UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE PLANNING AND INVESTMENT

THE ECONOMIC SURVEY REPORT FOR THE YEAR 2023 AND THE ANNUAL DEVELOPMENT PLAN FOR THE FISCAL YEAR 2024/25.



SPEECH BY THE MINISTER OF STATE – PRESIDENT'S OFFICE, PLANNING AND INVESTMENT, HONORABLE PROF. KITILA ALEXANDER MKUMBO (MP.)











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SPEECH BY THE MINISTER OF STATE – PRESIDENT'S OFFICE, PLANNING AND INVESTMENT, HONORABLE PROF. KITILA ALEXANDER MKUMBO (MP.), PRESENTING TO THE PARLIAMENT, THE ECONOMIC SURVEY REPORT FOR THE YEAR 2023 AND THE ANNUAL DEVELOPMENT PLAN FOR THE FISCAL YEAR 2024/25.

DODOMA

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A.

Introduction

1 ***Honourable Speaker,*** I wish to to beg to move that your esteemed Parliament resolve to receive, debate and deliberate on the Economic Survey Report for the year 2023 and the Annual Development Plan for the financial year 2024/25. With this speech, I am submitting books on the Economic Survey for the year 2023 and the Annual Development plan for the financial year 2024/25. Information contained in these books provides the basis for the Government Budget for the financial year 2024/25, which the Honourable Minister of Finance will present to your esteemed Parliament this afternoon.

2 ***Honourable Speaker,*** I wish to start by thanking God for enabling us to continue participating in the 15th session of the 12th Parliament of the United Republic of Tanzania, in good health, peace and tranquility. I also wish to thank you ***Honourable Speaker,*** Deputy Speaker and Chairs of Parliament, for effectively managing Parliamentary discussions in this Budget session with utmost proficiency, since the Honourable Prime Minister presented his budget speech, and later followed by speeches of my fellow ministers, up to this day, as we finalize with my speech and later this afternoon by the Government Budget Speech, to be read by the Minister of Finance.

3 ***Honourable Speaker,*** I sincerely wish to thank Her Excellence Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, for the way she continues to lead our nation with utmost professionalism, proficiency and firmness. During her period of three years, she has amply demonstrated her utmost integrity and patriotism to her country. Above all, she has proven to be an honest and just leader. Through her four Rs philosophy, she has established wide ranging reconciliation in our society and the political arena, by putting in place a fair environment for all political parties to engage freely in political activities (R1 = Reconciliation); she has provided sufficient freedom of expression without fear or intimidation, while exercising extreme tolerance (R2 = Resilience). Our leader has introduced great transformations in putting in place a conducive environment for business and investment (R3 = Reform). She has strengthened the sectors of agriculture, animal husbandry, fishing and mining and inspired the millions of farmers, livestock keepers, fishermen and artisanal miners. Indeed, she is rebuilding our country (R4 = Rebuilding) and through her leadership, our Government and the nationa at large, is safe.

4 ***Honourable Speaker,*** I also wish to thank Honouurable Dr. Philip Isdor Mpango, Vice-President of the United Republic of Tanzania, Honourable Kassim Majaliwa Majaliwa (MP.), Prime Minister of the United Republic of Tanzania, Honourable Dr. Dotto Mashaka Biteko(MP.), Deputy Prime Minister and Minister for Energy, on the manner they assist Her Excellence, the President of the United Republic of Tanzania, in overseeing implementation of various development projects in our country. I also wish to thank and congratulate Honourable Dr. Hussein Ali Mwinyi, President of the Revolutionary Government of Zanzibar and Chairman of the Revolutionary Council, for his excellence in leading Zanzibar towards higher and sustainable development, through the Zanzibar Development Vision 2050.

5 ***Honourable Speaker,*** I wish to thank Dr. Tausi Mbaga Kida, Permanent Secretary, President's Office – Planning and Investment, Mr. Lawrence Nyasebwa Mafuru, Executive Secretary, Planning Commission, and all staff in the President's Office - Planning and Investment, and Planning Commission, for their cooperation in preparing this speech and the accompanying books.

6 ***Honourable Speaker,*** I wish to congratulater Honourable Stanslaus Haroon Nyongo, Member of Parliament for East Maswa, for the honour confered on him, to be appointed by Her Excellence, the President, to be Deputy Minister of State in the President's Office – Planning and Investments. I have known Honourable Nyongo during the current 12th Parliament, during which time, I have worked closely with him in the then Parliamentary Committee on Social Services, when he was the Chairman of the Committee. He is a diligent person, composed, attentive, extrovert and someone who values other people's opinions. I sincerely wish to thank her Excellence the President, for bringing to us this leader to assist in leading her important office, in planning and overseeing implementation of development plans and ensuring that our country continues to be safe and attractive to investors.

7 ***Honourable Speaker,*** many parts of our country received rainfall above average, which caused floods in various parts. Those floods have caused deaths to some Tanzanians, destroyed crops, property and infrastructure, especilly roads and bridges. The floods adversely affected implementation of development projects and hence raised the cost of rehabilitating destroyed infrastructure. For that reason, commencement and completion of implementation of some projects will be delayed. Nonetheless, I wish to reassure Tanzanians that the government has braced itself well, in ensuring that all destroyed infrastructure will be rehabilitated to their normal state.

8 ***Honourable Speaker,*** the Economic Survey Report for the year 2023 and the Annual Development Plan for the fiscal year 2024/25 have been prepared with wide participation, involving many stakeholders, from the initial preparatory stages to decision-making, at various levels of Government. I wish to take this opportunity to thank all stakeholders who participated in the preparation of the Economic Survey Report for the year 2023 and the Annual Development Plan for the fiscal year 2024/25. In a special way, I wish to thank Honourable Oran Manase Njeza (Member of Parliament for Mbeya Rural), Chairman of the Parliamentary Budget Committee and all Committee members, for their invaluable advice and observations during the preparation of reports that I have submitted to your esteemed Parliament.

9 ***Honourable Speaker,*** My speech is divided in three parts. The first part is Introduction. The second part is a review of the economic performance for the year 2023. The third part is an Assessment of Implementation of the Annual Development Plan for the year 2023/24. The fourth part is Priorities and Targets for the Annual Development Plan for the year 2024/25. The fifth part is Conclusion.

B.

Economic Performance in 2023

Review of the World Economy

10 ***Honourable Speaker,*** According to the report of the International Monetary Fund (IMF) of April 2024, baseline growth forecasts are that the global economy will continue to grow at 3.2 percent in years 2024 and 2025, the same growth rate registered in 2023. The forecasts of 3.2 percent of the global economy are low, compared to the historical average of 3.8 percent over the past two decades (2000-2019).

11 ***Honourable Speaker,*** The economic growth rate of developed countries declined to 1.6 percent in 2023, compared to 2.6 percent in 2022. The slight increase in eonomic growth of developed countries 0f 1.6 percent in 2023 to

forecasts of 1.7 percent in 2024 and 1.8 percent in 2025 is attributed to the adverse impact of the continuing war between Ujraine and Russia, which to a large extent has destabilized, not just the economies of European countries, but also the whole global economy, with the escalation in the cost of living due to increased energy prices in Europe and the food prices in the world market.

12 ***Honourable Speaker,*** Economic growth in the emerging and developing economies continued to withstand the impact of the war between Ukraine and Russia which has adversely affected many countries in the world. Economic growth rates of countries in this group strengthened, reaching growth rates of 4.3 percent in 2023, compared to 4.1 percent in 2022 and is forecast to to grow at 4.2 percent in 2024 and 2025.

13 ***Honourable Speaker,*** for countries in the Southern Africa Development Community (SADC) the IMF report of April 2024 indicates that economic growth averaged 3.8 percent in 2023 compared to 4'9 percent in 2022. For countries in the East African Community (EAC) economic growth averaged 4.4 percent in 2023, compared to 4.2 percent in 2022.

Review of the National Economy

14 ***Honourable Speaker,*** In 2023, the real Gross Domestic Product (GDP) grew to Tanzania Shillings 148.3 trillion from Tanzania Shillings 141.2 trillion in 2022, equivalent to 5.1 percent growth, compared to 5.1 percent growth in 2022. That growth was attributed to diverse efforts by the Government, including strategies to deal with the adverse impact of the war between Ukraine and Russia and strategic investment in infrastructures of energy, water, health, education, transportation, increased mineral production, especially gold and coal and increased credit to the private sector, which invigorated eonomic activities.

15 ***Honourable Speaker,*** Inflation in the country reached 3.1 percent in the period ending April 2024, compared to 4.3 percent in the corresponding period in 2023. The average inflation for the year 2023 reached 3.8 percent, compared to 4.3 percent in 2022. This inflation rate is lower compared to countries in the EAC, and it is within the set targets of 3.0 and 7.0 percent and regional targets in the EAC and SADC. The decrease in the inflation rate, besides other factors, is attributed to implementation of prudent monetary and fiscal policies and improvement in food supplies in the domestic and neighbouring countries markets.

16 ***Honourable Speaker,*** During the period from July 2023 to March 2024, the overall Balance of Payments continued to improve registering a deficit of US Dollars 1,616.4 million, compared to a deficit of US Dollars 3,977.8 million during a corresponding period in 2023. The value of exports in 2023 was US Dollars 6,016.2 million, compared to US Dollars 5,629.2 million in 2022. The increase in the value of exports was mostly attributed to higher sales of gold and non-traditional exports, especially tobacco, cashewnuts, coffee and horticultural products.

17 ***Honourable Speaker,*** Foreign reserves have continued to be satisfactory, capable of financing imports of goods and services. Up to March 2024, foreign reserves amounted to US Dollars 5,327.1 million, compared to US Dollars 5,012.5 million during a corresponding period in 2022. That amount is sufficient to cover imports of goods and services for a period of 4.4 months, which is more than the national target of not less than 4.0 months.

18 ***Honourable Speaker,*** credit to the private sector in 2023 increased, reaching Tanzania Shillings 33,746.5 billion, equivalent to an increase of 17.6 percent, from Tanzania Shillings 28,702.9 during a corresponding period in 2022. Sectors that contributed to that growth included agriculture by 60.6 percent, industry and trade by 29.1 percent, mining by 18.1 percent and lending to private business by 16.7 percent. The increase in credit to the private sector, especially in agriculture, industry and manufacturing and mining reflects improvement in the business environment and growth in economic activities. Policy measures that focused on reducing interest rates and increasing budgetary allocations to important sectors, such as agriculture has resulted in positive outcomes in stimulating economic growth.

19 ***Honourable Speaker,*** Up to March 2024 Government debt amounted to Tanzania Shillings 91,708.3 billion. Out of that amount, domestic debt amounted to Tanzania Shillings 30,753.8 billion, while external debt was Tanzania Shillings 60,954.5 billion. The increase in Government debt was due to the Government continuing to receive old and new loans from various sources in order to finance development projects, including construction of infrastructure of roads, railways, airports, energy and water. Also, the increase in Government debt was contributed by an increase in foreign exchange rates and interest on external loans, whose rates depend on developments in the foreign money markets.

20 ***Honourable Speaker,*** According to the World Population Prospects report for 2023, Tanzania has continued to improve its Human Development Index (HDI), whereby it reached 0.532 in 2022, compared to 0.529 in 2021. In interpreting this index, the closer it is to unity (1), implies improvement in human development. In ensuring that Tanzania achieves a better position globally, the Government, with participation of the private sector, will continue to develop strategies for improving basic service delivery, including health, education, water and improvent of livelihoods.

Long-term Evaluation of the National Economy

21 ***Honourable Speaker,*** Long-term evaluation of the economy of Tanzania exhibits three major issues. First, the economy has been resilient and managed to grow sustainably, inspite of challenges that shook the world economy in various periods, including climate change, COVID-19 pandemic, and various wars. Second, the increase in Tanzania exports, year on year. For example, the value of Tanzania exports increased from US Dollars 975 million in 2000, to US Dollars 5.63 billion in 2020, and reached US Dollars 8.20 billion in 2023. These developments have led to an increase in the ratio of exports to GDP from 9.6 percent in 2000, to 20.9 percent in 2023. Third, the composition of Tanzania exports has changed during the past two decades. For example, during the 2000s, 57 percent of Tanzania exports to the markets in Europe, the United States of America and Africa comprised of agricultural products. However, twenty years later, Tanzania exports have mostly comprised of minerals and other products sold in Asian and African markets. For example, 49 percent of exports in 2023 comprised of minerals, followed by manufactured products (17%) and agricultural products (12%).

22 ***Honourable Speaker,*** According to the World Economic Report of the World Bank, the Tanzanian economy in September 2023 continued to be strong and resilient to the impact of COVID-19 and other global challenges in the past three years, due to three main reasons. First, the implementation of huge reforms aimed at promoting and strengthening economic competition, aligned with the first priority area in the third Five Year Development Plan 2021/22 – 2025/26 - "Stimulating an inclusive and competitive economy". Second, to continue improving and strengthening a conducive environment for business and investment in the country. Third, to sustain the trust of global financial institutions and other development partners. This was confirmed by the

Moody's sovereign rating report of March 2024, which upgraded Tanzania's rating from Stable to Positive. In that report, the agency stated that Tanzania's economy has continued to strengthen amid many global challenges, exhibiting immense resilience. The reasons advanced by Moody's include the fact that Tanzania has a solid foundation for a diversified economy, increase in exports, sustainable debt, prudent monetary policies and continued strengthening and improvement of the business and investment environment.

23 ***Honourable Speaker,*** Given the good trend in Tanzania's economic growth during the past two decades, there are five distinct factors on Tanzania's economy. First, economic growth has emanated from few sectors, which do not employ many people from poor households. Sectors that led in economic growth in 2023, include creative industry (17.7%), finance and insurance (12.2%), mining (11.3%) and food and accomodation (8.3%). Sectors which were expected to employ many people grew at slower rates. Such sectors include agriculture (4.2%), industry (4.3%) and trade (4.2%). This implies that the rate of economic growth has not been consistent with the rate of poverty reduction. Second, Economic growth in the country has depended on public investments in infrastructure and the private sector has not played its expected role sufficiently, in stimulating economic growth. Investment through the private sector is expected to stimulate employment and production. Third, exports have continued to depend on products without value addition. For example, while manufactured commodities were expected to contribute 24.4 percent of total exports by 2025, the contribution of this sector over the past five years (2019-2023) has averaged only 17.1 percent (compared to 16.9 percent in 2019/20). This implies that these exports have not contributed sufficiciently in generating employment. Fourth, our country is importing more than we export. Thus, we have a wide deficit in the Balance of Trade. For example, the value of exports in 2023 was US Dollars 8.2 billion, compared to the value of imports of US Dollars 13.7 billion. This implies that our country is using a lot of foreign exchange in importing commodities that could be produced locally. Fifth, the economy has been growing faster in urban areas than rural areas.

24 ***Honourable Speaker,*** in order to ensure that economic growth has a positive impact in raising human livelihoods and reduction of poverty, the coming short-term and long-term plans will focus in ensuring that our economic growth is inclusive, reduces poverty, generates substantial employment, promotes social development and stimulates value-added exports.

Outlook of the National Economy in 2024

25 ***Honourable Speaker,*** Macroeconomic objectives and targets for economic growth are as follows:

i. Increase the rate of real GDP growth to 5.4 percent in 2024, from 5.1 percent in 2023;

ii. Continue to curb inflation and ensure that it remains within the single-digit margins, averaging 3.0 - 5.0 percent in the medium-term;

iii. Increase domestic revenue to 15.8 percent of nominal GDP 2024/25, compared to the expected outturn of 15.4 percent in 2023/24;

iv. Increase tax revenue to 12.9 percent of nominal GDP in 2024/25, from the expected outturn of 12.6 percent 2023/24;

v. The budget deficit (including grants) not to exceed 3.0 percent of nominal GDP; and

vi. Maintain sufficient foreign reserves to cover imports of goods and services for a period not less than four (4) months.

26 ***Honourable Speaker,*** indepth details on the state of the economy are contained in the book on the Economic Survey Report for 2023.

c.

Assessment of Implementation of the Annual Development Plan For 2023/24

27 ***Honourable Speaker,*** the Annual Development Plan for 2023/24 is the fourth in the implementation of the third Five Year Development Plan (2021/22 – 2025/26), aiming at increasing the rate of economic growth and human development. This Five Year Development Plan has five priorities as follows: Stimulating an inclusive and competitive economy; Deepening industrial production and service provision; Investment and trade promotion; Stimulating human development; and Human capital development.

28 ***Honourable Speaker,*** a total of 193 programmes and projects (including 17 pilot projects) are being implemented in achieving the objectives of the Five Year Development Plan, taking into account priorities stated above.

29 Honourable Speaaker, in stimulating an inclusive and competitive economy, besides other considerations, the following measures were taken:

i. To raise the production capacity in the sectors of agriculture, livestock and fishing by increasing the use of improved seeds and fertilizer, expanding irrigation areas and starting the construction of fishing ports. For example, apllication of fertilizer has increased from 363,599 tons in 2020/21 to 580,628 tons in 2022/23. Agricultural land under irrigation has increased from 694,715 hectars in 2019/20 to 727,280.6 hectars in 2022/23.

ii. Continue the construction of infrastructure of transportation, including digital infrastructure, in order to stimulate economic and social activities, including the following:

   a. Construction of the Standard Gauge Railway (SGR) whereby the status of implementation is as follows: Dar es Salaam -Makutupora (300 kilometers, 98.93%); Morogoro – Makutupora (422 kilometers, 96.61%); Makutupora – Tabora (371 kilometers, 14.22%); Mwanza – Isaka (341 kilometers, 56.21%); Tabora – Isaka (165 kilometers, 5.38%); and Tabora – Kigoma (506 kilometers, 1.81%);

   b. (Continue implementation of the project on improving Air Tanzania Company Limited (ATCL), whereby two (2) Boeing 737-9 Max planes were received, making the total ATCL fleet to reach 16;

   c. Continue with improvements of the Dar es salaam and Tanga ports and the dry port at Kwala (Ruvu);

d. Continue improving and expanding the road network in the country, whereby by April 2024 the road network had increased, reaching a total of 181,655.49 kilometers;

e. Continue construction of the Kigongo-Busisi (Mwanza) bridge whose implementation has reached 88 percent; and

f. Continue to expand digital infrastructure in order to expand ICT services to the general public.

iii. Continue implementation of projects in energy generation and transmission, including the Mwalimu Julius Nyerere Hydropower Generation Project (2,115 MW), whose implementation has reached 97.43 percent.

iv. Continue improvement of the business and investment environment, and promote both foreign and local investors.

Honourable Speaker, Some achievements realized in the implementation of the Five Year Development Plan include the following:

i. Increased production of agricultural products from 30,569,893.52 tons in 2020/21, to 36,409,694.83 tons in 2022/23. Production of grains has increased from 9,046,377.10 tons in 2020/21 to 11,420,327.06 tons in 2022/23. This situation has strengthened food security in the country, whereby food sufficiency has reached 124 percent in 2022/2023, compared to 130 by 2025/2026;

ii. The decrease in livestock deaths from 27 percent in 2019/20 to 12 percent in 2023/24; increased production of beef from 702,000 tons in 2019/20 to 803,264 tons in 2023/24; increased production of diary milk from 3.01 billion litres in 2019/20 to 3.97 billion litres in 2023/24;

iii. Increased production of fish from 497,567.28 tons in 2019/20 to 513,218.90 tons in 2023/24;

iv. Increased generation of electricity from 1,872.1 MW in 2022/23 to 2,138 MW in March 2024. This is a result of commencing to generate electricity from the Mwalimu Julius Nyerere hydro dam (235 MW), Kinyererezi I (160 MW) and Rusumo (80 MW). A total of 11,837 villages (96.37% of all villages on Tanzania mainland) were connected to electricity by December 2023;

v. Increase in users of internet network from 43 percent in 2019/20 to 58.1 percent in 2023/24; increase in the number of people with access to 3G communication network from 45 percent in 2019/20 to 86 percent in 2023 and 4G communication network from 79 percent 2023/24, compared to the target of 80 percent by 2025/26; an increase in the number of households using the residential and post code mailing system from 450,980 households in 2019/20 to 11,126,234 households in 2023/24;

vi. Increased improvement in the business and investment environment; whereby, investment projects registered by the Tanzania Investments Centre (TIC) increased from from 207 projects in 2020 to 526 in 2023, and the value of investment capital rose to US Dollars 5.7 billion in 2023, from US Dollars 1.1 billion in 2020. The level of employment generated by investment projects rose from 17,385 in 2020 to 137,010 in 2023;

vii. Tanzanian exports increased from US Dollars 5.63 billion in 2020, to US Dollars 8.20 billion in 2023. Following the improvement in manufacturing capacity, exports of manufactured goods increased by 20.8, from US Dollars 1,109.3 million in 2021, to US Dollars 1,340.5 million in 2022, and later to US Dollars 1,401.2 in 2023;

viii. Increasedn enrolment in primary schools, reaching 108.5 percent in 2022, higher than the target of reaching 100 percent in 2025/26. The rate of enrolment of secondary school students (in forms I-IV) increased from 47.4 percent in 2021 to 48.2 in 2022, higher than the target of reaching 48 in 2025/26;

ix. The decrease in child mortality, for children under five years, by 36 percent, from 67 deaths for every 1,000 live births in 2015/2016, to 43 deaths for every 1,000 live births in 2022;

x. The decrease in maternal mortality from 556 deaths for every 100,000 live births in 2014/15 to 104 deaths for every 100,000 live births in 2022;

xi. In the water sector, the completion of implementation of 630 projects with 6,553 water delivery centres, serving about 4,393,274 people in 1,390 villages with capacity of serving 79.9 percent of the rural population and 88 percent of urban population. Following these measures, according to the 2022 Population and Housing Census statistics, the number of rural households with access to clean and safe water from improved sources, has increased from 36 percent in 2019/20 to 56.1 percent in 2022; and in urban areas from 84 percent in 2019/20 to 91.5 percent in 2022;

xii. The increase in the number of tourists from 1,527,230 in 2019/20 to 1,808,205 in 2023, equivalent to an increase of 8.09 percent, being part of efforts to achieve a target of 5,000,000 tourists by 2025/26. Tourist earnings have increased from US Dollars 2.6 billion in 2019/20 to US Dollars 23.4 billion in 2023/24, equivalent to an increase of 23 percent, being part of the efforts to achieve a target of US Dollars 6.0 billion in 2025;

xiii. Being part of achivements in the implementation of the philosophy of 4Rs, in particular reforms, the rule of law has continued to be strengthened and democracy in the country continues to expand, as demonstrated by the thriving freedom of expression without fear of intimidation;

D.

Objectives and Priorities in the Annual Development Plan For The Year 2024/25

31

Honourable Speaker, priorities of the Annual Development Plan for the year 2024/25 have taken into consideration the third Five Year Development Plan 2021/22 – 2025/26, the CCM Manifesto for the 2020 Elections and various sectoral policies and strategies. The plan takes into account other regional and international plans, including the Development Vision for the East African Community (EAC) 2050, the Development Vision for the Souhern African Development Community (SADC) 2050, the African Union Agenda 2063; and the Sustainable Development Goals 2030.

32

Honourable Speaker, the overall objectives of the Annual Development Plan for the year 2024/2025 are:

i. Continue sustaining attained achievements in the implementation of the past Five Year Development Plan;

ii. Continue with efforts of ensuring food sufficiency through incresed use of fertilizer, improved seeds and agricultural irrigation;

iii. Increase production and exports of goods and services, through agriculture, livestock, fishing, forestry and mining sectors;

iv. Exert special emphasis in value addition to products in agriculture, livestock, fishing, forestry and mining sectors;

v. Continue increasing, improving and strengthening the quality of social services, including education, health, water and electricity;

vi. Continue expanding and strenthening infrastructure of road transportation, railways, aviation, marine and sustainable conservation of the environment;.

vii. Focusing on unlocking opportunities in mining of strategic critical minerals, deep sea fishing, the green economy and the digital economy. These three areas are currently trending fast globally and we are yet to reap appropriately;

viii. Continue taking appropriate measures in curbing the challenges of climate change, including implementing the ten-year strategy of using clean energy in cooking; and

ix. Complete preparation of the National Development Vision 2050.

33 ***Honourable Speaker,*** special programmes and projects to be implemented in the Annual Development Plan for the year 2024/25 are identified in the third chapter of the Annual Development Plan, and as presented in this Parliament by Ministers responsible for various sectors..

34 ***Honourable Speaker,*** in ensuring that our economic growth is inclusive, reduces poverty, generates substantial employment, promotes social development and stimulates value-added exports, I wish to specify ten (10) issues which the sixth phase Chama Cha Mapinduzi (CCM) Government, led by Her Excellence Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania and Chairperson of CCM, will render special emphasis during the upcoming next fiscal year:

i. To continue investing in agricultural production by promoting and facilitating the use of improved seeds, fertilizer irrigation agriculture and use of modern farm implements. As we all know, the industrial economy which we are trying to build, most of its raw materials depend on agriculture. In the short-term to medium-term period, most Tanzanians will continue to be employed or self-employ in the agricultural sector . Thus, we cannot speak about the industrial revolution, without talking about the agricultural revolution;

ii. To draw and implement a strategy for stimulating investment in industry that focuses in manufacturing commodities that will make our country self-sufficient in essential commodities and increase the export of value-added goods;

iii. To continue improving the business and investment environment, in order to stimulate growth of the private sector, especially focusing on putting in place a conducive environment for growth of business and investment in small and medium enterprises);

iv. To protect and control sustainable use of national natural resources, including natural gas, minerals, forests, ports, lakes, etc. The political stance of the CCM Government is to use these resources as the basis for building an industrial economy, by emphasizing on value-addition on our national natural resources. The Government will ensure that it reduces and finally forbids the transportation as raw materials, natural resources harvested from forests, land and Tanzania waters, and will put in place a policy and legal environment that will ensure that these resources are processed and added value before they are exported;

v. Considering the importance of minerals in continuing to increase the volume of our exports and taking account of strategic mineral resources (SMR) in attaining the global resolve in the production of clean energy that is safe to the environment, we will put in place special conducive environment for attracting investors, who will be ready to build factories that add value to minerals in the country, especially in factories that manufacture motor and plant batteries;

vi. Taking into account the fact that the human resource is an engine of development and it is the most abundant resource that we have, as a nation, and taking into account the large numbers in our country (76%) of children and the youth below the age of 35 years, the Government will continue to invest in ensuring that our country has sufficient

human resource, with quality that meets the current and future needs. Thus, education and training will continue to be a major priority in the development plans of our nation;

vii. Taking account of the position and importance of transportation infrastructure,together with digital infrastructure in stimulating economic development, the Government will continue to invest in construction and maintaining infrastructure, with private sector participation;

viii. Continue to strengthen production of energy as an important resource in the development of an industrial economy and fully implementing the strategy of clean cooking energy;

ix. Continue strengthening availability of quality and sufficient social services, including health, water and electricity, especially in rural areas;

x. Considering the fact that most of our people live in rural areas (65%), in stimulating inclusive economic growth, the Government will put special emphasis in stimulating rural development by taking the following five measures:

   a. Continue investing in the construction of roads infrastructure and rural communication, in strengthening and facilitating TARURA;

   b. In order to raise the rate and level of ICT use by rural populations in their economic and social activities, the Government will continue to implement the Mobile Network Rural Coverage Project and commence and implement a special programme of connecting villages digitally (Rural Broadband Programme);

   c. The Government will review the system of product sales in agriculture, livestock and forestry, in order to simplify and facilitate a conducive environment for doing business in rural areas;

   d. Put in place special conducive environment for attracting establishment of small rural industrial ventures, with the objective of initial value addition (primary processing) in strategic sectors, including agriculture, livestock, fishing and forestry. The Government will use fiscal policies and taxation in attracting investments in rural areas, so that products in agriculture, livestock, fishing and forestry undergoes initial processing (semi-processed). Rural industries will retain substantial value in the village and will generate employment to young men and women, most of

whom now have secondary school education. At this juncture, we will need to reorganize the Small Scale Industries Development Organization (SIDO) in the country; and

e. Review financial policies, legislations and regulations, governing credit, with the objective of motivating financial institutions to direct their credit to sectors of agriculture, livestock, fishing and rural artisanal miners;

35

Honourable Speaker, through this plan, which I am presenting here, and other plans which the honourable sector Ministers presented through their respective budget speeches, plus contributions from the honourable Members of Parliament, there is no doubt that we Members of Parliament and all Tanzanians, at large, know well our country, we know where we are, and we know where we want to go and how to to arrive there. However, to have good plans is one thing, and fully implementing those plans is another thing. Thus, in the next stage, after the Parliament approves the Government plan and budget, it is important to brace ourselves in overseeing their full implementation;

36

Honourable Speaker, the Government has prepared itself in strengthening the control and monitoring system in the implementation of programmes and projects, which your esteemed Parliament has approved. This system is built on three pillars, which are: definitive identification of priorities (prioritisation) and transparently for each sector; implementation discipline and accountability. In implementing this system, from next fiscal year starting of 1st July 2024, Her Excellence Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania, has directed the Government to implement the followinf six (6) measures:

i. Each sector that is implementing development programmes and projects will specify measurable targets and outcomes (Key Performance Indicators-KPI), and the various activities that will be undertaken to achieve those targets;

ii. The implementation report will be submited to the responsible sector Minister every week. Subsequently, the responsible Minister will submit the implemetation report every month to the Planning Commission;

iii. The Planning Commission will produce a consolidated programmes and projects implementation report annually, in an open event;

iv. In compliance with section 7 of the Planning Commssion Act 2023, the Commision has powers to to convene meetings of senior leaders overseeing the implementation of programmes and projects, with the objective of coordinating analysis of implementation challenges and push implementation of agreed solutions, in order to remove impediments to implementation, improve coordination and obtain reports timely.

E.
Conclusion

37 ***Honourable Speaker,*** the Annual Development Plan for the year 2024/25 which I have presented, is an integral part of implementating the third Five Year Development Plan 2021/22 – 2025/26, which arose from the election manifesto of Chama Cha Mapinduzi (CCM), for the 2020 General Elections.

38 ***Honourable Speaker,*** the foundation to CCM policies is human development. When we invest in infrastructure of roads, railways, aviation, etc. we do so as a resource for human development. When we invest in increasing school buildings, it will only be interpreted as act of human development, if those buildings will be used to increase skills and education to our people. Also, the increase in food and cash crops, is a development act, if subsequently our people will get better food and that cash crops will be sold at good prices, that will give the farmers money to buy commodities that will improve their health and give them more happiness.

39 ***Honourable Speaker,*** the plan that we have presented and all other plans that have been presented to this Parliament, are for human development. That is why performance indicators in the third Five Year Development Plan, focus on gauging human development. Thus, where we are heading, gauging success

in the implementation of programmes and projects will closely consider, with other indicators, indicators that measure human development, rather than just assessing the activities undertaken.

40 ***Honourable Speaker,*** the late Benjamin Mkapa, the third President of the United Republic of Tanzania once adviced that us that "Getting old is the only thing that can happen without planning". But real development results from good plans and implementation discipline of those plans. Addressing a meeting of the Executive Council of CCM in Dodoma on 25th August 2004, President Benjamin William Mkapa, emphasized the importance of good plans by saying: "To lead is to plan first. Good plans produce good strategic decisions and execution".

41 ***Honourable Speaker,*** Chama Cha Mapinduzi is a leading political party and leading is to show the way. I believe that the Development Plan whic I have presented here, is a good plan, reflecting the vision of Her Excellence, Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania and the CCM manifesto. We in Government, are well prepared to implement this plan.

42 ***Honourable Speaker,*** as I conclude, I wish to take this opportunity to thank all development stakeholders, including Honourable Members of Parliament, Ward Councillors, Development Partners, Acadmic and Research Institutions, the Private Sector, Civil Societies, Religious Institutions and the General Public for offering to fully participate, at various stages, in the implementation of development projects and bolstering our national economy. Stakeholders have immensely contributed in the implementation of various development activities. In view of that, I wish to requestfor their continued cooperation with our Government, which is led by our Brave General, Her Excellence Dr. Samia Suluhu Hassan, President of the United Republic of Tanzania.

43 ***Honourable Speaker,*** I wish to thank my wife and a very close friend, Prosista Laswai, with our children , Ntandu, Calvin and Nsumbu, for their love and cooperation they offered me in implenting my family and official obligations as Member of Parliament fo Ubungo constituency and Minister of State in the President's Office – Planning and Investment. I love them all so much, the way they love me!

44 ***Honourable Speaker,*** with utmost importance, I wish to thank my fellow citizens of Ubungo constituency for the cooperation extended to me, as we continue to implement the Chama Cha Mapinduzi Manifesto in delivering our development, inspired by our motto: Ubungo Yetu, Fahari Yetu!

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Honourable Speaker, this speech and the books on the Annual Development Plan for the year 2024/25 and the Economic Survey Report for 2023, are available on the website of the President's Office – Planning and Investment **(www.planninginvestment.go.tz).**

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Honourable Speaker, after those remarks, I now wish to request your esteemed Parliament to receive and deliberate on the Economic Survey Report for 2023 and the Annual Development Plan for the year 2024/25.

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Honourable Speaker, I beg to move!



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