

SUMMARY OF THE LABOUR INSTITUTIONS (MINIMUM WAGE FOR PRIVATE SECTOR) ORDER, 2025

1. INTRODUCTION

This circular serves to inform you of the key provisions of **Government Notice No. 605A of 2025**, titled The Labour Institutions (Minimum Wage for Private Sector) Order, 2025. This new Order revokes the 2022 Minimum Wage Order and introduces revised minimum wage rates effective from **1st January 2026**.

It is imperative for all employers in the private sector to comply with these new regulations to avoid legal and financial repercussions.

2. KEY HIGHLIGHTS AT A GLANCE

- **Effective Date:** 1st January 2026
- **Revoked Order:** The Labour Institutions Minimum Wage Order, 2022 (G.N. No. 687 of 2022)
- **Scope:** Applies to all employers and employees in the private sector.
- **Protection of Better Terms:** Employees already enjoying higher wages or better terms than those prescribed shall continue to do so.
- **New Entitlements:** Mandates a leave travel allowance once every two years of continuous service and a subsistence allowance for work outside the normal station.

3. SECTOR-WISE MINIMUM MONTHLY WAGE SUMMARY

The table below provides a snapshot of the new **monthly** minimum wage rates for key sectors. Please refer to the full Order for daily, weekly, and fortnightly rates

SECTOR / AREA	CATEGORY	MINIMUM MONTHLY WAGE (TZS) GROSS
Financial Institutions	Commercial Banks	733,000
Mining	Mining & Prospecting	695,000
Energy	International Companies	765,900
Communications	Telecommunication Services	644,000
Transport	Aviation Services	498,000
Construction	Contractors Class I	515,000
Hotel & Hospitality	5-Star & 4-Star Hotels	375,000
Private Schools	Higher Education Institutions	300,700
Sports & Entertainment	All Activities	287,500
Health Sector	Hospital	250,000
Private Security	International Companies	320,000
Domestic Work	Employed by Diplomats	328,000
Domestic Work	Other Domestic Workers	80,000
Industrial Sector	General	200,000
Agriculture	Crop Production	175,000
Waste Management	Collection & Disposal	188,500
Any Other Sector	Not Specified in Order	175,000

4. CRITICAL ACTION POINTS FOR EMPLOYERS

- 1. Review & Update Payroll:** Immediately review all employment contracts and payroll systems to ensure compliance with the relevant sectoral minimum wage by 1st January 2026.
- 2. Identify Correct Sector:** Carefully determine the appropriate sector and sub-category (as per the Second Schedule) for each of your employees.
- 3. Honor Better Terms:** If your current employment contracts or Collective Bargaining Agreements (CBAs) provide for better terms, those superior conditions must be maintained.

4. Budget for New Allowances: Incorporate the cost of the new bi-annual leave travel allowance and potential subsistence allowances into your financial planning.

5. Seek Clarification: The rates provided here are a summary. For specific, detailed advice tailored to your business, please contact our offices.

For further consultation, please contact us at:

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