NATIONAL BUDGET 2024/2025

ZANZIBAR

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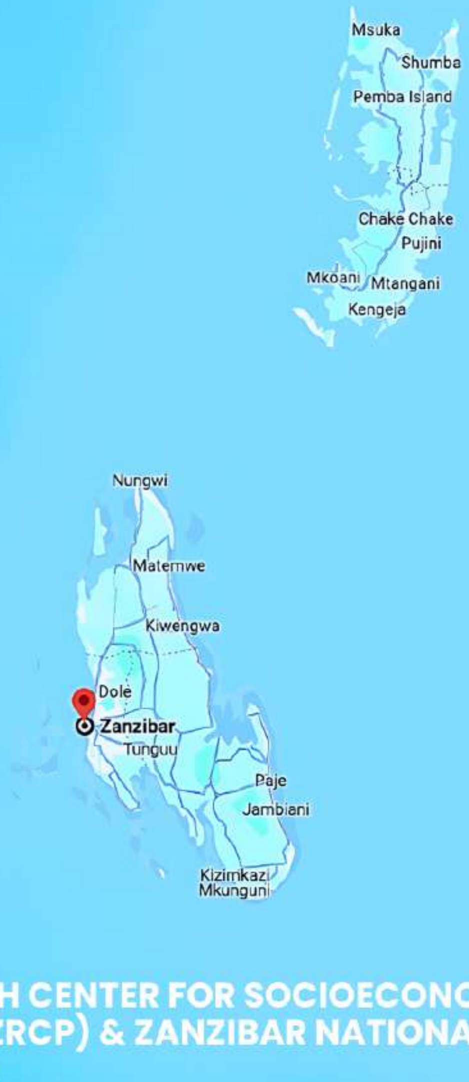

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THE PRIVATE SECTOR's PERSPECTIVE: Its role in building prosperous future through strategic investments

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SNAPSHOT OF THE PREVIOUS BUDGET

Main Target in 2023/2024

- The estimated ***aggregate public revenue collection*** was TZS 2.8 trillion and the budget execution rate was 78%.

Comment: This implies that the Revolutionary Government of Zanzibar is setting more realistic budget targets. The execution rate is also impressive for a developing economy.

Revenue Sources

- ***Key contributors for increased resource mobilization are:*** increased revenue collection, public debt in terms of commercial and concessional borrowing and financial support from the Development Partners (DPs). The Government collected relatively high domestic revenue, while debt is filling the funding gap more prominently.

Where did the money go?

- ***Development projects*** used TZS 1.3 trillion from the beginning of July 2023 to the end of March 2024.

Comment: The gap between development and recurrent expenditure has been completely closed. It means the Revolutionary Government of Zanzibar spends the similar amount in financing development projects as the expenses used to fund the regular expenses. This set the country on a right trajectory to achieve its long term ambition of having inclusive economic growth and sustainable development.

- ***The Price Stabilization Fund*** accumulated TZS 3.2 billion in 2023/24, whereas TZS 66.4 billion was forgiven through tax exemptions.

Comment: At the macroeconomic level, the Revolutionary Government of Zanzibar created the Price Stabilization Fund to absorb extreme volatility in selected commodity prices. On the contrary, the Price Stabilization Fund has the potential to create sizable distortions that reduce the level of export receipts. This can happen due to the expectation that the government will always step in to support the fund when it runs out of money. Additionally, fluctuations of export prices (imported inflation) are impossible to predict, making the effective operation of the Price Stabilization Fund difficult to undertake.

- ***Debt guarantee*** was extended to these state owned corporations: ZICTIA TZS 10 BILLION; ZASCO TZS 12.5 BILLION; ZAFICO TZS 9 BILLION; and ZMUX (TZS 10 BILLION).

Comment: One key implication of this move is a "crowding out effect" whereby private investors may have disincentives to invest in these sectors. The rationale for establishing and supporting some of these corporations is no longer valid. It is important for the Government to avoid providing guarantees if these corporations do not have their own collateral or bankable investment cases to secure bank debt. This will help to maintain a fair level field for public and private owned corporations to compete.

The Revolutionary Government of Zanzibar should think about diluting its shares in these corporations by selling them to the private sector for purposes of increased efficiency and profitability.

Fiscal Measures taken in 2023/24

- ***Affordable Housing Schemes*** are entitled to tax relief in terms of reduced VAT to enhance the quality of human settlement in the country. As of March 2024, two housing projects both situated at Mombasa area in Unguja under Zanzibar Social Security Fund (ZSSF) and Zanzibar Housing Corporation (ZHC) worth TZS 5.08 and TZS 5.5, respectively. These two Government owned entities have benefited from the reduction of VAT.

Comment: This is commendable efforts, yet the benefits will only be enjoyed by state owned parastatals. Fiscal measures to attract private capital into affordable housing are still missing. Thus, for affordable housing to have significant impacts, private sector actors need to be included in such fiscal measures.

- ***Air transportation sector*** has received tax relief through a reduction of VAT for imported airplanes and their equipment as well as maintenance services.

Comment: The intention is good and may help to increase the investments towards the airline industry in Zanzibar, and this will complement the ongoing effort to construct an international airport in Pemba. Also, this may help to preserve the existing popularity of Karume Airport as the busiest airport in Tanzania.

- ***"Green Houses" and related imported materials*** were also granted a reduction of VAT in the fiscal year 2023/24.

Comment: This fiscal measure exemplifies the intention of the government to increase private participation in the agriculture sector, which used to be the backbone of Zanzibar's economy. However, it needs to be supported by the extensive utilization of technology and data to bring smart agriculture and enable the sector to be transformed significantly.

- ***Raw materials*** criteria for being subjected to VAT increased from TZS 50 million annual value to TZS 100 million.·

Comment: This move also will have a positive implication by harnessing domestic industrialization.

- *Non-Governmental Organizations (NGOs)* were obliged to pay higher VAT by reducing their tax relief from 75% to 50%.

Comment: This move may end up constraining the ability of NGOs to provide important services to the underserved segment of the population. It is important to remember that NGOs, which are by nature non-profitable organizations with the focus of helping the community and complimenting government social investments. Imposing higher taxation on them may be a counterproductive move in the national efforts to attain sustainable development.

- ***Decrease of Skills Development Levy (SDL)*** from 5% to 4% and increase of the criteria for paying this particular tax from 4 to 5 employees.

Comment: This tax reduction is the right move as it will decrease the cost of doing business for the private sector. Its importance cannot be overstated and it will help to increase the competitiveness of the private sector in Zanzibar against its competitors in the region. Nevertheless, the Government needs to have a clear direction for the utilization of the SDL to benefit the employers in the private sector.

- ***Reinstatement of the infrastructure tax*** amounting to TZS 100 per liter of petrol and diesel from the TZS 50 per liter which was set to mitigate the sharp rise of oil price observed throughout 2022 and 2023.

Comment: This is a sensible action because it will help the fund to collect revenue that can be used in the future when the oil price goes up. The unpredictability of the global oil industry implies the need for Zanzibar to fasten the process of extracting oil and gas from its own offshore deposits.

- ***The Tax Act of 2009 was amended to increase the infrastructure levy for hotels.*** Under this new law, the infrastructure tax is linked to the quality of the hotels. This increased taxation enabled a collection of TZS 18.9 billion between July 2023 and March 2024.

Comment: Indeed, the introduction of such taxation will enable Zanzibar to ensure the prevailing growth in tourist numbers is translated into higher national income, greater profitability of enterprises within the local economy, and more tourism-related employment for locals. A higher collection of revenue from this leading economic sector is clearly the most effective way to ensure equitable distribution of income generated by the leading sector of the economy and promote a more fair access to the benefits of natural assets in Zanzibar.

- The Tax Law No 7 of 2009 was also ***amended to remove the penalty to delayed tax payments***. Between July 2023 and March 2024 about 1,926 taxpayers have benefited from this particular waiver of financial punishment.

Comment: This is a welcomed change as it brings more flexibility to the tax system to enable more taxpayers to fulfill their legal obligations. It may also enhance the willingness of taxpayers in our developing economy to pay the tax despite delaying doing that within the stipulated period.

Issues related to the Strategic Investments in 2023/24

- ***Electrification:*** The Revolutionary Government of Zanzibar has signed a contract with the Generation Capital Limited to generate 30 megawatts of solar electricity in the Bambi area. A similar agreement has been reached between the Government and ESR Company for the latter to produce 15 megawatts of electricity in Pemba. Moreover, the RGoZ has obtained funding from the World Bank to implement the Zanzibar Energy Sector Transformation and Access (ZESTA) Project to produce 15 megawatts and build a system capable of storing about 40 megawatts for one hour.

Comment: The energy sector has been making an important and impressive transformation over the last three years under the current Government regime. This favorable trend is notable in three main ways:

Firstly, the ongoing investments reflect a shift from the state monopoly of the electricity industry towards more private sector led industry in an attempt to expand access to reliable and efficient electricity services.

Secondly, there is a clear priority to generate and scale up the use of renewable energy which is a more sustainable and efficient approach to generate power. This will preserve the ecological ecosystem and reduce the cost of operating business in Zanzibar.

Thirdly, the Government is committed to address key challenges in the sector arising from sole reliance on the limited submarine transmission capacity from Tanzania Mainland. The ongoing investments will provide additional electricity sources, resulting in significant reduction or eradication of electricity supply rationing and load shedding during the peak demand period in Unguja.

- From July 2023 to March 2024, the Revolutionary Government of Zanzibar through ***Zanzibar Investment Promotion Authority (ZIPA) recorded a creation of wealth amounting to USD 1.5 billion.*** This is attributed to the fact that ZIPA had registered 63 projects assumed to worth USD 714.7 million and capable of creating about 4,392 jobs.

Comment: This information reveals a positive outlook of the investment landscape in Zanzibar. However, the information is incomplete to make an informed interpretation of the investments registered by ZIPA. Although there is an impressive registration of investments, what matters the most is the success rate in translating these investments into reality. This is a pressing concern, and hopefully the forthcoming ZIPA Strategic Plan will put in place strategies to improve the situation.

Nonetheless, designated efforts are required to ensure a large portion of registered investments are taking place. In particular, a policy to support synergy or integration between local and foreign investors will help to make the private sector more vibrant. In the future, it will be valuable to have information about the magnitude of the local content of the private sector in these large investments.

- ***Economic empowerment:*** in 2023/24, the Revolutionary Government of Zanzibar issued loans amounting to TZS 7.9 billion to 2,045 entrepreneurs (1224 in Unguja and 821 in Pemba. Another notable observation is that the number of entrepreneurs who have been helped to connect to the international markets has increased from 148 entrepreneurs in 2022/2023 to 194 in 2023/2024.

Comment: Allocation of funds with an intention of empowering people economically is a welcomed move. However, there is a gap of information on the actual or potential impact of such investments. It is crucial to understand the impact in terms of quantifiable economic parameters and social benefits of funds issued through economic empowerment initiatives. This will ensure that the scarce public resources are allocated efficiently to the productive and profitable enterprises. Furthermore, the connection of local entrepreneurs to the international market has increased, but the absolute number needs to rise more rapidly.

Debt Structure in 2023/2024

- ***Zanzibar's national debt*** stood at TZS 1.1 trillion as of March 2024 whereby almost a half of it (49.4%) was commercial loans. Lending through government bonds is the second largest portion containing 33.8% of total national debt, and the guarantee given to public entities consisted of 16.8% of the national debt.

Comment: Public debt intended to secure funds for financing expenditures, especially development projects to promote inclusive economic growth. The current public debt in Zanzibar is endurable and far beyond the ratio for causing financial distress. The commercial lending, however, is naturally easier to access but more expensive than concessional debt. A higher utilization of the former suggests that the government is not able to secure sufficient concessions to finance its development ambitions. Partly, this can be attributed to Zanzibar being a lower-middle income economy, which means the country is qualified to access limited sources of the concessional debt.

- ***Domestic lending by banks:*** between July 2023 and March 2024, the bank deposits in Zanzibar reached TZS 2.9 trillion from TZS 1.7 trillion recorded within the same period during the fiscal year 2022/2023. People's Bank of Zanzibar (PBZ) constituted about 56% of these deposits, while other 4 banks (NMB, NBC, CRDB and Amana Bank) collectively held 30% of the total amount of money deposited in the banks.

Comment: Out of the largest banks operating in Zanzibar only PBZ is fully owned by the state. A combination of ownership by private investors and government has proven to enhance efficiency, profitability and growth in Tanzania as can be noted from the NMB, NBC and CRDB experience in the last 20 years. PBZ pays taxes and dividends to the government, and generates employment and growth of corporate valuation.

However, such benefits can be amplified if the private investors, including local ones, will be offered opportunities to invest in PBZ. Thus, it may be an optimal time for the Revolutionary Government of Zanzibar to contemplate selling part of its ownership position in PBZ to private investors so that they can take the bank to the next level in the success ladder.

➢ Debt issued by banks to individuals and businesses between July 2023 and March 2024 was TZS 2.4 trillion. Individual personal loans secured by the employment contract constituted 38% of the aggregate loans issued by banks, whereas loans to businesses consisted of 30% of all debt issued by banks in Zanzibar.

Comment: This can be interpreted into the following two main ways:

First, the cost of debt is too high for businesses to acquire loans as an initial or additional capital to finance their investments.

Second, the existing situation in the banking system reflects the reality that many businesses are in nascent stages and based on the informal economy. Therefore, the majority of them are either not included in the banking system and those covered by the banking system are struggling to acquire debt.

➢ ***Microfinance Institutions (MFIs)***: In Zanzibar had 1,645 registered cooperatives unions, and out of them only 3 are SACCOS as of March 2024. Only 8 MFIs were operating in Zanzibar.

Comment: The number of MFIs intends to showcase efforts made by the Government to improve the lending; the progress is not substantial enough. The Government may need to make stronger simultaneous efforts to encourage the growth of the private sector, and identify incentives to increase the willingness of MFIs to operate in Zanzibar. The landscape assessment and identification of ways to improve lending through MFIs for boosting growth of firms is likely to be a good start to address the challenge.

KEY TAKEAWAYS FROM THE NATIONAL BUDGET 2024/2025

Projected Economic Growth

➢ In 2024/205, Zanzibar's economy is anticipated to grow by 7.2% from 7.4% recorded in 2023/24.

➢ Main drivers for the projected economic growth are:-

i. Expected growth of international tourists from 638,498 in 2023 to 829,929 in 2024, and a growth of local tourist from 164,084 in 2023 to 270,000;
ii. Increased development expenditure on the strategic sectors which will include construction of infrastructure in terms roads, airports, seaports, health care facilities, schools and water facilities.
iii. Controlled inflationary pressure;
iv. Increased domestic revenue collection and more prudent government expenditure;
v. Improved enabling business environment; and
vi. Increased production in the blue economy.

➢ ***Public Revenue collection in 2024/2025*** is projected to be TZS 5.1 trillion from TZS 2.8 trillion in 2023/2024. This means that an additional TZS 2.8 trillion is expected to be accumulated in 2024/2025, reflecting an increase of 82.1% of revenue collection compared to 2023/2024.

Where will the money come from?

➢ Source of the projected growth of budget are:

i. Inclusion of state owned enterprises into the national budget which will contribute about TZS 202.6 billion;
ii. Increased borrowing by TZS 1.6 trillion;
iii. Increased financial support and concessional debt from DPs from TZS 686.61 billion to TZS 1.5 trillion, which is equal to an growth rate of 121% in 2023/24, and
iv. Increased domestic revenue collection whereby tax to DFP ratio is expected to reach 33% from 22.4% in 2023/4.

Comment: The growth of the national budget is an impressive progress. A significant increase in debt is largely to finance development projects.

The Revolutionary Government of Zanzibar intends to include the private sector in the implementation of strategic investment. This is encouraging news, but the budget does not present realistic pathways for ensuring the participation of the local investors. For instance, a creation of an open ended Investment Fund with diverse investors built on a strong legislative framework, competent management team; may help to operationalize the government commitment of pooling capital from local savers and investors.

On the one hand, such an investment vehicle will enable small local investors to take part in financing domestic investments and enjoy the related benefits. At an individual level, it may be difficult for local investors to engage in financing development projects but collectively through pooled capital, they will be able to play a more active role. It should be noted that if local investors are provided with instruments to accumulate capital which eventually can be invested to cater for the government borrowing demand, it would have a broader ripple effect to almost all economic sectors compared to loans issued by banks.

On the other hand, the investment fund can enable the Revolutionary Government to borrow at lower cost through bonds compared to debt issued by banks.

Debt Structure in 2024/2025

- The national debt is expected to reach TZS 2.8 trillion in 2024/2025 from TZS 1.2 trillion in 2023/2024, reflecting an increase of debt by 133%.
- Foreign loans have moved from TZS 529.2 in 2023/2024 to TZS 1093.3 in 2024/2025, which is a difference of TZS 564 making it 107% increase.
- Domestic loans have increased from TZS 150 billion in 2023/2024 to TZS 180 billion in 2024/2025 making a difference of TZS 30 billion equivalents to 20% increase.
- Government loans for development have grown from TZS 567.2 billion in 2023/2024 to TZS 1.5 trillion in 2024/2025 making a difference of TZS 964.8 billion equivalents to 170%.

Comment: Increased borrowing into development is logical though borrowing reduces future fiscal space. However, with a positive economic outlook on GDP growth and domestic revenue mobilization the impact might not be felt in the short term.

Key Steps for improving economy and resource mobilization efforts in 2024/2025

- The Revolutionary Government of Zanzibar reiterates its commitment to continue presenting opportunities for the private sector to contribute to the implementation of development projects.
- The Revolutionary Government of Zanzibar will make extra efforts to develop digital economy by utilizing ICT and emerging technologies across all sectors
- Zanzibar Digital Transformation Policy is being developed to address the gaps of the ICT Policy 2013, which did not cover the digital economy.

Comment: Beyond providing guidance and proposing regulatory governance, Zanzibar Digital Transformation Policy will include strategies for ensuring private sector engagement in bringing digital transformation.

Fiscal measure in 2024/2025

- Relief on VAT for domestic produced boats, gas tanks, and Liquefied Petroleum Gas (LPG).

Comment: This is a welcomed move, but it would be useful for the private sector to understand the extent of these tax reliefs.

- ***New Excise Duty:*** As an attempt to protect domestic business, the Revolutionary Government of Zanzibar will introduce Excise Duty per kg of imported chicken and fishes. Importation of these is perceived to suppress the domestic poultry and fishery industries which tend to have higher production cost. This is expected to promote investment in the domestic poultry (chickens) and fishery industries with the purpose of creating more employment. As a result, about TZS 3 billion is expected to be collected from this new excise duty.

Comment: This move will lead to increase in the importation costs and therefore causing a higher prices of the imported frozen and fishery products depending on the demand elasticity of these products. Nevertheless, the measure may not necessarily cause more capital to be invested in the poultry and fishery sectors. For this to happen, the Revolutionary Government may need to improve the business environment, and this involves a broader provision of initiatives and incentives beyond the introduction of excise duty for comparable imported products.

- Special infrastructure Levy of USD 10 per day to tourists staying in luxurious accommodation in small islets and underwater hotels. This will bring about TZS 3.5 billion.

Comment: This is a welcome move as the measure intends to facilitate the collection of taxes at a consumption point and remove the loopholes for tax avoidance.

- Charging infrastructure tax for marine transportation to tourists traveling between Zanzibar and Dar es Salaam using a rate of USD 2 instead of existing TZS 2,000, and USD 1 instead of TZS 1,000 for foreigners traveling within Zanzibar. This action is anticipated to help the government to collect TZS 1 billion.

Comment: It is tricky to comprehend the intention for this measure. Is the ultimate goal to increase revenue collection or to get foreign currency? In essence, it encourages dollarization of the domestic economy and the additional revenue to be collected could be wiped out by the pressure of demand for dollars in the domestic economy which affects both the government and the private sector.

In this regard, it is sensible for the government to avoid any measure to encourage dollarization of the domestic economy. This may cause the country to lose economic autonomy in monetary policy. In a more serious case, a dollarization of Zanzibar's economy increases the risk of crisis in financial and foreign exchange, which in turn amplifies the potential for financial and banking crises.

- Amendment of the Zanzibar Utilities Regulatory Authority (ZURA) Act No. 7/2013: Proposal to introduce a charge of TZS 350 per kg of imported LPG to be used for domestic, commercial and industrial purposes. The collected revenue will be directed to improve the regulatory environment and the price setting mechanisms. This will enable ZURA to collect TZS 500 million.

Comment: As much as this will increase the revenues aimed for improving the capacity of ZURA to regulate the sector, the measure is coming too soon on a nascent sector that the government needed to nurse its growth. The measure to introduce a levy is likely to increase the LPG prices and deter its use despite being a more efficient and environmentally friendly energy source. On the contrary, the ongoing private investment to build the jetty and storage facilities at Mangapwani is encouraging news.

Where will the money go?

- About 63.5% of the budget will be allocated to finance development projects in 2024/205. The government will focus on these priority areas:
    i. Implementing the flagship projects by spending TZS 453 billion within the blue economy and marine transport and infrastructure (TZS 811 billion).
    ii. Other priority areas are: industrial parks and development, human capital development and good governance.

Comment: The budget exemplifies a typical development budget due to the fact that the amount of money allocated for development expenditure is TZS 3.3 trillion compared to recurrent expenditure that had been allocated TZS 1.9 trillion. This typifies a public investment that will generate employment, tax revenue and contribute to GDP growth in the future.

The current Government regime has made an impressive shift from the long tendency to have the budget dominated by recurrent expenditure. By allocating the majority of the budget to finance development projects, the country is accelerating its development aspirations. These investments have a dual impact; they are improving societal wellbeing and also making Zanzibar a much more attractive place for investors to do business.

Further, the priority areas are in alignment with the Zanzibar Development Plan (ZADEP) 2021-2026. What needs to be stressed is the inclusion of the local content of the private sector in the financing (whenever feasible) and implementation of the development projects in 2024/2025.

- Continuing the reform of the public entities, including corporations, to improve their efficiency and merge them when necessary.

Comment: Reforming public entities to bring efficiency in service delivery is always welcomed. Similarly, the winding up of unprofitable business can open opportunities for the private sector to enter the market and bring more efficiency and cause higher profitability.

- In 2024/2025, the Government intends to finalize the establishment of the Industrial Development Fund, Investment Bank, and stock exchange market.

Comment: These are ambitious plans to undertake in one fiscal year since they require funds and competent human capital. Indeed, the establishment of Investment Bank, Stock Exchange Market and Industrial Development Fund at once sounds appealing and the normal textbook examples on how to establish capital markets, but may not be a realistic approach.

Despite the potentiality to establish some light industries, it is obvious Zanzibar does not have competitive advantage to thrive in industrialization due to its small size and scarcity of raw materials. So when it comes to industrialization the problem may not be only about the financing since there are structural, natural and geographical issues hindering industrial development. Before establishing the Industrial Development Fund, it would have been useful for Zanzibar to identify the industrial type it wants to pursue.

In the current national budget, the Revolutionary Government of Zanzibar acknowledges that private investors need to play a more visible role to finance development projects, and this implies ownership of means (and physical infrastructure). The main challenge, however, is how that can be possible in the absence of efficient capital markets.

In the mid-term horizon, it will be optimal to have the stock market to create market liquidity and exit. Yet, the development of a stock market, at this particular moment, may not be an ideal way to create capital markets. Stock exchange market needs large companies to list their shares and corporate bonds, investors to trade them and intermediaries to facilitate transactions. The size of Zanzibar's economy and the strength of the private sector are not ready for establishing a domestic stock exchange market.

Beyond the adverse selection challenge typically associated with the banking system, investment banks when fully owned by the government are prone moral hazards. Unless the investment bank intended to be established by the Government will make direct investment itself, which is contrary to the existing regulations, it is likely to succumb to the moral hazard problem due to agency costs in lending markets.

Under such circumstances and when also considering the prevailing sovereign and economic factors, the establishment of an investment fund under diverse owners from public sector and private investors (large, small, individuals and institutional) is a more ideal initial step for developing capital markets. The establishment of a single fund with multiple investment vehicles, instead of setting up multiple investment funds and banks seems to be the most sensible option given the existing limited options to raise huge initial capital.

One special Purpose Vehicle (SPV), for instance, can be made as an Angel Capital wing to finance start-ups displaying a growth potential. Another SPV can focus on catering for development economic projects. Of course, for all this to work accordingly, the fund will have to be led by the private investors with a proven track record in creating efficient capital markets that can attract large private financing.

SUGGESTIONS FOR CONSIDERATION IN THE NEAR FUTURE

- The reduction and exemption of VAT stipulated in the 2024/2025 budget need to be explicitly stated to help businesses understand the implication of such actions. It would be useful to have complete statements about the reduction rates or if they become zero rated.

- The SDL tax reduction is a remarkable move. It will create a more conducive business environment. The government should consider taking the same measure regarding social security contributions.

- As of now, the formal private sector workers are supposed to contribute a total of 27% of the salaries as social insurance (Zanzibar Social Security Fund (ZSSF) 21% and Zanzibar Health Service Fund (ZHSF) 6%) in exactly the same manner as public workers. The prevailing mandatory social security contributions for the private sector are higher than many other countries, and as result it causes a lower compliance. It largely hinders the formalization of informal businesses.

- For instance, the social security contribution rates across the world are: Denmark (12%), Germany (18.6%), Luxembourg (16%), Turkey (20%), and in Lithuania (20%) where contribution is fully paid by employees. In both Australia and Canada contribution rates to earnings-related schemes is10%.

In Rwanda, the contribution towards the mandatory pension scheme is equal to 6% of the salary, whereby each employee and employer contribute 3% of the basic salary gross salary composed of base salary, allowances, bonuses and other fringe benefits as well as the cash value of the benefits in kind. In Kenya, the social security contribution rate for the private sector is about 10%, on average; every employee pays about 5% of the monthly wage which is matched with an equal amount by the employer.

Zanzibar can contemplate designing a separate mandatory plan for the private sector, different from the one currently used by ZSSF, which is mimicking the system suited the public sector. Lower contribution rate accompanied by wider pension coverage will create a win-win situation for the government through higher contributions collection and formalization of informal businesses, and the private sector will gain from reduced cost of doing business.

- ZHSF has been allocated TZS 19.95 billion for 2024/2025. Given the increasing demand for medical services, the amount allocated may not be enough to meet the demand. The government needs to consider the engagement of the private sector in this new health financing system.
- The Government should incentivize the importation of hybrid motor vehicles to take advantage of the low natural gas prices.
- The Government should accelerate efforts to explore oil and gas in the already allocated plots in order to contribute to GDP.
- The Ministry responsible for Sports should recognize that sports is an employment opportunity and income generation for youth, hence the Government should start tracking the professional player's income and the economic impact created by them.
- The Government should invest in diving schools for training the MAKACHU youths on diving skills such as 3-meter springboard for individuals and synchronized and 10 meters' platform. This will enable the youth to compete in international events such as the Olympics and others.

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For further discussion

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