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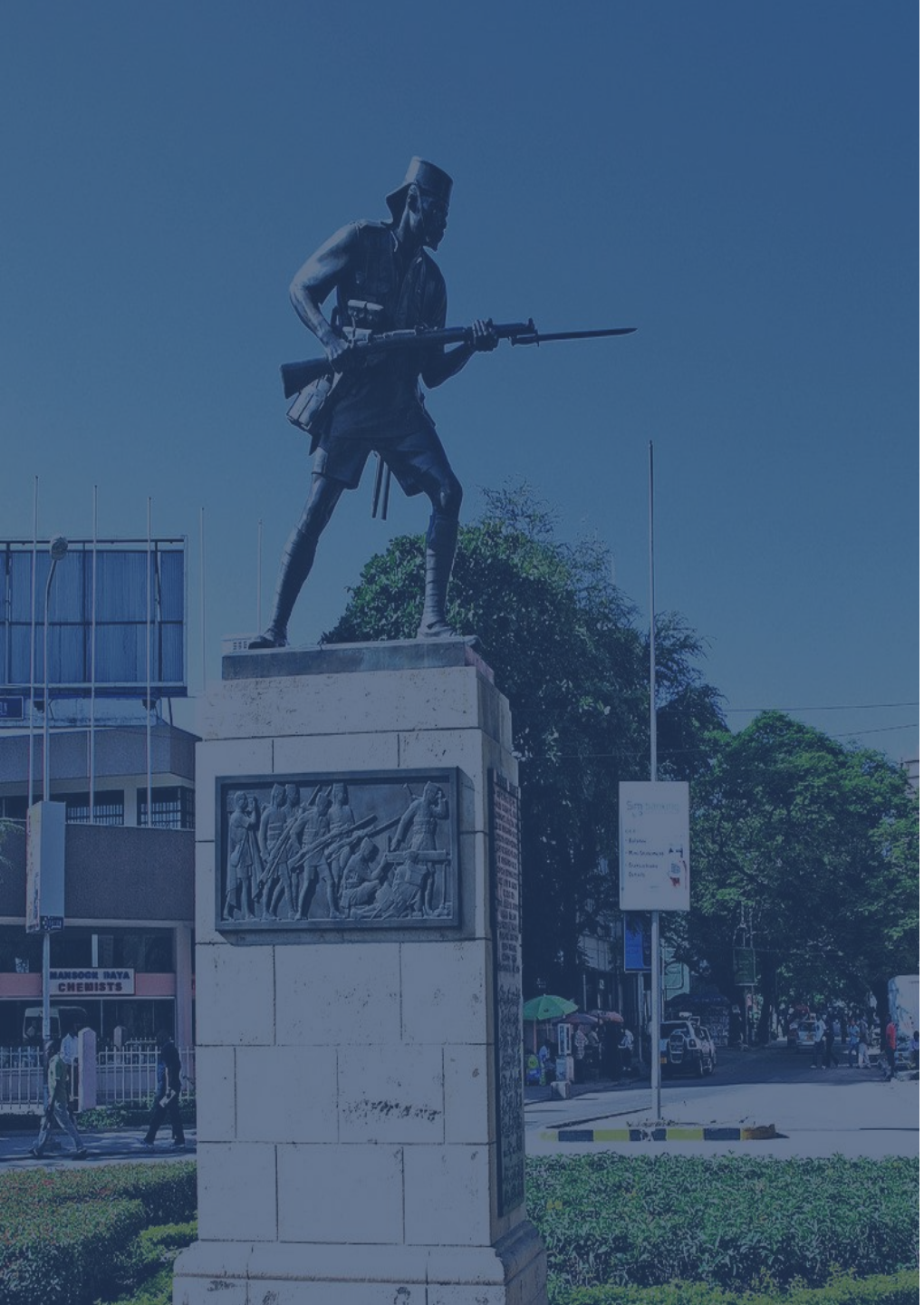
THE ETHICAL WAY

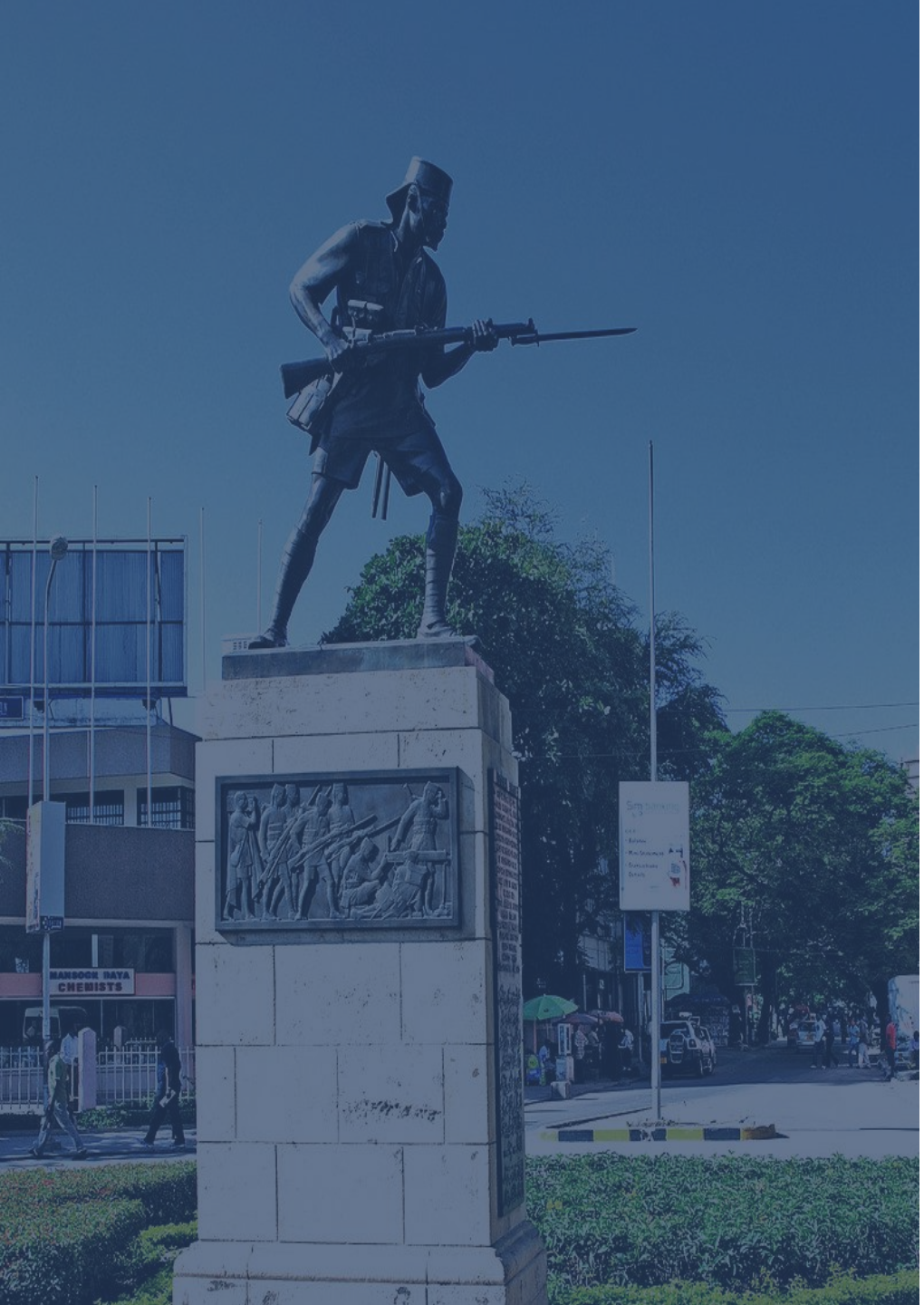
Companies in Tanzania & Cybersecurity



Why Companies in Tanzania Should Take Cybersecurity Seriously

For a developing country like Tanzania, being in the digital economy means having the opportunity to leapfrog traditional stages of economic development by harnessing the power of digital technologies to drive growth and innovation.

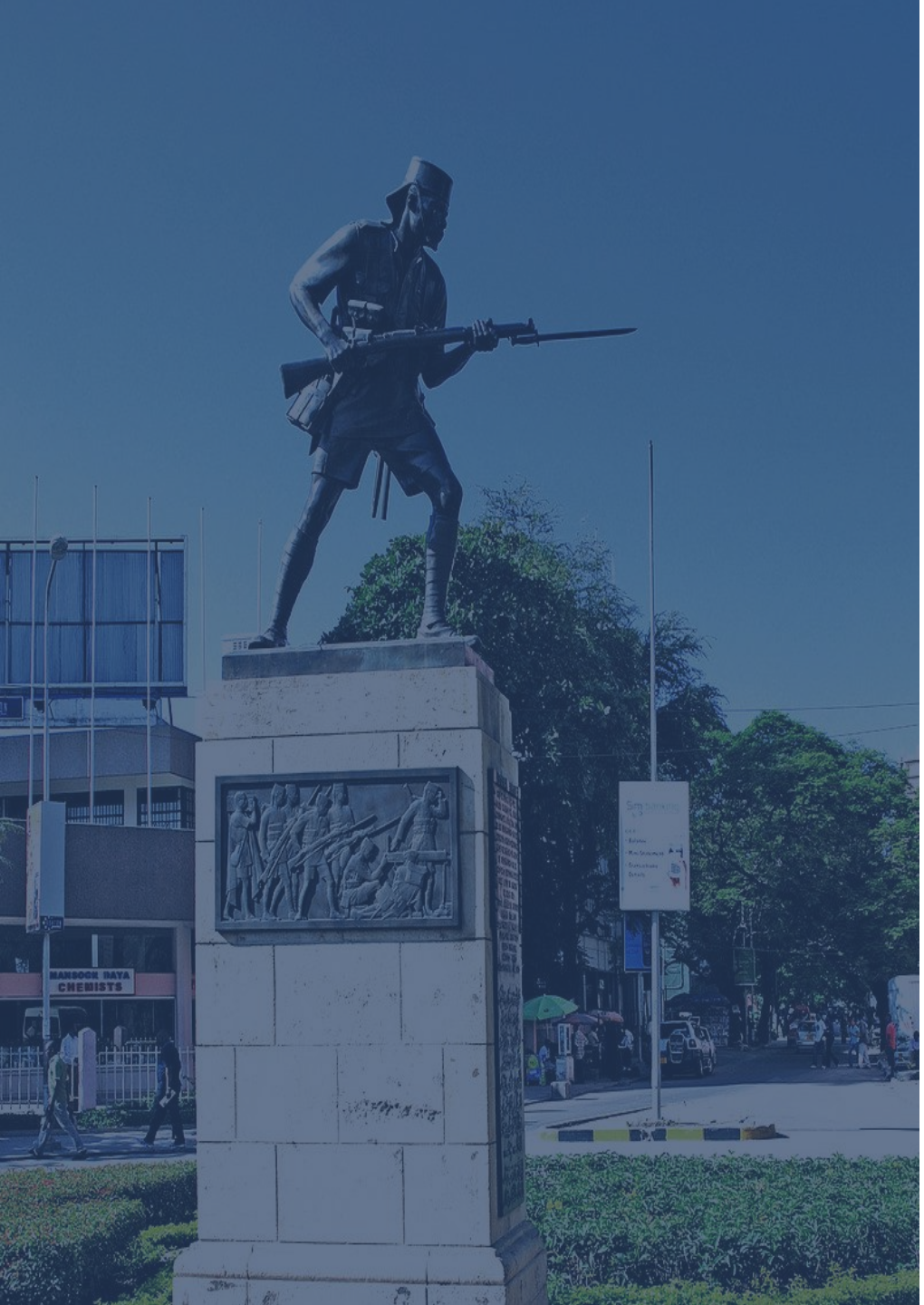
The digital economy presents numerous opportunities for businesses and individuals alike, allowing for increased productivity, connectivity, and innovation. However, it is important to recognize that this shift towards digitalization also comes with inherent risks, particularly in the form of cyber threats.



Why Companies in Tanzania Should Take Cybersecurity Seriously

Cybercrime and cyber attacks can have devastating effects on individuals, businesses, and even entire economies. They can lead to the theft of sensitive data, financial losses, reputational damage, and even physical harm. As such, it is essential that all actors in the digital economy take proactive steps to safeguard themselves against these threats.

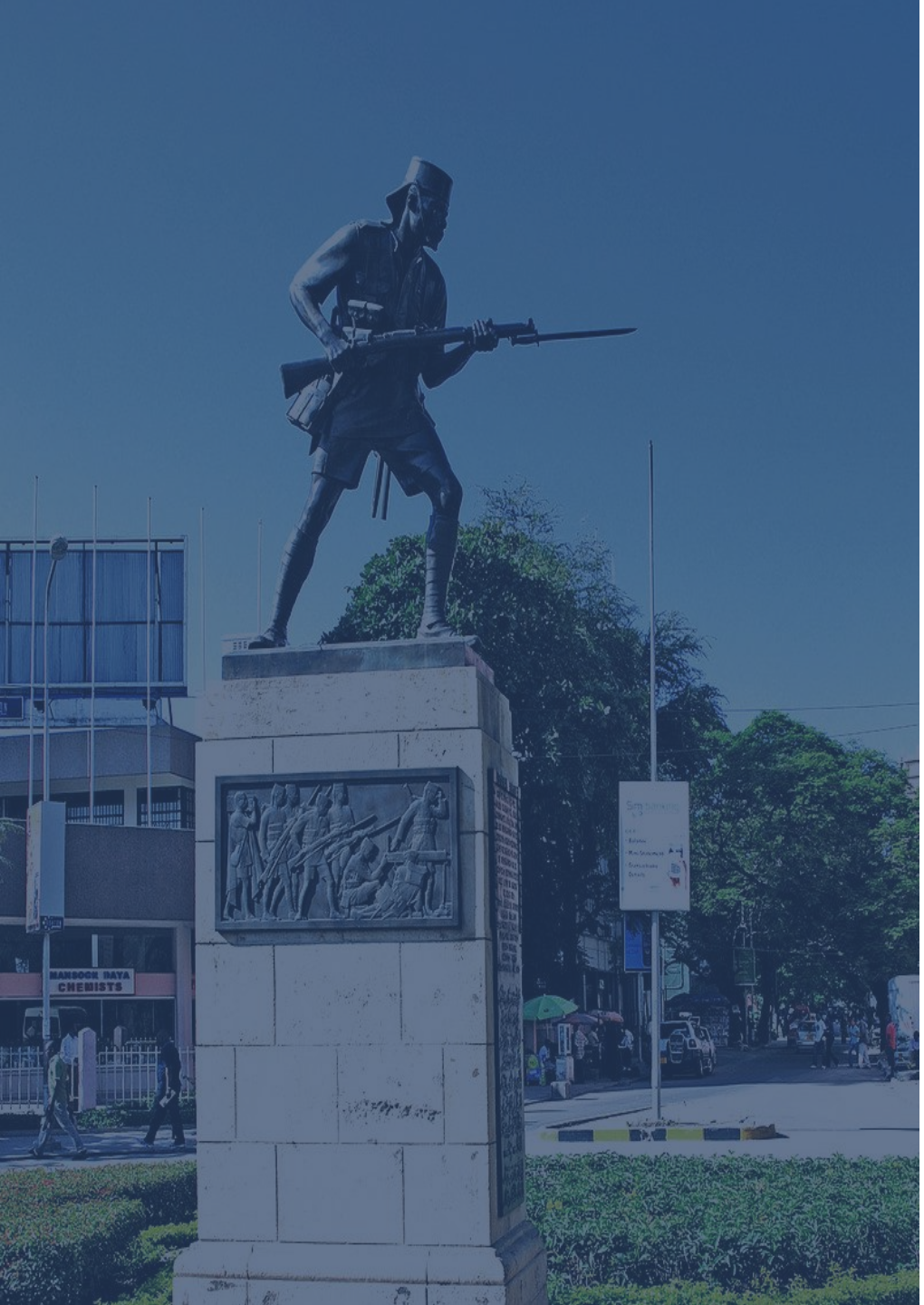
This includes implementing robust cybersecurity measures, staying informed about emerging threats and best practices, and fostering a culture of cybersecurity awareness and education.



Why Companies in Tanzania Should Take Cybersecurity Seriously

Recently, Tanzania has been witnessing an increase in cyber attacks. According to an article published by IPPmedia on June 21st, 2020, the Tanzania Communication Regulatory Authority (TCRA) has issued a warning to all ICT professionals in the country to be vigilant against the rising threat of cyber attacks.

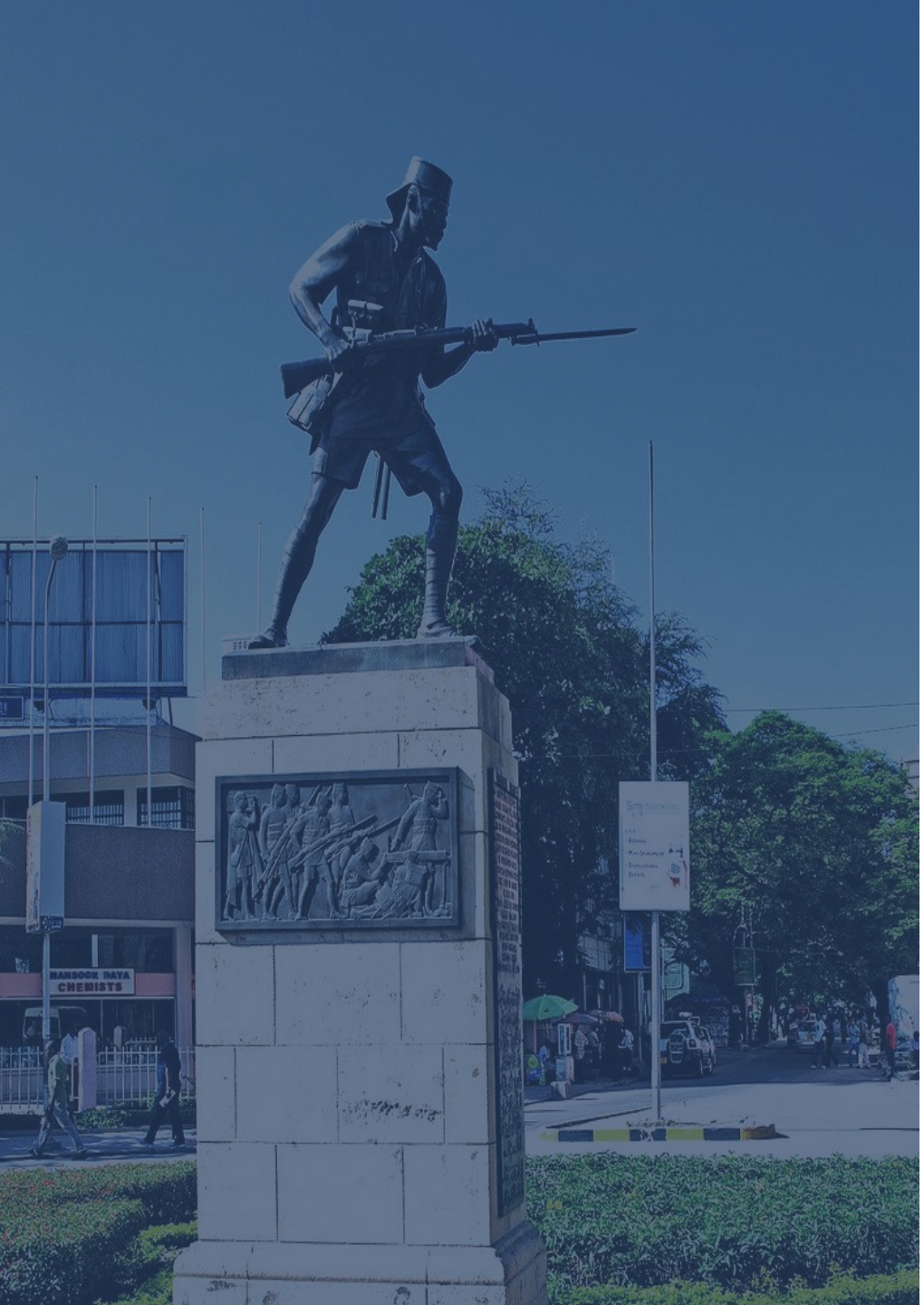
TCRA's director of ICT application and services, Conie Francis, reported that 10 to 15 organizations in Tanzania were victims to cyber attacks hence there is a need for a coordinated and proactive approach to cybersecurity across all sectors, in order to protect the interests of companies and individuals in the face of this evolving threat.



Why Companies in Tanzania Should Take Cybersecurity Seriously

In this article we are going to focus on why companies in Tanzania should take cybersecurity seriously as we head into the digital economy.

Cyber-attacks can have a significant impact on businesses and their operations, causing various consequences that can be detrimental to the company's financial stability, reputation, and customer trust.



Why Companies in Tanzania Should Take Cybersecurity Seriously

Here is an overview of the most common consequences of cyber-attacks on businesses:

Financial Losses

Loss of Customer Trust

Data Breaches

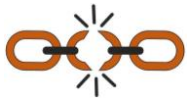
Legal Liability

Disruption of Operations

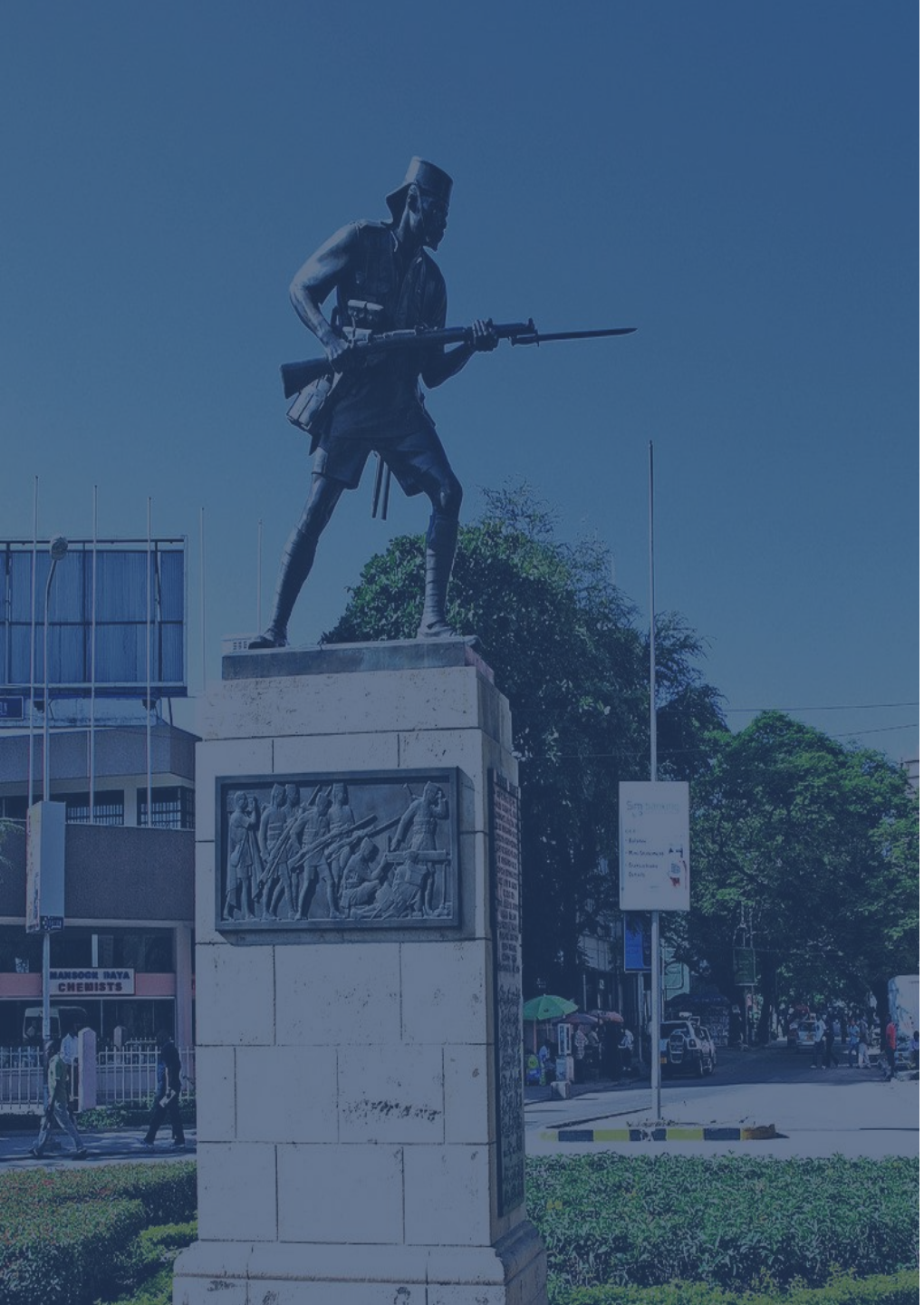
Regulatory Compliance Issues

Reputational Damage

Damage to Intellectual Property



Business Disruption

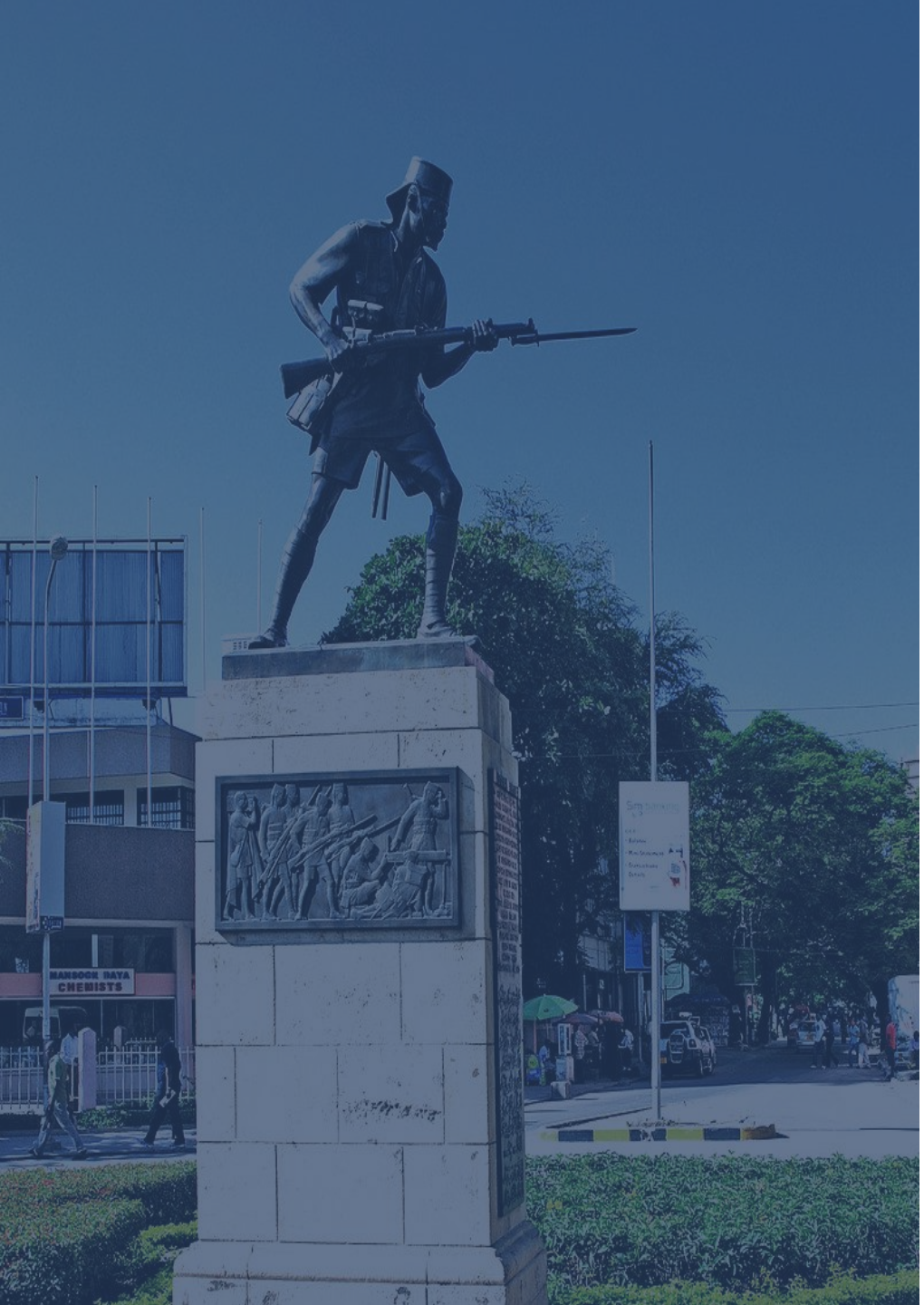


Why Companies in Tanzania Should Take Cybersecurity Seriously

Here is a brief analysis of the consequences of cyber-attacks on businesses:

Financial Losses: Cyber-attacks can result in financial losses in several ways. There are instances where organizations were attacked by ransomware where the cybercriminals demanded a ransom payment in form of bitcoin so that they could give back access of the systems and data to the institution.

What saved these organizations is they had backups in place which helped them resume operation. Though this is not the case for most organizations. Some of them either don't have backups or don't backup regularly which makes it difficult for them to restore recent data. Businesses can also incur significant costs in repairing damaged systems and infrastructure.



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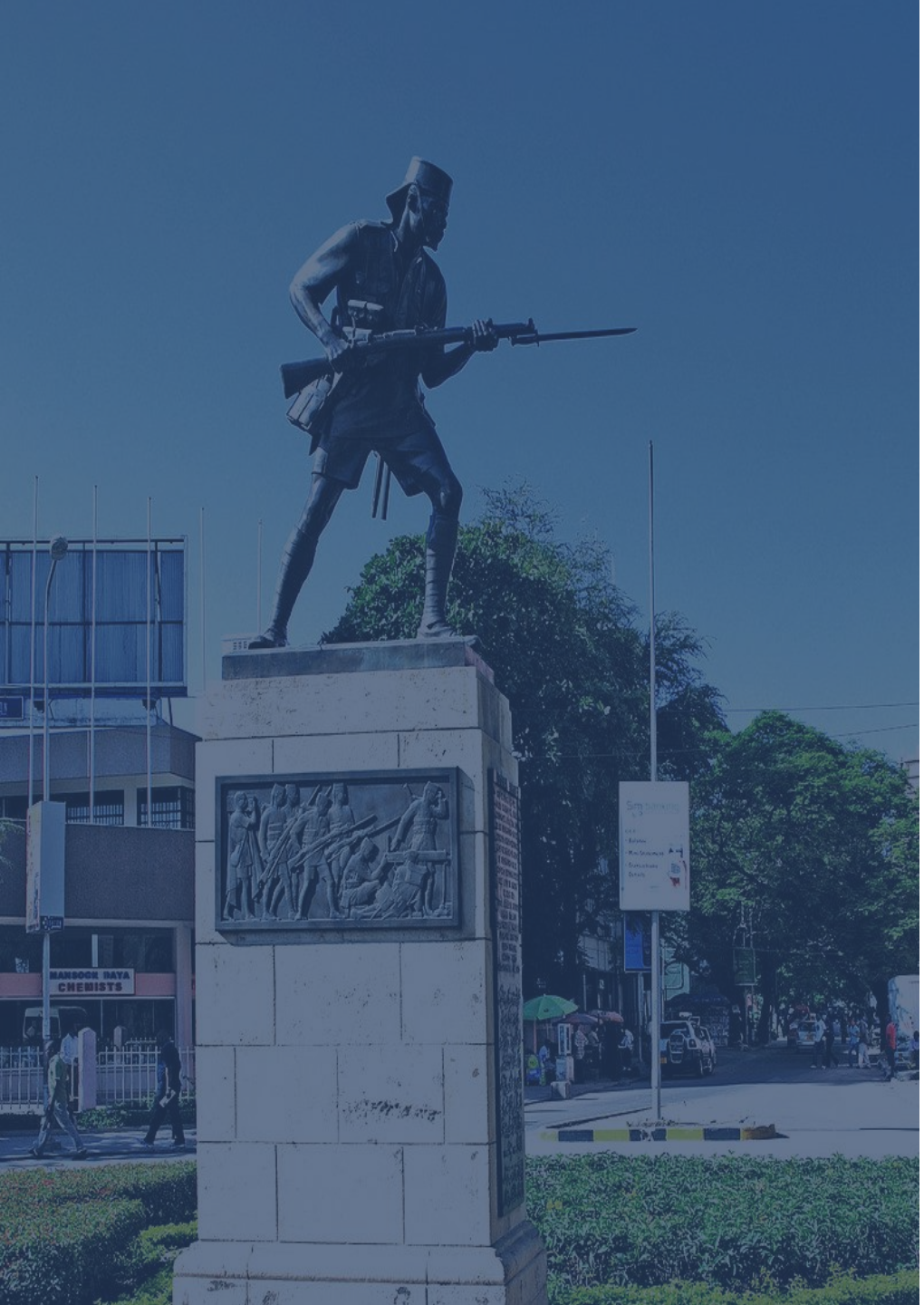
Disruption of Operations: A cyber-attack can cause significant disruption to a company's operations. For instance, a distributed denial-of-service (DDoS) attack can overwhelm a website, making it inaccessible to customers. This can lead to lost revenue, decreased productivity, and damage to the company's reputation.

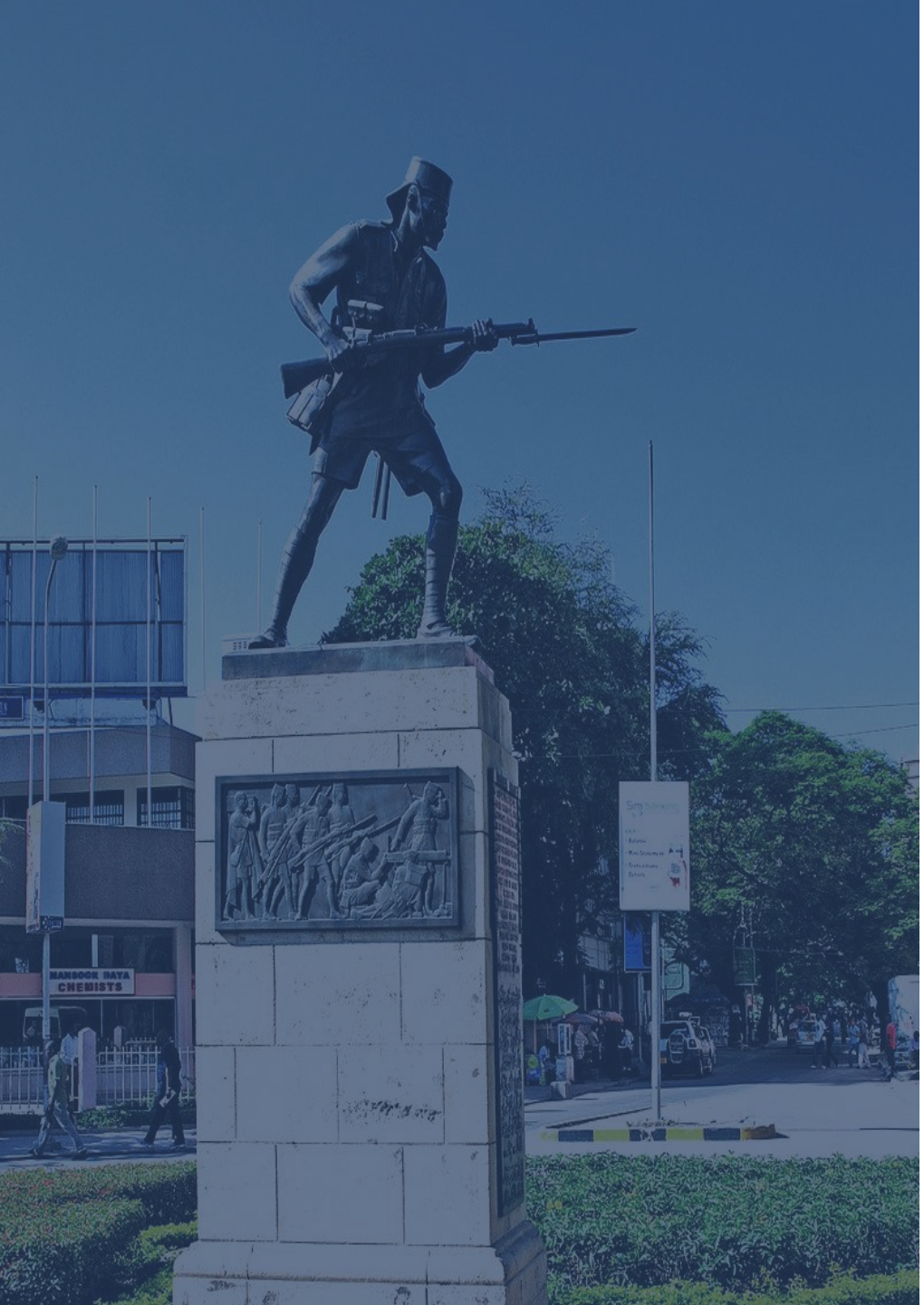
Putting it into perspective, There are companies that generate revenue through their digital products and services like mobile money transfer, which has become an increasingly popular and convenient method of payment for customers. As such, any downtime or service interruptions can result in significant financial losses. Even a single minute of downtime can translate to billion of revenue losses and damage to a company's reputation.



Why Companies in Tanzania Should Take Cybersecurity Seriously

Data Breaches: One of the most significant consequences of a cyber-attack is a data breach. A data breach can expose sensitive information about customers, employees, and business partners, to the public leading to a loss of trust and confidence in the company. This can also result in legal consequences, as companies may be held liable for the breach and may face regulatory fines.

Tanzania has recently enacted the data protection act which governs how companies deal with people's data. We all know that majority of organizations ranging from financial institutions to telecom's store huge amount of data of their clients including Personal Identifiable Information (PII) hence any data breach may result to huge consequences like fines and penalties.



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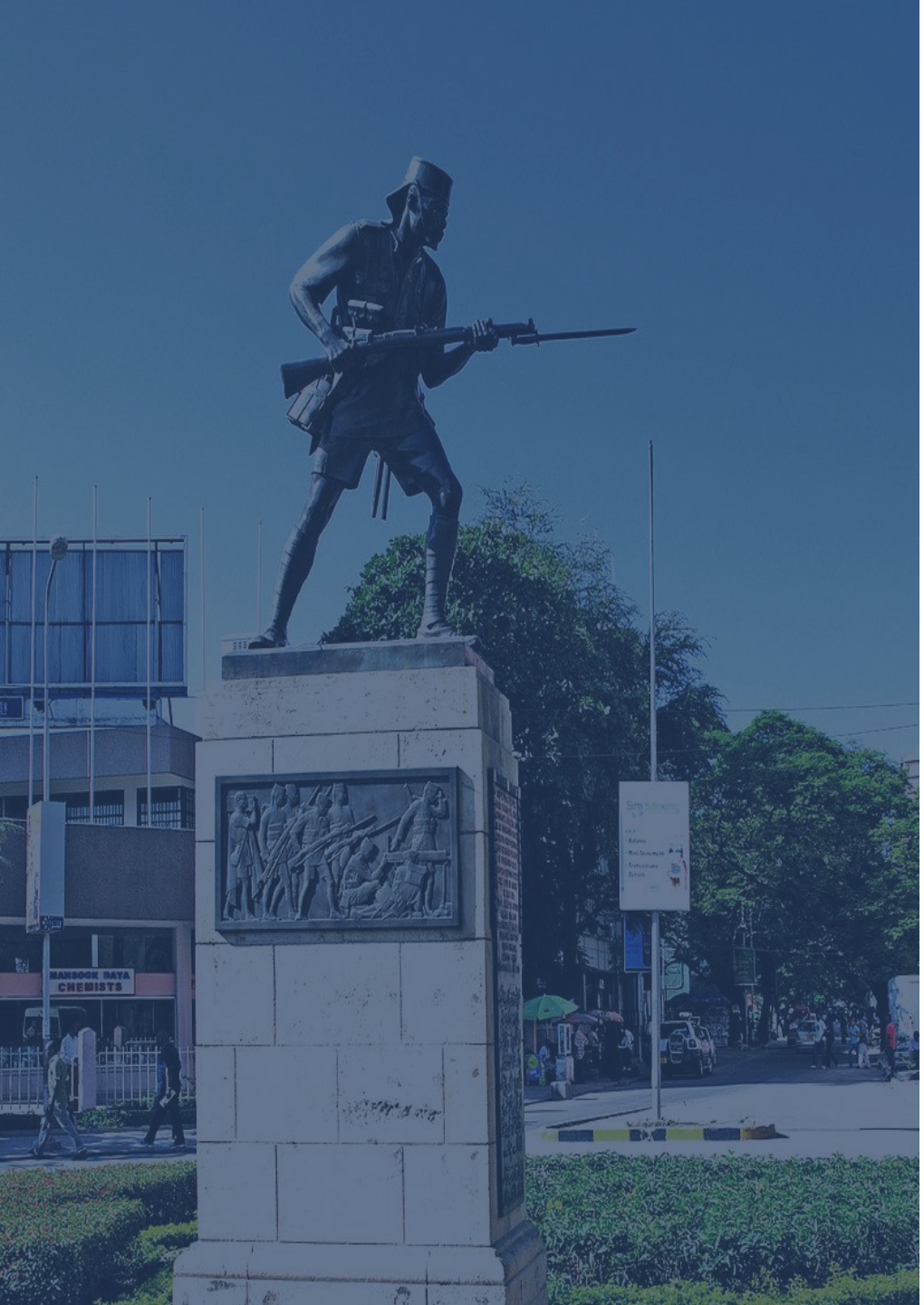
Reputational Damage: Cyber-attacks can also cause significant reputational damage to a company. If there is a data breach and customer data is exposed, it can lead to negative media coverage and public scrutiny, which can damage the company's reputation and lead to loss of customers and investors.

In recent times, there has been a significant increase in cyber attacks targeting companies across different sectors, resulting in significant financial losses and reputational damage. Affected organizations face the risk of losing the trust and confidence of their customers, partners and stakeholders. Recovering from reputational damage is costly, time-consuming, and often requires a long-term commitment to rebuilding trust and transparency.



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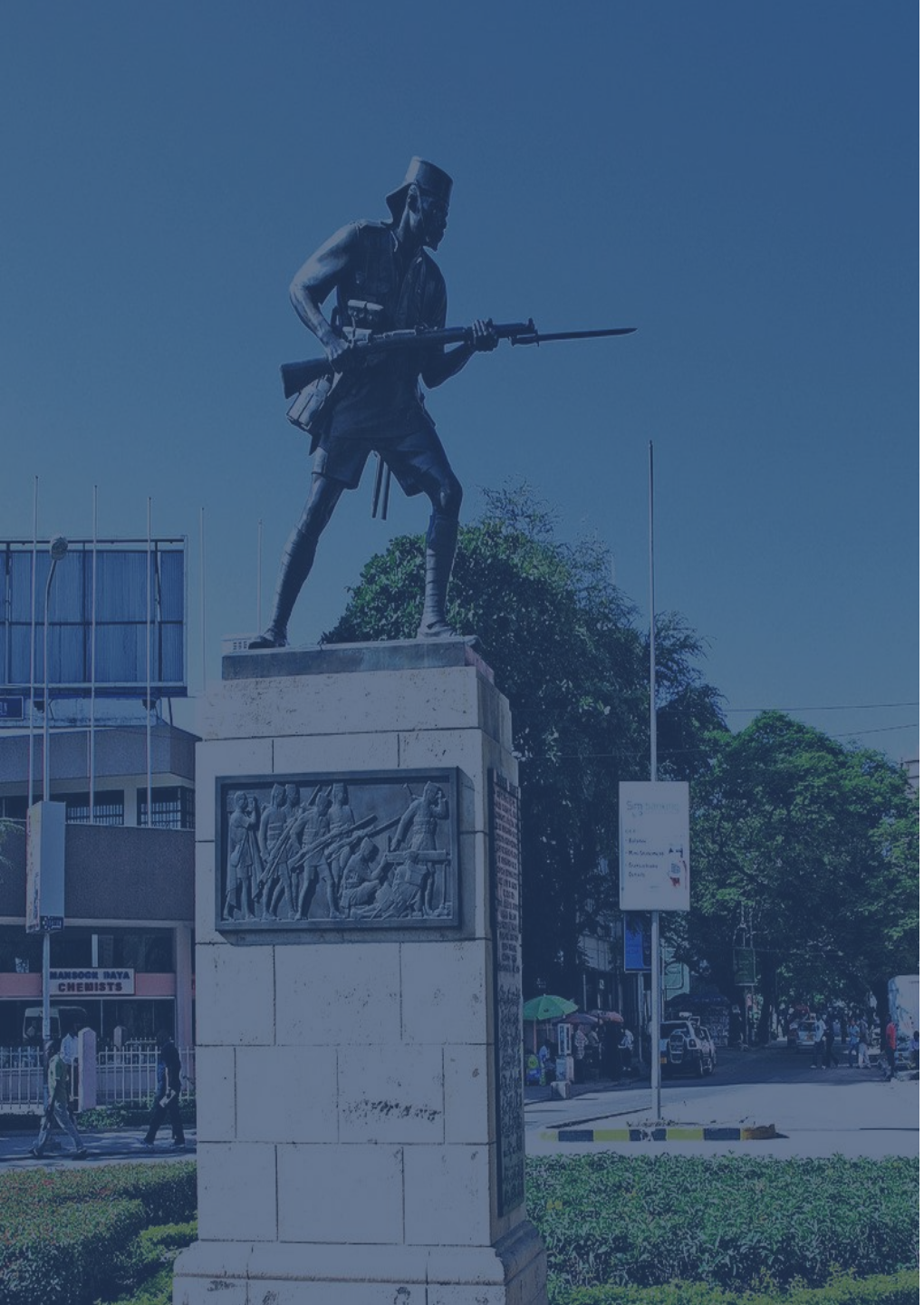
Loss of Customer Trust: Cyber-attacks can also result in a loss of customer trust, particularly if the company fails to respond appropriately. Customers may be hesitant to continue doing business with a company that has experienced a breach, particularly if it involves sensitive data such as Personal Identifiable Information

When a business loses the trust of its clients, partners, and stakeholders, the consequences can be dire. It can be challenging for the business to continue generating income and sustaining its operations if it is struggling to do business with key stakeholders.



Why Companies in Tanzania Should Take Cybersecurity Seriously

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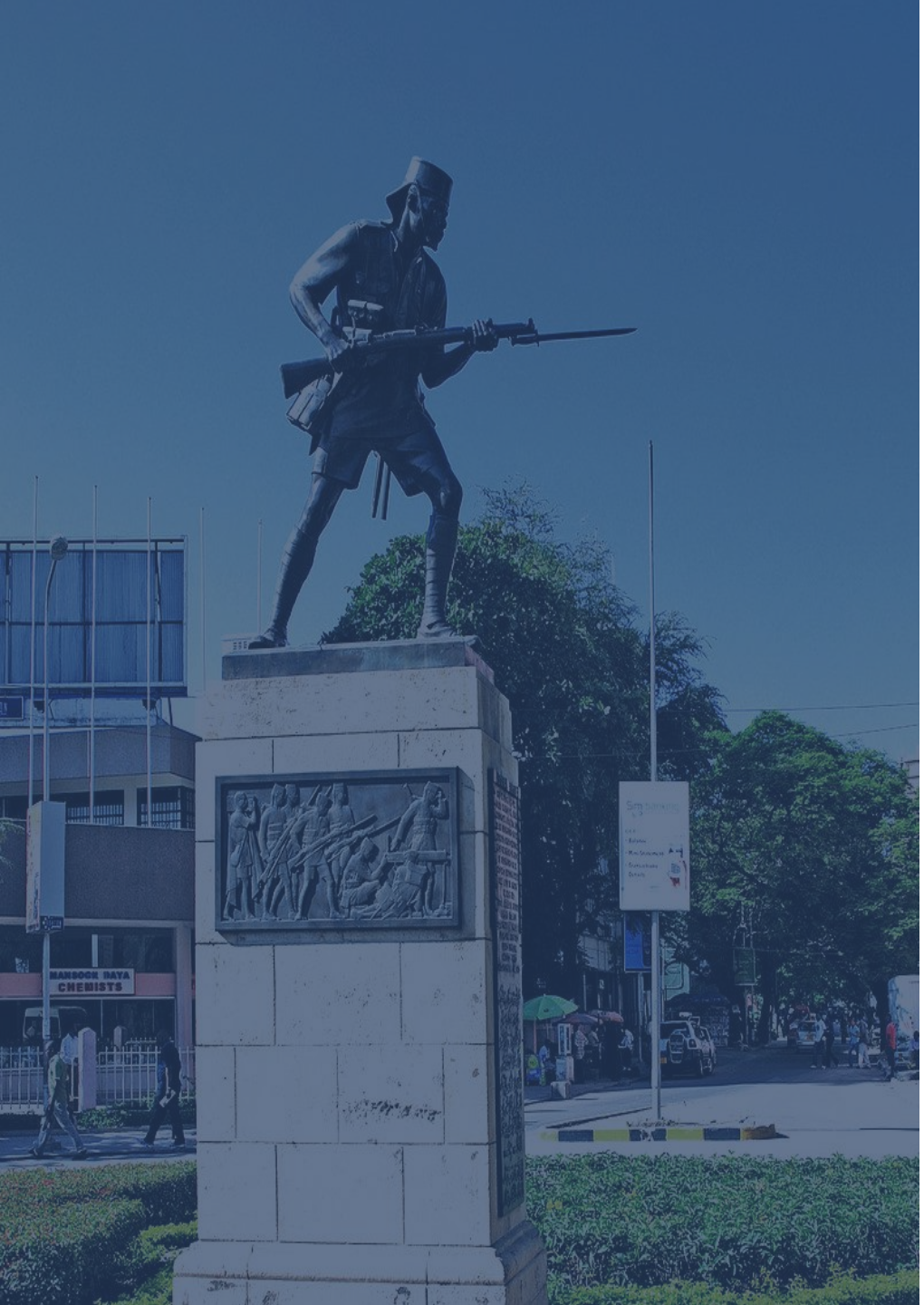
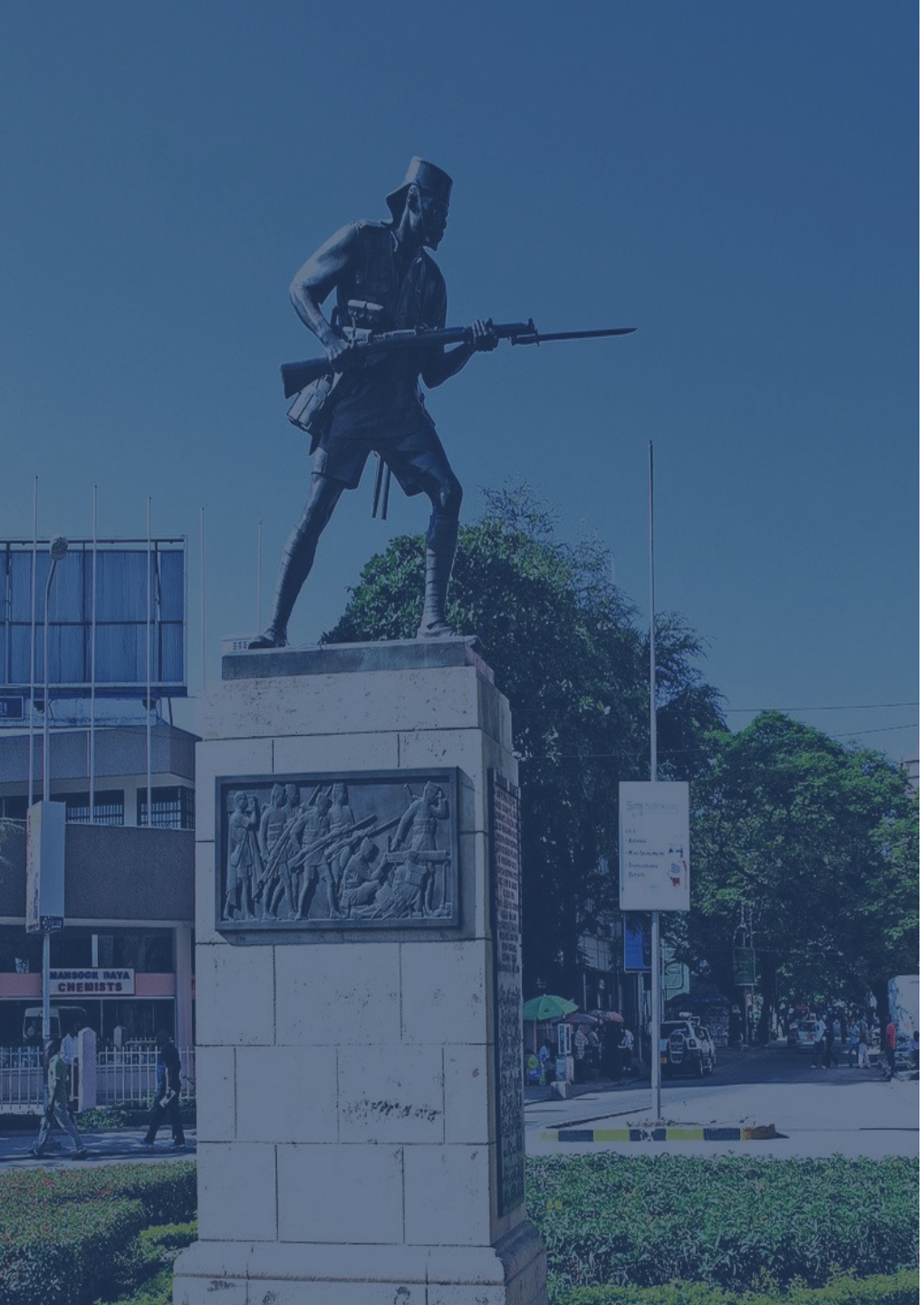
As a result, a loss of trust can lead to significant financial losses, missed opportunities, and in the worst-case scenario, business closure. Restoring trust and confidence among stakeholders can be a demanding and protracting undertaking that frequently necessitates a substantial commitment of both resources and time.



Why Companies in Tanzania Should Take Cybersecurity Seriously

Legal Liability: Depending on the nature of the cyber-attack and the data that was compromised, businesses may face legal liability. They may be required to pay fines, settle lawsuits, or compensate affected individuals.

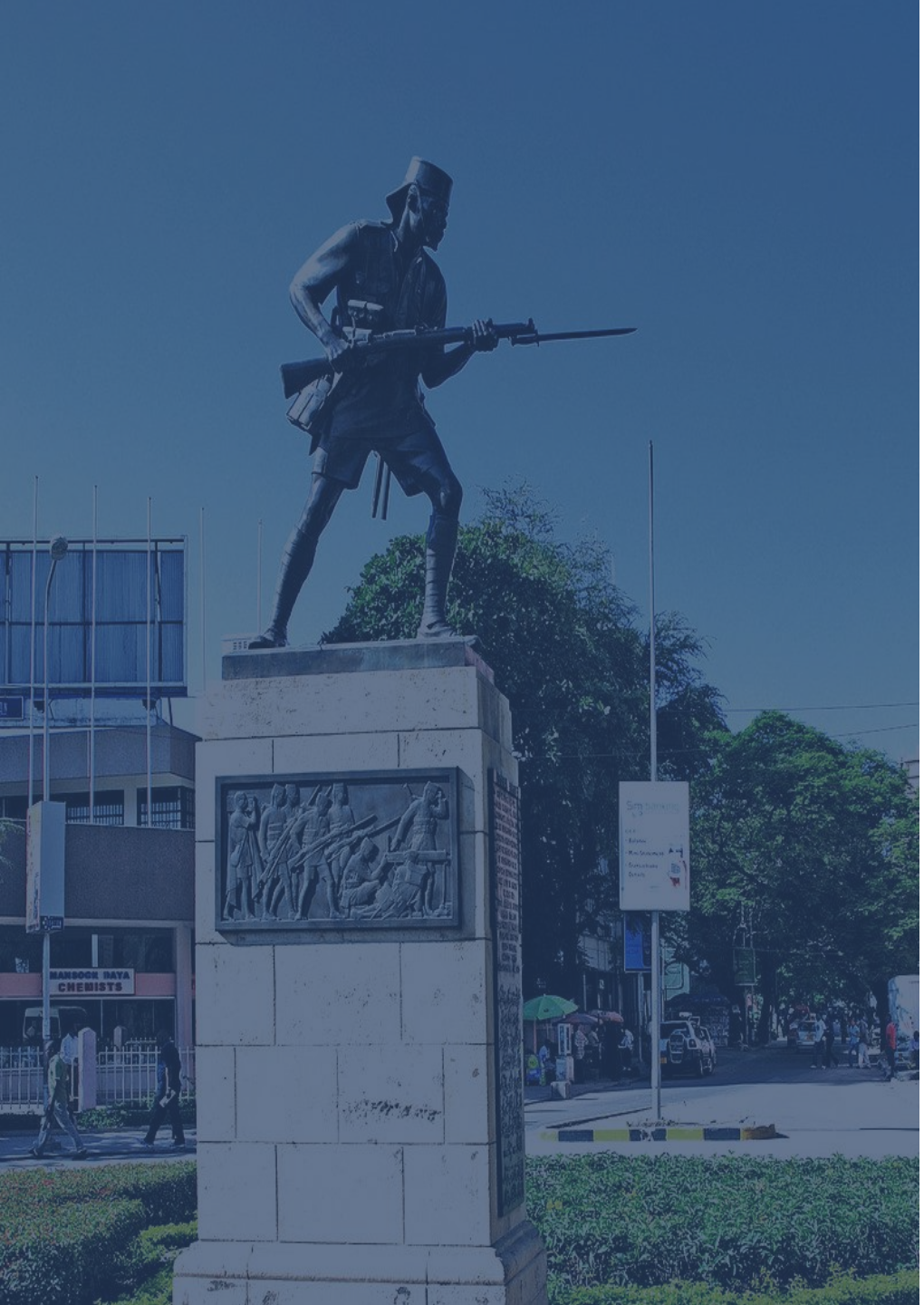
As previously discussed, the Tanzanian government has recently enacted the Data Protection Act, which regulates how companies handle and store personal identifiable information. This act applies to a range of companies, including financial institutions and telecoms, which typically deal with sensitive customer data. In the event of a security breach, companies may face significant consequences under the Data Protection Act, including hefty fines and reputational damage



Why Companies in Tanzania Should Take Cybersecurity Seriously

Business Disruption: cyber-attacks can also cause significant business disruptions. For example, if a company's website or e-commerce platform is down, it can affect customer transactions and result in lost revenue.

As previously discussed on disruption of services, There are companies in Tanzania that generate revenue through their digital products and services like mobile money transfer. As such, any downtime or service interruptions can result in significant financial losses and damage to a company's reputation.



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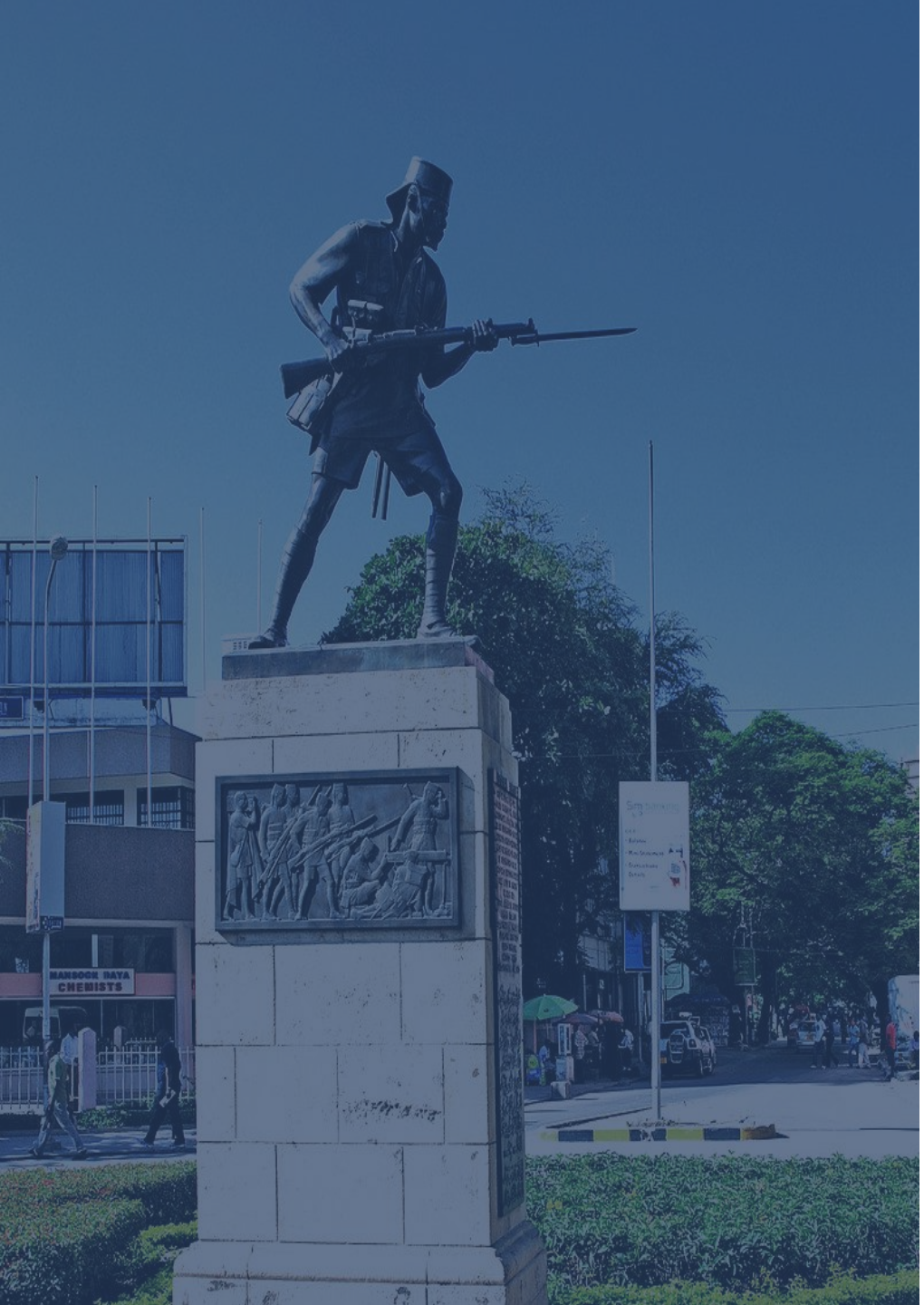
Regulatory Compliance Issues: Some industries are subject to strict data privacy regulations, such as healthcare and finance. A cyber-attack that results in a data breach may lead to non-compliance with these regulations, resulting in fines or other penalties.

These industries hold a lot of sensitive confidential information about their client and that's why they are subjected to strict data privacy regulations. In the health sector they hold information about their client's health status which must be kept confidential, it is up to the health institutions to make sure that these data are secure to any sort of breach and incase of a successful breach then questions will be asked on how they stored these data and as a result they may face serious consequences.



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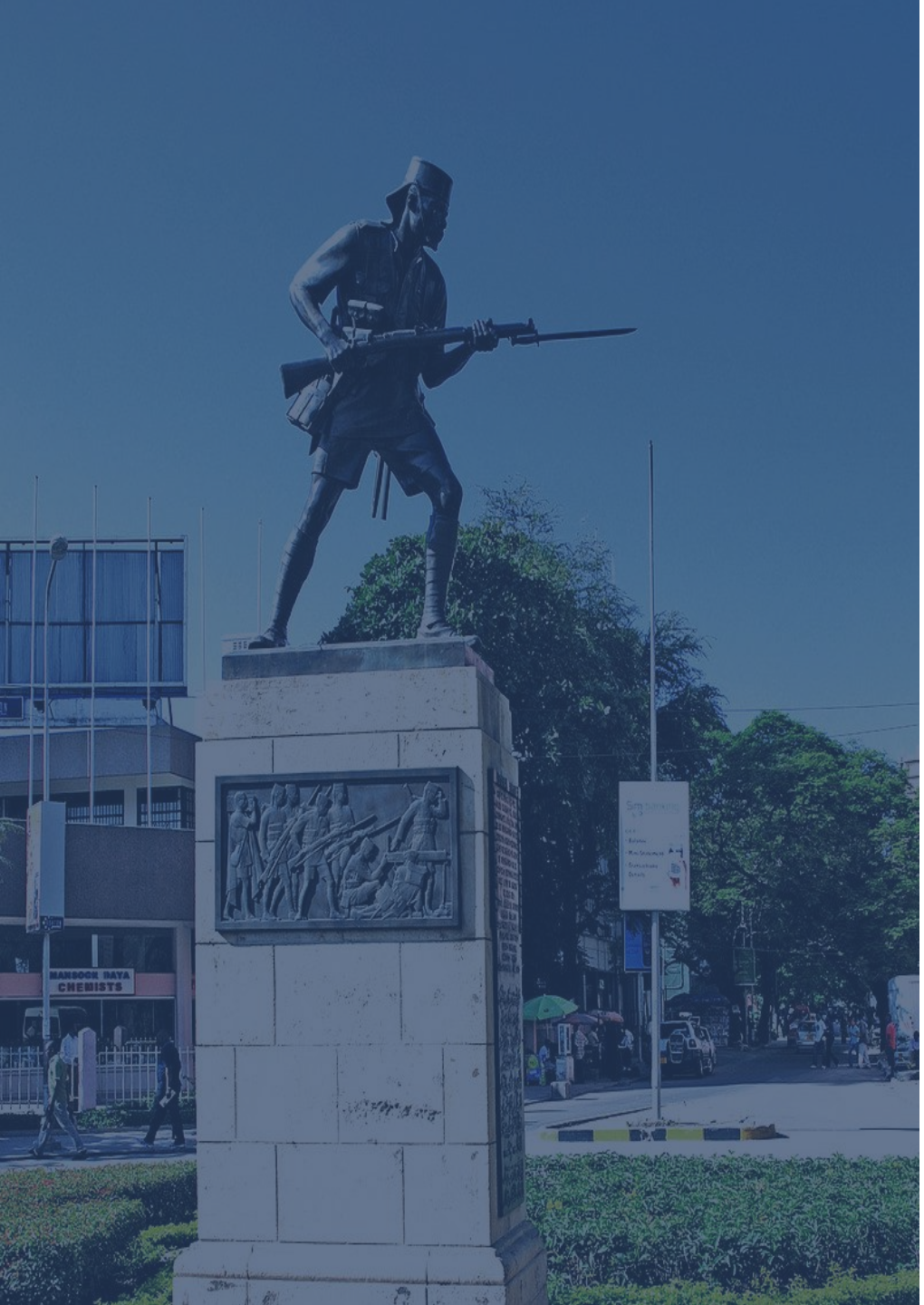
Damage to Intellectual Property: Cyber-attacks can result in damage to a company's intellectual property, including trade secrets, patents, and trademarks. This can affect the company's competitive advantage and financial stability.

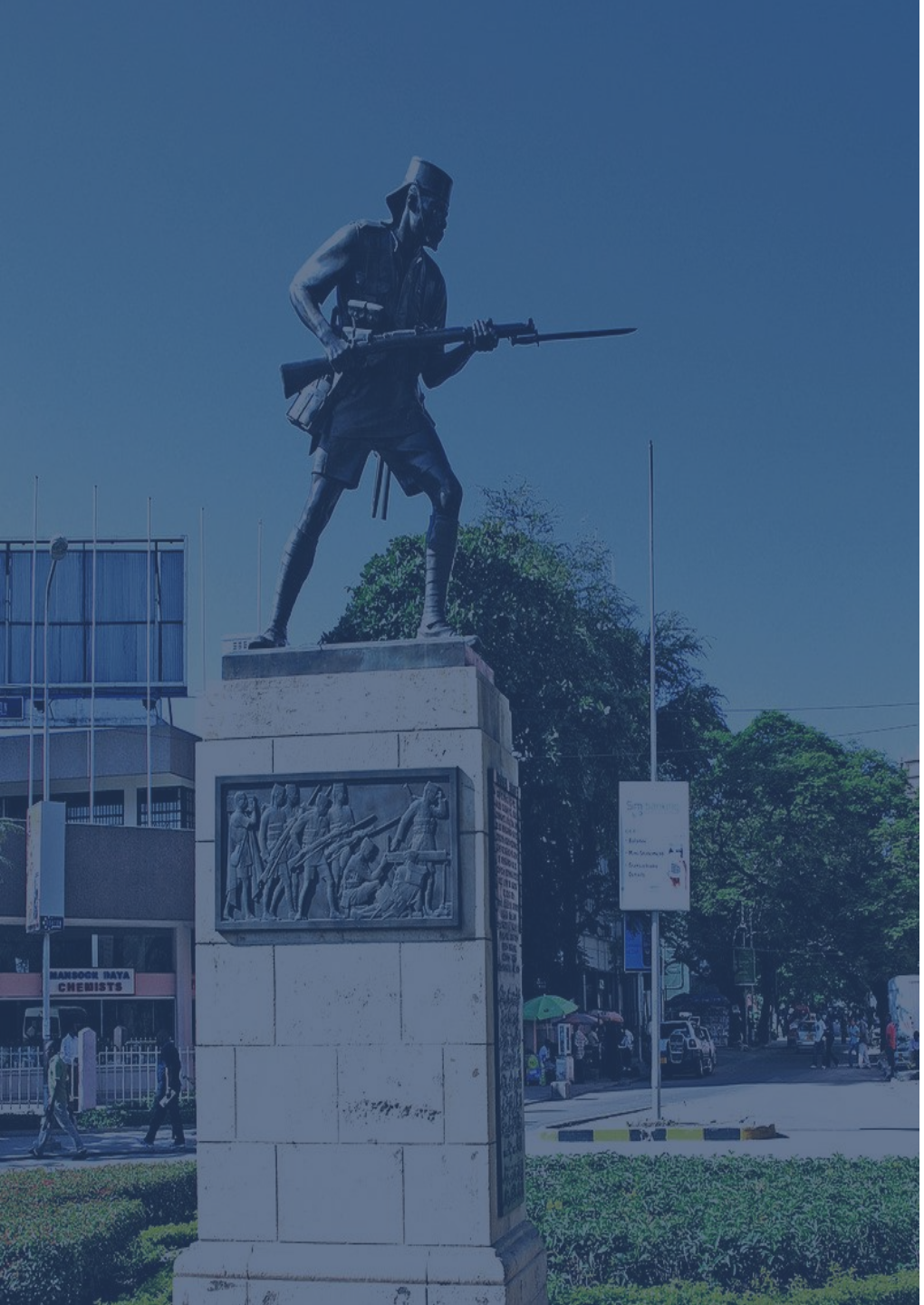
This is where the Tanzanian Data Protection Act mandates strict compliance with data privacy standards, and any organization found to have violated these standards may be subject to significant penalties or other consequences. Such penalties can result in a substantial financial burden, particularly for smaller organizations that may struggle to meet the cost of such fines.



Why Companies in Tanzania Should Take Cybersecurity Seriously

There are several actions that companies can take to mitigate the risks of cybersecurity threats and avoid their associated consequences:

- Implement robust cybersecurity measures
- Provide cybersecurity training
- Develop a cybersecurity incident response plan
- Conduct regular cybersecurity assessments



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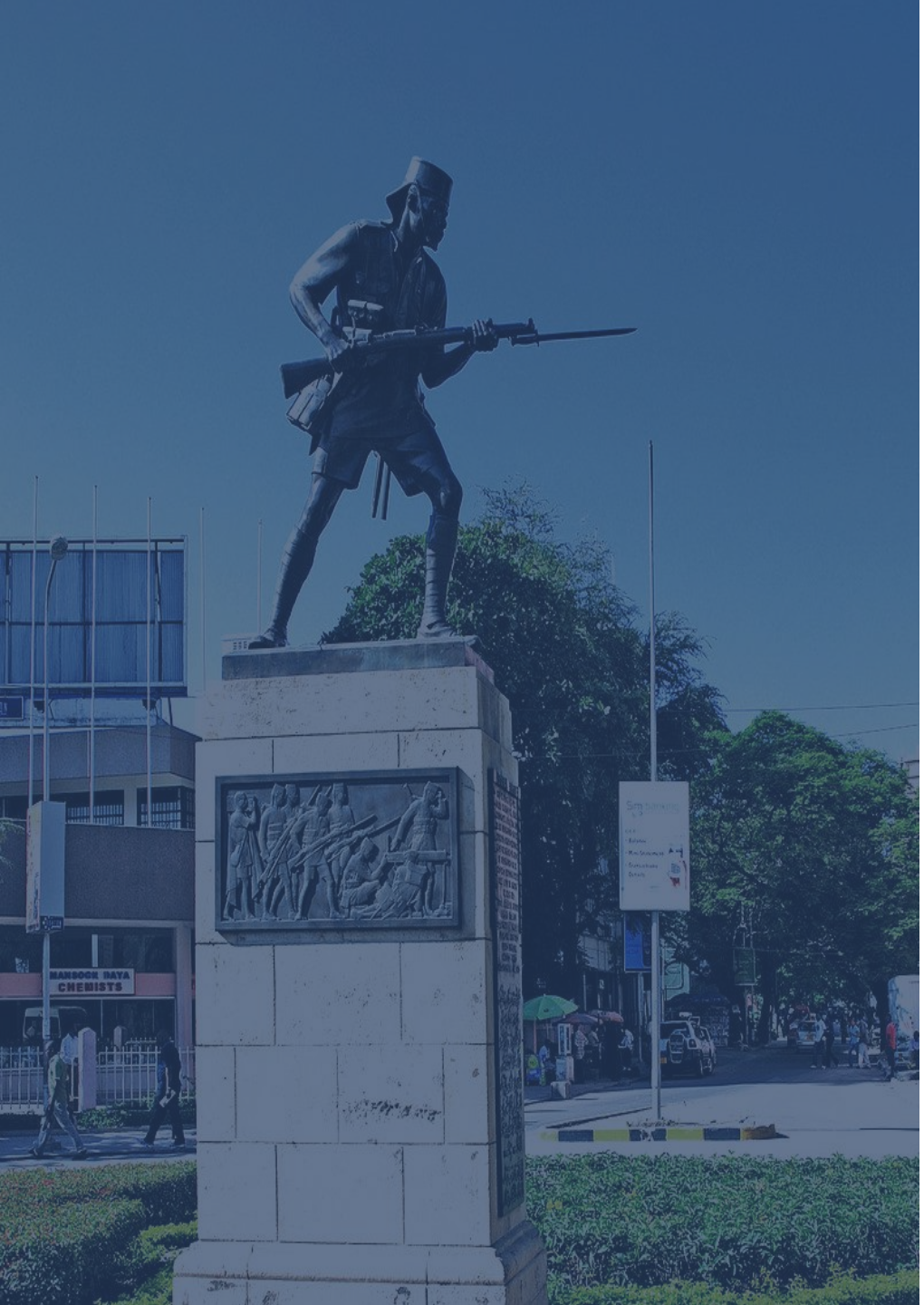
- Comply with relevant regulations and standards
- Collaborate with cybersecurity experts
- Regular Backups
- Establish clear security policies



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In conclusion, Tanzania is making strides towards the digital economy and the government has taken significant steps to create a safe environment for companies to operate in by enacting the Cybercrime Act and Data Protection Act. It is now the responsibility of companies to play their part in ensuring the safety and security of their clients' data, systems, infrastructure, and other assets from cyber threats. By adopting best practices in cybersecurity and staying up-to-date with emerging threats, companies can protect themselves and their stakeholders from the negative consequences of cyber-attacks.

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