



**THE UNITED REPUBLIC OF TANZANIA
VICE PRESIDENT OFFICE**

**REMARKS BY H.E. DR. PHILIP ISDOR MPANGO, VICE PRESIDENT
OF THE UNITED REPUBLIC OF TANZANIA DURING THE
ANNOUNCEMENT OF THE FINAL INVESTMENT DECISION
BY THE INTERNATIONAL OIL COMPANIES**

**KAMPALA, UGANDA,
01ST FEBRUARY, 2022**

- Your Excellency Yoweri Kaguta Museveni, President of the Republic of Uganda;
- Honourable Gen. Odongo Jeje Abubakhar, Minister of Foreign Affairs, Republic of Uganda;
- Honourable Ruth Nankabirwa, Minister of Energy and Mineral Development, Republic of Uganda;
- Honourable, January Makamba, Minister of Energy, United Republic of Tanzania,
- Honourable Mbarouk Nassor Mbarouk (MP), Deputy Minister of Foreign Affairs and East African Cooperation, United Republic of Tanzania;
- Honourable Ministers and other Senior Government Officials of both Countries here present;
- Your Excellency Richard Kabonero, High Commissioner of the Republic of Uganda to the United Republic of Tanzania;
- Your Excellency Dr. Aziz Ponary Mlima, High Commissioner of the United Republic of Tanzania to the Republic of Uganda;
- Representatives of Total Energies and China National Offshore Oil Corporation;
- Excellencies, Ladies and Gentlemen.

At the outset, allow me to convey warm greetings and congratulations from Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania, on this milestone Announcement of the Final Investment Decision by the International Oil Companies (OIC) which form the Joint Venture Partners for the Upstream and the East African Crude Oil Pipeline Projects (EACOP Projects). This indeed is a momentous occasion that marks the beginning of the next phases of project development and production. Her Excellency President Samia Suluhu Hassan wished to be here, but is unable to do so due to other national exigencies. In this regard, Her Excellency asked me to stand in for her and deliver these remarks.

I wish to express my sincere appreciation to the Government and the People of the Republic of Uganda for the warm welcome extended to me and my

delegation since our arrival at Entebbe International Airport and subsequently here in this lovely city of seven hills (Kampala).

***Your Excellencies,
Distinguished Guests,***

Today's event is the outcome of considerable efforts and relentless dedication by the two countries since the signing of the Intergovernmental Agreement on the Construction of the East African Crude Oil Pipeline Project on 26th May 2017 and the successive agreements between our Governments and the EACOP Company.

Your Excellency Mr. President,

The commendable progress made so far on the implementation of the East African Crude Oil Pipeline Project since your last visit to Dar es Salaam on 27th November, 2021 is indeed impressive. We recall that, together with Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania you directed the parties involved to quickly finalise pending matters for the formation of the EACOP Company and attainment of the Final Investment Decision for the EACOP Project. We are now pleased to see that the parties to the EACOP Project have complied with that directive.

On behalf of Her Excellency President Samia Suluhu Hassan, the Government and the People of the United Republic of Tanzania, I commend the People of the Republic of Uganda under your leadership, Your Excellency, for the commitment and dedication exhibited towards the realization of the East African Crude Oil Pipeline Project. In the same vein, I applaud our partners, Total Energies and China National Offshore Oil Corporation (CNOOC) who have just sealed the deal today by announcing the Final Investment Decision. Indeed, your guidance, support and commitment has been the key to the success of this Project and is greatly appreciated!

Your Excellencies,

Tanzania and Uganda are bound together by a common heritage. You will for this reason, our two countries have continued to enjoy excellent mutual relations and collaboration. By virtual of being close neighbours and founding members of the East African Community, we have many common interests and a lot to share on bilateral basis. For instance, trade between our two countries have more than tripled to over USD 260 million in 2020 compared to the average for the past five years. In this regard, the implementation of this

shared EACOP project further solidifies our cooperation which has been nurtured and cemented for many years.

***Your Excellencies,
Distinguished Guests,***

With this project, the two countries are projected to realise a record level of Foreign Direct Investment (FDI) inflows to the tune of USD 3.5 billion over the period 2022 - 2025, which is an increase of over 60% compared to the current level of FDI inflows. The impact of such massive investment, include employment (direct and indirect to goods and service providers) estimated at more than 10,000 jobs; foreign exchange earnings in form of dividends; and service receipts from handling project cargo that is estimated at over 500,000 tons of imported equipment. The pipeline will also provide business opportunities in various sectors including construction, energy and the like which will eventually create a trickle-down effect and thus contributing to development of local content.

In addition, the pipeline is expected to serve shippers of oil and manufacturing industry and thereby attract investors and companies in these sectors in our region, coming together with the much needed international experiences and specialized skills for the nascent petroleum industry in our countries.

***Excellencies,
Distinguished Guests,***

The multiple effects from the project will not only support our economic recovery but also spur regional growth which has been adversely affected by the COVID-19 pandemic. As you are well aware, during the pandemic, the region experienced a slowdown in economic growth to an average rate of 2.3 per cent in 2020 compared with an annual average rate of over 6 per cent prior to the pandemic.

Your Excellencies, these largely understated benefits illustrate the true value of our close cooperation and also demonstrate the validity of the famous Chinese proverb that says **"A good neighbour, is a priceless treasure!"**

***Your Excellencies,
Ladies and Gentlemen,***

Tanzania notes with great satisfaction and appreciation that, based on technical, geographical and commercial merit as well as our experience in construction, operation and management of pipelines, the Government of Republic of Uganda and Project Developers preferred the Tanzania Route for the pipeline. It is in the same spirit that the Government of Tanzania has taken deliberate actions towards effective implementation of the project including, releasing **TZS 259.96 billion** to Tanzania Petroleum Development Corporation (TPDC) as part of Equity participation in EACOP Company; amending relevant legislation as agreed in the Host Agreement; completing the land compensation for fourteen (14) priority areas for the camps and coating yard; and also paying land compensation for the pipeline corridor that traverses through 8 regions in Tanzania. In addition, on 05th November, 2021 the Project Company handed over the Project land to a Tanzanian contractor, **Milembe Construction Ltd** to start Early Civil Works which includes the clearance, levelling and fencing of the Priority Areas in Bukombe, Sojo-Nzegwa and Igunga. The civil works is expected to be completed in May 2022.

***Your Excellencies,
Distinguished Guests,***

As it has been observed, all parties including the peoples of the two countries have had a particular responsibility to fulfill for successful implementation of this Project. It is my humble plea to the people of the Republic of Uganda and the United Republic of Tanzania to take ownership of the project. This includes ensuring security of the pipeline, protection of the environment along the pipeline, and also reporting any incidents that may affect the implementation of the said project. May I also implore, our Customs departments and related institutions to ensure speedy clearance of imported equipment for this project for smooth implementation. Similarly, other parties, especially the International Oil Companies, are reminded to adhere to labour laws including avoidance of child labour; and ensure environmental sustainability and conservation in line with the Environmental and Social Impact assessment. I am therefore looking forward to hear that all partners are committed to implement this project in an exemplary manner taking into consideration the ecology as well as local community rights.

Your Excellencies,

As I conclude, I would like to encourage our private sector to take advantage and participate in the value chain of these projects through joint ventures with regional and international partners and supply of inputs both physical and skills. On the other hand, the International companies are encouraged to support supplier development by reducing the complexity of contracts to ease access by the local actors, build capacity at national and community level and promote internships and attachment of citizens of the two countries, especially the youth. We should keep in mind that, the successful implementation of this project depends solely on the commitment of all parties to act solemnly as expected. As it was once said, "symbiotic relationships in nature teach us cooperation and show that we are all connected."

***Excellencies, Distinguished Guest,
Ladies and Gentlemen***

I wish to end by reiterating the commitment and readiness of the Government of the United Republic of Tanzania to ensure effective implementation of the EACOP Project by providing the necessary support to all parties involved.

May God bless the Republic of Uganda, the United Republic of Tanzania and the East African Community.

Excellencies, I thank you for your kind attention.