

THE UNITED REPUBLIC OF TANZANIA



MINISTRY OF FINANCE

**THE BUDGET EXECUTION REPORT FOR THE FIRST QUARTER OF 2023/24
(JULY TO SEPTEMBER 2023)**

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LIST OF ABBREVIATIONS

BoT	-	Bank of Tanzania
DSA	-	Debt Sustainability Analysis
GDP	-	Gross Domestic Product
LGAs	-	Local Government Authorities
PAYE	-	Pay as You Earn
REA	-	Rural Electrification Agency
TRA	-	Tanzania Revenue Authority
USD	-	United States Dollar
VAT	-	Value Added Tax

EXECUTIVE SUMMARY

In 2022, the economy grew by 4.7 percent compared to 4.9 percent in 2021 based on the new series of 2015 base year. In 2022/23, headline inflation continued to maintain single digit averaged at 4.6 percent compared to 4.0 percent in 2021/22. The increase in inflation was attributed to the rise of global energy and food prices.

Domestic revenue collection (including LGAs own source) during the period of July – September 2023 amounted to 6,946.8 billion shillings, equivalent to 96.2 percent, which was 10.3 percent higher than 6,297.6 billion shillings collected in the corresponding period in 2022/23. Out of the total collection, tax revenues were 5,731.3 billion shillings equivalent to 98.0 percent of estimates; non tax was 916.4 billion shillings equivalent to 85.2 percent and LGAs own source were 299.0 equivalents to 99.0 percent.

The Government continued to mobilize foreign grants and concessional loans from development partners and international financial institutions to complement Government efforts to finance development agenda. Total grants received during July-September 2023 amounted to 41.0 billion shillings, which was 22.5 percent of the estimated amount of 182.3 billion shillings.

Total financing during the first quarter of 2023/24 was 1,054.5 billion shillings against the target of 1,574.4 billion shillings equivalent to 67.0 percent. Out of the total financing, total foreign net financing was a financing of 426.9 billion shillings against a borrowing target of 868.2 billion shillings equivalent to 49.2 percent. Total domestic net financing was 627.6 billion shillings against the borrowing target of 706.1 billion shillings equivalent to 88.9 percent.

As at end September 2023, Central Government debt stock was 83,757.15¹ billion shillings compared to 71,980.12 billion shillings in the corresponding period in 2022, equivalent to an increase of 16.36 percent.

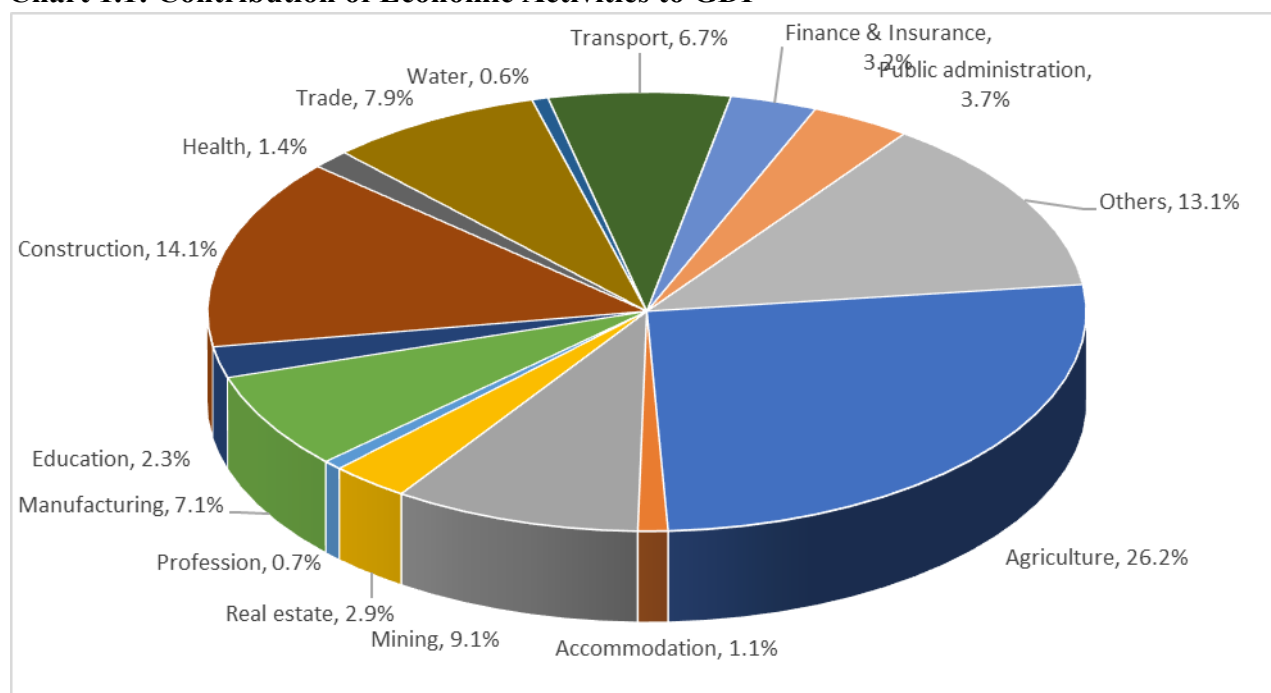
¹ Provisional number

1.0 RECENT MACROECONOMIC PERFORMANCE

1.1 Real GDP Growth in 2022

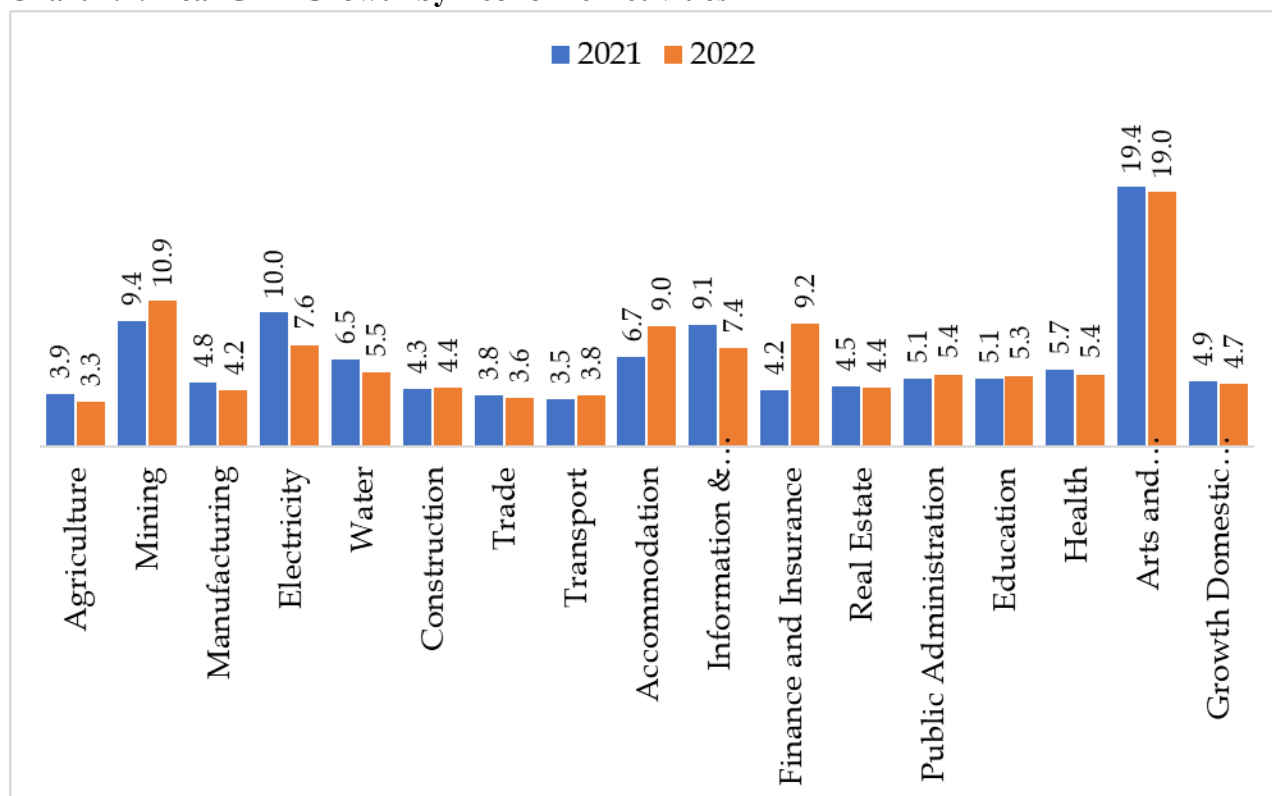
In 2022, real GDP was 141,872,730 million shillings compared to 135,478,189 million shillings recorded in 2021, equivalent to a growth of 4.7 percent. The growth was driven by: Government measures to contain the impact of war in Ukraine; strategic investment in energy, water, health, education, roads, railways and airports infrastructure; increased production of minerals particularly coal, gypsum, salt, diamonds, limestone and copper; and increased tourism activities. However, the growth rate slowed down by 0.2 percentage point from 4.9 percent growth recorded in 2021 mainly due to the impact of war in Ukraine which escalated production costs as well as the climate change spill over which affected agriculture production in some areas. Economic activities which recorded the highest growth during the period under review included: arts and entertainment (19.0 percent); mining and quarrying (10.9 percent); financial and insurance (9.2 percent); accommodation and food service (9.0 percent); and electricity (7.6 percent). The status of sectoral contribution to GDP in 2022 and the real GDP growth by economic activity are presented in Charts 1.1 and 1.2 respectively.

Chart 1.1: Contribution of Economic Activities to GDP



Source: National Bureau of Statistics

Chart 1.2: Real GDP Growth by Economic Activities

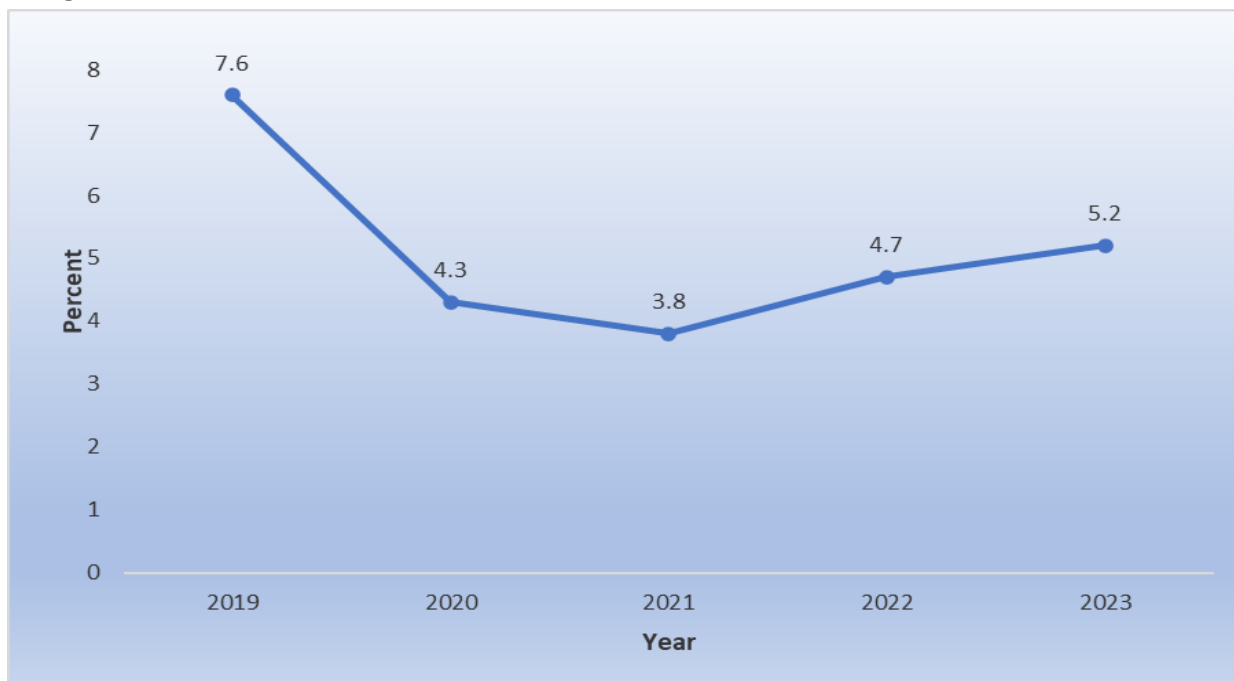


Source: National Bureau of Statistics

1.2 Real GDP Growth in the Second Quarter (April – June, 2023)

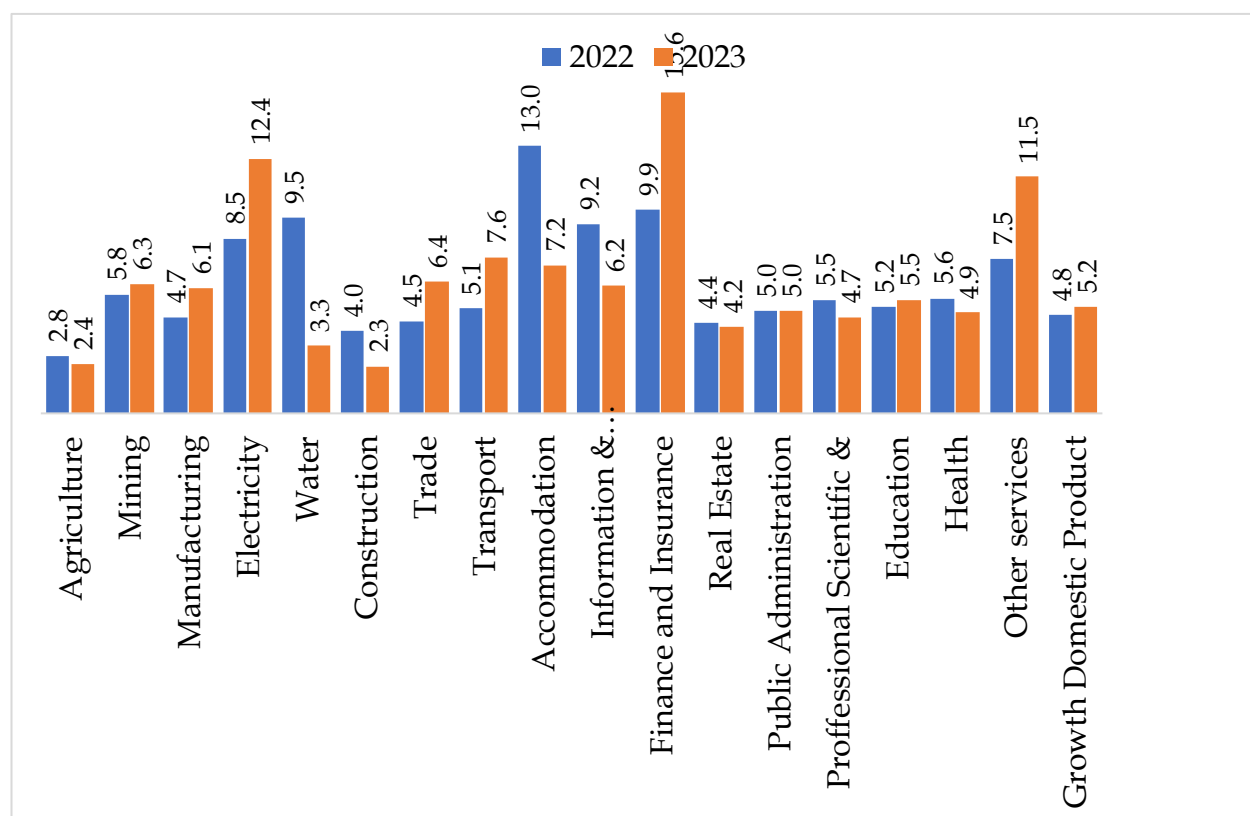
During the second quarter (April – June, 2023), nominal Quarterly Gross Domestic Product (QGDP) in an absolute term (at current prices) increased to TZS 47.6 trillion from TZS trillion 42.6 in the similar quarter of 2022. Meanwhile, real QGDP (at 2015 prices) also increased to TZS 36.7 trillion in the second quarter of 2023 from TZS 34.9 trillion in a similar period of 2022, equivalent to the growth rate of 5.2 percent compared to a growth rate of 4.7 percent observed in the corresponding quarter in 2022 (Figure 1.1). All economic activities undertaken in the economy during the reference period in 2023 contributed to the noticed growth (Figure 1.2). Economic activities with significant contribution were: agriculture (11.9 percent), transport and storage (11.6 percent); financial and insurance (10.5 percent); trade and repair (10.3 percent); manufacturing (9.2 percent), and construction (6.9 percent).

Figure 1.1: Second Quarter (April - June) GDP Growth Rate from 2019 - 2023



Source: National Bureau of Statistics

Figure 1.2: Growth Rates by Economic Activities (July - September) 2022 - 2023



Source: National Bureau of Statistics

1.3 Inflation Development

In 2022/23, headline inflation continued to maintain single digit averaged at 4.6 percent compared to 4.0 percent in 2021/22. In the quarter ending September 2023, headline inflation averaged 3.3 percent, a decline from 4.6 percent recorded in the corresponding quarter in 2022. The slowdown in inflation was mainly driven by moderation in prices of food and energy items. Annual food and non-alcoholic beverages inflation decreased to an average of 5.8 percent, from 7.5 percent in the quarter ending September 2022, largely associated with adequate food supply in markets, though fetched at relatively higher price. Highest food price increase was recorded in beans and rice. Despite price increase, food situation was satisfactory, largely explained by good harvests in 2022/23 crop season. Energy, fuel and utilities inflation declined to an average of -0.1 percent, a substantial decline from 9.6 percent recorded in the corresponding quarter in 2022. This was attributable to eased domestic pump prices, consistent with developments in the global market. Meanwhile, core inflation eased to an average of 2.2 percent from 3.3 percent in the corresponding quarter in 2022. **Chart 1.3** presents the trends of headline inflation.

Chart 1.3: Trend of Headline Inflation from (July - September) 2019 to 2023



Source: National Bureau Statistics

1.4 External Trade

The effects of the global shocks, notably the ongoing war in Ukraine, continued to impact external sector performance. Notwithstanding the shocks, the current account balance improved during the quarter ending September, backed by heightened seasonal earnings from tourism activities and relatively lower import bill. The current

account deficit narrowed to USD 193.1 million during the quarter ending September compared to a deficit of USD 1,669.8 million in the corresponding period in 2022.

Exports of goods increased by 14.7 percent to USD 2,307.5 million from the amount registered in the quarter ending September 2022. Much of the increase was recorded in both traditional exports and non-traditional exports, in particular gold and horticultural products. Gold export increased by 10 percent to USD 823.5 million driven by both price and volume effects. Traditional exports rose to USD 286.5 million from USD 184.9 million in the corresponding quarter in 2022, pushed by tobacco. In similar period, import of goods fell by 17.8 percent to USD 3,452 million from the level recorded in corresponding quarter in 2022. The decline was notable in refined white petroleum products, machinery and mechanical appliances, and industrial supplies. The value of white petroleum products fell to USD 690.7 million, from USD 1,184.2 million in the quarter ending September 2022, influenced by a decline of both price and volume.

Services account recorded a surplus of USD 1,077.2 million up from USD 649.3 million reported during the corresponding quarter in 2022. The improvement was largely associated with the increase in services receipts, largely travel and transportation. The rise in travel receipts was boosted by recovery of tourism activities, with tourists' arrivals rising to 540,667 from 459,016 in the quarter ending September 2022. The primary income account recorded a deficit of USD 274.3 million, slightly above a deficit of USD 267.8 million in the same period in 2022. With respect to secondary income account, a surplus of USD 148.5 million was recorded, higher compared to USD 134.5 million in the quarter ending September 2022, driven by higher private sector inflows.

1.5 Gross Official Reserves

Foreign exchange reserves mounted to USD 4,873.1 million at the end of September 2023 compared with USD 4,961.5 million in the similar quarter in 2022. The reserves were adequate, covering 4.4 months of projected imports of goods and services, in line with the country benchmark and EAC convergence criteria of at least 4 months and 4.5 months respectively.

1.6 Credit to Private Sector

Credit to the private sector grew by 19.5 percent, above the target of 16.4 percent for the first half of 2023/24, albeit lower compared with 21.3 percent in preceding quarter and 22 percent in the corresponding period in 2022. The performance was attributable to sustained strong demand for credit in line with the improving business conditions and the lagged impact of measures instituted to enhance credit in the market.

1.7 Money Supply

During the year ending September 2023, the growth of money supply slowed down, consistent with less accommodative monetary policy stance pursued by the Bank of

Tanzania to curb inflationary pressures, while safeguarding economic growth and stability in the financial sector. Extended broad money supply recorded an annual growth of 14.5 percent, lower than 18.8 recorded at the end of the preceding quarter. Despite the slowdown, the growth of money supply was above the target of 10.1 percent set for the first half of 2023/24, mainly pushed by credit to private sector.

1.8 Interest Rates Development

During the quarter under review, interest rates charged by banks on loans and those offered on deposit recorded a modest decline. During the quarter ending September 2023/24, the overall lending rate averaged 15.61 percent, down from 16.11 percent in the corresponding quarter in 2022. Likewise, the negotiated lending rates averaged 13.29 percent, lower than 14.13 percent recorded in similar quarter in 2022. The overall time deposit rate declined to 6.87 percent from 7.56 percent. The negotiated deposit interest rates offered by banks also recorded a similar descending trend.

1.9 Exchange Rate

Consistent with high demand for foreign exchange, the shilling recorded an annual depreciation of 4.8 percent, trading at an average rate of TZS 2,410.3 per US dollar in the quarter ending September, compared with TZS 2,305.3 per US dollar in the corresponding quarter of 2022 and TZS 2,317.4 per US dollar in the preceding quarter.

2.0 GOVERNMENT OPERATIONS

2.1 Revenue

In 2023/24, 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. Therefore, proposed tax measures for the year 2023/24 aimed at “accelerating economy recovery and enhancing productive sectors for improved livelihood”.

During the first quarter, total domestic revenue collection amounted to 6,946.8 billion shillings, equivalent to 96.2 percent of estimated amount of 7,224.0 billion shillings. Out of the total collection, tax revenue collected amounted to 5,731.3 billion shillings, equivalent to 98.0 percent of estimates of 5,846.2 billion shillings. Non-tax revenues were 916.4 billion shillings against the planned target of 1,075.6 billion shillings, reflecting the performance of 85.2 percent. Collections from LGAs own sources were 299.0 billion shillings against the target of 302.2 billion shillings, equivalent to 99.0 percent.

2.2 Revenue by Source

2.2.1 Taxes on Imports

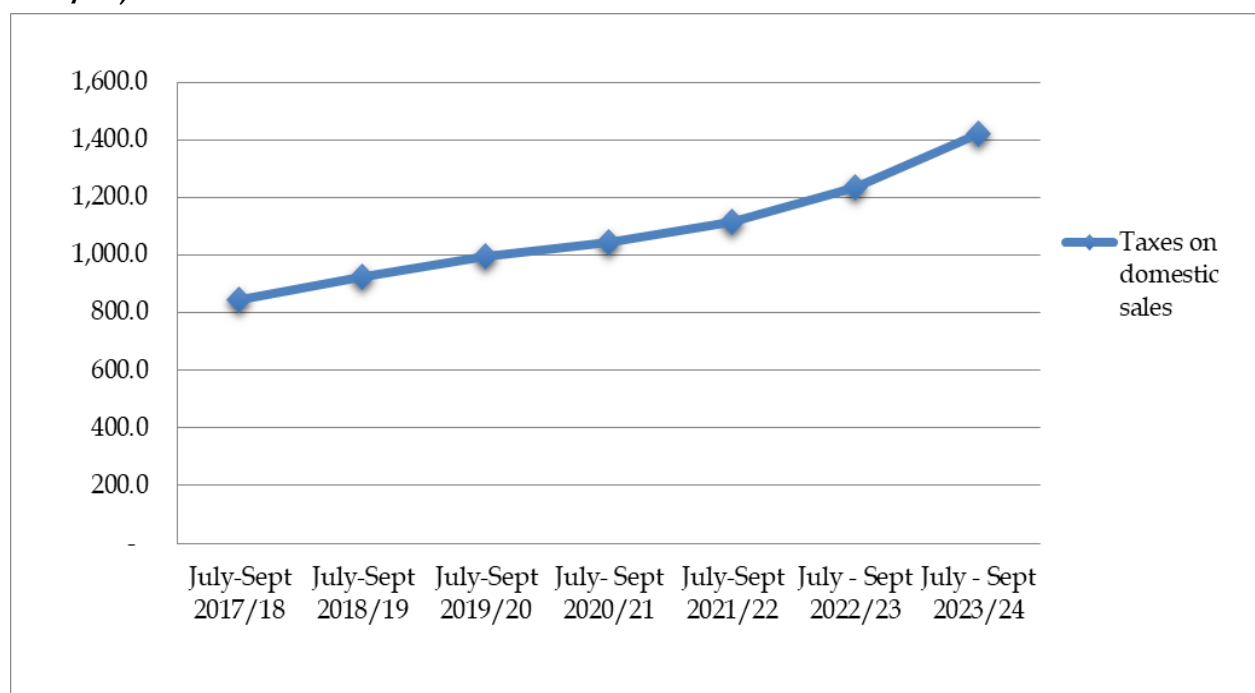
Import taxes and duties collections amounted to 1,732.2 billion shillings reflecting a performance of 96.6 percent of estimated 1,792.8 billion shillings, and 4.9 percent higher when compared to collections registered in the similar period in 2022/23. The excise on petroleum imports collections amounted to 288.0 billion shillings, which was 97.6 percent of the planned target of 295.2 billion shillings. Excise on other imports had also registered the performance of 78.9 billion shillings, equivalent to 92.7 percent of estimates and growth of 6.4 percent compared with the same period in the previous years while import duty performed at 97.1 percent of the target. The underperformance of excise on petroleum was due to decline in importation volume of Kerosine and diesel as anticipated. VAT on non- petroleum collection amounted to 925.6 equivalents to 96.5 percent of the target and the growth of 0.9 percent.

2.2.2 Taxes on Domestic Sales

Tax collections from domestic sales during the first quarter of 2023/24 was 1,422.5 equivalent to 105.3 percent of the target and 15.2 percent higher than the amount registered in the first quarter of 2022/23. Out of the total collection, the excise duty amounted to 480.4 billion shillings, equivalent to 100.2 percent of the target of collecting 479.5 billion shillings while VAT on domestic sales were 942.1 billion shillings, or 108.2 percent of the projected collection of 870.9 billion shillings.

The performance of domestic VAT was mainly contributed to an increase in the sales of consumable products such as cigarettes (2.0 percent), sugar (50.2 percent), cement (11.8 percent) and soft drinks (123.1 percent) and various ongoing campaigns across the country such as door to door and tuwajibike has increases awareness and voluntary compliance on the need to demand receipts. On the other hand, the performance of excise duty was due to increase in the production of wine grapes (30.7 percent), spirit alcohol (14.8 percent), juice (32.9 percent) and soft drink (21.6 percent). Chart 2.1 shows the trend of the first quarter tax collection performance on domestic sales from 2017/18 – 2023/24.

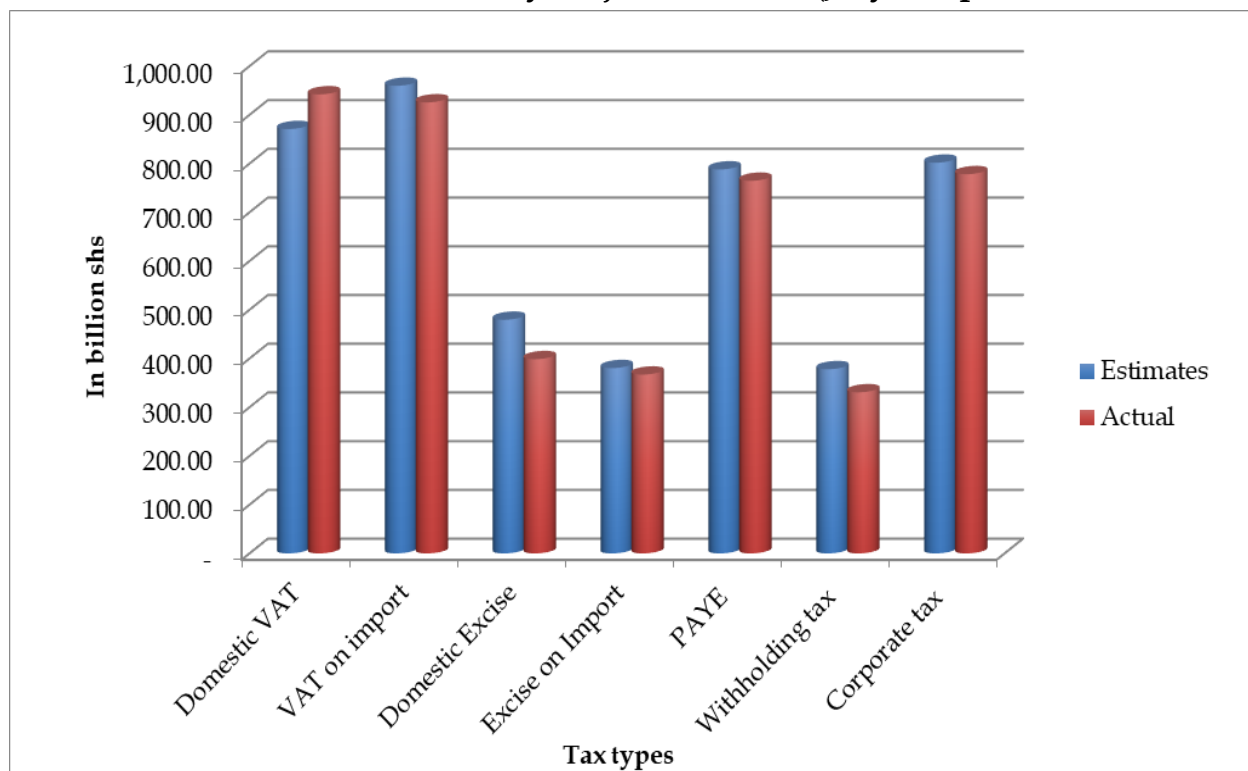
Chart 2.1: Trend of Tax on Domestic Sales for the First Quarter (2017/18 – 2023/24)



2.2.3 Income Tax

The overall performance of income tax was 2,023.1 billion shillings, equivalent to 92.7 percent of expected collection of 2,181.8 billion shillings, and 17.5 percent higher when compared to collections registered in the same period in 2022/23. In the first quarter of 2023/24, PAYE collection was 764.7 billion shillings, equivalent to 97.0 percent of the target reflect an increase of 14.9 percent compared to the first quarter in 2022/23. The corporate tax was 778.3 billion shillings equivalent to 97.1 percent of the target, indicated an increase of 27.9 percent when compared with similar period in 2022/23. Underperformance of corporate tax was due to decline in the collection in the major economic activities of some construction which collected 17,345.0 million shillings compared to 19,092.1 million shillings collected in similar quarter previous year. Revenue performance by major tax items is shown in Chart 2.2.

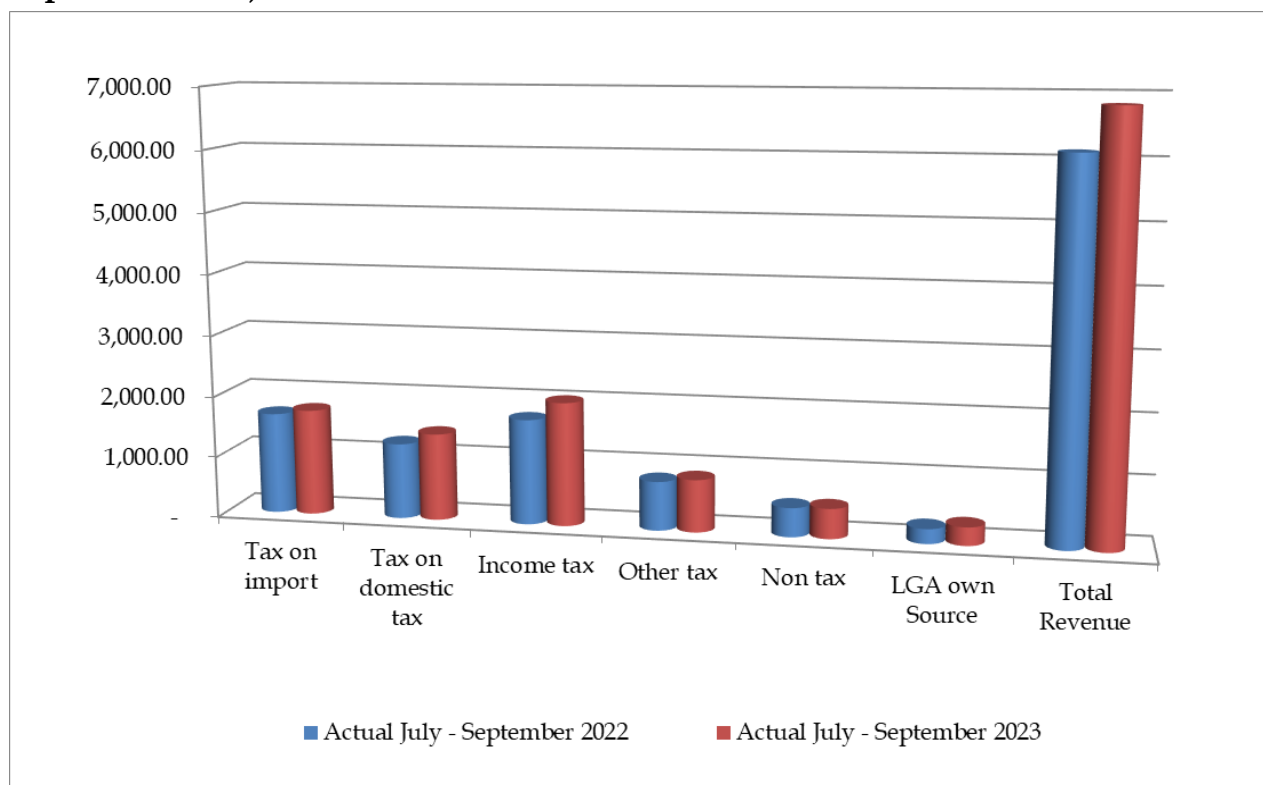
Chart 2.2: Revenue Performance by Major Tax Items (July – September 2022)



2.2.4 Other Taxes

The category of other taxes includes fuel levy, transit fee, National Water Development Fund, Rural Energy Agency, Railway Development Fund, Business Skill Development Levy and Departure Service Charges. During the quarter ended September 2023, actual collections from other taxes category amounted to 858.1 billion shillings, which was 99.7 percent of the period estimate of 860.5 billion shillings. Sources of other taxes that recorded an impressive performance includes: Departure Service Charges (105.4 percent); and Fuel Levy and Transit Fee (117.5 percent); Othe other hand, National Water Development Fund was 92.4 percent against the target, Rural Energy Agency-REA was 95.0 percent and Railway Development Levy was 94.3 percent of the estimates. Revenue performance in July to September 2023 compared to July to September 2022 is indicated in Chart 2.3.

Chart 2.3: Revenue Performance (July - September 2023) Compared to (July - September 2022)

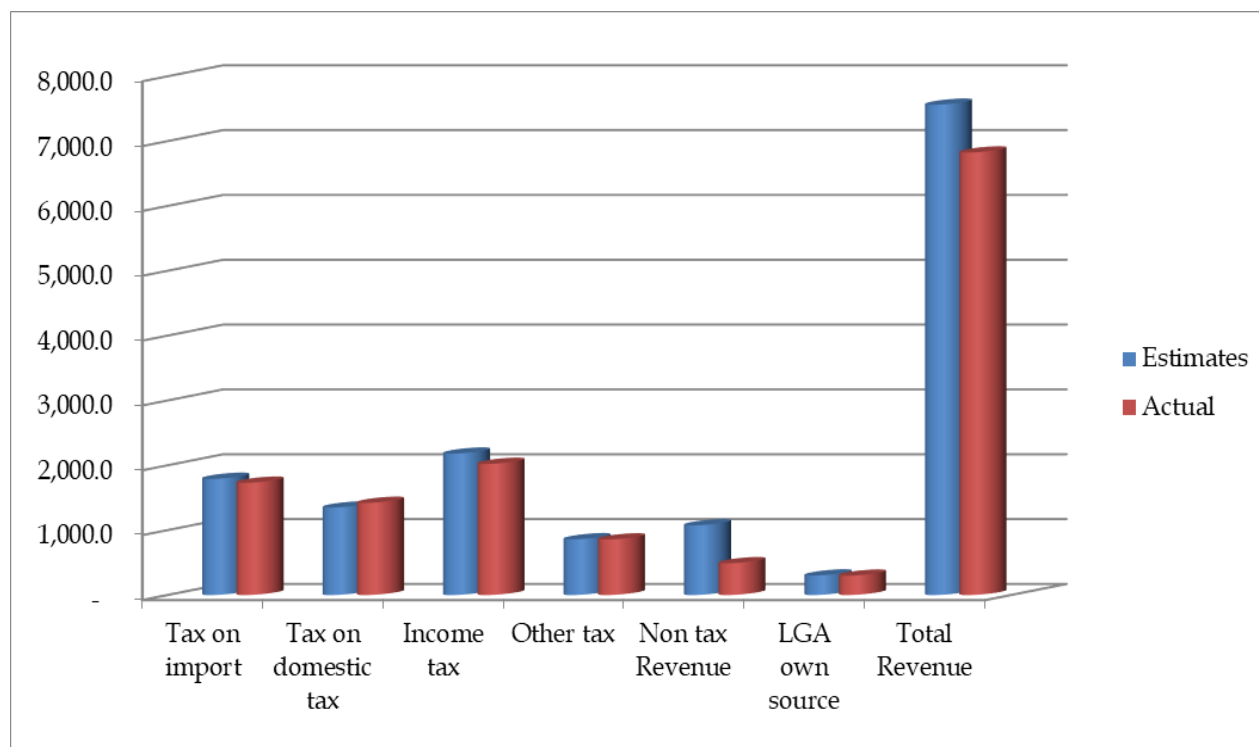


2.2.5 Non-Tax Revenue

Collections of non-tax revenue in the first quarter of 2023/24 were 916.4 billion shillings equivalent to 85.2 percent of quarter estimates of 1,075.6 billion shillings. Non-tax revenues collected by Ministries were 445.8 billion shillings against the target of 597.6 billion shillings equivalent to 74.6 percent, dividends and contributions collected by Office of Treasury Registrar were 45.2 billion shillings against the target of 40.8 billion shillings equivalent to 110.9 percent while non-tax revenues collected by TRA were 425.5 billion shillings which was 97.3 percent of the quarter estimates of 437.2 billion shillings.

Collections from LGAs own source were 299.0 billion shillings, which was 99.0 percent of the period target. Underperformance of property tax was due to ongoing process of compilation of the system for collecting particular taxes as well as identification of buildings/houses. On the other hand, the underperformance of the revenues collected by Ministries and Independent Department were mainly contributed by low efficient in collecting land rent and lack of close monitoring of some of the revenue sources. Domestic revenue performance for the first quarter of 2023/24 compared to estimates is depicted in Chart 2.4. Analysis of revenue performance during the first quarter of 2023/24 is depicted in Annex A.

Chart 2.4: Domestic revenue performance for the first quarter of 2023/24 compared to estimates



2.3 Expenditure

The total expenditure for the first quarter was 10,347.2 billion shillings against the target of 9,871.3 billion shillings of which recurrent expenditure was 6,151.6 billion shillings against a target of 6,674.9 billion shillings, while development expenditure amounted to 4,195.6 billion shillings against a target of 3,196.4 billion shillings.

2.3.1 Recurrent Expenditure

The first quarter recurrent expenditure was 6,151.6 billion shillings, or 92.2 percent of the budgeted target.

2.3.2 Wages and Salaries

Government spent 2,446.9 billion shillings on wages and salaries during the review period, out of a target of 2,604.9 billion shillings. The amount released corresponded to the expenditure need stated by Votes.

2.3.3 Debt Service

The total debt service expenditure for the first quarter was 1,756.6 billion shillings, equivalent to 91.1 percent of the target. The released funds comprise 1,024.0 billion shillings for principal repayment and 732.6 billion shillings for interest payments.

2.3.4 Goods, Services and Transfers

In the first quarter, 1,948.0 billion shillings were distributed under Goods, Services, and

Transfers, compared to 2,101.4 billion shillings spent in the same quarter in 2022/23.

2.3.5 Development Expenditure

A total of 3,196.4 billion shillings was expected to be spent on development in the first quarter of 2023/24. The total includes domestic expenditure of 2,671.1 billion shillings and foreign expenditure of 525.3 billion shillings. A total of 3,713.8 billion shillings were released and 481.8 billion shillings was spent direct to project funds, therefore making a total development expenditure of 4,195.6, representing 131.3% of the expected target. The first quarter performance of budget by major categories of recurrent and development and by economic classification is presented in Chart 2.5 and Chart 2.6.

Chart 2.5: First Quarter Expenditure Performance by Major Categories (July 2023 to September 2023)

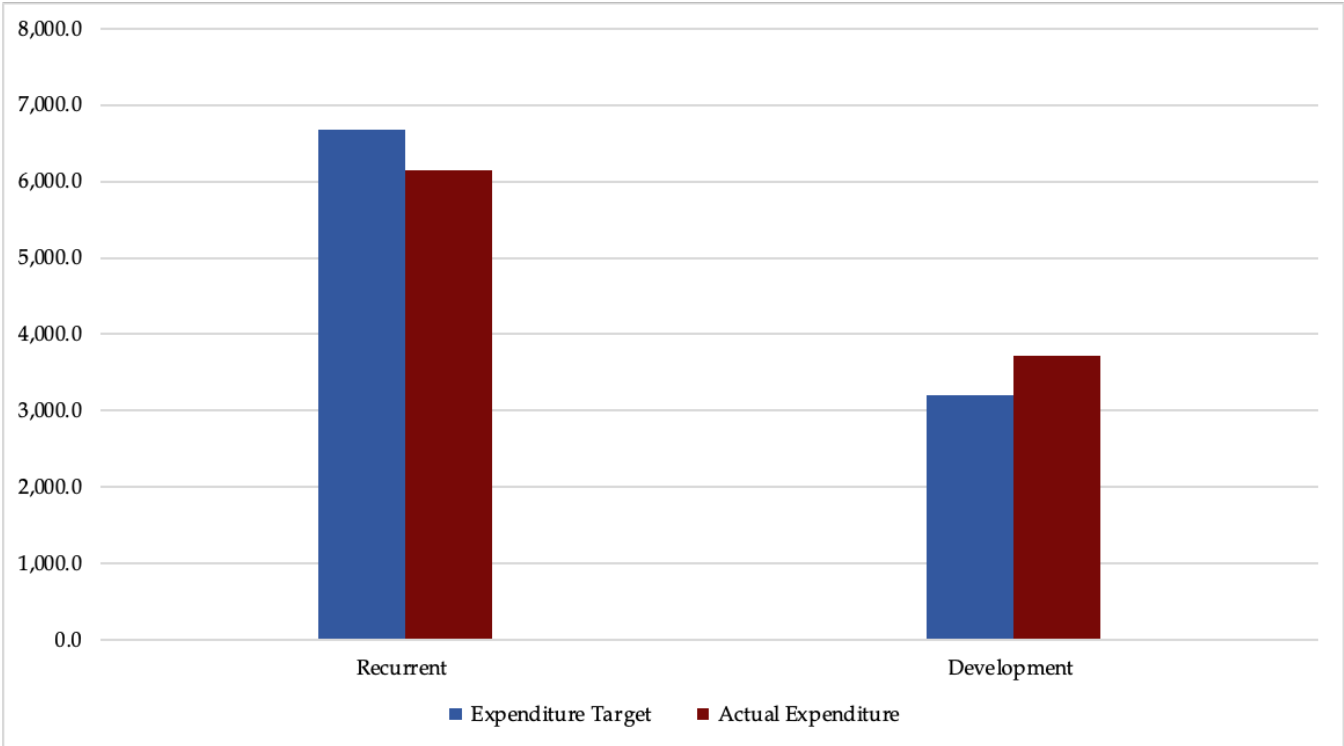
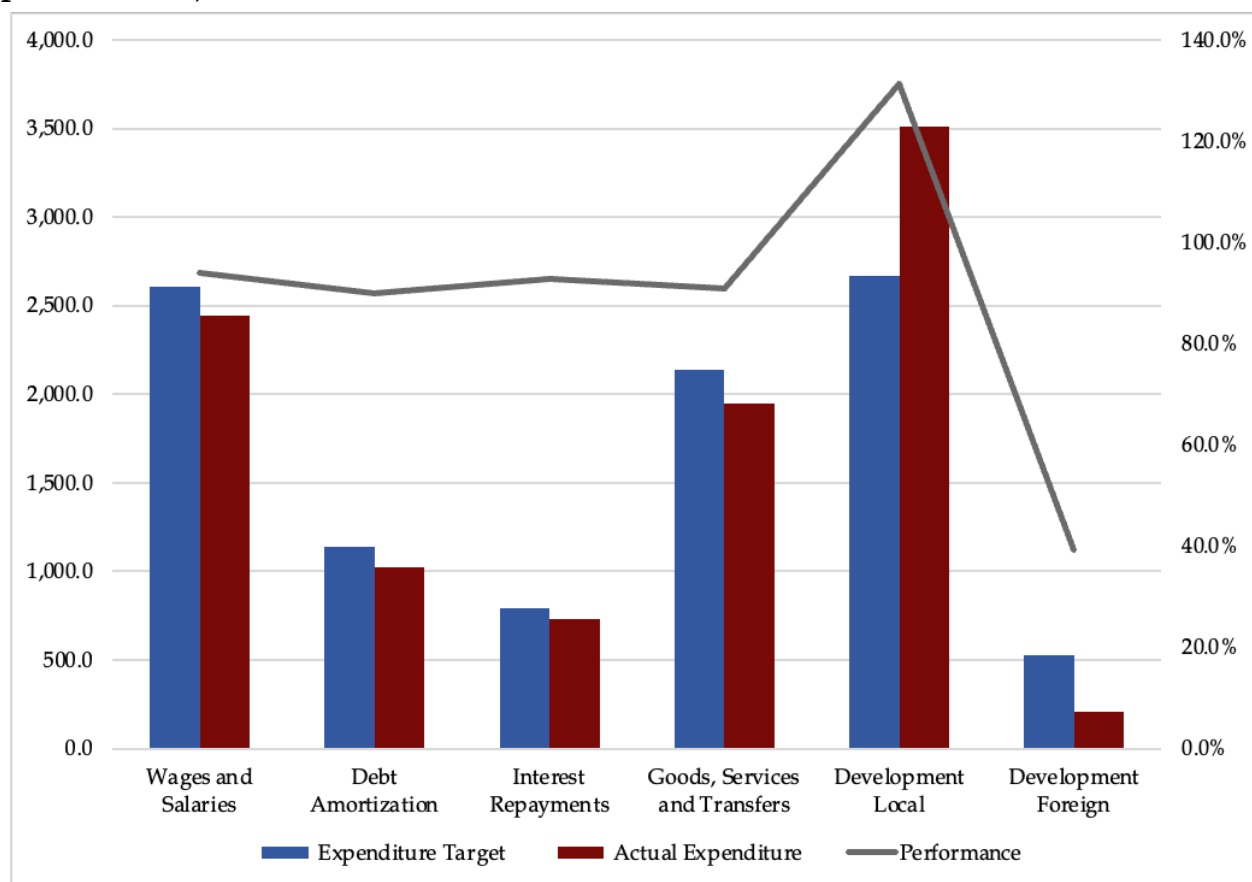


Chart 2.6: First Quarter Expenditure Performance by Economic Classification July 2023 to September 2023)



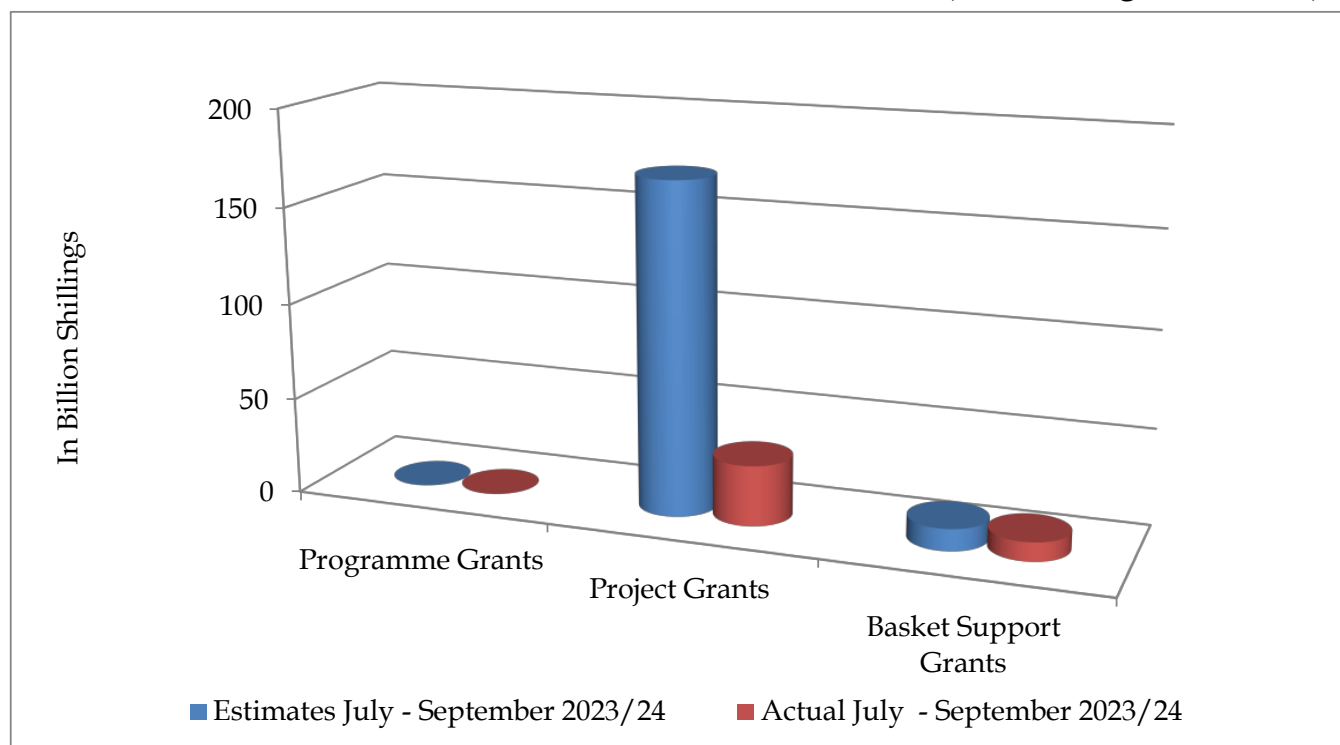
2.3.6 Government Expenditure on Arrears

In the first quarter a total of 313.7 billion shillings was released for payment of domestic arrears including suppliers and staff.

2.4 Grants

The Government continued to mobilize foreign grants and concessional loans from development partners and international financial institutions to complement Government efforts to finance development agenda. Total grants received during July- September 2023 amounted to 41.0 billion shillings, which was 22.5 percent of the estimated amount of 182.3 billion shillings. Nothing was received as programme grants during the quarter under review. During the quarter under review 31.2 billion shillings was received as project grants equivalent to 18.3 percent of estimates and 9.7 billion shillings has been received as basket grants equivalent to 86.4 percent for the quarter as shown in **Chart 2.7**.

Chart 2.7: Performance of Grants for the First Quarter of 2023/24 (Estimates against Actual)



2.5 Financing

Total financing during the first quarter of 2023/24 was 1,054.5 billion shillings against the target of 1,574.4 billion shillings equivalent to 67.0 percent. Out of the total financing, total foreign net financing was a financing of 426.9 billion shillings against a borrowing target of 868.2 billion shillings equivalent to 49.2 percent. Total domestic net financing was 627.6 billion shillings against the borrowing target of 706.1 billion shillings equivalent to 88.9 percent.

2.5.1 Domestic Financing

In 2023/24 Government budget, domestic borrowing was planned at 5,440.4 billion shillings, where as 3,542.1 billion shillings were for financing rolling over of maturing Treasury Bills and Bonds and 1,898.3 billion shillings were new loans for financing development projects. During the first quarter of 2023/24, a total of 1,246.5 billion shillings were borrowed from domestic market against the target of borrowing 1,317.6 billion shillings equivalent to 94.6 percent. Out of the amount borrowed, 619.0 billion shillings was for redemption (rollover) of matured obligations and 627.6 billion shillings was borrowed for financing Government budget.

2.5.2 Foreign Financing

Net foreign financing for the first quarter was borrowing of 426.9 billion shillings against a borrowing target of 868.2 billion shillings which is 49.2 percent of the target. During the quarter under review, disbursements of concessional loans were 455.5 billion shillings against the target of 699.7 billion shillings equivalent to 65.1 percent. This performance was due to

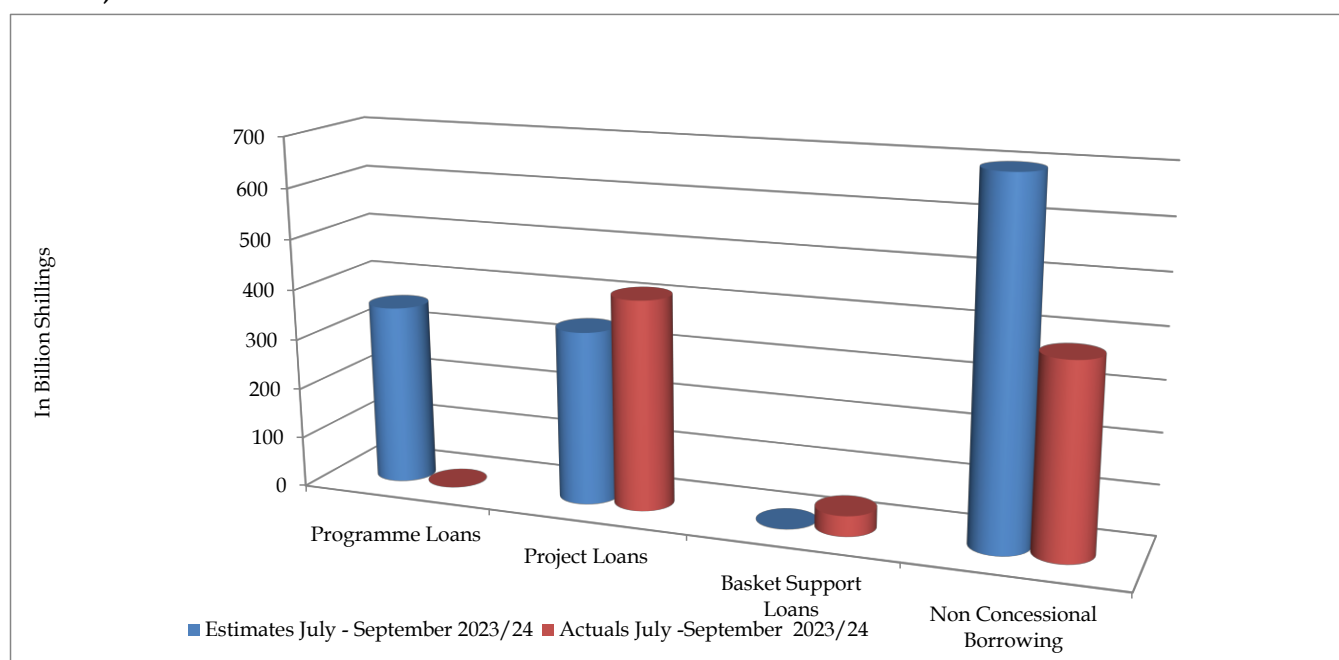
delay in implementation of approved work plans. Disbursement of non-concessional loans were 376.4 billion shillings against the target of 696.6 billion shillings. In addition, amortization of foreign loans was 405.0 billion shillings against estimates of 528.0 billion shillings. The trend of grants and external concessional loans is shown in **Table 2.1** and the performance of foreign financing for the first quarter of 2023/24 is presented in **Chart 2.7**.

Table 2.1: Trend of Grants and External Concessional Loans for the first quarter of 2023/24

Summary of Disbursement July - September 2023/24 (All figures in millions shillings)					
AID MODALITY	Type of assistance	Annual commitment as per budget	Estimates July - September 2023/24	Actual Disbursement July - September 2023/24	% of Commitment
GBS	Grants	56,363	-	-	0.0%
GBS	Concessional Loan	2,127,770	356,729	-	0.0%
Sub Total		2,184,134	356,729	-	0.0%
Basket Funds	Grants	130,123	11,256	9,727	86.4%
Basket Funds	Concessional Loan	-	-	40,312	0.0%
Sub Total		130,123	11,256	50,039	444.5%
Development Projects	Grants	924,836	171,049	31,232	18.3%
Development Projects	Concessional Loan	2,227,122	342,976	415,206	121.1%
Sub Total		3,151,958	514,025	446,438	86.9%
Grand Total		5,466,215	882,010	496,477	56.3%

Source: Ministry of Finance

Chart 2.7: Performance of Foreign Financing for the First Quarter of 2023/24 (Estimates Vs Actual)

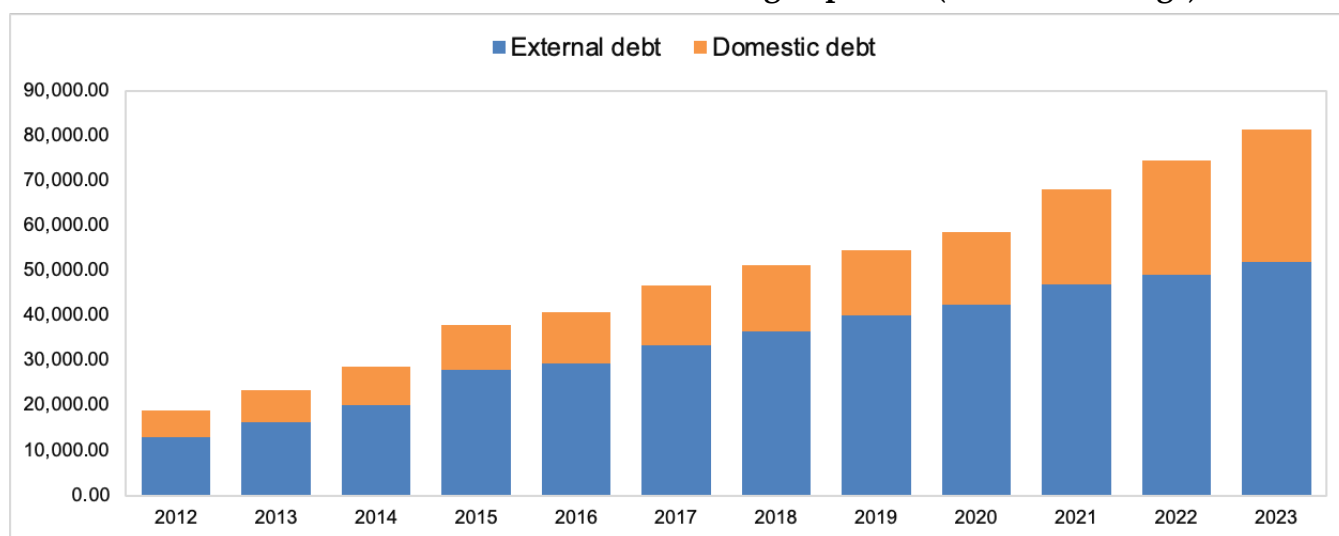


3.0 GOVERNMENT DEBT DEVELOPMENT

3.1 Overall Debt Stock

As at end September 2023, Central Government debt stock was 83,757.15² billion shillings compared to 71,980.12 billion shillings in the corresponding period in 2022, equivalent to an increase of 16.36 percent (**Chart 3.1**). The increase in the Central Government debt stock was due to Government borrowing to finance development projects. Out of the Central Government debt stock, domestic debt amounted 29,449.47 billion shillings (equivalent to 35.16 percent) and external debt amounted 54,307.67 billion shillings (equivalent to 64.84 percent).

Chart 3.1: Trend of Central Government Debt ending Sept 2023 (Billion Shillings)



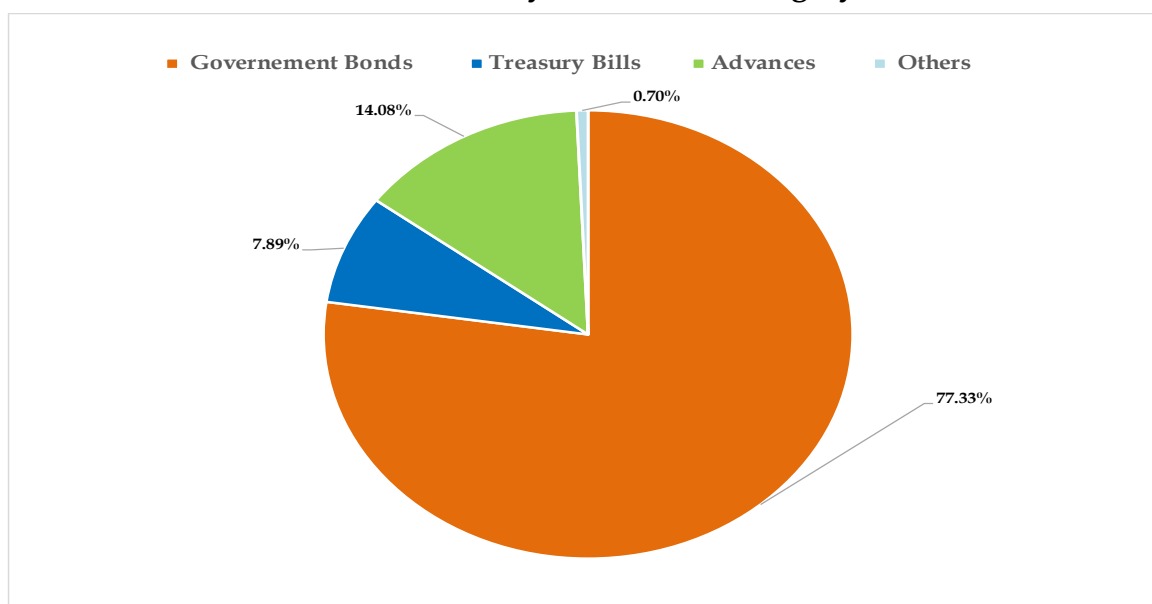
3.2 Central Government Domestic Stock

At end of September 2023, the domestic debt stock was 29,449.47 billion shillings compared with 25,542.78 billion shillings in the corresponding period in 2022, equivalent to an increase of 15.29 percent. The increase in domestic debt was due to the issuance of securities for financing development projects and the rollover of the matured securities. The composition of domestic debt by instruments shows that Government bonds accounted for 77.33 percent of total domestic debt stock, followed by advances from the central bank debt³ instruments 14.08 percent and treasury bills 7.8 percent and others account for the remaining 0.7 percent. The composition of domestic debt by instrument category is depicted in **Chart 3.2**.

² Provisional number

³ Other debt instruments include Overdraft from BoT, NMB bank Plc standard loan and duty drawback

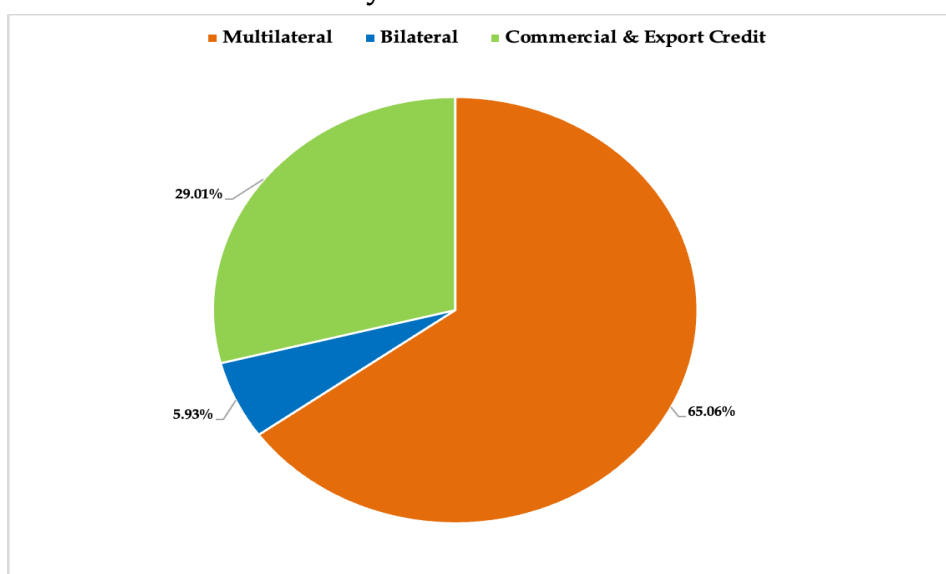
Chart 3.2: Share of Domestic Debt by Instrument Category



3.3 Central Government External Debt

The stock of external Central Government debt as of end of September 2023, stood at TZS 54,307.67 billion (USD 21,882.70 million) from 46,437.34 billion (USD 20,021.10 million) end September 2022 which is an increase of 16.95 percent. The increase was attributed to disbursements and interest arrears in the period under reference. The external debt portfolio consisted of loans mainly contracted on concessional terms, multilateral creditors accounting for 65.08 percent of the total external debt portfolio, Commercial banks and Export Credit Agency (ECA) 29.01 percent and Bilateral 5.93 percent. The multilateral institutions remained dominant, accounting for more than half of the total external debt stock **Chart 3.3**.

Chart 3.3: Concessionality of Government External Debt



3.4 The Result of Debt Sustainability Analysis

The Debt Sustainability Analysis (DSA) conducted in November 2022 revealed that,

Tanzania's debt remains sustainable in the short, medium to long-term. However, country debt carrying capacity has been impacted by the negative effects of COVID-19 pandemic and Russia -Ukraine war on growth of the economy and slowdown of exports. The debt burden indicators were below the international agreed baseline thresholds (see **Table 3.1 and 3.2**). This implies that, the country has space to borrow for funding development projects while meeting future financial obligations without sharp adjustment to revenue and expenditure.

Table 3.1: Projected External Public Debt Burden Indicators

External DSA	Threshold	2021/22 ⁴	2022/23	2023/24	2024/25	2025/26	2026/27	2031/32	2032/33
PV of debt-to GDP ratio	40	18.1	17.7	17.3	16.4	15.8	15.8	16.3	15.4
PV of debt-to-exports ratio	180	119.6	113.4	108.1	104.0	101.9	101.3	99.7	92.1
Debt service-to-exports ratio	15	13.5	14.1	9.6	8.9	8.5	8.2	8.8	10.6
Debt service-to-revenue ratio	18	14.1	14.9	10.4	9.6	9.3	9.3	10.9	12.2

Source: Ministry of Finance

Table 3.2: Projected Overall Public Debt Burden Indicators

Public DSA	Threshold	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2031/32	2032/33
PV of debt-to GDP ratio	55	32.5	31.9	30.9	29.5	28.4	27.8	28.6	30.8
PV of debt-to-revenue and grant ratio	N/A	217	207	202	196	194	195	207.7	207.1
Debt service-to-revenue and grant ratio	N/A	34.0	41.6	33.3	30.5	27.6	27.7	30.1	41.0

Source: Ministry of Finance

⁴ Represent actual ratios as of 30th June 2022

Revenue Performance July 2023 - September 2023						
Billion Shillings						
	Budget Estimates	July 2023 - September 2023			July 2023 - Sept 2023 Actual	Year on year change
		Estimates	Actual	Percent of estimate		
Revenue (Including LGAs own sources)	31,381.0	7,224.0	6,946.8	96.2%	6,297.6	10.3%
Revenue (Excluding LGAs own sources)	30,237.1	6,921.9	6,647.7	96.0%	6,057.3	9.7%
Tax Revenue	25,197.2	5,846.3	5,731.3	98.0%	5,172.4	10.8%
Taxes on Imports	7,411.7	1,792.8	1,732.2	96.6%	1,652.1	4.9%
Import Duty	1,872.0	452.8	439.6	97.1%	413.3	6.4%
Excise on Petroleum	1,220.3	295.2	288.1	97.6%	247.6	16.4%
Excise	1,220.3	295.2	288.1	97.6%	247.6	16.4%
Others	4,319.4	1,044.8	1,004.6	96.1%	991.2	1.3%
Excise	352.0	85.1	78.9	92.7%	74.2	6.4%
VAT on Non-Petroleum imports	3,967.4	959.7	925.6	96.5%	917.1	0.9%
Taxes on Domestic Sales	6,330.0	1,350.4	1,422.5	105.3%	1,234.8	15.2%
Excise	1,926.1	479.5	480.4	100.2%	398.7	20.5%
Value Added Tax (VAT)	4,403.9	870.9	942.1	108.2%	836.1	12.7%
Income Tax	9,007.6	2,181.8	2,023.1	92.7%	1,721.2	17.5%
PAYE	3,142.2	788.0	764.7	97.0%	665.4	14.9%
Corporate and Parastatals	3,433.3	801.9	778.3	97.1%	608.5	27.9%
Individuals	291.3	68.1	64.1	94.1%	58.5	9.6%
Withholding Taxes	1,528.7	378.0	330.6	87.5%	289.7	14.1%
Rental Tax	165.7	39.4	28.0	71.0%	30.5	-8.1%
Other Income	446.5	106.3	57.4	54.0%	68.6	-16.4%
Other Taxes	3,553.5	860.5	858.1	99.7%	800.4	7.2%
Business Skill Development Levy	421.6	102.9	83.8	81.4%	79.3	5.7%
Fuel Levy and transit fee	1,514.4	366.3	430.3	117.5%	369.7	16.4%
Stamp Duty	35.6	8.8	5.1	58.5%	4.1	26.2%
Departure Service Charges	83.3	19.9	21.0	105.4%	18.0	16.6%
Processing Fee-dry cargo-TRA	126.7	30.6	28.9	94.4%	26.6	8.9%
Export Duty	85.1	20.6	1.6	7.7%	1.5	8.0%
Railway Development Fund	508.2	122.9	116.0	94.3%	114.1	1.6%
National Water Development Fund	207.8	50.3	46.5	92.4%	49.3	-5.7%
Motor vehicle taxes	83.2	20.2	22.4	110.6%	28.7	-22.1%
Treasury Voucher Cheque	57.762	14.0	3.8	27.4%	3.50	9.4%
Transer to REA	429.9	104.0	98.8	95.0%	105.8	-6.6%
Refunds	-1,105.7	-339.3	-304.7	89.8%	-236.1	-
Refunds - VAT	-913.2	-293.7	-273.4	93.1%	-174.6	-
Refunds - other	-192.5	-45.6	-31.3	68.8%	-61.4	-
Non Tax Revenue	5,039.9	1,075.6	916.4	85.2%	884.9	3.6%
Parastatal Dividends	1,069.5	40.8	45.2	110.9%	57.4	-21.2%
Ministries and Regions	2,442.2	597.6	445.8	74.6%	417.3	6.8%
TRA Non Tax	196.1	47.4	55.5	117.1%	57.9	-4.0%
Tourism Sector	713.0	248.3	297.3	119.7%	246.0	20.8%
Transaction levy on Mobile money se	366.7	91.7	56.7	61.8%	89.5	-36.6%
Property tax	194.9	41.2	15.7	38.0%	9.2	70.8%
Billboard Fee Collections	57.4	8.6	0.3	4.0%	7.7	-95.6%
LGAs own source	1,143.9	302.2	299.0	99.0%	240.2	24.5%
Source: Ministry of Finance						