dollars in 2023.

According to The World Travel & Tourism Council's (WTTC) the Travel & Tourism sector contributed TZS 18.6 trillion to the national economy in 2023, surpassing the previous peak in 2019 by 4 per cent, which accounts for 9.5 per cent of the overall economy. The global tourism body forecasts that this positive trend will continue into 2024, with the sector's contribution to Tanzania's national economy expected to reach TZS 20.3 trillion, representing nearly 10 per cent of the economy.

DIGITAL TANZANIA

Over the last decade, Tanzania has undergone a significant rise in digitalisation, affecting all sectors of its economy. In May 2023, the Tanzanian government, with the backing of the World Bank, launched a project named Digital Tanzania in collaboration with mobile network operators. This initiative aims to expand

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broadband services to 713 wards, encompassing approximately 1,407 villages, and is set to benefit over 8.5 million Tanzanians upon completion. The project's estimated cost is around US$112 million and will be executed under the Universal Communication Services Access Fund (UCSAF), established in 2007 to enhance access to communication services.

The importance of the communications sector was underscored during a budget presentation by the Ministry of Information, Communications, and Information Technology Mr. Nape Nnauye. Addressing parliament in May he emphasised the sector's impressive growth over the previous year. He reported a 16.4 per cent increase in registered SIM cards, rising from 62.3 million in April 2023 to 72.5 million by April 2024. Furthermore, mobile internet subscribers grew by 11.2 per cent, from 33.1 million to 36.8 million during the same period, while mobile money service users saw a substantial rise of 19.6 per cent, increasing from 44.3 million to 53.0 million.

MOBILE MONEY

In recent years, Tanzania has experienced a significant surge in the adoption of mobile money services. By the end of 2023, the number of active mobile money accounts reached 55.8 million, more than doubling from 25.8 million accounts reported in 2019, according to the latest data from the Tanzania Communications Regulatory Authority (TCRA). This impressive growth of 116.2 per cent means that over 80 per cent of Tanzanians now possess a mobile money account. The mobile money market in Tanzania is primarily dominated by three key providers: Vodacom's M–Pesa, Tigo Pesa, and Airtel Money, which together account for 89 per cent of the total market share.

HOW GAMBLING IS REGULATED

The gaming industry in Tanzania was initially regulated by the Pools and Lotteries Act of 1967 and the National Lotteries Act of 1974, with the national lottery being the primary form of gaming until economic reforms in 1985. The introduction of economic liberalisation and the National Investments Promotions and Protection Act in 1992 spurred investment in the hotel and leisure sectors. In response to ongoing reforms, the National Policy on Gaming Activities was established, leading to the enactment of the Gaming Act, Cap. 41, and the creation of the Gaming Board of Tanzania (GBT), which became effective on July 1, 2003.

The board oversees and regulates gaming activities in the country and has the authority to issue various gaming licenses and certificates as outlined in the Gaming Act. Sports betting has been legalized since the late 1990's. In 2019 the government legalised virtual games.

A GROWING MARKET

In November 2017, Director General of the GBT, James Mbalwe, said that the number of sports betting companies had increased from five in the past three years to as many as 26 while sports betting tax revenue was increasing steadily.

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Mr Mbalwe said that apart from revenue contributions, various gaming companies had invested significant sums into the industry. "Over the past few years, Tanzania has recorded massive growth

TAXES ON OPERATORS

Type	*Tax Rate & Base*
Land Based Casino	*18 per cent on Gross Gaming Revenue*
	12 per cent on Net Winnings
Online/Internet Casino	*25 per cent on Gross Gaming Revenue*
	15 per cent on Net Winnings
Sports Betting	*25 per cent on Gross Gaming Revenue*
	10 per cent on Net Winnings
SMS Lottery	*25 per cent on Gross Gaming Revenue*
	15 per cent on Net Winnings
National Lottery	*20 per cent on Gross Gaming Revenue*
	15 per cent on Net Winnings
Virtual Games	*10 per cent on Gross Gaming Revenue*
	15 per cent on Net Winnings
Slots/Routes	*100,000 Tshs/machine*
Forty machine site	*25 per cent on Gross Gaming Revenue*

in tax collections from gaming activities, due to the rising number of players and tighter controls," he said.

In March 2024, according to Mr Mbalwe, the sports betting contribution to government revenues had increased even further. "From July to December 2023, for this financial year 2023/24, we had already collected Shl08.16 billion, and we believe that due to the pace of education and inspection we are conducting, by the end of this year, we will collect no less than Sh200 billion as tax revenue," he said. Mr Mbalwe further emphasised that the industry generates both formal and informal employment for more than 25,000 individuals. According to Mr Mbalwe, revenue generated for the government via sports betting is expected to continue to rise by almost 18 per cent, this year compared to the previous year.

GAMBLING RELATED HARM AND ADVERTISING

However, the government is under some pressure from religious leaders who want a ban on betting. In 2019 at a meeting with then President John Magufuli, the deputy chairman of the

Dawoodi Bohra community, Zainuddin Adamjee, said they were worried about the rising gambling addiction among the youth and asked for the president's intervention.

In 2019, the Tanzanian government implemented some restrictions on advertising. The restrictions encompass all local media channels, including radio and television stations, prohibiting any advertisements or broadcasts related to gaming until further directives were issued by the board. Additionally, the board convened a consultative meeting with stakeholders to explore and develop a suitable and sustainable approach to the advertising of gaming activities.

In November 2021, the GBT proposed a gambling advertising code aimed at protecting vulnerable groups. Key features include a blackout of ads from 6 AM to 9 PM, with exceptions for dedicated sports channels as well as other restrictions. The code would apply to all operators, highlighting the need for responsible gaming practices within the industry.

Despite these measures fears over excessive gambling especially amongst younger players persist. In May 2024 Mr. Daniel Olesumaiya, the director of services at the GBT, emphasised the board's commitment to promoting responsible gaming practices.

In June 2024, the Tanzanian Parliament made a significant change to gambling advertising regulations in the Finance Bill, 2024. This legislation introduces a 10 per cent excise duty on commercial advertisements related to betting and gaming across various media platforms, including print, television, and radio. The aim of the amendment is to generate additional revenue for the government while also addressing concerns about the potential negative effects of excessive gaming. Following this, in August 2024, the ruling party, CCM, announced initiatives to address concerns over youth involvement in gambling and betting, with Secretary-General Ambassador Emmanuel Nchimbi expressing the party's dedication to addressing issues related to gambling addiction.

TAXATION

The gaming tax is charged on casinos, sports betting, SMS lottery, the National Lottery, slots (Route) operations, "forty machines sites" (slot parlours) as well as virtual games.

The tax rate on players was also amended via the Finance Act of June 2024. The new budget introduced a rate of 10 per cent of the value of stake on betting, gaming, and the national lottery. The measure was intended to increase government revenue for financing health care and improve accessibility of health services for people who cannot afford to pay.

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CASINOS IN TANZANIA

In Tanzania there are around 12 casinos with around 900 slots combined. They offer a range of gaming and entertainment options including restaurants and bars. Many offer poker which is popular and a large variety other live gaming options. Dar es Salaam hosts several casinos, including the Las Vegas Casino.

- The Las Vegas Casino is the oldest casino in Tanzania and has been present in the market for over 27 years. Located in Dar es Salaam it houses around 150 slots plus electronic roulette tables. The casino offers poker and roulette as well as other live table gaming options including blackjack and punto banco. The casino contains two fully functioning bars.
- Le Grande Casino Dar offers 270 slots plus 21 tables consisting of tie poker, American roulette, blackjack and baccarat, spread across its main gaming floor with a Privé and a secluded VIP area.

- The Tanzania Princess Casino operated by Princess International is located in the city centre of Dar es Salaam and offers 141 slots and 17 live game tables. It also has a casino bar and offers live entertainment.
- The Africa Princess Casino also operated by Princess International is also located in Dar es Salaam. The casino offers 118 slots. In addition, the casino offers 17 table games including blackjack, roulette, baccarat and poker. The casino also has a VIP room and also offers a variety of dining options, including a full-service restaurant and a bar.
- The Sea Cliff Casino is located on the Msasani Peninsula in Dar es Salaam. It opened its doors in 2000. It has around 140 slots.
- The Palm Beach Casino offers 41 tables and 137 slot machines and is also located in Dar es Salaam.
- Premier Casino operates two casinos: one in Arusha a city in northern Tanzania that serves as a gateway to some of the country's most famous national parks, and the other in Mwanza is a city located on the shores of Lake Victoria. Another Premier casino is set to open in the capital city of Dodoma. Combined Premier offers over 150 slots, and over 30 live tables.

SPORTS BETTING AND ONLINE GAMBLING

Sports betting firms in the country sponsor a number of top flight football teams and leagues. According to James Mbalwe, there are 36 sports betting firms operating in the country.

Operators are permitted to conduct their businesses online as well as through retail outlets, with many offering a combination of both services. Operators have expanded their presence across various African jurisdictions as well. BetWinner was awarded a license this year and currently operates in several African countries, including Kenya, Nigeria, Ghana, Zambia, and Uganda.

In August 2024, Leon Bet entered the Tanzanian market after obtaining a license to operate, securing two licenses from the regulatory board to provide both casino and sports betting services.

M-Bet, a leading gaming operator also licensed by the Gaming Board, has a particular focus on football. M-Bet Tanzania announced a five-year sponsorship deal worth Sh26.1 billion with Simba Sports Club in August 2002. The company is also present in the Congo.

Meanwhile in August 2022, Parimatch officially entered into a sponsorship agreement with Mbeya City Club, showcasing its commitment to supporting local sports.

Sportpesa made its debut in Tanzania in 2020, operating solely online. The platform has engaged in various sponsorship arrangements with top football clubs. Notably, in July 2017, Sportpesa became Everton's new shirt sponsor, coinciding with Wayne Rooney's return to the club when he played at the National Stadium in Dar es Salaam.

Additional players in the market include Gal's Sportsbetting based in Dar es Salaam. Gal's features several betting outlets and is a prominent operator in the sports betting sector in Uganda.

Founded in 2015, Thronebet has established around 50 betting locations throughout Dar es Salaam, accompanied by online sports betting options.

Other operators include Premier Bet Tanzania, Meridianbet Tanzania, Betika, Betway, and betPawa.

THE NATIONAL LOTTERY

In March 2024 the GBT announced that it was set to re-introduce the National Lottery which will contribute 50 per cent of its revenue collections in the development of the sports sector. On July 1, 2024, Ithuba, a South African national lottery operator, was awarded a license to operate in Tanzania during a ceremony at the Gaming Board of Tanzania in Dar es Salaam. Ithuba will collaborate with Tanzania's SF Group, committing to a $20 million investment aimed at transforming the local lottery market with innovative technology and a diverse range of games.