ECOFIN AGENCY · TANZANIA

AfDB finances Tanzania's $1.2bn Tabora–Kigoma railway

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The African Development Bank has arranged $1.2 billion in financing for Tanzania's Tabora–Kigoma railway, a 411-kilometre electrified line connecting the country's interior to Lake Tanganyika. The project is designed to cut passenger travel times and significantly improve freight connectivity with the Democratic Republic of Congo and Burundi, strengthening Tanzania's role as a regional trade corridor anchor.

The railway runs from Tabora, a major junction in central Tanzania, westward to Kigoma on the shores of Lake Tanganyika — a lake port that serves as a critical gateway for landlocked DRC and Burundi. By electrifying the line, the project aligns with broader regional efforts to modernise rail infrastructure and reduce dependence on road freight, which remains costly and unreliable across much of central and eastern Africa.

The financing arrangement is part of Tanzania's wider strategic push to position itself as the preferred transit route for goods moving between the Indian Ocean coast and the resource-rich interior of central Africa. Dar es Salaam's port already handles a substantial volume of DRC mineral exports, and improved rail connectivity to Lake Tanganyika would reinforce that trade relationship by offering a more efficient overland link.

The AfDB's involvement signals institutional confidence in the project's viability and regional impact. Development bank financing of this scale typically combines loans and grants from multiple windows, and the arrangement is likely to attract co-financing from bilateral and commercial sources as project preparation advances.

The electrification component adds technical complexity but reduces long-term operating costs and positions the line for integration with potential future renewable energy sources in the region.

For Tanzania, the Tabora–Kigoma link is one of several infrastructure investments intended to modernise a rail network that dates largely from the colonial era. The country has also been progressing the Standard Gauge Railway project along its northern corridor, and the Kigoma line represents the western extension of that broader network ambition. Completion of the electrified link would give Tanzania a credible multi-modal freight offer — rail to Lake Tanganyika, then lake barge onward into the DRC — that could attract mining and agricultural export traffic currently moving by road.

Why this matters to partners and clients of Saga

This is an early-stage financing arrangement for a rail and electrification project — no construction contracts or procurement tenders have been announced. Norwegian service companies with interests in power infrastructure, port logistics, or project finance advisory should monitor project development milestones and engage with AfDB project preparation units as the scheme progresses toward implementation.

PARTNER ANGLES

- **Pipeline:** Electrification and rail corridor development often precede energy infrastructure investment along the same route — monitor for future power transmission or fuel supply tenders tied to the Tabora–Kigoma corridor.
- **LNG:** Improved rail-to-lake freight connectivity could affect LNG or gas distribution logistics in western Tanzania; track how the corridor develops relative to Tanzania's upstream gas ambitions.
- **Service:** Project management and technical advisory roles for electrified rail in emerging markets are early-entry opportunities — engage with AfDB project teams before EPC tendering opens.
- **Subsea/FPSO:** No direct relevance at this stage; monitor whether corridor development accelerates Lake Tanganyika-adjacent energy or mining investment that could create offshore or nearshore service demand.

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