

ATE/CIR/1/2013

9th July 2013

Dear Members,

**RE: THE PUBLICATION OF THE LABOUR INSTITUTIONS
WAGE ORDER 2013**

The above subject refers.

The Minister for Labour and Employment **Hon. Gaudentia M. Kabaka (MP)** has published the above in the Government Gazette as required by the Labour Institutions Act (No. 7 of 2004). The new Wage Order which came into force on 1st July 2013 was published on 28th June 2013 as **Government Notice No. 196 of 2013**. It has revoked the old Wage Order which was GN 172 of 2010.

The coming into force of the new Wage Order has the following implications to employers:

1. Employers who are currently paying their employees wages which are lower than those prescribed under the Second Schedule should adjust such wages in order to be in compliance with the new Wage Order.
2. The Wage Order prescribes minimum wages, these can be improved through collective bargaining agreements.
3. Employers who at the commencement of this Wage Order are paying higher rates of wages and are providing more favorable terms and conditions of employment than those prescribed in the Second Schedule should continue to pay such higher wages which for the purpose of this Order shall be deemed to be the minimum wage.
4. The wage order does not include Fringe Benefits, these will continue to be a subject of collective bargaining agreements. However, an employee shall in addition to annual paid leave, be entitled to leave travel assistance once in every two years of continuous services with the same employers.
5. Employers who are in other sectors not mentioned in the 12 Sectoral Minimum Wage Boards should pay their employees Tshs 100,000.

THE NEW MINIMUM WAGES:

1. Agriculture Tshs 100,000
2. Health Services Tshs 132,000
3. Communications Services has 2 types of wages as follows:
 - a) Telecommunication Tshs 400,000

- b) Broadcasting and Mass Media, Postal and Courier Services Tshs 150,000
4. **Domestic and Hospitality Services has 7 types of wages as follows:**
- a) Domestic workers employed by Diplomats and Potential Businessmen Tshs 150,000
 - b) Domestic workers employed by entitled officers Tshs. 130,000
 - c) Domestic workers other than those employed by diplomats and potential businessmen and entitled officers who are not residing in the household of the employer shs 80,000
 - d) Other domestic workers not specified in (a), (b) and (c) above Tshs 40,000
 - e) Potential and Tourists Hotels Tshs 250,000
 - f) Medium Hotels Tshs 150,000
 - g) Restaurants, Guest Houses and Bars Tshs 130,000
5. **Private Security Services has 2 types of wages as follows:**
- a) International and Potential security companies Tshs 150,000
 - b) Small Companies Tshs 100,000 (*small companies means all companies other than international or potential companies*)
6. **Energy Services has 2 types of wages as follows:**
- a) International companies Tshs 400,000
 - b) Small companies Tshs 150,000
7. **Transport Services has has 3 types of wages as follows:**
- a) Aviation Services Tshs 300,000
 - b) Clearing and Forwarding Tshs 300,000
 - c) Inland Transport Tshs 200,000
8. **Construction Services has 3 types of wages as follows:**
- a) Contractors Class 1 Tshs 325,000
 - b) Contractors Class 2-4 Tshs 280,000
 - c) Contractors Class 5-7 Tshs 250,000
9. **Mining Sector has 4 types of wages:**
- a) Mining Licences and Prospecting Licences shs 400,000
 - b) Primary Mining Licences Tshs 200,000
 - c) Dealers Licences Tshs 300,000
 - d) Brokers Licences Tshs 200,000
10. **Private Schools Services (Nursery, Primary and Secondary Schools) Tshs 140,000**
11. **Trade, Industries and Commercial services has 2 types of wages**
- a) Trade Industries and Commerce Tshs 100,000
 - b) Financial Institutions Tshs 400,000
12. **Fishing and Marine Services Tshs 200,000**
13. **Employers who are in other sectors not mentioned in the 12 Sectoral Minimum Wage Boards mentioned above should pay their employees Tshs 100,000.**

Please find attached to this Circular the Scanned copy of the said Minimum Wage Order GN 196 for your further reference.

Members are advised accordingly.

Yours Sincerely,

ASSOCIATION OF TANZANIA EMPLOYERS

Dr. Aggrey K. Mlimuka
EXECUTIVE DIRECTOR

SUBSIDIARY LEGISLATION

to the Gazette of the United Republic of Tanzania No. 26 Vol. 94 dated 28th June, 2013

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GOVERNMENT NOTICE NO. 196 published on 28/06/2013

LABOUR INSTITUTIONS ACT, (CAP. 300)

ORDER

(Made under section 39(1))

LABOUR INSTITUTIONS WAGE ORDER, 2013

1. This Order may be cited as the Labour Institutions Wage Order, 2013 and shall come into operation on the 1st day of July, 2013.

Citation
and
Commence-
ment

2. This Order shall apply to all employees and employers in the private sector.

Applica-
tion

3. In this Order, unless the context requires otherwise:
“agriculture” shall include crop production, forest activities, animal husbandry and insect raising; the primary processing of agriculture and animal products by or on behalf of the operator of the undertaking as well as use and maintenance of machinery, equipment, appliances, tools and agricultural installations, including any process, storage, operation or transportation in agricultural undertaking including cooperatives which are related to agricultural production;
“collective bargaining agreement” means a written agreement concluded by a registered trade union and an employer or registered employers association on any labour matter;

Interpreta-
tion

"commercial or industrial enterprises" means the carrying on for gain of any business, trade, profession or other similar activities but shall not include mining and agriculture;

"contractors" include civil engineering, building, mechanical, electrical and specialized contractors;

"domestic work" means work performed in or for household;

"domestic worker" means any person engaged in domestic work within an employment relationship shall not include a person who performs domestic work sporadically on an occupational basis;

Cap. 366 "employee" has the meaning assigned to it under the Employment and Labour Relations Act;

Cap. 366 "employer" has the meaning assigned to it under the Employment and Labour Relations Act;

"energy" includes all processes that relate to the production or supplying of energy from any source;

"international companies" means multinational corporations or international business companies that engage in business within and among multiple countries;

Cap. 123 "mining" and "mining operations" shall have the same meaning assigned to it under the Mining Act, and shall not include any processes related to the production of salt or limestone;

"potential businessman" means any person who engage in the carrying on for gain of any activity of economy to substantial performance, scale and profit margin;

"private sector" means any sector other than public sector;

"small companies" means all companies other than international or potential companies; and

"tourist hotels" means all hotels including camping that provide accommodation and other amenities to tourists.

Wages boards
4.-(1) Subject to the provisions of this Order, the Wage Boards are hereby established in a manner prescribed in the First Schedule to this Order.

Cap. 366 (2) Calculation of comparable wage rates on hourly, daily, weekly, fortnightly or monthly basis, shall be determined as prescribed in the First Schedule made under section 26(1) of Employment and Labour Relations Act.

(3) The minimum wage rates specified in the Second Schedule to this Order shall be regarded as minimum amount payable to employee in the respective sector and employer may pay such employee above the minimum but shall not pay the employee below the prescribed amount in respective sector.

(4) More favorable terms on the minimum wage rates shall be improved through collective bargaining agreements or as agreed otherwise.

5.-(1) Subject to the provision of this Order, employment standards applicable to all employees in each specified sector shall be as provided for under Part III of the Employment and Labour Relations Act, or as applying to better terms and conditions of employment stipulated in the Contract of employment or collective bargaining agreement.

Employ-
ment
standards

Cap. 366

(2) An employee shall in addition to annual paid leave, be entitled to leave travel assistance once in every two years of continuous service with the same employer.

6. Where any employee to whom the provisions of this Order apply is at the commencement of this Order, entitled to receive wages at a higher rate than those prescribed or provided under this Order, that employee shall for so long as is employed by the same employer, continue to receive such higher wages and favorable terms.

Persons
enjoying
better
terms

7. The Labour Institution (Regulations of Wages and Terms of Employment) Order is hereby revoked.

Revoca-
tion of
GN. 172
of 2010

First Schedule

(Made under paragraph (4(1))

ESTABLISHMENT OF WAGE BOARDS

- (a) Labour Institutions (Appointment of members of the Agricultural Services Sector Wage Board);
- (b) Labour Institutions (Appointment of Members of the Health Services Sector Wage Board);
- (c) Labour Institutions (Appointment of Members of the Communication Services Sector Wage Board);
- (d) Labour Institutions (Appointment of Members of the Domestic and Hospitality Services Sector Wage Board);
- (e) Labour Institutions (Appointment of Members of the Private Security Services Sector Wage Board);
- (f) Labour Institutions (Appointment of Members of the Energy Services Sector Wage Board);
- (g) Labour Institutions (Appointment of Members of the Transport Services Sector Wage Board);
- (h) Labour Institutions (Appointment of Members of the construction Services Sector Wage Board);
- (i) Labour Institutions (Appointment of Members of the Mining Services Sector Wage Board);
- (j) Labour Institutions (Appointment of Members of the Private School Services Sector Wage Board);
- (k) Labour Institutions (Appointment of Members of the Trade, Industries and Commercial Services Sector Wage Board);
- (l) Labour Institutions (Appointment of Members of the Fishing and Marine Services Sector Wage Board).

Labour Institutions Wage

G.N. No. 196 (contd.)

SECOND SCHEDULE

(Made under paragraph 4(3))

MINIMUM WAGE

G.N. No. 183/2011	Sector and Area	Rate	TShs.
(a)	Agricultural Services	Hourly Daily Weekly Fortnightly Monthly	512.85 3,846.50 23,078.70 46,157.40 100,000.00
(b)	Health Services	Hourly Daily Weekly Fortnightly Monthly	677.00 5,077.30 30,463.90 60,927.76 132,000.00
(c)	Communication Services		
	(a) Telecommunication Services	Hourly Daily Weekly Fortnightly Monthly	2,051.45 15,385.80 92,314.80 184,629.60 400,000.00
	(b) Broadcasting and Mass Media, Postal and Courier Services	Hourly Daily Weekly Fortnightly Monthly	769.30 5,769.70 34,618.05 69,236.10 150,000.00
(d)	Domestic and Hospitality Services		
	(a) Domestic Workers employed by diplomats and Potential businessmen	Hourly Daily Weekly Fortnightly Monthly	769.30 5,769.70 34,618.05 69,236.10 150,000.00
	(b) Domestic Workers employed by entitled officers.	Hourly Daily Weekly Fortnightly Monthly	666.70 5,000.40 30,002.30 60,004.60 130,000.00
	(c) Domestic workers, other than those employed by diplomats and Potential businessmen and entitled officers who are not residing in the household of the employer	Hourly Daily Weekly Fortnightly Monthly	410.00 3,077.15 18,463.00 36,925.90 80,000.00
	(d) Other domestic workers not specified in (a) (b) and (c) above	Monthly	40,000.00
	(e) Potential and Tourists Hotels	Hourly Daily Weekly Fortnightly Monthly	1,282.15 9,616.10 57,696.75 115,393.50 250,000.00

Labour Institutions Wage

GN. No. 196 (contd.)

<i>GN. No. 183/2011</i>	<i>Sector and Area</i>	<i>Rate</i>	<i>TShs.</i>
	(f) Medium Hotels	Hourly Daily Weekly Fortnightly Monthly	769.30 5,769.70 34,618.05 69,236.10 150,000.00
	(g) Restaurants, Guest Houses and Bars	Hourly Daily Weekly Fortnightly Monthly	666.70 5,000.40 30,002.30 115,393.50 130,000.00
(c)	Private Security Services		
	(a) International and Potential Companies	Hourly Daily Weekly Fortnightly Monthly	769.30 5,769.70 34,618.05 69,236.10 150,000.00
	(b) Small companies	Hourly Daily Weekly Fortnightly Monthly	512.85 3,846.50 23,078.70 46,157.40 100,000.00
(f)	Energy Services		
	(a) International Companies	Hourly Daily Weekly Fortnightly Monthly	72,051.45 15,385.80 92,314.80 184,629.60 400,000.00
	(b) Small companies	Hourly Daily Weekly Fortnightly Monthly	769.30 5,769.70 34,618.05 69,236.10 150,000.00
(g)	Transport Services		
	(a) Aviation Services	Hourly Daily Weekly Fortnightly Monthly	1,795.05 13,462.55 80,775.45 161,550.90 300,000.00
	(b) Clearing & Forwarding	Hourly Daily Weekly Fortnightly Monthly	2,367.10 11,539.35 69,236.10 138,472.20 300,000.00
	(c) Inland Transport	Hourly Daily Weekly Fortnightly Monthly	1,025.80 7,692.90 46,157.40 92,314.80 200,000.00
(h)	Construction Services		
	(a) Contractors Class I	Hourly Daily Weekly Fortnightly Monthly	1,666.80 12,500.95 75,005.75 150,011.55 325,000.00

	(b) Contractors Class II - IV	Hourly	1,436.05
		Daily	10,770.05
		Weekly	64,620.35
		Fortnightly	129,240.70
		Monthly	280,000.00
	(b) Contractors Class V - VII	Hourly	1,282.15
		Daily	9,616.10
		Weekly	5,769.75
		Fortnightly	115,393.50
		Monthly	250,000.00
(i)	Mining		
	(a) Mining and Prospecting Licenses	Hourly	2,051.45
		Daily	15,385.80
		Weekly	92,314.80
		Fortnightly	184,629.60
		Monthly	400,000.00
	(b) Primary Mining Licenses	Hourly	1,025.80
		Daily	7,692.90
		Weekly	46,157.40
		Fortnightly	92,314.80
		Monthly	200,000.00
	(c) Dealers Licenses	Hourly	1,538.55
		Daily	11,539.35
		Weekly	69,236.10
		Fortnightly	138,472.40
		Monthly	300,000.00
	(d) Brokers Licenses	Hourly	1,025.80
		Daily	7,692.90
		Weekly	46,157.40
		Fortnightly	92,314.80
		Monthly	200,000.00
(j)	Private Schools Services (Nursery, Primary and Secondary Schools)	Hourly	718.00
		Daily	5,385.02
		Weekly	32,310.15
		Fortnightly	64,620.35
		Monthly	140,000.00
(k)	Trades, Industries and Commercial Services		
	(a) Trade, Industries and Commerce	Hourly	512.85
		Daily	3,846.50
		Weekly	23,078.70
		Fortnightly	46,157.40
		Monthly	100,000.00
	(b) Financial Institutions	Hourly	2,051.45
		Daily	15,385.80
		Weekly	92,314.80
		Fortnightly	184,629.60
		Monthly	400,000.00

(i)	Fishing and Marine Services	Hourly	1,025.80
		Daily	7,692.90
		Weekly	46,157.40
		Fortnightly	92,314.80
		Monthly	200,000.00
	Other sectors not mentioned in this Wage Order	Hourly	512.85
		Daily	3,846.45
		Weekly	23,078.70
		Fortnightly	46,157.40
		Monthly	100,000.00

Dar es Salaam,
25th June, 2013.

GAUDENTIA M. KABAKA (MP.),
Minister for Labour and Employment