



## 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 FOR 2023/24**

**“Accelerating Economic Recovery,  
Climate Change Adaptation & Mitigation,  
and Enhancing Productive Sectors  
for Improved Livelihood”**



**Dodoma  
15 June 2023**



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## **I. PREAMBLE**

1. **Honourable Speaker**, I beg to submit to your Esteemed Parliament, resolves to receive, debate and approve the Government's proposals for Revenue and Expenditure Estimates for 2023/24. This budget is presented in line 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, February 2023 Edition.

2. **Honourable Speaker**, along with this speech, I submit four (4) volumes of budget books which provide detailed explanations of the budget estimates as follows: **Volume I** describes Revenue Estimates; **Volume II** describes Recurrent Expenditure Estimates for Ministries, Independent Departments and Government Agencies while **Volume III** describes for Recurrent Expenditure Estimates for Regional Secretariats and Local Government Authorities; and **Volume IV** presents Development Expenditure Estimates for Ministries, Independent Departments, Government Agencies, Regional Secretariats and Local Government Authorities. In addition, the Finance Bill 2023 and the Appropriation Bill 2023 are part of this budget.

3. **Honourable Speaker**, the Government Budget Estimates for 2023/24 have been prepared in accordance with various national, regional and international policies, laws and guidelines including: the Third - National Five Year Development Plan (2021/22 - 2025/26) which has been prepared in line with the National Development Vision 2025; Chama Cha Mapinduzi (CCM) Election Manifesto 2020; East African Development Vision 2050; Agenda 2063 “The Africa We Want”; Agenda 2030 for Sustainable Development Goals; United Nations Sustainable Development Cooperation Framework (2022 – 2027); other regional and international agreements that Tanzania has ratified and various speeches by Her Excellency, the President.

4. **Honourable Speaker**, I would like to take this opportunity to thank the Almighty God for protecting and giving us good health that enable us to perform our responsibilities for the national interest as well as enabling me to stand before this Esteemed Parliament to present the Government Budget for the year 2023/24. I thank Almighty God for continuing to bless our country with peace, unity and solidarity under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania and**

## **the Commander-in-Chief.**

5. **Honourable Speaker**, in a special way, allow me to thank Her Excellency the President of the United Republic of Tanzania, for her continued trust in me to serve the country as the Minister for Finance and Planning. I would like to reassure Her Excellency of my commitment to execute the responsibilities vested in me with integrity, honest and professionalism to achieve the intended goals of the CCM Election Manifesto 2020.

6. **Honourable Speaker**, I would like to take this opportunity to sincerely congratulate **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, on her two (2) years of firm leadership aimed at achieving major economic, political and social transformation. **Her Excellency has proved that she** is a diligent, ethical, responsive and hardworking leader with a strong vision to bring great success to our country. She has continued to implement new and on-going strategic projects, manage the Government debt and payment of arrears to public servants and pensioners, promote democracy and economic diplomacy. This implies that nothing has been left behind and all that is being done cannot be explained by mere words.

7. **Honourable Speaker**, in a special way, I would like to take this great opportunity to congratulate Comrade Daniel Godfrey Chongolo, Secretary General of the Chama Cha Mapinduzi, for his initiative on monitoring the implementation of the Party's Manifesto (2020 - 2025) through various development projects implemented by the Government. This initiative has been productive in accelerating implementation and completion of development projects. **I urge Government officials to implement directives provided during the missions and give feedback to Honourable Members of Parliament.**

8. **Honourable Speaker**, despite economic shocks experienced by countries across the world, our country is still making progress. According to the International Monetary Fund (IMF) World Economic Outlook report of April 2023, Tanzania's economy is expected to reach USD **85.4 billion** in 2023 from USD **69.9 billion** in 2021. This performance has ranked our country at 6<sup>th</sup> position compared to other Sub Saharan Countries followed by Kenya (USD 116.0 billion), Ethiopia (USD 120.4 billion), Angola (USD 121.4 billion), South Africa (USD 405.7 billion) and the leading country is Nigeria (USD 477.4 billion). Other countries with large economies below Tanzania include Ghana (USD 72.8 billion), Côte

d'Ivoire (USD 70.0 billion), DRC (USD 62.8 billion) and Uganda (USD 48.8 billion). Thus, whenever we give examples of where our economy is heading to, it is crucial to be aware of how other economies ahead of us are performing. Based on the programs established by **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania and Chairperson of CCM**, of investing in the productive sectors and promoting investment and people's economic empowerment, Tanzania will surpass many countries in the near future.

9. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** started sovereign credit rating exercise in 2008, where the process was not completed due to various reasons including the economic recession and global financial crisis. However, under the firm leadership of Her Excellency Dr. Samia Suluhu Hassan, the Government has succeeded in completing the exercise which was an obstacle in accessing financial resources from international capital markets.

10. **Honourable Speaker**, in March 2023, Fitch Ratings Ltd and Moody's Investors Service started the exercise of sovereign credit ratings. In May 2023,

Moody's Investors Service completed the assessment and published the results while Fitch Ratings published it in June 2023. According to the published results, Moody's Investors Service assigns Tanzania **B2 POSITIVE** while Fitch Ratings assigns Tanzania **B POSITIVE** with stable outlook as comparable to East and Central Africa peer countries. The results reflect among others, strong macro-economic performance with high GDP growth, prudent management of the national debt, conducive environment for private sector investments, strengthened international cooperation and good environment for political reconciliation in the country. The completion of the rating exercise enables Tanzania to be recognized in the international financial and capital markets, and thus, attract investment and increase access of financial resources to the public and private sector.

## II. ACHIEVEMENTS OF THE SIXTH PHASE GOVERNMENT

11. **Honourable Speaker**, as we are all aware, **Her Excellency Dr. Samia Suluhu Hassan** assumed power at a time when the world was experiencing economic crisis due to the COVID-19 pandemic and later the ongoing conflict between Russia and Ukraine. The effects of these shocks were realized in all economic and social aspects globally including increase in deaths, decline in production activities, disruption of goods and services distribution network/value chain and increase in the cost of provision of social services, especially health and education. As a result, the rate of economic growth of our economy has slowed down from 7.0 percent in 2019 to 4.7 percent in 2022.

12. **Honourable Speaker**, despite the transition of leadership amidst shocks, **Her Excellency the President Dr. Samia Suluhu Hassan**, through her dedicated leadership has implemented various policies and strategies including prudent monetary and fiscal policies that enabled our economy to withstand these shocks. It is obvious that, the implementation of these policies and strategies have brought great successes under the Sixth Phase

Government. Achievements of this Phase have been explained by my fellow ministers while tabling their respective ministerial budgets. I would also like to mention some of these achievements as follows:

**a) Revenue**

13. **Honourable Speaker**, under the leadership of CCM Government led by **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, domestic revenue has increased to 24.40 trillion shillings in 2021/22 from to 20.59 trillion shillings in 2020/21. In addition, from July 2022 to April 2023, the domestic revenue collection has reached 21.67 trillion shillings, whereas in December 2022, the Tanzania Revenue Authority (TRA) collected 2.63 trillion shillings, which is the highest monthly collection since its establishment in 1996. Honourable Members of Parliament, this impressive trend is a sign that the Sixth Phase Government is committed to implement strategies for: increasing revenue collection in accordance with laws, guidelines and procedures; strengthening revenue collection systems; and improving the business environment and investment in the country.

## **b) Financial Sector**

14. **Honourable Speaker**, the Sixth Phase Government continues to implement prudent monetary policy as well as the Blueprint for Regulatory Reforms to Improve Business Environment in the country. This has resulted to a decline in interest rates on bank loans, whereas for the year ending April 2023, the overall lending rate decreased to an average of 15.91 percent from an average of 16.58 percent in April 2021. The decline in interest rates has contributed to an increase in credit to the private sector to 22.5 percent in April 2023 compared to 4.8 percent in April 2021. In addition, Non-Performing Loans (NPLs) have continued to decline to 5.5 percent in April 2023 compared to 9.8 percent in April 2021. The Government will continue to strengthen the supervision of the banking sub-sector to increase efficiency in the financial sector.

15. **Honourable Speaker**, the Sixth Phase Government, under the leadership of Her Excellency Dr. Samia Suluhu Hassan, acknowledges the importance of citizen economic empowerment, including women, youth and people with disabilities. Thus, the Government is making changes in the

management of the 10 percent of the council's own source revenue. The date for resumption of new procedure of issuing and repayment of the loans will be communicated to the public.

16. **Honourable Speaker**, I propose additional allocation of 1.0 billion shillings to Charitable Fund for Disabled to support much needed equipment. The fund will also be used to support people with disabilities including disabled members of Parliament. I urge all stakeholders to contribute to this Fund which will complement to the Tanzania Productive Social Safety Net (PSSN) Programme. **MAMA has initiated, let's support her.**

17. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, intends to amend the Banking and Financial Institutions Act, CAP 342. This amendment will extend to the Deposit Insurance Board (DIB), the duties to provide liquidity in the form of a loan to a bank or financial institution which is facing liquidity challenges. The amendments will also give DIB power and legal mandate to participate fully, in collaboration with the Bank of Tanzania, in assessing and determining

appropriate action that should be taken when banks or financial institutions are at risk of bankruptcy. This arrangement will save a bank or financial institution to enter into liquidation process which causes significant losses and distress to depositors and creditors.

18. **Honourable Speaker,** the Government continued to implement the action plan of the Financial Action Task Force (FATF), where the following have been achieved: amending laws and regulations as part of implementing FATF technical standards; establishing National Anti-Money Laundering, Counter Terrorist Financing and Counter Proliferation Financing Strategy 2022/23 - 2026/27; conducting a review on terrorist financing risks for Civil Societies; conducting various trainings and campaigns aimed at increasing awareness on money laundering and terrorist financing for whistleblowers especially the selected non-financial business and academic institutions; establishing a specialized center to deal with money laundering and terrorist financing cases; and preparing various guidelines to assist law enforcement institutions in investigating and prosecuting money laundering and terrorist financing. These measures aimed at increasing effectiveness of the control systems of

money laundering, terrorist financing and financing of weapons of mass destruction.

c) **Productive Sectors**

**Agriculture**

19. **Honourable Speaker**, based on the fact that majority of Tanzanians reside in rural areas where agriculture is the backbone of their economy, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, continues to improve citizens' life by increasing agriculture budget from 294 billion shillings in 2021/2022 to 954 billion shillings in 2022/2023 and reaching 970.8 billion shillings in 2023/24. This budget increase has enabled the following: increased availability and accessibility of agricultural inputs; establishment of block farming through *Building a Better Tomorrow: Youth Initiative for Agribusiness* (BBT-YIA); improved research and extension services; provision of fertilizer subsidy to farmers; construction and rehabilitation of irrigation schemes, and storage facilities; establishment of Agricultural Development Fund and improvement of markets for agricultural products.

20. **Honourable Speaker**, the Government has continued to strengthen food security through various measures including construction of 14 warehouses and 20 silos for the cereals' storage. These measures have contributed to country's food sufficiency ratio to reach 114 percent in 2022/23. The government will continue to facilitate the National Food Reserve Agency (NFRA) to purchase grains from farmers. In 2023/24, a total of 400,000 tonnes are expected to be purchased with the aim to have at least four months of grains reserve.

21. **Honourable Speaker**, the Government has continued to provide fertilizer subsidies to small holders' farmers to ensure its availability at affordable prices. As of April 2023, a total of 214.8 billion shillings has been disbursed including local and foreign funds. The subsidies made it possible for a 50 kg sack of fertilizer to be sold between 50,000 to 70,000 shillings which is below the average market price of 140,000 shillings.

22. **Honourable Speaker**, due to the efforts taken by CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, in strengthening the agricultural sector, we all have

witnessed good progress in implementation of agricultural projects. The Government will continue to disburse funds in this sector depending on the efficiency as motivation for satisfactory performance. Therefore, I urge the respective Ministry to ensure achievements of the agreed indicators under the Performance for the Results (P4R) instrument. This instrument may increase allocated amount for the sector up to 1.27 trillion shillings for implementation of agricultural development projects. ***The Government of Dr. Samia is at work, we want to fight poverty by actions!***

## **Livestock and Fisheries**

23. **Honourable Speaker**, in strengthening the livestock sub-sector, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, in collaboration with livestock stakeholders continues to implement various projects. The projects include those for improving livestock health, extension services, research and training services as well as market for livestock products. The achievements attained in this sector as of April 2023 include: completion of 97 cattle dips and continued with the construction of 160 cattle

dips in 25 regions; establishment of eight (8) operational centres to provide livestock breeding (fattening skills) to both youth and women; and the purchase of 1,200 motorcycles and 13 motor vehicles to strengthen the provision of extension services.

24. **Honourable Speaker**, in strengthening the fisheries sub-sector, the Government has continued to disburse funds for: the construction of a laboratory at the Tanzania Fisheries Research Institute - TAFIRI (Dar es Salaam); the construction of Kilwa fishing port; rehabilitation of infrastructure for aquatic organisms; continued construction of Chifunfu (Sengerema) and Igabiro (Bukoba) fish catchment sites and completion of procurement procedures for the purchase of 118 fishing boats, this being the first phase of the purchase of 160 boats to be lent to the fishermen. In addition, the Government has reduced the charges for exporting fish products and provided exemptions of Value Added Tax (VAT) and customs duties in the importation of various inputs whereby 15 aquaculture companies have benefited.

25. **Honourable Speaker**, the Government recognizes the challenges facing pastoralists in the

country. The availability and access to pasture, water, grazing land and low livestock productivity remains a challenge. Livestock should never be a curse nor should it be a cause of poverty in our country, livestock is wealth. *“my education was financed through selling livestock. To date, I can still recall the names and colours of the cattle that were sold”*. The CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, will conduct a detailed assessment in a participatory manner by involving livestock keepers throughout the country in finding the best ways to capacitate and strengthen effective management of grazing areas and livestock infrastructure as recommended by the sector. Major changes are expected in the Livestock and Fishing Sectors, changes that will enable these sectors to contribute greatly in the efforts of poverty reduction and increase the National Income.

## **Minerals**

26. **Honourable Speaker**, in ensuring value addition and prevention of mineral smuggling, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has

continued to disburse funds for: establishing mineral centres where a total of 40 new centres have been opened during the Sixth Phase Government and thus making a total of 93 minerals centres; completing the construction of centres of excellence for small scale miners in Songea, Mpanda and Chunya; purchasing of Tanzanite minerals worth 2.2 billion shillings; purchasing five (5) small mining plants for small-scale miners; and purchasing two (2) plants for charcoal production using coal.

27. **Honourable Speaker,** in 2023/24, the Government will continue to strengthen the mining sector contribution to our economy. The Government in collaboration with private sector will expedite research on strategic minerals and other minerals. In addition, the Government will establish mineral auctions in the country in order to enable gemstone miners including Tanzanite miners to access competitive international markets and attract value addition in minerals. Further, this intervention will promote existence of gemstones in Tanzania and emphasize on minerals' value additions.

28. **Honourable Speaker,** following the completion of the construction of gold refinery plants, the

Government continues to provide incentives to ensure availability of sufficient raw materials. In this endeavour, the Government has reduced royalties for minerals sold in refinery plants from 6 percent to 4 percent. Further, the Government continues to review policies, laws and tax administrative procedures in order to ensure purification of gold before exportation. In that regard, I am delighted to inform your Esteemed Parliament that, the Government has finalized procedures for purchases of gold through Bank of Tanzania aiming at establishing **National Gold Reserve** that will eventually offer competitive price to miners and strengthen our currency. This is in line with directives from **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, together with the contributions of the Honourable Members of Parliament during discussions on the budgets for Ministry of Minerals, Ministry of Finance and Planning and others.

29. **Honourable Speaker**, I would like to inform your Esteemed Parliament that, in implementing Liganga and Mchuchuma Projects, the Government has released funds for compensation exercise to pave way for the project to **take off without any encumbrance between the parties.**

## **Natural Resources and Tourism**

30. **Honourable Speaker**, despite the tourism sector being affected by the COVID-19 pandemic, the effort by **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** to promote tourism has brought a great success through the *Tanzania: The Royal Tour* documentary. The achievements include an increase in the number of foreign tourists from 922,692 in 2021 to 1,454,920 in 2022, which is an increase of 57.7 percent. In addition, domestic tourists who visited various tourist attractions in the country were 2,363,260 in 2022 compared to 788,933 in 2021. This led to an increase of revenue in the tourism sub-sector from USD 1,310.0 million in 2021 to USD 2,527.7 million in 2022, equivalent to an increase of 93 percent.

## **Lands, Housing and Human Settlements Development**

31. **Honourable Speaker**, in creating a friendly environment for enabling citizens to pay taxes, **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, granted a waiver of interest on land rent arrears from July 2022 to April 2023. The waiver intended

to reduce costs to the citizens and thus enabling the principal repayment. In minimizing the costs of owning land, the Government is reviewing various levies and fees to provide relief to landowners and to expedite land ownership process. In addition, the Government continues with the implementation of the Land Tenure Improvement Project (LTIP). The objective of the project is to improve land ownership and administration by addressing various challenges facing the sector including the slow pace of planning, surveying and appropriating land and preparing village land use plans.

#### **d) Infrastructures**

##### **Works**

32. **Honourable speaker**, in the works sector, the Government disbursed funds for the construction of roads, bridges and ferries infrastructures that open up economic opportunities and connect Tanzania with neighbouring countries. As of April 2023, a total of 1,151.37 km of roads were constructed and 1,483.74 km are under construction to bitumen standard. In addition, a total of 1,124.3 km of regional roads was rehabilitated to gravel standard. Further, the Government has continued with the

expansion of Kimara – Kibaha Road (25.7 km) that include the completion of flyovers to Magufuli Bus Terminal and Kinyerezi. Moreover, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has disbursed funds for conducting a feasibility study for Kibaha – Morogoro road (205.0 km) and later Morogoro – Dodoma to be implemented under the PPP modality and construction of outer ring road 112.3 km to bitumen standard in Dodoma City.

33. **Honourable Speaker**, likewise, the Government has disbursed a total of 1.43 trillion shillings for construction of roads to bitumen standard (798.1 km) and to gravel standard (23,251.9 km), bridges (177) and culverts (1,002) through TARURA. These are great achievements attained by the Sixth Phase Government as a result of increasing TARURA budget for more than fourfold. Rural roads are essential for the livelihood, safety and economic well-being of Tanzanians. In acknowledging the significance of rural roads, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, intends to further increase budget for the

construction of permanent villages and streets roads to get rid of seasonal roads. We have learned a lesson from the Performance for Results - P4R instrument used by Development Partners in the implementation of education and water projects. This instrument may increase allocated amount for the sector up to 350 billion shillings for implementation of TARURA projects. The increase in funds will aim to construct roads that are important links between production areas and markets.

***MAMA yuko Kazini!***

## **Transport**

34. **Honourable Speaker**, in improving the transport sector, the Sixth Phase Government has continued to disburse funds for the implementation of various development projects including railways, ports and airports. As of April 2023, the construction of the railway Lot 1: Dar es Salaam – Morogoro (300 km) is at 98.14 percent; Lot 2: Morogoro – Makutupora (422 km) is at 93.83 percent; Lot 5: Mwanza – Isaka (341 km) is at 31.07 percent. Likewise, the Government has commenced construction of Lot 3: Makutupora – Tabora (371 km), Lot 4: Tabora – Isaka (163 km) and Lot 6: Tabora – Kigoma (506 km). Procurement procedures

for the construction of Uvinza–Malagarasi–Msongati Lot and Gitega–Uvira–Kindu (DRC) Lot are ongoing.

35. **Honourable Speaker**, another on-going activity is procurement of rolling stock (locomotives, passenger and freight wagons) for the operationalization of SGR. Further, the Government is ready to construct southern corridor railway (Mtwara – Mbamba bay) and northern corridor railway (Tanga–Arusha–Mara) through PPP arrangement. In facilitating marine transport along the Indian Ocean rim, the Government has continued to disburse funds for the implementation of construction, expansion and rehabilitation of ports infrastructure including: Dar es Salaam Port Phase II whereas the progress is at 96 percent; Tanga Port Phase II (99 percent) and construction of the Ruvu dry port (90 percent). The construction of new Bagamoyo port is currently underway.

36. **Honourable Speaker**, the Sixth Phase Government has continued to improve transport and transportation services at Great Lakes. As of April 2023, the progress made in projects implementation include: construction of the MV Mwanza Hapa Kazi Tu (Victoria) which is at 83 percent; rehabilitation of MV Umoja (Victoria) 83

percent; and rehabilitation of MT Sangara (Tanganyika) 90.7 percent. In addition, the Government has continued with procurement of the contractor for the construction of three (3) new marine vessels namely; MV Liemba (Tanganyika); MT Nyangumi (Victoria); and MT Ukerewe (Victoria).

37. **Honourable Speaker**, air transport is a great economic opportunity for the nation as it connects our country with the rest of world more easily and quickly. In view of foregoing, the Government has continued to disburse funds for the construction and rehabilitation of airports in the country. As of April 2023, the construction of the Msalato International Airport has reached 18 percent, and Songwe Airport 98 percent. In addition, the Government has continued with construction and rehabilitation of Songea (98 percent), Iringa (50 percent), and Musoma (47 percent) airports and construction of the first phase of the Mtwara airport has been completed. Also, in improving air transport, the Sixth Phase Government has procured four (4) aircrafts including 1 cargo aircraft, making the Government to have a total of 13 aircrafts. Similarly, the Government has made part of the payment for the procurement of three (3) new aircrafts.

## **Energy**

38. **Honourable Speaker**, the Government has continued to finance the construction of hydropower infrastructure projects. As of April 2023, the construction of Julius Nyerere Hydropower project (2,115 MW) was at 86.89 percent and Rusumo (80 MW) at 99.0 percent. In addition, the Government has completed the gas-fired electric power generation project of Kinyerezi I extension (185 MW). On the other hand, the Government has continued to improve transmission lines infrastructure by connecting Kigoma region (Kakonko, Kibondo, Kasulu, and Buhigwe districts) along with Ngara and Biharamulo districts of Kagera region to the National Grid. Moreover, the Government has continued with the construction of transmission lines for electricity from various generating power plants in the country.

39. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, is continuing with the implementation of the project for the distribution of electricity in villages to ensure all villages have access to electricity by 2025. In achieving this goal, as of April

2023, a total of 903.8 billion shillings has been disbursed and more than 81 percent of the villages have access to electricity. In the year 2023/24, the Government will continue with the implementation of the electricity distribution projects at the hamlet level. This is an indication that **MAMA** is determined to ensure availability of electricity to the entire country. ***MAMA yuko Kazini!***

40. **Honourable Speaker**, the completion of these electricity projects for generation, transmission, and distribution will increase reliability and accessibility of electricity in all areas across the country, including areas that were not connected to the National Grid before the Sixth Phase Government assumed leadership. In addition, the completion of these projects will enable our country to generate excess electricity for export to neighbouring countries and gain foreign currency. This is a clear indication that, the considerate Government of CCM has a sincere commitment to bring economic and social reform to its citizens.

### **Digital Economy**

41. **Honourable Speaker**, in 2023/24, the Government will continue to manage the digital revolution in the country which is crucial for

transforming the Nation to a digital economy. In the digital economy, all sectors effectively collaborate through better digital environment. In achieving the intended goal, the Government will implement various projects including: the expansion of National ICT Broadband Backbone (NICTBB); the Digital Tanzania; and Develop the Innovation and Manufacturing of ICT Equipment.

### **e) Social Services**

42. **Honourable Speaker**, a lot have been implemented by our beloved **MAMA** to improve social services and enabling citizens to participate in development activities. If I were to mention all the achievements that **MAMA** has accomplished, it could take the whole day. Kindly allow me to highlight some achievements, especially in education, health and water.

### **Education**

43. **Honourable Speaker**, the Fee Free Primary and Secondary Education program has constantly been improved where the Sixth Phase Government has implemented a historic phenomenon by waiving the fees for advanced level secondary education which has reduced stress to students, consequently, has

enabled them to focus on studies. In addition, the Sixth Phase Government has continued to allocate more funds to finance the Program, whereby until April 2023 a total of 661.9 billion shillings have been disbursed. Furthermore, the Government has provided loans worth 1.41 trillion shillings to higher education students as well as continued to improve universities and colleges infrastructure including vocational training and community development colleges. **I propose removal of tuition fees for Form Four graduates who have been selected to join vocational training colleges such as Dar es Salaam Institute of Technology (DIT), Mbeya University of Science and Technology (MUST) and Arusha Technical College (ATC) which offers national prioritized courses.** This initiative aims to increase number of experts required for the 4<sup>th</sup> industrial revolution. ***MAMA yuko Kazini!***

44. **Honourable Speaker**, following the changes in the 2014 Education Policy, the 2023 edition and the curriculum changes made by the Sixth Phase Government under the strong leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, where the Government aims to provide practical education at all levels starting from primary schools, which will enable young Tanzanians to be self-

employed or employed and thus, make a significant contribution to the national economy. Therefore, **I propose the provision of loans to students selected by the Government to join colleges that provide priority programs such as science, health, technology and education. This arrangement will start with first academic year of 2023/24 students. MAMA yuko Kazini!**

45. **Honourable Speaker**, Her Excellency Dr. Samia Suluhu Hassan, has not only increased loans for students but also the subsistence allowance rate for higher learning students from 8,500 shillings to 10,000 shillings per day. Other milestones achieved include construction of 27,235 classrooms for primary and secondary schools of which 15,000 were built using Rapid Credit Facility (COVID-19 funds). In addition, 8,000 secondary school classrooms were constructed for 160 billion shillings disbursed through **Pochi la MAMA** to accommodate increased number of Form One students' intake. Further, the Government has completed: The renovation of 89 old schools; providing employment to 16,749 primary and secondary school teachers; and construction of VET colleges in Rukwa, Njombe, Geita and Simiyu regions which did not have such colleges.

## Health

46. **Honourable Speaker**, in improving health sector, as of March 2023, the Sixth Phase Government has disbursed 45.3 billion shillings for construction of five (5) Regional Referral Hospitals in Katavi, Geita, Njombe, Songwe and Simiyu regions. In addition, the Government has disbursed 246.4 billion shillings for improvement of health care infrastructure in Local Government Authorities including construction of 59 hospitals, renovation of 19 old hospitals and ongoing construction of 300 dispensaries whereby the implementation is at different stages. Further, the Government has continued with procurement and distribution of medicine, equipment, medical equipment and reagents for all public health facilities whereby 544.2 billion shillings has been spent of which 487.5 billion shillings was disbursed to the Medical Stores Department (MSD). The Sixth Phase Government aspires to ensure continuous improvement of health services. In 2023/24, the Government will continue to allocate funds for improvement of health services including provision of capital to MSD so as to improve its operational performance to become a medical depot rather than Government medical procurement unit. Further, the

Government will pay arrears of the National Health Insurance Fund (NHIF) to enhance its contribution in provision of health services in the country.

47. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has continued to improve health service infrastructure through the Tanzania COVID-19 Crisis Response Program where a total of 463 billion shillings have been disbursed. These funds were spent for the construction and rehabilitation of 101 Emergency Medical Departments, 70 Intensive Care Units (ICUs), and 150 houses for health personnel. Moreover, the funds were also used for procurement of equipment and medical equipment including 169 digital X – Rays, 30 CT – Scans, 4 MRI machines, 7 Echocardiographs, 663 ambulances and vehicles for all Councils and improvement of various infrastructures. Additionally, this investment has transformed health image in terms of technology and infrastructure whereby overseas medical referrals have decreased by 97 percent.

48. **Honourable Speaker**, for the first time in Tanzania, a child with sickle cell anaemia has been successfully treated. This medical expertise was not available in the country before which compelled to

seek it abroad at the cost of more than 250 million shillings per patient. In ensuring this service benefits more children, **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has provided 5 billion shillings for this treatment. Moreover, other achievements include provision of transsphenoidal surgery which used to cost 80 million shillings per patient abroad. In addition, the Government established a Radiotherapy Plant which has led the country to be ranked 5<sup>th</sup> in Africa, hence saving more than 11 billion shillings which were spent to import radiation source.

49. **Honourable Speaker**, generally, Her Excellency's efforts to improve health services have saved a substantial amount of foreign currency which were used to access treatment abroad. The efforts have improved services within the country and to our neighbouring countries with whom we used to seek the same services abroad. Recently, Tanzania is a favourable destination for neighbouring countries to get specialized treatments.

## **Water**

50. **Honourable Speaker**, in increasing access to water supply, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, allocated a total of 709.4 billion shillings in 2022/23 to facilitate completion of 80 water supply projects in urban and 1,373 projects in rural areas, out of which, 218 projects were funded by the Tanzania COVID-19 Socio-Economic Response and Recovery Plan (TCRP). The implementation of these projects has increased the accessibility of water supply in rural areas to 77.0 percent in 2022 compared to 70.1 percent in 2020. Similarly, the access to water services in urban areas reached 88 percent in 2022 compared to 84.0 percent in 2020.

51. **Honourable Speaker**, the Government has supplied 25 sets of drilling rig in 25 regions and 5 sets of dam construction machinery in each zone. I urge the Local Government Authorities to drill enough wells as possible using their own source revenue. *You have been provided with expensive equipment for drilling wells and dams in every region, it will be negligence and selfish not to contribute 15 million shillings for drilling wells. Her Excellency is*

*intending not only to improve access and availability but also making water services available at household level.*

## **f) Other Sectors**

### **Productive Social Safety Net Program**

52. **Honourable Speaker**, the Government, through the Productive Social Safety Net (PSSN) Program has continued with the efforts to reduce poverty in the country. As of March 2023, a total of 1,371,916 households benefited from PSSN II where 218 billion shillings were spent in 186 implementation areas in Mainland Tanzania and Zanzibar (Pemba and Unguja). In addition, among the innovative feature introduced in the implementation of the program is to provide additional assistance of 5,000 shillings per month to a household with severely disabled member. As of May 2023, approximately 110,000 households with people with disabilities benefited from the program.

### **Public Servants and Retirees Welfare**

53. **Honourable Speaker**, since assuming office, the President of the United Republic of Tanzania, Her Excellency Dr. Samia Suluhu Hassan, has

shown great commitment and effort in improving the Public Service in line with existing policies, laws, rules, and guidelines. As a result of these efforts, the achievements include:

- (i) Promoting 135,170 public servants, where as of April 2023 a total of 177.9 billion shillings were spent;
- (ii) Increasing public servants' salaries, where the minimum wage has increased from 300,000 shillings to 370,000 shillings;
- (iii) Payment of salary arrears for 94,290 public servants amounting 165.9 billion shillings as of April 2023;
- (iv) Reducing the Pay As You Earn (PAYE) income tax from 9 percent to 8 percent;
- (v) Removing Loan accumulation charge for Higher Education Loans, whereby an approximate amount of 1.1 trillion shillings was waived; and

- (vi) Payment of public servants' non-salary arrears worth 42.7 billion shillings as of April 2023.

54. **Honourable Speaker**, in 2021/22, the Government started implementing deduction at source for all employees' contributions to social security funds in an effort to address the problem of late submission of employees' contributions. The decision to deduct all statutory contributions directly at source through Ministry of Finance and Planning and remit to social security funds has resolved the challenges of accumulation of arrears. Thus, I direct all Accounting Officers to verify and effect payment for accumulated arrears of statutory contributions which were not remitted to the social security funds. This intervention will remove inconveniences that have been facing public servants during retirement.

### **Population and Housing Census**

55. **Honourable Speaker**, on 23<sup>rd</sup> August 2022, the Government conducted the Population and Housing Census and preliminary results were launched by **Her Excellency, Dr. Samia Suluhu Hassan, the President of United Republic of Tanzania** on 30<sup>th</sup>

October, 2022. The Population and Housing Census results revealed that, Tanzania population is 61.7 million equivalents to an annual increase of 3.2 percent. The census statistics are vital in Government planning and resource allocation for sustainable development. In addition, the results will be used by the Government and other stakeholders for the preparation, monitoring and evaluation of various socio-economic plans.

## **Economic Diplomacy**

56. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has continued to strengthen relations and cooperation between our country and: other nations; regional economic communities; and international organizations. The enhanced cooperation is a result of Her Excellency's efforts to open up the country economically by overseeing implementation of the 2020 CCM Election Manifesto and the Foreign Policy anchored on economic diplomacy.

57. **Honourable Speaker**, in strengthening our trade relations with other African countries, the

Sixth Phase Government has continued to participate in negotiations on the implementation of the African Continental Free Trade Area Agreement (AfCFTA). Implementation of the AfCFTA, will enable Tanzania to participate effectively in trading under the Africa Free Trade Area. Consequently, it will enhance Tanzania's capacity in value addition through well-articulated policies geared towards promotion of technology, innovation and competition.

58. **Honourable Speaker**, in an effort to open up our economy through cooperation with other countries in the world, Her Excellency the President has succeeded in strengthening our cooperation with Development Partners that has raised our respect and credibility internationally. During the two years of Her leadership, the Government received grants and concessional loans worth 8.54 trillion shillings, including an interest-free loan of 1.29 trillion shillings provided by the IMF to address effects of the COVID-19 pandemic and whose contribution has been witnessed in our constituencies. **Honourable Members of Parliament, these are the benefits of improved cooperation!** In addition, Her Excellency the President has continued to ensure effective

implementation of the Extended Credit Facility (ECF) program under the International Monetary Fund - IMF and the Development Policy Operation (DPO) program under the World Bank in a strategy to support Tanzania's inclusive and resilient recovery and growth. I would like to assure you that these funds have been spent in various activities to stimulate the economy, including the productive sectors, infrastructure and social services. I urge you to support Her Excellency the President in facilitating achievement of the vision that she has for our Nation.

## **Union Affairs**

59. **Honourable Speaker,** the Government recognizes that our Union is a National treasure and our identity to the world. Therefore, it is our responsibility to protect, maintain and cherish it. In continuing to maintain the Union, the Government has been holding various meetings to find solutions to the Union matters. In 2022/23, the Government discussed eight (8) Union matters; out of which four (4) were resolved and removed from the list of Union matters. The resolved matters include: the complaints of Zanzibar businessmen on double taxation; Pay As You Earn - PAYE and withholding tax; loan agreement for the Construction of Abeid

Amani Karume International airport (Terminal III); and the increase in costs of electricity from Tanzania Electric Supply Company Limited (TANESCO) to the Zanzibar Electricity Corporation (ZECO).

60. **Honourable Speaker**, I wish to assure your Esteemed Parliament that both Governments have clear intentions of promptly addressing both existing and future matters of the Union in ensuring that we protect and maintain our noble Union.

### **Good Governance, Defence and Security**

61. **Honourable Speaker**, the Sixth Phase Government has continued to disburse funds for the construction of the National Public Prosecution offices, including the construction of an integrated office and the court headquarters building in Dodoma. In addition, the Government has completed the construction of immigration offices in Geita region and continue with construction in Mtwara, Lindi and Dodoma regions. Further, the Government has continued to strengthen access to justice by providing court services closer to the community and increasing the number of judges, magistrates and advocates.

62. **Honourable Speaker**, the Government will continue to strengthen the offices of Attorney General and Solicitor General so as to align with the modernization of Judicial system. In addition, the Government will continue to strengthen security and defence forces to enable them to improve their performance as they are crucial in implementing other priority interventions.

63. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has been disbursing more funds to Ministries, Regions and Districts compared to other periods in the history of our Country. I urge my fellow Ministers and all Government officials to monitor use of funds and take appropriate measures when there is misuse of funds without waiting to be revealed during *Uhuru Torch* rally, visits by National leaders or Controller and Auditor General (CAG) report. According to the governance structure of our country, each level has full Government leadership including Planners, Accountants, Auditors, M&E Specialists, Detectives, Judges and we have prisons to keep criminals.

## **Investment, Industry and Trade**

64. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has continued to improve business and investment environment in order to enhance Tanzania's competitiveness in the international market by: enacting the Tanzania Investment Act No.10 of 2022; to amend various laws including the Tanzania Shipping Agency Act (TASAC) CAP 415 with the objective of eliminating overlapping responsibilities among regulatory institutions; increasing participation of the private sector and integrating the one stop centre electronic system with NIDA, TRA, BRELA, TIC, Land Department, Labour Department and Immigration Department.

65. **Honourable Speaker**, those Government actions have led to various achievements including: reducing the average number of days to obtain permits from regulatory authorities from 14 to three (3) days; amendments of 39 fees and charges; providing investment services in a One Stop Centre (OSC); and increasing competitiveness and private sector participation in various activities including clearing and forwarding of cargo transported through water.

66. **Honourable Speaker**, in an effort to remove business barriers, the Government has amended the Companies Act, CAP 212 by adding Section 452A to empower the Minister responsible for trade in consultation with the Minister responsible for finance, to grant exemption from the payment of late filing fee.

67. **Honourable Speaker**, in the implementation of this law, there has been a challenge in absence of the regulation to grant such exemption; therefore, the Government has analyzed and proposed measures to implement the said exemption. Based on these proposals and after thorough consultation, the Minister responsible for trade will issue a Notice through the Government Gazette to waive part of the penalty fee by using a percentage of the delayed fee based on the criteria specified in the Notice. The Notice will also list companies that will be required to update their information in the system within a period of 12 months and they will be exempted 50 percent of the fee for late submission. This amendment will involve companies registered before the Online Registration System (ORS) came into effect in 2017.

68. **Honourable Speaker**, in order to increase the private sector participation in the implementation of development projects, the Parliament has approved the amendments of the PPP Act, CAP 103 on 13 June 2023 which will enhance implementation of various projects through PPP arrangement. I urge my fellow Ministers and Government officials to collaborate with private sector in implementing development projects through PPP modality. This arrangement is used by many countries as an alternative way to finance development projects that should have been implemented by the Government and stimulate development.

### **III. ASSESSMENT OF THE GLOBAL ECONOMIC CHALLENGES**

#### **COVID-19 and the Conflict between Russia and Ukraine**

69. **Honourable Speaker**, the world economy has suffered from the effects of COVID-19 pandemic and the conflict between Russia and Ukraine. Those effects have led to the disruption of production system, supply chains, and demand for goods and services. For example, the effects of COVID-19 caused negative growth on the global economy at an average of 3.1 percent in 2020 compared to a positive growth of 2.9 percent in 2019. In addition, global economic growth improved in the post COVID-19 pandemic reaching an annual average growth of 6.3 percent in 2021 and declined to 3.4 percent in 2022 due to the effects of the conflict between Russia and Ukraine. Another effect is the increase in inflation from an average of 3.5 percent in 2019 to 8.7 percent in 2022, this was amplified by the increase in the prices of petrol and food products. Due to the interaction of global economic and social activities, these challenges have had an impact on the economy of various nations including Tanzania.

70. **Honourable Speaker**, in response to the effects of COVID-19, the Government took various interventions including the implementation of the Tanzania COVID-19 Socio-economic Response Plan (TCRP). Implementation of the Plan has helped to: increase access to clean and safe water; extend health services closer to the community; improve education infrastructure including construction of classrooms to minimize students' congestion; improve tourism infrastructure and services; and empowering 51,290 poor households affected by COVID-19 by providing them with cash transfer to afford their basic needs. In addition, the Plan facilitated the improvement of infrastructure and business environment for small scale entrepreneurs including 'Machingas'.

71. **Honourable Speaker**, in response to the effects of the conflict between Russia and Ukraine, the Government has implemented the following:

- (i) Granting subsidy amounting to 479.4 billion shillings in petrol and diesel to provide relief to consumers. This intervention has helped to reduce the cost of production of goods as well as transportation of goods and passengers.

- (ii) Providing a tax relief on edible oil and fertilizers to increase production, reduce prices and creating employment;
- (iii) Improving infrastructure, investment and business environment to attract private sector; and
- (iv) Increase budget on productive sectors including agriculture, livestock, fisheries, natural resources and tourism in order to increase employment, stimulate production and increase exports.

72. **Honourable Speaker**, despite the adverse effects of COVID-19 pandemic, opportunities have emerged such as: increase in production of COVID-19 protective gears such as masks, sanitizers and medicines by local manufactures which were previously imported; increase in employment especially in the health sector; and increased innovation and research in traditional medicine. Subsequently, in the ICT sector, opportunities resulting from COVID-19 include increase in use of information technology in communications and conducting online business through mobile applications. In addition, the Government has been able to reduce operational costs of meetings through virtual forums.

73. **Honourable Speaker**, due to the conflict between Russia and Ukraine, the Government intends to use the opportunities that have not been fully utilized so as to increase domestic production and reduce dependence. These opportunities include the availability of: natural gas in the country that will reduce dependence on imported oil; a vast port area that is suitable to construct a strategic oil reserve; arable land that can be used for wheat, sunflower and oil palm production; the availability of arable land to be used for irrigation farming; and raw materials to produce fertilizers in the country.

74. **Honourable Speaker**, in utilizing these opportunities, the Government continues to take various measures including: the construction of natural gas distribution infrastructure in Mtwara, Lindi, Pwani and Dar es Salaam regions; preparation of the construction for petroleum hubs in Dar es Salaam, Dodoma and Tanga regions; continue to improve research facilities and conduct research that will focus on the discovery of improved seed types and advanced methods of farming wheat, sunflower and oil palm crops; construction and rehabilitation of irrigation infrastructure; and creating enabling environment for industrial investment in the country, especially fertilizer industries.

## **US Dollar Liquidity**

75. **Honourable speaker**, in 2022/23, many countries including Tanzania, suffered from shortage of US dollar. These challenges were caused by four major factors. The **first** factor is ongoing conflict between Russia and Ukraine which led to an increase in the prices of goods and services globally, thus led to the increase in demand for US dollars which is the main currency in international trade. **Second**, tightening of the US monetary policy which focused on raising interest rates that attracted investors to direct their capital to the US and caused US dollar shortages in other countries. **Third**, the resumption of economic activity after the effects of COVID-19 pandemic, which increased the demand for US dollars compared to the amount available in the financial markets. Lastly, the effects of climate change which reduced production especially in developing countries, and increased demand for importation of goods and services using US dollars.

76. **Honourable speaker**, in addressing this challenge, the Government, has decided to take specific measures in the short, medium and long-term. Some of these measures include imports substitution initiative which aims at boosting

production in order to encourage exports. In implementing this initiative, the Government will continue to collaborate with producers of agricultural, livestock and fisheries products, and industries that add value and produce goods to ensure that productivity is increased.

77. **Honourable speaker**, in an effort to promote private sector and improve the environment for doing business in the country, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has decided to revive the loan guarantee funds managed by the Bank of Tanzania. These funds are Export Credit Guarantee Scheme, and the Small and Medium Enterprises Credit Guarantee Scheme. This will enable manufacturers and entrepreneurs to easily access loans from local banks for raising capital, equipment and raw materials to produce high-quality goods for export at a competitive price.

78. **Honourable speaker**, the Sixth Phase Government will continue to improve investment and business environment in the country, particularly in sectors that earn significant amounts of foreign currency including tourism and mining, in order to boost investment and productivity. As the

demand for coal is currently evident, the Government is considering to facilitate the exportation of coal to gain foreign currency. Furthermore, Government continues to implement monetary policy to maintain price stability, stimulate economic growth and increase competitiveness, thus improving efficiency in the Interbank Foreign Exchange Market. Moreover, the Government is finalizing the process of purchasing gold from small and medium sized miners from 2023/24. This intervention will increase the country's foreign exchange reserves and strengthen the mining sector.

## **Forex Trading**

79. **Honourable Speaker**, the Government has continued to strengthen the business environment, including addressing challenges of forex trade in the country. This involves taking decisive action to resolve complaints of bureau de change owners, especially in Arusha Region, who were not satisfied with the tax assessment made in 2018/19. Thus, the Government reviewed the assessment and 8.9 billion shillings were refunded to some bureau de change owners through settlement of outstanding tax arrears.

80. **Honourable Speaker**, as of May 2023, the Government had granted licenses to eight (8) bureau de change with 36 branches, of which 24 branches have been opened in mainland Tanzania and 12 in Zanzibar. In addition, the Government continues to receive and analyze applications and issue licenses to qualified owners. Likewise, the Government continues to encourage financial services providers to introduce foreign exchange automated teller machines.

81. **Honourable Speaker, the Government intends to further strengthen the business environment by reviewing the Bureau de change Regulations of 2019**, with the aim of improving the licensing conditions for establishing the Bureau de change. The objective is to expand the scope of provision of foreign exchange services. The review intends to establish a hierarchy of Bureau de change based on the level of capital that can cater for high and low customer areas as well as a system that will enable tourist hotels in the country to provide foreign currency exchange services to their customers. I urge the public to cooperate in fighting the illegal foreign exchange market.

## **Climate Change**

82. **Honourable Speaker**, Tanzania like other countries, is facing risks due to the effects of climate change caused by carbon emissions. It is worth noting that, Tanzania's economy largely depends on productive activities including agriculture, livestock, fishing and tourism which are mostly affected by climate change. It is evident that, the climate change has negative effects on economic growth, food security, production and industrial development. Therefore, the Government continued to take various measures to deal with the impacts of climate change, particularly the implementation of the National Environmental Master Plan for Strategic Interventions (2022 - 2032).

83. **Honourable Speaker**, Tanzania is a member of the Global Environmental Facility where for the period of four (4) years (2022/23 - 2025/26), a total of USD 33.59 million has been allocated for Tanzania to implement environmental and climate change management projects. To benefit from these financial resources, I urge the Honourable Sectoral Ministers to prepare and implement Environmental and Climate Change related projects. In addition, the Government has continued to negotiate with

Development Partners to increase funds to deal with the effects of Climate Change.

## **IV. ASSESSMENT OF IMPLEMENTATION OF THE GOVERNMENT BUDGET FOR 2022/23**

### **Government Revenue**

84. **Honourable Speaker**, in 2022/23 budget, the Government projected to collect a total of 41.48 trillion shillings from both internal and external sources. As of April 2023, a total of 32.43 trillion shillings has been collected as follows:

- i. Revenue collected by Tanzania Revenue Authority (TRA) amounted to 18.81 trillion shillings of the annual target of 23.65 trillion shillings;
- ii. Non-tax revenue collected by Ministries, Departments, Agencies (MDAs) and Institutions amounted to 2.07 trillion shillings of the annual target of 3.35 trillion shillings;
- iii. Revenue collected by Local Government Authorities (LGAs) amounted to 788.8 billion shillings of the annual target of 1.01 trillion shillings;

- iv. Grants and concessional loans received from Development Partners amounted to 4.61 trillion shillings of the annual target of 4.65 trillion shillings;
- v. Borrowing from domestic market amounted to 4.68 trillion shillings of the annual target of 5.78 trillion shillings; and
- vi. External non-concessional loans amounted to 1.47 trillion shillings of the annual target of 3.03 trillion shillings.

## **Government Expenditure**

85. **Honourable Speaker,** in 2022/23, the Government planned to spend 41.48 trillion shillings for both recurrent and development expenditure. As of April 2023, a total of 32.43 trillion shillings was released. Out of which, 20.94 trillion shillings was for recurrent expenditure and 11.49 trillion shillings was for development expenditure. Most of the development funds were channelled towards the implementation of: construction of the Standard Gauge Railway (SGR) including the purchase of rolling stock; Julius Nyerere Hydropower Project (MW 2,115); construction of JP Magufuli bridge (Kigongo –

Busisi); construction of irrigation scheme infrastructure projects; construction of infrastructure for the Government City Mtumba - Dodoma; road projects; and projects to strengthen social services (water, health, education).

## **Payment of Arrears**

86. **Honourable Speaker**, the Sixth Phase Government has continued to pay arrears for contractors, suppliers, service providers and public servants. As of April 2023, the Government paid arrears amounting to 1.20 trillion shillings. This initiative is a result of the implementation of the 2022 Government Arrears Management Strategy with the aim to attain an International accepted level of arrears not exceeding two percent of the budget by 2025/26. I direct Accounting Officers to verify arrears in their respective Votes and ensure financial prudence by adhering to the Budget Act, CAP 439, the Public Finance Act, CAP 348, the Local Government Finance Act, CAP 290 and the Public Procurement Act, CAP 410.

## **Government Debt**

87. **Honourable Speaker**, as of April 2023, the Government debt stock was 79.10 trillion shillings being an increase of 13.9 percent compared to 69.44 trillion shillings recorded in April 2022. Out of the total Government debt stock, the domestic debt stock is 27.94 trillion shillings equivalent to 35.3 percent and external debt stock is 51.16 trillion shillings equivalent to 64.7 percent. Out of the total external debt stock, the concessional loan is 37.69 trillion shillings equivalent to 73.60 percent, this indicates the large portion of the external debt is comprised of loans with concessional terms.

## **Debt Sustainability Analysis**

88. **Honourable Speaker**, the debt sustainability analysis conducted in December 2022 revealed that public debt is sustainable in short, medium and long term. The results show that, the present value of public debt to GDP is 32.5 percent as compared to the threshold of 55 percent; the present value of external debt to GDP is 18.1 percent as compared to the threshold of 40 percent; and the present value of external debt to exports is 13.5 in comparison with the threshold of 15 percent. These results are

consistent with the debt sustainability analysis results conducted by International Monetary Fund published in April 2023.

89. **Honourable Speaker**, in ensuring that the Government debt continue to be sustainable, the Government is implementing the following measures:

- (i) Ensuring that the priority is given to loans with concessional terms. This is evident on the proposed budget for 2023/24 where the concessional loans have increased by 22.8 percent and loans with non-concessional terms decreased by 14.4 percent;
- (ii) Channelling non-concessional loans to projects which stimulate economic growth and enhance exports; and
- (iii) Improving tax and non-tax revenue collection strategies to ensure large portion of the budget is financed by domestic revenue and reducing unnecessary expenditure without affecting the Government operations.

## V. BUDGET FOR THE YEAR 2023/24

90. **Honourable Speaker**, the Budget for 2023/24 is the third 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***. This Plan is a continuation of the implementation of the Tanzania Development Vision 2025 which is implemented through the Tanzania Long-term Perspective Plan, 2011/12 - 2025/26. Further, the main theme for the 2023/24 budget as agreed by the East African Community is “***Accelerating Economic Recovery, Climate Change Adaptation/Mitigation, and Enhancing Productive Sectors for Improved Livelihood***”.

### **Macro-economic Policy Targets**

91. **Honourable Speaker**, according to the documents and guidelines considered in the preparation of this Budget, the macro-economic policy targets are as follows:

- (i) Real GDP is estimated to grow by 5.2 percent in 2023 from 4.7 percent in 2022;
- (ii) Inflation is expected to remain in the single digit range of an average of 3.0-7.0 percent in the medium term;

- (iii) Tax revenue is estimated to reach 12.0 percent of GDP in 2023/24 from the likely outturn of 11.5 percent in 2022/23;
- (iv) Domestic revenue is estimated to reach 14.9 percent of GDP in 2023/24 from the likely outturn of 14.4 percent in 2022/23;
- (v) Budget deficit (including Grants) is estimated to be below 3.0 percent of the GDP; and
- (vi) Maintaining foreign reserves sufficient to cover at least four (4) months of imports of goods and services.

### **Assumptions for the 2023/24 Budget**

92. **Honourable Speaker**, the budget for 2023/24 has considered the following assumptions:

- (i) Increased participation of the private sector in investment and business activities;
- (ii) Continue to build resilience on the effects of disasters;
- (iii) Continue to build resilience on the effects of the global economic shocks and the increase in the prices of goods and services in the world market;

- (iv) Continue to ensure food sufficiency in the country;
- (v) Continue to maintain peace, security, unity and stability in the country and neighbouring countries; and
- (vi) Continue to improve social welfare indicators.

## **Strategies to Increase Revenue in 2023/24**

93. **Honourable Speaker**, strategies to increase revenue in 2023/24 include:

- (i) To improve investment and business environment and continue with the amendment of various laws so as to increase the private sector participation in business and investment;
- (ii) To widen the tax base by registering businesses and new taxpayers as well as continue implementing various measures so as to reduce tax evasion and creation of public awareness on voluntary tax payment;
- (iii) To strengthen and encourage the use of ICT systems for the collection of Government revenue;
- (iv) Continue encouraging the use of the Government Electronic Payment Gateway (GePG) system by ministries and other government institutions and ensure usage of control number in all Government transactions;
- (v) Ensure the proper use of Electronic Fiscal Device (EFD) so as to increase efficiency in tax collection;

- (vi) To limit tax exemptions below one (1) percent of the GDP by assessing the legal framework used to provide and manage tax incentives, and improve and sensitize investment using non-tax incentives such as land, provision of water, roads and energy infrastructure;
- (vii) Conducting research aiming at strengthening the collection of Government revenue;
- (viii) Continuing to strengthen the systems and management of public institutions, agencies and entities to increase efficiency and ensure dividends and eligible contributions are timely submitted to the Consolidated Fund;
- (ix) Continue to raise public awareness to encourage investment in the domestic Government bonds market;
- (x) Strengthening cooperation with Development Partners including implementing contractual agreements so as to facilitate access to grants and loans as planned;
- (xi) To utilize opportunity resulted from credit

rating exercise to raise additional resources from international financial and capital markets for investing in strategic development projects; and

- (xii) Continue to implement the Strategy to Finance Development Projects Using Alternative Project Financing (APF) so as to increase the scope of access to funds for the implementation of Development projects.

94. **Honourable Speaker**, in resolving conflicts and ensuring justice between taxpayers and the Tanzania Revenue Authority, the Government has established an independent Tax Ombudsman Office which commenced its operations in February 2023.

### **Strategies for Expenditure Management**

95. **Honourable Speaker**, expenditure management strategies focus on increasing productivity and efficiency on spending and minimizing unnecessary expenditure as follows:

- (i) To ensure prudent use of public funds in accordance with existing laws and guidelines;

- (ii) Continue to enhance the use of ICT on the implementation of Government activities including conducting virtual meetings and minimize the use of papers (paperless) to minimize public expenditure;
- (iii) Improve management of public institutions, agencies and entities to enhance efficiency in their operations and minimize dependency to the Consolidated Fund;
- (iv) Improve projects management by conducting real time audit to reduce cost overrun that may occur during projects implementation; and
- (v) Review the Public Procurement Act, CAP 410 to enable strategic sourcing in public procurement and curb loopholes that lead to embezzlement of public funds so as to obtain value for money.

96. **Honourable Speaker**, the Sixth Phase Government continues to develop a new electronic system of public procurement using local experts. The aim of the system is to improve efficiency on public procurement. In addition, the system will set price ceiling on procurement of common used goods

and services, which reflect market price. The system will be operational by July 2023.

### **Priority Areas For 2023/24**

97. **Honourable Speaker**, in 2023/24 budget, priority areas include completion of flagship and strategic projects such as: construction of Standard Gauge Railway (SGR); revamping Air Tanzania Company Limited (ATCL); construction of Julius Nyerere Hydropower Project (2,115 MW); construction of Ruhudji (358 MW) and Rumakali (222 MW) hydropower; Liquefied Natural Gas (LNG); construction of J.P Magufuli bridge (Kigongo-Busisi); construction of roads and bridges; and developing special economic zones including strategic investment area in Bagamoyo. These projects are expected to have big and immediate results on economic growth, job creation and income generation.

98. **Honourable Speaker**, together with the ongoing flagship projects, implementation of other projects for the year 2023/24 will consider five priority areas of the Third Five Year Development Plan 2021/22 – 2025/26 which include: realizing an inclusive and competitive economy; deepening

industrialization and service provision; Investment and trade promotion; human development; and skills development. Honourable Members of Parliament (MPs), specific projects on these areas which will be implemented in our constituencies as I presented this morning while submitting the *National Economic Survey for 2022* and *National Development Plan for 2023/24*.

99. **Honourable Speaker**, the planning of the national priorities has considered opportunities available in Tanzania, which include:

- (i) The abundance of natural resources endowments including land, forests, minerals, natural gas, tourist attractions and sources of water bodies (ocean, rivers and lakes);
- (ii) Availability of labour force;
- (iii) Rapid urbanisation which open up economic opportunities;
- (iv) Availability of National ICT backbone infrastructure which can be used within the country and neighbouring countries;

- (v) Geographical location which position Tanzania as a gateway and business hub for EAC, SADC and COMESA; and
- (vi) Peace, unity and economic stability.

### **Specific Issues to be Considered**

100. **Honourable Speaker**, before presenting tax reforms, fees, charges and other revenue measures, I would like to emphasize on the following specific issues:

101. **Honourable Speaker, firstly**, Article 138 (1) of the Constitution of the United Republic of Tanzania stipulates conditions for tax charges. No tax of any kind will be charged unless it is in accordance with the law enacted by the Parliament or in accordance with the procedure established by laws and given legal enforcement. Economies of all developed countries in the world depend on tax and non-tax revenue. On average, our tax collections are lower compared to economic growth, population growth and resource requirements. For instance, in 2021/22, there were 4,455,028 registered taxpayers out of which 1,641,173 had business Taxpayer Identification Number (TIN). However, during that period, approximately 16.75 trillion shillings

equivalent to 80 percent of TRA revenue was paid by only 20 percent of taxpayers with business TIN.

102. **Honourable Speaker**, apart from small number of registered taxpayers, willingness to pay Value Added Tax (VAT), Income Tax and Excise Duty is low. As a result, tax rates become very high since the burden of paying taxes are borne by few taxpayers. For sellers, the tax has been used as a discount rate in a sense that when a seller wants to reduce the prices, they ask customers whether to provide price with EFD receipt or the price without the receipt. **This is an offense!** On other circumstances, businessmen provide excuses including poor network connection and malfunction of EFD or unduly delay until the customer leaves. **This is an offense!** Likewise, there are some citizens including leaders, civil servants and Government institutions who do not bother to demand receipts. This deprives Government revenue, inhibits development and benefits few businessmen who evade issuing receipts while collecting funds on behalf of the Government without obligation to deliver public services or contribute to development projects. These habits lead to increase in income inequality.

103. **Honourable Speaker**, there are emerging perceptions that the imposed taxes are disproportionately high, without considering the substantial burden the Government carries in financing development projects and providing social services. *Some politicians attribute these taxes to specific individuals or entities such as Samia, Mwigulu or TRA.* Honourable Members of Parliament, all taxes are collected and deposited in the consolidated fund at the Bank of Tanzania, later allocated and disbursed to Government Institutions. These funds are used to finance various development projects in urban and rural areas including electricity, water, roads, bridges, ferries, railways, air transport, classrooms, health facilities, procurement and distribution of health commodities, and payment of employees' salaries such as teachers, nurses and doctors. *Everyone should know that Tax is neither the President's agenda, Finance Minister's agenda nor TRA's agenda, TAX IS A COUNTRY'S AGENDA, TAX IS FOR THE DEVELOPMENT OF OUR COUNTRY.*

104. **Honourable Speaker**, every eligible taxpayer in Tanzania is responsible to pay taxes according to the law. **IT IS MANDATORY TO PAY TAXES!** We must use EFD without any excuses. It is mandatory

for every seller to issue EFD receipts and every buyer to demand EFD receipts. Anyone who is reluctant to comply with tax and receipt issues will face legal consequences. I direct TRA to continue collecting tax with professionalism according to the Constitution, laws, and regulations, as directed by **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania.** Further, the Government is continuing with the enhancement of systems of customs and domestic taxes and establishing systems that are fully integrated on the collection and expenditure of tax revenue in order to provide permanent solutions to the complaints on tax management issues in the country.

105. **Honourable Speaker**, the second issue is management and control of public finances. According to the CAG Report, there are still shortcomings in the use of public funds, specifically in various development projects. The intention of the Sixth Phase Government is to prevent the misappropriation of public funds. This has been demonstrated by **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** and the CCM Chairperson, while receiving the CAG report on 28<sup>th</sup> March 2021, by giving the

CAG specific directives to increase transparency in the audit reports. Her Excellency directed **CAG to provide clear and unambiguous statements that report any underperforming parastatal organisations so that the Government takes necessary measures. Her Excellency insisted CAG to prepare a more transparent report specifically when presenting parastatal organisations audit reports so that necessary measures can be taken.**

106. **Honourable Speaker**, another aspect that shows intention to manage public finance, the Government monitored and revealed weaknesses in financial audit systems and procurement procedures. Allow me to remind Tanzanians that, upon realizing these issues, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, enhanced the budget allocation for the National Audit Office of Tanzania (NAOT) to implement various activities including employment of more than 100 employees aiming at enabling the Office to conduct Value for Money and Real-Time Audits on strategic projects.

107. **Honourable Speaker**, the Government is working on audit queries raised by the CAG and legal actions will be taken against those who mismanaged public funds as directed by **Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**. The Government will continue to strengthen internal audit units by building capacity and investing on ICT as well as taking necessary measures when there is evidence of violation of law. **These initiatives will enhance public assets management and enable the Government to take actions against public servants who mismanage public assets including public funds.**

108. **Honourable Speaker, the third issue** is state of poverty. Despite the country's wealth and great achievement made, there are still poor citizens in the country. At national level, basic needs poverty line for an adult is measured by looking at households that spend **less than 49,320 shillings** per month. Likewise, the level of extreme poverty (food poverty) for an adult is measured by looking at households living on **less than 33,748 shillings** per month, thus not being able to afford food with 2,200 calories required for an adult per day.

109. **Honourable Speaker**, the 2017/18 Household Budget Survey showed that **26.4 percent** of Tanzanians were living below the basic needs' poverty line, compared to **28.2 percent** in 2012. Tanzania has succeeded to reduce extreme poverty level from 9.7 percent in 2011/12 to 8.0 percent in 2017/18. The poverty level has continued to decrease but not at a satisfactory pace.

110. **Honourable Speaker**, African Union member states have been implementing various plans aimed at reducing both absolute and relative poverty. On the other hand, the East African region has the highest levels of poverty which varies among member states. However, Tanzania has made tremendous steps in fighting poverty, though at a low pace.

111. **Honourable Speaker, the fourth issue** is youth unemployment. Despite the efforts to build the economy of our country, majority of youth are unemployed. However, in recent years the rate of unemployment in Tanzania has been decreasing. The 2020/21 Integrated Labour Force Survey revealed that **unemployment rate in the United Republic of Tanzania among people aged 15 and above decreased to 9.3 percent from 10.5**

**percent in 2014.** The decline is a result of various efforts taken by the Government, however, more efforts are required since unemployment rate is still high. Further, **unemployment among youth aged 15 to 35 in Tanzania has been increasing from 12.1 percent in 2014 to 12.6 percent in 2020/21.**

112. **Honourable Speaker,** unemployment is more pronounced to young women (16.7 percent) which is twice the rate for young men (8.3 percent). Unemployment remains to be a problem to our country since independence where we only had 12 doctors, two (2) engineers, one (1) university which admitted 14 students, 41 secondary schools with 11,832 students, 3,270 primary schools with 486,470 students. *What does this imply?* After independence, the first task was to build a public service sector where all children were encouraged to go to school to become public servants. During that period, it was possible for the Government to employ all graduates in their preferable positions in the absence of private sector.

113. **Honourable Speaker,** currently higher learning institutions have increased from one (1) to 52 and graduates from 14 to approximately 500,323

graduating from technical colleges, tertiary colleges, teacher training colleges and universities. Secondary schools have increased from 41 to 5,540 and graduates from 11,832 to 2,823,588. Primary schools have increased from 3,270 to 19,261 and students from 486,470 to 11,420,973. This has completely changed the 'equation' from graduates receiving a request to choose the job to a situation that every village has a graduate who is unemployed. *Now it is not strange to find a family with an elderly pensioner having dependants who are graduates.*

114. **Honourable Speaker**, on the other hand, our economy was entirely driven by the public sector including operations of businesses and ownership of assets. Even when we privatized parastatals for the economy to rely more on the private sector, most of us do not trust and honour the private sector, despite its vital contribution to the economy. Honourable Members of Parliament, our society does not believe that a person can become rich through the private sector and even if he becomes rich, he is believed to be a thief, a belief that hinders investment.

115. **Honourable Speaker, currently**, domestic investors are facing a number of obstacles as they progress in their investment endeavours. Even the

landowners are not fairly compensated when their land is to be released to the investors as if Tanzanians do not deserve to be rich. I urge public servants to ensure that landowners benefit when they are required to provide land to investors. **Let Tanzanians be paid a significant compensation, let Tanzanians be rich!**

116. **Honourable Speaker**, regarding foreign investors, despite the fact that they bring capital, technology, employment, increase Government revenue and promote economic growth, experience shows that they still face obstacles rather than facilitation from the Government and citizens. On Government side, responsible officers become obstacles which slow down pace of investment from foreigners rather than unlocking the potential of foreign investment. On citizens' perspective, when an investor wants to invest, for instance in a deep-sea fishing, myriad misconception may raise and thus hindering the good motives behind investment. It is important to accept investors and give credit to those who envision the future of others.

117. **Honourable Speaker**, youth unemployment and poverty may be addressed through promoting investment especially on productive sectors and strengthening private sector engagement. Our

President's vision to strengthen private sector engagement is valid and timely. Therefore, it is crucial for all public servants to nurture private sector and ensure they fully participate in economic growth. **We devote more effort in controlling rather than facilitating private sector development. It is vital to acknowledge private sector contribution in creating employment opportunities, poverty eradication and economic growth. I urge my fellow Tanzanians to facilitate growth of private sector.**

### **Strengthening Productive Sectors**

118. **Honourable Speaker**, CCM Government under the leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has decided to take short, medium and long-term measures. One of the measures is to increase production in order to increase exports and reduce imports. In implementing this, the Government will continue to collaborate with producers of agricultural products, livestock, fisheries, manufacturing and processing industries to ensure that we increase productivity. In addition, as I explained earlier, the Government will revive the Export and SMEs Credit Guarantee Schemes. In implementing this strategy, a total of

600 billion shillings is expected to be used where the Bank of Tanzania will provide 280 billion shillings and the World Bank will provide a concessional loan worth USD 150 million. This initiative will increase production and exports.

119. **Honourable Speaker**, the Sixth Phase Government led by **Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania and Chairperson of Chama Cha Mapinduzi**, has decided to recapitalize its strategic banks; the Tanzania Agricultural Development Bank (TADB), TIB Development Bank and Tanzania Commercial Bank (TCB). The Government has put in place strategies to recapitalize TADB and TIB Development Bank to the tune of 235.9 billion shillings after assessing the banks' condition. The recapitalization of these banks will continue for five (5) to ten years based on their performance with an ultimate goal of having a capital of not less than 1 trillion shillings in each bank. In addition, TCB was provided with 101 billion shillings for lending to the private sector in order to boost productive sectors.

### **Performance of Regulatory Authorities**

120. **Honourable Speaker**, we are all witnesses of the efforts of **Her Excellency Dr. Samia Suluhu**

**Hassan, President of the United Republic of Tanzania**, in improving investment and business environment in the country. These efforts include amendments of various laws to reduce overlapping of responsibilities between various regulatory institutions in the country and reducing or eliminating nuisance levies and fees. Despite the improvement made, many regulatory institutions that manage various sectors still cause inconveniences in doing business and investing due to various reasons including: absence of single payment system for levies and fees; high penalties that serve as source of revenue; and unnecessary inspections. This situation has caused the Government to continue receiving complaints from investors and traders regarding the increased costs of production, investment and doing business in the country.

121. **Honourable Speaker**, experience has shown that, inspections are carried out to find faults instead of preventing the occurrence of negative effects. Findings indicate that inspections are carried out by various institutions and each at its own schedule, thus businessmen spend a lot of time attending visitors instead of engaging in production and service provision. Other findings which cause loss of Government revenue include: high penalties

which provide room for negotiations between Government officials and businessmen; regulatory institutions consider penalties as their incentives and source of revenue; the influx of fees, levies and penalties as well as absence of an integrated payment systems.

122. **Honourable Speaker**, in resolving these challenges, I propose regulatory institutions to start using a Single Window Payment System for collection of fees, levies and penalties and establish inspection procedures to facilitate business without affecting their core functions. I propose these measures to be implemented in 2023/24.

123. **Honourable Speaker**, another intervention in resolving the aforementioned challenges, the Government is finalizing the development of Tanzania Electronic Investment Single Window (TeIW) system. The system will integrate the operations of all institutions involved in facilitating investment, namely: Prime Minister's Office - Labour, Youth, Employment and Disability; Ministry of Lands, Housing and Human Settlements; National Identity Authority (NIDA); Tanzania Immigration Department; Business Registration and Licensing Agency (BRELA); Tanzania Revenue Authority (TRA); Tanzania Investment Centre (TIC); Tanzania Bureau

of Standards (TBS); Tanzania Medicines and Medical Devices Authority (TMDA); National Environment Management Council (NEMC); Tanzania Electric Supply Company Limited (TANESCO); and the Occupational Safety and Health Administration (OSHA).

124. **Honourable Speaker**, the development of TeIW system will benefit investors in various ways including online registration of business without necessarily meeting the respective service providers in person, receive service quickly from respective services providers and obtaining investment permits within three (3) days.

125. **Honourable Speaker**, there has been an emerging tendency of various regulatory authorities **to suspend business, offices and other production operations** after conducting inspections and confirming violation of legislations. For whatever reasons, suspending businesses has an adverse impact on our economy by affecting people's employment, business prosperity, company and Government revenue. This is contrary to the efforts of **Her Excellency Dr. Samia Suluhu Hassan** in improving business environment in the country.

126. **Honourable Speaker**, to overcome these effects, I propose from 1<sup>st</sup> July, 2023, regulatory authorities to be prohibited from suspending business operations due to violation of various legislations. In addition, I propose amendments and reforms of various laws, rules and regulations in order to take legal action against the business owner instead of suspending business operations. This aims at protecting Tanzanians' employment, business income, boosting the economy and increasing the Government's revenue.

127. **Honourable Speaker**, regarding clearing and forwarding of cargo at the port, there is a procedure that restricts the importer from clearing cargo when assessed tax is disputed. This has discouraged the establishment, promotion and development of business and usage of Dar es Salaam Port as a business gateway in the East and Central Africa region. To overcome these shortcomings, I propose introduction of a procedure that will enable the importers of goods with objections to the assessed tax to be able to pay undisputed tax and release the goods. In addition, a special procedure will be introduced under the East African Customs Law that will protect the Government's revenue and enable businesses to continue. However, if found the disputed amount is

in favour of the Government, a businessman will be subjected to pay the delayed taxes, fines, jail time or both.

## **VI. REFORMS ON THE TAX STRUCTURE, FEES, LEVIES AND OTHER REVENUE MEASURES**

128. **Honourable Speaker**, since 2019/20, the world has experienced economic challenges following the outbreak of COVID-19 pandemic, followed by Ukraine and Russia war in February 2022. The economic challenges have disrupted product supply chains in the World raising inflation resulting into increased cost of living and decrease in the rate of economic growth. Also, in the first half of the fiscal year 2022/23, the world has witnessed new stages of economic recession, rising inflation, and a large deficit of foreign currency (US Dollar).

129. **Honourable Speaker**, however, the Government has continued with strategic investments in the infrastructure of energy, water, health, education, roads, railways and airports; increased production of minerals, especially coal, gypsum, salt, diamonds, limestone and copper; increase in tourism activities due to Tanzania's special program - The Royal Tour. The proposed tax measures for the year 2023/24 aim at “*accelerating*

*economy recovery and enhancing productive sectors for improved livelihood”.*

130. **Honourable Speaker,** the amendments are also expected to answer the questions and satisfy the thirst of the Tanzanian society, aiming to stimulate various economic activities in the country by placing emphasis on strategic sectors such as industry, agriculture, livestock farming and fishing, electricity infrastructure, transportation and social sectors on education and health in order to improve production, economy, and employments. ("Macro economic objectives for economic growth"). In addition, these measures are aimed at improving domestic revenue mobilization and improvements in Tax Administration so as to minimize revenue leakages. The proposed amendments will cover the followings 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 Tax Administration Act, CAP 438;
- (e) The Local Government Finance Act, CAP 290;
- (f) The Local Government Authorities (Rating) Act, CAP 289
- (g) The Roads and Fuels Tolls Act, CAP 220;

- (h) The National Payment System Act, CAP 437 and The Electronic and Postal Communications Act, CAP 306;
- (i) The Immigration Act, CAP 54;
- (j) The Land Rent Act, CAP 113;
- (k) The Mining Act, CAP 123;
- (l) The Vocational Educational and Training Act, CAP 82;
- (m) The Foreign Vehicle Transit Charges Act, CAP 84;
- (n) The Gaming Act, CAP 41;
- (o) The Export Levy Act, CAP 196;
- (p) The East African Community Customs Management, 2004;
- (q) Reforms on various Fees and Charges of Government Institutions as well as the implementation of BLUEPRINT for improving Business Environment; and
- (r) Minor amendments in tax laws and other laws.

**(a) The Value Added Tax Act, CAP 148**

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

- i. To increase Value Added Tax registration threshold from **100 million shillings** to **200 million shillings**. The Government will gradually increase the threshold to the tune of 500 million. The measure is intended to enhance administrative efficiency and promote voluntary tax compliance. This measure is expected to **increase Government revenue by 75,333.05 million shillings**, since there are many taxpayers with gross sales between 100 million to 200 millions who have had more refund claims than the amount paid due to fraud;
- ii. To exempt Value Added Tax on inputs used to manufacture insecticides and acaricides as follows: Benzalkonium Chloride with HS CODE 2916.32.00 and Glutaraldehyde HS CODE 2916.32.00. The measure is intended to provide relief to local manufacturers of insecticides and acaricides and protect domestic industries. This measure is expected to **reduce** Government revenue by **6.8 million shillings**;
- iii. To exempt Value Added Tax on imported prefabricated structures with HS Code

9406.20.90 to be used by the poultry farmers. The measure intends to promote rapid and sustainable investment and growth potential of the poultry sector; attract investment into the country, employment creation and increase of Government domestic products. However, the exemption will be granted after having Performance Agreement with the Government. This measure is expected to **reduce** Government revenue by **465.6 million shillings**;

- iv. Amend Part I of the Schedule to the Value Added Tax Act, CAP. 148 to include Value Added Tax exemption on sale and lease of aircraft, aircraft engine or parts by a local operator of air transportation. The measure is intended to support the growth of Aviation Sector and reduce business and investment cost. Further to that, this measure abolishes the measure taken in the Financial Year 2022/23 on supply of air charter services to align with the efforts of reviving tourism industry along with the invaluable move of Her Excellency of boosting the Sector through the Royal Tour Project;

- v. To exempt Value Added Tax on supply of precious metals, gemstones and other precious stones at buying centres, mineral markets and Gem houses designated by the Mining Commission under the Mining Act or refinery situated in Mainland Tanzania. This measure is intended to attract sale of minerals at mineral trading hubs and increase the contribution of Mining Sector to the GDP;
- vi. To amend Section 11 of the Value Added Tax Act to include domestically manufactured capital goods in the list of capital goods that qualify for deferment. The Value Added Tax deferment on importation will cease to have effect after 3 years. This measure is intended to attract manufacturing of capital goods in the country, employment creation and ensure availability of capital goods at affordable prices;
- vii. To amend the Value Added Tax Act, CAP 148 to exempt inputs used to manufacture packaging materials as follows: Polypropylene USP (Medical Grade) Heading 3902 and Polyethylene Terephthalate USP with heading 3907. This measure is intended to provide

relief to local manufacturers of pharmaceuticals packaging and enhance their competitiveness in the market. However, the exemption will be granted after having Performance Agreement with the Government;

- viii. To amend item 19 of the Schedule to the Value Added Tax Act, CAP. 148 to exempt moulds used solely by pharmaceutical manufacturers. The measure is intended to provide relief to local manufacturers of pharmaceuticals, protect domestic industries and enhance their competitiveness in the market;
- ix. To zero rate Value Added Tax on textiles products manufactured using domestically produced cotton for period of one year. This measure is intended to provide relief to farmers and local textile industries especially in this period of recovering from the effects of COVID – 19 and Russia – Ukraine war;
- x. To zero rate Value Added Tax on fertilizer manufactured locally for the period of one year. This measure is intended to provide relief to farmers and consumers especially in this period of global economic recession;

- xi. To amend item 20 of part 1 of the Exemption Schedule to the Value Added Tax Act, CAP. 148 to include gaming odds and gaming software as part of gaming supply that qualifies for exemption. The measure is intended to provide further clarity of the word “gaming supply”;
- xii. To amend the exemption Schedule under the Value Added Tax Act, CAP 148 to reflect the scope of exempted items and to harmonize the HS Codes in the East African Community Common External Tariff book, 2017 with those contained in the current version of External Tarrif book of the year 2022 as specified in *Annex No.8*.

The Value Added Tax Measures altogether are expected to **increase** Government revenue by **71,262.4 million shillings**.

### **(b) The Income Tax Act, CAP 332**

132. **Honourable Speaker**, I propose to make amendments to the Income Tax Act, CAP 332 as follows:

- i. To amend the Income Tax Act, CAP 332 in order to grant income tax exemption on revenue generated from investment returns (such as dividend from shares, treasury bonds and bills) of the National Health Insurance Fund. The measure is intended to facilitate the provision of medical services to retired members and their partners who do not contribute to the fund after retirement;
- ii. To amend section 82 of the Income Tax Act, CAP 332 to remove the requirement for individual tenants to withhold rental income tax for non-commercial property. The measure is intended to relieve tenants from the complexity of withholding rental tax on behalf of the landlord;
- iii. To exempt Capital Gain Tax on internal restructuring of the mining companies in accordance with the Framework Agreement entered between the Government and the investor to form a partnership entity. The measure is intended to streamline the implementation of the Government commitments of the Framework Agreements;

- iv. To Reduce Capital Gain Tax from 10 percent on profits to 3 percent of the sales value or the appraised land value, (whichever value is higher) regardless of the costs invested in the relevant areas (investment costs) for property sellers who do not keep records of expenses. However, the investors who keep records of their expenses and capital development, will continue to apply a tax rate of 10 percent on the capital gain. The objective of this measure is to establish a simplified procedures for paying taxes on sale of capital assets for taxpayers that can not keep records of the expenses and ultimately facilitate the transfer of ownership;
  
- v. To amend Section 65T of the Income Tax Act, CAP 332, and introduce a simplified procedure for estimating income tax for transporters of passengers and cargo by using indicative tax rates. This procedure will apply to individual taxpayers who are not oblided to prepare accounts and file tax returns. The measure is intended to address challenges faced by the current procedure of requiring all taxpayers who file tax returns and those who do not file

tax returns to pay provisional income taxes using the indicative tax rates for each vehicle. The proposed indicative tax rates will apply only to individual taxpayers whose gross sales do not exceed 100 million shillings. In addition, the indicative tax rates for each vehicle are lowered in order to provide tax relief to the tax bands for simplifying tax compliance, and simplify the implementation of the legal requirement. This measure is expected to **increase** revenue to the Government amounting to **72,211.5 million shillings**.

*Table No. 1. The proposed indicative tax rates for transporters of passengers and cargo for each vehicle*

<b>A</b>	<b>Class A: Passanger Service Vehicles</b>			
	<b>Current Rates</b>		<b>Proposed Rates</b>	
	<b>No. of Passangers</b>	<b>Rates (Tshs)</b>	<b>No. of Passangers</b>	<b>Rates (Tshs)</b>
1	Less than 10	180,000	Less than 15	250,000
2	11-15	450,000	16 – 25	550,000
3	16 - 30	720,000	26 - 45	1,100,000
4	Up to 32	1,710,000	46 - 65	1,600,000
5	Normal Buses	2,430,000	Above 65	2,200,000
6	Semi-Luxury	2,610,000		
7	Luxury	2,790,000		
<b>B</b>	<b>Class B: Tour Service Vehicles</b>			
	<b>Current Rates</b>		<b>Proposed Rates</b>	
	<b>No. of Passangers</b>	<b>Rates (Tshs)</b>	<b>No. of Passangers</b>	<b>Rates (Tshs)</b>

	Nil	Nil	Up to 15	650,000
	-	-	16 to 25	900,000
	-	-	26 to 45	1,300,000
	-	-	46 to 65	1,800,000
	-	-	Above 65	2,400,000
<b>C</b>				
<b>Class C: Goods Carrying Vehicles</b>				
	<b>Current Rates</b>		<b>Proposed Rates</b>	
	<b>Capacity (Tons)</b>	<b>Rates (Tshs)</b>	<b>Capacity</b>	<b>Rates (Tshs)</b>
1	Less than 1	180,000	Less than 1	250,000
2	1 - 5	450,000	1 - 5	500,000
3	6 - 10	720,000	6 - 10	750,000
4	11 - 15	1,710,000	11 - 15	1,100,000
5	16 - 20	2,430,000	16 - 20	1,300,000
6	21 - 25	2,610,000	21 - 25	1,650,000
7	26 - 30	2,790,000	26 - 30	1,900,000
8	31 tons and above	2,790,000	31 tons and above	2,200,000
<b>D</b>				
<b>Class D: Private Hire Service Vehicles</b>				
	<b>Current Rates</b>		<b>Proposed Rates</b>	
	<b>Item</b>	<b>Rates (Tshs)</b>	<b>Item</b>	<b>Rates (Tshs)</b>
1	Motocycles	Nil	Motocycles	65,000
2	Tricycles	-	Tricycles	120,000
3	Tax Cab	-	Tax Cab	180,000
4	Ride Hailing	-	Ride Hailing	350,000
5	Ride Sharing	-	Ride Sharing	450,000
6	Special Hire	-	Special Hire	750,000

- vi. Introduce the Income Tax at the rate of 2% of payments to Artisanal and Small Miners (ASM). The measure is intended to enhance equity principle of taxation by including them in the tax net and ensuring that they pay taxes on the income that they earn. This

measure is expected to **increase** revenue to the Government amounting to **44,712.4 million shillings**; and

- vii. Introduce Income Tax of 10 percent on Income Accrued due to Verified Emission Reduction (VER). To broaden tax base and uphold Equity Principle of Taxation. The measure is expected **increase** Government revenue amounting to **shillings 638.2 million**.

The Income Tax Measures all together are expected to **increase** Government revenue by **shilling 51,960.1 million**.

**(c) The Excise (Management and Tariff) Act, CAP 147)**

133. **Honourable Speaker**, the Excise (Management and Tariff) Act, CAP 147 Section 124(2), provides for annual adjustments of the specific excise duty rates of non-petroleum products indexed to cater for inflation and other key macroeconomic indicators.

134. **Honourable Speaker**, in view of this, I propose to adjust at the rate of 10 percent the

specific excise duty rates on non-petroleum products and 20 percent on beer and tobacco products. This measure is intended to restore the parity of relative prices and safeguard real value of Government revenue since specific rates tend to lose value if they remain unchanged and hence the real value of collection is lost. The adjustment will not include excisable goods that are charged in percentage of the value of the goods since the advalorem rates take care the value for money in tandem with inflationary effects.

135. **Honourable Speaker**, the current rates of non-petroleum products were lastly adjusted through the Financial Act, 2016 for domestically manufactured excisable goods, and the Finance Act, 2018 for imported excisable goods due to economic recession caused by among others, COVID – 19 pandemic which affected change in consumer behavior. Based on the National Strategy to enhance the growth of industrial economy, the adjustment will not include domestically manufactured wines, spirits and confectionery products. This measure is expected to **increase** Government revenue by **299,662.4 million shilling**.

136. **Honourable Speaker**, for the purpose of enhancing policy stability and improving investment climate, I propose to amend the Excise (Management

and Tariff) Act, CAP 147 to introduce a 3-year excise duty freeze calendar effective from Financial Year 2023/24. Furthermore, I propose to undertake the following: -

- i. Exempt excise duty charged based on engine capacity on electric non - utility vehicles with only electric motor for propulsion with HS CODE 8702.40.11; 8702.40.19; 8703.80.10; and 8703.80.90 along with Compressed Natural Gas (CNG) vehicles. This measure is intended to enhance the use of electricity and natural gas available in the Country and save foreign currency used to import fuel;
- ii. Reduce excise duty on domestically manufactured Ready to Drink products with HS CODE 2208.60.00 from Shilling 4,386.6 to Shilling 2466.45 per litre. This measure is intended to protect domestic industries and enhance its competitiveness in the market. This measure is expected to **reduce** Government revenue by **779.1 million shilling**;
- iii. Introduce excise duty at the rate of shilling 20 per kilogram of imported and domestically

manufactured cement. This measure is intended to increase Government revenue to finance public spending including cushion environmental effects caused by emission of carbon dioxide and other greenhouse gases. This measure is expected to **increase** Government revenue by **147,549.6 million shilling**;

- iv. Introduce excise duty rate of 5 percent on motor vehicles, with engine capacity of more than 1000cc but not exceeding 2000 cc capable of being charged by plugging to external source of electric power of HS Code 8703.40.00, 8703.50.00, 8703.60.00 and 8703.70.00. This measure is intended to enhance equity by aligning with taxation of other motor vehicles with similar capacity that are subject to same duty rate;
- v. Introduce excise duty rate of 5 percent on motor vehicles, with engine capacity of more than 2000cc capable of being charged by plugging to external source of electric power of *H.S Codes* 8702.10.11, 8702.10.19, 8702.20.11, 8702.20.19, 8702.30.11, 8702.30.19, 8702.90.11, 8702.90.19,

8703.40.00, 8703.50.00, 8703.60.00, 8703.70.00, na 8703.90.90. This measure is intended to enhance equity by aligning with taxation of other motor vehicles with similar capacity that are subject to same duty rate;

- vi. Introduce excise duty at the rate of 10 percent on Motor vehicles older than five years used for the transportation of passengers of *H.S Codes* 8702.20.22, 8702.20.29, 8702.20.99, 8702.30.22, 8702.30.29, 8702.30.99, 8702.40.22, 8702.40.29 na 8702.40.99. This measure is intended to enhance equity by aligning with taxation of other cars with similar size that are subject to same tax;
- vii. Introduce excise duty rate of 80 Shillings per litre on petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 percent or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils of HS code 2710.20.00. This measure is intended to enhance equity in taxation;

- viii. Introduce excise duty at the rate of 30 percent on other Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes of HS CODE 2402.90.00; water tobacco of Hs code 2403.11.00; and electronic cigarette, vape products and shisha with Hs codes: 8543.40.10, 8543.40.90 and 9614.00.00. This measure is intended to include tobacco substitute products in the list of excisable goods, which have almost the same health effects;
- ix. Introduce excise duty at the rate of 20 percent on imported and domestically manufactured gambling machines of HS code 9504.30.00. This measure is intended to **increase** Government revenue by **1,365.4 million shilling**;
- x. Increase excise duty rate on imported energy drink with HS Code 2202.99.00 from Shilling 589.05 to Shilling 600 per litre. This measure is intended to protect local industries and enhance its competitiveness in the market. This measure is expected to increase Government revenue by **36.9 million shilling**; and

- xi. To amend the the Excise (Management and Tariff) Act, CAP 147 to harmonize the HS Codes in the East African Community Common External Tariff book, 2017 with those contained in the current version of External Tarrif book of the year 2022 as specified in *Annex No.9*

The Excise Duty measures on non-petroleum products altogether are expected to **increase** Government revenue by shilling **448,989.9** million.

#### **(d) The Tax Administration Act, CAP 438**

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

- i. To amend section 35 of the Tax Administration Act, CAP 438, to provide clarity on the definition of primary data server to include physical server in the country, virtual or any other server which stores data that is created or collected by a taxable or liable person in the ordinary course of business; This measure is intended to reduce investment cost and to enable access to information. This measure shall become effective on 1<sup>st</sup> January 2024; and

- ii. To amend Section 86(1) of the Tax Administration Act, CAP 438 to lower the current level of the penalty charged for the offense of not issuing receipts or not using electronic machines (EFD) starting from 300 currency points (equivalent to 4,500,000 shillings) to 200 currency points (equivalent to 3,000,000 shillings) to 20 percent of the value of tax evaded or 3,000,000 shillings depending on the amount that will be greater. In addition, I propose to lower the level of the penalty charged for the error of not claiming a receipt or not reporting the error of not issuing a receipt from 2 currency points (equivalent to 30,000 shillings) to 100 currency points (equivalent to 1,500,000 shillings) to 20 percent of the value of tax evaded or 30,000 shillings depending on the amount that will be large. The relevant rates were set with the aim of encouraging compliance with the requirements of the existing tax laws. However, it has been found that high levels of punishment encourage the environment of corruption. Along with these measures, I recommend reviewing all the Laws and Regulations that impose penalties in order to lower those rates and get the approval of the

Minister responsible for Finance before starting to apply the new penalty rates. The aim of this measure is to reduce the loopholes of corruption, protect the Government's income and encourage compliance with the law.

**(e) The Local Government Finance Act, CAP 290**

138. **Honourable Speaker,** due to recent advancement in technology, the world is experiencing significant change in mode of advertisement whereby, most of the advertisement are done electronically (online advertisements) through several media platforms such as Instagram, Facebook, twitter and other blogs. In collaboration with private sector, the government is expecting to introduce electronic system which will monitor and ensure government taxes are paid on time. The measure will include commercial adverts which are posted by celebrities (digital influencer) and other e-commerce activities conducted in the country.

139. **Honourable Speaker,** I propose to amend the schedule to the Local Government Finance (Fees for Billboards, Posters and Hoarding) order to reduce the rates of billboard fees from shilling 10,000 to

shilling 7,000 per square feet for non-illuminated and from shilling 13,000 to shilling 10,000 per square feet for illuminated billboards. This measure is intended to increase visibility of products and services. However, Billboards with business names and placed within the respective commercial areas will not be subject to billboard fees. This measure is expected to **decrease** Government revenue by **3,773.8 million shilling**. Furthermore, I propose to amend The Local Government Finance Act, CAP 290 as follows: -

- i. To amend The Local Government Finance Act, CAP 290 to transfer the mandate to collect billboard fees from the Commissioner General of Tanzania Revenue Authority to the President's Office Regional Administration and Local Government. This measure is intended to increase efficiency in collection of billboard tax through PO- RALG whose administrative structure includes wards, streets and villages level and hence effective management and monitoring;
- ii. To amend The Local Government Finance Act, CAP 290 to enable intergration of Property tax and Land rent to be paid through one control number and revenue collected be remitted to

the Consolidated Fund. Furthermore, 20 percent of the collected amount from each source will be disbursed to the Local Government Authority to facilitate collection and monitoring. The Ministry responsible for Land will enter into Memorandum of Understanding with President's Office Region Administration and Local Government (PO-RALG) on the administration and collection of Land rent. This measure is intended to increase efficiency in collection and ease compliance;

- iii. To amend The Local Government Finance Act, CAP 290 to empower the Minister responsible for Local Government to collect service levy (0.3 percent of turnover) from Electronic Money Issuance Licenses (EMI) on behalf of the Local Government Authorities and distribute the collected amount to the respective Councils. This measure is intended to reduce administrative cost;

**(f) The Local Government Authorities  
(Rating), Act CAP 289**

140. **Honourable Speaker**, I propose to make amendments in the Local Government Authorities (Rating), Act CAP 289 as follows -

- i. Amend Section 6(1) of the Local Government Authorities (Rating) Act, Cap 289 to include all the District Councils areas as ratable area with exceptional of property which are not ratable property as prescribed under Section 7 of this Act. This measure aims to ensure equity in payment of property tax.
  
- ii. To increase the property tax rates from 12,000 shillings to 18,000 shillings for a normal building and from 60,000 shillings to 90,000 shillings per each storey building. This measure is intended to reflect the amount of tax paid with the actual value of the property. These rates will be charged for a period of three years while the Government continues to set the basis of charging the relevant tax based on the value of the property. This measure is expected to **increase** revenue to the government amounting to **148,646.2 million shillings**; and

- iii. The property valuation exercise will start in the financial year 2023/24 and taxation of properties based on the value of property will start in the financial year 2026/27. President's Office-Regional Administration and Local Government Tanzania will be in charge of the valuation exercise and collection of the property tax from January 2024. In the mean time, property tax will continue to be collected through purchase of electricity tokens (LUKU). This measure is intended to provide an opportunity to the Government to set the basis of valuation and enable Tanzania Electricity Corporation (TANESCO) to perform its primary role of generating and distributing electricity in the country.

**(g) The Roads and Fuel Tolls Act, CAP 220;**

141. **Honourable Speaker,** I propose to amend the Roads and Fuel Toll Act, CAP 220 by increasing the Road and Fuel Tolls by 100 shillings per each litre of Petrol and Diesel. In addition to that, I propose to amend section 4A of Roads and Fuel Toll Act, CAP 220, by adding clause 'c' which will direct the funds collected from this measure to be used for of the implementation of Strategic Projects. This

measure is expected to **increase** Government revenue by **381,826.8 million shillings**

**(h) The National Payment System Act, CAP 437 and The Electronic and Postal Communications Act, CAP 306;**

142. **Honourable Speaker**, The Central Bank of Tanzania has continued to take various measures to increase the use of electronic systems in making transactions. These measures include the upgrading of National Payment Systems, including the completion and start of use of the Instant Payment System (Tanzania Instant Payment System - TIPS), and the stable management of payment systems in the country. The improvement of this infrastructure is an important step to achieve the goals of the inclusion of many citizens in the official financial system as well as the country towards a digital economy. With that in mind, I propose make amendments to the National Payment Systems Act, 2015 as follows:

- i. To remove mobile money transaction levy on sending and receiving money electronically. In addition, I propose to make an amendment to the transaction fees schedule by increasing the mobile money transaction levy on

withdraws by 50 percent. The measure is intended to remove double taxation in one transaction as well as to stimulate the electronic payment transactions. This measure is expected to **increase** the Government revenue by **16,711.5 million shillings**. However, in order to ensure the efficiency of financial services is achieved, the Central Bank in cooperation with financial service providers are conducting a review charge imposed electronic transaction in the country with the aim of reducing those charges so as to increase the use of official electronic transactions. The reductions of the fees will help reduce the use of cash, thus fulfilling the Government's goal of building a digital economy; and

- ii. To abolish the daily levy imposed on each SIM Card based on the ability to recharge the balance by users in order to stimulate the use of electronic transactions.

### **(i) The Immigration Act, CAP 54**

143. **Honourable Speaker**, I propose to amend the Immigration Act, CAP 54 by issuing a residence permit (Residence Permit Class B) to any investor

who is not a resident in this country but will invest to buy a house with a capital of not less than 150,000 US dollars in the country. The Residence Permit will be issued after the authorities responsible for investment in collaboration with the Minister responsible for housing are satisfied the relevant capital has come from abroad. The measure is intended to attract investment in the country and increase foreign exchange.

### **(j) The Land Rent Act, CAP 113**

144. **Honourable Speaker**, I propose to make amendments in the The Land Rent Act, CAP 113 as follows:

- i. To reduce the Premium charge from 0.5 percent of the land value to 0.25 percent;
- ii. To Reduce Certificate of Occupancy fees from 50,000 shillings per certificate to 25,000 shillings per certificate;
- iii. To reduce Registration Fees from 20% to 10% of Land Rent;
- iv. To reduce the application fee from 20,000 shillings to 5,000 shillings;
- v. To abolish the fee for the Deed Plan which was charged at 20,000 shillings; and

- vi. To amend the Land Act (Cap. 113) so that the Director of the Council is assigned the responsibility of collecting the Land rent on behalf of the Ministry of Land, Housing and Human Settlements Development. In addition, 20 percent of the collection will be returned to the Councils to enable them in the collection activities and monitoring/follow-up.

These measures intend to reduce the cost of planning, formalization and ownership of land in the country in order to encourage a larger area of the country to be planned, formalized and owned by the people. These Measures all together are expected to **increase** Government revenue by **115,500 million shilling**.

145. **Honourable Speaker**, the Government will revive the Plot Development Fund under the Ministry of Land, Housing and Human Settlements Development in order to strengthen implementation of land sector plans including planning, surveying and titling. The Fund will enhance formal land ownership to citizens, control unplanned settlements, reduce land conflicts, citizens economic empowerment and increase revenue base.

### **(k) The Mining Act, CAP 123**

146. **Honourable Speaker,** I propose to amend Section 90A (3) of the Mining Act, CAP 123, to exempt refineries centres from paying the inspection fee of 1 percent. The measure is intended to stimulate the growth of the transportation of minerals by small mining sector in the country as well as attracting more investment, promoting employment and increasing Government revenue.

### **(l) The Vocational Education and Training Act, CAP 82**

147. **Honourable Speaker,** I propose to make amendments in the Vocational Educational and Training Act, CAP 82 as follows:

- i. To reduce Skills Development Levy rate from 4 percent to 3.5 percent. The aim of the measure is to reduce operational cost to employers and to achieve the Government commitment of reducing the rate gradually. This measure is expected to **reduce** Government Revenue amounting to **58,889.7 million shillings;**

- ii. To amend Vocational Educational and Training Act, CAP 82 to grant the Minister responsible for Finance, after consultation with the Minister responsible for Education, to issue a Skilled Development Levy exemption certificate after satisfying that the relevant exemption is for the interest of the Nation; and
- iii. To amend section 15 of the Vocational Educational and Training Act, CAP 82 to provide for the distribution and remittance of the levy collected to be as follows: - one third (1/3) of the collection to the Ministry Responsible for Employment; one third (1/3) of the collection to Higher Education Students' Loans Board, and one third (1/3) of the collection to VETA Fund. The measure is intended to enable the implementation of work-based skills training initiatives and to achieve the objectives of the fund.

**(m) The Foreign Vehicle Transit Charges Act,  
CAP 84;**

148. **Honourable Speaker,** I propose continuing with the procedure of charging foreign vehicles registered outside Tanzania the same rates as those

charged in the EAC, SADC and COMESA region. In addition, if it is found that there is a country charging higher rates compared to those of the EAC, SADC and COMESA region, those rates will be used to charge vehicles registered in the respective country. The aim of this action is to bring balance and protect the interests of the country.

**(n) The Gaming Act, CAP 41.**

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

- i. To introduce a limitation of not more than two (2) table games to Forty Machines Site operations. The measure Will **increase** Government revenue by **4,223 milion shillings**;
- ii. To increase gaming levy from TZS 10,000 to TZS 30,000 per slot machine in bar sites (clubs/places selling liquor). The measure will **increase** Government revenue by **4,738 milion shillings**;
- iii. To introduce application fee of TZS. 500,000 and Principal licence fee of USD 10,000 for

slot machines in shops; application fee of TZS.500,000 and Principal licence fee of USD 10,000 for slot machines in bar sites; and application fee of TZS. 500,000 and Principal licence fee of USD 5,000 for forty machines sites. The measure is intended to distinguish between slot machines operations in bar sites (clubs/places selling liquor), slot machines operations in shops and forty machines site; and facilitate effective and efficiency gaming regulation where all products will be treated fairly to ensure sustainability of the industry; and

- iv. To reduce the tax rate from 25 percent to 18 percent on gross gaming revenue (GGR) for Forty Machines Site operations. The measure is intended to promote fairness in taxation with related gaming operations.

### **(o) The Export Levy Act, CAP 196**

150. **Honourable Speaker,** I propose to amend the Export Levy Act, CAP 196 by waiving the 80 percent export levy on raw or semi processed (wet blue) hides & skin exported outside the country by investors who are in the Export Processing Zone (EPZ). The measure is intended to reduce investment

costs where currently high costs is spent on destroying by-products due to lack of domestic market.

**(p) The East African Community Customs Management Act, 2004**

151. **Honourable Speaker**, the EAC Pre-Budget Consultative Meeting of the Ministers for Finance which was held on 12<sup>th</sup> May 2023, Arusha agreed to effect changes in the East African Community Customs Management Act, 2004 and Common External Tariff (CET) rates for year 2023/24. The proposed changes are aimed at **“Accelerating Economic Recovery, Climate Change Mitigation/Adaptation and Enhancing Productive Sectors for Improved Livelihood”**.

152. **Honourable Speaker**, the Ministers for Finance proposed to effect new changes in the Common External Tariff (CET) for the year 2023/2024 and also agreed to continue with some measures that were taken into effect in the financial year 2022/23.

- i. The proposed new changes in the Common External Tariff are as follows: -

a) Grant Stay of Application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent on imported items under HS Code 4811.90.00 (Other paper, paperboard, cellulose wadding and webs of cellulose fibres) for one year. However, manufacturers who use this product as raw material will import under duty remission scheme at a rate of 10 percent instead of 25 percent for one year. This measure is intended to protect local manufactures of POS and Thermal paper rolls used in issuing EFD Receipts and to reduce costs of these inputs used by local manufacturers;

b) Grant Stay of Application of the EAC CET rate of 50 percent and apply a duty rate of 35 percent on imported Vitenge under HS Codes 5208.51.10; 5208.52.10; 5209.51.10; 5210.51.10; 5211.51.10; 5212.15.10; 5212.25.10; 5513.41.10; and 5514.41.10 for one year. The objective of this measure is to protect consumer welfare;

c) Grant Stay of Application of EAC CET rate of 25 percent and apply a duty rate of 25 percent or 0.25 USD per meter whichever is higher on imported cotton grey fabric under HS Codes 5208.11.00; 5208.12.00; 5208.13.00; 5208.19.00; 5209.11.00; 5209.12.00; 5209.19.00; 5210.11.00; 5210.19.00; 5211.11.00; 5211.12.00; 5211.19.00; 5212.11.00; and 5212.21.00 for one year. The measure is intended to protect local manufacturer and

encourage production of cotton grey fabric in the country, employment creation and increase Government revenue;

d) Grant Stay of Application of EAC CET rate of 25 percent and apply a duty rate of 0 percent on imported Smart cards under HS Code 8523.52.00 by the National Identification Authority for one year in order to facilitate issuance of National Identification Cards;

e) Grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 25 percent on Polyester/ Nylon Twine under HS Code 5607.50.00 for one year in order to protect local manufacturer of polyester/nylon twine and employment creation;

f) Grant Stay of application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or USD 2 per square meter, whichever is higher

for one year on ceramic tiles under HS Codes 6907.21.00; 6907.22.00; and 6907.23.00. This measure is intended to protect local manufacturers of ceramic tiles;

g) Grant Stay of application of EAC CET rate of 35 percent and apply a duty rate of 35 percent or USD 350 per metric ton whichever is higher on nails, tacks, drawing pins, corrugated nails staples (other than those of heading 83.05) and similar articles of iron or steel, whether or not with heads of other materials under HS Code 7317.00.00 for one year. The objective of this measure is to protect local producers of these products and employment creation;

h) Grant Duty Remission at a duty rate of 0 percent instead of 10 percent, 25 percent or 35 percent on inputs/raw materials used to manufacture capital goods/equipment for various sectors under headings 72.14; 72.15; 72.16;

32.08; 73.07; 83.11; 85.44; 68.06; 74.19; 72.08; 73.06; 73.12; 73.15; 73.18; 84.82; 84.83; 72.22; 73.04; 84.81; 84.84; 7325; 40.10; and 76.06 for one year. This measure is intended to reduce cost of production and encourage production of capital goods/equipment in the country;

i) EAC Partner States agreed to grant Duty Remission at a duty rate of 0 percent instead of 25 percent or USD 200 per metric ton whichever is higher on raw materials (wire Rod) under HS Codes 7213.91.10; and 7213.91.90 to manufacture wire products. The objective of this measure is to reduce cost of production of wire products and employment creation;

j) EAC Partner States agreed to grant Duty Remission at a duty rate of 0 percent instead of 10 percent on inputs (base oil) under HS Code 2710.19.59 used to manufacture of

lubricants in order to reduce costs of these inputs used by local manufacturer of lubricants in the region;

k) Grant Duty Remission at a duty rate of 0 percent instead of 10 percent or 25 percent for one year on inputs under HS Codes 8538.90.00; 4016.99.00; 8205.59.00; 8536.10.00; 8536.69.00; 8536.90.00; 8547.20.00; 3926.90.90; 3917.32.00; and 8544.30.00 used to manufacture wiring harnesses for vehicles and motorcycles. This measure is intended to reduce cost of production and encourage domestic investment in production of wiring harnesses for vehicles and motorcycles;

l) Grant Duty Remission at a duty rate of 0 percent instead of 10 percent, 25 percent or 35 percent for one year on inputs under HS Codes 7409.11.00; 7409.19.00;

7410.11.00; 7410.12.00;  
7409.21.00; 8001.10.00; and  
3810.90.00 used to manufacture  
radiators. This measure is intended  
to reduce cost of production and  
encourage domestic investment in  
production of radiators;

- m) EAC Partner States agreed to  
increase import duty from 10  
percent or 25 percent to 35 percent  
on footwear; grains and vegetables  
like almonds, hazelnuts, macadamia  
nuts, cucumbers and gherkins; live  
animals like cows, goats, sheep;  
coffins; fish; cassava and natural  
honey under HS Codes 4421.20.00;  
6402.19.00; 6403.19.00;  
6403.51.00; 6404.19.00;  
6404.20.00; 6405.20.00;  
6405.90.00; 0802.11.00;  
0802.22.00; 0802.61.00;  
2001.10.00; 0102.29.00;  
0102.39.00; 0102.90.90;  
0103.91.00; 0103.92.00;  
0104.10.90; 0104.20.90;  
0407.21.00; 0409.00.00;

0714.10.00 and Chapter 3. This measure is intended to protect local manufacturers of these products in the region;

n) Grant Stay of Application of the EAC CET rate of 25 percent and apply a duty rate of 0 percent on buses for transportation of more than 25 persons under HS Codes 8702.10.99 and 8702.20.99 imported for rapid transport project for one year. This measure is intended to de-congest the city and ease the transportation system within the country;

o) Grant Stay of Application of EAC CET rate of 100 percent or USD 460/MT whichever is higher and apply a duty rate of 35 percent for one year on cane sugar under HS Code 1701.14.90 imported under a permit issued by the Tanzania Sugar Board. This measure is intended to cover the sugar production gap in the country;

- p) EAC Partner States agreed to amend Item 27, Part B of the Fifth Schedule of the East African Community Customs Management Act, 2004 to read “Biogas Digesters” instead of “Plastic Bag Bio Digesters”. This is intended to widen the scope (to include all Biogas Digesters) and avoid discrimination against any other Biogas Digesters;
- q) EAC Partner States agreed to amend the structure of Heading 17.01 by introducing a new subheading 1701.99.20 to cater other refined sugar (for industrial use);
- r) EAC Partner States agreed to align the structure of Heading 76.12 with 73.10 by introducing a new subheading 7612.90.10 which will attract a duty rate of 10 percent instead of 25 percent. This measure is intended to provide relief on imported Aerosol cans made of base metal.

s) EAC Partner States agreed to increase import duty from 0 percent or 10 percent to 25 percent on Wire of iron or non-alloy steel under heading 72.17. However, they agreed to grant regional Duty Remission at a duty rate of 0 percent on input under HS Code 7217.30.10 used to manufacture tyres and on inputs under HS Codes 7217.10.00, 7217.20.00, 7217.30.90 and 7217.90.00 used to manufacture wire products, needles, springs, rope, pins, nails, electric cables at a duty rate of 10 percent. This measure is intended to protect local manufacturer in the region and to reduce cost of production;

t) EAC Partner States agreed to split tariff line 8703.80.00 (Other vehicles, with only electric motor for propulsion) in order to provide tariff line for unassembled at a duty rate of 0 percent and others at a duty rate of 25 percent in order to

promote assembly operations of such vehicles within the region;

ii. The proposed measures that were taken into effect in the financial year 2022/23 which continue to be implemented in 2023/24 are as follows: -

a) EAC Partner States agreed to continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent or 10 percent on inputs used to manufacture essential medical products and supplies for fighting COVID-19 including masks, sanitizers, coveralls, face shields and ventilators. The objective of this measure is to continue promoting domestic production of items for fighting COVID-19 and other pandemic diseases;

b) Continue to grant Stay of Application of EAC CET rates of 10 percent and apply a duty rate of 0 percent 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 imported by the Government or authorized persons. The objective of this measure is to encourage the use of electronic devices for accounting of Government revenues at reduced costs of the machines;

- c) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on other packing containers, including record sleeves under HS Code 4819.50.00 used as inputs by domestic manufacturers of UHT milk in order to promote growth of domestic milk processing industry;
- d) Continue to grant Duty Remission at a duty rate of 0 percent instead of 10 percent for one year on corks and stoppers under 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 EAC CET rate of 0 percent and apply a duty rate of 10 percent for one year on cocoa powder, not containing added sugar or other sweetening matter under HS Code 1805.00.00. The measure is intended to promote domestic cocoa seeds processing and enhance value addition in the country;
  
- f) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes 7310.21.00; 6305.10.00; 3923.50.10; 3923.50.90 and 3920.30.90 used for packing processed coffee. This measure aims at reducing packaging material costs for coffee processors in the country;

- g) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on sacks and bags of polymers of ethylene under HS Code 3923.21.00 used as inputs by domestic processors of cashew nuts. The objective of this measure is to reduce cost of sacks and bags for domestic cashew nuts processing industry in the country;
- h) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on inputs under HS Code 3920.30.90; 6305.39.00; and 7217.90.00 used by domestic processors of cotton lint. This measure is intended to promote cotton processing industry in the country;
- i) EAC Partner States agreed to continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent or 10 percent on raw materials under HS code 3506.91.00 (Hot Melt Adhesive); HS

Code 3920.10.90 (*PE film*); HS Code 6305.33.00 (*Empty bag for Baby Diapers*); HS Code 3926.90.90 (*Plastic cask*); HS Code 3906.90.00 (*Super Absorbent Polymer*); HS Code 4803.00.00 (*Wet strength paper*); HS Code 5603.11.00 (*Non-woven*); HS Code 5903.90.00 (*Polyethylene laminated Nonwovens*); HS Code 5402.44.00 (*Spandex*); and HS Code 4803.00.00 (*Dust free paper*). These materials are used to manufacture baby diapers. This measure is intended to reduce the cost of production for manufacturers of baby diapers in the country;

- j) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on packaging materials for seeds under HS Codes 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 used by local producers of agricultural seeds. This measure is intended to reduce the cost of packaging materials for domestic producers of agricultural seeds;
- k) Continue to grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or USD 125/MT whichever is higher for one year on iron and steel products under 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 manufacturers of iron and steel products in the country;

- 1) Continue to grant Stay of Application of EAC CET rate of 25 percent or USD 200/MT whichever is higher and apply a duty rate of 25 percent or USD 250/MT whichever is higher for one year on flat-rolled products of iron or non-alloy steel under HS Codes 7210.30.00; 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; 7210.90.00; and 7212.30.00. This measure is intended to protect local manufacturers in the country;

- m) Continue to grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 10 percent 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 under HS Code 7212.60.00. This measure is intended to protect iron and steel manufacturers in the country;
- n) Continue to grant Stay of Application of EAC CET rate of 25 percent or USD 200/MT whichever is higher and apply a duty rate of 25 percent or USD 250/MT whichever is higher for one year on Iron and steel reinforcement bars and hollow profiles under HS Codes 7213.10.00; 7213.20.00; 7213.99.00; 7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; and 7306.90.00. This measure is intended to protect iron

and steel manufacturers in the country;

- o) Continue to grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 25 percent or USD 250/MT whichever is higher for one year on Flat-rolled products of other alloy steel, of a width of 600 mm or more under HS Codes 7225.91.00; 7225.92.00; and 7225.99.00. This measure is intended to protect manufacturers of iron and steel products in the country, employment creation and increase Government revenue.

- p) Continue to grant Stay of Application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent 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 under HS Codes 3916.10.00; 3916.20.00; and 3916.90.00. These are intermediate products and are used to perform similar function as of aluminum profiles (substitute) falling under Heading 76.04. The measure is intended to increase Government revenue;
- q) Continue to grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 25 percent on paper and paper products under HS Code 4804.29.00 for one year. This measure is intended to protect domestic industry and enhancing

competitiveness of domestically produced paper and paper products;

- r) Continue to grant Duty Remission at a duty rate of 10 percent instead of 35 percent on imported wheat grain under HS Codes 1001.99.10 and 1001.99.90 for one year. This measure is intended to reduce the cost of production for manufacturers of wheat flour in the country and relieve citizens from high prices of wheat products;

- s) Continue to grant Duty Remission at a rate of 0 percent instead of 25 percent on Printed Aluminum Barrier Laminates (ABL) under HS Code 3920.10.90 for one year. This measure is intended to reduce cost of production and promote competitiveness of domestic industries of toothpaste;
- t) Continue to grant Duty Remission at a rate of 0 percent instead of 10 percent on Refined Bleached Deodorized (RBD) Palm Stearin under HS Code 1511.90.40 for one year. This measure is intended to promote the domestic manufacturers of soaps and address price increase of soap;
- u) Continue to grant Stay of Application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or USD 1.35/kg whichever is higher for one year on safety matches under HS Code

3605.00.00. This measure is intended to protect the domestic manufacturers of safety matches;

- v) Continue to grant Stay of Application of the EAC CET rate of 25 percent and apply a duty rate of 60 percent for one year on mineral water under HS Code 2201.10.00. The objective of this measure is to protect domestic producers of mineral water as there is enough capacity in the region;
- w) Continue to grant Stay of Application of EAC CET rate of 0 percent and apply 10 percent for one year on gypsum powder under HS Code 2520.20.00 in order to protect the gypsum powder producers in the country;
- x) Continue to grant stay of application of EAC CET rate of 35 percent or USD 0.40/Kg whichever is higher and apply a duty rate of 35 percent on worn items of clothing, footwear

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

- y) EAC partner States agreed 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;
- z) Continue to grant Stay of Application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year on new pneumatic tyres of rubber, of a kind used on motorcycles under HS Code 4011.40.00. This measure is intended to encourage domestic investment in production of pneumatic tyres in the country;
- aa) Continue to grant Stay of Application of the EAC CET rate of

25 percent and apply a duty rate of 0 percent for one year on milk cans under HS Codes 7310.10.00 and 7310.29.90 in order to provide relief to the dairy sector in the country.

- bb) Continue to grant Duty Remission at a duty rate of 0 percent instead of 10 percent for one year on organic surface-active agents under HS Codes 3402.31.00; 3402.39.00; and 3402.49.00 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;
- cc) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent or 10 percent for one year on raw material under HS Codes 3208.20.10; 3208.20.20; 3208.90.20 and 3210.00.10 used in leather processing in order to promote growth of local leather industries.

- dd) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent or 10 percent for one year on raw materials under HS Codes 2710.99.00; 2528.00.00; and 3505.20.00 used to manufacture different types of fertilizers. This measure aims at promoting growth of local manufacturers of fertilizers;
- ee) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on packaging materials for processed tobacco under HS Code 5310.10.00 in order to reduce costs to processors of tobacco;
- ff) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes 4819.20.90; 5407.44.00; and 3923.29.00 used by local manufacturers of tea (blenders). The

objective is to reduce costs of tea blenders in the country;

- gg) Continue to grant Duty Remission of 10 percent instead of 25 percent for one year on CKD for three-wheel motorcycle excluding chassis and its components under 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.
  
- hh) Continue to grant Duty Remission at a duty rate of 0 percent instead of 25 percent or 10 percent 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) under HS Codes 3920.61.10, 7019.39.00, 7019.31.00, 6006.90.00, 7019.12.00, 3920.10.10, 4016.93.00, and 3907.91.00. The objective of this measure is to promote local manufacturers of glass reinforced plastic pipes and create more employment in the country;

- ii) Continue to grant Stay of Application of the EAC CET rate of 100 percent or \$ 460/MT whichever is higher and apply a duty rate of 10 percent for one year on refined sugar (sugar for industrial use) under HS Code 1701.99.10 and 1701.99.20. This measure is intended to reduce the cost of this input used by local manufacturers.
  
- jj) Continue to grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or USD125/MT whichever is higher for one year on flat-rolled

products under HS Codes 7212.20.00 and 7226.99.00. The objective of this measure is to protect local manufacturers against undervalued imports;

kk) Continue to grant Stay of application of EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year on baby diapers under HS Code 9619.00.90. This measure is intended to protect local manufacturer of baby diapers as they have production capacity to meet the demand in the country, employment creation and increase Government revenue;

ll) Continue to grant Stay of application of EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year on cotton yarn under heading 52.05; 52.06; and 52.07 except subheading 5205.23.00. The measure is intended to protect and promote production of cotton yarns in the

country by increasing value addition of locally grown cotton and enhance cotton to cloth (C2C) strategy;

- mm) Continue to grant Stay of Application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent on horticultural products under HS Codes 0604.20.00; 0604.90.00; 0808.10.00; and 0808.30.00 for one year. The measure is intended to protect producers of these products;
- nn) Continue to grant Duty Remission at a duty rate of 0 percent instead of 10 percent for one year on raw materials under HS Codes 1901.90.10; 3302.10.00; and 3505.10.00 used to manufacture food flavors. This measure aims at promoting growth of local manufacturers of food flavors;
- oo) Continue to grant Duty Remission at a duty rate of 0 percent instead of 10 percent or 25 percent for one

year on inputs under HS Codes 4804.39.00; 4805.11.00; 4805.19.00; 4805.24.00; and 4805.25.00 used to manufacture corrugated boxes. The objective of this measure is to encourage domestic investment in production of corrugated boxes and reduce the cost of packaging materials;

pp) Continue to grant Duty Remission at a duty rate of 0 percent instead of 10 percent for one year on inputs under HS Codes 7005.10.00; 7005.21.00; 7005.29.00; and 7005.30.00 used to manufacture toughened glass. This measure is intended to reduce costs of these inputs used by local manufacturer of toughened glass;

qq) Continue to grant Duty Remission at a duty rate of 10 percent instead of 35 percent for one year on inputs under HS Code 3401.20.10 used to manufacture soap. This measure is intended to reduce the cost of these

inputs so as to promote growth of local manufacturers of soap, employment creation and increase Government revenue;

- rr) Continue to grant Duty Remission at a duty rate of 0 percent instead of 10 percent or 25 percent for one year on inputs under HS Codes 7312.10.00; 7217.20.00; 7408.19.00; 7409.11.00; 7605.21.00; 2710.19.56; 3815.90.00; 5402.19.00; 5903.90.00; 7217.20.00; 7907.00.00; 7312.10.00; and 2712.10.00 used to manufacture electrical cables. The objective of this measure is to reduce the cost of these inputs used by local manufacturers so as to promote the establishment of import substitution industries of electrical cables;
- ss) Continue to grant Stay of application of EAC CET of 0 percent and apply a duty rate of 10 percent for one year on crude vegetable oils

of soya-beans, groundnuts, coconuts, mustard and linseed under HS Codes 1507.10.00; 1508.10.00; 1513.11.00; 1513.21.00; 1514.11.00; 1514.91.00; and 1515.11.00. The objective of this measure is to align with sunflower, cotton and other crude oils which attract 10 percent so as to promote domestic production of vegetable oils;

- tt) Continue to grant Stay of Application of EAC CET rate of 35 percent and apply a duty rate of 25 percent or USD 500/MT whichever is higher for one year on refined vegetable oils under HS Codes 1507.90.00; 1508.90.00; 1509.10.00; 1510.10.00; 1510.90.00; 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; 1515.29.00; 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 imported crude palm oil, as well as employment creation;

The Import Duty measures altogether are expected to **reduce** Government revenue by **1, 258.3 million shillings**

**(q) Amendments of various Government Fees and levies of the government agency and the implementation of the Blueprint Improvement Plan.**

153. **Honourable Speaker**, I propose to make amendments by introducing, removing or reducing various fees and levies imposed by Ministries, Departments and Agencies in order to enhance robust growth of various sectors and improve business environment in the country. These measures are part of the ongoing implementation of the Blueprint for Regulatory Reforms to Improve the Business Environment. Specific amendments are as follows:

**i. Ministry of Investment, Industry and Trade**

To abolish the 15 percent penalty on the value of the product charged by the Tanzania Bureau of Standards on products imported without a certificate of quality inspection (Certificate of Conformity - COC). In addition, the imported products without quality assurance certificate will be subjected to an inspection upon arrival and will be charged the inspection fee without penalty;

**ii. Ministry of Works and Transport**

I propose to reduce Right of Way fees for use of roads reserve corridor for installation of fibre optic cables from the initial management charge of USD1,000 per kilometre to USD200 per kilometre; and annual management charge from USD1,000 per kilometre to USD100 per kilometre. This measure is intended to enable distribution of communication infrastructures from Regions to Districts, and from Districts to customers by facilitating access to quality communication services;

### **iii. Ministry of Home Affairs**

I propose to make amendment to various fees and charges as follows:

- a) To increase fee for a certificate of good conduct for non-resident from USD 25 to USD 50;
- b) To increase fee for clearance certificate of good conduct for residents from Sh. 2,000 to Sh. 10,000
- c) To increase fee of examination of disputed documents from Sh. 50,000 to Sh. 75,000;
- d) To Increase fee for property loss report from Sh. 500.00 to Sh. 1,000.00;
- e) To impose fee at rate of Sh.10,000.00 for driving license clearance for foreign drivers coming to work in the country/employed by companies in the country. The aim is to determine validity of the licenses,
- f) To increase private firearms warehouse license fee per annum from Sh. 1,000,000 to Sh. 1,500,000 per year;
- g) To increase registration fee for a new trainer of a driving school from Sh. 10,000.00 to Sh. 20,000.00; and
- h) To increase permit fee for possession of firearms as follows;-(i) Pistol from Sh.70,000

to Sh.100,000; (ii) Shotgun from Sh.35,000 to Sh.50,000 (iii) Muzzle loading gun from Sh.35,000 to Sh. 50,000; (iv) Rifle from Sh.35,000 to Sh.50,000 and (v) and other firearms from Sh. 35,000 to Sh.50,000.

The current rates have been in place for a period of 8 to 20 years, so they have been reviewed to reflect the value for money.

### **iii. Ministry of Tourism and Natural Resource**

I propose to make amendments to various fees and charges to the tourism sector as follows:

- a) Abolish fees on grading and regrading to all accommodation facilities established inside and outside protected areas;
- b) Reduce Tourism Business Licence fees for accommodation establishments owned by Tanzanians from USD 2,500 to USD 1,500 for five-star hotels; USD 2,000 to USD 1,000 for four-star hotels; dollar USD 1,500 to USD 500 for three-star hotels; USD 1,300 to USD 300 for two-star hotels; and from USD 1,000 to USD 200 for 1-star hotels; and
- c) Reduce the Tourism Business License Fee for ungraded accommodations establishment, in

protected area from USD 1000 to USD 300; homestay from USD 400 to USD 100; and hostels from USD 400 to USD 200.

These measures are intended to reduce operational costs and attract investment into the sector.

#### **iv. Ministry of Livestock and Fisheries**

##### **a) Livestock Sector**

I propose to amend various fees charged by Livestock Sector as shown in **Annex 10**.

##### **b) Fisheries Sector**

I propose to amend various fees on the Fisheries Sector as shown in **Table No. 2**.

**Table No. 2: Proposed Ammendments of Fisheries Regulations For Licensing Fee / Export And Import Royalty For 2023/24**

<b>No</b>	<i>Type of licensing fee/export and import royalty</i>	<i>Current fee for license/export and import royalty</i>	<i>Proposal for Amendment of the Fisheries Regulations</i>
.			

<b>No</b>	<i>Type of licensing fee/export and import royalty</i>	<i>Current fee for license/export and import royalty</i>	<i>Proposal for Amendment of the Fisheries Regulations</i>
1.	Collection license for Aquarim fin fish	USD 12.60	USD 100
		USD 18.96	
		Non citizen are prohibited.	Non citizen are prohibited.
2.	Export License for whole gutted Nile Perch	Deleted	Not Allowed
3.	Aquarium fin fish royalty	5% of market value	0.65 USD per piece
4.	Import royalty fees for dried/fresh/	USD 2.5 per Kg	Zero

<b>No</b>	<b>Type of licensing fee/export and import royalty</b>		<b>Current fee for license/export and import royalty</b>		<b>Proposal for Amendment of the Fisheries Regulations</b>	
	chilled and frozen fish maws					
5.	Seaweed		USD 500		USD 300 for small scale Seaweed farming	
			USD 600		USD 400 for large scale Seaweed farming	
			USD 1000		USD 800 for Non- Resident Company	
6	Perm it for move ment of	Dried fish and fisher y	Kg 0 – 500	Free	Kg 0- 20	Free
			Kg 501	TZS 10	Kg 21 and	TZS 100

<b>No.</b>	<i>Type of licensing fee/export and import royalty</i>		<i>Current fee for license/export and import royalty</i>		<i>Proposal for Amendment of the Fisheries Regulations</i>	
	fish and fishery products (daga, furu) dried /chilled and chilled fish	product	and above	per kg	above	per Kg
Unreported Excess weight		TZS 100 per Kg	Any excess undeclared weight	TZS 200 per kg		
Frozen/chilled/fresh fish and fishery		Kilo 0 – 20Kg	Free	Chiniya kilo 30	Bure	
1,001 Kg and above		TZS 10 per kg	Kilo 21 na zaidi	TZS 100 per Kg		

<b>No.</b>	<i>Type of licensing fee/export and import royalty</i>		<i>Current fee for license/export and import royalty</i>		<i>Proposal for Amendment of the Fisheries Regulations</i>	
		products	Any excess undeclared	TZS 200 per Kg	Any excess undeclared	TZS 200 per Kg
		Frozen /chilled/fresh fish	Kg 0 – 1,000	Free	1 Kg and above	Tsh. 50 per kg
		and fishery products	Any excess undeclared	TZS 200 per Kg	Any excess undeclared	200 Tsh. per kg
7	Permit for	Fresh fish			New	2,500 Tsh.

<b>No.</b>	<i>Type of licensing fee/export and import royalty</i>		<i>Current fee for license/export and import royalty</i>		<i>Proposal for Amendment of the Fisheries Regulations</i>	
	movement of fish maws (dried/fresh)	maws				per kg
		Dried fish maws			New	3,500 Tsh. per kg

**v. Ministry of Agriculture**

I propose to introduce fees for conducting agricultural research as outlined in **Table No. 3**.

**Table No. 3:** Proposed Amendments in the Agricultural Research Regulations for year 2023/2024

<b>Na .</b>	<b>Type of License Fee</b>	<b>Paymen ts / install ment</b>	<b>Fee for Domestic Researche rs (TZS)</b>	<b>Fee for Foreign Researche rs (USD)</b>
1.	Applicatio n Fee for Registrati on Of agricultur e research service provider	Once	20,000	100
2.	Registrati on for Service provider on Agricultur e Research	Once	300,000	300

3.	Fee for Renew of service provider Certificate	After every three years	100,000	150
4.	Registration fee for research project.	Once	20,000	100
5.	Registration of Agriculture Research Project	Per Project	2% of Project budget	2% ya bajeti ya mradi
6.	Fee for Extension time for undertaking Research Project	Per project	20,000	100
7.	Information Access	Once	500,000	1000

Furthermore, I propose to establish a mechanism of issuing import permits for crude and semi refined oil upon proof of production and processing of by-products. The Ministers responsible for Agriculture, Finance and Industry will put in place the manner of issuing the permits.

**iv. Ministry of Culture, Arts and Sports**

I propose to introduce a levy of 1.5% on vinyl, Mini Disc, Compact Disc, DVD and SD Memory. These are devices capable of carrying copyrighted creative content. The levy is expected to enhance enforcement of copyright.

**v. Registration Insolvency and Trusteeship Agency (RITA).**

I propose to amend various Fees on birth and death registration, adaptation of a child; marriage; trustees' incorporation; administration of estate of the deceased; and fees relating to administration as indicated in **Annex 11**;

**vi. Tanzania Fertilizer Regulatory Authority (TFRA)**

I propose to introduce laboratory fees in fertilizer analysis as in **Annex 12**; and

## **vii. Occupational Safety and Health Authority (OSHA)**

I propose to abolish the inspection fee of shillings 200,000 charged on gas installation per station. The aim is to stimulate and enable business environment in the country and stimulate investment of gas station as an alternative clean energy.

154. **Honourable Speaker**, despite the various legislative amendments undertaken by the Government to improve investments and business environment, there are still overlaps of responsibilities among various regulatory Institutions. Furthermore, the Government has been taking measures to remove or reduce massive fees and levies but still there are challenges on regulatory institutions whose fees and levies are detrimental to investment and business environment as they perform their functions uncoordinated. The Government will establish a single window payment system and instil collective inspections exercise so as to minimize business interruptions without compromising their regulatory roles.

## **(r) Minor Amendments in Tax Laws and Others**

155. **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 2023 and Government Notices.

## **(s) Effective Date for Implementation of New Revenue Measures**

156. **Honourable Speaker**, unless otherwise stated, the new measures shall become effective on 1<sup>st</sup> July 2023.

## **VII. BUDGET FRAME FOR 2023/24**

157. **Honourable Speaker**, the budget frame for 2023/24 shows that 44.39 trillion shillings will be mobilized and spent. Domestic revenue is projected to be 31.38 trillion shillings, equivalent to 70.7 percent of the total budget. Out of the total domestic revenue to be collected, Tanzania Revenue Authority is estimated to collect 26.73 trillion shillings and non-tax revenue collected by Ministries,

Departments, Institutions and Local Government Authorities is estimated at 4.66 trillion shillings.

158. **Honourable Speaker**, grants and concessional loans from Development Partners are estimated at 5.47 trillion shillings. In addition, the Government expects to borrow 5.44 trillion shillings from the domestic market, of which 3.54 trillion shillings will be for rolling over of maturing Government Treasury Bills and Bonds and 1.90 trillion shillings for financing development projects. The Government also expects to borrow 2.10 trillion shillings from non-concessional sources for the purpose of accelerating implementation of development projects.

159. **Honourable Speaker**, in 2023/24, the Government plans to spend 44.39 trillion shillings for recurrent and development expenditures. Out of which, 30.31 trillion shillings is for recurrent expenditure; whereby 12.77 trillion shillings is for servicing Government debt and other expenditures under Consolidated Fund, 10.88 trillion shillings for salaries including salary increase, promotions for existing employees and new recruits and 1.14 trillion shillings is for development subsidies for covering provision of fee free primary and secondary

education as well as higher education student's loans. Subsequently, 5.52 trillion shillings is for Other Charges (OC). Accordingly, 14.08 trillion shillings is for the development expenditure, which includes development expenditures for various projects both in Central Government and Local Government Authorities.

160. **Honourable Speaker**, with regard to aforementioned, the budget frame for 2023/24 is as shown in **Table No.1** and sectoral budget allocation as indicated in **Table No.2**.

## Table No 1: Budget Frame for 2023/2

		<b>Billion Shillings</b>	
<b>Resources</b>		<b>2023/24</b>	
<b>A.</b>	<b>Domestic Revenue - Central Government</b>		<b>30,237,128</b>
	(i) Tax Revenue (TRA)	26,725,409	
	(ii) Non-Tax Revenue	3,511,719	
<b>B.</b>	<b>LGAs Own Source</b>		<b>1,143,883</b>
<b>C.</b>	<b>Grants and Concessional Loans from DPs</b>		<b>5,466,215</b>
	(i) Grants and Concessional Loans - GBS	2,184,134	
	(ii) Grants and Concessional Loans - Projects	3,151,958	
	(iii) Grants and Concessional Loans - Basket	130,123	
<b>D.</b>	<b>Domestic and External Non-Concessional Loans</b>		<b>7,540,840</b>
	(i) External Loans	2,100,464	
	(ii) Domestic Loans - Financing	1,898,316	
	(iii) Domestic Loans - Rollover	3,542,061	
	<b>TOTAL RESOURCES (A+B+C+D)</b>		<b>44,388,067</b>
<b>Expenditure</b>			
<b>E.</b>	<b>Recurrent Expenditure</b>		<b>30,310,847</b>
	(i) CFS		12,771,533
	-Domestic Interest payments	2,799,374	
	-Domestic Principle payments (rollover)	3,542,061	
	-External Principle payments	2,763,947	
	-External Interest payments	1,364,377	
	-Government's Contributions to Pension Funds	1,710,608	
	-Other CFS	591,167	
	(ii) Wages and Salaries		10,882,126
	(iii) Other Charges (OC)		5,518,819
	-Clearence of arrears	200,000	
	-LGAs Own Source	689,468	
	-Others	4,629,351	
	(iv) Developmet Current Tansfers		1,138,369
	-Primary and Secondary Free - Fee Education	399,642	
	-HESLB	738,727	
<b>F.</b>	<b>Development Expenditure</b>		<b>14,077,220</b>
	(i) Local		10,795,139
	-Clearence of arrears	528,000	
	-Standard Gauge Railway (SGR)	1,113,000	
	-Julius Nyerere Hydro Power Project	1,500,000	
	-LGAs Own Source	454,415	
	-Other Development Expenditure	7,199,724	
	(ii) Foreign		3,282,081
	<b>TOTAL EXPENDITURE (E+F)</b>		<b>44,388,067</b>
	<b>OVERALL BUDGET DEFICIT (ss percentage of GDP)</b>		<b>2.7%</b>

**Table No 2: Sector Budget Allocation for 2023/24**

SECTOR		2022/23	2023/24
		Billion Shillings	
Education		5,684.7	5,951.6
Health		2,149.1	2,435.5
Economic Development	Works, Transport & Communication	3,929.2	3,843.2
	Agriculture	1,216.2	1,465.2
	Industry & Trade	282.9	324.2
	Energy	2,905.9	3,048.6
	Minerals	83.3	89.3
	Natural Resources, Environment & Tourism	615.4	637.1
	Labour, Youth & Skill Development	31.2	20.3
Water, Housing & Community Development	Water	723.9	766.2
	Land, Housing & Human Settlement	118.6	173.3
	Community Development	455.2	369.8
	Information, Sport & Culture	35.4	35.4
Social Security		2,244.2	2,345.5
Defence, Public order & Safety		4,208.0	4,682.3
General Public Services	Executive & Legislative organs, Financial & Fiscal Affairs, External Affairs	10,581.4	11,894.6
	Debt Services (Principal Repayment)	6,216.0	6,306.0
<b>Total</b>		<b>41,480.6</b>	<b>44,388.1</b>

## **Budget Implementation Risks**

161. **Honourable Speaker**, the implementation of the Government budget for 2023/24 may be affected by various risks including: inflation rate fluctuations; exchange and interest rates fluctuations in financial markets within and outside the country; contingent liabilities; and changes in fiscal and aid policies. Other risks include climate change, environmental degradation and natural disasters such as earthquakes and pandemic.

162. **Honourable Speaker**, the consequences of risks to macroeconomic performance and budget implementation may include: increase in the budget deficit; missing revenue collection targets; slow pace of project implementation; increase in costs of raw materials, project implementation, goods and services; increase in the costs of debt servicing; increase in costs of non-concessional loans; decrease in grants and concessional loans from Development Partners; decrease in agricultural production; and increase in arrears of suppliers and service providers.

163. **Honourable Speaker**, in order to attain the 2023/24 budget goals and targets, the Government will continue to implement strategies and

interventions to address potential risks, which include: enforcement of guidelines for identifying risks in implementing economic activities; strengthening peace, security, and good governance; strengthening revenue collection strategies; improving business and investment environment; increase productivity and export of goods and services; strengthening management and control of Government expenditure; and strengthening of cooperation between the Government and Development Partners.

## VIII. CONCLUSION

164. **Honourable Speaker**, the Sixth Phase Government led by **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, will continue to implement CCM Election Manifesto 2020 which emphasizes: economic transformation for human development; access to quality social services; presence of good governance, rule of law and democracy; and strengthening regional and international cooperation, especially in political and economic diplomacy.

165. **Honourable Speaker**, the 2023/24 budget will support the Government's efforts to implement the Tanzania Development Vision 2025 and the Third National Five-Year Development Plan (2021/22 - 2025/26). In achieving these goals, every citizen should participate and work hard to utilize available opportunities. It is my hope that, the effective implementation of this budget will stimulate economic growth and human development. In this regard, I urge my fellow citizens to voluntarily pay appropriate tax and demand EFD receipt when purchasing goods and services to enable the Government achieve its revenue target.

166. **Honourable Speaker**, CCM Government will continue to create conducive environment for inclusive and sustainable socio-economic development. Honourable Members of the Parliament, we all witness that CCM has continued to be the first choice for Tanzanians, considering it is the only party that has interest to bring development in the country. The truth is that, every Tanzanian is born a member of CCM. However, we appreciate members of other political parties for their continuous support in the implementation of the CCM Election Manifesto 2020.

167. **Honourable Speaker**, as I presented earlier to your Esteemed Parliament, the Government has commenced the process of preparing the Tanzania Development Vision 2050. As you are aware, Her Excellency, the President, is a believer of participatory leadership. Thus, she directed the Tanzania Development Vision 2050 to consider citizens' visions. In view of that, I continue to emphasize Honourable Members of Parliament to participate and encourage the citizens in our constituencies to cooperate with the teams of experts dedicated for collecting citizens' opinions.

168. **Honourable Speaker**, again, let me take this opportunity to thank **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania and Commander-in-Chief** who is also the **Chairperson of Chama cha Mapinduzi**, for her excellent and stable leadership with great success especially in transforming the economy. Her Excellency has continued to strengthen political situation in the country as well as regional and international relations in two years of her leadership. **MAMA SHOULD INDEED BE GIVEN HER FLOWERS!** I urge all of us to support her so that she continues to lead us well and honour the nation in and out of Africa.

169. **Honourable Speaker**, I would like to thank Honourable Dr. Philip Isdor Mpango, the Vice President of the United Republic of Tanzania and His Excellency Dr. Hussein Ali Mwinyi, the President of Zanzibar and Chairman of the Revolutionary Council for their firm leadership, devotion and efforts to ensure that they always prioritize the interests of our nation. In addition, I would like to take this opportunity to congratulate Honourable Kassim Majaliwa Majaliwa (MP), the Prime Minister of the United Republic of Tanzania for efficiently managing and coordinating

Government activities. In a special way, I would like to congratulate Comrade Daniel Godfrey Chongolo, Secretary General of Chama cha Mapinduzi for his excellent performance in overseeing the implementation of CCM Election Manifesto 2020.

170. **Honourable speaker**, sincerely, I would like to use this opportunity to congratulate you personally, Honourable Dr. Tulia Ackson (MP), Speaker of the National Assembly, for your wisdom and high competency in leading the Parliament. I would also like to congratulate Honourable Mussa Azan Zungu (MP), Deputy Speaker of the National Assembly, for his persistent efforts to support you in managing daily parliamentary activities. In addition, I would like to congratulate Tanzania's Chief Justice, Honourable Judge Professor Ibrahim Hamisi Juma, for his excellent job in overseeing the judicial system.

171. **Honourable Speaker**, sincerely, I would like to thank all heads of defence forces for their patriotism and exalted servanthood, namely: the Chief of Defence and Security Forces, General Jacob John Mkunda; Inspector General of Police, Camilius Wambura; Commissioner General of Prisons, Mzee Ramadhan Nyamka; Commissioner General of

Immigration, Dr. Anna Peter Makakala; Commissioner General of Fire and Rescue Force, John William Masunga; Director of Tanzania Intelligence and Security Service, Said Hussein Masoro; Director General of Prevention and Combating Corruption Bureau, CP. Salum Rashid Hamduni; and Commissioner General of Drug Control and Enforcement Authority, Aretas James Lyimo. In addition, let me take this opportunity to thank Attorney General, Judge Dr. Eliezer Mbuki Feleshi and the Solicitor General, Dr. Boniphace Nalija Luhende, for their good work in serving the people of the United Republic of Tanzania.

172. **Honourable speaker,** I congratulate Honourable Najma Murtaza Giga (MP), Honourable Daniel Baran Sillo (MP) and Honourable David Mwakiposa Kihenzile (MP) for being elected as Chairpersons of your Esteemed Parliament. I wish them all the best. In addition, I would like to congratulate the Budget Committee under the leadership of Honourable Daniel Baran Sillo (MP), for their keenness in reviewing, analysing and advising throughout the preparation of this budget.

173. **Honourable Speaker,** I thank Honourable Ministers, Deputy Ministers, Chief Secretary,

Permanent Secretaries, Deputy Permanent Secretaries and experts of the Ministries and Government Institutions as well as private sectors, for their contributions towards finalization of this budget. With great humility, I thank religious leaders and believers for their continuous prayers to our nation. In addition, I would like to take this opportunity to urge leaders and believers of all religions to continue praying for our President and all leaders of the Sixth Phase Government. May God grant them good health, wisdom, humbleness and goodwill in managing our country's resources while discharging their duties.

174. **Honourable Speaker**, I would like to thank Honourable Hamad Hassan Chande, Deputy Minister for Finance and Planning and Member of Parliament for Kojani Constituency, for his cooperation and support towards implementing responsibilities of the Ministry of Finance and Planning. Exceptionally, I would like to congratulate and thank Dr. Natu El-Maamry Mwamba, Permanent Secretary, Ministry of Finance and Planning and Paymaster General, assisted by Deputy Permanent Secretaries for supervision of the Ministry's day-to-day responsibilities and good coordination on the preparations of this Budget.

Further, I would like to thank Heads of all Institutions under the Ministry of Finance and Planning; Heads of Divisions and Units of the Ministry; as well as all officials of the Ministry and its institutions for their great work, both professionally, expertise and competence, which have significantly enabled the Ministry of Finance and Planning to undertake its responsibilities efficiently.

175. **Honourable Speaker**, on behalf of the Government, I would like to take this opportunity to thank Development Partners for their cooperation and being catalyst in implementing various development projects as well as supporting Tanzania's recovery to a sustainable economy from the impacts of COVID-19 pandemic, climate change and ongoing conflict between Russia and Ukraine.

176. **Honourable Speaker**, Development Partners expected to contribute to 2023/24 Government budget namely Governments of Australia, Austria, Canada, China, Denmark, Finland, India, Ireland, Italy, Japan, Republic of Korea, United States of America, Norway, Poland, Sweden, Belgium, France, Spain, Netherlands, United Kingdom, Germany and Switzerland. In addition, international organizations and institutions expected to contribute to 2023/24

budget are: World Bank; International Monetary Fund; African Development Bank; Arab Bank for Economic Development in Africa; European Investment Bank; Abu Dhabi Fund; Kuwait Fund; Global Fund for fighting against AIDS, Tuberculosis and Malaria; OPEC Fund for International Development; Global Environmental Fund; Geothermal Risk Mitigation Facility (GRMF); United Nations and all its Affiliates; European Union; and GAVI.

177. **Honourable Speaker**, it is our expectation that the financial resources committed by Development Partners for the execution of 2023/24 budget will be disbursed and utilized as agreed and in-line with our country's priorities, guidelines, traditions, customs, and cultures. I urge private sector and Non-Governmental Organizations to continue supporting Government's development agenda.

178. **Honourable Speaker**, as I wind up my speech, I would like to congratulate Young African Sports Club and Simba Sports Club for representing us well in the international tournaments. Simba SC represented our nation to the CAF Champions League and reached quarter final stage, Big Up! In a special way, I would like to congratulate Young

African SC for the historical record of reaching to the African Confederation Cup final. It is without doubt these sports clubs have honoured our Nation internationally. The achievements of Young Africans SC and Simba SC raised the ranking of our nation in the Confederation of African Football (CAF) standards. Other football clubs should learn from Young Africans SC as it has won national tournaments in two consecutive years. Moreover, I would like to acknowledge the contribution of **Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** for motivating our sports clubs whenever they perform well in international tournaments.

179. **Honourable Speaker**, let me take this opportunity to thank the Almighty God for granting me the ability to present this speech. I would like to sincerely thank my family, my beloved wife **Mrs. Neema Nchemba** and my children for their continued prayers and support as I perform my duties. In addition, I would like to take this opportunity to extend my sincere appreciations to the people of Iramba West Constituency for their continuous cooperation in carrying out my parliamentary duties. Thank you for listening. **God bless Africa, God bless Tanzania!**

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

## VIII. ANNEXURES

<b>Annex 1: Government Borrowing, 2020/21 - 2023/24</b>			
	<b>Million Shillings</b>		
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
<b>1. Total of New External and Domestic Borrowing (a+b)</b>	<b>11,820,767</b>	<b>12,361,223</b>	<b>11,895,733</b>
<b>(a) New Domestic Borrowing</b>	<b>5,894,434</b>	<b>5,780,148</b>	<b>5,440,376</b>
(i) New Domestic Borrowing (Rollover)	3,044,432	3,300,000	3,542,061
(ii) Net Domestic Financing	2,850,002	2,480,148	1,898,316
<b>(b) New External Borrowing</b>	<b>5,926,333</b>	<b>6,581,075</b>	<b>6,455,357</b>
(i) Concessional Projects Borrowing	2,825,097	1,653,122	2,227,122
(ii) Concessional General Budget Support	1,291,743	1,893,949	2,127,770
(iii) Non - Concessional	1,809,494	3,034,004	2,100,464
<b>(c) Amortization of Domestic Debt</b>	<b>4,948,687</b>	<b>4,400,802</b>	<b>4,906,438</b>
(i) Principal - Rollover	3,044,432	3,300,000	3,542,061
(ii) Interest Payments	1,904,255	1,100,802	1,364,377
<b>(d) External Debt Services</b>	<b>3,676,474</b>	<b>4,686,200</b>	<b>6,341,435</b>
(i) Principle	2,816,057	2,916,041	3,542,061
(ii) Interest	860,417	1,770,159	2,799,374
<b>(e) Net Domestic Debt Increase (a-c(i))</b>	<b>2,850,002</b>	<b>2,480,148</b>	<b>1,898,316</b>
<b>(f) Net External Debt Increase (b-d(ii))*</b>	<b>3,110,276</b>	<b>3,665,034</b>	<b>2,913,296</b>
<b>2. Net Increase on Domestic and External Debt (e+f)</b>	<b>5,960,278</b>	<b>6,145,182</b>	<b>4,811,612</b>

**Source: Ministry of Finance and Planning**  
\*The increase does not include future disbursement from existing loans

Annex 2: Domestic Revenue Collection, 2017/18 -2023/24

	<b>Million Shillings</b>							
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2022/23</b>	<b>2023/24</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Likely</b>	<b>Budget</b>
<b>Total Domestic Revenue</b>	<b>17,987,666</b>	<b>18,417,883</b>	<b>21,023,109</b>	<b>20,652,548</b>	<b>25,173,554</b>	<b>28,017,867</b>	<b>27,232,544</b>	<b>31,381,012</b>
<b>A. TRA Revenue</b>	<b>15,207,973</b>	<b>15,523,524</b>	<b>17,624,212</b>	<b>17,624,361</b>	<b>20,931,262</b>	<b>23,652,758</b>	<b>23,202,716</b>	<b>26,725,409</b>
1. Import Duty	1,109,205	1,185,280	1,252,820	1,286,114	1,469,206	1,579,283	1,642,389	1,908,721
2. Excise Duty	2,200,214	2,384,134	2,512,423	2,722,380	2,888,518	3,203,284	3,019,234	3,447,727
3. Value Added Tax	4,450,045	4,738,272	4,989,156	5,029,130	5,343,816	6,717,492	6,416,353	7,712,646
4. Income Tax	5,072,699	4,980,239	6,409,173	5,888,141	7,370,419	7,668,298	7,571,761	8,522,730
5. Other Taxes	2,375,811	2,235,599	2,460,640	2,698,595	3,859,303	4,484,401	4,552,980	5,133,585
<b>B. Non-Tax Revenue</b>	<b>2,779,693</b>	<b>2,894,359</b>	<b>3,398,897</b>	<b>3,028,187</b>	<b>4,242,292</b>	<b>4,365,110</b>	<b>4,029,828</b>	<b>4,655,603</b>
1. Parastatal dividends and Contributions	784,320	597,770	738,810	636,399	933,029	933,029	839,726	998,341
2. Ministries and Regions	1,453,874	1,561,000	1,961,040	1,576,826	2,419,795	2,419,795	2,177,815	2,513,378
3. LGAs own source	541,499	735,589	699,047	814,961	889,468	1,012,286	1,012,286	1,143,883

Source: Ministry of Finance and Planning

**Annex 3a: Budget Frame, 2017/18 - 2023/24**

	Million Shillings							
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24
	Actual	Actual	Actual	Actual	Actual	Budget	Likely	Budget
<b>Total Resources</b>	<b>26,610,842</b>	<b>27,270,435</b>	<b>29,515,050</b>	<b>32,274,882</b>	<b>36,996,819</b>	<b>41,480,580</b>	<b>40,467,697</b>	<b>44,388,067</b>
Domestic Revenue	17,987,666	18,417,883	21,023,109	20,652,548	25,173,554	28,017,867	27,232,544	31,381,012
Grants and Concessional Loans - GBS	246,688	125,396	391,433	210,239	1,394,945	1,949,480	1,949,481	2,184,134
Grants and Concessional Loans - Projects	1,856,185	1,822,839	2,821,650	2,197,354	3,337,660	2,576,958	2,576,959	3,151,958
Grants and Concessional Loans - Basket	191,847	225,659	347,118	252,471	92,727	122,123	122,123	130,123
Domestic Loans (Rollover)	4,835,199	3,713,607	3,976,811	3,262,552	3,044,432	3,300,000	3,300,000	3,542,061
Domestic Loans (Financing)	869,200	3,037,177	376,924	3,359,220	2,850,002	2,480,148	2,252,587	1,898,316
External Non-concessional Loans	1,474,282	1,144,822	1,822,093	3,121,190	1,809,494	3,034,004	3,034,004	2,100,464
Adjustments	-850,225	-1,216,948	-1,244,089	-780,692	-705,994			0
<b>Total Expenditure</b>	<b>26,610,842</b>	<b>27,270,435</b>	<b>29,515,050</b>	<b>32,274,882</b>	<b>36,996,819</b>	<b>41,480,580</b>	<b>40,467,697</b>	<b>44,388,067</b>
Recurrent Expenditure	18,995,074	18,776,596	20,206,266	20,573,298	21,916,479	26,475,747	25,461,694	30,310,847
Wages and Salaries	6,327,676	6,659,573	7,006,311	7,328,824	8,087,392	9,830,753	9,830,753	10,882,126
CFS	9,532,987	9,113,538	9,919,609	9,656,017	10,346,122	11,308,364	11,308,364	12,771,533
Debt Service	8,133,063	7,701,842	8,304,618	8,218,113	8,698,202	9,087,002	9,087,002	10,469,759
Other CFS	1,399,924	1,411,696	1,614,991	1,437,904	1,647,920	2,221,362	2,221,362	2,301,774
Other Charges	3,134,410	3,003,485	3,280,347	3,588,456	3,482,964	5,336,630	4,322,577	6,657,188
LGAs Own Source	216,600	349,322	419,428	447,419	532,768	617,485	617,485	689,468
Others	2,917,811	2,654,163	2,860,918	3,141,037	2,950,196	4,719,145	3,705,092	5,967,719
Development Expenditure	7,615,768	8,493,838	9,308,784	11,701,584	15,080,341	15,004,833	15,006,003	14,077,220
Local	5,397,034	6,535,879	6,840,104	9,251,759	11,461,638	12,305,752	12,306,921	10,795,139
Foreign	2,218,735	1,957,959	2,468,680	2,449,825	3,618,703	2,699,081	2,699,082	3,282,081
<b>GDP</b>	<b>123,881,632</b>	<b>134,342,744</b>	<b>145,408,318</b>	<b>156,326,701</b>	<b>169,792,228</b>	<b>188,202,764</b>	<b>188,619,261</b>	<b>210,276,195</b>

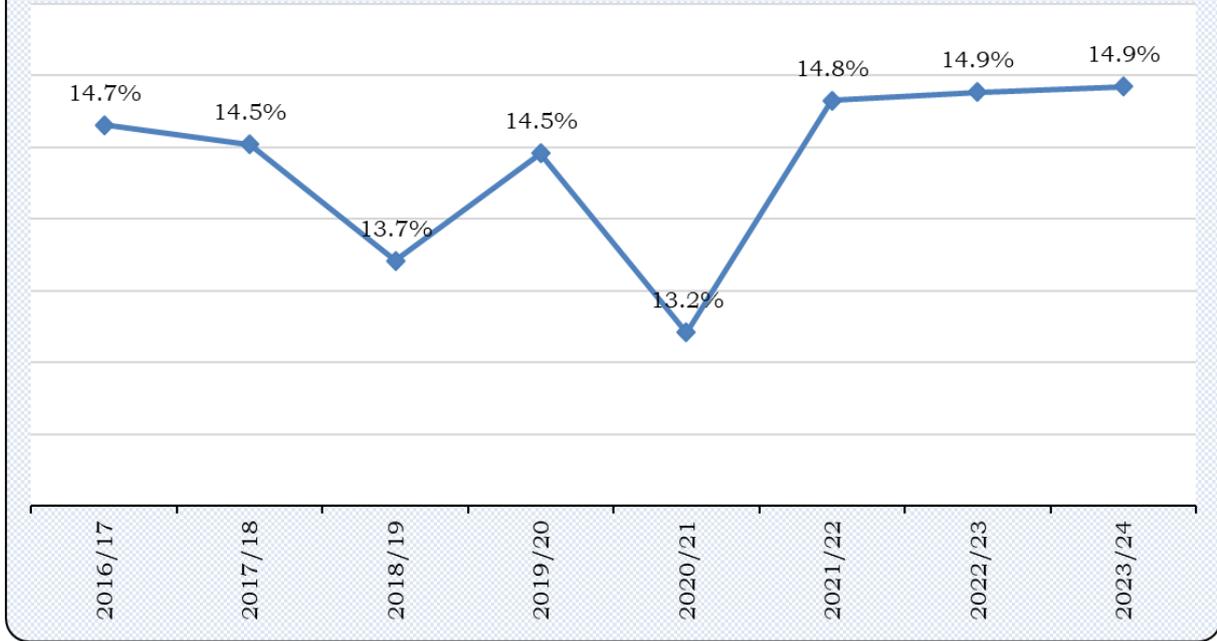
Source: Ministry of Finance and Planning

**Annex 3b: Budget Frame as Percentage of GDP, 2017/18 - 2023/24**

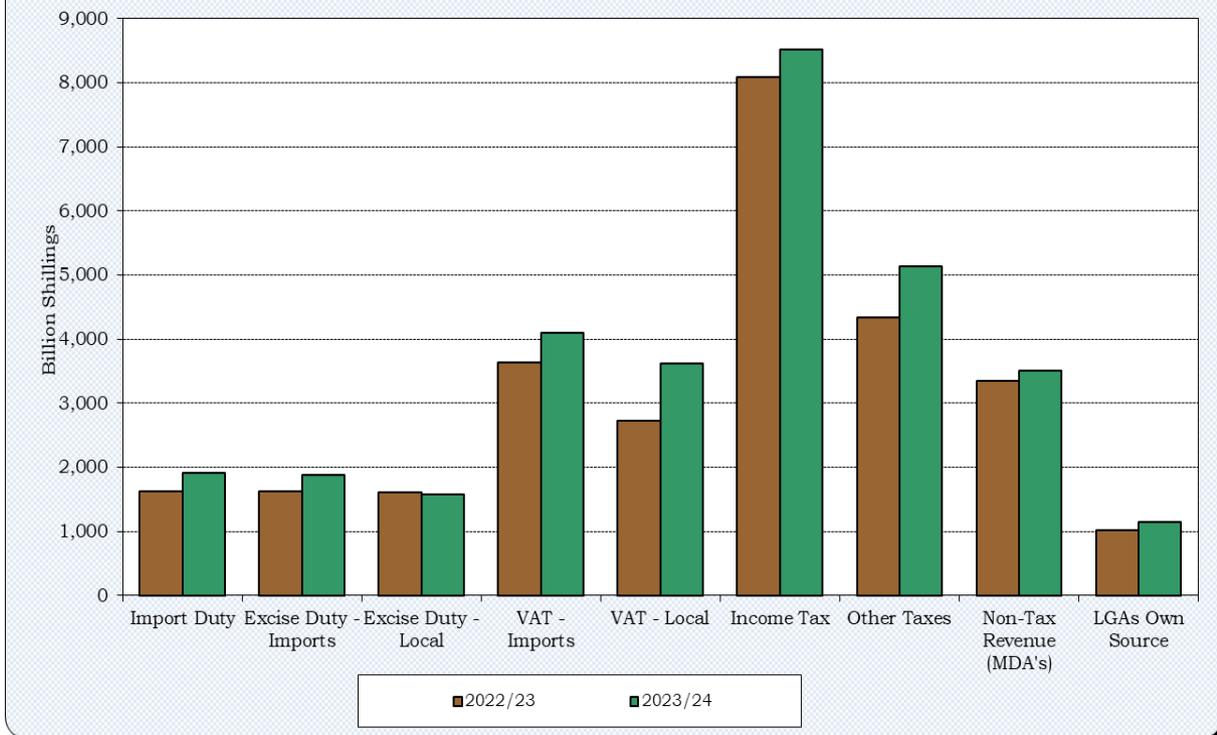
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2022/23	2023/24
	Halisi	Halisi	Halisi	Halisi	Halisi	Bajeti	Matarajio	Bajeti
<b>Total Resources</b>	<b>21.5%</b>	<b>20.3%</b>	<b>20.3%</b>	<b>20.6%</b>	<b>21.8%</b>	<b>22.0%</b>	<b>21.5%</b>	<b>21.1%</b>
Domestic Revenue	14.5%	13.7%	14.5%	13.2%	14.8%	14.9%	14.4%	14.9%
Grants and Concessional Loans - GBS	0.2%	0.1%	0.3%	0.1%	0.8%	1.0%	1.0%	1.0%
Grants and Concessional Loans - Projects	1.5%	1.4%	1.9%	1.4%	2.0%	1.4%	1.4%	1.5%
Grants and Concessional Loans - Basket	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Domestic Loans (Rollover)	3.9%	2.8%	2.7%	2.1%	1.8%	1.8%	1.7%	1.7%
Domestic Loans (Financing)	0.7%	2.3%	0.3%	2.1%	1.7%	1.3%	1.2%	0.9%
External Non-concessional Loans	1.2%	0.9%	1.3%	2.0%	1.1%	1.6%	1.6%	1.0%
Adjustments	-0.7%	-0.9%	-0.9%	-0.5%	-0.4%	0.0%	0.0%	0.0%
<b>Total Expenditure</b>	<b>21.5%</b>	<b>20.3%</b>	<b>20.3%</b>	<b>20.6%</b>	<b>21.8%</b>	<b>22.0%</b>	<b>21.5%</b>	<b>21.1%</b>
Recurrent Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Wages and Salaries	5.1%	5.0%	4.8%	4.7%	4.8%	5.2%	5.2%	5.2%
CFS	7.7%	6.8%	6.8%	6.2%	6.1%	6.0%	6.0%	6.1%
Debt Service	6.6%	5.7%	5.7%	5.3%	5.1%	4.8%	4.8%	5.0%
Other CFS	1.1%	1.1%	1.1%	0.9%	1.0%	1.2%	1.2%	1.1%
Other Charges	2.5%	2.2%	2.3%	2.3%	2.1%	2.8%	2.3%	3.2%
LGAs Own Source	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Others	2.4%	2.0%	2.0%	2.0%	1.7%	2.5%	2.0%	2.8%
Development Expenditure	6.1%	6.3%	6.4%	7.5%	8.9%	8.0%	8.0%	6.7%
Local	4.4%	4.9%	4.7%	5.9%	6.8%	6.5%	6.5%	5.1%
Foreign	1.8%	1.5%	1.7%	1.6%	2.1%	1.4%	1.4%	1.6%

Source: Ministry of Finance and Planning

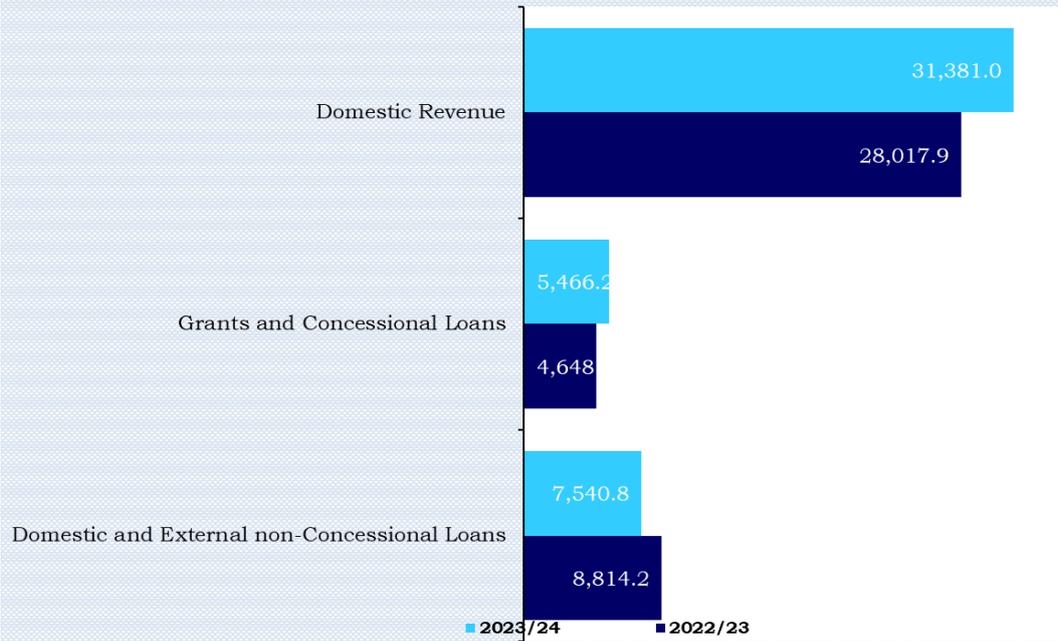
### Annex 4: Domestic Revenue to GDP Ratio



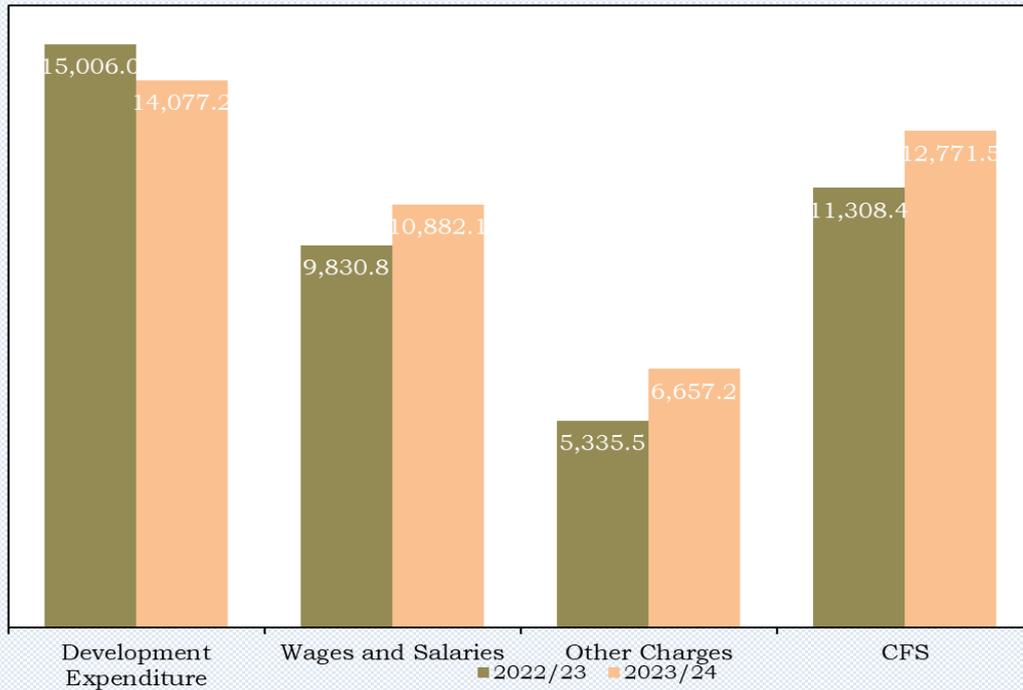
### Annex 5: Domestic Revenue Sources



**Annex 6a: Revenue Sources (Billion Shillings)**



**Annex 6b: Government Expenditure (Billion Shillings)**



<b>Annex 7: Grants and Concessional Loans, 2023/24</b>					
<b>DP</b>	<b>GBS</b>	<b>BASKET</b>	<b>PROJECT</b>	<b>TOTAL TSHS</b>	<b>TOTAL USD</b>
AfDB	247,387,981,997	-	445,720,255,552	693,108,237,549	296,980,628
AGRA	-	-	465,220,000	465,220,000	199,336
Canada	-	26,030,610,000	8,186,796,766	34,217,406,766	14,661,356
China	-	-	4,194,580,620	4,194,580,620	1,797,279
Christoffel Blinden Mission	-	-	915,315,431	915,315,431	392,191
DFID/FCDO	-	-	5,890,000,000	5,890,000,000	2,523,727
East Africa Community -EAC	-	-	505,726,500	505,726,500	216,692
EGPAF	-	-	345,015,000	345,015,000	147,831
European Investment Bank	-	-	12,236,236,326	12,236,236,326	5,242,940
European Union - EU	56,363,361,424	18,995,310,000	116,790,564,070	192,149,235,494	82,331,442
FAO	-	-	13,332,720,214	13,332,720,214	5,712,758
Finland	-	5,018,514,000	4,948,282,766	9,966,796,766	4,270,539
France - AFD	-	-	146,722,876,610	146,722,876,610	62,867,312
GAVI	-	-	59,071,153,000	59,071,153,000	25,310,604
GEF	-	-	10,249,933,459	10,249,933,459	4,391,856
Germany	-	-	60,370,637,645	60,370,637,645	25,867,403
Global Fund	-	-	271,469,853,415	271,469,853,415	116,318,467
GRMF	-	-	3,260,304,930	3,260,304,930	1,396,964
HJFMRI	-	-	2,557,155,093	2,557,155,093	1,095,681
IFAD	-	-	36,113,807,866	36,113,807,866	15,473,920
ILO	-	-	257,961,000	257,961,000	110,530
IMF	713,458,063,003	-	-	713,458,063,003	305,700,051
International Livestock Institutes	-	-	624,161,200	624,161,200	267,438
Ireland	-	12,546,285,000	-	12,546,285,000	5,375,789
Irish Government	-	-	223,192,550	223,192,550	95,633
KOFIH	-	-	820,785,000	820,785,000	351,687
KOICA	-	4,690,200,000	2,635,965,098	7,326,165,098	3,139,090
Kuwait Fund	-	-	11,500,000,000	11,500,000,000	4,927,480
Netherlands	-	-	5,930,288,880	5,930,288,880	2,540,990
Norway	-	-	407,281,400	407,281,400	174,511
South Korea - EDCF	-	-	78,296,390,622	78,296,390,622	33,548,167
Susan Thomson	-	-	11,725,500,000	11,725,500,000	5,024,102
Sweden	-	-	73,270,588,222	73,270,588,222	31,394,729
Switzerland	-	6,566,280,000	2,902,052,190	9,468,332,190	4,056,958
UNAIDS	-	-	2,751,716,400	2,751,716,400	1,179,046
UNCDF	-	-	1,384,704,162	1,384,704,162	593,313
UNDP	-	-	6,320,586,622	6,320,586,622	2,708,223
UNEP	-	-	7,108,383,572	7,108,383,572	3,045,776
UNFPA	-	703,530,000	8,768,436,775	9,471,966,775	4,058,516
UNHCR	-	-	2,110,590,000	2,110,590,000	904,338
UNICEF	-	703,530,000	48,274,328,817	48,977,858,817	20,985,864
UNIDO	-	-	398,000,000	398,000,000	170,534
UNW	-	-	6,009,607,917	6,009,607,917	2,574,976
USA	-	-	51,661,805,789	51,661,805,789	22,135,872
WFP	-	-	213,816,837	213,816,837	91,616
World Bank	1,166,924,443,381	-	1,676,601,017,638	2,843,525,461,019	1,218,383,984
WWF	-	-	3,283,000,000	3,283,000,000	1,406,689
<b>TOTAL</b>	<b>2,184,133,849,805</b>	<b>75,254,259,000</b>	<b>3,206,826,595,954</b>	<b>5,466,214,704,759</b>	<b>2,342,144,827</b>

Source: Ministry of Finance and Planning

## REVIEW OF THE EXCISE DUTY IN LINE WITH THE EAC CET 2022

## REVIEWED VAT EXEMPTED ITEMS

No.	Implements	HSC	NEW HS CODE _CET 2022	REMARKS
1	Tractors for agricultural use	8701.90.00	8701.30.00 8701.91.00 8701.92.00 8701.93.00 8701.94.00 8701.95.00	The law should be transposed as per CET 2022
4	Liquid sprayers for agriculture	8424.81.00	8424.41.00 8424.49.00	The law should be transposed as per CET 2022
5	Powder sprayers for agriculture	8424.81.00	8424.41.00 8424.49.00	
14	Tractor trailers (what about farm trailers)	8716.10.10	8716.20.90	The law should be amended to reflect CET 2022
15	New Pneumatic tyres of a kind used in agricultural and forest vehicles	4011.61.00	4011.70.00	
18	Irrigation equipment (system)	8424.81.00	8424.82.00	The law should be amended to reflect CET 2022
20	Green house system	9406.00.10	9406.10.10 9406.20.10 9406.90.10	The law should be transposed as per CET 2022

<b>No.</b>	<b>Item</b>	<b>HS code</b>	<b>NEW HS CODE _CET 2022</b>	<b>REMARKS</b>
4	Fungicides	3808.92.10 or 3808.99.90	3808.92.10 or 3808.92.90	The law should be amended to reflect CET 2022
5	Rodenticides	3808.92.10 or 3808.99.90	3808.99.10 or 3808.99.90	
6	Herbicides	3808.93.10 to 3808.92.90	3808.93.10 or 3808.93.90	
<b>No</b>	<b>Food item</b>	<b>HSC</b>	<b>NEW HS CODE _CET 2022</b>	<b>REMARKS</b>
1	Live cattle	0102.21.00	0102.21.00 0102.29.00	To probe whether it was an omission or intention
2	Live swine	0103.10.00	0103.10.00 0103.91.00 0103.92.00	
3	Live sheep	0104.10.10	0104.10.10 0104.10.90	
4	Live goats	0104.20.10	0104.20.10 0104.20.90	
5	Live poultry	0105.11.10	01.05	
7	Unprocessed edible eggs	0407.29.00	0407.21.00 0407.29.00	To probe whether it was an omission or intention
10	Unprocessed fish (Crustaceans, molluscs, etc)	03.02	03.02 03.03 03.05 03.06 03.07 03.08	To probe whether it was an omission or intention
12	Unprocessed fruits	08.10 and 0905.10.00	08.03 to 08.13	To probe whether it was an omission or intention. Also vanilla should be separated from fruits
13	Unprocessed nuts	08.02	08.01 08.02	

21	Unprocessed coffee	0901.11.00	0901.11.00 0901.12.00	To probe whether it was an omission or intention
22	Unprocessed tea	0902.10.00	0902.10.10 0902.10.90	The law should be amended to reflect CET 2022
		0902.20.00	0902.20.10 0902.20.90	
23	Soya beans	12.01	12.01	The law should be amended to take into consideration of the Finance Act 2016.
24	Groundnuts	12.02	12.02	
28	Unprocessed cotton	1207.21.00	52.01	The law should be amended to reflect CET 2022
31	Seeds and plants thereof (seeds, fruits, spores, seedlings and plants for sowing or planting).	12.09	Any Description	The description should be amended
33	Fertilized eggs for incubation	0407.11.00	0407.11.00	The law should be amended to reflect CET 2022
		0407.19.00	0407.19.00	
		0407.21.00		
40	Methionine	29390.40.00	2930.40.00	The law should be amended to reflect CET 2022
41	Mycotoxin binders	3824.10.00	2309.90.10	
42	Pollard	2309.90.10	2309.90.90	
43	Standing Tree	06.02	06.02	The law should be amended to consider proper numbering
44	Rice Bran	2306.90.90	2302.40.00	The law should be amended to reflect CET 2022
45	Cotton cake	2304.00.00	2306.10.00	Repetition of item 33

<b>No</b>	<b>Implements</b>	<b>HSC</b>	<b>NEW HS CODE _CET 2022</b>	<b>REMARKS</b>
2	Fishing nets	5608.11.00 3926.90.10	5608.11.00 3926.90.10	The law should be emended to consider adding HS Code 3926.90.10 in sub item 1 and delete it in sub item 2
2	Protective bee keeping jacket veil	6113.40.00	Any Description	The law should be amended
3	Mask	6307.9	6307.90.00	The law should be amended to reflect CET 2022
4	Honey strainer		Any Description	The law should be amended
5	Bee hive smoker	8424.89	Any Description	The law should be amended
<b>No.</b>	<b>Implements</b>	<b>HSC</b>	<b>NEW HS CODE _CET 2022</b>	<b>REMARKS</b>
10	Milk storage tanks		Any Description	The law should be amended
11	Dairy packaging materials	3923.30.00 4819.10.00 4819.20.00 4819.20.90	3923.30.00 4819.10.00 4819.20.10 4819.20.90	
8	Braille	8469.00.007	8472.90.00	The law should be amended
9	Mechanically propelled tricycle for carriage of disabled persons	8713.1.00	8713.90.00	The law should be amended
<b>No.</b>	<b>Article</b>	<b>HSC</b>	<b>NEW HS CODE _CET 2022</b>	<b>REMARKS</b>
3	Newspapers	4902.90.00	4902.10.00 4902.90.00	The law should be amended
7	Instructional charts and diagrams	4911.90.10	4911.99.10	The law should be amended

<b>10. Petroleum products</b>				
<b>No</b>	<b>Petroleum product</b>	<b>HSC</b>	<b>NEW HS CODE _CET 2022</b>	<b>REMARKS</b>
4	Petrol (MSR and MSP)	2710.12.10 and 10.12.20	2710.12.10 and  2710.12.20	The law should be amended
23	Revenue Stamps of HS Code 4907.00.90	4907.00.90	4907.00.90	The law should be amended to take into considerations Finance Act 2018 (Should be Shifted to part one)
24	Electronic cash register Code 8470.50.00	8470.50.00	8470.50.00	
26	A supply of precious Aircraft Lubricants of HS codes 2710.19.51, 2710.19.52, 3403.19.00 and 3403.99.00 to a local operator of air Transportation	2710.19.51 2710.19.52 3403.19.00 3403.99.00	2710.19.51 2710.19.52 3403.19.00 3403.99.00	The law should be amended to delete word "precious" in the description
23	An import of grain drying equipment of HS code 8419.31.00 by a person engaged in Agriculture for exclusive use in Agriculture in mainland Tanzania	8419.31.00	8419.34.00	The law should be amended to reflect CET 2022
28	An import of artificial grass of HS Code 5703.30.00 and 5703.20.00 for football pitches located in City or Municipal Council approved by the National Sports Council of Tanzania.	5703.30.00 5703.20.00	5703.31.00 5703.39.00 5703.21.00 5703.29.00	The law should be amended to reflect CET 2022
33	An import of raw materials of HS Code 7208.39.00, 3810.90.00, 3401.19.00, 7904.00.00, 4016.93.00, 8481.10.00 and 8309.90.90 by a manufacturer of gas cylinders upon signing a performance agreement with the Government of the United Republic.	7208.39.00 3810.90.00 3401.19.00 7904.00.00 4016.93.00 8481.10.00 8309.90.90	7208.39.00 3810.90.00 7904.00.00 4016.93.00 8481.10.00 8309.90.90	Amend the law to delete HS code 3401.19.00 (Soap) as it defeats the spirit of exemptions

## REVIEW OF THE EXCISE DUTY IN LINE WITH THE EAC CET 2022

## REVIEWED EXCISABLE ITEMS

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
2106	2106.90.99	2106.90.90	Imported powdered beer	Specific	844.00	The law should be amended to reflect CET 2022
2106	2106.90.99	2106.90.90	Imported powdered juice	Specific	232.00	
2402	24029000	24029000	other Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.	Advarolem	30%	It is available in CET 2017, 2022 and TANCIS but is not in the law.
2403	24031100	24031100	Water pipe tobacco specified in Subheading Note 1 to this Chapter	Advalorem	30%	It is available in the law as well as CET 2022, but does not have rate in the law. The HS description within the law should also be amended to reflect CET 2022.

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
2710	27102000	27102000	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70 % or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, containing biodiesel, other than waste oils	Specific		It is found in the law but has no rate.
5703	57032000	57032100	Of nylon or other polyamides: Carpets and other textile: Carpets and other textile	Advarolem	10.00	The law should be amended to reflect CET 2022

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
5703	57032000	57032900	Other Carpets and other textile floor coverings (including turf), tufted, whether or not made up; Of nylon or other polyamides	Advarolem	10	
5703	57033000	57033100	Of other manmade textile materials: Carpets and other textile floor coverings, turf	Advarolem	10	
5703		57033900	Other; Carpets and other textile floor coverings (including turf), tufted, whether or not made up; Of other man-made textile materials	Advarolem	10	
6201	62011100 62011200 62011300 62011900 62019100 62019200 62019300 62019900	62012000	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of wool or fine animal hair		10	The law should be amended to reflect CET 2022.

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
		62013000	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of cotton	Advarolem	10	
		62014000	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of man-made fibres	Advarolem	10	
		62019000	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of other textile materials	Advarolem	10	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
6202	62021100 62021200 62021300 62021900 62029100 62029200 62029300 62029900	62022000	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of wool or fine animal hair	Advarolem	10	
		62023000	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of cotton	Advarolem	10	
	6202	62024000	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of man-made fibres	Advarolem	10	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
		62029000	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks (including ski-jackets), wind-cheaters, wind-jackets and similar articles, other than those of heading 62.03; Of other textile materials	Advarolem	10	
8702			Motor vehicles for the transport of ten or more persons, including the driver.			
			With only compression-ignition internal combustion piston engine (diesel or semi-diesel).	Advarolem	10	
8702	87021020	87021011	Four-wheel drive vehicles for the transport of ten persons; Unassembled	advalorem	10	The law postulates this hs code but has never been existing in CET 2012, 2017, 2022. Instead there are two hs codes.
8702		87021019	Four-wheel drive vehicles for the transport of ten persons; Other	Advarolem	10	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8702		87022011	With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion; Unassembled	Advarolem	10	These are non-utility vehicles introduced in the CET 2022. The law does not charge these.
8702		87022019	With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion; Other	Advarolem	10.00	
8702		87023011	With both spark-ignition internal combustion piston engine and electric motor as motors for propulsion; Unassembled	Advarolem	10	
8702		87023019	With both spark-ignition internal combustion piston engine and electric motor as motors for propulsion; Other	Advarolem	10	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8702	87029020	87029011	other; Unassembled	Advarolem	10	The law postulates this hs code, however it does not exist, instead these two hs codes are existing
8702		87029019	other; assembled	Advarolem	10	
8702		87022022	With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion; For the transport of not more than 15 persons	Advarolem	10	These HS codes have been introduced by CET 2022, the law has to be amended to impose an excise duty on age (Policy)
8702		87022029	With both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion; Other	Advarolem	10	
8702		87022099	For the transport of more than 25 persons; Other	Advarolem	10	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8702		87023022	Other, for the transport of 10 or more but not exceeding 25 persons; For the transport of not more than 15 persons	Advarolem	10	
8702		87023029	Other, for the transport of 10 or more but not exceeding 25 persons; other	Advarolem	10	
8702		87023099	For the transport of more than 25 persons; other	Advarolem	10	
8703		87034000	Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power	Advarolem	5	(With engine capacity of more than 1000cc but not exceeding 2000 cc) These are new hs codes that have been introduced but are not reflected in the law.

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8703		87034000	Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power	Advarolem	10	(with engine capacity more than 2000cc) These are new hs codes that have been introduced but are not reflected in the law.
8703		87035000	Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power	Advarolem	5	(With engine capacity of more than 1000cc but not exceeding 2000 cc) These are new hs codes that have been introduced but are not reflected in the law.

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8703		87035000	Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, other than those capable of being charged by plugging to external source of electric power	Advarolem	10	(with engine capacity more than 2000cc) These are new hs codes that have been introduced but are not reflected in the law.
8703		87036000	Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power	Advarolem	5	(With engine capacity of more than 1000cc but not exceeding 2000 cc) These are new hs codes that have been introduced but are not reflected in the law.
8703		87036000	Other vehicles, with both spark-ignition internal combustion piston engine and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric	Advarolem	10	(with engine capacity more than 2000cc) These are new hs codes that have been introduced but are not reflected in the law.

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
			power			
8703		87037000	Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric power	Advarolem	5	(With engine capacity of more than 1000cc but not exceeding 2000 cc) These are new hs codes that have been introduced but are not reflected in the law.
8703		87037000	Other vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, capable of being charged by plugging to external source of electric	Advarolem	10	(with engine capacity more than 2000cc) These are new hs codes that have been introduced but are not reflected in the law.

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
			power			
8703	87039090	87039090	Other Vehicles; Other	Advarolem	10	These are non-utility vehicles. The law does not charge these.
8903			Yachts and other vessels for pleasure or sports; rowing boats and canoes.			
			Inflatable (including rigid hull inflatable) boats:			
8903	89031000	89031100	Fitted or designed to be fitted with a motor, unladen (net) weight (excluding the motor) not exceeding 100 kg	Advarolem	20	The law should reflect splitting that has been done in CET 2022
8903		89031200	Not designed for use with a motor and unladen (net) weight not exceeding 100 kg	Advarolem	20	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8903		89031300	Other	Advarolem	20.00	
			Sailboats, other than inflatable, with or without auxiliary motor:			
8903	89039100	89032100	Of a length not exceeding 7.5 m	Advarolem	20.00	The law should be amended to reflect CET 2022
8903	89039200	89032200	Of a length exceeding 7.5 m but not exceeding 24 m	Advarolem	20.00	
8903	89039900	89032300	Of a length exceeding 24 m	Advarolem	20	
			Motorboats, other than inflatable, not including outboard motorboats:	Advarolem		
8903		89033100	Of a length not exceeding 7.5 m	Advarolem	20	
8903		89033200	Of a length exceeding 7.5 m but not exceeding 24 m	Advarolem	20	
8903		89033300	Of a length exceeding 24 m	Advarolem	20	
			Other Yachts and other vessels for pleasure or sports; rowing boats and canoes.			
8903		89039300	Of a length not exceeding 7.5 m	Advarolem	20	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
8903		89039990	Other Yachts and other vessels for pleasure or sports; rowing boats and canoes: Other	Advarolem	20	
9302	93020000	93020010	Revolvers	Advarolem	25	The law should be amended to reflect the split of the CET 2022
9302		93020021	Pistols, single barrel; Semi-Automatic	Advarolem	25	
9302		93020029	Pistols, single barrel; Other	Advarolem	25	
9302		93020030	Pistols, multiple barrel	Advarolem	25	
9303	93031000	93031000	Muzzle-loading firearms	Advarolem	25	
			Other sporting, hunting or target-shooting shotguns, including combination shotgun-rifles:			
9303	93032000	93032021	Shotguns, single barrel; Pump-action	Advarolem	25	
9303	93033000	93032022	Shotguns, single barrel; Semi-automatic	Advarolem	25	
9303	93039000	93032029	Shotguns, single barrel; Other	Advarolem	25	
9303		93032030	Shotguns, multiple barrel, including combination guns	Advarolem	25	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
			Other sporting, hunting or target- shooting rifles			
9303		93033010	Single-shot	Advarolem	25	
9303		93033020	Semi-automatic	Advarolem	25	
9303		93039000	Other	Advarolem	25	
9401	94013000	94013100	Swivel seats with variable height adjustment; Of wood	Advarolem	20	
9401		94013900	Swivel seats with variable height adjustment; Other	Advarolem	20	
9401	94014000	94014100	Seats other than garden seats or camping equipment, convertible into beds:Of wood	Advarolem	20	
9401		94014900	Seats other than garden seats or camping equipment, convertible into beds:Other	Advarolem	20	
9401	94015100	94015200	Seats of cane, osier, bamboo or similar materials:Of bamboo	Advarolem	20	

HEAD	CET 2017 HS CODE	CET 2022 HS CODE	HS_DESCRIPTION	EXCISE DUTY TYPE	DUTY RATE	REMARKS
9401		94015300	Seats of cane, osier, bamboo or similar materials: Of rattan	Advarolem	20	
9401	94019000	94019100	Parts; Of wood	Advarolem	20	
9401		94019900	Parts; Other	Advarolem	20	
9403	94038100	94038200	Furniture of other materials, including cane, osier, bamboo or similar materials; Of bamboo	Advarolem	20	
9403		94038300	Furniture of other materials, including cane, osier, bamboo or similar materials; Of rattan	Advarolem	20	
9403	94039000	94039100	Parts; Of wood	Advarolem	20	
9403		94039900	Parts; Other	Advarolem	20	

**Animal and Animal products**

## i. Import and export fee for animal and animal products

Na.	Animal/Animal Product	Unit	Import Fees (Tshs)		Export Fees (Tsh)	
			Current Rate	Proposed Rate	Current Rate	Proposed Rate
1	Semen	Straw/Bag	2,000.00	0.00	2,000.00	0.00
2	Sexed Semen	Straw	2,000.00	0.00	2,000.00	0.00
3	Milk					
	• Cream	Kilogram (kg)	0.00	0.00	0.00	0.00
	• Ice cream	Kilogram (kg)	0.00	0.00	0.00	0.00
4	Hides					
	• Hides	Kilogram (kg)	400.00	0.00	10.00	0.00
	• Finished Leather	Kilogram (kg)	0.00	0.00	0.00	0.00
5	Skin	Kilogram (kg)			5,000.00	0.00
6	Extension of permit about to expire	Permit	50,000.00	100,000.00	50,000.00	100,000.00

- ii. Deleting the item 19 (vi) of the thirteenth schedules (Donkey meat/poopy).”
- iii. The principal Regulations are amended by amending Poultry/Eggs by item 6 (a) (b) in the Fourteenth Schedule as follows;

<b>Na .</b>	<b>Animal/Animal Product</b>	<b>Unit</b>	<b>Current Rate</b>	<b>Proposed Rate</b>
1	Poultry eggs			
	More than100 trays of Table eggs	Trays	200.00	0.00
	More than 100 trays of hatching eggs	Trays	500.00	0.00

**Annex 11**

**Proposal for Review of Fees for RITA services**

**a) Proposed Fees for Birth and Death are as below;**

<b>S/N</b>	<b>Particulars</b>	<b>Current Fee (TZS)</b>	<b>Proposed Fee (TZS)</b>
<b>REGISTRATION OF BIRTHS AND DEATH</b>			
1.	Registration of the birth of any child for any period up to 3 months	3,500	Free
2.	Registration of birth of any child for any period in excess of 3 months up to 10 years	4,000	8,000
3.	Registration of birth of any child for any period in excess of 10 years	10,000	20,000
4.	Registration of the death of any person for any period within 30 days	3500	7,000
5.	Registration of the death of any person for excess of 1-month up to 10 years	4,000	8,000
6.	Registration of the death of any person in excess of 10 years	10,000	20,000
7.	For alteration in the name and/or particulars of any child whose birth has been previously registered	6,500	13,000
8.	For alteration in the name and/or particulars of deceased whose death has been previously registered	6,500	13,000
9.	Certification of Birth Certificates for individuals/institutions/organizations	3,000	6,000
10.	Search Fee	1,500	3,000
11.	For certificate copy of any entry in the Registrar General Certificate	3,500	7,000
12.	For Registration of Foreign Deaths	-	30,000
13.	Adoption Certificate	100,000	100,000
14.	For Registration of Birth of adopted child will follow normal registration rates according to time of registration	-	-

**b) Fees Relating to Marriages**

<b>S/N</b>	<b>Particulars</b>	<b>Current Fee (TZS)</b>	<b>Proposed Fee (TZS)</b>
1.	On application for licence to conduct marriages (renewable every 3 years)	30,000	60,000
2.	Application for licensing of place for celebration of marriage	100,000	200,000
3.	On application for Registrar-General's special licence and issue thereof (Waiver of 21 days' notice).	100,000	200,000
4.	Marriage certificate	10,000	20,000
5.	For certifying copy of an entry in a register of marriage	20,000	40,000
6.	On application for registration of a foreign marriage	100,000	200,000
7.	For celebration of civil marriage	50,000	100,000
8.	On application for registration of subsisting unregistered marriage	20,000	40,000
9.	Search in register of marriage for each entry	30,000	50,000
10.	For certifying copy of an entry in the Register of Annulment and Divorces, for each entry	20,000	40,000
11.	Search in the Register of Annulments and Divorces, for each entry	30,000	50,000
12.	Registration of endorsement of conversion of marriage	30,000	60,000
13.	Certificate of no impediment to marriage	200,000	300,000
14.	Application for licensing of place of celebration of marriage in respect of sick persons	20,000	20,000
15.	Bachelor / Spinster Certificate	100,000	200,000
16.	Certificate of Divorce	20,000	40,000
18.	Certificate of Divorce for divorce that occurred in a foreign country	100,000	200,000

**c) Fees Relating to Trustees' Incorporation**

<b>S/N</b>	<b>Particulars</b>	<b>Current Fee(TZS)</b>	<b>Proposed Fee (TZS)</b>
1.	Application for Incorporation of Board of Trustees	200,000	200,000
2.	Notification of change of Trust Deed	50,000	100,000
3.	Return of Trustees	50,000	100,000
4.	Notification of change of or concerning the Trustees	50,000	50,000
5.	Copy of any page in the Custody of the Administrator General or any extra therefrom	10,000	20,000
6.	Application to inspect any application, certificate or other document	50,000	100,000
7.	Application for consent to acquire or dispose any one parcel of land or other property <i>(Based on Current Valuation Report)</i>	50,000	100,000
8.	Application made at the same time to acquire more than one parcel of land for each additional parcel	30,000	60,000
9.	For certifying any document or extract there from	30,000	60,000
10.	Notification of change of Name	50,000	50,000
11.	Application for change of Name	50,000	50,000
12.	Approval of Notification of change of name	50,000	50,000
12.	For issue of duplicate certificate	50,000	100,000
13.	Notification of change of Postal Address	50,000	50,000
14	Penalty for late submission of returns (10,000 per Trustee per month times number of Trustees)	1,000	10,000

**d) Fees relating to Administration of Estate of the Deceased**

<b>Value of the Estate (TZS)</b>	<b>Preparation of Will</b>	<b>Custody of Will</b>	<b>Amendment of Will</b>
	<b>Current Fee (TZS)</b>	<b>Current Fee (TZS)</b>	<b>Current Fee (TZS)</b>
1 – 50,000,000	20,000	20,000	20,000
51,000,000 – 200,000,000	50,000	50,000	50,000
201,000,000 – 500,000,000	100,000	100,000	100,000
Above 501,000,000	150,000	150,000	150,000
<b>The proposed fees for Will's preparation, custody and amendment</b>	<b>50,000</b>	<b>100,000</b>	<b>50,000</b>

**Annex No. 12**

18	Exchangeable Fluorine	20	48,000
19	Carbonate and Bicarbonate	50	120,000
20	Electric conductivity	50	120,000
21	Lime /Gypsum requirement	60	144,000
22	Particle Size Analysis	30	72,000
23	Soil Moisture	30	72,000
24	Bulk density	30	72,000
25	Particle density	30	72,000
26	Base Saturation	30	72,000
27	Sodium Adsorption Ratio	50	120,000
28	Water Stable aggregates	50	120,000
29	Dispersion ratio	50	120,000
30	Insoluble/Suspended solids	50	120,000
31	N-NO <sub>3</sub>	20	48,000
32	N-NH <sub>4</sub>	20	48,000
33	Sample Preparations	20	48,000
34	Water extractable boron	20	48,000
35	Bio fertilizer	70	168,000

<b>S/N</b>	<b>Type of Analysis</b>	<b>Cost persample (USD) TFRA</b>	<b>Cost per sample (TZS)TFRA</b>
1	pH in H <sub>2</sub> O	20	48,000
2	pH in CaCl <sub>2</sub>	20	48,000
3	Organic Carbon	30	72,000
4	Total Nitrogen	20	48,000
5	Extractable Phosphorus	20	48,000
6	Extractable Copper	20	48,000
7	Extractable Zinc	20	48,000
8	Extractable Iron or Aluminium	20	48,000
9	Extractable Sulphur	20	48,000
10	Cation Exchange Capacity	20	48,000
11	Exchangeable Calcium	20	48,000
12	Extractable Magnesium	20	48,000
13	Exchangeable Potassium	20	48,000
14	Exchangeable Sodium	20	48,000
15	Extractable Manganese	20	48,000
16	Exchangeable Lead	20	48,000
17	Exchangeable Molybdenum	20	48,000

36	Heavy metals	50	120,000
37	Organic acids	70	168,000
38	Any other parameter	≤70	168,000

**Tanzania fertilizer regulatory authority proposed laboratory fees**



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Agriculture for inclusive growth



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Transport infrastructure for connectivity



Sports and entertainment for youth employment

Ministry of Finance and Planning  
Government City- Mtumba  
Hazina Avenue, 40468 Dodoma