

Sierra Leone 2026 Budget Highlights

Economic Indicators & Expenditure Highlights



- The theme for Sierra Leone's 2026 Budget is **Enhancing Domestic Revenue Mobilisation for Sustained Economic Stability and Improved Service Delivery**.
- The **economy** grew by 3.9% in 2024 and is projected to grow by 4.4% in 2025 above the Sub-Saharan African Average.
- **Inflation** continued to fall, reaching 4.4% in October 2025, the lowest in twenty years.
- The **trade deficit** fell to US\$262.3 million between January and September 2025, from US\$429.9 million in 2024, driven by lower imports and higher exports.
- The **Leone** has remained broadly stable against global currencies, recording only a modest 1.6% appreciation compared to the sharper fluctuations in 2022–2023.
- **Key risks** to the economic outlook include rising protectionist measures, a pronounced slowdown among major trading partners, unfavourable shifts in trade terms, extreme climate shocks, and a decline in external aid flows
- The Government **wage bill** is projected at SLE7.9 billion (4.2% of GDP) in 2026, compared to an estimated SLE7.2 billion (4.3% of GDP) in 2025.
- **Total expenditure and net lending** for January to September 2025 amounted to SLE21.0 billion (12.7% of GDP) and is estimated to increase to SLE30.0 billion (18.0 % of GDP) for 2025
- **Planned expenditure** for 2026 in **key sectors** includes SLE 3.8 billion to the **Education Sector** (21% of the budget), SLE 1.7 billion to the **Health Sector** (9% of the budget), and SLE 1.5 billion to the **Agriculture and Food Security Sector** (8% of the budget).

Tax Policy & Administrative Measures



- **New tax policy** measures are introduced in the **Finance Act 2026** as part of the Medium-term Revenue Strategy (MTRS), which was laid before parliament on November 27, 2025. In 2026, the primary focus will be on expanding the tax base and reinforcing tax compliance. The measures include:
 - **Extending the Minimum Alternate Tax (MIT)**, including **all companies**, to effectively **tackle income tax evasion and avoidance**,
 - **Abolishing the Investment allowance** since businesses are already benefiting from **accelerated depreciation of capital items**
 - Restoring the **Corporate Income Tax (CIT)** rate from its COVID-19 adjusted rate of 25.0 % in the Finance Act 2020 to 30.0%
 - Harmonising the **withholding tax rate** on **rental income** with other capital incomes such as **interests, dividends, and royalties** at **15.0%** consistent with the MTRS.
 - Extending the application of **tax stamps** to **cement, sugar, fertiliser, and containers of cooking oil**.
 - Undertaking a **Revenue Administration Governance and Integrity Assessment** at the NRA to inform the design of measures aimed at closing the governance and compliance **gaps in revenue administration**.
 - Developing a **Compliance Improvement Plan** for the extractive industries and large taxpayers consistent with the IMF's Framework.
 - Modernising and **operationalising customs procedures** by introducing the **Electronic Single Window** to enhance customs **efficiency** and trade facilitation

Fiscal & Human Capital Measures



- The Government seeks to intensify **domestic revenue mobilisation**, including leveraging **innovative revenue streams**, while sustaining the ongoing fiscal consolidation efforts.
- The government will **recruit an additional 2,500 teachers**, reassess and promote **2,000 teachers**, effective September 2026.
- Recruitment of **3,000 health workers** approved in 2025, effective July 2026.
- Recruitment of an additional **700 civil servants** effective July 2026
- A **salary increase of 20%** is awarded to **civil servants**, effective September.
- Core staff of **Local Councils** are awarded a **30% salary increase** effective April 2025.
- Provision is made for payroll **changes** at key Governance institutions, such as the Anti-Corruption Commission, the Human Rights Commission, the Audit Service of Sierra Leone, the Parliamentary Service Commission, and the Electoral Commission of Sierra Leone.

“The main risks to Sierra Leone's economic outlook include intensification of protectionist policies, a deeper slowdown in the economies of our main trading partners, adverse terms of trade, extreme climate events, and a decline in aid”



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