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Government Budget Speeches

2021

Speech of Government Budget for the year 2021-2022

Tanzania, United Republic

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THE UNITED REPUBLIC OF TANZANIA

**SPEECH BY THE MINISTER FOR FINANCE AND
PLANNING, HON. DR. MWIGULU LAMECK
NCHEMBA MADELU (MP), PRESENTING
TO THE NATIONAL ASSEMBLY, THE
ESTIMATES OF GOVERNMENT
REVENUE AND EXPENDITURE**

10th June 2021

Dodoma

“I urge businessmen to pay taxes. It is neither right nor fair for them to evade taxes. Evading taxes will make our Government fail to provide essential services for the people. Our hospitals will run out of medicines that may lead to deaths, Government employees will not get salaries and other statutory benefits and students will be denied fee free education which is granted to them”

**Her Excellency Samia Suluhu Hassan
The President of the United Republic of
Tanzania**

14th May 2021

I. INTRODUCTION

1. ***Honourable Speaker***, I beg to move that your esteemed House resolves to receive, debate and approve the Government's Revenue and Expenditure Estimates for the financial year 2021/22. This speech presents the first national budget of the Sixth Phase Government under the leadership of Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania. The Estimates of the Government Revenue and Expenditure are submitted to your esteemed House in accordance with Article 137 of the Constitution of the United Republic of Tanzania of 1977; Section 23 (3) of the Budget Act, CAP 439; and Article 124 (4) of the Standing Orders of Parliament, June 2020 Edition.

2. ***Honourable Speaker***, together with this speech, I submit four volumes of budget books: Volume I provides Revenue Estimates; Volume II provides Recurrent Expenditure Estimates for Ministries, Independent Departments and Agencies; Volume III covers Recurrent Expenditure Estimates for Regional Secretariats and Local Government Authorities; and Volume IV is for Development Expenditure

Estimates for Ministry, Independent Departments, Agencies, Regional Secretariats and Local Government Authorities. In addition, the Finance Bill 2021 and the Appropriation Bill 2021 are part of this budget.

3. **Honourable Speaker**, first and foremost, I would like to thank the Almighty God for granting me health to stand before your esteemed House to present the Government Budget for the year 2021/22. Further, I thank God for continuing to bless our country with peace, unity, and solidarity as well as giving us firm and strong leaders with integrity under Chama Cha Mapinduzi (CCM).

4. **Honourable Speaker**, this is the first Parliamentary Budget Session following the General Election of the President, Members of Parliament and Councillors held in October 2020, in which CCM was given consent by the citizens to continue leading our country. The great and landslide victory achieved by CCM has shown that, the people have trust and great expectations on CCM for our national development.

5. ***Honourable Speaker***, it will be recalled that, on 17th March 2021, our nation suffered a great loss of the Fifth Phase President of the United Republic of Tanzania, the late Dr. John Pombe Joseph Magufuli. I would like to express my sincere condolences to Her Excellency Samia Suluhu Hassan, the President of the United Republic of Tanzania, your esteemed House, family members especially Mama Janeth Magufuli and all Tanzanians for this loss. The late Dr. John Pombe Joseph Magufuli will be remembered for his strong and firm leadership with high level of patriotism that brought positive economic and social changes to our country. I would also like to take this opportunity to extend my condolences to Tanzanians for the loss of Honourable Maalim Seif Sharif Hamad, the former First Vice President of the Revolutionary Government of Zanzibar and Eng. Ambassador John William Herbert Kijazi, the former Chief Secretary. May their souls rest in eternal peace Amen!

6. ***Honourable Speaker***, I would like to take this opportunity to sincerely congratulate Her Excellency Samia Suluhu Hassan for being sworn in to be the Sixth President of the United Republic of

Tanzania and the first female Commander-in-Chief in the history of our country. Within the short period of Her leadership, she has demonstrated clearly that she is attentive, courageous, hardworking, ethical and a good listener with a solid vision that will facilitate greater achievement in the development of our country. Further, I would also like to congratulate Her Excellency Samia Suluhu Hassan who was unanimously elected by the CCM Special General Assembly to be the Chairperson of the Chama cha Mapinduzi by all 1,862 members. Given her 20 years vast experience in serving the Party, the CCM members and Tanzanians in general, have great confidence in her, on leading the Party basing on the principles of the CCM constitution. Congratulations!! I plead with all Tanzanians to pray for Her Excellency to continue to grant her health and wisdom in the execution of her responsibilities in line with the slogan “**KAZI IENDELEE**”.

7. ***Honourable Speaker***, this speech presents the first Budget of the Sixth Phase Government under the leadership of Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania. The Sixth Phase Government

envisages to **“Sustaining the foundations set forth by the previous Regimes, adopting the good practices and developing the new ones”**. Thus, the Government budget estimates for 2021/22 have been guided by various documents and guidelines including: The Third Five Year National Development Plan 2021/22 - 2025/26 which has been prepared in accordance with the National Development Vision 2025; CCM Election Manifesto 2020; East African Development Vision 2050; Africa Agenda 2063; Sustainable Development Goals 2030; Development Cooperation Framework; and other regional and international agreements that Tanzania has ratified. In addition, this Budget has considered the priority areas highlighted by Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania while addressing the Parliament on 22nd April 2021.

8. **Honourable Speaker**; may I refer to some priority areas mentioned in the speech by Her Excellency the President of the United Republic of Tanzania that has been considered in this budget as follows: to maintain national values that is peace, unity and solidarity which are the core

values of the development of our nation; continue with the implementation plan to improve business environment by reviewing policies, laws and various regulations in order to attract private sector investment and increase employment opportunities; to improve tax collection and administration systems so as to simplify tax payments and widening the tax base; and continue strengthening parastatal operations to operate profitably, pay dividends and appropriate contribution to the Government.

9. ***Honourable Speaker***, other priority areas include: Increasing productivity in agricultural, livestock and fishery products through improving access to capital by small scale farmers and investors from the financial institutions, including Tanzania Agricultural Development Bank and other banks; improving irrigation, value addition and markets for agricultural produces; promoting industrial investments specifically those utilizing domestic raw materials and labour intensive; continue curbing mineral trafficking and promoting construction of mining refining and processing industries in order to increase contribution of mining sector in the GDP;

improving transport, transportation and energy infrastructure, including roads, bridges, railways, marine, aviation, ports expansion and electricity generation, transmission and distribution; continue improving and enhancing provision of social services especially health, education and water; and strengthening cooperation with other countries, regional and international organizations.

II. REVIEW OF 2020/21 BUDGET IMPLEMENTATION

Revenue Performance

10. ***Honourable Speaker***, in 2020/21, the Government projected to collect 34.88 trillion shillings from both internal and external sources. As of April 2021, the amount collected was 24.53 trillion shillings, equivalent to 86.1 percent of the target for the period under review. The breakdown is as follows:

- (i) Revenue collected by Tanzania Revenue Authority (TRA) amounted to 14.54 trillion shillings equivalent to 86.9 percent of the target;
- (ii) Non-tax revenue amounted to 1.80 trillion shillings equivalent to 78.5 percent of the target;

- (iii) Revenue from Local Government Authorities (LGAs) own sources was 607.4 billion shillings equivalent to 88.5 percent of the target;
- (iv) Grants and concessional loans received was 1.89 trillion shillings being 70.4 percent of the target;
- (v) Borrowings from domestic market including rollover for matured Government Securities, amounted to 3.99 trillion shillings equivalent to 95.7 percent of the target and;
- (vi) External non-concessional loans amounted to 1.68 trillion shillings equivalent to 88.1 percent of the target.

11. **Honourable Speaker**, the target for domestic revenue collection was not met in some sectors particularly in tourism, air travel and imports due to the effects of COVID-19. In particular, revenue from Tanzania National Parks (TANAPA), Ngorongoro Conservation Area Authority (NCAA) and Tanzania Wildlife Management Authority (TAWA) have declined following slowdown of tourism activities as a result of COVID-19 effects to tourist source countries. The COVID-19 pandemic adversely affected the contributions and

dividend from some corporations and institutions.

12.**Honourable Speaker**, in improving domestic revenue collection, the Government has continued to: manage and monitor implementation of tax laws, regulations and procedures and improve ICT systems including Electronic Fiscal Device Management System (EFDMS); improve the business and investment environment as outlined in the Blueprint Action Plan; and closely monitor the performance of Government institutions and promote local tourism.

13.**Honourable Speaker**, grants and concessional loans received up to April 2021 were 1.89 trillion shillings which was higher by 3.84 percent compared to 1.82 trillion shillings in 2019/20. The performance was satisfactory despite the effects of COVID -19 throughout the period under review. The Government will continue to strengthen partnership with Development Partners to facilitate access to grants and concessional loans.

14. **Honourable Speaker**, regarding external non-concessional loans, the Government has finalized negotiations with some international financial institutions in order to ensure that the planned borrowing is attained. Further, the Government will continue to create public awareness to increase their participation in the domestic financial market.

Expenditure Performance

15. **Honourable Speaker**, in 2020/21, the Government planned to spend 34.88 trillion shillings, of which 22.10 trillion shillings was recurrent expenditure and 12.78 trillion shillings was development expenditure. From July 2020 to April 2021, total release amounted to 24.74 trillion shillings, equivalent to 86.8 percent of estimates for the period. Out of that, 17.42 trillion shillings was recurrent expenditure, which included wages and salaries 6.09 trillion shillings, other charges 4.49 trillion shillings and debt service 6.84 trillion shillings.

16. **Honourable Speaker**, as of April 2021, total development expenditure was 7.32 trillion shillings, equivalent to 74.1 percent of estimates. Out of the amount, 6.24

trillion shillings equivalent to 79.7 percent of the estimates was from domestic sources and 1.08 trillion shillings equivalent to 52.8 percent of the estimates was from external sources.

17. **Honourable Speaker**, in executing the budget from July 2020 to April 2021, the Government released funds to finance priority areas as follows:

- (i) Servicing of the Government debt 6.84 trillion shillings;
- (ii) Payment of wages and salaries to public servants 6.09 trillion shillings;
- (iii) Power generation, transmission and distribution projects including the Julius Nyerere Hydro Power Project and Rural Electrification Projects 1.02 trillion shillings;
- (iv) Construction and rehabilitation of railways, including the Standard Gauge Railway 1.49 trillion shillings;
- (v) Construction of roads, bridges and airport projects 1.15 trillion shillings;
- (vi) Payment of verified arrears for public servants, suppliers, contractors and consultants 965.1 billion shillings;
- (vii) Higher education students' loans, fee free basic education, strengthening of Vocational Education and Training

- Authority (VETA) operations; youth skills development and construction of schools' infrastructure 406.6 billion shillings;
- (viii) Construction and rehabilitation of health facilities, procurement of drugs, medical equipment and reagents 265.8 billion shillings; and
- (ix) Rural and urban water projects 207.5 billion shillings.

Debt Sustainability Analysis

18. **Honourable Speaker,** Debt Sustainability Analysis (DSA) was conducted in November 2020 in accordance with the Government Loans, Guarantees and Grants Act, CAP 134. The analysis revealed that, all debt burden indicators are within sustainability thresholds during short, medium and long term. According to the analysis, the present value of public debt to GDP is 27.9 percent compared to the threshold of 70 percent, the present value of external debt to GDP is 17.3 percent compared to the threshold of 55 percent and the present value of external debt to export is 113.2 percent compared to the threshold of 240 percent.

19. **Honourable Speaker**, on liquidity indicators, the analysis shows that the ratio of the external debt service to domestic revenue is 13.7 percent compared to a threshold of 23 percent; and the debt service to exports was 14.0 percent compared to a threshold of 21 percent. Based on the above debt indicators, Tanzania has the capacity to continue borrowing both domestically and externally to finance its development projects and timely service maturing debt obligation.

Financial Sector Development

20. **Honourable Speaker**, for the year ending April 2021, the overall lending rate decreased to 16.58 percent from an average of 16.91 percent in April 2020. The lending rate for loans with the one-year maturity decreased to an average of 16.05 percent from 16.37 percent in April 2020. However, average deposit rate increased to 6.95 percent from 6.69 percent in April 2020. Likewise, rates for one-year deposit increased to 8.77 percent compared to 8.01 percent for the similar period in 2020. The developments have translated into a decrease in the annual interest rate spread to 7.28 percent from 8.36 percent in April 2020. The Government will continue to

strengthen the banking sector with the view to facilitate access to credit at reasonable rates.

21.**Honourable Speaker**, banking sector continued to remain stable with the ratio of liquid assets to demand liabilities of 29.63 percent in March 2021 which is above the minimum regulatory requirement of 20 percent. The ratio of Non-Performing Loans (NPLs) to gross loans decreased to 9.36 percent in March 2021 from 10.50 percent in March 2020. Further, credit to private sector grew by 4.8 percent in April 2021. The growth of credit to private sector is consistent with the monetary policy stance which aims at increasing liquidity in the economy and implementing the Government plan to improve the business environment.

Effects of COVID-19

22.**Honourable Speaker**, in an effort to mitigate the effects of COVID - 19, the President of the United Republic of Tanzania, Her Excellency Samia Suluhu Hassan formed a Special Committee of Experts to analyse impacts of the pandemic and recommend measures. The Committee

submitted the report on 17th May 2021 whereby, among other things, the report revealed that, Tanzania like other countries, has been economically and socially affected by COVID – 19, whereas health, tourism, trade, transportation, arts and entertainment were the most affected sectors. The pandemic has adversely affected service receipts, foreign reserves and economic growth. The Government will continue to take appropriate measures to revive economic activities.

23. *Honourable Speaker*, on 3rd May 2021, the President of the United Republic of Tanzania, Her Excellency Samia Suluhu Hassan held a virtual meeting with Ms. Kristalina Georgieva - Managing Director, International Monetary Fund (IMF) to discuss economic and social cooperation including support in addressing the effects of COVID – 19. As a follow up, the Ministry of Finance and Planning has initiated negotiations with the IMF to secure a concessional loan worth USD 571 million under Rapid Credit Facility (RCF). The purpose of the loan is to mitigate the economic and social effects of the pandemic.

III. FISCAL POLICY FOR 2021/22

Macroeconomic Policy Targets

24. Honourable Speaker, Government revenue and expenditure estimates for 2021/22 have been prepared based on macroeconomic assumptions and targets as follows:

- (i) Real GDP growth of 5.6 percent in 2021 and 6.2 percent by 2023;
- (ii) Containing inflation at a single digit between 3.0 to 5.0 percent in 2021/22;
- (iii) Domestic revenue (including LGAs revenue) is projected at 15.9 percent of GDP in 2021/22;
- (iv) Tax revenue is estimated at 13.5 percent of GDP in 2021/22 from the likely outturn of 12.9 percent in 2020/21;
- (v) Ensuring budget deficit (including grants) does not exceed 3.0 percent of the GDP in line with the agreed East African Community macroeconomic convergence criteria;
- (vi) Maintaining foreign reserves sufficient to cover at least four months of imports of goods and services; and
- (vii) Ensure that social wellbeing indicators are strengthened.

Policy and Strategies to Increase Revenue

25. **Honourable Speaker**, in 2021/22, the Government will continue to prioritize domestic revenue collection. Key areas for consideration include strengthening and administering domestic revenue through implementation of the following measures:

- (i) Continuing to improve the business environment for tax payers with a view to attracting investment including nurturing small and medium businesses in order to widen tax base;
- (ii) Continuing to implement the plan to improve the business and investment environment by harmonizing, abolishing or reducing tax rates, levies and nuisance fees;
- (iii) Strengthening domestic revenue collection and administration including from Local Government Authorities by emphasizing the proper use of ICT systems;
- (iv) Continuing to improve the Government's electronic Payment Gateway (GePG) and ensure that all Government institutions use the system;
- (v) Strengthening monitoring systems in institutions and Public Entities to

- ensure that dividends and contributions are timely submitted;
- (vi) Strengthening the administration of tax laws to address the challenges of tax evasion and minimize revenue leakages;
 - (vii) Transferring the role of marking petrol from a private contractor to the Tanzania Bureau of Standards (TBS) to verify the quality of imported fuel and control tax evasion due to fuel adulteration; and
 - (viii) Prioritize implementation of strategies and projects to increase revenue generation.

26. **Honourable Speaker**, notwithstanding the measures taken to strengthen domestic revenue collection, the Government will step up public awareness campaigns to promote participation in domestic financial market and trade Government Securities in the Dar es Salaam Stock Exchange. Moreover, the Government will continue to implement the Development Cooperation Framework (DCF) to facilitate access to grants and concessional loans and borrowing from Export Credit Agencies (ECAs) which offer relatively reasonable terms.

Expenditure Policies

27. **Honourable Speaker**, expenditure policies in 2021/22 will include the following:

- (i) To allocate funds to priority areas that stimulate economic growth and accord priority to ongoing projects prior to committing new ones;
- (ii) To ensure that budget deficit does not exceed 3.0 percent of the GDP in line with the East African Community macroeconomic convergence criteria;
- (iii) To control creation and accumulation of arrears;
- (iv) To maintain discipline in public expenditure; and
- (v) To enhance use of ICT in Government business in order to increase efficiency as well as building capacity to local experts on systems security;

28. **Honourable Speaker**, in strengthening management of public funds in public institutions which collect fees, the Government has introduced new modalities to administer revenue and expenditure for Tanzania Ports Authority (TPA), Tanzania Communication Regulatory Authority (TCRA) and Tanzania Shipping Agency Corporation (TASAC). In that regard,

starting from 2021/22, the respective institutions will continue to collect revenue through GePG and deposit in the holding account maintained at the Bank of Tanzania. Expenditure of the respective institutions will base on the approved budget and funds will be released from the holding account after Paymaster General's approval. Further, the Government will monitor expenditure of the respective institutions on quarterly basis.

29. *Honourable Speaker*, the Government intends to improve funding arrangement for TANAPA, NCAA and TAWA to increase efficiency in the discharge of their responsibilities. In pursuit of this goal, the Government will release funds for other charges in advance for two months at the beginning of the financial year and thereafter, continue to provide monthly advances. This will provide buffer for these institutions to meet the needs of the subsequent month throughout the year.

Priority Areas for the Year 2021/22

30. *Honourable Speaker*, the budget for 2021/22 is the first in the implementation of the Third Five Year National Development Plan (2021/22 - 2025/26)

with the theme of **“Realising Competitiveness and Industrialisation for Human Development”**. The budget has taken into account five (5) priority areas articulated in the Annual Development Plan for 2021/22, which includes: realizing an inclusive and competitive economy; deepening industrialization and service provision for value-addition of agricultural products; investment and trade promotion; human development; and skills development.

31. **Honourable Speaker**, in realising inclusive and competitive economy, the Government will focus on financing projects that will: build a vibrant society capable of competing both regionally and globally; promote macroeconomic stability; improve business and investment environment; promote innovation and transfer of technology; develop railway infrastructure and services, construct and rehabilitate roads that link Tanzania with neighbouring countries and decongest urban areas; improve rural roads, bridges, water and air transport infrastructure; transform ICT and digital infrastructure; and improve ports, airports and energy infrastructure. A total of 7.44 trillion shillings has been allocated,

out of which, 3.13 trillion shillings is for flagship projects.

32. *Honourable Speaker*, other flagship projects that will be implemented are: strengthening the national carrier - ATCL; Mchuchuma – Coal and Liganga – iron projects including construction of a standard gauge railway line from Mtwara to Mbamba Bay with spurs to Liganga and Mchuchuma; crude oil pipeline from Hoima (Uganda) to Tanga (Tanzania); construction of Liquefied Natural Gas (LNG) plant in Lindi, Ruhudji Hydropower Project – 358 MW and Rumakali Hydropower Project – 222 MW; Nickel Mining Project; construction of bridges and flyovers including Kigongo – Busisi bridge (Mwanza), Tanzanite bridge (Dar es Salaam) and Kamata flyover (Dar es Salaam); procurement of deep-sea fishing vessels and construction of fishing port (Mbegani); construction of sugar processing plant at Mkulazi; Eyasi Wembere and Mnazi Bay North petroleum exploration projects; soda ash project at Engaruka; mass training for development of rare and specialized skills for industrialization and human development (artisans, technicians and,

professionals); and development of Special Economic and Export Processing Zones.

33.**Honourable Speaker**, in deepening industrialization and service provision, emphasis will be on industries that add value to crops, livestock and fishery products. Priority areas will include: construction and rehabilitation of irrigation and crop storage infrastructure; strengthening research centres and extension services; value addition to crops, livestock, fish and fishery products for local and international markets; improve livestock artificial insemination services; and construction of modern abattoirs and livestock markets.

34.**Honourable Speaker**, the Government efforts will be directed on building industries for minerals value addition which utilize domestic raw materials. Further, the focus will be on financing projects and programmes which promote tourism, financial and insurance services as well as development of pharmaceutical and medical equipment industries. A total of 1.38 trillion shillings has been allocated to finance these projects.

35. **Honourable Speaker**, another area is investment and trade promotion whereby the Government will finance programmes to strengthen domestic markets and exploit regional and international markets opportunities. Targeted markets are those which will provide opportunities for domestic produced goods, including crops, livestock, forestry and fishery products. The Government will continue to improve business and investment environment by implementing the Blueprint Action Plan. A total of 31.6 billion shillings has been allocated for these interventions.

36. **Honourable Speaker**, under human development, the Government will focus on improving the provision of social services such as education and training, health and social wellbeing, water and environment as well as social protection including the implementation of Productive Social Safety Nets Program through Tanzania Social Action Fund (TASAF). Moreover, the Government will continue with land planning, surveying and issuing title deeds in urban and rural areas, manage and develop water resources, and continue implementing environmental protection and climate change adaption programmes. A

total of 4.43 trillion shillings has been allocated.

37. Honourable Speaker, in skills development, the Government will finance programmes that develop knowledge and skills at all levels of education, including enabling environment for self-employment among the youth. In addition, the Government will continue to improve the vocational trainings and impart rare skills to increase productivity and competitiveness to foster social-economic development. A total of 50.5 billion shillings has been allocated.

38. Honourable Speaker, Government priority areas to be implemented in 2021/22 are detailed in my speech on the Economic Survey 2020 and the National Development Plan 2021/22 presented earlier today.

39. Honourable Speaker, in addition to the flagship projects, the Government will implement other projects for improvement of infrastructure through concessional loans from the World Bank. The projects include: Dar Es Salaam Metropolitan Development Project Phase II (DMDP II) for

flood response in the Msimbazi River Basin at a cost of USD 120 million. The project will involve expansion and construction of Msimbazi river-banks and a bridge at Jangwani area. The second project involves the upgrading of roads to promote social and economic opportunities where the World Bank will provide USD 300 million and the Government's contribution is USD 50 million. The project aims at improving rural roads in areas with high productivity of agricultural products.

40.***Honourable Speaker***, the Government is also negotiating with the World Bank through the International Development Association (IDA window) for infrastructure improvement project in 45 towns and cities. Implementation of the project will begin in the IDA 20 which is expected to start in July 2022 and will cost about USD 500 million. The project will involve construction of infrastructure to improve the business and investment environment to enhance economic growth of the respective cities.

Other Priority Areas

Preparation of the 2022 Population and Housing Census

41. **Honourable Speaker**, The Government of the United Republic of Tanzania is planning to conduct the sixth Post-Independence Population and Housing Census in August 2022 in accordance with Statistics Act CAP 351. As part of preparatory activities for the 2022 Population and Housing Census, National Bureau of Statistics (NBS) and Office of the Chief Government Statistician, Zanzibar (OCGS) have prepared the 2022 Census Management and Implementation Strategic Handbook. The Handbook outlines the management and implementation of the entire Census project, budget, and the structure of the Census organization at all administrative levels.

42. **Honourable Speaker**, a total of 328.2 billion shillings are expected to finance the 2022 Census whereby, the Government will finance 70 percent of the total budget and 30 percent is expected to come from Development Partners including the UNFPA, FCDO-UK, JICA as well as technical assistance from the US Census

Bureau. For the first time in the history of census undertaking in the country, the 2022 Census will be digital in all stages of its implementation starting from Census Geography and Enumeration. The use of this technology has significant benefits, especially in reducing the cost and time of collecting and processing data, which enables the release of Census results within a short period of time.

43.***Honourable Speaker***, since the Population and Housing Census exercise is the responsibility of all of us, I call upon all Census Committees, Regional and District Commissioners, Honourable Members of Parliament and the general public to ensure that they provide adequate co-operation in the preparation of the Census and prepare themselves to be counted in August 2022. The aim is to ensure that people who sleep in the country in the census night are counted and information about their economic, social, environmental, housing and other details are collected to facilitate planning for sustainable development.

Improving Employees' Welfare

44. **Honourable Speaker**, the Government recognizes the contribution of public and private sector employees in economic growth. In this regard, the Government will take the following measures:

- (i) To reduce minimum tax rate levied on employment income (PAYE) from 9 to 8 percent. This measure is a continued effort by the Government to reduce tax burden to employees whereby, the rate has been reduced from 11 percent in 2015/16 to 8 percent in 2021/22;
- (ii) To abolish the 6 percent value retention fee on higher education loans; and
- (iii) To allocate 449 billion shillings for promotion of 92,619 employees.

Improving Benefits for Ward Councillors, Division Officers and Ward Executives

45. **Honourable Speaker**, Ward Councillors are doing a commendable job in overseeing development activities in their respective wards. It is unfortunate that in some councils they are not paid their statutory allowances on time, compelling the Councillors to depend on the discretion of the Executive Directors. This situation leads to moral hazards which may motivate collusion between Councillors and

Executive Directors in favour decisions that are not of public interest. Some Honourable Members of Parliament have expressed this issue with sentiment and I would like to inform the House that, Her Excellency, Madam President has heard your voice and directed the Minister for PO-RALG and myself to resolve the matter.

46.***Honourable Speaker***, from 2021/22, I propose the Central Government to start paying monthly allowances to honourable Councillors directly to their personal bank accounts in all Councils with low-revenue potentials. The 16 Councils with high revenue (Grade A) will continue paying allowances to Councillors through their personal accounts using Councils' own sources.

47.***Honourable Speaker***, the Division Officers are key liaisons at ward and district levels where they do a commendable job of overseeing the implementation of Government directives in their jurisdictions. The CCM Government, acknowledges their importance, and hence provided them with motorcycles to enable them carry out their duties effectively. However, most of them do not afford fuel

and maintenance costs and are therefore compelled to request assistance from citizens and other stakeholders. This situation greatly reduces efficiency in our Divisions. I would like to inform all Division Officers that their voices have been heard by Her Excellency, President Samia Suluhu Hassan. Therefore, I propose that from 2021/22, the Central Government should start paying a monthly allowance of 100,000 shillings for each Division Officer for fuel and maintenance costs.

48. **Honourable Speaker**, Ward Executives administer all sectoral activities in the ward. Most of them work under vulnerable conditions to facilitate development, oversee revenue management and security issues. Most of the time, Ward Executive Officers use their salaries when making follow up of Government revenue by hiring motorcycles to execute their duties. Generally, they are doing a good job in overseeing development activities. This was expressed with great emotions by a retired Ward Executive Officer, Honourable Rose Busiga, a Member of Parliament for Special Seats for CCM (Geita), and supported by other MPs. Her Excellency, President Samia Suluhu Hassan has directed to find a

solution to the matter. I propose that from 2021/22, the Government pays a monthly allowance of shillings 100,000 to each Ward Executive Officer through the Council own sources which was previously used to pay Councillors.

Social Security Funds' Debt

49. **Honourable Speaker**, Retirees served our nation with great patriotism, integrity and diligence. We cannot count the success of our country without mentioning their contribution. There have been challenges in paying their benefits due to the limited resources of the Social Security Funds in serving retirees. The situation is caused by, among other things, the presence of debts that the Security Funds owe the Government. There have been challenges faced by retirees in accessing their terminal benefits. The matter has also been discussed with great emotions in this House. Her Excellency, the President, has heard their voices and directed the Ministry of Finance and Planning in collaboration with the Prime Minister's Office to conduct analysis for the actual status and best modality for settling of their debts.

50.**Honourable Speaker**, I propose to continue servicing the debts owed to the Social Security Funds by allocating money in the budget as well as issuing non-cash special bond that matures between 2 and 25 years. The benefit of using non-cash special bonds arrangement includes: provision of fiscal space for the Government to implement other development projects; recognition of debts in the database; and prevention of further accumulation of debts as per the actuarial valuations. The arrangement will also improve the balance sheet of the funds and cash-flow derived from returns earned.

51.**Honourable Speaker**, the Government has received complaints regarding delays and non-submission of staff statutory contributions to Social Security Funds by some Government institutions. I propose all statutory contributions to be paid directly from the Treasury for all institutions whose employees are paid through the Treasury. The Institutions that pay employees from their own sources will continue to submit their employees' contributions to the funds under close supervision of the Government. The Government will review and pay the

contribution arrears that have not been submitted to the Pension Funds to date.

The Police Force

52. ***Honourable Speaker***, in the Police Force, some officers are employed under contracts of 12 years before being upgraded to permanent and pensionable terms. The delay in upgrading has a negative effect on the officers' service protocol and benefits at their retirement. This has been the long-standing challenge to the police officers. Her Excellency has heard their voices and directed the Ministry of Finance and Planning to meet with the Ministry of Home Affairs to find a permanent solution. I recommend that, from the beginning of 2021/22 the Police Force officer will serve short term contract of 6 year before being employed on a permanent term.

Expedite Project Implementation

53. ***Honourable Speaker***, in strengthening the management and efficiency in the implementation of the Government budget, the Ministry of Finance and Planning will amend Regulation 21 of the Budget Act, CAP 439 to allow Accounting Officers to submit requests to Paymaster General for transfer of unspent funds to Deposit

Account up to 30th June instead of 15 days before the end of the financial year. This will facilitate smooth implementation of uncompleted activities beyond the end of financial year. On that basis, from now on, there will be no funds with commitment to be returned to the Government Consolidated Fund by 30th June of each financial year except where the Accounting Officers have violated the provisions of the Budget Act, CAP 439 and the Public Finance Act, CAP 348.

Property Tax

54. ***Honourable Speaker***, there have been challenges in the collection of property tax, which has led the Government to change the collection modality from time to time. Prior to 2017/18, property tax was collected by Local Government Authorities which did not perform. From 2017/18, the Government started collecting property tax through Tanzania Revenue Authority (TRA), which did not perform as well. This is due to fact that, both Local Governments and TRA were using outdated methods. In strengthening property tax collection, the Government has introduced measures to address the shortcomings with the view to increasing efficiency and administration.

Small-Scale Entrepreneurs' Fee

55. **Honourable Speaker**, small-scale entrepreneurs have continued to be identified through Entrepreneur's IDs. A total of 2,335,711 IDs have been issued which facilitated the collection of 46.71 billion shillings to date. The Government will continue to identify and create conducive business environment for small scale entrepreneurs to thrive. In 2020/21, improvements were made on the IDs by incorporating photographs and names of the bearers for control and facilitating access to banking and health insurance services. The President's Office Regional Administration and Local Government will continue to administer IDs in collaboration with TRA.

IV. REFORM OF THE TAX STRUCTURE, FEES, LEVIES AND OTHER REVENUE MEASURES

56. **Honourable speaker**, I propose to make amendments to the tax structure that will include amendments to the tax rates, levies and fees imposed under various laws and also administration procedures on government revenue collection. These amendments are intended among other

things, to promote economic recovery to the normal growth path after the impacts of COVID -19, meanwhile maintaining stability in tax system which is predictable for conducive investment climate suitable for foreign direct investment as well as local. The reforms are expected to promote economic growth particularly in agriculture, industrial production, increase individual purchasing power and therefore, increase Government revenue. In addition, the Government is implementing the BLUEPRINT for Regulatory Reforms to improve Business Environment by streamlining Government fees and levies with a view to abolish nuisance ones, reduce rates or integrated payments which are charged by more than one organization. The proposed amendments will cover the followings tax laws: -

- a. The Value Added Tax Act, CAP 148;
- b. The Income Tax Act, CAP 332;
- c. The Excise (Management and Tariff) Act, CAP 147;
- d. The East African Community Customs Management Act, 2004
- e. The Tax Administration Act, CAP 438;
- f. The Local Government Finance Act, CAP 290;

- g. The Property Tax Act, CAP 289
- h. The land Rent Act, CAP 113;
- i. The Stamp Duty Act, CAP 189;
- j. The Vocational, Educational and Training Act, CAP 82
- k. Gaming Act, CAP 41;
- l. The Public Audit Act, CAP 418;
- m. The Government Loans, Guarantees and Grants CAP 134;
- n. The Motor Vehicle (Tax Registration and Transfer) Act, CAP 124;
- o. The Road Traffic Act; CAP168;
- p. The Non-Citizens (Employment Regulation) Act, 2015;
- q. Amendment of various fees and levies imposed by Ministries, Regions and Independent Departments;
- r. Minor amendments in tax laws and other laws;
- s. Implementation of the BLUEPRINT for Regulatory Reforms to improve Business Environment by amending various fees and levies;
- t. The Roads and Fuel Tolls Act, CAP 220;
- u. The Petroleum Act, CAP 392; and
- v. The Electronic and Postal Communication Act, CAP 306;

A. The Value Added Tax Act, CAP 148

57. **Honourable Speaker**, I propose to make amendments in the Value Added Tax Act, 2014, CAP 148 as follows:-

- i. Exempt Value Added Tax on cold rooms (HS Code 9406.10.10 and 9406.90.10). The measure is intended to reduce production costs and promote modern horticultural farming in the country;
- ii. Abolish Value Added Tax on imported precious metals and raw minerals. The measure is intended to allow more importation of precious metals and raw minerals for refining and smelting by Local industries. This will increase employment and Government revenue;
- iii. Exempt Value Added Tax on insurance of livestock farming. This measure is intended to promote livestock farming in addition to the crop insurance granted last year;
- iv. Exempt Value Added Tax on imported and Local Purchases of Goods and Services for East African Crude Oil Pipeline (EACOP). This measure is intended to reduce operational cost of

the pipeline project from Uganda through Tanzania to the port;

- v. Exempt Value Added Tax on Crude Oil under HS Code 2709.00.00. This measure is intended to provide relief to final consumer including relief to the operational costs of the EACOP;
- vi. Exempt Value Added Tax on Artificial Grass with HS Code 5703.30.00 and 5703.20.00 for football pitches in City Councils. The exemption will be granted subject to approval by Tanzania Football Federation. This measure is intended to promote sports in the country;
- vii. Exempt Value Added Tax on Contactless Smart Cards (HS Code 3921.11.90) and Card Consumables (HS Code 3921.11.90) for National Identification Authority. The measure is intended to reduce cost of producing National Identification cards;
- viii. Exempt Value Added Tax on imported or Local Purchases of Goods and Services by a Non-Governmental Organisations (NGO's) solely for implementation of project through an agreement with the

Government of the United Republic that provides Value Added Tax exemption on the project;

- ix. Exempt Value Added Tax on smart phones with HS Code 8517.12.00, Tablets with HS Code 8471.30.00 or 8517.12.00 and Modems with HS Code 8517.62.00 or 8517.69.00. The purpose of this measure is to promote usage of data services in the country in order to attain the target of 80 percent of users of internet services by 2025 against the current performance of 46 percent of users in the country;
- x. Abolish Value Added Tax exemption on cans intended for preserving milk with HS Code 7310.29.20, instead exempt Value Added Tax on both Aluminium and Stainless-steel Milk cans with HS Code 7310.29.90, 7310.10.00 and 7612.90.90. The measure is intended to reduce production costs and promote modern dairy milk industry in the country;
- xi. Abolish Value Added Tax exemption on Solar Lights with HS Code 85.13 and 94.05. The measure is intended to align

the treatment with the EAC-CMA exemption which aimed to exempt equipment for generation of solar energy, leaving out the distribution and transmission to the appliances that use energy. However, the measure is also intended to bring equality for users of all kinds of energy;

- xii. Zero rate Value Added Tax on transportation services of Crude oil and all other related services attached in transportation of crude oil through the pipeline which will be constructed under an intergovernmental agreement between the Government of Tanzania and Government of Uganda (EACOP). This is an international best practice on transit nations;
- xiii. Limit Value Added Tax deferment on Capital Goods as specified under chapters 84, 85 and 90 of the EAC CET. This measure is intended to address abuse of incentives granted incentives due to lack of clarity;
- xiv. To change the manner in which VAT exemptions on Government and donor funded projects will be granted whereby

beneficiaries shall submit requests for exemption directly to the Commissioner General of the Tanzania Revenue Authority instead of the current requirement of granting exemption through a Government Notice by the Minister for Finance. This proposal intends to simplify and enhance efficiency in the VAT exemption process by ensuring that VAT exemptions are processed and managed directly by TRA through its offices throughout the country.

- xv. Amend Value Added Tax Act to restore VAT refund for goods purchased in Tanzania Mainland and utilised in Zanzibar by registered persons. Zero-rate VAT system for manufactured goods only resulted into Zanzibar traders who purchase goods with VAT in Tanzania Mainland being taxed again for the same goods in Zanzibar. In addition, i propose reciprocal treatment for goods from Zanzibar for consumption in Tanzania Mainland. In line with my proposal, amendments to the relevant provisions of the VAT Acts for both parties to the union will be made accordingly. Moreover, VAT records systems will be

interfaced in order to make the refund mechanism effective. Subsequently, I propose to remove zero-rating of products manufactured in mainland Tanzania which are consumed in Zanzibar.

The VAT measures altogether are expected to reduce Government revenue by **shillings 55,499.97 million**.

B. The Income Tax Act, CAP 332

58. *Honourable speaker*, I propose to make amendments to the Income Tax Act, CAP 332 as follows: -

- i. Reduce the minimum PAYE rate from 9 percent to 8 percent. This measure aims at providing tax relief to employees. The measure will reduce Government revenue by **shillings 14,178.06 million** but will improve workers welfare. The current rates and proposed rates are as

ii. indicated hereunder;

Table No. 1a. Current Rates	
Total Income	Rate Payable
Where the total income does not exceed Shs. 3,240,000/=	NIL
Where the total income exceeds Shs.3,240,000/= but does not exceed Shs..6,240,000/=	9% of the amount exceeding Shs. 3,240,000/=
Where the total income exceeds Shs.6,240,000/= but does not exceed Shs. 9,120,000/=	Shs. 270,000/= plus 20% of the amount exceeding Shs. 6,240,000/=
Where the total income exceeds Shs.9,120,000/= but does not exceed Shs. 12,000,000/=	Shs 846,000/= plus 25% of the amount exceeding Shs. 9,120,000/=
Where the total income exceeds Shs.12,000,000/=	Shs. 1,566,000/= plus 30% of the amount exceeding Shs. 12,000,000/=
Table No. 1b. Proposed Rates	
Where the total income does not exceed Shs. 3,240,000/=	NIL
Where the total income exceeds Shs.3,240,000/= but does not exceed Shs. 6,240,000/=	8% of the amount exceeding Shs. 3,240,000/=
Where the total income exceeds Shs.6,240,000/= but does not exceed Shs. 9,120,000/=	Shs. 240,000/= plus 20% of the amount exceeding Shs. 6,240,000/=
Where the total income exceeds Shs.9,120,000/= but	Shs. 816,000/= plus 25% of the amount

iii. Exempt Income Tax on interest income derived from Government bonds. The Government exempted Income Tax on interest derived by a person from Treasury bonds of not less than three

years' maturity for the fiscal year 2002/03 only. This measure is intended to extend the exemption in order to promote investment in treasury bonds meanwhile financing government projects;

- iv. With a view to streamline process of exempting development projects funded by Government on specific projects, grants and concessional loans, I propose to reinstate power of the Minister to grant income tax exemption without a requirement for approval by the Cabinet on implementation of such projects, provided that there should be an agreement between the donor or lender with the Government of the United Republic which provides for income tax exemption;
- v. Introduce a non-final withholding tax of 2 percent on payments which are made to suppliers of agro-products, livestock and fisheries when supplied to processing industries, millers and other Government Agencies. Currently, only Government Institutions such as NFRA, withhold 2 percent on payments as a non-final withholding tax to withholdees.

However, this measure will not apply to small farmers and sales to Agricultural Marketing Cooperatives Societies (AMCOS). This measure is expected to increase Government revenue by shillings **43,954.2 million;**

- vi. Amend the Income Tax Act, in order to enable depreciation costs calculation at a rate of 5% on the cost of assets under the East African Crude Oil Pipeline (EACOP). This measure is intended to harmonize the depreciation cost with the lifetime of the respective crude oil pipeline in accordance with the agreement signed between the Governments of Uganda and Tanzania;
- vii. I proposed to introduce taxation of individuals engaged in small mining operations whose annual turnover does not exceed Tanzania shillings **100 million per annum** as follows:
 - a. Introduce special income tax at a rate of 3% of the sale value of the minerals;
 - b. Establish time of payment of income tax for individuals engaged in small scale mining operations to

- be the time when selling minerals as opposed to the current regular installment arrangement which oblige them to pay tax regardless of the cash flows;
- c. Create an obligation for individual employers engaged in small scale mining operations to withhold tax at the time of selling minerals and payment of royalty as established by the Mining Commission;
 - d. Establish the time of payment of withholding tax on payments from persons engaged in small scale mining operations to be the time of selling minerals and payment of royalty at the mining area, mineral buying stations or at mineral and gem Houses designated by the Mining Commission under the Mining Act; and
 - e. To amend paragraph 4(a)(iii) of the First Schedule in order to introduce income tax at the rate of 0.6 percent of the sale value of the minerals. The payment shall be deemed as PAYE from employment income of an employee to an individual in a small scale mining operations at the time of selling

minerals and payment of royalty at buying stations or at Mineral and Gem Houses designated by the Mining Commission.

The Income Tax measures altogether are expected to increase Government revenue by **shillings 29,776.14 million.**

C. The Excise (Management and Tariff) Act, CAP 147

59. **Honourable Speaker,** the Excise Tax (Management and Tariff) Act, CAP 147 Section 124(2), provides for annual adjustments of the specific excise duty rates of non petroleum products indexing to cater for inflation and other key macroeconomic indicators. However, due to the impact of COVID 19 pandemic which affected production of some excisable industrial goods, I propose not to amend the specific excise duty rates for all non petroleum products except for spirits and local beer that will be manufactured using locally grown malt barley.

60. **Honourable Speaker,** I propose to amend the Excise Tax (Management and Tariff) Act, to undertake the following:-

- i. Reduce excise duty rate for beer made from locally grown and malted barley from shillings 765 per litre to shillings 620 per litre. The aim of this measure is to promote use of Locally grown barley in manufacturing of beer and create employment;
- ii. To introduce excise duty of 10 percent on on imported and locally produced synthetic (plastic) fibres (Heading 55.11 and 56.07) except fishing twine (HS Code 5607.50.00). This measure aims to promote Local manufacturing of sisal products and protecting environment. This measure is expected to increase Government revenue by shillings 2,644 million; and
- iii. To introduce an excise duty rate of 10 percent on imported used Motorcycles aged more than 3 years (HS Code 8711). The objective of introducing excise duty on these products is to discourage importation of used Motor Cycle and controlling anti-dumping. This measure is expected to increase Government revenue by shillings **263.7 million**.

The Excise Duty measures on non-petroleum products altogether are expected to increase Government revenue by **shilling 2,907.7 million**.

**D. The East African Community
Customs Management Act, 2004**

61. ***Honourable Speaker***, the Pre-Budget Consultative Meeting of the Ministers of Finance from the EAC-Partner States which was held on 7th May, 2021 proposed to effect changes in the Common External Tariff (CET) rates and the East African Community Customs Management Act (EAC-CMA), 2004 for year 2021/22. The proposed changes are aimed at ***“Economic Recovery through Industrialization and Inclusive Growth.”***

62. ***Honourable Speaker***, the Ministers for Finance proposed to effect new changes in the Common External Tariff (CET) for year 2021/2022 and also agreed to continue with implementation of some measures that were effected during the financial year 2020/21.

- i. The proposed new changes in the Common External Tariff are as follows: -
 - a. Stay of application of the EAC CET rate of 25% and apply a duty rate of 10% for buses for transportation of more than 25 persons HS Code 8702.10.99 and 8702.20.99 imported for rapid transport project for one

year. The objective of the measure is to de-congest the city and ease the transportation system within the country.

- b. Stay of application of the EAC CET rate of 10% and apply a duty rate of 25% for one year on cotton yarns Headings 52.05; 52.06; and 52.07. There is a great potential of producing cotton yarns in the country by increasing value addition of cotton and enhance cotton to cloth (C2C) strategy;
- c. Stay of application of the EAC CET rate of 10% and apply a duty rate of 25% for one year on new pneumatic tyres of rubber, of a kind used on motorcycles HS Code 4011.40.00. This measure is intended to protect local manufacturers of pneumatic tyres;
- d. Stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on Peanut Butter HS Code 2008.11.00 in order to promote the growth of small and medium

enterprises engaged in peanut processing;

- e. Stay of application of the EAC CET rate of 10% and apply a duty rate of 0% for one year on Wires of other alloy steel HS Code 7229.20.00 and 7229.90.00. This measure is intended to reduce the cost of these inputs used by local manufacturers;
- f. Stay of application of the EAC CET rate of 25% and apply a duty rate of 0% for one year on Milk cans HS Code 7310.10.00 and 7310.29.90 in order to provide relief for the dairy sector in the country.
- g. Grant duty remission at a duty rate of 0% instead of 10% for one year on Organic surface-active agents (Anionic) HS Code 3402.11.00 used by manufacturers of detergents and liquid soaps. The objective of this measure is to reduce the cost of inputs for detergents and liquid soaps manufacturers in the country;
- h. Grant duty remission at a duty rate of 0% instead of 25% or 10% for one

year on raw material used in leather processing HS Codes 3208.20.00 and 3210.00.10 in order to promote growth of local leather industries.

- i. Grant duty remission at a duty rate of 0% instead of 25% or 10% for one year on raw materials used to manufacture different types of fertilizers for fertilizer manufacturers HS Codes 2710.99.00; 2528.00.00; 3505.20.00. This measure aims at promoting growth of local manufacturers of fertilizers;
- j. Grant duty remission at a duty rate of 0% instead of 25% for one year on packaging materials for processed tobacco HS Code 5310.10.00 in order promote growth of local manufactures of tobacco;
- k. Grant duty remission at a duty rate of 0% instead of 25% for one year on packaging materials for processed tea HS Codes 4819.20.90; 5407.44.00; 3923.29.00 for local manufacturers of tea (blenders). The objective is to promote growth of local manufactures of tea in the country;

- l. Grant duty remission at a rate of 10% instead of 25% for one year on aluminium alloy circles HS Code 7606.92.00 to manufacture cooking pots. The objective is to reduce cost of production for local manufacturers of aluminium cooking pots;
- m. Grant duty remission of 10% instead of 25% for one year on CKD for Three-Wheel Motorcycle excluding Chassis and its components HS Code 8704.21.90. The measure is intended to reduce cost of production for local manufacturers of Three-Wheel Motorcycles used for cargo transportation.
- n. Grant duty remission at a duty rate of 0% instead of 25% or 10% for one year on inputs used to manufacture Glass Reinforced Plastic pipes. (Polyester Film 50mm & 200mm; Tissue Mat 30gr; Chopped Strand Mat/Knitted glass Mat; Mesh cloth liner; Sand holding cloth (Polyester Mesh); Direct Roving (2400 TEX); Direct Roving (600 TEX); Chop Roving; Surface Liner; Rubber O-ring; Rubber Gasket; and Resin Cystitis;

HS Codes 3920.61.10; 7019.39.00; 7019.31.00; 6006.90.00; 6006.90.00; 7019.12.00; 7019.12.00; 7019.12.00; 3920.10.10; 4016.93.00; 4016.93.00; and 3907.91.00). The objective is to promote local manufacturers of glass reinforced plastic pipes and create more jobs in the country;

o. Tanzania together with other EAC partner States agreed to reduce import duty rate from 10% to 0% on Flat-rolled products of other alloy steel, of a width of 600 mm or more HS Code 7225.30.00. This measure is intended to reduce the cost of this input used by local manufacturers;

- ii. The measures that were effected during 2020/21 which continue to be implemented in 2021/22 are as follows: -
- a. Continue to grant duty remission at a duty rate of 0% instead of 25% or 10% on inputs for the manufacture of essential medical products and supplies for fighting COVID-19 including masks, sanitizers, coveralls, face shields and ventilators for one year. The objective is to promote domestic production of items for

fighting COVID-19 health pandemic;

- b. Continue to grant stay of application of EAC CET rates of 10% and apply duty rate of 0% for one year on Cash registers and Other Electronic Fiscal Device (EFD) Machines and Point of Sale (POS) of HS Codes 8470.50.00 and 8470.90.00. The objective is to encourage the use of electronic devices for accounting of Government revenues;
- c. Continue to grant duty remission at a duty rate of 0% instead of 25% for one year on other packing containers, including record sleeves as inputs used by domestic manufacturers of UHT milk HS Code 4819.50.00 in order to promote growth of domestic Milk processing industry;
- d. Continue to grant duty remission at a duty rate of 0% instead of 10% for one year on Corks and stoppers HS Code 4503.10.00 used as inputs by domestic manufacturers of local wines so as to promote the growth of grapes farming and wine industries in the country;

- e. Continue to grant stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on Ceramic tiles HS Code 6907.21.00, 6907.22.00 and 6907.23.00. This measure is intended to protect local manufacturers of ceramic tiles in the country;
- f. Continue to grant stay application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on Tea, whether or not flavored Heading 09.02. This measure is intended to protect local processors of tea in the country;
- g. Continue to grant stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on HS Code 6305.10.00 (Sacks and bags, of Jute or other textile bast fibres of heading 53.03). The objective is to encourage growth of the sisal products industries in the country;
- h. Continue to grant stay application of EAC CET rate of 0% and apply a duty rate of 10% for one year on Cocoa powder, not containing added sugar

or other sweetening matter Hs code 1805.00.00. The measure is intended to promote domestic cocoa seeds production and enhance value addition in the country;

- i. Continue to grant duty remission at a duty rate of 0% instead of 25% for one year on packaging materials for processed coffee HS Codes 7310.21.00; 6305.10.00; 3923.50.10; 3923.50.90 and 3920.30.90 in order to promote domestic coffee processors in the country;
- j. Continue to grant duty remission at a duty rate of 0% instead of 25% for one year on Sacks and bags of polymers of ethylene as inputs used by domestic processors of cashew nuts HS Code 3923.21.00. The objective is to promote growth of domestic cashew nuts processing industry in the country;
- k. Continue to grant duty remission at a duty rate of 0% instead of 25% for one year on inputs used by domestic processors of cotton lint HS Code 3920.30.90; 6305.39.00; 7217.90.00;

This measure is intended to promote cotton processing in the country;

1. Continue grant duty remission at 0% instead of 25% on raw materials used to manufacture baby diapers

- Super Absorbent Polymer/Powder Hs Code: 3906.90.00;
- Polyethylene Laminated Nonwovens Hs Code: 5903.90.00;
- Spandex Hs Code: 5402.44.00;
- PE Film/Packing Film Hs Code: 3920.10.90;
- PE Film/Packing Film Hs Code: 3920.10.10;
- Non-Woven Hs Code: 5603.11.00;
- Hot Melt Adhesive Hs Code: 3506.91.00;
- Molded Hook Hs Code: 5806.10.00;
- Wet Strength Hs Code: 4803.00.00;

This measure is intended to reduce the cost of production for manufacturers of baby diapers in the country;

- m. Continue to grant duty remission at a duty rate of 0% instead of 25% or 10% for one year on inputs used by domestic minerals processors (HS Codes 3606.90.00; 6804.10.00; 6813.20.00; 7018.90.00; 7020.00.99; 8202.20.00; 8202.99.00; 8203.20.00; 8205.10.00; 8423.89.90; 8513.10.90; 9002.19.00). This measure is intended to create value addition of gemstones and employment creation;
- n. Grant duty remission at 10% instead of 25% on paper products HS Code 4805.24.00 and HS Code 4805.25.00 as raw materials used for manufacturing of packaging materials (corrugated boxes). The objective of this measure is to encourage domestic investment in production of corrugated boxes and reduce the cost of packaging materials.
- o. Continue to grant duty remission at 0% instead of 25% on packaging materials for seeds used by local producers of agricultural seeds HS Code 3923.29.00; 6305.10.00; 4819.40.00; 7310.29.90; 6305.33.00; 6305.20.00; 6304.91.90 and

7607.19.90. This measure is intended to reduce the cost of packaging materials for domestic producers of agricultural seeds;

p. Continue to grant stay application of EAC CET rate of 25% and apply a duty rate of 35% for one year on coffee whether or roasted or decaffeinated, coffee husks and skins coffee substitutes containing coffee in any proportion with Heading 09.01. This measure is intended to protect coffee processors in the country;

q. Continue to grant stay application of EAC CET rate of 10% and apply a duty rate of 10% or USD 125/MT whichever is higher for one year on iron and steel products HS Code 7209.16.00; 7209.17.00; 7209.18.00; 7209.26.00; 7209.27.00; 7209.28.00; 7209.90.00; 7211.23.00; 7211.90.00; 7226.92.00; and 7225.50.00. This measure is intended to protect iron and steel manufacturers in the country;

r. Continue to grant a Stay application of EAC CET rate of 25% or USD

200/MT whichever is higher and apply a duty rate of 25% or USD 250/MT whichever is higher for one year on Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more plated or coated with zinc HS Code 7210.41.00; 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; 7210.90.00. This measure is intended to protect iron and steel manufacturers in the country

s. Continue Stay application of EAC CET rate of 10% and apply a duty rate of 10% or USD 250/MT whichever is higher for one year on Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad. HS Code 7212.60.00. This measure is intended to protect iron and steel manufacturers in the country;

t. Continue to grant Stay application of EAC CET rate of 25% or USD 200/MT whichever is higher and apply a duty rate of 25% or USD 250/MT whichever is higher for one year on Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated HS Code

7212.30.00; 7212.40.00; and 7212.50.00. This measure is intended to protect iron and steel manufacturers in the country;

- u. Continue Stay application of EAC CET rate of 25% or USD 200/MT whichever is higher and apply a duty rate of 25% or USD 250/MT whichever is higher for one year on Iron and steel reinforcement bars and hollow profiles HS Code 7213.10.00; 7213.20.00; 7213.99.00; 7214.10.00; 7214.20.00; 7214.30.00; 7214.91.00; 7214.99.00; 7215.10.00; 7215.50.00; 7215.90.00; 7225.91.00; 7225.92.00; 7225.99.00; 7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; 7306.90.00. This measure is intended to protect iron and steel manufacturers in the country;

- v. Continue a stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on Horticultural products HS Codes 0603.11.00; 0603.12.00; 0603.13.00; 0603.14.00; 0603.15.00; 0603.19.00; 0604.20.00; 0604.90.00; 0701.90.00; 0702.00.00; 0703.10.00; 0703.20.00;

0703.90.00; 0706.10.00; 0706.90.00;
0710.10.00; 0710.21.00; 0710.22.00;
0710.30.00; 0714.10.00; 0714.20.00;
0804.30.00; 0804.40.00; 0804.50.00;
0805.10.00; 0805.40.00; 0805.50.00;
0806.10.00; 0807.11.00; 0807.20.00;
0808.10.00; 0808.30.00; 0910.11.00;
0910.12.00. This measure is intended
to protect iron and steel
manufacturers in the country;

w. Continue to stay application of the
EAC CET rate of 0% and apply a duty
rate of 10% for one year, on
monofilament of which any cross-
sectional dimension exceeds 1mm,
rods, sticks and profile shapes
whether or not surface worked but
not otherwise worked of plastics HS
Code 3916.10.00, 3916.20.00,
3916.90.00. These are intermediate
products and are used to perform
similar function as of aluminum
profiles (substitute) falling under
Heading 76.04;

x. Continue to grant stay application of
CET rate of 10% on the following
paper and paper products and apply a
duty rate of 25% HS Code

4804.11.00; 4804.21.00; 4804.29.00; 4804.31.00 and 4804.41.00. This measure is intended to protect domestic industry and enhancing competitiveness of domestically produced paper and paper products;

y. Continue to grant duty remission at 10% instead of 35% on imported wheat grain HS Code 1001.99.10 and HS Code 1001.99.90. This measure is intended to reduce the cost of production for manufacturers of wheat flour in the country;

z. Continue to grant duty remission at 0% instead of 25% on Printed Aluminum Barrier Laminates (ABL) HS Code 3920.10.90. This measure is intended to promote competitiveness of domestic industries of toothpaste;

aa. Continue to grant duty Remission at 0% instead of 10% on Refined Bleached Deodorized (RBD) Palm Stearin HS Code 1511.90.40. This measure is intended to promote the domestic manufacturers of soaps;

- bb. Continue to grant stay application of the EAC CET rate of 25% and apply a duty rate of 25% or USD 1.35/kg whichever is higher for one year on safety matches HS Code 3605.00.00. This measure is intended to protect the domestic manufacturers of safety matches;
- cc. Continue to grant stay application of EAC CET rate of 25% and instead apply rate of 25% or USD 350 per metric ton whichever is higher on nails, tacks, drawing pins, corrugated nails staples HS Code 7317.00.00, other than those of heading 83.05 and similar articles of iron or steel, whether or not with heads of other materials. The objective is to protect local producers of these products against imported cheap products;
- dd. Continue to grant stay application of EAC CET rate of 25% and apply a duty rate of 35% for one year on Sausages and similar products HS Code 1601.00.00. The objective is to protect local producers of sausages and similar products;

- ee. Continue to grant stay application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on Chewing gum HS Code 1704.10.00; Biscuits Heading 19.05; and Other sugar confectionery (sweets) HS Code 1704.90.00. The objective is to protect domestic producers of these products;
- ff. Continue to grant stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on Chocolate and other food preparations containing cocoa Heading 18.06. The objective is to protect domestic producers of chocolates;
- gg. Continue to grant stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on tomato sauce HS Code 2103.20.00. The objective is to protect domestic producers of tomato sauce;
- hh. Continue to grant stay of application of the EAC CET rate of 25% and apply a duty rate of 60% for one year on Mineral water HS Code 2201.10.00. The objective is to protect domestic producers of mineral water;

ii. Continue to grant stay of application of the EAC CET rate of 25% and apply a duty rate of 35% for one year on meat and edible meat offal under Chapter 2 in order to promote domestic processing and value addition of meat.

jj. Continue to grant stay of application of EAC CET rate of 10% and apply a duty rate of 25% for one year on Crude vegetable oils of HS Codes 1507.10.00, 1580.10.00, 1511.10.00, 1512.11.00, 1513.11.00, 1514.11.00, 1514.91.00, 1515.11.00, 1515.21.00 and 1515.30.00. This measure is intended to promote domestic production of vegetable oils;

kk. Continue to grant stay of application of EAC CET rate of 10% or 25% and apply 35% for one year on semi-refined and refined vegetable oils of HS Codes 1507.90.00, 1508.90.00, 1509.90.00, 1510.00.00, 1511.90.10, 1511.90.30, 1511.90.90, 1512.19.00, 1512.29.00, 1513.19.00, 1513.29.00, 1514.19.00, 1514.99.00, 1515.19.00, 1515.20.00, 1515.50.00 and 1515.90.00. This measure is intended

to protect and promote the processing of vegetable oils in the country using locally grown seeds and save foreign exchange used in the importation of edible oil;

ll. Continue to grant stay of application of EAC CET rate of 0% and apply 10% for one year on Gypsum Powder of HS Code 2520.20.00 in order to protect the gypsum powder producers in the country;

mm. Continue to grant stay of application of EAC CET on Cane Sugar (Gap Sugar) HS Code 1701.14.90 imported under a permit issued by the Tanzania Sugar Board and apply import duty rate of 35% instead of 100% or 460 USD/MT whichever is higher for one year. This measure is intended to cover the gap during scarcity of sugar production in the country;

nn. Continue to grant stay of application of CET rate of 35% or USD 0.40/Kg whichever is higher and apply a duty rate of 35% on Worn items of clothing, footwear and

articles HS Code 6309.00.10; 6309.00.20 and 6309.00.90 for one year. This measure is intended to protect the consumer welfare;

oo. Tanzania together with other EAC partner States to continue grant duty remission on raw materials and industrial inputs used to manufacture textiles and footwear. This aims at promoting textiles and footwear manufacturers in the country;

pp. Continue to grant duty remission at 0% on inputs used to manufacture leaf springs HS Code 7228.20.00 for one year. This measure is intended to promote domestic production of motor vehicles leaf springs;

iii. During the East African Community Pre-budget consultative meeting, the Ministers for Finance agreed to amend the East African Community Customs Management Act, 2004 by adopting USD 50 as de minimis value where customs duties shall not be collected.

iv. Valuation of imported printed fabrics (Vitenge) to be re-vested in the

Commissioner General so that the Valuation Principles stipulated in the East African Community Customs Management Act, 2004 are adhered to. Along with this measure, I propose the valuation for those who can not justify their declared values to range between USD 0.55 to 1 for a meter of Polyester Kitenge and USD 0.60 to 1 for a meter of Cotton Kitenge in line with the Valuation Principles.

- v. Remove the requirement of 15% refundable additional import duty deposit on sugar for industrial use. This measure is intended to promote competitiveness and increase liquidity of domestic industries. In addition, the introduction of ETS will be used as a mechanism to track company's production and verify the use of industrial sugar. However, non-compliant traders will be subjected to the previous measure on top of other existing legal measures.

The Import Duty measures altogether are expected to increase Government revenue by shillings **32,626.38 million**

E. The Tax Administration Act, CAP 438

63.**Honourable Speaker**, I propose to amend Tax Administration Act, CAP 438 as follows:-

- i. To delete section 92A in order to allow the court of law to collect and account for revenue emanating from fines and penalties due to ruling of tax offences by the Courts instead of the previous arrangement where the dues were collected by the Tanzania Revenue Authority. The object of this measure is to facilitate collection and accounting of such revenues in the manner other offences' ruling are implemented;
- ii. To delete Section 70 (2) in order to give the Commissioner General of TRA power to implement the provision of the Law relating to remission of interest and penalties, and enhance efficiency and effectiveness in the determination of such applications; and
- iii. To amend Government Notice No.15 (Transfer Pricing Regulation) by deleting a penalty of 100 percent of sales adjusted for failure to comply with the requirements of the law. The objective of

this measure is to relieve taxpayers with the heavy burden of the penalty with a view to improve the business environment and promote investment in the country.

F. The Local Government Finance Act, CAP 290

64.**Honourable Speaker**, I propose to amend Local Government Finance Act CAP 290 as follows:

- i. To provide clarity on circumstances which a corporate entity liable for service levy may not be liable to pay produce cess along the value chain of a product. The measure is intended to resolve the ambiguity on the interpretation of the current provision; and
- ii. To reduce Outdoor Advertising fee as follows:
 - a. Illuminated advertisement from shillings 18,000 to shillings 13,000;
 - b. Non Illuminated advertisement from shillings 15,000 to shillings 10,000;
 - c. Wall Sign advertisement from shillings 15,000 to shillings 10,000;
 - d. Electronic Sign advertisement from shillings 20,000 to shillings 15,000;

- e. Vehicular advertisement from shillings 15,000 to shillings 10,000 for those advertising products of other manufacturers/traders;
- f. Short term advertisement/promotion per day from shillings 55,000 to shillings 50,000; and
- g. Every poster promotion for first 100 posters for every other bunch of 100 of posters or part thereof from shillings 100,000 to shillings 50,000.

All these fees are charged per Square Foot. The reduction of the fees will lower advertisement costs and hence promote competitiveness in various businesses.

G. The Property Tax Act, Cap 289

65. **Honourable Speaker,** I propose amendment of the Local Government Authorities (Rating) Act to enable the property rate to be embedded in the electricity bill or prepaid meter. This measure takes into account to that electricity meters are mostly allocated to properties whereas the payer may be the owner or occupier of the rateable property. I subsequently, propose a rate of 1,000/= shillings per month on ordinary buildings with one meter; and a rate of 5,000/=

shillings per month for every storey building or apartments with one meter. Payment for property tax will be made on every purchase of the electricity unit up to the limit of the rates mentioned for the respective month. However, the Government will make Regulations to clarify on properties with a shared meter or single properties with more than one meter.

H. The Land Rent Act, CAP 113

66. **Honourable Speaker**, I propose to amend Land Rent Act, CAP 113 and its respective Regulation, 2001 in order to reduce premium as follows:

- i. Reduce premium rate from 2.5 percent to 0.5 percent for new land occupancy;
- ii. Reduce premium rate from 1 percent to 0.5 percent on Regularizing Land.

The objective of these measures is to encourage land occupancy to individuals and entities to finalise processing the Certificate of Occupancy. Despite of the lower rates, the measure is expected to increase Government revenue by 9,000 million shillings due to enhanced voluntary compliance in paying land rent.

I. The Stamp Duty Act, Cap 189

67. Honourable Speaker, I propose to amend the Stamp Duty Act, CAP 189 CAP 168 with the aim to update the current Stamp Duty rates with the current Economy. The ammendments are as follows:

- i. Stamp duty rate from shillings 500 to shillings 2,000;
- ii. Stamp duty rate on Memorandum and Articles of Association from shillings 5,000 to shillings 10,000;
- iii. Stamp duty rate on Partnership Instruments whose capital exceeds shillings 100,000 but does not exceeding shillings 1,000,000 from shillings 2,000 to shillings 5,000;
- iv. Stamp duty rate on Partnerships whose capital exceeds shillings 1,000,000 from shillings 5,000 to shillings 10,000; and
- v. Stamp duty rate for instruments of dissolution of Partnerships from shillings 1,000 to shillings 10,000.

The measures altogether are expected to generate Government revenue by **shillings 2,500.89 million.**

J.The Vocational, Educational and Training Act, CAP 82

68.**Honourable Speaker**, I propose to amend Vocational, Educational and Training Act, CAP 83 as follows:

- i. Increase the minimum threshold number of employees for paying Skilled Development Levy from 4 employees to 10 employees. This measure is intended to create a friendly business and investment environment in the country;
- ii. Exempt religious health institutions from Skilled Development Levy. The objective of this measure is to reduce operational cost to these institutions since they are crucial in providing health services in areas where Government has not reached due to Budget constraints; and
- iii. Introduce a specific requirement to an individual employer engaged in a small-scale mining operation to pay the levy at the rate of 0.4 percent of the sale value of the minerals. The payment will be made only at the time of selling minerals and payment of royalty at buying

stations or at Mineral and Gem Houses designated by the Mining Commission under the Mining Act. The objective of this measure is to create convenience to small scale miners to make payment of the levy considering cash flows.

K. The Gaming Act, CAP 41.

69. ***Honourable Speaker***, I propose to amend Gaming Tax Act, CAP 41 as follows:

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- i. Reduce Winning Tax on all Sports Betting from 20 percent to 15 percent;
- ii. Increase Gross Gaming Revenue (GGR) on all Sports Betting from 25 percent to 30 percent. The additional 5 percent will be earmarked to sports development fund in the country;
- iii. Introduce Gaming Tax on Virtual Games at the rate of 10 percent of Gross Gaming Revenue (GGR); and
- iv. Introduce Gaming Tax on Gaming products licensed under pilot study at the rate of 10 percent of Gross Gaming Revenue.

The measure is intended to increase Government revenue and promote fairness within the gaming industry.

All these measures on Gaming activities are expected to increase Government revenue by shillings **14,925.38 million**

L.The Public Audit Act, CAP 148

70.**Honourable Speaker**, I propose to amend the Public Audit Act, 148 as follows:

- i. To give Controller and Auditor General (CAG) legal powers to audit all Parastatals that established under the Companies Act. This measure is intended to enable CAG to legally audit all Parastatals where the Government is the shareholder.; and
- ii. To give power to the Minister responsible for Finance to respond to the Controller and Auditor General Report in the next Parliamentary Session after the CAG has submitted the report instead of the current practice where all reports are tabled on the same Parliamentary Session. This denies

the government enough time to clarify some issues.

M. Government Loans Grants and Guarantees Act, CAP 124

71. *Honourable Speaker*, I propose to amend Government Loans, Grants and Guarantees Act, CAP 134 so that Government may Guarantee any public company or institution up to an amount not exceeding the Value of Government Shares to the respective company upon Cabinet approval.

N. The Motor Vehicle (Tax Registration and Transfer) Act, CAP 124

72. *Honourable Speaker*, I propose to amend the Motor Vehicle (Tax Registration and Transfer) Act, CAP 124, by reducing Personalized Plate Number Registration fee from TZS 10,000,000 to 5,000,000 for every three years. This measure aims at enabling individuals to opt their preferred personalized registration at low cost as the current rate received a very low response.

O. The Road Traffic Act, CAP 168

73. *Honourable Speaker*, Majority of Tanzania Youths are employed in the transport sector using three-wheelers

motor cycles (Bajaji) and motor cycles known by the name 'BodaBoda'. The law governing road safety provides a fine of Tanzania shillings 30,000/= to the operators when convicted for breach of road traffic rules. That quantum of fine has resulted into abandoning their motor-cycles in Police Stations for failure to pay the fine. I therefore propose to reduce the road fines imposed under the Road Traffic Act for offences to motor cycles and three-wheelers motor cycles from shillings 30,000/= to shillings 10,000/= for each offence committed. The objective of this measure is to align the fines with the ability to pay. However, other fines for vehicles shall continue to apply.

P. THE NON-CITIZENS (EMPLOYMENT REGULATION) ACT, NO.1 OF 2015

74.**Honourable Speaker**, I propose to make amendments of the Non-Citizen (Employment Regulation Act) No. 1 of 2015 as follows:

- i. To impose a penalty of 500,000/= shillings per month for every employer with non – citizen employees for failure to submit monthly returns to the Labour Commissioner information of

- his/her employees including details of their salaries. The objective of this measure is to enhance voluntary compliance towards that obligation;
- ii. To impose a sanction of 12 months' imprisonment or a fine of 10,000,000 million shillings or both for failure to submit monthly return to the Labour Commissioner information of his/her employees including details of their salaries. The objective of this measure is to enhance voluntary compliance.

Q.Amendments of Various Fees and Levies imposed by Ministries, Agencies, Regulatory Authorities, Regions and Independent Departments.

75.**Honourable Speaker,** I propose to amend rates of fees and levies charged by Ministries, Agencies, Regulatory Authorities, Regions and Independent Departments in order to review the rates to reflect the current values taking into account the inflation and value for money. The amendments will be reflected in the Finance Act, 2021 and others through Government Notices. The proposed amendment includes the following:

i. Ministry of Agriculture

I propose to Introduce the following fee for Irrigation Communities: -

- a.Registration Fee of shillings 60,000 for Irrigation Communities; and
- b. Irrigation Service Fee of 5% of Seasonal harvest for an area for Irrigation Communities.

ii. Ministry of Home Affairs

I propose to amend the Society Act, CAP 337 by introducing the following; -

- a.Application fee of shillings 100,000 for New Certificate of registration of a Society –Damaged;
- b.Application fee of shillings 50,000 for correction of misrepresentation caused by applicant of a society;
- c.Application fee of shillings 50,000 for change of physical address of postal address of a society;
- d.Increase the application fee for registration of a society from shillings 10,000 to shillings 50,000;
- e.Increase the annual fee for Religious Society from shillings 20,000 to TZS 100,000;
- f. Increase the annual fee for Non Religious Society from shillings 40,000 to shillings 50,000;

- g. Increase the annual fee for Foreign Religious Society from USD 30 to USD 60;
- h. Increase the annual fee for Foreign Non Religious Society from USD 30 to USD 60;
- i. Increase the application fee for change of name of a society from shillings 50,000 to shillings 100,000;
- j. Increase the application fee for change of Constitution of a society from shillings 50,000 to shillings 100,000;
- k. Increase the application fee for certified true copy of the original from the records by society from shillings 20,000 to shillings 50,000;
- l. Increase the application fee for new certificate of a society- Loss, from shillings 50,000 to shillings 100,000;
- m. Increase the application fee for new certificate - Loss Second time, from shillings 50,000 to shillings 200,000
- n. Increase the Search fee -by society from shillings 50,000 to shillings 100,000; and
- o. Increase the Search fee -by member of public from shillings 50,000 to shillings 200,000

iii. Tanzania Bureau of Standards (TBS): -

I further propose to amend the Standard (Fees and Charges) Regulation, 2021 to introduce new fees on standards and review old fees that were charged by TFDA before the role to regulate foods being transformed to TBS. The proposed fee is shown in *Annex 1*.

iv. The Marine Parks and Reserves Unit

I propose to amend Marine Parks and Reserves (User Fees) Regulations, 2009 so as to review fees and levies imposed on Marine parks and reserves as shown in in *Annex 2*.

R. Minor Amendments in Tax Laws and Others.

76. Honourable Speaker, I propose to make minor amendments to various Tax Laws and other Laws in order to ensure their smooth and effective implementation. The amendments will be effected through the Finance Bill 2021 and Government Notices

S. Implementation of the BLUEPRINT for Regulatory Reforms to improve Business Environment by amending Various Fees and Levies.

77. **Honourable Speaker**, the Government continues to implement BLUEPRINT for Regulatory Reforms to improve the Business Environment which is a continuous process. The proposed amendments include the following: -

i. Ministry of Natural Resources and Tourism

I propose to reduce TALA License (Tanzania Tourism Business License) for Travel Agents from USD 2,000 to USD 500 in order to promote tourism industry;

ii. Ministry of Livestock and Fisheries

Introduce Inspection Fee at the rate of 40,000 shillings per Certificate regardless of nature of the meat instead of the existing rate of 100 shilling per kilogram of beef and 50 shilling per kilogram of mutton/chevon;

iii. Worker's Compensation Fund

I propose to make amendments of the Workers Compensation Fund Act, Cap. 263 by reducing the rate of contribution to the Fund applicable to the Private Sector

Institutions from **1 percent to 0.6 percent** of the total gross monthly salary of employees. The objective of this measure is to provide relief to the Private Sector Employers by reducing the burden of their contributions to the Fund and improve the business environment in the country for the existing and upcoming investors.

iv. Tanzania Atomic Energy Commission

I propose to amend Atomic Energy (Fees and Charges) Regulation in order to abolish Radioactivity Analysis fee which is charged at the rate of 0.2 percent of FoB for food crops exported to countries with no requirement for Radioactivity Analysis Certificate.

v. Immigration Department

- a. I propose to abolish Student VISA/PASS FEE for higher learning institution students in Tanzania - Mozambique students exchange programme (TAMOSE). The objective of this measure is to promote and facilitate exchange programs; and
- b. About VISA fees paid and collected in Tanzania Zanzibar, I propose a new arrangement that allows one

part of the Union which has collected the VISA fees for non-citizens visiting Tanzania to retain that collections for use in that Part of the Union similarly to other types of revenues. Therefore, VISA fees to be collected in Tanzania Zanzibar shall be retained there and vice-versa. The objective of this measure is to accord the derivation principle and reduce the list of what is so called “the Union challenges” as agreed between the two parts of the Union.

vi. Fire and Rescue Force

I propose to amend Fire and Rescue Act, CAP 427 as follows: -

- a. Abolish Horticultural farms from paying fire levy;
- b. Abolish Fire Compliance Certificate fee for Urban and Rural Petrol Stations. The Certificates will be issued freely after inspection;
- c. Abolish Fire Inspection fee on farms/plantations including farm House(s) which were paying between shillings 100,000/= to shillings 1,000,000;

- d. Increase the area used for Trade Fair Events not subject to Fire and Rescue levy from less than or equal to 2000m as appeared in the previous regulations to less than or equal to 10,000m; and
- e. Increase the number of boarders in Educational Boarding Schools from less than or equal to 100 boarders to Less than or equal to 200 boarders.

vii. National Environmental Management Council (NEMC)

I propose to amend Environmental Management (Fees and Charges) Regulation, 2019 by reducing the following fees: -

- a. Fee for destroying expired medicines from shillings 1,000,000 to shillings 100,000; and
- b. Annual environmental Fee from 200,000 shillings to 100,000 shillings.

viii. Meat Board of Tanzania

I propose to charge Clearance Fee at the rate of 70,000 shilling per Consignment instead of 1% of FOB.

ix. OSHA

I propose to reduce electrical inspection, electrical insulation test and general inspection fee from 590,000 shillings to 150,000 shillings which was charged before and after starting the business. This measure is intended to promote business environment in the country.

x. Licenses for Insurance Companies

I propose to alter the current arrangement that require Insurance companies to apply for annual licenses and instead, the companies with good records of conduct be given permanent licences and for companies which were found to have some repeating irregularities to be granted a three years' licence while still under close monitoring by the Regulator. The objective of the proposal is to remove bureaucracy in licensing procedures and improve the business environment.

xi. Conducive Environment for doing Business

Along with the proposed revenue measures which are aimed to reduce cost to businesses and improve the business environment, the Government will introduce one electronic single window

which will provide access to investors to process all the permits and licences required for their businesses electronically. The object of this measure is to relieve Investors from lengthy licensing procedures and improve the business environment.

T. Specific Project Areas

i. Rural and Urban Roads.

78.**Honourable Speaker**, as you may appreciate, the state of rural roads is very terrible. There are still villages that have no roads at all. Majority of the roads under TARURA are in a worse condition. Currently the road network under TARURA is not less than 108,946.2 kms long. These roads connect various urban and rural areas and hence can be a catalyst for accelerating the country's economic development. However, as of December 2020, the TARURA road network with tarmac level reached 2,250.69 kilometres, equivalent to only 2.1 per cent, gravel roads 27,809.26 kilometres (25.6 per cent) and rough roads 78,886.25 kilometres (72.4 per cent).

79.**Honourable Speaker**, as you may agree with me, the state of our roads has a serious impact to our society. Noticeably

some expecting mothers have lost their lives as a result of late attention at health facilities, others gave birth on the way to the health facility just because the roads are not passable. Some pupils and students lost their lives on the way to schools due to the poor state of the roads and bridges especially in rainy season. In agriculture, crops are damaged due to failure to be delivered on time to the highways or from the highways to various inner destinations of the country due to poor state of the roads. This situation cannot be allowed to persist, we must tighten our belts and resolve to fight against these challenges, this is a war ahead of us.

ii. Availability of Clean and Safe Urban and Rural Water

80. **Honourable Speaker**, the availability of clean and safe water in urban and rural areas remains a tragedy. Water has no alternative substitute; it is life for all living things. There are still villages that do not have even a single well of clean and safe water. The village communities cannot tap water; they can only access pond water, river water, sharing them with animals. Tanzania has major and reliable water sources including Lake Tanganyika, Lake

Victoria, Lake Nyasa, Lake Rukwa, Lake Chala, Kiwira River, Ruvu, Rufiji and Ruvuma among others. It could be possible to use large dams such as Kidunda, Ndembela and Farkwa if they would be completed. However, no construction in progress despite of the compensation being effected. Moreover, there are many projects in the pipeline in Iringa, Kagera, Kigoma, Kilimanjaro, Lindi, Mara, Mbeya, Mtwara, Mwanza, Njombe, Rukwa, Ruvuma, Shinyanga, Simiyu, Singida, Songwe, Tabora, Tanga and Simiyu regions to be implemented in 2021/22, but they are not in the budget. Other regions that I did not mention here have been included in the respective Ministry's budget.

81. Honourable Speaker, the lack of clean and safe water has serious consequences to our society. Some mothers and daughters are raped in search of water. Some students miss classes and ruin their lives directly in search of water. Moreover, the country spends huge sums of money treating its citizens for diseases due to lack of clean and safe water. There are families falling apart, due to women spending most of their time in searching for water. There are civil servants who do not report to their

allocated workplaces due to lack of clean and safe water. Generally, development activities are stalled due to lack of water in our communities. For example, it is very expensive to build a modern house by using water in a bucket. This situation cannot be allowed to continue. We must tighten our belts to reduce this challenge and this is a war ahead of us.

iii. Health and Universal Health Insurance

82. Honourable Speaker, The Health Sector is a very important sector in the well-being of our society and is one of the most important requirements in the human life. Recognizing this, the government of CCM has done a tremendous job in this sector. However, there is still a great work to be done due to a growing population and the changing health needs in today's generation. The citizens in various parts of the country have put a great deal of efforts in finding solutions to the challenges of access to health services in their localities. In various areas there are fortified buildings started by the community however, it takes long to complete, 5 to 15 years. We also have work in progress at various construction stages of more than 1,500

health centres that have been partly developed by the communities around but they could not finish due to budgetary constraints. The Government has a target to complete a total of 67 health buildings by June, 2021. However, all completed modern facilities still require the addition of two specific buildings, namely the male and the female wards in addition to the existing buildings, namely OPD, Mother and Child Ward, IPD, Operating Rooms, Staff Houses, Building Services (Laboratory and Radiology) and mortuary. We must tighten our belts and mobilize resources to address the shortage of health facilities in the country.

83. Honourable Speaker, it is proposed to introduce a universal insurance coverage project (Universal Health Care) aimed at reaching all Tanzanians. It is worth mentioning that Tanzania has a total of 12,827 million households, out of which 20% are estimated to be indigent. The Government will need more than 149 billion shillings in the first year to cover 30% of the 2.628 million indigent households. Allocation of budget will be increased by 10 percent every year so that by 2034/2035 all citizens will be reached.

The government continues to improve health services closer to people so that health insurance facility can be effectively used to the benefit of all citizens.

iv. Education

84.**Honourable Speaker**, there is still a lot of work ahead of us in the education sector. There are still schools that have more students beyond capacity of existing classes; in some of the schools students attend classes in shifts to give space for all students to attend classes in the morning and afternoon sessions, which enormously reduces the students' learning time. Yet, there are schools partition in one class to accommodate two grades in one room. Some schools are dilapidated threatening the safety of our children and our teachers. I would like to bring into your attention that, next year the Government will register form one students who benefited from a fee – free education. If this will not be addressed earlier, it will result into an influx of students selected to join Form One but cannot be accommodated until we prepare infrastructures to absorb. It is unacceptable and intolerable to allow this situation to happen. The country is left with no choice but to mobilize the

resources so as to build schools for our children of today and tomorrow.

85.Honourable Speaker, every year there are between 15-20 percent of dropout students from the education system because of pregnancies, absenteeism and other reasons. It is undisputed that, lack of a plan to finance these needs is the source of the dropouts. This situation has made Tanzania's education not to be highly accommodative. We also have no choice to these problems but to unlock them by mobilizing enough resources to resolve.

86.Honourable Speaker, In terms of higher education, more than 11,000 university-qualified students who have already obtained admission to various colleges do not access higher education students' loans. It is so frustrating for a child who is missing a student loan while his or her peers continue with higher education. It is stressful for him or her and the whole family. This situation is bad and should not be allowed to continue.

v. Nyerere Hydropower and Standard Gauge Railway (SGR) Model Projects

87.Honourable Speaker, Mwalimu Nyerere Hydropower and Standard Gauge Railway (SGR) projects are not only state of the Art projects but “mother” projects for every Tanzanian. They are projects that define the independence of our country, defines the dignity of Tanzanians and are projects built by Tanzanians themselves. The late President John Pombe Magufuli repeatedly said that, failure to accomplish these projects will be a curse to our Nation. No one will come and build these projects for us, rather we need to honour the vision carriers of these projects by ensuring that, they are in place. The late Mwalimu Nyerere carried the vision of these projects, President Magufuli initiated these projects, and President Samia is going to complete these projects. I assure Tanzanians that, we will not abandon a project.

88.Honourable Speaker, in order to curb all challenges mentioned above, I therefore propose to take the following measures:

a. The Roads and Fuel Tolls Act, CAP 220;

I propose to amend the Roads and Fuel Toll, CAP 220 as follows:

- i. Increase Road and Fuel Tolls by 100 shillings per each litre of Petrol and Diesel; and
- ii. Amend section 4 A (a) of the Act in order to provide for the amount of Tshs. 100/= collected from both diesel and petrol be used for road maintenance in rural areas through TARURA;

This measure is expected to generate Government revenue by **shillings 322,158.20 million.**

b. Petroleum Act, CAP 392

I propose to amend the Petroleum Act to increase the Fuel Levy from 150 shillings to 250 shillings. This measure is intended to reduce adulterations of fuels due to the increase of Road and Fuel tolls on Petrol and Diesel.

c. The Electronic and Postal Communication Act, CAP 306;

I propose to amend the Electronic and Postal Communication Act as follows:

- i. Impose a Levy of between 10 shillings to 10,000 shillings in each mobile money

transaction of sending and withdrawing. The amount of the levy varies depending on the value of each transaction sent or withdrawn. The proposal is expected to increase Government revenue by shillings **1,254,406.14 million**; and

- ii. Impose a levy of between 10 shillings to 200 shillings per day per SIM card depending on the ability of the user to recharge the balance. The proposal is expected to increase Government revenue by shillings **396,306.0 million**.

d. The Excise (Management and Tariff) Act, CAP 147;

Given that spirits have a high alcohol content, I propose to increase excise duty by 30 percent on all spirits in order to balance the tax rates between Spirits and Beer. This move is expected to increase Government revenue by **60,769.35 million** shillings.

All these four measures together are expected to increase Government revenue by **2,033,639.66 million** shillings

U. Effective Date for Implementation of New Revenue Measures

89. ***Honourable Speaker***, unless otherwise stated, the new measures shall become effective on 1st of July, 2021.

V. Alternatives to Implement Large-Scale Projects

90. ***Honourable Speaker***, in 2020, Tanzania successful graduated to a Lower Middle-Income status which implies that, the country is economically capable of accessing market funding sources. In that regard, the Government must explore alternative sources of financing. Currently, the Government is analysing the potential sources of financing such as Blended Finance for development projects.

91. ***Honourable Speaker***, in 2021/22, the Government intends to finalize the sovereign credit rating process to facilitate access to international financial markets through issuance of sovereign bonds or Eurobonds. The rating will enable the country to gauge her position in the international financial markets and assist prospective lenders in the assessment of

the risks. The rating is also expected to widen lenders base.

92. *Honourable Speaker,* in an effort to expand the sources of financing, the Government will explore the possibility of issuing municipal bonds as an alternative source for financing bankable strategic projects in Municipal and City Councils. The arrangement will reduce burden on the Government budget. The Government in collaboration with the United Nations Capital Development Fund (UNCDF) and the Capital Markets and Securities Authority (CMSA) have begun scrutinising potential Councils, Municipalities and Cities with the view to identifying eligible projects to be financed using Municipal bonds.

93. *Honourable Speaker,* the Government recognizes the importance of opening up the domestic market for foreign investors. This move will support development of the domestic debt market in line with the Medium-Term Debt Strategy (MTDS). The initiative coincides with other measures proposed to open the Government bond market for foreign investors outside East Africa.

94.**Honourable Speaker,** the global Eurobond market is estimated to have more than USD 30 trillion available for the countries seeking financial resources through loans from highly liquid international capital markets to finance development projects. This approach is also used by international organizations such as the World Bank and the African Development Bank to fund their projects around the world. In addition, some sub-Saharan African countries that are doing well economically have been using the Eurobond as a source of financing. To access the market, Tanzania will require an official credit rating.

95.**Honourable Speaker,** despite the potential benefits from the PPP arrangement especially in mega projects that require a huge funding and expertise from the private sector, the Government has not realised tangible results in this area since enactment of the PPP Act in 2010. We are all aware that PPP is a type of project funding that reduces burden on the Government budget and is neutral to public debt. We therefore plan to use PPP arrangement for projects in line with the Public-Private Partnership Act, CAP 103.

96.**Honourable Speaker,** In view of the benefits of the PPP, the Government will accelerate/expedite the implementation of joint venture projects between the Public and Private Sectors including: construction of essential pharmaceutical industries and medical equipment; construction of a four star hotel and integrated business centre at Julius Nyerere International Airport; construction of natural gas distribution infrastructure in Dar es Salaam, Lindi and Mtwara regions; and construction of a mobile phone assembling factory through the Tanzania Communications Regulatory Authority (TCRA). Citizens and other investors are invited to identify projects of their interest to be implemented under PPP arrangement.

V. BUDGET FRAME FOR 2021/22

97.**Honourable Speaker,** consistent with macroeconomic and fiscal policy objectives, the budget frame for 2021/22 shows that 36.34 trillion shillings will be mobilized and spent. Total domestic revenue (including LGAs own sources) is estimated at 26.03 trillion shillings, equivalent to 71.7 percent of the total budget. Out of the amount, tax revenue is estimated at 22.18 trillion

shillings, equivalent to 13.5 percent of GDP. Non-tax revenue is estimated at 2.99 trillion shillings while revenue from LGAs own sources is estimated at 863.9 billion shillings.

98. **Honourable Speaker**, grants and concessional loans from Development Partners are estimated at 2.96 trillion shillings, equivalent to 8.1 percent of the total budget. Out of the amount, 2.67 trillion shillings will be through Project financing and 282.3 billion shillings through Basket Fund financing. I would like to thank the Development Partners for their continuous support in implementation of various development projects and programs in the 2021/22 budget.

99. **Honourable Speaker**, I would like to recognize our Development Partners as follows: Belgium, Canada, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, Netherland, Norway, Poland, South Korea, Sweden, Switzerland, United Kingdom, United States of America and United Nations (UN) and all its agencies under it. Moreover, there are International Organizations which are: African

Development Bank, World Bank, Arab Bank for Economic Development in Africa (BADEA), Global Fund, Kuwait Fund, Abu Dhabi Fund, European Union (EU), European Investment Bank (EIB), OPEC Fund for International Development, Global Environmental Facility (GEF) and GAVI. I would also like to recognize local and international NGOs as well as philanthropies for their support across all sectors.

100. **Honourable Speaker**, the Government plans to borrow 7.34 trillion shillings from domestic and external sources on commercial terms of which, 4.99 trillion shillings is domestic borrowing which includes 3.15 trillion shillings for rolling over of maturing Government treasury bills and bonds and 1.84 trillion shillings for financing development projects. In addition, 2.35 trillion shillings are expected to be borrowed from external sources for implementation of development projects.

101. **Honourable Speaker**, in 2021/22, the Government plans to spend 36.33 trillion shillings for recurrent and development expenditures of which, 23.0

trillion shillings is allocated for the recurrent expenditure and 13.33 trillion shillings for development expenditure. The allocation for recurrent expenditure includes 10.66 trillion shillings for servicing Government debt, 8.15 trillion shillings for salaries and wages, and 4.19 trillion shillings for other charges including, 200.0 billion shillings for payment of verified arrears to public servants, suppliers and service providers.

102. **Honourable Speaker**, development expenditure is estimated at 13.33 trillion shillings, equivalent to 37 percent of the total budget, comprising of 10.37 trillion shillings from domestic sources and 2.96 trillion shillings from external sources. Development funds include 1.19 trillion shillings for railway projects including the construction of Standard Gauge Railway; 2.08 trillion shillings for construction of roads, bridges and airports; 2.34 trillion shillings for power generation, transmission and distribution projects including Julius Nyerere Hydro Power Project; 589.4 billion shillings for urban and rural water projects; 233.3 billion shillings for purchase of medicines, medical equipment and reagents; 500.0 billion shillings for higher

education students' loans; 215.6 billion shillings for the preparation of the 2022 Population and Housing Census; and 312.1 billion shillings for fee free basic education. Further, the Government has set aside 400.0 billion shillings for payment of verified arrears to contractors and consultants.

103. ***Honourable Speaker***, consistent with my explanation above, the budget frame for 2021/22 is as shown in Table No 2

Table No 2: Budget Frame for 2021/22

Millions Shillings		
	<u>Revenue</u>	<u>2021/22</u>
A.	Government Domestic Revenue	25,168,718
	(i) Tax Revenue (TRA)	22,178,721
	(ii) Non Tax Revenue	2,989,998
B.	LGAs own source	863,858
C.	External Grants and Concessional Loans	2,955,923
	(i) General Budget Support	0
	(ii) Projects Loans and Grants	2,673,617
	(iii) Basket Loans and Grants	282,306
D.	Domestic & External Non Concessional Loans	7,341,240
	(i) External Non Concessional Borrowing	2,352,107
	(ii) Domestic Non Concessional Borrowing	1,838,796
	(iii) Domestic Non Concessional Borrowing (Rollover)	3,150,337
	TOTAL REVENUE (A+B+C+D)	36,329,740
	Expenditure	
E.	Recurrent Expenditure	23,002,951
	o/w (i) National Debt Service	10,663,278
	- Domestic Interest	1,561,637
	- Domestic Amortization (Rollover)	3,150,337
	- External Amortization	3,015,070
	- External Interest	1,151,376
	- Government Contribution to Pension Funds	1,247,149
	- Other Expenditure under CFS	537,710
	(ii) Wages and Salaries	8,150,509
	(iii) Other Charges	4,189,164
	- Payments of Verified Arrears	200,000
	- LGAs Expenditure (Own Source)	532,768
	- MDAs Operational Costs	3,456,396
F.	Development Expenditure	13,326,788
	(i) Domestic Financing	10,370,865
	o/w payments of Verified Arrears	400,000
	o/w Standard Gauge Railway (SGR) project	898,005
	o/w Hydropower Project - Rufiji River	1,440,000
	o/w LGAs Expenditure (Own Source)	331,090
	o/w Other Development Projects	7,301,770
	(ii) Foreign Financing	2,955,923
	TOTAL EXPENDITURE (E+F)	36,329,740
	BUDGET DEFICIT AS PERCENTAGE OF GDP	1.8%

VI. CONCLUSION

104. **Honourable Speaker**, before concluding my speech, I sincerely thank Her Excellency Samia Suluhu Hassan, the President of the United Republic of Tanzania, for trusting and appointing me the Minister for Finance and Planning. I promise Her Excellency President, Members of Parliament and all Tanzanians that I will fulfil this obligation with integrity and professionalism. I pray to Almighty God to grant me good health and wisdom in discharging these responsibilities. Let me explain few important issues before concluding this speech.

105. **Honourable Speaker**, first of all, I would like to congratulate Her Excellency for the great hope she has given the Tanzanians by showing that she is a vigilant, strong, hardworking, honest and responsive leader with a consistent vision of bringing great progress to our country. ***She clearly indicated that, she does not want injustice method of tax collection, to run the Government from unjust revenue, she made it clear that she will stand firm on Government revenue and expenditure management, she has made***

it clear that she will be bold in fighting against corruption.

106. ***Honourable Speaker***, in these regards, Her Excellency has shown that, holding various posts in different phases of the Government in United Republic of Tanzania (URT) and Revolutionary Government of Zanzibar (RGoZ) has made her to be a prepared leader and equipped to lead the country with great success. It will be recalled that, apart from many other positions she held in her nearly twenty years in Government, Her Excellency has been a Minister in Phase Four Government and has been a Vice President in Phase Five Government. “There are leadership styles she has learned”

107. ***Honourable Speaker***, “She learned different style of leadership”, through different Government regimes, she was appointed to serve various positions. Her Excellency was the Minister in the fourth Phase led by President Dr. Jakaya Mrisho Kikwete. Honourable Kikwete was a true patriot, he was a visionary leader, he was a Teacher, Father, Guardian and Leader, he was very Compassionate, Patient and believed in the Systems, Institutions and

Institutional Performance. Likelihood, I would call him a "Referee in a football game", who plays his matches with a "yellow card only", leaving a red card at home. If you commit a foul for the first time, he warns you verbally, if you repeat the foul, he warns you with a yellow card and if you make another mistake, you receive a second yellow card. Fortunately, any subsequent foul entails a verbal warning due to the fact that he often leaves the red card at home. President Kikwete strongly believed in institutional framework and performance. In my view, Her Excellency leadership has demonstrated that she learned a lesson in that regime including the lesson of patriotism, vision and belief in "institutional framework and performance", and I can say she has taken the "yellow card" and started to use it.

108. ***Honourable Speaker***, Her Excellency was the Vice President in the fifth regime led by the late President Dr. John Pombe Magufuli. President Magufuli was a true patriot, visionary, dedicated, practical and result-oriented leader. As a football referee, he manned his matches with a "red card only" leaving the yellow card at home. If you commit a foul for the first time, you

receive a red card. Even when it is the fans or another player crying a foul, he awards a red card. I, personally was awarded a red card and missed several matches. The late Dr. Magufuli was a believer of high level of discipline. Her Excellency was line one and Hon. Majaliwa was line two. Her Excellency has been part of that regime embracing patriotism, diligence, practical, result oriented and work discipline. She equally carries the "red card".

109. **Honourable Speaker**, evidently, Her Excellency carries both yellow and red cards. Her Excellency is a true patriot with high integrity, bold, visionary, believer in Institutional Framework and performance and action oriented. A fair referee is always unbiased. In wrestling you are warned *don't try this at home*. In the national interest, ***“never try Her Excellency at all to avoid the Red card”***. I urge public servants and all Tanzanians to work hard, embrace integrity and patriotism. Public servants should prudently manage taxpayers' money with high integrity and all Tanzanians should voluntarily pay taxes.

110. **Honourable Speaker**, we must build a culture that protects public and private properties. In terms of public property, we must exercise patriotism and integrity as we fulfil our responsibilities. The Government is allocating a lot of resources for project implementation, while not realising the value for money due to unethical behaviour in the procurement process. I urge all public officer entrusted with procurement matters to adhere to the laws, procedures, regulations and to exercise patriotism and high integrity. The Government, will therefore, institute deliberate measures to strengthen legal administration and procurement procedures.

111. **Honourable Speaker**, in terms of private property, we must respect our businesses and the assets generated by those businesses. There are practices taken by both public and private sectors that weaken our economy. For example, the tendency of defaulting debt service obligations, which reduces the ability of banks to issue loans. There are also instances of debtors deliberately delaying debt payments through court injunctions. This is an abuse of rule of Law. Similarly,

some lenders take advantage of delays to call off the collateral. There are instances that collateral is auctioned even when a large portion of the loan has been repaid. This happens in the interest of the lender or any other affiliated party. I plead to the security organs to monitor and take corrective actions to protect both lenders and consumers.

112. **Honourable Speaker**, the Sixth Regime will continue to improve revenue collection. Revenue collection will be based on professionalism, rules and fairness. For those who think that we will relax revenue collection efforts, I would like to emphasize that **we shall collect Government revenue! We shall collect Government revenue! We shall collect Government revenue!** I call upon all Government officials responsible for collection of tax, non-tax and levies to clearly understand that, these are the fundamental principles to be adhered-to in line with the directives of Her Excellency the President of the United Republic of Tanzania. There are baseless excuses relating to malfunctioning of the tax collection system and EFD as well as poor network that may compel the Government to revert to “task force”. Do not

invest in tax evasion rather invest in tax compliance. If you bribe an official to assist in tax evasion, it is very likely audit findings will implicate you. I direct the Commissioner General of Revenue Authority to establish a dedicated team to monitor use of EFDs and other tax collection systems are functional.

113. **Honourable Speaker,** we will continue to ensure discipline in public expenditure! We will ensure discipline in public expenditure! We will ensure discipline in public expenditure and continue to fight against **corruption** and **embezzlement**. I am aware of fraudulent and thieves' techniques, and those who continue with the habit of embezzling taxpayer's money, I will pounce on them like an eagle. **Kazi inaendelea**, all Tanzanians should continue to trust our President, she is vigilant and so is the Government. The Government will explicitly and implicitly fight all corrupts under the leadership of Her Excellency Madam President.

114. **Honourable Speaker,** the Government is committed to timely complete the implementation of strategic

projects that stimulate economic growth, improve social services and create employment opportunities, especially for the youth. The Government is determined to complete construction of: Mwalimu Nyerere Hydro-Power Project, Standard Gauge Railway (SGR), regional roads, the Kigongo-Busisi and other bridges as well as the distribution and connection of electricity to all villages and households.

115. **Honourable Speaker,** the Government will continue to modernise the City of Dodoma by improving its infrastructure. Activities to be undertaken include construction of: Government offices at Mtumba; ring-roads, water infrastructure, and Msalato International Airport.

116. **Honourable Speaker,** Her Excellency the President has sent me to reassure Tanzanians through this speech that, we continue to build our nation, we continue to build our nation, come rain or shine, we will continue to build our nation, be night or day, we will continue to build our nation. No project or development intervention shall stall. “**KAZI INAENDELEA.**”

117. **Honourable Speaker**, allow me to congratulate my predecessor Honourable Dr. Philip Isdor Mpango, for being appointed by Her Excellency President Samia Suluhu Hassan and endorsed by the National Assembly as the Vice President of the United Republic of Tanzania. In addition, I would like to sincerely acknowledge his commendable work in economic management which enabled our country to attain a middle-income status. Also, I applaud him for his outstanding work in managing the Ministry of Finance and Planning which has laid a good foundation for me to execute my responsibilities.

118. **Honourable Speaker**, I would like to congratulate His Excellency Dr. Hussein Ali Mwinyi, for being elected the President of the Revolutionary Government of Zanzibar and Chairman of the Revolutionary Council. The President has started his tenure by reviving the hopes for people of Zanzibar in stimulating economic development particularly investing in Blue Economy.

119. **Honourable Speaker**, I would like to congratulate Right Honourable Kassim Majaliwa Majaliwa, Member of Parliament for Ruangwa Constituency for his appointment and endorsement by the National Assembly to be the Prime Minister of the United Republic of Tanzania. I applaud him for his leadership in the Government as well as continuing to assist the President to closely monitor the implementation of the CCM Election Manifesto 2020.

120. **Honourable Speaker**, I would like to congratulate leaders of other pillars for their strong leadership. Starting with you, Honourable Job Yustino Ndugai, Speaker of the National Assembly of the United Republic of Tanzania and Member of Parliament of Kongwa Constituency and Honourable Dr. Tulia Ackson, Deputy Speaker and Member of Parliament of Mbeya Town Constituency for your competence and wisdom in leading the Parliament. Further, I congratulate Honourable Prof. Ibrahim Hamisi Juma, Chief Justice of Tanzania for his vigilant leadership of the Judiciary which focuses on the principles, values, and responsibilities of the Judiciary. Indeed, his

leadership has facilitated realisation of justice for the vulnerable and improve the rule of law.

121. **Honourable Speaker**, allow me to also congratulate Honourable Ambassador Hussein Athman Kattanga for being appointed the Chief Secretary who is also Cabinet Secretary and Head of Public Service. I commend him for carrying out his duties with excellence and professionalism. Further, I congratulate Honourable Othman Masoud Othman on his appointment the First Vice President of the Revolutionary Government of Zanzibar and Honourable Hemed Suleiman Abdulla for being appointed the Second Vice President of the Revolutionary Government of Zanzibar.

122. **Honourable Speaker**, I would like to applaud and acknowledge Heads of the security organs I take this opportunity to recognize the Chief of Defence Forces, General Venance Salvatory Mabeyo; Inspector General of Police, Simon Nyakoro Sirro; Commissioner General of Prisons, Major General Suleiman Mungiya Mzee; Commissioner General of Immigration, Dr. Anna Peter Makakala; Director of Tanzania

Intelligence and Security Service, Diwani Athumani Msuya; Director General of Prevention and Combating of Corruption Bureau, Commissioner of Police Salum Rashid Hamdun; Commissioner General of Drug Control and Enforcement Authority, Gerald Kusaya Musabila; and Commissioner General of Fire and Rescue Force, John William Masunga. We urge you to continue being patriotic in undertaking your responsibilities to ensure peace and security of our country.

123. ***Honourable Speaker***, I would like to thank and congratulate Honourable Sillo Daniel Baran, the Chairperson of the Parliamentary Standing Committee for Budget, and Member of Parliament for Babati Rural Constituency and his Vice Chairperson Honourable Omar Mohamed Kigua, Member of Parliament for Kilindi Constituency for their dedicated work in analysing and providing valuable contributions that have facilitated in improving the Government budget estimates. In addition, I congratulate Chairpersons, Vice Chairpersons and other members of Parliamentary Sector Committees for their contributions which

have improved the 2021/22 budget estimates.

124. **Honourable Speaker**, I would like to thank my fellow leaders and staff from Ministry of Finance and Planning and institutions under the Ministry for their support towards discharging day to day responsibilities including preparation of the Government budget. Specifically, I would like to thank Hon. Eng. Hamad Y. Masauni, Deputy Minister for Finance and Planning, Member of Parliament for Kikwajuni Constituency. I thank Permanent Secretary Treasury and Paymaster General, Mr. Emmanuel M. Tutuba, together with Deputy Permanent Secretaries, Ms. Amina Kh. Shaaban, Mr. Adolf H. Ndunguru and Dr. Khatibu M. Kazungu and all staff in the Ministry of Finance and Planning. Further, I would like to thank, Prof. Florens D. Luoga, Governor of the Bank of Tanzania for his diligent management of financial sector.

125. **Honourable Speaker**, furthermore, I would like to thank Mr. Alphayo J. Kidata, Commissioner General of Tanzania Revenue Authority (TRA) for his effective tax administration. In addition, I would like

to thank CPA Charles E. Kichere, the Controller and Auditor General for his excellent work in auditing and advising the Government. Also, I would like to thank CPA Athumani S. Mbuttuka, Treasury Registrar for continued supervision of parastatals and ensuring collection of appropriate contributions and dividends. I extend my appreciation to Dr. Albina A. Chuwa, Statistician General for effective management of the National Bureau of Statistics (NBS) and preparations for the 2022 Population and Housing Census.

126. **Honourable Speaker**, I congratulate my fellow Ministers and all Deputy Ministers who were trusted and appointed to their positions by Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania. In addition, I congratulate all my fellow members of the Parliament of the United Republic of Tanzania, for being trusted by their political parties and voted by their constituencies to represent them in the National Assembly. Sincerely, I would like to thank my beloved wife Mrs. Neema Nchemba for her encouragement, comfort and patience for the entire period I have been away from my family during the execution of my duties.

Moreover, I take this opportunity to express my sincere appreciation to the voters of Iramba West Constituency who trusted me and once again voted for me to become their representative in the National Assembly. I promise not to let them down.

127. **Honourable Speaker,** I thank business community and all citizens who have voluntarily continued to pay tax. My assurance to them is that, if we utilize our resources properly and work hard in unity, we will make Tanzania an economic and business hub for not only the East African Region but also the entire Africa. Further, I thank the media for continuing to educate the public on the importance of voluntary tax payment for the development of our nation.

128. **Honourable Speaker,** I would be indebted if I conclude my speech without thanking the religious leaders for their prayers. It is through their prayers that our country conducted peacefully the General Election of 2020 for the President, Members of Parliament and Councillors. In addition, I would also like to thank them for their prayers during the difficult times including the demise of our beloved national leaders

and the outbreak of COVID-19 Pandemic. Their prayers have helped peaceful transition to new national leadership, the President of the United Republic of Tanzania, Her Excellency Samia Suluhu Hassan. Therefore, I take this opportunity to encourage them to continue praying fervently for our Nation.

129. ***Honourable Speaker***, last but not least, I would like to sincerely thank you for giving me the opportunity to present the budget speech. Indeed, I would also like to thank all Honourable Members of this House for your kind attention.

130. ***Honourable Speaker***, I beg to move.

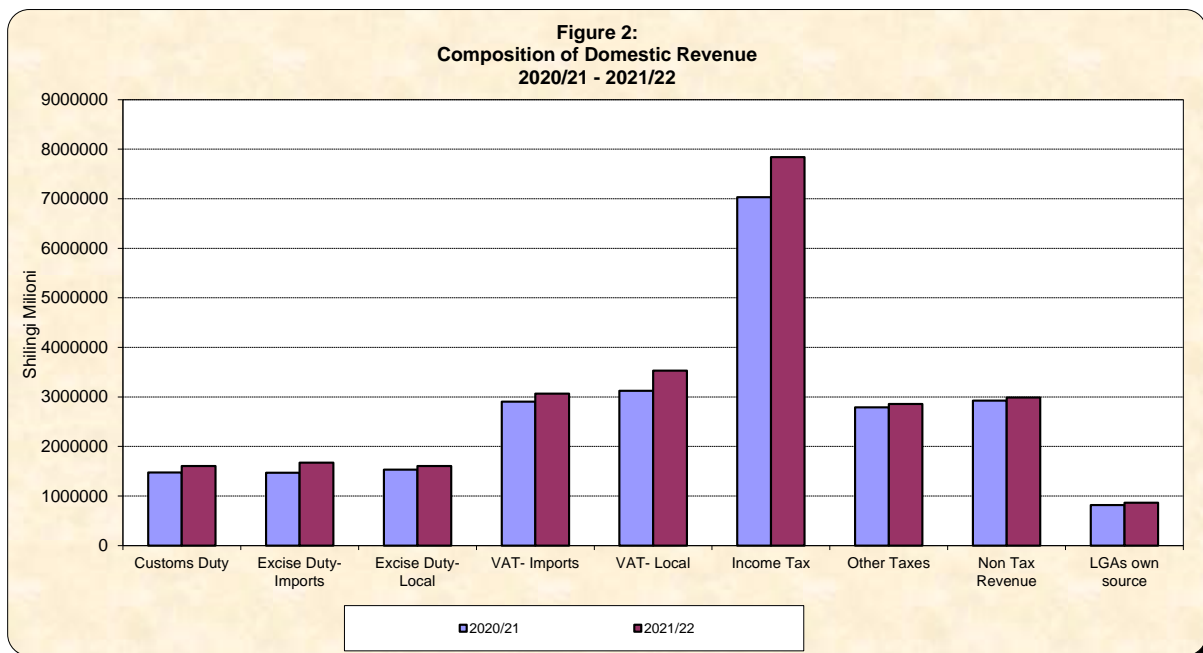
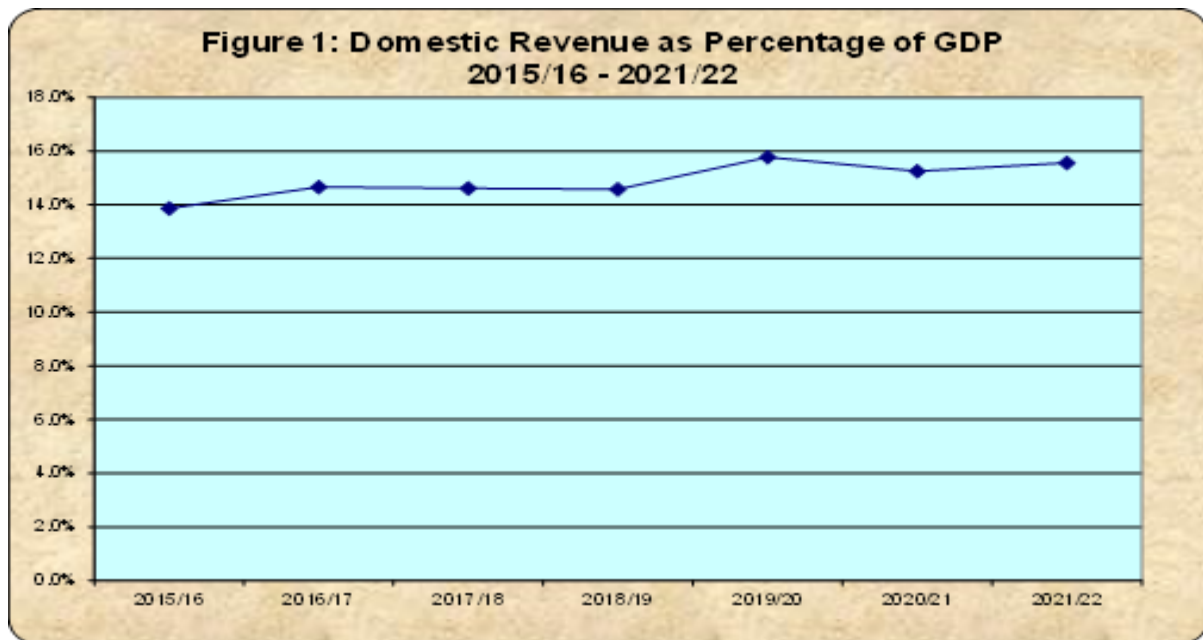
Annex 1: Domestic Revenue Collection Trend: 2015/16 - 2021/22							Tshs Million	
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22
	Actual	Actual	Actual	Actual	Actual	Budget	Likely	Budget
Total domestic revenue (including LGAs own source)	14,139,230	16,639,933	17,944,887	18,527,293	21,069,957	24,065,543	21,441,795	25,298,660
A. Tax Revenue	12,525,378	14,126,590	15,191,421	15,511,330	17,622,822	20,325,780	18,416,133	22,178,721
1. Import duty	880,296	998,164	1,109,205	1,201,045	1,253,272	1,473,805	1,387,078	1,605,305
2. Excise Duty	2,144,395	2,106,442	2,199,900	2,370,414	2,512,423	3,002,765	2,808,699	3,282,441
3. Value added tax	2,992,835	3,912,674	4,425,968	4,736,876	4,987,319	6,029,967	5,226,689	6,593,344
4. Income tax	4,594,971	5,117,862	5,157,106	5,072,402	6,490,240	7,029,831	6,678,667	7,840,532
5. Other taxes	1,912,880	1,991,449	2,299,242	2,130,594	2,379,569	2,789,413	2,315,000	2,857,098
B. Non-tax revenue	1,613,852	2,513,343	2,753,466	3,015,963	3,447,135	3,739,763	3,025,662	3,119,939
1. Parastatal dividends & Contributions	388,551	893,935	803,502	682,331	738,810	1,055,638	729,945	977,618
2. Ministries and regions	799,449	1,107,690	1,408,464	1,674,534	1,991,076	1,869,164	1,551,114	2,093,424
3. LGAs own source	425,852	511,718	541,499	659,098	717,249	814,961	744,603	48,897
Source: Ministry of Finance and Planning								

Annex No. 2a: Budget Frame for the year 2015/16 - 2021/22								
	Tshs Million							
	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Budget	2020/21 Likely	2021/22 Budget
I. TOTAL RESOURCES	22,543,664	25,417,791	26,610,843	28,962,515	29,515,050	34,879,793	30,059,331	36,329,740
Domestic revenue	13,622,182	16,128,215	17,403,388	17,868,195	20,352,708	23,250,582	20,697,193	25,168,718
LGAs Own Sources	425,852	511,718	541,499	659,098	717,249	814,961	744,603	863,858
Programme loans and grants	291,381	342,785	246,688	125,396	391,433	138,323	258,205	0
Project loans and grants	1,186,982	1,857,399	1,856,185	1,822,839	2,821,650	2,460,506	1,744,783	2,673,617
Basket support Loans	161,842	104,991	74,681	44,281	166,027	79,005	77,622	59,736
Basket support Grants	86,199	168,984	117,166	181,378	181,091	196,538	68,618	222,570
Domestic Borrowing/ roll over	3,005,789	4,615,670	4,835,199	3,718,008	3,976,811	3,316,078	3,316,078	3,150,337
Domestic Borrowing (Financing)	2,299,151	1,300,000	869,200	3,037,177	376,924	1,588,169	1,588,169	1,838,796
Adjustment to Cash	1,010,781	-838,731	-978,745	361,320	-1,290,936	0	-712,663	0
Non-Concessional borrowing	453,504	1,226,760	1,474,282	1,144,822	1,822,093	3,035,630	2,276,723	2,352,107
II. TOTAL EXPENDITURE	22,543,664	25,417,791	26,610,843	28,962,515	29,515,050	34,879,793	30,059,331	36,329,740
Recurrent Expenditure	18,204,111	18,144,967	18,995,074	20,468,676	20,206,266	22,100,538	21,113,852	23,002,951
CFS	6,480,906	8,643,560	9,532,987	9,113,538	9,919,609	10,476,832	9,976,294	10,663,278
Debt service	5,047,764	7,234,530	8,133,063	7,701,842	8,304,618	8,649,941	8,536,619	8,878,420
CFS Others	1,433,142	1,409,030	1,399,924	1,411,696	1,614,991	1,826,891	1,439,675	1,784,858
Recurrent Exp. (excl. CFS)	11,723,205	9,501,407	9,462,087	9,663,058	10,286,658	11,623,706	11,137,558	12,339,673
o/w Wages and Salaries	5,627,497	5,599,246	5,544,384	5,699,188	5,939,616	6,583,033	6,542,126	6,912,184
Parastatal PE	925,760	767,901	783,292	960,385	1,066,695	1,179,357	1,167,563	1,238,325
LGAs Own Sources	170,340	251,484	216,600	349,322	419,428	481,870	457,401	532,768
Other Charges	4,999,607	2,882,775	2,917,811	2,654,163	2,860,918	3,379,447	2,970,469	3,656,396
Development Expenditure	4,339,553	7,272,824	7,615,768	8,493,838	9,308,784	12,779,255	8,945,479	13,326,788
Local	2,904,530	5,141,451	5,397,034	6,535,879	6,840,104	10,043,206	7,030,244	10,370,865
Foreign	1,435,023	2,131,374	2,218,735	1,957,959	2,468,680	2,736,049	1,915,234	2,955,923
GDPmp	101,355,820	113,553,411	122,835,229	132,049,549	143,297,783	157,767,884	155,005,471	167,286,243
Source: Ministry of Finance and Planning								

Annex No. 2b: Budget Frame for the year 2015/16 - 2021/22								
As Percentage of GDP								
	2015/16 Actual	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Budget	2020/21 Likely	2021/22 Budget
I. TOTAL RESOURCES	22.2%	22.4%	21.7%	21.9%	20.6%	22.1%	19.4%	21.7%
Domestic revenue	13.4%	14.2%	14.2%	13.5%	14.2%	14.7%	13.4%	15.0%
LGAs Own Sources	0.4%	0.5%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
Programme loans and grants	0.3%	0.3%	0.2%	0.1%	0.3%	0.1%	0.2%	0.0%
Project loans and grants	1.2%	1.6%	1.5%	1.4%	2.0%	1.6%	1.1%	1.6%
Basket support Loans	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%	0.0%
Basket support Grants	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%
Non-Bank Borrowing/ roll over	3.0%	4.1%	3.9%	2.8%	2.8%	2.1%	2.1%	1.9%
Bank Borrowing (Financing)	2.3%	1.1%	0.7%	2.3%	0.3%	1.0%	1.0%	1.1%
Adjustment to Cash	1.0%	-0.7%	-0.8%	0.3%	-0.9%	0.0%	-0.5%	0.0%
Non-Concessional borrowing	0.4%	1.1%	1.2%	0.9%	1.3%	1.9%	1.5%	1.4%
II. TOTAL EXPENDITURE	22.2%	22.4%	21.7%	21.9%	20.6%	22.1%	19.4%	21.7%
Recurrent Expenditure	18.0%	16.0%	15.5%	15.5%	14.1%	14.0%	13.6%	13.8%
CFS	6.4%	7.6%	7.8%	6.9%	6.9%	6.6%	6.4%	6.4%
Debt service	5.0%	6.4%	6.6%	5.8%	5.8%	5.5%	5.5%	5.3%
CFS Others	1.4%	1.2%	1.1%	1.1%	1.1%	1.2%	0.9%	1.1%
Recurrent Exp. (excl. CFS)	11.6%	8.4%	7.7%	7.3%	7.2%	7.4%	7.2%	7.4%
o/w Wages and Salaries	5.6%	4.9%	4.5%	4.3%	4.1%	4.2%	4.2%	4.1%
Parastatal PE	0.9%	0.7%	0.6%	0.7%	0.7%	0.7%	0.8%	0.7%
LGAs Own Sources	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
Other Charges	4.9%	2.5%	2.4%	2.0%	2.0%	2.1%	1.9%	2.2%
Development Expenditure	4.3%	6.4%	6.2%	6.4%	6.5%	8.1%	5.8%	8.0%
Local	2.9%	4.5%	4.4%	4.9%	4.8%	6.4%	4.5%	6.2%
Foreign	1.4%	1.9%	1.8%	1.5%	1.7%	1.7%	1.2%	1.8%
Source: Ministry of Finance and Planning								

Annex 3: External Loans and Grants 2016/17 - 2020/21								
Tshs Million								
		2016/17	2017/18	2018/19	2019/20	2020/21	2020/21	2021/22
		Actual	Actual	Actual	Actual	Budget	Likely	Budget
General budget Support	Grants	190,303	246,688	0	265,338	138,323	47,670	0
	Concessional Loans	152,482	0	125,396	126,094	0	210,535	0
	Total	342,785	246,688	125,396	391,433	138,323	258,205	0
Baskets Funds	Grants	168,984	117,166	181,378	181,091	196,538	68,618	222,570
	Concessional Loans	104,991	74,681	44,281	166,027	79,005	77,622	59,736
	Total	273,975	191,847	225,659	347,118	275,543	146,240	282,306
Projects	Grants	674,938	635,704	707,797	481,419	614,461	450,891	915,506
	Concessional Loans	1,182,461	1,220,481	1,115,041	2,340,232	1,846,045	1,293,892	1,758,111
	Total	1,857,399	1,856,185	1,822,839	2,821,650	2,460,506	1,744,783	2,673,617
	Grand Total	2,474,159	2,294,720	2,173,893	3,560,201	2,874,372	2,149,228	2,955,923
Source: Ministry of Finance and Planning								

Annex 4: National Debt and Its Trend			
NEW EXTERNAL AND DOMESTIC BORROWING (SHILLINGS MILLION)			
	2019/20	2020/21	2021/22
1. Total of New External and Domestic Borrowing (a+b)	8,851,548.5	9,864,927.3	9,159,086.9
(a) New Domestic Borrowing	4,959,992.2	4,904,247.6	4,989,132.9
(i) New Domestic Borrowing (Rollover)	3,460,218.0	3,316,078.4	3,150,336.7
(ii) Net Domestic Financing	1,499,774.2	1,588,169.2	1,838,796.2
(b) New External Borrowing	3,891,556.4	4,960,679.7	4,169,954.0
(i) Concessional Projects Borrowing	1,449,162.3	1,925,049.7	1,817,847.0
(ii) Concessional General Budget Support	125,990.5	-	-
(iii) Non - Concessional	2,316,403.6	3,035,630.0	2,352,106.9
(c) Amortization of Domestic Debt	4,899,168.0	4,946,747.0	4,711,974.1
(i) Principal - Rollover	3,460,218.0	3,316,078.4	3,150,336.7
(ii) Interest Payments	1,438,950.0	1,630,668.6	1,561,637.4
(d) External Debt Services	2,963,410.0	3,703,194.5	4,166,445.8
(i) Interest	987,312.0	1,239,913.8	1,151,376.3
(ii) Principle	1,976,098.0	2,463,280.6	3,015,069.5
(e) Net Domestic Debt Increase (a-c(i))	1,499,774.2	1,588,169.2	1,838,796.2
(f) Net External Debt Increase (b-d(ii)) /1	1,915,458.4	2,497,399.1	1,154,884.5
2. Net Increase on Domestic and External Debt (e+f)	3,415,232.5	4,085,568.3	2,993,680.7
/1 The increase does not include future disbursement from existing loans			
Source: Ministry of Finance and Planning			



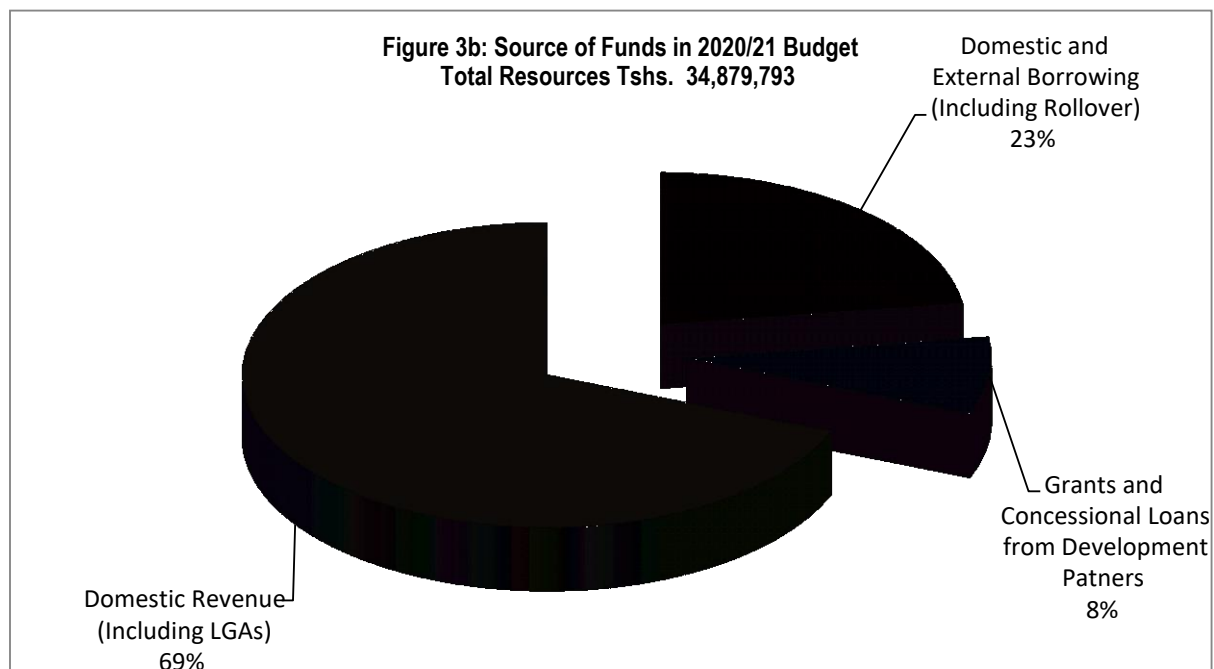
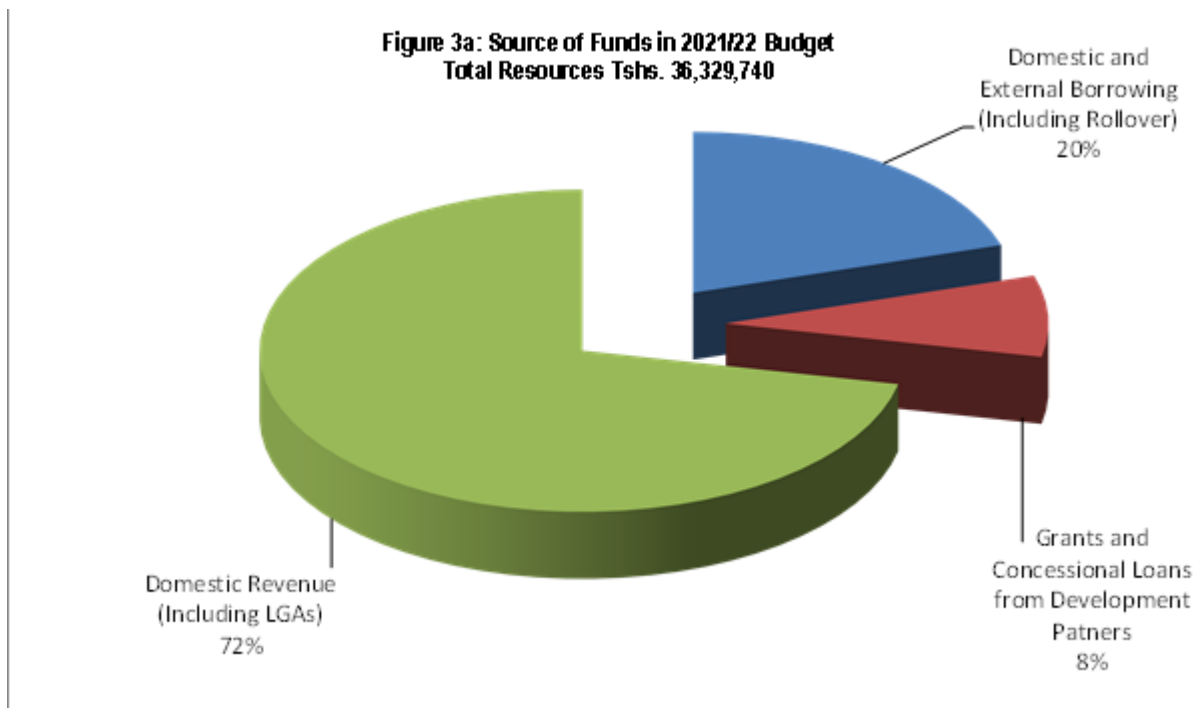


Figure 4a: Government Expenditure, 2021/22
Total Tshs. 36,329,740

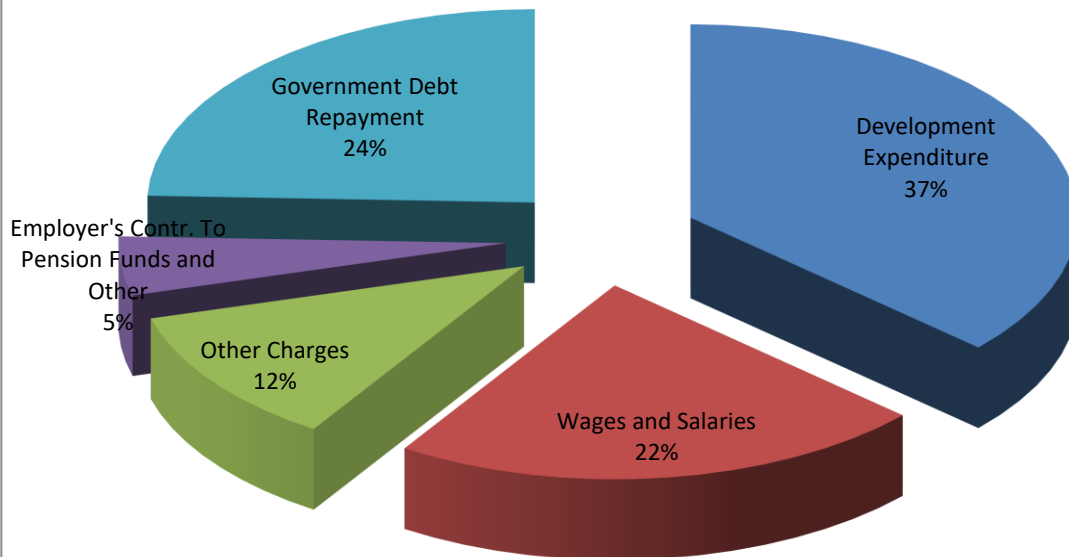


Figure 4b Government Expenditure 2020/21
Total Tshs. 34,879,793

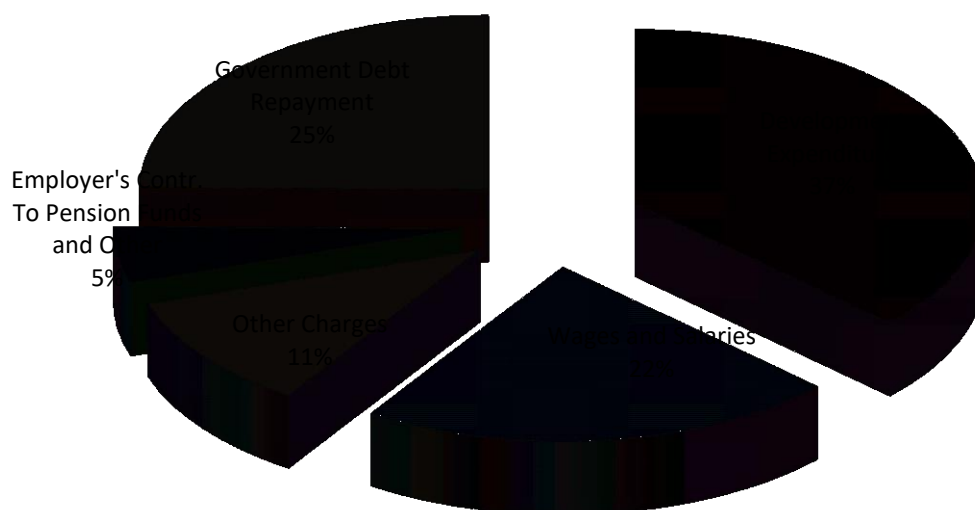
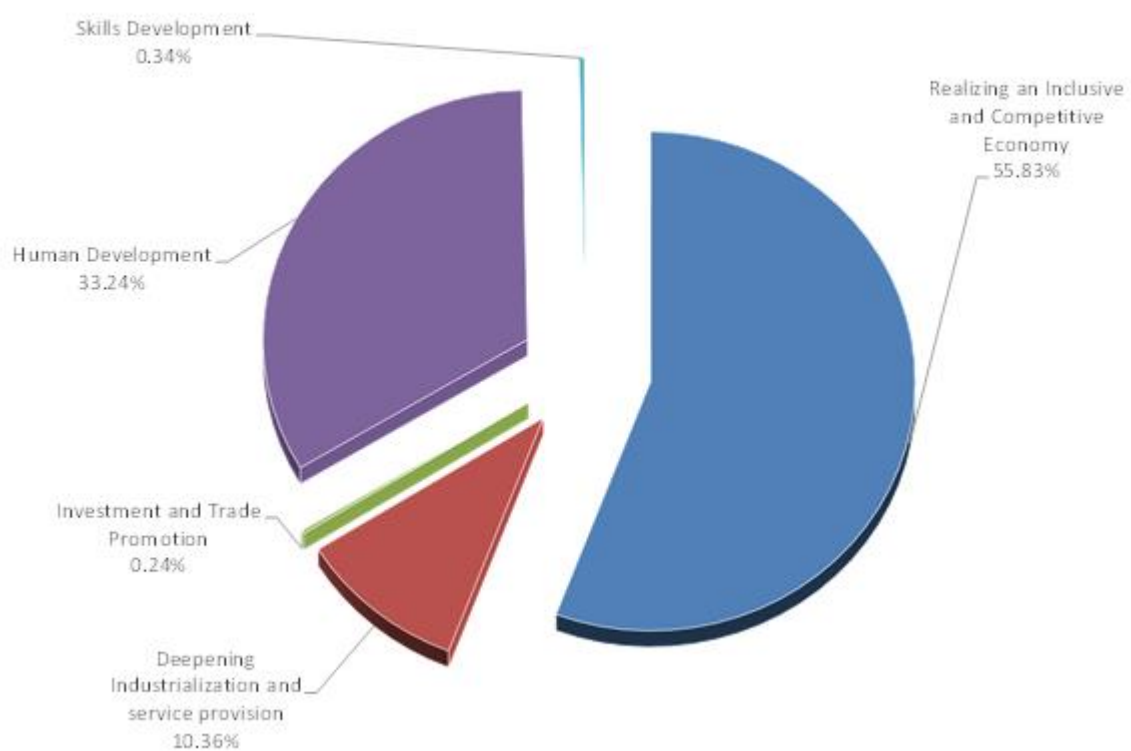


Figure No. 4C: Priority Areas in FYDP III



TANZANIA BUREAU OF STANDARDS

FOOD PRODUCTS REGISTRATION FEES

S/N	TYPE OF PRODUCT	CURRENT FEE IN US DOLLAR	PROPOSED FEE IN TANZANIA SHILLINGS
1	Registration of Milk and milk product	450	600,000
2	Registration of Cereal and cereal product	400	600,000
3	Registration of Pulses	350	500,000
4	Registration of Nuts	350	500,000
5	Registration of Tuber and roots products	360	500,000
6	Registration of Non-alcoholic beverages	350	500,000
7	Registration of alcoholic beverages	300	500,000
8	Registration of Sugar and honey	360	500,000
9	Registration of Iodated salt	280	500,000
10	Registration of Fats and oil	280	500,000
11	Registration of Tea and coffee	450	600,000
12	Registration of Cocoa and cocoa products	400	600,000
13	Registration of Spices and herbs	400	600,000
14	Registration of Vinegar	230	500,000
15	Registration of Fish and fish products	370	600,000
16	Registration of Meat and meat products	400	600,000
17	Registration of Fruits and fruits products	330	500,000
18	Registration of Drink and water	410	600,000
19	Registration of Vegetable and vegetable products	330	500,000
20	Registration of Food for infants and follow up formula	900	1,000,000
21	Registration of Food supplements	800	800,000
22	Registration of processed cereal based foods for children	850	1,000,000
23	Registration of Food additives	250	500,000
24	Registration of Confectionaries	380	550,000

Justifications

- 1 The proposed fees cover charges for product evaluation, testing and market surveillance inspections for a duration of five years. These fees are proposed to be reduced to comply with Government Blueprint For Regulatory Reform To Improve Business Environment
- 2 These fees are proposed to be reduced because part of costs for market surveillance inspections have been addressed in other intergrated systems within TBS
- 3 Reduced fees are expected to increase number of registrants and products to be registered hence Bureau's income will not be significantly affected

TANZANIA BUREAU OF STANDARDS
LABORATORY REVIEWED TESTING FEES

S/N	NAME OF LABORATORY	PARAMETER	CURRENT TFDA PRICE (IN US DOLLARS)	PROPOSED FEE (TZS)
1	CHEMISTRY	Testing of Hydroquinone in cosmetics products	435	150,000/=
		Testing of Kojic acid cosmetics products	435	150,000/=
		Moisture content	30	30,000/=
		Crude fibre	55	30,000/=
		Acid insoluble ash	55	30,000/=
		Protein	55	60,000/=
		Folic acid	65	50,000/=
		Iodine value	60	30,000/=
		Total ash	45	30,000/=
		Volatile oils	55	30,000/=
		Mycotoxins (each)	120	150,000/=
		Total Aflatoxins (µg/kg)	225	150,000/=
		Salts (%w/w)	35	30,000/=
		Chromate test	25	30,000/=
		physical tests (each)	5	10,000/=
		Slip point (Melting point)	25	30,000/=
		Acid value	50	30,000/=
		Unsaponifiable matter	50	30,000/=
		Peroxide value	50	30,000/=
		Insoluble impurities	25	30,000/=
		Soap content	20	30,000/=
		Relative density	10	20,000/=
		Refractive index	10	20,000/=
		Saponification value	50	30,000/=
		Colour in ICUMSA	30	20,000/=

2 Food

Ethyl alcohol (Ethanol) content	25	30,000/=
pH	10	15,000/=
Carbon dioxide	20	20,000/=
Polarisation	25	30,000/=
Water insoluble matter	25	30,000/=
Sulphated ash	50	30,000/=
Acidity	25	30,000/=
Brix (Total soluble solids)	15	20,000/=
Specific gravity	10	20,000/=
Total carbohydrates	30	20,000/=
Milk fat	60	45,000/=
Ascorbic acid	65	30,000/=
Water soluble ash	50	30,000/=
Alkalinity	25	30,000/=
Sugar content	50	30,000/=
Caffeine	65	50,000/=
Alkalinity of water soluble ash	40	30,000/=
Density	10	20,000/=
Sorbic acid	55	20,000/=
Total solids	30	20,000/=
Volatile acidity	25	30,000/=
Aldehydes	25	50,000/=
Methanol (for Alcoholic Beverages and Spirits)	50	50,000/=
Total acidity	25	20,000/=
Chloride (as NaCl)	35	30,000/=
Free Fatty acids (FFA)	25	30,000/=
Higher alcohols (for Alcoholic beverages and Spirits)	45	50,000/=
Hydroxymethyl furfural (HMF)	50	50,000/=
Dry matter	30	30,000/=
Total Meat content	55	20,000/=
Sulphur dioxide	50	30,000/=

Total cocoa solids	15	20,000/=
Fat free cocoa solids	15	20,000/=
Cocoa butter	35	35,000/=
Purity	50	30,000/=
Vitamins (each)	65	50,000/=
Heavy metals (each)	55	35,000/=
Pesticide residues	120	300,000/=
Drug residues	135	150,000/=
Sweeteners	65	50,000/=
Preservatives (each)	65	50,000/=
Food colours	65	50,000/=
Total plate count	130	30,000/=
Yeast and Moulds	160	30,000/=
<i>Salmonella spp</i> (each)	155	40,000/=
<i>Escherichia coli</i>	130	40,000/=
Coliforms	125	30,000/=
<i>Staphylococcus aureus</i>	150	40,000/=
<i>Listeria spp</i> (each)	150	40,000/=
<i>Bacillus spp</i> (each)	165	40,000/=
<i>Pseudomonas aeruginosa</i>	125	40,000/=
<i>Shigella</i>	155	40,000/=
Enterobacteriaceae	130	30,000/=
<i>Clostridium spp</i> (each)	165	40,000/=
<i>Sulfite reducing anaerobes</i>	125	40,000/=
<i>Streptococcus spp</i> (each)	125	40,000/=

Justifications

Most of the testing fees are proposed to be reduced to comply with Government Blueprint For Regulatory Reform To Improve Business Environment

TANZANIA BUREAU OF STANDARDS
COSMETIC PRODUCTS REGISTRATION FEES

S/N	TYPE OF PRODUCT	CURRENT FEE IN US DOLLAR	PROPOSED FEE IN TANZANIA SHILLINGS
1	Registration of Cosmetics	100	440,000

Justification

The fee is proposed to be increased to accommodate testing costs

TANZANIA BUREAU OF STANDARDS

METROLOGY LABORATORY CALIBRATION FEES

S/N	FIELD OF MEASUREMENT	TYPE OF	CAPACITY OR MEASURING	CURRENT PRICE(TZS)			PROPOSED CALIBRATION CHARGES (TZS)
		EQUIPMENT, INSTRUMENTS OR MACHINES	RANGE		CURRENT PRICE(USD)	PROPOSED CALIBRATION CHARGES (USD)	
1	MASS	Micro Balance or dual balance	(0-200)g	120,000			135,000.00
					155	195	
		Analytical Balance	Up to 200 g	80,000	103	129	90,000.00
		Analytical Balance	(201-2000)g	75,000.00	97	129	90,000.00
		Electronic Balance	(2100-6000)g	70,000.00	91	129	90,000.00
		Mechanical balance	(0-20) kg	70,000.00	91	129	90,000.00
		Weighing Balance	(10-50)kg	80,000.00	103	129	90,000.00
			(51-150)kg	110,000.00	142	194	135,000.00
			(151-250)kg	150,000.00	194	285	220,000.00
			(251-500)kg	250,000.00	323	453	350,000.00
		Weigh Bridge	(500-5000)kg	1,000,000.00	1294	1,811	1,400,000.00
			Above 5 Tone to 40 Tone	1,200,000.00	1552	2,070	1,600,000.00
			Above 50 Tone	1,700,000.00	2199	2,846	2,200,000.00
		Batch Plant	(500-2000)kg	950,000.00	1229	1,682	1,300,000.00
		Spring balance	-	90,000.00	116	129	100,000.00
		Mobile Weighing Crane	(0-20)Tone	1,500,000.00	1940	2,846	2,200,000.00
		Air Craft Weighing Scale	3781kg (Red pad)	200,000.00	259	453	350,000.00
			4143kg	200,000.00	259	453	350,000.00
			(Yellow pad)		0	0	
			2039kg	200,000.00	259	453	350,000.00
			(Green pad)		0	0	
			1 mg to 1000 g	25,000.00	32	32	25,000.00

		Set of Weights (Mass Pieces)	(2000-5000)g	20,000.00	26	26	20,000.00
			From 10 kg and above	30,000.00	39	39	30,000.00
2	FORCE	Compression Machine		700,000.00	906	1,552	1,200,000.00
		CBR (proving) ring		400,000.00	517	776	600,000.00
		Torque Wrench		110,000.00	142	207	160,000.00
		Load Cell		780,000.00	1009	1,552	1,200,000.00
		Rebound Hammer		200,000.00	259	323	250,000.00
		Tensile Machine		260,000.00	336	453	350,000.00
		Marshall machine		400,000.00	517	776	600,000.00
		Torque meter		150,000.00	194	233	180,000.00
		Tension meter		90,000.00	116	129	100,000.00
		Thermometers					
		i). Liquid-in-Glass Thermometer	(0-200)'C	85,000.00	110	129	90,000.00
			(201-600)t	95,000.00	123	142	99,000.00
			(-30-200)'C	85,000.00	110	129	90,000.00
		ii). Digital Thermometers	(-30-200)'C	85,000.00	110	129	90,000.00
			(200-600)'C	95,000.00	123	142	99,000.00
		a). System of probe and readout (Pt.100 probes/RTDs)	More than three points	110,000.00	142	155	108,000.00
			(-30-1200)'C	110,000.00	142	168	117,000.00
		b) Thermocouple probes	(-30-200)'C	85,000.00	110	129	90,000.00
		c) Pen-type digital thermom	(200-600)'C	85,000.00	110	129	90,000.00
		iii). Dial Temp. Gauges	(-30-600)'C	110,000.00	142	155	108,000.00
		iv). Thermographs	(-30-200)'C	110,000.00	142	155	108,000.00
		Dry block		260,000.00	336	453	315,000.00
		Water bath		120,000.00	155	194	135,000.00
		i). Single-point calibration		95,000.00	123	194	135,000.00
		Multiple-point calibration (3 point maximum)		160,000.00	207	259	180,000.00
		More than 3 points calibration		175,000.00	226	323	225,000.00
		Autoclave (Single Temperature point)			226	259	180,000.00

3	TEMPERATURE	Autoclave (Multiple points 3 points maximum calibration)		215,000.00	278	323	225,000.00
		Autoclave (More than 3 points calibration)		215,000.00	278	388	270,000.00
		Fridges/Freezers		110,000.00	142	168	117,000.00
		Ovens (Single point calibration)		120,000.00	155	194	135,000.00
		Ovens (Multiple-points calibration, 3 points maximum)		120,000.00	155	259	180,000.00
		Ovens (More than 3 points calibration)		120,000.00	155	323	225,000.00
		MUFFLE FURNANCES		150,000.00	194	259	180,000.00
		Incubators (Single point calibration)		130,000.00	168	194	162,000.00
		Incubators(Multiple points 3 points maximum calibration)		130,000.00	168	259	145,800.00
		Incubators(More than 3 points calibration)		130,000.00	168	323	225,000.00
		HOT PLATES(Single point calibration)		100,000.00	129	194	135,000.00
		HOT PLATES(Multiple points 3 points maximum calibration)		100,000.00	129	259	180,000.00
		HOT PLATES(More than 3 points calibration)		100,000.00	129	259	180,000.00
		Humidity Chambers		165,000.00	213	259	180,000.00
		COLD ROOMS		165,000.00	213	259	180,000.00
		Plate freezers		165,000.00	213	259	180,000.00
		Blast freezers		165,000.00	213	259	180,000.00
		Cold /Chill rooms		165,000.00	213	259	180,000.00

		TEMP. CONTROLERS		165,000.00	213	259	180,000.00
		Thermographs		85,000.00	110	129	90,000.00
		CALIBRATION WITH MAPPING (Incubators, Oven, Liquid bath, Refregirators)					
		Single point calibration		-	0	776	540,000.00
		Three points		-	0	1,035	720,000.00
		More than 3 points		-	0	1,294	900,000.00
		CALIBARTION WITH MAPPING (Autoclave)					
		Single point calibration		-	0	1,035	720,000.00
		Three points		-	0	1,294	900,000.00
		More than 3 points		-	0	1,552	1,080,000.00
4	CHEMICAL AND OTHERS	Refractometer		90,000.00	116	155	108,000.00
		pH Meter		90,000.00	116	155	108,000.00
		Moisture Analyzers		90,000.00	116	155	108,000.00
		Hydrometer		90,000.00	116	155	108,000.00
		Density meter		100,000.00	129	155	108,000.00
5	VOLUME	Capacity Measure	(0-1000)ml	40,000.00	52	52	36,000.00
			(1001 to 2000) ml	50,000.00	65	65	45,000.00
			Above 2000 ml	60,000.00	78	78	54,000.00
		Pycnometer	(50-100)ml	40,000.00	52	52	36,000.00
		TOT		30,000.00	39	39	27,000.00
		Volumetric Flask	(0-50)ml	40,000.00	52	52	36,000.00
			(51-1000) ml	40,000.00	52	52	36,000.00
			(1001-2000)ml	40,000.00	52	52	36,000.00
		Burettes	(11-100)ml	40,000.00	52	52	36,000.00
		Measuring Cylinder	(0-2000)ml	40,000.00	52	52	36,000.00
		Pipettes	(0-1000) µl	40,000.00	52	65	45,000.00
			Above 1000 µl	60,000.00	78	78	54,000.00
		Multichannel -	(0-1000)	120,000.00	155	168	117,000.00
		micropipette			0	0	
		Conical/Flask	(0-1000)ml	30,000.00	39	39	27,000.00
		Beaker	(0-1000)ml	30,000.00	39	39	27,000.00
		Syringes	(1-10)ml	30,000.00	39	39	27,000.00

6	SMALL VOLUME		(0-5)M ³	500,000.00	647	647	500,000.00
			(0-10)M3	750,000.00	970	970	750,000.00
		SYRUP TANKS	(0-15)M3	800,000.00	1035	1,035	800,000.00
			(0-20)M3	1,000,000.00	1294	1,294	1,000,000.00
			(0-1000)1	160,000.00	207	207	160,000.00
		SIMTANK	(0-2000)1	250,000.00	323	323	250,000.00
		BULK STORAGE TANKS	(0-5000)M	2,000,000.00	2587	2,587	2,000,000.00
			(6000-45000)L	12,000,000.00	15524	15,524	12,000,000.00
7	TIME AND FREQUENCY	ROAD TANKERS	(Each @ at a cost)	450,000.00	582	582	450,000.00
		5 points measurements	(1-60)s	90,000.00	116	116	81,000.00
		5 points measurements	(1 to 60)min	100,000.00	129	129	90,000.00
		5 points measurements	(61-180)min	120,000.00	155	155	108,000.00
		5 points measurements	(180min-24Hrs)	130,000.00	168	168	117,000.00
		5 points measurements	Above 1 day	190,000.00	246	246	171,000.00
		Stomacher	Time/ RPM	110,000.00	142	142	99,000.00
		Centrifuge	Time /RPM	110,000.00	142	142	99,000.00
		Vortex/ Mixer	Time / RPM	110,000.00	142	142	99,000.00
		Rotator	Time / RPM	110,000.00	142	142	99,000.00
		Los Angeles	Time /RPM	110,000.00	142	142	110,000.00
		Shaker	Time / RPM	110,000.00	142	128	99,000.00
		Tachometer	Time /RPM	120,000.00	155	140	108,000.00
8	DIMENSIONAL	Measuring Tape	(0-30)m	110,000.00	142	142	110,000.00
			Above 30 m	160,000.00	207	259	200,000.00
		Dip tape		110,000.00	142	259	200,000.00
		Height gauge		100,000.00	129	129	100,000.00
		Depth /thickness gauge		100,000.00	129	129	100,000.00
		Ruler		100,000.00	129	129	100,000.00
		Dip Stick Marking		180,000.00	233	233	180,000.00
		Tank Marking	(0-2000) mm	150,000.00	194	194	150,000.00
			(0-4000)mm	230,000.00	298	298	230,000.00
			(0-6000) mm	300,000.00	388	388	300,000.00
		Micrometer Screw Gauge	(0-50) mm	85,000.00	110	129	100,000.00
					0	0	

		Vernier Calipers	(0-150) mm	95,000.00	123	129	100,000.00
			(0-500) mm	100,000.00	129	155	120,000.00
		Dial Indicators/gauges		85,000.00	110	129	100,000.00
		Height gauges		85,000.00	110	129	100,000.00
		Set of Gauge Blocks	(0-10) mm	40,000.00	52	52	40,000.00
			Above 10 mm	45,000.00	58	58	45,000.00
		Penetrometer		85,000.00	110	129	100,000.00
		GO-NO-GO gauge		85,000.00	110	129	100,000.00
9	PRESSURE	Pressure Gauge	(0-4) bar	70,000.00	91	103	72,000.00
		Sphygmomanometer	(0-40)bar	80,000.00	103	129	90,000.00
		Differential pressure	(41-100)bar	100,000.00	129	168	117,000.00
		Pressure transmitter & switch	(101-400)bar	115,000.00	149	168	117,000.00
			(401-1000)bar	125,000.00	162	194	135,000.00
			(1001-4000) bar	135,000.00	175	194	135,000.00
		Dead Weight Tester/Pressure balance		200,000.00	259	323	250,000.00
		Pressure Safety Valves	(0-20)bar	115,000.00	149	259	200,000.00
		(PSV)	(21-100)bar	165,000.00	213	259	200,000.00
			(Above 100)bar	215,000.00	278	323	250,000.00
10	ELECTRICAL AC/DC	Potentiometer		180,000.00	233	285	220,000.00
		Ohmmeter		150,000.00	194	220	170,000.00
		Resistor		100,000.00	129	194	150,000.00
		Ammeter		150,000.00	194	259	200,000.00
		Resistance meter		100,000.00	129	194	150,000.00
		Voltmeter		100,000.00	129	194	150,000.00
		Standard cell		100,000.00	129	194	150,000.00
		Decade resistance Box		180,000.00	233	298	230,000.00
		Megger		150,000.00	194	233	180,000.00
		Levelling staff		80,000.00	103	129	100,000.00
		DMM Voltage and Resistance Measurements	Range 6 1/2 Digit	200,000.00	259	323	250,000.00
			Range 5 1/2 Digit	250,000.00	323	388	300,000.00
			Range 4 1/2 Digit	150,000.00	194	259	200,000.00
			Range 3 1/2 Digit	100,000.00	129	194	150,000.00

	DMM Current Measurements	Range 6 1/2 Digit	150,000.00	194	259	200,000.00
		Range 5 1/2 Digit	150,000.00	194	259	200,000.00
		Range 4 1/2 Digit	150,000.00	194	259	200,000.00
	Energy meter	Single phase	150,000.00	194	259	200,000.00
		Three phase	250,000.00	323	388	300,000.00

Justifications

- 1 Tanzania Bureau of Standards (TBS) is proposing new fees on calibration services in order to cover operational, equipment maintenance, transport and capacity building for Metrologists.
- 2 TBS as a National Metrology Institute (NMI), is the custodian of National measurement standards which plays role of providing traceability (point of reference) of all calibration services in the country, the proposed fees will cover the cost of purchasing the state-of-art equipment and building capacity (training of personnel).
- 3 TBS Metrology laboratory seeks traceability from other countries to meet reliability and accreditation requirements as per international standards. For that purpose the proposed fees will help TBS to cover cost of acquiring traceability from other countries such as South Africa, Sweden and Germany.
- 4 The proposed fees will cover the cost of Accreditation of metrology laboratory which is vital for accuracy and efficiency of measurement for all testing laboratories in the country.
- 5 The proposed fees will cover the cost for membership fees in international organization such BIPM and for accreditation bodies such as SADCAS.

TANZANIA BUREAU OF STANDARDS

LABORATORY NEW PROPOSED TESTING FEES

S/N	NAME OF LABORATORY	PARAMETER PER SAMPLE	PROPOSED FEE (TANZANIA SHILLINGS)
1	BUILDING AND CONSTRUCTION	Testing of Density and moisture content of pavement per point	30,000/=
2	MECHANICAL	Testing of restriction and differential pressure in oil and air Filter	50,000/=
		Testing of Elevated temperature in oil and air Filter	45,000/=
		Testing of Full-Life Efficiency in oil and air Filter	165,000/=
		Testing of Dust-holding Capacity and Incremental fractional Efficiency in oil and air Filter	250,000/=
3	CHEMISTRY	Testing of Spot in thinner	20,000/=
4	PACKAGING	Testing of Water Vapour Transmission rate (WVTR) on food packaging material	50,000/=
		Testing of Oxygen Transmission Rate (OTR) on food packaging material	50,000/=
5	TEXTILE AND LEATHER	Testing of sole hardness	30,000/=
		Testing of chromium as chromic oxide (Cr ₂ O ₃) in leather products and materials	50,000/=
		Testing of seaming strength in stitched fabric	50,000/=
		Testing of button attachment strength	40,000/=
		Testing of puncture resistance in Poly Vinyl Chloride (PVC) coated fabric	50,000/=
		Testing of ball pressure	20,000/=
		Testing of moisture content in textile and leather product	30,000/=
		Testing of colour specifications of National flag as per Pantone Matching System (PMS)	20,000/=
6	FOOD	Testing of Hydrogen sulphide producing bacteria	40,000/=
		Testing of Leuconostoc mesenteroides	40,000/=

Justifications

- 1 These are the fees for new parameters in which the Bureau has developed test capability due to development of new products, new standards and technological advancement
- 2 These fees covers costs for purchasing testing materials, operations, maintenance and calibration of equipment
- 3 These testing fees are requested in order to strengthen service delivery in line with the new mandated functions in regulating safety and quality of food and cosmetic products

TANZANIA BUREAU OF STANDARDS

REVIEWED INSPECTION FEE

S/N	SERVICE DESCRIPTION	FEE DESCRIPTION	CURRENT FEE	PROPOSED FEE
1	Inspection of products except used motor vehicles	Batch certification fee	0.2% of Cost and Freight (C&F) as per Tanzania Revenue Authority (TRA) assessed value	6 Tsh/Kg

JUSTIFICATION

- 1 Batch certification fee is intended to cover costs for market surveillance inspections.
- 2 The old fee included freight charges for the whole consignment without indicating the amount apportioned to each item in the packing list to separate the regulated items from the un-regulated ones.
- 3 The proposed fee shall be charged based on the weight of the consignment rather than the value.

MARINE PARKS AND RESERVES (USER FEES) REGULATIONS, 2009.

PROPOSED AMMENDMENTS

[illegible]

	<ul style="list-style-type: none"> • Non EAC students- US\$ 10 • Residents Students- US\$ 5 <p>Deleting and Replacing for it the following-</p> <p>(iv) Children below the age of 5 years</p> <ul style="list-style-type: none"> • EAC Citizens - Free • Non EAC Citizens- Free • Residents - Free 				(iv)RECOMMENDED
B.	ENTRANCE FEE FOR EACH PERSON PER DAY IN THE MARINE RESERVES				
	<p>(i) For each person above the age of 15 years-</p> <ul style="list-style-type: none"> • Tanzanian- Tshs. 2,000.00 • Non-Tanzanians - US\$ 10 <p>(ii) Between the age of 5 years and 15 years</p> <ul style="list-style-type: none"> • Tanzanian - Tshs. 1,000.00 • Non-Tanzanians - US\$ 5 	<p>(i) For each person age of 16 years and above-</p> <ul style="list-style-type: none"> • EAC Citizens- Tshs. 10,000 • Non EAC Citizens -US\$ 15 • Residents - US\$ 10 <p>(ii) Between the age of 5 years and 15 years-</p> <ul style="list-style-type: none"> • EAC Citizens - Tshs. 2,000 • Non EAC Citizens -US\$ 10 • Residents - US\$ 5 <p>Additional of new item -</p> <p>(iii) Students-</p> <ul style="list-style-type: none"> • EAC Citizens- Tshs. 5,000 • Non EAC Citizens - US\$ 10 • Resident - US\$ 5 	Different fees based on type of nationality ie EAC, Resident and Non Tanzanians in Marine Reserves.		<p>(i) RECOMMENDED</p> <p>(ii) RECOMMENDED</p> <p>(iii)RECOMMENDED</p>

	(iii) Children below the age of 5 years- <ul style="list-style-type: none"> • Tanzanians -Free • Non-Tanzanians - Free 	Deleting and Replacing for it the following- (iv) Children below the age of 5 years- <ul style="list-style-type: none"> • EAC Citizens - Free • Non EAC Citizens - Free • Residents - Free 			(iv)RECOMMENDED
C.	BOAT AND SPORT FISHING LICENSING WITHIN MARINE PARKS ONLY				
	(i) Visiting leisure boat privately owned and Non-commercial - US\$ 100 per entry for maximum of 5 days. (ii) Visiting commercial leisure boat including chartered - US\$ 200 per entry for maximum of 5 days. (iii) Game fishing boats ----- US\$ 200 per entry up to 5days. (iv) Cruise ship/tourist passenger boat - US\$ 1000 per entry for maximum of 5 days. (v) Visitors staying at lodges and fishing in a boat owned by registered Business in the Marine	(i) Visiting leisure boat privately owned and Non-commercial- US\$ 100 per entry for maximum of 7 days. (ii) Visiting commercial leisure boat including chartered - US\$ 200 per 7 days. (iii) Game fishing boats ----- US\$ 200 per 7 days. (iv) Cruise ship tourist passenger boat - US\$ 1000 per 7 days. (v) Visitors staying at lodges and fishing in a boat owned by Registered Business in the marine parks or visiting Game fishing boats shall pay	Operational and as requested by the Stakeholders.		(i) RECOMMENDED (ii) RECOMMENDED (iii) RECOMMENDED (iv) RECOMMENDED (v) RECOMMENDED

	<p>Parks or visiting game fishing boats shall pay a fishing license of - US\$ 50 for a period of five (5) days.</p> <p>(vi) Fishermen on game fishing boats each pay a fee of ----- US\$ 50 for period up to 5 days.</p>	<p>for a fishing permit of - US\$ 50 per 7 days</p> <p>(vi) Fishermen on game fishing boats each pay a fee ----- US\$ 50 per 7 days New items-</p> <p>(viii) Fast ferrying boat ----- US\$ 100 per month.</p> <p>(x) Operating Glass Bottomed Boat in the marine park ----US\$ 100 per month.</p>			<p>(vi) RECOMMENDED</p> <p>(vii) RECOMMENDED</p>
D.	LICENSED BOAT OPERATING WITHIN MARINE RESERVES ONLY				
	<p>(i) Passenger boats with a carrying capacity of seven (7) passengers ----- US\$ 300 per month.</p>	<p>(i) Passenger boat with a carrying capacity of seven (7) to twenty (20) passengers - US\$ 100 per month.</p> <p>(ii) Passenger boat with a carrying capacity of twenty-one (21) and above passengers - US\$ 150 per month.</p> <p>New Item</p> <p>(iii) Cruise ship tourist passenger boat - US\$ 1000 per 7 days</p> <p>(iv) Fast ferrying boat - US\$ 100 per month.</p> <p>(v) Operating glass bottomed boat in the reserves - US\$ 100 per month.</p>	Operational and as requested by the Stakeholders.		<p>(i) RECOMMENDED</p> <p>(ii) RECOMMENDED</p> <p>(iii)RECOMMENDED</p> <p>(iv)RECOMMENDED</p> <p>(v) RECOMMENDED</p>

E.	CONCESSION																				
	<p>(i) Permission to operate public services (e.g. restaurants & Night camping) in the Marine Reserves ----- US\$ 1,200 per month.</p>	<p>(i) Permission to operate public services e.g. restaurants & night camping of different categories annually;</p> <p style="text-align: center;">CATEGORY</p> <p style="text-align: center;">(i) Marine Reserves (US\$)</p> <table><tr><td>A</td><td>B</td><td>C</td><td>D</td></tr><tr><td>40,000</td><td>20,000</td><td>10,000</td><td>2,500</td></tr></table> <p style="text-align: center;">(ii) Marine Parks (US\$)</p> <table><tr><td>A</td><td>B</td><td>C</td><td>D</td></tr><tr><td>25,000</td><td>10,000</td><td>3, 000</td><td>1,000</td></tr></table> <p>CATEGORIES OF TOURISM INVESTMENT</p> <p>A = Four star and above rating hotels/lodges B = Three-star rating C = Two-star rating hotels and dive centers and other water sports facilities D = Guest houses/Rest houses/Hostels and Home stay/Gift shops/Restaurants</p> <p><i>Note: The amount indicated are minimum rates for prescribed categories.</i></p>	A	B	C	D	40,000	20,000	10,000	2,500	A	B	C	D	25,000	10,000	3, 000	1,000	<p>Fees differ based on the type of investment and lucrative nature of the island as per the feasibility study and business modal conducted.</p>		<p>(i) RECOMMENDED</p>
A	B	C	D																		
40,000	20,000	10,000	2,500																		
A	B	C	D																		
25,000	10,000	3, 000	1,000																		
	<p>(ii) Permission to operate</p>	<p>(ii) Concession fee for investment in</p>																			

	public services (e.g. tourist hotel & night camping) in the Marine Park a concession fee is - ---- US\$ 1,500 per month.	prime areas ----- US\$ 50,000 per year. New Item (iii) Landing fees for seaplanes and helicopter ----- US\$ 100 per landing. (iv) Tour guides shall be required to pay tour guiding fees ----- US\$ 50 per year.			(ii) RECOMMENDED
F.	COMMERCIAL FILMING FEES				
	Image capture of any type, i.e. still photograph, motion picture photography, still or conventional video imaging, for commercial purposes, in any Marine Park or Marine Reserve shall pay US\$ 1,000 per period of up to seven (7) days.	Image capture of any type, i.e. still photograph, motion picture photograph, still or conventional video imaging, for commercial purposes, in any Marine Park or Marine Reserve shall pay US\$ 200.00 per day.	Stakeholders requested to pay per day as sometimes as film can be finalized in a day or two due to technological advancements.		RECOMMENDED
G.	REVENUE SHARING AMONG MPRS AND KEY STAKEHOLDERS				
	A portion of net revenue from user fee shall be shared among the MPRU, District Councils and Local Communities in the vicinity of Marine	A portion of net revenue from user fee shall be shared among the MPRU, District Councils and Local Communities in the vicinity of Marine Protected Areas as per Marine Parks and Reserves Act. The	The Unit has to remit 15% of its gross revenue to Government Consolidated Fund.		RECOMMENDED

	<p>Protected Areas as per Marine Parks and Reserves Act. The distribution percentage shall be as follows:</p> <p>(i) Marine Parks and Marine Reserves (MPRU) - 70%</p> <p>(ii) District Authorities - 10%</p> <p>(iii) Local Communities - 20%</p>	<p>distribution percentage shall be as follows:</p> <p>(i) Marine Protected Areas- 70%</p> <p>(ii) District Authority(ies) - 5%</p> <p>(iii) Local Communities - 10%</p> <p>(iv) Remittance to Government Consolidated Fund -15%</p>			
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