#NationalBudget2025

# Tanzania Budget Highlights 2025/26

## Propelling Progress. Unlocking possibilities

June 2025

# Message from the Country Managing Partner

***"In FY 25/26, the government reflects a forward-looking policy stance, balancing growth ambitions with macroeconomic stability."***

The 2025/2026 National Budget, presented under our theme "Propelling Progress. Unlocking Possibilities," reflects how the Government of the United Republic of Tanzania continues to play a critical role in Tanzania's development. This year's National Budget portrays the government's strong commitment to accelerating inclusive and sustainable growth as the country concludes the implementation of the Third Five-Year Development Plan (FYDP III) and looks toward achieving the aspirations of Vision 2025.

This year's budget speech, delivered by the Hon. Minister for Finance, comes in the midst of a global economic uncertainty and geopolitical tensions. Nonetheless, Tanzania has demonstrated notable resilience through pragmatic fiscal management, policy reforms, and deliberate investment in strategic sectors. The budget reflects the Sixth Phase Government's resolve, under the leadership of Her Excellency President Dr. Samia Suluhu Hassan, to unlock Tanzania's full socio-economic potential.

The National Budget prioritizes the completion of flagship infrastructure projects, such as the Standard Gauge Railway, Julius Nyerere Hydropower Project, and Kigongo–Busisi Bridge, alongside sustained efforts in rural electrification, health system expansion, and education reforms. In the social sector, significant progress has been made in widening access to clean water, health services, and universal education, all of which underscore the government's people-centred approach.

At the same time, emphasis has been placed on modernizing agriculture, fisheries, and livestock sectors, improving food security, creating employment, and increasing value addition in local industries. Key milestones include improved fertilizer production, warehouse construction, irrigation coverage, and revitalization of fishing and meat processing infrastructure.

The budget also emphasizes on Tanzania's commitment to building a dynamic and competitive investment climate. Continued implementation of the Tanzania Investment Act No. 10 of 2022, tax reforms, and public-private partnerships (PPPs) are enabling the private sector to play an increasingly significant role in the country's transformation. Further, support through financial sector reforms, enhanced digital payment systems, and increased access to credit, particularly for farmers and SMEs, demonstrates the Government's integrated and inclusive growth strategy.

Importantly, in FY 25/26, the government reflects a forward-looking policy stance, balancing growth ambitions with macroeconomic stability. The government remains focused on expanding domestic revenue, ensuring debt sustainability, mitigating the impacts of climate change, and safeguarding foreign currency reserves.

This publication presents our detailed analysis of the government's revenue and expenditure plans, key fiscal proposals, and structural reforms. We aim to support stakeholders across sectors, businesses, investors, policymakers, and development partners in understanding the implications of this year's budget and in making informed decisions that contribute to national progress.

We hope you enjoy this read.

Kibiki Fortunatus
Country Managing Partner
Deloitte Tanzania

***"In FY 2025/26, the government maintains its resolve to formalize the informal sector and expand its oversight over emerging revenue streams."***

In recent years, Tanzania has made strides in strengthening its fiscal and economic architecture. The government has continued to implement wide-ranging reforms aimed at deepening domestic revenue mobilization, enhancing public financial management, and creating a more predictable and investor-friendly regulatory landscape. Building on these efforts, the 2025/26 National Budget reflects an ongoing commitment to economic transformation anchored on industrialization, inclusive development, and sustainable growth.

One of the cornerstones of this year's budget is the government's clear intention to institutionalize performance-based tax incentives, with 169 agreements signed to date. Through the institutionalization of performance agreements with investors receiving tax exemptions, the government is fostering transparency while ensuring that fiscal incentives yield tangible economic returns. In addition, digitalization of tax systems and the integration of revenue collection platforms have continued to play a significant role in enhancing efficiency, closing compliance gaps, and broadening the tax base.

The government's investments in large-scale infrastructure, including the nearly completed Julius Nyerere Hydropower Plant (99.93%) and operational stages of the Standard Gauge Railway, signal Tanzania's readiness to unlock regional trade, reduce operational and logistics costs, and boost productivity across key sectors. With rural electrification reaching every village on the mainland and meaningful progress in clean energy adoption, Tanzania continues to position itself as a reliable, forward-looking investment destination.

This budget also reaffirms the country's focus on social equity. With higher allocations toward universal health insurance, fee - free education, and improved water access, the fiscal strategy reflects a development model that places people at the centre. The introduction of progressive measures such as increasing the minimum pension and civil service wages, as well as spending over TZS 9.6 trillion on subsidies in key areas like fertilizer, shows the government's responsiveness to current cost-of-living pressures.

Access to affordable finance, especially for SMEs, continues to be a constraint. While government backed initiatives like the Tanzania Agricultural Development Bank and the Cooperative Bank are commendable, more collaborative financing solutions are needed to support enterprise growth and job creation.

In FY 2025/26, the government maintains its resolve to formalize the informal sector and expand its oversight of emerging digital revenue streams. Proposed tax measures targeting certain financial transactions signal a shift toward modernizing tax administration and capturing new areas of economic activity. These efforts, if implemented transparently and with stakeholder consultation, have the potential to significantly increase tax buoyancy.

Nonetheless, challenges persist. Addressing inefficiencies in tax administration, enhancing inter-agency coordination, and ensuring a fair and predictable dispute resolution framework remain critical to unlocking the full potential of both domestic and foreign investment. The legal and tax policy environment must not only be well-intentioned, but it must also be consistent, timely, and business-conscious.

In conclusion, the 2025/26 National Budget echoes Tanzania's commitment to building a resilient, inclusive, and competitive economy. Through deliberate reforms, improved public investment management, and a focus on service delivery, the government is laying a solid foundation for long-term growth and private sector dynamism.

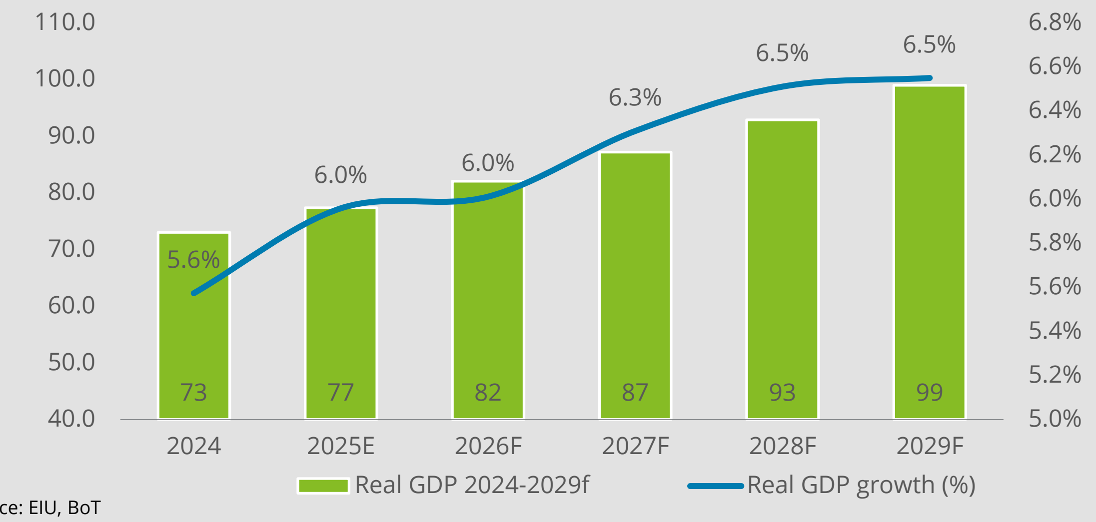
This document summarizes our analysis of the key fiscal priorities of the 2025/26 budget and the implications for businesses with operations in Tanzania. I hope it offers meaningful insights and remains a useful reference throughout the fiscal year.

Festo Barthalome
Tax & Legal Leader
Deloitte Tanzania

# Economic Outlook

# Economy at a Glance

## GDP growth

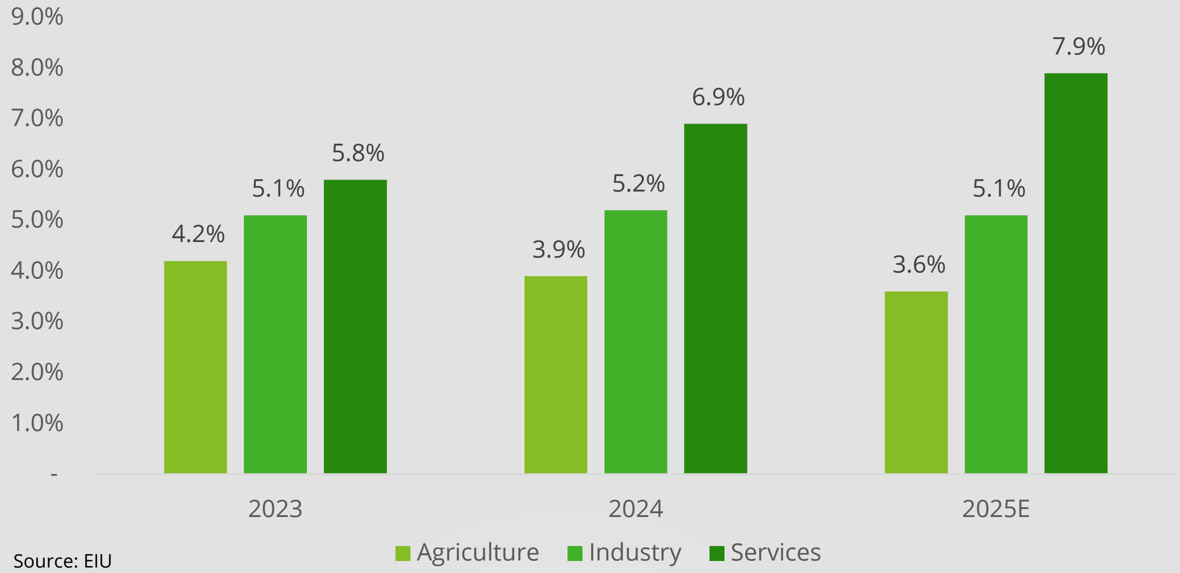



Source: EIU, BoT

### GDP Growth

- Tanzania's GDP growth accelerated to 5.6% in 2024 from 5.1% in 2023, primarily driven by robust performance in key sectors such as services, tourism and telecommunications, and sustained expansion in the industry and construction sectors, fueled by ongoing infrastructure investments.
- The country's economy is expected to grow further by 6.0% in 2025 mainly supported by sustained government investment in infrastructure projects and improved performance in the tourism sector.
- Between 2025 and 2029, the GDP growth is forecasted to average at 6.3%, reaching 6.5% in 2029. This is Between 2025 and 2029, GDP growth is forecasted to average 6.3% p.a., reaching 6.5% in 2029, driven by growth in intra-regional trade, increased foreign direct investments, superior performance in key sectors like tourism and mining, and continued government investment in infrastructure projects.

## Sectoral growth



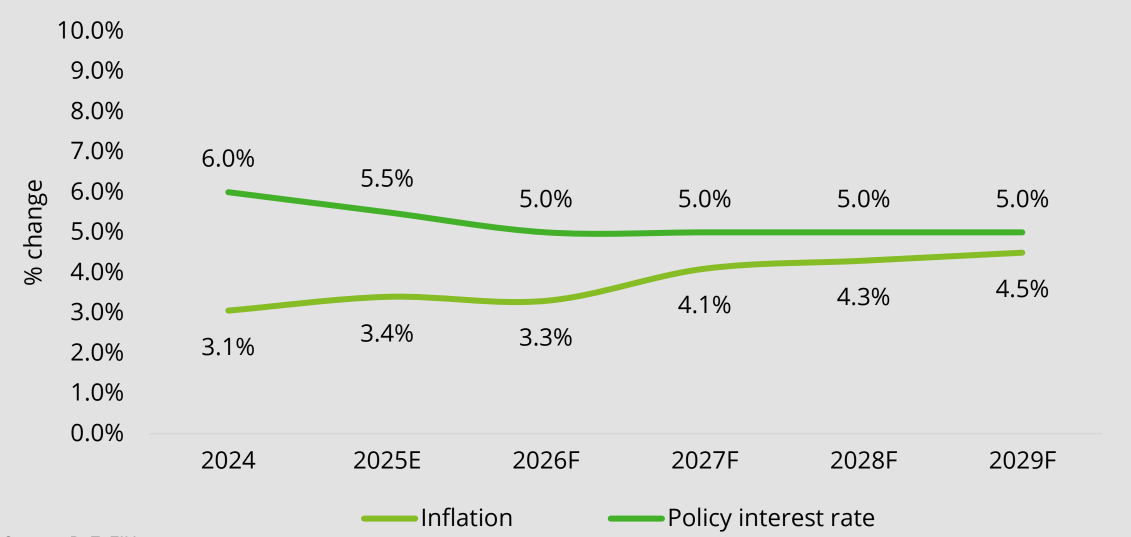

Source: EIU

### Sectoral Growth

- The agricultural sector is expected to grow by 3.6% in 2025, a slight decline from the 3.9% growth recorded in 2024, attributable to rising production costs and expected climate variability. Notably, the government is expected to continue supporting productivity through its fertilizer subsidy program, provision of certified seeds and expanded irrigation infrastructure.
- The industry sector is expected to grow by 5.1% in 2025, a marginal decline from the 5.2% recorded in 2024 mainly supported by the country's investment in strategic infrastructure.
- The services sector is forecasted to grow by 7.9% in 2025, compared to a 6.9% growth in 2024 driven by strong performance in finance and insurance subsectors, ICT, trade and tourism.

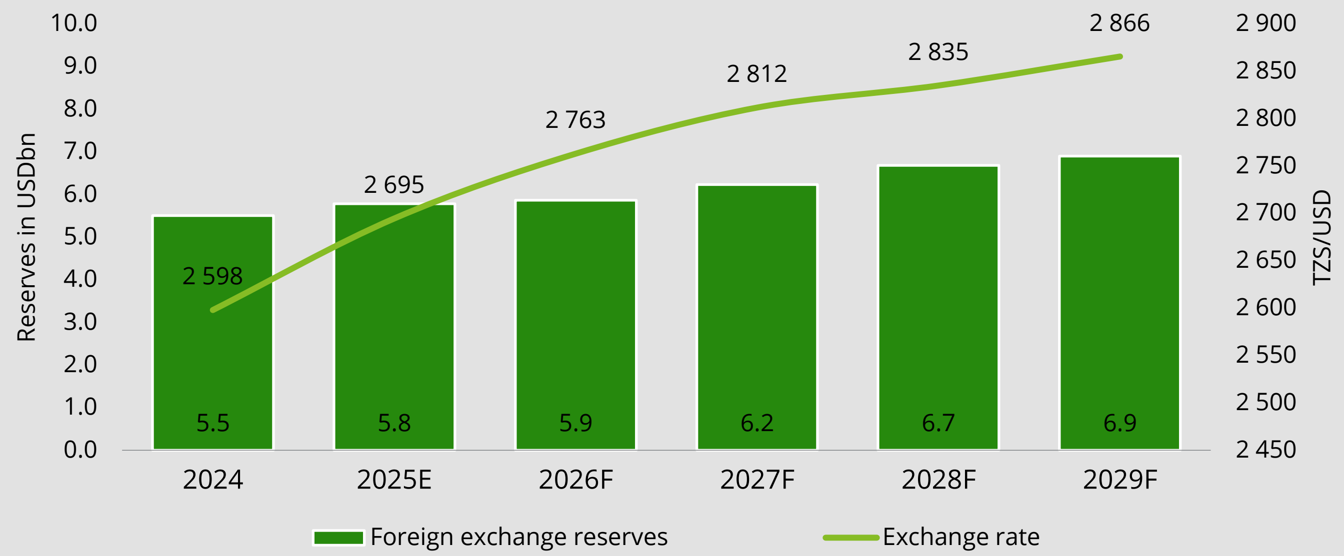
# Economy at a Glance

## Inflation and interest rates




Source: BoT, EIU

## Foreign exchange and forex reserves




Source: EIU

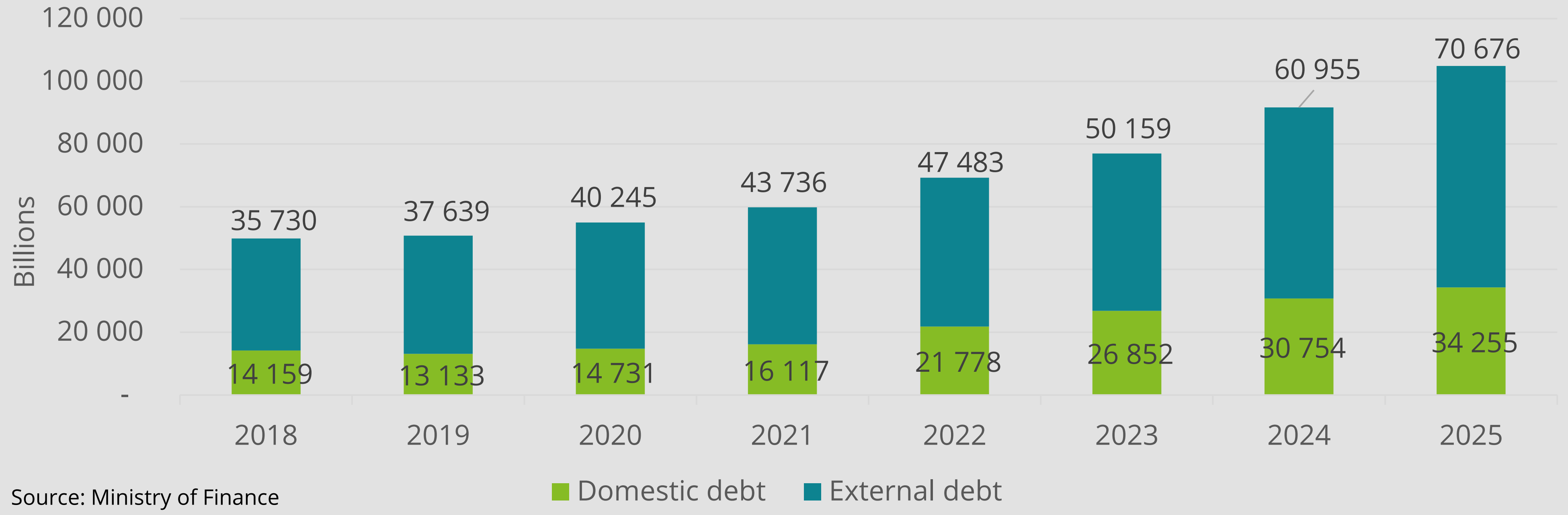
Tanzania's inflation is expected to increase marginally to 3.4% in 2025 from 3.1% in 2024, a spillover effect from the country's sharp (9.0%) decline in Tanzania Shilling (TZS) against the US dollar in 2024. The high depreciation will have a trickle-down effect on consumer prices with the country's heavy reliance on imported products like oil.

The Bank of Tanzania (BoT) is expected to hold constant the policy rate at 6.0% to manage the country's inflation in light of higher import prices. However, the falling prices of global commodities, including crude and refined oil, could benefit the country and facilitate interest rate cuts to 5.5% in Q4 of 2025.

In 2024, the Tanzania shilling depreciated by 9.0% against the US dollar, marking the highest decline since 2016. The shilling experienced higher depreciation in H1 of 2024 occasioned by unprecedented demand for the US dollar due to increased imports over exports leading to a wider current account deficit. The shilling was, however, able to gain stability in H2 of 2024, following a series of government interventions and significant improvements in the country's current account deficit. The shilling is expected to maintain relatively stable, depreciating by a lower rate of 3.7% in 2025. This is mostly driven by the country's current account deficit (projected to be 3.2% of the GDP in 2025) and election-related speculative volatility. In addition, Tanzania is expected to maintain sufficient reserves to cover 4-months worth of imports in 2025.

# Economy at a Glance

## Government debt stock (TZS billions)




Source: Ministry of Finance

| Debt to GDP | June 2021 | June 2022 | June 2023 | June 2024 |
|---|---|---|---|---|
| National debt to GDP | 49.9% | 52.2% | 53.4% | 55.2% |
| Public debt to GDP | 41.1% | 41.9% | 44.5% | 46.3% |

As at the end of March 2024, total government debt stood at TZS 91.708 trillion, representing an increase of 19.09% from the previous year's TZS 77.010 as of June 2023.

As of March 2025, the total national debt stood at TZS 104.931 trillion out of which TZS 70.676 trillion is external debt and TZS 34.255 trillion is domestic debt.

As at June 2024, Tanzanian public debt to GDP ratio stood at 46.3% and 55.2% for national debt as a portion of GDP. These are assessed at actual values, and the Ministry of Finance notes that taking into account present value of debt (as at June 2024), Tanzania remains at 24.1% and 40.3% respectively on national and public debt as a portion of GDP. These are within the threshold of 40% and 55% respectively.

2024 National Debt % of GDP

**55.2%**

2024 Public Debt as % of GDP

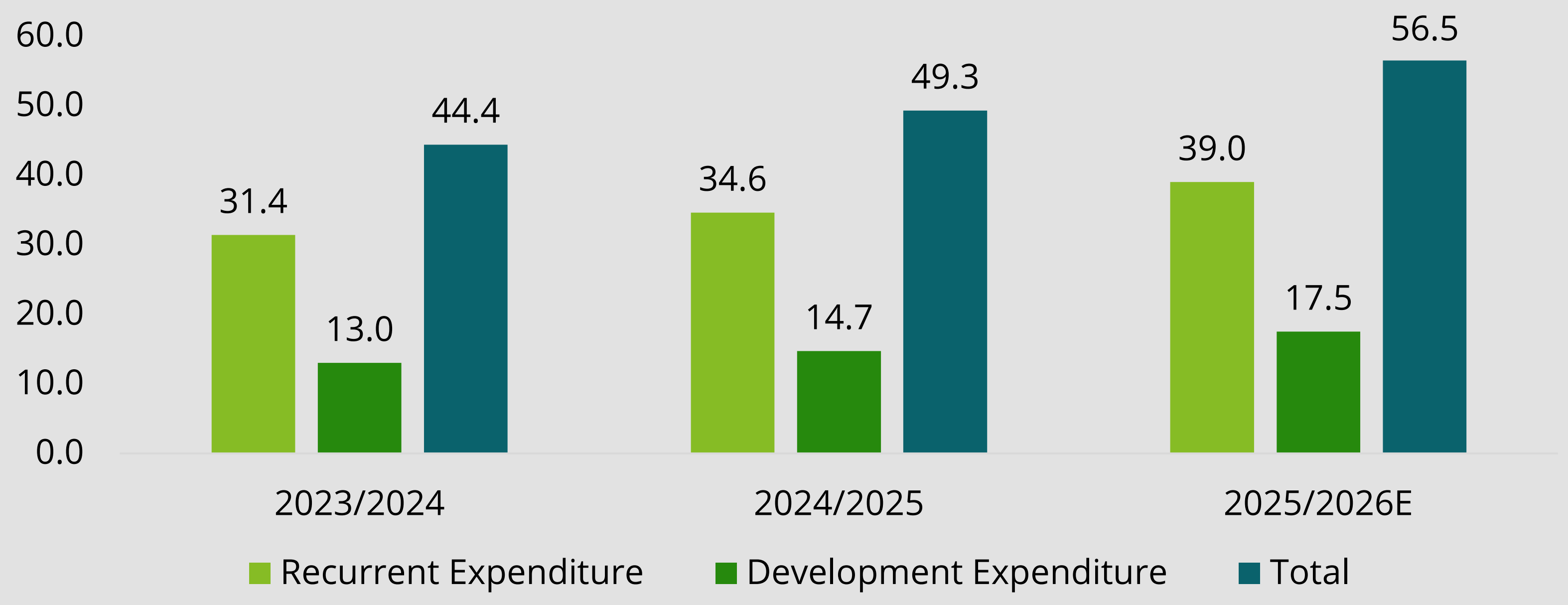
**46.3%**

Source: Ministry of Finance – Tanzania National Debt Sustainability Analysis Report (October 2024)

# Budget Overview

# Budget overview

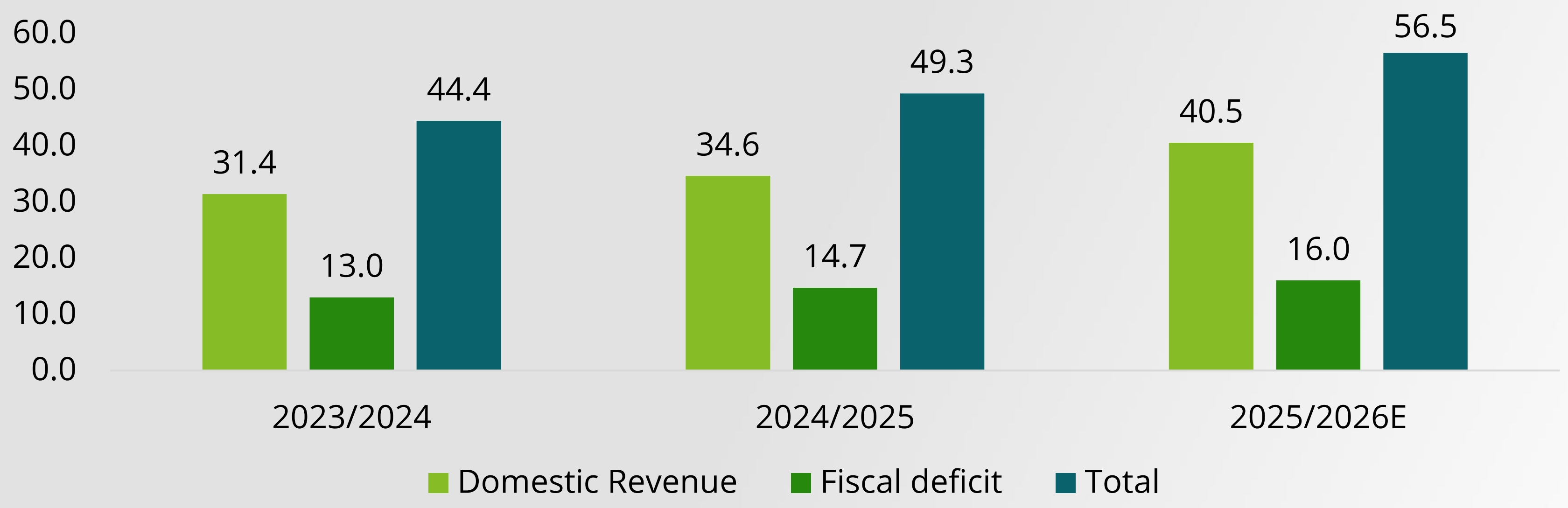
## Expenditure type




Source: Ministry of Finance and Planning, previous budget speech documents

Note: The past year numbers are drawn from previous year budget speeches

## Domestic revenue v deficit




Source: Ministry of Finance and Planning, previous budget speech documents

15.6% Budget increase

Tanzania's national budget increased from TZS 49.3tn in FY2024/2025 to TZS 56.5tn in FY2025/2026, a 14.5% increase. This is driven by economic growth, strategic investments in infrastructure and human capital, expansion of public services, and efforts to enhance revenue mobilisation while safeguarding fiscal sustainability.

Recurrent expenditure will increase by 12.7% from TZS 34.6tn in FY2024/25 to TZS 39.0tn in FY2025/26. This increase is largely attributable to rising salary commitments, debt servicing obligations, and support to government operations and service delivery across ministries, departments, and agencies.

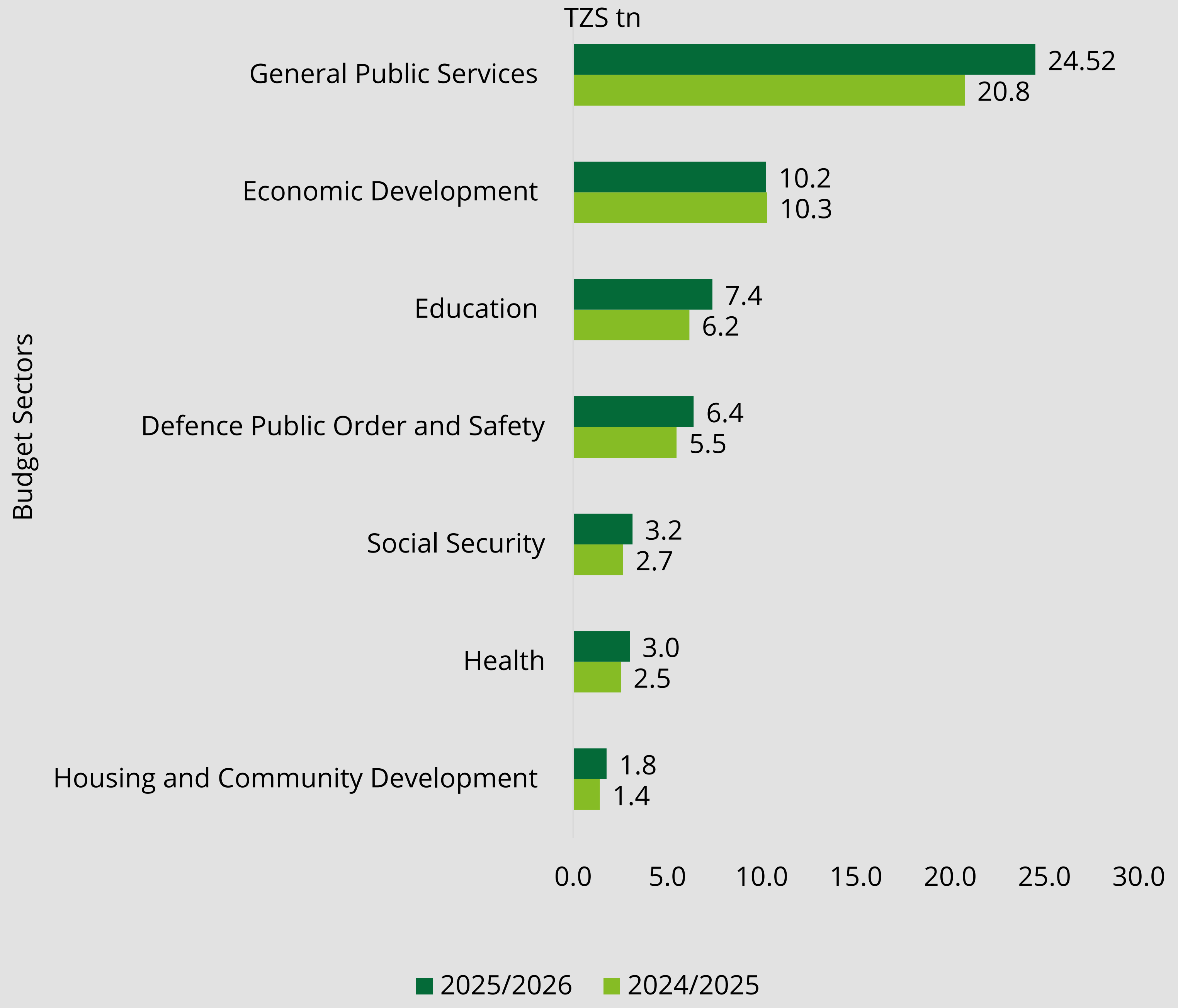
Development expenditure will increase by 19.0% from TZS 14.7tn in FY2024/25 to TZS 17.5tn in FY2025/2026. The additional resources will be channeled into infrastructure projects, education and health facilities, agricultural programs, and water supply systems. Key projects include the completion of the SGR and the JNHPP.

12.4% Domestic revenues

To finance the budget, domestic revenues are expected to reach TZS 40.5tn in FY2025/2026, a 17.1% increase from the previous year TZS 34.6tn. This reflects improved tax compliance and administration as well as expected growth in the productive sectors of the economy. The fiscal deficit is projected to widen to TZS 16.0tn, up from TZS 14.7tn in FY2024/2025. The government intends to finance the gap through concessional and non-concessional loans, including support from development partners and commercial lenders.

# Budget overview | Biggest winners

## Budget allocation by sector




Source: Ministry of Finance and Planning, previous budget speech documents

### General public services

Allocations to the General Public Services sector increased by 18.0% from TZS 20.8tn in 2024/2025 to TZS 24.52tn in 2025/2026. This sector accounted for 43.4% of the total budget allocation. The increase is largely driven by the rising, non-discretionary cost of servicing the national debt, as the government continues to borrow to finance large infrastructure projects. Additionally, allocations support governance, rule of law, and the operational costs of running the central government.

### Economic development

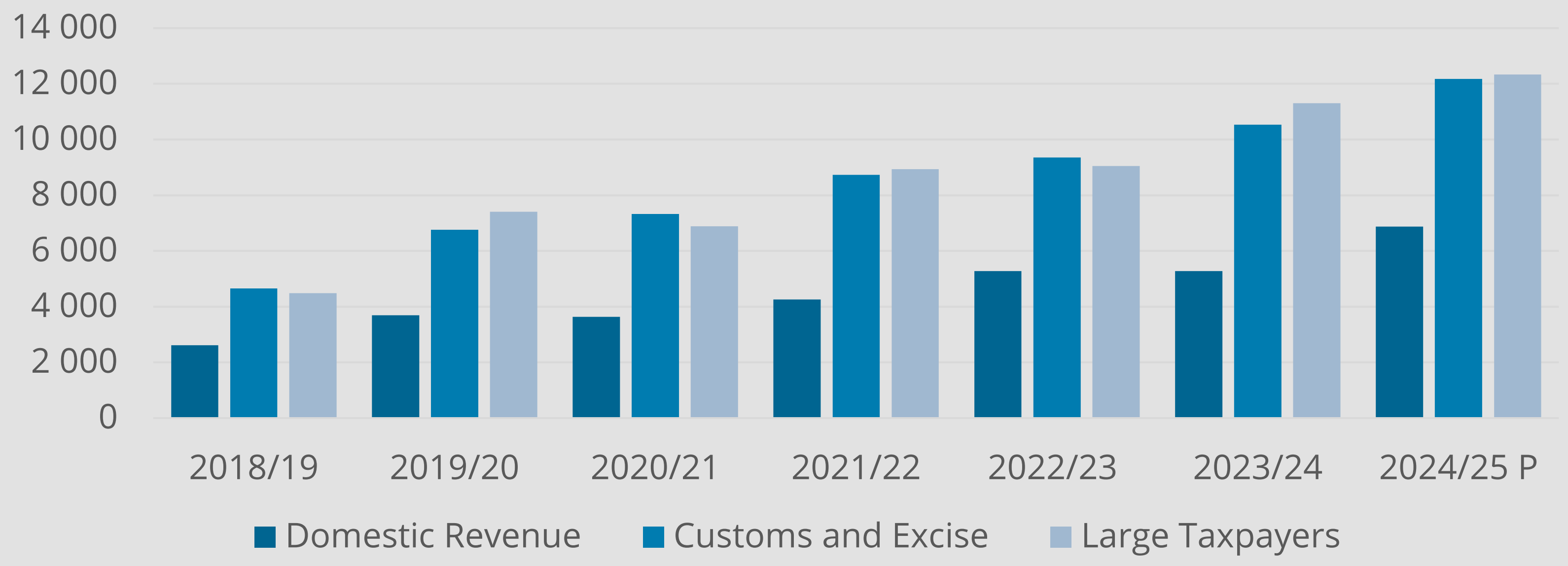
The Economic Development sector, which funds the nation's key growth engines, will see its budget decrease by 0.5%, from TZS 10.3tn in 2024/2025 to TZS 10.2tn in 2025/2026. This sector will account for approximately 18.1% of the total budget for 2025/2026. The government's strategy is heavily focused on transformative infrastructure projects like the Standard Gauge Railway (SGR) and the completion of the Julius Nyerere Hydropower Project (JNHPP), which are expected to lower business costs and boost productivity. The emphasis on agriculture aims to ensure food security and increase export earnings.

### Education

Allocations to the Education sector increased by 19.9%, rising from TZS 6.2tn in 2024/2025 to TZS 7.4tn in 2025/2026. This sector will account for approximately 13.1% of the total budget for 2025/2026. This significant increase underscores the government's continued focus on human capital development, driven by the ongoing implementation of the fee-free education policy, providing loans to higher education students, and constructing new school infrastructure.

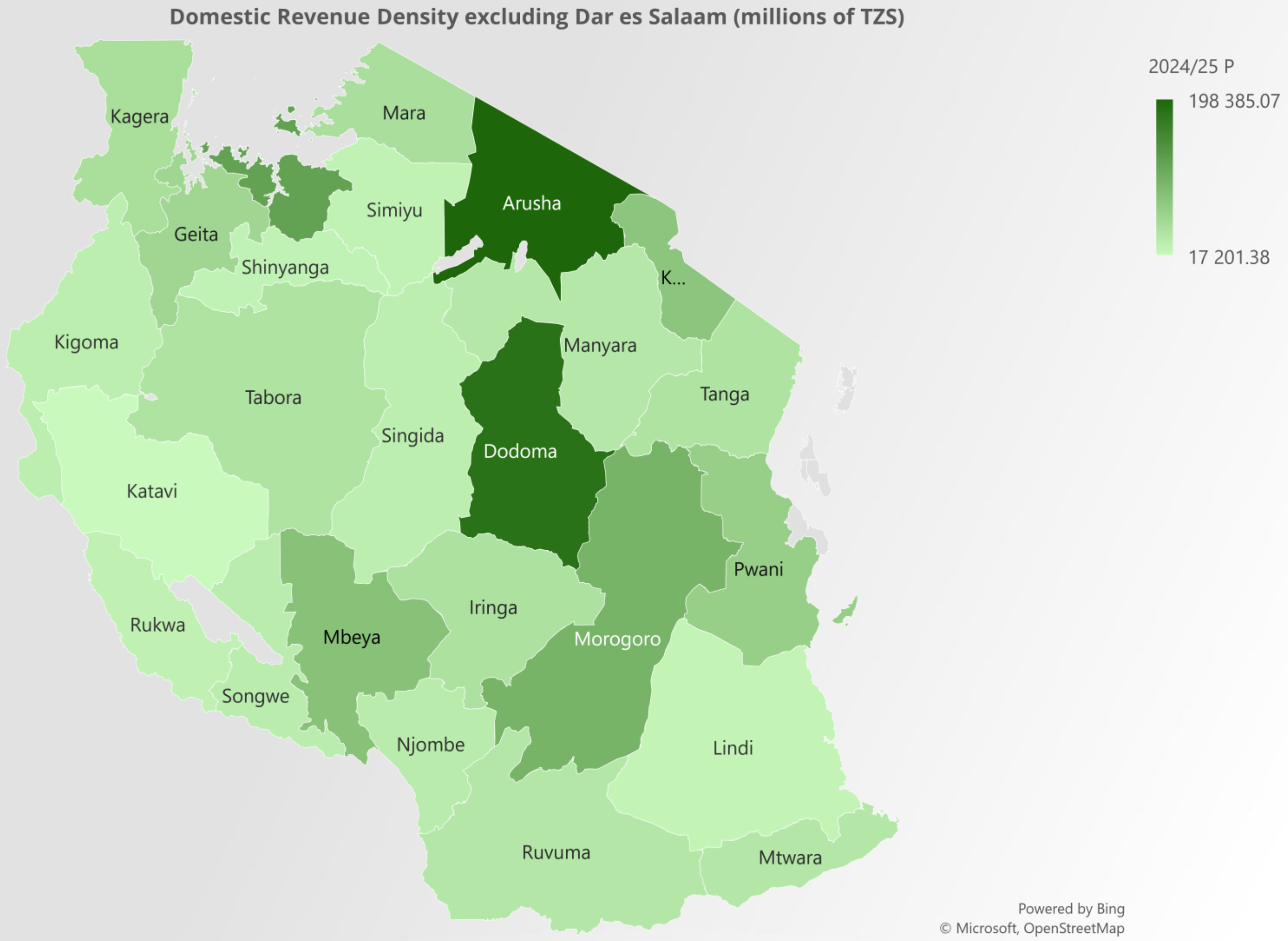
# Trend in actual revenue collections

## Source of revenue

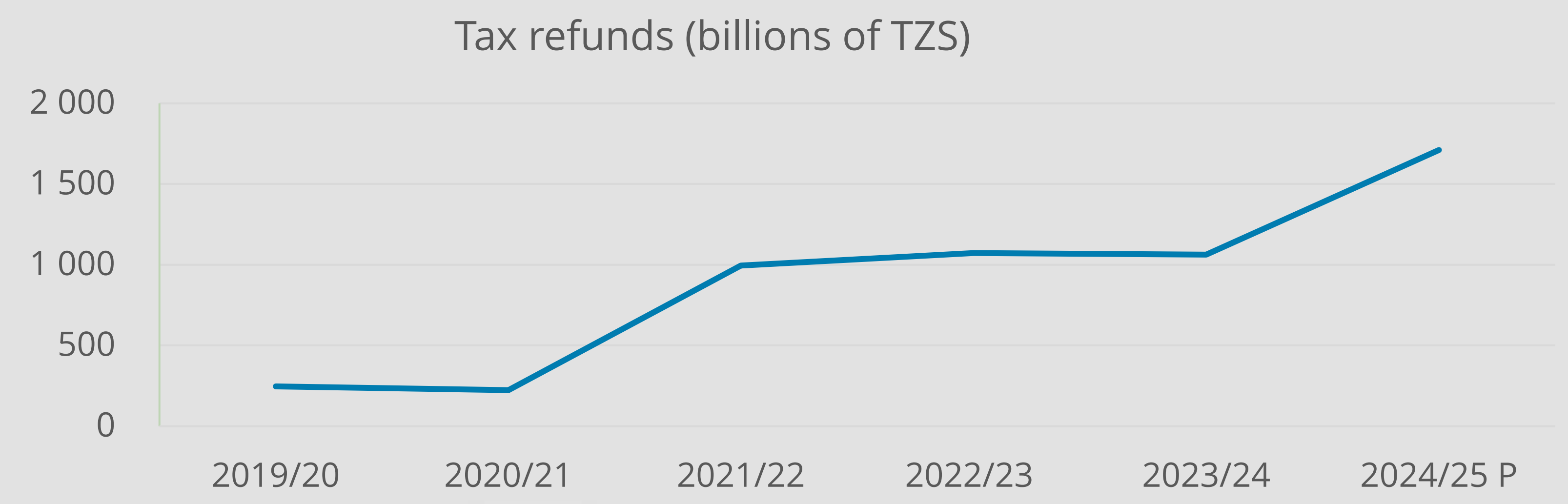



** Q4 values have been forecasted*
*Source: Tanzania Revenue Authority tax collection statistics*

- Tax collection remains a challenge for Tanzania, ranking below the regional average of 15% in 2024/25, at 12.8%.
- Dar es Salaam accounts for 33.8% of the domestic revenue department, followed by Arusha, Dodoma, Mwanza, Mbeya and Morogoro (each contributing 4.4% or less). Despite this, upcountry contributions have grown their proportion from 40% in 2022 to 52% in 2025.
- In addition, the Medium Taxpayers Department contributes 28.94% of the department's revenue.




## Tax refund statistics




** Q4 values have been forecasted*
*Source: Tanzania Revenue Authority tax collection statistics*

# Sectoral Highlights

# Agricultural highlights

## Sector highlights, success and budget changes

An analysis of agricultural sector budget allocations reveals an improving trend. While the total agriculture budget has historically declined from 5.3% in 2016/17 to a low of 1.6% in 2020/2021, there has been a notable increase to 2.18% in FY 2024/2025 where its share of the national budget has increased in the recent years.

Agriculture continues to be the biggest sector and contributes 26.3% of Tanzania's GDP creating short-term and long-term employment opportunities to about 1.08 million of the total national labor force and contributed about 65% on the availability of industrial raw materials.

The budget has yet to meet the Malabo Declaration ensuring that the Ministry of Agriculture of the partner states budget covers at least 10% of the National budget. This declaration was adopted by African Union (AU) Heads of State in Malabo, Equatorial Guinea in 2014 and ratified by the government on the same year.

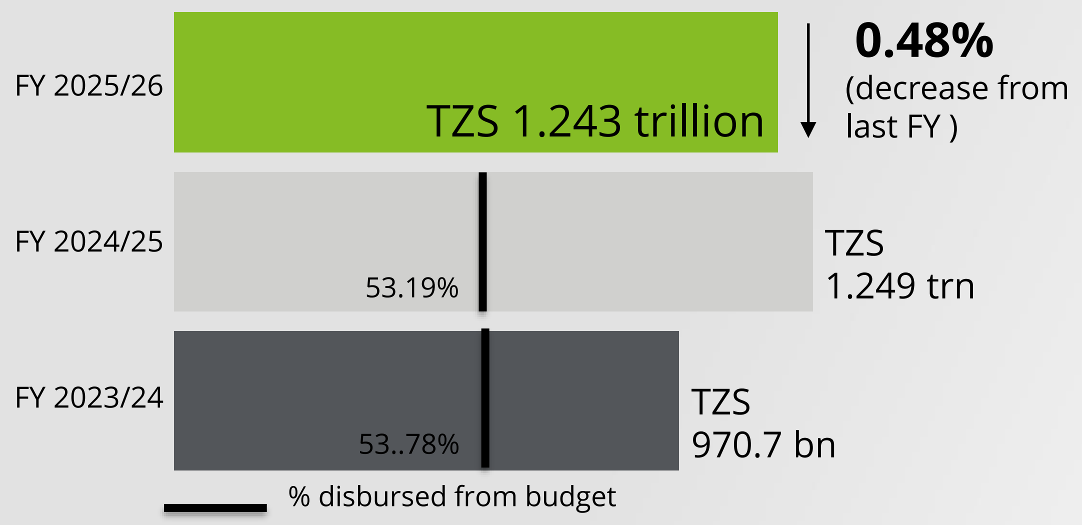
## Strategic priorities 2025/26

In the 2025/26 the Ministry of Agriculture budget priorities have been consistent with the priorities outlined in the previous year budget. The priorities for both financial years are:

- Increase production and productivity;
- Increase decent jobs by enhancing youth and women participation in agricultural job-creation activities;
- Improve food and nutrition security;
- Strengthen access to market, agricultural and crop exports;
- Strengthen cooperative development; and
- Agricultural digitalization.

The current year budget is set to increase efficiency and address challenges noted in executing strategies for the existing priorities as noted in the prior year budget as the government is set forth to implement the National Agricultural Policy of 2013, the third National Development Plan 2021/2022 – 2025/2026, the National Development Vision 2025 and 2050 and the Tanzania Agricultural Master Plan 2050.

### Budget Allocation




TZS 56.49 trn
Total proposed budget for 2025/26

TZS 1.24 trn
Agricultural sector budget
(2.20% of total budget)

Agriculture remains a critical pillar of Tanzania's economy, contributing approximately 25% of GDP and employing most of the rural population.

Contributors
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# Construction highlights

## Sector highlights and success

The construction sector is among the major contributors to the country's GDP growth, contributing up to 11.5% of GDP growth up through September 2024. In FY 2024/25, the sector has recorded the following success which largely contributed to the economy:

- Significant progress in connecting the country with neighboring countries [Tanzania-Malawi through Mpemba-Isongole (50.3 km) and Mbinga-Mbambabay (66 km), Tanzania-DRC through Sumbawanga-Matai-Kasanga Port (107 km) as well as regional headquarters, including Tabora-Singida (85.4 km), Tabora-Katavi (324.9 km), and Kigoma-Kagera (260.6 km), with tarmac roads;
- Increase of the Road Fund's collections by 24% which strengthened maintenance of the roads across the country;
- Completion of eight large bridges, including Kitengule (Kagera), Wami (Pwani), Msingi (Singida), Kiyegeya (Morogoro), Mpwapwa (Dodoma), Gerezani (Dar es Salaam) and Ruhuhu (Ruvuma), Kigongo – Busisi famously known as JP. Magufuli which will reduce travel time across lake zone; and
- Ongoing airport construction projects at different stages, such as Msalato (87%), Tabora (93%), Shinyanga (80%), Sumbawanga (60%), and Musoma (58%).

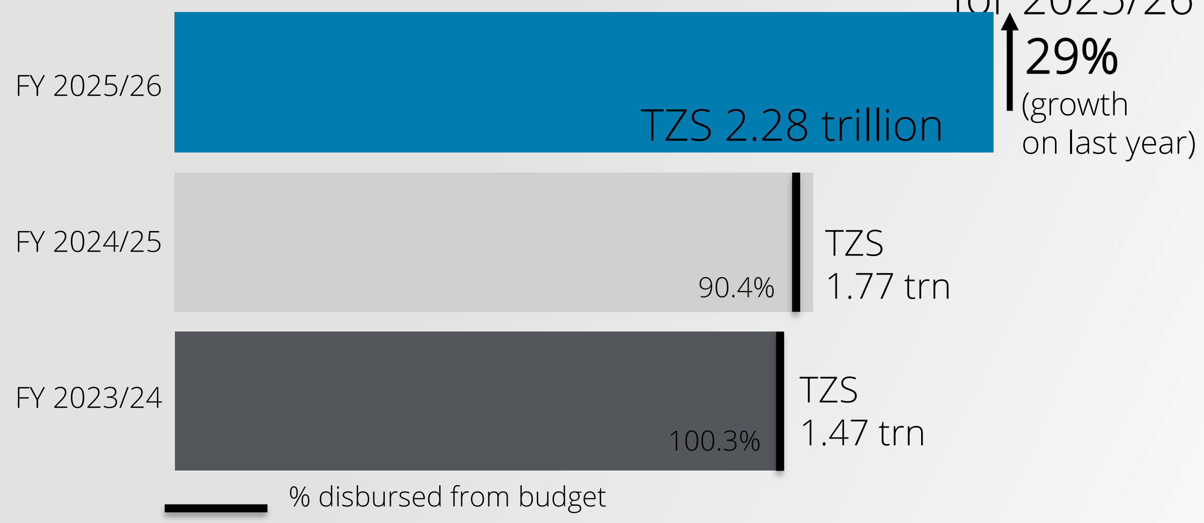
## Strategic Priorities 2025/26

- Construction of strategic roads that open economic opportunities, strengthen social activities, and connect roads with other modes of transport and to reduce congestion in rapidly growing towns and the cities of Dar es Salaam, Arusha, Mwanza, Mbeya, Dodoma, and Morogoro.
- Expand emergency responses capabilities, having procured TZS 4.9 billion worth of equipment during the current financial year including 5,750 cubic meters of steel culverts and 4,500 cubic meters of gabion boxes.
- Rehabilitation and maintenance of trunk and regional roads to ensure that roads are passable in all seasons, as well as major maintenance to ensure that roads do not continue to deteriorate and lose value.
- Strengthen ferry transport and infrastructure to connect mainland areas that are separated by water in sea, lake, and river areas.

TZS 56.49 trn

Total proposed budget for 2025/26

## Budget Allocation




11.5% of GDP

Construction contribution to GDP

TZS 2.28 trn

Construction sector budget

(4.04% of total budget)

### Insight

The Ministry continues to receive government's full commitment in fulfilling its major construction projects that are considered key contributors to the nation's economy. To support the local construction industry, the government has raised the threshold for projects awarded to Tanzanian contractors from TZS 10 billion to TZS 50 billion, which is aimed at improving cashflow in the local economy and enhance the capacity of domestic firms to undertake large projects.

Contributors
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# Energy highlights

This analysis assesses the alignment of the 2025/2026 Energy Sector Budget with Vision 2025, National Energy Efficiency Strategy (2024 – 2034) and the Third National Development Plan (2021–2026). It further investigates trends in energy sector budget allocation for development and recurrent expenditures. The government's budget prioritizes universal energy access, sustainable resource utilization, and private-sector-led growth to drive industrialization, job creation, and climate resilience.

## Energy sector budget over the years

The total budget for the Ministry of Energy in the 2025/2026 fiscal year is TZS 2.2 trillion, being a 17% increase compared to 2024/2025. This allocation is geared towards the government's commitment to expanding energy access.

A significant portion of this budget (96.5%) is allocated to development projects, which highlights the government's strategic focus on long-term growth in the energy sector, with the rest being towards current expenditure.

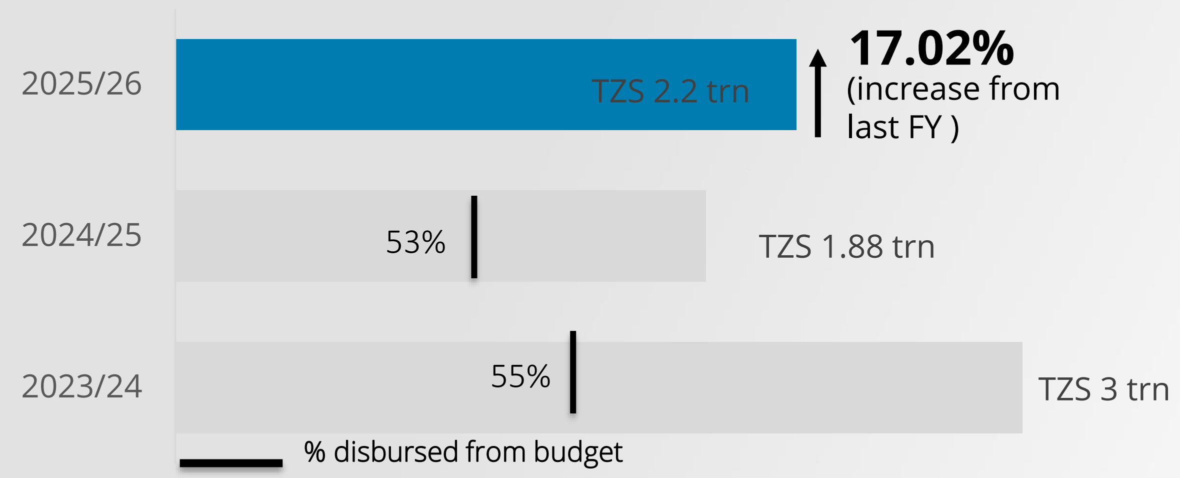
In addition, the government is looking to prioritize power generation and rural electrification, progressing towards Sustainable Development Goal (SDG) 7 for affordable and clean energy. Additionally, there is a focus on clean cooking which aligns with the National Clean Cooking Energy Strategy (2024–2034) and the National Energy Plan (2025–2030).

## Performance of the 2024/25 Ministry of Energy Budget

The Tanzania Ministry of Energy as of March 2025 had received 53% of its budget of TZS 1.88trn in 2024/25. Out of which TZS 982bn went towards development projects and TZS 18bn towards current expenditures, the following are key achievements made by the Ministry:

- A remarkable electricity generation growth from 3,091.71 MW to 4,031.71 MW from 2024 to 2025, with ongoing efforts to diversify energy sources;
- Tanzania has achieved a milestone by electrifying 100% of its 12,318 villages, providing essential power access to previously underserved areas;
- Tanzania's oil and gas sector increased production from the Mnazi Bay, Songo Songo Gas Fields as well as active negotiations for LNG projects;
- The development of key infrastructure like the East African Crude Oil Pipeline (EACOP) is currently at over 58% construction progress compared to 47% prior year; and
- Expansion of natural gas distribution, increasing the network to 241.58 kilometers in April 2025 which enabled gas supply to 1,514 homes, 13 institutions, and 57 industries.

## Budget Allocation




TZS 56.49 trn
Total proposed budget for 2025/26

TZS 2.2 trn
Energy sector budget
(3.89% of total budget)

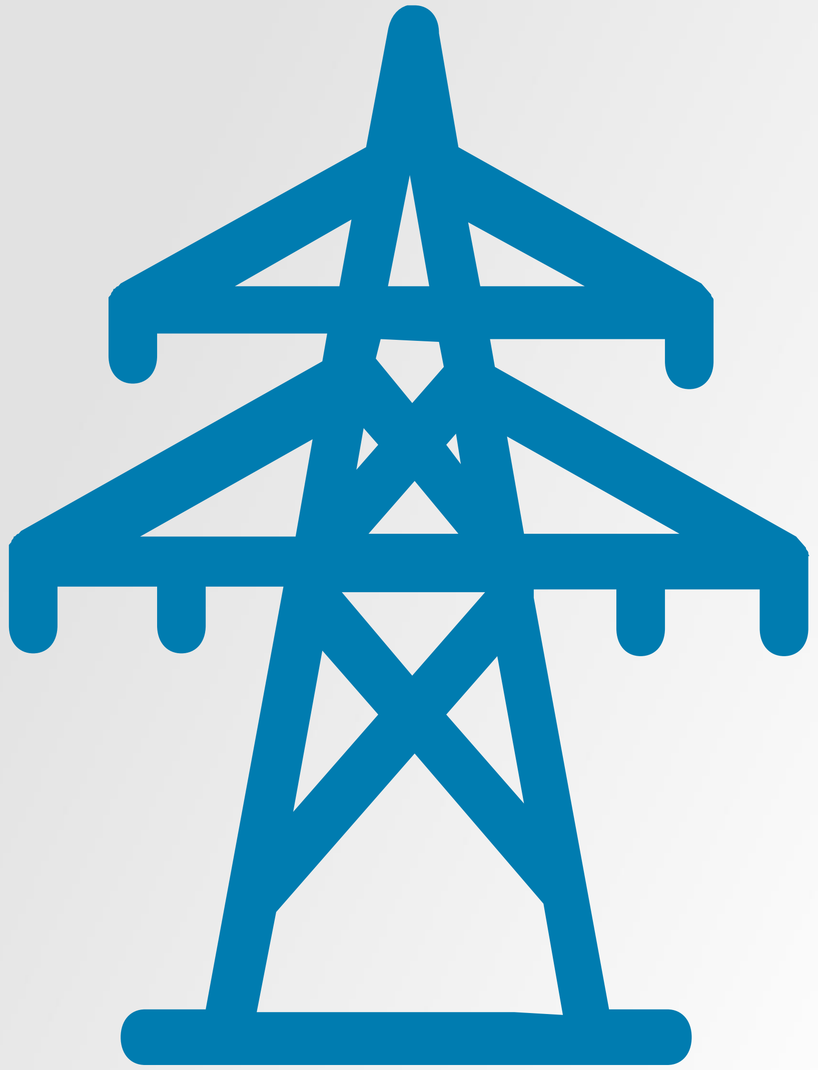
Contributors
Rebecca Nnungu, Manager, Consulting Services
Abubakar Zuberi, Associate, Audit & Assurance

# Energy highlights

## Strategic Priorities 2025/26

In the financial year 2025/26, the Ministry has set the following priorities to improve energy services in the country to strengthen:

- Promote the use of compressed natural gas (CNG) in motor vehicles and increase Tanzanians participation in the sector, with the Tanzania Petroleum Development Corporation (TPDC) raising its stake in the Mnazi Bay gas field from 20% to 40% and initiating gas production licensing in the Ntorya field.
- Continue efforts to electrify rural areas, mining sites, industrial and agricultural zones, and health centers, building on the progress of connecting 33,657 out of 64,359 targeted sub-villages;
- Expansion of the National Grid to remaining regions (Rukwa, Kagera, Lindi, and Mtwara) and implement the National Grid Strengthening Project to improve stability and coverage.
- Upgrade and rehabilitate existing power generation plants and infrastructure, such as the Kinyerezi One power station, to meet rising electricity demand.
- Implement the National Clean Cooking Energy Strategy (2024–2034) and the National Energy Plan (2025–2030) to promote clean cooking solutions.
- Ensure a consistent supply of oil and gas through exploration, development, and distribution activities.
- Support cross-border energy infrastructure projects like the East African Crude Oil Pipeline (EACOP), exporting electricity to Zambia and preparing to import 100 MW from Ethiopia via Kenya.



## Insight

While the rapid expansion of the grid and the drive for universal access is crucial, it requires significant and sustained financial investment. Relying heavily on government subsidies or external funding for both capital expenditure and operational costs of rural electrification can create vulnerabilities. As the grid extends to less densely populated and potentially lower-income areas, the government generated revenue might not immediately cover the costs of operation, maintenance, and future expansion. This can lead to financial strain on the national utility (TANESCO) and hinder the long-term viability of the electrification program.

# Health sector highlights

Tanzania has witnessed significant improvements in health outcomes, including a significant reduction in maternal mortality, a substantial increase in primary health facilities, and notable progress in child survival rates

TZS 56.49 trn
Total proposed budget for 2025/26

## Performance evaluation of the 2024/25 health sector budget

As of March 2025, the Ministry of Health demonstrated an exceptional revenue collection trend, having collected a total of TZS 603,699,104,749.50. This amount represents 80% of the total required revenue of TZS 756,866,060,248.

On the expenditure side, out of the total allocated budget of TZS 1,311,837,466,000, the Ministry had received TZS 1,231,841,808,986.02 as of March 2025. This represents approximately 94% of the total allocated budget. Despite the financial challenges caused by reduction in donor funding, the Ministry of Health has reported several notable achievements during the 2024/2025 fiscal year. Including the 16.2% increase in the number of health facilities from 8,458 centres in 2020 to 9,826 centres in 2024, progress in addressing the shortage of health personnel by employing over 20,000 healthcare workers during this fiscal year.

**These positive trends likely contribute to the remarkable reduction in the maternal mortality rate by 81.3%** from 556 to 104 per 100,000 live births.

**Deliveries in primary health facilities have seen a substantial increase, rising by 169.83%** from 52,585 in 2020 to 141,386 in 2024.

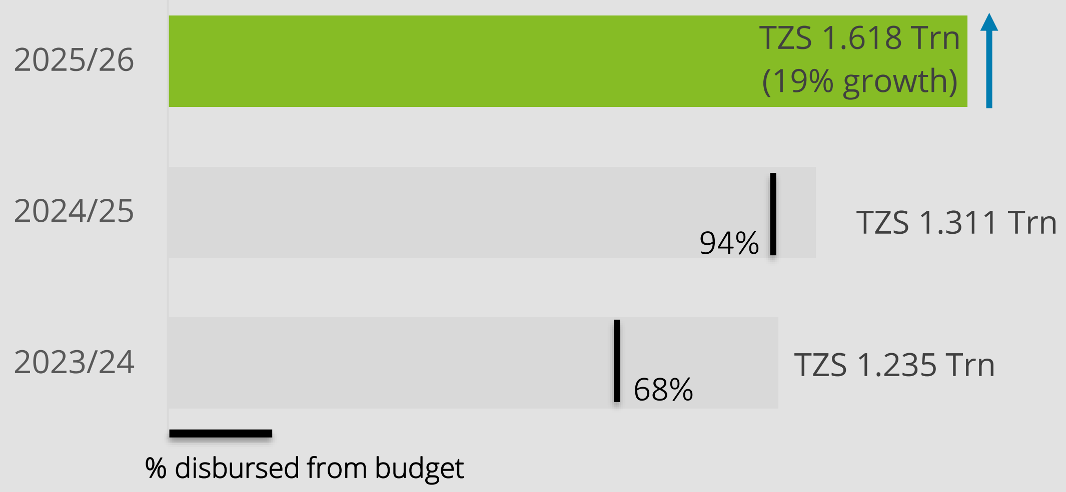
**Antenatal care (ANC) attendance among pregnant women increased by 32.36%** from 2,374,666 in 2020 to 3,143,332 in 2024, indicating improved health-seeking behaviour.

Tanzania has also made commendable progress in child survival, with **under-5 mortality rates decreasing from 67 deaths per 1,000 live births in 2015 to 43 deaths per 1,000 live births in 2022.**

In the area of disease control, **vaccination coverage for certain vaccines, such as Pentavalent (103%), has surpassed both national and WHO targets.**

Tanzania has demonstrated continued progress in the fight against HIV, **with reduced prevalence rates and advancements towards achieving the 95-95-95 targets for HIV treatment and viral suppression.**

## Budget Allocation




TZS 1.618 trn
Health sector budget
(2.86% of total budget)

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# Health sector highlights

To bolster the health sector, increasing domestic resource mobilisation is key. This involves improving budget execution with realistic projections and prioritising primary healthcare, strengthening health systems and reducing reliance on donors

## Anticipating the priorities and budgetary landscape for 2025/26

The Ministry of Health has proposed a budget amounting to TZS 1,618,191,235,000 to be allocated in the fiscal year 2025/2026. As Tanzania approaches the culmination of its current five-year health sector strategic plan (HSSP V) in 2025/2026, the Ministry of Health has outlined eleven key priorities to further improve health services in the country for the upcoming financial year. These priorities reflect a comprehensive approach to strengthening the health system and addressing the evolving health needs of the population. They include:

- Strengthening health care financing systems in the country;
- Strengthening research and use of results from previous health surveys;
- Strengthen availability and development of health sector experts in the middle, upper and lower levels;
- Strengthening medical tourism in the country;
- Strengthening medical services at all levels of the health sector;
- Develop and manage natural and alternative medicine intervention;
- Strengthening access to medical services against infectious diseases, non-communicable diseases; and epidemics.
- Strengthen mental health services, rehabilitation services, especially for children, the elderly and people with permanent disabilities;
- Strengthen maternal, child and newborn health services to reduce maternal and infant mortality rates; and
- Strengthen preventive services against epidemic diseases and non-communicable diseases.

A significant factor shaping the budgetary landscape for 2025/2026 is the recent cut in external donor funding. With this in mind, there was great anticipation for a robust increase in the health sector budget share to compensate for this gap. This expectation is critical considering the substantial decline in Official Development Assistance (ODA) to Africa, which has seen a 70% reduction from 2021 to 2025. The Ministry's priorities and an increased allocation of 19% for the upcoming fiscal year demonstrate a strong alignment with both national and global health agendas, indicating a strategic approach to addressing Tanzania's health needs within broader development framework.

In addition to the above, the government has proposed to amend various laws to establish alternative domestic revenue sources to support HIV prevention and contribute to National Universal health fund. Of the additional revenue generated 70% will be remitted to the AIDS Trust Fund and 30% to the Universal Health Fund (UHF).

**To further strengthen the Tanzanian health sector and ensure its sustainable financing, the following recommendations are proposed:**

01 **Increasing domestic resource mobilisation:** The government should develop a clear and phased roadmap to gradually increase the budgetary allocation to the health sector, with the long-term goal of reaching the 15% Abuja Declaration target.

02 **Improving budget execution and accountability:** Enhanced budget planning processes are needed to ensure realistic revenue projections that are closely aligned with strategic priorities.

03 **Strategically aligning budget allocation with health priorities:** Budgetary allocations should prioritise primary healthcare services, recognising their foundational role in achieving universal health coverage, as emphasised in HSSP V. Increased investment in the health workforce, particularly in the recruitment, training, and retention of healthcare professionals in underserved rural areas, is essential.

04 **Strengthening health systems:** Continued investment in the development and upgrading of health infrastructure is necessary, with a focus on ensuring that both new and existing facilities are adequately equipped and staffed to deliver quality services

05 **Fostering sustainable health financing mechanisms:** Tanzania needs to strategically reduce its reliance on external donor funding by prioritising the increase of domestic resources and building a more resilient and self-sufficient health financing system.

# Manufacturing Sector highlights

The manufacturing sector's contribution to GDP rose to 7.3% in 2024, up from 7.0% in 2023. The manufacturing sector itself experienced 4.8% growth in 2024, an increase from 4.3% in 2023. Driven by national development visions and SDGs, the Ministry aims to boost industrialization, improve the business environment, and expand market access for Tanzanian products

TZS 56.49 trn
Total proposed budget for 2025/26

## Manufacturing sector budget performance for 2024/2025

For the 2024/2025 financial year, the Ministry of Industry and Trade was approved for TZS 110 billion. Of the budget, a total of TZS 81 billion was allocated to recurrent expenditures and TZS 29 billion on development projects.

Actual budget attained as of March 2025 was 68.3% (TZS 75.7 billion of TZS 110.9 billion budgeted). Of the budget attained, the sector attained development budget by 46.25%.

Key achievements for the year 2004/2005 includes the following:

- Commencement of implementation of key strategic manufacturing projects including integrated Mchuchuma and Liganga project and Engaruka soda project.
- Reviving of manufacturing facilities such as Kilimanjaro Machine tools.
- Creating enabling environment for manufacturing sector growth by setting up industrial zones such as Kwala industrial zone.
- Continued looking for regional and international markets for locally made goods notably AfCFTA and AGOA.

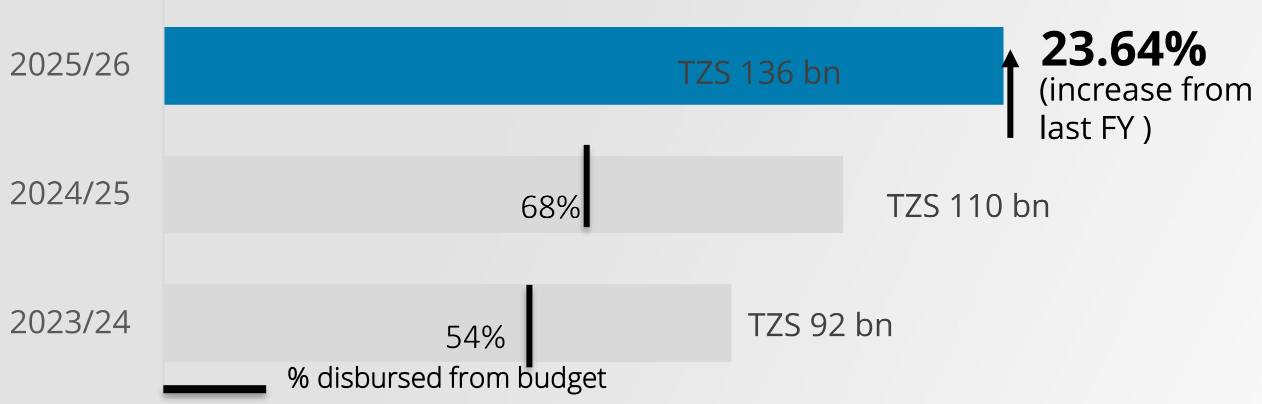
## Manufacturing Sector budget the 2025/2026

The total budget for the sector in the 2025/2026 fiscal year is TZS 136 billion, being a 23.64% increase compared to 2024/2025. The increase in budget is in line with the government plan to create conducive environment for manufacturing in Tanzania.

Key strategic plans set for the budget year 2025/2026 are as follows:

- Continued implementation of strategic projects Mchuchuma and Liganga project and Engaruka soda project. The government plans to finalise compensation and to source for strategic investors to boost manufacturing.
- The government is looking for strategic partner for investment of Maganga Matitu iron manufacturing, a project worth USD 78 million.
- Construction of Sino Tan Industrial Park in Kwala, Coast Region with expectation of having 200 large manufacturing facilities and 300 small manufacturing facilities for various products. The fully implemented park is expected to generate more than 300,000 jobs with estimated annual production of goods and services worth USD 6 billion.
- Construction of Mlandizi Modern Industrial Park which can host 202 factories and a dry port.
- Establishing new engineering technology hubs, setting up a Njombe Energy & Mining Lab, and CBE building a 10-story Standards and Metrology building in Dar es Salaam
- Continued focus on AfCFTA, EAC, and SADC agreements to expand market opportunities for local goods and services.

## Budget Allocation




TZS 136 bn
Manufacturing and trade sector budget
(0.24% of total budget)

Contributors
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# Manufacturing sector highlights

## Strategic Projects 2025/26

In the financial year 2025/26, the Ministry has set the following priorities to improve manufacturing in the country:

- Mchuchuma & Liganga: TZS 15.4 Billion has been paid in compensation to 1,142 citizens. Investor discussions are ongoing to finalize key contract components, including equity distribution, financing structure, required investment capital, management, investment contract duration, feasibility study updates, and a joint financial model

- Engaruka Soda Ash: TZS 6.3 Billion has been disbursed for the project, with 97% of the compensation (TZS 5.7 Billion) paid to 528 citizens by March 2025. The project is currently in the final stages of securing two investors who will build the processing plants. This investment, estimated at TZS 1.82 Trillion (USD 700M), is expected to generate TZS 109.2 Billion annually in government revenue (USD 42M) and create 1,000-1,400 direct jobs and 4,000-5,600 indirect jobs, positioning Tanzania as Africa's top soda ash producer.

- Maganga Matitu Iron Ore: A Joint Venture (JV) with Fujian Hexingwang Industry Tanzania Co.Limited was signed. The estimated investment is TZS 201.37 Billion (USD 77.45M). Compensation of TZS 4.2 Billion to 385 citizens is expected to be completed before the end of the 2024/2025 financial year. The project is projected to create 1,000 jobs.

## Insight

Minister of Finance through the budget speech has proposed a number of tax measures that foster and encourage local manufacturing. The government has set out strategic duty remissions and stays of application on various raw materials, construction materials and on refined vegetable oil, milk, mineral water etc... to encourage local manufacturing as well as protecting consumers. The government has also continued to participate and source for markets through AfCFTA, EAC, and SADC agreements to expand market opportunities for local manufactured goods and services.

# Mining highlights

Tanzania's mining sector has undergone a significant transformation between 2020 and 2025, propelled by regulatory reforms, increased investment, and advancements in technology.

TZS 56.49 trn

Total proposed budget for 2025/26

## Mining sector budget over the years

Tanzania stands as a nation richly endowed with diverse natural resources, with its abundant mineral wealth being a significant blessing. The development of the mining sector has consistently been a priority within national economic plans, including the 2020-2025 five-year National Development Plan, with the primary objective of generating benefits for its people alongside fostering a sustainable investment environment.

Consequently, the mineral policy of 2009 shaped the mining sector for regulatory and compliance purposes, laying a robust foundation for the mining industry's performance as the third five-year phase of the 2020-2025 national development plan concludes

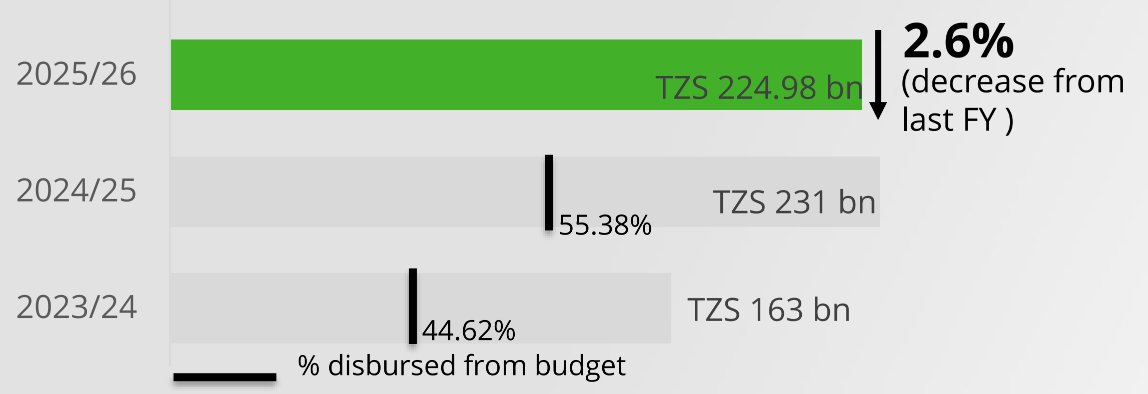
The approved Ministry of Mines Budget for the 2023/24 was 89.4 Billion, then revised to 163 Billion and 231.98 Billion for 2024/25. All this budget aimed in a revenue collection of 1.001 trillion and 1.16 trillion for the 2023/24 and 2024/25 respectively.

## Performance of the 2024/25 Ministry of Minerals Budget

The Tanzania Ministry of Minerals achieved the following from the allocated budget of the fiscal year 2024/25:

- Revenue generation and GDP contribution achieving a 10.1 percent contribution level to the country's (GDP) by the end of 2024 exceeding the 10% 2025 target outlined in the national development plan.
- Establishment of foreign reserves, with 4.8 tonnes of refined gold purchased by Bank of Tanzania.
- Infrastructure development as an implementation strategy of Vision 2030, creating employment for Tanzanians and describing minerals as both the life and wealth of the nation.
- Allocation of approximately TZS 20 billion to CSR projects from investors in the mining sector.
- Participation of Tanzanian companies in the mining sector supply chain that reflected significant growth in local involvement.
- Procurement of 10 drilling rigs for artisanal and small scale miners.
- Creating a conducive investment environment for issuance of licenses with 340 licenses for critical and strategic minerals, and 8,501 mining licenses issued against the target of 10,294 licenses.

## Budget Allocation




## Challenges Faced During FY 2024/25

- Conflicting interpretations of tax legislation between mining companies and the revenue authority, particularly regarding VAT refunds and the treatment of shareholder loans, create compliance challenges.
- Skills gap due to adoption of modern technologies and a shortage of skilled local workforce, especially in specialized mining roles.

TZS 225 bn

Mining sector budget

(0.40% of total budget)

Contributors
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# Mining highlights

## Strategic priorities 2025/2026

The approved Ministry of Minerals Budget for the 2025/26 fiscal year, totaling approximately 224.98 billion shillings, has prioritized the following:

- Allocation of TZS 124.6 billion (55.38 %) to development projects that aim to bring productivity and stimulate growth of the mining sector in the country.
- Allocation of TZS 100.3 billion (44.62%) for routine expenditure whereas 24.2% have been allocated for salaries of employees and the remaining 75.8% have been allocated for other expenditures of the Ministry.
- Involvement of groups of women, youth and people with special needs in participation in mining activities thus the Ministry created a special program of "Mining for a Brighter Tomorrow (MBT)".
- Improvement of lives of Tanzanians.
- Geophysical research whereas the Ministry plans to increase the country geological database by linking mining sector with other sectors.
- Construction of the new modern laboratory that will increase study of minerals such as lithium.

17%

TZS 1.406 trn

Expected revenue collection for the 2025/26 fiscal year which is anticipated to be possible after the approval of the Ministry budget of TZS 224.98 billion.

### Insight

Looking ahead to 2050, Tanzania possesses the potential to transform its mining industry into a sophisticated and sustainable sector that maximizes value retention within the country while minimizing environmental impacts.

According to a recent report by the World Bank and data from the US Geological Survey, Tanzania is projected to become a global powerhouse in graphite mining, ranking sixth worldwide and third in Africa by 2050 and increase geophysical research by air to reach 34% of the country's area by 2026.

With appropriate policies, strategic investments in technology, human capacity development, and a firm commitment to equitable benefit sharing, the Mining Budget 2025/26 can serve as a cornerstone for Tanzania's long-term sustainable development and economic transformation.

# Transport highlights

## Sector highlights and success

The Ministry of Transport largely contributes and helps accelerating growth of other key sectors in the country. Such sectors among other includes agriculture, mining, tourism, trade and industries. The transport sector is also the third highest forex contributor to the nation through trade in services. In FY2024/25, the sector has recorded the following success:

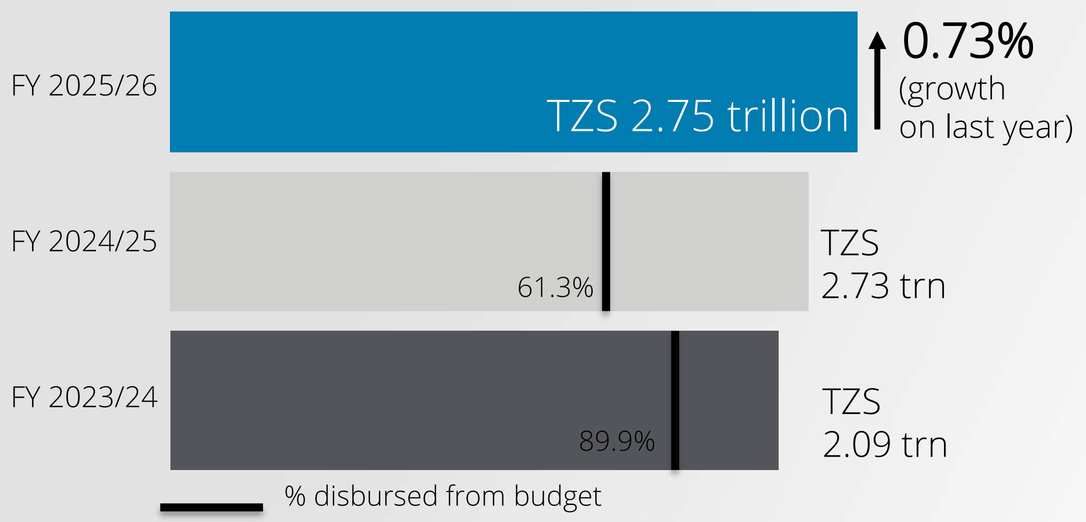
- Increase in cargo transported using the Tanzania National Airlines Company (ATCL), where up to March 2025, ATCL transported 5,869.81 tons compared to 3,658.60 tons of cargo transported during the same period in 2023/24, which is equivalent to an increase of 60.41% and an increase of 25,707 passengers during the same period.
- Ongoing construction of the Maritime Rescue Coordination Centre (MRCC) in Lake Victoria (Mwanza), where construction has reached 71%.
- The arrival of operational equipment for the SGR (Standard Gauge Railway), which includes 17 train locomotives, 10 EMU (Electric Multiple Unit) train sets, and 264 freight wagons.
- The Tanzania Ports Authority (TPA) growth of cargo handling by 11.87% (July 2024 – March 2025) compared to the same period last year. This growth is attributed to improvements in port infrastructure.
- The reception of one (1) Boeing 787-8 Dreamliner aircraft which arrived in the country on August 20, 2024, at the Abeid Amani Karume International Airport Zanzibar.

## Strategic Priorities FY25/26

- SGR remains a key priority for national development, focus on construction of the modern SGR in the Central Corridor – Matukupora to Tabora (368 km), Tabora to Isaka (165 km), Tabora to Kigoma (506 km), Isaka to Mwanza (341 km) and Uvinza to Musongati (240 km)
- Procurement and repair of work equipment including train locomotives, wagons, and railway inspection machinery; an investment that that is aimed at enhancing logistics efficiency and reducing freight costs etc.
- Revival of the Bagamoyo port, designed to accommodate post Panamax vessels that cannot dock in Dar-es-Salaam. Improving infrastructure and services at Sea and Great Lakes Ports and construction of dry ports in the country, including the Kwala Dry Port aimed at reducing congestion of the Dar es Salaam Port.
- Continuous improvement of the railway infrastructure of TRC (Metre Gauge Railway - MGR) and the TAZARA railway – (Cape Gauge Railway - CGR) including the section from Kilosa – Kidatu (108 km) .
- ATCL is set to benefit from substantial budget allocation specifically for supporting the acquisition of four short-haul passenger aircraft and one 23 tones cargo plane, purchase of spare engines, and other operational improvements.
- Construction of new ships and the repair of existing passenger and cargo ships on the Great Lakes

**TZS 56.49 trn**
Total proposed budget for 2025/26

## Budget Allocation





Transport contribution to GDP

**TZS 2.75 trn**
Transport sector budget
(4.87% of total budget)

Contributors
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### Insight

The transportation sector is referred to as a cornerstone of national development, enabling trade, industrialization and regional integration. Further, it continues to be among sectors that are foreign exchange earners where the sector generated $2.48 billion in foreign currency from July 2024 to March 2025, an 8.30% increase compared to the same period last year.

# Financial sector highlights

**12.2%**
Financial sector Contribution to GDP

**12%**
Increase of profitability in banking sector

**0.72**
Tanzania financial inclusion index (TanFix)

**27%**
Increase in banking sector assets

**6%** Interest rates and inflation: In the fiscal year 2024/25, the Bank of Tanzania maintained the Central Bank Rate (CBR) at 6% throughout the year.

**29%** Mobile money services: Usage of financial services through mobile networks increased by 29% in 2024 highlighting the role of mobile technology in expanding financial services.

**386b** In 2025 so far, total of TZS 386 billion has been raised through corporate bonds through two commercial banks and listed in the DSE.

**41%** Investment in asset management funds (such as UTT) has grown by 41% year on year up to May 2025.

Market cap of the 11 listed financial services companies in DSE rose by 24% (FY 2023/24 – 2024/25).

## Regulatory Development

- Basel III implementation: Tanzania is phasing in Basel III to enhance banking sector stability. From October 2023 to March 2025, banks are transitioning to full compliance, which became mandatory in April 2025. Key changes include higher capital requirements, new liquidity and leverage standards, and stronger risk management and disclosure practices.
- Regulation on use of foreign currency for local transactions: In March 2025, the Bank of Tanzania banned the use of foreign currency for local transactions. All goods and services must be priced and paid for in Tanzanian Shillings. Only specific exceptions apply, and contracts requiring foreign currency payments are restricted.

## Payment Systems Highlights

- **TIPS growth**: Over TZS 11.32 trillion was transmitted through the Tanzania Instant Payment System (TIPS), reflecting growing confidence in real-time digital payments.
- **POS transactions**: Point-of-sale transactions reached 9.9 million, with a value of TZS 1.34 trillion, highlighting the expansion of card-based and merchant payments.
- **Financial access expansion**: Active mobile money subscriptions increased to 63.2 million, and agent networks grew to 1.48 million, showing deeper financial inclusion.
- **QR Code adoption (TANQR):** Tanzania's QR code framework, TANQR, expanded in 2024/25, facilitating quick, low-cost merchant payments via mobile wallets.

## Outlook for 2025:

- Tanzania's banking sector is expected to maintain robust profitability in 2025, supported by elevated interest rates and the Bank of Tanzania's forecast to hold its policy rate at 6.00%, with high capital buffers being crucial for resilience.
- Driven by government initiatives, Tanzania expects further improvements in its financial inclusion, having significantly reduced its financially excluded population from 55.0% in 2009 to 18.7% in 2023.
- Tanzania's Central Bank is in the research phase in the journey of adopting digital currency technologies amid regulatory frameworks and customer readiness.

Contributors
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# Other sectoral commentary

## Defense, Public Order, and Safety

TZS 6.4tn

16.5% From last year

- The allocation to Defence, Public Order and Safety sector increased by 16.5% moving from 5.5tn in 2024/2025 to 6.4tn in 2025/2026. The increase is primarily driven by the need to modernise defense forces, thereby enhancing their capacity to protect national borders and ensure national security.
- The government is also investing in strengthening law enforcement agencies to combat crime, improve public safety, and ensure the rule of law.
- Specific priorities within this sector include:
  - Investments in technology and equipment for security agencies; and
  - training and capacity building for personnel to enhance their effectiveness.

## Social Security

TZS 2.8tn

18.4% From last year

- The allocation to the Social Security sector increased from TZS 2.7tn in 2024/2025 to TZS 3.2tn in 2025/2026, a 18.4% increase. This increase reflects the government's ongoing efforts to expand social safety nets and provide support to vulnerable groups within the population.
- Key programs include the provision of cash transfers to the elderly and people with disabilities, aimed at improving their livelihoods and well-being.
- Additionally, there are initiatives to improve the sustainability and coverage of social security funds, ensuring their long-term viability and effectiveness.
- The budget also maintains a focus on programs aimed at youth employment and empowerment, recognising the importance of addressing youth unemployment and providing opportunities for young people.

## Housing and Community Development

TZS 1.8tn

25.3% From last year

- The Housing and Community Development sector allocation increased by 25.3%, moving from TZS 1.4tn in 2024/2025 to TZS 1.8tn in 2025/2026.
- The significant growth reflects investments in the construction and rehabilitation of the community water supply infrastructure, particularly in rural districts. This allocation is intended to support the government's goal of increasing access to clean and safe water and improving housing quality.
- This expanded allocation is also expected to support the continued implementation of specific projects related to urban planning, sanitation, and access to basic services at an enhanced or expanded scale.

# Proposed Tax Measures

# Income Tax Measures

## Corporate Income Tax

- Abolishment of the current income tax of TZS 65,000 and TZS 120,000 for motorcycles and tricycles, respectively.
- Amendment of indicative income tax rates for goods and passengers carrying vehicles in the following manner:
- For passenger service vehicles with less than 5 passengers and goods carrying vehicles of less than 500 kilograms - TZS 120,000;
- For passenger vehicles from 5 to 15 passengers and goods carrying vehicles with a capacity between 500 kilograms and 1 tonne- TZS 250,000.
- Inclusion of "retained earnings" in the definition of the term "equity" for thin-capitalisation purposes.
- Introduction of a single instalment income tax at 3.5% on income derived from the sale of forest products for each consignment value.
- Increasing the Alternative Minimum Tax (AMT) rate from 0.5% to 1%.
- Amendment of the percentage of the income chargeable to normal corporate income tax from 30% to 40% for entities that have brought forward unrelieved losses and are involved with mining, petroleum and oil and gas activities.
- Abolishment of 10 years income tax holiday on income derived by investors within the Export Processing Zone (EPZ) and Special Economic Zone (SEZ) that are producing for the local market.

## Our point of view

The inclusion of retained earnings as part of equity for thin capitalisation purposes will be beneficial to entities as the same will have an impact of reducing the amount of non-allowable interest expense. Retained earnings were previously considered as part of equity before the changes that were brought by the Finance Act, 2022.

On the other hand, the intention to increase the AMT rate to 1% from the current rate of 0.5% will create an additional tax burden to loss-making entities.

The proposed amendment for utilisation of unrelieved losses for loss making entities in the mining, petroleum, and oil and gas sectors, harmonizes the specific provision with the general provision (section 19 of the Income Tax Act) which was amended effective from July 2024 to cap utilisation of unrelieved losses to the tune of 60% of chargeable income for the year.

**+3.5%**
Single instalment income tax

**+0.5%**
Increase on Alternative Minimum Tax

# Income Tax Measures

## Withholding Tax (WHT)

- Introduction of withholding tax at a rate of 10% on retained earnings after six months.
- Introduction of a 2% withholding tax on payments for the purchase of raw salt from holders of Primary Mining License ("PML") or Artisanal Miners.
- Introduction of a 10% final withholding tax on commission payments originating from sport betting advertisements.
- Increasing the withholding tax rate from 5% to 10%, on insurance and re-insurance premium payments to non-resident insurance companies.
- Increasing the withholding tax rate from 5% to 10%, on payments for professional and management services provided to the extractive sector.

## Our point of view

While the proposed introduction of 10% WHT on retained earnings may equalize the tax position for entities which distribute dividends to those which retain profits, the same will have unintended consequences since there are numerous reasons why the entities decide not to distribute profit to shareholders, one of which being, having profits that originate from accounting adjustments and not actual income. It is also not clear from when the six months will be counted i.e., whether it applies from the end of the financial year or after audit of the financial statements towards which the amount of retained earnings will be confirmed. Another concern is whether adjustments will be allowed/required if the retained earnings constitute non-cash items. Overall, there are likely to be cashflow challenges and additional tax burden to companies with undistributed profits.

In an attempt to collect more tax from the sector, the budget proposes a 2% WHT on payments for purchase of raw salt which was excluded in the Finance Act 2024 when a 2% WHT on purchase of industrial minerals was introduced.

Introduction of WHT on commission payment from sport betting advertisement is a continuation of the government's effort to ensure the betting industry contributes to the government's revenues, given the increase in betting activities in Tanzania.

We have seen a proposed increase of WHT rate from 5% to 10% for payments made to non-resident insurers and re-insures as well as on payments for professional and management services provided to the extractive sector. However, it is unclear as to whether the change on the latter is meant to increase the WHT rate for payment of management/ technical services by entities in the extractive sector as per section 83(1)(a) or whether it also intends to increase WHT rate deducted by entities in the extractive sector on payment to professional service providers as per section 83(1)(c)(ii). If it is the former, this measure will result to an increase in the final withholding tax suffered and deducted at source without a deduction of expenses.

**+10%**
WHT on retained earnings after six months.

**+5%**
Non-resident insurance companies premium payments

# Value add tax

## Key changes:

- Exemption of VAT on pesticides with HS Codes 3808.61.00 (In packings of a net weight content not exceeding 300g), 3808.62.00 (In packings of a net weight content exceeding 300g but not exceeding 7.5 kg) and 3808.69.00 (Other).
- Exemption of VAT of re-insurance transactions between insurance companies and re-insurance companies.
- Extension of zero rating of VAT on locally produced textile products made from locally grown cotton for an additional period of one year.
- Extension of zero rating of VAT on locally produced fertilizers for a period of three years.
- Extension of exemption of VAT on edible oil produced locally using locally grown seeds for a period of one year.
- Removal of VAT exemption on the purchase and importation of gaming supplies.
- Introduction of a requirement to have an approval of the Minister responsible for agriculture on exemption of VAT on new pneumatic rubber tyres used in agricultural or forestry vehicles and machines (HS Code 4011.70.00), dam liners (Heading 39.20), mattocks, picks, hoes and rakes (HS Code 8201.30.00) and axes, billhooks and similar hewing tools (HS Code 8201.40.00).
- Repeal of VAT exemption on petroleum bitumen (HS Code 2713.20.00) and bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tar pitch (HS Code 2715.00.00).
- Exemption of VAT on newspapers published locally.
- Exemption of VAT on natural gas sold to Compressed Natural Gas (CNG) stations for motor vehicles use only.
- Exemption of VAT on cooking gas tanks and cylinders under HS Code 7311.00.10.
- Exemption of VAT on carbonization furnace with HS Code 8417.80.00. used in production of briquettes.
- Amendment of items 15(8), (9) and (10) of the schedule to the VAT Act to clarify the applicability of VAT exemptions on liquified petroleum gas, compressed natural gas for motor vehicles and liquified petroleum gas cylinders for cooking.
- Amendment of item 15 of part two of the schedule to the VAT Act, to delete Non-Compressed Natural Gas ("CNG") equipment such as natural gas pipes, transportation and distribution pipes etc. from the list of exempt import and replace the same with CNG Compressor and CNG metering equipment.
- Expansion of the scope of online intermediation services to include online marketplace platforms and network marketing platforms.
- Inclusion of non-resident online payment services platforms that use the infrastructure of other services providers in the scope of financial intermediaries that provide services in the country from abroad.
- Reduction of the standard VAT rate from 18% to 16% on purchases of goods (Business-to-Consumer (B2C) when payments for such purchases are made online with the requirement for the consumer to confirm the accuracy of the payment for the invoice.
- Introduction of a 3% VAT on payments made to VAT registered sellers. The Minister will introduce VAT Collection Agency Regulations that will designate institutions, taxpayers or sectors that will collect the tax as withholding agents and submit the same to TRA.

## Our point of view

Various incentives in favour of the agricultural sector including zero-rating of locally produced fertilizers and exemption of VAT on pesticides provides the much-needed relief to farmers and continue to encourage local investments.

The proposed exemption of VAT on reinsurance is also a welcomed move and it aligns with the best practices in the insurance industry and will help enhance competitiveness in local reinsurance entities.

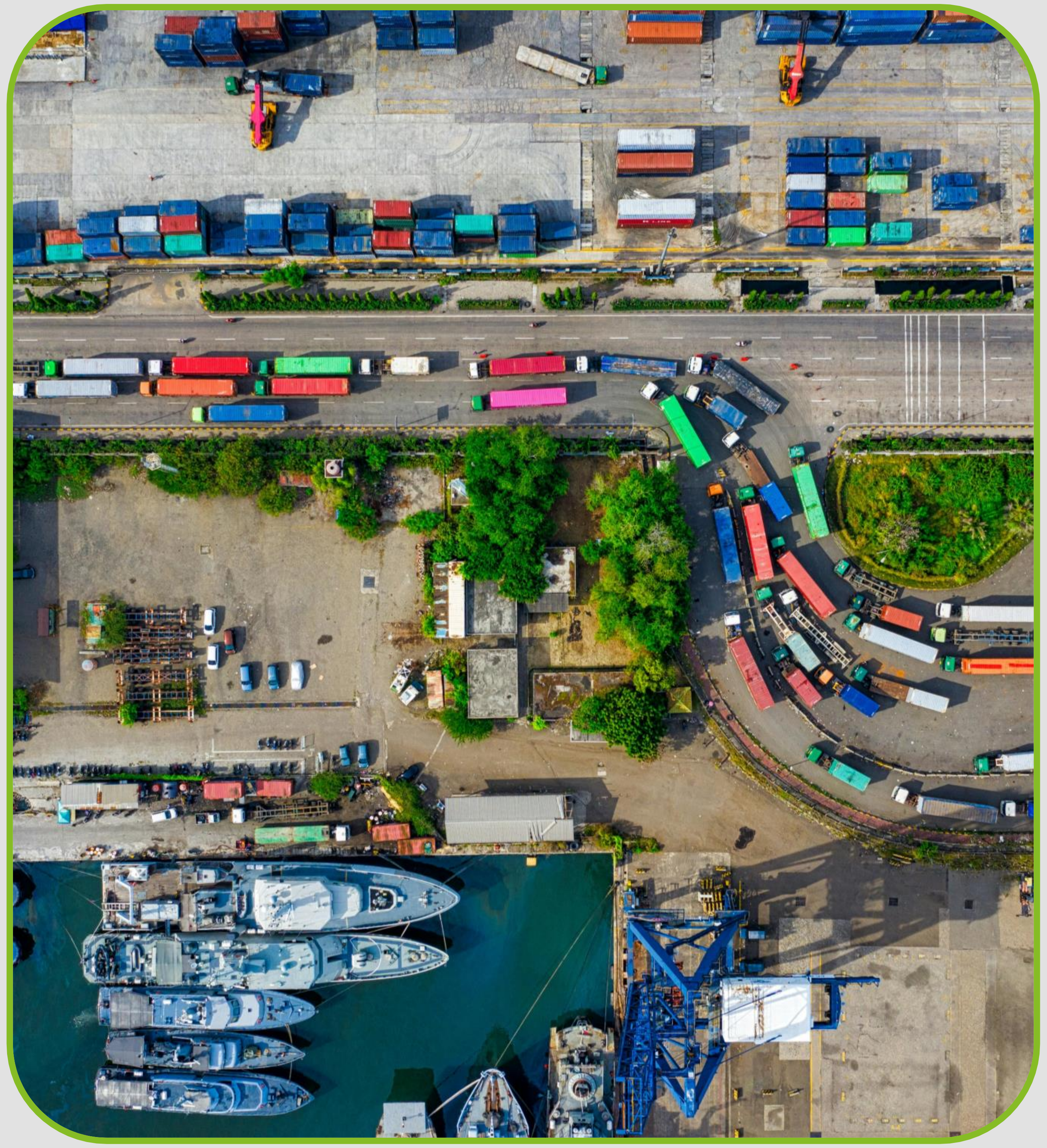
While the exemption of VAT on locally published newspapers will boost the industry by a way of reducing the prices amidst the growing competition from the digital news platforms, the key question remains to be whether this measure will be helpful for stakeholders considering that inputs for publication are not exempted from VAT.

The government's clear mission to promote clean energy has been evident through the VAT exemptions targeted at making cooking gas and briquettes more affordable in an attempt to encourage the use of clean cooking energy.

We also see that taxation of digital economy continues to be a focus area of the government towards maximization of tax revenue. The expansion of the scope of online intermediation services and the reduction of the standard VAT rate to 16% on purchase of goods where payment is made online for B2C transactions, will increase tax revenue collections and incentivize the adoption of online payments systems.

The withholding VAT system will help the government to collect the output VAT in advance, but there must be clear guidance on how the VAT withheld will be claimed by the withholdee to ensure equity.

# Customs



## Key changes

- Introduction of East African Community Assembling and Manufacturing of Goods regulations with the implementation set to take effect on 1 July 2026.
- Maintaining import duty rate at 25% instead of 0% on sugar for industrial use under HS Code 1701.14.90 and 1701.99.10 imported from SADC under permits granted by the Sugar Board of Tanzania.
- Stay of application i.e. increase in duty rates on both crude and refined vegetable oils imported with intent to discourage imports thus boosting local manufacturers.
- Duty remission on EFD machines inputs aimed at ensuring increased supply of these machines which will enhance tax compliance.
- Stay of application i.e. increase in duty rates on flat-rolled products of iron or non-alloy steel under HS Codes 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; 7210.90.00; 7212.40.00 and 7212.50.00 intended to promote local manufacturers.
- Stay of application of EAC CET rate of 25% and apply a duty rate of 0% on buses for transportation of more than 25 persons with HS Codes 8702.10.99; 8702.20.99 and 8702.90.99 for Bus Rapid Transport Project.
- East African Community Partner States agreed to increase import duty rate from 25% to 35% on toys under HS Code 9503.00.00 for revenue purposes.

Access appendix here for detailed changes by HS code

## Our point of view

The Tanzanian government has set out strategic duty remissions and stays of application on various raw materials, construction materials and on refined vegetable oil. This initiative shields the local industries from foreign competition while ensuring consumer access to affordable goods. Prioritising local production over imports will attract investment, increase employment opportunities and government revenue which drives economic growth.

A zero-duty rate on importation of buses for rapid transport project is proposed to promote the rapid transit project which ultimately reduce urban congestion and enhance transportation efficiency. These initiatives collectively foster country's self-sufficiency, sustainable development, and improved public transport infrastructure in Tanzania.

**+25%**

Import duty on sugar for industrial use

# Excise duty

## Key changes:

- Removal of licensing fees of TZS 300,000 for manufacturers and importers of excisable goods to reduce production/importation costs.
- Reduction of excise duty a rate from TZS 7,000 and TZS 5,000 per litre to TZS 5,000 and TZS 4,000 on imported and locally produced un-denatured ethyl alcohol with 80% alcoholic strength, respectively (HS Code 2207.10.00).
- Reduction of excise duty on locally manufactured energy drinks (HS Code 2202.99.00) from TZS 561 to TZS 134.2 per litre.
- Introduction of excise duty at TZS 100/kg and TZS 50/kg on imported and locally manufactured crisps respectively (HS Codes 1905.90.90; 2005.20.00; 2008.99.00).
- Introduction of excise duty at 10% on imported ice cream and other edible ice, whether or not containing cocoa and 5% on locally manufactured ice cream (HS Code 2105.00.00).
- Introduction of excise duty at 10% and 5% on imported and locally manufactured sausages and similar products respectively (HS Code 1601.00.00).
- Introduction of excise duty at 10% on imported soap (HS Codes 3401.11.00; 3401.19.00; 3402.50.00; 3402.90.00).
- Introduction of excise duty at TZS 400/kg on imported matches (heading 36.05).
- Introduction of excise duty at 10% on imported and locally supplied imitation jewellery (heading 71.17).
- Introduction of excise duty at TZS 500/kg on imported margarine (heading 15.17).
- Introduction of excise duty at 20% on imported used tableware, kitchenware, and related products made of plastic, wood, iron and aluminium (3924.10.00; 3924.90.00; 7323.91.00; 7323.92.00; 7323.93.00; 7323.94.00; 7323.99.00; 7418.10.00; 7615.10.10; 7615.10.90; heading 44.19; and 82.15).
- Introduction of excise duty at 25% on imported and locally manufactured fireworks (HS Code 3604.10.00).
- Introduction of excise duty at 30% on imported and locally manufactured electronic cigarette parts (HS Code 8543.90.00) and electronic cigarettes consumable liquids (HS Code 2404.12.00).
- Introduction of carbon-based excise duty at TZS 22,000 per metric ton of carbon produced from coal and natural gas.
- Increase in excise duty on pay-per-view services from 5% to 10%.
- Increase in excise duty on imported furniture (heading 94.03) from 20% to 25%.
- Increase in excise duty on natural gas from TZS 0.45 to TZS 0.55 per cubic feet.
- Introduction of 10% excise duty on money transfer and payment service providers using independent systems (other than financial or telecommunication systems).
- Inclusion of wine manufacturers (under heading 22.05) using ethanol as raw material under the excise duty offsetting mechanism.
- Exemption of excise duty on undenatured ethyl alcohol (HS Code 2207.10.00) used in manufacturing goods (such as food flavor) other than alcohol. This exemption will be granted upon ministerial recommendations and approval.
- Increase excise duty rate by TZS 20, TZS 30 and TZS 50 per-litre on beer (heading 22.03), wine and other fermented beverages (heading 22.04; 22.05; 22.06), liqueurs and other spirituous beverages (heading 22.08) respectively.
- To increase the excise duty rate on electronic communication services from 17% to 17.5%.

## Our point of view

While most of the proposed changes are mainly geared towards increasing government revenue, protecting local producers, and curbing negative health or environmental impact, there are likely to be unintended consequences that are highlighted hereunder:

- Increasing excise duty on electronic communication services will trigger an increase in cost of communication services that will likely slow down the digital inclusion and equitable access to digital economy.
- While the reduction and exemption of excise duty on raw materials such as ethyl alcohol and energy drinks aim to lower the cost of production, and enhance local competitiveness, the decrease of prices of energy drinks may result in excessive consumption hence posing health issues.

The above notwithstanding, some notable proposed changes that speak to the current issues include:

- The introduction of carbon-based excise duty which reflects a growing environmental consciousness and commitment to align taxation with climate action goals.
- The increase of excise duty on specific items with the intention of generating additional domestic revenue that will be used to address the funding gap for HIV/AIDS prevention efforts and contribute to the National Universal Health Fund. This is a welcome move considering the uncertainties around funding from international donors.

**+10%**
Imported ice cream

**+0.5%**
Increase on electronic communication services

# Miscellaneous fees and levies



## Key changes

### The Tax Administration Act, CAP 438

- The government proposes to amend the Act to require the integration of systems used by taxpayers in the issuance of electronic receipts with the system operated by the Tanzania Revenue Authority (TRA).
- The government proposes to waive the requirement to submit an application for waiver to pay tax deposit required for objection to be admitted within fifteen days from the date of receipt of a tax decision.

### The Local Government Finance Act CAP 290

The government proposes to amend various levies under the Local government Finance Act as follows

| Amendment | Current rate | Proposed rate |
|---|---|---|
| City service levy | 0.3% | 0.25% |
| Hotel levy | 10% | 2% |

Further, the government proposes to remove loading and offloading fees charged by Local Government Authorities in relation to the transportation of goods.

### The Insurance Act, CAP 394

Introduction of travel insurance for foreigners entering the country at the rate of USD 44 similar to the rate currently applied in Zanzibar. The proposed insurance will be limited to 92 days and will cover travel-related health emergencies, repatriation expenses (both bodily and medical), accidents, baggage delay and theft. The insurance will not apply to EAC and SADC citizens.

### Budget Act, Cap 439

The government proposes to establish a requirement for Ministries, Government Institutions, Agencies, and Local Government Authorities to consult the Minister responsible for finance before introducing any new levies or fees, or when reviewing the existing ones.

### Export Tax Act, Cap 196

A new export levy of 30% of the export value or TZS 150 per kilogram (whichever amount is higher) is proposed on veneers with H.S. Code 44.08.

### Mining Act, Cap 123

The Minister proposes to amend section 59 of the Mining Act to require companies that have contracts with the Government to allocate not less than 20% of their gold production for local smelting, refining, and trading. This obligation already exists for companies that do not have contracts with the Government.

### The Import Control Act, CAP 276

The Minister proposes to introduce various amendments to the Act by introducing an industrial development levy on various products as provided in Appendix 1. Further, the Minister proposes to include goods originating from EAC Partner States that meet the EAC Rules of Origin into the scope of industrial development levy for the purpose of protecting local manufacturers and enhancing competition.

### Appendix 1

| Rate Imposed (%) | Imported goods |
|---|---|
| 10 | Kitchenware, tableware and other household articles of plastic with heading 39.24 |
| 10 | Road tractors under HS Codes 8701.21.90; 8701.22.90; 8701.23.90; 8701.24.90; and 8701.29.90 |
| 10 | Prefabricated buildings under HS Codes 9406.10.90; 9406.20.90 and 9406.90.90 |
| 10 | Bars and rods under HS Codes 7214.10.00; 7214.20.00; 7214.30.00;7214.91.00; 7214.99.00;7213.10.00; 7213.20.00; and 7213.99.00 |
| 5 | Nails, tacks, drawing pins, staples and similar articles, of iron or Steel under HS Code 7317.00.00 |
| 10 | Furniture under heading 94.03 |
| 15 | Flat rolled products under HS Codes 7209.16.00; 7209.17.00; 7209.18.00; 7209.25.00; 7209.26.007209.27.00; 7209.28.00; 7209.90.00;7210.30.00; 7210.41.00; 7210.49.00;7210.61.00; 7210.69.00; 7210.70.00;7210.90.00; 7211.23.00; 7211.90.00;7212.20.00; 7212.30.00; 7212.40.00;7212.50.00; 7212.60.00; 7225.50.00;7225.91.00; 7225.92.00; 7225.99.00;7226.92.00; and 7226.99.00 |
| 10 | Glasses under HS Codes 7003.12.00; 7003.19.00; 7003.20.00;7003.30.00; 7004.20.00; 7004.90.00;7005.10.00; 7005.21.00; 7005.29.00;7005.30.00; 7006.00.00; 7007.11.00;7007.19.00; 7007.21.00; 7007.29.00;7008.00.00; 7009.91.00; and 7009.92.00 |
| 10% or 4,500 shillings whichever is higher | Ceramic tiles under HS Codes 6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00 |

Further the Minister proposes to exempt cement clinker under HS Code 2523.10.00 from 10% industrial development levy.

# Miscellaneous fees and levies

## Key changes

**Trade and Service Marks Act Cap 85**

The Fair Competition Commission (FCC) to carry out the role of recordation. The minister responsible shall issue new regulations known as "The Merchandise Marks (Recordation) Regulations, 2025" which should include the fees for recordation as follows:

| Recordation related fees | Amount TZS |
|---|---|
| Application to record trademarks | 200,000 |
| Change of ownership | 150,000 |
| Change of name | 100,000 |
| Renewal of Recordation | 50,000 |
| Application for search | 3,000 |
| Application for copies | 3,000 |

**Trade and The Investment and Special Economic Zones Act, 2025**

The following amendments are proposed to the Act:

i. 75% import duty exemption for deemed capital goods imported by investors registered under the Act.
ii. Introduction of a list of products that no longer qualify for exemptions as provided in the repealed Act. Specifically, the list will include, sugar, beverages, roofing sheets, Air Conditioners, Cement, PVC, HDPE pipes and Cutleries.
iii. Granting of strategic investment status to mining projects with framework agreements with the government.

**National Environmental Management Council**

The Minister proposes revoking the Environmental Management Fees and Charges Amendment Regulations, 2024 GN. No. 588 of 2024 and reinstating the Environmental Management Fees and Charges amendment Regulations, GN. No. 387 of 2021.

**The Road Traffic (Motor Vehicles Registration) Regulations 2024**

The Minister proposes the following amendments:

- Reduction of registration fees for commercial motorcycles from TZS 340,000 to TZS 170,000 to be paid at the time of registration only.
- Repeal of the annual presumptive tax payable and introduction of a one-time payment of the fee and presumptive tax at a rate of TZS 120,000 instead of TZS 290,000 paid at the time of registration.
- Reduction of motorcycle and tricycle licence fee from TZS 70,000 to TZS 30,000.

**The Business Licensing Act, CAP. 101**

- The Minister proposes to amend the Business Licensing Act by taking away powers of business licensing authorities to order for the closure of businesses upon any breach of the Act by the business owner.

- The Minister further proposes to add section 8(7) that empowers the Minister responsible for Trade to issue an order designating certain business activities as off-limits to non-citizens. This order will specify which businesses non-citizens are prohibited from undertaking.

**Revenue sources for HIV/AIDS Control and Financing of Universal Health Coverage**

To cover funding gaps from suspended international aid for diseases like HIV/AIDS and financing universal health coverage, the Tanzanian government plans to amend various laws by introducing levies and taxes that will create a new domestic revenue stream. 70% of the fund will be allocated to the AIDS Trust Fund and the remaining 30% to the Universal Health Fund. The proposed amendments are as follows:

| Tax Type | Categories | Proposed amendments |
|---|---|---|
| Excise Duty | Beer (heading 22.03) | Increase by TZS 20 per litre |
| | Wine and Fermented Beverages (headings 22.04, 22.05, 22.06): | Increase by TZS 30 per litre |
| | Spirits, Liquors, and Spirituous Beverages (heading 22.08): | TZS 50 per litre |
| | Electronic Communication Services | Increase from 17% to 17.5% |
| Fuel Levy | Petrol, Diesel, and Kerosene | 10 shillings per litre |
| Mining Levy | Minerals | Taxed at 0.1% of the gross market value |
| Gaming Tax | Sport Betting | Increase from 10% to 15% |
| | Land-Based Casinos | Increase from 12% to 15% |
| Levy on Imported Vehicles and Heavy Machinery | 0cc to 1000cc | TZS 50,000 |
| | 1001cc to 1500cc | TZS 100,000 |
| | 1501cc to 2500cc | TZS 150,000 |
| | 2501cc and above | TZS 200,000 |
| | Machinery (Excavators, Bulldozers, Forklifts - headings 84.29 and 84.27): | TZS 250,000 |
| Transportation Ticket Levies | Train Tickets | TZS 500 per ticket |
| | Air Transportation Tickets | TZS 1,000 per ticket |

Further the Minister proposes to exempt cement clinker under HS Code 2523.10.00 from 10% industrial development levy.

# Miscellaneous fees and levies



## Our point of view

We see the government is continuing to put efforts towards expanding the tax base while improving efficiency in revenue collection. The government also continues to amend and abolish various fees as it continues to implement blueprint for regulatory reforms to improve the business environment. The notable reduction in hotel levy will be particularly welcomed by the hospitality industry. This year's budget also seeks to protect local manufacturers as well as local markets by introduction of different duties and levies on various products

The increase in excise duty on electronic communication services may be an impediment to both financial inclusion and internet penetration, given the current levels of taxation of the industry..

The introduction of industrial development levy on various products aims at encouraging local production and investment for the purpose of both local consumption and exportation as well as increasing the government revenue. This in turn will reduce the reliance on imported goods and promote strategic industrial development in the country.

The proposed amendments to the Business License Act show the government's desire to reshape the country's business landscape. By repealing section 3(4), the government aims to foster a more stable and less punitive environment for businesses. This will in turn benefit the public by reducing economic disruptions and protecting livelihoods. Additionally, reserving specific business activities to citizens will empower local entrepreneurs and ensure that certain sectors primarily benefit Tanzanian citizens. Collectively, these create a more supportive regulatory framework and promotes local participation and growth.

The creation of additional revenue sources dedicated for HIV/AIDS control indicate the government's will of moving away from dependency on donors and developed countries. This strategic pivot aims to achieve greater national ownership and sustainability in healthcare financing, guaranteeing access to vital health services for all citizens, albeit with increased costs for consumers.

The amendment of the Tax Administration Act to abolish the 15 days requirement to submit an application for waiver of the one-third payment within 15 days before the expiration of time limit for lodging the notice of objection is welcomed as taxpayers will have ample time to prepare and submit their application. However, the proposed change may pose a challenge from the revenue authority perspective as the Commissioner will have a very limited time to review and give his decision before the due date of lodging an objection on the applications made just before the deadline.

Further, the integration of systems used by taxpayers to issue electronic receipts into TRA's systems is a welcomed development as it underlines the government efforts in enhancing voluntary tax compliance through real-time data capture and facilitating an efficient tax administration system. More guidance is to be provided but the TRA would be wise to be vigilant in ensuring that this does not present challenges to taxpayers, especially reconciliation challenges.

# Appendix

## A. Proposed stay of application

| Item | HS Code (s) | Current rate | Proposed rate |
|---|---|---|---|
| Flat-rolled products of iron or non-alloy steel | 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; and 7210.90.00 | Higher of 25% or US$200/MT | Higher of 25% or US$350/MT |
| Flat-rolled products of iron or non-alloy steel | 7212.40.00 and 7212.50.00. | 35% | Higher of 25% or US$ 350/MT |
| Unbleached kraft paper and paperboard | 4804.51.00 | 10% | 25% |
| Refined vegetable oils | 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 | 35% | Higher of 35% or US$300/MT |
| Buses for transportation of more than 25 persons for rapid transport project | 8702.10.99; 8702.20.99 and 8702.90.99 | 25% | 0% |
| Fibreboard of wood or other ligneous materials such as medium density fibreboard (MDF) | Heading 44.11 | 25% | 35% |
| Plywood, veneered panels and similar laminated wood | Heading 44.12 | 25% | 35% |
| Worked monumental or building stone | Heading 68.02 | 25% | 35% |
| Ceramic tiles | 6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00. | 35% | Higher of 35% or US$ 3 per square meter |
| Bars and rods of iron or non-alloy steel | Heading 72.14 | 35% | Higher of 35% or US$250/MT |

# Appendix B and C – Proposed duty remissions and continued stay of application

## B. Proposed duty remissions

| Item | HS Code (s) | Current rate | Proposed rate |
|---|---|---|---|
| Inputs such as metalized paper,<br>phenolic impregnated film paper used to manufacture labels, thermal paper rolls for cash registers, POS & EFD Machines and<br>plywood | 4811.90.00 | 25% | 10% |
| Inputs used by local manufacturers of<br>waterproofing membranes | 2713.20.00;<br>5603.14.00; 2710.19.59; 3920.10.10 and<br>6802.99.00 | 10%<br>35% (1 year) | 0%<br>10% (1 year) |

## C. Continued stay of application

| Item | HS Code (s) | Current rate | Proposed rate |
|---|---|---|---|
| Cash registers and other Electronic Fiscal device (EFD) Machines and Point of Sale (POS) | 8470.50.00; 8470.90.00 | 10% | 0% |
| Cocoa powder not containing added sugar or other sweetening matter. | 1805.00.00 | 0% | 10% |
| Iron and steel products | 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; 7225.50.00 | 10% | 10% or USD 125/MT whichever is higher |
| Iron and steel reinforcement bars and hollow profiles | 7213.10.00; 7213.20.00; 7213.99.00; 7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; 7306.90.00 | 25% or USD 200/MT whichever is higher | 25% or USD 250/MT whichever is higher |
| 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 | 3916.10.00; 3916.20.00; 3916.90.00 | 0% | 10% |
| Safety matches | 3605.00.00 | 25% | 25% or US$ 1.35/kg whichever is higher |
| Mineral and aerated waters | 2201.10.00 | 25% | 60% |
| Gypsum powder | 2520.20.00 | 0% | 10% |
| Worn items of clothing footwear and articles | 6309.00.10; 6309.00.20; 6309.00.90 | 35% or USD 0.40/Kg whichever is higher | 35% |
| Pneumatic tyres of rubber, of a kind used on motorcycles | 4011.40.00 | 10% | 25% |
| Iron and steel cans | 7310.10.00; 7310.29.90 | 25% | 0% |
| Flat-rolled products | 7212.20.00 | 10% | 10% or US$125/MT whichever is higher |
| Baby diapers | 9619.00.90 | 25% | 35% |
| Cotton yarn | 52.05; 52.06; 52.07 except 5205.23.00 | 10% | 25% |

## C. Continued stay of application

| Item | HS Code (s) | Current rate | Proposed rate |
|---|---|---|---|
| Horticultural products | 0604.20.00; 0604.90.00; 0808.10.00; 0808.30.00 | 25% | 35% |
| Polyester/Nylon Twine | 5607.50.00 | 10% | 25% |
| Smart cards imported by National Identification Authority | 8523.52.00 | 25% | 0% |
| Imported Vitenge | 5208.51.10; 5208.52.10; 5209.51.10; 5210.51.10; 5211.51.10; 5212.15.10; 5212.25.10; 5513.41.10; 5514.41.10 | 50% | 35% |
| Imported cotton grey fabric | 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; 5212.21.00 | 25% | 25% or 0.25 US$ per meter whichever is higher |
| Other paper, paperboard, cellulose wadding and webs of cellulose fibres | 4811.90.00 | 10% | 25% |
| Nails, tacks, drawing pins, corrugated nails staples and similar articles of iron or steel, whether or not with heads of other materials | 7317.00.00 | 35% | 35% or US$ 350 per metric ton whichever is higher |
| Cane sugar | 1701.14.90 | 100% or US$ 460/MT | 35% |
| Float, toughened and multiple-walled insulating units of glass | 7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00. 7007.19.00. 7007.29.00. 7008.00.00 | 10% | 35% |
| Flat-rolled products of iron or non-alloy steel | 7212.60.00 | 10 | 10% or US$ 300/MT whichever is higher |
| Iron and steel flat rods products | 7225.91.00;7225.92.00; 7225.99.00. | 10% | 25% or US$ 300/MT whichever is higher |
| Corrugated iron sheets | 7210.30 and 7210.41.00 | 35% | 35% or US$ 500/MT whichever is higher |
| Table salt | 2501.00.90 | 35% | 50% |
| Semi-finished flat rolled products | 7226.99.00 | 10% | 10% or US$ 300/MT whichever is higher |
| Crude vegetable oils of soya-beans, groundnuts, coconuts, mustard, and linseed | 1507.10.00; 1508.10.00. 1513.11.00; 1513.21.00; 1514.11.00; 1514.91.00; and 1515.11.00 | 0% | 10% |
| Flat-rolled products of iron or non-alloy steel | 7210.30.00. | 25 | 25 % or US$ 250/MT whichever is higher |

## D. Continued duty remission

| Item | HS Code (s) | Current rate | Proposed rate |
|---|---|---|---|
| Organic surface-active agents | 3402.31.00; 3402.39.00; 3402.49.00 | 10% | 0% |
| Raw materials for leather processing | 3208.20.10; 3208.20.20; 3208.90.20; 3210.00.10 | 35% or 10% | 0% |
| Raw materials for fertilizers | 2710.99.00; 2528.00.00; 3505.20.00 | 25% or 10% | 0% |
| Packaging materials for tea blenders | 4819.20.90; 5407.44.00; 3923.29.00 | 25% | 0% |
| CKD for three-wheel motorcycles excluding chassis and its components | 8704.21.90 | 25% | 10% |
| Inputs for glass reinforced plastic pipes manufacturing | 3920.61.10; 7019.19.00; 7019.11.00; 6006.90.00; 7019.12.00; 3920.10.10; 4016.93.00; 3907.91.00 | 25% or 10% | 0% |
| Inputs for corrugated boxes | 4804.39.00; 4805.11.00; 4805.19.00; 4805.24.00; 4805.25.00 | 10% or 25% | 0% |
| Inputs for soap manufacturing | 3401.20.10 | 35% | 10% |
| Inputs for electrical cables | 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; 2712.10.00 | 10% or 25% | 0% |
| Packaging materials used for packing processed coffee. | 7310.21.00; 6305.10.00; 4819.20.90; 5407.44.00 | 25% | 0% |
| Packaging materials used by local producers of agricultural seeds. | 6305.10.00; 4819.40.00; 7310.29.90; 6305.33.00; 6305.20.00; 6304.91.90; 7607.19.90 | 25% | 0% |
| Wheat grain | 1001.99.1S0; 1001.99.90 | 35% | 10% |
| Refined Bleached Deodorized (RBD) Palm Stearin | 1511.90.40 | 10% | 0% |
| Raw materials accessories and machineries used to manufacture textiles and leather products | Not specified | Not specified | Not specified |
| Inputs/raw materials for capital goods/equipment | 73.07; 83.11; 85.44; 68.06; 74.19; 72.08; 73.12; 73.15; 73.18; 84.82; 84.83; 72.22; 73.04; 84.81; 84.84; 73.25; 40.10; 76.06 | 10% | 0% |
| Inputs for radiators | 7409.11.00; 740; 7409.19.00; 7410.11.00; 7410.12.00; 7409.21.00; 8001.10.00; and 3810.90.00 | 10%, 25% or 35% | 0% |
| Inputs under mentioned HS codes used to manufacture wiring harness for vehicles and motorcycles | 8538.90.00; 4016.99.00; 8205.59.00; 8536.10.00;8536.69.00; 8536.90.00; 8547.20.00; 3926.90.90; 3917.32.00; 8544.30.00 | 10% | 0% |
| Lithium-ion electric accumulators | 8507.60.00 | 25% | 0% |
| Inputs under mentioned HS Codes used by domestic manufacturers of yoghurt, powdered or UHT milk | 3923.50.90; 4819.20.90; 4819.30.00; 4819.50.00; 4821.90.00; and 7607.19.90 | 25% or 35% | 0% |
| Inputs and raw materials used to manufacture optical fibre cables. | 3215.19.00; 3403.99.00; 3506.91.00; 3818.00.00. 3907.99.00; 3907.99.00; 3916.90.00; 3917.39.00; 3919.90.90; 3920.69.90; 3920.99.90; 3921.14.90; 3921.90.90; 5402.11.00; 5404.90.00; 7019.90.90; 8536.90.00; 8544.49.00; | 0% | 0% |

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