

Sierra Leone 2024 Budget Highlights

Economic Indicators & Expenditure Highlights



- The theme for Sierra Leone's 2024 Budget is: **Restoring Macroeconomic Stability while Protecting the Poor and Vulnerable.**
- **Growth** in 2023 was revised downwards to 2.7 per cent from a 3.5 per cent growth in 2022.
- **Inflation** rose from 37.1 per cent in December 2022 to 54.5 per cent by September 2023.
- The country's **trade deficit narrowed** to US\$309.4 million in the first half of 2023 from US\$404.9 million in 2022 due to strong growth in mineral exports.
- The depreciation of the Leone moderated to 17.2 percent between January and October 2023 compared to 39.1 percent in 2022.
- The **main risks** to the outlook of the Sierra Leone economy include multiple crises characterized by weak economic growth, limited fiscal space, higher inflation, high debt burden and sharp depreciation of the Leone.
- The **wage bill** is projected to increase to NLe6.5 billion (6.4 percent of GDP) in 2024 compared to NLe5.3 billion (6.7 percent of GDP) in 2023.
- **Planned expenditure** for 2024 in **key sectors** includes NLe 3.0 billion to the **Education sector (20% of the budget)**, NLe 1.1 billion to the **Health sector (7% of the budget)**, and NLe 1.1 billion to the **Agriculture and Food Security sector (7% of the budget)**.

Tax Policy & Administrative Measures



- **New tax policy** measures are introduced in the **Finance Act 2024** as part of the Medium-term Revenue Strategy (MTRS), which has also been laid before parliament on November 9, 2023. The measures include:
 - The **introduction of Excise Duty of 10%** for **gambling, betting and lottery.**
 - **Minimum Alternate Tax (MAT)** is reduced from **3 per cent to 2 per cent** and other adjustments to its applicability.
 - Adjusting the **GST registration threshold to NLe500,000 from NLe100,000.** Re-introduction of **GST exemption for plant and machinery** for **agriculture, manufacturing, mining, and petroleum sectors.**
 - Restoring **import duty on imported rice at 5 per cent in 2024, iron rods at 10 percent** from the current rate of **5 percent, imported cement at 20 percent** from **10 percent** and **cooking gas at 5 percent** from **0 per cent.**
 - Introduction of a **1% Education Levy** to support the Government's Free Education initiative.
 - Harmonization of the final **withholding tax rates** for capital income comprising **dividends, interests, and royalties** at a rate of **15 percent.**
 - **Income derived from digital products and services** by companies such as **Google, Meta, and Amazon** from consumers in Sierra Leone is **taxable** in Sierra Leone.

Selected Recovery Measures



- The Government will review the **salaries of civil servants in Grades 1 to 6** effective January 2024. The **least paid civil servant** will receive a take home pay of **NLe1,000.**
- Government will also **recruit 2,000 additional teachers** and reassess and promote 2,200 teachers, recruit **700 military personnel**, recruit **1,000 new employees** by the **Sierra Leone Correctional Services**, recruit **200 new employees** by **Fire Force Authority.**
- The Government contribution to the Community Driven Development Project (CDDP) and Rapid Community Development Initiative (RACODI), NaCSA will provide **short-term employment to 15,000 youth** in 2024 through the construction and rehabilitation of community schools, health and vocational centres and grain stores.
- To further demonstrate Government's commitment to ameliorating the transport constraint on the populace, Government, through the Ministry of Transport and Aviation, **will procure 100 buses** in 2024.

“The main risks to the outlook of the Sierra Leone economy in the first half of 2023 include multiple crises brought on by the spillover of the Ukraine crisis, weak domestic economic activity, rising inflation, exchange rate depreciation and higher”



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