BANK OF TANZANIA

CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE QUARTER ENDING DECEMBER 2018

Volume 3 No. 4

BANK OF TANZANIA

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This report is available in PDF at: http://www.bot.go.tz

ISSN 2546-2008

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Executive Summary

Annual headline inflation for the quarter ending December 2018 eased across all zones[1] except South Eastern and Southern Highlands zones. The slowdown in headline inflation was driven by a decline in prices of food and non-food items. The increase in headline inflation in South Eastern zone was due to a rise in non-cereal food prices while in the Southern Highlands zone was driven largely by a rise in non-food prices. Average wholesale prices of main food crops exhibited a downward trend when compared to the corresponding quarter in 2017, save for round potatoes and wheat. The decline in prices was mainly associated with adequate supply of food in most parts of the country during the 2017/18 crop season following good weather conditions and adequate supply of agricultural inputs. The stock of maize in the National Food Reserve Agency (NFRA) increased by 3.3 percent to 95,018.0 tonnes at the end of the quarter ending December 2018 compared to the amount recorded in the corresponding quarter in 2017.

During the quarter ending December 2018, the value of livestock sold in registered markets increased by 1.0 percent compared to the value recorded in the corresponding quarter in 2017. Quantity of fish catches decreased by 23.5 percent to 20,838.0 tonnes from the quantity recorded in the corresponding quarter in 2017. A significant decrease of 43.0 percent was recorded in Lake Zone partly due to the on-going government efforts to control illegal fishing.

The value of selected manufactured goods grew by 33.5 percent to TZS 2,540.5 billion mainly due to increased capacity utilization of some industries particularly steel and ceramics. South Eastern zone recorded the highest growth of 46.0 percent, while Southern Highlands zone registered the lowest growth of 5.8 percent. Minerals extracted during the quarter amounted to TZS 1,057.7 billion, an increase of 1.7 percent from the level recorded in the corresponding quarter in 2017. This performance was mainly attributed to increase in production of gold in Central, Lake and Southern Highlands zones, gemstone in Central zone and diamond in Lake zone.

In the tourism sector, the number of visitors to attraction sites rose by 13.2 percent to 460,672 from the level recorded in the quarter ending December 2017. Total earnings (mainly gate fees) increased

[1] 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).

by 8.7 percent to TZS 50,837.7 million. This performance is attributed to the ongoing government efforts in promoting tourist attractions and improving supportive infrastructures particularly air transport services.

Electricity generated and distributed in all zones increased by 11.3 percent to 1.8 million megawatts, with the largest increase occurring in Southern Highlands, Northern and Dar es Salaam zones. The increase was attributed to rehabilitation of power generation unit at Tanganyika Wattle Company, rise of water level in Pangani River and increase in production capacity at Kinyerezi II power plant. Meanwhile, production of natural gas at Songo Songo and Mnazi Bay fields increased by 22.8 percent to 16,051.9 Million Standard Cubic Feet (MSCF) from the production level recorded in the corresponding quarter in 2017 on account of a rise in gas demand by power production plants and some manufacturing industries.

Tax collection by Tanzania Revenue Authority (TRA) increased by 9.7 percent to TZS 4,502.7 billion from the amount registered in the corresponding period in 2017, owing to ongoing efforts to enforce and strengthen tax compliance and administration. The collected amount was 6.7 percent above the target. Dar es Salaam zone accounted for 89.9 percent of total tax revenue, followed by Northern zone with 4.7 percent. Revenue collected by local government authorities increased by 21.8 percent to TZS 365.8 billion compared to the amount registered in the corresponding period in 2017. The performance was equivalent to 41.9 percent of the target for the period. Central zone accounted for the largest share of total revenue, followed by Northern and Southern Highlands zones.

Deposit mobilization by commercial banks increased by 4.4 percent to TZS 18,708.3 billion, from the amount recorded in the corresponding quarter in 2017. The increase was recorded in all zones, except South Eastern and Dar es Salaam zones, partly contributed by use of agent banking. Loans extended by commercial banks to various economic activities decreased by 5.3 percent to TZS 14,392.5 billion. Personal loans continued to dominate the loan portfolio, accounting for 25.6 percent of the total loans, followed by trade and manufacturing activities, which accounted for 20.4 percent and 9.7 percent, respectively.

1.0 ECONOMIC DEVELOPMENTS

1.1 Inflation Developments

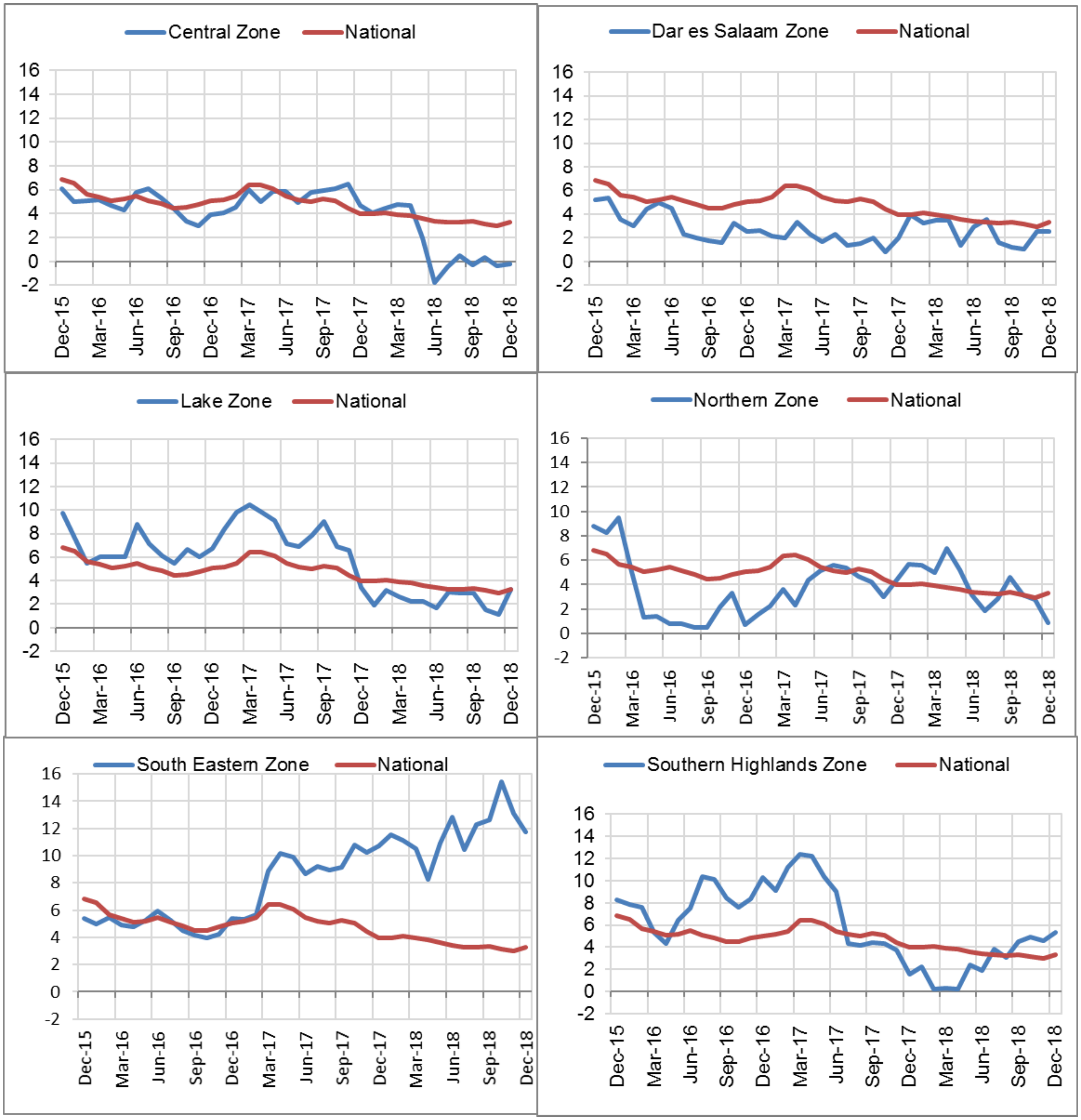
Annual headline inflation for the quarter ending December 2018 declined across all zones except South Eastern and Southern Highlands zones. The slowdown was driven by decline in prices of food and non-food items. Central zone recorded a deflation of 0.1 percent on account of improved food supplies. Conversely, inflation in South Eastern and Southern Highlands zones rose to 13.4 percent and 4.9 percent, respectively; in South Eastern zone, the increase was largely driven by rise of non-cereal food prices, while for Southern Highlands, the increase was associated with a rise in non-food prices (**Table 1.1** and **Chart 1.1**). Inflation in all zones except South Eastern and Southern Highland zones was below the national headline inflation of 3.1 percent.

Table 1.1: Annual Headline Inflation Rates in Zones

Quarter ending	National	Central Zone	Dar es Salaam Zone	Lake Zone	Northern Zone	South Eastern Zone	Southern Highlands Zone
Dec-17	4.5	5.8	1.6	5.6	3.9	10.6	3.2
Mar-18	4.0	4.5	3.6	2.6	5.4	11.0	0.9
Jun-18	4.3	4.4	2.7	4.6	4.9	10.4	2.5
Sep-18	3.3	-0.1	2.1	3.0	3.1	11.8	3.8
Dec-18	3.1	-0.1	2.1	2.0	2.3	13.4	4.9

Source: National Bureau of Statistics

Chart 1.1: Annual Headline Inflation in the Zones



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

1.2 Wholesale Food Crop Prices

Average wholesale prices of main food crops showed a downward movement when compared to the corresponding quarter in 2017 with exception of round potatoes and wheat (**Table 1.2**). The decline in prices was mainly associated with adequate food supply in most parts of the country during the 2017/18 crop season. Maize and rice recorded a significant price decrease of 27.7 percent and 21.5 percent, respectively. The lowest maize price was recorded in Southern Highlands zone at TZS 31,253 per 100 Kg and Northern zone at TZS 38,872 per 100 Kg, whereas for rice, the lowest price was recorded in Lake zone at TZS 135,825 per 100 Kg.

Table 1.2: Average wholesale prices for selected food crops in zones

TZS per 100 Kgs

Period		Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Quarter ending Dec-17	Beans	185,944	197,000	168,648	175,017	187,500	170,333	180,740
	Bulrush millet	86,167	91,597	n.a	61,897	n.a	n.a	79,887
	Finger millet	160,000	152,102	n.a	140,059	90,000	n.a	135,540
	Maize	77,333	52,859	75,694	52,345	49,833	41,567	58,272
	Rice	190,000	189,583	183,259	191,375	198,750	200,000	192,161
	Round potatoes	88,167	74,534.0	89,306	74,870.3	n.a	53,867	76,149
	Sorghum	70,750	89,345	102,000	63,112	91,250	n.a	83,291
	Wheat	n.a	117,764	n.a	81,849	n.a	n.a	99,807
Quarter ending Sep-18	Beans	170,739	189,604	150,156	146,218	148,830	172,267	162,969
	Bulrush millet	75,833	85,931	n.a	66,328	n.a	n.a	76,031
	Finger millet	149,886	141,969	n.a	105,145	138,052	n.a	133,763
	Maize	43,530	42,835	48,052	39,175	32,187	32,867	39,774
	Rice	147,727	157,860	124,513	159,211	175,574	182,000	157,814
	Round potatoes	76,898	92,021	80,528	81,650	n.a	68,333	79,886
	Sorgham	76,015	84,614	81,477	44,332	98,136	n.a	76,915
	Wheat	n.a	124,237	n.a	87,965	n.a	n.a	106,101
Quarter ending Dec-18^{P}	Beans	171,344	185,806	153,583	135,969	168,418	153,375	159,430.2
	Bulrush millet	54,945	70,595	n.a	73,516	n.a	n.a	72,055.4
	Finger millet	159,958	137,362	n.a	105,277	146,062	n.a	129,566.9
	Maize	47,633	45,023	56,083	38,872	43,905	31,253	43,027.3
	Rice	154,760	163,052	135,825	160,090	181,195	149,891	158,010.7
	Round potatoes	66,202	96,037	86,146	87,748	n.a	65,843	83,943.2
	Sorghum	81,448	73,835	77,729	55,331	97,565	n.a	76,115.0
	Wheat	n.a	125,099	n.a	92,928	n.a	97,540	105,189.0

Source: Ministry of Industries, Trade and Investment
Note: p denotes provisional data; and n.a, not available

2.0 FOOD SUPPLY SITUATION

Food supply situation in all zones was adequate during the quarter ending December 2018 following good harvest during 2017/18 crop season, on account of good weather conditions and adequate supply of agricultural inputs. The stock of maize held by National Food Reserve Agency (NFRA) increased to 95,018.0 tonnes from 92,074.0 tonnes recorded at the end of the corresponding quarter in 2017. During the quarter, NFRA purchased 18,541.7 tonnes and released 7,758.3 tonnes of maize to the market through traders (**Table 2.1**).

Table 2.1: Stock of Food Held by NFRA in Zones

Tonnes

Period	Zone	Opening balance	Quantity purchased	Quantity transferred	Quantity released	Balance
Quarter ending Dec-17	Central	7,274.9	50.0	0.8	100.7	7,225.0
	Souhthern Highlands	39,672.0	2,755.3	76.7	134.0	42,370.0
	Northern	3,238.4	759.2	799.6	937.5	3,859.7
	Lake	8,693.6	0.0	0.0	502.6	8,191.0
	South Eastern	16,930.7	4,962.2	0.0	0.0	21,892.9
	Dar es Salaam	9,499.8	0.0	-800.0	164.4	8,535.4
	Total	85,309.4	8,526.7	77.1	1,839.2	92,074.0
Quarter ending Sep-18	Central	7,946.2	946.5	3,453.8	0.0	12,346.5
	Southern Highlands	23,062.0	8,965.4	0.0	1,395.6	30,631.8
	Northern	2,951.5	661.7	1,339.3	900.0	4,052.6
	Lake	1,336.2	1,335.5	0.0	40.0	2,631.7
	South Eastern	21,893.0	6,389.3	0.0	3,753.3	24,529.0
	Dar es Salaam	6,489.8	100.2	-1,340.7	1,521.8	3,727.5
	Total	63,678.7	18,398.6	3,452.4	7,610.7	77,919.1
Quarter ending Dec-18^{P}	Central	12,346.5	929.4	6,802.0	0.0	20,077.9
	Souhthern 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
	Total	77,919.0	18,541.7	11,776.0	7,758.3	95,018.0

Source: National Food Reserve Agency
Note: p denotes provisional data

3.0 SECTORAL PERFORMANCE

3.1 Livestock

The value of livestock sold in registered markets increased by 1.0 percent to TZS 278.1 billion from the value recorded in the corresponding quarter in 2017 (**Table 3.1**). The increase in the value was largely associated with the increase in the number of livestock sold in Central zone as well as the increase in cattle prices and quantity sold in the Lake zone. In terms of contribution to the total value of sales, Central zone accounted for the largest share of 35.0 percent, followed by Lake zone with 29.8 percent, while South Eastern zone accounted for the least share of 4.2 percent.

Table 3.1: Livestock Sold through Registered Markets

	Livestock	Unit	Lake	Northern	Southern Highlands	Central	Dar es Salaam	South Eastern	Total
Quarter ending Dec-2017	Cattle	Number	130,548.0	63,382.0	44,388.0	156,010.0	96,870.0	20,682.0	511,880.0
		Value (Mill. of TZS)	40,302.3	37,219.4	23,190.1	73,678.4	69,478.4	7,919.7	251,788.2
	Goats	Number	75,853.0	49,318.0	16,521.0	99,498.0	45,540.0	10,960.0	297,690.0
		Value (Mill. of TZS)	4,020.0	3,692.2	908.7	5,219.1	3,366.2	2,023.3	19,229.4
	Sheep	Number	17,557.0	19,257.0	1,853.0	38,251.0	8,040.0	1,945.0	86,903.0
		Value (Mill. of TZS)	774.6	1,445.4	88.9	1,456.7	528.5	111.8	4,405.8
	Total	Value (Mill. of TZS)	45,096.9	42,357.0	24,187.7	80,354.2	73,373.1	10,054.7	275,423.5
Quarter ending Sept-2018	Cattle	Number	156,608.0	70,205.0	53,464.0	159,376.0	77,213.0	16,041.0	455,694.0
		Value (Mill. of TZS)	52,627.6	39,562.9	27,771.2	73,955.6	56,159.9	7,195.2	201,112.5
	Goats	Number	78,108.0	60,724.0	11,595.0	112,190.0	22,271.0	8,099.0	270,716.0
		Value (Mill. of TZS)	3,625.7	6,101.7	799.7	6,294.8	1,745.5	473.9	17,295.8
	Sheep	Number	22,501.0	38,138.0	1,896.0	33,176.0	5,112.0	2,284.0	97,995.0
		Value (Mill. of TZS)	733.4	2,891.4	133.9	1,373.6	339.3	151.3	5,283.6
	Total	Value (Mill. of TZS)	56,986.7	48,556.0	28,704.8	81,624.0	58,244.7	7,820.4	223,691.9
Quarter ending Dec-2018	Cattle	Number	197,631.0	83,516.0	54,557.0	203,622.1	65,090.0	19,163.0	558,489.1
		Value (Mill. of TZS)	76,822.5	47,269.6	27,933.9	89,285.4	48,061.0	10,903.4	252,214.9
	Goats	Number	93,268.0	66,228.0	13,528.0	119,811.3	45,069.0	9,842.0	302,677.3
		Value (Mill. of TZS)	4,395.6	6,260.5	1,100.6	6,501.0	3,333.7	661.7	18,919.4
	Sheep	Number	46,972.9	45,465.0	1,500.0	38,097.2	6,086.0	1,473.0	133,508.1
		Value (Mill. of TZS)	1,713.9	3,368.8	102.0	1,666.5	416.4	101.4	6,952.6
	Total	Value (Mill. of TZS)	82,932.0	56,898.9	29,136.5	97,452.9	51,811.0	11,666.6	278,086.9

Source: Regional Commissioner's Offices; Ministry of Livestock Development and Fisheries; and Bank of Tanzania computations

3.2 Fisheries

The quantity of fish catches decreased by 23.5 percent to 20,838.0 tonnes from the volume recorded in the corresponding quarter in 2017. The decline of fish catches was registered in all zones except Northern and Southern Highland zones. Large decrease in quantity was observed in Lake zone at 43.0 percent partly owing to ongoing government measures to curb illegal fishing (**Table 3.2**). The significant decline in quantity of fish catches resulted in a fall of value by 3.5 percent to TZS 106.3 billion compared to the value recorded in the quarter ending December 2017.

Table 3.2: Fish Catches

Zone	Unit	Quarter ending Dec-17	Sep-18	Dec-18	Percentage change Sep -18 to Dec -18	Dec -17 to Dec-18	Percentage contribution Dec -18
Central	Tonnes	131.3	301.0	111.1	-63.1	-15.4	0.5
	Value (Mill. of TZS)	512.6	1,438.7	375.4	-73.9	-26.8	0.4
Dar es Salaam	Tonnes	3,339.7	2,773.5	2,947.1	6.3	-11.8	14.1
	Value (Mill. of TZS)	8,976.8	8,768.2	8,385.5	-4.4	-6.6	7.9
South Eastern	Tonnes	2,568.8	1,250.4	1,776.7	42.1	-30.8	8.5
	Value (Mill. of TZS)	9,264.3	5,005.2	7,761.6	55.1	-16.2	7.3
Lake	Tonnes	15,758.2	9,288.5	8,982.0	-3.3	-43.0	43.1
	Value (Mill. of TZS)	70,844.5	63,396.2	59,900.4	-5.5	-15.4	56.3
Northern	Tonnes	1,737.7	1,462.9	2,968.5	---	70.8	14.2
	Value (Mill. of TZS)	8,457.3	8,586.9	13,611.2	58.5	60.9	12.8
Southern Highlands	Tonnes	3,703.4	3,608.9	4,052.6	12.3	9.4	19.4
	Value (Mill. of TZS)	12,152.5	15,081.7	16,274.9	7.9	33.9	15.3
Total	Tonnes	27,239.1	18,685.2	20,838.0	11.5	-23.5	100.0
	Value (Mill. of TZS)	110,208.0	102,276.9	106,309.1	3.9	-3.5	100.0

Source: Regional Commissioners' Offices; and Bank of Tanzania computations

Note: '---' denotes change exceed 100 percent

3.3 Manufacturing

The value of selected manufactured goods grew by 33.5 percent to TZS 2,540.5 billion from TZS 1,902.7 billion recorded in corresponding quarter of 2017. The increase was mainly associated with expanding domestic and foreign markets of industrial products particularly steel and ceramics. South Eastern zone recorded the highest growth of 46.0 percent, while Southern Highlands zone recorded the lowest growth of 5.8 percent. Dar es Salaam zone continued to dominate the sector, accounting for 56.3 percent of total value of selected manufactured goods during the quarter, followed by Northern zone at 14.9 percent (**Table 3.3**).

Table 3.3: Value of Selected Manufactured Commodities

Billions of TZS

Zone	Quarter ending Dec-17	Sep-18	Dec-18	Percentage change Sep -18 to Dec -18	Dec -17 to Dec -18	Percentage contribution Dec -18
Central	105.7	156.8	137.7	-12.2	30.2	5.4
Dar es Salaam	1,036.6	1,264.2	1,430.1	13.1	38.0	56.3
South Eastern	115.5	165.8	168.6	1.7	46.0	6.6
Lake	193.2	164.7	249.8	51.7	29.3	9.8
Northern	286.5	304.9	379.5	24.5	32.4	14.9
Southern Highlands	165.2	187.5	174.9	-6.7	5.8	6.9
Total	1,902.7	2,243.9	2,540.5	13.2	33.5	100.0

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

3.4 Mining

The value of minerals extracted in the quarter ending December 2018 amounted to TZS 1,057.7 billion, equivalent to 1.7 percent increase from the level recorded in the corresponding quarter in 2017 (**Table 3.4**). This outturn was mainly explained by increase in production of gold in the Central, Lake and Southern Highlands zones, gemstone in Central zone and diamond in Lake zone. Lake zone continued to dominate in mining activities, accounting for 88.6 percent of value of minerals extracted during the quarter, following the existence of large-scale gold mining companies.

Table 3. 4: Value of Mineral Recovery

Millions of TZS

	Quarter ending			Percentage change		Percentage contribution
Zone	Dec-17	Sep-18	Dec-18	Sep -18 to Dec -18	Dec -17 to Dec-18	Dec-18
Central	1,617.2	3,354.7	2,820.0	-15.9	74.4	0.3
South Eastern	48,382.6	28,448.2	31,757.0	11.6	-34.4	3.0
Lake	915,984.0	815,065.0	936,621.5	14.9	2.3	88.6
Northern	17,659.2	11,804.1	13,177.3	11.6	-25.4	1.2
Southern Highlands	56,349.6	61,473.4	73,308.7	19.3	30.1	6.9
Total	1,039,992.5	920,145.4	1,057,684.6	14.9	1.7	100.0

Source: Zonal Mining Offices and respective mining companies

3.5 Tourism

The number of visitors to attraction sites rose by 13.2 percent to 460,672 visitors from the level recorded in the quarter ending December 2017, whereas total earnings (mainly gate fees) increased by 8.2 percent to TZS 50.8 billion (Table 3.5). With the exception of Southern Highlands and South Eastern zones, all zones recorded increases in the number of visitors and earnings from tourism due to increased promotion of tourist attractions and improvement in supportive infrastructure including air transport services, which has increasingly facilitated domestic travel to local tourist attractions. Northern zone remained dominant, accounting for 66.0 percent of the total earnings from tourism activities.

Table 3.5: Number of Tourists and Earnings

		Quarter ending			Percentage change		Percentage contribution
Zone	Unit	Dec-17	Sep-18	Dec-2018^P	Sep -18 to Dec -18	Dec-17 to Dec-18	Dec -18
Central	Number of visitors	17,320.9	24,375.0	16,842.0	-30.9	-2.8	3.7
	Value (Mill. of TZS)	465.1	733.2	479.7	-34.6	3.1	0.9
Dar es Salaam	Number of visitors	1,673.0	14,208.0	7,895.0	-44.4	---	1.7
	Value (Mill. of TZS)	50.0	95.2	52.5	-44.9	5.0	0.1
South Eastern	Number of visitors	6,395.0	6,735.0	5,937.0	-11.8	-7.2	1.3
	Value (Mill. of TZS)	71.2	96.2	67.6	-29.7	-5.1	0.1
Lake	Number of visitors	99,097.0	171,498.0	108,931.0	-36.5	9.9	24.0
	Value (Mill. of TZS)	14,252.2	30,967.1	15,906.7	-48.6	11.6	31.4
Northern	Number of visitors	272,499.0	454,839.0	304,602.0	-33.0	11.8	67.2
	Value (Mill. of TZS)	31,339.2	93,675.1	33,540.2	-64.2	7.0	66.3
Southern Highlands	Number of visitors	11,515.0	16,597.0	8,932.0	-46.2	-22.4	2.0
	Value (Mill. of TZS)	624.0	1,061.3	537.4	-49.4	-13.9	1.1
Total	Number of visitors	408,499.9	688,252.0	453,139.0	-34.2	10.9	100.0
	Value (Mill. of TZS)	46,801.8	126,628.2	50,584.2	-60.1	8.1	100.0

Source: Tanzania National Park, Ngorongoro Conservation Area, National Museum and House of Culture
Note: “---“ denotes change exceed 100 percent; and p, provisional data

3.6 Energy

Electricity generated and distributed in all zones increased by 11.3 percent to 1,841,098.9 megawatts[2] in the quarter to December 2018, from the volume recorded in the corresponding quarter in 2017 (**Table 3.6**). Large increase was observed in Southern Highlands, Northern and Dar es Salaam zones due to rehabilitation of power generation unit in Tanganyika Wattle Company, rise in water level in Pangani River and increase in production capacity at Kinyerezi II power plant. In contrast, electricity generation in the central zone declined mainly due to decrease in water levels in Kihansi and Kidatu hydro power plants. Following the increase and stability of power supply from the national grid, power production at Nyakato, Ngara and Biharamulo oil power plants in the Lake zone was scaled down. Production of natural gas at Songo Songo and Mnazi Bay fields increased by 22.8 percent to 16,051.9 Million Standard Cubic Feet (MSCF) from the production level recorded in the corresponding quarter in 2017, owing to increased demand by power generating plants and some manufacturing industries.

[2] This is below the national installed capacity of about 3,240,000 megawatts (around 1,500 MW/h)

Table 3.6: Production of Electricity and Natural Gas

	Quarter ending			Percentage change	
Zone	Dec-17	Sep-18	Dec-18	Sep -18 to Dec -18	Dec -17 to Dec-18
A: Electricity (Megawatts)					
Central	402,619.2	307,639.4	345,173.7	12.2	-14.3
Dar es Salaam	1,073,133.1	1,294,764.2	1,308,225.4	1.0	21.9
South Eastern	22,818.1	21,306.4	23,520.8	10.4	3.1
Northern	66,562.5	126,374.0	123,214.7	-2.5	85.1
Lake	87,211.8	33,981.2	38,465.5	13.2	-55.9
Southern Highlands	1,271.8	3,253.0	2,499.0	-23.2	96.5
Total	1,653,616.5	1,787,318.2	1,841,098.9	3.0	11.3
B: Natural gas (Million standard cubic feet)					
South Eastern	13,075.1	13,212.6	16,051.9	21.5	22.8

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

4.0 REVENUE PERFORMANCE

4.1 Revenue Collection by Tanzania Revenue Authority

Tax revenue increased by 9.7 percent to TZS 4,502.7 billion from TZS 4,105.1 billion registered in the corresponding period 2017. The collected amount was 6.7 percent above the target (**Table 4.1**). Improvement in tax collection was largely on account of the ongoing efforts to enforce and strengthen tax compliance and administration. Dar es Salaam zone accounted for 89.9 percent of total tax revenue, followed by Northern zone with 4.7 percent, while other zones contributed 5.3 percent.

Table 4.1: Tax Revenue Performance

Billions of TZS

	Quarter ending					Percentage change	
	Actual			Target	Actual to target ratio	Sep 18 to Dec 18	Dec 17 to Dec 18
Zone	Dec -17	Sep-18	Dec-18	Dec-18			
Central	38.4	37.7	44.2	49.8	88.8	17.2	15.1
Dar es Salaam	3,626.5	3,371.6	4,049.1	3,624.6	111.7	20.1	11.7
Lake	94.3	105.4	109.8	119.9	91.6	4.2	16.5
Nothern	177.0	191.4	212.9	227.2	93.7	11.2	20.3
Southern Eastern	134.6	24.6	36.2	153.0	23.7	47.2	-73.1
Southern Highlands	34.3	32.3	50.4	47.3	106.6	56.1	47.0
Total	4,105.1	3,763.0	4,502.7	4,221.8	106.7	19.7	9.7

Source: Tanzania Revenue Authority

4.2 Local Government Revenue Collection

During the quarter under review, revenue collected by local government authorities increased to TZS 386.7 billion from TZS 300.3 billion recorded in the corresponding period in 2017. Revenue collection was equivalent to 94.6 percent of the target. Central zone accounted for the largest share of total revenue at 32.4 percent, followed by Northern and Southern Highlands zones at 25.1 percent and 17.5 percent, respectively (**Table 4.2**).

Table 4.2: Local Government Revenue Performance

Millions of TZS

	Actual			Target	Actual to target ratio	Percentage contribution
Zone	Dec-17	Sep-18	Dec-18	Dec-18		Dec -18
Dar es Salaam	32,256.1	45,736.4	43,701.7	45,736.4	95.6	11.9
Northern	57,560.0	74,564.4	91,630.0	118,510.0	77.3	25.1
Lake	33,491.6	28,901.0	27,826.3	33,531.0	83.0	7.6
Southern Highlands	56,381.6	132,216.6	64,070.0	41,537.0	154.2	17.5
Central	95,802.6	74,705.7	118,324.7	120,469.5	98.2	32.4
South Eastern	24,800.0	14,597.6	20,200.0	26,900.0	75.1	5.5
Total	300,291.9	370,721.7	365,752.7	386,683.9	94.6	100.0

Source: Regional Administrative Secretary offices

5.0 TRADE

5.1 Cross Border Trade

Cross border, trade balance decreased by 25.5 percent to a surplus of TZS 1,945.9 billion from a surplus of TZS 2,610.4 billion recorded in the corresponding period in 2017. The decrease in surplus was largely explained by 21.9 percent decline in total exports (**Table 5.1**). The decrease in exports happened in South Eastern and Lake zones, which recorded a decline of 99.9 percent and 38.3 percent respectively. The performance of exports in the South Eastern zone was mainly affected by the decrease in exports of cashewnuts while in the Lake zone the decline was explained by the decrease in export of unrefined gold, rough diamond, cotton yarn and foodstuff.

Table 5.1: Zonal Formal Cross Border Trade

Billions of TZS

Zone		Quarter ending			Percentage change	
		Dec -17	Sep-18	Dec -18^{P}	Sep-18 to Dec-18	Dec -17 to Dec -18
Lake	Exports	1,090.8	726.5	672.6	-7.4	-38.3
	Imports	111.1	143.4	128.8	-10.2	15.9
	Trade balance	979.7	583.1	543.8	-6.7	-44.5
Nothern	Exports	1,010.0	892.5	1,156.2	29.5	14.5
	Imports	131.0	139.0	137.6	-1.0	5.0
	Trade balance	879.0	753.5	1,018.6	35.2	15.9
South Eastern	Exports	736.5	4.0	0.5	-87.5	-99.9
	Imports	1.6	13.6	1.4	-89.7	-12.5
	Trade balance	734.9	-9.6	-0.9	-90.6	---
Southern Highlands	Exports	106.8	434.2	468.8	8.0	---
	Imports	90.0	80.9	84.4	4.3	-6.3
	Trade balance	16.8	353.3	384.4	8.8	---
Total	Exports	2,944.1	2,057.2	2,298.1	11.7	-21.9
	Imports	333.7	376.9	352.2	-6.6	5.5
	Trade balance	2,610.4	1,680.3	1,945.9	15.8	-25.5

Source: Tanzania Revenue Authority
Note: p denotes provisional data; and “---”, change exceed 100 percent

5.2 Ports Performance

During the quarter ending December 2018, volume of cargo handled at Dar es Salaam and Tanga port increased by 4.7 percent and 21.3 percent to 3,931.7 thousand tonnes and 248.0 thousand tonnes respectively (**Table 5.2**). The increase was attributed to ongoing modernization and harmonization of operations at Dar es Salaam port. The volume of cargo handled at Mtwara port fell by 90.9 percent to 21,263 tonnes, as there was no cashewnut exports. The Dar es Salaam port accounted for 93.6 percent of the total cargo handled, followed by Tanga port at 5.9 percent during the review period.

Table 5.2: Ports Performance

'000' Tonnes

Port	Quarter ending Dec-17	Sep-18	Dec-2018p	Percentage change Sep-18 to Dec -18	Dec -17 to Dec-18	Percentage share
Dar es Salaam	3,754.8	4,152.2	3,931.7	-5.3	4.7	93.6
Tanga	204.5	178.8	248.0	38.7	21.3	5.9
Mtwara	233.5	32.5	21.3	-34.6	-90.9	0.5
Total	4,192.8	4,363.5	4,200.9	-3.7	0.2	100.0

Source: Tanzania Ports Authority
Note: p denotes provisional data

6.0 FINANCIAL SECTOR DEVELOPMENTS

6.1 Banking services

Banks' deposits increased by 4.4 percent to TZS 18,708.3 billion from the amount recorded at the end of the corresponding quarter in 2017. Improvement in deposit mobilization was recorded in all zones except for South Eastern and Dar es Salaam zones (**Table 6.1a**). The increase in deposits was partly attributed to mobilization of deposits through agent banking. Despite the decrease of deposits in Dar es Salaam zone[3], the zone remained dominant by holding the largest share of total deposits at 62.6 percent; followed by Northern zone at 16.1 percent.

Table 6.1a: Banks' Deposits

Billions of TZS

Zone	Quarter ending Dec-17	Sep-18	Dec-18P	Percentage change Sep-18 to Dec-18	Dec-17 to Dec-18	Percentage contribution
Central	978.1	1,052.9	1,088.6	3.4	11.3	5.8
Dar es Salaam	12,034.1	9,889.0	11,720.6	18.5	-2.6	62.6
Lake	1,292.9	1,360.6	1,481.2	8.9	14.6	7.9
Northern	2,213.8	2,729.0	3,015.4	10.5	36.2	16.1
South Eastern	694.5	522.9	571.9	9.4	-17.6	3.1
Southern Highlands	711.7	830.9	830.6	0.0	16.7	4.4
Total	17,925.1	16,385.3	18,708.3	14.2	4.4	100

Source: Commercial banks in respective zones
Note: p denotes provisional data; and r revised data

[3] Dar es Salaam zone continued to accommodate the largest number of banks, 88.7 percent and branch network (32.6 percent)

Loans extended by banks to various economic activities declined by 3.3 percent to TZS 14,392.5 billion at the end of the quarter to December 2018 compared with the corresponding period in 2017. Notable decrease was recorded in Lake and Dar es Salaam zones (**Table 6.1b**). Personal loans dominated the loan portfolio at 25.6 percent followed by trade and manufacturing activities that benefited by 20.4 percent and 9.7 percent, respectively (**Table 6.1c**).

Table 6.1b: Banks' Lending

Billions of TZS

	Quarter ending			Percentage change		
Zone	Dec-17	Sep-18	Dec-18^{P}	Sep-18 to Dec-18	Dec-17 to Dec-18	Percentage contribution
Central	853.5	860.9	919.6	6.8	7.7	6.3
Dar es Salaam	8,852.2	8,382.6	8,314.5	-0.8	-6.1	56.6
Lake	2,164.5	1,553.1	1,845.5	18.8	-14.7	12.6
Northern	2,217.9	1,960.2	2,282.5	16.4	2.9	15.5
South Eastern	416.6	499.9	540.4	8.1	29.7	3.7
Southern Highlands	695.8	861.8	790.1	-8.3	13.6	5.4
Total	15,200.5	14,118.6	14,692.5	4.1	-3.3	100

Source: Commercial banks in respective zones
Note: p denotes provisional data

Table 6.1c: Percentage Share of Banks' Lending by Activity

Activity	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Personal	24.7	16.0	23.0	42.9	17.1	19.1	21.8
Agriculture	2.6	2.4	4.4	7.8	13.6	7.5	4.2
Wholesale and retail trade	33.0	22.9	18.5	11.9	8.5	18.3	20.5
Building and construction	0.9	5.5	2.9	2.5	0.9	9.9	4.5
Manufacturing	8.5	14.3	3.8	4.1	0.3	1.2	9.8
Financial intermediation	0.6	1.2	0.6	1.5	0.3	0.5	1.1
Transport, storage and communication	0.6	7.4	1.1	2.4	0.8	1.5	4.8
Mining and quarrying	0.0	1.5	8.6	0.4	0.0	1.2	2.1
Electricity, gas and water	0.0	4.1	0.0	0.3	0.6	0.1	2.4
Real estate	0.3	5.6	0.1	2.5	0.1	0.0	3.6
Tourism, hotels and resturants	2.8	3.1	0.9	3.6	0.5	0.9	2.7
Education	25.6	5.9	1.7	17.1	46.3	1.8	9.6
Others	0.4	10.2	34.4	2.8	11.2	37.9	13.0

Source: Commercial banks in respective zones, and Bank of Tanzania computations

6.2 Bureau de Change Operations

Bureau de change operations recorded mixed performance during the quarter under review. While foreign exchange purchase increased by 6.8 percent to USD 167.5 million, foreign exchange sales declined by 17.2 percent to USD 90.0 million relative to the quarter ending December 2017. Dar es Salaam and Northern zones dominated in foreign exchange market following their dominance in business transactions and tourism related activities (**Table 6.2a** and **Table 6.2b**).

Following failure to comply with applicable regulations, the Bank closed all bureaux de change in Arusha in November 2018.

Table 6.2a: Zonal Bureau de Change Transactions - Purchases

Millions of USD

	Quarter ending			Percentage change		Percentage contribution
Zone	Dec-17	Sep-18	Dec-18^{P}	Sep-18 to Dec-18	Dec-17 to Dec-18	Dec-18
Central	1.3	0.4	1.8	350.0	38.5	1.1
Dar es Salaam	127.2	132.0	138.6	5.0	9.0	82.7
Lake	2.5	1.4	2.6	82.4	2.2	1.5
Northern	24.3	36.0	22.9	-36.4	-5.8	13.7
Southern Highlands	1.6	1.5	1.7	11.5	3.5	1.0
Total	156.9	171.3	167.5	-2.2	6.8	100.0

Source: Bank of Tanzania
Note: p denotes provisional data

Table 6.2b: Zonal Bureau de Change Transactions – Sales

	Quarter ending			Percentage change		Percentage contribution
Zone	Dec-17	Sep-18	Dec-18^{P}	Sep-18 to Dec-18	Dec-17 to Dec-18	Dec-18
Central	0.7	1.3	0.3	-76.9	-57.1	0.3
Dar es Salaam	85.8	64.1	64.1	0.0	-25.3	71.2
Lake	0.4	0.3	0.4	22.5	-8.2	0.4
Northern	20.3	28.0	24.5	-12.5	20.7	27.2
Southern Highlands	1.5	0.7	0.8	10.1	-49.0	0.8
Total	108.7	94.4	90.0	-4.6	-17.2	100.0

Source: Bank of Tanzania
Note: p denotes provisional data

6.3 Savings and Credit Cooperative Societies

Savings and Credit Cooperative Societies (SACCOS) performance has shown a mixed trend when compared with the corresponding quarter in 2017. While deposits, loans disbursed and outstanding loans increased, the savings, share value and number of SACCOS decreased. The number of members decreased to 620,613 from 759,136 in the quarter ending December 2017 (**Table 6.3**).

Table 6.3: Performance of Savings and Credit Cooperative Societies in Zones

	Category	Central	Lake	Northern	South Eastern	Southern Highlands	Total
Quarter ending Dec 2017	Number of SACCOs	856.0	1,129.0	966.0	1,243.0	676.0	4,870.0
	Members	141,344.0	144,277.0	195,679.0	149,487.0	128,349.0	759,136.0
	Share value (TZS Mn)	7,401.8	3,389.2	15,909.5	8,598.5	22,389.0	57,688.0
	Savings (TZS Mn)	19,768.4	10,857.2	89,413.8	45,614.1	33,403.2	199,056.7
	Deposits (TZS Mn)	3,499.7	4,255.4	12,998.5	6,351.3	10,788.2	37,893.1
	Loan issued (TZS Mn)	130,019.3	70,760.4	376,930.8	80,818.3	156,680.0	815,208.8
	Outstanding loans (TZS Mn)	39,635.7	20,156.0	118,252.6	50,461.4	50,685.8	279,191.5
Quarter ending Sep 2018	Number of SACCOs	1,168.0	828.0	1,033.0	1,015.0	632.0	4,676.0
	Members	126,573.0	109,887.0	210,532.0	128,628.0	137,157.0	712,777.0
	Share value (TZS Mn)	8,955.7	29,586.0	15,682.6	4,998.3	23,184.6	82,407.2
	Savings (TZS Mn)	27,577.0	5,447.6	92,005.0	11,964.6	40,744.6	177,738.8
	Deposits (TZS Mn)	2,578.0	1,120.7	17,312.8	4,100.0	14,019.8	39,131.3
	Loan issued (TZS Mn)	175,449.7	12,331.0	418,318.3	53,585.8	158,495.1	818,179.9
	Outstanding loans (TZS Mn)	77,005.3	9,332.4	135,682.4	34,350.5	62,202.1	318,572.7
Quarter ending Dec 2018^{P}	Number of SACCOs	806.0	1,036.0	1,022.0	761.3	552.0	4,177.3
	Members	113,216.0	99,876.0	213,883.0	107,533.0	86,105.0	620,613.0
	Share value (TZS Mn)	8,900.9	5,888.6	15,399.8	4,548.5	18,900.0	53,637.8
	Savings (TZS Mn)	30,522.3	15,000.0	90,360.3	10,409.2	30,191.3	176,483.1
	Deposits (TZS Mn)	2,644.0	3,238.4	17,022.1	3,956.5	12,677.1	39,538.2
	Loan issued (TZS Mn)	178,689.9	45,942.8	426,809.5	44,476.2	137,979.1	833,897.6
	Outstanding loans (TZS Mn)	96,092.7	28,390.9	134,562.5	33,663.5	40,072.8	332,782.4

Source: Ministry of Agriculture, Food Security and Cooperatives, and Regional Authorities
Note: Statistics excludes Dar es Salaam zone; and p denotes provisional data