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TAZAMA Pipeline eyes expansion amid Lobito Corridor rivalry

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The Tanzania-Zambia Mafuta (TAZAMA) Pipeline has held strategic discussions with Tanzania's Office of the Treasury Registrar (OTR) on possible expansion of its pipeline operations, as competing regional petroleum transportation infrastructure begins to reshape the market for landlocked hydrocarbon logistics in southern and eastern Africa.

TAZAMA, the state-owned pipeline company jointly owned by Tanzania and Zambia, is a key artery for petroleum product delivery into Zambia, which has no direct coastal access. The talks with the OTR — Tanzania's public asset oversight body — signal that shareholders are actively reviewing the pipeline's commercial positioning at a moment when alternative freight and energy corridors are emerging as credible competitors for regional petroleum flows.

The principal competitive pressure cited is the Lobito Corridor, a rail and logistics route running from Angola's Atlantic port of Lobito through the Democratic Republic of Congo and into Zambia. The Lobito Corridor has attracted significant international interest as a broad infrastructure development initiative, and its potential to carry petroleum products or redirect trade flows away from east African routing represents a structural challenge to TAZAMA's traditional market position. If landlocked importers gain viable western-coast alternatives, TAZAMA's throughput volumes and long-term utilisation rates could come under pressure.

The expansion discussions have not yet produced a disclosed plan, project scope, capital figure, or timeline. No formal instrument — such as a feasibility mandate,

memorandum of understanding, or investment commitment — has been announced. The talks remain at a strategic positioning stage, with the OTR's involvement reflecting the government's interest in safeguarding the commercial value of a state asset that links Tanzania's port infrastructure at Dar es Salaam to Zambia's copper belt and broader fuel import requirements.

For Tanzania, TAZAMA represents both a revenue-generating state enterprise and a piece of regional influence. Any capacity expansion would likely require capital investment in pumping stations, storage, or pipe upgrades, though none of these specifics have been confirmed in the current round of discussions. The timing of the OTR engagement suggests the Tanzanian government is at minimum stress-testing the pipeline's business model against the scenario of a functioning Lobito Corridor drawing volumes westward.

The broader context is a regional competition for petroleum logistics dominance as eastern and southern African economies grow their import requirements. Tanzania has separately been developing its own upstream and midstream energy ambitions, including the long-delayed East African Crude Oil Pipeline (EACOP) project. TAZAMA's strategic review, while still preliminary, fits into a wider pattern of east African states reassessing pipeline infrastructure roles in a shifting trade geography.

Why this matters to partners and clients of Saga

This is a preliminary strategic discussion with no contract, tender, or FID in sight; Norwegian pipeline and midstream service companies should monitor developments and consider early relationship-building with TAZAMA management and the OTR. If a formal expansion study or capital programme is announced, pipeline integrity, pumping systems, and flow assurance specialists would become relevant. No procurement outreach is warranted at this stage.

PARTNER ANGLES

- **Pipeline:** Monitor for any feasibility study or FEED mandate tied to capacity expansion of the TAZAMA line, where pipeline integrity and hydraulic modelling expertise would be applicable.

- **Service:** Early engagement with TAZAMA's technical teams could position inspection, corrosion management, and operations support firms ahead of any formal procurement process.
- **Subsea/FPSO:** Limited direct relevance at this stage, but onshore-to-marine terminal integration at Dar es Salaam could become a scope element if expansion includes import facility upgrades.
- **LNG:** If Tanzania's broader midstream strategy evolves to include gas-to-liquids or LNG bunkering tied to the same corridor, early positioning with the OTR would be advantageous.

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