THE UNITED REPUBLIC OF TANZANIA

SPEECH BY THE MINISTER FOR FINANCE, HON. AMBASSADOR KHAMIS MUSSA OMAR (MP), PRESENTING TO THE NATIONAL ASSEMBLY, THE ESTIMATES OF GOVERNMENT REVENUE AND EXPENDITURE FOR 2026/27

Industries: Increasing production, tax base, employment and forex

"Building Economic Resilience through Digital Transformation, Strategic Investment and Fiscal Sustainability for Inclusive Growth"

11th JUNE 2026 DODOMA

THE UNITED REPUBLIC OF TANZANIA

SPEECH BY THE MINISTER FOR FINANCE, HON. AMBASSADOR KHAMIS MUSSA OMAR (MP.), PRESENTING TO THE NATIONAL ASSEMBLY THE ESTIMATES OF GOVERNMENT REVENUE AND EXPENDITURE FOR 2026/27

“Building a resilient economy through digital transformation, strategic investment, and sustainable fiscal policies for inclusive economic growth”

11 June 2026 **Dodoma**

I. INTRODUCTION

1. **Honourable Speaker**, I beg to submit to your Esteemed Parliament to receive, deliberate and approve the Government revenue and expenditure estimates for 2026/27. This submission is made in accordance with: Article 137 of the Constitution of the United Republic of Tanzania, 1977; Section 23(3) of the Budget Act, Chapter 439; and Order 127 of the National Assembly Standing Orders, August 2025 Edition.

2. **Honourable Speaker**, along with this budget speech, I submit four (4) volumes of books which provide comprehensive statistical details of the Government Budget. **Volume I** presents revenue estimates; **Volume II** outlines recurrent expenditure estimates for Ministries, Independent Departments and Government Agencies. **Volume III** is recurrent expenditure estimates for Regional Commissioners' Offices and Local Government Authorities, and **Volume IV** presents development expenditure estimates for Ministries, Independent Departments, Government Agencies, Regional Commissioners' Offices and Local Government Authorities.

3. **Honourable Speaker**, I also submit, the Finance Bill 2026; the Appropriation Bill 2026; Gender Budget Statement; as well as the Fiscal Risk Statement.

4. **Honourable Speaker**, at the outset, I express my heartfelt gratitude to the Almighty God, Merciful and Generous, for granting us good health and the opportunity to participate effectively in the Third Session of the 13th Parliament of the United Republic of Tanzania.

5. **Honourable Speaker**, I would like to commend our principal leaders for great achievements they continue to bring to our country. In this regard, I join my fellow Ministers in sincerely congratulating Her Excellency Dr. Samia Suluhu Hassan, the Chairperson of *Chama Cha Mapinduzi* (CCM), for a landslide victory as the President of the United Republic of Tanzania in the 2025 General Election. I congratulate Her Excellency for firm leadership and patriotism in serving the citizens. We have continued to witness the tremendous work in accelerating development of our country under the slogan **"*Kazi na Utu…Tunasonga Mbele*"**. I urge Honourable Members of Parliament, and citizens altogether, to

pray for good health and divine guidance of our President Dr. Samia Suluhu Hassan as she serves and lead our nation.

6. **Honourable Speaker**, I would also like to congratulate His Excellency Ambassador Dr. Emmanuel John Nchimbi, Vice President of the United Republic of Tanzania, for his professionalism in assisting and advising Her Excellency the President in leading our nation. Let me also take this opportunity to congratulate His Excellency Dr. Hussein Ali Mwinyi for being re-elected as the President of Zanzibar and the Chairman of the Revolutionary Council. This is a testament to the acceptance of his able leadership and sincere commitment in advancing development to the people of Zanzibar.

7. **Honourable Speaker**, I congratulate Honourable Dr. Mwigulu Lameck Nchemba, firstly, for being trusted and re-elected as the Member of Parliament for Iramba West constituency, secondly, for being trusted and appointed by Her Excellency the President and approved by your Esteemed Parliament as the Prime Minister of the United Republic of Tanzania. In the same vein, allow me to commend him for

his continued excellence in overseeing and coordinating Government affairs.

8. **Honourable Speaker**, once again, and in a special way, I extend my sincere gratitude to Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, for trusting and appointing me as a Member of Parliament and Minister for Finance with the responsibility of assisting the implementation of the CCM Manifesto. This represents immense trust and obligation bestowed upon me. I pledge before this Parliament to always serve with competence and integrity in the broader interests of our Nation.

9. **Honourable Speaker**, with grief and deep sorrow, I extend my sincere condolences to Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania; to you personally; Honourable Members of Parliament; and all Tanzanians on the passing of our beloved ones: Honourable William Vangimembe Lukuvi, former Minister of State in the Prime Minister's Office (Policy, Parliament, Coordination and Persons with Disabilities) and Member of Parliament for Isimani Constituency; Honourable Jenista Joackim Mhagama, former Member of Parliament for

Peramiho Constituency; and Honourable Halima Iddi Nassor, former Member of Parliament for Special Seats. We will continue to remember them for their contributions and distinguished service in this Esteemed Parliament and to the nation at large.

10. **Honourable Speaker**, I extend my condolences to the Catholics, as well as to relatives and friends, following the passing of the Archbishop Emeritus of the Archdiocese of Dar es Salaam, His Eminence Polycarp Cardinal Pengo. The Late Cardinal Pengo will be remembered for his great contribution to the nation, especially through his apostolic representation of the Catholic Church, both within and outside the country.

11. **Honourable Speaker**, there are our fellow Tanzanians who have been affected by various disasters such as road accidents, diseases, and effects related to climate change that caused loss of lives, casualties, and damage of properties and infrastructure. I pray for eternal peace for all the deceased and a quick recovery for the injured so that they may resume their daily activities. Further, I extend my condolences to all Tanzanians who lost their relatives, friends, and properties as

a result of those disasters. As servants of God, we should remember that **we are all His and to Him we shall return**.

II. REVIEW OF THE ECONOMIC PERFORMANCE AND BUDGET IMPLEMENTATION FOR 2025/26

Economic Performance

12. **Honourable Speaker**, the economy has continued to remain resilient despite various challenges that continue to emerge around the world. Nominal GDP reached 234.1 trillion shillings in 2025, equivalent to USD 91.8 billion. Further, real GDP grew by 5.9 percent in 2025. Moreover, from July 2025 to April 2026: the headline inflation averaged 3.4 percent which is within the medium-term target of between 3.0 – 5.0 percent; and credit to the private sector increased by an average of 20.2 percent, thereby stimulating economic activities. As of April 2026, foreign exchange reserves stood at USD 5,722.5 million, sufficient to cover imports of goods and services for not less than 4.4 months. This is in line with the national target of covering imports of goods and services for at least four (4) months. Likewise, the value of the shilling against the currencies of major

trading partners continued to strengthen, where for the year ending April 2026 the value of the shilling against the US dollar appreciated by an average of 2.7 percent.

13. **Honourable Speaker**, on the other hand, the preliminary results of the 2025 Integrated Household Budget Survey (IHBS) show that basic needs poverty has declined to 25.1 percent of the population compared to 26.4 percent in 2017/18. Further, according to these results, poor households benefiting from the Productive Social Safety Net Program (PSSN) under Tanzania Social Action Fund (TASAF) have decreased to 6.7 percent of the population in 2025 from 8.4 percent in 2017/18. These findings imply that we still have significant work in fighting poverty. *A comprehensive assessment of the trends in macroeconomic indicators is outlined in the National Economic Survey Report for the year 2025.*

Budget Implementation

14. **Honourable Speaker**, your Esteemed Parliament approved a total Government Budget of 56.49 trillion shillings in 2025/26. Out of that, revenue amounts to 41.39 trillion shillings

(including 925.1 billion shillings as grants), and 15.10 trillion shillings is domestic and external loans. On the other hand, expenditure includes: salaries and entitlements for public servants amounting to 7.71 trillion shillings; goods and services 7.81 trillion shillings; interest and principal payments 14.21 trillion shillings; subsidies, social contributions, social benefits and other expenses 23.98 trillion shillings; and acquisition of non-financial assets of 2.78 trillion shillings.

Revenue

15. **Honourable Speaker**, from July 2025 to April 2026, the Government collected revenue (including grants) amounting to 34.75 trillion shillings, equivalent to 101.8 percent of the target. Out of that: tax revenue reached 28.10 trillion shillings, equivalent to 105.1 percent of the target; other revenue (non-tax revenue and revenue collected by Local Government Authorities) amounted to 5.92 trillion shillings, equivalent to 89.5 percent of the target; and grants from Development Partners amounted to 740.5 billion shillings, equivalent to 96.1 percent of the target.

16. **Honourable Speaker**, the efficiency in tax revenue collection has been driven by widening of the tax base as a result of improved economic activities and increased voluntary tax compliance due to measures taken by the Government which include: strengthening revenue collection systems; providing tax education to the public; and engaging in consultative dialogues between the Government and taxpayers.

17. **Honourable Speaker**, I sincerely extend my appreciations to patriotic Tanzanians who voluntarily fulfil their obligation of paying taxes. This positive response has continued to strengthen the Government's capacity to finance essential social and economic services by more than 70.0 percent.

Expenditure

18. **Honourable Speaker**, from July 2025 to April 2026, total Government expenditure, excluding principal for debt repayment, amounted to 40.92 trillion shillings, equivalent to 98.8 percent of the target for the period. This expenditure comprised: salaries and entitlements for public servants amounting to 7.02 trillion

shillings; interest payments amounting to 5.09 trillion shillings; procurement of goods and services amounting to 7.02 trillion shillings; subsidies, social contributions, social benefits and other expenses amounting to 19.41 trillion shillings; and acquisition of non-financial assets amounting to 2.38 trillion shillings.

19. **Honourable Speaker**, the Government has incurred specific expenditures to finance the implementation of projects and provision of various services, including:

(i) 2.86 trillion shillings for construction of roads, bridges, and airports;

(ii) 1.59 trillion shillings for electricity generation, transmission, and distribution projects including the National Grid. The Government has completed and launched the Julius Nyerere Hydropower Project generating 2,115 MW and resulting to power generation capacity to reach 4,522.54 MW. Further, through the Rural Energy Agency (REA), the Government disbursed 521.3 billion shillings for rural electrification, enabling a total of 39,003 hamlets to gain access to electricity;

(iii) 1.58 trillion shillings for strengthening of vocational training institutions, skills development for youth and construction of learning infrastructure, as well as higher education student loans for 284,487 students, and Fee-Free compulsory education to 16,838,013 students;

(iv) 1.27 trillion shillings for construction and rehabilitation of railway infrastructure including 1.12 trillion shillings for Standard Gauge Railway (SGR), whereby construction of Dar es Salaam to Dodoma segment (Lot 1 & 2) is completed and operational;

(v) 870.4 billion shillings for implementation of urban and rural water supply projects as well as development of National Water Grid project and construction of dams, including Kidunda dam which will serve Morogoro, Pwani and Dar es Salaam regions;

(vi) 681.7 billion shillings for procurement of medicine, equipment, medical equipment and reagents, as well as the construction and rehabilitation of infrastructure for health services;

(vii) 667.3 billion shillings for payment of verified arrears to suppliers, service providers, contractors and consultants; and 302.0 billion shillings for construction of infrastructure and stadiums, and participation in the AFCON 2027 tournament.

20. **Honourable Speaker**, investments in those areas have: enhanced access to electricity; improved social services including education, health, and water; stimulated growth of other economic activities such as industry, trade, mining, communication, transport, and transportation; and increased employment opportunities. The assessment of the implementation of various development projects is as presented in the sectoral ministries' budget speeches.

Budget Deficit Financing

21. **Honourable Speaker**, as of April 2026, the Government had borrowed a total of 11.29 trillion shillings from domestic and external markets, equivalent to 89.5 percent of the target. Out of that,

domestic borrowing was 5.08 trillion shillings, of which 2.55 trillion shillings was for rolling over maturing obligations, and 2.53 trillion shillings were used to finance development projects. In addition, external borrowing amounted to 6.20 trillion shillings, of which 4.61 trillion shillings were concessional loans and 1.59 trillion shillings were non-concessional borrowings.

Government Debt

22. **Honourable Speaker**, as of March 2026, the Government debt stood at 114.34 trillion shillings, of which domestic debt was 38.45 trillion shillings equivalent to 33.6 percent, and external debt was 75.89 trillion shillings (66.4 percent). The amount borrowed was directed towards strategic areas that stimulate economic growth, including the development of transport, energy and communication infrastructure.

23. **Honourable Speaker**, Debt Sustainability Analysis conducted in November 2025 indicated that the debt is sustainable in the medium and long term. The present value of Government debt to GDP is 39.6 percent compared to the threshold of 55 percent; external debt to GDP is 24.4 percent

against the threshold of 40 percent; and external debt to exports is 123.1 percent against the threshold of 180 percent. This demonstrates that our country has a strong capacity to manage and sustain its debt without compromising macroeconomic stability.

24. **Honourable Speaker**, alongside those achievements, international renowned rating agencies, **Moody's Investors Service** and **Fitch Ratings Ltd**, conducted the first phase assessment of the country's debt servicing capacity for 2026. The results indicated that Tanzania remains creditworthy and has a strong capacity to service its debt obligations. This reflects robust economic growth, implementation of structural reforms which improves the business and investment environment, as well as prudent public expenditure management and increased Government revenue.

25. **Honourable Speaker**, subsequent to the Government initiatives in debt management, Tanzania emerged as the overall winner of the Government Debt Management Award among Commonwealth countries. This achievement is attributed to the institutional reforms undertaken

by the Sixth Phase Government under the leadership of Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, including ensuring the proper utilization of loan proceeds for development projects. Through your Esteemed Parliament, I wish to assure Tanzanians that the Government will continue to safeguard debt sustainability and ensuring low borrowing costs by: advancing economic reform; strengthening domestic revenue mobilization; prioritizing concessional financing; and enhancing production and value addition of domestic goods in order to increase exports and thereby foreign exchange earnings.

III. CROSS-CUTTING ISSUES

Impacts of geopolitical tensions

26. **Honourable Speaker**, the global economy has been navigating through periods of turbulence including: COVID-19 pandemic; the Russia – Ukraine crisis; tariff and trade disputes between United States of America and other nations particularly China; and the recent tension involving Iran, the United States of America and Israel, which began in late February 2026.

27. **Honourable Speaker**, Tanzania is part of the global economy, particularly through international trade and investment, and the presence of such tensions has affected economic and social sectors in the country. For instance, retail prices for petrol and diesel in Dar es Salaam have increased by 44 percent and 49 percent respectively between March and May 2026. During the same period, the prices of imported fertilizer have also increased by 4 percent to 46 percent depending on the type of fertilizer. Tanzania relies on imported fertilizer for more than 80 percent, with 70 percent imported from the Middle East.

28. **Honourable Speaker**, I wish to inform your Esteemed Parliament that the Government continues to monitor the situation and take decisive measures to address these challenges for the welfare of citizens and stability of our economy. Firstly, the Government has ensured reliable fuel supply by importing sufficient quantities. Secondly, the Government continues to closely monitor the trend of fuel prices through relevant authorities, and has taken measures to cushion the impact of the price increase, including provision of a subsidy of 259 shillings and 535 shillings per litre of diesel for May and June 2026,

respectively. Thirdly, strengthening management of monetary and fiscal policies in order to control inflation in collaboration with financial institutions and private sector stakeholders. The objective is to ensure price stability of essential goods.

29. **Honourable Speaker**, in the medium term, the Government will accelerate implementation of the Strategic Petroleum Reserve (SPR) project to ensure adequate fuel reserves during political and economic crises and sudden price fluctuation in global oil markets. Further, the Government will accelerate investment in alternative energy sources, including natural gas and renewable energy to reduce dependency on imported fuel.

30. **Honourable Speaker**, in the agricultural sector, the Government promotes: the importation and use of affordable alternative top - dressing fertilizers such as CAN and SA; the implementation of a special subsidy programme for domestic producers; and the use of organic and liquid fertilizers which are not subsidized. Further, the Government will continue to settle subsidy claims to ensure the availability of affordable fertilizers for the 2026/27 season. Similarly, the Government

will continue to promote and facilitate domestic production across various sectors, as well as improving the business and investment environment, in order to reduce dependency on imported products that are constantly affected by changes in global economic conditions.

Climate Change

31. **Honourable Speaker**, Tanzania continues to experience impacts of climate change. This situation affects key sectors of the economy particularly agriculture, water, health, transport, and energy. In addressing these impacts, the Government has continued to undertake various measures, including utilization of the Contingent Emergency Response Component (CERC) under the World Bank. In the period between 2024/25 and 2025/26, the Government received a total of USD 320 million through CERC for rehabilitation of critical infrastructure damaged by climate change. Further, the Government will continue to ensure that climate change issues are fully mainstreamed into national plans and budget.

32. **Honourable Speaker**, the Government will continue to incentivise the use of clean energy, including development of enabling infrastructure

to support its utilization in various activities such as cooking, industry, transport and transportation. The objective is to ensure availability of safe and sustainable energy, save time, reduce costs as well as minimize environmental and health impacts.

Gender and Social Welfare

33. **Honourable Speaker**, the Government continues to strengthen budget planning and implementation by taking into account the needs of citizens. In this regard, the Government has begun implementation of Gender Responsive Budgeting (GRB), to ensure equal access to resources among women and men, girls and boys, as well as people with special needs for inclusive and sustainable development. *Detailed information regarding the 2026/27 Gender Responsive Budget Statement for nine (9) Ministries, two (2) Regional Commissioners' Offices and two (2) Local Government Authorities is attached.*

34. **Honourable Speaker**, in recognition of the importance of inclusive economic growth, the CCM led Government under the leadership of Her Excellency President, Dr. Samia Suluhu Hassan, has continued to empower citizens economically by

extending credit to youth, women and persons with disabilities. As of April 2026, the Government had provided credit amounting to 135.8 billion shillings to 13,062 groups through the 10 percent of own source from LGAs.

35. **Honourable Speaker**, the Government has also established the Machinga Empowerment Fund to support small-scale traders commonly known as Machinga, whereby 18.5 billion shillings was allocated in 2025/26 to extend credit to these traders. To strengthen the Fund, the Government will allocate additional of 10.5 billion shillings in the 2026/27 budget. Further, the Government has allocated 200 billion shillings under the National Youth Economic Empowerment Programme whereby as of April 2026, 52.6 billion shillings was disbursed to provide credit to eligible youths engaged in economic activities across sectors.

36. **Honourable Speaker**, in 2025/26, the Government launched the Logistics and Export Facilitation Centre to facilitate access to equipment/products and exports. This centre provides services to small-scale entrepreneurs and youth, as well as investors who require assistance in expanding their business and investment

activities. In addition, the centre will facilitate access to capital, international markets for domestically produced goods, and streamline the import and export of cargo as well as facilitating access to raw materials, machinery, and other essential equipment.

37. **Honourable Speaker**, on the other hand, the Government is implementing the National Ageing Policy of 2003, 2024 Edition, which aims at strengthening care, health and social protection services to aged people. From July 2025 to April 2026, the Government spent 3.2 billion shillings for essential care services to aged and vulnerable people in government-managed elderly care homes, while facilitating access to health insurance and medical fee exemption services for aged people. Further, the Government has continued to identify and include elderly in the PSSN program under TASAF.

Development of the Capital City – Dodoma

38. **Honourable Speaker**, through Presidential Decree No. 320 of 1973, Dodoma was declared the Capital City of the United Republic of Tanzania during the First Phase Government

under the leadership of Mwalimu Julius Kambarage Nyerere, the Father of the Nation. Accordingly, the Parliament of the United Republic of Tanzania became the first Pillar of the State to officially move to the Capital, and February 2026 marked 30 years since its relocation. In this regard, allow me to take this opportunity to commend your Esteemed Parliament on this significant milestone.

39. **Honourable Speaker**, the Executive officially relocated to Dodoma in 2017 under the Fifth Phase Government led by the late Dr. John Joseph Pombe Magufuli. Her Excellency Dr. Samia Suluhu Hassan under the slogan **"Kazi iendelee"**, has further accelerated the development of Dodoma as the Capital city. To date, all three pillars of the State have relocated to Dodoma, with the Judiciary operating from a modern and iconic court complex that stands as a model in African continent, while the Government City at Mtumba continues to take shape with distinctive features and structures. In addition, the State House at Chamwino is completed and continues to serve as the principal centre for governance. **Indeed, Dodoma is now flourishing.**

40. **Honourable Speaker**, it is the collective responsibility of the Government, private sector, diplomatic missions and international organizations to continue supporting the transformation of Dodoma city into a modern capital in the 21st century. Beyond serving as the administrative Capital, Dodoma will be developed into a symbol of economic transformation, a strategic hub for transport and logistics serving Tanzania and neighbouring countries, and a model of sustainable urban development for other regions and cities across the country. The Standard Gauge Railway (SGR) and Msalato International Airport present important opportunities to accelerate the realization of this vision.

IV. 2026/27 BUDGET

41. **Honourable Speaker**, the 2026/27 budget is the first in the implementation of the Tanzania Development Vision 2050 (Dira 2050). This budget has been prepared in line with national, regional, and international frameworks, including: the Fourth National Five-Year Development Plan (2026/27 – 2030/31); *Chama Cha Mapinduzi* (CCM) Election Manifesto 2025; the East African Community Vision 2050; the African Union Agenda

2063; the Sustainable Development Goals 2030; as well as other regional and international agreements to which Tanzania is a signatory.

42. **Honourable Speaker**, the 2026/27 budget has also taken into account the Speech delivered by Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, on 14th November 2025 during inauguration of the 13th Parliament. Specific areas reflected in the budget include: building a resilient, competitive and inclusive economy; improving the business and investment environment; continuing with the implementation of strategic projects; enhancing the use of ICT; promoting value addition to agricultural, fisheries, livestock and mineral products produced domestically; fostering an economy that generates employment and development opportunities for youth, women and various social groups; improving efficiency in the utilisation of public resources; and undertaking reforms of State-Owned Enterprises to enhance efficiency, transparency and productivity.

43. **Honourable Speaker**, this budget presents, among others, proposals for new fiscal policy measures to: promote pro-growth economy;

foster pro-investment and industrialization; increase revenue collection to improve our fiscal sovereignty; and strengthen fiscal discipline.

Theme and Priority Areas for 2026/27

44. **Honourable Speaker**, we prepare and approve plans and budgets to improve economic and social welfare of Tanzanians. The 2022 Population and Housing Census reveals that approximately two-thirds (65.1 percent) of the population reside in rural areas. Further, approximately two-thirds of the population consist of children and youth. Likewise, major cities such as Dar es Salaam, continue to provide opportunities which attract more people from rural areas, while some regions remain less attractive due to their limited economic and social development. This calls for continued investment in: (i) rural revitalisation and development; (ii) agricultural transformation; (iii) social development through provision of quality social services; and (iv) targeted interventions for accelerating economic development in the least developed regions.

45. **Honourable Speaker**, 2026/27 budget has been developed under the theme **"Building a resilient economy through digital transformation, strategic investment, and sustainable fiscal policies for inclusive economic growth."** This theme has been prepared based on five areas of the Annual Development Plan 2026/27, which are: (i) governance, peace, security, and stability;(ii) strong, inclusive and competitive economy; (iii) human capital and social development; (iv) environmental conservation and climate change resilience; and (v) transformative sectors.

46. **Honourable Speaker**, key priorities for the 2026/27 budget include: (a) increasing domestic revenue collection by identifying new sources of revenue, strengthening ICT systems and administrative measures; (b) completion of ongoing development projects and programs; (c) strengthening of productive sectors; (d) improving social services; and (e) improving investment and business environment. Moreover, specific development projects within priority areas that will be implemented by the Government in 2026/27 budget have been outlined in the *Annual Development Plan 2026/27.*

Macroeconomic Targets and Assumptions

47. **Honourable Speaker**, development depends on economic growth and how it trickles down to benefit majority of the citizens. Macroeconomic targets for 2026/27 are as follows:

(i) Accelerate real GDP growth to 6.3 percent in 2026 from 5.9 percent in 2025;

(ii) Contain inflation within a single digit on an average of 3.0 - 5.0 percent in the medium term;

(iii) Increase domestic revenue to 17.1 percent of GDP in 2026/27 from the projected 16.5 percent in 2025/26;

(iv) Increase tax revenue to 13.7 percent of GDP in 2026/27 from the projected 13.2 percent in 2025/26;

(v) Ensure that budget deficit does not exceed 3.0 percent of GDP in 2026/27; and

(vi) Maintain foreign reserves sufficient to cover at least four (4) months of imports of goods and services.

48. **Honourable Speaker**, along with macroeconomic targets, the Government will expedite strategic investments and the development of large economy through industries that rely on minerals and energy particularly rare earth minerals, natural gas, iron ore, and coal. In addition, the Government will continue to leverage the country's strategic geographical location by implementing the TAZARA Railway Revitalisation Project and continue with construction of the Standard Gauge Railway (SGR) from Dodoma to Mwanza and Isaka to Kigoma. The railway projects also provide unique opportunities to stimulate economic development in the regions along their network, five regions for TAZARA and eight regions for SGR.

49. **Honourable Speaker**, preparations of the macroeconomic targets for 2026/27 have considered the following assumptions: robust implementation of the Medium Term Revenue Strategy (MTRS) 2025/26 – 2027/28; increased private sector participation in investment and business activities; resilience to the impacts of both natural and man-made disasters including droughts, earthquakes, pandemics, floods as well as geopolitical tensions; price stability in the

financial and commodity markets; sustained food security; and the existence of peace, security, unity and stability within and in the neighbouring countries.

Strategies to Increase Revenue

50. **Honourable Speaker**, Official Development Assistance (ODA) specifically grants have continued to decline and thus making it unpredictable source for financing the budget. Further, the implementation of projects through loans has continued to encounter challenges, especially when considering debt sustainability, borrowing costs, and its impact on our sovereignty. This situation necessitates the need to accelerate our efforts toward self-reliance. The Government will enhance domestic revenue collection by curbing loopholes for revenue loss and strengthening revenue collection institutions.

51. **Honourable Speaker**, in 2026/27, the Government through the implementation of the Medium-Term Revenue Strategy (MTRS) 2025/26 - 2027/28, will continue to enhance revenue collection by:

(i) Attracting both domestic and foreign investment in order to widen tax base and increase employment opportunities;

(ii) Promoting voluntary tax compliance by strengthening the relationship between the Government and taxpayers through dialogue in various forums, including the Tanzania National Business Council and the CEOs Round Table;

(iii) Strengthening management and promote proper use of the Electronic Fiscal Devices (EFDs) through education and the implementation of various awareness campaigns;

(iv) Developing and improving ICT systems for domestic revenue collection and management, promote the use of Artificial Intelligence and Big Data, as well as ensuring systems integration;

(v) Strengthening management and supervision of the State-Owned Enterprises (SOEs) to ensure: efficiency in collection of non-tax revenue; and dividends and contributions are timely remitted to the Government

Consolidated Fund;

(vi) Ensuring all goods manufactured and consumed domestically as well as imported and exported are registered with barcodes; and

(vii) Undertaking comprehensive analysis and commence implementation of some of the 284 recommendations provided by the Presidential Commission for Tax Reforms.

52. **Honourable Speaker**, in line with the highlighted interventions, the Government intends to introduce the Patriotism Award - *Tuzo ya Uzalendo* through the Electronic Fiscal Device Management System (EFDMS), which will be launched in July 2026. This is to encourage the general public to issue and request EFD receipts when making sales and purchasing goods or services. These awards will be won competitively through lottery, where various prizes will be awarded through lottery draws to determine the winners who issued and demanded receipts.

Investment and Business Environment

53. **Honourable Speaker**, the Government acknowledges the significant contribution of private sector as an important pillar for economic growth, job creation, and the implementation of development projects in the country. Through implementation of the First Blueprint for Regulatory Reforms to Improve Business Environment, the Government has reviewed 55 laws, that among other things, resulted to the reduction or abolition of 374 fees and levies. This initiative has been instrumental in reducing the cost of doing business, improving the investment climate, and increasing business and investment registration in the country. For instance, foreign direct investment increased to USD 21.7 billion in 2024 from USD 14.1 billion in 2018. In addition, the Government will continue to harmonize various levies and fees charged by Government institutions and authorities with the aim of reducing the charges and simplify its payment procedures through Second Blueprint for Regulatory Reforms to Improve Business Environment which is in finalization stage.

54. **Honourable Speaker**, likewise, the Government continues to strengthen private sector

participation as well as cooperation with domestic, regional and international financial institutions including commercial banks, social security funds, International Finance Corporation (IFC), Africa50, Africa Finance Corporation (AFC), and Asian Infrastructure Investment Bank (AIIB), in order to increase access to capital, guarantees, expertise, and technology for implementing development projects in the country.

55. **Honourable Speaker**, in improving access to capital and affordable loans, the Government has initiated formalization of Credit Guarantee Schemes (CGSs) that were under the supervision of the Bank of Tanzania and envisages to establish an independent credit guarantee corporation that will manage those funds. The corporation will strengthen administration and availability of guarantees to entrepreneurs who produce for export.

56. **Honourable Speaker**, the Government will establish an international financial centre, to be known as the Dar es Salaam International Financial Centre (DIFC), with the aim of attracting foreign capital inflows. This initiative intends to

further stimulate growth in various sectors of the economy and capital development in the country.

Formalization of the Informal Sector

57. **Honourable Speaker**, in 2026/27, the Government will continue to create an enabling environment to promote formalization of informal sector in order to enhance market access and financial services especially credit and insurance, as well as creating employment opportunities particularly for the youth through skills development and vocational training. To realize this goal, the following will be implemented:

(i) LGAs to continue allocating and developing business clusters/centres for small and medium entrepreneurs by connecting them with essential infrastructure such as ICTs, water, electricity, and roads;

(ii) Provide credit, vocational training and legal services to small and medium entrepreneurs as an incentive for formalization of economic activities;

(iii) Continue to provide tax and business management education through TRA's Business Facilitation Desk;]

(iv) Coordinate joint inspections by regulatory institutions in selected business areas to reduce inconvenience of doing business without compromising their core mandates; and

(v) Continue to register and issue a single identification card to small scale traders (Machinga) which is integrated with other systems including the National Identification Authority (NIDA) system, for identification and reduction of multiple identity cards.

Financial Inclusion

58. **Honourable Speaker**, to enhance financial inclusion in the country, the Government has continued to foster an enabling environment, including issuing the Banking and Financial Institutions (Non-Interest Banking Business) Regulations, 2025 to enable banks and financial institutions to provide financial services in accordance with Shari'ah. Further, the Government through the Bank of Tanzania has amended Financial Consumer Protection Regulations, 2019 by: extending threshold for an account to be considered dormant from five to twelve months; prohibiting monthly maintenance

fees on dormant accounts; and preventing increasing interest rate as well as fees and penalties for late payments without prior consent by the customer.

Moving towards Cash-Lite Economy

59. **Honourable Speaker**, the Government has continued to strengthen the efficiency of payment systems, enhance security, and facilitate interoperability among payment systems. During 2025/26, the Government, through the Bank of Tanzania, improved the Tanzania Instant Payment System (TIPS) by expanding the range of services through the system, including: Government payments through banks and mobile networks, as well as merchant payments through QR codes. Additionally, the TIPS system has been upgraded to enable international money transfer.

60. **Honourable Speaker**, the improvements have contributed to the increased use of digital financial services, whereby in 2025 transactions processed through this system reached 651 million, valued at 54.95 trillion shillings, compared to 453 million transactions valued at 29.82 trillion shillings in 2024.

61. **Honourable Speaker**, improvements made in payment systems will contribute to Government's efforts to discourage cash transactions in the economy in order to enhance efficiency in transactions, and prevent criminal activities and unnecessary costs including: money laundering; cash handling, transporting and printing costs; and simplifying management and collection of Government's revenue. Therefore, from 2026/27, I propose all payments in the following areas be made through digital means:

(i) Fees, levies, and fares related to Bus Rapid Transit, ferries, bridges, long-distance bus services, online taxi services, parking facilities, air and railway transport;

(ii) Transactions in shopping malls, Gymnasium, cinema theatres, filling stations, motor vehicle sales and purchases, conference and event venues, sports arenas, as well as international trade exhibitions such as Sabasaba and Nanenane;

(iii) All fees and contributions for educational services, covering pre-primary, primary, secondary, tertiary, and universities;

(iv) Payments for accommodation, food and beverages in hotels, restaurants and cafes, together with all services related to tourism;

(v) Transactions in real estate businesses; and

(vi) Agricultural sector activities conducted through cooperative unions and Agricultural Marketing Cooperative Societies (AMCOS) related to strategic crops (cotton, cashew nuts, coffee, tea, sisal, and tobacco) as well as agricultural inputs and pesticides.

62. **Honourable Speaker**, along with these measures, the Government, through the Tanzania Communications Regulatory Authority (TCRA), will phase out mobile recharge scratch vouchers in urban areas. Lessons to be learned from the pilot areas will inform the roll-out of this initiative to the rest of the country.

63. **Honourable Speaker**, the Government, in collaboration with the financial sector stakeholders, will continue to strengthen infrastructure required to support the adoption of digital payment systems, including fast-tracking

issuance of digital payment platforms (LIPA NAMBA and QR Codes) to retail traders like *bodaboda*, food vendors and open markets. In addition, traders who utilize digital platforms for payments will be prioritised when applying for loans from Government and other financial service providers. In line with these measures, the Government emphasizes the following:

(i) The National Identification Authority (NIDA) to commence the implementation of *Jamii Namba* (Social Security Number) as per directives of the Tanzania Digital Economy Strategic Framework 2024 –2034, that aimed at enhancing transparency and identification of records and transactions; and

(ii) Institutions responsible for the issuance of permits to introduce the mandatory conditions of having a bank account for granting licences to business operators engaged in mining, livestock, crops, timber, and fisheries to ensure transactions are made through the respective accounts.

64. **Honourable Speaker**, from 1st July 2026, the Government will require proof of digital payment to serve as a mandatory reference for the

approval of applications relating to the transfer of assets, including land, buildings, and motor vehicles. In this regard, all public institutions, including Ministry of Lands, Housing and Human Settlements, the Tanzania Revenue Authority (TRA), Business Registrations and Licensing Agency (BRELA), and other relevant authorities, shall be required to accept and verify digital payment records as a prerequisite for authorizing transfer of such assets.

Management of Public Expenditure

65. **Honourable Speaker**, in 2024/25, Controller and Auditor General, issued unqualified audit opinion to 555 out of 562 Central Government institutions equivalent to 98.8 percent. On the other hand, 219 out of 221 Regional Commissioners' Offices and Local Government Authorities equivalent to 99.1 percent received unqualified opinions. These achievements imply: developed and improved Public Financial Management systems; quality of financial reports; discipline in public spending; and strengthened accountability in the use of public funds.

66. **Honourable Speaker**, despite these achievements, the Controller and Auditor General's Report highlights several challenges in the management of public expenditure, including: ineligible expenditure; non - compliance of procurement procedures; delays in the completion of projects; and increased cost overruns.

67. **Honourable Speaker**, as part of enhancing discipline in public finance management, the Sixth Phase Government is committed to improve public expenditure management by taking into account the following measures:

(i) Oversee and implement various public finance management guidelines, including Treasury Circular No. 1 on implementation of Government budget;

(ii) Strengthen procurement plans, internal control systems, monitoring, management and compliance systems for legal requirements;

(iii) Strengthen internal audit systems by ensuring that all institutions identify and manage risks that may affect the use of public funds;

(iv) Undertake digital reforms by continuing to integrate all public finance management systems including revenue, expenditure, assets and liabilities systems;

(v) Strengthen management of development projects by aligning preparations and implementation of plans and budget, to ensure projects are implemented on time and reasonable costs;

(vi) Ensure planning, allocation, and disbursement of funds take into account high impact and productive areas, that contribute to economic growth and social welfare;

(vii) Control expenditure on foreign and domestic travels, as well as reducing number of seminars, workshops, and conferences;

(viii) Continue to capacitate local experts in order to strengthen management of ICT systems for enhanced Government operations;

(ix) Strengthening public asset management by ensuring that all Government assets are identified, maintained, and used productively, while preventing losses and misuse;

(x) Continue strengthening operation and management systems by improving performance contracts, institutional structures and board governance in Government’s agencies, institutions, and public corporations;

(xi) Ensure State Owned Enterprises develop and implement strategies for financial independence;

(xii) Facilitate profit-making public corporations to be listed in the Dar es Salaam Stock Exchange to raise capital and reduce dependency on the Government Consolidated Fund;

(xiii) Strengthen contract preparation and management to minimize and control costs arising from court proceedings;

(xiv) Refrain from signing new contracts without budget approved by the Parliament, in accordance with section 51 and 45(b) of the Budget Act, CAP 439;

(xv) Conduct analysis of development projects cost before including them in Government plans and budgets to ensure value for money and in line with the Government’s financing capacity;

(xvi) Develop strategies to create, incubate, and support small, medium, and large-scale entrepreneurs through implementation of Local Content initiatives in Government projects and services;

(xvii) Minimize budget reallocations between votes in order to increase transparency and accountability, and ensure effective implementation of plans and budget;

(xviii) Manage all funds that are outside the Government Consolidated Fund, including ringfenced funds such as the Road Fund, Railway Fund, National Water Fund, Rural Energy Fund, and align their expenditures with the Government's plans and priorities for the respective year; and

(xix) Regulate and control the establishment of new special funds that may reduce the Government's capacity to finance development projects and essential social services, in accordance with Article 135 of the Constitution of the United Republic of Tanzania.

68. **Honourable Speaker**, the Government directs public institutions to consider procurement

of electric and gas-powered vehicles in their plans and budget. This aims to minimize the Government's operating costs and dependence on imported petroleum products.

69. **Honourable Speaker**, these measures are intended to improve public finance management by ensuring that national resources are utilized productively, efficiently and sustainably. Further, the Government will continue to strengthen management and control of public expenditure to achieve the national objectives of building a strong, inclusive, and competitive economy thus realizing the Dira 2050 goals. The Government will also continue to oversee budget implementation in accordance with the Budget Act, CAP 439, together with the Medium-Term Government Plan and Budget Preparation Guidelines (2026/27 – 2028/29), the Public Finance Act, CAP 348, the Local Government Finance Act, CAP 290, the Public Procurement Act, CAP 410, and other relevant guidelines.

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

70. **Honourable Speaker**, the reforms for 2026/27 are anticipated to address critical concerns and align with the aspirations of Tanzanians by fostering a conducive business and investment environment. Furthermore, the reforms will be instrumental in formulating policies that prioritise production and safeguard domestic industries, thereby contributing to the realisation of the objectives set forth in the Tanzania Development Vision 2050 (DIRA 2050). It is imperative to bear in mind that this budget will be the first to be implemented under DIRA 2050.

71. **Honourable Speaker**, the proposed tax reforms for 2026/27 have also taken into consideration some of the recommendations provided by the Presidential Commission for Tax Reforms. Generally, the proposed reforms have focused on the following key areas:

A. Developing Manufacturing Sectors in the Edible Oil and Cotton, Textiles and Apparel Value Chains

Edible Oil Industry

72. **Honourable Speaker**, Edible oil is an important commodity widely consumed in Tanzania and offers significant opportunities for investment, employment and income generation through its value chain. The Government has put in place various tax incentives to promote the cultivation and use of locally produced oilseeds, ensure the availability of this product to the public at affordable prices, as well as develop and protect local industries that process and produce edible oils. Tax measures currently being implemented includes the following:

(i) Value added tax exemption on edible oil produced using locally grown seeds;

(ii) Import duty at the rate of 10 percent on crude edible oil, excluding palm oil;

(iii) Export levy at the rate of 10 percent on crude sunflower oil and its seeds;

(iv) Import duty at the rate of zero percent on crude palm oil (CPO) and a duty rate of 10 percent duty on semi-refined palm oil (palm olein, fractions); and

(v) Import duty at the rate of 35 percent or USD 300 per metric tonne, whichever is higher, instead of the EAC CET rate of 35 percent on all types of refined edible oils.

73. **Honourable Speaker**, following Government consultations with diverse stakeholders, including edible oil producers and the Parliamentary Budget Committee, the following amendments are proposed:

(i) To impose import duty at the rate of 10 percent on all types of crude edible oils, including crude palm oil and semi-refined palm oil. This measure is intended to address the challenge of misdeclaration /misclassification posed by dishonest traders who exploit the lower rates applicable to crude palm oil for the importation of semi-refined palm oil. Further, the implementation of this rate conforms with the current policy direction adopted by certain Partner States of the East African Community, including Kenya and Uganda, which already impose a rate of 10 percent on crude palm oil imported from outside the East African Community;

(ii) To continue granting value added tax exemption on edible oil produced using locally grown seeds;

(iii) To continue imposing import duty at a duty rate of 35 percent or USD 300 per metric ton whichever is higher on refined edible oil. The Government has prepared regulations for the importation of edible oils with the aim of controlling the importation of edible oils into the country to promote and develop the edible oil industry produced using locally sourced seeds; and

(iv) The Government, through the Ministry of Agriculture, will coordinate the issuance of special permits for importers of these edible oils from abroad. These permits will be issued after verifying investments and production of sunflower, cotton, and palm seeds, under the COPRA Regulations of 2026. Additionally, over the next five years, the Government will continue to provide subsidies for sunflower and cotton seeds, along with two million seedlings annually, with the intention of boosting the production of seeds used to produce edible oils, thereby eliminating its importation.

Cotton, Clothing, and Fabric Value Chain

74. **Honourable Speaker**, the textile and apparel sector is one of the industries that involves a long value addition chain, starting from ginning, spinning, weaving, knitting, dyeing and printing, to garment manufacturing.

75. **Honourable Speaker**, recognising the importance of this sector in Tanzania's economy, the Government has continued to create an enabling environment by promoting the use of domestically produced cotton in the production of yarn, fabrics, textiles, and garments, including granting various tax incentives for manufacturers in the country. The current tax incentives being implemented includes:

(i) Zero rate value added tax on garments and clothing produced using locally grown cotton;

(ii) Import duty relief on raw materials, machinery, and spare parts used in the textile production industry;

(iii) Value added tax exemption on the importation of machines used in garment manufacturing industries (textile industry);

(iv) Import duty at the rate of 25 percent on cotton yarn imported from outside the East African Community; and

(v) Import duty at the rate of 25 percent or USD 0.25 per metre of cotton grey fabric, whichever is higher on cotton grey fabric to curb fraud and protect local industries.

76. **Honourable Speaker**, considering the significant contribution of the Cotton, Textile, and Apparel industry to the economy, it is proposed to continue protecting local industries that produce fabrics by taking the following measures:

(i) To increase import duty from 25 percent to 35 percent or USD 0.30 per meter on fabric, whichever is higher; and

(ii) To exempt value added tax on garments and clothing produced using locally grown cotton to promote the use of domestically produced cotton.

A. The Use of Clean and Renewable Energy in Motor Vehicles and Households

77. **Honourable Speaker,** the Government has continued to implement various tax measures that promote the use of electricity and natural gas in the transport sector and households. The current tax incentives being implemented includes:

(i) Excise duty exemption based on engine capacity for vehicles using electricity and gas;

(ii) Value added tax exemption on Compressed Natural Gas (CNG) used in vehicles;

(iii) VAT exemption on CNG distribution equipment, including CNG compressors, CNG metering equipment, CNG storage cascades, CNG special transportation vehicles, and CNG dispensers;

(iv) VAT exemption throughout the entire CNG production chain;

(v) VAT exemption on equipment used to convert motor vehicles fuel systems (petrol/diesel) to gas and electric systems;

(vi) VAT exemption on the importation of raw materials used in the manufacture of gas cylinders for various uses, including those used in motor vehicles;

(vii) Import duty relief on lithium-ion electric accumulators used in the assembling/manufacturing of vehicle and motorcycles; and

(viii) Import duty relief for assemblers and manufacturers of motor vehicles in the country, including those using electricity and gas, in accordance with the East African Community Assembling and Manufacturing of Goods Regulations, 2025, to reduce production costs.

78. **Honourable Speaker,** Considering the importance of promoting the use of electricity and natural gas, for 2026/27, the Government proposes the following:

(i) To exempt value added tax on imported equipment to be used in electric vehicle charging stations classified under HS Code 8504.40.00; and

(ii) To exempt value added tax on imported LPG smart meters classified under HS Code 9028.10.00. This exemption will be granted exclusively to LPG distributors.

B. The Formalisation of Informal Sector

79. **Honourable Speaker**, in 2026/27, the Government will continue to create an enabling environment to promote the formalisation of the informal sector that employs youth and women. To achieve this goal, the Government will implement the following measures:

(i) To introduce income tax exemption for new businesses for a period of one year from the date of obtaining a taxpayer identification number.

(ii) To amend the Local Government Finance Act, Cap 290 to enable Local Government Authorities to allocate 15 percent of their revenues instead of the current 10 percent used to provide loans for women, youth, and persons with disabilities. Out of the 15 percent allocated, 10 percent will be directed towards loans for women, youth, and persons with disabilities, preserving the previous distribution ratio. The remaining 5 percent will be invested in construction projects and the improvement of markets, business and entrepreneurship areas to attract and enhance employment opportunities, particularly for the youth, women, and special groups.

C. Promoting cashless economy

80. **Honourable Speaker**, in order to reduce cash transactions in the 2026/27, it is proposed to make the following amendments:

(i) To set a requirement for certain payments for services and businesses to be made through digital channels, as specified in Paragraph No. 59

(ii) To phase out the distribution and use of scratch airtime voucher in all urban areas equipped with enabling infrastructure for digital payments;

(iii) To set a requirement for the use of digital payment devices (Lipa Namba and TANQR) as one of the criteria during the issuance and renewal of business licenses.

(iv) Introduce a mandatory requirement of opening and maintenance of a bank account a prerequisite for the issuance and renewal of commercial licenses in the mineral, livestock, agriculture, timber, and fisheries sectors while ensuring all business transactions operate through these designated accounts.

(v) To introduce a mandatory requirement for proof of digital payment for approving applications for the transfer of assets such as land, buildings and vehicles as specified in Paragraph No. 62.

D. Administrative Recommendations of the Presidential Commission on Tax Reforms

81. **Honourable *Speaker,*** the Government has considered the administrative recommendations submitted by the Presidential Commission on Tax Reforms. In 2026/27, the Government will implement the following recommendations:

(i) The Tanzania Revenue Authority to strengthen the use of ICT systems, Artificial Intelligence (AI), big data and blockchain in order to reduce administrative costs, increase efficiency, ensure data security and transparency, and improve services to taxpayers through modern technologies. Furthermore, this measure will reduce the necessity for taxpayers to have face-to-face interactions with TRA staff;

(ii) The President's Office - Planning and Investment in collaboration with the Ministry of Industry and Trade, shall establish a specific mechanism for regulatory institutions to conduct joint inspections in investment and business areas, as well as in all activities overseen by regulatory authorities, in a manner that will not cause inconvenience to traders and investors, without prejudice to the core mandates of the respective institutions;

(iii) The Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) shall issue guidelines on the charging of various Local Government Authorities' levies, which will be used by the respective Authorities in preparing by-laws for charging such levies. Furthermore, these guidelines will establish essential conditions, including a maximum cap on the respective levy rates;

(iv) The Prime Minister's Office - Regional Administration and Local Government (PMO-RALG), in collaboration with the Tanzania Revenue Authority (TRA), shall complete the integration of systems, including the TAUSI system and the Integrated Domestic Revenue Administration System (IDRAS), to enable direct data exchange, including information on business licenses and Tax Clearance Certificates. Furthermore, the Government will remove the requirement for traders to upload the Tax Clearance Certificate onto the TAUSI system when applying for a business license; instead, it will be automatically retrieved directly from the TRA system;

(v) The Prime Minister's Office - Regional Administration and Local Government (PMO-RALG), in collaboration with the Tanzania Revenue Authority (TRA), shall complete the development of a specific module within the TAUSI system for registration, identification, and tax payments to enable the collection of taxes and levies based on the usage of the respective building. This database will take into account the following matters:

(a) Detailed information of the respective building, including the plot registration status, plot number, number of houses/rooms on the respective plot/building, the value of the building, and its usage (commercial or private residential);
(b) Details of the owner of the building/buildings, including the NIDA number, phone number, email address, and Taxpayer Identification Number (TIN);
(c) The database will interface directly with other Government systems, including IDRAS and the system of the Ministry of Lands; and
(d) To conduct a review of the procedures, rates, fees, and levies in order to simplify the formalization of land ownership.

(vi) To increase the number of TRA offices in districts or Tax Service Centres, as well as mobile tax centres in areas with high economic activity, in order to bring services closer to taxpayers;

(vii) The Prime Minister's Office - Regional Administration and Local Government (PMO-RALG) shall add a special module to the TAUSI system that will allow street and village executives to register all traders within their areas, including non business licenses holders; and

(viii) TRA to develop a mobile, tablet, or computer application and provide it free of charge to traders to be used for issuing receipts identical to those issued by EFD machines.

82. **Honourable Speaker**, the proposals to amend the tax system for the 2026/27 are expected to generate an additional total of **1.72 trillion** shillings for the Government. The proposed amendments constitute the following laws:

1. Value Added Tax Act, CAP 148

83. **Honourable Speaker**, it is proposed to amend the Value Added Tax Act, Cap 148 as follows:

(i) Establish a requirement for VAT refunds to be paid within 30 days from the date of submission of the refund application. Concurrently, taxpayers shall be legally entitled to interest if the refund is delayed. This measure aims to incentivize voluntary tax compliance and enhance the accountability of the Tanzania Revenue Authority;

(ii) To exempt airline boarding passes from Value Added Tax (VAT). This amendment implements Tanzania's obligations under ratified Air Transport Agreements, which require the Government to exempt specified aviation documents from domestic taxation as prescribed by International Air Transport Guidelines;

(iii) To include dairy packaging materials identified with HS Code 3920.20.90 locally produced and imports in the scope of products that receive VAT exemption. The aim of this measure is to provide relief to the dairy sector in the country and enable local producers of diary products to compete in regional and international markets. This measure is expected to **reduce** Government revenue by **17.8 million** shillings;

(iv) To remove the sunset clause on Value Added Tax (VAT) deferment for imported capital goods. While this restriction was scheduled to take effect on **1 July 2026** to protect local manufacturing, recent market assessments reveal that domestic production cannot yet meet local demand. Implementing this restriction would inadvertently stifle national investment. Consequently, this measure maintains the VAT deferral to lower upfront investment costs and ensure capital goods remain affordable;

(v) To exempt value added tax on imported equipment to be used in electric vehicle charging stations classified under HS Code 8504.40.00. This measure is expected to **reduce** Government revenue by **5.97 billion** shillings;

(vi) To exempt value added tax on turbojets, turbo-propellers and other gas turbines classified under HS Heading 84.11; as well as aircraft tires classified under HS Code 4011.30.00. The objective of this measure is to reduce operating costs and stimulate investment in the aviation sector in the country. This measure is expected to **reduce** Government revenue by **14.84 billion** shillings;

(vii) To exempt value added tax on imported LPG smart meters classified under HS Code 9028.10.00. The exemption will be granted only to LPG distributors. This measure is expected to **reduce** Government revenue by **16.8 million** shillings;

(viii) To exempt value added tax on edible oil produced locally using locally produced seeds for a period of one year. This exemption was granted for a period of one year through the Finance Act of 2025 and its expiry date is 30th June 2026. The objective of this measure is to continue with a relief on the price of edible oil in the country;

(ix) To exempt value added tax on clothes and garments produced using locally grown cotton with the aim of encouraging the use of locally produced cotton. This measure is expected to **save** Government revenue arising from VAT refunds to the extent of **6.3 billion** shillings;

(x) To abolish value added tax exemption on imported fishing nets classified under HS Code 5608.11.00. This measure goes concurrently with exemption of value added tax on polyester fibres classified under HS Code 5402.20.00 used in the production of fishing nets. The aim of this measure is to reduce production costs and attract investment in the country. This measure is expected to **increase** Government revenue by **2.55 billion** shillings;

(xi) To abolish the value added tax exemption on dog and cat food classified under HS Heading 23.09 locally produced and imported. The objective of this measure is to be in line with the Government's commitment to reduce ineffective exemptions in order to protect Government revenue as well as reduce tax expenditures. This measure is expected to **increase** Government revenue by **6.73 billion** shillings;

(xii) To amend the Value Added Tax Act to recognize the tax exemption provisions stipulated in Framework Agreements signed between the Government and mining investors as approved by the Cabinet. This measure aims to accelerate the execution of joint venture mining projects across the country. Additionally, the Government will establish standard operating procedures to guide the granting of these exemptions. This amendment fulfills the state's contractual obligations, optimizes project timelines, and ensures smooth implementation of joint venture projects.

84. **Honourable Speaker**, All the value added tax measures in general are expected to **reduce** Government revenue by an amount of **26.6 million** shillings.

2.The Income Tax Act, CAP 332

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

(i) To amend the Income Tax Act CAP. 332 to grant a twelve-month income tax holiday to newly registered taxpayers operating exclusively under the presumptive tax regime. The exemption period shall commence on the date of issuance of the Taxpayer Identification Number (TIN). This statutory amendment repeals the existing requirement under which provisional assessments are issued upon registration and tax liabilities must be settled within six months. Upon expiration of this transitional period, regular presumptive tax rules shall apply. The objective of this reform is to reduce compliance burdens on startups, mitigate early-stage operational disruptions, and ensure future tax assessments align with verifiable historical turnover

(ii) To amend the Income Tax Act CAP. 332 by increasing the statutory upper threshold for the presumptive tax regime from TZS 100,000,000 to TZS 200,000,000. Furthermore, this amendment introduces an optional accounting provision, enabling taxpayers with an annual turnover below TZS 200,000,000 to prepare audited financial statements at their own discretion for the purpose of adopting the self-assessment framework. The primary objective is to harmonize the presumptive tax threshold with the prevailing statutory VAT registration threshold. This compliance enhancement measure is estimated to yield a revenue windfall of **111.13 billion Shillings**.

(iii) To amend the Income Tax Act CAP. 332 by increasing the presumptive tax rate from 3.5 percent to 4.5 percent for taxpayers with an annual turnover between TZS 11 million and TZS 200 million. This measure applies the principles of horizontal and vertical equity by ensuring that the tax burden is fairly distributed based on actual income capacity across different business sizes. This adjustment is projected to **increase** government revenue by 75.11 billion Shillings.

(iv) Increase the rate of income tax on payments made to foreign digital service providers from 2 percent to 3 percent. This measure aims to increase Government revenue by the amount of **1.44 billion shillings;**

(v) Amend section 33A of the Income Tax Act, CAP 332 to reduce the fraction of taxable profit that is deemed to have been distributed to shareholders (deemed retained earnings) from 30 percent to 15 percent. However, this measure will not include small financial sector, Insurance, companies registered on the Dar es Salaam Stock Market (DSE) as well as Institutions that have Framework Agreements with Government. This measure expects to reduce Government revenue by the amount of **23.59 billion shillings;**

(vi) To amend the Income Tax Act, CAP. 332 by expanding the legal interpretation of forest produce to include natural varnish, latex, resin, sap, and gum. Income derived from the sale of these newly categorized commodities will attract 2 percent tax rate, administered as a Single Instalment Tax calculated on gross produce value. The objective of this amendment is to widen tax base and establish horizontal tax equity by aligning these items with existing timber and logging tax frameworks. This revenue mobilization measure is estimated to yield an additional **433.2 million Shillings**.

(vii) Increase the rate of withholding tax on royalties for Sports Institutions or the Tanzania Football Federation from 5 percent to 10 percent. The aim of this measure is to align with the principles of equity in taxation since the rate is charged on royalties for the film industry. The measure is expected to increase the Government's revenue by **1.44 billion shillings;**

(viii) To introduce a requirement of Ministries, Independent Departments, Institutions, Government Agencies, Regional Secretariats and Local Government Authorities to withhold income tax on payments made on the purchase of goods in the country instead of the current procedure that applies to a resident corporation whose budget is wholly or substantially financed by Government budget subvention. The aim of this measure is to increase the scope of the relevant tax collection as well as to protect the Government's revenue;

(ix) To introduce a 1% non-Final Withholding Tax on payment made by a corporation to a person in respect of purchase of food crops at the time of sale or transportation of food crops. The tax shall become due on date of purchase of such produce, prior to its transportation or upon the transfer of ownership of the produce to another person. The tax shall be charged at the rate of one percent (1%) of the prevailing market value of the produce in the respect local government authority and shall be remitted to the Tanzania Revenue Authority (TRA). Upon payment, the purchaser shall be issued with an Advance Single Instalment Tax Certificate as proof of tax compliance, which may be used as evidence of payment during the transportation of the produce. Since the tax constitutes an advance payment of income tax, the amount paid shall be creditable against the purchaser’s income tax liability for the relevant year of income and may be claimed as a tax credit when filing the annual income tax return. This measure is expected to increase the Government's revenue by 99.87 billion shillings;

(x) To introduce 1 percent withholding tax on payment made by companies or institutions to sellers of live animals, unprocessed milk, unprocessed fish and fish maws. Furthermore, the company or institution purchasing the relevant products will be the agent for collecting the tax and submitting it to the Commissioner General of the Tanzania Revenue Authority. The objective of this measure is to increase the tax base, comply with the principles of equity in taxation and continue to formalize the informal sector. This measure is expected to **increase** Government revenue by **49.49 billion** shillings;

(xi) Amendment of Income Tax Law, in order to recognize the tax exemption provisions stipulated in Framework Agreements signed between the Government and mining investors as approved by the Cabinet. This measure aims to accelerate the execution of joint venture mining projects across the country. Additionally, the Government will establish standard operating procedures to guide the granting of these exemptions. This amendment fulfils the state's contractual obligations, optimizes project timelines, and ensures smooth implementation of joint venture projects.

86. **Honourable Speaker**, these income tax measures as a whole are expected to increase the Government revenue by **174.48 billion** shillings**.**

3. Excise Duty Act, Cap 147

87. **Honourable Speaker**, according to Section 126(3) of the Excise Duty Act, Cap 147, ammendments to specific excise duty rates may be adjusted in every three years in accordance with the projected inflation rate and other macroeconomic indicators. The Government introduced this procedure in 2023/24 to enable the country to have predictable tax policies, stimulate economic growth, and create a better environment for doing business and investment.

88. **Honourable Speaker**, the second phase to implement the tax callender is expected to start in 2026/27 during which specific tax rates are

anticipated to increase. However, the adjustments will not include petroleum products due to the global trend of increasing prices following the tension between the United States, Israel and Iran which require robust domestic strategies to prevent inflation, lessen the cost of living burden on citizens, and avoid harming the growth of sectors which depend on petroleum on their operations.

89. **Honourable Speaker**, Despite the improved efficiency attributed by these arrangements particularly in ensuring a predictable tax system, it has been observed that a significant one-time increase in excise duty can negatively affect business growth and investment in the country. Therefore, to address potential challenges and achieve the intended objectives, it is recommended to make amendments to the Excise Duty Act, Cap. 147 by adjusting duty rates upward gradually starting with 8 percent in fiscal year 2026/27 instead of adjusting by a lumpsum amount after every three years. In the subsequent fiscal years, the increase will take into account the inflation rate plus 2 percent. The objective of this measure is to reflect the true value of Government revenue and enable the country to have predictable

tax policies and create a favourable environment for investment. This measure is expected to **increase** Government revenue by approximately **251.54 billion shillings;**

90. **Honorable Speaker**, along with that measure, it is also recommended to make amendments to other products as follows:

(i) To amend the Excise Duty Act, CAP 147 to recognize the tax exemption provisions stipulated in Framework Agreements signed between the Government and mining investors as approved by the Cabinet. This measure aims to accelerate the execution of joint venture mining projects across the country. Additionally, the Government will establish standard operating procedures to guide the granting of these exemptions. This amendment fulfils the state's contractual obligations, optimizes project timelines, and ensures smooth implementation of joint venture projects

(ii) To impose excise duty at a rate of 20 percent on imported artificial flowers, foliage, artificial fruits, and similar imported products classified under HS Heading 67.02. The aim of this measure is to reduce environmental impacts caused by the use of these products and to widen the tax base and increase Government revenue. This measure is expected to **increase** Government revenue by **852.8 million Shillings.**

(iii) To extend the scope of excise duty to non-resident suppliers rendering excisable services through online platforms directly to end-users (B2C) without physical presence in Tanzania. The objective of this measure is to align with equity principle of taxation and ensure fair competition between traditional service providers and online providers. This measure is expected to **increase** Government revenue by **1.63 billion Shillings**.

(iv) To impose excise duty at the rate of 10 percent on imported ultraviolet/light-emitting diodes (UV/LED) gel nail curing machines used for manicure or pedicure, classfied under HS Code 8516.79.00. The objective of this measure is to widen tax base and reduce potential health risks associated with the use of these products, including long term cancer risk. This measure is expected to **increase**

Government revenue by **566.5 million Shillings**.

(v) To increase the excise duty on beauty products classified under HS Headings 33.03; 33.04; 33.05; and 33.07 from 10 percent to 15 percent. The aim of this measure is to increase Government revenue and align the rate with tariffs applied by some East African Community member countries, including Kenya, Uganda, and Rwanda. This measure is expected to **increase** Government revenue by **1.91 billion Shillings**.

(vi) To impose a 5 percent excise duty on motorcycles, excluding motorcycles specifically designed for transporting emergency patients (motorcycle ambulances), motorcycles that uses natural gas, and electric motorcycles. The aim of this measure is to align with the Government's objectives to promote the use of clean energy on vehicle transportation in the country. This measure is expected to **increase** Government revenue by approximately **30.40 billion Shillings**.

(vii) To introduce a 10 percent excise duty on imported plastic or rubber clogs classified under HS Code 6402.99.00. The aim of this measure is to protect local industries producing plastic shoes and to encourage local manufactures. This measure is expected to **increase** Government revenue by **10.58 billion Shillings**.

(viii) To impose a 5 percent excise duty on vehicles classified under HS Code 8703.21.90 with engine capacities (CC) from 1,000 and below. The aim of this measure is to address negative externalities, broaden tax base and increase Government revenue. This measure is expected to **increase** Government revenue by approximately 5.71 billion Shillings.

(ix) To impose excise duty at a rate of 5 percent on the value of bets in gambling activities, including land-based or online/internet sports betting, land-based or online/internet casino gaming, forty-machine slot games, and virtual games operations. Additionally, 10 percent of the revenue collected from this source (a 5 percent duty) will be remitted to the Gaming Board of Tanzania (GBT) to improve efficiency and regulation of gambling activities. The aim of this measure is to reduce the consequences caused by gambling which include addiction and a decline in the country's workforce due to a number of youths engaging in these activities instead of productive economic pursuits. Moreover, this measure is expected to increase Government revenue, which, among other things, will be used to finance economic activities. The measure is expected to **increase** Government revenue by **74.5 billion Shillings**; and

(x) To increase the excise duty rate on imported used vehicles from 15 percent to 20 percent for vehicles aged up to eight years but not exceeding ten years, and from 30 percent to 40 percent for vehicles over ten years but not exceeding twenty years. Additionally, vehicles over twenty years old will be subjected to a 50 percent duty rate. This is an anti-dumping measure expecting to reduce the importation of these vehicles which largely contribute to environmental pollution due to the presence of solid waste that incurs high costs for disposal. The measure is expected to **increase** Government revenue by **106.70 billion Shillings.**

91. **Honourable Speaker**, the proposed excise duty measures are expected to **increase** Government revenue by **355.09 billion Shillings.**

4. Tax Administration Act, CAP 438

92. **Honourable Speaker**, I propose to amend the Tax Administration Act, Cap 438 to provide that the Commissioner General of the Tanzania Revenue Authority be permitted to sell perishable goods that have been distrained or seized for various reasons including tax violations and failure to pay tax debt, by public auction or private treaty after giving notice to the taxpayer. The aim of this measure is to avoid loss of value of such goods due to lack of adequate storage facilities as well as to protect Government revenue.

5. Tanzania Revenue Authority Act, CAP 399

93. **Honourable Speaker**, it is proposed to amend the Tanzania Revenue Authority Act, Cap 399 to increase the Customs Processing Fees from 0.6 percent to 1 percent. The objective of this measure is to increase Government revenue to be used in improving the electronic revenue collection

systems. This measure is expected to **increase** Government revenue by **203.23 billion shillings**.

6. Local Government Finance Act, CAP 290

94. **Honourable Speaker**, In the Government's efforts to increase employment opportunities and formalize the informal sector, it is proposed to amend the Local Government Finance Act, Cap 290 to enable Local Government Authorities to allocate 15 percent of their revenues instead of the current 10 percent used to provide loans for women, youth, and persons with disabilities. Out of the 15 percent allocated, 10 percent will be directed towards loans for women, youth, and persons with disabilities, preserving the previous distribution ratio. The remaining 5 percent will be invested in construction projects and the improvement of markets, business and entrepreneurship areas to attract and enhance employment opportunities, particularly for the youth, women, and special groups.

7. Distribution of Revenues of Roads, Rural Energy, Water, and Railway Funds

95. **Honourable Speaker**, it is proposed to amend the Rural Energy Act, Cap. 321; the Road and Fuel Tolls Act, Cap. 220; the Railways Act, Cap. 170; the Water and Sanitation Services Act, Cap. 272; and the Petroleum Act, Cap. 392; to provide for the distribution of revenues from the sources of the Roads, Rural Energy, Water, and Railway Funds as follows:

(i) 70 percent to be transferred directly to the accounts of the said funds for the implementation of the activities of the respective funds;

(ii) 25 percent to be transferred to the Consolidated Fund of the Government; and

(iii) 5 percent to be transferred to a special account at the Bank of Tanzania to finance infrastructure development in export processing zones (EPZ) and special economic zones (SEZ) including compensation of the land acquired by the Government for SEZ establishment.

96. **Honourable Speaker,** these amendments aim to strengthen liquidity of the funds to ensure effective implementation of their functions, availability of the necessary infrastructure of in EPZ and SEZ areas, as well as to foster the Government ability to finance essential needs including the repayment of Government debts.

8. The Land Act, CAP 113

97. **Honourable Speaker**, it is also proposed to amend the Land Act, Cap 113 to provide for the distribution of the 20 percent of the revenue collected from land rent as follows: - 10 percent to be disbursed to the Ministry responsible for Land Affairs and 10 percent to the Local Government Authorities. Additionally, the Ministry responsible for Finance will provide the procedure on the use of the funds. The aim of this measure is to strengthen cooperation and increase efficiency in land surveying and land rent collection.

9. The Bank of Tanzania Act, Cap 197

98. **Honourable Speaker,** in order to strengthen Government fiscal discipline, it is proposed to amend the Bank of Tanzania Act, Cap

197 in order to reduce the maximum allowable threshold of short-term Government borrowing from the Central Bank (overdraft) from the current permitted borrowing limit of 18 percent of the previous fiscal year's actual revenue to 14 percent.

99. **Honourable Speaker**, I also propose to amend the Bank of Tanzania Act, CAP 197, by deleting section 69 and rewriting it to specify the criteria under which the bank may allow short-term loans to the Government in the event of unpredictable or unavoidable occurrences, and to define the matters that will be considered as unpredictable or unavoidable occurrences.

10. The National Planning Commission Act

100. **Honourable Speaker**, I propose to amend section 6 of the National Planning Commission Act to establish a procedure for National development projects to be evaluated based on technical, financial, environmental, and economic criteria before being incorporated into the Government Budget. Furthermore, environmental assessments shall include climate change impact assessments.

11. Research and Investment in the Mining Sector

101. **Honourable Speaker**, to strengthen research and investment in the mining sector, it is proposed that the Ministry responsible for Minerals establishes a Mineral Research Fund which will be capitalized by retaining 10 percent of gross mineral revenue collections by the Ministry. These funds will be deposited into a dedicated account at the Bank of Tanzania (BoT), with expenditures subject to the prior authorization of the Paymaster General.

12. The Tax Revenue Appeals Act, CAP 408

102. **Honourable Speaker**, it is proposed to amend the Tax Revenue Appeals Act, Cap. 408 to extend the statutory timeline for the out-of-court amicable settlement of tax disputes between the Commissioner General of the Tanzania Revenue Authority and the Taxpayer, from 60 days to 90 days from the date of the Tax Appeals Board (TRAB) or Tax Appeals Tribunal (TRAT) issues an order permitting alternative dispute resolution. This measure ensures that parties have sufficient time to resolve tax disputes amicably.

13. The Roads and Fuels Tolls Act, CAP 220

103. **Honourable Speaker,** it is proposed to amend the Roads and Fuels Tolls Act, Cap. 220 to recognize the tax exemption provisions stipulated in Framework Agreements signed between the Government and mining investors as approved by the Cabinet. This measure aims to accelerate the execution of joint venture mining projects across the country. Additionally, the Government will establish standard operating procedures to guide the granting of these exemptions. This amendment fulfils the state's contractual obligations, optimizes project timelines, and ensures smooth implementation of joint venture projects.

14. The Road Traffic Act, CAP 168

104. **Honourable Speaker**, it is proposed to amend the Road Traffic Act, Cap. 168 to allow a vehicle or trailer registered in accordance with the registration laws of Tanzania Zanzibar to be used in Mainland Tanzania with registration numbers of Tanzania Zanzibar, where all taxes on the vehicle or trailer concerned have been paid in accordance with existing laws and procedures of Mainland Tanzania. In addition, this procedure is currently applied to vehicles originating in the Tanzania

Mainland bound for Tanzania Zanzibar. This measure aims to address the challenges in using such vehicles across the two sides of the Union.

15. The Imports Control Act, Cap 276

105. **Honourable Speaker**, it is proposed to make amendments to the Import Control Act, Cap. 276, as follows:

(i) It is proposed to exempt products manufactured within East African Community (EAC) Partner States from the industrial development levy in order to align with the EAC Customs Union Protocol, provided that they satisfy the Rules of Origin requirements. Concurrently, reciprocal tariff and levy provisions will be applied against any EAC member state proven to have imposed discriminatory or unfair trade barriers such as unilateral taxes, fees, and miscellaneous levies on goods originating from Tanzania. This strategy upholds regional commitments to non-discriminatory taxation, ensures fair competition, and safeguards Tanzanian exports.

(ii) To impose a 5 percent industrial development levy on imported exercise books and notebooks, classified under HS Codes 4820.10.00 and 4820.20.00. This measure is expected to **increase** Government revenue by **978.5 million Shillings**;

(iii) To impose a 5 percent industrial development levy on imported trailers classified under HS Codes 8716.31.90, 8716.39.90, and 8716.40.90. This measure is expected to **increase** Government revenue by **16.66 billion Shillings**;

(iv) To impose a 10 percent industrial development levy on imported fishing nets, classified under HS Code 5608.11.00;

(v) To impose a 5 percent industrial development levy on imported doors, windows, and their frames, classified under HS Code 7610.10.00. This measure is expected to **increase** Government revenue by **280.3 million Shillings**;

(vi) To impose a 10 percent industrial development levy on imported steel structure products, classified under HS Code

7308.90.99. This measure is expected to **increase** Government revenue by **16.86 billion Shillings**; and

(vii) To impose a 5 percent industrial development levy on imported aluminium structures classified under HS Code 7610.10.00. This measure is expected to **increase** Government revenue by **1.14 billion Shillings**.

106. **Honourable Speaker**, objective of these measures is to attract investment in the country, stimulate exports, and protect domestic production. These measures are expected to increase Government revenue by **37.04 billion Shillings**.

16. The Export Tax Act, CAP 196

107. **Honourable Speaker**, it is proposed to make amendments to the Export Tax Act, Cap. 196, as follows:

(i) To impose an export tax on exported goods at a rate of 30 percent of the value of cargo (FOB) or 200 shillings per kilogram, whichever is higher, on waste paper classified under HS Code 4707.00.00. The objective of this measure is to stimulate value addition within the country and ensure the availability of this raw material for paper and box manufacturers within the country. This step is expected to **increase** Government revenue by **415 million Shillings**.

(ii) To impose an export tax of 10 percent or 200 shillings per kilogram, whichever is higher, on exported goods, whichever is higher on quartz minerals classified under HS Heading 25.06 and Feldspar classified under HS Code 2529.10.00. The purpose of this measure is to ensure the availability of sufficient raw materials for marble and glass manufacturers in the country. This measure is projected to **increase** Government revenue by **6.08 billion**; and

(iii) To impose export tax of 50 shillings per kilogram to the following exported products: wheat bran classified by HS Code 2302.30.00; cotton cake classified by HS Code 2306.10.00; rice bran classified by HS Code 2302.40.00; maize bran classified by HS Code 2302.10.00; and sunflower cake classified by HS Code 2306.30.00. The purpose of this measure is to ensure adequate supply of these products, which are essential raw materials for animal feed production. This measure is expected to **increase** Government revenue by **17.95 billion Shillings**.

108. **Honourable Speaker**, in general, these measures are expected to **increase** Government revenue by **24.44 billion Shillings**.

17. Stamp Duty Act, CAP 189

109. **Honourable Speaker**, it is proposed to amend the Schedule to the Stamp Duty Act, Cap. 189 as follows:

(i) To improve the definition of the term lease to include documents of exchange of moveable property in the scope of stamp duty;

(ii) To increase the amount of stamp duty on Bills of Sale by way of collateral security from 1,000 shillings to 10,000 shillings;

(iii) To increase the maximum limit for the levy of stamp duty on bills of sale by way of security from 10,000 shillings to 100,000 shillings;

(iv) To change the scope of capital value on partnership deeds as well as the stamp duty rates on the relevant deeds as follows: to levy a rate of 5000 shillings for deeds with a capital value not exceeding 1,000,000 shillings and a rate of 10,000 shillings for deeds exceeding 1,000,000 shillings;

(v) To increase the rate of stamp duty on cheque from 100 shillings to 500 shillings;

(vi) To increase the rate of stamp duty on Surrender of Lease Documents from 1000 shillings to 2000 shillings;

(vii) To impose stamp duty at the rate of 5000 shillings on the bills of exchange of property;

(viii) To impose stamp duty at the advalorem rate of 0.5 percent on the transfer document for agricultural land instead of the current specific rate of 500 shillings.

110. **Honourable Speaker**, the aim of these measures is to align with the principles of equity in taxation, widen tax base and protect the value of money. These measures are expected to increase Government revenue by **11.08 billion shillings.**

18. Fair Competition Act, Cap 285

111. **Honourable Speaker**, it is proposed to amend section 88 of the Competition Commission Act, Cap 285 by specifying that the revenue of the Fair Competition Tribunal (FCT) comprises 0.5 percent of the revenue of the regulatory authorities listed in section 88(1)(d) of the relevant Act including EWURA, LATRA, TCRA and TCAA. This measure aims to solve the existing challenges where the Act has specified the sources of revenue and the Institutions that are required to submit a portion of their revenue to the FCT without setting the relevant rates.

19. Investment and Special Economic Zone Act, 2025

112. **Honourable Speaker**, it is proposed to amend the Investment and Special Economic Zones Act of 2025 to include road tractors for semi-trailers identified by HS Codes 8701.21.90, 8701.22.90, 8701.23.90, and 8701.24.90 on the negative list of goods that are not eligible for tax exemption. The aim of this measure is to protect local industries, employment and Government

revenue. This measure is expected to **increase** Government revenue by **57.16 billion shillings**.

20. The East African Community Customs Management Act, 2004

113. **Honourable Speaker**, the East African Community Pre-Budget Consultations Meeting of the Ministers/Cabinet Secretary of Finance, which was held on 15th May 2026 in Arusha, among other things, considered and adopted various import duty measures, including adjustments to the rates under the East African Community Common External Tariff (EAC CET), for implementation by Partner States in the 2026/27 financial year. Furthermore, the meeting made amendments to the East African Community Customs Management Act, 2004 to address challenges encountered during the implementation of the Act.

114. **Honourable Speaker**, the proposed measures aim to protect domestic industries, attract investment, reduce the cost of production in the country in order to enhance industries' competitiveness, enhance consumers welfare, employment creation, stimulate growth in various economic sectors, address under invoicing and

undervaluations of the imported products challenges and safeguard Government revenue;

115. **Honourable Speaker**, the proposed measures consist of both new and ongoing measures that took effect in the financial year 2025/26.

(i) **The proposed new changes in the Common External Tariff are as follows: -**

a) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US$ 2 per SQM whichever is higher on worked monumental or building stone under HS Heading 68.02 for one year in order to promote the use of local stones;

b) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or US$ 550/MT whichever is higher on aluminium bars, rods and profiles under HS Heading 76.04 for one year. This measure is intended to protect local industry, address under-invoicing and undervaluations of the imported products, attract investment, employment creation and safeguard Government revenue;

c) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US$ 350/MT whichever is higher on washing powder under HS Codes 3402.49.00; 3402.50.00; and 3402.90.00 for one year. This measure is intended to protect local industry, address under-invoicing and undervaluations of the imported products, attract investment;

d) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US$ 250/MT whichever is higher on welding electrodes under HS Codes 8311.10.00 for one year. The objective of this measure is to protect domestic industry, address under-invoicing and undervaluations of the imported products, attract investment;

e) Grant stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent on crude palm oil (CPO) under HS Codes 1511.10.00 for one year. The objective of this measure is to promote the processing of vegetable oils in the country using locally grown seeds, attract investment, and address misdeclaration and misclassification;

f) Grant stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent on calcium carbonate under HS Codes 2836.50.00 for one year. This measure is intended to protect local industry and attract investments in this sector;

g) Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 35 percent or 0.30 US$ 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 address under-invoicing and undervaluations of the imported products, encourage production of cotton grey fabric in the country, employment creation and safeguard Government revenue;

h) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent on doors, windows and their frames and thresholds for doors, of plastic under HS Codes 3925.20.00 for one year. This measure is intended to protect local industry and attract investment;

i) Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 10 percent on electric motor vehicles under HS Codes 8702.40.19; 8702.40.22; 8702.40.29; 8702.40.99; 8703.80.90 and 8704.60.90. The measure aims to promote the use of electrical energy in transport sector in order to reduce dependence on petrol and diesel in the country;

j) East African Community Partner States agreed to amend EAC Common External Tariff rate of 35 percent and apply a duty rate of 35 percent or US$ 3 per SQM whichever is higher on ceramic tiles under HS Codes 6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00. The objective of this measure is to protect regional industry, address under-invoicing and undervaluations of the imported products and attract investment;

k) East African Community Partner States agreed to amend EAC Common External Tariff rate of 35 percent and apply a duty rate of 35 percent or US$ 350 per metric tonne whichever is higher on nails, tacks, drawing pins, corrugated nails staples and similar articles of iron or steel, whether or not with heads of other materials under HS Code 7317.00.00. The objective of this measure is to protect regional industry, address under-invoicing and undervaluations of the imported products, attract investment and safeguard Government revenue;

l) Grant duty remission at a rate of 10 percent instead of 25 percent for one year on paper under HS Codes 4805.24.00; and 4805.25.00 used to manufacture corrugated boxes. The objective of this measure is to reduce cost of production and ensure availability of corrugated boxes at affordable costs;

m) Grant duty remission at a rate of 0 percent instead of 10 percent for one year on paper under HS Codes 4804.19.00; 4804.39.00 and 4804.52.00 used to manufacture corrugated boxes. The objective of this measure is to reduce cost of production, and ensure availability of corrugated boxes at affordable costs;

n) Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year on raw materials under HS Codes 3506.91.00 and 3920.10.10 used to manufacture packaging. The objective of this measure is to reduce cost of production and ensure availability of packaging materials at affordable costs;

o) Grant duty remission at a rate of 10 percent instead of 35 percent for one year on raw materials under HS Codes 3210.00.99 used by manufacturers of aluminium products. The objective of this measure is to reduce production cost of aluminium products in the country and attract investment;

p) Grant duty remission at a rate of 0 percent for one year on packaging materials for the manufacture of acaricides. The measure is intended to reduce production cost of acaricides in the country, attract investment and employment creation;

q) East African Community Partner States agreed to extend regional duty remission at a rate of 10 percent on wire of iron or non-alloy steel under HS Code 7217.10.00 and 7217.90.00 used for the manufacture of concrete electric poles to reduce production cost of these poles and facilitate supply of electricity in the region.

(ii) **The proposed measures that were implemented in the financial year 2025/26 that will remain in effect in the 2026/27 financial year are as follows:**

a) Grant stay application of EAC CET rate 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 stay 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;

c) Grant stay 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 and curb misdeclaration;

d) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or US$ 1.35/kg whichever is higher for one year on safety matches under HS Code 3605.00.00. This measure is intended to protect domestic manufacturers of safety matches;

e) Grant stay application of the EAC CET rate of 35 percent and apply a duty rate of 60 percent for one year on mineral waters and aerated waters under HS Code 2201.10.00. The objective of this measure is to protect domestic producers of mineral and aerated water as there is enough capacity in the country;

f) Grant stay 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 gypsum powder producers in the country;

g) Grant stay 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 promote consumer welfare;

h) Grant stay 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 attract domestic investment in production of pneumatic tyres in the country;

i) Grant stay 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 manufacturers of baby diapers, attract investment and increase Government revenue;

j) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent for one year on cotton yarn under HS 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 attract investment;

k) Grant stay 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 local producers of these products;

l) Grant stay 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;

m) Grant stay 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;

n) Grant stay 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 promote consumer welfare;

o) Grant stay application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent on other paper, paperboard, cellulose wadding and webs of cellulose fibres under HS Code 4811.90.00 for one year. This measure is intended to protect local manufactures and attract investment in the country;

p) Grant stay application of EAC CET rate of 100 percent or US$ 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;

q) Grant stay 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;

r) Grant stay application of the EAC CET rate of 35 percent and apply a duty rate of 50 percent for one year on table salt under HS Code 2501.00.90 so as to protect local manufacturer of salt;

s) Grant stay 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;

t) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent on unbleached kraft paper and paperboard under HS Code 4804.51.00 for one year. This measure is intended to protect domestic industry;

u) Grant stay 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; 8702.20.99 and 8702.90.99 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;

v) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent on fibreboard of wood or other ligneous materials such as medium density fibreboard (MDF) under HS Heading 44.11 for one year in order to protect local manufacturers;

w) Grant stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent on plywood, veneered panels and similar laminated wood under HS Heading 44.12 for one year in order to protect local manufacturers;

x) Grant stay application of EAC CET rate of 35 percent and apply a duty rate of 35 percent or US$ 300/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, employment creation and safeguard Government revenue;

y) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US$ 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, attract investment, address under invoicing and undervaluations of the imported products, safeguard Government revenue as well as employment creation;

z) Grant stay application of the EAC CET rate 35 percent and apply a duty rate of 35 percent or US$ 500/MT whichever is higher for one year on corrugated iron sheets under HS Code 7210.30.00 and 7210.41.00. This measure is intended to protect manufacturers of corrugated iron sheets in the country, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

aa) Grant stay application of EAC CET rate of 25 percent or US$ 200/MT whichever is higher and apply a duty rate of 35 percent or US$ 350/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; and 7210.90.00. This measure is intended to protect local manufacturers, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

bb) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US$125/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, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

cc) Grant stay application of EAC CET rate of 25 percent or US$ 200/MT whichever is higher and apply a duty rate of 25 percent or US$ 300/MT whichever is higher for one year on flat-rolled products of iron or non-alloy steel under HS Codes 7212.30.00. The objective of this measure is to protect local manufacturers, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

dd) Grant stay application of EAC CET rate of 35 percent and apply a duty rate of 35 percent or US$ 350/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, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

ee) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US$ 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 protect iron and steel manufacturers in the country, address under invoicing and undervaluations of the imported products, employment creation and to safeguard Government revenue;

ff) Grant stay application of EAC CET rate of 25 percent or US$ 200/MT whichever is higher and apply a duty rate of 25 percent or US$ 250/MT whichever is higher for one year on hot-rolled bars and rods, of iron or non-alloy steel under HS Codes 7213.10.00; 7213.20.00; and 7213.99.00. This measure is intended to protect iron and steel manufacturers in the country, attract investment, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

gg) Grant stay application of the EAC CET rate of 35 percent and apply a duty rate of 35 or US$ 250/MT whichever is higher on bars and rods of iron or non-alloy steel under HS Heading 72.14 for one year. This measure aims at protecting local manufacturers, attract investment, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

hh) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent or US$ 300/MT whichever is higher for one year on flat rods products of iron and steel 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, attract investment, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

ii) Grant stay application of EAC CET rate of 10 percent and apply a duty rate of 10 percent or US$ 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, attract investment, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

jj) Grant stay application of EAC CET rate of 25 percent and apply a duty rate of 25 percent or US$ 250/MT whichever is higher for one year on other tubes, pipes and hollow profiles of iron or non-alloy steel under HS Codes 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, attract investment, address under invoicing and undervaluations of the imported products, employment creation and safeguard Government revenue;

kk) Grant duty remission at a 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 production cost for manufacturers of wheat flour in the country to ensure availability of wheat products at affordable price;

ll) 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 used by domestic manufacturers of soaps for one year so as to promote domestic manufacturers of soaps;

mm) Grant duty remission and stay of application on raw materials, accessories and machineries used to manufacture textiles and leather products. This aims at promoting textiles and leather products manufacturers in the country;

nn) Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year on organic surface-active agents including LABSA 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 cost of inputs for detergents and liquid soaps manufacturers in the country;

oo) Grant duty remission at a rate of 0 percent instead of 35 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;

pp) Grant duty remission at a rate of 10 percent instead of 25 percent for one year on CKD for three-wheelers motorcycle excluding chassis and its components under HS Code 8704.21.90. The measure is intended to reduce cost of assembling or manufacturing three-wheelers motorcycles used for cargo transportation and attract investment in the country;

qq) Grant duty remission at a 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 cost of these inputs so as to promote growth of local manufacturers of soap, and employment creation;

rr) Grant duty remission at a 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 cost of these inputs used by local manufacturers so as to promote establishment of import substitution industries of electrical cables and attract investment in the country;

ss) Grant duty remission at a 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 attract domestic investment in production of radiators;

tt) Grant duty remission at a 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 or manufacturing of electric vehicle and motorcycles. The objective of this measure is to reduce cost of assembling or manufacturing and attract local investment in vehicles and motorcycles manufacturing or assembling, ensuring availability of the final product at an affordable price in the country;

uu) 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; 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 and promote local investment in communication sector;

vv) Grant duty remission at a rate of 10 percent instead of 25 percent for one year on inputs such as metalized paper under HS Code 4811.90.00 used to manufacture labels, thermal paper rolls for cash registers, POS & EFD Machines. The objective of this measure is to reduce costs of these inputs used by local manufacturers;

ww) Grant duty remission at a rate of 0 percent instead of 10 percent for one year on inputs under HS Codes 2713.20.00; 5603.14.00; 2710.19.59; and 3920.10.10 used by local manufacturer of waterproofing membranes. This measure is intended to reduce costs of these inputs used by local manufacturers;

xx) Grant duty remission at a rate of 10 percent instead of 35 percent for one year on inputs under HS Code 6802.99.00 used by local manufacturer of waterproofing membranes. This measure is intended to reduce costs of these inputs used by local manufacturers;

yy) Grant duty remission at a rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes

4819.20.90; and 5407.44.00 used by local manufacturers of tea (blenders). The objective is to reduce costs of tea blenders and attract investment in the country;

zz) Grant duty remission at a rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes 7310.21.00; and 6305.10.00 used for packing processed coffee. This measure aims at reducing packaging material costs for coffee processors in the country;

aaa) Grant duty remission at a rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes 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 cost of packaging materials for domestic producers of agricultural seeds and attract local investment;

bbb) Grant duty remission at a 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 production costs of milk in the country, employment creation and promote local investment in dairy sector;

116. **Honourable Speaker**, in addition to the import duty measures outlined above, the EAC Partner States agreed to amend Paragraph 1 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to include specified paper designated exclusively for printing passenger boarding passes into the scope of import duty exemption provided to aircraft operations. This is intended to align with international standards and bilateral agreements (Bilateral Air Services Agreements (BASA)) ratified by the Partner States.

117. **Honourable Speaker**, further, the Partner States agreed to amend Paragraph 20 of Part B of the Fifth Schedule to the EAC Customs Management Act, 2004 to recognize all disaster management responsible authorities within the EAC Partner States. The purpose of this amendment is to take care peculiarities across

Partner States Legislations on disaster management who may not have authorities titled as directors responsible for disaster management.

118. **Honourable Speaker**, as previously communicated in 2025, the EAC Partner States agreed to establish the East African Community Assembling and Manufacturing of Products Regulations, 2025, which were scheduled to come into force from 1st July 2026. The Regulations provide harmonized framework for establishing and managing assembling and manufacturing schemes within the Community to promote regional value chains, industrial competitiveness and predictable investment conditions. The purpose of the Regulations is to boost value addition and local content by encouraging the use of EAC made raw materials and goods in assembling and manufacturing.

119. **Honourable Speaker**, during the EAC meeting held in May 2026, the Partner States agreed to defer the implementation date of the Regulations to 1st July 2027. The extension is intended to provide adequate time for domestic industries to commence production of goods that are required to be sourced within the Community.

120. **Honourable Speaker**, I wish to inform this Esteemed Parliament and the public that, in November 2025 the EAC Partner States agreed to assign a specific import duty rate on selected products including lubricants, yeast and photocopying and printing paper to protect industries within the Community and address under-declaration and undervaluations. The new rates will take effect from 1st July 2026 as follows:

(i) Lubricants under HS Code 2710.19.51 will attract a duty rate of 25 percent or US$ 0.46 per litre whichever is higher instead of the current rate of 25 percent;

(ii) Yeast under HS Code 2102.10.00 will attract a duty rate of 25 percent or US$ 660/MT whichever is higher instead of the current rate of 25 percent;

(iii) Photocopying and printing paper under HS Code 4802.56.00 will attract a duty rate of 25 percent or US$ 200/MT whichever is higher instead of the current rate of 25 percent; and

(iv) Photocopying and printing paper under HS Code 4802.57.00 will attract 10 percent or US$ 80/MT whichever is higher instead of the current rate of 10 percent.

121. **Honourable Speaker**, these measures all together are expected to **increase** Government revenue by a sum of **408.97 billion shillings**.

21. The Weights and Measures Agency Regulations, 2025

122. **Honourable Speaker**, it is proposed to amend the Weights and Measures Agency Regulations, 2025, in order to increase the petroleum verification fee from TZS 0.15 per litre of petroleum products to TZS 1 per litre of petroleum products. The objective of this measure is to increase the revenue of the Weights and Measures Agency (WMA) to finance the procurement of modern regulatory equipment that is consistent with technological developments, particularly in the petroleum business sector, and thereby enhance efficiency in the execution of its mandate of verification of measurements. In addition, the utilization of funds collected from the said fee shall be subject to the approval of the Paymaster General, following submission of an expenditure work plan. This measure is expected to increase Government revenue by **21.96 billion** Shillings.

22. The Registration and Identification of Persons Regulations, 2014

123. **Honourable Speaker**, it is proposed to amend the Registration and Identification of Persons Regulations, 2014, in order to introduce a fee of TZS 500 for citizens who request their information from the NIDA database for various uses. Such information includes parents' names, schools attended, phone numbers and other information available in the Authority's database. In addition, a citizen who requires a printed copy of such information, namely print-out extracts, shall pay a fee of TZS 1,000. The objective of this measure is to finance the provision of these services, including printing costs and system usage costs, and to ensure the sustainability of identification services to citizens. This measure is expected to **increase** Government revenue by **734.4 million** Shillings.

23. The Road Traffic Regulations, 2024

124. **Honourable Speaker**, Despite the existence of a special regime to pay taxes for small traders (presumptive tax), there have been difficulties in implementing the regime in the

motorcycle transport business. It is recommended to continue with the current procedure of not including these traders in the presumptive tax system. Instead, it is proposed to amend the Road Traffic Regulations, 2024, in order to increase the registration fee for two-wheeled motorcycles from TZS 95,000 to TZS 150,000. The objective of this measure is to increase Government revenue. This measure is expected to **increase** Government revenue by **17.75 billion** Shillings.

24. Establishment of Additional Source of Revenue to finance Universal Health Coverage.

125. **Honourable Speaker**, the Government proposes to introduce additional source of revenues to finance Universal Health Coverage by amending various Acts and Regulations as follows:

i) To amend the Excise (Management and Tariff) Act, CAP. 147 to increase excise duty rate by 20 shillings per-mil on cigarette under HS Heading 24.02 and 24.03; and

ii) To amend the Sugar Industry Act, Cap. 251 and its Regulations to increase sugar levy by 10 shillings per kilogram on imported and locally produced sugar. The levy will be collected by Sugar Board of Tanzania and remitted to the Universal Health Fund.

126. **Honourable Speaker**, these measures altogether are expected to increase Government revenue by **7.5 billion shillings**.

25. Review of Various Fees and Charges Imposed by Government Institutions and Implementation of the Blueprint for Regulatory Reforms to Improve the Business Environment

127. **Honourable Speaker**, it is proposed to review various laws and regulations by abolishing or reducing various fees and charges imposed by Ministries, Departments and independent institutions, in order to enhance regulation of various sectors and improve the business environment in the country. These measures also form part of the continued implementation of the Blueprint for Regulatory Reforms to Improve the Business Environment in Tanzania. The proposed amendments are as follows:

i) Online Content Service Fees

To amend the Electronic and Postal Communications (Online Content) Regulations in order to reduce online content service fees as follows:

a. Application fee for an online content service licence from TZS 50,000 to TZS 10,000;

b. Initial, annual and renewal fees for an online content service licence from TZS 500,000 to TZS 50,000;

c. Application fee for an Online Content Aggregator licence from TZS 100,000 to TZS 20,000; and

d. Initial, annual and renewal fees for an Online Content Aggregator licence from TZS 1,000,000 to TZS 100,000.

ii) Ministry of Natural Resources and Tourism

To introduce registration, supervision and operation fees for private museums as follows:

a. Registration of a private museum for Tanzanian citizens at a rate of TZS 50,000;

b. Registration of a private museum for Tanzanian institutions at a rate of TZS 100,000;

c. Registration of a private museum for foreign citizens at a rate of TZS 500,000;

d. Annual licence fee for operating a private museum by Tanzanian citizens at a rate of TZS 20,000;

e. Annual licence fee for operating a private museum by a Tanzanian institution at a rate of TZS 100,000; and

f. Annual licence fee for operating a private museum by foreign institutions at a rate of TZS 300,000.

iii) Minor Amendments to Various Regulations

It is proposed to make other minor amendments to various regulations, in line with the objective of simplifying their implementation, as indicated in **Annexes No. 1, 2, 3 and 4**.

128. **Honourable Speaker**, despite various legal reforms undertaken by the Government to improve the investment and business environment by reducing overlaps in the mandates of various regulatory institutions and abolishing or reducing nuisance fees and charges, there are still

challenges arising from many regulatory institutions overseeing various sectors imposing burdens on business and investment through various fees, charges and penalties, as well as frequent and unproductive inspections. In order to address these challenges, the Government is in the process of establishing a unified system for the collection of fees, charges and penalties imposed by regulatory institutions, namely the Single Window Payment System. The Government will also put in place a procedure for these institutions to conduct inspections in a manner that does not cause unnecessary inconvenience, without affecting the core mandates of the respective institutions.

26. Minor Amendments to Some Tax Laws, Other Laws and Various Regulations

129. **Honourable Speaker**, in addition to the specific proposals outlined above, it is also proposed to make other minor amendments to various tax laws, other laws and regulations, in line with the objective of simplifying their implementation. These amendments will be set out in the Finance Bill, 2026, and in Government Notices.

27. Commencement Date for Implementation of the New Tax Measures.

130. **Honourable Speaker**, the proposed tax measures shall commence on 1 July 2026, unless otherwise stated.

VI. BUDGET FRAME FOR 2026/27

131. **Honourable Speaker**, in 2026/27 the Government expects to collect and spend a total of 62.33 trillion shillings, equivalent to an increase of 10.3 percent compared to the budget of 2025/26.

132. **Honourable Speaker**, revenue estimate is 46.79 trillion shillings, out of which tax revenue is 36.99 trillion shillings, other revenue is 9.24 trillion shillings (including Local Government Authority own source amounting to 1.97 trillion shillings) and grants from Development Partners amounting to 563.1 billion shillings. In order to align with Government aspiration for self-reliance, approximately three-quarter of the 2026/27 budget is estimated to be financed through domestic revenue which is equivalent to 74.2 percent.

133. **Honourable Speaker**, grants from Development Partners are expected to decrease by 39.1 percent in 2026/27 compared to 2025/26, this is due to the changes of Development Partners' policies. We sincerely extend appreciation to our Development Partners for their support whenever they were in a position to assist. Tanzania is our nation and we are responsible to build it by fully engaging in economic activities, voluntarily pay taxes, and support the government's efforts in accelerating development.

134. **Honourable Speaker**, expenditure and investment on non-financial assets are estimated at 54.50 trillion shillings excluding principal repayments of Government debt. Out of the respective amount, employees' entitlement including pension contributions 10.13 trillion shillings, cost of goods and services 5.22 trillion shillings, interest payment 6.86 trillion shillings, subsidy 25.32 trillion shillings, pension benefits and transfers 1.01 trillion shillings, investment on non-financial assets 2.33 trillion shillings and other costs 3.63 trillion shillings.

135. **Honourable Speaker**, according to the revenue and expenditure estimates presented, budget deficit is 7.71 trillion shillings. The Government will continue to finance the deficit through domestic and external borrowings in line with the Medium-Term Debt Management Strategy (2025/26 – 2027/28). For 2026/27, the Government plans to borrow 15.54 trillion shillings, out of which, domestic loans 6.56 trillion shillings, external concessional loans 6.55 trillion shillings, and external commercial loans 2.43 trillion shillings. Moreover, the Government estimates 7.84 trillion shillings for amortization of matured loans. The proposed budget frame for 2026/27 is presented in **Table No. 1.**

Table No.1: The Proposed Budget Frame for 2026/27

	2026/27
Revenue	**46,791,299**
Taxes	37,022,030
Grants	563,139
Other revenue	9,206,129
o/w LGA Own source	1,966,193
Expense	**52,169,947**
Compensation of employees	**10,127,295**
Wages and salaries	6,327,227
Employers' social contributions	2,131,009
Use of goods and services	**5,215,408**
Interest	**6,859,541**
To nonresident	2,829,241
To residents other than General Governm	4,030,301
Subsidies	**2,791,970**
Grants (Transfers)	**22,528,163**
o/w Local Government	9,029,943
o/w Wages and Salaries	5,312,016
o/w Capital Transfer	2,200,313
Extra-budgetary accounts and funds	11,006,544
o/w Wages and Salaries	2,320,445
o/w Capital Transfer	5,936,233
o/w Direct Transfer	1,843,130
Social benefits	**1,007,689**
Other expense	**3,639,880**
Net operating balance	**(5,378,648)**
Net Acquisition of Nonfinancial Assets	**2,328,661**
Fixed assets	2,319,500
Non-produced assets	9,161
Overall Balance before Grants	**(8,270,449)**
Net lending / borrowing/Balance after Gran	**(7,707,309)**
Financing	**7,707,309**
Domestic	**3,272,349**
Receipts from Domestic Borrowings	6,557,744
Repayment of Domestic Loan	(3,285,395)
Foreign	**4,434,960**
Receipts from External Borrowings	8,985,150
o/w ENCB	2,430,372
Repayment of External Loan	(4,550,190)
Total Budget Frame	**62,334,193**
Deficit as Percent of GDP	**2.9%**

Source: *Ministry of Finance*

VII. BUDGET IMPLEMENTATION RISKS

136. **Honourable Speaker**, the implementation of 2026/27 budget may be affected by various risks including: changes of interest rates on loans; inflation; currency depreciation; and changes in the Development Partners' policies. Other risks are: contingent liabilities; climate change and natural hazards; geopolitical tensions; cyberattacks; and operational risks.

137. **Honourable Speaker**, impacts from these risks include: Increase in interest rates and borrowing costs for both public and private sector; increased demand of foreign currency in financing goods and services; slowdown in production and economic activities; decline in efficiency of service delivery; and increase in budget deficit and inflation.

138. **Honourable Speaker**, other possible impacts include: Increased fiscal burden for settlement of claims and Government's debt; reduced Government capacity to finance development and recurrent expenditure; loss of life and damage of infrastructure, property, and

ecosystems; as well as decline of grants, loans, and foreign investment.

Measures to Address the Risks

139. **Honourable Speaker**, the Government will continue to address those risks through: Prudent monetary and fiscal policies management; improving investment and business environment; implementing the National Strategy for Improving Availability of Forex; strengthening the Agriculture Development Fund and investing in climate smart agriculture; investing in alternative energy sources to petroleum, such as gas and electricity; widening domestic revenue sources; and strengthening diplomatic relations.

140. **Honourable Speaker**, in addition, the Government will continue to: Strengthen the implementation of the Loans, Grants and Guarantees Act, CAP. 134, and the Public-Private Partnership Act, CAP. 103; implement the National Environmental Master Plan for Strategic Interventions (2022 – 2032), the National Disaster Management Strategy (2022 – 2027), and the National Clean Cooking Strategy (2024 – 2034); strengthen systems of good governance and the rule of law; build capacity and strengthen

Government cybersecurity; strengthen internal audit systems, and monitoring and evaluation of projects; as well as engaging private sector in implementing commercially viable public projects. *Detailed information regarding the highlighted risks is provided in the attached 2026/27 Fiscal Risk Statement.*

VIII. ACKNOWLEDGEMENT AND APPRECIATIONS

141. **Honourable Speaker**, before I conclude my speech, I congratulate you personally, Honourable Mussa Azzan Zungu, Member of Parliament for Ilala Constituency, and Honourable Daniel Baran Sillo, the Deputy Speaker and Member of Parliament for Babati Rural Constituency, for being trusted to lead our esteemed Parliament. Further, I congratulate Mr. Baraka Leonard for continuing to be entrusted as a Clerk of the National Assembly, and for his commendable work in coordinating parliamentary activities. Furthermore, I congratulate Chairpersons of the Parliament and Parliamentary Committees who have been entrusted and elected to preside over parliamentary meetings and oversee committee affairs respectively.

142. **Honourable Speaker**, in a special way, I sincerely extend my gratitude to the Parliamentary Standing Committee on Budget, under the Chairmanship of Honourable Mashimba Mashauri Ndaki, Member of Parliament for Maswa West Constituency, together with the Vice Chairperson, Honourable Ali Omar King, Member of Parliament for Jang'ombe Constituency, for their valuable comments and constructive advice during the preparation and implementation of the Government Budget. I also wish to thank and congratulate all Ministers and Deputy Ministers for their continued cooperation in the discharge of Government duties. Furthermore, I take this opportunity to congratulate all Honourable Members of Parliament for being entrusted and elected or appointed to serve in the 13th Parliament of the United Republic of Tanzania. It is my belief that we will continue to cooperate in accelerating development for Tanzanians.

143. **Honourable Speaker**, our governance system involves three pillars. Judiciary is a crucial pillar for economic development. Allow me to congratulate Honourable George Mcheche Masaju, Chief Justice of Tanzania, together with all court administrators, for their commendable work in

administration of justice to Tanzanians and our investors.

144. **Honourable Speaker**, the achievements we continue to witness are attributed to the composure and competence of public servants. I wish to express my sincere appreciation and congratulations to Ambassador Dr. Moses Mpogole Kusiluka, Chief Secretary for his commendable work in coordinating and overseeing implementation of Government activities and public service. Further, I congratulate and thank all heads of defence and security forces for their continued efforts in safeguarding the borders of our nation and ensuring peace and security in the country.

145. **Honourable Speaker**, the execution of my duties is largely supported by my assistants. I sincerely express my profound gratitude to Hon. Engineer Mshamu Ali Munde - Member of Parliament for Liwale Constituency and Hon. Laurent Deogratius Luswetula - Member of Parliament for Kavuu Constituency, Deputy Ministers for Finance for their cooperation and significant contribution. Further, I extend my heartfelt congratulations and appreciations to Dr.

Natu El-Maamry Mwamba, the Permanent Secretary and Paymaster General, as well as the Deputy Permanent Secretaries, Mr. Elijah Greenton Mwandumbya and Mr. Nsubili Akomeligwe Kajela Joshua, for their professional guidance and diligent oversight in the execution of the Ministry’s duties.

146. **Honourable Speaker**, let me also take this opportunity to commend Mr. Emmanuel Mpawe Tutuba, Governor of the Bank of Tanzania for providing effective oversight on the implementation of the monetary policy. Moreover, I commend the Governor, Board of Directors and staff of the Bank of Tanzania for commemorating 60th anniversary. I wish them all the best in executing their duties in the years ahead.

147. **Honourable Speaker**, I also express my sincere appreciation to Mr. Yusuph Juma Mwenda, the Commissioner General of the Tanzania Revenue Authority, for his remarkable efforts in administering mobilization of Government revenue. Similar to the Bank of Tanzania, on 1st July 2026, TRA will also commemorate its 30th anniversary. Therefore, I take this opportunity to congratulate and wish them success in their

endeavour. Over 30 years, TRA has achieved remarkable success, largely due to the cooperation it has received from taxpayers. In recognizing the significant role of taxpayers, in July 2026, Her Excellency Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania will award outstanding taxpayers in appreciation of their exemplary compliance and contribution to national development.

148. **Honourable Speaker**, I wish to commend and thank CPA Charles Edward Kichere, the Controller and Auditor General, for his sustained dedication and outstanding work in auditing Government institutions. Further, I congratulate Dr. Amina Suleiman Msengwa, the Statistician General, by continuing to professionally manage researches and production of official statistics. In the same vein, I congratulate all leaders and staff within the Ministry of Finance and its affiliated institutions for their commendable work in the preparation and effective implementation of the Government Budget. Indeed, I am fortunate to work with what I consider an "**A - Team**" – A highly competent and well-rounded that is fully equipped across all its departments.

149. **Honourable Speaker**, I also wish to extend my appreciation to leaders and officials of Ministries; Independent Departments; Executive Agencies and Government Institutions; Regional Commissioners' Offices and Local Government Authorities; as well as various stakeholders, for facilitating the preparation and implementation of the Government Budget.

150. **Honourable Speaker**, we also extend appreciation to our close neighbours: Burundi; the Democratic Republic of Congo; Kenya; Malawi; Mozambique; Rwanda; Uganda; and Zambia for their diplomatic, political, and economic cooperation. A fundamental principle of our Foreign Policy is to promote and sustain good neighbourhood. I therefore take this opportunity to reassure our neighbours that Tanzania will remain a good neighbour.

151. **Honourable Speaker**, I wish to take this opportunity to convey my profound appreciation to our Development Partners for the support and cooperation in implementing our development agenda. In this regard, I would like to recognize the following partner countries: Australia, Austria, Belgium, Brazil, Canada, the People's Republic of

China, Cuba, Czech Republic, Denmark, Finland, France, Germany, Hungary, India, Indonesia, Ireland, Italy, Japan, the Republic of Korea, Kuwait, the Netherlands, Norway, Oman, Poland, Qatar, Russia, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, the United Arab Emirates, the United Kingdom, and the United States of America.

152. **Honourable Speaker**, further, I acknowledge the support pledged by international financial institutions and organizations, including the World Bank Group; the African Development Bank (AfDB); International Monetary Fund (IMF); the Arab Bank for Economic Development in Africa (BADEA); the Abu Dhabi Fund for Development (ADFD); the Global Fund to Fight AIDS, Tuberculosis and Malaria; the OPEC Fund for International Development (OFID); the Global Environment Facility (GEF); the Adaptation Fund; the Geothermal Risk Mitigation Facility (GRMF); the United Nations and its affiliated agencies; the European Union (EU); Regional Financial Institution; the GAVI Alliance; the Global Partnership for Education (GPE); Nutrition International; International Fund for Agriculture

Development (IFAD) and the Saudi Fund for Development (SFD).

153. **Honourable Speaker**, it is our expectation that Development Partners will timely honour their commitments. On the other hand, the Government will continue to strengthen accountability, transparency, and fiscal discipline with a view to ensure efficiency, effectiveness, and value for money in public expenditure.

154. **Honourable Speaker**, I also wish to acknowledge with appreciation the valuable contributions and collaboration of Non - State Actors including Civil Society Organizations, Non-Governmental Organizations, research and academic institutions, financial institutions, private sector, and Faith-Based Organisations in supporting the implementation of various development activities across the country.

155. **Honourable Speaker**, allow me to use this opportunity to extend my heartfelt appreciation to my beloved wife and closest friend, Nassra Ibrahim Ali, our children, Hafidh and Ashura Khamis, and their spouses, Abrarah Said Bakran and Hassan Juma Amour. I am also deeply grateful to our

grandchildren Nassra, Khamis, Said, and Maryam; as well as the twins Malik and Malaak, and Nasreen and Nazeen. I sincerely thank them for their unwavering support, encouragement, and constant prayers to Almighty God which enables me to faithfully and diligently discharge duties entrusted to me in serving Tanzanians.

IX. CONCLUSION

156. **Honourable Speaker**, as I explained earlier, this budget is the first in the implementation of the Fourth Five-Year National Development Plan 2026/27 - 2030/31 which is part of the implementation of Dira 2050. In order to achieve Dira 2050 goals, it is important that we commit ourselves to national unity and solidarity in implementation of our development plans. Further, all of us must fully embrace the opportunities arising from the implementation of the budget especially on this occasion of hosting the AFCON tournament. The AFCON tournament presents significant opportunities, particularly in the provision of services including food, accommodation, transportation, and tourism. Furthermore, substantial opportunities will emerge from the strategic projects I have highlighted, including the LNG project, coal and

iron ore mining and processing, as well as construction, transport, mining, energy, and natural gas. Let us grab these opportunities, along with many others which may unfold.

157. **Honourable Speaker**, as I stated earlier, the Government continues to improve the investment and business environment in the country, including tax system improvement aiming to attract investment, promote formalization of informal sector and establishment of businesses, hence stimulating economic growth. Further, the Government will facilitate the use of digital transaction by discouraging the use of cash to ensure digital transformation contributes to modern and inclusive economy.

158. **Honourable Speaker**, allow me to conclude by extending my gratitude to a distinguished and exceptional group in our community. Sincerely, I thank all religious leaders for their significant contribution in fostering and preserving peace, moral values, and solidarity. Our spiritual beliefs are essential to our unity and development. We appreciate your prayers and supplications for our nation, leaders, and citizens at large which have continued to strengthen the

unity, stability, and prosperity of our nation. I kindly urge you to continue praying for our nation especially when tempted and challenged.

159. **Honourable Speaker**, I now request your Parliament to receive, deliberate, and approve the Government's proposed estimates of revenue and expenditure for 2026/27.

God bless Tanzania.

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

APPENDICIES
AND
FIGURES

Annex 1: The Cereals and Other Produce Regulatory Authority Fees (COPRA)

S/N	CATEGORY	FEES
	A. REGISTRATION OF A CONTRACT FARMING AGREEMENT	
1.	Approval and registration for contracting farming agreement by-	Approval and registration for contracting farming agreement by-
	(a) Individual farmer on-	(a) Individual farmer on-
	(i) Small scale farming	10,000
	(ii) Medium scale farming	20,000
	(iii) Large scale farming	50,000
	b) Company and other institutions except cooperatives-	
	(i) Small scale farming	20,000
	(ii) Medium scale farming	40,000
	(iii) Large scale farming	100,000
	(c) Cooperative societies and other associations-	
	(i) Made up of 20-50 members	100,000
	(ii) Made up of 51-200 members	250,000
	(iii) Made up of 201 and above members	500,000
	B. REGISTRATION, PERMIT AND LICENCE OF PRODUCER AND TRADER OF CROPS	
2	Application for registration of producer	
	(a) Small scale producer	NIL
	(b) Medium scale producer	10,000
	(c) Large scale producer	20,000
3	Trader's Annual Permits	
	(a) Citizen and other EAC partner states	10,000
	(b) Non – citizen	150,000
4	Warehouse not registered under Warehouse Receipt Registration Board	10,000
5	Perusal	10,000
6	Purchase permit (a) Cereals (b) Pulses (c) Oil Seeds and nuts (d) Horticulture (e) Root Crops and tubes	30,000 for two years

Annex 2: Proposed Amendment of the Companies (Fees Payable to the Registrar) Regulations

NO.	SERVICE	PROPOSED RATES (TZS)
1.	For Registration of a company whose nominal share capital is	
	(a) more than 20,000 but not more than 1M	95,000/=
	(b) more than 1m but not more than 5M	175,000/=
	(c) more than 5m but not more than 20M	260,000/=
	(d) more than 20m but not more than 50M	290,000/=
	(e) more than 50M but not more than 100M	400,000/=
	(f) more than 100M but not more than 500M	450,000/=
	(g) more than 500M but not more than 1B	500,000/=
	(h) more than 1B but not more than 10B	600,000/=
	(i) more than 10B	1,000,000/=
2.	For the registration of companies not having share capital	500,000/=
3.	For reservation of a company name	50,000/=
4.	For company name change	22,000/=
5.	For the receipt and/or registration by Registrar of any document which under the act is to be delivered to him	22,000/=
6.	For the default or late filing of any document to be delivered to the Registrar (Per month or part thereof)	2,500/=
7.	For filing of annual return	22,000/=
8.	For certification of any document per page	3,000/=
9.	For perusal of any company file	5,000/=
10.	For obtaining a customized search report of a company	30,000/=
11.	For registration of a charge created by a company to secure sum amount of:	
	(a) not exceeding 10M	22,000/=
	(b) more than 10M but not more than 100M	
	(c) more than 100M but not more than 500M	50,000/=
	(d) more than 500M but not more than 1B	100,000/=
	(e) more than 1B	150,000/=
12.	For obtaining a copy of Certificate of Incorporation or Certificate of Compliance	10,000/=
13.	For filing of any document for the purpose of ascertaining the authenticity of facts lodged by a company	5,000/=
14.	For restoration of a company to the register	50,000/=
15.	**FEE PAYABLE BY A COMPANY TO WHICH PART XII OF THE ACT APPLIES**	**AMOUNT (TZS)**

NO.		SERVICE	PROPOSED RATES (TZS)
	(a)	For the registration of certified copy of any instrument constituting or defining the constitution of the company	2,000,000/=
	(b)	For registration or filing of any document required to be delivered to the Registrar under Part Xll of the Act other than the balance sheet	600,000/=
	(c)	For filing of balance sheet	600,000/=
	(d)	For the default or late filing of any document to be delivered to the Registrar (per month or part thereof)	70,000/=

nnex 3: NEMC Fees and Charges

Category	Current Provision (2025 Regulations)			Remarks	Amendments		
	(i) Tourism or recreational facility within and adjacent to protected and sensitive areas	a. Three to five star	2,000,000				
		b. One or two star	1,000,000		(i) Tourism or recreational facility within and adjacent to protected and sensitive areas	a. Hotel and Lodge	2,000,000 p.a
		c. Others (ungraded)	750,000			b. Guest House, permanent or seasonal tented camp site	800,000 p.a
(6) Tourism or Recreational developm ent	(iii) Mountain cable cars and Balloon operations		750,000	**Delete category 6 and replace**	(iii) Mountain cable per car		750,000
					(iv) Balloon operations		100,000 per ballon p.a
	(iv) Sporting facilities (stadium, playground)		750,000				(a) Stadiums 750,000 p.a
							(b) Commercial playgrounds 100,000 p.a
							(c) Sports Arena 200,000 p.a
					(vi) Indoor or Outdoor Social halls		300,000 p.a
	(v) Social halls and night clubs		300,000		(vii) Night clubs		300,000 p.a
					(viii) Bars or Lounge		50,000 p.a
	(i) Oil and gas field exploration		3,000,000		i. Oil and Gas Exploration	a) Exploration survey per campaign	10,000,000 per campaign

Category	Current Provision (2025 Regulations)			Remarks	Amendments		
	(ii) Oil and gas field development		10,500,000			b) Exploration drilling per campaign	20,000,000 per campaign
	(iii) Offshore and onshore pipeline		20,500,000				
	(iv) Oil and gas separation, processing, handling and storage		10,500,000		ii. Oil and/or Gas drilling campaign during development phase per campaign		10,500,000
	(vii) Transportation of petroleum products (companies)		50,000		v. Processing Facility/ Plant		10,500,000 p.
	(viii) Fuel filling station and their ancillary facilities	a. Fuel filling station	200,000		vi. Handling and storage located outside processing facility/plant		5,000,000 p.
8) Oil nd Gas		b. Service fuel filling station	250,000	**Delete category 8 and Replace**	vii. Transmission/ transportation pipeline per km		Transmission pipeline per k 1- 500km: 50,000 per km 501-1000km: 40,000 per km 1001km and above: 30,000 per km
					(viii). Oil refineries		10,500,000
					(ix). Product depots for the storage of petrol, gas, diesel, tar and other products within commercial, industrial or residential area		4,500,000
					(xi). Fuel filling station and their ancillary facilities	a. Fuel filling station	250,000
						b. Service	300,000

Category	Current Provision (2025 Regulations)				Remarks	Amendments		
							fuel filling station	
(14) Building and Civil engineering industries	(i) Housing estate			1,000,000	**Delete category 14 and replace**	(i) Housing estate or Multistorey building	a. Housing estate	1,000,000
	(ii) Multi-storey building of four storey and above	a. Residential (per storey)		30,000			b. Residential-four storey and above	30,000 per storey
		b. Commercial (per storey)		50,000			c. Commercial-four storey and above	50,000 per storey
	(iii) Motor terminals			300,000		(ii) Motor terminals		300,000
	(iv) Shopping mall			1,000,000		(iii) Shopping mall		1,000,000
	(v) Warehousing and storage facility			300,000		(iv) Warehousing and storage facility		300,000
	(vi) Supermarket outside shopping mall			300,000		(v) Supermarket outside shopping mall		300,000
	(vii) Open market in cities/municipalities			300,000		(vi) Open market in cities/municipalities		300,000
	(ix) Artisanal block/brick making facility			100,000		(viii) Artisanal block/brick making facility		100,000 per facility
	(x) Custom bonded warehouse			300,000		(ix) Custom bonded warehouse		300,000
	(xi) Car /vehicle showroom			200,000		(x) Car /vehicle showroom		200,000
(15) Chemical industries	(ix) Rubber and plastic	1,500,000	**Add immediately after Item (ix) and renumbering Item (x) and**	(x) Plastic and Rubber Industries	1.Petrochemical industries	2,000,0000 p.a		
					2.Processing and manufacturing industries	2,000,0000 p.a		
					3. Plastic recycling industries	100,000 p.a		

Category	Current Provision (2025 Regulations)				Remarks	Amendments			
			(xi) as Item (xii) and (xiii)		4. 3D printing and labelling industries	2,000,0000 p.a			
	(i) Oil and natural gas extraction	30,000,000			a. Carbon-In-Pulp (CIP) or Carbon-In Leach (CIL) Processing Plants	4,000,000			
	(ii) Large scale (special) mining and processing	25,000,000			b. Elution Plant	1,000,000			
	(iii) Medium scale mining and processing	7,500,000			c. Vat leaching plant	300,000			
	(iv) Mineral processing				d. Heap leaching plant	50,000,000 per heap per quarter			
					e. Mineral refinery plant	1,000,000 p.a			
	a. Carbon-in-Pulp (CIP) or carbon-inLeach (CIL) Processing Plants	4,000,000		(i) Mineral processing	f. Crushing of stone/aggregates (outside the quarry site)				
					g. Granite, marble, dimension and decorating stones/ tiles	Granite, marble, dimension and decorating stones			

Category	Current Provision (2025 Regulations)				Remarks	Amendments
						1,000,000 p.a
					h. Salt pan (per pan)	25,000 per pan
	b. Elution plant	1,000,000			i. Other mineral processing which are not specified	300,000
	c. VAT leaching plant	300,000		(ii) Borrow pit		750,000 per pit
	d. Other mineral processing which are not specified	300,000			a. Exploration	1000,000 p.a
	(v) Artisanal and small-scale mining and processing	250,000		(iii) Radioactive projects	b. Mining	30,000,000 p.a
	(vi) Quarries	3,000,000			c. Processing	50,000,000 p.a
	(vii) Crushing of stone/aggregates (outside the quarry site)	1,500,000			d. Off production	15,000,000 p.a
	(viii) Borrow pits	750,000		(iv) Mineral explorations/prospecting license per year	a. Mineral Exploration	(iv) Mineral Exploration
	(ix) Radioactive mining	50,000,000				

Category	Current Provision (2025 Regulations)			Remarks	Amendments				
	and/or processing					3,000,000 p.a			
	(x) Mineral explorations	3,000,000							
	(xi) Salt pan (per pan)	50,000		(v) Manufacture of explosive materials and other related product		2,500,000 p.a			
16) Extractive Industries	(xii) Granite, marble, dimension and decorating stones	1,500,000	**Delete category 16 and Replace**	(vi) Storage of explosive Material and other related products		1,000,000 p.a			
	(xiii) Manufacture of explosive materials and other related product	2,500,000		(vii) Extraction of gases (CO_2, Helium)		6,000,000			
	(xiv) Storage of explosive Material and other related products	1,000,000		(viii) Coal Storage Facility	a. with storage capacity of below 50,000 tonnages	750,000 p.a charged at selling point			
	(xv) Sand mining	2,000,000			b. 50,000 to 150,000 tonnages	750,000 p.a charged at selling point			
	(xvi) Extraction of gases (CO_2, Helium)	10,000,000			c. above 150,000 tonnages	750,000 p.a charged at selling point			

Annex 4: Proposed Amendments to the Fisheries Regulations on License Fees, Export Duties, and Import Duties for Fish and Fishery Products

S/N	Types of fees/charges for license, permits, export or import fish and fishery products.	FEES/DUTIES (TZS)
1.	Increase the annual license fee for sport fishing vessels.	400,000.00
2.	Export royalty for prawn head on per kilogram	2,600.00
3.	Export royalty for exporting frozen Prawn headless per kilogram	1,800.00
4.	Export royalty for exporting frozen tail lobster per kilogram	3,500.00
5.	Import license for live crabs, lobsters and coweries (*Crustacean/cephalopo ds/Mollusc*)	Tanzanian 400,000.00 Foreigners 4,000,000.00
6.	The import royalty for sea shells (simbi) into the country is charged based on weight (per kilogram).	650.00
7.	The annual import license for fish and fishery products (for both Tanzanians and non-citizens), including: (i) Sardines (Dried dagaa); (ii) Sea shells (simbi); (iii) Dried marine fish (ng'onda).	Tanzanian 400,000.00 Foreigners 4,000,000.00
	The annual import license for fish and fishery products (for both Tanzanians and non-citizens), including Ornamental fish.	Tanzanian 500,000.00 Foreigners 5,000,000.00
8.	Fish or fishery products	
	(i) Movement Permit per kilogram within the country	75.00
	(ii) Movement permit for (per Kg): (a) Dried fish maws; (b) Fresh/chilled or frozen fish maws.	Dried 1,800.00 Fresh 1,300.00
9.	License fee for fishing vessel (length below 11.0 meters) (i) Small scale (ii) Medium scale (iii) Large scale	Small Scale 50,000.00 Medium scale 60,000.00 Large scale 80,000.00
10.	License fee for fishing vessel (vessel length between 11.0 to 15.0 meters) (i) Medium scale (ii) Large scale	160,000.00
11.	License fee for fishing vessel (vessel length between 15.1 to 20.0 meters)	280,000.00
12.	License fee for fishing vessel (Vessel with Gross tonage between 20.1 to 50.0 GT)	30,000.00@GT
13.	License fee for fishing vessel (Vessel with Gross tonage between 50.1 to 100.0 GT)	50,000.00@GT
14.	License fee for fishing vessel (Vessel with Gross tonage between 100.1 to 150.0GT)	65,000.00
15.	Collection license fees	
	(i) Ornamental fish	500,000.00
	(ii) Sea shells	30,000.00
	(iii) Cephalopods	30,000.00
	(iv) Prawns	30,000.00
	(v) Lobsters/ Crabs	30,000.00
	(vi) Nile perch fish maws	450,000.00
	(vii) Other fish maws	200,000.00
	(viii) Fish skin	50,000.00
	(ix) Fisher's license	50,000.00
16.	Export license for fish and fishery products:	
	(i) Fish skins and belly flaps Small-scale (Tanzanian)	Small scale 500,000.00 Large scale 1,000,000.00

S/N	Types of fees/charges for license, permits, export or import fish and fishery products.	FEES/DUTIES (TZS)
	Large-scale (Tanzanian) Foreign national	Foreign national 3,500,000.00
	(ii) Fish Head, chest, Off-cuts and Frames Small-scale (Tanzanian) Large-scale (Tanzanian) Foreign national	Small scale 750,000.00 Large scale 1,500,000.00 Foreign national 3,500,000.00
	(iii) Fish meals and fish oil Small-scale (Tanzanian) Large-scale (Tanzanian) Foreign national	Small scale 750,000.00 Large scale 1,500,000.00 Foreign national 3,500,000.00
	(iv) Dried fish (Kayabo, Ng'onda) Small-scale (Tanzanian) Large-scale (Tanzanian) Foreign national	Small Scale 750,000.00 Large scale 1,500,000.00 Foreign national 3,500,000.00
	(v) Other fisheries products Small-scale (Tanzanian) Large-scale (Tanzanian) Foreign national	Small scale 1,000,000.00 Large scale 1,500,000.00 Foreign national 3,500,000.00
	(vi) Sea weed from Wild water Small-scale (Tanzanian) Large-scale (Tanzanian) Foreign national	Small -scale 500,000.00 Large-scale 750,000.00 Foreign national 1,000,000.00
17.	Ushuru wa kusafirisha samaki au mazao ya uvuvi nje ya nchi kwa kilo	
	(i) Fish stake	350.00
	(ii) Fish fillet	350.00
	(iii) Dried fish	500.00
	(iv) Fish skin	200.00
	(v) Belly flaps	200.00
	(vi) Fresh water sea shells	50.00
	(vii) Fish chips	50.00
	(viii) Ornamental fish	1,800.00
PROPOSED FISHERIES (LABORATORY) REGULATIONS FOR 2026/2027		
S/N	**Type of Fees for Service**	Fees
1.	Health certificates	50,000.00 Per consignment
2.	Declaration Certificate	10,000.00 Per consignment
3.	Approval Certificate of means of transport for fish and fishery products (large truck/vessel/container)	70,000.00
4.	Approval Certificate of modified means of transport for fish and fishery products (small truck/vessel/Box)	50,000.00
5.	Audit of fish processing factory (large establishment)	500,000.00 per annum
6.	Audit of fish processing premises (artisanal)	200,000.00 per annum
7.	Approval of independent cold store and ice plant	100,000.00
8.	Approval of artisanal processing premises/stores (medium scale)	100,000.00
9.	Approval of artisanal processing premises/stores (small scale)	50,000.00
10.	Approval of fish butchery per year	35,000.00
11.	HACCP assessment and verification (artisanal)	50,000.00

Annex 5: Domestic Revenue Collection, 2020/21 - 2026/27

								Million Shillings
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
	Actual	Actual	Actual	Actual	Actual	Budget	Likely outurn	Budget
Total Domestic Revenue	**20,594,735**	**24,395,566**	**26,277,887**	**29,829,895**	**34,845,867**	**40,466,131**	**41,027,366**	**46,228,159**
A. TRA Revenue	**17,624,454**	**20,931,262**	**22,610,162**	**26,072,402**	**30,095,736**	**34,103,890**	**35,338,424**	**39,094,701**
1. Import Duty	1,286,114	1,469,206	1,625,114	1,833,763	2,093,123	2,176,053	2,273,374	2,534,426
2. Excise Duty	2,722,380	2,888,518	2,946,239	3,506,194	4,415,222	4,538,126	4,745,248	5,019,141
3. Value Added Tax	5,029,231	5,343,680	6,165,872	6,625,283	8,004,586	9,305,565	9,611,262	10,036,850
4. Income Tax	6,015,741	7,517,312	7,601,041	9,077,396	10,444,524	11,268,555	12,284,377	13,758,082
5. Other Taxes	2,570,988	3,712,546	4,271,897	5,029,766	5,138,280	6,815,590	6,424,164	7,746,201
B. Non-Tax Revenue	**2,970,281**	**3,464,305**	**3,667,725**	**3,757,493**	**4,750,131**	**6,362,241**	**5,688,941**	**7,133,459**
1. Parastatal dividends and Contributions	636,399	850,348	1,008,866	767,085	982,450	1,696,261	1,540,672	1,792,228
2. Ministries and Regions	1,576,826	1,724,489	1,637,820	1,843,855	2,330,403	2,985,474	2,517,271	3,375,038
3. LGAs own source	757,055	889,468	1,021,039	1,146,553	1,437,278	1,680,507	1,630,998	1,966,193

Source: Ministry of Finance

Annex 6: Government Borrowing, 2020/21 - 2026/27

								Million Shillings
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2025/26	2026/27
	Actual	Actual	Actual	Actual	Actual	Budget	Likely outurn	Budget
1. Total of New External and Domestic Borrowing (a+b)	**11,700,174**	**11,820,767**	**12,102,719**	**12,480,625**	**14,095,232**	**15,099,033**	**13,966,938**	**15,542,894**
(a) New Domestic Borrowing	**6,621,772**	**5,894,434**	**6,124,512**	**5,432,463**	**7,489,466**	**5,539,667**	**6,029,005**	**6,557,744**
(i) New Domestic Borrowing (Rollover)	3,262,552	3,044,432	2,610,598	3,257,144	4,087,193	3,325,557	3,122,373	3,285,395
(ii) Net Domestic Financing	3,359,220	2,850,002	3,513,914	2,175,319	3,402,273	2,214,111	2,906,632	3,272,349
(b) New External Borrowing	**5,078,402**	**5,926,333**	**5,978,206**	**7,048,162**	**6,605,766**	**9,559,365**	**7,937,933**	**8,985,150**
(i) Concessional Projects Borrowing	1,746,973	2,825,097	1,115,244	2,933,214	1,859,744	4,419,817	3,266,373	4,767,036
(ii) Concessional General Budget Support	210,239	1,291,743	1,851,237	2,013,708	2,335,248	2,510,537	2,040,872	1,787,742
(iii) Non - Concessional	3,121,190	1,809,494	3,011,725	2,101,241	2,410,774	2,629,012	2,630,688	2,430,372
(c) Amortization of Domestic Debt	**5,077,996**	**4,948,687**	**3,711,400**	**6,082,781**	**7,330,210**	**7,022,845**	**6,798,774**	**7,315,696**
(i) Principal - Rollover	3,262,552	3,044,432	2,610,598	3,257,144	4,087,193	3,325,557	3,122,373	3,285,395
(ii) Interest Payments	1,815,445	1,904,255	1,100,802	2,825,637	3,243,017	3,697,288	3,676,401	4,030,301
(d) External Debt Services	**3,140,117**	**3,676,474**	**4,686,200**	**4,669,652**	**5,131,656**	**7,186,134**	**7,166,382**	**7,379,431**
(i) Principle	2,427,023	2,816,057	2,916,041	3,011,813	3,197,973	4,389,707	4,387,098	4,550,190
(ii) Interest	713,093	860,417	1,770,159	1,657,838	1,933,683	2,796,427	2,779,284	2,829,241
(e) Net Domestic Debt Increase (a-c(i))	**3,359,220**	**2,850,002**	**3,513,914**	**2,175,319**	**3,402,273**	**2,214,111**	**2,906,632**	**3,272,349**
(f) Net External Debt Increase (b-d(i))*	**2,651,379**	**3,110,276**	**3,062,165**	**4,036,349**	**3,407,793**	**5,169,659**	**3,550,835**	**4,434,960**
2. Net Increase on Domestic and External Debt (e+f)	**6,010,599**	**5,960,278**	**6,576,079**	**6,211,668**	**6,810,066**	**7,383,770**	**6,457,467**	**7,707,309**

Source: Ministry of Finance

*The increase does not include future disbursement from existing loans

Annex 7a: Budget Frame, 2020/21 - 2026/27

	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Budget	2025/26 Likely outurn	2026/27 Budget
								Million Shillings
Total Resources	**32,274,882**	**36,923,779**	**39,162,784**	**42,836,588**	**49,362,285**	**56,490,252**	**55,913,734**	**62,334,193**
Domestic Revenue	20,594,735	24,395,566	26,277,887	29,829,895	34,845,867	40,466,131	41,027,366	46,228,159
Grants and Concessional Loans - GBS	210,239	1,394,945	1,851,237	2,127,504	2,388,215	2,510,537	2,040,872	1,787,742
Grants and Concessional Loans - Projects	2,197,354	3,337,660	1,621,571	3,293,890	2,526,525	5,155,169	3,999,875	5,197,360
Grants and Concessional Loans - Basket	252,471	92,727	90,053	160,215	160,304	189,736	185,928	132,815
Domestic Loans (Rollover)	3,262,552	3,044,432	2,610,598	3,257,144	4,087,193	3,325,557	3,122,373	3,285,395
Domestic Loans (Financing)	3,359,220	2,850,002	3,513,914	2,175,319	3,402,273	2,214,111	2,906,632	3,272,349
External Non-concessional Loans	3,121,190	1,809,494	3,011,725	2,101,241	2,410,774	2,629,012	2,630,688	2,430,372
Adjustments	-722,879	-1,047	185,798	-108,620	-458,866	0	0	0
Total Expenditure	**32,274,882**	**36,923,779**	**39,162,784**	**42,836,588**	**49,362,285**	**56,490,252**	**55,913,734**	**62,334,193**
Recurrent Expenditure	20,573,298	21,843,438	25,192,078	28,200,167	33,959,563	38,996,519	38,560,134	41,514,417
Wages and Salaries	7,328,824	8,087,392	9,046,205	9,978,926	11,238,563	13,174,240	13,145,144	14,088,142
CFS	9,656,017	10,273,082	10,260,912	12,597,693	14,801,787	17,254,771	16,980,948	18,276,946
Debt Service	8,218,113	8,625,162	8,397,601	10,752,432	12,461,866	14,208,979	13,965,156	14,695,127
Other CFS	1,437,904	1,647,920	1,863,311	1,845,261	2,339,921	3,045,792	3,015,792	3,581,820
Other Charges	3,588,456	3,482,964	5,884,961	5,623,548	7,919,213	8,567,508	8,434,042	9,149,328
LGAs Own Source	447,419	532,768	622,834	689,314	863,660	1,067,065	978,599	1,170,940
Others	3,141,037	2,950,196	5,262,127	4,934,234	7,055,552	7,500,443	7,455,443	7,978,388
Development Expenditure	11,701,584	15,080,341	13,970,706	14,636,421	15,402,723	17,493,733	17,353,600	20,819,776
Local	9,251,759	11,461,638	12,259,082	11,182,316	12,715,894	12,117,828	12,712,762	15,489,601
Foreign	2,449,825	3,618,703	1,711,624	3,454,105	2,686,829	5,375,905	4,640,838	5,330,175
GDP	**155,914,440**	**170,700,924**	**186,384,944**	**202,667,300**	**223,039,333**	**244,809,614**	**244,809,614**	**270,358,131**
Source: Ministry of Finance								

Annex 7b: Budget Frame as Percentage of GDP, 2020/21 - 2026/27

	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Budget	2025/26 Likely outurn	2026/27 Budget
Total Resources	20.7%	21.6%	21.0%	21.1%	22.1%	23.1%	22.8%	23.1%
Domestic Revenue	13.2%	14.3%	14.1%	14.7%	15.6%	16.5%	16.8%	17.1%
Grants and Concessional Loans - GBS	0.1%	0.8%	1.0%	1.0%	1.1%	1.0%	0.8%	0.7%
Grants and Concessional Loans - Projects	1.4%	2.0%	0.9%	1.6%	1.1%	2.1%	1.6%	1.9%
Grants and Concessional Loans - Basket	0.2%	0.1%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%
Domestic Loans (Rollover)	2.1%	1.8%	1.4%	1.6%	1.8%	1.4%	1.3%	1.2%
Domestic Loans (Financing)	2.2%	1.7%	1.9%	1.1%	1.5%	0.9%	1.2%	1.2%
External Non-concessional Loans	2.0%	1.1%	1.6%	1.0%	1.1%	1.1%	1.1%	0.9%
Adjustments	-0.5%	0.0%	0.1%	-0.1%	-0.2%	0.0%	0.0%	0.0%
Total Expenditure	20.7%	21.6%	21.0%	21.1%	22.1%	23.1%	22.8%	23.1%
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Recurrent Expenditure	13.2%	12.8%	13.5%	13.9%	15.2%	15.9%	15.8%	15.4%
Wages and Salaries	4.7%	4.7%	4.9%	4.9%	5.0%	5.4%	5.4%	5.2%
CFS	6.2%	6.0%	5.5%	6.2%	6.6%	7.0%	6.9%	6.8%
Debt Service	5.3%	5.1%	4.5%	5.3%	5.6%	5.8%	5.7%	5.4%
Other CFS	0.9%	1.0%	1.0%	0.9%	1.0%	1.2%	1.2%	1.3%
Other Charges	2.3%	2.0%	3.2%	2.8%	3.6%	3.5%	3.4%	3.4%
LGAs Own Source	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
Others	2.0%	1.7%	2.8%	2.4%	3.2%	3.1%	3.0%	3.0%
	7.5%	8.8%	7.5%	7.2%	6.9%	7.1%	7.1%	7.7%
Development Expenditure	5.9%	6.7%	6.6%	5.5%	5.7%	4.9%	5.2%	5.7%
Local	1.6%	2.1%	0.9%	1.7%	1.2%	2.2%	1.9%	2.0%
Foreign								
Source: Ministry of Finance								

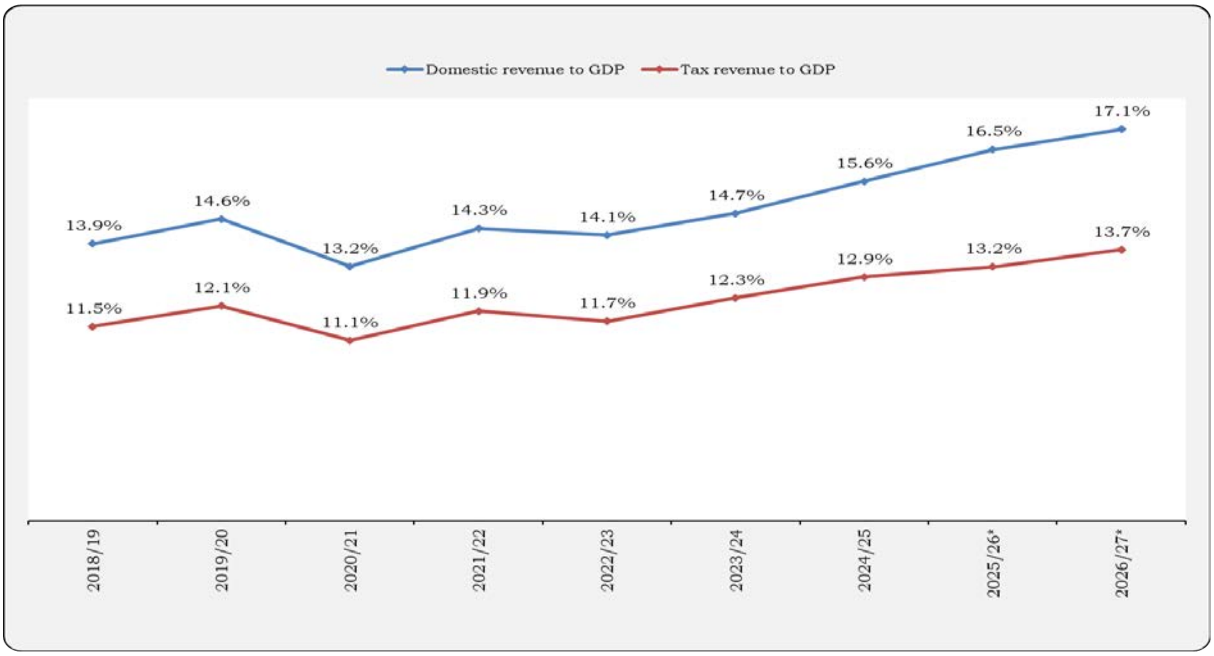
Annex 8: Budget Frame (2026/27 – 2028/29)

Million shillings

	2026/27	2027/28	2028/29
A. Revenue	**46,791,299**	**52,360,781**	**58,390,269**
Taxes	37,022,030	41,393,268	46,260,777
Grants	563,139	516,459	486,219
Other revenue	9,206,129	10,451,054	11,643,273
o/w LGA Own source	1,966,193	2,300,446	2,691,522
B. Expense	**52,169,947**	**56,087,146**	**60,965,872**
Compensation of employees	**10,127,295**	**11,030,985**	**12,293,402**
Wages and salaries	6,327,227	5,380,423	5,660,205
Employers' social contributions	2,131,009	2,619,818	2,824,843
Use of goods and services	**5,215,408**	**7,526,556**	**8,315,739**
Interest	**6,859,541**	**8,019,853**	**8,208,854**
To nonresident	2,829,241	3,402,605	3,501,541
To residents other than General Government	4,030,301	4,617,247	4,707,312
Subsidies	**2,791,970**	**1,888,215**	**1,854,057**
Grants (Transfers)	**22,528,163**	**23,006,413**	**25,485,795**
o/w Local Government	9,029,943	11,356,726	12,419,809
o/w Wages and Salaries	5,312,016	6,794,284	7,133,998
o/w Capital Transfer	2,200,313	1,977,764	2,076,653
Extra-budgetary accounts and funds	11,006,544	13,303,436	14,463,854
o/w Wages and Salaries	2,320,445	2,407,842	2,528,234
o/w Capital Transfer	5,936,233	7,518,710	7,894,645
o/w Direct Transfer	1,843,130	-	-
Social benefits	**1,007,689**	**829,649**	**871,131**
Other expense	**3,639,880**	**3,785,476**	**3,936,895**
Net operating balance	**(5,378,648)**	**(3,726,366)**	**(2,575,603)**
C. Net Acquisition of Nonfinancial Assets	**2,328,661**	**3,203,774**	**3,394,826**
Overall Balance before Grants	**(8,270,449)**	**(7,446,598)**	**(6,456,648)**
Net lending / borrowing/Balance after Grants	**(7,707,309)**	**(6,930,140)**	**(5,970,429)**
Financing	**7,707,309**	**6,930,140**	**5,970,429**
D. Domestic	**3,272,349**	**3,657,039**	**3,074,928**
D1. Receipts from Domestic Borrowings	6,557,744	7,681,816	6,723,935
D2. Repayment of Domestic Loan	(3,285,395)	(4,024,778)	(3,649,007)
E. Foreign	**4,434,960**	**3,273,101**	**2,895,501**
E1. Receipts from External Borrowings	8,985,150	9,118,969	7,877,782
o/w ENCB	2,430,372	3,126,936	2,923,829
E2. Repayment of External Loan	(4,550,190)	(5,845,868)	(4,982,281)
Total Budget Frame (A+D1+E1)	**62,334,193**	**69,161,566**	**72,991,986**

Source: Ministry of Finance

Figure No. 1: Domestic Revenue and Tax Revenue to GDP Ratio



*Estimates

Figure No.2: Domestic Revenue Sources

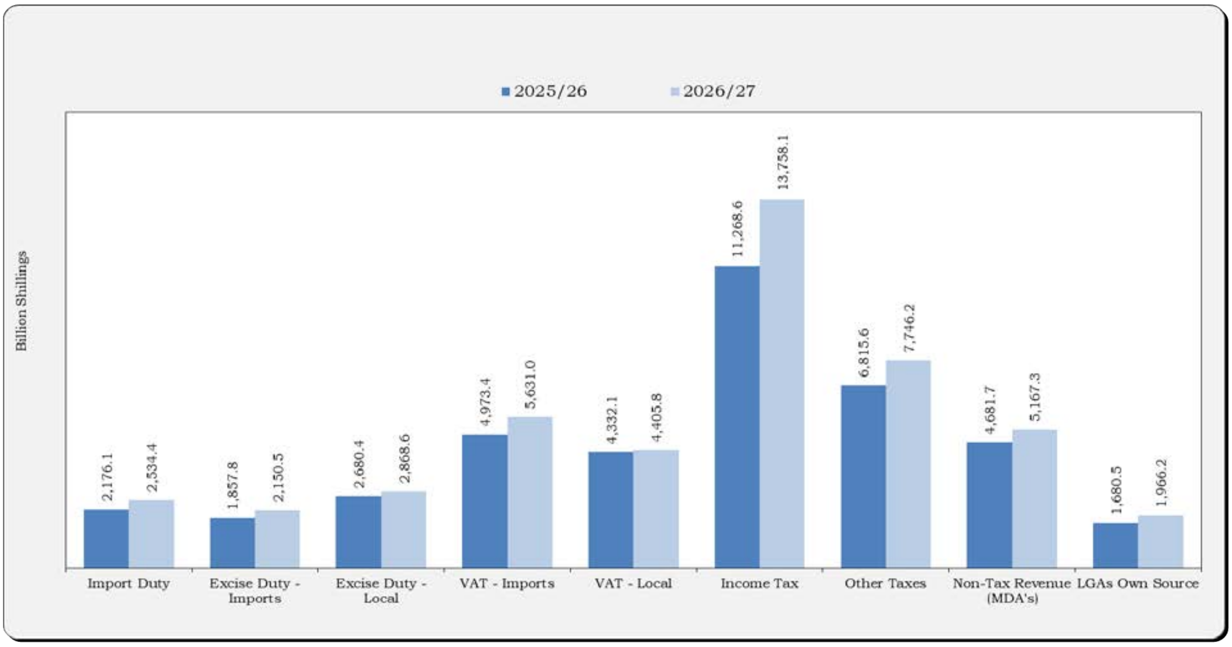


Figure No. 3: Revenue Sources (Billion Shillings)

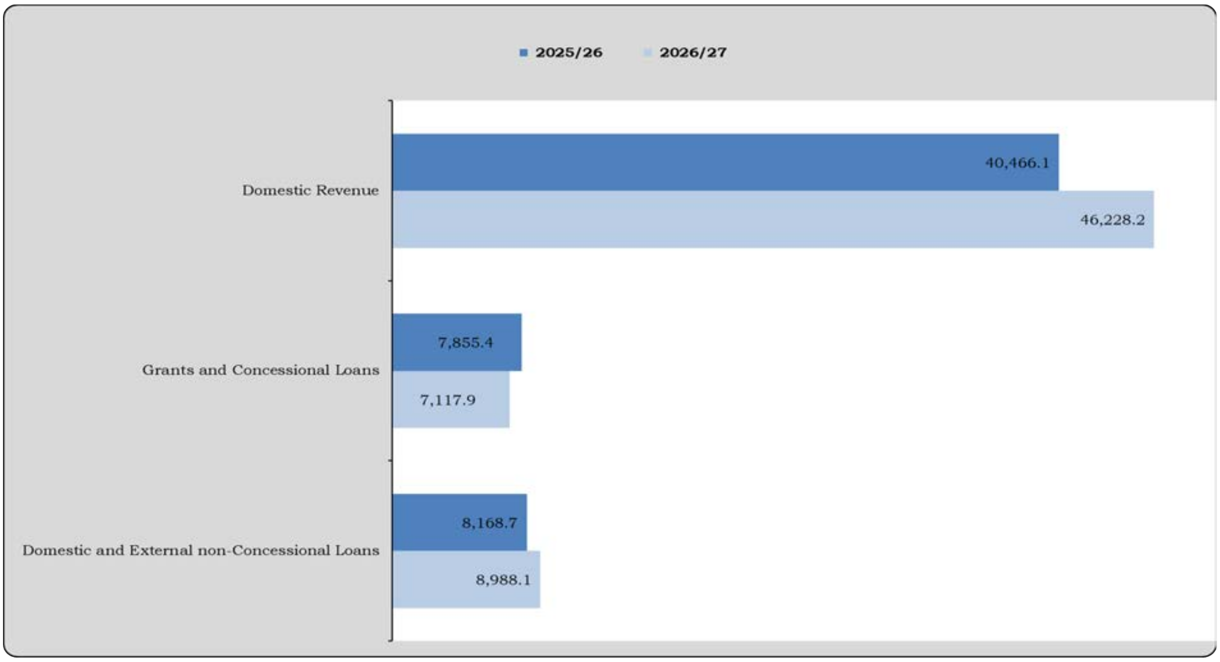


Figure No. 4: Government Expenditure (Billion Shillings

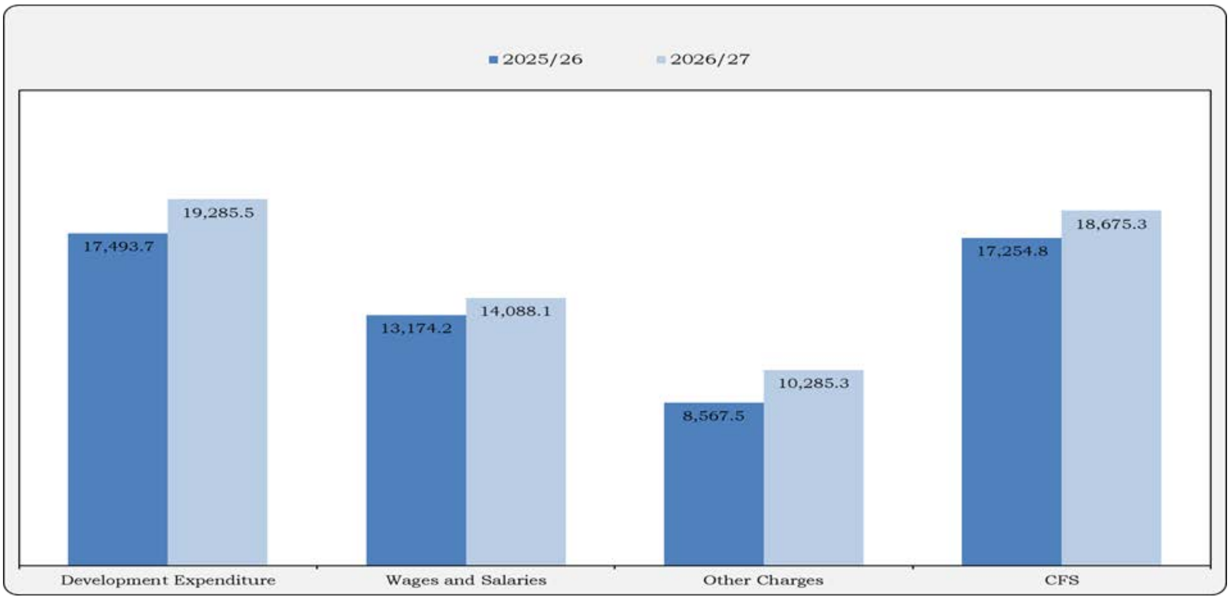
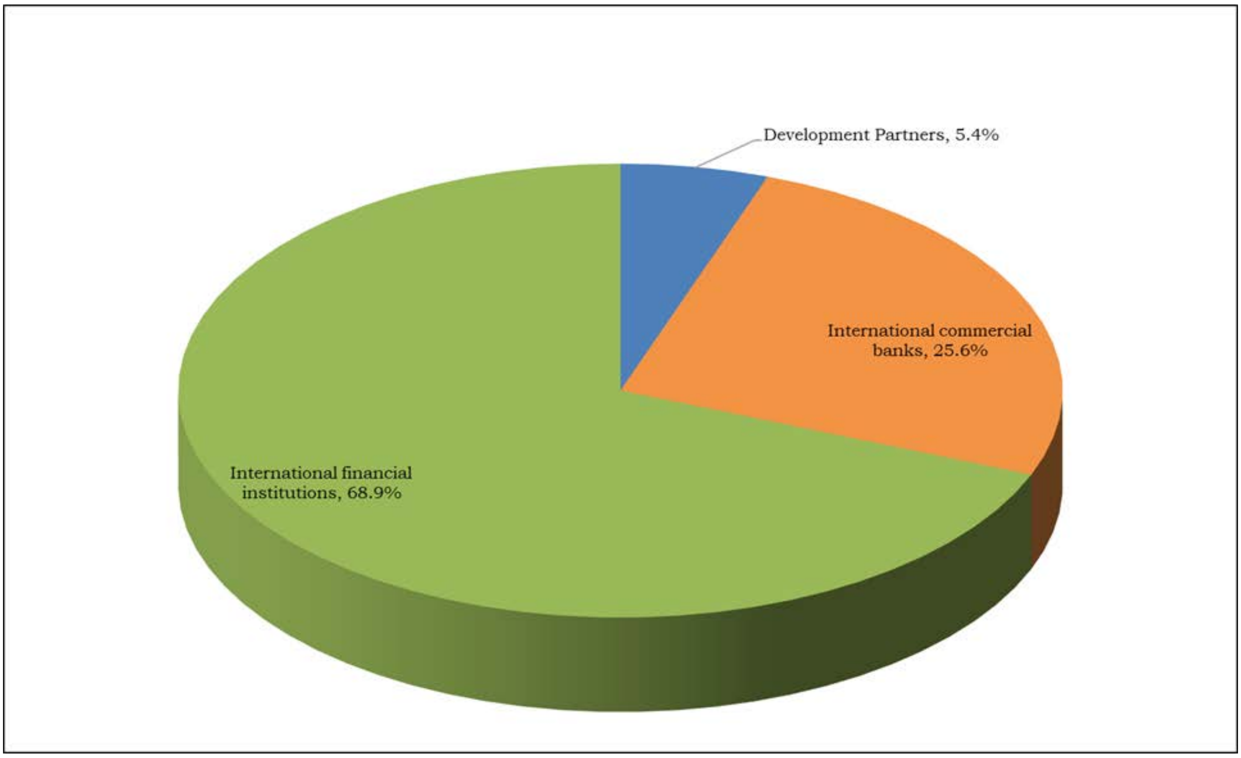


Figure No. 5: External Debt by Creditor, March 2026



The Launch of the Clean Cooking Energy Project

President Dr. Samia Lays the Foundation Stone for the Construction of Mwamapalala Vocational Secondary School in Simiyu

Business Environment Improvements:
Ubungo Commercial and Transport Centre,
Featuring 2,060 Shop and Office Spaces

Ministry of Finance
Government City - Mtumba, Hazina Avenue
P.O.Box 2802, Dodoma
https://www.mof.go.tz