

COVID 19's Effect on Income, Tanzania Perspective

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The paper is a contribution to a better understanding of how COVID-19 has affected people's income. Although Tanzania did not implement a total lockdown nor close its borders, the economic crisis that affected international trade threatened people's livelihoods all over the world. During the pandemic, there was a downfall in the economy, in the private sector, some people lost jobs due to the closure of businesses, especially in tourism, transport, and hotel accommodation activities. The pandemic also affected the household consumption expenditure with a decrease in purchases of goods and services used by the household(s) such as clothing, household durable, and household rent. The number of individual entrepreneurs also decreased. In this paper, we combine indirect indicators of value-added tax (VAT), exports, and imports, also the level of hotel accommodation/bed occupancy to track the dynamics of household income during the pandemic period using the series of monthly data from 2017 to 2021. The indicators are nationally representative and applicable to a basic requirement of people's livelihood. The indicators are based on the Tanzania Revenue Authority and the National Bureau of Statistics. The structural regression model is used to analyse data and research findings will provide policymakers with more transparency on the effect of the pandemic on income.