



# BANK OF TANZANIA

## **CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE QUARTER ENDING MARCH 2019**

**Volume 4 No. 1**



## **BANK OF TANZANIA**

# **CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE QUARTER ENDING MARCH 2019**

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## Executive Summary

During the quarter ending March 2019, annual headline inflation declined across all zones<sup>1</sup> when compared to the corresponding quarter of 2018, except for Southern Highlands zone. The outturn largely resulted from improved food supply. Average wholesale prices for most food crops declined compared to the same quarter in 2018 except for wheat, maize and round potatoes, with the highest price decline registered in rice and finger millet. The stock of maize held by National Food Reserve Agency (NFRA) decreased by 5.4 percent to 77,645.6 tonnes following release of 26,603.0 tonnes of maize to World Food Programme and to the market through private traders. Meanwhile, NFRA purchased 9,380.8 tonnes of maize from domestic market.

During the quarter ending March 2019, the value of livestock sold in registered markets increased by 20.3 percent quarter-to-quarter, partly explained by below average short rains, which compelled farmers to sell their livestock for food in order to hedge against poor harvests. Quantity and value of fish catches increased by 40.9 and 40.3 percent, respectively, with all zones recording increases except Northern zone.

The value of selected manufactured goods decreased by 4.3 percent. The decrease was recorded in all zones except South Eastern and Lake zones. In the South Eastern zone, the increase in the value was largely recorded in cement, steel, salt, gypsum products and carbonated soft drinks, while in the Lake zone, the increase was registered in sugar, foam mattresses, milk and tea. The value of mineral increased by 8.5 percent mainly on account of increased extraction of gold, gemstones, diamond, coal and salt.

Electricity generation grew by 10.2 percent to a cumulative output of 1.9 million megawatts largely due to increase in power generation at Nyumba ya Mungu dam in Northern zone and at Kinyerezi II power plant in Dar es Salaam zone. Natural gas production from Songo Songo and Mnazi Bay fields increased by 15.8 percent mainly due to increased demand by power generating plants and some manufacturing industries.

Tax revenue collection amounted to TZS 3,901.3 billion during the quarter under review, equivalent to 86.0 percent of the target. The Dar es Salaam zone contributed the largest share of tax collection, followed by Northern zone. Cross border trade balance decreased by 20.8 percent to a surplus of TZS 1,023.4 billion, largely explained by increase in the value of capital and intermediate goods

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<sup>1</sup> The Bank of Tanzania monitors economic developments at micro-level basing on six zones, each served by one branch office. The zones and respective regions are: Central zone which comprises Dodoma, Morogoro, Singida, and Tabora regions; Dar-es-Salaam zone (Dar es Salaam); South Eastern zone (Ruvuma, Pwani, Lindi and Mtwara); Lake zone (Geita, Kagera, Kigoma, Mara, Mwanza, Shinyanga and Simiyu); Northern zone (Arusha, Kilimanjaro, Manyara and Tanga); and Southern Highlands zone (Iringa, Katavi, Mbeya, Njombe, Rukwa and Songwe).



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imports particularly fuel; and decrease in exports of cashew nuts, consumable goods, maize flour and raw agro goods. Meanwhile, the volume of cargo handled at Dar es Salaam port, which accounted for 97.0 percent of the total cargo handled by Tanzania Port Authority's main seaports, increased by 2.3 percent to 3.9 million tonnes. This performance was mostly associated with streamlining and easing of documentation processes at the port, expansion of berths and improvement of infrastructure, particularly road network to neighboring countries.

The number of visitors to attraction sites increased by 3.1 percent quarter-to-quarter, while total earnings from tourism related activities rose by 3.0 percent. Northern zone contributed 71.5 percent of the total number of visitors to attraction sites and 73.3 percent of total earnings from tourism related activities in the country.

Commercial banks deposits increased by 8.6 percent compared to the corresponding quarter in 2018. Credit extended by commercial banks to various economic activities increased by 10.7 percent with notable improvement recorded in the Lake, Northern and South Eastern zones. Improvement in credit growth reflects increase in demand to support expansion of economic activities. The contribution of Dar es Salaam zone in banks lending continued to be significant despite a decrease of 6.0 percent during the quarter under review. On average, personal loans, loans for trade and manufacturing activities attracted more credit than other activities.



## 1.0 ECONOMIC DEVELOPMENTS

### 1.1 Inflation Developments

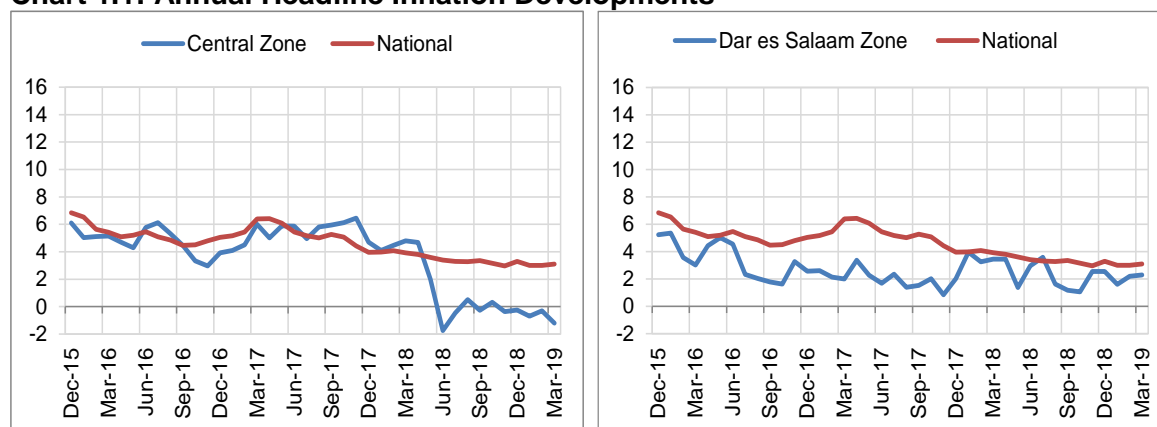
During the quarter ending March 2019, annual headline inflation rates declined across all zones when compared to the corresponding quarter of 2018, except for Southern Highlands zone. Notably, the Central zone recorded average deflation of 0.7 percent during the period. The slowdown in inflation resulted mainly from improvement in food supply due to bumper harvests in 2017/18 season. Inflation in Southern Highlands zone rose to an average of 5.0 percent from 0.9 percent following increase in costs of some non-food items particularly fuel, transportation and furnishing. Meanwhile, all zones registered inflation below the national headline inflation of 3.0 percent, except South Eastern and Southern Highlands zones (**Table 1.1** and **Chart 1.1**).

**Table 1.1: Quarterly Changes in Consumer Price Index**

Quarter ending	National	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands
Mar-18	4.0	4.5	3.6	2.6	5.4	7.3	0.9
Jun-18	4.3	4.4	2.7	4.6	4.9	7.2	2.5
Sep-18	3.3	-0.1	2.1	3.0	3.1	6.1	3.8
Dec-18	3.1	-0.1	2.1	2.0	2.3	5.3	4.9
Mar-19	3.0	-0.7	2.0	2.4	1.6	3.9	5.0

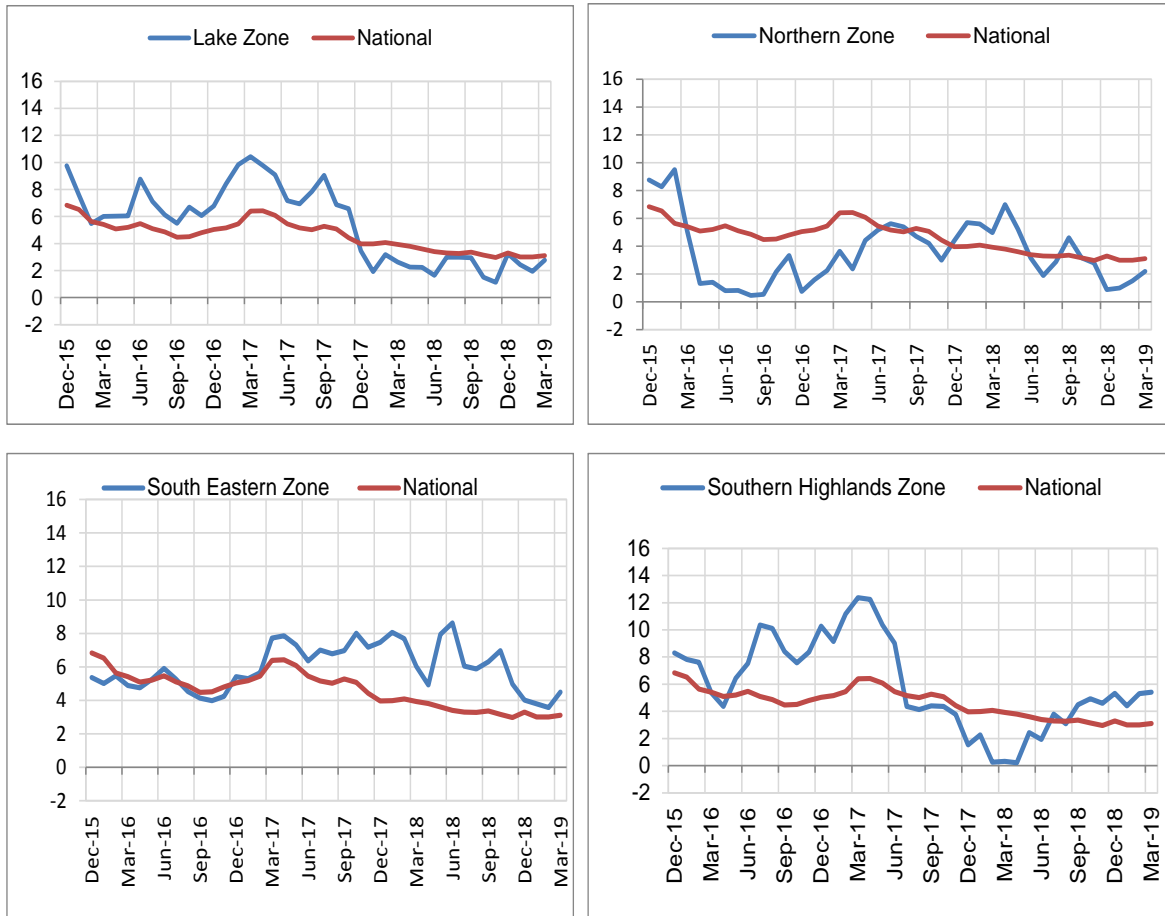
Source: National Bureau of Statistics, and Bank of Tanzania computations

**Chart 1.1: Annual Headline Inflation Developments**





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Source: National Bureau of Statistics, and Bank of Tanzania computations

### 1.2 Wholesale Food Crop Prices

Reflecting adequate food supply in many parts of the country, average wholesale prices of most staple food crops<sup>2</sup> declined compared to the similar quarter of 2018, save for wheat, maize and round potatoes (**Table 1.2**). The decline was more significant for finger millet and rice, which fell by 16.0 and 9.6 percent, respectively. The lowest price of finger millet was recorded in Central zone averaging TZS 104,579 per 100 Kg, while for rice; the lowest price was recorded in Lake zone at TZS 148,985 per 100 Kg.

<sup>2</sup> Includes beans, bulrush millet, finger millet, maize, rice, round potatoes, sorghum and wheat





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**Table 1.2: Average Wholesale Prices for Selected Food Crops**

		TZS per 100 Kgs						
Period		Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Quarter ending Mar -18	Beans	173,280	195,362	133,750	165,137	182,032	186,000	172,594
	Bulrush millet	65,097	83,998	n.a	62,099	n.a	n.a	70,398
	Finger millet	141,328	147,213	n.a	130,747	197,407	n.a	154,174
	Maize	51,472	50,738	49,556	49,142	43,957	35,933	46,800
	Rice	171,238	193,652	166,333	195,413	176,514	223,200	187,725
	Round potatoes	77,431	74,237.0	65,855	82,947	n.a	56,133	71,321
	Sorghum	76,081	81,899	60,333	60,938	126,500	n.a	81,150
	Wheat	n.a	117,181	n.a	91,800	n.a	n.a	104,491
Quarter ending Dec-18	Beans	171,344	185,806	153,583	135,969	168,418	153,375	161,415.9
	Bulrush millet	54,945	70,595	n.a	73,516	n.a	n.a	66,352.0
	Finger millet	159,958	137,362	n.a	105,277	146,062	n.a	137,164.6
	Maize	47,633	45,023	56,083	38,872	43,905	31,253	43,794.9
	Rice	154,760	163,052	135,825	160,090	181,195	149,891	157,468.9
	Round potatoes	66,202	96,037	86,146	87,748	n.a	65,843	80,395.0
	Sorghum	81,448	73,835	77,729	55,331	97,565	n.a	77,181.6
	Wheat	n.a	125,099	n.a	92,928	n.a	97,540	105,189.0
Quarter ending Mar-19 <sup>P</sup>	Beans	168,694	194,260	153,371	152,723	173,827	173,811	169,447.7
	Bulrush millet	46,715	69,109	n.a	75,581	n.a	n.a	63,801.8
	Finger millet	104,579	129,370	n.a	119,775	164,613	n.a	129,584.3
	Maize	48,857	60,077	57,508	45,844	53,890	42,261	51,406.2
	Rice	158,731	179,981	148,985	171,689	183,951	174,833	169,695.1
	Round potatoes	71,949	75,573	79,508	70,442	n.a	68,958	73,286.0
	Sorghum	67,154	76,603	87,664	57,621	99,602	n.a	77,728.7
	Wheat	n.a	132,185	n.a	99,348	n.a	n.a	115,766.6

Source: Ministry of Industries, Trade and Investment

Note: p denotes provisional data; and n.a, not available

## 2.0 FOOD SUPPLY SITUATION

Following bumper harvest during 2017/18 crop season, food supply situation was adequate in all zones during the quarter ending March 2019, despite noticeable price increases for some food crops in some zones compared to the similar quarter in 2018. Meanwhile, the stock of maize held by National Food Reserve Agency (NFRA) decreased to 77,645.6 tonnes at the end of the quarter ending March 2019 from 81,847.4 tonnes recorded at the end of the corresponding quarter in 2018. During the quarter, NFRA purchased 9,380.8 tonnes and released 26,603.0 tonnes of maize to World Food Programme and the market through private traders (**Table 2.1**).



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**Table 2.1: Stock of Food Held by NFRA**

Period	Zone	Opening balance	Quantity purchased	Quantity transferred in/out*	Quantity released	Tonnes Closing balance
Quarter ending Mar-18	Central	7,225.0	0.0	-3,017.6	2,373.0	7,869.6
	Southern Highlands	42,370.0	0.0	5,134.4	1,328.8	35,906.8
	Northern	3,859.8	0.0	-899.8	908.1	3,851.5
	Lake	8,191.1	0.0	0.0	3,500.0	4,691.1
	South Eastern	21,892.9	0.0	0.0	0.0	21,892.9
	Dar es Salaam	8,535.5	0.0	900.0	0.0	7,635.5
	<b>Total</b>		<b>92,074.3</b>	<b>0.0</b>	<b>2,117.0</b>	<b>8,109.9</b>
Quarter ending Dec-18	Central	12,346.5	929.4	6,802.0	0.0	20,077.9
	Southern Highlands	30,631.8	11,841.1	2,730.2	145.5	39,597.2
	Northern	4,052.6	838.3	0.0	900.0	3,990.8
	Lake	2,631.7	1,321.7	2,243.9	156.5	6,040.8
	South Eastern	24,528.9	3,211.4	0.0	6,548.4	21,191.9
	Dar es Salaam	3,727.5	399.8	0.0	7.9	4,119.4
	<b>Total</b>		<b>77,919.0</b>	<b>18,541.7</b>	<b>11,776.0</b>	<b>7,758.3</b>
Quarter ending Mar-19 <sup>P</sup>	Central	20,077.9	0.0	20,630.6	25,450.6	15,257.9
	Southern Highlands	39,597.2	4,154.9	-11,595.6	213.4	31,943.2
	Northern	3,990.8	336.8	1.3	901.3	3,427.6
	Lake	6,040.8	0.0	267.8	22.0	6,286.6
	South Eastern	21,191.9	4,889.1	-5,850.6	0.0	20,230.4
	Dar es Salaam	4,119.4	0.0	-3,603.8	15.7	500.0
	<b>Total</b>		<b>95,018.0</b>	<b>9,380.8</b>	<b>-150.3</b>	<b>26,603.0</b>

Source: National Food Reserve Agency

Note: The NFRA stock does not include the amount in transit; p denotes provisional data; \* positive sign denotes transfer in and negative sign, transfer out

## 3.0 SECTORAL PERFORMANCE

### 3.1 Livestock

The value of livestock sold in registered markets increased by 20.3 percent to TZS 323.8 billion in the quarter ending March 2019 from the value recorded in the corresponding quarter of 2018 (**Table 3.1**). All zones recorded increases except Dar es Salaam. The highest increase was registered in Southern Highlands and Lake zones, partly explained by below average short rains, which compelled farmers to sell their livestock for food in order to hedge against poor harvests. Central zone accounted for the largest share of 31.4 percent of the value of sold livestock, followed by Dar es Salaam zone with 20.2 percent, while South Eastern zone accounted for the least share of 3.2 percent.



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**Table 3.1: Livestock Sold through Registered Markets**

Period	Livestock	Unit	Lake	Northern	Southern Highlands	Central	Dar es Salaam	South Eastern	Total
Quarter ending Mar -2018	Cattle	Number	125,871	79,155	30,631	158,103	92,565	15,155	501,480
		Value (Millions of TZS)	37,845	49,745	14,533	67,833	66,562	6,955	243,474
	Goats	Number	93,106	59,686	9,533	77,078	50,745	10,354	300,502
		Value (Millions of TZS)	4,592	4,837	620	4,343	3,625	924	18,941
	Sheep	Number	6,934	38,632	2,064	30,468	22,725	1,591	102,414
		Value (Millions of TZS)	286	3,301	128	1,489	1,452	98	6,753
	Total	Value (Millions of TZS)	42,724	57,883	15,281	73,666	71,638	7,977	269,168
Quarter ending Dec-2018	Cattle	Number	197,631	83,516	54,557	203,622	65,090	19,163	623,579
		Value (Millions of TZS)	76,823	47,270	27,934	89,285	48,061	10,903	300,276
	Goats	Number	93,268	66,228	13,528	119,811	45,069	9,842	347,746
		Value (Millions of TZS)	4,396	6,261	1,101	6,501	3,334	662	22,253
	Sheep	Number	46,973	45,465	1,500	38,097	6,086	1,473	139,594
		Value (Millions of TZS)	1,714	3,369	102	1,667	416	101	7,369
	Total	Value (Millions of TZS)	82,932	56,899	29,137	97,453	51,811	11,667	329,898
Quarter ending Mar-2019	Cattle	Number	122,540	96,879	45,244	201,116	85,120	18,968	569,867
		Value (Millions of TZS)	56,448	53,629	22,331	92,128	62,030	9,755	296,321
	Goats	Number	60,504	65,875	10,591	135,253	27,560	9,865	309,648
		Value (Millions of TZS)	2,914	5,805	682	7,937	2,053	580	19,972
	Sheep	Number	28,716	45,393	1,840	43,919	19,580	1,256	140,704
		Value (Millions of TZS)	1,180	3,159	123	1,683	1,331	71	7,548
	Total	Value (Millions of TZS)	60,542	62,593	23,136	101,748	65,414	10,407	323,840

Source: Office of Regional Administrative Secretaries; Ministry of Livestock Development and Fisheries; and Bank of Tanzania computations

### 3.2 Fisheries

Quantity of fish catches increased by 40.9 percent to 22,932.4 tonnes in the quarter to March 2019 from the quantity recorded in the corresponding quarter of 2018 mostly explained by conducive environment for fish breeding following Government measures to control illegal fishing. Specifically, the significant increase in volume of fish catches in the South Eastern zone was largely due to increase of fish farming activities (aquaculture). Likewise, the total value of fish catches increased to TZS 101.4 billion from TZS 72.3 billion (**Table 3.2**). The increase in fish catches was registered in all zones, except for Northern zone following introduction of fishing ban at Nyumba ya Mungu Dam. Meanwhile, Lake and Southern Highlands zones accounted for 44.8 percent and 21.1 percent of the total fish catches, respectively.



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**Table 3.2: Fish Catches**

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Mar -19
		Mar-18	Dec-18	Mar-19	Dec -18 to Mar-19	Mar -18 to Mar-19	
Central	Tonnes	61.3	111.1	65.4	-41.1	6.7	0.3
	Value (Millions of TZS)	306.8	375.4	365.4	-2.7	19.1	0.4
Dar es Salaam	Tonnes	2,880.8	2,947.1	2,887.4	-2.0	0.2	12.6
	Value (Millions of TZS)	8,715.0	8,385.5	9,967.8	18.9	14.4	9.8
South Eastern	Tonnes	1,423.1	1,776.7	3,395.3	91.1	---	14.8
	Value (Millions of TZS)	2,455.3	7,761.6	14,301.3	84.3	---	14.1
Lake	Tonnes	6,743.9	8,982.0	10,280.6	14.5	52.4	44.8
	Value (Millions of TZS)	46,720.8	59,900.4	49,192.9	-17.9	5.3	48.5
Northern <sup>f</sup>	Tonnes	1,500.7	2,968.5	1,474.5	-50.3	-1.7	6.4
	Value (Millions of TZS)	7,517.9	13,611.2	8,398.2	-38.3	11.7	8.3
Southern Highlands	Tonnes	3,666.0	4,052.6	4,829.2	19.2	31.7	21.1
	Value (Millions of TZS)	6,581.1	16,274.9	19,178.8	17.8	191.4	18.9
Total	Tonnes	16,275.8	20,838.0	22,932.4	10.1	40.9	100.0
	Value (Millions of TZS)	72,296.9	106,309.0	101,404.4	-4.6	40.3	100.0

Source: Office of Regional Administrative Secretaries, and Bank of Tanzania computations

Note: Note: r denotes revised data; and '---', a change that exceeds 100 percent

### 3.3 Manufacturing

During the quarter to March 2019, the value of selected manufactured goods decreased by 4.3 percent to TZS 1,970.8 billion from the value recorded in the corresponding quarter of 2018. The decrease was recorded in all zones except South Eastern and Lake zones, where the value of manufactured goods grew by 24.7 percent and 8.2 percent, respectively. The increase in the value of selected manufactured goods in the South Eastern and Lake zones was largely associated with stability in power supply, availability of raw materials and expanding domestic and regional markets. In the South Eastern zone, the increase in the value was largely recorded in cement, steel, salt, gypsum products and carbonated soft drinks; while in the Lake zone, the increase was registered in sugar, foam mattresses, milk and tea. Meanwhile, Dar es Salaam zone continued to dominate the sector, accounting for 58.3 percent of total value of manufactured goods, followed by Northern zone (Table 3.3).



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**Table 3.3: Value of Selected Manufactured Commodities**

Zone	Billions of TZS					
	Quarter ending			Percentage change		Percentage contribution
	Mar-18 <sup>r</sup>	Dec-18 <sup>r</sup>	Mar-19 <sup>p</sup>	Dec -18 to Mar -19	Mar -18 to Mar -19	
Central	73.0	132.5	62.4	-52.9	-14.5	3.2
Dar es Salaam	1,205.3	1,311.5	1,149.1	-12.4	-4.7	58.3
South Eastern	137.7	170.7	171.7	0.6	24.7	8.7
Lake	126.6	156.9	137.0	-12.7	8.2	7.0
Northern	347.8	311.7	312.5	0.3	-10.1	15.9
Southern Highlands	169.8	179.0	138.0	-22.9	-18.7	7.0
<b>Total</b>	<b>2,060.2</b>	<b>2,262.3</b>	<b>1,970.8</b>	<b>-12.9</b>	<b>-4.3</b>	<b>100.0</b>

Source: National Bureau of Statistics, respective industries, and Bank of Tanzania computations

Note: r denotes revised data; and p, provisional data

### 3.4 Mining

The value of mineral recovery during the quarter to March 2019 was TZS 918.9 billion, 8.5 percent higher than the value recorded in the corresponding quarter of 2018, partly explained by the increase in recovery of gold, gemstones, diamond, coal and salt (**Table 3.4**). Lake zone continued to dominate in mining activities, accounting for 86.3 percent of total value of minerals extracted during the quarter, followed by Southern Highlands zone owing to existence of large-scale gold mines.

**Table 3.4: Value of Mineral Extraction**

Zone	Millions of TZS					
	Quarter ending			Percentage change		Percentage contribution
	Mar-18	Dec-18	Mar-19	Dec -18 to Mar -19	Mar -18 to Mar -19	
Central	3,115.1	2,820.0	5,672.5	---	82.1	0.6
South Eastern	40,382.6	31,757.0	33,543.3	5.6	-16.9	3.7
Lake	733,519.3	936,621.5	793,166.7	-15.3	8.1	86.3
Northern	10,770.5	13,177.3	9,885.1	-25.0	-8.2	1.1
Southern Highlands	59,377.9	73,308.7	76,697.4	4.6	29.2	8.3
<b>Total</b>	<b>847,165.4</b>	<b>1,057,684.5</b>	<b>918,965.0</b>	<b>-13.1</b>	<b>8.5</b>	<b>100.0</b>

Source: Regional Residence Mines Offices and Mining Companies

Note: '---' denotes a change that exceeds 100 percent

### 3.5 Tourism

The number of visitors to attraction sites increased by 3.1 percent to 391,023 in the quarter ending March 2019 from the level recorded in the quarter ending March 2018, while total earnings (mainly gate fees) rose by 3.0 percent to TZS 51.8 billion. All zones recorded increases in the number of



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visitors and earnings from attraction sites, except Southern Highlands zone. This outturn was partly attributed to increased efforts in promoting tourist attractions, as well as improvement of supportive infrastructure such as roads and air transport services. The Northern zone remained dominant, contributing 71.5 percent of the total number of visitors to attraction sites and 73.3 percent of the total earnings from tourism related activities in the country (**Table 3.5**).

**Table 3.5: Number of Visitors and Earnings**

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Mar -19
		Mar-18	Dec-18	Mar-19	Dec -18 to Mar -19	Mar -18 to Mar -19	
Central	Number of visitors	11,395	16,842	12,170	-27.7	6.8	3.1
	Value (Millions of TZS)	393	480	441	-8.0	12.3	0.9
Dar es Salaam	Number of visitors	2,794	7,895	5,161	-34.6	84.7	1.3
	Value (Millions of TZS)	53	53	101	92.6	90.4	0.2
South Eastern	Number of visitors	2,979	5,937	3,551	-40.2	19.2	0.9
	Value (Millions of TZS)	47	68	52	-23.6	9.4	0.1
Lake	Number of visitors	85,368	108,931	86,976	-20.2	1.9	22.2
	Value (Millions of TZS)	12,805	15,907	12,959	-18.5	1.2	25.0
Northern	Number of visitors	271,439	304,602	279,407	-8.3	2.9	71.5
	Value (Millions of TZS)	36,647	33,540	37,980	13.2	3.6	73.3
Southern Highlands	Number of visitors	5,387	8,932	3,758	-57.9	-30.2	1.0
	Value (Millions of TZS)	338	537	271	-49.5	-19.6	0.5
Total	Number of visitors	379,362	453,139	391,023	-13.7	3.1	100.0
	Value (Millions of TZS)	50,282	50,584	51,804	2.4	3.0	100.0

Source: Tanzania National Park, Ngorongoro Conservation Area, National Museum and House of Culture

Note: “---“ denotes a change that exceeds 100 percent

### 3.6 Energy

Electricity generated and distributed in all zones increased by 10.2 percent to a cumulative output of 1.9 million megawatts<sup>3</sup> in the quarter to March 2019, from the volume recorded in the corresponding quarter of 2018 (**Table 3.6**). This was mainly contributed by increase in power generation at Nyumba ya Mungu Dam in the Northern zone and Kinyerezi II Power Plant in Dar es Salaam zone.

During the quarter under review, natural gas production from Songo Songo and Mnazi Bay fields increased by 15.8 percent to 15,898.5 Million Standard Cubic Feet (MSCF) from the production level recorded in the quarter ending March 2018, mainly on account of increased demand by power generating plants and some manufacturing industries. Songo Songo accounted for 58.1 percent of total gas production during the quarter.

<sup>3</sup> Total national capacity of electricity generation per quarter is 3.5 million megawatts (around 1,602 MW/h).



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**Table 3.6: Production of Electricity and Natural Gas**

Zone	Quarter ending			Percentage change	
	Mar-18	Dec-18	Mar-19	Dec -18 to Mar -19	Mar -18 to Mar -19
<b>A: Electricity (Megawatts)</b>					
Central	441,036.7	345,173.7	430,953.9	24.9	-2.3
Dar es Salaam	1,111,360.6	1,308,225.4	1,281,470.1	-2.0	15.3
South Eastern <sup>r</sup>	30,622.8	28,153.5	26,939.4	-4.3	-12.0
Northern	36,091.3	123,214.7	80,182.2	-34.9	---
Lake	60,956.3	38,465.5	32,125.1	-16.5	-47.3
Southern Highlands	2,765.0	2,499.0	3,305.0	32.3	19.5
<b>Total</b>	<b>1,682,832.7</b>	<b>1,845,731.8</b>	<b>1,854,975.7</b>	<b>0.5</b>	<b>10.2</b>
<b>B: Natural gas (Million standard cubic feet)</b>					
South Eastern	13,728.1	16,051.9	15,898.5	-1.0	15.8

Source: National Bureau of Statistics, Tanzania Electric Supply Company Limited, and Tanzania Petroleum Development Corporation

Note: r denotes revised data; and "---", a change that exceeds 100 percent

## 4.0 TAX REVENUE PERFORMANCE

Tax revenue collection amounted to TZS 3,901.3 billion during the quarter to March 2019, about 85.5 percent of the target for the quarter and an increase of 1.0 percent from the collections in the corresponding quarter of 2018 (**Table 4.1**). The performance over the period was largely explained by measures taken to enforce and strengthen tax compliance and administration. Dar es Salaam zone accounted for 88.2 percent of total tax revenue collection, followed by Northern zone at 5.5 percent.

**Table 4.1: Tax Revenue Performance**

Zone	Quarter ending					Percentage change		
	Actual		Target	Actual	Actual to target ratio	Dec-18 to Mar -19	Mar -18 to Mar -19	
	Mar -18	Dec -18	Mar-19	Mar -19				
Central	45.7	44.2	63.8	47.4	74.3	7.2	3.7	
Dar es Salaam	3,436.9	4,049.1	4,037.5	3,441.1	85.2	-15.0	0.1	
Lake	96.2	109.8	123.7	120.4	97.3	9.7	25.2	
Northern	182.7	212.9	217.3	213.7	98.3	0.4	17.0	
South Eastern	54.1	36.2	79.2	29.4	37.1	-18.8	-45.7	
Southern Highlands	48.4	50.4	43.8	49.3	---	-2.2	1.9	
<b>Total</b>	<b>3,864.0</b>	<b>4,502.6</b>	<b>4,565.3</b>	<b>3,901.3</b>	<b>85.5</b>	<b>-13.4</b>	<b>1.0</b>	

Source: Tanzania Revenue Authority

Note: Tax revenue is on gross basis; and "---" denotes a change that exceeds 100 percent



## 5.0 TRADE

### 5.1 Cross Border Trade

Cross border trade balance recorded an annual decreased of 20.8 percent to a surplus of TZS 1,023.4 billion from the balance registered in the quarter ending March 2018. This outturn was largely explained by increase in the import value of capital and intermediate goods, particularly fuel; coupled with a decrease in exports of cashew nuts in South Eastern zone, consumable goods and maize flour in Southern Highlands zone, and raw agro goods in Northern zone.

**Table 5.1: Formal Cross Border Trade**

		Quarter ending			Percentage change	
Zone		Mar -18	Dec -18	Mar -19 <sup>P</sup>	Dec-18 to Mar -19	Mar -18 to Mar -19
Lake	Exports	433.9	672.6	441.6	-34.3	1.8
	Imports	68.4	128.8	118.4	-8.1	73.1
	Trade balance	365.5	543.8	323.2	-40.6	-11.6
Northern	Exports	893.1	1,156.2	756.8	-34.5	-15.3
	Imports	131.8	137.6	111.7	-18.8	-15.3
	Trade balance	761.3	1,018.6	645.1	-36.7	-15.3
South Eastern	Exports	154.2	0.5	90.9	--	-41.1
	Imports	22.3	1.4	29.4	--	31.8
	Trade balance	131.9	-0.9	61.5	--	-53.4
Southern Highlands	Exports	92.3	468.8	58.0	-87.6	-37.2
	Imports	59.1	84.4	64.4	-23.7	9.0
	Trade balance	33.2	384.4	-6.4	--	--
Total	Exports	1,573.5	2,298.1	1,347.3	-0.4	-14.4
	Imports	281.6	352.2	323.9	-8.0	15.0
	Trade balance	1,291.9	1,945.9	1,023.4	-47.4	-20.8

Source: Tanzania Revenue Authority

Note: p denotes provisional data; and "--", a change that exceeds 100 percent

### 5.2 Ports Performance

During the quarter under review, volume of cargo handled at Dar es Salaam port, which accounted for 97.0 percent of the total cargo handled by Tanzania Port Authority's main seaports, grew by 2.3 percent quarter-to-quarter to 3.9 million tonnes in the quarter ending March 2019. This performance was mostly associated with streamlining and easing of documentation processes at the port, expansion of berths and improvement of infrastructure, particularly road network to neighboring countries. Conversely, the volume of cargo handled at Mtwara port fell, following decrease in cashew





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nut exports, while at Tanga port volume of cargo handled declined largely due to decrease in exports of sisal products, cement and timber; coupled with a decline in import of petroleum products.

**Table 5.2: Ports Performance**

Port	Quarter ending			Percentage change		Percentage share
	Mar-18	Dec-18	Mar-19	Dec -18 to Mar -19	Mar-18 to Mar-19	
Dar es Salaam	3,800.3	3,931.7	3,888.1	-1.1	2.3	97.0
Tanga	161.3	248.0	89.2	-64.0	-44.7	2.2
Mtwara	88.6	21.3	29.0	36.2	-67.3	0.7
Total	4,050.2	4,201.0	4,006.3	-4.6	-1.1	100.0

Source: Tanzania Ports Authority

## 6.0 FINANCIAL SECTOR DEVELOPMENTS

### 6.1 Banking services

Banks' deposits increased by 8.6 percent to TZS 18,829.9 billion at the end of quarter to March 2019 from the levels recorded at the end of the corresponding quarter of 2018, reflecting efforts by banks in deposits mobilization. All zones recorded increase in banks' deposits except South Eastern and Dar es Salaam zones (**Table 6.1**). Meanwhile, Dar es Salaam zone continued to hold the largest share of total deposits at 59.8 percent.

**Table 6.1: Banks' Deposits**

Zone	Quarter ending			Percentage change		Percentage contribution
	Mar-18	Dec-18	Mar-19 <sup>P</sup>	Dec-18 to Mar-19	Mar-18 to Mar-19	
Central	1,071.7	1,088.6	1,524.1	40.0	42.2	8.1
Dar es Salaam	11,878.9	11,720.6	11,254.0	-4.0	-5.3	59.8
Lake	1,067.8	1,481.2	1,407.6	-5.0	31.8	7.5
Northern	2,017.4	3,015.4	3,238.5	7.4	60.5	17.2
South Eastern	688.0	571.9	628.9	10.0	-8.6	3.3
Southern Highlands	608.3	830.6	776.8	-6.5	27.7	4.1
Total	17,332.1	18,708.3	18,829.9	0.7	8.6	100

Source: Commercial banks

Note: p denotes provisional data

Credit extended by commercial banks to various economic activities grew by 10.7 percent year-on-year to TZS 14,485.7 billion at the end of March 2019, reflecting increase in demand to support expansion of economic activities. Notable improvement was recorded in Lake, Northern and South



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Eastern zones (**Table 6.2**). Loans extended by banks to finance personal-related activities, particularly small and medium size enterprises, accounted for the largest share of the outstanding credit at 22.1 percent, followed by trade activities (17.9 percent) and manufacturing (11.1 percent) (**Table 6.3**).

**Table 6.2: Banks' Lending**

Zone	Quarter ending			Percentage change		Percentage contribution
	Mar-18	Dec-18	Mar-19 <sup>P</sup>	Dec-18 to Mar-19	Mar-18 to Mar-19	
	Central	871.3	919.6	1,138.0	23.7	
Dar es Salaam	8,915.0	8,314.5	8,384.1	0.8	-6.0	57.9
Lake	831.4	1,845.5	1,590.6	-13.8	91.3	11.0
Northern/r	1,340.8	2,282.5	2,175.8	-4.7	62.3	15.0
South Eastern	388.5	540.4	534.0	-1.2	37.5	3.7
Southern Highlands	742.4	790.1	663.2	-16.1	-10.7	4.6
<b>Total</b>	<b>13,089.4</b>	<b>14,692.6</b>	<b>14,485.7</b>	<b>-1.4</b>	<b>10.7</b>	<b>100</b>

Source: Commercial banks in respective zones

Note: p denotes provisional data; and r, revised data

**Table 6.3: Percentage Share of Banks' Lending by Activity as at the end of March 2019**

Activity	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Personal	56.1	14.3	22.8	36.3	18.2	18.5	22.1
Agriculture	15.8	2.4	6.3	8.4	10.8	6.6	5.3
Wholesale and retail trade	7.8	21.6	16.1	13.8	8.6	14.6	17.9
Building and construction	1.6	6.4	4.8	2.7	0.9	10.3	5.3
Manufacturing	5.4	15.3	6.2	4.6	9.6	1.7	11.1
Financial intermediation	0.5	2.4	25.3	2.2	0.2	0.6	4.6
Transport, storage and communication	2.5	7.0	1.0	2.7	0.7	1.7	4.9
Mining and quarrying	0.0	1.9	5.1	0.5	0.0	0.0	1.7
Electricity, gas and water	0.2	4.4	0.5	0.2	0.6	1.0	2.7
Real estate	0.2	4.6	0.0	2.7	0.2	30.0	4.5
Tourism, hotels and restaurants	0.7	2.4	1.4	3.8	0.7	1.5	2.3
Education	2.5	6.3	2.3	18.6	47.3	0.6	8.7
Others	6.7	11.0	8.1	3.4	2.1	13.0	8.9

Source: Commercial banks and Bank of Tanzania computations

Note: "----" denotes change that exceeds 100 percent



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## 6.2 Savings and Credit Cooperative Societies (SACCOS)

During the quarter ending March 2019, savings by SACCOS members recorded an annual decline of 4.8 percent to TZS 214.6 billion, whereas loans disbursed increased by 5.7 percent to TZS 887.9 billion. Deposits decreased by 4.8 percent from TZS 44.3 billion, while outstanding loans decreased by 8.2 percent from TZS 347.2 billion recorded during the quarter ending March 2018 (**Table 6.4**).

**Table 6.4: Performance of Savings and Credit Cooperative Societies**

Quarter ending	Category	Central	Lake	Northern	South Eastern	Southern Highlands	Total
Mar-18	Number of SACCOS	800	1,134	984	1,455	718	5,091
	Members	123,173	145,555	205,698	164,534	138,260	777,220
	Amount (in millions of TZS)						
	Share value	6,854.0	5,449.6	17,307.3	9,748.1	37,462.3	76,821.3
	Savings	22,042.3	20,830.9	94,099.6	52,456.2	36,000.4	225,429.4
	Deposits	2,017.9	5,613.5	14,238.2	8,145.2	14,292.3	44,307.1
	Loan issued	137,936.2	81,888.7	378,303.7	96,982.0	144,772.0	839,882.6
Outstanding loans	54,784.7	27,816.6	150,683.4	47,938.3	66,002.6	347,225.6	
Dec-18	Number of SACCOS	806	1,036	1,022	761	552	4,177
	Members	113,216	99,876	213,883	107,533	86,105	620,613
	Amount (in millions of TZS)						
	Share value	8,900.9	5,888.6	15,399.8	4,548.5	18,900.0	53,637.8
	Savings	30,522.3	15,000.0	90,360.3	10,409.2	30,191.3	176,483.1
	Deposits	2,644.0	3,238.4	17,022.1	3,956.5	12,677.1	39,538.2
	Loan issued	178,689.9	45,942.8	426,809.5	44,476.2	137,979.1	833,897.6
Outstanding loans	96,092.7	28,390.9	134,562.5	33,663.5	40,072.8	332,782.4	
Mar-19 <sup>p</sup>	Number of SACCOS	802	1,001	1,025	730	614	4,172
	Members	113,384	130,451	217,672	109,592	133,501	704,600
	Amount (in millions of TZS)						
	Share value	9,170.7	5,093.6	16,232.8	4,558.7	16,172.5	51,228.3
	Savings	31,257.2	13,681.6	95,463.1	17,713.6	56,493.8	214,609.3
	Deposits	2,955.5	2,306.3	20,005.5	3,222.5	18,428.7	46,918.4
	Loan issued	181,278.0	24,269.6	490,628.3	36,233.2	155,524.4	887,933.5
Outstanding loans	94,864.9	22,698.1	110,793.6	23,593.5	66,786.3	318,736.3	

Source: Ministry of Agriculture; and Regional Authorities

Note: Data excludes Dar es Salaam zone; and p denotes provisional data