MKUTANO WA MWAKA WA MASHAURIANO BAINA BODI YA USAJILI WA MAKANDARASI NA WADAU WA SEKTA YA UJENZI

Fursa za Ukuaji wa Makandarasi Kupitia Dira 2050

Tume ya Taifa ya Mipango - NPC

Agosti, 2026

Yaliyomo

- Maudhui ya Dira 2050 na Mfumo wa Utekelezaji
- Sekta ya Ujenzi na Mwelekeo wa Wakandarasi
- Fursa kwa Wakandarasi na Wajibu katika Utekelezaji wa Dira 2050

1. Maudhui ya Dira 2050 na Mfumo wa Utekelezaji

1. Current industry context

- Construction industry and contractors' socio-economic contribution
- Industry structure and capacities
- Critical constraints & underlying factors

2. Interventions

?

This engagement and others should help identify policy, strategic, and programmatic interventions

3. Required transformation

- Robust construction industry
- Empowered, well-capacitated, and internationally competitive contractors (local)

4. Transmission mechanisms

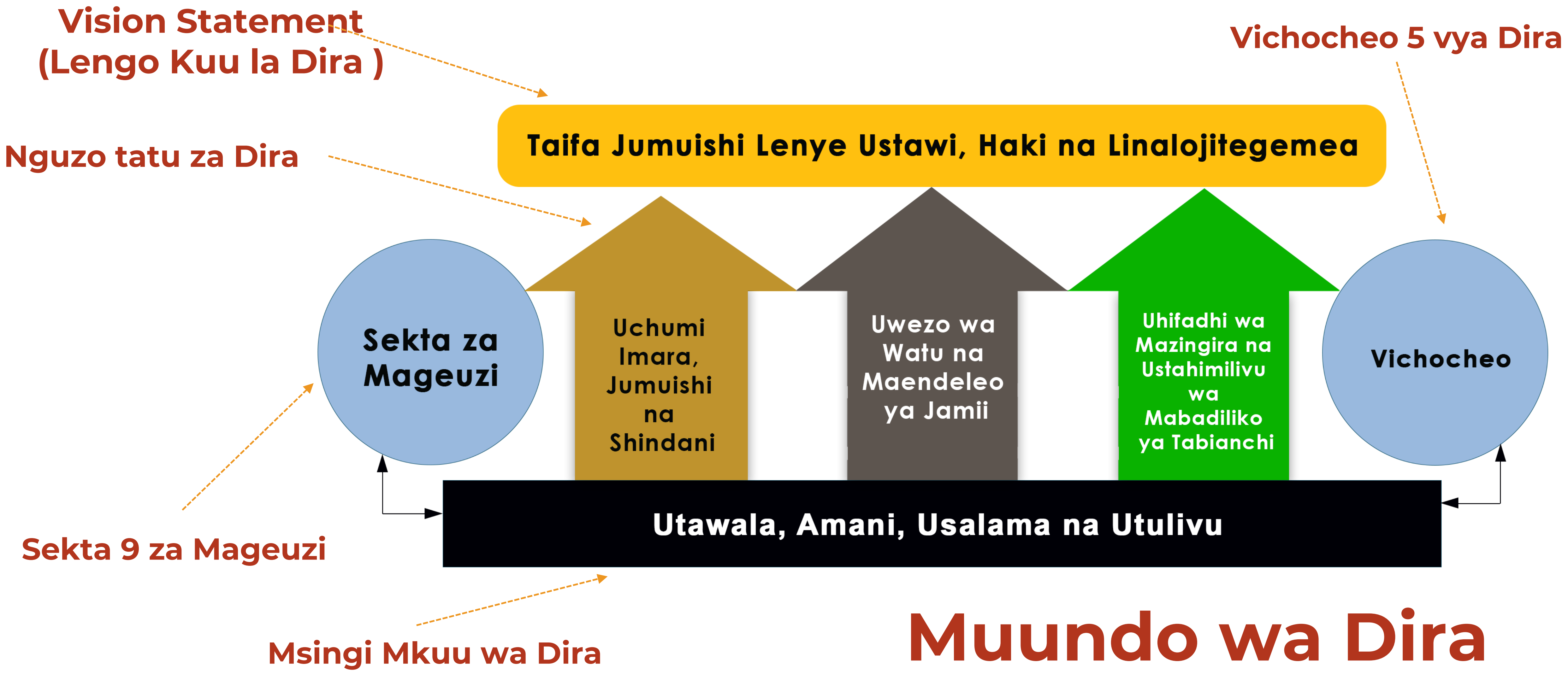
Socio-economic impact (GDP, jobs, service delivery)

Infrastructure development (reliable & affordable energy, , low production costs etc)

5. Desired Outcomes

- Sustainable development
- Realization of Dira 2050 overall goals and targets
- Attainment of construction industry and contractors' specific targets

MAUDHUI YA DIRA 2050



Muundo wa Dira

Malengo

- Uchumi Mseto, stahimilvu, Jumuishi na shindani wa kipato cha kati cha juu
- Maisha bora na ustawi wa pamoja
- Taifa linalohifadhi na kutumia rasilimali za asili kwa ufanisi, uendelevu na tija, na linalostahimili mabadiliko ya tabianchi
- Jamii yenye umahiri na ujuzi wa kutumia teknolojia za kidijitali kuchochea ubunifu na kuongeza ushindani wake kimataifa

Ukuaji wa Uchumi

Kutokomeza Umaskini uliokithiri

Mzalishaji Mkuu wa Chakula Afrika

Miaka75

Umri wa Kuishi

Malezi na Makuzi bora

Kutokomeza vifo vya wajawazito na watoto

Huduma bora za Afya

Mfumo bora wa Eliimu na Mafunzo

Huduma Jumuishi za hifadhi ya jamii

Huduma za maji, usafi na Nishati safi

50%

Ajira zenye Staha

3,000 KWh

Matumizi ya umeme

85%

Pengo la kijinsia

Viwango vya juu vya uhifadhi wa mazingira

Umahiri wa kidigitali

Potential Transformative Sectors


Agriculture


Tourism


Manufacturing


Mining


Blue Economy


Construction and Real Estate


Finance


Sport and creative industry


Services

DIRA 2050 DRIVERS

- **Drivers:** streamlines supply chains, optimizes resource allocation, and enhances efficiency and productivity.
- **There are 5 Drivers:**

✓ Energy

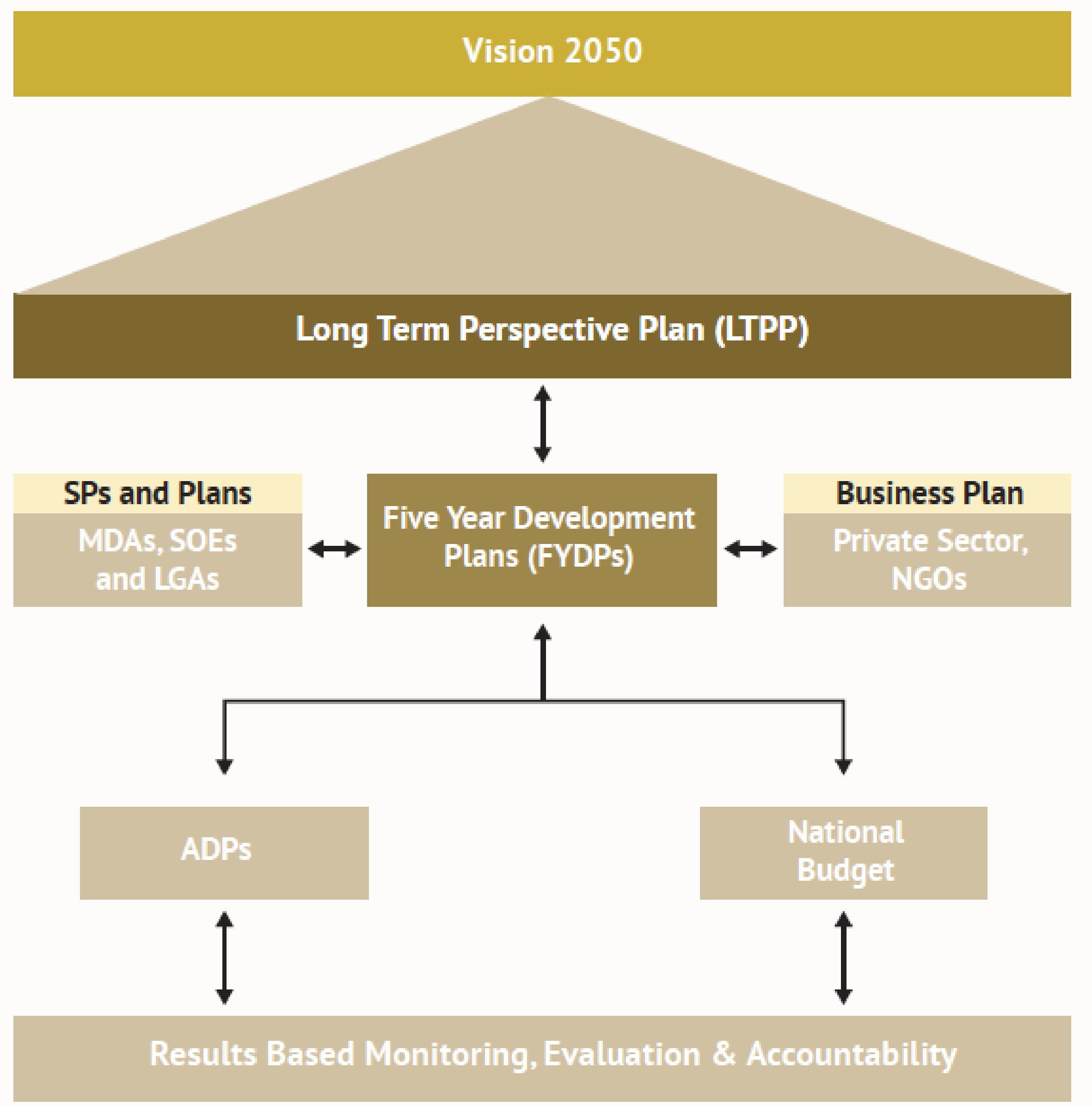
✓ Integrated Logistics

✓ Science and Technology

✓ Research and Development

✓ Digital Transformation

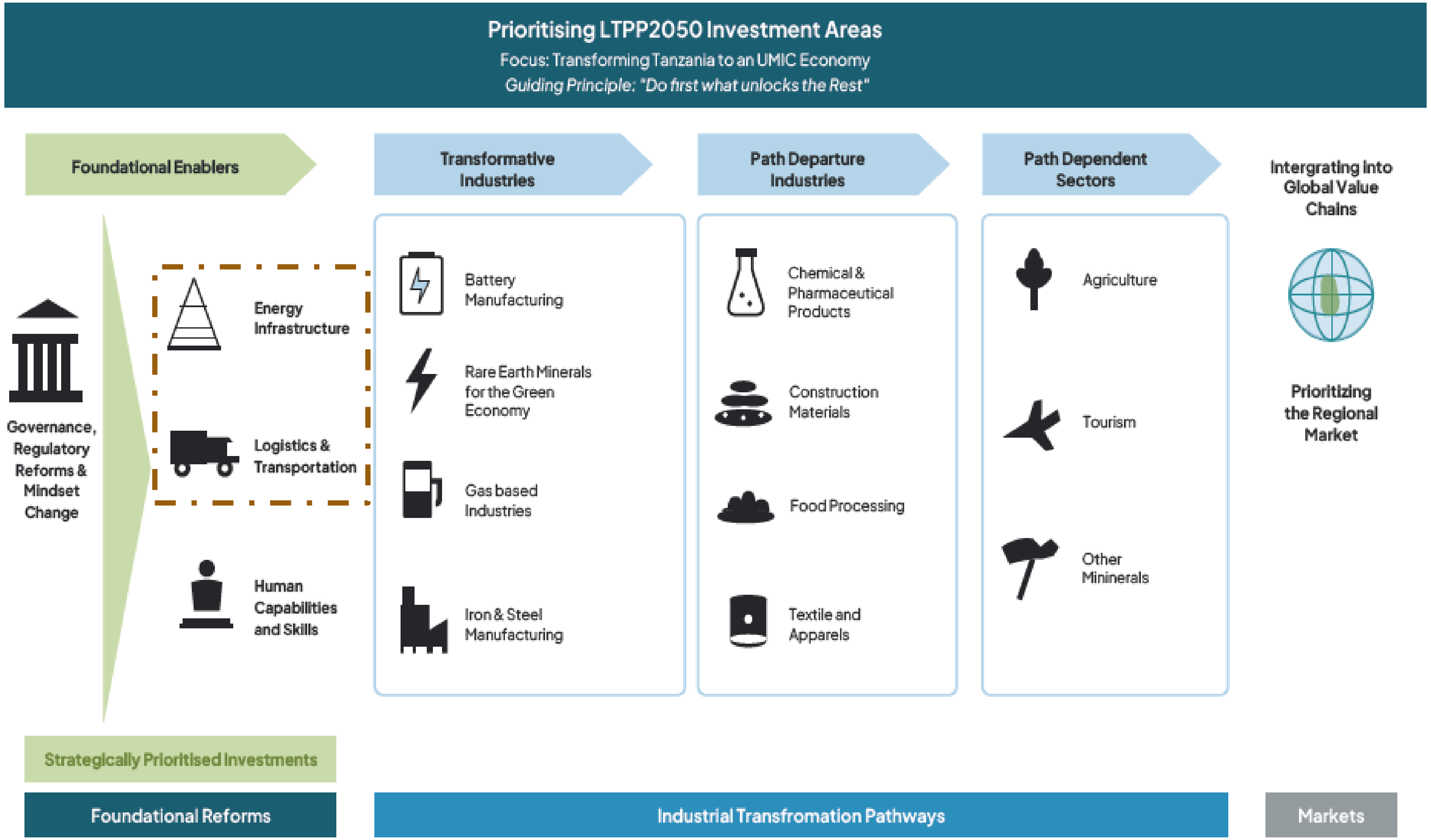
HOW DOES DIRA 2050 LINK WITH OTHER PLANS



Construction sector MDAs (TANROADS, TARURA, TEMESA, NCC, CRB, AQRB, ERB, TBA,NHC etc) should finalize the preparation of their Strategic Plans (SPs) and ensure strong alignment with Dira 2050, LTPP & FYVP IV

Dira 2050 and LTPP Prioritization and Sequencing Framework

Key Principle: "Do First What Unlocks the Rest"



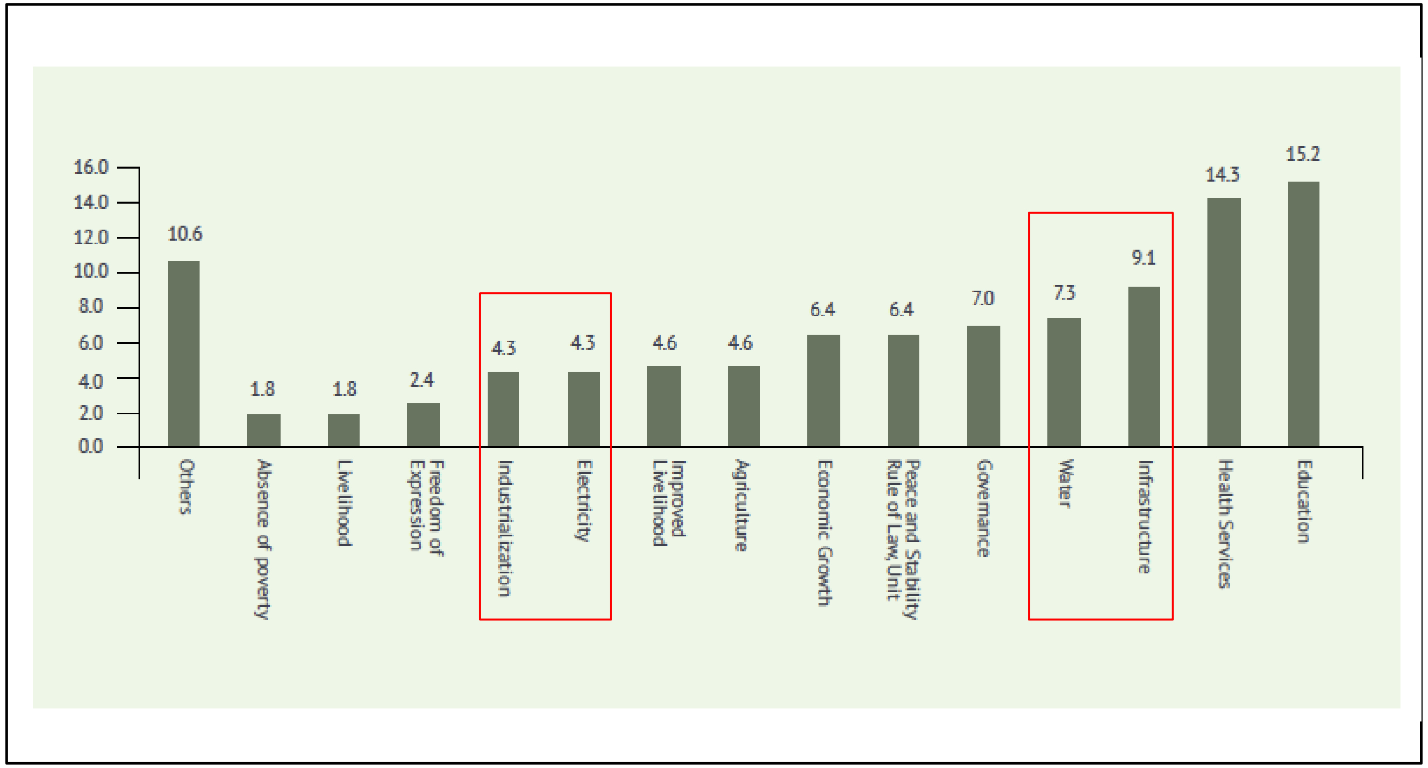
- Sequencing interventions to ensure that **foundational reforms and key enablers are prioritized upfront**
- Focuses on **reforms** and **sectors with the greatest catalytic potential** to drive broad-based **transformation**
- Building contractors' competency and capacities to implement projects **in transformative and path-departure industries will be critical**

2. SEKTA YA UJENZI NA MWELEKEO WA WAKANDARASI

Construction-centric Sector's Socio-Economic Contribution

Construction-centric sectors have been very critical in the achievements registered during the TDV 2025 implementation

Scores of Impressive Achievements in TDV 2025 Implementation (%)



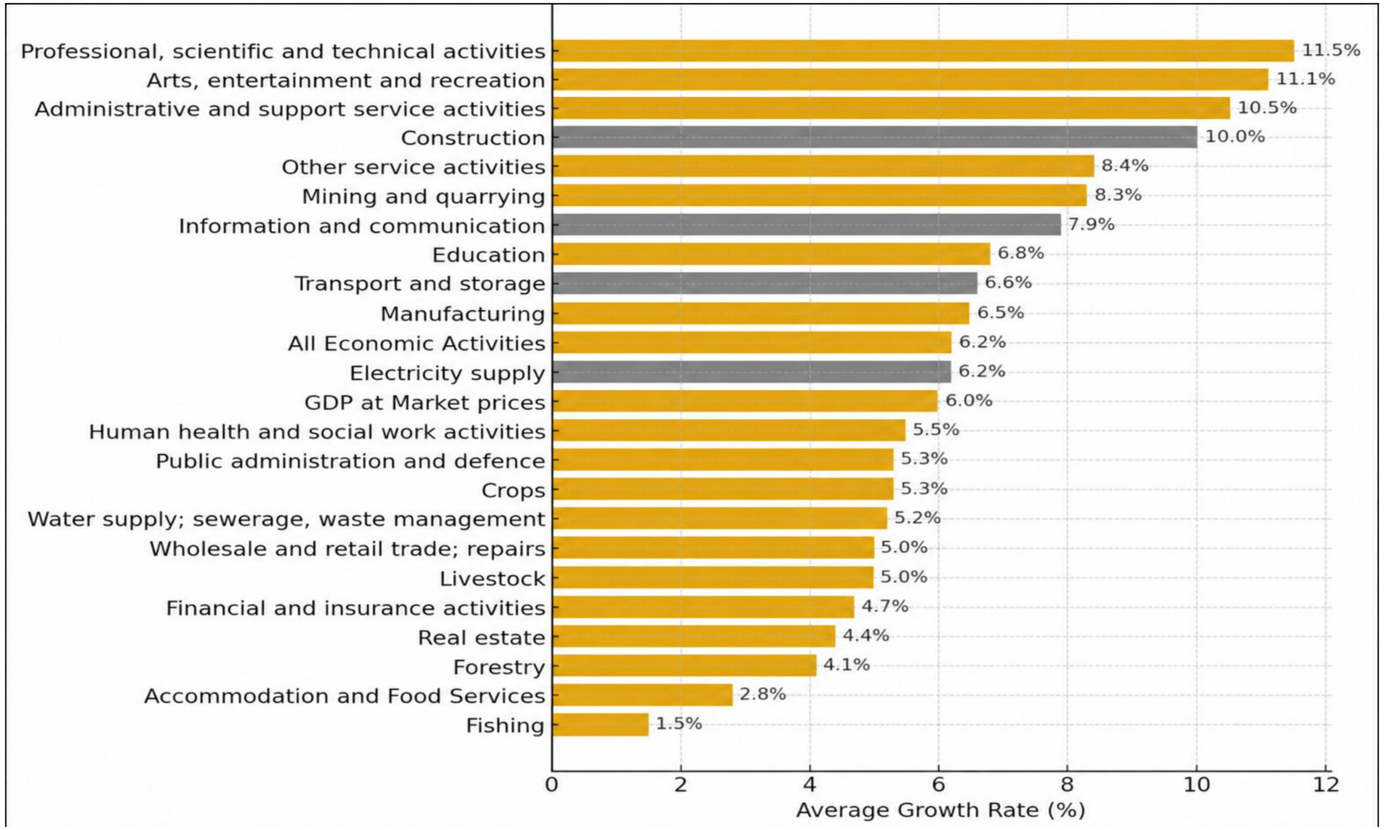
Source: TDV 2025 Evaluation Report (2023)

- **Education and health** care were among the top 2 performing areas, driven by (among others) a tremendous **increase in the construction** of education and healthcare facilities
- **At 9.2% and 7.3% scores,** the **Infrastructure & water sectors** are the 3rd and 4th top performing areas – both sectors involved sizable construction activities

Construction-centric Sector's Socio-Economic Contribution

Construction and other infrastructure-centric sectors have been key drivers of the country's economic growth and transformation

Sectoral Average Growth Rate (2012 – 2023)



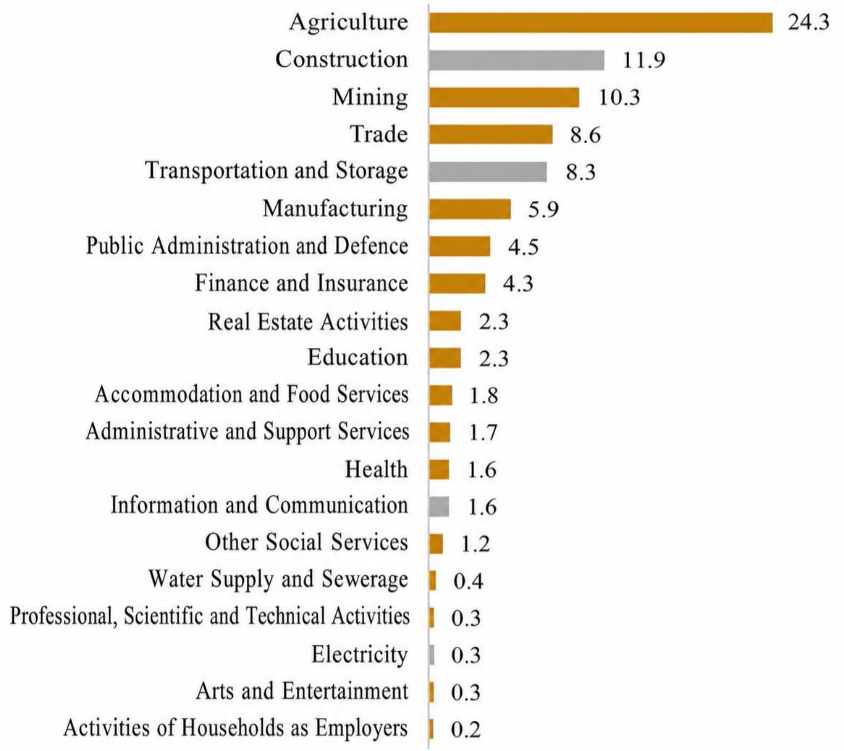
Source: NBS National Accounts Statistics

- Construction and other infrastructure-related sectors have **played a pivotal role in Tanzania's economic transformation in the past two (2) decades**
- Their growth has surpassed the **average overall GDP growth (6.2 %)**
- The construction sector **growth was among the highest (at 10 % p.a during 2012-2023 period)**

Construction-centric Sector's Socio-Economic Contribution

Construction sector has the second largest share of economic output (GDP) after agriculture – it is a central pillar of Tanzania's productive economy

Contribution of Economic Activities to GDP (%)



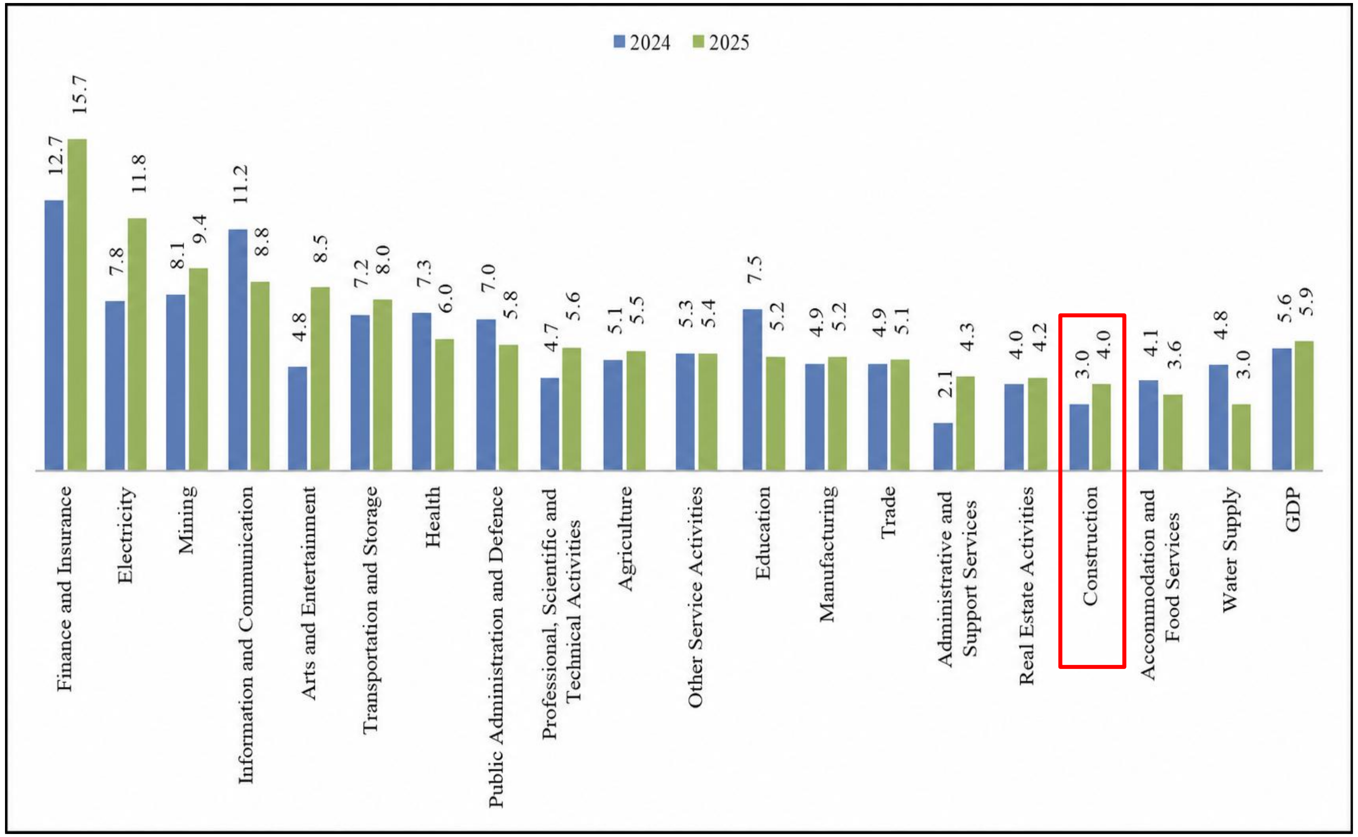
Source: Economic Survey 2025

- Construction sector is the second-largest contributor to GDP (**with a 11.9% share of total economic output**)
- **Transportation** sector, which has significant construction activities, also **accounts for 8.3% of GDP**
- **C**onstruction's GDP share is slightly more than **double manufacturing's 5.9% contribution** and **exceeds** the combined share of finance and insurance (4.3%) and public administration and defence (4.5%).
- Construction is therefore **not a peripheral activity but rather a central pillar of Tanzania's productive economy**

Construction-centric Sector’s Socio-Economic Contribution

Despite sizable share of GDP and strong growth registered in the past, the construction sector’s growth seems to have slowed and stagnated in recent years (2023-2025)

GDP Growth (%) by Selected Sectors (2024 – 2025)



Source: Economic Survey 2025

- Construction **sector growth decreased from 3.5% in 2023 to 3.0% in 2024** and then **increased marginally to 4% in 2025**
- Construction remains one of Tanzania’s largest economic sectors, **but its growth is becoming less dynamic**
- Challenge is not lack of strategic projects alone; it is the **slow conversion of investment plans into timely, efficiently financed, and completed construction activity**
- This meeting needs to **provide solutions on how to reinvigorate construction sector’s growth**

Contractors Registration, Composition and Participation

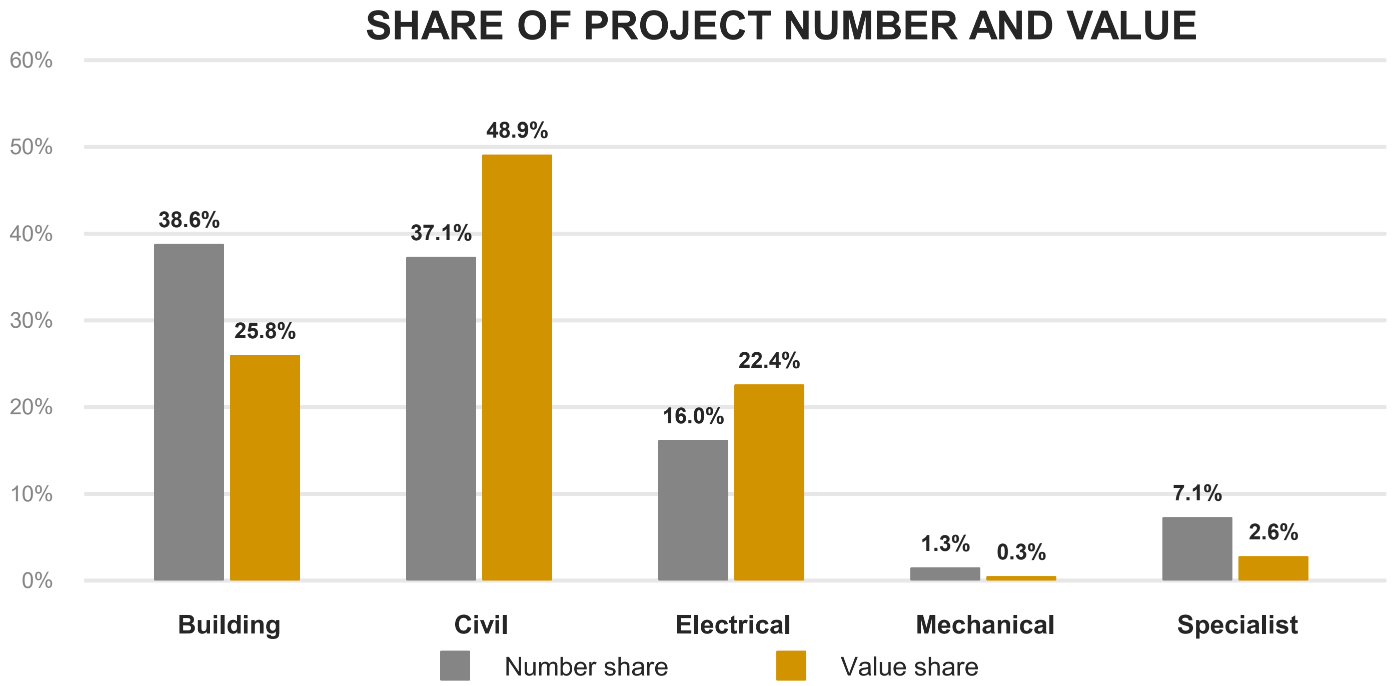
Registration of new contractors grew at an average of 10 % per annum over the past decade, with distinct growth phases and a major surge in registration observed after 2021

1	2015–2021 | Slow and uneven growth	2	2022–2023 | Entry surge	3	2024 | Growth normalisation
EVIDENCE	808 → 944 registrations Only 16.8% cumulative growth	EVIDENCE	944 → 1,807 registrations +42.1% in 2022 |+34.8% in 2023	EVIDENCE	1,912 registrations +105 registrations | 5.8% growth
FACTORS	▪ Variable construction demand ▪ Registration and compliance cycles ▪ COVID-19 disruption in 2020–2021	FACTORS	▪ Expanded public infrastructure pipeline ▪ Post-pandemic recovery ▪ Greater procurement opportunities ▪ Stronger formalization and enforcement	FACTORS	▪ High-base effect after the surge ▪ Market absorption and competition ▪ Financing, guarantee, and equipment constraints ▪ Shift toward upgrading and consolidation

The challenge is shifting from registering more firms to building active, sustainable and higher-capacity contractors.

Contractors Registration, Composition and Participation

2024 CRB's registered construction projects profile - Civil and electrical projects carry disproportionate value



WHAT THE DISTRIBUTION SHOWS

1. **Civil dominates project value**
   37.1% of projects account for 48.9% of value: a +11.8 percentage-point value premium.
2. **Electrical is value-intensive**
   Its value share is 22.4% versus 16.0% of project numbers—the highest value-intensity ratio.
3. **Building is high-volume, lower-value**
   Building leads project numbers at 38.6%, but represents only 25.8% of total value.

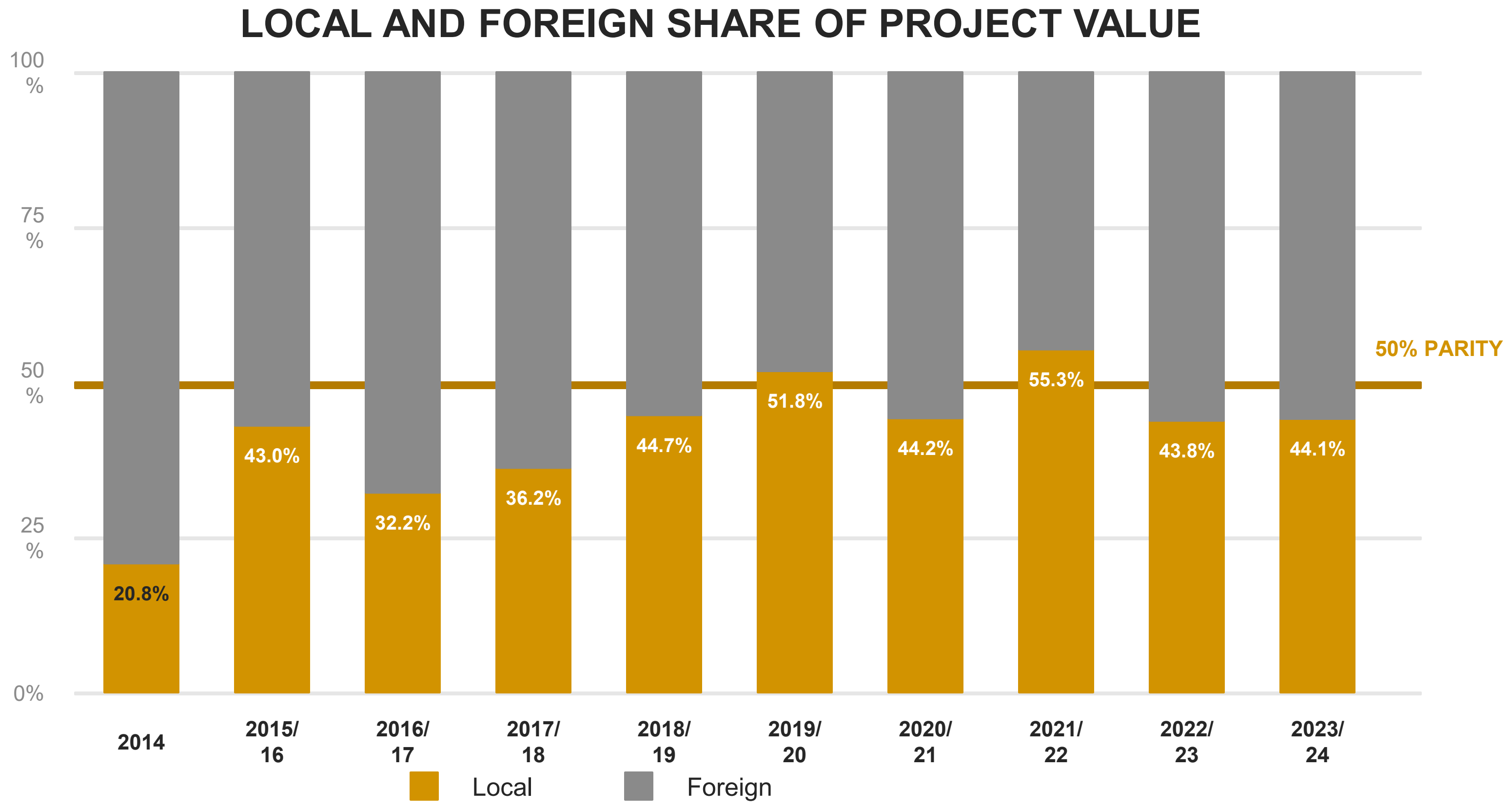
VALUE INTENSITY • VALUE SHARE ÷ NUMBER SHARE

Building	Civil	Electrical	Mechanical	Specialist
0.67×	1.32×	1.40×	0.23×	0.37×

Average project values appear highest in electrical and civil works; building projects are more numerous but generally lower-value.

Contractors Registration, Composition and Participation

The Elephant in the Room – limited local contractors' participation in high-value construction projects (Local firms gained ground, but foreign firms still led in 2023/24)



WHAT THE TREND SHOWS

1. **Strong long-term improvement**
   Local share increased from 20.8% to 44.1%—a net gain of 23.3 percentage points.

2. **Parity was temporary**
   Local firms exceeded 50% in only 2019/20 and 2021/22, peaking at 55.3%.

3. **Foreign firms retained the lead**
   In 2023/24, foreign firms held 55.9% of value—a lead of 11.8 percentage points.

+23.3 pp	Net local gain since 2014
55.3%	Peak local share in 2021/22
2 years	Local share above 50%
11.8 pp	Foreign lead in 2023/24

Contractors Registration, Composition and Participation

Key Underlying factors for limited local contractors' participation – The capacity trap (Firms need large projects to build capacity —but need capacity to qualify for large projects)

3. FURSA KWA WAKANDARASI NA WAJIBU KATIKA UTEKELEZAJI WA DIRA 2050

Contractors as Dira 2050 Implementation Engine

Construction is the physical delivery platform for Dira 2050

01 **Strategic infrastructure**
Transport, energy, water, and digital-support assets

02 **Industrialization**
Factories, SEZs, logistics and productive utilities

03 **Urbanization and housing**
Planned settlements, mobility, drainage and affordable homes

DIRA 2050

04 **Social infrastructure**
Schools, hospitals, markets and community facilities

05 **Jobs and domestic value chains**
Skills, materials, suppliers and professional services

06 **Climate resilience**
Green buildings and infrastructure designed for future risks

FROM POLICY TO PRODUCTIVE ASSETS

Construction converts national priorities and investment into the infrastructure that enables growth and better living standards.

Opportunity – Development Priority & Investment

Construct-centric sectors (transport, energy, ICT, and urban development) are among FYDP IV priorities with 50 % of earmarked financing/investment

S/N	Sector	Cost USD Billion	Sectoral percentage (%)
1	Transport and Logistics Infrastructure	45.8	25
2	Energy and Extractives	27.5	15
3	Industry and Trade	22	12
4	Agriculture, Livestock, and Fisheries	18.3	10
5	Education and Skills Development	14.6	8
6	Health and Social Protection	12.8	7
7	Water, Sanitation, and Urban Development	9.2	5
8	ICT and Digital Economy	9.2	5
9	Tourism and Services	7.3	4
10	Environment and Climate Resilience	5.5	3
11	Governance, Peace, Stability, Public Administration, R&D and Others	10	5.5
	Total	**183.2**	**100**

50 %

Source: National Planning Commission (NPC)

Opportunity – Development Priority & Investment

Construct-centric sectors (transport, energy, ICT, and urban development) have a proportionately larger share of development budget allocation

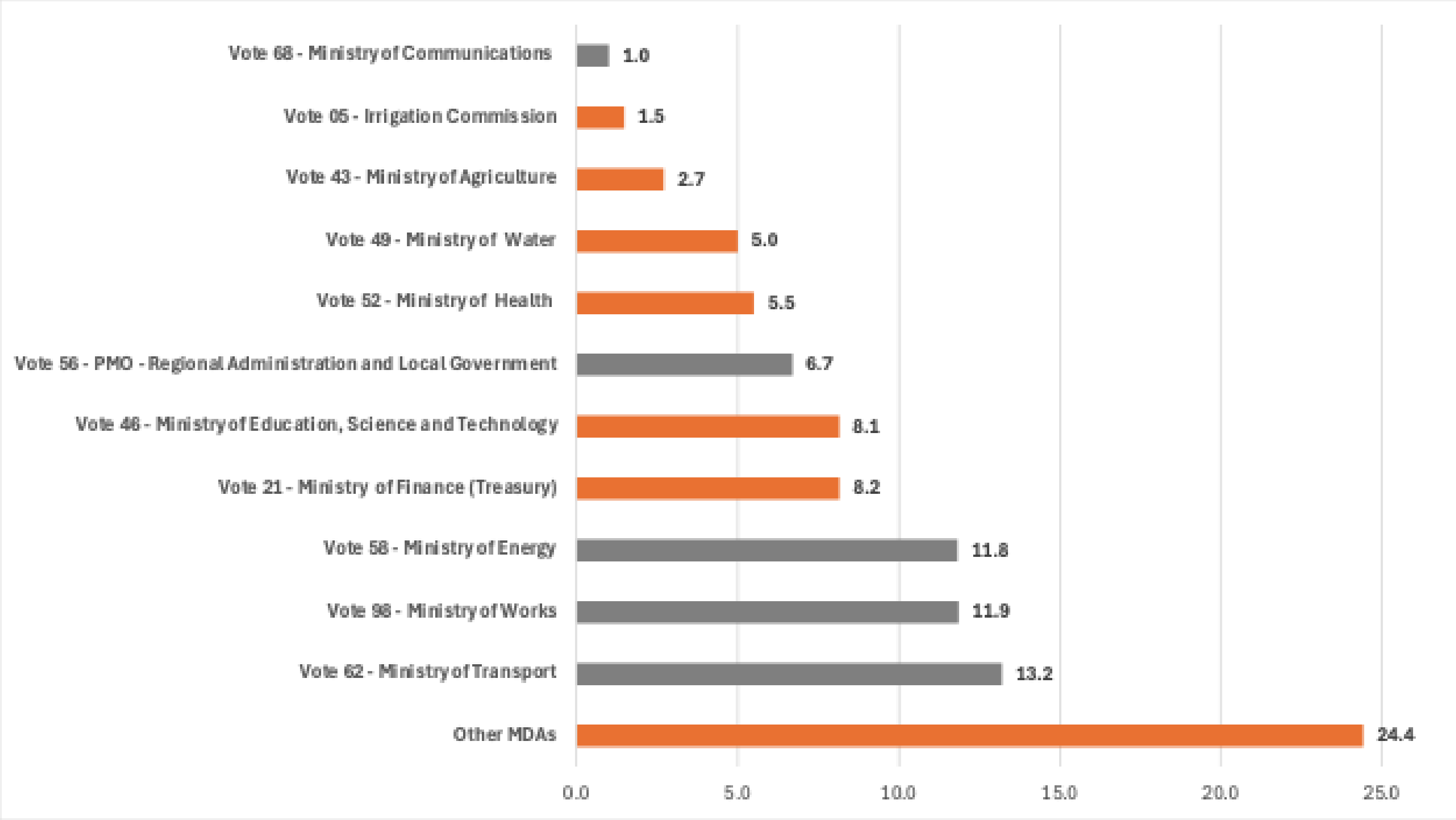
	Budget 2026/27			
	Total Budget (Tsh bil)	Dev Budget (Tsh Bil)	Dev Budget Share of Total Budget (%)	MDAs' Dev Budget Share of Govt Dev Budget (%)
Total Budget	**62,334.19**	**20,819.78**	**33.40**	
Sub-total selected MDAs	**19,114.26**	**15,738.41**	**82.34**	**75.6**
Other MDAs	**43,219.94**	**5,081.36**	**11.76**	**24.4**
Vote 62 - Ministry of Transport	2,872.74	2,746.70	95.61	13.2
Vote 98 - Ministry of Works	2,564.44	2,467.34	96.21	11.9
Vote 58 - Ministry of Energy	2,525.40	2,462.36	97.50	11.8
Vote 21 - Ministry of Finance (Treasury)	3,020.53	1,699.48	56.26	8.2
Vote 46 - Ministry of Education, Science and Technology	2,394.42	1,696.58	70.86	8.1
Vote 56 - PMO - Regional Administration and Local Government	1,510.40	1,392.87	92.22	6.7
Vote 52 - Ministry of Health	1,800.26	1,148.03	63.77	5.5
Vote 49 - Ministry of Water	1,120.19	1,039.54	92.80	5.0
Vote 43 - Ministry of Agriculture	698.99	567.35	81.17	2.7
Vote 05 - Irrigation Commission	384.29	308.72	80.34	1.5
Vote 68 - Ministry of Communications	222.59	209.44	94.09	1.0

Source: Ministry of Finance (Budget Books Volume IV)

Opportunity – Development Priority & Investment

Construct-centric sectors (transport, energy, ICT, and urban development) have a proportionately larger share of development budget allocation

Close to half (**44.6.%)** of the 2026/27 development budget is allocated for construction-centric sectors



Source: Ministry of Finance (Budget Books Volume IV)

Opportunity – Larger Project Pipeline

Contractors' growth opportunities through the Dira 2050 – contractors should evolve to access opportunities offered by FYVP IV project pipeline

LOCAL PARTICIPATION OPPORTUNITY

~40%

Current share in large infrastructure projects

70%

TARGET BY 2050

A substantially larger addressable market for capable Tanzanian contractors

HIGH-GROWTH CONSTRUCTION MARKETS

01 Transport and logistics
Roads, rail, ports, airports and urban mobility

02 Energy and utilities
Generation, transmission, gas and rural networks

03 Water and resilience
Water, sanitation, irrigation, drainage and flood control

04 Industrial infrastructure
SEZs, factories, warehouses and logistics parks

05 Urban development
Affordable housing, smart cities and social infrastructure

06 Green and digital delivery
BIM, modular construction and climate-resilient assets

CONTRACTOR EVOLUTION

1. **Project executor**
   Design–build and specialist delivery
2. **Prime contractor**
   Lead larger packages and domestic consortia
3. **JV partner**
   Combine local knowledge with finance and technology
4. **Infrastructure business**
   Develop, operate, maintain and expand regionally

WHAT WILL SEPARATE THE WINNERS

FINANCE | TECHNOLOGY | PARTNERSHIPS | **WHOLE-LIFE SERVICES**

Contractors as Dira 2050 Implementation Engine

Contractors convert investment into reliable public assets - Their role spans the entire infrastructure life cycle, not only physical construction

1 PREPARE
Plan delivery, price risk and organise resources

2 MOBILISE
Bring together finance, people, plant and materials

3 CONSTRUCT
Execute works to time, cost, quality and safety standards

4 INTEGRATE
Develop suppliers, subcontractors and local professionals

5 TRANSFER
Build skills, technology and management capability

6 MAINTAIN
Protect asset performance over its full life cycle

CAPABILITIES THAT DETERMINE DELIVERY PERFORMANCE

FINANCE
Working capital, guarantees and payment discipline

TECHNOLOGY
Modern plant, digital tools and construction methods

PEOPLE
Engineers, technicians, artisans and project leaders

GOVERNANCE
Contract management, quality, safety and accountability

Contractors as Dira 2050 Implementation Engine

Where Do We Go From Here - By 2050, construction should be locally led, digital, and green (a shift is from executing isolated projects to building a competitive national delivery ecosystem)

CURRENT PATTERN	2050 DIRECTION
Foreign-dependent delivery	Locally led delivery with stronger domestic firms
Conventional methods	Digital, technology-enabled and productive construction
Fragmented small firms	Competitive contractors and credible joint ventures
High-impact construction	Green, resilient and resource-efficient delivery
Build-and-exit model	Whole-life asset management and maintenance

2050 TRANSFORMATION TARGETS

- **70%** Local contractors' share in large infrastructure projects
- **50%** Local construction companies adopting advanced technology and sustainable practices
- **80%** Construction-sector employment and skills-development target
- **90%** Large projects promoting partnerships between local and multinational firms

SHUKRANI

USTAWI WA PAMOJA….
JUKUMU LETU SOTE