

irrigation, particularly in rice production, the country's staple food, supporting land preparation through the e-voucher system, supporting market linkages, and agriculture financing. Additionally, strong performance in the mining sector as well as planned investments in the energy sector with support from development partners is expected to provide strong impetus to economic activities and support the near-term growth momentum.

5. Inflation significantly declined from 54.2 percent in November 2023 to 25.5 percent in August 2024 and further down to 20.2 percent in September 2024. The marked decline in inflation reflects the tighter fiscal and monetary policies that have also supported relative exchange rate stability. In the medium-term, inflation is projected to decline further to single digits as the authorities sustain policy tightening efforts.
6. The current account deficit continues to improve from 5.3 percent of GDP in 2023 to 4.0 percent in 2024 against the backdrop of improved export performance and subdued imports in response to fiscal tightening. Nonetheless, international reserves declined from 2.6 to 2.4 months of imports between 2023 and 2024, against the background of elevated external debt service costs alongside depleted donor support. However, the authorities are taking steps to rebuild external reserves over the medium-term to bolster resilience to external shocks.

Fiscal Policy and Debt Management

7. Our authorities remain committed to prudent fiscal management through its medium-term revenue mobilization efforts and expenditure containment measures. To this end, they stepped up implementation of the remaining revenue-enhancing measures in the 2023 and 2024 Finance Acts consistent with their Medium-Term Revenue Strategy (MTRS) aimed to meet the domestic primary surplus target. In this vein, they have strengthened compliance tracking and enforcement of tax collection, introduced the use of the **N-Soft** technology to audit reporting of telecoms transactions and the ensuing GST collection. Concurrently, they operationalized the **SICPA¹ product marking system** for domestic excise collection, use of mobile app for vehicle circulation levy and income taxes from commercial vehicles, ensured continuous implementation of the revised full pass-through petroleum pricing formula, and implemented the fuel marking. The authorities are also pressing ahead with other revenue administrative measures, including the establishment and operationalization of a tax court to facilitate a speedy trial of tax defaulters, implementing the safe harbor scheme for iron ore, and registering of businesses across districts to expand the tax base. They have also made notable strides in integrating all national revenue systems, including the ITAS², ASYCUDA³ and Electronic Cash Register (ECR). Going forward they are fully committed to applying the Extractive Industry Revenue Administration Act 2018 to all new mining agreements.

¹ SICPA- "Société Industrielle et Commerciale de Produits Alimentaires" is a Swiss technology company supporting the National Revenue Authority of Sierra Leone in undertaking product marking of excisable goods and fuel

² ITAS - Integrated Tax Administration System.

³ ASYCUDA - Automated System for Customs Data