



THE UNITED REPUBLIC OF TANZANIA

**SPEECH BY THE MINISTER FOR FINANCE,
HON. DR. MWIGULU LAMECK NCHEMBA MADELU (MP.)
PRESENTING TO THE NATIONAL ASSEMBLY,
THE ESTIMATES OF GOVERNMENT REVENUE
AND EXPENDITURE FOR 2024 / 25**



13th JUNE 2024

DODOMA



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I. INTRODUCTION

1. **Honourable Speaker**, I beg to submit to your Esteemed Parliament to receive, deliberate and approve the Government's Revenue and Expenditure Estimates for the year 2024/25. This budget is presented in accordance with Article 137 of the Constitution of the United Republic of Tanzania of 1977, together with Section 23 (3) of the Budget Act, CAP 439 and Article 124 (4) of the Standing Orders of the National Assembly (February 2023 Edition).

2. **Honourable Speaker**, along with this speech, I present four volumes of budget books detailing the government's budget estimates: **Volume I** presents Revenue Estimates; **Volume II** describes Recurrent Expenditure Estimates for Ministries, Independent Departments and Government's Agencies; **Volume III** provides 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 2024 and Appropriation Bill 2024 constitute part of this Budget.

3. **Honourable Speaker**, I extend my condolences to **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, Honourable Members of Parliament and all Tanzanians in general for the loss of our beloved ones, the late Alhaji Ali Hassan Mwinyi, the President of the Second Phase Government of the United Republic of Tanzania, and the late Edward Ngoyai Lowassa, former Member of Parliament for Monduli Constituency and Prime Minister of the United Republic of Tanzania. Additionally, I offer condolences for the loss of Honourable Francis Leonard Mtega, former Member of Parliament for Mbarali Constituency,

and Honourable Ahmed Yahya Abdulwakil, former Member of Parliament for Kwahani Constituency, and all other government leaders who passed away during this financial year. May the Almighty God rest their souls in eternal peace. **Amen!**

4. **Honourable Speaker**, I also take this opportunity to sympathize with all citizens affected by various disasters, including accidents and floods that occurred in different parts of the country due to El-Nino rains. Those disasters have caused ravaging impacts such as claiming people's lives, causing injuries, and damage to properties and infrastructure. I convey my heartfelt condolences to all citizens who lost their loved ones; and I pray to the Almighty God for the speedy recovery of all the casualties and for the departed souls to rest in eternal peace. **Amen!**

II. BUDGET FOR THE YEAR 2024/25

5. **Honourable Speaker**, notwithstanding the above remarks, I would like to present the Government Budget estimates for the year 2024/25 which has been prepared in line with: Tanzania Development Vision 2025; Chama Cha Mapinduzi (CCM) Election Manifesto 2020; the Third Five-Year National Development Plan (2021/22-2025/26); East African Community Vision 2050; Agenda 2063 "The Africa We Want"; the 2030 Agenda for Sustainable Development Goals; along with other regional and international agreements ratified by Tanzania.

6. **Honourable Speaker**, the Government Budget for 2024/25 is the fourth in implementation of the Third Five-Year National Development Plan (2021/22 – 2025/26) with the theme of

“Realising Competitiveness and Industrialization for Human Development”. In addition, the main theme of the 2024/25 Budget, as agreed upon by the Partner States of the East African Community is, ***“Sustainable Economic Transformation through Fiscal Consolidation and Investment in Climate Change Mitigation and Adaptation for Improved Livelihoods”***.

Macro-economic Policy Targets

7. **Honourable Speaker**, based on the documents and guidelines considered in the preparation of this Budget, the overall macro-economic targets are as follows:

- (i) Accelerate growth rate of the Gross Domestic Product (GDP) to 5.4 percent in 2024 from 5.1 percent in 2023;
- (ii) Control inflation rate and ensure it remains within the single-digit range of an average of 3.0-5.0 percent in the medium term;
- (iii) Increase domestic revenue to 15.8 percent of GDP in 2024/25 compared to the projection of 15.4 percent in 2023/24;
- (iv) Increase tax revenue to 12.9 percent of GDP in 2024/25 from the target of 12.6 percent in 2023/24;
- (v) Maintain a budget deficit (including grants) not exceeding 3.0 percent of GDP; and
- (vi) Maintain foreign exchange reserves sufficient to cover the importation of goods and services for a period of no less than four (4) months.

Budget Assumptions

8. **Honourable Speaker**, the preparation of macro-economic targets for 2024/25 are based on 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 including drought, war, floods and pandemic diseases;
- (iii) Strengthened global economy and price stability in financial and commodity markets;
- (iv) Improved food security; and
- (v) Peace, security, unity and stability maintained within and in neighbouring countries.

Priority areas for the year 2024/25

9. **Honourable Speaker**, the Government budget for the year 2024/25 aims at implementing priorities outlined in the Third National Five-Year Development Plan 2021/22 - 2025/26, themed “***Realizing Competitiveness and Industrialization for Human Development***” as well as the National Development Plan for the year 2024/25. The priority areas identified in the Five-Year Plan include: realizing an inclusive and competitive economy; **deepening** industrialization and service provision; investment and trade promotion; and human and skills development.

10. **Honourable Speaker**, some key priority areas will include: completing FLAGSHIP and STRATEGIC projects; strengthening PRODUCTION sectors; enhancing human capital development particularly in SOCIAL SERVICES; Increasing the use of ICT; and improving the business environment and investment. In addition, the budget for the year 2024/25 will finance important aspects such as wage bill, government debt, 2024 Local Government Election, preparations of 2025 General Election, the preparation of the National Development Vision 2050, and preparation of the 2027 Africa Cup of Nations (AFCON 2027) including the construction and rehabilitation of stadiums.

11. **Honourable Speaker**, the specific projects within priority areas that the Government will implement through the 2024/25 budget are detailed on the National Economic Survey for the year 2023 and the Annual National Development Plan for the year 2024/25 in a speech delivered this morning by Honourable Prof. Kitila Alexander Mkumbo (MP), Minister of State, President's Office, Planning and Investment.

Public Finance Management

12. **Honourable Speaker**, the Government has invested in systems that control and manage public funds. However, the Controller and Auditor General has been issuing queries concerning public expenditures. I would like to assure your Esteemed Parliament and all Tanzanians that, the CCM led Government will continue to enforce discipline on the proper use of public funds by adhering to Budget Act, CAP 439; Public Finance Act, CAP 348; Local Government Finance Act, CAP 290; Public Procurement Act, CAP 410 and Appropriation Act, 2024. Further, the Government will continue to ensure those laws are enforced and thoroughly implemented including responding to Internal Auditor General and Controller and Auditor General recommendations, and **disciplinary measures will be taken** against Accounting Officers who will not comply with the laws.

13. **Honourable Speaker**, I urge all Accounting Officers to continue adhering to Circular No. 2 of the Head of Public Service of 2021 concerning the proper use of vehicles including models and entitlements for public service leaders for the purpose of reducing expenditure. In addition, other measures which will be taken include, minimizing both domestic and international travelling and reducing size of delegations in meetings within and outside the country. Likewise, I continue

to emphasize all Accounting Officers to continue holding virtual meetings and encouraging paperless policy.

14. **Honourable Speaker**, the Government continues to take actions against institutions which violate procurement procedures such as procuring without approval of the tender boards. I call upon all government institutions to adhere to public procurement procedures and ensure that all procurements are approved by tender boards. This will improve transparency and accountability in procurement process, hence, ensuring proper use of public funds. Further, I direct all Accounting Officers to ensure the use of the National e-Procurement System of Tanzania (NeST) in all procurements of goods, services and contracts while considering market price.

15. **Honourable Speaker**, the Government will continue to implement the Alternative Project Financing Strategy to widen the scope of funding development projects and reduce dependence on the Government budget. A notable example of the implementation of this strategy is the successful issuing of a Green Bond worth 53.1 billion shillings by Tanga Urban Water Supply and Sanitation Authority (TANGA UWASA). Further, the Government will continue to provide training to Local Government Authorities, private sector and financial institutions on the alternative project financing including the use of Public Private Partnership (PPP).

16. **Honourable Speaker**, during 2023/24, the Government established monitoring and evaluation units in ministries and their respective institutions to track implementation of approved plans and budget. The Government is committed to strengthen monitoring and evaluation activities to ensure approved plans and budget are implemented in accordance with existing guidelines.

17. **Honourable Speaker**, the proposed measures will enable the Government to realise some savings that can be directed to projects which benefit the community such as construction of roads, health centres, water infrastructure and schools. Further, I urge my fellow leaders to acknowledge the importance of public finance management for the national development. I warn those who misuse public funds, **to stop that habit immediately!** Those who will be liable, legal action will be taken against them.

III. ACHIEVEMENTS OF THE SIXTH PHASE GOVERNMENT

18. **Honourable Speaker**, let me take this opportunity to extend my heartfelt congratulations to Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, for her firm leadership demonstrated during the difficulty times our country has endured. As we are all aware, Her Excellency assumed power following the tragic loss of the Late President Dr. John Pombe Joseph Magufuli, an unprecedented event in our nation's history. Despite the tragedy, **MAMA** took over with passion and compelled focus.

19. **Honourable Speaker**, Her Excellency Dr. Samia Suluhu Hassan assumed power when the world was experiencing economic crisis due to COVID-19 pandemic, and later the ongoing geo-political conflict in Eastern Europe. These challenges destabilized even the world's largest economies and they could be the reasons to abandon implementation of strategic development projects. Nonetheless, Her Excellency Dr. Samia Suluhu Hassan committed to continue to implement all ongoing projects from succeeded Phases and bring on board new ones.

20. **Honourable Speaker**, despite the socio-economic turmoil, the CCM led Government under the astute leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** has continued to transform: the productive sectors including agriculture, livestock, fisheries and mining; enabling infrastructures especially the implementation of railway, roads, airports, air transportation and communications projects; and social services including water, health and education. The Sixth Phase Government has achieved significant milestones during the three-year's period which does not need efforts to be confirmed. Please allow me to highlight some of the achievements as follows:

Transport Sector

21. **Honourable Speaker, Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** promised to implement ongoing strategic projects from the previous regimes and undertake new development projects. It is now evident that Her Excellency walks her talk. Her Excellency took over the Standard Gauge Railway (SGR) project, when progress of Lot 1 and Lot 2 was 83.55 and 57.57 percent respectively. Those lots are now completed, and commissioning is ongoing. Train fares from Dar es Salaam – Dodoma has been announced, price for two roosters 31,000 shillings. **What does it entail!! MAMA is focused and walking her talk.**

22. **Honourable Speaker**, as you are aware, Her Excellency, Dr. Samia Suluhu Hassan, promised to continuing and initiating new development projects. That was not a mere promise, Her Excellency has fully honoured her words, as evidenced by the initiation of railway projects including Lot 3 (Makutupora - Tabora), Lot 4 (Tabora - Isaka), Lot 6 (Tabora - Kigoma) and Lot 7 (Uvinza - Musongati), all these projects were

not in existence when Her Excellency assumed power. Construction for all lots is in progress with financial support from the Standard Chartered Bank for Lot 3, Lot 4, and Lot 5, and the African Development Bank (AfDB) for Lot 6 and Lot 7. Notably, this marks the inaugural engagement of the AfDB in a project of this kind within our region.

23. Honourable Speaker, the Government has continued to improve port infrastructure, including deepening of the existing berth to 15.5 meters and widening entrance channel and turning basin to 200 meters to accommodate Panamax sized vessels at the Dar es Salaam port. In addition, construction of the Kwala Dry Port is at 96.0 percent.

24. Honourable Speaker, the Government has continued to improve air transport including: the construction of Msalato International Airport where the implementation has reached 56.9 percent for package I – Infrastructure, and 22.56 percent for package II - Building. In addition, the Government continues with the rehabilitation, expansion and improvement of Iringa, Musoma, Tabora, Shinyanga, Sumbawanga and Moshi airports. Likewise, the Government has continued to improve the meteorological infrastructure through installation of two (2) radars in Mbeya and Kigoma regions. Similarly, seven (7) new aircraft have been acquired thus increased the number of ATCL aircraft to 16.

Works and Construction Sector

25. Honourable Speaker, the Sixth Phase Government has been actively involved in enhancing the country's transport infrastructure to facilitate socio-economic activities for its citizens. This includes the construction and rehabilitation of highways, regional roads, bridges, urban roads and rural roads

through TANROADS and TARURA. There is no doubt that Her Excellency walks her talk! As such, the construction of the 3 km Kigongo - Busisi Bridge and its 1.66 km access road to bitumen standard is at 88.0 percent of its completion where a total of 426.1 billion shillings has been spent. This project is expected to be completed by 2024/25.

26. Honourable Speaker, in recognizing the importance of rural roads for the lives, economy and safety of Tanzanians, the Sixth Phase Government has continued to increase the budget for TARURA from 710.31 billion shillings in 2022/23 to 825.09 billion shillings in 2023/24, and further to 841.19 billion shillings for the year 2024/25. This budget will enable TARURA to continue with its action plan implementation of constructing, maintaining and rehabilitating roads to improve transport infrastructure in rural and urban areas. **What does it entail!! MAMA is focused and walking her talk.**

Energy Sector

27. Honourable Speaker, Her Excellency assumed power when the Julius Nyerere Hydropower Project (JNHPP) which upon its completion will generate a total of 2,115MW, was approximately 37 percent. As of April 2024, implementation reached 97.43 percent and power generation through Plant No. 9 has started, contributing 235MW to the National Grid, where a total of 6.01 trillion shillings was spent. The construction of the remaining seven (7) plants with a generation capacity of 235MW each is ongoing. In addition, the Government has completed the Rusumo Hydropower Generation Project from the Kagera River waterfalls. The project involves three countries, Tanzania, Burundi and Rwanda and feeds 26.7 MW to the National Grid. Further, the Government has begun implementing a 150 MW solar power plants in Kishapu,

Shinyanga region. The Government continues to construct and rehabilitate the transmission and distribution lines that connect various parts of the country and neighbouring countries.

28. Honourable Speaker, the Sixth Phase Government has completed the construction of 400kV transmission line and the new Chalinze Substation 400/220/132kV, which feeds the National Grid. On the other hand, the Government has completed construction of 400kV transmission line, which covers 414km from Singida to Namanga via Babati and Arusha, with a total cost of USD 258.82 million. In addition, the construction of power transmission lines from Singida to Arusha that will connect the National Grid with the Eastern Africa Power Pool (EAPP) is completed.

29. Honourable Speaker, the construction of 400kV power transmission line project from Iringa through Mbeya, Tunduma to Sumbawanga, together with the construction of Substations at Kisada (Iringa), Iganzo (Mbeya), Tunduma and Sumbawanga, has reached 27 percent of its implementation. The total cost of the project is valued at USD 615 million and aimed at connecting the National Grid with the Southern Africa Power Pool (SAPP). Further, the Government has commenced construction of 132kV power transmission line project from Malagarasi to Kidahwe in Kigoma region. This project is concurrently implemented with 49.5MW hydro power plant from the Malagarasi river waterfalls.

30. Honourable Speaker, as of May 2024, the Government through the Rural Energy Agency (REA), has connected 11,973 villages, equivalent to 97.2 percent of all villages in the country and contractors are continuing to connect the remaining villages. In addition, 32,827 of the 64,359 hamlets nationwide

have access to electricity. The work is ongoing until all the remaining hamlets have access to electricity.

31. Honourable Speaker, the Government through the Tanzania Petroleum Development Corporation (TPDC) holds 15 percent share of the East African Crude Oil Pipeline (EACOP) project. As of May 2024, the Government has paid a total of USD 307.3 million, equivalent to 99.8 percent of the required amount of USD 308 million. Currently, various works are underway and oil pipes to cover 600km have already been imported. For the next 11 months, it is projected to receive consignments of oil pipes covering 100km each month. The pipes laying works are scheduled to commence in August 2024 and project is expected to be completed by December 2025. Those achievements under energy sector indicate that Mama is keen to ensure accessibility and reliability of power across the country. **Indeed, Mama Mitano Tena!**

Water Sector

32. Honourable Speaker, Her Excellency Dr. Samia Suluhu Hassan has not only continued implementing strategic projects and initiated new ones, but also has made history by successfully revamping stalled projects that have been stuck for many years. With intention of relieving women from water woes through a campaign dubbed ***kumtua mama ndoo kichwani***, the Government has continued to implement large and strategic projects aimed at improving access to water in urban and rural areas. The Sixth Phase Government led by Her Excellency, Dr. Samia Suluhu Hassan has completed construction of the Kigoma Reservoir Project and the Orkesumet Manyara Water Project. Further, construction of Water Treatment Plant at Butimba has reached 99 percent; Mugango-Kiabakari-Butiama Water Project is at 99 percent;

Same-Mwanga-Korogwe Water Project at 92 percent; Water supply Project from Kiwira River to Mbeya city at 20 percent; Urban Water Project for 28 cities at 25 percent; and the construction project for the Kidunda dam at 20 percent. I would like to inform your Esteemed Parliament and public that as of December 2023, the availability of clean and safe water services reached 79.6 percent in rural areas and 90 percent in urban areas. Overall, these achievements have been contributed by the completion of 1,633 rural water projects and 213 urban water projects. **What does it entail! Mama cares!!**

Crops Sub-Sector

33. Honourable Speaker, in agriculture sector, Her Excellency the President assumed power when the country had only 726,000 hectares under irrigation schemes since independence. Within three years of Her leadership, new projects covering 543,366 hectares worth 1.18 trillion shillings are being implemented, 14 large dams are under construction and 22 feasibility studies for irrigation schemes are completed. In the seed sub-sector, certified seeds were only 22 percent and reached 78 percent within three years of her leadership with a goal of reaching 100 percent by 2026/27. In terms of food reserve, the country's reserve capacity was only 250,000 tonnes and increased to 500,000 tonnes. On average, exports have increased from USD 1.2 billion to USD 2.3 billion. In 2023/24, food sufficiency has reached 124 percent, and it is expected to reach 130 percent by 2024/25. **What does it entail!! Mama walks her talk!!!**

34. Honourable Speaker, in recognizing the importance of the crop sub-sector, the Sixth Phase Government has continued to increase the sector's budget from 294.0 billion shillings in

2021/22 to 970.8 billion shillings in 2023/24. An increase of budget facilitated implementation of the Second Phase Agricultural Sector Development Programme (ASDP II), aimed at enhancing crops productivity, supporting smallholder farmers, improving food security and nutrition, and increase the sub-sector's contribution to the GDP. Correspondingly, the Government provided fertilizer subsidy amounting to 389.9 billion shillings.

Livestock and Fisheries Sub-Sector

35. Honourable Speaker, the Government has continued to increase budget of the Ministry of Livestock and Fisheries from 66.8 billion shillings in 2020/21 to 295.9 billion shillings in 2023/24, which is a fourfold increase. As a result of this increase, remarkable achievements have been realized including: an increase in exports of livestock and fishery's products; construction and rehabilitation of livestock and fishery's infrastructure, such as the Kilwa Masoko Fishing Port where it has reached 53 percent of its completion; construction of aquaculture infrastructure, landing sites and fish markets, laboratory facilities for vaccine production and 51 modern livestock markets; construction of 746 cattle dips and 15 dams; production of fodder and inputs, involving the expansion of grazing areas to 3.5 million hectares; improvement of extension services through training and equipment provision to experts; improvement of livestock breeds and availability of fingerlings; improvement of deep-sea fishing activities; and access to financial services to sea moss farmers, livestock keepers, and fishermen.

Health Sector

36. Honourable Speaker, the Government continues with its efforts to ensure provision of quality healthcare to all levels across the country. Those efforts include rehabilitation of existing infrastructure and construction of more than 1,324 new healthcare centers. Honourable Members of Parliament and my fellow Tanzanians, we can all attest that during the year 2023/24, healthcare centers increased to 12,266 from 11,040 in 2022/23.

37. Honourable Speaker, we all understand that diagnosis of diseases is a crucial pillar in providing medical treatment services to citizens. Explicitly, the Government has continued to strengthen these services by making significant investments in diagnostic equipment, including: 346 Digital X-rays; 677 ultrasounds; 31 CT scans which are available in Regional Referral Hospitals; and installation of 4 MRI machines. These services have reduced distance and travel related costs including seeking medical treatment abroad. These are revolutionary strides made by the Government led by Her Excellency Dr. Samia Suluhu Hassan.

38. Honourable Speaker, given the initiatives on the improvement of health sector, the Government for the first time has continued to enhance the capacity of Medical Store Department (MSD), by disbursing a total of 100 billion shillings as working capital. This will enable MSD to supply the medicine, equipment, medical equipment and reagents in public hospitals and health centers.

39. Honourable Speaker, in overcoming the shortage of Human Resource for Health (HRH), the Government has issued permits to employ 13,187 HRH. In addition, the government improved access to specialized and super specialized medical

services, including provision of scholarships in those special medical fields. For instance, through **Dr. Samia Afya Scholarship** a total of 1,251 specialists received Government scholarships at the cost of 9 billion shillings to study specialized and super specialized medical services in the country and abroad.

Education Sector

40. **Honourable Speaker**, let me highlight reforms in the education sector that commenced in this financial year. First and foremost, I would like to commend the President of the United Republic of Tanzania, Her Excellency, Dr. Samia Suluhu Hassan, for considering the education sector among the priorities. In three years of Her leadership, the Government has significantly increased investment in education. The Sixth Phase Government has continued to improve primary and secondary education by enhancing human resource and facilities, improving student welfare and curriculum reforms, construction and rehabilitation of classrooms, dormitories, dining halls, and school fences, equipment and working tools, where a total 1.29 trillion shillings was disbursed.

41. **Honourable Speaker**, investments made in education sector have been articulated in the speeches by the Minister of State, President's Office, Regional Administration and Local Government, and the Minister of Education, Science and Technology. However, it is important to note that in the Sixth Phase Government there has been significant improvement of education infrastructure in primary and secondary schools. Next financial year, the Government will begin construction of 100 technical secondary schools like Tanga Technical School and Moshi Technical School. In addition, there is ongoing

construction of 64 Vocational Education and Training Authority (VETA) centres in 64 districts and Songwe Region.

42. **Honorable Speaker**, under the leadership of the Sixth Phase Government, not only has the amount of loans to higher education students increased, but also students' daily stipend. Moreover, the Government has extended loans to tertiary colleges students. As of April 2024, a total of 1.98 trillion shillings has been disbursed for higher education and tertiary college loans. Further, the Government has waived school and examination fees for advanced level secondary students. In addition, the Government continued to fund the Fee Free Basic and Secondary Education Program, where a total of 766.1 billion shillings was disbursed.

43. **Honourable Speaker**, among the remarkable legacy of Her Excellency Dr. Samia Suluhu Hassan's in our nation's history is her decisive leadership on education reforms. These reforms are monumental, and demand substantial financial and human resources. The benefits from those reforms are paramount though they may not be noticed immediately. Those are reforms that a leader who solely focuses on the next election would be reluctant to initiate. A leader concerned with the interest of future generations would prioritize the reforms. There is a saying that, "***a politician looks at the next election, but a stateman looks at the next generation.***" Her Excellency Dr. Samia Suluhu Hassan exemplifies not only courageous political leadership but also visionary statesmanship, committed to building a better nation for current and future generations.

44. **Honorable Speaker**, as part of the education reforms, by 2027, every Tanzanian child will be required to complete ordinary level secondary education. This means each child will

need to study at least ten years. Right now, pupils complete their required education at standard seven, at the age of 13 - an age where they lack basic experience and skills. With those reforms, Tanzanian children will complete their compulsory education at the age of 16. This move aligns with global standards and is a positive step towards preparing a skilled workforce. Moreover, secondary education from form one to form six will now be divided into two streams: general and vocational streams. Those opting for vocational stream will receive secondary education alongside with practical skills like those offered at VETA colleges and technical institutions. Those are just few highlights of the education reforms.

45. Honourable Speaker, the pressing question on everyone's mind is whether the Government will allocate sufficient funds to facilitate implementation of those ambitious education policy reforms. I would like to remind all honourable members of parliament and our fellow Tanzanians that those reforms are directives from Her Excellency Dr. Samia Suluhu Hassan. Consequently, my fellow ministers and I, are fully committed to prioritize and execute those reforms including mobilizing and timely disbursement of funds. We will fast-track implementation of programs like Boost Primary Student Learning Program (BOOST) and Tanzania Secondary Education Quality Improvement Project (SEQUIP). Those interventions are crucial to make sure that by 2027, every child complete ordinary level secondary education, and many would have access to quality vocational training. To support those endeavours, the education sector budget for the next fiscal year has increased. We will do whatever it takes to realize those monumental reforms, which will serve as a beacon not only for our nation but also other African countries.

Mining Sector

46. **Honourable Speaker**, the following milestones were achieved in the mining sector: an increase of sector contribution to GDP from 7.3 percent in 2021 to 9.0 percent in 2023; mineral centres increased from 61 in the 2020/21 to 100 in 2023/24; and establishment of one more mineral market thus making 42 markets in total. The Government also procured five drilling rigs for artisanal and small-scale mining, which are in use across the country. Further, through the Bank of Tanzania, the Government initiated a program to purchase gold for the National Gold Reserve to strengthen foreign exchange reserves and supports implementation of Monetary Policy. As of April 2024, the Bank of Tanzania had purchased gold worth USD 26 million with the target to purchase six tons of gold worth USD 400 million. Furthermore, the Government continues to encourage local gold refining industries to obtain the London Bullion Market Association (LBMA) certification to enhance quality, gold reserve and marketability.

Industry, Trade and Investment Sector

47. **Honourable Speaker**; the industrial sector has made commendable achievements including: compensating the individuals and institutions affected by Mchuchuma and Liganga Project; completion of preliminary activities for the Engaruka Soda Ash Project; revival of the Kilimanjaro Machine Tools Company (KMTC); continue to design, manufacture and distribute medical equipment to healthcare facilities in the country; completion of research and development of technology for processing sunflower to address the shortage of edible oil; management of implementation of the warehouse receipt system for warehouse operators and guarantee managers of

various crops; and coordinating regional and international forums to improve business environment and production.

Natural Resources and Tourism Sector

48. **Honourable Speaker**, the Government has continued to implement various strategies including the **Royal Tour Program** to promote tourism both domestically and internationally to increase revenue. These efforts increased number of foreign tourists from 922,692 in 2021 to 1,808,205 in 2023. Further, revenue collection from tourism sector increased from USD 1.31 billion in 2021 to USD 3.37 billion in 2023. It is my expectation that, the **Amazing Tanzania** film, premiered in May 2024, will significantly boost revenue from the tourism sector.

Communication Sector

49. **Honourable Speaker**, the Government acknowledges the importance of the communication sector in having a well informed and digitally empowered society for economic and social development. During the three years period under the Sixth Phase Government, various milestones have been achieved in the respective sector including: undertaking a residential address operation that facilitated registration of approximately 12,810,353 residential addresses; and expanding the scope of the National ICT Broadband Backbone (NICTBB) infrastructure by constructing 3,000 km hence making a total of 11,319 km. This will ensure availability of fast, efficient and reliable communication across 99 districts thus accelerating socio-economic development.

Land Sector

50. **Honourable Speaker**, the Sixth Phase Government led by **Her Excellency Dr. Samia Suluhu Hassan, the President of**

the United Republic of Tanzania, has continued to allocate fund to expedite the planning, surveying and land tenure where various measures have been taken. Those measures include: implementation of the Land Security Project; execution of Land Tenure Improvement Project in collaboration with the private sector and public institutions; and continue to improve ICT Infrastructure systems in service delivery. Considering the importance of planning, surveying and land tenure in the country, the Government has approved the reinstatement of Land Development Fund where capital worth 15.4 billion shillings was provided. Another significant initiative is operationalization of land clinics in 22 regions country wide. Those clinics have achieved significant success with a large number of citizens freely register their complaints and receiving solutions. As of May 2024, 35,963 citizens were served by those clinics whereby 4,565 disputes and complaints out of 7,444 received have been resolved, while 2,879 are in progress.

Good Governance, Defence and Security

51. **Honourable Speaker**, the CCM led Government under **Her Excellency, Dr. Samia Suluhu Hassan**, the President of the United Republic of Tanzania, has continued to strengthen justice delivery systems including construction of infrastructure and strengthening the use of ICT in court operations. Further, due to the Government's proficiency in upholding human rights and adhering to the rule of law, Tanzania has successfully hosted several international fora related to legal issues, including the 77th Ordinary Session of the African Commission on Human and People's Rights as well as the 2024 Commonwealth Law Ministers Meeting. Likewise, in an effort to promote and strengthen democracy, your Esteemed Parliament enacted the Law on the Independent National Electoral Commission of 2024, Presidential

Parliamentary and Councillors Election Act of 2023 and of the Political Parties Affairs Laws (Amendment) Act, CAP 258.

52. Honourable Speaker, the Government has continued to strengthen peace and security of our borders. In strengthening security of its citizens and their properties, the Government has constructed a total of 26 police stations of Class A, B and C worth 9.63 billion shillings; 6 regional police commanders' offices worth 9.46 billion shillings; and construction and renovation of 57 rest houses and residences worth 7.2 billion shillings. Further, Tanzania has continued to contribute to the peacekeeping initiatives under the United Nations and Regional Economic Communities through the Tanzania Peoples' Defence Forces (TPDF). That has improved country's reputation, strengthened diplomatic relations with different countries as well as capacitated our military forces with international experiences.

Sports, Arts and Entertainment

53. Honourable Speaker, the Sixth Phase Government recognizes the role of sports, arts and entertainment in promoting employment, especially to youth. To this end, the Government has continued to link Tanzanian artists with international markets through various meetings and events, while ensuring their copyrights are protected. Further, in sports arena, the Government has continued to identify and nurture talents from schools. That initiative has contributed to increase in employment and income for players signed into various teams both domestically and internationally. Likewise, that has enabled our national football teams, Taifa Stars to qualify for the Africa Cup of Nations (AFCON) for the third time in our nation's history, and our national women's football team, Twiga Stars to qualify for the WAFCON tournament, which will be held in 2024 in Morocco.

54. **Honourable Speaker**, given deliberate efforts by Her Excellency the President in supporting the sports sector, Tanzania will jointly host the 2027 Africa Cup of Nations with Uganda and Kenya. I would like to assure you that, the Government is ready to host the tournament and preparations are underway including construction of the Samia Football Stadium in Arusha as presented by the Honourable Minister of Culture, Arts and Sports. I urge the Tanzania Football Federation to prepare our national team so that the trophy remains home.

55. **Honourable Speaker**, preparation of teams requires the availability of standard stadiums. The Government is prepared to construct new stadiums and rehabilitate some of the existing ones. Regarding the quality of the pitch, the Government has already enacted a law that provides exemptions for the importation of turf and its equipment. **Honourable Speaker**, I would like to inform this Esteemed Parliament that in the next season of the NBC Premier League, we will start using **Video Assistant Referee (VAR)** to ensure fair decision by referees on the field. To ensure availability of **VAR** in all stadiums, I propose an exemption for importation of **VAR** machines and peripheral accessories. Clarification will be provided later. **IT IS POSSIBLE!**

Civil Servants and Retirees Benefits

56. **Honourable Speaker**, the Government has persistently ensured the timely settlement of both salary and non-salary arrears owed to public servants. Over the past three years of the Sixth Phase Government, a total of 98.63 billion shillings have been disbursed to clear various arrears for public servants. Additionally, during that period, the Government has allocated a total of 160.04 billion shillings to facilitate

promotions for approximately 126,814 public servants across various ranks. However, there has been a significant outcry from retirees regarding the pension calculator. As Deputy Minister of Finance, Honourable Chande, aptly states, "When a child cries, a mother knows exactly what the child is crying for. Whether it's hunger, sleepless, discomfort, or the need for medical attention."

57. Honourable Speaker; Under the leadership of Her Excellency Dr. Samia Suluhu Hassan, the Government has acknowledged and addressed the concerns raised regarding the welfare of our retirees and those on the verge of retirement. The President of the United Republic of Tanzania has issued directives to enhance lump sum payments from the current 33 percent to 40 percent for employees who were previously receiving 50 percent but reduced to 33 percent. That encompasses a substantial portion of our workforce, including teachers, health professionals, law enforcement officers, correctional officers, immigration officials, firefighters, and various other public servants at both national and local levels. Furthermore, the President has mandated additional increments for the group formerly receiving 25 percent, now elevated to 33 percent, in the next financial year. The Government reaffirms its unwavering commitment to prioritize the well-being of retirees, while also meticulously considering the long-term viability and sustainability of pension funds.

58. Honourable Speaker, all those notable achievements have been attained under strong leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania and Chairperson of the Chama Cha Mapinduzi** through the support of Tanzanians in all capacities including farmers, workers, businessmen, and manufacturers. That

demonstrates Her passion to the well-being of all Tanzanians; therefore, all Tanzanians should stand by **Her Excellency** by electing diligent assistants from the CCM in the coming 2024 Local Government Election, who will help Her steer the development agenda.

Availability of Foreign Currencies

59. **Honourable speaker**, in 2023/24, like other countries in the world, our country faced a shortage of foreign currencies. That challenge was caused by various factors including the effects of COVID-19, the ongoing conflicts in Ukraine and Gaza Strip, climate change and changes in the global financial architecture that resulted to an increase in interest rates on international markets. An increase in interest rate reduced the liquidity and circulation of foreign currencies in the world economy as a whole.

60. **Honourable speaker**, in collaboration with private sector and development partners, the Government has successfully addressed that challenge in order to ensure availability of foreign currencies. Likewise, as of March 2024, the National foreign currency reserves were USD 5.3 billion, the amount which was sufficient to import goods for a period of 4.4 months, which is above threshold of not less than 4 months. In addition, by promoting exports and reducing imports of locally produced products, the Government has managed to reduce deficit in balance of trade from USD 5.3 billion in 2022 to USD 2.7 billion for the period ending February 2024.

61. **Honourable Speaker**, despite the reasons I mentioned earlier, we also escalate the problem of shortage of US dollars by some people demanding payments or making payments for goods and services provided within the country using foreign

currency, that is, dollarization. There are institutions in the country, and perhaps even Government institutions, that sell services to Tanzanians and demand payments in dollars. Other institutions want citizens to pay fees in dollars, pay house rent in dollars, work permits, licenses, and so on in dollars. We make citizens struggle to find foreign currencies to buy services provided within the country. That situation causes unnecessary demand for foreign currency which deprives those in need of foreign currency to pay for essential goods and services from abroad. Selling domestic goods or services using foreign currency is an offense according to section 26 of the Bank of Tanzania Act of 2006, which stipulates that the Tanzania Shilling is the only legal tender for domestic payments.

62. Honourable speaker, from 1st July 2024, I direct all stakeholders including public institutions, businessmen, civil societies, international organizations and all citizens who used to quote prices of goods and services in foreign currencies to stop immediately and ensure that prices are quoted and paid in Tanzanian shillings. Further, I direct all Government institutions that charge levies in foreign currencies to amend their regulations, to ensure all levies, goods and services are paid in Tanzanian shillings. Foreigners will as well be required to use Tanzanian shilling to obtain goods and services.

63. Honourable Speaker, I urge my fellow Tanzanians and all stakeholders in the country to stop purchasing goods and services in foreign currency, especially school/tertiary/college fees, house rent, land, and various products or services. It is our legal right to make payments for goods or services in Tanzanian shilling, agreeing to pay in foreign currency is an economic sabotage. If you have foreign currency, you are required to exchange at banks or licensed foreign exchange

bureaus. I direct the Bank of Tanzania and other relevant authorities to continue regulating and monitoring forex transactions.

64. **Honourable Speaker**, despite the reasons for the shortage of foreign currency that I have mentioned, approximately 80 percent of domestically produced commodities are exported as raw materials. That indicates our country does not utilize properly available opportunities for value addition of domestically produced commodities before being exported so as to increase foreign currency. On the other hand, the production of goods and services in the country does not meet domestic consumption and thus necessitate to spend a significant amount of foreign currency to import goods and services.

65. **Honourable Speaker**, in addressing the challenge of availability of foreign currencies, the Government has approved the national strategy which aims at: strengthening production and increasing the value addition of goods and services for export; produce import substitution products to reduce the use of foreign currency; and improving investment environment to attract foreign investors and private sector. I urge relevant sectors to implement the said strategy in order to achieve the expected outcomes. In addition, I direct all Government institutions to comply with the requirement of section 60 of the Public Procurement Act. No. 10 of 2023 which provide priority to domestically produced goods or services for the contracts awarded through national or international tender competition in order to minimize use of foreign currency and promoting local industries.

66. **Honourable speaker**, notwithstanding above measures, I would like to remind the public that among solutions to

strengthen our currency is to increase production and quality of exports and embrace use of domestically produced goods and services. It should be noted that, the value of our currency reflects the ability of the economy to meet its fundamental needs including importation of necessary goods and services, and by so doing, our currency will be stabilized. In that regard, each one of us has a role to play.

Financial Sector Development

67. **Honourable Speaker**, the financial sector has continued to grow and users of formal financial services have increased. The 2023 Finscope Survey Report shows that 76 percent of Tanzanians use formal financial services as compared to 65 percent in 2017. Despite these achievements, there have been various challenges in the sector, including issuance of loans to citizens with high interest that impede their social and economic development (famously known as mikopo-umiza or kausha-damu, mikopo kuzimia, mikopo chuma ulete etc.) There are some individuals and companies who issue loans in form of cash or properties with unfair terms including very high interest rates and sell collaterals without following legal procedures.

68. **Honourable Speaker**, there are people who extend credits of 2 kilograms of seeds to farmers and in return demand approximately 100 kilograms of produce, equivalent to an interest rate of 5,000 percent. Similarly, there are people who lend each other 4 million shillings and demand an interest of 800,000 shillings per month where in a period of 30 months one will be required to repay 28 million shillings, equivalent to an annual interest rate of 240 percent. Those are oppressions and theft like any other. Those rates are extremely high and

significantly affect citizens who enter into such agreements without financial literacy.

69. **Honourable Speaker**, I am warning individuals and companies that are providing loans of such kind to stop immediately because it is holding back our citizens economically and trap them into poverty. In addition, I advise all citizens to have financial discipline including: borrowing for productive activities rather than normal consumption; being vigilant with dubious agreements; and ensuring timely repayments. Similarly, I direct the Bank of Tanzania and all institutions involved in management of the financial services to continue monitoring the matter closely; take strict actions against all those who provide financial services illegally; and revoke the licenses of all those who contravene the law.

70. **Honourable Speaker**, to normalize the situation, the Government has continued to implement various financial laws and financial education programmes including: The Banking and Financial Institutions Act, CAP 342, the Microfinance Act, CAP 407 and the National Financial Education Program 2021/22- 2025/26. Other initiatives include Rural Financial Literacy Programme, sensitization and capacity building of community microfinance groups. As of February 2024, the Government has issued licenses to 1,726 Non-Deposit Taking Microfinance Service Providers (Tier II), 759 Savings and Credit Cooperative Societies - SACCOS (Tier III). The Government, also registered a total of 49,168 Community Microfinance Groups (Tier IV) and 500 Microfinance Business Promoters. In addition, the Government has appointed 212 focal persons at the ministerial, regional, and local government levels and trained them on coordination

and monitoring of microfinance business in their respective areas. Therefore, every individual or company that intend to issue loans to the citizens must comply with the National Laws. Hence, I emphasize Tanzanians to access credit from registered and licenced financial service providers.

71. Honourable Speaker, the Government has continued to put in place various measures to facilitate its citizens to access affordable credit as follows: holding consultations with financial institutions to reduce operating costs; Bank of Tanzania to enhance competitiveness in the financial sector; and strenthening the Credit Reference System. Moreover, the Government will continue to provide financial education and public awareness on the importance of budgeting and personal financial management.

Electronic Payment Systems

72. Honourable Speaker, the Sixth Phase Government under the leadership of Her Excellency Dr. Samia Suluhu Hassan has a specific objective of uplifting the national economy to a digital. Among the steps taken is to set up effective digital payment systems that will be easily accessed and affordable for the public. In achieving that, the Government through Bank of Tanzania has built and launched the Tanzania Instant Payments System (TIPS) in 2023/24 to facilitate interoperability of transactions from banks and mobile networks, increase efficiency and reduce transactions costs. I would like to inform your Members of the Parliament and the general public that all commercial banks and companies offering mobile financial services have been integrated into the TIPS. The system enables transactions between person to person, person to business, and business to business. Moreover, the Government has initiated another

phase of the TIPS that will enable payments for goods and services through QR codes.

73. Honourable Speaker, the users of electronic money transfer services increased to 51.7 million in 2023, from 38.3 million in 2022. A total of 364.4 million person to person transactions with the value of 11,323.78 billion shillings captured via the TIPS in 2023, compared to 235.5 million transactions valued at 7,369.3 billion shillings in 2022. In addition, transactions for goods and services by electronic money users skyrocketed to 1,350.8 million worth 18,250.3 billion shillings in 2023, compared to 788.1 million transactions worth 10,819.7 billion shillings in 2022. Moreover, citizen transactions for government services reached 10.54 million, worth 426.28 billion shillings in 2023, compared to 9.5 million transactions worth 357.2 billion shillings in 2022.

74. Honourable Speaker, there was a notable increase in deployment of Point of Sale (POS) machines, reaching 8,652 units. Those machines facilitated 9.9 million transactions worth 1,922.2 billion shillings in 2023 compared to 7,317 machines handled 6.7 million transactions worth 1,343.9 billion shillings in 2022. The ongoing enhancement of electronic systems enable citizens to pay for goods and services conveniently through the merchant payment system, available nationwide. The system has registered 657,346 merchants, facilitated 301.2 million transactions worth 17,918.12 billion shillings in 2023, a remarkable increase from 393,977 merchants and 166.4 million transactions, worth 12,103.43 billion shillings in 2022. That performance signifies positive response in use of electronic payment systems.

75. **Honourable Speaker**, there has been recurring issues where people claim they cannot complete transactions due to network outages. However, the use of electronic systems for transactions has improved significantly. Now, you can use your mobile phone to make payments from anywhere through "*lipa namba*" (merchant payment) system, which does not require an internet connection. Therefore, I encourage all Tanzanians to adopt "*lipa namba*" system to facilitate seamless transactions at their convenience.

76. **Honourable Speaker**, the Government has revised the fees for installing infrastructure in the Right of Way by reducing the initial wire installation fee from USD 1,000 to USD 200 per km and the annual fee from USD 1,000 to USD 100 per km. That measure facilitates the distribution of communication infrastructure from regional to district levels and from districts to customers, thus enabling access to better communication services. Therefore, I urge citizens to increase the use of electronic payment systems over cash. The Government will continue to improve and strengthen electronic payment systems and create a conducive environment for electronic payment, business, and investment for the development of our people.

Union Matters

77. **Honourable Speaker**, to improve Tanzanians' well-being and economic development of our country, the national unity, peace, solidarity and brotherhood is very crucial. The Government recognizes that our union is our nationality. It is worth noting that without Tanzania Mainland there is no the United Republic of Tanzania, and likewise, without Zanzibar there is no nation called the United Republic of Tanzania. The

United Republic of Tanzania is our identity in the world. Besides, the union has taken further steps from the paper and sand that was done as a symbolic of blood related union whereby Tanzanians from both sides of the union are intermarried.

78. Honourable Speaker, recently, some politicians, driven by lack of constructive ideas and not recognizing the sensitivity of the matter, have been instilling hatred among Tanzanians. We have witnessed discriminatory remarks from certain top leaders of opposition political parties that jeopardize our union. If such statements are not condemned by each of us, they have the potential to break our union, threaten our unity, and undermine our brotherhood.

79. Honourable Speaker, the Late Mwalimu Julius Kambarage Nyerere once said, “the sin of discrimination is like the sin of cannibalism; once tasted, you can not stop”. We will cease discriminating each other based on the union and move on to tribal discrimination. That will be chaotic and ultimately destroy our national unity. We must all reject divisive agenda of such leaders who lack constructive ideas, resorting to discrimination and threaten our union. It should be noted that those political parties are registered on the condition that they must be supported by both sides of the union.

80. Honourable Speaker, perhaps those opposition leaders, driven by a thirsty for power, have not given due consideration to that matter. They think that using such statements resonate with their voters, as if they have never benefited from the union. Dividing the nation to achieve political agenda is extremely dangerous. Fellow Tanzanians, opposition political parties’ leaders who seek to divide our nation for their own interests cannot be trusted to lead the country.

81. **Honourable Speaker**, I reiterate, those politicians who seek political legitimacy based on tribalism, divisions between Mainland and Zanzibar are *politically bankrupt* and that is extremely dangerous for our nation. That is unacceptable and is detrimental to our democracy. All relevant authorities must condemn such statements and take decisive actions if those tendencies recur. We will protect our union and nation at any cost and not tolerate any attempt to disrupt our union to achieve their malicious agenda. I would like to assure members of the parliament that both governments are committed to ensuring that current and emerging union issues are promptly addressed to safeguard and uphold our union.

Road Safety

82. **Honourable Speaker**, our statistics on motor vehicle accidents indicate a significant danger that require increased attention from everyone. A number of Tanzanians do not comply with road traffic laws, lack driving discipline and disregard road signs. Consequently, we are losing the workforce to road accidents, often due to negligence. From 2019 to May 2024, there were 10,093 road accidents, resulting in 7,639 deaths and 12,663 injuries some left with severe permanent disabilities. Imagine out of: 3,250 private cars accidents, 2,090 are deaths and 3,177 are injuries; 790 buses accidents, 782 are deaths and 2,508 are injuries; 820 minibuses accidents, 777 are deaths and 1,810 are injuries. Further, out of: 93 taxis accidents, 97 are deaths and 173 are injuries; and 326 rented vehicles (for events, funerals, and special occasions) accidents, 263 are deaths and 302 are injuries.

83. **Honourable Speaker**, violation of road traffic laws, even by government drivers is viewed as inconvenient and

sometimes develop animosity when the traffic police remind us about road safety. It is high time for the entire community to adopt a zero-tolerance attitude against road accidents. We cannot afford our workforce diminish easily. Traffic officers should show no leniency towards anyone violating the road traffic laws. If our laws are too lenient, let us reclassify all traffic accident offenses from minor traffic cases to serious crimes. If possible, let th be treated as murder case.

Public Procurement Act

84. **Honourable Speaker**, you may recall that this Esteemed Parliament recently revised the Public Procurement Act No. 10 of 2023. Among the key considerations in this new legislation and its accompanying regulations are enhancements in provisions concerning national preference, exclusive preference for local individuals or companies, and various other aspects of local preference.

85. **Honourable Speaker**, one of the enhancements include the retention of a 15 percent margin of preference for goods extracted or manufactured within Tanzania, alongside the introduction of new provisions aimed at ensuring adherence to this requirement. In addition, the threshold for exclusive preference for domestic suppliers of goods, contractors, or service providers has been substantially raised to 50 billion Tanzanian shillings. Consequently, all goods, contracts, and services tenders valued below threshold are reserved exclusively for Tanzanian entities.

86. **Honourable Speaker**, the 2024 Public Procurement Regulations have introduced precise conditions for the application of exclusive preference to local suppliers of goods, contractors, or service providers, as well as to domestic and

foreign partnerships, provided that local suppliers contribute more than 75 percent to the partnership. Furthermore, the Law has set forth specific conditions that bidders must adhere to in order to benefit from this preference, thereby closing loopholes for the misuse of these provisions.

87. Honourable Speaker, within the framework of the new Public Procurement Regulations, provisions have been established to accommodate the participation of foreign companies in tenders, with particular attention given to those engaging local small businesses through subcontracting. Those regulations require the procuring entity to directly remunerate the local company for any sub-contract executed between the local and foreign entities, ensuring adherence to the terms delineated in the respective contract.

88. Honourable Speaker, the new Public Procurement Law permits local individuals or domestic private companies to enter into partnerships with foreign firms when they lack the capacity to execute public procurement contracts, particularly large-scale construction projects. Should such partnerships involve a foreign entity, the law mandates that the local company take the lead in project implementation. This initiative is anticipated to yield significant reforms, fostering the development of local companies to a level comparable to other countries where major construction projects are typically undertaken by locally capable firms. I plea to contractors, service providers, and product vendors to embrace this significant opportunity and execute their duties with utmost integrity. Currently, the law allows locals to secure substantial contracts and subcontract foreigners, let us not hesitate to entrust significant responsibilities to local entities. After all, **even great things have humble beginnings!** It would be disheartening to disappoint Her Excellency the President, who

has granted this opportunity, by delivering subpar projects that fail to justify the investment made.

89. **Honourable Speaker**, in enhancing accountability and efficiency in public procurement, the law and regulations governing public procurement have established approval thresholds for Tender Boards. Any procurement falling below those thresholds will be handled by Accounting Officers. Those thresholds are determined based on the annual procurement volume of the respective institutions and also take into account the specific requirements of commercially operated entities.

90. **Honourable Speaker**, another crucial aspect addressed in the Public Procurement Law and Regulations is the presence of a specific section for the management of procurement contracts, covering: quality verification of goods and services; cost and time overrun control; contract modifications and termination; allocation of responsibilities; and payment procedures. Furthermore, the Public Procurement Regulatory Authority (PPRA) has been tasked with establishing price ceilings for goods, services, and contracts meeting technical standards and criteria, taking into consideration price information from relevant institutions authorized to set such prices. In addition, any Government Officer who makes a purchase above the price ceiling will face disciplinary action and be required to pay the difference between the actual purchase cost and the cost that would have been incurred under the price ceiling.

91. **Honourable Speaker**, with regards to preferential treatment for special groups, each procuring entity will provide a unique preference of 30 percent in its annual procurement for special groups within its area. Given the insufficient implementation observed in this area, the Public Procurement

Regulations explicitly state that any Accounting Officer who violates this provision will be held accountable through disciplinary measures by the relevant authorities. In addition, PPRA will issue guidelines for implementation of the provisions of the law and regulations, including preferential treatment for special groups.

92. Honourable Speaker, aspects addressed in the new law and regulations on public procurements include the mandatory use of electronic procurement systems. Any contravention of this requirement will constitute a criminal offense, leading to personal liability upon conviction. Further, implementation period for procurement activities has been reduced to enhance efficiency. Regarding implementation terms for construction projects using the force account method, the new public procurement regulations have set a limit of 100 million shillings. Any procurement exceeding this value will not be eligible for the force account method. Furthermore, the law and regulations on public procurement have established stringent requirements to be adhered to in the execution of construction projects using the force account method.

93. Honourable Speaker, the aim of those measures is to build a robust private sector and create large taxpayers within the country. Legislation is one step but implementation is another step, therefore, I urge our procurement committees to adhere to this guidance. The tendency of giving preferential terms to foreigners while imposing detrimental conditions on locals perpetuates a nascent private sector with a limited scope of large taxpayers. We sometimes execute projects through loans then we award all contracts to foreigners, hence funds are repatriated, leaving Tanzanians with debt burden. Therefore,

all Accounting Officers should prioritize protecting Tanzanian interests when signing contracts.

94. **Honourable Speaker**, it has been a tendency that most of the foreign contracts include a clause specifying the payment due date for payment certificates, stipulating that even a single day delay generates interest. However, those contracts do not clearly outline the obligation of contractors to pay interest to their local subcontractors when they delay their payments. Consequently, we are being pressurised to pay foreign contractors who sometimes delay payments to local contractors for four to six months. I urge all Accounting Officers, when signing contracts with foreign contractors, to consider including terms that also protect the interests of local contractors in the subcontracts they engage with foreigners.

Participation of Locals in Project Implementation

95. **Honourable Speaker**, despite the significant allocation of government funds for development projects, a substantial portion of these resources fails to adequately benefit local stakeholders. This disparity is primarily attributed to the limited financial capabilities of domestic contractors, equipment providers, and professionals compared to their foreign counterparts. Recognizing these challenges, the government remains steadfast in its commitment to providing educational initiatives aimed at enhancing capacity of local entities in executing various projects, particularly within the construction sector.

Further, the government is resolute in its efforts to enable local contractors to actively engage in major construction endeavours across all phases, encompassing planning, design, procurement, construction, and renovation processes. To facilitate this objective, the government has devised a

comprehensive strategy, the Local Content Strategy, and has initiated amendments to the Public Procurement Act No. 10 of 2023, thereby expanding the scope of projects exclusively designated for local implementation. I urge all sectors to ensure strict adherence to these legislative measures, emphasizing the importance of compliance with empowerment policies. Contracts entered into with foreign entities must duly prioritize the utilization of local services and resources while fostering direct employment opportunities within the framework of respective projects. In addition, the government will establish a Venture Capital Fund to provide vital capital injections for small and medium-sized enterprises, thereby fostering economic growth through targeted support mechanisms.

96. Honourable Speaker, empowering of locals comes with a number of benefits, including: profits retention to support the growth of local businesses; reduce the use of foreign currencies; increase employment opportunities and skills development; and enhance the capacity of local companies to compete internationally.

Climate change

97. Honourable speaker, climate change continues to bring adverse social and economic impact to developing countries, including Tanzania. Recently, we have witnessed severe floods in the country that damaged infrastructures and disrupted productive activities. These impacts have affected the Government budget implementation, economic growth and the citizens' welfare.

98. **Honourable Speaker**, in addressing these adverse impacts the Government has continued to invest in climate change mitigation and adaptation. Further, the Government is mobilizing climate finance from Development Partners. For instance, the Government is in discussions with the International Monetary Fund (IMF) to benefit from a concessional loan through the Resilience and Sustainability Facility (RSF) window to build resilience to withstand the impacts of climate change. I urge all institutions to incorporate climate change adaptation and mitigation measures when planning and implementing various policies and programs.

99. **Honourable Speaker**, in addressing climate change, I would like to recognize the initiatives undertaken by the Government under the leadership of **Her Excellency President, Dr. Samia Suluhu Hassan** in reducing greenhouse gas emissions. At the 28th Conference of the Parties (COP28) of the United Nations Convention on Climate Change held in Dubai, Her Excellency the President launched the Africa Women Clean Cooking Support Program (AWCCSP) which aims to transform cooking energy, empower women while protecting the environment. Likewise, Her Excellency launched the National Strategy for Clean Cooking Energy (2024-2034) which is one of the initial stages towards implementation of this program. I urge all citizens and stakeholders to support Her Excellency in this endeavour.

Government Debt

100. **Honourable Speaker**, as of March 2024, the public debt stock was 91,708.28 billion shillings. Out of this amount, external debt is 60,954.31 billion shillings, and domestic debt is 30,753.97 billion shillings. The Debt Sustainability Analysis (DSA) conducted in December 2023 revealed that, debt is

sustainable in the short, medium, and long term. The analysis indicators show that in 2023/24: the present value of government debt to GDP ratios is 35.6 percent compared to the threshold of 55 percent; the present value of external debt to GDP ratios is 19.0 percent compared to the threshold of 40 percent; and the present value of external debt to exports is 113.2 percent compared to the threshold of 180 percent.

101. **Honourable Speaker**, the increase of public debt is attributed to several fundamental reasons. **Firstly**, we have received funds from both old and new loans. These funds have been directed towards development projects beneficial to our nation, including the construction of roads, modern railways, airports, electricity, education and health infrastructure. From April 1, 2021, to March 31, 2024, the Government received a net inflow of 17,218.21 billion shillings. **Secondly**, the depreciation of the Tanzanian Shilling against the US Dollar is attributed to the increase in external debt. From March 31, 2021, to March 31, 2024, the value of the shilling against one dollar depreciated from 2,309.96 shillings to 2,569.66 shillings, a decrease of 11.24 percent. This resulted to an increase in external debt by 5,428.92 billion shillings. **Thirdly**, the increase in domestic debt was caused by the issuance of special bonds worth 2,176.7 billion shillings in 2021/22 to service the Public Service Social Security Fund (PSSSF) debt relating to contributions of employees who were in service before 1999.

102. **Honourable Speaker**, in that context, it is important to understand the reasons for debt increase before judging or spreading fear. The Government continues to take deliberate measures to ensure that the loans contracted are used for the intended purposes and benefit our nation. These measures align with our efforts to repay debts on time, placing us in a

sound financial position and maintaining our international credibility.

103. **Honourable Speaker**, it is evident that for a long time, there has been development disparities within the country. Some regions have better infrastructure such as improved roads, large number of primary and secondary schools, colleges, and improved water and electricity services, while other regions face many challenges to access such services. To address these challenges, the Sixth Phase Government has taken deliberate measures to mobilize funds to finance various development projects. Shortly, I will explain these projects in detail and how the funds have been utilized.

104. **Honourable Speaker**, during the Sixth Phase Government, a total amount of 17,218.21 billion shillings was borrowed from external sources to finance development projects. The funds have been allocated to implement strategic projects, including construction of the Standard Gauge Railway (SGR) in various lots, as well as procurement of train wagons and electric locomotive engines. The regions benefiting from this project include Dar es Salaam, Morogoro, Dodoma, Singida, Tabora, Shinyanga, Mwanza, Katavi, and Kigoma. These projects will open up economic opportunities from neighbouring countries such as Burundi and the Democratic Republic of Congo.

105. **Honourable Speaker**, in 2023/24, a total amount of 4,164.96 billion shillings was allocated to the construction sector to implement various construction projects in different regions of the country. Under the leadership of **Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania** in collaboration with

Development Partners, the Government has continued with construction of roads and over 14 airports. These projects worth USD 2.81 billion equivalent to 7.34 trillion shillings, comprising of concessional loans and grants from Development Partners such as the African Development Bank (AfDB), World Bank, European Investment Bank (EIB), JICA, Kuwait Fund for Arab Economic Development, and OPEC Fund for International Development.

106. **Honourable Speaker,** some of the roads being constructed with funding from the partners include: Dar es salam Bus Rapid Transit Project Phase II (Kariakoo-Mbagala), Phase III (Posta – Gongolamboto) and Phase IV (Posta – Tegeta); Dodoma City Outer Ring Road Project; Mnivata – Masasi - Newala Road; Tanzania/Burundi: Regional Rumonge – Gitaza/Kabingo - Kasulu - Manyovu Road; Multinational: Bagamoyo-Horohoro/Lunga Lunga -Malindi Road; Malagarasi-Ilunde-Uvinza Road; Kazilambwa – Chagu Road; Kasekese – Ikola – Karema Port Road; Kahama - Bulyanhulu - Kakola Road; Lusahunga- Rusumo, Mtwara – Mingoyo – Masasi, Rutukila – Songea, Iringa – Msembe Road; and Jangwani bridge. These works are carried out concurrent with the construction of Msalato International Airport, as well as Tanga, Lake Manyara and Iringa airports. These projects are ongoing and some are expected to be completed in 2024/25.

107. **Honourable Speaker,** in efforts to improve social services, a total of 4,063.31 billion shillings was allocated to combat the impacts of COVID-19. These funds were allocated towards the construction of primary and secondary school classrooms, improvement of healthcare services, and revamping the tourism sector. These projects have been implemented nationwide.

108. **Honourable Speaker**, in **education sector**, 2,427.42 billion shillings were allocated to key projects including the Higher Education for Economic Transformation (HEET), which is being implemented by all public universities in Tanzania Mainland and Zanzibar. Additionally, implementation of Zanzibar Improving Quality of Basic Education (ZIQUE) Project is ongoing to strengthen the foundations of education in Zanzibar.

109. **Honourable Speaker**, with regard to **water sector**, 1,012.06 billion shillings were mobilized for water projects implemented in Tanzania Mainland and Zanzibar. These projects include; the Sustainable Rural Water Supply and Sanitation Project for Tanzania Mainland and the Urban Water Supply Project for Zanzibar.

110. **Honourable Speaker**, in the efforts to improve energy infrastructure in the country, 2,051.32 billion shillings were allocated to implement **energy sector** projects. Further, in **communication sector**, 1,632.84 billion shillings have been allocated to projects such as the Digital Tanzania Project implemented throughout the country to improve access and quality of communication.

111. **Honourable Speaker**, in **agriculture sector**, 1,379.68 billion shillings have been allocated to implement projects in all regions of Tanzania Mainland and Zanzibar, including the Tanzania Food Systems Resilience Program and the Agricultural Inputs Support Project, which aim to increase production and food security. In addition, a total of 2,433.98 billion shillings have been allocated to other sectors such as **land, health, good governance, community development, and financial sector** to improve essential services and infrastructures.

112. **Honourable Speaker**, with these explanations, it is obvious that the Sixth Phase Government has contracted loans to implement development projects, apart from the portion of debt that has increased due to the global economic crisis.

113. **Honourable Speaker**, Moody's Analytics and Fitch Ratings which are major international Credit Rating Agencies have assessed our country's borrowing and debt repayment capacity. The first phase evaluation results in 2023 revealed that Tanzania is creditworthy and capable of repaying its debts. Further, Moody's conducted a second review of Tanzania's economic performance in March 2024. Following these reviews, Tanzania's credit rating has been upgraded from B2 with a positive outlook to B1 with a stable outlook. This rating is the highest in the East African region resulted from the efforts of the CCM led Government under the strong leadership of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, in improving the business environment and investment and economic growth. The benefits of upgrading Tanzania's credit rating include attracting foreign direct investment and increasing access of funds in international financial markets for the implementation of both public and private sector projects. Furthermore, Fitch has begun conducting a similar review in May 2024.

IV. REVIEW ON THE IMPLEMENTATION OF THE GOVERNMENT BUDGET FOR 2023/24

Revenue Collection Performance

114. **Honourable Speaker**, in 2023/24, the Government projected to collect 44.39 trillion shillings from domestic and external sources. As of April 2024, a total of 35.25 trillion

shillings equivalent to 79.4 percent of the annual target had been mobilized from respective sources. The mobilized resources are as follows:

- (i) Revenue collected by the Tanzania Revenue Authority (TRA) amounted to 21.31 trillion shillings, equivalent to 79.7 percent of the annual target;
- (ii) Non-tax revenue collected by Ministries, Independent Departments and Agencies amounted to 1.91 trillion shillings, equivalent to 54.4 percent of the annual target;
- (iii) Revenue from Local Government Authorities (LGAs) own sources amounted to 931.0 billion shillings, equivalent to 81.4 percent of the annual target;
- (iv) Grants and concessional loans from Development Partners amounted to 4.93 trillion shillings, equivalent to 90.1 percent of the annual target;
- (v) Domestic borrowings amounted to 4.61 trillion shillings, equivalent to 84.8 percent of the annual target; and
- (vi) External non-concessional loans amounted to 1.56 trillion shillings, equivalent to 74.5 percent of the annual target.

Expenditure Performance

115. **Honourable Speaker**, an estimate of 44.39 trillion shillings was approved by your Esteemed Parliament for government spending in 2023/24, of which 30.31 trillion shillings was for recurrent expenditure and 14.08 trillion shillings was for development expenditure. From July 2023 to April 2024, a total of 35.63 trillion shillings was released, equivalent to 80.3 percent of the annual target. Out of the

released amount, 23.29 trillion shillings, equivalent to 76.8 percent of the annual target was for recurrent expenditure. Likewise, 12.34 trillion shillings, equivalent to 87.7 percent of the annual target has been released for implementation of development projects.

116. **Honourable Speaker**, during the period under review, funds were disbursed to implement some of the activities which include: servicing public debt amounting to 8.84 trillion shillings; payment of wages and salaries amounting to 8.28 trillion shillings; construction of roads, bridges, and airports amounting to 1.27 trillion shillings; construction and rehabilitation of railway infrastructures including the Standard Gauge Railway (SGR) project amounting to 1.71 trillion shillings; power generation, transmission and distribution projects including Julius Nyerere Hydropower Project (JNHPP) 2,115MW and the electrification of rural areas through Rural Energy Agency (REA) amounting to 1.02 trillion shillings; higher education and tertiary colleges students' loans amounting to 570.3 billion shillings; Fee Free Primary and Secondary Education Program amounting to 333.0 billion shillings; enhancing the Air Tanzania Corporation Limited (ATCL) including the purchase of new aircraft amounting to 244.8 billion shillings; and urban and rural water projects amounting 457.4 billion shillings.

117. **Honourable Speaker**, you may recall that, our country was severely affected by the El-Nino rains, which caused significant damage to roads, bridges, and railways. In response, the proactive Sixth Phase Government took concerted efforts to restore damaged infrastructure by disbursing a total of 136.2 billion shillings through TANROADS

and TARURA. I assure you that, the Government remains committed to restore and maintain all damaged infrastructure. Further, I urge all infrastructure institutions to prioritize climate resilient infrastructure in the project designs.

Payment of Government Arrears

118. **Honourable Speaker**, as of April 2024, the Government has paid verified arrears amounting to 1.19 trillion shillings, out of which 535.8 billion shillings for judicial proceedings and deed of settlements, 268.0 billion shillings for suppliers, 263.3 billion shillings for contractors, 106.7 billion shillings for employees and 14.6 billion shillings for service providers. This has attributed to increase liquidity and thus stimulate economic activities. Further, as a strategy to reduce accumulation of arrears, I urge all government institutions to ensure timely submission of claims to the Ministry of Finance and adhere to procedures to terminate contracts where deemed necessary.

V. STRATEGIES TO INCREASE REVENUE FOR 2024/25

119. **Honourable Speaker**, the Sixth Phase Government under the leadership of **Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, will continue with the efforts to increase domestic resource mobilization, including the implementation of the Medium-Term Revenue Strategy (2024/25-2026/27) which aims at reducing budget dependency. The Strategy is based on widening tax base, strengthening tax administration and collection systems and creating public awareness on the importance of paying tax voluntarily.

120. **Honourable Speaker**, in widening revenue base, the Government will continue to strengthen revenue sources by ensuring that, they reflect the principles of revenue collection. Further, the Government will continue to sensitize the public on voluntary tax payment and ensure appropriate tax is collected. Also, through the identified investment opportunities, the Government will continue to recognize new taxpayers including registration of multi-national companies that deal with digital businesses in Tanzania through simplified registration system.

121. **Honourable Speaker**, to enhance tax compliance and simplify payment of taxes, fees and levies, the Government continues to improve institutions' systems that offer related services to issue an integrated payment invoice and ensure timely collection of revenue and service provision. Further, the Government has continued to invest in ICT to ensure systems interoperability, eliminate duplication and strengthen the monitoring and management of public funds. I emphasize public institutions to ensure that all payments are collected through **control number** in order to control revenue leakage.

122. **Honourable Speaker**, there has been a tendency of some businessmen to evade taxes. **Her Excellency, the President** is deeply concerned about this, as she expressed during the Eid' Council in April 2024 that “***It is disappointing to see some businessmen evade taxes. They deliberately do not issue receipts when selling goods or issue understated receipts, likewise buyers do not demand receipts when purchasing goods or services. Further, reminded that paying taxes is a legitimate religious duty and the Almighty God has established a robust economic system that outlines how the bait-ul-mal or government***

treasury should collect taxes to provide services to the citizens". In view of these directives, I take this opportunity to strongly condemn tax evasion behaviour, the Government will take legal actions against anyone found liable.

123. **Honourable Speaker**, in a special way, I would like to thank citizens who voluntarily honour their tax obligations. Indeed, this patriotic spirit enables the Government to fulfil its responsibilities. **Together We Build Our Nation!** In addition, the Government intends to establish a Patriotism Award through the Electronic Fiscal Receipting System to encourage the public to demand legit receipts whenever they make purchases and businessmen to issue receipt voluntarily whenever they sale goods and services. These awards will involve presentation of various prizes to recognise compliant taxpayers through lottery. Moreover, the Government continues to emphasize on tax compliance by public institutions, organizations, companies and individuals when buying or selling goods and services.

124. **Honourable Speaker**, the Government will continue to improve business environment and investment by simplifying procedures and regulations for starting and operating businesses. In addition, by recognizing the importance of international trade and foreign investment, the Government continues to strengthen and enhance relations with other nations, international organizations, and regional economic communities, as well as implementation of the economic diplomacy policy.

125. **Honourable Speaker**, the Government has been granting tax exemptions with the aim of attracting investments in the country. However, there have been misuse of these exemptions. In that regard, the Government continues to

encourage proper use of exemptions in investments and various projects within the country. Further, the Government will continue to review the exemptions and tax incentives provided to investors and in the implementation of various projects, in order to ensure transparency and efficiency in the exemptions granted and determining their benefits to the economy. In situation where exemptions have been misused, **they will be revoked** immediately to prevent revenue losses.

126. **Honourable Speaker**, the Controller and Auditor General observed that, some public entities have been consistently operating at loss. This situation not only deprives the Government of revenues but also places an additional burden by necessitating continued subsidies. I therefore urge these public entities to develop comprehensive strategies to enhance governance and operational efficiency. By doing so, they can gain return on investments, increase revenue streams, and ultimately reduce financial burden to the Government. Further, the Government remains committed to strengthening oversight and performance evaluation mechanisms for public institutions, ensuring that they operate with optimal efficiency and effectiveness in serving the public interest.

127. **Honourable Speaker**, to ensure the Government meets its revenue collection targets, I instruct the entrusted institutions to ensure revenues are collected through official systems and due taxes are paid in accordance with the law, as emphasized by the Her Excellency, the President, ***“that her commitment to continue upholding fairness in tax collection, improve systems, and ease payment and collection of taxes and ensure its appropriate use for the benefit of the citizens”***. Therefore, I urge Honourable Members of Parliament and all Tanzanians to support Her

Excellency, the President in paying tax voluntarily for the development of our nation.

128. **Honourable Speaker**, following the El-Nino rains that began in September 2023 and Tropical Cyclone Hidaya, various roads in 26 regions have been significantly affected. Sixty-eight (68) roads were completely closed, 106 roads became difficult to pass, and 168 roads, although damaged, remain passable with difficulty after emergency repairs. The affected sections of these roads are estimated to cover 520 km. In addition, 189 bridges and culverts were either disconnected or severely damaged. The assessment conducted indicates that the cost to restore this infrastructure is 1.07 trillion shillings. Out of these funds, 728.0 billion shillings are needed to restore the road infrastructure, and 158.0 billion shillings are required for emergency repairs. Further, 184.14 billion shillings are needed to restore infrastructure affected by Tropical Cyclone Hidaya. These requirements to restore the damaged infrastructure were not included in the 2023/24 budget approved by this Esteemed Parliament, and there is a possibility of these disasters to continue occurring in the future.

129. **Honourable Speaker**, I propose amendments to the Contingency Fund Act, with the intention of establishing clear criteria for the creation of a specialized fund dedicated to financing emergency repairs of deteriorating road infrastructure. This initiative is particularly urgent given the considerable damage inflicted by climate change, necessitating immediate action. I suggest that this fund draw its resources from various streams, including an infrastructure levy, revenue generated from windfall gains resulting from decreases in fuel prices, a monthly allocation of one percent of government expenditure, and other potential sources to be

identified by the Minister for Finance. Further, elaboration on these proposed measures will be provided in the forthcoming tax measures table.

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

130. **Honourable Speaker**, our country is implementing large-scale strategic projects at a pace unmatched by any other in the African region. For example, our modern railway, the SGR, will be the fifth longest in the world in terms of length, following China (40,493 km), Spain (3,917 km), Japan (3,146 km), France (2,735 km), Tanzania (2,080 km), Germany (1,631 km), Turkey (1,232 km) and Finland (1,120 km). It will also be the longest railway in any developing country. In addition, Tanzania is undertaking a major irrigation and seed production projects. We are also implementing significant curriculum reforms, the most extensive in our nation's history, and a plan for tuition-free education and subsidies at all levels, benefiting a large number of students, more than at any other time in our country's history. Further, we are preparing for universal health insurance coverage with the passage of the Universal Health Insurance Act No. 13 of the year 2023, which is the largest healthcare program in the history of our country. Similarly, we are implementing a major program for hydropower projects.

131. **Honourable Speaker**, what does this tell us? Those are things that make Tanzanians' proud. Let's not underestimate ourselves. Likewise, we have work to do to accomplish this through all eligible taxpayers taking responsibility and paying taxes. I take this opportunity to urge all Tanzanians to acknowledge importance of honouring their tax obligations to enable attainment of all these. **Honourable Speaker**, the tax administration legislation enacted by your

Esteemed Parliament, which is overseen by Tanzania Revenue Authority require every liable citizen to pay taxes. There are two types of taxes. The first type is direct taxes which are administered by tax laws and require an individual to file tax returns and to pay the taxes timely as specified in the laws. The other type are indirect taxes that TRA collects using agents.

132. **Honourable Speaker,** for instance, PAYE tax is an obligation to the employee. An employer, whether a company or an organization, is responsible for paying salary and subsequently deducting a portion of it in accordance with the Income Tax Act, CAP 332. This deduction is remitted as tax for the employee by 7th day of the following month. Similarly, Value Added Tax (VAT) is a tax imposed as per the Value Added Tax Act, CAP 148 on citizens whenever they purchase goods or services. This tax is collected by vendors mandated by law to collect and remit to the Tanzania Revenue Authority (TRA) by the 20th day of the following month.

133. **Honourable Speaker,** the Government has noted a tendency of businessmen and institutions acting as tax collection agents, who are not honest in fulfilling their legal obligations. These agents have been collecting taxes but fail to remit them as required by tax laws. It is crucial to understand that this tax is neither the trader's nor agent's tax, they are merely acting as collectors of government tax and are mandated to remit to the government within the specified time according to tax laws, regulations, and rules. It should be noted that, these businessmen with agency responsibilities intentionally violate legal procedures and by doing so, they misuse taxes from taxpayers for their own business interests, thus appearing to be the wealthy while in fact they are using the funds of their fellow Tanzanians. Agents engaging in such

practices undermine the government and the efforts of **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, in developing our country.

134. **Honourable Speaker**, I urge those agents, whether private employers or government institutions, including those registered for Value Added Tax (VAT), Withholding Tax, and Excise Duty, to immediately stop the practice of withholding collected taxes from others and misuse for their own purposes instead of remitting to the Tanzania Revenue Authority (TRA) as required by laws. I direct the Tanzania Revenue Authority to take strict legal actions against agents who do not file returns and make these tax payments on time, even taking them to court if necessary. These measures will help recover government taxes in a timely manner and encourage voluntary tax compliance to foster development of our country.

135. **Honourable Speaker**, paying taxes is responsibility of every eligible taxpayer. There are inequities that have become customary in tax collection. For example, a person earning a minimum wage of 300,000 shillings per month is taxed the same as a small trader with gross earnings exceeding 330,000 shillings per month. There are other sectors that essentially use tax revenues to improve their operations but do not pay taxes. This is not fair and lacks equity. For example, a person with 9,000 cattle not paying taxes yet requesting the construction of a cattle dip or dam for their livestock from the taxes paid by someone earning 300,000 shillings per month **is unfair**. Similarly, a person with an income of 200 million shillings or 300 million shillings from selling their produce not paying taxes and receiving subsidies for fertilizer, seeds, or irrigation schemes from the taxes of someone earning 300,000 shillings **is unfair**. I propose a 2 percent tax on all income derived from agriculture, livestock, fishing, and forestry,

similarly to what we do with minerals. This tax will be final, and those who pay it will not be bothered further by tax authorities for those businesses that do not prepare tax accounts.

136. **Honourable Speaker,** I also propose that each council with a large number of livestock, to coordinate livestock cooperatives and establish a fund dedicated to enhancing livestock extension services and build respective infrastructure, such as dips. These funds can be utilized along with government vehicles for digging ponds and wells available in our regions. Livestock cooperatives and herders should agree on the management procedures for these funds, similar to the best practices in agricultural cooperatives for crops such as cashew nuts, tobacco and cotton.

137. **Honourable Speaker,** the amendments for Financial Year 2024/25 are expected to answer the questions and satisfy the thirst of the Tanzanian society, with the objective of stimulating economic activities in the country by emphasizing on strategic sectors such as industry, agriculture, minerals, tourism, livestock farming and fishing, electricity, transportation and social sectors namely education and health. The ultimate objective of this measure is to increase economic growth and employments with a view to improving the living standards of people. (Macro economic objectives for inclusive economic growth). In addition, these are aimed at improving domestic revenue mobilization and Tax Administration so as to minimize revenue leakages. The proposed amendments will cover the followings laws:

- 1.The Value Added Tax Act, CAP 148
- 2.The Income Tax Act, CAP 332
- 3.The Excise (Management and Tariff) Act, CAP 147

4. The Tax Administration Act, CAP 438;
5. The Vocational Educational and Training Act, CAP 82;
6. The Local Government Authorities (Rating) Act, CAP 289
7. The Bank of Tanzania Act, CAP 197
8. The Banking and Financial Institution Act, CAP 342;
9. The Microfinance Act, CAP 407;
10. The Public Service Social Security Fund Act, 2018;
11. The Roads and Fuels Tolls Act, CAP 220;
12. The Child Act, CAP 13;
13. The Ports Act, 2004;
14. The Sugar Industry Act, No. 6;
15. The Cashew nut Act, No. 18;
16. The Mining Act, CAP 123;
17. The Gaming Act, CAP 41;
18. The Railway Act, 2017;
19. The Tanzania Meteorological Authority Act, CAP 157;
20. The Motor Vehicle (Tax on Registration and Transfer) Act, CAP 124
21. The East African Community Customs Management, 2004;
22. The Import Control Act, CAP 276
23. The Export Levy Act, CAP 196
24. Reforms on various Fees and Charges of Government Institutions as well as the implementation of BLUEPRINT for improving Business Environment; and
25. Minor amendments in tax laws and other laws.

1. The Value Added Tax Act, CAP 148

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

- i. To amend item 18 of the Schedule to the Value Added Tax Act, CAP. 148 to incorporate Value Added Tax exemption on supply and importation of motor vehicles, equipment, machinery and other goods for official use of Tanzania People's Defence Force. The exemption will be granted upon approval of the goods by the Minister responsible for defence and security. This measure is intended to enable the Military to carry out its duties of defending the Country;
- ii. To amend Item 31 Part I of the Value Added Tax Exemption Schedule to incorporate in the Value Added Tax exemption on supply of aircraft, aircraft engine, aircraft parts and aircraft maintenance to a local air manufacturer, assembling or production. The measure is intended to enhance competitiveness of domestic aircraft producers and assemblers in the market, attract investment into the Country, stimulate the growth of the Aviation industry, and support efforts to boost Tourism Sector. This measure is expected to **reduce** Government revenue by **7.1 million shillings**;
- iii. To exempt Value Added Tax on supply and importation of water treatment chemicals, water meter, sewage. The exemption will be granted upon approval of the chemicals by the Minister responsible for Water. The measure is intended to facilitate provision of sustainable and clean water services in the country;
- iv. To exempt Value Added Tax on importation of Video Assistant Referee equipment and accessories. The

measure is intended ensure that the country gets necessary sports equipment considering that Tanzania is one of the countries that have been chosen to host the Africa Cup of Nations (AFCON) tournament in 2027 and thus benefiting from an increase in foreign exchange reserves, enhance the country's international image, and provide opportunities for local companies to advertise their businesses. The exemption will be granted upon approval by the Minister responsible for Sports;

- v. To amend the Value Added Tax Act, CAP 148 to require Value Added Tax refunds to be paid within 30 days from the date of submission of the refund applications. The measure is intended to promote voluntary tax compliance and enhance accountability of the Tanzania Revenue Authority;
- vi. To amend item 1 Part I (Agricultural Implements) of the Schedule to the Value Added Tax Act, CAP. 148 to incorporate Value Added Tax exemption on single axle tractors (Power Tiller) of HS Code 8701.10.00. The measure is intended 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 Tariff book of the year 2022;
- vii. To abolish Value Added Tax on supply and importation of agricultural implements with HS Code 8201.10.00 (Spades and Shovels) and HS Code 8201.30.00 (Mattocks and Picks). The measure is intended to align with the Government's aim to reduce exemptions in order to safeguard Government revenue and reduce tax expenditure. Moreover, the assessment conducted has

revealed that the sought exemption has not achieved its intended objectives due to the equipment having multiple uses. This measure is expected to **reduce** Government revenue by **4,250 million shillings**;

- viii. To zero rate Value Added Tax on gold supplied to the Central Bank of Tanzania. The measure is intended to incentivize supply of gold to the Central Bank of Tanzania, thus increasing the country's foreign currency reserves and reducing the shortage of US dollars. Furthermore, the measure aims to stimulate the growth of gold refining industries in the country as the Bank of Tanzania purchases gold only after it has been refined by domestic refineries;
- ix. To zero rate Value Added Tax on gold supplied to domestic refineries. The measure is intended to promote the growth of domestic refineries in the country by ensuring that they have enough feedstock. Furthermore, the measure is intended to fulfill the Government's intention of ensuring that raw gold minerals are refined in the country for value addition before being exported;
- x. To abolish Value Added Tax exemption on supply of precious metals, gemstones and other precious stones at refineries. The measure is intended to increase the contribution of Mining Sector to the GDP. This measure is expected to **increase** Government revenue by **18,150 million shillings**;
- xi. 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 downturn;

- xii. To zero rate Value Added Tax on textile products (Fabric and Garments) made using locally grown cotton. This measure is intended to provide relief to farmers and consumers especially in this period of global economic downturn;
- xiii. To exempt Value Added Tax on supply of double refined edible oil from locally grown seeds by a local manufacturer for one year. Previously, exemption was granted through the Finance Act, 2023 for a period of one (1) year and its expiry is 30th June 2024. The measure is intended to continue providing relief to consumers following increased price of edible oil due to economic downturn and the Russia-Ukraine war that has caused a shortage of oil; and
- xiv. To incorporate online data services in the Value Added Tax base. The measure goes in line with providing a definition of the word “online data services” for clarity and smooth operationalization of tax law. The measure is intended to broaden the tax base and keep pace with technological changes.

The Value Added Tax Measures altogether are expected to **increase** Government revenue by **22,393 million shillings**.

2.The Income Tax Act, CAP 332

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

- i. To include institutions which deal with advancement of health services and environmental conservation under charitable institutions so as to relieve them of Income tax obligations. This measure will encourage charitable services particularly in the health and environment

maintenance sectors to support the global fight against climate changes;

- ii. To amend section 4(8) of the Income Tax Act, cap. 332, in order to exempt tea processing companies which persistently make losses from paying Alternative Minimum Tax requirements for three years. The measure is intended to relieve the tea industry which is currently facing losses due to falling of market prices;
- iii. To amend section 11 of the Income Tax Act, Cap 332 by adding a requirement to use electronic receipts to authenticate purchases made in a particular year of income. The measure will exclude sellers of goods or suppliers of services who are foreign citizens and are outside the Mainland Tanzania or any person who is not required to issue electronic receipts. The intends to emphasize the issuing of electronic receipts and protect government revenue;
- iv. To amend the Income Tax Act, Cap 332 by allowing contributions of 15 per cent which are made by the public institutions to the Consolidated Fund to become deductible expenditure while determining their taxable income. This measure intends to avoid the tax computation challenges in deriving the taxable income of the public institutions which already remitted part of the income to the Consolidated Fund. This measure will reduce the government revenue by TZS 1000 million;
- v. To amend the first schedule of the Income Tax Act, Cap 332 by amending the applicable taxes on passenger transportation business with gross income not exceeding one hundred million shillings and which are not legally bound to prepare accounts. The improvements made are

intended to relieve the tax burden on the business entities of category A in order to conform with passenger transportation norms especially the city commuters (*dala dala*). This measure will reduce the government revenue by **2,265 million shillings**.

Schedule: Proposed Income tax chargeability on vehicles for passenger transportation per each unit.

No.	A. Class A: Passenger transportation buses			
	Current Status		Proposed Amendments	
	Number of passengers	Amount	Number of passengers	Amount
1	Not more than 15	250,000	Not more than 15	250,000
2	Between 16 to 25	550,000	Between 16 to 25	650,000
3	Between 26 to 45	1,100,000	Between 26 to 45	1,100,000
4	Between 46 to 65	1,600,000	Between 46 to 65	1,600,000
5	More than 65	2,200,000	More than 65	2,200,000

- vi. To put a requirement on non-residents to collect withholding taxes of 5 percent on payments made to resident digital content creators. The purpose of this measure is to widen the tax base and observe equity principles in taxation. This measure is expected to **increase** government revenue by **675 million shillings**;
- vii. Introduce the Withholding Tax at the rate of 2 percent for payments received in purchase of industrial minerals. However, tax withholding will not apply on salt, metallic minerals or other precious minerals as stipulated in the

Mining Act, Cap 123 when sold by Primary Mining Licensee or Artisanal miner. This measure will enhance the tax base and ensure adherence to tax equity principles;

- viii. Introduce the Withholding Tax at the rate of 3 percent on income derived from transfer of digital assets. The changes go in tandem with the interpretation of the following word, “digital assets”. Furthermore, owner of the digital platform, or any person who facilitates digital asset transfers or exchange, will become a withholding agent and shall remit the withheld tax to the Commissioner General of the Tanzania Revenue Authority. A foreign citizen who operates a digital platform which facilitate transfers or exchange of digital assets, shall be registered by Tanzania Revenue Authority under the Simplified Tax Regime. This measure is expected to **enhance** government revenue collection by **465 million shillings**;
- ix. Introduce Withholding Tax at the rate of 5 percent on income derived from the business of digital content creation which is done by the resident business entities. The purpose of this measure is to enhance the tax base and adherence to equitable tax principles. This measure is expected to **enhance** government revenue collection by **968 million shillings**;
- x. To introduce Income Tax at the rate of 2 percent on payments to be made by resident entities upon purchasing of agricultural produce, fishing, animal and poultry keeping besides forestry produce. The proposed tax shall be final withholding tax;

- xi. Amend Section 56(5)(a) to exclude applicability of Section 56 on allotment of shares in a resident entity. The measure is intended to resolve the existing challenges in implementation and administration.
- xii. To amend section 19(2) of the Income Tax Act Cap, 332 in order to enhance profit base subject to tax chargeability from the fourth year of the loss-making business entities made in consecutive years; from 30 to 40 per cent. The purpose of the measure is to make the government collect taxes earlier without affecting previous business losses incurred by the business entity which shall be allowed deductions in the subsequent years of income;
- xiii. To grant exemption of the withholding tax chargeable on interest when Resident Financial Institutions make payments to foreign Non-residents Financial Institutions and Funds which has agreement with the Government of the United Republic of Tanzania to dispense concessionary loans to resident banks and Financial Institutions. Notwithstanding the exemption shall be granted when the signed agreement meets conditions and national legal requirements and has article(s) which specifically stipulates for tax exemption. This measure will prompt economic growth through availability of affordable credit financing facility to citizens and enable domestic banks to get concessionary loans from foreign banks abroad; and
- xiv. To prescribe procedures through Regulation for review, recognition and writing of bad debts so as to remove challenges now experienced during assesment of income tax derived from loans.

The Income Tax Measures all together are expected to **increase** Government revenue by **31,738 milion shillings**.

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

140. **Honourable Speaker**, Government through the Finance Act, 2023 amended the specific duty rates by adjusting specific excise duty rates at the rate of 10 percent on non-petroleum products and 20 percent on beer and tobacco products aiming at restoring 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 did not include excisable goods that are charged in percentage of the value of the goods since the advalorem rates takes care the value for money in tandem with inflationary effects. Moreover, the Government introduced a 3-year excise duty freeze calendar effective from Financial Year 2023/24, for enhancing policy stability and improving investment and business environment. However, I propose to amend the following:

- i. To reduce excise duty on locally produced bottled water with HS Code 2201.10.00 and 2201.90.00 from Shilling 63.80 to Shilling 58 per litre. The measure is intended to support the growth of small scale factories producing water in the country, provide relief to consumers, and promote the use of clean and safe wáter. This measure is expected to **reduce** government revenue collection by **474 million shillings**;
- ii. To introduce excise duty at the rate of Shilling 7,000 per litre on Imported Un-denatured Ethyl Alcohol and Shilling 5000 on locally produced Un-denatured Ethyl Alcohol of an alcoholic strength by volume of 80% vol or higher (Ethanol) with HS Code 2207.10.00 except Un-

denatured Ethyl Alcohol used for purposes other than manufacturing scheduled article upon recommendations of the responsible Minister in the respective use. Further, the differential rate is recommended for the purpose of protecting domestic industries. This measure is expected to **increase** Government revenue by **154,550 million shillings**;

- iii. To introduce excise duty at the rate of 10 percent of the value of stake on betting, Gaming and national lottery and ring-fence the amount collected to be remitted to the Universal Health Insurance Fund. The measure is intended to increase Government revenue for financing Universal Health Coverage and improve accessibility of health services for people who cannot afford to pay. This measure is expected to remit **29,522 million shillings** to the Fund;
- iv. To introduce 10 percent excise duty rate on the advertisement fee in Television, print media and radio stations for betting, gaming and lotteries advertisement. The measure is intended to expand tax base. This measure is expected to **increase** Government revenue by **9,150 million shilling**;
- v. Amend the Excise (Management and Tariff) Act, CAP 147 to introduce excise duty at the rate of Shilling 300 per Kilogram on imported and locally manufactured Tomato Sauce and Tomato Ketchup (Other than Tomato Paste) with HS Code 2103.20.00 and Chilli Sause and Chilli Ketchup (other than chili paste) and Mango pickle with HS Code 2103.90.00. The measure is intended to broaden tax base and increase Government revenue to finance public spending including cushion the effects

caused by consumption of sugar and salt contained in those goods. This measure is expected to **increase** Government revenue by **634 million shillings**;

- vi. To introduce excise duty at the rate of Shilling 500 per Kilogram of locally manufactured and imported solvent-based paints and vanishes (paint or varnish that dissolves in a non-aqueous medium) of heading 32.08. The measure is intended to broaden tax base and increase Government revenue to finance public spending including cushion the effects caused by consumption of solvent based paints. This measure is expected to **increase** Government revenue by **2,433 million shillings**;
- vii. To introduce excise duty at the rate of shilling 963.90 per litre on imported opaque beer with HS Code 2206.00.20 and shilling 2,959.74 on other imported beer made of mixed fruits with HS Code 2206.20.90. The measure is intended to enhance equity principle of taxation. This measure is expected to **increase** Government revenue by **327 million shillings**;
- viii. To insert a provision which allows 2 percent of collections of excise duty from carbonated soft drinks, cosmetics products and alcoholic drinks to be remitted to the Universal Health Insurance Fund. The measure is intended to increase Government revenue for financing Universal Health Coverage and improve accessibility of health services for people who cannot afford to pay. This measure is expected to remit **18,800 million shillings** to the Fund; and

- ix. To insert a provision in the Electronic Tax Stamps Regulations, 2018 that requires manufacturing license to be issued to the persons licensed to manufacture excisable goods (manufacturer) once the manufacturer have installed ETS machines and the factory have begun production. The measure goes along with regular inspections to ensure that all manufactured excisable goods are affixed with Electronic Tax Stamps and are taxed accordingly. The measure is intended to protect domestic industries from counterfeit goods and illicit trade in the market, improve the efficiency of excise duty collection and prevent loss of government revenue.

The Excise Duty measures altogether are expected to **increase** Government revenue by **196,142 million shillings**.

4.The Tax Administration Act, CAP 438

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

- i. To insert a provision that empowers Tax Ombudsman in hearing and addressing complaints emanates from tax decision, procedural, service and administrative matters relating to such tax decision or objection;
- ii. To increase the currency points from Shilling 15,000 to Shilling 20,000. This measure is intended to restore the parity of relative prices and safeguard real value of Government revenue. Specific rates tend to lose value if remain unchanged over time. Therefore, the best way to address these shortcomings is to adjust the rate in order to restore the value of money; and

- iii. To amend Section 86(1) of the Tax Administration Act, CAP 438 by setting a maximum fine for the offense of failure to issue fiscal receipt at the amount of 1000 currency points (equivalent to shillings 15,000,000). This measure is intended to provide relief to taxpayers and enhance voluntary tax compliance.

5.The Vocational Education and Training Act, CAP 82

142. **Honourable Speaker**, I propose to make amendments in the Vocational Education and Training Act, CAP 82 by including casual labourers employed in the execution of water projects managed by Water Authorities in the scope of exemption. The measure is intended to reduce project costs and enhance efficiency in water supply in the Country.

6.The Local Government Authorities (Rating), Act CAP 289

143. **Honourable Speakers**, I propose to amend The Local Government Authorities (Rating) Act CAP.289, to require 20 percent of the collected revenue from property tax and land rent to be direct remitted to the Local Government Authorities (Councils) accounts, instead of current status whereby such revenues are remitted to the Consolidated Fund and later Local Government apply for a 20 percent refund. The measure is intended to enhance the efficiency of Local Government Authority on monitoring and collection of property tax and land rent.

7.Bank of Tanzania Act CAP.197

144. **Honourable Speaker**, I propose to amend sections 32(2)(b); 35(1); 41 and 42(2) of the Bank of Tanzania Act CAP.197, by adding the words ‘return’ or ‘profit’ in the said sections. The measure is intended to enhance banks and

financial institutions that do not charge interest to access opportunity the same way as other conventional banks and financial institutions.

8. Banking and Financial Institutions Act, CAP.342

145. **Honourable Speaker**, I propose to amend section 24(g)(iv) of the Banking and Financial Institutions Act, CAP 342, by adding the words 'return' or 'profit' in the said sections. The measure is intended to enhance banks that do not charge interest to operate with their accounts or their customers' accounts to access Government Bonds

9. Microfinance Act, CAP 407

146. **Honourable Speaker**, I propose to amend sections 4(3) of the Microfinance Act CAP 407, by adding the words 'return' or 'profit'. The measure is intended to enhance institutions or companies that gives microfinance services to issue the said services without charging interest.

10. The Public Service Social Security Fund Act, 2018

147. **Honourable Speaker**, I propose to take initial steps to cover the payment of a lump sum increase of 7 percent to reach 40 percent for the retired that were paid 50 percent of their total savings in lump sum of their retirement benefits before the merging of the pension schemes. Likewise, I propose to cover the payment of a lump sum increase of 2 percent to reach 35 percent for the workers who were paid 25 percent of their total savings in lump sum of their retirement benefits before the merging of the pension schemes. The proposed percent will be used for retired pensioners from the year 2022/23 and continue until those who will retire in 2029/30 and after that the PSSSF will take the responsibility of continuing to pay

retired benefits. The measure is intended to ensure sustainability of the social security schemes.

11. The Road and Fuels Tolls Act CAP 220,

148. **Honourable Speaker**, I propose to amend The Road and Fuels Tolls Act CAP 220, to charge Tsh 382 per kilogram of Compressed Natural Gas (CNG) used in motor vehicles. The measure is intended to increase Government revenue which will be used in roads repair and maintenance, as well as creating equity with vehicles that uses petro fuel contributing for maintenance and repairing of roads through fuel levy. The collected revenue will be directed to the Road Fund. The measure is expected to **increase** Government revenue by **9,500 million shillings**.

149. **Honourable Speaker**, I propose to set aside funds for roads infrastructure development from the revenue derived from the petrol price fall in the market. Such funds will be remitted to Road Fund. This arrangement will be managed by Special Committee which will be formulated by Minister responsible for Energy in collaboration with the Minister responsible for Finance with the aim of proposing amount to be set aside on the basis of average market price at that particular time. The measure is intended to increase government revenue for roads construction, repair and maintenance.

12. Law of the Child Act, CAP 13

150. **Honourable Speaker**, I propose to amend sections 147(2) and 149(2) of the Law of the Child Act CAP 13 as follows:

- i. To introduce Registration Fee of Tsh 100,000 to the Day care centre and crenches; and
- ii. To introduce Annual Fee of Tsh 200,000 to the day care centre and crenches.

The measure is intended to enhance the enforcement of the Law of Child Act which requires day care center and crenches pay fees for registration and annual subscription to enhance inspection and monitoring of those centers.

13. The Port Act, 2004

151. **Honourable Speaker**, I propose to amend the Ports Act, 2004 to reinstate the mandate of collecting wharfage to the Tanzania Ports Authority (TPA). However, the revenue collected shall be deposited in the account of TPA at the Bank of Tanzania and the use of such revenue shall be authorised by the Paymaster General.

14. Sugar Industry Act, CAP 251

152. **Honourable Speaker**, I propose to amend the Sugar Industry Act, CAP 251 as follows:

- i. To give power the National Food Reserve Agency (NFRA) to buy, stock and reserve sugar as a National food reserve which will be entered for domestic consumption during sugar gap. This measure is intended to ensure constant availability of sugar in the country and manage hordings of sugar product by manufacturers without compromising protection of local industries;
- ii. To amend the NFRA regulations by including sugar as part of food security; and
- iii. To charge Tsh 50 per kilogram of Sugar by-products originating from sugar production. The measure is intended to increase revenue that will enhance the Sugar Board to perform its duties including training and capacity building in the sugar industry as well as monitor sugar production through expansion of existing industries and fostering new investments.

15. Cashewnut Industry Act, Number 18

153. **Honourable Speaker**, I propose to amend the Cashewnut Industry Act, No. 18 by granting the Board to collect and utilize revenue from export levy on cashewnut for five years. The measure aims to stimulate development of cashewnut subsector and facilitate the availability of fund for subsidy and research as well as increasing the contribution of cashewnut to the economic growth.

154. **Honourable Speaker**, Furthermore, I propose to grant the Tanzania Revenue Authority mandate to collect crops export and import levies as well as determining the distribution of revenue from the levies as follows: 50 percent of the revenue collected shall be remitted to the Agricultural Development Fund and 50 percent shall be remitted to the Consolidated Fund. The measure aims to increase efficiency in collection, stimulate the development of the agricultural sector and support the availability of fund for the various responsibilities of the Government.

16. The Mining Act, CAP 123

155. **Honourable Speaker**, I propose to make amendments in the Mining Act, CAP 123 as follows:

- i. To amend Section 90A (3) of the Mining Act, CAP 123, to exempt the supply of gold to the Bank of Tanzania (BOT) from paying inspection fee of 1 percent. The measure is intended to incentivise the supply of Gold to BOT as well as reducing associated cost to enhance growth of National gold and foreign currency reserve and addressing the shortage of US Dollars for various international transactions;

- ii. To reduce royalty rate from six (6) percent to two (2) percent on the supply of gold to be sold to the Bank of Tanzania. This amendment goes parallel with making royalty paid to the gold supplied to the BOT as a final payments. The measure is intended to incentivise the supply of Gold to BOT and also reduce associated cost to enhance growth of National gold and foreign currency reserve and adress the shortage of United State Dollar for different international transactions;
- iii. To reduce royalty rate from four (4) percent to two (2) percent on the supply of gold to be sold to the domestic refineries. The measure is intended to incentivise the supply of Gold to the domestic refineries and ensure availability of feedstock;
- iv. To amend Section 59 of the Mining Act, CAP 123, by requiring the mineral right holders and the mineral dealers to set aside minerals for processing, smelting, refining and trading within the Country. However, the amount of minerals to be set aside will be determined by the Minister responsible for Minerals in the Mining (Mineral and Gem Houses) Regulations 2019, as for starters 20 percent of Gold will be set aside for the mentioned purpose. However, the provision will not apply to Mining Companies having a signed agreement with the Government of the United Republic of Tanzania for the objectives of carrying out mining projects in the Country. Further, the Government will renegotiate with Mining Companies for the purpose of considering the possibility of implementing the requirements of this provision without affecting the terms to the Agreement. The measure is intended to enhance supllly of Gold to the Bank of Tanzania for growth of National gold and foreign

currency reserve and address the shortage of United State Dollar for different international transactions as well as enhancing growth of local refineries by ensuring of availability of gold stock for accreditation purpose; and

- v. To recognizing The Bank of Tanzania (BOT) as the Statutory Gold Dealer. The measure is intended to harmonize the Bank of Tanzania Act and the Mining Act by addressing the existing ambiguity as well as enhancing smooth purchases of Gold by the BOT for the purpose of growth of National gold and foreign currency reserve in the country.

All these measures together are expected to **reduce** Government revenue by **114,519 million shillings**.

17. Gaming Act, CAP 41

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

- i. To introduce gaming dealer's certificate application fee of 10,000 shillings and certificate fee of 20,000 shillings. The measure intends to raise revenue for efficiency and monitoring of individuals and agents on the gaming industry;
- ii. To introduce the lottery centres registration fee of 30,000 shillings. The measure aims at raising revenue from national lottery for efficiency and monitoring of gaming industry; and
- iii. To introduce license application fee of 500,000 shillings and Annual fee of 1,000,000 shillings for supply of tokens used in slot machines. The measure aims at raising revenue to enhance the Gaming Board capacity of monitoring and control of the gaming industry.

The overall measures are expected to increase revenue to the tune of **180 million shillings**

18. The Railway Act, 2017

157. **Honourable Speaker**, I propose to amend the Railway Act, 2017 by increasing railway development levy from 1.5 percent of CIF value to 2 percent of CIF value. Furthermore, the revenue collected from this source shall be remitted 50 percent to the Railway Development Fund and 50 percent to Road Fund. The measure aim to raise the funds for the development and maintainance of the railway and road infrastructure. The measure is expected to increase Government revenue by **216,898 million shillings**

19. The Tanzania Meteorological Authority Act, CAP 157

158. **Honourable Speaker**, I propose to amend the Tanzania Meteorological Authority Act, CAP 157 as follows:

- i. To introduce specific meteorological service usage fee of 500,000 shillings on construction project valued at 500 million shillings to 1billion shillings, usage fee of 1,500,000 on construction project valued at 1.1 billion shillings to 10 billion shillings. The measure intends to increase revenue for efficiently issuance of specific meteorological services to enhance peoples and assets safety and security around the construction projects. The measure is expecte to raise revenue to the tune of 1,600 million shillings; and
- ii. To introduce the meteorological service fees for water resource management activities at the rate of shilling 500,000 per month per every Water Basin Board with high financial capacity; and shilling 200,000 per month

per every Water Basin Board with low financial capacity. The measure is intended to increase Government revenues that will enable efficient provision of weather and climate service to water projects and water resource management activities. This measure is expected to increase Government revenue by **36 million shillings**.

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

159. **Honourable Speaker**, I propose to amend the Motor Vehicle (Tax Registration and Transfer) Act, CAP 124 to include electrical motor vehicle in the scope of vehicle registration that fee shall be paid. The measure aim to adhere to the principle of equity in taxation and to accomodate technological advancement

21. The East African Community Customs Management Act, 2004

160. **Honourable Speaker**, I would like to inform you that, the EAC Pre-Budget Consultative Meeting of the Ministers for Finance which was held on 17th May 2024 in Arusha agreed to effect changes in the East African Community Customs Management Act, 2004 and Common External Tariff (CET) rates for the financial year 2024/25. The proposed changes aim at ***“Sustainable Economic Transformation through Fiscal Consolidation and Investment in Climate Change Mitigation and Adaptation for Improved Livelihoods”***.

161. **Honourable Speaker**, the Ministers for Finance proposed to amend the Common External Tariff (CET) rates for the financial year 2024/25 and ongoing with some measures that were implemented in the fiscal year 2023/24.

- i. The new proposed amendments in the Common External Tariff are as follows: -
- a) Grant duty remission at a duty rate of 0 percent instead of 25 percent for one year on Lithium-ion Electric accumulators under HS Code 8507.60.00 used in the assembling/manufacturing of vehicle and motorcycles. The objective of this measure is to reduce cost of assembling/manufacturing and encourage local investment in manufacturing or assembling of vehicles and motorcycles, ensuring availability of the products at affordable price in the country;
 - b) Grant duty remission at a rate of 0 percent instead of 10 percent for one year on unassembled Television (CKD) under HS Codes 8528.72.10; and 8528.73.10. The measure aims at promoting assembling scheme in the country by reducing cost of assembling to ensure availability of the products at competitive price as well as and employment creation;
 - c) EAC Partner States agreed to grant duty remission at a duty rate of 0 percent on various inputs used in the assembling or manufacturing of mobile phones. The objective of this measure is to reduce cost of assembling mobile phone, promote assembling scheme in the region and employment creation;

- d) Grant duty remission at a duty rate of 10 percent instead of 25 percent for one year on other paper, paperboard, cellulose wadding and webs of cellulose fibres under HS Code 4811.90.00 used to manufacture labels and thermal paper rolls for cash registers, POS and EFD machines. The objective of this measure is to reduce costs of these inputs used by local manufacturers.
- e) Grant duty remission at a duty rate of 10 percent instead of 35 percent for one year on float glasses 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;
- f) Grant duty remission at a duty rate of 0 percent instead of 25 percent or 35 percent for one year on inputs under HS codes 3923.50.90; 4819.20.90; 4819.30.00; 4819.50.00; 4821.90.00; and 7607.19.90 used by domestic manufacturers of yoghurt, powdered or UHT milk. This measure is intended to reduce costs of milk production in the country, employment creation and promote local investment in dairy sector;
- g) Grant duty remission at a rate of 0 percent for one year on inputs and raw materials under HS Codes 3215.19.00; 3403.99.00; 3506.91.00; 3818.00.00; 3907.99.00;

3907.99.00; 3916.90.00; 3917.39.00;
 3919.90.90; 3920.69.90; 3920.99.90;
 3921.14.90; 3921.90.90; 5402.11.00;
 5404.90.00; 7019.90.90; 8536.90.00; and
 8544.49.00 used to manufacture optical fiber
 cables. This measure is intended to reduce
 production costs of optical fiber cables in the
 country, employment creation, expand
 coverage of communication network and
 promote local investment in communication
 sector;

- h) All Partner States agreed to grant a duty remission at a duty rate of 0 percent on inputs under HS Codes 4817.30.00; 4819.10.00; 5407.51.00; and 3921.19.90 used for the manufacture mosquito repelants. The objective of this measure is to reduce production cost of mosquito repelants in the region, ensuring availability of final products at an affordable price, employment creation, encourage local investment and enhance efforts to combat malaria;
- i) All Partner States agreed to grant duty remission at a duty rate of 10 percent on inputs under HS Code 2106.90.20 used in the manufacture of foods and beverages. The objective of this measure is to reduce production cost of food and beverages in the region.
- j) Grant Stay of Application of the EAC CET rate of 10 percent and apply a duty rate of 35 percent on float, toughened and multiple-

walled insulating units of glass under HS Codes 7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00; 7007.19.00; 7007.29.00 and 7008.00.00 for one year. This measure is intended to protect domestic glass manufacturers and promote competitiveness of the domestic products with similar products imported from the rest of the world;

- k) Grant Stay of application of the EAC CET rate of 35 percent and apply a duty rate of 35 percent or USD 3 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 against cheap and subsidized imports;
- l) 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 300/MT whichever is higher for one year on flat-rolled products of iron or non-alloy steel under HS Codes 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, employment creation and increase Government revenue;
- m) Grant Stay of application of EAC CET rate of 35 percent and apply a duty rate of 25 percent or USD 300/MT whichever is higher for one year on Flat-rolled products of iron or non-

alloy steel under HS Codes 7212.40.00 and 7212.50.00. This measure aims at protecting local manufacturers against undervaluation of imports as well as increase Government revenue;

- n) Grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or USD 300/MT whichever is higher for one year on flat-rolled products of iron or non-alloy steel under HS Code 7212.60.00. This measure is intended to address undervaluation of the goods to create a level playing field;
- o) Grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 25 percent or USD 300/MT whichever is higher for one year on Iron and steel flat rods products 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 against importing subsidized goods, employment creation and increase Government revenue;
- p) Grant Stay of application of the EAC CET rate 35 percent and apply a duty rate of 35 percent or USD 500/MT whichever is higher for one year on corrugated iron sheets under HS Code 7210.41.00. This measure is intended to protect manufacturers of corrugated iron sheets in the country against cheap and

subsidized imports and increase Government revenue;

- q) Grant Stay of application of the EAC CET rate of 25 percent or 35 percent and apply a duty rate of 50 percent for one year on salt under Heading 25.01. The objective of this measure is to protect local manufacturer of salt in the country;
- r) Grant Stay of Application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or USD 300/MT whichever is higher for one year on semi-finished flat rolled products under HS Code 7226.99.00. The objective of this measure is to protect local manufacturers against undervalued imports, employment creation, promote local investment and increase Government revenue;
- s) Grant Stay of Application of EAC CET rate of 35 percent and apply a duty rate of 35 percent or USD 500/MT whichever is higher for one year on refined vegetable oils under HS Codes 1507.90.00; 1508.90.00; 15.09; 15.10; 1511.90.30; 1511.90.90; 1512.19.00; 1512.29.00; 1513.19.00; 1513.29.00; 1514.19.00; 1514.99.00; 1515.19.00; 1515.29.00; 1515.50.00; 1515.60.00 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,

employment creation and increase Government revenue;

t) EAC Partner States agreed to amend the structure of hybrid motor vehicle tariff lines under HS Codes 8703.40.00; 8703.50.00; 8703.60.00; and 8703.70.00 to cater for unassembled vehicle at import duty rate of 0 percent. This measure is intended to promote assembling operation in the region.

ii. The ongoing measures in the financial year 2023/24 which are proposed to continue to be implemented in 2024/25 are as follows: -

a) 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;

b) 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 as well as employment creation;

- c) 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 as well as increase Government revenue;
- d) 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;
- e) 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;
- f) 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;

- g) All 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 used to manufacture sanitary pads and baby diapers. This measure is intended to reduce the cost of production for manufacturers of sanitary pads and baby diapers in the region as well as employment creation;
- h) 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;
- i) 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; 7209.25.00; 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 as well as employment creation;
- j) 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, encourage local investment, employment creation and increase Government revenue;

- k) 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. The measure is intended to increase Government revenue;
- l) 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;
- m) 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;

- n) 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;
- o) 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;
- p) 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 country;
- q) 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;
- r) 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 consumer welfare;

- s) All Partner States agreed to continue grant duty remission on raw materials and industrial inputs used to manufacture textiles and leather footwear. This aims at promoting textiles and leather footwear manufacturers in the country;
- t) 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;
- u) 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.
- v) 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;

- w) 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.
- x) 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;
- y) 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;
- z) 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;
- aa) 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 assembling or

manufacturing three-wheel motorcycles used for cargo transportation.

- bb) Grant Duty Remission at a duty rate of 0 percent instead of 25 percent or 10 percent for one year on inputs 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 used to manufacture glass reinforced plastic pipes. The objective of this measure is to promote local manufacturers of glass reinforced plastic pipes and create more employment in the country;
- cc) EAC Partner States agreed to grant Stay of Application of the EAC CET rate of 100 percent or USD 460/MT whichever is higher and apply a duty rate of 10 percent 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.
- dd) 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. The objective of this measure is to protect local manufacturers against undervalued imports, employment creation and increase Government revenue;
- ee) 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, employment creation and increase Government revenue;

ff) 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 headings 52.05; 52.06; and 52.07 except HS Code 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;

gg) 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;

hh) 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;

ii) 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;

jj) 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;

kk) 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; 7907.00.00; 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;

ll) 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;

- mm) Grant Stay of Application of EAC CET rate of 25 percent and apply a duty rate of 0 percent on Smart cards under HS Code 8523.52.00 imported by the National Identification Authority for one year in order to facilitate issuance of National Identification Cards;
- nn) Grant Stay of Application of EAC CET rate of 25 percent 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 Code 7210.30.00. This measure is intended to protect local manufacturers, employment creation and increase Government revenue;
- oo) 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;
- pp) 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;

qq) 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. This measure is intended to protect local manufactures of this paper used in issuing EFD Receipts;

rr) 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;

ss) 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 as well as increase Government revenue;

- tt) 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;
- uu) 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;
- vv) 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;
- ww) 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;

- xx) 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;

162. **Honourable Speaker**, I propose to establish the requirement of signing Performance Agreements between the Government and beneficiaries of incentives through duty remission, exemption, zero rated scheme or any other form of tax expenditure and protection using higher import duty rates. The measure is intended to assess achievement of such incentives or protection in relation to expected benefits to the country's economic growth.

These measures altogether are expected to **increase** Government revenue by **205,727 million shillings**.

22. The Import Control Act, CAP 276

163. **Honourable Speaker**, I propose to amend the Import Control Act, CAP 276 by introducing Industrial Development Levy on selected imported goods as follows: 10 percent on wire rods with HS Code 7213.91.90; 10 percent on beer under heading 22.03; 5 percent on non-alcoholic beer with HS Code 2202.91.00; 5 percent on energy drinks with HS Code 2202.99.00; and 10 percent on organic surface-active agents - detergents with HS Code 3402.50.00; and 10 percent on liquid with HS Code 3402.90.00. The Industrial Development Levy will not apply on goods originating from East African Community Partner States that meet the East African Community Rules of Origin. Moreover, the Government will continue to assess and conduct research on other products sufficiently produced in the country that may be included in the scope. The measure is intended to support local manufacturing, spur investments and increase exports. This measure is expected to **increase** Government revenue by **11,147 million shillings**.

23. The Export Levy Act, CAP 196

164. **Honourable Speaker**, I propose to amend the Export Levy Act, CAP 196 by introducing export levy at the rate of 10 percent on Crude Sunflower Oil, Sunflower Cake and Sunflower seeds. The measure is **expected** to increase Government revenue by 2,048 million **shillings**.

24. Amendments of Various Government Fees and Levies of the Government Agency and the Implementation of the Blueprint Improvement Plan.

165. **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 Improvement the Business Environment. Specific amendments are as follows:

i. Tanzania Atomic Energy Commission

To amend the radiation inspection fee as follows:

- a) To set a requirement of charging a fee of 0.1% of the FOB value on exportation of animal products and food stuffs to foreign destinations where the destination countries have a requirement of the Radiation Certificate or when the exporter has requested the certificate. This measure, removes the necessity to charge the fee even when the destination countries do not need the Radiation Certificate on goods exported to those countries; and
- b) To reduce the radiation inspection and certification fee from 0.4 % of the FOB Value to 0.2% of the FOB value on finished goods which are imported into the country. The purpose of this measure is to reduce the cost of doing business and encourage investment in the country and production. The measure will as well reduce smuggling of goods into the country. This measure is expected to **reduce** the government revenue by **42 million shilings**.

ii. Fire and Rescue Force

To amend the Fire and Rescue Force Act, CAP 427 by reducing a fee chargeable for training wardens on fire prevention and cautionary measures from TZS 500,000 to TZS 200,000. The amendment goes hand in hand with the requirement to conduct training to at least one warden or more in every year

instead of the current arrangement which requires at least two wardens. The purpose of this measure is to reduce the costs of doing business and investment in the country.

iii. Tanzania Civil Aviation Authority (TAA)

To charge a fee for renewing licenses to operate safety planes (Air Operators Certificates - AOC) at the rate of 600 US dollars per Company per year instead of the current rate of 600 US dollars per aircraft per year. The aim of this measure is to reduce the costs of doing business in the sector and stimulate the growth of the Aviation Industry.

iv. Ministry of Natural Resource and Tourism

To amend the Tourims Regulation, 2015 which imposes fee and charges on Tourism sector as follows:

- a) To charge Tourist Business License fee in Tanzanian Shillings, instead of using US Dollar. These proposed measures go hand in hand with the requirement of the fee to be paid for a period of 12 from the last day of the execution of the final payment for the business license; and
- b) To reduce the fee of Tanzanian Tourist Business License which is paid by an agent of the mountain climbing from US Dollar 2,000 per annum to TZS 3,000,000 per annum. The fee shall be payable in Tanzanian shillings.

These measures intend to simplify the payments of tourism fees, reducing operational costs, attracting investment in the tourist industry and to comply with the requirement of Section 26 of the law establishing the of Central Bank of Tanzania which require payments within the country to be made in Tanzanian shillings.

v. Ministry of livestock and Fisheries

a) Livestock Sector

To amend the moving permit on livestock from auctions as follows: 30,000 shillings to 31,000 shillings for every cattle; 6,500 shillings to 7,000 shillings for every goat and sheep. The increased amount of the fee shall be remitted to Local Government Authorities for purposes of enhancing supervision in the respective Livestock auctions.

b) Fisheries Sector

To amend Fees imposed on fisheries as follows:

- i. To reduce the moving permit fee on fish and fish products there of (dagaa, furu, dried fish, fresh fish and frozen) which are fresh, dried or frozen from 100 shillings per kilogram to 50 shillings per kilogram. Besides, the dried fish and fish products which weigh below 20kgs and fresh or frozen fish and fish products which are below 30kgs are exempted from paying this moving permit;
- ii. To reduce moving permit on fish maw (mabondo) from 2,500 shillings per kilogram to 2,000 shillings per kilogram for fresh fish maw, and from 3,500 shillings per kilogram to 2800 shillings per kilogram for dried fish maw; and
- iii. To increase export royalty for fish maw (Mabondo) from USD 2.7 to USD 3 per kg for fresh fish maw and from USD 3.3 to USD 3.5 per kg for dried fish maw.

These measures collectives are expected to enhance government revenue by **554 million shillings**.

166. **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 instill collective inspections exercise so as to minimize business interruptions without compromising their regulatory roles.

25. Minor Amendments in Tax Laws and Others

167. **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 2024 and Government Notices.

Effective Date for Implementation of New Revenue Measures

168. **Honourable Speaker**, unless otherwise stated, the new measures shall become effective on 1st July 2024.

VII. BUDGET FRAME FOR THE YEAR 2024/25

169. **Honourable Speaker**, for the year 2024/25, the Government expects to mobilize and spend a total of 49.35 trillion shillings, equivalent to an increase of 11.2 percent compared to the 2023/24 budget. This increase is mainly driven by: the increase of government debt associated with depreciation of the Tanzania Shillings, rise of interest rates, and maturity of loans; new employments; arrears; the 2024 Local Government Elections; preparations for the 2025 General Elections; and preparations for the 2027 African Cup of

Nations (AFCON) including the construction and rehabilitation of stadiums.

Revenue

170. **Honourable Speaker**, domestic revenue is projected to 34.61 trillion shillings, equivalent to 70.1 percent of the total budget and 15.7 percent of GDP. Out of the projected amount, 29.41 trillion shillings is estimated to be collected by Tanzania Revenue Authority, 3.84 trillion shillings is non-tax revenue estimated to be collected by Ministries, Agencies, and Independent Departments, and 1.36 trillion shillings is expected to be collected by Local Government Authorities. The strategies to achieve these revenue targets are as I explained earlier.

171. **Honourable Speaker**, in the 2024/25 budget, Development Partners have committed to contribute grants and concessional loans amounting to 5.13 trillion shillings. I would like to acknowledge the countries that pledged to contribute includes: Australia, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, India, Ireland, Italy, Japan, the Netherlands, Norway, Poland, the Republic of Korea, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States of America. In addition, I acknowledge the international multilateral institutions that have pledged their support: World Bank; International Monetary Fund; African Development Bank; Arab Bank for Economic Development in Africa; European Investment Bank; Abu Dhabi Fund; the Kuwait Fund; the Global Fund; OPEC Fund for International Development; Global Environment Facility; Green Climate Fund; Adaptation Fund; Geothermal Risk Mitigation Facility (GRMF); United Nations and its agencies; European Union; and GAVI Alliance.

172. **Honourable Speaker**, I would like to extend my sincere gratitude to our Development Partners for their support in implementing our development aspirations. It is our hope that the commitments made will be honoured. The Government will ensure that these funds are utilized effectively to achieve the intended goals.

173. **Honourable Speaker**, the Government estimates to borrow 6.62 trillion shillings from the domestic market, of which 4.02 trillion shillings will be for rolling over of maturing Government Treasury Bills and Bonds, and 2.60 trillion shillings for financing development projects. In addition, the Government estimates to borrow 2.99 trillion shillings from external commercial sources for financing development projects.

174. **Honourable Speaker**, in ensuring that domestic capital market remains as a key source of financing, the Government will continue issuing benchmark bonds to create competitive reference rates within the domestic capital market. Further, the Government will continue to open capital market to investors from East African Community and the Southern African Development Community.

Expenditure

175. **Honourable Speaker**, in 2024/25, the Government plans to spend a total of 49.35 trillion shillings. This amount includes: 15.74 trillion shillings for servicing public debt and other consolidated fund expenses; 11.77 trillion shillings for salaries, including recruitment and promotion of employees; 2.17 trillion shillings for railway, roads, water and REA funds; 1.19 trillion shillings to finance higher learning education and

tertiary colleges student loans, and the Fee Free Primary and Secondary Education Program.

176. **Honourable Speaker**, the budget frame for 2024/25 is as presented in **Table No. 1**.

		Billion Shillings	
	Resources	2024/25	
A.	Domestic Revenue - Central Government		33,254,306
	(i) Tax Revenue (TRA)	29,415,289	
	(ii) Non-Tax Revenue	3,839,017	
B.	LGAs Own Source		1,356,341
C.	Grants and Concessional Loans from DPs		5,130,613
	(i) Grants and Concessional Loans - GBS	1,489,775	
	(ii) Grants and Concessional Loans - Projects	3,461,946	
	(iii) Grants and Concessional Loans - Basket	178,892	
D.	Domestic and External Non-Concessional Loans		9,604,428
	(i) External Loans	2,986,638	
	(ii) Domestic Loans - Financing	2,595,417	
	(iii) Domestic Loans - Rollover	4,022,373	
	TOTAL RESOURCES (A+B+C+D)		49,345,688
	Expenditure		
E.	Recurrent Expenditure		34,590,391
	(i) CFS		15,736,279
	-Domestic Interest payments	3,146,668	
	-Domestic Principle payments (rollover)	4,022,373	
	-External Principle payments	3,517,120	
	-External Interest payments	2,435,305	
	-Government's Contributions to Pension Funds	2,000,000	
	-Other CFS	614,813	
	(ii) Wages and Salaries		11,767,987
	(iii) Other Charges (OC)		7,086,125
	-o/w LGAs Own Source		815,065
F.	Development Expenditure		14,755,296
	(i) Local		11,114,458
	-Clearence of arrears	400,000	
	-Railway Fund, Water Fund, Road Fund, REA and TARURA	2,167,623	
	-LGAs Own Source	541,276	
	-Other Development Expenditure	8,005,559	
	(ii) Foreign		3,640,838
	TOTAL EXPENDITURE (E+F)		49,345,688
	OVERALL BUDGET DEFICIT (ss percentage of GDP)		2.9%

Source: Ministry of Finance

Budget Implementation Risks

177. **Honourable Speaker**, implementation of 2024/25 budget may be affected by risks associated with changes in economic, financial, budgetary, political, and diplomatic policies. Other risks are associated with cross-cutting issues including climate change, natural disasters, outbreaks of diseases, and geopolitical tensions. The foreseen risks in the implementation of 2024/25 budget include: global economic downturn; fluctuations in prices of goods and services; changes in interest rates in domestic and international financial markets; fluctuations in exchange rates; contingent liabilities; political and diplomatic relations; and climate change, natural disasters and outbreaks of diseases.

178. **Honourable Speaker**, some of the impacts of the aforementioned risks are: failure to achieve the revenue collection targets; slow pace of projects implementation; increased cost of production; and debt servicing and borrowing. Other impacts include: decrease of grants and concessional loans from Development Partners; increase budget deficit; decline agricultural production; infrastructure damage; and increase claims and arrears from suppliers and service providers.

179. **Honourable Speaker**, the Government will continue to take various measures to mitigate the potential risks in order to achieve goals and targets of the 2024/25 budget implementation. The measures include: continuing to oversee monetary and fiscal policies; enhancing electronic revenue collection systems; improving investment environment for domestic and foreign investors; continuing to oversee the implementation of the Loans, Grants, and Guarantees Act, CAP

134; ensuring national food security; monitoring implementation of the National Risk Management Framework for Public Institutions; strengthening management of the National Disaster Fund; enhancing good governance and the rule of law; and implementing the national strategy for strengthening availability of foreign currencies.

VIII. CONCLUSION

180. **Honourable Speaker**, it is evident that, the Sixth Phase Government, under the leadership of **Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, has outstanding achievements due to the robust policies of the CCM led Government aiming at strengthening the economy. In Her three years of leadership, the President has demonstrated that she is **ethical, considerate, focused, brave, hardworking, and a dedicated leader** with a strong commitment to continue fostering development to our country by implementing strategic projects. **Indeed, MAMA deserves another term!** Further, I thank all the citizen of the United Republic of Tanzania for continuing to maintain peace and stability in the country, which has greatly contributed to serve them well and achieve the success realised during MAMA's three-year leadership.

181. **Honourable Speaker**, despite the achievements attained in Her three-year leadership, citizens still yearn to see improved social services such as roads, water, health, education, and electricity. The 2024/25 budget aspires to enable Tanzanians to have a better life through continued efforts to build industrial based economy in order to increase employment opportunities and stimulate the country's economic growth and sustainable social welfare. In achieving

these goals, the Government will continue to take robust measures, including: strengthening energy and transport infrastructures; improving business environment and investment through sound policies to facilitate fair competition in the private sector; improving education and training systems; and integrating research and development in productive sectors.

182. **Honourable Speaker**, I plea to Tanzanians and leaders in particular to commit ourselves by supporting our President through actions in building Tanzania in order to achieve those aspirations. Therefore, we must work hard to achieve our goal of building stable economy that creates employments for the benefit of every Tanzanian.

183. **Honourable Speaker**, as you are aware, our country is in democratic process of conducting 2024 Local Government Election and preparations for 2025 General Election. I would like to assure your Esteemed Parliament and the citizens at large that the Government is prepared to finance the entire process of these elections. I urge the leaders of political parties and citizens to ensure that we have peaceful elections and exercise constitutional right to vote or be voted. Further, let us make sure we elect leaders who are honest, considerate, patriotic, hardworking and are from a political party that advocates interests and rights of underprivileged, **that is CCM**.

184. **Honourable Speaker**, I would like to extend my heartfelt congratulations to **Her Excellency Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**, for marking three years since assuming power in March 2021 and continuing to lead our Nation with outstanding achievements in economic, political, and social spheres.

185. **Honourable Speaker**, while noting the three years achievements of the Sixth Phase Government, we must recognize the contributions of Honourable Dr. Philip Isdor Mpango, the Vice President of the United Republic of Tanzania. I would like to take this opportunity to commend him for effectively assisting **Her Excellency, the President of the United Republic of Tanzania** in leading the implementation of government responsibilities whose results are evident and make us proud.

186. **Honourable Speaker**, I take this opportunity to congratulate His Excellency Dr. Hussein Ali Mwinyi, the President of the Revolutionary Government of Zanzibar and Chairman of the Revolutionary Council, for his solid leadership since assuming power. **Indeed, the Blue Economy of Zanzibar is shining!** In addition, I extend sincere congratulations to Honourable Kassim Majaliwa Majaliwa, the Prime Minister of the United Republic of Tanzania and Member of the Parliament for Ruangwa Constituency, along with Honourable Dr. Doto Mashaka Biteko, the Deputy Prime Minister, the Minister of Energy and Member of the Parliament for Bukombe Constituency, for continuing to coordinate and oversee government activities diligently. **Indeed, this team is full of exemplary leaders, Kazi Iendele!**

187. **Honourable Speaker**, on a very special note, I take this opportunity to congratulate you, Honourable Dr. Tulia Ackson Mwansasu, the Speaker of the Parliament of the United Republic of Tanzania and Member of Parliament for Mbeya Urban Constituency, for being elected President of the Inter-Parliamentary Union. Your election has brought great honour to our nation as the first woman from Africa to assume that prestigious position. **Congratulations!** We wish you all the best as you continue to bring honour to our nation in

international political arenas. I also congratulate you, Honourable Speaker and Honourable Mussa Azzan Zungu, the Deputy Speaker and Member of the Parliament for Ilala Constituency, for continuing to effectively discharge your responsibilities in leading our Esteemed Parliament. Indeed, you have demonstrated a great sense of maturity, resilience, and high professionalism in managing parliamentary activities.

188. **Honourable Speaker**, I would like to congratulate Honourable Prof. Ibrahim Hamis Juma, Chief Justice of Tanzania; Honourable Mustapher Mohamed Siyani, Principal Judge of the High Court of Tanzania; Prof. Elisante Ole Gabriel, Chief Court Administrator and Secretary of Judicial Service Commission; and Honourable Eva Kiaki Nkya, Chief Court Registrar, for the excellent work in leading the Judiciary.

189. **Honourable Speaker**, I also congratulate the following honourable Members of Parliament who have been honoured to serve in various capacities in 2023/24: Honourable Dr. Doto Mashaka Biteko (MP), Deputy Prime Minister and the Minister of Energy; Honourable Jerry William Silaa (MP), Minister of Lands, Housing and Human Settlements Development; Honourable Deogratius John Ndejembu (MP), Minister of State, Prime Minister's Office Labour, Youth, Employment and Persons with Disability; Honourable Zainab Athuman Katimba (MP), Deputy Minister of State, President's Office - Regional Administrations and Local Governments; Honourable Stanslaus Haroon Nyongo (MP), Deputy Minister of State, President's Office - Planning and Investment; Honourable Daniel Baran Sillo (MP), Deputy Minister of Home Affairs; Honourable Judith Salvio Kapinga (MP), Deputy Minister of Energy; Honourable David Mwakiposa Kihenzile (MP), Deputy Minister of Transport; Honourable Alexander Pastory Mnyeti (MP), Deputy Minister of Agriculture; and Honourable Dunstan

Luka Kitandula (MP), Deputy Minister of Natural Resources and Tourism.

190. **Honourable Speaker**, in a very special way, I congratulate Honourable Ambassador Dr. Emmanuel John Nchimbi for being trusted and appointed as the Secretary General of the CCM. Indeed, his experience and competence in politics and international diplomacy leaves no-doubt in his ability to manage the implementation of the Government's plans and the 2020 CCM Election Manifesto with professionalism and competence. ***Kidumu Chama Cha Mapinduzi!***

191. **Honourable Speaker**, let me congratulate Honourable Deodatus Philip Mwanyika, Member of Parliament for Njombe Urban Constituency, and Honourable Dr. Joseph Kizito Mhagama, Member of Parliament for Madaba Constituency, for being elected chairpersons of the Parliament and joining Honourable Najma Murtaza Giga, Member of Parliament for Special Seats. I wish them best of luck in discharging their duties. In addition, I congratulate Honourable Oran Manase Njeza, Member of Parliament for Mbeya Rural Constituency, for being appointed as a Chairman and Honourable Twaha Ally Mpembenwe, Member of Parliament for Kibiti Constituency as Vice-Chairman of the Parliamentary Budget Committee. I hope they will extend cooperation and attention in reviewing, analysing and advising throughout the preparation of Government Budget. I would also like to thank the Chairpersons, Vice-Chairpersons and Members of the Parliamentary Committees for their invaluable contributions in improving budget estimates of ministries and the Government in general.

192. **Honourable Speaker**, I would like to take this opportunity to congratulate and sincerely appreciate all Heads of our defence and security forces for their patriotism and noble service. Allow me to recognize them by names: Chief of Defence Forces, General Jacob John Mkunda; Inspector General of Police, Camillus Mongoso Wambura; Director General of Tanzania Intelligence and Security Services, Ambassador Ali Idi Siwa; Commissioner General of Prisons, Mr. Mzee Ramadhani Nyamka; Commissioner General of Immigration, Dr. Anna Peter Makakala; Commissioner General of Fire and Rescue, Mr. John William Masunga; Director General of Prevention and Combating of Corruption Bureau, CP Salum Rashid Hamduni; and the Commissioner General of Drug Control and Enforcement Authority, Mr. Aretas James Lyimo. In addition, I congratulate Honourable Dr. Eliezer Mbuki Feleshi, the Attorney General, and Dr. Boniphace Nalija Luhende, the Solicitor General, for their dedicated work in serving Tanzanians.

193. **Honourable Speaker**, I congratulate my fellow Honourable Ministers and Deputy Ministers who are entrusted to support **Her Excellency the President** in implementing the 2020 CCM Election Manifesto. In addition, I express my appreciation to the Chief Secretary, Permanent Secretaries, Deputy Permanent Secretaries, Heads of Institutions, and all experts from both the Government and Private Sector for their invaluable cooperation and contributions at every stage in preparation of this budget.

194. **Honourable Speaker**, I am grateful to my colleagues and staff of the Ministry of Finance for their exceptional cooperation and dedication in executing their responsibilities, particularly in preparation of this budget. I extend special

thanks to Honourable Hamad Hassan Chande, Deputy Minister of Finance and Member of Parliament for Kojani Constituency; Dr. Natu El-maamry Mwamba, Permanent Secretary Treasury and Paymaster General, as well as Deputy Permanent Secretaries Ms. Amina Khamis Shaaban, Mr. Elijah Greenton Mwandumbya, and Ms. Jenifa Christian Omolo. In addition, I acknowledge with gratitude Mr. Emmanuel Mpawe Tutuba, Governor of the Bank of Tanzania, for his proficient oversight of the banking sector and monetary policies. I also recognize Mr. Alphayo Japan Kidata, Commissioner General of the Tanzania Revenue Authority, for his significant efforts in enhancing government revenue collection. Likewise, I express my sincere thanks to CPA Charles Edward Kichere, Controller and Auditor General, for his excellent work in auditing the financial statements of government institutions. Further, I convey my appreciation to Dr. Albina Andrew Chuwa, Statistician General, for her exemplary management of the National Bureau of Statistics.

195. **Honourable Speaker**, may I take this opportunity to express my sincere appreciation to the citizens of Iramba West Constituency for their support and acknowledging the national responsibilities bestowed upon me by **Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania**. Further, I would like to thank all Tanzanians for their continued support to the Sixth Phase Government which remains committed to build our economy and improve their welfare. In a special way, I would like to thank all religious leaders and believers for tirelessly praying for our nation and the President, please let us continue.

196. **Honourable Speaker**, I would like to congratulate Azam Football Club for securing second place in the NBC Premier League and qualifying to participate in the CAF

Champions League. In addition, I congratulate Coastal Union Football Club for qualifying to participate in the CAF Confederation Cup after a long time. Regarding the success of the Coastal Union Football Club, I sincerely commend Honourable Ummy Ally Mwalimu, Member of Parliament for Tanga Urban Constituency, for her unwavering support, including attending matches at Mkwakwani Stadium and other venues without fail and collaborating with other stakeholders to enable the team to qualify for the CAF Confederation Cup. Honourable Speaker, it is appropriate to remind the people of Tanga of their journey, for in human nature, when a house looks beautiful, sometimes the praise goes only to the painter, forgetting the one who designed the drawings, laid the strong foundation, built the sturdy walls, and roofed the house, thus giving the painter the opportunity to work in the shade.

197. **Honourable Speaker**, I commend GSM for the investment made, which completely transformed the image and performance of the Young Africans Sports Club. These achievements have been possible through excellent management of the team under Eng. Hersi Saidi. I would like to congratulate Young Africans Sports Club for flying high our national flag internationally. For the first time in Tanzania's football history, two clubs qualified for the quarterfinals of the CAF Champions League. Despite the fact that Simba Sports Club lost home and away at this stage, it was part of learning and reorganizing. In a special way, let me congratulate Young Africans Sports Club for an outstanding performance against Mamelodi Sundowns. I am sure during the second leg in South Africa, the Mamelodi Sundowns' players slept with their shoes on, following a tough game.

198. **Honourable Speaker**, these achievements have been largely contributed by the motivation from Her Excellency Dr.

Samia Suluhu Hassan, the President of the United Republic of Tanzania, who has been rewarding five million shillings for every goal scored in the group stage and ten million shillings from the quarter-final stage. In a special way, I would like to congratulate our President for creativity which raised bars in the field of sports to our nation. It is my plea that we continue to promote other games and sports so that our nation can participate in various international tournaments and ultimately bringing awards or trophies. In addition, I would like to take this opportunity to congratulate Young Africans Sports Club for winning the NBC Premier League three times in a row and 2024 CRDB Confederation Cup. Yanga is the king of Tanzanian football, and I wish to advise the Governor of the Central Bank to consider placing the emblem of the Yanga club on the 100-shilling note to honour these achievements.

199. **Honourable Speaker**, exceptionally, I would like to take this opportunity to thank the Almighty God for granting me with good health in executing my duties. I would also like to thank my wife and dear friend, Mrs. Neema Mwigulu Nchemba, and our children for their prayers and comfort that enables me to fulfil duties entrusted in me.

200. **Honourable Speaker**, I extend my sincere gratitude to Honourable Members of Parliament, Leaders, and all citizens for their kind attention.

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

ANNEXES

Annex 1: Government Borrowing, 2021/22 - 2024/25					
Million Shillings					
	2021/22	2022/23	2023/24	2023/24	2024/25
	Actual	Actual	Budget	Likely	Budget
1. Total of New External and Domestic Borrowing (a+b)	11,820,767	12,102,719	11,895,733	11,895,733	13,940,651
(a) New Domestic Borrowing	5,894,434	6,124,512	5,440,376	5,440,376	6,617,790
(i) New Domestic Borrowing (Rollover)	3,044,432	2,610,598	3,542,061	3,542,061	4,022,373
(ii) Net Domestic Financing	2,850,002	3,513,914	1,898,316	1,898,316	2,595,417
(b) New External Borrowing	5,926,333	5,978,206	6,455,357	6,455,357	7,322,861
(i) Concessional Projects Borrowing	2,825,097	1,115,244	2,227,122	2,227,122	2,955,472
(ii) Concessional General Budget Support	1,291,743	1,851,237	2,127,770	2,127,770	1,380,750
(iii) Non - Concessional	1,809,494	3,011,725	2,100,464	2,100,464	2,986,638
(c) Amortization of Domestic Debt	4,948,687	3,711,400	7,084,121	7,084,121	7,169,041
(i) Principal - Rollover	3,044,432	2,610,598	3,542,061	3,542,061	4,022,373
(ii) Interest Payments	1,904,255	1,100,802	3,542,061	3,542,061	3,146,668
(d) External Debt Services	3,676,474	4,686,200	5,527,894	5,527,894	5,952,425
(i) Principle	2,816,057	2,916,041	2,763,947	2,763,947	3,517,120
(ii) Interest	860,417	1,770,159	2,763,947	2,763,947	2,435,305
(e) Net Domestic Debt Increase (a-c(ii))	2,850,002	3,513,914	1,898,316	1,898,316	2,595,417
(f) Net External Debt Increase (b-d(i))*	3,110,276	3,062,165	3,691,410	3,691,410	3,805,741
2. Net Increase on Domestic and External Debt (e+f)	5,960,278	6,576,079	5,589,726	5,589,726	6,401,158
Source: Ministry of Finance					
*The increase does not include future disbursement from existing loans					

Annex 2: Domestic Revenue Collection, 2021/22 -2024/25

Million Shillings					
	2021/22	2022/23	2022/23	2023/24	2024/25
	Actual	Actual	Budget	Likely	Budget
Total Domestic Revenue	24,395,566	26,277,887	31,381,012	30,503,027	34,610,646
A. TRA Revenue	20,931,262	22,610,162	26,725,409	26,255,791	29,415,289
1. Import Duty	1,469,206	1,625,114	1,854,773	1,836,426	2,132,148
2. Excise Duty	2,888,518	2,946,239	3,495,726	3,549,555	3,889,957
3. Value Added Tax	5,343,680	6,165,872	7,458,166	6,919,794	8,620,204
4. Income Tax	7,517,312	7,601,041	8,835,041	9,018,545	10,160,386
5. Other Taxes	3,712,546	4,271,897	5,081,704	4,931,470	4,612,594
B. Non-Tax Revenue	3,464,305	3,667,725	4,655,603	4,247,237	5,195,358
1. Parastatal dividends and Contributions	850,348	1,008,866	1,069,496	892,247	1,168,543
2. Ministries and Regions	1,724,489	1,637,820	2,442,223	2,268,300	2,670,474
3. LGAs own source	889,468	1,021,039	1,143,883	1,086,689	1,356,341

Source: Ministry of Finance

Annex 3a: Budget Frame, 2020/21 - 2024/25

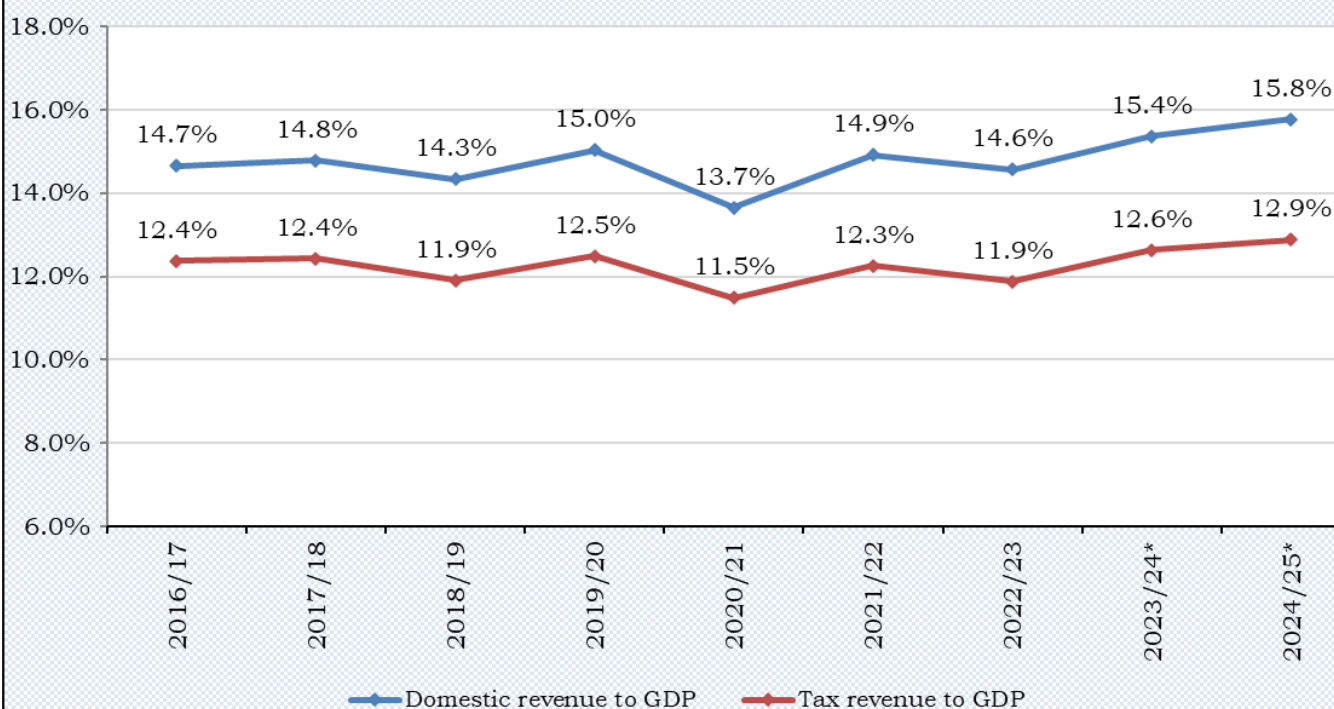
Million Shillings

	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Budget	2023/24 Likely	2024/25 Budget
Total Resources	32,274,882	36,996,819	40,853,298	44,388,067	43,510,082	49,345,688
Domestic Revenue	20,594,735	24,395,566	26,277,887	31,381,012	30,503,027	34,610,646
Grants and Concessional Loans - GBS	210,239	1,394,945	1,851,237	2,184,134	2,184,134	1,489,775
Grants and Concessional Loans - Projects	2,197,354	3,337,660	1,621,571	3,151,958	3,151,958	3,461,946
Grants and Concessional Loans - Basket	252,471	92,727	90,053	130,123	130,123	178,892
Domestic Loans (Rollover)	3,262,552	3,044,432	2,610,598	3,542,061	3,542,061	4,022,373
Domestic Loans (Financing)	3,359,220	2,850,002	3,513,914	1,898,316	1,898,316	2,595,417
External Non-concessional Loans	3,121,190	1,809,494	3,011,725	2,100,464	2,100,464	2,986,638
Adjustments	-722,879	71,994	1,876,312	0	0	0
Total Expenditure	32,274,882	36,996,819	40,853,298	44,388,067	43,510,082	49,345,688
Recurrent Expenditure	20,573,298	21,916,479	26,882,592	30,310,847	30,178,271	34,590,391
Wages and Salaries	7,328,824	8,087,392	9,046,205	10,882,126	10,882,126	11,767,987
CFS	9,656,017	10,346,122	11,951,425	12,771,533	12,771,533	15,736,279
Debt Service	8,218,113	8,698,202	10,088,114	10,469,759	10,469,759	13,121,466
Other CFS	1,437,904	1,647,920	1,863,311	2,301,774	2,301,774	2,614,813
Other Charges	3,588,456	3,482,964	5,884,961	6,657,188	6,524,612	7,086,125
LGAs Own Source	447,419	532,768	622,834	689,468	689,468	815,065
Others	3,141,037	2,950,196	5,262,127	5,967,719	5,835,144	6,271,060
Development Expenditure	11,701,584	15,080,341	13,970,706	14,077,220	13,331,811	14,755,296
Local	9,251,759	11,461,638	12,259,082	10,795,139	10,049,730	11,114,458
Foreign	2,449,825	3,618,703	1,711,624	3,282,081	3,282,081	3,640,838
GDP	150,775,745	163,493,585	180,300,976	199,939,953	198,529,548	219,376,613
Source: Ministry of Finance						

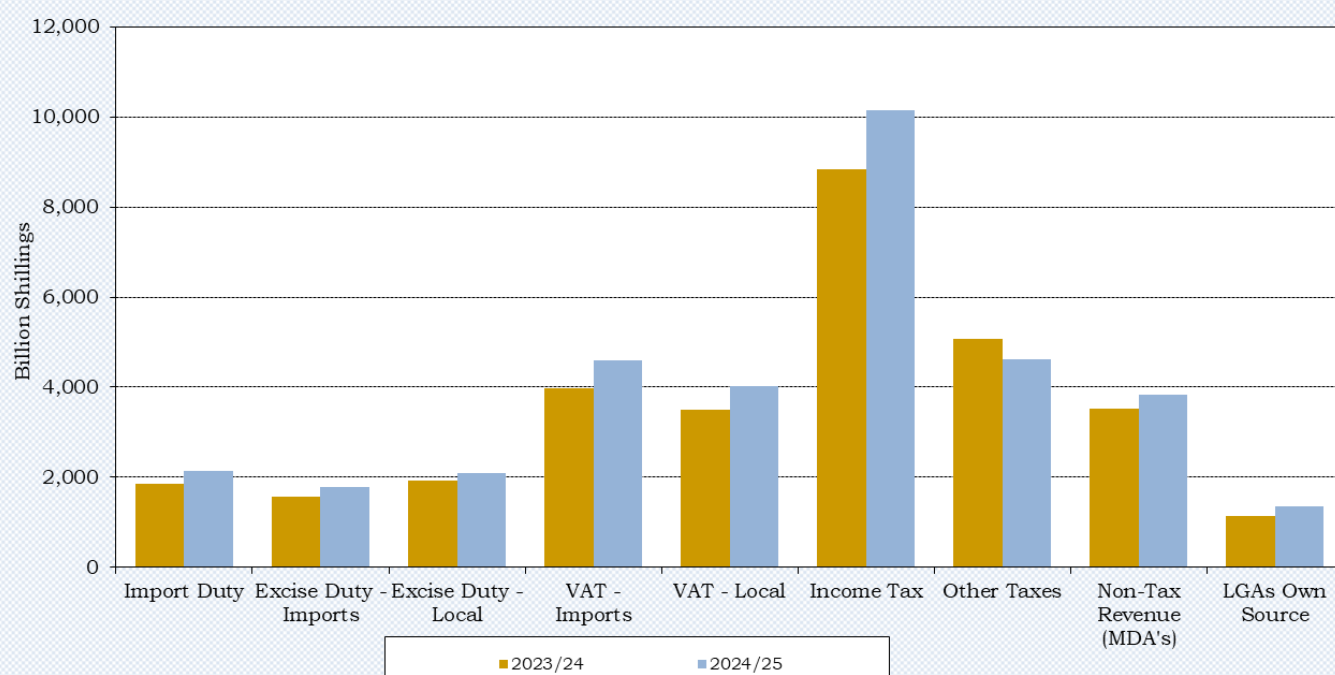
Annex 3b: Budget Frame as Percentage of GDP, 2017/18 - 2023/24

	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Budget	2023/24 Likely	2024/25 Budget
Total Resources	21.4%	22.6%	22.7%	22.2%	21.9%	22.5%
Domestic Revenue	13.7%	14.9%	14.6%	15.7%	15.4%	15.8%
Grants and Concessional Loans - GBS	0.1%	0.9%	1.0%	1.1%	1.1%	0.7%
Grants and Concessional Loans - Projects	1.5%	2.0%	0.9%	1.6%	1.6%	1.6%
Grants and Concessional Loans - Basket	0.2%	0.1%	0.0%	0.1%	0.1%	0.1%
Domestic Loans (Rollover)	2.2%	1.9%	1.4%	1.8%	1.8%	1.8%
Domestic Loans (Financing)	2.2%	1.7%	1.9%	0.9%	1.0%	1.2%
External Non-concessional Loans	2.1%	1.1%	1.7%	1.1%	1.1%	1.4%
Adjustments	-0.5%	0.0%	1.0%	0.0%	0.0%	0.0%
Total Expenditure	21.4%	22.6%	22.7%	22.2%	21.9%	22.5%
Recurrent Expenditure	13.6%	13.4%	14.9%	15.2%	15.2%	15.8%
Wages and Salaries	4.9%	4.9%	5.0%	5.4%	5.5%	5.4%
CFS	6.4%	6.3%	6.6%	6.4%	6.4%	7.2%
Debt Service	5.5%	5.3%	5.6%	5.2%	5.3%	6.0%
Other CFS	1.0%	1.0%	1.0%	1.2%	1.2%	1.2%
Other Charges	2.4%	2.1%	3.3%	3.3%	3.3%	3.2%
LGAs Own Source	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
Others	2.1%	1.8%	2.9%	3.0%	2.9%	2.9%
Development Expenditure	7.8%	9.2%	7.7%	7.0%	6.7%	6.7%
Local	1.6%	2.2%	0.9%	1.6%	1.7%	1.7%
Foreign						
Source: Ministry of Finance						

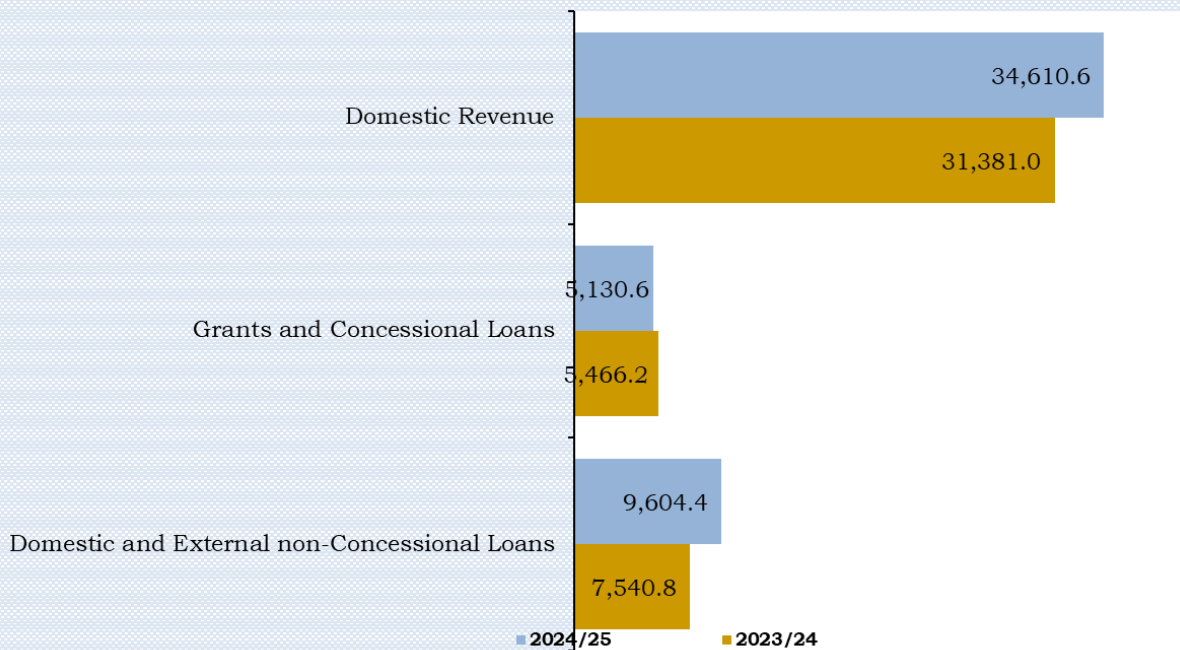
Annex 4: Domestic Revenue and Tax Revenue to GDP Ratio



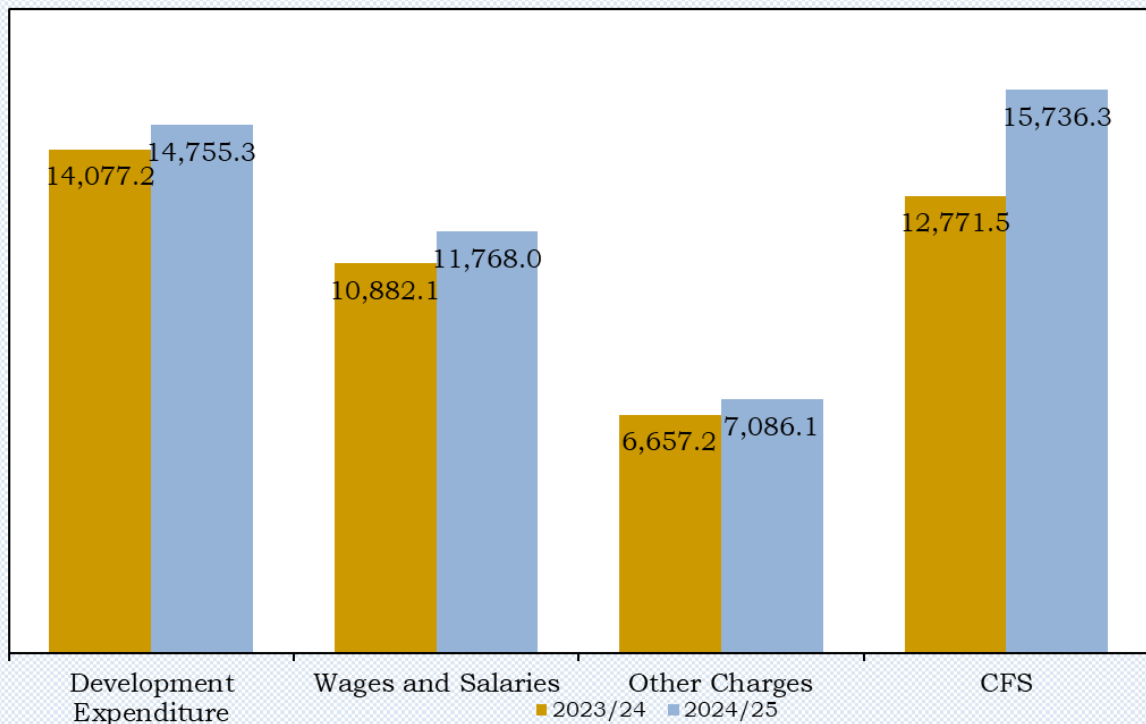
Annex 5: Domestic Revenue Sources



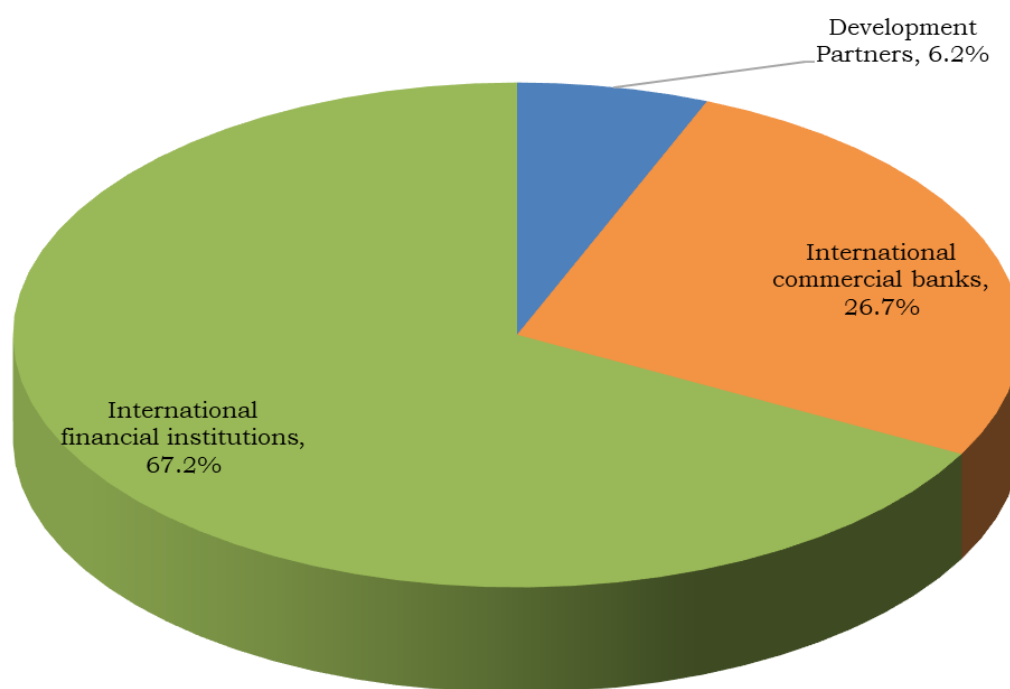
Annex 6a: Revenue Sources (Billion Shillings)



Annex 6b: Government Expenditure (Billion Shillings)



Annex 7: External Debt by Creditor, April 2024



Annex 8: Sector Allocation for 2024/25	
	Billion Shillings
Sector	Budget
Defence, Public order and Safety	5,493.5
Defence	3,323.5
Law Courts	465.9
Public Safety	1,704.1
Economic Development	10,290.7
Agriculture	1,938.1
Energy	1,883.7
Industry	110.8
Labour and Youth skills Development (Job Creation)	34.0
Minerals	231.9
Natural Resources, Environment and Tourism	336.2
Trade	272.0
Works, Transport and Communication	5,483.9
Education	6,166.3
Basic Education	4,393.2
Education Administration	157.2
Higher Education	1,347.0
Science and Technology	72.4
Technical & vocational education and training	196.5
General Public Services	13,240.6
Executive and legislative organs	4,868.8
External Affairs	240.8
Financial and Fiscal Affairs	2,549.0
Debt Repayment (Interest)	5,582.0
Health	2,540.1
Curative services	1,062.4
Dispensaries	61.0
District Hospitals	901.0
Health Administration	95.7
Health Centers	109.3
Preventive services	310.7
Housing and Community Development	1,421.6
Community Development	320.3
Information Sports and Culture	285.3
Lands, Housing and Human Settlement	174.1
Water	641.9
Social Development	2,653.4
Elderly, Children and Disabilities	50.1
National Health Insurance Fund (NHIF)	446.3
Pension funds	2,157.1
Total Sector excluding Principal Repayment	41,806.2
Debt Repayment (Principal)	7,539.5
Grand Total	49,345.7

Annex 9: Grants and Concessional Loans, 2024/25					
DP	GBS	BASKET	PROJECT	TOTAL TSHS	TOTAL USD
Abu Dhabi Fund	-	-	21,736,301,792	21,736,301,792	8,507,359
AfDB	-	-	420,531,030,291	420,531,030,291	164,591,401
Canada	-	27,700,947,000	-	27,700,947,000	10,841,858
China	-	-	4,494,883,750	4,494,883,750	1,759,250
European Investment Bank	-	-	38,325,000,000	38,325,000,000	15,000,000
European Union - EU	109,024,424,720	-	15,869,130,772	124,893,555,492	48,882,018
Finland	-	5,970,354,940	-	5,970,354,940	2,336,734
France - AFD	-	-	128,113,321,000	128,113,321,000	50,142,200
GAVI	-	-	113,927,343,211	113,927,343,211	44,589,958
GEF	-	-	10,653,440,420	10,653,440,420	4,169,644
Germany	-	-	95,670,697,500	95,670,697,500	37,444,500
Global Fund	-	-	229,934,587,074	229,934,587,074	89,993,968
HJFMRI	-	-	5,533,541,884	5,533,541,884	2,165,770
IFAD	-	-	25,718,119,000	25,718,119,000	10,065,800
ILO	-	-	383,250,000	383,250,000	150,000
IMF	742,000,000,000	-	-	742,000,000,000	290,410,959
IMMA Health World	-	-	7,984,375,000	7,984,375,000	3,125,000
India	-	-	75,883,500,000	75,883,500,000	29,700,000
International Livestock Institutes	-	-	797,160,000	797,160,000	312,000
Irish Aid	-	-	12,265,804,571	12,265,804,571	4,800,706
KOICA	-	5,110,000,000	40,740,860,643	45,850,860,643	17,945,542
Kuwait Fund	-	-	39,509,994,680	39,509,994,680	15,463,794
Norway	-	-	120,085,000	120,085,000	47,000
OPEC	-	-	4,795,827,097	4,795,827,097	1,877,036
Spain	-	-	73,097,079,885	73,097,079,885	28,609,425
Sweden	-	-	86,155,242,039	86,155,242,039	36,915,501
Switzerland	-	7,665,000,000	-	7,665,000,000	3,284,273
UNDP	-	-	649,808,040	649,808,040	278,428
UNFPA	-	766,500,000	3,726,488,735	4,492,988,735	1,925,140
UNICEF	-	750,000,000	27,260,895,423	28,010,895,423	12,002,012
Ireland	-	10,220,000,000	-	10,220,000,000	10,220,000,000
UK - HBC	-	15,968,750,000	-	15,968,750,000	7,984,375,000
USAID	-	-	15,932,115,493	15,932,115,493	6,826,538
World Bank	638,750,000,000	104,740,448,060	1,962,135,691,980	2,705,626,140,040	1,159,297,358
TOTAL	1,489,774,424,720	178,892,000,000	3,461,945,575,280	5,130,612,000,000	20,307,836,172
Source: Ministry of Finance					

Annex 10: Road Accidents Statistics																				
Year	Private Cars				Mabasi ya Abiria (PSV)				Daladala (PSV)				Taxi cabs (PSV)				Special Hire (PSV)			
	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties
2019	1,330	880	435	894	220	156	81	316	378	227	145	471	49	34	12	30	62	45	36	46
2020	733	581	312	597	196	105	147	318	201	102	142	346	23	14	7	18	45	37	41	58
2021	752	503	369	393	210	182	114	620	200	144	100	270	24	16	22	23	57	39	32	48
2022	796	553	400	490	178	145	185	564	200	150	165	362	16	11	15	29	70	63	85	67
2023	796	573	459	623	178	145	185	564	200	160	161	294	16	11	26	68	70	60	85	145
Jan - May 2024	215	160	115	180	70	57	70	126	44	37	64	67	10	7	15	5	22	19	23	40
Total	4,622	3,250	2,090	3,177	1,052	790	782	2,508	1,223	820	777	1,810	138	93	97	173	326	263	302	404
Year	Malori /Ya tela				Pikipiki				Baiskeli				Pick ups				Mikokoteni			
	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties	Vehicles	Accidents	Deaths	Casualties
2019	509	336	281	271	745	628	355	526	110	70	52	45	401	328	42	235	1	-	-	-
2020	391	223	248	226	570	505	319	422	99	36	21	30	168	108	29	110	4	3	4	1
2021	340	224	215	237	614	516	334	322	62	30	27	22	60	44	32	88	-	-	-	-
2022	398	251	277	269	680	448	332	332	59	27	37	27	95	72	49	146	2	-	-	2
2023	393	250	269	358	662	435	376	381	59	27	37	40	95	72	49	241	2	-	-	2
Jan - May 2024	129	95	78	119	200	125	104	138	16	11	11	2	17	13	13	9	-	-	-	-
Total	2,160	1,379	1,368	1,480	3,471	2,657	1,820	2,121	405	201	185	166	836	637	214	829	9	3	4	-



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