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Budget Documents

Budget Execution Reports

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2022-11

# The Budget Execution Report for the first quarter of 2022 to 23 ( July - September, 2022)

Tanzania, The United Republic

Ministry of Finance

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**THE UNITED REPUBLIC OF TANZANIA**



**MINISTRY OF FINANCE AND PLANNING**

**THE BUDGET EXECUTION REPORT FOR THE FIRST QUARTER OF 2022/23  
(JULY TO SEPTEMBER 2022)**

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**NOVEMBER 2022**

## TABLE OF CONTENTS

<b>LIST OF ABBREVIATIONS</b> .....	<b>ii</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>iii</b>
<b>1.0 RECENT MACROECONOMIC PERFORMANCE</b> .....	<b>1</b>
1.1 Real GDP Growth in 2021.....	1
1.2 Real GDP Growth.....	2
1.3 Inflation Development.....	3
1.4 External Trade.....	4
1.5 Gross Official Reserves .....	5
1.6 Credit to Private Sector.....	5
1.7 Money Supply.....	5
1.8 Interest Rates Development.....	5
1.9 Exchange Rate.....	6
<b>2.0 GOVERNMENT OPERATIONS</b> .....	<b>7</b>
2.1 Revenue.....	7
2.2 Revenue by Source .....	7
2.2.1 Taxes on Imports.....	7
2.2.2 Taxes on Domestic Sales .....	7
2.2.3 Income Tax.....	8
2.2.4 Other Taxes.....	9
2.2.5 Non-Tax Revenue .....	10
2.3 Expenditure .....	11
2.3.1 Recurrent Expenditure.....	11
2.3.2 Wages and Salaries .....	11
2.3.3 Debt Service.....	11
2.3.4 Goods, Services and Transfers.....	12
2.3.5 Development Expenditure .....	12
2.3.6 Government Expenditure Arrears .....	12
2.4 Grants .....	13
2.5 Financing.....	13
2.5.1 Domestic Financing.....	13
2.5.2 Foreign Financing.....	14
<b>3.0 GOVERNMENT DEBT DEVELOPMENT</b> .....	<b>16</b>
3.1 Overall Debt Stock.....	16
3.2 Central Government Domestic Stock .....	16
3.3 Central Government External Debt .....	17
3.4 The Result of Debt Sustainability Analysis.....	18

## **LIST OF ABBREVIATIONS**

BoT	-	Bank of Tanzania
DSA	-	Debt Sustainability Analysis
GDP	-	Gross Domestic Product
LGAs	-	Local Government Authorities
PAYE	-	Pay as You Earn
REA	-	Rural Electrification Agency
TRA	-	Tanzania Revenue Authority
USD	-	United States Dollar
VAT	-	Value Added Tax

## EXECUTIVE SUMMARY

In 2021, the economy grew by 4.9 percent compared to 4.8 percent in 2020 based on the new series of 2015 base year. In 2021/22, headline inflation continued to maintain single digit averaged at 4.0 percent compared to 3.3 percent in 2020/21. The increase in inflation was attributed to the rise of global energy and food prices.

During the first quarter, total domestic revenue collection amounted to 6,293.1 billion shillings, equivalent to 96.3 percent of estimated amount of 6,537.0 billion shillings. The total expenditure for the first quarter was 9,153.8 billion shillings against the target of 9,848.9 billion shillings of which recurrent expenditure was 5,848.7 billion shillings against a target of 6,171.6 billion shillings, while development expenditure amounted to billion shillings 3,305.1 against a target of 3,677.3 billion shillings.

During the first quarter of 2022/23, project grants received were 102.3 billion shillings, equivalent to 46.2 percent of the estimated amount of 221.0 billion shillings.

Total financing during the first quarter of 2022/23 was 1,876.4 billion shillings against the target of 2,026.4 billion shillings equivalent to 92.6 percent. A total of 1,689.6 billion shillings was borrowed from domestic market against the target of 1,975.1 billion shillings, of which 1,144.6 billion shillings was net domestic financing. Foreign financing for the first quarter was 731.8 billion shillings against a target of 721.3 billion shillings.

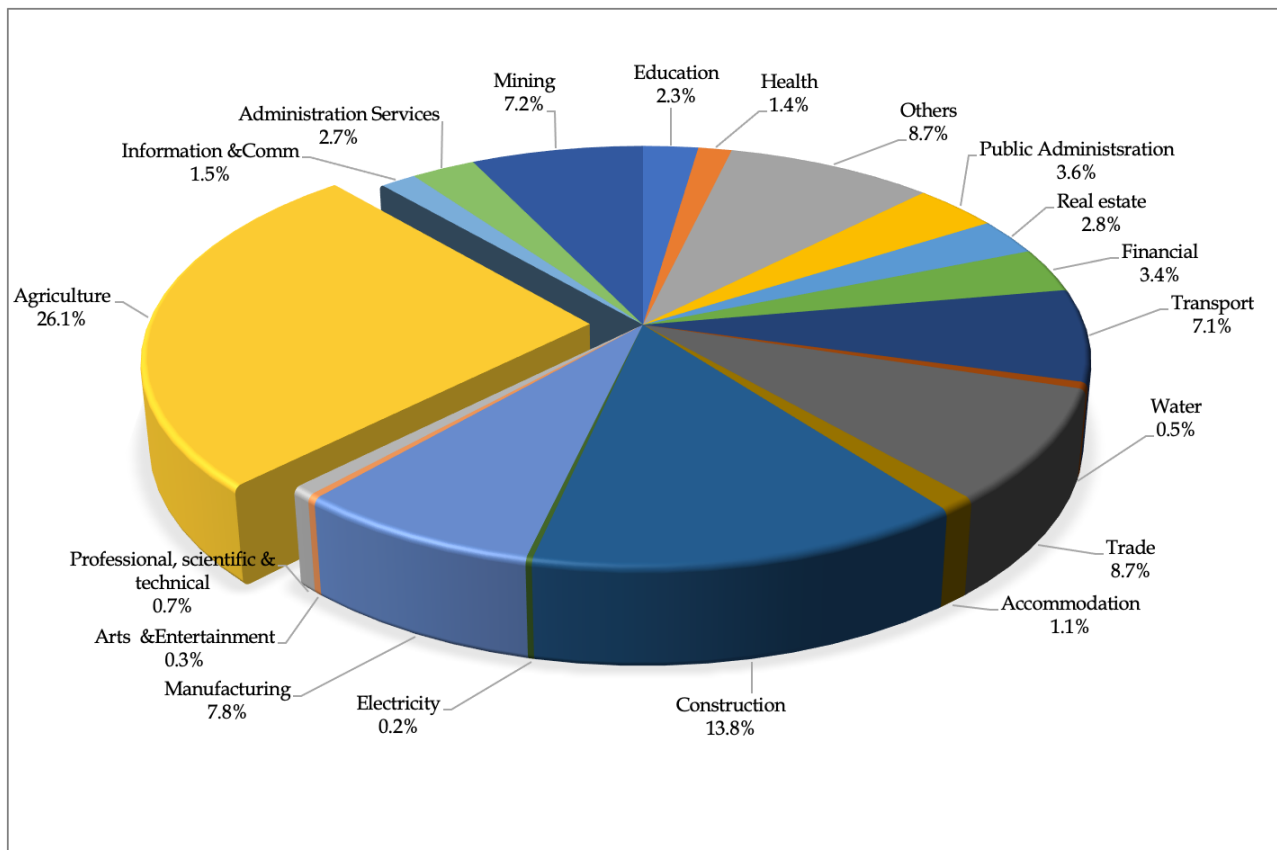
As at end September 2022, debt stock was 71,980.12 billion shillings compared to 63,642.19 billion shillings in the corresponding period in 2021, equivalent to an increase of 13.10 percent. The increase in the Central Government debt stock was due to Government borrowing to finance development projects.

## 1.0 RECENT MACROECONOMIC PERFORMANCE

### 1.1 Real GDP Growth in 2021

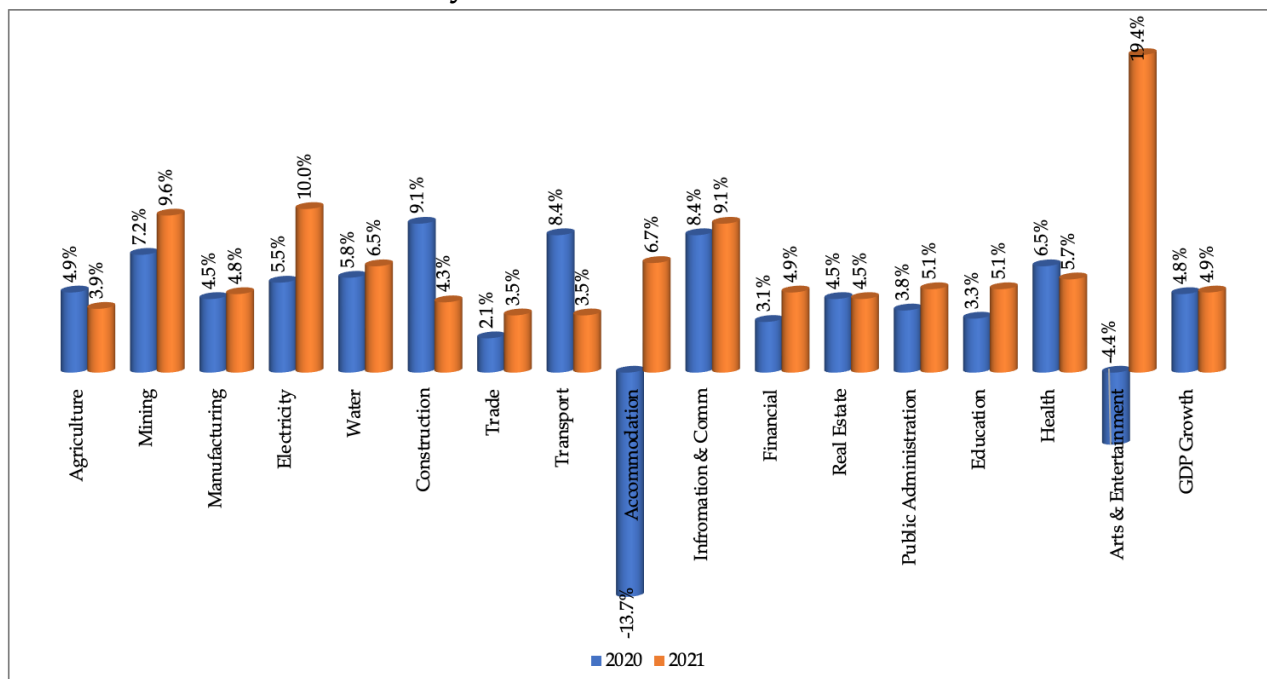
In 2021, the economy grew by 4.9 percent compared to 4.8 percent in 2020 based on the new series of 2015 base year. The increase in growth was due to: strategic investment especially in infrastructures (energy, water, health, education, roads, railways and airports); increased mineral production particularly gold and coal; and increased credit to private sector which stimulated economic activities. Sectors which recorded high growth during the period under review were: arts and entertainment (19.4 percent); electricity (10.0 percent); mining and quarrying (9.6 percent); and information and communication (9.1 percent). Accommodation and food services as well as arts and entertainment sectors which were adversely affected by COVID-19 in 2020, recovered in 2021 and registered positive growth following resumption of tourism activities which is the main drivers of these sectors' growth. Despite recording highest growth among other sectors, the share of arts and entertainment activity to GDP is still small, averaging at 0.3 percent. The status of sectoral contribution to GDP in 2021 and the real GDP growth by economic activity are presented in **Charts 1.1** and **1.2**.

**Chart 1.1: Contribution of Economic Activities to GDP**



Source: Ministry of Finance and Planning

**Chart 1.2: Real GDP Growth by Economic Activities**

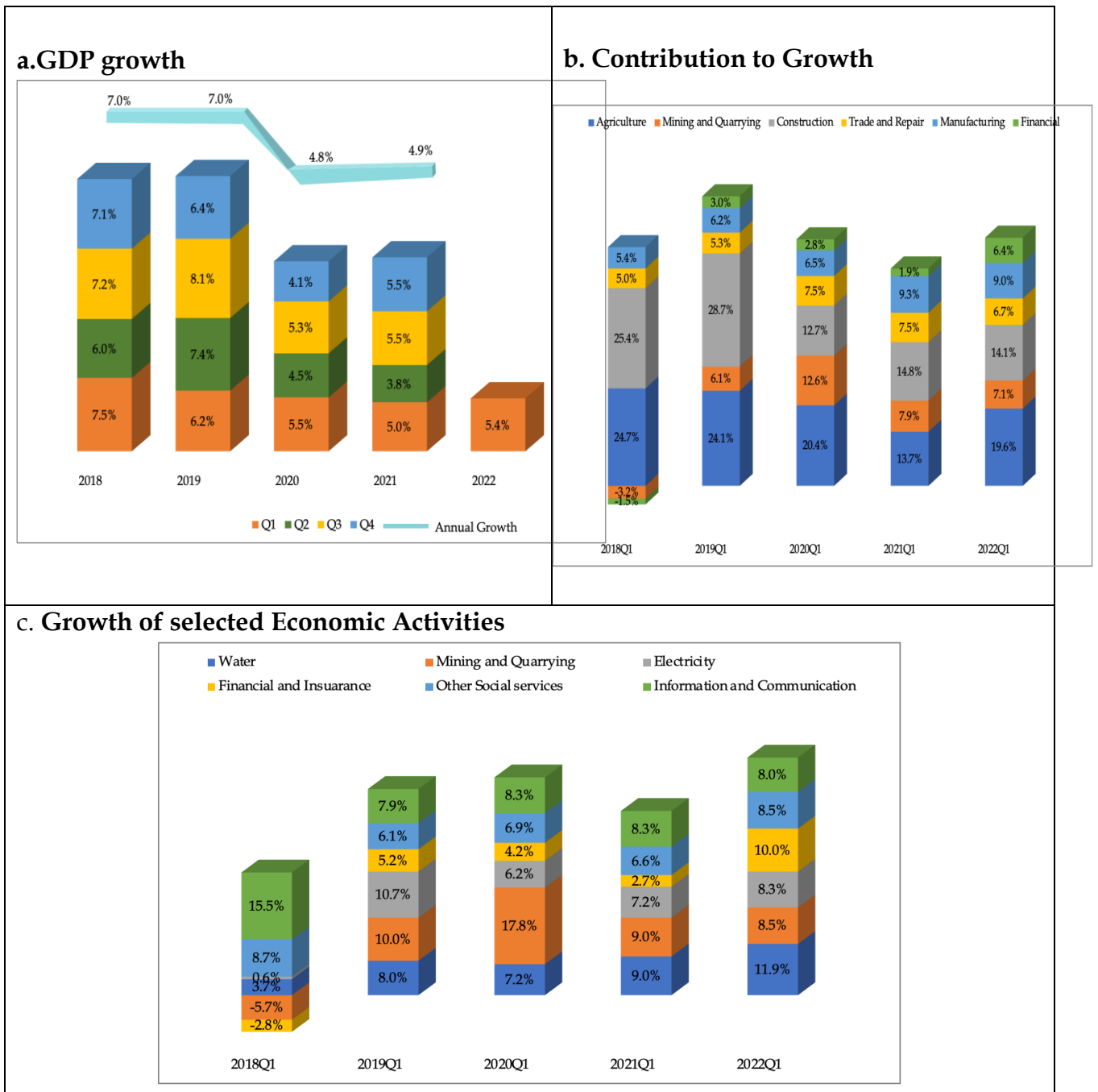


Source: Ministry of Finance and Planning

## 1.2 Real GDP Growth

During the first quarter (January – March, 2022) Gross Domestic Product (GDP) at current prices in absolute terms was 43.4 trillion shillings compared to 38.9 trillion shillings attained in the corresponding quarter of 2021. GDP at 2015 constant prices for the first quarter of 2022 in absolute terms was 34.9 trillion shillings compared to 33.1 trillion shillings recorded in the corresponding quarter of 2021, equivalent to a growth of 5.4 percent compared to a growth rate of 5.0 percent observed in the corresponding quarter in 2021 (Box 1.1, a). The growth was mostly driven by agriculture, construction, manufacturing, mining and quarrying, trade and repair, and financial and insurance services (Box 1.1, b). During the period under review, sectors which recorded high growth rate included Water Supply (11.9 percent), Financial and Insurance (10.0 percent), Other social services (8.5 percent), Mining and Quarrying (8.5 percent), Electricity (8.3 percent), Information and Communication (8.0 percent), (Box1.1, c). The high growth in water supply was associated with improved water production infrastructures and increased production capacity to match water demand, following population growth especially in urban areas. Meanwhile, high growth in financial and insurance was due to increased deposits, lending and insurance services, while growth in other social services was contributed by recovery in tourist related activities and increasing urbanization. Further, growth in mining and quarrying was attributed to increase in production of diamond, salt, silver, coal and natural gas, while growth in information and communication was associated with increased use of airtime through cellular phones and expansion of broadcasting and internet services in the country.

**Box 1.1**



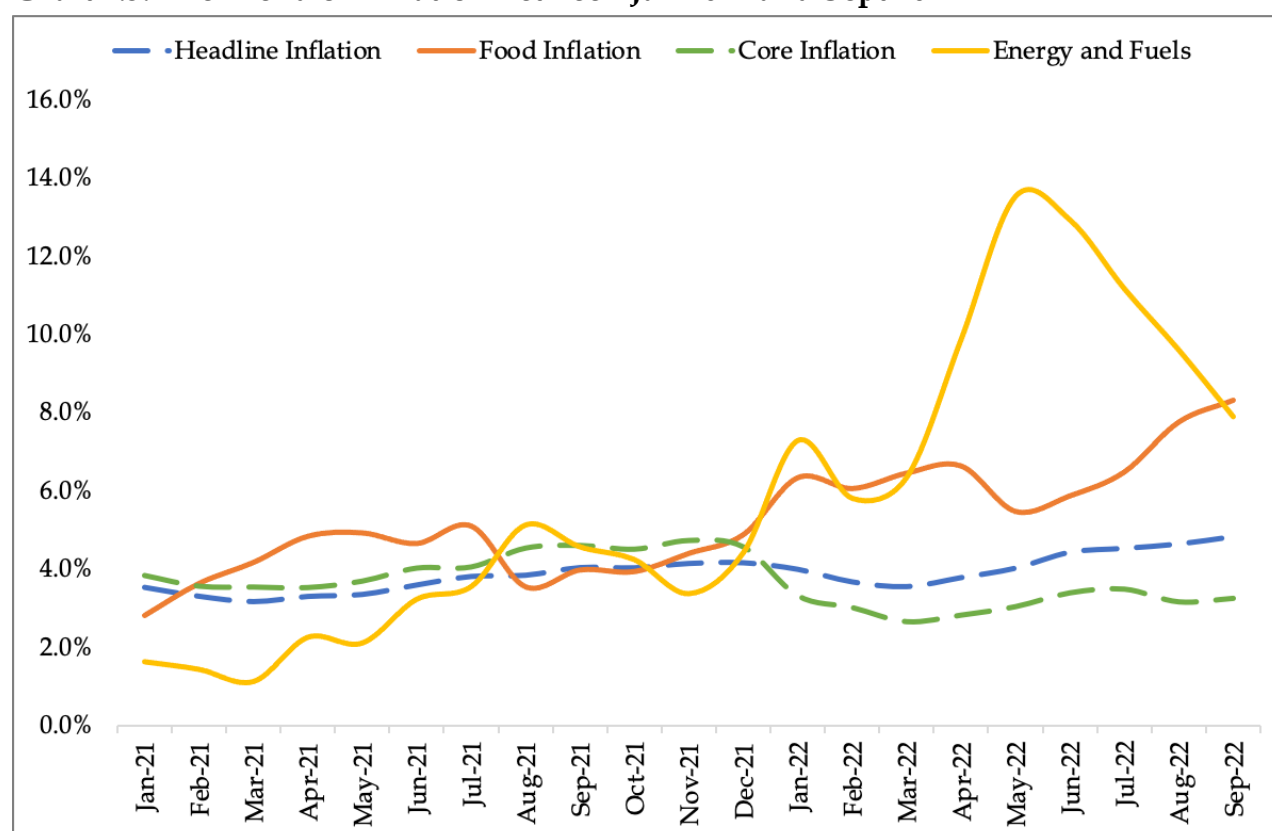
Source: National Bureau of Statistics

**1.3 Inflation Development**

In 2021/22, headline inflation continued to maintain single digit averaged at 4.0 percent compared to 3.3 percent in 2020/21. During the quarter ending September, 2022, the headline inflation averaged at 4.7 percent compared to an average of 3.9 percent recorded in the corresponding quarter in 2021. The increase in inflation was attributed to the rise of global energy and food prices. On monthly basis, the headline inflation for the month of September, 2022 was 4.8 percent compared to 4.0 percent recorded in September, 2021.

During the period under review, on monthly basis, food inflation increased to 8.3 percent of September, 2022 compared to 4.0 percent recorded in September 2021. The increase in food inflation was mainly due to a rise in prices of maize grains and flour, wheat flour, sweet potatoes, beans, meat and rice. Inflation rate of energy, fuel, and utilities subgroup was high, but decreased to 7.9 percent from 9.6 percent, owing to continued drop in the prices of firewood and charcoal, as well as high oil prices. Core inflation, whose index accounts for the largest share in the consumer price index (CPI) basket decreased to 3.3 percent in September 2022 from 4.6 percent recorded in the corresponding period in 2021, mainly due to a fall in prices of accommodation, recreation, sports and cultural items, garments as well as information and communication. **Chart 1.3** presents the trends of inflation.

**Chart 1.3: The Trend of Inflation Between Jan 2021 and Sept 2022**



**Source:** National Bureau Statistics

#### 1.4 External Trade

The current account recorded a deficit of USD 1,707.3 million during the year ending September 2022 compared to a deficit of USD 331.3 million in the corresponding period in 2021, driven by higher imports bill particularly of goods. Exports of goods and services amounted to USD 3,443.0 million during the year ending September 2022 from USD 2,787.9 million in the corresponding period of 2021, driven by non traditional exports and services receipts. Exports of goods amounted to USD 2,057.2 million during the year ending September 2022 from USD 1,958.9 million in the corresponding period of 2021,

equivalent to an increase of 5.0 percent. The rise was largely in the exports of manufactured goods particularly manufactured tobacco and sisal products and traditional exports particularly cashewnuts, sisal, tobacco and cotton. Imports of goods and services was USD 5,011.3 million in the year ending September 2022 compared to USD 2,958.4 million recorded in the corresponding period in 2021, equivalent to an increase of 69.4 percent. The rise was largely driven by the imports of intermediate goods particularly fertilizers and white petroleum products. Services payments rose to USD 678.3 million in the quarter ending September, 2022 compared to USD 436.2 million recorded in the corresponding period in 2021.

### **1.5 Gross Official Reserves**

Foreign exchange reserves remained high at USD 4,961.5 million at the end of September 2022, sufficient to cover about 4.2 months of projected imports. The import cover was within the country benchmark and EAC convergence criteria of at least 4 months and 4.5 months, respectively. During that period, foreign assets of banks amounted to USD 1,174.8 million.

### **1.6 Credit to Private Sector**

Annual growth of credit to the private sector continued to recover, reaching 9.9 percent in June 2022 from 4.3 percent registered in June 2021. Credit extended to the private sector grew at an average of 20.9 percent in the quarter ending September 2022 compared with 4.0 percent in the quarter ended September 2021. The strong growth was largely attributed to improved business conditions, recovery of economic activities, as well as supportive monetary and fiscal conditions.

### **1.7 Money Supply**

During the quarter ending September 2022, extended broad money supply (M3) grew by 11.0 percent compared to a growth of 11.2 percent recorded in September 2021. The slowdown in M3 growth was on account of decrease in net foreign assets of the banking system. The decline in NFA was mainly due to payment of foreign Government obligations in favour of on-going public investments.

### **1.8 Interest Rates Development**

During the quarter ending September 2022, the overall lending rate decreased to an average of 16.11 percent from 16.63 percent in the corresponding period in 2021. Similarly, one-year lending rate averaged at 16.80 percent as recorded in the quarter ending September 2022. The overall time deposits interest rate and 12-months deposit rate averaged 7.53 percent and 9.14 percent in the quarter ending September 2022, compared to 6.87 percent and 8.23 percent in the corresponding period of 2021, respectively.

## **1.9 Exchange Rate**

In the quarter ending September 2022, the value of a shilling remained stable trading at an average rate of shillings 2,305.25 per US dollar compared to shillings 2,299.21 per US dollar in September 2021, representing an annual depreciation of 0.26 percent.

## **2.0 GOVERNMENT OPERATIONS**

### **2.1 Revenue**

In 2022/23, the Government is committed to enhance-domestic revenue collection in order to finance Government operations as planned. During the first quarter, total domestic revenue collection amounted to 6,293.1 billion shillings, equivalent to 96.3 percent of estimated amount of 6,537.0 billion shillings. Out of the total collection, tax revenue collected amounted to 5,172.4 billion shillings, equivalent to 99.1 percent of estimates of 5,221.5 billion shillings. Non-tax revenues<sup>1</sup> were 880.4 billion shillings against the planned target of 1,064.9 billion shillings, reflecting the performance of 82.7 percent. Collections from LGAs own sources were 240.2 billion shillings against the target of 250.7 billion shillings, equivalent to 95.8 percent.

### **2.2 Revenue by Source**

#### **2.2.1 Taxes on Imports**

Import taxes and duties collections amounted to 1,652.1 billion shillings reflecting a performance of 100.6 percent of estimated 1,642.3 billion shillings, and 8.0 percent higher when compared to collections registered in the similar period in 2021/22. The excise on petroleum imports collections amounted to 247.6 billion shillings, which was 75.6 percent of the planned target of 327.3 billion shillings. Excise on other imports had also registered an impressive performance amounting to 74.2 billion shillings, equivalent to 111.3 percent of estimates while import duty performed at 108.2 percent of the target. The underperformance of excise on petroleum was due to decline in importation volume of Kerosine and petroleum as anticipated. VAT on non- petroleum collection amounted to 917.1 equivalents to 105.8 percent of the target. This performance was attributed to increased importation of intermediate goods and consumer goods.

#### **2.2.2 Taxes on Domestic Sales**

Tax collections from domestic sales during the first quarter of 2022/23 was 1,234.8 equivalent to 108.3 percent of the target and 26.5 percent higher than the amount registered in the first quarter of 2021/22. Out of the total collection, the excise duty amounted to 398.7 billion shillings, equivalent to 101.8 percent of the target of collecting 391.7 billion shillings while VAT on domestic sales were 836.1 billion shillings, or 111.8 percent of the projected collection of 748.0 billion shillings.

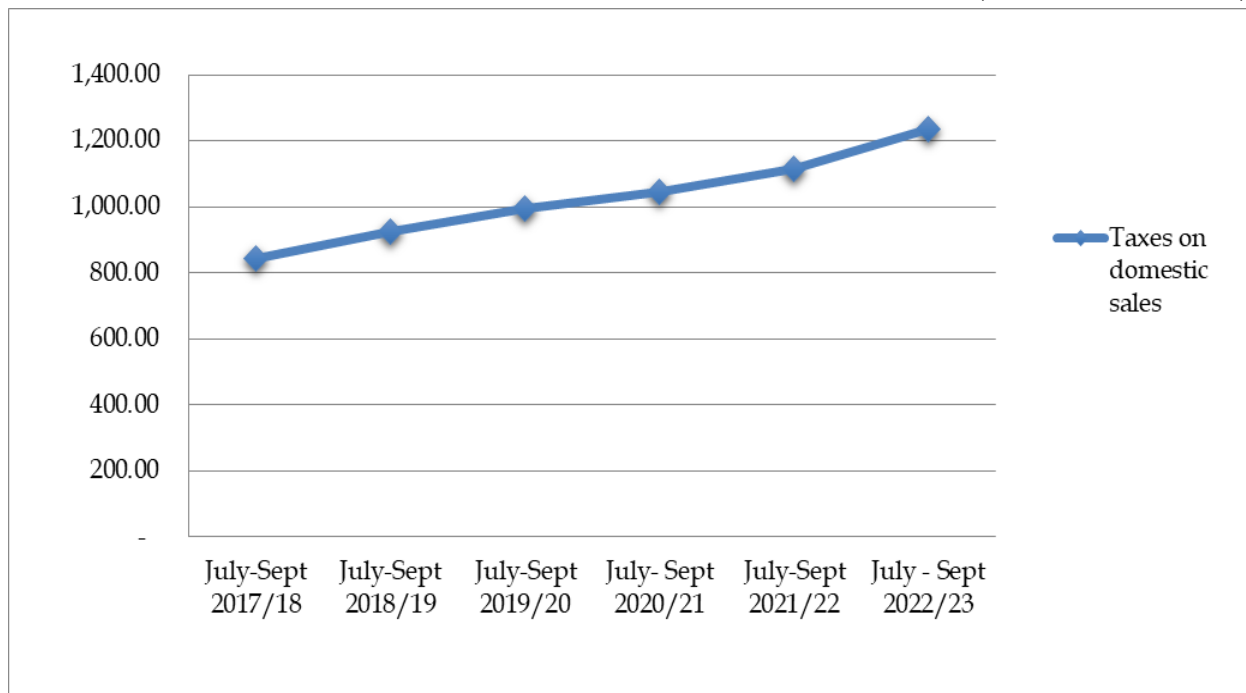
The performance of domestic VAT was mainly contributed to improved VAT administration through the enhanced system of VAT E-filing system; and substantial increase of VAT payable from the mobile phone service providers, such as Ericsson AB, HTT Infracore Ltd and Huawei Technology (T) Company, due to periodic invoicing. On

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<sup>1</sup> Including Non Tax collected by TRA

the other hand, overperformance of domestic excise duty was due to close follow up of Electronic Tax Stamp usage, declarations, electronic Tax Stamp campaigns and enforcements. **Chart 2.1** shows the trend of the first quarter tax collection performance on domestic sales from 2017/18 - 2022/23.

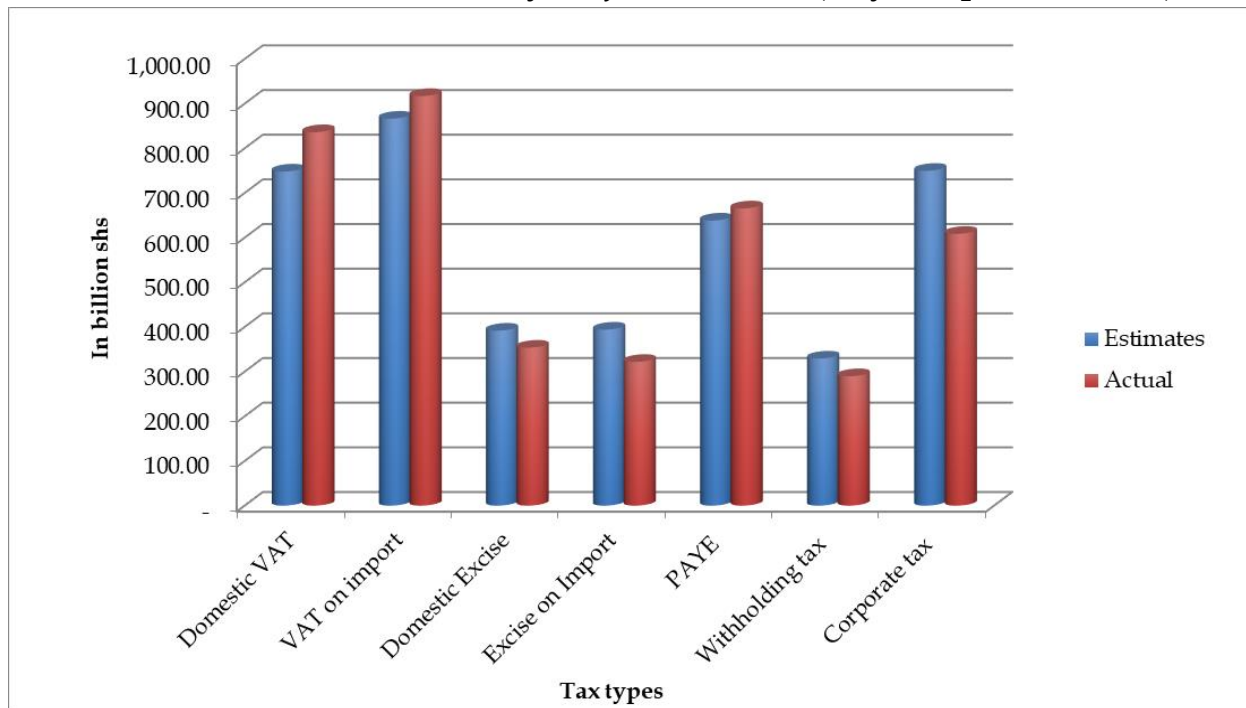
**Chart 2.1: Trend of Tax on Domestic Sales for the First Quarter (2017/18 - 2022/23)**



### 2.2.3 Income Tax

The overall performance of income tax was collected as the expectations with total collection of 1,721.2 billion shillings, equivalent to 90.6 percent of expected collection of 1,900.3 billion shillings, and one percent higher when compared to collections registered in the same period in 2021/22. In the first quarter of 2022/23, PAYE collection was 665.4 billion shillings, equivalent to 104.3 percent of the target. The corporate tax was 608.5 billion shillings equivalent to 81.2 percent of the target. Underperformance of corporate tax was due to a slight downward provisional amendment and filed final returns particularly by telecoms companies. Revenue performance by major tax items is shown in **Chart 2.2**.

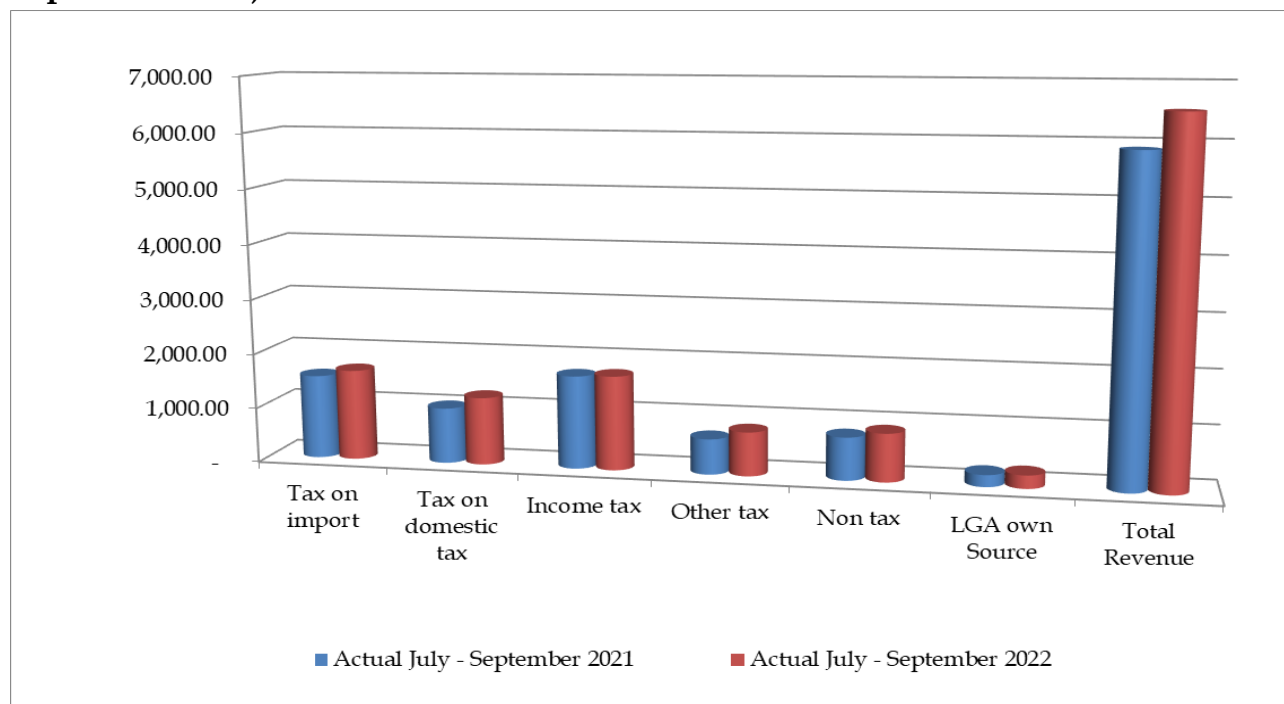
**Chart 2.2: Revenue Performance by Major Tax Items (July - September 2022)**



#### 2.2.4 Other Taxes

The category of other taxes includes fuel levy, transit fee, National Water Development Fund, Rural Energy Agency, Railway Development Fund, Business Skill Development Levy and Departure Service Charges. During the quarter ended September 2022, actual collections from other taxes category amounted to 800.4 billion shillings, which was 107.3 percent of the period estimate of 745.8 billion shillings. Sources of other taxes that recorded an impressive performance includes: Rural Energy Agency - REA (148.9 percent); Fuel Levy and Transit Fee (107.7 percent); and National Water Development Fund (103.7 percent). Departure Service Charges performed at 143.5 percent of estimates of 12.5 billion shillings. Revenue performance in July to September 2022 compared to July to September 2021 is indicated in **Chart 2.3**.

**Chart 2.3: Revenue Performance (July - September 2022) Compared to (July - September 2021)**

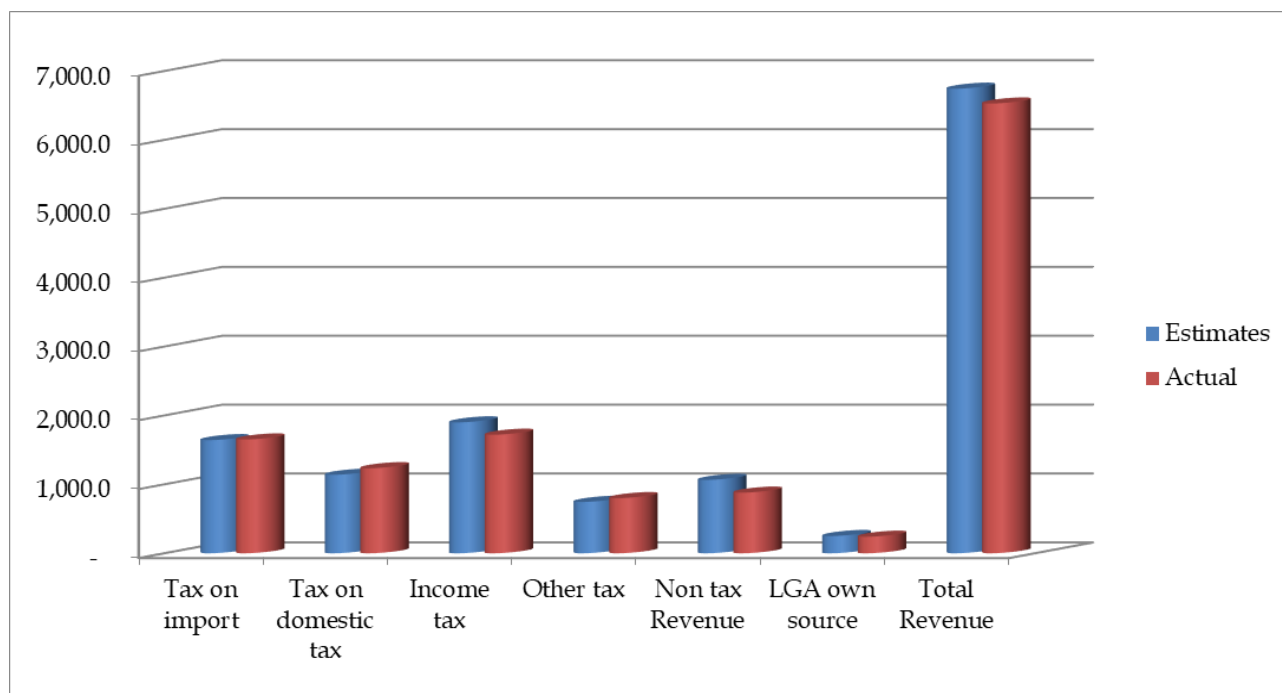


### 2.2.5 Non-Tax Revenue

Collections of non-tax revenue in the first quarter of 2022/23 were 880.4 billion shillings equivalent to 82.7 percent of quarter estimates of 1,064.9 billion shillings. Non-tax revenues collected by Ministries were 412.8 billion shillings against the target of 547.6 billion shillings equivalent to 75.4 percent, dividends and contributions collected by Office of Treasury Registrar were 57.4 billion shillings against the target of 74.2 billion shillings equivalent to 77.3 percent while non-tax revenues collected by TRA were 410.3 billion shillings which was 92.6 percent of the quarter estimates of 443.1 billion shillings.

Collections from LGAs own source were 240.3 billion shillings, which was 95.8 percent of the period target. The underperformance of the revenues collected by Ministries and Independent Department were mainly contributed by lack of close monitoring of revenues sources and underperformance of the systems used to facilitate collection of revenues. On the other hand, Dividends and contributions collected by Office of Treasury Registrar underperform due to uncollected revenue from public entities which were expected to be remitted in the first quarter. Domestic revenue performance for the first quarter of 2022/23 compared to estimates is depicted in **Chart 2.4**. Analysis of revenue performance during the first quarter of 2022/23 is depicted in **Annex A**.

**Chart 2.4: Domestic revenue performance for the first quarter of 2021/22 compared to estimates**



## 2.3 Expenditure

The total expenditure for the first quarter was 9,153.8 billion shillings against the target of 9,848.9 billion shillings of which recurrent expenditure was 5,848.7 billion shillings against a target of 6,171.6 billion shillings, while development expenditure amounted to billion shillings 3,305.1 against a target of 3,677.3 billion shillings.

### 2.3.1 Recurrent Expenditure

Recurrent expenditure for the first quarter stood at 5,848.7 billion shillings equivalent to 94.8 percent of the planned target. The amount released represents an increase of 5.7 percent compared to 5,517.7 billion shillings in the similar quarter of 2021/22. The increment facilitated the Government to spend more on social spending.

### 2.3.2 Wages and Salaries

During the period under review, Government spent 2,233.5 billion shillings on wages and salaries out of the target of 2,392.0 billion shillings. The amount released was in line with expenditure need submitted by Votes.

### 2.3.3 Debt Service

Total debt service expenditure for the first quarter amounted to 1,513.8 billion shillings, equivalent to 89.9 percent of the target. The amount released includes 910.0 billion shillings for principal repayment and 603.8 billion shillings for interest payment.

### 2.3.4 Goods, Services and Transfers

During the first quarter, an amount of 2,101.4 billion shillings was released under Goods, Services and Transfers, compared to 1,529.2 billion shillings spent on the same quarter in 2021/22.

### 2.3.5 Development Expenditure

In the first quarter of 2022/23 an amount of 3,677.3 billion shillings was estimated to be spent under development expenditure. The amount comprises 2,698.9 billion shillings of domestic expenditure and 606.2 billion shillings of foreign expenditure. A total of 3,305.1 billion shillings was released, equivalent to 89.9 percent of the estimated target.

During the period under review, 2,698.9 billion shillings was for domestic expenditure and 606.2 billion shillings for foreign financed expenditure. The amount spent enabled the Government to implement strategic projects and priority programs which were planned to be executed during the period under review. The expenditure performance by major categories and economic classification for the first quarter is as shown in **Table 2.1**.

**Table 2.1: Expenditure Performance by Major Categories and Economic Classification**

Category	Quarter Target	Actual Expenditure	Performance
<b>Recurrent Expenditure</b>	<b>6,171.6</b>	<b>5,848.7</b>	<b>94.8%</b>
o/w Wages and Salaries	2,392.0	2,233.5	93.4%
Debt Amortization	1,064.4	910.0	85.5%
Interest Repayments	620.2	603.8	97.4%
Goods, Services and Transfers	2,095.0	2,101.4	100.3%
<b>Development Expenditure</b>	<b>3,677.3</b>	<b>3,305.1</b>	<b>89.9%</b>
Development Local	3,056.0	2,698.9	88.3%
Development Foreign	621.3	606.2	97.6%
<b>Grand Total</b>	<b>9,848.9</b>	<b>9,153.8</b>	<b>92.9%</b>

Source: Ministry of Finance and Planning

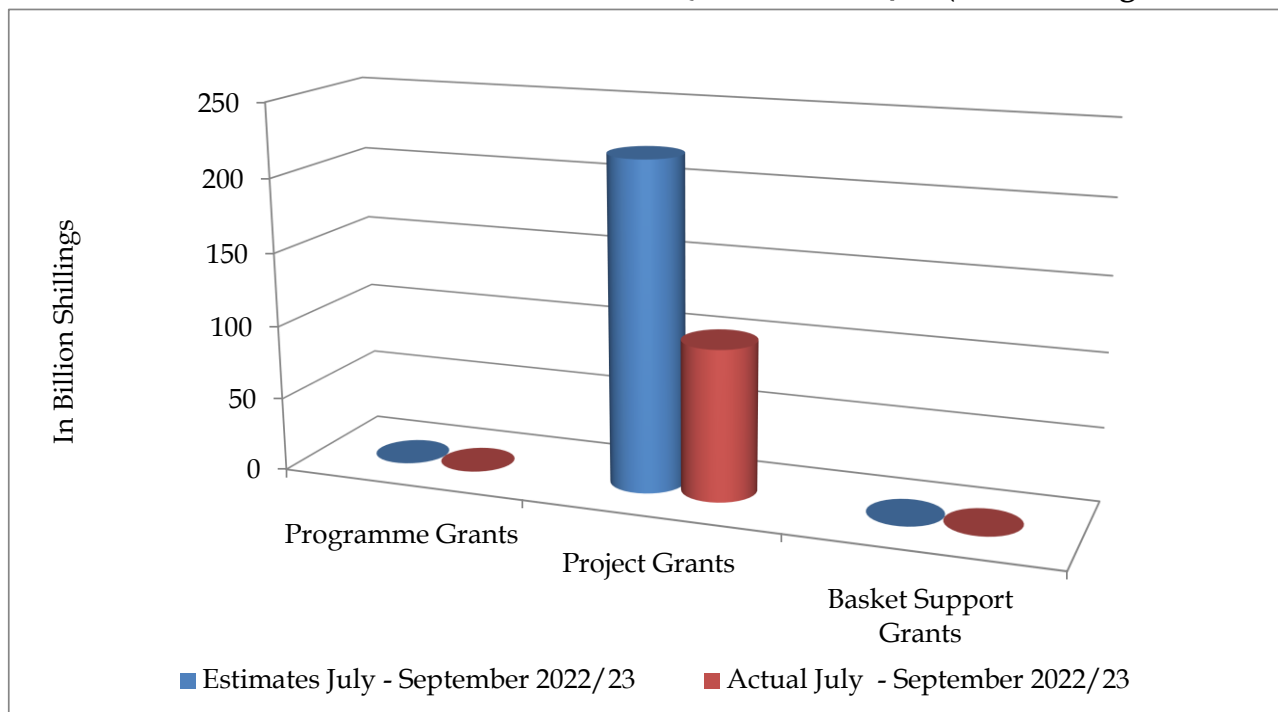
### 2.3.6 Government Expenditure on Arrears

In the first quarter a total of 95.47 billion shillings was released for payment of domestic arrears for contractors and staff.

## 2.4 Grants

During the first quarter of 2022/23, project grants received were 102.3 billion shillings, equivalent to 46.2 percent of the estimated amount of 221.0 billion shillings as shown in **Chart 2.5**.

**Chart 2.5: Performance of Grants for the First Quarter of 2022/23 (Estimates against Actual)**



Source: Ministry of Finance and Planning

## 2.5 Financing

Total financing during the first quarter of 2022/23 was 1,876.4 billion shillings against the target of 2,026.4 billion shillings equivalent to 92.6 percent. Out of the total financing, total foreign net financing was a financing of 731.8 billion shillings against a borrowing target of 721.3 billion shillings equivalent to 101.5 percent. Total domestic net financing was 1,144.6 billion shillings against the borrowing target of 1,305.1 billion shillings equivalent to 87.7 percent.

### 2.5.1 Domestic Financing

In 2022/23 Government budget, domestic borrowing was planned at 5,780.1 billion shillings, where as 3,300 billion shillings were for financing rolling over of maturing Treasury Bills and Bonds and 2,480.1 billion shillings were new loans for financing development projects. During the first quarter of 2022/23, a total of 1,689.6 billion shillings were borrowed from domestic market against the target of borrowing 1,975.1 billion shillings equivalent to 85.5 percent. Out of the amount borrowed, 545.0 billion shillings was for redemption (rollover) of matured obligations and 1,144.6 billion shillings was borrowed for financing Government budget.

## 2.5.2 Foreign Financing

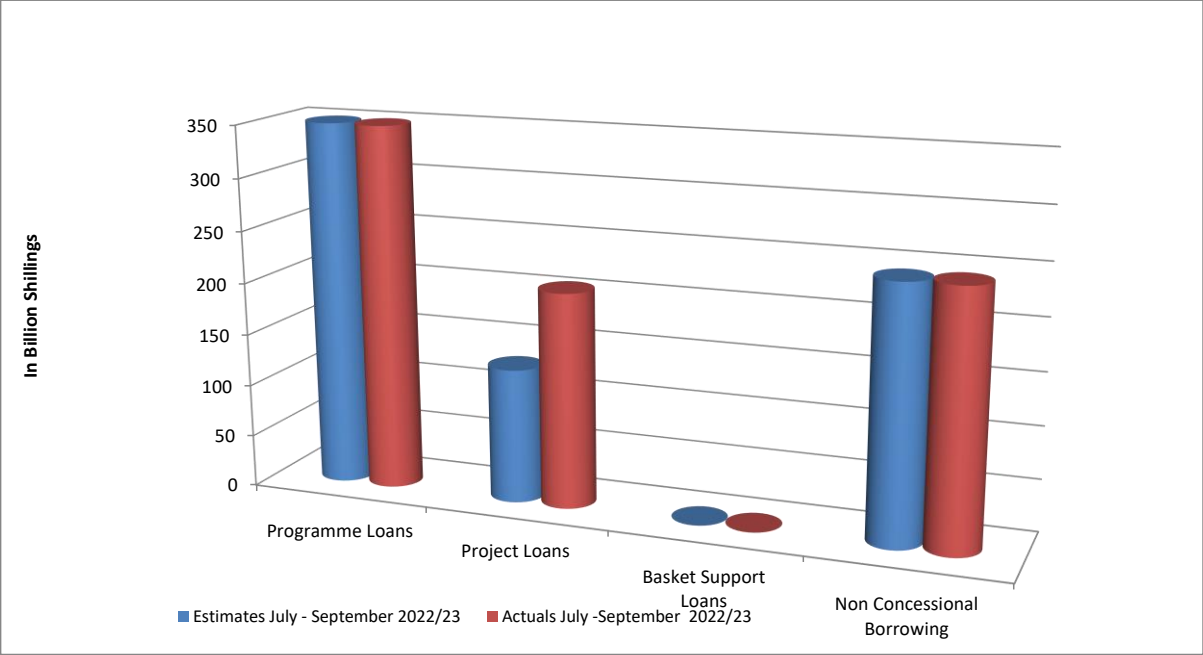
Net foreign financing for the first quarter was borrowing of 731.8 billion shillings against a borrowing target of 721.3 billion shillings which is 101.5 percent of the target. During the quarter under review, disbursements of concessional loans were 853.7 billion shillings against the target of 750.1 billion shillings. This performance was triggered by effective implementation of approved work plans and timely submission of implementation reports to Development Partners. Disbursement of non-concessional loans were 243.1 billion shillings against the target of 365.6 billion shillings. In addition, amortization of foreign loans was 365.0 billion shillings against estimates of 394.4 billion shillings. The trend of grants and external concessional loans is shown in **Table 2.2** and the performance of foreign financing for the first quarter of 2022/23 is presented in **Chart 2.6**.

**Table 2.2: Trend of Grants and External Concessional Loans for the first quarter of 2022/23**

Summary of Disbursement July - September 2022/23 (All figures in millions shillings)					
AID MODALITY	Type of assistance	Annual commitment as per budget	Estimates July - September 2022/23	Actual Disbursement July September 2022/23	% of Commitment
GBS	Grants	55,530	-	-	0.0%
GBS	Concessional Loan	1,893,949	349,829	349,829	100.0%
<b>Sub Total</b>		<b>1,949,480</b>	<b>349,829</b>	<b>349,829</b>	100.0%
Basket Funds	Grants	0	-	-	0.0%
Basket Funds	Concessional Loan	122,123	34,679	-	0.0%
<b>Sub Total</b>		<b>122,123</b>	<b>34,679</b>	-	0.0%
Development Projects	Grants	923,836	221,049	102,328	46.3%
Development Projects	Concessional Loan	1,653,122	365,576	503,884	137.8%
<b>Sub Total</b>		<b>2,576,958</b>	<b>586,625</b>	<b>606,212</b>	103.3%
<b>Grand Total</b>		<b>4,648,561</b>	<b>971,132</b>	<b>956,040</b>	98.4%

Source: Ministry of Finance and Planning

**Chart 2.6: Performance of Foreign Financing for the First Quarter of 2022/23 (Estimates Vs Actual)**

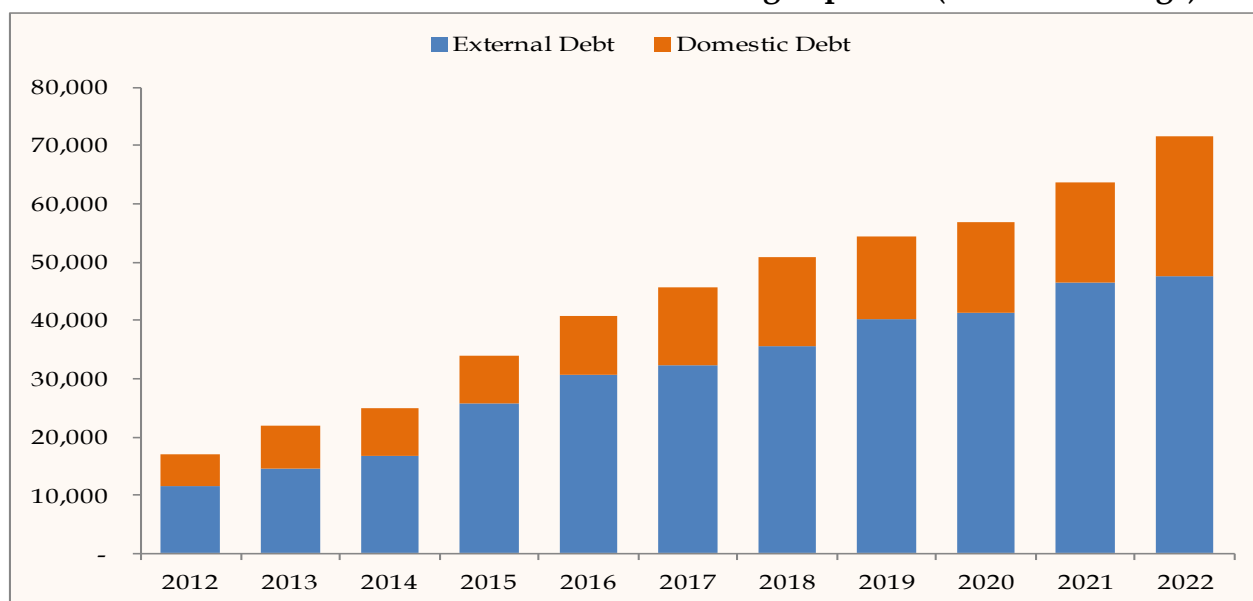


### 3.0 GOVERNMENT DEBT DEVELOPMENT

#### 3.1 Overall Debt Stock

As at end September 2022, Central Government debt stock was 71,980.12 billion shillings compared to 63,642.19 billion shillings in the corresponding period in 2021, equivalent to an increase of 13.10 percent (**Chart 3.1**). The increase in the Central Government debt stock was due to Government borrowing to finance development projects. Out of the Central Government debt stock, domestic debt amounted 25,542.78 billion shillings (equivalent to 35.5 percent) and external debt amounted 46,437.34 billion shillings (equivalent to 64.51 percent).

**Chart 3.1: Trend of Central Government Debt ending Sept 2022 (Billion Shillings)**

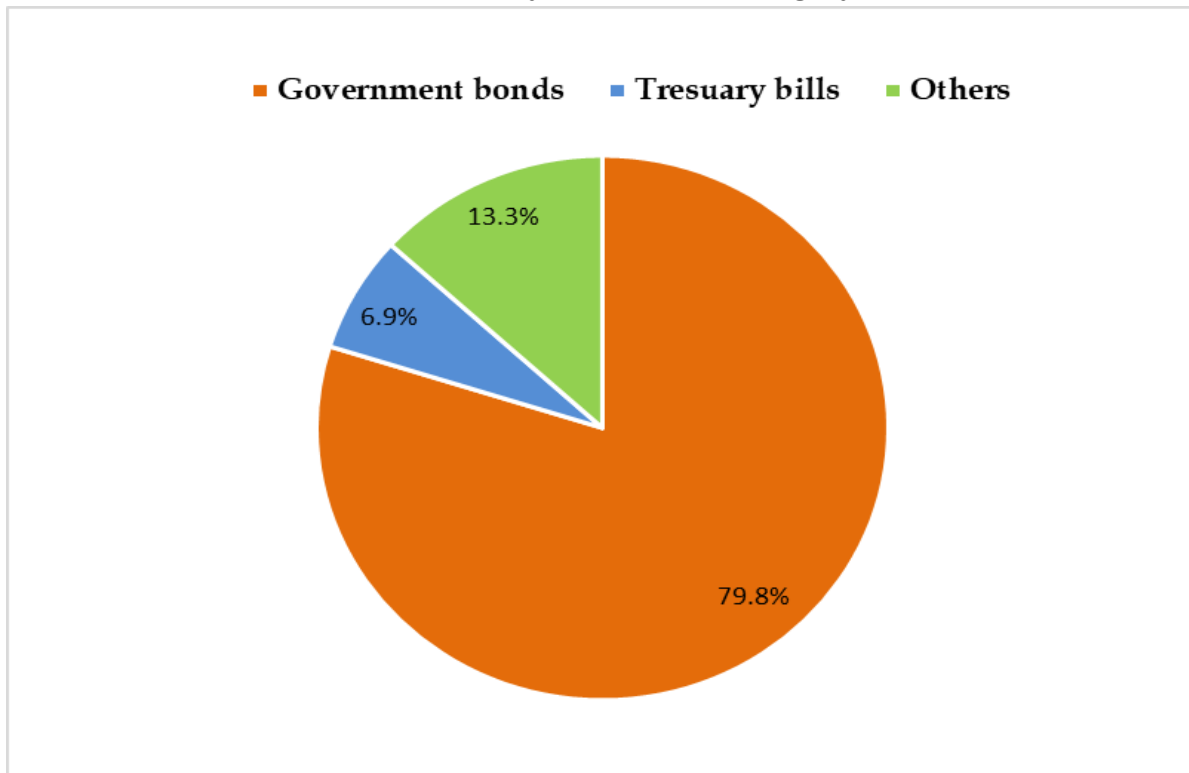


#### 3.2 Central Government Domestic Stock

At end of September 2022, the domestic debt stock was 25,542.78 billion shillings compared with 17,091.88 billion shillings in the corresponding period in 2021, equivalent to an increase of 49.44 percent. The increase in domestic debt was due to the issuance of securities for financing development projects and the rollover of the matured securities. The composition of domestic debt by instruments shows that Government bonds accounted for 79.8 percent of total domestic debt stock, followed by other debt<sup>2</sup> instruments 13.3 percent and treasury bills account for the remaining 6.9 percent. The composition of domestic debt by instrument category is depicted in **Chart 3.2**.

<sup>2</sup> Other debt instruments include Overdraft from BoT, NMB bank Plc standard loan and duty drawback

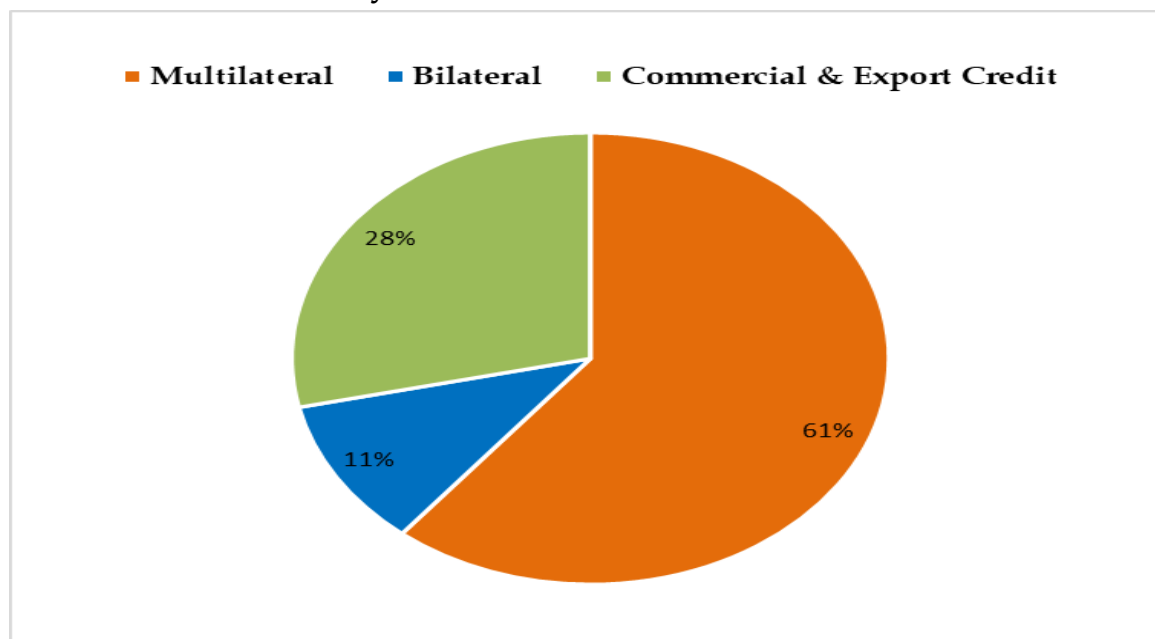
**Chart 3.2: Share of Domestic Debt by Instrument Category**



### **3.3 Central Government External Debt**

The stock of external Central Government debt as of end of September 2022, stood at TZS 46,437.34 billion (USD 20,021.10 million) from TZS 46,550.32 billion (USD 20,163.00 million) end September 2021 which is a decrease of 0.24 percent. The decrease was attributed to principal repayments and interest arrears in the period under reference. The external debt portfolio consisted of loans mainly contracted on concessional terms, multilateral creditors accounting for 61 percent of the total external debt portfolio, Commercial banks and Export Credit Agency (ECA) 28 percent and Bilateral 11 percent. The multilateral institutions remained dominant, accounting for more than half of the total external debt stock **Chart 3.3**.

**Chart 3.3: Concessionality of Government External Debt**



### 3.4 The Result of Debt Sustainability Analysis

The Debt Sustainability Analysis (DSA) conducted in November 2021 revealed that, Tanzania’s debt remains sustainable in the short, medium to long-term. However, country debt carrying capacity has been impacted by the negative effects of COVID-19 pandemic on growth of the economy and slowdown of exports. The debt burden indicators were below the international agreed baseline thresholds (see **Table 2 and 3**). This implies that, the country has space to borrow for funding development projects while meeting future financial obligations without sharp adjustment to revenue and expenditure.

**Table 3.1: Projected External Public Debt Burden Indicators**

External DSA	Threshold	2020/21 <sup>3</sup>	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2031/32
PV of debt-to-GDP ratio	40	18.8	18.8	18.7	18.8	18.8	18.5	18.4	20.2
PV of debt-to-exports ratio	180	142.4	132.9	117.4	108.5	102.8	96.9	93.7	95.7
Debt service-to-exports ratio	15	14.8	14.9	11.5	9.4	9.2	9.2	7.7	9.4
Debt service-to-revenue ratio	18	14.6	14.2	12.1	10.6	10.9	11.3	9.6	12.1

Source: Ministry of Finance and Planning

<sup>3</sup> Represent actual ratios as of 30<sup>th</sup> June 2021

**Table 3.3: Projected Overall Public Debt Burden Indicators**

<b>Public DSA</b>	<b>Threshold</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2031/32</b>
PV of debt-to-GDP ratio	55	31.0	31.8	31.8	31.5	30.7	29.4	29.0	33.0
PV of debt-to-revenue and grant ratio	N/A	224.9	206.2	201.9	198.3	191.8	181.8	179.4	199.3
Debt service-to-revenue and grant ratio	N/A	36.2	32.4	31.2	27.4	25.6	23.0	20.6	26.3

Source: Ministry of Finance and Planning

Revenue Performance July - September 2022						
<i>Billion Shillings</i>						
	Budget Estimates	July - September 2022			July - September 2021 Actual	Year on year change
		Estimates	Actual	Percent of estimate		
<b>Revenue ( Including LGAs own sources)</b>	<b>28,017.9</b>	<b>6,537.0</b>	<b>6,293.1</b>	<b>96%</b>	<b>5,509.4</b>	<b>14%</b>
<b>Revenue (Excluding LGAs own sources)</b>	<b>27,005.6</b>	<b>6,286.4</b>	<b>6,052.8</b>	<b>96%</b>	<b>5,293.7</b>	<b>14%</b>
<b>Tax Revenue</b>	<b>22,400.4</b>	<b>5,221.5</b>	<b>5,172.4</b>	<b>99%</b>	<b>4,512.9</b>	<b>15%</b>
<b>Taxes on Imports</b>	<b>6,789.5</b>	<b>1,642.3</b>	<b>1,652.1</b>	<b>101%</b>	<b>1,529.2</b>	<b>8%</b>
Import Duty	1,579.3	382.0	413.3	108%	335.7	23%
Excise on Petroleum	1,352.9	327.2	247.6	76%	294.3	-16%
Excise	1,352.9	327.2	247.6	76%	294.3	-16%
Others	3,857.3	933.1	991.2	106%	899.2	10%
Excise	275.7	66.7	74.2	111%	54.1	37%
VAT on Non-Petroleum imports	3,581.7	866.4	917.1	106%	845.1	9%
<b>Taxes on Domestic Sales</b>	<b>5,317.4</b>	<b>1,139.7</b>	<b>1,234.8</b>	<b>108%</b>	<b>1,014.4</b>	<b>22%</b>
Excise	1,574.8	391.7	398.7	102%	353.6	13%
Value Added Tax (VAT)	3,742.6	748.0	836.1	112%	660.8	27%
<b>Income Tax</b>	<b>7,871.5</b>	<b>1,900.3</b>	<b>1,721.2</b>	<b>91%</b>	<b>1,699.0</b>	<b>1%</b>
PAYE	2,553.2	638.2	665.4	104%	574.9	16%
Corporate and Parastatals	3,209.2	749.5	608.5	81%	749.1	-19%
Individuals	255.4	59.8	58.5	98%	56.1	4%
Withholding Taxes	1,273.9	316.2	289.7	92%	239.8	21%
Rental Tax	133.8	32.0	30.5	95%	24.7	23%
Other Income	446.0	104.6	68.6	66%	54.5	26%
<b>Other Taxes</b>	<b>3,079.9</b>	<b>745.8</b>	<b>800.4</b>	<b>107%</b>	<b>646.0</b>	<b>24%</b>
Business Skill Development Levy	317.2	76.8	79.3	103%	69.0	15%
Fuel Levy and transit fee	1,419.1	343.3	369.7	108%	310.0	19%
Stamp Duty	23.8	5.9	4.1	69%	3.7	8%
Departure Service Charges	50.5	12.5	18.0	143%	9.0	101%
Processing Fee-dry cargo-TRA	91.1	22.0	26.6	121%	18.0	48%
Export Duty	91.2	22.1	1.5	7%	3.4	-57%
Railway Development Fund	372.4	90.1	114.1	127%	58.7	94%
National Water Development Fund	196.4	47.5	49.3	104%	42.7	15%
Motor vehicle taxes	171.7	41.8	28.7	69%	36.0	-20%
Treasury Voucher Cheque	52.649	12.736	3.496	27%	0.02	15206%
Transer to REA	293.8	71.1	105.8	149%	95.5	11%
<b>Refunds</b>	<b>-657.8</b>	<b>-206.6</b>	<b>-236.1</b>	<b>114%</b>	<b>-375.8</b>	<b>-</b>
Refunds - VAT	-606.8	-194.5	-174.6	90%	-369.0	-
Refunds - other	-51.0	-12.1	-61.4	509%	-6.8	-
<b>Non Tax Revenue</b>	<b>4,605.2</b>	<b>1,064.9</b>	<b>880.4</b>	<b>83%</b>	<b>780.9</b>	<b>13%</b>
Parastatal Dividends	933.0	74.2	57.4	77%	85.1	-33%
Ministries and Regions	2,419.8	547.6	412.8	75%	492.1	-16%
TRA Non Tax	178.8	43.2	57.9	134%	26.3	120%
Tourism Sector	501.6	174.7	246.0	141%	105.1	134%
Transaction levy on Mobile money sending	500.0	215.1	89.5	42%	64.4	39%
Property tax	43.2	9.1	9.2	100%	0.5	1657%
Billboard Fee Collections	28.7	0.8	7.7	946%	7.3	5%
<b>LGAs own source</b>	<b>1,012.3</b>	<b>250.7</b>	<b>240.2</b>	<b>96%</b>	<b>215.7</b>	<b>11%</b>

Source: Ministry of Finance and Planning