



# BANK OF TANZANIA



## ANNUAL REPORT

2016/17





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## Bank of Tanzania Annual Report 2016/17

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## Bank of Tanzania Annual Report 2016/17

January, 2018

**Hon. Dr. Philip Mpango (MP)**  
Minister for Finance and Planning  
United Republic of Tanzania  
DODOMA

Honourable Minister,

### LETTER OF TRANSMITTAL

*In accordance with Section 21 (1) of the Bank of Tanzania Act 2006, I hereby submit:*

- (a) A report on economic developments and the Bank's operations, in particular, the implementation and outcome of monetary policy, and other activities during the fiscal year 2016/17, and
- (b) The Bank's balance sheet as at 30<sup>th</sup> June 2017, the Profit and Loss Accounts for the year ended 30<sup>th</sup> June 2017 and associated financial statements, as well as detailed notes to the accounts for the year and the previous year's comparative data certified by external auditors along with the auditors' opinion.

Yours sincerely,

Professor Benno Ndulu  
**Governor**  
Bank of Tanzania.



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### Governor's Foreword

The economy has continued to perform impressively in the midst of slow global growth and inflation remained moderate. Output growth was strong at 7.0 percent in 2016, as in the past two years; with activity particularly buoyant in construction, transport and storage, wholesale and retail trade, information and communication and basic manufacturing. The outlook for the growth of the economy remains favourable in 2017, supported mostly by concerted efforts to transform the economy towards industrialization, infrastructure investment, and improved power supply. Inflation was in single digits and hovered close to the medium-term target of 5.0 percent throughout the year. In 2017/18, inflation is expected to remain moderate at single digits, influenced largely by adequate food supply in most part of the country, prudent monetary and fiscal policies, subdued energy prices, and stable exchange rate.

Government revenue collection increased remarkably in the wake of improved tax administration and expenditure was streamlined towards priority programs to support economic growth and reduction of poverty. Against this backdrop, overall fiscal deficit was low at 1.5 percent of GDP in 2016/17 compared with 3.5 percent in the preceding year. The national debt remained below international sustainability thresholds. The external position was favourable, with official foreign reserves covering 5.9 months of prospective imports of goods and services in June 2017. The banking sector remained sound and stable, liquid, and adequately capitalized. Monetary policy stance was moderate, supporting economic growth and aligning inflation to the medium-term target. In the second half of 2016/17, monetary policy was eased somewhat, to address the challenge of liquidity tightness arising from fiscal operations. In the midst of involving domestic and global challenges, the Bank will continue endeavour to attain the medium-term inflation target of 5 percent. The Bank will also continue to ensure that the financial sector remains sound and stable, safeguard efficiency in the payment systems, and spearhead financial inclusion through prudent combination and enabling policy and regulatory environment.

Professor Benno J. Ndulu  
**Governor, Bank of Tanzania**



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### Board of Directors



**Prof. Benno J. Ndulu**

*Governor, Chairman*



**Mr. Lila H. Mkila**

*Deputy Governor, Financial Stability and  
Financial Deepening (FSD)*



**Dr. Natu E. Mwamba**

*Deputy Governor, Economic and  
Financial Policies (EFP)*



**Mr. Julian B. Raphael**

*Deputy Governor, Administration and  
Internal Controls (AIC)*



**Dr. Yamungu M. Kayandabila<sup>1</sup>**

*Deputy Governor, Economic  
and Financial Policies (EFP)*



**Dr. Bernard Y. Kibesse<sup>2</sup>**

*Deputy Governor, Financial  
Stability and Financial  
Deepening (FSD)*



**Mr. Khamis M. Omar**

*Principal Secretary to the  
Ministry of Finance (RGZ)*



**Mrs. Mary N. Maganga**

*Representative of the Ministry  
of Finance and Planning (URT)*



**Prof. Nehemiah E. Osoro**

*Director*



**Mr. Geoffrey I. Mwambe**

*Director*



**Mr. Joseph O. Haule**

*Director*



**Mr. Yusto E. Tongola**

*Secretary*

<sup>1</sup> Replaced Dr. Natu E Mwamba who finished her office term on 31<sup>st</sup> May 2017

<sup>2</sup> Replaced Mr. Lila H. Mkila who finished his office term on 31<sup>st</sup> May 2017





## Bank of Tanzania Annual Report 2016/17

### Senior Management

Name	Title	Telephone Number
Prof. B. J. Ndulu	Governor	022 223 3020/1/2
Dr. N. E. Mwamba <sup>3</sup>	Deputy Governor, EFP	022 223 3040/1
Mr. L. H. Mkila <sup>4</sup>	Deputy Governor, AIC	022 223 3042/3
Mr. J. B. Raphael	Deputy Governor, AIC	022 223 3042/3
Dr. Y. M. Kayandabila	Deputy Governor, EFP	022 223 3040/1
Dr. B. Y. Kibesse	Deputy Governor, FSD	022 223 3044/5
M. D. Nampesya	Private Assistant to the Governor	022 223 3203
Y. E. Tongola	Secretary to the Bank	022 223 3240/1
Y. A. Mchujuko	Director, Human Resource and Administration	022 223 5144/5
J. J. Nyella	Director, Economic Research and Policy	022 223 3328/9
S. S. Mrutu	Director, Strategic Planning and Performance Review	022 223 3423/4
J. R. Angello	Director, Risk Management	022 223 5297/8
M. P. Kobello	Director, Banking	022 223 5415/6
K. A. Nyoni	Director, Banking Supervision	022 223 5482/3
J. J. Ngelime	Director, Finance	022 2235126/7
A. K. Ng'winamila	Director, Financial Markets	022 223 3564/5
R. S. Rashid	Ag. Director, Management Information Systems	022 223 5136/7
B. J. Dadi	Director, National Payment Systems	022 223 5432/3
O. H. Kitine	Director, Internal Audit	022 223 5240/1
H. E. S. Mmbaga	Director, Financial Stability	022 2233471/2
Dr. W. S. Reweta	Principal, Training Institute	028 250 0352
G. K. Tabaro	Director, Arusha Branch	027 254 5482
R. L. Wambali	Director, Dodoma Branch	222 233 2505/06
J. C. Rushaka	Director, Mbeya Branch	025 250 4158
F. N. Kazimoto	Director, Mwanza Branch	028 250 1015
N. K. Mboje	Director, Zanzibar Branch	024 223 4503
L. A. Mwimo	Director, Mtwara Branch	022 223 2650/51
N. D. Mukirya	Associate Director, Anti-Money Laundering and Combating of Terrorism	022 2233248
M. K. Ismail	Associate Director, Litigation and Investigation	022 223 3225/6
P. A. Maganga	Senior Advisor, Mwanza Branch	028 2502163
F. L. Rutabanzibwa	Senior Advisor, Economic Research and Policy	022 223 3382
N. W. Moshy	Senior Advisor, Branch Coordination	022 223 3307
G. C. Maganga	Senior Advisor, Deputy Governor (AIC) Office	022 223 3475
Dr. P. F. Mlozi	Manager, Regional Integration	022 223 3471
P. M. Lowassa	Manager, Conference and Events Management	022 223 3164/65
Z. A. Mbeo	Manager, Public Relations and Protocol	022 223 3166/67
R.P. Wang	Manager, Procurement	022 223 5194/95

<sup>3</sup> Finished her tenure and replaced by Dr. Y. M. Kayandabila with effect from 31<sup>st</sup> May 2017.

<sup>4</sup> Finished his tenure and replaced by Dr. B. Y. Kibesse with effect from 31<sup>st</sup> May 2017.



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### Bank of Tanzania Vision, Mission, and Core Values

**Vision:**

To be a world class central bank, in maintaining price and financial stability consistent with supporting economic growth.

**Mission:**

To maintain price stability, and to promote integrity and stability of the financial system consistent with sustained growth of the national economy.

**Core Values:**

Integrity, inclusiveness, excellence, and accountability.

### Monetary Policy Framework of the Bank of Tanzania

***Objective of Monetary Policy***

The primary objective of the Bank of Tanzania is to formulate and implement monetary policy directed to delivering domestic price stability, which is in practice defined as low and stable inflation over time. Inflation is computed in terms of annual change in the Consumer Price Index (CPI). The medium-term target of inflation is 5.0 percent. This level is considered appropriate for providing conducive environment for sustainable growth in output, thereby contributing to a better overall economic performance.

***Intermediate Target Variable***

The Bank of Tanzania controls inflation by managing the growth of money supply. Extended broad money supply (M3) is used as an intermediate target variable, which is estimated to have closest relationship with the rate of inflation. M3 comprises currency in circulation outside banks and total deposits held by commercial banks, including foreign currency deposits.

***Operating Target Variable***

In order to influence the growth of M3, the Bank of Tanzania controls the growth of reserve money (base money or high powered money), which is related to money supply through the money multiplier. Reserve money is defined as currency issued by the Bank of Tanzania, which comprises currency outside the Bank of Tanzania and banks' deposits with the Bank of Tanzania.

***Monetary Policy Instruments***

The Bank of Tanzania mostly uses indirect instruments of monetary policy to influence the level of money supply. The main indirect instrument is open market operations (OMO), which involves sale or purchase of government securities by the Bank of Tanzania to withdraw or inject liquidity into the economy. Other indirect instruments include selling and buying of foreign exchange in the inter-bank foreign exchange market, that is, foreign exchange market operations (FEMO); repurchase agreements (repo and reverse repo); and standby facilities such as Lombard and discount windows. These instruments are complimented by statutory minimum reserve requirements and moral suasion.



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### **Communications**

The Bank of Tanzania exercises a high degree of transparency on its decisions. The decisions of the Monetary Policy Committee (MPC) meetings are communicated to banks, as well as the general public through local and international media. In addition, the Bank publishes various periodic reports, providing monetary policy stance, outcome of monetary policy, and developments of the economy at large. The reports are also available on the Bank of Tanzania's website.

### **Modalities for Monetary Policy Implementation**

- i. At the beginning of every fiscal year, which runs from July to June, the Bank of Tanzania sets annual monetary policy targets consistent with projected output growth and inflation. The targets are stated in the Monetary Policy Statement (MPS).
- ii. The MPS is approved by the Board of Directors of the Bank and subsequently submitted to the Minister for Finance for onward submission to the National Assembly.
- iii. The same procedure is followed for the mid-year review of the MPS, which shows progress on the implementation of the monetary policy in the first half of the year, outlook for the remaining period of the reference year, and policy measures thereof.
- iv. The Monetary Policy Committee (MPC), which is chaired by the Governor, decides on monetary policy stance once in every two months, consistent with the monetary policy targets.
- v. The Surveillance Committee of the Bank's Management, meets daily to monitor implementation of monetary policy and decides on measures to be undertaken. A Technical Committee reviews liquidity developments and recommends intervention measures.



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### Executive Summary

The global economy grew at slower pace in 2016 relative to the preceding year. Real output expanded by 3.2 percent compared with 3.4 percent. In advanced, emerging markets and developing economies, growth picked up slowly due to lower domestic demand, subdued industrial production and falling commodity prices. In sub-Saharan Africa, output growth slowed primarily due fall in commodity prices in major economies as a result of weak global demand. Growth of output in EAC region was 4.0 percent in 2016 compared with 4.5 percent in 2015.

Global inflation remained subdued at around 2.8 percent as in 2015. In advanced economies, inflation picked up slightly to 0.8 percent from 0.3 percent, while in emerging markets and developing economies it eased to 4.3 percent from 4.7 percent. In SADC and EAC regions inflation averaged 9.3 percent and 5.7 percent in 2016, up from 5.5 percent and 5.2 percent in 2015, respectively.

Economic growth in Tanzania remained strong at 7.0 percent for three years in a row, surpassing most of its peers in sub-Saharan Africa. The growth in 2016 was mostly driven by construction, transport and storage, wholesale and retail trade, information and communication and manufacturing. The growth of the economy is expected to remain strong, reinforced particularly by improved power supply, concerted efforts to transform the economy towards industrialization, and continued implementation of infrastructure projects.

Inflation remained at single digit throughout 2016/17, averaging 5.3 percent compared with 6.0 percent in the preceding year, and was close to the medium-term target of 5.0 percent. The moderate inflation was mainly driven by gradual

moderation in food prices following adequate food supply, low energy prices, prudent monetary policy, and streamlined fiscal policy. In 2017/18, inflation is expected to be subdued at single digits, influenced mostly by adequate food supply, prudent monetary and fiscal policies, and reliable power supply.

Monetary policy stance was moderate in support economic growth whilst aligning inflation to the medium-term target of 5.0 percent. In the second half of 2016/17, monetary policy was eased to counter liquidity tightness arising from decline in foreign budget support inflows, transfer of deposits of public institutions from banks to the Bank of Tanzania, and streamlined government expenditure.

Growth of money supply (M3) exhibited a general slowdown, but its impact on the economy was greatly offset increase in velocity of money circulation, influenced by increased financial innovation. In the year ending June 2017, M3 expanded by 6.0 percent compared with 12.7 percent the year ending June 2016, driven mostly by slowdown in the growth of domestic credit. Credit to private sector at a slower pace of 1.2 percent compared with 19.1 percent.

Fiscal policy aimed at improving revenue collection through strengthening of tax administration and compliance, while aligning expenditure with the available resources. The focus was on priority programs to support economic growth and reduction of poverty. Fiscal operations were characterized by improved revenue collection, streamlined expenditure, and shortfall in foreign financing. Domestic revenue collection—central and local governments—was 15.6 percent of GDP in 2016/17 compared with 14.3 percent in 2015/16. Revenue collection by the central



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government was 15.1 percent of GDP compared with 13.9 percent, with tax revenue to GDP ratio of 13.1 percent from 12.8 percent. Expenditure was 17.7 percent of GDP, slightly below 18.3 percent in 2015/16. The overall fiscal deficit was 1.5 percent of GDP compared with 3.5 percent of GDP in the preceding year. The national debt rose by 9.1 percent over the year, but remained below international sustainability thresholds.

The overall balance of payments recorded a deficit of USD 1,226.7 million compared with a deficit of USD 368.3 million in 2015/16. Official foreign reserves rose to USD 5,021.6 million at the end of June 2017 from USD 3,870.3 million at end of June 2016. The reserves were sufficient to cover 5.9 months of projected imports of goods and services, excluding those financed by foreign direct investments; up from 4.1 months.

The banking sector was sound and stable, liquid, and adequately capitalized. The ratio of core capital and total capital to total risk-weighted assets and off-balance sheet items were 18.2 percent and

20.2 percent, well above the minimum regulatory requirements of 10 percent and 12 percent, respectively. The ratio of non-performing loans to gross loans, which measures the quality of assets increased to 10.6 percent from 8.7 percent.

The economy of Zanzibar was strong, growing by 6.8 percent in 2016 compared with 6.5 percent in 2015. The growth was particularly buoyant in construction, public administration, and accommodation activities. Inflation was moderate, averaging 4.8 percent compared with 9.3 percent, on account of moderation in prices of food. Revenue collection improved to TZS 521.9 billion, above the estimates by 8.2 percent, owing to improved tax administration and compliance. Foreign budget support inflows were lower than projected, leading to delays in financing development projects. The overall budget deficit was TZS 28.9 billion, which financing program loans. The current account balance improved to a surplus of USD 29.7 million compared with a surplus of USD 10.7 million, mainly on account of an increase in receipts from tourism.





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**PART I**

**AN OVERVIEW OF ECONOMIC DEVELOPMENTS**







## 1.0 Global and Regional Economic Developments

### Global Economic Environment

#### Output

Global output growth, as measured by real gross domestic product (GDP), was subdued, estimated at 3.2 percent in 2016 compared with 3.4 percent in the preceding year. All country groups—advanced, emerging markets, and developing economies—experienced a slowdown in output growth at varying degrees (**Table 1.1**). The slow output growth in advanced economies was due to a combination of factors, including lower domestic demand, increased uncertainty on the back of the exit of the United Kingdom from the European Union—*Brexit*, and subdued industrial production due to sluggish productivity growth. In the emerging and developing economies, output growth slowed mainly due to a fall in world commodity prices.

In the United Kingdom, real GDP growth was 1.8 percent in 2016 compared with 2.2 percent in 2015, due to a fall in business confidence and a sharp depreciation of British Pound following the June 2016 Brexit vote. Output growth in the United States slowed to 1.5 percent in 2016 from 2.9 percent in 2015 due to weakening non-farm labour productivity, volatility in the financial markets and decrease in non-residential investment. In the Euro Area, output growth was 1.8 percent in 2016, down from 2.0 percent in 2015, mainly to a decline in domestic demand. Real GDP growth in Japan also slowed, because of lower external demand, which reduced corporate investment and exports.

In the emerging and developing Asia, output growth slowed largely due to weak capital inflows and subdued global trade. The lower growth was more pronounced in India, on account of underperformance in real estate and manufacturing activities. Output growth in China,

slowed marginally, following a decrease in global demand and capital inflows. Average real GDP growth in the Association of South Eastern Asia Nations (ASEAN-5) was 4.9 percent, same as in the preceding year. Nevertheless, in this sub-region, there was a pick in output growth in Indonesia and Philippines, while in Malaysia and Vietnam growth slowed due to low external demand in the wake of a subdued economic performance in China and India.

Economic activity weakened somewhat in Africa. Output growth slowed to 2.2 percent in 2016 from 3.4 percent in 2015. In sub-Saharan Africa, real GDP growth slowed to 1.4 percent in 2016 from 3.4 percent in 2015. The slow growth was primarily weighed on by lower world commodity prices in the midst of weak global demand and adverse effects of unfavourable weather conditions in most of the countries.

**Table 1.1: Global Real GDP Growth**

	Percent				
	2012	2013	2014	2015	2016
World	3.5	3.5	3.6	3.4	3.2
Advanced economies	1.2	1.3	2.1	2.2	1.7
United Kingdom	1.3	1.9	3.1	2.2	1.8
Germany	0.7	0.6	1.9	1.5	1.9
Japan	1.5	2.0	0.3	1.1	1.0
United States	2.2	1.7	2.6	2.9	1.5
Italy	-2.8	-1.7	0.1	0.8	0.9
France	0.2	0.6	0.9	1.1	1.2
Canada	1.7	2.5	2.6	0.9	1.5
Euro area (19 countries)	-0.9	-0.2	1.3	2.0	1.8
European Union (27 countries)	-0.4	0.3	1.8	2.3	2.0
Emerging market and developing economies	5.3	4.9	4.6	4.3	4.3
Africa	6.4	3.9	3.7	3.4	2.2
Sub-Saharan	4.4	5.3	5.1	3.4	1.4
Emerging and developing Asia	7.0	6.9	6.8	6.8	6.4
China	7.9	7.8	7.3	6.9	6.7
India	5.5	6.4	7.5	8.0	7.1
ASEAN-5	6.2	5.1	4.6	4.9	4.9
Indonesia	6.0	5.6	5.0	4.9	5.0
Malaysia	5.5	4.7	6.0	5.0	4.2
Philippines	6.7	7.1	6.1	5.8	6.9
Thailand	7.2	2.7	0.9	2.9	3.2
Vietnam	5.2	5.4	6.0	6.7	6.2
Middle East and North Africa	5.3	2.5	2.6	2.6	5.1
Newly Industrialized Asian Economies					
Hong Kong	1.7	3.1	2.8	2.4	2.0
Korea	2.3	2.9	3.3	2.8	2.8
Singapore	3.9	5.0	3.6	1.9	2.0
Taiwan Province of China	2.1	2.2	4.0	0.7	1.5

Source: IMF, *World Economic Outlook Database October 2017*, African Economic Outlook 2017

Note: p denotes provisional data



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Output growth in Southern African Development Community (SADC) was divergent across countries. Real GDP growth averaged 2.6 percent in 2016 compared with 3.5 percent in 2015, due to slowdown in growth in all countries except Botswana, Madagascar, Mauritius, Tanzania and Zambia (**Table 1.2**). Output growth in South Africa, which is the largest economy in the region, slowed to 0.3 percent in 2016 from 1.3 percent in 2015, largely due to a decrease in external demand, which resulted into a slump in mining and quarrying, as well as *El-Niño*-induced drought. Similarly, output growth in Mozambique and Zimbabwe was relatively low, mostly due to a fall in growth in mining activity. In Angola, output contracted by 0.7 percent largely due to fall in oil prices in the world market, while in Democratic Republic of Congo (DRC) growth decelerated to 2.4 percent in the back of low production in mining following subdued world market prices, especially for copper. By contrast, Botswana economy recovered as real GDP grew by 4.3 percent in 2016 compared to a contraction of 1.7 percent in 2015, owing to improved price of diamond and growth in services. Tanzania sustained high output growth rate of 7.0 percent for three years in a row, which was the highest in SADC region.

**Table 1.2: Real GDP Growth in SADC Region**

Country	Percent				
	2012	2013	2014	2015	2016
Angola	5.2	6.8	4.8	3.0	-0.7
Botswana	4.5	11.3	4.1	-1.7	4.3
DRC	7.1	8.5	9.5	6.9	2.4
Lesotho	5.3	3.6	3.4	2.5	2.4
Madagascar	3.0	2.3	3.3	3.1	4.2
Malawi	1.9	5.2	5.7	2.9	2.3
Mauritius	3.2	3.2	3.6	3.5	3.9
Mozambique	7.2	7.1	7.4	6.6	3.8
Namibia	5.1	5.6	6.4	6.0	1.1
Seychelles	3.7	5.0	6.2	5.7	4.5
South Africa	2.2	2.5	1.7	1.3	0.3
Swaziland	3.5	4.8	3.6	1.1	0.0
Tanzania	5.1	7.3	7.0	7.0	7.0
Zambia	7.6	5.1	4.7	2.9	3.4
Zimbabwe	10.6	4.5	3.8	1.4	0.7
SADC average	5.0	5.5	5.0	3.5	2.6

Source: National Statistics Offices and IMF, *World Economic Outlook*, October 2017  
Note: p denotes provisional data

Output growth in 2017 in the East African Community (EAC) region remained strong, averaging 4.0 percent compared with 4.5 percent in 2015 (**Table 1.3**). However, there were divergences in output growth performance across countries. Real GDP growth rate in Kenya slightly increased, stabilized in Tanzania, slowed in Rwanda and Uganda, and contracted in Burundi. Real GDP growth in Kenya occurred mostly in services, construction, lower fuel prices, and increased public investment in energy and transportation. In Rwanda, the subdued growth was mainly due to a slowdown in agriculture activity, notably tea and coffee, while in Uganda it was due to a decrease in output growth in agriculture and industrial activities. In Burundi, output growth contracted moderately by 1.0 percent in 2016, compared with a contraction of 4.0 percent in the preceding year, due to improvement in agriculture and industrial activity.

**Table 1.3: Real GDP Growth in EAC Region**

Country	Percent				
	2012	2013	2014	2015	2016
Kenya	4.6	5.7	5.3	5.6	5.8
Tanzania	5.1	7.3	7.0	7.0	7.0
Uganda	2.6	4.0	4.9	5.0	2.3
Burundi	4.4	4.5	4.7	-4.0	-1.0
Rwanda	8.8	4.7	7.0	8.9	5.9
EAC Average	5.1	5.2	5.8	4.5	4.0

Source: National Statistics Offices and IMF, *World Economic Outlook* Database, October 2017

Note: p denotes provisional data

### Inflation

Global inflation remained moderate at 2.8 percent in 2016, as in 2015, albeit differing in trend and level across regional sub-groups and countries (**Table 1.4**). In the advanced economies, inflation rate was markedly lower than the other regions, but picked up slightly to 0.8 percent in 2016 from 0.3 percent in 2015, driven mostly by increase in prices of fuel and other energy related products. Inflation rate increased in Germany, France and Canada, mainly due to a rise in fuel prices



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towards the fourth quarter of 2016. In the United States, inflation rose to 1.3 percent in 2016 from 0.1 percent in 2015, as housing and medical costs went up. In the United Kingdom, inflation was 0.7 percent, up from 0.1 percent in 2015, associated with depreciation of sterling pound and increase in prices of fuel. By contrast, inflation decelerated in Japan to a negative 0.1 percent in 2016 compared with 0.8 percent in 2015, partly due to stronger yen relative to other currencies, which reduced import costs. Inflation in China increased to 2.0 percent from 1.4 percent, as slack in industrial sector and pressure on goods prices kept mounting. In ASEAN-5 economies, inflation eased to 2.4 percent in 2016 from 3.3 percent in 2015, owing to a decline in fuel prices. Sub-Saharan Africa recorded double-digit inflation level of 11.4 percent compared with 7.0 in 2015, mainly due to increase in food prices.

**Table 1.4: Global Inflation**

	Percent				
	2012	2013	2014	2015	2016
World	4.1	3.7	3.2	2.8	2.8
Advanced economies	2.0	1.4	1.4	0.3	0.8
United Kingdom	2.8	2.6	1.5	0.1	0.7
Germany	2.1	1.6	0.8	0.1	0.4
Japan	0.0	0.4	2.7	0.8	-0.1
United States	2.1	1.5	1.6	0.1	1.3
Italy	3.3	1.2	0.2	0.1	-0.1
France	2.2	1.0	0.6	0.1	0.3
Canada	1.5	0.9	1.9	1.1	1.4
Euro area (17 countries)	2.5	1.3	0.4	0.0	0.2
European Union (27 countries)	2.6	1.5	0.5	0.0	0.2
Emerging market and developing economies	5.8	5.5	4.7	4.7	4.3
Africa	n.a	n.a	7.2	7.4	10.1
Sub-Saharan	9.3	6.6	6.4	7.0	11.3
Emerging and developing Asia	4.6	4.7	3.5	2.7	2.8
China	2.6	2.6	2.0	1.4	2.0
India	9.9	9.4	5.9	4.9	4.5
ASEAN-5	3.8	4.6	4.6	3.3	2.4
Indonesia	4.0	6.4	6.4	6.4	3.5
Malaysia	1.7	2.1	3.1	2.1	2.1
Philippines	3.2	2.9	4.2	1.4	1.8
Thailand	3.0	2.2	1.9	-0.9	0.2
Vietnam	9.1	6.6	4.1	0.6	2.7
Middle East and North Africa	9.7	9.3	6.6	5.9	5.4
Newly Industrialized Asian Economies					
Hong Kong	4.1	4.3	4.4	3.0	2.6
Korea	2.2	1.3	1.3	0.7	1.0
Singapore	4.6	2.4	1.0	-0.5	-0.5
Taiwan Province of China	1.9	0.8	1.2	-0.3	1.4

Source: IMF, *World Economic Outlook October 2017*

Note: p denotes provisional data

Inflation rate in SADC region more rose to an average of 10.4 percent from 5.5 percent in 2015, mainly due to rise in food prices. Inflation rates were high in Angola, DRC, Malawi and Mozambique. Angola recorded the highest inflation in the region, picking up by more than thrice to 32.4 percent from 10.3 percent, driven by food prices and depreciation of the local currency—Kwanza. Inflation in DRC also hiked to as high as 18.2 percent from 1.0 percent in 2015, due to food prices. Pressure on food prices also contributed to a rise inflation in Lesotho, Namibia, South Africa and Mozambique. Inflation in the other SADC countries, namely Seychelles, Botswana, Madagascar, Mauritius, Malawi and Tanzania eased due to a combination of factors, particularly fall in fuel prices and transport costs.

**Table 1.5: Inflation Rates in SADC Region**

Country	Percent				
	2012	2013	2014	2015	2016
Angola	10.3	8.8	7.3	10.3	32.4
Botswana	7.5	5.9	4.4	3.1	2.8
DRC	2.1	0.8	1.0	1.0	18.2
Lesotho	5.5	5.0	4.6	4.3	6.4
Madagascar	5.7	5.8	6.1	7.4	6.7
Malawi	21.3	28.3	23.8	21.9	21.7
Mauritius	3.9	3.5	3.2	1.3	1.0
Mozambique	2.1	4.2	2.3	2.4	19.2
Namibia	6.7	5.6	5.3	3.4	6.7
Seychelles	7.1	4.3	1.4	4.0	-1.0
South Africa	5.7	5.8	6.1	4.6	6.3
Swaziland	8.9	5.6	5.7	5.0	8.0
Tanzania	16.0	7.9	6.1	5.6	5.2
Zambia	6.6	7.0	7.8	10.1	7.5
Zimbabwe	3.7	1.6	-0.2	-2.4	-1.6
<b>SADC average</b>	<b>7.5</b>	<b>6.7</b>	<b>5.7</b>	<b>5.5</b>	<b>9.3</b>

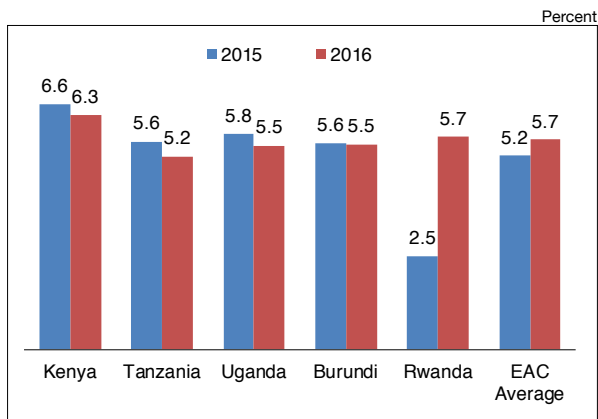
Source: National Statistics Offices and IMF, *World Economic Outlook Database, October 2017*

In EAC region, inflation was moderate, rising slightly to 5.7 percent from 5.2 percent in 2015. With the exception of Rwanda, where inflation rose due to increase in food prices, all other countries recorded a decrease in inflation rates. The fall in inflation in Tanzania, Kenya, Uganda and Burundi, was largely because of a decline in food and energy prices.



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**Chart 1.1: Inflation Rates in EAC Region**



Source: National Statistics Offices

### Tanzania's Intra-Regional Trade<sup>5</sup>

Tanzania's intra-SADC trade slightly declined by 4.1 percent to USD 1,628.2 million in 2016 from 2015. The decline manifested in both exports and imports, albeit at varying degrees (**Table 1.8**). Nevertheless, overall, Tanzania continued to be a net exporter to other SADC countries, with a trade surplus of USD 397.2 million in 2016, up from USD 358.9 million in 2015.

Noteworthy, Tanzania recorded a trade surplus with South Africa, DRC, Malawi, Mozambique, Namibia, Zimbabwe, Angola and Seychelles<sup>6</sup>. Meanwhile, South Africa remained the major trading partner of Tanzania, accounting for 67.8 percent of total Tanzania's intra-SADC trade. Exports to South Africa was USD 631.3 million in 2016 compared with USD 673.2 million in 2015, while imports fell to USD 472.2 million from USD 514.1 million. DRC was the second largest Tanzania's intra-SADC trade partner, with export value amounting to USD 291.6 million in 2016 and imports of USD 0.4 million.

**Table 1.8: Tanzania Intra-SADC Trade**

	Millions of USD				
	2012	2013	2014	2015	2016
<b>South Africa</b>					
Exports	967.9	760.0	689.3	673.2	631.3
Imports	927.9	725.3	603.5	514.1	472.2
Trade balance	40.0	34.7	85.9	159.2	159.1
<b>DRC</b>					
Exports	181.6	236.1	281.6	197.7	291.6
Imports	45.7	21.4	3.3	4.9	0.4
Trade balance	135.9	214.8	278.3	192.8	291.3
<b>Malawi</b>					
Exports	89.0	41.3	41.3	56.0	30.8
Imports	39.9	50.8	63.4	32.6	26.6
Trade balance	49.1	-9.5	-22.1	23.4	4.2
<b>Zambia</b>					
Exports	71.4	90.6	135.4	44.1	32.5
Imports	34.8	37.3	47.2	37.3	33.5
Trade balance	36.6	53.3	88.2	6.7	-1.0
<b>Mozambique</b>					
Exports	53.1	66.4	68.1	18.6	12.3
Imports	18.0	16.5	12.7	24.8	12.0
Trade balance	35.1	49.9	55.4	-6.2	0.4
<b>Namibia</b>					
Exports	45.0	5.0	0.8	0.7	0.3
Imports	12.5	10.9	12.0	13.6	6.1
Trade balance	32.5	-6.0	-11.3	-12.9	0.3
<b>Madagascar</b>					
Exports	7.0	1.9	2.3	3.3	1.0
Imports	11.1	73.5	18.4	33.3	5.6
Trade balance	-4.1	-71.6	-16.1	-30.0	-4.6
<b>Zimbabwe</b>					
Exports	4.8	6.5	7.1	6.3	6.3
Imports	6.7	1.0	3.4	0.1	2.1
Trade balance	-1.9	5.5	3.7	6.1	4.3
<b>Mauritius</b>					
Exports	4.6	2.1	0.0	1.3	1.6
Imports	2.9	3.7	3.4	5.7	15.1
Trade balance	1.7	-1.6	-3.4	-4.5	-13.5
<b>Angola</b>					
Exports	2.6	28.9	2.5	3.8	4.6
Imports	1.0	0.3	3.4	0.0	0.0
Trade balance	1.6	28.6	-1.0	3.8	4.5
<b>Swaziland</b>					
Exports	2.3	4.0	1.2	9.1	0.1
Imports	0.9	1.0	3.1	1.5	41.2
Trade balance	1.3	3.0	-1.9	7.6	-41.1
<b>Seychelles</b>					
Exports	0.5	0.4	0.2	14.0	0.2
Imports	0.9	0.1	0.8	0.6	0.1
Trade balance	-0.4	0.3	-0.6	13.4	0.2
<b>Botswana</b>					
Exports	0.4	0.3	4.2	0.1	0.0
Imports	0.1	0.4	0.4	0.5	0.3
Trade balance	0.3	-0.1	3.8	-0.4	-0.3
<b>Lesotho</b>					
Exports	0.0	0.0	0.1	0.0	0.0
Imports	0.0	0.0	0.0	0.1	0.5
Trade balance	0.0	0.0	0.0	-0.1	-0.5
<b>Exports to SADC</b>	<b>1430.2</b>	<b>1243.5</b>	<b>1233.9</b>	<b>1028.1</b>	<b>1012.7</b>
<b>Imports from SADC</b>	<b>1102.5</b>	<b>942.2</b>	<b>774.9</b>	<b>669.2</b>	<b>615.5</b>
<b>Trade balance</b>	<b>327.7</b>	<b>301.3</b>	<b>458.9</b>	<b>358.9</b>	<b>397.2</b>

Source: Bank of Tanzania and Tanzania Revenue Authority

<sup>5</sup> Discussion in this section covers only SADC. Compilation of intra-EAC trade statistics could not be completed by the time of this publication due to statistical challenges associated with the implantation of Single Customs Territory system under EAC.

<sup>6</sup> Gold dominates Tanzania exports to South Africa.



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In terms of shares to total intra-SADC trade, South Africa remained the leading destination of Tanzania's exports, though its share declined to 62.3 percent in 2016 from 65.5 percent in 2015. The share of Tanzania's exports to DRC rose to 28.8 percent in 2016 from 19.2 percent in 2015. South Africa was also the major source of Tanzania's imports, accounting for 76.8 percent, followed by Zambia with 5.4 percent.

Tanzania's major exports to the SADC region were gold, cigarettes, wheat flour, juice, ceramic, fish, glass, cement, soap, footwear and bricks, while major imports, were motor vehicles, maize seeds, gas, iron sheet, lubricants, beer, apples and sugar.

**Table 1.9: Tanzania's Shares of Trade with SADC Countries**

	Percent				
	2012	2013	2014	2015	2016
<b>Exports</b>					
South Africa	67.7	61.1	55.9	65.5	62.3
DRC	12.7	19.0	22.8	19.2	28.8
Malawi	6.2	3.3	3.3	5.4	3.0
Zambia	5.0	7.3	11.0	4.3	3.2
Mozambique	3.7	5.3	5.5	1.8	1.2
Namibia	3.1	0.4	0.1	0.1	0.0
Madagascar	0.5	0.2	0.2	0.3	0.1
Zimbabwe	0.3	0.5	0.6	0.6	0.6
Mauritius	0.3	0.2	0.0	0.1	0.2
Angola	0.2	2.3	0.2	0.4	0.5
Swaziland	0.2	0.3	0.1	0.9	0.0
Seychelles	0.0	0.0	0.0	1.4	0.0
Botswana	0.0	0.0	0.3	0.0	0.0
Lesotho	0.0	0.0	0.0	0.0	0.0
<b>Imports</b>					
South Africa	84.2	77.0	77.9	76.8	76.7
DRC	4.1	2.3	0.4	0.7	0.1
Malawi	3.6	5.4	8.2	4.9	4.3
Zambia	3.2	4.0	6.1	5.6	5.4
Mozambique	1.6	1.7	1.6	3.7	1.9
Namibia	1.1	1.2	1.6	2.0	1.0
Madagascar	1.0	7.8	2.4	5.0	0.9
Zimbabwe	0.6	0.1	0.4	0.0	0.3
Mauritius	0.3	0.4	0.4	0.9	2.5
Angola	0.1	0.0	0.4	0.0	0.0
Swaziland	0.1	0.1	0.4	0.2	6.7
Seychelles	0.1	0.0	0.1	0.1	0.0
Botswana	0.0	0.0	0.1	0.1	0.0
Lesotho	0.0	0.0	0.0	0.0	0.1

Source: Bank of Tanzania and Tanzania Revenue Authority

## World Economic Outlook

The IMF World Economic Outlook Update of October 2017, projected global economy to grow by 3.6 percent in 2017 and 3.7 percent in 2018, from 3.2 percent in 2016 (**Table 1.10**). In advanced economies, output is projected grow by 2.2 percent in 2017 and 2.0 percent in 2018, largely driven by impact of anticipated strong domestic demand, which will, among others, contribute to recovery in manufacturing activity. Among advanced economies, the United Kingdom is expected to experience a slowdown in output growth of 1.7 percent in 2017 and 1.5 percent in 2018, lower than 1.8 percent recorded in 2016. This is explained by uncertainty on the economic impact of Brexit vote. In the Euro Area, real output growth is projected at 2.1 percent in 2017 and fall to 1.9 percent in 2018, from 1.8 percent in 2016. The modest growth pattern is associated with weaker euro and stronger momentum in domestic demand.

Real GDP in the United States is projected to grow by 2.2 percent in 2017 and 2.3 percent in 2018, higher than 1.5 percent recorded in 2016, largely attributed to growth in domestic consumption, buoyed financial markets and increased post-election business confidence. These factors are expected to add impetus on investment in manufacturing and energy activity. In Japan, real GDP is expected to grow by 1.5 percent in 2017, above 1.0 percent registered in 2016 due to increased investment. However, real GDP in Japan is expected to slow down to 0.7 percent in 2018, owing to adverse impact of anticipated appreciation of the Japanese Yen on exports of automobiles.

Output growth in emerging market and developing economies is expected to increase in 2017 and 2018, largely supported by accommodative monetary policies and strengthening growth prospects in India. In India, growth is projected at 6.7 percent in 2017 compared with 7.1 percent in



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2016, reflecting remaining disruptions associated with the currency exchange initiative introduced in November 2016, as well as transition costs related to the launch of the national goods and services tax in July 2017. However, the latter move, which promises the unification of India's vast domestic market, is among several key structural reforms under implementation that are expected to push up India's growth to 7.4 percent in 2018. Growth in China is projected to increase in the wake of monetary policy easing and supply-side reforms. Growth in sub-Saharan Africa is expected to rise to 2.6 percent in 2017 and 3.4 percent in 2018, higher compared with 1.4 percent in 2016, largely attributed to expected increase in commodity prices in the world market. Nigeria economy is projected to recover by 0.8 percent and 1.9 percent in 2017 and 2018, respectively, after contracting by 1.6 percent in 2016. This is expected to come from value added in oil production and public investment. In South Africa, a modest recovery is expected, with growth forecast at 0.7 percent in 2017 and 1.1 percent in 2018, as commodity prices rebound, drought conditions ease and electricity capacity expands.

inflation rate in emerging market and developing economies (excluding Argentina and Venezuela) is projected to marginally decrease to 4.2 percent in 2017 from 4.4 percent in 2016. Inflation in sub-Saharan Africa is expected to remain in double-digit in 2017, primarily driven by food prices and pass-through of currencies depreciation.

**Table 1.10: World Economic Outlook**

	Percent							
	2012	2013	2014	2015	2016	Projections		
						2017	2018	
World	3.5	3.5	3.6	3.4	3.2	3.6	3.7	
Advanced economies	1.2	1.3	2.1	2.2	1.7	2.2	2.0	
United States	2.2	1.7	2.6	2.9	1.5	2.2	2.3	
Euro Area	-0.9	-0.2	1.3	2.0	1.8	2.1	1.9	
Japan	1.5	2.0	0.3	1.1	1.0	1.5	0.7	
United Kingdom	1.3	1.9	3.1	2.2	1.8	1.7	1.5	
Emerging Markets and Developing Economies	5.4	5.1	4.7	4.3	4.3	4.6	4.9	
Emerging and Developing Asia	7.0	6.9	6.8	6.8	6.4	6.5	6.5	
China	7.9	7.8	7.3	6.9	6.7	6.8	6.5	
India	5.5	6.4	7.5	8.0	7.1	6.7	7.4	
Sub-Saharan Africa	4.4	5.3	5.1	3.4	1.4	2.6	3.4	
Nigeria	4.3	5.4	6.3	2.7	-1.6	0.8	1.9	
South Africa	2.2	2.5	1.7	1.3	0.3	0.7	1.1	

Source: IMF, *World Economic Outlook Update October, 2017*

Regarding inflation, the IMF World Economic Outlook Update of October 2017, indicates that headline inflation rate in advanced economies is projected to increase to 1.7 percent in 2017 from 0.8 percent in 2016, reflecting continued cyclical recovery in demand and the increase in commodity prices in the second half of 2016. Meanwhile,



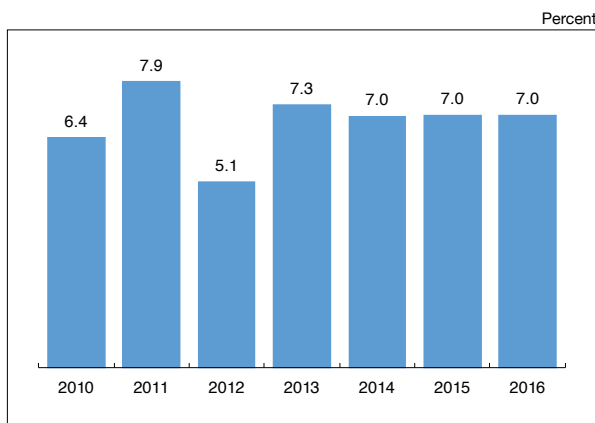
## 2.0 Domestic Economic Developments

### 2.1 Output

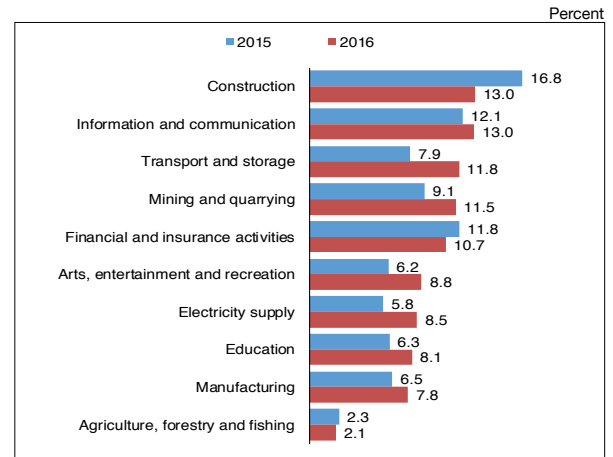
The economy sustained a strong growth at 7.0 percent for three years in succession (**Chart 2.1**). In absolute terms, GDP at constant 2007 prices was TZS 47.1 trillion in 2016 compared with TZS 44.1 trillion in 2015, while at current market prices was TZS 103.7 trillion from TZS 90.8 trillion. With the expansion in GDP, per capita nominal income improved to TZS 2.13 million from TZS 1.92 million in 2015.

Output growth was more pronounced in construction; information and communication; financial intermediation; and transport and storage activities. However, activities that contributed mostly to real GDP growth (growth drivers) were construction, transport and storage, wholesale and retail trade, information and communication, and manufacturing. As regards shares to total GDP at current market prices, services had the highest share. Trade and repair; information and communication; public administration; transport and storage; and financial and insurance, altogether accounted for 39.1 percent of GDP.

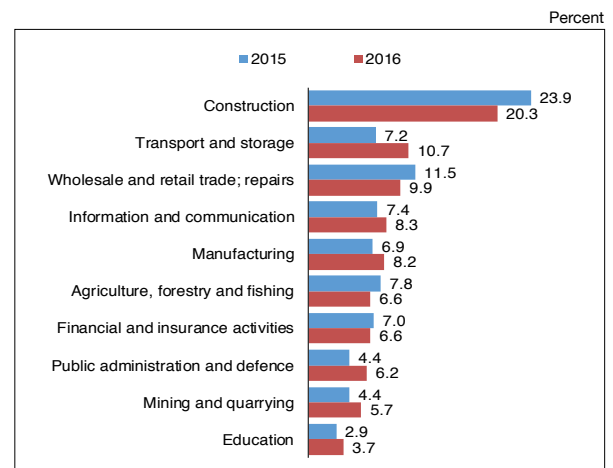
**Chart 2.1a: Real GDP Growth**



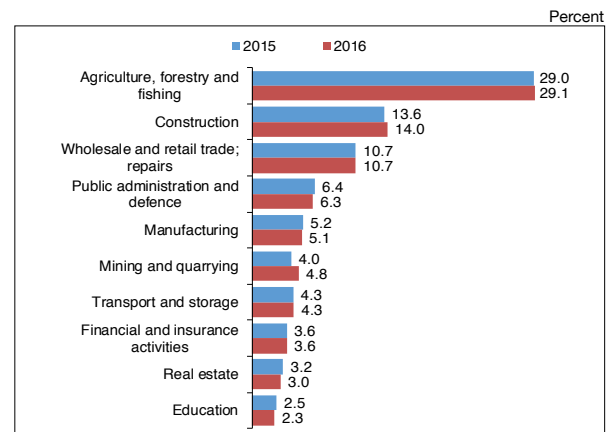
**Chart 2.1b: Growth by selected activities**



**Chart 2.1c: Contribution to GDP growth by selected activities**



**Chart 2.1d: Contribution to GDP by selected activities**



Source: National Bureau of Statistics



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### Performance of Selected Economic Activities

#### Agriculture, forestry and fishing

In real terms, the value added in this activity grew by 2.1 percent in 2016 compared to 2.3 percent in 2015. The slow growth was due to inadequate and delays in rains in some parts of the country during the 2015/16 crop-season. The situation affected crop production and access to sufficient water and feed for livestock, with crops sub-activity mostly affected, recording annual growth of 1.4 percent in 2016 compared with 2.2 percent in 2015.

Production of food crops amounted to 15.9 million tonnes in 2016/17 compared with 16.1 million tonnes in 2015/16. Cereals production was estimated at 9.4 million tonnes relative to 9.5 million tonnes a year earlier, while that of non-cereals was 6.5 million tonnes compared with 6.7 million tonnes. Food production in 2016/17 was more than the national food requirement by 19.6 percent, though lower compared with preceding year.

Production of all major traditional export crops—coffee, tobacco, cotton, tea, cashew nuts and sisal—declined in 2016/17, save for cashew nuts (**Table 2.1**). The increase in the production of cashew nuts was mostly caused by better farm-gate prices, timely availability and application of agriculture inputs, and favourable weather conditions. Production of coffee, cotton, tea, tobacco and sisal declined because of several factors, including unfavourable weather conditions (for coffee), low farm-gate prices, fall in export prices, and inadequate farm inputs.

**Table 2.1: Production of Selected Major Cash Crops**

	2000/01					'000' Tonnes	
						Peak Production	
	2012/13	2013/14	2014/15	2015/16 <sup>e</sup>	2016/17 <sup>a</sup>	Period	Tonnes
Coffee	71.2	48.8	42.0	59.9	48.3	2012/13	71.2
Cotton	357.1	246.0	203.3	149.9	121.6	2005/06	374.7
Tea	34.9	34.7	36.0	32.6	27.0	2014/15	36.0
Cashew nuts	127.9	130.1	197.9	155.2	264.9	2016/17	264.9
Tobacco	74.2	86.3	105.9	87.0	60.7	2011/12	126.6
Sisal	34.9	37.8	40.3	41.8	35.6	1964	230.0

Source: Ministry of Agriculture, Food Security and Cooperatives; and Crop Boards  
Note: r denotes revised data, e estimates

Livestock sub-activity grew by 2.6 percent in 2016 in real terms compared with 2.4 percent in 2015, partly explained by increase in the number of livestock sold through registered markets following improvement made on markets infrastructure, which include renovation and installation of weighing scales in the auctions. Production of meat rose in tandem to 648,810 tonnes in 2016 from 579,757 tonnes in 2015, following an increase in demand particularly in mining and tourism industries as well as expansion of export markets—mainly in Mozambique, Vietnam, Oman, Qatar and United Arab Emirates. There was also a rise in milk production, whose volume increased to 2,127.0 million litres from 2,058.0 million litres in 2015.

Fishing activity recorded a growth rate of 4.2 percent in 2016 compared with 2.5 percent in 2015, while forestry grew by 3.4 percent compared with 2.6 percent. The improvement recorded in 2016 was largely due to an increase in production of wood and wood products and other forestry products, including tourism hunting and honey harvesting and production of bees' wax.

#### Industry and Construction

Construction activity—residential and non-residential buildings, roads and bridges, and other civil works—grew by 13.0 percent in 2016 compared with 16.8 percent in 2015. The slow growth was in line with the fall in importation of capital goods following completion of major construction projects including cement factories, power plants and gas pipelines.





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Manufacturing activity<sup>7</sup> grew by 7.8 percent in 2016 compared with 6.5 percent in 2015. Much of the growth occurred in the production of food products, cement, beverages, tobacco and clothing.

Following improvement in manufacturing activity, employment in this economic activity increased to 95,678 employees in 2016 from 91,008 employees in 2015; with food, beverages and tobacco manufacturing employing more than half of the total employment (**Table 2.2**). There was, however, a decrease in employment in paper and paper products manufacturing.

**Table 2.2: Employment in Manufacturing**

ISIC	Industrial Activity	2012	2013	2014	2015	2016
21	Food, beverage and tobacco	40,481.5	51,459.0	55,380.5	53,048.3	54,661.8
32	Textile and leather	11,302.8	12,707.3	15,333.5	15,441.0	19,614.0
331	Wood and products except furniture	2,457.0	2,479.8	2,765.3	2,701.0	2,804.0
341	Paper and paper products	2,972.3	2,637.0	2,567.3	2,672.3	2,637.3
35	Chemicals, petroleum, rubber & plastic products	9,001.0	9,368.8	10,800.5	9,705.5	9,782.3
36	Non metallic products	9,001.0	1,969.3	2,180.3	2,734.8	4,443.0
37	Basic metal industries	3,231.0	3,024.0	2,968.3	3,031.5	n.a
38	Fabricated metal product, machinery and equipment	1,448.0	1,466.3	1,705.3	1,566.8	1,620.0
39	Other industries	74.3	77.0	91.3	107.3	116.0
3	Total employment	79,968.8	85,188.3	93,792.0	91,008.3	95,678.3

Source: National Bureau of Statistics  
Note: n.a denotes data not available

## Mining and Quarrying

Mining and quarrying<sup>8</sup> recorded a growth rate of 11.5 percent in 2016 compared with 9.1 percent in 2015, following an increase in production of tanzanite, gemstone and diamond (**Table 2.3**). On the contrary, production of phosphates, pozzolana, gypsum, limestone and gold declined.

**Table 2.3: Production of Minerals**

Mineral type	Unit	2012	2013	2014	2015	2016 <sup>p</sup>
Diamond	'000' Carats	127.2	179.6	252.9	216.5	239.9
Gold	Tonnes	39,012.0	43,389.7	40,481.2	46,008.3	45,155.4
Gemstone	Tonnes	1,702.2	2,649.5	3,069.2	1,878.4	2,541.0
Salt	'000' Tonnes	34.0	34.0	54.8	168.9	178.2
Gypsum	'000' Tonnes	103.6	220.5	200.2	254.8	213.7
Limestone	'000' Tonnes	1,346.0	2,759.1	1,116.8	4,443.6	3,931.3
Pozzolana	'000' Tonnes	91,221.0	61,004.0	68,924.7	342,627.6	230,045.5
Coal	'000' Tonnes	78,672.0	84,772.0	246,127.7	257,321.0	276,030.2
Tanzanite	Kilogram	32,212.0	24,804.8	18,463.7	6,370.4	13,942.6
Phosphates	Tonnes	570,626.0	1,023,020.0	738,000.0	222,800.0	23,658.0
Copper	'000' Pounds	12,426.0	12,654.0	14,027.0	14,252.3	16,247.2

Source: National Bureau of Statistics  
Note: p denotes provisional data

<sup>7</sup>It includes physical or chemical transformation of materials, substances, or components into final or semi-processed goods.

<sup>8</sup>Mining and quarrying includes activities of extraction of minerals occurring natural as solids (coal and ores), liquids (petroleum) or gases (natural gas).

## Electricity and Gas

Electricity and gas activity—generation of electricity mainly from hydro, thermal, and gas power; as well as electricity transmission and distribution—grew by 9.1 percent compared with 4.4 percent in 2015. A large increase occurred in electricity supply following completion of Kinyerezi I power plant. Specifically, electricity generated in 2016 reached 6,936.6 million kWh compared to 6,382.3 million kWh in 2015. Meanwhile, total electricity available for consumption, which includes electricity generated locally and imported from neighboring countries, rose to 7,038.1 million kWh in 2016, from 6,453.6 million kWh in 2015 (**Table 2.4**).

**Table 2.4: Electricity Generation and Imports**

Source	2011	2012	2013	2014	2015	2016
'000' kWh						
Hydropower	1,992,576.1	1,766,593.2	1,717,321.0	2,590,696.8	2,107,622.0	2,331,536.0
Thermal power	957,614.2	1,203,826.7	1,374,699.9	1,189,806.7	1,523,847.4	2,587,299.6
Diesel-Grid	5,427.4	4,910.8	60,104.7	138,670.0	220,789.5	130,856.2
Gas	952,186.8	1,198,916.0	1,314,595.2	1,051,136.7	1,303,057.9	2,456,443.4
Isolated units	76,852.3	163,928.4	178,503.5	190,449.9	197,840.0	172,885.4
Diesel	76,852.3	75,942.1	98,375.8	102,882.1	102,067.5	79,897.8
Gas (Mtwara & Somanga)		87,986.3	80,127.8	87,567.8	95,772.6	92,987.6
Imports	54,745.2	60,796.7	58,641.7	59,291.0	71,317.3	101,537.9
Uganda	44,378.0	57,144.0	53,902.0	54,109.1	62,080.0	72,809.2
Zambia	10,367.2	3,652.7	3,210.7	3,424.7	7,108.3	20,694.9
Kenya		1,529.0	1,757.3	2,129.0	8,033.8	
Integrated Power Projects	2,074,862.1	2,570,482.2	2,694,297.3	2,152,477.2	2,552,956.3	1,844,875.2
Hydropower	0.0	0.0	0.0	0.0	16,654.3	41,568.5
Diesel	305,348.4	432,439.0	409,463.3	469,627.4	657,694.1	170,609.0
Gas	1,757,179.2	2,117,825.1	2,252,872.8	1,650,897.8	1,864,095.0	1,603,604.3
Biomass	12,334.5	20,218.0	31,961.2	31,952.0	14,512.9	29,093.4
Total	5,156,649.9	5,765,627.3	6,023,463.4	6,182,721.7	6,453,583.0	7,038,134.1

Source: Tanzania National Electricity Supply Company

Note: Hydropower electricity by IPP more than doubled in 2016 following completion of power plants in Iyovi Morogoro, Darakuta in Manyara, Tulila and Andoya in Ruvuma

## Services

The value added in services increased by 7.6 percent over the year and accounted for 39.1 percent of GDP in 2016 (**Table 2.5** and **Table 2.6**). The performance was dominated by transport and storage; information and communication; financial and insurance; as well as arts, entertainment and recreation. Growth in information and communication was driven by usage of mobile phone technology, broadcasting, and internet services. Transport and storage expanded following improved efficiency at the Dar es Salaam port—gateway of the country, and transport networks.



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**Table 2.5: Real Growth by Activity**

	Percent					
	2011	2012	2013	2014	2015	2016
Agriculture, forestry and fishing	3.5	3.2	3.2	3.4	2.3	2.1
Crops	4.8	4.2	3.5	4.0	2.2	1.4
Livestock	1.6	1.8	2.0	2.2	2.4	2.6
Forestry	3.3	3.5	4.7	5.1	2.6	3.4
Fishing	2.6	2.9	5.5	2.0	2.5	4.2
Industry and construction	12.0	4.0	9.5	10.3	11.3	10.7
Mining and quarrying	6.3	6.7	3.9	9.4	9.1	11.5
Manufacturing	6.9	4.1	6.5	6.8	6.5	7.8
Electricity supply	-4.3	3.3	13.0	9.3	5.8	8.5
Construction	22.9	3.2	14.6	14.1	16.8	13.0
Services	8.4	7.2	7.1	7.2	6.9	7.6
Wholesale, retail trade and repairs	11.3	3.8	4.5	10.0	7.8	6.7
Transport and storage	4.4	4.2	12.2	12.5	7.9	11.8
Information and communication	8.6	22.2	13.3	8.0	12.1	13.0
Financial and insurance	14.8	5.1	6.2	10.8	11.8	10.7
Real estate	1.9	2.0	2.1	2.2	2.2	2.4
Professional, scientific and technical	4.8	-5.8	5.4	0.5	6.8	6.3
Public administration and defence	15.9	9.1	7.8	3.9	4.6	6.7
Education	5.6	7.4	4.3	4.8	6.3	8.1
Arts, entertainment and recreation	7.7	11.0	5.7	5.7	6.2	8.8
Taxes on products	12.1	0.4	14.2	7.7	9.6	7.8
GDP at market prices	7.9	5.1	7.3	7.0	7.0	7.0

Source: National Bureau of Statistics

**Table 2.6: Percentage Share of Selected Activities to GDP at Current Prices**

	2011	2012	2013	2014	2015	2016
Agriculture, forestry and fishing	29.4	31.1	31.2	28.8	29.0	29.1
Construction	9.0	8.1	10.8	12.4	13.6	14.0
Wholesale and retail trade; repairs	10.6	10.4	10.2	10.5	10.7	10.7
Public administration and defence	6.3	6.5	7.0	6.6	6.4	6.3
Manufacturing	7.6	7.5	6.4	5.6	5.2	5.1
Mining and quarrying	5.1	4.9	4.2	3.7	4.0	4.8
Transport and storage	5.2	4.4	4.2	4.3	4.3	4.3
Financial and insurance	3.4	3.4	3.3	3.4	3.6	3.6
Real estate	4.3	4.3	3.8	3.7	3.2	3.0
Education	2.8	2.6	2.7	2.7	2.5	2.3
Administrative and support services	2.1	2.3	2.4	2.5	2.4	2.2
Information and communication	2.4	2.4	2.3	2.1	2.0	2.0
Human health and social work	1.6	1.5	1.4	1.4	1.4	1.4
Professional, scientific and technical	1.5	1.3	1.3	1.3	1.2	1.2
Accommodation and Food Services	1.4	1.4	1.3	1.1	1.1	1.0
Electricity supply	0.6	0.9	0.8	1.1	1.0	0.9
Arts, entertainment and recreation	0.3	0.3	0.3	0.3	0.3	0.3

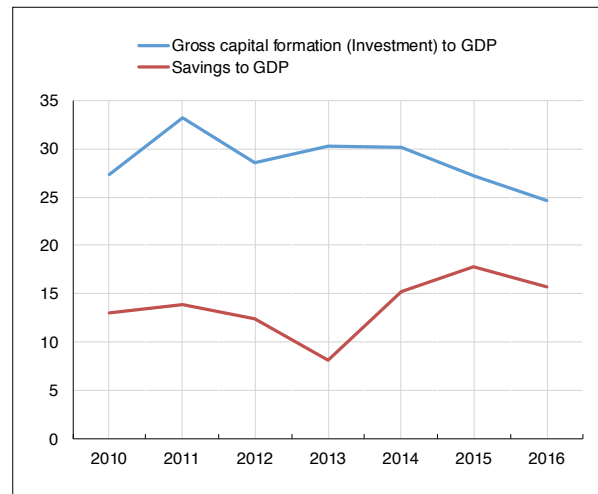
Source: National Bureau of Statistics

### Aggregate Demand

Real gross national disposable income (GNDI), which comprises compensation of employees, property income, net current transfers, operating surplus or mixed income; grew by 6.3 percent in 2016 compared with 5.5 percent in the preceding year<sup>9</sup>. The income was utilized for consumption, which grew by 15.8 percent, and accounted for 82.8 percent of the disposal income. In terms of share to GDP, final consumption was 75.6 percent, gross savings (15.7 percent) and gross capital formation (24.6 percent) as shown in **Chart 2.2**. The resource balance (savings minus investment) narrowed to -8.9 percent of GDP from -9.4 percent (**Table 2.7**).

<sup>9</sup> GNDI is obtained by adding net current transfers from abroad to gross national income.

**Chart 2.2: Savings and Investment ratio to GDP**



Source: National Bureau of Statistics

**Table 2.7: Gross National Disposable Income**

	Billions of TZS				
	2012	2013	2014	2015	2016 <sup>p</sup>
National disposable income	57,498.0	66,395.4	74,334.9	83,550.4	94,766.1
Final consumption	49,878.5	60,582.2	62,153.5	67,407.4	78,473.7
Government final consumption	9,055.2	11,580.5	10,996.6	12,454.2	14,407.3
Household final consumption	40,669.4	48,835.6	50,968.2	54,747.0	63,798.6
Gross capital formation (Investment)	17,510.5	21,516.1	24,019.7	24,717.2	25,558.1
Government investment	4,813.0	4,852.8	5,864.0	7,027.8	8,692.0
Private investment	13,973.1	16,772.6	20,104.8	24,094.7	26,076.0
Change in inventories	-1,275.6	-1,093.3	-1,949.1	-6,405.3	-9,209.9
Savings	7,619.6	5,813.2	12,181.4	16,143.0	16,292.3
Saving - Investment Gap	-9.9	-15.7	-11.8	-8.6	-9.3
GDP at current market price	61,434.2	70,953.2	79,718.4	90,863.8	103,744.6
Memorandum items:					
Gross capital formation (Investment) to GDP	28.5	30.3	30.1	27.2	24.6
Savings to GDP	12.4	8.2	15.3	17.8	15.7
Final consumption to GDP	81.2	85.4	78.0	74.2	75.6
Saving - Investment gap to GDP	0.0	0.0	0.0	0.0	0.0

Source: National Bureau of Statistics

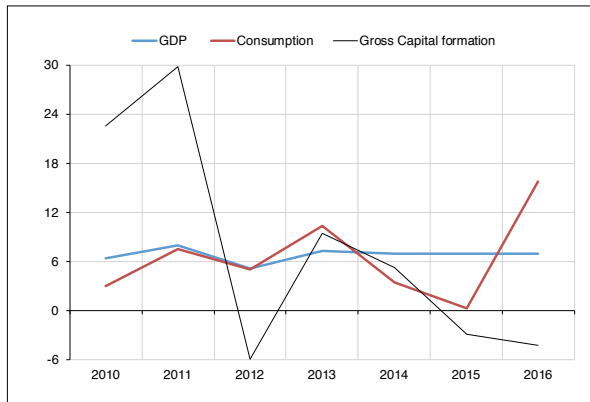
Note: p; denotes provisional data

Domestic aggregate demand expanded by 9.8 percent compared with a decline of 0.7 percent in 2015. The growth was mostly contributed by final consumption, which increased by 15.8 percent compared with 0.3 percent in 2015, following an increase in household and government final consumption. Conversely, gross capital formation contracted further by 4.3 percent compared with 2.9 percent in 2015 mainly on account of slowdown in private investment. Public investment expanded following fiscal rationalization measures in favour of infrastructural projects (**Chart 2.3**).



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**Chart 2.3: Growth in GDP, Consumption and Investment**



Source: National Bureau of Statistics

### Outlook for output

The steady growth of output recorded in recent years is projected to be sustained in 2017. The growth is expected to be supported by improved power supply, particularly from natural gas; transportation services; continued implementation of various infrastructure projects; and rebound of the global economy.

## 2.2 Food Supply and Inflation

### Food Supply

Food supply in the country was generally satisfactory during 2016/17. Food production was around 15.9 million tonnes compared with 16.1 million tonnes in the previous year. The outturn was within the required self-sufficiency ratio (SSR) of 120 percent, as it was in the past four consecutive years.

**Table 2.8: Food Production**

		Millions of Tonnes					
		2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>p</sup>
Cereals	Production	7,558.3	7,613.2	9,828.5	8,899.0	9,457.1	9,388.8
	Requirement	7,551.2	7,656.7	8,148.6	8,190.6	8,355.8	8,457.6
	Gap/surplus	7.1	-43.5	1,679.9	708.5	1,101.3	931.2
Non-cereals	Production	6,014.5	6,770.6	6,186.7	6,609.8	6,715.7	6,512.1
	Requirement	4,438.9	4,492.4	4,619.3	4,755.5	4,803.6	4,842.5
	Gap/surplus	1,575.6	2,278.2	1,567.4	1,854.3	1,912.2	1,669.6
Total Food	Production	13,572.8	14,383.8	16,015.2	15,528.8	16,172.8	15,900.9
	Requirement	11,990.1	12,149.1	12,767.9	12,946.1	13,159.3	13,300.0
	Gap/surplus	1,582.7	2,234.7	3,247.4	2,582.7	3,013.5	2,600.8
	SSR (%)	113.2	118.4	125.4	120.0	123.0	120.0

Source: Ministry of Agriculture, Livestock and Fisheries

Note: SSR stands for Self Sufficiency Ratio and p denotes provisional data

The National Food Reserve Agency (NFRA) food stocks closed at 70,373 tonnes at the end of June 2017, higher than 61,838 tonnes in the preceding year (**Table 2.9**). The stocks comprised 37,766 tonnes of maize, 3,939 tonnes of paddy and 19.9 tonnes of sorghum<sup>10</sup>. During the year, NFRA sold 41,719 tonnes to Prisons department, World Food Programme, private traders, and Disaster Relief Coordination Unit of the Prime Minister's Office.

**Table 2.9: National Food Reserve Agency Stocks**

	Tonnes				
	2013	2014	2015	2016	2017
January	72,170	235,309	459,561	125,668	86,834
February	60,739	228,014	454,592	88,414	86,444
March	46,153	214,157	452,054	68,727	86,444
April	36,982	195,246	433,547	64,825	86,278
May	26,802	195,956	406,846	63,341	74,826
June	27,494	189,494	353,702	61,838	70,393
July	71,141	182,200	282,401	49,632	
August	175,609	196,854	268,515	59,832	
September	224,295	299,624	265,046	86,545	
October	235,817	426,999	253,655	90,905	
November	234,145	460,295	238,134	90,900	
December	232,963	466,583	180,746	89,692	

Source: Ministry of Agriculture, Livestock and Fisheries

### Prices of Food Crops

In 2016/17, wholesale prices of all major food crops increased, save for rice. Maize and sorghum recorded the highest price increase relative to other crops (**Table 2.10**). Price of maize, the main staple food in the country, rose partly reflecting supply bottlenecks and high demand from the neighbouring countries.

**Table 2.10: Wholesale Prices of Food Crops**

	TZS per 100Kg				
	2012/13	2013/14	2014/15	2015/16	2016/17
Maize	61,976.2	52,041.0	41,685.4	59,777.8	80,861.5
Rice	164,246.1	125,296.6	140,948.7	168,320.5	158,726.0
Beans	129,274.7	134,769.6	146,925.6	161,686.7	168,453.0
Sorghum	73,159.8	77,377.6	63,558.9	83,240.3	104,310.1
Round potatoes	73,442.8	68,567.4	70,650.3	80,599.1	81,355.0
Finger millet	109,330.3	123,623.2	110,639.4	112,326.6	124,022.9

Source: Ministry of Industry and Trade

<sup>10</sup> About 1,501.3 tonnes of food were on transit



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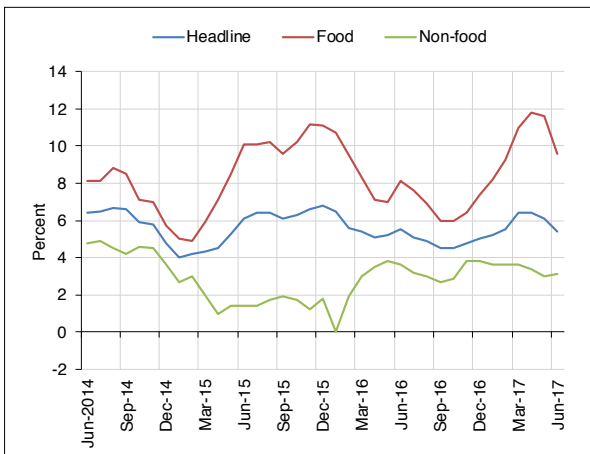
### Inflation

Headline inflation remained at single digits throughout 2016/17, averaging 5.3 percent, down from 6.0 percent in the preceding year, and was close to the medium term target of 5.0 percent (**Chart 2.4**). The moderate inflation was because of prudent monetary policy, streamlined fiscal policy, moderation of energy prices, and stability of the shilling exchange rate.

Annual food inflation averaged 8.6 percent compared with 9.5 percent in the preceding year, while core inflation which excludes food and energy, remained around 2.4 percent.

Headline inflation is expected to remain in single digits in 2017/18, supported by expected adequate food supply, stability of the shilling exchange rate and subdued energy prices. However, upward risks remain due to possible rise in oil prices following recent agreement among OPEC member countries to cut down production.

**Chart 2.4: Inflation Developments**



Source: Bank of Tanzania

### Prices of Food and Cash Crops

In 2016/17, wholesale prices of all selected food crops rose, save for rice. Maize and sorghum recorded the highest price increase relative to other crops (**Table 2.11**). Maize prices rose following poor harvests coupled with high demand for food in the neighbouring countries.

In 2016/17, average producer prices for major traditional cash crops increased except for sisal, which remained the same as in 2015/16 (**Table 2.12**). Prices of cashew nuts rose, partly on account of introduction of auctioning system, which allows buyers to compete. The rise in the coffee prices reflects lower production following drought in Brazil, which is one of major coffee producers in the world. As for cotton, it was influenced by high demand in the global market.

**Table 2.11: National Average Wholesale Prices for Food Crops**

	TZS per 100Kg				
	2012/13	2013/14	2014/15	2015/16	2016/17
Maize	61,976.2	52,041.0	41,685.4	59,777.8	80,861.5
Rice	164,246.1	125,296.6	140,948.7	168,320.5	158,726.0
Beans	129,274.7	134,769.6	146,925.6	161,686.7	168,453.0
Sorghum	73,159.8	77,377.6	63,558.9	83,240.3	104,310.1
Round potatoes	73,442.8	68,567.4	70,650.3	80,599.1	81,355.0
Finger millet	109,330.3	123,623.2	110,639.4	112,326.6	124,022.9

Source: Ministry of Industry and Trade

**Table 2.12: Average Producer Prices for Cash Crops**

Period	TZS/Kg						
	Coffee		Seed cotton	Green tea	Raw cashewnut	Tobacco VFC	Sisal* UG
2011/12	4,000.0	1,300.0	1,000.0	200.0	1,100.0	2,905.3	1,440.0
2012/13	2,500.0	1,300.0	660.0	200.0	1,396.7	3,397.9	1,450.0
2013/14	2,000.0	1,050.0	700.0	225.0	1,490.0	4,235.5	1,450.0
2014/15	4,000.0	1,200.0	750.0	220.0	1,820.0	3,662.8	1,720.0
2015/16	3,000.0	1,100.0	800.0	232.0	2,000.0	4,548.2	1,800.0
2016/17	4,000.0	1,600.0	1,000.0	240.0	3,500.0		1,800.0

Source: Ministry of Agriculture, Livestock and Fisheries, and Crop Boards

Note: VFC denotes Virginia flue cured, UG, under grade and \* prices in USD per tonne



## 3.0 Monetary Policy

### 3.1 Overview

The Bank of Tanzania pursued liquidity easing stance particularly in the second half of 2016/17 following the tight liquidity conditions experienced in the first half of the year. The tight condition came from a number of factors including cumulative impact of a decline in net foreign budgetary inflows, weak private sector cash-flows associated with subdued global demand and heightened caution among the banks arising from global uncertainties and higher regulatory standards. These factors slowed credit growth resulting to slower growth of money supply as well.

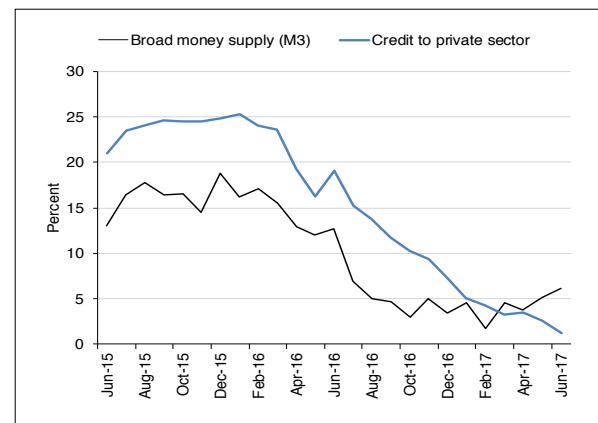
To address this situation, the Bank of Tanzania reduced the discount rate from 16.0 percent to 12.0 percent with effect from March 2017. In addition, the Bank lowered the Statutory Minimum Reserve (SMR) requirements on private sector deposits to 8.0 percent in April 2017 from 10.0 percent. Meanwhile in January 2017, the Bank adopted reserve-averaging framework in order to allow banks to use part of the SMR balances to provide a room for smoother liquidity management among banks during the SMR maintenance period. Other policy instruments used by the Bank to inject liquidity into the economy include reverse repo operations, purchase of foreign exchange from the domestic market, inward foreign exchange swaps and provision of short term loans to banks. The standby facilities (Lombard and Intraday loan) were also available for any bank in need of short-term liquidity support. These measures helped to increase liquidity of banks and softened money market interest rates.

### 3.2 Monetary Supply and Credit

The growth of money supply exhibited a general slowdown in 2016/17, partly reflecting the relatively tight liquidity conditions experienced in the first half of the year, as well as the ongoing increase in

velocity of money circulation induced by financial innovation. Against this backdrop, extended broad money supply (M3) recorded an annual increase of TZS 1,359.2 billion to TZS 23,865.4 billion at the end of June 2017 from TZS 22,506.2 billion at end-June 2016. The increase translated into an annual growth rate of 6.0 percent, lower than 12.7 percent in the year ended June 2016 and the projected rate of 12.3 percent. The slowdown was in part due to sustained slower growth of credit to the private sector and credit to the government by the banking system (**Chart 3.1** and **Table 3.1**).

**Chart 3.1: Annual Growth in Monetary Aggregates**



Source: Bank of Tanzania

**Table 3.1: Sources and Uses of Money Supply**

Items	Outstanding Stock			Annual growth (in percent)		
	Jun-15	Jun-16	Jun-17	Jun-15	Jun-16	Jun-17
Net foreign assets of the banking system	8,027.7	7,472.2	9,573.1	18.5	-6.9	28.1
Bank of Tanzania	7,443.8	7,146.1	10,016.8	16.3	-4.0	40.2
Net International Reserves (Millions of USD)	3,928.3	3,570.4	4,775.2	-6.0	-9.1	33.7
Banks	583.9	326.1	-443.7	58.3	-44.2	---
Banks NFA (Millions of USD)	289.0	149.6	-199.0	27.6	-48.2	---
Net domestic assets of the banking system	11,936.6	15,034.0	14,292.3	9.7	25.9	-4.9
Domestic claims	17,696.9	21,889.2	21,038.9	19.8	23.7	-3.9
Claims on central government (net)	3,707.0	5,229.2	4,172.7	15.2	41.1	-20.2
Claims on the private sector	13,989.8	16,659.9	16,866.2	21.0	19.1	1.2
Other items net	-5,760.3	-6,855.2	-6,746.6	47.9	19.0	-1.6
Extended broad money supply (M3)	19,964.3	22,506.2	23,865.4	13.1	12.7	6.0
Foreign currency deposits (in Shilling)	5,663.2	6,332.0	6,177.9	28.3	11.8	-2.4
FCD (Millions of USD)	2,803.1	2,906.1	2,770.2	4.7	3.7	-4.7
Broad Money Supply (M2)	14,301.1	16,174.2	17,687.5	8.0	13.1	9.4
Other deposits in national currency	5,621.6	6,341.8	6,816.2	7.2	12.8	7.5
Narrow money supply (M1)	8,679.4	9,832.3	10,871.3	8.5	13.3	10.6
Currency in circulation	3,543.8	3,739.7	3,615.3	15.4	5.5	-3.3
Transferable deposits	5,135.7	6,092.6	7,256.0	4.3	18.6	19.1

Source: Bank of Tanzania

Note: "----" means change exceed 100 percent, in absolute terms.

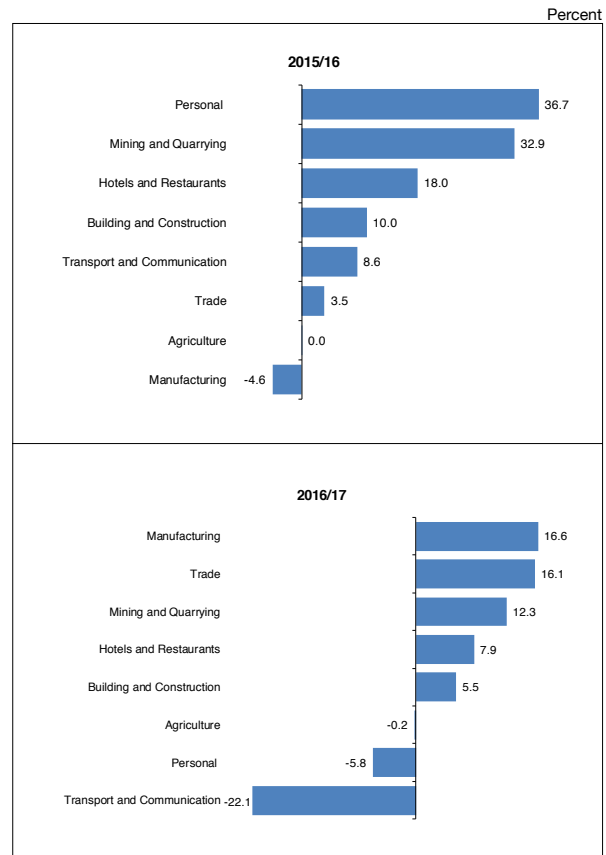


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Credit to the private sector increased at a slower pace by 1.2 percent in 2016/17 compared with 19.1 percent in 2015/16 and the projection of 12.5 percent. In absolute terms, loans extended by banks increased by TZS 206.2 billion during the year ending June 2017 to a stock of TZS 16,866.2 billion, compared with an increase of TZS 2,670.1 billion in the year ending June 2016 (**Table 3.1**). The slower pace of increase in credit reflected cautious approach taken by most of commercial banks in extending credit, following weakening of the asset quality particularly the increase in non-performing loans. In addition, credit grew slowly due to other factors such as slowdown in consumption demand, slower growth in deposits, and asset portfolio diversification by banks in favour of low risk government securities.

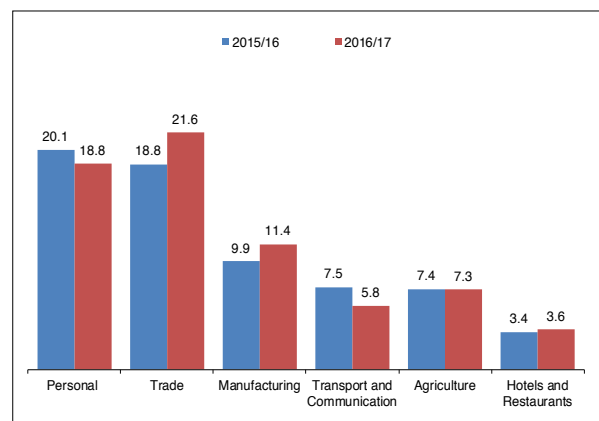
The slowdown in credit growth manifested in most the major economic activities, notably transport and communication, personal and agricultural activities. Nevertheless, some activities including manufacturing and trade registered relatively strong credit growth. In terms of sectorial distribution of credit, trade and personal activities continued to account for the largest share of outstanding credit, with respective shares of 21.6 percent and 18.8 percent (**Chart 3.2**).

**Chart 3.2a: Annual Growth of Banks' Credit to Major Economic Activities**



Source: Commercial banks and Bank of Tanzania

**Chart 3.2b: Shares of Credit to Selected Economic Activities to Total Credit**



Source: Commercial banks and Bank of Tanzania

Regarding credit to the government by banking system, it declined by 21.0 percent on net terms during the year ending June 2017, compared to an increase of 41.1 percent recorded in the year ending June 2016 (**Table 3.1**). This was largely

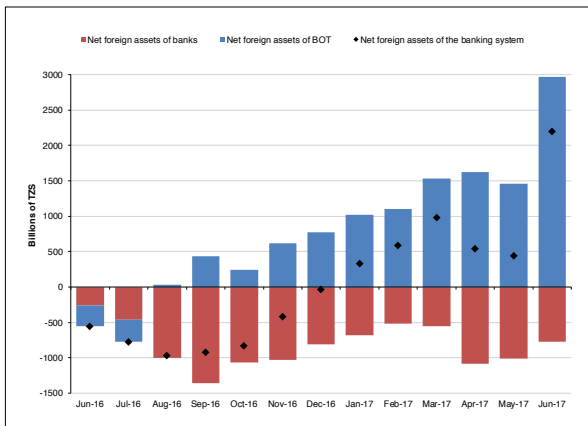


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driven by build-up of deposits at the Bank of Tanzania, following improvement in domestic revenue collection, expenditure control, and receipt of external non-concessional loan towards the end of the financial year 2016/17.

Net foreign assets (NFA) of the banking system grew by 29.5 percent in the year ending June 2017 compared with a decline of 6.9 percent in the corresponding period in 2016 (**Chart 3.3**). The increase in NFA of the banking system was driven by NFA of the Bank of Tanzania, which increased by TZS 2,972.7 billion supported largely by the disbursement of the Government external non-concessional loan and purchase of foreign exchange from the domestic market. NFA of banks declined following increase in foreign borrowing and decrease in deposits abroad.

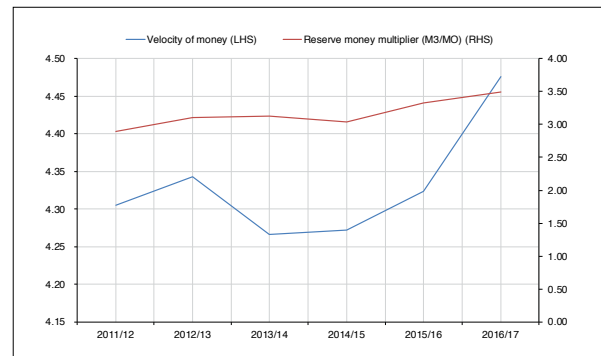
**Chart 3.3: Annual Changes in Net Foreign Assets of the Banking System**



Source: Commercial banks and Bank of Tanzania

The impact of the slow growth of monetary aggregates on economic activities was partly dampened by a rise in velocity of money circulation owing to increased use of digital financial services, partly boosted by interoperability across network operators (**Chart 3.4**). It is worth noting that money multiplier also increased during the period.

**Chart 3.4: Evolution of Velocity of Money in Circulation and Money Multiplier**



Source: Bank of Tanzania

Note: LHS denotes left hand scale and RHS, right hand scale

### 3.2 Interest Rates of Banks

Banks' deposit rates were on average higher in 2016/17 than in the preceding year, reflecting increased competition in deposit mobilisation by banks in the wake of streamlined government expenditure. Overall deposit rate rose by 36 basis points to an average of 9.61 percent, while twelve-month deposit rate averaged 11.66 percent, compared with 11.17 percent recorded in 2015/16.

Lending rates were relatively higher than in the preceding year, largely explained by the rise in risk premium due to weakening of banks' asset quality following increase in non-performing loans. On average, the overall lending rate increased by 35 basis points to 16.53 percent, whereas one-year lending rate rose to 15.38 percent, from 14.19 percent recorded in 2015/16 (**Table 3.2**).

**Table 3.2: Selected Interest Rates**

	Percent					
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Savings deposit rate	2.78	3.02	3.12	3.28	3.44	3.24
Overall time deposits rate	7.34	8.79	8.78	8.43	9.25	9.61
12 months deposit rate	9.65	11.48	11.48	10.58	11.17	11.66
Negotiated deposit rate	9.47	9.93	11.03	9.82	11.15	12.02
Overall lending rate	15.06	15.84	16.23	16.04	16.17	16.53
One-year lending rate	14.32	14.29	14.34	14.42	14.19	15.38
Negotiated lending rate	13.86	14.09	13.27	12.41	12.66	14.27

Source: Commercial banks and Bank of Tanzania



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3.4 Financial Markets

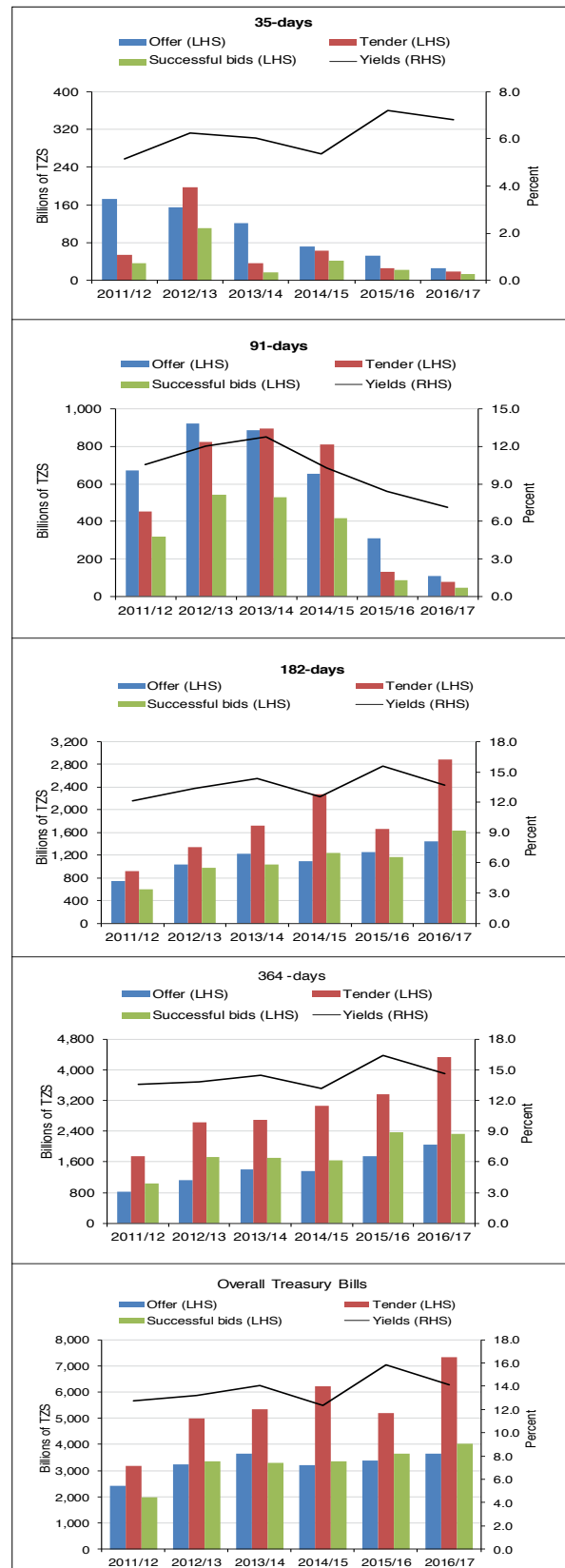
In 2016/17, the Bank continued to issue Treasury bills and bonds of different maturities for liquidity management and fiscal operations. In order to fine tune short-term liquidity fluctuations in the economy, the Bank issued repos and reverse repos consisting maturities of up to 14 days. Further, the Bank participated in the inter-bank foreign exchange market as a net purchaser for liquidity management. This was complemented by inward foreign exchange swaps of different maturities with commercial banks. Short-term loans were also issued to banks to address liquidity shortage.

Treasury Bills Market

Generally, Treasury bills market was liquid during the year, as reflected by oversubscription in most of the auctions and decrease in yields. Treasury bills worth TZS 3,638.3 billion were offered in 2016/17, slightly above TZS 3,375.2 billion in the previous year. Total tendered amount was TZS 7,320.4 billion compared with TZS 5,197.0 billion in the preceding year, with investors preference skewing towards the long end of the yield curve—182-days and 364-days—as shown in **Chart 3.5**. The increase in tendered amount featured more during the second half of the year reflecting liquidity expansion. Successful bids amounted to TZS 4,034.1 billion, after intervention to meet government budgetary requirements. Meanwhile, Treasury bills worth TZS 4,864.3 billion were redeemed.

Consistent with the increase in demand, yields across the maturity spectrum generally declined relative to the preceding year (**Chart 3.2**). The overall weighted average yield decreased to 14.15 percent from 15.82 percent in 2015/16.

Chart 3.5: Developments in Treasury Bills Market



Source: Bank of Tanzania

Note: LHS denotes left hand scale and RHS, right hand scale





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### Treasury Bonds Market

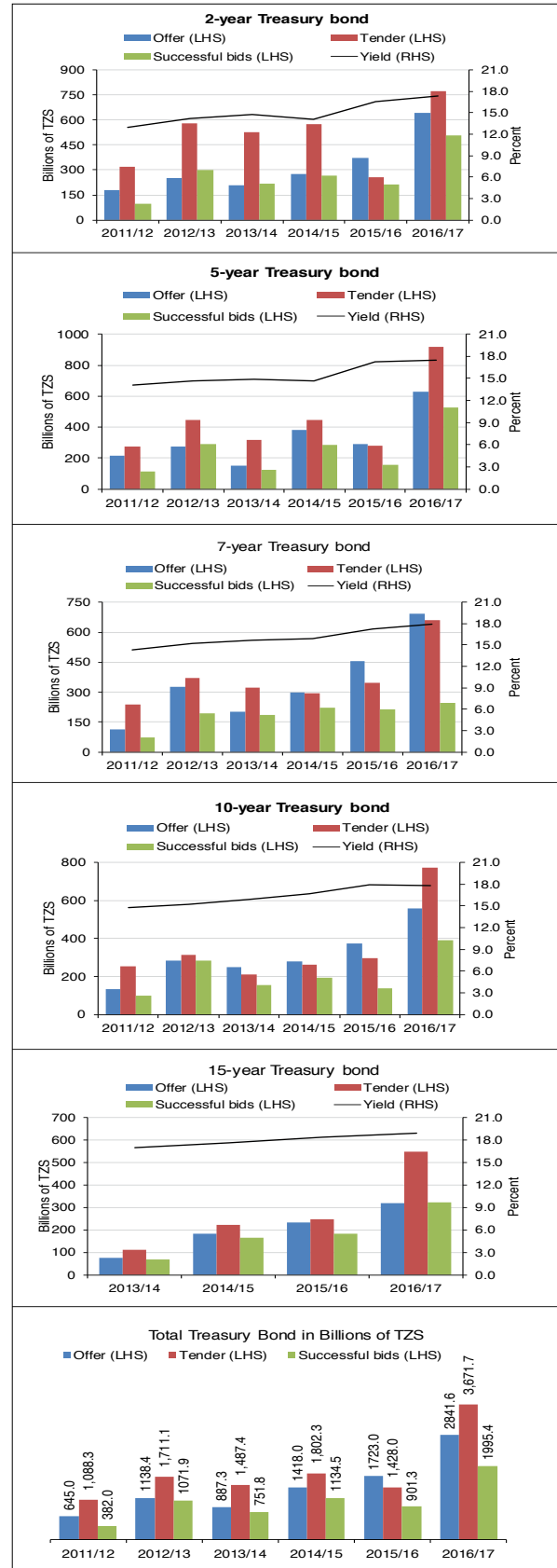
The Treasury bond market was also liquid. Treasury bonds of 2-, 5-, 7-, 10- and 15-years tenures were auctioned for government budgetary operations in accordance with the issuance calendar. The bonds continued to be auctioned at alternating maturities at fortnight intervals, and traded in the secondary market at the Dar es Salaam Stock Exchange (DSE).

Treasury bonds worth TZS 2,841.6 billion were offered during 2016/17 compared with TZS 1,723.0 billion in the preceding year. The auctions were generally over-subscribed, except for 7-year bond (**Chart 3.6**). The tendered amount was TZS 3,671.7 billion compared with TZS 1,428.0 billion in 2015/16. In order to align the yield curve and owing to deep discount prices, successful bids amounted to TZS 1,995.4 billion.

Despite high demand, on average yields of all maturities increased with exception of 10-year bond. Yields on 2- and 5-year bonds increased to an average of 17.34 percent and 17.46 percent, from 16.54 percent and 17.29 percent, respectively. For the 7- and 15-year bonds, the yields rose to 17.88 percent and 18.84 percent from 17.22 percent and 18.35 percent, respectively. As for the 10-year bond, yield declined to 17.81 percent from 17.95 percent.

In the secondary market, Treasury bonds transactions went up to TZS 544.5 billion from TZS 458.8 billion in 2015/16, an 18.7 percent increase. The 15-year bond was the most traded, accounting for 34.0 percent of the transactions, followed by the 7-year bond at 24.6 percent. The 2-year bond was the least traded since it is the most liquid and preferred by banks as collateral for loans in the inter-bank cash market.

**Chart 3.6: Treasury Bonds Performance**



Source: Bank of Tanzania  
 Note: LHS denotes left hand scale and RHS, right hand scale



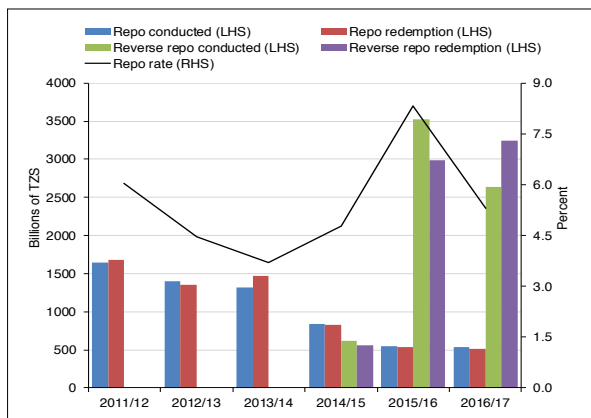
## Bank of Tanzania Annual Report 2016/17

### Repurchase Agreements and Lombard Loan Facility

The Bank of Tanzania continued to conduct repo and reverse repos with banks and provided Lombard loans to ensure that liquidity in the market is at appropriate levels. Reverse repo, which is used for liquidity injection, amounted to TZS 2,641.4 billion compared with TZS 3,528.8 billion in preceding year (Chart 3.7). In addition, standby liquidity facilities were open for banks in need of short-term liquidity. The Bank granted loans through the Lombard loan facility—an overnight borrowing window for banks—worth TZS 1,414.7 billion.

The Bank also conducted repurchase agreements (repos) worth TZS 531.0 billion with banks, slightly below TZS 539.0 billion in the preceding year. Meanwhile, repo worth TZS 509 billion fell due for repayment in 2016/17 with repo rate averaging 5.30 percent compared with 8.32 percent in 2015/16.

**Chart 3.7: Repo Transactions**



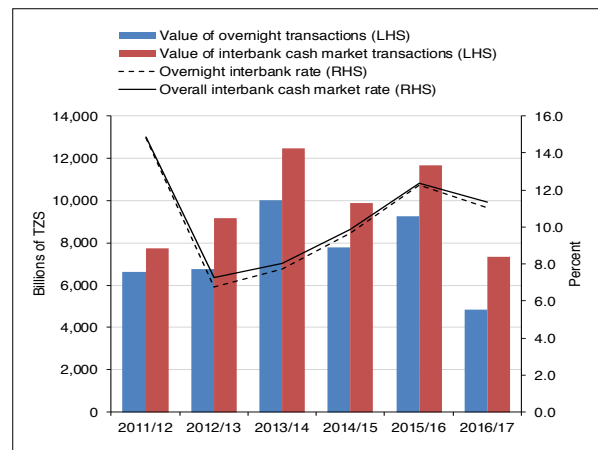
Source: Bank of Tanzania  
Note: LHS denotes left hand scale and RHS, right hand scale

### Inter-Bank Cash Market

Reflecting improvement in liquidity condition, especially during the second half of 2016/17, interest rate at which commercial banks lend to each other overnight (the overnight interbank cash market-IBCM- interest rate) declined to an average of 11.07 percent from an average of 12.27 percent recorded in 2015/16. The inter-bank

cash market transactions were characterised by relative low volumes of transactions amounting to TZS 7,357.5 billion, down from TZS 11,682.8 billion in 2015/16 (Chart 3.8).

**Chart 3.8: Inter-bank Cash Market Transactions**



Source: Bank of Tanzania  
Note: LHS denotes left hand scale and RHS, right hand scale

### Inter-Bank Foreign Exchange Market

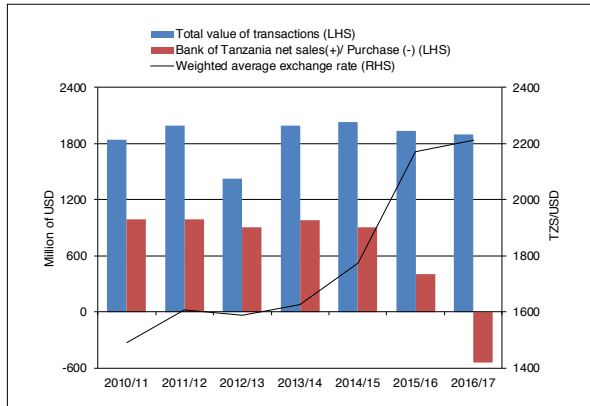
In 2016/17, the Inter-Bank Foreign Exchange Market (IFEM) was characterised by slightly low volumes of transaction compared with 2015/16. During the year, the Bank of Tanzania was more on the purchasing side of the IFEM leading to a net purchase of USD 538.3 million compared to a net sale of USD 404.7 million in 2015/16. The amount purchased by the Bank was equivalent to 28.4 percent of the market turnover (Chart 3.9). The Bank also conducted inward foreign exchange swaps with banks amounting to USD 407.0 million compared with USD 137.0 million in the preceding year. Meanwhile, foreign exchange swaps worth USD 361.5 million matured during the year relative to USD 225.0 million in 2015/16.

The shilling remained broadly stable against the USD dollar, consistent with liquidity conditions in the economy and improvement in the current account balance. The shilling depreciated marginally against the US dollar by 1.9 percent during 2016/17, compared to annual depreciation of 22.3 percent in the preceding year.



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### Chart 3.9: Inter-Bank Foreign Exchange Market Transactions



Source: Bank of Tanzania

Note: LHS denotes left hand scale and RHS, right hand scale



## 4.0 Public Finance

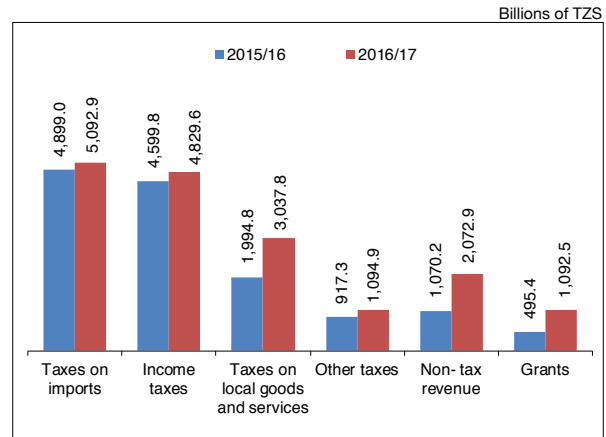
In 2016/17, Government policies focused on continued implementation of the Five Year Development Plan and the National Development Vision 2025 with particular emphasis on programs that will foster industrial development which is the basis for a sustainable economy towards attaining middle income status by 2025. Other initiatives include completion of infrastructural projects, particularly rural electrification, rural water program and human capital development. The government also embarked on measures to strengthen tax administration and compliance, and enhancement of expenditure management in line with the Budget Act, 2015. The government budget was also characterized by notable shortfall in foreign financed development expenditure.

### 4.1 Revenue and Grants

Revenue collection sustained good performance reflecting the improvement in tax administration. Domestic revenue collection, including local government own-sources, amounted to TZS 16,639.8 billion in 2016/17, an increase of 19.7 percent from the amount recorded in 2015/16. This revenue was 15.6 percent of GDP, compared with 14.3 percent in the preceding year. Revenue collected by the central government was 15.1 percent of GDP compared with 13.9 percent in 2015/16. Tax revenue amounted to TZS 14,055.2 billion, and was 13.1 percent of GDP compared with 12.8 percent recorded in 2015/16 (**Chart 4.1**). Non-tax revenue amounted to TZS 2,072.9 billion, or 1.9 percent of GDP.

External grants amounted to TZS 912.0 billion or 0.9 percent of GDP. Grants in the form of project and basket funds amounted to TZS 600.9 billion and TZS 120.6 billion, respectively.

**Chart 4.1: Government Resources**

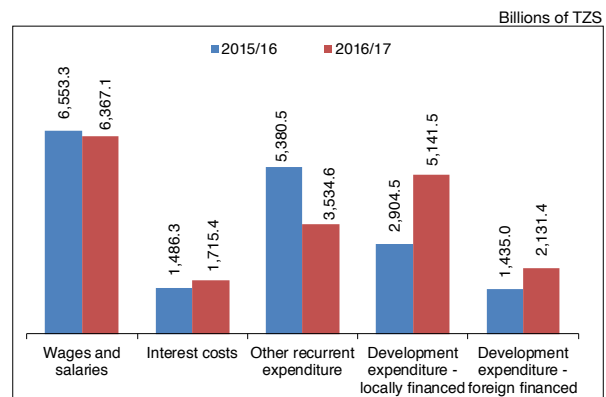


Source: Ministry of Finance and Planning

### 4.2 Expenditure

The Government continued to align expenditure with the available resources, while observing key priority programs in support of economic growth and poverty reduction. Expenditure during 2016/17 amounted to TZS 19,657.4 billion, or 18.4 percent of GDP. Recurrent expenditure was TZS 12,266.9 billion and development expenditure was TZS 7,390.4 billion, of which 69.6 percent was financed using local sources (**Chart 4.2**). Development expenditure was 37.6 percent of total expenditure.

**Chart 4.2: Government Expenditure**



Source: Ministry of Finance and Planning



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### **4.3 Financing**

Government budget deficit for 2016/17 was TZS 1,594.1 billion, equivalent to 1.5 percent of GDP. The deficit was largely financed by net foreign borrowing of TZS 1,705.0 billion. However, the government made a net domestic repayment of TZS 110.9 billion.

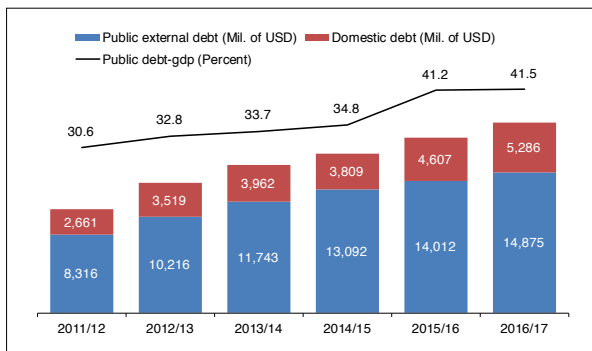


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### 5.0 National Debt

The national debt remained sustainable, with all sustainability ratios were below the international sustainability thresholds. By the end of June 2017, debt stock—external and domestic debt—amounted to USD 23,777.6 million, an increase of 9.1 percent from end June 2016, and was equivalent to 48.9 percent of GDP<sup>11</sup>. External debt was USD 18,491.5 million and domestic debt was USD 5,286.1 million. Public debt accounted for the largest share of national debt at USD 20,160.9 million or 84.7 percent (Chart 5.1).

**Chart 5.1: Developments in Public Debt**



Source: Ministry of Finance and Planning, and Bank of Tanzania

#### 5.1 External Debt

External debt amounted to USD 18,491.5 million compared with USD 16,397.7 million at the end of June 2016, representing an increase of 8.9 percent. The increase was mainly on account of new disbursements. Central government debt was USD 14,585.0 million, an increase of USD 910.9 million (6.7 percent) relative to the stock at the end of June 2016, and accounted for the largest share of external debt at 78.9 percent. (Table 5.1).

**Table 5.1: External Debt Stock by Borrower Category**

Borrower	Jun-15		Jun-16		Jun-17	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Central government	12,661.7	79.7	13,674.1	79.4	14,585.0	78.9
DOD	11,986.8	75.5	12,944.5	75.2	13,800.2	74.6
Interest arrears	674.9	4.2	729.6	4.2	784.8	4.2
Private sector	2,609.3	16.4	3,169.3	18.4	3,588.7	19.4
DOD	2,134.3	13.4	2,666.6	15.5	3,001.6	16.2
Interest arrears	475.0	3.0	502.7	2.9	587.0	3.2
Public corporations	613.0	3.9	379.4	2.2	317.8	1.7
DOD	427.2	2.7	337.0	2.0	289.7	1.6
Interest arrears	185.8	1.2	42.3	0.2	28.1	0.2

Source: Ministry of Finance and Planning, and Bank of Tanzania  
Note: DOD denotes disbursed outstanding debt

The debt stock increased across all creditor categories. The proportion of debt owed to multilateral institutions remained dominant accounting for 46.8 percent of the external debt stock, followed by debt owed to financial institutions and debt disbursed in the form of export credit; which altogether accounted for 42.8 percent (Table 5.2).

**Table 5.2: External Debt by Creditor Category**

Creditor category	Jun-15		Jun-16		Jun-17	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Multilateral	7,613.9	47.9	8,052.0	46.8	8,659.2	46.8
DOD	7,602.6	47.9	8,044.4	46.7	8,644.4	46.7
Interest arrears	11.2	0.1	7.6	0.0	14.9	0.1
Bilateral	1,601.6	10.1	1,842.9	10.7	1,918.2	10.4
DOD	923.3	5.8	1,112.5	6.5	1,133.4	6.1
Interest arrears	678.3	4.3	730.4	4.2	784.8	4.2
Commercial	5,311.3	33.4	5,884.1	34.2	6,186.9	33.5
DOD	4,871.5	30.7	5,572.9	32.4	5,821.3	31.5
Interest arrears	439.8	2.8	311.2	1.8	365.7	2.0
Export credit	1,357.2	8.5	1,443.7	8.4	1,727.1	9.3
DOD	1,150.8	7.2	1,218.3	7.1	1,492.5	8.1
Interest arrears	206.4	1.3	225.5	1.3	234.6	1.3
External debt stock	15,884.0	100.0	17,222.8	100.0	18,491.5	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania  
Note: DOD denotes disbursed outstanding debt

Disbursements received during the year amounted to USD 1,635.0 million compared to USD 1,800.0 million in the preceding year. External disbursement to the Government was

<sup>11</sup> However, present value (pv) term, the pv of total debt stock to GDP ratio is estimated at around 35 percent while pv of external debt to GDP estimated at around 20 percent.



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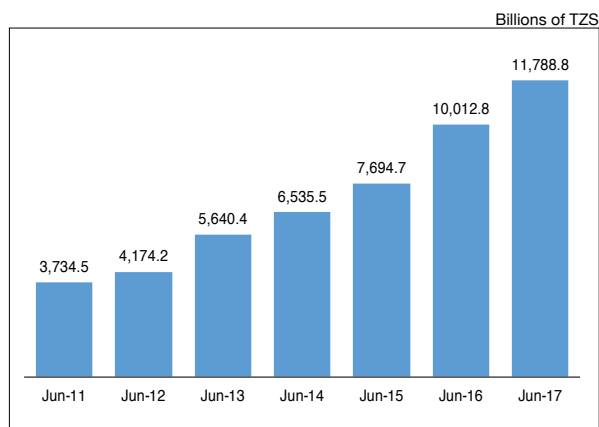
USD 1,310.3 million compared with USD 1,145.2 million a year before. External debt service was USD 854.2 million, equivalent to 9.7 percent of export of goods and services, out of which USD 544.7 million was principal repayments and the balance was interest payments. Payments made by the central government amounted to USD 764.5 million, of which USD 459.0 was principal repayments and USD 305.5 interest payments.

### 5.2 Domestic Debt

In 2016/17, the government planned to issue new domestic debt amounting to TZS 6,937.1 billion in face value, equivalent to TZS 6,168.9 billion in cost value, of which TZS 4,948.2 billion was meant for rolling over maturing obligations and TZS 1,220.7 billion for budget financing purposes.

The stock of domestic debt at the end of June 2017 was TZS 11,788.8 billion, an increase of TZS 1,776.1 billion from the stock recorded at the end of June 2016 (**Chart 5.2**). The increase was mainly on account of government financing needs following shortfalls and delays in disbursements from external sources.

**Chart 5.2: Trend of Government Domestic Debt Stock**



Source: Ministry of Finance and Planning, and Bank of Tanzania

The profile of domestic debt by instrument shows that the proportion of long-term debt, in the form of Treasury bonds was 69.0 percent compared with 63.0 percent a year before (**Table 5.3**).

**Table 5.3: Domestic Debt by Instruments**

Instrument	Billions of TZS					
	Jun-15		Jun-16		Jun-17	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Government securities	7,591.4	98.7	9,961.0	99.5	11,770.5	99.8
Treasury bills	1,849.5	24.0	3,673.8	36.7	3,633.3	30.8
Government stocks	257.1	3.3	257.1	2.6	257.1	2.2
Government bonds	5,484.8	71.3	6,030.0	60.2	7,880.0	66.8
Tax certificates	0.1	0.0	0.1	0.0	0.1	0.0
Non-secured debt	103.2	1.3	51.8	0.5	18.4	0.2
Total domestic debt	7,694.7	100.0	10,012.8	100.0	11,788.8	100.0

Source: Ministry of Finance and Planning, and Bank of Tanzania

Commercial banks remained the leading investors in domestic debt, albeit decreasing in share to 43.4 percent from 45.0 percent at the end of June 2016 (**Table 5.4**). The dominance of commercial banks and pension funds, which altogether held 72.0 percent of domestic debt, is a reflection of narrow investor base.

**Table 5.4: Holding of Government Domestic Debt**

Holder	Billions of TZS					
	Jun-15		Jun-16		Jun-17	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Commercial banks	3,768.5	49.0	4,506.2	45.0	5,121.5	43.4
Bank of Tanzania	1,659.8	21.6	1,463.6	14.6	1,439.8	12.2
Pension funds	1,254.5	16.3	2,218.1	22.2	3,376.4	28.6
Insurance	617.4	8.0	982.9	9.8	1,093.2	9.3
Other public entities	60.1	0.8	260.2	2.6	162.4	1.4
Others	334.3	4.3	581.8	5.8	595.6	5.1
Total	7,694.7	100.0	10,012.8	100.0	11,788.8	100.0

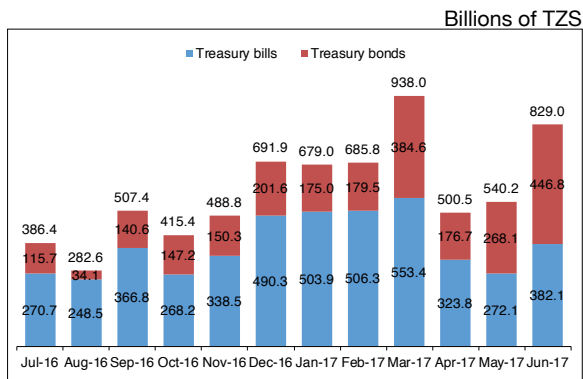
Source: Ministry of Finance and Planning, and Bank of Tanzania

During 2016/17, debt issued through government securities for budget financing amounted to TZS 6,948.0 billion against the planned amount of TZS 6,498.9 billion (**Chart 5.3**). This was due to higher than planned issuance of short-term debt to finance government obligations. Treasury bills accounted for 65.1 percent of the debt issued.



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**Chart 5.3: Debt Issued During 2016/17**



Source: Ministry of Finance and Planning, and Bank of Tanzania

Domestic debt that fell due for payment was TZS 5,909.3 billion, out of which TZS 4,691.3 billion was rolled over and the balance was paid out of government resources. Maturity profile of the outstanding debt depicts that debt amounting to TZS 4,540.2 billion will mature in the year 2017/18. Out of maturing debt, TZS 3,635.2 billion are in the form of short-term Treasury bills and TZS 905.0 billion long-term debt.





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### 6.0 External Sector<sup>12</sup>

The overall balance of payments during 2016/17 recorded a surplus of USD 1,226.7 million compared to a deficit of USD 368.3 million recorded in 2015/16. The performance is mainly attributable to the improvement in the current account whose deficit narrowed sharply by 54.0 percent to USD 1,352.5 million from USD 2,937.3 million recorded in 2015/16 due to a decline in the imports of goods and services.

The official foreign reserves amounted to USD 5,021.6 million at end June 2017, an increase of 30.0 percent from end June 2016. The reserves were sufficient to cover about 5 months of projected imports of goods and services, excluding those financed through foreign direct investments. Relatedly, banks held foreign assets at the tune of USD 693.9 million compared to USD 835.0 million at the end June 2016.

#### Services

The services account continued to maintain strong performance as surplus grew by 84.7 percent to USD 1,639.2 million in the year ending June 2017. Services receipts amounted to USD 3,669.6 million, an increase of 8.0 percent while services payments reached USD 2,030.3 million a decline of 19.1 percent. A large share of services receipts came from travel (tourism) and transportation. Likewise, the decline in services payments largely emanated from travel and transportation.

#### Income and Capital Transfers

During the year ending June 2017, the primary income account, which refers to income directly related to the use of factors of production, recorded a deficit of USD 1,103.1 million compared with a deficit of USD 840.9 million in 2015/16. A big portion of the deficit resulted from increase in direct investment income payments to USD 854.2 million in 2016/17 from USD 476.8 million in the previous year. In contrast, receipts

from investment income increased to USD 105.7 million from USD 100.8 million.

Secondary income account, which records transfers an economy provides or receives not in exchange of anything, recorded a surplus of USD 437.8 million, up from USD 333.5 million in 2015/16. The increase mainly as a result of receipt of grants by the government, which rose from USD 41.8 million to USD 140.2 million in 2015/16. Capital transfers, mainly official transfers, amounted to USD 396.8 million compared with USD 320.1 million in the preceding year.

#### Financial Account

Tanzania continued to be a net recipient of equities and loans from non-residents, recording a net inflows of USD 2,264.7 million compared with USD 2,362.0 million in 2015/16. Most of the inflows were in the form of foreign direct investments, estimated at USD 1,272.8 million from USD 1,514.2 million in the preceding year. Other investments, mainly in the form of loans, amounted to USD 994.4 million, an increase of 21.2 percent from the preceding year. Disbursements of funds from non-concessional loans, particularly for the central government, was almost half of USD 616.1 million received in the preceding year.

#### Direction of Trade

As in the previous year, over 73 percent of Tanzania trade was concentrated in ten countries. About 39 percent of the country's imports originated from China and India, while about 44 percent of exports were destined to Switzerland, India and South Africa. **Table 6.1** provides a list of the top 10 of Tanzania's trading partners with their shares in the total trade.

<sup>12</sup> This chapter excludes discussion on exports and imports of goods, as compilation of intra-EAC trade statistics could not be completed by the time of this publication due to statistical challenges associated with the implantation of Single Customs Territory system under EAC.



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**Table 6.1: Direction of Trade in 2016/17**

Imports - Major origins		Exports - Major destinations	
Country	Percentage	Country	Percentage
China	20.8	Switzerland	16.2
India	18.1	India	14.8
UAE	7.5	South Africa	13.3
South Africa	6.0	China	7.5
Japan	4.7	Kenya	6.6
Kenya	3.4	DRC	6.2
Malaysia	3.3	Belgium	6.0
United States	3.2	Comoros	3.6
Saudi Arabia	2.8	Viet Nam	3.1
Germany	2.4	Japan	2.9
Others	27.7	Others	19.7

Source: Bank of Tanzania and Tanzania Revenue Authority

### World Commodity Prices

World market prices of selected commodities were higher in 2016/17 than in the preceding year, save for tea (Mombasa), sisal and cloves. The fall in the price of tea (Mombasa auction) was mainly due to low demand, in particular Russia and Middle East, coupled with production prospects in India. The prices of cloves and sisal decreased owing to weak global demand. By contrast, the increase in the price of coffee was due to low production following drought in Brazil, while that of cotton was because of high global demand.

Prices of crude oil and white petroleum products went up following agreement among oil producers, both OPEC and non-OPEC, to cut production from January 2017. The price of gold increased as investors demanded more gold as safe haven portfolio amid growing volatility in global equity markets.

**Table 6.2: World Commodity Prices**

Holder	Jun-15		Jun-16		Jun-17	
	Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
Commercial banks	3,788.5	49.0	4,506.2	45.0	5,121.5	43.4
Bank of Tanzania	1,659.8	21.6	1,463.6	14.6	1,439.8	12.2
Pension funds	1,254.5	16.3	2,218.1	22.2	3,376.4	28.6
Insurance	617.4	8.0	982.9	9.8	1,093.2	9.3
Other public entities	60.1	0.8	260.2	2.6	162.4	1.4
Others	334.3	4.3	581.8	5.8	595.6	5.1
Total	7,694.7	100.0	10,012.8	100.0	11,788.8	100.0

Source: <http://www.Worldbank.org/Prospects/commodities>, *World Bank Public Ledger, Bloomberg*

Note: \* Average of U.K Brent, Dubai and West Texas International  
 \*\* f.o.b Dubai, \*\*\* f.o.b West Mediterranean

World crude oil prices are projected to rise by 28.5 percent to USD 55.0 per barrel in 2017, following agreements of OPEC producers and non-OPEC producers to reduce output by nearly 1.8 million barrels per day in the first half of 2017. The price of gold is projected to decline by 1.9 percent to USD 1,225.0 per troy ounce in 2017, mainly due to weakening investment demand for gold following the appreciation of US dollar against some major currencies and higher real interest rates. Prices of coffee (Arabica) is projected to decline slightly by 0.3 percent to USD 3.60 per kg in 2017, while that of coffee (Robusta) is set to increase by 12.8 percent to USD 2.2 per kg on expectations of relatively lower Brazilian output (**Table 6.3**).

**Table 6.3: Outlook for World Market Commodity Prices**

Commodity	Units	Actual			Projections		Percentage change
		2013	2014	2015	2016	2017	
Crude oil	USD per barrel	104.1	96.2	50.8	42.8	55.0	28.5
Gold	USD per troy ounce	1,411.0	1,265.6	1,161.0	1,249.0	1,225.0	-1.9
Coffee "Arabica"	USD per kg	3.1	4.4	3.5	3.6	3.6	-0.3
Coffee "Robusta"	USD per kg	2.1	2.2	1.9	2.0	2.2	12.8
Cotton	USD per kg	2.0	1.8	1.6	1.6	1.9	12.8
Tea	USD per kg	2.9	2.7	2.7	2.6	2.8	6.1

Source: World Bank, Commodity Price Forecast, April 2017



## 7.0 Economic Developments in Zanzibar

During 2016/17, the Revolutionary Government of Zanzibar kept on implementing development plans guided by medium and long-term policies including Vision 2020, Zanzibar Strategy for Growth and Reduction of Poverty III—MKUZA III—and Sustainable Development Goals 2030. Specifically, development plans during the year focused on achieving sound and sustainable growth, mainly of productive economic sectors with high value addition, employment generation and linkage with tourism activities.

### 7.1 Output

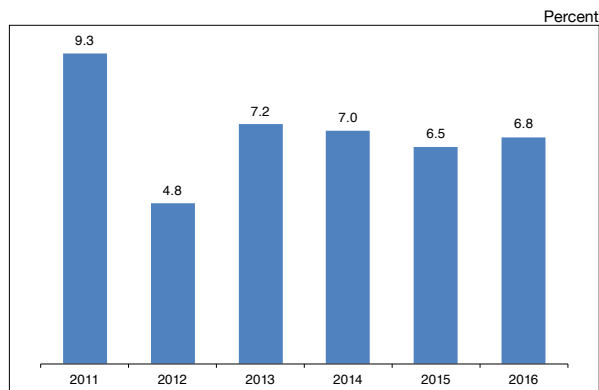
In 2016, Zanzibar economy grew by 6.8 percent in 2016 compared with 6.5 percent in 2015 (**Chart 7.1**). Main contributors to growth were construction, public administration, accommodation, and agriculture. High growth rates were recorded in mining and quarrying (18.8 percent), accommodation (12.9 percent) and construction activities (11.3 percent) (**Table 7.1**). In nominal terms, GDP rose to TZS 2,628.4 billion from TZS 2,308.0 billion in 2015; with services accounting for 45.1 percent; agriculture, forestry and fishing (25.7 percent); and industry (18.6 percent). As a result of the growth of the economy, nominal GDP per capita increased to TZS 1.8 million in 2016 from TZS 1.6 million in 2015 (**Chart 7.2**).

**Table 7.1: Real GDP Growth by Economic Activities**

Economic Activity	Percent				
	2012	2013	2014	2015	2016 <sup>p</sup>
Agriculture, Forestry & Fishing	-8.3	13.2	-0.4	2.5	5.7
Crops	-18.4	22.9	-7.2	-2.5	7.3
Livestock	6.7	5.1	7.5	7.7	7.1
Forestry & hunting	3.9	3.5	3.9	4.0	4.2
Fishing	2.5	3.6	8.9	9.1	2.8
Industry	7.5	3.5	6.4	10.6	9.7
Mining & quarrying	12.7	-3.6	8.4	10.9	18.8
Manufacturing	3.6	6.9	9.9	8.8	6.2
Electricity and gas	9.5	3.1	4.7	6.7	8.2
Water supply and sewerage	3.4	6.0	4.8	5.6	5.3
Construction	9.9	1.9	3.3	12.5	11.3
Services	4.8	4.6	9.8	7.9	9.0
Trade & repairs	-10.4	2.9	13.0	0.9	5.1
Transport & storage	14.9	9.4	7.0	5.2	6.8
Accommodation and food services	1.5	9.5	6.9	10.3	9.5
Accommodation	-3.4	2.6	8.7	14.5	12.9
Food and beverage services	18.5	29.1	2.9	0.3	0.1
Information and communication	11.9	-13.4	24.7	7.6	9.1
Financial and insurance activities	7.6	5.1	10.6	11.2	9.0
Real estate activities	6.6	6.7	6.8	6.8	6.9
Professional, scientific and technical	21.4	47.9	43.4	9.2	9.6
Administrative and support services	5.0	6.2	2.0	12.9	6.7
Public administration	12.0	5.2	10.8	13.3	9.0
Education	2.8	2.5	7.9	2.9	7.4
Human health and social work	2.4	3.0	7.4	0.2	3.8
Arts, entertainment and recreation	-0.7	7.5	5.9	17.2	9.8
Other service activities	-0.1	6.6	5.3	14.7	8.7
Domestic services	3.2	3.2	3.2	3.2	3.1
Less FISM	4.8	10.8	11.4	13.7	2.1
Taxes on products	33.4	14.1	8.6	0.8	-1.4
GDP at Market Prices	4.8	7.2	7.0	6.5	6.8

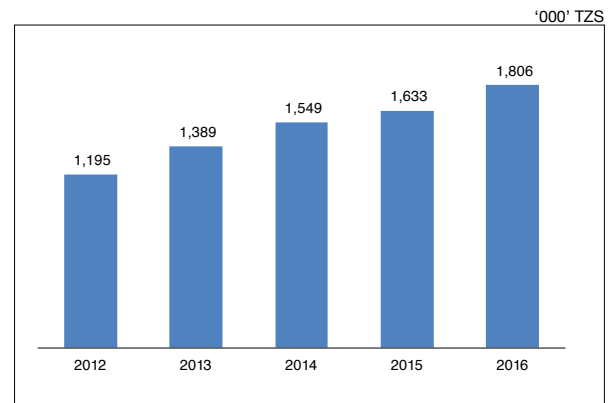
Source: Office of the Chief Government Statistician.  
Note: p denotes provisional data

**Chart 7.1: Real GDP Growth Rate**



Source: Office of the Chief Government Statistician

**Chart 7.2: Nominal GDP per Capita**



Source: Office of the Chief Government Statistician



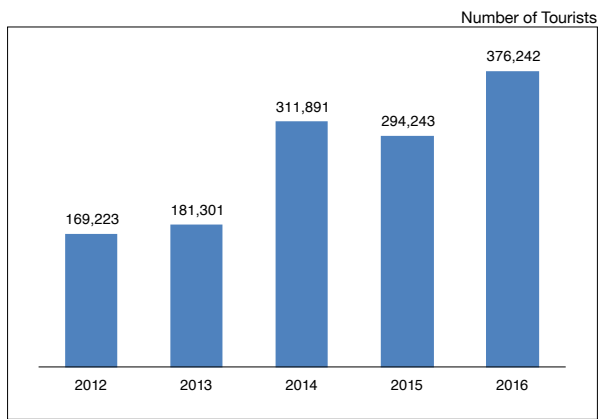
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### Performance of Selected Economic Activities

#### Services

Services grew by 8.0 percent from 7.9 percent in the previous year, mainly driven by accommodation and food services on account of tourist arrivals that increased by 27.9 percent (**Chart 7.3**). Most of the tourists were from Italy, Germany, United Kingdom, United States of America and France.

**Chart 7.2: Tourist Arrivals in Zanzibar**

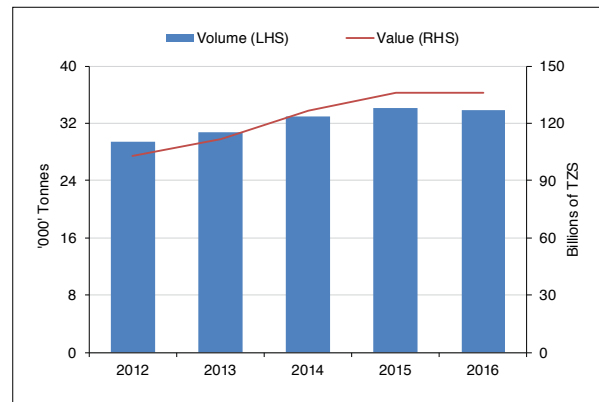


Source: Office of the Chief Government Statistician, Zanzibar Commission for Tourism and Department of Immigration Zanzibar

#### Agriculture, Forestry and Fishing

The activity expanded by 5.7 percent in 2016, from 2.5 percent recorded in 2015, attributed to favourable weather. Main contributors to the growth of this activity was crops sub-sector, particularly increase in the production of cloves and horticulture. Growth in fishing subsector slowed mainly attributed to supply-side challenges. Notwithstanding the decline in volume from 34,104.0 tonnes in 2015 to 33,892.0 tonnes, the value of fish sold in the domestic market increased by 0.2 percent to TZS 136.2 billion, owing to increase in the price in the domestic market (**Chart 7.4**).

**Chart 7.4: Production and Value of Fish Catches**



Source: Office of the Chief Government Statistician  
Note: LHS denotes left hand scale and RHS, right hand scale

#### Industry and Construction<sup>13</sup>

Value added in industry and construction, grew by 9.7 percent down from 10.6 percent registered in 2015 and contributed 20.4 percent of GDP. The outturn was boosted by mining and quarrying which grew by 18.8 percent from 10.0 percent in 2015 on account of increased production and prices of sand and gravel used in construction activities. Construction activity recorded a growth rate of 11.3 percent down from 12.5 percent in 2015; partly due to completion of big projects. Manufacturing grew by 6.2 percent and contributed 6.9 percent of the nominal GDP, mainly driven by processing of dairy products, beverages and bread (**Table 7.2**).

<sup>13</sup> Industry and construction category includes mining and quarrying; manufacturing; construction; electricity and gas; and water supply and sewage.



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**Table 7.2: Production of Selected Manufactured Products**

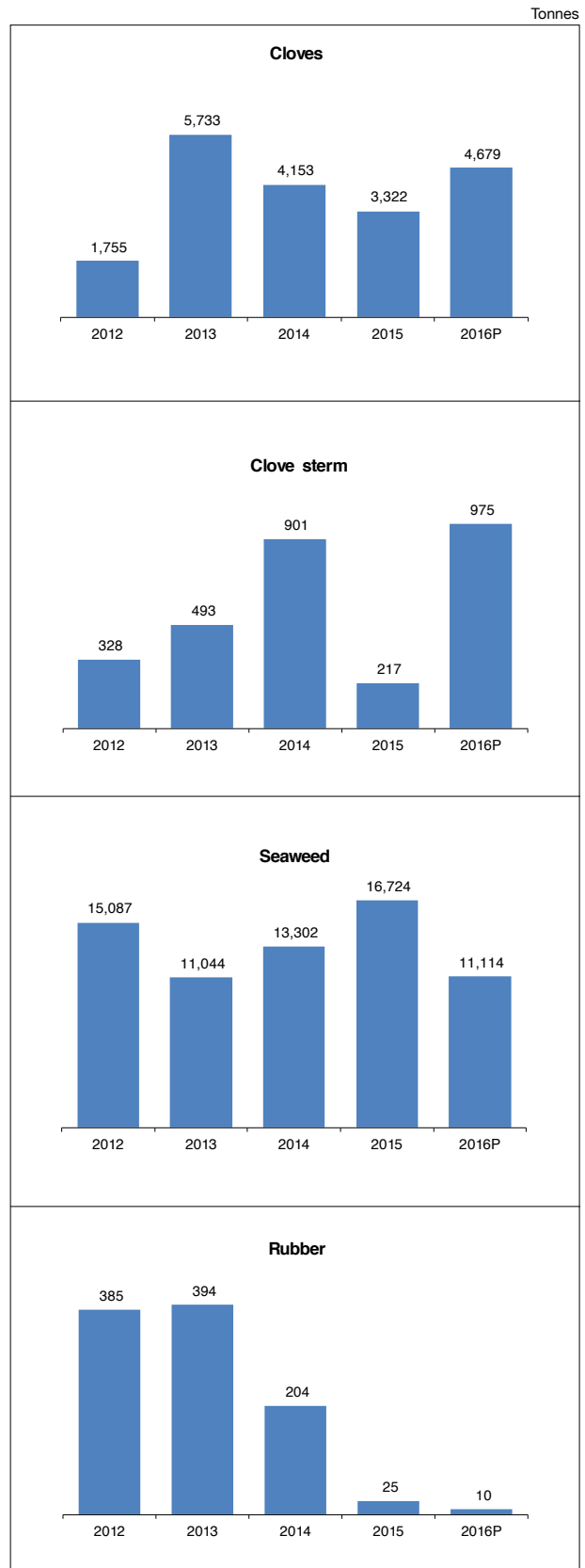
Commodity	Units	2012	2013	2014	2015	2016	Percentage Change
Beverages*	'000' Litres	14,409.0	12,409.0	12,448.0	16,972.0	19,811.0	16.7
	Mil. of TZS	7,461.8	5,407.9	4,081.6	5,315.0	7,232.2	36.1
Bread	'000' Pcs	114,858.0	127,815.0	143,855.0	161,911.0	174,350.0	7.7
	Mil. of TZS	14,357.3	15,976.8	17,981.9	19,720.2	20,852.9	5.7
Dairy products	'000' Litres	n.a	n.a	1,527.9	7,745.0	10,475.5	35.3
	Mil. of TZS	n.a	n.a	2,668.6	12,552.9	13,061.3	4.1
Door UPVC	Pcs	95.0	105.0	168.0	229.0	93.0	-59.4
	Mil. of TZS	14.6	20.9	29.3	31.5	13.3	-57.9
Garments dash dash	Pcs	2,877.0	3,622.0	3,950.0	3,419.0	3,674.0	7.5
	Mil. of TZS	52.6	94.6	104.9	98.3	110.8	12.7
Jewellery (gold/Silver)	Grams	8,172.0	6,730.0	8,199.0	7,032.0	5,915.0	-15.9
	Mil. of TZS	26.7	16.6	17.5	15.3	15.1	-1.2
Noodles	Kgs	199,000.0	215,915.0	222,392.0	277,990.0	181,872.0	-34.6
	Mil. of TZS	257.2	323.9	369.9	500.4	327.4	-34.6
Wheat flour	Tonnes	17,566.0	23,360.0	31,899.0	27,749.0	23,834.0	-14.1
	Mil. of TZS	10,956.5	17,824.3	25,519.2	23,836.0	23,085.2	-3.1
Window UPVC	Pcs	201.0	130.0	270.0	320.0	149.0	-53.4
	Mil. of TZS	22.4	25.9	41.3	42.0	17.7	-57.9

Source: Office of the Chief Government Statistician  
 Note: \* includes mineral water, soft drinks and juice; and p denotes provisional data

### Procurement of Cash Crops

The main cash crops for Zanzibar are cloves and seaweeds. During the review period, the quantity of cloves procured reached 4,678.7 tonnes up from 3,322.0 tonnes in 2015. This performance was largely driven by reduced smuggling of cloves and successful implementation of the Clove Development Strategy (CDS). Under the CDS arrangements, farmers are paid 80.0 percent of the prevailing world market prices. They are also supplied cloves seedlings free of charge. Rubber procurement was unsatisfactory, owing to poor management. Meanwhile, procurement of seaweed went down due to crop diseases coupled with the fall in prices of seaweeds in the world market (**Chart 7.5**).

**Chart 7.5: Procurement of Major Export Crops**



Source: Office of the Chief Government Statistician  
 Note: p denotes provisional data

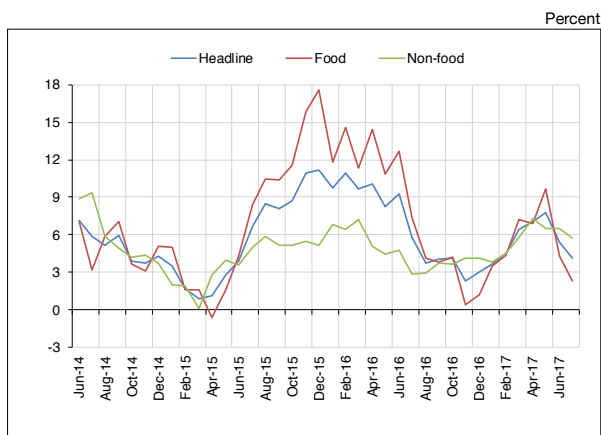


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### 7.2 Inflation

Annual headline inflation averaged 4.8 percent in 2016/17 compared with 9.3 percent recorded in 2015/16, owing to a decline in prices of food items. Average annual food inflation fell to 4.8 percent from 12.5 percent on account of decrease in the price of rice, fish and cooking oil. Similarly, average annual non-food inflation rate decreased to 4.7 percent from 5.6 percent recorded in 2015/16, partly due to decrease in prices of cement and fuel (**Chart 7.6**). Good harvests in the Isles and other supply areas outside Zanzibar are expected to stabilize inflation to single digit in 2017/18.

**Chart 7.6: Inflation Developments in Zanzibar**

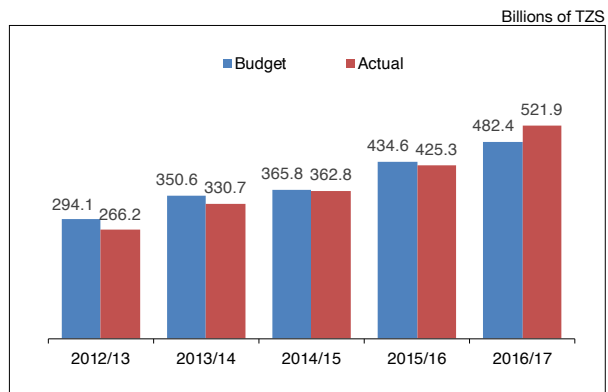


Source: Office of the Chief Government Statistician

### 7.3 Budgetary Operations

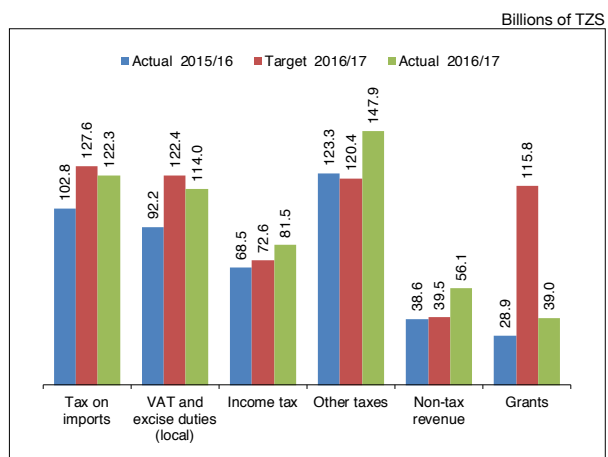
In 2016/2017, resource envelope—domestic revenue and grant—amounted to TZS 560.9 billion, out of which TZS 521.9 billion was domestic sources and the balance was grants. Revenue collections surpassed the target of TZS 482.4 billion by 8.2 percent. The performance resulted from improved tax administration and compliance. Tax revenue accounted for 89.2 percent of the revenue collection, and was above the target by 5.2 percent. A large part of tax revenue came from VAT and excise duty, and import tax. (**Chart 7.7**). Non-tax revenue amounted to TZS 56.1 billion, above the target by 42.2 percent, largely explained by dividend received from public corporates (**Chart 7.8 and Chart 7.9**).

**Chart 7.7: Revenue Outturn**



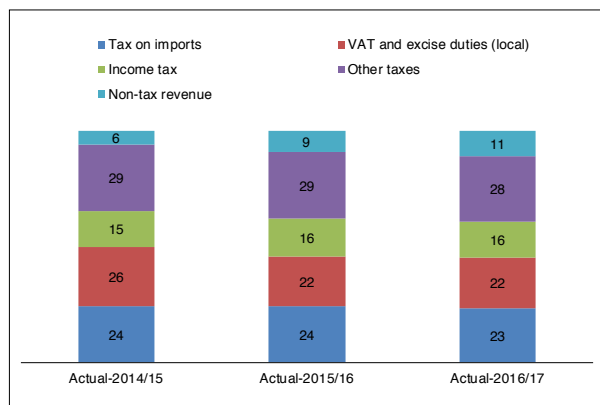
Source: Ministry of Finance and Planning, Zanzibar

**Chart 7.8: Revenue by Sources**



Source: President's Office-Finance, Economy and Development Planning, Zanzibar

**Chart 7.9: Percentage Share of Total Revenue by Sources**



Source: Ministry of Finance, Zanzibar

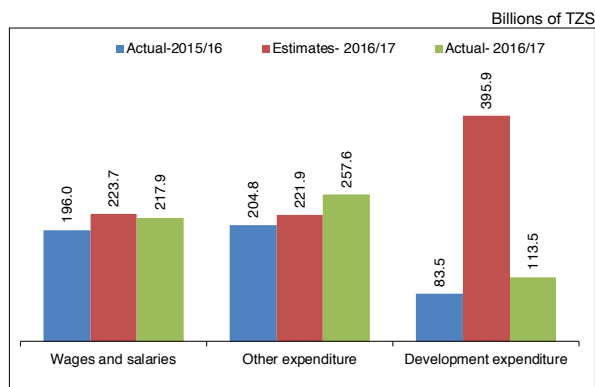
Expenditure amounted to TZS 589.2 billion, below estimates of TZS 841.5 billion on account of low disbursements of funds from development partners. Recurrent expenditure was TZS 475.5



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billion or 80.4 percent of total expenditure and above the target by 6.7 percent. Salaries and wages accounted 54.0 percent of recurrent expenditure. Development expenditure was TZS 113.5 billion or 19.6 percent of total expenditure, and was below estimates by 71.3 percent (**Chart 7.10**). Foreign financing accounted for 54.8 percent of development expenditure and the balance financed from domestic sources.

**Chart 7.10: Expenditure by Component**



Source: Ministry of Finance, Zanzibar

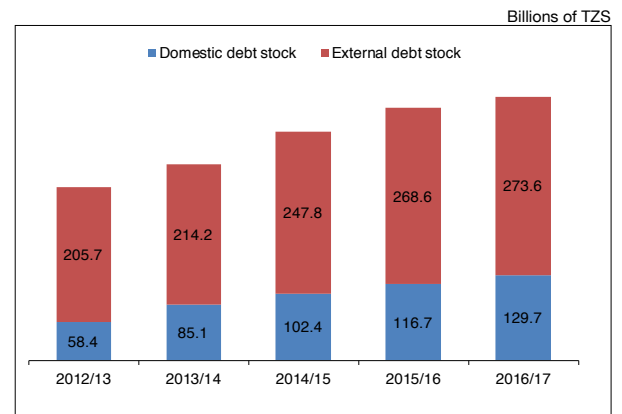
Government fiscal operations recorded a deficit of TZS 30.4 billion after considering foreign grants. The deficit was equivalent to 1.2 percent of GDP compared with 1.3 percent of GDP in 2015/16. The deficit was largely financed through program loans.

### 7.4 Debt Developments

The debt stock stood at TZS 403.3 billion at the end of June 2017 from TZS 390.6 billion in the preceding year, mainly owing to new issuance of Treasury bonds and increased claims from suppliers and retirees. External debt amounted to TZS 273.6 billion, equivalent to 67.8 percent of total debt stock and the balance was domestic debt (**Chart 7.11**). The debt stock was 15.3 percent of GDP<sup>14</sup>, down from 16.9 percent in 2015/16.

<sup>14</sup> Nominal GDP in 2016 was TZS 2,628.4 billion.

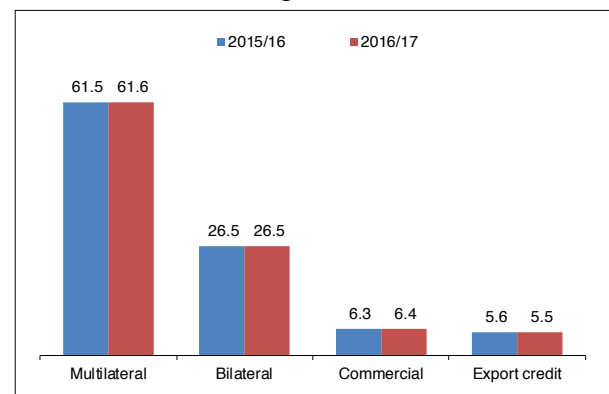
**Chart 7.11: Zanzibar Debt Stock**



Source: Ministry of Finance, Zanzibar

Out of the total external debt stock, debt guaranteed by the Union Government amounted to USD 107.2 million, or 87.4 percent of the external debt and the balance was non-guaranteed debt. The external debt was dominated by loans with maturity above 20 years, and represented 67.4 percent of the debt. Debt owed to multilateral institutions accounted for 61.6 percent, followed by debt due to bilateral creditors at 26.0 percent (**Chart 7.12**). In terms of use of funds, transport and communication accounted for the largest share, followed by social welfare and education, while agriculture remained the least recipient (**Chart 7.13**).

**Chart 7.12: External Debt by Creditors, Percentage Share of Total**

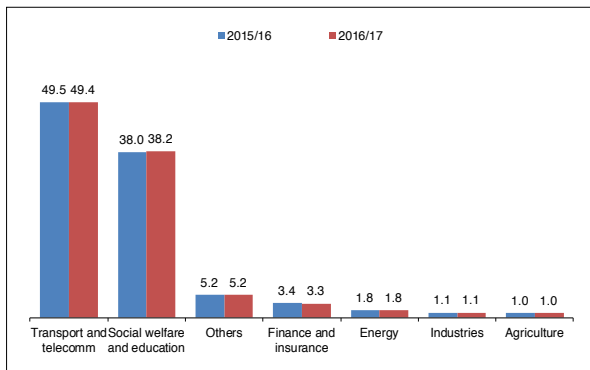


Source: Ministry of Finance, Zanzibar



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**Chart 7.13: External Debt by Use of Funds, Percentage Share of Total Debt**



Source: Ministry of Finance, Zanzibar

Domestic debt stock rose to TZS 129.7 billion at the end of June 2017 from TZS 117.0 billion in the preceding year. The increase was mainly on account of a rise in debts owed to Zanzibar Social Security Fund, government securities, suppliers' creditors and gratuity claims (Table 7.3). Noteworthy, a 7-year Treasury bond worth TZS 11.7 billion was issued during the year. Most of the debt was in form of government securities, followed by suppliers' creditors.

**Table 7.3: Domestic Debt in Zanzibar**

	Millions of TZS			Percentage change
	2014/15	2015/16	2016/17	
Zanzibar Port Company	3,287.9	3,287.9	3,287.9	0.0
Zanzibar Social Security Fund	21,200.0	20,000.0	22,875.0	14.4
People's Bank of Zanzibar	8,182.5	14,032.0	10,760.5	-23.3
Government suppliers	10,752.8	10,302.8	25,066.4	---
Gratuity claims	12,216.2	6,671.7	6,825.1	2.3
Government securities	46,074.2	62,004.2	60,259.0	-2.8
Others	654.2	654.2	654.2	0.0
<b>Total</b>	<b>102,367.8</b>	<b>116,952.7</b>	<b>129,728.0</b>	<b>10.9</b>

Source: Ministry of Finance, Zanzibar

Note: "----" change exceeds 100 percent, in absolute terms

## 7.5 External Sector Performance

### Current Account

In 2016/17, current account registered a surplus of USD 29.7 million, up from a surplus of USD 10.7 million in the preceding year. The improvement was on account of increase in services receipts, inflows of current transfers and decline of imports (Table 7.4).

**Table 7.4: Current Account Balance**

Item	Millions of USD					Percentage change
	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>p</sup>	2015/16 - 2016/17
<b>Goods account</b>	-151.5	-174.9	-201.2	-92.4	-93.6	1.3
Exports	38.6	76.8	62.6	67.8	25.8	-62.0
Imports (fob)	190.2	251.7	263.8	160.2	119.4	-25.5
<b>Services account</b>	93.8	82.9	81.2	84.8	89.5	5.5
Receipts	155.6	140.6	139.5	134.0	146.7	9.5
Payments	61.8	57.7	58.4	49.2	57.3	16.5
<b>Goods and services</b>	-57.8	-92.0	-120.0	-7.6	-4.2	-45.1
Exports of goods and services	194.2	217.4	202.1	201.8	172.5	-14.5
Imports of goods and services	252.0	309.4	322.1	209.4	176.7	-15.6
<b>Income account</b>	-0.9	-4.1	2.1	1.8	7.7	---
Receipts	0.9	6.3	11.5	10.0	12.3	23.9
Payments	1.8	10.4	9.4	8.2	4.6	-43.6
<b>Current transfers</b>	24.2	59.3	28.1	16.5	26.2	58.4
Inflows	60.4	69.4	28.1	16.5	27.2	64.3
Outflows	36.2	10.1	0.0	0.0	1.0	---
<b>Current account balance</b>	<b>-34.4</b>	<b>-36.8</b>	<b>-89.9</b>	<b>10.7</b>	<b>29.7</b>	<b>---</b>

Source: Tanzania Revenue Authority and Bank of Tanzania

Note: p denotes provisional data; and '---', change exceeds 100 percent, in absolute terms

### Export Performance

Export of goods and services decreased to USD 172.5 million from USD 201.8 million in 2015/16, largely due to decline in cloves export, which is the major export commodity (Table 7.5 and Chart 7.14). Volume of cloves exported was 2,243 tonnes (worth USD 17.3 million), down from 5,727 tonnes (worth USD 46.2 million) in 2015/16. The performance was largely explained by the cyclical nature of the crop.

**Table 7.5: Goods Exports by Major Categories**

Item	Units	Millions of USD					Percentage change
		2012/13	2013/14	2014/15	2015/16	2016/17 <sup>p</sup>	2015/16 - 2016/17
<b>Traditional</b>							
<b>Cloves</b>							
Value	USD '000'	20,620.3	59,914.1	30,619.4	46,204.8	17,316.0	-62.5
Volume	000 Tonnes	2.2	5.4	2.8	5.7	2.2	-60.8
Unit price	USD/Tonne	9,437.2	11,118.0	11,101.2	8,067.9	7,720.0	-4.3
<b>Non-Traditional</b>							
<b>Seaweeds</b>							
Value	USD '000'	4,159.3	7,219.2	4,397.7	2,586.4	1,637.7	-36.7
Volume	000 Tonnes	9.2	12.0	9.1	6.7	3.5	-48.2
Unit price	USD/Tonne	450.5	602.2	482.6	386.1	472.2	22.3
Manufactured goods	USD '000'	4,506.0	4,782.5	2,846.5	9,352.8	5,896.8	-37.0
Fish and fish products	USD '000'	435.3	271.7	57.5	40.7	37.5	-7.9
Others exports	USD '000'	8,915.3	4,600.6	24,637.5	9,603.9	876.5	-90.9
<b>Sub Total</b>	<b>USD '000'</b>	<b>18,016.0</b>	<b>16,873.9</b>	<b>31,939.2</b>	<b>21,583.8</b>	<b>8,448.5</b>	<b>-60.9</b>
<b>Grand Total</b>	<b>USD '000'</b>	<b>38,636.2</b>	<b>76,788.0</b>	<b>62,558.5</b>	<b>67,788.6</b>	<b>25,764.5</b>	<b>-62.0</b>

Source: Zanzibar State Trading Corporation and Tanzania Revenue Authority

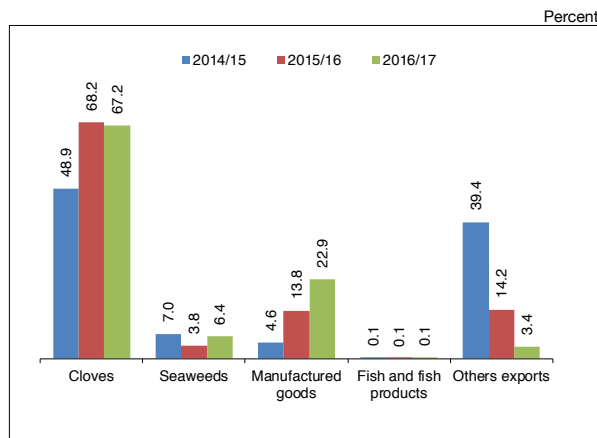
Note: Other exports mainly include souvenirs and spices





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**Chart 7.14: Composition of Goods Exports**



Source: Tanzania Revenue Authority and Bank of Tanzania computations

### Import of Goods

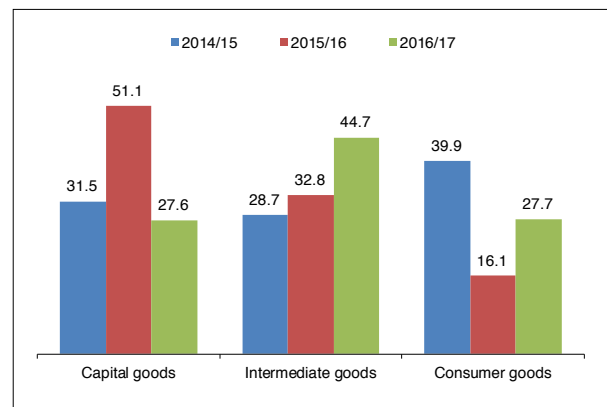
The import bill for goods (c.i.f) fell to USD 131.2 million from USD 176.1 million in 2015/16, largely on account of decline in imports of capital goods. Imports of capital goods dropped by 59.7 percent; while consumer goods which include foodstuff, clothes and clothing apparels; rose by 28.3 percent. Share of consumer goods to total imports increased from 16.1 percent to 27.7 percent, while that of intermediate goods decreased to 32.8 percent from 44.7 percent following increase in oil storage capacity in Zanzibar. The share of capital goods fell from 51.1 percent to 27.6 percent (Table 7.6 and Chart 7.15).

**Table 7.6: Zanzibar Imports by Major Categories**

Import Category	Millions of USD					Percentage change 2015/16 - 2016/17
	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>p</sup>	
Capital goods	93.7	129.6	91.2	89.9	36.2	-59.7
Transport equipment	26.1	49.3	36.8	57.9	17.1	-70.5
Building and constructions	15.8	23.5	32.7	7.3	6.4	-11.9
Machinery	51.9	56.9	21.7	24.7	12.7	-48.6
Intermediate goods	66.6	58.4	83.1	57.8	58.6	1.4
Oil imports	59.5	46.9	55.7	41.6	45.0	8.3
Industrial raw materials	7.1	11.5	27.3	16.2	13.6	-16.1
Consumer goods	48.6	88.5	115.6	28.4	36.4	28.3
Food and food stuffs	23.4	36.6	53.9	0.5	13.2	---
All other consumer goods	25.2	51.9	61.6	27.9	23.2	-16.7
Grand Total (c.i.f)	209.0	276.6	289.8	176.1	131.2	-25.5
Grand Total (f.o.b)	190.2	251.7	263.8	160.2	119.4	-25.5

Source: Tanzania Revenue Authority and Bank of Tanzania computations  
Note: p denotes provisional data; and "----" change exceeds 100 percent, in absolute terms

**Chart 7.15: Percentage Shares of Goods Imports in Zanzibar**



Source: Tanzania Revenue Authority and Bank of Tanzania computations.

### Services, Income and Current Transfers

Services account registered a surplus of USD 89.5 million, up from USD 84.8 million in 2015/16. Earnings from services, which is dominated by tourism, amounted to USD 146.7 million compared with USD 134.0 million. Current transfers account registered a surplus of USD 26.2 million compared with a surplus of USD 16.5 million in 2015/16, explained by foreign assistance (Table 7.7).

**Table 7.7: Services and Income Account**

Item	Millions of USD					Percentage Change 2015/16 - 2016/17
	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>p</sup>	
Services account	93.8	82.9	81.2	84.8	89.5	5.5
Receipt	155.6	140.6	139.5	134.0	146.7	9.5
Payment	61.8	57.7	58.4	49.2	57.3	16.5
Income account	-0.9	-4.1	2.1	1.8	7.7	---
Receipt	0.9	6.3	11.5	10.0	12.3	23.9
Payment	1.8	10.4	9.4	8.2	4.6	-43.6
Current transfers	24.2	59.3	28.1	16.5	26.2	58.4
Receipt	60.4	69.4	28.1	16.5	27.2	64.3
Payment	36.2	10.1	0.0	0.0	1.0	---

Source: Commercial Banks and Bank of Tanzania  
Note: p denotes provisional data; and "----" change exceeds 100 percent, in absolute terms





**Bank of Tanzania Annual Report 2016/17**

**PART II**

**BANK OF TANZANIA OPERATIONS**





## Bank of Tanzania Annual Report 2016/17

### Corporate Governance

The Board of Directors of the Bank of Tanzania adopted an Annual Work Programme for 2016/17 to activities of the Bank and conducted its operations satisfactorily in fulfilling its statutory role of policy decision-making. In addition to meetings for policy and administrative actions, the Bank organized awareness sessions and capacity building initiatives to keep Board members abreast of new developments in areas of interest to the mandate of the Bank and facilitate improvement of their oversight function.

In terms of structure of the Board of Directors, there were changes in the composition of the Board that were effected during the period. Dr. Y. Kayandabila and Dr. B. Kibesse were appointed in May 2017 to take over responsibilities of Deputy Governor Economic and Financial Policies, and Deputy Governor Financial Stability and Deepening, replacing Dr. N. Mwamba and Mr. L. Mkila, respectively. Meanwhile, Prof. N. Osoro, Mr. J. Haule, and Mr. G. Mwambe were appointed as non-executive directors in June, 2017 following completion of term of office of previous members. At the same time, Mrs. M. Maganga was appointed as an ex-officio member, representing the Ministry of Finance and Planning of the United Republic.

During the year, there were a number of developments with regards to legal and regulatory framework administered by the Bank. These include amendment of the Foreign Exchange (Bureau de Change) Regulations in May 2017 to provide for classes of bureau de change and the scope of operations. In addition, significant progress was made in implementation of consumer protection measures, following establishment of the Complaints Handling Desk in the Office of Secretary to the Bank in April 2015. Complaints resolved by the Desk were 143, while those reported to have been resolved by banking institutions were 210,634.

Furthermore, meetings of the Audit Committee of the Board of Directors were held as prescribed in the Bank of Tanzania Act, 2006. The committee performed its duties under four major areas: Internal Control, Financial Reporting, Internal Audit and External Audit. Details of activities of the Audit Committee are indicated in **Box 1**.



## Bank of Tanzania Annual Report 2016/17

### Box 1: Audit Committee Annual Activity Report for 2016/17

#### 1.0 Establishment

The Audit Committee is established by the Board under Section 12(1) of the Bank of Tanzania Act 2006 (the Act), to assist the Board in its oversight responsibility with respect to audit and implementation of the financial reporting system in compliance with the relevant legislation and best international accounting standards. The Terms of Reference for the Audit Committee are reflected in the Audit Committee Charter.

#### 2.0 Membership

The Audit Committee consists of four members chosen from the Board of Directors. Out of these, three are non-executive and one is an executive member.

The chairman of the Committee is appointed annually on a rotation basis from the non-executive Directors of the Committee by all members of the Audit Committee. Members of the Audit Committee for 2016/17 are as shown in the Directors' report for 2016/17.

#### 3.0 Schedule of Meetings

The Audit Committee meets after every two months with additional meetings convened as and when necessary. In 2016/17, the Audit Committee held six meetings, of which three were ordinary and three Extra-Ordinary.

#### 4.0 Key Activities of the Audit Committee for 2016/17

The Audit Committee's responsibilities fall under four major areas of its mandate as provided for in its Charter. These are internal controls, Financial Reporting, Internal Audit and External Audit. In discharge of its responsibilities during the year under review, the Audit Committee carried out activities summarized below. Consistent with the requirements of the provisions of section 12(2) of the Act, the Chairman of the Audit Committee reported to the Board of Directors on all major items deliberated by the Committee after the meetings.

##### 4.1 Internal Control

The Committee:

- Considered Audit Report of the Procurement Operations at Head Office Third Quarter Financial Year 2015/16
- Reviewed Consolidated Audit Report of Safe Custody Centre operations, 4th Quarter 2015/16
- Reviewed Audit Report of Bank of Tanzania construction projects 2015/16
- Reviewed Audit Report of Payment, Clearing and Settlement system 2015/16.

##### 4.2 Financial Reporting

The Committee reviewed:

- Bank of Tanzania Draft Annual Financial Statements for the Financial Year 2015/16
- Management Audit Report on the Audited Financial Statements for Financial Year 2015/16
- Draft Housing Project Financial Report 2015/16



## Bank of Tanzania Annual Report 2016/17

### 4.3 External Audit

The Committee:

- Reviewed Draft Bank of Tanzania Audited Financial Statements for the financial year 2015/2016
- Considered Management Audit Report on the Audited Financial Statement for the Year ended 30th June 2016
- Reviewed Draft Housing Finance Project Audited Financial Statement 2015/16
- Reviewed the Report on Implementation of External Auditors Observations 2014/15

### 4.4 Internal Audit

The Committee:

- Considered Audit Report of the Procurement Operations at Head Office Third Quarter Financial Year 2015/16
- Reviewed Consolidated Audit Report of Safe Custody Centre operations, 4th Quarter 2015/16
- Audit Report of Bank of Tanzania construction projects 2015/16
- Audit Report of Payment, Clearing and Settlement system 2015/16.

### 5.0 Way Forward

During 2016/17, the Committee adequately discharged its advisory role to the Board and most of the directives given to Management were implemented. There are few pending directives whose implementation is in progress.

The Committee directed Management to exert more efforts in clearing all observations made by internal and external auditors. On financial reporting, the Committee will continue to closely monitor developments and oversee compliance with the adopted accounting practices to facilitate continued clean audit reports on the Bank's Financial Statements.

Prof. N. Osoro

**Chairman of the Audit Committee**



## Bank of Tanzania Annual Report 2016/17

### Strategic Planning and Performance Review

The Bank continued with its resolve to transform into strategy-focused organization through implementation of two methodologies: Balanced Scorecard and Performance Measurement Process. The methodologies are complementary and self-reinforcing in supporting planning, performance measurement, analysis of internal processes, and preparation of performance reports.

In support of implementation of the Corporate Strategy for 2016/17, a number of projects were implemented focusing on improving working environment; business systems automation and integration; and strategy and performance management. Construction of Mtwara branch was completed and operations started in October 2016. Also, Procurement Management System was developed in-house and launched in May 2017.

In addition, the Bank developed core and support business processes and continued to review its operations and procedures manuals in order to align with changes in business requirements. In relation to coordination of financial sector reforms programme, the Bank Implemented Housing Finance Project, whose main objective is to develop Tanzania's mortgage and housing microfinance. The implementation entailed provision of loans to Tanzania Mortgage Refinance Company (TMRC) Limited for pre-financing and refinancing of Primary Mortgage Lenders' mortgage portfolios. As at the end of June 2017, about TZS 68.1 billion had been disbursed to TMRC in 2016/17 for that purpose. Further, implementation of the project entails administration of the Housing Microfinance Fund on behalf of the Government, where TZS 9.0 billion had been disbursed to eligible financial institutions for on-lending to Tanzanians living under low income bracket.

Through the project, the Bank is also rolled out mortgage literacy programme for increasing awareness on mortgages; developing a Housing Information Centre at the Ministry of Lands, Housing and Human Settlements Development; strengthening the operational efficiency of the National Housing and Building Research Agency (NHBRA), Watumishi Housing Company Limited and the National Housing Corporation for them to discharge their mandates. Furthermore, the Bank provided support for implementation of the Private Sector Competitiveness Project—a finance window which covers various financial sector reform activities aimed at enhancing access to financial services by majority adult Tanzanians.

### Credit Guarantee Schemes

The Bank continued to manage credit guarantee schemes (CGS) on behalf of the Government. The management of the schemes involves issuing credit guarantee; reviewing and implementing CGS policies and guidelines; processing claims against the defaulted guaranteed loans; and monitoring performance of the guaranteed loans. The CGS is comprised two facilities: export credit guarantee scheme (ECGS) and small scale enterprises credit guarantee scheme (SME-CGS)<sup>15</sup>.

In 2016/17, loans extended by lending institutions through ECGS amounted to TZS 128.7 billion compared with TZS 173.6 billion during 2015/16. The loans translated to TZS 96.5 billion worth of guarantees from TZS 130.2 billion issued in the previous year. All guarantees were issued for agriculture and are ongoing. As at the end of June 2017, cumulative outstanding guarantees amounted to TZS 189.9 billion.

Loans extended by lending institutions through SME-CGS amounted to TZS 1.9 billion compared with TZS 1.6 billion in 2015/16. The loans translated to guarantees worth TZS 934.2 million,

<sup>15</sup> The ECGS was established in 2002/03 to promote high value exports by facilitating access to finance through issuance of credit guarantees on loans to exporters while the SME-CGS was established in 2004/05 to promote small-scale enterprises by facilitating access to finance from financial institutions in the country.





## Bank of Tanzania Annual Report 2016/17

up from TZS 798 million issued in the previous year, following increased uptake by commercial banks, as well as commencement of business by Tanzania Agricultural Development Bank Limited (TADB). During the period under review, credit extended by TADB through SME-CGC accounted for about 97 percent of guarantees issued under SME-CGS. Cumulative outstanding guarantees was TZS 1.6 billion as at the end of June 2017.

### Banking Services

The Bank of Tanzania continued to provide banking services to the two Governments, the United Republic of Tanzania and the Revolutionary Government of Zanzibar; banks and the general public. Banking services were provided using improved modern payment systems and enhanced security and service delivery. Banking services to banks included maintenance of the statutory minimum reserve requirements, clearing accounts, as well as provision of liquidity through available facilities.

During the period, the Bank started processing of Government salaries directly through Electronic Funds Transfer (EFT), abandoning the previous arrangements where salaries were processed by commercial banks. In addition, the Bank continued to open and maintain accounts for public institutions deposits which were previously held at commercial banks.

On currency services, the Bank continued with its role of issuing and distributing currency through head office and its branches located in Arusha, Mwanza, Zanzibar, Mbeya, Dodoma and Mtwara. In addition, the Bank continued to use Safe Custody Centres located in Mtwara, Kigoma, Sumbawanga, Tanga, Pemba, Tabora, Bukoba, Shinyanga and Songea to ease currency distribution in the country. Meanwhile, in an effort to enhance further efficiency in currency distribution and monitoring of the economy, the Bank is considering the possibility of establishing a branch in Kigoma.

In an effort to enhance clean money policy and minimise currency counterfeiting, the Bank continued to monitor banks' compliance to the circular requiring them to sort banknotes before taking back in circulation or depositing at Bank of Tanzania Head Office, Branches and Safe Custody Centres.

### National Payment Systems

The Bank continued to license payment systems providers as required under the new regulatory framework of 2015. The number of commercial banks licensed as payment systems providers reached 31 while Halotel Pesa and TTCL Pesa were licensed both as payment systems providers as well the electronic money issuers. Other remaining mobile financial service providers such as M-Pesa, Tigo Pesa, Airtel Money and Eazy Pesa were at different stages of being licensed as electronic money issuer having been licensed as payment systems providers. It is expected that with completion of licensing, Tanzania will have six licensed electronic money issuers. This is expected to increase competition, among others.

The Tanzania Interbank Settlement System (TISS) operated smoothly with additional four participants, namely Tanzania Agricultural Development Bank, FINCA Microfinance Bank, Mwalimu Commercial Bank and Canara Bank. Also the National Audit Office joined the system with the view of increasing efficiency and reducing risks and costs in government payments. It should be noted that the Government has already issued a circular which requires all the government payments and collection be electronically effected. Settlement of government securities traded at the Dar es Salaam Stock Exchange through TISS was smoothly implemented, along with cards batches for Visa, MasterCard and Umoja Switch.

The Tanzania Automated Clearing House established in 2015, in which clearing instruments are captured and electronically cleared operated



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smoothly. Two banks, namely Canara Bank and Mwalimu Commercial Bank joined the clearing house. Connected to this, the Electronic Funds Transfer (EFT) with its three windows continued to operate efficiently. The decision by the Government to pay salaries directly into employees' accounts through EFT has significantly increased efficiency thus reducing costs.

The East African Cross Border Payment System (EAPS), the regional payment infrastructure aimed at facilitating flow of transactions, performed well. The volume of transactions between Tanzanian and Kenya corridor remained dominant, valued at TZS 84.2 billion in 2016/17, while that of Tanzanian-Uganda corridor was unchanged at TZS 7.9 billion. There were a few transactions between Tanzania and Rwanda. Burundi is modernizing its payment system infrastructure to join the EAPS.

The number of active accounts in the digital financial services reached 17.5 million, with more than 300,000 agents. The Bank commenced development of the National Payment Systems Strategic Framework (2017 – 2027) to align with developments in the financial sector. The Bank continued to work with stakeholders to address challenges related to, among others, interoperability at the agents' level.

### Research and Publications

In 2016/17, the Bank continued to prepare and disseminate various economic reports and publications, among other things, bringing up economic developments in the country and the monetary policy stance. The reports include monthly, quarterly and annual economic reviews; and monetary policy statements. Also, following celebration of 50<sup>th</sup> anniversary of the Bank in June 2016, a proceedings book was produced and is available on the website. The book details activities which were lined up to colour the event, including sports bonanza; charity walk, and a symposium which was preceded by an official inauguration of

the climax of the anniversary on June 22, 2016 by His Excellency, Dr. John Pombe Joseph Magufuli, President of the United Republic of Tanzania. The President delivered a stimulating speech, which also reminded on Bank's responsibilities in contributing to the Government's resolve to build sustainable and inclusive economy.

On research related issues, a conference of financial institutions was convened on November 24-25, 2016, to exchange views and experiences on matters related to and relevant to the financial sector and the economy in general. The theme was "The Role of the Financial Sector in Harnessing Tanzania's Geographical Advantage" in which eight subject presentations were made by experts both from within and outside the country followed by discussions. Honorable, Dr. Philip Isdor Mpango, Minister for Finance and Planning in Tanzania graced the event. The Minister, together with participants acknowledged the potential that could be harnessed given the country's geographical location and natural endowments. A number of landlocked African countries for example can access the rest of the world through the gateway seaports of Tanzania, and the country is an ideal location for market-seeking industries and trade ware-housing which target the emerging African market especially EAC, SADC and COMESA markets. It was in agreement that these potentials if adequately unlocked and exploited could contribute in building a high growing and an inclusive economy. For this to happen, it was underscored that commitment of both public and the private sector is important. This entails putting in place and supporting the requisite physical and soft infrastructure; getting right policies and the legal and regulatory framework; and taking advantage offered by the advancement in ICT, as well as labour-intensive industries.

Also, the Bank organized a policy seminar on "Achieving Quick Wins for Inclusive and Sustainable Growth in Tanzania" The seminar benefited from a



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structured lecture by a renowned Professor Justin Y. Lin from Peking University and discussed by Dr. Donald Mmari, the Executive Director of Policy Research for Development (REPOA).

Prof. Lin focused on fundamentals for inclusive growth and sustainable development, drawing experiences from developing and emerging markets economies. In China for instance Prof. Lin highlighted that, prior to the transformation from controlled to market based economy in 1978, China was more or less at same level of economic development as it is the case for Tanzania today. In 1978, the per capita GDP in China was USD155; 81 percent of the population lived in the rural; huge surplus of labour in rural areas; and more than 91 percent of manufactured goods were not connected to international markets. Through radical but pragmatic transformation starting in 1978, China managed to transit from poverty to prosperity and to date overtook advanced countries such as Japan, Germany and USA. The lessons for achieving quick wins in China include:

- (1) To gain international buyers' confidence of goods and services produced in China. The Government embarked on a campaign to encourage international firms to relocate their factories to China to enjoy competitive advantage of relatively abundant cheap labour. The foreign firms brought with them the management, matured technology, employments and more important the international confidence that in turn facilitated penetration of Chinese manufactured products into the global market.
- (2) Enhanced value addition through technological innovation. Cognisant of resources constraints to invest in R&D, China imported and imitated technology through attracting foreign direct investment (FDIs). Smart imitations made costs of technological innovation lower and less risky.

- (3) Embarked on optimal exploitation of the competitive advantages, that is the abundant natural resources and young labour force. Emphasis was put on labour intensive sectors/industries such as agriculture and light agro and food processing.
- (4) Relocated scarce resources into sectors, which have competitive advantage. This facilitated penetration into regional and global markets. Also important was establishing and investing in Special Economic Zones (SEZ) and Export Processing Zones (EPZ) as well as infrastructure.
- (5) Nurtured and scaled up SMEs into large firms by availing supportive logistics, managerial skills, access to finance and high quality inputs.
- (6) Continuously improved labour productivity and retention through hands on skills enhancement programs involving trainers with practical experiences, cross-country skills exchange programmes and good remunerations packages. This increased value addition to the Chinese economy.

Meanwhile, seminar participants highlighted three policy intervention areas necessary for achieving sustainable growth in Tanzania. These are:

- (a) Openness and trade through smart strategies to attract foreign investors given the country's geographical advantage and natural resources, coupled with investment in transport logistics;
- (b) Investment in production of commodities starting with low cost and gradually transiting to high-tech manufacturing through smart imitations. Transformation of agriculture and enhancing of value addition are equally important.



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(c) A strong state fostering transformative culture, strong institutions, strong political will, rule of law, and a culture that fosters innovation. It is through predictable policies, that the government shares risks with the private sector, which is key in attracting and sustaining foreign investments. Experiences from China and other emerging countries could serve as critical inputs towards achieving these.

Furthermore, the Bank led the mission team that visited Zimbabwe in February 2017 and reviewed the country's economy in line with the SADC Macroeconomic Surveillance Mechanism, which seeks to promote macroeconomic stability, considered as a necessary condition for development of the financial sector, attracting foreign direct investment and realization of sustainable and inclusive growth in the region. The team produced a report that serves as an important document for discussion in evaluating Zimbabwe's status in attaining macroeconomic convergence benchmarks. The recommendations of the mission were considered by the Peer Review Panel comprising SADC ministers of finance and central bank governors at its meeting held in Swaziland in July 2017.

Furthermore, the Bank continued to implement the data warehouse project with a view to achieving a corporate-wide Enterprise Data Warehouse (EDW) and Business Intelligence (BI) solution. Following the release of EDW and BI system in June 2016 for internal use, a number of related activities were implemented including system review and stabilization. Upon completion, the system will ensure quality and timely availability of data; exchange of information; and production of periodical reports.

### **Microfinance**

In collaboration with other stakeholders, the Bank continued to undertake various initiatives to

enhance access and usage of financial services by low income and unbanked segment of the population. In 2016/17, the review of the National Microfinance Policy of 2000 was completed and approved by the Cabinet in October 2016. Drafting of National Microfinance Act to provide legal framework to promote microfinance activities and protect consumers is on-going.

The process of evaluating and reviewing the National Financial Inclusion Framework (NFIF 2014-2016) commenced in the first half of 2016/17 and is expected to be completed in 2017/18. Furthermore, the Bank in collaboration with other stakeholders, started setting structures for implementation of the National Financial Education Framework (2016-2020). Alongside this, the process to put in place the National Financial Consumer Protection Framework was initiated. Given achievements made in financial inclusion, the Bank hosted different international missions for peer-to-peer learning purposes, including delegations from Ethiopia, Zambia and Vietnam.

### **Tourism and Investment Surveys**

The Bank, in collaboration with Tanzania Investment Centre (TIC) and the National Bureau of Statistics (NBS), continued to monitor foreign private capital flows— entails foreign direct investment (FDI), foreign portfolio investment and other investment (mainly loans from unrelated companies)—through annual enterprise surveys. The 2016 survey indicates growth in the stock of foreign private investment to USD 13,704.6 million in 2015 from USD 13,423.1 million in 2014. FDIs have remained the largest and one of the least volatile of all external financial inflows, its share to total stock of investment rose to 92.0 percent in 2015 from 88.6 percent in 2014. Equity investment remained dominant source of financing; though its share to FDI stock declined to 60.0 percent from 67.2 percent in 2014. On the other hand, the share of debt financing, mainly inter-company loans, increased to 40.0 percent of FDI stock



## Bank of Tanzania Annual Report 2016/17

from 32.8 percent. The survey finds that United Kingdom, South Africa and Canada remained major source countries of FDIs. Sectors that received most of the FDIs in 2015 were financial and insurance, mining and quarrying, information and communication and manufacturing, which collectively they accounted for 89.9 percent of FDI inflows.

In addition, international visitors exit survey 2015/16 was conducted in collaboration with other stakeholders for improvement of balance of payments and national accounts statistics, as well as promotion of tourism. Main findings from the survey include the increase in earnings from tourism related activities by 12.1 percent to USD 2,131.6 million in 2016 from the level recorded in 2015. This increase is associated with higher number of tourist arrivals which reached 1,284,279, up from 1,137,182. Same as in the previous years, leisure and holidays continued to be main purpose of the visits to Tanzania, while major tourism attractions were wildlife and beach.

### Banking Supervision

In 2016/17, the banking system remained stable and sound, because of prudent regulation and supervision. In addition, capital and liquidity levels above the regulatory requirements. Notably, the ratio of core capital to total risk-weighted assets and off-balance sheet items was 18.2 percent and that of capital to total risk-weighted assets and off-balance sheet exposures was 20.2 percent, above the minimum requirements of 10 percent and 12 percent, respectively. The ratio of liquid assets to demand liabilities was 38.0 percent, above the minimum requirement of 20 percent. However, the ratio of non-performing loans (NPL) to gross loans increased to 10.6 percent at the end of June 2017 from 8.7 percent at the end of June 2016. To address this challenge, the Bank directed banks with high NPL ratios to formulate and implement strategies to bring the ratio to the required threshold of at almost 5 percent, and

encouraged them to increase the usage of credit reference system to reduce risks.

Moreover, the banking sector continued to expand. At the end of June 2017, there were 38 commercial banks, 12 community banks, three financial institutions, two development finance institutions, five microfinance banks, one mortgage refinancing company, three financial leasing companies and two representative offices of foreign banks. The number of bank branches rose to 813 from 739 in the preceding year. Meanwhile, banking institutions approved to conduct agent banking business increased to 16 from nine in 2015/16, whereas the number of agents rose to 7,841 from 4,189. Volume of transactions through banking agents also increased to TZS 2,104 billion from TZS 1,558 billion.

In relation to regulatory framework, the Bank reviewed circulars and guidelines to cope with dynamics in the banking sector. In order to facilitate easy access to borrowers' information, the credit reference system continued to improve in terms of data submission and quality. In this regard, 54 out of 62 banking institutions had submitted information to the credit reference databank at the end of June 2017. Similarly, 91 non-regulated institutions shared credit information through credit reference bureaus.

The Bank of Tanzania continued to supervise bureaux de change operating in the country. Registered bureau de change increased to 291 from 286 in 2015/16, out of which, 261 were operating in Tanzania Mainland and 30 in Zanzibar.

In May 2017, the Bank of Tanzania discontinued banking operations, revoked banking business licences, placed under liquidation, and appointed the Deposit Insurance Board as liquidator of two banks: FBME bank and Mbinga community bank. FBME bank was placed under Statutory management of the Bank of Tanzania in July 2014,



## Bank of Tanzania Annual Report 2016/17

following a permanent ban by USA authorities on its access to the US financial system, necessary support services and trading platforms for provision of normal banking services to its customers. The ban had adverse implications on the viability of FBME operations. Noteworthy, prior to the ban, FBME bank was announced by the Financial Crimes Enforcement Network as a financial institution of primary money laundering concern in July 2014. Subsequently, the bank was taken-over by the Central Bank of Cyprus with intention to the sell assets of its branch in Cyprus. As regard to Mbinga Community Bank Plc, the decision was taken after considering potential negative effects of inadequate capital and illiquidity on its operations, as well as the stability of the banking system in Tanzania. The Deposit Insurance Board was planning to pay insured depositors of the two banks while continuing with other liquidation procedures.

Meanwhile, Bank of Tanzania placed Twiga Bancorp Limited on statutory management in October 2016, after establishing that the bank was significantly undercapitalized, hence posing systematic risk to the stability of the financial system. Continuation of Twiga operations was also considered detrimental to the interest of its depositors. The Bank of Tanzania was working with Twiga's shareholders to capitalize the bank.

### **Corporate Services**

The Bank pro-actively engaged the public through various channels, and received views and enquiries, which were addressed accordingly. The engagements were through print and electronic media (including social media), conferences, seminars, workshops, website, exhibitions (such as Trade Fair and Farmers' Exhibitions), and other platforms.

Public awareness activities carried out during the year included monetary policy decisions, credit reference systems, currency security features,

agent banking and mortgage financing, financial inclusion, and East African Community monetary union process. Decisions of the Monetary Policy Committee (MPC) were communicated on regular basis to chief executive officers of banking and financial institutions. Also, interviews were conducted in both local and international print and electronic media on various economic and central banking issues, including the performance of the Fifth-Phase Government. Furthermore, the Bank conducted seminars to Members of Parliament, journalists, students, and people with disabilities.

In fulfilling corporate social responsibility, the Bank extends scholarships to selected students as well as donations to various needy groups in the society in line with policies in place. In 2016/17, the Bank granted full scholarships to four undergraduate students and two master's degree students under the Mwalimu Julius Nyerere Memorial Scholarship Fund—largely aimed at encouraging female students to pursue courses in science and mathematics. The 2016/17 sponsorship brought the total number of beneficiaries of the Fund since its inception in 2009 to 28; out of which 20 pursued undergraduate degree program and 8 master's program. The Bank also continues to sponsor Tanzanians who have excelled in bachelor's degree programs in economics to pursue master's degrees under the Gilman Rutihinda Memorial Fund. So far 31 students have benefited from the scholarships.

The Bank also provided donations amounting to TZS 256,741,000.00 to support business reporting and other areas of public interest in the country.

### **Branch Activities**

In performing its functions, the Bank through branches located in Arusha, Dodoma, Mbeya, Mwanza, Zanzibar and Mtwara; provided banking, currency and settlement services. In addition, it monitored economic performance in the designated areas and public awareness on



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the functions of the Bank. Further, the branches participated in regional consultative committee meetings in their respective areas with a view to inform on economic and financial sector developments.

Branches also conducted studies to inform policy decisions. These included a study on performance of pulp and paper industry in Tanzania to assess performance, challenges and prospects of forest industry, with a particular focus on Mufindi Paper Mills. The study identified challenges that hinder development of the paper industry in the country as inadequate raw materials, obsolete technology, high taxes and levies imposed on pulp and paper industry, exorbitant transport cost due to poor or lack of transportation infrastructure and unreliable power supply. To address the challenges, the study recommended reviewing of asset sales agreement, discouraging importation of paper products, control importation of cheap counterfeits, streamlining taxes and levies, and promoting investment in the industry.

Another study examined potentiality of the sunflower sub-sector and its contribution to the economy. The study revealed huge potentials including high demand of sunflower oil, large suitable land, presence of water bodies, as well as supportive policies and regulations. It also found that sunflower production is mainly dominated by small-holder farmers with low yield; and small and medium scale processing of sunflower seeds with limited value addition. Other challenges include poor farming practices, inadequate extension services, limited access to finance, low farm-gate prices, inadequate processing facilities. For these reasons, the study recommended capacity building to farmers, improve extension and access to finance and profitable markets.

A survey on warehouse storage capacity in Tanzania was also initiated with the view of taking stock of available food storage facilities in the country.







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**PART III**

**ANNUAL ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 2017**





**Bank of Tanzania Annual Report 2016/17**

**REPORT OF THE AUDITORS  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**





## Bank of Tanzania Annual Report 2016/17

### REPORTS AND ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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## Bank of Tanzania Annual Report 2016/17

### BANK INFORMATION

Registered office	Bank of Tanzania Head Office 2 Mirambo Street 11884 Dar es Salaam Tanzania
Governor	Prof. Benno J. Ndulu Bank of Tanzania Head Office 2 Mirambo Street 11884 Dar es Salaam Tanzania
Secretary to the Board	Mr. Yusto E. Tongola Bank of Tanzania Head Office 2 Mirambo Street 11884 Dar es Salaam Tanzania

### BRANCHES

Arusha Bank of Tanzania building Makongoro Road P.O. Box 3043, Arusha, Tanzania	Bank of Tanzania Training Institute Capri point area P.O. Box 131, Mwanza Tanzania
Dodoma Bank of Tanzania building 2 NCC LINK P.O. Box 2303, Dodoma, Tanzania	Mbeya Bank of Tanzania building Kadege Road P.O. Box 1203, Mbeya, Tanzania
Mtwara Bank of Tanzania building Mikindani Area P.O. Box 1446, Mtwara, Tanzania	Mwanza Bank of Tanzania building Nyerere Road P.O. Box 1362, Mwanza, Tanzania
Zanzibar Bank of Tanzania building Gulioni Area P.O. Box 568, Zanzibar, Tanzania	

### PRINCIPAL AUDITOR

Controller and Auditor General  
National Audit Office  
Samora Avenue/Ohio Street  
P.O. Box 9080  
Dar es Salaam, Tanzania

### DELEGATED AUDITORS

Deloitte & Touche  
3<sup>rd</sup> Floor, Aris House  
Plot 152, Haile Selassie Road  
P.O. Box 1559  
Dar es Salaam, Tanzania



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. INTRODUCTION

The Directors present this report together with the audited financial statements for the financial year ended 30 June 2017, which disclose the state of financial affairs of the Bank of Tanzania (the “Bank, BoT”).

During the year, the Bank continued to implement its mandate as provided in the Bank of Tanzania Act, 2006 to ensure sustainable national economic growth. The Bank carried out its mandate to issue and distribute currency to the economy through its branch network and custody centres in some parts of the country. During the year under review, the Bank operated six branches, a training institute and nine safe custody centres.

The Bank continued to monitor and disseminate information and data on economic activities in the country. Economic reports covering various regions were disseminated at various fora, including at regional coordination committees and investors’ fora.

#### ESTABLISHMENT

The Bank of Tanzania was established under the Bank of Tanzania Act, 1965. The Act was repealed in 1995 and 2006. The Bank currently operates under the Bank of Tanzania Act, 2006.

#### BANK’S VISION

The vision of the Bank is “To be a world class Central Bank, in maintaining price and financial stability consistent with supporting economic growth”.

#### BANK’S MISSION

The Bank’s mission is “To maintain price stability, and to promote integrity and stability of the financial system consistent with sustained growth of the national economy”.

#### 2. STATUTE AND PRINCIPAL ACTIVITIES

Bank of Tanzania is the Central Bank of the United Republic of Tanzania comprising Tanzania Mainland and Zanzibar wholly owned by the Government of the United Republic of Tanzania. The Bank’s operations are governed by the Bank of Tanzania Act, 2006.

A summary of functions and objectives of the Bank are to:

- Formulate, implement and be responsible for monetary policy, including foreign exchange rate policy, issue currency, regulate and supervise banks and financial institutions including mortgage financing, development financing, lease financing, licensing and revocation of licenses and to deal, hold and manage foreign exchange reserves of Tanzania;
- Compile, analyse, and publish the monetary, financial, balance of payments statistics and other statistics covering various sectors of the national economy;
- Regulate, monitor and supervise the payment, clearing and settlement systems;
- Act as a banker and fiscal agent of the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar (the “Governments”); and
- Ensure the integrity of the financial system, support the general economic policies of the Government, and promote sound monetary, credit and banking conditions conducive to sustainable development of the national economy.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 3. RESOURCES AND STRENGTHS

The Bank possesses adequate resources and human capacity to implement its mandates as provided in the law. To achieve its strategic objectives the bank uses its human, financial and technological resources.

The Bank has highly skilled, committed, motivated and competent staff dedicated to a long-term career. Likewise, management adheres to good governance and promotes good labour relations. From its strategic perspective, the Bank enhances its financial sufficiency by improving management of its resources through prioritisation of initiatives, implementing initiatives within the available financial resources to generate adequate income to support its operations. On technological side, the Bank has made significant efforts of adopting modern technology to improve its day-to-day operations. Further, the Bank has strategically located branches and safe custody centres, which facilitate efficient banking services.

The Bank has also undertaken various reforms that contribute to the attainment of its objectives. This include the on-going modernisation of the monetary policy framework, which is expected to improve the efficiency and effectiveness of the monetary policy implementation.

#### 4. REVIEW OF THE BANK'S PERFORMANCE AND BROAD GOALS

During the year, the Bank's Corporate Plan was formulated and implemented through balanced score card and Performance Measurement Process (PuMP) techniques, respectively. Besides restructuring its strategic objectives basing on the four perspectives of Balanced Score Card (BSC), the Bank continued to manage its plan under three broad goals as follows:

- Maintaining price stability;
- Promoting integrity and stability of the financial system; and
- Strengthening corporate governance.

Basing on these three broad goals, the Bank's performance revealed the following:

##### (a) Maintaining price stability

This entails keeping monetary conditions consistent with low and stable core inflation with the aim of attaining result of single digit and stable core inflation. The Bank had set the target to maintain core inflation not exceeding 5.0 percent throughout the period to the end of June 2017 and maintaining official foreign reserves sufficient to cover at least 4.0 months of projected imports of goods and services, excluding those financed by foreign direct investment; and generating at least 0.75 percent return per annum on foreign reserves.

During the year, the core inflation rate was maintained at an average rate of 2.4 percent. It decreased from 3.0 percent recorded in June 2016 to 1.9 percent in June 2017 while headline inflation rate remained at single digit throughout the year at an average rate of 5.3 percent. Headline inflation rose slightly to 6.4 in April 2017, driven mainly by rising food prices, thereafter, declined to 5.4 percent in June 2017. The decrease was mainly on account of decrease in prices of all main group indices items with exception of food and non-alcoholic beverages.





## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 4. REVIEW OF THE BANK'S PERFORMANCE AND BROAD GOALS (CONTINUED)

##### (a) Maintaining price stability (continued)

The gross foreign reserves portrayed increasing trend reaching 4.9 months in June 2017. The reserve level was USD 4,953.5 million as of 30 June 2017 compared to USD 3,870.3 million recorded as of 30 June 2016. This level of official reserves was sufficient to cover about 4.9 months of projected import of goods and services excluding Foreign Direct Investments ("FDI") related imports.

Foreign reserves were managed consistent with the strategic objective of capital preservation, adequate liquidity, and maximizing return on investments.

##### (b) Promoting integrity and stability of the financial system

Financial stability is defined as a smooth operation of the system of financial intermediation between households, firms and the Governments through a range of financial institutions as evidenced by an effective regulatory infrastructure, well developed financial markets and effective and sound financial institutions. The financial stability is measured by financial stability index and the target is that the index should not deviate from its normalized historical mean within a band of -3 and +3, that is  $(-3 < \text{FSSI} < 3)$ . The index indicated an overall stable position with slight decline in quarter 2 and 3 due to non performing loans.

The banking sector, in aggregate terms, was profitable with an average return on assets of 2.2 percent and return on capital of 10.3 percent. The banking sector remained adequately capitalised despite persistence of credit risk challenges in aggregate terms with core capital well above minimum requirement during the period ending June 2017. The Bank eased monetary condition to reduce cost of funding, engaged banks to take various options including loan restructuring and directed them to use credit reference bureau for loan underwriting as measures to contain credit risk going forward.

Insurance sector remained sound reflecting its strong liquidity and capital base. Social Security Sector remained sound, with sustained operational efficiency. The payment systems continued to operate with minimum disruptions and settlement risks.

##### (c) Strengthening corporate governance

###### *Improve work environment*

This objective entails acquiring and maintaining adequate and safe facilities and working tools, adopting regulations, policies and good practices that bring about fairness, trust, inclusiveness, cooperation and information sharing amongst staff. It also involves developing and implementing fair performance and reward management practices. This objective is measured by the survey to interrogate the level of satisfaction that staff have to the Bank's work environment. The overall survey results show that 80.0 percent (2016: 79.6 percent) of the Bank's staff are satisfied with work environment which equals to the target set during the planning stage.

###### *Capacity building*

To improve knowledge and skills of employees, the Bank continued to address skills requirements through the annual corporate training plan and budget. The aim was to have staff with skills that match the needs of the Bank.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 4. REVIEW OF THE BANK'S PERFORMANCE AND BROAD GOALS (CONTINUED)

##### (c) Strengthening corporate governance (continued)

###### *Enhance compliance with Legislation, Regulations, Policies and Standards*

During the year, the Bank continued to put emphasis on compliance with the Bank of Tanzania Act, 2006; Public Procurement Act, 2011; and other legislations, regulations, policies and standards in executing its mandate.

Further, the Bank continued to adhere to the Anti-Money Laundering ("AML") and the Combating Financing of Terrorism ("CFT") by continuing coordination of AML and CFT activities as an effort to ensure that the Bank adhered to legislation, regulations and policies. The Bank spearheaded coordination of AML and CFT initiatives within the Bank and among stakeholders in the country and more particularly with the Financial Intelligence Unit ("FIU"). The Bank also continued to play a part in the Eastern and Southern Africa Anti-Money Laundering Group ("ESAAMLG") meetings and shared experiences and benchmark practices in combating AML and CFT.

###### *Improve management of Bank's resources*

The Bank continued to implement planned projects within allocated resources. Bank resources include both financial and non-financial assets. Major projects that recorded significant progress during the year include completion of procurement management system and acquisition of senior staff houses in Mtwara.

The Bank continued to manage its financial resources mainly on bonds and money market deposits to ensure adequate liquidity while maintaining capital preservation and maximising returns. During the year under review, the Bank continued to maintain its properties and facilities including buildings, machinery, equipment and motor vehicles in order to ensure that they are always in good working condition.

###### *Bank's engagement with external stakeholders*

The Bank continued to nurture its relationship with external stakeholders, seeking to gain confidence and trust in protecting the Bank's reputation. In order to improve its reputation, the Bank continued to address stakeholders' needs, expectations and providing timely responses to stakeholders' inquiries. The Bank continued to participate in various fora including Saba Saba and Nane Nane exhibitions to disseminate information and provide public awareness on its operations in areas of roles and functions of the Bank and notes and their security features.

###### *Public education programs*

The Bank participated in various public education programs that were aimed at sensitizing the public on the roles and functions of the Bank. Further, the Bank undertook public awareness campaigns on the bank notes and coins and their respective security features.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 5. CORPORATE GOVERNANCE

Members of the Board of Directors other than the Governor and Deputy Governors are appointed by the Minister for Finance of the United Republic of Tanzania, while the latter are appointed by the President of the United Republic of Tanzania. The following Directors served in the Board during the year.

No.	Name	Position	Age	Discipline	Date of Appointment	Nationality
1.	Prof. Benno J. Ndulu	Governor and Chairman of the Board	67	Economist	8 January 2008	Tanzanian
2.	Dr. Natu E. Mwamba <sup>1</sup>	Deputy Governor	55	Economist	13 June 2011	Tanzanian
3.	Mr. Julian B. Raphael	Deputy Governor	61	Economist	26 January 2016	Tanzanian
4.	Mr. Lila H. Mkila <sup>2</sup>	Deputy Governor	66	Statistician	26 June 2007	Tanzanian
5.	Dr. Yamungu M. Kayandabila <sup>3</sup>	Deputy Governor	45	Economist	31 May 2017	Tanzanian
6.	Dr. Bernard Y. Kibesse <sup>4</sup>	Deputy Governor	50	Economist	31 May 2017	Tanzanian
7.	Mr. Khamis M. Omar	Member	51	Finance	20 April 2006	Tanzanian
8.	Ms. Amina K. Shaaban <sup>5</sup>	Member	54	Economist	6 April 2016	Tanzanian
9.	Ms. Mary N. Maganga <sup>6</sup>	Member	50	Economist	1 June 2017	Tanzanian
10.	Prof. Haidari K. Amani <sup>7</sup>	Member	68	Economist	8 January 2008	Tanzanian
11.	Mrs. Esther P. Mkwizu <sup>7</sup>	Member	65	Management Consultant	8 March 2011	Tanzanian
12.	Mr. Omar S Mussa <sup>7</sup>	Member	60	Finance	8 March 2014	Tanzanian
13.	Mr. Yona S. Killagane <sup>7</sup>	Member	62	Professional Accountant	8 March 2011	Tanzanian
14.	Prof. Nehemia E. Osoro <sup>8</sup>	Member	70	Economist	1 June 2017	Tanzanian
15.	Mr. Joseph O. Haule <sup>8</sup>	Member	61	Economist	1 June 2017	Tanzanian
16.	Mr. Geoffrey I. Mwambe <sup>8</sup>	Member	42	Economist	1 June 2017	Tanzanian
17.	Mr. Yusto E. Tongola	Secretary	53	Lawyer	20 March 2013	Tanzanian

#### KEY

<sup>1</sup> Retired on 12 June 2017

<sup>2</sup> Retired on 16 June 2017

<sup>3</sup> Appointed on 31 May 2017

<sup>4</sup> Appointed on 31 May 2017

<sup>5</sup> Ex-officio replaced on 1 June 2017

<sup>6</sup> Ex-officio appointed to replace Ms. Amina Shaaban from 1 June 2017

<sup>7</sup> Non-Executive Directors retired on 7 March 2017

<sup>8</sup> Non-Executive Directors appointed on 1 June 2017

In accordance with Section 9(2) (c) of the Bank of Tanzania Act, 2006, a representative of the Ministry of Finance and Planning of the United Republic and Principal Secretary to the Treasury of the Revolutionary Government of Zanzibar are ex-officio members.

Bank of Tanzania ascribes to the highest standards of corporate governance. The Bank through the Board of Directors and Management upholds and practices the principles of sound corporate governance.

To this end, the Bank of Tanzania Act, 2006, has provided a framework for ensuring application of sound corporate governance principles and best practices by the Bank's Board of Directors and its Committees and Management in the course of managing the day to day affairs/operations of the Bank as summarised below:

- (i) In terms of the provisions of Section 9(1) of the Bank of Tanzania Act, 2006, the Board of Directors of the Bank is the supreme policy making body, and the approving authority of the corporate plan and budget of the Bank;



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 5. CORPORATE GOVERNANCE (CONTINUED)

- (ii) Four Committees are currently assisting the Bank's Board of Directors in the discharge of its functions. These are the Monetary Policy Committee, Audit Committee, Banking Supervision Committee and Finance and Investment Committee.

##### (a) Monetary Policy Committee

The Monetary Policy Committee was established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Its membership comprise of the Governor as Chairman, the Deputy Governors, and six Non-Executive Directors. The Monetary Policy Committee assists the Board in the review of monetary policy targets; review of research papers and major economic and monetary policy changes before adoption by the Board. The Committee's mandate also covers review of the Governments' revenue and expenditure patterns; review of debt management operations and statutory reports of the Bank related to implementation of monetary and financial policies.

The Members of the Monetary Policy Committee that served during the year ended 30 June 2017 were as follows.:

No	Name	Position	Discipline	Nationality
1.	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian
2.	Dr. Natu E. Mwamba <sup>1</sup>	Member	Economist	Tanzanian
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Mr. Lila H. Mkila <sup>2</sup>	Member	Statistician	Tanzanian
5.	Dr. Yamungu M. Kayandabila <sup>3</sup>	Member	Economist	Tanzanian
6.	Dr. Bernard Y. Kibesse <sup>3</sup>	Member	Economist	Tanzanian
7.	Ms. Amina K. Shaaban <sup>4</sup>	Member	Economist	Tanzanian
8.	Ms. Mary N. Maganga <sup>5</sup>	Member	Economist	Tanzanian
9.	Prof. Haidari K. Amani <sup>6</sup>	Member	Economist	Tanzanian
10.	Mrs. Esther P. Mkwizu <sup>6</sup>	Member	Management Consultant	Tanzanian
11.	Mr. Khamis M. Omar	Member	Finance	Tanzanian
12.	Mr. Omar S. Mussa <sup>6</sup>	Member	Finance	Tanzanian
13.	Mr. Yona S. Killagane <sup>6</sup>	Member	Professional Accountant	Tanzanian
14.	Prof. Nehemia E. Osoro <sup>7</sup>	Member	Economist	Tanzanian
15.	Mr. Joseph O. Haule <sup>7</sup>	Member	Economist	Tanzanian
16.	Mr. Geoffrey I. Mwambe <sup>7</sup>	Member	Economist	Tanzanian
17.	Mr. Yusto E. Tongola	Secretary	Lawyer	Tanzanian

##### KEY:

<sup>1</sup> Retired on 12 June 2017

<sup>2</sup> Retired on 16 June 2017

<sup>3</sup> Appointed on 31 May 2017

<sup>4</sup> Ex-officio replaced from 1 June 2017

<sup>5</sup> Ex officio appointed to replace Ms. Amina Shaaban from 1 June 2017

<sup>6</sup> Retired on 7 March 2017

<sup>7</sup> Appointed on 1 June 2017

##### (b) The Audit Committee

Established under the provision of Section 12(1) of the Bank of Tanzania Act 2006, the Audit Committee is largely composed of Non-executive Directors. The Chairman of the Committee is a Non-executive Director. The Deputy Governor-Administration and Internal Control is the only Executive member of the Committee. The Terms of Reference for the Audit Committee cover four major areas, namely, Internal Control, Financial Reporting, Internal Audit and External Audit.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 5. CORPORATE GOVERNANCE (CONTINUED)

The Audit Committee's mandate under Internal Control covers evaluation of control environment and culture; the adequacy of the internal control systems and compliance with International Financial Reporting Standards ("IFRS") in the preparation of financial statements; the overall effectiveness of the internal control and risk management framework. The Committee also reviews requests for write off/ write back of items from the books of accounts and reviews the effectiveness of the system for monitoring compliance with laws and regulations.

The mandate relating to Financial Reporting requires the Audit Committee to review significant accounting and reporting issues and their impact on the financial reports and ensure current financial risk areas are managed appropriately. The Committee also ensures adequacy of the financial reporting process, reviews draft financial statements before submission to the external auditors for audit and the audited financial statements before approval and adoption by the Board.

With regard to External Audit, the Audit Committee reviews and approves the external auditors' proposed audit scope, approach and audit deliverables, reviews and approves the proposed audit fee.

The Committee's mandate on Internal Audit covers review of the activities and resources of the internal audit function; effectiveness, standing and independence of internal audit function within the Bank; review of the internal audit plan; and follow up on implementation of internal audit findings and recommendations. The Audit Committee reports to the Board of Directors.

The Members of the Audit Committee that served during the year ended 30 June 2017 were as follows:

No	Name	Position	Discipline	Nationality
1.	Mr. Yona S. Killagane <sup>1</sup>	Chairman	Professional Accountant	Tanzanian
2.	Prof. Nehemia E. Osoro <sup>2</sup>	Chairman	Economist	Tanzanian
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Prof. Haidari K. Amani <sup>1</sup>	Member	Economist	Tanzanian
5.	Mrs. Esther P. Mkwizu <sup>1</sup>	Member	Management Consultant	Tanzanian
6.	Mr. Omar S. Mussa <sup>1</sup>	Member	Finance	Tanzanian
7.	Mr. Joseph O. Haule <sup>2</sup>	Member	Economist	Tanzanian
8.	Mr. Geoffrey I. Mwambe <sup>2</sup>	Member	Economist	Tanzanian

KEY:

<sup>1</sup> Retired on 7 March 2017

<sup>2</sup> Appointed on 1 June 2017

#### (c) Banking Supervision Committee

The Banking Supervision Committee was also established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Members of the Committee comprise the Governor who is the Chairman, the Deputy Governors, Representative of the Ministry of Finance and Planning, Government of the United Republic of Tanzania and Principal Secretary to the Treasury, Revolutionary Government of Zanzibar and two Non-executive directors.

The Banking Supervision Committee is responsible for review of internal control and systems in banks and other financial institutions; the Banking Supervision function; adequacy of the prevailing legal and regulatory framework; operating performance of banks, financial institutions and bureau de change with a view to ensuring safety and soundness in the banking system; financial stability reports before publication; and on emerging supervisory issues. The Committee advises the Board on appropriate policy, legislative and regulatory measures that promote a safe banking system and high supervisory standards and practices.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 5. CORPORATE GOVERNANCE (CONTINUED)

##### (c) Banking Supervision Committee (continued)

The Members of the Banking Supervision Committee that served during the year ended 30 June 2017 were as follows:

No	Name	Position	Discipline	Nationality
1.	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian
2.	Dr. Natu E. Mwamba <sup>1</sup>	Member	Economist	Tanzanian
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Mr. Lila H. Mkila <sup>2</sup>	Member	Statistician	Tanzanian
5.	Dr. Yamungu M. Kayandabila <sup>3</sup>	Member	Economist	Tanzanian
6.	Dr. Bernard Y. Kibesse <sup>3</sup>	Member	Economist	Tanzanian
7.	Ms. Amina Shaaban <sup>4</sup>	Member	Economist	Tanzanian
8.	Mr. Bedason A. Shallanda <sup>5</sup>	Member	Economist	Tanzanian
9.	Mr. Khamis M. Omar	Member	Finance	Tanzanian
10.	Prof. Haidari K. Amani <sup>6</sup>	Member	Economist	Tanzanian
11.	Prof. Nehemia E. Osoro <sup>7</sup>	Member	Economist	Tanzanian
12.	Mr. Joseph O. Haule <sup>7</sup>	Member	Economist	Tanzanian
13.	Mr. Geoffrey I. Mwambe <sup>7</sup>	Member	Economist	Tanzanian
14.	Mr. Yusto E. Tongola	Secretary	Lawyer	Tanzanian

**KEY:**

<sup>1</sup> Retired on 12 June 2017

<sup>2</sup> Retired on 16 June 2017

<sup>3</sup> Appointed on 31 May 2017

<sup>4</sup> Ex-officio replaced on 1 June 2017

<sup>5</sup> Ex-officio appointed on 1 June 2017

<sup>6</sup> Retired on 7 March 2017

<sup>7</sup> Appointed on 1 June 2017

##### (d) The Finance and Investment Committee

The Finance and Investment Committee was established under the provision of Section 12 (1) of the Bank of Tanzania Act, 2006. Members of the Committee include the Governor who is the Chairman, the Deputy Governors and four Non-executive Members of the Board.

The Finance and Investment Committee is responsible for review of the proposed budgets, reallocation of funds involving capital expenditure and supplementary budget requests; quarterly budget performance reports; Financial Regulations and Staff By-Laws; requests for disposal of immovable assets; and Bank's Annual Corporate Plan. The Committee also reviews the appropriateness of the Bank's investment policy and assets allocation strategy, Risk Management Framework for the Bank's operations and Project Management framework.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 5. CORPORATE GOVERNANCE (CONTINUED)

##### (e) The Finance and Investment Committee (continued)

The Members of the Finance and Investment Committee that served during the year ended 30 June 2017 are as follows:

No	Name	Position	Discipline	Nationality
1.	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian
2.	Dr. Natu E. Mwamba	Member	Economist	Tanzanian
3.	Mr. Julian B. Raphael	Member	Economist	Tanzanian
4.	Mr. Lila H. Mkila	Member	Statistician	Tanzanian
5.	Dr. Yamungu M. Kayandabila	Member	Economist	Tanzanian
6.	Dr. Bernard Y. Kibesse	Member	Economist	Tanzanian
7.	Prof. Haidari K. Amani	Member	Economist	Tanzanian
8.	Mrs. Esther P. Mkwizu	Member	Management Consultant	Tanzanian
9.	Mr. Omar S. Mussa	Member	Finance	Tanzanian
10.	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian
11.	Prof. Nehemia Osoro	Member	Economist	Tanzanian
12.	Mr. Joseph O. Haule	Member	Economist	Tanzanian
13.	Mr. Geoffrey I. Mwambe	Member	Economist	Tanzanian
14.	Mr. Yusto E. Tongola	Secretary	Lawyer	Tanzanian

**KEY:**

<sup>1</sup> Retired on 12 June 2017

<sup>2</sup> Retired on 16 June 2017

<sup>3</sup> Appointed on 31 May 2017

<sup>4</sup> Retired on 7 March 2017

<sup>5</sup> Appointed on 1 June 2017

#### 6. MEETINGS

The Board held fourteen (14) meetings during the year ended 30 June 2017. In addition there were various meetings of the Board Committees. All members of the Board were able to devote their time required for the Board and Committee meetings.

Below is a summary indicating the number of meetings attended by each members of the Board from 1 July 2016 to 30 June 2017.

No	Number of meetings Names	Number of meetings					<b>KEY</b> Board: Board of Directors
		Board	MPC	BSC	AC	FIC	
		14	5	5	5	5	
1.	Prof. Benno J. Ndulu	13	5	5	N/A	5	<b>MPC:</b> Monetary Policy Committee
2.	Dr. Natu E. Mwamba <sup>1</sup>	9	4	4	N/A	3	
3.	Mr. Julian B. Raphael	9	5	3	5	4	<b>BSC:</b> Banking Supervision Committee
4.	Mr. Lila H. Mkila <sup>2</sup>	10	4		N/A	3	
5.	Dr. Yamungu M. Kayandabila <sup>3</sup>	2	-	-	N/A	1	
6.	Dr. Bernard Y. Kibesse <sup>3</sup>	1	-	-	N/A	1	<b>AC:</b> Audit Committee
7.	Ms. Amina K. Shaaban <sup>4</sup>	4	3	2	N/A	N/A	
8.	Ms. Mary N. Maganga <sup>5</sup>	2	-	-	N/A	N/A	
9.	Mr. Khamis M. Omar	9	2	1	N/A	N/A	<b>FIC:</b> Finance and Investment Committee
10.	Prof. Haidari K. Amani <sup>6</sup>	12	5	5	5	4	



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 6. MEETINGS (CONTINUED)

No	Number of meetings	Number of meetings					KEY
		Board	MPC	BSC	AC	FIC	
	Names	14	5	5	5	5	N/A: Not applicable
11.	Mrs. Esther P. Mkwizu	10	4	N/A	5	4	
12.	Mr. Omar S. Mussa	11	5	N/A	5	4	
13.	Mr. Yona S. Killagane	9	4	4	5	3	
14.	Prof. Nehemia E. Osoro	2	-	-	-	1	
15.	Mr. Joseph Haule	-	-	-	-	-	
16.	Mr. Geoffrey Mwambe	2	-	-	-	1	
17.	Mr. Yusto E. Tongola	12	4	4	3	4	

The Board and its committees meet after every two months with additional meetings convened as and when necessary. During the year, the Board and its committees met to discuss and decide on various business activities. The Board's Committees recommend key business decisions to the Board for approval.

#### 7. INDEPENDENCE

All Non-Executive Directors are considered by the Board to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.

#### 8. CAPITAL STRUCTURE

Section 17 of the Bank of Tanzania Act, 2006 provides the level of authorised capital of the Bank to be one hundred billion Tanzanian Shillings. This amount may be increased by such amount as may be determined by the Board and authorised by the Minister of Finance and Planning by Notice published in the Government Gazette. The capital of the Bank is subscribed and held only by the Government of the United Republic of Tanzania.

Due to the nature of the Bank's business and statutory requirements, the whole capital is held in the form of equity. Different classes of reserves have been prescribed under section 18(1) of the Bank of Tanzania Act, 2006 and **Note 40** to these financial statements. The movement of the capital during the year is reflected under the Statement of Changes in Equity.

#### 9. RELATIONSHIP WITH STAKEHOLDERS

The Bank recognises the importance of addressing the needs of its key stakeholders in order to add value, satisfy their needs and expectations to fulfil its mission. The Bank's key stakeholders include the Governments, banks and non bank financial institutions, development partners, general public and staff. The Bank is committed to delivering value to its stakeholders through better services and good customer care while maintaining good relationship in its engagements.

Accordingly, the Bank fulfils its mandate by delivering the following services to meet its stakeholders' needs and expectations:

- Issuance of bank notes and coins: The Bank provides secure, adequate, durable and portable bank notes and coins; ensure prompt circulation of currency through its network of branches and safe custody centres throughout the country; and promote public awareness on the currency handling and security features;





## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 9. RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

- (b) Banking services: The Bank promptly facilitate payments, settlements and clearing of payment instruments for the Governments and financial institutions. Further, the Bank provides safe deposit custody for the Governments and financial institutions;
- (c) Price stability: The Bank formulates and executes monetary policy that leads to stable domestic prices; provide policy advice to the governments; disseminate economic reports; ensure stable exchange rates; and conduct government securities auctions;
- (d) Financial stability: The Bank promotes the stability of the financial system through effective regulation and supervision of banking system; provide safe and efficient payment systems; and promote public access to the financial services; and
- (e) Internal customer requirements: The Bank attracts and retains high calibre staff with integrity, competency and accountability and provides conducive working environment and career development opportunities to its staff.

#### 10. CASH FLOW PROJECTION

Due to the nature of the Bank's operations most of the cash projections indicate that future cash flows will mostly be generated from operating, investing and financing activities and that the Bank will continue to be a going concern within the foreseeable future.

#### 11. MANAGEMENT

Section 13(1) of the Bank of Tanzania Act, 2006 vests the Management of the Bank and the direction of its business and affairs to the Governor. The Governor is required to discharge such functions and direction, in conformity with the policies and other decisions made by the Board.

The law further provides that the Governor to be assisted by three Deputy Governors. The Deputy Governors head various functions under them, which involve thirteen directorates, five independent departments, six branches and the Bank's Training Institute.

#### 12. FUTURE DEVELOPMENT PLANS

The Bank will continue to focus on its core mandate of maintaining price stability and promoting integrity and stability of the financial system. In achieving these, the main focus areas during the five-year plan will be on leadership, where the Bank will take steps aimed at becoming a reputable organisation that is attracting and retaining highly committed, motivated, competent and innovative staff. The Bank will continue to deliver timely, reliable and cost effective services and continue to embrace more technology driven solutions; and excellence in executing its mandate, where the Bank will achieve price stability, safe, sound and inclusive financial system.

To ensure integrity and stability of the financial system, the Bank puts emphasis on ensuring that the financial sector remains on a sound footing to serve the broader needs of the Tanzania economy. Accordingly, special focus will be placed on surveillance of both macro-conditions and the financial system and putting in place elaborate crisis management and resolution framework.

On strengthening corporate governance, the Bank will continue to improve its planning approach and execution through full implementation of the Balanced Score Card ("BSC") methodology. Specifically, the Bank will take deliberate measures to create broad awareness and capacity building among staff to implement the plan. In addition, the Bank will focus on enhancing application of modern technologies; improve its work processes and compliance with laws and regulation in order to improve operational efficiency in all its undertakings.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 12. FUTURE DEVELOPMENT PLANS (CONTINUED)

Further, the Bank will focus on service excellence in attending both internal and external stakeholders. In its service delivery, the Bank is dedicated to continue advising the Governments on economic policy related matters and serving the general public as its ultimate customers.

In addition, the Bank plans to:

- Continue implementing Medium Term Expenditure Framework (“MTEF”) as a multi-year budgeting instrument;
- Continue implementing Balanced Score Card (“BSC”) methodology as an instrument for corporate strategy and performance management;
- Acquire staff houses for Zanzibar branch and continue with the construction of staff residential premises at Arusha, Dodoma, Mbeya and Mtwara branches;
- Continue with the construction of new hostel at the training institute Mwanza, new office buildings for Mwanza branch and extension of Mbeya branch office;
- Construct staff club at Mbeya and Dodoma branches;
- Refurbish and modify 2 Mirambo Middle Building;
- Develop Reserves Management System (RMS) and Inter Bank Cash Market (IBCM) system
- Continue with process improvements initiatives that include MEMO automation, budget processing, business analytic tool; Tanzania Interbank Settlement System (TISS) modernisation, and
- Acquire and continue maintaining its other existing assets to support its operations.

#### 13. RESULTS AND DIVIDENDS

During the year, the Bank operations registered an overall total comprehensive income of TZS 216,705.3 million (2016: TZS 757,381.6 million). The amount includes net revaluation gain on equity investments of TZS 1,483.9 million (2016: loss of TZS 4,988.1 million). The Bank recorded an operating profit of TZS 228,704.4 million (2016: TZS 621,899.6 million). The reported profit includes net unrealized foreign exchange revaluation gains of TZS 119,665.1 million (2016: TZS 87,717.3 million). The Bank’s accounting policy requires transfer of net unrealized net foreign exchange revaluation gains or losses and net unrealized gains or losses on financial assets measured at FVTPL to the foreign exchange revaluation reserve and Securities revaluation reserve. After appropriate adjustments of various funds/appropriations (statement of changes in equity), the dividend amounting to TZS 300,000.0 million (2016: TZS 300,000.0 million) is payable to the Governments in compliance with the requirements of the Bank of Tanzania Act, 2006.

#### 14. FINANCIAL PERFORMANCE FOR THE YEAR

##### (a) Financial results

The performance of the Bank is measured based on the achievements in implementing its core functions as detailed in the Bank of Tanzania Act, 2006. The Bank needs to generate adequate resources in order to support its operations and maintain its independence.

In the course of its operations, the Bank made a total comprehensive income of TZS 216,705.3 million (2016: TZS 757,381.6 million). The decline in total comprehensive income was mainly attributed to stable TZS relative to major currencies thus decrease in income arising from foreign exchange revaluation, low gains on inter-bank foreign exchange market operations and loss arising from decrease in price valuation of Bank’s foreign investments measured at Fair Value through Profit or Loss.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 14. FINANCIAL PERFORMANCE FOR THE YEAR (CONTINUED)

##### (b) Financial position

The financial position of the Bank is as set out in the Statement of Financial Position shown on page 25. During the year, total assets of the Bank increased by TZS 2,785,447.4 million (2016: TZS 1,486,186.9 million). The major areas of increase includes: Cash and balances with central and other banks and foreign currency marketable securities by TZS 2,065,633.1 million and TZS 637,098.4 million respectively. The balance in the items in the course of settlement also increased on account of increased volume of transactions processed through TISS following payment of monthly Government employees' salaries and other Government effected at the year end. The increase in total assets was explained by increase in liabilities mainly Governments non voted deposits and liquidity papers.

#### 15. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for risk management and internal control systems in the Bank. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Bank's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Bank's system is designed to provide the Board with reasonable assurance that procedures in place are operating effectively. The Bank ensures that existing and emerging risks are identified and managed within acceptable risk tolerances.

#### 16. KEY RISKS AND UNCERTAINTIES

The key risks that may significantly affect the Bank's strategies and development are mainly financial, operational and strategic. Below we provide a description of the operational and strategic risks facing the Bank. The risks related to financial instruments have been disclosed under **Note 42** of the financial statements:

##### **Operational risk**

Includes both financial and non-financial resulting from inadequate human resource and systems, management failures, ineffective internal control processes, non-compliance, inadequate security and adverse legal judgements. The main operational risks of the Bank during the year were:

- Human resource risk



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 16. KEY RISKS AND UNCERTAINTIES (CONTINUED)

##### **Operational risk (continued)**

The particular nature of the activities of the Bank necessitates specialised knowledge in many areas. The Bank ensures that there is an adequate knowledge base for all specialised job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organises workshops, seminars, conferences and job attachments to its staff to improve its human resource requirements. It also revises its staff retention scheme to compete with the prevailing labour market.

- **Business disruption and security risks**

Risks related to failure to execute business processes and events that compromise the assets, operations and objectives of the Bank. The risks might be due to lack of business continuity management, lack of good practices or controls on the Bank's activities.

The Bank addresses these risks inter alia through ensuring existence of Business Continuity Management ("BCM") plan and sound internal control system, which include operational and procedural manuals, ICT security policies, back up facilities, contingency planning, and independent internal audit function. Managing operational risk in the Bank is an integral part of day-to-day operations by the management. Management, Internal Audit Function, Audit Committee and the Board, closely monitor this risk.

- **Legal risk**

Legal risk arises from any uncertainty of enforceability, whether through legal or judicial processes, of the obligations of the Bank's clients and counter parties. The Bank aims at minimizing such uncertainties through continuous consultations with all relevant parties.

In mitigating this type of risk, the Bank ensures that all business agreements are contracted under Standard Industry Contracts, e.g. International Swaps and Derivatives Association ("ISDA"), International Securities Markets Association ("ISMA"), etc. Where substantially different contracts and substantive changes to existing contracts are entered into, external lawyers are contracted. The Bank has in place a clear procedure of the delegation of authorities. In addition, strict code of conduct and ethics is used to minimise chances of causing legal disputes between the Bank and its counterparties.

- **Strategic risk**

This covers analytical and policy risk which is associated with economic and monetary policy formulation; business risk which refers to the probability of loss inherent in the Bank's operations and environment; performance risk which is associated with formulation and execution of business plans and strategies; and external risks which refer to threats from the external environment such as infrastructure disruption, financial crime and computer viruses, political, social and economic changes. Similar to operational risk, strategic risk may result into damage on the Bank's reputation.

The Bank has an obligation to ensure that it performs its functions and maintains its reputation as a Central Bank in line with requirements of the provision of Section 5(1) of the Bank of Tanzania Act, 2006.

In view of the above, the Bank's Management ensures that it fulfils its fiduciary responsibilities. The Bank adheres to the best practices and applies principle of sound corporate governance. It also ensures that all relevant employees have clear understanding of the appropriate processes in respect of the best practices and principles of good governance.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 16. KEY RISKS AND UNCERTAINTIES (CONTINUED)

- **Strategic risk (Continued)**

The Bank therefore, sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines are periodically reported to different levels of the Bank's Management for control and compliance monitoring.

The top Management of the Bank has the necessary freedom and discretion to exercise central banking functions. However, this freedom is exercised within the context of good governance and having regard to a proper balance between accountability and the best interests of the Bank and its various stakeholders.

The function of the Bank of overseeing and ensuring the integrity of the financial system exposes it to severe criticism whenever there is an incident of bank failure or systemic difficulty. The responsibilities of the Bank regarding monetary policy, the National Payment System ("NPS") and the issuing of notes and coins also expose the Bank to a significant risk. The Bank adheres to international best practices and, to this end, maintains close liaison with international peers. The Bank strives towards full compliance with the principles for effective banking supervision as well as the core principles for systemically important payment systems. The Board assessed the internal control systems throughout the financial year ended June 2017 and is of the opinion that they met accepted criteria.

#### 17. SOLVENCY

The Board of Directors confirms that IFRS's have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Bank of Tanzania has adequate resources to continue carrying out its statutory activities for the near future.

#### 18. EMPLOYEES WELFARE

##### (a) Management and employee's relationship

The relationship between the Bank and its employees continued to be good. Employees complaints raised during the year were resolved mainly through the use of consultative meetings/forums involving the management, trade union and employees through workers council. As a result, healthy relationship continued to exist between management and the trade union.

Complaints are resolved through meetings and discussions. Work morale is good and there were no unresolved complaints from employees. The Bank provides a number of facilities aiming at improving the working environment and living standards of its employees. Such facilities include medical services, transport to and from work, housing facilities, employee training and development, leave travel assistance and long service awards for employees as stipulated in the Staff By-Laws.

##### (b) Training facilities

The Bank has training facilities at the Bank of Tanzania Training Institute in Mwanza region. During the year, the Training Institute conducted 83 (2016: 54) courses for the Bank of Tanzania Staff, Banking Institutions, East Africa Monetary Union ("EAMU") and other Stakeholders. The Training Institute prepares annual training programs according to the Bank's Corporate Training Plan that caters for Bank's staff. The Training Institute also designs and implements courses for EAMU and Banking institutions in order to address gaps identified in the performance of their staff that require training intervention. The training Institute is also bestowed with training of specified courses for Southern African Development Community ("SADC").



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 18. EMPLOYEES WELFARE (CONTINUED)

##### (c) Medical Assistance

All members of staff with a maximum number of five beneficiaries for each employee were availed with medical insurance services. During the year ended 30 June 2017 and 2016, Jubilee Insurance Company provided these services.

##### (d) Health and safety

Effective health, safety and risk management is a priority for the Bank. The Bank's safety management system delivers a safe working environment by continuous and effective assessment. The Bank's Medical Committee and Bank's Business Recovery Team ("BBRT"), respectively monitor health and safety incidences of the Bank.

##### (e) Financial assistance to staff

The Bank provides various loans to employees in accordance with the Staff Bylaws and Financial Regulations in force. These include house loans, motor vehicle loans, personal loans and computer loans.

##### (f) Persons with disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Bank continues and appropriate training is arranged. It is the policy of the Bank that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

##### (g) Employee's pension plan

The Bank has an arrangement whereby the employer and employees make monthly contributions to pension schemes. Such contributions are mandatory and aggregate to twenty percent of the employee's basic salary. The detail of benefits plan is provided under Summary of Significant Accounting Policies in **Note 3** to the financial statements.

##### (h) Voluntary agreement and worker's council

The Bank has a voluntary agreement with Tanzania Trade Union of Industrial and Commercial Workers to enhance good industrial relation, employee welfare and retain high calibre employees.

#### 19. GENDER PARITY

The Bank is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability, that does not impair ability to discharge duties. As at 30 June 2017 and 2016, the Bank had the following distribution of employees by gender.

Gender	2017	%	2016	%
Male	786	61.3	826	60.0
Female	497	38.7	551	40.0
<b>Total</b>	<b>1,283</b>	<b>100</b>	<b>1,377</b>	<b>100.0</b>



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 20. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in **Note 49** to these financial statements. The directors' emoluments and key management personnel have been disclosed in **Note 49** to the financial statements.

#### 21. ENVIRONMENTAL CONTROL PROGRAM

The Bank monitors the impact of its operations on the environment, which is mainly with power, water and the generation of waste. The Bank minimises the impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management.

#### 22. CORPORATE SOCIAL RESPONSIBILITY

The Bank is committed to fulfilling part of its Corporate Social Responsibility ("CSR") through supporting national activities and other areas of interest to the Bank in the United Republic of Tanzania. In this endeavour, the Bank has in place Donation Guidelines that assist in the implementation of CSR. During the year, the Bank donated a total of TZS 265.0 million (2016: TZS 4,167.0 million) to various community groups.

#### 23. CONTRIBUTION AND SUBSCRIPTIONS

The Bank made various subscriptions and contributions to various organisations which included the African Rural and Agricultural Credit Association ("AFRACA"); African Association of Central Banks (AACB); Macroeconomic and Financial Management Institute ("MEFMI"); Capital Markets and Securities Authority ("CMSA"); Deposit Insurance Board ("DIB"); Financial Institutions Development Project ("FIDP II"); Tanzania Institute of Bankers ("TIB") and Other Professional Associations and Charities. During the year ended 30 June 2017, such contributions and subscriptions amounted to TZS 3,671.9 million (2016: TZS 9,059.4 million). There was no donation made to any political party during the year.

#### 24. SECRETARY TO THE BANK

The Secretary to the Bank is responsible for advising the Board on legal and corporate governance matters and, in conjunction with the Chairman, for ensuring good information flows between the Board, its Committees and Management. All members of the Board and Management have access to his legal advice and services.

#### 25. COMPLIANCE WITH LAWS AND REGULATIONS

In performing the activities of the Bank, various laws and regulations having the impact on the Banks operations were observed.

#### 26. SERIOUS PREJUDICIAL MATTERS

During the year ended 30 June 2017, there were no serious prejudicial matters to report as required by Tanzania Financial Reporting Standard No. 1 - Directors' Report.

#### 27. STATEMENT OF COMPLIANCE

The Directors' Report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No. 1 - Directors' Report.



## Bank of Tanzania Annual Report 2016/17

### REPORT OF THE DIRECTORS (CONTINUED)

#### 28. AUDITORS

The Controller and Auditor General (“CAG”) is the statutory auditor for the Bank of Tanzania pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 – 33 of the Public Audit Act No. 11 of 2008 and Section 20(6) of the Bank of Tanzania Act, 2006. Deloitte & Touché, Certified Public Accountants were appointed by CAG to audit the Bank’s financial statements on his behalf, pursuant to Section 33 of the Public Audit Act, No 11 of 2008.

Approved by the Board of Directors on 22 December 2017 and signed on its behalf by:

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Prof. Benno J. Ndulu  
The Governor and Chairman of the Board

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Prof. Nehemia E. Osoro  
Director and Chairman of the Audit Committee





## Bank of Tanzania Annual Report 2016/17

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), National Board of Accountants and Auditors' ("NBAA") Pronouncements and the requirements of the Bank of Tanzania Act, 2006 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors accept responsibility for these financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards, NBAA's Pronouncements and in the manner required by the Bank of Tanzania Act, 2006. The Directors are of the opinion that financial statements give a true and fair view of the state of the financial affairs of the Bank and its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on ..... *22 December* ..... 2017, and signed on its behalf by:

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Prof. Benno J. Ndulu  
The Governor and Chairman of the Board

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Prof. Nehemia E. Osoro  
Director and Chairman of the Audit Committee



## Bank of Tanzania Annual Report 2016/17

### DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (“NBAA”) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the Bank concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of the Bank showing true and fair view of the Bank’s financial position and financial performance in accordance with applicable International Financial Reporting Standards, NBAA’s pronouncements and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the statement of directors’ responsibilities on page 20.

I, Jamhuri Joseph Ngelime, being the Head of Finance of the Bank of Tanzania hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2017 have been prepared in compliance with International Financial Reporting Standards, NBAA’s Pronouncements and the Bank of Tanzania Act, 2006.

I thus confirm that the financial statements give a true and fair view position of the Bank of Tanzania as on that date and that they have been prepared based on properly maintained financial records.

.....  
Director of Finance

NBAA Membership No.: ACPA 1497

22 December  
..... 2017



## Bank of Tanzania Annual Report 2016/17

### AUDIT REPORT ON THE FINANCIAL STATEMENTS

Board Chairman  
Bank of Tanzania  
P.O. Box 2939  
Dar es Salaam, Tanzania

#### **REF: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF BANK OF TANZANIA FOR THE YEAR ENDED 30 JUNE 2017**

#### **Report on the financial statements**

##### **Opinion**

I have audited the financial statements of Bank of Tanzania (the “Bank”), set out on pages 25 to 122, which comprise of the statement of financial position at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of Bank of Tanzania as at 30 June 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”), NBAA Pronouncements and comply with the requirements of the Bank of Tanzania Act, 2006.

##### **Basis for Opinion**

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in Responsibilities Controller and Auditor General for the audit of the financial statements section of my report. I am independent of the Bank in accordance with the National Board of Accountant and Auditors (NBAA) Code of Ethics, which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants, together with other ethical requirements that are relevant to my audit of the financial statements in Tanzania, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Other Information**

The Directors are responsible for the other information, including the Directors report. The other information does not include the financial statements and auditor’s report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor’s report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Bank of Tanzania Act, 2006 and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank’s financial reporting process.



## Bank of Tanzania Annual Report 2016/17

### INDEPENDENT AUDITORS' REPORT (CONTINUED)

#### Responsibilities of the Controller and Auditor General on the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In addition, Section 10 (2) of the Public Audit Act No. 11 of 2008 requires me to satisfy myself that the financial statements have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorised.

Further, Section 48(3) of the Public Procurement Act No. 9 of 2011 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Act and Regulations.



**Bank of Tanzania Annual Report 2016/17**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**Compliance with Public Procurement Act**

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions and processes I reviewed as part of this audit, I state that I did not find any material divergences by Management from the requirement of Public Procurement Act No. 9 of 2011 and its related Regulations of 2013.

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Benjamin M. Mashauri  
**CONTROLLER AND AUDITOR GENERAL**  
National Audit Office  
Dar es Salaam, Tanzania

..... 29/12/..... 2017





Bank of Tanzania Annual Report 2016/17

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Operating income</b>			
Interest income	5	460,414,483	447,389,263
Interest expenses	6	(26,381,918)	(22,549,949)
Net interest income		<b>434,032,565</b>	<b>424,839,314</b>
Net foreign exchange revaluation gains	7	166,560,337	468,394,930
Net gains on financial assets – FVTPL	8	-	3,270,915
Fees and commissions	9	32,998,037	22,226,064
Other operating income	10	17,385,693	36,677,758
		<b>216,944,067</b>	<b>530,569,667</b>
<b>Total operating income</b>		<b>650,976,632</b>	<b>955,408,981</b>
<b>Operating expenses</b>			
Net losses on financial assets – FVTPL	8	113,553,336	-
Administrative expenses	11	66,995,964	66,619,505
Currency issue and related expenses	12	91,769,324	84,275,680
Personnel expenses	13	118,609,013	146,534,290
Other operating expenses	14	8,350,661	14,277,207
Depreciation of property and equipment	28	21,544,964	19,096,238
Loss on disposal of property and equipment	28	4,258	1,330,965
Amortisation of intangible assets	29	1,444,734	1,375,452
		<b>422,272,254</b>	<b>333,509,337</b>
<b>Profit before tax</b>		<b>228,704,378</b>	<b>621,899,644</b>
Income tax expense		-	-
<b>Profit for the year</b>		<b>228,704,378</b>	<b>621,899,644</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial valuation loss	45	(13,483,000)	-
Net revaluation gain/(loss) on equity investments	15	1,483,942	(4,988,060)
Net revaluation gain on fixed assets revaluation		-	140,469,980
<b>Total comprehensive income</b>		<b>216,705,320</b>	<b>757,381,564</b>



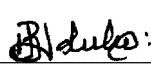
Bank of Tanzania Annual Report 2016/17

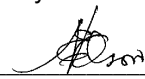
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Assets</b>			
Cash and balances with central banks and other banks	16	4,896,345,671	2,830,712,599
Escrow accounts	17	10,856,450	10,602,238
Items in course of settlement	18	51,823,613	2,399,563
Holdings of Special Drawing Rights (SDRs)	19	29,043,708	55,835,295
Quota in International Monetary Fund (IMF)	19	1,234,836,479	1,212,378,799
Foreign currency marketable securities	20	6,007,849,343	5,370,750,903
Equity investments	21	29,189,495	26,450,665
Government securities	22	1,492,306,664	1,490,568,528
Advances to the Government	23	1,546,553,483	1,191,810,509
Loans and receivables	24	374,076,710	142,710,020
Inventories	25	6,394,309	5,763,233
Deferred currency cost	26	74,172,807	59,980,145
Other assets	27	108,661,403	699,876,880
Property and equipment	28	976,494,439	952,664,535
Intangible assets	29	5,902,204	6,555,456
<b>Total assets</b>		<b>16,844,506,778</b>	<b>14,059,059,368</b>
<b>Liabilities</b>			
Currency in circulation	30	4,354,606,292	4,374,339,542
Deposits - Banks and non-bank financial institutions	31	2,922,444,156	2,899,940,762
Deposits - Governments	32	2,215,796,335	395,271,716
Deposits - Others	33	1,253,578,936	636,135,917
Foreign currency financial liabilities	34	930,393,612	824,828,680
Poverty reduction and growth facility	35	502,201,325	653,398,418
BoT liquidity papers	36	588,312,538	97,038,856
Provisions	37	5,999,009	5,736,569
Other liabilities	38	92,173,820	130,881,340
Retirement benefit obligation	45	16,046,813	25,075,865
IMF related liabilities	19	1,049,439,846	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	19	591,378,689	580,623,424
<b>Total liabilities</b>		<b>14,522,371,371</b>	<b>11,653,629,281</b>
<b>Equity</b>			
Authorised and paid up share capital	39	100,000,000	100,000,000
Reserves	40	2,222,135,407	2,305,430,087
<b>Total equity</b>		<b>2,322,135,407</b>	<b>2,405,430,087</b>
<b>Total equity and liabilities</b>		<b>16,844,506,778</b>	<b>14,059,059,368</b>

The financial statements on page 25 to 122 were approved and authorised by the Board of Directors for issue on 22 December 2017 and signed on its behalf by:

  
 Prof. Benno J. Ndulu  
 The Governor and Chairman of the Board

  
 Prof. Nehemia E. Osoro  
 Director and Chairman of the Audit Committee



## Bank of Tanzania Annual Report 2016/17

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

Details	Share capital Note 39	General reserve Note 40 (a)	Retained earnings	Capital reserve Note 40 (b)	Equalisation reserve Note 40 (c)	Reserve for projects Note 40 (d)	Staff housing fund Note 40 (e)	Assets revaluation reserve Note 40 (f)	Financial Sector Development fund Note 40 (g)	Securities revaluation reserve Note 40 (h)	Foreign exchange revaluation reserve Note 40 (i)	Reserve for dividends Note 40 (j)	Defined benefit reserves Note 40 (k)	Total
At 1 July 2016	100,000,000	376,286,560	-	99,262,908	727,746,713	210,000,000	99,445,805	260,246,143	32,454,978	10,531,659	181,892,631	300,000,000	7,562,690	2,405,430,087
Profit for the year	-	-	228,704,378	-	-	-	-	-	-	-	-	-	-	228,704,378
Other comprehensive income	-	-	-	-	-	-	-	-	-	1,483,942	-	-	(13,483,000)	(11,999,058)
Transfer of unrealised gain on foreign exchange revaluation to retained earnings*	-	-	(119,665,106)	-	(351,240,172)	-	-	-	-	-	470,905,278	-	-	-
Transfer of realised gain to foreign exchange revaluation reserve*	-	-	181,892,631	-	-	-	-	-	-	-	(181,892,631)	-	-	-
Transfer of unrealised gains to securities revaluation reserve	-	-	93,281,638	-	(93,281,638)	-	-	-	-	-	-	-	-	-
Transfer of realised losses from securities revaluation reserve	-	-	(17,712,877)	-	-	-	-	-	-	17,712,877	-	-	-	-
Financial sector development fund income	-	-	(4,338,307)	-	-	-	-	-	4,338,307	-	-	-	-	-
Staff housing fund**	-	-	(3,379,508)	-	-	-	3,379,508	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(300,000,000)	-	(300,000,000)
Transfer to payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation of 2016/17 net profit	-	22,870,438	(358,782,849)	-	25,912,411	-	10,000,000	-	-	-	-	300,000,000	-	-
<b>At 30 June 2017</b>	<b>100,000,000</b>	<b>399,156,998</b>	<b>-</b>	<b>99,262,908</b>	<b>309,137,314</b>	<b>210,000,000</b>	<b>112,825,513</b>	<b>260,246,143</b>	<b>36,793,285</b>	<b>29,728,482</b>	<b>470,905,278</b>	<b>300,000,000</b>	<b>(5,920,314)</b>	<b>2,322,135,407</b>

\* Realised gains on foreign currency revaluation reserve included in distributable profit and unrealised gains excluded from computation of distributable profit, please refer Note 7.

\*\* Staff Housing Fund includes net contribution of Compensatory Fund of TZS 3,379,508,000.0 during the year ended 30 June 2017.





## Bank of Tanzania Annual Report 2016/17

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

Details	Share capital Note 39	General reserve Note 40 (e)	Retained earnings Note 40 (b)	Capital reserve Note 40 (b)	Equalisation reserve Note 40 (c)	Reserve for projects Note 40 (d)	Staff housing fund Note 40 (e)	Assets revaluation reserve Note 40 (f)	Financial Sector Development fund Note 40 (g)	Securities revaluation reserve Note 40 (h)	Foreign exchange revaluation reserve Note 40 (i)	Reserve for dividends Note 40 (j)	Defined benefit reserves Note 40 (k)	Total
<b>(Amounts in TZS '000)</b>														
At 1 July 2015	100,000,000	298,329,037	-	99,262,908	395,107,764	180,000,000	58,741,575	119,776,163	30,000,000	1,027,526	358,240,860	130,000,000	7,562,690	1,778,048,523
Profit for the year	-	621,899,644	-	-	-	-	-	-	-	-	-	-	-	621,899,644
Other comprehensive income	-	-	-	-	-	-	-	140,469,980	-	(4,988,060)	-	-	-	135,481,920
Transfer of unrealised gain on foreign exchange revaluation to retained earnings*	-	-	(87,717,317)	-	-	-	-	-	-	-	87,717,317	-	-	-
Transfer of realised gain on foreign currency revaluation reserve*	-	-	264,065,546	-	-	-	-	-	-	-	(264,065,546)	-	-	-
Transfer of unrealised gains to securities revaluation reserve	-	-	(12,120,227)	-	-	-	-	-	-	12,120,227	-	-	-	-
Transfer of realised loss from securities revaluation reserve	-	-	(2,371,966)	-	-	-	-	-	-	2,371,966	-	-	-	-
Financial sector development fund income	-	-	(2,454,978)	-	-	-	-	-	2,454,978	-	-	-	-	-
Staff housing fund**	-	-	(1,725,468)	-	-	-	1,725,468	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(80,000,000)	-	(80,000,000)
Transfer to payables	-	-	-	-	-	-	-	-	-	-	-	(50,000,000)	-	(50,000,000)
Appropriation of 2015/16 net profit	-	77,957,523	(779,575,234)	-	332,638,949	30,000,000	38,978,762	-	-	-	-	300,000,000	-	-
<b>At 30 June 2016</b>	<b>100,000,000</b>	<b>376,286,560</b>	<b>-</b>	<b>99,262,908</b>	<b>727,746,713</b>	<b>210,000,000</b>	<b>99,445,805</b>	<b>260,246,143</b>	<b>32,454,978</b>	<b>10,531,659</b>	<b>181,892,631</b>	<b>300,000,000</b>	<b>7,562,690</b>	<b>2,405,430,087</b>

\* Realised gains on foreign currency revaluation reserve included in distributable profit and unrealised gains excluded from computation of distributable profit, please refer Note 7.  
 \*\* Staff Housing Fund includes net contribution of Compensatory Fund of TZS 1,725,468,120 during the year ended 30 June 2016.



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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

	Notes	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Cash flows from operating activities</b>			
<b>Cash generated /(used in) from operating activities</b>	41	<b>2,472,305,091</b>	<b>(118,650,857)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	28	(45,401,633)	(38,318,816)
Proceeds from disposal of property and equipment	28	7,507	337,345
Purchase of intangible assets	29	(930,632)	(2,456,364)
(Increase)/decrease in foreign currency marketable securities		(637,098,440)	301,985,366
(Increase)/decrease in Government securities		(1,738,136)	67,963,594
Acquisition of equity shares		(1,254,888)	(3,240,169)
Increase in quota in International Monetary Fund (IMF)		(22,457,680)	(660,103,830)
Decrease in holdings of SDRs		26,791,587	258,629,475
<b>Cash used in investing activities</b>		<b>(682,082,315)</b>	<b>(75,203,399)</b>
<b>Cash flows from financing activities</b>			
(Decrease)/increase in currency in circulation		(19,733,250)	280,078,474
(Decrease)/increase in IMF related liabilities		(132,115,439)	438,574,230
Increase in foreign currency financial liabilities		105,564,932	358,040,645
Increase in allocation of SDRs		10,755,265	51,640,595
Increase/(decrease) in BoT liquidity papers		491,273,682	(688,017,036)
Dividends paid to the Government		(300,000,000)	(80,000,000)
Dividends payable to the Government		-	(50,000,000)
<b>Cash generated from investing activities</b>		<b>155,745,190</b>	<b>310,316,908</b>
<b>Net increase in cash and cash equivalent</b>		<b>1,945,967,966</b>	<b>116,462,652</b>
Unrealised foreign exchange revaluation gains	7	119,665,106	87,717,317
<b>Cash and cash equivalents:</b>			
At the beginning of the year		2,830,712,599	2,626,532,630
<b>At the end of the year</b>	16	<b>4,896,345,671</b>	<b>2,830,712,599</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### 1. REPORTING ENTITY

##### Legal framework

The Bank of Tanzania operates under the Bank of Tanzania Act, 2006, to act as the Central Bank for the United Republic of Tanzania. Its principal place of business is at 2 Mirambo Street, Dar es Salaam, Tanzania and it operates branches in Arusha, Dodoma, Mbeya, Mwanza, Mtwara and Zanzibar. The Bank is an independent institution with its own legal personality and submits its reports to the Minister for Finance and Planning.

The Bank's principal responsibilities are to:

- Conduct monetary policy and manage the exchange rate policy of the Tanzania Shillings aimed at supporting orderly, balanced and sustainable economic growth of Tanzania;
- Regulate and supervise financial institutions carrying on activities in, or from within, Tanzania, including mortgage financing, lease financing, development financing, licensing and revocation of licenses;
- Manage, in collaboration with other relevant supervisory and regulatory bodies, the clearing, payment and settlement systems of Tanzania;
- Collect, compile, disseminate, on a timely basis, monetary and related financial statistics; and
- Hold and manage gold and foreign exchange reserves of Tanzania.

Section 17 of the Bank of Tanzania Act, 2006, (the Act) provides that the authorised capital of the Bank to be one hundred billion Tanzanian Shillings (TZS 100 billion). The capital may be increased by such amount as may be determined by the Board, and authorised by the Minister of Finance and Planning, by notice published in the Gazette.

The capital of the Bank may be increased by transfer from the General Reserve established by the Act of such amounts as the Board may increase capital of the Bank from time to time may decide, with the approval of the Minister. The paid up capital of the Bank shall not be reduced. The capital of the Bank shall be subscribed and held solely by the Government of the United Republic of Tanzania.

Section 18(1) of the Bank of Tanzania Act, 2006 provides that, the Bank shall establish and maintain:

- (a) A General Reserve Fund;
- (b) A Foreign Exchange Revaluation Reserve;
- (c) Other appropriate assets revaluation reserves or retained net unrealised gains reserves, set up under a decision of the Board to reflect changes in market values of the Bank's major assets and in accordance with the best international accounting practice; and
- (d) Other special reserves or funds from time to time from appropriation of net profit.

Under Section 18(2) of the Act, the Bank shall transfer to the General Reserve Fund twenty five per cent of the net profits until such time that the total capital of the Bank reach a sum equivalent to at least ten per cent of the total assets of the Bank less its assets in gold and foreign currencies, thereafter the Bank shall transfer not less than ten per cent of its net profits to the General Reserve Fund.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 1. REPORTING ENTITY (CONTINUED)

##### Legal framework (continued)

In terms of Section 18(3) of the Act, the Board shall determine, whenever the authorised capital, the General Reserve Fund, the Foreign Exchange Revaluation Reserve and other appropriate asset revaluation reserves or retained net unrealised gains reserves set up by the Board are below five per cent of monetary liabilities all profits shall be retained to the General Reserve Fund, the Foreign Exchange Revaluation Reserve and to any other asset revaluation reserve.

Section 18(4) of the Act provides that; unrealised profits or losses from any revaluation of the Bank's net assets or liabilities in gold, foreign exchange, foreign securities or any internationally recognised reserve asset as a result of any change in the par or other value of any currency unit shall be transferred to a special account to be called the Foreign Exchange Revaluation Reserve Account; the same procedure shall be applied to market value movements in relation to the Bank's other major assets when any of the underlying asset is eventually sold, any resultant realised components shall be transferred to the Statement of Profit or Loss and Other Comprehensive Income.

Section 18(5) of the Act, requires both realised and unrealised gains and losses to be included in the profit calculation but only the residual of any net realised profits of the Bank to be paid, within three months of the close of each financial year, into the Consolidated Fund; subject to the condition that if at the end of any financial year any of the Governments (The Government of the United Republic and the Revolutionary Government of Zanzibar) is indebted to the Bank, the Bank shall first apply the remainder of its net realised profits to the reduction or discharge of the indebtedness and thereafter such amount as relates to the net realised profits of the Bank in the relevant financial year shall be paid out of the Consolidated Fund to the Treasury of the Government of the United Republic of Tanzania and the Revolutionary Government of Zanzibar in accordance with the formula agreed upon by the Governments.

Section 19(1) of the Act, provides that, where the Bank's Statement of Financial Position indicates that the amount of its assets is less than the amount of its liabilities and the statutory fund, the Minister of Finance and Planning shall, on behalf of the United Republic, issue to the Bank negotiable interest-bearing securities at market determined interest rates with a fixed maturity date to the amount necessary to restore the Bank's level of paid up capital.

In terms of Section 20(1) of the Act, the financial year of the Bank shall be the period commencing on 1 July of each year and the accounts of the Bank shall be closed on 30<sup>th</sup> June of each financial year. Furthermore, Section 20(2) of the Act provides that, the Bank's accounting policies, procedures and associated accounting records shall be consistent at all times with the best international accounting standards.

Section 20(6) of the Act, provides the annual external audit of the Bank to be performed by the Controller and Auditor General in accordance with International Accounting and Auditing Standards and in compliance with the Public Finance Act.

Section 23 of the Act provides that the Bank shall only be placed in liquidation or wound up pursuant to the procedure prescribed in an enactment of Parliament but the provisions of the Companies Act and the Companies Decree shall not apply in relation therewith.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

##### (a) New and revised IFRSs that are mandatorily effective for the year

The following are new and revised IFRSs that are effective from annual periods beginning on or after 1 January 2016. The Bank's accounting policy and practice, where applicable, are in line with the Amendments to IAS 1, IAS 16 and IAS 38, and Annual improvements 2012-2014 Cycle, specifically IAS 19. The Management has noted the requirements of other effective amendments but has not applied because they are not applicable to the Bank's operations.

##### **New and Amendments to standards:**

IFRS 14 Regulatory Deferral Accounts

Amendments to IAS 1 Disclosure Initiative

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

Amendments to IAS 27 Equity Method in Separate Financial Statements

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

Annual improvements 2012-2014 Cycle: IAS 19

##### **Amendments to IAS 1 Disclosure Initiative**

Amendment to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of Other Comprehensive Income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Management has assessed the impact of the requirement of these amendments on the Bank's financial reporting framework and is of the opinion that the presentation of the financial statements is in line with the amendments and there is no further impact.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

##### Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IAS 16; Property, Plant and Equipment and IAS 38 Intangible Assets to:

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;
- introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated; and
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Management has assessed the requirement of these amendments on the Bank's financial reporting framework and is of the opinion that the methods of depreciation and amortisation are in compliance with the amendments and there is no further impact.

##### Annual improvements 2012-2014 Cycle

Annual Improvements 2012-2014 Cycle made amendment to **IAS 19** to clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

Management has assessed the requirement of this amendment on the Bank's financial reporting framework and is of the opinion that the Tanzanian shillings denominated bonds that are used in estimating the discount rate are in compliance with the amendments and there is no further impact.

##### (b) New and revised IFRS in issue but not yet effective for the year

The Bank has not early adopted any of the following new and revised IFRSs that have been issued but are not yet effective. Commentary is provided for the amendments and standards that is applicable to the Bank's operations:

<b>New and Amendments to standards:</b>	<b>Effective for annual periods beginning on or after</b>
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 17 Insurance Contracts	1 January 2021
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IAS 7 Disclosure Initiative	1 January 2017
Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

##### Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (Continued)

##### (b) New and revised IFRS in issue but not yet effective for the year (Continued)

New and Amendments to standards:	Effective for annual periods beginning on or after
Amendments to IAS 40 Transfers of Investment Property	1 January 2018
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
Annual Improvements to IFRS Standards 2014-2016 Cycle	1 January 2018

##### IFRS 9 Financial Instruments

IASB issued a finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39. The standard contains requirements in classification and measurement of financial assets and financial liabilities; impairment methodology and hedge accounting. IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets. Management has assessed the requirement of this amendment on the Bank's financial reporting framework and is of the opinion that upon application the Bank will change its impairment policy to recognise credit loss even without an occurrence of a credit event.

In addition, the version introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Management is still assessing the requirement of this standard including the amendments and its impact on the Bank's financial reporting framework when it falls due.

##### IFRS 15 Revenue from Contracts with Customers

The standard provides a single, principles based five-step model to be applied to all contracts with customers. Upon application, entities will be required to allocate the transaction price to the performance obligations in the contracts and recognise revenue when (or as) the entity satisfies a performance obligation.

The amendments clarify that promised goods or services may include granting licenses, the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract and clarify the factors that indicate that two or more promises to transfer goods or services to a customer are not separately identifiable.

Management is still assessing the requirement of this standard including the amendments and its impact on the Bank's financial reporting framework when it falls due.

##### IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

##### Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (Continued)

###### (b) New and revised IFRS in issue but not yet effective for the year (Continued)

Specifically, IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. On the other hand, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

###### IFRS 16 supersedes:

- IAS 17 Leases;
- IFRIC 4 Determining whether an Arrangement contains a Lease;
- SIC-15 Operating Leases-Incentives; and
- SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Earlier application is permitted for entities that apply IFRS 15 Revenue from Contracts with Customers at or before the date of initial application of IFRS 16.

Management is still assessing the requirement of this standard including the amendments and its impact on the Bank's financial reporting framework when it falls due.

###### IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation defines the date of transaction for application of paragraphs 21 – 22 of IAS 21, when determining the exchange rate to use. As per the interpretation, date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Management has assessed the requirement of interpretation on the Bank's financial reporting framework and is of the opinion that the determination of transaction date referred to is in line with the definition of this interpretation and there will be no further impact.

###### Amendments to IAS 7 Disclosure Initiative

This amendment to IAS 7 introduces the requirement for an entity to provide disclosures that enable users of financials statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. To satisfy this requirement an entity shall disclose the following changes in liabilities arising from financing activities:

- changes from financing cash flows;
- changes arising from obtaining or losing control of subsidiaries or other businesses;
- the effect of changes in foreign exchange rates;
- changes in fair values; and
- other changes.

Management has assessed the requirement of these amendments on the Bank's financial reporting framework and is of the opinion that they will have no impact other than additional disclosure.





## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Presentation of financial statements**

The Bank presents its Statement of Financial Position broadly in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) is presented in **Note 42**.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expense is not offset in the profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

##### **Basis of preparation**

The financial statements have been prepared on a historical cost basis except where otherwise stated or as required by International Financial Reporting Standards and Interpretations to those Standards for assets and liabilities to be stated at their fair value as disclosed in the accounting policies hereafter. The financial statements are presented in thousands of Tanzanian Shillings (TZS '000) except where explicitly stated.

##### **Statement of compliance**

The financial statements of Bank of Tanzania have been prepared in accordance with International Financial Reporting Standards and the International Accounting Standard Board (IASB) as far as they are practically applicable to the Bank and comply with the requirements of the Bank of Tanzania Act, 2006. The Directors Report is presented together with financial statements in compliance with Tanzania Financial Reporting Standards.

##### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

##### *Interest income*

For all financial instruments measured at amortised cost, interest income is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental cost that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of receipts or payments. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset has been reduced due to an impairment loss, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Revenue Recognition (continued)**

###### *Fees and commission income*

Fees and commissions are generally recognised on an accrual basis when the service has been rendered. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct cost) and recognised as an adjustment to the effective interest rate on the loan. Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party is recognised on completion of the underlying transaction.

###### *Dividend income*

Dividend is recognised when the Bank's right to receive the payment is established.

###### *Other income*

Other income is recognised in the period in which it is earned.

##### **Dividend payable**

Dividend is recognised as a liability in the period in which it is declared. Proposed dividend is disclosed as a separate component of equity.

##### **Expenses**

These are losses and other expenses that arise in the course of Bank's ordinary activities. They include interest and administrative expenses. Generally, expenses are recognised in the income statement when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.

###### *Interest expenses*

Interest expense is the cost of debt that has accrued during a specified accounting period regardless of the time of spending the cash. These include interests on liquidity papers, repurchase agreements and IMF drawings.

Since interest on debt is not paid daily, the Bank passes adjusting entries periodically to recognise interest expense within the accounting period that the expense has been accrued. Interest expenses are recorded using the effective interest rate method.

###### *Administrative expenses*

This includes expenses that produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as an asset. Such expenses are recognised immediately in the income statement in the accounting period that the cost has been incurred. These include maintenance, transport and travelling, meetings, conference and seminars, water and electricity, fees, rates and security expenses, telecommunication and postage, board expenses, audit fees, budget and annual accounts preparation, loss on disposal of property and equipment, hospitality, legal and investigation expenses.

In addition, administrative expenses include expenses whose economic benefits are expected to arise over several accounting periods and the association with benefit can only be broadly or indirectly determined. Such expenses are recognised in the income statement in the accounting period in which the economic benefits are consumed or have expired. They may include stationery and office supplies.

###### *Other expenses*

Other expenses are recognised in the income statement when decrease in future economic benefits related to decrease in an asset or an increase of a liability has arisen and can be measured reliably.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Employees' benefits including post-employment benefits**

Short-term employment benefits such as salaries, social security contributions, and leave fare assistance are recognised in profit or loss when they fall due.

##### **Retirement benefits**

The Bank has a statutory obligation to contribute for retirement benefits to its employees. All eligible employees of the Bank are currently members of the social security schemes operating in Tanzania. The funds where employees are members are National Social Security Fund (NSSF), Parastatal Pension Fund (PPF), Public Service Pensions Fund (PSPF) and Local Authority Provident Fund (LAPF). Under these schemes, the Bank and employee contribute 18 percent and 2 percent respectively of employee's basic salary every month. New employees who are members of other funds are allowed to continue their membership to any statutory pension funds.

The Bank signed a Voluntary Agreement (VA) with the Tanzania Union of Industrial and Commercial Workers (TUICO), which provides for a number of benefits on retirement upon attaining a number of years in service with the Bank as specified in the Bank's Staff Bylaws. The provisions in the VA and Staff By-Laws constitute a defined benefits plan, which has been accounted and disclosed in accordance with the requirements of International Accounting Standard 19 Employee Benefits.

The plan is partly funded through employees' contribution. There are two categories of benefits to Bank's staff. The first is payable to staff employed for unspecified period and second is to executive management who are under specific contracts. Benefits are paid upon end of contract, retirement, withdrawal or death as specified in the Staff Bylaws.

The total accumulated obligation to the Bank relating to this arrangement is based on assessments made by independent actuaries. The actuarial valuation was carried out as at 30 June 2017 by Zamara Actuarial, Administrator and Consultants Limited based in Nairobi - Kenya. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Under IAS 19, measurement of scheme liabilities must be calculated under the projected unit credit method, which requires certain demographic and financial assumptions, including future salary growth. The assumptions used are applied for the purposes of compliance with the IAS 19 only.

Re-measurement comprising of actuarial gains and losses are reflected immediately in the statement of the financial position with a charge or credit recognised in Other Comprehensive income in the period in which they occur. Re-measurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and not reclassified to profit or loss.

Past service, cost is recognised in the profit or loss in the period of plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined beginning obligation. In the absence of a deep corporate bond market in Tanzania, the Bank has used the discount rate for Tanzania long-term bond yields as published in the Bank Monthly Economic Reviews.

The Bank presents current service cost and net interest cost in personnel expenses. Curtailment gains and losses are accounted for as past service cost.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A liability of the termination benefits is recognised at the earlier of when the Bank can no longer withdraw the offer of termination benefits and when the Bank recognises any related restructuring cost.

##### **Other employee benefits**

The Bank provides free medical treatment to staffs and their dependants through medical insurance scheme. Exclusions are met by the Bank as medical expenses. The cost is charged to profit or loss. The estimated monetary liability for employees' earned but not taken leave entitlement at the end of the reporting period is recognised as an accrued expense.

##### **Provisions**

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Bank expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### **Taxes**

No provision for income tax is made in the Financial Statements as Section 10 Second Schedule of the Income Tax Act, 2004 exempts the Bank from taxation imposed by law in respect of income or profits.

Further, according to Section 22(1) and (2) of the Bank of Tanzania Act, 2006, the Bank is exempt from payment of any taxes, levies or duties in respect of its profits, operations, capital, property or documents or any transaction, deed, agreement or promissory note to which it is a party. The Bank is also exempt from payment of stamp duty or other duties in respect of notes and coins issued as currency under the Act.

Effective 1 July 2012, the Bank was required to pay Value Added Tax (VAT) on goods or services provided to the Bank at a rate of 18 percent of 55 percent of the value of goods and service. This excludes goods and services not related to the Bank's primary functions. The Bank is also required to pay import and customs duties in accordance with the provisions of the East African Customs Management Act, 2004.

##### **Foreign currency translation**

###### *Functional and presentation currency*

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Bank's functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise indicated.

###### *Transactions and balances*

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign exchange gains and losses resulting from the settlement of such transactions during the year and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end are recognised in profit or loss.

##### **Foreign exchange revaluation reserve under the legal framework**

The realised foreign exchange gains/losses are separated from the total revaluation gains/losses. The unrealised part is excluded from computation of distributable profits for the year and is carried in foreign currency revaluation reserve until realised in subsequent years thereby becoming part of the distributable profits. These are determined as follows:

- (a) For each foreign currency account or security for the case of securities accounts, cash inflows and outflows are determined.
- (b) Each inflow is valued using the prevailing exchange rate.
- (c) Each outflow is revalued using the prevailing exchange rate and compared with the rate at which the outflow was recognised in the books of accounts. Where specific originating rate cannot be identified, the applicable is determined on First in First out (FIFO) basis. The difference between the two entries represent revaluation gains or losses.
- (d) All balances in foreign currencies are revalued using prevailing exchange rates. The differences between the values at the time when the related instrument was recognised and the current values represent unrealised losses or gains as the case may be.

##### **Property and equipment**

Property and equipment are initially recorded at construction, acquisition or purchase cost plus direct attributable cost. Where an item of property and equipment comprises major components having different useful lives, they are accounted for separately. Property that is being constructed or developed for future use to support operation is classified as Work in Progress (WIP) and stated at cost until construction or development is complete and is available for use, at which time it is reclassified as property and equipment in use.

The Bank's immovable properties (buildings) are subsequently measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. The valuation is performed by external independent valuers to ensure that the fair value of re-valued assets does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the Asset Revaluation Reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the profit or loss, in which case, the increase is recognised in the profit or loss. A revaluation deficit is recognised in the profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Revaluation of the Bank's immovable property is conducted every five years. M/S M & R Agency Limited, professional and Independent valuers, carried out the valuation of the Bank's immovable properties as at 30 June 2016. The valuation of the Bank's immovable assets was made based on open market values. However, where market data were not easily available, reliable depreciated replacement cost was adopted. This basis is in line with International Valuation Standards.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Property and equipment (continued)

Depreciation is charged to profit or loss on a straight-line basis to write off the cost of property and equipment to their residual values over their expected useful lives. These residual values and expected useful lives are re-assessed on an annual basis and adjusted for prospectively, if appropriate. The review of residual values takes into account the amount that the Bank would currently obtain on disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful or economic life (whichever is earlier).

Depreciation rates applicable as at 30 June 2017 and 2016 were as follows:

Asset classification	Annual depreciation	
	rate	Useful life
Office Premises	1.0%	100 years
Staff Club Premises	1.5%	67 years
Residential Premises	1.5%	67 years
Computer Servers	25.0%	4 years
Computer Printers	25.0%	4 years
Personal Computers	25.0%	4 years
Network Equipment	25.0%	4 years
Bullion Trucks and Armoured Vehicles	10.0%	10 years
Motor Vehicles	20.0%	5 years
Currency Processing Machines	10.0%	10 years
Machinery and Equipment	20.0%	5 years
Security Monitoring, Fire Detection and Fire Fighting Systems	25.0%	4 years
Office Furniture	20.0%	5 years

No depreciation is charged on made to Capital Work-in-Progress. Property and equipment acquired during the year are depreciated from the date when they are available for use and cease to be depreciated at earlier of the date that the asset is classified as held for sale or the date that the assets are derecognised.

Property and equipment are derecognised when no economic benefits are expected from its use or disposal. The disposal methods applied include; sale, donation or scrapping. Gains or losses on disposal of property and equipment are determined by comparing net disposal proceeds if any with the carrying amount and are taken into account in determining operating profit or loss.

##### Intangible assets

Intangible assets consist of computer application software and computer application licence packages. Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are amortised over the useful economic life and assessed for impairment at the reporting date to ascertain if there is an indication that the intangible asset may be impaired. Generally, cost associated with developing computer software programmes are recognised as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally developed intangible assets are not capitalised unless they meet certain criteria.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Intangible assets (continued)

Internally developed software products include direct cost incurred by the Bank and are recognised as intangible assets upon meeting the following criteria:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it;
- There is ability to use the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the software product are available; and
- The expenditure attributable to the software product during its development can be measured reliably.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortisation, which has been consistently applied, is 25 percent. The amortisation period and the amortisation method for an intangible asset are reviewed at the reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in profit or loss. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

##### Capital grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the cost that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released as income in equal instalments over the expected useful life of the related asset.

When the Bank receives non-monetary grants, the asset and the grant are recorded at gross amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

##### Currency printing and minting expenses

These expenses include ordering, printing, minting, freight, carriage insurance and handling expenses which are first deferred. Based on the currency issued into circulation, the respective proportional actual cost expenses incurred are released to profit or loss from the deferred currency expenses account.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Currency in circulation

This represents Tanzanian currency that has been issued into the Tanzanian economy by the Bank since inception. Currency in circulation is measured at the face value of notes and coins issued. Currency in circulation is determined by netting off notes and coins issued against the balance held in the Bank of Tanzania vaults and notes and coins destroyed.

##### Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset's or cash generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether or not there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

##### Operating Lease

The Bank obtained long term leasehold (mainly 99 years) from the Government for the land owned. No significant payments are made in advance to the Government other than Government fees/rates normally paid on lease application and renewal based on Government rates that are published from time to time and which are insignificant and not related to the value of land or period of occupation.

The Bank provides houses to employees on seven-year lease contracts. The contracts are cancellable. They may be terminated by either party without charges or permission of the Bank. The lease is classified as operating lease since comparison of the lease period to the useful life of the leased houses gives the Bank a significant portion of the risks of ownership.

##### Repurchase and Resale Agreements (REPOs and Reverse REPOs)

Repurchase agreements are contracts under which a party sells securities and simultaneously agrees to purchase the same securities at a specified future date at a fixed price. Resale agreements are contracts under which a party purchases securities and simultaneously agrees to resell the same securities at a future date at a fixed price.





## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Repurchase and Resale Agreements (REPOs and Reverse REPOs) (continued)**

It is the Bank's policy to take possession of securities purchased under resale agreements, which are primarily liquid government securities. The market value of these securities is monitored and, within parameters defined in the agreements, additional collateral is obtained when their fair value declines. The Bank also monitors its exposure with respect to securities sold under repurchase agreements and, in accordance with the terms of the agreements, requests the return of excess securities held by the counter party when fair value increases.

Repurchases and resale agreements are accounted for as collateralised financing transactions and recorded at the amount at which the securities were acquired or sold plus accrued interest.

REPOs continue to be recognised in the Statement of Financial Position and are measured in accordance with policies for financial liabilities.

The difference between sale and purchase price is treated as interest income or expense and is recognised in profit or loss.

##### **Foreign Exchange Revaluation Reserve**

The Bank has a policy whereby both net realised and unrealised foreign exchange gains and losses are firstly recognised in profit or loss in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The net realised foreign exchange gains (losses) for the year arising from daily revaluation of foreign assets and liabilities form part of the distributable profits while the net unrealised foreign exchange revaluation gains (losses) are transferred to the Foreign Exchange Revaluation Reserve.

##### **Reserve for Dividend**

This reserve accommodates the amount of proposed dividend to the Governments as at end of the accounting period or declared dividend if the declaration is made after the end of the period but before the financial statements are signed. In accordance with Section 18 (5) of the Bank of Tanzania Act, 2006, the remainder of the net profits of the Bank is paid to the Governments as dividend. However, this is subject to the condition that if at the end of any financial year any of the Governments is indebted to the Bank, the Bank shall first apply the remainder of its net realised profits to the reduction or discharge of the Governments indebtedness.

##### **Financial instruments - initial recognition and subsequent measurement**

###### *Date of recognition*

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, that is the date that the Bank commits to purchase or sell the asset.

###### *Initial recognition of financial instruments*

All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, any directly attributable incremental cost of acquisition or issue.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### Classification of financial assets

###### *Amortised cost*

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition).

The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### *Financial assets measured at fair value through profit or loss (FVTPL)*

Assets classified as FVTPL are measured at fair value. Gains and losses that arise as a result of changes in fair value are recognised in profit or loss, gains and losses that arise between the end of the last annual reporting period and the date an instrument is derecognised do not constitute a separate profit or loss on disposal. Such gains and losses will have arisen prior to disposal, while the item is still being measured at FVTPL, and are recognised in profit or loss when they occur. These are foreign currency marketable securities.

###### *Fair Value through Other Comprehensive Income (FVTOCI)*

On initial recognition, the Bank made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. These are equity investment in Afreximbank and Society for Worldwide Interbank Financial Telecommunication (SWIFT).

###### *Effective Interest Rate method*

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. These include Government Securities, Loans and Advances.

Interest income is recognised in profit or loss.

##### Financial liabilities

This represents issued financial instruments or their components, which are not held at fair value through profit or loss, financial liabilities that arise when a transfer of financial asset does not qualify for de-recognition or when the continuing involvement approach applies, commitments to provide a loan at below market interest rate and hedged items are classified at amortised cost. The Bank's financial liabilities are measured at amortised cost using the effective interest rate method.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **De-recognition of financial assets and financial liabilities**

###### *Financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a Bank of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and
- Either (a) the Bank has transferred substantially all the risks and rewards of the asset, or (b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Bank's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

###### *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss. These include currency in circulation; deposits from governments, banks, financial institutions and other financial institutions; BOT liquidity papers; poverty reduction and growth facility; IMF liabilities; and repurchase agreements.

##### **Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Determination of fair value**

The fair value for financial instruments traded in active markets at reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction cost.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

##### **Impairment of financial assets**

The Bank assesses at each reporting date whether or not there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

##### *Government Securities*

The Bank assesses Government Securities investments individually to confirm whether or not there is objective evidence of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows using the original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognised, any amounts formerly charged are credited to the 'Impairment losses on financial investments'.

##### *Due from banks and supranational institutions, loans and advances*

Amounts due from banks, loans and advances are carried at amortised cost. The Bank first assesses individually whether or not there is objective evidence of impairment that exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Impairment of financial assets (continued)**

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Impairment of loans and advances'.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less cost for obtaining and selling the collateral, whether or not foreclosure is probable. For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

##### **Other liabilities**

Other liabilities are stated at their nominal value/cost, which approximates fair value due to the short term nature of the obligation.

##### **Items in course of settlement, Advance to the Government and Other assets**

These are measured at carrying amounts which approximates their fair value due to the short period between reporting date and settlements of these assets.

##### **Cash and Cash equivalent**

Cash and cash equivalent comprise of demand and time deposit with central banks and commercial banks and holding of notes denominated in foreign currency. Cash and cash equivalent is carried at amortised cost in the statement of financial position. Due to their short term nature, the carrying amount approximates the fair value.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### **Escrow Accounts**

These represent funds held by the Bank in foreign exchange, as funds deposited by the United Republic of Tanzania following a memorandum of economic and financial policies arrangement pending agreement with creditors.

The escrow fund is both an asset and a liability in the Bank's books. However, the accounts cannot be netted against each other because they must be visible as both asset and liability according to accounting standards

Periodically the BoT Escrow balance is reviewed to ensure that sufficient funds will be available when payments are due.

Both assets and liabilities representing these funds are initially measured at fair value and subsequently measured at amortised cost where they have specific dates of maturity. Details of the accounts have been shown under **Note 17** of the accounts.

##### **Derivatives**

A derivative is a financial instrument or other contract within the scope of IFRS with all three of the following characteristics:

- Its value changes in response to the change in a specified variable such as interest rate, financial instrument price or foreign exchange rate.
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at future date.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from market observable prices including recent market transactions, or valuation techniques which incorporate market observable input, such as discounted cash-flow models. Generally the best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received). All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The Bank uses derivatives mostly for hedging in risk management and liquidity support in monetary implementation. The Bank does not apply the optional hedge accounting rules of IFRS 9.

##### **International Monetary Fund (IMF) related balances**

###### *Relationship*

The Bank is the fiscal and depository agent of United Republic of Tanzania for transactions with the International Monetary Fund (IMF). Financial resources availed to Tanzania by the Fund are channelled through the Bank. Repayment of the IMF loans as well as charges is the responsibility of the Bank.

###### *Currency of Transactions with the IMF*

Borrowings from and repayments to the IMF are denominated in Special Drawing Rights (SDRs). The SDR balances in IMF accounts are translated into TZS and any unrealised gains or losses are accounted for in profit and loss account in accordance with IAS 21 – Effects of changes in foreign exchange rates.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### International Monetary Fund (IMF) related balances (continued)

###### *Quota in IMF, Interest and Charges*

Borrowings from the related Tanzania's quota are non-interest bearing with no stated maturity, while borrowings from the General Resources Account of the IMF bears interest at rates set by the IMF on a weekly basis and are repayable according to the repayment schedules of the agreement.

##### Inventories

The Bank owns all inventories stated in the statement of financial position. Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale. Writing down of values of inventories is made for slow moving and obsolete inventories.

##### Credit Guarantee Schemes

These are schemes operated in accordance with the rules governing them and administered by the Bank on behalf of the URT Government as stipulated in their respective agency agreements. The primary objective of the schemes is to facilitate access to the credit facilities by guaranteeing loans granted by the participating financial institutions to small and medium enterprises, exporters and development projects.

The rules of the schemes include a requirement for the financial institutions to properly assess the projects' viability, as to adequacy of loan security and approve the loan prior to applying for the guarantee. Because of the nature of the loan transactions, contingent liabilities exist in respect of possible default.

#### 4. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgment that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The most significant use of judgement and estimates are as follows:

##### (a) Going concern

The Bank's Management has made an assessment of the Bank's ability to continue as a going concern. Management is satisfied that the Bank has resources to continue in operation for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 4. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES (CONTINUED)

##### (b) Impairment of assets carried at amortised cost

*Impairment losses on items in cash and balances with central banks, escrow account, items in course of settlement, holdings of special drawing rights (SDR), quota in international monetary fund (IMF) government securities, advances to the government, loans and receivables and other assets.*

The Bank reviews its financial assets measured at amortised cost at each reporting date to assess whether an impairment loss should be recognised in profit or loss. In particular, judgment by the Directors is required in the estimation of the amount and timing of future cash flows when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the impairment.

The Bank makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss incurred.

##### (c) Impairment of other financial assets

The Bank adopted an incurred loss approach to impairment. Impairment losses are incurred only if there is objective evidence of impairment as a result of occurrence of one or more past events since initial recognition.

Impairment exists when the carrying amount exceeds its recoverable amount and the asset is written down to the recoverable amount. Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows reflect, and are directionally consistent with, changes in related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

##### (d) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives and discount rates. Details have been provided under **Note 42** to these accounts.





## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 4. SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES (CONTINUED)

##### (e) Useful lives of property and equipment

Pursuant to the requirements of IAS 16 (Property, Plant and Equipment) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) the Bank makes accounting estimation of the useful lives of assets based on the expected pattern of consumption of the future economic benefits and reviews its depreciation rates at each reporting date.

##### (f) Retirement benefits

Under IAS 19 measurement of scheme liabilities must be calculated under the projected unit credit method, which requires certain demographic, financial and future salary growth assumptions. A degree of judgement is required in establishing market yields, long term expectations, the notional contribution rate and other inputs used in the actuarial valuation. Details have been provided under **Note 45** to these accounts.

##### (g) Contingent liabilities

The Bank has provided for the liabilities arising out of contractual obligations. Professional expert advice is taken on establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgments than other types of provisions. When cases are at an early stage, accounting judgments can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of a past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise. As matters progress through various stages of the cases. Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognised, and the estimated amounts of any such provisions, revising previous judgments and estimates as appropriate.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INTEREST INCOME

Interest income from foreign operations relates to interest earned from investments in foreign fixed income securities, money market operations and foreign deposits.

Interest on domestic investments relates to interest earned from investments in United Republic of Tanzania government bonds, stocks and discounted treasury bills.

	30.06.2017			30.06.2016		
	Received TZS '000	Accrued TZS '000	Total TZS '000	Received TZS '000	Accrued TZS '000	Total TZS '000
<b>From foreign operations</b>						
GBP investments	9,968,860	4,131,280	14,100,140	10,093,459	4,373,899	14,467,358
USD investments	64,172,125	18,319,945	82,492,070	50,449,494	12,637,526	63,087,020
EUR investments	8,438,824	7,519,665	15,958,489	6,721,722	6,342,003	13,063,725
AUD investments	12,927,230	3,511,784	16,439,014	13,433,884	4,334,668	17,768,552
CNY investments	9,899,589	1,438,621	11,338,210	7,367,157	569,268	7,936,425
Other foreign interest income	1,116,798	-	1,116,798	160,158	-	160,158
	<b>106,523,426</b>	<b>34,921,295</b>	<b>141,444,721</b>	<b>88,225,874</b>	<b>28,257,364</b>	<b>116,483,238</b>
<b>From domestic operations</b>						
Interest on domestic investments	115,006,224	28,435,954	143,442,178	123,079,505	31,061,959	154,141,464
Interest on loans and advances	157,149,217	-	157,149,217	161,236,511	-	161,236,511
Interest on staff loans	357,422	-	357,422	303,195	-	303,195
Interest on Repurchase Agreements (Reverse REPO)	18,020,945	-	18,020,945	15,224,855	-	15,224,855
	<b>290,533,808</b>	<b>28,435,954</b>	<b>318,969,762</b>	<b>299,844,066</b>	<b>31,061,959</b>	<b>330,906,025</b>
	<b>397,057,234</b>	<b>63,357,249</b>	<b>460,414,483</b>	<b>388,069,940</b>	<b>59,319,323</b>	<b>447,389,263</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 5. INTEREST INCOME (CONTINUED)

Classification of interest income arising from financial instruments is indicated below:

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Income from instruments measured at fair value	115,796,911	103,998,153
Income from instruments measured at amortised cost	344,617,572	343,391,110
	<b>460,414,483</b>	<b>447,389,263</b>

#### 6. INTEREST EXPENSES

	30.06.2017		30.06.2016	
	Paid	Accrued	Paid	Accrued
	TZS '000	TZS '000	TZS '000	TZS '000
Interest on BoT liquidity papers	998,285	24,691,450	17,887,304	3,129,566
Interest on repurchase agreements	219,169	-	1,216,011	-
Charges on IMF Drawings	473,014	-	317,068	-
	<b>1,690,468</b>	<b>24,691,450</b>	<b>19,420,383</b>	<b>3,129,566</b>
		<b>26,381,918</b>		<b>22,549,949</b>

The Bank issues 35-Day, 91-Day, 182-Day and 364-Day Treasury Bills to mop up excess liquidity in the economy. The interest expense arising from liquidity mop up activities is shared between the Bank and the Government of the United Republic of Tanzania in accordance with the sharing ratios agreed in Memorandum of Understanding (MOU) in force.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FOREIGN EXCHANGE REVALUATION GAINS

During the year, the Bank recorded a total net foreign exchange revaluation gains amounting to TZS 166,560.3 million (2016: TZS 468,394.9 million). This amount has been included in the statement of profit or loss in determining the Bank's net operating profit for the year in order to comply with the requirements of IAS 21 - Accounting for the Effects of Changes in Foreign Exchange Rates. Out of the total net foreign exchange revaluation gains, an amount of TZS 119,665.1 million (2016: TZS 87,717.3 million) relating to unrealised gain is not available for distribution of dividend and according to the Bank of Tanzania Act, 2006 has been transferred to the foreign exchange revaluation reserve (refer to Note 40 (i)).

Analysis of foreign exchange valuation	30.06.2017	30.06.2016
	TZS '000	TZS '000
Net realised foreign exchange revaluation gains during the year	46,895,231	380,677,613
Net unrealised foreign exchange revaluation gains during the year	119,665,106	87,717,317
	<b>166,560,337</b>	<b>468,394,930</b>

8. NET GAINS/(LOSSES) ON FINANCIAL ASSETS - FVTPL

	30.06.2017			30.06.2016		
	Realised TZS '000	Unrealised TZS '000	Total TZS '000	Realised TZS '000	Unrealised TZS '000	Total TZS '000
USD	(7,200,343)	(58,312,684)	(65,513,027)	(4,162,180)	17,226,663	13,064,483
GBP	(1,947,361)	(11,433,310)	(13,380,671)	(1,210,606)	1,327,901	117,295
EUR	(10,182,916)	(11,292,521)	(21,475,437)	(532,330)	(5,835,611)	(6,367,941)
AUD	(1,039,414)	(9,079,664)	(10,119,078)	(2,668,450)	(934,703)	(3,603,153)
CNY	98,336	(3,163,459)	(3,065,123)	(275,746)	335,977	60,231
<b>Total</b>	<b>(20,271,698)</b>	<b>(93,281,638)</b>	<b>(113,553,336)</b>	<b>(8,849,312)</b>	<b>12,120,227</b>	<b>3,270,915</b>

This represents the net increase or decrease in fair value of the financial assets measured at fair value through profit or loss. The value of this balance aggregated to a loss of TZS 113,553.3 million (2016: gain of TZS 3,270.9 million).

9. FEES AND COMMISSIONS

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Commission on foreign operations	26,140,147	19,956,573
Tanzania Interbank Settlement System (TISS) fees and charges	2,023,793	1,859,868
Bureau de change application fees	229,500	262,500
Bureau de change registration fees	53,000	78,000
Bureau de change penalty fees	4,094,500	15,000
Tender application fees	56,061	26,078
Banks and financial institutions applications/licensing fees	401,036	28,045
	<b>32,998,037</b>	<b>22,226,064</b>

Commission on foreign operations relates to income received from buying or selling foreign currency, and funds transfers by SWIFT and TISS.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. OTHER OPERATING INCOME

	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Foreign operations</b>		
Gains on inter-bank foreign exchange market (IFEM) operations	1,421,812	13,181,848
Miscellaneous income	-	8,201,585
Realised gains on de-recognition of foreign currency marketable securities	2,000,346	1,607,482
Income from equity investment	608,581	351,128
<b>Other income from foreign operations</b>	<b>4,030,739</b>	<b>23,342,043</b>
<b>Domestic operations</b>		
Miscellaneous income	5,366,760	6,948,074
Income - domestic operations	3,961,775	3,984,502
Staff contributions *	3,379,508	1,725,468
Rental income from staff quarters	615,380	595,880
Income from hostel accommodation	11,617	32,079
Income from cafeteria operations	19,914	49,712
<b>Other income from domestic operations</b>	<b>13,354,954</b>	<b>13,335,715</b>
<b>Total other income</b>	<b>17,385,693</b>	<b>36,677,758</b>

\*Net contribution to Staff Housing Compensatory Fund

11. ADMINISTRATIVE EXPENSES

	30.06.2017 TZS '000	30.06.2016 TZS '000
Maintenance - computer, software and related expenses	15,168,099	13,474,833
Transport and traveling expenses	9,821,771	9,129,613
Meetings, conferences and seminars	4,949,197	6,415,630
Water and electricity	6,370,971	6,343,567
Maintenance - bank premises	7,155,209	6,414,987
Insurance expenses	3,479,933	2,581,457
Fees, rates and security expenses	3,333,907	2,843,024
Printing, stationery and office supplies	1,945,226	1,930,204
Telecommunication and postage	2,228,973	2,166,681
Board expenses	1,026,933	1,888,216
Other administrative expenses	7,564,423	9,134,338
Maintenance - furniture, machinery and equipment	1,513,559	1,361,037
Audit fees	918,100	1,183,673
Budget and annual accounts preparation expenses	644,821	544,558
Hospitality	252,372	419,961
Audit related expenses	62,730	83,127
Strengthening of Internal audit expenses	479,181	91,599
Legal and investigation expenses	80,559	613,000
	<b>66,995,964</b>	<b>66,619,505</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. CURRENCY AND RELATED EXPENSES

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Notes printing and related expenses (Note 26)	71,787,889	67,330,636
Coins minting and related expenses (Note 26)	9,753,649	7,553,987
<b>Cost of currency issued in circulation</b>	<b>81,541,538</b>	<b>74,884,623</b>
Maintenance of currency machines	2,105,666	4,673,372
Currency transport, storage and handling	4,146,770	3,724,685
Other currency expenses	3,975,350	993,000
<b>Other currency related costs</b>	<b>10,227,786</b>	<b>9,391,057</b>
<b>Total currency and related expenses</b>	<b><u>91,769,324</u></b>	<b><u>84,275,680</u></b>

The amount of TZS 81,541.5 million (2016: TZS 74,884.6 million) is in respect of notes printing and coins minting and related expenses, refers to the proportionately amortised portion of deferred notes printing and coins minting cost for the currency notes and coins that were issued into circulation during the year.

A total of TZS 2,105.7 million (2015: TZS 4,673.4 million) was incurred during the year in respect of currency machines maintenance expenses. The amount of TZS 4,146.8 million (2016: TZS 3,724.7 million) is in respect of currency distribution expenses that include; transportation, handling, storage, and other related expenses incurred during the year. Other currency related expenses aggregated to TZS 3,975.4 million (2016: TZS 993.0 million).

13. PERSONNEL EXPENSES

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Staff salaries and allowances	75,929,578	80,717,451
Contribution to social security schemes	10,244,163	10,832,794
Staff medical expenses	7,199,946	6,595,418
Travel on leave expenses	5,836,808	5,859,350
Management car maintenance and other related expenses	5,733,799	6,340,350
Staff training expenses	3,471,418	4,504,933
Motor vehicles expenses	793,456	1,857,904
HR planning policies expenses	2,030,853	2,100,506
Workers Council expenses	1,229,264	965,508
Furniture grant expenses	898,278	2,453,391
Cafeteria expenses	1,472,489	1,578,760
Tanzania Union for Industrial and Commercial (TUICO) expenses	641,136	610,885
Staff uniforms expenses	291,604	296,419
Condolence and related expenses	262,498	252,122
Course functions & field trips expenses	9,723	15,828
Staff retirement benefit	2,564,000	21,552,671
	<b><u>118,609,013</u></b>	<b><u>146,534,290</u></b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. OTHER OPERATING EXPENSES

	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Foreign operations</b>		
Foreign reserve management expenses	1,627,712	1,630,709
Financial markets development expenses	1,514,891	1,580,344
Commission and fees on foreign operations	1,213,629	1,332,177
Amortised premium	-	-
	<b>4,356,232</b>	<b>4,543,230</b>
<b>Domestic operations</b>		
Contribution to professional associations, charities	2,756,191	6,872,327
Contribution to national development programs/projects	636,280	2,014,375
Contribution to other institutions	-	-
Subscriptions	279,476	172,740
	<b>3,671,947</b>	<b>9,059,442</b>
Cheques issued expenses	322,482	555,860
Commission and fees on domestic operations	-	118,675
	<b>322,482</b>	<b>674,535</b>
	<b>8,350,661</b>	<b>14,277,207</b>
<b>Analysis of donations, contributions and subscriptions</b>		
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)	837,666	878,588
Second Generation of Financial Sector Reforms	281,318	696,612
Capital Markets and Securities Authority	675,000	675,000
Tanzania Institute of Bankers	612,400	489,720
Contribution to National Board of Accountants and Auditors (NBAA) and National Board of Material Management (NBMM)	448,664	448,955
Deposit Insurance Board	248,696	313,186
Contribution to African Research Consortium	194,925	195,000
Contribution - Committee of Central Bank Governors (CCBG)	10,036	102,782
African Association of Central Banks and African Rural and Agriculture Credit Association	98,242	72,618
Donations and other contributions	-	4,167,000
Contribution to Establishment of Tanzania Agricultural Development Bank	265,000	520,000
Contribution to National Risk Assessment	-	499,981
	<b>3,671,947</b>	<b>9,059,442</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Net revaluation gains/ (losses) on equity investments	<u>1,483,942</u>	<u>(4,988,060)</u>

The gain of TZS 1,483.9 million (2016: loss of TZS 4,988.1 million) is in respect of revaluation loss/gain on the Bank's shares in Afreximbank and SWIFT. The investments are measured at fair value through other comprehensive income and are revalued at the end of each year.

16. CASH AND BALANCES WITH CENTRAL BANKS AND OTHER BANKS

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Cash balances with Central Banks	704,988,724	490,062,226
Demand, time deposits with commercial banks and foreign currency notes and coins	4,187,677,869	2,339,724,853
Accrued interest on deposits	3,679,078	925,520
	<u>4,896,345,671</u>	<u>2,830,712,599</u>

Cash and cash equivalents consist of demand deposits; two-day notice accounts and time deposits with maturities of less than three months and carry interest at market rates.

Demand and time deposits with commercial banks and foreign currency notes and coins consist of:

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Demand deposits	4,181,881,330	2,335,211,581
Foreign currency notes and coins	5,796,539	4,513,271
	<u>4,187,677,869</u>	<u>2,339,724,852</u>

17. ESCROW ACCOUNT

Bank of Tanzania Escrow	<u>10,856,450</u>	<u>10,602,238</u>
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This account was opened under the memorandum of economic and financial policies arrangement of the United Republic of Tanzania Government. Under the arrangement it was agreed to establish an external escrow account into which the URT Government would pay a significant portion of the estimated debt service due to the relevant group of non-Paris creditors. The URT Government Deposits the funds into the account pending agreement with creditors. In line with the arrangement, the funds are available to confirmed creditors.

The Government deposited funds into this account once in March 2003 of USD 5.0 million that was equivalent to TZS 5,256.0 million. Some of the funds were utilised to settle due obligations before financial crises. The balance on the account earns interest. As at 30 June 2017, the account had a balance of USD 4.9 million equivalent to TZS 10,856.5 million. (2016: USD 4.9 million equivalent to TZS 10,602.2 million).





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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. ITEMS IN COURSE OF SETTLEMENT

	30.06.2017 TZS '000	30.06.2016 TZS '000
BoT net clearing account	<u>51,823,613</u>	<u>2,399,563</u>

This balance represents values of outward clearing instruments, held by the Bank while awaiting clearance in the normal course of business. This include values of clearing instruments both as inward and outward items and cheques deposited into Government accounts for settlement of various obligations in accordance with the rules and regulations as set in the clearing house. The increase in 2017 relates to significant amount relating to government payments following automation of payments of the central and local government operations.

19. INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	30.06.2017		30.06.2016	
	Equivalent SDR '000	Equivalent TZS '000	Equivalent SDR '000	Equivalent TZS '000
<b>Assets</b>				
Holdings of SDR's	18,323	29,043,708	18,323	55,835,295
Quota in IMF	<u>397,800</u>	<u>1,234,836,479</u>	<u>397,800</u>	<u>1,212,378,799</u>
	<b><u>416,123</u></b>	<b><u>1,263,880,187</u></b>	<b><u>416,123</u></b>	<b><u>1,268,214,094</u></b>
<b>Liabilities</b>				
IMF Account No.1	338,071	1,049,428,996	338,071	1,030,347,541
IMF Account No.2	<u>3</u>	<u>10,850</u>	<u>3</u>	<u>10,651</u>
	<b><u>338,074</u></b>	<b><u>1,049,439,846</u></b>	<b><u>338,074</u></b>	<b><u>1,030,358,192</u></b>
Allocation of SDRs	<u>190,527</u>	<u>591,378,689</u>	<u>190,527</u>	<u>580,623,424</u>

Following the IMF reforms on quota and governance that included doubling of IMF quotas and re-alignment of quotas shares, the Tanzania's quota in IMF increased to SDR 397.8 million equivalent to TZS 1,234,836.5 million (2016: SDR 397.8 million equivalent to TZS 1,212,378.8 million). On a quarterly basis, the IMF pays interest (remuneration) to those members who have a remunerated reserve tranche position at the adjusted rate of remuneration. As at June 2017, reserve tranche stood at SDR 59.7 million (2016: SDR 59.7 million) whereas the adjusted rate of remuneration was 0.5 percent (2016: 0.5 percent).

*Participation in the HIPC Initiative*

The United Republic of Tanzania enjoys a debt relief program under the Highly Indebted Poor Countries (HIPC) initiative. Accordingly, the IMF administers a donor-contributed Fund in the form of a PRGF-HIPC Trust Umbrella Account for Tanzania. The facility is used to settle part of Tanzania's PRGF Loans as and when they fall due. As at 30 June 2017, the facility had a nil balance.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FOREIGN CURRENCY MARKETABLE SECURITIES

These are financial assets consisting of foreign currency marketable securities that are internally managed and portfolio externally managed by the World Bank Treasury under a special program known as Reserve Advisory Management Program (RAMP). Majority of such securities are sovereign issues with a minimum credit rating of AA, bearing fixed interest and specified maturities. The balance of this reserve was as follows:

Financial assets measured at fair value through profit and loss (FVTPL):	30.06.2017 TZS '000	30.06.2016 TZS '000
Marketable securities	5,976,607,127	5,343,419,060
Accrued interest	31,242,216	27,331,843
	<b>6,007,849,343</b>	<b>5,370,750,903</b>

Analysis of foreign currency marketable securities by concentration into sovereign issues, supranational securities and agency securities by fair values:

	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Sovereign Issues</b>		
USD	3,917,363,100	3,362,684,975
GBP	450,049,378	423,808,598
EUR	681,409,901	679,264,046
AUD	374,865,481	368,286,848
CNY	264,079,543	151,587,869
	<b>5,687,767,403</b>	<b>4,985,632,336</b>
<b>Supranational Securities</b>		
USD	141,278,637	179,102,480
EUR	16,788,383	34,810,285
AUD	7,537,290	7,137,796
CNY	-	6,531,247
	<b>165,604,309</b>	<b>227,581,808</b>
<b>Agency Securities</b>		
USD	116,724,007	108,796,464
GBP	-	8,857,524
EUR	6,511,407	12,550,927
	<b>123,235,414</b>	<b>130,204,915</b>
<b>Total Investments</b>		
USD	4,175,365,744	3,650,583,919
GBP	450,049,378	432,666,122
EUR	704,709,691	726,625,258
AUD	382,402,771	375,424,644
CNY	264,079,543	158,119,116
Accrued Interest	31,242,216	27,331,843
	<b>6,007,849,343</b>	<b>5,370,750,903</b>



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 21. EQUITY INVESTMENTS

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Investment in equity are designated at fair value through other comprehensive income (FVTOCI):		
Equity investment in Afreximbank	28,452,891	25,805,570
Equity investment in SWIFT	736,604	645,095
	<b>29,189,495</b>	<b>26,450,665</b>

#### **Equity investment in Afreximbank: TZS 28,452.9 million (2016: TZS 25,805.6 million)**

The African Export-Import Bank (Afreximbank) is a supranational institution, established on 27 October 1993. The Bank holds an investment in the equity of Afreximbank. Afreximbank is a grouping of regional central banks and financial institutions designed to facilitate intra and extra African trade. The Bank's equity interest in Afreximbank is 742 ordinary shares (2016: 718) of par value of USD 10,000 each. As at 30 June 2017, the Bank's equity aggregated to USD 2,872,000 representing two fifth of the Bank's paid up shares in Afreximbank (2016: USD 2,872,000). The proportion of the Banks equity interest to the total holding in this bank is 0.70 percent. These shares are measured at fair value through other comprehensive income.

#### **Equity Investment in SWIFT: TZS 736.6 million (2016: TZS 645.1 million)**

Society for Worldwide Interbank Financial Telecommunications (SWIFT) (the "Company") is a company founded in Brussels in 1973 to provide a network that enables financial institutions worldwide to send and receive information related to financial transactions in a secure, standardised and reliable environment.

SWIFT members hold interest in the cooperatives through shares. The Company manages the shares through the reallocation principle defined in its Bylaws and general membership rules.

The number of shares allocated to each member is determined at least after every three years according to the Bylaws of the Company and is proportional to the annual contributions paid for the network based services to the Company. The members have the obligation to give up or take up the resulting change in shares. The Bylaws of the Company state that shares are only reimbursed when a member resigns, or when a member has to give up shares following reallocation. This investment is measured at fair value through other comprehensive income. During the year, under review the Bank had a total of 62 shares at a price of EUR 4,340 (2016: 62 shares at a price of 3,430).

#### 22. GOVERNMENT SECURITIES

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Amortised cost:		
Stocks	51,333,308	51,333,308
Treasury Bills	1,900	19,756,144
Special Treasury Bonds	1,182,673,228	1,182,673,228
Treasury EPA Stock	205,743,889	205,743,889
	1,439,752,325	1,459,506,569
Accrued interest	28,435,954	31,061,959
Accrued interest receivable	24,118,385	-
	<b>1,492,306,664</b>	<b>1,490,568,528</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 22. GOVERNMENT SECURITIES (CONTINUED)

The Bank holds various government fixed income securities issued by the United Republic of Tanzania Government. Treasury special stocks and bonds are issued at face value, discount or premium. Treasury stocks are issued at a fixed coupon.

##### **Stocks**

Advances granted to the Government which were to be repaid at the end of financial year 1994 were converted into five years 25% Special Stock 1993/98 of TZS 42,243.0 million. Thereafter in 1999, the stock plus the earned interest were restructured into two stocks namely 15% Special Treasury Stock 2018/19 with face value of TZS 51,333.3 million. As at June 2017 the value of stock stood at TZS 51,333.3 million (2016: TZS 51,333.3 million)

##### **Treasury Bills**

This represents treasury bills discounted by commercial banks to the Bank. As at 30 June 2017, the value of treasury bills discounted was TZS 1.9 million (2016: TZS 19,756.1 million).

##### **Special Treasury Bonds**

Treasury Special Bonds are long-term coupon instruments issued at fixed coupon for Government financing. These include:

The 10 Year Special Government Bonds 2009/2019 with a face values of TZS 150,000.0 million and TZS 323,000.0 million were issued on 2 June 2009. The bonds carry an annual coupon of 8.0 percent payable semi-annually. The purpose of the bond was to bridge Government revenue shortfall mainly attributed to the impact of the global financial crisis to the economy.

The 5 year special bond of TZS 155,000.0 million with floating interest rate based on the prevailing average yield to maturity with a cap of 14.92 percent issued by the Government to finance horticultural expansion project in Arusha matured on 28 December 2015. This bond was rolled over upon its maturity from 5 years to 2 years Special bond of TZS 55,000.0 million with interest rate of 7.82%, 3 years Special Bond of TZS 50,000.0 million with interest rate of 8.27% and 5 years Special Bond TZS 50,000.0 million with interest rate of 9.18%

The Government issued a 10 year bond of face value TZS 85,188.8 million which was rolled over from Loan Advances Realisation Trust (LART) Bonds on 30 June 2011. It carries 11 per cent interest payable semi-annually on 30 June and 31 December.

On 12 October 2012, the Government issued a 10-Year 2012/2022 Special Bond with face value of TZS 469,484.4 million. The bond was issued to replace the accumulated deficit position of the United Republic of Tanzania Government as at 30 June 2012. The bond bears an interest rate of 11.44 percent payable semi-annually..

The value of Special Bonds as at 30 June 2017 was TZS 1,182,673.2 million (2016: TZS 1,182,673.2 million).



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 22. GOVERNMENT SECURITIES (CONTINUED)

##### Treasury EPA Stock

Treasury EPA Stocks represent External Payment Arrears (EPA) that date back to 1980's when the defunct National Bank of Commerce (NBC) had external commercial obligations that were in arrears for lack of foreign exchange. These were later on transferred to the Bank to facilitate their administration and control. According to the arrangement, the externalisation of EPA obligations is done on the basis of agreed exchange rates. The exchange rate differential between the exchange rate prevailing when the beneficiaries are paid and the agreed rate resulted into exchange losses, which are recoverable from the Government. Funding of the resulting obligations was obtained through issuance of EPA stocks..

The Government effective from 1 August 2008 reissued two EPA Special Stocks namely EPA Special Stock 2002/2052 and EPA Special Stock 2005/2055 with values of TZS 4,352.8 million and TZS 65,646.1 million and replaced them with EPA Special Stock 2008/28 and EPA Special Stock 2008/23 respectively. Their tenures were reviewed from 50 years and 55 years to 10 years and 15 years with annual coupons of 7.5 percent and 8.0 percent payable semi-annually respectively. Furthermore, on 1 August 2008 the Government issued EPA Special Stock with face value of TZS 135,745.1 million to accommodate external payment arrears exchange losses incurred up to 31 December 2007. The stock has a maturity of 20 years with annual coupon of 8.5 percent payable semi-annually. As at 30 June 2017, the aggregate position of Special EPA stocks was TZS 205,743.9 million (2016: TZS 205,743.9 million).

#### 23. ADVANCES TO THE GOVERNMENT

	30.06.2017 TZS '000	30.06.2016 TZS '000
Advances to the Government (URT) - <b>Note 32</b>	<u>1,546,553,483</u>	<u>1,191,810,509</u>

Advances to the Governments represent temporary financial accommodation to finance short term financial gap between the receipts from budgeted revenue and payments of the Governments. The advances bear interest at rates equivalent to the weighted average yield of short term maturities as determined by the Bank in accordance with the Bank of Tanzania Act, 2006 and are repayable within one hundred and eighty days. Total advance outstanding at the year end amounted to, TZS 1,546,553.5 million (2016: TZS 1,191,810.5 million) as summarised under **Note 32**.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. LOANS AND RECEIVABLES

	30.06.2017	30.06.2016
	TZS '000	TZS '000
Accounts receivable	302,295,006	78,426,232
Staff loans and advances	78,468,497	70,122,825
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Intermediary accounts receivable	17,248	18,246
	<b>385,924,751</b>	<b>153,711,303</b>
Provision for impairment	(11,848,041)	(11,001,283)
	<b>374,076,710</b>	<b>142,710,020</b>
<b><i>Analysis of impairment by line items</i></b>		
Interest recoverable from government	5,241,621	5,241,621
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Staff loans and advances	1,176,051	329,293
Accounts receivable	286,369	286,369
	<b>11,848,041</b>	<b>11,001,283</b>
<b><i>Movement in provision for impairment</i></b>		
Balance at the beginning of the year	11,001,283	5,629,717
Interest recoverable from government	-	5,241,621
Impairment on staff loans and advances	846,758	216,240
Reversal during the year	-	(86,295)
<b>Balance at the end of the year</b>	<b>11,848,041</b>	<b>11,001,283</b>

The Bank did not pledge any loans and receivables as securities against liabilities in 2017 and 2016. Accounts receivable represent short term claims which are expected to be recovered within a period not exceeding twelve months and outstanding transactions made on trade date. As at 30 June 2017, the account had a balance of TZS 403,715.4 million (2016: TZS 142,710.0 million).

**a) Accounts Receivable: TZS 302,295 million**

Major components under Accounts Receivable include the following:

**(i) Interest receivable on Liquidity Management: TZS 18,172 million**

Included under accounts receivable is TZS 33,517.7 million (2016: TZS 9,399.3 million) relating to 2016/17 URT Government share in respect of interest on liquidity management costs. The URT Government and Bank of Tanzania share of liquidity management cost is based on the formula contained in the Memorandum of Understanding between BoT and the Government

**(ii) Interest receivable on overdrawn Government accounts: TZS 200,792.5 million**

During the year, the URT Government net position was overdrawn by TZS 1,547,548.0 million (2016: TZS 1,202,899.0 million). Pursuant to Section 34 of the Bank of Tanzania Act, 2006, an amount of TZS 157,149.2 million (2016: TZS 43,643.3 million) was charged to the Government as interest on overdrawn position. Interest outstanding as at 30 June 2017 amounted to TZS 200,792.5 million is outstanding as at 30 June 2017 (2016: TZS 43,192.1 million).



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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**24. LOANS AND RECEIVABLES (CONTINUED)**

**a) Accounts Receivable: TZS 302,295.0 million (Continued)**

**(iii) Standby credit facility:**

The commercial banks have access to the standby credit facility with a maturity of one day to settle their obligations in their clearing balances to avoid systematic risk when their balances are not sufficient to cover their obligations. Such facility is available at market rate prevailing on that particular date subject to provision of securities as collateral. At 30 June 2017, such facility had a balance of TZS 2,400.0 million as compared to a nil balance as at 30 June 2016

**b) Staff Loans and Advances: TZS 78,468.5 million**

Employees of the Bank are entitled to loans and advances as approved in accordance with the Bank's Staff Bylaws and Financial Regulations in force. Staff loans are granted to employees to assist them in acquisition of residential houses, motor vehicles, computers, furniture and short term needs. The advances/loans are granted at preferential rates of interest determined by the Bank presently at 5 percent fixed over the period of the loan. These loans and advances are recovered from the employees' monthly salaries. The facilities are secured against the borrowers' employment and terminal benefits.. As at 30 June 2017, the balance of staff loans and advances was TZS 78,468.5 million (2016: TZS 70,122.8 million).

**25. INVENTORIES**

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
The inventory balance consists of the following:		
Currency machine spare parts	4,587,017	2,935,731
Building, machinery and maintenance consumables	944,458	898,536
Stationery	583,154	531,322
ICT accessories and consumables	563,642	549,038
Cheque books	157,097	378,226
Copier parts and consumables	360,467	354,915
Drugs and medicines	179,737	114,630
Inventory in Transit	-	835
Less: Inventory impairment	(981,263)	-
	<b><u>6,394,309</u></b>	<b><u>5,763,233</u></b>

All inventories held by the Bank as at 30 June 2017 were for the internal consumption to support Bank's operations and not intended for sale.

**26. DEFERRED CURRENCY COST**

This account represents direct cost relating to notes printing and coins minting held by the Bank. During financial year 2016/17, the movement on deferred currency cost account was as follows:

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Balance as at the beginning of the year	59,980,145	37,040,553
Add: Cost of currency received during the year	95,734,200	97,824,215
Less: Cost of currency issued in circulation (Note 12)	(81,541,538)	(74,884,623)
<b>Balance as at the end of the year</b>	<b><u>74,172,807</u></b>	<b><u>59,980,145</u></b>



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 27. OTHER ASSETS

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Prepayments	28,910,529	51,133,997
Reverse REPO	7,000,000	605,000,000
Financial Sector Development Fund	33,826,141	32,454,976
Staff imprest	1,301,320	1,799,467
Intermediary accounts	1,094,142	4,502,059
Staff Housing Fund investment account	33,767,152	1,173,818
Petty cash balances	131,000	100,000
Sundry receivables	2,631,119	3,712,563
	<b><u>108,661,403</u></b>	<b><u>699,876,880</u></b>

**(i) Prepayment: TZS 28,910.5 million**

The balance under prepayment for the year ending 30 June 2017 mainly covers; TZS 13,201.5 million paid as advance payment in respect of notes printing, TZS 2,898.1 million paid in respect of construction of new office building in Mwanza Branch, advance payment in respect of banknotes destruction machines TZS 2,153.0 million and medical insurance of TZS 1,381.9 million in respect of insurance premium.

**(ii) Reverse repo: TZS 7,000.0 million**

The balance represents short term advance granted to commercial banks under reverse REPO contracts. Under the agreements commercial banks sell securities to the Bank and simultaneously agree to purchase the same securities at a specified future date at a fixed price. The difference between sale and repurchase price is treated as interest income and is recognised in profit or loss. As at 30 Jun 2017 the balance of reverse REPO contracts was TZS 7,000.0 million (2016: 605,000.0 million).





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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. PROPERTY AND EQUIPMENT

2017	Land and buildings TZS '000	Machinery and equipment TZS '000	Motor vehicles TZS '000	Fixtures and fittings TZS '000	Computers, servers and printers TZS '000	Capital work in progress TZS '000	Total TZS '000
<b>Cost/valuation</b>							
At 01 July 2016	837,063,500	233,651,438	22,754,816	8,517,449	24,292,092	55,610,023	1,181,889,318
Additions	24,127,851	3,449,201	2,050,393	1,256,305	839,727	13,678,156	45,401,633
Disposal	-	(59,980)	-	(7,321)	(104,045)	-	(171,346)
Transfers	34,097,161	6,669,818	-	-	-	(40,766,979)	-
<b>At 30 June 2017</b>	<b>895,288,512</b>	<b>243,710,477</b>	<b>24,805,209</b>	<b>9,766,433</b>	<b>25,027,774</b>	<b>28,521,200</b>	<b>1,227,119,605</b>
<b>Accumulated depreciation</b>							
At 01 July 2016	-	198,079,614	9,637,558	6,498,157	15,009,454	-	229,224,783
Impairment	-	-	-	-	-	15,000	15,000
Charges for the year	7,310,296	9,161,524	1,933,873	414,725	2,724,546	-	21,544,964
Disposal	-	(58,759)	-	(6,320)	(94,502)	-	(159,581)
<b>At 30 June 2017</b>	<b>7,310,296</b>	<b>207,182,379</b>	<b>11,571,431</b>	<b>6,906,562</b>	<b>17,639,498</b>	<b>15,000</b>	<b>250,625,166</b>
<b>Net book value</b>							
<b>At 30 June 2017</b>	<b>887,978,216</b>	<b>36,528,098</b>	<b>13,233,778</b>	<b>2,859,871</b>	<b>7,388,276</b>	<b>28,506,200</b>	<b>976,494,439</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. PROPERTY AND EQUIPMENT (CONTINUED)

2016	Land and buildings TZS '000	Machinery and equipment TZS '000	Motor vehicles TZS '000	Fixtures and fittings TZS '000	Computers, servers and printers TZS '000	Capital work in progress TZS '000	Total TZS '000
<b>Cost/valuation</b>							
At 01 July 2015	721,805,066	232,072,019	17,607,384	8,496,344	20,783,502	35,981,712	1,036,746,027
Additions	3,450,657	2,663,374	5,963,021	279,577	5,178,093	20,784,094	38,318,816
Revaluation*	111,947,792	-	-	-	-	-	111,947,792
Transfers	(140,015)	(1,083,955)	(815,589)	(258,472)	(1,669,503)	(1,155,783)	(5,123,317)
At 30 June 2016	<b>837,063,500</b>	<b>233,651,438</b>	<b>22,754,816</b>	<b>8,517,449</b>	<b>24,292,092</b>	<b>55,610,023</b>	<b>1,181,889,318</b>
<b>Accumulated depreciation</b>							
At 01 July 2015	22,696,413	190,039,624	9,218,139	6,264,870	13,983,900	-	242,202,946
Charges for the year	5,931,394	9,049,510	1,101,274	452,728	2,561,332	-	19,096,238
Revaluation*	(28,522,188)	-	-	-	-	-	(28,522,188)
Reversal of impairment loss**	(97,206)	-	-	-	-	-	(97,206)
Disposal	(8,413)	(1,009,520)	(681,855)	(219,441)	(1,535,778)	-	(3,455,007)
At 30 June 2016	-	<b>198,079,614</b>	<b>9,637,558</b>	<b>6,498,157</b>	<b>15,009,454</b>	-	<b>229,224,783</b>
<b>Net book value</b>							
At 30 June 2016	<b>837,063,500</b>	<b>35,571,824</b>	<b>13,117,258</b>	<b>2,019,292</b>	<b>9,282,638</b>	<b>55,610,023</b>	<b>952,664,535</b>

\* Net revaluation gains on Bank's immovable properties are recorded in Other Comprehensive Income.

\*\* Reversal of impairment loss is recorded under the Profit or Loss.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 28. PROPERTY AND EQUIPMENT (CONTINUED)

Property and equipment (movable) are stated at cost less accumulated depreciation and impairment losses if any. Bank's immovable properties (buildings) are stated in the financial statements at revalued amounts (fair values) less accumulated depreciation and impairment losses if any. If were measured using the cost model, the carrying amounts of land and buildings would be as follows.

Details	30.06.2017 TZS '000	30.06.2016 TZS '000
Cost	620,046,585	577,245,406
Accumulated depreciation and impairments	<u>(83,641,403)</u>	<u>(76,313,886)</u>
<b>Carrying amount</b>	<b><u>536,405,182</u></b>	<b><u>500,931,520</u></b>

Effective financial year 2007/8 valuation of the Bank's immovable property is conducted after five years. The Bank's immovable properties were revalued during the year ended 30 June 2016 by M/S M & R Agency Limited, a professional registered valuation firm.

Work-in-progress relates to capital expenditure incurred in the extension of the Dodoma office building, Mbeya Branch, New Office building Mwanza Branch and Executive Hostel Training Institute. No depreciation is charged on capital work in progress until it is substantially completed.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. PROPERTY AND EQUIPMENT (CONTINUED)

Reconciliation of items disposed during the period by class of assets.

Gain or (loss) on disposal of property and equipment	30.06.2017		30.06.2016	
	Net gains/ (loss) TZS '000	Net gains/ (loss) TZS '000	Net gains/ (loss) TZS '000	Net gains/ (loss) TZS '000
<b>Class of asset</b>	<b>Cost TZS '000</b>	<b>Accumulated depreciation TZS '000</b>	<b>Cost of Disposal TZS '000</b>	<b>Cash proceeds TZS '000</b>
Land and buildings	-	-	-	-
Machinery & equipment	59,980	58,759	216	510
Motor vehicles	-	-	-	-
Fixtures & fittings	7,321	6,320	867	2,052
Capital work in progress	-	-	-	-
Computers, servers & printers	104,045	94,502	2,090	4,945
	<b>171,346</b>	<b>159,581</b>	<b>3,173</b>	<b>7,507</b>
				<b>(4,258)</b>
				<b>(1,330,965)</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. INTANGIBLE ASSETS

	Computer software TZS '000	Computer software - WIP TZS '000	Total TZS '000
<b>2017</b>			
<b>Cost</b>			
At 1 July 2016	27,834,615	3,197,997	31,032,612
Additions	370,422	560,210	930,632
Write-off	-	(139,150)	(139,150)
Transfer in/(out)	576,744	(576,744)	-
At 30 June 2017	<b>28,781,781</b>	<b>3,042,313</b>	<b>31,824,094</b>
<b>Accumulated amortisation</b>			
At 1 July 2016	24,454,465	22,691	24,477,156
Charge for the year	1,444,734	-	1,444,734
At 30 June 2017	<b>25,899,199</b>	<b>22,691</b>	<b>25,921,890</b>
<b>Net book value At 30 June 2017</b>	<b>2,882,582</b>	<b>3,019,622</b>	<b>5,902,204</b>
<b>2016</b>			
<b>Cost</b>			
At 1 July 2015	25,778,826	2,797,422	28,576,248
Additions	594,277	1,862,087	2,456,364
Transfer in/(out)	1,461,512	(1,461,512)	-
At 30 June 2016	<b>27,834,615</b>	<b>3,197,997</b>	<b>31,032,612</b>
<b>Accumulated amortisation</b>			
At 1 July 2015	23,079,013	22,691	23,101,704
Charge for the year	1,375,452	-	1,375,452
At 30 June 2016	<b>24,454,465</b>	<b>22,691</b>	<b>24,477,156</b>
<b>Net book value At 30 June 2016</b>	<b>3,380,150</b>	<b>3,175,306</b>	<b>6,555,456</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. CURRENCY IN CIRCULATION

Notes	30.06.2017 TZS '000	30.06.2016 TZS '000
Notes issued	9,151,592,892	7,428,139,356
Less: Notes in Custody	(4,892,599,323)	(3,126,966,936)
Notes in Circulation	<b>4,258,993,569</b>	<b>4,301,172,420</b>
<b>Coins</b>		
Coins issued	148,502,270	122,868,302
Less: Coins in Custody	(52,889,547)	(49,701,180)
Coins in Circulation	<b>95,612,723</b>	<b>73,167,122</b>
<b>Total currency in circulation</b>	<b>4,354,606,292</b>	<b>4,374,339,542</b>

Currency in circulation represents the face value of notes and coins in circulation. Notes and coins held by the Bank as cash in main vault, intermediary vault and cashier/teller at the end of financial year have been deducted from notes and coins issued to reflect actual liability for notes and coins in circulation.

The notes and coins in circulation figure of TZS 4,354,606.3 million (2016: TZS 4,374,339.5 million) includes banknotes that were phased out in 2003 with the face value of TZS 99,386.9 million (2016: TZS 99,386.9 million) still in circulation.

31. DEPOSITS - BANKS AND NON-BANK FINANCIAL INSTITUTIONS

	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Deposits - commercial bank deposits</b>		
Domestic bank deposits/SMR	75,865,633	55,516,185
Domestic Banks Foreign Currency Deposits	2,758,307,034	2,787,246,524
Sub total	<b>2,834,172,667</b>	<b>2,842,762,709</b>
<b>Deposits - Non bank financial institutions</b>		
Clearing	84,668,187	54,483,448
SMR	403,500	403,500
Domestic Non-Banks Foreign Currency Deposits	3,199,802	2,291,105
Sub total	<b>88,271,489</b>	<b>57,178,053</b>
<b>Total deposits</b>	<b>2,922,444,156</b>	<b>2,899,940,762</b>

Domestic deposits include, general purpose deposits, clearing balances and Statutory minimum reserve (SMR). SMR deposits are based on a ratio determined by the Bank to the total deposits of the banks and non-bank financial institution for monetary policy purposes. Banks and non-bank financial institutions are required to hold at the Bank of Tanzania a prescribed percentage of their total deposits as prescribed in circular No.1 issued on 30 April 2015 in accordance with Section 44 of the Bank of Tanzania Act, 2006 and Sections 4 and 71 of the Banking and Financial Institutions Act, 2006.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. DEPOSITS - GOVERNMENTS

	30.06.2017 TZS '000	30.06.2016 TZS '000
<b>Deposits/(overdrawn) - Voted accounts</b>		
URT Government	(1,546,553,483)	(1,191,810,509)
SMZ Government	1,024,043	21,968,298
Sub total	<u>(1,545,529,440)</u>	<u>1,169,842,211</u>
<b>Deposits/(overdrawn) - Unvoted accounts</b>		
URT Government	2,200,874,845	373,282,304
SMZ Government	13,897,447	21,114
Sub total	2,214,772,292	373,303,418
<b>Total URT Government</b>	<b>654,321,362</b>	<b>(818,528,205)</b>
<b>Total SMZ Government</b>	<b>14,921,490</b>	<b>21,989,412</b>
<b>Deposit Governments (Net)</b>	<u><b>669,242,852</b></u>	<u><b>(796,538,793)</b></u>

As at 30 June 2017 the position of the Government of the United Republic of Tanzania (URT) voted accounts were overdrawn by TZS 1,546,553.5 million (2016: TZS 1,191,810.5 million). Pursuant to the provision of Section 34 of the Bank's Act, a total of TZS 157,149.2 million (2016: TZS 161,236.5 million) was charged during the year ended 30 June 2017 as interest on overdrawn Governments position in various periods at the interest rate equal to the average monthly rates charged on treasury bills. Government deposit balances are non-interest earning.

33. DEPOSITS - OTHERS

	30.06.2017 TZS '000	30.06.2016 TZS '000
Deposits-Parastatals United Republic of Tanzania	1,067,982,386	559,013,947
Export Credit Guarantee Fund	1,576,508	2,023,601
Government obligations settlements	44,233,201	30,554,180
Deposit staff	16,481,585	18,987,674
Small and Medium Enterprises Guarantee Fund	518,985	598,279
Deposit Insurance Fund	15,104,113	12,153,896
Miscellaneous deposits*	93,599,754	4,052,772
Mwalimu Julius K Nyerere Memorial Scholarship Fund	48,637	38,856
External Payment Arrears - NBC	2,288,419	2,288,419
Debt Conversion Scheme	2,098,960	2,098,960
Debt Service cash cover	2,643,192	1,778,331
Economic Empowerment Programme	2,019,005	1,372,960
Bank drafts issued	679,335	1,063,458
Redemption of Government Stock/Bonds	4,304,856	110,584
	<u><b>1,253,578,936</b></u>	<u><b>636,135,917</b></u>

\* Included in miscellaneous is TZS 88,680.8 million in respect of Federal Bank of Middle East (FBME) funds transferred from FBME clearing accounts to cater for bank liquidation process.



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 33. DEPOSITS - OTHERS (CONTINUED)

##### Development Finance Guarantee Fund:

	30.06.2017 TZS '000	30.06.2016 TZS '000
Development finance guarantee fund consists of the following:	<b>TZS '000</b>	<b>TZS '000</b>
Capital contribution by the Government	56,500,000	56,500,000
Less: Transfer of loans proceeds to ECGF,SME-CGS	(2,806,830)	(2,416,830)
Net capital contribution	53,693,170	54,083,170
Interest on refinancing and structured loans	15,760,856	15,760,856
Sub Total	69,454,026	69,844,026
Less: Loans issued for refinancing facility	<u>(69,454,026)</u>	<u>(69,844,026)</u>
<b>Net balance</b>	<u>-</u>	<u>-</u>

The Fund was established by the Government of the United Republic of Tanzania with the purpose of financing development projects that manufacture products for export purposes. The Government supports development efforts by business with potential to export their products by providing required guarantee to finance the infrastructure in those businesses.

As at 30 June 2017, Government Capital contribution made in financial years 2002/03 and 2003/04 to the Fund amounted to TZS 56,500.0 million. Interest received and accrued on refinancing and restructured loans aggregated to TZS 15,760.9 million (2016: TZS 15,760.9 million). The total accumulated fund as at 30 June 2017 amounted to TZS 69,454.0 million (2016: TZS 69,844.0 million) which represented the total loans issued for refinancing facilities to flowers and vegetable export companies on the same.

##### **Government Obligations Settlement: TZS 44,233.2 million**

This represents Government cash cover in order to settle outstanding foreign currency obligations. The balance as at 30 June 2017 amounted to TZS 44,233.2 million (2016: TZS 30,554.2 million).





## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 33. DEPOSITS - OTHERS (CONTINUED)

##### **Export Credit Guarantee Fund: TZS 1,576.5 million.**

The balance under this fund consists of the following:

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Export Credit Guarantee Fund	5,157,051	4,891,358
Less: ECGS receivable/ impairment	<u>(6,733,559)</u>	<u>(6,914,959)</u>
	<u><b>(1,576,508)</b></u>	<u><b>(2,023,601)</b></u>

The Export Credit Guarantee Fund (the "Fund") was established by the Government of the United Republic of Tanzania in 2001 under the export credit guarantee scheme, in a bid to promote exports. The Fund provides guarantees to commercial banks to cover risk of default for the loans issued. As at 30 June 2017, the Fund had a net balance of TZS 1,576.5 million (2016: TZS 2,023.6 million). It is a net of Government and the Bank's contributions, accumulated income from investment in treasury bills and guarantee fees and impairments.

##### **Debt Service Cash Cover: TZS 2,643.2 million**

The amount represents URT Government funds deposited with the Bank equivalent to the foreign URT Government obligations and other services awaiting externalisation.

##### **Debt Conversion Scheme: TZS 2,099.0 million.**

These are balances of debt conversion funds that are blocked in the account pending submission of progress reports by beneficiaries in respect of utilisation of previous disbursements, so as to justify further disbursements. The balance has remained at the same level for two years since no report has been received to facilitate disbursements.

##### **Mwalimu Julius K Nyerere Memorial Scholarship Fund: TZS 48.6 million**

Included in Deposit Others, is the Mwalimu Julius K. Nyerere Memorial Scholarship Fund. The Fund was established by the Bank of Tanzania on 12 October 2009 in honour of the life of the Father of the Nation, Mwalimu Julius Kambarage Nyerere. The objective of the Fund is to sponsor best performing students pursuing mathematics, science, accounting, finance and information technology degrees at the University level in Tanzania. As at 30 June 2017, a total of TZS 3,667.8 million (2016: TZS 3,353.1 million) in respect of the Fund's resources had been invested in Government treasury bills and treasury bonds. As a result, the Fund had a balance of TZS 48.6 million (2016: TZS 38.9 million).



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 34. FOREIGN CURRENCY FINANCIAL LIABILITIES

Foreign Currency Financial Liabilities consist of the following:

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Special Projects	875,543,170	729,954,528
Other Foreign Currency Deposits	22,431,296	63,234,285
Multilateral Debt Relief Initiative Fund	20,320,738	19,844,912
Non Paris Club Liabilities Escrow	10,856,450	10,602,238
Central Banks Deposits	1,101,284	1,052,043
Multilateral Agencies	140,674	140,674
	<b><u>930,393,612</u></b>	<b><u>824,828,680</u></b>

#### **Special Projects Funds: TZS 875,543.2 million**

These are United Republic of Tanzania Government funds received from donors for financing various Government projects. The projects are managed and monitored by the Ministry of Finance and Planning or other appointed project implementation agency. As at 30 June 2017, the total balance in respect of Special Project accounts aggregated to TZS 875,543.2 million (2016: TZS 729,954.5 million).

#### **Other Foreign Currency Deposits: TZS 22,431.5 million**

This mainly consists of balance in respect of Vnesheconombank Moscow Russia (TZS 14,900.7 million) Spread Reduction Account (TZS 1,631.1 million) and transfers of GBP foreign banks (TZS 44,138.4 million). As at 30 June 2017, the balance was TZS 22,431.3 million (2016: TZS 63,234.3 million).

#### **Non Paris Club Liabilities Escrow: TZS 10,856.5 million**

This account represent funds deposited by the United Republic of Tanzania Government under memorandum of economic and financial policies arrangement pending agreement with the relevant group of non-Paris creditors. As at 30 June 2017, the account had a balance of TZS 10,856.5 million (2016: TZS 10,602.2 million).

#### **Multilateral Debt Relief Initiative Funds: TZS 20,320.7 million**

Multilateral debt initiative funds relate to debt relief relating to cancellation of Government of the United Republic of Tanzania indebtedness to the IMF under the IMF-Multilateral Debt Relief Initiative (MDRI). As at 30 June 2017, the fund had a balance amounting to TZS 20,320.7 million (2016: TZS 19,844.9 million).

#### **Central Banks Deposits: TZS 1,101.3 million**

These are funds deposited by the Bank of Uganda and Reserve Bank of Rwanda to accommodate clearing of transactions in their respective currencies i.e. UGX and RWF. As at 30 June 2017, the accounts had a balance of TZS 1,101.3 million (2016: TZS 1,052.0 million)

#### **Multilateral Agencies: TZS 140.7 million**

These consists mainly of funds disbursed by the International Development Agency (IDA) to finance various economic operations. As at 30 June 2017, such balances amounted to TZS 140.7 million (2016: TZS 140.7 million).



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. POVERTY REDUCTION AND GROWTH FACILITY (PRGF)

	30.06.2017 TZS '000	30.06.2016 TZS '000
IMF Drawings	<u>502,201,325</u>	<u>653,398,418</u>

This relates to funds disbursed by International Monetary Fund (IMF) to the Bank on behalf of the Government to support balance of payments. Repayment of these funds to IMF is effected in line with IMF repayment schedule. The funds attracts charges, which are paid on quarterly basis and borne by the Bank.

The Government of United Republic of Tanzania (URT) has entered into an Exogenous Shocks Facility - (ESF) arrangement with the IMF for SDR 218.79 million (USD 318.17 million) on 29 May 2009. Following approval, the Bank had on 12 June 2009 received a total of SDR 159.1 million (USD 245.8 million) equivalent to TZS 318,195.1 million being the first tranche. The Bank further received SDR 39.8 million (USD 63.4 million) equivalent to TZS 83,288.1 million and SDR 19.9 million (USD 29.0 million) equivalent to TZS 40,200.3 million on 10 December 2009 and 14 June 2010 respectively. The first tranche is repayable in ten years, including five and half year's grace period, payable semi-annually in ten equal instalments on 14 December and 14 June beginning 14 December 2014. The loan carry an interest of 0.5 percent per annum payable semi-annually beginning 14 December 2009. On 20 February 2013, the Government received a loan facility of SDR 74.6 million equivalent to TZS 181,472.8 million.

As at 30 June 2017, the balance of PRGF account was TZS 502,201.3 million (2016: TZS 653,398.4 million).

36. BOT LIQUIDITY PAPERS

	30.06.2017 TZS '000	30.06.2016 TZS '000
BOT liquidity papers	563,621,088	93,909,290
Accrued interest	24,691,450	3,129,566
	<u>588,312,538</u>	<u>97,038,856</u>

As at 30 June 2017 the maturities profile of BOT Liquidity Papers held to maturity were as follows:

35-Day Treasury Bills	27,969,215	-
91-Day Treasury Bills	23,788,054	1,279,095
182-Day Treasury Bills	334,969,173	11,068,812
364-Day Treasury Bills	176,894,646	81,561,382
	<u>563,621,088</u>	<u>93,909,289</u>

These are financial instruments issued by the Bank under the open market operations to manage liquidity levels in the economy. They are issued in 35-day, 91-day, 182-day and 364-day maturities. Interest incurred on these instruments is accrued and recognised in profit and loss account as interest expenses.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. PROVISIONS

	30.06.2017 TZS '000	30.06.2016 TZS '000
Provision for leave pay	<u>5,999,009</u>	<u>5,736,569</u>

Relates to the estimated monetary liability for employees' earned but not taken leave entitlement at the end of the reporting period. The maximum allowance for number of leaves days accumulated is 56 days. Only leave falling under this period are accumulated. The movements between the two periods are recognised in the profit and loss accounts.

<i>Movement in provisions</i>	30.06.2017 TZS '000	30.06.2016 TZS '000
<i>Leave pay</i>		
Carrying amount at the beginning of the year	5,736,569	5,514,291
Increase in provision	262,440	222,278
<b>Carrying amount at the end of the year</b>	<u><b>5,999,009</b></u>	<u><b>5,736,569</b></u>

38. OTHER LIABILITIES

Accounts payable	85,609,871	114,067,834
Stale draft payables	108,330	105,221
Other employee cost payable	480,657	561,523
Sundry payables	<u>5,974,962</u>	<u>16,146,762</u>
	<u><b>92,173,820</b></u>	<u><b>130,881,340</b></u>

39. AUTHORISED AND PAID UP SHARE CAPITAL

Authorised and paid up share capital	<u>100,000,000</u>	<u>100,000,000</u>
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The Authorised and paid up capital of the Bank is determined in accordance with Section 17(i) of the Bank of Tanzania Act, 2006.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40. RESERVES

	30.06.2017 TZS '000	30.06.2016 TZS '000
a. General Reserve	399,156,998	376,286,560
b. Capital Reserve	99,262,908	99,262,908
c. Equalisation Reserve	309,137,314	727,746,713
d. Reserve for Projects	210,000,000	210,000,000
e. Staff Housing Fund	112,825,313	99,445,805
f. Assets Revaluation Reserve	260,246,143	260,246,143
g. Foreign Exchange Revaluation Reserve	470,905,278	181,892,631
h. Securities Revaluation Reserve	29,728,482	10,531,659
i. Financial Sector Development Fund	36,793,285	32,454,978
j. Reserve for Dividends	300,000,000	300,000,000
k. Defined Benefit Reserves	(5,920,314)	7,562,690
	<u>2,222,135,407</u>	<u>2,305,430,087</u>

(a) General Reserve

In accordance with Section 18(1) of the Bank of Tanzania Act, 2006, the Bank is required to maintain a General Reserve Fund. The amount maintained in this account relates to annual appropriation of distributable profits determined by virtue of Section 18(2) of the aforesaid Act. The Act requires the Bank to transfer to the General Reserve Fund twenty five percent of the net profits until such time that the total capital of the Bank reach a sum equivalent to at least ten per centum of the total assets of the Bank less its assets in gold and foreign currencies. Thereafter, the Bank transfers not less than ten percent of profits to the General Reserve Fund. As at 30 June 2017 the reserve had a balance of TZS 399,157.0 million (2016: TZS 376,286.6 million).

(b) Capital Reserve

The Capital Reserve was established on 30 June 2002. On an annual basis the amount spent to finance capital projects from the Reserve for Projects account is transferred to this reserve. The reserve is permanent in nature and can only be available for enhancement of share capital when need arises. As at 30 June 2017, the reserve had the same balance as it was on 30 June 2016 of TZS 99,262.9 million.

(c) Equalisation Reserve

The reserve was established on 30 June 2006 as foreign exchange equalisation reserve and amended on 30 June 2015 to include cushion for future losses on fair value movements on securities. The reserve acts as a cushion against any significant future losses, which may arise from significant appreciation of Tanzanian Shilling compared to other international currencies, and unfavourable movement in market prices of financial instruments measured at fair value. The reserve is also available to absorb unrealised losses that cannot be absorbed by the opening balances in that account.

The justification for the establishment of the aforesaid reserve as part of the equity of the Bank centres on the requirement of the Bank, among other business entities requiring management to ensure preservation of capital, in terms of mitigating risks that can cause capital impairment or impairment of the entity's assets. As at 30 June 2016, the reserve had a balance of TZS 309,137.3 million (2016: TZS 727,746.7 million).



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 40. RESERVES (CONTINUED)

##### (d) Reserve for Projects

This reserve was established by a resolution of the Bank's Board of Directors on 30 June 1992. The purpose of the reserve is to provide funds for financing major capital projects of the Bank. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. The Board considered the balance available in this account as at 30 June 2016 to be adequate to meet current and future projects. As at 30 June 2017 the reserve had a balance of TZS 210,000.0 million (2016: TZS 210,000.0 million).

##### (e) Staff Housing Fund

The Staff Housing Fund was established by a resolution of the Board of Directors on 30 June 1990. The purpose of this fund is to finance housing loans to Bank's employees. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. As at 30 June 2017, the fund had a balance of TZS 112,825.3 million (2016: TZS 99,445.8 million). The increase during the year was on account of interest earned from fund's investments and appropriation of TZS 10,000.0 million from distributable profits.

##### (f) Assets Revaluation Reserve

The Bank maintains Assets Revaluation Reserve to account for revaluation surpluses or deficits. To ensure compliance with requirement of International Accounting Standard (IAS 16), Property, Plant and Equipment if an asset-carrying amount increases as a result of revaluation, the increase is credited directly to other comprehensive income. However, this amount is not available for distribution. Accordingly, it is retained in the asset revaluation reserve. If an asset's carrying amount decreases on account of revaluation, the decrease is recognised in profit or loss to the extent that it exceeds credit balance existing in the asset revaluation reserve in respect of that asset. As at 30 June 2017, the reserve had a balance of TZS 260,246.1 million (2016: TZS 260,246.1 million).

##### (g) Financial Sector Development Fund.

This is a Fund established by the Board on 30 June 2016 pursuant to Section 18(1) (d) of the Bank of Tanzania Act, 2006 to foster execution of the Bank's mandate on financial sector development. The fund complements donor funds directed towards financial sector reforms. As at 30 June 2017, the fund had TZS 36,793.3 million (2016: TZS 32,455.0 million). The increase is on account of interest income earned from the Fund's investments.

##### (h) Securities Revaluation Reserve

The Bank maintains Securities Revaluation Reserve to account for unrealised gains and losses arising from changes in fair value of financial instruments measured at fair value. As at 30 June 2017, the reserve had a total balance of TZS 29,728.5 million (2016: TZS 10,531.7 million).

##### (i) Foreign Exchange Revaluation Reserve

In accordance with Section 18(4) of the Bank of Tanzania Act, 2006, unrealised gains or losses on foreign exchange are transferred to this reserve account. In accounting for unrealised gains or losses the Bank complies with the requirements of both IFRS and the Bank of Tanzania Act (2006). Pursuant to the requirements of the International Accounting Standard (IAS – 21) the Effects of Changes in Foreign Exchange Rates, all realised and unrealised foreign exchange valuations should be taken to the profit or loss. As at 30 June 2016, the reserve had a total balance of TZS 470,905.3 million (2016: TZS 181,892.6 million).



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 40. RESERVES (CONTINUED)

##### (i) Foreign Exchange Revaluation Reserve (continued)

Both realised and unrealised gains and losses are therefore taken to profit or loss for purposes of computation of profit or loss for the year. Until such gains or losses are realised, they are not available for distribution; in the interim, the unrealised amounts are reflected in the Foreign Exchange Revaluation Reserve. The separation of realised from unrealised exchange gains and losses is done by use of an “inventory accounting for foreign exchange net assets and liabilities”.

##### (j) Reserve for Dividend

This reserve accommodates the amount declared as dividend payable to the Governments after end of the accounting period. During the year ended 30 June 2017, the Bank declared dividend of TZS 300,000.00 million. As at 30 June 2017, the reserve had a balance of TZS 300,000.0 million (2016: TZS 300,000.0 million).

##### (k) Defined Benefit Reserve

This reserve was established in June 2013 in order to accommodate re-measurements arising from change in actuarial assumptions to ensure compliance with International Accounting Standard (IAS 19 as revised in 2011)- Employee Benefits. During the year ended 30 June 2017 an actuarial loss of TZS 13,483,000.0 million was recorded following revision of actuarial assumptions. As at 30 June 2017, the reserve had a loss balance of TZS 5,920.3 million as compared to a gain of TZS 7,562.7 million in 2016.

#### 41. CASH GENERATED FROM/ USED IN OPERATING ACTIVITIES

	30.06.2017 TZS '000	30.06.2016 TZS '000
Total comprehensive income	<b>228,704,378</b>	<b>621,899,644</b>
Adjustment for:		
Depreciation of property and equipment	21,544,964	19,096,238
Amortisation of intangible assets	1,444,734	1,375,452
Net loss on disposal of property and equipment	4,258	1,330,965
Unrealised foreign exchange revaluation gains (note 7)	(119,665,106)	(87,717,317)
Fixed assets revaluation gain	-	-
Write off	139,150	-
Provision/(reversal) for impairment	15,000	(97,206)
Actuarial valuation loss (note 45)	(13,483,000)	-
	<b>118,704,378</b>	<b>555,887,776</b>
<b>Changes in working capital</b>		
Increase in escrow assets	(254,212)	(994,816)
Increase in items in course of settlement	(49,424,050)	(1,176,525)
Increase in items in advances to Government	(354,742,974)	(748,574,438)
(Increase)/decrease in loans and receivables	(231,366,690)	246,770,782
(Increase)/decrease in inventories	(631,076)	2,683,397
Increase in deferred currency costs	(14,192,662)	(22,939,592)
Decrease/(increase) in other assets	591,215,477	(568,795,834)
Increase in deposits	2,460,471,032	352,120,218
(Decrease)/increase in other liabilities and provisions	(47,474,132)	66,368,175
Net changes in working capital	<b>2,353,600,713</b>	<b>(674,538,633)</b>
<b>Cash generated from/(used in) operations</b>	<b><u>2,472,305,091</u></b>	<b><u>(118,650,857)</u></b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT

##### 42.1 Introduction

The Bank has adopted a Corporate Risk Management Framework (“CRM”) supported by policy and guideline to direct risk management process. CRM serves to ensure that all risks inherent in the operations are effectively managed, so that the Bank can in turn attain its strategic goals and objectives.

While fulfilling its legal obligations, such as implementing monetary and exchange rate policies, managing foreign exchange reserves and rendering banking services to the banking sector and the Government of the United Republic of Tanzania, The Bank is exposed to most of financial risks (market, credit and liquidity).

Bank’s activities necessitate the use of financial instruments which include both assets and liabilities. The instruments related to assets comprise of; foreign exchange deposits, foreign currency marketable securities, holding of special drawing rights (SDR), equity investments and Government securities. The Bank holds foreign exchange reserves for the purposes of servicing foreign debts and other Government obligations as a fiscal agent of the Government of the United Republic of Tanzania, and for servicing its own foreign exchange obligations. The Bank also holds foreign exchange reserves for implementation of monetary and exchange rate policies and providing confidence to the financial markets. In view of the Bank’s priorities of safety, liquidity and return, as stipulated by the Bank of Tanzania Act, 2006, the Bank with a prudent approach, subjects its foreign exchange reserves to investments in international markets.

The liabilities instruments include; currency in circulation, bank deposits from financial institutions and the Governments and IMF related liabilities. It also accepts or places short-term funds/securities through open market operations in order to achieve the reserve target and influence the short-term interest rates; the primary tool of monetary policy to establish price stability.

The financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Bank.

The Bank’s risks are measured to reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on quantitative factors. The quantitative factors use models which make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

The financial risk is analysed and reported on timely basis. This information is presented to the investment management committee, management risk committee, management and finance and investment committee of the Board. As part of its financial risk management, the Bank uses various limits specified in the policies and guidelines to manage exposures to various risks.





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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.2 Risk management structure

Risk management is integral to all aspects of the Bank's activities and is generally the responsibility of all employees. Heads of business units have a particular responsibility to evaluate their risk environment, to put in place appropriate controls and monitor the effectiveness of these controls. The Bank identifies, assesses and manages risk at both Corporate ('top-down') and business ('bottom-up') level. Controls put in place to manage the Bank's risk environment are carefully assessed to ensure they are well developed and implemented effectively. The role of each stakeholder is summarised below:

##### (a) Board of Directors

The Board of Directors is responsible for:

- Overall oversight authority of corporate risk management in the Bank;
- Approving the Corporate Risk Management framework, policy, guide, benchmarks, tolerance limits, risk appetite and key risk indicators; and
- Providing sufficient resources to support risk management function.

##### (b) Finance and Investment Committee of the Board

The Finance and Investment Committee of the Board is responsible for:

- Reviewing and recommending approval of the Corporate Risk Profile, associated mitigation strategies and other reports on Risk Management;
- Assisting the Board in reviewing implementation reports of risk management initiatives in the Bank;
- Advising the Board on all Risk Management undertakings in the Bank; and
- Giving directives to Management on issues related to Risk management.

##### (c) Management

The Management is responsible for:

- Establishing, implementing and maintaining risk management system in accordance with the Corporate Risk Management and Investment Management Policies;
- Formulating the framework, policy and recommending the risk limits and tolerance; and
- Reporting to the Finance and Investment Committee of the Board on implementation process of the policy.

##### (d) Management risk committee (MRC)

It is responsible for:

- Guiding Management on issues related to risk management;
- Recommending approval of corporate risk profile to the Management;
- Reviewing risk mitigation plans and recommend for approval to Management Reviewing; and
- Recommending periodical risk management reports to Management.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.2 Risk management structure

###### (e) Risk Management Function

Risk Management function is responsible for:

- Coordinating the implementation of CRM Policy and related framework;
- Facilitating and coordinating periodic assessment of risks programmes;
- Maintaining corporate risk register and Coordinating corporate risk profile reviews;
- Promoting risk management culture to employees;
- Providing Management with risk related reports;
- Maintaining incident register and disseminate information to relevant risk owners;
- Communicating changes to all stakeholders;
- Administering and Custodian of the policy; and
- Consolidating proposals of benchmarks, risk appetite, tolerance limits, and submit to MRC for review and subsequently to the Board for approval.

###### (f) Internal audit function

The Internal Audit function is responsible for providing an independent evaluation of risk management; implementation and reviewing corporate risk profile.

##### 42.3 Financial risks

###### (a) Credit risk

In its financial operations, the Bank is exposed to credit risk, defined as the probability of a complete or partial failure of a counterpart to fulfil its obligations arising from a financial transaction. Credit risk basically originates from the open market operations carried out in order to provide short term liquidity to banks within the framework of monetary policy implementation and from the investments made during foreign exchange reserve management.

Although the credit risk faced during the implementation of monetary policy is an inevitable risk, such risks are managed by securing the entire transaction amount, also including a certain margin by assets that have high credit quality and are tradable in the secondary markets.

The management of the credit risk that the Bank is exposed to in the foreign exchange reserve management is based on the principal of minimizing default probabilities of the counter parties and the financial loss in case of default. The Bank confines its investment to leading international financial institutions and debtors that meet the minimum rating criteria specified in the Investment Policy based on credit ratings given by the International Credit Rating Agencies. The specified minimum rating criteria depends on whether the investment is short or long term in nature.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

###### (a) Credit risk (continued)

Accordingly, for short term investments, the Bank takes on exposure to issuers/issues having at least F2, A-2 and P-2 according to Fitch, Standard and Poor's (S&P) and Moody's with a maturity up to one year. The Bank can also invest in securities issued or directly guaranteed by foreign governments and Supranational which have a long-term rating of at least 'A' according to the above stated credit rating agencies. The average maturity of the long term investments is guided by the Investment Guidelines which is reviewed and approved by the Investment Committee once a year. By settling this overall credit risk limit within the scope of Investment Guidelines, the Bank aims to prevent credit risk from exceeding its risk tolerance.

The institutions eligible for transactions are chosen among those institutions meeting the minimum credit rating limitation set in the guidelines. In all transactions executed with these institutions, credit risk exposure amounts that are calculated on the basis of transactions type are immediately reflected on their limits, and the use of these limits are regularly monitored and reported.

Overall, the credit risk assumed during reserve management operations remain at quite low levels as a great portion of reserves are invested in assets issued or directly guaranteed by the respective governments as well as by supranational institutions such as the World Bank, the European Investment Bank and Bank for International Settlements.

Total assets of the Bank exposed to credit risk as of 30 June 2017 and 30 June 2016 are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's).



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(a) Credit risk (continued)

Description	30.06.2017		30.06.2016	
	TZS '000	Share (%)	TZS '000	Share (%)
<b>Central Banks</b>				
AAA	689,481,207	4.38%	490,062,226	3.77%
Foreign Commercial Banks				
F1+	4,206,864,464	26.71%	2,340,650,373	18.03%
Escrow accounts				
AA	10,856,450	0.07%	10,602,238	0.08%
Items in course of settlement:				
NR	51,823,613	0.33%	2,399,563	0.02%
Loans, receivables & advances to the government				
NR	1,920,630,193	12.19%	1,334,520,529	10.28%
Investment in securities				
Marketable securities				
AAA	4,795,181,170		4,406,288,633	
AA+	77,954,419		297,155,376	
AA	764,082,675		511,167,816	
AA-	101,464,817		5,987,227	
A+	269,166,262		150,151,851	
Equity investments				
NR	29,189,495	0.19%	26,450,665	0.20%
Government securities				
NR	1,492,306,664	9.47%	1,490,568,528	11.48%
Other assets (excluding prepayments)				
NR	79,750,874	0.51%	648,742,883	5.00%
Holdings of Special Drawing Rights (SDRs)				
NR	29,043,708	0.18%	55,835,295	0.43%
Quota in International Monetary Fund (IMF)				
NR	1,234,836,479	7.84%	1,212,378,799	9.34%
	<b>15,752,632,490</b>	<b>100.00%</b>	<b>12,982,962,002</b>	<b>100.00%</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(a) Credit risk (Continued)

The sectoral classification of the Bank's credit exposure as at 30 June 2017 is as follows:

Details	Foreign Country Treasury TZS '000	Supranational Institutions TZS '000	Domestic Financial Institutions TZS '000	Foreign Financial Institutions TZS '000	Government Guaranteed Agencies TZS '000	Tanzania Treasury TZS '000	Total TZS '000
<b>2017</b>							
<b>Central Banks, Foreign Commercial Banks and Escrow accounts</b>							
Central Banks	688,720,134	-	-	-	-	5,761,073	689,481,207
Commercial Banks	-	-	4,206,864,464	-	-	-	4,206,864,464
Escrow accounts	-	-	-	10,856,450	-	-	10,856,450
<b>Investment in securities</b>							
Foreign Currency Marketable securities	5,717,579,163	166,315,573	-	18,112,668	105,841,939	-	6,007,849,343
Equity investments	-	-	-	29,189,495	-	-	29,189,495
Government securities	-	-	-	-	-	1,492,306,664	1,492,306,664
<b>Others</b>							
Items in course of settlement	-	-	51,823,613	-	-	-	51,823,613
Loans, receivables and advances	-	-	374,076,710	-	-	1,546,553,483	1,920,630,193
Other assets (excluding prepayments)	-	-	-	-	-	79,750,874	79,750,874
Holdings of Special Drawing Rights (SDRs)	-	29,043,708	-	-	-	-	29,043,708
Quota in International Monetary Fund (IMF)	-	1,234,836,479	-	-	-	-	1,234,836,479
	<b>6,401,299,297</b>	<b>1,430,195,760</b>	<b>425,900,323</b>	<b>4,265,023,077</b>	<b>105,841,939</b>	<b>3,124,372,094</b>	<b>15,752,632,490</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(a) Credit risk (Continued)

The sectoral classification of the Bank's credit exposure as at 30 June 2016 is as follows:

Details	Foreign Country Treasury TZS '000	Supranational Institutions TZS '000	Domestic Financial Institutions TZS '000	Foreign Financial Institutions TZS '000	Government Guaranteed Agencies TZS '000	Tanzania Treasury TZS '000	Total TZS '000
<b>Central Banks, Foreign Commercial Banks and Escrow accounts</b>							
Central Banks	485,548,955	-	-	-	-	4,513,271	490,062,226
Commercial Banks	-	-	-	2,340,650,373	-	-	2,340,650,373
Escrow accounts	-	-	-	10,602,238	-	-	10,602,238
<b>Investment in securities</b>							
Foreign Currency Marketable securities	5,037,992,192	221,881,669	-	11,227,667	99,649,375	-	5,370,750,903
Equity investments	-	-	-	26,450,665	-	-	26,450,665
Government securities	-	-	-	-	-	1,490,568,528	1,490,568,528
<b>Others</b>							
Items in course of settlement	-	-	2,399,563	-	-	-	2,399,563
Loans, receivables and advances	-	-	142,710,020	-	-	1,191,810,509	1,334,520,529
Other assets (excluding prepayments)	-	-	-	-	-	648,742,883	648,742,883
Holdings of Special Drawing Rights (SDRs)	-	55,835,295	-	-	-	-	55,835,295
Quota in International Monetary Fund (IMF)	-	1,212,378,799	-	-	-	-	1,212,378,799
	<b>5,523,541,147</b>	<b>1,490,095,763</b>	<b>145,109,583</b>	<b>2,388,930,943</b>	<b>99,649,375</b>	<b>3,335,635,191</b>	<b>12,982,962,002</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

##### (a) Credit risk (Continued)

Geographical analysis of concentrations of assets and liability of the Bank as at 30 June 2017 is as follows:

Details 2017	Tanzania TZS '000	USA TZS '000	UK TZS '000	Other European Countries TZS '000	Other Countries TZS '000	Total TZS '000
<b>Assets</b>						
Cash and balances with central banks & other banks	5,796,539	818,821,035	466,722,942	3,527,255,796	77,749,359	4,896,345,671
Escrow accounts	-	-	10,856,450	-	-	10,856,450
Items in course of settlement	51,823,613	-	-	-	-	51,823,613
Holdings of Special Drawing Rights (SDRs)	-	29,043,708	-	-	-	29,043,708
Quota in International Monetary Fund (IMF)	-	1,234,836,479	-	-	-	1,234,836,479
Foreign currency marketable securities	-	4,164,469,851	405,906,404	792,999,902	644,473,186	6,007,849,343
Equity investment	-	-	-	736,604	28,452,891	29,189,495
Government securities	1,492,306,664	-	-	-	-	1,492,306,664
Advances to the Government	1,546,553,483	-	-	-	-	1,546,553,483
Loans and receivables	374,076,710	-	-	-	-	374,076,710
Other assets (excluding prepayments)	79,750,874	-	-	-	-	79,750,874
<b>Total assets</b>	<b>3,550,307,883</b>	<b>6,247,171,073</b>	<b>883,485,796</b>	<b>4,320,992,302</b>	<b>750,675,436</b>	<b>15,752,632,490</b>
<b>Liabilities</b>						
Currency in circulation	4,354,606,292	-	-	-	-	4,354,606,292
Deposits - banks and non-banks financial institutions	2,922,444,156	-	-	-	-	2,922,444,156
Deposits - Government	2,215,796,335	-	-	-	-	2,215,796,335
Deposits - others	1,253,578,936	-	-	-	-	1,253,578,936
Foreign currency financial liabilities	930,393,612	-	-	-	-	930,393,612
Poverty deduction and growth facility	-	502,201,325	-	-	-	502,201,325
BoT liquidity papers	588,312,538	-	-	-	-	588,312,538
Other liabilities	92,173,820	-	-	-	-	92,173,820
IMF related liabilities	1,049,439,846	-	-	-	-	1,049,439,846
Allocation of Special Drawing Rights (SDRs)	-	591,378,689	-	-	-	591,378,689
<b>Total liabilities</b>	<b>13,406,745,535</b>	<b>1,093,580,014</b>	-	-	-	<b>14,500,325,549</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(a) Credit risk (continued)

Geographical analysis of concentrations of assets and liability of the Bank as at 30 June 2016 is as follows:

Details	Tanzania TZS '000	USA TZS '000	UK TZS '000	Other European Countries TZS '000	Other Countries TZS '000	Total TZS '000
<b>Assets</b>						
Cash and balances with central banks and other banks	4,513,271	1,295,113,369	248,977,713	1,161,660,281	120,447,965	2,830,712,599
Escrow accounts	-	-	10,602,238	-	-	10,602,238
Items in course of settlement	2,399,563	-	-	-	-	2,399,563
Holdings of Special Drawing Rights (SDRs)	-	55,835,295	-	-	-	55,835,295
Quota in International Monetary Fund (IMF)	-	1,212,378,799	-	-	-	1,212,378,799
Foreign currency marketable securities	-	3,454,331,610	415,952,221	934,584,878	565,882,194	5,370,750,903
Equity investment	-	-	-	645,095	25,805,570	26,450,665
Government securities	1,490,568,528	-	-	-	-	1,490,568,528
Advances to the Government	1,191,810,509	-	-	-	-	1,191,810,509
Loans and receivables	142,710,020	-	-	-	-	142,710,020
Other assets (excluding prepayments)	648,742,883	-	-	-	-	648,742,883
<b>Total assets</b>	<b>3,480,744,774</b>	<b>6,017,659,073</b>	<b>675,532,172</b>	<b>2,096,890,254</b>	<b>712,135,729</b>	<b>12,982,962,002</b>
<b>Liabilities</b>						
Currency in circulation	4,374,339,542	-	-	-	-	4,374,339,542
Deposits - banks and non-banks financial institutions	2,899,940,762	-	-	-	-	2,899,940,762
Deposits - Government	395,271,716	-	-	-	-	395,271,716
Deposits - others	636,135,917	-	-	-	-	636,135,917
Foreign currency financial liabilities	2,899,940,762	-	-	-	-	2,899,940,762
Poverty deduction and growth facility	-	653,398,418	-	-	-	653,398,418
BoT liquidity papers	97,038,856	-	-	-	-	97,038,856
Other liabilities	130,881,340	-	-	-	-	130,881,340
IMF related liabilities	-	1,030,358,192	-	-	-	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	-	580,623,424	-	-	-	580,623,424
<b>Total liabilities</b>	<b>11,433,548,895</b>	<b>2,264,380,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,697,928,929</b>





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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(b) Credit quality per class of financial assets

The credit quality per class of financial assets is managed by the Bank using internal ratings. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Bank's credit rating system. The amount presented is gross of impairment allowances.

Details	Neither past due nor impaired TZS '000	Past due but not impaired TZS '000	Individually impaired TZS '000	Total TZS '000
<b>30.06.2017</b>				
Cash and cash equivalents	4,896,345,671	-	-	4,896,345,671
Escrow accounts	10,856,450	-	-	10,856,450
Items in course of settlement	51,823,613	-	-	51,823,613
Foreign currency marketable securities	6,007,849,343	-	-	6,007,849,343
Equity investments	29,189,495	-	-	29,189,495
Government securities	1,492,306,664	-	-	1,492,306,664
Loans, receivables and advances	1,919,069,074	1,561,119	11,848,041	1,932,478,234
Other assets (excluding prepayments)	79,750,874	-	-	79,750,874
Holdings of Special Drawing Rights (SDRs)	29,043,708	-	-	29,043,708
Quota in International Monetary Fund	1,234,836,479	-	-	1,234,836,479
	<b>15,751,071,371</b>	<b>1,561,119</b>	<b>11,848,041</b>	<b>15,764,480,531</b>
<b>30.06.2016</b>				
Cash and cash equivalents	2,830,712,599	-	-	2,830,712,599
Escrow accounts	10,602,238	-	-	10,602,238
Items in course of settlement	2,399,563	-	-	2,399,563
Foreign currency marketable securities	5,370,750,903	-	-	5,370,750,903
Equity investments	26,450,665	-	-	26,450,665
Government securities	1,490,568,528	-	-	1,490,568,528
Loans, receivables and advances	1,333,573,968	946,561	11,001,283	1,345,521,812
Other assets (excluding prepayments)	648,742,883	-	-	648,742,883
Holdings of Special Drawing Rights (SDRs)	55,835,295	-	-	55,835,295
Quota in International Monetary Fund	1,212,378,799	-	-	1,212,378,799
	<b>12,982,015,441</b>	<b>946,561</b>	<b>11,001,283</b>	<b>12,993,963,285</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

##### (b) Credit quality per class of financial assets (continued)

Details	Total TZS '000	Neither	< 30	31 - 60	61 - 90	91 - 120	> 120 days TZS '000
		past due nor impaired TZS '000	days TZS '000	days TZS '000	days TZS '000	days TZS '000	
2017	1,932,478,234	1,919,069,074	76,473	390,246	-	74,134	12,868,307
2016	1,345,521,812	1,333,573,968	530,319	1,916	1,833	1,705	11,412,071

Details on provision for impairment losses on loans and receivables have been provided under **Note 24**. The Bank does not hold collateral for financial liabilities pledged as security.

Individually assessed allowances:

The Bank determines the allowances appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficult has arisen, projected receipts and the expected pay-out should bankruptcy ensure, the availability of other financial support, the realisable value of collateral and timing of the expected cash flows. Impairment allowances are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

	30.06.2017 Gross Maximum Exposure TZS '000	30.06.2016 Gross Maximum Exposure TZS '000
Cash and cash equivalents	4,896,345,671	2,826,199,328
Escrow accounts	10,856,450	10,602,238
Items in the course of settlements	51,823,613	2,399,563
Foreign currency marketable securities	6,007,849,343	5,370,750,903
Equity investments	29,189,495	26,450,665
Government securities	1,492,306,664	1,490,568,528
Loans, receivables and advances	1,920,630,193	1,334,520,529
Other assets (Excluding prepayments)	79,750,874	648,742,883
Holdings of Special Drawing Rights (SDRs)	29,043,708	55,835,295
Quota in International Monetary Fund	1,234,836,479	1,212,378,799



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

##### (b) Credit quality per class of financial assets (continued)

The Bank's maximum exposure to credit risk for each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet. The maximum exposure to credit risk for derivatives at the reporting date is detailed below. Unlike futures, swaps will be settled on gross terms but recorded on net basis. The net values of derivatives are as follows

	<b>Asset TZS '000</b>	<b>Liability TZS '000</b>
<b>2017</b>		
Futures	441,257	-
Swaps	1,577,047	-
<b>2016</b>		
Futures	-	890,928
Swaps	205,434	-

##### (c) Liquidity risk

This arises from inability of the Bank to meet its own foreign exchange and government obligations without incurring huge price concession.

Due to its nature of business (externalisation of the government obligations), a huge amount of expected foreign cash flows is not reflected in the Statement of Financial Position. As a result, assets-liabilities management may not be effective. Thus to manage this risk, the Bank divides its foreign exchange reserves into Liquidity, Investment and Stable tranches. The liquidity tranche is intended to meet both anticipated and unanticipated monthly cash outflows requirements thus matching both on and off Statement of Financial Position foreign assets and liabilities. The tranche is monitored on a daily basis. It is comprised of highly liquid short term financial instruments.

The table below analyses the assets and liabilities of the Bank into relevant maturity based on the remaining period at Statement of Financial Position date to contractual maturity date.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(c) Liquidity risk (continued)

By contractual maturity analysis of financial instruments

Details	Up to 1 Month TZS '000	From 1 to 3 Months TZS '000	From 3 to 12 Months TZS '000	From 1 to 5 Years TZS '000	Over 5 Years TZS '000	Total TZS '000
<b>Assets</b>						
Cash and balances with central banks & other banks	2,996,856,953	1,899,488,718	-	-	-	4,896,345,671
Escrow accounts	-	-	-	-	10,856,450	10,856,450
Items in course of settlement	51,823,613	-	-	-	-	51,823,613
Holdings of Special Drawing Rights (SDRs)	-	-	-	-	29,043,708	29,043,708
Quota in International Monetary Fund (IMF)	-	-	-	-	1,234,836,479	1,234,836,479
Foreign currency marketable securities	125,706,739	261,716,982	962,974,420	4,657,451,202	-	6,007,849,343
Equity investment	-	-	-	-	29,189,495	29,189,495
Government securities	24,118,385	-	1,929	51,974,974	1,416,211,376	1,492,306,664
Advance to the Government	-	-	1,546,553,483	-	-	1,546,553,483
Loans and receivables	38,634,090	22,198,890	209,341,353	54,621,497	49,280,880	374,076,710
Other assets (excluding prepayments)	12,351,821	-	34,878,932	32,520,121	-	79,750,874
<b>Total assets</b>	<b>3,249,491,601</b>	<b>2,183,404,590</b>	<b>2,753,750,117</b>	<b>4,796,567,794</b>	<b>2,769,418,388</b>	<b>15,752,632,490</b>
<b>Liabilities</b>						
Currency in circulation	4,354,606,292	-	-	-	-	4,354,606,292
Deposit - banks and non-banks financial institutions	2,922,444,156	-	-	-	-	2,922,444,156
Deposits - Governments	2,215,796,335	-	-	-	-	2,215,796,335
Deposit others	1,253,578,936	-	-	-	-	1,253,578,936
Foreign currency financial liabilities	930,393,612	-	-	-	-	930,393,612
Poverty Reduction and Growth Facility	-	26,519,355	164,059,421	278,391,139	35,828,889	504,798,804
BOT liquidity papers	28,115,910	24,174,260	536,022,368	-	-	588,312,538
Other liabilities	64,766,996	1,206	-	27,405,618	-	92,173,820
IMF Related Liabilities	-	-	-	1,049,439,846	-	1,049,439,846
Allocation of Special Drawing Rights (SDRs)	-	-	-	591,378,689	-	591,378,689
<b>Total liabilities</b>	<b>11,769,702,237</b>	<b>50,694,821</b>	<b>700,081,789</b>	<b>1,946,615,292</b>	<b>35,828,889</b>	<b>14,502,923,028</b>
<b>Net liquidity gap</b>	<b>(8,520,210,636)</b>	<b>2,132,709,769</b>	<b>2,053,668,328</b>	<b>2,849,952,502</b>	<b>2,733,589,499</b>	<b>1,249,709,462</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(c) Liquidity risk (continued)

By contractual maturity analysis of financial instruments

Details	Up to 1 Month TZS '000	From 1 to 3 Months TZS '000	From 3 to 12 Months TZS '000	From 1 to 5 Years TZS '000	Over 5 Years TZS '000	Total TZS '000
<b>2016</b>						
<b>Assets</b>						
Cash and balances with central banks & other banks	1,391,209,975	1,439,502,624	-	-	-	2,830,712,599
Escrow accounts	-	-	-	-	10,602,238	10,602,238
Items in course of settlement	2,399,563	-	-	-	-	2,399,563
Holdings of Special Drawing Rights (SDRs)	-	-	-	-	55,835,295	55,835,295
Quota in International Monetary Fund (IMF)	-	-	-	-	1,212,378,799	1,212,378,799
Foreign currency marketable securities	17,472,381	277,304,976	853,823,980	4,207,525,383	14,624,183	5,370,750,903
Equity investment	-	-	-	-	26,450,665	26,450,665
Government securities	-	13,387,925	6,368,220	683,686,074	787,126,309	1,490,568,528
Advances to the Government	-	-	1,191,810,509	-	-	1,191,810,509
Loans and receivables	14,674	80,451	77,217,836	26,870,439	38,526,620	142,710,020
Other assets (excluding prepayments)	10,919,461	18,751,348	92,073,086	526,998,988	-	648,742,883
	<b>1,422,016,054</b>	<b>1,749,027,324</b>	<b>2,221,293,631</b>	<b>5,445,080,884</b>	<b>2,145,544,109</b>	<b>12,982,962,002</b>
<b>Liabilities</b>						
Currency in circulation	4,374,339,542	-	-	-	-	4,374,339,542
Deposits - banks and non-banks financial institutions	1,035,251,414	-	-	-	1,864,689,348	2,899,940,762
Deposits - others	636,135,917	-	-	-	-	636,135,917
Deposits - Government	395,271,716	-	-	-	-	395,271,716
Foreign currency financial liabilities	824,828,680	-	-	-	-	824,828,680
Poverty deduction and growth facility	-	915,654	160,386,659	489,202,710	2,893,395	653,398,418
BoT liquidity papers	-	12,347,907	84,690,949	-	-	97,038,856
Other liabilities	99,987,578	25,290,126	-	5,603,636	-	130,881,340
IMF related liabilities	-	-	-	1,030,358,192	-	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	-	-	-	580,623,424	-	580,623,424
	<b>7,365,814,847</b>	<b>38,553,687</b>	<b>245,077,608</b>	<b>2,105,787,962</b>	<b>1,867,582,743</b>	<b>11,622,816,847</b>
<b>Net liquidity gap</b>	<b>(5,943,798,793)</b>	<b>1,710,473,637</b>	<b>1,976,216,023</b>	<b>3,339,292,922</b>	<b>277,961,366</b>	<b>1,360,145,155</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(c) Liquidity risk (continued)

The following tables detail the Bank's maturity profiles of both financial assets and liabilities.

2017	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	4,896,345,671	-	4,896,345,671
Escrow accounts	-	10,856,450	10,856,450
Items in course of settlement	51,823,613	-	51,823,613
Holdings of Special Drawing Rights (SDRs)	-	29,043,708	29,043,708
Quota in International Monetary Fund	-	1,234,836,479	1,234,836,479
Foreign Currency Marketable securities	1,350,398,141	4,657,451,202	6,007,849,343
Equity investment	-	29,189,495	29,189,495
Government securities	24,120,314	1,468,186,350	1,492,306,664
Advance to the Government	1,546,553,483	-	1,546,553,483
Loans and receivables	270,174,333	103,902,377	374,076,710
Other assets (excluding prepayments)	47,230,753	32,520,121	79,750,874
	<b>8,186,646,308</b>	<b>7,565,986,182</b>	<b>15,752,632,490</b>
<b>Liabilities</b>			
Currency in circulation	4,354,606,292	-	4,354,606,292
Deposit - banks and non-banks financial institutions	2,922,444,156	-	2,922,444,156
Deposit - Others	1,253,578,936	-	1,253,578,936
Deposit - Government	2,215,796,335	-	2,215,796,335
Foreign currency financial liabilities	930,393,612	-	930,393,612
Poverty reduction and growth facility	190,578,776	311,622,549	502,201,325
BOT liquidity papers	588,312,538	-	588,312,538
Other liabilities	64,768,202	27,405,618	92,173,820
IMF related liabilities	-	1,049,439,846	1,049,439,846
Allocation of Special Drawing Rights (SDRs)	-	591,378,689	591,378,689
Total liabilities	<b>12,520,478,847</b>	<b>1,979,846,702</b>	<b>14,500,325,549</b>
Net Liquidity gap	<b>(4,333,832,539)</b>	<b>5,586,139,480</b>	<b>1,252,306,941</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(c) Liquidity risk (continued)

2016	Less than 12 months	Over 12 months	Total
Assets	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	2,830,712,599	-	2,830,712,599
Escrow accounts	-	10,602,238	10,602,238
Items in course of settlement	2,399,563	-	2,399,563
Holdings of Special Drawing Rights (SDRs)	-	55,835,295	55,835,295
Quota in International Monetary Fund	-	1,212,378,799	1,212,378,799
Foreign Currency Marketable securities	1,148,601,337	4,222,149,566	5,370,750,903
Equity investment	-	26,450,665	26,450,665
Government securities	19,756,145	1,470,812,383	1,490,568,528
Advance to the Government	1,191,810,509	-	1,191,810,509
Loans and receivables	77,312,961	65,397,059	142,710,020
Other assets (excluding prepayments)	121,743,895	526,998,988	648,742,883
<b>Total assets</b>	<b>5,392,337,009</b>	<b>7,590,624,993</b>	<b>12,982,962,002</b>
<b>Liabilities</b>			
Currency in circulation	4,374,339,542	-	4,374,339,542
Deposit - banks and non-banks financial institutions	1,035,251,414	1,864,689,348	2,899,940,762
Deposit - governments	395,271,716	-	395,271,716
Deposit - Others	636,135,917	-	636,135,917
Foreign currency financial liabilities	824,828,680	-	824,828,680
Poverty reduction and growth facility	161,302,313	492,096,105	653,398,418
BOT liquidity papers	97,038,856	-	97,038,856
Other liabilities	125,277,704	5,603,636	130,881,340
IMF related liabilities	-	1,030,358,192	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	-	580,623,424	580,623,424
<b>Total liabilities</b>	<b>7,649,446,142</b>	<b>3,973,370,705</b>	<b>11,622,816,847</b>
<b>Net Liquidity gap</b>	<b>(2,257,109,133)</b>	<b>3,617,254,288</b>	<b>1,360,145,155</b>



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(d) Interest rate risk

The interest rate risk is the exposure to possible adverse movements in interest rates. The parallel changes in the level of interest rates account for about 90 percent of the total interest rate risk. The remainder resulted from the changes in the shape which is steepening or flattening and curvature of the interest rate curves. The interest rate risk is managed through duration targeting. Duration measures sensitivity of a portfolio value to movements in market yields.

The risk budget for active management relative to the benchmark is limited to 30 basis points in a year or 9 basis points in a month. In other words, the potential losses of the portfolio relative to the benchmark will not exceed the targeted amount. As of 30 June 2017 portfolio duration stood at 1.37 years while that of 30 June 2016 was 2.22 years.

The Bank uses both price value of one basis point (PVO1) and Value at Risk (VaR) measures to assess and monitor interest rate risk. The PVO1 measures approximate change in value of the portfolio for a one basis point (0.01 percent) change in yield. The use of PVO1 has limitations. Firstly, it is a good measure when the term structure is flat. Secondly, it assumes the movements in yield are parallel across maturity spectrum. Thus the Bank compliments it with VaR.

VaR is a probability-based measure of risk, which provides an estimate of the potential loss in value of the Bank's positions due to adverse interest rate movements over a defined time horizon with a specified confidence level. For the VaR numbers reported below, a one month time horizon and a 95 percent confidence level were used. This means that there is a 5 percent chance that the monthly income would fall below the expected monthly income by an amount at least as large as reported VaR. Historical data were used to estimate the reported VaR numbers. To better reflect current asset volatilities, the Bank weighted historical data to give greater importance to more recent observations. Because of such reliance on historical data, VaR is most effective in estimating risk exposures in markets in which there are no sudden fundamental changes in market conditions.

The tables below show various risk measured parameters.

Portfolio characteristics				
USD				
	30.06.2017		30.06.2016	
Positions of securities	217		106	
Duration	2.11 years		2.21 years	
Base currency	USD	TZS '000	USD	TZS '000
Market value of Marketable Securities	1,689,437,913	3,769,103,209	1,399,543,430	3,048,527,132
Money Markets placements	1,508,815,025	3,366,137,050	847,500,000	1,847,189,366





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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(d) Interest rate risk (continued)

EUR				
	30.06.2017		30.06.2016	
Positions of securities	75		25	
Duration	2.33years		1.98years	
Base currency	EUR	TZS '000	EUR	TZS '000
Market value of Marketable Securities	251,024,812	639,304,093	300,379,583	726,625,258
GBP				
	30.06.2017		30.06.2016	
Positions of securities	25		15	
Duration	2.40 years		2.37years	
Base currency	GBP	TZS '000	GBP	TZS '000
Market value of Marketable Securities	140,283,534	405,906,311	148,958,384	436,966,805
Money Markets placements	91,536,887	264,859,310	83,500,000	245,089,762
AUD				
	30.06.2017		30.06.2016	
Positions of securities	22		14	
Duration	2.25years		2.45 years	
Base currency	AUD	TZS '000	AUD	TZS '000
Market value of Marketable Securities	201,450,547	345,501,386	234,438,019	379,689,889
Money Markets placements	79,070,418	135,611,143	55,750,000	90,378,555
CNY				
	30.06.2017		30.06.2016	
Positions of securities	30		16	
Duration	2.08years		1.86years	
Base currency	CNY	TZS '000	CNY	TZS '000
Market value of Marketable Securities	720,448,797	237,050,060	483,904,080	158,625,749
Money Markets placements	491,652,401	161,768,930	242,500,000	79,571,125



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(d) Interest rate risk (continued)

RAMP				
	30.06.2017		30.06.2016	
Positions of securities	64		65	
Duration	2.15years		2.23years	
Base currency	USD	TZS '000	USD	TZS '000
Market value of Marketable Securities	272,783,489	608,574,774	284,701,526	620,316,069

VaR for three major currencies in USD

Details	30.06.2017		30.06.2016	
	USD	TZS '000	USD	TZS '000
USD	9,037,523	20,162,538	8,400,936	18,303,460
EUR	1,058,079	2,360,554	762,953	1,662,277
GBP	1,029,154	2,296,023	1,326,023	2,889,060

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 95 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a 1 percent probability that losses could exceed the VaR.
- A one month holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be realistic in a situation where there is severe market illiquidity.
- VaR data is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the day.
- The model uses historical data from 1 July 2012 to 30 June 2017 as a basis for determining the possible ranges of outcomes and may not always cover all possible scenarios, especially those of an exceptional nature.

The Bank back tests its VaR by comparing actual profit or loss to the VaR estimation. The results of the back-testing process are one of the methods by which the Bank monitors the ongoing suitability of its VaR model.

The Bank also undertakes stress tests on positions on its statement of financial position. The results of the stress testing complement the VaR measure in informing management about financial risk on the statement of financial position.



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

##### (d) Interest rate risk (continued)

Price of 1 BPS in USD

Details	30.06.2017		30.06.2016	
	USD	TZS '000	USD	TZS '000
USD	357,655	797,921	311,195	678,013
EUR	70,121	156,438	65,822	143,409
GBP	43,740	97,583	46,979	102,355
AUD	34,946	77,964	33,560	73,119
CNY	22,210	49,550	2,037	4,439
RAMP	61,521	137,252	63,945	139,320

The Bank invests in some securities, which trade on spread to the foreign government treasuries. To assess the relative risk of spread products, the Bank measures Credit Risk of one basis point (CR01). The CR01 measures changes in the value of spread product for a one basis point widening of spread. A spread is a difference in yield to maturity between government and spread securities of the same characteristics.

The table next page indicates the spread risks for comparative period in each of the three major currencies.

Details	30.06.2017		30.06.2016	
	USD	TZS '000	USD	TZS '000
USD	31,245	69,707	40,737	88,755
EUR	1,572	3,507	17,581	38,304
GBP	751	1,675	2,001	4,359
AUD	3,939	8,788	33,539	73,073
CNY	33	74	2,034	4,432
RAMP	16,071	35,854	20,931	45,603

For measuring the sensitivity of the Bank's foreign exchange reserves to interest rate risk, the table below shows the sensitivity of the Bank's foreign reserves values in USD given 10, 20 and 30 basis points parallel change in yield curves of three major foreign reserves currencies i.e. USD, EUR and GBP.

##### 30.06.2017 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	(3,576,555)	(701,214)	(437,401)	(4,715,170)	(10,519,453)
20	(7,153,109)	(1,389,176)	(874,803)	(9,417,088)	(21,009,341)
30	(10,729,664)	(2,044,569)	(118,496)	(12,892,729)	(28,763,428)



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(d) Interest rate risk (continued)

30.06.2016 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	(3,111,947)	(658,219)	(469,789)	(4,239,955)	(9,237,761)
20	(6,223,893)	(1,301,473)	(939,577)	(8,464,943)	(18,442,916)
30	(9,335,840)	(1,861,875)	(1,268,429)	(12,466,144)	(27,160,495)
Yield decrease in 1 BPS					

30.06.2017 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
1	357,655	70,121	43,740	471,516	1,051,943

30.06.2016 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
1	311,195	65,822	46,979	423,996	923,777

It is also possible to stress test Bank's foreign reserves portfolio to mimic a variety of the extreme yet probable market conditions. To that end, the Bank considered three main scenarios i.e. spread widening, curve steepening and flattening by 50 basis points. The result of stress testing scenarios is as shown on the table below.

30.06.2017 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS'000
Spread widening by 50	(1,562,244)	(78,605)	(37,537)	(1,678,386)	(3,744,447)
Curve Steepening by 50	(965,882)	(370,477)	118,496	(1,217,863)	(2,717,029)
Curve Flattening by 50	965,882	370,477	(118,496)	1,217,863	2,717,029

30.06.2016 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS'000
Spread widening by 50	(2,036,854)	(879,070)	(100,061)	(3,015,985)	(6,571,051)
Curve Steepening by 50	(1,035,542)	(127,413)	(91,668)	(1,254,623)	(2,733,499)
Curve Flattening by 50	1,035,542	127,413	91,668	1,254,623	2,733,499



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

##### (d) Interest rate risk (continued)

##### Cash flow and fair value interest rate risk

##### *Interest sensitivity of assets and liabilities*

For accounting purposes, cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates, both in the United Republic of Tanzania and abroad. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

##### (e) Currency risk

The exchange rate risk (or currency risk) refers to the loss of the portfolio value or purchasing power of the portfolio occasioned by adverse foreign exchange rate movements. The Bank foreign reserves portfolio is denominated in a number of currencies whose exchange rates are subject to fluctuation on international foreign exchange market.

Based on the sensitivity of the ten per cent deviation of the exchange rate against major currencies the impact on the Banks profit and equity was TZS 958,027.2 million (2016: TZS 694,342.8 million).

The Bank is exposed to this risk in the context of its holding of foreign exchange reserves, intervention in the local inter-bank foreign exchange market (IFEM) and foreign exchange transactions in the international foreign exchange market. Often, currency exposures are not out rightly hedged, but the currency risk is controlled through a target currency composition whose criteria are specified in the Foreign Exchange Reserves Policy and stated in the Investment Guidelines. The currency positions of the Bank as of 30 June 2017 and 2016 which provides the Bank's assets, liabilities and equity at carrying amounts, categorised by currency is summarised below.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. RISK MANAGEMENT (CONTINUED)

42.3 Financial risks (continued)

(e) Currency risk (continued)

Details	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS TZS '000	Others TZS '000	Total TZS '000
<b>2017</b>							
<b>Assets</b>							
Cash and balances with central banks & other banks	305,131,065	4,192,132,830	26,887,795	-	-	372,193,981	4,896,345,671
Escrow accounts	-	10,856,450	-	-	-	-	10,856,450
Items in course of settlement	-	-	-	-	51,823,613	-	51,823,613
Holdings of Special Drawing Rights (SDRs)	-	-	-	29,043,708	-	-	29,043,708
Quota in International Monetary Fund (IMF)	-	-	-	1,234,836,479	-	-	1,234,836,479
Foreign currency marketable securities	405,906,402	4,380,087,265	639,304,233	-	-	582,551,443	6,007,849,343
Equity investments	-	28,452,891	736,604	-	-	-	29,189,495
Government securities	-	-	-	-	1,492,306,664	-	1,492,306,664
Advances to the Government	-	-	-	-	1,546,553,483	-	1,546,553,483
Loans and receivables	-	56,421,914	-	-	317,654,796	-	374,076,710
Other assets (Excluding prepayments)	-	-	-	-	79,750,874	-	79,750,874
<b>Total financial assets</b>	<b>711,037,467</b>	<b>8,667,951,350</b>	<b>666,928,632</b>	<b>1,263,880,187</b>	<b>3,488,089,430</b>	<b>954,745,424</b>	<b>15,752,632,490</b>
<b>Liabilities</b>							
Currency in circulation	-	-	-	-	4,354,606,292	-	4,354,606,292
Deposits - banks and non-bank financial institutions	-	450,585,149	-	-	2,471,859,007	-	2,922,444,156
Deposits - Governments	-	-	-	-	2,215,796,335	-	2,215,796,335
Deposits - Others	1,413,328	206,041,476	1,942,661	-	1,043,326,535	854,936	1,253,578,936
Foreign currency financial liabilities	44,113	919,618,831	10,190,767	-	539,901	-	930,393,612
Poverty reduction and growth facility	-	-	-	502,201,325	-	-	502,201,325
BoT liquidity papers	-	-	-	-	588,312,538	-	588,312,538
Other liabilities	-	-	-	-	92,173,820	-	92,173,820
IMF related liabilities	-	-	-	-	1,049,439,846	-	1,049,439,846
Allocation of Special Drawing Rights (SDRs)	-	-	-	591,378,689	-	-	591,378,689
<b>Net liquidity gap</b>	<b>1,457,441</b>	<b>1,576,245,456</b>	<b>12,133,428</b>	<b>1,093,580,014</b>	<b>11,816,054,274</b>	<b>854,936</b>	<b>14,500,325,549</b>
<b>Scenario of 10% appreciation/depreciation</b>	<b>709,580,026</b>	<b>7,091,705,894</b>	<b>654,795,204</b>	<b>170,300,173</b>	<b>N/A</b>	<b>953,890,488</b>	<b>9,580,271,785</b>
	<b>70,958,003</b>	<b>709,170,589</b>	<b>65,479,520</b>	<b>17,030,017</b>	<b>N/A</b>	<b>95,389,049</b>	<b>958,027,179</b>



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.3 Financial risks (continued)

##### (f) Currency risk (continued)

Details	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS TZS '000	Others TZS '000	Total TZS '000
<b>2016</b>							
<b>Assets</b>							
Cash and balances with central banks & other banks	296,993,180	2,284,918,459	21,735,070	-	-	227,065,890	2,830,712,599
Escrow accounts	-	10,602,238	-	-	-	-	10,602,238
Items in course of settlement	-	23,901	-	-	2,324,593	51,069	2,399,563
Holdings of Special Drawing Rights (SDRs)	-	-	-	55,835,295	-	-	55,835,295
Quota in International Monetary Fund (IMF)	-	-	-	1,212,378,799	-	-	1,212,378,799
Foreign currency marketable securities	437,093,036	3,668,429,937	726,832,215	-	-	538,395,715	5,370,750,903
Equity investments	-	25,936,089	514,576	-	-	-	26,450,665
Government securities	-	-	-	-	1,490,568,528	-	1,490,568,528
Advances to the Government	-	-	-	-	1,191,810,509	-	1,191,810,509
Loans and receivables	-	-	-	-	142,710,020	-	142,710,020
Other assets (Excluding prepayments)	-	-	-	-	648,742,883	-	648,742,883
<b>Total financial assets</b>	<b>734,086,216</b>	<b>5,989,910,624</b>	<b>749,081,861</b>	<b>1,268,214,094</b>	<b>3,476,156,533</b>	<b>765,512,674</b>	<b>12,982,962,002</b>
<b>Liabilities</b>							
Currency in circulation	-	-	-	-	4,374,339,542	-	4,374,339,542
Deposits - banks and non-bank financial institutions	-	244,344,412	-	-	2,655,596,350	-	2,899,940,762
Deposits - Governments	-	-	-	-	395,271,716	-	395,271,716
Deposits - Others	-	242,924,537	-	-	391,791,504	1,419,876	636,135,917
Foreign currency financial liabilities	16,273,712	704,972,017	76,066,288	-	2,825,368	24,691,295	824,828,680
Poverty reduction and growth facility	-	-	-	653,398,418	-	-	653,398,418
BoT liquidity papers	-	-	-	-	97,038,856	-	97,038,856
Other liabilities	8,205,143	-	-	-	112,218,242	10,457,955	130,881,340
IMF related liabilities	-	-	-	-	1,030,358,192	-	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	-	-	-	580,623,424	-	-	580,623,424
	<b>24,478,855</b>	<b>1,192,240,966</b>	<b>76,066,288</b>	<b>1,234,021,842</b>	<b>9,059,439,770</b>	<b>36,569,126</b>	<b>11,622,816,867</b>
Net liquidity gap	709,607,361	4,797,669,658	673,015,573	34,192,252	N/A	728,943,548	6,943,428,392
<b>Scenario of 10% appreciation/depreciation</b>	<b>70,960,736</b>	<b>479,766,966</b>	<b>67,301,557</b>	<b>3,419,225</b>	<b>N/A</b>	<b>72,894,355</b>	<b>694,342,839</b>



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.4 Non-financial risks

###### Operational risk

This risk stems from inadequate or failed internal processes, people and systems, or from external events. The risk can potentially disrupt continuity of critical business operations and processes and thereby impede attainment of strategic goals and objectives.

The Bank addresses this risk inter alia through ensuring existence of Business Continuity Management (BCM) and sound internal control system which includes: operational and procedural manuals, ICT security policies, back up facilities, contingency planning, and independent internal audit function. Managing operational risk in the Bank is an integral part of day-to-day operations by the management. Risk management function, Risk Management Committee, Internal Audit Function, Management, Finance and Investment Committee of the Board and the Board, closely monitor this risk.

The Bank has taken various measures such as segregation of duties, instituting codes of conduct and ethics and setting out benchmark limits. The Bank understands the fact that the lower the human intervention, the lower the operational risk. In view of this fact, the Bank has automated most of its major operations.

###### Human resource risk

This risk relates to unavailability of skilled manpower, training and development programs, compensation, benefits, mis-aligned HR policies, work life imbalance and policy constraints. The Bank is prone to human resource risk due to its particular nature of the activities which, necessitates specialised knowledge in many areas

The Bank ensures that there is an adequate knowledge base for all specialised job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organises workshops, seminars, conferences and job attachments to its staff as an effort to improve its human resource requirements. It also revises its staff retention scheme to compete with the prevailing labour market.

###### Legal risk

Legal risk arise out of adverse judgment, risks associated with failure of processes, systems and resources to support legal and regulatory requirements, or actions that can result into legal dispute against the organisation.

In mitigating this type of the risk, the Bank ensures that all business agreements are contracted under Standard Industry Contracts, e.g. ISDA, ISMA, etc. Where new contracts and substantive changes to existing contracts are entered to, external lawyers are contracted. The Bank has in place procedures for delegation of responsibilities. Also Code of Conduct and Ethics and continuous consultations with all relevant parties are used to minimise chances of causing legal disputes between the Bank and its counterparts.





## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 42. RISK MANAGEMENT (CONTINUED)

##### 42.4 Non-financial risks (continued)

###### Reputational risk

Reputational risk arises from the failure of an organisation to meet the expectations of its clients, stakeholders and the general public. The risk also emanates from failure to comply with relevant laws and contractual agreements.

The Bank has an obligation to ensure that it performs its functions and maintains its reputation as a Central Bank in line with requirements of the provision of Section 5(1) of the Bank of Tanzania Act, 2006 and other laws and regulations.

In view of the above, the management ensures that to the best of Bank's ability fulfils its fiduciary responsibilities. The Bank adheres to the best practices and applies principle of sound corporate governance. It also ensures that all relevant employees have clear understanding of the appropriate processes in respect of the best practices and principals of good governance.

The Bank therefore sets out policies and guidelines that govern sound functional operations within the Bank. The performance of these policies and guidelines are periodically reported to different levels of the Bank's management for control and compliance monitoring.

The top management of the Bank has the necessary freedom and discretion to exercise central banking functions. However, this freedom is exercised within the context of fiduciary duties of good governance and by ensuring a proper balance between accountability and the best interests of the Bank and its various stakeholders.

The function of the Bank of overseeing and ensuring the integrity of the country's banking system exposes it to severe criticism whenever there is an incident of bank failure or systemic difficulty. The responsibilities of the Bank regarding monetary policy, the national payment system and the issuing of notes and coins also expose the Bank to significant reputation risk. The Bank adheres to international best practice and, to this end, maintains close liaison with international peers. The Bank strives towards full compliance with the principles for effective banking supervision as well as the core principles for systemically important payment systems.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost. A summary of significant accounting policies in Note 3 describes how classes of financial instruments are measured and how income and expenses, including fair value gains are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category:

2017	Amortised Cost TZS '000	FVTPL TZS '000	FVOCI TZS '000	Total TZS '000	Fair values TZS '000
<b>Financial assets</b>					
Cash and balances with central banks & other banks	4,896,345,671	-	-	4,896,345,671	4,896,345,671
Escrow accounts	10,856,450	-	-	10,856,450	10,856,450
Items in course of settlement	51,823,613	-	-	51,823,613	51,823,613
Holdings of Special Drawing Rights (SDRs)	29,043,708	-	-	29,043,708	29,043,708
Quota in International Monetary Fund (IMF)	1,234,836,479	-	-	1,234,836,479	1,234,836,479
Foreign currency marketable securities	-	6,007,849,343	-	6,007,849,343	6,007,849,343
Equity investment	-	-	29,189,495	29,189,495	29,189,495
Government securities	1,492,306,664	-	-	1,492,306,664	1,492,306,664
Advances to the Government	1,546,553,483	-	-	1,546,553,483	1,546,553,483
Loans and receivables	374,076,710	-	-	374,076,710	374,076,710
Other assets (Excluding prepayments)	79,750,874	-	-	79,750,874	79,750,874
<b>Financial liabilities</b>					
Currency in circulation	4,354,606,292	-	-	4,354,606,292	4,354,606,292
Deposits - banks and non-banks financial institutions	2,922,444,156	-	-	2,922,444,156	2,922,444,156
Deposits - others	1,253,578,936	-	-	1,253,578,936	1,253,578,936
Deposits - Government	2,215,796,335	-	-	2,215,796,335	2,215,796,335
Foreign currency financial liabilities	930,393,612	-	-	930,393,612	930,393,612
Poverty deduction and growth facility	502,201,325	-	-	502,201,325	502,201,325
BoT liquidity papers	588,312,538	-	-	588,312,538	588,312,538
Other liabilities	92,173,820	-	-	92,173,820	92,173,820
IMF related liabilities	1,049,439,846	-	-	1,049,439,846	1,049,439,846
Allocation of Special Drawing Rights (SDRs)	591,378,689	-	-	591,378,689	591,378,689



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

43. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

2016	Amortised Cost TZS '000	FVTPL TZS '000	FVOCI TZS '000	Total TZS '000	Fair values TZS '000
<b>Financial assets</b>					
Cash and balances with central banks & other banks	2,830,712,599	-	-	2,830,712,599	2,830,712,599
Escrow accounts	10,602,238	-	-	10,602,238	10,602,238
Items in course of settlement	2,399,563	-	-	2,399,563	2,399,563
Holdings of Special Drawing Rights (SDRs)	55,835,295	-	-	55,835,295	55,835,295
Quota in International Monetary Fund (IMF)	1,212,378,799	-	-	1,212,378,799	1,212,378,799
Foreign currency marketable securities	-	5,370,750,903	-	5,370,750,903	5,370,750,903
Equity investment	-	-	26,450,665	26,450,665	26,450,665
Government securities	1,490,568,528	-	-	1,490,568,528	1,490,568,528
Advances to the Government	1,191,810,509	-	-	1,191,810,509	1,191,810,509
Loans and receivables	142,710,020	-	-	142,710,020	142,710,020
Other assets (Excluding prepayments)	648,742,883	-	-	648,742,883	648,742,883
<b>Financial liabilities</b>					
Currency in circulation	4,374,339,542	-	-	4,374,339,542	4,374,339,542
Deposits - banks and non-banks financial institutions	2,899,940,762	-	-	2,899,940,762	2,899,940,762
Deposits - others	636,135,917	-	-	636,135,917	636,135,917
Deposits - Government	395,271,716	-	-	395,271,716	395,271,716
Foreign currency financial liabilities	824,828,680	-	-	824,828,680	824,828,680
Poverty deduction and growth facility	653,398,418	-	-	653,398,418	653,398,418
BoT liquidity papers	97,038,856	-	-	97,038,856	97,038,856
Other liabilities	130,881,340	-	-	130,881,340	130,881,340
IMF related liabilities	1,030,358,192	-	-	1,030,358,192	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	580,623,424	-	-	580,623,424	580,623,424



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 44. DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERARCHY

##### **Financial instruments recorded at fair value**

Estimated fair value is the amount at which an instrument could be exchanged in a current transaction between willing parties other than enforced or liquidation sale. The following is a description of how fair values are determined for financial instruments that are recorded at fair value using valuation techniques. These incorporate the Bank's estimate of assumptions that a market participant would make when valuing the instruments.

##### **Foreign currency marketable securities**

The marketable securities are quoted in actively traded markets which is the best evidence of fair value. The valuation techniques employ only observable market data.

##### **Fair value of derivatives**

The Bank values over the counter derivative instruments like swaps using a valuation technique with market-observable inputs. Swap models use present value calculations and include market determined foreign exchange rates. For listed derivatives like futures, the Bank uses prices quoted in the active markets.

Long dated derivative contracts are valued using a valuation technique with significant non-market-observable. These derivatives are valued using models that calculate the present value and incorporate various non-observable assumptions that include market rate volatilities.

##### **Unquoted equities securities.**

These Investments are valued using the market approach. The inputs to this methodology are observable inputs based on recent transactions. The data used were from recently published accounts of these entities. These were then corroborated to arrive at the fair values at the reporting date.

##### **Fair value of financial assets and liabilities not carried at fair value**

Below are the methodologies and assumptions used to determine fair values for those financial instruments which are not recorded at fair value in the financial statements:

##### **Assets and liabilities for which fair value approximates carrying value**

For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair value. This assumption is also applied to cash and cash equivalent, escrow accounts, items in course of settlements, deposits, repurchase agreements and BoT liquidity papers and other liabilities without a specific maturity.

##### **Government securities**

The fair value of Government securities carried at amortised cost is estimated by using the interest rates that discount future cash flows to zero.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44. DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

Fair value of financial assets and liabilities

Financial instruments are grouped into 3 levels based on the degree to which fair value data / input is observable.

- **Level 1 fair value measurements:** are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed debt instruments on exchanges for example Foreign Currency Marketable securities.
- **Level 2 fair value measurements:** are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as a price) or indirectly (i.e. derived from prices). Input data for this category is sourced mainly from Bloomberg and the Dar es Salaam Securities Exchange.
- **Level 3 fair value measurements:** are those derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

Fair value hierarchy

The following table analyses within the value hierarchy the Bank are measured at fair value as at:

30.06.2017

Description	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000
Foreign currency marketable securities	6,007,849,343	-	-
Equity investments	-	29,189,495	-
Total	<u>6,007,849,343</u>	<u>29,189,495</u>	-

30.06.2016

Description	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000
Foreign currency marketable securities	5,370,750,903	-	-
Equity investments	-	26,450,665	-
Total	<u>5,370,750,903</u>	<u>26,450,665</u>	-

There were no transfers between levels 1, 2 and 3 in the period.

If below observable inputs to valuation model were 10 per cent higher or lower while other variables were held constant, carrying amount of TZS 6,007,849.3 million and TZS 29,189.5 million Foreign Currency Marketable Securities and Equity Investments would have been higher or lower by TZS 600,784.9 million and TZS 2,919.0 million respectively. Swap and Futures would change by 157,704.7 million and 44,125.7 million, respectively.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44. DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The following table gives information about how the fair value of these financial assets and liabilities are determined.

	Fair value at		Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable input to fair value
	2017 TZS '000	2016 TZS '000				
Foreign currency marketable securities (Excluding futures)	6,007,408,086	5,370,750,903	1	Prices of listed securities	N/A	N/A
Equity investments	29,189,495	26,450,66	2	Net assets of the investee	N/A	N/A
Derivatives:						
Swap Asset	1,577,047	205,434	2	Discounted Cash flows	N/A	N/A
Futures Asset/(Liability)	441,257	890,935	1	Quoted prices	N/A	N/A

The following table analyses within the fair value hierarchy the Bank's assets and liabilities not measured at fair value.

2017	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
<b>Assets</b>				
Cash and balances with central banks & other banks	4,896,345,671	-	-	4,896,345,671
Escrow accounts	-	10,856,450	-	10,856,450
Items in course of settlement	-	51,823,613	-	51,823,613
Holdings of Special Drawing Rights (SDRs)	-	29,043,708	-	29,043,708
Quota in International Monetary Fund (IMF)	-	1,234,836,479	-	1,234,836,479
Foreign currency marketable securities	6,007,849,343	-	-	6,007,849,343
Equity investment	-	29,189,495	-	29,189,495
Government securities	-	1,492,306,664	-	1,492,306,664
Advances to the Government	-	1,546,553,483	-	1,546,553,483
Loans and receivables	-	374,076,710	-	374,076,710
Other assets (Excluding prepayments)	-	79,750,874	-	79,750,874
	<b>10,904,195,014</b>	<b>4,848,437,476</b>	<b>-</b>	<b>15,752,632,490</b>
<b>Liabilities</b>				
Currency in circulation	-	4,354,606,292	-	4,354,606,292
Deposits - banks and non-banks financial institutions	-	2,922,444,156	-	2,922,444,156
Deposits - others	-	1,253,578,936	-	1,253,578,936
Deposits - Government	-	2,215,796,335	-	2,215,796,335
Foreign currency financial liabilities	-	930,393,612	-	930,393,612
Poverty deduction and growth facility	-	502,201,325	-	502,201,325
BoT liquidity papers	-	588,312,538	-	588,312,538
Other liabilities	-	92,173,820	-	92,173,820
IMF related liabilities	-	1,049,439,846	-	1,049,439,846
Allocation of Special Drawing Rights (SDRs)	-	591,378,689	-	591,378,689
	<b>-</b>	<b>14,500,325,549</b>	<b>-</b>	<b>14,500,325,549</b>



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### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 44. DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERARCHY (CONTINUED)

The following table analyses within the fair value hierarchy the Bank's assets and liabilities not measured at fair value.

2016 Assets	Level 1 TZS '000	Level 2 TZS '000	Level 3 TZS '000	Total TZS '000
Cash and balances with central banks & other banks	2,830,712,599	-	-	2,830,712,599
Escrow accounts	-	10,602,238	-	10,602,238
Items in course of settlement	-	2,399,563	-	2,399,563
Holdings of Special Drawing Rights (SDRs)	-	55,835,295	-	55,835,295
Quota in International Monetary Fund (IMF)	-	1,212,378,799	-	1,212,378,799
Foreign currency marketable securities	5,370,750,903	-	-	5,370,750,903
Equity investment	-	26,450,665	-	26,450,665
Government securities	-	1,490,568,528	-	1,490,568,528
Advances to the Government	-	1,191,810,509	-	1,191,810,509
Loans and receivables	-	142,710,020	-	142,710,020
Other assets (Excluding prepayments)	-	648,742,883	-	648,742,883
	<b>8,201,463,502</b>	<b>4,781,498,500</b>	<b>-</b>	<b>12,982,962,002</b>
<b>Liabilities</b>				
Currency in circulation	-	4,374,339,542	-	4,374,339,542
Deposits - banks and non-banks financial institutions	-	2,899,940,762	-	2,899,940,762
Deposits - others	-	636,135,917	-	636,135,917
Deposits - Government	-	395,271,716	-	395,271,716
Foreign currency financial liabilities	-	824,828,680	-	824,828,680
Poverty deduction and growth facility	-	653,398,418	-	653,398,418
BoT liquidity papers	-	97,038,856	-	97,038,856
Other liabilities	-	130,881,340	-	130,881,340
IMF related liabilities	-	1,030,358,192	-	1,030,358,192
Allocation of Special Drawing Rights (SDRs)	-	580,623,424	-	580,623,424
	<b>-</b>	<b>11,622,816,847</b>	<b>-</b>	<b>11,622,816,847</b>

#### RETIREMENT BENEFIT PLAN

##### Defined Benefit Plan

The Bank operates a funded lump sum end of service and Long Service Award Benefit Fund. The Scheme was registered effective 13 April 2017 by Social Security Regulatory Authority. Under the plan employees are entitled to benefits upon meeting requirements as stipulated in the Bank's Financial Regulations, 2011 and Staff Bylaws, 2015 and the Scheme rules.

The plan provides benefits of a defined benefit nature. Therefore one of the main risks relating to the benefits under the Scheme is the rates of salary growth. As most of the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid and the present value of the benefit obligation under the Scheme.



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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45. RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

Similarly, any increases to the fixed lump sum amounts that differ from the assumed escalation rates for these amounts will also have a direct bearing on the benefits paid and the present value of the benefit obligation under the Scheme. The plan typically exposes the Bank to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment Risk	The present value of the defined benefit obligations is calculated using a discount rate determined by the yield on long term Government bond. The higher the discount rate the higher the defined benefits obligations payable by the Bank.
Interest Rate Risk	A decrease in the long term government bond interest will increase the plan liability.
Longevity Risk	The present value of the defined benefits obligations is calculated by reference to the best estimate of the mortality rate of plan members both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefits obligations is calculated by reference to the future salaries of the members. As such an increase/decrease in the salary of the members will increase the plan's liability.

Actuarial valuation of the Scheme was carried out for the year ended 30 June 2017. The principle assumptions used for the purposes of the valuation included discount rate, expected return on Scheme assets, future salary increase, mortality rate, withdrawals, Ill-Health and compulsory retirement age as per the below:

Actuarial Assumptions

	30.06.2017	30.06.2016
Discount rate (% p.a.)	16.20%	18.90%
Expected return on Scheme assets (% p.a.)	n/a	n/a
Non-Executives - Future salary increases (% p.a.)	6.0%	6.0%
Executives - Future salary increases (% p.a.)	0.00%	0.00%
Future increases in Long Service Awards (% p.a.)		
Mortality (pre-retirement)	A1949-1952	A1949-1952
Mortality (post-retirement)	n/a	n/a
Withdrawals (voluntary)	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Ill - Health	At rates consistent with similar arrangements	At rates consistent with similar arrangements
Retirement Age	60 years	60 years





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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45. RETIREMENT BENEFIT PLAN (CONTINUED)

Defined Benefit Plan (Continued)

As per the fund operations and valuation, the movements in the present value of defined benefit obligation in the current year were as follows:

	30.06.2017 TZS '000	30.06.2016 TZS '000
Opening benefit obligation	98,602,076	94,698,325
Current service costs	2,244,000	2,629,000
Past service cost	108,000	-
Interest cost	17,303,000	16,690,000
Employee contribution	543,000	-
Actuarial (gain)/loss in experience	(3,719,000)	-
Actuarial (gain)/loss in assumptions	11,067,000	-
Benefits paid	(16,890,000)	(15,415,249)
<b>Closing benefits obligation</b>	<b>109,258,076</b>	<b>98,602,076</b>

A summary of the distribution of the Scheme assets as at 30 June 2017, based on the Scheme management accounts, is shown in the table below;

	30.06.2017 TZS "000	30.06.2016 TZS "000
Cash	642,381	25,075,865
Treasury Bonds plus accrued Interest	36,932,006	35,609,162
Treasury Bills plus accrued Interest	56,968,588	37,917,049
Retirement Benefits Payable	(1,331,712)	-
<b>Net Assets</b>	<b>93,211,263</b>	<b>98,602,076</b>

Being a funded Scheme, the defined obligation/(asset) is presented in net terms after consideration of the Scheme assets as per the below;

	30.06.2017 TZS "000	30.06.2016 TZS "000
Present value of funded obligations	109,258,076	98,602,076
Fair value of Scheme assets	(93,211,263)	(98,602,076)
Present value of net obligation/ (asset)	16,046,813	-
<b>Defined benefit obligation/ (asset) recognized in the balance sheet</b>	<b>16,046,813</b>	<b>-</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 45. RETIREMENT BENEFIT PLAN (CONTINUED)

##### Defined Benefit Plan (Continued)

Included in the computation are benefit plan expenses which are recognized in the Statement of Profit or Loss statement. Below are the components:

<b>Service cost</b>	<b>30 June 2017</b>
	<b>TZS '000</b>
Current service cost net of employees' contributions	2,244,000
Past service cost	108,000.00
<b>Total Service Cost</b>	<b>2,352,000</b>
Interest Cost	
Interest cost on defined benefit obligation	17,303,000
Interest income on plan assets	(17,091,000)
<b>Net Interest Cost on Balance Sheet Liability</b>	<b>212,000</b>
<b>Total included in profit or loss in respect of Scheme</b>	<b>2,564,000</b>

Re-measurement on defined benefit are measured through other comprehensive Income and it is composed of the below;

<b>Remeasurements (OCI)</b>	<b>30 June 2017</b>
	<b>TZS '000</b>
Actuarial (gain)/ loss - obligation	7,348,000
Return on plan assets (excluding amount in interest cost)	6,135,000
<b>Amount recognised in OCI statement for the financial year</b>	<b>13,483,000</b>

##### Sensitivity analysis

The results of the actuarial valuation are more sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis of the results to the discount used, we have relied on the duration of the liability. Based on this methodology, the one percent change in the discount rate will result into an increase in the defined benefits obligations to TZS to 114.0 billion (2016: TZS 102.7 billion).

Since the bulk of benefits payable under the arrangement are salary related, the sensitivity of a liability to a change in the salary escalation assumption is not expected to be materially different. However, the impact of a change in salary escalation is expected to be less than the impact of a change in the discount rate as a portion of the liability. In this case long service awards would not be affected by a change in the salary escalation rate. Weighted average duration of the liability as at 30 June 2017 is 4.3 years (2016: 4.1 years).

##### Effect on Bank's cash flow

The benefits arrangement is funded and the Bank pays benefits from the defined benefit obligation as and when they arise. The timing of the benefit payments from the arrangement will be influenced by the age at which employees leave the Bank.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 46. CAPITAL

Section 17 of the Bank of Tanzania Act, 2006 states that “the authorised capital of the Bank shall be one hundred billion shillings, provided that it may be increased by such amount as may be determined by the Board, and authorised by the Minister, by Notice published in the Government Gazette.”

The capital of the Bank is subscribed and held only by the Government of the United Republic of Tanzania. The equity of the Bank includes share capital and reserves. During the year, movement of equity is as shown below and further details are provided in the statement of changes in *owners' equity on page 26*.

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Capital	100,000,000	100,000,000
Reserves	<u>2,222,135,407</u>	<u>2,305,430,087</u>
<b>Total</b>	<b><u>2,322,135,407</u></b>	<b><u>2,405,430,087</u></b>

The Bank is not subject to any capital adequacy regulatory requirements concerning the level of capital in relation to assets it holds, although the Bank of Tanzania Act, 2006 sets out how the statutory annual net profit for the year shall be allocated. The principal source of capital increase is through appropriations of annual profits to various reserves.

The Bank is not for profit organisation, nor does it seek profit maximisation. Instead it seeks to make profit commensurate with normal market returns in areas where it conducts normal commercial operations.

Capital is not actively managed and the relative low risk nature of most of the Bank's activities means that it is not capital intensive. Its purpose is to cover unexpected losses. The most significant unexpected losses are likely to rise out of the support operations and the Bank's role as the lender of last resort, or from losses on price movements and changes in exchange rates on the Bank's foreign investments.

#### 47. CONTINGENT LIABILITIES

Contingent liabilities arise in the normal course of the Bank's business activities. In order to meet the financial needs of the government, the Bank enters into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Bank.

##### (a) External payment arrears deposit account

In the ordinary course of business the Bank is subject to threatened or actual legal proceedings. All such material cases are periodically reassessed to determine the likelihood of the Bank incurring a liability. In those instances where it is concluded that it is more likely that a payment will be made, a provision is established to management's best estimate of the amount required to settle the obligation at the relevant statement of financial position date. In some cases it will not be possible to form a view, either because the facts are unclear or because further time is needed to properly assess the merits of the case and no provisions are held against such cases. However the Bank does not currently expect the final outcome of any such case to have a material adverse effect on its financial position.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 47. CONTINGENT LIABILITIES (CONTINUED)

During the 1970s and 1980s there was a shortage of foreign currencies in the country, which required the Government to control and prioritise foreign payments (forex). Tanzania importers were required to remit equivalent amount of TZS with the then National Bank of Commerce (NBC) for the required amount of forex and subject to availability of forex and priority, the forex amount would be remitted to the intended overseas suppliers.

However due to the forex shortage not all funds deposited with the then NBC by private and public importers were remitted to the overseas suppliers' accounts.

In 1985, the Government of the United Republic of Tanzania formally assumed the responsibility of handling liabilities arising from External Payment Arrears deposit account (EPA) from the then NBC. The Bank was given the responsibility to manage EPA liabilities on behalf of the Government of the United Republic of Tanzania. As at 30 June 2017 the balance in this liability account has remained at the same level as it was in the previous year of TZS 2,288.4 million since the Bank has suspended all transactions relating to EPA pending reconciliation and resolution of the remaining external payment arrears. In order to undertake the reconciliation and resolution of the remaining balance, on 14 April 2009 the Bank engaged a consultant, M/S Lazard Freres's & CIE to assist in the process.

The objectives of the exercise were:

- (i) To ascertain how the remaining debt as at 2004 has been handled.
- (ii) To compile and establish the current stock of the remaining EPA debts.
- (iii) To develop, jointly with the Ministry of Finance and Planning and Bank of Tanzania, a strategy and action plan to handle the unsettled claims.

The consultant submitted an inception report in August 2009 which was not accepted by the Bank.

Further, the original contract expired on 14 January 2010 while the consultant was yet to provide the expected contract deliverables. Subsequent follow ups on the matter with the consultant's assignment proved futile. Due to non-responsiveness of the consultant to the Bank's subsequent follow ups, on 25 July 2011, the Bank wrote to the World Bank to seek for their advice on the way forward, which was not provided.

On 25 August 2011, the consultant wrote to the Bank demanding renewal of the expired contract; to include:

- Upward revision of the price of the contract to USD 843,700 from the original amount of USD 663,950;
- Implicitly complaining for not being paid initial fee amounting to USD 175,000 after submitting inception report; and
- Revising some items on the original contract.

Based on the original contract, the consultant would have been paid initial fee after submitting an inception report that is acceptable to the client. However, the earlier submitted report fell short of the required standard and the consultant was notified.

On 14 April 2012, the Bank officially informed the consultant about the expired contract and that the Bank had no intention to renew the same.

The consultant was further informed that since the inception report that was submitted in August 2009 was not accepted by the client, there is no any accrued liability to the Bank.



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 47. CONTINGENT LIABILITIES (CONTINUED)

The Bank's further efforts to solicit detailed information from the World Bank on work that was done by M/S Lazard Freres during the Debt Buyback Scheme that ended in year 2004 have proved futile. The efforts were aimed at obtaining information that would have paved way for another consultant to be engaged to perform the assignment. The Bank later sought legal advice on how to bring EPA to a close. On the basis of legal advice that was obtained, and following a Board of Directors Resolution, on 20th November 2012 the Bank officially wrote to the Minister for Finance to transfer operations and management of the External Payment Arrears Account and public debt back to the Ministry of Finance and Planning. The transfer was in line with the Bank's program for shedding-off non-core activities

##### (b) Export credit guarantee scheme (ECGS)

The Bank is an agent of the Government on the operationalisation of the Export Credit Guarantee Scheme. The scheme is charged with the responsibility of considering guarantee applications from financial institutions, and on behalf of the Principal, issue guarantees to financial institutions covering short and long term finance to exporters as long as the capital funds in the ECGS accounts are not leveraged more than 1:5. As a result there is a contingent liability under this scheme in respect of guarantees, limited to five times the balance of the Fund in accordance with the agency agreement in force.

As at 30 June 2017, outstanding guarantees aggregated to TZS 425,074 million (2015: TZS 439,834.4 million) while the balance of the Fund as at 30 June 2017 was TZS 1,576.5 million (2016: TZS 2,023.6 million). The movement of the:

##### (c) Small & medium enterprises - credit guarantee schemes

The Bank operates this scheme by issuing guarantees on behalf of the Government to financial institutions covering medium and long-term finance to SMEs on a pilot as long as the capital funds in the CGS-SME accounts are not leveraged more than 1:3. There is a contingent liability under this scheme in respect of guarantees, limited to three times the balance of the Fund in accordance with the Agency agreement in force. As at 30 June 2017, there was no outstanding guarantees as it was for the period ended June 2016. The balance of the fund as at 30 June 2017 was TZS 518.9 million (2016: TZS 598.3 million).

#### 48. OUTSTANDING COMMITMENTS

##### Capital commitments

As at 30 June 2017, the Bank's capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects aggregated to TZS 79,988.0 million (2016: 73,656.2 million). The major capital expenditure commitments item is as reflected herewith below:

Particulars	30.06.2017	30.06.2016
	TZS '000	TZS '000
Office buildings	22,828,537	39,388,640
Residential buildings	12,258,633	10,239,063
Machinery and equipment	19,959,767	12,972,795
Information, communication and technology (ICT)	2,882,709	1,568,757
Motor vehicles	2,950,000	1,926,000
Furniture and fittings	1,333,323	2,176,056
Intangible assets	5,030,956	3,734,890
On-going projects	12,744,085	1,650,000
<b>Total</b>	<b>79,988,010</b>	<b>73,656,201</b>



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 48. OUTSTANDING COMMITMENTS

##### Capital commitments (continued)

The above commitments have been included and approved for payment in accordance with the 2017/2018 Approved Budget Estimates.

##### Post employment benefits

Effective July 2008, the Bank has a medical insurance arrangement, which covers retired employees and their spouses. At the reporting date the Bank had insurance commitment amounting to TZS 231.1 million (2016: TZS 231.1 million) involving retired staff with their spouses who retired since financial year 2009/10.

#### 49. RELATED PARTY DISCLOSURES

In the course of its operations, the Bank enters into transactions with related parties, which include the Government of the United Republic of Tanzania, the ultimate shareholder of the Bank, the Deposit Insurance Fund and key management personnel. The related party transactions during the year are as follows:

##### a. Loans and emoluments to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank. The Bank's key management personnel are the Governor, Deputy Governors', Non-Executive Directors and Directors.

The Bank extends loans facilities to the Governor, the Deputy Governors and its members of staff. Loans and receivables (**Note 24**) included advances to employees that as at 30 June 2017 amounted to TZS 78,468.5 million (2016: TZS 70,983.6 million). The advances are granted at preferential rates of interest determined by the Bank presently at 5 percent fixed over the period of the loan. The following is the breakdown of loans and emoluments granted to key management personnel except Non-Executive Directors.

	30.06.2017	30.06.2016
	TZS '000	TZS '000
<b>i Loans to Senior Management (i.e. Governor, Deputy Governors and Directors)</b>		
At start of the year	689,689	365,522
Loans granted during the year	2,058,138	1,216,318
Loans repaid during the year	<u>(1,008,727)</u>	<u>(892,151)</u>
<b>Balance end of the year</b>	<b><u>1,739,100</u></b>	<b><u>689,689</u></b>
<b>ii Emoluments to Senior Management Personnel (Governor, Deputy Governors and Directors)</b>		
Salaries, allowances and benefits	4,530,199	4,742,664
Post-employment benefits	<u>1,494,111</u>	<u>1,292,589</u>
<b>Total</b>	<b><u>6,024,310</u></b>	<b><u>6,035,253</u></b>

In accordance with Section 15 of the Bank of Tanzania Act, 2006, remuneration of the Governor and Deputy Governors is determined by the President of the United Republic of Tanzania. The Board determines remuneration of Directors including Secretary to the Bank. As at 30 June 2017, the number of key management personnel was 25 (2016: 25).



## Bank of Tanzania Annual Report 2016/17

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 49. RELATED PARTY DISCLOSURES (CONTINUED)

##### b. Directors' remunerations

During the year ending 30 June 2017, emoluments paid to the members of the Board amounted to TZS 371.0 million (2016: TZS 1,052.0 million). These emoluments include benefits of Non - Executive Directors. Non-Executive Directors are not entitled to loans and advances.

##### c. Government of the United Republic of Tanzania

Transactions entered into with the Government include:

- (a) No interest and no Bank charges on Government deposits accounts;
- (b) Cost sharing of liquidity management cost arising from issue and redemption of liquidity papers and Repurchase Agreements in accordance with the memorandum of understanding in force.
- (c) Settlement of foreign currency denominated obligations;
- (d) Financial accommodation on temporary short falls in Government revenue;
- (e) Other duties including agency of the Government as provided under the Bank of Tanzania Act, 2006.

As at the close of business on 30 June 2017, the following balances, which are included in the statement of financial position in various categories, were outstanding:

	<b>30.06.2017</b>	<b>30.06.2016</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Due from Governments of Tanzania (Note 23 and 32)	1,546,553,483	1,191,810,509
IMF funds on-lent to the Government (Note 19)	1,234,836,479	1,212,378,799
Deposits - Revolutionary Government of Zanzibar (Note 32)	14,921,490	21,989,412
Investments in Government Securities (Note 22)	1,492,306,664	1,490,568,528
Structured Financing Facility (Note 33)	69,454,026	69,844,026
Export Credit Guarantee Fund (Note 33)	1,576,508	2,023,601
Small and Medium Enterprises Guarantee Fund (Note 33)	518,985	598,279

The above Schemes are administered by the Bank on behalf of the Government of the United Republic of Tanzania. Funds are deposited with the Bank and no interest is paid on these balances.

The Governments of Republic of Tanzania (URT) and Revolutionary Government of Zanzibar (RGZ) deposits are governments funds held by the Bank as Governments' bank.

##### Deposit Insurance Fund Board

The Bank has a close working relationship with the Deposit Insurance Board, an entity incorporated under the Banking and Financial Institution Act, 1991 (as amended 2006). The Bank provides it with staff, subvention and office accommodation.

During the year, the Bank contribution to the Deposit Insurance Board amounting to TZS 248.7 million (2016: TZS 265.5 million). The balance outstanding from the Fund included under Deposit Others as at 30 June 2017 was TZS 15,104.1 million (2016: TZS 12,153.9 million).







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## **PART IV**

# **CALENDAR OF IMPORTANT MONETARY AND ECONOMIC POLICY EVENTS, JUNE 2011 TO JUNE 2017**





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**June 2017:** The Foreign Exchange (Bureau de Change) (Amendment) Regulations, 2017 were gazette and became effective on 2<sup>nd</sup> June, 2017.

**May 2017:** As per the Bank of Tanzania Act, 2006, The President of the United Republic of Tanzania, His Excellency, Dr. John Pombe Magufuli, appointed Dr. Yamungu Kayandabila as Deputy Governor, Economic and Financial Policies, and Dr. Bernard Kibesse as Deputy Governor, Financial Stability and Deepening, for a period of five years with effect from 31<sup>st</sup> May, 2017. They replaced Dr. Natu El-Maamry Mwamba and Mr. Lila H. Mkila, respectively, who have finished their terms.

**May 2017:** On 10<sup>th</sup> May 2017 the Bank of Tanzania took possession of Mbinga Community Bank, revoked its banking business license, and placed it under compulsory liquidation. The measures were taken upon determination that the bank was critically undercapitalized and insolvent, hence violating the requirements of the Banking and Financial Institutions Act of 2006.

**May 2017:** On 5<sup>th</sup> May 2017, the Bank of Tanzania revoked the business license of FBME bank and placed it under liquidation following USA court rule that allowed the Financial Crimes Enforcement Network (FinCEN) to shut the bank out of accessing the USA financial system on large-scale money laundering charges.

**April 2017:** The Bank lowered the Statutory Minimum Reserve (SMR) requirement on private sector deposits to 8.0 percent from 10.0 percent, to complement reserve averaging framework.

**March 2017:** The Bank reduced the discount rate from 16.0 percent to 12.0 percent effective from March 6, 2017.

**January 2017:** The Bank adopted reserve averaging framework, which allow banks to use part of the SMR balances during the maintenance period to meet liquidity needs.

**October 2016:** On 28<sup>th</sup> October 2016, the Bank of Tanzania put Twiga Bancorp Ltd. in receivership for lack of adequate capital, a violation of the Banking and Financial Institutions Act of 2006 requirements.

**June 2016:** The Bank marked its 50<sup>th</sup> Anniversary, during which a charity walk to raise fund for purchasing desks for primary and secondary schools was organized. Other events included launching of books and a symposium.

**January 2016:** As per the Bank of Tanzania Act, 2006, The President of the United Republic of Tanzania, His Excellency, Dr. John Pombe Joseph Magufuli, appointed Mr. Julian B. Raphael as Deputy Governor for a period of five years with effect from 26<sup>th</sup> January, 2016

**January 2016:** The National Bureau of Statistics (NBS) released the rebased National Consumer Price Index (NCPI), marking the 6th revision, after that of 1966, 1976, 1992, 2001, 2010 and 2015. Under the new CPI, the weight of food and non-alcoholic beverages dropped to 38.5 (base: December 2015) from 47.8 (base: September 2010).

**June 2015:** The range of government securities that can be pledged by banks as collateral in accessing standby facilities at the Bank of Tanzania was broadened to include securities that mature within 91 days to 180 days from the date of acquisition.

**May 2015,** The Bank of Tanzania introduced a Bureau de Change System to monitor transactions in real time as well as accommodate money remittance line of business.

**May 2015:** The Bank of Tanzania revised the statutory minimum reserve rate charged on private deposit liabilities with banks and borrowings from the general public from 8 percent to 10 percent.



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**May 2015:** Banks' prudential limit on foreign exchange net open position was reduced from 7.5 percent to 5.5 percent of core capital.

**April 2015:** Complaints Resolution Desk was established at the Bank of Tanzania to handle unresolved disputes between banking institutions and their clients.

**April 2015:** The National Payment System Bill was assented to an Act by the President of the United Republic of Tanzania.

**April 2015:** Tanzania Automated Clearing House became operational.

**March 2015:** Capital adequacy ratios of banks were increased from 10 percent to 12.5 percent of core capital and from 12 percent to 14.5 percent of total capital.

**February 2015:** Connectivity between Tanzania Inter-Bank Settlement System (TISS) and Dar es Salaam Stock Exchange (DSE) became operational.

**December 2014:** Statutory minimum reserve ratio on private sector deposits was reduced from 10 percent to 8 percent

**June 2014:** Ratification of the East African Community (EAC) Monetary Union Protocol, 25<sup>th</sup> June, 2014.

**June 2014:** Ratification of SADC Finance and Investment Protocol, 6<sup>th</sup> June, 2014.

**May 2014:** Signing of the Memorandum of Understanding amongst EAC Central Banks on currency convertibility and repatriation, 16<sup>th</sup> May, 2014.

**May 2014:** Further liberalization of Capital Account within the EAC region, 2<sup>nd</sup> May, 2014.

**March 2014:** The launch of the East African Community Payment and Settlement Systems Integration Project (EAC-PSSIP), 12<sup>th</sup> March, 2014 (Arusha).

**November 2013:** The signing of the East African Monetary Union Protocol by the EAC Heads of State, 30<sup>th</sup> November, 2013.

**March 2013:** The Deputy Minister for Finance, Janet Mbene (MP) launched the Tanzania Financial Stability Forum (TFSF) on 11<sup>th</sup> March, 2013.

**January 2013:** The Bank of Tanzania issued guidelines on Agency Banking. The guidelines became effective on 1<sup>st</sup> February, 2013.

**November 2012:** As per the Bank of Tanzania Act, 2006, The President of the United Republic of Tanzania, His Excellency, Dr. Jakaya Mrisho Kikwete, re-appointed Prof. Benno J. Ndulu to serve in the office for the second term as the Governor of the Bank of Tanzania. The effective date of his appointments was 8<sup>th</sup> January, 2013.

**November 2012:** The President of the United Republic of Tanzania, His Excellency, Dr. Jakaya Mrisho Kikwete, launched the Mwalimu Nyerere Memorial Scholarship Fund.

**September 2012:** The Bank launched the Credit Reference Databank.

**August 2012:** The Bank introduced an online bidding system for Government securities auctions (GSS).

**June 2011:** As per the Bank of Tanzania Act, 2006, The President of the United Republic of Tanzania, His Excellency, Dr. Jakaya Mrisho Kikwete, appointed Dr. Natu El-Maamry Mwamba as Deputy Governor for a period of five years with effect from 13<sup>th</sup> June, 2011. She replaced Dr. Enos Bukuku, who was appointed as Deputy Secretary General of the East African Community.



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**PART V**

**PART V: STATISTICAL TABLES**





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### A1.0 Output and Prices

**Table A1.1: Gross Domestic Product (GDP) by Kind of Economic Activity at Current Prices, Tanzania Mainland**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Millions of TZS
<b>A: Monetary</b>											
<b>Gross domestic product at market prices</b>	23,543,117	28,604,090	33,070,963	38,502,579	46,458,467.7	54,048,498.5	62,464,163.7	70,541,392.7	80,548,246.4	92,521,268.2	
<b>Agriculture, hunting and forestry</b>	4,447,566	5,620,186	7,282,504	8,346,157	9,669,070.3	12,422,453.0	14,676,539.1	14,863,793.7	17,132,480.9	20,049,614.6	
Crops	2,035,868	2,813,995	3,387,898	4,088,913	4,875,621.4	6,395,435.0	7,330,007.7	7,117,934.6	8,090,111.4	9,955,050.0	
Livestock	1,600,935	1,950,951	2,526,106	2,787,330	3,228,195.8	3,738,519.5	4,204,253.0	4,124,744.0	4,679,921.5	6,079,921.5	
Forestry and hunting	397,287	467,159	547,229	593,733	712,100.7	985,140.9	1,467,507.6	1,699,651.3	2,108,250.7	2,653,613.8	
Fishing	413,496	588,082	821,271	876,181	1,033,092.4	1,323,357.5	1,656,770.9	1,721,409.9	1,796,804.9	1,961,029.3	
<b>Industry and construction</b>	5,003,068	6,260,761	6,593,837	8,441,110	11,465,514.1	12,813,072.4	15,421,036.2	17,790,823.0	21,109,983.8	25,114,426.8	
Mining and quarrying	935,412	991,017	1,073,019	1,779,711	2,688,583.6	3,001,179.2	2,996,465.6	2,923,420.3	3,659,599.1	4,575,991.0	
Manufacturing	1,890,032	2,283,594	2,597,316	3,021,538	4,031,541.2	4,599,919.1	4,575,334.1	4,445,568.2	4,768,917.4	5,305,097.4	
Electricity supply	232,622	306,628	354,882	406,272	533,444.1	533,282.9	546,689.9	674,306.1	898,680.7	914,940.3	
Water supply, sewerage, waste management	163,890	188,482	179,961	177,767	168,603.1	189,885.0	224,918.5	283,471.9	274,792.1	291,387.1	
Construction	1,791,111	2,511,041	2,388,679	3,055,825	4,273,342.2	4,488,808.2	7,087,648.2	9,284,056.4	11,507,994.5	13,827,011.1	
<b>Services</b>	12,001,921	14,639,601	17,041,396	19,276,406	22,420,329.7	25,590,578.6	28,951,360.6	32,459,640.9	36,226,796.4	40,397,288.7	
Wholesale and retail trade and repairs	2,645,347	3,193,697	3,744,883	4,426,467	5,571,372.2	6,389,279.2	7,271,715.9	8,378,448.8	9,714,526.3	11,091,210.2	
Transport and storage	1,572,854	1,969,499	2,320,841	2,557,407	2,728,970.4	2,733,617.8	2,996,346.8	3,438,076.7	3,864,480.7	4,473,876.1	
Hotels and restaurants	481,967	559,793	680,669	720,772	733,957.9	887,971.8	902,809.8	872,340.7	957,287.6	1,048,727.5	
Information and communication	615,066	722,548	912,732	1,151,748	1,244,894.0	1,454,663.3	1,824,384.2	1,700,411.3	1,809,897.0	2,025,901.0	
Financial and insurance activities	756,075	959,279	1,178,653	1,408,477	1,772,783.4	2,070,166.5	2,308,705.2	2,694,444.2	3,254,440.0	3,731,190.9	
Real estate	1,510,692	1,607,744	1,815,360	1,926,451	2,153,936.6	2,480,702.6	2,521,339.9	2,809,249.2	2,815,190.0	2,831,690.9	
Professional, scientific and technical activities	318,677	450,188	592,630	728,207	813,502.2	810,125.9	902,694.9	1,003,125.7	1,103,125.5	1,228,051.8	
Administrative and support service activities	793,110	895,083	895,051	978,846	1,098,619.7	1,427,909.3	1,711,726.7	2,003,202.4	2,160,206.6	2,289,111.9	
Public administration and defence	2,179,164	2,282,704	2,511,953	2,688,756	3,338,191.5	4,017,280.3	4,866,070.7	5,227,501.7	5,852,804.9	6,499,975.0	
Education	851,208	1,007,308	1,193,228	1,380,170	1,463,766.8	1,607,317.5	1,893,664.7	2,172,080.4	2,309,344.5	2,425,025.2	
Human health and social work activities	438,415	532,163	663,618	735,665	820,894.4	919,307.2	1,019,966.8	1,151,977.5	1,275,702.4	1,428,935.7	
Arts, entertainment and recreation	91,527	105,579	114,977	125,499	144,046.4	189,112.0	186,996.5	221,912.3	241,508.1	275,198.9	
Other service activities	254,462	294,114	344,078	366,539	406,498.3	472,947.1	534,379.6	619,834.6	690,814.0	762,419.4	
Activities of households as employers;	93,329	104,904	112,524	121,402	128,885.8	140,180.1	148,585.8	187,035.1	177,890.7	184,984.1	
less FISIM	-331,002	-289,027	-327,342	-376,200	-557,921.4	-638,331.9	-667,157.5	-826,395.8	-1,027,814.1	-1,082,044.0	
<b>Gross value added at current basic prices</b>	21,721,573	26,431,521	30,590,395	35,667,473	43,196,992.7	50,177,772.2	58,183,778.4	64,087,807.7	73,431,456.9	84,479,266.1	
<i>Add Taxes on products</i>	1,821,544	2,172,568	2,480,568	2,815,106	3,261,475.0	3,870,726.3	4,480,385.3	6,453,665.0	7,116,789.5	8,041,972.1	
<b>B: Non-monetary</b>											
<b>Gross domestic product at market prices</b>	3,227,315	4,160,850	4,655,861	5,333,439	6,304,113.3	7,385,715.4	8,286,083.6	9,177,023.6	10,315,404.5	11,223,338.0	
<b>Agriculture, hunting and forestry</b>	2,733,771	3,612,539	4,125,214	4,763,966	5,619,162.1	6,673,098.5	7,450,675.0	8,305,484.9	9,214,173.7	10,110,449.4	
Crops	1,567,671	2,199,566	2,648,158	3,196,109	3,811,041.5	4,639,608.8	5,083,974.4	5,733,729.4	6,103,066.5	6,745,080.2	
Livestock	912,349	1,111,818	1,117,612	1,181,994	1,344,753.5	1,455,517.5	1,634,987.3	1,718,970.8	1,987,843.2	1,882,549.4	
Forestry and hunting	242,475	285,119	333,988	362,371	434,650.4	542,652.0	680,473.0	792,391.9	1,038,392.2	1,387,841.4	
Fishing	11,276	16,036	25,455	23,893	28,716.7	35,320.2	51,240.3	60,392.8	74,866.9	94,978.3	
<b>Industry and construction</b>	402,970	424,678	439,647	459,017	561,110.0	590,555.0	687,581.0	725,370.8	983,961.2	982,099.6	
Water supply	77,007	79,165	84,559	83,527	79,221.7	85,168.4	101,050.3	110,077.1	117,768.0	131,311.4	
Construction	325,962	360,482	340,120	375,489	481,888.3	495,386.6	566,530.7	615,293.7	866,193.1	850,788.3	
<b>Services</b>	90,574	108,664	105,968	110,456	123,841.2	132,061.9	150,807.6	146,167.9	117,298.6	130,789.0	
Real estate and business services	90,574	108,664	105,968	110,456	123,841.2	132,061.9	150,807.6	146,167.9	117,298.6	130,789.0	
<b>C: Total GDP at market prices</b>	26,707,432	32,764,940	37,726,824	43,836,018	52,762,580.9	61,434,213.9	70,953,227.3	79,718,416.3	90,863,680.8	103,744,606.2	
Population	38.3	38.5	40.7	41.9	43.2	43.6	44.8	48.0	47.4	48.7	
D: Per Capita nominal GDP (TZS)	547,081	627,787	689,470	770,464	868,818.6	1,408,222.7	1,582,796.7	1,731,281.9	1,918,979.5	2,131,299.1	

Source: National Bureau of Statistics

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

FISIM = Financial intermediation services indirectly measured

The National Bureau of Statistics revised National Account Estimates to 2007 constant prices



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### A1.0 Output and Prices

**Table A1.2: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Share in Total GDP at Current Prices, Tanzania Mainland**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Percent										
<b>A: Monetary</b>										
<b>Gross domestic product at market prices</b>	<b>87.9</b>	<b>87.3</b>	<b>87.7</b>	<b>87.8</b>	<b>88.1</b>	<b>88.0</b>	<b>88.3</b>	<b>88.4</b>	<b>88.6</b>	<b>89.2</b>
<b>Agriculture, Hunting and Forestry</b>	<b>16.6</b>	<b>17.8</b>	<b>19.3</b>	<b>19.0</b>	<b>18.7</b>	<b>20.2</b>	<b>20.7</b>	<b>18.5</b>	<b>18.9</b>	<b>19.3</b>
Crops	7.6	8.6	9.0	9.3	9.2	10.4	10.3	9.0	8.9	9.0
Livestock	6.0	6.0	6.7	6.4	6.1	6.1	5.9	5.2	5.7	5.9
Forestry and hunting	1.5	1.4	1.5	1.4	1.3	1.6	2.1	2.1	2.3	2.6
Fishing	1.5	1.8	2.2	2.0	2.0	2.2	2.3	2.2	2.0	1.9
<b>Industry and construction</b>	<b>18.7</b>	<b>19.1</b>	<b>17.5</b>	<b>19.3</b>	<b>21.7</b>	<b>20.9</b>	<b>21.7</b>	<b>22.0</b>	<b>23.2</b>	<b>24.2</b>
Mining and quarrying	3.5	3.0	2.8	4.1	5.1	4.9	4.2	3.7	4.0	4.8
Manufacturing	7.0	7.0	6.9	6.9	7.6	7.5	6.4	5.6	5.2	5.1
Electricity supply	0.9	0.9	0.9	0.9	0.6	0.9	0.8	0.8	1.0	0.9
Water supply, sewerage, waste management	0.6	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Construction	6.7	7.7	6.3	7.0	8.1	7.3	10.0	11.7	12.7	13.1
<b>Services</b>	<b>47.1</b>	<b>44.7</b>	<b>45.2</b>	<b>44.0</b>	<b>42.5</b>	<b>41.6</b>	<b>40.8</b>	<b>40.9</b>	<b>10.7</b>	<b>38.9</b>
Wholesale and retail trade; repairs	9.9	9.7	9.9	10.1	10.6	10.4	10.2	10.5	4.3	10.7
Transport and storage	5.9	6.0	6.2	5.8	5.2	4.4	4.2	4.3	4.3	4.3
Hotels and restaurants	1.8	1.7	1.8	1.6	1.4	1.4	1.3	1.1	1.1	1.0
Information and communication	2.3	2.2	2.4	2.6	2.4	2.4	2.3	2.1	2.0	2.0
Financial and insurance activities	2.8	2.9	3.1	3.2	3.4	3.4	3.3	3.4	3.6	3.6
Real estate	5.6	4.9	4.8	4.4	4.1	4.0	3.6	3.5	3.1	2.8
Professional, scientific and technical activities	1.2	1.4	1.5	1.7	1.5	1.3	1.3	1.3	1.2	1.2
Administrative and support service activities	3.0	2.6	2.4	2.2	2.1	2.3	2.4	2.5	2.4	2.2
Public administration and defence	8.1	7.0	6.7	6.1	6.3	6.5	7.0	6.6	6.4	6.3
Education	3.2	3.1	3.2	3.1	2.8	2.6	2.7	2.7	2.5	2.3
Human health and social work activities	1.6	1.6	1.8	1.7	1.6	1.5	1.4	1.5	1.4	1.4
Arts, entertainment and recreation	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other service activities	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.7
Activities of households as employers; less FISIM	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
less FISIM	-1.2	-0.9	-0.9	-0.9	-1.1	-1.0	-1.2	-1.0	-1.1	-1.0
<b>Gross value added at current basic prices</b>	<b>81.1</b>	<b>80.7</b>	<b>81.1</b>	<b>81.4</b>	<b>81.9</b>	<b>81.7</b>	<b>82.0</b>	<b>80.3</b>	<b>80.8</b>	<b>81.4</b>
Add Taxes on products	6.8	6.6	6.6	6.4	6.2	6.3	6.3	8.1	7.8	7.8
<b>B: Non-monetary</b>										
<b>Gross domestic product at market prices</b>	<b>12.1</b>	<b>12.7</b>	<b>12.3</b>	<b>12.2</b>	<b>11.9</b>	<b>12.0</b>	<b>11.7</b>	<b>11.6</b>	<b>11.4</b>	<b>10.8</b>
<b>Agriculture, hunting and forestry</b>	<b>10.2</b>	<b>11.0</b>	<b>10.9</b>	<b>10.9</b>	<b>10.6</b>	<b>10.9</b>	<b>10.5</b>	<b>10.5</b>	<b>10.1</b>	<b>9.7</b>
Crops	5.9	6.7	7.0	7.3	7.2	7.6	7.2	7.2	6.7	6.5
Livestock	3.4	3.4	3.0	2.7	2.5	2.4	2.3	2.2	2.2	1.8
Forestry and hunting	0.9	0.9	0.9	0.8	0.8	0.9	1.0	1.0	1.1	1.3
Fishing	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Industry and construction</b>	<b>1.5</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>1.1</b>	<b>0.9</b>	<b>1.0</b>	<b>0.9</b>	<b>1.1</b>	<b>0.5</b>
Water supply	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Construction	1.2	1.1	0.9	0.9	0.9	0.8	0.8	0.8	1.0	0.8
<b>Services</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>
Real estate and business services	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1
<b>C: Total GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: National Bureau of Statistics

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

FISIM = Financial intermediation services indirectly measured

The National Bureau of Statistics revised National Account Estimates to 2007 constant prices



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### A1.0 Output and Prices

**Table A1.3: Gross Domestic Product (GDP) by Kind of Economic Activity at Constant 2007 Prices, Tanzania Mainland**

	Millions of TZS										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>	
<b>A: Monetary</b>											
<b>Gross domestic product at market prices</b>	<b>23,751,946</b>	<b>25,006,410</b>	<b>26,359,287</b>	<b>28,178,750</b>	<b>30,388,101.0</b>	<b>32,023,357.4</b>	<b>34,483,853.7</b>	<b>37,025,042.0</b>	<b>39,763,780.0</b>	<b>42,700,428.7</b>	
<b>Agriculture, hunting and forestry</b>	<b>4,652,052</b>	<b>4,991,151</b>	<b>5,201,900</b>	<b>5,380,854</b>	<b>5,481,431.4</b>	<b>5,655,620.0</b>	<b>5,884,506.4</b>	<b>6,083,929.2</b>	<b>6,280,858.7</b>	<b>6,402,712.4</b>	
Crops	2,119,511	2,284,931	2,376,307	2,513,255	2,583,446.9	2,691,656.3	2,827,400.2	2,917,069.2	3,012,555.9	3,031,774.2	
Livestock	1,695,916	1,824,568	1,921,203	1,943,430	1,945,691.3	1,981,283.0	2,024,300.0	2,096,863.6	2,179,351.4	2,239,359.1	
Forestry and hunting	422,635	437,658	460,476	476,226	492,151.2	509,249.1	533,432.7	560,634.0	566,441.1	587,004.4	
Fishing	413,992	443,994	443,914	447,942	460,142.0	473,431.6	499,373.5	509,362.4	522,510.4	544,574.7	
<b>Industry and construction</b>	<b>5,007,431</b>	<b>5,324,353</b>	<b>5,529,339</b>	<b>6,035,420</b>	<b>6,711,901.1</b>	<b>6,990,448.1</b>	<b>7,618,426.3</b>	<b>8,443,743.6</b>	<b>9,369,722.6</b>	<b>10,407,947.1</b>	
Mining and quarrying	935,412	843,949	1,001,653	1,074,285	1,141,798.2	1,217,823.0	1,264,844.8	1,383,349.2	1,508,923.3	1,682,719.4	
Manufacturing	1,880,032	2,094,035	2,192,207	2,388,391	2,554,119.3	2,659,199.5	2,831,399.9	3,024,322.7	3,222,076.7	3,472,647.5	
Electricity supply	232,622	251,361	262,100	297,238	284,393.6	293,803.6	332,080.1	363,109.5	384,271.4	416,904.3	
Water supply, sewerage, waste management	168,253	172,171	177,851	184,336	182,034.8	187,185.1	192,154.8	199,328.6	196,651.9	206,149.6	
Construction	1,791,111	1,962,838	1,895,528	2,091,171	2,549,555.1	2,632,437.0	2,997,946.8	3,473,633.7	4,057,799.3	4,629,526.2	
<b>Services</b>	<b>12,601,921</b>	<b>13,134,684</b>	<b>13,898,833</b>	<b>14,985,843</b>	<b>16,250,383.1</b>	<b>17,429,639.4</b>	<b>18,676,000.3</b>	<b>20,026,988.6</b>	<b>21,417,869.0</b>	<b>23,043,417.2</b>	
Wholesale and retail trade and repairs	2,645,347	2,817,146	2,893,444	3,181,783	3,541,264.9	3,675,197.1	3,839,851.5	4,223,836.7	4,552,421.9	4,855,512.6	
Transport and storage	1,572,854	1,601,242	1,712,475	1,896,112	1,980,177.1	2,062,518.3	2,314,221.4	2,603,499.1	2,810,378.3	3,140,748.0	
Hotels and restaurants	481,997	497,897	502,992	521,540	543,172.8	579,597.9	595,724.3	609,111.0	622,966.5	646,196.7	
Information and communication	615,066	688,106	871,411	1,084,423	1,177,462.0	1,439,325.7	1,631,262.5	1,762,115.8	1,974,819.1	2,231,111.1	
Financial and insurance activities	756,075	898,007	1,062,921	1,197,164	1,374,536.5	1,445,139.6	1,534,231.5	1,699,700.0	1,900,296.7	2,103,990.7	
Real estate	1,510,692	1,537,595	1,566,192	1,596,582	1,628,811.5	1,662,929.8	1,698,989.2	1,737,044.6	1,776,292.7	1,819,098.6	
Professional, scientific and technical activities	318,677	416,091	481,737	625,810	655,946.9	617,853.5	651,358.4	654,929.9	699,555.6	743,796.8	
Administrative and support service activities	793,110	778,586	781,579	849,168	892,397.2	1,104,371.7	1,239,494.9	1,313,617.9	1,375,561.5	1,404,965.2	
Public administration and defence	2,179,164	2,042,643	2,027,532	1,926,209	2,231,564.5	2,435,459.5	2,625,280.5	2,728,182.5	2,854,132.1	3,045,807.8	
Education	851,208	932,429	1,017,818	1,082,540	1,143,384.9	1,228,099.3	1,280,673.0	1,341,506.6	1,425,991.8	1,541,075.8	
Human health and social work activities	438,415	462,620	497,047	513,696	541,093.0	602,631.6	655,861.2	709,309.8	742,628.6	781,588.5	
Arts, entertainment and recreation	91,527	97,422	100,381	107,674	116,005.3	128,764.3	136,161.6	143,932.6	152,891.3	166,415.4	
Other service activities	254,462	269,097	284,963	302,194	320,943.8	341,382.2	363,702.1	388,120.3	414,880.9	444,609.7	
Activities of households as employers;	93,329	95,802	98,341	100,947	103,622.8	106,369.0	109,188.1	112,081.8	115,052.2	118,500.2	
less FISIM	-331,002	-353,602	-424,177	-457,867	-561,275.4	-568,182.9	-568,579.6	-623,558.1	-696,520.6	-810,062.6	
<b>Gross value added at current basic prices</b>	<b>21,930,402</b>	<b>23,096,585</b>	<b>24,205,895</b>	<b>25,944,250</b>	<b>27,882,440.2</b>	<b>29,507,524.6</b>	<b>31,610,353.5</b>	<b>33,931,103.3</b>	<b>36,371,929.7</b>	<b>39,044,014.0</b>	
Add Taxes on products	1,821,544	1,909,825	2,153,392	2,234,499	2,505,660.8	2,515,832.8	2,873,500.2	3,093,938.8	3,391,850.3	3,656,414.7	
<b>B: Non-monetary</b>											
<b>Gross domestic product at market prices</b>	<b>3,018,485</b>	<b>3,254,223</b>	<b>3,422,432</b>	<b>3,496,754</b>	<b>3,791,195.8</b>	<b>3,913,101.7</b>	<b>4,062,692.0</b>	<b>4,206,321.8</b>	<b>4,337,028.8</b>	<b>4,474,473.1</b>	
<b>Agriculture, hunting and forestry</b>	<b>2,529,304</b>	<b>2,728,883</b>	<b>2,911,850</b>	<b>2,951,582</b>	<b>3,140,397.9</b>	<b>3,246,297.2</b>	<b>3,302,224.1</b>	<b>3,413,539.0</b>	<b>3,439,106.6</b>	<b>3,521,469.2</b>	
Crops	1,484,029	1,599,852	1,722,443	1,735,188	1,870,771.9	1,949,130.4	1,974,383.0	2,076,785.4	2,093,471.0	2,143,714.3	
Livestock	817,368	891,258	938,462	957,212	1,002,325.8	1,020,660.9	1,038,181.1	1,032,783.6	1,025,577.1	1,048,139.8	
Forestry and hunting	217,127	226,210	237,215	245,329	253,532.4	262,340.5	274,798.7	288,811.4	305,006.8	314,157.0	
Fishing	10,780	11,561	13,729	13,854	13,767.7	14,165.4	14,861.4	15,158.7	15,051.7	15,458.1	
<b>Industry and construction</b>	<b>398,607</b>	<b>434,818</b>	<b>420,024</b>	<b>454,490</b>	<b>559,903.3</b>	<b>575,608.8</b>	<b>668,882.8</b>	<b>700,720.2</b>	<b>804,433.1</b>	<b>857,925.4</b>	
Water supply	72,644	74,336	79,904	79,001	78,014.9	80,222.2	82,352.0	85,426.5	88,350.8	91,001.4	
Construction	325,962	360,482	340,120	375,489	481,888.3	495,386.6	586,530.7	615,293.7	716,082.2	766,924.1	
<b>Services</b>	<b>90,574</b>	<b>90,523</b>	<b>90,558</b>	<b>90,682</b>	<b>90,894.6</b>	<b>91,195.8</b>	<b>91,585.1</b>	<b>92,062.5</b>	<b>93,489.1</b>	<b>95,078.4</b>	
Real estate and business services	90,574	90,523	90,558	90,682	90,894.6	91,195.8	91,585.1	92,062.5	93,489.1	95,078.4	
<b>C: Total GDP at market prices</b>	<b>26,770,432</b>	<b>28,260,633</b>	<b>29,781,719</b>	<b>31,675,504</b>	<b>34,179,296.8</b>	<b>35,936,459.1</b>	<b>38,546,545.7</b>	<b>41,231,363.9</b>	<b>44,100,808.8</b>	<b>47,174,901.8</b>	
Population	38.3	39.5	40.7	41.9	43.2	43.6	44.8	46.0	47.4	48.7	
<b>D: Per Capita real GDP (TZS)</b>	<b>699,127</b>	<b>715,918</b>	<b>732,038</b>	<b>755,721</b>	<b>791,750.0</b>	<b>823,751.7</b>	<b>859,881.2</b>	<b>895,440.7</b>	<b>931,379.3</b>	<b>969,147.5</b>	

Source: National Bureau of Statistics

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

FISIM = Financial intermediation services indirectly measured

The National Bureau of Statistics revised National Account Estimates to 2007 constant prices



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A1.0 Output and Prices

Table A1.4: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Share in Total GDP at 2007 Prices, Tanzania Mainland

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>p</sup>
Percent										
<b>A: Monetary</b>										
<b>Gross domestic product at market prices</b>	<b>88.7</b>	<b>88.5</b>	<b>88.5</b>	<b>89.0</b>	<b>88.9</b>	<b>89.1</b>	<b>89.5</b>	<b>89.8</b>	<b>90.2</b>	<b>90.5</b>
<b>Agriculture, hunting and forestry</b>	<b>19.5</b>	<b>20.0</b>	<b>19.7</b>	<b>19.1</b>	<b>18.0</b>	<b>17.7</b>	<b>17.0</b>	<b>16.5</b>	<b>15.8</b>	<b>13.6</b>
Crops	8.9	9.1	9.0	8.9	8.5	8.4	8.2	7.9	7.6	6.4
Livestock	7.1	7.3	7.3	6.9	6.4	6.2	5.9	5.7	5.5	4.7
Forestry and hunting	1.8	1.8	1.7	1.7	1.6	1.6	1.5	1.5	1.4	1.2
Fishing	1.7	1.8	1.7	1.6	1.5	1.5	1.4	1.4	1.3	1.2
<b>Industry and construction</b>	<b>21.0</b>	<b>21.3</b>	<b>21.0</b>	<b>21.5</b>	<b>22.1</b>	<b>21.8</b>	<b>22.2</b>	<b>22.8</b>	<b>23.6</b>	<b>22.1</b>
Mining and quarrying	3.9	3.4	3.8	3.8	3.8	3.8	3.7	3.7	3.8	3.6
Manufacturing	7.9	8.4	8.3	8.5	8.4	8.3	8.2	8.2	8.1	7.4
Electricity supply	1.0	1.0	1.0	1.1	0.9	0.9	1.0	1.0	1.0	0.9
Water supply, sewerage, waste management	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.5	0.5	0.4
Construction	7.5	7.8	7.2	7.4	8.4	8.2	8.7	9.4	10.2	9.8
<b>Services</b>	<b>53.0</b>	<b>52.7</b>	<b>52.8</b>	<b>53.1</b>	<b>53.6</b>	<b>54.3</b>	<b>54.0</b>	<b>54.0</b>	<b>54.1</b>	<b>48.8</b>
Wholesale and retail trade and repairs	11.1	11.3	11.0	11.3	11.7	11.5	11.1	11.4	11.4	10.3
Transport and storage	6.6	6.4	6.5	6.7	6.5	6.4	6.7	7.0	7.1	6.7
Hotels and restaurants	2.0	2.0	1.9	1.9	1.8	1.8	1.7	1.6	1.6	1.4
Information and communication	2.6	2.8	3.3	3.8	3.9	4.5	4.7	4.8	5.0	4.7
Financial and insurance activities	3.2	3.6	4.0	4.2	4.5	4.5	4.4	4.6	4.8	4.5
Real estate	6.4	6.1	5.9	5.7	5.4	5.2	4.9	4.7	4.5	3.9
Professional, scientific and technical activities	1.3	1.7	1.8	2.2	2.2	1.9	1.9	1.8	1.8	1.6
Administrative and support service activities	3.3	3.1	3.0	3.0	2.9	3.4	3.6	3.5	3.5	3.0
Public administration and defence	9.2	8.2	7.7	6.8	7.3	7.6	7.6	7.4	7.2	6.5
Education	3.6	3.7	3.9	3.8	3.8	3.8	3.7	3.6	3.6	3.3
Human health and social work activities	1.8	1.9	1.9	1.8	1.8	1.9	1.9	1.9	1.9	1.7
Arts, entertainment and recreation	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other service activities	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	0.9
Activities of households as employers	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
<i>less FISIM</i>	-1.4	-1.4	-1.6	-1.6	-1.8	-1.8	-1.6	-1.7	-1.8	-1.7
<b>Gross value added at current basic prices</b>	<b>92.3</b>	<b>92.4</b>	<b>91.8</b>	<b>92.1</b>	<b>91.8</b>	<b>92.1</b>	<b>91.7</b>	<b>91.6</b>	<b>91.5</b>	<b>82.8</b>
<i>Add Taxes on products</i>	7.7	7.6	8.2	7.9	8.2	7.9	8.3	8.4	8.5	7.8
<b>B: Non-monetary</b>										
<b>Gross domestic product at market prices</b>	<b>11.3</b>	<b>11.5</b>	<b>11.5</b>	<b>11.0</b>	<b>11.1</b>	<b>10.9</b>	<b>10.5</b>	<b>10.2</b>	<b>9.8</b>	<b>9.5</b>
<b>Agriculture, hunting and forestry</b>	<b>9.4</b>	<b>9.7</b>	<b>9.8</b>	<b>9.3</b>	<b>9.2</b>	<b>9.0</b>	<b>8.6</b>	<b>8.3</b>	<b>7.8</b>	<b>7.5</b>
Crops	5.5	5.7	5.8	5.5	5.5	5.4	5.1	5.0	4.7	4.5
Livestock	3.1	3.2	3.2	3.0	2.9	2.8	2.7	2.5	2.3	2.2
Forestry and hunting	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Industry and construction</b>	<b>1.5</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.8</b>	<b>1.8</b>
Water supply	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Construction	1.2	1.3	1.1	1.2	1.4	1.4	1.5	1.5	1.6	1.6
<b>Services</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
Real estate and business services	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
<b>C: Total GDP at market prices</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: National Bureau of Statistics

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

FISIM = Financial intermediation services indirectly measured



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### A1.0 Output and Prices

**Table A1.5: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Growth Rates at Constant 2007 Prices, Tanzania Mainland**

Economic Activity	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Percent										
<b>A: Monetary</b>										
<b>Gross domestic product at market prices</b>	<b>7.0</b>	<b>7.5</b>	<b>7.7</b>	<b>6.0</b>	<b>7.6</b>	<b>6.4</b>	<b>7.2</b>	<b>7.4</b>	<b>7.4</b>	<b>7.4</b>
<b>Agriculture, hunting and forestry</b>	<b>2.9</b>	<b>7.3</b>	<b>4.2</b>	<b>3.4</b>	<b>1.9</b>	<b>3.2</b>	<b>4.0</b>	<b>3.4</b>	<b>3.2</b>	<b>1.9</b>
Crops	-1.6	7.8	4.0	5.8	2.8	4.2	5.0	3.2	3.3	0.6
Livestock	8.7	7.6	5.3	1.2	0.1	1.8	2.2	3.6	3.9	2.8
Forestry and hunting	6.4	3.6	5.2	3.4	3.3	3.5	4.7	5.1	1.0	3.6
Fishing	0.9	7.2	0.0	0.9	2.7	2.9	5.5	2.0	2.6	4.2
<b>Industry and construction</b>	<b>11.2</b>	<b>6.3</b>	<b>3.8</b>	<b>9.2</b>	<b>11.2</b>	<b>4.2</b>	<b>9.0</b>	<b>10.8</b>	<b>11.0</b>	<b>11.1</b>
Mining and quarrying	9.2	-9.8	18.7	7.3	6.3	6.7	3.9	9.4	9.1	11.5
Manufacturing	11.5	11.4	4.7	8.9	6.9	4.1	6.5	6.8	6.5	7.8
Electricity supply	18.7	8.1	4.3	13.4	-4.3	3.3	13.0	9.3	5.8	8.5
Water supply, sewerage, waste management	-6.3	2.3	3.3	3.6	-1.2	2.8	2.7	3.7	-1.3	4.8
Construction	13.1	9.6	-3.4	10.3	21.9	3.3	13.9	15.9	16.8	14.1
<b>Services</b>	<b>8.5</b>	<b>4.2</b>	<b>5.8</b>	<b>7.8</b>	<b>8.4</b>	<b>7.3</b>	<b>7.2</b>	<b>7.2</b>	<b>6.9</b>	<b>7.6</b>
Wholesale and retail trade and repairs	12.9	6.5	2.7	10.0	11.3	3.8	4.5	10.0	7.8	6.7
Transport and storage	2.0	1.8	6.9	10.7	4.4	4.2	12.2	12.5	7.9	11.8
Hotels and restaurants	4.5	3.3	1.0	3.7	4.1	6.7	2.8	2.2	2.3	3.7
Information and communication	17.7	11.9	26.6	24.4	8.6	22.2	13.3	8.0	12.1	13.0
Financial and insurance activities	21.7	18.8	18.4	12.6	14.8	5.1	6.2	10.8	11.8	10.7
Real estate	1.7	1.8	1.9	1.9	2.0	2.1	2.2	2.2	2.3	2.4
Professional, scientific and technical activities	12.1	30.6	15.8	29.9	4.8	-5.8	5.4	0.5	6.8	6.3
Administrative and support service activities	2.1	-1.8	0.4	8.6	5.1	23.8	12.2	6.0	4.7	2.1
Public administration and defence	9.1	-6.3	-0.7	-5.0	15.9	9.1	7.8	3.9	4.6	6.7
Education	13.2	9.5	9.2	6.4	5.6	7.4	4.3	4.8	6.3	8.1
Human health and social work activities	7.0	5.5	7.4	3.3	5.3	11.4	8.8	8.1	4.7	5.2
Arts, entertainment and recreation	7.5	6.4	3.0	7.3	7.7	11.0	5.7	5.7	6.2	8.8
Other service activities	5.7	5.8	5.9	6.0	6.2	6.4	6.5	6.7	6.9	7.2
Activities of households as employers; <i>less FISIM</i>	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	3.0
<b>Gross value added at current basic prices</b>	<b>7.8</b>	<b>5.3</b>	<b>4.8</b>	<b>7.2</b>	<b>7.5</b>	<b>5.8</b>	<b>7.1</b>	<b>7.3</b>	<b>6.2</b>	<b>7.3</b>
<i>Add Taxes on products</i>	31.0	4.8	12.8	3.8	12.1	0.4	14.2	7.7	9.6	7.8
<b>B: Non-monetary</b>										
<b>Gross domestic product at market prices</b>	<b>2.2</b>	<b>7.8</b>	<b>5.2</b>	<b>2.2</b>	<b>8.4</b>	<b>3.2</b>	<b>3.8</b>	<b>3.5</b>	<b>3.1</b>	<b>3.2</b>
<b>Agriculture, Hunting and Forestry</b>	<b>1.4</b>	<b>7.9</b>	<b>6.7</b>	<b>1.4</b>	<b>6.4</b>	<b>3.4</b>	<b>1.7</b>	<b>3.4</b>	<b>0.7</b>	<b>2.4</b>
Crops	-1.4	7.8	7.7	0.7	7.8	4.2	1.3	5.2	0.8	2.4
Livestock	5.9	9.0	5.3	2.0	4.7	1.8	1.7	-0.5	-0.7	2.2
Forestry and hunting	5.1	4.2	4.9	3.4	3.3	3.5	4.7	5.1	5.6	3.0
Fishing	0.9	7.2	18.8	0.9	-0.6	2.9	4.9	2.0	-0.7	2.7
<b>Industry and construction</b>	<b>8.4</b>	<b>9.1</b>	<b>-3.4</b>	<b>8.2</b>	<b>23.2</b>	<b>2.8</b>	<b>16.2</b>	<b>4.8</b>	<b>14.8</b>	<b>5.1</b>
Water supply	-9.4	2.3	7.5	-1.1	-1.2	2.8	2.7	3.7	3.4	3.0
Construction	13.4	10.6	-5.6	10.4	28.3	2.8	18.4	4.9	16.4	7.1
<b>Services</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>1.5</b>	<b>1.7</b>
Real estate and business services	-0.1	-0.1	0.0	0.1	0.2	0.3	0.4	0.5	1.5	1.7
<b>C: Total GDP at market prices</b>	<b>8.5</b>	<b>5.6</b>	<b>5.4</b>	<b>6.4</b>	<b>7.9</b>	<b>5.1</b>	<b>7.3</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

Source: National Bureau of Statistics

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

FISIM = Financial intermediation services indirectly measured

The National Bureau of Statistics revised National Account Estimates to 2007 constant prices



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### A1.0 Output and Prices

**Table A1.6: Production of Major Agricultural Crops, Tanzania Mainland**

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15r	2015/16	2016/17 <sup>P</sup>
'000' Tonnes										
<b>Food Crop:</b>										
Maize	3,593.7	3,555.8	4,733.1	4,122.6	5,240.0	5,288.4	6,734.5	5,902.8	6,148.7	6,680.0
Rice	896.7	875.1	1,722.6	1,439.1	1,128.3	1,342.1	1,678.1	1,936.9	2,229.1	1,593.0
Wheat	86.4	92.4	62.4	112.7	102.8	102.5	167.0	72.5	76.4	50.0
Pulses	1,111.2	1,125.5	1,298.9	1,684.1	1,824.2	1,871.2	1,697.2	1,745.9	1,958.6	2,317.0
<b>Cash Crops:</b>										
Coffee	43.1	68.5	34.6	56.8	33.3	71.2	48.8	42.0	59.6	48.3
Cotton	67.3	123.6	89.5	54.8	75.7	119.7	82.5	67.8	50.2	40.8
Tea	32.7	31.6	32.1	31.7	31.5	34.9	34.7	35.7	32.6	27.0
Cashewnuts	99.1	79.1	75.4	121.1	158.4	127.9	130.1	197.9	155.2	264.9
Tobacco	50.8	55.4	60.7	94.2	126.6	74.2	86.3	105.9	87.0	60.7
Sisal	34.1	23.8	24.0	35.0	36.6	34.9	37.8	40.3	41.0	35.6
Pyrethrum	2.3	3.3	3.3	5.0	5.7	6.1	6.6	1.8	1.8	n.a

Source: Ministry of Agriculture, Livestock and Fisheries

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

**Table A1.7: Agricultural Production Indices, Tanzania Mainland**

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15r	2015/16	2016/17 <sup>P</sup>
1980/81=100										
<b>Food crops:</b>										
Maize	195.3	193.3	257.3	224.1	284.8	287.5	366.1	320.9	334.2	363.1
Paddy	256.6	250.4	492.9	411.7	322.8	384.0	480.1	554.2	637.8	455.8
Wheat	95.4	102.1	68.9	124.5	113.6	113.2	184.6	80.1	84.4	55.2
Pulses	409.1	414.4	478.2	620.1	671.6	688.9	624.9	642.8	721.1	853.1
<b>Cash crops:</b>										
Coffee	78.5	124.8	62.9	103.4	60.9	129.3	88.8	76.5	108.6	88.0
Cotton	118.6	218.0	157.8	96.7	133.6	211.1	145.4	119.6	88.6	71.9
Tea	185.8	179.6	182.2	198.9	203.7	191.6	197.2	203.1	185.4	153.3
Cashewnuts	183.5	146.4	137.3	224.3	293.4	236.9	241.0	366.5	287.5	490.5
Tobacco	343.1	374.0	408.0	636.8	855.6	501.6	583.4	715.5	587.8	410.1
Sisal	41.3	28.8	38.9	42.4	41.9	42.3	45.8	48.8	49.6	43.2
Pyrethrum	85.2	121.5	123.0	185.2	211.1	225.9	244.4	65.9	66.1	na

Source : Ministry of Agriculture, Livestock and Fisheries and the BOT computation

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



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### A1.0 Output and Prices

**Table A1.8: Production of Selected Industrial Products, Tanzania Mainland**

Commodity	Unit	2007	2008	2009	2010	2011	2012	2013	2014	2015 <sup>r</sup>	2016 <sup>p</sup>
Biscuits and pasta	Tonnes	11,273.0	15,435.0	6,930.0	6,912.0	12,240.0	16,119.0	17,440.0	15,964.0	15,274.0	15,551.0
Wheat flour	Tonnes	412,823.0	287,925.0	367,846.0	463,552.0	439,201.0	443,731.0	516,778.0	529,797.0	534,637.0	488,750.0
Sugar, refined	'000' Tonnes	285.6	310.1	287.7	259.9	249.0	271.1	241.3	270.1	252.9	286.7
Konyagi	'000' Lts	7,614.0	4,049.0	10,201.0	11,236.0	17,177.0	16,774.0	20,680.0	31,474.0	29,489.0	28,754.0
Beer	'000' Lts	310,194.0	291,178.0	288,901.0	248,502.0	331,011.0	338,650.0	374,238.0	379,913.0	391,742.0	383,251.0
Chibuku	'000' Lts	10,320.0	10,255.0	16,141.0	21,040.0	23,474.0	22,028.0	19,935.0	18,501.0	23,028.0	26,513.0
Cigarettes	Mill Pcs	5,821.0	6,101.0	5,741.0	6,181.0	6,630.0	7,558.0	7,710.0	8,028.0	7,837.0	8,091.0
Textiles	'000' Sq. Mt.	127,231.0	155,088.0	101,803.0	102,938.0	108,398.0	92,585.0	105,525.0	141,358.0	98,642.0	94,427.0
Sisal ropes and twines	Tonnes	7,295.0	7,783.0	7,913.0	6,872.0	6,976.0	7,754.0	6,908.0	7,871.0	8,851.0	9,216.0
Fishnet and products	Tonnes	156.0	0.0	64.0	247.0	164.0	295.0	297.0	279.0	311.0	256.0
Plywood	Cubic Mt.	1,080.0	925.0	254.0	988.0	1,007.0	776.0	1,043.0	1,038.0	1,021.0	1,057.0
Pyrethrum extract	Tonnes	30.0	423.0	143.0	64.0	70.0	73.0	113.0	199.0	118.0	126.0
Paints	'000' Ltrs	22,849.0	24,857.0	25,761.0	28,201.0	47,589.0	35,344.0	36,623.0	38,308.0	35,930.0	35,106.0
Cement	'000' Tonnes	1,629.9	1,755.9	1,940.8	2,312.1	2,408.8	2,581.4	2,345.6	2,809.1	3,134.9	4,354.7
Rolled steel	Tonnes	46,016.0	75,274.0	122,318.0	126,054.0	118,249.0	133,229.0	121,362.0	129,555.0	142,963.0	159,657.0
Iron sheets	Tonnes	36,369.0	31,751.0	47,153.0	58,956.0	76,912.0	81,427.0	70,831.0	69,825.0	91,385.0	90,183.0
Aluminium sheets/circles	Tonnes	110.0	85.0	58.0	58.0	33.0	37.0	54.0	27.0	32.0	0.0
Dry cells	'000' Pcs	84,000.0	53,000.0	78,000.0	93,000.0	86,000.0	146,100.0	75,000.0	93,000.0	87,000.0	69,000.0

Source: National Bureau of Statistics

Note: p denotes provisional data

r denotes revised data

**Table A1.9: Industrial Production Indices, Tanzania Mainland**

Commodity	1985=100									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 <sup>r</sup>	2016 <sup>p</sup>
Biscuits & pasta	1,139.8	1,560.7	700.7	698.9	1,237.6	1,629.8	1,763.4	1,614.2	1,544.4	1,572.4
Wheat flour	1,061.0	740.0	945.4	1,191.3	1,128.8	1,140.4	1,328.1	1,361.6	1,374.0	1,256.1
Sugar, refined	255.0	276.8	256.9	232.0	222.3	242.0	215.5	241.1	225.8	255.9
Konyagi	791.5	420.9	1,060.4	1,168.0	1,785.6	1,743.7	2,149.7	3,271.7	3,065.4	2,989.0
Beer	409.4	384.3	381.3	328.0	436.9	447.0	494.0	501.5	517.1	505.9
Chibuku	94.4	93.8	147.7	192.5	214.8	201.5	182.4	169.3	210.7	242.6
Cigarettes	218.3	228.8	215.3	231.8	248.7	283.5	289.2	301.1	294.0	303.5
Textiles	219.1	267.1	175.3	177.3	186.7	159.4	181.7	243.4	169.9	162.6
Sisal ropes and twines	50.3	53.7	54.6	47.4	48.1	53.5	47.6	54.3	61.0	63.6
Fishnet & products	162.5	0.0	66.7	257.3	170.8	307.3	309.4	290.6	324.0	266.7
Plywood	68.0	58.2	16.0	62.2	63.4	48.8	65.6	65.3	64.3	66.5
Pyrethrum extract	76.9	1,084.6	366.7	164.1	179.5	187.2	289.7	510.3	302.6	323.1
Paints	1,675.1	1,822.4	1,888.6	2,067.5	3,488.9	2,591.2	2,685.0	2,808.5	2,634.2	2,573.8
Cement	433.5	467.0	516.2	614.9	640.6	686.5	623.8	747.1	833.8	1,158.2
Rolled steel	407.2	666.1	1,082.5	1,115.5	1,046.5	1,179.0	1,074.0	1,146.5	1,265.2	1,412.9
Iron Sheets	167.8	146.5	217.6	272.1	354.9	375.8	326.9	322.2	421.7	416.2
Aluminium sheets/circles	4.6	3.5	2.4	2.4	1.4	1.5	2.2	1.1	1.3	0.0
Dry cells	190.5	120.2	176.9	210.9	195.0	331.3	170.1	210.9	197.3	156.5

Source: National Bureau of Statistics and the BOT computation

Notes p denotes provisional data

r denotes revised data



## Bank of Tanzania Annual Report 2016/17

### A1.0 Output and Prices

**Table A1.10: Mineral Recoveries, Tanzania Mainland**

		2015 <sup>r</sup> 2016 <sup>P</sup>									
Diamond	'000' Carats	282.8	237.7	181.9	80.5	28.4	127.2	179.6	252.9	216.5	239.9
Gold	Kilograms	40,193.2	36,433.0	39,112.6	39.4	40.4	39,012.0	43,389.7	40,481.2	46,008.3	45,155.4
Gemstone	Tonnes	1,286.3	1,858.3	1,058.5	1,250.3	1,581.7	1,702.2	2,649.5	3,069.2	1,878.4	2,541.0
Salt	'000' Tonnes	35.2	25.9	27.4	34.5	36.4	34.0	34.0	54.8	168.9	178.2
Gypsum	'000' Tonnes	52.8	55.7	8.1	26.9	38.7	91.6	220.5	200.2	254.8	213.7
Limestone	'000' Tonnes	1,322.0	1,281.8	1,284.1	1,436.6	1,972.1	1,346.0	2,759.1	1,116.8	4,443.6	3,931.3
Pozzolana	Tonnes	184,070.4	260,403.3	171,904.3	199,698.4	222,591.8	91,221.0	61,004.0	68,924.7	342,627.6	230,045.5
Coal	'000' Tonnes	27.2	15.2	0.8	179.5	82,856.2	78,672.0	84,772.0	246,127.7	257,321.0	276,030.2
Tanzanite	Kilograms	8,187.0	11,770.0	10,011.7	12,773.6	14,974.4	32,212.0	24,804.8	18,463.7	6,370.4	13,942.6
Phosphate	Tonnes	8,261.1	28,684.0	752,000.0	17,180.0	848,512.0	19,984.1	1,023,020.0	738,000.0	222,800.0	23,658.0
Copper	'000' Pounds	7,222.4	6,288.5	4,451.7	11,741.9	11,180.2	12,426.0	12,654.0	14,027.0	14,252.3	16,247.2

Source: Ministry of Energy and Minerals

Note: p denotes provisional data

r denotes revised data





## Bank of Tanzania Annual Report 2016/17

### A1.0 Output and Prices

**Table A1.11 (i): National Consumer Price Index (Urban & Rural) - Main Groups**

Base: September 2010 = 100

Period	Total Index	Food and Non-Alcoholic Beverages (Exclude Food consumed at Restaurants)	Transport	Housing, Water, Electricity, Gas & Other Fuel	Clothing & Footwear	Furnishing, Housing Equipment and Routine Maintenance of the House	Restaurants and Hotels	Miscel. Goods & services	Alcohol & Tobacco and Narcotics	Communication	Education	Recreation & Culture	Health
<b>Old Weights (%)</b>	<b>100</b>	<b>47.8</b>	<b>9.5</b>	<b>9.2</b>	<b>6.7</b>	<b>6.7</b>	<b>6.4</b>	<b>4.5</b>	<b>3.3</b>	<b>2.1</b>	<b>1.7</b>	<b>1.3</b>	<b>0.9</b>
2010	99.9	100.9	100.7	96.8	98.0	98.4	100.6	98.7	99.4	99.4	101.6	97.4	99.9
2011	112.5	117.0	108.1	114.9	107.3	112.0	108.8	103.3	104.2	97.9	105.7	100.2	102.0
2012	130.6	141.1	114.7	133.6	122.1	122.2	126.8	114.4	119.7	96.7	110.5	110.2	105.1
2013	140.8	153.0	121.9	152.6	129.0	127.2	133.7	120.9	136.4	96.4	113.2	112.6	108.1
2014	149.5	164.4	126.6	168.9	132.9	129.6	137.3	128.2	144.4	97.0	119.1	113.4	112.0
2015	157.8	178.7	125.8	171.6	138.4	131.6	143.6	132.0	149.6	97.3	122.7	115.3	115.4
2015-Jan	152.4	168.9	149.0	171.5	135.9	130.5	138.8	130.1	149.0	97.3	120.5	113.7	113.8
Feb	154.8	172.9	149.1	175.4	136.4	130.8	141.9	130.8	149.1	97.3	121.8	113.9	113.9
Mar	155.9	175.9	149.1	171.8	136.9	130.4	142.6	131.0	149.1	97.3	121.8	113.6	113.9
Apr	157.2	178.8	123.5	169.7	137.1	130.2	143.6	131.0	149.1	97.3	123.1	113.5	114.3
May	157.9	179.8	124.3	169.9	137.5	130.6	143.3	131.3	149.1	97.2	123.1	114.0	114.3
Jun	158.1	180.0	125.1	169.9	138.2	130.9	143.2	131.4	149.0	97.4	123.1	115.0	114.8
Jul	158.8	180.6	126.4	170.4	138.9	131.9	144.6	131.5	149.4	97.3	123.1	114.9	115.8
Aug	158.8	179.8	128.2	171.3	140.0	132.3	144.6	131.9	150.1	97.2	123.1	115.2	116.2
Sep	159.0	179.5	128.6	174.3	139.3	132.7	144.6	133.0	150.2	97.2	123.1	117.4	116.3
Oct	159.2	179.9	127.1	174.7	140.0	132.5	144.6	133.4	150.2	97.4	123.1	117.4	116.8
Nov	160.5	183.4	126.8	170.0	140.2	132.9	145.1	134.1	150.4	97.4	123.1	117.3	117.2
Dec	161.2	184.6	127.3	170.1	140.7	134.1	144.9	134.1	150.8	97.5	123.1	117.1	117.9
<b>New Weights (%)</b>	<b>100.0</b>	<b>38.5</b>	<b>12.5</b>	<b>11.6</b>	<b>8.3</b>	<b>6.3</b>	<b>4.2</b>	<b>3.1</b>	<b>3.7</b>	<b>5.6</b>	<b>1.5</b>	<b>1.6</b>	<b>2.9</b>
2015	97.9	96.6	98.6	100.6	98.1	98.0	98.8	98.2	99.0	99.6	99.5	98.2	97.6
2016	102.9	103.8	99.5	102.2	102.2	101.7	103.1	101.7	103.2	99.1	102.3	101.1	103.4
2015-Jan	94.5	91.2	98.4	100.5	96.3	97.1	96.2	96.7	98.5	99.5	97.6	96.8	96.3
Feb	96.0	93.4	97.2	102.8	96.7	97.3	97.6	97.2	98.6	99.6	98.6	97.0	96.3
Mar	96.7	95.1	96.1	100.7	97.0	97.0	98.1	97.4	98.5	99.6	99.5	98.7	96.3
Apr	97.5	96.6	96.7	99.5	97.1	96.8	98.8	97.4	98.6	99.5	99.7	96.7	96.6
May	97.9	97.2	97.3	99.6	97.5	97.2	98.6	97.6	98.6	99.5	99.7	97.1	96.6
Jun	98.1	97.3	98.0	99.6	98.0	97.4	98.5	98.0	98.8	99.6	99.7	98.0	97.1
Jul	98.5	97.6	99.0	99.9	98.5	98.2	99.5	97.8	98.8	99.5	99.7	97.9	97.9
Aug	98.5	97.2	100.4	100.4	99.2	98.4	99.5	98.0	99.3	99.4	99.7	98.1	98.3
Sep	98.6	97.0	100.7	102.2	98.8	98.7	99.5	98.9	99.3	99.5	99.7	99.9	98.3
Oct	98.7	97.2	99.6	102.4	99.2	98.6	99.5	99.2	99.3	99.7	99.7	99.9	98.8
Nov	99.5	99.1	99.3	99.7	99.4	98.9	99.8	99.7	99.5	99.7	99.7	99.9	99.1
Dec	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2016-Jan	100.7	101.0	99.7	100.6	100.9	100.5	100.3	100.6	100.2	100.0	101.0	100.3	100.5
Feb	101.4	102.3	99.1	103.7	101.1	100.3	100.4	101.1	100.3	100.0	102.2	100.2	102.0
Mar	101.9	102.9	98.6	106.2	101.1	100.7	100.9	100.9	100.6	98.6	102.2	100.7	102.3
Apr	102.5	103.5	98.7	106.4	101.3	101.6	103.6	101.2	102.6	98.6	102.2	100.7	102.8
May	103.0	104.0	98.8	108.3	101.9	101.4	103.4	101.5	103.4	98.9	102.4	100.8	103.0
Jun	103.5	105.1	99.3	107.1	102.4	101.5	103.8	101.7	103.6	99.0	102.4	101.3	103.8
Jul	103.5	105.0	99.5	107.3	102.6	101.5	103.7	101.6	104.2	99.1	102.5	101.1	103.8
Aug	103.3	103.9	100.0	107.3	102.9	101.9	104.7	101.9	104.5	99.2	102.7	101.6	104.1
Sep	103.1	102.9	99.9	108.8	102.9	102.2	104.7	102.2	104.5	99.1	102.6	101.1	104.2
Oct	103.2	103.0	99.7	109.8	102.9	102.1	103.8	102.3	104.6	99.0	102.6	101.5	104.5
Nov	104.3	105.3	100.0	110.6	103.3	103.2	104.2	102.7	105.0	99.1	102.6	101.7	104.6
Dec	105.0	107.0	100.3	109.9	103.7	104.0	104.2	102.9	105.1	99.1	102.6	101.8	104.7
2017-Jan	105.9	108.7	100.3	111.3	104.4	103.9	104.2	102.9	105.2	99.1	102.8	101.0	105.3
Feb	107.0	111.2	99.7	112.7	104.3	104.2	104.3	102.9	105.5	98.5	103.0	101.6	105.4
Mar	108.4	114.3	100.1	113.5	104.6	104.6	104.5	104.5	105.8	98.5	103.0	101.9	105.4
Apr	109.0	115.7	100.6	112.6	105.3	104.7	104.5	105.5	106.2	98.1	103.0	101.9	105.4
May	109.3	116.0	100.2	113.4	105.7	104.7	104.3	105.5	106.5	98.1	103.1	102.0	106.0
Jun	109.1	115.2	99.6	114.7	106.4	104.8	104.5	105.5	106.7	98.1	103.2	102.0	106.1

Source: National Bureau of Statistics.

Notes: Please note that NBS has adjusted CPI figures from Base September 2010=100 to Base December 2015=100



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### A1.0 Output and Prices

**Table A1.11 (ii): National Consumer Price Index (Urban & Rural ) - Other Selected Groups**

Base: September 2010 = 100

Period	Food & Non Alcoholic Beverages (Combining Food consumed at Home and Food consumed in Restaurants)	Non - Food		
		Total Non - Food (All Items Less Food)	All Items Less Food and Energy	Energy and Fuels (Combining electricity and Other Fuels for use at Home with Petrol and Diesel)
<b>Old Weights (%)</b>	<b>51.0</b>	<b>49.0</b>	<b>43.3</b>	<b>5.7</b>
2010	100.8	98.7	99.4	94.3
2011	116.1	108.4	106.4	121.2
2012	139.5	120.0	115.8	147.5
2013	152.8	128.9	123.0	170.1
2014	163.1	135.2	127.6	190.7
2015	177.2	137.6	130.5	189.0
2015-Jan	167.6	136.6	129.4	188.6
Feb	171.7	137.3	129.6	193.2
Mar	174.6	136.4	129.5	186.3
Apr	177.3	136.2	129.6	183.9
May	178.3	136.6	129.9	185.0
Jun	178.5	136.9	130.1	186.3
Jul	179.1	137.6	130.6	188.3
Aug	178.4	138.3	131.0	191.6
Sep	178.1	139.2	131.3	196.3
Oct	178.4	139.1	131.4	194.9
Nov	181.7	138.4	131.7	187.1
Dec	182.9	138.7	132.0	186.7
Base: Dec 2015 = 100				
<b>New Weights (%)</b>	<b>37.1</b>	<b>62.9</b>	<b>54.3</b>	<b>8.7</b>
2015	96.9	99.2	98.9	101.2
2016	104.2	102.3	101.5	107.6
2015-Jan	91.6	98.5	98.0	101.0
Feb	93.8	99.0	98.2	103.5
Mar	95.5	98.4	98.1	99.8
Apr	97.0	98.2	98.2	98.5
May	97.5	98.5	98.4	99.1
Jun	97.6	98.8	98.6	99.8
Jul	97.9	99.2	98.9	100.9
Aug	97.6	99.8	99.2	102.6
Sep	97.4	100.4	99.5	105.2
Oct	97.5	100.3	99.6	104.4
Nov	99.3	99.8	99.8	100.2
Dec	100.0	100.0	100.0	100.0
2016-Jan	101.1	100.5	100.4	101.4
Feb	101.4	100.9	100.6	102.8
Mar	103.1	101.4	100.8	105.0
Apr	104.1	101.7	101.1	105.0
May	104.5	102.2	101.3	108.1
Jun	105.7	102.3	101.5	107.2
Jul	105.6	102.4	101.5	108.3
Aug	104.4	102.7	101.8	108.7
Sep	103.3	103.1	101.9	110.3
Oct	103.4	103.2	102.0	110.8
Nov	105.7	103.7	102.3	111.9
Dec	107.4	103.8	102.5	111.7
2017-Jan	109.3	104.1	102.7	113.1
Feb	111.9	104.6	102.8	115.4
Mar	115.2	105.0	103.0	117.1
Apr	116.6	105.1	103.5	115.5
May	116.9	105.3	103.6	116.1
Jun	116.1	105.5	103.5	118.2

Source: National Bureau of Statistics.

Notes: Please note that NBS has adjusted CPI figures from Base September 2010=100 to Base December 2015=100



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**A1.0 Output and Prices**  
**Table A1.11 (iii): National Consumer Price Index (Urban & Rural), Twelve Months Percentage Change - Main Groups**

Period	Total Index	Base: September 2010 = 100											
		Food and Non-Alcoholic Beverages (Exclude Food consumed at Restaurants)	Transport	Housing, Water, Electricity, Gas and Other Fuel	Clothing and Footwear	Furnishing, Housing Equipment and Routine Maintenance of the House	Restaurants and Hotels	Miscel. Goods and services	Alcohol & Tobacco	Communi- cation	Education	Recreation and Culture	Health
Old Weights (%)	100.0	47.8	9.5	9.2	6.7	6.7	6.4	4.5	3.3	2.1	1.7	1.3	0.9
2011	12.7	16.0	7.4	18.7	9.5	13.8	8.1	5.5	4.8	-1.5	4.1	3.0	2.1
2012	16.0	20.6	6.1	16.3	13.8	9.0	16.6	9.8	14.8	-1.2	4.6	9.9	3.1
2013	7.9	15.9	10.2	25.1	8.3	6.4	8.2	11.8	20.1	0.4	7.7	2.9	6.4
2014	6.1	7.4	3.9	10.7	3.0	3.9	2.7	6.1	5.9	0.7	5.2	0.7	3.6
2015	5.6	8.7	-0.6	1.6	4.1	1.6	4.6	2.9	3.6	0.3	2.9	1.6	3.0
2015-Jan	4.0	4.9	0.0	4.9	3.1	1.5	3.6	5.3	5.4	0.5	1.2	0.6	4.7
Feb	4.2	4.9	-1.4	6.6	3.4	1.5	5.2	5.2	5.4	0.7	2.2	0.7	4.4
Mar	4.3	5.9	-2.4	3.6	3.7	1.0	5.1	4.8	5.4	0.6	2.2	0.3	3.2
Apr	4.5	7.1	-2.3	0.6	3.6	0.3	5.3	1.6	5.3	0.6	3.3	0.3	2.1
May	5.3	8.7	-1.6	2.0	4.1	0.9	4.8	1.4	5.2	0.9	3.5	0.9	2.3
Jun	6.1	10.1	-1.3	1.0	4.5	0.9	4.3	1.1	5.9	-0.2	3.3	1.5	1.9
Jul	6.4	10.6	-0.5	0.2	4.5	1.6	5.6	1.6	3.4	-0.2	3.3	1.3	2.8
Aug	6.4	10.2	0.9	0.2	5.3	1.9	5.2	1.8	2.6	-0.4	3.3	1.5	3.0
Sep	6.1	9.6	0.7	1.3	4.6	2.2	3.7	2.5	2.0	0.0	3.3	3.3	2.4
Oct	6.3	10.2	-0.1	1.3	4.5	2.0	3.9	3.0	1.2	0.2	3.3	3.3	2.9
Nov	6.6	11.2	-0.2	-1.7	4.5	2.4	4.4	3.3	1.1	0.2	3.3	3.2	3.3
Dec	6.8	11.1	1.0	-0.3	4.1	3.0	3.9	3.4	1.2	0.4	3.3	3.2	4.0
<b>New Weights (%)</b>	<b>100.0</b>	<b>38.5</b>	<b>12.5</b>	<b>11.6</b>	<b>8.3</b>	<b>6.3</b>	<b>4.2</b>	<b>3.1</b>	<b>3.7</b>	<b>5.6</b>	<b>1.5</b>	<b>1.6</b>	<b>2.9</b>
2016	5.2	7.5	0.9	6.6	4.2	3.9	4.4	3.6	4.3	-0.5	2.9	2.9	5.9
2016-Jan	6.5	10.7	1.3	4.3	4.8	3.5	4.3	4.0	1.7	0.5	3.4	3.6	4.4
Feb	5.6	9.5	2.0	0.8	4.5	3.1	2.8	3.9	1.8	0.4	3.6	3.3	6.0
Mar	5.4	8.3	2.6	5.5	4.2	3.8	2.8	3.6	2.2	-1.0	2.6	4.1	6.2
Apr	5.1	7.1	2.0	7.0	4.3	4.9	4.8	3.9	4.1	-1.0	2.6	4.1	6.4
May	5.2	7.0	1.6	8.8	4.5	4.4	4.9	3.9	4.9	-0.6	2.7	3.9	6.6
Jun	5.5	8.1	1.3	7.6	4.6	4.2	5.3	3.7	4.9	-0.6	2.7	3.4	6.8
Jul	5.1	7.6	0.4	7.4	4.2	3.4	4.3	4.0	5.5	-0.4	2.8	3.3	6.0
Aug	4.9	6.9	-0.4	6.8	3.7	3.6	5.2	3.9	5.2	-0.2	3.0	3.5	5.9
Sep	4.5	6.0	-0.8	6.5	4.2	3.5	5.2	3.2	5.3	-0.4	2.9	1.2	6.0
Oct	4.5	6.0	0.1	7.2	3.8	3.6	4.3	3.2	5.3	-0.7	2.9	1.5	5.8
Nov	4.8	6.2	0.7	10.9	3.9	4.3	4.4	3.1	5.6	-0.6	2.9	1.8	5.5
Dec	5.0	7.0	0.3	9.9	3.7	4.0	4.2	2.9	5.1	-0.9	2.6	1.8	4.7
2017-Jan	5.2	7.6	0.6	9.5	3.4	3.3	3.9	2.3	5.0	-0.9	1.8	0.7	4.8
Feb	5.5	8.7	0.6	8.7	3.2	3.8	3.9	1.9	5.2	-1.5	0.8	1.4	3.3
Mar	6.4	11.0	1.6	6.8	3.4	3.9	3.6	3.6	5.2	-0.1	0.8	1.2	3.0
Apr	6.4	11.8	1.9	5.8	3.9	3.1	0.8	4.3	3.5	-0.5	0.8	1.3	2.5
May	6.1	11.6	1.4	4.6	3.7	3.2	0.9	4.0	3.0	-0.8	0.7	1.2	2.9
Jun	5.4	9.6	0.4	7.1	3.8	3.2	0.7	3.7	3.0	-0.9	0.8	0.8	2.2

Source: National Bureau of Statistics.

Notes: Please note that NBS has adjusted CPI figures from Base September 2010=100 to Base December 2015=100



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### A1.0 Output and Prices

**Table A1.11 (iv) National Consumer Price Index (Urban & Rural ), Twelve Months Percentage Change - Other Selected Groups**

Period	Food and Non Alcoholic Beverages (Combining Food consumed at Home and Food consumed in Restaurants)	Non - Food		
		Total Non - Food (All Items Less Food)	All Items Less Food and Energy	Energy and Fuels ( Combining electricity and Other Fuels for use at Home with Petrol and Diesel)
<b>Old Weights (%)</b>	<b>51.0</b>	<b>49.0</b>	<b>43.3</b>	<b>5.7</b>
2011	15.1	9.7	7.1	28.3
2012	20.2	10.7	8.8	21.7
2013	16.3	12.4	9.9	27.7
2014	7.7	4.8	3.7	12.2
2015	8.6	1.8	2.3	-0.9
2015-Jan	5.0	2.7	2.8	2.4
Feb	5.1	3.0	2.7	4.4
Mar	6.1	2.0	2.5	-0.5
Apr	7.2	1.0	2.1	-4.2
May	8.4	1.4	2.1	-2.1
Jun	9.9	1.4	2.2	-2.3
Jul	10.5	1.4	2.1	-2.1
Aug	10.1	1.7	2.2	-1.1
Sep	9.4	2.3	2.2	0.6
Oct	10.0	1.7	2.1	0.1
Nov	10.9	1.3	2.3	-4.0
Dec	10.9	1.8	2.4	-1.4
Base: Dec 2015 = 100				
<b>New Weights (%)</b>	<b>37.1</b>	<b>62.9</b>	<b>54.3</b>	<b>8.7</b>
2016	7.6	3.1	2.6	6.3
2016-Jan	10.3	2.0	2.4	0.3
Feb	8.1	1.9	2.5	-0.6
Mar	8.0	3.0	2.8	5.2
Apr	7.3	3.5	3.0	6.6
May	7.2	3.8	3.0	9.1
Jun	8.3	3.6	3.0	7.5
Jul	7.8	3.2	2.6	7.3
Aug	7.0	3.0	2.6	5.9
Sep	6.0	2.7	2.4	4.9
Oct	6.0	2.9	2.5	6.2
Nov	6.4	3.8	2.6	11.7
Dec	7.4	3.8	2.5	11.7
2017-Jan	8.2	3.6	2.3	11.5
Feb	9.3	3.6	2.2	12.3
Mar	11.7	3.6	2.2	11.5
Apr	12.0	3.4	2.3	9.9
May	11.8	3.0	2.2	7.4
Jun	9.9	3.1	1.9	10.3

Source: National Bureau of Statistics.

Notes: Please note that NBS has adjusted CPI figures from Base September 2010=100 to Base December 2015=100



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### A2.0 Government Finance

**Table A2.1: Analysis of Central Government Finance (Actual)**

	Millions of TZS									
Item	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>p</sup>
<b>Total revenue (including LGAs)</b>	<b>3,634,580.6</b>	<b>4,293,074.3</b>	<b>4,661,540.3</b>	<b>5,736,266.1</b>	<b>7,221,408.6</b>	<b>8,442,611.2</b>	<b>10,182,454.7</b>	<b>10,957,765.3</b>	<b>13,906,993.4</b>	<b>16,639,831.5</b>
<b>Total revenue - central government</b>	<b>3,634,580.6</b>	<b>4,293,074.3</b>	<b>4,645,213.3</b>	<b>5,577,986.1</b>	<b>7,025,884.1</b>	<b>8,221,776.3</b>	<b>9,867,226.8</b>	<b>10,597,681.0</b>	<b>13,481,141.2</b>	<b>16,128,113.5</b>
Tax revenue	3,359,249.8	4,043,673.0	4,427,833.7	5,293,277.3	6,480,477.8	7,729,985.9	9,294,417.0	9,891,680.3	12,410,950.8	14,055,172.6
Taxes on imports	1,278,882.5	1,475,496.4	1,660,253.6	1,967,371.5	2,555,535.8	2,915,214.6	3,535,758.5	3,928,466.7	4,898,987.8	5,092,870.6
Taxes on local goods	730,048.5	876,987.0	934,063.2	1,064,072.2	1,336,916.4	1,466,562.2	1,607,135.6	1,744,740.3	1,994,807.5	3,037,847.3
Drawings from EPA	659,646.9					0.0	0.0	0.0	0.0	0.0
Income taxes	974,312.1	1,228,645.8	1,334,019.7	1,660,385.2	2,246,783.7	3,019,555.7	3,778,545.7	3,719,916.8	4,599,828.6	4,829,602.6
Other taxes	385,727.7	462,543.8	499,497.2	601,448.4	341,241.8	328,653.3	372,977.3	498,556.6	917,326.9	1,094,852.1
Non- tax revenue	275,330.8	249,401.3	217,379.6	284,708.8	545,406.4	491,790.4	572,809.8	706,000.7	1,070,190.4	2,072,940.9
<b>LGA Own Sources</b>				<b>158,280.0</b>	<b>195,524.5</b>	<b>220,835.0</b>	<b>315,227.9</b>	<b>360,084.3</b>	<b>425,852.2</b>	<b>511,718.0</b>
Other <sup>1</sup>			16,327.0							
<b>Total Expenditure<sup>2</sup></b>	<b>5,208,995.9</b>	<b>6,734,078.0</b>	<b>8,173,749.3</b>	<b>9,439,407.2</b>	<b>10,764,528.4</b>	<b>12,714,236.4</b>	<b>13,958,161.9</b>	<b>14,603,714.4</b>	<b>17,759,598.0</b>	<b>18,889,969.1</b>
Recurrent expenditure	3,398,023.8	4,681,459.3	5,562,443.1	6,690,370.0	6,989,806.6	9,043,323.0	10,032,119.7	10,893,486.1	13,420,045.1	11,617,144.8
Wages and salaries	1,351,471.3	1,608,591.1	1,723,414.2	2,346,377.8	2,722,084.2	3,868,713.7	4,537,816.2	5,255,358.8	6,553,257.2	6,367,146.8
Interest payments	264,833.1	242,668.9	248,890.6	353,377.1	436,317.1	766,747.8	977,082.0	1,261,002.4	1,486,275.7	1,715,429.2
Domestic <sup>3</sup>	27,460.6	207,744.5	208,099.1	285,481.0	345,125.7	589,595.0	742,728.4	917,032.8	1,009,506.3	1,215,582.1
Foreign	258,919.0	34,924.4	40,791.5	67,896.1	91,191.4	177,152.8	234,353.6	343,969.6	476,769.4	499,847.1
Other goods, services and transfers	1,522,800.6	2,830,199.3	3,590,138.3	3,990,615.2	3,831,405.4	4,407,861.4	4,517,221.5	4,377,125.0	5,380,512.2	3,534,568.8
Development Expenditure and net lending	1,810,972.0	2,052,618.7	2,611,306.2	2,749,037.2	3,774,721.7	3,670,913.5	3,926,042.2	3,710,228.2	4,339,552.9	7,272,824.3
Local	567,421.0	906,023.2	1,004,530.5	984,555.0	1,872,311.7	2,314,717.9	2,121,211.5	2,264,506.0	2,904,529.7	5,141,450.7
Foreign	1,243,551.0	1,146,595.5	1,606,775.7	1,764,482.2	1,902,410.0	1,356,195.6	1,804,830.7	1,445,722.2	1,435,023.2	2,131,373.6
<b>Overall Balance before Grants</b>	<b>-1,574,415.3</b>	<b>-2,441,003.7</b>	<b>-3,512,209.0</b>	<b>-3,703,141.1</b>	<b>-3,543,119.7</b>	<b>-4,271,625.2</b>	<b>-3,775,707.2</b>	<b>-3,645,949.0</b>	<b>-3,852,604.6</b>	<b>-2,250,137.6</b>
<b>Grants</b>	<b>1,573,195.4</b>	<b>1,166,371.2</b>	<b>1,405,287.7</b>	<b>1,627,424.7</b>	<b>1,855,096.6</b>	<b>1,378,718.2</b>	<b>1,587,648.6</b>	<b>1,024,132.7</b>	<b>495,356.6</b>	<b>1,092,495.4</b>
Program	625,414.3	603,501.1	665,776.6	727,018.6	720,312.8	537,473.7	514,501.6	382,311.8	0.0	190,303.2
Project	635,628.0	289,025.5	439,110.9	369,683.4	612,030.8	345,214.7	670,911.5	514,184.4	409,157.2	733,208.3
Basket funds	197,952.8	194,114.8	258,066.7	334,609.0	301,152.2	276,039.0	188,623.3	127,636.6	86,199.3	168,983.8
HIPC relief	0.0	67,997.2	42,333.6	0.0	0.0	0.0	213,612.2	0.0	0.0	0.0
MDRI/MCA (T)	114,200.3	0.0	0.0	196,113.7	221,601.0	219,990.7	0.0	0.0	0.0	0.0
<b>Overall Balance after grants</b>	<b>-1,219.8</b>	<b>-1,274,632.5</b>	<b>-2,106,921.2</b>	<b>-2,075,716.4</b>	<b>-1,688,023.1</b>	<b>-2,892,907.0</b>	<b>-2,188,058.6</b>	<b>-2,621,816.3</b>	<b>-3,357,248.0</b>	<b>-1,157,642.2</b>
Expenditure float	-298,883.5	-216,706.2	-436,236.3	162,628.5	-198,538.6	-351,395.3	-610,630.4	-247,661.3	-69,418.3	-59,647.1
Adjustments to cash and other items (net)	1,750.9	276,296.4	603,533.9	162,628.5	-198,538.6	439,983.1	300,809.8	62,959.4	-1,337.5	-376,841.2
<b>Overall Balance (cheques cleared)</b>	<b>-298,352.5</b>	<b>-1,215,042.2</b>	<b>-1,939,623.6</b>	<b>-2,393,214.9</b>	<b>-2,070,124.1</b>	<b>-2,804,319.3</b>	<b>-2,497,879.2</b>	<b>-2,806,518.2</b>	<b>-3,428,003.8</b>	<b>-1,594,130.5</b>
<b>Financing:</b>	<b>298,352.5</b>	<b>1,215,042.2</b>	<b>1,939,623.6</b>	<b>2,393,214.9</b>	<b>2,070,124.1</b>	<b>2,804,319.3</b>	<b>2,497,879.2</b>	<b>2,806,518.2</b>	<b>3,428,003.8</b>	<b>1,594,130.5</b>
<b>Foreign Financing (net)</b>	<b>729,609.4</b>	<b>956,367.4</b>	<b>1,379,656.4</b>	<b>1,148,884.5</b>	<b>1,735,260.4</b>	<b>1,734,998.0</b>	<b>2,271,136.6</b>	<b>2,006,741.8</b>	<b>1,128,852.4</b>	<b>1,704,992.6</b>
Loans	775,008.3	820,717.6	1,253,916.3	1,191,830.1	1,815,757.6	1,861,661.1	2,452,356.9	2,233,408.7	1,684,552.0	2,608,423.3
Program loans	365,038.1	331,922.5	558,319.6	173,806.3	246,849.8	357,480.9	526,157.3	374,704.3	291,381.3	152,482.1
Development project loans	209,341.9	488,795.1	695,596.7	797,342.6	1,396,695.9	1,317,844.4	1,718,534.5	1,695,527.6	1,231,328.7	2,350,950.1
o/w: Non- concessional borrowing				153,947.7	801,281.6	1,063,006.0	1,194,515.9	1,054,803.2	453,504.0	1,226,759.8
Basket Support	200,628.3	162,927.5	194,070.9	220,681.2	172,211.8	186,335.8	207,665.0	163,176.8	161,841.9	104,991.1
Amortization	-45,398.9	-27,277.7	-68,330.9	-42,945.6	-80,497.1	-126,663.1	-181,220.3	-226,666.9	-555,699.6	-903,430.8
<b>Domestic (net)<sup>4</sup></b>	<b>-431,256.9</b>	<b>258,674.8</b>	<b>559,967.1</b>	<b>1,244,330.4</b>	<b>334,863.7</b>	<b>1,069,321.3</b>	<b>226,742.6</b>	<b>799,776.3</b>	<b>2,299,151.4</b>	<b>-110,862.0</b>
Bank and non bank financing	-416,608.8	213,674.8	559,769.1	1,244,330.4	334,863.7	1,069,321.3	976,711.8	799,776.3	2,299,151.4	-110,862.0
Bank borrowing	-394,601.5	212,566.8	584,523.1	906,836.6	71,249.5	667,929.9	955,495.3	487,807.9	1,522,206.6	-1,100,145.0
Non-bank (net of amortization)	-22,007.3	1,108.0	-24,754.0	337,493.8	263,614.1	401,391.4	21,216.5	311,968.4	776,944.9	989,283.0
Domestic and contingent debt amortization	-14,648.1		-9,460.9	-720,249.5	-1,326,851.5	-1,734,534.6	-1,528,152.7	-2,064,756.4	-3,005,788.8	4,615,670.4
Borrowing/Roll over				720,249.5	1,326,851.5	1,734,534.6	1,528,152.7	2,064,756.4	3,005,788.8	-4,615,670.4
Privatization Proceeds	0.0	45,000.0	9,658.9							
On lending to TPDC (Gas pipeline)							-749,969.2			

Source: Ministry of Finance and Planning

Notes: <sup>1</sup> EPA refund

<sup>2</sup> Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures

<sup>3</sup> Domestic Interest payments and amortization include Cash and Non cash

<sup>4</sup> Positive value means financing and a negative value means repayment

p denotes provisional data



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### A2.0 Government Finance

#### Table A2.2: Treasury Bills Sales by Investor Category

Period	Total			Bank of Tanzania			Depository money banks			Other banking institutions			Other financial institutions			Other Official Entities			Private sector		
	Auction	Cumulative	Auction	Auction	Cumulative	Auction	Auction	Cumulative	Auction	Cumulative	Auction	Auction	Cumulative	Auction	Cumulative	Auction	Auction	Cumulative	Auction	Cumulative	
	Millions of TZS																				
2007	2,767,447.4	13,220,153.3	6,179.5	19,303.2	1,822,217.3	9,153,001.9	36,174.4	62,032.5	378,418.7	1,808,550.8	0.0	9,417.6	542,224.6	1,792,872.2	542,224.6	1,792,872.2	0.0	9,417.6	1,808,550.8	5,317.3	2,163,665.6
2008	2,799,532.3	16,019,665.5	0.0	19,303.2	1,968,550.3	11,121,552.3	25,586.0	87,618.5	438,754.8	2,247,305.7	0.0	9,417.6	167,852.6	1,960,724.8	167,852.6	1,960,724.8	0.0	9,417.6	438,754.8	923.1	2,164,588.7
2009	2,899,559.9	18,919,245.5	16,227.0	35,532.0	2,048,808.4	13,170,360.6	70,072.7	157,691.2	702,130.1	2,949,435.8	33,856.4	43,274.0	28,463.6	1,989,188.4	28,463.6	1,989,188.4	33,856.4	43,274.0	702,130.1	8,076.4	2,165,579.2
2010	3,074,995.9	21,994,241.4	5,400.0	40,932.0	2,616,627.5	15,766,988.1	102,146.5	259,837.7	246,742.2	3,196,178.0	84,634.2	127,908.2	19,445.5	2,008,633.9	19,445.5	2,008,633.9	84,634.2	127,908.2	246,742.2	7,228.8	2,166,302.0
2011	2,280,706.9	24,274,948.3	0.0	40,932.0	1,833,319.8	17,620,307.9	99,049.2	359,886.9	186,531.4	3,382,709.4	140,190.2	268,098.5	21,616.2	2,030,988.0	21,616.2	2,030,988.0	140,190.2	268,098.5	186,531.4	29,689.3	2,166,302.0
2012	2,877,986.7	27,152,934.9	23,743.6	64,675.5	2,233,942.2	19,854,250.1	30,256.0	389,142.8	347,960.1	3,730,669.5	207,794.4	475,928.8	34,290.5	2,064,540.6	34,290.5	2,064,540.6	207,794.4	475,928.8	347,960.1	5,317.3	2,163,665.6
2013	4,147,869.6	31,300,804.6	19,450.0	84,125.5	3,067,288.1	22,921,538.2	57,750.0	849,751.4	366,170.5	4,279,861.4	578,589.7	1,054,482.6	58,621.4	2,123,162.0	58,621.4	2,123,162.0	578,589.7	1,054,482.6	366,170.5	9,417.6	2,163,665.6
2014	4,112,813.3	35,413,417.9	53,890.0	137,815.5	3,223,629.0	26,145,167.2	122,305.7	972,057.1	269,171.3	4,549,032.7	408,631.0	1,463,113.5	35,186.3	2,158,348.3	35,186.3	2,158,348.3	408,631.0	1,463,113.5	269,171.3	9,417.6	2,163,665.6
2015	3,748,153.2	39,161,571.1	46,260.0	184,075.5	2,855,403.2	29,000,570.4	61,480.9	1,033,538.0	307,577.0	4,856,609.7	431,792.5	1,894,906.0	45,639.7	2,203,988.0	45,639.7	2,203,988.0	431,792.5	1,894,906.0	307,577.0	9,417.6	2,163,665.6
2016	4,461,701.3	43,623,272.4	45,193.9	229,269.4	2,756,946.1	31,757,516.5	34,691.8	1,068,229.8	651,863.5	5,508,273.1	739,881.9	2,634,787.9	233,324.1	2,437,312.1	233,324.1	2,437,312.1	739,881.9	2,634,787.9	651,863.5	9,417.6	2,163,665.6
2015 - Jan	638,086.1	36,051,504.0	750.0	138,565.5	533,202.1	26,678,369.3	12,500.0	984,557.1	23,165.8	4,572,198.5	63,151.0	1,526,284.5	5,317.3	2,163,665.6	5,317.3	2,163,665.6	63,151.0	1,526,284.5	23,165.8	9,417.6	2,163,665.6
Feb	302,192.9	36,353,696.9	5,000.0	143,565.5	211,340.8	26,889,770.1	0.0	984,557.1	43,860.0	4,616,058.5	41,069.0	1,567,333.5	923.1	2,164,588.7	923.1	2,164,588.7	41,069.0	1,567,333.5	43,860.0	9,417.6	2,163,665.6
Mar	389,969.4	36,743,066.4	13,500.0	157,065.5	358,065.3	27,247,715.4	2,000.0	986,557.1	6,737.2	4,622,795.7	8,076.4	1,575,409.9	990.5	2,165,579.2	990.5	2,165,579.2	8,076.4	1,575,409.9	6,737.2	9,417.6	2,163,665.6
Apr	152,991.3	36,896,057.6	400.0	157,465.5	119,429.2	27,367,204.6	0.0	986,557.1	2,750.0	4,625,545.7	29,689.3	1,605,099.2	722.8	2,166,302.0	722.8	2,166,302.0	29,689.3	1,605,099.2	2,750.0	9,417.6	2,163,665.6
May	171,895.0	37,067,952.6	0.0	157,465.5	114,013.1	27,481,217.7	11,100.0	997,657.1	3,705.0	4,667,156.2	23,343.8	1,627,456.3	881.0	2,167,183.0	881.0	2,167,183.0	23,343.8	1,627,456.3	3,705.0	9,417.6	2,163,665.6
Jun	53,350.2	37,121,102.8	0.0	157,465.5	10,700.4	27,491,918.0	0.0	997,657.1	0.0	4,667,156.2	4,663,451.2	25,480.8	2,223.6	2,167,930.3	2,223.6	2,167,930.3	4,663,451.2	25,480.8	0.0	9,417.6	2,163,665.6
Jul	197,010.7	37,318,113.5	10.0	157,465.5	98,980.7	27,590,988.7	3,210.0	1,000,867.1	908.5	4,668,064.6	48,151.0	1,793,179.5	2,692.4	2,174,706.3	2,692.4	2,174,706.3	48,151.0	1,793,179.5	908.5	9,417.6	2,163,665.6
Aug	499,455.9	37,817,569.4	15,000.0	172,475.5	28,020,392.8	28,266,631.4	2,500.0	1,003,367.1	79,255.5	4,747,320.1	35,702.0	1,828,881.5	1,603.9	2,176,310.2	1,603.9	2,176,310.2	35,702.0	1,828,881.5	79,255.5	9,417.6	2,163,665.6
Sep	385,300.0	38,202,869.4	0.0	172,475.5	286,238.6	28,286,631.4	2,500.0	1,003,367.1	79,255.5	4,747,320.1	35,702.0	1,828,881.5	1,603.9	2,176,310.2	1,603.9	2,176,310.2	35,702.0	1,828,881.5	79,255.5	9,417.6	2,163,665.6
Oct	227,001.6	38,429,871.0	700.0	173,175.5	170,077.6	28,456,709.0	5,790.9	1,009,158.0	21,153.9	4,768,474.1	25,389.9	1,854,251.4	3,909.3	2,180,219.5	3,909.3	2,180,219.5	25,389.9	1,854,251.4	21,153.9	9,417.6	2,163,665.6
Nov	353,224.1	38,783,095.0	9,000.0	182,175.5	278,693.6	28,735,402.5	13,880.0	1,023,038.0	2,022.9	4,790,497.0	19,628.9	1,873,880.3	9,988.7	2,190,218.2	9,988.7	2,190,218.2	19,628.9	1,873,880.3	2,022.9	9,417.6	2,163,665.6
Dec	378,476.1	39,161,571.1	1,900.0	184,075.5	285,167.9	29,000,570.4	10,500.0	1,033,538.0	66,112.7	4,856,609.7	21,025.7	1,894,906.0	13,769.8	2,203,988.0	13,769.8	2,203,988.0	21,025.7	1,894,906.0	66,112.7	9,417.6	2,163,665.6
2016 - Jan	567,560.6	39,729,131.7	0.0	184,075.5	368,156.3	29,368,726.7	3,300.0	1,036,838.0	133,295.8	4,989,905.4	36,843.3	1,931,749.3	25,965.2	2,229,953.2	25,965.2	2,229,953.2	36,843.3	1,931,749.3	133,295.8	9,417.6	2,163,665.6
Feb	591,048.1	40,320,179.8	316.1	184,391.6	447,456.6	29,816,193.3	1,400.0	1,038,238.0	36,794.5	5,026,699.9	72,244.1	2,003,993.4	32,836.8	2,262,790.0	32,836.8	2,262,790.0	72,244.1	2,003,993.4	36,794.5	9,417.6	2,163,665.6
Mar	496,922.3	40,817,102.1	20,870.0	205,261.6	353,008.8	30,169,192.2	350.0	1,038,588.0	12,337.2	5,039,037.6	100,345.0	2,104,338.4	10,010.8	2,272,800.9	10,010.8	2,272,800.9	100,345.0	2,104,338.4	12,337.2	9,417.6	2,163,665.6
Apr	324,842.2	41,141,944.3	16,100.0	221,361.6	119,019.1	30,288,211.2	1.8	1,038,589.8	71,949.3	5,110,987.0	45,192.2	2,149,530.5	72,579.8	2,345,380.7	72,579.8	2,345,380.7	45,192.2	2,149,530.5	71,949.3	9,417.6	2,163,665.6
May	252,933.7	41,394,877.9	3,000.0	224,361.6	61,235.7	30,349,446.9	0.0	1,038,589.8	142,849.8	5,253,836.7	43,192.3	2,192,722.8	2,655.9	2,348,036.6	2,655.9	2,348,036.6	43,192.3	2,192,722.8	142,849.8	9,417.6	2,163,665.6
Jun	281,057.9	41,675,935.9	2,400.0	226,761.6	137,019.4	30,466,466.3	0.0	1,038,589.8	64,267.1	5,318,103.8	58,585.8	2,249,288.6	20,805.7	2,368,842.2	20,805.7	2,368,842.2	58,585.8	2,249,288.6	64,267.1	9,417.6	2,163,665.6
Jul	187,203.9	41,863,139.8	2,400.0	229,161.6	95,884.3	30,582,350.6	0.0	1,038,589.8	25,283.4	5,343,387.2	35,138.5	2,284,427.1	28,497.8	2,397,340.0	28,497.8	2,397,340.0	35,138.5	2,284,427.1	25,283.4	9,417.6	2,163,665.6
Aug	262,700.7	42,125,840.4	107.8	229,269.4	132,486.4	30,714,836.9	0.0	1,038,589.8	1,035.0	5,344,422.2	114,065.9	2,398,493.0	15,005.5	2,412,345.6	15,005.5	2,412,345.6	114,065.9	2,398,493.0	1,035.0	9,417.6	2,163,665.6
Sep	367,931.6	42,493,672.0	0.0	229,269.4	232,630.1	30,947,467.0	4,000.0	1,042,589.8	3,341.1	5,347,763.2	117,600.0	2,516,033.0	10,260.4	2,422,606.0	10,260.4	2,422,606.0	117,600.0	2,516,033.0	3,341.1	9,417.6	2,163,665.6
Oct	273,613.5	42,767,285.5	0.0	229,269.4	222,744.1	31,170,211.1	9,900.0	1,051,979.8	26,468.8	5,374,282.1	11,772.0	2,527,865.0	3,288.6	2,425,844.6	3,288.6	2,425,844.6	11,772.0	2,527,865.0	26,468.8	9,417.6	2,163,665.6
Nov	349,905.7	43,117,191.2	0.0	229,269.4	258,644.1	31,428,855.2	0.0	1,051,979.8	62,844.4	5,437,076.4	84,750.0	2,552,615.0	3,667.2	2,429,511.8	3,667.2	2,429,511.8	84,750.0	2,552,615.0	62,844.4	9,417.6	2,163,665.6
Dec	506,081.3	43,623,272.4	0.0	229,269.4	328,661.4	31,757,516.5	16,250.0	1,068,229.8	71,196.7	5,508,273.1	82,172.9	2,634,787.9	7,800.4	2,437,312.1	7,800.4	2,437,312.1	82,172.9	2,634,787.9	71,196.7	9,417.6	2,163,665.6
2017 - Jan	755,195.2	44,378,467.6	16,036.1	245,305.5	633,984.1	32,391,500.7	13,063.0	1,081,292.8	55,925.6	5,644,200.0	26,600.9	2,661,388.8	9,584.2	2,446,866.3	9,584.2	2,446,866.3	26,600.9	2,661,388.8	55,925.6	9,417.6	2,163,665.6
Feb	715,810.1	45,094,277.7	2,200.0	247,505.5	552,023.2	32,943,523.9	5,100.0	1,086,392.8	50,923.6	5,615,123.6	89,140.6	2,750,529.3	16,422.7	2,463,319.1	16,422.7	2,463,319.1	89,140.6	2,750,529.3	50,923.6	9,417.6	2,163,665.6
Mar	654,438.9	45,748,716.7	0.0	247,505.5	480,647.4	33,424,171.2	5,945.0	1,092,373.8	37,793.2	5,652,916.8	114,507.7	2,865,037.0	15,545.7	2,478,864.7	15,545.7	2,478,864.7	114,507.7	2,865,037.0	37,793.2	9,417.6	2,163,665.6
Apr	355,905.5	46,104,622.2	0.0	247,505.5	296,370.8	33,720,542.0	6,750.0	1,099,087.8	2,728.9	5,655,645.7	42,245.7	2,907,282.7	7,810.1	2,486,674.9	7,810.1	2,486,674.9	42,245.7	2,907,282.7	2,728.9	9,417.6	2,16



## Bank of Tanzania Annual Report 2016/17

### A2.0 Government Finance

**Table A2.3: Central Government Outstanding Stocks, Bonds and Notes by Holders**

Millions of TZS

End of period	Bank of Tanzania	Deposit money banks	Other banks	Other financial institutions	Official entities	Private sector	Others	Total
2007	361,220.1	400,708.2	35,596.5	492,535.7	27,235.3	9,403.5	0.0	1,326,699.3
2008	659,901.6	392,083.9	47,058.6	468,928.6	23,386.6	11,204.0	0.0	1,602,563.3
2009	988,519.9	571,501.1	58,393.6	570,888.5	19,819.5	13,386.5	0.0	2,222,509.1
2010	981,219.9	989,749.0	61,605.8	671,526.7	4,075.9	9,308.5	0.0	2,717,485.8
2011	979,029.5	1,361,497.4	79,380.1	839,009.2	14,016.0	13,990.1	0.0	3,286,922.4
2012	1,446,323.9	1,647,863.4	65,821.7	941,323.9	14,181.0	15,914.7	0.0	4,131,428.7
2013	1,444,130.4	1,917,104.1	64,121.9	1,186,148.5	17,010.0	23,375.6	0.0	4,651,890.7
2014	1,441,940.4	2,278,661.8	48,633.6	1,326,981.9	36,383.0	51,056.9	60,000.0	5,243,657.7
2015	1,439,750.4	2,380,214.9	71,397.5	1,688,662.2	49,417.0	64,445.0	101,519.4	5,795,406.5
2016	1,439,750.4	2,669,097.6	62,385.0	2,347,095.0	80,521.7	44,445.0	206,024.2	6,849,318.9
2015-Mar	1,441,940.4	2,383,783.8	46,806.4	1,459,894.7	38,203.0	54,891.6	60,000.0	5,485,520.0
Jun	1,440,845.4	2,443,639.4	65,026.4	1,621,316.6	43,628.0	62,974.4	64,445.0	5,741,875.3
Sep	1,440,845.4	2,384,799.7	72,277.5	1,654,271.4	47,228.0	64,445.0	72,996.5	5,736,863.6
Dec	1,439,750.4	2,380,214.9	71,397.5	1,688,662.2	49,417.0	64,445.0	101,519.4	5,795,406.5
2016-Mar	1,439,750.4	2,501,606.9	70,817.5	1,824,449.8	58,691.3	44,445.0	125,616.8	6,065,377.8
Jun	1,439,750.4	2,566,385.8	69,687.5	1,950,765.2	54,475.4	44,445.0	140,191.4	6,265,700.8
Sep	1,439,750.4	2,544,718.1	70,591.0	2,146,041.0	57,402.1	44,445.0	171,380.5	6,474,328.2
Dec	1,439,750.4	2,669,097.6	62,385.0	2,347,095.0	80,521.7	44,445.0	206,024.2	6,849,318.9
2017-Mar	1,439,750.4	2,961,781.0	61,385.0	2,506,334.4	94,837.3	253,134.2	44,445.0	7,361,667.3
Jun	1,439,750.4	3,396,326.4	39,635.0	2,851,789.5	96,816.2	268,328.7	44,445.0	8,137,091.3

Source: Bank of Tanzania

Note: Before June 1998, Other Banks, Other Financial Institutions, Official Entities and Private Sector categories were included in "Others" category

All figures are in face value



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.1: Depository Corporations Survey**

Millions of TZS														
End of Period	Domestic assets (net)				M3, Extended Broad Money									
	Domestic credit (net)				M2, Broad Money						Memorandum item: M0, Base Money			
	Foreign assets (net)	Claims on government (net)	Claims on other domestic sectors (net)	Other items (net)	TOTAL sum(2:5) or sum(9:12)	TOTAL sum (9:11)	M1, Narrow Money				Foreign currency deposits	sum (9,14)	Of which: Reserves	
							TOTAL sum (9,10)	Currency in circulation outside banks	Transferable deposits	Other deposits				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
2010	6,125,607.8	806,665.4	5,991,767.1	-1,911,376.5	11,012,663.7	8,042,188.2	4,521,438.6	1,897,134.9	2,624,303.7	3,520,749.6	2,970,475.5	3,497,849.8	1,600,714.9	
2011	6,273,631.2	1,471,254.6	7,622,317.6	-2,345,881.3	13,021,322.0	9,247,939.4	5,571,986.7	2,235,829.8	3,336,156.9	3,675,952.7	3,773,382.6	4,111,917.1	1,876,087.3	
2012	6,396,026.0	2,019,403.0	9,010,380.9	-2,778,705.0	14,647,105.0	10,724,538.0	6,538,563.9	2,414,788.0	4,123,775.9	4,185,974.0	3,922,567.0	4,525,608.9	2,110,820.8	
2013	6,576,331.8	2,554,554.3	10,392,663.1	-3,416,780.9	16,106,768.4	11,890,554.2	7,218,118.5	2,763,963.0	4,454,155.6	4,672,435.7	4,216,214.2	5,027,783.6	2,263,820.6	
2014	6,551,542.5	3,651,622.2	12,412,296.1	-4,001,309.5	18,614,151.4	13,917,041.5	8,284,155.7	3,244,724.9	5,039,430.8	5,632,885.8	4,697,109.8	5,909,475.3	2,664,750.4	
2015	8,244,044.3	4,881,635.3	15,492,728.5	-6,503,092.8	22,115,315.2	15,780,115.4	9,575,698.5	3,678,503.5	5,897,195.1	6,204,416.9	6,335,199.8	6,833,088.2	3,154,584.7	
2016	8,209,023.6	4,281,968.0	16,608,893.4	-6,339,472.8	22,760,412.1	16,523,231.9	9,986,715.9	3,608,710.4	6,378,005.5	6,536,516.0	6,237,180.2	6,854,370.1	3,245,659.7	
2015 - Jan	6,621,001.8	4,134,204.8	12,577,319.6	-4,591,623.1	18,740,903.2	14,017,758.4	8,355,033.7	3,147,599.6	5,207,434.0	5,662,724.7	4,723,144.9	5,691,919.2	2,544,319.6	
Feb	6,633,048.5	4,087,567.3	12,872,888.0	-4,803,342.9	18,790,160.8	13,728,133.4	8,219,135.7	3,126,016.6	5,093,119.0	5,508,997.7	5,062,027.4	5,943,813.5	2,817,796.9	
Mar	6,388,388.0	4,298,031.0	13,014,122.2	-4,959,982.0	18,740,559.2	13,683,086.1	8,125,044.7	3,147,071.1	4,977,973.6	5,558,041.4	5,057,473.2	5,587,042.5	2,439,971.4	
Apr	6,738,881.3	4,416,567.6	13,546,177.4	-5,215,509.6	19,486,116.8	14,039,800.6	8,404,373.8	3,172,483.3	5,231,890.4	5,635,426.8	5,446,316.2	5,748,783.4	2,576,300.1	
May	7,075,530.2	4,360,177.0	14,105,548.9	-5,670,171.8	19,871,084.3	14,158,331.1	8,449,279.4	3,333,450.4	5,115,829.0	5,709,051.7	5,712,753.2	5,862,539.2	2,529,088.8	
Jun	8,027,688.0	3,707,042.4	13,989,807.9	-5,760,254.8	19,964,283.6	14,301,068.1	8,679,436.6	3,543,785.2	5,135,651.4	5,621,631.5	5,663,215.4	6,575,646.0	3,031,860.8	
Jul	8,524,538.4	4,095,757.7	14,448,081.5	-6,236,664.8	20,831,712.8	14,657,466.7	8,827,053.7	3,626,843.9	5,200,209.7	5,830,413.0	6,174,246.2	6,709,751.2	3,082,907.2	
Aug	8,842,893.6	4,418,164.6	14,666,034.3	-6,538,142.5	21,388,949.9	14,915,679.2	9,112,540.8	3,684,816.4	5,427,724.3	5,803,138.4	6,473,270.8	6,775,986.9	3,091,170.5	
Sep	8,660,388.3	4,405,638.2	14,878,817.6	-6,663,050.8	21,281,793.3	14,857,268.2	8,992,505.7	3,642,325.2	5,350,180.5	5,864,762.6	6,424,525.1	6,538,225.9	2,895,900.7	
Oct	8,452,723.1	4,781,401.7	15,103,908.2	-6,648,522.4	21,689,510.6	15,275,562.6	9,260,296.1	3,789,335.2	5,470,960.9	6,015,266.5	6,413,948.0	6,677,245.5	2,887,910.3	
Nov	8,306,911.5	4,747,745.2	15,205,893.7	-6,714,935.4	21,545,615.1	15,412,730.2	9,398,629.1	3,732,149.9	5,666,479.2	6,014,101.1	6,132,884.9	6,829,566.1	3,097,416.1	
Dec	8,244,049.2	4,881,635.3	15,492,728.5	-6,503,097.7	22,115,315.2	15,780,115.4	9,575,698.5	3,678,503.5	5,897,195.1	6,204,416.9	6,335,199.8	6,833,088.2	3,154,584.7	
2016 - Jan	8,040,728.6	4,645,828.4	15,764,410.4	-6,672,024.0	21,778,943.4	15,419,709.4	9,235,395.9	3,542,126.2	5,693,269.7	6,184,313.6	6,359,234.0	6,617,894.6	3,075,768.4	
Feb	7,939,478.0	4,850,965.2	15,963,775.2	-6,744,649.8	22,009,568.6	15,724,432.6	9,298,046.0	3,452,041.5	5,846,004.5	6,426,386.6	6,285,136.0	6,350,406.2	2,898,364.7	
Mar	7,529,868.6	4,885,918.3	16,083,340.9	-6,850,631.6	21,648,496.2	15,487,554.0	9,289,166.8	3,466,072.2	5,823,094.7	6,198,387.2	6,160,942.2	6,522,554.9	3,056,482.7	
Apr	7,477,415.2	5,314,366.3	16,165,425.4	-6,959,573.8	21,997,633.1	15,764,166.7	9,511,377.6	3,452,884.2	6,058,493.4	6,252,789.1	6,233,466.4	6,434,071.0	2,981,186.7	
May	7,579,009.7	5,334,588.9	16,393,175.0	-7,069,143.1	22,237,630.5	15,815,900.7	9,499,055.2	3,522,698.4	5,976,356.8	6,316,845.5	6,421,729.8	6,464,718.2	2,942,019.8	
Jun	7,472,185.0	5,229,248.9	16,659,928.9	-6,898,389.9	22,462,973.0	16,151,316.0	9,809,488.0	3,739,733.4	6,069,754.6	6,341,827.9	6,311,657.0	6,772,719.2	3,032,985.8	
Jul	7,755,781.4	4,604,290.1	16,649,768.6	-6,785,429.8	22,224,410.3	15,796,600.7	9,579,476.6	3,773,083.9	5,806,392.7	6,217,124.1	6,427,809.6	6,565,100.4	2,792,016.5	
Aug	7,878,876.0	4,677,683.8	16,685,950.7	-6,842,815.9	22,399,694.7	15,899,570.6	9,636,206.5	3,721,168.9	5,915,037.6	6,263,364.1	6,500,124.1	6,733,606.4	3,012,437.5	
Sep	7,737,195.8	4,717,312.1	16,622,832.1	-6,882,576.6	22,194,763.4	15,920,203.6	9,504,375.2	3,671,993.6	5,832,381.7	6,415,828.4	6,274,559.8	6,619,014.6	2,947,021.0	
Oct	7,625,571.6	4,792,781.9	16,654,376.9	-6,835,874.8	22,236,855.6	15,976,126.4	9,570,760.2	3,550,536.8	6,020,223.4	6,405,366.2	6,260,729.2	6,536,885.6	2,986,348.9	
Nov	7,894,727.4	4,721,114.0	16,631,919.7	-6,720,924.2	22,526,836.9	16,340,682.7	9,753,939.0	3,581,133.9	6,172,805.1	6,586,743.7	6,186,154.1	6,930,241.5	3,349,107.7	
Dec	8,209,023.6	4,281,968.0	16,608,893.4	-6,339,472.8	22,760,412.1	16,523,231.9	9,986,715.9	3,608,710.4	6,378,005.5	6,536,516.0	6,237,180.2	6,854,370.1	3,245,659.7	
2017 - Jan	8,378,807.3	4,349,059.6	16,572,219.2	-6,516,648.9	22,783,437.1	16,426,416.3	10,023,847.7	3,471,983.7	6,551,864.0	6,402,568.6	6,357,020.9	6,562,493.4	3,090,509.7	
Feb	8,526,887.4	4,087,943.2	16,642,012.8	-6,877,442.4	22,379,401.0	15,999,768.0	9,865,296.5	3,412,534.0	6,452,762.5	6,134,471.5	6,379,633.0	6,484,781.4	3,072,247.4	
Mar	8,410,343.5	4,072,803.3	16,615,282.6	-6,453,852.2	22,644,577.2	16,416,626.9	9,722,580.5	3,394,611.5	6,327,969.0	6,694,046.4	6,227,950.3	6,356,675.3	2,962,063.8	
Apr	8,023,083.4	4,691,671.1	16,726,922.2	-6,607,849.4	22,833,827.3	16,838,244.2	10,109,686.7	3,369,030.4	6,740,656.3	6,728,557.5	5,995,583.2	6,486,269.5	3,117,239.1	
May	8,024,324.1	5,190,117.3	16,812,073.1	-6,622,441.5	23,404,073.0	17,288,831.4	10,517,514.6	3,416,372.6	7,101,142.0	6,771,316.8	6,115,241.6	6,565,533.5	3,149,161.0	
Jun	9,573,074.6	4,172,736.3	16,866,157.6	-6,746,586.1	23,865,382.4	17,687,495.3	10,871,319.1	3,615,313.6	7,256,005.5	6,816,176.2	6,177,887.1	6,827,067.0	3,211,753.3	

Source: Bank of Tanzania

Note: Other deposits include saving and time deposits in national currency

All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000





## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

#### Table A3.2: Bank of Tanzania Assets

End of period	Foreign assets					Claims on government			Lending to banks	Revaluation account	Premises and equipment	Items in process of collection	Other assets	Total
	Foreign exchange	Gold reserve	SDRs	Quota in IMF	Advances	Treasury bills	Other securities	Total						
2010	5,328,144.9	0.0	354,768.8	445,238.0	92,796.5	0.0	1,002,865.6	1,095,462.0	61,668.2	-909,938.2	929,545.2	386.9	654,115.3	8,378,389.1
2011	5,492,337.2	0.0	375,910.7	476,884.4	168,612.1	0.0	1,056,142.5	1,244,714.6	62,668.2	-992,486.9	1,000,841.0	556.1	1,193,211.4	8,854,637.0
2012	5,973,679.6	0.0	373,865.6	480,434.1	270,867.3	0.0	1,485,702.0	1,756,609.3	68,813.9	-904,076.2	1,015,303.8	556.1	1,111,364.7	9,876,550.9
2013	6,985,289.2	0.0	370,712.0	483,524.4	567,029.8	0.0	1,486,018.8	2,053,048.6	60,533.2	-820,938.6	1,033,606.2	216.6	1,013,233.3	11,179,224.9
2014	7,216,178.9	0.0	335,250.8	496,585.1	791,792.5	0.0	1,554,085.2	2,345,877.7	56,033.2	-914,901.0	1,030,945.6	657.5	1,291,340.7	11,857,988.4
2015	8,487,183.5	0.0	276,689.5	592,796.0	1,387,903.2	0.0	1,613,807.7	3,001,710.9	147,083.2	-1,039,215.7	1,047,333.2	125.3	1,253,597.8	13,766,313.6
2016	9,249,632.7	0.0	55,757.0	1,159,672.4	1,368,928.4	0.0	1,607,473.0	2,976,401.4	246,297.7	-1,520,586.5	1,210,483.0	0.0	1,732,111.7	15,109,779.5
2015 - Jan	7,322,865.2	0.0	330,456.7	489,483.9	921,383.8	0.0	1,557,254.2	2,478,638.0	56,033.2	-914,893.5	1,032,194.6	170.2	1,092,225.3	11,887,171.5
Feb	7,238,205.9	0.0	338,641.9	501,540.9	1,000,226.8	0.0	1,578,709.1	2,678,935.9	66,033.2	-914,889.1	1,033,918.5	306.0	1,198,322.4	12,141,015.6
Mar	6,964,367.1	0.0	330,935.1	490,126.8	1,019,229.1	0.0	1,578,703.1	2,597,932.3	81,750.4	-914,901.7	1,034,019.2	425.7	1,181,848.4	11,766,503.2
Apr	7,127,286.0	0.0	346,429.6	516,304.2	1,168,834.2	0.0	1,566,982.4	2,734,796.6	56,033.2	-914,926.8	1,035,799.9	88.0	1,176,511.8	12,078,322.5
May	7,346,854.4	0.0	370,897.3	552,912.4	1,080,190.9	0.0	1,606,299.1	2,688,490.1	188,583.2	-914,990.2	1,037,045.0	53.4	1,093,162.9	12,341,006.5
Jun	8,364,146.8	0.0	314,464.8	552,275.0	655,319.7	0.0	1,638,740.8	2,294,060.4	179,702.7	-916,540.6	1,048,688.5	12.2	1,074,431.7	12,911,211.4
Jul	8,455,359.0	0.0	329,521.9	578,653.6	849,017.0	0.0	1,613,334.3	2,462,351.3	54,083.2	-916,555.5	1,045,426.0	174.6	1,106,887.6	13,115,901.5
Aug	8,587,868.9	0.0	338,972.6	586,320.4	1,058,027.6	0.0	1,615,330.0	2,673,357.7	54,082.2	-916,644.9	1,045,132.1	183.0	1,074,303.3	13,455,375.2
Sep	8,217,893.8	0.0	340,088.0	600,289.3	1,207,514.3	0.0	1,612,324.4	2,819,838.7	91,383.2	-916,680.9	1,045,122.6	472.4	1,096,644.5	13,295,051.8
Oct	8,332,113.8	0.0	339,974.2	600,086.4	1,366,859.9	0.0	1,633,400.2	3,002,260.1	84,003.2	-916,688.1	1,044,992.5	56.8	1,074,818.8	13,561,689.8
Nov	8,380,013.0	0.0	331,885.3	587,321.1	1,307,282.6	0.0	1,634,375.9	3,041,638.5	55,453.4	-1,039,203.2	1,045,988.9	89.6	1,202,486.4	13,515,633.1
Dec	8,487,188.4	0.0	276,689.5	592,796.0	1,387,903.2	0.0	1,613,807.7	3,001,710.9	147,083.2	-1,039,215.7	1,047,333.2	125.3	1,253,597.8	13,766,318.5
2016 - Jan	8,397,226.6	0.0	272,182.4	597,493.1	1,257,679.9	0.0	1,554,578.6	2,812,258.6	164,933.2	-1,039,226.9	1,049,123.0	27.7	1,286,276.1	13,540,283.8
Feb	8,494,159.7	0.0	122,814.9	1,203,625.9	1,376,383.2	0.0	1,548,228.6	2,924,591.8	119,683.2	-1,039,465.7	1,050,844.8	236.5	1,293,170.4	14,109,661.5
Mar	8,267,593.4	0.0	124,251.6	1,220,442.9	1,144,453.8	0.0	1,581,455.1	2,725,909.0	394,463.5	-1,039,470.6	1,051,898.3	86.9	1,473,909.8	14,219,084.8
Apr	8,027,816.0	0.0	124,283.2	1,229,251.2	1,331,286.3	0.0	1,590,026.0	2,921,312.3	344,133.2	-1,039,521.6	1,048,483.8	0.0	1,304,584.2	13,960,322.3
May	8,180,698.6	0.0	123,045.1	1,217,746.1	1,434,048.8	0.0	1,575,987.1	3,009,638.0	378,086.6	-1,039,539.4	1,049,025.5	36.0	1,330,230.9	14,228,864.4
Jun	8,239,599.0	0.0	55,821.9	1,212,378.8	1,221,777.6	0.0	1,564,256.6	2,786,034.1	668,872.2	-1,039,551.5	1,057,343.6	0.0	1,281,312.0	14,251,810.2
Jul	8,259,840.8	0.0	55,628.0	1,207,834.1	958,444.7	0.0	1,588,456.8	2,526,901.5	699,822.2	-1,040,784.6	1,057,413.5	0.0	1,942,935.3	14,109,408.8
Aug	8,685,748.7	0.0	55,550.6	1,207,391.3	1,444,437.5	0.0	1,551,882.7	2,996,320.2	237,667.3	-1,040,662.5	1,060,633.6	17.4	1,355,112.8	14,557,780.5
Sep	8,707,185.3	0.0	54,721.6	1,207,852.1	1,255,684.2	0.0	1,561,542.9	2,817,207.1	169,798.2	-1,040,676.3	1,060,622.3	12.7	1,292,101.1	14,268,823.1
Oct	8,581,144.0	0.0	122,597.4	1,188,745.8	1,381,341.6	0.0	1,541,884.0	2,923,205.6	102,043.2	-1,040,730.7	1,059,923.6	0.0	1,263,488.6	14,180,417.4
Nov	9,008,538.9	0.0	120,354.9	1,167,597.5	1,361,615.2	0.0	1,556,009.8	2,917,625.0	73,893.6	-1,040,734.5	1,202,336.1	0.0	1,248,864.9	14,696,466.4
Dec	9,249,632.7	0.0	55,757.0	1,159,672.4	1,368,928.4	0.0	1,607,473.0	2,976,401.4	246,297.7	-1,520,586.5	1,210,483.0	0.0	1,732,111.7	15,109,779.5
2017 - Jan	9,430,700.4	0.0	57,605.3	1,198,112.8	1,606,829.4	0.0	1,607,843.7	3,214,673.1	125,943.2	-1,520,523.2	1,212,991.2	0.0	1,794,001.9	15,513,504.5
Feb	9,526,125.6	0.0	31,575.1	1,197,900.8	1,673,340.9	0.0	1,611,508.0	3,284,848.9	133,343.2	-1,520,547.6	1,215,757.8	0.0	1,797,262.2	15,666,286.2
Mar	9,795,820.0	0.0	31,711.5	1,203,074.7	1,277,916.9	0.0	1,589,969.4	2,867,885.4	107,993.2	-1,520,559.8	1,218,446.1	0.0	1,792,841.9	15,487,213.8
Apr	9,645,307.0	0.0	32,016.0	1,214,625.7	1,417,419.0	0.0	1,556,130.6	2,973,549.6	94,563.2	-1,521,134.5	1,259,445.9	0.0	1,753,270.0	15,451,642.8
May	9,610,616.9	0.0	31,885.7	1,224,404.6	1,572,699.3	0.0	1,567,830.6	3,140,529.8	83,793.2	-1,521,142.5	1,259,510.2	0.0	1,805,428.4	15,635,026.3
Jun	10,970,894.0	0.0	29,043.7	1,234,836.5	1,793,805.3	0.0	1,562,245.6	3,356,050.9	79,383.2	-1,522,203.4	1,268,668.3	0.0	1,804,051.5	17,220,734.6

Source: Bank of Tanzania

Note: All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.3 : Bank of Tanzania Liabilities**

Millions of TZS										
End of period	Currency in circulation	Central government deposits	Banks' deposits	Other deposits	Foreign liabilities	International Monetary fund	Allocation of SDRs	Other liabilities	Capital and reserves	Total
2010	2,298,635.0	2,021,302.9	1,292,852.9	65,995.5	3,713.3	898,579.2	363,364.3	1,334,174.3	99,771.6	8,378,389.1
2011	2,694,169.5	1,235,421.9	1,720,844.4	69,724.3	187.1	1,024,983.5	456,771.9	1,553,119.1	99,415.4	8,854,637.0
2012	2,482,630.4	1,126,805.5	2,000,216.1	86,969.4	187.1	1,034,264.5	464,516.4	1,567,643.4	99,415.4	8,862,648.3
2013	3,324,794.6	2,550,655.3	2,034,705.2	19,956.3	7,421.4	1,181,472.7	463,131.8	1,498,411.9	98,675.7	11,179,224.9
2014	3,828,376.6	1,989,204.9	2,488,064.9	182,090.6	9,336.8	1,182,569.8	475,641.7	1,602,573.3	100,109.8	11,857,968.4
2015	4,431,833.2	1,272,358.7	3,419,493.4	280,626.2	23,423.7	1,236,275.9	567,794.9	2,434,507.5	100,000.0	13,766,313.6
2016	4,305,464.2	2,305,405.0	2,998,815.6	1,085,045.4	14,815.9	1,590,752.8	555,381.7	2,149,207.9	104,891.1	15,109,779.5
2015 - Jan	3,646,590.9	1,847,974.3	2,556,453.7	351,738.7	9,402.0	1,172,553.2	468,839.9	1,733,508.9	100,109.8	11,887,171.5
Feb	3,627,093.3	1,886,440.6	2,917,024.4	195,731.3	9,887.7	1,189,560.2	480,388.5	1,734,779.8	100,109.8	12,141,015.6
Mar	3,690,363.1	1,946,766.1	2,475,740.6	191,835.0	10,215.9	1,173,460.1	469,455.7	1,708,554.7	100,111.9	11,766,503.2
Apr	3,709,188.3	1,887,571.8	2,670,236.3	217,213.2	10,542.8	1,208,204.1	494,529.1	1,780,724.9	100,111.9	12,078,322.5
May	3,843,830.7	1,659,823.5	2,529,408.5	219,025.9	13,042.9	1,271,411.6	529,593.4	2,174,760.0	100,111.9	12,341,008.5
Jun	4,096,157.9	1,620,724.5	3,109,381.8	173,368.4	12,916.8	1,245,182.4	528,982.8	2,045,372.9	79,123.9	12,911,211.4
Jul	4,198,268.8	1,253,265.4	3,151,355.8	179,729.0	13,459.0	1,279,641.4	554,248.9	1,841,616.5	644,316.7	13,115,901.5
Aug	4,237,756.3	1,226,622.3	3,219,600.2	178,873.7	13,929.6	1,303,583.3	573,086.3	2,057,606.6	644,316.8	13,455,375.2
Sep	4,281,881.6	1,321,221.6	2,940,961.2	134,164.9	14,880.2	1,306,147.0	574,972.2	2,076,506.3	644,316.8	13,295,051.8
Oct	4,383,543.0	1,167,954.1	2,968,937.7	279,738.6	16,145.2	1,305,885.5	574,779.8	2,220,444.0	644,271.9	13,561,699.8
Nov	4,318,996.9	1,185,041.8	3,357,326.5	135,810.2	14,480.6	1,288,434.3	562,550.9	2,553,206.8	100,000.0	13,515,848.1
Dec	4,431,833.2	1,272,358.7	3,419,493.4	280,626.2	23,423.7	1,236,275.9	567,794.9	2,434,507.5	100,000.0	13,766,313.6
2016 - Jan	4,144,962.5	1,277,295.9	3,216,634.4	396,272.6	14,431.8	1,236,214.1	572,293.9	2,582,188.6	100,000.0	13,540,293.8
Feb	4,051,036.3	1,526,782.4	3,001,935.7	542,936.4	18,121.4	1,688,630.8	576,431.6	2,603,786.8	100,000.0	14,109,661.5
Mar	4,121,660.2	1,277,145.5	3,023,941.5	558,649.1	13,116.7	1,698,355.6	584,485.4	2,841,730.9	100,000.0	14,219,084.8
Apr	4,045,063.4	1,173,119.9	3,051,432.7	566,949.2	14,286.8	1,702,728.1	588,703.9	2,718,081.8	99,956.4	13,960,322.3
May	4,136,588.4	1,331,213.1	2,899,655.3	777,369.3	18,526.4	1,695,894.8	583,193.9	2,686,466.8	99,956.4	14,228,864.4
Jun	4,372,957.7	1,239,057.7	2,922,527.9	737,183.3	82,952.4	1,698,090.7	580,623.4	2,518,460.6	99,956.4	14,251,810.2
Jul	4,374,595.8	1,603,489.4	2,695,309.5	522,643.1	56,075.6	1,681,307.3	578,446.9	1,856,196.7	741,344.5	14,109,408.8
Aug	4,351,499.6	1,675,201.8	2,963,719.6	635,290.0	21,090.2	1,681,068.7	578,234.9	1,900,749.2	750,926.5	14,557,780.5
Sep	4,294,689.8	1,463,808.0	2,882,622.7	695,877.6	17,204.0	1,680,466.8	578,455.5	1,905,177.6	750,521.1	14,268,823.1
Oct	4,211,746.9	1,600,511.0	2,856,215.7	768,173.9	16,940.2	1,670,183.1	569,305.3	1,737,934.8	749,406.4	14,180,417.4
Nov	4,239,412.2	1,594,594.0	3,145,895.2	905,806.4	17,400.1	1,658,795.0	559,172.3	1,692,663.5	884,727.7	14,698,466.4
Dec	4,305,464.2	2,305,405.0	2,998,815.6	1,085,045.4	14,815.9	1,590,752.8	555,381.7	2,149,207.9	104,891.1	15,109,779.5
2017 - Jan	4,113,159.6	2,606,438.3	2,883,997.8	1,120,519.8	38,539.9	1,609,328.6	573,791.2	2,462,838.2	104,891.1	15,513,504.5
Feb	4,073,188.7	3,155,750.4	2,813,730.0	963,578.1	17,986.1	1,583,422.5	573,689.7	2,380,029.5	104,891.1	15,666,266.2
Mar	4,038,440.6	2,897,093.8	2,811,709.4	1,009,512.3	18,664.3	1,585,811.3	576,167.6	2,454,923.5	104,891.1	15,497,213.8
Apr	4,030,530.7	2,705,592.5	2,888,241.5	936,157.4	16,776.6	1,591,144.3	581,699.5	2,596,609.1	104,891.2	15,451,642.8
May	4,036,004.6	2,650,065.6	2,967,984.3	979,010.8	19,007.8	1,597,568.8	586,382.7	2,694,110.4	104,891.2	15,635,026.3
Jun	4,348,840.4	4,031,367.2	2,960,241.4	994,175.3	74,981.9	1,551,641.2	591,378.7	2,568,109.2	99,999.3	17,220,734.6

Source: Bank of Tanzania

Note: All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.4: Tanzania Notes in Circulation**

End of Period	Millions of TZS									Percent of Total							
	10/-	20/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	Total	50/-	100/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-
2010	99.7	497.7	1,969.1	42,423.1	84,097.4	101,938.6	416,550.9	1,612,837.2	2,260,413.7	0.0	0.0	0.1	1.9	3.7	4.5	18.4	71.4
2011	99.7	497.7	1,969.0	51,519.0	83,793.4	111,196.0	420,406.8	1,982,878.0	2,652,359.4	0.0	0.0	0.1	1.9	3.2	4.2	15.9	74.8
2012	99.7	497.7	1,968.4	54,002.4	85,192.1	118,551.0	466,563.7	2,135,935.5	2,862,810.5	0.0	0.0	0.1	1.9	3.0	4.1	16.3	74.6
2013	99.7	497.7	1,968.0	57,544.7	99,078.4	141,056.3	553,031.7	2,467,015.3	3,320,291.9	0.0	0.0	0.1	1.7	3.0	4.2	16.7	74.3
2014	99.7	497.7	1,967.9	56,809.6	120,860.2	165,086.2	508,703.7	2,914,805.3	3,768,830.4	0.0	0.0	0.1	1.5	3.2	4.4	13.5	77.3
2015	99.7	497.7	1,967.4	66,216.4	141,908.3	137,161.4	664,340.2	3,011,551.7	4,023,742.8	0.0	0.0	0.0	1.6	3.5	3.4	16.5	74.8
2016	99.7	497.7	1,967.4	35,961.3	137,203.1	168,534.6	720,628.2	3,173,144.2	4,238,036.1	0.0	0.0	0.0	0.8	3.2	4.0	17.0	74.9
2016 - Jan	99.7	497.7	1,967.9	55,547.0	115,487.5	163,453.7	461,912.8	2,787,458.7	3,586,425.1	0.0	0.0	0.1	1.5	3.2	4.6	12.9	77.7
Feb	99.7	497.7	1,967.9	57,631.5	123,119.6	176,992.2	429,149.0	2,776,895.5	3,566,353.1	0.0	0.0	0.1	1.6	3.5	5.0	12.0	77.9
Mar	99.7	497.7	1,967.9	60,646.2	130,056.4	173,699.9	452,175.7	2,809,914.1	3,629,057.5	0.0	0.0	0.1	1.7	3.6	4.8	12.5	77.4
Apr	99.7	497.7	1,967.9	64,144.3	124,755.7	173,067.2	489,338.9	2,774,236.3	3,628,107.6	0.0	0.0	0.1	1.8	3.4	4.8	13.5	76.5
May	99.7	497.7	1,967.9	65,448.3	130,306.4	172,683.5	541,168.2	2,869,507.9	3,781,679.5	0.0	0.0	0.1	1.7	3.4	4.6	14.3	75.9
Jun	99.7	497.7	1,967.9	63,976.5	129,203.0	178,204.4	618,465.1	3,043,479.8	4,035,894.2	0.0	0.0	0.0	1.6	3.2	4.4	15.3	75.4
Jul	99.7	497.7	1,967.9	64,591.7	135,104.7	179,309.0	658,438.7	3,096,477.3	4,136,486.6	0.0	0.0	0.0	1.6	3.3	4.3	15.9	74.9
Aug	99.7	497.7	1,967.7	65,853.4	141,938.4	151,085.2	676,161.3	3,137,548.2	4,175,151.7	0.0	0.0	0.0	1.6	3.4	3.6	16.2	75.1
Sep	99.7	497.7	1,967.7	68,577.4	150,133.8	137,721.7	707,531.8	3,162,279.7	4,228,809.5	0.0	0.0	0.0	1.6	3.6	3.3	16.7	74.8
Oct	99.7	497.7	1,967.6	69,457.1	152,598.2	132,031.1	725,837.8	3,244,689.4	4,327,178.6	0.0	0.0	0.0	1.6	3.5	3.1	16.8	75.0
Nov	99.7	497.7	1,967.6	66,151.4	148,452.7	135,928.5	709,233.5	3,185,534.4	4,247,865.6	0.0	0.0	0.0	1.6	3.5	3.2	16.7	75.0
Dec	99.7	497.7	1,967.6	71,710.0	159,866.8	147,178.4	740,117.0	3,244,686.9	4,366,124.0	0.0	0.0	0.0	1.6	3.7	3.4	17.0	74.3
2016 - Jan	99.7	497.7	1,967.6	70,312.5	151,553.3	142,556.2	675,381.1	3,036,195.8	4,078,563.8	0.0	0.0	0.0	1.7	3.7	3.5	16.6	74.4
Feb	99.7	497.7	1,967.4	67,800.4	141,895.8	136,476.9	655,705.2	2,979,431.7	3,983,874.7	0.0	0.0	0.0	1.7	3.6	3.4	16.5	74.8
Mar	99.7	497.7	1,967.4	66,216.4	141,908.3	137,161.4	664,340.2	3,011,551.7	4,023,742.8	0.0	0.0	0.0	1.6	3.5	3.4	16.5	74.8
Apr	99.7	497.7	1,967.4	63,130.7	137,201.5	137,651.9	653,852.9	2,955,233.1	3,949,634.9	0.0	0.0	0.0	1.6	3.5	3.5	16.6	74.8
May	99.7	497.7	1,967.4	62,120.3	142,541.0	146,010.7	684,116.1	3,011,871.7	4,049,224.7	0.0	0.0	0.0	1.5	3.5	3.6	16.9	74.4
Jun	99.7	497.7	1,967.4	58,797.4	145,196.0	164,868.0	786,567.8	3,150,969.0	4,308,963.1	0.0	0.0	0.0	1.4	3.4	3.8	18.3	73.1
Jul	99.7	497.7	1,967.4	54,613.0	138,490.6	167,272.4	789,492.0	3,149,295.2	4,301,728.1	0.0	0.0	0.0	1.3	3.2	3.9	18.4	73.2
Aug	99.7	497.7	1,967.4	49,415.7	140,941.3	173,566.5	769,047.2	3,140,783.2	4,276,318.6	0.0	0.0	0.0	1.2	3.3	4.1	18.0	73.4
Sep	99.7	497.7	1,967.4	45,640.4	139,504.0	173,371.9	743,837.7	3,112,557.1	4,217,475.9	0.0	0.0	0.0	1.1	3.3	4.1	17.6	73.8
Oct	99.7	497.7	1,967.4	44,359.4	137,318.1	167,796.2	716,763.6	3,049,265.1	4,118,067.2	0.0	0.0	0.0	1.1	3.3	4.1	17.4	74.0
Nov	99.7	497.7	1,967.4	44,359.4	137,318.1	167,796.2	716,763.6	3,049,265.1	4,118,067.2	0.0	0.0	0.0	1.1	3.3	4.1	17.4	74.0
Dec	99.7	497.7	1,967.4	35,961.3	137,203.1	168,534.6	720,628.2	3,173,144.2	4,238,036.1	0.0	0.0	0.0	0.8	3.2	4.0	17.0	74.9
2017 - Jan	99.7	497.7	1,967.4	33,710.0	133,921.6	164,076.6	667,495.1	3,025,747.9	4,027,516.0	0.0	0.0	0.0	0.8	3.3	4.1	16.6	75.1
Feb	99.7	497.7	1,967.4	32,171.4	132,605.3	166,839.2	654,679.5	2,997,419.9	3,986,280.0	0.0	0.0	0.0	0.8	3.3	4.2	16.4	75.2
Mar	99.7	497.7	1,967.4	29,688.6	136,585.4	169,403.2	622,151.9	2,978,080.3	3,938,474.2	0.0	0.0	0.0	0.8	3.5	4.3	15.8	75.6
Apr	99.7	497.7	1,967.4	29,131.1	131,365.4	171,669.5	609,974.8	2,973,728.9	3,918,434.5	0.0	0.0	0.1	0.7	3.4	4.4	15.6	75.9
May	99.7	497.7	1,967.4	28,195.3	132,763.4	166,777.3	606,165.7	3,005,768.4	3,942,234.9	0.0	0.0	0.0	0.7	3.4	4.2	15.4	76.2
Jun	99.7	497.7	1,967.4	27,659.3	139,578.6	184,124.0	673,804.1	3,193,685.1	4,221,415.9	0.0	0.0	0.0	0.7	3.3	4.4	16.0	75.7

Source: Bank of Tanzania



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

#### Table A3.5: Tanzania Coins in Circulation/1

End of Period	Millions of TZS													Percent of Total													
	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-	500	Total	-/05	-/10	-/20	/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-	500
2010	8.8	4.4	38.4	46.0	167.7	441.7	836.5	991.9	11.7	6,128.1	14,995.8	14,550.4	0.0	38,221.3	0.0	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.0	39.2	38.1	0.0
2011	8.8	4.4	38.4	46.0	167.7	440.4	824.4	976.5	11.7	6,570.8	15,796.7	16,983.3	0.0	41,809.1	0.0	0.0	0.1	0.1	0.4	1.1	2.0	2.3	0.0	15.7	37.6	40.6	0.0
2012	8.8	4.4	38.4	46.0	167.7	440.1	820.5	965.2	11.7	7,064.4	16,978.1	20,630.7	0.0	47,175.8	0.0	0.0	0.1	0.1	0.4	0.9	1.7	2.0	0.0	15.0	36.0	43.7	0.0
2013	8.8	4.4	38.4	46.0	167.7	440.1	818.9	960.5	11.7	7,859.5	18,137.7	22,879.6	0.0	51,373.2	0.0	0.0	0.1	0.1	0.3	0.9	1.6	1.9	0.0	15.3	35.3	44.5	0.0
2014	8.8	4.4	38.4	46.0	167.8	441.1	824.7	967.6	11.8	9,111.0	22,083.0	28,882.2	0.0	57,986.8	0.0	0.0	0.1	0.1	0.3	0.8	1.4	1.7	0.0	16.4	38.1	41.2	0.0
2015	8.8	4.4	38.4	46.0	167.5	439.2	816.9	953.8	11.7	9,475.8	22,568.4	25,475.5	6,224.3	66,230.7	0.0	0.0	0.1	0.1	0.3	0.7	1.2	1.4	0.0	14.3	34.1	38.5	9.4
2016	8.8	4.4	38.4	46.0	167.5	439.2	815.4	951.0	11.7	10,449.8	25,055.8	32,681.0	15,519.7	86,188.5	0.0	0.0	0.0	0.1	0.2	0.5	0.9	1.1	0.0	12.1	29.1	37.9	18.0
2015 - Jan	8.8	4.4	38.4	46.0	167.5	439.3	817.4	956.1	11.7	8,979.9	20,319.1	23,680.5	2,854.0	58,323.0	0.0	0.0	0.1	0.1	0.3	0.8	1.4	1.6	0.0	15.4	34.8	40.6	4.9
Feb	8.8	4.4	38.4	46.0	167.5	439.3	817.3	955.8	11.7	9,073.1	20,461.4	23,689.4	3,184.6	58,997.8	0.0	0.0	0.1	0.1	0.3	0.7	1.4	1.6	0.0	15.4	34.7	40.2	5.4
Mar	8.8	4.4	38.4	46.0	167.5	439.3	817.2	955.6	11.7	9,184.2	20,657.1	23,697.2	3,427.0	59,454.3	0.0	0.0	0.1	0.1	0.3	0.7	1.4	1.6	0.0	15.4	34.7	39.9	5.8
Apr	8.8	4.4	38.4	46.0	167.5	439.3	817.2	955.6	11.7	9,215.6	20,800.5	23,696.7	3,577.9	59,779.5	0.0	0.0	0.1	0.1	0.3	0.7	1.4	1.6	0.0	15.4	34.8	39.6	6.0
May	8.8	4.4	38.4	46.0	167.5	439.3	817.1	955.2	11.7	9,250.7	20,929.8	23,697.0	3,991.2	60,297.1	0.0	0.0	0.1	0.1	0.3	0.7	1.4	1.6	0.0	15.3	34.7	39.3	6.5
Jun	8.8	4.4	38.4	46.0	167.5	439.3	817.1	955.1	11.7	9,293.3	21,108.4	23,713.0	4,201.4	60,804.3	0.0	0.0	0.1	0.1	0.3	0.7	1.3	1.5	0.0	15.3	34.7	39.0	6.9
Jul	8.8	4.4	38.4	46.0	167.5	439.3	817.0	955.0	11.7	9,328.1	21,335.3	23,866.7	4,681.4	61,719.6	0.0	0.0	0.1	0.1	0.3	0.7	1.3	1.5	0.0	15.1	34.6	38.7	7.6
Aug	8.8	4.4	38.4	46.0	167.5	439.3	816.9	954.9	11.7	9,340.2	21,609.1	24,219.6	4,888.2	62,544.8	0.0	0.0	0.1	0.1	0.3	0.7	1.3	1.5	0.0	14.9	34.5	38.7	7.8
Sep	8.8	4.4	38.4	46.0	167.5	439.3	816.9	954.9	11.7	9,353.4	21,905.6	24,495.6	5,008.6	63,251.0	0.0	0.0	0.1	0.1	0.3	0.7	1.3	1.5	0.0	14.8	34.6	38.7	7.9
Oct	8.8	4.4	38.4	46.0	167.5	439.4	817.3	954.4	11.7	9,364.3	22,151.1	24,774.9	5,219.1	63,997.3	0.0	0.0	0.1	0.1	0.3	0.7	1.3	1.5	0.0	14.6	34.6	38.7	8.2
Nov	8.8	4.4	38.4	46.0	167.5	439.2	816.9	954.1	11.7	9,391.7	22,301.3	25,023.8	5,807.9	65,011.8	0.0	0.0	0.1	0.1	0.3	0.7	1.3	1.5	0.0	14.4	34.3	38.5	8.9
Dec	8.8	4.4	38.4	46.0	167.5	439.2	816.9	953.8	11.7	9,475.8	22,568.4	25,475.5	6,224.3	66,230.7	0.0	0.0	0.1	0.1	0.3	0.7	1.2	1.4	0.0	14.3	34.1	38.5	9.4
2016 - Jan	8.8	4.4	38.4	46.0	167.5	439.2	816.9	953.7	11.7	9,558.4	22,711.6	25,874.6	6,455.4	67,086.5	0.0	0.0	0.1	0.1	0.2	0.7	1.2	1.4	0.0	14.2	33.9	38.6	9.6
Feb	8.8	4.4	38.4	46.0	167.5	439.2	816.2	953.5	11.7	9,625.7	22,901.2	26,313.6	6,651.3	67,977.3	0.0	0.0	0.1	0.1	0.2	0.6	1.2	1.4	0.0	14.2	33.7	38.7	9.8
Mar	8.8	4.4	38.4	46.0	167.5	439.2	816.2	952.4	11.7	9,715.7	23,141.5	26,855.3	6,888.6	69,085.6	0.0	0.0	0.1	0.1	0.2	0.6	1.2	1.4	0.0	14.1	33.5	38.9	10.0
Apr	8.8	4.4	38.4	46.0	167.5	439.2	816.1	952.1	11.7	9,786.1	23,297.1	27,280.2	7,114.6	69,962.3	0.0	0.0	0.1	0.1	0.2	0.6	1.2	1.4	0.0	14.0	33.3	39.0	10.2
May	8.8	4.4	38.4	46.0	167.5	439.2	816.1	952.1	11.7	9,877.1	23,490.8	27,686.7	7,693.4	71,232.1	0.0	0.0	0.1	0.1	0.2	0.6	1.1	1.3	0.0	13.9	33.0	38.9	10.8
Jun	8.8	4.4	38.4	46.0	167.5	439.2	816.0	951.7	11.7	9,979.6	23,763.6	28,244.1	8,416.0	72,887.0	0.0	0.0	0.1	0.1	0.2	0.6	1.1	1.3	0.0	13.7	32.6	38.8	11.5
Jul	8.8	4.4	38.4	46.0	167.5	439.2	815.7	951.5	11.7	10,074.2	23,928.5	28,771.5	8,998.2	74,255.5	0.0	0.0	0.1	0.1	0.2	0.6	1.1	1.3	0.0	13.6	32.2	38.7	12.1
Aug	8.8	4.4	38.4	46.0	167.5	439.2	815.5	951.2	11.7	10,172.1	24,186.2	29,623.8	10,278.8	76,748.4	0.0	0.0	0.1	0.1	0.2	0.6	1.1	1.2	0.0	13.3	31.5	38.6	13.4
Sep	8.8	4.4	38.4	46.0	167.5	439.2	815.5	951.2	11.7	10,239.7	24,411.1	30,372.3	11,468.2	78,974.0	0.0	0.0	0.1	0.1	0.2	0.6	1.0	1.2	0.0	13.0	30.9	38.5	14.5
Oct	8.8	4.4	38.4	46.0	167.5	439.2	815.4	951.1	11.7	10,308.7	24,591.1	31,085.7	12,470.4	80,938.4	0.0	0.0	0.1	0.1	0.2	0.5	1.0	1.2	0.0	12.7	30.4	38.4	15.4
Nov	8.8	4.4	38.4	46.0	167.5	439.2	815.4	951.1	11.7	10,308.7	24,591.1	31,085.7	12,470.4	80,938.4	0.0	0.0	0.1	0.1	0.2	0.5	1.0	1.2	0.0	12.7	30.4	38.4	15.4
Dec	8.8	4.4	38.4	46.0	167.5	439.2	815.4	951.0	11.7	10,449.8	25,055.8	32,681.0	15,519.7	86,188.5	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.1	0.0	12.1	29.1	37.9	18.0
2017 - Jan	8.8	4.4	38.4	46.0	167.5	439.1	815.3	950.7	11.7	10,536.8	25,276.7	33,139.2	16,821.6	88,256.2	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.1	0.0	11.9	28.6	37.5	19.1
Feb	8.8	4.4	38.4	46.0	167.5	439.1	815.2	950.4	11.7	10,606.7	25,423.7	33,501.4	17,696.8	89,710.1	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.1	0.0	11.8	28.3	37.3	19.7
Mar	8.8	4.4	38.4	46.0	167.5	439.1	815.2	950.4	11.7	10,701.4	25,564.3	33,878.5	18,630.8	91,256.5	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.0	0.0	11.7	28.0	37.1	20.4
Apr	8.8	4.4	38.4	46.0	167.5	439.1	815.2	950.3	11.7	10,742.1	25,671.1	34,097.0	19,203.6	92,195.2	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.0	0.0	11.7	27.8	37.0	20.8
May	8.8	4.4	38.4	46.0	167.5	439.1	814.7	949.9	11.7	10,836.8	25,834.2	34,389.0	20,220.2	93,760.7	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.0	0.0	11.6	27.6	36.7	21.6
Jun	8.8	4.4	38.4	46.0	167.5	439.1	814.7	949.9	11.7	10,915.3	26,013.9	34,669.3	21,165.8	95,244.7	0.0	0.0	0.1	0.1	0.2	0.5	0.9	1.0	0.0	11.5	27.3	36.4	22.2

Source: Bank of Tanzania

Note: /1 Excludes commemorative coins



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### A3.0 Money and Banking

**Table A3.6: Commercial Banks Assets**

Millions of TZS

End of period	Domestic assets						Foreign assets			Total
	Cash	Deposit with Bank of Tanzania	Treasury securities*	Other securities	Loans and bills	Other	Liquid	Others	Fixed assets	
2010	401,500.1	1,300,906.3	2,414,939.5	8,772.0	6,117,158.6	840,776.0	1,353,121.8	188,971.6	517,259.9	13,143,405.8
2011	458,339.7	1,716,218.7	2,040,559.3	37,407.2	7,723,629.9	900,196.5	1,505,320.6	191,567.7	634,533.4	15,207,773.0
2012	495,209.7	1,785,793.4	2,877,270.9	52,666.8	9,248,521.7	1,218,284.2	1,260,420.2	133,720.7	734,604.6	17,806,492.1
2013	560,831.6	1,954,249.3	3,700,292.0	33,052.0	10,631,959.2	1,337,929.5	1,234,830.5	134,325.3	838,798.7	20,426,268.1
2014	583,651.7	2,450,986.8	3,913,908.7	51,015.0	12,766,058.8	1,363,272.3	1,206,352.7	104,340.8	996,938.9	23,436,525.8
2015	753,329.7	3,254,339.0	3,727,326.7	64,553.6	15,807,127.5	1,472,816.5	1,643,062.3	531,390.3	1,205,745.3	28,459,690.9
2016	696,753.8	2,941,613.8	4,058,080.8	109,644.4	16,917,589.9	1,546,301.9	1,339,801.8	329,149.1	1,518,670.1	29,457,605.7
2015 - Jan	498,991.3	2,577,689.0	4,216,907.7	47,619.2	12,907,038.9	1,470,873.3	1,270,677.0	84,818.1	948,274.6	24,022,889.1
Feb	501,076.7	2,774,301.6	4,118,054.1	43,600.5	13,226,248.5	1,379,935.1	1,152,048.7	308,825.1	988,504.6	24,492,594.9
Mar	543,292.0	2,270,655.9	4,249,744.1	47,490.7	13,545,181.4	1,602,089.8	1,208,229.0	191,022.4	1,021,747.5	24,679,452.8
Apr	536,704.9	2,558,187.3	4,144,381.2	51,740.4	14,028,451.0	1,357,206.3	1,318,315.5	388,164.4	1,030,398.5	25,413,549.5
May	510,380.3	2,483,283.4	4,087,292.3	48,843.6	14,563,460.7	1,569,846.5	1,580,998.4	431,103.5	1,044,652.5	26,319,861.1
Jun	552,372.7	2,963,437.6	3,851,837.1	51,519.0	14,347,534.7	1,487,537.8	1,771,521.9	295,895.7	1,072,163.9	26,393,820.4
Jul	571,424.9	2,953,991.8	3,598,162.8	57,685.4	14,740,974.2	1,556,696.0	1,773,684.1	584,484.1	1,096,447.0	26,933,550.3
Aug	552,939.9	3,096,793.9	3,771,488.9	62,101.1	14,988,713.7	1,516,841.4	1,864,781.8	695,456.5	1,116,927.5	27,666,044.6
Sep	639,556.4	2,877,943.5	3,625,857.3	64,362.2	15,120,703.2	1,594,819.0	2,004,820.2	672,974.9	1,133,399.2	27,734,435.8
Oct	594,207.7	2,872,606.4	3,556,180.3	64,096.6	15,577,323.8	1,554,884.2	1,792,313.9	722,746.2	1,154,091.9	27,888,451.0
Nov	586,846.9	3,136,292.5	3,578,117.0	60,961.7	15,743,724.9	1,540,655.2	1,739,725.0	655,525.8	1,173,533.3	28,215,382.2
Dec	753,329.7	3,254,339.0	3,727,326.7	64,553.6	15,807,127.5	1,472,816.5	1,643,062.3	531,390.3	1,205,745.3	28,459,690.9
2016 - Jan	602,836.3	3,061,832.0	3,851,642.9	64,815.5	16,184,631.7	1,460,102.9	1,503,782.7	583,803.3	1,225,862.6	28,539,309.8
Feb	598,994.8	2,942,712.6	4,004,419.5	57,340.0	16,420,632.5	1,569,923.7	1,544,595.1	491,608.8	1,241,046.0	28,871,273.1
Mar	655,588.0	2,993,889.3	4,133,334.8	62,207.9	16,424,577.4	1,612,849.0	1,456,127.3	407,420.1	1,256,498.5	29,002,492.3
Apr	592,179.2	2,956,564.2	4,215,696.8	62,563.2	16,553,471.0	1,671,176.6	1,518,286.3	476,861.1	1,309,235.1	29,356,033.5
May	613,890.1	2,775,398.3	4,291,494.1	57,727.1	16,785,084.9	1,594,399.5	1,396,383.2	442,931.3	1,329,444.5	29,286,753.0
Jun	633,224.3	2,671,162.3	4,326,614.9	56,333.2	16,925,730.5	1,625,912.8	1,443,872.0	375,470.4	1,348,669.9	29,406,990.2
Jul	601,511.8	2,611,368.2	4,299,435.7	47,572.0	16,997,397.3	1,607,123.4	1,523,284.6	387,094.4	1,366,365.0	29,441,152.5
Aug	630,330.7	2,840,238.6	3,968,728.8	49,475.4	17,084,424.5	1,658,025.1	1,404,677.8	318,075.8	1,401,623.4	29,355,600.2
Sep	622,696.3	2,739,627.5	3,923,739.6	47,983.7	17,058,643.4	1,736,340.5	1,349,874.1	317,767.5	1,432,413.0	29,229,085.7
Oct	661,210.1	2,777,599.0	3,984,337.1	48,839.9	17,072,014.3	1,650,767.3	1,327,692.0	359,218.4	1,454,335.8	29,336,013.9
Nov	658,278.3	3,052,995.3	3,896,589.6	47,144.6	16,964,820.4	1,594,421.1	1,279,965.2	391,527.8	1,471,186.3	29,356,928.6
Dec	696,753.8	2,941,613.8	4,058,080.8	109,644.4	16,917,589.9	1,546,301.9	1,339,801.8	329,149.1	1,518,670.1	29,457,605.7
2017 - Jan	641,175.9	2,814,480.1	4,196,142.1	53,021.2	16,958,451.6	1,794,766.0	1,345,798.0	380,945.5	1,527,604.1	29,712,384.6
Feb	660,654.7	2,668,617.3	4,382,721.0	54,694.1	17,084,096.0	1,763,078.6	1,262,050.4	358,145.9	1,560,616.3	29,794,674.2
Mar	643,829.1	2,844,653.3	4,635,350.5	51,691.4	17,029,627.2	1,870,648.5	1,156,214.5	286,931.1	1,587,115.0	30,106,060.7
Apr	661,500.3	2,895,092.8	4,838,020.4	58,091.3	17,169,812.0	1,938,861.5	1,199,157.0	266,582.7	1,596,476.1	30,623,594.0
May	619,632.0	2,837,577.9	4,979,819.5	58,506.7	17,337,717.1	1,948,061.0	1,121,973.2	356,928.3	1,635,861.4	30,896,077.2
Jun	733,526.8	2,893,103.9	5,221,839.9	71,607.7	17,268,985.2	1,865,435.0	1,275,346.9	272,049.9	1,641,196.1	31,243,091.5

Source: Bank of Tanzania

Note: \* Previously known as Treasury bills

All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.7: Commercial Banks Liabilities**

Millions of TZS								
End of Period	Domestic liabilities			Foreign liabilities		Capital and Reserves		Total
	Deposits	Due to Bank of Tanzania	Due to other banks	Other	Foreign banks	Due to Other	Reserves	
2010	9,049,547.5	0.0	446,361.5	1,917,148.0	137,109.8	78,774.9	1,514,464.0	13,143,405.8
2011	10,715,782.2	0.0	357,570.4	2,072,724.7	202,667.5	83,779.5	1,775,248.6	15,207,773.0
2012	12,110,517.7	4,200.0	588,704.2	2,581,225.2	250,909.4	132,528.4	2,138,407.2	17,806,492.1
2013	13,322,900.6	14.3	800,311.0	2,782,696.7	542,898.0	437,425.6	2,540,021.8	20,426,268.1
2014	15,195,922.5	0.0	941,622.7	3,213,162.8	618,950.5	520,667.1	2,946,200.2	23,436,525.8
2015	18,160,733.2	0.0	1,174,128.5	3,863,587.6	558,479.4	900,113.3	3,802,648.9	28,459,690.9
2016	18,188,706.3	1.0	1,466,395.4	3,730,391.4	413,906.8	1,350,132.3	4,308,072.5	29,457,605.7
2015 - Jan	15,250,988.1	0.0	1,024,995.4	3,478,920.6	713,002.8	513,499.0	3,041,483.2	24,022,889.1
Feb	15,478,465.5	0.0	955,120.7	3,732,104.8	693,917.8	532,459.9	3,100,526.3	24,492,594.9
Mar	15,412,485.4	25,717.2	1,158,863.5	3,760,407.3	686,687.8	456,472.8	3,178,818.7	24,679,452.8
Apr	16,107,996.1	0.0	1,048,825.0	3,796,294.5	743,328.6	501,013.8	3,216,091.6	25,413,549.5
May	16,330,954.6	12,413.3	1,227,713.5	4,105,899.1	707,669.1	685,518.8	3,249,692.7	26,319,861.1
Jun	16,247,189.9	678.8	1,244,622.2	4,206,197.0	786,590.5	696,943.7	3,211,598.3	26,393,820.4
Jul	17,025,946.0	0.0	1,233,230.7	3,909,361.7	584,033.1	765,781.8	3,415,197.0	26,933,550.3
Aug	17,526,830.5	0.0	1,080,424.3	4,231,202.8	602,688.7	749,018.7	3,475,879.5	27,666,044.6
Sep	17,507,608.7	0.0	1,196,078.9	4,160,534.8	587,932.2	691,746.4	3,590,535.0	27,734,435.8
Oct	17,623,515.6	13,559.8	1,119,477.2	4,056,357.3	653,255.8	784,447.3	3,637,838.1	27,888,451.0
Nov	17,681,462.7	17,572.1	1,079,214.9	4,141,390.1	670,528.6	861,564.2	3,763,649.7	28,215,382.2
Dec	18,160,733.2	0.0	1,174,128.5	3,863,587.6	558,479.4	900,113.3	3,802,648.9	28,459,690.9
2016 - Jan	17,845,635.0	44,030.0	1,225,093.9	4,070,772.0	575,093.8	915,726.1	3,862,959.2	28,539,309.8
Feb	18,020,122.9	0.0	1,355,890.8	3,975,583.0	559,850.2	1,014,292.5	3,945,533.7	28,871,273.1
Mar	17,629,997.4	0.0	1,523,403.9	4,205,426.5	622,016.5	1,027,992.5	3,993,655.5	29,002,492.3
Apr	17,988,364.6	0.0	1,325,099.4	4,395,515.6	651,189.2	942,174.6	4,053,690.0	29,356,033.5
May	17,960,165.5	151.1	1,426,495.3	4,357,776.8	336,868.2	1,127,211.4	4,078,084.8	29,286,753.0
Jun	18,050,863.5	1,489.5	1,539,958.3	4,269,275.1	423,817.4	1,069,473.2	4,052,113.2	29,406,990.2
Jul	17,980,642.2	8,035.0	1,737,055.4	4,251,126.3	333,709.1	1,028,159.6	4,102,424.8	29,441,152.5
Aug	18,125,512.3	1.0	1,369,406.4	4,181,057.3	363,845.5	1,148,330.0	4,167,447.6	29,355,600.2
Sep	17,928,860.6	1.0	1,507,448.3	3,985,365.8	377,355.9	1,246,726.6	4,183,327.4	29,229,085.7
Oct	18,025,364.9	1.0	1,337,208.7	4,066,504.0	386,269.3	1,291,128.0	4,229,538.0	29,336,013.9
Nov	18,147,651.2	1.0	1,263,229.5	3,839,640.7	424,085.7	1,413,793.9	4,268,526.7	29,356,928.6
Dec	18,188,706.3	1.0	1,466,395.4	3,730,391.4	413,906.8	1,350,132.3	4,308,072.5	29,457,605.7
2017 - Jan	18,196,309.0	1.0	1,615,640.1	3,747,764.4	462,049.1	1,350,645.8	4,339,975.0	29,712,384.6
Feb	18,009,752.0	1.0	1,573,533.1	4,207,344.2	420,199.2	1,253,612.8	4,330,231.8	29,794,674.2
Mar	18,247,681.2	6,001.0	1,630,963.0	3,948,410.8	445,401.1	1,437,364.1	4,390,239.4	30,106,060.7
Apr	18,536,701.7	6,001.0	1,728,826.1	3,810,105.4	509,567.1	1,635,417.4	4,396,975.2	30,623,594.0
May	19,017,734.0	6,001.0	1,733,613.8	3,569,856.8	433,132.0	1,685,393.2	4,450,346.5	30,896,077.2
Jun	19,419,314.6	3,986.6	1,522,238.8	3,896,728.2	449,313.5	1,541,781.2	4,409,728.6	31,243,091.5

Source: Bank of Tanzania

Note: All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000



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### A3.0 Money and Banking

**Table A3.8: Commercial Banks Liquid Assets**

Change during the period	Govt. net position with Bank of Tanzania	Net foreign liquid assets of banking system	Currency in circulation outside banks	Other transactions net*	Net liquidity effect on commercial banks	Bank of Tanzania lending to commercial banks	Change in commercial banks' liquid assets	Millions of TZS			
								of which			Net foreign liquid assets
								Cash	Deposits with Bank of Tanzania	Treasury securities*	
2010	-370,460.4	322,379.8	8,481.7	61,377.2	21,778.4	-718.6	21,059.8	44,754.5	6,418.2	-46,357.8	16,245.0
2011	-508,119.2	-21,558.3	-30,408.3	596,090.5	36,004.8	979.8	36,984.6	-51,268.9	66,155.8	-35,753.0	57,850.7
2012	-354,257.6	300,802.6	-3,628.8	375,686.2	318,602.5	2,664.8	321,267.3	-28,680.9	271,066.0	37,037.6	41,844.7
2013	-289,177.1	166,304.0	5,193.0	77,867.7	-39,812.4	-815.8	-40,628.2	-52,332.8	-54,975.7	148,091.2	-81,410.9
2014	-894,332.9	85,372.9	12,561.8	735,899.5	-60,498.7	30,914.9	-29,583.8	-32,672.5	-13,112.1	-96,791.3	112,992.1
2015	-27,210.6	-62,862.4	-53,646.5	278,043.4	134,323.9	91,349.1	225,673.0	-7,360.8	263,686.1	21,936.7	-52,588.9
2016	-651,954.8	314,296.2	27,576.5	236,817.4	-73,264.7	172,438.5	99,173.8	-2,931.8	275,396.3	-87,747.5	-85,543.1
2015 - Jan	273,851.4	69,459.4	-97,125.3	-8,214,952.9	-7,968,767.3	-49,780.6	-8,018,547.9	75,523.6	-2,579,934.3	-4,162,711.7	-1,351,425.5
Feb	161,847.3	12,046.6	-21,583.0	8,397,641.9	8,549,952.9	14,312.1	8,564,265.0	498,991.3	2,577,689.0	4,216,907.7	1,270,677.0
Mar	-141,235.6	-244,660.5	21,054.4	348,835.3	-16,006.3	-2,777.5	-18,783.8	2,085.4	196,612.7	-98,853.6	-118,628.3
Apr	196,072.3	350,493.3	25,412.3	-820,199.7	-248,221.8	-25,338.3	-273,560.1	42,215.4	-503,645.8	131,689.9	56,180.3
May	179,393.2	336,648.9	160,967.1	-506,584.0	170,425.1	115,242.8	285,667.9	-6,587.1	287,531.5	-105,362.9	110,086.5
Jun	-353,958.8	952,157.8	210,334.8	-716,784.0	91,749.8	12,615.6	104,365.5	-26,324.7	-74,903.9	-57,088.9	262,682.9
Jul	536,476.7	496,850.4	83,058.7	-541,318.2	575,067.7	-97,852.7	477,215.0	41,992.4	480,154.2	-235,455.2	190,523.5
Aug	237,489.5	318,355.1	57,972.5	-830,987.8	-217,170.7	-24,735.1	-241,905.8	19,052.2	-9,445.9	-253,674.4	2,162.3
Sep	51,878.8	-182,505.2	-42,491.2	532,777.2	359,659.5	29,081.4	388,740.9	-18,485.0	142,802.1	173,326.1	91,097.6
Oct	335,710.5	-207,665.2	147,010.1	-402,723.8	-127,668.5	-10,158.6	-137,827.0	86,616.5	-218,850.4	-145,631.5	140,038.4
Nov	-77,673.7	-145,811.6	-57,185.3	-25,404.7	-306,075.3	-26,793.8	-332,869.1	-45,348.6	-5,337.1	-69,677.1	-212,506.3
Dec	-27,210.6	-62,862.4	-53,646.5	278,043.4	134,323.9	91,349.1	225,673.0	-7,360.8	263,686.1	21,936.7	-52,588.9
2016 - Jan	-194,390.5	-203,320.6	-136,377.3	-8,536,252.5	-9,070,340.9	29,359.6	-9,040,981.3	-586,846.9	-3,136,292.5	-3,578,117.0	-1,739,725.0
Feb	-137,103.7	-101,250.6	-90,084.7	9,382,539.5	9,054,100.5	-34,006.7	9,020,093.8	602,836.3	3,061,832.0	3,851,642.9	1,503,782.7
Mar	51,040.4	-409,609.3	14,030.6	73,148.5	-271,389.7	342,017.9	70,628.2	-3,841.5	-119,119.3	152,776.6	40,812.4
Apr	299,395.1	-52,453.4	-13,187.9	53,530.1	287,283.9	-139,066.4	148,217.5	56,593.3	51,176.7	128,915.3	-88,467.8
May	-69,830.3	101,594.4	69,814.1	-99,485.5	2,092.9	41,694.2	43,787.0	-63,408.8	-37,325.2	82,362.1	62,159.0
Jun	-131,411.2	283,596.4	217,035.0	-843,723.8	-474,503.6	268,942.8	-205,560.8	21,710.9	-181,165.9	75,797.3	-121,903.1
Jul	-623,575.3	283,596.4	33,350.5	175,064.3	-131,564.1	42,322.7	-89,241.4	19,334.3	-104,236.0	35,120.7	-39,460.4
Aug	397,716.5	123,094.6	-51,915.1	45,088.2	513,984.3	-463,149.1	50,835.1	-31,712.5	-59,794.1	-27,179.2	169,520.9
Sep	32,280.8	-141,680.2	-49,175.3	4,465.1	-154,109.7	-67,651.2	-221,760.9	28,818.9	228,870.4	-330,706.9	-148,743.3
Oct	-30,817.8	-111,624.2	-121,456.8	110,873.7	-153,025.2	-68,523.6	-221,548.8	-7,634.5	-100,611.1	-44,989.1	-68,314.0
Nov	389.0	269,155.8	30,597.1	-166,138.8	134,003.2	-28,015.9	105,987.3	38,513.8	37,971.5	60,597.5	-31,095.6
Dec	-651,954.8	314,296.2	27,576.5	236,817.4	-73,264.7	172,438.5	99,173.8	-2,931.8	275,396.3	-87,747.5	-85,543.1
2017 - Jan	-62,948.2	169,783.7	-136,726.7	-8,483,931.7	-8,513,822.9	-108,520.4	-8,622,343.3	-696,753.8	-2,941,613.8	-4,058,080.8	-925,895.0
Feb	-479,018.5	148,080.1	-59,449.7	8,927,886.5	8,537,498.4	-1,951.4	8,535,547.0	641,175.9	2,814,480.1	4,196,142.1	883,748.9
Mar	-158,234.8	-116,543.9	-17,922.5	309,970.2	17,269.0	1,028.1	18,297.1	19,478.8	-145,862.8	186,578.9	-41,897.8
Apr	297,149.0	-387,260.1	-25,581.1	437,376.5	321,684.4	-40,882.2	280,802.2	-16,825.6	176,036.0	252,629.5	-131,037.8
May	221,985.1	1,240.7	47,342.1	-8,652.6	261,915.4	-12,358.4	249,557.0	17,671.1	50,439.5	202,669.9	-21,223.5
Jun	-1,166,191.7	1,548,750.5	198,941.1	-619,063.6	-37,563.8	79,231.1	41,667.4	-41,868.2	-57,514.9	141,799.2	-748.6

Source: Bank of Tanzania

Note: \* Before 2001 were known as Treasury bills

All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.9: Commercial Banks Domestic Assets**

Millions of TZS

End of period	Bank of Tanzania	Other financial corporation	Central Governemnt	Public non-financial corporations	State and local govt	Private sector	Other* assets	Total
2010	1,702,406.4	259,744.7	2,435,551.0	487,152.9	9,163.5	5,140,201.4	1,567,092.4	11,601,312.3
2011	2,174,558.4	331,196.0	2,091,028.7	598,317.1	23,009.2	6,589,844.1	1,702,931.2	13,510,884.6
2012	2,281,003.1	269,381.8	2,952,030.7	718,299.7	33,678.6	7,932,639.4	2,225,318.0	16,412,351.2
2013	2,515,081.0	446,314.8	3,847,316.7	766,036.0	29,378.2	9,093,473.9	2,359,511.8	19,057,112.3
2014	3,034,638.5	498,356.3	4,105,573.3	839,926.5	83,110.1	10,925,464.1	2,638,763.4	22,125,832.2
2015	4,007,668.7	596,052.8	4,011,058.2	1,059,716.1	48,825.4	13,654,275.2	2,907,642.0	26,285,238.3
2016	3,638,367.6	497,251.5	4,190,516.1	1,229,992.1	66,672.1	14,693,432.7	3,472,422.8	27,788,654.8
2015 - Jan	3,076,680.2	493,105.0	4,439,909.0	790,536.3	39,190.6	11,188,502.1	2,639,470.8	22,667,394.0
Feb	3,275,378.3	505,272.4	4,322,216.8	798,829.1	50,825.2	11,450,396.0	2,628,803.4	23,031,721.1
Mar	2,813,947.9	513,986.0	4,586,151.5	783,605.0	37,469.2	11,598,363.5	2,946,678.3	23,280,201.4
Apr	3,094,892.3	534,347.2	4,483,496.0	804,132.1	51,442.2	12,076,043.2	2,662,716.6	23,707,069.6
May	2,993,663.7	568,099.6	4,424,145.8	847,648.5	40,690.9	12,565,580.7	2,867,930.0	24,307,759.2
Jun	3,515,810.3	540,588.1	4,084,851.7	883,533.4	38,906.9	12,428,558.2	2,834,154.3	24,326,402.8
Jul	3,525,416.7	558,319.3	3,818,559.1	887,114.5	40,273.1	12,864,464.5	2,881,234.9	24,575,382.1
Aug	3,649,733.8	504,635.7	3,988,732.6	819,933.9	42,232.1	13,201,279.8	2,899,258.3	25,105,806.3
Sep	3,517,499.9	599,858.6	3,840,647.2	1,011,661.1	57,177.4	13,107,240.3	2,922,556.3	25,056,640.7
Oct	3,466,814.1	548,360.8	3,876,102.3	1,079,196.9	61,798.1	13,308,394.6	3,032,724.1	25,373,390.9
Nov	3,723,139.4	536,857.2	3,909,297.1	1,036,924.6	59,319.3	13,464,431.5	3,090,162.4	25,820,131.5
Dec	4,007,668.7	596,052.8	4,011,058.2	1,059,716.1	48,825.4	13,654,275.2	2,907,642.0	26,285,238.3
2016 - Jan	3,664,668.2	521,705.2	4,146,170.7	1,123,031.8	57,808.6	13,927,230.9	3,011,108.5	26,451,723.8
Feb	3,541,707.4	575,890.8	4,276,738.2	1,153,157.4	29,814.2	14,061,642.3	3,196,118.7	26,835,069.1
Mar	3,649,477.4	698,312.7	4,362,457.2	1,173,511.8	13,497.3	14,056,888.5	3,184,799.9	27,138,944.9
Apr	3,548,743.4	643,917.7	4,455,886.4	1,420,394.9	42,153.9	13,917,615.6	3,332,174.3	27,360,886.1
May	3,389,288.4	623,388.4	4,524,004.7	1,281,660.6	54,081.3	14,292,511.7	3,282,503.5	27,447,438.5
Jun	3,304,386.6	544,694.7	4,524,068.1	1,217,029.6	74,794.9	14,688,481.3	3,234,192.6	27,587,647.8
Jul	3,212,880.1	559,830.4	4,505,875.5	1,207,480.4	60,059.4	14,691,506.1	3,293,141.6	27,530,773.5
Aug	3,470,569.4	525,683.8	4,160,285.5	1,205,538.7	64,095.1	14,768,301.6	3,438,372.6	27,632,846.6
Sep	3,362,323.8	510,368.0	4,110,522.0	1,192,976.9	64,247.8	14,733,888.1	3,587,117.5	27,561,444.1
Oct	3,438,809.1	499,384.2	4,168,081.7	1,220,856.9	66,496.5	14,742,566.3	3,512,908.8	27,649,103.6
Nov	3,711,273.6	571,091.1	4,074,617.4	1,224,258.0	76,518.3	14,638,920.7	3,388,756.5	27,685,435.6
Dec	3,638,367.6	497,251.5	4,190,516.1	1,229,992.1	66,672.1	14,693,432.7	3,472,422.8	27,788,654.8
2017 - Jan	3,455,656.0	505,763.2	4,330,725.0	1,190,274.5	66,936.3	14,684,237.7	3,752,048.2	27,985,641.0
Feb	3,329,272.0	562,632.5	4,503,684.8	1,136,934.2	47,978.9	14,775,583.4	3,818,392.1	28,174,477.9
Mar	3,488,482.4	567,977.2	4,761,974.7	1,115,116.8	39,248.9	14,777,415.7	3,912,699.2	28,662,915.0
Apr	3,556,593.1	582,731.4	4,964,297.0	1,146,964.4	39,801.8	14,845,546.0	4,021,920.6	29,157,854.3
May	3,457,209.9	620,973.4	5,108,248.1	892,623.6	40,901.9	15,142,682.0	4,154,536.5	29,417,175.6
Jun	3,626,630.7	605,542.1	5,353,774.5	830,132.0	39,655.8	15,278,727.4	3,961,232.1	29,695,694.6

Source: Bank of Tanzania

Note: All monetary data are in line with the IMF Monetary and Financial Statistics Manual of 2000





## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.10: Commercial Banks Lending and Holding of Securities**

Millions of TZS

End of period	Domestic lending										Lending to deposit ratio
	Loans to the Central Bank (Repos)	Loans to other depository corporations	Loans to other financial corporations	Loans Central Government	Loans state and local government	Loans public non-financial corporations	Loans other non-financial corporations	Loans to other resident sectors	Loans to non-residents	Total	
2010	0.0	262,695.7	207,655.5	20,611.5	9,163.5	486,803.2	3,028,089.6	2,102,139.6	188,691.8	6,305,850.3	62.1
2011	0.0	237,592.5	260,524.7	49,469.4	23,009.2	598,093.1	3,959,242.3	2,595,698.7	191,272.0	7,914,901.9	67.1
2012	0.0	378,787.9	189,223.1	73,759.8	33,678.6	718,176.3	3,397,428.8	4,457,467.2	133,387.2	9,381,908.9	69.9
2013	0.0	315,336.6	337,799.4	145,574.7	29,378.2	765,952.4	5,306,741.6	3,731,176.3	133,741.3	10,765,700.5	71.2
2014	0.0	428,087.4	389,381.3	190,214.7	83,110.1	839,880.0	6,329,950.8	4,505,434.6	103,752.3	12,869,811.1	75.6
2015	0.0	425,755.9	453,104.0	283,731.4	48,825.4	1,059,669.7	7,794,112.7	5,741,928.4	530,638.0	16,337,765.5	81.4
2016	0.0	629,310.6	317,480.7	132,435.3	66,672.1	1,229,946.4	8,767,305.3	5,774,439.6	328,394.1	17,245,984.1	87.3
2015 - Jan	0.0	380,953.1	372,263.0	221,551.2	39,190.6	790,489.8	6,576,695.5	4,525,895.7	84,230.3	12,991,269.2	75.1
Feb	0.0	432,180.9	376,228.8	202,712.6	50,825.2	798,782.6	6,745,420.0	4,620,098.4	308,232.1	13,534,480.6	76.8
Mar	0.0	505,505.0	374,068.2	334,957.4	37,469.2	783,558.5	6,795,452.2	4,714,170.9	190,429.1	13,735,610.5	78.3
Apr	0.0	458,098.7	394,184.3	337,664.8	51,442.2	804,085.6	7,157,457.3	4,825,518.1	387,565.1	14,416,016.1	79.1
May	0.0	457,864.0	406,056.4	335,403.5	40,690.9	847,602.0	7,481,777.5	4,994,066.3	430,499.9	14,993,960.6	80.5
Jun	0.0	482,597.8	371,745.6	231,564.6	38,906.9	883,486.9	7,360,073.2	4,979,159.7	295,292.1	14,642,826.8	78.8
Jul	0.0	445,879.1	375,156.1	218,946.3	40,273.1	887,068.0	7,645,606.0	5,128,045.6	583,878.7	15,324,852.9	80.1
Aug	0.0	476,053.2	327,703.3	215,793.7	42,232.1	819,887.4	7,932,418.2	5,174,625.7	694,706.8	15,683,420.5	80.1
Sep	0.0	399,356.9	425,893.3	214,789.8	57,177.4	1,011,614.6	7,673,389.0	5,338,482.1	672,224.5	15,792,927.7	80.7
Oct	0.0	527,634.7	376,018.8	319,922.0	61,798.1	1,079,150.4	7,816,880.4	5,395,919.4	721,995.3	16,299,319.1	82.7
Nov	0.0	565,983.7	380,731.1	331,180.1	59,319.3	1,036,878.1	7,757,369.5	5,612,263.0	654,773.3	16,398,498.2	83.1
Dec	0.0	425,755.9	453,104.0	283,731.4	48,825.4	1,059,669.7	7,794,112.7	5,741,928.4	530,638.0	16,337,765.5	81.4
2016 - Jan	0.0	540,282.7	360,097.7	294,527.8	57,808.6	1,122,985.3	7,969,420.3	5,839,509.3	583,048.2	16,767,679.9	84.0
Feb	0.0	609,134.2	402,538.4	272,318.7	29,814.2	1,153,110.9	8,054,027.9	5,899,688.1	490,853.5	16,911,486.1	84.8
Mar	0.0	556,920.2	529,796.3	229,122.5	13,497.3	1,173,465.4	8,006,436.5	5,915,339.3	406,664.7	16,831,242.1	85.4
Apr	0.0	602,481.1	466,264.1	240,189.6	42,153.9	1,420,348.4	7,837,566.1	5,944,467.9	476,105.1	17,029,576.1	85.3
May	0.0	631,354.5	424,576.6	232,510.5	54,081.3	1,281,614.1	8,315,178.4	5,845,769.5	442,175.2	17,227,260.1	87.7
Jun	0.0	536,434.9	342,353.7	197,453.2	74,794.9	1,216,983.1	8,852,111.7	5,705,599.1	374,714.5	17,300,445.0	87.2
Jul	0.0	584,380.1	375,712.3	206,439.8	60,059.4	1,207,433.9	8,828,998.3	5,734,373.4	386,338.8	17,383,736.1	88.3
Aug	0.0	651,340.8	332,968.6	191,556.7	64,095.1	1,205,492.2	8,829,697.3	5,809,273.7	317,320.2	17,401,744.7	87.7
Sep	0.0	669,083.0	336,307.6	186,782.3	64,247.8	1,192,931.2	8,853,621.3	5,755,670.3	317,012.5	17,375,655.9	88.2
Oct	0.0	653,328.7	329,529.5	183,744.6	66,496.5	1,220,811.2	8,890,706.8	5,727,397.0	358,463.2	17,430,477.5	88.9
Nov	0.0	563,317.1	376,904.4	178,027.8	76,518.3	1,224,212.2	8,773,735.9	5,772,104.7	390,772.9	17,355,593.3	88.0
Dec	0.0	629,310.6	317,480.7	132,435.3	66,672.1	1,229,946.4	8,767,305.3	5,774,439.6	328,394.1	17,245,984.1	87.3
2017 - Jan	0.0	678,507.6	298,823.1	134,583.0	66,936.3	1,190,228.8	8,843,024.1	5,746,348.7	380,185.0	17,338,636.7	87.5
Feb	0.0	748,256.8	349,773.1	120,963.8	47,978.9	1,136,888.4	9,013,724.7	5,666,510.1	357,385.2	17,441,481.1	89.1
Mar	0.0	713,710.7	351,389.2	126,624.2	39,248.9	1,115,071.1	8,855,978.3	5,827,604.8	286,041.3	17,315,668.6	86.9
Apr	0.0	773,554.9	348,806.5	126,276.6	39,801.8	1,146,918.4	8,900,130.6	5,834,323.2	265,692.5	17,435,504.5	86.4
May	0.0	893,422.2	351,932.7	128,428.6	40,901.9	892,577.4	9,201,992.4	5,828,461.9	356,037.5	17,693,754.6	87.2
Jun	0.0	762,344.0	346,983.8	131,934.6	39,655.8	830,085.7	9,140,424.3	6,017,556.9	271,157.1	17,540,142.3	84.1

Source: Bank of Tanzania

Table A3.11: Commercial Banks Domestic Lending by Economic Activities

End of Period	Millions of TZS														Total								
	Agriculture	Fishing	Forest	Hunting	Financial intermediaries	Mining and quarrying	Manufacturing	Building and construction	Real estate	Leasing	Transport and communication	Trade	Tourism	Hotels and restaurants		Warehousing and storage	Electricity	Gas	Water	Education	Health	Other services	Personal
2010	691,210.3	49,932.8	15,557.6	2.1	142,600.1	33,943.7	786,470.6	182,071.6	170,639.2	12,947.6	533,990.3	1,014,177.8	37,665.7	263,046.3	146.9	156,528.3	124,274.0	2,298.8	71,998.7	14,861.4	251,294.9	1,242,763.5	5,798,422.1
2011	912,331.8	73,275.4	17,700.2	275.1	177,691.8	39,175.7	928,746.6	320,988.2	293,267.8	12,853.3	545,243.5	1,523,962.2	48,730.4	361,039.1	15,375.8	168,672.8	169,808.8	2,196.3	107,301.6	18,375.0	103,528.1	1,557,495.5	7,398,757.6
2012	938,151.0	42,932.4	1,031.0	211.9	231,269.4	55,158.0	991,795.9	410,748.0	380,064.2	13,580.7	610,053.9	1,843,242.7	60,152.3	363,033.4	23,301.8	338,035.1	130,853.4	3,455.8	183,637.7	42,463.6	280,211.0	1,778,743.2	8,722,620.4
2013	965,140.6	34,881.1	14,769.7	2,316.5	251,255.0	96,739.0	1,160,593.7	514,408.4	486,344.9	20,072.7	727,530.0	2,162,191.4	113,994.5	371,008.5	17,993.3	403,022.7	209,267.1	4,129.7	286,542.3	52,125.5	517,489.1	1,744,954.0	10,155,977.7
2014	1,057,347.9	36,558.4	19,954.9	9,252.4	310,711.6	166,275.2	1,386,236.9	660,147.8	483,527.5	63,220.8	925,725.9	2,652,057.0	128,478.1	436,101.1	18,589.5	440,936.5	185,807.7	4,257.2	409,422.3	78,742.1	523,917.3	2,104,496.5	12,111,762.6
2015	1,174,642.9	43,515.8	25,237.1	6,782.2	404,605.8	275,233.3	1,695,767.4	741,401.0	670,305.3	59,118.4	1,231,805.7	3,077,668.0	178,626.3	514,642.0	20,645.0	439,801.0	342,376.6	15,988.4	514,186.7	123,325.3	820,204.2	2,791,740.4	15,104,644.3
2015 - Jan	1,032,644.6	35,389.4	19,540.8	9,009.9	309,376.3	178,025.9	1,431,378.7	652,819.6	487,179.6	74,657.5	957,483.5	2,685,890.9	135,329.6	444,032.4	21,211.2	433,621.5	197,104.3	4,579.0	400,553.3	77,857.2	548,649.0	2,155,091.2	12,291,177.8
Feb	1,099,278.2	34,450.8	20,332.4	9,029.9	336,165.6	177,005.6	1,504,791.9	690,325.1	492,333.7	77,388.1	976,286.0	2,764,137.6	139,710.8	449,349.9	20,824.8	425,965.8	201,463.1	4,815.4	402,832.7	81,231.9	742,500.3	1,983,612.9	12,534,057.4
Mar	1,092,302.4	33,941.3	20,948.3	8,357.0	301,560.0	174,727.9	1,458,207.2	671,757.2	499,053.9	71,418.9	982,390.5	2,949,417.0	140,155.8	452,270.7	20,837.4	428,034.3	198,220.7	4,820.4	405,058.2	91,777.3	651,914.7	2,140,541.9	12,787,493.0
Apr	1,145,323.7	34,316.2	22,951.9	8,141.2	300,689.2	184,947.2	1,490,844.7	659,451.0	513,516.1	70,799.9	1,039,395.7	2,995,168.0	143,112.6	486,064.5	28,910.1	457,125.8	218,356.5	5,828.3	412,390.0	98,673.7	737,161.2	2,230,734.2	13,281,402.9
May	1,173,284.6	37,611.6	29,581.1	8,115.8	344,464.2	275,811.5	1,682,630.8	711,272.1	543,658.8	53,592.3	1,137,025.1	2,931,964.3	167,404.8	509,281.8	26,744.6	489,914.1	219,723.3	6,945.2	419,144.3	123,688.5	540,768.4	2,360,931.9	13,787,448.8
Jun	1,182,091.8	34,732.2	33,376.2	7,549.0	289,369.5	228,346.6	1,661,732.6	661,985.1	532,009.1	47,215.5	1,113,586.0	2,912,921.1	171,301.3	462,619.5	28,467.0	456,644.9	240,781.6	8,311.6	430,815.4	89,154.0	719,976.6	2,361,211.3	13,653,938.9
Jul	1,197,114.8	33,377.8	27,700.6	7,240.0	285,138.2	224,569.9	1,746,779.3	748,482.5	564,847.7	53,406.2	1,087,671.1	2,966,127.3	178,288.6	490,323.9	29,934.6	483,445.0	240,869.3	9,493.8	439,211.1	119,693.5	603,115.0	2,419,667.8	13,938,557.3
Aug	1,199,073.5	32,719.2	27,655.8	6,960.4	276,419.2	242,034.9	1,771,437.8	722,066.8	581,831.5	57,633.7	1,132,116.0	3,017,743.3	159,380.6	517,183.2	28,280.7	472,808.2	307,462.7	10,956.0	452,966.2	114,249.5	649,933.8	2,408,584.1	14,188,669.1
Sep	1,197,765.1	34,779.5	27,888.6	6,698.8	326,296.1	238,939.1	1,864,671.0	701,072.1	650,918.8	58,327.3	1,143,664.9	3,125,945.5	163,101.9	505,381.2	25,324.4	453,242.6	301,365.0	11,397.6	471,540.8	119,324.6	685,098.5	2,481,191.5	14,404,130.0
Oct	1,193,692.0	37,376.4	25,303.2	6,423.2	343,971.3	262,620.4	1,890,598.4	711,595.7	624,948.4	53,492.4	1,162,610.4	3,120,445.4	167,531.8	528,626.3	26,452.3	432,580.2	286,382.4	13,110.5	488,307.4	107,359.9	921,536.3	2,487,883.8	14,702,945.8
Nov	1,172,938.2	39,060.2	24,918.7	6,463.9	357,010.0	269,189.2	1,651,495.7	695,301.2	654,002.7	57,885.3	1,222,638.4	3,116,074.8	161,604.7	530,227.4	25,197.0	440,126.1	286,382.4	15,324.8	493,973.2	119,765.3	1,045,104.8	2,529,832.1	14,904,619.9
Dec	1,174,242.9	43,515.8	25,237.1	6,782.2	404,605.8	275,233.3	1,695,767.4	741,401.0	670,305.3	59,118.4	1,231,805.7	3,077,668.0	178,626.3	514,642.0	20,645.0	439,801.0	342,376.6	15,988.4	514,186.7	123,325.3	820,204.2	2,791,740.4	15,104,644.3
2016 - Jan	1,260,877.6	36,690.6	23,984.1	6,760.3	319,242.0	266,142.4	1,759,454.2	739,591.3	686,874.7	58,024.6	1,226,679.6	2,938,674.5	153,439.4	524,726.7	22,243.7	469,049.9	373,745.1	13,944.0	534,137.6	120,676.7	858,550.6	2,864,944.2	15,277,553.7
Feb	1,207,871.7	39,179.8	26,019.2	6,396.6	366,623.4	281,168.2	1,729,264.6	774,544.7	706,946.3	57,190.9	1,214,250.2	3,010,298.2	184,992.0	517,778.5	21,264.6	484,740.8	400,465.6	14,780.2	518,467.9	120,411.9	1,017,214.2	2,736,894.3	15,436,523.9
Mar	1,203,408.8	38,350.4	28,168.4	6,012.2	374,931.6	286,521.6	1,759,561.3	736,787.3	709,484.4	54,654.1	1,251,678.8	3,014,229.2	174,200.2	525,471.7	22,534.7	452,737.9	406,866.1	14,003.3	525,985.2	117,974.2	849,519.3	2,937,966.2	15,488,108.0
Apr	1,170,002.3	45,727.5	27,656.9	5,657.6	414,838.8	298,121.9	1,890,929.3	779,026.6	803,078.8	57,589.1	1,238,880.6	2,936,207.0	200,016.5	585,340.5	21,739.2	452,028.8	403,722.9	14,199.0	538,680.2	119,505.8	962,153.3	3,083,070.9	15,566,198.4
May	1,250,297.7	33,871.7	28,701.1	5,158.5	360,185.1	324,893.7	1,896,329.0	738,071.3	751,534.5	51,141.1	1,238,641.4	3,145,420.5	197,485.7	516,072.6	20,732.2	451,659.9	392,805.2	14,048.6	540,597.3	117,029.4	1,043,229.1	2,996,081.9	15,861,977.5
Jun	1,182,151.3	34,400.6	25,575.9	5,953.1	418,884.1	303,584.9	1,968,121.4	728,500.4	728,853.7	55,448.9	1,208,848.6	3,015,931.6	189,467.7	545,758.8	19,290.9	453,912.6	430,332.6	14,502.2	534,790.2	113,793.3	1,256,950.5	3,228,526.0	16,079,619.4
Jul	1,293,757.4	38,728.3	24,137.2	6,241.9	384,460.9	339,803.5	1,735,738.5	715,034.6	761,457.3	54,401.3	1,253,929.0	3,097,371.3	203,311.4	488,971.3	18,227.1	503,830.9	392,105.0	16,327.2	554,863.8	121,905.2	1,118,627.2	2,924,493.4	16,047,868.8
Aug	1,215,556.2	34,928.6	22,451.5	3,341.4	369,749.2	303,507.4	1,534,890.5	716,492.2	753,997.2	54,746.3	1,238,859.3	3,260,087.1	202,647.1	518,825.0	15,699.6	496,718.6	383,067.3	14,831.2	567,101.9	129,073.5	1,270,979.0	3,020,665.7	16,146,177.5
Sep	1,093,032.4	33,089.2	22,640.3	3,140.3	412,992.4	302,985.3	1,532,574.3	706,291.3	761,888.8	53,662.9	1,245,791.1	3,361,582.4	200,243.0	522,850.4	15,762.6	444,698.0	403,466.6	14,832.7	577,940.1	129,555.2	1,317,232.2	3,000,914.6	16,112,176.9
Oct	1,116,277.6	38,850.8	22,119.1	2,931.9	407,244.0	320,021.7	1,620,675.7	742,906.3	790,479.5	45,675.4	1,224,409.8	3,361,170.4	197,619.5	519,272.2	17,422.1	448,219.9	412,067.6	15,418.3	583,911.9	126,697.9	1,140,469.1	3,025,988.3	16,177,458.9
Nov	1,109,895.8	49,334.8	22,838.8	2,671.1	413,631.8	326,321.3	1,577,419.1	712,940.2	776,958.4	44,858.7	1,179,452.9	3,317,699.1	184,295.2	502,655.7	17,258.1	380,514.6	457,155.2	14,787.3	590,078.7	129,477.9	1,299,037.9	2,998,739.0	16,117,891.7
Dec	1,107,945.3	48,400.1	21,777.9	2,462.2	388,745.2	328,620.4	1,627,766.0	740,726.8	822,988.4	44,658.8	1,180,904.6	3,349,328.7	198,482.0	526,390.2	16,789.0	429,919.2	459,273.3	14,760.6	593,998.8	113,503.7	1,006,238.5	2,981,741.5	16,005,103.2
2017 - Jan	1,120,941.3	47,925.6	21,808.6	2,247.4	382,020.1	330,623.4	1,596,362.1	722,723.4	827,107.1	44,481.1	1,183,982.5	3,268,659.6	171,327.0	573,793.7	16,978.6	423,717.2	455,113.5	14,411.5	583,188.0	119,501.8	1,078,517.0	2,972,862.3	15,990,821.6
Feb	1,106,281.6	46,666.6	21,843.6	2,068.1	342,920.7	324,738.3	1,782,989.4	741,555.2	836,383.4	42,018.7	1,183,097.9	3,293,939.2	174,388.9	570,713.6	13,584.0	431,532.0	422,039.0	14,247.9	534,159.0	103,047.1	881,472.4	3,148,349.1	16,017,965.5
Mar	1,093,364.4	57,057.3	21,488.1	1,936.5	340,521.3	322,461.5	1,797,377.1	714,909.9	849,218.7	42,138.5	981,247.1	3,861,288.3	208,828.8	545,851.9	18,059.1	390,194.8	412,816.6	15,972.6	530,460.8	104,430.1	1,065,544.1	2,794,467.1	15,989,66



## Bank of Tanzania Annual Report 2016/17

### A3.0 Money and Banking

**Table A3.12: Commercial Banks Deposits**

End of period										Millions of TZS		
	Central Government	State and local government	Other financial corporations	Public non-financial corporation	Other Non-financial corporation	Other residents	Other depository corporation	Deposits of non-residents	Total	of which	Transferrable deposits in national currency	Other deposits in national currency*
2010	699,266.7	448,208.4	871,789.4	227,532.9	145,790.2	7,356,226.6	264,137.1	137,109.8	10,150,061.2	3,243,181.8	3,678,536.3	3,228,343.0
2011	626,616.2	384,348.8	1,018,837.5	359,757.6	117,316.3	8,835,521.9	258,430.3	202,667.5	11,803,496.2	3,819,890.3	3,729,520.4	4,254,085.5
2012	732,515.4	540,378.4	1,114,929.3	389,460.9	159,696.4	9,906,052.8	320,733.8	250,909.4	13,414,676.3	4,819,966.6	4,190,178.4	4,404,531.3
2013	791,802.9	602,217.4	1,143,523.1	692,666.9	193,905.0	10,690,588.2	465,960.7	542,898.0	15,123,562.1	5,113,564.8	4,807,640.1	5,202,357.3
2014	808,422.1	379,796.5	1,351,803.3	577,737.5	310,323.3	12,576,262.0	406,833.5	618,950.5	17,030,128.7	5,657,524.5	5,627,920.1	5,744,684.1
2015	856,925.4	423,966.8	1,444,182.1	720,606.3	253,563.6	15,318,414.5	490,131.4	558,479.4	20,066,269.4	6,511,814.5	6,167,666.1	7,386,788.8
2016	577,788.9	478,711.3	1,578,544.3	456,829.7	249,859.1	15,424,761.8	576,800.7	413,906.8	19,757,202.7	6,655,153.1	6,473,659.1	6,628,390.4
2015 - Jan	934,026.6	428,036.3	1,303,739.0	561,025.8	250,878.0	12,707,309.1	407,868.9	713,002.8	17,305,886.4	5,932,561.0	5,583,777.4	5,789,547.9
Feb	1,024,819.2	413,025.8	1,311,813.1	590,737.1	283,478.3	12,879,411.1	420,133.0	693,917.8	17,617,335.5	5,803,345.4	5,624,861.7	6,189,128.4
Mar	937,054.6	400,333.9	1,171,263.9	535,375.6	275,994.5	13,029,517.5	495,291.3	686,687.8	17,531,519.2	5,699,880.7	5,609,429.3	6,222,209.2
Apr	911,934.8	405,177.4	1,216,511.7	575,101.6	295,617.4	13,615,587.9	472,850.8	743,328.6	18,236,110.3	5,930,598.8	5,645,567.5	6,659,944.0
May	1,088,368.4	373,668.0	1,261,482.2	600,463.4	315,570.8	13,779,770.3	505,625.4	707,669.1	18,632,617.5	5,827,391.8	5,718,715.3	7,086,510.4
Jun	1,048,250.1	285,837.1	1,118,902.3	535,860.0	242,616.0	14,063,974.6	498,032.0	786,590.5	18,580,062.5	5,893,913.9	5,602,774.6	7,083,374.1
Jul	930,109.5	327,519.3	1,295,021.7	698,605.3	255,947.1	14,448,852.5	597,786.0	584,033.1	19,137,874.6	5,908,433.1	5,782,045.6	7,447,396.0
Aug	1,015,365.7	263,872.5	1,382,234.2	736,572.1	255,298.7	14,888,853.1	442,453.0	602,688.7	19,587,337.9	6,089,461.8	5,782,219.2	7,715,657.0
Sep	931,685.4	295,074.3	1,293,943.8	722,557.0	224,437.8	14,971,595.7	532,805.0	587,932.2	19,560,031.2	6,006,416.9	5,858,841.4	7,694,773.0
Oct	927,087.5	318,773.3	1,333,825.3	677,488.6	237,810.8	15,055,617.6	501,399.7	653,255.8	19,705,258.6	6,151,176.0	6,016,164.2	7,537,918.4
Nov	916,265.0	398,127.4	1,337,076.6	738,984.2	244,683.1	14,962,591.5	463,528.6	670,528.6	19,731,785.0	6,435,826.9	5,992,785.2	7,303,172.8
Dec	856,925.4	423,966.8	1,444,182.1	720,606.3	253,563.6	15,318,414.5	490,131.4	558,479.4	20,066,269.4	6,511,814.5	6,167,666.1	7,386,788.8
2016 - Jan	1,033,454.3	415,787.5	1,463,732.4	691,911.2	393,592.3	14,880,611.6	510,432.4	575,093.8	19,964,615.4	6,437,138.8	6,222,416.9	7,305,059.7
Feb	821,781.3	429,848.2	1,411,752.6	716,878.0	294,683.7	15,166,960.5	549,504.9	559,850.2	19,951,259.4	6,427,630.9	6,332,102.8	7,191,525.7
Mar	923,587.8	445,414.3	1,449,575.2	647,374.0	254,100.8	14,833,533.1	526,010.3	622,016.5	19,701,611.9	6,503,928.6	6,171,159.6	7,026,523.6
Apr	887,964.0	449,388.2	1,524,879.3	604,728.7	263,843.9	15,145,524.4	447,846.8	651,189.2	19,975,364.6	6,650,867.4	6,237,540.8	7,086,956.4
May	866,029.4	447,480.5	1,400,155.3	541,704.4	281,969.2	15,288,856.1	475,065.6	336,868.2	19,638,128.7	6,494,455.4	6,261,416.7	6,882,256.5
Jun	840,021.6	490,907.5	1,337,089.6	482,587.6	282,649.2	15,457,629.6	520,550.7	423,817.4	19,835,253.1	6,560,059.9	6,315,665.5	6,959,527.8
Jul	823,212.6	479,286.1	1,354,599.6	539,016.1	294,013.6	15,313,726.8	542,040.9	333,709.1	19,679,604.8	6,357,878.1	6,223,164.3	7,098,562.4
Aug	801,945.4	474,565.6	1,415,040.2	562,557.7	279,063.5	15,394,285.3	549,685.1	363,845.5	19,840,988.4	6,473,070.8	6,259,996.1	7,107,921.5
Sep	744,834.3	406,216.8	1,423,304.7	570,336.3	287,328.3	15,241,674.6	644,721.1	377,355.9	19,695,771.9	6,386,450.0	6,370,861.1	6,938,460.7
Oct	696,106.5	444,233.0	1,528,899.7	494,454.4	272,734.8	15,285,042.9	488,419.5	386,269.3	19,596,160.1	6,464,739.3	6,380,173.2	6,751,247.6
Nov	674,699.1	416,062.5	1,539,915.6	443,191.1	278,364.6	15,470,117.4	475,373.0	424,085.7	19,721,808.9	6,606,975.2	6,512,848.6	6,601,985.1
Dec	577,788.9	478,711.3	1,578,544.3	456,829.7	249,859.1	15,424,761.8	576,800.7	413,906.8	19,757,202.7	6,655,153.1	6,473,659.1	6,628,390.4
2017 - Jan	587,958.1	518,323.9	1,557,107.1	481,166.5	300,520.9	15,339,190.5	558,744.7	462,049.1	19,805,061.0	6,701,049.4	6,319,521.9	6,784,489.6
Feb	536,015.7	504,794.7	1,658,699.9	492,345.4	280,847.5	15,073,064.5	608,406.4	420,199.2	19,574,373.3	6,647,170.9	6,078,940.5	6,848,261.8
Mar	649,210.8	519,664.5	1,548,129.8	466,795.6	281,874.1	15,431,217.2	586,002.4	445,401.1	19,928,295.6	6,524,641.0	6,616,726.5	6,786,928.1
Apr	530,814.2	528,568.5	1,621,393.3	483,639.4	291,162.3	15,611,938.2	599,540.2	509,567.1	20,176,623.2	6,801,096.1	6,686,686.5	6,688,840.6
May	398,304.3	515,978.5	1,704,907.4	522,994.1	235,025.5	16,038,828.5	433,849.6	433,132.0	20,283,019.9	7,040,985.6	6,691,599.6	6,550,434.7
Jun	496,019.9	481,634.0	1,770,195.2	527,981.6	253,948.9	16,385,554.9	489,296.6	449,313.5	20,853,944.6	7,279,646.5	6,743,784.1	6,830,514.0

Source: Bank of Tanzania

Note: \*Other deposits include time and saving deposits



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### A3.0 Money and Banking

**Table A3.13: Weighted Average Interest Rate Structure**

	2010	2011	2012	2013	2014	2015	2016	2017					
								Jan	Feb	Mar	Apr	May	Jun
<b>A: In Domestic currency</b>													
<b>1 Interbank cash market rates</b>													
Overnight	1.71	7.80	11.60	7.50	8.87	11.10	13.39	10.07	7.93	7.42	7.19	6.81	4.08
2 to 7 days	1.97	7.97	12.38	9.05	10.57	12.29	13.73	11.72	9.33	8.73	7.03	7.50	5.66
8 to 14 days	1.84	6.40	13.85	10.02	11.01	12.89	13.50	10.60	9.27	10.56	10.13	6.97	5.58
15 to 30 days	2.26	6.36	14.66	11.61	11.28	15.70	13.58	12.00	9.83	9.97	11.00	9.75	6.06
31 to 60 days	2.95	3.75	17.68	10.74	10.59	11.42	13.82	12.50	12.50	12.50	9.00	9.00	9.00
61 to 90 days	3.84	5.64	21.42	12.39	11.75	15.00	14.97	14.60	14.60	15.75	16.75	16.75	16.75
91 to 180 days	3.93	5.25	8.14	13.44	12.33	14.92	15.00	15.00	15.00	15.00	15.00	15.00	15.00
181 days and above	6.23	7.30	7.30	11.42	13.46	12.94	12.94	12.94	12.94	12.94	12.94	12.94	12.94
Overall interbank cash market rate	1.82	7.82	11.90	7.92	9.12	11.23	13.47	10.50	8.68	8.16	7.39	7.23	4.91
<b>2 Lombard rate</b>	2.05	9.35	14.55	9.30	10.98	16.27	20.09	15.10	11.89	11.13	10.79	10.22	8.02
<b>3 REPO Rate</b>	1.17	4.55	5.44	3.53	4.29	7.39	5.20	6.92	6.92	6.92	3.82	2.91	2.23
<b>4 Treasury bills rates</b>													
35 days	1.79	3.71	6.25	6.02	6.27	5.92	7.27	6.82	6.50	6.50	6.79	6.53	5.35
91 days	3.87	6.37	12.71	12.34	12.08	8.80	7.85	7.14	7.06	7.20	7.10	6.77	5.53
182 days	4.62	7.82	13.65	14.37	13.66	13.04	15.84	14.51	14.26	13.78	13.02	10.01	7.13
364 days	6.81	9.55	14.22	14.77	13.98	13.92	16.56	15.78	15.52	15.14	14.01	10.99	8.65
Overall treasury bills rate	4.75	8.31	13.64	14.22	13.56	12.91	16.17	15.27	15.02	14.52	13.51	10.44	7.64
<b>5 Treasury bonds rates</b>													
2-years	9.56	9.61	14.73	14.63	14.65	14.78	17.44	17.67	17.67	17.61	17.61	16.22	16.22
5-years	11.29	11.69	15.13	14.84	15.36	15.15	17.79	17.96	17.68	17.68	17.92	17.92	17.92
7-years	11.75	13.09	14.88	15.54	15.62	16.60	17.69	18.44	18.44	18.42	18.42	16.48	16.48
10-years	13.53	14.01	15.33	15.41	16.34	17.14	18.11	18.56	18.56	18.56	18.56	18.56	14.76
15-years				16.65	17.38	17.71	18.85	18.73	18.78	18.78	18.88	18.88	18.88
<b>6 Discount rate</b>	7.58	8.48	12.00	12.33	16.00	16.00	16.00	16.00	16.00	12.00	12.00	12.00	12.00
<b>7 Savings deposit rate</b>	2.70	2.56	2.96	3.09	3.13	3.45	3.35	3.12	3.17	3.17	3.20	3.17	3.17
<b>8 Overall time deposits rate</b>													
1 month	5.72	5.85	7.80	9.16	8.56	9.71	10.05	9.56	12.13	11.07	11.50	11.95	11.07
2 months	7.40	6.95	8.67	9.72	9.04	9.71	9.88	9.86	11.64	12.77	12.37	11.45	11.11
3 months	6.62	6.78	9.55	9.97	9.86	9.90	10.50	11.39	10.82	12.37	11.40	11.37	12.01
6 months	7.67	7.39	10.55	11.02	10.43	10.16	10.00	9.56	10.08	11.61	11.63	11.14	11.48
12 months	8.00	7.95	11.28	11.58	10.85	10.80	11.47	10.79	12.12	12.03	12.14	11.99	12.14
24 months	5.25	7.66	9.70	9.09	7.89	9.19	9.68	8.77	12.18	13.00	9.83	9.82	11.03
<b>9 Negotiated deposit rate</b>	8.85	8.44	9.85	10.51	10.70	10.29	11.47	10.94	11.98	12.75	12.59	12.77	12.61
<b>10 Overall lending rate</b>													
Short-term (up to 1 year)	14.23	14.55	14.18	14.04	14.70	14.25	13.66	14.16	18.43	18.07	17.65	19.12	18.17
Medium-term (1-2 years)	15.41	17.82	16.41	17.23	16.77	16.88	16.96	16.74	18.54	18.48	18.48	19.14	19.00
Medium-term (2-3 years)	14.36	14.47	15.86	16.54	16.44	16.52	16.04	16.04	17.94	17.33	18.98	17.35	17.04
Long-term (3-5 years)	14.57	14.81	16.03	15.74	16.17	15.34	15.60	15.41	17.69	17.19	18.90	17.57	17.51
Term Loans (over 5 years)	14.16	13.16	15.31	15.75	17.36	17.53	17.53	17.71	15.69	15.72	15.53	14.94	15.29
<b>11 Negotiated lending rate</b>	13.79	13.60	14.06	13.80	12.74	12.88	12.14	13.41	17.09	17.25	15.30	16.85	17.29
<b>B: In Foreign currency</b>													
<b>1 Deposits rates</b>													
Savings deposits rate	1.75	1.20	0.50	0.61	1.18	1.10	1.41	1.26	0.96	0.82	0.74	0.82	0.29
Overall time deposits rate	2.14	1.72	1.42	2.32	3.76	3.12	2.64	2.06	3.95	3.35	3.73	3.10	4.01
1-months	1.72	1.52	1.01	2.10	2.89	3.18	2.45	2.23	3.52	2.74	3.26	3.63	3.17
2-months	1.96	1.59	1.84	2.60	3.74	3.06	2.93	1.76	4.46	3.33	4.28	2.67	4.94
3-months	2.09	1.75	1.08	1.92	3.59	2.94	2.86	2.11	3.59	3.15	3.59	0.71	4.26
6-months	2.32	1.83	1.63	2.57	3.85	3.16	2.56	2.05	4.48	3.18	4.10	4.84	3.97
12-months	2.60	1.93	1.56	2.42	4.72	3.27	2.39	2.16	3.70	4.37	3.44	3.65	3.70
<b>2 Overall lending rate</b>	8.96	8.43	8.10	7.71	6.81	5.93	6.90	7.30	8.54	8.57	8.49	8.28	8.47
Short-term (up to 1 year)	4.20	5.19	6.12	6.06	2.59	3.45	4.74	5.97	9.32	9.29	8.70	9.26	9.28
Medium-term (1-2 years)	9.92	9.83	9.07	8.20	8.25	6.75	7.84	7.63	7.89	7.85	8.23	7.66	7.79
Medium-term (2-3 years)	10.06	8.60	8.53	8.35	8.35	7.29	7.40	7.33	8.32	8.61	8.26	8.43	8.85
Long-term (3-5 years)	11.04	9.26	8.44	7.75	7.39	6.48	6.85	6.71	8.31	8.27	8.37	8.21	8.19
Term Loans (over 5 years)	9.57	9.26	8.35	8.19	7.42	5.68	7.67	8.88	8.84	8.83	8.88	7.82	8.25

Source: Bank of Tanzania



## Bank of Tanzania Annual Report 2016/17

### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.1: Balance of Payments**

Item	2010	2011	2012	2013	2014	2015	2016*
Millions of USD							
A. Current account	-2,210.8	-4,380.9	-3,769.6	-4,988.5	-4,843.9	-3,651.3	-2,162.6
Goods: exports f.o.b.	4,324.3	5,097.9	5,889.2	5,258.1	5,194.1	5,316.8	5,661.2
Traditional	583.2	685.5	956.7	868.9	828.8	793.3	885.6
Non-traditional	3,177.0	3,747.5	4,164.4	3,703.3	3,798.6	4,040.1	4,260.9
o/w Gold	1,516.6	2,224.1	2,117.4	1,644.8	1,324.1	1,183.3	1,449.4
Unrecorded trade	564.0	664.9	768.2	685.8	566.8	483.3	514.7
Goods: imports f.o.b.	-7,165.5	-9,827.5	-10,319.1	-11,029.1	-10,917.8	-9,843.1	-8,463.6
Balance on goods	-2,841.2	-4,729.6	-4,429.9	-5,771.1	-5,723.7	-4,526.3	-2,802.5
Services: credit	2,045.7	2,300.3	2,786.4	3,201.7	3,396.0	3,412.4	3,607.5
Transport	453.3	556.0	641.1	811.8	902.6	1,024.9	1,061.8
Travel	1,254.5	1,353.2	1,712.7	1,880.4	2,010.1	1,902.0	2,131.6
Other	337.9	391.2	432.6	509.5	483.2	485.5	414.1
Services: debit	-1,888.9	-2,208.1	-2,358.9	-2,488.5	-2,668.7	-2,669.7	-2,231.4
Transport	-726.9	-977.9	-1,046.9	-1,137.8	-1,163.0	-1,087.6	-948.7
Travel	-830.4	-898.6	-967.0	-1,033.9	-1,101.6	-1,195.3	-922.3
Other	-331.6	-331.6	-344.9	-316.7	-404.1	-386.8	-360.4
Balance on services	156.9	92.2	427.5	713.2	727.3	742.6	1,376.1
Balance on goods and services	-2,684.4	-4,637.3	-4,002.4	-5,057.9	-4,996.4	-3,783.6	-1,426.4
Primary income: credit	160.1	184.2	131.1	130.1	118.4	110.3	98.8
o/w Investment income	147.8	159.8	109.6	99.9	86.5	87.8	67.8
Compensation of employees	12.2	24.4	21.4	30.2	31.9	22.5	31.0
Primary income: debit	-737.7	-830.0	-705.1	-835.8	-443.2	-458.4	-1,208.3
o/w Direct investment income	-652.8	-728.7	-560.2	-617.0	-240.4	-173.8	-779.9
Interest payments	-40.3	-56.7	-84.1	-148.2	-150.9	-248.6	-379.9
Compensation of employees	-44.0	-40.7	-57.0	-67.9	-49.1	-33.2	-46.1
Balance on primary income	-577.6	-645.8	-574.0	-705.7	-324.8	-348.1	-1,109.5
Balance on goods, services and primary income	-3,262.0	-5,283.1	-4,576.4	-5,763.6	-5,321.2	-4,131.7	-2,535.8
Secondary income: credit	1,130.2	994.9	912.3	836.9	535.5	560.5	444.5
Government	798.1	609.7	543.6	485.2	177.9	195.2	72.9
o/w Miscellaneous current transfers (Multilateral HPC relief)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	332.1	385.2	368.7	351.7	357.6	365.3	371.6
o/w Personal transfers	332.1	385.2	368.7	351.7	357.6	365.3	371.6
Secondary income: debit	-79.0	-92.7	-105.4	-61.8	-58.2	-80.2	-71.2
Balance on secondary income	1,051.2	902.2	806.8	775.1	477.3	480.4	373.3
B. Capital account	537.9	690.9	777.2	658.8	522.2	354.4	420.4
Capital transfers credit	537.9	690.9	777.2	658.8	522.2	354.4	420.4
General government	474.7	627.3	713.6	595.2	457.9	290.3	357.3
Other capital transfer (Investment grant)	474.7	627.3	713.6	595.2	457.9	290.3	357.3
Debt forgiveness (including MDRI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	63.2	63.6	63.6	63.6	64.2	64.0	63.2
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-1,672.8	-3,690.0	-2,992.4	-4,329.7	-4,321.8	-3,297.0	-1,742.1
C. Financial account, excl. reserves and related items	-3,060.5	-2,843.1	-3,879.6	-5,021.0	-3,244.5	-2,874.4	-2,323.7
Direct investments	-1,813.2	-1,229.4	-1,799.6	-2,087.3	-1,416.1	-1,560.6	-1,365.4
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	1,813.2	1,229.4	1,799.6	2,087.3	1,416.1	1,560.6	1,365.4
Portfolio investment	0.0	-11.3	-6.1	-4.5	-11.5	-27.6	5.0
Other investment	-1,247.4	-1,602.5	-2,073.9	-2,929.3	-1,816.9	-1,286.1	-963.4
Assets	142.0	24.5	-220.6	186.4	-29.4	331.7	-129.1
Loans (Deposit-taking corporations, except the central bank)	-63.8	-7.7	-37.2	-0.1	-24.5	186.8	-95.8
Currency and deposits	205.8	32.2	-183.3	186.6	-4.9	144.9	-33.3
Deposit-taking corporations, except the central bank	138.8	29.2	-156.3	-20.7	-87.9	69.5	-150.1
Other sectors	67.0	3.0	-27.0	207.3	83.0	75.4	116.8
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	1,389.3	1,627.0	1,853.4	3,115.7	1,787.5	1,617.8	834.2
Trade credits	-0.8	0.1	0.2	0.8	-1.0	-0.1	0.2
Loans	1,379.0	1,594.3	1,820.3	2,927.6	1,774.0	1,715.3	903.3
Monetary authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SDR allocation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General government	1,205.6	1,080.7	971.2	1,750.8	1,337.4	1,247.0	383.8
Drawings	1,229.0	1,115.2	1,022.8	1,834.4	1,476.8	1,440.7	830.3
Repayments	-23.5	-34.5	-51.6	-83.6	-139.3	-193.8	-446.5
o/w Debt forgiveness	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	-11.3	-9.5	30.6	188.5	14.6	97.3	209.2
Other sectors	184.7	523.1	818.6	988.3	422.0	371.0	310.3
Drawings	229.8	620.1	872.3	1,070.6	494.5	547.4	453.3
Repayments	-45.2	-97.1	-53.7	-82.3	-72.5	-176.4	-142.9
Currency and deposits	11.2	32.6	32.8	187.3	14.4	-97.5	-69.3
Total, Groups A through C	-4,733.4	-6,533.1	-6,872.0	-9,350.7	-7,566.2	-6,171.3	-4,065.9
D. Net errors and omissions	-1,017.9	644.9	-561.1	-183.4	825.5	223.5	-276.1
Overall balance	369.8	-202.0	326.2	507.9	-251.8	-199.1	305.5
E. Reserves and related items	369.8	-202.0	326.2	507.9	-251.8	-199.1	305.5
Reserve assets	395.4	-206.3	324.7	621.4	-307.3	-273.7	232.2
Use of Fund credit and loans	-25.6	4.4	1.5	-113.5	55.5	74.6	73.3
Memorandum items:							
GDP(mp) billions of TZS	43,836.0	52,762.6	61,434.2	70,953.2	79,718.4	90,863.7	103,744.6
GDP(mp) millions of USD	31,408.3	33,877.9	39,087.6	44,382.8	48,240.9	45,766.1	47,653.3
CAB/GDP	-7.0	-12.9	-9.6	-11.2	-10.0	-8.0	-4.6
CAB/GDP (excl. current official transfers)	-9.6	-14.7	-11.0	-12.3	-10.4	-8.4	-4.7
Gross official reserves	3,948.0	3,744.6	4,068.1	4,689.7	4,377.2	4,093.7	4,325.6
Months of imports	3.9	3.5	3.6	4.1	4.2	4.6	5.0
Months of Imports(Excluding FDI related imports)	4.3	4.0	4.1	4.5	4.7	5.1	5.3
Net International reserves (year end)	3,594.2	3,395.2	3,717.5	4,223.7	3,965.9	3,763.2	4,065.0
Change in net international reserves	369.9	-199.0	322.4	506.1	-257.8	-202.6	301.7
Exchange rate (TZS per USD) (end of period)	1,453.5	1,566.7	1,571.6	1,578.6	1,725.8	2,148.5	2,172.6
Exchange rate (TZS per USD) (annual average)	1,395.7	1,557.4	1,571.7	1,598.7	1,652.5	1,985.4	2,177.1

Source: Bank of Tanzania and Tanzania Revenue Authority

Note: p denotes provisional data



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.2: Balance of Payments**

	2010	2011	2012	2013	2014	2015	2016 <sup>p</sup>
Million of TZS							
A. Current account	-3,038,436.8	-6,859,162.8	-5,918,263.1	-7,969,169.6	-7,984,461.0	-7,144,027.9	-4,706,619.6
Goods: exports f.o.b.	6,076,099.7	7,952,792.1	9,256,424.2	8,409,315.3	8,598,479.5	10,573,698.8	12,322,892.9
Traditional	822,265.7	1,065,534.8	1,503,262.3	1,389,587.9	1,378,762.2	1,566,838.6	1,926,069.6
Non-traditional	4,461,299.3	5,849,936.6	6,545,802.2	5,922,860.2	6,284,236.2	8,045,614.9	9,276,560.3
o/w Gold	2,120,301.5	3,477,498.0	3,328,492.2	2,629,505.9	2,186,964.9	2,350,753.8	3,155,127.1
Unrecorded trade	792,534.7	1,037,320.7	1,207,359.7	1,096,867.2	935,481.1	961,245.3	1,120,263.0
Goods: imports f.o.b.	-10,022,366.2	-15,383,304.1	-16,218,392.2	-17,640,018.8	-18,049,034.8	-19,447,709.9	-18,426,144.5
Balance on goods	-3,946,266.5	-7,430,512.0	-6,961,968.0	-9,230,703.5	-9,450,555.3	-8,874,011.1	-6,103,251.6
Services: credit	2,863,520.0	3,591,895.9	4,379,332.8	5,123,127.4	5,622,864.2	6,803,828.9	7,852,491.8
Transport	633,479.7	867,501.6	1,007,622.6	1,298,162.9	1,492,292.5	2,037,945.1	2,311,401.0
Travel	1,758,632.8	2,113,747.1	2,691,792.6	3,009,878.0	3,330,524.4	3,805,602.7	4,639,536.1
Other	471,407.5	610,647.3	679,917.7	815,086.6	800,047.4	960,281.1	901,554.7
Services: debit	-2,641,879.8	-3,452,223.9	-3,707,420.2	-3,979,539.6	-4,413,285.5	-5,308,263.9	-4,857,819.5
Transport	-1,016,257.1	-1,530,305.1	-1,645,429.1	-1,819,937.1	-1,923,520.6	-2,149,493.5	-2,065,249.0
Travel	-1,164,000.3	-1,405,135.2	-1,519,837.2	-1,653,136.6	-1,821,701.5	-2,387,889.8	-2,007,847.7
Other	-461,622.5	-516,783.6	-542,153.9	-506,465.9	-668,063.4	-770,880.6	-784,722.8
Balance on services	221,640.2	139,672.0	671,912.6	1,143,587.9	1,209,578.7	1,495,565.0	2,994,672.2
Balance on goods and services	-3,724,626.3	-7,290,840.0	-6,290,055.4	-8,087,115.7	-8,240,976.6	-7,378,446.1	-3,108,579.4
Primary income: credit	225,235.7	285,405.3	205,970.9	207,963.6	195,348.9	217,069.0	215,100.4
o/w Investment income	208,082.0	247,061.1	172,280.1	159,717.5	142,789.3	172,542.7	147,658.5
Compensation of employees	17,153.7	38,344.2	33,690.8	48,246.0	52,559.6	44,526.4	64,441.9
Primary income: debit	-1,030,667.3	-1,287,944.0	-1,102,271.4	-1,332,024.1	-728,378.8	-914,403.3	-2,625,593.0
o/w Direct investment income	-911,566.8	-1,134,485.3	-880,492.3	-986,403.8	-397,309.6	-345,108.3	-1,697,820.2
Interest payments	-56,907.8	-89,447.3	-132,275.5	-236,949.3	-249,957.7	-503,628.6	-827,342.4
Compensation of employees	-61,852.1	-64,011.4	-89,503.6	-108,670.9	-81,111.4	-65,666.5	-100,430.5
Balance on primary income	-805,431.6	-1,002,538.6	-896,300.5	-1,124,060.5	-533,029.9	-697,334.3	-2,410,492.7
Balance on goods, services and primary income	-4,530,057.9	-8,293,378.6	-7,186,355.9	-9,211,176.2	-8,774,006.4	-8,075,780.3	-5,519,072.1
Secondary income: credit	1,602,218.6	1,579,395.3	1,433,812.3	1,340,734.3	885,759.8	1,089,338.3	967,564.5
Government	1,138,494.6	977,337.6	854,367.0	778,344.4	294,945.5	365,291.8	158,616.2
Financial corporations, nonfinancial corporations, households and NPISHs	463,724.0	602,057.8	579,445.4	562,389.9	590,814.4	724,046.4	808,948.3
o/w Personal transfers	463,724.0	602,057.8	579,445.4	562,389.9	590,814.4	724,046.4	808,948.3
Secondary income: debit	-110,597.5	-145,179.6	-165,719.5	-98,727.8	-96,214.4	-157,585.9	-155,112.0
Balance on secondary income	1,491,621.1	1,434,215.8	1,268,092.8	1,242,006.5	789,545.4	931,752.4	812,452.5
B. Capital account	752,109.1	1,083,507.5	1,221,548.3	1,054,715.0	863,374.9	710,667.9	914,752.7
Capital transfers credit	752,109.1	1,083,507.5	1,221,548.3	1,054,715.0	863,374.9	710,667.9	914,752.7
General government	663,846.1	984,454.8	1,121,587.7	953,039.9	757,208.5	583,686.3	777,228.5
Other capital transfer (Investment grant)	663,846.1	984,454.8	1,121,587.7	953,039.9	757,208.5	583,686.3	777,228.5
Debt forgiveness (including MDR)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial corporations, nonfinancial corporations, households and NPISHs	88,263.1	99,052.8	99,960.6	101,675.1	106,166.4	126,981.6	137,524.2
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-2,286,327.7	-5,775,655.3	-4,696,714.8	-6,914,454.6	-7,121,086.1	-6,433,360.0	-3,791,866.9
C. Financial account, excl. reserves and related items	-4,255,966.1	-4,412,222.2	-6,097,371.2	-8,022,256.8	-5,371,026.4	-5,664,974.5	-885,265.0
Direct investments	-2,530,654.3	-1,914,647.9	-2,828,517.4	-3,336,830.2	-2,340,094.7	-3,098,455.0	-2,972,543.5
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	2,530,654.3	1,914,647.9	2,828,517.4	3,336,830.2	2,340,094.7	3,098,455.0	2,972,543.5
Portfolio investment	129.5	-18,069.5	-9,512.5	-7,262.4	-19,121.2	-56,068.1	10,908.7
Other investment	-1,725,441.3	-2,479,504.8	-3,259,341.4	-4,678,164.1	-3,011,810.5	-2,510,451.3	-2,098,187.2
Assets	198,839.2	38,925.1	-345,653.4	299,247.7	-53,215.3	611,707.9	-280,829.1
Loans (Deposit-taking corporations, except the central bank)	-89,624.7	-18,849.1	-58,431.4	462.5	-40,896.1	342,154.0	-208,847.5
Currency and deposits	288,463.9	57,774.2	-287,222.0	298,785.2	-12,319.2	269,553.9	-71,981.5
Deposit-taking corporations, except the central bank	196,803.4	57,717.4	-244,992.0	-31,764.2	-147,196.5	114,577.6	-326,388.5
Other sectors	91,660.5	56.8	-42,229.9	330,549.4	134,877.2	154,976.3	254,407.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	1,924,280.5	2,518,429.9	2,913,688.0	4,977,411.8	2,958,595.2	3,122,159.2	1,817,358.2
Trade credits	-1,273.9	124.9	304.4	1,236.3	-1,660.6	-187.6	458.3
Loans	1,906,842.3	2,470,489.0	2,861,779.1	4,678,273.0	2,936,696.6	3,335,386.8	1,968,150.1
Monetary authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SDR allocation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
General government	1,670,894.0	1,676,481.6	1,527,178.7	2,796,789.0	2,219,347.7	2,452,003.7	836,592.5
Drawings	1,703,592.4	1,730,386.3	1,608,295.6	2,930,650.9	2,450,971.7	2,843,210.4	1,808,069.5
Repayments	-32,698.4	-53,904.7	-81,116.9	-133,861.9	-231,624.0	-391,206.7	-971,477.0
Deposit-taking corporations, except the central bank	-17,552.4	-22,249.9	48,139.3	302,291.7	23,859.5	205,797.7	455,164.5
Other sectors	253,500.7	816,257.3	1,286,461.1	1,579,192.3	693,489.4	677,585.4	676,393.0
Drawings	318,691.6	967,431.7	1,370,862.3	1,709,494.0	814,105.9	1,050,069.4	987,905.0
Repayments	-65,191.0	-151,174.4	-84,401.2	-130,301.7	-120,616.5	-372,484.0	-311,511.9
Currency and deposits	18,712.1	47,816.0	51,604.5	297,902.5	23,559.2	-213,039.9	-151,250.2
Total, Groups A through C	-6,542,293.8	-10,187,877.5	-10,794,086.0	-14,936,711.4	-12,492,112.5	-12,098,334.5	-8,851,688.8
D. Net errors and omissions	-1,425,566.5	1,075,054.3	-888,143.8	-292,557.8	1,347,143.3	428,372.9	4,996,400.7
Overall balance	544,071.9	-288,378.7	512,512.6	815,244.4	-402,916.4	-340,012.7	319,268.9
E. Reserves and related items	544,071.9	-288,378.7	512,512.6	815,244.4	-402,916.4	-340,012.7	319,268.9
Reserve assets	580,549.5	-297,302.7	510,118.3	995,498.6	-496,720.3	-490,576.3	159,682.4
Use of Fund credit and loans	-36,477.6	8,923.9	2,394.3	-180,254.2	93,803.8	150,563.6	159,586.5
Memorandum items:							
GDP(mp) Billions of TZS	43,836.0	52,762.6	61,434.2	70,953.2	79,718.4	90,863.7	103,744.6
GDP(mp) Millions of USD	31,408.3	33,877.9	39,087.6	44,382.8	48,240.9	45,766.1	47,653.3
CAB/GDP	-6.9	-13.0	-9.6	-11.2	-11.1	-8.5	-4.2
CAB/GDP (excl. current official transfers)	-9.5	-14.9	-11.0	-12.3	-11.4	-9.0	-4.4
Gross official reserves (Millions of USD)	3,948.0	3,744.6	4,068.1	4,689.7	4,377.2	4,093.7	4,325.6
Months of imports	3.9	3.5	3.6	4.1	4.2	4.6	3.8
Net international reserves (year end)(Millions of USD)	3,594.2	3,395.2	3,717.5	4,223.7	3,965.9	3,763.2	4,065.0
Change in net international reserves (Millions of USD)	369.9	-199.0	322.4	506.1	-257.8	-202.6	301.7
Exchange rate (TZS per USD) (end of period)	1,453.5	1,566.7	1,571.6	1,578.6	1,725.8	2,148.5	2,172.6
Exchange rate (TZS per USD) (annual average)	1,395.7	1,557.4	1,571.7	1,598.7	1,652.5	1,985.4	2,177.1

Source: Bank of Tanzania and Tanzania Revenue Authority

Note: p denotes provisional data



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.3: Exports by Type of Commodity**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
<b>Traditional exports:</b>											
<b>Coffee</b>											
Value	Millions of USD	98.1	99.1	111.2	101.6	142.6	186.6	171.0	121.5	162.2	154.2
Volume	'000' Tonnes	45.0	45.4	56.0	35.6	39.0	54.8	59.5	44.1	51.9	60.3
Unit price	USD/Tonne	2,177.6	2,185.7	1,984.6	2,853.1	3,654.9	3,403.2	2,872.7	2,756.2	3,123.0	2,556.7
<b>Cotton</b>											
Value	Millions of USD	66.4	115.8	111.0	84.0	61.6	164.9	111.7	54.7	30.2	46.8
Volume	'000' Tonnes	59.1	87.9	99.4	67.6	40.3	132.0	89.0	49.5	29.1	33.0
Unit price	USD/Tonne	1,123.8	1,317.6	1,116.7	1,241.9	1,529.0	1,249.7	1,256.0	1,104.9	1,037.8	1,415.9
<b>Sisal</b>											
Value	Millions of USD	8.8	15.7	6.7	10.9	16.9	18.4	16.9	16.8	26.5	17.2
Volume	'000' Tonnes	9.5	13.8	8.2	11.6	13.8	13.5	12.6	11.5	15.2	8.6
Unit price	USD/Tonne	928.4	1,137.7	826.0	939.8	1,223.5	1,357.1	1,341.6	1,459.7	1,748.8	2,002.1
<b>Tea</b>											
Value	Millions of USD	28.7	42.5	47.2	49.8	47.2	56.1	56.9	45.7	44.0	44.7
Volume	'000' Tonnes	21.5	28.1	30.6	27.1	27.1	27.2	28.8	29.2	27.5	26.4
Unit price	USD/Tonne	1,334.8	1,511.2	1,538.7	1,840.2	1,739.7	2,061.2	1,977.9	1,568.1	1,600.9	1,695.7
<b>Tobacco</b>											
Value	Millions of USD	87.8	176.4	127.4	232.4	281.2	350.1	307.0	315.0	287.6	312.7
Volume	'000' Tonnes	37.9	53.6	33.8	53.6	73.3	105.6	67.8	67.4	66.3	66.1
Unit price	USD/Tonne	2,318.1	3,293.3	3,764.0	4,337.0	3,839.4	3,316.0	4,526.1	4,673.5	4,336.5	4,732.0
<b>Cashewnuts</b>											
Value	Millions of USD	25.6	44.3	68.6	96.9	107.0	142.6	162.4	222.2	218.8	270.6
Volume	'000' Tonnes	41.3	52.7	95.5	100.6	96.4	130.9	147.3	172.2	171.7	169.2
Unit price	USD/Tonne	621.1	839.6	718.2	963.2	1,110.0	1,089.3	1,102.5	1,290.7	1,273.8	1,599.2
<b>Cloves</b>											
Value	Millions of USD	4.2	13.5	14.4	7.6	28.9	38.1	43.0	52.9	24.1	39.3
Volume	'000' Tonnes	1.4	3.7	4.8	2.2	2.2	3.4	4.1	4.7	2.8	4.9
Unit price	USD/Tonne	2,968.3	3,605.5	2,977.9	3,449.6	13,162.9	11,198.5	10,562.8	11,231.3	8,653.1	7,976.0
Sub-Total	Millions of USD	319.7	507.3	486.4	583.2	685.5	956.7	868.9	828.8	793.3	885.6
<b>Non-traditional exports:</b>											
Minerals	Millions of USD	848.7	1,186.7	1,274.8	1,561.2	2,283.4	2,197.8	1,782.1	1,469.2	1,285.4	1,582.2
Manufactured goods	Millions of USD	309.8	741.8	506.5	964.0	861.5	1,037.3	1,072.1	1,239.6	1,277.0	1,050.1
Other exports	Millions of USD	546.1	676.2	591.5	651.8	602.5	929.2	849.1	1,089.8	1,477.8	1,628.6
Sub-Total	Millions of USD	1,704.5	2,604.7	2,372.9	3,177.0	3,747.5	4,164.4	3,703.3	3,798.6	4,040.1	4,260.9
Grand Total	Millions of USD	2,024.2	3,112.0	2,859.2	3,760.2	4,433.0	5,121.1	4,572.2	4,627.4	4,833.4	5,146.5

Source: Tanzania Revenue Authority

Note: Figures do not include adjustments of unrecorded trade

p denotes provisional data



## Bank of Tanzania Annual Report 2016/17

### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.4: Exports by Type of Commodity**

		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>p</sup>
<b>Traditional exports:</b>											
<b>Coffee</b>											
Value	Millions of TZS	121,980.5	119,755.0	145,296.6	144,831.7	220,392.5	293,257.2	272,605.5	200,916.3	315,921.2	335,624.7
Volume	'000' Tonnes	45.0	45.4	56.0	35.6	142.6	54.8	59.5	44.1	51.9	60.3
Unit price	TZS/Tonne	2,708,994.8	2,640,487.3	2,593,440.1	4,065,358.3	1,545,138.3	5,347,931.4	4,579,938.0	4,559,364.9	6,084,326.5	5,563,626.5
<b>Cotton</b>											
Value	Millions of TZS	79,942.5	138,618.8	145,010.8	119,153.6	99,733.7	259,070.3	178,918.5	90,901.3	62,958.7	101,814.3
Volume	'000' Tonnes	59.1	87.9	99.4	67.6	61.6	132.0	89.0	49.5	29.1	33.0
Unit price	TZS/Tonne	1,353,678.0	1,576,861.1	1,458,903.6	1,761,593.9	1,618,102.6	1,963,012.9	2,011,321.3	1,835,633.0	2,164,592.3	3,080,944.4
<b>Sisal</b>											
Value	Millions of TZS	11,091.9	18,662.1	8,785.0	15,208.5	26,347.4	28,871.9	27,118.0	27,688.8	53,926.7	37,523.9
Volume	'000' Tonnes	9.5	13.8	8.2	11.6	16.9	13.5	12.6	11.5	15.2	15.2
Unit price	TZS/Tonne	1,166,853.1	1,354,181.0	1,077,732.5	1,310,979.1	1,556,204.4	2,132,998.6	2,149,152.6	2,411,434.5	3,554,123.8	2,473,069.6
<b>Tea</b>											
Value	Millions of TZS	35,890.5	50,900.2	61,604.7	68,713.0	73,095.9	88,107.3	90,824.6	75,367.7	86,284.9	97,380.1
Volume	'000' Tonnes	21.5	28.1	30.6	27.1	47.2	27.2	28.8	29.2	27.5	27.5
Unit price	TZS/Tonne	1,668,179.2	1,811,174.9	2,010,352.2	2,539,477.2	1,549,646.2	3,239,222.5	3,156,627.7	2,585,109.6	3,139,967.8	3,543,726.8
<b>Tobacco</b>											
Value	Millions of TZS	108,563.7	210,297.4	166,116.0	325,140.1	434,458.5	550,108.1	492,748.8	523,502.1	568,812.1	680,443.2
Volume	'000' Tonnes	37.9	55.2	33.8	53.6	281.2	100.6	67.8	67.4	66.3	66.3
Unit price	TZS/Tonne	2,864,774.1	3,808,866.1	4,909,029.3	6,069,055.9	1,544,778.0	5,470,246.6	7,264,200.0	7,767,751.7	8,576,002.1	10,259,068.7
<b>Cashewnuts</b>											
Value	Millions of TZS	30,983.7	51,602.7	89,270.3	138,171.1	164,338.6	224,007.8	258,646.0	373,393.1	430,022.9	587,828.7
Volume	'000' Tonnes	41.3	52.7	95.5	125.0	107.0	130.9	147.3	172.2	171.7	171.7
Unit price	TZS/Tonne	750,738.1	978,386.5	935,122.1	1,105,316.0	1,535,992.0	1,711,405.7	1,755,868.6	2,168,547.0	2,503,867.4	3,422,713.2
<b>Cloves</b>											
Value	Millions of TZS	5,425.8	16,263.5	18,704.1	10,980.0	47,168.4	59,839.7	68,726.5	86,993.0	48,912.0	85,454.7
Volume	'000' Tonnes	1.4	3.7	4.8	2.2	28.9	3.4	4.1	4.7	2.8	2.8
Unit price	TZS/Tonne	3,816,764.4	4,349,959.8	3,877,831.9	4,976,875.6	1,633,472.0	17,599,907.1	16,898,583.8	18,454,571.6	17,576,079.7	30,707,343.7
Sub-Total	Millions of TZS	393,878.6	606,099.7	634,787.4	822,198.1	1,065,534.8	1,503,262.3	1,389,587.9	1,378,762.2	1,566,838.6	1,926,069.6
<b>Non-traditional exports:</b>											
Minerals	Millions of TZS	1,056,594.0	1,414,865.8	1,665,516.8	2,182,318.5	3,569,417.9	3,454,862.6	2,849,050.4	2,426,673.1	2,554,835.9	3,444,299.8
Manufactured goods	Millions of TZS	383,242.5	890,116.3	661,442.0	1,364,359.0	1,339,540.9	1,630,495.6	1,715,071.3	2,053,039.5	2,538,718.9	2,286,824.6
Other exports	Millions of TZS	676,852.1	811,062.6	772,726.7	914,392.3	940,711.3	1,460,443.9	1,358,738.4	1,804,523.7	2,952,060.1	3,545,435.9
Sub-Total	Millions of TZS	2,116,688.6	3,116,044.8	3,099,685.6	4,461,069.8	5,849,670.1	6,545,802.2	5,922,860.2	6,284,236.2	8,045,614.9	9,276,560.3
Grand Total	Millions of TZS	2,510,567.2	3,722,144.4	3,734,473.0	5,283,267.8	6,915,205.0	8,049,064.5	7,312,448.1	7,662,998.4	9,612,453.4	11,202,629.9

Source: Tanzania Revenue Authority

Note: Figures do not include adjustments of unrecorded trade

p denotes provisional data

**Table 4.5: Major Imports (f.o.b)**

	Millions of USD										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>p</sup>	
<b>Capital goods</b>	1,765.0	2,932.5	2,539.2	2,715.2	3,560.5	3,686.5	3,460.4	3,598.1	3,813.0	3,497.4	
Transport equipment	477.8	847.5	748.5	901.1	1,008.5	1,158.2	1,160.2	1,214.8	1,096.5	907.7	
Building and construction	416.7	714.6	558.2	610.6	757.7	805.8	959.8	1,032.4	908.0	817.2	
Machinery	870.5	1,370.3	1,232.5	1,203.4	1,794.3	1,722.5	1,340.5	1,351.0	1,808.4	1,772.5	
<b>Intermediate goods</b>	1,970.7	2,667.4	1,890.3	2,741.2	4,139.0	4,320.2	5,205.2	4,663.6	3,696.6	2,863.2	
Oil	1,462.1	1,922.2	1,323.0	2,024.2	3,228.7	3,380.6	4,308.6	3,656.8	2,760.7	1,807.7	
Fertilizers	59.1	171.5	95.2	115.0	176.6	133.9	160.1	122.8	145.6	118.6	
Industrial raw materials	449.4	573.6	472.1	602.0	733.7	805.7	736.6	884.0	790.4	937.0	
<b>Consumer goods</b>	1,124.9	1,412.5	1,404.6	1,709.2	2,128.0	2,312.5	2,363.5	2,656.1	2,333.5	2,103.0	
Food and food stuffs	315.4	303.5	343.3	461.6	603.1	656.6	646.4	632.6	541.7	445.5	
All other consumer goods	809.5	1,109.0	1,061.3	1,247.5	1,524.9	1,655.9	1,717.1	2,023.4	1,791.8	1,657.5	
<b>Total</b>	<b>4,860.6</b>	<b>7,012.3</b>	<b>5,834.1</b>	<b>7,165.5</b>	<b>9,827.5</b>	<b>10,319.1</b>	<b>11,029.1</b>	<b>10,917.8</b>	<b>9,843.1</b>	<b>8,463.6</b>	

Source: Tanzania Revenue Authority

Note: p denotes provisional data





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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.6: Major Imports (c.i.f)**

	Million of TZS									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>p</sup>
Capital goods	2,191,041.5	3,509,335.8	3,315,486.0	3,806,269.5	5,568,304.1	5,793,811.7	5,535,619.4	5,958,684.4	7,496,994.4	7,614,357.6
Transport equipment	591,338.1	1,014,568.6	977,443.8	1,266,976.5	1,573,936.1	1,820,243.0	1,856,198.9	2,009,435.2	2,158,354.4	1,975,936.4
Building and construction	517,173.4	856,398.2	728,919.0	855,935.3	1,181,892.9	1,266,332.5	1,535,747.9	1,708,047.0	1,792,571.4	1,779,442.5
Machinery	1,082,530.0	1,638,369.0	1,609,123.3	1,683,357.7	2,812,475.1	2,707,236.3	2,143,672.6	2,241,202.2	3,546,068.6	3,858,978.7
Intermediate goods	2,446,594.3	3,189,088.1	2,467,239.1	3,821,055.9	6,488,634.2	6,790,052.2	8,324,816.4	7,699,792.0	7,325,726.0	6,233,028.3
Oil	1,818,316.9	2,297,209.0	1,726,760.2	2,814,064.2	5,065,506.2	5,313,589.9	6,889,198.8	6,031,398.4	5,459,147.5	3,934,604.9
Fertilizers	72,433.8	205,851.4	124,179.6	163,591.1	277,394.4	210,328.2	256,817.4	205,157.4	300,784.1	258,071.1
Industrial raw materials	555,843.7	686,027.6	616,299.3	843,400.6	1,145,733.5	1,266,134.2	1,178,800.1	1,463,236.2	1,565,794.4	2,040,352.3
Consumer goods	1,387,986.4	1,691,803.6	1,834,215.3	2,395,040.8	3,326,365.8	3,634,528.3	3,779,583.1	4,390,558.4	4,624,989.5	4,578,758.7
Food and food stuffs	386,678.5	363,456.2	448,183.6	643,853.1	938,053.0	1,031,846.1	1,032,264.4	1,044,754.6	1,053,778.9	970,115.6
All other consumer goods	998,590.9	1,325,733.3	1,383,179.4	1,748,139.6	2,384,911.4	2,599,249.5	2,743,827.2	3,342,194.8	<b>3,566,874.5</b>	3,603,888.4
<b>Total</b>	<b>6,025,622.3</b>	<b>8,390,227.4</b>	<b>7,616,940.4</b>	<b>10,022,366.2</b>	<b>15,383,304.1</b>	<b>16,218,392.2</b>	<b>17,640,018.8</b>	<b>18,049,034.8</b>	<b>19,447,709.9</b>	<b>18,426,144.5</b>

Source: Tanzania Revenue Authority

Note: p denotes provisional data



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.7: Tanzania's Trade Balance**

	Million of TZS		
	Exports	Imports (f.o.b)	Trade Balance
2010	5,283,564.9	10,022,366.2	-4,738,801.3
2011	6,915,471.4	15,383,304.1	-8,467,832.7
2012	8,049,064.5	16,218,392.2	-8,169,327.6
2013	7,312,448.1	17,640,018.8	-10,327,570.7
2014	7,662,998.4	18,049,034.8	-10,386,036.4
2015	9,612,453.4	19,447,709.9	-9,835,256.4
2016	11,202,629.9	18,426,144.5	-7,223,514.6
2011-Q1	1,671,570.2	2,856,221.5	-1,184,651.3
Q2	1,492,708.5	3,503,574.9	-2,010,866.4
Q3	1,853,890.8	4,318,633.9	-2,464,743.0
Q4	1,897,301.9	4,704,873.8	-2,807,571.9
2012-Q1	1,953,256.2	3,920,040.7	-1,966,784.6
Q2	2,002,317.9	3,967,241.5	-1,964,923.6
Q3	2,077,336.8	4,238,852.5	-2,161,515.7
Q4	2,016,153.7	4,092,257.5	-2,076,103.9
2013-Q1	1,702,432.2	4,256,418.3	-2,553,986.1
Q2	1,617,547.6	3,978,329.9	-2,360,782.2
Q3	1,886,423.0	4,930,885.1	-3,044,462.1
Q4	2,106,045.2	4,474,385.6	-2,368,340.3
2014-Q1	1,772,662.5	4,668,819.6	-2,896,157.1
Q2	1,610,963.1	4,276,413.4	-2,665,450.2
Q3	1,927,637.0	4,211,529.3	-2,283,892.3
Q4	2,351,735.8	4,892,272.6	-2,540,536.8
2015-Q1	2,244,340.8	4,670,540.5	-2,426,199.7
Q2	2,070,977.3	4,979,041.3	-2,908,064.1
Q3	2,286,130.1	5,291,756.1	-3,005,626.0
Q4	3,011,005.3	4,506,372.0	-1,495,366.6
2016-Q1	3,164,083.3	4,737,323.0	-1,573,239.7
Q2	2,523,499.0	4,663,896.5	-2,140,397.5
Q3	2,402,450.2	4,661,099.9	-2,258,649.8
Q4	3,112,597.5	4,363,825.1	-1,251,227.7
2017-Q1	2,604,017.9	3,874,090.0	-1,270,072.1
Q2	2,345,921.2	3,721,310.1	-1,375,388.9

Source: Tanzania Revenue Authority

Note: Figures do not include adjustments of unrecorded trade, and Q denotes quarter



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.8: Major Export Commodities**

	Millions of TZS									
	Coffee	Cotton	Sisal	Tea	Tobacco	Cashewnuts	Minerals	Manufactured products	Others	Total
2010	144,831.7	119,153.6	15,208.5	68,713.0	325,140.1	138,171.1	2,182,318.5	1,364,359.0	925,372.3	5,283,267.8
2011	220,392.5	99,733.7	26,347.4	73,095.9	434,458.5	164,338.6	3,569,417.9	1,339,540.9	987,879.7	6,915,205.0
2012	293,256.4	259,069.4	28,871.7	88,106.6	550,106.4	224,005.3	3,454,842.1	1,630,482.9	1,520,272.4	8,049,013.2
2013	272,369.1	178,686.5	27,093.3	90,767.9	492,182.0	258,301.8	2,847,166.2	1,714,057.1	1,426,556.4	7,307,180.3
2014	200,916.3	90,901.3	27,688.8	75,367.7	523,502.1	373,393.1	2,426,673.1	2,053,039.5	1,891,516.7	7,662,998.4
2015	315,921.2	62,958.7	53,926.7	86,284.9	568,812.1	430,022.9	2,554,835.9	2,538,718.9	2,952,060.1	9,563,541.4
2016 <sup>p</sup>	335,624.7	101,814.3	37,523.9	97,380.1	680,443.2	587,828.7	3,444,299.8	2,286,824.6	3,545,435.9	11,117,175.2
2011-Q1	92,699.8	6,505.6	6,503.2	18,872.8	189,407.5	89,079.4	751,311.5	305,927.8	211,262.6	1,671,570.2
Q2	34,924.0	3,128.3	6,189.6	22,722.8	58,604.6	285.3	784,277.2	366,553.1	216,023.5	1,492,708.5
Q3	18,517.2	41,881.3	7,352.3	14,278.0	30,652.9	133.4	1,111,033.7	329,271.6	300,504.0	1,853,624.4
Q4	74,251.5	48,218.4	6,302.4	17,222.3	155,793.4	74,840.5	922,795.4	337,788.4	260,089.6	1,897,301.9
2012-Q1	96,075.7	25,479.1	7,628.2	24,605.4	176,517.0	54,571.9	897,714.7	338,636.5	332,027.6	1,953,256.2
Q2	43,359.7	25,423.1	7,543.8	27,694.3	71,301.2	109,607.1	813,670.4	461,025.7	442,659.5	2,002,284.9
Q3	44,692.2	91,629.5	7,943.3	14,631.8	122,290.9	995.4	889,569.1	497,722.5	407,843.8	2,077,318.4
Q4	109,128.8	116,537.7	5,756.4	21,175.0	179,997.3	58,830.8	853,887.8	333,098.2	337,741.5	2,016,153.7
2013-Q1	111,443.3	39,237.4	4,114.3	30,081.9	44,615.1	112,560.4	700,608.8	362,399.5	297,371.4	1,702,432.2
Q2	57,832.0	3,056.6	4,924.9	26,235.9	11,169.4	41,180.8	751,479.6	380,456.2	341,212.2	1,617,547.6
Q3	22,235.9	56,033.8	9,688.5	16,639.4	180,389.5	5,675.6	668,018.1	492,867.1	434,847.6	1,886,395.4
Q4	80,858.0	80,358.8	8,365.6	17,810.6	256,008.0	98,885.0	727,059.6	478,334.3	353,125.2	2,100,805.1
2014-Q1	66,867.7	7,479.8	6,339.0	24,785.0	131,528.3	98,982.7	635,546.8	390,350.1	410,783.0	1,772,662.5
Q2	34,272.8	3,991.3	7,233.4	16,424.2	7,020.2	10,747.2	566,466.8	506,762.9	458,044.3	1,610,963.1
Q3	24,431.4	57,745.9	7,585.6	15,508.1	143,057.9	3,776.7	598,881.9	594,579.3	482,070.3	1,927,637.0
Q4	75,344.3	21,684.3	6,530.8	18,650.4	241,895.6	259,886.4	625,777.6	561,347.1	540,619.1	2,351,735.8
2015-Q1	112,074.4	5,381.9	8,526.5	22,546.6	194,249.2	168,240.9	539,050.0	648,770.9	533,493.5	2,232,333.8
Q2	48,616.8	3,154.7	8,861.8	22,371.7	39,030.4	4,024.2	623,746.6	503,396.3	817,774.7	2,070,977.3
Q3	50,434.3	30,564.0	12,692.4	19,507.2	84,626.1	9,842.7	731,130.9	559,852.5	783,596.8	2,282,246.9
Q4	104,795.7	23,858.1	23,846.0	21,859.5	250,906.4	247,915.1	660,908.4	826,699.1	817,195.1	2,977,983.4
2016-Q1	113,291.2	10,758.2	5,257.7	36,970.4	196,010.0	140,392.9	773,767.5	802,619.6	1,025,936.7	3,105,004.3
Q2	58,962.5	3,850.7	14,618.9	29,355.2	56,253.9	3,834.2	802,218.3	588,613.2	961,834.0	2,519,541.0
Q3	67,719.3	72,578.0	7,407.7	13,232.8	169,841.8	1,111.5	871,483.3	458,045.4	729,361.5	2,390,781.3
Q4	95,651.7	14,627.4	10,239.7	17,821.6	258,337.5	442,490.0	996,830.7	437,546.4	828,303.7	3,101,848.7
2017-Q1	115,478.0	10,960.6	5,357.6	37,694.8	199,995.5	142,784.2	789,138.3	916,278.9	1,106,096.1	3,323,784.0
Q2	59,944.1	3,913.3	14,872.9	29,856.7	57,108.0	3,894.8	816,566.9	695,805.8	982,926.4	2,664,888.9

Source: Tanzania Revenue Authority

Note: Figures do not include adjustments of unrecorded trade; p denotes provisional data; and Q, quarter



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.9: Tanzania's Imports(c.i.f) by Major Commodity Groups**

	Millions of TZS								
	Transport equipment	Building and construction	Machinery	Oil	Fertilizers	Industrial raw materials	Food and food stuffs	Other consumer goods	Total
2010	1,392,264.7	940,536.4	1,849,759.5	3,092,249.8	179,812.4	926,823.4	707,504.6	1,924,051.3	11,013,002.2
2011	1,729,600.1	1,298,783.4	3,090,632.0	5,566,864.3	304,635.2	1,258,969.8	1,030,563.9	2,624,519.6	16,904,568.3
2012	2,000,255.0	1,391,564.8	2,974,964.7	5,849,008.6	231,129.1	1,391,347.4	1,133,890.0	2,860,073.0	17,832,232.7
2013	2,038,223.1	1,686,640.6	2,354,000.2	7,565,899.4	281,988.0	1,294,403.4	1,133,597.6	3,017,026.6	19,371,778.8
2014	5,756,841.5	1,877,529.3	2,463,488.0	6,629,733.1	225,484.2	1,608,393.3	1,148,414.6	3,677,765.5	19,839,569.6
2015	2,371,818.0	1,969,858.7	3,896,778.7	5,999,063.1	330,531.9	1,720,653.2	1,157,998.8	3,924,407.3	21,371,109.8
2016 <sup>p</sup>	2,171,358.7	1,955,431.4	4,240,635.9	4,323,741.6	283,594.6	2,242,145.4	1,066,061.1	3,965,541.9	20,248,510.5
2011-Q1	373,055.7	254,054.3	573,402.8	781,526.8	45,155.9	286,324.0	283,312.9	542,124.3	3,138,956.7
Q2	431,858.0	355,702.1	653,572.5	1,314,243.9	45,301.2	284,613.7	211,806.8	552,743.5	3,849,841.7
Q3	470,303.4	330,236.9	782,721.1	1,763,297.0	129,708.7	322,462.6	237,966.7	708,798.3	4,745,494.7
Q4	454,383.1	358,790.2	1,080,935.5	1,707,796.5	84,469.4	365,569.5	297,477.4	820,853.5	5,170,275.1
2012-Q1	410,913.4	324,294.2	709,201.3	1,456,181.9	53,656.4	324,168.4	333,281.4	705,974.6	4,317,671.5
Q2	483,743.8	343,044.7	778,157.2	1,352,050.5	13,645.0	391,576.6	308,111.5	689,204.4	4,359,533.8
Q3	536,487.7	363,396.6	790,298.8	1,602,579.5	54,944.0	349,199.6	256,362.5	704,772.4	4,658,041.1
Q4	569,110.1	360,829.3	697,307.5	1,438,196.6	108,883.7	326,402.8	236,134.6	760,121.7	4,496,986.3
2013-Q1	415,654.5	358,508.6	550,871.0	2,099,558.4	29,036.9	257,264.2	326,846.0	639,643.1	4,677,382.7
Q2	444,014.3	349,998.9	561,493.8	1,677,608.3	50,524.1	280,361.6	319,722.4	688,067.7	4,371,791.1
Q3	551,053.8	555,550.7	640,275.1	2,045,420.0	127,848.8	381,189.4	213,809.1	903,236.7	5,418,383.7
Q4	627,500.5	422,582.4	601,360.3	1,743,312.7	74,578.1	375,588.2	273,220.1	786,078.9	4,904,221.3
2014-Q1	537,054.8	449,366.5	541,668.9	1,996,725.6	23,893.8	405,061.9	275,593.1	903,916.7	5,133,281.4
Q2	504,674.5	414,114.9	503,459.6	1,692,218.5	3,872.8	337,478.1	320,756.0	922,780.9	4,699,355.3
Q3	541,495.9	467,299.5	530,288.6	1,462,186.0	109,550.8	352,842.4	276,586.3	890,559.5	4,630,809.1
Q4	625,536.2	546,748.3	888,070.9	1,478,603.1	88,166.8	513,010.9	275,479.2	960,508.4	5,376,123.7
2015-Q1	602,316.2	518,987.0	1,007,253.2	1,477,766.7	18,022.5	394,437.7	327,465.1	786,213.7	5,132,462.1
Q2	630,633.4	422,141.9	1,070,370.7	1,501,743.7	51,401.3	495,794.3	379,378.7	920,009.9	5,471,474.0
Q3	594,616.9	511,639.8	1,004,845.0	1,715,214.9	170,900.8	408,892.8	226,506.3	1,182,500.0	5,815,116.6
Q4	544,251.6	517,090.0	814,309.8	1,304,337.9	90,207.2	421,528.4	224,648.6	1,035,683.6	4,952,057.1
2016-Q1	568,916.2	590,339.1	1,500,003.4	785,594.0	70,328.5	553,017.5	235,204.9	902,445.7	5,205,849.4
Q2	598,072.5	562,013.9	1,004,143.1	870,746.1	59,294.5	692,920.9	345,626.4	992,343.6	5,125,161.0
Q3	514,956.0	434,122.2	845,249.5	1,356,297.1	66,370.7	551,050.7	276,860.3	1,077,181.4	5,122,087.8
Q4	489,414.1	368,956.2	891,239.9	1,311,104.4	87,600.8	445,156.2	208,369.4	993,571.2	4,795,412.2
2017-Q1	579,706.5	601,680.2	1,528,862.5	800,708.5	71,639.7	563,549.1	239,591.7	919,756.4	5,305,494.5
Q2	608,504.6	571,870.7	1,021,895.1	886,427.6	60,419.1	705,413.1	351,964.0	1,009,850.4	5,216,344.7

Source: Tanzania Revenue Authority

Note: p denotes provisional data; and Q, Quarter



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.10: Tanzania's Exports by Country of Destination**

	Millions of TZS									
	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>p</sup>	
Australia	7,333.9	8,779.1	17,364.7	24,278.9	22,196.4	12,313.2	101,079.0	8,977.4	16,497.0	
Belgium	53,929.9	102,452.2	131,477.2	130,053.8	238,009.8	139,157.6	163,403.8	295,288.5	616,178.6	
Burundi	23,026.9	31,203.1	72,981.2	48,639.0	72,026.5	71,932.8	71,138.1	77,673.3	113,462.1	
Canada	4,438.1	8,048.1	6,548.3	7,893.9	39,683.0	20,603.7	11,691.1	11,826.1	10,146.7	
China	264,279.9	480,248.1	908,359.8	1,041,130.6	817,984.8	491,708.1	1,130,503.4	1,112,872.5	770,945.5	
Democratic Republic of Congo	150,644.2	105,445.0	196,384.8	188,788.8	285,425.7	377,511.6	465,278.5	392,428.4	634,887.1	
Denmark	4,558.2	6,663.6	3,792.1	14,362.2	16,811.9	14,590.1	12,403.3	5,465.7	8,497.9	
Eire/Ireland	346.6	2,180.0	2,840.4	5,295.0	2,912.8	538.2	280.2	1,332.1	2,561.9	
France	27,761.9	15,259.8	16,156.7	23,037.3	25,291.3	18,755.4	39,817.2	27,798.9	51,990.3	
Germany	77,790.6	74,094.5	192,110.3	352,058.6	455,746.3	255,313.4	366,846.8	446,692.3	250,990.0	
Hong Kong	15,785.0	112,968.9	18,059.8	17,450.8	36,367.4	48,539.3	58,897.4	67,259.7	65,326.8	
India	203,097.2	242,591.1	312,958.9	320,197.9	748,938.4	1,195,300.6	2,073,771.5	2,274,810.2	1,530,006.5	
Indonesia	28,665.0	27,800.7	20,291.7	34,422.1	63,764.2	52,906.6	10,978.5	12,730.5	37,421.7	
Italy	79,549.7	70,979.1	93,626.5	78,699.4	78,750.3	91,194.1	86,826.8	71,182.1	91,726.5	
Japan	161,859.3	217,362.0	300,373.0	547,693.7	466,079.8	351,502.9	409,634.7	456,063.2	301,495.8	
Kenya	277,819.7	234,125.4	425,809.7	333,609.9	520,143.0	362,976.2	737,131.7	1,452,035.1	683,147.8	
Malaysia	3,484.9	3,896.0	6,778.2	13,622.5	15,423.3	2,150.0	21,736.3	57,758.0	28,474.5	
Mozambique	37,142.9	26,814.7	25,390.2	97,802.9	83,499.8	106,149.0	112,551.9	37,020.8	26,853.8	
Netherland	184,508.2	219,871.2	128,355.1	144,176.6	177,033.8	99,719.7	84,386.0	151,448.3	139,050.4	
New Zealand	2,886.6	2,685.8	2,871.0	1,158.8	4,902.4	4,355.0	4,027.9	4,406.9	12,185.9	
Norway	2,165.5	1,763.6	1,685.6	4,476.3	29,027.4	6,322.7	6,854.1	2,845.3	1,735.6	
Pakistan	13,460.4	14,248.2	13,938.2	22,998.1	51,882.0	12,828.7	23,939.3	39,380.7	32,338.0	
Portugal	15,493.6	17,558.2	17,534.7	20,693.0	19,820.8	22,727.6	29,981.2	38,792.5	41,004.1	
Singapore	13,179.5	8,411.8	19,328.8	17,259.1	38,225.8	89,063.7	26,318.3	13,112.3	22,835.8	
Somalia	3,315.5	797.1	8,243.0	1,095.5	1,637.0	931.2	11,043.1	5,528.6	845.8	
South Africa	274,866.9	225,538.0	596,978.4	1,312,795.7	1,521,227.4	1,215,008.1	1,139,124.7	1,336,621.1	1,374,237.3	
Spain	30,640.2	27,950.0	30,138.0	21,706.3	25,753.9	34,083.8	23,582.6	37,034.6	34,109.8	
Sri Lanka	3,076.1	703.9	2,836.8	2,786.0	2,244.1	3,896.9	3,425.4	3,472.0	1,685.4	
St. Helena	442.5	7,993.4	8,721.0	n.a	25.4	5.9	n.a	1.9	0.0	
Sweden	1,738.1	3,590.3	3,334.2	4,827.2	8,235.1	7,939.7	8,717.9	10,228.5	12,116.0	
Switzerland	668,711.0	617,209.6	982,361.5	1,292,703.6	1,245,696.8	643,133.7	246,227.3	304,642.7	1,671,353.8	
Taiwan	751.7	5,322.8	3,322.7	1,609.7	1,804.8	1,710.3	3,199.9	4,370.1	4,631.0	
Thailand	16,207.2	18,475.9	27,650.7	11,488.0	56,213.6	24,537.0	23,882.7	13,119.9	19,602.7	
Uganda	47,871.3	62,993.8	67,049.4	70,430.1	103,386.6	105,601.3	121,218.9	99,881.8	126,744.3	
United Arab Emirates	77,325.4	88,169.9	79,186.8	118,325.6	148,006.1	134,552.8	141,266.4	311,846.4	138,158.3	
United Kingdom	76,505.2	40,186.8	45,218.9	45,327.4	71,042.2	88,113.3	77,063.2	45,600.3	49,680.8	
United States	65,122.8	52,093.1	66,563.0	74,953.9	105,008.4	96,596.2	236,429.6	100,478.9	123,788.9	
USSR/Russia	6,002.7	7,692.4	5,953.8	10,252.4	16,698.1	14,605.1	11,893.8	23,085.4	24,124.3	
Yugoslavia	n.a	52.0	80.7	n.a	12.6	3.4	n.a	n.a	n.a	
Zambia	43,237.0	58,526.8	76,618.2	74,470.4	112,288.0	144,886.8	223,715.6	12,439.8	70,815.5	
Others	753,123.2	481,727.4	1,136,484.0	1,420,220.9	1,527,138.4	2,039,491.8	121,218.9	2,099,249.4	1,177,626.0	
<b>Total</b>	<b>3,722,144.5</b>	<b>3,734,473.0</b>	<b>6,075,758.0</b>	<b>7,952,792.1</b>	<b>9,256,365.1</b>	<b>8,403,257.4</b>	<b>8,441,486.8</b>	<b>11,466,802.3</b>	<b>10,319,280.3</b>	

Source: Tanzania Revenue Authority

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



## Bank of Tanzania Annual Report 2016/17

### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.11: Tanzania's Imports (c.i.f) by Country of Origin**

	Millions of TZS								
	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Argentina	73,480.0	49,197.8	43,764.4	43,764.4	192,859.5	26,237.5	12,161.6	34,528.6	15,396.7
Australia	67,419.6	162,610.7	222,797.3	223,875.8	193,689.0	242,942.6	234,399.6	205,934.2	140,445.7
Belgium	147,083.8	141,919.9	183,024.4	183,919.9	345,750.8	211,513.0	209,888.8	126,911.5	141,386.8
Brazil	15,568.2	70,214.0	57,470.7	57,472.2	90,275.9	22,395.4	24,474.9	33,932.0	60,629.3
Burundi	505.8	402.5	840.9	873.1	6,066.4	2,442.9	931.7	2,121.6	1,685.9
Canada	67,545.8	46,496.3	52,136.1	52,224.8	174,316.9	146,754.9	204,485.0	119,613.3	219,588.3
China	841,597.9	895,038.2	1,212,792.9	1,244,042.7	1,814,049.4	2,307,786.8	2,597,174.8	3,700,358.4	3,566,894.8
Democratic Republic of Congo	4,488.9	1,608.3	1,569.4	2,649.0	1,414.0	159.1	1,363.1	1,253.4	777.8
Denmark	31,505.4	146,074.4	45,086.5	46,559.7	42,975.4	72,628.2	69,106.6	131,738.8	88,470.6
Eire/Ireland	22,158.2	20,975.8	23,203.4	24,374.8	26,989.4	28,049.0	33,185.5	34,145.3	49,507.2
Finland	50,262.2	57,744.7	56,518.6	56,740.4	35,449.7	51,361.4	98,655.9	100,078.5	75,557.7
France	188,717.9	145,111.1	178,242.4	178,641.4	169,788.8	149,508.5	119,670.3	190,060.6	147,168.2
Germany, Federal	249,035.3	293,353.5	254,335.7	255,395.3	292,440.9	259,534.0	410,142.0	320,148.4	417,265.8
Hong Kong	21,392.8	40,597.2	33,316.7	33,379.8	83,187.0	52,326.9	87,939.5	90,589.6	112,306.3
India	1,016,503.4	999,540.7	1,238,372.1	1,239,134.6	1,373,732.4	3,338,640.8	3,055,855.5	2,512,648.4	3,110,402.5
Indonesia	107,733.2	141,412.0	155,616.9	155,779.5	370,583.0	225,874.9	154,768.5	283,642.9	140,724.0
Iran	40,971.1	14,444.8	30,679.7	30,721.8	73,137.1	53,377.7	68,651.6	33,583.1	22,956.9
Italy	104,384.0	128,860.1	133,376.4	137,417.7	182,804.2	120,370.8	131,665.5	157,773.8	190,834.7
Japan	405,343.6	545,953.7	786,056.8	794,383.2	808,560.1	746,172.6	924,642.3	790,187.5	807,663.4
Kenya	233,967.0	393,748.1	380,896.0	388,779.9	880,188.6	485,305.3	1,082,171.5	473,678.2	582,864.0
Malaysia	192,254.7	87,695.2	147,925.2	147,925.2	137,851.0	169,009.7	640,615.2	337,162.5	567,020.1
Mexico	134.3	1,276.5	1,821.5	1,821.5	1,713.9	1,757.3	4,545.3	14,677.5	10,474.7
Mozambique	21,513.2	11,857.6	26,518.2	26,630.0	17,471.4	106,893.9	30,332.7	66,075.2	26,026.9
Netherlands	248,052.9	122,100.0	199,052.2	201,588.3	248,542.6	198,353.3	291,741.5	189,505.4	229,584.5
New Zealand	3,702.9	2,856.2	5,273.0	5,273.0	3,862.6	4,829.0	4,765.7	7,697.3	7,841.0
Norway	21,264.1	17,987.5	22,328.7	22,329.5	92,221.8	44,249.2	73,186.9	9,426.9	15,286.5
Pakistan	20,052.2	36,140.5	59,658.7	59,681.9	122,635.0	141,018.2	101,623.6	80,888.7	70,138.4
Portugal	917.3	1,111.2	12,852.1	1,659.6	2,836.0	3,303.1	3,302.8	7,432.8	6,873.7
Saudi Arabia	304,719.1	213,014.2	275,426.8	275,502.5	360,197.8	322,950.3	338,854.5	4,019,058.6	479,693.6
Singapore	518,267.5	248,364.3	614,911.4	616,616.3	230,638.6	320,814.0	64,838.3	183,597.9	114,593.1
Somalia	1,112.3	389.6	45.1	45.1	10.2	n.a	86.2	850.6	n.a
South Africa	935,205.5	888,001.2	1,067,772.7	1,068,580.0	1,458,335.4	1,055,182.9	997,245.1	1,020,625.9	1,027,974.0
South Korea	100,735.3	97,885.1	177,995.5	178,066.5	186,529.9	n.a	n.a	450,276.3	359,878.9
Spain	34,692.4	40,871.4	51,360.9	51,361.0	73,332.5	213,692.8	55,883.5	63,214.4	68,590.7
Sri Lanka	3,189.5	3,162.3	3,455.9	3,456.8	5,430.4	7,130.7	40,385.7	21,419.7	7,042.3
Swaziland	90,423.8	34,720.6	45,396.1	45,484.8	54,770.3	54,305.6	77,929.3	74,138.8	89,699.7
Sweden	167,644.2	108,717.5	84,766.0	89,267.9	172,910.7	137,476.9	183,423.1	118,880.7	150,179.9
Switzerland	162,881.0	174,060.1	777,212.0	777,236.5	2,467,204.2	2,345,496.8	2,149,399.6	856,409.2	282,505.4
Taiwan	13,436.4	16,269.3	37,636.5	37,636.6	45,242.7	48,598.1	60,397.8	108,871.2	57,670.2
Thailand	88,341.7	92,154.4	111,230.5	112,855.6	118,265.0	133,003.5	173,054.1	183,744.2	171,077.9
Turkey	93,229.0	98,961.8	82,466.5	82,466.5	185,925.6	174,537.4	235,892.7	156,801.2	142,329.6
Uganda	7,588.6	15,693.6	24,750.7	25,121.8	169,013.6	83,917.6	79,316.6	78,309.9	66,848.5
United Arab Emirate	1,053,525.3	816,795.9	930,045.0	933,293.0	1,600,011.8	1,725,479.7	1,942,477.8	1,674,224.8	1,289,428.3
United Kingdom	195,135.0	237,245.8	287,635.6	289,496.1	574,249.3	401,153.7	434,709.8	361,532.2	337,544.4
United States	236,992.6	179,535.0	215,698.5	218,798.5	372,948.8	338,829.0	611,264.6	641,744.2	548,576.0
USSR/Russia	87,823.1	84,124.2	140,583.7	140,660.6	127,112.8	105,582.3	212,300.0	245,853.9	233,773.9
Yugoslavia	0.0	7.1	145.1	144.2	1.0	1.4	n.a	0.3	n.a
Zambia	32,663.2	30,731.4	42,674.9	42,684.3	62,753.6	73,899.6	104,719.7	64,729.4	72,926.8
Zimbabwe	1,732.1	834.1	1,546.4	1,546.4	4,569.6	5,373.2	7,896.3	11,408.7	4,520.5
Others	887,900.7	412,114.7	475,044.1	4,775,944.2	163,444.9	868,097.5	1,399,650.4	1,051,793.3	815,191.6
<b>Total</b>	<b>9,214,793.9</b>	<b>8,369,982.1</b>	<b>11,013,327.1</b>	<b>15,383,304.1</b>	<b>16,218,291.3</b>	<b>17,628,318.7</b>	<b>19,841,172.6</b>	<b>21,443,280.1</b>	<b>17,145,817.7</b>

Source: Tanzania Revenue Authority

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



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.12: Tanzania's Exports to COMESA Countries**

	Millions of TZS									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Burundi	51,645.5	23,026.9	31,203.1	72,981.2	48,639.0	72,026.5	71,932.8	71,138.1	77,673.3	113,462.1
Comoro	4,470.3	58,707.8	283.3	n.a	1,249.7	3,287.5	1,353.1	2,682.6	371,921.3	375,192.9
Djibouti	59.5	383.5	233.3	374.4	1,402.1	1,062.1	86.0	4,330.0	15,401.2	6,408.5
Ethiopia	1,098.2	1,091.4	778.2	2,215.8	558.1	4,679.1	3,253.8	8,918.2	293.8	1,789.4
Kenya	125,790.9	277,819.7	234,125.4	334,400.2	333,609.9	520,143.0	362,976.2	737,131.7	1,452,035.1	683,147.8
Lesotho	n.a	n.a	n.a	n.a	13.0	n.a	n.a	n.a	n.a	n.a
Malawi	24,476.1	49,913.5	33,151.2	56,575.8	81,048.3	139,858.5	65,986.0	168,249.8	111,089.8	67,007.8
Mauritius	2,196.0	1,084.8	1,928.7	2,268.4	3,818.0	7,305.8	3,410.1	4,017.3	2,514.8	3,590.6
Rwanda	13,913.2	24,340.0	19,887.6	120,820.8	103,886.5	115,323.9	129,487.7	59,177.7	81,736.7	14,188.4
Somalia	533.3	3,315.5	797.1	8,243.0	1,095.5	1,637.0	931.2	11,043.1	5,528.6	845.8
Swaziland	242.7	759.1	27,515.6	1,737.3	19,693.7	3,546.4	6,396.9	1,905.1	18,074.2	247.3
Uganda	23,992.1	47,871.3	62,993.8	67,049.4	70,430.1	103,386.6	105,601.3	121,218.9	99,881.8	126,744.3
Zambia	27,910.2	43,237.0	58,526.8	76,618.2	74,470.4	112,288.0	144,886.8	223,715.6	87,513.6	70,815.5
Zimbabwe	857.2	1,360.1	7,556.0	1,970.8	6,510.6	7,478.8	10,312.6	11,668.4	12,439.8	13,821.4
<b>Total</b>	<b>277,185.1</b>	<b>532,910.7</b>	<b>478,980.1</b>	<b>745,255.3</b>	<b>746,424.8</b>	<b>1,092,023.3</b>	<b>906,614.4</b>	<b>1,425,196.4</b>	<b>2,336,104.0</b>	<b>1,477,261.7</b>

Source: Tanzania Revenue Authority

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

**Table 4.13: Tanzania's Imports from COMESA Countries**

	Millions of TZS									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Burundi	19.8	505.8	402.5	840.9	873.1	6,066.4	2,442.9	931.7	2,121.6	1,685.9
Comoro	n.a	17.2	13.9	61.2	67.5	35.3	32.1	103.3	186.7	10,153.6
Djibouti	n.a	1.4	44.0	25.9	1,587.6	104.4	7.4	1,183.8	273.9	293.6
Ethiopia	114.7	32.5	192.6	105.8	105.8	1,615.2	885.5	436.6	4,677.4	283.2
Kenya	124,630.1	233,967.0	393,748.1	380,896.0	388,779.9	880,188.6	485,305.3	1,082,171.5	473,678.2	582,864.0
Lesotho	10.9	2.6	56.7	213.1	213.1	141.5	647.0	736.7	1,017.3	998.3
Malawi	8,034.3	7,889.7	13,988.5	16,850.5	16,877.0	19,599.0	15,918.5	19,875.5	26,999.1	57,834.7
Mauritius	3,247.0	1,375.1	5,051.9	11,351.0	11,474.3	28,331.8	23,954.2	21,037.3	49,329.4	32,900.1
Rwanda	18.2	59.4	25.0	1,959.4	1,962.1	3,305.7	2,475.5	5,279.0	2,210.7	2,444.0
Somalia	119.5	1,112.3	389.6	45.1	45.1	10.2	0.0	86.2	850.6	0.0
Swaziland	25,062.1	90,423.8	34,720.6	45,396.1	45,484.8	54,770.3	54,305.6	77,929.3	74,138.8	89,699.7
Uganda	7,980.4	7,588.6	15,693.6	930,045.0	25,121.8	169,013.6	83,917.6	79,316.6	78,309.9	66,848.5
Zambia	2,288.7	32,663.2	30,731.4	42,674.9	42,684.3	62,753.6	73,899.6	104,719.7	64,729.4	72,926.8
Zimbabwe	23,035.2	1,732.1	834.1	1,546.4	1,546.4	4,569.6	5,373.2	7,896.3	11,408.7	4,520.5
<b>Total</b>	<b>194,560.9</b>	<b>377,370.6</b>	<b>495,892.5</b>	<b>1,432,011.4</b>	<b>536,822.7</b>	<b>1,230,505.2</b>	<b>749,164.4</b>	<b>1,401,703.4</b>	<b>789,931.6</b>	<b>923,453.1</b>

Source: Tanzania Revenue Authority

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



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### A4.0 Balance of Payments and Foreign Trade Developments

**Table 4.14: Tanzania - Services, Income and Transfers**

	Millions TZS								
	Services			Primary Income			Secondary Income		
	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments
2010	221,640.2	2,863,520.0	2,641,879.8	-805,431.6	225,235.7	1,030,667.3	1,035,235.2	1,145,832.7	110,597.5
2011	139,672.0	3,591,895.9	3,452,223.9	-1,002,538.6	285,405.3	1,287,944.0	1,001,790.4	1,146,969.9	145,179.6
2012	671,912.6	4,379,332.8	3,707,420.2	-896,300.5	205,970.9	1,102,271.4	685,200.3	850,919.8	165,719.5
2013	1,143,587.9	5,123,127.4	3,979,539.6	-1,124,060.5	207,963.6	1,332,024.1	722,778.2	821,506.0	98,727.8
2014	1,209,578.7	5,622,864.2	4,413,285.5	-1,359,114.4	195,348.9	1,554,463.3	193,239.0	289,453.4	96,214.4
2015	1,732,229.7	7,040,493.6	5,308,263.9	-1,774,452.6	219,103.4	1,993,556.0	759,968.8	917,554.7	157,585.9
2016 <sup>P</sup>	2,994,672.2	7,852,491.8	4,857,819.5	-2,411,096.5	214,496.6	2,625,593.0	791,368.9	946,480.9	155,112.0
2011-Q1	29,453.1	784,594.5	755,141.4	-212,860.2	83,442.2	296,302.4	31,941.7	61,808.8	29,867.1
Q2	62,073.5	791,483.6	729,410.1	-235,960.9	75,676.4	311,637.2	73,064.7	104,570.9	31,506.2
Q3	115,131.8	1,045,394.2	930,262.4	-279,072.6	56,683.3	335,755.9	131,402.0	172,123.4	40,721.3
Q4	-66,986.3	970,423.7	1,037,410.0	-274,644.9	69,603.5	344,248.4	765,382.0	808,466.9	43,084.9
2012-Q1	-24,042.6	895,994.0	920,036.6	-207,075.5	60,542.7	267,618.2	5,783.1	48,930.4	43,147.3
Q2	113,030.3	952,631.8	839,601.5	-220,930.1	56,640.6	277,570.8	99,372.7	149,746.7	50,374.0
Q3	418,932.5	1,352,065.2	933,132.6	-220,408.8	37,480.9	257,889.6	368,255.5	404,509.8	36,254.3
Q4	163,992.3	1,178,641.8	1,014,649.5	-247,886.1	51,306.7	299,192.8	211,789.1	247,733.0	35,943.9
2013-Q1	62,665.1	1,044,623.1	981,958.0	-273,772.5	52,723.0	326,495.6	80,298.3	104,274.8	23,976.5
Q2	227,935.6	1,073,797.1	845,861.5	-278,103.5	52,331.4	330,434.9	22,457.7	46,582.6	24,125.0
Q3	457,250.1	1,507,888.8	1,050,638.8	-304,311.8	54,755.2	359,067.0	387,587.0	422,667.2	35,080.2
Q4	395,737.1	1,496,818.4	1,101,081.3	-267,872.6	48,153.9	316,026.6	232,435.3	247,981.4	15,546.1
2014-Q1	163,919.4	1,238,354.6	1,074,435.2	-325,865.4	53,744.5	379,609.8	32,282.2	54,068.4	21,786.2
Q2	147,055.8	1,155,987.9	1,008,932.1	-307,208.8	43,348.8	350,557.6	607.2	19,060.9	18,453.7
Q3	451,397.3	1,577,756.1	1,126,358.8	-373,725.0	52,868.1	426,593.1	129,687.8	159,761.3	30,073.5
Q4	447,206.2	1,650,765.7	1,203,559.4	-352,315.3	45,387.6	397,702.9	30,661.8	56,562.8	25,901.0
2015-Q1	238,246.1	1,423,194.6	1,184,948.6	-397,356.4	69,165.3	466,521.6	15,474.8	59,757.1	44,282.4
Q2	256,310.0	1,458,111.0	1,201,801.0	-377,916.1	44,907.8	422,823.9	366,267.6	399,119.6	32,852.0
Q3	517,184.7	2,049,845.6	1,532,660.9	-526,618.3	49,454.2	576,072.5	157,875.6	202,536.2	44,660.6
Q4	720,488.9	2,109,342.3	1,388,853.4	-472,561.9	55,576.1	528,138.0	220,350.9	256,141.8	35,790.9
2016-Q1	493,760.2	1,773,741.8	1,279,981.6	-621,477.4	61,944.4	683,421.9	176,691.1	212,667.3	35,976.2
Q2	458,759.1	1,656,182.9	1,197,423.8	-729,319.7	45,186.2	774,505.8	162,029.4	213,928.3	51,898.8
Q3	969,663.6	2,176,733.8	1,207,070.2	-585,371.2	51,982.8	637,354.0	265,694.4	297,818.6	32,124.1
Q4	1,072,489.4	2,245,833.3	1,173,343.9	-474,928.2	55,383.1	530,311.3	186,954.0	222,066.8	35,112.8
2017-Q1	812,774.5	1,850,363.2	1,037,588.8	-660,211.3	63,295.1	723,506.4	153,910.4	198,359.8	44,449.3
Q2	744,071.7	1,787,690.0	1,043,618.3	-694,980.2	61,875.8	756,856.0	357,297.3	388,492.6	31,195.3

Source: Bank of Tanzania

Note: p denotes provisional data; and Q, Quarter





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### A5.0: National Debt Developments

**Table A5.1: External Debt Developments**

	Millions of USD									
Item	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
1. Overall total debt committed <sup>2</sup>	6,776.3	8,120.1	9,548.3	11,580.8	14,098.1	17,087.4	18,804.1	20,718.9	23,118.3	25,533.3
Disbursed outstanding debt	4,483.1	5,483.0	6,558.3	7,843.7	8,873.0	11,086.4	12,632.1	14,548.3	15,948.1	17,091.6
Undisbursed debt	2,293.2	2,637.1	2,990.0	3,737.1	5,225.1	6,001.0	6,172.0	6,170.6	7,170.2	8,441.7
2. Disbursed debt by creditor category <sup>2</sup>	4,483.1	5,483.0	6,558.3	7,843.7	9,188.3	11,086.4	12,632.1	14,548.3	15,948.1	17,091.6
Bilateral debt	934.2	933.5	955.4	978.7	1,015.8	1,018.9	1,057.9	923.3	1,112.5	1,133.4
Multilateral debt	2,620.2	3,430.1	4,204.8	5,250.2	5,615.8	6,406.1	6,997.3	7,602.6	8,044.4	8,644.4
Commercial debt	617.9	700.3	815.2	1,037.9	1,944.1	2,976.4	3,780.0	4,871.5	5,572.9	5,821.3
Export credits	310.8	419.1	582.9	576.9	612.7	685.1	796.9	1,150.8	1,218.3	1,492.5
3. Disbursed debt by borrower category <sup>2</sup>	4,483.1	5,483.0	6,558.3	7,843.7	9,188.3	11,086.4	12,632.1	14,548.3	15,948.1	17,091.6
Central government	3,582.5	4,118.2	4,816.9	6,057.8	7,141.3	8,993.6	10,416.3	11,986.8	12,944.5	13,800.2
Public corporations	156.3	392.4	534.7	557.8	404.6	454.8	491.2	427.2	337.0	289.7
Private sector	744.4	972.4	1,206.7	1,228.0	1,642.4	1,638.0	1,724.5	2,134.3	2,666.6	3,001.6
4. Disbursed debt by use of funds <sup>2</sup>	4,483.1	5,483.0	6,558.3	7,843.7	9,188.3	11,086.4	12,632.1	14,548.3	15,948.1	17,091.6
BOP and budget support	1,470.3	1,935.2	2,121.2	2,348.5	2,611.7	2,627.0	2,582.7	2,383.8	2,544.3	2,893.9
Transport & telecommunication	571.5	635.4	720.2	990.4	1,440.7	1,821.7	2,953.5	3,291.0	3,649.3	3,891.6
Agriculture	437.0	599.0	712.2	837.4	788.5	960.3	613.7	604.1	615.7	1,118.9
Energy & mining	670.2	758.7	802.2	728.4	675.8	910.5	1,698.2	2,324.0	2,700.6	2,785.0
Industries	137.4	141.9	178.8	201.7	199.9	224.4	215.2	345.2	400.0	435.0
Social welfare & education	639.7	756.8	874.8	1,201.1	1,678.3	2,236.9	2,154.9	2,255.7	2,350.1	2,512.5
Finance and insurance	74.2	73.8	88.4	188.9	338.1	357.3	395.8	637.2	732.6	895.2
Tourism	70.7	90.6	101.8	123.2	123.3	104.3	101.5	97.5	46.9	67.3
Real estate and construction							182.2	555.0	733.4	796.2
Other	412.2	491.7	958.6	1,224.2	1,332.0	1,844.0	1,734.4	2,054.8	2,175.2	1,696.0
5. Total amount of loan contracted <sup>1</sup>	919.7	1,069.5	1,498.6	671.4	1,621.0	1,937.0	1,159.2	1,415.0	850.2	1,182.7
Central government	516.7	218.0	1,047.1	287.7	414.5	1,006.3	430.9	500.0	0.0	400.0
Public corporations	0.0	336.0	0.0	0.0	0.0	263.1	0.0	0.0	0.0	0.0
Private sector	403.0	515.5	451.5	383.7	1,206.5	667.6	728.3	915.0	850.2	782.7
6. Disbursements <sup>1</sup>	880.3	1,306.0	1,216.6	639.9	1,514.8	2,351.2	2,347.4	2,584.1	1,800.0	1,634.9
Central government	560.6	649.0	869.3	400.1	812.0	1,949.7	1,934.7	2,033.9	1,145.2	1,310.3
Public corporations	0.4	246.7	63.4	0.0	0.0	114.1	0.0	0.0	0.0	0.0
Private Sector	319.3	410.3	283.8	239.8	702.8	287.3	412.6	550.2	654.8	324.6
7. Actual debt service <sup>1</sup>	86.0	56.1	71.1	104.3	11.7	148.3	489.0	565.5	880.5	854.2
Principal	55.9	25.5	36.9	59.3	4.0	54.5	326.7	334.3	529.6	544.7
Interest	30.1	30.5	34.2	45.0	3.5	62.8	162.3	225.1	350.8	309.6
Other payments	0.0	0.0	0.0	0.0	4.2	31.0	0.0	6.0	0.1	0.0
8. Net flows on debt <sup>1</sup>	824.4	1,280.5	1,179.7	580.6	1,510.8	2,296.6	2,020.7	2,249.8	1,270.3	1,090.2
9. Net transfers on debt <sup>1</sup>	794.4	1,250.0	1,145.4	535.6	1,503.1	2,202.9	1,858.4	2,018.6	919.5	780.6
10. Arrers by creditors category <sup>2</sup>	2,453.2	3,196.2	2,761.5	3,088.1	2,634.1	2,770.8	3,339.2	3,146.8	2,350.5	3,142.8
o/w: Principal	1,089.8	1,293.4	1,122.0	1,294.3	1,152.4	1,375.0	1,734.4	1,811.1	1,117.7	1,742.9
Bilateral debt	423.8	452.8	464.5	459.6	403.3	356.5	379.0	427.3	327.7	346.8
Multilateral debt	8.4	17.2	17.0	15.1	6.4	19.8	24.2	34.6	28.1	72.0
Commercial debt	359.2	449.3	384.7	492.9	464.8	674.6	831.5	754.6	416.3	730.9
Export credits	298.5	374.1	255.8	326.7	277.9	324.0	499.8	594.6	345.6	593.2
Interest	1,363.3	1,902.8	1,639.5	1,793.8	1,481.6	1,395.8	1,604.8	1,335.7	1,232.8	1,399.9
Bilateral debt	611.3	668.0	720.7	730.9	770.5	767.2	835.4	678.3	730.4	784.8
Multilateral debt	0.1	667.7	17.0	17.4	7.5	5.4	10.9	11.2	7.7	14.9
Commercial debt	517.7	10.0	603.9	697.2	567.9	516.1	594.5	439.8	295.3	365.7
Export credits	234.3	557.1	297.9	348.3	135.7	107.1	163.9	206.4	199.3	234.6
11. Total debt Stock	7,581.3	9,126.9	10,207.4	12,013.0	13,330.5	16,001.6	18,198.5	19,692.6	21,788.1	23,777.6
External debt Stock	5,846.4	7,385.8	8,197.8	9,637.5	10,670.0	12,482.2	14,236.9	15,884.0	17,180.9	18,491.5
Domestic debt Stock	1,734.9	1,741.1	2,009.6	2,375.5	2,660.6	3,519.4	3,961.7	3,808.6	4,607.2	5,286.1
Memorandu Items:										
Export of Goods and Services	4,926.6	5,110.2	5,702.1	7,056.2	7,987.5	8,341.5	8,589.3	8,903.1	9,189.3	8,826.8
GDP at market (current) prices	24,796.3	28,189.5	31,007.8	32,952.5	35,827.4	41,883.2	46,575.2	48,507.6	45,141.4	48,591.2
External debt stock as % of GDP	23.6	26.2	26.4	29.2	29.8	29.8	30.6	32.7	38.1	38.1
Total debt stock as % of GDP	30.6	32.4	32.9	36.5	37.2	38.2	39.1	40.6	48.3	48.9
External debt service as % of exports	1.7	1.1	1.2	1.5	0.1	1.8	5.7	6.4	9.6	9.7
External debt as % of exports	118.7	144.5	143.8	136.6	133.6	149.6	165.8	178.4	187.0	209.5
Domestic debt stock as % of GDP	7.0	6.2	6.5	7.2	7.4	8.4	8.5	7.9	10.2	10.9
End of period exchange rate (TZS/US\$)	1,180.9	1,299.4	1,379.4	1,572.1	1,568.9	1,602.7	1,649.7	2,020.3	2,178.9	2,230.1

Source: Bank of Tanzania

Note: Multilateral arrears are those owed by the private sector

<sup>1</sup>denotes debt flows during the period

<sup>2</sup>denotes stock position at the end of period



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### A6.0 Zanzibar Output and Prices

**Table A6.1: Gross Domestic Products (GDP) at Market Price by kind of Economic Activity, Current Prices**

	Million of TZS									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
<b>Agriculture, forestry and fishing</b>	181,322.3	221,390.5	266,260.5	306,159.4	438,949.9	466,382.8	562,056.0	594,516.0	592,119.9	675,061.4
Crops	99,286.5	130,354.7	155,192.8	170,626.8	262,419.2	253,510.7	333,623.9	339,484.6	327,305.2	398,032.4
Livestock	23,527.2	27,555.9	32,478.8	37,331.7	44,708.2	53,547.2	56,753.3	59,879.8	55,146.1	59,255.7
Forestry	21,082.4	24,140.0	27,404.9	30,877.6	39,054.2	47,310.8	51,935.7	59,326.5	64,247.7	68,463.0
Fishing	37,426.2	39,339.9	51,183.9	67,323.3	92,768.2	112,014.1	119,743.1	135,825.0	145,420.9	149,310.4
<b>Industry</b>										
Mining and quarrying	8,428.3	11,690.5	14,625.6	16,323.1	20,769.6	26,537.2	28,305.5	33,209.3	39,207.1	49,315.3
Manufacturing	62,495.1	75,068.4	77,791.3	76,449.8	85,438.8	110,596.2	128,934.8	134,627.0	155,876.0	182,515.1
Electricity and gas	2,389.0	2,691.0	3,816.0	3,837.5	4,946.0	5,781.4	6,616.8	6,767.3	8,548.6	11,046.5
Water supply and sewerage	3,286.7	3,883.5	4,026.9	4,075.5	4,881.4	6,014.9	10,733.1	16,396.5	17,323.8	15,679.0
Construction	46,965.6	65,476.9	73,146.0	81,486.2	113,930.8	139,234.6	158,009.3	168,601.0	196,379.6	229,337.1
<b>Services</b>										
Trade and repairs	85,067.9	85,911.9	91,715.1	98,913.0	119,897.4	123,765.5	134,778.7	156,772.8	169,579.8	188,196.3
Transport and storage	29,019.8	37,165.1	43,109.1	48,660.9	57,056.9	67,568.8	86,488.6	84,337.5	115,360.1	111,792.5
Accommodation and food services	64,605.0	72,263.3	80,332.2	87,822.3	117,036.5	133,438.2	157,276.4	178,743.5	210,577.7	253,892.4
Accommodation	52,553.2	57,879.0	62,352.0	70,520.3	87,888.0	93,832.7	104,406.8	124,350.6	150,339.6	182,897.3
Food and beverage services	12,051.8	14,384.3	17,980.2	17,302.0	29,148.5	39,605.5	52,869.6	54,392.9	60,238.1	70,995.2
Information and communication	17,833.5	10,515.5	-12,132.1	7,832.3	4,970.8	11,963.5	24,437.9	114,771.2	122,988.7	130,743.6
Financial and insurance activities	25,876.2	25,881.8	31,993.8	35,383.7	34,752.5	43,337.7	63,669.0	86,482.3	82,756.4	100,815.6
Real estate activities	40,804.2	51,536.6	57,394.6	60,763.1	69,734.1	85,328.6	112,782.5	146,314.6	164,022.3	188,306.4
Professional, scientific and technical	1,053.8	1,545.6	1,581.0	1,862.4	1,994.3	2,784.8	4,778.3	7,973.0	9,729.8	11,075.2
Administrative and support services	5,073.7	6,963.2	7,723.7	8,344.0	11,030.3	12,362.9	13,148.1	13,311.8	13,436.9	18,918.4
Public administration	56,261.0	56,628.2	58,991.3	63,906.1	76,533.6	109,051.4	118,239.1	108,953.5	111,739.4	110,068.3
Education	19,930.2	22,001.7	23,349.8	23,601.9	28,836.2	33,003.7	36,943.2	45,522.3	47,989.5	52,244.8
Human health and social work	8,773.1	10,008.0	10,807.3	10,972.1	13,744.0	18,058.0	19,270.8	20,496.5	23,221.5	24,529.4
Arts, entertainment and recreation	2,749.5	2,748.1	2,821.6	3,577.4	5,754.5	7,679.6	7,988.9	8,150.5	9,361.0	9,983.7
Other service activities	4,886.0	4,647.4	4,684.8	4,928.4	5,861.6	5,916.5	6,572.5	7,460.7	8,846.9	10,032.1
Domestic services	1,031.9	1,065.0	1,099.2	1,134.4	1,203.7	1,607.1	1,662.8	2,148.6	2,656.8	2,741.0
Less FISIM	-6,330.6	-5,739.6	-7,901.9	-7,541.9	-9,186.3	-11,338.7	-21,031.9	-26,451.6	-26,632.4	-29,253.3
<b>GDP at basic prices</b>	<b>661,522.2</b>	<b>763,342.5</b>	<b>835,235.9</b>	<b>938,491.8</b>	<b>1,208,136.6</b>	<b>1,399,075.1</b>	<b>1,661,660.2</b>	<b>1,909,104.3</b>	<b>2,075,089.1</b>	<b>2,347,040.9</b>
Taxes on products	73,278.0	87,834.1	104,165.3	112,308.5	136,048.8	166,160.4	188,298.3	226,359.6	230,833.6	281,340.8
<b>GDP at market prices</b>	<b>734,800.3</b>	<b>851,176.6</b>	<b>939,401.2</b>	<b>1,050,800.3</b>	<b>1,344,185.4</b>	<b>1,565,235.4</b>	<b>1,849,958.5</b>	<b>2,135,464.0</b>	<b>2,305,922.6</b>	<b>2,628,381.8</b>
Population in '000'					1,263.0	1,299.0	1,336.0	1,379.0	1,414.0	1,455.0
GDP per capita in TZS '000'					1,064.3	1,205.0	1,384.7	1,548.6	1,630.8	1,806.4
Exchange rate TZS/USD (pav)					1,557.4	1,571.7	1,598.7	1,652.5	1,985.4	2,177.1

Source: Office of Chief Government Statistician - Zanzibar

Note: p denotes provisional data; and pav, period average



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A6.0 Zanzibar Output and Prices

Table A6.2: Gross Domestic Product (GDP) by kind of Economic Activity, Percentage Share in Total GDP at Current Prices

Economic Activity	2007	2008	2009	2010	2011	2012	2013	2014	2015	Percent 2016 <sup>P</sup>
Agriculture, Forestry & Fishing	24.7	26.0	28.3	29.1	32.7	29.8	30.4	27.8	25.8	25.7
Crops	13.5	15.3	16.5	16.2	19.5	16.2	18.0	15.9	14.2	15.1
Livestock	3.2	3.2	3.5	3.6	3.3	3.4	3.1	2.8	2.5	2.3
Forestry & Hunting	2.9	2.8	2.9	2.9	2.9	3.0	2.8	2.8	2.8	2.6
Fishing	5.1	4.6	5.4	6.4	6.9	7.2	6.5	6.4	6.3	5.7
Industry										
Mining & quarrying	1.1	1.4	1.6	1.6	1.5	1.7	1.5	1.6	1.7	1.9
Manufacturing	8.5	8.8	8.3	7.3	6.4	7.1	7.0	6.3	6.7	6.9
Electricity and gas	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4
Water supply and sewerage	0.4	0.5	0.4	0.4	0.4	0.4	0.6	0.8	0.7	0.6
Construction	6.4	7.7	7.8	7.8	8.5	8.9	8.5	7.9	8.5	8.7
Services										
Trade & repairs	11.6	10.1	9.8	9.4	8.9	7.9	7.3	7.3	7.3	7.2
Transport & storage	3.9	4.4	4.6	4.6	4.2	4.3	4.7	3.9	5.0	4.3
Accommodation and food services	8.8	8.5	8.6	8.4	8.7	8.5	8.5	8.4	9.1	9.7
Accommodation	7.2	6.8	6.6	6.7	6.5	6.0	5.6	5.8	6.5	7.0
Food and beverage services	1.6	1.7	1.9	1.6	2.2	2.5	2.9	2.5	2.6	2.7
Information and communication	2.4	1.2	-1.3	0.7	0.4	0.8	1.3	5.4	5.3	5.0
Financial and insurance activities	3.5	3.0	3.4	3.4	2.6	2.8	3.4	4.0	3.6	3.8
Real estate activities	5.6	6.1	6.1	5.8	5.2	5.5	6.1	6.9	7.1	7.2
Professional, scientific and technical	0.1	0.2	0.2	0.2	0.1	0.2	0.3	0.4	0.4	0.4
Administrative and support services	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.6	0.6	0.7
Public administration	7.7	6.7	6.3	6.1	5.7	7.0	6.4	5.1	4.8	4.2
Education	2.7	2.6	2.5	2.2	2.1	2.1	2.0	2.1	2.1	2.0
Human health and social work	1.2	1.2	1.2	1.0	1.0	1.2	1.0	1.0	1.0	0.9
Arts, entertainment and recreation	0.4	0.3	0.3	0.3	0.4	0.5	0.4	0.4	0.4	0.4
Other service activities	0.7	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.4	0.4
Domestic services	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Less: FISIM	-0.9	-0.7	-0.8	-0.7	-0.7	-0.7	-1.1	-1.2	-1.2	-1.1
GDP at basic prices	90.0	89.7	88.9	89.3	89.9	89.4	89.8	89.4	90.0	89.3
Taxes on Products	10.0	10.3	11.1	10.7	10.1	10.6	10.2	10.6	10.0	10.7
GDP at Market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Office of Chief Government Statistician-Zanzibar

Note: p denotes provisional data



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### A6.0 Zanzibar Output and Prices

**Table A6.3: Gross Domestic Product (GDP) by Kind of Economic Activity, at Constant 2007 Prices**

Economic Activity	Millions of TZS									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Agriculture, Forestry & Fishing	181,322.3	191,285.8	198,466.9	205,083.9	214,646.0	196,783.1	222,796.4	221,861.6	226,808.1	240,515.1
Crops	99,286.5	105,848.7	111,238.6	116,053.0	118,070.5	96,360.5	118,389.1	109,858.2	106,461.0	114,902.7
Livestock	23,527.2	24,163.1	24,468.1	24,896.5	25,894.4	27,640.4	29,042.1	31,221.5	33,571.3	36,018.0
Forestry & hunting	21,082.4	21,813.3	22,539.2	23,318.8	24,202.6	25,137.0	26,009.0	27,023.0	28,099.4	29,286.8
Fishing	37,426.2	39,460.6	40,221.1	40,815.6	46,478.5	47,645.1	49,356.3	53,758.9	58,676.5	60,307.7
Industry	123,564.5	137,935.3	145,378.1	152,016.1	179,943.8	193,378.9	200,080.4	212,911.3	235,678.9	258,375.7
Mining & quarrying	8,428.3	10,093.7	11,365.6	12,116.1	14,347.7	16,169.8	15,581.1	16,893.7	18,740.4	22,262.8
Manufacturing	62,495.1	62,220.3	65,121.8	67,399.5	72,149.1	74,731.7	79,865.8	87,780.3	95,683.5	101,515.9
Electricity and gas	2,389.0	2,372.5	2,394.9	2,282.1	3,092.7	3,385.0	3,491.6	3,656.3	3,901.8	4,221.5
Water supply and sewerage	3,286.6	3,300.7	3,400.8	3,496.3	3,781.9	3,912.2	4,148.5	4,349.0	4,597.3	4,838.0
Construction	46,965.6	59,948.1	63,094.9	66,722.1	86,572.3	95,180.2	96,993.3	100,232.1	112,755.9	125,537.6
Services	362,966.0	375,154.8	403,276.1	423,014.3	458,810.6	480,699.8	503,319.1	554,308.2	599,311.0	645,954.6
Trade & repairs	85,067.9	77,508.8	75,144.2	74,337.1	80,076.0	71,730.5	73,800.7	83,422.3	84,249.7	88,417.1
Transport & storage	29,019.8	28,721.8	32,677.5	38,026.1	43,683.9	50,198.9	54,908.3	58,731.7	61,794.3	65,982.7
Accommodation and food services	64,605.0	60,434.8	61,076.4	62,204.6	73,445.0	74,530.6	81,638.7	87,274.7	96,275.2	105,397.1
Accommodation	52,553.2	48,785.7	48,140.7	50,626.0	57,015.9	55,065.4	56,500.4	61,417.5	70,344.4	79,435.9
Food and beverage services	12,051.8	11,649.1	12,935.7	11,578.6	16,429.1	19,465.3	25,138.3	25,857.2	25,930.8	25,961.2
Information and communication	17,833.5	25,022.2	22,726.1	28,028.8	31,750.5	35,540.5	30,801.9	38,378.3	41,319.0	45,067.5
Financial and insurance activities	25,876.2	26,123.1	32,655.8	37,388.8	39,609.9	42,625.2	44,799.9	49,552.6	55,112.8	60,050.5
Real estate activities	40,804.2	43,326.3	46,053.0	49,000.3	52,185.5	55,627.1	59,345.1	63,361.2	67,698.7	72,382.6
Professional, scientific and technical	1,053.8	1,373.6	1,317.3	1,440.0	1,389.7	1,686.8	2,494.7	3,576.3	4,111.9	4,281.7
Administrative and support services	5,073.7	5,439.1	5,712.2	5,685.8	6,236.7	6,546.5	6,954.2	7,091.8	8,007.6	8,541.5
Public administration	56,261.0	68,829.2	86,536.5	86,472.3	87,955.6	98,491.4	103,579.3	114,816.2	130,095.0	141,853.2
Education	19,930.2	20,803.8	21,208.9	21,743.0	22,928.4	23,935.5	24,261.0	26,066.4	26,978.4	28,799.6
Human health and social work	8,773.3	8,861.7	9,070.9	9,289.5	9,410.2	9,639.5	9,931.8	10,662.4	10,681.6	11,091.9
Arts, entertainment and recreation	2,749.5	2,743.0	2,876.7	2,974.3	3,251.8	3,227.9	3,469.0	3,674.1	4,305.5	4,727.4
Other service activities	4,886.0	4,902.4	5,121.4	5,289.2	5,716.5	5,711.0	6,087.5	6,413.0	7,352.8	7,991.9
Domestic services	1,031.9	1,065.0	1,099.2	1,134.4	1,170.8	1,208.4	1,247.1	1,287.1	1,328.4	1,370.0
Less FISIM	-6,330.6	-6,660.1	-8,532.4	-9,267.7	-10,726.7	-11,242.1	-12,450.9	-13,871.2	-15,777.7	-16,104.5
<b>GDP at Basic Prices</b>	<b>661,522.3</b>	<b>697,715.8</b>	<b>738,588.6</b>	<b>770,846.6</b>	<b>842,673.6</b>	<b>859,619.7</b>	<b>913,744.9</b>	<b>975,209.9</b>	<b>1,046,020.3</b>	<b>1,128,741.0</b>
Add: Taxes on products	73,278.0	67,949.5	74,893.5	77,415.8	84,830.9	113,193.0	129,170.1	140,244.0	141,435.8	139,502.9
<b>GDP at Market Prices</b>	<b>734,800.3</b>	<b>765,665.3</b>	<b>813,482.1</b>	<b>848,262.4</b>	<b>927,504.6</b>	<b>972,812.7</b>	<b>1,042,915.0</b>	<b>1,115,453.9</b>	<b>1,187,456.1</b>	<b>1,268,243.9</b>

Source: Office of Chief Government Statistician-Zanzibar

Note: p denotes provisional data



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A6.0 Zanzibar Output and Prices

**Table A6.4: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Share in Total GDP, at Constant 2007 Prices**

Economic Activity	Percent									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Agriculture, forestry and fishing	24.7	25.0	24.4	24.2	23.1	20.2	21.4	19.9	19.1	19.0
Crops	13.5	13.8	13.7	13.7	12.7	9.9	11.4	9.8	9.0	9.1
Livestock	3.2	3.2	3.0	2.9	2.8	2.8	2.8	2.8	2.8	2.8
Forestry	2.9	2.8	2.8	2.7	2.6	2.6	2.5	2.4	2.4	2.3
Fishing	5.1	5.2	4.9	4.8	5.0	4.9	4.7	4.8	4.9	4.8
Industry	16.8	18.0	17.9	17.9	19.4	19.9	19.2	19.1	19.8	20.4
Mining and quarrying	1.1	1.3	1.4	1.4	1.5	1.7	1.5	1.5	1.6	1.8
Manufacturing	8.5	8.1	8.0	7.9	7.8	7.7	7.7	7.9	8.1	8.0
Electricity and gas	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Water supply and sewerage	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Construction	6.4	7.8	7.8	7.9	9.3	9.8	9.3	9.0	9.5	9.9
Services	49.4	49.0	49.6	49.9	49.5	49.4	48.3	49.7	50.5	50.9
Trade and repairs	11.6	10.1	9.2	8.8	8.6	7.4	7.1	7.5	7.1	7.0
Transport and storage	3.9	3.8	4.0	4.5	4.7	5.2	5.3	5.3	5.2	5.2
Accommodation and food services	8.8	7.9	7.5	7.3	7.9	7.7	7.8	7.8	8.1	8.3
Accommodation	7.2	6.4	5.9	6.0	6.1	5.7	5.4	5.5	5.9	6.3
Food and beverage services	1.6	1.5	1.6	1.4	1.8	2.0	2.4	2.3	2.2	2.0
Information and communication	2.4	3.3	2.8	3.3	3.4	3.7	3.0	3.4	3.5	3.6
Financial and insurance activities	3.5	3.4	4.0	4.4	4.3	4.4	4.3	4.4	4.6	4.7
Real estate activities	5.6	5.7	5.7	5.8	5.6	5.7	5.7	5.7	5.7	5.7
Professional, scientific and technical	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.3	0.3	0.3
Administrative and support services	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7
Public administration	7.7	9.0	10.6	10.2	9.5	10.1	9.9	10.3	11.0	11.2
Education	2.7	2.7	2.6	2.6	2.5	2.5	2.3	2.3	2.3	2.3
Human health and social work	1.2	1.2	1.1	1.1	1.0	1.0	1.0	1.0	0.9	0.9
Arts, entertainment and recreation	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4
Other service activities	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Domestic services	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Less: FISIM	-0.9	-0.9	-1.0	-1.1	-1.2	-1.2	-1.2	-1.2	-1.3	-1.3
GDP at basic prices	90.0	91.1	90.8	90.9	90.9	88.4	87.6	87.4	88.1	89.0
Add: Taxes on products	10.0	8.9	9.2	9.1	9.1	11.6	12.4	12.6	11.9	11.0
GDP at Market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Office of Chief Government Statistician-Zanzibar

Note: p denotes provisional data



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A6.0 Zanzibar Output and Prices

**Table A6.5: Gross Domestic Product (GDP) by Economic Activity, Percentage Annual Growth Rates, at Constant 2007 Prices**

Economic Activity	Percent									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Agriculture, Forestry & Fishing	0.2	5.5	3.8	3.3	4.7	-8.3	13.2	-0.4	2.5	5.7
Crops	-2.1	6.6	5.1	4.3	1.7	-18.4	22.9	-7.2	-2.5	7.3
Livestock	3.5	2.7	1.3	1.8	4.0	6.7	5.1	7.5	7.7	7.1
Forestry & hunting	3.7	3.5	3.3	3.5	3.8	3.9	3.5	3.8	4.0	4.2
Fishing	2.4	5.4	1.9	1.5	13.9	2.5	3.6	8.9	9.1	2.8
Industry	3.5	11.6	5.4	4.6	18.4	7.5	3.5	6.4	10.7	9.6
Mining & quarrying	9.1	19.8	12.6	6.6	18.4	12.7	-3.6	4.9	10.9	18.8
Manufacturing	0.5	-0.4	4.7	3.5	7.0	3.6	6.9	9.9	8.8	6.2
Electricity and gas	7.5	-0.7	0.9	-4.7	35.5	9.5	3.1	4.7	6.7	8.2
Water supply and sewerage	7.5	0.4	3.0	2.8	8.2	3.4	6.0	4.8	5.6	5.3
Construction	6.3	27.6	5.2	5.7	29.8	9.9	1.9	3.0	12.5	11.3
Services	9.6	3.4	7.5	4.9	8.5	4.8	4.7	10.1	8.1	7.8
Trade & repairs	9.9	-8.9	-3.1	-1.1	7.7	-10.4	2.9	13.0	0.9	5.1
Transport & storage	37.4	-1.0	13.8	16.4	14.9	14.9	9.4	7.0	5.2	6.8
Accommodation and food services	4.5	-6.5	1.1	1.8	18.1	1.5	9.5	6.9	10.3	9.5
Accommodation	4.5	-7.2	-1.3	5.2	12.6	-3.4	2.6	8.7	14.5	12.9
Food and beverage services	4.5	-3.3	11.0	-10.5	41.9	18.5	29.1	2.9	0.3	0.1
Information and communication	37.4	40.3	-9.2	23.3	13.3	11.9	-13.3	24.5	7.6	9.1
Financial and insurance activities	21.0	1.0	25.0	14.5	5.9	7.6	5.1	10.6	11.2	9.0
Real estate activities	4.8	6.2	6.3	6.4	6.5	6.6	6.7	6.8	6.8	6.9
Professional, scientific and technical	4.8	30.3	-4.1	9.3	-3.5	21.4	47.9	43.4	9.2	9.6
Administrative and support services	4.8	7.2	5.0	-0.5	9.7	5.0	6.2	0.9	12.9	6.7
Public administration	1.3	22.3	25.7	-0.1	1.7	12.0	5.2	10.8	13.3	9.0
Education	1.3	4.4	1.9	2.5	5.5	4.4	1.4	3.2	2.9	7.4
Human health and social work	6.6	1.0	2.4	2.4	1.3	2.4	3.0	7.4	0.2	3.8
Arts, entertainment and recreation	4.3	-0.2	4.9	3.4	9.3	-0.7	7.5	5.9	17.2	9.8
Other service activities	4.3	0.3	4.5	3.3	8.1	-0.1	6.6	5.3	14.7	8.7
Domestic services	4.3	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.2	3.1
Less FISIM	21.0	5.2	28.1	8.6	15.7	4.8	10.8	11.4	13.7	2.1
GDP at basic prices	6.5	5.5	5.9	4.4	9.3	2.0	6.3	6.5	7.3	7.9
Taxes on products	6.5	-7.3	10.2	3.4	9.6	33.4	14.1	10.2	0.8	-1.4
GDP at Market Prices	6.5	4.2	6.2	4.3	9.3	4.9	7.2	7.0	6.5	6.8

Source: Office of Chief Government Statistician-Zanzibar

Note: p denotes provisional data



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### A6.0 Zanzibar Output and Prices

**Table A6.6: Production of Major Cash Crops**

Crop	Unit	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cloves	Tonnes	1,085.6	4,007.0	3,536.0	2,129.0	3,743.0	1,755.4	5,733.0	4,153.0	3,322.0	4,678.7
	Value in '000' of TZS						24,699.4	78,781.9	58,174.1	46,542.2	65,574.9
Clove stem	Tonnes	226.5	345.4	445.0	280.0	468.0	328.4	492.6	901.2	217.4	974.7
	Value in '000' of TZS						485.0	342.6	811.6	217.4	974.7
Seaweed	Tonnes	8,485.0	11,177.0	10,248.0	11,937.0	13,193.0	15,087.0	11,043.8	13,302.0	16,724.0	11,114.5
	Value in '000' of TZS						6,062.9	4,134.9	6,088.3	9,468.5	4,933.9
Rubber	Tonnes	974.2	1,479.0	428.0	564.0	457.0	385.0	394.1	204.2	0.0	0.0
	Value in '000' of TZS						1,210.4	1,272.9	392.0	0.0	0.0

Source: Zanzibar State Trading Corporation (ZSTC), Ministry of Agriculture, Natural Resources, Livestock and Fishing and AGROTEX Company.

**Table A6.7: Production in Selected Industries**

Commodity	Units	2011	2012	2013	2014	2015	2016 <sup>P</sup>
Beverages*	Liters in '000'	17,199.0	14,409.0	12,409.0	12,448.0	16,972.0	19,811.0
	Mill. of TZS		7,461.8	5,407.9	4,081.6	5,314.9	7,232.2
Bread	Pcs. in '000'	111,512.0	114,858.0	127,815.0	143,855.0	161,911.0	174,350.0
	Mill. of TZS		14,357.3	15,976.8	17,981.9	19,720.2	20,852.9
Wheat flour	Tonnes	0.0	17,566.0	23,360.0	31,899.0	27,749.0	23,834.0
	Mill. of TZS		10,956.5	17,824.3	25,519.2	23,836.0	23,085.2
Diary products	Liters in '000'	0.0	0.0	0.0	1,527,876.0	7,745,044.0	10,475,453.0
	Mill. of TZS	0.0	0.0	0.0	2,668.6	12,552.9	13,061.3
Noodles	Kgs	189,000.0	199,000.0	215,915.0	222,392.0	277,990.0	181,872.0
	Mill. of TZS		257.2	323.9	369.9	500.4	327.4
Door UPVC	Pcs. in '000'	140.0	95.0	105.0	168.0	229.0	93.0
	Mill. of TZS		14.6	20.9	29.3	31.5	13.3
Window UPVC	No. in '000'	95.0	201.0	130.0	270.0	320.0	149.0
	Mill. of TZS		22.4	25.9	41.3	42.0	17.7
Gaments Dish dash	Pcs	4,672.0	2,877.0	3,622.0	3,950.0	3,419.0	3,674.0
	Mill. of TZS		52.6	94.6	104.9	98.3	110.8
Jewellery (gold/silver)	Gms	8,602.0	8,172.0	6,730.0	8,199.0	7,032.0	5,915.0
	Mill. of TZS		26.7	16.6	17.5	15.3	15.1

Source: Office of Chief Government Statistician - Zanzibar

Note: p denotes provisional data

\* includes mineral water, soft drinks and juice



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**A6.0 Zanzibar Output and Prices**  
**Table A6.8: Consumer Price Index**

Period	Base: August 2012=100													
	All items	Food	Non-Food	Alcoholic beverages, tobacco & narcotics	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishing, household equipment and routine household maintenance	Health	Transport	Communication	Recreation and culture	Education	Restaurants and hotels	Miscellaneous goods & services
Old Weights (%)	100.0	51.7	48.3	0.3	9.3	17.1	4.6	2.8	6.3	2.6	0.8	1.3	2.1	3.2
2010	78.5	77.1	79.8	65.8	71.2	85.4	71.0	68.6	85.3	98.3	79.8	80.4	77.9	94.1
2011	90.1	91.6	87.7	73.6	80.4	93.3	79.3	82.3	96.5	99.7	86.4	84.8	87.0	85.9
2012	98.9	98.0	99.6	96.0	97.5	100.7	98.1	97.4	101.3	99.8	98.8	100.3	98.6	99.3
2013	103.4	99.4	108.0	107.3	110.2	107.1	104.1	102.8	104.5	120.9	110.1	116.0	100.1	113.0
2014	109.2	103.8	115.3	108.9	116.0	113.3	107.7	104.2	106.6	167.6	125.0	132.5	100.7	120.7
2015	115.4	111.4	119.7	113.6	123.9	116.6	112.5	110.9	102.2	192.2	128.2	137.9	113.5	126.1
2016	123.1	120.2	125.4	117.5	132.4	120.7	117.9	123.6	102.6	199.5	131.2	150.6	140.2	137.5
2016- Jan	121.3	119.1	123.6	115.4	130.4	119.0	116.8	118.1	102.4	199.9	130.3	150.6	134.5	131.8
Feb	120.6	117.7	123.0	115.4	130.2	118.1	116.8	117.9	101.5	199.4	130.3	150.6	134.7	131.8
Mar	119.0	115.7	121.9	115.4	129.8	116.2	117.2	117.9	98.7	199.4	130.3	150.6	134.7	131.9
Apr	121.4	119.4	122.9	115.4	129.9	118.1	117.4	118.0	100.0	199.4	130.3	150.6	134.5	133.2
May	122.2	119.6	123.9	115.4	130.8	119.0	117.6	121.4	101.4	199.4	130.3	150.6	147.0	133.9
Jun	124.9	123.7	125.3	115.4	132.1	120.7	118.1	124.8	102.8	199.6	129.5	150.6	147.0	134.9
Jul	125.9	124.8	126.3	119.6	133.4	121.6	118.2	124.8	103.9	199.6	131.0	150.6	140.1	138.5
Aug	125.3	122.7	127.3	119.6	133.7	122.6	118.2	127.8	104.8	199.6	132.1	150.6	142.5	141.1
Sep	123.9	120.1	127.1	119.6	134.1	122.3	118.3	127.8	103.6	199.2	132.3	150.6	142.8	142.6
Oct	123.5	119.3	127.1	119.6	134.5	122.1	118.5	127.8	102.9	199.4	132.3	150.6	141.0	143.0
Nov	123.9	119.5	127.9	119.6	134.7	123.6	118.9	128.4	103.9	199.4	132.8	150.6	141.9	143.1
Dec	124.8	121.3	128.6	119.6	135.4	124.5	119.1	128.4	104.9	199.4	132.8	150.6	141.3	143.8
New Weights (%)	100.0	43.6	57.3	0.2	6.9	18.4	5.5	2.1	9.6	4.2	1.3	1.9	3.9	2.3
2017 Jan	125.8	123.4	128.3	119.6	135.6	123.7	118.7	128.4	104.4	199.4	132.9	156.9	142.4	144.0
Feb	100.2	100.2	100.2	100.0	99.9	100.3	100.0	100.0	100.8	100.0	96.7	100.0	100.0	100.0
Mar	100.3	101.1	100.5	101.1	100.0	99.9	100.3	100.0	100.1	102.4	100.0	98.4	100.0	100.0
April	103.4	104.2	102.8	100.0	99.8	107.3	100.0	100.4	102.8	100.0	98.4	100.0	100.0	99.8
May	104.8	107.3	102.9	100.0	99.8	107.6	100.1	104.0	102.0	100.1	98.4	100.0	100.0	99.9
Jun	104.7	105.5	104.1	100.0	104.1	108.6	101.2	103.5	102.6	100.0	102.3	100.0	100.0	100.2

Source: Office of Chief Government Statistician





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**A6.0 Zanzibar Output and Prices**  
**Table A6.9: Consumer Price Index, Twelve Months Percentage Change**

Period	All items	Food	Non-Food	Alcoholic beverages, tobacco & narcotics	Clothing and footwear	Housing, water, electricity, gas and other fuels	Furnishing, household equipment and routine household maintenance	Health	Transport	Communication	Recreation and culture	Education	Restaurants and hotels	Miscellaneous goods & services	Base: August 2012=100	
															Old Weights (%)	New Weights (%)
2011	14.7	18.9	10.0	11.9	12.9	9.2	11.7	20.1	13.1	1.5	8.2	5.5	11.7	-8.7	100.0	51.7
2012	9.8	7.0	13.5	30.4	21.2	7.9	23.7	18.3	5.0	0.1	14.4	18.2	13.3	15.6	100.0	48.3
2013	4.6	1.4	8.4	11.7	13.0	6.4	6.1	5.6	3.2	21.1	11.5	15.7	1.5	13.8	100.0	51.7
2014	5.6	4.5	6.8	1.5	5.3	5.8	3.5	1.4	2.0	38.6	13.5	14.2	0.7	6.8	100.0	51.7
2015	5.7	7.3	3.9	4.3	6.8	2.9	4.5	6.4	-4.1	14.7	2.6	4.1	12.6	4.5	100.0	51.7
2016	6.6	7.9	4.7	3.4	6.9	3.4	4.8	11.4	0.3	3.8	2.3	9.2	23.5	9.0	100.0	51.7
2016 Jan	9.8	11.8	6.8	2.5	15.7	5.8	6.0	11.5	0.4	8.6	4.2	10.7	31.3	8.4	100.0	51.7
Feb	10.9	14.6	6.4	2.4	11.1	5.4	6.2	11.4	-0.5	8.3	4.1	9.1	31.9	7.8	100.0	51.7
Mar	9.7	11.4	7.2	2.3	9.7	6.3	6.5	11.4	3.8	8.3	4.1	9.1	31.0	7.8	100.0	51.7
Apr	10.1	14.4	5.1	2.3	8.8	0.9	6.3	11.5	4.5	8.3	3.4	9.1	31.0	8.3	100.0	51.7
May	8.2	10.9	4.5	2.3	8.4	0.3	6.1	12.6	2.0	8.3	1.6	9.1	41.5	8.0	100.0	51.7
Jun	9.3	12.7	4.8	2.3	6.9	1.9	6.0	11.7	2.6	8.4	0.9	9.1	40.3	8.8	100.0	51.7
Jul	5.8	7.4	2.9	6.1	5.2	1.4	5.1	11.2	-3.8	-0.3	0.8	9.1	41.6	8.3	100.0	51.7
Aug	3.7	4.2	2.9	4.2	2.7	2.2	4.1	13.8	-2.9	-0.3	1.7	9.1	12.7	9.5	100.0	51.7
Sep	4.0	3.8	3.8	4.5	3.5	3.7	3.3	11.0	-1.0	-0.4	1.8	9.1	13.8	10.5	100.0	51.7
Oct	4.1	4.1	3.8	4.5	3.9	3.6	3.2	11.0	-1.6	-0.5	1.8	9.1	12.5	10.6	100.0	51.7
Nov	2.3	0.4	4.1	4.2	4.0	4.8	2.7	10.0	-0.9	-0.5	1.9	9.1	6.4	10.5	100.0	51.7
Dec	3.0	1.8	4.9	3.6	4.7	5.5	2.7	10.0	2.4	-0.5	1.9	9.1	6.1	9.7	100.0	51.7
<b>New Weights (%)</b>	<b>100.0</b>	<b>43.6</b>	<b>57.3</b>	<b>0.2</b>	<b>6.9</b>	<b>18.4</b>	<b>5.5</b>	<b>2.1</b>	<b>9.6</b>	<b>4.2</b>	<b>1.3</b>	<b>1.9</b>	<b>3.9</b>	<b>2.3</b>	<b>100.0</b>	<b>43.6</b>
2017 Jan	3.7	3.5	3.8	3.7	4.0	4.0	1.6	8.7	2.0	-0.2	2.0	4.1	5.9	9.3	100.0	43.6
Feb	4.5	4.4	4.5	3.7	4.0	5.1	1.6	8.9	3.8	0.0	-1.3	4.1	5.7	9.3	100.0	43.6
Mar	6.4	7.2	5.8	3.7	4.3	6.8	1.3	9.0	8.4	0.0	0.4	4.1	5.7	9.2	100.0	43.6
April	7.1	6.9	7.3	3.7	4.2	12.3	1.2	9.2	7.3	0.0	0.4	4.1	5.9	7.8	100.0	43.6
May	7.8	9.7	6.5	3.7	3.4	11.8	1.0	10.0	5.0	0.1	0.1	4.1	-3.2	7.5	100.0	43.6
Jun	5.4	4.3	6.5	3.7	6.8	11.4	1.8	6.5	4.3	0.0	5.0	4.1	-3.2	7.0	100.0	43.6

Source: Office of Chief Government Statistician



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### A6.0 Zanzibar Output and Prices

**Table A6.10: Government Operations**

	Millions of TZS									
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17 <sup>P</sup>
Total Revenue	110,357.7	139,742.1	149,495.0	181,502.1	220,017.8	266,161.3	330,715.2	362,766.0	425,349.0	521,856.8
Tax Revenue	102,866.7	130,267.7	138,992.9	164,295.5	195,528.8	254,379.4	316,098.1	342,002.0	386,738.7	465,749.8
Tax on Imports	26,099.9	33,852.5	35,426.8	48,680.2	59,098.2	63,753.0	87,633.1	87,903.1	102,777.7	122,332.3
VAT and Excise Duties (local)	36,172.2	45,019.8	43,028.5	49,259.1	58,995.3	67,868.7	85,915.4	93,554.3	92,167.2	114,032.5
Income Tax	13,593.4	20,085.3	24,665.3	27,670.8	32,569.3	60,700.1	57,187.0	56,000.9	68,455.1	81,475.6
Other Taxes	27,001.2	31,310.1	35,872.4	38,685.5	44,866.0	62,057.5	85,362.6	104,543.7	123,338.6	147,909.3
Non-Tax Revenue	7,491.0	9,474.4	10,502.1	17,206.6	24,489.0	11,782.0	14,617.1	20,764.0	38,610.3	56,107.0
Total Expenditure	187,471.7	203,434.1	286,308.7	347,976.9	375,391.2	514,348.6	469,006.0	483,800.0	484,375.8	589,000.6
Recurrent Expenditure	125,670.7	137,977.4	167,653.3	188,262.9	233,888.7	300,248.4	327,262.7	348,373.0	400,868.4	475,465.9
Wages and Salaries	59,438.0	63,974.8	72,535.7	84,489.9	118,813.0	132,663.8	164,427.1	182,378.4	196,041.2	217,865.0
Interest Payment	1,214.6	1,111.9	858.5		1,356.3	0.0	1,529.0	3,327.0	0.0	0.0
Local	1,214.6	1,111.9	858.5	1,639.3	1,356.3	0.0	1,529.0	3,327.0	0.0	0.0
Foreign	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Expenditure	65,018.0	72,890.8	94,259.1	102,133.7	113,719.4	167,584.6	162,835.5	162,667.6	204,827.2	257,601.0
Development Expenditure	61,801.0	65,456.7	118,655.4	159,714.1	141,502.5	214,100.1	141,743.4	135,427.0	83,507.4	113,534.7
Local	10,162.6	23,291.1	38,865.0	30,485.4	34,467.3	34,877.6	42,339.2	48,764.0	27,007.2	51,277.0
Foreign	51,638.5	42,165.6	79,790.4	129,228.7	107,035.2	179,222.6	99,404.2	86,663.0	56,500.2	62,257.7
Overall (surplus) Deficit before grants	-77,114.1	-63,692.0	-136,813.6	-166,474.8	-155,373.4	-248,187.3	-138,290.9	-121,034.0	-59,026.8	-67,143.8
Grants	62,885.9	52,995.2	85,777.7	87,476.1	71,285.7	131,873.6	76,710.2	39,121.9	28,889.9	39,004.8
4.5% Budget Support				37,602.0	25,466.0	22,135.0	36,053.8	17,031.0	7,674.0	5,656.5
Debt relief	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Program Grant				49,874.1	45,819.7	109,738.6	40,656.5	22,090.9	21,215.9	33,348.3
Overall Deficit after grants	-14,228.2	-10,696.8	-51,035.9	-78,998.7	-84,087.7	-116,313.6	-61,580.6	-81,912.1	-30,136.9	-28,139.1
Adjustment to cash and other items	3,562.2	-5,487.0	8,925.2	-355.9	8,120.0	38,647.2	-17,184.4	24,299.0	-25,892.8	-770.3
Overall Deficit cheques cleared	-10,666.0	-16,183.8	-42,110.7	-79,354.6	-75,967.7	-77,666.4	-78,765.0	-57,613.1	-56,029.6	-28,909.4
Financing	10,666.0	16,183.8	42,110.7	79,354.6	75,967.7	77,666.4	78,765.0	57,613.1	56,029.6	28,909.4
Foreign	15,014.6	12,713.4	42,110.7	79,354.6	61,215.5	69,483.9	58,747.7	47,541.1	32,946.6	28,909.4
Import Support				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Program Loans				79,354.6	61,215.5	69,483.9	58,747.7	47,541.1	32,946.6	28,909.4
Amortization (foreign)				0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic (net)	470.1	3,470.4	0.0	0.0	14,752.2	8,182.5	20,017.3	10,072.0	23,083.0	0.0
Bank	0.0	0.0	0.0	0.0	0.0	8,182.5			23,083.0	0.0
Non-bank	470.1	4,940.5	0.0	0.0	14,752.2	0.0	20,017.3	10,072.0	0.0	0.0
Amortization (local)	-4,818.7	-1,470.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Ministry of Finance, Zanzibar

Note: p denotes provisional data



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A7.0 International Economics and Financial Developments

Table A7.1: Economic Performance in G-7 Countries and the Euro Area

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
											Mar	Jun
<b>G-7 Countries:</b>												
<b>Canada</b>												
Real GDP <sup>1</sup>	2.1	1.0	-2.9	3.1	3.1	1.7	2.5	2.6	0.9	1.5	2.3	n.a
Inflation <sup>1</sup>	2.1	2.4	0.3	1.8	2.9	1.5	0.9	1.9	1.1	1.4	1.9	1.3
Interest rates <sup>2</sup>	4.3	1.8	0.4	0.6	1.0	1.0	1.0	1.0	0.6	0.5	0.8	n.a
<b>France</b>												
Real GDP <sup>1</sup>	2.4	0.2	-2.9	2.0	2.1	0.2	0.6	0.9	1.1	1.2	1.1	1.7
Inflation <sup>1</sup>	1.6	3.2	0.1	1.7	2.3	2.2	1.0	0.6	0.1	0.3	1.2	0.9
Interest rates <sup>2</sup>	2.9	3.6	0.6	0.4	0.7	0.1	0.0	0.1	-0.2	-0.6	n.a	n.a
<b>Germany</b>												
Real GDP <sup>1</sup>	3.4	0.8	-5.6	3.9	3.7	0.7	0.6	1.9	1.5	1.9	1.9	2.1
Inflation <sup>1</sup>	2.3	2.8	0.2	1.1	2.5	2.1	1.6	0.8	0.1	0.4	1.9	1.7
Interest rates <sup>2</sup>	3.9	3.8	0.6	0.4	0.8	0.3	n.a	n.a	n.a	n.a	n.a	n.a
<b>Italy</b>												
Real GDP <sup>1</sup>	1.5	-1.1	-5.5	1.7	0.6	-2.8	-1.7	0.1	0.8	0.9	1.2	1.5
Inflation <sup>1</sup>	2.0	3.5	0.8	1.6	2.9	3.3	1.2	0.2	0.1	-0.1	1.3	1.5
Interest rates <sup>2</sup>	4.3	4.7	1.3	1.0	2.7	2.1	n.a	n.a	n.a	0.4	n.a	n.a
<b>Japan</b>												
Real GDP <sup>1</sup>	2.2	-1.0	-5.4	4.2	-0.1	1.5	2.0	0.3	1.1	1.0	1.4	2.1
Inflation <sup>1</sup>	0.1	1.4	-1.3	-0.7	-0.3	-0.1	0.3	2.8	0.8	-0.1	0.3	0.4
Interest rates <sup>2</sup>	0.5	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.3	n.a
<b>UK</b>												
Real GDP <sup>1</sup>	2.6	-0.5	-4.3	1.9	1.5	1.3	1.9	3.1	2.2	1.8	2.0	1.7
Inflation <sup>1</sup>	2.3	3.6	2.2	3.3	4.5	2.8	2.6	1.5	0.0	0.7	2.1	2.7
Interest rates <sup>2</sup>	5.7	4.7	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.3	0.3	n.a
<b>USA</b>												
Real GDP <sup>1</sup>	1.8	-0.3	-2.8	2.5	1.6	2.2	1.7	2.6	2.9	1.5	2.0	2.2
Inflation <sup>1</sup>	2.9	3.8	-0.3	1.6	3.1	2.1	1.5	1.6	0.1	1.3	2.5	1.9
Interest rates <sup>2</sup>	4.8	0.9	0.2	0.2	0.1	0.1	0.1	0.1	0.3	0.4	0.9	n.a
<b>EURO AREA</b>												
Real GDP <sup>1</sup>	3.1	0.5	-4.5	2.1	1.6	-0.9	-0.2	1.3	2.0	1.8	1.9	2.2
Inflation <sup>1</sup>	2.2	3.3	0.3	1.6	2.7	2.5	1.3	0.4	0.0	0.2	1.8	1.5
Interest rates <sup>2</sup>	3.9	3.9	0.7	0.5	0.8	0.1	0.1	0.1	-0.2	n.a	n.a	n.a

Source: IMF World Economic Outlook, Bloomberg system.

Notes: <sup>1</sup> Percentage change from the previous year (for annual figures) and percentage change from the corresponding quarter of previous year (for quarter figures)

<sup>2</sup> Percent

n.a = not available



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**A7.0 International Economics and Financial Developments**  
**Table A7.2: World Market Prices for Selected Commodities**

Commodity	Unit Measure	2016												2017		
		2008	2009	2010	2011	2012	2013	2014	2015	2016	Q1	Q2	Q3	Q4	Q1	Q2
Coffee "Arabica"	USD per kg	3.08	3.17	4.32	5.98	4.11	3.08	4.42	3.53	3.61	3.31	3.49	3.79	3.86	3.64	3.30
Coffee "Robusta"	USD per kg	2.32	1.64	1.74	2.41	2.27	2.08	2.22	1.94	1.95	1.65	1.84	2.05	2.27	2.36	2.23
Cotton "A index"	USD per kg	1.57	1.38	2.28	3.33	1.97	1.99	1.83	1.55	1.64	1.48	1.57	1.76	1.74	1.87	1.91
Sisal "UG grade"	USD per kg	1.10	1.00	0.90	1.39	1.45	1.40	1.51	1.87	1.80	1.90	1.90	1.90	1.50	1.78	1.80
Tea "Mombasa Auction"	USD per kg	2.22	2.52	2.56	2.72	2.88	2.40	2.05	2.74	2.30	2.38	2.14	2.24	2.43	2.82	2.79
Cloves	USD per kg			4.81	10.20	10.74	11.55	12.09	10.23	8.48	8.65	8.71	8.60	7.95	8.16	8.83
Maize	USD per tonne	223.12	165.51	185.91	291.68	298.42	259.39	192.88	169.75	159.16	159.95	171.08	153.58	152.17	160.60	157.65
Rice	USD per tonne	650.19	554.99	488.91	543.03	562.98	505.89	422.83	386.00	396.17	379.00	423.00	n.a	n.a	n.a	n.a
Wheat	USD per tonne	326.03	224.07	223.58	316.26	313.24	312.25	284.90	204.47	166.75	190.50	177.70	150.71	148.09	154.28	178.70
Gold	USD/troy ounce	871.71	972.97	1,224.66	1,569.21	1,669.52	1,411.46	1,265.58	1,160.66	1,248.99	1,181.00	1,260.00	1,334.48	1,220.75	1,219.24	1,257.73
Crude oil*	USD per barrel	96.99	61.76	79.04	104.01	105.01	104.08	96.24	50.75	42.81	32.72	44.79	44.68	49.06	52.95	49.41
Crude oil**	USD per barrel	94.32	64.02	79.04	93.72	95.30	94.86	89.09	51.99	45.66	30.56	42.94	43.36	47.94	52.90	49.73
White products***	USD per tonne	n.a	n.a	691.68	969.01	990.94	945.29	880.20	629.47	504.56	480.20	446.73	528.70	562.60	499.00	487.42
Jet/Kerosene	USD per tonne	n.a	n.a	707.36	988.12	1,003.43	965.96	885.70	502.59	393.78	329.92	417.84	385.71	441.65	465.95	445.88
Premium Gasoline	USD per tonne	n.a	n.a	727.21	981.23	1,032.41	981.39	911.41	570.31	446.46	361.67	475.61	451.40	497.16	532.05	528.96
Heat Oil	USD per tonne	n.a	n.a	640.47	937.67	936.97	888.51	843.50	815.52	749.00	749.00	749.00	749.00	749.00	n.a	n.a

Source: <http://www.imf.org>; worldbank.org/prospects; World Bank Public Ledger and Bloomberg

Note: \* Average of Brent, Dubai and West Texas Intermediate

\*\* f.o.b. Dubai

\*\*\* Average of premium gas oil, Gas oil and Jet/Kerosene, f. o. b. West Mediterranean

Q denotes quarter; and n.a., not available





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