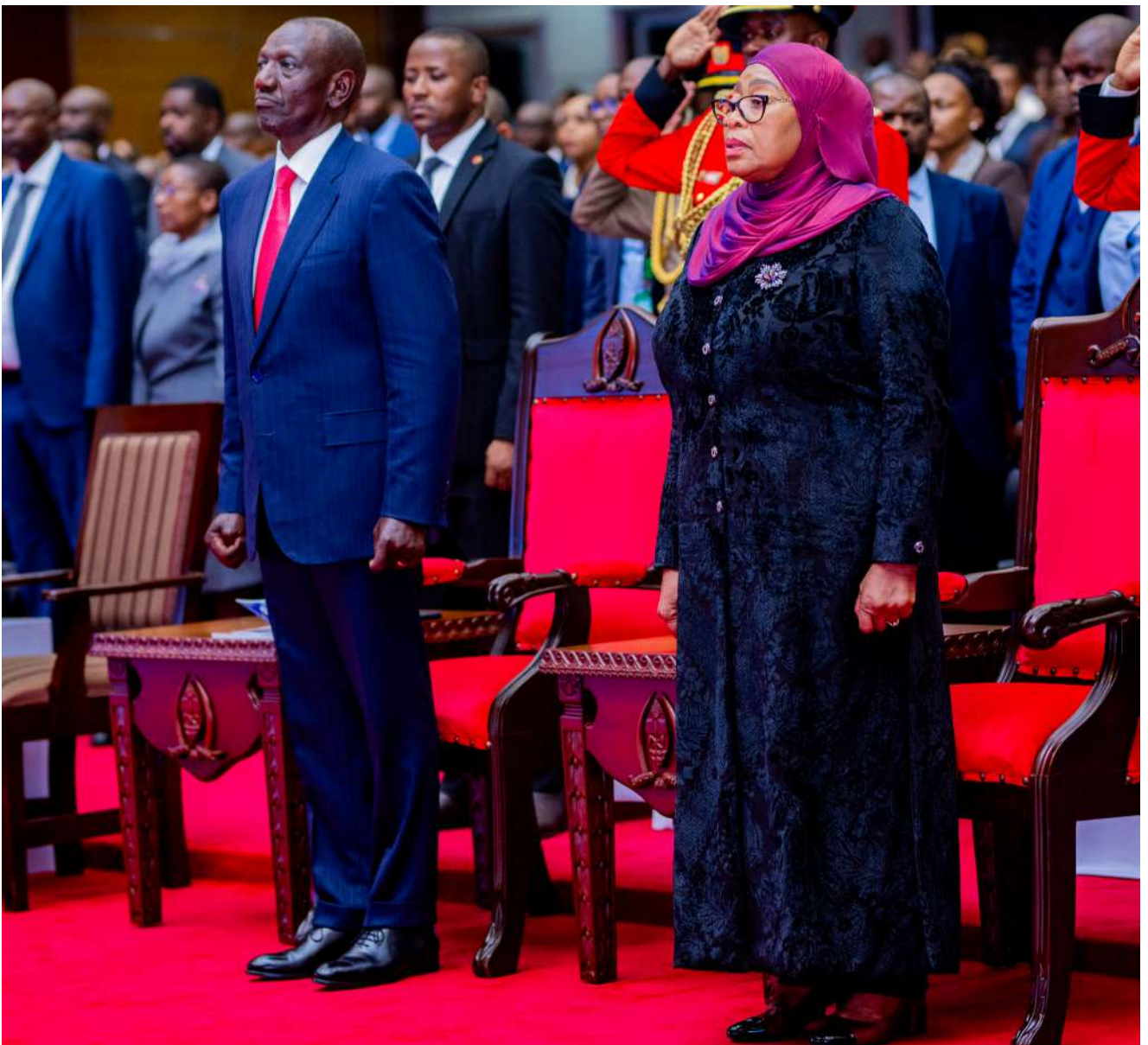


MAY, 2026

TPSF PERSPECTIVE: UNLOCKING TRADE AND INVESTMENT BETWEEN TANZANIA AND KENYA



Background and Context

The Tanzania–Kenya Business Forum 2026 marked an important shift in the relationship between the two countries, moving from dialogue toward practical implementation. Convened under the leadership of Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania and Dr. William Samoei Ruto, the President of the Republic of Kenya the Forum reaffirmed the central role of the private sector in driving trade, investment, and regional integration. From the TPSF perspective, the Forum confirmed that while the opportunity for deeper economic cooperation is clear, the pace and consistency of implementation will ultimately determine the level of impact achieved.



Trade Dynamics and Complementarities

The Tanzania–Kenya economic relationship continues to grow, with trade reaching over USD 800 million in 2025, driven by strong complementarities. Tanzania exports over 2.4 million tons of surplus food annually, while Kenya remains a net importer, especially of cereals like maize, supporting mutual food security and trade balance. Both countries also have strong manufacturing bases, creating clear opportunities for joint ventures and contract manufacturing.

Macroeconomic Outlook and Regional Potential

Beyond trade, both Tanzania and Kenya continue to demonstrate strong economic performance. Tanzania's growth remains resilient at 6 percent in 2025 supported by diversified economic activities. Combined, the size of the two economies represent a GDP projected at USD 230 billion, positioning the corridor as one of the most significant economic blocs in Sub-Saharan Africa. With aligned ambitions on industrialization, value addition, and export-led growth, both countries are well placed to build integrated regional value chains that leverage Tanzania's production capacity and Kenya's processing and market systems.

Investment Trends and Strategic Opportunities

Investment flows are increasingly reinforcing this relationship. Tanzanian companies are expanding into Kenya, including strategic investments by Taifa Gas and the broader Taifa Group, alongside large-scale industrial expansion by AMSONS Group, with investments exceeding USD 480 million. At the same time, Kenyan investment into Tanzania has surpassed USD 1.7 billion, with firms such as KCB Group and Bidco Africa continuing to scale operations. This growing two-way investment dynamic reflects increasing confidence and interdependence.

On the other hand, TPSF recognizes the proposed establishment of the Tanga refinery as a strategic opportunity to strengthen regional energy security, reduce import dependence, and support industrial growth. Going forward, scaling investment will require structured Public-Private Partnership (PPP) models to mobilize long-term capital, particularly in infrastructure, logistics, and energy.



Key Constraints to Trade and Investment

Despite the progress, key constraints remain. The slow resolution of non-tariff barriers continues to delay trade and increase costs, while regulatory inconsistencies and discriminatory measures limit market access. Investment momentum is also affected by delays in approvals and policy uncertainty. Addressing these issues will be critical to sustaining confidence and unlocking the full potential of the corridor.

Priority Actions from the Presidential Communiqué

The Presidential Communiqué presented by the CEOs of TPSF and KEPSA and adopted at the Forum provides a clear forward-looking agenda. From a private sector perspective, the following priority actions and expectations are critical:



1. Fast-track the resolution of Non-Tariff Barriers (NTBs) to reduce delays, costs, and uncertainty for businesses and support seamless trade within the region.
2. Eliminate discriminatory taxes, levies, and regulatory measures that restrict fair market access and undermine competitiveness of goods across borders.
3. Operationalize the Tanzania–Kenya Joint Business Council to provide a permanent, structured platform for private sector engagement and problem-solving.
4. Accelerate implementation of trade facilitation measures, including operationalization of Single Customs Territory, establish a single commercial system with a more integrated and harmonized framework for trade processes, documentation, payments, and harmonizing standards across both countries.
5. Shift the attention to Public-Private Partnership (PPP) frameworks to unlock large-scale investment in infrastructure, energy, and logistics.
6. Fast-track bilateral and joint investments by ensuring timely approvals, policy certainty, and coordinated investment promotion between both countries.
7. Strengthen sector-specific value chains, particularly in agriculture, manufacturing, and services, to support industrialization and export growth.

Government Commitments

The Forum demonstrated strong political will, with key commitments made by both governments including;

1. Fast-track resolution of Non-Tariff Barriers (NTBs) by end of May 2026
2. Increase bilateral trade to USD 1 billion
3. Attract USD 500 million in new cross-border investments within three years
4. Direct the Joint Trade Committee to convene regularly to resolve trade barriers
5. Institutionalize the Tanzania–Kenya Business Forum, with the next forum scheduled in Nairobi in 2027

Role of TPSF and Private Sector Call to Action

Following the Forum, TPSF will play a central role in ensuring that commitments translate into measurable outcomes. This includes tracking progress, supporting implementation, and sustaining structured dialogue with government and regional counterparts. In collaboration with institutions such as the Tanzania Investment and Special Economic Zones Authority (TISEZA), TPSF will also facilitate investment and promote joint Tanzania–Kenya opportunities, with a strong focus on PPP-driven projects.

The Tanzania private sector is therefore called upon to be more proactive by forming cross-border partnerships, investing in joint ventures and expanding export capacity.



Conclusion

In conclusion, the Tanzania–Kenya Business Forum 2026 has set a clear direction for deeper economic integration. With a combined GDP exceeding USD 230 billion, the corridor holds strong potential to become one of Africa's most competitive economic blocs. Realizing this will require policy predictability, faster implementation, and sustained public-private collaboration. TPSF remains committed to ensuring this momentum delivers tangible results for businesses and the wider economy.