



Press Release

## **Most Tanzanians are not aware of the SIM Card Tax But the majority disagree with it**

**11 September 2013, Dar es Salaam:** As the SIM Card Tax debate continues to rage, Twaweza used its national mobile phone survey to assess citizens' awareness and opinions about the issue.

The main findings are:

### **Most Tanzanians have access to a mobile phone**

Although mobile phone ownership is concentrated in urban areas and in richer households, three-quarters of rural residents live in a household in which at least one member owns a mobile phone. Just over half (52%) of the poorest households also have one phone.

### **The tax amount is equivalent to one week worth of airtime for the poorest households**

On average, the poorest 10% of households spend TZS 3,154 per month on airtime. This means that they spend less than the SIM Card Tax of TZS 1,000 per week. In contrast, the richest 10% of households spend TZS 45,236 on airtime per month.

### **Less than half of Tanzanians are aware of the SIM Card Tax**

Nationally, 46% of citizens are aware of the SIM Card Tax. In urban areas more people know about the tax (55%) while rural areas, there is significantly lower awareness (41% of rural citizens know about the tax).

### **Most people disagree with the SIM Card Tax**

Across all income groups, large majorities, 83% on average, disagree with the SIM Card Tax. Surprisingly, among the poorest households a relatively lower proportion (71%) disagree with the SIM card tax. The strongest objection comes from better-off households, where 86% citizens disagree with the tax.

As debate about the issue continues, there are a few key aspects to consider. Tanzania runs a substantial budget deficit and the government is committed to increasing domestic revenue sources. The widespread use of mobile phones makes them a compelling option to also widen the domestic tax base. However, because the SIM Card Tax is a flat fee paid by all, it disproportionately affects poorer households. And because mobile phone use is a key driver of economic growth, there is potential that the tax could cause more harm than good.

Rakesh Rajani, Head of Twaweza, said *"Whether the tax is repealed or kept in place should be based on careful consideration, public debate and assessment of people's use of mobile phones, incomes, public opinion, and the SIM Card Tax's desirability as a tax and budget management instrument."*

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**For more information:**

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#### Notes to Editors

- This brief and the data contained can be accessed at [www.twaweza.org](http://www.twaweza.org), or [www.twaweza.org/sauti](http://www.twaweza.org/sauti)
- Twaweza is a ten year citizen-centered initiative, focusing on large-scale change in East Africa. Twaweza believes that lasting change requires bottom-up action, and seeks to foster conditions and expand opportunities through which millions of people can get information and make change happen in their own communities directly and by holding government to account.
- You can follow Twaweza's work

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