



# Tanzania 2025/26 budget brief

**Theme: Inclusive economic transformation  
through domestic resource mobilization and  
resilient strategic investment for job creation  
and improved livelihoods.**

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# Tanzania's economy overview

Despite negative economic growth trends globally, as well as within the SADC and EAC regions over the past three years, Tanzania's economy demonstrated resilience. The national Gross Domestic Product (GDP) increased to TZS 156.6 trillion in 2024, up from TZS 148.5 trillion in 2023. The GDP growth rate of 5.5% in 2024 represents an improvement from the 5.1% growth recorded in 2023.

This growth is the result of joint efforts from the Government, private sector, and development partners. Key drivers included the start of electricity production at the Julius Nyerere Hydropower Plant, ongoing major projects in energy and transport, increased credit to the private sector, prudent macroeconomic management, growth in the agricultural sector and increased government spending on education, health, water, and social welfare.

The activities that recorded the highest growth in 2024 include arts and entertainment (17.10%), electricity production (14.40%), information and communication (14.30%), finance and insurance (13.80%) and health (10.10%).

The agriculture, construction and mining sectors accounted for 26%, 13% and 10% of the economy controlling about half on national output.

Inflation remained within the government target of less than 5% as well as within the EAC and SADC target range. In 2024, the annual inflation rate decreased to 3.1% compared to 3.8% in 2023. This inflation trend, which has continued over the last three years is attributed to effective monetary and budgetary policies, stabilization of oil prices in the global market, and an improvement in food availability in domestic markets.

## Summary of Tanzania's economic review

|  | 2023 (USD) | 2024 (USD) | Comment  |
|--|------------|------------|--|
| <b>Deficit External Balance of trade</b> | 6.03B      | 5.16B      | Reduction due to increasing domestic production resulting in reduction                               |
| <b>National debt</b>                     | 35.49B     | 41.57B     | Increase due to new loans to finance road, railway, airport, electricity, and water infrastructure.  |
| <b>Foreign currency reserves</b>         | 5.44B      | 5.55B      | The reserves are adequate to cover 4.4 months of imports which is above the target of 4months cover. |



# Growth Targets for the Economy for 2025/26

- i. Accelerate real GDP growth rate to 6.0 percent in 2025 from 5.5 percent in 2024;
- ii. Control inflation rate and ensure it remains within single-digit range of an average of 3.0 - 5.0 percent in the medium term;
- iii. Increase domestic revenue to 16.7 percent of GDP in 2025/26 from 15.8 percent in 2024/25;
- iv. Increase tax revenue to 13.3 percent of GDP in 2025/26 from 12.8 percent in 2024/25;
- v. Reduce fiscal deficit (including Grants) to 3.0 percent of the GDP in 2025/26 from 3.4 percent in 2024/25;
- vi. Maintain foreign exchange reserves sufficient to cover at least four (4) months of imports of goods and services.



# Budget Overview for The Fiscal Year 2025/26

The proposed National Development plan for the fiscal year 2025/26 is guided by the National Vision for Development 2025 that aims at enabling Tanzania to join the group of middle-income countries by 2025 and have a high level of human development. The plan will focus on completion of crucial ongoing programs and projects in order to prepare a collaborative and sustainable environment for future plans.

To ensure effective implementation of the plan, the Government and Private Sector will focus on high-impact priority projects with clear benefits. The areas of focus are summarised below:

## **Stimulating a competitive and inclusive economy**

More emphasis has been subjected to the implementation of projects such as increasing the use of improved seeds and fertilizers, expanding irrigation areas, and completing the construction of fishing ports so as to increase production capacity in the agriculture, livestock, and fishing sectors.

## **Strengthening the production capacity of industrial goods and service delivery**

The Government will focus more on projects for the construction of transport and logistics infrastructure, along with digital infrastructure to stimulate economic and social activities. These projects include continuing the construction of the central railway to international standards (SGR) for the remaining segments

strengthening project of the Tanzania National Airlines (ATCL), expanding roads, completing the construction of Kigongo-Busisi Bridge, construction of the crude oil pipeline (EACOP) and expansion of digital infrastructure.

## **Promoting investment and business**

The government will put more focus on projects that improve the business and investment environment, in order to encourage foreign investors and empower local investors.

## **Stimulating human development**

Continuing with the implementation of projects aimed at improving people's welfare, focus will be placed on projects relating to the implementation of a new education policy, health services, water and sanitation.

## **Developing human resources**

The Government will focus on the implementation of skills enhancement among youth aiming at creating job opportunities through technical and vocational training. This is to ensure availability of well-trained human resources that meet current demands driven by technology and innovation.

# Income Tax Measures

The proposed tax amendments concerning income tax include the following:

## Thin capitalization rules

The Finance Act of 2022 excluded retained earnings from the definition of “equity” for purposes of thin capitalisation computations. The Minister has now proposed the re-introduction of retained earnings into the definition of term “equity”, which will impact the debt-to-equity ratio for purposes of interest deductibility.

## Increase in Alternative Minimum Tax (AMT) for loss making corporations

Currently, corporations having an unrelieved tax loss for three consecutive years are subject to Alternative Minimum Tax (AMT) of 0.5% on “turnover”. The Minister has proposed to increase this rate to 1%. There is no clarity on the transition, specifically how the new rate will apply to businesses with financial years ending after the commencement of the new rate but before 30 June 2026.

## Offset of tax losses - extractive sector

Mining and petroleum (oil and gas) entities are allowed to utilise unrelieved losses equal to 70% of the current year profits. The Minister has proposed to revise this rate downward to 60% meaning such corporations would have to pay tax on at least 40% of the current year profits.

## Introduction of 3.5% single instalment tax on forestry products

The Minister has proposed to introduce single instalment tax at a rate of 3.5% of each consignment value in respect of the sale of forest products.

## Removal of exemption when EPZ and SEZ products are sold locally

Currently, income derived from investment or business conducted within Export Processing Zones (EPZs) and Special Economic Zones (SEZs)) is exempt from income tax for the first 10 years. One of the eligibility criteria for EPZ licensing is for the entity to export at least 80% of the goods produced which then allows for up to 20% of produced goods to be sold domestically.

The Minister has now proposed to abolish the 10-year tax holiday where goods produced by entities operating in these zones and services rendered are supplied locally. Given the above 80% EPZ export requirement, it is unclear whether the proposed removal of the tax holiday will impact this threshold.



## Relief for motorcycles and good carrying vehicles

The Budget has proposed income tax relief for two-wheeled motorcycles, three-wheeled motorcycle (Bajaji) and goods-carrying vehicles with a capacity of less than 500 kg (such as Guta) as shown in the tables below - prior to these changes, two-wheeled motorcycles, three-wheeled motorcycle (Bajaji) were taxed under the presumptive income tax regime.

| Passenger vehicles<br>- Current Practice |         | Proposed Amendments |         |
|--|---------|---------------------|---------|
| No. of passenger                         | Rate    | No. of passenger    | Rate    |
| N/A                                      | N/A     | Less than 5         | 120,000 |
| Less than 15                             | 250,000 | 5 to 15             | 250,000 |

| Private hire vehicles<br>- Current Practice |         | Proposed Amendments |         |
|---|---------|---------------------|---------|
| No. of passenger                            | Rate    | No. of passenger    | Rate    |
| N/A   | N/A     | Less than 5         | 120,000 |
| Less than 15                                | 250,000 | 5 to 15             | 250,000 |

| Goods-carrying vehicles -<br>Current Practice |         | Proposed Amendments        |         |
|---|---------|----------------------------|---------|
| Weight  | Rate    | Weight                     | Rate    |
| N/A   | N/A     | Less than 500kg            | 120,000 |
| Less than 1 tonne                             | 250,000 | Between 500 kg and 1 tonne | 250,000 |



## Withholding Tax

The Minister has proposed the following changes in respect of withholding tax:

- **Introducing withholding tax at a rate of 10% on retained earnings that remain undistributed after six months:** Currently, withholding tax is applicable on “payment”, the term that is defined to include accruals of expenses and actual cash payments. While we await to see how the proposed withholding obligation on undeclared dividends (retained earnings) will be reflected in the Income Tax Act, the proposed change will discourage retention of profit for investment and potentially deter the inflow of foreign direct investments.
- **Introduction of withholding tax on purchase of raw salt:** The budget speech has proposed to introduce withholding tax of 2% on payments arising from the purchase of raw salt from primary mining licence holders or artisanal miners.
- **Introduction of withholding tax on commission derived from sport betting advertisement:** The budget has proposed to introduce a final withholding tax at a rate of 10% on commission derived from sport betting advertisement.
- **Increasing withholding tax rate on premium paid to foreign insurers:** The Minister has proposed to increase the withholding tax on insurance and re-insurance premiums paid to non-resident insurers from 5% to 10% .
- **Increasing withholding tax paid on professional and management services provided to the extractive sector:** Payments for professional and management services provided to the extractive sector will now be subject to 10% withholding tax as opposed to the general rate of 5% that applies to other professional services.

**“ Payments for professional and management services provided to the extractive sector will now be subject to 10% ”**

# Value Added Tax



## VAT Exemption – Pesticides

The Minister has proposed to exempt from VAT pesticides falling under HS Codes 3808.61.00, 3808.62.00 and 3808.69.00. This measure is intended to reduce the cost of pesticides and hopefully increase crop production through better yields.

## VAT Exemption – Edible Oil

The Minister has proposed to exempt VAT on edible oil produced locally using locally grown seeds for a period of one year. The proposed measure was previously introduced in the Finance Act, 2024 and its expiry date is 30 June 2025. This amendment is expected to encourage seeds farmers and increasing access of edible oil within the society.

## VAT Exemption condition – Tractor Tyres used in Agricultural

The Minister has proposed to impose a condition for VAT exemption on Tractor tires used in agricultural activities identified with HS Code 4011.70.00, dime liners identified with heading 39.20, forks (HS Code 8201.90.00), rakes (HS Code 8201.30.00), and axes (HS Code 8201.40.00) . The VAT exemption will be subject to approval from the Minister responsible for Agriculture.

## Affordable Insurance services:

The Minister has proposed to exempt VAT on re-insurance transactions between insurance companies and re-insurance companies. The proposed measure is intended to increase the competitiveness of local companies and the promote growth of insurance sector.





## VAT Exemption on Cooking Gas Tanks and Cylinders

The Minister has proposed to exempt Value Added Tax on cooking gas tanks and cylinders under HS Code 7311.00.10 as well as carbonization furnace with HS Code 8417.80.00 used in the production of briquettes. This measure is intended to encourage clean cooking activities through intending to reduce the cost of acquiring these important tools.

## VAT Exemption on Natural Gas

The Minister has proposed to exempt from VAT natural gas sold to compressed Natural gas stations for motor vehicles use. This measure is intended to provide relief to investors, attract investment in compressed Natural gas stations for vehicles, reduce carbon emissions and dependence on oil.

## News Without Tax

The Minister has proposed to exempt from VAT newspapers published locally. The purpose is to increase access to make the news more accessible.

## More on VAT Exemption – Updates to the Exemption schedule Amendments to Part One - Item 15(8) and 15(9).

The Minister has proposed to amend part one of the Exemption Schedule in item 15(8) by deleting the words “Liquified Petroleum and Natural Gases” and in item 15(9) by deleting the words “Compressed Petroleum and Natural gases” and replacing them with the words “Liquified Petroleum Gas” and “Compressed Natural Gases for Motor Vehicles” respectively. The proposed amendments aims to provide clarity and resolve challenges in the application of the exemption.

## Amendment to Part One - Item 15(10)

The Minister has proposed to amend item 15(10) of Part One of the Value Added Tax Exemptions schedule by deleting the word Compressed or liquified gas cylinders for petroleum and natural gases for cooking and inserting the word liquified Petroleum Gas cylinders for cooking.

## Item 15 Part two of the Exemption schedule of VAT Act.

The Minister has proposed to delete the current exemption on non – Compressed Natural Gas (CNG) equipment such as natural gas pipes, transportation and distribution pipes, natural gas metering equipment, gas receiving units, flare gas system, condensate tanks, leading facility, system piping and pipe rack and condensate stabilizer and replace it with CNG compressor and CNG metering equipment. The objective is to ensure that the exemption benefits CNG investors and encourage use of clean energy



## Grow More Pay less

### Zero rating on Fabric and Garments

The Minister has proposed to reduce the VAT rate from 18% to 0% on textile products specifically fabric and garments made from locally grown cotton for a period of one year. This measure is intended to promote locally cotton producers (farmers) and textile manufacturing industries in the country especially during this period of trade rivalry between developed and developing countries

### Zero rating of Fertilizers

The Minister has proposed to zero rate VAT on supplies of locally produced fertilizers for a period of three years. The intended measure is expected to provide a relief to farmers and food products due to reduced production costs.

### Reduction of Value Added Tax from 18 % to 16% on online Business to Customer transactions

The Minister has proposed to reduce the VAT from 18% to 16% for payment made online- Business to Customer (B2C). The transaction will require the issuing of invoice confirming the transaction. The aim is to increase government revenue, reducing the use of cash hand and encourage online payment system



## Widening the Tax Base

### Bitumen – HS Codes 2713.20.00

The Minister has proposed to repeal the Value Added Tax exemption on bitumen classified under HS Codes 2713.20.00 and 2715.00.00. This amendment is in line with the Government policy to reduce exemptions to increase government revenue.

### Gaming Supplies

The Minister has proposed to repeal the exemption granted on the purchases and importation of gaming supplies. The proposed amendment is intended to harmonise taxation across different sports such as football whose equipment are within the scope of Value Added Tax.

### Value Added Tax collection Agency System

The Minister has proposed to introduce the Value Added Tax collection agency system on payment made by registered seller. The registered taxpayer will be required to collect 3% and submit to TRA as per the guidance which will be introduced in VAT Collection Agency regulation. The main objective is to increase Government revenue and efficiency in collection of VAT

### Online Marketplace and Network Marketing Platforms

The Minister has proposed to include online marketplace platforms and network marketing platforms in the scope of the definition of online intermediation services. The proposed amendment aims to expand taxation scope by providing a definition that resolves existing interpretation challenges.



# The Tax Administration Act, CAP 438

## Integration of invoicing systems with TRA system

The Minister has proposed to amend the Act by including a requirement for taxpayers to integrate the systems used in the issuance of electronic receipts with that operated by the TRA.

Currently, fiscal devices used by suppliers to issue invoices / receipts are integrated with TRA's electronic device management system such that the Revenue Authority is able to access invoicing information. To the extent that the Minister's proposal involves additional layers of access to taxpayer records, we anticipate challenges in implementation and in particular higher costs to make taxpayers systems compatible with the TRA systems.

## Waiver of tax deposit to validate objections

The budget speech appears to propose that taxpayers should be allowed to pay the tax deposit within fifteen (15) days of receiving the TRA's decision on the application for waiver of the requirement to pay the tax deposit. Currently, the deposit is payable by the due date of filing the objection irrespective of the date of the decision of the TRA on the waiver application.

While the budget speech does not provide full clarity on the implementation of the proposal, we believe that the Finance Bill once issued, will provide such clarity.



# Excise Duty Amendments

In the financial year 2023/2024, the Government introduced a 3-year freeze on excise duty changes, however, the Minister has changed tact and is now proposing to impose excise duty on additional items and amend various excise duty rates as summarized below:

## New goods subject to excise duty

| HS Codes  | Description | Source       | New Rate   | Our Opinion  |
|---|-------------|--------------|------------|--|
| 1905.90.90<br>2005.20.00<br>2008.99.00                | Crisps      | Imported     | TZS 100/kg | Both local manufacturers and importers will face higher costs due to the introduced excise duties, potentially passing these onto consumers, which could lead to an increased price for crisps.                                |
|   |             | Locally made | TZS 50/Kg  |  |
| 2105.00.00  | Ice cream   | Imported     | 10%        | The ad valorem nature of the tax means high-priced premium products will face a higher absolute tax burden, potentially squeezing margins for niche producers.   |
|   |             | Locally made | 5%         |  |
| 1601.00.00  | Sausages    | Imported     | 10%        | Further, businesses may experience pressure to adapt pricing strategies in response to shifting consumer behavior.   |
|   |             | Locally made | 5%         |  |
| 3401.11.00<br>34.01.19.00<br>3402.50.00<br>3402.90.00 | Soap        | Imported     | 10%        | The higher excise rates on imported products compared to local products could encourage a shift towards local products but the success of this shift will depend on factors such as consumer preferences and purchasing power. |
| Heading 36.05   | Matches     | Imported     | TZS 400/kg | There is a likely increase in match prices due to the excise duty on imports, with potential long-term benefits such as improved availability of locally produced matches.   |

# Newly Proposed Rate... (Cont)

| HS Codes   | Description  | Source                            | New Rate      | Our Opinion   |
|--|--|-----------------------------------|---------------|---|
| Heading 71.17  | Imitation jewellery  | Imported and locally made         | 10%           | This is likely to increase prices moderately, potentially reducing demand.  |
| Heading 15.17  | Margarine  | Imported                          | TZS 500/kg    | Consumer prices for margarine are expected to increase, potentially impacting affordability for households reliant on it as a cheaper alternative.  |
| 3924.10.00<br>3924.90.00<br>7323.91.00<br>7323.92.00<br>7323.93.00<br>7323.94.00;<br>7323.99.00.<br>7418.10.00;<br>7615.10.10;<br>7615.10.90.<br>Heading 44.19<br>Heading 82.15. | Used tableware, kitchenware, and other related products, of plastic, Wood, iron, and aluminum. | Imported                          | 20%           | This opens opportunities for Tanzanian businesses to produce and market sustainable kitchenware, fostering innovation and supporting local entrepreneurship.  |
| 3604.10.00   | Fireworks  | Imported and locally manufactured | 25%           | For businesses, this is likely to raise costs and reduce sales, particularly for small traders and event organizers who rely on affordable fireworks for entertainment services.                                    |
| 8543.40.00<br>3824.99.96   | Electronic cigarettes and electronic cigarettes consumable liquids                             | Imported and locally manufactured | 30%           | Given the relatively inelastic nature of demand, the measure is more likely to increase government revenue than significantly reduce usage.   |
| -  | Carbon-based tax on coal and natural gas   |                                   | TZS 22,000/MT | With the introduction of the duty on these products, it will be expected to incentivize cleaner energy use; however, its effectiveness will depend on the availability of affordable alternatives.                  |
| -  | Non-bank/mobile money transfer systems   |                                   | 10%           | This is expected to promote tax equity by ensuring that all money transfer and payment system providers, including those operating outside traditional financial or telecom platforms, have an equal playing field. |





### Increased Tariff rates

| HS code                           | Description                                     | New Rate                         | Old Rate          |
|-----------------------------------|---|----------------------------------|-------------------|
| Service-based                     | Pay-per-view services                           | 10%                              | 5%                |
| Electronic communication services | Electronic communication services               | 17.5%                            | 17%               |
| Heading 94.03                     | Imported furniture                              | 25%                              | 20%               |
| Heading 22.03                     | Beer  | Proposed Rate Increase by TZS 20 | Various rates     |
| Headings: 22.04, 22.05 22.06      | Wine and other fermented beverages              | Proposed Rate Increase by TZS 30 | Various rates     |
| Heading 22.08                     | Spirits, Liquors and other spirituous beverages | Proposed Rate Increase by TZS 50 | Various rates     |
| -                                 | Natural gas                                     | TZS0.55//Cubic Ft                | TZS 0.45/Cubic Ft |

### Reduced excise duty rates

| HS Codes   | Description                             | New Rate            | Old Rate            |
|------------|---|---------------------|---------------------|
| 2207.10.00 | Imported Ethyl alcohol (imported/local) | TZS 5,000 per litre | TZS 7,000 per litre |
| 2207.10.00 | Local Ethyl alcohol                     | TZS 4,000 per litre | TZS 5,000 per litre |
| 2202.99.00 | Energy drinks (local)                   | TZS 134.2 per litre | TZS 561 per litre   |

### Other Changes

- The minister has also proposed to amend the Excise (Management and Tariff) Act to remove the licensing fee of TZS 300,000 to manufacturers and importers of excisable goods to reduce the costs of production and importation.
- The minister has proposed a change to enable manufacturers of wine to offset excise duty paid on imported or locally manufactured ethanol (HS 22.05) against excise duty payable on the finished products.
- The minister has proposed to exempt excise duty on un-denatured ethyl alcohol under HS Code 2207.10.00 when used in the manufacturing of goods other than alcoholic beverages, such as food flavoring.

# The East African Community Customs Management Act, 2004

*The Minister of Finance tabled to the parliament that the East African Community Pre-Budget Consultative Meeting of the Ministers for Finance proposed various policy measures, including adjustments to the East African Community Common External Tariff (EAC CET) rates in the financial year 2025/26 by Partner States. The proposed measures aim to protect domestic industries, attract investment, reduce the cost of production in the country in order to enhance competitiveness, protect consumers' welfare, increase employment, stimulate growth in various economic sectors, and increase Government revenue.*



# Proposed Amendments in Common External Tariff (CET) Rates for 2025/26

| HS Code  | Description   | Proposed Rate           | Current Rate            | Duration | Objective  |
|--|---|-------------------------|-------------------------|----------|--|
| 7210.49.00; 7210.61.00;<br>7210.69.00; 7210.70.00;<br>7210.90.00 | Flat-rolled steel products (various types)                | 25%<br>or<br>USD 350/MT | 25%<br>or<br>USD 200/MT | 1 year   | Protect local manufacturers, create jobs, and increase revenue               |
| 7212.40.00; 7212.50.00   | Flat-rolled steel products (other)                        | 25%<br>or<br>USD 350/MT | 35%                     | 1 year   | Protect local manufacturers, create jobs, and increase revenue               |
| 4804.51.00   | Unbleached kraft paper                                    | 25%                     | 10%                     | 1 year   | Protect the domestic industry  |
| 1507.90.00 to 1515.90.00 (various)                               | Refined vegetable oils                                    | 35%<br>or<br>USD 300/MT | 35%                     | 1 year   | Promote local processing, use local seeds, create jobs, and increase revenue |
| 8702.10.99; 8702.20.99;<br>8702.90.99                            | Buses (>25 persons, for rapid transport)                  | 0%                      | 25%                     | 1 year   | Decongest the city, improve public transport                                 |
| 44.11  | Fiberboard (e.g. MDF)                                     | 35%                     | 25%                     | 1 year   | Protect local manufacturers  |
| 44.12  | Plywood and similar laminated wood                        | 35%                     | 25%                     | 1 year   | Protect local manufacturers  |
| 68.02  | Worked monumental or building stone                       | 35%                     | 25%                     | 1 year   | Promote the use of local stone   |
| 6907.21.00 to 6907.40.00   | Ceramic tiles   | 35%<br>or<br>USD 3/sqm  | 35%                     | 1 year   | Protect local manufacturers from cheap imports                               |
| 72.14  | Bars and rods of iron/non-alloy steel                     | 35%<br>or<br>USD 250/MT | 35%                     | 1 year   | Protect industry, attract investment, create jobs, increase revenue          |
| 9503.00.00   | Toys  | 35%                     | 25%                     |          | Raise revenue  |
| 4811.90.00   | Inputs for label, thermal paper and plywood manufacturing | 10%                     | 25%                     | 1 year   | Lower costs for local manufacturers  |
| 2713.20.00; 5603.14.00;<br>2710.19.59; 3920.10.10;<br>6802.99.00 | Inputs for waterproofing membrane manufacturing           | 0% / 10%                | 10% / 35%               | 1 year   | Reduce costs for local manufacturers   |





## Ongoing Measures from 2024/25 Proposed to Continue in 2025/26

| HS Code  | Description                       | Proposed Rate    | Current Rate     | Duration | Objective  |
|--|-----------------------------------|------------------|------------------|----------|--|
| 8470.50.00, 8470.90.00   | Cash registers, EFD, POS          | 0%               | 10%              | 1 year   | Encourage the use of electronic devices for revenue accounting |
| 1805.00.00   | Cocoa powder                      | 10%              | 0%               | 1 year   | Promote domestic cocoa processing, increase revenue            |
| 7310.21.00, 6305.10.00, 4819.20.90, 5407.44.00   | Coffee packaging materials        | 0%               | 25%              | 1 year   | Reduce packaging costs for coffee processors                   |
| 6305.10.00, 4819.40.00, 7310.29.90, 6305.33.00, 6305.20.00, 6304.91.90, 7607.19.90   | Agricultural seeds packaging      | 0%               | 25%              | 1 year   | Reduce packaging costs for seed producers                      |
| 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 | Iron and steel products           | 10% or \$125/MT  | 10%              | 1 year   | Protect manufacturers, attract investment, create jobs         |
| 7213.10.00, 7213.20.00, 7213.99.00, 7306.30.00, 7306.50.00, 7306.61.00, 7306.69.00, 7306.90.00   | Iron and steel reinforcement bars | 25% or \$250/MT  | 25% or \$200/MT  | 1 year   | Protect manufacturers, encourage investment, create jobs       |
| 3916.10.00, 3916.20.00, 3916.90.00   | Plastic monofilament, rods        | 10%              | 0%               | 1 year   | Increase government revenue                                    |
| 1001.99.10, 1001.99.90   | Wheat grain                       | 10%              | 35%              | 1 year   | Reduce wheat flour production costs                            |
| 1511.90.40   | RBD Palm Stearin                  | 0%               | 10%              | 1 year   | Promote domestic soap manufacturers                            |
| 3605.00.00   | Safety matches                    | 25% or \$1.35/kg | 25%              | 1 year   | Protect domestic match manufacturers                           |
| 2201.10.00   | Mineral and aerated waters        | 60%              | 25%              | 1 year   | Protect domestic water producers                               |
| 2520.20.00   | Gypsum powder                     | 10%              | 0%               | 1 year   | Protect domestic gypsum producers                              |
| 6309.00.10, 6309.00.20, 6309.00.90   | Worn clothing, footwear           | 35%              | 35% or \$0.40/kg | 1 year   | Protect consumer welfare                                       |
| Various  | Textile/leather raw materials     | 0%               | Various          | 1 year   | Promote textile and leather manufacturers                      |



| HS Code  | Description                           | Proposed Rate   | Current Rate | Duration | Objective                                     |
|--|---------------------------------------|-----------------|--------------|----------|---|
| 4011.40.00   | Motorcycle pneumatic tyres            | 25%             | 10%          | 1 year   | Encourage domestic tyres production           |
| 7310.10.00, 7310.29.90   | Iron and steel cans                   | 0%              | 25%          | 1 year   | Provide relief to dairy sector                |
| 3402.31.00, 3402.39.00, 3402.49.00   | Detergent/soap agents                 | 0%              | 10%          | 1 year   | Reduce costs for detergent/soap manufacturers |
| 3208.20.10, 3208.20.20, 3208.90.20, 3210.00.10   | Leather processing materials          | 0%              | 35% or 10%   | 1 year   | Promote local leather industries              |
| 2710.99.00, 2528.00.00, 3505.20.00   | Fertilizer raw materials              | 0%              | 25% or 10%   | 1 year   | Promote local fertilizer manufacturers        |
| 4819.20.90, 5407.44.00, 3923.29.00   | Tea packaging materials               | 0%              | 25%          | 1 year   | Reduce costs for tea blenders                 |
| 8704.21.90   | Three-wheel motorcycle CKD            | 10%             | 25%          | 1 year   | Reduce costs for motorcycle assembly          |
| 3920.61.10, 7019.19.00, 7019.11.00, 6006.90.00, 7019.12.00, 3920.10.10, 4016.93.00, 3907.91.00                                     | Glass reinforced plastic pipes inputs | 0%              | 25% or 10%   | 1 year   | Promote local pipe manufacturers              |
| 7212.20.00   | Flat-rolled products                  | 10% or \$125/MT | 10%          | 1 year   | Protect manufacturers, attract investment     |
| 9619.00.90   | Baby diapers                          | 35%             | 25%          | 1 year   | Protect local diaper manufacturers            |
| 52.05, 52.06, 52.07 (excl. 5205.23.00)   | Cotton yarn                           | 25%             | 10%          | 1 year   | Promote local cotton yarn production          |
| 0604.20.00, 0604.90.00, 0808.10.00, 0808.30.00   | Horticultural products                | 35%             | 25%          | 1 year   | Protect local horticultural producers         |
| 4804.39.00, 4805.11.00, 4805.19.00, 4805.24.00, 4805.25.00   | Corrugated box inputs                 | 0%              | 10% or 25%   | 1 year   | Encourage corrugated box production           |
| 3401.20.10   | Soap manufacturing inputs             | 10%             | 35%          | 1 year   | Promote local soap manufacturers              |
| 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 | Electrical cable inputs               | 0%              | 10% or 25%   | 1 year   | Promote electrical cable industries           |
| 5607.50.00   | Polyester/Nylon Twine                 | 25%             | 10%          | 1 year   | Protect local twine manufacturers             |
| 8523.52.00   | Smart cards                           | 0%              | 25%          | 1 year   | Facilitate National ID issuance               |
| 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                         | Vitenge                               | 35%             | 50%          | 1 year   | Protect consumer welfare                      |



| HS Code  | Description                      | Proposed Rate   | Current Rate     | Duration | Objective                                   |
|--|----------------------------------|-----------------|------------------|----------|---|
| 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                                     | Cotton grey fabric               | 25% or \$0.25/m | 25%              | 1 year   | Protect local cotton fabric manufacturers   |
| 4811.90.00   | Other paper products             | 25%             | 10%              | 1 year   | Protect local paper manufacturers           |
| 7317.00.00   | Nails, tacks, etc.               | 35% or \$350/MT | 35%              | 1 year   | Protect local producers, attract investment |
| 1701.14.90   | Cane sugar                       | 35%             | 100% or \$460/MT | 1 year   | Cover sugar production gap                  |
| 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   | Capital goods/equipment inputs   | 0%              | 10%, 25%, or 35% | 1 year   | Encourage capital goods production          |
| 7409.11.00, 7409.19.00, 7410.11.00, 7410.12.00, 7409.21.00, 8001.10.00, 3810.90.00   | Radiator inputs                  | 0%              | 10%, 25%, or 35% | 1 year   | Encourage radiator production               |
| 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   | Wiring harness inputs            | 0%              | 10% or 25%       | 1 year   | Encourage wiring harness production         |
| 8507.60.00   | Lithium-ion accumulators         | 0%              | 25%              | 1 year   | Promote vehicle/motorcycle manufacturing    |
| 3923.50.90, 4819.20.90, 4819.30.00, 4819.50.00, 4821.90.00, 7607.19.90   | Dairy packaging materials        | 0%              | 25% or 35%       | 1 year   | Reduce dairy production costs               |
| 3215.19.00, 3403.99.00, 3506.91.00, 3818.00.00, 3907.99.00, 3916.90.00, 3917.39.00, 3919.90.90, 3920.69.90, 3920.99.90, 3921.14.90, 3921.90.90, 5402.11.00, 5404.90.00, 7019.90.90, 8536.90.00, 8544.49.00 | Optical fiber cable inputs       | 0%              | 25% or 35%       | 1 year   | Reduce optical fiber cable production costs |
| 7005.10.00, 7005.21.00, 7005.29.00, 7005.30.00, 7007.19.00, 7007.29.00, 7008.00.00   | Glass products                   | 35%             | 10%              | 1 year   | Protect domestic glass manufacturers        |
| 7212.60.00   | Flat-rolled iron/non-alloy steel | 10% or \$300/MT | 10%              | 1 year   | Protect iron/steel manufacturers            |
| 7225.91.00, 7225.92.00, 7225.99.00   | Iron/steel flat rods             | 25% or \$300/MT | 10%              | 1 year   | Protect iron/steel manufacturers            |
| 7210.30, 7210.41.00  | Corrugated iron sheets           | 35% or \$500/MT | 35%              | 1 year   | Protect corrugated sheet manufacturers      |



| HS Code  | Description                        | Proposed Rate   | Current Rate | Duration | Objective                                 |
|--|------------------------------------|-----------------|--------------|----------|---|
| 2501.00.90   | Table salt                         | 50%             | 35%          | 1 year   | Protect local salt manufacturers          |
| 7226.99.00   | Semi-finished flat rolled products | 10% or \$300/MT | 10%          | 1 year   | Protect against undervalued imports       |
| 1507.10.00, 1508.10.00, 1513.11.00, 1513.21.00, 1514.11.00, 1514.91.00, 1515.11.00 | Crude vegetable oils               | 10%             | 0%           | 1 year   | Promote domestic vegetable oil production |
| 7210.30.00   | Flat-rolled iron/non-alloy steel   | 25% or \$250/MT | 25%          | 1 year   | Protect local manufacturers               |
| 1701.14.90   | Sugar                              | 25%             | 0%           |          |   |

### Proposed Regulation Changes

- The East African Community Partner States have agreed to introduce the East African Community Assembling and Manufacturing of Goods Regulations, with the Implementation set to take effect on 1<sup>st</sup> July 2026.



# Other amendments

| Legislation   | Proposed amendment  |
|---|---|
| The Local Government Finances Act CAP 290           | <ul style="list-style-type: none"> <li>i. To reduce service levy from the current rate of not exceeding 0.3% of the gross revenue to a fixed rate of 0.25% of gross revenue;</li> <li>ii. Reducing hotel levy from 10% to 2%; and</li> <li>iii. To remove loading and offloading fees related to the transportation of goods.</li> </ul>  |
| The Mining Act, CAP 123                             | <p>The Mining Act to be amended to:</p> <ul style="list-style-type: none"> <li>i. require companies holding contracts with the Government to allocate at least 20% their gold production for domestic smelting, refining, and trading within the country. The Minister has also proposed for the respective changes to be reflected in these contracts; and</li> <li>ii. introduce a levy of 0.1% on the gross market value of the minerals as source of funding towards HIV/AIDS Control and financing of universal health coverage.</li> </ul>  |
| The Investment and Special Economic Zones Act, 2025 | <p>This Act was introduced in February 2025 to form a single government agency named the Tanzania Investment and Special Economic Zone Authority to oversee investments in the country. The Minister has now proposed to amend this Act as follows:</p> <ul style="list-style-type: none"> <li>i. To apply 75% exemption of import duty on deemed capital goods imported by investors under Investment and Special Economic Zones Act, 2025;</li> <li>ii. Providing a list of products that do not qualify for exemptions under the Act such as sugar, beverages, roofing sheets, air conditioners, cement, PVC, HDPE Pipes, and cutleries;</li> <li>iii. To grant strategic investment status to mining projects with framework agreements with the Government.</li> </ul> |
| <b>Gaming Act, Cap 41</b>                           | <ul style="list-style-type: none"> <li>i. The Minister has proposed to increase winning tax from 10% to 15% on sports betting games and from 12 to 15% on land-based casino.</li> </ul>   |



| Legislation                     | Proposed amendment  |
|---------------------------------|---|
| The Import Control Act, CAP 276 | <ul style="list-style-type: none"> <li>i. To impose Industrial Development Levy (IDL) on goods originating from EAC Partner States to protect local industries;</li> <li>ii. To exempt cement clinker under HS Code 2523.10.00 from 10% IDL;</li> <li>iii. Introducing 10% IDL on imported kitchenware, tableware and other household articles of plastic under tariff heading 39.24;</li> <li>iv. Introducing 10% IDL on imported road tractors under HS Codes 8701.21.90; 8701.22.90; 8701.23.90; 8701.24.90; and 8701.29.90;</li> <li>v. Introducing 10% IDL on imported prefabricated buildings under HS Codes 9406.10.90; 9406.20.90 and 9406.90.90;</li> <li>vi. Introducing 10% IDL on imported bars and rods under HS Code 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;</li> <li>vii. Introducing 5% IDL on imported nails, tacks, drawing pins, staples and similar articles, of iron or steel under HS Code 7317.00.00;</li> <li>viii. To introduce IDL at a rate 10% on imported furniture under heading 94.03;</li> <li>ix. To introduce IDL at a rate 15% on imported flat rolled products under HS Codes 7209.16.00; 7209.17.00; 7209.18.00; 7209.25.00; 7209.26.00; 7209.27.00; 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;</li> <li>x. To introduce IDL at a rate 10% on imported 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; and</li> <li>xi. To introduce IDL at a rate of 10% or TZS 4,500 whichever is higher on imported ceramic tiles under HS Codes 6907.21.00; 6907.22.00; 6907.23.00; 6907.30.00; and 6907.40.00.</li> </ul> |





| The Export Tax Act, CAP 196   | Proposed changes  |
|---|---|
| Repeal of the Environmental Management Fees and Charges Amendment Regulations, 2024 - GN. No. 588 of 2024 | The Minister has proposed to introduce export levy of 30% or TZS 150 per Kilogram whichever is higher on veneer with HS Code 44.08.   |
| The Trade and Service Marks Act, CAP 85   | The Minister has proposed to revoke these regularisations and reinstate the Environmental Management Fees and Charges amendment Regulations, GN. No. 387 of 2021 to allow appropriate stakeholder engagements before intruding new regulations.   |
| The Business Licensing Act, CAP. 101  | <p>The Fair Competition Commission (FCC) to be mandated to implement the role of recordation. Further, regulations will be issued imposing the following recordation rates:</p> <ul style="list-style-type: none"> <li>• Application to record trademarks – TZS 200,000</li> <li>• Change of ownership – TZS 150,000</li> <li>• Change of name – TZS 100,000</li> <li>• Renewal of recordation – TZS 50,000</li> <li>• Application for search – TZS 3,000</li> <li>• Application for copies – TZS 3,000.</li> </ul>   |
| The Road Traffic (Motor Vehicles Registration) Regulations 2024   | <ol style="list-style-type: none"> <li>To repeal section 3(4) of the Act, which obliges business licensing authorities to order the closure of a business upon a breach of the Act by the business owner.</li> <li>Introduce section 8(7) into the Act, empowering the Minister responsible for Trade to designate, by order, specific business activities that shall be prohibited for conduct by non-citizens. The order issued pursuant to this provision shall set out the list of business activities that non-citizens are not permitted to undertake.</li> </ol> |
| The Export Tax Act, CAP 196   | <ol style="list-style-type: none"> <li>Reduction of registration fee of commercial motorcycles from TZS 340,000 to TZS 170,000 for three years, paid at the time of registration only.</li> <li>Repealing the presumptive tax payable annually and introduce one time payment fee and presumptive tax of TZS 120,000 paid at the time of registration, instead of the current rate of TZS 290,000.</li> <li>Reducing motorcycle and tricycle license fee from TZS 70,000 to TZS 30,000.</li> </ol>  |

| Legislation   | Proposed changes   |
|---|--|
| Roads and Fuels Toll Act, CAP. 220  | The Minister has proposed to introduce a levy of TZS 10 per litre of fuel (petrol, diesel, and kerosene) as source of funding towards HIV/AIDS Control and financing of universal health coverage.   |
| The Insurance Act, CAP 394  | Introducing mandatory travel insurance for foreigners entering the country at a rate of USD44, in line with the practice in Zanzibar. The proposed coverage would be limited to a maximum of 92 days per visitor and exclude citizens of EAC and SADC member states.   |
| Other measures to generate funding for HIV/AIDS control and universal health coverage   | <ul style="list-style-type: none"> <li>i. To introduce levy on imported vehicles and heavy machinery as follows: TZS 50,000 for vehicle with engine capacity of 0cc to 1000cc; TZS 100,000 for vehicle with engine capacity of 1001cc to 1500cc; TZS 150,000 for vehicle with engine capacity of 1501cc to 2500cc; TZS 200,000 for vehicle with engine capacity of 2501cc and above; TZS 250,000 for machinery (excavators, bulldozers, forklifts) of headings 84.29 and 84.27;</li> <li>ii. To introduce a levy of TZS 500 on a ticket issued by a person licensed to operate train transportation; and</li> <li>iii. To introduce a levy of TZS 1000 on the ticket issued by a person licensed to operate air transportation.</li> </ul>   |
| Amendment of Various Government Fees and Levies of the Government Agency and the Implementation of the Blueprint Improvement Plan | <ul style="list-style-type: none"> <li>i. To revise the export fee for livestock which includes the market fee and export fee at border livestock markets by reducing the charge from TZS 31,000 to TZS 30,000 for cattle and large animals, and from TZS 7,000 to TZS 6,500 for sheep and goats;</li> <li>ii. To amend various levies on the fisheries sector and also reduce the import fee for fin fish from US\$ 2.5 to TZS 1,300 per kilogram. This excludes Tilapia.</li> <li>iii. To consolidate approved accommodation facilities of Group A (Approved A) and Group B (Approved B) and be recognized as Approved Accommodation Facilities. Also, reducing the license fee for this group from US\$ 800 to TZS 766,500.</li> <li>iv. To amend various fees and levies imposed by BASATA (National Arts Council).</li> <li>v. To amend various fees and levies imposed by Tanzania Bureau of Standards.</li> <li>vi. To amend various fees and levies imposed by Weight Management Agency.</li> <li>vii. Occupational Safety and Health Agency (OSHA) - To impose a requirement that interest on fines not exceed 100% of the original fine as opposed to the current application of 5% interest.</li> </ul> |



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