



STATEMENT ON THE NATIONAL BUDGET SPEECH 2026/2027

Monday, 15th June 2026 in Dar es Salaam

The National Budget for the Fiscal Year **2026/2027** reflects a strong commitment by the **6th Phase Government** to enhance the country's business environment while balancing the need to increase domestic revenue with the imperative to stimulate inclusive economic growth.

The Confederation of Tanzania Industries (CTI) commends the Government for presenting a well-balanced and growth-oriented budget and wishes to assure the Government of its commitment and support in ensuring success towards the Government's vision of attaining vibrant economic growth as stated in the **DIRA 2050** and **Annual Development Plan 2026/2027**.

CTI extends its sincere appreciation to the **Minister for Finance, Hon. Ambassador Khamis Musa Omar (MP)**, and the Government at large for a **positive and inclusive National budget** that responds to both economic and industrial priorities.

The budget was officially presented on **Thursday, 11th June 2026**, and CTI is pleased to share its analysis and response to the key highlights of the **2026/27 Budget Speech**.

CTI is highly encouraged by the Government's clear dedication to inclusive economic transformation, as evidenced by the budget's theme: **"Building a resilient economy through digital transformation, strategic investment, and sustainable fiscal policies for inclusive economic growth"**. This commitment is notably reflected in the Government's initiative of creating an

economy that can withstand challenges and recover from shocks by using technology, making smart investments, and managing Government finances responsibly, while ensuring that the benefits of economic growth are shared by all citizens.

Tanzania's budget for the Fiscal Year **2026/27** has been set at **Tshs. 62.33 trillion**, reflecting a **10.3% increase** compared to the budget of the **2025/26** Fiscal Year of **Tshs. 56.49 trillion**. Of the total budget of the Fiscal Year **2026/27**, the Government expects to collect **Tshs. 46.79 trillion** from domestic revenue, which indicates a **15.6%** increase compared to estimated domestic revenues collected in the Fiscal Year **2025/26** of **Tshs. 40.46 trillion**.

This upward trend in domestic resource mobilization from the previous year reflects the Government's commitment to financing development priorities internally, aligning with the East African Community's budget theme.

A key highlight of this year's budget is the Government's introduction of various reforms to the tax structure, fees, levies, and amendments to laws and regulations aimed at enhancing the business environment. The proposed reforms aim to promote sustainable economic transformation by protecting local industries, enhancing domestic production capacity, and improving the competitiveness of locally produced goods in the domestic, regional, and international markets. The reforms also designed to promote local value addition, reduce dependency on imports, and encourage industrial growth, with the broader objective of creating employment and stabilizing prices amid inflationary pressures.

The list of approved/recommended CTI tax proposals is shown in **Appendix I** of this statement.

Some of the positive measures from the 2026/2027 budget speech include:

- The Government to continue creating an enabling environment to promote the formalization of the informal sector that employs youth and women and attract investment in the country.
- To improve the investment and business environment by removing overlaps in the mandates of various regulatory institutions and abolishing nuisance fees and charges.
- The Government's move to establish a unified system for the collection of fees, charges and penalties imposed by regulatory institutions, namely the Single Window Payment System
- To introduce an income tax exemption for new businesses for a period of one year from the date of obtaining a taxpayer identification number
- TRA to strengthen the use of ICT systems, Artificial Intelligence (AI), and big data blockchain to reduce administrative costs, increase efficiency, ensure data security and transparency, and improve services to taxpayers through modern technologies.
- The President's Office - Planning and Investment, in collaboration with the Ministry of Industry and Trade, is to establish a specific mechanism for regulatory institutions to conduct joint inspections in investment and business areas, as well as in activities overseen by regulatory authorities.
- The Prime Minister's Office - Regional Administration and Local Government (PMORALG) shall issue guidelines on the charging of various Local Government Authorities' levies, which will be used by the respective Authorities in preparing by-laws for charging such levies.
- TRA to develop a mobile, tablet, or computer application and provide it free of charge to traders to be used for issuing receipts identical to those issued by EFD machines
- The Prime Minister's Office - Regional Administration and Local Government (PMORALG), in collaboration with the TRA, shall complete

the integration of systems, including the TAUSI system and the Integrated Domestic Revenue Administration System (IDRAS), to enable direct data exchange, including information on business licenses and Tax Clearance Certificates

- To increase the number of TRA offices in districts or Tax Service Centers, as well as mobile tax centers in areas with high economic activity, to bring services closer to taxpayers

The recommended Tax Proposals in the National Budget Speech for Fiscal Year **2026/2027** that have a negative impact on the industries are shown in **Appendix 2**

Furthermore, the Government budget for the fiscal year 2026/27 highlighted the key priority areas that align with the **DIRA 2050 and the Annual Development Plan 2026/2027**, themed “**Building a resilient economy through digital transformation, strategic investment, and sustainable fiscal policies for inclusive economic growth.**” These priorities include;

- Increasing domestic revenue collection by identifying new sources of revenue, strengthening ICT systems and administrative measures;
- Completion of ongoing development projects and programs;
- Strengthening of productive sectors;
- Improving social services; and
- Improving investment and business environment.

CTI believes that the selected priorities for the Fiscal Year **2026/27** will contribute positively to the sustainable development of the country’s industrial sector

Last but not least, CTI believes that if the Fiscal Year **2026/27** budget is effectively implemented, the Government will strengthen domestic revenue collection, sustain economic growth, enhance infrastructure and public services, and ultimately achieve broader economic development.

CTI remains dedicated to working with the Government and all stakeholders to ensure that Tanzania's industrial sector continues to grow, innovate, and contribute to national development.

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Appendix I

I.0. REFORMS ON THE TAX STRUCTURE, FEES, LEVIES AND OTHER REVENUE MEASURES

I.1. Value Added Tax (VAT)

- Establish a requirement for VAT refunds to be paid within 30 days from the date of submission of the refund application.
- The Government to continue granting VAT Deferment for imported capital goods to protect local manufacturing

I.2. The Imports Control Act

- To impose a 5 percent industrial development levy on imported exercise books and notebooks, classified under HS Codes 4820.10.00 and 4820.20.00.
- To impose a 10 percent industrial development levy on imported steel structure products, classified under HS Code 7308.90.99.

1.3. The East African Community Customs Management Act, 2004

The objective of these measures was to protect local manufacturers, address under-invoicing and undervaluation of imported products, create employment, and safeguard Government revenue.

- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US\$ 350/MT, whichever is higher, on washing powder under HS Codes 3402.49.00; 3402.50.00; and 3402.90.00 for one year.
- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent or US\$ 250/MT, whichever is higher, on welding electrodes under HS Code 8311.10.00 for one year.
- Grant a stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent on calcium carbonate under HS Code 2836.50.00 for one year.
- Grant a stay application of the EAC CET rate of 0 percent and apply a duty rate of 10 percent for one year on cocoa powder, not containing added sugar or other sweetening matter, under HS Code 1805.00.00.
- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or US\$ 1.35/kg, whichever is higher, for one year on safety matches under HS Code 3605.00.00.

- Grant a stay application of the EAC CET rate of 35 percent and apply a duty rate of 60 percent for one year on mineral waters and aerated waters under HS Code 2201.10.00.
- Grant a stay application of the EAC CET rate of 0 percent and apply 10 percent for one year on gypsum powder under HS Code 2520.20.00
- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent for one year on baby diapers under HS Code 9619.00.90.
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent on other paper, paperboard, cellulose wadding and webs of cellulose fibres under HS Code 4811.90.00 for one year.
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 35 percent on float, toughened and multiple-walled insulating units of glass under HS Codes 7005.10.00; 7005.21.00; 7005.29.00; 7005.30.00; 7007.19.00; 7007.29.00 and 7008.00.00 for one year.
- Grant a stay application of the EAC CET rate of 35 percent and apply a duty rate of 50 percent for one year on table salt under HS Code 2501.00.90
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 25 percent on unbleached kraft paper and paperboard under HS Code 4804.51.00 for one year.
- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent on fibreboard of wood or other ligneous materials, such as medium density fibreboard (MDF), under HS Heading 44.11 for one year
- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 35 percent on plywood, veneered panels, and similar laminated wood under HS Heading 44.12 for one year
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$ 125/MT, whichever is higher, for one year

on iron and steel products under HS Code 7209.16.00; 7209.17.00; 7209.18.00; 7209.25.00; 7209.26.00; 7209.27.00; 7209.28.00; 7209.90.00; 7211.23.00; 7211.90.00; 7226.92.00 and 7225.50.00.

- Grant a stay application of the EAC CET rate of 35 percent and apply a duty rate of 35 percent or US\$ 500/MT, whichever is higher, for one year on corrugated iron sheets under HS Code 7210.30.00 and 7210.41.00.
- Grant a stay application of the EAC CET rate of 25 percent or US\$ 200/MT, whichever is higher, and apply a duty rate of 35 percent or US\$ 350/MT, whichever is higher, for one year on flat-rolled products of iron or non-alloy steel under HS Codes 7210.49.00; 7210.61.00; 7210.69.00; 7210.70.00; and 7210.90.00.
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$125/MT, whichever is higher, for one year on flat-rolled products under HS Code 7212.20.00.
- Grant a stay application of the EAC CET rate of 25 percent or US\$ 200/MT, whichever is higher, and apply a duty rate of 25 percent or US\$ 300/MT, whichever is higher, for one year on flat-rolled products of iron or non-alloy steel under HS Code 7212.30.00.
- Grant a stay application of the EAC CET rate of 35 percent and apply a duty rate of 35 percent or US\$ 350/MT, whichever is higher, for one year on flat-rolled products of iron or non-alloy steel under HS Codes 7212.40.00 and 7212.50.00.
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$ 300/MT, whichever is higher, for one year on flat-rolled products of iron or non-alloy steel under HS Code 7212.60.00.

- Grant a stay application of the EAC CET rate of 25 percent or US\$ 200/MT, whichever is higher, and apply a duty rate of 25 percent or US\$ 250/MT, whichever is higher, for one year on hot-rolled bars and rods, of iron or non-alloy steel under HS Codes 7213.10.00; 7213.20.00; and 7213.99.00.
- Grant a stay application of the EAC CET rate of 35 percent and apply a duty rate of 35 percent or US\$ 250/MT, whichever is higher, on bars and rods of iron or non-alloy steel under HS Heading 72.14 for one year.
- Grant a stay application of EAC CET rate of 10 percent and apply a duty rate of 25 percent or US\$ 300/MT, whichever is higher, for one year on flat rods products of iron and steel under HS Codes 7225.91.00; 7225.92.00; and 7225.99.00
- Grant a stay application of the EAC CET rate of 10 percent and apply a duty rate of 10 percent or US\$ 300/MT, whichever is higher, for one year on semi-finished flat-rolled products under HS Code 7226.99.00.
- Grant a stay application of the EAC CET rate of 25 percent and apply a duty rate of 25 percent or US\$ 250/MT, whichever is higher, for one year on other tubes, pipes and hollow profiles of iron or non-alloy steel under HS Codes 7306.30.00; 7306.50.00; 7306.61.00; 7306.69.00; and 7306.90.00.
- East African Community Partner States agreed to amend the EAC Common External Tariff rate of 35 percent and apply a duty rate of 35 percent or US\$ 3 per SQM, whichever is higher, on ceramic tiles under HS Codes 6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00.

- East African Community Partner States agreed to amend the EAC Common External Tariff rate of 35 percent and apply a duty rate of 35 percent or US\$ 350 per metric tonne, whichever is higher, on nails, tacks, drawing pins, corrugated nails, staples, and similar articles of iron or steel, whether or not with heads of other materials under HS Code 7317.00.00.
- Grant duty remission at a rate of 0 percent instead of 10 percent for one year on paper under HS Codes 4804.19.00; 4804.39.00, and 4804.52.00 used to manufacture corrugated boxes
- Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year on raw materials under HS Codes 3506.91.00 and 3920.10.10 used to manufacture packaging.
- Grant duty remission at a rate of 10 percent instead of 35 percent on imported wheat grain under HS Codes 1001.99.10 and 1001.99.90 for one year.
- Grant duty remission at a rate of 0 percent instead of 10 percent on Refined Bleached Deodorized (RBD) palm stearin under HS Code 1511.90.40 used by domestic manufacturers of soaps for one year.
- Grant duty remission and stay of application on raw materials, accessories, and machinery used to manufacture textiles and leather products aims at promoting textiles and leather product manufacturers in the country.
- Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year on organic surface-active agents, including LABSA under HS Codes 3402.31.00; 3402.39.00; and 3402.49.00
- Grant duty remission at a rate of 0 percent instead of 35 percent or 10 percent for one year on raw material under HS Codes 3208.20.10; 3208.20.20; 3208.90.20 and 3210.00.10 used in leather processing to promote growth of local leather industries

- Grant duty remission at a rate of 10 percent instead of 25 percent for one year on CKD for three-wheelers motorcycles excluding chassis and its components under HS Code 8704.21.90.
- Grant duty remission at a rate of 10 percent instead of 35 percent for one year as input under HS Code 3401.20.10 used to manufacture soap
- Grant duty remission at a rate of 0 percent instead of 10 percent or 25 percent for one year on inputs under HS Codes 7312.10.00; 7217.20.00; 7408.19.00; 7409.11.00;
- 7605.21.00; 2710.19.56; 3815.90.00; 5402.19.00; 5903.90.00; 7907.00.00; and 2712.10.00 used to manufacture electrical cables.
- Grant duty remission at a rate of 0 percent instead of 25 percent for one year on lithium-ion electric accumulators under HS Code 8507.60.00 used in the assembling or manufacturing of electric vehicles and motorcycles.
- Grant duty remission at a rate of 10 percent instead of 25 percent for one year on inputs such as metalized paper under HS Code 4811.90.00 used to manufacture labels, thermal paper rolls for cash registers, POS & EFD Machines.
- Grant duty remission at a rate of 0 percent instead of 10 percent for one year on inputs under HS Codes 2713.20.00; 5603.14.00; 2710.19.59; and 3920.10.10 used by a local manufacturer of waterproofing membranes.
- Grant duty remission at a rate of 10 percent instead of 35 percent for one year on inputs under HS Code 6802.99.00 used by a local manufacturer of waterproofing membranes.
- Grant duty remission at a rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes 4819.20.90; and 5407.44.00 used by local manufacturers of tea (blenders).
- Grant duty remission at a rate of 0 percent instead of 25 percent for one year on packaging materials under HS Codes 7310.21.00; and 6305.10.00 used for packing processed coffee

- Grant duty remission at a rate of 0 percent instead of 25 percent or 35 percent for one year on inputs under HS Codes 3923.50.90; 4819.20.90; 4819.30.00; 4819.50.00; 4821.90.00; and 7607.19.90 used by domestic manufacturers of yoghurt, powdered or UHT milk.
- Lubricants under HS Code 2710.19.51 will attract a duty rate of 25 percent or US\$ 0.46 per litre, whichever is higher, instead of the current rate of 25 percent

Appendix 2

2.0. Proposed Tax Amendment with Negative Impact on Manufacturers

- Adjust Excise duty rates upward gradually, starting with 8 percent in fiscal year 2026/27 instead of adjusting by a lump-sum amount after every three years. In the subsequent fiscal years, the increase will take into account the inflation rate plus 2 percent
- To amend the Excise (Management and Tariff) Act, CAP. 147 to increase the excise duty rate by 20 shillings per-mil on cigarettes under HS Heading 24.02 and 24.03
- To impose an export tax of 50 shillings per kilogram on exported wheat bran classified by HS Code 2302.30.00
- To exempt value added tax on clothes and garments produced using locally grown cotton to encourage the use of locally produced cotton.

- To impose an import duty at the rate of 10 percent on all types of crude edible oils, including crude palm oil and semi-refined palm oil.
- To amend the Sugar Industry Act, Cap. 251 and its Regulations to increase sugar levy by 10 shillings per kilogram on imported and locally produced sugar. The levy will be collected by the Sugar Board of Tanzania and remitted to the Universal Health Fund.