



THE UNITED  
REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE

# Tanzania National Debt Sustainability Analysis

November 2025



Tanzania  
National Debt  
Sustainability  
Analysis Report

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# ABBREVIATIONS AND ACRONYMS

BOT	Bank of Tanzania
CI	Composite Indicator
CPIA	Country Policy and Institutional Assessment
DSA	Debt Sustainability Analysis
DSF	Debt Sustainability Framework
EAC	East African Community
ECA	Export Credit Agency
EFD	Electronic Fiscal Device
EFDMS	Electronic Fiscal Device Management System
FDI	Foreign Direct Investment
FYDP	Five Year Development Plan
GDP	Gross Domestic Product
GePG	Government Electronic Payment Gateway
IDA	International Development Association
LIC-DSF	Debt Sustainability Framework for Low-Income Countries
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MoF	Ministry of Finance
MTDS	Medium-Term Debt Management Strategy
SoE	State owned Enterprises
PV	Present Value
WEO	World Economic Outlook

## Foreword

In accordance with Regulation 38 (d) of the Government Loans, Guarantees, and Grant Act, Cap. 134, the Ministry of Finance is mandated to conduct a Debt Sustainability Analysis (DSA) each year or any time as the need arise. In this regard, the Ministry of Finance conducted DSA assessment of the Country's ability to meet both existing and anticipated debt obligations. The assessment provides an essential framework for making informed borrowing decisions, ensuring that gross financing needs are matched with the country's repayment capacity in both the short and long term.

Building on this mandate and analytical foundation, the Government of the United Republic of Tanzania remains committed to safeguarding macroeconomic stability, strengthening fiscal resilience, and ensuring that public debt continues to support rather than constrain national development aspirations. Accordingly, the 2025 DSA offers a critical assessment of current and projected debt dynamics to guide prudent fiscal and borrowing decisions.

The 2025 DSA analysis has been undertaken against a backdrop of evolving global economic conditions, including tightening financial markets, shifting commodity prices, and the lingering effects of recent external shocks. Despite these challenges, Tanzania continues to demonstrate strong economic fundamentals, anchored by sustained growth momentum, ongoing structural reforms, and deliberate efforts to enhance domestic revenue mobilization. The DSA reveals that our public debt remains sustainable in the

medium to long term, with manageable risks and a trajectory aligned with our national development priorities. The Government will continue to prioritize concessional financing, strengthen debt management systems, and enhance transparency in the mobilization and utilization of public resources. We remain committed to ensuring that every shilling borrowed is directed toward high impact investments that expand productive capacity, improve service delivery, and advance the goals of the Development Plan Phase III (FYDP III) and Dira 2050.

We wish to acknowledge the valuable contributions of teams within the Ministry of Finance, Bank of Tanzania, Macroeconomic and Financial Management of the Eastern and Southern Africa Institute (MEFMI) and other collaborating institutions for their analytical work and continued professionalism. Their efforts ensure that our policy decisions are grounded in robust evidence and aligned with international best practices.

It is our expectation that this report will serve as a valuable resource for policymakers, development partners, investors, and the public at large. Together, we will continue to strengthen Tanzania's fiscal position and build an economy that is resilient, inclusive, and capable of delivering sustainable prosperity for all.



Hon. Ambassador. Khamis Mussa Omar  
Minister of Finance



Dr. Natu E. Mwamba  
Permanent Secretary - Treasury

# 1



## Chapter One Introduction

The Government of Tanzania conducted a Debt Sustainability Analysis (DSA) in accordance with Regulation 38(d) of the Government Loans, Guarantees and Grants Act, Cap. 134. The objective was to assess the sustainability of public debt over the medium to long term, while aligning prospective external and domestic borrowings with the broader macroeconomic framework and the Tanzania Dira 2050. This comprehensive assessment evaluated both current and projected debt levels, as well as the country's capacity to meet debt service obligations without compromising economic growth and development. The 2025 DSA was undertaken by Tanzanian officials in collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).

The 2025 DSA was prepared using the Low-Income Countries Debt Sustainability Framework (LIC-DSF), which assesses trends in key debt burden indicators under various scenarios to inform policy decisions and guide measures for maintaining debt at sustainable levels. The analysis utilized key macroeconomic information including data on real, fiscal and external sectors as well as data on public and publicly guaranteed external and domestic debt. The analyzed data covered ten years of historical information and twenty years of forward-looking projections, using 2024/25 as the base year and 2025/26 as the first projection year.

The 2025 DSA encompasses public and publicly guaranteed and non-guaranteed debt which reflects the government's commitment to strengthening debt management practices through broader coverage of debt data which enhance transparency. Information on macroeconomic outlook takes into consideration the implementation of strategic development projects and the recovery of both domestic and global economies from recent external shocks. It also accounts for potential downside risks, such as the impact of global geopolitical tensions and volatility in international financial markets.

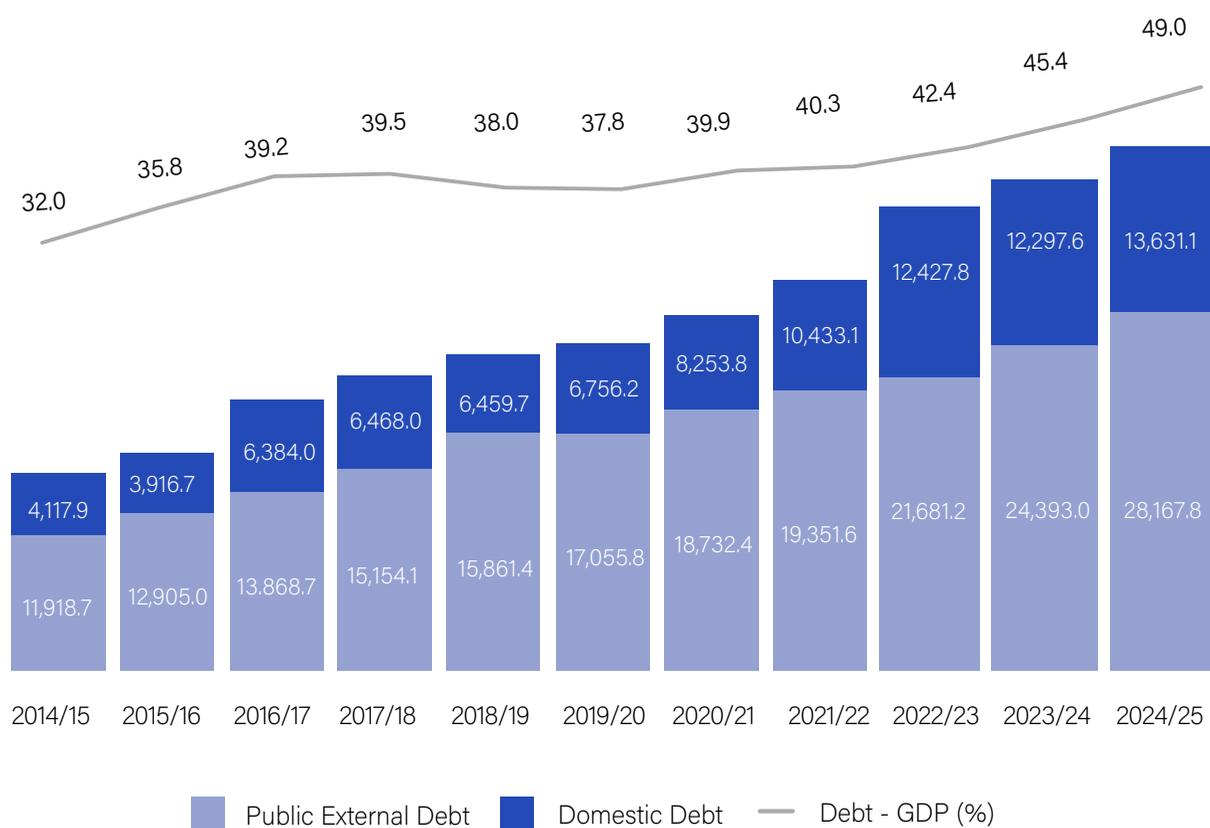
# 2

## Chapter Two Public Debt Portfolio Review

### 2.1. Public Debt Development

Public debt stock stood at USD 41,798.9 million (49.0 percent of GDP) at end June 2025 an increase of 13.9 percent from USD 36,690.7 million (45.4 percent of GDP) recorded in June 2024. External debt stock accounted for 67.4 percent of the public debt while domestic debt accounted for 32.6 percent (Chart 1).

Chart 1: Public Debt Developments (USD million)

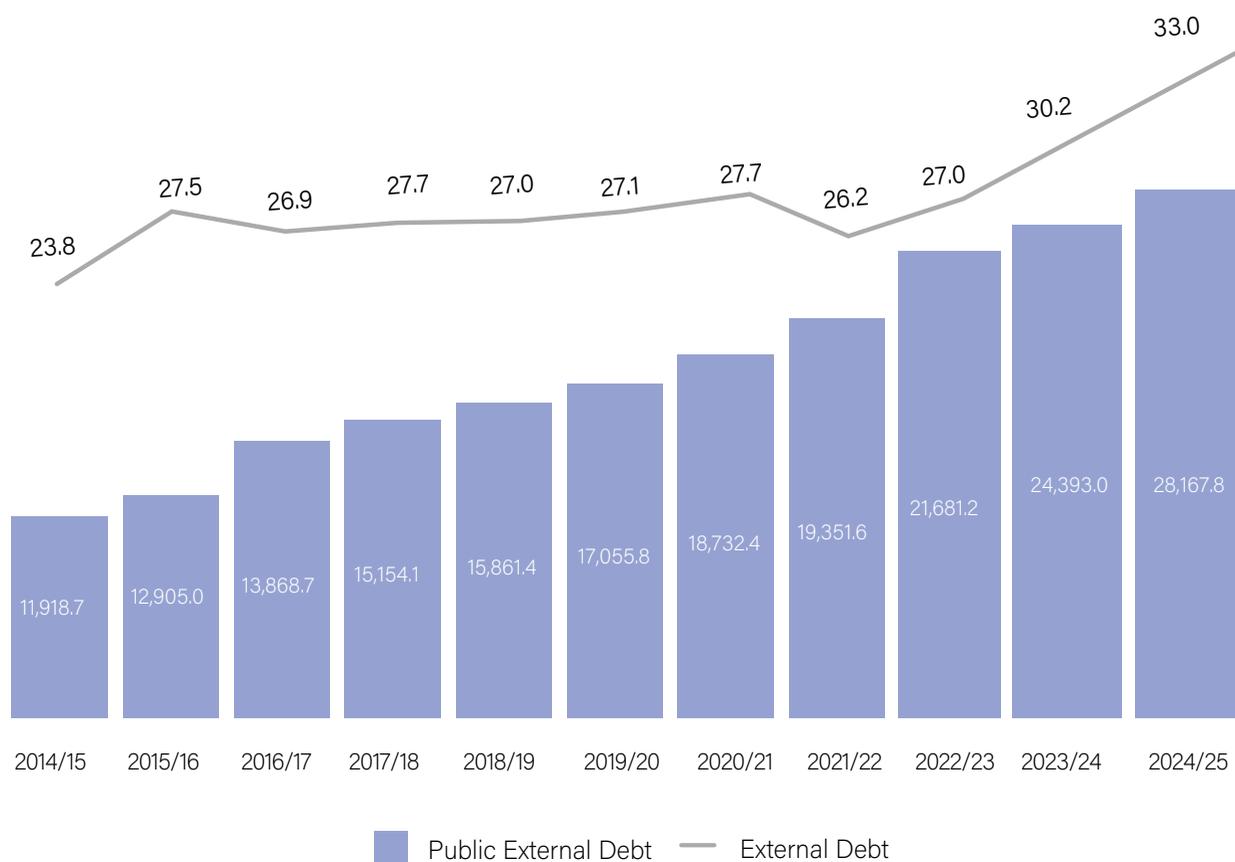


Source: Ministry of Finance

## 2.2 External Public Debt Developments

The stock of external public debt was USD 28,167.8 million at the end of June 2025, equivalent to an increase of 15.5 percent from USD 24,393.0 million recorded in June 2024 (Chart 2).

Chart 2: External Public Debt Developments (USD million)



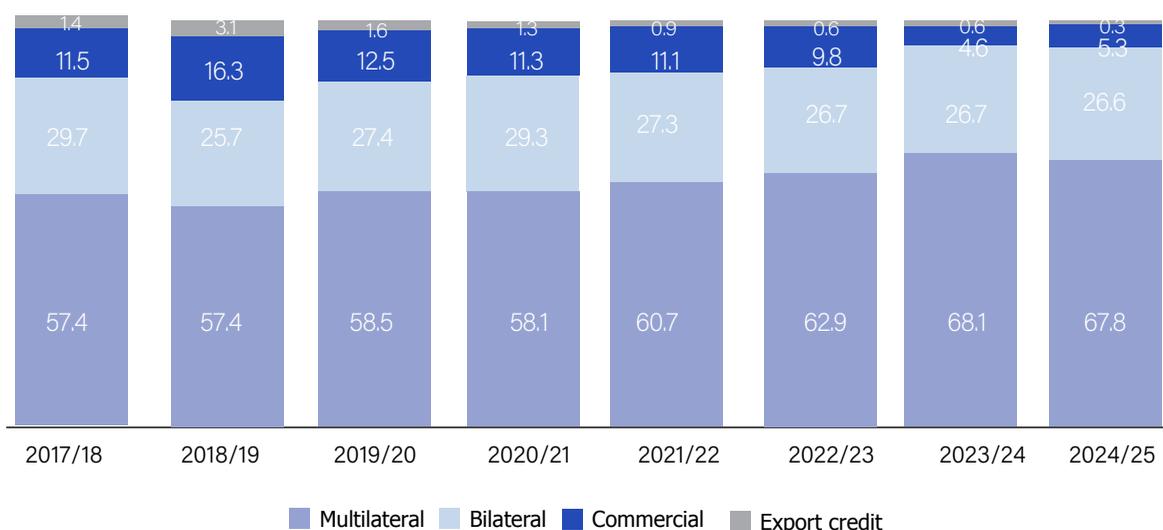
Source: Ministry of Finance

### 2.2.1 External Public Debt Stock by Creditor Category

The proportion of debt owed to multilateral institutions remained dominant of all creditor categories accounting for 67.8 percent of the external debt stock as of June 2025, (Chart 3). Multilateral institutions being major creditor category implies low cost of borrowing, debt servicing, and low risk, since these institutions lend in favorable terms. The highly concessional loans mainly emanate from the International Development Association (IDA), the African Development Fund (ADF), and International Monetary Fund (IMF).

Chart 2: Excludes bilateral arrears

Chart 3: External Public Debt Stock by Creditor Category (Percent)

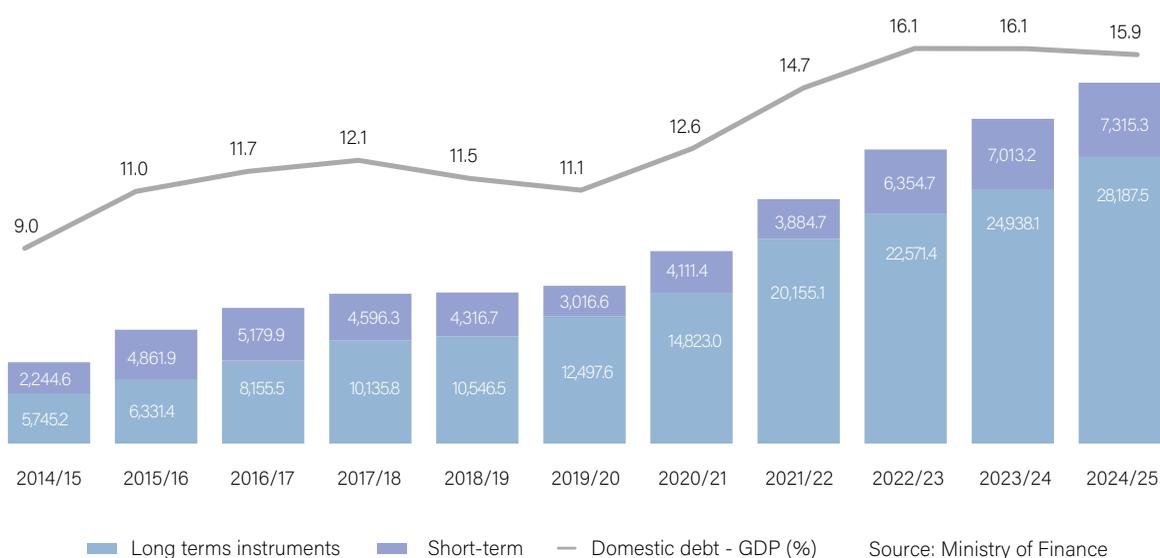


Source: Ministry of Finance

### 2.3 Domestic Public Debt Developments

As of 30th June 2025, the domestic debt stock reached TZS 35,502.8 billion, an increase of 11.2 percent compared to the corresponding period in the previous year. This amount was equivalent to 15.9 percent of GDP. The increase was primarily attributed to new borrowing aimed at financing the Government budget through the issuance of government securities. In line with the Government strategy to lengthen the maturity profile of domestic debt, long-term instruments remained dominant, accounting for 79.4 percent of the debt stock (Chart 4).

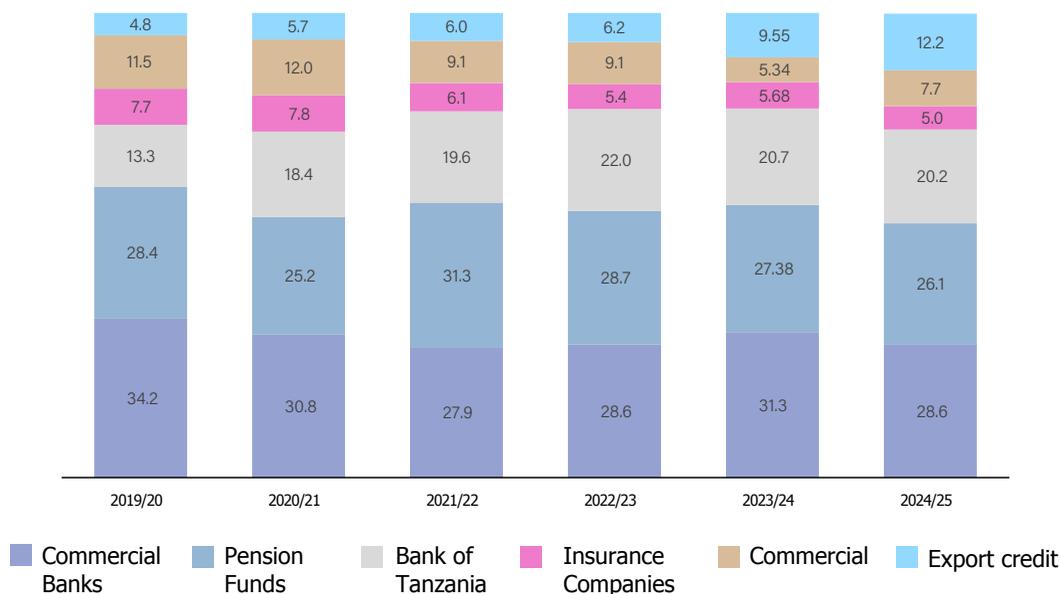
Chart 4: Domestic Debt Developments (TZS Billion)



Source: Ministry of Finance

The composition of domestic debt by holder remained broadly unchanged from the previous year, with commercial banks, pension funds, and the Bank of Tanzania collectively holding 28.6 percent, 26.1 percent and 20.2 percent respectively (Chart 5).

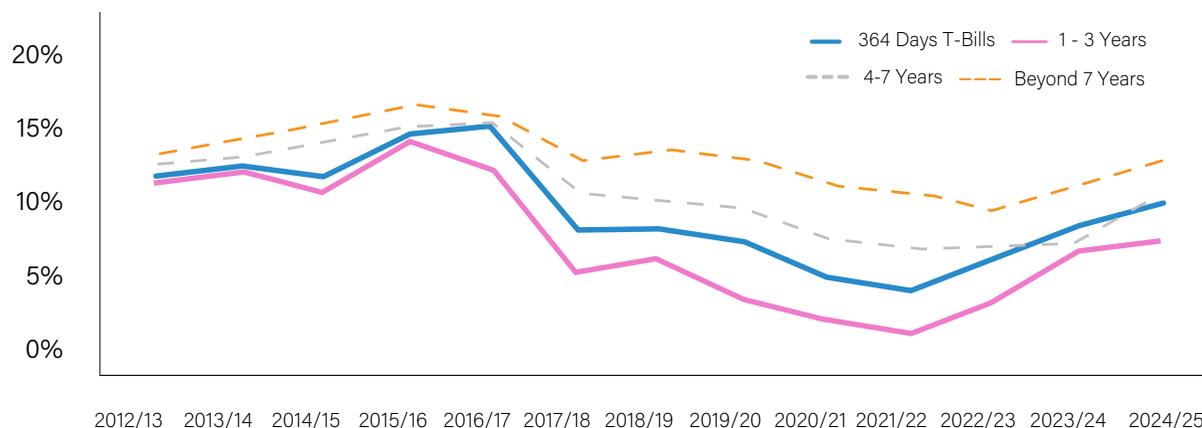
Chart 5: Domestic Debt by Holder's Category (Percent)



Source: Ministry of Finance, and Bank of Tanzania

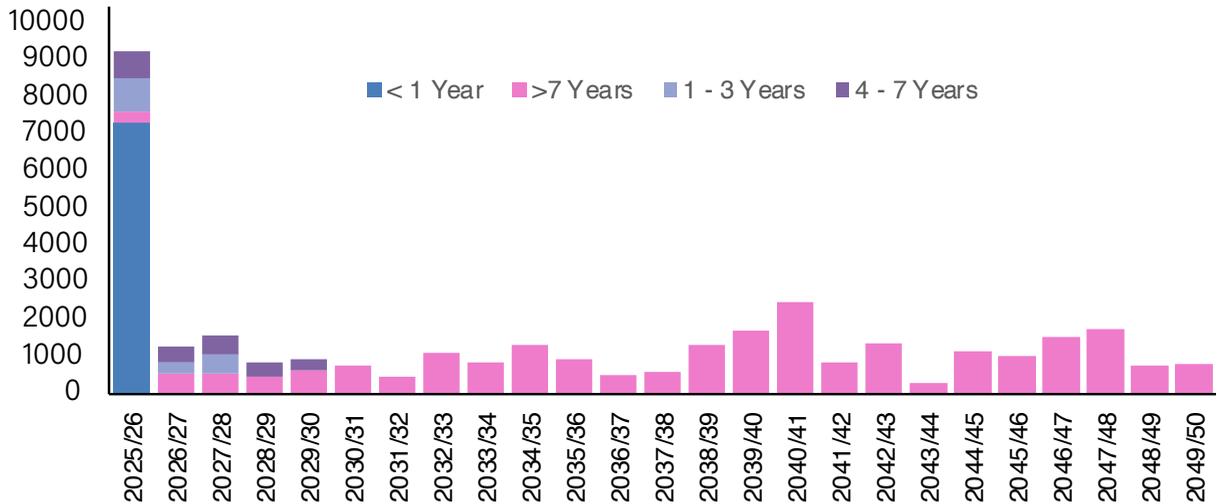
Yields on government securities rose across all maturities during the financial year 2024/25 compared to the previous year, largely driven by market dynamics and the reopening of previously issued Treasury bonds with high-coupon rates. The 364-day Treasury bill recorded a yield of 10.95 percent. Treasury bonds with maturities of 1 to 3 years recorded a yield of 12.32 percent, while those with maturities of 4 to 7 years rose to 13.09 percent. Bonds with maturities beyond seven years yielded 15.12 percent (Chart 6).

Chart 6: Trend of Weighted Average Yields for Government Securities



The domestic debt redemption profile indicates that a large proportion of domestic debt will mature in 2025/26, primarily due to the repayment of short-term obligations, including an overdraft facility. Over time, the redemption profile has followed a mixed trajectory, with higher levels attributed to the re-openings of long-term bonds (Chart 7).

Chart 7: Domestic Debt Redemption Profile (TZS Billions)



Source: Ministry of Finance, and Bank of Tanzania

# 3.

## Chapter Three Recent Economic Developments

In 2025, the Government, through the National Bureau of Statistics, has revised the national account statistics from the base year of 2015 to 2019 to reflect the changes in social, economic, scientific, and technological changes. Following these enhancements, several changes emerged, including the structure and size of GDP; GDP growth rates; share of various sectors to GDP; contribution to growth from several sectors; and the ratio of various indicators to GDP. Based on the new base year (2019), the real GDP grew by 5.6 percent in 2024 compared with 5.2 percent recorded in 2023, reinforced by the continued implementation of ongoing flagship and strategic projects and improved private sector investment.

During the first half of 2025, the real GDP grew by 5.8 percent compared to 5.2 percent recorded in the corresponding period of 2024 (Chart 8). This was attributed to Government investment in strategic infrastructure, including energy, water, and transportation; increased productive activities, particularly agriculture, industry, and mining and quarrying; as well as continued strengthening of the financial sector and transportation activities in the country.

The agricultural sector continued to lead with a significant share of GDP of 27.0 percent, followed by construction activities (12.4 percent), mining (11.6 percent), trade and maintenance (8.2 percent), and transportation and storage (7.5 percent) (Chart 9). Additionally, the sectors that contributed significantly to growth were the mining sector, which contributed 16.2 percent, followed by agriculture (16.1 percent), construction (12.3 percent), and finance and insurance (11.2 percent) (Chart 9). Likewise, mining and quarrying activities recorded the highest growth rates of 17.8 percent, followed by electricity generation (16.5 percent), finance and insurance (15.1 percent), reflecting continued Government efforts to improve the business and investment environment and the participation of the private sector in the economy.

Chart 8: Growth

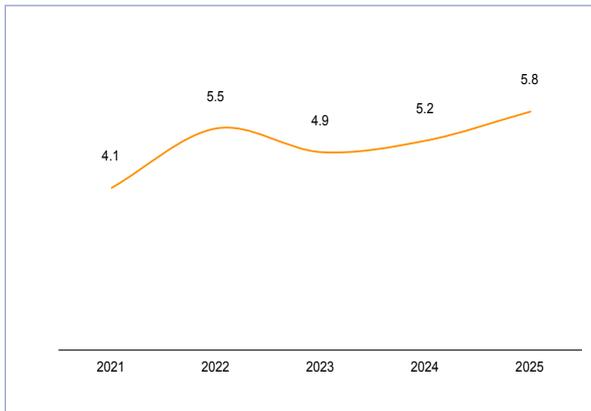


Chart 9: Share to GDP

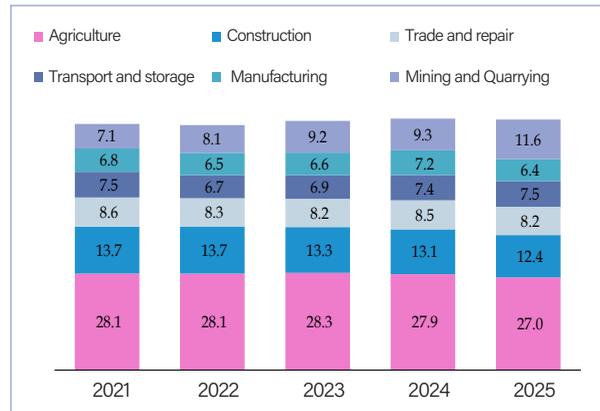


Chart 10: Contribution to GDP Growth

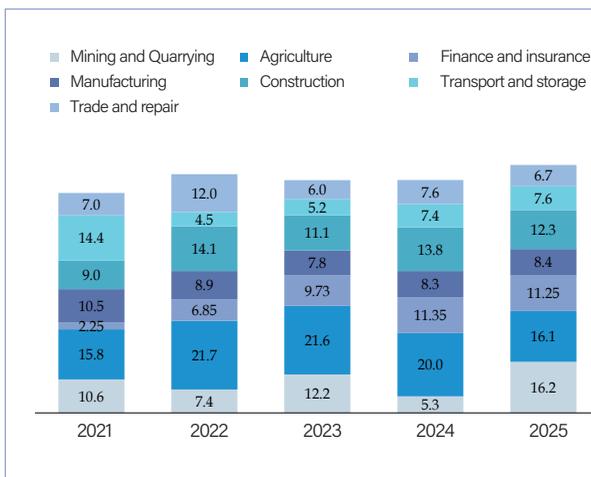
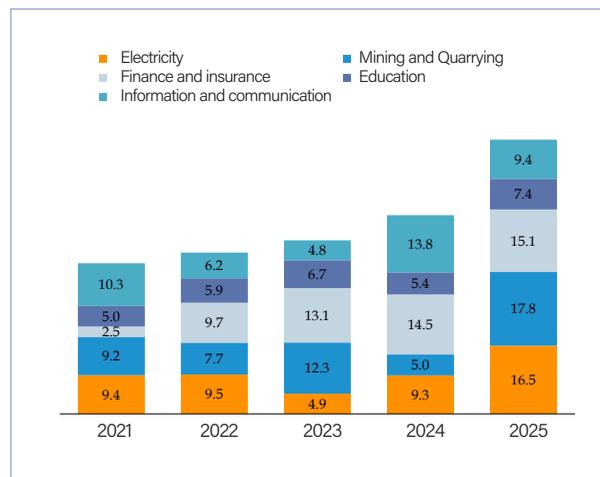
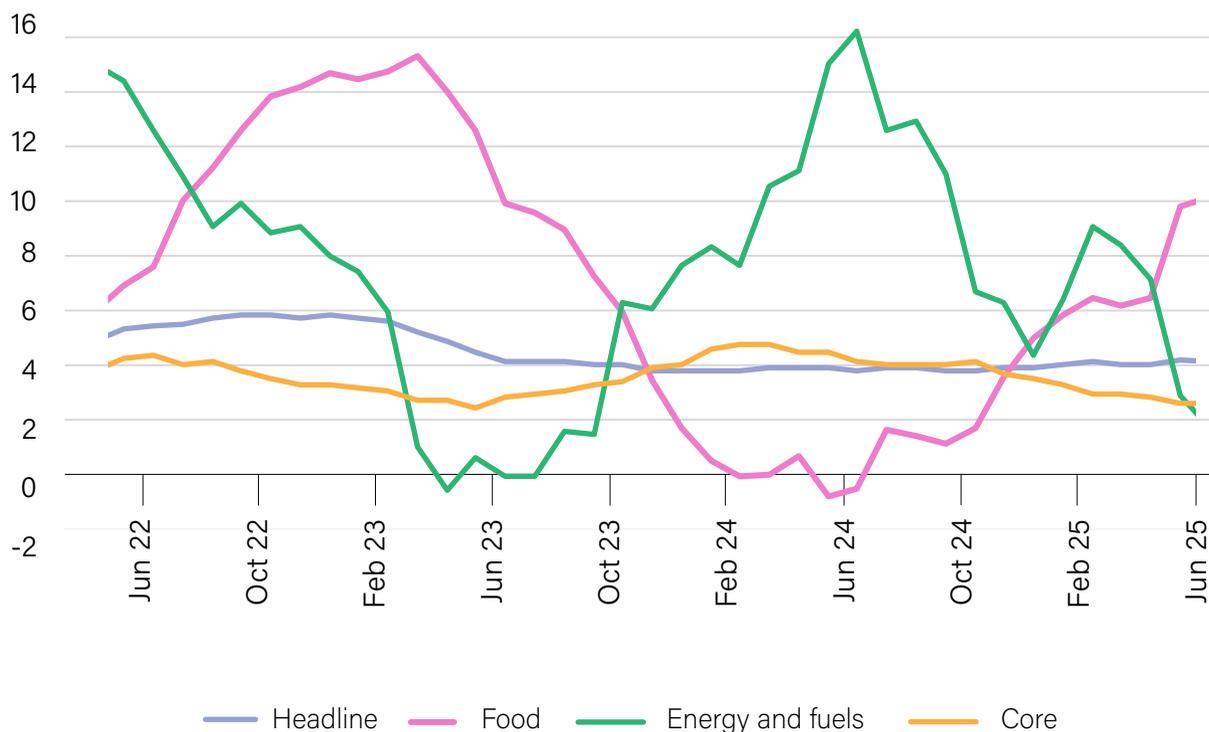


Chart 11: Growth of Activities



Inflation has remained moderate and within the country and regional benchmarks in 2024/25. Headline inflation averaged at 3.1 percent in 2024/25, like the rate recorded in 2023/24. The performance was mainly supported by the implementation of prudent monetary policy. Core inflation eased to 2.7 percent from 3.1 percent in 2023/24. In contrast, unprocessed food inflation rose to an average of 3.2 percent from 3.1 percent in 2023/24 following the increase in cereal prices. Similarly, energy and fuel inflation averaged at 7.5 percent in 2024/25, higher than the average of 5.3 percent in 2023/24, mainly driven by the increase in prices of firewood and charcoal (Chart 12).

Chart 12: The Trend of Inflation Between June 2022 and June 2024



Source: National Bureau Statistics

The government continued to implement measures aimed at improving domestic tax collection and controlling spending in compliance with existing regulations. These efforts are intended to reduce budgetary dependence and ensure continued financing for various priorities, including development projects outlined in the National Development Plan for 2024–2025, which forms part of the Third Five-Year National Development Plan (2021/22–2025/26) and aligns with the National Development Vision 2025 as well as the new Vision 2050.

Total domestic revenue collection was 0.7 percentage points higher than the target for 2024/25, amounted to 34,845.9 billion, equivalent to 15.6 percent of GDP. Out of the amount, tax revenue accounting for 82.2 percent of total domestic revenue stood at 28,657.9 billion shillings, higher than the target by 2.2 percentage points, equivalent to 12.8 percent of GDP. Non-tax revenue was 94.3 percent of the target for 2024/25, equivalent to 2.8 percent of GDP. During 2024/25, all major tax categories exceeded their targets, mainly due to administrative efforts which contributed over 70 percent of the revenue growth followed by tax policy measures and increase in economic activities.

Key administrative drivers include stronger engagement with business associations and traders, expanded tax education, enhanced revenue collection systems (IDRAS and TANCIS), improved monitoring of Electronic Tax Stamp and Fiscal Device usage, streamlined operations, reinforced compliance, and proactive taxpayer engagement. Other initiatives, such as weekend service availability and the nationwide “Taxpayer Listening Day” on Thursdays further improved compliance and collections.

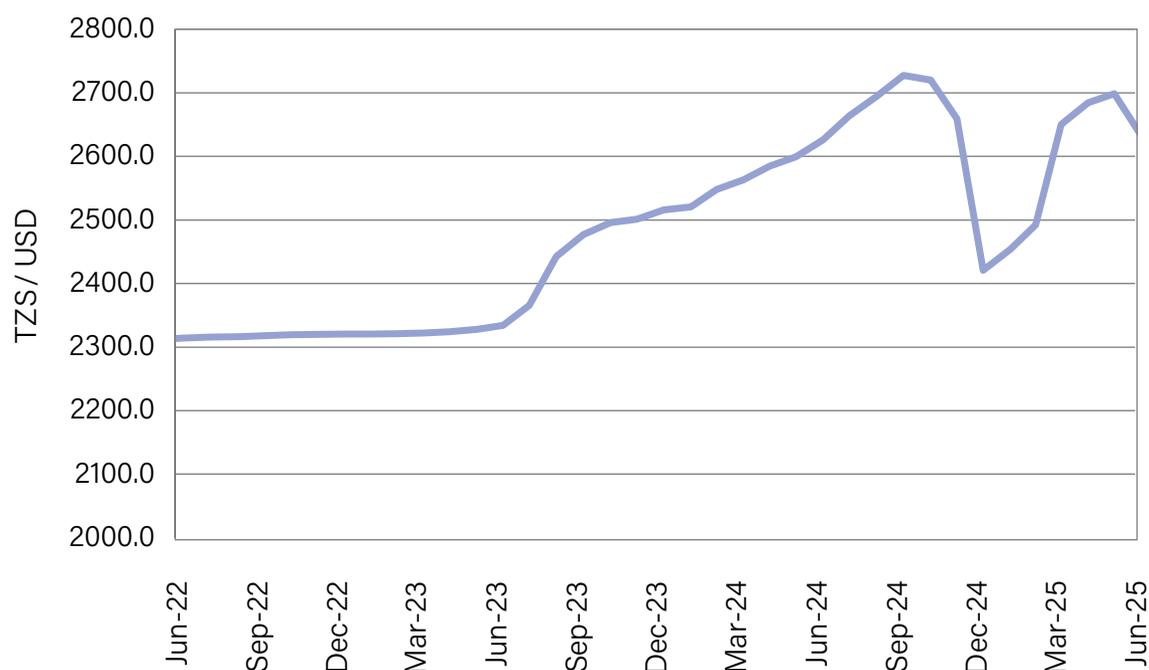
Grants surpassed the target by 10.8 percentage points in 2024/25, representing a 0.4 percent of GDP. This performance was driven by effective project implementation and timely submission of implementation reports to Development Partners for ongoing development projects.

In line with the projected resource envelope for 2024/25, the expenditure policy prioritized on the completion of ongoing transport and energy infrastructure projects to stimulate economic growth, and support income redistribution through increased allocations to social sectors. Spending increased to 18.8 percent of GDP from 18.1 percent recorded in 2023/24.

Budget deficit was 3.1 percent of GDP slightly lower than 3.2 percent experienced in 2023/24, resulting from continuing Government efforts in implementing fiscal consolidation. The deficit was financed by borrowing from the domestic market of 1.7 percent of GDP and foreign net borrowing of 1.4 percent of GDP. In addition, domestic primary balance continued to be within the IMF-ECF program performance criteria floor attaining 2,513.4 billion shillings against the June 2025 target of 2,559 billion shillings.

In 2024/25, the movement of the Tanzanian Shilling mirrored developments in foreign exchange market liquidity, which fluctuated in response to global economic conditions and seasonal export inflows. Foreign exchange liquidity was tight in the first quarter before improving significantly in the second quarter, supported by easing monetary policies in advanced economies, lower commodity prices, and higher foreign exchange earnings from tourism, gold, cashew nuts, and tobacco. Liquidity slightly declined in the third quarter due to seasonal reduction in export proceeds but improved in the fourth quarter following the start of the cash crop season. Additionally, the amendment of Section 26 of the Bank of Tanzania Act, which prohibits the use of foreign currency in domestic transactions, eased pressure on foreign exchange demand. Consequently, the shilling depreciated by an average of 4.2 percent during the year, compared with a depreciation of 8.5 percent recorded in 2023/24. (Chart 13)

Chart 13: Nominal Exchange Rate Movements (Period Average)



Source: Bank of Tanzania

Current account balance: The external sector continued to show improvement in 2024/25, as evidenced by a reduction in the current account deficit to USD 2,063.4 million from USD 2,767.4 million in the corresponding period of 2024 (Table 1). The improvement was primarily driven by increase in exports of goods and services compared to imports.

Table 1: Tanzania Current Account USD million

Items	July-June		Percentage Change
	2023/24	2024/25 <sup>P</sup>	
Goods account (net)	-5,953.6	-4,660.7	-21.7
Exports*	7,831.8	9,805.2	25.2
Imports	-13,785.4	-14,465.9	4.9
Services account (net)	4,219.2	4,048.1	-4.1
Receipts	6,578.7	7,118.6	8.2
Payments	-2,359.5	-3070.6	30.1

Goods and Services (net)	-1,734.4	-612.7	-64.7
Export of goods and services	12,780.4	16,923.8	17.4
Import of goods and services	16,980.4	-17,536.5	8.6
Primary Income account (net)	-1,403.0	-1,981.4	19.8
Receipts	187.5	338.6	4.4
Payments	-1,978.3	-2,319.9	17.3
Secondary income account (net)	620.9	530.7	-14.5
Inflows	1,294.3	1,044.0	-19.3
o/w General government	122.6	103.7	-15.4
Outflows	-673.4	-513.4	-23.8
Current account balance	-2,767.4	-2,063.4	-25.4

\*Includes adjustment for unrecorded trade

Export of goods and services rose by 17.4 percent to USD 16,923.8 million in 2024/25 from USD 14,410.5 million in 2023/24. The rise was manifested by service receipts from travel and increased export of gold, cashew nuts, tobacco and coffee. Export of gold rose to USD 4,049.1 million from USD 3,121.8 million, accounting for 28.1 percent of total goods and services exported.

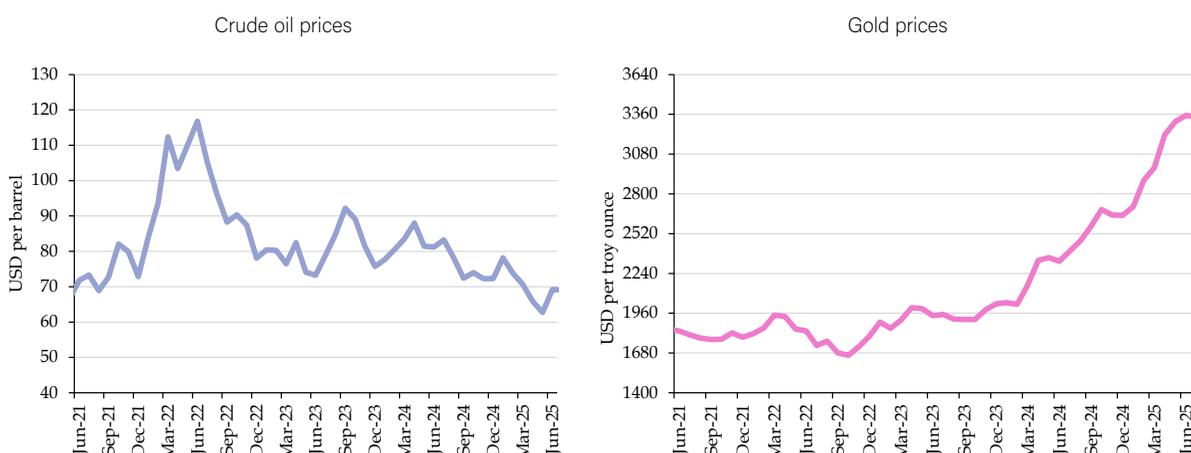
Service receipts amounted to USD 7,118.6 million in 2024/25, an increase of 8.2 percent from USD 6,578.7 million in 2023/24. The growth was primarily driven by increased travel receipts, in line with the rise in the number of international tourist arrivals to 2,193,322, a 10 percent rise from 1,994,242 in 2023/24.

During the year 2024/25, import of goods and services amounted to USD 17,536.5 million, higher than USD 16,144.9 million in the corresponding period in 2023/24, largely driven by industrial transport equipment, motor cars for passengers and plastic items. Import of goods increased to USD 14,465.9 million in 2024/25 compared with USD 13,785.4 million recorded in previous year,

equivalent to a rise of 4.9 percent. Capital and intermediate goods accounted for 90 percent, and consumer goods (10 percent).

Import of intermediate goods rose by 5.3 percent with much of the increase registered in parts and accessories, plastic items, passenger motor cars and food and beverages for industrial use. White petroleum products, which account for 16.9 percent of the total import bill, recorded a decrease by 11.3 percent to USD 2,484.8 million, due to decline of oil prices in the world market. The average price of crude oil during the same period decreased by 12.2 percent to USD 72.7 per barrel from USD 82.9 per barrel in 2023/24 (Chart 14)

Chart 14: Crude oil and gold prices



Source : <https://www.worldbank.org/en/research/commodity-markets>

Services payments slightly increased to USD 3,056.7 million during 2024/25 from USD 2,359.5 million in 2023/24, due to a fall in freight payments consistent with the rise in goods import bill.

The stock of foreign exchange reserves was slightly improved to USD 5,971.5 million compared with USD 5,345.5 million at the end of June 2024. The reserves were adequate to cover about 4.8 months of projected import of goods and services, above the country's and EAC target of not less than 4 and 4.5 months respectively.

# 4

## Chapter Four Underlying DSA Assumptions

### 4.1 Macroeconomic assumptions

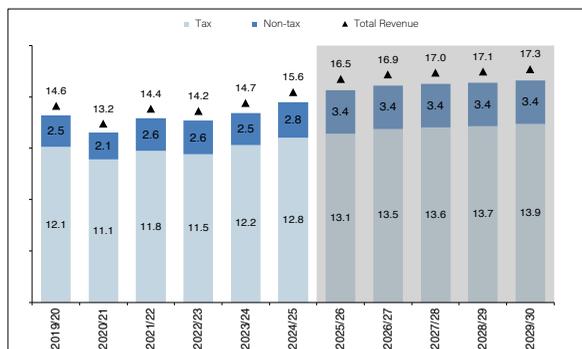
**Economic growth:** Based on the GDP performance of the first half of 2025, which depicted satisfactory performance, the real GDP is projected to pick up to 6.0 percent in 2025 and 6.4 percent in 2026, and an average of 6.7 percent in the medium term. The projected growth is supported by continued implementation of strategic infrastructural projects in energy and transport and robust implementation of government development plans.

**Inflation:** The headline inflation is projected to be within the national target of 3-5 percent in line with EAC and SADC macroeconomic convergence criteria, supported by adequate food supply, stable power supply and implementation of prudent Monetary and fiscal policies.

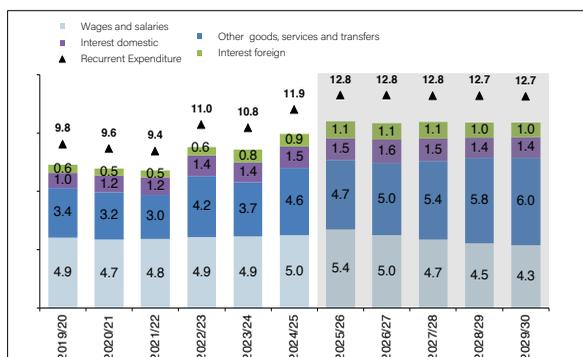
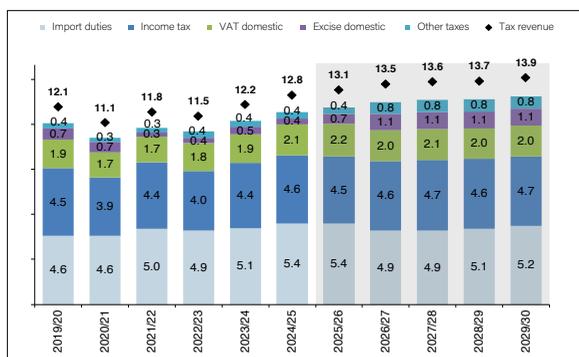
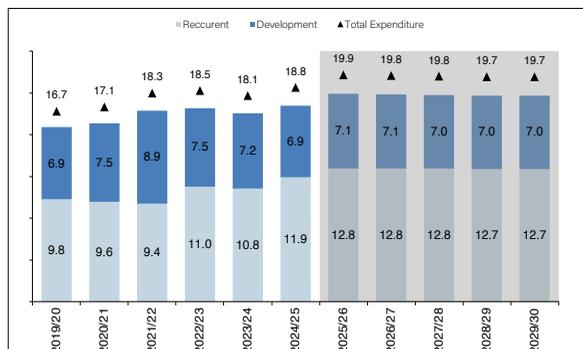
**Fiscal policy:** The fiscal position is expected to continue to improve reflecting current consolidation efforts. As such, fiscal deficit is projected to fall below 3 percent of GDP over the medium term, in line with the EAC convergence criteria. Domestic revenue is projected to increase, driven by strengthened tax administration as espoused in the Medium-Term Revenue Strategy (MTRS) for 2025/26–2027/28. Government expenditure is projected to increase in short-term, driven by costs associated with preparations for AFCON 2027, the general election, and rising social sector demands. Over the medium term, the expenditure-to-GDP ratio is projected to moderate due to rationalization and prioritization of expenditures towards development and social sectors including major ongoing projects like the SGR, energy upgrades, AFCON-related infrastructure and procurement of essential medicine to offset reduced support from development partners.

Chart 15: Fiscal Outlook (% of GDP)

Tax revenue to increase to an average of 13.6% over the medium term



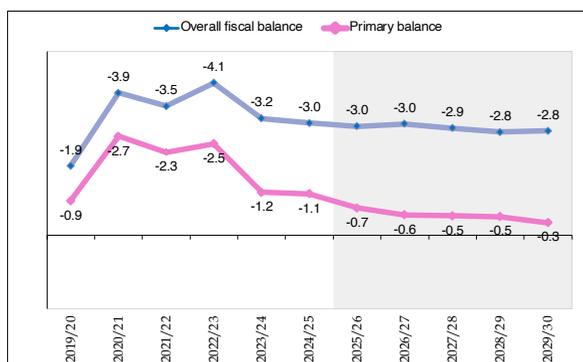
Total expenditure to increase in 2025/26 and decline in subsequent years.



Development expenditure to increase in 2025/26 and decline in subsequent years



Fiscal deficit to remain within EAC convergence criteria over the medium term.



**External Sector Outlook:** Export of goods and services to GDP ratio is projected to decrease to 19.1 percent in 2025/26 from 19.8 percent in 2024/25 and moderate to 19.0 percent in the medium term. The projected rise is supported by strong growth in tourism sector, and export of gold, horticultural products and traditional crops.

Import of goods and services to GDP ratio is projected to fall slightly to 19.1 percent in 2025/26 from 20.5 percent recorded in 2024/25. In the medium term, imports of goods and services to GDP ratio is projected to slightly decrease to an average of 18.8 percent, due to expected slower increase in the import bill over the medium term, following completion of mega projects.

## 4.2 Risks to the projection

The potential risk stem from multiple interconnected risks that could strain fiscal and external stability. Fluctuating global prices of key commodities, especially petroleum, minerals, and cash crops, may reduce export earnings, weaken the shilling, and disrupt budget implementation. Heightened geopolitical tensions and conflicts, including those in the DRC, Middle East and Eastern Europe, could raise energy and food prices, increase fiscal pressures, and disrupt trade routes. Delays in key policy measures such as de-dollarization and fiscal consolidation may hinder price stability and investor confidence, while shilling depreciation would raise import and debt service costs, fueling inflation. Global trade tensions could further weaken exports, tighten financing conditions, and increase borrowing costs. In addition, recurrent climate shocks like droughts and floods threaten agricultural output, infrastructure, and revenues, raising public spending needs and worsening debt vulnerabilities.

## 4.3 Realism of Macroeconomic Projections

The realism checks suggest that the key macroeconomic and debt projections which are the main inputs into the LIC DSF are comparable to Tanzania's own historical performance and cross-country experience. The realism checks did not flag any significant optimistic or pessimistic on key drivers of the macroeconomic baseline debt projections based on Tanzania's experience. External debt dynamics is expected to continue to benefit from robust growth, price and exchange rate stability and improved current account (Chart 17). On the public DSA, for the last five years, among other factors that contributed to the decrease of debt is primary deficit while a significant increase in real GDP growth will drive the decline in debt during the projection period.

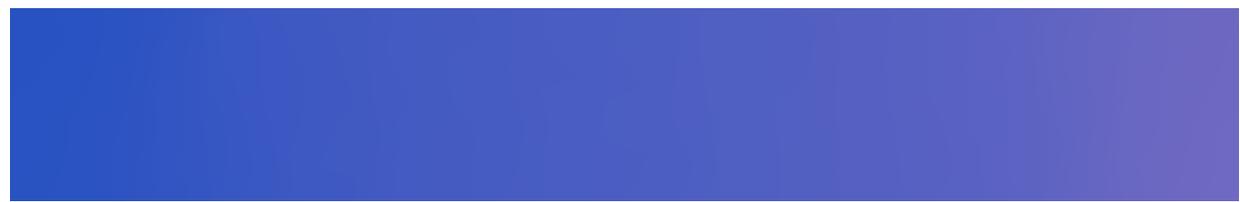
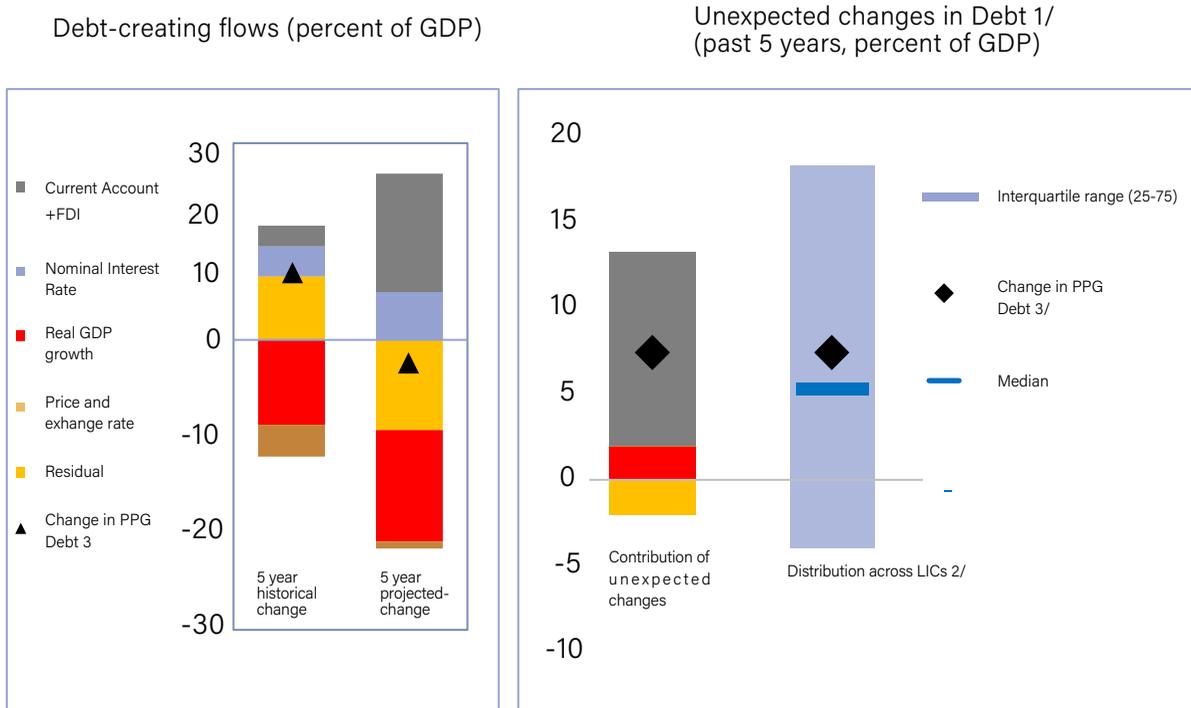
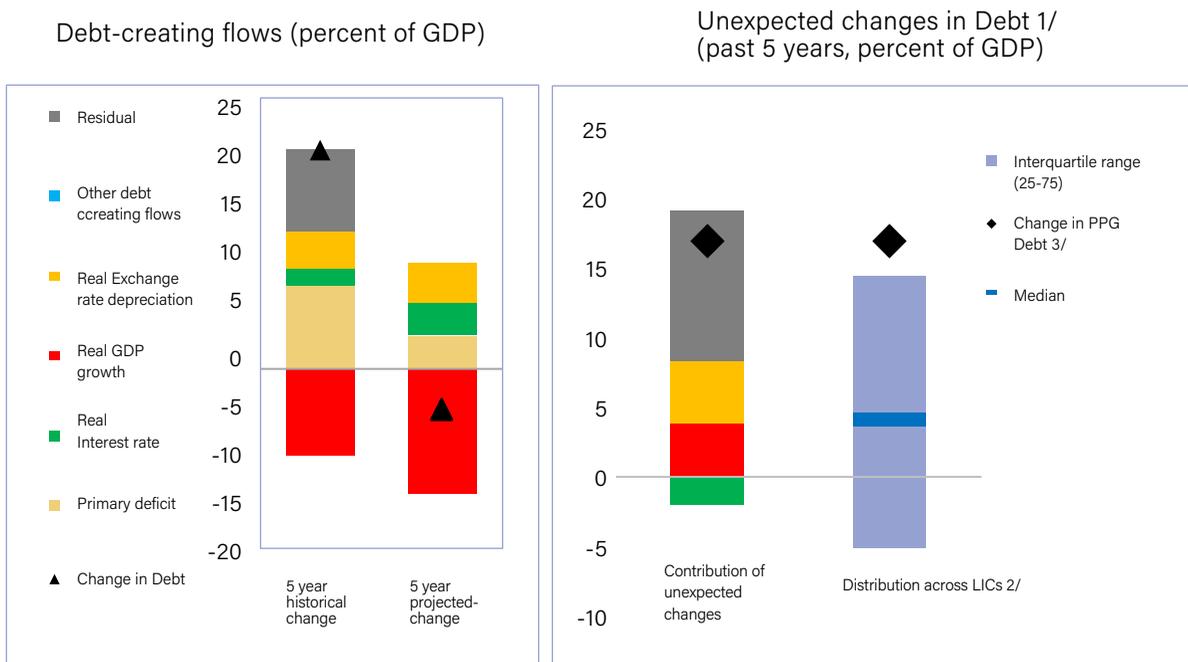


Chart 16: Drivers of External Debt Dynamics and Unexpected Changes in Debt- Baseline



Source: Ministry of Finance

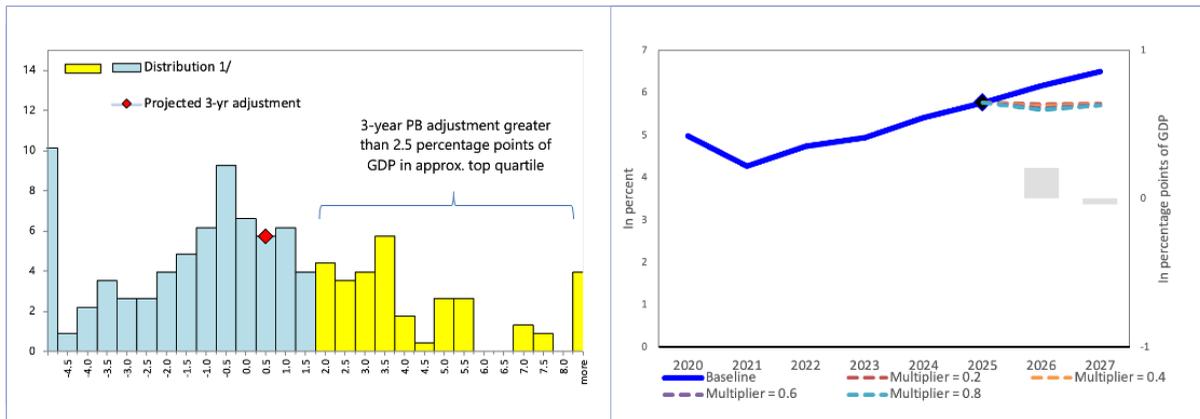
Chart 17: Drivers of Public Debt Dynamics- Baseline



Source: Ministry of Finance

The projected three years' fiscal adjustment falls within the acceptable range for comparable Low-Income Countries (LICs) that have conducted fiscal adjustments in recent times (Chart 19). In the medium term, while GDP growth is slightly higher than that implied by the typical low-income country fiscal multiplier of 0.4, the growth is in line with Tanzania's growth potential anchored on current strategic projects and historical growth experience.

Chart 18: Tanzania Realism Tools



Source: Ministry of Finance

#### 4.4 New Financing Assumptions

The 2025 Debt Sustainability Analysis (DSA) projects external financing based on potential financing sources, a five-year historical trend of loans, the undisbursed portion of contracted loans, upcoming and new contracted loans from concessional and non-concessional sources. These projections align with the Government's Medium-Term Debt Management Strategy (MTDS).

Over the medium term, the Government preference in financing is from both concessional and semi-concessional sources. The priority will be on concessional loans from bilateral and multilateral lenders. The semi-concessional loans from ECAs sources and Partial Credit-Guaranteed loans, and small portion from Commercial loans will be allocated mainly to key infrastructure projects that amplify economic growth and enhance exports.

The reliability of grant and concessional loan projections is based on confidence in Development Partners' track record of fulfilling their commitments to support development, as outlined in the Development Cooperation Framework.

Domestic financing: The Government will continue to borrow from domestic market in line with the MTDS objectives of developing the Local Currency Bond markets, diversifying the debt portfolio and lengthening the maturity profile for the purpose of minimizing refinancing risk as well as to reducing foreign exchange risk. In doing so, the following assumptions were made:

i.	Net Domestic Financing limit for financial year 2025/26 is 1.2 percent of the GDP and will be maintained in the medium to long term.
ii.	Lengthening of the maturity profile through reducing proportion of short-term borrowing and increase medium and long-term debt instruments (Table 2);
iii.	General moderation of yields is in line with market conditions (market determined). (Table 3).

Table 2: Domestic debt financing strategy

Instrument Category	2025/26-2030/31	2031/32-2035/36	2036/37-2040/41	2041/42-2045/46
364 Days -T bills	30.0%	27.0%	25.0%	20.0%
Bonds(1 to 3 Years)	11.0%	10.0%	10.0%	10.0%
Bonds (4 to 7 Years)	12.0%	13.0%	14.0%	15.0%
Bonds (beyond 7 Years)	47.0%	50.0%	51.0%	55.0%

Source: Ministry of Finance, and Bank of Tanzania

Table 3: Yield Assumptions in the medium-term from Different sources

Source of Financing	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Central Bank Financing	3.0	3.0	3.0	3.0	3.0	3.0
Short term (T-Bills)	7.57	7.38	7.19	6.83	6.66	6.33
Bonds (1 to 3 Years)	9.74	9.64	9.55	9.45	9.36	9.26
Bonds (4 to 7 Years)	9.86	9.76	9.66	9.57	9.47	9.38
Bonds (beyond 7 Years)	12.95	12.89	12.82	12.76	12.69	12.63

Source: Ministry of Finance, and Bank of Tanzania

# 5.

## Chapter Five DSA Methodology and Results

### 5.1 Methodology

The 2025 DSA applied the LIC-DSF and indicative debt burden thresholds which are based on the Composite Indicator (CI). The CI is computed using country-specific information that includes the Country Policy and Institutional Assessment (CPIA) and relevant macroeconomic variables, specifically real GDP growth, foreign exchange reserves, remittances and world economic growth.

The LIC-DSF assesses the risk of debt distress by comparing the evolution of debt burden indicators against predetermined thresholds set according to countries' debt-carrying capacities. Table 4 summarizes the solvency and liquidity thresholds of debt burden indicators.

Table 4: Indicative Debt Burden Thresholds

Category	Composite Indicator Range	PV of external debt in percent of		External Debt service in percent of		PV of external debt in percent of
		GDP	Exports	Exports	Revenue	GDP
Weak	CI < 2.69	30	140	10	14	35
Medium	2.69 ≤ CI ≤ 3.05	40	180	15	18	55
Strong	CI > 3.05	55	240	21	23	70

Source: Ministry of Finance

The CI for Tanzania, computed from data published in the World Economic Outlook (WEO) update of October 2024, is 2.88. Based on the CI score, the county's debt-carrying capacity is a medium performer (Table 5).

Table 5: Composite Indicator Table for Tanzania

Components	Coefficients (A)	10 year average values (B)	CI Score components (A*B)=(C)	Contribution of components
CPIA	0.385	3.483	1.35	46%
Real growth rate (in percent)	2.719	5.974	0.16	6%
Import coverage of reserves (in percent)	4.052	41.004	1.66	58%
Import coverage of reserves ^2 (in percent)	-3.990	16.813	-0.67	-23%
Remittances (in percent)	2.022	0.037	0.00	0%
World economic growth (in percent)	13.520	2.889	0.39	14%
CI Score			2.89	100%
CI Rating			Medium	

Source: International Monetary Fund /World Bank (2025)

## 5.2 Public Debt Coverage

The public debt coverage includes the central government, central bank borrowing on behalf of the government, government-guaranteed debt, and non-guaranteed SOE debt (Table 6).

Table 6: Public Debt Coverage

	Subsectors of the public sector	Checkbox
1.	Central government	X
2.	State and local government	
3.	Other elements in the general government	
4.	o/w: Social security fund	
5.	o/w: Extra budgetary funds (EBFs)	
6.	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7.	Central bank (borrowed on behalf of the government)	X
8.	Non-guaranteed SOE debt	X

The DSA contingent liability stress test captures public sector exposure to SOEs, calibrated at 0.89 percent of GDP, reflecting other elements of the general Government and SoE's Debt. The contingent stress test also includes the default minimum value of 5 percent of GDP for a financial markets shock, incorporated in the LIC DSF, representing the average cost to the government of a financial crisis in LICs. The total contingent liability as a percentage of GDP is 5.9 (Table 7).

Table 7: Public Debt Coverage and the magnitude of Contingent Liability

The country's coverage of public debt	The central government, central bank, government-guaranteed debt, non-guaranteed SOE debt		
	Default	Used for the analysis	Reasons for deviations from the default settings
Other elements of the general government not captured in 1.	0 percent of GDP	0.37	LGAs, Bilateral Interest arrears and domestic arrears estimated AT TZS 833.2 billion Non-guaranteed SOE debt (with no clear repayment plan) TZS 1160.96 Billion
SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	0.52	
PPP	35 percent of PPP stock	0.00	
Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5	
Total (2+3+4+5) (in percent of GDP)		5.9	

### 5.3 DSA Results

#### 5.4 External Public Debt Indicators under Baseline Scenario

The analysis for external public debt Indicators under baseline scenario shows that all liquidity and solvency indicators are projected to remain below their respective thresholds.

The solvency indicators show that the Present Value (PV) of external public debt-to-GDP ratio is projected to decline gradually from 24.9 percent in 2024/25 to 18.0 percent by 2035/36, remaining below the 40 percent threshold. This steady downward trend reflects a sustainable pace of borrowing relative to economic growth and demonstrates prudent debt management. Similarly, the PV of external public debt-to-exports ratio declines from 125.4 percent to 103.0 percent over the same period, remaining well below the 180 percent threshold and indicating adequate export capacity to support external debt obligations.

The liquidity indicators show that the debt service-to-exports ratio is projected to be around 14 percent in the medium term compared to the threshold of 15 percent. Meanwhile, the debt service-to-revenue ratio remains moderate, averaging 14–15 percent in the medium term and easing to 10.6 percent by 2035/36, below the threshold of 18 percent (Table 8).

Table 8: External Public Debt Sustainability Indicators

External DSA	Threshold	2024/25 <sup>3</sup>	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2035/36
PV of debt-to GDP ratio	40	24.9	24.4	23.6	22.4	21.1	20.0	19.5	18.0
PV of debt-to-exports ratio	180	125.4	123.1	123.8	119.3	114.3	110.4	108.2	103.0
Debt service-to-exports ratio	15	11.6	12.8	12.2	13.7	13.3	13.1	12.0	10.2
Debt service-to-revenue ratio	18	14.7	15.4	13.8	15.1	14.3	13.9	12.9	10.6

Source: Ministry of Finance

## 5.5 Public Debt Burden Indicators Under Baseline Scenario

The DSA results for public (external and domestic) debt indicate that the PV of public debt-to-GDP ratio is projected to gradually decline from 40.7 percent in 2024/25 to a level of 34.7 percent in the long-run, remaining below the threshold of 55 percent. The PV of debt-to-revenue and grant ratio shows a gradual decline from 254.7 percent in 2024/25 to 205.8 percent in the long-run, indicating a steady reduction in the relative debt burden on government resources. Although there is no formal threshold for this indicator, the downward trajectory suggests improving fiscal capacity to service debt over time.

The debt service-to-revenue and grant ratio fluctuates in the medium term, starting at 35.0 percent in 2024/25, peaking at 45.2 percent in 2025/26, and then declining to 31.2 percent in the long-run (Table 9).

Table 9: Public Debt Sustainability Indicators

Public DSA	Threshold	2024/25 <sup>4</sup>	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2035/36
PV of debt-to GDP ratio	55	40.7	39.6	38.6	36.9	35.9	34.8	34.6	34.7
PV of debt-to-revenue and grant ratio	N/A	254.7	233.4	225.6	214.8	208.2	202.8	205.6	205.8
Debt service-to-revenue and grant ratio	N/A	35.0	45.2	32.9	34.1	30.8	31.4	32.9	31.2

Source: Ministry of Finance

<sup>3</sup> Represent actual ratios as of 30th June 2024

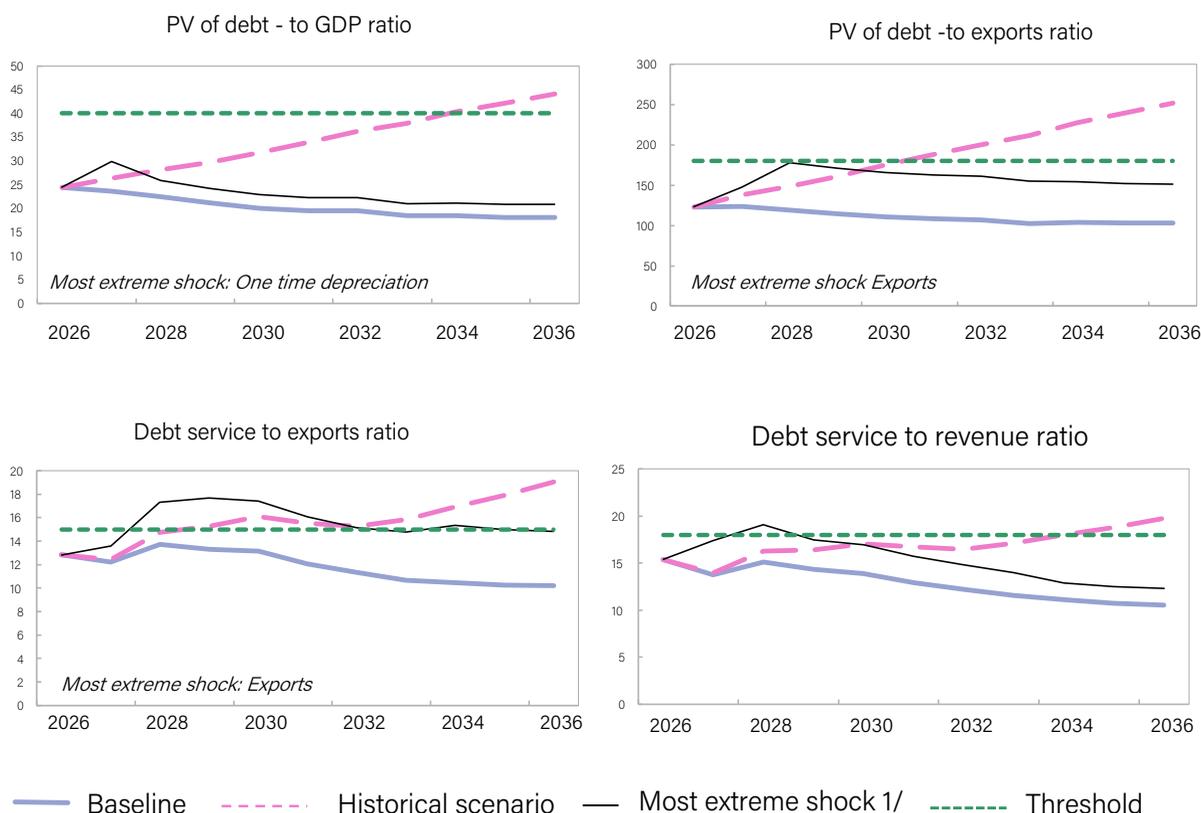
<sup>4</sup> Represent actual ratios as of 30th June 2025

## 5.6 External Public Debt Burden Indicators Under Stress Scenario

One-time depreciation causes the value of PV of external public debt to GDP to rise to 30 percent in 2026/27 from a baseline of 24 percent, which is below the threshold of 40 percent. A negative shock to exports causes the value of PV of external public debt to exports ratio to rise to 178 percent in 2027/28 from a baseline of 119 percent, which is below the threshold of 180 percent (Chart 19).

A negative shock of exports causes the debt service to export ratio to be above the threshold of 15 percent in 2027/28 at a value of 17 percent and continues towards the long-term period. On the other hand, a negative shock of depreciation leaves the debt service to revenue ratio above the threshold of 18 percent just in 2027/28 at a value of 19 percent, and afterwards decrease and is maintained below the threshold.

Chart 19: External Public Debt Burden Indicators

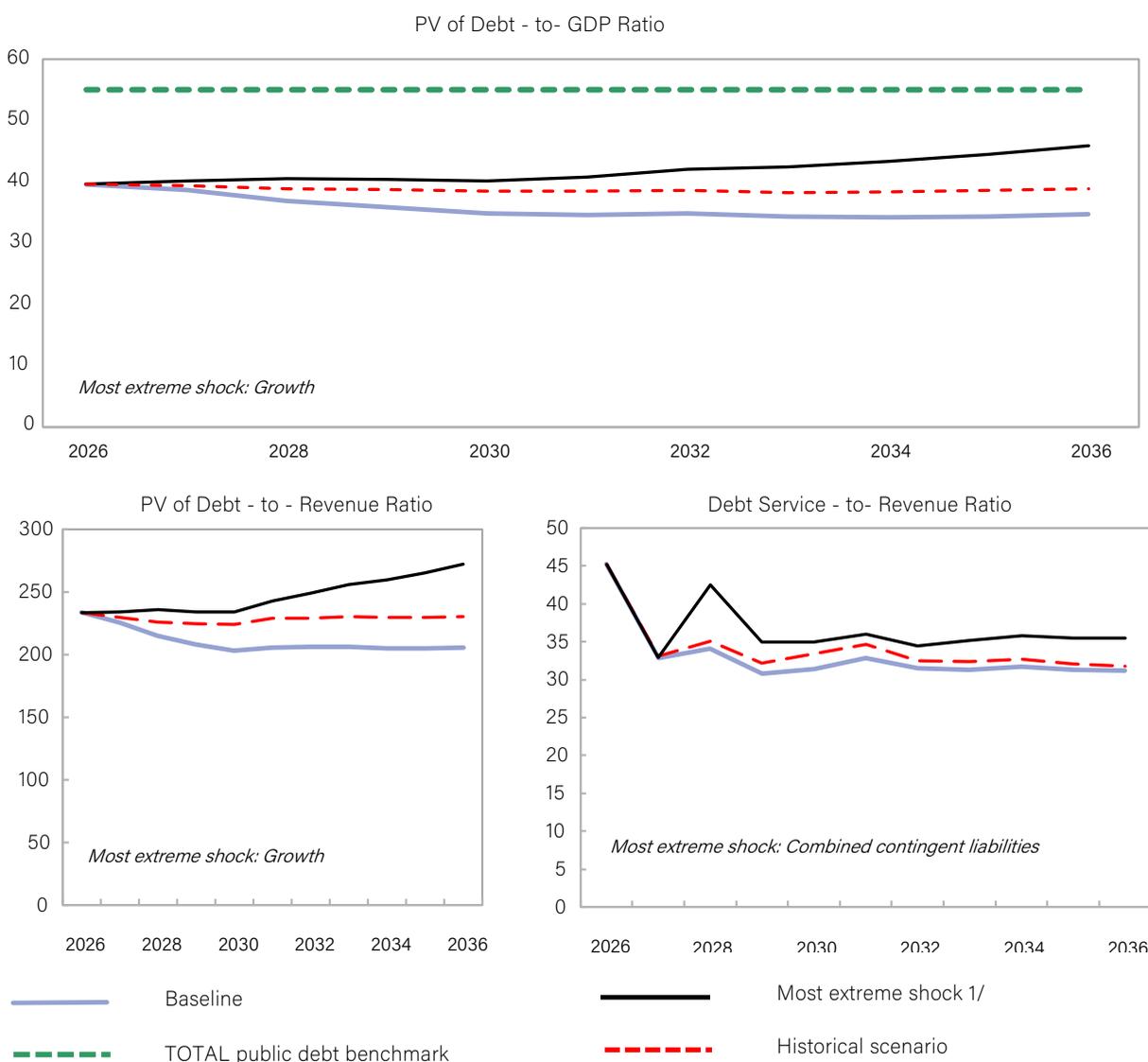


## 5.7 Public Debt Burden Indicators Under Stress Scenario

The PV of public debt to GDP stays below the threshold of 55 percent of GDP throughout the projection period under shock scenario (Chart 20).

Nonetheless, the portfolio is sensitive to real GDP growth and combined contingent liabilities shocks. The real GDP growth shock raises the PV of debt to revenue ratio to 234 in 2026/27 from the baseline of 226. Similarly, the contingent liability shock raises debt service to revenue to 43 percent in 2027/28 from a baseline of 34 percent.

Chart 20: Public Debt Burden Indicators Under Shock Scenario



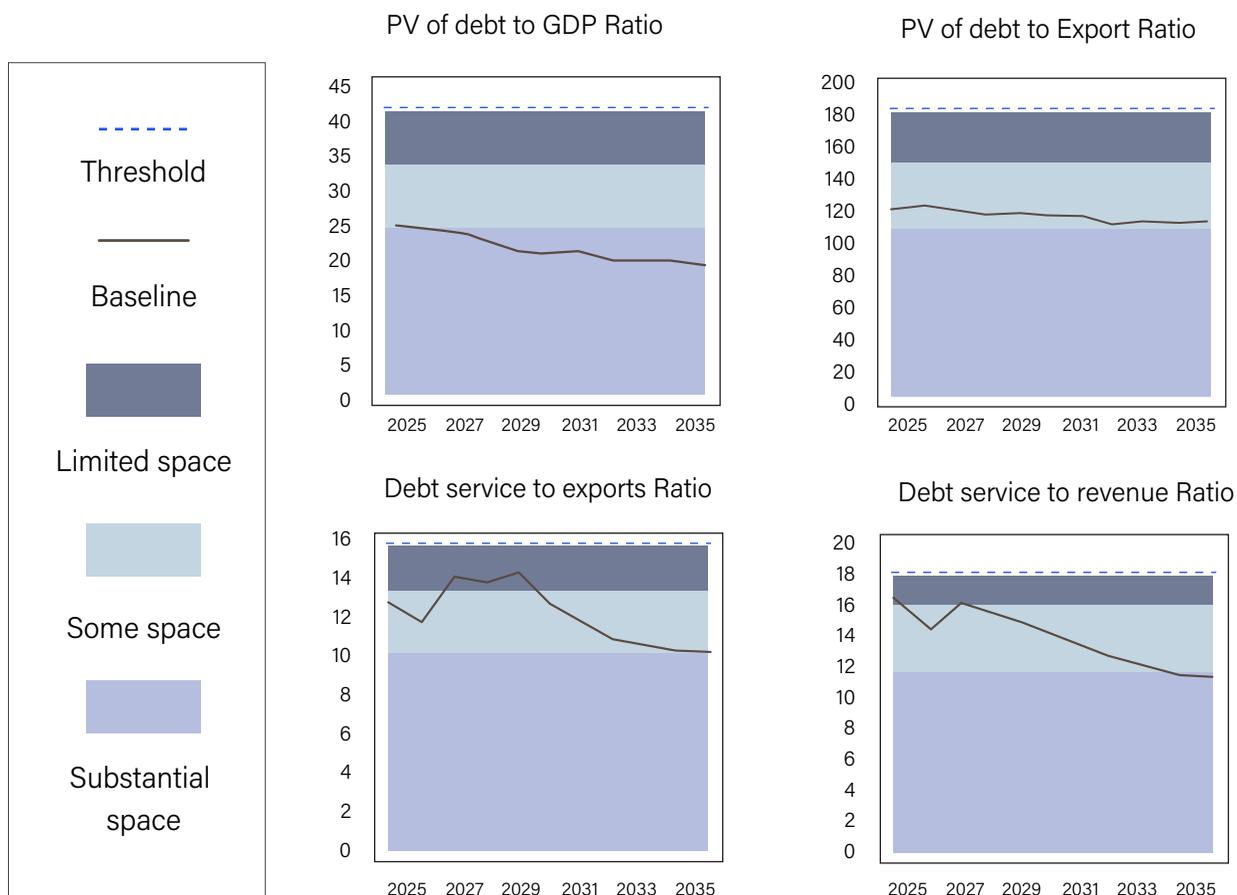
## 5.8 Assessment of Tanzania's Risk of Debt Distress

The mechanical risk signals determine the risk ratings of external and overall public debt distress. The risk signal is determined based on the number of breaches of the indicative threshold by the four debt burden indicators under the baseline scenario and the stress scenarios.

In accordance to the 2025 DSA results, Tanzania's risk of external debt distress is assessed as moderate. This determination arises because the debt burden indicators have not breached the thresholds in the baseline scenario. However, it is noteworthy that the debt service to export ratio breached the threshold in the shock scenario, contributing to this moderate rating.

In view of the moderate risk rating, an assessment of the space available to absorb shocks without moving into a high risk of debt distress category is important to shed light on the robustness of the debt position. According to the moderate risk assessment tool, Tanzania has some space to absorb shocks in most of the indicators except for debt service to exports ratio where there is limited space (Chart 21).

Chart 21: Moderate Risk Assessment Results



# 6

## Chapter Six Conclusion and Way Forward

The results of the 2025 Debt Sustainability Analysis (DSA) indicate that Tanzania's public debt remains sustainable in the medium to long term. All liquidity and solvency indicators are projected to remain below their respective thresholds under the baseline scenario for both the external and overall public DSA. However, the country's risk of debt distress remains moderate, primarily due to breaches of the external debt service-to-exports under the stress scenarios.

Uncertainties surrounding the global economic recovery stemming from the ongoing Russia-Ukraine conflict and instability in the Middle East continue to pose risks to Tanzania's debt servicing capacity under the shock scenario, mainly through potential adverse effects on exports and GDP growth. Additional fiscal risks may also arise from contingent liabilities, particularly those related to explicit and implicit government guarantees extended to State-Owned Enterprises (SOEs).

The Government remains firmly committed to prudent debt management and sustained fiscal consolidation over the medium term to mitigate emerging risks and safeguard macroeconomic stability. This commitment will be operationalized through: -

i	Strategic borrowing focused on financing projects with demonstrable economic and social returns.
ii	Enhanced domestic revenue mobilization to reduce reliance on debt and strengthen fiscal buffers.
iii	Prioritization of concessional and semi-concessional financing, including from export credit agencies, while cautiously accessing non-concessional resources for projects of strategic importance.
iv	Strengthened oversight of financial institutions and State-Owned Enterprises to contain risks associated with contingent liabilities.

# ANNEX No I: External Debt Sustainability Framework, Baseline Scenario, 2023-2046

Table 2. Tanzania: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046  
(In percent of GDP, unless otherwise indicated)

	Actual										Projections										Average 6/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	2023	2024	2025	2026	2027	2028	2029	2030	2031		2036
<b>Public sector debt 1/</b>	42.8	47.7	48.8	48.0	47.1	45.5	44.2	42.9	42.4	41.0	47.3	41.5	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3
of which: external debt	27.2	31.7	32.8	33.0	32.5	31.4	29.7	28.2	27.5	24.5	16.8	28.4	28.1	28.1	28.1	28.1	28.1	28.1	28.1	28.1	28.1	28.1
<b>Change in public sector debt</b>	2.4	4.9	1.1	-0.8	-0.8	-1.6	-1.3	-1.4	-1.4	-0.4	0.9	-0.3	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1	-1.1
Identified debt-creating flows	0.7	2.6	-2.1	-1.7	-1.8	-2.3	-1.9	-1.7	-1.0	-0.1	1.1	0.9	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Primary deficit	2.1	0.8	0.5	0.3	0.3	0.3	0.4	0.5	-0.1	0.3	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Revenue and grants	14.5	15.1	16.0	17.0	17.1	17.2	17.2	17.2	16.8	16.9	17.7	14.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9	16.9
of which: grants	0.3	0.3	0.4	0.4	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Primary (noninterest) expenditure	16.6	15.9	16.5	17.3	17.5	17.4	17.6	17.7	16.7	17.2	18.4	15.8	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
<b>Automatic debt dynamics</b>	-1.4	1.8	-2.6	-2.0	-2.1	-2.5	-2.3	-2.2	-0.9	-0.4	0.5	15.8	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
Contribution from interest rate/growth differential	-1.6	-1.5	-2.3	-2.0	-2.1	-2.5	-2.3	-2.2	-0.9	-0.4	0.5	15.8	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
of which: contribution from average real interest rate	0.3	0.7	0.3	0.8	0.8	0.4	0.6	0.7	1.9	1.9	3.0	15.8	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
of which: contribution from real GDP growth	-1.9	-2.2	-2.6	-2.8	-2.9	-3.0	-2.9	-2.8	-2.8	-2.4	-2.6	15.8	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
Contribution from real exchange rate appreciation	0.3	3.3	-0.3	-	-	-	-	-	-	-	-	15.8	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2
<b>Other identified debt-creating flows</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Residual</b>	1.7	2.3	3.2	0.9	0.9	0.7	0.6	0.4	0.6	0.3	-0.2	1.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
<b>Sustainability indicators</b>																						
PV of public debt-to-GDP ratio 2/	...	...	40.7	39.6	38.6	36.9	35.9	34.8	34.6	34.7	43.4	...	...	...	...	...	...	...	...	...	...	...
PV of public debt-to-revenue and grants ratio	...	...	254.7	233.4	225.6	214.8	208.2	202.8	205.6	205.8	244.6	...	...	...	...	...	...	...	...	...	...	...
Debt service-to-revenue and grants ratio 3/	...	...	34.2	35.4	35.0	45.2	34.1	30.8	31.4	32.9	48.8	...	...	...	...	...	...	...	...	...	...	...
Gross financing need 4/	7.0	6.1	6.1	8.0	6.0	6.1	5.7	5.9	5.5	5.6	9.3	...	...	...	...	...	...	...	...	...	...	...
<b>Key macroeconomic and fiscal assumptions</b>																						
Real GDP growth (in percent)	4.9	5.4	5.8	6.2	6.5	6.7	6.9	6.9	7.0	6.2	5.9	5.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6	6.6
Average nominal interest rate on external debt (in percent)	2.2	2.5	3.1	2.8	2.5	2.4	2.4	2.4	2.4	3.0	3.5	2.1	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Average real interest rate on domestic debt (in percent)	5.6	6.1	4.6	6.0	8.5	7.8	8.6	8.6	12.2	11.5	10.4	6.8	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1	10.1
Real exchange rate depreciation (in percent, + indicates depreciation)	1.0	13.0	-1.0	-	-	-	-	-	-	-	-	2.7	...	...	...	...	...	...	...	...	...	...
Inflation rate (GDP deflator, in percent)	4.1	3.4	4.5	3.1	3.7	4.6	4.2	4.3	1.1	2.1	3.2	3.9	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Growth of real primary spending (deflated by GDP deflator, in percent)	4.5	0.9	10.0	11.3	7.6	6.6	7.9	7.2	1.4	7.9	7.6	6.6	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-0.3	-4.1	-0.6	1.1	1.2	1.9	1.9	1.9	0.4	0.2	-0.3	-1.7	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government central bank, government-guaranteed debt, non-guaranteed SOE debt. Definition of external debt is Currency-based.

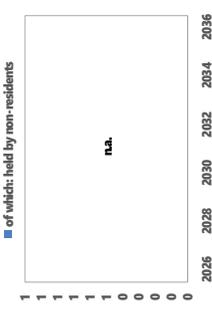
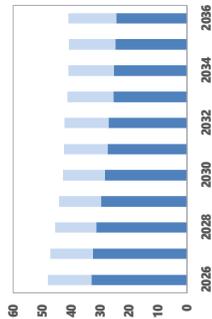
2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the public DSA with the size of differences depending on exchange rate projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (t-1) a primary surplus, which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projection averages are over the first year of projection and the next 10 years.



# ANNEX No. II: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046

Table 2: Tanzania: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046  
(In percent of GDP, unless otherwise indicated)

	Actual											Projections											Average 6/ Historical	Projections
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046		
<b>Public sector debt 1/</b>	42.8	47.7	48.8	48.0	47.1	45.5	44.2	42.9	42.4	41.0	47.3	41.5	43.3	41.5	43.3									
of which: external debt	27.2	31.7	32.8	33.0	32.5	31.4	29.7	28.2	27.5	24.5	16.8	28.4	28.1	28.4	28.1									
<b>Change in public sector debt</b>	2.4	4.9	1.1	-0.8	-0.8	-1.6	-1.3	-1.4	-0.4	0.2	0.9													
Identified debt-creating flows	0.7	2.6	-2.1	-1.7	-1.8	-2.3	-1.9	-1.7	-1.0	-0.1	1.1	-0.3	-1.1	-0.3	-1.1									
Primary deficit	2.1	0.8	0.5	0.3	0.3	0.3	0.4	0.5	-0.1	0.3	0.6	0.9	0.2	0.9	0.2									
Revenue and grants	14.5	15.1	16.0	17.0	17.1	17.2	17.2	17.2	16.8	16.9	17.7	14.9	16.9	14.9	16.9									
of which: grants	0.3	0.3	0.4	0.4	0.2	0.1	0.1	0.1	0.1	0.0	0.0													
Primary (noninterest) expenditure	16.6	15.9	16.5	17.3	17.5	17.4	17.6	17.7	16.7	17.2	18.4	15.8	17.2	15.8	17.2									
<b>Automatic debt dynamics</b>	-1.4	1.8	-2.6	-2.0	-2.1	-2.5	-2.3	-2.2	-0.9	-0.4	0.5													
Contribution from interest on its/growth differential	-1.6	-1.5	-2.3	-2.0	-2.1	-2.5	-2.3	-2.2	-0.9	-0.4	0.5													
of which: contribution from average real interest rate	0.3	0.7	0.3	0.8	0.8	0.4	0.6	0.7	1.9	1.9	3.0													
of which: contribution from real GDP growth	-1.9	-2.2	-2.6	-2.8	-2.9	-3.0	-2.9	-2.9	-2.8	-2.4	-2.6													
Contribution from real exchange rate depreciation	0.3	3.3	-0.3	...	...	...	...	...	...	...	...													
<b>Other identified debt-creating flows</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
Privatization receipts (negative)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0													
Recognition of contingent liabilities (e.g. bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0													
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0													
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0													
<b>Residual</b>	1.7	2.3	3.2	0.9	0.9	0.7	0.6	0.4	0.6	0.3	-0.2	1.5	0.4	1.5	0.4									
<b>Sustainability indicators</b>																								
PV of public debt-to-GDP ratio 2/	...	...	40.7	39.6	38.6	36.9	35.9	34.8	34.6	34.7	43.4													
PV of public debt-to-revenue and grants ratio	...	...	254.7	233.4	225.6	214.8	208.2	202.8	205.6	205.8	244.6													
Debt service-to-revenue and grants ratio 3/	...	...	34.2	35.4	35.0	45.2	32.9	34.1	30.8	31.4	32.9	48.8												
Gross financing need 4/	7.0	6.1	6.1	8.0	6.0	6.1	5.7	5.9	5.5	5.6	9.3													
<b>Key macroeconomic and fiscal assumptions</b>																								
Real GDP growth (in percent)	4.9	5.4	5.8	6.2	6.5	6.7	6.9	6.9	7.0	6.2	5.9	5.6	6.6	5.6	6.6									
Average nominal interest rate on external debt (in percent)	2.2	2.5	3.1	2.8	2.5	2.4	2.4	2.4	2.4	3.0	3.5	2.1	2.6	2.1	2.6									
Average real interest rate on domestic debt (in percent)	5.6	6.1	4.6	6.0	8.5	7.8	8.6	8.6	12.2	11.5	10.4	6.8	10.1	6.8	10.1									
Real exchange rate depreciation (in percent, + indicates depreciation)	1.0	13.0	-1.0	...	...	...	...	...	...	...	...	2.7	...	2.7	...									
Inflation rate (GDP deflator, in percent)	4.1	3.4	4.5	3.1	3.7	4.6	4.2	4.3	1.1	2.1	2.7	3.9	2.7	3.9	2.7									
Growth of real primary spending (deflated by GDP deflator, in percent)	4.5	0.9	10.0	11.3	7.6	6.6	7.9	7.2	1.4	7.9	7.6	6.6	7.0	6.6	7.0									
Primary deficit that stabilizes the debt-to-GDP ratio 5/	-0.3	-4.1	-0.6	1.1	1.2	1.9	1.7	1.9	0.4	0.2	-0.3	-0.3	-1.7	-0.3	-1.7									
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The central government, government-guaranteed debt, non-guaranteed SOE debt. Definition of external debt is Currency-based.

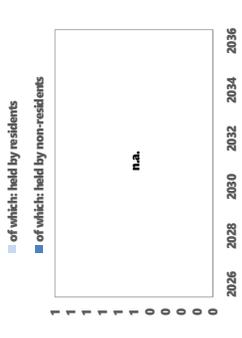
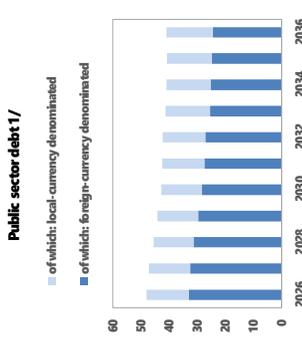
2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio (b) a primary surplus, which would stabilize the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.



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