

BANK OF TANZANIA



ANNUAL REPORT

2011/12



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ABBREVIATIONS AND SYMBOLS

AFRITAC	Africa Regional Technical Assistance Centre
AIC	Administration and Internal Control
AML	Anti Money Laundering
APP	Annual Procurement Plan
ATM	Automatic Teller Machine
ADF	African Development Fund
BOU	Bank of Uganda
CBK	Central Bank of Kenya
CBS	Central Banking System
CPI's	Compliance Performance Indicators
DFI	Development Finance Institution
DOD	Disbursed Outstanding Debt
DSE	Dar es Salaam Stock Exchange
EAC	East African Community
ECGS	Export Credit Guarantee Scheme
EFP	Economic and Financial Policies
EFT	Electronic Fund Transfer
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
FDI	Foreign Direct Investment
FEMO	Foreign Exchange Market Operations
FISIM	Financial Intermediation Services Indirectly Measured
FSD	Financial Stability and Deepening
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
GPSA	Government Procurement Services Arrangement
HIPC	Highly Indebted Poor Countries
IDA	International Development Association
IFMS	Integrated Financial Management Systems
IMF	International Monetary Fund
IPTL	Independent Power Tanzania Limited
ISIC	International Standard Industrial Classification
LGA	Local Government Authority
MAC	Monetary Affairs Committee
MDRI	Multilateral Debt Relief Initiative
MEFMI	The Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MFI	Micro Finance Institutions
MPI	Manufacturing Production Index
NBC	National Bank of Commerce
NFIWG	National Financial Inclusion Working Group
NMB	National Microfinance Bank
NPS	National Payments System
NSGRP	National Strategy for Growth and Reduction of Poverty
OCGS	Office of Chief Government Statistician
OMO	Open Market Operations
RGZ	Revolutionary Government of Zanzibar



REPOs	Repurchase Agreements
SACCOS	Savings and Credit Cooperative Societies
SADC	Southern African Development Community
SGFSR	Second Generation Financial Sector Reform
SME	Small and Medium Scale Enterprises
SME-CGS	Small and Medium Scale Enterprises Credit Guarantee Scheme
SMZ	Serikali ya Mapinduzi ya Zanzibar (Revolutionary Government of Zanzibar)
TANESCO	Tanzania Electricity Supply Company
TISS	Tanzania Interbank Settlement System
TMRC	Tanzania Mortgage Refinance Company Ltd.
TNNSS	Tanzania National Net Settlement Service
TPB	Tanzania Postal Bank
TUICO	Tanzania Union Of Industrial and Commercial Workers
TUKUZA	Tumia Umeme kwa Uangalifu Zanzibar (Computerized Prepaid Electricity Meter)
URT	United Republic of Tanzania
VAT	Value Added Tax
ZIPA	Zanzibar Investment Promotion Authority
ZSSF	Zanzibar Social Security Fund



10th April 2013

Hon. Dr. William Mgimwa (MP)
Minister for Finance
United Republic of Tanzania
DAR ES SALAAM

Honourable Minister,

LETTER OF TRANSMITTAL

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

- (a) A report of the Bank's operations and principal functions, in particular, the implementation of Monetary Policy and other activities during the year, and
- (b) The balance sheet as at 30th June 2012, the Profit and Loss Accounts for the year ending 30th June 2012 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,

Prof. Benno Ndulu
Governor
Bank of Tanzania



BOARD OF DIRECTORS



*Prof. Benno J. Ndulu
Governor and Chairman*



*Dr. Natu E. Mwamba
Deputy Governor, Economic
and Financial Policies (EFP),*



*Mr. Lila H. Mkila
Deputy Governor, Financial
Stability and Deepening (FSD)*



*Mr. Juma H. Reli
Deputy Governor,
Administration and Internal
Controls (AIC)*



*Mr. Bedason A. Shallanda
Representative from the
Ministry of Finance
(URT)*



*Prof. Haidari K. Amani
Director*



*Mr. Khamis M. Omar
Principal Secretary to the
Treasury (SMZ)*



*Mrs. Esther P. Mkwizu
Director*



*Mr. Yona S. Kilagane
Director*



*Mr. Athman H. Mtengeti
Secretary to the Bank*



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BANK OF TANZANIA MISSION

The Bank's mission is:

“To maintain price stability that is conducive to the attainment of financial and macroeconomic stability for balanced and sustainable growth of the national economy of Tanzania”.

BANK OF TANZANIA INFLATION CONTROL STRATEGY

- The primary objective of the Bank of Tanzania is price stability. The Bank therefore, has the responsibility of establishing monetary conditions that are consistent with low and stable inflation.
- Inflation control is not an end in itself, but rather, the means by which monetary policy contributes to overall economic performance.
- Low inflation allows the economy to function more efficiently, thereby contributing to a better overall economic performance.
- The Bank of Tanzania controls inflation by managing the growth of money supply. The Bank targets broad money (M2), which is defined as currency in circulation outside banks, and total deposits held by commercial banks, excluding foreign currency deposits. M2 is chosen because it is the monetary aggregate that is estimated to have closest relationship with the rate of inflation.
- To influence the growth of M2, the Bank controls reserve money (base money or high powered money), which is directly related to money supply through the money multiplier. Reserve money is defined as the liabilities of a central bank, which include currency held outside the central bank and deposits of other depository corporations with the central bank.

MONETARY POLICY INSTRUMENTS

The Bank of Tanzania uses indirect instruments of monetary policy to influence the level of money supply.

- The main instrument is Open Market Operations (OMO), which involves sale or purchase of securities (Treasury bills and bonds) by the Bank to withdraw or inject liquidity into the financial system in order to influence reserve money.
- Other instruments include Foreign Exchange Market Operations (FEMO), standing facilities (Lombard and discount window), repurchase agreement transactions, statutory reserve requirements and moral suasion.



MONETARY POLICY IMPLEMENTATION BY THE BANK OF TANZANIA

- At the beginning of every fiscal year, the Bank of Tanzania sets annual monetary policy targets in its Monetary Policy Statement (MPS), in accordance with the broader macroeconomic policy objectives of the Government.
- The Statement is approved by the Board of Directors of the Bank and submitted to the Minister for Finance, who is in turn submits it to the Parliament.
- The same procedure is followed in the mid-year review of Monetary Policy Statement, which shows progress in the implementation of the monetary policy and the outlook for the remaining period.
- The Monetary Policy Committee (MPC) of the Board of Directors of the Bank, which is chaired by the Governor, is responsible for setting the monetary policy direction bi-monthly, consistent with the ultimate objective of maintaining domestic price stability.
- At the Bank, the Liquidity Management Committee, chaired by the Governor, meets weekly to evaluate weekly progress on monetary policy implementation and decide on appropriate measures.
- At the Bank, the Surveillance Committee, also chaired by the Governor, meets daily to evaluate progress in monetary policy implementation and approve appropriate measures for liquidity management.
- A Technical Committee reviews liquidity developments on daily basis and advises Surveillance Committee on appropriate daily measures for liquidity management.



EXECUTIVE SUMMARY

Tanzania recorded a **real GDP growth** rate of 6.4 percent in 2011 compared with 7.0 percent recorded in 2010 and projection of 6.0 percent. Growth was particularly strong in communication, financial intermediation, and construction. Rising food prices coupled with high global oil prices pushed **average annual headline inflation** to 17.8 percent, from 7.0 percent recorded in 2010/11.

During 2011/12, **Government budgetary operations** experienced a good performance in domestic revenue collection compared to the budget estimate on account of strengthened tax collection efforts. Domestic revenue collections, **including Local Government Authorities (LGAs)** own sources, was 17.6 percent of GDP compared with target of 17.3 percent. Tax revenue collections were above the budget estimates by 4.3 percent, while non tax revenue was 97.2 percent of the budget estimates. Total expenditure was 86.5 percent of the budget estimates and 26.6 percent of GDP. Overall expenditure was adjusted in line with the available resources and priority areas. Total financing of the budget deficit reached TZS 2,065.1 billion equivalent to 5.0 percent of GDP. Out of the total financing TZS 1,730.2 billion was from external sources.

Monetary policy stance for 2011/12 was relatively cautious in efforts to reduce inflationary pressures in the economy. Growth of extended broad money supply (M3) slowed down to 11.8 percent from 22.0 percent recorded in 2010/11, whereas broad money (M2) grew by 12.7 percent compared with 19.4 percent in the preceding year. Credit to the Government and private sector recorded slower growth rates during the period. Following monetary policy measures taken by the Bank, money markets interest rates increased sharply compared with the levels recorded in 2010/11. In line with developments in the money markets, both deposits and lending rates increased.

The Bank continued to participate in the Inter-bank Foreign Exchange Market (IFEM) primarily to complement other instruments in managing liquidity in the economy and smoothening out short term volatility in the exchange rate. On net terms basis, the Bank sold a total of USD 993.3 million, compared to USD 990.9 million sold in 2010/11. **Nominal exchange rate** depreciated by 7.4 percent from an annual average of TZS 1,489.6 per USD in 2010/11 to TZS 1,608.1 per USD in 2011/12. The depreciation of the shilling was explained mostly by higher demand for foreign currency for imports, coupled with general strengthening of the US dollar against major currencies.

Tanzania recorded a surplus of USD 197.4 million in the **overall balance of payments** during 2011/12 compared to a surplus of USD 100.8 million recorded in 2010/11 on account of increased official capital transfers, Foreign Direct Investment (FDI) inflows and other investments. Nevertheless, the current account deficit widened to USD 4,328.5 million compared to USD 2,208.7 million recorded in 2010/11 largely explained by a significant rise in import of oil and capital goods and decline in official current transfers. As at the end of June 2012, the **gross official reserves** held by the Bank of Tanzania amounted to USD 3,786.7 million which was sufficient to cover about 3.5 months of projected import of goods and services.

At the end of June 2012, **Tanzania's external debt stock** stood at USD 10,354.6 million compared to USD 9,637.5 million recorded in the corresponding period in 2011. The increase was on account of relatively large new disbursements and accumulation of interest arrears. External debt stock as a percent of GDP increased to 43.0 percent from 40.6 percent recorded at the end of June 2011. Meanwhile, **domestic debt stock** increased to TZS 4,174.2 billion compared with TZS 3,734.5 billion registered at the end



of June 2011 on account of large issuance of Government securities. The domestic debt stock was equivalent to 11.1 percent of GDP and 20.4 percent of national debt stock.

During the period under review, implementation of **financial sector reforms** under the Second Generation Financial Sector Reforms Programme (SGFSR), which aimed at promotion of competition, financial inclusion and enhancement of financial stability in the country, continued apace. Several studies were conducted including those on Portfolio Review of Social Security Schemes, Preparation of Five Year Strategic Plans for DSE, Reviewing the Capital Markets Legal and Regulatory Framework and actuarial valuation for all pension funds in Tanzania mainland.

In the year ending June 2012, the **banking sector** remained sound and stable, with capital and liquidity levels being above regulatory requirements. The ratio of core capital to total risk weighted assets and off-balance sheet exposure was at 17.5 percent compared with a minimum regulatory requirement of 10.0 percent, while that of total loans to customers' deposits stood at 67.5 percent, which is within the threshold of 80.0 percent. In the period under review, quality of assets of the banking system improved as the ratio of non-performing loans (NPL) to total loans decreased to 8.1 percent from 9 percent recorded at the end of June 2011, reflecting improvements in credit administration by banking institutions.

During 2011/12, the Tanzania Inter-bank Settlement Systems (TISS) was enhanced to enable settlement of USD transactions and processing of MasterCard payments via SWIFT. In a move to foster regional integration, TISS was upgraded to include a cross border functionality that will enable it to link with other East African Settlement systems so as to facilitate settlement of regional transactions on real time. To enhance legal and regulatory framework of the **National Payment Systems**, the Bank finalised the development of the Mobile Payments Regulations.

In 2011, **Zanzibar** recorded **real GDP** growth rate of 6.8 percent, compared to 6.4 percent recorded in 2010 mainly on account of improved performance in hotels and restaurants activities. During 2011/12, Zanzibar **average annual headline inflation** increased to 15.5 percent from 9.0 percent recorded in 2010/11, mainly due to increase in prices of food and petroleum products.

Government budgetary operations on cheques issued basis recorded a deficit of TZS 82.7 billion after grants, compared to a deficit of TZS 79.0 billion in 2010/11. Total resources amounted to TZS 291.3 billion, out of which 75.5 percent was from domestic sources. Government expenditure amounted to TZS 374.0 billion, below the annual estimate by 39.0 percent mainly on account of shortfall in disbursement of donor funds for development projects. During the same period, **Zanzibar current account balance** improved to a surplus of USD 11.2 million from a deficit of USD 19.8 million recorded in the corresponding period a year earlier. The improvement was largely on account of an increase in tourism related receipts and cloves export earnings.

In 2011, **global real GDP** growth slow-down to 3.9 percent from 5.3 percent recorded in 2010 mainly due to weak consumer and business confidence in most of the advanced economies. Likewise, in the SADC region average real GDP grew by 4.7 percent, compared to 5.5 percent recorded in 2010. However, in the EAC region, slight improvements were recorded with the region economy expanding by 6.1 percent in 2011 compared to 5.9 percent recorded in 2010.

Global inflation was generally high, mainly affected by rising commodity prices. Global inflation increased to 4.8 percent in 2011 from 3.7 percent recorded in 2010, with the same trend being observed in all regions.





PART I
AN OVERVIEW OF ECONOMIC DEVELOPMENTS



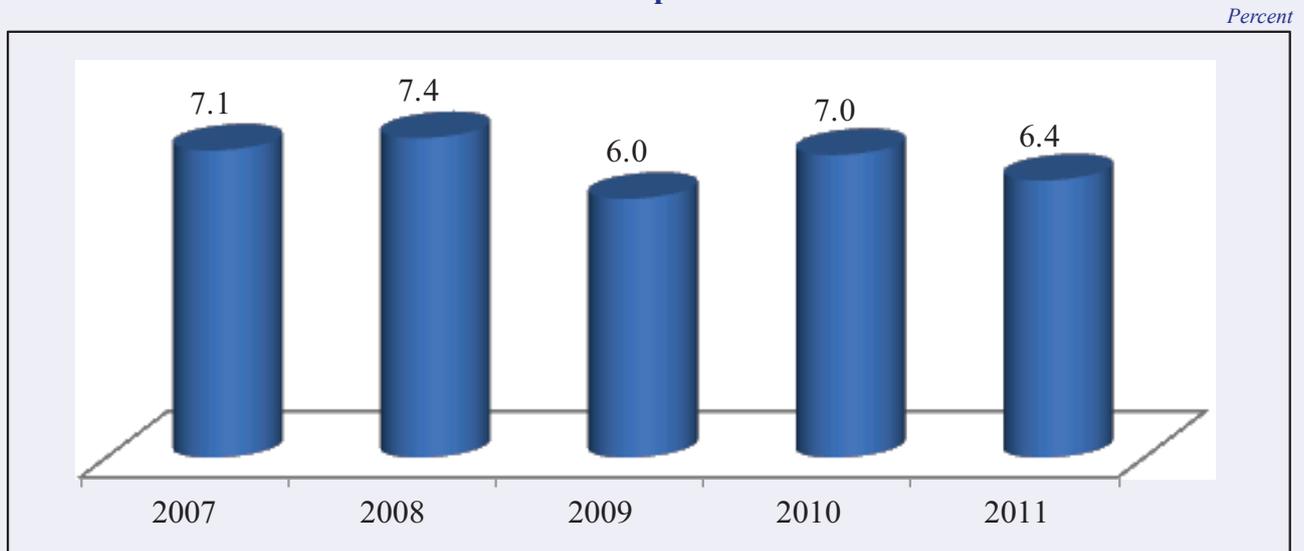
CHAPTER ONE OUTPUT AND PRICES

Gross Domestic Product

Real GDP growth remained resilient during 2011 despite supply-side shocks arising from higher global prices and regional drought. Real GDP grew by 6.4 percent compared to 7.0 percent in 2010 and slightly above the projected growth

of 6.0 percent (**Chart 1.1**). Major contributors to GDP growth included Trade and repairs (18.2 percent), Transport and Communication (13.8 percent), Agriculture (12.6 percent), Manufacturing (11.8 percent), Real estate (10.3 percent) and Construction (9.8 percent).

Chart 1.1: Real GDP Growth at Constant 2001 prices



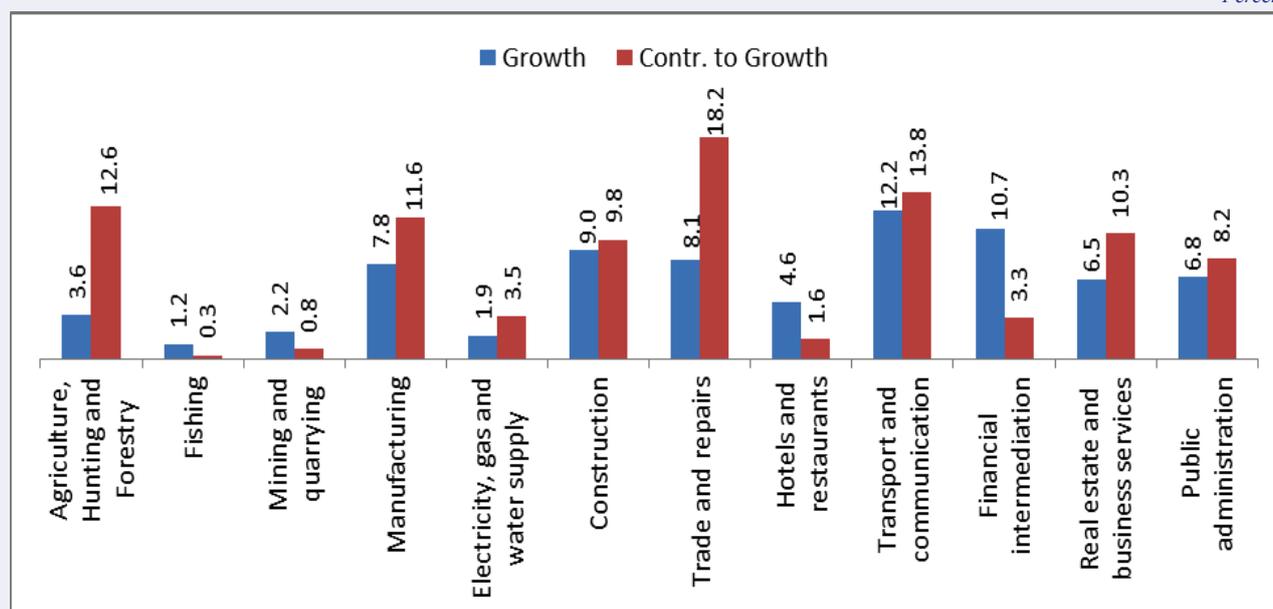
Source: National Bureau of Statistics

During the year, the highest growth was recorded in communication activity which grew by 19.0 percent, mainly driven by the increase in the usage of cellular phones. Financial intermediation registered a growth rate of 10.7 percent mainly due to ongoing financial sector reforms and

increased competition in the provision of insurance services. However, its contribution to total GDP growth was only 3.3 percent. Among the reported economic activities in 2011 fishing recorded the lowest growth of 1.2 percent (**Table 1.1**).


Chart 1.2: Real GDP Growth and Contribution to Growth by Activity, 2011

Percent



Note: Contr. = Contribution

Source: National Bureau of Statistics and Bank of Tanzania

Table 1.1: Growth and Share to Gross Domestic Product by Activity, at 2001 Prices

Economic Activity	2007	2008	2009	2010r	2011 ^P
	Real Growth				
Agriculture, Forestry and Hunting	4.0	4.6	3.2	4.2	3.6
Crops	4.5	5.1	3.4	4.4	3.5
Livestock	2.4	2.6	2.3	3.4	3.9
Forestry and hunting	2.9	3.4	3.5	4.1	3.5
Fishing	4.5	5.0	2.7	1.5	1.2
Industry and construction	9.5	8.6	7.0	8.2	6.9
Mining and quarrying	10.7	2.5	1.2	2.7	2.2
Manufacturing	8.7	9.9	8.0	7.9	7.8
Electricity, gas	10.9	5.4	8.4	10.2	1.5
Water supply	6.5	6.6	5.6	6.3	4.0
Construction	9.7	10.5	7.5	10.2	9.0
Services	8.1	8.5	7.2	8.2	7.9
Trade and repairs	9.8	10.0	7.5	8.2	8.1
Hotels and restaurants	4.4	4.5	4.4	6.1	4.6
Transport	6.5	6.9	6.0	7.0	6.7
Communications	20.1	20.5	21.9	22.1	19.0
Financial intermediation	10.2	11.9	9.0	10.1	10.7
Real estate and business services	7.0	7.1	6.8	7.0	6.5
Public administration	6.7	7.0	4.4	6.5	6.8
Education	5.5	6.9	7.1	7.3	7.4
Health	8.8	9.0	6.7	6.9	5.4
Other social and personal services	3.2	3.1	3.2	3.5	3.0
Gross value added excluding adjustments less FISIM	7.3	7.5	6.1	7.1	6.5
Gross value added at basic prices	7.2	7.4	6.0	7.1	6.4
Add Taxes on products	6.9	7.8	5.8	6.7	6.5
Gross domestic product at market prices	7.1	7.4	6.0	7.0	6.4
	As Percent of GDP				
Agriculture, Hunting and Forestry	24.6	24.0	23.3	22.7	22.1
Crops	18.6	18.2	17.8	17.3	16.8
Livestock	4.0	3.8	3.7	3.6	3.5
Forestry and hunting	2.0	2.0	1.9	1.9	1.8
Fishing	1.6	1.5	1.5	1.4	1.3
Industry and construction	20.9	21.2	21.4	21.6	21.7
Mining and quarrying	2.7	2.6	2.5	2.4	2.3
Manufacturing	9.2	9.4	9.5	9.6	9.7
Electricity, gas	2.1	2.0	2.1	2.1	2.0
Water supply	0.4	0.4	0.4	0.4	0.4
Construction	6.5	6.7	6.8	7.0	7.2
Services	47.3	47.8	48.3	48.8	49.5
Trade and repairs	13.8	14.1	14.3	14.5	14.7
Hotels and restaurants	2.4	2.3	2.3	2.3	2.2
Transport	5.1	5.1	5.1	5.1	5.1
Communications	2.1	2.3	2.7	3.1	3.4
Financial intermediation	1.8	1.9	1.9	2.0	2.1
Real estate and business services	10.2	10.2	10.2	10.2	10.2
Public administration	8.0	8.0	7.8	7.8	7.8
Education	1.8	1.8	1.8	1.8	1.8
Health	1.4	1.4	1.4	1.4	1.4
Other social and personal services	0.7	0.7	0.6	0.6	0.6
Taxes on products	6.7	6.7	6.7	6.7	6.7

Note: FISIM is an estimate of the value of the services provided by financial intermediaries, such as banks, for which no explicit charges are made; instead these services are paid for as part of the margin between rates applied to savers and borrowers.

Source: National Bureau of Statistics



Developments in Selected Economic Activities

During 2011, **Agriculture** activity comprising of crop, livestock, forest and hunting grew by 3.6 percent compared to 4.2 percent in 2010. This outturn was mainly associated with slow growth in crop and forestry sub-activities.

Food Production: Estimates by the Ministry of Agriculture, Food Security and Cooperative indicated that production of food crops rose to 13.6 million tonnes in 2011/12 compared with 13.0 million tonnes recorded in 2010/11 on

account of good weather conditions. Production of cereals is estimated at 7.6 million tonnes compared with 7.0 million tonnes recorded in 2010/11 whereas that of non-cereals is estimated at 6.0 million tonnes compared with 5.9 million tonnes of the previous season.

Food prices: Average wholesale prices for most of food crops except finger millet increased when compared with average prices recorded in the previous year (**Table 1.2**). The increase in prices was associated with food shortages in the neighbouring countries and rising transportation costs.

Table 1.2: National Average Wholesale Prices for Food Items

Item	2007/08	2008/09	2009/10	2010/11	2011/12	TZS per 100 Kg
						% Change 2010/11 to 2011/12
Maize	27,938.7	33,607.4	38,335.1	35,698.8	52,326.0	46.6
Rice	75,270.4	102,950.5	81,408.2	100,153.2	165,444.2	65.2
Beans	80,380.5	97,549.0	84,293.5	110,870.1	129,574.6	16.9
Sorghum	32,692.7	43,015.1	55,006.8	52,895.1	65,201.0	23.3
Finger millet	38,474.7	60,100.2	70,401.1	71,251.1	69,924.5	-1.9
Potatoes	45,777.5	43,592.6	52,378.3	55,405.3	71,251.1	28.6

Source: Ministry of Industry, Trade and Marketing

Production of traditional cash crops: During 2011/12 production of traditional cash crops, with the exception of coffee and tea increased when compared to the levels recorded in the previous crop season (**Table 1.3**). Production of seed cotton, cashew nuts and tobacco depicted a substantial increase mainly due to favourable weather conditions, steady supply and application

of agrochemicals and pesticides coupled with good producer prices offered in the previous season. Coffee production declined on account of low yield cycle year while tea production was affected by unfavourable weather conditions in the northern growing areas. **Table 1.4** summarizes developments in producer prices of traditional cash crops over time.


Table 1.3: Production of Selected Major Traditional Cash Crops

'000' Tonnes

	2007/08	2008/09	2009/10	2010/11*	2011/12 ^e	% Change 2010/11 to 2011/12	Peak Production	
							Period	Tonnes
Total Export Crops	454.1	627.4	494.4	492.3	610.8	24.1		
Coffee	43.5	68.5	34.6	56.8	33.5	-41.1	1980/81	67.0
Seed Cotton	200.7	368.7	267.0	163.5	225.9	38.2	2005/06	374.7
Tea	32.7	32.0	32.8	31.7	31.3	-1.2	2004/05	30.7
Cashew nuts	92.3	79.1	75.4	121.1	158.4	30.8	1973/74	145.0
Tobacco	50.8	55.4	60.7	94.2	126.6	34.4	1997/98	52.0
Sisal*	34.1	23.8	24.0	25.0	35.0	40.2	1964	230.0

Note: r = Revision
e = Estimates

Source: Ministry of Agriculture, Food Security and Cooperatives and Crop Boards

Table 1.4: Average Producer Prices for Traditional Cash Crops

TZS per Kg

Period	Coffee		Seed Cotton	Green Tea	Raw Cashew	Tobacco Av. price	Tobacco			Sisal* UG
	Arabica	Robusta					VFC	DFC	Burley	
2007/08	1,850	700	450	110	610	1,072	1,172	841	917	958
2008/09	1,500	700	450	119	675		1,373	1,019	1,149	1,162
2009/10	1,700	450	440	120	700		2,741	1,659	1,698	1,059
2010/11	3,700	900	650	126	1,600		2,909	1,691	1,773	948
2011/12	4,400	1,300	1,000	200	1,100		3,193	2,326		

Note: * USD/Tonne

VFC = Virginia Flue Cured, about 80 percent of tobacco grown in Tanzania is VFC type

DFC = Dark Fire-Cured

Sisal Fiber Grade UG - Length of fiber from 60cm (2 feet) upwards. Color of fiber may be brownish and spotted due to damaged leaf or greenish due to insufficient water during decortications.

Source: Ministry of Agriculture, Food Security and Cooperative, and Crop Boards

Fishery activities recorded a slower growth for a third year in a row, declining from 5.0 percent recorded in 2008, 1.5 percent in 2010 to a growth rate of 1.2 percent in 2011. The slowdown was partly attributed to problems inherent in the

sector including the use of illegal fishing gear which has led to destruction of breeding places and depletion of fish resources. **Table 1.5** shows the volume and value of fish catches.

Table 1.5: Trends in Fish Catches Tanzania Mainland

Period	Number of		Fish Catches	
	Fishermen	Fishing Vessels	Volume in Tonnes	Value in Million of TZS
2007	163,037.0	51,851.0	327,845.4	291.8
2008	170,038.0	52,327.0	324,821.0	371.4
2009	172,090.0	52,898.0	335,675.0	408.0
2010	163,601.0	50,001.0	347,156.9	774.5
2011	177,527.0	55,299.0	341,066.0	1,198.8

Source: Ministry of Fisheries and Livestock Developments

Manufacturing activity: The performance of manufacturing activities measured by Manufacturing Production Index (MPI), increased by 3.4 percent in 2011 (**Table 1.6**

and **Chart 1.3**). This performance was mainly a result of increases in the production of items under wood and products (except furniture), basic metal industries and other industries. In



addition, expansion of markets in the great lakes region and other regional markets, investments in the Export Processing Zones/Special Economic

Zones, as well as the use of alternative power sources contributed to the increase.

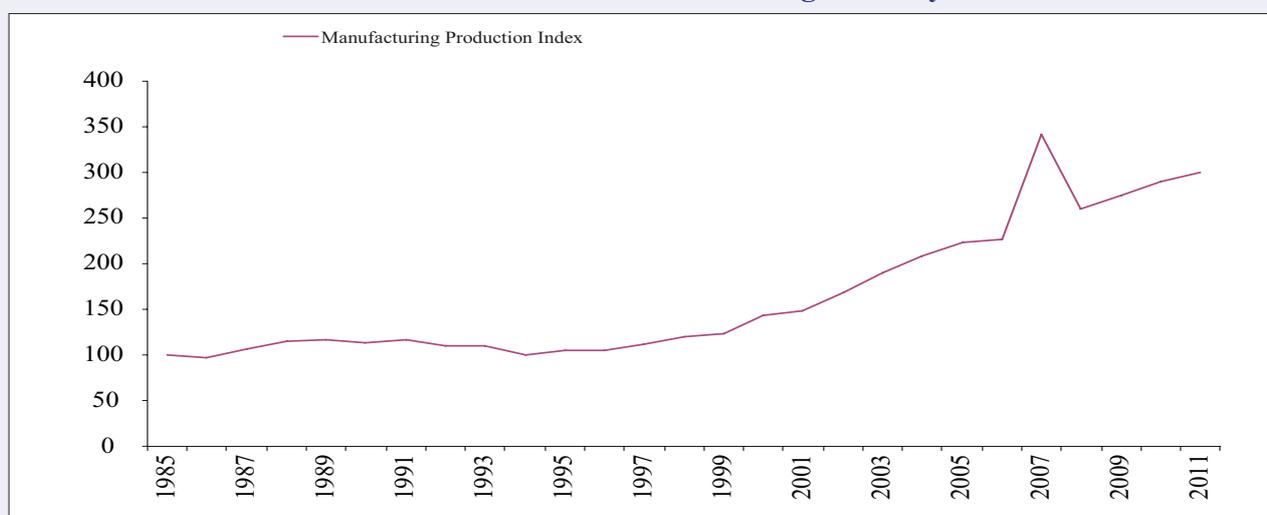
Table 1.6: Volume Indices of Manufactured Commodities by Category

Index 1985 = 100

ISIC	Industrial Activity	2007	2008	2009	2010	2011	% Change 2010 to 2011
21	Food, beverage and tobacco	388.8	351.3	375.5	407.0	397.8	-2.3
211/2	Food manufacturing	215.8	219.3	230.8	277.8	241.3	-13.1
313	Beverage industries	567.5	482.0	520.5	510.0	580.0	13.7
314	Tobacco manufactures	472.8	351.3	392.5	323.8	397.5	22.8
32	Textile and leather	667.8	285.8	229.3	243.5	228.5	-6.2
321	Textiles	616.5	352.3	275.8	293.3	273.0	-6.9
323	Leather & products excluding footwear	6.0	3.8	2.8	3.5	4.5	28.6
324	Footwear	0.0	0.0	103.5	114.0	128.0	12.3
331	Wood and products except furniture	82.0	263.5	246.5	248.3	347.8	40.1
341	Paper and paper products	42.8	310.3	295.3	317.3	343.5	8.3
35	Chemicals, petroleum, rubber & plastic products	183.5	107.3	124.8	137.5	144.5	5.1
351	Industrial chemicals	30.5	39.3	63.0	39.0	32.5	-16.7
352	Other chemical products	973.8	547.3	622.3	695.8	714.8	2.7
353	Petroleum refineries	0.0	0.0	0.0	0.0	0.0	0.0
355	Rubber products	38.0	7.5	0.0	0.0	0.0	0.0
356	Plastic products	642.3	291.5	346.3	577.3	597.0	3.4
36	Non metallic products	387.0	415.5	458.8	526.5	536.0	1.8
36	Pottery, china, glass and non-metallic products	387.0	415.5	458.8	526.5	536.0	1.8
37	Basic metal industries	152.3	177.0	203.5	236.0	270.3	14.5
37	Iron, steel and non-ferrous metals	152.3	177.0	203.5	236.0	270.3	14.5
38	Fabricated metal product, machinery and equipments	13.5	74.3	72.0	76.3	81.5	6.9
381	Metal products	8.0	30.3	31.8	37.5	29.3	-22.0
382	Machinery n.e.s	0.0	3.5	2.8	4.3	4.0	-5.9
383	Electrical machinery	49.3	246.5	221.5	178.5	331.8	85.9
384	Transport equipment	6.0	7.0	6.0	7.3	6.8	-6.9
39	Other industries	227.0	297.8	385.3	433.5	515.8	19.0
9	Manufacturing Production Index	341.5	260.0	274.5	290.5	300.3	3.4

Source: National Bureau of Statistics

Chart 1.3: Volume Indices of Production in Manufacturing Industry



Source: Bank of Tanzania



During 2011, production of blended tea, soft drinks, spirits and beer rose substantially as a result of increases in domestic and foreign demand. Meanwhile, wide spread construction

activities in the country influenced production of construction materials especially, paints, cement, lime, iron sheets and galvanised pipes (**Table 1.7**).

Table 1.7: Production of Selected Manufactured Commodities

Commodity	Unit	2007	2008	2009	2010	2011 ^P	% Change 2010 to 2011
Fish fillets	Tonnes	44,029	43,153	34,937	32,568	30,767	-5.5
Vegetable oils & fats	Tonnes	117,065	114,358	143,111	159,105	154,069	-3.2
Wheat flour	Tonnes	412,823	287,925	367,846	463,552	439,201	-5.3
Sugar, refined	000' Tonnes	286	310	288	260	249	-4.2
Instant coffee	Tonnes	392	1,337	442	242	249	2.9
Blended tea	Tonnes	9,148	52,338	51,871	35,649	45,338	27.2
Soft drinks	000' Ltr	449	355	377	422	524	24.2
Distilled spirits	000' Lts	7,614	4,049	10,201	11,236	17,177	52.9
Beer	000' Lts	310,194	291,178	288,901	248,502	331,011	33.2
Chibuku	000' Lts	10,320	10,255	16,141	21,040	23,474	11.6
Cigarettes	Mill Pcs	5,821	6,101	5,741	6,181	6,630	7.3
Textiles	000'Sq. Mt.	127,231	155,088	101,803	102,938	108,135	5.0
Sisal ropes	Tonnes	7,295	7,783	7,913	6,872	6,976	1.5
Plywood	Cubic Mt.	1,080	925	254	988	1,007	1.9
Paper	Tonnes	19,079	37,971	35,236	38,733	43,651	12.7
Pyrethrum extract	000' Tonnes	30	74	143	64	70	9.4
Paints	000'Ltrs	22,849	24,857	25,761	28,201	31,355	11.2
Soap and detergents	Tonnes	120,108	136,423	152,654	147,700	159,076	7.7
Safety matches	000' grosses	2,228	2,676	2,412	2,293	2,514	9.6
Cement	000' Tonnes	1,630	1,756	1,941	2,312	2,409	4.2
Lime	Tonnes	9,222	20,931	28,261	29,273	29,659	1.3
Rolled steel	Tonnes	46,016	75,274	122,318	126,054	118,249	-6.2
Iron Sheets	Tonnes	36,369	31,751	47,153	58,956	76,912	30.5
Galvanised pipes	Tonnes	6,572	7,622	8,779	9,760	11,573	18.6
Industrial machines	Units	16	18	5	0	43	100.0
Electric motors	Units	15	15	64	181	266	47.0
Transformers	Units	676	1,688	1,482	1,110	2,905	161.7
Aluminium sheets/circles	Tonnes	110	85	58	58	33	-43.1
Dry cells	000 Pcs	84,000	53,000	78,000	93,000	86,000	-7.5
Cable and wires, electric	Tons	1,885	2,526	2,096	1,599	2,188	36.8

Note: P = Provisional

Source: National Bureau of Statistics

In 2011, overall employment in selected manufacturing establishments declined by 8.8 percent to 80,327 from 88,097 recorded in 2010 (**Table 1.8**). The decline in employment was recorded in most of the manufacturing sub sectors with the exception of wood and wood

products, and chemicals, petroleum, rubber and plastic products. The decline in employment during the period under review was attributed to power shortages that made some of the producing firms to shade off employment as one of the cost cutting measures.

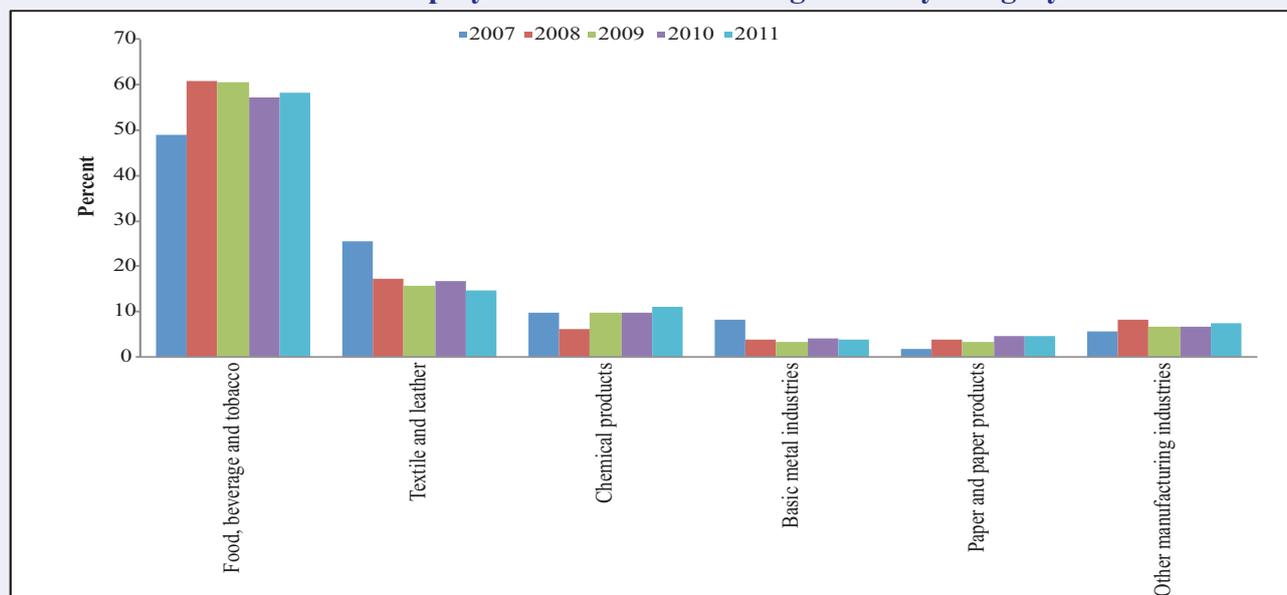
**Table 1.8: Employment in Selected Manufacturing Activities**

ISIC	Industrial Activity	2007	2008	2009	2010	2011	% Change 2010 to 2011
21	Food, beverage and tobacco	41,335	53,282	53,134	51,011	46,905	-8.0
211/2	Food manufacturing	33,689	44,844	44,695	42,961	36,903	-14.1
313	Beverage industries	4,577	5,415	5,159	5,271	6,246	18.5
314	Tobacco manufactures	3,068	3,023	3,280	2,780	3,756	35.1
32	Textile and leather	21,629	15,040	13,732	14,854	11,824	-20.4
321	Textiles	21,017	14,798	13,468	14,382	11,207	-22.1
323	Leather & products excluding footwear	53	41	106	55	57	5.0
324	Footwear	560	200	157	418	560	34.0
331	Wood and products except furniture	2,070	2,971	2,651	2,467	2,770	12.3
341	Paper and paper products	1,556	3,423	2,925	4,108	3,653	-11.1
35	Chemicals, petroleum, rubber & plastic products	7,962	5,285	8,630	8,652	8,915	3.0
351	Industrial chemicals	338	274	242	227	225	-1.0
352	Other chemical products	5,288	4,097	7,458	7,258	8,139	12.1
353	Petroleum refineries	0	0	0	0	0	0.0
355	Rubber products	38	8	0	0	0	0.0
356	Plastic products	2,299	906	930	1,167	552	-52.8
36	Non metallic products	1,283	1,600	1,539	1,823	1,713	-6.0
36	Pottery, china, glass and non-metallic products	1,283	1,600	1,539	1,823	1,713	-6.0
37	Basic metal industries	6,847	3,444	2,871	3,633	3,098	-14.7
37	Iron, steel and non-ferrous metals	6,847	3,444	2,871	3,633	3,098	-14.7
38	Fabricated metal product, machinery and equipments	1,394	2,641	1,552	1,480	1,380	-6.8
381	Metal products	716	1,855	1,040	896	595	-33.6
382	Machinery n.e.s	49	190	0	160	179	11.6
383	Electrical machinery	502	492	417	447	505	13.0
384	Transport equipment	127	105	95	98	102	4.1
39	Other industries	55	59	66	68	71	3.7
Total		84,131	87,744	87,098	88,097	80,327	-8.8

Source: National Bureau of Statistics

Food, beverages and tobacco which comprise of labour intensive firms contributed 58.2 percent followed by textile and leather products 14.7

percent, chemicals 11.1 percent, while basic metal 3.8 percent (**Chart 1.4**).

Chart 1.4: Contribution to employment in manufacturing sector by category

Source: Bank of Tanzania

Growth in **construction activity** slowed down to 9.0 percent in 2011, compared to the growth rate of 10.2 percent recorded in 2010. Performance of the activity was driven by construction and

rehabilitation of airports, bridges, residential and non-residential buildings and road networks in the country.



In the year 2011, **real estate activity** grew by 6.5 percent compared to 7.0 percent of 2010. The growth was mainly associated with an increase in demand for accommodation of both residential and non-residential buildings.

Value added in **electricity and gas** recorded an increase of 1.5 percent in 2011 compared to a growth rate of 10.2 percent recorded in 2010. The dismal performance was attributed to increased

human activities and insufficient rainfall in and around water catchment areas. Other reasons include aging machinery for thermal electricity generation (**Table 1.9**). During the year under review, the Government initiated a number of projects including the coal power fired generators at Mchuchuma, which were expected to generate between 400 MW and 600MW. These initiatives are intended to ensure that the country does not plunge into power blackout.

Table 1.9: Electricity available for distribution (MWh)

Item	2007	2008	2009	2010	2011	% Change 2010 to 2011
Hydropower	2,523,631.4	2,648,910.4	2,640,467.3	2,701,070.0	1,992,576.1	-26.2
Thermal power	71,947.9	336,367.3	708,347.6	1,003,146.2	1,034,466.5	3.1
Diesel-Grid	1,714.8	2,091.9	2,426.9	1,062.1	5,427.4	411.0
Gas	0.0	266,067.7	637,057.8	923,226.5	952,186.8	3.1
Diesel -Isolated units	70,233.1	68,207.6	68,862.9	78,857.6	76,852.3	-2.5
IPP	1,556,402.5	1,384,758.8	1,388,826.1	1,569,882.9	2,074,862.1	32.2
Songas	1,138,468.7	1,125,718.2	1,349,220.4	1,445,077.8	1,312,020.0	-9.2
AGGREKO (Ubungo)	263,300.6	180,396.9	0.0	0.0	69,557.6	100.0
AGGREKO (Tegeta)					54,124.9	100.0
Dowans/Symbion	111,892.0	73,416.7	0.0	0.0	313,573.8	100.0
Symbion (Dodoma)					7,902.9	100.0
APR	619.6	4.3	0.0	0.0	0.0	0.0
IPTL	37,135.2	1,828.6	39,457.3	116,589.7	305,348.4	161.9
Kiwira	4,061.7	3,394.0	148.5	0.0	0.0	0.0
TANWAT	924.7	0.0	0.0	2,294.1	103.8	-95.5
TPC					12,230.8	100.0
Local firms	0.0	0.0	0.0	5,921.3	0.0	-100.0
Imports	60,472.4	52,369.1	64,877.2	57,163.6	54,745.2	-4.2
Uganda	43,094.0	43,047.0	43,468.0	44,966.1	44,378.0	-1.3
Zambia	17,378.4	9,322.1	21,409.2	12,197.5	10,367.2	-15.0
Total	4,212,454.2	4,422,405.5	4,802,518.3	5,331,262.7	5,156,649.9	-3.3

Note: IPP = Integrated Power Projects

Source: TANESCO

Mining and quarrying activity grew by 2.2 percent in 2011 slightly below the growth rate of 2.7 percent recorded in 2010. The growth was associated with an increase in production of all minerals with the exception of diamonds and copper (**Table 1.10**). Production of coal increased

substantially following commencement of mining at Ngaka coal fields. Production of diamonds declined to 28,400 carats in 2011 from 80,500 carats in 2010 associated with aging machinery at the Williamson Diamond Ltd (WDL).

**Table 1.10: Production of Selected Minerals**

Item	Unit	2007	2008	2009	2010	2011 ^P	% Change 2010 to 2011
Diamond	000 Carats	282.8	237.7	181.9	80.5	28.4	-64.7
Gold	Tons	40.2	36.4	39.1	39.4	40.4	2.4
Gemstone	Tons	1,286.3	1,846.5	1,058.5	1,250.3	1,581.7	26.5
Salt	000 Tons	35.2	25.9	27.4	34.5	36.4	5.5
Gypsum	000 Tons	52.8	55.7	8.1	26.9	38.7	43.6
Limestone	000 Tons	1,322.0	1,281.8	1,284.1	1,436.6	1,972.1	37.3
Pozzolana	000 Tons	223.0	260,403.3	171,904.3	199,698.4	222,591.8	11.5
Coal	000 Tons	27.2	15,242.0	0.8	179.5	82,856.2	...
Tanzanite	Kilogram	8,187.0	11,770.0	10,011.6	12,773.6	14,974.4	17.2
Phosphates	Tonnes	8,261.1	28,684.0	752,000.0	17,180.0	848,512.0	...
Copper	000 Pounds	7,222.4	6,288.5	4,451.7	11,741.9	11,180.2	-4.8

Note: P = provisional

Source: Ministry of Energy and Minerals

In 2011, **communication activities** grew by 19.0 percent, compared to 22.1 percent recorded in 2010. This performance is attributed to continued investment in provision of mobile phone services and the national fibre optic. The number of mobile phone subscribers rose to 23,979,548 in 2011 from 20,158,364 in 2010. Subscribers to fixed land lines increased marginally to 174,678 from 174,511 recorded in 2010.

Hotels and Restaurant activities grew by 4.6 percent in 2011 compared to 6.1 percent in year 2010. Despite the slow-down in the growth rate, the number of tourists that visited the country increased to 867,994 from 782,699 recorded in 2010.

Growth in **transport activities** slowed down to 6.7 percent in 2011 from 7.0 percent recorded in 2010. Despite the slowdown, cargo handled by Tanzania Port Authority rose from 10,045,462

tonnes recorded in 2010 to 11,156,769 tonnes in 2011 following increase in imports of motor vehicles, fertilizers, white petroleum products and wheat. Performance of Tanzania Railways Limited (TRL) and Tanzania Zambia Railways (TAZARA) improved during the period under review following Government efforts to revamp them. Cargo handled by the two railway lines increased from 779,156 tonnes in 2010 to 800,972 tonnes in 2011.

Gross National Disposable Income (GNDI)

GNDI¹ grew at 3.5 percent in 2011 compared to a growth rate of 7.9 percent recorded in the preceding year. The resource balance (defined as Savings minus Investment) widened during the period under review reflecting increased expenditure on capital and intermediate goods imports (**Table 1.11**).

¹GNDI is obtained by adding net current transfers from abroad and Gross National Income

**Table 1.11: Analysis of the Savings - Investment Relationship***Millions of TZS*

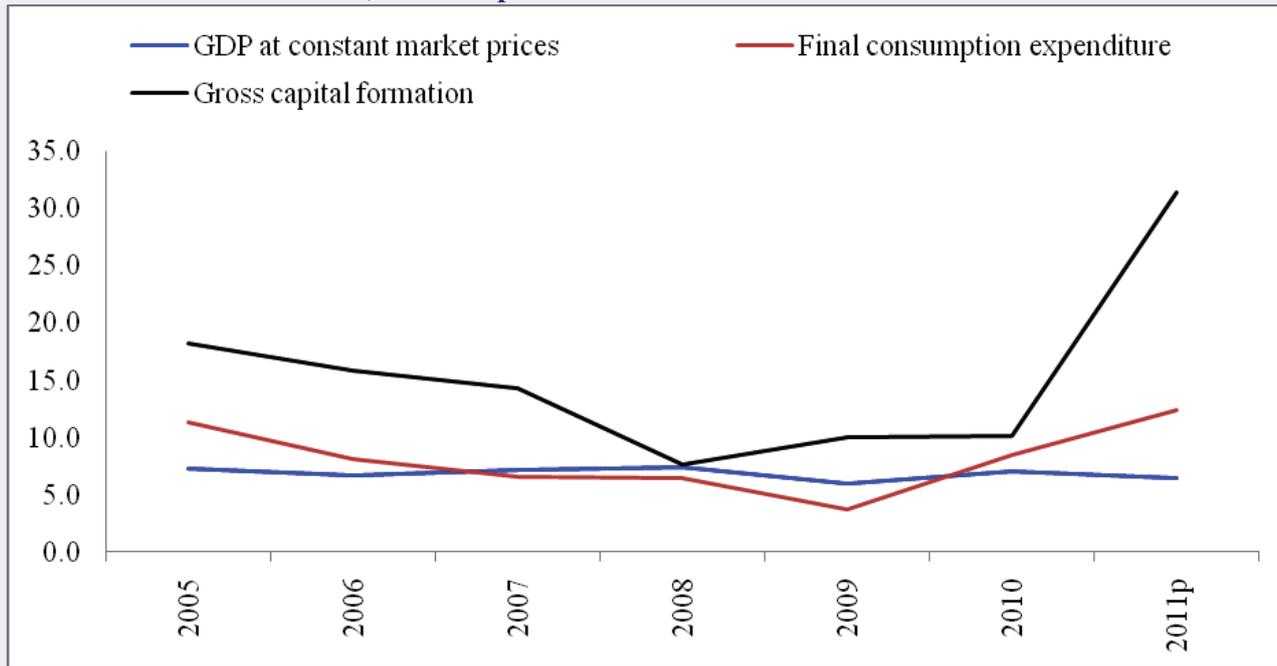
Item	2007	2008	2009	2010	2011
Nominal:					
National Disposable Income	19,730,335	23,032,501	26,320,104	30,381,770	34,331,400
Final Consumption	18,270,124	20,754,564	23,403,570	25,417,627	30,961,308
Government final consumption	4,038,989	4,321,718	4,926,759	5,208,178	6,145,650
Household final consumption	14,231,135	16,432,846	18,476,811	20,209,449	24,815,658
Gross Capital Formation (Investment)	6,209,741	7,381,257	8,173,221	10,342,536	13,762,066
Government investment	1,494,333	1,628,172	2,241,507	2,607,525	3,037,067
Private investment(+change in inventories)	4,570,749	5,344,872	5,931,714	7,735,011	10,496,998
change in inventories	90,728	106,943	152,252	164,843	228,000
Savings	1,258,199	2,868,999	3,143,864	5,295,075	6,000,000
Saving - Investment Gap	-4,951,542	-4,512,258	-5,029,358	-5,047,461	-7,762,066
GDP (at market price)	20,948,403	24,781,679	28,212,646	32,293,479	37,532,962
Deflator	152	167	179	192	210
CPI(annual average)*	76.6	84.4	94.7	99.9	112.5
GDP at basic prices	18,989,844	22,452,059	25,510,287	29,297,677	34,061,023
Absorption	24,479,865	23,814,103	26,650,033	30,551,985	38,577,724
At Constant 2001 prices:					
National Disposable Income	12,980,484	13,791,917	14,666,695	15,832,346	16,385,755
Final Consumption	12,517,666	13,328,592	13,838,779	15,010,200	16,876,872
Government final consumption	2,495,962	2,824,652	2,968,710	3,472,119	3,964,935
Household final consumption	10,021,704	10,503,940	10,870,070	11,538,082	12,911,937
Gross Capital Formation (Investment)	3,358,305	3,616,866	3,982,283	4,385,837	5,762,294
Government investment	886,387	974,953	1,075,216	1,358,816	1,449,537
Private investment	2,471,917	2,641,913	2,907,067	3,027,021	4,312,757
Savings	828,968	1,717,963	1,751,896	2,759,335	2,863,691
Saving - Investment Gap	-2,529,336	-1,898,903	-2,230,387	-1,626,503	-2,898,602
GDP (at market price)	13,801,921	14,828,345	15,721,301	16,828,563	17,913,803
Absorption	13,380,009	14,120,806	14,852,353	15,923,919	18,674,230
Annual Change					
National Disposable Income	6.5	6.3	6.3	7.9	3.5
Final Consumption	6.7	6.5	3.8	8.5	12.4
Government final consumption	9.5	13.2	5.1	17.0	14.2
Household final consumption	6	4.8	3.5	6.1	11.9
Gross Capital Formation (Investment)	14.3	7.7	10.1	10.1	31.4
Absorption	7.9	5.5	10.3	7.2	17.3

Source: National Bureau of Statistics

Aggregate Demand

Domestic aggregate demand increased by 17.3 percent in 2011 in real terms, compared to 7.2 percent in 2010. The increase in domestic demand is associated with increased government spending in the priority sectors such as education,

health and infrastructure development as well as increased investment activities by the private sector. The ratio of consumption to GDP was 82.5 percent in 2011 compared to 78.7 percent in the preceding year, while that of investment to GDP was 36.7 percent compared to 32.0 percent recorded in 2010 (**Chart 1.5**).


Chart 1.5: Growth in GDP, Consumption and Investment


Source: National Bureau of Statistics

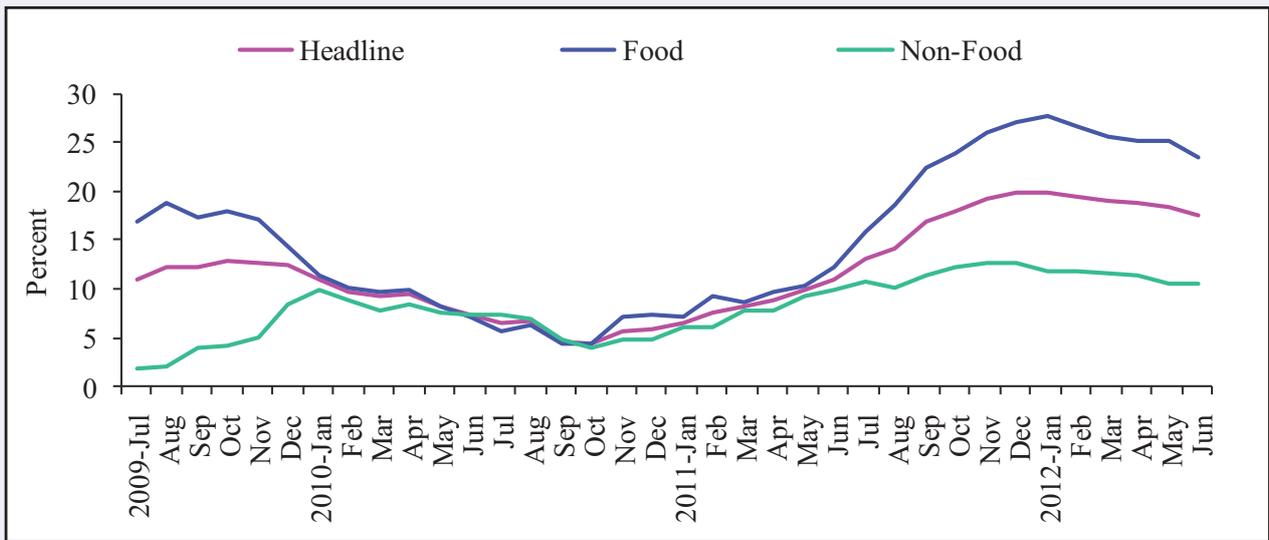
Inflation Developments

During 2011/12, average **annual headline inflation** was 17.8 percent, compared with an average of 7.0 percent recorded in the corresponding period of 2010/11. This development was mainly on account of high global oil prices and rising prices of food items, following unfavourable weather conditions in the EAC region. Annual headline inflation, which had reached a peak of 19.8 percent in December 2011, started easing in January 2012, reaching 17.4 percent in June 2012 following improved food supply in the region and stability in global oil prices (**Chart 1.6**).

Average annual food inflation was 24.0 percent compared with 7.1 percent in 2010/11. The annual food inflation was on an upward trend since April 2011, from 9.7 percent reaching 27.8 percent in January 2012, but declined to 23.5 percent in June 2012.

Annual non-food inflation rose from 7.8 percent in April 2011 to 12.7 percent in December 2011 but slowed down to 11.2 percent in April 2012 and further to 10.5 percent in June 2012. Core inflation (excluding food and energy) remained at single digits reaching 8.8 percent in June 2012, compared to 5.7 percent in April 2011 reflecting the pass through effect, particularly from high oil prices.

Chart 1.6: Headline, Food and Non-food Inflation



Source: Bank of Tanzania



CHAPTER TWO PUBLIC FINANCE

Overview

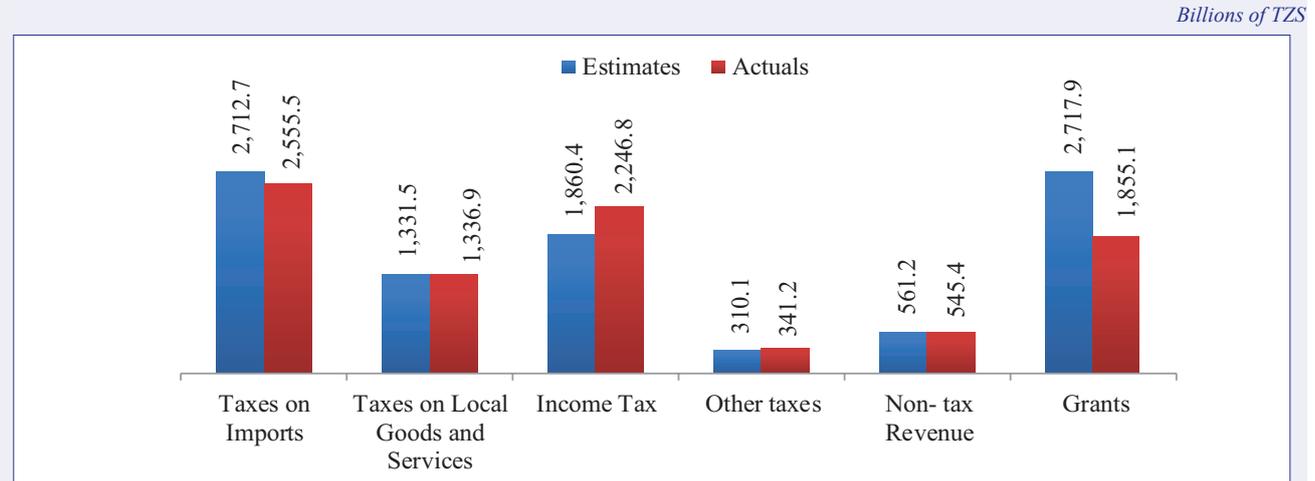
One of the major objectives of the 2011/12 budget was to strengthen revenue collection and improve public expenditure management, in line with the Five Year Development Plan and the National Strategy for Growth and Reduction of Poverty (NSGRP). Efforts to strengthen tax collection nationwide paid off as domestic revenue collections improved significantly. Good revenue performance was on account of measures taken by Tanzania Revenue Authority to improve revenue collections. These measures include intensified tax audit, enforcement of use of electronic fiscal devices, implementation of block management system, close follow up of tax arrears and improvement in tax compliance. The overall expenditure was adjusted in line with the available resources and priority areas.

Government Revenue and Grants

Domestic revenue, including Local Government Authorities (LGAs) own sources, amounted to TZS 7,221.4 billion, which was in line with the target of TZS 7,126.4 billion for the fiscal year. Revenue collection, excluding LGAs own sources was 17.1 percent of GDP² compared with target of 16.5 percent and 15.9 percent recorded in 2010/11. Tax revenue amounted to TZS 6,480.5 billion, or 104.3 percent of budget estimates, while non tax revenue was TZS 545.4 billion or 97.2 percent of the budget (Chart 2.1).

The Government received external grants amounting to TZS 1,855.1 billion, equivalent to 68.3 percent of estimates or 4.5 percent of GDP. Grants in the form of program assistance, project and basket funds amounted to TZS 720.3 billion, TZS 833.6 billion and TZS 301.2 billion, respectively.

Chart 2.1: Government Resources in 2011/12



Source: Bank of Tanzania

Government Expenditure

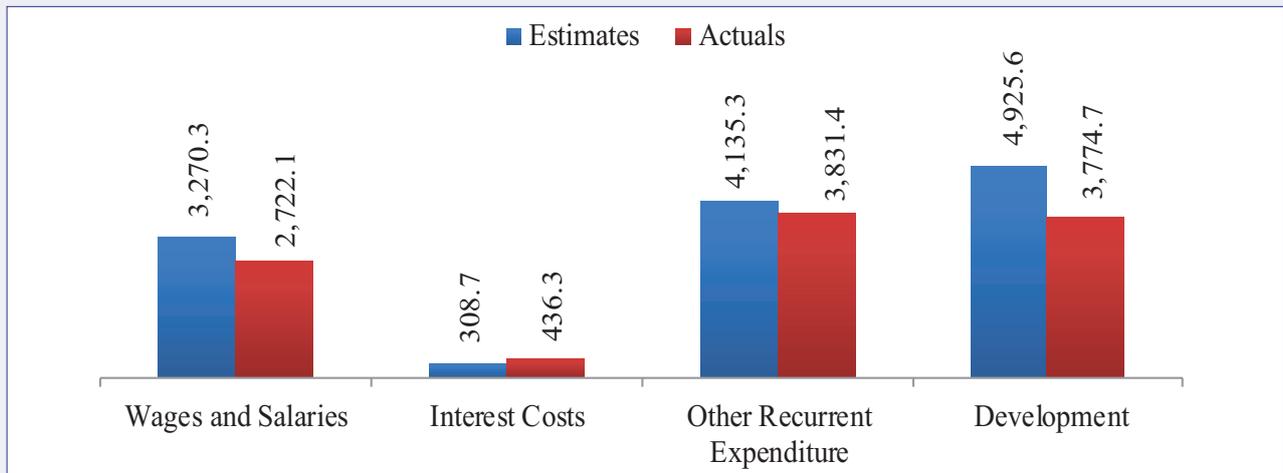
The Government continued to align expenditure execution with resource availability. Total expenditure amounted to TZS 10,764.5 billion, or 85.2 percent of the budget estimates and 26.2 percent of GDP. Recurrent expenditure was TZS

6,989.8 billion and TZS 3,774.7 billion was development expenditure, equivalent to 90.6 percent and 76.6 percent of the budget estimates, respectively (Chart 2.2).

²GDP for 2011/12 was estimated at TZS 41,120.4 billion

Chart 2.2: Government Expenditure in 2011/12

Billions of TZS



Source: Bank of Tanzania

Financing

The Government budget deficit was financed through external and domestic sources whereby

total financing was TZS 2,070.1 billion, equivalent to 5.0 percent of GDP. Net external financing was TZS 1,735.3 billion, and the rest was domestic financing.



CHAPTER THREE MONETARY AND FINANCIAL DEVELOPMENTS

Liquidity Management and Monetary Policy

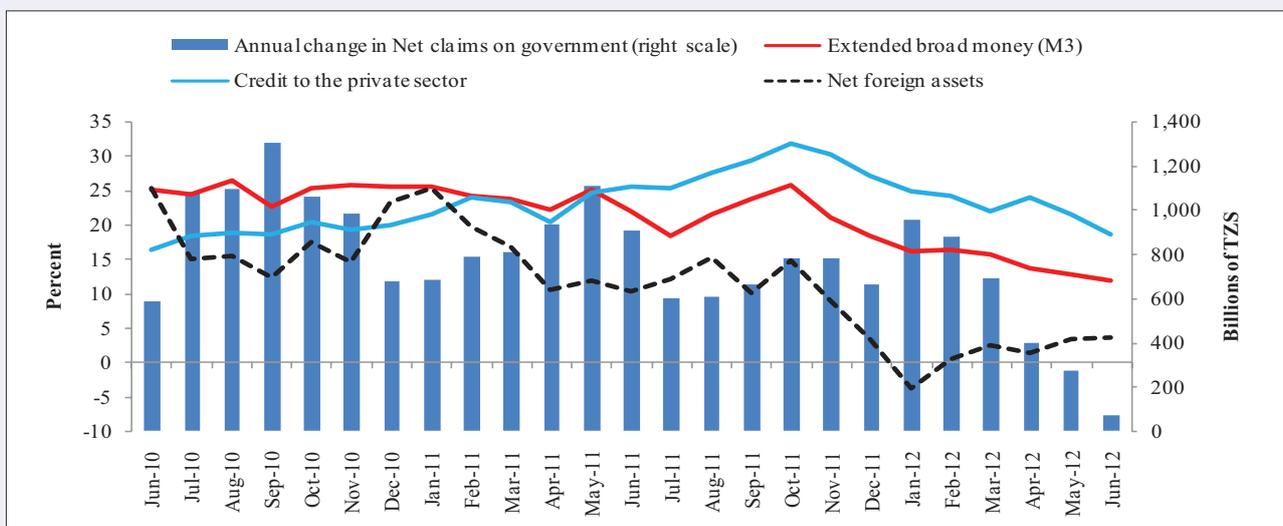
Implementation

In the year ending June 2012, the Bank of Tanzania pursued relatively cautious monetary policy stance in an effort to dampen inflationary pressures in the economy. During the period, the Bank raised the minimum reserve requirement on government deposits held by commercial banks from 20 percent to 30 percent, and increased the Bank rate to 12.0 percent in November 2011 from 9.58 percent in October 2011. The Bank also employed other instruments of monetary policy including sale of government securities, sale and purchase of foreign currency, repo and reverse repo transactions, as well as the use of standing facilities such as the Lombard window and rediscounting facility. The monetary policy measures taken by the Bank led to liquidity squeeze among banks, which was mirrored in the rising money market interest rates and stability in the exchange rate. The effectiveness of monetary policy during the period was supported by relatively good expenditure management and increased government revenue collection.

Money Supply and Credit Developments

In line with the monetary policy stance, annual growth of extended broad money supply (M3) slowed down to 11.8 percent in 2011/12 from 22.0 percent recorded in 2010/11 (Chart 3.1). This development was explained by the slowdown in annual growth of Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the banking system. The NFA of banks grew by 3.6 percent in 2011/12 compared with 10.3 percent recorded in the preceding year. This development was driven by low disbursement of foreign program assistance coupled with an increase in demand for foreign currency to support high import requirements. Likewise, NDA of the banking system grew by 19.6 percent in 2011/12, compared with 35.6 percent in 2010/11, with both credit to the government and private sector growing at a slower pace (Table 3.1). The slowdown in the expansion of credit to government was mostly explained by improvement in revenue collection and expenditure management during the year under review.

Chart 3.1: Annual Growth of Extended Money Supply and its Sources



Source: Bank of Tanzania

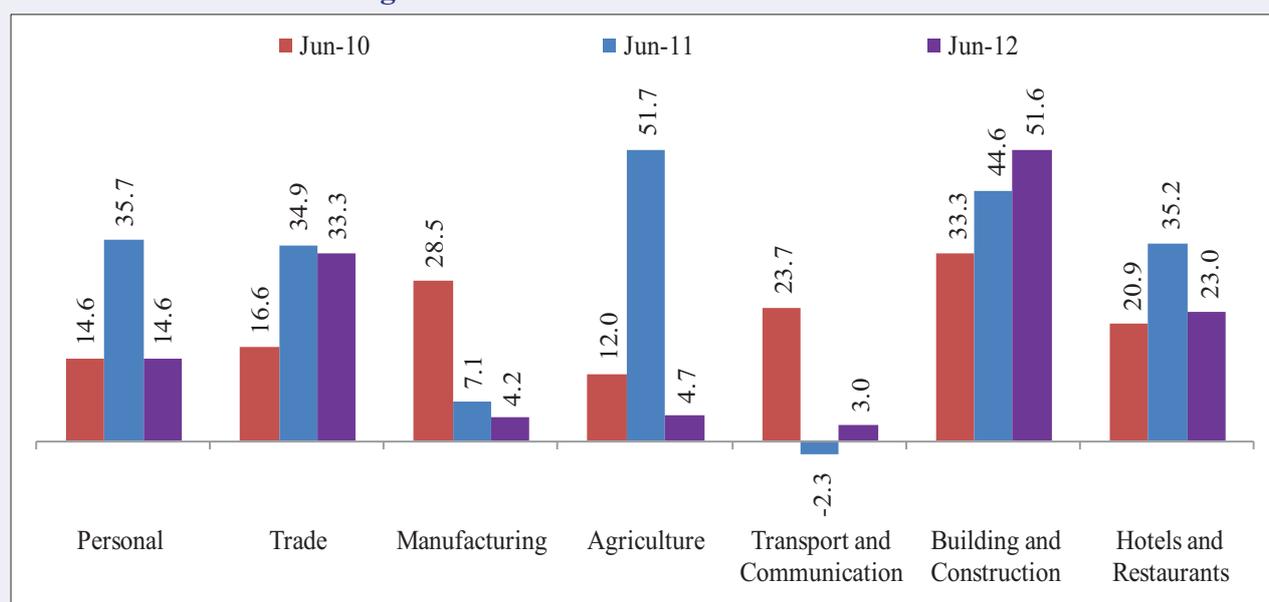

Table 3.1: Sources and Uses of Money Supply
Billions of TZS

Item	Outstanding Stock				Annual Change			Annual Growth Rates (%)		
	Jun-09	Jun-10	Jun-11	Jun-12	Jun-10	Jun-11	Jun-12	Jun-10	Jun-11	Jun-12
Net Foreign Assets of the Banking System	4,202.9	5,265.5	5,807.3	6,017.1	1,062.6	541.8	209.8	25.3	10.3	3.6
Bank of Tanzania	3,401.2	3,949.3	4,621.3	4,952.7	548.1	672.1	331.3	16.1	17.0	7.2
<i>Net International Reserves (Millions of USD)</i>	<i>2,665.7</i>	<i>3,143.3</i>	<i>3,243.5</i>	<i>3,443.0</i>	<i>477.6</i>	<i>100.1</i>	<i>199.6</i>	<i>17.9</i>	<i>3.2</i>	<i>6.2</i>
Banks NFA	801.7	1,316.2	1,185.9	1,064.4	514.6	-130.3	-121.5	64.2	-9.9	-10.2
<i>Banks NFA (Millions of USD)</i>	<i>616.9</i>	<i>954.2</i>	<i>754.4</i>	<i>678.4</i>	<i>337.3</i>	<i>-199.9</i>	<i>-75.9</i>	<i>54.7</i>	<i>-20.9</i>	<i>-10.1</i>
Net Domestic Assets of the Banking System	3,629.2	4,535.8	6,150.7	7,357.7	906.6	1,614.8	1,207.0	25.0	35.6	19.6
Domestic Claims	4,823.3	6,174.1	8,479.6	9,828.9	1,350.8	2,305.4	1,349.3	28.0	37.3	15.9
Claims on central government (net)	128.3	712.8	1,619.7	1,689.2	584.5	906.8	69.5	455.6	127.2	4.3
Claims on Central Government	2,530.8	3,591.8	4,087.2	4,046.9	1,061.0	495.4	-40.3	41.9	13.8	-1.0
o/w Securities held by banks	1,392.3	2,063.4	2,446.2	2,260.8	671.1	382.8	-185.4	48.2	18.6	-7.6
Liabilities to Central Government	2,402.5	2,879.0	2,467.6	2,357.7	476.5	-411.4	-109.8	19.8	-14.3	-4.5
Claims on the private sector	4,695.0	5,461.3	6,859.9	8,139.7	766.3	1,398.6	1,279.8	16.3	25.6	18.7
Extended Broad Money Supply (M3)	7,832.1	9,801.4	11,957.9	13,374.8	1,969.2	2,156.6	1,416.8	25.1	22.0	11.8
Foreign Currency Deposits (FCD) in National Currency	2,060.1	2,513.8	3,259.3	3,567.8	453.7	745.5	308.5	22.0	29.7	9.5
Broad Money Supply (M2)	5,772.0	7,287.5	8,698.7	9,807.0	1,515.5	1,411.1	1,108.3	26.3	19.4	12.7
Other Deposits in National Currency	2,623.3	3,152.8	3,771.5	3,775.3	529.5	618.7	3.7	20.2	19.6	0.1
Narrow Money Supply (M1)	3,148.7	4,134.7	4,927.1	6,031.7	986.0	792.4	1,104.6	31.3	19.2	22.4
Currency in Circulation	1,423.7	1,680.5	2,081.1	2,317.3	256.8	400.7	236.2	18.0	23.8	11.4
Transferable Deposits in National Currency	1,725.0	2,454.3	2,846.0	3,714.4	729.3	545.5	972.3	42.3	20.4	29.2

Source: Bank of Tanzania

The private sector credit recorded an annual growth rate of 18.7 percent in 2011/12, down from 25.6 percent in 2010/11. Credits to most major economic activities recorded slow growth

except for building and construction, which registered a growth rate of 51.6 percent, from 44.6 percent recorded in 2010/11 (**Chart 3.2**).

Chart 3.2: Annual Percentage Growth of Banks' Credit to Selected Activities


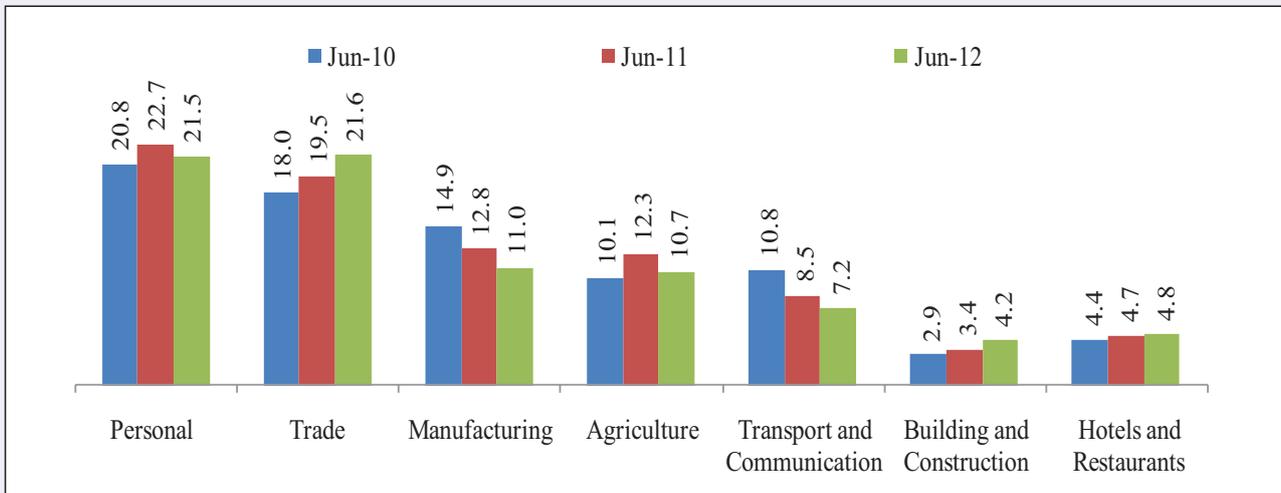
Source: Bank of Tanzania



During the period under review, most of the credit was held in trade, personal activities, agriculture,

manufacturing and transport and communication activities (**Chart 3.3**).

Chart 3.3: Outstanding Percentage Share of Banks' Credit to Selected Activities

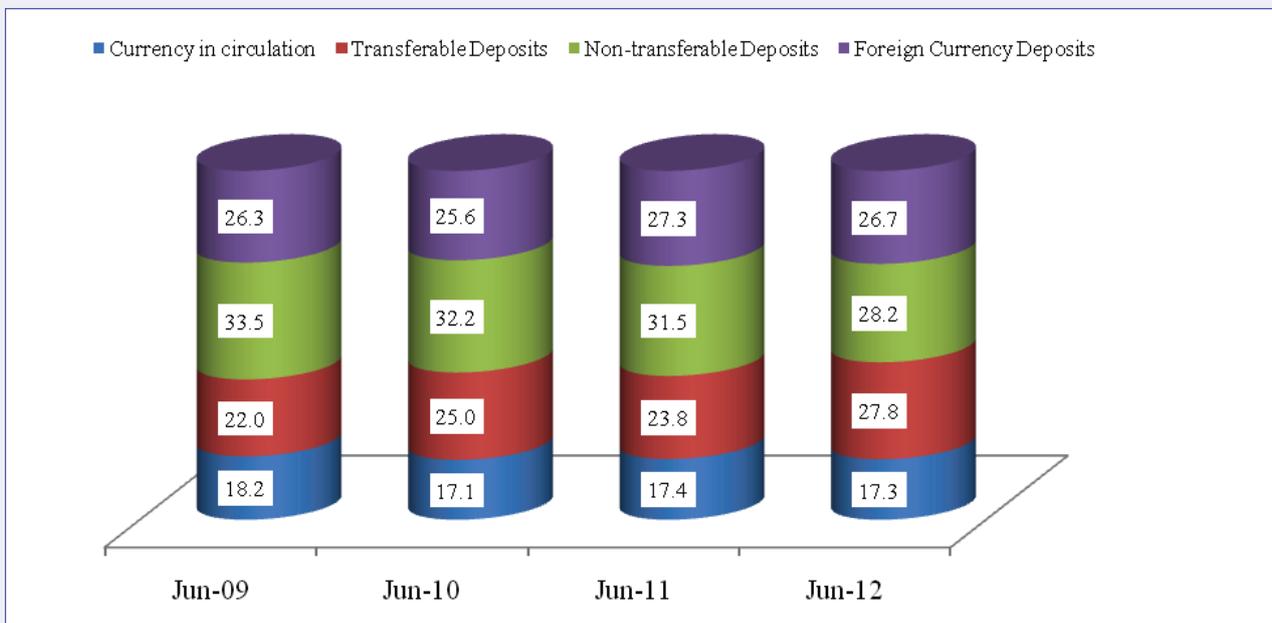


Source: Bank of Tanzania

During 2011/12, all components of the extended broad money supply recorded a slowdown in annual growth rates compared to the corresponding period of 2010/11, with the exception of transferable deposits. Transferable deposits grew by 30.5 percent in the year ending June 2012, compared to 16.0 percent recorded in the corresponding period of 2010/11, mainly

on account of sizeable government payments in favour of infrastructure projects. Likewise, in terms of shares all components of money supply recorded marginal decline during the year ending June 2012 compared to the corresponding period of 2011, except for transferable deposits (**Chart 3.4**).

Chart 3.4: Percentage Share to M3



Source: Bank of Tanzania



Interest Rate Developments

During 2011/12, money market interest rates rose sharply compared to the levels registered in the preceding year. The overall weighted average Treasury bills rate rose to 13.81 percent from 4.76 percent in the year ending June 2011. Similarly, the overnight interbank cash market rate and repo rate increased to an average of 14.56 percent and 8.94 percent in 2011/12 from 1.81 percent and 1.31 percent, respectively registered in the year ending June 2011. During the same period, interest rates on government bonds also registered an upward trend across all

maturities (**Table 3.2**). In line with developments in the money market, deposits rates offered by banks improved. The overall time deposit rate rose to an average of 8.56 percent in the year ending June 2012 from 6.06 percent recorded in the year ending June 2011, while twelve months deposit rate increased to 11.10 percent from 7.90 percent. Meanwhile, overall lending rate rose by 17 basis points to 15.31 percent, while short term lending rate declined by 30 basis points to 13.92 percent. As a result, interest rate spread between twelve months deposit rate and one year lending rate narrowed to 2.82 percentage points in the year ending June 2012.

Table 3.2: Selected Interest Rates

Percent

Items	2009	2010	2011	2012					
	Jun	Jun	Jun	Jan	Feb	Mar	Apr	May	Jun
Overall Interbank cash market rate	5.03	0.97	1.81	21.44	7.40	16.84	25.68	17.34	14.74
Overnight interbank cash market rate	4.46	0.86	1.81	22.03	7.16	16.27	25.79	16.82	14.56
REPO rate	4.90	0.54	1.31	10.53	4.05	3.75	3.75	3.75	8.94
Bank rate	10.31	7.58	7.58	12.00	12.00	12.00	12.00	12.00	12.00
Overall Treasury bills rate	6.97	3.33	4.76	17.85	12.99	13.35	14.40	14.37	13.81
35 days	4.81	0.65	2.71	10.44	6.59	5.24	5.24	5.24	6.67
91 days	5.56	2.89	3.74	13.16	12.23	12.77	13.80	13.82	13.39
182 days	7.86	2.59	4.83	17.46	13.60	13.13	13.90	14.02	13.52
364 days Treasury bills	9.11	6.08	6.46	18.59	13.38	13.91	14.86	14.91	14.44
Savings Deposit Rate	2.69	2.82	2.39	2.91	2.87	2.86	2.88	2.93	2.88
Treasury Bonds Rates									
2-years	11.51	8.79	8.05	17.85	17.85	13.73	13.73	14.45	14.76
5-years	16.58	9.52	10.75	17.05	17.05	14.82	14.82	14.93	14.74
7-years	17.06	10.38	12.81	14.99	13.84	13.84	14.63	15.45	15.45
10-years	19.92	11.68	13.69	16.98	14.80	14.80	14.99	14.99	15.16
Overall Time Deposits Rate	6.79	5.90	6.06	7.55	7.08	8.35	8.12	8.03	8.56
12 month time deposit rate	9.07	8.48	7.90	8.95	9.51	10.48	10.76	10.51	11.10
Negotiated Deposit Rate	10.13	9.57	7.44	9.63	9.77	10.16	10.38	10.12	9.79
Overall Lending rate	15.48	14.67	15.02	14.84	15.80	15.19	15.13	15.15	15.31
Short-term lending rate (up to 1year)	14.57	13.92	14.72	13.91	13.79	13.98	14.25	14.22	13.92
Negotiated Lending Rate	14.28	14.13	13.81	13.77	14.82	14.25	13.86	13.34	14.21
Margin between short-term lending and one-year time deposit rates	5.50	5.43	6.82	4.95	4.28	3.50	3.50	3.71	2.82

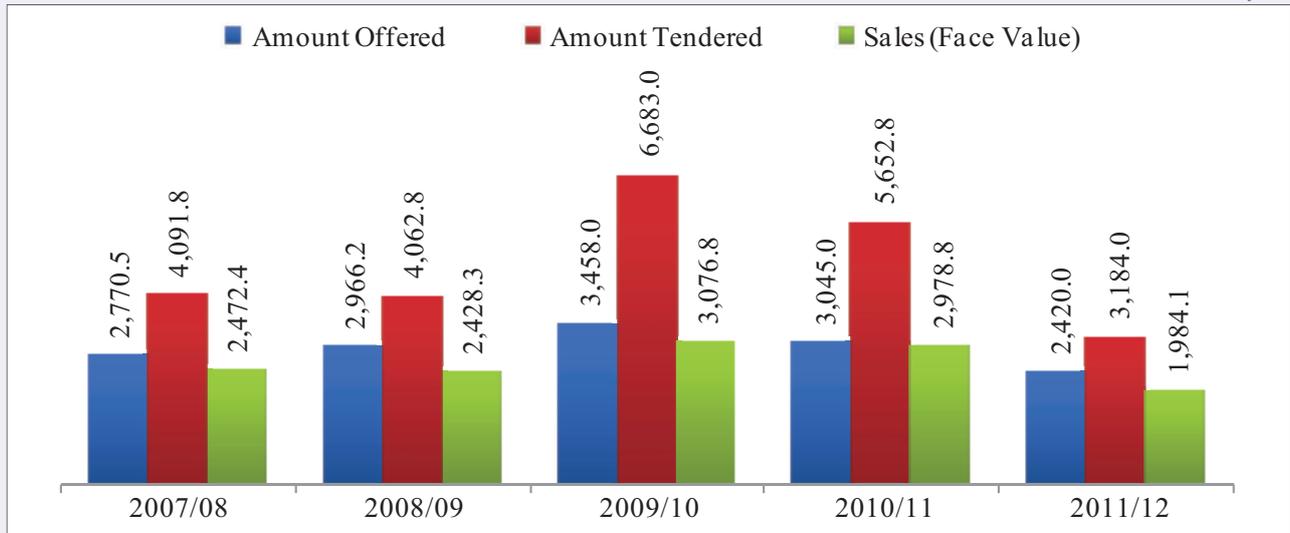
Source: Bank of Tanzania

Financial Markets Developments

Treasury Bills Market

The Bank offered Treasury bills worth TZS 2,420.0 billion in 2011/12 compared to TZS 3,045.0 billion in 2010/11. Demand was TZS

3,184.0 billion, compared to TZS 5,652.8 billion recorded in the preceding year. The Bank intervened to align the yield curve by accepting bids worth TZS 1,984.1 billion (face value) compared to TZS 2,978.8 billion sold in the preceding year (**Chart 3.5**).

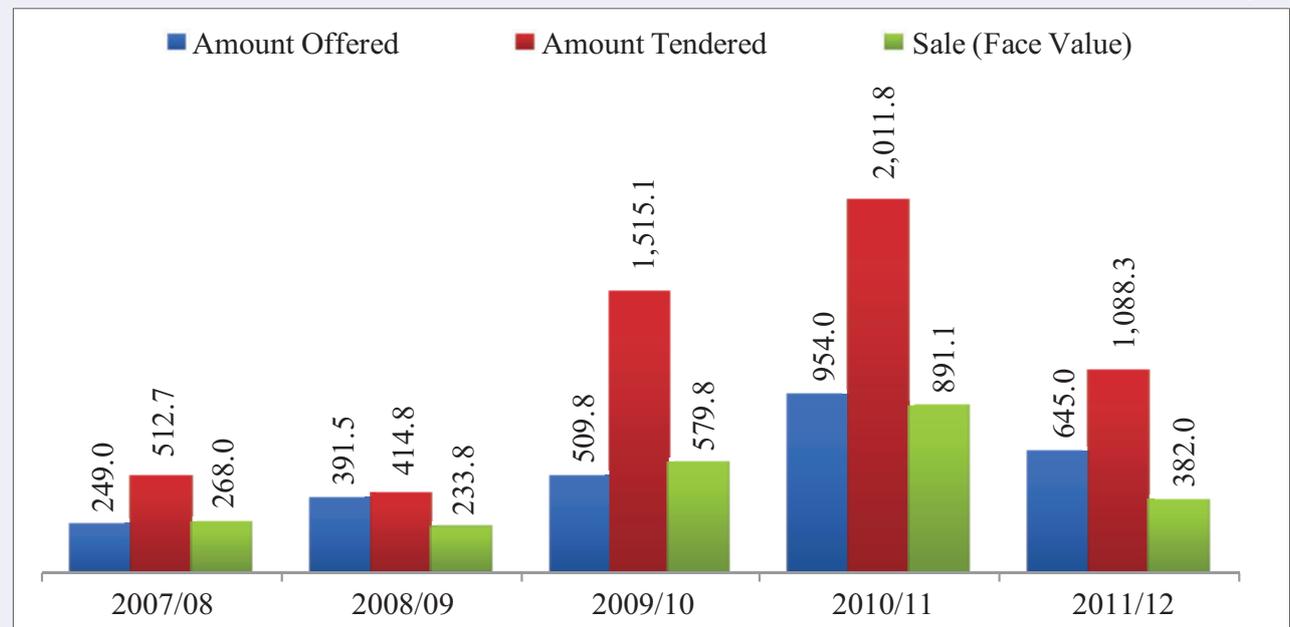

Chart 3.5: Treasury Bills Performance
Billions of TZS


Source: Bank of Tanzania

Treasury Bonds Market

During the year ending June 2012, the Bank offered Treasury bonds of 2-years, 5-years, 7-years and 10-years maturities worth TZS 645.0 billion compared with TZS 954.0 offered

in 2010/11. Demand was TZS 1,088.3 billion compared with TZS 2,011.8 billion registered in the preceding year. The Bank intervened by accepting Treasury bonds with face value of TZS 382.0 billion, compared to TZS 891.1 billion recorded in 2010/11 (**Chart 3.6**).

Chart 3.6: Treasury Bonds Performance
Billions of TZS


Source: Bank of Tanzania

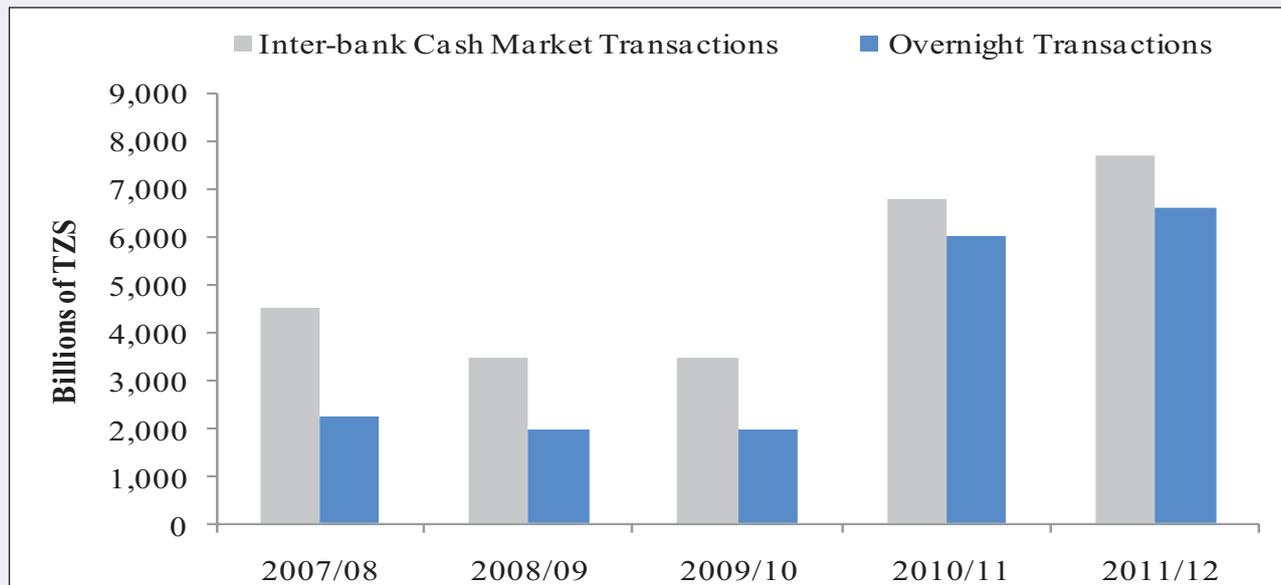


Inter-Bank Cash Market

The total volume of transactions in the market amounted to TZS 7,728.3 billion in 2011/12 compared to TZS 6,786.8 billion transacted in the preceding year, with overnight

placements accounting for 85.5 percent of the total transactions. The increase in volume of transaction was partly explained by liquidity squeeze that was experienced during the period under review (**Chart 3.7**).

Chart 3.7: Annual Inter-bank Cash Market Transactions



Source: Bank of Tanzania

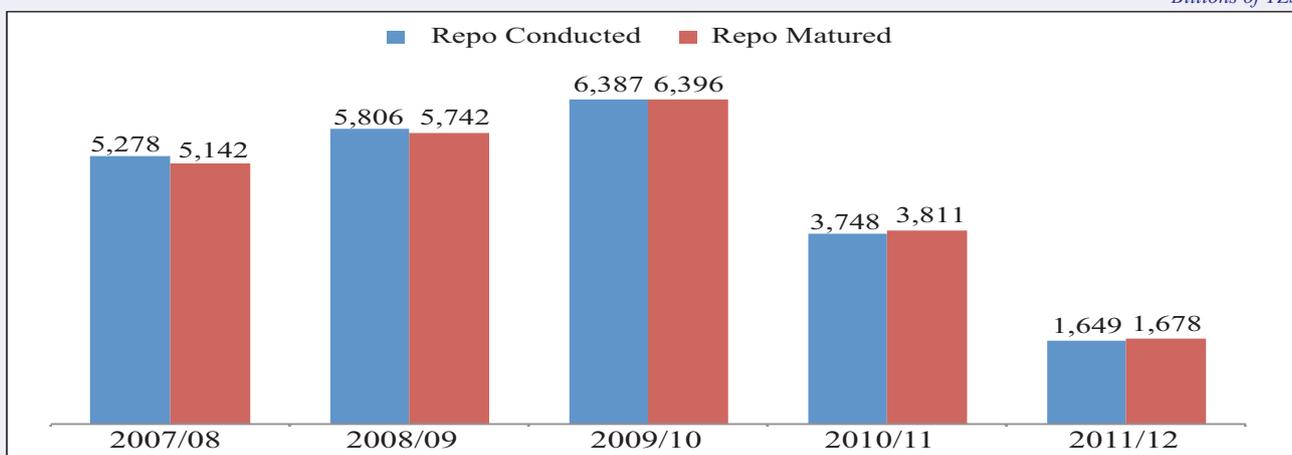
Repurchase Agreements and Standing Facilities

In 2011/12, the Bank conducted repos worth TZS 1,648.5 billion with banks, compared with TZS 3,747.5 billion conducted in the preceding year (**Chart 3.10**). The low outturn in the repo

operations was consistent with the liquidity squeeze experienced banks during the period under review, which led the Bank to conduct reverse repo worth TZS 120.0 billion. The Bank also granted loans to banks through the Lombard window amounting to TZS 611.1 billion.

Chart 3.10: Repo Transactions

Billions of TZS



Source: Bank of Tanzania

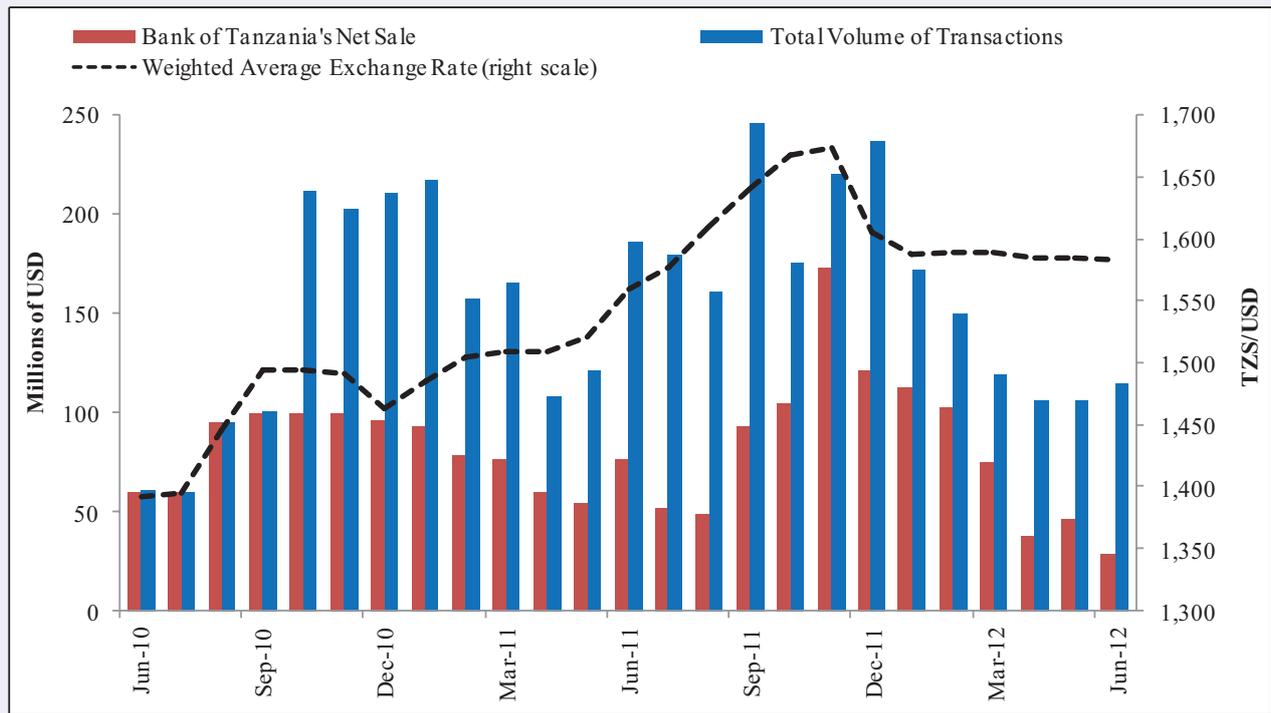


Inter-Bank Foreign Exchange Market

During the year ending June 2012, total volume of transactions in the Interbank Foreign Exchange Market (IFEM) increased by USD 150.1 million to USD 1,987.4 million, compared to the level recorded in the preceding year. The Bank of Tanzania participated in the IFEM and sold on net terms USD 993.3 million, compared

with USD 990.9 million sold in the preceding year. Nominal exchange rate depreciated by 7.4 percent from an average of TZS 1,489.6 per USD in 2010/11 to TZS 1,608.1 per USD in 2011/12. The depreciation of the shilling was associated with, among others, high demand for foreign exchange to cater for the rising import bill, coupled with the general strengthening of the US dollar against major currencies (**Chart 3.11**).

Chart 3.11: Inter-bank Foreign Exchange Market Transactions



Source: Bank of Tanzania



CHAPTER FOUR BALANCE OF PAYMENTS DEVELOPMENTS

Overall Balance

During 2011/12, Tanzania recorded a surplus of USD 197.4 million in the overall balance of payments, an increase of 95.8 percent from the amount recorded in 2010/11. This development was mainly on account of an increase in inflows in the form of capital grants, Foreign Direct

Investment and foreign borrowing. However, the current account deficit widened to USD 4,328.5 million compared to USD 2,208.7 million in 2010/11 (**Table 4.1**). The widening deficit was largely explained by an increase in goods import particularly oil and machinery coupled with a decline in government official transfers.

Table 4.1: Current account Balance

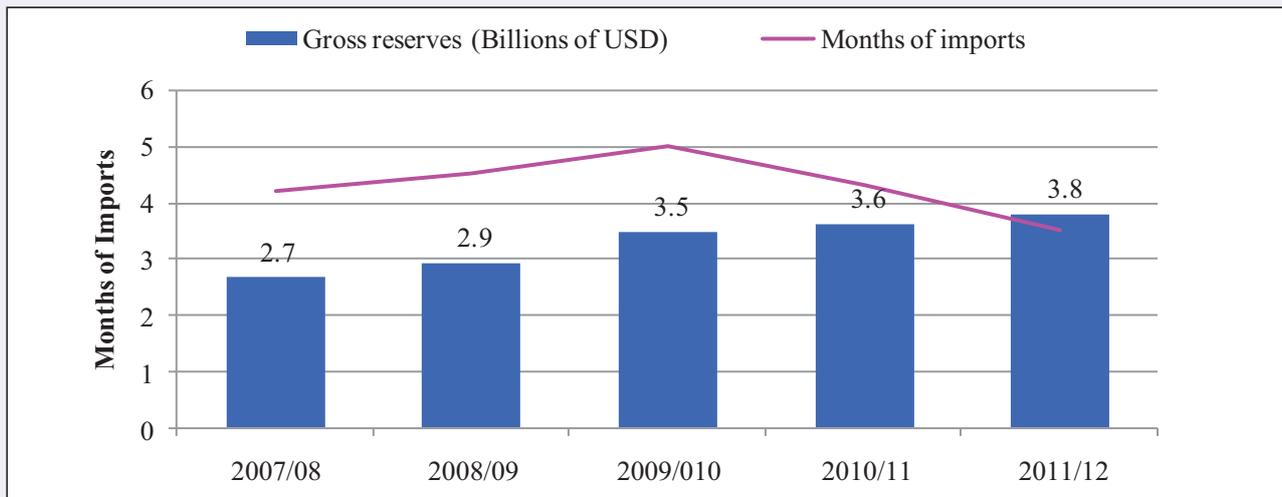
Item	Millions of USD		
	2010/11	2011/12	% Change
Goods Account (net)	-3,115.4	-5,087.2	63.3
Exports:	4,896.2	5,527.9	12.9
Traditional	697.1	761.1	9.2
Non-traditional	3,560.5	4,045.7	13.6
o/w Gold	1,787.1	2,268.4	26.9
Unrecorded trade	638.6	721.0	12.9
Imports	-8,011.6	-10,615.1	32.5
Capital Goods	3,124.5	3,725.0	19.2
Intermediate goods	2,966.9	4,548.2	53.3
o/w Oil	2,154.7	3,586.1	66.4
Consumer Goods	1,918.0	2,339.7	22.0
Services Account (net)	170.5	47.0	-72.4
Receipts	2,154.5	2,390.7	11.0
Payments	-1,984.0	-2,343.6	18.1
Goods and services (net)	-2,944.9	-5,040.2	71.2
Exports of goods and services	7,050.7	7,918.6	12.3
Imports of goods and services	-9,995.6	-12,958.7	29.6
Income Account (net)	-258.9	-211.1	-18.5
Receipts	199.1	206.5	3.7
Payments	-458.0	-417.6	-8.8
Current Transfers (net)	995.1	922.7	-7.3
Inflows	1,078.9	1,034.0	-4.2
Government	736.5	624.9	-15.2
Other sectors	342.4	409.2	19.5
Outflows	-83.8	-111.3	32.8
Current Account	-2,208.7	-4,328.5	96.0

Note: P = Provisional data.
Totals may not add up due to rounding of numbers.

Source: Bank of Tanzania

During the year ending June 2012, the gross official reserves held by the Bank of Tanzania increased to USD 3,786.7 million from USD 3,610.2 million recorded at the end of June 2011. This level of reserves was sufficient to

cover about 3.6 months of imports of goods and services (**Chart 4.1**). During the same period, the gross foreign assets of banks stood at USD 911.4 million.

**Chart 4.1: Bank of Tanzania Gross Reserves**

Source: Bank of Tanzania

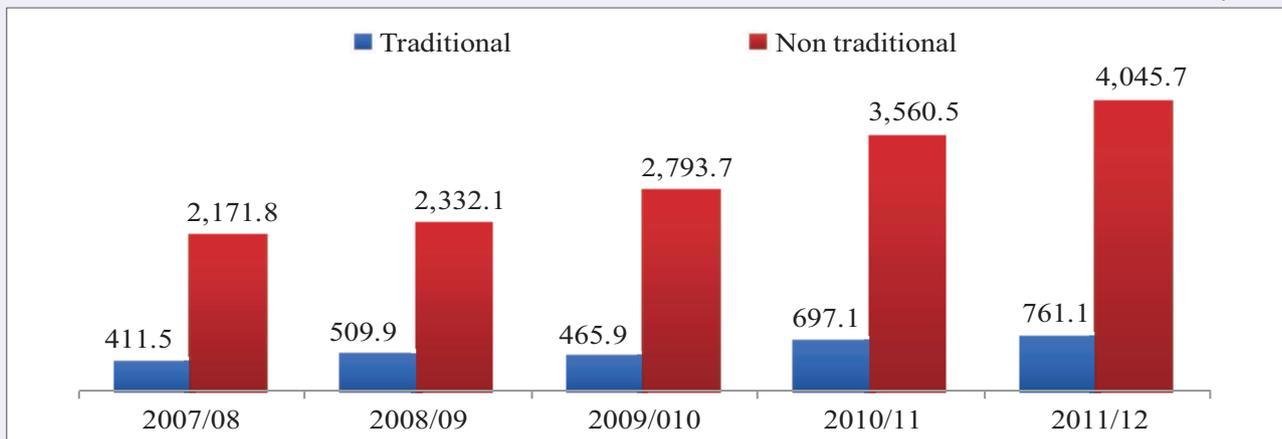
Goods Export

During the year ending June 2012, the value of goods export amounted to USD 5,599.5 million an increase of 14.4 percent from the amount recorded during the period ending June 2011. Much of the increase was recorded in non-traditional exports particularly gold (Charts

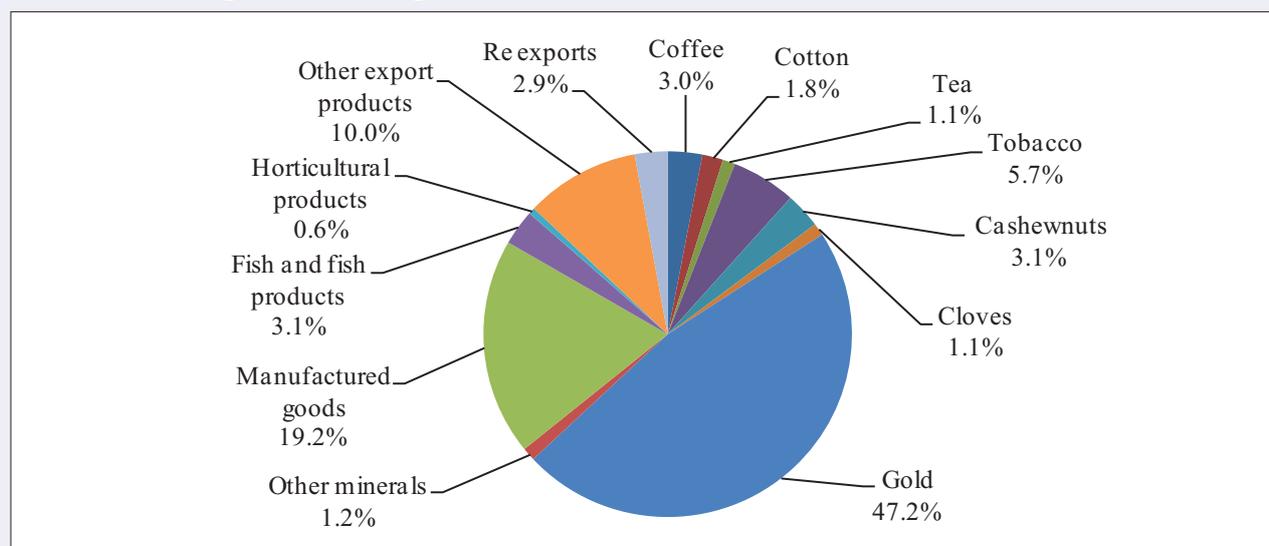
4.2 and 4.3). The increase in the value of gold exports was largely associated with an increase in the world market price; as gold was regarded as safe haven amid ongoing Euro debt crises. The exports value of manufactured goods declined to USD 922.0 million compared to USD 1,060.6 million recorded at the end of June 2011.

Chart 4.2: Structure of Tanzania's Exports

Millions of USD



Source: Bank of Tanzania

Chart 4.3: Composition of Exports Commodities, 2011/2012


Source: Bank of Tanzania

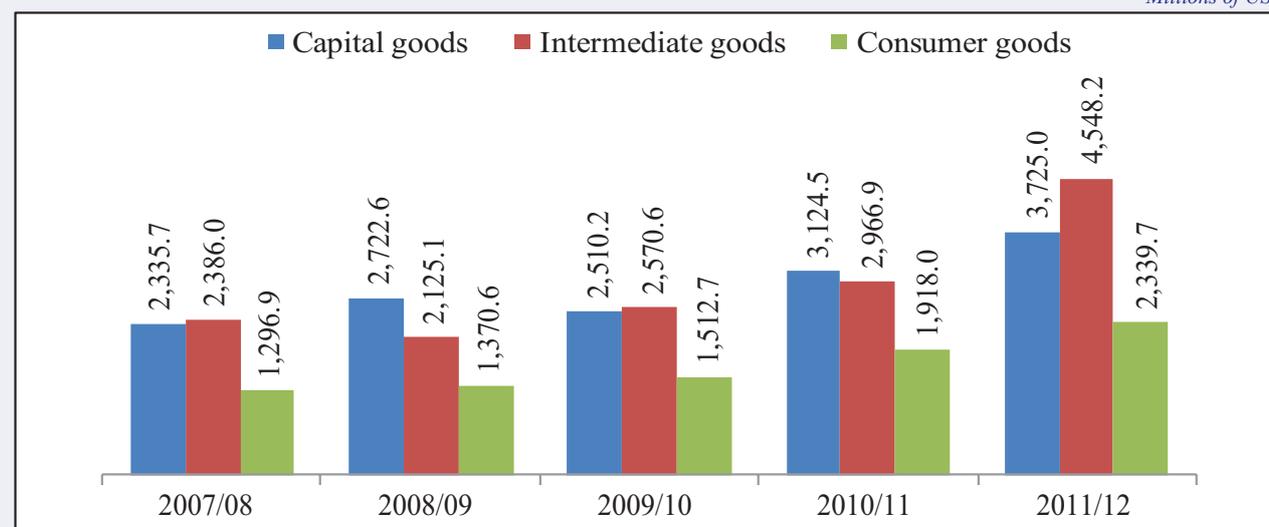
Exports earning from traditional commodities amounted to USD 761.1 million, an increase of 9.2 percent from the amount recorded in 2010/11. The improvement was largely on account of high volumes and prices of cotton, tea and cloves. The increase in the export volumes was largely due to favourable weather conditions, while the increase in the export unit prices was consistent with improvement in the world commodity prices.

Goods Import

The value of goods imported in 2011/12 was USD 10,615.1 million compared to USD 8,011.6 million recorded in the previous year (**Chart 4.4**). The increase was largely driven by oil imports following a rise in prices in the world market coupled with an increase in domestic demand for thermal power generation. There was also a substantial increase in machinery imports for gas and oil exploration.

Chart 4.4: Composition of Imports by Major Categories

Millions of USD



Source: Bank of Tanzania



Services Account

During 2011/12, the services account recorded a surplus of USD 47 million. Services receipts increased to USD 2,390.7 million from USD 2,154.5 million recorded during the year ending June 2011. Travel and transportation receipts recorded most of the increase. The improvement in travel receipts was largely attributed to an increase in the number of international tourist arrivals. Provisional statistics show that the number of tourist arrivals increased to 860,718 from 834,801 recorded during the year ending June 2011. The good performance in transportation receipts was mainly on account of an increase in the volume of transit goods partly associated with improved port efficiency and road infrastructure. During the review period, the volume of transit goods increased to 1,000,954 tonnes compared to 852,470 tonnes in the preceding year. Meanwhile, services payment amounted to USD 2,343.6 million compared to USD 1,984.0 million recorded in the year ending June 2011. Freight charges accounted for over 40 percent of the services payment consistent with the increase in import bill.

Income Account

Income account deficit narrowed to USD 211.1 million, compared to USD 258.9 million recorded in 2010/11, largely due to a increase in income receipts coupled with a decline in income payments. Income receipts increased largely due to a rise in compensation of employees.

Meanwhile, income payments decreased by 8.8 percent to USD 417.6 million during the period under review.

Current and Capital Transfers

During the year ending June 2012, the official current transfers recorded a surplus of USD 922.7 million, a slight decline from USD 995.1 million recorded in 2010/11. This performance was largely on account of a decline in official government transfers. Meanwhile, capital transfer increased from USD 560.1 million recorded during June 2011 to USD 817.4 million at end June 2012, following an increase in government project grants from development partners.

Direction of Trade

Tanzania's major trading partners during 2011/12 were Switzerland, India, United Arab Emirates, South Africa and China (**Table 4.2**). The table shows that the top ten major sources of imports constitute 69.2 percent of the total imports. The main imports from Switzerland are petroleum and related products while the main exports to Switzerland were gold, tobacco, copper ore and concentrates³. Another prominent trading partner was South Africa, which was the major destination of Tanzania's exports mainly gold, precious metals, coffee, tobacco and tea. Tanzania's exports to China included precious metal, copper ore and concentrates, manganese ore and concentrates and oil seeds, whereas imports included chemicals, rubber, fabrics, footwear and motors and related goods.

³Switzerland was the major sources of imports in 2011/12 as a Swiss company; M/s Augusta Energy won a tender for Bulk oil imports System for the January to June 2012 period.

**Table 4.2: Direction of Trade, 2011/12***Percent*

Import by source Countries - Top Ten		Exports by Destination Countries - Top Ten	
Switzerland	12.3	South Africa	20.2
India	10.9	Switzerland	17.6
United Arab Emirates	9.6	China	11.9
China	9.4	Japan	6.2
South Africa	9.3	Germany	5.8
Bahrain	4.8	Kenya	5.6
Japan	4.0	India	5.2
Kenya	3.5	Democratic Republic of Congo	2.8
United Kingdom	3.0	Netherlands	2.1
United States of America	2.4	Malawi	1.9
Others	30.8	Others	20.8
Total	100	Total	100

Source: Bank of Tanzania

World Commodity Prices

During the year ending June 2012, the average world market prices of major commodities increased save for **coffee** (Arabica), **tea** (Average) and **cotton** (Table 4.3). The decline in the price of **coffee** (Arabica) was largely due to prospects of an increase in production in Brazil and Vietnam following improvement in weather condition. Similarly, the price of **tea** (average) decreased mainly due to weak demand coupled with increase in production from India. The decline in the price of **cotton** was largely on expectation of bumper harvest from China and India and weak global demand from textile manufacturers. The increase in prices of **coffee** (Robusta) was largely

attributed to decline in production following unfavourable weather in Columbia and the rise in demand in the emerging markets such as China and India. The price of **cloves** also surged as a result of a decline in production following an outbreak of a clove disease in Indonesia. The improvement in global demand for **sisal** led to an increase in the price of the commodity.

Prices of **crude oil** (average, Dubai f.o.b) and **white petroleum** products increased during the year ending June 2012, amidst political instability in North Africa and the Middle East. Similarly, the price of **gold** increased mainly due to uncertainty in the global financial markets amid the Euro Zone debt crisis.

**Table 4.3: World Commodity Prices**

Commodity	Unit	Year ending June (12 Months Average)			% Change
		2010	2011	2012	
Robusta Coffee	USD / kg	1.57	2.22	2.28	2.69
Arabica Coffee	USD / kg	3.35	5.60	5.05	-9.79
Tea (Average price)	USD / kg	2.82	2.97	2.82	-5.19
Tea (Mombasa Auction)	USD / kg	2.64	2.62	2.73	4.20
Cotton, "A Index"	USD / kg	1.70	3.46	2.27	-34.39
Sisal (UG)	USD /tonne	877.75	1,173.33	1,435.83	22.37
Cloves	USD /tonne	4,401.15	6,205.31	12,349.46	99.01
Crude oil*	USD / barrel	74.74	92.68	105.40	13.72
Crude oil**	USD / barrel	74.34	92.34	108.86	17.89
White products***	USD /tonne	655.31	830.94	985.48	18.60
Jet/Kerosine	USD /tonne	657.59	852.30	1,001.01	17.45
Premium Gasoline	USD /tonne	690.58	861.74	1,008.79	17.06
Heat Oil	USD /tonne	617.76	778.79	946.66	21.56
Gold	USD / troy ounce	1,091.29	1,371.47	1,671.08	21.85

Note: *Average of Brent, Dubai and West Texas Intermediate

** F.o.b Dubai

*** West Mediterranean

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



CHAPTER FIVE NATIONAL DEBT DEVELOPMENTS

External Debt

Tanzania's **external debt stock** at the end of June 2012 reached USD 10,354.6 million, an increase of USD 717.1 million over the amount recorded in the corresponding period in 2011. The increase was on account of new disbursements and accumulation of interest arrears. Out of the

external debt stock, 85.2 percent was disbursed outstanding debt (DOD) and the remaining was interest arrears.

The ratio of external debt stock to GDP in nominal terms was 39.9 percent, while that of public and private external debt to GDP was 32.5 percent and 7.4 percent, respectively (**Table 5.1**).

Table 5.1: Trend of External Debt

Item	<i>Millions of USD</i>				
	2007/08	2008/09	2009/10	2010/11	2011/12
External Debt Stock	5,856.4	6,999.4	8,197.8	9,637.5	10,354.6
GDP, at Market Price	19,267.5	20,358.5	22,903.2	23,745.8	25,954.6
as % of GDP	30.4	34.4	35.8	40.6	39.9
Public External Debt Stock	4,685.3	5,540.9	6,471.4	7,791.4	8,440.0
as % of GDP	24.3	27.2	28.3	32.8	32.5
as % of External Debt Stock	80.0	79.2	78.9	80.8	81.5
Private External Debt Stock	1,171.1	1,458.5	1,726.4	1,846.1	1,914.6
as % of GDP	6.1	7.2	7.5	7.8	7.4
as % of External Debt Stock	20.0	20.8	21.1	19.2	18.5

Source: Ministry of Finance and Bank of Tanzania

Debt Sustainability Analysis (DSA) conducted in March 2012 revealed that Tanzania's external debt was sustainable with present value of debt to

GDP of 18.9 percent compared to the threshold of 50 percent (**Table 5.2**).

Table 5.2: Summary of DSA Results against Thresholds

	Ratio	Threshold
PV of Debt to GDP	18.9	50.0
PV of Debt to XGS	56.2	200.0
PV of Debt to Revenue	111.3	300.0
Debt Service to XGS	2.5	25.0
Debt Service to Dom Revenue	5.0	35.0

Note: PV = Present Value; Dom. = Domestic; XGS = exports of goods and services

Source: Ministry of Finance

The profile of the external debt by creditor category indicates that the stock increased across all categories, particularly debt from commercial sources and multilateral creditors as a result

of new disbursements received from Credit Suisse and IDA. The share of debt sourced from commercial creditors rose to 21.2 percent from 18.0 percent recorded at the end of June 2011,



a reflection of increased government borrowing from non-concessional sources (**Table 5.3**).

Table 5.3: Tanzania's External Debt Stock by Creditor Category

Millions of USD

Creditor	Jun-10	Share (%)	Jun-11	Share (%)	Jun-12	Share (%)
Multilateral	4,211.8	51.4	5,267.5	54.7	5,623.2	54.3
DOD	4,204.8	51.4	5,250.2	54.5	5,615.8	54.2
Interest Arrears	7.0	0.1	17.4	0.2	7.5	0.1
Bilateral	1,676.1	20.5	1,709.6	17.7	1,786.3	17.3
DOD	955.4	11.7	978.7	10.2	1,015.8	9.8
Interest Arrears	720.7	8.8	730.9	7.6	770.5	7.4
Commercial	1,419.1	17.3	1,735.1	18.0	2,196.7	21.2
DOD	815.2	10.0	1,037.9	10.8	1,628.7	15.7
Interest Arrears	603.9	7.4	697.2	7.2	567.9	5.5
Export Credit	880.9	10.8	925.3	9.6	748.4	7.2
DOD	582.9	7.1	576.9	6.0	612.7	5.9
Interest Arrears	298.0	3.6	348.3	3.6	135.7	1.3
External Debt Stock	8,187.9	100.0	9,637.5	100.0	10,354.6	100.0

Source: Ministry of Finance and Bank of Tanzania

The profile of external debt by borrower category is shown in **Table 5.4**. The government accounted for the largest share, followed by the private sector.

Table 5.4: Tanzania's External Debt Stock by Borrower Category

Millions of USD

Borrower	Jun-10	Share (%)	Jun-11	Share (%)	Jun-12	Share (%)
Central Government	5,542.5	67.6	6,795.8	70.5	7,912.8	76.4
DOD	4,816.9	58.8	6,057.8	62.9	7,141.3	69.0
Interest Arrears	725.6	8.9	738.0	7.7	771.5	7.5
Private Sector	1,726.5	21.1	1,846.1	19.2	1,914.6	18.5
DOD	1,206.7	14.7	1,228.0	12.7	1,327.0	12.8
Interest Arrears	519.8	6.3	618.1	6.4	587.6	5.7
Parastatal Companies	928.9	11.3	995.5	10.3	527.2	5.1
DOD	534.7	6.5	557.8	5.8	404.6	3.9
Interest Arrears	394.2	4.8	437.7	4.5	122.5	1.2
External Debt Stock	8,197.9	100.0	9,637.5	100.0	10,354.6	100.0

Source: Ministry of Finance and Bank of Tanzania

During the review period, new loans worth USD 486.6 million were contracted and recorded, out of which the government contracted loans worth USD 414.5 million and the private sector USD 72.1 million. External debt disbursements amounted to USD 1,370.3 million, of which USD 1,145.7 million was received by the government and the remaining portion by the private sector.

The actual external debt serviced was USD 99.4 million, equivalent to 1.4 percent of export of goods and services. Out of the amount paid principal repayments was USD 44.5 million, interest payments USD 48.6 million and other charges USD 6.3 million.



Domestic Debt

The stock of domestic debt increased by TZS 439.7 billion to TZS 4,174.2 billion at the end of June 2012 compared with TZS 3,734.5 billion registered at the end of June 2011. The increase was on account of large issuance of Government securities compared to maturing obligations.

The domestic debt was equivalent to 11.1 percent of GDP and 20.4 percent of national debt stock. Out of domestic debt stock, Government bonds accounted for 73.5 percent followed by Treasury bills and Government stocks which accounted for 20.3 percent and 6.2 percent respectively (Table 5.5).

Table 5.5: Government Domestic Debt by Instruments

Billion of TZS

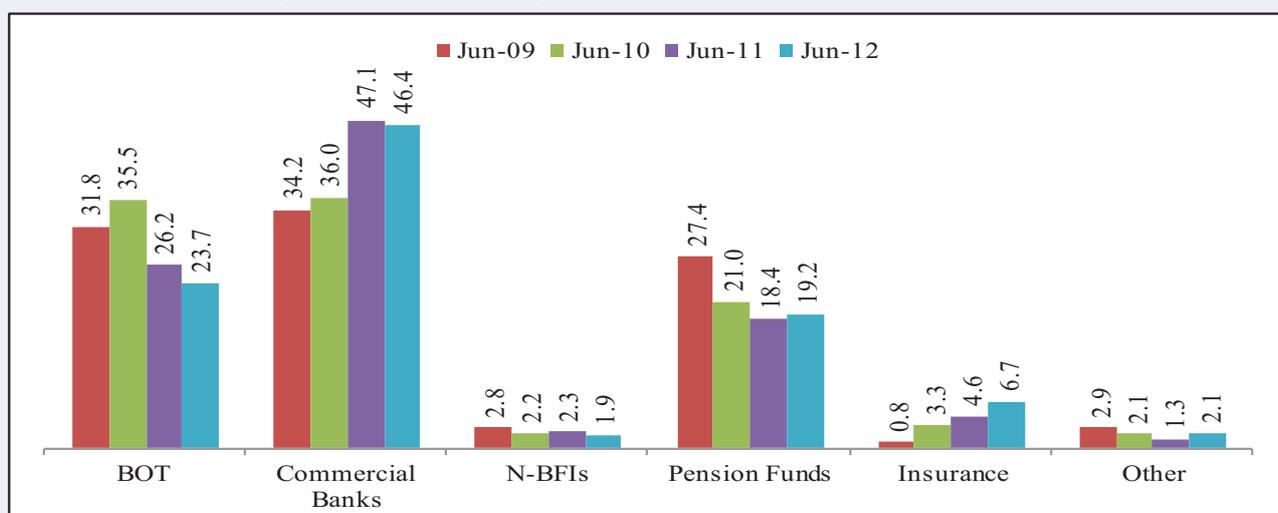
Item	Jun-10	Share (%)	Jun-11	Share (%)	Jun-12	Share (%)
Government Securities	2,763.7	99.7	3,726.2	99.8	4,174.2	100.0
Treasury Bills	285.0	10.3	586.3	15.7	849.0	20.3
Government Stocks	258.7	9.3	257.1	6.9	257.1	6.2
Government Bonds	2,219.9	80.1	2,882.8	77.2	3,068.0	73.5
Tax Certificates	0.1	0.0	0.1	0.0	0.1	0.0
Other Gov't Debt	8.3	0.3	8.3	0.2	0.0	0.0
Mabibo Hostel	8.2	0.3	8.2	0.2	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Dom. Debt	2,772.0	100.0	3,734.5	100.0	4,174.2	100.0
Interest Arrears	0.0	0.0	0.0	0.0	0.0	0.0
Total Dom. Debt Stock	2,772.0	100.0	3,734.5	100.0	4,174.2	100.0

Source: Ministry of Finance and Bank of Tanzania

In terms of holder category, commercial banks were the leading investors holding 46.4 percent followed by the Bank of Tanzania (23.7 percent), and pension funds (19.2 percent). However,

holdings of domestic debt by the banking system decreased slightly from 73.3 percent in June 2011 to 70.1 percent at the end of June 2012 (Chart 5.1).

Chart 5.1: Percentage Share of Holding of Government Domestic Debt



Note: BOT = Bank of Tanzania; N-BFIs = Non Bank Financial Institutions

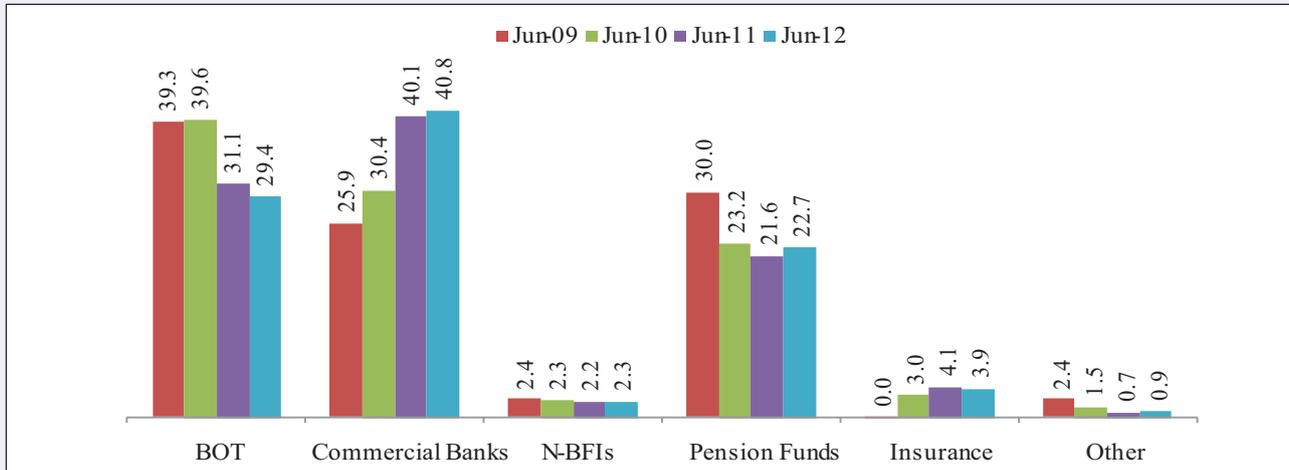
Source: Ministry of Finance and Bank of Tanzania



Commercial banks ranked first in share holding of long term domestic debt, accounting for 40.8 percent (**Chart 5.2**). This dominance is

a reflection of narrowness of the investor base outside the banking system.

Chart 5.2: Percentage Share of Holding of Government Long Term Domestic Debt



Source: Ministry of Finance and Bank of Tanzania

The amount of domestic debt that fell due for payment was TZS 1,583.8 billion, equivalent to 22.0 percent of domestic revenue collected during the period. Out of the domestic debt

service, TZS 1,226.0 billion (17.0 percent of domestic revenue) was principal repayments and TZS 357.8 billion was interest payments (**Table 5.6**).

Table 5.6: Domestic Debt Service

Item	Billions of TZS		
	2009/10	2010/11	2011/12
Domestic Revenue	4,661.5	5,698.5	7,199.6
Domestic Debt Service	833.1	1,297.8	1,583.8
as % of Domestic Revenue	17.9	22.8	22.0
Principal Repayments	551.9	1,006.9	1,226.0
as % of Domestic Revenue	11.8	17.7	17.0
Interest Payments	281.2	290.9	357.8
as % of Domestic Revenue	6.0	5.1	5.0

Source: Ministry of Finance and Bank of Tanzania



CHAPTER SIX ECONOMIC DEVELOPMENTS IN ZANZIBAR

The Overall Economic Performance

In 2011, Zanzibar's real GDP grew by 6.8 percent, compared with a growth of 6.4 percent recorded in 2010. This growth was driven by

tourism related activities which recorded an annual growth rate of 10.2 percent compared to 3.0 percent recorded in 2010. Income per capita also increased by 22.8 percent to TZS 960,000 in 2011 from TZS 782,000 recorded in 2010 (**Table 6.1**).

Table 6.1: Selected Economic Indicators

Description	2007	2008	2009	2010	2011 ^P
GDP at Market Prices					
At current Prices (Billion of TZS)	587.3	748.1	879.2	946.8	1,198.0
Quantity Index (2001=100)	145.0	153.0	163.0	173.0	185.0
Constant Price Growth Rates (%)	6.5	5.3	6.7	6.4	6.8
Implied Deflators (2001=100)	182.0	221.0	243.0	246.0	291.0
GDP per Capita					
GDP per capita (TZS "000")	517.0	639.0	729.0	782.0	960.0
GDP per capita (USD)	414.0	534.0	558.0	560.0	617.0
Memorandum items					
Population ("000")	1,137.0	1,171.0	1,206.0	1,211.0	1,247.0
Exchange rate (TZS per USD)	1,247.0	1,197.0	1,307.0	1,396.0	1,557.0

Note: P = Provisional

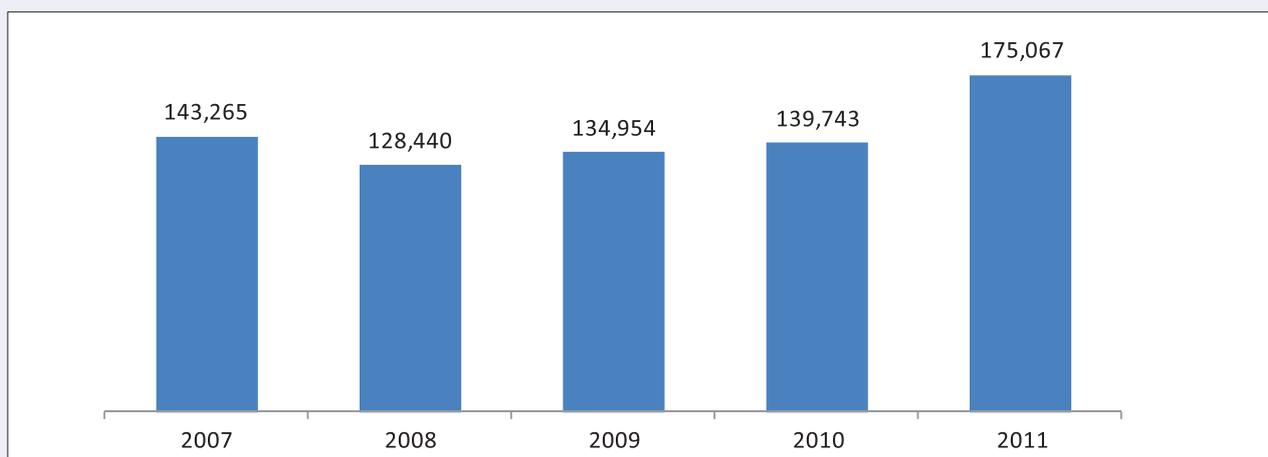
Source: Office of the Chief Government Statistician

Sectoral Developments

Services

Services sector growth slightly declined by 0.4 percentage points to 8.9 percent in 2011 compared to the level recorded in 2010. However, hotels and restaurants (the main sub-sector), recorded a growth rate of 10.2 percent compared to 3.0 percent recorded in 2010, mainly due to the increase in the number of tourist arrivals as indicated in **Chart 6.1**. Trade and repairs activities increased by 21.5 percent from 7.0

percent recorded in 2010 mainly on account of a rise in importation of intermediate goods mainly oil and capital goods for infrastructural development. Transport and communication sub-sector grew by 9.6 percent compared to 19.6 percent recorded in 2010, associated with lower growth in telecommunication activities. Meanwhile, cargo handled at the Zanzibar harbour and air port increased by 8.8 percent to 754,188 tonnes compared with 692,979 tonnes handled in 2010, partly reflecting improvement of services rendered.

**Chart 6.1: Number of Tourist Arrivals in Zanzibar**

Source: Office of the Chief Government Statistician

Agriculture

Agricultural activities sector grew by 2.7 percent in 2011 compared to 3.1 percent recorded in 2010. This outturn was mainly associated with lower

rubber output on account of aging rubber trees. Meanwhile, seaweed and cloves procurement increased on account of increased producer prices (**Table 6.2**).

Table 6.2: Procurement of Major Export Crops

Crop						<i>Tonnes</i>
	2007	2008	2009	2010	2011 ^P	% Change
Cloves	1,085.6	4,007.0	3,536.0	2,129.0	3,743.0	75.8
Clove Stems	226.5	345.4	445.0	280.0	468.0	67.1
Seaweeds	8,485.0	11,177.0	10,248.0	11,937.0	13,193.0	10.5
Rubber	974.2	1,479.0	428.0	564.0	457.0	-19.0
Total	10,771.3	17,008.4	14,657.0	14,910.0	17,861.0	19.8

Note: P: Provisional data

Source: Office of Chief Government Statistician

Production of food crops rose from 431,168 tonnes in 2010 to 515,558 tonnes in 2011, out of which 27,495 tonnes were cereals. Production

of paddy increased on account of improved irrigation and increased utilization of subsidized inputs (**Table 6.3**).


Table 6.3: Production of Food Crops

	2007	2008	2009	2010	2011 ^P	<i>Tonnes</i> % change 2010 to 2011
Cereals:						
Maize	1,931	1,933	2,063	3,112	3,281	5.4
Sorghum	794	615	457	572	512	-10.5
Paddy	20,038	20,889	26,980	21,014	23,702	12.8
Sub-total	22,763	23,437	29,500	24,698	27,495	11.3
Non-Cereals:						
Cassava	187,213	153,136	195,674	229,284	273,342	19.2
Banana	93,641	103,145	100,873	102,258	110,250	7.8
Sweet potatoes	45,620	55,305	53,596	58,953	92,715	57.3
Yams	8,192	3,516	11,373	7,487	4,212	-43.7
Tania	4,191	8,459	5,883	6,443	4,940	-23.3
Others	847	3,866	4,006	2,045	2,604	27.3
Sub-total	339,704	327,427	371,405	406,470	488,063	20.1
Grand total	362,467	350,864	400,905	431,168	515,558	19.6

Note: P = Provisional

Source: Office of Chief Government Statistician

Fish catches increased from 25,693.0 tonnes in 2010 to 28,759 tonnes in 2011, as depicted in **Table 6.4**.

Table 6.4: Production and Value of Fish Catches

Unit	2007	2008	2009	2010	2011	% change
Metric Tonnes	23,582.0	24,803.0	25,397.0	25,693.0	28,759.0	11.9
Millions of TZS	34,639.2	36,895.5	47,714.1	61,784.3	85,667.8	38.7

Source: Department of Fisheries and Marine Products

Industrial Sector

During 2011, industrial sector grew by 5.8 percent compared to 1.9 percent recorded in 2010. Notable growth rates were recorded in mining and quarrying, electricity, gas and water supply and construction activities. Construction sub-sector grew by 4.7 percent in 2011 compared to 1.1 percent registered in 2010, while quarrying activities grew by 12.9 percent compared to

5.4 percent. Developments in construction and quarrying activities were consistent with increased earnings from cloves sales and compensations made to pave way for road construction in Pemba. Meanwhile, the quantity of electricity distributed doubled to 247.9 million kWh from 123.7 million kWh recorded in 2010. This development was associated with installation of a new cable from Tanga to Pemba Island (**Table 6.5**).

**Table 6.5: Quantity of Electricity Distribution (National Grid) kWh '000'**

Industries	2007	2008	2009	2010	2011	Percent share	% Change 2010 to 2011
Commercial	22,787	13,651	13,296	18,600	17,608	7.1	-5.3
Domestic	63,058	58,400	51,954	45,512	60,698	24.5	33.4
Large Industry	37,881	41,030	38,135	36,509	45,194	18.2	23.8
Medium Industry	11,665	16,560	23,176	30,639	28,719	11.6	-6.3
Small Industry	907	600	618	979	2,527	1.0	158.1
Street Lights	809	446	371	698	935	0.4	34.0
TUKUZA	0	0	57,252	63,929	92,255	37.2	44.3
Total	137,107	130,687	105,314	123,680	247,936	100.0	100.5

Note: kWh = kilowatt-hour

Source: Zanzibar State Fuel and Power Corporation

Table 6.6 depicts manufacturing activities in which notable increases were recorded in noodles and window UPVC production.

Table 6.6: Production of Selected Commodities

Commodity	Units	2007	2008	2009	2010	2011 ^P	% Change 2010 to 2011
Beverage*	Litres'000'	11,473.0	12,780.0	13,800.0	15,414.0	17,199.0	11.6
Video/Radio tapes	Cartons	80,687.0	61,167.0	30,742.0	30,648.0	14,517.0	-52.6
Bread	'000'	97,960.0	102,050.0	105,531.0	108,264.0	111,512.0	3.0
Garments Dish Dash	Pcs	5,338.0	3,778.0	4,392.0	4,648.0	4,672.0	0.5
Jewellery (Gold/Silver)	Grams	7,563.0	7,526.0	9,710.0	9,508.0	8,602.0	-9.5
Noodles	Kg	58,807.0	71,072.0	75,600.0	80,417.0	189,000.0	135.0
Door UPVC	Qty	53.0	33.0	43.0	125.0	140.0	12.0
Window UPVC	Qty	161.0	35.0	98.0	43.0	95.0	120.9

Note: *Include Mineral Water and soft drinks

P = Provisional figures

Source: Office of Chief Government Statistician

Gross Capital Formation

During 2011, capital formation increased to TZS 183.2 billion from TZS 140.7 billion recorded in 2010. The increase was partly due to new investments in tourism and infrastructure development, particularly roads in Pemba Island and Zanzibar International airport. A total of 47

new investment projects were approved, out of which 22 projects worth USD 48.6 million were in hotels and restaurants and 4 projects worth USD 56.5 million were in Transport, Storage and Communication sub-sector. The ratio of total investment to GDP increased from 14.9 percent in 2010 to 15.3 percent in 2011. **Table 6.7** shows capital formation by type of assets.


Table 6.7: Capital Formation by Type of Assets
Millions of TZS

Item	2007	2008	2009	2010	2011 ^P
A. Buildings					
Residential	7,730	9,180	9,748	9,624	11,294
Rural Construction	5,676	6,818	8,097	8,598	8,488
Non Residential	24,276	28,829	30,611	30,220	35,465
Total Buildings	37,682	44,827	48,456	48,442	55,247
B. Other Works					
Land Improvements	24,414	28,992	30,785	30,392	35,666
Roads, Bridges etc.	18,867	22,406	23,791	23,487	27,563
Total Others Works	43,281	51,398	54,576	53,879	63,229
C. Equipment					
Transport Equipment	17,606	20,768	16,593	23,406	35,220
Other Equipment	5,626	21,618	5,502	12,056	5,315
Total Equipment	23,232	42,386	22,095	35,462	40,535
D. Others					
Change inventory	4,126	3,447	2,768	2,930	24,190
E. Capital Formation	108,321	142,058	127,895	140,713	183,201
Of which:					
Subsistence	5,676	6,818	8,097	8,598	8,488
Monetary	102,644	135,239	119,798	132,115	174,713

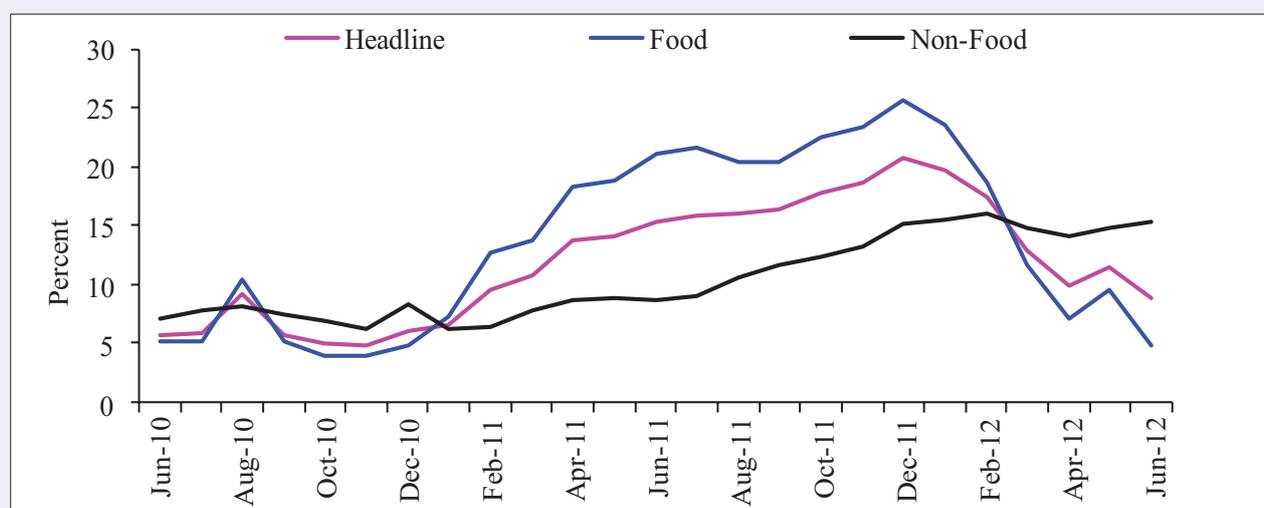
Note: P = Provisional

Source: Office of the Chief Government Statistician

Inflation Developments

During 2011/12, Zanzibar **average annual headline inflation** increased to 15.5 percent from 9.0 percent recorded in 2010/11. This development was attributed to the increase in prices of food and petroleum products. **Average annual food inflation** accelerated to 17.4 percent

from 10.5 percent recorded in 2010/2011, mainly on account of increase in the prices of rice, sugar and wheat flour. Meanwhile, **Average annual non-food inflation** rate rose to 13.6 percent from 7.6 percent recorded in 2010/2011, mainly due to increase in prices of petroleum products (**Chart 6.2**).

Chart 6.2: Annual Headline, Food and Non-food Inflation


Source: Office of Chief Government Statistician



Government Budgetary Operations

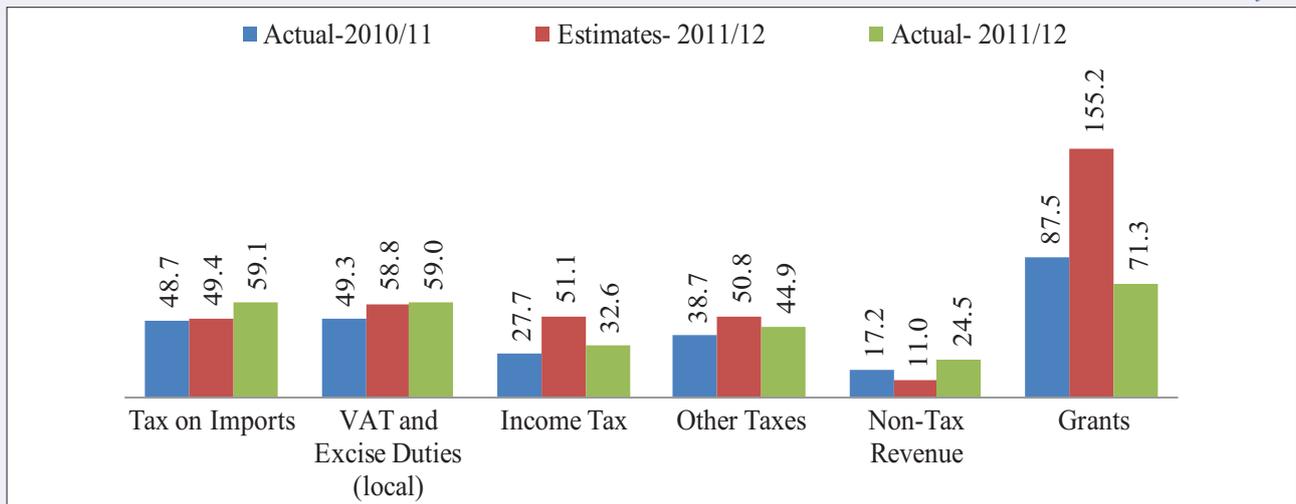
During 2011/12, budgetary operations on cheques issued basis recorded a deficit of TZS 82.7 billion after grants, compared with a deficit of TZS 79.0 billion registered in 2010/11. The budgetary operations after adjustment to cash amounted to a deficit of TZS 76.0 billion. Total resources amounted to TZS 291.3 billion, out of which TZS 220.0 billion or 75.5 percent was from domestic sources, and the balance was grants.

Revenue Performance

Revenue collections during 2011/12, amounted to TZS 220.0 billion, slightly below the annual target of TZS 221.2 billion by 0.6 percent, and registered growth of 21.2 percent compared to TZS 181.5 billion collected in 2010/11. Tax revenue amounted to TZS 195.5 billion, or 88.9 percent of the total revenue collections, and was below the target by 7.0 percent mainly on account of low performance on income taxes. Non-tax revenue amounted to TZS 24.5 billion, more than double the annual target. The outturn was on account of improved administration in revenue collection (**Chart 6.3**).

Chart 6.3: Zanzibar Government Revenue by Sources and Grants

Billions of TZS

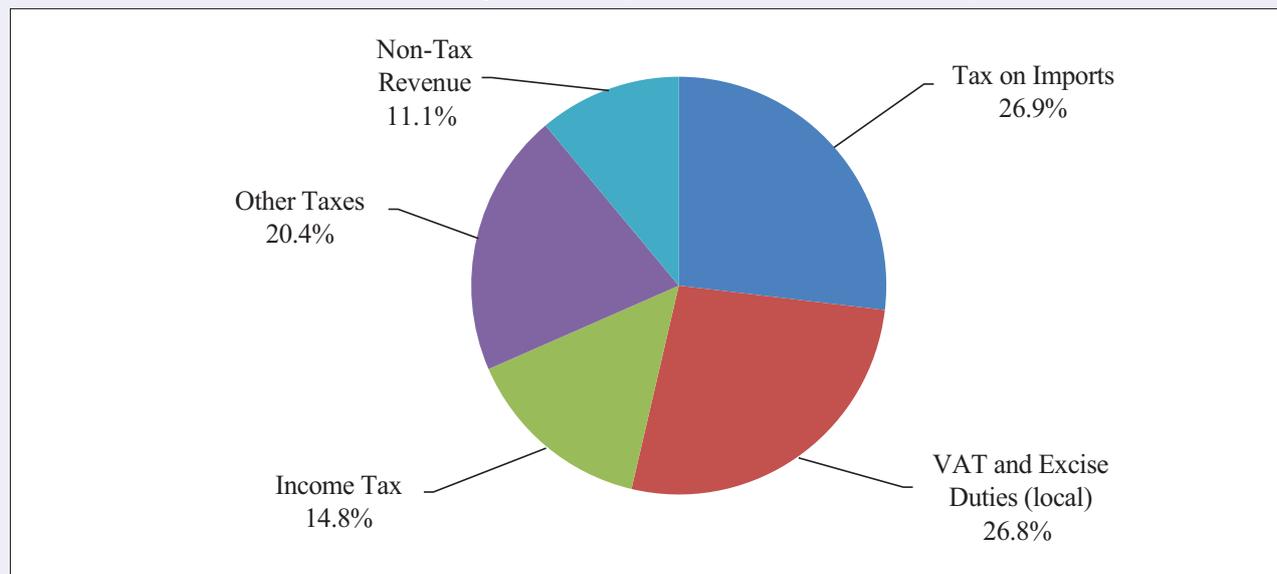


Source: President's Office-Finance, Economy and Development Planning (POFEDP), Zanzibar.

Tax on imports accounted for 26.9 percent, followed by VAT and excise duty 26.8 percent,

other taxes 20.4 percent and income taxes 14.8 percent (**Charts 6.4**).

Chart 6.4: Government Revenue by Sources (Percent of Total Revenue)



Source: President's Office -Finance, Economy and Development Planning (POFEDP), Zanzibar.

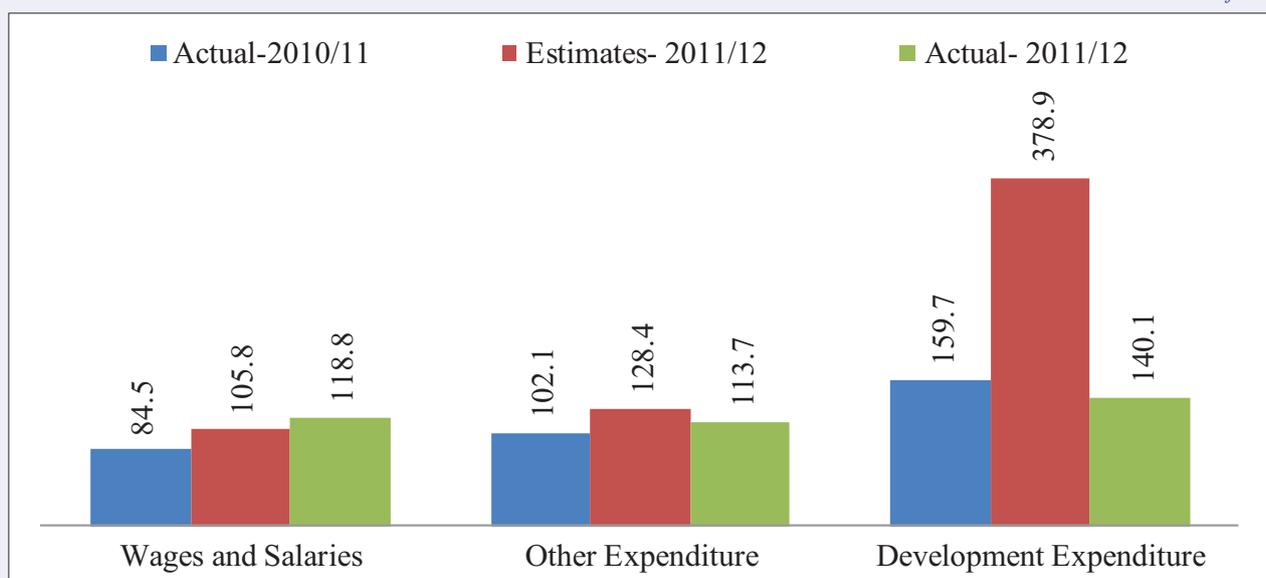
Government Expenditure

Total Government expenditure during 2011/12 amounted to TZS 374.0 billion, below the annual estimate of TZS 613.1 billion mainly on account of low outturn of donor funds for development projects. Recurrent expenditure amounted to TZS 233.9 billion or 62.5 percent of total expenditure, and was almost in line with the

estimate. Development expenditure amounted to TZS 140.1 billion below the estimate of TZS 378.9 billion. Out of the total development expenditure, donor funded component accounted for 75.4 percent and the balance was government contribution. Expenditure performance by components compared to estimates is as shown in **Chart 6.5**.

Chart 6.5: Government Expenditure by Component

Billions of TZS



Source: President's Office-Finance, Economy and Development Planning (POFEDP), Zanzibar.



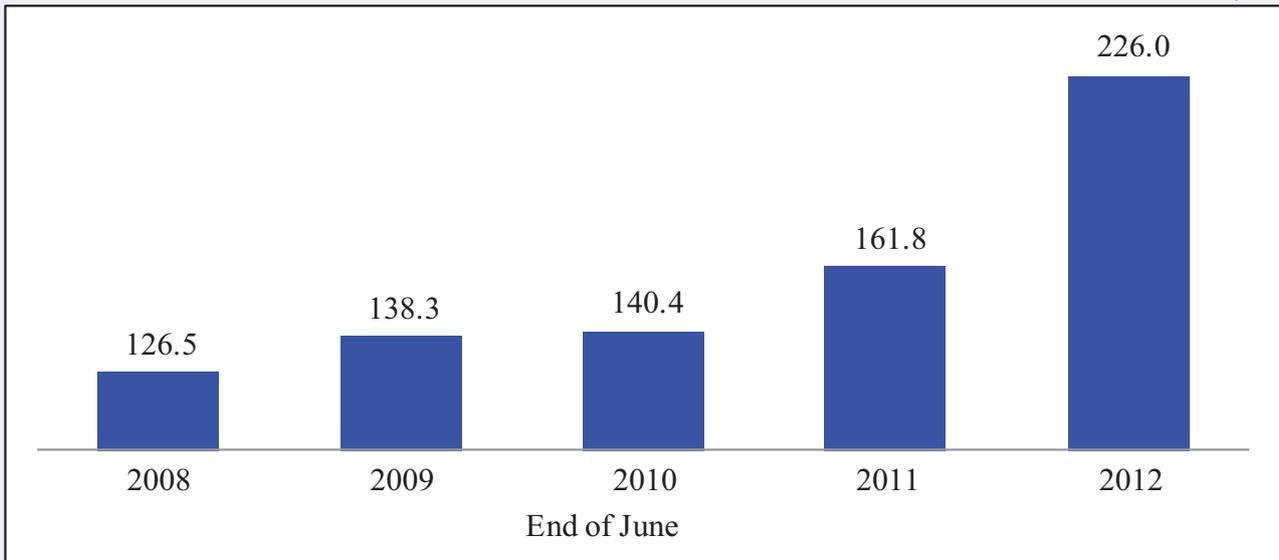
Debt Developments

Zanzibar total debt stock increased to TZS 226.0 billion as at the end of June 2012, from TZS 161.8 billion recorded in the corresponding period in 2011 (**Chart 6.6**). External debt amounted to

TZS 175.3 billion, equivalent to 77.5 percent of total debt stock, while domestic debt stood at TZS 50.7 billion. The ratio of debt stock to GDP⁴ edged up to 18.9 percent from 17.1 percent registered as at the end of June 2011.

Chart 6.6: Zanzibar Total Debt Stock Development

Billions of TZS



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

Domestic Debt

As at the end of June 2012, domestic debt stock stood at TZS 50.7 billion, compared to TZS 36.3 billion registered in the preceding year. The increase was on account of the Government debts owed to the Zanzibar Social Security Fund (ZSSF) and relatively large issuance of government securities compared to matured obligations.

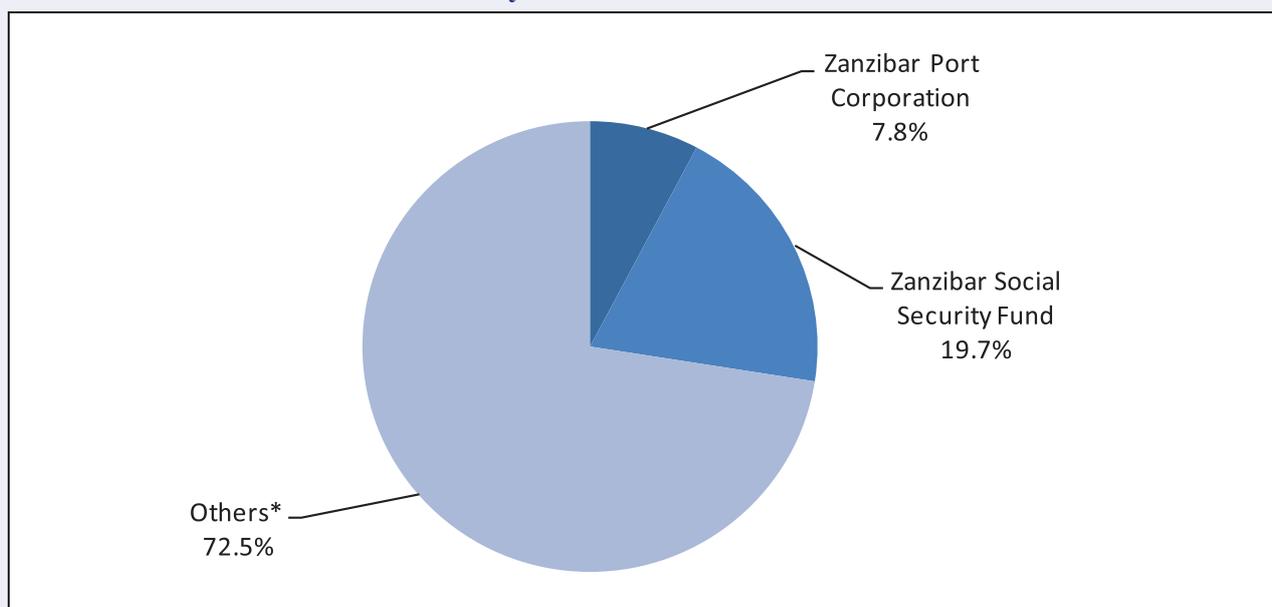
Domestic Debt by Creditor Category

Debt due to 'other creditors'⁵ accounted for 72.5 percent of total domestic debt. As at the end of June 2012, it increased to TZS 36.8 billion, from TZS 32.4 billion recorded in a year earlier. Debt due to Zanzibar Social Security Fund stood at TZS 10.0 billion while that for Zanzibar Port Corporation remained unchanged at TZS 3.9 billion (**Chart 6.7**).

⁴Gross Domestic Prices (GDP) at current prices in 2011 was TZS 1,198.0 billion

⁵ Claims by government securities, domestic suppliers and pensioners

Chart 6.7: Share of Domestic Debt by Creditor as at the End of June 2012



Note: Mainly Government suppliers and gratuity claims

Source: President’s Office-Finance, Economy and Development Planning (POFEDP), Zanzibar

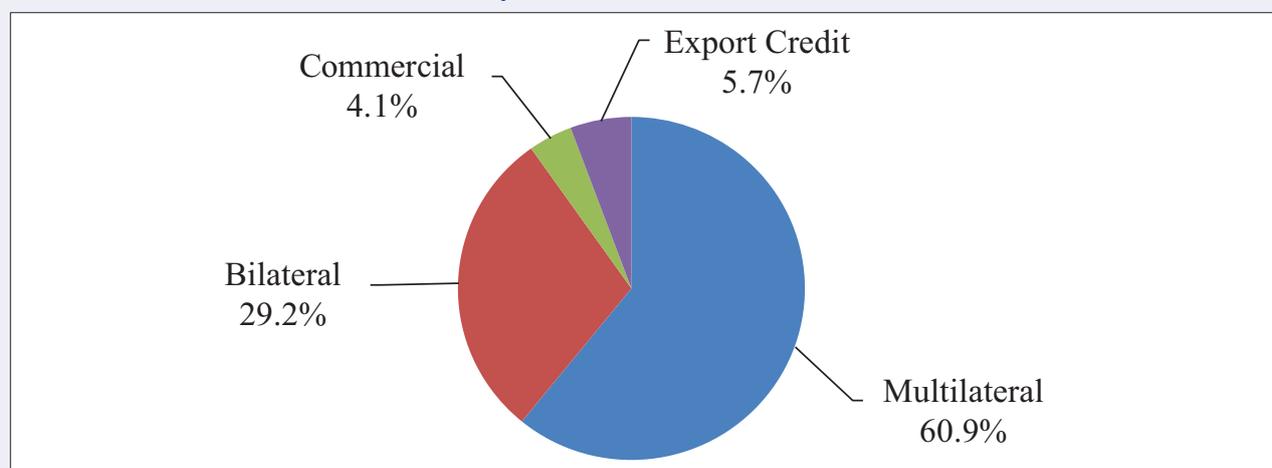
Domestic Debt by Maturity

During the review period, domestic debt with ‘undetermined maturity’ (pensioner’s claims, supplier’s credits) increased to TZS 20.4 billion, from TZS 3.4 billion registered in the corresponding period a year before. Debt maturing within 2 to 5 years increased to TZS 16.7 billion, while that maturing in less than one year declined to TZS 13.6 billion from TZS 18.2 billion.

External Debt

Zanzibar total external debt stock stood at USD 111.7 million as at the end of June 2012, compared to USD 79.4 million recorded in the corresponding period a year earlier. Out of the total external debt stock, debt guaranteed by the Union Government amounted to USD 99.8 million, or 89.4 percent of the external debt. Debt owed to multilateral creditors was the largest, followed by bilateral creditors while that to commercial creditors was the least (**Chart 6.8**).

Chart 6.8: Share of External Debt by Creditor as at the End of June 2012



Source: President’s Office-Finance, Economy and Development Planning (POFEDP), Zanzibar



External Debt by Maturity

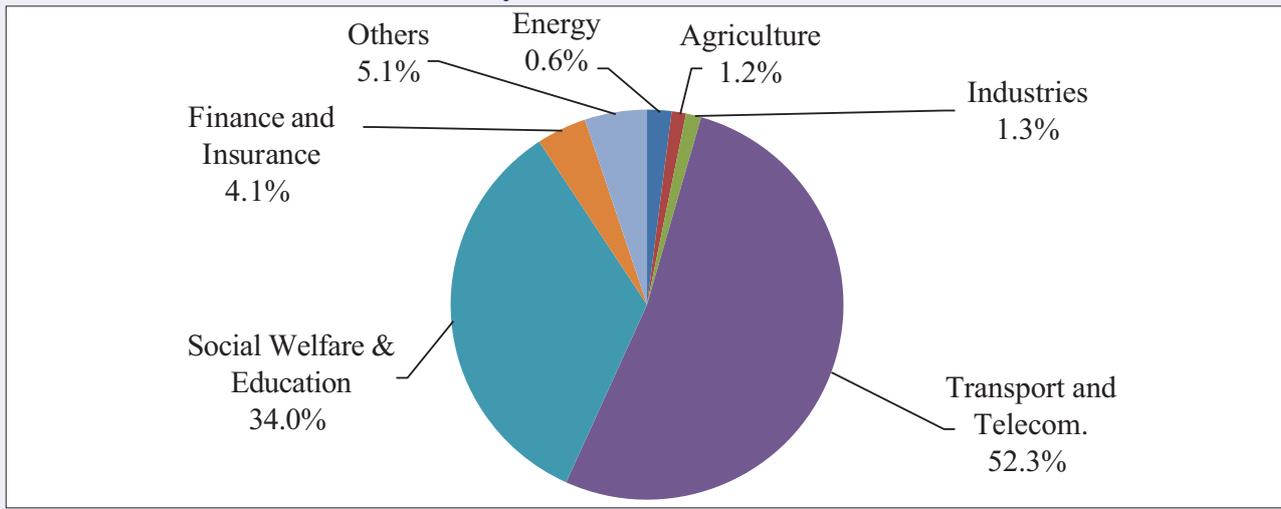
Zanzibar's external debt stock continued to be dominated by long term maturity debt. As at the end of June 2012, debt with maturity above 20 years was USD 56.9 million and accounted for 54.2 percent of the total external debt. Debt with maturity between 10 and 20 years amounted to USD 34.4 million, while that maturing between

5 to 10 years stood at USD 13.8 million.

External debt by Use of Funds

Transport and communication sector was the largest beneficiary at USD 58.4 million, followed by Social Welfare and Education sector, while the least was 'other' sectors (**Chart 6.9**).

Chart 6.9: Share of External Debt by Use of Funds as at the End of June 2012



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

External Sector Developments

During the year ending June 2012, Zanzibar current account balance improved to a surplus of USD 11.2 million from a deficit of USD 19.8

million recorded in the preceding year. This development was largely due to improved export performance (**Table 6.8**).

Table 6.8: Zanzibar Current Account Balance

Item	Year Ending June					% Change 2011- 2012
	2008	2009	2010	2011	2012p	
Goods Account (net)	-78.0	-76.1	-69.4	-98.4	-83.5	-14.5
Exports	16.3	21.1	21.3	15.1	70.4	...
Imports (fob)	94.2	97.3	90.7	113.6	153.9	35.5
Services Account (net)	33.5	31.3	27.7	33.7	48.2	43.0
Receipts	85.5	97.4	100.8	137.7	166.8	21.1
Payments	52.0	66.0	73.0	104.0	118.6	14.0
Goods and Services (net)	-44.4	-44.8	-41.7	-64.7	-35.3	-26.4
Exports of Goods and Services	101.8	118.5	122.1	152.8	237.2	54.8
Imports of Goods and Services	146.2	163.3	163.8	217.5	272.5	25.3
Income Account (net)	-0.6	-4.2	-5.5	0.1	-4.3	...
Receipts	0.2	0.3	0.4	1.7	0.9	-47.1
Payments	0.8	4.5	5.9	1.6	5.2	225.0
Current Transfers (net)	53.7	41.9	65.7	44.8	50.9	13.6
Inflows	53.7	41.9	65.7	44.8	50.9	13.6
Outflows	0.0	0.0	0.0	0.0	0.0	...
Current Account Balance	8.6	-7.1	18.5	-19.8	11.2	153.5

Note: P = provisional.

“----“Implies large number

Source: Tanzania Revenue Authority and BOT computations



Exports Performance

During the year ending June 2012, total export of goods and services increased to USD 237.2 million, from USD 152.8 million registered in the corresponding period in 2011. This development was mainly driven by an increase in clove exports

and tourism receipts. The value of goods export increased to USD 70.4 million from USD 15.1 million recorded in 2010/11, largely attributed to increase in both export volumes and unit prices of cloves and seaweeds (**Table 6.9**). **Chart 6.10** depicts goods export by composition.

Table 6.9: Zanzibar Goods Exports by Major Categories

Item	Unit	Year Ending June					%Change 2011-2012
		2008	2009	2010	2011	2012 ^P	
Traditional:							
Cloves							
Value	Millions	4.3	8.7	8.4	7.5	52.4	...
Volume	000 Tonnes	1.1	2.4	2.4	2.1	4.1	95.2
Unit Price	USD/Tonnes	3,870.1	3,586.0	3,562.7	3,638.8	12,880.7	254.0
Non-Traditional:							
Seaweeds							
Value	Millions	2.5	2.4	3.0	2.3	5.3	130.4
Volume	000 Tonnes	9.9	10.2	11.6	8.3	14.8	141.2
Unit Price	USD/Tonnes	254.2	239.5	260.7	277.8	355.6	28.0
Manufactured Goods	Millions	4.1	5.1	4.3	2.7	6.3	133.3
Fish and Fish Produce	Millions	0.2	0.2	0.4	0.3	0.3	0.0
Others Exports	Millions	5.1	4.7	5.2	2.3	6.2	169.6
Sub Total	Millions	11.9	12.4	12.8	7.6	18.0	136.8
Grand Total	Millions	16.3	21.1	21.3	15.1	70.4	366.2

Note: P = provisional.

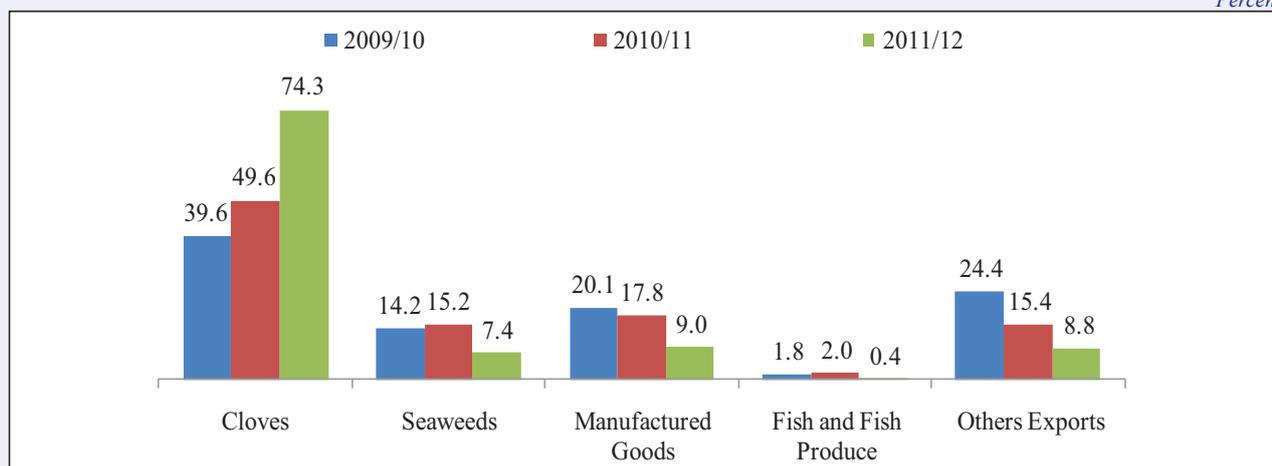
“---“Implies large number

Other exports include mainly souvenirs and spices.

Source: Tanzania Revenue Authority and BOT computations

Chart 6.10: Zanzibar Composition of Goods Exports

Percent



Source: Tanzania Revenue Authority and BOT computations

Import Performance

Total import of goods and services increased to USD 272.5 million, from USD 217.5 million recorded in the corresponding period in 2011, largely attributed to increases in all import categories. Value of imported goods (c.i.f) was

USD 169.1 million compared to USD 124.8 million recorded in 2010/2011. Oil imports rose largely due to increase in volume and prices in the world market, while food and food stuffs went up due to increase in world market prices of the commodity (**Table 6.10** and **Charts 6.11**).

**Table 6.10: Zanzibar Imports by Major Categories**

Millions of USD

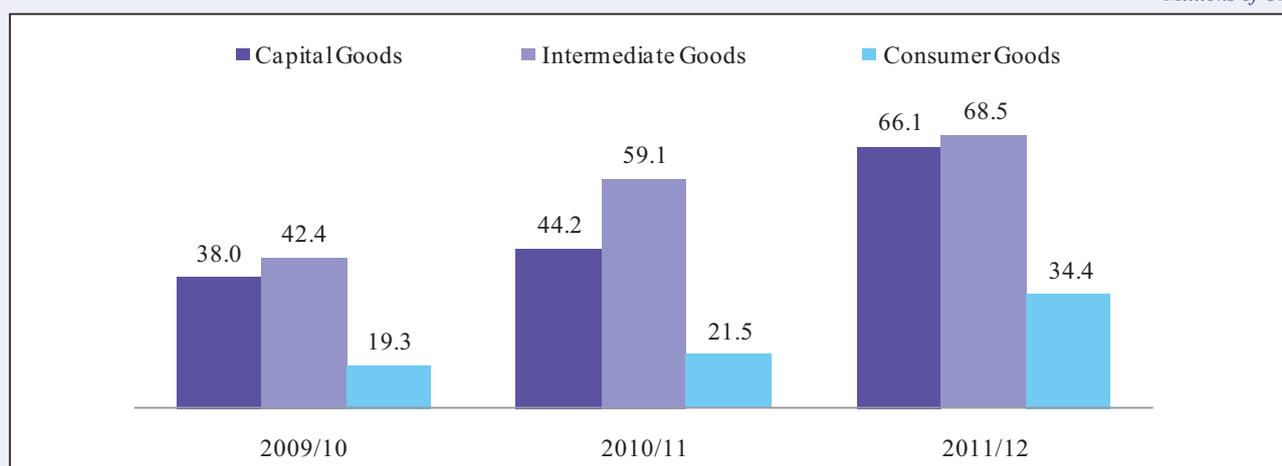
Import Category	Year Ending June					%Change 2011-2012
	2008	2009	2010	2011	2012 ^P	
Capital Goods	43.1	45.4	38.0	44.2	66.1	49.5
Transport Equipment	24.0	26.8	19.3	15.5	25.0	61.3
Building and Constructions	6.0	8.7	7.3	9.9	15.5	56.6
Machinery	13.0	9.9	11.4	18.8	25.6	36.2
Intermediate Goods	38.1	38.8	42.4	59.1	68.5	15.9
Oil imports	29.1	28.9	37.3	56.0	63.0	12.5
Industrial raw materials	9.0	10.0	5.1	3.1	5.6	80.6
Consumer Goods	22.4	22.6	19.3	21.5	34.4	60.0
Food and food stuffs	9.4	6.5	7.3	7.5	12.3	64.0
All other consumer goods	13.0	16.1	12.0	14.0	22.1	57.9
Grand Total (c.i.f)	103.5	106.9	99.7	124.8	169.1	35.5
Grand Total (f.o.b)	94.2	97.3	90.7	113.6	153.9	35.5

Note: P = provisional.

Source: Tanzania Revenue Authority

Chart 6.11: Zanzibar Imports by Major Categories

Millions of USD



Source: Tanzania Revenue Authority and BOT Compilation

Services and Income Accounts

During the year ending June 2012, services account balance registered a surplus of USD 48.2 million, compared to a surplus of USD 33.7 million recorded in the corresponding period in 2011. Services receipt stood at USD 166.8

million, up from USD 137.7 million, while payments amounted to USD 118.6 million, from USD 104.0 million recorded in 2011. Income account balance registered a deficit of USD 4.3 million, compared to a surplus of USD 0.1 million recorded in the corresponding period in 2011 (Table 6.8).



CHAPTER SEVEN

INTERNATIONAL ECONOMIC AND FINANCIAL DEVELOPMENTS

Global Economic Developments

In 2011, global economy growth rate slowed down to 3.9 percent from 5.3 percent in 2010 mainly due to weak consumer and business confidence in most of the advanced economies (Table 7.1). In the United States, weaknesses in the housing sector contributed to lower output growth, while slow growth in the United Kingdom was mainly due to contraction in financial activities. Meanwhile, output contraction in Japan was associated with supply disruptions related to floods and weaker global demand.

Economic activities in the Euro Area continued to be affected by the sovereign debt crisis coupled with weak consumer and business confidence.

Italy, Germany, Greece and Ireland recorded declines in output.

China and India also recorded declines in real GDP. While in India deterioration in business environment weakened investments, slow growth in China was attributed to lower export growth and a move to a more prudent monetary policy stance.

Sub-Saharan Africa expanded by 5.1 percent in 2011 despite civil conflicts in some countries coupled with supply shocks arising from drought. Growth was largely supported by conducive macroeconomic policies implemented in many countries across the region.

Table 7.1: World Real Gross Domestic Products Growth

Country	2007	2008	2009	2010	2011
World	5.4	2.8	-0.6	5.3	3.9
Advanced Economies	2.8	0.0	-3.6	3.2	1.6
United Kingdom	3.5	-1.1	-4.4	2.1	0.7
Germany	3.4	0.8	-5.1	3.6	3.1
Japan	2.2	-1.0	-5.5	4.4	-0.7
USA	1.9	-0.3	-3.5	3.0	1.7
Italy	1.7	-1.2	-5.5	1.8	0.4
France	2.2	-0.2	-2.6	1.4	1.7
Canada	2.2	0.7	-2.8	3.2	2.5
Euro area	3.0	0.4	-4.3	1.9	1.4
European Union	3.4	0.5	-4.2	2.0	1.6
Africa	6.5	5.5	3.1	5.0	3.4
Sub-Saharan Africa	7.1	5.6	2.8	5.3	5.1
Developing Asia	11.4	7.8	7.1	9.7	7.8
China	14.2	9.6	9.2	10.4	9.2
India	10.0	6.2	6.6	10.6	7.2
ASEAN-5	6.6	4.8	1.4	7.1	4.3
Indonesia	6.3	6.0	4.6	6.2	6.5
Malaysia	6.5	4.8	-1.6	7.2	5.1
Philippines	6.6	4.2	1.1	7.6	3.7
Thailand	5.0	2.6	-2.3	7.8	0.1
Vietnam	8.5	6.3	5.3	6.8	5.9
Middle East**	5.6	4.7	2.7	4.9	3.5
Newly industrialized Asian Economies	5.9	1.8	-0.7	8.5	4.0
Hong Kong	6.4	2.3	-2.6	7.0	5.0
Korea	5.1	2.3	0.3	6.3	3.6
Singapore	8.9	1.7	-1.0	14.8	4.9
Taiwan Province of China	6.0	0.7	-1.8	10.7	4.0

Note: ** Includes Oil exporters [Bahrain, Iran, Kuwait, Libya, Saudi Arabia, United Arab Emirates, Yemen, Egypt, Jordan and Syria Arab Republic]

Source: World Economic Outlook Database April 2012 and Africa Economic Outlook 2012



Global Inflation Developments

Global inflation rate increased to 4.8 percent in 2011 from 3.7 percent recorded in 2010 with all regions recording increases (**Table 7.2**). Inflation rates went up in the advanced economies largely

due to supply constraints and the rise in energy prices emanating from geopolitical tensions in some oil exporting countries. Likewise, the rise in global food and fuel prices contributed to the inflationary pressures in Sub-Saharan Africa (SSA).

Table 7.2: World Consumer Price Index - Inflation

Country	2007	2008	2009	2010	2011
World	4.0	6.0	2.5	3.7	4.8
Advanced Economies	2.2	3.4	0.1	1.5	2.7
United Kingdom	2.3	3.6	2.1	3.3	4.5
Germany	2.3	2.8	0.2	1.2	2.5
Japan	0.1	1.4	-1.3	-0.7	-0.3
USA	2.9	3.8	-0.3	1.6	3.1
Italy	2.0	3.5	0.8	1.6	2.9
France	1.6	3.2	0.1	1.7	2.3
Canada	2.1	2.4	0.3	1.8	2.9
Euro area	2.1	3.3	0.3	1.6	2.7
European Union	2.4	3.7	0.9	2.0	3.1
Africa	6.5	10.1	8.1	7.4	8.5
Sub-Saharan Africa	6.9	11.7	10.6	7.4	8.2
Developing Asia	5.4	7.4	3.0	5.7	6.5
China	4.8	5.9	-0.7	3.3	5.4
India	6.4	8.3	10.9	12.0	8.6
ASEAN-5	4.5	9.1	3.0	4.4	5.9
Indonesia	6.7	9.8	4.8	5.1	5.4
Malaysia	2.0	5.4	0.6	1.7	3.2
Philippines	3.0	8.2	4.2	3.8	4.8
Thailand	2.2	5.5	-0.8	3.3	3.8
Vietnam	8.3	23.1	6.7	9.2	18.7
Middle East**	10.1	13.6	6.6	6.9	9.6
Newly industrialized Asian Economies	2.2	4.5	1.3	2.3	3.6
Hong Kong	2.0	4.3	0.6	2.3	5.3
Korea	2.5	4.7	2.8	2.9	4.0
Singapore	2.1	6.6	0.6	2.8	5.2
Taiwan Province of China	1.8	3.5	-0.9	1.0	1.4

Note: ** Includes Oil exporters [Bahrain, Iran, Kuwait, Libya, Saudi Arabia, United Arab Emirates, Yemen, Egypt, Jordan and Syria Arab Republic]

Source: World Economic Outlook Database April 2012 and Africa Economic Outlook 2012

Regional Economic Developments

The Southern African Development Community (SADC)

The average real GDP growth in the SADC region decreased to 4.7 percent in 2011 from 5.5 percent recorded in 2010. With the exception of

Mozambique, Zimbabwe, Madagascar, South Africa and Angola, all other countries recorded declines in output growth (**Table 7.3**).


Table 7.3: Real GDP Growth for SADC Member States

Country	2007	2008	2009	2010	2011 ^P
Angola	22.6	13.8	2.4	3.4	3.4
Botswana	4.8	3.0	-4.9	7.2	4.6
DRC	6.3	6.2	2.3	7.2	6.9
Lesotho	2.3	4.4	1.9	5.6	4.3
Madagascar	6.2	7.1	-4.6	0.5	0.6
Malawi	8.6	8.3	9.0	6.7	4.9
Mauritius	5.7	5.5	3.1	4.3	4.0
Mozambique	7.3	6.8	6.3	6.8	7.1
Namibia	5.4	3.4	-0.4	6.6	3.6
Seychelles	9.9	-1.0	0.5	6.7	5.0
South Africa	5.5	3.6	-1.5	2.9	3.1
Swaziland	2.8	3.1	1.2	2.0	0.3
Tanzania	7.1	7.4	6.0	7.0	6.4
Zambia	6.2	5.7	5.4	7.6	6.5
Zimbabwe	-3.3	-14.7	5.7	8.1	9.3
SADC Average	6.5	4.2	2.2	5.5	4.7

Note: P = Provisional

Source: SADC Bankers and IMF World Economic Outlook Database, April 2012

Output increase in most of the countries was largely driven by agriculture, financial services, mining, transport and communication. In contrast, drought conditions coupled with higher global oil prices and poor performance in agriculture contributed to the slowdown in growth in some other countries in the region.

Inflation Development

The average inflation rate in the SADC region accelerated to 7.6 percent in 2011 from 6.9 percent recorded in 2010, largely on account of high food and energy prices. Inflation rates in most SADC member states increased with the exception of Angola, Mauritius and Mozambique (Table 7.4).

Table 7.4: Inflation Rates for SADC Member States

Country	2007	2008	2009	2010	2011
Angola	11.8	13.2	14.0	15.3	11.4
Botswana	7.1	12.6	8.2	6.9	8.5
DRC	10.0	27.6	53.4	9.8	15.4
Lesotho	8.0	10.7	7.3	3.8	5.1
Madagascar	10.4	9.4	9.0	9.2	10.6
Malawi	8.0	8.7	8.4	7.4	7.6
Mauritius	8.6	6.7	1.5	6.1	4.8
Mozambique	10.3	6.2	4.2	16.6	5.5
Namibia	6.7	10.4	8.8	4.5	5.0
Seychelles	5.3	37.0	31.7	-2.4	2.6
South Africa	6.1	9.9	7.1	4.3	5.0
Swaziland	8.1	12.7	7.4	4.5	6.1
Tanzania	7.0	10.3	12.1	5.5	12.7
Zambia	10.7	12.5	13.4	8.5	8.7
Zimbabwe	6,273.7	1,594,745.0	-7.7	3.0	5.0
SADC Average	426.1	106,328.9	11.9	6.9	7.6

Source: SADC Bankers and IMF World Economic Outlook Database, April 2012



The East African Community (EAC)

Economic Development

Real GDP in the EAC region grew by 6.1 percent in 2011, compared to 5.9 percent recorded in 2010 (**Table 7.5**). Rwanda, Burundi and Uganda recorded increases in output growth, while growth

slowed in Kenya and Tanzania. The slowdown in growth in Tanzania was largely due to drought conditions and electricity outage, while in Kenya, real GDP decline in growth was due to weak performance in agriculture, manufacturing, financial intermediation, wholesale and trade, transport and communication.

Table 7.5: Real GDP Growth for EAC Partner States

Country	2007	2008	2009	2010	2011 ^P
Kenya	7.0	1.5	2.7	5.8	4.4
Tanzania	7.1	7.4	6.0	7.0	6.4
Uganda	8.4	8.8	7.2	5.9	6.7
Burundi	4.8	5.0	3.5	3.8	4.2
Rwanda	7.6	11.2	6.2	7.2	8.6

Note: P = Provisional

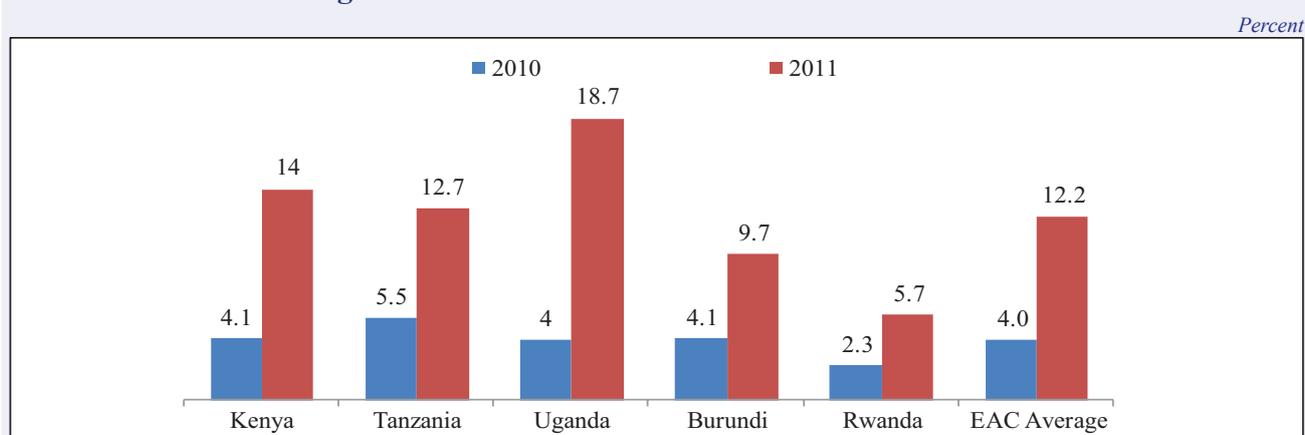
Source: Statistical Offices and IMF, World Economic Outlook Database, April 2012

Inflation Development

The average inflation rate in the EAC region accelerated to 12.1 percent in 2011 from 4.0 percent recorded in 2010, largely on account of high food and energy prices (**Chart 7.1**). **Uganda** recorded the highest inflation rate in the EAC region largely due to an increase in food, energy and fuel prices. In **Kenya**, the rise in inflation was mainly on account of increase in oil

prices and inadequate rainfall in the first half of 2011. Similarly, in **Tanzania**, the inflation edged up from 5.5 percent in 2010 to 12.7 percent in 2011 mainly on account of high oil prices and rising prices of food items, emanating from unfavourable weather conditions in the EAC region. The increase in inflation rate in **Rwanda** and **Burundi** was also driven by rising food and fuel prices.

Chart 7.1 Annual Average Inflation Rates for EAC Partner States



Source: National Statistical Offices



Intra-regional Trade Development

In 2011, Tanzania's trade with other EAC member states increased by 13.3 percent to USD 784.6 million compared to the amount recorded in the previous year (Table 7.6). A surplus trade balance was recorded with Uganda, Rwanda and

Burundi. Major exports to the EAC region were rice, cement, tea and household utensils. Imports were textiles, paper and paper boards, wood and articles of wood. Meanwhile, Kenya remained the major trading partner accounting for about 71 percent of Tanzania's intra-EAC trade.

Table 7.6: Tanzania's Trade with other EAC Partner States

	<i>Millions of USD</i>				
	2007	2008	2009	2010	2011 ^P
Tanzania's Trade with Kenya					
A. Export to Kenya	123.4	251.7	192.9	210.4	221.9
B. Import from Kenya	103.6	408.2	304.5	276.0	339.3
Trade Balance (A-B)	19.8	-156.5	-111.6	-65.6	-117.5
Tanzania's Trade with Uganda					
A. Export to Uganda	46.1	58.7	51.7	60.4	52.6
B. Import from Uganda	6.5	17.1	12.1	17.9	36.4
Trade Balance (A-B)	39.6	41.6	39.5	42.5	16.2
Tanzania's Trade with Burundi					
A. Export to Burundi	70.9	20.4	24.6	37.1	39.9
B. Import from Burundi	0.0	0.4	0.3	0.6	0.8
Trade Balance (A-B)	70.9	20.0	24.3	36.5	39.1
Tanzania's Trade with Rwanda					
A. Export to Rwanda	17.6	22.2	15.8	86.4	92.2
B. Import from Rwanda	0.0	0.1	0.0	1.4	1.6
Trade Balance (A-B)	17.6	22.1	15.8	85.0	90.6
A: Total Exports to EAC	258.0	353.1	285.0	394.3	406.5
B: Total Imports from EAC	110.1	425.8	316.9	295.9	378.1
Trade Balance (A-B)	148.0	-72.7	-31.9	98.4	28.4
Total Intra EAC Trade (A+B)	368.1	778.9	601.9	690.2	784.6

Note: P = Provisional

Source: Tanzania Revenue Authority (TRA)



PART II
BANK OF TANZANIA OPERATIONS



Strategic Planning and Performance Review

During the period under review, the Bank continued to implement its strategic management plan. It coordinated the provision of technical assistance in respect of financial sector reforms, provided advice on business process improvement and continued to review its organization structure. Specific activities undertaken included the following:

- i. Enhanced Corporate Plan Information System (CPIS) to link Corporate Plan activities with the budget.
- ii. Established a Core Team to champion adoption and implementation of balanced scorecard (BSC) methodology in its strategic planning and performance management processes.
- iii. In a bid to shed-off some of the non-core functions, the Bank reviewed the organizational structure of Deposit Insurance Board (DIB) with a view to facilitating effective functioning once it operates independently.
- iv. Reviewed structures of the directorates of Banking Supervision, Banking, Finance, and the Financial Sector Stability department. The review also included the establishment of Anti-Money Laundering and Combating Financial Terrorism function in the Bank.
- v. Engaged M/S Accenture Development Partnership (ADP) Consultants of USA to provide guidance on implementation of Business Process Management programme under the Bank of Tanzania's Information Communication Technology Modernization Project.
- vi. Developed, reviewed and documented operations and procedures manuals for all functional units.
- vii. Organized a Planning Team Retreat in October 2011 during which the Bank's Annual Corporate Plan Performance Report for 2010/11 was reviewed and identified priority areas for the period 2012/13 through 2016/17.
- viii. The Bank organised a Planning Team

Workshop in March 2012 to develop a Corporate Plan for 2012/13-2016/17.

- ix. Continued to implement activities planned under the Second Generation Financial Sector Reforms Programme (SGFSR). Several studies were conducted including: portfolio review of social security schemes; preparation of five year strategic plans for Dar es Salaam Stock Exchange (DSE); strengthening capacity of the National Board of Accountants and Auditors (NBAA) to support the start-up activities of a new professional accountancy body in Tanzania; and reviewing the capital markets legal and regulatory framework. Other studies include actuarial valuation for all pension funds in Tanzania Mainland; development of National Public-Private Partnership (PPP) Policy Implementation Strategy; and strengthening the supervisory function at the Ministry of Agriculture, Food Security and Cooperatives.
- x. Facilitated the establishment of the Tanzania Agricultural Development Bank and put in place a policy framework for provision of long term financing in Tanzania, including development of regulations for Development Finance Institutions (DFIs).

Financial Markets

During 2011/12, the Bank continued to manage credit guarantee schemes on behalf of the Government under an Agency Agreement on transitory arrangement pending formation of an independent institution. The management of the schemes involved issuing credit guarantees in accordance with the existing Credit Guarantee Schemes (CGS) guidelines, reviewing and implementing CGS policies and guidelines, processing claims against the defaulted guaranteed loans, and monitoring performance of the guaranteed projects.

The credit guarantee schemes and financial facilities managed by the Bank were:

- (i) **Export Credit Guarantee Scheme (ECGS)** established in July 2002 to



promote high value exports by facilitating access to finance through issuance of credit guarantees on loans to the export sector.

- (ii) **SME Credit Guarantee Scheme (SME-CGS)** was introduced by the Government during the financial year 2004/05 to promote Small Scale Enterprises (SMEs) sector by creating enabling environment for SMEs to access finance from financial institutions in the country through credit guarantees.

The Bank implemented its Monetary Policy through Open Market Operations by issuing Treasury bills, conducting repo/reverse repos and operating in Foreign Exchange Market. It also facilitated Government domestic borrowing through issuance of government securities.

During the period under review, the Bank had to reduce its exposure in Euro Portfolio and looked for other investment opportunities due to the ongoing Euro zone sovereign debt crisis.

Banking Supervision

The Bank continued to undertake its core activities of licensing and conducting on-site and off-site surveillance of banking institutions and bureau de change in accordance with the provisions of the Bank of Tanzania Act, 2006; Banking and Financial Institutions Act, 2006; Foreign Exchange Act, 1992; and various regulations, guidelines, circulars and directives governing banking business and bureaux de change operations in Tanzania.

As at the end of June 2012, the banking sector was made up of 48 operating banking institutions as compared to 43 reported in June 2011. During the year, five new banking institutions started operations namely: EFC Tanzania M.F.C Ltd, Amana Bank Limited, Meru Community Bank, First National Bank Ltd and Equity Bank (T) Ltd. During the period, there were a total of 530 branches of banking institutions and agencies national wide as compared to 487 reported in the previous year. Most of these were concentrated

in Dar es Salaam city. Three banking institutions, namely UBL Bank Tanzania Ltd, Covenant Bank for Women and FINCA Tanzania Limited were granted provisional banking license. During the year, a total of 211 bureaux de change were in operation, out of which 29 were in Zanzibar.

The Bank of Tanzania also granted a license to the Tanzania Mortgage Refinance Company Ltd (TMRC) to support mortgage lending through refinancing commercial banks' mortgage portfolios. As at the end of April 2012, total amount of refinancing had reached TZS 2.5 billion.

Enhancement of minimum capital to commence banking business from TZS 5.0 billion to TZS 15.0 billion was gazetted in February 2012. The order requires every bank to commence operations and maintains at all times a minimum of core capital of not less than fifteen billion shillings.

Meanwhile, the Bank continued to cooperate with other central banks and stakeholders in the East and Southern African regions on regulatory and supervisory issues.

Major Balance Sheet Items in the Banking Sector

During the year ending June 2012, the banking sector remained sound and stable with adequate capital and liquidity levels being above regulatory requirements. The ratio of core capital to total risk weighted assets and off-balance sheet exposure was at 17.5 percent compared with 17.7 percent recorded at the end of June 2011.

The ratio of total loans to customers' deposits stood at 67.5 percent at the end of June 2012, and was within the required threshold of 80.0 percent. The quality of assets of the banking system improved as reflected by the ratio of non-performing loans (NPL) net of provisions to total capital, which decreased to 21.6 percent at the end of June 2012, from 24.8 percent, recorded at the end of June 2011. The ratio of NPL to



total loans also decreased slightly to 8.1 percent from 9 percent recorded at the end of June 2011. This was mainly due to improvement in credit administration by the banking sector.

The banking sector's total assets increased from TZS 13,721.2 billion in June 2011 to TZS 15,150.6 billion in June 2012, mainly financed through deposits. Deposits grew by 9.2 percent to TZS 12,267.2 billion from TZS 11,239.1 billion recorded in June 2011, mainly attributed to expansion in branch network and the establishment of new banking institutions. Banks that had the largest shares of deposits and assets included CRDB bank Plc., NMB Plc., NBC and Standard Chartered which accounted for 55.0 percent and 54.0 percent of the total deposits and assets, respectively.

Prudential Regulations and Guidelines

During the period under review, the Bank reviewed its prudential regulations in line with developments in the banking industry. In order to address the identified challenges, the Bank drafted new regulations on consolidated supervision and agency banking. Social Security Schemes Investment Guidelines were issued in April 2012. The objective of the Guidelines is to guide the Board of Trustees of the schemes to undertake investment decisions in line with best practices. The Guidelines also seek to ensure prudence and observance of principles of sound investment, including diversification of investment portfolios.

Regulations for Development Finance Institutions were published in the Government Gazette on 16th March, 2012. The regulations provide a framework for licensing and how to operate Development Finance Institutions in Tanzania.

Access to Financial Services

The Bank initiated the drafting of Agency Banking Regulations aimed at enabling banks to extend their outreach through non-banking retail outlets such as supermarkets, petrol stations and

other outlets. Also, the regulations will provide a framework for conducting agency banking in Tanzania.

Credit Reference System

During the year, the Bank engaged a databank solution provider to design and establish a credit reference databank. The databank will facilitate sharing of credit information between lenders and thereby address impediments that have been contributing to the increase in non-performing loans in the banking sector as well as to reduce the cost of borrowing.

Banking

The Bank continued to provide banking services to its customers using modernized infrastructure and payment systems. In the period under review, the Bank implemented an Integrated Currency Management System at the Zanzibar Branch as a pilot project.

In order to increase efficiency in currency distribution, the Bank established one more safe custody centre in Tanga, thus making a total of five safe custody centres in the country. Others are located in Kigoma, Mtwara, Songea and Tabora.

In celebrating the 50th anniversary of Tanzania Mainland Independence, the Bank issued a commemorative silver coin of face value TZS 50,000.

The Bank continued to participate in the clearing house operations through Bank of Tanzania Electronic House (BOTECH), Net Settlement Gateway (NSG), File Zilla and TISS. During the review period, there was no incidence of counterfeit cheques.

Human Resource and Administration

At the end of the financial year 2011/12, the Bank had 1,345 employees in the payroll, out of which 1,319 employees were on contract employment



for an unspecified period of time and 26 on contract for a specified period of time. A total of 903 employees were stationed at the Head Office, 105 Arusha Branch, while Mwanza, Zanzibar and Mbeya Branches had 100 each. The Training Institute had 37 employees. Gender wise, 41.7 percent of the employees were female.

In line with its commitment to capacity building the Bank conducted a skills audit with a view to determining available skills and areas where target action was needed to acquire or enhance skills. During the same period, a total of 1,120 staff members attended in-house group courses, while 424 attended specialized short-term courses. Those who attended workshops, conferences and other training related events were 312. In addition, training attachments were offered to 63 employees and 45 employees were pursuing undergraduate and postgraduate studies locally and abroad.

With respect to capital projects, the Bank completed construction of a two-storey office extension at Mbeya Branch to accommodate new currency processing. Construction of Dodoma branch continued during the period under review, while that of Mtwara branch was initiated. Further, pre-construction project activities continued in Kibaha, Coast Region to establish a Business Recovery Work Area.

The Bank continued to offer financial assistance to various organizations and individuals in fulfilment of its corporate social responsibility. The Bank through the Gilman Rutihinda Trust Fund provided a full scholarship to one best student in Bachelor of Arts in Economics from the University of Dar es salaam to undertake a master's degree program.

Meanwhile, the Bank management and the workers' trade union (TUICO) concluded negotiations on the collective agreement for better working conditions and the collective agreement for provision of minimum services in times of industrial action or strike.

Secretary to the Bank

The year 2011/12 witnessed a number of developments related to the legislative framework governing banking business in Tanzania and the Bank's governance. Two sets of legal Orders and one set of Regulations were published in the *Government Gazette* of 2nd March 2012, 16th March 2012 and 22nd June 2012, respectively. These were the Banking and Financial Institutions (Enhancement of Capital adequacy for Banks) Order, 2012 (GN. No 68 of 2012); Banking and Financial Institutions (Development Finance) Regulations, 2012 (GN No. 99 of 2012) and Banking and Financial Institutions (Enhancement of Minimum Capital for Community Banks) Order, 2012 (GN No. 216 of 2012). These Orders and Regulations constitute a significant complement to the legislative framework governing capital adequacy for banks, and operations of institutions providing development finance in Tanzania.

In terms of the Bank's governance, the Bank continued to implement measures aimed at strengthening Board members' capacity in governance and central banking to enable them provide effective oversight on the Bank's operations. Members of the Audit Committee attended a training course on 'Effective Internal Audit for Central Banks' organised by Central Banking Publications Ltd- based in the UK. In addition, members of Audit Committee also attended the 6th Annual Audit, Risk and Governance conference and 7th Annual African Corporate Governance Conference which took place in Port Louis, Mauritius and Johannesburg, South Africa, respectively. A high level workshop on foreign exchange reserves management oversight for Board Members was held at the Bank's head office and was facilitated by the World Bank.

Beginning 2011/12, the Bank initiated dedicated sessions for Board members to familiarise them with peculiarities of central banking. Sessions run during the period covered Monetary Policy Instruments, Finance and Accounting, and



Banking. The Board also approved proposals on the new structure of Monetary Policy Committee (MPC) meetings, which were operationalised from February 2012. Under the new arrangement, the MPC meetings would run for two consecutive days after every two months. The revised modality of conducting MPC meetings aims at facilitating deeper review and discussions of economic developments, monetary policy developments and monetary policy measures for the subsequent two months.

National Payment Systems

The Bank continued with the modernization of the National Payment Systems (NPS) aimed at developing and maintaining a strong and efficient financial markets infrastructure that promotes competition and innovation while maintaining safety and efficiency in payments, clearing and settlement systems.

Major tasks undertaken during the period include provision of payments clearing and settlement services, coordinating the development of the legal and institutional framework, and monitoring and regulating the NPS. The Bank also continued to provide settlement of interbank fund transfer services through TISS for both TZS and USD cheques. Enhancement was made on TISS to process settlement of MasterCard via SWIFT beginning February 2012.

In a bid to foster regional integration, TISS was upgraded to include a cross border functionality to enable it link with other East African Settlement systems so as to facilitate settlement of regional transactions on real time. Further, the agreement for implementation of the East African Cross Border Payment System was signed by the East Africa Central Banks (BOT, BOU and CBK) and respective countries' commercial banks in May 2012.

The Bank also continued to provide Electronic Fund Transfer (EFT) services for clearing high volume low value interbank payments such as salaries and recurrent expenses. Cheque capping

limit of USD 10,000 was introduced in March 2012. The Bank provided settlement services for inter-bank payments emanating from card payments. These were processed through card switches, namely the VISA (Tanzania National Net Settlement Services), UmojaSwitch which is owned by a consortium of local banks and MasterCard. The number of automated teller machines (ATMs) that were connected to these switches increased to 1,906 from 1,005 in 2010/11. The increase in the use of Point of Sale (POS) was mainly associated with the adoption of MasterCard instruments by CRDB bank Plc.

The Bank monitored the operations and conducted risk assessment of the country's payment systems to ascertain compliance to national and international standards. The Bank also facilitated the development of new payment instruments so as to promote cooperation, competition and innovation of safe and efficient payments.

The total number of mobile phone payment accounts operated by Vodacom (M-Pesa), MIC Tanzania (Tigo-Pesa), Zantel (Easy-Pesa), and Airtel (Airtel Money) were over 28 million with total Trust account balances of about TZS 161 billion. During the period under review, microfinance institutions started to utilise the mobile phone services to disburse and collect loans from their clients. Several banks introduced internet and mobile banking services as alternative payment channels. Examples of these products were PesaFasta (NMB), TPB Popote (TPB), and SimBanking (CRDB). Barclays, Citibank, CRDB, NBC, Standard Chartered, FBME, Bank M, UBA and Stanbic offered internet banking service.

In order to enhance the legal and regulatory framework of the National Payment Systems, the Bank finalised the development of the Mobile Payments Regulations and shared the draft with various stakeholders.

Financial Sector Stability

During the period under review the Bank



in collaboration with other financial sector regulators carried out a number of initiatives to enhance financial stability. These included financial stability monitoring, coordination of crisis management framework, reviewing and drafting of regulations for the banking, insurance, pension and securities sectors.

The Bank is steering the establishment of Tanzania Financial Regulators Forum (TFRF), which aims at providing a framework for inter-agency regulatory co-operation and coordination of actions needed for crisis management. In this regard, the Bank initiated drafting of a Memorandum of Understanding (MOU) which sets out the objectives, principles and processes for dealing with stability of the financial system in Tanzania. The MOU was reviewed by stakeholders namely, Ministry of Finance, Bank of Tanzania, Deposit Insurance Board, Tanzania Insurance Regulatory Authority, Tanzania Social Security Regulator and Capital Markets and Securities Authority.

Procurement

The Bank Procurement activities were conducted smoothly in line with the Public Procurement Act, 2004 and its Regulations of 2005.

The Bank's Annual Procurement Plan (APP) for 2011/12 had 72 tenders with a budgeted value of TZS 28.6 billion. A total number of 108 tenders, including tenders for the Financial Sector Support Project were awarded during the period under review, out of which 67 tenders were from the APP, equivalent to 93.1 percent of all tenders in the APP. The actual value of these processed tenders was TZS 20.9 billion. Procurement valued at TZS 3.4 billion was processed under minor value procurement and Government Procurement Services Arrangement (GPSA) through Purchase orders.

The Public Procurement Regulatory Authority conducted a global audit on the procurement activities at the Bank. The objective was to determine whether the procedures, processes and

documentations for procurement, contracting and disposal of public assets by tender were in accordance with the provisions of the PPA 2004 and its 2005 Regulations. Basing on the Compliance Performance Indicators (CPI's), the Bank scored 84 percent in 2011/12.

Economic Research and Policy

Research and Publications

During 2011/12 the Bank of Tanzania initiated and conducted a number of research activities with the broad objective of informing policy formulation and implementation. The Bank also organized a number of outreach seminars aimed at disseminating research output to the stakeholders and policy makers. Most of these activities were conducted in collaboration with other research institutions, including the International Growth Center, International Monetary Fund (country office), Oxford University, Norwegian Embassy in Tanzania and the Ministry of Finance. Research activities initiated during the year under review included the following:

- **Determinants of Bank Spreads in the East African Community Countries**
The broad objective of the study was to understand the determinants of interest rate spreads in the region and therefore gauge the effects the envisaged monetary union might have on interest rate spreads in the EAC countries.
- **Convertibility of the EAC Currencies**
The objective of the study was to assess the level of convertibility of the EAC currencies and recommend necessary measures to promote currency convertibility in the region.
- **Illicit Financial Flows from Tanzania**
The study aims at understanding the following: amount of money that illegally flows out of the country; the mechanisms involved and the channels through which this illegal outflow happens and providing evidence based policy advice on how to stop or minimize illicit financial outflows from Tanzania.



- **Fiscal Challenges Facing Tanzania**

The objective of the study was to assess fiscal policy options facing the country in the context of increasing pressures on public expenditure and flattening revenue mobilization rates. The study also reviewed and recommended on the alternative financing mechanisms available and their implications for Tanzania's fiscal sustainability. In addition, the study assessed the recurrent cost implications of scaling up development expenditure to finance public infrastructure and social sectors such as education and health.

- **Impact of the TANESCO tariff adjustment on Inflation**

The study aimed at assessing the impact of tariff adjustment in January 2012 on headline inflation in the country.

- **Mobile Phone Financial Services in Tanzania**

The objective of the study was to address the following issues, among others, implications of the emerging technology to financial inclusion; identify constraints to full utilization of the mobile phone financial services technology in Tanzania compared to other countries which have registered more utilization such as Kenya and Brazil; and adequacy of the existing Legal, Regulatory and Supervisory systems.

The Bank organized the sixth Gilman Rutihinda Memorial Lecture under the theme "Managing and Mitigating the Effects of the Global Financial Crisis: Lessons for Peripheral Countries". The lecture was delivered by Prof. Patrick Honohan, Governor of the Central Bank of Ireland.

In collaboration with the African Economic Research Consortium, the Bank organized a three-day senior officials' policy seminar under the theme 'Health, Economic Growth and Poverty Reduction in sub-Saharan Africa'. During the seminar, various papers on topical issues pertaining to the sustainable development of African economies and poverty reduction were presented. The seminar drew participants from a number of African countries.

In addition, the Bank continued to prepare and circulate to stakeholders various economic publications and reports including monthly, quarterly and annual economic reviews as well as monetary policy statements.

Data Warehouse Project

During 2011/12, the Bank continued implementation of the Data Warehouse Solution with the objective of establishing a central repository of data from operational systems and other sources within and outside the Bank for analysis and decision making.

During the review period, the project activities focused at implementing the first phase recommendations that included reviewing of requirements specification, capacity building and implementation of a pilot data warehouse for the Monetary and Financial Affairs Department.

Microfinance

The Bank continued to collaborate with various microfinance stakeholders to ensure compliance with microfinance licensing requirements and regulations. The Banking and Financial Institutions (Financial Cooperative Societies) Regulations of 2005 and the Banking and Financial Institutions (Microfinance Companies and Micro-credit Activities) Regulations of 2005 were reviewed to incorporate new developments in the microfinance sector. Also, the process to review the Zanzibar Microfinance Policy was initiated.

As part of initiatives to promote financial Inclusion, the Bank spearheaded formation of the National Financial Inclusion Working Group (NFIWG) to develop a Financial Inclusion Policy and oversee its implementation. In order to enhance confidence on financial products and services by consumers, the Bank commenced the process of developing a consumer protection framework to safeguard the public from being defrauded by unscrupulous financial service providers.



The Bank also initiated the process to develop a Microfinance Law to provide guidance for microfinance operations in the country including, licensing and regulatory framework of credit business in the country as well as for an authority designated for business by credit only MFIs.

In collaboration with the Ministry of Finance, the Bank commenced an in-depth review of National Microfinance Policy (NMP) to include new and emerging developments in the sector, including technological advancement in telecommunication that engineered commencement of branchless banking, mobile and wireless money transfers.

International Visitor's Exit Survey

The Bank in collaboration with the Ministry of Natural Resources and Tourism, National Bureau of Statistics, Immigration Department, and the Zanzibar Commission for Tourism conducted the International Visitors' Exit Survey at the major boarder points namely; Julius Nyerere International Airport, Kilimanjaro International Airport, Abeid Amani Karume International Airport, Namanga, Kasumulo and Tunduma borders. The objectives of the survey was to estimate earnings from tourists in order to improve the compilation of National Accounts and Balance of Payments statistics as well as obtaining information for tourism promotion and macroeconomic policy formulation. The outcome of the survey was published in the International Visitors' Exit Survey Report of 2011.

Foreign Private Capital Inflows

During 2011/12, the Bank of Tanzania in collaboration with the Tanzania Investment Centre and the National Bureau of statistics continued to monitor foreign private investments through annual surveys. The three institutions conducted a survey of foreign private capital inflows with a view to, among others, confirm data for 2008 and update information for 2009, revise the enterprise register to take on board new enterprises and obtain information on investors' perception regarding the country's investment climate. Findings of this report will be published

in the 'Tanzania Investment Report 2012'.

Management Information Systems

During the financial year 2011/12, the Bank continued to improve Information Technology (IT) delivery functions aimed at enabling the Bank to achieve its business goals. The Bank reviewed guidelines for deployment and management of handheld devices; and prepared a roadmap for IT Service Management implementation. Other activities included the implementation of: Microsoft Share point, Currency Management System (ICMS) in Zanzibar, and Bureaux de change module in the Bank supervision Information System (BSIS) and Electronic Data Interchange (EDI). The Bank also completed phase I of Integrated Financial Management System (IFMS) R12 upgrade and the enhancement of Government securities system to facilitate online bidding and BOT Central Depository System (CDS) portal.

Public Relations

The Bank continued to communicate to its stakeholders and members of the public on various issues related to its core functions and responded to their queries on a regular basis. Communication was done through the media and other avenues including trade fairs and exhibitions such as Tanzania Mainland 50 years of Independence Anniversary, Saba Saba and Nane Nane. Emphasis was placed on educating the public on the notes security features as well as the best way to store them. Radio and television programmes were organized where the Governor provided interviews to the print and electronic media. The Bank also continued to communicate decisions of the Monetary Policy Committee (MPC) to chief executive officers of financial institutions after every MPC meeting.

Conference and Events Management

The Bank through its conference center continued to host both local and international events. Local events included those of internal user units as well as other institutions such as Tanzania



Mortgage Refinancing Company (TMRC), Social Security Regulatory Authority (SSRA) and Southern Agriculture Growers Corridor of Tanzania (SAGCOT).

International events included meetings organized by the Ministry of Health and Social Welfare in collaboration with other international organizations, and the East Africa Business Council.

Regional Integration Initiatives

The Bank continued to participate in the range of activities with a view to promoting regional economic integration. Under the East African Community (EAC), the Bank participated

in several activities including among others, conducting various studies that will inform the monetary union process, initiating harmonization of various policies and procedures and improving the technical capacities of the central bank officials. The Bank also participated in all the High Level Task Force (HLTF) scheduled meetings to negotiate the EAC Monetary Union Protocol.

The Bank also participated in the activities of the Committee of Central Bank Governors in SADC (SADC-CCBG), the Association of African Central Banks (AACB) as well as in the governance meetings of the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).



BRANCH ACTIVITIES

Arusha Branch

During the year ending June 2012, the branch conducted banking, economic and administrative activities in line with the Bank's Corporate Plan to serve the Northern Zone. The branch participated in the Farmer's trade Fair (Nane Nane) where the public was educated on security features and proper handling of bank notes.

The branch conducted two studies namely "Tanzanite mining" and "Sunflower farming" in 2011/12. The branch also continued to undertake Informal Cross Border Survey covering Namanga, Holili and Horohoro borders geared to update trade statistics. The branch continued to educate the general public on the Bank's role in the economy and responded to enquiries on various topical economic, banking and financial market issues.

Mbeya Branch

During 2011/12, the branch continued to serve and support banking operations in the Southern Highlands Zone.

The branch participated in the 2011 Farmers Agricultural Exhibition (Nane Nane), which was held in Mbeya for the Southern Highlands Zone regions. Through this event, members of the public were educated on the security features of the new bank notes and how to recognize counterfeits. The branch also disseminated information on the core functions of the Bank of Tanzania.

The branch continued to monitor financial and economic developments in the Southern Highlands Zone and participated in the Regional Consultative Meetings (RCCs) which deliberated on economic developments taking place in the region. In collaboration with National Bureau of Statistics, the branch conducted the Informal Cross Border Trade Survey (ICBT) at Tunduma, Kasumulu, Kasesya and Mbamba bay border posts.

Mwanza Branch

The branch continued to provide banking and currency services to both government departments and commercial banks in the Lake Zone. The branch participated in the regional Farmers Agricultural Exhibition (Nane Nane) held at Nyamhongolo grounds in August 2011. The exhibition was used as an opportunity to educate members of the public on the core functions of the Bank as well as disseminating various economic issues, development on payment systems, security features of the new banknotes, and identification of counterfeit banknotes.

The branch also continued to monitor financial and economic developments in the Lake Zone and commenced the monthly Informal Cross Border Trade (ICBT) survey covering Sirari, Mutukula, Manyovu and Rusumo border posts effective January 2012.

Zanzibar Branch

During 2011/2012, the branch continued to monitor financial and economic developments in Zanzibar and provided banking services to the government and financial institutions. Also, it conducted a study to assess developments in fishery sector in Zanzibar and carried out a survey on Zanzibar foreign private capital flows in collaboration with ZIPA and OCGS. Further, the branch participated in facilitating implementation of the Economic Empowerment and Employment Creation Programme in Zanzibar.

The branch also continued to monitor financial and economic developments in Eastern Zone covering Mtwara, Lindi, Morogoro and Coast Regions. In addition, sensitization programs were conducted in Pemba and Unguja on security features of the banknotes and identification of counterfeit banknotes.



Bank of Tanzania Training Institute

During the financial year 2011/12, the Institute continued to coordinate capacity building for the Bank staff and other financial institutions in Tanzania, as well as for other central banks in the East African region.

A total of 41 courses were conducted, out of which 15 were for staff of the Bank (In-house), 19 were for staff of other financial institutions and seven were for the East African Monetary Union (EAMU).



PART III
REPORT OF THE AUDITORS



BANK OF TANZANIA

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2012





REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2012

1. INTRODUCTION

The Directors present this report and the audited financial statements for the financial year ended 30 June 2012, which disclose the state of affairs of the Bank.

In accordance with the Bank of Tanzania Act, 2006, the Board of Directors of the Bank of Tanzania (“the Bank”) is required to prepare financial statements showing the financial position of the Bank and the profit or loss for the year, changes in equity, cash flow and related notes.

ESTABLISHMENT

The Bank of Tanzania was established by the Bank of Tanzania Act, 1965, that was passed by the National Assembly in December 1965. Subsequently, the Bank of Tanzania Act, 1965 was repealed and replaced by the Bank of Tanzania Act, 2006.

BANK’S VISION

The vision of the Bank is: “To be a world-class model Central Bank focused on its core objectives with a highly qualified and motivated staff that has access to the state-of-the-art technology.”

BANK’S MISSION

The Bank’s mission is: “To formulate, define and implement monetary policy directed to the economic objective of maintaining domestic price stability conducive to a balanced and sustainable growth of the national economy”.

2. STATUTE AND PRINCIPAL ACTIVITIES

Bank of Tanzania (BoT) is the Central Bank of the United Republic comprising Tanzania mainland and Zanzibar, and is wholly owned by the Government of the United Republic of Tanzania. Its operations are governed by the Bank of Tanzania Act, 2006.

Its functions and objectives are summarised as follows:

- To formulate, implement and be responsible for monetary policy, including foreign exchange rate policy, to issue currency, to regulate and supervise banks and financial institutions including mortgage financing, development financing, lease financing, and revocation of licenses and to deal, hold and manage gold and foreign exchange reserves of Tanzania;
- To compile, analyse, and publish the monetary, financial, balance of payments statistics and other statistics covering various sectors of the national economy;
- To regulate and supervise the clearing and settlement system;
- To act as a banker and fiscal agent of the Government of the United Republic and the Revolutionary Government of Zanzibar (‘the Governments’); and
- To ensure the integrity of the financial system and support the general economic policies of the Government and promote sound monetary, credit and banking conditions conducive to the development of the national economy.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

3. REVIEW OF BANK'S PERFORMANCE AND BROAD GOALS

During the year 2011/ 2012 the Bank's Corporate Plan focused on attaining three broad goals that basically translate its primary (natural) mandates. These are;

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

Basing on the three broad goals, review of the Bank's performance revealed the following;

Maintaining price stability

The Bank's performance objectives under this goal are to conduct monetary policy directed towards achieving low inflation and maintaining adequate foreign reserves. Annual inflation rate was 17.4 percent for the year ending 30 June 2012 higher than the target of 5.0 percent set for the year ending 30 June 2012. The increase in inflation rate was mainly attributed to increase in both food and energy prices. Average reserve money grew by 14.2 percent during the year ending 30 June 2012. Similarly, broad money supply (M2) grew by 12.7 percent while extended broad money supply (M3) grew by 11.8 percent.

Developments in money supply during the period were explained by increase in net domestic assets of the banking system as net foreign assets declined. Net domestic asset of banks increased by TZS 1,207.0 billion compared with TZS 1,614.8 billion recorded in the year ending 30 June 2011, largely due to increase in net claims on government and credit to the private sector. Private sector credit grew by 18.7 percent in the year ending 30 June 2012, compared with 25.7 percent recorded in the year ending 30 June 2011.

During the period under review, growth of net claims on government by the banking system decreased following expansion of credit to Government which was mostly explained by improvement in revenue collections and expenditure management during the year under review. On net basis, net claims on government stood at TZS 1,689.2 billion at the end of June 2012, down from TZS 1,950.4 billion recorded at the end of June 2011.

The continued strong growth in banks' credit to the private sector contributed in stimulating economic activities enabling the economy to grow by 6.4 percent in 2012, meanwhile; by the end of June 2012 the Bank had accumulated foreign official reserves sufficient to cover 4 months of projected imports of goods and services, which is broadly in line with the target.

Promoting stability of the financial system

Financial stability is defined as a smooth operation of the system of financial intermediation between households, firms and the government through a range of financial institutions. Stability in the financial system would be evidenced by an effective regulatory infrastructure, effective and well developed financial markets, and effective and sound financial institutions.

During the period under review, the financial system generally remained in a strong condition. Effective regulatory system and supervisory oversight contributed to stability of the Tanzanian financial system.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

3. REVIEW OF BANK'S PERFORMANCE AND BROAD GOALS (Continued)

Promoting stability of the financial system (Continued)

During the year ending 30 June 2012, the banking sector remained sound and stable as reflected by the financial soundness indicators covering capital adequacy, asset quality, earnings and profitability, liquidity, sensitivity to market risk and access to bank lending.

Ratios of core capital and total capital to risk weighted assets and off balance sheet exposures were 17.47 percent and 18.07 percent respectively. The previous year ratios were 17.70 percent and 18.23 percent respectively compared to the legal minimum requirements of 10 percent and 12 percent respectively. The ratio of liquid assets to demand liabilities stood at 39.34 percent as compared to 43.22 percent reported in the previous year which was above the minimum regulatory requirement of 20 percent for individual institutions.

The ratio of total loans to customers' deposits stood at 67.50 percent, which is within the required threshold of 80.0 percent. The quality of assets of the banking system has improved as reflected by the ratio of non-performing loans (NPL) net of provisions to total capital, which decreased to 21.60 percent as at the end of June 2012, from 24.82 percent, recorded at the end of June 2011. The ratio of NPL to total loans has decreased slightly to 8.12 percent from 8.95 percent recorded at the end of June 2011. This is mainly due to improvements in credit administration by banking sector and strengthening oversight of credit accommodation by the Bank of Tanzania.

For the period up to 30 June 2012, banking sector recorded un-audited after tax profit of TZS 120.48 billion as compared to TZS 136.25 billion recorded in the period up to 30 June 2011. The sector's Return on Assets (ROA) and Return on Equity (ROE) were 2.45 percent and 13.60 percent respectively, compared to 2.97 percent and 17.91 percent record during previous year.

Banking sector ratio of foreign exchange exposure (Net Open Position) to total capital was 3.53 percent as compared to 3.73 percent reported in the previous year. This was within the regulatory limit of 10 percent of core capital required for individual institution. Lending to private sector increased to 22.97 percent of GDP from 19.67 percent recorded in the previous year.

Smooth conduct of financial markets operations resulted in low interest rates and moderate fluctuations in exchange rates. The Bank continued to play a dominant role in the inter-bank foreign exchange market during the period under review in order to meet demand and for sterilization purposes.

Strengthening corporate governance

The Bank's involvements in corporate governance is centred on effective management oversight, management of resources and properties, service delivery, management of business processes and risks, proactive engagements with stakeholders and re-focusing the Bank on core central banking functions.

During the period under review, the Bank's involvement in corporate governance centred on effective management oversight, management of resources and properties, service delivery, management of business processes and risks, proactive engagement with stakeholders, and refocusing the Bank on core central banking functions.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

3. REVIEW OF BANK'S PERFORMANCE AND BROAD GOALS (Continued)

The remarkable achievements recorded under this broad goal involve;

- Implementation of Projects Management Framework;
- Adopting the changes and developments that affect the Bank's financial reporting framework to ensure that the books of accounts and financial reports are compliant and consistent with the requirements of IFRS;
- Continuing to engage with the stakeholders through workshops, conferences, media engagement and Governor's monthly meetings on monetary policy developments with Chief Executive Officers of commercial banks and non-bank financial institutions;
- Continuing to strengthen risk management and internal audit functions through staffing and capacity building programmes for effective internal control; and;
- Finalization of the review of the organization structure that resulted into additional departments and divisions in order to strengthen the supervisory role at lower levels.

Other developments

Growth of currency in circulation

The position of currency in circulation as at 30 June 2012 was TZS 2,705,223.5 million as compared to TZS 2,503,645.1 million as at 30 June 2011, hence representing an increase of TZS 201,578.4 million equivalent to 8.0 percent.

Public education program

The Bank participated in various public education programs that aimed at sensitizing the community on the role and functions of the Bank. Further the Bank undertook public awareness campaigns on the new banknotes and its security features.

4. COMPOSITION OF THE BOARD OF DIRECTORS

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 later are appointed by the President of the United Republic of Tanzania. The following Directors served in the Board during the year and at the date of this report.

No	Name	Position	Age	Discipline	Date of Appointment	Nationality
1	Prof. Benno J. Ndulu	Governor and Chairman of the Board	62	Economist	08 January 2008	Tanzanian
2	Mr. Juma H. Reli ³	Deputy Governor	56	Finance	10 July 2007	Tanzanian
3	Mr. Lila H. M̄kila	Deputy Governor	62	Statistician	10 July 2007	Tanzanian
4	Dr. Natu E. Mwamba	Deputy	51	Economist	13 June 2011	Tanzanian



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

4. COMPOSITION OF THE BOARD OF DIRECTORS (Continued)

5	Prof. Haidari K. Amani	Member	64	Economist	8 January 2008	Tanzanian
6	Mr. Khamis M. Omar ²	Member	47	Finance	20 April 2006	Tanzanian
7	Mr. Bedason Shallanda	Member	51	Economist	11 September 2010	Tanzanian
8	Mr. Yona S. Killagane	Member	58	Professional Accountant	8 March 2011	Tanzanian
9	Mrs. Esther Mkwizu	Member	60	Management Consultant	8 March 2011	Tanzanian
10	Mr. Athman Mtengeti	Secretary	59	Lawyer	17 January 2008	Tanzanian

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

KEY

¹Permanent Secretary to the Treasury, Government of the United Republic of Tanzania.

²Principal Secretary to the Treasury, Revolutionary Government of Zanzibar.

³Mr. Juma H. Reli and Mr. Lila H, Mkila were reappointed as Deputy Governors on 11 July 2012 for another three and five year term respectively.

5. CORPORATE GOVERNANCE

Bank of Tanzania aspires to the highest standards of corporate governance. The events of the past three years have led to unprecedented challenges for the Bank and the markets as a whole. The Bank through the Board of Directors and Management upholds and practices the principles of sound corporate governance.

To this end, the Bank's establishment Act, referred to as 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 summarized below:

- (i) In terms of the provisions of Section 9(1) of the Bank of Tanzania Act, 2006, the Bank's Board of Directors is the supreme policy making body in the Bank, and apart from its specified function of approving the budget of the Bank, it is expected to discharge other functions as may specifically be conferred or imposed upon it by the Act or any other written law.
- (ii) In the discharge of its functions, four Committees are currently assisting the Bank's Board of Directors. These are Monetary Policy Committee, Audit Committee, Banking Supervision Committee and Finance and Investment Committee.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

5. CORPORATE GOVERNANCE (Continued)

The Board is supported by the following committees:

(a) Monetary Policy Committee

The Monetary Policy Committee is established under the provision of Section 12(1) of the Bank of Tanzania Act, 2006. Its membership comprise; the Governor who is the Chairman, the Deputy Governors, and two 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 cover 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 as at 30 June, 2012 were as follows:-

No	Name	Position	Discipline	Nationality
1	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian
2	Mr. Juma H. Reli	Member	Finance	Tanzanian
3	Mr. Lila H. Mkila	Member	Statistician	Tanzanian
4	Dr. Natu E. Mwamba	Member	Economist	Tanzanian
5	Prof. Haidari K. Amani	Member	Economist	Tanzanian
6	Mrs. Esther Mkwizu	Member	Management Consultant	Tanzanian
7	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian

(b) The Audit Committee

Established under the provisions 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 Controls 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.

The Audit Committee's mandate under **Internal Control** covers evaluation of control culture; the adequacy of the internal control systems and compliance with International Financial Reporting Standards in preparation of financial statements; the overall effectiveness of the internal control and risk management frameworks; and review of 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 being managed appropriately. The Committee also ensures the adequacy of the financial reporting process and reviews the Bank's annual accounts before approval by the Board and release.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

5. CORPORATE GOVERNANCE (Continued)

(b) The Audit Committee (Continued)

With regard to **External Audit**, the Audit Committee reviews the external auditors' proposed audit scope, approach and audit deliverables; and review draft accounts before submission to the External Auditors for audit.

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 of implementation of internal auditors' findings and recommendations. The Audit Committee reports to the Board of Directors.

The Members of the Audit Committee as at 30 June, 2012 were as follows:-

No	Name	Position	Discipline	Nationality
1	Prof. Haidari K. Amani	Chairman	Economist	Tanzanian
2	Mr. Juma H. Reli	Member	Finance	Tanzanian
3	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian
4	Mrs. Esther Mkwizu	Member	Management Consultant	Tanzanian
5	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian

(c) Banking Supervision Committee

The Banking Supervision Committee is 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, Permanent Secretary to the Treasury, 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 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 emerging supervisory issues. The Committee advises the Board on appropriate policy, legislative and regulatory measures that promote a safe and sound banking system and high supervisory standards and practices;



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

5. CORPORATE GOVERNANCE (Continued)

(c) Banking Supervision Committee (Continued)

The Members of the Banking Supervision Committee as at 30 June, 2012 were as follows:-

No	Name	Position	Qualification/Discipline	Nationality
1	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian
2	Mr. Juma H. Reli	Member	Finance	Tanzanian
3	Mr. Lila H. Mkila	Member	Statistician	Tanzanian
4	Dr. Natu E. Mwamba	Member	Economist	Tanzanian
7	Mr. Khamis M. Omar ²	Member	Finance	Tanzanian
8	Mr. Bedason Shallanda	Member	Economist	Tanzanian
5	Prof. Haidari K. Amani	Member	Economist	Tanzanian
6	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian
7	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian

2 Principal Secretary to the Treasury, Revolutionary Government of Zanzibar.

(d) The Finance and Investment Committee

The Finance and Investment Committee is 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 three Non- Executive Members of the Board.

The Finance and Investment Committee is responsible for review of the proposed budgets, reallocation of funds and supplementary budget requests; quarterly budget performance reports; Financial Regulations and Staff by- Laws; requests for disposal of immovable assets; and Annual Bank's Corporate Plan. The Committee also reviews requests for write off / back of receivables and debts; financial policies and changes thereto; the appropriateness of the Bank's investment policy and assets allocation strategy; Risk Management Framework for the Bank's operations; and Project Management framework.

The Members of the Finance and Investment Committee as at 30 June, 2012 were as follows:-

No	Name	Position	Qualification/Discipline	Nationality
1	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian
2	Mr. Juma H. Reli	Member	Finance	Tanzanian
3	Mr. Lila H. Mkila	Member	Statistician	Tanzanian
4	Dr. Natu E. Mwamba	Member	Economist	Tanzanian
5	Prof. Haidari K. Amani	Member	Economist	Tanzanian
6	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian
7	Mrs. Esther Mkwizu	Member	Management Consultant	Tanzanian
8	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

6. MEETINGS

Responding to the challenges faced by the Bank, the Board held 12 meetings during 2011/12. In addition there were various meetings of the Board committees. All members of the Board showed themselves to be willing and able to devote their time required for the Board meetings. Below is a summary indicating the number of meetings attended by members of the Board from 1 July 2011 to 30 June 2012.

		Number of meetings				
		Board	MPC	BSC	AC	FIC
	Number of meetings	12	13	7	10	9
	Names					
1	Prof. Benno J. Ndulu	11	7	6	N/A	9
2	Mr. Juma H. Reli	10	10	6	10	8
3	Mr. Lila H. Mkila	11	10	6	N/A	7
6	Dr. Natu E. Mwamba	10	10	6	N/A	8
4	Mr. Bedason Shallanda	4	3	3	N/A	N/A
5	Mr. Khamis M. Omar	6	9	3	N/A	N/A
7	Prof. Haidari K. Amani	10	11	7	10	8
8	Mrs. Esther Mkwizu	11	12	N/A	10	9
9	Mr. Yona S. Killagane	3	N/A	1	10	-
10	Mr. Athman H. Mtengeti	12	13	7	10	9

KEY

Board: Board of Directors

FIC: Finance and Investment Committee

MPC: Monetary Policy Committee

BSC: Banking Supervision Committee

AC: Audit Committee

7. INDEPENDENCE

All the 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 states that “the authorized 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 authorized by the Minister, by Notice published in the Government Gazette.” The capital of the Bank shall be subscribed and held only by the Government of the United Republic of Tanzania.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

9. MANAGEMENT

Section 13. (1) of the Bank of Tanzania Act, 2006 states that “the management of the Bank and the direction of its business and affairs is vested in the Governor and the Governor shall, in the exercise of such functions and direction, conform to the policy and other decisions made by the Board.

The Governor is assisted by three Deputy Governors. The Deputy Governors head various functions under them which involve twelve directorates, five independent departments, four branches and Bank’s training institute.

10. FUTURE DEVELOPMENT PLANS

The Bank will continue to implement three broad goals whereby strategies and key activities will be reformulated each year to reflect as accurate as possible, short and medium term corporate objectives in line with the Bank’s mandate and emerging national, regional and international economic developments. The Bank will continue to take advantages of new technologies and innovations.

Similar to the previous plans, the Bank will continue to place emphasis on maintenance of price stability and financial stability in view of the fact that the two have emerged as explicitly twin objectives for central banks after the experience of the global financial crisis.

Further, the Bank will continue to strengthen corporate governance in order to ensure effective management of Bank’s resources, properties, business processes and risks. The Bank will continue to make proactive engagements with stakeholders and provide necessary support services to facilitate attainment of the Bank’s vision and mission.

In addition, the Bank plans to:

- Continue implementing Medium Term Expenditure Framework (MTEF) as a multi-year budgeting instrument;
- Adopt a Balanced Scorecard (BSC) methodology as an instrument for performance measurement;
- Construct two additional BoT branches at Dodoma and Mtwara;
- Open additional currency custody centres to ease currency distribution in the country;
- Modernise security monitoring systems at head office and branches;
- Acquire new software and continue to improving business operations through automation;and
- Continue maintaining its other existing assets

11. RESULTS AND DIVIDEND

During the year the Bank operations registered a net loss of TZS 52,431.4 million (2011: A net profit of TZS 715,892.6 million). As a result no dividend will be paid to Government (2010/11: TZS 173,240.5 million).



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

12. FINANCIAL PERFORMANCE FOR THE YEAR

12.1 Financial results

The performance of the Bank is measured on the basis of the achievements in implementing its core functions as detailed in the Bank of Tanzania Act, 2006. During the period, the Bank made various achievements as explained under Para 3.0 of this report.

Further in the course of its operations, the Bank made a total comprehensive loss of TZS 52,431.4 million (2011: comprehensive income TZS 727,793.5 million). The total recorded loss during the year is attributed to foreign exchange revaluation loss amounting to TZS 153,545.4 million (2011: foreign exchange revaluation gain of TZS 730,694.4 million) following strengthening of TZS against major currencies.

12.2 Financial position

The financial position of the Bank is as set out in the statement of financial position shown on page 21. During the year total assets of the Bank increased by TZS 377,080.6 million. This was mainly attributed to the increase of cash and cash equivalent, loans and receivables and amount deferred in respect of currency cost amounting to TZS 282,813.0 million, TZS 94,916.2 million and TZS 75,371.4 million respectively. This was on account of increase in; cash balances with central banks, receivables from the URT Government and currency received from printers but not yet issued into circulation respectively.

On the other hand total equity and liabilities increased by TZS 382,080.6 million. This was mainly attributable to increase in currency in circulation and deposits from banks and non banks financial institutions amounting to TZS 201,578.4 million and TZS 694,213.1 million respectively. However, the impact was partly reduced by decrease in the balances as at 30 June 2012 in respect of BoT Liquidity Papers and Reserves which amounted to TZS 245,153.6 million and TZS 290,899.8 million respectively. The decrease in the Bank's reserves was mainly on account of 2010/11 dividend paid to the Governments, transfer of securities revaluation reserves to the income statement and loss for the year amounting to TZS 173,240.5 million, TZS 64,784.2 million and TZS 52,431.4 million respectively.

13. RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of 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 behaviors 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 system is designed to provide the Board with reasonable assurance that procedures in place are operating effectively.

The non financial risks of the Bank were:



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

13. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(a) Operational Risk

Operational risk is the risk of both financial and non financial resulting from inadequate systems, management failures, ineffective internal control processes, fraud, theft and human errors.

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. Management, Internal Audit Function, Audit Committee and the Board, closely monitors 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.

(b) Human Resource Risk

The particular nature of the activities of the Bank necessitates specialized knowledge in many areas. The Bank ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organizes 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.

(c) 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 the 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 new contracts and substantive changes to existing contracts are entered to, external lawyers are contracted. The Bank has in place a clear procedure of the delegation of authorities. Also strict code of conduct and ethics is used to minimize chances of causing legal disputes between the Bank and its counterparts.

(d) Reputational Risk

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, Public Procurement Act, No. 21 of 2004 and Public Procurement Regulations, 2005.

In view of the above, the Bank's management ensures that to the best of its 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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

13. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(d) Reputational 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 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 (NPS) 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. The risk related to financial instruments has been disclosed under note 48 of the financial statements. The Board assessed the internal control systems throughout the financial year ended June 2012 and is of the opinion that they met accepted criteria.

14. SOLVENCY

The Board of Directors confirms that applicable accounting standards 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 taking its statutory activities for the foreseeable future.

15. EMPLOYEES WELFARE

15.1 Management and employees 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 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, house allowance, employee training and development, leave travel assistance, long service awards for employees who have been in employment for continuous period of twenty five years, and loans and advances are provided to employees in accordance with the Bank's Staff By Laws and Financial Regulations in force.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

15. EMPLOYEES WELFARE (Continued)

The Bank of Tanzania is an equal opportunity employer with a total of 1,349 staff as at 30 June 2012 (2011:1,324) out of which 58 percent are male and 42 percent are female.

15.2 Training facilities

The Bank has its own training facilities situated at the Bank of Tanzania Training Institute in Mwanza region. During the year, the Bank conducted a total of 53 bank courses all of which were conducted using available Bank's facilities. The Bank prepares annual training programs that cater for Bank's needs and address gaps in the knowledge and experience of its staff.

15.3 Medical Assistance

All members of staff with a maximum number of four beneficiaries (dependants) for each employee were availed medical insurance guaranteed by the Bank. During the year ended 30 June 2012, these were provided by Strategies Insurance.

15.4 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. Health and safety incidences of the bank are monitored by the Bank's Medical Committee and Bank's Business Recovery Team (BBRT) respectively.

15.5 Financial Assistance to Staff

The Bank provides various loans to all confirmed employees depending on compliance to the Staff By Laws and Financial Regulations in force. These include house loans, motor vehicle loans, furniture loans, computer loans and various advances.

15.6 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 employees.

15.7 Employees Benefit 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 details of benefits plan are provided under note No. 4. of the financial statements

16. 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 which does not impair ability to discharge duties. As at 30 June 2012 and 2011 the Bank had the following distribution of employees by gender.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

16. GENDER PARITY (Continued)

<u>Gender</u>	2012	%	2011	%
Male	787	58.3	781	58.5
Female	562	41.7	553	41.4
Total	1 349	100.0	1 334	100.0

17. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in note 54 to these financial statements. The directors' emoluments have been disclosed in note 54.2 to the financial statements.

18. ENVIRONMENTAL CONTROL PROGRAM

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

19. CORPORATE SOCIAL RESPONSIBILITY

The Bank of Tanzania is committed to fulfilling part of its Corporate Social Responsibility (CSR) through supporting national activities in the United Republic of Tanzania and other areas of interest to the Bank. In this endeavour the Bank has in place donation guidelines that assist management of donations to the public as part of its corporate social responsibility. During the year the Bank donated a total of TZS 355.8 million. (2011: TZS 446.3 million).

20. 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); Tanzanian Institute of Bankers (TIB); Other Professional Associations; and Charities. During 2011/12 such contributions and subscriptions amounted to TZS 3,285.3 million (2011: TZS 2,728.9 million).

21. SECRETARY TO THE BOARD

The Secretary to the Board 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.

22. COMPLIANCE TO LAWS AND REGULATIONS

In performing the activities of the Bank, various laws and regulations having the impact on the Banks operations are observed as a tool for financial management. These are Financial Regulations, Staff By Laws, Bank of Tanzania Act, 2006, Income Tax Act, 2004, Finance Act, 2004, Public Procurement Act, 2004 and related regulations.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

23. SERIOUSLY PREJUDICIAL

During the year ended 30 June 2012 there was no serious prejudicial matters to report as required by Tanzania Financial Reporting Standard No. 1 (Directors' Report).

24. STATEMENT OF COMPLIANCE

The director's report has been prepared in full compliance with Tanzania Financial Reporting Standards No. 1 (Directors Report).

25. STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of the Bank are responsible for the preparation of the financial statements, which give a true and fair view of the Bank's state of affairs and its operating results in accordance with the International Financial Reporting Standards (IFRS) and Bank of Tanzania Act, 2006. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. These controls are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets.

The directors confirm that the financial statements have been prepared in accordance with the International Financial Reporting Standards and give a true and fair view.

The directors confirm that the core functions of the Bank's were not affected and neither were the financial systems in the country. The directors assure stakeholders that the control environment at the Bank continued to operate effectively. In the current financial year various measures have been taken by directors and other parties in order to continue strengthening the internal controls, governance and risk management at the Bank.

The annual financial statements have been prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Bank will not remain a going concern for the foreseeable future based on forecast and available cash resources. These financial statements support the viability of the Bank.

26. 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. Ernst & Young, Certified Public Accountants were appointed by CAG to audit the financial statements of the Bank on his behalf, pursuant to section 33 of the Public Audit Act, 2008.

Approved by the Board of Directors on 4th OCTOBER, 2012, and signed on its behalf by:

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

Yona S. Killagane
Director and Chairman of the Audit Committee



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2012

AUDIT REPORT ON THE FINANCIAL STATEMENTS

Board Chairman,
Bank of Tanzania,
P. O. Box 2929,
DAR ES SALAAM.

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE BANK OF TANZANIA FOR THE YEAR ENDED 30TH JUNE 2012

Introduction

I have audited the accompanying financial statements of the Bank of Tanzania (the 'Bank'), as set out on pages 20 to 112, which comprise the statement of financial position as at 30th June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Controller and Auditor-General is the statutory auditor of 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.

Directors' responsibility for the financial statements

The directors of the Bank are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS') and the requirements of the Bank of Tanzania Act, 2006. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Controller and auditor generals' responsibility

My responsibility as auditor is to express an independent opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on professional judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; I considered the internal controls relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.



REPORT OF THE CONTROLLER AND AUDITOR-GENERAL (Continued)

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts 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 authorized.

Further, Sect. 44 (2) of Public Procurement Act No. 21 of 2004 and Reg. No. 31 of the of the Public Procurement (Goods, Works, Non-consultant services and Disposal of Public Assets by Tender) Regulations of 2005 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

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

Unqualified Opinion

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Bank of Tanzania Act, 2006.

Report on compliance with procurement legislation

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions I have reviewed as part of this audit, I state that I did not find any material divergences by management from the requirements of the Public Procurement Act of 2004 and its related Regulations of 2005.

Ludwick S. L. Utouh
Controller and Auditor General

Office of the Controller and Auditor General
National Audit Office
Dar es Salaam

18th October, 2012





STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	<u>Note</u>	<u>30.06.2012</u> TZS '000	<u>30.06.2011</u> TZS '000
Operating income			
Interest income	6	234,539,200	209,886,943
Interest expenses	7	(44,053,040)	(40,806,742)
Net interest income		<u>190,486,160</u>	<u>169,080,201</u>
Foreign exchange revaluation gains	8	-	730,694,371
Net unrealised gains on Financial Assets-FVTPL	9	77,890,871	-
Fees and commissions	10	33,613,080	24,870,736
Recovery from receivables	11	25,373,053	-
Other income	12	15,573,333	62,500,485
		<u>152,450,337</u>	<u>818,065,592</u>
Net operating income		<u>342,936,497</u>	<u>987,145,793</u>
Operating expenses			
Administrative expenses	13	38,719,319	38,183,054
Foreign exchange revaluation losses	8	153,545,350	-
Currency issue and related expenses	14	61,479,775	61,731,710
Personnel expenses	15	93,755,205	80,025,362
Depreciation of property and equipment	32	35,842,213	33,248,992
Amortization of intangible assets	33	3,279,263	2,485,725
Amount written offs of other receivables	16	18,853	834
Loss on disposal of property and equipment	32	151,594	-
Other expenses	17	6,974,415	25,410,033
Impairment losses	18	1,601,903	30,167,442
		<u>395,367,890</u>	<u>271,253,152</u>
Operating (loss)/profit for the year		<u>(52,431,393)</u>	<u>715,892,641</u>
Other comprehensive income			
Other comprehensive income	19	-	11,900,867
Total comprehensive (loss)/income		<u>(52,431,393)</u>	<u>727,793,508</u>



STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	30.06.2012 TZS '000	30.06.2011 TZS '000
Assets			
Cash and balances with central banks & other banks	20	1,520,782,365	1,237,969,329
Items in course of settlement	21	34,815,938	5,776,431
Holdings of Special Drawing Rights (SDRs)	22	369,525,297	397,912,882
Foreign Currency Marketable securities	23	4,027,657,084	4,019,362,219
Equity investments	24	2,189,025	1,895,620
Government securities	25	1,050,470,656	1,000,864,589
Advances to the Government	26	283,004,718	348,369,754
Loans and receivables	27	195,916,833	101,000,624
Inventories	28	5,819,196	4,764,252
Investment in associate company	29	1	1
Quota in International Monetary Fund (IMF)	22	471,393,438	501,867,026
Deferred currency cost	30	139,540,818	64,169,465
Other assets	31	79,987,702	92,931,064
Property and equipment	32	812,728,800	831,687,449
Intangible assets	33	5,758,265	8,938,819
Total assets		8,999,590,137	8,617,509,524
Liabilities and equity			
Currency in circulation	34	2,705,223,546	2,503,645,122
Deposits - banks and non-bank financial institutions	35	2,037,355,907	1,343,142,830
Deposits - Governments	36	8,899,318	13,806,368
Deposits - Others	37	346,950,327	274,379,716
Foreign currency financial liabilities	38	478,153,879	392,174,778
Poverty Reduction and Growth Facility	39	539,104,400	578,194,213
Repurchase agreements	40	25,025,548	54,016,464
BoT liquidity papers	41	732,306,148	977,459,704
Provisions	42	12,200,924	7,274,556
Other liabilities	43	29,591,997	22,521,083
IMF related liabilities	22	431,556,956	477,585,339
Allocation of Special Drawing Rights (SDRs)	22	451,512,468	480,700,836
Total liabilities		7,797,881,418	7,124,901,009
Equity			
Authorised and Paid up Capital	44	100,000,000	100,000,000
Reserves	46	1,101,708,719	1,392,608,515
Total equity		1,201,708,719	1,492,608,515
Total equity and liabilities		8,999,590,137	8,617,509,524

These financial statements were approved by the Board of Directors for issue on 4th OCTOBER, 2012 and

Name: Benno J. Ndulu Title: Chairman Signature: B Ndulu

Name: Yona S. Killogane Title: Director Signature: Y Killogane



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

Details	Share Capital (Note 44)	General Reserve (Note 46(a))	Retained Earnings	Capital Reserve (Note 46(b))	Foreign Exchange		Reserve for Projects (Note 46(d))	Staff Housing Fund (Note 46(e))	Assets Revaluation Reserve (Note 46(f))	Securities Revaluation Reserve (Note 46(g))	Foreign Exchange Revaluation Reserve (Note 46(h))	Mwalimu Nyerere Fund (Note 46(i))	Reserve for Dividends	Total
					Equalisation Reserve (Note 46(c))	Reserve for Projects (Note 46(d))								
(Amounts in TZS'000)														
At 01 July 2011	100,000,000	276,296,100	-	99,262,908	463,264,603	120,000,000	33,614,326	119,925,982	64,784,192	41,219,947	1,000,000	173,240,459	1,492,608,515	
Profit for the year	-	-	(52,431,393)	-	-	-	-	-	(64,784,192)	-	-	-	(52,431,393)	
Transfer to Profit and Loss*	-	-	-	-	-	-	-	-	-	-	-	-	(64,784,192)	
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer of realised foreign exchange revaluation gains	-	-	41,219,947	-	-	-	-	-	-	(41,219,947)	-	-	-	
Transfer of foreign exchange revaluation loss to exchange revaluation reserve	-	-	153,545,350	-	(153,545,350)	-	-	-	-	-	-	-	-	
Reversal of revaluation of disposed property	-	149,818	-	-	-	-	-	(149,818)	-	-	-	-	-	
Transfer of unrealised fair value gains or losses to the Securities Revaluation Reserve	-	-	(77,890,871)	-	-	-	-	-	77,890,871	-	-	-	-	
2010/11 Dividends paid to the Government	-	-	-	-	-	-	-	-	-	-	-	-	(173,240,459)	
Payments to Mwalimu Nyerere Scholarship Deposit***	-	-	-	-	-	-	-	-	-	-	(1,000,000)	-	(1,000,000)	
Staff Housing Compensatory Fund**	-	-	-	-	-	-	556,246	-	-	-	-	-	556,246	
Transfer to General Reserve	-	23,223,086	(64,443,033)	-	-	41,219,947	-	-	-	-	-	-	-	
At 30 June 2012	100,000,000	299,669,004	-	99,262,908	350,939,200	120,000,000	34,170,572	119,776,164	77,890,871	-	-	-	1,201,708,719	

* A total of TZS 64,784.2 million was transferred to profit and loss account when the Bank migrated to IFRS 9. This amount is included in the net gains in fair value of TZS 77,890.9 million recycled from equity.

** Net contribution to Staff Housing Compensatory Fund

*** This represents payment of TZS 1,000.0 million to the Mwalimu Nyerere Scholarship Fund out of distributable profit for 2010/11

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012



Details	Share Capital (Note 42)	General Reserve (Note 43(a))	Retained Earnings	Capital Reserve (Note 43(b))	Exchange Equalization Reserve (Note 43(c))	Reserve for Projects (Note 43(d))	Staff		Foreign Currency Revaluation Reserve (Note 43(h))	Mwalimu Nyerere Fund	Reserve for Dividends	Total
							Housing Fund Reserve (Note 43(e))	Assets Revaluation Reserve (Note 43(f))				
(Amounts in TZS'000)												
At 01 July 2010	100,000,000	208,738,399		99,262,908	142,997,293	20,000,000	19,834,200	73,773,032	904,315		1,669,901	766,216,323
Profit for the year	-	-	715,892,642	-	-	-	-	-	-	-	-	715,892,642
Other comprehensive income	-	-	-	-	-	-	-	46,152,950	(34,252,083)	-	-	11,900,867
Transfer of realised foreign exchange revaluation gains	-	-	904,315	-	-	-	-	-	(904,315)	-	-	-
Transfer of unrealised foreign exchange revaluation gains to foreign currency revaluation reserve	-	-	(41,219,947)	-	-	-	-	-	41,219,947	-	-	-
Dividends paid to the Government	-	-	-	-	-	-	-	-	-	-	(1,669,901)	(1,669,901)
Proceeds from staff housing fund investment	-	-	-	-	-	-	268,585	-	-	-	-	268,585
Appropriation of residual profit for the year 2010/11	-	67,557,701	(675,577,010)	-	320,267,310	100,000,000	13,511,540	-	-	1,000,000	173,240,459	-
At 30 June 2011	100,000,000	276,296,100	-	99,262,908	463,264,603	120,000,000	33,614,326	119,925,982	41,219,947	1,000,000	173,240,459	1,492,608,515



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	30.06.2012 TZS '000	30.06.2011 TZS '000
Cash flows from operating activities			
Cash generated (used in)/from operating activities	45	(192,714,862)	563,207,521
Dividends paid to the Government		(173,240,459)	(1,669,901)
Transfer to Mwalimu Nyerere Deposit Fund		(1,000,000)	-
Net cash generated from(used in) operating activities		(366,955,321)	561,537,620
Cash flows from investing activities			
Purchase of property and equipment		(18,823,733)	(30,968,539)
Proceeds from disposal of property and equipment		121,831	-
Purchase of intangible assets		(98,709)	(1,891,845)
Disposal/(acquisition) of government securities		(49,606,068)	3,338,479
Increase in foreign currency marketable securities		(8,294,866)	(804,824,324)
Acquisition of equity shares		(306,327)	-
Increase/decrease in quota in International Monetary Fund (IMF)		30,473,588	(97,150,477)
Increase/decrease in holdings of SDRs		28,387,585	(75,081,953)
Net cash outflows from investing activities		(18,146,698)	(1,006,578,659)
Cash flows from financing activities			
Increase in notes and coins issued		201,578,425	472,105,218
(Decrease)/increase in IMF related liabilities		(46,028,382)	93,210,121
Increase in foreign currency financial liabilities		46,889,289	158,209,893
(Decrease)/increase in allocation of SDRs		(29,188,368)	93,053,166
Increase/(decrease) in deposits		761,876,639	(54,897,916)
Decrease in Repurchase Agreements (REPOs)		(28,990,916)	(62,999,198)
Decrease in BOT liquidity papers		(245,153,556)	(265,123,143)
Net cash inflows from financing activities		660,983,130	433,558,140
Net increase/(decrease) in cash and cash equivalent		275,881,111	(11,482,899)
Unrealized foreign exchange revaluation loss/ gains		6,931,926	41,219,947
Cash and cash equivalents:			
At the beginning of the year		1,237,969,329	1,208,232,281
At the end of the year	20	1,520,782,365	1,237,969,329



1. BASIS OF PREPARATION, FORM OF PRESENTATION AND LEGAL FRAMEWORK

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 Tanzania 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 (IFRS) and Interpretations to those Standards issued by the International Accounting Standard Board (IASB) in so far as they are practically applicable to the Bank and comply with the requirements of the Bank of Tanzania Act, 2006.

Form of presentation

In exceptional circumstances, as allowed by Section 41 of the Bank of Tanzania Act, 2006, the Bank may act as the “lender of last resort” to financial institutions in difficulty in order to prevent a loss of confidence spreading through the financial system as a whole. In some cases, confidence can best be sustained if the Bank’s support is disclosed only when the conditions giving rise to potential instability in the economy have improved. Although the financial effects of such operations are included in the financial statements of the Bank, these statements may not explicitly identify such support.

Legal framework

In terms of Section 4 of the Bank of Tanzania Act, 2006 (‘the Act’), the Bank of Tanzania (‘the Bank’) is established to act as the Central Bank for the United Republic of Tanzania. Its main place of business is at 10 Mirambo Street, Dar es Salaam, Tanzania and it operates branches in Arusha, Mbeya, Mwanza and Zanzibar. The Bank is an independent institution with its own legal personality and tables its reports to the Minister for Finance.

The Bank’s principal responsibilities are to:

- conduct monetary policy and manage the exchange rate policy of the Tanzania Shillings, taking into account the orderly and balanced economic development 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.

Under Section 17 of the Bank of Tanzania Act, 2006, the authorized capital of the Bank shall be one hundred billion shillings (TZS 100 billion), provided that it may be increased by such amount as may be determined by the Board, and authorized by the Minister for Finance, by notice published in the Gazette.



11. BASIS OF PREPARATION, FORM OF PRESENTATION AND LEGAL FRAMEWORK(Continued)

Legal framework (Continued)

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

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 unrealized 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.

In terms of Section 18(3) of the Act, the Board shall determine, whenever the authorized capital, the General Reserve Fund, the Foreign Exchange Revaluation Reserve and other appropriate asset revaluation reserves or retained net unrealized 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; unrealized 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 realized components shall be transferred to the Statement of Comprehensive Income.

Section 18(5) of the Act, requires both realized and unrealized gains and losses to be included in the profit calculation but only the residual of any net realized profits of the Bank shall 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 realized profits to the reduction or discharge of the indebtedness and thereafter such amount as relates to the net realized 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 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 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.



1. BASIS OF PREPARATION, FORM OF PRESENTATION AND LEGAL FRAMEWORK(Continued)

Legal framework (Continued)

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 30th 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.

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 45.6 (b).

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.

2. CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations

The accounting policies adopted by the Bank are consistent with those of the previous financial year except as follows:

IFRS 9-Financial Instruments

In November 2009, the International Accounting Standards Board (IASB) issued IFRS 9 Financial Instruments (IFRS 9). IFRS 9 issued in November 2009 introduces new classification and measurement requirements for financial assets that replace the classification and measurement requirements previously included in IAS 39 Financial Instruments: Recognition and Measurement (IAS 39).

In October 2010, the IASB issued a revised version of IFRS 9 in which the IASB added requirements for classification and measurement of financial liabilities.



STATEMENT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2. CHANGES IN ACCOUNTING POLICIES(Continued)

IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with early application permitted. IFRS 9 requires retrospective application (subject to some transitional provisions). However, entities that apply IFRS 9 in advance of its effective date for reporting periods beginning before 1 January 2012 can choose not to restate the comparative periods.

In the current year, the Bank has applied IFRS 9 Financial Instruments (IFRS 9) (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of its effective date. The Bank has chosen 1 July 2011 as its date of initial application (i.e. the date on which the Bank has assessed its existing financial assets and financial liabilities) because the Bank decided to apply IFRS 9 in the current year and 30 June 2012 is the year end date of the current year. The Bank has applied IFRS 9 prospectively and comparative amounts have not been restated.

Financial assets

IFRS 9 introduces new classification and measurement requirements for financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement. Specifically, IFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

As required by IFRS 9, debt instruments are measured at amortised cost only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. If either of the two criteria is not met, the debt instruments are classified as at fair value through profit or loss (FVTPL).

Investments in equity instruments are classified and measured as at FVTPL except when the equity investment is not held for trading and is designated by the Bank as at fair value through other comprehensive income (FVTOCI). If the equity investment is designated as at FVTOCI, all gains and losses, except for dividend income that is generally recognised in profit or loss in accordance with IAS 18 Revenue, are recognised in other comprehensive income and are not subsequently reclassified to profit or loss.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial liabilities

IFRS 9 also contains requirements for the classification and measurement of financial liabilities. One major change in the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability.

Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, **under IAS 39, the entire amount of the change in** the fair value of the financial liability designated as at fair value through profit or loss was recognised in profit or loss.



STATEMENT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

2. CHANGES IN ACCOUNTING POLICIES(Continued)

Trade date accounting.

The Bank changed its accounting policy from settlement date accounting to trade date accounting. Accordingly, all regular way purchases or sales of financial assets are recognised and derecognised on a trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Amendments resulting from Improvements to IFRS to the following standards did not have any impact on the accounting policies, financial position or performance of the Bank.

IAS 24 Related Party Disclosures (Amendment)

The amended standard is effective for annual periods beginning on or after 1 January 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The Bank does not expect any impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

IFRS 7 Financial Instruments: Disclosures (Amendments)-transfer to the changes in accounting policies

This amendment is effective for annual periods beginning on or after 1 July 2011. – Transfers of Financial Assets increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures of transactions when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to IFRS 7 will have a significant effect on the Bank's disclosures regarding transfers of trade receivables previously affected. However, if the Bank enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions 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 ongoing 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. The 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.



STATEMENT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

b. Impairment of assets

(i) Impairment losses on loans and advances and Government Securities

The Bank reviews its loans and advances at each reporting date to assess whether an impairment loss should be recognized in profit or loss. In particular, judgement 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 loan 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. Please see the details in note 27.

(ii) Impairment of marketable securities

Currently there is no impairment of marketable securities as all instruments measures at fair value through profit or loss are not impaired. Prior to application of IFRS 9 these were available for sale financial assets. The impairment was subject to decline in value of the assets.

(iii) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

c. 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. Please see the details in Note 47.

d. Useful lives of property, 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 has made accounting estimation of the useful lives of assets based on the expected pattern of consumption of the future economic benefits and reviewed its depreciation rates.

e. Intangible assets

Where computer software is not an integral part of the related item of property and equipment, the software is capitalised as intangible asset.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring them to use. Direct costs include software consultancy costs and an appropriate portion of overheads. Other development expenditures that do not meet these criteria are recognised as expense incurred development costs previously recognised as an expense are not recognised as asset in the subsequent period.

Internally generated software products include direct costs incurred by the Bank upon meeting the following criteria are recognised as intangible assets;

- 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 l 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 l the software product are available; and
- The expenditure attributable to the software product during its development can be measured reliably.

Other development expenditures that do not meet these criteria are recognised as expense incurred development costs previously recognised as an expense are not recognised as asset in the subsequent period.

Capitalised computer software, licence and development costs are amortised over their useful lives of four year.

Costs associated with maintaining computer software programmes are expenses as incurred.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognized 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 also be met before revenue is recognized:

Interest and similar 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 costs 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 payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income.

Once the recorded value of a financial asset or a Bank of similar financial assets 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.

Fees and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) 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

Revenue 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 recognized as a liability in the period in which it is declared. Proposed dividends are disclosed as a separate component of equity.

Employees' benefits including post employment benefits

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post retirement benefits

The Bank operates a defined contribution plan whereby each of its employees and the Bank contribute 2 percent and 18 percent respectively of the employee's monthly salaries to the state owned and managed (statutory) Funds namely the Parastatal Pension Fund (PPF) or the National Social Security Fund (NSSF). Apart from these monthly contributions, the Bank has no further commitments or obligations to the Funds. The contributions are charged to profit or loss in the year to which they relate.

Other employee benefits

The Bank provides free medical treatment to staffs and their dependants. The cost is charged to profit or loss. The estimated monetary liability for employees' accrued leave entitlement at the reporting date is recognized as an expense accrual.

Further, the Bank provides other employee retirement benefits in respect of employees on statutory retirement, confirmed employees retiring on medical grounds, if applicable, beneficiaries of the estate of a confirmed deceased employee through the administrator of the estate, and employees who served the Bank for fifteen (15) years or more subject to the conditions stipulated in the Bank's Staff By-laws. These benefits are determined and the Bank's obligations provided for one year before they fall due and charged to profit or loss.

Provision

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 a 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 presented 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 (as amended under Finance Act, 2006) exempts the Bank from any taxation imposed by law in respect of income or profits. This exemption includes stamp duty in respect of instruments executed by or on behalf of the Bank.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

(i) 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.

(ii) Transactions and balances

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

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets (bid price) and liabilities (offer price) denominated in foreign currencies are recognized in profit or loss.

Foreign exchange revaluation reserve under the legal framework

The realised foreign exchange gains and losses are separated from the unrealised. The unrealised part is excluded from distributable profits for the year and is carried in a separate reserve until realised in subsequent years thereby becoming part of the distributable profits.

- (a) For each currency USD, GBP, EUR and SDR; cash inflows and outflows are determined at yearly intervals.
- (b) Proportions of outflows against the inflows on a First in First out (FIFO) basis are determined for the year and this is assumed to be the proportion of realised gains or losses that have to be separated from the accumulated realized and unrealized amount in the Revaluation Account.
- (c) The realised amounts are computed based on the proportions determined in (b) above.

Investment in associate company

The Bank’s investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Bank has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the Statement of Financial Position at cost plus post acquisition changes in the Bank’s share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The Statement of Comprehensive Income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Bank recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Bank and the associate are eliminated to the extent of the interest in the associate. Where necessary, adjustments are made to bring the accounting policies in line with those of the Bank.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, at which time it is reclassified as property and equipment in use.

Bank's immovable property (buildings) is subsequently measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed by external independent valuers to ensure that the fair value of a revalued asset 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 after every five years. During the year, M/S EMACK Tanzania Ltd, professional and Independent valuers, carried out valuation of the Bank's immovable properties as at 30 June 2012. The valuation of Bank's immovable assets was made on the basis of 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 (IV No.1 and 2; 2005 and 2007 as amended in 2008). The previous revaluation was carried out on 30 June 2006 by M/S Real Estate Surveyors and Associate Limited, professional and independent valuers.

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 which were applicable at 30 June 2012 were as follows:

Asset classification	Annual depreciation Rate	Useful life
Office Premises	1.0%	100 years
Staff Club Premises	1.0%	100 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	20.0%	5 years
Motor Vehicles	20.0%	5 years
Currency Processing Machines	12.5%	8 years
Machinery and Equipment	10.0%	10 years
Security Monitoring, Fire Detection and Fire Fighting Systems	20.0%	5 years
Office Furniture	15.0%	7 years



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

No depreciation charge is 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 and 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 amortization and accumulated impairment losses. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally generated intangible assets are not capitalised and expenditure is charged against profit or loss in the year in which the expenditure is incurred.

Intangible assets (Continued)

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 20.0% – 33 1/3. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year-end. 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 costs 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

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency in circulation

Currency in circulation 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.

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 costs 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 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.

Leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

As for the Land owned by the Bank, the Bank obtained these on long term Leasehold (mainly 99 years) from the Government.

No significant payments are made in advance to the Government other than Government fees/ rates normally paid on lease application and renewal based on fixed 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sale and Repurchase Agreements (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.

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 sales and repurchase price is treated as interest expenditure and is recognized in profit or loss.

Financial assets measured at fair value through profit or loss

The Bank has designated marketable securities i.e. internally managed foreign securities and Reserve Advisory Management program (RAMP) as at fair value through profit or loss. These instruments failed the business model tests. Accordingly, they were designated at fair value through profit or loss.

Changes in fair value of these instruments are recognised through the profit and loss account.

Foreign Exchange Equalization Reserve

The Bank has a policy whereby both net realized and unrealized exchange gains and losses are firstly recognized in profit or loss in accordance with the requirements of IAS 21 (The Effects of Changes in Foreign Exchange Rates). The net realized foreign exchange losses for the year arising from daily revaluation of foreign assets and liabilities are transferred to the Foreign Exchange Equalisation Reserve. Where the balance in the Foreign Exchange Equalization Reserve is insufficient to absorb the net realised loss, the first recourse is the General Reserve. The net unrealised gains or losses are transferred to the Foreign Currency Revaluation Reserve.

Effective 30th June 2009 the Board determines the amount from the distributable profit to be transferred to the Foreign Exchange Equalization Reserve.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reserve for Dividend

This reserve accommodates the amount declared as dividend payable to the Governments. 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 indebtedness to the Bank, the Bank shall first apply the remainder of its net realized profits to the reduction or discharge of the Governments indebtedness

Financial instruments – initial recognition and subsequent measurement

The Bank adopted early IFRS 9-Financial Instruments and opted not to restate the comparative figures. Accordingly, policies on the current figures are based in IFRS 9 and comparative figures are based on IAS 39-Financial Instruments Recognition and Measurements.

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 marketplace are recognised on the trade date, that is the date that the Bank commits to purchase or sell the asset.

Below is the summary of accounting policies under IFRS 9-Financial Instruments when compared with those under IAS 39-Financial Instruments Recognition and Measurements adopted by the Bank

Accounting policies based on IFRS 9	Accounting policies based on IAS 39
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 costs of acquisition or issue	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 costs of acquisition or issue
Classification of financial assets <ul style="list-style-type: none">• 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.	Classification of financial assets The classification of the Bank's assets depends on the management intent to hold the financial instruments. The financial assets were classified into four categories namely loans and receivables, trading, available for sale and held to maturity



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Accounting policies based on IFRS 9</u>	<u>Accounting policies based on IAS 39</u>
<p>Financial assets measured at fair value through profit or loss</p> <p>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,</p> <p>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 should be recognised in profit or loss when they occur.</p> <p>Fair Value Through Other Comprehensive Income</p> <p>On initial recognition, the Bank made an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.</p> <p>The Bank's financial asset is held for trading if:</p> <ul style="list-style-type: none"> • it has been acquired principally for the purpose of selling it in the near term; or • on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has evidence of a recent actual pattern of short-term profit-taking; or • It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. • Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the securities revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal 	<p><u>Financial assets at fair value through profit or loss</u></p> <p>Financial assets and financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:</p> <p>The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or</p> <p>The assets and liabilities are part of the Bank of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or</p> <p>The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.</p> <p>Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in "net operating income" Interest earned or incurred is accrued in interest income or expense, respectively, according to the terms of the contract, while dividend income is recorded in other operating income when the right to the payment has been established.</p> <p>Included in this classification are loans and advances to customers which are economically hedged by credit derivatives which do not qualify for hedge accounting as well as structured notes which are managed on a fair value basis.</p>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<p><u>Accounting policies based on IFRS 9</u></p> <p>of the investments.</p> <p>The Bank has designated its equity investment in Afrexim Bank and SWIFT through other comprehensive income. This is irrevocable commitment. Accordingly, such item is not reclassified when the financial asset is derecognised and is not assessed for impairment. Only dividend are recognised in profit or loss</p>	<p><u>Accounting policies based on IAS 39</u></p>
<p><u>Amortised cost</u></p> <p>The effective interest 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 costs 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.</p> <p>Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss and is included in the "interest income" line item. .</p>	<p><u>Held to maturity financial investments</u></p> <p>Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the Bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation is included in 'Interest income' in the profit or loss. The losses arising from impairment of such investments are recognised in the profit or loss. The Bank classifies Government Securities it holds as held-to-maturity.</p>
	<p><u>Available for sale financial investments</u></p> <p>Available-for-sale financial investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and advances. They include money market and other debt instruments.</p> <p>After initial measurement, available-for-sale financial investments are subsequently measured at fair value. Unrealised gains and losses are recognised directly in equity in the 'Securities Revaluation Reserve'. When the security is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the Statement of Comprehensive</p>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<p><u>Accounting policies based on IFRS 9</u></p>	<p><u>Accounting policies based on IAS 39</u></p> <p>Income in 'Other operating income' or 'Other operating expenses'.</p> <p>Where the Bank holds more than one investment in the same security they are deemed to be disposed of on a first-in first-out basis. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the effective interest rate. Dividends earned whilst holding available for sale financial investments are recognised in the Statement of Comprehensive Income as 'Other operating income' when the right of the payment has been established. The losses arising from impairment of such investments are recognised in profit or loss and removed from the Securities Revaluation Reserve. The Bank classified some foreign currency marketable securities as available-for-sale financial assets.</p> <p>Foreign marketable money-market investments: The fair value of foreign marketable money-market investments is based on quoted bid rates, excluding transaction costs.</p> <p>Foreign marketable securities: The fair values of marketable securities are the quoted fair values as obtained from Bloomberg. The dealers utilise quoted market prices for quoted financial instruments and accepted valuation techniques for unquoted financial instruments in their determination of fair value.</p>
<p><u>Financial liabilities</u></p> <p>Issued financial instruments or their components, which are not at fair value through profit or loss, financial liabilities that arise when a transfer of financial asset does not qualify for derecognition 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. All of the Bank's financial liabilities are measured at amortised cost using the effective interest rate method.</p>	<p><u>Other financial liabilities</u></p> <p>Issued financial instruments or their components, which are not designated at fair value through profit or loss, are classified as liabilities under 'Other financial liabilities', where the substance of the contractual arrangement results in the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. At initial recognition, other</p>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting policies based on IFRS 9	Accounting policies based on IAS 39
	<p>financials are measured at fair value. After initial measurement, debt issued and other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate.</p> <p>The Bank has classified the following financial liabilities as “other financial liabilities”: notes and coins issued; foreign currency financial liabilities; IMF Related Liabilities; and other liabilities.</p>

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 costs.

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 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

For Government Securities investments the Bank assesses 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, loans and advances

For 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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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). 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 costs 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.

Offsetting of financial assets and liabilities

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

Other liabilities

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



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other assets

Other assets are measured at fair value through profit or loss.

Cash and Cash equivalent

Cash and cash equivalent comprise of cash balances with central banks, time deposit with commercial banks and notes and coins denominated in foreign currency. Cash and cash equivalent is carried at amortised cost in the statement of financial position.

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 costs necessary to make the sale. Provision for impairment is made for slow moving and obsolete stocks.

Credit Guarantee Schemes

The schemes are operated in accordance with the rules governing the schemes and administered by the Bank of Tanzania on behalf of the 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.

5. STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Bank's financial statements are listed below. This listing is of standards and interpretations issued, which the Bank reasonably expects to be applicable at a future date. The Bank intends to adopt those standards when they become effective and in some instances the Bank could early adopt standards which significantly have impact on its financial performance or position.

IFRS 13 Fair Value Measurement

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements), except for: [IFRS 13:5-7]

- share-based payment transactions within the scope of Share-based Payment
- leasing transactions within the scope of Leases (IAS 17)

Measurements that have some similarities to fair value but that are not fair value, such as net realisable value in Inventories (IAS 2) or value in use in impairment of Assets (IAS 36). Additional exemptions apply to the disclosures required by IFRS 13. This standard applies for annual periods beginning on or after 1 January 2013.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

5. STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (Continued)

IAS 1 (Revised) Presentation of Financial Statements (Amendments)

Amendments resulting from May 2010 Annual Improvements to IFRSs- Annual periods beginning on or after 1 January 2011. Amendments to revise the way other comprehensive income is presented issued June 2011- Annual periods beginning on or after 1 July 2012. The amendment is expected to have no impact on the financial statements of the Bank.

Amendments resulting from Annual Improvements 2009-2011 Cycle (repeat application, borrowing costs) issued on 17 May 2012. Borrowing costs relating to qualifying assets for which the commencement date for capitalization is before the date of transition to IFRSs. It is effective for annual periods beginning on or before 1st January 2013.

IFRS 7 New offsetting disclosures

- Amendments related to the offsetting of assets and liabilities issued in December 2011
- Annual periods beginning on or after 1 January 2013 and interim periods within those periods.

IAS 1 Presentation of financial statements

On 16 June 2011, the IASB published amendments to IAS 1 Presentation of Financial Statements. The amendments to IAS 1 retain the 'one or two statement' approach at the option of the entity and only revise the way other comprehensive income is presented: requiring separate subtotals for those elements which may be 'recycled' (e.g. cash-flow hedging, foreign currency translation), and those elements that will not (e.g. fair value through OCI items under IFRS 9). This amendment is effective July 2012.

Amendments resulting from annual improvements 2009-2011 Cycle (comparative information).

On 17 May 2012 issued amendment in order to clarify the requirements of providing comparative information when an entity provided financial statements beyond the minimum preceding period and clarification guidance on the requirements for providing additional than required by IFRS. These amendments were issued in May 2012 for annual periods beginning on or after 1st January 2013.

IAS 16 Property, Plant and Equipment

Amendments resulting from annual improvements 2009-2011 Cycle (comparative information) The annual improvements which amended Para 8 of IAS 16 to clarify the classification of servicing equipments as property, plant and equipment when the equipment is used during more than one period would qualify as property, plant and equipment when they meet the definition of property, plant and equipment or otherwise classified as inventory. These amendments were issued in May 2012 for annual periods beginning on or after 1 January 2013.

IAS 19 Post employment benefits

In June 2011 the IASB revised IAS 19; this included eliminating an option that allowed an entity to defer the recognition of changes in net defined benefit liability and amending some of the disclosure requirements for defined benefit plans and multi-employer plans. This amendment is effective for annual periods beginning on or after 1 January 2013.

IAS 32 Financial Instruments:

Presentation Amendments resulting from annual improvements 2009-2011 Cycle (comparative information). These amendments clarify that income tax relating to distributions to holders of an equity instrument and transactions costs of an equity transactions should be accounted for under IAS 12. More clarifications has been given in the basis for conclusions in Para 52A, 52B and 58 link to the amendments. These amendments are for annual periods beginning on or after 1st January 2013.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

6 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.

	30.06.2012			30.06.2011		
	Received TZS '000	Accrued TZS '000	Total TZS '000	Received TZS '000	Accrued TZS '000	Total TZS '000
From foreign operations						
GBP investments	8,211,966	3,495,780	11,707,745	13,558,470	15,435	13,573,905
USD investments	36,702,680	10,599,086	47,301,766	53,239,575	34,501	53,274,076
EURO investments	11,934,972	12,449,299	24,384,271	32,694,631	103,916	32,798,548
Other foreign interest income	940,384	-	940,384	1,524,170	-	1,524,170
	57,790,002	26,544,165	84,334,166	101,016,847	153,852	101,170,699
From domestic operations						
Interest on domestic investments	75,531,040	22,095,802	97,626,842	68,477,639	20,739,697	89,217,336
Interest on loans and advances	51,056,166	-	51,056,166	11,353,038	8,070,586	19,423,624
Interest on staff loans	1,522,026	-	1,522,026	75,284	-	75,284
	128,109,232	22,095,802	150,205,034	79,905,961	28,810,283	108,716,244
	185,899,233	48,639,967	234,539,200	180,922,807	28,964,136	209,886,943

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

6 INTEREST INCOME (Continued)

Classification of interest income arising from financial instruments is indicated below: -

	30.06.2012	30.06.2011
	TZS '000	TZS '000
Income instruments measures at fair value	101,016,847	115,787,590
Income from instruments measures at amortised cost	79,905,961	89,217,336
	180,922,808	205,004,925
	<u>180,922,808</u>	<u>4,882,017</u>
		209,886,943

7 INTEREST EXPENSES

	30.06.2012		30.06.2011	
	Paid	Accrued	Paid	Accrued
	TZS '000	TZS '000	TZS '000	Total
Interest on BoT liquidity papers	2,417,486	38,267,939	9,185,984	28,613,395
Interest on repurchase agreements	2,216,425	25,548	1,150,707	16,464
Charges on IMF Drawings	1,125,642	-	1,840,191	-
	5,759,553	38,293,487	12,176,883	28,629,859
		<u>44,053,040</u>	<u>12,176,883</u>	<u>40,806,742</u>

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.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

8 FOREIGN EXCHANGE REVALUATION GAINS/LOSSES

During the year realized and unrealized net foreign exchange revaluation losses amounted to TZS 153,545.4 million. This amount has been included in the income statement in determining the Bank's profit for the year in order to comply with the requirements of IAS 21-Accounting for the Effects of Changes in Foreign Exchange Rates.

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Reconciliation of realized and unrealized foreign exchange revaluation		
Net realized foreign exchange revaluation gains losses/ (gains) during the year	(120,003,007)	690,378,739
Add: Unrealized foreign exchange revaluation gains during the year	<u>7,677,604</u>	<u>41,219,947</u>
Add/Less: Opening balance	<u>41,219,947</u>	<u>(904,315)</u>
Net foreign exchange revaluation gains/(loss) during the year	<u>(153,545,350)</u>	<u>730,694,371</u>

9 NET UNREALISED GAINS ON FINANCIAL ASSETS-FVTPL

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Increase in FVTPL		
Financial Assets -FVTPL (USD)	45,149,810	-
Financial Assets -FVTPL (GBP)	15,326,829	-
Financial Assets -FVTPL (EUR)	<u>27,473,764</u>	<u>-</u>
Total	<u>87,950,403</u>	<u>-</u>
Decrease in FVTPL		
Financial Assets -FVTPL (USD)	(2,922,300)	-
Financial Assets -FVTPL (GBP)	(2,695,179)	-
Financial Assets -FVTPL (EUR)	<u>(4,442,053)</u>	<u>-</u>
Total	<u>(10,059,532)</u>	<u>-</u>
Net unrealised gains	<u>77,890,871</u>	<u>-</u>

This represents the net increase in fair value of the portfolio measured at fair value through profit and loss. The value of this balance aggregated to TZS 77,780.9 million as at 30 June 2012. This portfolio arose following adoption of IFRS 9: Financial Instruments effective 1 July 2011. Previously such changes were accommodated in equity through other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

10 FEES AND COMMISSION

Commission on buying and selling foreign currency	32,603,158	24,061,320
Bureau de change application fees	250,546	205,100
Bureau de change registration fees	63,200	51,000
Banks and financial institutions applications/licensing Fees	2,000	9,000
Bureau de change penalty fees	19,500	38,500
Tanzania Interbank Settlement System (TISS) fees and charges	627,507	475,302
Tender application fees	47,169	30,514
	<u>33,613,080</u>	<u>24,870,736</u>

Commission on buying and selling foreign exchange relates to income received from buying or selling foreign currency and funds transfers by SWIFT.

11 RECOVERY FROM RECEIVABLES

	<u>30.06.2012</u>	<u>30.06.2011</u>
	<u>TZS '000</u>	<u>TZS '000</u>
Recovery from Economic Empowerment Funds	14,831,046	-
Recovery from Secured Loan to Mwananchi Gold Company Ltd	10,542,007	-
	<u>25,373,053</u>	<u>-</u>

The Bank recovered the funds granted in favor of economic empowerment program during the year. Further, following the decision by Mwananchi Gold Company Ltd to dispose its landed property to raise funds, part of the amount collected was used to liquidate obligations due the Bank.

12 OTHER INCOME

	<u>TZS '000</u>	<u>TZS '000</u>
Foreign operations		
Realized gains on de-recognition of foreign currency marketable securities	869,603	39,588,395
Income from equity investment	119,810	95,434
Gains on inter-bank foreign exchange market (IFEM) operations	11,870,014	16,709,166
Miscellaneous income	150,842	4,768,950
	13,010,269	61,161,945
Domestic operations		
Income – domestic operations	1,529,674	237,768
Rental income staff quarters	626,455	619,591
Income on hostel accommodation	77,293	51,503
Income on cafeteria operations	33,309	34,596
Miscellaneous income	296,333	395,082
	<u>2,563,064</u>	<u>1,338,540</u>
Total other income	<u>15,573,333</u>	<u>62,500,485</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

13 ADMINISTRATIVE EXPENSES

Board expenses	965,600	1,114,615
Transport and traveling expenses	6,671,341	7,425,436
Maintenance - computer, software and related expenses	5,741,459	4,046,057
Maintenance - furniture, machinery and equipment	2,520,434	992,476
Maintenance - bank premises	5,276,899	5,891,915
Legal and investigation expenses	544,335	222,274
Audit fees	659,858	547,131
Audit related expenses	182,839	167,265
Fees, rates and security expenses	2,093,350	2,243,002
Water and electricity	4,500,527	3,346,272
Telecommunication and postage	1,441,125	1,541,973
Printing, stationery and office supplies	1,328,298	1,060,685
Meetings, conferences and seminars	4,153,566	4,646,017
Hospitality	224,600	232,499
Budget and annual accounts preparation expenses	174,535	276,660
Insurance expenses	1,089,327	844,411
Other administrative expenses	1,151,226	3,584,366
	38,719,319	38,183,054

14 CURRENCY ISSUE AND RELATED EXPENSES

Notes printing and related expenses (see Note 30)	53,927,176	56,521,068
Coins minting and related expenses (see Note 30)	2,698,612	1,534,030
Cost of currency issued in circulation	56,625,788	58,055,098
Currency transport, storage and handling	1,577,004	407,214
Maintenance of currency machines	3,162,516	2,538,649
Other currency expenses	114,467	730,749
	61,479,775	61,731,710

The amount of TZS 56,625.8 million (2011: TZS 58,055.1 million) in respect of notes printing and coins minting and related expenses respectively, refers to the proportionately amortized portion of deferred notes printing and coins minting cost for the currency notes and coins that were issued into circulation during the year. The amount of TZS 1,577.0 million (2011: TZS 407.2 million) are in respect of inland currency distribution expenses that include; transportation, handling, storage, and other related expenses incurred and recognized in the Statement of Comprehensive Income during the year.

A total of TZS 3,162.5 million (2011: TZS 2,538.6 million) was incurred during the year in respect of currency machines maintenance expenses. Other currency related expenses aggregated to TZS 114.5 million (2011: TZS 730.7 million).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

15 PERSONNEL EXPENSES	30.06.2012	30.06.2011
	TZS '000	TZS '000
Staff salaries and allowances	56,300,555	50,346,384
Contribution to PPF scheme	6,551,041	5,965,087
Contribution to NSSF scheme	1,160,403	1,081,860
Staff medical expenses	3,466,256	2,952,566
Staff training expenses	4,068,789	4,285,034
Staff uniforms expenses	131,745	99,199
Tanzania Union for Industrial and Commercial(TUICO) expenses	293,656	284,000
Worker's Council expenses	857,038	888,137
Course functions & field trips expenses	15,030	5,451
Travel on leave expenses	3,774,350	3,472,530
Retirement and separation benefits	9,504,316	4,737,463
Condolence, survivors' benefits and related expenses	684,608	208,387
Motor vehicles expenses	356,371	804,457
Long term service awards	220,380	98,000
Management car maintenance and other related expenses	4,024,205	2,638,515
Furniture grant expenses	232,317	820,221
HR planning policies expenses	1,132,966	680,237
Cafeteria expenses	981,179	657,834
	<u>93,755,205</u>	<u>80,025,362</u>

Personnel expenses refer mostly to Bank's employee salaries and welfare expenses. In 2011/12 such expenses amounted to TZS 93,755.2 million (2011: TZS 80,025.4 million).

16 WRITE OFF	30.06.2012	30.06.2011
	TZS '000	TZS '000
Write off from receivables	18,853	834
	18,853	834

The write off charged to profit and loss account relates to outstanding items which could not be cleared through the normal accounting procedures.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	30.06.2012	30.06.2011
	TZS '000	TZS '000
17 OTHER EXPENSES		
Foreign operations		
Foreign reserve management expenses	1,234,623	1,138,102
Financial markets development expenses	993,910	762,305
Commission and fees on foreign operations	77,543	64,774
Realized losses on de-recognition of foreign currency marketable securities	862,733	8,767,140
Amortized premium	-	11,235,715
	3,168,809	21,968,036
Domestic operations		
Contribution to professional associations, charities	2,031,625	2,130,795
Contribution to national development programs/projects	1,187,997	968,976
Commission and fees on domestic operations	316,172	
Contributions to other institutions	15,317	7,577
Subscriptions	89,917	67,806
	3,641,028	3,175,154
Cheques issued expenses	164,577	266,844
	6,974,415	25,410,033
<u>Analysis of contribution and subscriptions</u>		
African Association of Central Banks and African Rural and Agriculture Credit Association	40,733	15,122
Contribution to NBAA and NBMM	292,300	67,806
Promotion of Tanzania Economy Abroad and Other Foreign Institutions	127,820	120,426
Contribution to Establishment of Tanzania Agricultural Development Bank	486,981	254,176
Contribution to African Research Consortium	156,981	-
Contribution CCBG	14,999	-
Tanzania Institute of Bankers	424,000	424,000
Deposit Insurance Board	229,662	309,049
Second Generation of Financial Sector Reforms	510,536	530,627
Monetary and Economic Financial Management Institute	521,250	527,685
Capital Markets and Securities Authority	480,000	480,000
Donations and Other Contributions	355,766	446,263
	3,641,028	3,175,154
18 IMPAIRMENT LOSSES		
	30.06.2012	30.06.2011
	TZS '000	TZS '000
Impairment of property and equipment	1,596,587	
Loans and receivables	5,316	30,167,442
	1,601,903	30,167,442



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
19 COMPONENTS OF OTHER COMPREHENSIVE INCOME		
Net change in fair value of available - for - sale financial assets	-	(34,252,083)
Property and equipments revaluation gains	-	46,152,950
	<u>-</u>	<u>11,900,867</u>

20 CASH AND CASH EQUIVALENT

Cash balances with Central Banks	1,472,439,465	73,776,413
Demand, time deposits with commercial banks and foreign currency notes and coins	48,159,094	1,164,039,063
Accrued interest on deposits	183,806	153,853
	<u>1,520,782,365</u>	<u>1,237,969,329</u>

Cash balances with Central Banks consist of demand deposits; two-day notes accounts and time deposits with maturities of less than three months and carry interest at market rates. There is no restriction on the use of these funds except for the balances related to Poverty Reduction and Budget Support (PRBS) and BIS OPEC funds which has zero balance as are designated for specific purposes.

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Demand and time deposits with commercial banks and foreign currency notes and coins consist of:		
Demand deposits	46,503,339	1,162,493,348
Foreign currency notes and coins	1,655,755	1,545,715
	<u>48,159,094</u>	<u>1,164,039,063</u>

21 ITEMS IN COURSE OF SETTLEMENT

BoT Clearing Account	34,815,938	5,776,431
	<u>34,815,938</u>	<u>5,776,431</u>

This balance represents values of outward clearing instruments, which are held by the Bank while awaiting clearing by respective commercial banks. It includes values of clearing instruments such 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 out by each clearing centre.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

22 INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	30.06.2012		30.06.2011	
	Equivalent SDR '000	Equivalent TZS '000	Equivalent SDR '000	Equivalent TZS '000
Assets				
Holding of SDRs	158,660	369,525,297	158,660	397,912,882
Quota in IMF	198,900	471,393,438	198,900	501,867,026
	357,560	840,918,735	357,560	899,779,907
Liabilities				
IMF Account No. 1	188,900	431,550,931	188,900	477,578,670
IMF Account No. 2	3	6,025	3	6,669
	188,903	431,556,956	188,903	477,585,339
Allocation of SDRs	190,510	451,512,468	190,510	480,700,836
	379,413	883,069,424	379,413	958,286,174

Relationship

The Bank of Tanzania 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 channeled through the Bank of Tanzania. Repayment of the IMF loans as well as charges is the responsibility of the Bank of Tanzania.

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 unrealized gains or losses are accounted for in profit and loss account in accordance with IAS 21- Effects of changes in foreign exchange rates.

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. The interest rate as at 30 June 2012 was 2.8 percent, the same rate as it was in the previous year. A total of SDR 198.9 million, equivalent to TZS 471,393.4 million (2011: TZS 501,867.0 million), is the Tanzania's quota in the IMF representing the reserve tranche held with the IMF. On a quarterly basis, the IMF pays remuneration (interest) to those members who have a remunerated reserve tranche position at a 1.9 percent to 2.33 percent annual floating rate.

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 2012, the facility had a nil balance.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

23 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.

	<u>30.06.2012</u>	<u>30.06.2011</u>
	<u>TZS '000</u>	<u>TZS '000</u>
Marketable Securities	4,000,348,340	3,984,920,300
Accrued interest	27,308,744	34,441,919
Total	<u>4,027,657,084</u>	<u>4,019,362,219</u>

Analysis of foreign currency marketable securities by concentration into sovereign issues, supranational securities and agency securities:

Sovereign Issues

USD	2,098,348,285	1,740,259,243
GBP	257,951,030	339,591,012
EUR	819,415,604	932,448,610
	<u>3,175,714,919</u>	<u>3,012,298,865</u>

Supranational Securities

USD	191,638,586	267,165,762
GBP	18,542,831	20,052,460
EUR	54,476,312	28,279,733
	<u>264,657,729</u>	<u>315,497,956</u>

Agency Securities

USD	516,451,366	835,204,018
GBP	15,255,650	15,993,163
EUR	28,268,677	44,812,327
	<u>559,975,693</u>	<u>896,009,508</u>

	<u>30.06.2012</u>	<u>30.06.2011</u>
	<u>TZS '000</u>	<u>TZS '000</u>
Total investments		
USD	2,806,438,237	2,603,742,995
GBP	291,749,511	375,636,636
EUR	902,160,593	1,005,540,670
Accrued interest	27,308,744	34,441,919
	<u>4,027,657,085</u>	<u>4,019,362,220</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

24 EQUITY INVESTMENTS

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Equity investment in Afreximbank	1,882,698	1,895,620
Equity investment in SWIFT	306,327	-
	<u>2,189,025</u>	<u>1,895,620</u>

Equity investment in Afreximbank: TZS 1,882.7 million

The African Export-Import Bank (Afreximbank) is a supranational institution, established on 27 October 1993. The Bank of Tanzania 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. Bank of Tanzania's authorized equity interest in Afreximbank is 300 ordinary shares of par value of USD 10,000 each. As at 30th June 2012 the Bank paid a total of USD 1,200,000. The proportion of Bank of Tanzania's equity interest to the total holding in this bank is 0.4 percent. These shares are measured at fair value through other comprehensive income.

Equity Investment in SWIFT: TZS 306.3 million

Society for Worldwide Interbank Financial Telecommunications (SWIFT) 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 By-laws and general membership rules.

During the year ended June 2012, the Bank was allocated and paid for 47 shares with face value of EUR 3,300 each. The allocation was based on the volume of messages the Bank has sent and received through SWIFT.

The number of shares allocated to each member is determined at least after every three years according to the by laws 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 by laws 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 Bank's investment is measured at fair value through other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

25 GOVERNMENT SECURITIES	30.06.2012	30.06.2011
	TZS '000	TZS '000
Stocks	51,336,808	51,336,808
Treasury Bills	50,440,333	-
Special Treasury Bonds	720,853,823	637,855,000
LART Bonds	-	85,189,195
Treasury EPA Stock	205,743,889	205,743,889
	1,028,374,853	980,124,892
Accrued interest	22,095,803	20,739,697
	1,050,470,656	1,000,864,589

The Bank holds various government fixed and variable income securities issued by the Government. Treasury special stocks and bonds are issued at face value, discount or premium and are held to maturity. Treasury stocks are issued at a fixed coupon

Stocks

Stocks of TZS 3.5 million were discounted by private sector to the Bank and Stocks of TZS 51,336.8 million resulted from conversion of interest arrears on July 1, 1999. The stocks have a fixed interest rate of 15%. The balance as at 30th June 2012 is TZS 51,336.8 million (2011: TZS 51,336.8 million)

Treasury Bills

This represents treasury bills discounted to the Bank of Tanzania. As at 30 June 2012 the cost value of such treasury bills amounted to TZS 50,440.3 million.

Special Treasury Bonds

Treasury Special Bonds are long-term coupon instruments issued at fixed and variable coupon for Government financing. The bonds with face value of TZS 169,600 million have a variable coupon based on the Prevailing average yield to maturity for 5-year bond with a cap of 14.92%. All bonds with exception of bonds with face of TZS 14,600 million (2011 balance after redemption TZS 9,800 million) are held to maturity and the semi annual interest arising thereof forms part of the Bank's interest income. 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 million and 15% Special Treasury Stock 2012/13 with face value of TZS 3.5 million. The stocks have semi annual coupon payments. The 10 Year Special Government Bonds 2009/2019 with a face values of TZS 150,000.0 million and 323,000 million were issued on 2nd June 2009. The issue was made in accordance with Section 34, 35 and 69 of the Bank of Tanzania Act, 2006.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

25 GOVERNMENT SECURITIES (Continued)

Special Treasury Bonds (Continued)

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. Other Special bonds are TZS 155,000 million and TZS 14,600 million with interest rate of 14.92 percent issued by the Government to finance horticultural expansion project in Arusha. The value of Special Bonds as at 30th June 2012 was TZS 720,853.8 million (2011:TZS 637,855.0 million). Reissue and conversion of two LART bonds into 11 percent 10-Year Special Government Bonds 2011/2012 with total face values of TZS 85,188.8 million account for the increase.

LART Bonds

Following the decision by the Government to take over the debts in 1991, the Government issued two Loans and Advances Realization Trust (LART) bonds of 20 years maturity period in settlement of loans advanced to defunct parastatal organizations and co-operative unions by National Bank of Commerce (NBC) and CRDB Bank. These bonds have face values of TZS 11,658.5 million and TZS 73,530.7 million, matured on 25 November, 2011 and carry annual interests of 11 percent and 5 percent respectively payable semi-annually. The same were re issued as 11% 10 years Special Government Bonds 2011/2021 with total face value of TZS 85,188.8 million. As a result there were no outstanding LART bonds as at 30th June 2012 (2011:TZS 85,189.2 million).

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 BoT to facilitate their administration and control. According to the arrangement of sharing such obligations, the externalization of EPA obligations is done on the basis of agreed exchange rates. The exchange rate differential between the TZS exchange rate prevailing when the beneficiaries are paid and the rate ruling when the funds were initially deposited to the commercial banks resulted into exchange losses, which are recoverable from the Government. However, as the Government could not in the short term raise the required levels of TZS to compensate the Bank for the losses, the Government had given approval to convert the reported amount of EPA losses into EPA stocks.

The Government has effective from 1st 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 2008/18 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 1st 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 31st December 2007. The stock has a maturity of 20 years with annual coupon of 8.5 percent payable semi annually. As at 30 June 2012 the aggregate position of Special EPA stocks was TZS 205,743.9 million (2011:TZS 205,743.9 million).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Advances to the Government (URT) Note 36	283,004,718	348,369,754
	<u>283,004,718</u>	<u>348,369,754</u>

As at 30 June 2012, the overall United Republic of Tanzania (URT) Government position ended with a net deficit balance of TZS 283,004.7 million as summarised under Note 35. This position was attributable to overdrawn URT Government voted accounts. Such advances were made in line with Section 34 of the Bank of Tanzania Act, 2006 and were solely for the purpose of providing temporary financial accommodation to the URT Government. Such advances bear interest rates as determined by the Bank in accordance with the Bank of Tanzania Act, 2006 and are repayable within one hundred and eighty days.

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
27 LOANS AND RECEIVABLES		
Staff loans and advances	55,668,410	38,965,329
Accounts receivable	128,858,838	86,160,559
Secured loan to Mwananchi Gold Company Limited	10,593,102	10,542,031
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Intermediary accounts receivable	1,396,167	1,094,344
	<u>201,660,517</u>	<u>141,906,264</u>
Less: Write off	(18,853)	-
Provision for impairment	(5,724,831)	(40,905,639)
	<u>195,916,833</u>	<u>101,000,624</u>
<i>Analysis of impairment by line items</i>		
Staff loans and advances	199,255	199,255
Accounts receivable	381,575	30,570,023
Secured loan to Mwananchi Gold Company Limited	-	4,992,361
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
	<u>5,724,830</u>	<u>40,905,639</u>
<i>Movement in provision for impairment</i>		
Balance at the beginning of the year	40,905,639	10,763,183
Additional impairment on accounts receivable	5,316	30,167,442
Exchange gain on impairment of Mwananchi Gold Company Limited	-	(24,152)
Reversal during the year	(25,375,711)	-
Write-offs	(9,810,414)	(834)
Balance at the end of the year	<u>5,724,830</u>	<u>40,905,639</u>

The write off relates to outstanding receivable from the Government in respect of input VAT for Group Five International whose tax free contract with the Bank was rescinded such that the TRA assessed the Input VAT amounting to TZS 9,810.4 million.

The Bank did not pledge any loans and receivables as securities against liabilities in 2012 and 2011.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

27 LOANS AND RECEIVABLES (Continued)

(a) Accounts Receivable: TZS 128,858.8 million.

Accounts receivable represent short term claims and which are expected to be recovered within a period not exceeding twelve months and outstanding transactions made on trade date. As at 30 June 2012, the account had a balance of TZS 128,858.8 million (2011: TZS 86,160.6 million). Major components under Accounts Receivable include the following: -

(i) Liquidity Management Expenses: TZS 21,432.9 million.

Included under accounts receivable is TZS 21,432.9 million (2011: TZS 22,195.3 million) relating to 2011/12 URT Government share in respect of 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 in force.

(ii) Interest Receivable on overdrawn Government accounts: TZS 40,012.9 million.

During the year the Government net position was overdrawn by TZS 283,004.7 million (2011: TZS 348,836.9 million). Pursuant to Section 34 of the Bank of Tanzania Act, 2006, an amount of TZS 40,012.9 million was charged to the Government as interest on overdrawn position.

(b) Staff Loans and Advances: TZS 55,668.4 million.

Employees of the Bank are entitled to loans and advances as approved in accordance with the Bank's Staff By - Laws and Financial Regulations in force. Staff loans are granted to employees to assist them in acquisition of residential houses, motor vehicles, computers and furniture. Staff advances are financial accommodation granted to employees to meet short term financial obligations. 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' salaries on a monthly basis. The facilities are secured against the borrowers' employment and terminal benefits. As at 30 June 2012 the balance of staff loans and advances was TZS 55,668.4 million (2011: TZS 38,965.3 million). The increase of TZS 16,703.1 million noted during the period was mainly on account of staff loans granted to BoT employees in accordance with the regulations in force.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

28 INVENTORIES

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
The inventory balance consists of the following:		
Currency machine spare parts	3,618,077	2,370,552
Building, machinery and maintenance consumables	672,006	674,508
Stationery	337,332	364,905
Drugs and medicines	123,814	134,114
Copier parts and consumables	312,923	307,702
Inventory in Transit	11,697	6,279
Cheque books	388,231	528,924
ICT accessories and consumables	355,116	377,268
	<u>5,819,196</u>	<u>4,764,252</u>

All inventories held by the Bank as at 30 June 2012 were for the internal consumption and not intended for sale.

29 INVESTMENT IN ASSOCIATE COMPANY

The Bank holds 3,000 unquoted ordinary shares of Mwananchi Gold Company Limited (MGC Ltd) each with a par value of USD 40. Such holding is equivalent to 35 percent of the total MGC Ltd shares.

MGC is a Limited liability locally registered company whose principal activities include to:

- Establish precious metals refinery plant's in Tanzania
- Buy unrefined and/or refined precious metals
- Keep in safe custody unrefined and refined precious metals
- Sell directly as broker of refined metals.

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
The investment in associate balance consists of the following:		
Investment in Mwananchi Company Limited	337,317	253,894
Share of Loss of Mwananchi Company Limited	(337,316)	(253,893)
	<u>1</u>	<u>1</u>

Following unsatisfactory performance by the Company, the operations ceased in 2007.

Since its cessation efforts to revamp the company failed and the Board of the company has agreed in principle, to pursue a scheme of arrangement with a view of bringing the operations of the company to an end in order to minimise further losses. The company is due to be placed under voluntary liquidation which will see the Bank realise its equity and finally complete the withdrawal of its stake in the company. The liquidation process is expected to be completed before end of 2012/13.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

30 DEFERRED CURRENCY COST

The balance under this account represents deferred notes printing and coins minting expenses relating to costs of printed notes and minting coins that have not yet been released in circulation. During 2011/12, the movement on deferred currency cost balance was as follows:

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Balance as at 01 July 2011	64,169,465	62,414,861
Add: Cost of currency received during the year	131,997,141	59,809,703
Less: Cost of currency issued in circulation (Note 14)	(56,625,788)	(58,055,098)
Balance as at 30 June 2012	139,540,818	64,169,465

31 OTHER ASSETS

Prepayments	12,452,571	35,465,003
Export credit guarantee fund investments account	49,314,111	45,589,717
SME contribution investment account	6,736,225	6,201,877
Staff Housing Fund Investment		2,099,250
Accrued Interest on ECGS investment	2,026,733	767,509
Development finance guarantee investments account	5,896,996	650,249
Staff imprest	1,643,598	902,321
Petty cash balances	66,500	55,500
Others	1,889,125	1,237,793
	80,025,859	92,969,221
Less: Provision for impairment	(38,157)	(38,157)
	79,987,702	92,931,064
<u>Analysis of impairment by line items</u>		
Prepayments	38,157	38,157
	38,157	38,157

Movement in provision for impairment

During the year there was no additional impairment relating to other assets. The movement of impairment is indicated below:

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Balance at the beginning of the year	38,157	44,755
Reversal	-	(6,598)
Balance at the end of the year	38,157	38,157

(i) Prepayment: TZS 12,452.6 million

The balance under prepayment mainly covers TZS 4,635.4 million and TZS 6,022.9 million paid to M/S De La Rue Currency of United Kingdom and M/S CRANE AB of Sweden as advance payments for supply of currency notes respectively in accordance with the contract in force. The amounts are amortised based on the currency received during the year.

(ii) Export Credit Guarantee Investment Account: TZS 49,314.1 million

The balance represent funds invested in Treasury Bills in respect of Export Credit Guarantee Scheme fund. As at 30 June 2012 the account had a balance of TZS 49,314.1 million (2011: TZS 35,335.1 million).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)**

32 PROPERTY AND EQUIPMENT

<u>Cost/valuation</u>	Land and Machinery & equipment		Motor vehicles		Fixtures & fittings		Computers, servers & printers		Capital work in progress		Total TZS '000
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
At 01 July 2011	690,185,000	208,112,309	9,008,187	6,855,271	13,482,596	29,866,243	957,509,607				
Additions	1,478,955	728,854	5,440,772	302,803	2,118,228	8,754,120	18,823,732				
Disposal	(175,000)	(135,014.76)	(456,065)	(53,978)	(57,494)	-	(877,553)				
Transfers**		177,398	-	91,428	(40,535)	(556,759)	(328,468)				
At 30 June 2012	691,488,955	208,883,547	13,992,894	7,195,524	15,502,795	38,063,604	975,127,318				
Accumulated depreciation and impairment											
At 01 July 2011	0	107,700,169	5,810,026	3,269,685	9,052,278	-	125,832,157				
Charges for the Year	5,637,133	26,633,167	686,653	1,397,175	1,488,085	-	35,842,212				
Disposal	(1,859)	(108,719)	(394,761)	(48,395)	(50,395)	-	(604,128)				
Impairment	1,515,000	84,779	-	-	-	-	1,599,779				
Transfers	5,000	(97,760)	-	(152,372)	(26,371)	-	(271,502)				
At 30 June 2012	7,155,274	134,211,636	6,101,918	4,466,093	10,463,597	-	162,398,518				
Net Book Value											
At 30 June 2012	684,333,681	74,671,911	7,890,976	2,729,430	5,039,198	38,063,604	812,728,800				

There were neither amounts nor restrictions on title of property and equipment held by the Bank as at 30 June 2012.





**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)**

32 PROPERTY AND EQUIPMENT (Continued)

	Land and Machinery & equipment		Motor vehicles	Fixtures & fittings		Computers, servers & printers		Capital work in progress	Total
	TZS '000	TZS '000		TZS '000	TZS '000	TZS '000	TZS '000		
Cost/valuation									
At 01 July 2010	646,052,919	206,128,082	9,041,089	6,446,990	11,667,790	20,596,973	899,943,843		
Additions	17,225,169	2,031,223	-	408,281	1,814,806	9,489,060	30,968,539		
Revaluation adjustment	(19,512,824)	-	-	-	-	-	(19,512,824)		
Revaluation gains	46,152,950	-	-	-	-	-	46,152,950		
Transfers**	266,786	(46,995)	-	-	-	(219,791)	-		
Derecognition of assets	-	-	(32,902)	-	-	-	(32,902)		
At 30 June 2011	690,185,000	208,112,309	9,008,187	6,855,271	13,482,596	29,866,243	957,519,606		
Accumulated depreciation and impairment									
At 01 July 2010	14,266,869	82,568,164	5,219,128	2,511,698	7,629,863	-	112,195,722		
Charges for the Year	5,319,366	25,132,005	617,219	757,987	1,422,415	-	33,248,992		
Revaluation adjustment	(19,512,824)	-	-	-	-	-	(19,512,824)		
Impairment adjustment	(73,411)	-	-	-	-	-	(73,411)		
Derecognition of assets	-	-	(26,321)	-	-	-	(26,321)		
At 30 June 2011	-	107,700,169	5,810,026	3,269,685	9,052,278	-	125,832,157		
Net book value									
At 30 June 2011	690,185,000	100,412,141	3,198,162	3,585,586	4,430,318	29,866,243	831,687,449		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

32 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	30.06.2012	30.06.2011
	TZS '000	TZS '000
Cost	694,905,081	631,731,892
Accumulated depreciation and impairment	11,138,328	10,919,929
Carrying amount	683,766,753	620,811,963

Effective 2007/8 valuation of the Bank's immovable property is conducted after five years. The last revaluation on the ,the Bank's immovable properties were valued on 30 June 2011 by EMACK (T) Limited., a professional registered valuation firm (The previous revaluation was carried by M/S Real Estate Surveyors and Associates Limited on 30 June 2002).

Work- in - progress relates to capital expenditure incurred in the extension of the Arusha office building, Mbeya and ,Currency shelves for Head Office and Zanzibar and currency processing machines. No depreciation is charged on capital work in progress until it is substantially completed. Based on the assessment made by the project quantity surveyors, it is anticipated that the above projects will be completed during financial year ending 30 June 2013.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

33 INTANGIBLE ASSETS

	Computer software TZS '000	Computer software - WIP TZS '000	Total TZS '000
2012			
<u>Cost/valuation</u>			
At 01 July 2011	18,767,396	4,195,712	22,963,108
Additions	71,052	27,657	98,709
Transfers	4,061,508	(4,061,508)	-
At 30 June 2012	22,899,956	161,861	23,061,817
<u>Accumulated amortisation and impairment</u>			
At 01 July 2011	14,001,598	22,691	14,024,289
Charges for the Year	3,279,263	-	3,279,263
At 30 June 2012	17,280,861	22,691	17,303,552
<u>Net book value</u>			
At 30 June 2012	5,619,095	139,170	5,758,265
2011			
<u>Cost/valuation</u>			
At 01 July 2010	16,875,551	4,195,712	21,071,263
Additions	1,891,845	-	1,891,845
At 30 June 2011	18,767,396	4,195,712	22,963,108
<u>Accumulated amortisation and impairment</u>			
At 01 July 2010	11,515,873	22,691	11,538,564
Charges for the Year	2,485,725	-	2,485,725
At 30 June 2011	14,001,598	22,691	14,024,289
<u>Net book value</u>			
At 30 June 2011	4,765,798	4,173,021	8,938,819



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

34 CURRENCY IN CIRCULATION

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Notes		
Notes issued	8,217,596,041	5,851,818,467
Less: Notes in Custody	(5,556,700,105)	(3,387,733,795)
Notes in Circulation (A)	<u>2,660,895,936</u>	<u>2,464,084,672</u>
Coins		
Coins issued	54,934,265	50,307,107
Less: Coins in Custody	(10,606,655)	(10,746,657)
Coins in Circulation (B)	<u>44,327,610</u>	<u>39,560,450</u>
	<u>2,705,223,546</u>	<u>2,503,645,122</u>

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 netted off against the liability for notes and coins in circulation because they do not represent currency in circulation.

Furthermore, included under notes and coins in circulation figure of TZS 2,705,223.5 million is the face value of TZS 99,386.9 million representing banknotes that were phased out in 2003. These notes represent the liability of the Bank of Tanzania and are exchangeable at the Bank counters.

35 DEPOSITS - BANKS AND NON - BANK FINANCIAL INSTITUTIONS

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Deposit - commercial bank deposits		
Clearing	717,441,524	180,159,253
SMR	1,145,789,048	1,093,341,778
Domestic Banks Foreign Currency Deposits	153,567,983	60,886,615
Sub Total	<u>2,016,798,555</u>	<u>1,334,387,646</u>
Deposits - Non bank financial institutions		
Clearing	18,924,954	8,321,590
Domestic Non Banks Foreign Currency Deposits	1,632,398	433,594
Sub Total	<u>20,557,352</u>	<u>8,755,184</u>
Total Deposits	<u>2,037,355,907</u>	<u>1,343,142,830</u>

Statutory minimum reserve is a statutory ratio for monetary policy. Commercial banks are required to hold at the Bank of Tanzania a prescribed percentage of their total deposits as prescribed in circular No.1



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

36 DEPOSITS - GOVERNMENTS

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Deposits - Voted		
URT Government	(528,973,745)	(548,332,614)
SMZ Government	4,324,434	8,640,519
Sub Total	<u>(524,649,311)</u>	<u>(539,692,095)</u>
Deposits - Un-voted		
URT Government	245,969,027	199,962,860
SMZ Government	4,574,884	5,165,849
Sub Total	<u>250,543,911</u>	<u>205,128,709</u>
Total URT Government	<u>(283,004,718)</u>	<u>(348,369,754)</u>
Total SMZ Government	<u>8,899,318</u>	<u>13,806,368</u>

During 2011/12 the position of the Government of the United Republic of Tanzania (URT) voted accounts were overdrawn in various periods. As at 30 June 2012 the overdrawn position of URT Government voted accounts reached TZS 524,649.3 million. Pursuant to the provision of Section 34 of the Bank's Act, a total of TZS 11,353.0 million was charged in 2011/12 as interest on overdrawn URT Government 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. The overdrawn position as at 30 June 2012 amounting to TZS 283,004.7 million (2011: TZS 348,369.8million) has been reported as a receivable advance to the Government.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
37 DEPOSITS - OTHERS		
Export credit guarantee fund	52,139,825	46,904,517
Small and medium enterprises guarantee fund	6,773,745	5,843,749
Redemption of Government Stock/Bonds	38,335	10,589,775
Tegeta Escrow	124,232,287	105,969,256
Development finance guarantee fund	18,953,776	11,166,661
Debt Service Cash Cover	9,533,664	25,059,325
Deposit Staff	6,484,876	5,869,747
Debt Conversion Scheme	2,098,960	2,098,960
Bank Drafts Issued	385,909	173,873
Deposit Insurance Fund	11,933,644	37,962
Economic Empowerment Programme	1,327,725	1,616,501
Tanzania Agriculture Development Bank	60,000,000	30,000,000
Mwalimu Nyerere Scholarship Fund	1,715,703	581,077
Government Obligations Settlements	48,533,152	25,562,366
Miscellaneous Deposits	510,308	617,528
	344,661,909	272,091,298
External Payment Arrears – NBC	2,288,418	2,288,418
	346,950,327	274,379,716

Tegeta Escrow TZS Sub Account: TZS 124,232.3 million.

The Bank is a party to an ESCROW arrangement between Tanzania Electric Supply Company (TANESCO) and Independent Power Tanzania Limited (IPTL) for power purchase payments in favor of IPTL. The Bank receives deposits from TANESCO for such monthly power disputed bills claimed by IPTL.

TANESCO and IPTL are still engaged in a legal tussle on the capacity charges, following disagreement in the interpretation of the Power Purchase Agreement (PPA). Resolution of the dispute will address the question of ownership of the funds that are held in the Escrow Account. As at 30th June 2012 the account had a balance Such deposits accumulated to TZS 124,232.3 million (2011: TZS 105,569.3 million).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

37 DEPOSITS - OTHERS (Continued)

Development finance guarantee fund: TZS 18,953.8 million.

Development finance guarantee fund consists of the following:

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Capital contribution by the Government	59,148,895	56,500,000
Interest on refinancing loans	9,997,144	13,849,405
Interest earned on treasury bills	7,640,908	2,485,427
Sub Total	76,786,947	72,834,832
Less: Loans issued for refinancing facility	(57,833,171)	(61,668,171)
Net balance	18,953,776	11,166,661

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 has taken such measure to support development of financing infrastructure in the economy that improve credit environment to exporters with viable export businesses but lacking adequate collateral to secure bank financing.

As at 30 June 2012, Government Capital contribution made in 2003/04 and 2005/06 to the Fund amounted to TZS 56,500.0 million. Interest received and accrued on refinancing loans aggregated to TZS 15,771.9 million while a total of TZS 2,4485.4 million was earned as interest from the funds invested in treasury bills. A total of TZS 61,668.2 million has so far been issued as loans for refinancing facilities to flowers and vegetable export companies. As at 30 June 2012 the Fund had a balance of TZS 18,953.8 million (2011: TZS 11,166.7 million)

Government obligations settlement: TZS 48,533.2 million

This represents Government cash cover in order to settle forex obligations. As at 30 June 2012 such funds aggregated to TZS 48,533.2 million (2011: TZS 25,562.4 million).

Export Credit Guarantee Fund: TZS 52,139.8 million.

The balance under this fund consists of the following

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Export credit guarantee fund	57,202,715	51,967,407
Less: ECGS Receivable	(5,062,890)	(5,062,890)
Total	52,139,825	46,904,517



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

37 DEPOSITS - OTHERS (Continued)

Export Credit Guarantee Fund (Continued)

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 in repaying the loans by their borrowers. As at 30 June 2012 the Fund had a balance of TZS 52,139.8 million (2011: TZS 46,904.3 million) comprising of Government and BOT contributions and income from investment in treasury bills and guarantee fees.

Debt Service Cash Cover: TZS 9,533.7 million

These are URT Government funds for settling URT Government obligations and other services payable in foreign currency

Debt Conversion Scheme: TZS 2,098.9 million.

These are balances of debt conversion funds that are blocked in the account pending submission of progress reports by beneficiaries in respect of utilization of previous disbursements, so as to justify further disbursements. The balance has remained the same since no report has been received to facilitate payments.

Mwalimu Nyerere Scholarship Fund: TZS 1,715.7 million

Included in Deposit Others is a balance of cash in respect of the late Mwalimu Nyerere Memorial Scholarship Fund. The Fund was established by the Bank of Tanzania on 12 October, 2009 in honor of the life of the Father of the Nation Mwalimu Julius Kambarage Nyerere. The objective of the Fund is to sponsor the best performing female students pursuing mathematics and science degree at University level. As at 30 June 2012 the Fund had a balance of TZS 1,715.7 million (2011: TZS 581.1 million). During 2011/12 a total of TZS 1,000.0 million was appropriated to this Fund from 2010/11 distributable profit.

38 FOREIGN CURRENCY FINANCIAL LIABILITIES

Foreign Currency Financial Liabilities consist of the following:

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Multilateral Debt Relief Initiative Fund	6,833,893	10,560,187
TEGETA Escrow	34,724,738	34,926,612
Special Projects	425,288,307	339,306,615
Multilateral Agencies	140,674	4,181,556
Central Banks Deposits	42,280	57,745
Other Foreign Currency Deposits	11,123,987	3,142,063
	<u>478,153,879</u>	<u>392,174,778</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

38 FOREIGN CURRENCY FINANCIAL LIABILITIES (Continued)

Multilateral Debt Relief Initiative Funds: TZS 6,833.9 million

Multilateral debt initiative funds relate to debt relief relating to cancellation of Tanzania Government indebtedness to the IMF under the IMF-Multilateral Debt Relief Initiative (MDRI). As at 30 June 2012, such a fund had a balance aggregating to TZS 6,833.9 million (2011: TZS 10,560.2 million).

TEGETA Escrow: TZS 34,724.7 million

The Bank is a party to an ESCROW arrangement between Tanzania Electric Supply Company (TANESCO) and Independent Power Tanzania Limited (IPTL) for power purchase payments in favor of IPTL. The Bank receives deposits from TANESCO for such monthly disputed power bills claimed by IPTL.

TANESCO and IPTL are still engaged in a legal tussle on the capacity charges, following disagreement in the interpretation of the Power Purchase Agreement (PPA). Resolution of the dispute will address the question of ownership of the funds that are held in the Escrow Account. As at 30th June 2012 the account had a balance of TZS 34,724.7 million (2011: TZS 34,926.6 million).

Special Projects Funds: TZS 425,288.3 million

These are Government funds received from donors for financing various Government projects. The projects are managed and monitored by the Ministry of Finance or other appointed project implementation agency. As at 30th June 2012 the total balance in respect of Special Project accounts aggregated to TZS 425,288.3 million (2011: TZS 339,306.6 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 2012, such balances amounted to TZS 140.7 million (2011: TZS 4,181.6 million)

Other Foreign Currency Deposits TZS 11,124.0 million

This balance mainly consists of balance in respect of Mwananchi Gold Company Ltd .



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

39 POVERTY REDUCTION AND GROWTH FACILITY (PRGF)

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Exogenous Shocks Facility - ESF (IMF Drawings)	539,104,400	578,194,213
	<u>539,104,400</u>	<u>578,194,213</u>

This relates to funds disbursed by International Monetary Fund (IMF) to the Bank of Tanzania 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, equivalent to USD 318.17 million on 29th May 2009. Following approval, the Bank had on 12 June 2009 received a total of SDR 159,120,000 (USD 245,767,568.01) equivalent to TZS 318,195.1 million being the first tranche. The Bank further received SDR 39,780,000 equivalent to USD 63,377,454.32 and SDR 19,890,000 equivalent to USD 29,027,300.84 on 10th December 2009 and 14th June 2010 respectively. The first tranche is repayable in ten years, including five and half years grace period, payable semi annually in ten equal installments on 14 December and 14 June beginning 14th December 2014. The loan carry an interest of 0.5 percent per annum payable semi annually beginning 14th December 2009.

As at 30 June 2012 the balance of PRGF account was TZS 539,104.4 million (2011:TZS 578,194.2 million).

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
40 REPURCHASE AGREEMENTS (REPOs)		
Repurchase Agreements	25,000,000	54,000,000
Accrued interest	25,548	16,464
	<u>25,025,548</u>	<u>54,016,464</u>

41 BOT LIQUIDITY PAPERS

BOT liquidity papers	694,038,209	948,846,309
Accrued interest	38,267,939	28,613,395
	<u>732,306,148</u>	<u>977,459,704</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

41 BOT LIQUIDITY PAPERS (Continued)

As at 30 June, 2012 the maturities profile of BOT Liquidity Papers were follows:

35-Day Treasury Bills	3,892,500	11,621,565
91-Day Treasury Bills	58,315,768	158,789,858
182-Day Treasury Bills	233,098,653	229,087,565
364-Day Treasury Bills	398,731,288	549,347,321
	<u>694,038,209</u>	<u>948,846,309</u>

These are financial instruments issued by the Bank under the open market operations to mop up excess liquidity 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 recognized in the income statement as an expense.

42 PROVISIONS

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Provision for leave pay	3,731,306	3,515,789
Provision for retirement benefits	8,469,618	3,661,768
Provision for legal expenses	-	97,000
	<u>12,200,924</u>	<u>7,274,556</u>

Movements in provisions

Leave pay

Carrying amount at the beginning of the period	3,515,789	3,515,789
Additional provision made during the period	215,517	0
Carrying amount at the end of the period	<u>3,731,306</u>	<u>3,515,789</u>

Retirement benefits

Carrying amount at the beginning of the period	4,038,775	3,945,439
Additional provision made during the period	2,815,333	3,809,358
Amount used during the period	2,423,265	(3,374,416)
Amount reversed during the period	(807,755)	(341,607)
Carrying amount at the end of the period	<u>8,469,618</u>	<u>4,038,775</u>

43 OTHER LIABILITIES

Accounts payable	28,399,181	21,573,458
Accruals	659,858	547,131
Stale drafts payable	102,969	103,073
Employees tax payable	125,968	137,074
Others	304,021	160,347
	<u>29,591,997</u>	<u>22,521,083</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

44 AUTHORISED AND PAID-UP SHARE CAPITAL

Authorized Capital	100,000,000	100,000,000
Issued and Paid-up Capital	<u>100,000,000</u>	<u>100,000,000</u>

The Authorized and paid up capital of the Bank is determined in accordance with Section 17(i) of the Bank of Tanzania Act, 2006.

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
45 CASH (USED BY)/ GENERATED FROM OPERATIONS		
(Loss)/profit for the Year	(52,431,393)	715,892,642
<u>Adjustment for:</u>		
Other comprehensive income	-	11,900,867
Depreciation of property and equipment	35,842,213	33,248,991
Amortization of intangible assets	3,279,263	2,485,725
Transfer of securities revaluation reserve balance	(64,784,192)	-
Interest on staff housing investments	556,246	268,585
Net loss on disposal of property and equipment	208,560	-
Unrealised Foreign Exchange Revaluation loss/ gains	(6,931,926)	(46,219,781)
Provision for impairment	1,605,095	30,167,442
Increase in fair value of equity investment	12,923	(240,368)
Bad debts written off	18,853	834
	<u>(82,624,359)</u>	<u>747,504,936</u>
Changes in working capital		
Increase in loans and receivables	(94,930,378)	(12,762,976)
Increase/decrease in advances to the Government	65,365,036	(172,724,215)
Increase/decrease in deferred currency cost	(75,371,353)	(1,754,605)
Decrease in other assets	12,943,362	1,952,416
Increase in inventories	(1,054,944)	(232,406)
Increase in items in course of settlement	(29,039,507)	(4,403,488)
Decrease in other liabilities and provisions	11,997,280	5,627,859
Net changes in working capital	<u>(110,090,504)</u>	<u>(184,297,416)</u>
Net cash generated from/(used in) operations	<u>(192,714,862)</u>	<u>563,207,520</u>
46 RESERVES		
General Reserve	340,888,951	276,296,100
Capital Reserve	99,262,908	99,262,908
Foreign Exchange Equalization Reserve	309,719,253	463,264,603
Reserve for Capital Projects	120,000,000	120,000,000
Staff Housing Fund	34,170,572	33,614,326
Assets Revaluation Reserve	119,776,164	119,925,982
Securities Revaluation Reserve	77,890,871	64,784,192
Foreign Currency Revaluation Reserve	-	41,219,947
Mwalimu Nyerere Scholarship Fund	-	1,000,000
Reserve for Dividends	-	173,240,459
	<u>1,101,708,719</u>	<u>1,392,608,515</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

46. RESERVES (Continued)

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 Bank shall 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 shall transfer not less than ten percent of its net profits to the General Reserve Fund. As at 30 June 2012 the reserve had a balance of TZS 299,669.0 million (2011: TZS 276,296.1 million).

b. Capital Reserve

The Capital Reserve was established in 2001/02. 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 2012 the reserve had a balance of TZS 99,262.9 million (2011: TZS 99,262.9 million).

c. Foreign Exchange Equalization Reserve

The reserve was established on 30th June 2006. The Foreign Exchange Equalization Reserve acts as a cushion against any significant future exchange losses, which may arise from any significant appreciation of Tanzania Shilling compared to other international currencies a condition which if left unabated may cause a high risk of a significant erosion of the Bank's net worth and financial stability.

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 2012 the total amount standing at the credit of the Foreign Exchange Equalization Reserve amounted to TZS 350,939.2 million (2011: TZS 463,264.6 million).

d. Reserve for Capital Projects

This reserve was established by a resolution of the Bank's Board of Directors in 1991/92. The purpose of the reserve is to provide funds for financing capital projects of the Bank. On an annual basis, the Board determines the amount to be appropriated from the distributable profit to the reserve. As at 30 June, 2011 the reserve had a balance of TZS 120,000.0 million (2011: TZS 120,000.0 million).

e. Staff Housing Fund

The Staff Housing Fund was established by a resolution of the Board of Directors in 1989/90. The purpose of this fund is to provide housing loans to Bank's employees. On an annual basis, the Board determines the amount to be appropriated into the fund out of distributable profits. During the year, the amount appropriated was two percent of the distributable profit. As at 30 June 2012, the fund had a balance of TZS 34,170.6 million (2011: TZS 33,614.3 million) that include interest on fund's investments.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

46. RESERVES (Continued)

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 on property, plant and equipment (IAS 16), 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 appropriated in the asset revaluation. If an asset's carrying amount decreases as a result of revaluation, the decrease is recognized in profit or loss to the extent that it exceeds credit balance existing in the revaluation surplus in respect of that asset. During the year the Bank recorded assets revaluation gain amounting to TZS 46,152.9 million As at 30 June 2012, the reserve had a balance of TZS 119,776.2 million (2011:TZS 119,925.9 million).

g. Securities Revaluation Reserve

The Bank maintains a Securities Revaluation Reserve to account for unrealized gains and losses arising from changes in fair value of financial instruments measures at fair value through profit or loss. As at 30 June 2012 the reserve had a balance of TZS 77,890.9 million (2011: TZS 64,784.2 million).

h. Foreign Currency Revaluation Reserve

In accordance with Section 18(4) of the Bank of Tanzania Act, 2006, unrealized gains or losses on foreign exchange are transferred to this reserve account. However, pursuant to the requirements of the International Financial Reporting Standards (IFRS), in particular IAS – 21, all realized and unrealized foreign exchange valuations should be taken to the income statement.

Both realized and unrealized gains and losses are therefore taken to Income Statement for purposes of computation of profit or loss for the year. Until such gains or losses are realized, they are not available for distribution; in the interim, the unrealized amounts are reflected in the Foreign Currency Revaluation Reserve. The separation of realized from unrealized exchange gains and losses is done by use of an “inventory accounting for foreign exchange net assets and liabilities”. During the year the Bank operations generated foreign exchange revaluation losses. As a result no unrealised amount was transferred to foreign exchange revaluation reserve as at 30 June 2012 (2011: TZS 41,219.9 million).

i. Mwalimu Nyerere Scholarship Fund

The reserve was established in 2011. The objective of the reserve is to accumulate sufficient balances in order to contribute to the Mwalimu Nyerere Scholarship Fund that sponsors the best performing female students pursuing mathematics degree at university level. The amount distributed to this Fund is determined by the Board of Directors

The justification for the establishment of the aforesaid reserve as part of the equity of the Bank centres on the honour of the life of the Father of the Nation Mwalimu Julius Kambarage Nyerere. As at 30 June 2012 the reserve had a zero balance (2011: TZS 1,000.0 million).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

46. RESERVES (Continued)

47. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS UNDER IFRS (AND IAS 39 AT THE DATE OF INITIAL APPLICATION)

At the date of initial application of IFRS 9 a total of TZS 64,784.2 million was cycled from Securities Revaluation Reserve to the profit and loss account. Below is a summary of comparison between IAS 39 and IFRS 9 at the date of initial application.

Description	Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39 (in million TZS)	New carrying amount under IFRS 9 (in million TZS)
Cash and cash equivalent	Loans and Receivables	Financial assets at amortized cost	1,237,969,329	1,237,969,329
Items in course of settlement	Loans and Receivables	Financial assets at fair value through profit or loss	5,776,431	5,776,431
Holdings of Special Drawing Rights	Loans and Receivables	Financial assets at amortized cost	397,912,882	397,912,882
Financial Assets Held for Trading	Held for trading	Financial assets at fair value through profit or loss	413,254,057	413,254,057
Foreign currency marketable securities-Available for Sale	Available for sale	Financial assets at fair value through profit or loss	3,606,108,163	3,606,108,163
Equity investment - Available for Sale	Available for sale	Financial assets at FVTOCI	1,895,620	1,895,620



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

48. RISK MANAGEMENT

48.1 Introduction

Risk is inherent in the Bank's activities but is managed through a process of identification, measuring, prioritization, monitoring and reviewing policies, subject to risk limits and other controls. This process of risk management is critical to the Bank's continued profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Bank's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk, credit risk and liquidity risk).

The Bank's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Bank.

Risk Management at the Bank forms an integral part of reserves management within the governance structure of the Bank starting from the level of the Board. Risk management is carried out under the Foreign Exchange Reserves Management Policy and Strategic Asset Allocation approved by the Board. The Finance and Investment Committee of the Board is responsible for reviewing the appropriateness of Foreign Reserve Management Policy and make recommendations to the Board. The Investment committee is responsible for approving and monitoring compliance with Foreign Exchange Reserves Management guidelines.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

Strategy in using financial instruments

By nature, the Bank's activities necessitate the use of financial instruments. The Bank accepts deposits from commercial banks and the Government, the required minimum reserves from commercial banks operating in the United Republic of Tanzania. 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.

Foreign exchange deposits placed with the Bank and foreign exchange acquired by the Bank through the use of International Monetary Fund (IMF) resources, Inter bank Foreign Exchange Market and through the Government of the United Republic of Tanzania constitute the sources of foreign exchange reserves of the Bank. 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 liquidity against external shocks, implementation of monetary and exchange rate policies, and providing confidence to the markets.

In view of the Bank's priorities of safe investment, 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.

In this framework, most of the financial risks to which the Bank is exposed arise while fulfilling its legal obligations, such as implementing monetary and exchange rate policies, managing foreign exchange reserves and rendering certain banking services to the banking sector and the Government of the United Republic of



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.1 Introduction Continued

Strategy in using financial instruments (Continued)

Tanzania. The Bank is exposed to credit, market and liquidity risks due to the aforementioned operations. In the process of implementing monetary and exchange rate policies the Bank is exposed to financial risks arising from the change in cross currency exchange rates.

Financial risks that arise in the management of foreign exchange reserves result from market behaviour. The Bank endeavours to minimize such risks by managing them in accordance with the Strategic Asset Allocation framework. Foreign exchange reserves are managed by observing the investment criteria defined in the Investment Policies approved by the Board and in compliance with the targets and limits stipulated in the Investment Guidelines, which are reviewed by the Investment Committee once a year or whenever need arise.

48.1 Risk Management Structure

48.2.1 The Board of Directors

The Board of Directors is responsible for approving the risk management framework and policy to guide the management in managing and monitoring risks.

48.2.2 Management

Management is responsible for identifying, measuring, ranking, and monitoring the risks within the approved risk management framework and policy. In performing these roles the following functional departments are involved.

48.2.3 Risk Management Function

The risk management function is responsible for establishing and maintaining a comprehensive corporate wide risk management framework for mitigating and responding to risks. In discharging this responsibility it develops a Corporate Risk Management (CRM) framework, develop and implement action plans for risk mitigation in each functional unit and monitor implementation of risk management action plans in each functional unit.

48.2.4 Financial Markets Function

The Financial Markets Function is responsible for the development and implementation of the risk management framework for reserves management. It identifies measures and monitors risks arising from reserves management and implementation of monetary policy.

48.2.5 Internal Audit Function

Risk Management processes in the Bank is audited by the internal audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.3 Risk measurement and reporting systems

The Bank's financial risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models.

The models 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.

Monitoring and controlling risks is primarily performed based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the Bank is willing to accept. In addition, the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The compiled financial risk data is examined, analyzed and processed in order to identify risks and control them on a timely basis. This information is presented and explained to the Board of Directors. On a monthly basis, detailed reporting of interest, currency, liquidity and geographic risks takes place. The Finance and Investment Committee of the Board receives quarterly investment reports, which cover inter alia comprehensive risk management reports.

A daily and weekly briefing is given to the surveillance and liquidity management meeting on; the performance of Treasury Bills and Treasury Bonds market, Repurchase Agreements, Inter Foreign Exchange Market (IFEM), interbank cash market, reserve money, daily liquidity forecast, government revenue and expenditure, utilization of market limits and any other risk developments.

48.4 Risk mitigation

As part of its overall risk management, the Bank uses various limits specified in its guidelines and policies to manage exposures resulting from changes in interest rates, foreign currencies, equity risk, credit risk and exposure arising from forecast transactions. Such limits specify various types of risk and the amount the Bank is willing and able to take.

Consequently, interest rate risk arising from foreign investment is mitigated by targeting average duration of the foreign assets and investing in low risk assets such as short-term government debt. Strategic currency risk is mitigated by limiting foreign assets to major reserves currencies in such a way that the weight of individual currency matches expected Government and Bank foreign obligations in that currency. To lessen the impact of the credit risk, the Bank engages with counterparts of high credit quality which have been rated by International Credit Rating Agencies. From time to time depending on the type of transaction, the Bank demands collateral of high market value to protect against credit risks. In the course of mitigating its financial risks, the Bank does not utilize derivative instruments. Derivative instruments may be used during monetary policy implementation.

48.5 Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, or in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be affected similarly by the changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Bank's performance to developments affecting a particular industry or geographic location.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.5 Excessive risk concentration (Continued)

In order to avoid excessive concentrations of risk, the Bank's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of the credit risks are controlled and managed accordingly.

48.6 Financial risks

48.6.1 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 his 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. In this framework, 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.

Accordingly, for short term investments, the Bank takes on exposure to issuers/issues having at least F1 according to Standard and Poor's (S&P) with a maturity up to one year while it can invest in securities issued or directly guaranteed by foreign governments and Supranational which have a long-term rating of at least 'A' according to S&P or an equivalent credit rating. 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.

Securities issued by the US, UK, German and France governments can constitute 100 percent of the Bank's foreign reserves. Investments in other selected OECD countries are limited to 10 percent of the investible foreign reserves. Sovereign agencies and supranational are limited to one third of the total reserves in a bid to protect the Bank against spread risks. 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 guideline, using the fundamental and the financial analysis methods. 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 remains 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.1 Credit risk (Continued)

Total assets of the Bank exposed to credit risk as of 30 June 2012 and 30 June 2011 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).

48.6 Financial risks

48.6.1 Credit risk

Description	30.06.2012		30.06.2011	
	TZS '000	TZS Share (%)	TZS '000	TZS Share (%)
Due from banks				
Deposits				
Central Banks (AAA)	1,451,585,976	18%	73,776,413	0.97%
Foreign Commercial Banks	69,196,389	1%	1,164,192,916	15.33%
F1+	69,196,389		1,164,192,916	
F1				
NR				
Loans and Receivables	195,916,833	2.4%	101,000,624	1.33%
Investment Securities	5,078,127,740	50%	4,019,362,219	52.5%
Marketable Securities	4,027,657,084	50%		
AAA	4,027,657,084		3,606,108,163	
AA+			388,453,821	
AA			11,311,874	
A+			13,488,362	
N/R				
Trading-AAA				
AA				
AA				
Government Securities	1,050,470,656	13%	1,000,864,588	13.18%
Advances to the Government	283,004,718	4%	348,369,754	4.87%
Others	957,911,397	12%	887,874,012	11.70%
Total	6,573,941,244	100.00%	7,595,440,528	100.00%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)**

48. RISK MANAGEMENT(Continued)

48.6.1 Financial risks (Continued)

a) Credit risk (Continued)

Credit quality per class of financial assets

The sectoral classification of the Bank's credit exposure as of 30 June 2012 is as follows:

Details	Foreign Country Treasury		Supranational Institutions		Domestic Financial Institutions		Foreign Financial Institutions		Government Guaranteed Agencies		Tanzania Treasury		Total TZS '000
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	
2012													
Due from banks													
Central Banks	1,449,424,732										2,161,243.69		1,451,585,976
Commercial Banks					69,196,389								69,196,389
Loans and Receivables											283,004,718		478,921,551
					195,916,833								
Investment in securities													
Foreign Currency													
Marketable securities	3,569,997,688	271,953,222					31,108,174		154,598,001				4,027,657,084
Government securities											1,050,470,656		1,050,470,656
Others							843,107,760						843,107,760
Total	5,019,422,420	271,953,222	195,916,833	943,412,323	154,598,001	1,335,636,618	7,920,939,417						



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT (Continued)

48.6.1 Financial risks (Continued)

a) Credit risk (Continued)

Credit quality per class of financial assets

The sectoral classification of the Bank's credit exposure as of 30 June 2011 is as follows:

Details	Foreign Country Treasury	Supranational Institutions	Domestic Financial Institutions	Foreign Financial Institutions	Government Guaranteed Agencies	Tanzania Treasury	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
2011							
Due from banks							
Central Banks	1,031,732,293	-	-	-	-	1,646,597	1,033,378,891
Commercial Banks	-	-	204,590,438	-	-	-	204,590,438
Loans and Receivables							
	-	-	158,270,213	-	-	199,604,317	449,370,378
Investment in securities							
Held - for - trading financial assets	350,095,172	9,682,034	-	11,311,874	42,164,977	-	413,254,057
Available - for - sale financial assets	2,995,098,115	315,497,956	120,188,085	175,324,007	-	-	3,606,108,163
Held-to-maturity							
Government securities	-	-	-	-	-	1,054,190,244	1,000,864,589
Others							
	-	-	57,422,400	-	-	-	98
Total	4,376,925,581	325,179,990	540,471,136	186,635,881	42,164,977	1,255,441,158	6,707,566,614

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6.1 Financial risks (Continued)

a) Credit risk (Continued)

Geographical analysis of concentrations of assets and liability of the Bank as of 30 June 2012 is as follows:

2012	Tanzania TZS '000	USA TZS '000	UK TZS '000	Other European Countries TZS '000	Other Countries TZS '000	Total TZS '000
Assets						
Cash and balances with central banks & other banks						
Demand, Foreign Currency Notes & Coins & Time Deposits with Commercial Banks		798,372,287	72,579,299	290,317,195	290,317,195	1,451,585,976
Items in course of settlement	34,815,938	20,767,059,90	13,836,951	31,133,140	3,459,238	69,196,389
Holdings of Special Drawing Rights (SDRs)	-	369,525,297	-	-	-	34,815,938
Foreign Currency Marketable securities	-	2,716,002,750	295,178,600	994,268,679	22,207,055	369,525,297
Equity investment	-	-	-	-	2,189,025	4,027,657,084
Government securities	1,050,470,656	-	-	-	-	2,189,025
Advances to the Government	283,004,718	-	-	-	-	1,050,470,656
Loans and receivables	195,916,833	-	-	-	-	283,004,718
Inventories	5,819,196	-	-	-	-	195,916,833
Investment in associate company	1	-	-	-	-	5,819,196
Quota in International Monetary Fund (IMF)	-	471,393,438	-	-	-	1
Deferred currency cost	139,540,818	-	-	-	-	471,393,438
Other assets	79,987,702	-	-	-	-	139,540,818
Plant, property and equipment	812,728,801	-	-	-	-	79,987,702
Intangible	5,758,265	-	-	-	-	812,728,801
Total Assets	2,608,042,929	4,376,060,831	381,594,850	1,315,719,015	318,172,513	8,999,590,138
Liabilities						
Currency in circulation	2,705,223,546	-	-	-	-	2,705,223,546
Deposits - banks and non-banks financial institutions	2,037,355,907	-	-	-	-	2,037,355,907
Deposits - Governments	8,899,318	-	-	-	-	8,899,318
Deposits - others	346,950,327	-	-	-	-	346,950,327
Foreign currency financial liabilities	478,153,879	-	-	-	-	478,153,879
Poverty Reduction and Growth Facility	539,104,400	-	-	-	-	539,104,400
Repurchase agreements	25,025,548	-	-	-	-	25,025,548
BoT liquidity papers	732,306,148	-	-	-	-	732,306,148
Provisions	12,200,924	-	-	-	-	12,200,924
Other liabilities	29,591,997	-	-	-	-	29,591,997
IMF related liabilities	431,556,956	-	-	-	-	431,556,956
Allocation of Special Drawing Rights (SDRs)	-	451,512,468	-	-	-	451,512,468
Shareholders equity	1,201,708,719	-	-	-	-	1,201,708,719
Total liabilities and equity	8,548,077,669	451,512,468	-	-	-	8,999,590,137





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT (Continued)

48.6.1 Financial risks (Continued)

a) Credit risk (Continued)

Geographical analysis of concentrations of assets and liability of the Bank as of 30 June 2011 is as follows:

2011 Assets	Tanzania	USA	UK	Other European Countries	Other Countries	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	1,646,597	61,375,094	10,964,774	951,929,887	7,462,539	1,033,378,891
Demand, Foreign Currency Notes & Coins & Time Deposits with Commercial Banks	-	17,623,107	15,217,238	171,221,542	528,552	204,590,438
Items in course of settlement	5,776,431	-	-	-	-	5,776,431
Holdings of Special Drawing Rights (SDRs)	-	397,912,882	-	-	-	397,912,882
Foreign Currency Marketable securities	-	1,972,007,195	322,554,602	1,261,509,555	463,290,867	4,019,362,220
Equity investment	-	-	-	-	1,895,620	1,895,620
Government securities	1,000,864,589	-	-	-	-	1,000,864,589
Advances to the Government	348,369,754	-	-	-	-	348,369,754
Loans and receivables	101,000,624	-	-	-	-	101,000,624
Inventories	4,764,252	-	-	-	-	4,764,252
Investment in associate company	1	-	-	-	-	1
Quota in International Monetary Fund (IMF)	-	501,867,026	-	-	-	501,867,026
Deferred currency cost	64,169,466	-	-	-	-	64,169,466
Other assets	92,931,062	-	-	-	-	92,931,062
	831,687,449	-	-	-	-	831,687,449
	8,938,819	-	-	-	-	8,938,819
Total Assets	2,460,149,045	2,950,785,303	348,736,613	2,384,660,984	473,177,578	8,617,509,524
Liabilities						
Currency in circulation	2,503,645,122	-	-	-	-	2,503,645,122
Deposits - banks and non-banks financial institutions	1,343,142,830	-	-	-	-	1,343,142,830
Deposits - Governments	13,806,368	-	-	-	-	13,806,368
Deposits - others	274,379,716	-	-	-	-	274,379,716
Foreign currency financial liabilities	392,174,778	-	-	-	-	392,174,778
Poverty Reduction and Growth Facility	578,194,210	-	-	-	-	578,194,210
Repurchase agreements	54,016,464	-	-	-	-	54,016,464
BoT liquidity papers	977,459,705	-	-	-	-	977,459,705
Provisions	7,274,558	-	-	-	-	7,274,558
Other liabilities	22,521,083	-	-	-	-	22,521,083
IMF related liabilities	477,585,340	-	-	-	-	477,585,340
Allocation of Special Drawing Rights (SDRs)	-	480,700,836	-	-	-	480,700,836
Shareholders equity	1,492,608,515	-	-	-	-	1,492,608,515
Total liabilities and equity	8,136,808,688	480,700,836	-	-	-	8,617,509,524



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.1 Credit risk (Continued)

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.

30.06.2012

Details	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Cash and cash equivalent	1,520,782,366	-	-	1,520,782,366
Marketable Securities	4,027,657,084	-	-	4,027,657,084
Investment in Associate Company	337,317	-	337,316	1
Equity Investment	2,189,025	-	-	2,189,025
Loans and Receivables	227,059,813	10,542,007	20,600,973	195,916,833
Other assets	80,232,084	206,228	38,157	79,787,699
Total	6,500,605,648	10,748,235	20,976,446	5,819,546,490

30.06.2011

Details	Neither past due nor impaired	Past due but not impaired	Individually impaired	Total
	TZS '000	TZS '000	TZS '000	TZS '000
Cash and cash equivalent	1,237,969,329	-	-	1,237,945,479
Available for Sale	3,606,108,163	-	-	3,606,108,163
Financial assets Held for Trading	413,254,057	-	-	413,254,057
Government Securities Held to Maturity	1,001,864,588	-	-	1,001,864,588
Investment in Associate Company	339,632	-	-	339,632
Equity Investment	1,895,620	-	-	1,895,620
Loans and Receivables	58,151,126	12,682,057	30,167,442	101,000,624



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.1 Credit risk (Continued)

As at 30 June 2012, aging analysis of loans and receivables is as follows:

Details	Total	Neither past due nor impaired	Less than 30 days	31 to 60 days	61-90 days	91-120 days	> 120 days
2012	195,916,833	175,318,519					20,598,314
2011	101,000,624	38,965,329	14,306,690			569	47,728,036

See note 24 and 28 for more detailed information with respect to allowance for impairment losses on loans and receivables and other assets.

The Bank does not hold collateral for financial liabilities pledged as security. The fair value of collateral that the Bank holds as at 30 June 2011 amounts to TZS 4,238.4 million. The collateral consisted of security on property.

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 payout 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.

The maximum exposure to credit risk at the reporting date without taking account of any collateral held or other credit enhancements (that is netting agreements that do not qualify for offsetting in accordance with IAS 32)

Details	<u>30.06.2012</u>	<u>30.06.2011</u>
	Gross Maximum Exposure TZS '000	Gross Maximum Exposure TZS '000
Cash and cash equivalent	1,520,782,366	1,237,969,329
Marketable Securities	4,027,657,084	4,019,362,220
Government Securities	1,050,470,656	1,001,643,791
Advances to the Government	283,004,718	348,369,754
Loans and Receivables	201,641,663	101,000,624
Other Assets	80,025,856	92,931,064



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.1 Liquidity risk

Liquidity risk is the risk that the Bank though solvent, either does not have sufficient resources available to meet its obligations when they fall due, or can secure them only by converting assets to cash at a price lower than their fair value. Thus inability of the Bank to meet its own foreign exchange obligations and that of government timely without incurring huge price concession is reflected as liquidity risk.

Due to its nature of business (externalization 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 trenches. 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 Banking based on the remaining period at Statement of Financial Position date to contractual maturity date.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT (Continued)

48.6.1 Financial risks (Continued)

b) Liquidity risk (Continued) -by Contractual maturity analysis of financial instruments

	2012	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
Assets							
Cash and balances with central banks & other banks		869,131,553	651,650,813	-	-	-	1,520,782,365
Items in course of settlement		34,815,938	-	-	-	-	34,815,938
Holdings of Special Drawing Rights (SDRS)		-	1,819,441	249,719,277	-	-	369,525,297
Foreign Currency Marketable securities		36,662,328	52,236,382	641,207,618	3,297,368,880	-	4,027,475,207
Equity investment		-	-	-	-	2,189,025	2,189,025
Government securities		-	-	-	822,630,964	205,743,889	1,028,374,853
Advance to the Government		-	-	283,004,718	-	-	283,004,718
Loans and receivables		16,987,232	68,816,222	104,969,380	5,144,000	-	195,916,833
Quota in International Monetary Fund		-	-	-	471,393,438	-	471,393,438
Deferred currency cost		-	-	139,540,818	-	-	139,540,818
Other assets		1,710,098	1,820,470	64,004,560	-	-	67,535,128
Total assets		959,307,148	776,343,328	1,482,446,371	4,596,537,281	207,932,915	8,140,553,622
Liabilities							
Currency in circulation		386,460,507	1,159,381,520	1,159,381,520	-	-	2,705,223,546
Deposit - banks and non banks financial institutions		900,845,025	773,265,166	361,529,765	-	-	2,035,639,956
Deposit Governments		2,882,956	1,920,115	4,096,246	-	-	8,899,318
Deposit others		55,403,937	73,314,730	88,936,449	124,232,287	-	341,887,402
Foreign currency financial liabilities		95,630,776	239,076,940	109,236,212	34,724,738	-	478,668,665
Poverty Reduction and Growth Facility		-	2,654,402	3,339,046	220,476,392	77,041,654	303,511,494
Repurchase Agreements		25,025,548	-	-	-	-	25,025,548
BOT liquidity papers		-	3,892,500	728,413,648	-	-	732,306,148
Provisions		223,692	310,787	12,067,047	-	-	12,601,525
Other liabilities		6,061,989	8,751,830	14,778,178	-	-	29,591,997
IMF Related Liabilities		-	-	-	431,556,956	-	431,556,956
Allocation of Special Drawing Rights (SDRs)		-	-	-	451,512,468	-	451,512,468
Total Equity and Liabilities		1,472,534,430	2,262,567,989	2,481,778,110	1,262,502,841	77,041,654	7,556,425,023
Net Liquidity gap		(513,227,282)	(1,486,224,661)	(999,331,739)	3,334,034,441	130,891,261	584,128,599
Cumulative gap		(513,227,282)	(1,999,451,943)	(2,998,783,681)	335,250,760	466,142,021	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)**



48. RISK MANAGEMENT(Continued)

48.6.1 Financial risks (Continued)

**b) Liquidity risk (Continued)
-by Contractual maturity analysis of financial instruments**

	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
2011						
Assets						
Cash and balances with central banks & other banks	128,629,868	1,109,339,461	-	-	-	1,237,969,329
Items in course of settlement	5,776,431	-	-	-	-	5,776,431
Holdings of Special Drawing Rights (SDRs)	397,912,882	-	-	-	-	397,912,882
Foreign Currency Marketable securities	16,208,739	59,405,226	548,238,287	3,276,875,887	118,634,080	4,019,362,220
Equity investment	-	-	-	-	1,895,620	1,895,620
Government securities	-	-	86,761,403	441,103,186	473,000,000	1,000,864,589
Advance to Government	-	-	348,369,754	-	-	348,369,754
Loans and receivables	-	-	18,331,020	65,926,795	-	101,000,624
Quota in International Monetary Fund	1,100,904	15,641,905	501,867,026	-	-	501,867,026
Deferred currency cost	-	-	64,169,466	-	-	64,169,466
Other assets	-	-	-	-	-	57,268,927.00
Total assets	1,001,441	3,075,204	17,627,989	35,564,293	-	7,736,456,868
Liabilities						
Currency in circulation	751,093,537	1,752,551,586	-	-	-	2,503,645,122
Deposit - banks and non banks financial institutions	128,182,262	256,364,524	830,413,781	128,182,262	-	1,343,142,830
Deposit - Governments	2,761,274	4,141,911	6,903,184	-	-	13,806,368
Deposit - Others	6,043,537	25,461,013	32,815,189	210,059,978	-	274,379,716
Foreign currency financial liabilities	392,174,778	-	-	-	-	392,174,778
Poverty Reduction and Growth Facility	706,500	706,500	3,866,597	184,520,079	388,394,537	578,194,213
Repurchase agreements	54,016,464	-	-	-	-	54,016,464
BOT liquidity papers	-	11,621,565	965,838,139	-	-	977,459,704
Provisions	-	68,660	7,205,896	-	-	7,274,556
Other liabilities	4,415,486	4,223,618	13,197,776	-	-	21,836,880
IMF Related Liabilities	-	-	-	477,585,339	-	477,585,339
Allocation of Special Drawing Rights (SDRs)	-	-	-	480,700,836	-	480,700,836
Total Equity and Liabilities	1,339,393,837	2,055,139,376	1,860,240,563	1,481,048,494	388,394,537	7,124,216,806
Net Liquidity gap	(1,338,392,396)	(2,052,064,172)	(1,842,612,574)	(1,445,484,200)	(388,394,537)	612,240,061
Cumulative gap	(1,338,392,396)	(3,390,456,568)	(5,233,069,142)	(6,678,553,342)	(7,066,947,879)	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6.1 Financial risks (Continued)

b) Liquidity risk (Continued)

The table below shows analysis of assets and liabilities according to when they expect to be recovered or settled:

2012	Less than 12 months TZS '000	Over 12 months TZS '000	Total TZS '000
Assets			
Cash and balances with central banks & other banks	1,520,782,365	-	1,520,782,365
Items in course of settlement	34,815,938	-	34,815,938
Holdings of Special Drawing Rights (SDRs)	-	369,525,297	369,525,297
Foreign Currency Marketable securities	88,898,710	3,938,758,374	4,027,657,084
Equity investment	-	2,189,025	2,189,025
Government securities	-	1,050,470,656	1,050,470,656
Advance to the Government	283,004,718	-	283,004,718
Loans and receivables	85,803,454	110,113,380	195,916,833
Inventories	5,819,196	-	5,819,196
Investment in associate company	-	1	1
Quota in International Monetary Fund	-	471,393,438	471,393,438
Deferred currency cost	-	139,540,818	139,540,818
Other assets	79,987,702	-	79,987,702
Property and equipments	-	812,728,800	812,728,800
Intangible assets	-	5,758,265	5,758,265
Total assets	2,099,112,083	6,081,990,990	8,999,590,137
Liabilities and equity			
Currency in circulation	2,705,223,546	-	2,705,223,546
Deposit - banks and non banks financial institutions	2,037,355,907	-	2,037,355,907
Deposit - Governments	8,899,318	-	8,899,318
Deposit - Others	217,655,115	129,295,212	346,950,327
Foreign Currency Financial Liabilities	95,630,776	382,523,103	478,153,879
Poverty Reduction and Growth Facility	5,993,449	533,110,952	539,104,400
Repurchase Agreements	25,025,548	-	25,025,548
BOT Liquidity Papers	732,306,148	-	732,306,148
Provisions	12,200,924	-	12,200,924
Other liabilities	29,591,997	-	29,591,997
IMF Related liabilities	-	431,556,956	431,556,956
Allocation of Special Drawing Rights (SDRs)	-	451,512,468	451,512,468
Authorized and Paid up Capital	-	100,000,000	100,000,000
Reserves	-	1,101,708,719	1,101,708,719
Total liabilities and equity	5,869,882,727	3,129,707,410	8,999,590,137



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6.1 Financial risks (Continued)

b) Liquidity risk (Continued)

The table below shows analysis of assets and liabilities according to when they expect to be recovered or settled:

2011	Less than 12	Over 12 months	Total
	months		
	TZS '000	TZS '000	TZS '000
Assets			
Cash and balances with central banks & other banks	1,237,969,329	-	1,237,969,329
Items in course of settlement	5,776,431	-	5,776,431
Holdings of Special Drawing Rights (SDRs)	397,912,882	-	397,912,882
Held - for - trading financial assets	44,353,216	368,900,841	413,254,057
Available - for - sale financial assets	579,499,037	3,026,609,127	3,606,108,163
Available - for - sale equity investment	-	1,895,620	1,895,620
Held - to - maturity Government securities	85,982,201	914,882,388	1,000,864,589
Advances to the Government	348,369,754	-	348,369,754
Loans and receivables	35,073,829	65,926,794	101,000,623
Inventories	4,764,252	-	4,764,252
Investment in associate company	-	1	1
Quota in International Monetary Fund	-	501,867,026	501,867,026
Deferred currency cost	64,169,466	-	64,169,466
Other assets	57,366,768	35,564,293	92,931,062
Property and equipments	-	831,687,449	831,687,449
Intangible assets	-	8,938,819	8,938,819
Total assets	2,861,237,164	5,756,272,359	8,617,509,524
Liabilities and equity			
Currency in circulation	2,503,645,122	-	2,503,645,122
Deposit - banks and non banks financial institutions	1,214,960,568	128,182,262	1,343,142,830
Deposit - Governments	6,903,184	6,903,184	13,806,368
Deposit - Others	64,319,739	210,059,978	274,379,716
Foreign currency financial liabilities	392,174,778	-	392,174,778
Poverty Reduction and Growth Facility	5,279,597	572,914,616	578,194,213
Repurchase agreements	54,016,464	-	54,016,464
BOT liquidity papers	977,459,704	-	977,459,704
Provisions	7,274,556	-	7,274,556
Other liabilities	22,521,083	-	22,521,083
IMF Related Liabilities	-	477,585,339	477,585,339
Allocation of Special Drawing Rights (SDRs)	-	480,700,835.8	480,700,836
Authorized and Paid up Capital	-	100,000,000	100,000,000
Reserves	-	1,392,608,515	1,392,608,515
Total liabilities and equity	5,248,554,795	3,368,954,730	8,617,509,524



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.2 Interest risk

The interest rate risk is the exposure of the Bank 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. Duration of 1.5 indicates that the portfolio's value will change by approximately 1.5 percent if rates change by 1percent.

The policy target duration is 2 years with deviation allowance of ± 1.5 months. As of 30 June 2012 portfolio duration stood at 2.5 years while that of 30 June 2011 was 2.1 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 (0.01percent) 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 available for sale 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 huge leap in reported VaR numbers resulted from the increase in the level of Available for Sale and financial assets at fair value through profit or loss securities and the recent credit crisis which increased correlation among asset classes. VaR is highly sensitive to correlation among asset classes.

The table below shows various risk measured parameters

Portfolio Characteristics						
	30.06.2012			30.06.2011		
Positions of securities	231		231	192		192
Base currency	USD		TZS '000	USD		TZS '000
Market value of Marketable Securities	2,656,602,091		4,167,969,586	2,544,415,464		3,606,108,163
Money Markets placements				691,503,976		1,110,584,533
Duration	2.5 years		2.5 years	2.11 years		2.11 years
Spread Duration	0.5 years		0.5 years	0.47 years		0.47 years



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.2 Interest risk (Continued)

The tracking errors and VaR was as per breakdown below

Details	30.06.2012		30.06.2011	
	USD	TZS '000	USD	TZS '000
Monthly Tracking Error	9,471,482	14,859,903	9,237,973	14,593,042
95 percent Monthly VaR	(15,579,202)	(24,442,365)	(24,003,418)	(24,518,981)

Price value of 1 BPS in USD

Details	30.06.2012		30.06.2011	
	USD	TZS '000	USD	TZS '000
USD	369,022	578, 963.89	339,990	537,075
EUR	138,900	340, 112.02	151,881	239,923
GBP	48,404	95, 599.25	55,541	87,737
	556,326	1, 014 ,675	547,413	864,735

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 below indicates the spread risks for comparative period in each of the three major currencies.

	30.06.2012		30.06.2011	
	USD	TZS '000	USD	TZS '000
USD	92, 500	145,125	86,727	137,001
EUR	129, 058	316,011	19,395	30,638
GBP	15, 931	31,464	16,502	26,068
Total	237, 489	492,601	122,824	193,707

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.2 Interest risk (Continued)

30.06.2012 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	(1,104,885)	(144,281)	(101,282)	(1,350,448)	(2,118,732)
20	(2,209,770)	(288,563)	(202,564)	(2,700,897)	(4,237,464)
30	(3,314,655)	(389,560)	(273,462)	(3,977,676)	(6,240,616)

30.06.2011 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	(3,607,324)	(1,783,434)	(723,246)	(6,114,004)	(9,658,170)
20	(7,214,648)	(3,566,868)	(1,446,492)	(12,228,008)	(19,316,340)
30	(10,821,972)	(4,815,272)	(1,952,764)	(17,590,008)	(27,786,584)

Yield decrease in 1 BPS

30.06.2012 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	1,104,885	144,281	101,282	1,350,448	2,118,732
20	2,209,770	288,563	202,564	2,700,897	4,237,464
30	3,314,655	389,560	273,462	3,977,676	6,240,616

30.06.2011 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	3,607,324	1,783,434	723,246	6,114,004	9,658,169,981
20	7,214,648	3,566,868	1,446,492	12,228,008	19,316,339,978
30	10,821,972	4,815,272	1,952,764	17,590,008	27,786,584,311

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 steeping and flattening by 50 basis points. The result of stress testing scenarios is as shown on the table below.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.6 Financial risks (Continued)

48.6.2 Interest risk (Continued)

30.06.2012 (Amounts in USD equivalent)

BPS	UUSD	EUR	GBP	Total USD	TZS '000
Spread widening by 50	(2,789,437)	(1,899,170)	(526,592)	(5,215,199)	(8277824.12)
Curve Steepening by 50	(1,176,638)	(1,590,863)	(257,228)	(3,024,728)	(4,801,000)
Curve Flattening by 50	(1,879,838)	(1,434,618)	(233,220)	(3,547,676)	(5,631,048)

30.06.2011 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	TZS '000
Spread widening by 50	(2,790,937)	(1,726,518)	(531,911)	(5,049,365)	(7,976,382)
Curve Steepening by 50	(1,179,838)	(1,420,413)	(342,970)	(3,533,221)	(5,359,726)
Curve Flattening by 50	(1,769,838)	(1,420,414)	(342,970)	(3,533,221)	(5,378,444)

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. The exposures to both kinds of interest rate risk arise in the course of the Bank's activities. Based on the sensitivity of the 4 % deviation of the exchange rate against major currencies the impact on the Banks profit and equity was TZS 19,309.9 million. The deviation for 2011 was 8.5% and the impact in both equity and profit was TZS 150,428.4 million.

48.6.3 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 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.

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 approved Foreign Exchange Reserves Policy and stated in the Guidelines. The currency positions of the Bank as of 30 June 2012 and 2011 which provides the Bank's assets, liabilities and equity at carrying amounts, categorized by currency is summarized below.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.7 Non Financial Risks

48.7.1 Operational Risk

Operational risk is the risk of loss in both financial and non financial resulting from inadequate systems, management failures, ineffective internal control processes, fraud, theft and human errors.

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. Management, Internal Audit Function, Audit Committee and the Board, closely monitors 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.

48.7.2 Human Resource Risk

The particular nature of the activities of the Bank necessitates specialized knowledge in many areas. The Bank ensures that there is an adequate knowledge base for all specialized job requirements by investing significantly in human resource development in terms of capacity building and practical exposure. The Bank also organizes 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.

48.7.3 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 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 a clear procedure of the delegation of authorities. Also strict code of conduct and ethics is used to minimize chances of causing legal disputes between the Bank and its counterparts.

48.7.4 Reputational Risk

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, Public Procurement Act, No. 21 of 2004 and Public Procurement Regulations, 2005.

In view of the above, the Bank's management ensures that to the best of its 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT(Continued)

48.7 Non Financial Risks (Continued)

48.7.4 Reputational 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 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 (NPS) 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT (Continued)

48.6 Financial risks (Continued)

2012	GBP TZS '000	USD TZS '000	EUR TZS '000	SDR TZS '000	TZS '000	TZS '000	Others TZS '000	Total TZS '000
Assets								
Assets								
Cash and balances with central banks & other banks	146,108,707	1,117,824,604	250,995,960	-	-	34,815,938	5,853,094	1,520,782,365
Items in course of settlement	-	-	-	369,525,297	-	-	-	34,815,938
Holdings of Special Drawing Rights (SDRs)	-	-	-	-	-	-	-	369,525,297
Foreign Currency Marketable securities	295,178,600	2,817,689,413	914,607,194	-	-	-	-	4,027,475,207
Equity Investment	-	1,882,698	306,327	-	-	-	-	2,189,025
Government securities	-	-	-	-	1,050,470,656	-	-	1,050,470,656
Advances to the Government	-	-	-	-	283,004,718	-	-	283,004,718
Loans and receivables	-	-	-	-	195,916,833	-	-	195,916,833
Inventories	-	-	-	-	5,819,196	-	-	5,819,196
Investment in associate company	-	1	-	-	-	-	-	1
Quota in International Monetary Fund (IMF)	-	-	-	471,393,438	-	-	-	471,393,438
Deferred currency cost	-	-	-	-	139,540,818	-	-	139,540,818
Other assets	-	-	-	-	79,987,702	-	-	79,987,702
Property and equipment	-	-	-	-	812,728,800	-	-	812,728,800
Intangible assets	-	-	-	-	5,758,265	-	-	5,758,265
Total assets	441,287,307	3,937,396,716	1,165,909,482	840,918,735	2,608,042,927	5,853,094	5,853,094	8,999,408,260
Liabilities								
Currency in circulation	-	-	-	-	2,705,223,546	-	-	2,705,223,546
Deposit - banks and non banks financial institutions	-	155,200,381	-	-	1,882,155,526	-	-	2,037,355,907
Deposit - Governments	-	-	-	-	8,899,318	-	-	8,899,318
Deposit - others	-	-	-	-	346,950,327	-	-	346,950,327
Foreign currency financial liabilities	-	-	-	-	-	-	-	-
Poverty Reduction and Growth Facility	-	-	-	539,104,400	-	-	-	539,104,400
Repurchase Agreements	-	-	-	-	25,025,548	-	-	25,025,548
BOT liquidity papers	-	-	-	-	732,306,148	-	-	732,306,148
Provisions	-	-	-	-	12,200,924	-	-	12,200,924
Other liabilities	-	-	-	-	29,591,997	-	-	29,591,997
IMF Related Liabilities	-	-	-	431,556,956	-	-	-	431,556,956
Allocation of Special Drawing Rights (SDRs)	-	-	-	451,512,468	-	-	-	451,512,468
Total liabilities	-	155,200,381	-	1,422,173,824	5,742,353,334	-	-	7,319,727,539
Equity	-	-	-	-	100,000,000	-	-	100,000,000
Reserves	-	-	-	-	1,101,708,719	-	-	1,101,708,719
Total equity	-	-	-	-	1,201,708,719	-	-	1,201,708,719
Total liabilities and equity	-	155,200,381	-	1,422,173,824	6,944,062,052	-	-	8,521,436,258
Net balance sheet position	441,287,307	3,782,196,335	1,165,909,482	(581,255,090)	(4,336,019,125)	-	5,853,094	-
Scenario of 4.04% appreciation	17,828,007	152,800,732	47,102,743	(23,482,706)	(175,175,173)	-	236,465	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

48. RISK MANAGEMENT (Continued)

48.6 Financial risks (Continued)

d) Currency risk (Continued)

2011	GBP	USD	EUR	SDR	TZS	Others	Total
Assets	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cash and balances with central banks & other banks	136,779,864	802,030,825	291,034,469	-	-	8,124,171	1,237,969,329
Items in course of settlement	-	-	-	-	5,776,431	-	5,776,431
Holdings of Special Drawing Rights (SDRs)	-	-	-	397,912,882	-	-	397,912,882
Held - for - trading financial assets	-	413,254,057	-	-	-	-	413,254,057
Available - for - sale financial assets	375,636,635	2,224,930,858	1,005,540,669	-	-	-	3,606,108,163
Available - for - sale equity investment	-	1,895,620	-	-	-	-	1,895,620
Held - to - maturity Government securities	-	-	-	-	1,000,864,589	-	1,000,864,589
Advances to Government	-	-	-	-	199,604,317	-	199,604,317
Loans and advances	-	-	-	-	158,270,213	-	158,270,213
Inventories	-	-	-	-	4,764,252	-	4,764,252
Investment in associate company	-	1	-	-	-	-	1
Quota in International Monetary Fund (IMF)	-	-	-	501,867,026	-	-	501,867,026
Deferred currency cost	-	-	-	-	64,169,466	-	64,169,466
Other assets	-	-	-	-	100,639,718	-	100,639,718
Property and equipment	-	-	-	-	812,211,490	-	812,211,490
Intangible assets	-	-	-	-	6,722,191	-	6,722,191
Total assets	512,416,499	3,442,111,362	1,296,575,138	899,779,907	2,353,022,668	8,124,171	8,512,029,745
Liabilities							
Currency in circulation	-	-	-	-	2,503,645,122	-	2,503,645,122
Deposit banks and non-banks financial institutions	-	127,412,137	-	-	1,740,687,483	-	1,868,099,620
Deposit - Governments	-	-	-	-	13,806,368	-	13,806,368
Deposit - others	-	-	-	-	346,363,938	-	346,363,938
Foreign currency financial liabilities	1,975	382,196,156	9,808,528	-	140,609	27,509	392,174,777
Poverty Reduction and Growth Facility	-	-	-	578,194,213	-	-	578,194,213
Repurchase agreements	-	-	-	-	54,016,464	-	54,016,464
BOT liquidity papers	-	-	-	-	977,459,705	-	977,459,705
Provisions	-	-	-	-	7,274,557	-	7,274,557
Other liabilities	-	-	-	-	53,999,627	-	53,999,627
IMF Related Liabilities	-	-	-	477,585,340	-	-	477,585,340
Allocation of Special Drawing Rights (SDRs)	-	-	-	480,700,836	-	-	480,700,836
Total liabilities	1,975	509,608,293	9,808,528	1,536,480,389	3,193,748,752	27,509	7,753,320,568
Equity	-	-	-	-	100,000,000	-	100,000,000
Reserves	-	-	-	-	1,392,608,515	-	1,392,608,515
Total equity	-	-	-	-	1,492,608,515	-	1,492,608,515
Total liabilities and equity	1,975	509,608,293	9,808,528	1,536,480,389	4,686,357,267	27,509	9,245,929,083
Net balance sheet position	512,414,524	2,932,503,069	1,286,766,610	(636,700,481)	(2,333,334,599)	8,096,662	-
Scenario of 8.5% appreciation	43,555,235	249,262,761	109,375,162	(54,119,541)	(198,333,441)	688,216	-



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

49. DETERMINATIONS OF FAIR VALUE AND FAIR VALUE HIERARCHY

The following table shows analysis of financial instruments recorded at fair value by the level of fair value hierarchy

	30.06.2012		
	Level 1	Level 2	Level 3
	TZS'000'	TZS'000'	TZS'000'
Marketable Securities	4,027,657,084	-	-
	<u>4,027,654,084</u>	<u>-</u>	<u>-</u>
			30.06.2011
Held for trading securities	413,254,057	-	-
Available for sale securities	3,606,108,163	-	-
	<u>4,019,362,220</u>	<u>-</u>	<u>-</u>

During the year ended 30 June 2012 all the financial instruments were determined basing on the unadjusted quoted prices for identical instruments in active markets, that is the quoted prices were readily and regularly available from the pricing service. Such prices represented actual and regularly occurring market transactions on an arm's length basis.

During the period, there were no fair value measurements for financial instruments determined using valuation techniques such as valuing an instrument using a current price for identical instrument if there is not an active market for those instruments. Accordingly there were no financial instruments measured in level two and three.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

50 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 4 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:

	Amortised Cost		FVTPL		OCI		Total		Fair values	
	TZS '000		TZS '000		TZS '000		TZS '000		TZS '000	
2012										
Financial assets										
Cash and balances with central banks & other banks	1,520,782,365	-	-	-	-	-	1,520,782,365	-	-	1,520,782,365
Items in course of settlement	-	34,815,938	-	-	-	-	34,815,938	-	-	34,815,938
Holdings of Special Drawing Rights (SDRs)	369,525,297	-	-	-	-	-	369,525,297	-	-	369,525,297
Foreign Currency Marketable securities	-	4,027,657,084.25	-	-	-	-	4,027,657,084	-	-	4,027,657,084
Equity instruments	-	-	-	-	-	2,189,025.25	-	2,189,025	-	2,189,025
Advance to the Government	283,004,718	-	-	-	-	-	283,004,718	-	-	283,004,718
Government securities	1,050,470,656	-	-	-	-	-	1,050,470,656	-	-	1,050,470,656
Loans and receivables	66,261,512	-	-	-	-	-	66,261,512	-	-	66,261,512
Quota in International Monetary Fund (IMF)	471,393,438	-	-	-	-	-	471,393,438	-	-	471,393,438
Financial liabilities										
Currency in circulation	2,705,223,546	-	-	-	-	-	2,705,223,546	-	-	2,705,223,546
Foreign currency financial liabilities	478,153,879	-	-	-	-	-	478,153,879	-	-	478,153,879
Poverty Reduction and Growth Facility	539,104,400	-	-	-	-	-	539,104,400	-	-	539,104,400
Repurchase agreements	25,025,548	-	-	-	-	-	25,025,548	-	-	25,025,548
BoT liquidity papers	732,306,148	-	-	-	-	-	732,306,148	-	-	732,306,148
Other liabilities	12,200,924	-	-	-	-	-	12,200,924	-	-	12,200,924
IMF related liabilities	29,591,997	-	-	-	-	-	29,591,997	-	-	29,591,997
Allocation of Special Drawing Rights (SDRs)	431,556,955.86	-	-	-	-	-	431,556,956	-	-	431,556,956





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

50 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (Continued)

	Loans and receivables TZS '000	Held to maturity TZS '000	Held for trading TZS '000	Available for sale TZS '000	Other financial assets and liabilities		Fair values TZS '000
					TZS '000	TZS '000	
2011							
Financial assets							
Cash and balances with central banks & other banks	1,502,652,013	-	-	-	-	1,502,652,013	1,502,652,013
Items in course of settlement	5,776,431.47	-	-	-	0	5,776,431	5,776,431
Holdings of Special Drawing Rights (SDRs)	-	-	0	-	397,912,882	397,912,882	397,912,882
Foreign Currency Marketable securities	-	-	413,254,057	3,608,003,783	-	4,021,257,840	4,021,257,840
Advance to the Government	348,369,754	-	-	-	-	348,369,754	348,369,754
Government securities	-	1,054,190,244	-	-	0	1,054,190,244	1,054,190,244
Loans and receivables	158,270,213	-	-	-	0	158,270,213	158,270,213
Quota in International Monetary Fund (IMF)	501,867,026	-	-	-	0	501,867,026	501,867,026
Other assets	-	-	-	82,615,265	-	82,615,265	82,615,265
Financial liabilities							
Currency in circulation	-	-	-	-	2,503,645,122	2,503,645,122	2,503,645,122
Foreign currency financial liabilities	-	-	-	-	460,863,594	460,863,594	460,863,594
Poverty Reduction and Growth Facility	-	-	-	-	578,194,213.12	578,194,213	578,194,213
Repurchase agreements	-	-	-	-	54,016,464	54,016,464	54,016,464
BoT liquidity papers	-	-	-	-	977,459,705	977,459,705	977,459,705
Other liabilities	-	-	-	-	51,945,777	51,945,777	51,945,777
IMF related liabilities	-	-	-	-	477,585,340	477,585,340	477,585,340
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	480,700,836	480,700,836	480,700,836



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

51. CAPITAL

Section 17 of the Bank of Tanzania Act, 2006 states that “the authorized 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 authorized 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 was as shown below and further detailed in the statement of changes in owners' equity on page 84

	<u>30.06.2012</u>	<u>30.06.2011</u>
Details	TZS (Millions)	TZS (Millions)
Capital	100,000	100,000
Reserves	1,101,709	1,392,608
Total	<u>1,201,709</u>	<u>1,492,608</u>

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 retention of un-distributable element of the profit.

The Bank is not for profit organization, nor does it seek profit maximization. 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 the foreign exchange reserves should the Tanzania Shilling appreciate significantly against other world currencies.

52. CONTINGENT LIABILITIES

Contingent liabilities arise in the normal course of the Bank's business activities. To meet the financial needs 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

52.1 Outstanding Legal Matters

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

52. CONTINGENT LIABILITIES (Continued)

52.1 Outstanding Legal Matters (Continued)

Pursuant to the Bank of Tanzania Act, 2006 the Bank of Tanzania is a Banker to the Government of the United Republic of Tanzania. Arising from that responsibility there is a legal dispute relating to a transaction involving the Government of the United Republic of Tanzania and D.P. Valambhia in which the Bank of Tanzania was involved in its capacity as a Banker to the Government of the United Republic of Tanzania. A Garnishee Order was issued by the High Court of Tanzania on 4th June 2001 ordering the Bank of Tanzania to pay a decree holder US\$ 55,099,117.66 from funds of the Government of the United Republic of Tanzania in the custody of the Bank of Tanzania.

Pursuant to the Order, the Government instituted court proceeding against the decree holder and the Bank on the same matter.

The assets/properties of the Bank and the Government under the custody of the Bank are granted immunity against execution and attachment, subject to the provisions of the Act.

Due to the above, it is in the opinion of the directors that the assets/properties of the Bank are well safeguarded. There are no other significant legal cases requiring disclosure.

52.2 External Payment Arrears Deposit Account

During the 1970s and 1980s there was a serious 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 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 supplier.

However due to the forex shortage not all funds deposited with 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 NBC. The Bank of Tanzania (BoT) was given the responsibility to manage EPA liabilities on behalf of the Government. As at 30 June 2012 the balance in this liability account was TZS 2,288.4 million (2011: TZS 2,288.4 million). This balance represents funds in original values that await externalization to the various overseas suppliers. Differences between exchange rate prevailing on date of actual payments and the exchange rate used in recording the original EPA liabilities are usually met by the Government.

In the mean time, the Bank has suspended all transactions relating to EPA. Further, on 14th April 2009 the Bank engaged a consultant, M/S Lazard Freres's & CIE to assist in the reconciliation and resolution of the remaining External Payment arrears. The objectives of the exercise were:

- a) To ascertain how the remaining debt as at 2004 has been handled.
- b) To compile and establish the current stock of the remaining EPA debts.
- c) To develop, jointly with the Ministry of Finance and Economic Affairs and Bank of Tanzania, a strategy and action plan to handle the unsettled claims.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

52. CONTINGENT LIABILITIES (Continued)

52.2 External Payment Arrears Deposit Account (Continued)

The Consultant submitted an inception report in August 2009 which was not accepted by the Bank.

The original contract expired on 14th 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 BOT's subsequent follow ups, on 25th July 2011, the Bank wrote to the World Bank to seek for their advice on the way forward, which was not provided.

On 25th August 2011, the consultant wrote to the Bank demanding renewal of the expired contract; to include:

- I. Upward revision of the price of the contract to USD 843,700 from the original amount of USD 663,950;
- II. Implicitly complaining for not being paid initial fee amounting to USD 175,000 after submitting inception report; and
- III. 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 14th 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

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 pave way for another consultant to be engaged to perform the assignment. The Bank has sought legal advice on how to bring EPA to a close. Meanwhile, The Bank of Tanzania has included the EPA account and management of public debt, in its program for shedding-off non-core activities

52.3 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 30th June 2011 outstanding guarantees aggregated to TZS 332,666.6 million (2011: TZS 251,211.6 million) while the balance of the Fund as at 30th June 2012 was TZS 52,139.8 million (2011: TZS 46,904.5 million). The movement of the Fund during the year is as summarized below.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

52. CONTINGENT LIABILITIES (Continued)

52.3 Export Credit Guarantee Scheme (ECGS) (Continue)

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Balance of funds		
Capital	21,772,722	21,772,722
Surplus	<u>30,366,122</u>	<u>24,716,866</u>
Total	<u>52,138,844</u>	<u>46,489,588</u>

52.4 Small & Medium Enterprises –Credit Guarantee Scheme

The Bank operational 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 that 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 30th June 2012 outstanding guarantees had a value aggregating to 825.0 million (2011: TZS 825.0 million) while the balance of the fund as at 30th June 2012 was TZS 8,920.5 million (2011: TZS 6,257.7 million).

53. OUTSTANDING COMMITMENTS

53.1 Uncalled and unpaid Capital to Afrexim Bank

The Afrexim bank was established on 27th October 1993. The major function of the bank is to finance and facilitate trade among African countries and between Africa and the rest of the world. The Bank of Tanzania's authorized equity interest in Afrexim bank is 300 ordinary shares of par value USD 10,000 each payable in five equal instalments. Two instalments with value of USD 1.2 million have been called and paid up.

53.2 Uncalled and unpaid Capital to Afrexim Bank

As at 30 June 2012, the Bank had a commitment of USD 1.8 million in respect of three instalments of uncalled and unpaid capital attached to its shareholding in the Afrexim bank. The Bank of Tanzania proportion of equity total holding in the Afrexim bank is 0.4 percent.

The Bank has entered into contracts with M/S De La Rue Currency of United Kingdom and M/S CRANE AB of Sweden for printing and supply of bank notes. M/S De La Rue Currency of United Kingdom will print and supply TZS 1,000 denomination banknotes at a total cost of GBP 20,992,500. With regard to M/S CRANE AB of Sweden, the company will print and supply banknotes with denominations of TZS 500, TZS 2000, TZS 5,000 and TZS 10,000 at a total cost of EUR 88,184,220. As at 30 June 2012 outstanding commitments were GBP 10.2 million and EUR 29.7 million respectively. The Bank's management is confident that net income and other funding arrangements will be sufficient to meet these commitments when they fall due for settlement.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

53. OUTSTANDING COMMITMENTS (Continued)

53.3 Capital commitments

As at 30 June 2012, the Bank's capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects aggregated to TZS 42,937.7 million. The major capital expenditure commitments items is as reflected herewith below: -

Particulars	30.06.2012	30.06.2011
	TZS (Millions)	TZS (Millions)
Office buildings	4,650.0	13,501.90
Residential buildings	2,456.2	1,486.00
Machinery and Equipment	8,334.9	9,404.80
Information, Communication and Technology (ICT)	1,025.8	2,350.10
Motor vehicles	3,002.1	5,686.50
Furniture and fittings	197.6	1,198.20
Intangible assets	4,602.1	1,867.50
Work in progress	14,425.0	-
Total	42,937.7	35,495.00

The above commitments have been included and approved for payment in accordance with the 2012/2013 Approved Budget Estimates.

53.4 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 37.7 million involving eleven retired staff with their spouses who retired since 2009/10.

54. 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:

54.1 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 loan facilities to its members of staff, the Governor and the Deputy Governors. Loans and advances (Note 27) include advances to employees that as at 30 June 2012 amounted to TZS 55,668.4 million (2011: TZS 38,965.3 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 break down of loans and emoluments granted to key management personnel.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

54. RELATED PARTY DISCLOSURES (Continued)

54.1 Loans and emoluments to key management personnel(Continued)

54.1 Loans to key management personnel

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
i. Loans to Senior Management (i.e. Governor, Deputy Governors and Directors)		
At start of the year	828,000	507,939
Loans granted during the year	494,863	1,040,559
Loans repaid during the year	<u>(892,275)</u>	<u>(720,498)</u>
Balance	<u>430,588</u>	<u>828,000</u>
ii. Emoluments to Senior Management Personnel (Directors)		
Salaries, allowances and benefits	2,438,043	2,346,496
Post employment benefits	<u>911,144</u>	<u>448,651</u>
Total	<u>3,349,187</u>	<u>2,795,147</u>

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 2012, the number of key management personnel was 27 (2011: 27).

54.2 Directors' remunerations

In 2011/12, emoluments paid to the members of the Board amounted to TZS 887.3 million (2011: TZS 890.5 million). These emoluments include salaries and benefits of Non – Executive directors. As of 30 June 2012 and 30 June 2011 there were no loans advanced to the Non-Executive Directors of the Board. Further, there were no related party transactions with Non-Executive Directors of the Board.

54.3 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 costs 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 debt and other remittances at a fee;
- (d) Financial accommodation on temporary short falls in Government positions;
- (e) Other duties including agency of the Government as provided under the Bank of Tanzania Act, 2006



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

54. RELATED PARTY DISCLOSURES (Continued)

54.3 Government of the United Republic of Tanzania (Continued)

As at the close of business on 30 June 2012, the following balances, which are included in the statement of financial position in various categories, were outstanding:

	<u>30.06.2012</u>	<u>30.06.2011</u>
	TZS '000	TZS '000
Due from Government of Tanzania (Note 25 and 26)	344 954 118	51,562
IMF funds on-lent to the Government (Note 22)	471 393 438	477,585,339
Deposits-RGZ (Note 36)	8 899 318	13,806,368
Investments in Government Securities (Note 25)	1 047 246 233	1,000,864,589
Structured Financing Facility (Note 37)	57 833 171	61,668,171
Export Credit Guarantee Fund (Note 37)	47 076 755	45,589,717
Small and Medium Enterprises Guarantee Fund (Note 37)	<u>6 773 745</u>	<u>6,201,877</u>

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.

54.4 Deposit Insurance Fund Board

The Bank has a close working relationship with the Deposit Insurance Fund Board, an entity incorporated under the Banking and Financial Institution Act, 1991 (as amended 2006) and provides it with staff and office accommodation.

The balance outstanding from the Fund and included in deposit others as at year end was TZS 11,913.1 million (2011: TZS 37.9 million).

54.5 Bank of Tanzania Training Institute – Mwanza

Bank of Tanzania Training Institute – Mwanza is operated as a branch and the results of its operations are incorporated in the financial statements of the Bank.

54.6 Loans to Associate Company – Mwananchi Gold Company Limited (MGCL)

Mwananchi Gold Company Limited ((Company) started operations on 1st January 2006 with the Bank subscribing 35 percent in equity stake. Besides the equity subscribed, the Bank granted loans amounting to USD 6,673,507.9. The loans are secured against MGCL industrial property located at Vingunguti Industrial Area. The loan attracts interest at Libor + 0.50 four basis points.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

54. RELATED PARTY DISCLOSURES (Continued)

54.6 Loans to Associate Company – Mwananchi Gold Company Limited (MGCL) (Continued)

MGCL ceased operations in 2007 due to unsatisfactory performance. Since its cessation, efforts to revamp the Company failed and the board of the Company agreed in principle to pursue a scheme of arrangement with a view of bringing the operations of the Company to an end in order to minimize further losses.

On 18th January 2012, the Board of Directors of Mwananchi Gold Co. Ltd Company, resolved to dispose its landed property to raise funds which would be used to liquidate obligations due to its creditors, including the Bank of Tanzania. On 16th July 2012 the Bank of Tanzania received a sum of USD 6,751,866.96, being the sum constituting principal and interest of the loan amount which was extended to Mwananchi Gold Co. Ltd. The Company is due to be placed under voluntary liquidation, which will see the Bank realise its equity and formally complete the withdrawal of its stake in the Company. It is expected that the liquidation will be completed before end of the financial year, 2012/2013.

55. EVENTS AFTER THE REPORTING DATE

55.1 Adjusting events

55.1.1 Receipt of USD 6,751,866.96 from Mwananchi Gold Company Limited (MGCL)

On 16 July 2012 the Bank received USD 6,751,866.96 equivalent to TZS 10,593.1 million from Mwananchi Gold Company Ltd being a sum constituting principal and interest of the loan amount the Bank had extended to the above company. The amount received was a result of MGC Ltd Boards resolution made on 13 June 2012.

55.1.2 Write off input VAT TZS 9,813.1 million

The BoT tax exemption status was erroneously rescinded in 2005/06 by the Finance Act of 2005. As a result the Tanzanian Revenue Authority (TRA) assessed input VAT to M/S Group Five International Ltd while implementing the 10 Mirambo Office extension and Gullioni Office Projects. To ensure smooth implementation of the project the Bank had to refund the company in anticipation of a refund from the Government. The Government did not grant approval despite various strenuous efforts taken by the Bank. To ensure compliance with the requirements of IAS 39- Recognition and Measurements of financial instruments this amount was fully impaired in 2010/11. In June 2012 management requested approval to write off this amount. At its sitting in August 2012 the Board of Directors approved a write off TZS 9,813.1 million.

55.2 Non adjusting events

55.2.1 Diversification of Bank's Portfolio to include Chinese Yuan and Australian Dollar

The Bank's foreign exchange reserves which amounted to USD 3.7 billion as at 30 June 2012 is denominated mainly in USD, EUR and GBP. To appropriately manage liquidity risk and enhance returns, the foreign reserves are divided into three main tranches: namely Liquidity, Investment and Stable.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

55. EVENTS AFTER THE REPORTING DATE (Continued)

55.2 Non adjusting events (Continued)

55.2.1 Diversification of Bank's Portfolio to include Chinese Yuan and Australian Dollar (Continued)

According to the existing investment guidelines, investment tranche, which accounts for about 80% of the total reserves, is held in USD, EUR and GBP in the ratio of 65%, 25% and 10% respectively.

Uncertainties and financial-market tensions have contributed to a marked deterioration in the economic outlook. Advanced economies, despite of measures/ or various bailouts by their governments, have been and are still facing challenges on performance and growth due to prevailing stress in the financial markets and the low global economic growth. Continuing Euro-zone debt crisis have led into many global investors to find ways on how they can diversify their investments and enhance returns as markets are offering zero to negative yield. Of recent, demand has been rising from investors seeking to gain from Chinese growth and Australian strong economic performance as alternative to uncertainties posed by heightened crisis in the developed markets. Fore stance, most international fixed-income investors seeking to diversify their currency holdings into the Yuan, the offshore CNH market in Hong Kong is seen as among the viable options.

On the other hand Australia is dubbed as a new safe haven. It has a very low debt and budget deficit to GDP ratios. As of 13th July 2012, its debt to GDP ratio was only 30.3%. Also, according to Bloomberg, Australia has a budget surplus of 0.42% of GDP.

Australian is rated AAA by all major global credit rating agencies. It also worth noting that, inflation in Australia is low and is getting smaller. Further, the yields are significantly higher than those of comparable USA or other major developed economies.

Based on the aforesaid facts, the Bank on 27 August 2012 diversified its portfolio to include Chinese Yuan and Australian dollar in its portfolio.

55.2.2 Barclays Bank Plc LIBOR Scandal

Barclays Bank Plc has engulfed itself in a scandal to fix London Interbank Offered Rate (LIBOR) in 2008. LIBOR is calculated by averaging a survey of banks' daily estimates of how much it would cost them to borrow from one another for different time frames and in different currencies. Specifically, each morning at 11AM, the British Bankers Association, BBA which publishes the rate asks 16 prominent banks in London the rate they could borrow funds from other banks in the interbank market. The rate is an average derived from 16 quotations provided by banks after the four highest and lowest quotations have been eliminated.

The rate is very important as it is used as a benchmark for more than \$10 trillion in lending to businesses and consumers worldwide. In the United States, it is linked to the interest rates on student loans, credit cards and even some mortgages.

In Tanzania, most of the concessional and even some non-concessional loans between government and its creditors are valued/ paid based on LIBOR as reference rate plus a margin. Further, many foreign exchange based private loans issued by commercial banks in Tanzania and abroad to resident and non-resident companies operating in Tanzania are based on LIBOR.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

55. EVENTS AFTER THE REPORTING DATE (Continued)

55.2.2 Barclays Bank Plc LIBOR Scandal (Continued)

On reserves management, LIBOR is used as a benchmark for money markets portfolios after deducting 0.125% to get a retail bidding rate. The monthly reports published by the Bank indicate that the benchmark rate for money market is LIBID 3 month average. LIBID is LIBOR minus 0.125%

Following the global financial crisis which peaked in 2008 on the collapse of Lehman Brothers, the LIBOR skyrocketed. As a result, 'some' of the participating banks started to provide a much lower rates as they could not afford to be seen that they were having liquidity problems. Further, it was in the interest of their parent companies as some of their obligations depended on LIBOR rates.

Barclays decided to cooperate with regulators who are still investigating 12 other banks and decided to pay a hefty fine of GBP 290 million. Other banks under investigations include Citigroup and HSBC Holdings Plc.

As explained above, one bank alone cannot manipulate the LIBOR as it might find itself as an outlier hence eliminated from the computations. The belief in the market is that the LIBOR manipulations were a wide spread practice. In a statement, Barclays bank indicated that other banks were posting lower submissions than Barclays while their cost of funding were believed to be higher than the Barclays'.

As the banks set LIBOR low, the Directors are of the opinion that there is no negative impact suffered by the Bank. The impact on reserves management is not that significant either. Excess returns, difference between portfolio return and benchmark returns would have been overstated during the period of manipulation.

56. COMPARATIVE FIGURES

During the current year, there were no cases necessitating adjustments or restating of the previous year figures so that they are comparable with the current financial year.



PART IV
CALENDAR OF IMPORTANT MONETARY AND ECONOMIC
POLICY EVENTS, JANUARY 1992 TO JUNE 2012



2011 Jun: As per the Bank of Tanzania Act, 2006, His Excellency, the President of the United Republic of Tanzania, Hon. Jakaya Mrisho Kikwete, appointed Dr. Natu El-Maamry Mwamba to be the Deputy Governor for a period of five years with effect from June 13, 2011. She replaced Dr. Enos Bukuku, who was appointed as Deputy Secretary General of the East African Community.

2009 Mar: The Bank on behalf of the Government hosted the IMF/Africa, International Economic Conference which discussed Africa Growth challenges and its partnership with the International Monetary Fund on 10 - 11 March 2009

2008 Jan: As per the Bank of Tanzania Act, 2006, His Excellency, the President of the United Republic of Tanzania, Hon. Jakaya Mrisho Kikwete, appointed Prof. Benno J. Ndulu to be the sixth Governor of the Bank of Tanzania, Dr. Enos S. Bukuku, Deputy Governor (In-charge of Economic and Financial Policies - **EFP**), Mr. Juma H. Reli Deputy Governor (In-charge of Administration and Internal Controls - **AIC**), and Mr. Lila H. Mkila (In-charge of Financial Stability and Deepening- **FSD**). The effective date of their appointments was 8th January 2008.

2008 January: Settlement cycle was changed from **T+2** to **T+1** in order to harmonize redemptions and settlement of Treasury Securities. “**T**” is defined as a settlement day.

2008 January: The auction frequency of Treasury bills was changed from weekly to once fortnightly whilst that of Treasury bonds was changed to once every month.

2007 October: The Bank issued a Press release in the Interbank Foreign Exchange Market indicating that the Bank was going to be on the selling side.

2007 June: As per the Bank of Tanzania Act, 2006, His Excellency, the President of the United Republic of Tanzania, Hon. Jakaya

Mrisho Kikwete, appointed three Bank of Tanzania Deputy Governors, Prof. Benno J. Ndulu, (In-charge of Economic and Financial Policies - **EFP**), Mr. Juma H. Reli (In-charge of Administration and Internal Controls - **AIC**) and Mr. Lila H. Mkila (In-charge of Financial Stability and Deepening- **FSD**). The effective date of their appointments was 26th June 2007.

2007 June: Bank of Tanzania-Zanzibar Branch officially moved in the new office building located at Gulioni on 25th June 2007.

2006 June: The Bank of Tanzania Act, 2006 and the Banking and Financial Institutions Act, 2006 were gazetted and became effective on 1st July 2006.

2006 April: The Boards of Directors of the African Development Bank and African Development Fund approved the ADF’s participation in Multilateral Debt Relief Initiative (MDRI). The impact of the approval will be cancellation of outstanding debt as at end of December 2004 that remained unpaid until the end of 2005. Though the ADF implementation of MDRI was 01 January 2006, actual delivery is expected to be done retroactively by the end of the 3rd quarter of 2006.

2006 January: The International Monetary Fund (IMF) cancelled debt worth USD 338 million being 100 percent of disbursed outstanding debt as at December 2004 that remained outstanding until December 2005.

2005 December: Introduction of the Two-way quote system in the Interbank Foreign Exchange Market (IFEM).

2005 October: Tanzania Net Settlement Services system (TNNSS) which is a system used to facilitate settlement of transactions arising from visa member banks obligations went live on 10th October 2005 linking 4 local banks with VISA International network branded cards.



2005 July: 10 percent withholding tax charged on Treasury bills and bonds with the exception of all bonds with maturities longer than two years

2005 June: The G8 Finance Ministers on June 11th 2005 announced a proposal on debt cancellation for Highly Indebted Poor Countries. The proposal envisages 100 percent cancellation of HIPC's disbursed outstanding debt as at 31st December 2004 due to IMF, World Bank and African Development Bank. The announcement entails cancellation of Tanzania debt worth USD 4.832 billion.

2005 June: Zanzibar Investment Promotion Authority (ZIPA) was established as a government focal point for the promotion and facilitation of investment in Zanzibar.

2005 May: Office of Chief Government Statistician GOZ completed the Zanzibar Household Budget Survey (HBS).

2005 March: Bank of Tanzania issued Microfinance Regulations 2005.

2005 March: Zanzibar Business Council was inaugurated. The Council is under the Chairmanship of the Zanzibar President. The council's main objective is to promote development dialogue and propose common strategies for addressing problems facing the private sector growth.

2005 February: As per the Bank of Tanzania Act, 1995, His Excellency, the President of the United Republic of Tanzania, Hon. Benjamin William Mkapa, appointed Mr. Juma H. Reli to be the Deputy Governor.

2005 January: The East African Community Customs Union that was ratified by the Partner States in December 2004 commenced its operations. Under the protocol, trade on goods originating and traded among the Partner States attracts a zero tariff. A three-band Common External Tariff (CET) structure of 0 percent, 10 percent, and 25 percent is applied to goods

imported into EAC. A selected list of sensitive items attracts rates above 25 percent as an additional protection measure for similar locally produced products.

2004 December: Effective end of December 2005, the government developed and introduced a computerized risk-management system aimed at expanding customs clearance primarily through reducing significantly the number of shipments that are physically inspected.

2004 December: The East African Legislative Assembly enacted the East African Community Customs Management Act, 2004.

2004 November: The National Assembly passed the National Economic Empowerment act, 2004. Under the act, the government has resolved to take measures designed to promote and facilitate economic initiatives aimed at empowering Tanzanians.

2004 October: The Electronic Fund Transfer (EFT) system, which is used to transfer low value high volume interbank payments, went live in 2004.

2004 July: 15 percent withholding tax was reinstated on Treasury bills and bonds with the exception of bonds with maturities longer than two years.

2004 April: The Bank introduced the Tanzania Inter-bank Settlement System (TISS) in April 2004, which is an online, real time gross settlement system.

2004 March: The Protocol on the Establishment of the East African Community Customs Union was signed.

2004 March: Commencement of the National account Household Budget Survey (HBS) by Office of the Chief Government Statistician (OCGS).



2004 March: The second and final closing of the Debt Buyback Scheme took place on March 31st 2004 under which debts worth USD 43.8 million, made up of both principal and interest was retired at a price of 12 cents on a dollar of principal amount tendered.

2004 March: Financial Markets Leaders Forum was established in order to promote dialogue and networking among stakeholders in the financial markets. Structured and informal knowledge sharing facilitated by the Forum has enhanced comprehension of the market intricacies among market participants.

2003 December: The Bank introduced Intraday and Lombard standby credit facilities to provide overnight-collateralized advances to commercial banks

2003 June: The President of the Union Government of Tanzania as empowered in section 134 of the Constitution of the Union Republic of Tanzania of 1977 (as amended) established the Joint Finance Commission (JFC) and Joint Finance Bill No 14 of 1996.

2003 May: The Chief Government Statistician reviewed the basis of National Account Database.

- Changed National Account base year from 1991 to 2001
- Adopted the national account statistics to internationally accepted standards

2003 May: Effective 21st May 2003, the Tanzanian Government opened up the Dar es Salaam Stock Exchange to foreign investors. Several regulations were published in 2003 to guide foreign investor's dealings in the Stock Exchange and establish regulatory safeguards for orderly stable market activities.

2003 March: Effective 3rd March, the Delphis Bank was ordered to stop operations by the Bank of Tanzania and was put under statutory supervision of the Bank of Tanzania.

2003 February: The Bank of Tanzania Act (1995) was amended by the Financial Laws (Miscellaneous Amendments) Act, 2003 to give the Bank general powers on the national payment, clearing and settlement system matters comprising oversight and regulation of the National Payment System.

2002 October: The Ministry of Finance converted additional non-marketable stocks into marketable securities worth TZS 80.0 billion.

2002 August: The Bank of Tanzania on behalf of the Government launched a 10-year Treasury bond with a fixed coupon rate of 7.75 percent.

2002 July: The Bank of Tanzania established an Export Credit Guarantee Scheme (ECGS) to hasten the provision of credit to the export sector, notably non-traditional exports in order to augment efforts towards increased export earnings.

2002 July: The Ministry of Finance issued additional unsecuritized domestic debts worth TZS 20.0 billion to be converted into marketable securities.

2002 July: The Bank of Tanzania on behalf of the Government launched a 7-year Treasury bond with a fixed coupon rate of 7.75 percent.

2002 May: The Bank of Tanzania in collaboration with the Ministry of Finance, converted unsecuritized domestic debts worth TZS 20.0 billion into marketable securities.

2002 May: The Bank of Tanzania re-introduced the 35-day Treasury bill as an instrument of monetary policy.

2002 May: Effective 29th May, the Bank of Tanzania reinstated the 35-days Treasury bill to cater for monetary policy implementation in the country.

2002 April: The Bank of Tanzania changed the 2-year Treasury bond auctions from uniform prices to multiple prices.



2002 March: Effective 1st March, the Bank of Tanzania established a Bank of Tanzania Electronic Clearing House (BOTECH) system at the Dar es Salaam Clearing House, targeted at enhancing the check processing speed, minimizing errors and acts of fraud in the inter-bank transactions. Also, the Magnetic Ink Character Recognition (MICR) equipment for processing paper instruments and generation of electronic files was commissioned to be used by the Electronic Clearing House and the Central Banking System (CBC) at three sites of Dar es Salaam, Mwanza and Arusha.

2002 February: The Bank of Tanzania on behalf of the Government launched a 5-year Treasury bond with a fixed coupon rate of 7.5 percent under the tranching/reopening mechanism. The bond is listed at the Dar es Salaam Stock Exchange. The aim was to extend the maturity profile of government debt, lengthen the yield curve, and increase the number of tradable instruments in the market.

2002 January: The Paris Club Creditors met on January 17, 2002 and agreed to offer debt relief under Cologne Stock Terms by cancelling 90 percent stock of their debts amounting to USD 737 million in net present value terms or USD 1.0 billion in nominal terms. This was part of HIPC Initiative.

2001 November: Tanzania fulfilled all the conditions and managed to reach HIPC Floating Completion Point in November 2001 that was 15 months ahead of originally scheduled time of 36 months.

2001 June: The first closing of the Tanzania debt buyback operation took place on 6th June with debt worth about USD 155.7 million (principal and interest) being retired, utilizing about USD 7.2 million from the grant. The first closing of the operation represents an important step towards the implementation of the Government's debt reduction strategy.

2001 May: The Management of Risk Assets Regulations, 2001 came into effect on 1st May 2001 and repealed "The Guidelines on Management of Risk Assets, Classification of Loans and Other Risk Assets, Provisioning for Losses and Accrual of Interest" issued on 18th October 1991.

2001 May: The Credit Concentration and Other Exposure Limits Regulations, 2001 came into effect on 1st May 2001 and repealed "The Guidelines on Concentration of Credit and Other Exposure Limits" issue on 22nd December 1992.

2001 May: The Capital Adequacy Regulations, 2001 became effective on 1st May 2001 and repealed "Guidelines for Measuring Capital Adequacy" issued on 1st October 1993 and the Addendum to Circular No. 3 on Capital Adequacy issued on 27th March 1996.

2001 February: The Government launched a national micro-finance policy on 2nd February that lays out the principles of upgrading services through efficient and effective micro-finance systems.

2001 January: Effective 1st January the petroleum sector was fully and effectively liberalized and the Government stopped extending subsidies to Tanzania Petroleum Development Corporation (TPDC).

2001 January: On 15th January, the Heads of State of Tanzania, Kenya and Uganda, formally inaugurated the East African Community (EAC) at the Sheikh Amri Abeid Stadium Arusha.

2000 October: Effective October 1st Tanzania pulled out of Common Market for East and Southern Africa (COMESA).

2000 September: The Publication by commercial banks of Financial Statements Regulations, 2000 was officially made operational on 1st September 2000.



2000 September: The Liquid Assets Ratio Regulations, 2000 became effective on 1st September 2000.

2000 September: Effective on 1st September 2000, the Independent Auditors Regulations, 2000 became operational.

2000 September: Circular No. 8: The Money Laundering Control aimed at guiding banks and financial institutions on uncovering, reporting and controlling money laundering became effective on 1st September, 2000.

2000 May: The Bank of Tanzania took over the management of 1st Adili Bancorp on 15th of May due to its poor performance and shareholders inability to inject more capital in the bank to cover for the heavy losses sustained in its operations.

2000 April: Agreed minute was signed on 14th April in relation to Tanzania's qualification for Paris Club VI rescheduling arrangement. Under this arrangement Tanzania will be treated under Cologne terms, which provide cancellation of 90 percent of the debt service due up to the Completion Point of the enhanced HIPC Initiative.

2000 March: Tanzania at end March reached a Decision Point and qualified for consideration of additional debt relief under HIPC Program, after the IMF approved Tanzania's three year Poverty Reduction and Growth Facility (PRGF).

2000 January: Effective January 15, 2000 the Minimum Reserve Requirement was set at 10 percent of total deposit liabilities (including foreign currency deposits) plus 50 percent of vault cash excluding deposit in the clearing account.

1999 July: The Bank of Tanzania introduced a computerized book entry system and a central depository system for Treasury bills. The system entails record keeping, transfer and updating ownership of the Treasury bills without having

to issue physical certificates, thus improving efficiency. The system also facilitates divisibility of securities into smaller lots, which promotes secondary market trading.

1998 July: Establishment of the Primary Dealership system

1998 April: Trading activities at the Dar-es-Salaam Stock Exchange commenced after two years of preparatory work under the stewardship of the Government through the Capital Markets and Securities Authority. The opening of the Trading Floor coincided with the listing of TOL Limited (formerly Tanzania Oxygen Limited), as the first company on the new Exchange.

1997 July: Repurchase agreements were introduced to complement Treasury bills and bonds in the open market operations.

1997 March: The first Treasury bond auction was held. 2-year Treasury bond was the only maturity offered.

1996 September: The Dar es Salaam Stock Exchange was incorporated as a private company limited by guarantee and not having a share capital under the Companies Ordinance.

July 1996: The 10.0 percent withholding tax on income from Treasury bills and deposits was abolished.

1995: The Capital Markets and Securities Authority (CMSA) was established to promote and regulate securities business in Tanzania.

1995 November: Commercial bank and financial institutions were required to determine and report on foreign exchange purchases, sales, the maximum net open position, and average balances and send reports weekly to the Bank of Tanzania.

1994 December: The 364-day Treasury bill was introduced.



1994 December: Issuance of the 35-day Treasury bill was discontinued.

1994 July: A fully-fledged Bank of Financial Markets was established in the Bank in order to develop and supervise the functioning of the markets.

1994 June: The Interbank Foreign Exchange Market was introduced, replacing the weekly foreign exchange auction system. The IFEM, which is a wholesale market, facilitated determination of the exchange rate.

1994 February: 182-day Treasury bill was introduced.

1994 January: The Capital Market and Securities Act was enacted.

1993 September: 35-day Treasury bill was introduced.

1993 August: Treasury Bills Auctions were introduced as a tool for financing short term

government deficit, as an instrument of liquidity management, and as a reference point for the determination of market interest rates. The Auctions began with the 91-day Treasury bill

1993 July: BOT began auctioning of foreign exchange as a tool for liquidity management as well as for determination of a market-based exchange rate.

1993 July: Foreign exchange auctions were introduced.

1993 June: Certificates of Deposit as an instrument of monetary policy were introduced for the first time.

1993 April: Inception of the Bureaux de Change markets as an effort to liberalize foreign exchange regime.

1992 March: The Foreign Exchange Act 1992 was enacted. The Act liberalized the external trade and created an enabling environment for determination of market exchange rates.



**PART V
STATISTICAL TABLES**



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Table A1.1: Gross Domestic Product (GDP), by Kind of Economic Activity at Current Prices, Tanzania Mainland, 2002-2011

Millions of TZS

Economic Activity	2002	2003	2004	2005	2006	2007 ^t	2008 ^t	2009 ^t	2010 ^t	2011 ^p
Monetary										
Gross domestic product at market prices	8,795,422	10,214,161	11,680,834	13,431,438	15,152,834	17,761,462	20,834,475	24,325,365	27,474,463	31,977,682
Agriculture, Hunting and Forestry	1,824,450	2,104,035	2,404,037	2,589,263	2,737,686	3,154,263	3,696,524	4,439,294	4,486,903	5,080,110
Crops	1,324,078	1,523,553	1,743,041	1,831,665	1,901,931	2,250,434	2,638,184	2,904,765	3,259,561	3,665,408
Livestock	336,310	399,611	447,491	529,630	580,430	631,254	744,879	982,709	991,996	1,124,428
Forestry and hunting	164,062	180,871	213,505	227,968	255,325	272,575	313,461	551,820	235,345	290,274
Fishing	168,598	182,929	201,771	219,930	235,045	269,831	288,719	389,105	436,863	514,823
Industry and construction	1,957,554	2,437,259	2,776,974	3,149,293	3,515,928	4,173,741	4,895,331	5,847,691	6,864,302	8,110,505
Mining and quarrying	220,000	288,200	357,368	457,431	576,363	742,932	839,513	941,094	1,072,847	1,255,231
Manufacturing	866,228	1,002,827	1,129,558	1,269,145	1,395,282	1,625,504	1,935,975	2,434,754	2,899,094	3,482,066
Electricity, gas	209,640	227,081	244,977	271,925	276,915	335,898	421,216	479,768	571,130	684,847
Water supply	32,421	37,597	42,697	47,696	54,872	57,816	63,482	70,934	79,584	86,818
Construction	629,265	881,554	1,002,374	1,103,096	1,212,496	1,411,592	1,635,146	1,921,141	2,241,647	2,601,543
Services	4,230,646	4,763,613	5,419,639	6,247,148	7,170,793	8,413,349	9,884,310	11,275,394	13,048,643	15,232,591
Trade and repairs	1,298,349	1,454,527	1,593,717	1,752,826	2,044,421	2,416,506	2,875,642	3,341,496	3,909,550	4,597,631
Hotels and restaurants	269,120	286,883	319,365	394,417	459,584	559,722	649,278	635,414	754,037	856,639
Transport	526,710	577,977	637,720	706,291	769,830	886,844	1,037,608	1,409,636	1,646,704	1,996,102
Communications	130,496	161,623	206,877	277,216	374,241	487,132	611,350	596,230	691,627	811,265
Financial intermediation	179,715	204,766	229,370	265,261	299,734	345,000	403,727	477,492	567,822	666,216
Real estate and business services	621,333	723,952	819,300	980,660	1,120,466	1,318,834	1,416,251	1,508,091	1,709,313	1,939,919
Public administration	754,654	866,917	1,076,215	1,278,881	1,440,913	1,652,556	2,026,815	2,282,763	2,579,522	2,985,562
Education	211,372	223,409	236,813	251,022	268,594	289,617	333,060	392,507	455,308	519,820
Health	151,993	174,789	200,933	233,032	275,726	327,658	383,360	454,990	532,339	627,520
Other social & personal services	86,904	88,770	99,329	107,542	117,284	129,484	147,221	176,775	202,422	232,119
Gross value added before adjustments	8,181,248	9,487,836	10,802,421	12,205,634	13,659,452	16,011,184	18,764,884	21,951,483	24,836,710	28,938,029
<i>less F/S/M</i>	-90,400	-105,382	-120,588	-141,723	-169,661	-208,281	-260,029	-328,478	-358,049	-432,285
Gross value added at current basic prices	8,090,848	9,382,454	10,681,833	12,063,911	13,489,791	15,802,903	18,504,855	21,623,005	24,478,661	28,505,743
<i>Add Taxes on products</i>	704,574	831,707	999,001	1,367,527	1,663,043	1,958,559	2,329,620	2,702,359	2,995,802	3,471,939
N on-monetary										
Gross domestic product at market prices	1,649,085	1,892,899	2,290,757	2,533,855	2,788,434	3,186,941	3,947,204	3,887,282	4,819,016	5,555,280
Agriculture, Hunting and Forestry	1,163,933	1,375,611	1,712,407	1,821,215	1,970,870	2,258,995	2,677,952	2,505,920	3,295,235	3,807,163
Crops	912,131	1,118,034	1,379,855	1,440,478	1,550,759	1,732,893	2,062,143	2,282,315	2,498,098	2,879,964
Livestock	166,490	163,524	221,530	262,193	287,342	359,742	424,496	152,818	247,999	281,107
Forestry & hunting	85,312	94,053	111,022	118,544	132,769	166,360	191,313	70,786	549,139	646,093
Fishing	4,391	4,764	5,254	5,727	6,409	7,358	7,873	10,610	22,810	27,096
Industry and construction	94,005	101,224	122,289	167,464	208,050	257,315	299,103	346,074	361,428	427,741
Water supply	16,245	16,327	18,777	20,909	20,937	27,166	29,828	33,330	34,107	39,005
Construction	77,760	84,897	103,512	146,555	187,113	230,149	269,274	312,744	327,321	388,736
Services	386,756	411,300	450,807	539,449	603,105	663,273	962,277	1,024,678	1,139,542	1,293,279
Real estate & business services	386,756	411,300	450,807	539,449	603,105	663,273	962,277	1,024,678	1,139,542	1,293,279
Total Gross Domestic Product at market prices	10,444,507	12,107,060	13,971,591	15,965,293	17,941,268	20,948,403	24,781,679	28,212,646	32,293,479	37,532,962
Population	33.6	34.2	35.3	36.20	37.5	38.3	39.5	40.7	41.9	43.2
D:Per Capita nominal GDP (TZS)	310,991	353,495	396,154	441,063	478,100	547,081	627,787	693,470	770,464	869,436

Note: P = Provisional

The National Bureau of Statistics revised the Set of National Account Estimates from September 2007 by rebasing them to 2001 constant prices

Source: National Bureau of Statistics, Per Capita GDP-BoT computation


Table A1.2: Gross Domestic Product (GDP), by Kind of Economic Activity, Percentage Share at Current Prices, Tanzania Mainland, 2002- 2011

Economic Activity	2002	2003	2004	2005	2006	2007 ^t	2008 ^t	2009 ^t	2010 ^t	2011 ^p
A: Monetary										
Gross domestic product at market prices	84.2	84.4	83.6	84.1	84.5	84.8	84.1	86.2	85.1	85.2
Agriculture, Hunting and Forestry	17.5	17.4	17.2	16.2	15.3	15.1	14.9	15.7	13.9	13.5
Crops	12.7	12.6	12.5	11.5	10.6	10.7	10.6	10.3	10.1	9.8
Livestock	3.2	3.3	3.2	3.3	3.2	3.0	3.0	3.5	3.1	3.0
Forestry and hunting	1.6	1.5	1.5	1.4	1.4	1.3	1.3	2.0	0.7	0.8
Fishing	1.6	1.5	1.4	1.4	1.3	1.3	1.2	1.4	1.4	1.4
Industry and construction	18.7	20.1	19.9	19.7	19.6	19.9	19.8	20.7	21.3	21.6
Mining and quarrying	2.1	2.4	2.6	2.9	3.2	3.5	3.4	3.3	3.3	3.3
Manufacturing	8.3	8.3	8.1	7.9	7.8	7.8	7.8	8.6	9.0	9.3
Electricity, gas	2.0	1.9	1.8	1.7	1.5	1.6	1.7	1.7	1.8	1.8
Water supply	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Construction	6.0	7.3	7.2	6.9	6.8	6.7	6.6	6.8	6.9	6.9
Services	40.5	39.3	38.8	39.1	40.0	40.2	39.9	40.0	40.4	40.6
Trade and repairs	12.4	12.0	11.4	11.0	11.4	11.5	11.6	11.8	12.1	12.2
Hotels and restaurants	2.6	2.4	2.3	2.5	2.6	2.7	2.6	2.3	2.3	2.3
Transport	5.0	4.8	4.6	4.4	4.3	4.2	4.2	5.0	5.1	5.3
Communications	1.2	1.3	1.5	1.7	2.1	2.3	2.1	2.1	2.1	2.2
Financial intermediation	1.7	1.7	1.6	1.7	1.7	1.6	1.6	1.7	1.8	1.8
Real estate and business services	5.9	6.0	5.9	6.1	6.2	6.3	5.7	5.3	5.3	5.2
Public administration	7.2	7.2	7.7	8.0	8.0	7.9	8.2	8.1	8.0	8.0
Education	2.0	1.8	1.7	1.6	1.5	1.4	1.3	1.4	1.4	1.4
Health	1.5	1.4	1.4	1.5	1.5	1.6	1.5	1.6	1.6	1.7
Other social & personal services	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
Gross value added before adjustments	78.3	78.4	77.3	76.5	76.1	76.4	75.7	77.8	76.9	77.1
less FISIM	-0.9	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.2	-1.1	-1.2
Gross value added at current basic prices	77.5	77.5	76.5	75.6	75.2	75.4	74.7	76.6	75.8	75.9
<i>Add Taxes on products</i>	6.7	6.9	7.2	8.6	9.3	9.3	9.4	9.6	9.3	9.3
B: Non-Monetary										
Gross domestic product at market prices	15.8	15.6	16.4	15.9	15.5	15.2	15.9	13.8	14.9	14.8
Agriculture, Hunting and Forestry	11.1	11.4	12.3	11.4	11.0	10.8	10.8	8.9	10.2	10.1
Crops	8.7	9.2	9.9	9.0	8.6	8.3	8.3	8.1	7.7	7.7
Livestock	1.6	1.4	1.6	1.6	1.6	1.7	1.7	0.5	0.8	0.7
Forestry & hunting	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.3	1.7	1.7
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Industry and construction	0.9	0.8	0.9	1.0	1.2	1.2	1.2	1.2	1.1	1.1
Water supply	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Construction	0.7	0.7	0.7	0.9	1.0	1.1	1.1	1.1	1.0	1.0
Services	3.7	3.4	3.2	3.4	3.4	3.2	3.9	3.6	3.5	3.4
Real estate & business services	3.7	3.4	3.2	3.4	3.4	3.2	3.9	3.6	3.5	3.4
C: Total Gross Domestic Product at market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: P = Provisional

Source: National Bureau of Statistics



Table A1.3: Gross Domestic Product (GDP) by Kind of Economic Activity, at Constant 2001 Prices, Tanzania Mainland, 2002-2011

Economic Activity	Millions of TZS										
	2002	2003	2004	2005	2006	2007	2008	2009 ^f	2010 ^f	2011 ^p	
A: Monetary											
GDP at market prices	8,223,867	8,833,128	9,525,201	10,300,744	11,021,170	11,852,682	12,767,259	13,536,636	14,566,980	15,501,904	
Agriculture and Fishing	1,858,279	1,913,425	1,993,064	2,114,515	2,187,610	2,277,890	2,379,345	2,430,546	2,559,774	2,604,826	
Crops	1,225,544	1,255,304	1,312,030	1,399,662	1,446,975	1,510,406	1,587,437	1,617,938	1,723,526	1,748,958	
Livestock	316,043	323,067	334,237	351,232	359,519	371,398	379,387	388,264	400,373	409,779	
Forestry and hunting	156,806	161,575	165,963	171,937	179,847	185,827	191,750	198,686	206,832	214,071	
Fishing	159,886	169,479	180,834	191,684	201,269	210,259	220,772	225,658	229,043	232,018	
Industry and construction	1,699,749	1,893,028	2,106,686	2,326,418	2,522,828	2,760,870	2,996,417	3,208,502	3,470,768	3,706,858	
Mining and quarrying	187,000	219,000	254,000	295,000	341,000	377,559	386,998	391,642	402,331	411,182	
Manufacturing	819,200	893,000	977,000	1,071,000	1,162,000	1,263,435	1,388,515	1,499,596	1,618,064	1,744,273	
Electricity, gas	209,000	223,953	240,708	263,218	258,347	286,507	301,978	327,344	360,733	366,144	
Water supply	30,569	32,062	33,903	35,417	37,950	40,841	43,536	45,418	48,969	50,927	
Construction	453,980	525,013	601,075	661,783	723,531	792,529	875,190	944,502	1,040,671	1,134,332	
Services	4,096,913	4,422,457	4,775,960	5,166,826	5,580,151	6,044,462	6,567,737	7,030,934	7,616,302	8,220,068	
Trade and repairs	1,281,544	1,405,698	1,486,931	1,585,906	1,736,631	1,906,821	2,097,503	2,254,816	2,439,711	2,637,328	
Hotels and restaurants	267,162	275,836	285,732	301,873	314,921	328,859	343,658	358,779	380,664	398,175	
Transport	516,000	541,901	588,574	627,951	661,000	703,965	752,539	797,691	853,529	910,715	
Communications	124,549	144,039	169,158	200,900	239,537	287,684	346,659	422,577	515,967	614,001	
Financial intermediation	154,108	170,643	184,775	204,694	228,000	251,280	281,120	306,339	337,356	373,453	
Real estate and business services	639,474	684,602	734,880	796,832	860,219	925,021	990,697	1,046,921	1,125,486	1,194,828	
Public administration	699,561	766,760	871,169	970,786	1,033,488	1,102,951	1,180,158	1,232,313	1,312,414	1,401,658	
Education	202,000	207,606	215,910	224,547	235,774	248,742	265,907	284,700	305,402	328,002	
Health	129,229	140,437	151,370	163,572	177,520	193,142	210,525	224,654	240,058	253,021	
Other social and personal services	83,286	84,935	87,461	89,765	93,061	95,998	98,974	102,141	105,716	108,887	
Gross value added excluding adjustments	7,654,941	8,228,910	8,875,710	9,607,759	10,290,589	11,083,223	11,943,299	12,669,982	13,646,844	14,531,752	
<i>less FISM</i>	-87,000	-97,154	-106,931	-119,497	-137,287	-158,292	-175,704	-190,990	-208,370	-231,708	
Gross value added at basic prices	7,567,941	8,131,756	8,768,779	9,488,262	10,153,302	10,924,931	11,767,595	12,478,992	13,438,474	14,300,044	
<i>Taxes on products</i>	655,926	701,372	756,422	812,482	867,868	927,751	999,664	1,057,645	1,128,507	1,201,860	
B: Non-monetary											
GDP at market prices	1,528,311	1,590,607	1,714,533	1,767,345	1,859,993	1,949,239	2,061,086	2,184,664	2,261,583	2,411,899	
Agriculture, forestry, hunting & fishing	1,072,250	1,111,424	1,210,467	1,230,544	1,287,138	1,337,492	1,401,663	1,471,737	1,500,780	1,594,807	
Crops	830,090	863,057	950,694	962,268	1,010,398	1,057,549	1,111,484	1,172,746	1,189,948	1,266,487	
Livestock	156,457	159,934	168,763	173,877	177,979	179,000	185,322	189,658	197,199	211,098	
Forestry and hunting	81,539	84,019	86,301	89,407	93,520	95,468	99,109	102,353	106,550	110,279	
Fishing	4,164	4,414	4,709	4,992	5,241	5,475	5,749	6,979	7,084	6,942	
Industry and construction	92,275	95,053	97,933	106,843	117,074	128,648	142,024	149,201	162,896	176,508	
Water supply	14,515	15,066	15,654	16,283	16,955	17,633	18,797	20,405	20,987	21,826	
Construction	77,760	79,987	82,279	90,560	100,119	111,015	123,227	128,796	141,910	154,682	
Services	363,786	384,130	406,133	429,958	455,781	483,099	517,399	563,726	597,907	640,585	
Real estate and business services	363,786	384,130	406,133	429,958	455,781	483,099	517,399	563,726	597,907	640,585	
C: Total Gross Domestic Product at market prices	9,752,178	10,423,735	11,239,734	12,068,089	12,881,163	13,801,921	14,828,345	15,721,301	16,828,563	17,913,803	
Population	33.6	34.2	35.3	36.20	37.5	38.3	39.5	40.7	41.9	43.2	
D: Per Capita real GDP (TZS)	290,376	304,347	318,694	333,397	343,258	360,446	375,642	386,431	401,499	414,966	

Notes: P = Provisional

The National Bureau of Statistics revised the Set of National Account Estimates from September 2007 by rebasing them to 2001 constant prices

Source: National Bureau of Statistics, Per Capita GDP-BoT computation


Table A1.4: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Share at Constant 2001 Prices, Tanzania Mainland, 2002 - 2011

Economic Activity	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^P
A: Monetary										
GDP at market prices	84.3	84.7	84.7	85.4	85.6	85.9	86.1	86.1	86.6	86.5
Agriculture and Fishing	19.1	18.4	17.7	17.5	17.0	16.5	16.0	15.5	15.2	14.5
Crops	12.6	12.1	11.7	11.6	11.2	10.9	10.7	10.3	10.2	9.8
Livestock	3.2	3.1	3.0	2.9	2.8	2.7	2.6	2.5	2.4	2.3
Forestry and hunting	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.3	1.2	1.2
Fishing	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4	1.4	1.3
Industry and construction	17.4	18.2	18.7	19.3	19.6	20.0	20.2	20.4	20.6	20.7
Mining and quarrying	1.9	2.1	2.3	2.4	2.6	2.7	2.6	2.5	2.4	2.4
Manufacturing	8.4	8.6	8.7	8.9	9.0	9.2	9.4	9.5	9.6	10.4
Electricity, gas	2.1	2.1	2.1	2.2	2.0	2.1	2.2	2.1	2.1	2.2
Water supply	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Construction	4.7	5.0	5.3	5.5	5.6	5.7	5.9	6.0	6.2	6.7
Services	42.0	42.4	42.5	42.8	43.3	43.8	44.3	44.7	45.3	45.9
Trade and repairs	13.1	13.5	13.2	13.1	13.5	13.8	14.1	14.3	14.5	14.7
Hotels and restaurants	2.7	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.2
Transport	5.3	5.2	5.2	5.2	5.1	5.1	5.1	5.1	5.1	5.1
Communications	1.3	1.4	1.5	1.7	1.9	2.1	2.3	2.7	3.1	3.4
Financial intermediation	1.6	1.6	1.6	1.7	1.8	1.9	1.9	1.9	2.0	2.1
Real estate and business services	6.6	6.6	6.5	6.6	6.7	6.7	6.7	6.7	6.7	6.7
Public administration	7.2	7.4	7.8	8.0	8.0	8.0	8.0	7.8	7.8	7.8
Education	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8
Health	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Other social and personal services	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6
Gross value added excluding adjustments	78.5	78.9	79.0	79.6	79.9	80.3	80.5	80.6	81.1	81.1
less <i>FISIM</i>	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.2	-1.3
Gross value added at basic prices	77.6	78.0	78.0	78.6	78.8	79.2	79.4	79.4	79.9	79.8
<i>Taxes on products</i>	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
B: Non-Monetary										
GDP at market prices	15.7	15.3	15.3	14.6	14.4	14.1	13.9	13.9	13.4	13.5
Agriculture, forestry, hunting & fishing	11.0	10.7	10.8	10.2	10.0	9.7	9.5	9.4	8.9	8.9
Crops	8.5	8.3	8.5	8.0	7.8	7.7	7.5	7.5	7.1	7.1
Livestock	1.6	1.5	1.5	1.4	1.4	1.3	1.2	1.2	1.2	1.2
Forestry and hunting	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.6
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Industry and construction	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	1.0	1.0
Water supply	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Construction	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.9
Services	3.7	3.7	3.6	3.6	3.5	3.5	3.5	3.6	3.6	3.6
Real estate and business services	3.7	3.7	3.6	3.6	3.5	3.5	3.5	3.6	3.6	3.6
C: Gross Domestic Product at market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Notes: P = Provisional

The 1998 - 2006 series have been revised

Source: National Bureau of Statistics

Table A1.6 : Production of Major Agricultural Crops, Tanzania Mainland, 2002/03- 2011/12

'000 Tonnes

Type of Crop	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11 ^r	2011/12 ^p
Food Crops:										
Maize	2,322.0	3,157.0	3,219.0	3,373.0	3,302.1	3,593.7	3,555.8	4,733.1	4,122.6	5,240.0
Rice	713.0	688.0	759.0	784.0	872.2	896.7	875.1	1,722.6	1,439.1	1,128.3
Wheat	74.0	67.0	102.0	110.0	82.8	86.4	92.4	62.4	112.7	102.8
Pulses	850.0	879.0	886.0	1,018.0	1,156.0	1,111.2	1,125.5	1,298.9	1,684.1	1,824.2
Cash Crops:										
Coffee	52.4	32.5	54.0	34.3	54.8	43.1	68.5	34.6	56.8	33.5
Cotton	63.4	46.9	114.6	125.6	43.8	67.3	123.6	89.5	54.8	75.7
Tea	27.6	30.1	30.7	30.3	31.3	32.7	31.6	32.1	35.0	35.8
Cashewnuts	95.0	79.0	72.0	77.4	92.6	99.1	79.1	75.4	121.1	158.4
Tobacco	28.0	34.0	47.0	52.0	50.7	50.8	55.4	60.7	94.2	126.6
Sisal	23.6	23.8	27.0	27.8	30.9	34.1	23.8	24.0	35.0	34.6
Pyrethrum	1.1	0.8	1.0	2.8	2.0	2.3	3.3	3.3	5.0	na

Note: P = Provisional

r = Revised

Source: Ministry of Agriculture, Food Security and Cooperatives & Crop Boards





Table A1.7: Agricultural Production Indices, Tanzania Mainland, 2002/03- 2011/12

1980/81=100

Crops	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11 ¹	2011/12 ²
Food Crops:										
Maize	126.2	171.6	175.0	183.4	179.5	195.3	193.3	257.3	224.1	284.8
Paddy	204.0	196.9	217.2	224.3	249.6	256.6	250.4	492.9	411.7	322.8
Wheat	81.8	74.0	112.7	121.5	91.5	95.4	102.1	68.9	124.5	113.6
Pulses	313.0	323.6	326.2	374.8	425.6	409.1	414.4	478.2	620.1	671.6
Cash Crops:										
Coffee	95.5	59.2	98.4	62.5	99.9	78.5	124.8	62.9	103.4	60.9
Cotton	111.7	82.8	202.2	221.5	77.2	118.6	218.0	157.8	96.7	133.6
Tea	156.6	171.1	174.4	172.4	178.1	185.8	179.6	182.2	198.9	203.7
Cashewnuts	171.1	146.3	133.3	143.4	171.4	183.5	146.4	137.3	224.3	293.4
Tobacco	189.2	229.7	317.6	351.4	342.3	343.1	374.0	408.0	636.8	855.6
Sisal	29.1	29.1	32.7	33.7	37.5	41.3	28.8	38.9	42.4	41.9
Pyrethrum	40.4	31.2	37.0	103.7	75.8	85.2	121.5	123.0	185.2	n.a

Source : Ministry of Agriculture and BOT computation

Table A1.8: Production in Selected Industries, Tanzania Mainland, 2002 - 2011

Commodity	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^P
Biscuits & pasta	tons	2,284.0	5,906.0	10,214.0	10,912.0	10,565.0	11,273.0	15,435.0	6,930.0	6,912.0	12,240.0
Wheat flour	tons	219,118.0	334,601.0	338,076.0	368,019.0	421,973.0	412,823.0	287,925.0	367,846.0	463,552.0	439,201.0
Sugar, refined	000' M/Tons	189.6	212.9	202.3	268.8	173.4	285.6	310.1	287.7	259.9	249.0
Konyagi	000' Lts	2,937.0	3,738.0	4,105.0	4,489.0	5,365.0	7,614.0	4,049.0	10,201.0	11,236.0	17,177.0
Beer	000' Lts	175,870.0	194,100.0	202,628.0	216,604.0	299,036.0	310,194.0	291,178.0	288,901.0	248,502.0	331,011.0
Chibuku	000' Lts	19,400.0	14,825.0	10,119.0	11,106.0	11,559.0	10,320.0	10,255.0	16,141.0	21,040.0	23,474.0
Cigarattes	Mill Pcs	3,778.0	3,920.0	4,219.0	4,445.0	5,095.0	5,821.0	6,101.0	5,741.0	6,181.0	6,630.0
Textiles	000'Sq. Mt.	106,305.0	126,900.0	127,051.0	110,520.0	130,716.0	127,231.0	155,088.0	101,803.0	102,938.0	108,398.0
Sisal ropes and twines	tons	5,901.0	6,839.0	5,161.0	5,943.0	5,854.0	7,295.0	7,783.0	7,913.0	6,872.0	6,976.0
Fishnet & products	tons	30.0	41.0	260.0	274.0	119.0	156.0	0.0	64.0	247.0	164.0
Plywood	Cubic Mt.	304.0	562.0	578.0	918.0	1,032.0	1,080.0	925.0	254.0	988.0	1,007.0
Pyrethrum extract	tons	36.0	16.0	23.0	164.0	33.0	30.0	423.0	143.0	64.0	70.0
Paints	000'Ltrs	13,564.0	16,842.0	16,621.0	16,222.0	18,384.0	22,849.0	24,857.0	25,761.0	28,201.0	47,589.0
Cement	000' tons	1,026.0	1,186.3	1,280.9	1,366.0	1,369.9	1,629.9	1,755.9	1,940.8	2,312.1	2,408.8
Rolled steel	tons	25,418.0	38,794.0	40,029.0	47,652.0	50,654.0	46,016.0	75,274.0	122,318.0	126,054.0	119,236.0
Iron Sheets	tons	35,067.0	31,018.0	29,573.0	25,088.0	30,293.0	36,369.0	31,751.0	47,153.0	58,956.0	76,912.0
Aluminium sheets/circles	tons	141.0	199.0	171.0	103.0	105.0	110.0	85.0	58.0	58.0	33.0
Dry cells	000 Pcs	42,000.0	43,000.0	74,000.0	81,000.0	82,000.0	84,000.0	53,000.0	78,000.0	93,000.0	86,000.0
Battery, auto	Pieces	17,000.0	27,000.0	29,000.0	42,000.0	50,000.0	12,000.0	0.0	0.0	0.0	0.0

Note: P = Provisional
r = Revised

Source: National Bureau of Statistics





1985=100

Table A1.9: Industrial Production Indices, Tanzania Mainland, 2002- 2011

Commodity	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^P
Biscuits & pasta	230.9	597.2	1,032.8	1,103.3	1,068.3	1,139.8	1,560.7	700.7	698.9	1,237.6
Wheat flour	563.1	859.9	868.9	945.8	1,084.5	1,061.0	740.0	945.4	1,191.3	1,128.8
Sugar, refined	169.6	190.1	180.6	240.0	154.8	255.0	276.8	256.9	232.0	222.3
Konyagi	305.3	388.6	426.7	466.6	557.7	791.5	420.9	1,060.4	1,168.0	1,785.6
Beer	232.1	256.2	267.5	285.9	394.7	409.4	384.3	381.3	328.0	436.9
Chibuku	177.5	135.6	92.6	101.6	105.8	94.4	93.8	147.7	192.5	214.8
Cigarattes	141.7	147.0	158.3	166.7	191.1	218.3	228.8	215.3	231.8	248.7
Textiles	183.1	218.5	218.8	190.3	225.1	219.1	267.1	175.3	177.3	186.7
Sisal ropes and twines	40.7	47.2	35.6	41.0	40.4	50.3	53.7	54.6	47.4	48.1
Fishnet & products	31.3	42.7	270.8	285.4	124.0	162.5	0.0	66.7	257.3	170.8
Plywood	19.1	35.4	36.4	57.8	64.9	68.0	58.2	16.0	62.2	63.4
Pyrethrum extract	92.3	41.0	59.0	420.5	84.6	76.9	1,084.6	366.7	164.1	179.5
Paints	994.4	1,234.8	1,218.5	1,189.3	1,347.8	1,675.1	1,822.4	1,888.6	2,067.5	3,488.9
Cement	272.9	315.5	340.7	363.3	364.3	433.5	467.0	516.2	614.9	640.6
Rolled steel	224.9	343.3	354.2	421.7	448.3	407.2	666.1	1,082.5	1,115.5	1,055.2
Iron Sheets	161.8	143.1	136.5	115.8	139.8	167.8	146.5	217.6	272.1	354.9
Aluminium sheets/circles	5.9	8.3	7.1	4.3	4.4	4.6	3.5	2.4	2.4	1.4
Dry cells	95.2	97.5	167.8	183.7	185.9	190.5	120.2	176.9	210.9	195.0
Battery, auto	111.8	177.6	190.8	276.3	328.9	78.9	0.0	0.0	0.0	0.0

Notes P = Provisional
r = Revised

Source: National Bureau of Statistics & BOT computation

Table A1.10 : Mineral Recoveries, Tanzania Mainland, 2002- 2011

Item	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^r	2011 ^p
Diamond	'000'Carats	239.8	236.4	303.9	219.6	272.2	282.8	237.7	181.9	80.5	28.4
Gold	Kgs	43,320.0	48,018.0	48,175.7	47,269.5	39,749.8	40,193.2	36,433.0	39,112.6	39.4	40.4
Gemstone	Tons	195.8	1,531.5	1,613.8	627.8	2,498.6	1,286.3	1,858.3	1,058.5	1,250.3	1,581.7
Salt	'000'Tons	71.2	59.0	57.1	51.2	34.8	35.2	25.9	27.4	34.5	36.4
Gypsum	'000'Tons	73.0	33.2	59.2	23.1	32.6	52.8	55.7	8.1	26.9	38.7
Limestone	'000'Tons	2,856.7	1,206.2	1,390.9	2,006.4	1,607.6	1,322.0	1,281.8	1,284.1	1,436.6	1,972.1
Pozzolana	Tons	52,000.0	105,910.8	152,678.6	163,499.3	129,295.3	184,070.4	260,403.3	171,904.3	199,698.4	222,591.8
Coal	'000' Tons	79.2	54.6	65.0	30.8	17.9	27.2	15.2	0.8	179.5	82,856.2
Tanzanite	Kilogram					5,504.0	8,187.0	11,770.0	10,011.7	12,773.6	14,974.4
Phosphate	Tonnes	1,182.0	3,738.0	6,570.0	1,975.3	2,880.7	8,261.1	28,684.0	752,000.0	17,180.0	848,512.0
Copper	'000' Pounds	9,239.4	8,191.0	9,348.2	8,072.1	7,241.6	7,222.4	6,288.5	4,451.7	11,741.9	11,180.2

Note: P= Provisional

r = Revised

Source: Ministry of Energy and Minerals





Table A1.11 (i): National Consumer Price Index (Old CPI), 2001 - 2010

December 2001 = 100

Period	General Index	Non - Food										Misc. goods & services		
		Food	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health	Recreation & entertain.		Transportation	Edu- cation
Weight (%)	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2001	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	100.0
2002	101.0	101.0	100.9	100.5	100.8	101.1	102.1	101.0	100.6	100.9	100.7	100.5	100.4	100.6
2003	104.5	105.6	102.9	102.0	102.8	107.1	104.7	103.1	101.7	103.8	102.8	101.7	102.6	102.8
2004	108.9	111.8	104.6	101.5	105.1	109.6	109.5	103.3	102.6	104.4	104.9	102.7	103.2	102.3
2005	120.9	129.4	110.1	116.0	92.8	125.5	134.4	96.7	102.4	97.0	94.0	110.2	91.0	93.9
2006	129.6	138.5	118.5	125.0	99.3	132.3	145.8	104.3	104.4	107.8	98.7	120.2	93.3	101.5
2007	138.8	148.2	126.8	138.1	105.2	137.1	154.8	112.5	113.4	110.9	107.4	128.7	102.2	102.3
2008	153.0	167.0	135.4	149.3	106.7	140.4	171.3	119.2	117.0	116.5	113.4	137.5	109.4	104.1
2005 Mar	113.9	118.9	106.9	103.0	106.0	109.0	115.0	102.4	103.5	107.9	103.6	106.2	103.6	102.1
Jun	113.3	118.0	107.0	103.3	104.5	109.0	116.0	101.6	103.1	107.5	103.4	107.2	103.1	100.9
Sep	113.6	118.1	108.1	104.1	104.1	109.3	119.9	102.3	102.7	108.0	103.1	108.2	103.1	100.4
Dec.	113.7	118.5	108.3	104.3	103.8	109.4	120.6	102.5	102.7	108.7	103.4	108.7	102.8	100.4
2006 Mar	127.9	138.6	114.4	119.7	98.1	128.8	138.2	100.8	101.0	107.6	98.0	115.3	90.2	102.0
Jun	131.2	142.5	117.1	121.4	98.3	131.5	145.5	102.9	102.7	106.2	97.5	119.1	91.6	101.0
Sep	127.8	133.3	120.9	127.7	99.7	134.5	151.7	105.9	105.0	107.2	98.3	122.8	94.4	101.6
Dec.	131.7	139.7	121.7	131.1	101.2	134.5	147.9	107.6	108.9	110.3	100.8	123.8	96.9	101.3
2007 Mar	137.0	147.3	124.0	133.6	104.5	136.0	149.1	111.4	111.6	109.9	105.3	125.9	100.6	101.8
Jun	138.7	148.2	126.6	137.6	105.3	136.6	154.7	112.3	114.0	110.6	106.9	127.8	101.4	103.1
Sep	138.5	147.0	127.9	138.0	105.2	137.5	158.3	112.4	114.3	110.9	108.5	129.9	102.8	102.0
Dec.	140.8	150.2	128.9	143.0	105.6	138.3	157.0	113.8	113.8	112.3	108.9	130.9	104.1	102.2
2008 Mar	149.2	163.4	131.2	146.8	105.3	138.9	161.6	116.6	115.1	113.6	110.0	132.9	106.2	103.4
Jun	151.7	165.1	134.9	148.5	106.4	139.5	172.0	118.1	117.1	114.7	111.4	136.5	107.8	103.9
Sep	152.8	164.5	137.9	149.7	106.4	141.6	179.2	120.1	116.8	117.4	114.5	141.0	110.8	104.2
Dec	158.4	175.0	137.6	152.1	108.6	141.6	172.5	122.1	119.1	120.3	117.6	139.6	112.7	104.9
2009-Mar	168.7	193.5	137.3	154.8	109.7	156.4	164.5	124.8	120.7	122.3	121.4	137.7	116.9	106.9
Jun	168.6	192.9	137.9	160.5	114.1	157.5	159.6	126.5	122.9	123.8	122.2	135.1	120.6	108.1
Sep	170.6	193.6	141.6	165.7	115.7	159.4	168.9	128.0	123.0	125.9	124.6	136.8	122.4	108.3
Dec	178.2	203.8	145.8	170.9	115.6	158.9	182.1	127.1	126.0	126.1	127.6	140.3	122.7	106.3
2010-Mar	185.3	213.5	149.5	172.0	115.3	160.6	197.3	127.8	127.0	128.0	126.9	142.6	123.6	106.0
Jun	182.7	210.2	147.7	173.9	115.3	160.8	185.0	129.1	127.0	130.0	124.7	144.7	122.0	103.3
Sep														

Notes: Please note that from October 2010 National Bureau of Statistics has changed base period from December 2001=100 to September 2010=100. NCPI market basket weights have also been updated from 2001 to 2007 using results of 2007 Household Budget Survey.

Q=Quarter

Source: National Bureau of Statistics.

Table A1.11(ii): National Consumer Price Index, Percentage Change on the Previous Year-(Old CPI), 2002 - 2010

Dec. 2001 = 100

Period	General Index	Non - Food										Miscel. goods & services				
		Food	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health	Recreation & entertain.		Transportation	Educ-ation		
Weight	100.0	55.9	44.1	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2002	1.0	1.0	0.9	0.5	0.8	1.1	2.1	0.9	0.6	0.6	0.6	0.9	0.6	0.5	0.4	0.6
2003	3.5	4.5	2.0	1.5	2.0	5.9	2.5	2.1	1.1	2.1	2.1	2.9	2.1	1.2	2.2	2.2
2004	4.2	5.9	1.6	-0.5	2.3	2.3	4.6	0.2	0.9	2.1	2.1	0.5	2.1	1.0	0.6	-0.5
2005	4.4	5.9	2.9	2.1	-0.5	-0.4	7.7	-1.1	0.5	3.5	-1.5	3.5	-1.5	4.7	-0.1	-1.4
2006	7.3	7.0	7.6	7.7	7.0	5.5	8.5	7.8	2.0	11.2	5.0	11.2	5.0	9.1	2.5	8.0
2007	7.0	7.0	7.0	10.5	5.9	3.6	6.1	7.9	8.6	2.9	8.9	2.9	8.9	7.0	9.6	0.8
2008	10.3	12.7	6.7	8.1	1.5	2.4	10.7	6.0	3.2	5.0	5.5	5.0	5.5	6.9	7.0	1.8
2005 Mar	4.1	5.5	2.2	0.9	-3.3	2.0	-0.4	-0.4	1.7	1.0	-2.4	1.0	-2.4	3.7	0.9	-1.3
Jun	4.1	5.0	3.2	2.0	-5.2	3.0	1.1	-1.9	1.4	5.1	0.7	5.1	0.7	5.7	1.2	-2.9
Sep	4.5	6.3	2.8	2.7	3.7	-0.9	-0.9	-1.1	-0.7	4.2	-2.0	4.2	-2.0	4.9	-1.2	-0.8
Dec	4.8	6.9	3.4	2.9	-1.7	4.2	10.0	-1.1	-0.5	3.9	-2.1	3.9	-2.1	4.7	-1.1	-0.4
2006 Mar	7.7	8.3	6.8	5.6	7.9	8.5	7.3	4.7	-1.0	16.9	4.9	16.9	4.9	7.5	0.3	9.4
Jun	9.2	10.0	7.9	6.0	7.4	7.7	9.5	6.8	0.3	13.6	5.5	13.6	5.5	10.0	2.1	7.7
Sep	5.9	3.5	9.4	9.8	6.9	3.9	12.0	10.1	2.6	10.5	7.0	10.5	7.0	11.2	5.0	8.6
Dec.	6.3	6.2	6.5	9.2	5.9	2.3	5.4	9.8	6.0	4.8	2.8	4.8	2.8	7.8	2.5	6.6
2007 Mar	7.2	6.3	8.4	11.7	6.5	5.6	7.9	10.6	10.5	2.1	7.4	2.1	7.4	9.2	11.6	-0.2
Jun	5.7	4.0	8.1	13.3	7.2	3.9	6.3	9.2	11.0	4.2	9.6	4.2	9.6	7.4	10.7	2.1
Sep	8.4	10.3	5.8	8.1	5.5	2.2	4.3	6.2	8.9	3.4	10.4	3.4	10.4	5.8	8.9	0.4
Dec.	6.9	7.5	5.9	9.1	4.3	2.8	6.2	5.8	4.5	1.9	8.1	1.9	8.1	5.7	7.5	0.9
2008 Mar	8.9	10.9	5.8	9.9	0.8	2.1	8.4	4.6	3.1	3.4	4.4	3.4	4.4	5.5	5.6	1.6
Jun	9.4	11.4	6.6	7.9	1.1	2.1	11.2	5.2	2.7	3.7	4.1	3.7	4.1	6.8	6.3	0.7
Sep	10.3	11.9	7.8	8.5	1.1	3.0	13.2	6.8	2.2	5.9	5.5	5.9	5.5	8.5	7.8	2.2
Dec	12.5	16.5	6.7	6.4	2.8	2.4	9.9	7.2	4.7	7.1	8.0	7.1	8.0	6.6	8.3	2.6
2009 Mar	13.1	18.4	4.6	5.5	4.1	12.6	1.8	7.0	4.9	7.7	10.4	7.7	10.4	3.6	10.1	3.4
Jun	11.2	16.8	2.2	8.0	7.2	12.9	-7.2	7.0	5.0	7.9	9.7	7.9	9.7	-1.0	11.9	4.0
Sep	11.7	17.7	2.6	10.7	8.8	12.6	-5.7	6.6	5.3	7.2	8.8	7.2	8.8	-2.9	10.5	4.0
Dec	12.5	16.5	6.0	12.3	6.5	12.2	5.5	4.2	5.8	4.9	8.5	4.9	8.5	0.5	8.9	1.3
2010 Mar	9.8	10.4	8.8	11.1	5.1	2.7	19.9	2.4	5.2	4.7	4.6	4.7	4.6	3.6	5.7	-0.9
Jun	8.2	8.3	7.8	9.9	2.5	2.8	16.6	2.3	3.5	5.5	2.7	5.5	2.7	7.0	2.1	-4.9

Source: National Bureau of Statistics.



September 2010 = 100

Table A1.12(i): National Consumer Price Index (New CPI) – Main Groups, 2009 – 2012

Period	Weight (%)	National Consumer Price Index (New CPI) – Main Groups											
		Food & Non Alcoholic Beverages (Exclude Food consumed at Restaurants)	Transport	Housing, Water, Electricity, Gas & Other Fuel	Furnishing, Housing Equipment & Routine Maintenance of House	Clothing & Footwear	Restaurants and Hotels	Miscel. Goods and Services	Alcoholic and Tobacco	Communication	Education	Recreation & Culture	Health
		47.8	9.5	9.2	6.7	6.7	6.4	4.5	3.3	2.1	1.7	1.3	0.9
2009 - 4th Q	95.7	95.1	100.6	88.2	95.9	96.1	101.4	95.4	97.7	98.6	101.9	95.2	101.1
2010 - 1st Q	98.9	100.4	101.1	92.4	96.5	95.9	98.9	97.1	99.7	98.8	102.6	95.7	99.7
2nd Q	100.2	101.9	100.8	97.2	97.7	96.3	100.7	97.8	97.7	99.4	102.7	96.8	100.0
3rd Q	149.7	149.9	150.7	148.3	149.0	148.2	150.1	150.1	149.7	149.5	151.2	147.9	150.2
4th Q	100.6	101.3	100.5	98.9	100.3	100.9	99.9	99.9	100.5	99.7	100.1	98.2	99.7
2011 - 1st Q	106.1	108.8	102.4	105.3	107.9	103.6	104.9	100.0	102.1	97.7	105.4	99.2	101.1
2nd Q	109.9	112.9	107.6	112.7	111.4	105.5	107.1	101.1	103.6	97.4	105.8	99.8	101.6
3rd Q	114.5	118.9	111.5	119.6	113.4	108.1	110.1	104.5	105.1	98.2	105.8	100.9	102.0
4th Q	119.7	127.3	112.2	122.1	115.4	111.8	113.1	107.7	106.0	98.2	105.8	101.1	103.2
2012 - 1st Q	126.7	137.9	113.1	124.8	119.2	117.9	121.3	111.2	110.3	97.1	109.8	106.5	104.0
2nd Q	129.8	140.8	115.2	129.8	121.5	121.7	126.5	114.2	113.9	96.6	110.8	109.8	104.9
2009 - Oct	95.9	95.1	100.9	90.5	96.1	95.4	101.1	95.4	96.2	98.7	100.9	95.6	100.9
Nov	95.0	93.9	100.4	86.3	95.7	96.0	101.3	95.1	98.2	98.7	102.4	94.9	100.9
Dec	96.4	96.2	100.4	87.7	95.9	96.8	101.8	95.8	98.8	98.6	102.5	95.1	101.5
2011 - Jan	104.1	106.2	101.3	103.8	102.8	102.5	103.6	100.0	101.0	98.5	104.9	98.7	100.4
Feb	106.4	109.3	101.6	104.5	110.2	103.8	105.3	99.5	102.5	97.3	105.7	99.3	101.4
Mar	107.9	110.9	104.2	107.6	110.7	104.5	105.8	100.7	103.0	97.3	105.7	99.4	101.5
Apr	109.1	112.2	106.1	110.9	110.9	105.0	106.0	100.8	103.1	97.4	105.7	99.5	101.5
May	109.9	112.7	107.9	112.9	111.2	105.5	107.7	101.0	103.8	97.3	105.8	99.6	101.7
Jun	110.8	113.8	108.9	114.3	112.1	106.1	107.7	101.4	103.9	97.4	105.8	100.4	101.7
Jul	112.5	115.8	110.2	118.3	112.7	107.0	108.8	103.3	104.5	98.2	105.8	100.6	101.8
Aug	114.1	118.5	110.0	118.7	113.3	107.9	109.9	103.9	105.0	98.3	105.8	101.0	102.0
Sep	116.8	122.5	114.2	121.7	114.2	109.6	111.5	106.5	105.7	98.2	105.8	101.1	102.3
Oct	117.8	124.1	117.8	121.7	114.8	110.8	112.3	106.8	105.8	98.2	105.8	101.1	103.1
Nov	119.4	126.8	112.6	121.9	115.3	111.7	113.0	107.8	105.8	98.2	105.8	101.2	103.3
Dec	121.8	131.1	112.3	122.6	116.1	113.0	114.0	108.6	106.6	98.1	105.8	101.1	103.4
2012 - Jan	124.6	135.7	112.3	123.3	117.6	115.4	116.9	109.1	107.4	98.1	107.9	103.2	103.8
Feb	127.1	138.5	112.6	124.8	119.3	118.2	121.9	111.5	111.0	96.6	110.8	107.9	103.9
Mar	128.4	139.5	114.3	126.4	120.7	120.2	125.1	113.1	112.5	96.6	110.8	108.5	104.3
Apr	129.5	140.6	115.1	128.9	121.1	121.2	126.0	113.7	112.7	96.7	110.8	108.6	104.7
May	129.9	141.2	115.1	129.5	121.4	121.9	126.6	114.3	112.9	96.6	110.8	108.7	105.0
Jun	130.1	140.6	115.3	131.0	122.2	122.1	126.8	114.7	116.1	96.5	110.8	112.1	105.1

Notes: Base (1) 2001 = 100 up to August 2006, (2) December 2001 = 100 from September 2006

Please note that NBS has adjusted CPI figures from September 2006. Despite the adjustments the previous published figures remains the official measure of inflation in the past (The old and adjusted CPI figures are yet to be harmonized)

Q = Quarter

Source: National Bureau of Statistics.



A1.0 Output and Prices

Table A1.12 (ii): National Consumer Price Index (New CPI) - Other Selected Groups, 2009 - 2012

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)
Weight (%)	51.0	49.0	43.3	5.7
2009 - 4th Q	95.8	95.7	97.1	86.3
2010 - 1st Q	100.5	97.1	98.3	88.7
2nd Q	101.8	98.3	98.9	94.3
3rd Q	150.1	149.3	149.6	147.3
4th Q	101.1	95.9	100.0	100.6
2011 - 1st Q	108.4	103.2	103.5	103.5
2nd Q	112.3	107.1	105.5	118.0
3rd Q	118.0	110.3	107.4	130.1
4th Q	125.7	112.5	109.3	133.5
2012 - 1st Q	136.1	115.6	112.7	135.1
2nd Q	139.2	118.6	114.8	144.2
2009- Oct	95.7	96.1	96.9	90.7
Nov	94.7	95.2	97.0	83.5
Dec	96.8	95.8	97.5	84.8
2010 - Jan	99.3	96.1	97.7	85.3
Feb	100.2	97.6	98.8	89.4
Mar	101.9	97.6	98.5	91.3
Apr	102.1	98.6	99.3	93.7
May	101.9	98.1	98.5	95.3
Jun	101.3	98.2	98.8	94.0
Jul	100.1	98.9	99.4	95.8
Aug	100.1	99.7	99.9	98.8
Sep	100.0	100.0	100.0	100.0
2010 - Oct	100.0	96.9	99.8	100.2
Nov	100.5	95.6	99.9	100.5
Dec	102.9	95.2	100.3	101.1
2011 - Jan	105.9	101.6	102.0	102.1
Feb	108.9	100.9	103.5	103.8
Mar	110.4	107.0	105.0	104.7
Apr	111.5	106.2	105.0	114.4
May	112.1	107.2	105.5	118.6
Jun	113.2	108.0	106.0	121.2
Jul	115.0	109.6	106.7	128.5
Aug	117.6	110.0	107.2	128.6
Sep	121.3	111.5	108.2	133.1
Oct	122.8	111.9	108.7	133.2
Nov	125.3	112.5	109.4	133.1
Dec	129.2	113.0	109.8	134.3
2012 - Jan	133.6	114.0	111.3	132.2
Feb	136.6	115.7	112.8	134.7
Mar	137.9	117.1	113.9	138.4
Apr	139.0	118.1	114.4	143.0
May	139.6	118.5	114.7	143.6
Jun	139.1	119.3	115.3	146.1

Notes: Please note that from October 2010 National Bureau of Statistics has changed base period from December 2001=100 to September 2010=100. NCPI market basket weights have also been updated from 2001 to 2007 using results of 2007 Household Budget Survey.
Q = Quarter

Source: National Bureau of Statistics.



Table A1.12(iii): National Consumer Price Index, Percentage Change on the Previous Year - (New CPI), Main Groups, 2010 - 2012

September 2010 = 100

Period	Headline (Overall Index)	Food & Non Alcoholic Beverages (Exclude Food consumed at Restaurants)	Transport	Housing, Water, Electricity, Gas & Other Fuel	Furnishing, Housing Equipment & Routine Maintenance of House	Clothing & Footwear	Restaurants and Hotels	Miscel. Goods and Services	Alcoholic Tobacco	Communication	Education	Recreation & Culture	Health
Weight (%)	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
2010 - 4th Q	5.1	6.5	-0.1	12.2	4.6	5.0	-1.5	4.7	2.9	1.1	-1.8	3.2	-1.2
2011 - 1st Q	7.3	8.3	1.8	10.2	11.9	11.9	3.4	3.0	2.0	-1.1	3.2	3.2	2.1
2nd Q	9.7	10.8	6.8	16.0	14.0	9.7	6.4	3.3	6.1	-2.1	2.9	3.0	1.7
3rd Q	14.7	19.0	11.0	20.9	14.2	9.4	8.8	4.5	5.3	-1.5	5.0	2.3	1.9
4th Q	18.9	25.7	11.7	23.4	15.1	10.8	13.2	7.8	5.5	-1.5	5.7	2.9	3.5
2012 - 1st Q	19.4	26.7	10.5	18.6	10.6	13.8	15.6	11.2	8.0	-0.6	4.1	7.4	2.9
2nd Q	18.1	24.7	7.0	15.2	9.1	15.3	18.0	9.6	9.9	-0.8	4.7	10.0	3.2
2010 - Sep	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
Oct	4.2	5.2	-1.0	10.2	3.5	4.9	-1.5	4.6	4.1	1.2	-0.7	3.4	-1.4
Nov	5.5	7.1	0.1	14.4	4.6	4.7	-1.5	5.2	2.5	1.2	-2.1	3.2	-1.1
Dec	5.6	7.3	0.6	12.1	5.7	5.5	-1.4	4.4	2.0	0.8	-2.5	3.0	-1.2
2011 - Jan	6.4	7.1	1.8	5.8	7.2	17.7	0.6	4.0	0.3	-0.2	3.5	2.2	2.9
Feb	7.5	9.2	0.3	11.1	13.9	8.6	3.9	1.1	3.0	-1.3	3.2	3.5	2.1
Mar	8.0	8.6	3.3	13.6	14.5	9.5	5.7	4.0	2.7	-1.8	2.8	3.8	1.4
Apr	8.6	9.7	3.9	13.4	13.6	9.4	5.2	3.4	5.6	-2.0	2.2	3.1	1.4
May	9.7	10.4	8.0	15.7	14.1	9.8	7.4	3.8	6.8	-2.2	3.1	2.4	2.1
Jun	10.9	12.3	8.4	18.8	14.4	9.8	6.7	2.8	5.8	-2.0	3.5	3.6	1.5
Jul	13.0	15.9	9.9	21.3	14.5	9.4	6.8	3.5	5.0	-1.4	4.2	3.1	1.6
Aug	14.1	18.6	8.8	19.7	13.9	9.4	8.0	3.5	5.2	-1.3	4.8	2.7	1.9
Sep	16.8	22.5	14.2	21.7	14.2	9.6	11.5	6.5	5.7	-1.8	5.8	1.1	2.3
Oct	17.9	24.0	11.8	22.0	15.4	10.7	12.8	7.0	5.6	-1.6	5.6	2.3	4.1
Nov	19.2	26.1	12.0	23.5	15.2	11.2	13.2	7.8	5.1	-1.7	5.7	3.3	3.5
Dec	19.8	27.1	11.2	24.8	14.6	10.6	13.6	8.6	5.8	-1.2	5.9	3.2	3.0
2012 - Jan	19.7	27.8	10.9	18.8	14.4	12.5	12.8	9.1	6.3	-0.4	2.9	4.5	3.4
Feb	19.4	26.7	10.9	19.5	8.2	13.9	15.8	12.1	8.3	-0.8	4.8	8.7	2.5
Mar	19.0	25.7	9.7	17.4	9.0	15.0	18.2	12.3	9.3	-0.7	4.8	9.1	2.8
Apr	18.7	25.3	8.6	16.2	9.1	15.4	18.8	2.6	9.3	-0.7	4.7	9.1	3.2
May	18.2	25.3	6.7	14.7	9.1	15.5	17.5	13.2	8.7	-0.7	4.7	9.2	3.2
Jun	17.4	23.5	5.9	14.6	9.0	15.1	17.8	13.1	11.7	-0.9	4.7	11.7	3.3

Note: Please note that NBS has adjusted CPI figures from December 2001=100 to September 2010=100.

Source: National Bureau of Statistics.

Table A1.12(iv): National Consumer Price Index, Percentage Change on the Previous Year New CPI), Other Selected Groups, 2010 - 2012

September 2010 = 100

Period	Food & Non Alcoholic Beverages (Combining Food consumed at Home and Food Consumed in Restaurants)		Non-Food All Items		Energy and Fuels (Combining and Other fuels for use at Home with Petrol and Diesel)	
	Weight (%)	51.0	Total Non- Food (All Items Less Food)	Less Food and Energy	43.3	5.7
2010 - 4th Q		5.6	4.5	3.6		11.2
2011 - 1st Q		7.9	6.6	5.3		16.4
2nd Q		10.3	9.0	6.7		25.2
3rd Q		17.9	10.8	7.6		32.4
4th Q		24.4	12.5	8.7		39.2
2012 - 1st Q		25.5	11.7	8.8		31.0
2nd Q		24.0	10.7	8.8		22.2
2010 - Sep		100.0	100.0	100.0		100.0
Oct		4.4	3.9	3.5		6.8
Nov		6.0	4.9	3.7		14.6
Dec		6.3	4.7	3.7		12.3
2011- Jan		6.7	6.1	4.4		19.1
Feb		8.6	6.1	5.2		13.0
Mar		8.3	7.7	6.3		17.2
Apr		9.2	7.8	5.7		22.1
May		10.1	9.3	7.1		24.5
Jun		11.7	10.0	7.2		29.0
Jul		14.8	10.8	7.4		34.2
Aug		17.4	10.2	7.3		30.1
Sep		21.3	11.5	8.2		33.1
Oct		22.8	12.2	8.5		37.4
Nov		24.7	12.6	8.8		39.2
Dec		25.6	12.7	8.7		41.0
2012- Jan		26.2	11.8	9.0		30.1
Feb		25.5	11.8	8.7		33.5
Mar		24.9	11.5	8.8		29.4
Apr		24.7	11.2	9.0		24.9
May		24.5	10.5	8.7		21.2
Jun		22.9	10.5	8.8		20.5

Note :Please note that NBS has adjusted CPI figures from December 2001=100 to September 2010=100

Source:National Bureau of Statistics





Table A1.13: Dar es Salaam Cost of Living Index - Middle Income Group*, 2001 - 2009

Base: 2001 = 100

Period	General Index		Non - Food										Miscel. goods & services	
	100.0	57.0	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health	Transportation	Recreation & entertain.		Educ- ation
Weight	100.0	57.0	43.0	7.9	7.5	1.2	6.9	1.3	2.0	2.1	10.7	1.0	1.7	0.6
2001	102.1	100.9	103.8	105.1	103.9	100.0	105.2	100.6	101.3	103.1	103.5	104.5	100.7	105.4
2002	103.5	103.5	103.5	101.5	104.1	103.3	103.3	103.9	103.7	103.5	104.6	101.6	103.3	109.9
2003	105.9	105.7	106.1	106.6	108.2	108.5	109.0	101.7	105.6	104.1	103.3	101.8	102.5	123.0
2004	114.6	116.3	112.4	110.5	106.8	111.9	139.2	103.7	109.1	102.3	106.0	104.6	102.8	119.5
2005	123.7	127.8	118.3	107.2	105.0	119.3	162.9	110.7	105.8	106.6	114.3	114.0	108.0	122.9
2006	135.0	135.6	134.3	122.7	111.0	132.8	196.6	133.1	109.9	115.7	133.6	114.3	117.1	115.4
2007	150.2	149.0	151.9	142.6	129.3	146.1	219.8	147.4	120.1	116.9	150.9	117.8	152.3	106.0
2008	173.6	173.6	173.8	164.5	121.0	197.9	275.0	169.6	148.7	131.0	172.1	128.3	173.9	105.7
2005-Mar	119.7	123.3	114.9	104.1	104.3	111.9	152.3	107.8	103.4	105.5	113.1	109.4	105.6	120.6
Jun	121.3	124.3	117.3	106.0	104.9	111.9	162.9	109.9	105.0	106.4	113.2	110.5	107.5	121.0
Sep	126.0	130.5	120.0	109.1	105.4	126.7	165.7	112.1	107.2	107.9	115.7	119.2	109.1	122.7
Dec	127.9	133.2	120.8	109.6	105.4	126.5	170.6	112.9	107.7	106.6	115.2	116.7	110.0	127.3
2006-Mar	131.5	134.5	127.6	114.0	109.1	129.9	178.7	126.9	108.4	110.9	127.6	118.7	115.3	123.8
Jun	135.1	136.7	133.1	119.2	110.8	132.8	195.1	131.2	109.0	115.2	132.7	142.2	117.4	119.3
Sep	135.6	134.3	137.2	126.8	110.2	134.3	204.8	135.3	110.5	118.0	137.0	113.4	116.7	108.5
Dec	137.9	136.8	139.4	130.9	113.8	134.3	207.6	139.2	111.6	118.6	137.2	110.9	119.1	109.8
2007-Mar	143.2	142.5	144.2	133.3	118.8	146.1	215.8	144.2	113.6	117.4	140.0	114.4	143.4	106.3
Jun	148.7	148.7	148.7	142.8	128.9	146.1	215.1	148.8	112.6	117.8	142.0	118.1	151.7	106.3
Sep	152.3	149.4	156.0	144.2	134.0	146.1	227.2	148.6	120.2	114.7	157.4	119.3	157.8	106.1
Dec	156.8	155.3	158.8	150.1	135.4	146.1	221.2	148.1	133.8	117.9	164.0	119.5	156.4	105.3
2008-Mar	166.5	166.4	167.6	160.5	122.7	195.1	259.4	163.5	130.5	125.9	165.7	124.2	168.4	103.9
Jun	171.4	173.8	168.0	160.8	119.1	195.1	266.9	167.7	140.7	128.2	162.1	129.0	165.4	104.0
Sep	175.7	174.0	177.9	165.5	120.3	197.9	286.6	172.0	157.8	132.2	176.7	129.5	182.7	106.9
Dec	180.8	180.1	181.8	171.2	121.7	203.5	287.1	175.0	165.8	137.5	183.9	130.6	179.2	107.8
2009-Mar	191.1	194.7	186.5	183.2	125.7	206.6	275.9	178.4	168.5	155.5	192.1	132.1	183.1	109.4
Jun	196.7	202.1	189.5	189.1	128.3	206.6	276.2	179.9	169.9	156.2	196.5	135.1	184.9	109.3
Sep	206.9	214.8	196.6	195.8	134.3	227.8	295.3	179.6	172.9	170.3	195.1	131.5	203.3	114.4
Dec	213.8	224.0	200.4	196.2	136.8	270.1	306.8	178.6	157.2	187.4	193.8	129.7	217.2	118.9

* People with monthly incomes TZS 17,500/= up to 40,000/=

Source: National Bureau of Statistics.



Table A1.14: Dar es Salaam Retail Price Index - Wage earners*, 2001 - 2009

Base: 2001 = 100

Period	General Index		Non - Food										Miscel. goods & services
	Food	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health	Transportation	Recreation & entertain.	Education	
<i>Weights</i>	<i>100.0</i>	<i>32.5</i>	<i>2.5</i>	<i>4.1</i>	<i>0.8</i>	<i>10.4</i>	<i>0.6</i>	<i>1.8</i>	<i>1.3</i>	<i>8.6</i>	<i>0.8</i>	<i>1.2</i>	<i>0.3</i>
2001	103.1	102.1	100.8	103.7	100.0	103.1	105.4	101.6	101.4	100.3	102.5	103.5	102.5
2002	103.8	103.5	103.0	103.5	111.9	104.2	103.3	104.7	107.4	100.3	105.7	108.8	102.6
2003	109.8	110.1	114.0	111.5	111.9	118.5	102.6	102.5	109.3	100.4	109.3	109.1	105.8
2004	116.8	116.1	123.2	111.9	111.9	133.2	113.0	102.2	118.5	100.9	103.7	111.2	103.4
2005	126.5	128.0	120.0	108.7	113.6	162.3	115.7	110.0	113.6	109.8	110.4	115.0	121.1
2006	141.1	146.2	141.8	108.0	132.8	193.7	115.4	109.6	118.8	134.0	113.6	93.8	139.3
2007	154.0	159.8	159.5	124.6	146.1	209.1	131.7	119.1	115.0	148.5	114.9	104.0	128.4
2008	180.9	194.0	175.0	139.3	199.3	269.8	160.5	138.4	134.1	179.3	110.9	99.3	137.3
2005-Mar	123.3	121.8	120.3	107.5	113.6	149.0	119.2	109.3	110.2	103.4	108.2	118.0	112.8
Jun	124.7	127.9	119.7	109.6	113.6	163.4	115.3	109.4	111.0	108.4	110.0	116.7	114.5
Sep	126.8	129.0	119.9	108.9	113.6	165.9	114.5	110.2	113.8	110.4	111.7	105.3	119.9
Dec	131.0	133.3	119.9	108.8	113.6	170.9	113.7	111.3	119.2	116.8	111.6	120.1	137.3
2006-Mar	137.0	140.7	130.2	107.7	129.9	179.6	114.4	108.4	119.8	133.0	117.6	98.0	149.7
Jun	141.7	146.0	137.6	106.1	132.8	195.0	114.6	108.9	119.9	133.8	114.1	89.9	148.4
Sep	140.9	148.3	148.6	106.8	134.3	199.1	116.3	110.0	117.8	134.5	112.9	91.2	129.0
Dec	144.6	149.9	150.9	111.4	134.3	201.1	116.3	111.0	117.8	134.7	109.7	96.1	130.1
2007-Mar	150.8	152.6	156.6	117.0	146.1	203.0	122.7	112.9	117.7	135.6	110.3	99.7	125.9
Jun	151.1	153.1	158.4	124.0	146.1	199.8	133.6	112.6	117.0	135.7	115.7	105.2	128.8
Sep	153.6	164.7	159.3	124.2	146.1	217.1	133.5	123.7	110.6	156.2	118.1	107.3	130.4
Dec	160.5	168.9	163.8	133.2	146.1	216.5	137.0	127.4	114.7	166.4	115.4	103.6	128.6
2008-Mar	170.7	178.1	169.6	145.2	195.1	234.7	160.7	122.2	126.2	166.5	102.9	98.8	132.1
Jun	177.1	185.9	171.4	149.6	195.1	252.9	172.2	134.1	132.2	166.4	107.8	98.0	142.1
Sep	182.2	201.3	178.0	136.2	203.5	283.5	163.4	146.7	136.1	187.4	112.1	102.2	141.3
Dec	191.4	203.6	181.0	134.4	203.5	280.4	168.2	150.6	141.7	197.0	120.1	101.8	142.5
2009-Mar	202.0	210.1	200.2	142.7	206.6	267.8	171.8	168.6	152.3	219.0	121.7	109.0	177.3
Jun	205.9	212.7	205.8	145.8	206.6	264.4	171.8	170.2	157.3	229.6	121.7	109.5	148.2
Sep	214.1	222.2	216.1	156.3	206.6	284.2	174.9	170.7	171.4	230.1	126.7	112.6	147.3
Dec	223.2	223.9	220.9	166.5	206.6	289.9	174.9	158.7	174.3	225.2	128.6	114.0	148.1

* People with Monthly incomes up to TZS 17,500/=.

Source: National Bureau of Statistics.



A2.0 Government Finance

Table A2.1: Analysis of Central Government Finance (Actual), 2002/03 - 2011/12

Item	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*
Total Revenue (including LGAs) 1/	1,217,517.0	1,459,302.0	1,773,709.4	2,124,843.7	2,739,022.4	3,653,605.2	4,293,074.3	4,661,540.3	5,736,266.1	7,221,408.6
Total Revenue	1,217,517.0	1,459,302.0	1,773,709.4	2,124,843.7	2,739,022.4	3,653,605.2	4,293,074.3	4,661,540.3	5,577,986.1	7,025,884.1
Tax Revenue	1,116,555.5	1,340,139.0	1,615,247.0	1,946,432.6	2,529,439.4	3,358,381.8	4,043,673.0	4,427,833.7	5,293,277.3	6,480,477.8
Taxes on Imports	458,285.6	572,806.2	679,992.4	819,800.5	1,018,569.9	1,278,882.5	1,475,496.4	1,660,253.6	1,967,371.5	2,555,535.8
Sales/VAT and Excise on Local Goods	259,747.2	325,609.6	402,136.1	478,395.4	575,968.3	730,048.5	876,987.0	934,063.2	1,064,072.2	1,336,916.4
Income Taxes	276,049.7	366,680.5	465,454.7	581,243.8	716,320.5	974,312.1	1,228,645.8	1,334,019.7	1,660,385.2	2,246,783.7
Other taxes	111,663.5	123,288.2	132,040.2	136,954.0	218,581.1	385,727.7	462,543.8	499,497.2	601,448.4	841,241.8
Non-tax Revenue	111,771.1	119,163.0	158,462.4	178,411.1	209,583.0	295,223.4	249,401.3	233,706.6	284,708.8	345,406.4
LGAs Own Sources	1,896,854.1	2,550,308.2	3,164,215.5	3,873,254.8	4,474,680.9	5,327,779.3	6,734,078.0	8,173,749.3	9,439,407.2	10,764,528.4
Recurrent expenditure	1,423,665.5	1,872,382.4	2,093,054.9	2,661,862.5	3,137,469.5	3,398,023.9	4,681,459.3	5,562,443.1	6,690,370.0	6,989,806.6
Wages and salaries	397,770.0	462,963.5	189,709.0	656,788.5	976,094.3	1,134,709.3	1,608,591.1	1,723,414.2	2,346,377.8	2,722,084.2
Interest payments	99,780.0	99,465.0	95,055.1	218,861.3	215,562.9	264,833.1	242,668.9	248,890.6	353,377.1	436,317.1
Domestic 3/	57,009.3	55,085.6	973,808.7	163,694.8	185,050.4	237,372.6	207,744.5	208,099.1	285,481.0	345,125.7
Foreign	42,770.7	44,379.4	68,511.7	55,166.5	30,512.4	27,460.6	34,924.4	40,791.5	67,896.1	91,191.4
Other goods, services and transfers	926,115.4	1,309,953.9	502,573.3	1,786,212.7	1,945,812.3	1,998,481.5	2,785,540.4	3,522,411.6	3,990,615.2	3,831,405.4
Development Expenditure and net lending	473,188.6	677,925.8	1,071,160.6	1,211,392.2	1,337,211.4	1,929,757.4	2,052,618.7	2,611,306.2	2,749,037.2	3,774,721.7
Local	95,661.7	133,041.3	239,651.1	296,100.0	503,291.2	567,421.0	906,023.2	1,004,530.5	984,555.0	1,872,311.7
Foreign	377,526.9	544,884.5	831,509.5	915,292.2	833,920.2	1,362,336.3	1,146,595.5	1,606,775.7	1,764,482.2	1,902,410.0
Overall Balance before Grants	622,302.1	655,378.8	724,396.5	1,000,160.2	952,225.5	1,144,811.6	1,166,371.2	1,405,287.2	1,627,424.7	1,855,096.6
Program (CIS/OGL)	293,927.7	278,500.1	364,280.3	331,024.6	479,837.3	606,883.3	603,501.1	665,776.6	727,018.6	720,312.8
Project	255,516.2	235,042.1	131,735.2	416,771.0	241,826.6	303,916.7	289,025.5	439,110.9	369,683.4	612,030.8
Basket funds	0.0	65,085.7	156,071.6	175,975.3	111,559.8	122,576.9	194,114.8	258,066.7	196,113.7	221,601.0
MDR/MCA (T)										
Overall Balance after Grants	-57,035.0	-435,627.3	-666,109.6	-748,250.9	-783,433.0	-554,972.4	-1,274,632.5	-2,106,921.2	-2,075,716.4	-1,688,023.1
Expenditure float	-79,389.1	-89,548.2	140,141.5	69,713.1	-131,315.2	-298,883.5	-216,706.2	-436,236.3	162,628.5	-198,538.6
Adjustments to cash and other items (net)	921.5	190,125.3	-59,596.2	-245,875	-41,048.7	31,281.0	276,296.4	603,533.9	162,628.5	-198,538.6
Overall Balance	-135,502.6	-335,050.3	-727,075.2	-924,412.5	-955,797.0	-902,809.2	-1,215,042.2	-1,939,623.6	-2,393,214.9	-2,070,124.1
Financing:	135,502.6	335,050.3	727,075.2	924,412.5	955,797.0	902,809.2	1,215,042.2	1,939,623.6	2,393,214.9	2,070,124.1
Foreign Financing (net)	172,016.5	374,393.0	582,130.1	561,219.0	717,789.3	1,250,859.3	956,367.4	1,379,656.4	1,148,884.5	1,735,260.4
Loans	273,341.8	457,025.1	689,219.7	668,934.5	700,148.9	1,119,944.7	820,717.6	1,253,916.3	1,191,830.1	1,815,757.6
Program loans	151,331.0	214,170.4	65,395.6	257,677.1	266,946.0	362,415.4	331,922.5	558,319.6	173,806.3	246,849.8
Development Project loans	122,010.8	242,854.7	467,079.3	328,955.7	433,202.9	757,529.3	488,795.1	695,596.7	797,342.6	1,396,695.9
O/w: Non-Concessional Borrowing										
Basket Support		1,901.9	156,744.7	82,301.8	47,330.9	176,313.5	162,927.5	194,070.9	220,681.2	801,281.6
Amortization	-101,325.3	-84,534.0	-107,089.6	-107,715.5	-29,690.5	-45,398.9	-27,277.7	-68,330.9	-42,945.6	-80,497.1
Domestic (net) 4/	-36,513.9	-39,342.8	144,945.2	363,193.5	238,007.7	-351,197.7	258,674.8	559,967.1	1,244,330.4	334,863.7
Bank & Non Bank Financing (NDF)	-36,513.9	-44,262.7	144,945.2	348,885.7	238,007.7	-336,549.6	213,674.8	559,769.1	1,244,330.4	334,863.7
Bank borrowing	-5,557.9	-83,681.2	97,313.2	129,644.6	25,532.6	-316,755.0	212,566.8	584,523.1	906,836.6	71,249.5
Non-Bank (net of amortization)	-30,705.1	39,418.4	47,632.0	219,241.1	212,475.1	-19,794.6	1,108.0	-24,754.0	337,493.8	263,614.1
Domestic & Contingent debt Amortization	-250.9	-4,846.8	0.0	-19,001.4	0.0	-14,648.1		-9,460.9	720,249.5	-1,326,851.5
Borrowing/Roll over										
Privatization Proceeds										
	0.0	9,766.8	0.0	33,309.2	0.0	0.0	45,000.0	9,658.9	-720,249.5	1,326,851.5

Notes: 1/ Includes Local Government Authorities (LGAs)

2/ Exclude amortization and Expenditure Float, includes Road fund and Retention expenditures

3/ Domestic interest payments and amortization include Cash and Non cash

4/ Positive value means financing and a negative value means repayment

* Provisional

Source: Ministry of Finance and Bank of Tanzania

Table A2.2. Treasury Bills Auction - Actual Sales by Transactor, 2003-2012

Millions of TZS

Period	Total		Bank of Tanzania		Depository Money Banks		Other Banking Institutions		Other Financial Institutions		Official Entities		Private Sector	
	Auction	Cumulative	Auction	Cumulative	Auction	Cumulative	Auction	Cumulative	Auction	Cumulative	Auction	Cumulative	Auction	Cumulative
2003	1,196,691.8	4,666,199.6	0.0	13,123.7	868,637.1	3,230,794.4	43,956.4	326,726.6	194,279.6	859,661.4	0.0	9,417.6	89,818.7	214,931.3
2004	1,375,212.2	6,041,411.9	0.0	13,123.7	907,364.7	4,138,159.1	52,134.5	378,861.1	243,300.0	1,102,961.4	0.0	9,417.6	172,413.1	387,344.4
2005	2,301,298.5	8,342,710.3	0.0	13,123.7	1,761,636.6	5,899,795.7	23,997.5	402,858.6	195,038.2	1,297,999.5	0.0	9,417.6	320,626.2	707,970.6
2006	2,109,995.6	10,452,705.9	0.0	13,123.7	1,430,988.9	7,330,784.6	25,858.0	428,716.6	132,132.7	1,430,132.2	0.0	9,417.6	542,677.0	1,250,647.6
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	464,891.1	362,651.5	1,792,783.2	0.0	9,417.6	542,224.6	1,792,872.2
2008	2,799,532.3	16,019,685.6	0.0	19,303.2	1,968,550.3	11,121,552.2	25,586.0	490,477.1	637,543.4	2,430,327.1	0.0	9,417.6	167,852.6	1,960,724.8
2009	2,899,559.9	18,919,245.5	16,228.7	35,532.0	2,048,808.4	13,170,360.6	70,072.7	560,549.8	702,130.1	3,132,457.2	33,856.4	43,274.0	28,463.6	1,989,188.4
2010	3,074,995.9	21,994,241.4	5,400.0	40,932.0	2,616,627.5	15,786,988.1	102,146.5	662,696.3	246,742.2	3,379,199.4	84,634.2	127,908.2	19,445.5	2,008,633.9
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	761,745.5	186,531.4	3,565,730.8	140,190.2	268,098.5	21,616.2	2,030,250.2
2010 - Jun	122,050.0	20,373,961.8	0.0	40,932.0	57,645.0	14,390,711.4	11,035.0	602,840.2	43,752.7	3,257,643.9	6,053.0	88,024.6	3,564.4	2,005,926.3
Jul	248,020.1	20,621,981.9	0.0	40,932.0	223,205.4	14,613,916.7	4,290.0	607,130.2	15,390.9	3,273,034.7	5,042.2	93,066.8	91.7	2,006,018.0
Aug	392,015.0	21,013,996.9	0.0	40,932.0	351,350.0	14,965,266.8	17,586.0	624,716.2	6,427.6	3,279,462.3	16,376.0	109,442.8	275.3	2,006,293.4
Sep	299,795.0	21,313,791.9	0.0	40,932.0	236,359.3	15,201,626.0	24,560.7	649,276.8	30,920.6	3,310,382.9	7,186.7	116,629.5	767.7	2,007,061.1
Oct	220,370.5	21,534,162.3	0.0	40,932.0	196,201.9	15,397,827.9	1,898.0	651,174.8	20,930.1	3,331,313.0	532.1	117,161.7	808.3	2,007,869.4
Nov	253,638.6	21,787,800.9	0.0	40,932.0	237,705.0	15,635,532.9	3,426.5	654,601.3	4,343.9	3,335,657.0	8,057.1	125,218.8	106.1	2,007,975.5
Dec	206,440.5	21,994,241.4	5,400.0	40,932.0	151,455.2	15,786,988.1	8,095.0	662,696.3	43,542.5	3,379,199.4	2,689.4	127,908.2	658.4	2,008,633.9
Total	3,074,995.9	21,994,241.4	5,400.0	40,932.0	2,616,627.5	15,786,988.1	102,146.5	662,696.3	246,742.2	3,379,199.4	84,634.2	127,908.2	19,445.5	2,008,633.9
2011 - Jan	178,740.1	22,172,981.5	0.0	40,932.0	151,107.8	15,938,095.9	1,880.0	664,576.3	8,725.0	3,387,924.4	16,843.7	144,751.9	183.7	2,008,817.6
Feb	200,000.0	22,372,981.5	0.0	40,932.0	158,175.4	16,096,271.2	23,618.8	688,195.0	10,433.7	3,398,358.1	7,454.8	152,206.7	317.3	2,009,134.9
Mar	299,000.0	22,671,981.5	0.0	40,932.0	244,191.0	16,340,462.3	9,040.7	697,235.7	20,549.4	3,418,907.6	24,788.5	176,995.2	430.4	2,009,565.3
Apr	198,495.7	22,870,477.2	0.0	40,932.0	174,933.1	16,515,395.4	8,735.0	705,970.7	11,388.1	3,430,295.6	3,439.5	180,434.7	0.0	2,009,565.3
May	201,000.0	23,071,477.2	0.0	40,932.0	165,515.8	16,680,911.1	6,064.7	712,035.4	19,065.2	3,449,360.8	10,330.0	190,764.7	24.4	2,010,445.0
Jun	220,785.5	23,292,262.7	0.0	40,932.0	181,399.0	16,862,310.1	2,346.0	714,381.4	30,184.2	3,479,545.0	6,001.0	196,765.7	855.3	2,010,445.0
Jul	85,629.6	23,377,892.3	0.0	40,932.0	54,183.3	16,916,493.4	15,360.0	729,741.4	7,457.3	3,487,002.3	8,237.4	205,003.1	391.6	2,010,836.6
Aug	91,818.0	23,469,710.3	0.0	40,932.0	67,708.3	16,984,201.6	3,984.0	733,725.4	15,157.8	3,502,160.1	4,893.0	209,896.1	75.0	2,010,911.6
Sep	256,125.8	23,725,836.1	0.0	40,932.0	194,597.6	17,178,799.2	7,724.3	741,449.7	30,009.4	3,532,169.4	22,911.1	232,807.2	883.5	2,011,795.1
Oct	189,332.4	23,915,168.5	0.0	40,932.0	170,266.0	17,349,065.2	9,339.0	750,788.7	4,455.7	3,536,625.1	4,600.0	237,407.2	671.7	2,012,466.8
Nov	209,518.4	24,124,686.9	0.0	40,932.0	158,791.0	17,507,856.3	6,220.0	757,008.7	19,022.2	3,555,647.3	12,226.5	249,633.7	13,258.7	2,025,725.5
Dec	150,261.4	24,274,948.3	0.0	40,932.0	112,451.6	17,620,307.9	4,736.8	761,745.5	10,083.6	3,565,730.8	18,464.8	268,098.5	4,524.7	2,030,250.2
Total	2,280,706.9	24,274,948.3	0.0	40,932.0	1,833,319.8	17,620,307.9	99,049.2	761,745.5	186,531.4	3,565,730.8	140,190.2	268,098.5	21,616.2	2,051,866.4
2012 - Jan	168,044.0	24,442,992.3	0.0	40,932.0	117,133.9	17,737,441.8	1,512.0	763,257.5	41,044.0	3,606,774.8	6,878.0	274,976.5	1,476.1	2,031,726.2
Feb	316,740.3	24,759,732.6	0.0	40,932.0	288,881.5	18,026,323.3	3,893.1	767,150.6	3,534.3	3,610,309.1	19,065.1	294,041.5	1,366.3	2,033,092.5
Mar	312,266.8	25,071,999.3	0.0	40,932.0	204,315.2	18,230,638.5	50.3	767,200.9	65,539.4	3,675,848.5	41,595.0	335,636.5	766.9	2,033,859.4
Apr	95,208.8	25,167,208.1	0.0	40,932.0	57,800.2	18,288,438.7	300.0	767,500.9	25,475.0	3,701,323.5	8,661.0	344,297.5	2,972.6	2,036,832.0
May	110,907.3	25,278,115.4	0.0	40,932.0	84,383.5	18,372,822.2	1,202.5	768,703.3	3,910.1	3,705,233.6	16,493.5	360,791.0	4,917.8	2,041,749.8
Jun	190,801.8	25,468,917.3	0.0	40,932.0	77,080.6	18,449,902.7	600.0	769,303.3	109,405.7	3,814,639.3	3,561.7	364,352.7	153.8	2,041,903.7
Total	1,193,968.9	25,468,917.3	0.0	40,932.0	829,594.8	18,449,902.7	7,557.8	769,303.3	248,908.5	3,814,639.3	96,254.2	364,352.7	11,653.5	2,041,903.7

Source: Bank of Tanzania



**Table A2.3 : Central Government Outstanding Stocks, Bonds and Notes by Holders, 2003-2012***Millions of TZS*

End of period	Bank of Tanzania	Deposit Money banks	Other banks	Other Financial Institutions	Official Entities	Private Sector	Others	Total
2003	199,455.8	187,368.2	14,795.3	218,956.0	1,640.4	674.4	29,095.8	651,985.9
2004	199,231.0	200,701.6	13,890.3	269,604.3	1,490.4	839.6	500.0	686,257.2
2005	297,335.2	271,334.3	19,769.3	326,364.2	76,899.3	1,467.6	0.0	993,169.9
2006	367,050.1	348,785.9	19,449.3	434,214.3	70,284.0	5,956.0	0.0	1,245,739.6
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
2009-Mar	620,081.6	412,230.4	48,494.4	505,697.2	28,373.5	12,382.2	0.0	1,627,259.3
Jun	897,003.6	412,077.2	51,091.4	568,132.0	28,269.5	12,703.4	0.0	1,969,277.1
Sep	992,169.9	496,131.7	47,572.6	542,839.1	19,819.5	12,583.5	0.0	2,111,116.3
Dec	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-Mar	988,519.9	625,586.5	58,393.6	580,503.2	19,819.5	13,475.7	0.0	2,286,298.4
Jun	984,869.9	754,200.4	53,888.9	634,942.3	22,612.5	13,384.3	0.0	2,463,898.3
Sep	984,869.9	889,359.2	61,047.8	659,782.8	4,375.9	9,587.8	0.0	2,609,023.4
Dec	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-Mar	981,219.9	1,085,821.5	64,105.8	719,254.9	5,347.9	10,510.3	0.0	2,866,260.4
Jun	980,124.9	1,263,099.0	70,724.7	802,580.7	11,867.9	11,456.4	0.0	3,139,853.7
Sep	980,124.5	1,286,120.5	73,704.2	815,561.0	15,312.9	11,824.2	0.0	3,182,647.4
Dec	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-Mar	979,029.5	1,378,979.7	77,515.1	863,341.3	15,881.0	14,285.4	0.0	3,329,032.1
Jun	977,934.5	1,335,191.1	71,088.7	882,086.9	15,881.0	14,262.3	0.0	3,296,444.6

Notes: * 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

Source: Bank of Tanzania

Table A3.1: Depository Corporations Survey (Revised), 2003 - 2012

End of Period	Domestic assets (net)														Memorandum item:													
	M3, Extended Broad Money														M0: Base Money													
	Domestic credit (net)				M2, Broad Money				M1, Narrow Money						Foreign currency deposits				TOTAL									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Foreign assets (net)	Claims on government (net)	Claims on private sector* (net)	Other items (net)	sum(2-5) or sum(9-12)	sum(9-11)	sum(9,10)	Currency in circulation outside banks	Transferable deposits	Other deposits	Foreign currency deposits	Reserves	Reserves	Reserves	Foreign assets (net)	Claims on government (net)	Claims on private sector* (net)	Other items (net)	sum(2-5) or sum(9-12)	sum(9-11)	sum(9,10)	Currency in circulation outside banks	Transferable deposits	Other deposits	Foreign currency deposits	Reserves	Reserves	Reserves
2003	2,302,735.6	-108,545.2	992,532.4	-407,886.4	2,778,836.4	1,846,073.7	1,107,197.6	563,535.3	543,662.3	738,876.0	932,762.7	825,791.8	262,256.5	262,256.5	2,498,824.7	-272,123.6	1,312,725.0	-385,644.9	-2,157,246.6	1,183,150.7	8,110,073.2	4,533,730.1	1,807,334.7	2,726,395.4	3,579,343.1	3,090,158.5	3,591,098.6	1,783,763.8
2004	2,498,824.7	-272,123.6	1,312,725.0	-385,644.9	3,153,781.1	2,211,041.4	1,359,019.2	694,543.7	664,475.5	852,022.3	942,739.7	999,985.7	305,442.0	305,442.0	2,665,071.1	192,072.1	1,654,274.7	-260,693.0	-1,234,052.1	1,183,150.7	8,110,059.2	4,544,972.9	1,832,932.4	2,712,040.5	3,555,086.4	3,083,091.4	3,644,122.3	1,811,189.9
2005	2,665,071.1	192,072.1	1,654,274.7	-260,693.0	4,250,725.0	2,960,415.6	1,791,337.1	889,989.1	901,348.0	1,169,078.5	1,290,309.4	1,284,685.4	394,696.3	394,696.3	3,617,378.9	-282,628.7	2,310,136.2	-480,430.7	-1,012,663.7	1,183,150.7	8,169,388.9	4,448,994.9	1,855,146.5	2,593,848.4	3,720,394.0	3,064,663.2	3,554,158.9	1,699,012.4
2006	3,617,378.9	-282,628.7	2,310,136.2	-480,430.7	5,164,455.6	3,454,491.0	2,006,767.4	1,033,988.8	972,778.6	1,447,723.6	1,709,964.6	1,504,124.5	470,135.7	470,135.7	3,641,902.0	-319,844.4	3,151,210.9	-249,679.9	-2,345,881.3	1,183,150.7	8,309,339.2	4,590,465.1	1,854,093.5	2,736,371.6	3,718,874.2	3,124,513.8	3,637,590.7	1,783,497.2
2007	3,641,902.0	-319,844.4	3,151,210.9	-249,679.9	6,223,588.6	4,394,622.7	2,590,523.1	1,162,514.2	1,428,008.9	1,804,099.5	1,828,966.0	1,879,047.6	716,533.4	716,533.4	4,086,757.4	-334,967.2	4,556,167.7	-849,178.9	-2,511,766.9	1,183,150.7	8,698,665.7	4,927,149.5	2,081,134.9	2,846,014.6	3,771,516.2	3,259,275.7	3,789,965.1	1,708,830.2
2008	4,086,757.4	-334,967.2	4,556,167.7	-849,178.9	7,458,779.1	5,468,460.8	3,158,306.3	1,438,644.8	1,719,661.5	2,310,154.5	1,990,318.3	2,276,437.1	837,792.3	837,792.3	4,939,511.0	128,358.3	4,991,886.9	-1,279,612.8	-1,911,376.5	1,183,150.7	8,603,404.4	3,590,798.6	1,566,753.2	2,024,045.4	3,012,605.9	2,176,738.9	3,009,062.3	1,442,309.1
2009	4,939,511.0	128,358.3	4,991,886.9	-1,279,612.8	8,780,143.4	6,603,404.4	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	1,600,714.9	6,125,607.8	806,665.4	5,991,767.1	-1,911,376.5	-2,345,881.3	1,183,150.7	8,042,188.2	4,571,986.7	2,235,829.8	3,336,156.9	3,675,952.7	3,773,382.6	4,111,917.1	1,876,087.3
2010	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	1,876,087.3	6,273,631.2	1,471,254.6	7,622,317.6	-2,345,881.3	-3,021,322.0	1,183,150.7	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
2011-Mar	5,826,778.5	1,227,423.5	6,321,573.3	-2,141,723.2	11,234,052.1	8,169,388.9	4,448,994.9	1,855,146.5	2,593,848.4	3,720,394.0	3,064,663.2	3,554,158.9	1,699,012.4	1,699,012.4	5,804,034.4	1,617,907.7	6,859,395.9	-2,323,396.7	-1,957,941.4	1,183,150.7	9,115,413.3	5,186,520.2	2,243,124.2	2,943,396.0	3,928,893.1	3,685,451.4	4,239,423.1	1,996,298.9
Jun	5,804,034.4	1,617,907.7	6,859,395.9	-2,323,396.7	11,957,941.4	8,698,665.7	4,927,149.5	2,081,134.9	2,846,014.6	3,771,516.2	3,259,275.7	3,789,965.1	1,708,830.2	1,708,830.2	6,016,610.2	1,933,649.0	7,392,501.1	-2,541,895.6	-1,610,375.6	1,183,150.7	9,115,413.3	5,186,520.2	2,243,124.2	2,943,396.0	3,928,893.1	3,685,451.4	4,239,423.1	1,996,298.9
Sep	6,016,610.2	1,933,649.0	7,392,501.1	-2,541,895.6	12,800,864.7	9,115,413.3	5,186,520.2	2,243,124.2	2,943,396.0	3,928,893.1	3,685,451.4	4,239,423.1	1,996,298.9	1,996,298.9	6,273,631.2	1,471,254.6	7,622,317.6	-2,345,881.3	-3,021,322.0	1,183,150.7	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
Dec	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	1,876,087.3	5,863,802.9	1,917,727.0	7,707,599.3	-2,487,469.3	-3,001,660.0	1,183,150.7	9,381,225.0	5,711,377.7	2,145,192.0	2,852,159.3	3,914,832.0	3,713,337.3	4,054,869.7	1,775,599.5
2012-Mar	5,863,802.9	1,917,727.0	7,707,599.3	-2,487,469.3	13,001,660.0	9,381,225.0	5,711,377.7	2,145,192.0	2,852,159.3	3,914,832.0	3,620,434.9	3,881,051.2	1,735,859.2	1,735,859.2	6,005,389.5	1,689,157.3	8,139,740.5	-2,459,514.0	-3,374,773.3	1,183,150.7	9,806,961.6	6,031,703.4	2,317,345.7	3,714,357.7	3,775,258.2	3,567,811.7	4,591,634.2	2,274,288.5
Jun	6,005,389.5	1,689,157.3	8,139,740.5	-2,459,514.0	13,374,773.3	9,806,961.6	6,031,703.4	2,317,345.7	3,714,357.7	3,775,258.2	3,567,811.7	4,591,634.2	2,274,288.5	2,274,288.5	6,271,985.4	927,882.7	6,063,127.0	-2,059,763.3	-11,203,231.7	1,183,150.7	8,113,073.2	4,533,730.1	1,807,334.7	2,726,395.4	3,579,343.1	3,090,158.5	3,591,098.6	1,783,763.8
2011-Jan	6,271,985.4	927,882.7	6,063,127.0	-2,059,763.3	11,203,231.7	8,113,073.2	4,533,730.1	1,807,334.7	2,726,395.4	3,579,343.1	3,090,158.5	3,591,098.6	1,783,763.8	1,783,763.8	5,982,734.2	1,113,586.1	6,244,077.0	-2,157,246.6	-1,183,150.7	1,183,150.7	8,100,059.2	4,544,972.9	1,832,932.4	2,712,040.5	3,555,086.4	3,083,091.4	3,644,122.3	1,811,189.9
Feb	5,982,734.2	1,113,586.1	6,244,077.0	-2,157,246.6	11,183,150.7	8,100,059.2	4,544,972.9	1,832,932.4	2,712,040.5	3,555,086.4	3,083,091.4	3,644,122.3	1,811,189.9	1,811,189.9	5,826,778.5	1,227,423.5	6,321,573.3	-2,141,723.2	-1,234,052.1	1,183,150.7	8,169,388.9	4,448,994.9	1,855,146.5	2,593,848.4	3,720,394.0	3,064,663.2	3,554,158.9	1,699,012.4
Mar	5,826,778.5	1,227,423.5	6,321,573.3	-2,141,723.2	11,234,052.1	8,169,388.9	4,448,994.9	1,855,146.5	2,593,848.4	3,720,394.0	3,064,663.2	3,554,158.9	1,699,012.4	1,699,012.4	5,749,701.1	1,269,201.0	6,422,161.3	-2,007,210.4	-1,433,853.0	1,183,150.7	8,309,339.2	4,590,465.1	1,854,093.5	2,736,371.6	3,718,874.2	3,124,513.8	3,637,590.7	1,783,497.2
Apr	5,749,701.1	1,269,201.0	6,422,161.3	-2,007,210.4	11,433,853.0	8,309,339.2	4,590,465.1	1,854,093.5	2,736,371.6	3,718,874.2	3,124,513.8	3,637,590.7	1,783,497.2	1,783,497.2	5,527,623.5	1,488,277.3	6,635,879.0	-2,041,404.2	-1,610,375.6	1,183,150.7	8,478,824.8	4,705,534.0	1,911,879.2	2,793,654.9	3,773,290.8	3,131,550.7	3,637,266.0	1,725,386.8
May	5,527,623.5	1,488,277.3	6,635,879.0	-2,041,404.2	11,610,375.6	8,478,824.8	4,705,534.0	1,911,879.2	2,793,654.9	3,773,290.8	3,131,550.7	3,637,266.0	1,725,386.8	1,725,386.8	5,804,034.4	1,617,907.7	6,859,395.9	-2,323,396.7	-1,957,941.4	1,183,150.7	8,698,665.7	4,927,149.5	2,081,134.9	2,846,014.6	3,771,516.2	3,259,275.7	3,789,965.1	1,708,830.2
Jun	5,804,034.4	1,617,907.7	6,859,395.9	-2,323,396.7	11,957,941.4	8,698,665.7	4,927,149.5	2,081,134.9	2,846,014.6	3,771,516.2	3,259,275.7	3,789,965.1	1,708,830.2	1,708,830.2	5,978,997.0	1,701,657.5	6,942,717.1	-2,511,766.9	-1,610,375.6	1,183,150.7	8,765,530.7	4,946,787.2	2,160,510.6	2,786,276.7	3,818,743.5	3,346,073.9	3,903,575.2	1,743,064.7
Jul	5,978,997.0	1,701,657.5	6,942,717.1	-2,511,766.9	12,111,604.7	8,698,665.7	4,927,149.5	2,081,134.9	2,846,014.6	3,771,516.2	3,259,275.7	3,789,965.1	1,708,830.2	1,708,830.2	6,292,456.7	1,786,678.0	7,232,183.2	-2,551,719.1	-12,759,598.8	1,183,150.7	8,046,261.5	5,131,429.5	2,279,270.2	2,852,159.3	3,914,832.0	3,713,337.3	4,054,869.7	1,775,599.5
Aug	6,292,456.7	1,786,678.0	7,232,183.2	-2,551,719.1	12,759,598.8	9,046,261.5	5,131,429.5	2,279,270.2	2,852,159.3	3,914,832.0	3,713,337.3	4,054,869.7	1,775,599.5	1,775,599.5	6,016,610.2	1,933,649.0	7,392,501.1	-2,541,895.6	-1,610,375.6	1,183,150.7	9,115,413.3	5,186,520.2	2,243,124.2	2,943,396.0	3,928,893.1	3,685,451.4	4,239,423.1	1,996,298.9
Sep	6,016,610.2	1,933,649.0	7,392,501.1	-2,541,895.6	12,800,864.7	9,115,413.3	5,186,520.2	2,243,124.2	2,943,396.0	3,928,893.1	3,685,451.4	4,239,423.1	1,996,298.9	1,996,298.9	6,448,505.7	1,986,988.2	7,671,967.2	-2,869,231.6	-13,438,229.6	1,183,150.7	9,247,222.0	5,099,640.1	2,218,403.0	2,881,237.1	4,147,581.9	4,191,007.6	4,200,960.1	1,982,557.1
Oct	6,448,505.7	1,986,988.2	7,671,967.2	-2,869,231.6	13,211,385.3	9,247,222.0	5,099,640.1	2,218,403.0	2,881,237.1	4,147,581.9	4,191,007.6	4,200,960.1	1,982,557.1	1,982,557.1	6,295,189.4	1,961,458.9	7,660,855.0	-2,706,118.1	-13,438,229.6	1,183								



Table A3.2: Bank of Tanzania - Assets (revised), 2003-2012

Millions of TZS

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
2003	2,151,412.7	0.0	525.0	307,705.3	0.0	0.0	202,202.4	202,202.4	0.0	124,562.6	12,419.6	122,364.7	2,921,192.4
2004	2,378,542.2	0.0	73.5	321,091.3	0.0	0.0	199,211.2	199,211.2	0.0	213,442.4	5,931.0	210,070.7	3,328,362.4
2005	2,523,457.4	0.0	821.8	331,293.3	0.0	0.0	234,679.1	234,679.1	0.0	390,796.4	1,719.5	283,421.4	3,766,190.0
2006	2,666,180.5	0.0	28.3	377,203.3	0.0	0.0	453,175.5	453,175.5	0.0	583,686.8	2,112.2	399,166.3	4,481,552.8
2007	3,108,617.0	0.0	178.8	352,835.0	135,745.1	0.0	461,809.6	597,554.6	20,238.6	809,120.1	67,912.2	640,072.5	5,261,583.7
2008	3,654,372.4	0.0	39.2	400,544.2	0.0	0.0	650,864.5	650,864.5	57,441.1	860,112.9	8,900.4	588,410.8	5,823,680.5
2009	4,317,256.2	0.0	325.5	408,014.1	103,273.0	0.0	1,006,248.7	1,109,521.8	61,668.2	905,763.8	13,107.7	692,232.7	7,337,382.3
2010	5,328,144.9	0.0	354,768.8	445,236.0	92,796.5	0.0	1,002,665.6	1,095,462.0	61,668.2	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	188,612.1	0.0	1,056,102.5	1,244,714.6	62,668.2	1,000,841.0	556.5	1,193,211.4	8,854,637.0
2011- Mar	5,052,209.9	0.0	371,467.7	468,397.7	389,289.6	0.0	1,008,273.6	1,397,563.2	61,668.2	949,167.7	1,054.4	664,593.9	8,475,147.8
Jun	5,259,424.0	0.0	397,912.9	501,867.0	621,855.2	0.0	1,001,643.8	1,623,499.0	61,668.2	972,881.8	-5.4	649,498.7	8,975,648.3
Sep	5,241,265.4	0.0	401,612.4	508,485.2	651,810.3	0.0	1,008,254.2	1,660,064.6	61,668.2	1,068,809.7	606.4	688,753.1	9,140,157.9
Dec	5,492,337.2	0.0	375,910.7	476,884.4	188,612.1	0.0	1,056,102.5	1,244,714.6	62,668.2	1,000,841.0	556.5	1,193,211.4	8,854,637.0
2012- Mar	5,162,799.4	0.0	380,145.3	484,026.6	375,846.5	0.0	1,037,867.8	1,413,714.2	79,322.0	1,004,726.7	395.4	1,198,614.2	8,731,219.9
Jun	5,550,226.5	0.0	369,525.3	471,393.4	652,328.2	0.0	1,047,246.2	1,699,574.4	58,433.2	1,012,102.3	0.0	1,251,942.2	9,420,798.4
2011- January	5,383,313.2	0.0	367,732.7	461,505.8	217,550.9	0.0	1,004,418.6	1,221,969.5	66,668.2	932,458.7	563.5	661,612.3	8,604,884.5
February	5,206,743.1	0.0	371,504.8	468,444.5	412,989.6	0.0	1,001,746.7	1,414,736.3	61,668.2	952,361.8	692.7	653,156.7	8,638,355.4
March	5,052,209.9	0.0	371,467.7	468,397.7	434,760.0	0.0	1,008,273.6	1,443,033.6	61,668.2	956,415.7	1,054.4	657,850.9	8,521,123.2
April	5,124,088.2	0.0	382,477.9	482,280.8	415,495.2	0.0	1,012,074.2	1,427,569.4	61,668.2	962,162.2	624.5	748,592.7	8,698,489.8
May	5,050,133.3	0.0	381,424.6	481,071.2	465,510.3	0.0	1,019,841.0	1,485,351.3	61,668.2	963,258.8	527.1	751,702.9	8,684,145.5
June	5,259,424.0	0.0	397,912.9	501,867.0	621,855.2	0.0	1,001,643.8	1,623,499.0	61,668.2	972,881.8	-5.4	649,498.7	8,975,648.3
July	5,168,190.4	0.0	396,423.9	499,989.0	737,793.0	0.0	1,008,772.0	1,746,565.1	63,968.2	1,067,852.3	590.9	654,322.0	9,106,822.3
August	5,552,283.3	0.0	407,372.8	514,861.0	660,734.8	0.0	1,002,810.8	1,663,545.6	61,668.2	1,068,145.6	627.3	663,607.0	9,441,018.8
September	5,241,265.4	0.0	401,612.4	508,485.2	651,810.3	0.0	1,008,254.2	1,660,064.6	61,668.2	1,071,236.8	552.1	688,759.1	9,140,157.9
October	5,530,773.2	0.0	412,294.7	522,942.3	551,545.5	0.0	1,011,845.3	1,563,390.8	61,668.2	1,071,236.8	552.1	667,293.4	9,339,022.6
November	5,342,113.5	0.0	403,594.5	512,004.5	626,233.2	0.0	1,019,086.4	1,645,319.7	61,668.2	1,000,234.4	768.1	672,705.0	9,147,273.2
December	5,492,337.2	0.0	375,910.7	476,884.4	188,612.1	0.0	1,056,102.5	1,244,714.6	62,668.2	1,000,841.0	556.5	1,193,211.4	8,854,637.0
2012- January	5,214,556.3	0.0	382,284.2	484,970.0	449,029.5	0.0	1,061,240.2	1,510,269.7	61,668.2	1,002,455.5	602.3	1,198,335.1	8,862,648.3
February	5,118,352.7	0.0	382,875.5	486,630.6	521,725.1	0.0	1,033,510.7	1,555,235.7	61,668.2	1,004,061.2	484.7	1,207,987.5	8,824,782.7
March	5,162,799.4	0.0	380,145.3	484,026.6	375,846.5	0.0	1,037,867.8	1,413,714.2	79,322.0	1,004,726.7	395.4	1,198,614.2	8,731,219.9
April	5,086,701.0	0.0	378,924.8	483,339.0	344,154.9	0.0	1,038,381.6	1,382,536.5	104,329.6	1,004,476.5	507.7	1,328,663.6	8,776,948.8
May	5,155,883.6	0.0	370,205.5	472,261.2	526,108.5	0.0	1,075,328.9	1,601,437.4	57,833.2	1,009,228.5	349.4	1,219,318.8	8,893,968.6
June	5,550,226.5	0.0	369,525.3	471,393.4	652,328.2	0.0	1,047,246.2	1,699,574.4	58,433.2	1,012,102.3	0.0	1,251,942.2	9,420,798.4

Note: * Bills valued at purchase price. From July, 1983 total claims on Government differ from the totals given in the statements of assets and liabilities since government securities are in nominal value instead of book value.

** reported on gross level from July 2001

- Monetary data have been revised from December 2001 using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000

Source: Bank of Tanzania



Table A3.3 : Bank of Tanzania - Liabilities (revised), 2003- 2012

End of period	Millions of TZS									
	Currency in circulation	Central government deposits	Banks deposits	Other deposits	Foreign liabilities	International Monetary fund	Allocation of SDRs	Other liabilities	Capital and reserves	Total**
2003	619,038.2	810,623.8	211,126.7	17,204.3	1,250.4	727,512.9	15,196.5	472,258.2	30,737.4	2,904,948.2
2004	759,995.0	1,063,832.6	244,363.8	13,275.7	2,252.4	744,803.7	-4,081.5	536,695.0	10,036.5	3,371,173.1
2005	981,420.1	1,280,520.5	307,638.4	7,178.2	5,288.1	715,070.4	-21,909.4	532,495.9	10,020.6	3,818,262.8
2006	1,162,877.1	1,858,522.1	345,620.5	6,527.8	3,591.3	370,591.9	709.5	478,568.8	317,746.8	4,544,755.9
2007	1,354,603.8	2,254,482.3	554,739.4	3,791.9	9,090.2	388,399.7	55,651.8	542,959.7	97,864.8	5,261,583.7
2008	1,710,160.6	2,124,750.6	608,597.7	7,378.2	8,639.6	390,992.2	63,176.8	907,235.5	2,749.3	5,823,680.5
2009	1,896,843.3	2,069,669.2	1,153,810.1	23,290.6	3,528.0	811,524.7	390,806.1	887,049.3	100,861.1	7,337,382.3
2010	2,298,635.0	2,021,302.9	1,292,852.9	65,995.5	3,713.3	898,579.2	426,458.2	1,271,080.4	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
2011 - Mar	2,264,789.2	1,924,035.3	1,359,618.9	33,233.1	4,031.5	924,009.9	448,643.1	1,462,990.5	99,771.6	8,521,123.2
Jun	2,503,645.1	1,784,797.6	1,347,973.7	32,349.9	4,242.0	1,055,779.6	480,700.8	1,680,531.8	85,627.7	8,975,648.3
Sep	2,661,977.2	1,267,619.9	1,694,824.4	53,409.1	1,003.5	1,061,972.7	487,039.9	1,086,027.7	826,283.6	9,140,157.9
Dec	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- Mar	2,493,184.4	1,450,856.7	1,565,831.3	96,777.9	185.7	1,031,818.9	463,612.8	1,529,536.9	99,415.4	8,731,219.9
Jun	2,705,224.1	1,600,755.9	2,038,380.6	183,835.9	185.7	998,486.9	451,512.5	1,357,336.8	85,080.1	9,420,798.4
2011- January	2,203,841.7	1,990,489.9	1,476,453.6	102,851.2	3,867.7	917,369.2	442,041.9	1,368,197.6	99,771.6	8,604,884.5
February	2,225,624.6	1,940,925.5	1,493,950.7	20,936.2	3,952.2	924,063.8	448,687.9	1,480,442.7	99,771.6	8,638,355.4
March	2,264,789.2	1,924,035.3	1,359,618.9	33,233.1	4,031.5	924,009.9	448,643.1	1,462,990.5	99,771.6	8,521,123.2
April	2,288,017.3	1,960,649.9	1,444,922.4	28,900.9	4,182.8	940,004.5	461,940.7	1,470,099.8	99,771.6	8,698,489.8
May	2,282,155.4	1,855,989.9	1,421,520.8	35,368.7	4,118.6	1,013,504.3	460,782.1	1,510,934.0	99,771.6	8,684,145.5
June	2,503,645.1	1,784,797.6	1,347,973.7	32,349.9	4,242.0	1,055,779.6	480,700.8	1,680,531.8	85,627.7	8,975,648.3
July	2,544,551.9	1,743,180.4	1,436,405.7	23,862.8	4,166.6	1,053,615.9	478,902.0	995,853.4	826,283.6	9,106,822.3
August	2,711,235.7	1,551,205.1	1,449,916.2	197,377.2	4,309.0	1,070,024.9	494,229.9	1,136,437.2	826,283.6	9,441,018.8
September	2,661,977.2	1,267,619.9	1,694,824.4	53,409.1	1,003.5	1,061,972.7	487,039.9	1,086,027.7	826,283.6	9,140,157.9
October	2,663,871.4	1,122,711.5	1,661,490.3	148,901.9	1,023.5	1,077,851.6	500,887.3	1,336,135.0	826,150.1	9,339,022.6
November	2,660,437.5	1,127,827.5	1,733,970.5	27,006.3	934.3	1,065,296.5	490,410.7	1,266,397.4	774,992.4	9,147,273.2
December	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- January	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
February	2,474,368.2	1,301,647.1	1,801,699.0	69,990.6	187.1	1,035,485.7	466,107.1	1,575,882.6	99,415.4	8,824,782.7
March	2,493,184.4	1,450,856.7	1,565,831.3	96,777.9	185.7	1,031,818.9	463,612.8	1,529,536.9	99,415.4	8,731,219.9
April	2,512,671.3	1,487,341.5	1,636,809.4	161,726.1	185.7	1,030,351.1	462,954.2	1,385,494.1	99,415.4	8,776,948.8
May	2,594,154.8	1,455,386.1	1,771,682.8	202,779.8	185.7	999,479.3	452,343.6	1,318,032.5	99,923.9	8,893,968.6
June	2,705,224.1	1,600,755.9	2,038,380.6	183,835.9	185.7	998,486.9	451,512.5	1,357,336.8	85,080.1	9,420,798.4

Notes: - Monetary data have been revised from December 2001 using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000

* Included from July 2001 on gross level

** Revised from Jan-02

Source: Bank of Tanzania



Table A3.4 : Tanzania Notes in Circulation, 2003- 2012

End of Period	Millions of TZS											Percent of Total				
	10/-	20/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	Total	20/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-		
2003	99.7	498.0	37,760.4	40,775.6	38,542.2	154,817.8	314,648.6	589,120.2	0.1	0.3	6.4	6.9	26.3	53.4		
2004	99.7	497.8	36,901.9	54,312.0	60,871.6	132,013.8	421,347.4	708,018.4	0.1	0.3	5.2	7.7	18.6	59.5		
2005	99.7	497.8	36,808.7	41,682.9	65,332.1	184,512.8	579,825.7	910,730.7	0.1	0.2	4.0	4.6	20.3	63.7		
2006	99.7	497.8	36,863.8	47,303.0	65,568.1	188,248.6	736,620.7	1,077,172.3	0.0	0.2	3.4	4.4	17.5	68.4		
2007	99.7	497.8	41,057.0	63,285.4	107,542.4	237,656.2	873,664.5	1,325,772.8	0.0	0.1	3.1	4.8	17.9	65.9		
2008	99.7	497.7	44,290.9	75,479.4	81,643.0	257,586.4	1,216,469.3	1,678,036.1	0.0	0.1	2.6	4.5	15.4	72.5		
2009	99.7	497.7	40,789.5	86,025.2	64,538.8	257,629.6	1,410,502.1	1,862,052.0	0.0	0.1	2.2	4.6	13.8	75.7		
2010	99.7	497.7	42,423.1	84,097.4	101,938.6	416,550.9	1,612,837.2	2,260,413.7	0.0	0.1	1.9	3.7	18.4	71.4		
2011	99.7	497.7	51,519.0	83,793.4	111,196.0	420,406.8	1,982,878.0	2,652,359.4	0.0	0.1	1.9	3.2	15.9	74.8		
2011-Mar	99.7	497.7	43,960.8	83,043.3	104,774.5	387,569.7	1,604,313.0	2,226,227.8	0.0	0.1	2.0	3.7	17.4	72.1		
Jun	99.7	497.7	48,024.6	85,258.3	110,518.7	404,253.3	1,813,463.3	2,464,084.7	0.0	0.1	1.9	3.5	16.4	73.6		
Sep	99.7	497.7	50,844.9	91,313.4	118,869.5	413,103.1	1,944,561.9	2,621,259.2	0.0	0.1	1.9	3.5	15.8	74.2		
Dec	99.7	497.7	51,519.0	83,793.4	111,196.0	420,406.8	1,982,878.0	2,652,359.4	0.0	0.1	1.9	3.2	15.9	74.8		
2012-Mar	99.7	497.7	50,136.0	71,295.2	96,917.6	348,992.4	1,880,539.6	2,450,447.1	0.0	0.1	2.0	2.9	14.2	76.7		
Jun	99.7	497.7	50,736.0	77,742.7	112,045.5	457,103.5	1,960,916.0	2,661,109.9	0.0	0.1	2.1	3.2	18.7	80.0		
2011- January	99.7	497.7	42,656.7	80,289.7	100,980.4	395,371.9	1,543,580.4	2,165,445.7	0.0	0.1	1.9	3.6	17.5	71.3		
February	99.7	497.7	41,272.6	79,678.8	103,706.2	405,039.0	1,554,892.3	2,187,155.6	0.0	0.1	1.9	3.6	18.5	71.1		
March	99.7	497.7	43,960.8	83,043.3	104,774.5	387,569.7	1,604,313.0	2,226,227.8	0.0	0.1	2.0	3.7	17.4	72.1		
April	99.7	497.7	43,863.9	79,375.4	99,435.8	380,555.7	1,643,335.4	2,249,132.7	0.0	0.1	2.0	3.5	16.9	73.1		
May	99.7	497.7	45,628.1	81,049.7	99,581.7	359,394.0	1,654,742.5	2,242,962.4	0.0	0.1	2.0	3.6	16.0	73.8		
June	99.7	497.7	48,024.6	85,258.3	110,518.7	404,253.3	1,813,463.3	2,464,084.7	0.0	0.1	1.9	3.5	16.4	73.6		
July	99.7	497.7	48,492.1	87,101.6	119,060.2	404,524.8	1,842,924.9	2,504,670.1	0.0	0.1	1.9	3.5	16.2	73.6		
August	99.7	497.7	51,075.6	93,489.4	125,221.6	447,846.7	1,960,757.3	2,680,957.0	0.0	0.1	1.9	3.5	16.7	73.1		
September	99.7	497.7	50,844.9	91,313.4	118,869.5	413,103.1	1,944,561.9	2,621,259.2	0.0	0.1	1.9	3.5	15.8	74.2		
October	99.7	497.7	50,760.8	90,350.9	114,840.1	401,407.8	1,962,864.8	2,622,790.8	0.0	0.1	1.9	3.4	15.3	74.8		
November	99.7	497.7	50,550.1	87,478.3	112,532.2	403,535.0	1,962,356.5	2,619,018.6	0.0	0.1	1.9	3.3	15.4	74.9		
December	99.7	497.7	51,519.0	83,793.4	111,196.0	420,406.8	1,982,878.0	2,652,359.4	0.0	0.1	1.9	3.2	15.9	74.8		
2012- January	99.7	497.7	49,614.9	73,885.2	102,361.3	366,279.1	1,845,845.3	2,440,552.1	0.0	0.1	2.0	3.0	15.0	75.6		
February	99.7	497.7	50,343.4	71,710.9	97,917.4	355,489.5	1,853,924.8	2,431,952.3	0.0	0.1	2.1	2.9	14.6	76.2		
March	99.7	497.7	50,136.0	71,295.2	96,917.6	348,992.4	1,880,539.6	2,450,447.1	0.0	0.1	2.0	2.9	14.2	76.7		
April	99.7	497.7	50,224.2	72,170.9	95,440.6	372,134.3	1,877,129.4	2,469,665.7	0.0	0.1	2.0	2.9	15.2	76.6		
May	99.7	497.7	51,254.5	75,938.9	107,331.7	424,877.4	1,888,813.0	2,550,781.7	0.0	0.1	2.1	3.1	17.3	77.1		
June	99.7	497.7	50,736.0	77,742.7	112,045.5	457,103.5	1,960,916.0	2,661,109.9	0.0	0.1	2.1	3.2	18.7	80.0		

Source: Bank of Tanzania



Table A3.5 : Tanzania Coins in Circulation, 2003- 2012

End of Period	Millions of TZS												Percent of Total											
	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-	Total	-/05	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-
2003	8.8	4.4	38.4	45.9	167.6	398.5	770.8	927.4	11.7	2,521.1	8,048.9	4,195.3	17,138.7	0.1	0.2	0.3	1.0	2.3	4.5	5.4	0.1	14.7	47	24
2004	8.8	4.4	38.4	45.9	167.6	410.4	790.0	949.2	11.7	3,102.5	8,920.8	5,317.0	19,766.9	0.0	0.2	0.2	0.8	2.1	4.0	4.8	0.1	15.7	45	27
2005	8.8	4.4	38.4	46.0	167.7	419.9	822.7	987.8	11.7	3,341.9	9,283.2	6,952.2	22,084.6	0.0	0.2	0.2	0.8	1.9	3.7	4.5	0.1	15.1	42	31
2006	8.8	4.4	38.4	46.0	167.7	428.8	835.4	1,003.6	11.7	3,944.9	10,434.3	8,186.2	25,110.1	0.0	0.2	0.2	0.7	1.7	3.3	4.0	0.0	15.7	42	33
2007	8.8	4.4	38.4	46.0	167.7	433.7	839.6	1,006.5	11.7	4,358.4	11,547.0	9,839.0	28,301.0	0.0	0.1	0.2	0.6	1.5	3.0	3.6	0.0	15.4	40.8	34.8
2008	8.8	4.4	38.4	46.0	167.7	438.1	840.7	1,005.7	11.7	4,669.6	13,096.8	11,713.6	32,041.3	0.0	0.1	0.1	0.5	1.4	2.6	3.1	0.0	14.6	41	37
2009	8.8	4.4	38.4	46.0	167.7	441.7	839.0	999.7	11.7	5,437.5	14,039.8	12,951.2	34,985.7	0.0	0.1	0.1	0.5	1.3	2.4	2.9	0.0	15.5	40.1	37.0
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	38,221.3	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.0	39.2	38.1
2011	8.8	4.4	38.4	46.0	167.7	440.4	824.4	976.5	11.7	6,570.8	15,736.7	16,983.3	41,809.1	0.0	0.1	0.1	0.4	1.1	2.0	2.3	0.0	15.7	37.6	40.6
2011- Mar	8.8	4.4	38.4	46.0	167.7	441.5	835.2	988.1	11.7	6,193.8	14,994.9	14,831.0	38,561.6	0.0	0.1	0.1	0.4	1.1	2.2	2.6	0.0	16.1	38.9	38.5
Jun	8.8	4.4	38.4	46.0	167.7	441.5	835.2	986.6	11.7	6,221.3	15,100.5	15,022.8	38,884.8	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	16.0	38.8	38.6
Sep	8.8	4.4	38.4	46.0	167.7	441.5	827.5	979.3	11.7	6,443.3	15,505.6	16,244.1	40,718.0	0.0	0.1	0.1	0.4	1.1	2.0	2.4	0.0	15.8	38.1	39.9
Dec	8.8	4.4	38.4	46.0	167.7	440.4	824.4	976.5	11.7	6,570.8	15,736.7	16,983.3	41,809.1	0.0	0.1	0.1	0.4	1.1	2.0	2.3	0.0	15.7	37.6	40.6
2012- Mar	8.8	4.4	38.4	46.0	167.7	440.3	823.4	973.4	11.7	6,695.7	15,841.1	17,686.0	42,736.8	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.7	37.1	41.4
Jun	8.8	4.4	38.4	46.0	167.7	440.3	823.1	972.1	11.7	6,746.4	16,111.4	18,733.6	44,103.7	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.8	37.7	43.8
2011- January	8.8	4.4	38.4	46.0	167.7	441.6	836.0	990.5	11.7	6,173.4	15,042.9	14,626.8	38,388.2	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.1	39.2	38.1
February	8.8	4.4	38.4	46.0	167.7	441.5	835.2	988.2	11.7	6,198.1	15,034.0	14,695.4	38,469.3	0.0	0.1	0.1	0.4	1.1	2.2	2.6	0.0	16.1	39.1	38.2
March	8.8	4.4	38.4	46.0	167.7	441.5	835.2	988.1	11.7	6,193.8	14,994.9	14,831.0	38,561.6	0.0	0.1	0.1	0.4	1.1	2.2	2.6	0.0	16.1	38.9	38.5
April	8.8	4.4	38.4	46.0	167.7	441.6	834.7	984.7	11.7	6,286.8	15,218.8	15,177.0	39,560.4	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	15.9	38.5	39.2
May	8.8	4.4	38.4	46.0	167.7	441.5	834.9	985.7	11.7	6,244.4	15,181.4	15,228.3	39,193.2	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	15.9	38.7	38.9
June	8.8	4.4	38.4	46.0	167.7	441.5	835.2	986.6	11.7	6,221.3	15,100.5	15,022.8	38,884.8	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	16.0	38.8	38.6
July	8.8	4.4	38.4	46.0	167.7	441.5	831.2	981.8	11.7	6,324.4	15,296.5	15,729.5	39,881.8	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	15.9	38.4	39.4
August	8.8	4.4	38.4	46.0	167.7	441.5	830.8	980.7	11.7	6,379.6	15,445.1	15,980.5	40,335.3	0.0	0.1	0.1	0.4	1.1	2.1	2.4	0.0	15.8	38.3	39.6
September	8.8	4.4	38.4	46.0	167.7	441.5	827.5	979.3	11.7	6,443.3	15,505.6	16,244.1	40,718.0	0.0	0.1	0.1	0.4	1.1	2.0	2.4	0.0	15.8	38.1	39.9
October	8.8	4.4	38.4	46.0	167.7	441.4	825.9	978.7	11.7	6,509.5	15,595.7	16,451.3	41,079.6	0.0	0.1	0.1	0.4	1.1	2.0	2.4	0.0	15.8	38.0	40.0
November	8.8	4.4	38.4	46.0	167.7	440.5	824.7	978.5	11.7	6,544.7	15,682.0	16,670.6	41,417.9	0.0	0.1	0.1	0.4	1.1	2.0	2.4	0.0	15.8	37.9	40.2
December	8.8	4.4	38.4	46.0	167.7	440.4	824.4	976.5	11.7	6,570.8	15,736.7	16,983.3	41,809.1	0.0	0.1	0.1	0.4	1.1	2.0	2.3	0.0	15.7	37.6	40.6
2012- January	8.8	4.4	38.4	46.0	167.7	440.3	823.8	974.4	11.7	6,596.3	15,742.6	17,223.4	42,077.6	0.0	0.1	0.1	0.4	1.0	2.0	2.3	0.0	15.7	37.4	40.9
February	8.8	4.4	38.4	46.0	167.7	440.3	823.7	974.1	11.7	6,662.4	15,807.5	17,430.2	42,415.2	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.7	37.3	41.1
March	8.8	4.4	38.4	46.0	167.7	440.3	823.4	973.4	11.7	6,695.7	15,841.1	17,686.0	42,736.8	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.7	37.1	41.4
April	8.8	4.4	38.4	46.0	167.7	440.3	823.4	973.3	11.7	6,712.6	15,890.1	17,888.4	43,005.0	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.7	37.2	41.9
May	8.8	4.4	38.4	46.0	167.7	440.3	823.2	972.5	11.7	6,733.1	15,955.5	18,161.1	43,362.6	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.8	37.3	42.5
June	8.8	4.4	38.4	46.0	167.7	440.3	823.1	972.1	11.7	6,746.4	16,111.4	18,733.6	44,103.7	0.0	0.1	0.1	0.4	1.0	1.9	2.3	0.0	15.8	37.7	43.8

Source: Bank of Tanzania



Table A3.6 : Commercial Banks-- Assets, 2003- 2012

Millions of TZS

End of period	Domestic assets					Foreign assets					Fixed assets	Total
	Cash	Deposit with Bank of Tanzania	Treasury Securities ***	Other govt. securities	Loans and bills	Other*	Liquid**	Others				
2003	55,502.9	201,902.3	605,474.4	21,432.9	912,428.2	353,932.1	669,630.5	12,719.0	112,226.0	2,945,248.3		
2004	65,451.3	279,724.9	672,639.9	72,704.7	1,159,315.4	366,736.1	612,372.0	2,127.9	120,992.7	3,352,064.9		
2005	91,431.0	332,321.9	1,164,578.7	71,169.6	1,520,965.5	298,809.5	770,842.1	21,862.5	127,820.4	4,399,801.2		
2006	108,440.2	491,880.3	1,081,164.1	67,885.0	2,143,793.1	379,538.6	1,081,598.9	50,896.5	161,513.2	5,566,709.9		
2007	157,687.5	580,783.6	1,719,325.1	22,721.4	3,122,551.7	458,079.0	818,496.1	65,211.2	217,362.3	7,162,217.9		
2008	221,105.1	660,845.7	1,704,299.9	24,791.7	4,481,629.5	478,466.4	647,816.8	97,374.3	291,439.7	8,607,769.3		
2009	330,090.0	1,118,792.3	1,739,009.1	15,285.7	5,026,557.4	537,801.5	1,040,125.4	254,471.2	397,327.4	10,459,460.1		
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		
2011- Mar	409,642.8	1,375,288.9	2,362,833.6	84,649.0	6,284,124.9	757,720.3	1,352,865.5	329,414.4	537,882.4	13,494,421.7		
Jun	422,510.2	1,375,527.5	2,446,289.7	65,640.4	6,962,464.9	868,670.3	1,410,944.4	248,066.0	563,663.2	14,363,776.6		
Sep	418,853.0	1,690,964.6	2,194,880.2	50,400.6	7,601,628.6	946,396.6	1,514,742.8	173,365.5	599,258.0	15,190,490.0		
Dec	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- Mar	347,992.5	1,544,323.9	2,412,895.3	43,115.3	7,951,017.7	859,952.4	1,405,328.2	204,417.1	663,117.2	15,432,159.6		
Jun	387,878.4	1,909,265.1	2,260,804.0	30,272.2	8,295,555.6	960,911.2	1,298,676.5	131,247.5	685,086.9	15,959,697.4		
2011- January	396,506.9	1,414,348.0	2,351,610.8	16,169.6	6,120,902.0	721,268.0	1,357,826.1	305,545.7	526,939.0	13,211,116.0		
February	392,692.2	1,470,771.7	2,315,297.1	18,464.2	6,264,241.1	749,115.9	1,389,292.7	319,494.4	532,590.1	13,451,959.4		
March	409,642.8	1,375,288.9	2,362,833.6	84,649.0	6,284,124.9	757,720.3	1,352,865.5	329,414.4	537,882.4	13,494,421.7		
April	433,923.8	1,438,135.5	2,432,963.1	56,728.4	6,408,404.5	773,819.0	1,375,016.1	197,973.2	546,104.5	13,663,068.0		
May	370,276.2	1,364,027.7	2,449,354.5	101,378.2	6,588,044.0	832,913.1	1,345,946.7	218,067.9	556,010.6	13,826,018.8		
June	422,510.2	1,375,527.5	2,446,289.7	65,640.4	6,962,464.9	868,670.3	1,410,944.4	248,066.0	563,663.2	14,363,776.6		
July	384,041.4	1,354,458.9	2,348,279.9	100,111.5	6,942,009.4	833,606.3	1,359,396.4	323,569.2	571,140.3	14,216,613.4		
August	431,965.5	1,401,831.0	2,272,148.6	121,871.1	7,269,318.2	866,934.0	1,457,157.0	179,111.3	582,906.6	14,583,243.2		
September	418,853.0	1,690,964.6	2,194,880.2	50,400.6	7,601,628.6	946,396.6	1,514,742.8	173,365.5	599,258.0	15,190,490.0		
October	445,468.4	1,592,363.1	2,180,223.1	98,702.1	7,708,629.7	886,321.6	1,634,885.1	299,828.7	609,024.9	15,455,446.8		
November	394,199.5	1,658,518.9	2,144,470.1	46,544.0	7,818,984.9	978,868.2	1,692,735.8	157,768.5	618,345.1	15,510,435.0		
December	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- January	379,706.8	1,872,530.9	2,071,084.0	56,486.4	7,768,007.6	855,858.4	1,438,603.0	168,047.7	645,443.4	15,255,768.1		
February	368,141.0	1,731,423.1	2,278,374.7	80,334.7	7,779,714.0	743,809.5	1,495,209.8	198,219.0	652,498.7	15,327,724.3		
March	347,992.5	1,544,323.9	2,412,895.3	43,115.3	7,951,017.7	859,952.4	1,405,328.2	204,417.1	663,117.2	15,432,159.6		
April	364,881.7	1,535,903.0	2,373,342.8	45,603.6	7,999,859.0	801,675.1	1,345,010.7	251,714.3	671,054.7	15,389,044.9		
May	372,231.1	1,731,801.8	2,322,619.0	26,587.9	8,204,989.9	788,443.3	1,301,178.0	188,186.1	676,323.4	15,612,360.4		
June	387,878.4	1,909,265.1	2,260,804.0	30,272.2	8,295,555.6	960,911.2	1,298,676.5	131,247.5	685,086.9	15,959,697.4		

* Includes claims on other banks and from January 1995 includes also claims on other financial institutions

** Includes deposits with Foreign Banks and foreign Units

*** Formerly known as Treasury bills

Source: Bank of Tanzania



A3.0 Money and Banking

Table A3.7 :Commercial Banks -- Liabilities, 2003 - 2012
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	
2003	2,198,096.8	72.7	150,312.7	301,663.8	6,321.9	14,778.3	274,002.0	2,945,248.3
2004	2,445,965.2	0.0	166,539.8	380,954.7	19,042.1	10,678.0	328,885.0	3,352,064.9
2005	3,353,017.7	148.4	121,720.2	436,516.2	27,571.8	36,703.6	424,123.3	4,399,801.2
2006	4,123,939.0	0.0	190,039.6	609,458.8	64,041.5	34,616.2	581,910.1	5,604,005.2
2007	5,057,337.8	0.0	242,441.7	879,225.5	191,888.7	118,477.6	807,249.5	7,296,620.7
2008	6,012,857.7	10,449.7	209,779.9	1,201,168.5	153,806.6	186,318.0	1,001,441.0	8,775,821.3
2009	7,190,113.6	475.0	302,578.3	1,500,623.5	108,973.9	91,112.9	1,265,583.0	10,459,460.1
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
2011-Mar	9,345,686.7	0.0	393,591.1	1,834,659.6	144,252.9	226,639.4	1,549,592.1	13,494,421.7
Jun	9,844,471.2	0.0	506,156.0	1,924,226.6	216,192.0	256,873.3	1,615,857.4	14,363,776.6
Sep	10,504,345.6	0.0	541,102.2	2,168,277.8	177,955.8	94,889.3	1,703,919.4	15,190,490.0
Dec	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-Mar	10,759,705.1	2,500.0	495,445.2	2,060,592.4	189,845.5	87,450.8	1,836,620.7	15,432,159.6
Jun	10,873,605.8	4,200.0	454,833.2	2,359,597.2	245,412.2	120,082.4	1,901,966.5	15,959,697.4
2011- January	9,293,060.0	0.0	305,791.2	1,833,595.3	147,407.7	93,251.6	1,538,010.2	13,211,116.0
February	9,329,296.2	0.0	293,443.8	1,863,686.7	194,139.5	201,901.9	1,569,491.3	13,451,959.4
March	9,345,686.7	0.0	393,591.1	1,834,659.6	144,252.9	226,639.4	1,549,592.1	13,494,421.7
April	9,550,872.8	0.0	307,584.7	1,820,913.3	180,784.3	225,222.8	1,577,690.1	13,663,068.0
May	9,663,141.9	0.0	334,305.5	1,752,215.2	198,736.3	271,878.9	1,605,741.0	13,826,018.8
June	9,844,471.2	0.0	506,156.0	1,924,226.6	216,192.0	256,873.3	1,615,857.4	14,363,776.6
July	9,927,246.0	0.0	428,752.6	2,009,435.6	181,100.8	50,786.6	1,619,291.8	14,216,613.4
August	10,282,966.1	0.0	427,062.9	1,948,094.3	173,677.4	76,087.4	1,675,355.1	14,583,243.2
September	10,504,345.6	0.0	541,102.2	2,168,277.8	177,955.8	94,889.3	1,703,919.4	15,190,490.0
October	11,070,938.9	0.0	416,633.8	2,077,551.4	71,459.3	100,996.6	1,717,866.8	15,455,446.8
November	10,918,155.1	0.0	410,284.1	2,183,492.6	153,326.3	103,059.5	1,742,117.3	15,510,435.0
December	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- January	10,815,814.5	0.0	338,681.5	2,098,700.9	178,887.1	43,968.7	1,779,715.4	15,255,768.1
February	10,832,099.0	0.0	325,233.2	2,111,749.6	203,140.5	41,692.5	1,813,809.5	15,327,724.3
March	10,759,705.1	2,500.0	495,445.2	2,060,592.4	189,845.5	87,450.8	1,836,620.7	15,432,159.6
April	10,676,183.4	2,500.0	460,808.2	2,078,515.5	189,453.1	100,676.2	1,880,908.6	15,389,044.9
May	10,657,903.9	4,306.6	482,582.7	2,232,544.4	236,136.8	102,086.5	1,896,799.5	15,612,360.4
June	10,873,605.8	4,200.0	454,833.2	2,359,597.2	245,412.2	120,082.4	1,901,966.5	15,959,697.4

* Revised Figures

Note: Monetary data have been revised from December 2001 using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000

Source: Bank of Tanzania



Table A3.8: Analysis of Change of Banking System Liquidity*, 2003 - 2012

Millions of TZS

End of 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	of which			Treasury Securities ¹	Net foreign liquid assets
								Cash	Bank of Tanzania	Deposits with		
2003	-21,106.2	113,556.6	23,194.2	-142,223.8	-26,579.2	4.0	-26,575.1	-9,013.7	-28,897.3	-5,046.2	16,382.1	
2004	-40,478.3	-14,877.3	-1,016.5	32,843.2	-23,528.9	12.7	-23,516.2	-4,684.4	1,423.4	3,471.8	-23,727.1	
2005	212,010.7	-256,345.7	31,145.6	-29,614.8	-42,804.2	-70.4	-42,874.6	-1,416.5	-37,729.7	2,148.2	-5,876.6	
2006	-151,263.7	-49,882.1	18,336.4	212,715.6	29,906.1	5.1	29,911.2	20,448.1	-109,426.3	114,406.8	4,482.6	
2007	33,626.7	-85,008.7	16,381.3	134,318.0	99,317.3	-2,268.6	97,048.7	34,402.1	13,033.4	-45,586.7	95,199.9	
2008	4,537.8	276,531.1	-13,585.8	-353,605.2	-86,122.0	-4,463.2	-90,585.2	50,410.7	-31,307.0	-168,012.2	58,323.3	
2009	20,048.4	-96,874.9	13,592.7	146,753.2	17,008.3	-2,576.7	14,431.6	41,406.5	19,688.1	-20,381.2	-26,281.7	
2010	-370,460.4	322,379.8	8,481.7	161,302.8	121,703.9	-718.6	120,985.3	13,351.0	2,622.0	32,880.7	72,131.7	
2011	-508,119.2	-21,558.3	-30,408.3	340,278.9	-219,806.8	979.8	-218,827.0	64,140.2	57,699.8	-103,910.7	-236,756.3	
2011-Mar	44,985.3	-155,955.8	22,214.0	70,977.3	-17,779.2	242.9	-17,536.3	16,950.6	-95,482.8	47,536.5	13,459.4	
Jun	184,894.4	276,410.9	169,255.8	-520,655.8	109,905.3	-1,694.3	108,211.0	52,234.0	11,499.8	-3,064.8	47,541.9	
Sep	259,162.3	-275,846.5	-36,146.0	305,297.2	252,466.9	-406.6	252,060.3	-13,112.5	289,133.6	-77,268.4	53,307.5	
Dec	-508,119.2	-21,558.3	-30,408.3	340,278.9	-219,806.8	979.8	-218,827.0	64,140.2	57,699.8	-103,910.7	-236,756.3	
2012-Mar	-290,779.0	-70,871.9	38,964.8	155,881.9	-166,804.2	17,490.5	-149,313.6	-20,148.5	-187,099.2	134,520.6	-76,586.5	
Jun	-54,979.1	307,907.0	95,421.9	-228,766.8	119,583.1	-64.3	119,518.8	15,647.3	177,463.3	-61,815.0	-11,776.9	
2011-January	158,546.7	146,377.7	-89,800.1	-180,591.0	34,533.3	4,993.0	39,526.2	-4,993.2	113,441.7	-63,328.7	-5,593.6	
February	242,331.1	-289,251.2	25,597.7	27,358.3	6,035.9	-5,005.9	1,030.0	-3,814.7	56,423.7	-36,313.7	-15,265.2	
March	44,985.3	-155,955.8	22,214.0	70,977.3	-17,779.2	242.9	-17,536.3	16,950.6	-95,482.8	47,536.5	13,459.4	
April	-51,867.9	-77,077.4	-1,052.9	272,710.2	142,712.0	164.2	142,876.2	24,281.0	62,846.6	70,129.5	-14,380.9	
May	162,559.3	-222,077.6	57,785.6	-168,614.9	-170,347.5	1,962.2	-168,385.3	-63,647.6	-74,107.8	16,391.5	-47,021.4	
June	184,894.4	276,410.9	169,255.8	-520,655.8	109,905.3	-1,694.3	108,211.0	52,234.0	11,499.8	-3,064.8	47,541.9	
July	187,264.3	174,962.6	79,375.6	-617,609.8	-176,007.2	2,003.3	-174,003.9	-38,468.8	-21,068.6	-98,009.8	-16,456.7	
August	110,747.3	313,459.7	118,759.7	-416,302.6	126,664.1	-2,315.3	124,348.8	47,924.1	47,372.1	-76,131.4	105,183.9	
September	259,162.3	-275,846.5	-36,146.0	305,297.2	252,466.9	-406.6	252,060.3	-13,112.5	289,133.6	-77,268.4	53,307.5	
October	68,310.0	631,895.6	-24,721.2	-535,508.6	139,975.7	19.8	139,995.5	26,615.4	-98,601.5	-14,657.1	226,638.7	
November	77,647.3	-353,316.3	47,835.0	182,913.1	-44,920.9	38.4	-44,882.5	-51,268.9	66,155.8	-35,753.0	-24,016.3	
December	-508,119.2	-21,558.3	-30,408.3	340,278.9	-219,806.8	979.8	-218,827.0	64,140.2	57,699.8	-103,910.7	-236,756.3	
2012-January	374,287.6	-306,993.9	-132,906.2	131,069.7	65,457.2	-190.5	65,266.7	-78,632.9	156,312.2	30,524.6	-42,937.2	
February	-129,589.1	-31,962.4	3,303.6	244,963.4	86,715.5	255.0	86,970.5	-11,565.8	-141,107.9	207,290.7	32,353.4	
March	-290,779.0	-70,871.9	38,964.8	155,881.9	-166,804.2	17,490.5	-149,313.6	-20,148.5	-187,099.2	134,520.6	-76,586.5	
April	-67,910.6	-101,733.4	2,597.6	51,064.5	-115,981.9	24,972.6	-91,009.3	16,889.3	-8,420.9	-39,552.5	-59,925.2	
May	251,413.0	-64,587.0	74,134.2	-153,084.8	107,875.4	-45,867.5	62,008.0	7,349.3	195,898.9	-50,723.8	-90,516.4	
June	-54,979.1	307,907.0	95,421.9	-228,766.8	119,583.1	-64.3	119,518.8	15,647.3	177,463.3	-61,815.0	-11,776.9	

Note: 1 formerly known as Treasury bills

- Monetary data have been revised from December 2001 using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000; + implies supply of liquidity, - implies withdrawal of liquidity

Source: Bank of Tanzania



A3.0 Money and Banking

TableA3.9 : Commercial Banks -Analysis of Domestic Assets, 2003- 2012
Millions of TZS

End of period	Bank of Tanzania	Other Financial Corporation	Central Governemnt	Public Non financial Corporations	State and local Government	Private sector	Other* assets	Total
2003	258,402.77	13,917.85	606,701.74	0.00	0.00	901,461.98	482,414.44	2,262,898.78
2004	346,173.67	21,647.28	673,280.73	0.00	0.00	1,193,620.30	502,842.92	2,737,564.90
2005	424,700.40	28,839.64	1,165,219.58	0.00	0.00	1,542,177.32	446,159.72	3,607,096.66
2006	512,267.00	23,959.11	1,195,615.33	459.77	0.00	2,177,060.20	599,861.22	4,509,222.63
2007	875,294.51	32,069.22	1,673,782.78	49.99	0.00	3,019,675.69	751,969.24	6,352,841.42
2008	961,452.04	223,078.62	1,546,902.14	345,478.22	3,292.48	3,897,415.28	963,467.69	7,941,086.46
2009	1,456,945.21	249,536.67	1,756,239.99	411,355.18	4,646.11	4,225,922.17	1,060,218.17	9,164,863.51
2010	1,702,406.42	259,744.67	2,435,551.01	487,152.92	9,163.46	5,140,201.42	1,567,092.44	11,601,312.34
2011	2,174,558.42	331,195.96	2,091,028.74	598,317.06	23,009.21	6,589,844.06	1,702,931.18	13,510,884.63
2011-Mar	1,784,931.62	278,243.75	2,380,671.57	447,179.08	7,668.93	5,497,734.09	1,415,712.76	11,812,141.79
Jun	1,798,037.70	303,912.05	2,463,804.68	481,785.52	14,882.52	5,972,075.44	1,670,268.34	12,704,766.25
Sep	2,109,817.64	324,976.69	2,219,224.48	539,040.67	17,063.92	6,424,683.82	1,867,574.43	13,502,381.66
Dec	2,174,558.42	331,195.96	2,091,028.74	598,317.06	23,009.21	6,589,844.06	1,702,931.18	13,510,884.63
2012-Mar	1,892,316.34	351,632.74	2,595,235.10	461,271.40	86,488.70	6,728,930.79	1,706,539.22	13,822,414.29
Jun	2,296,334.29	384,330.63	2,347,301.11	597,126.07	46,659.64	7,036,011.15	1,815,004.44	14,522,767.33
2011-Jan	1,810,854.88	291,474.29	2,371,663.66	456,039.36	6,927.78	5,216,810.25	1,393,974.03	11,547,744.25
February	1,863,463.88	289,124.50	2,335,927.43	463,701.90	7,673.18	5,391,248.69	1,392,032.63	11,743,172.21
March	1,784,931.62	278,243.75	2,380,671.57	447,179.08	7,668.93	5,497,734.09	1,415,712.76	11,812,141.79
April	1,872,059.26	287,513.35	2,450,590.05	461,135.81	10,947.36	5,571,921.66	1,435,911.19	12,090,078.69
May	1,734,303.87	293,448.03	2,468,005.71	484,829.98	11,284.07	5,754,467.60	1,515,664.93	12,262,004.20
June	1,798,037.70	303,912.05	2,463,804.68	481,785.52	14,882.52	5,972,075.44	1,670,268.34	12,704,766.25
July	1,738,500.27	306,686.47	2,365,527.40	486,512.18	14,211.75	6,049,625.16	1,572,584.53	12,533,647.76
August	1,833,796.50	476,762.72	2,298,483.22	546,082.23	7,312.92	6,115,041.54	1,669,495.78	12,946,974.91
September	2,109,817.64	324,976.69	2,219,224.48	539,040.67	17,063.92	6,424,683.82	1,867,574.43	13,502,381.66
October	2,037,831.51	352,429.65	2,230,991.44	546,332.29	18,235.50	6,666,225.85	1,668,686.72	13,520,732.95
November	2,052,718.39	327,974.46	2,205,110.83	545,403.20	17,558.45	6,686,647.52	1,824,517.81	13,659,930.66
December	2,174,558.42	331,195.96	2,091,028.74	598,317.06	23,009.21	6,589,844.06	1,702,931.18	13,510,884.63
2012-Jan	2,252,237.70	354,309.86	2,162,370.89	513,509.10	31,667.94	6,598,550.73	1,736,471.29	13,649,117.51
February	2,099,564.06	357,333.44	2,356,345.86	590,237.76	21,588.33	6,713,807.74	1,495,418.36	13,634,295.54
March	1,892,316.34	351,632.74	2,595,235.10	461,271.40	86,488.70	6,728,930.79	1,706,539.22	13,822,414.29
April	1,900,784.71	352,580.97	2,450,446.57	581,476.77	35,619.85	6,911,448.39	1,559,962.67	13,792,319.94
May	2,104,032.89	390,263.67	2,397,901.59	578,763.02	40,777.37	6,988,393.61	1,622,864.16	14,122,996.31
June	2,296,334.29	384,330.63	2,347,301.11	597,126.07	46,659.64	7,036,011.15	1,815,004.44	14,522,767.33

Note: Since December 2001, all monetary data have been revised using the IMF international standard reporting format (SRF), which is in line with the Monetary and Financial Statistics Manual of 2000

Source: Bank of Tanzania



Table A3.10 : Commercial Banks' - Lending and Holdings of Securities (Revised), 2003 - 2012

Millions of TZS

End of Period	Domestic lending													Lending to deposit ratio	Total Securities						
	Loans to Central Bank (Repos)			Loans to Depository Corporations			Loans to State and Local Government			Loans to Nonfinancial Corporations			Loans to Other Resident Sectors			Loans to Non-residents	Total				
	997.5	24,865.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					0.0	0.0	0.0	0.0
2003	997.5	24,865.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	925,147.2	41.1	605,474.4	
2004	997.5	30,747.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,161,443.4	45.8	672,639.9	
2005	947.5	32,839.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,542,828.0	43.6	1,164,578.7	
2006	924.7	36,547.4	459.8	0.0	0.0	0.0	459.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,185,145.9	50.2	1,195,570.9	
2007	89,387.9	79,784.0	50.0	0.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,247,497.0	58.1	1,673,738.3	
2008	60,397.5	141,074.9	195,041.7	10,583.3	3,292.5	345,278.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	4,734,243.9	60,397.5	60,397.5	
2009	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9	8,062.9
2010	16,561.1	262,695.7	207,655.5	20,611.5	9,163.5	486,803.2	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	9,163.5	6,322,411.4	70.5	2,414,939.5	
2011	0.0	237,592.5	260,524.7	49,469.4	23,009.2	598,093.1	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	7,914,901.9	67.1	2,040,559.3	
2011-Mar	0.0	185,273.6	222,123.8	17,838.0	7,668.9	446,841.4	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	6,613,258.6	63.7	2,362,833.6	
Jun	0.0	329,582.9	239,396.0	17,514.9	14,882.5	481,592.9	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	7,210,246.4	65.2	2,446,289.7	
Sep	0.0	402,061.4	255,513.9	23,344.3	17,063.9	538,879.7	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	7,774,707.1	66.6	2,194,880.2	
Dec	0.0	237,592.5	260,524.7	49,469.4	23,009.2	598,093.1	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	7,914,901.9	67.1	2,040,559.3	
2012-Mar	0.0	262,943.1	272,653.4	181,339.8	86,488.7	460,917.3	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	8,155,138.5	68.6	2,412,895.3	
Jun	0.0	267,057.5	285,344.3	85,528.5	46,659.6	596,945.2	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	8,426,490.2	69.6	2,260,804.0	
2011-January	0.0	197,854.6	238,971.2	20,052.8	6,927.8	455,589.3	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,927.8	6,426,167.2	62.5	2,351,610.8	
February	0.0	168,818.0	230,716.7	20,630.3	7,673.2	463,260.6	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	7,673.2	6,583,454.5	63.3	2,315,297.1	
March	0.0	185,273.6	222,123.8	17,838.0	7,668.9	446,841.4	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	7,668.9	6,613,258.6	63.7	2,362,833.6	
April	0.0	192,861.2	231,559.7	17,627.0	10,947.4	460,912.0	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	10,947.4	6,606,096.6	62.5	2,432,963.1	
May	0.0	214,970.6	226,427.4	18,151.2	11,284.1	484,611.0	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	11,284.1	6,805,830.0	63.7	2,449,354.5	
June	0.0	329,582.9	239,396.0	17,514.9	14,882.5	481,592.9	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	14,882.5	7,210,246.4	65.2	2,446,289.7	
July	0.0	247,118.8	237,517.0	16,247.5	14,211.8	486,321.3	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	14,211.8	7,265,294.4	65.6	2,348,279.9	
August	0.0	299,951.4	407,049.8	25,334.7	7,312.9	545,920.1	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,312.9	7,448,144.1	65.6	2,272,148.6	
September	0.0	402,061.4	255,513.9	23,344.3	17,063.9	538,879.7	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	17,063.9	7,774,707.1	66.6	2,194,880.2	
October	0.0	249,536.5	272,774.6	49,768.4	18,235.5	546,117.0	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	18,235.5	8,008,170.5	66.1	2,180,223.1	
November	0.0	299,564.8	253,735.6	59,640.8	17,558.4	545,189.6	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	17,558.4	7,976,465.4	65.8	2,144,470.1	
December	0.0	237,592.5	260,524.7	49,469.4	23,009.2	598,093.1	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	23,009.2	7,914,901.9	67.1	2,040,559.3	
2012-January	0.0	313,232.9	270,477.1	90,286.9	31,667.9	513,216.6	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	31,667.9	7,935,758.9	75.9	2,071,384.0	
February	0.0	180,522.6	274,753.1	76,971.1	21,588.3	589,914.0	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	21,588.3	7,977,636.7	67.2	2,278,374.7	
March	0.0	262,943.1	272,653.4	181,339.8	86,488.7	460,917.3	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	86,488.7	8,155,138.5	68.6	2,412,895.3	
April	0.0	168,973.5	271,198.6	76,103.8	35,619.8	581,139.4	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	35,619.8	8,251,509.7	70.0	2,373,342.8	
May	0.0	250,193.5	299,393.1	74,282.6	40,777.4	578,568.2	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	40,777.4	8,393,112.6	70.3	2,322,619.0	
June	0.0	267,057.5	285,344.3	85,528.5	46,659.6	596,945.2	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	46,659.6	8,426,490.2	69.6	2,260,804.0	

Source: Bank of Tanzania

Table A3.11: Commercial Banks - Domestic Lending by Activity (Borrowing Sector), 2003-2012

End of Period	Millions of TZS										In percent of Total																			
	Public Sector*	Agriculture, Hunting and Forestry	Financial Intermediaries	Mining and Quarrying	Manufacturing**	Building and Construction	Real Estate and Leasing	Transport and Communication	Trade	Tourism, Hotels and Restaurants	Warehousing and Storage	Electricity, Gas and Water	Education and Health	Personal and Other Services	Total	Public Sector*	Agriculture, Hunting and Forestry	Financial Intermediaries	Mining and Quarrying	Manufacturing**	Building and Construction	Real Estate and Leasing	Transport and Communication	Trade	Tourism, Hotels and Restaurants	Warehousing and Storage	Electricity, Gas and Water	Education and Health	Personal and Other Services	Total
2003	15,246.0	97,795.0	33,570.4	6,196.1	213,204.2	38,669.1	74,697.3	186,495.9	20,020.4	20,020.4	-	-	-	137,427.0	817,125.2	1.9	12.0	4.1	0.0	26.1	4.7	0.0	9.1	22.8	2.5	-	0.0	0.0	16.8	100.0
2004	2,156.2	147,111.2	46,098.7	27,091.9	242,075.5	42,157.1	92,206.1	249,914.2	27,418.2	-	-	-	204,744.0	1,060,077.3	0.2	13.9	4.3	0.6	22.8	4.0	4.7	8.7	23.6	2.6	-	-	-	19.3	100.0	
2005	14,314.0	177,320.3	85,743.2	27,091.9	293,812.5	83,074.3	108,426.1	338,352.0	33,897.2	-	-	-	263,029.8	1,425,061.2	1.0	12.4	6.0	1.9	20.6	5.8	4.0	7.6	23.7	2.4	-	-	-	18.5	100.0	
2006	0.0	274,282.5	17,609.5	21,935.3	438,961.6	83,456.9	194,353.9	395,728.7	97,889.9	52,442.5	3,044.3	3,044.3	315,523.7	2,093,649.9	0.0	13.1	2.3	1.0	21.0	4.0	4.0	9.3	18.9	4.7	0.1	6.1	1.0	15.1	100.0	
2007	0.0	309,543.1	18,180.1	41,480.8	559,422.8	104,102.5	208,556.8	511,317.6	128,685.4	50,028.4	16,202.1	16,202.1	761,888.1	2,976,276.0	0.0	10.4	3.1	1.4	18.8	3.5	3.5	7.0	17.2	4.3	0.5	4.4	1.5	25.6	100.0	
2008	0.0	523,361.6	122,001.1	37,727.8	612,670.6	142,992.8	320,600.6	737,092.1	180,143.9	88,352.3	4,020.3	4,020.3	1,319,159.6	4,376,452.2	0.0	12.0	2.8	0.9	14.0	3.3	3.3	7.3	16.8	4.1	0.1	4.7	1.5	30.1	100.0	
2009	0.0	485,211.7	15,660.1	105,843.7	565,775.5	148,713.4	320,600.6	926,626.3	214,302.3	104,494.5	5,061.4	5,061.4	1,433,451.7	4,806,143.4	0.0	12.6	2.2	0.6	13.4	3.1	3.1	9.1	17.3	5.1	0.0	4.8	1.5	29.8	100.0	
2010	0.0	756,700.6	49,932.8	33,943.7	786,470.6	182,071.6	544,894.4	1,014,177.8	300,712.0	183,586.8	146.9	146.9	1,494,058.5	5,848,352.7	0.0	12.9	2.4	0.6	13.4	3.1	3.1	9.1	17.3	5.1	0.0	4.8	1.5	25.5	100.0	
2011	0.0	929,490.5	81,206.8	42,323.5	928,226.2	320,142.4	544,894.4	1,523,375.9	410,258.4	306,268.9	15,375.8	15,375.8	1,655,358.1	7,398,757.6	0.0	12.6	1.1	0.6	12.5	4.3	4.3	7.4	20.6	5.5	0.2	4.6	1.7	22.4	100.0	
2010-Mar	0.0	516,496.2	16,470.2	105,673.4	641,198.2	151,058.8	451,776.4	917,122.7	230,138.8	104,269.6	5,721.6	5,721.6	1,465,054.2	4,966,144.9	0.0	10.4	0.3	0.4	12.9	3.0	3.0	9.1	18.5	4.6	0.1	5.3	1.6	29.5	100.0	
Jun	0.0	594,791.2	42,666.8	130,448.2	783,351.5	153,178.5	568,708.6	948,884.0	262,277.6	146,915.1	148.3	148.3	1,257,793.7	5,309,716.7	0.0	11.2	2.5	0.7	14.8	2.9	2.9	10.7	17.9	4.9	0.0	5.7	1.5	23.7	100.0	
Sep	0.0	724,472.1	39,763.0	117,697.5	837,537.5	208,460.4	504,903.4	934,707.1	279,013.4	181,168.5	202.9	202.9	1,368,692.2	5,557,216.6	0.0	13.0	2.1	0.5	15.1	3.8	3.8	9.1	16.8	5.0	0.0	4.6	1.4	24.6	100.0	
Dec	0.0	756,700.6	49,932.8	142,600.1	933,943.7	182,071.6	533,990.3	1,014,177.8	300,712.0	183,586.8	146.9	146.9	1,494,058.5	5,848,352.7	0.0	12.9	0.9	0.6	13.4	3.1	3.1	9.1	17.3	5.1	0.0	4.8	1.5	25.5	100.0	
2011-Mar	0.0	757,067.2	35,517.3	116,532.8	807,220.7	202,371.3	575,640.5	1,122,728.5	342,163.8	275,293.6	747.3	747.3	1,422,095.8	6,037,853.7	0.0	12.6	1.1	0.6	12.5	4.3	4.3	7.4	20.6	5.5	0.2	4.6	1.7	22.4	100.0	
Jun	0.0	823,400.6	40,982.4	143,188.4	938,630.8	221,445.2	555,548.4	1,279,115.5	368,274.6	278,916.7	189.0	189.0	1,593,130.4	6,559,201.8	0.0	12.4	2.3	1.0	21.0	4.0	4.0	9.3	18.9	4.7	0.1	6.1	1.0	15.1	100.0	
Sep	0.0	971,322.2	46,034.1	142,897.7	913,237.2	272,856.0	555,524.4	1,428,703.3	396,743.8	302,703.4	93.7	93.7	1,673,468.0	7,127,111.6	0.0	10.4	0.8	0.9	14.0	3.3	3.3	7.3	16.8	4.1	0.1	4.7	1.5	25.6	100.0	
Dec	0.0	929,490.5	81,206.8	177,691.8	423,233.5	320,142.4	544,894.4	1,523,375.9	410,258.4	306,268.9	15,375.8	15,375.8	1,655,358.1	7,398,757.6	0.0	12.0	2.8	0.9	14.0	3.3	3.3	7.3	16.8	4.1	0.1	4.7	1.5	30.1	100.0	
2012-Mar	0.0	914,901.2	60,600.6	197,461.4	46,187.5	899,132.3	599,541.1	1,507,313.8	405,670.2	346,814.9	3,244.7	3,244.7	1,784,194.5	7,580,985.1	0.0	12.9	2.4	0.6	13.4	3.1	3.1	9.1	17.3	5.1	0.0	4.8	1.5	25.5	100.0	
Jun	0.0	862,528.5	41,803.4	208,578.7	42,809.9	873,542.7	571,973.5	1,705,699.0	432,797.1	396,608.0	19,516.9	19,516.9	1,869,852.7	7,907,787.3	0.0	10.9	0.5	0.5	11.0	4.2	4.2	7.2	21.6	5.5	0.2	4.9	2.0	23.6	100.0	

Note: Beginning June 2006, new BOT Form 16-I was introduced with coverage of more economic activities

* Formerly known as Public Administration

**Prior 2004 commercial banks lending to the manufacturing activities include lending extended to the mining activities.

Source: Bank of Tanzania



Table A3.12 : Commercial Bank's Deposits (Revised), 2003 - 2012

Millions of TZS

End of period	Commercial Bank's Deposits										Of which:																							
	Central Government		State and Local Government		Other Financial Corporations		Public Non-Financial Corporation		Other Non-Financial Corporation		Other Residents Sectors		Other Depository Corporation		Deposits of Non-residents		Total		Transferrable Deposits in National Currency*		Other Deposits in National Currency**		Foreign Currency Deposits											
	Government	Central Government	State and Local Government	Other Financial Corporations	Public Non-Financial Corporation	Other Non-Financial Corporation	Other Non-Financial Corporation	Other Residents Sectors	Other Depository Corporation	Deposits of Non-residents	Other Depository Corporation	Other Residents Sectors	Other Depository Corporation	Deposits of Non-residents	Transferrable Deposits in National Currency*	Other Deposits in National Currency**	Foreign Currency Deposits																	
2003	125,172.5	152,078.2	102,280.1	60,822.7	187,498.8	926,551.6	920,943.7	142,539.1	6,321.9	2,472,130.3	754,792.4	749,338.8	967,999.1	898,304.3	865,330.9	984,024.3	1,148,624.5	1,188,459.3	1,338,595.6	1,472,413.2	1,804,014.2	1,875,396.5	1,838,853.0	1,988,226.1	2,167,217.3	2,370,926.2	2,134,822.5	3,155,803.0	2,392,374.4	3,678,536.3	3,228,343.0	3,819,890.3	3,729,520.4	4,254,085.5
2004	206,559.4	163,113.0	119,759.1	67,047.6	204,038.4	1,019,627.1	1,035,493.0	130,574.0	19,042.1	2,747,659.6	898,304.3	865,330.9	984,024.3	1,148,624.5	1,188,459.3	1,338,595.6	1,472,413.2	1,804,014.2	1,875,396.5	1,838,853.0	1,988,226.1	2,167,217.3	2,370,926.2	2,134,822.5	3,155,803.0	2,392,374.4	3,678,536.3	3,228,343.0	3,819,890.3	3,729,520.4	4,254,085.5			
2005	230,104.3	188,070.7	140,143.9	580,448.4	416,755.2	2,094,473.6	2,154,053.2	128,065.2	191,888.7	5,702,475.6	1,875,396.5	1,838,853.0	1,988,226.1	2,167,217.3	2,370,926.2	2,134,822.5	3,155,803.0	2,392,374.4	3,678,536.3	3,228,343.0	3,819,890.3	3,729,520.4	4,254,085.5											
2006	325,184.0	251,911.9	266,825.9	740,965.9	152,761.1	2,191,522.6	3,743,200.4	211,293.0	108,973.9	8,173,002.3	2,624,824.9	2,624,824.9	2,624,824.9	3,243,181.8	3,155,803.0	3,228,343.0	3,819,890.3	3,729,520.4	4,254,085.5															
2007	662,621.7	448,208.4	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																					
2008	626,616.2	409,325.5	409,325.5	855,681.8	281,365.9	138,536.7	7,660,776.7	214,793.5	144,252.9	10,374,225.4	3,200,199.3	3,827,227.9	3,346,798.2																					
2009	669,492.3	394,671.5	394,671.5	906,016.8	323,976.5	129,833.3	8,089,973.2	346,672.3	216,192.0	11,065,062.5	3,581,397.1	3,846,248.1	3,637,417.2																					
2010	654,579.4	379,393.3	379,393.3	916,196.9	381,972.1	100,109.4	8,726,673.8	332,489.5	177,955.8	11,669,370.3	3,608,328.9	3,954,204.9	4,106,836.5																					
2011 - Mar	626,616.2	384,348.8	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																					
2011 - Jun	635,744.2	445,814.2	445,814.2	951,361.4	343,051.8	137,697.9	8,881,779.7	304,624.5	189,845.5	11,889,919.2	4,090,227.8	3,746,239.9	4,053,451.5																					
2011 - Sep	743,193.2	464,618.1	464,618.1	956,493.4	295,837.8	148,004.3	9,008,652.3	247,554.2	245,412.2	12,109,765.4	4,371,939.2	3,801,942.3	3,935,884.0																					
2011 - Dec	672,708.8	430,636.4	430,636.4	903,963.3	248,244.5	158,058.0	7,552,157.8	163,264.8	147,407.7	10,276,441.3	3,347,878.9	3,662,065.9	3,266,496.5																					
2012 - Jan	693,600.3	495,732.8	495,732.8	860,007.9	271,076.0	168,376.5	7,534,103.0	175,270.8	194,139.5	10,392,306.9	3,344,667.1	3,711,845.7	3,335,794.0																					
2012 - Feb	669,492.3	409,325.5	409,325.5	855,681.8	281,365.9	138,536.7	7,660,776.7	214,793.5	144,252.9	10,374,225.4	3,200,199.3	3,827,227.9	3,346,798.2																					
2012 - Mar	645,765.4	415,390.0	415,390.0	1,331,767.6	292,639.5	112,546.6	7,398,529.1	200,363.3	180,784.3	10,577,785.8	3,353,552.1	3,816,360.5	3,407,873.3																					
2012 - Apr	606,664.0	385,609.4	385,609.4	878,658.1	311,699.9	154,530.4	7,932,644.1	207,382.7	198,736.3	10,675,924.9	3,405,311.7	3,848,107.0	3,422,506.2																					
2012 - May	657,726.9	394,671.5	394,671.5	904,567.7	323,976.5	129,833.3	8,089,973.2	346,672.3	216,192.0	11,065,062.5	3,581,397.1	3,846,248.1	3,637,417.2																					
2012 - Jun	662,964.1	341,328.9	341,328.9	885,682.8	348,850.3	78,764.7	8,253,734.4	298,170.2	181,100.8	11,069,481.1	3,520,286.2	3,878,216.3	3,670,978.6																					
2012 - Jul	621,646.9	366,809.1	366,809.1	904,567.7	365,680.8	130,081.9	8,534,711.5	274,798.3	173,677.4	11,353,088.6	3,519,259.6	3,943,025.8	3,890,803.2																					
2012 - Aug	654,579.4	379,393.3	379,393.3	916,196.9	381,972.1	100,109.4	8,726,673.8	332,489.5	177,955.8	11,669,370.3	3,608,328.9	3,954,204.9	4,106,836.5																					
2012 - Sep	681,317.1	302,605.4	302,605.4	996,688.3	414,518.9	105,781.4	9,251,344.9	283,012.4	71,459.3	12,106,727.6	3,531,377.3	4,175,066.6	4,400,283.7																					
2012 - Oct	758,613.1	359,351.9	359,351.9	969,290.8	350,491.8	138,390.8	9,100,629.8	297,161.8	153,326.3	12,127,256.3	4,127,089.9	3,607,565.1	4,392,601.3																					
2012 - Nov	626,616.2	384,348.8	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 - Dec	669,492.3	399,698.5	399,698.5	940,545.4	281,365.9	138,536.7	7,660,776.7	214,793.5	144,252.9	10,449,461.9	3,200,199.3	3,827,227.9	3,346,798.2																					
2013 - Jan	618,119.4	417,781.9	417,781.9	940,545.4	353,270.0	169,356.8	8,951,145.0	209,797.5	203,140.5	11,863,156.3	4,097,957.0	3,698,085.5	4,067,113.8																					
2013 - Feb	635,744.2	445,814.2	445,814.2	951,361.4	343,051.8	137,697.9	8,881,779.7	304,624.5	189,845.5	11,889,919.2	4,090,227.8	3,746,239.9	4,053,451.5																					
2013 - Mar	670,882.0	504,219.1	504,219.1	951,564.3	345,687.2	146,064.6	8,728,648.2	246,401.9	189,453.1	11,782,920.4	4,101,426.3	3,680,271.9	4,001,222.2																					
2013 - Apr	776,620.7	499,757.7	499,757.7	1,042,173.9	329,023.8	144,823.5	8,642,125.0	275,741.5	236,136.8	11,946,402.9	4,182,854.3	3,712,793.6	4,050,755.0																					
2013 - May	743,193.2	464,618.1	464,618.1	956,493.4	295,837.8	148,004.3	9,008,652.3	247,554.2	245,412.2	12,109,765.4	4,371,939.2	3,801,942.3	3,935,884.0																					
2013 - Jun	672,708.8	430,636.4	430,636.4	903,963.3	248,244.5	158,058.0	7,552,157.8	163,264.8	147,407.7	10,276,441.3	3,347,878.9	3,662,065.9	3,266,496.5																					
2013 - Jul	693,600.3	495,732.8	495,732.8	860,007.9	271,076.0	168,376.5	7,534,103.0	175,270.8	194,139.5	10,392,306.9	3,344,667.1	3,711,845.7	3,335,794.0																					
2013 - Aug	669,492.3	409,325.5	409,325.5	855,681.8	281,365.9	138,536.7	7,660,776.7	214,793.5	144,252.9	10,374,225.4	3,200,199.3	3,827,227.9	3,346,798.2																					
2013 - Sep	645,765.4	415,390.0	415,390.0	1,331,767.6	292,639.5	112,546.6	7,398,529.1	200,363.3	180,784.3	10,577,785.8	3,353,552.1	3,816,360.5	3,407,873.3																					
2013 - Oct	606,664.0	385,609.4	385,609.4	878,658.1	311,699.9	154,530.4	7,932,644.1	207,382.7	198,736.3	10,675,924.9	3,405,311.7	3,848,107.0	3,422,506.2																					
2013 - Nov	657,726.9	394,671.5	394,671.5	904,567.7	323,976.5	129,833.3	8,089,973.2	346,672.3	216,192.0	11,065,062.5	3,581,397.1	3,846,248.1	3,637,417.2																					
2013 - Dec	662,964.1	341,328.9	341,328.9	885,682.8	348,850.3	78,764.7	8,253,734.4	298,170.2	181,100.8	11,069,481.1	3,520,286.2	3,878,216.3	3,670,978.6																					
2014 - Jan	621,646.9	366,809.1	366,809.1	904,567.7	365,680.8	130,081.9	8,534,711.5	274,798.3	173,677.4	11,353,088.6	3,519,259.6	3,943,025.8	3,890,803.2																					
2014 - Feb	654,579.4	379,393.3	379,393.3	916,196.9	381,972.1	100,109.4	8,726,673.8	332,489.5	177,955.8	11,669,370.3	3,608,328.9	3,954,204.9	4,106,836.5																					
2014 - Mar	681,317.1	302,605.4	302,605.4	996,688.3	414,518.9	105,781.4	9,251,344.9	283,012.4	71,459.3	12,106,727.6	3,531,377.3	4,175,066.6	4,400,283.7																					
2014 - Apr	758,613.1	359,351.9	359,351.9	969,290.8	350,491.8	138,390.8	9,100,629.8	297,161.8	153,326.3	12,127,256.3	4,127,089.9	3,607,565.1	4,392,601.3																					
2014 - May	626,616.2	384,348.8	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																					
2014 - Jun	669,492.3	399,698.5	399,698.5	940,545.4	281,365.9	138,536.7	7,660,776.7	214,793.5	144,252.9	10,449,461.9	3,200,199.3	3,827,227.9	3,346,798.2																					
2014 - Jul	618,119.4	417,781.9	417,781.9	940,545.4	353,270.0	169,356.8	8,951,145.0	209,797.5	203,140.5	11,863,156.3	4,097,957.0	3,698,085.5	4,067,113.8																					
2014 - Aug	635,744.2	445,814.2	445,814.2	951,361.4	343,051.8	137,697.9	8,881,779.7	304,624.5	189,845.5	11,889,919.2	4,090,227.8	3,746,239.9	4,053,451.5																					
2014 - Sep	670,882.0	504,219.1	504,219.1	951,564.3	345,687.2	146,064.6	8,728,648.2	246,401.9	189,453.1	11,782,920.4	4,101,426.3	3,680,271.9	4,001,222.2																					
2014 - Oct	776,620.7	499,757.7	499,757.7	1,042,173.9	329,023.8	144,823.5	8,642,125.0	275,741.5	236,136.8	11,946,402.9	4,182,854.3	3,712,793.6	4,050,755.0																					
2014 - Nov	743,193.2	464,618.1	464,618.1	956,493.4	295,837.8	148,004.3	9,008,652.3	247,554.2	245,412.2	12,109,765.4	4,371,939.2	3,801,942.3	3,935,884.0																					
2014 - Dec	672,708.8	430,636.4	430,636.4	903,963.3	248,244.5	158,058.0	7,552,157.8	163,264.8	147,407.7	10,276,441.3	3,347,878.9	3,662,065.9	3,266,496.5																					



Table A3.13: Weighted Average Interest Rates Structure of Commercial Banks, 2008- 2012

Item	2008				2009				2010				2011				2012*		
	Mar	Jun	Sep	Dec	Mar	Jun													
A: Domestic Currency																			
1. Interbank Cash Market Rates																			
Overnight	4.1	3.4	4.2	6.3	9.9	4.5	1.0	1.5	1.0	0.9	1.7	5.2	1.9	1.8	5.93	29.3	16.3	14.6	
2 to 7 days	4.3	3.7	4.2	6.6	10.2	5.4	1.3	1.6	1.6	1.0	1.4	5.9	2.0	2.2	6.27	29.1	18.6	15.6	
8 to 14 days	4.4	4.0	4.6	6.2	10.8	5.3	1.5	1.7	1.8	0.9	1.5	2.9	2.4	2.0	7.5	17.0	18.1	19.9	
15 to 30 days	6.5	4.9	4.0	5.9	11.8	5.8	2.3	3.3	1.6	1.4	3.0	2.8	4.3	4.3	6.0	15.9	19.2	21.6	
31 to 60 days	6.3	4.7	6.1	8.8	11.8	5.3	2.7	3.4	4.0	4.0	2.0	2.0	2.0	2.0	2.0	23.0	23.0	18.0	
61 to 90 days	5.9	5.9	5.9	11.0	12.2	12.2	12.2	5.0	3.4	3.4	3.4	3.4	3.4	3.4	3.4	17.0	17.0	24.0	
91 to 180 days	6.3	5.5	10.5	11.7	12.0	8.6	3.7	4.0	4.0	3.7	4.0	4.0	4.0	4.0	7.75	7.75	7.8	7.8	
181 and above	7.0	7.9	8.5	13.0	14.4	12.0	6.5	5.5	5.5	8.5	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.3	
Overall Interbank cash market rate	4.2	3.6	4.3	6.5	10.1	5.0	1.3	1.6	1.3	1.0	1.6	5.3	1.9	1.8	5.95	29.1	16.8	14.7	
2. Lombard Rate	8.0	7.5	8.7	10.3	14.9	7.4	2.5	4.6	2.4	0.8	1.9	6.2	2.2	2.2	7.11	35.2	19.5	17.5	
3. REPO Rate	3.8	3.7	4.0	6.4	9.7	4.9	1.1	1.3	1.1	0.5	0.9	3.2	2.4	1.4	4.2	12.6	3.8	8.9	
4. Treasury Bills Rates																			
35 days	5.4	5.0	5.8	6.9	7.6	4.8	2.1	3.8	2.0	0.7	1.6	1.3	3.9	2.7	3.89	3.87	5.2	6.7	
91 days	5.7	5.8	10.4	11.2	12.4	5.6	3.0	6.1	3.3	2.9	3.9	5.2	4.8	3.7	5.33	12.6	12.8	13.4	
182 days	7.0	7.6	10.5	12.1	14.9	7.9	4.8	6.6	4.4	2.6	4.8	6.2	5.4	4.8	6.74	16.4	13.1	13.5	
364 days	9.4	10.0	11.6	12.8	15.0	9.1	7.8	8.8	6.3	6.1	7.0	7.7	6.0	6.5	9.63	18.7	13.9	14.4	
Overall Treasury bills rate	7.4	7.8	10.2	11.0	13.3	7.0	4.5	6.9	4.2	3.3	5.1	6.3	5.5	4.8	7.79	18.2	13.4	13.8	
5. Treasury Bonds Rates																			
2-years	15.0	12.9	13.2	14.4	15.3	11.5	11.5	10.9	9.4	8.8	9.8	10.4	8.7	8.1	9.59	14	13.7	14.8	
5-years	14.5	14.5	14.5	16.4	17.3	16.6	13.4	13.4	13.8	9.5	9.7	11.6	10.3	10.8	12.5	13.2	14.8	14.7	
7-years	17.2	17.2	17.0	17.0	17.0	17.1	14.1	14.2	12.1	10.4	10.9	11.9	12.0	12.8	12.8	15	13.8	15.5	
10-years	17.7	17.1	19.5	19.5	19.9	19.9	16.9	16.7	16.7	11.7	13.0	13.6	14.2	14.2	13.7	13.3	14.8	15.2	
6. Discount Rate	12.4	12.8	15.2	16.0	18.3	10.3	4.4	3.7	7.6	7.58	12	12.0	12.0						
7. Savings Deposit Rate	2.6	2.8	2.7	2.7	2.7	2.7	2.7	2.8	2.9	2.8	2.6	2.4	2.7	2.4	2.34	2.9	2.9	2.9	2.9
8. Overall Time Deposits Rate																			
1- month	8.1	6.8	6.6	6.6	7.0	6.8	6.7	6.4	6.1	5.9	6.0	5.1	5.4	5.8	6.2	7.1	8.4	8.6	
2 -months	7.8	6.3	6.3	6.8	7.5	6.5	6.1	5.1	5.4	4.6	5.5	5.5	5.9	5.1	6.2	6.7	7.9	7.5	
3 -months	8.7	7.0	8.4	8.3	8.2	7.6	7.8	7.0	7.7	6.8	7.7	6.7	6.5	6.9	6.9	8.2	7.9	7.6	
6 - months	9.0	8.2	7.4	7.9	8.9	8.7	8.2	6.7	7.2	6.3	6.8	6.1	6.5	6.2	6.9	8.4	9.4	9.5	
12 -months	10.2	9.1	7.9	8.5	9.2	8.6	8.3	8.5	7.5	7.6	7.6	7.1	6.5	6.8	7.9	8.8	10.1	10.7	
24 -months	9.4	8.5	8.3	8.5	8.6	9.1	8.8	9.0	8.8	8.4	7.2	7.1	7.5	7.9	7.3	9.1	10.5	11.1	
9. Negotiated Deposit Rate	10.7	7.7	7.1	5.8	5.7	6.0	6.8	7.6	5.4	6.5	6.5	2.4	7.2	8.3	7.2	7.8	11.6	12.1	
10. Overall Lending rate	10.3	10.6	10.3	10.2	11.0	10.1	10.6	9.9	9.4	9.6	9.3	8.5	7.9	7.4	9.1	10.0	10.2	9.8	
Short-term (up to 1year)	15.1	14.8	14.9	16.1	15.1	15.5	14.9	14.4	14.8	14.7	14.3	13.5	15.0	15.0	14.8	14.2	15.2	15.3	
Medium-term (1-2 years)	13.9	13.9	14.0	13.6	13.4	14.6	14.0	14.0	14.6	13.9	13.4	12.4	14.6	14.7	15.1	13.7	14.0	13.9	
Medium-term (2-3 years)	16.1	15.6	15.7	16.6	15.3	15.6	15.3	15.0	15.1	15.4	15.4	15.9	17.9	17.9	17.9	17.8	15.5	16.3	
Long-term (3-5 years)	15.4	14.6	15.7	17.2	14.9	15.1	14.7	14.7	14.5	14.8	14.4	12.5	14.3	14.4	14.7	14.2	15.3	15.6	
Term Loans (over 5 years)	16.9	16.6	15.9	16.5	15.3	15.2	14.9	14.5	15.0	14.7	14.2	12.5	14.7	14.7	15.2	14.3	15.7	15.7	
11. Negotiated Lending Rate	13.5	13.1	13.2	16.4	16.6	16.9	15.6	13.7	14.9	14.7	14.3	14.0	13.7	13.4	11.1	11.0	15.4	15.0	
B: Foreign Currency																			
1. Deposits Rates																			
Savings Deposits Rate	1.4	1.7	1.6	1.4	2.4	2.4	1.5	1.5	1.4	1.5	2.4	2.4	1.6	0.5	0.6	0.7	0.6	0.4	
Overall Time Deposits Rate	4.7	4.4	2.9	3.9	3.8	2.3	3.7	1.7	2.0	1.9	2.4	2.5	2.0	1.3	1.2	1.3	1.3	1.4	
1-months	4.8	5.0	2.9	3.5	3.8	2.4	3.7	1.4	1.7	1.6	2.0	2.0	1.4	1.6	1.09	1.11	0.71	1.21	
2-months	3.3	4.5	2.6	3.7	3.8	1.8	3.5	1.6	1.9	1.9	2.4	2.0	1.6	1.4	1.91	0.75	1.57	1.73	
3-months	4.9	4.0	3.1	4.6	4.6	2.4	4.2	1.0	2.0	1.8	1.8	3.3	2.3	0.9	0.91	1.84	0.79	0.82	
6-months	3.5	5.2	2.9	4.1	3.8	2.7	3.9	1.9	1.8	1.8	3.3	2.8	2.4	1.1	1.06	1.16	1.62	1.86	
12-months	7.0	3.5	3.2	3.4	3.2	2.2	3.1	2.4	2.4	2.5	2.8	2.2	2.4	1.6	1.22	1.55	1.94	1.47	
2. Overall Lending Rate	7.9	8.2	9.5	9.6	9.5	9.7	9.7	9.0	8.8	9.1	9.3	9.0	13.3	8.3	8.3	8.3	8.4	10.1	
Short-term (up to 1 year)	4.8	6.7	5.3	6.3	5.9	7.0	6.9	3.9	3.3	4.7	5.8	5.6	10.8	3.6	6.0	6.0	6.0	8.5	
Medium-term (1-2 years)	8.7	8.7	10.3	10.5	10.8	10.1	11.0	11.1	10.1	10.1	10.3	10.4	15.9	10.4	9.3	9.3	9.4	11.1	
Medium-term (2-3 years)	8.7	8.6	10.7	10.4	9.9	10.8	10.2	10.3	10.4	10.6	9.4	9.2	11.4	7.8	9.0	9.0	8.9	10.4	
Long-term (3-5 years)	8.5	8.3	10.0	10.2	10.5	10.5	10.4	10.3	10.5	11.0	11.3	10.2	18.9	10.0	8.4	8.5	8.8	10.3	
Term Loans (over 5 years)	8.7	8.7	11.1	10.6	10.3	10.0	10.0	9.6	9.6	9.3	9.5	9.6	9.6	9.5	8.9	8.5	8.8	10.4	

* Provisional

Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A 4.1: Tanzania's Balance of Payments, 2002-2011

	Millions of USD									
Item	2002	2003	2004	2005	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^f	2011 ^p
A. Current Account	83.63	-118.1	-365.9	-862.8	-1,173.8	-1,714.7	-2,564.1	-1,797.0	-1,923.6	-3,951.04
<i>Balance on Goods</i>	<i>-531.76</i>	<i>-712.6</i>	<i>-1,001.2</i>	<i>-1,318.5</i>	<i>-1,946.5</i>	<i>-2,634.1</i>	<i>-3,433.5</i>	<i>-2,536.1</i>	<i>-2,841.2</i>	<i>-4,729.77</i>
Goods: Exports f.o.b.	979.57	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6	3,578.8	3,298.1	4,324.3	5,097.7
Traditional	206.08	220.5	297.8	354.5	267.1	319.7	507.3	479.6	572.3	668.6
Non-traditional	773.49	1,000.4	1,183.9	1,324.6	1,476.2	1,704.5	2,604.7	2,379.6	3,187.9	3,764.2
o/w Gold	341.10	502.8	629.9	655.1	786.4	788.2	1,108.3	1,229.5	1,516.6	2,224.1
Unrecorded trade					174.3	202.4	466.8	438.9	564.0	664.9
Goods: Imports f.o.b.	-1511.32	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-7,012.3	-5,834.1	-7,165.5	-9,827.5
<i>Balance on Services</i>	<i>287.60</i>	<i>222.1</i>	<i>158.9</i>	<i>61.8</i>	<i>278.7</i>	<i>462.1</i>	<i>349.9</i>	<i>145.6</i>	<i>193.4</i>	<i>197.2</i>
Services: Credit	920.13	947.8	1,133.6	1,269.2	1,528.1	1,875.7	1,998.8	1,854.6	2,045.7	2,362.5
Transportation	117.07	138.9	183.0	222.9	343.7	331.1	364.6	334.4	445.5	507.0
Travel	635.0	646.5	746.0	823.6	950.2	1,198.8	1,288.7	1,159.8	1,254.5	1,456.9
Other	168.0	162.3	204.6	222.7	234.1	345.8	345.4	360.4	345.7	398.6
Services: Debit	-632.5	-725.7	-974.7	-1,207.3	-1,249.3	-1,413.7	-1,648.9	-1,709.1	-1,852.4	-2,165.3
Transportation	-176.9	-214.7	-267.1	-319.5	-418.3	-485.0	-699.0	-604.9	-722.8	-973.3
Travel	-337.5	-353.2	-445.3	-553.8	-534.5	-595.3	-720.7	-766.2	-830.4	-898.6
Other	-118.1	-157.8	-262.3	-334.0	-296.6	-333.4	-229.1	-338.0	-299.1	-293.4
<i>Balance on Goods and Services</i>	<i>-244.2</i>	<i>-490.5</i>	<i>-842.3</i>	<i>-1,256.6</i>	<i>-1,667.8</i>	<i>-2,172.0</i>	<i>-3,083.6</i>	<i>-2,390.5</i>	<i>-2,647.9</i>	<i>-4,532.6</i>
<i>Balance on income</i>	<i>-88.83</i>	<i>-138.5</i>	<i>-112.4</i>	<i>-102.0</i>	<i>-94.7</i>	<i>-282.1</i>	<i>-314.3</i>	<i>-297.8</i>	<i>-326.9</i>	<i>-359.9</i>
Income: Credit	67.9	87.1	81.8	80.9	80.3	107.3	122.7	161.1	160.1	184.2
Income: Debit	-156.8	-225.6	-194.2	-182.9	-175.1	-389.4	-437.0	-458.9	-487.0	-544.1
o/w: Direct investment income	0.0	-59.7	-58.4	-65.6	-97.1	-308.9	-318.4	-341.8	-365.5	-383.4
Interest payments (scheduled)	0.0	-119.5	-72.4	-56.9	-27.8	-26.0	-65.3	-46.1	-40.3	-40.6
Compensation of employees	0.0	-22.4	-28.0	-24.9	-23.4	-29.1	-27.9	-39.8	-44.0	-82.9
<i>Balance on Goods, Services and Income</i>	<i>-333.0</i>	<i>-629.1</i>	<i>-954.7</i>	<i>-1,358.6</i>	<i>-1,762.5</i>	<i>-2,454.1</i>	<i>-3,397.9</i>	<i>-2,688.3</i>	<i>-2,974.8</i>	<i>-4,892.5</i>
<i>Balance on Current transfers</i>	<i>416.6</i>	<i>511.0</i>	<i>588.8</i>	<i>495.7</i>	<i>588.7</i>	<i>739.4</i>	<i>833.8</i>	<i>891.2</i>	<i>1,051.2</i>	<i>941.4</i>
Current transfers: Credit	477.9	574.2	653.8	563.3	654.6	811.9	913.4	959.7	1,130.2	1,034.1
Government	427.7	507.6	581.7	477.9	559.7	626.9	588.5	658.4	798.1	609.7
o/w Multilateral HIPC relief	68.8	68.2	73.7	75.7	42.1	0.0	0.0	0.0	0.0	0.0
Other sectors	50.2	66.6	72.1	85.4	94.9	185.0	324.9	301.3	332.1	424.5
Current transfer: Debit	-61.3	-63.3	-65.0	-67.5	-65.9	-72.5	-79.6	-68.4	-79.0	-92.7
B. Capital Account	785.7	692.8	459.9	393.2	5,183.5	911.7	537.0	446.6	536.4	638.3
Capital transfers: Credit	785.7	692.8	459.9	393.2	5,183.5	911.7	537.0	446.6	536.4	638.3
General Government	0.0	655.5	420.0	350.1	5,135.0	858.5	477.3	384.0	473.2	574.7
Project	755.6	320.9	253.7	238.0	173.3	335.5	477.3	384.0	473.2	574.7
Other sectors	30.1	37.3	39.9	43.1	48.6	53.2	59.8	62.6	63.2	63.6
<i>Total, Groups A plus B</i>	<i>869.3</i>	<i>574.6</i>	<i>94.0</i>	<i>-469.7</i>	<i>4,009.7</i>	<i>-803.1</i>	<i>-2,027.1</i>	<i>-1,350.5</i>	<i>-1,387.2</i>	<i>-3,312.7</i>
C. Financial Account, excl. reserves and related items	255.382	160.6	306.3	555.6	-4,081.6	852.0	2,458.8	1,889.8	2,407.4	2,799.1
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	387.6	308.2	330.6	494.1	403.0	581.5	1,247.3	952.6	1,022.8	1,095.4
Portfolio investment	2.2	2.7	2.4	2.5	2.6	4.3	1.7	3.4	3.3	4.0
Other investment	-134.4	-150.3	-26.7	59.0	-4,487.3	266.1	1,209.8	933.7	1,381.3	1,699.6
Assets	2.9	-59.0	52.3	-90.9	-187.6	35.7	180.5	-303.4	-8.0	-18.5
Liabilities	-137.3	-91.3	-79.0	150.0	-4,299.6	230.5	1,029.2	1,237.1	1,389.3	1,718.2
<i>Total, Groups A through C</i>	<i>1124.7</i>	<i>735.2</i>	<i>400.3</i>	<i>85.9</i>	<i>-71.9</i>	<i>121.9</i>	<i>431.7</i>	<i>539.3</i>	<i>1,020.2</i>	<i>-513.7</i>
D. Net Errors and Omissions	-806.8	-346.2	-116.3	-313.7	532.6	355.7	-283.7	-173.1	-677.1	355.0
<i>Overall balance (Total, Groups A through D)</i>	<i>317.9</i>	<i>389.1</i>	<i>284.0</i>	<i>-227.8</i>	<i>460.7</i>	<i>404.6</i>	<i>148.0</i>	<i>366.2</i>	<i>343.1</i>	<i>-158.7</i>
E. Reserves and Related Items	-317.9	-389.1	-284.0	227.8	-460.7	-404.6	-148.0	-366.2	-343.1	158.7
Reserve assets	-372.4	-508.8	-308.2	253.1	-126.5	-411.4	-147.0	-676.8	-368.7	163.0
Use of Fund credit and loans	26.0	-2.9	-33.8	-50.5	-334.2	6.8	-0.2	310.6	25.6	-4.4
Exceptional financing	28.5	122.6	58.0	25.1	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	9.8	86.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt forgiveness	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	18.4	29.5	21.9	25.1	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	0.4	6.2	36.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items										
GDP(mp) Bill. TZS	9,399,085.8	12,107,062.0	12,828.0	14,139.1	17,941.3	20,948.4	24,781.7	28,212.6	32,354.2	37,717.1
GDP(mp) Mill. USD	9,724.0	11,653.4			14,308.4	16,838.6	20,704.9	21,602.4	23,181.6	24,217.4
CAB/GDP	0.9	-1.0	-2.9	-6.1	-8.2	-10.2	-12.4	-8.3	-8.3	-16.3
CAB/GDP (excl. current official transfers)	-3.5	-5.4	-7.4	-9.5	-12.1	-13.9	-15.2	-11.4	-11.7	-18.8
Gross Official Reserves	1,529.0	2,037.8	2,307.7	2,054.6	2,136.9	2,724.3	2,872.6	3,552.5	3,921.2	3,761.2
Months of Imports	8.6	7.1	6.6	4.8	5.0	5.2	4.0	5.7	5.2	3.8
Net International Reserves (year end) Mill.USD	1,058.4	1,413.5	1,882.6	1,707.5	2,124.3	2,706.6	2,855.1	3,224.3	3,567.5	3,410.6
Change in Net International Reserves	-297.2	-366.8	-321.5	175.1	-418.9	-585.2	-148.4	-369.4	-326.7	156.8
Exchange rate - TZS/USD(end of period)	976.3	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3	1,313.3	1,453.5	1,566.7
Exchange rate - TZS/USD (annual average)	966.6	1,038.9	1,089.1	1,129.2	1,253.9	1,239.5	1,196.8	1,319.9	1,432.3	1,579.5

Notes: 1. Revision is based on new data obtained from the completion of Private Capital Flows and tourism survey and adoption of new data sources for some other items in the services account

2. Change in gross official reserves will not necessarily be equal to reserve assets since a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning January 2006

P = Provisional, r = Revised, O/w = Of which

Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.2: Tanzania's Balance of Payments, 2002-2011

Millions of TZS

Item	2002	2003	2004	2005	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^P
A. Current Account	82,144.3	-121,030.4	-404,263.6	-971,387.6	-1,469,446.0	-2,117,199.2	-3,075,179.7	-2,359,613.4	-2,660,554.7	-6,252,049.5
Goods: Exports f.o.b.	948,602.9	1,270,085.4	1,606,630.3	1,900,603.1	2,404,572.1	2,762,367.5	4,280,856.3	4,306,794.4	6,070,484.7	7,952,269.1
Traditional	199,906.8	229,516.2	320,181.2	402,964.4	533,645.6	393,878.6	606,099.7	626,002.4	806,989.6	1,038,999.1
Non-traditional	748,696.1	1,040,569.1	1,286,449.1	1,497,638.7	1,852,372.0	2,116,688.6	3,116,044.8	3,107,632.5	4,476,278.3	5,876,017.5
o/w Gold	329,930.5	523,578.2	684,555.2	740,137.1	987,474.2	981,686.0	1,321,774.0	1,606,204.5	2,120,199.6	3,477,498.0
Unrecorded Trade					218,554.6	251,800.3	558,711.9	573,159.6	787,216.8	1,037,252.5
Goods: imports f.o.b.	-1,460,946.6	-2,011,339.1	-2,697,276.6	-3,390,754.3	-4,855,151.0	-6,025,489.4	-8,385,697.6	-7,616,940.4	-10,021,852.1	-15,383,304.1
Balance on Goods	-512,343.6	-741,253.7	-1,090,646.3	-1,490,151.2	-2,450,578.9	-3,263,122.0	-4,104,841.2	-3,310,146.0	-3,951,367.4	-7,431,035.0
Services: Credit	889,335.0	984,865.9	1,232,378.9	1,434,007.9	1,916,071.1	2,333,405.5	2,389,020.3	2,422,251.7	2,869,970.0	3,538,754.8
Transportation	113,211.2	144,089.2	199,140.4	252,288.9	430,921.2	409,922.0	435,058.6	436,674.7	622,611.3	795,322.1
Travel	613,620.8	672,095.5	811,281.3	930,451.6	1,191,168.7	1,494,460.7	1,541,712.0	1,514,832.7	1,765,134.4	2,121,167.3
Other	162,503.1	168,681.2	221,957.2	251,267.4	293,981.2	429,022.8	412,249.7	470,744.4	482,264.4	622,265.4
Services: Debit	-611,200.4	-754,655.7	-1,058,042.2	-1,365,303.3	-1,567,102.8	-1,756,057.4	-1,988,994.7	-2,248,261.2	-2,641,741.0	-3,451,070.1
Transportation	-170,981.7	-223,225.9	-290,125.8	-361,690.5	-525,424.0	-601,849.2	-835,832.5	-789,697.9	-1,010,491.6	-1,523,194.8
Travel	-326,029.6	-367,257.2	-483,121.0	-625,910.7	-669,662.5	-740,265.7	-865,009.9	-1,000,369.3	-1,163,933.5	-1,405,135.2
Other	-114,189.1	-164,172.7	-284,795.5	-377,702.1	-372,016.3	-413,942.6	-288,152.3	-458,194.0	-467,315.9	-522,740.1
Balance on Services	278,134.6	230,210.2	174,336.7	68,704.6	348,968.3	577,348.2	400,025.6	173,990.5	228,229.0	87,684.7
Balance on Goods and Services	-234,209.0	-511,043.5	-916,309.6	-1,421,446.6	-2,101,610.6	-2,685,773.8	-3,704,815.7	-3,136,155.4	-3,723,138.4	-7,343,350.3
Income: Credit	65,570.0	90,724.5	88,631.0	91,627.3	100,753.5	133,226.6	146,275.1	210,540.6	225,223.5	285,405.3
Income: Debit	-151,265.8	-234,259.2	-211,310.3	-205,871.7	-219,656.3	-484,376.0	-523,746.8	-599,429.5	-654,152.1	-567,689.4
Direct investment income	0.0	-62,003.1	-63,617.8	-68,069.2	-121,529.9	-384,304.8	-380,848.0	-446,334.5	-510,459.1	-441,548.7
Interest payments (scheduled)	0.0	-123,973.0	-78,820.6	-114,244.4	-34,719.3	-79,008.5	-60,334.5	-60,334.5	-96,904.5	-62,129.4
Compensation of employees	0.0	-48,283.1	-68,871.9	-153,569.0	-29,818.0	-36,023.7	-33,504.0	-52,007.7	-61,849.2	-64,011.4
Balance on Income	-85,695.8	-143,534.7	-122,679.3	-114,244.4	-118,902.8	-351,149.4	-377,471.6	-388,889.0	-428,928.7	-282,284.1
Balance on Goods, Services and Income	-319,904.8	-654,578.2	-1,038,989.0	-1,535,691.0	-2,220,513.4	-3,036,923.2	-4,082,287.3	-3,525,044.4	-4,152,067.1	-7,625,634.4
Current transfers: Credit	402,049.2	533,547.7	634,725.4	564,303.4	751,067.4	919,723.9	1,007,107.6	1,165,431.0	1,491,512.4	1,373,585.0
Current transfers: Debit	461,300.9	599,225.5	705,588.1	640,549.2	833,626.2	1,010,035.9	1,102,242.7	1,254,814.4	1,602,104.5	1,518,764.5
Government	0.0	530,070.4	627,064.2	543,909.8	714,919.9	782,133.5	714,215.1	861,309.1	1,138,402.9	977,279.6
o/w Multilateral HIPC relief	0.0	70,779.1	80,315.3	85,486.8	51,870.6	0.0	0.0	0.0	0.0	0.0
Other sectors	412,778.3	69,155.1	78,523.9	96,639.4	118,706.3	227,902.4	388,027.6	393,505.3	463,701.5	541,484.9
Current transfer: Debit	-59,251.7	-65,677.7	-70,862.8	-76,245.8	-82,558.8	-90,312.0	-95,135.1	-89,383.4	-110,592.1	-145,179.6
B. Capital Account	788,450.1	739,863.5	541,037.2	443,878.8	6,635,983.2	1,134,066.6	642,747.3	583,286.8	749,832.7	1,079,439.7
Capital transfers: Credit	759,355.8	701,124.5	541,037.2	443,878.8	6,635,983.2	1,134,066.6	642,747.3	583,286.8	749,832.7	1,079,439.7
General Government	313,848.0	662,385.5	497,527.9	395,282.4	6,575,191.3	1,068,011.1	571,244.3	501,504.6	661,573.8	980,386.9
Project	314,903.5	316,369.1	316,369.1	268,739.8	319,319.8	417,361.1	571,244.3	501,504.6	661,573.8	980,386.9
Debt forgiveness (including MDRI)		347,482.0	181,158.8	126,542.6	6,255,871.5	650,650.0	0.0	0.0	0.0	0.0
Other sectors	29,094.2	38,739.0	43,509.3	48,596.4	60,791.9	66,055.5	71,503.0	81,782.2	88,258.9	99,052.8
Capital transfers: Debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	870,594.4	618,833.0	136,773.6	-527,508.7	5,166,537.2	-983,132.7	-2,432,432.4	-1,776,326.6	-1,910,722.1	-5,172,609.8
C. Financial Account, excl. reserves and related items	246,814.2	197,016.1	331,375.7	627,454.0	-5,119,373.0	1,132,521.4	3,120,550.2	2,737,920.3	3,089,243.1	4,224,911.6
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	374,648.7	320,089.8	360,137.9	558,626.1	504,562.1	723,418.6	1,654,808.8	1,244,132.8	1,427,518.6	1,550,271.5
Portfolio investment	2,126.5	2,804.2	2,614.4	2,822.1	3,286.2	6,246.4	1,820.7	4,479.0	4,589.4	6,303.1
Other investment	-129,961.0	-125,877.9	-31,376.6	66,005.8	-5,627,221.3	402,856.4	1,463,920.8	1,489,308.5	1,657,135.1	2,668,337.0
Total, Groups A through C	1,117,408.6	815,849.1	468,149.3	99,945.3	47,164.1	149,388.7	688,117.8	961,593.7	1,178,521.1	-947,698.2
D. Net Errors and Omissions	-1,224,711.8	-756,560.1	-174,035.5	-315,284.7	491,208.8	362,562.9	-499,081.3	-482,004.3	-671,690.3	722,646.3
Overall balance (Total, Groups A through D)	-107,303.2	59,289.0	294,113.8	-215,339.5	538,372.9	511,951.6	189,036.5	479,589.4	506,830.8	-225,051.9
E. Reserves and Related Items	107,303.2	-59,289.0	-294,113.8	215,339.5	-538,372.9	-511,951.6	-189,036.5	-479,589.4	-506,830.8	225,051.9
Reserve assets	-361,263.0	-531,123.4	-320,492.9	283,425.0	-145,178.1	-520,398.2	-188,802.8	-885,176.8	-542,542.6	230,105.5
Use of Fund credit and loans	25,131.2	-3,012.9	-36,813.2	-89,416.7	-393,194.8	8,446.6	-233.7	405,587.4	35,711.8	-5,053.6
Exceptional financing	443,435.0	474,847.3	63,192.4	21,331.1	0.0	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	9,438.0	90,258.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt forgiveness	415,897.7	347,482.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	17,758.1	30,679.7	23,819.7	14,096.0	0.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	341.2	6,426.8	39,372.7	7,235.1	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items										
GDP(mp) Mill. TZS	9,399,085.8	12,107,062.0	13,971.6	15,965.3	17,941.3	20,948.4	24,781.7	28,212.6	32,293.5	37,533.0
GDP(mp) Mill. USD	9,724.01	11,653.4	12,828.0	14,139.1	14,308.4	16,838.6	20,707.1	21,375.4	22,547.4	23,762.6
CAB/GDP	0.9	-1.0	-2.9	-6.1	-8.2	-10.1	-12.4	-8.4	-8.2	-16.7
CAB/GDP (excl. current official transfers)	-3.5	-5.4	-7.4	-9.5	-12.2	-13.8	-15.3	-11.4	-11.8	-19.3
Gross Official Reserves	1,492,748.5	2,167,408.1	2,307.7	2,049.5	2,136.9	2,724.3	2,872.6	3,552.5	3,921.2	3,761.2
Months of Imports	8.64	6.9	6.6	5.8	5.0	5.2	4.0	5.6	5.2	3.8
Net International Reserves (year end)	1,033,316.6	1,503,460.3	1,882.6	1,702.5	2,680.0	3,064.0	3,655.2	4,234.5	5,185.5	5,343.3
Change in Net International Reserves	-335,784.7	-481,212.7	-321.5	180.5	-690.5	384.0	591.2	579.3	951.0	157.8
Exchange rate (end of period)	976.30	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3	1,313.3	1,453.5	1,566.7
Exchange rate (annual average)	966.59	1,038.9	1,089.1	1,129.2	1,253.9	1,239.5	1,196.8	1,319.9	1,432.3	1,579.5

Notes: 1. Revision is based on new data from the Private Capital Flows survey and adoption of new data sources for some other items in the services account
 2. Change in gross official reserves will not necessarily be equal to reserve assets given a new methodology of computing reserve assets which nets out the impact of valuation was introduced beginning 2006
 3. Figure on exports for 2006 and 2007 include adjustments on unrecorded trade
 P = Provisional; r = revised

Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.3: Tanzania Exports by Type of Commodity, 2003- 2012

Commodity	Unit	January -June									
		2003	2004	2005	2006	2007	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^P
A: Traditional Exports :											
COFFEE											
Value	Mill.USD	32.5	23.9	45.7	31.9	62.7	50.5	69.6	30.2	85.6	88.7
Volume	000' Tons	29.9	18.8	28.7	15.2	29.4	21.8	35.0	10.6	24.7	17.9
Unit Price	USD per Ton	1,086.0	1,271.3	1,591.0	2,107.4	2,134.0	2,314.3	1,987.6	2,845.7	3,473.9	4,947.5
COTTON											
Value	Mill.USD	18.7	10.4	29.4	37.0	8.2	26.3	42.1	22.9	6.4	32.4
Volume	000' Tons	21.2	14.7	28.8	36.6	8.2	19.1	37.4	21.0	4.5	19.6
Unit Price	USD per Ton	885.4	706.7	1,018.7	1,011.9	1,000.8	1,375.6	1,125.8	1,089.6	1,437.3	1,653.4
SISAL											
Value	Mill.USD	3.7	4.0	4.0	3.1	5.4	8.3	0.0	0.0	0.0	0.0
Volume	000' Tons	7.3	7.4	5.1	4.1	6.2	7.3	0.0	0.0	0.0	0.0
Unit Price	USD per Ton	500.6	543.3	793.5	767.5	874.3	1,127.5	0.0	0.0	0.0	0.0
TEA											
Value	Mill.USD	16.0	18.5	16.3	18.2	19.8	25.7	23.0	22.6	27.7	33.3
Volume	000' Tons	13.8	14.9	14.2	14.2	14.3	18.0	19.2	10.8	16.4	16.9
Unit Price	USD per Ton	1,160.1	1,246.8	1,153.1	1,276.2	1,385.4	1,424.6	1,199.6	2,085.8	1,685.6	1,969.1
TOBACCO											
Value	Mill.USD	8.2	16.2	17.4	15.6	33.3	76.0	49.1	110.4	167.0	157.6
Volume	000' Tons	4.1	10.7	10.4	5.9	15.8	21.1	18.6	28.1	38.6	46.5
Unit Price	USD per Ton	1,997.8	1,513.1	1,673.7	2,644.4	2,110.8	3,592.7	2,644.4	3,929.7	4,321.7	3,385.5
CASHEWNUTS											
Value	Mill.USD	3.7	10.5	4.0	19.4	8.7	43.5	47.8	27.1	60.6	104.5
Volume	000' Tons	5.2	16.7	4.6	26.1	17.8	51.6	66.9	37.3	57.0	94.8
Unit Price	USD per Ton	706.2	626.7	874.7	744.3	488.9	842.7	714.0	726.3	1,063.1	1,102.4
CLOVES											
Value	Mill.USD	5.9	5.2	1.4	2.4	4.0	4.0	5.2	0.7	0.8	24.1
Volume	000' Tons	2.7	2.7	0.5	0.8	1.4	1.1	1.8	0.3	0.2	2.0
Unit Price	USD per Ton	2,241.8	1,923.5	2,996.0	3,197.4	2,954.8	3,519.1	2,867.4	2,735.3	3,812.8	12,058.9
Sub Total	Mill. USD	88.7	88.7	118.3	127.7	142.3	234.1	236.8	213.8	348.1	440.5
B. Non-Traditional Exports:											
Minerals	Mill. USD	240.4	313.4	355.8	386.3	416.7	681.8	481.5	745.8	968.6	1,064.1
Manufactured Goods	Mill. USD	34.4	44.8	64.5	89.8	120.9	296.1	237.4	351.7	448.3	508.7
Others Exports	Mill. USD	171.4	169.7	205.2	212.8	245.0	272.0	258.4	286.5	292.5	472.7
Sub Total	Mill. USD	446.3	527.9	625.5	689.0	782.6	1,249.9	977.3	1,384.0	1,709.3	2,045.5
Grand Total	Mill. USD	535.0	616.6	743.8	816.7	924.9	1,484.0	1,214.2	1,597.9	2,057.4	2,486.0

Notes: 1. Volume in '000 Tons; Unit Price in USD/Ton
 2. Figures do not include adjustments on unrecorded trade
 3. Other Exports include Fish and Fish products, Horticulture, Re-exports and Others.
 P = Provisional, r = revised

Source: Bank of Tanzania and Tanzania Revenue Authority (Customs Department).



Table A4.4: Tanzania's Exports by Type of Commodity 2003 - 2012

Commodity	Unit	January - June										2012 ^p
		2003	2004	2005	2006	2007	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^p	
A: Traditional Exports:												
COFFEE												
Value	Mill. TZS	33,308.6	26,379.4	50,453.6	38,412.6	80,085.4	59,698.0	90,844.7	40,057.8	127,623.8	139,435.4	
Volume	'000' Tons	29.9	18.8	28.7	15.2	29.4	21.8	35.0	10.6	24.7	17.9	
Unit Price	TZS per Ton	1,114,301.2	1,402,966.4	1,756,638.3	2,535,010.4	2,723,708.9	2,733,854.8	2,594,973.2	3,780,865.3	5,176,855.9	7,778,837.2	
COTTON												
Value	Mill. TZS	19,153.6	11,402.0	32,566.5	44,835.5	10,508.5	31,167.8	55,040.2	30,436.6	9,634.0	50,902.2	
Volume	'000' Tons	21.2	14.7	28.8	36.6	8.2	19.1	37.4	21.0	4.5	19.6	
Unit Price	TZS per Ton	905,170.5	777,918.8	1,129,088.9	1,225,961.8	1,277,316.2	1,631,765.6	1,471,660.6	1,446,357.5	2,156,109.7	2,598,558.3	
SISAL												
Value	Mill. TZS	3,776.6	4,454.9	4,467.1	3,789.3	6,893.6	9,798.6	0.0	0.0	0.0	0.0	
Volume	'000' Tons	7.3	7.4	5.1	4.1	6.2	7.3	0.0	0.0	0.0	0.0	
Unit Price	TZS per Ton	514,030.1	601,616.4	877,816.7	928,063.8	1,114,136.2	1,334,435.7	0.0	0.0	0.0	0.0	
TEA												
Value	Mill. TZS	16,499.7	20,528.4	18,078.7	22,165.7	25,216.6	30,499.1	29,987.6	42,699.2	41,595.6	52,299.7	
Volume	'000' Tons	13.8	14.9	14.2	14.2	14.3	18.0	19.2	16.6	16.4	16.9	
Unit Price	TZS per Ton	1,193,472.5	1,379,760.9	1,276,554.9	1,555,706.8	1,761,721.1	1,692,682.7	1,564,214.0	2,568,038.5	2,531,636.2	3,094,955.6	
TOBACCO												
Value	Mill. TZS	8,394.5	17,838.6	19,122.2	18,824.5	42,535.5	89,675.7	63,932.8	147,185.0	248,012.1	247,818.3	
Volume	'000' Tons	4.1	10.7	10.4	5.9	15.8	21.1	18.6	28.1	38.6	46.5	
Unit Price	TZS per Ton	2,052,185.0	1,665,541.4	1,836,415.2	3,191,667.1	2,693,993.8	4,240,657.6	3,440,790.5	5,240,697.7	6,419,612.3	5,324,538.0	
RAW CASHEWNUTS												
Value	Mill. TZS	3,728.5	11,393.0	4,353.5	22,938.7	11,204.5	50,554.0	61,955.8	35,770.9	89,364.7	164,179.1	
Volume	'000' Tons	5.2	16.7	4.6	26.1	17.8	51.6	66.9	37.3	57.0	94.8	
Unit Price	TZS per Ton	713,923.9	680,540.3	953,214.5	879,177.4	630,885.1	980,209.6	925,957.7	960,246.0	1,567,931.2	1,732,121.4	
CLOVES												
Value	Mill. TZS	6,069.3	5,677.3	1,567.4	2,873.0	5,209.9	4,620.8	6,791.7	972.5	856.1	37,819.6	
Volume	'000' Tons	2.7	2.7	0.5	0.8	1.4	1.1	1.8	0.3	0.1	2.0	
Unit Price	TZS per Ton	2,289,619.9	2,108,946.6	3,292,833.5	3,779,651.1	3,812,400.4	4,111,265.0	3,723,534.7	3,631,388.6	6,848,614.1	18,957,217.1	
SubTotal Traditional	Mill. TZS	90,930.9	97,673.7	130,609.0	153,839.2	181,654.0	276,013.8	308,552.9	297,121.9	517,086.3	692,454.3	
B: Non Traditional:												
Minerals	Mill. TZS	247,677.2	348,026.3	395,095.5	471,181.5	530,861.2	808,730.2	628,697.4	1,001,286.6	1,535,588.7	1,673,240.5	
Manufactured goods	Mill. TZS	35,510.9	49,660.0	71,683.4	109,356.6	153,834.0	350,275.4	309,666.0	473,363.6	672,480.9	799,662.2	
Other exports	Mill. TZS	176,228.3	187,816.6	227,894.5	258,953.5	312,265.1	321,987.1	337,007.5	393,241.4	439,122.8	743,079.9	
Sub Total non-Traditional	Mill. TZS	459,416.3	585,503.0	694,673.5	839,491.6	996,960.3	1,480,992.7	1,275,370.8	1,867,891.6	2,647,192.4	3,215,982.6	
Grand Total	Mill. TZS	550,347.2	683,176.7	825,282.5	993,330.8	1,178,614.3	1,757,006.6	1,583,923.7	2,165,013.5	3,164,278.7	3,908,436.9	

Notes: 1. Prior to 2002 figures for TZS were converted from USD using quarterly average exchange rates. Beginning 2002 monthly average exchange rates are applied.

2. Volume in '000 Tons; Unit Price in TZS/Ton

3. Export figures do not include adjustments on unrecorded trade on annual data

p = Provisional, r = Revised

Source: Bank of Tanzania and Tanzania Revenue Authority (Customs Department).



Table A4.5: Tanzania's Imports (c.i.f) by Major Category, 2003-2012

Millions of USD

Category	January - June									
	2003	2004	2005	2006	2007	2008 ^t	2009 ^t	2010 ^t	2011 ^t	2012 ^P
A. Capital Goods:	364.8	415.2	539.6	738.7	944.5	1,571.6	1,340.9	1,309.0	1,758.9	1,939.6
Transport Equipment	109.2	122.0	130.8	199.9	229.3	468.2	393.9	398.8	535.8	569.0
Building and Construction	83.8	92.5	124.4	177.0	217.7	374.7	269.4	291.3	405.8	424.5
Machinery	171.8	200.7	284.5	361.8	497.5	728.8	677.7	618.9	817.3	946.1
B. Intermediate Goods :	286.5	392.7	565.1	779.3	978.6	1,435.0	839.1	1,558.8	1,806.9	2,284.3
Oil	160.8	246.5	415.2	594.0	760.7	1,055.9	575.5	1,222.0	1,365.7	1,786.2
o/w Crude Oil	0.0	0.0	0.0	0.0	0.0	53.4	36.1	29.4	60.6	42.8
White	160.8	246.5	415.2	594.0	760.7	325.6	227.5	29.4	60.6	42.8
Fertilizers	8.4	21.5	27.4	7.9	11.7	53.4	36.1	29.4	60.6	42.8
Industrial Raw Material	117.2	124.6	122.5	177.4	206.2	325.6	227.5	307.3	380.6	455.4
C. Consumer Goods :	282.8	400.9	377.4	446.4	559.4	750.7	707.1	828.4	1,060.3	1,295.4
Food and Food stuffs	79.4	153.9	84.2	161.0	149.6	150.5	198.5	245.5	330.8	408.0
All Other Consumer Goods	203.4	246.9	293.2	285.4	409.8	600.2	508.6	582.9	729.6	887.4
TOTAL	934.1	1,208.7	1,482.1	1,964.3	2,482.4	3,757.2	2,887.1	3,724.1	4,654.0	5,519.3

Note: P = Provisional

Source: Bank of Tanzania and Tanzania Revenue Authority

Table A4.6: Tanzania's Imports (c.i.f) by Major Category, 2003-2012

Millions of TZS

Category	January - June										
	2003	2004	2005	2006	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^r	2012 ^p	
A. Capital Goods:	375,430.0	459,244.6	598,517.8	900,330.1	1,201,716.5	1,868,681.3	1,748,809.5	1,754,392.8	2,641,806.7	3,049,354.5	
Transport Equipment	112,322.6	134,977.5	145,071.3	243,394.7	291,827.6	556,594.7	513,891.7	534,826.1	804,889.0	894,657.1	
Building and Construction	86,251.2	102,457.8	137,927.4	215,841.5	277,198.3	445,458.2	351,052.0	390,353.0	609,850.7	667,338.9	
Machinery	176,856.2	221,809.3	315,519.1	441,093.9	632,690.6	866,628.5	883,865.8	829,213.8	1,227,066.9	1,487,358.5	
B. Intermediate Goods:	295,309.2	434,491.7	625,753.8	950,298.4	1,247,866.2	1,704,084.4	1,093,337.9	2,129,167.7	2,757,165.6	3,591,278.9	
Oil	165,985.7	272,742.1	459,332.3	724,304.2	970,178.3	1,254,535.7	749,773.5	1,677,028.0	2,095,770.7	2,808,232.4	
Fertilizers	8,734.8	23,882.7	30,470.3	9,686.6	14,827.0	63,563.0	47,029.6	39,639.7	90,457.1	67,301.4	
Industrial Raw Material	120,588.7	137,866.8	135,951.2	216,307.5	262,860.9	385,985.8	296,534.8	412,500.0	570,937.7	715,745.0	
C. Consumer Goods:	290,937.4	443,743.4	418,787.4	544,036.7	712,192.9	890,476.2	922,348.7	1,111,765.2	1,589,987.4	2,036,571.9	
Food and Food stuffs	81,720.1	170,361.1	93,434.7	196,488.9	190,658.6	177,886.2	258,868.6	328,602.9	495,119.7	641,392.9	
All Other Consumer Goods	209,217.3	273,382.3	325,352.6	347,547.8	521,534.4	712,590.0	663,480.1	783,162.4	1,094,867.7	1,395,179.0	
TOTAL	961,676.6	1,337,479.6	1,643,059.0	2,394,665.1	3,161,775.6	4,463,242.0	3,764,496.1	4,995,325.8	6,988,959.7	8,677,205.3	

Notes: p = Provisional, r = revised

Conversion to TZS from USD is done using monthly average exchange rate

Source: Bank of Tanzania and Tanzania Revenue Authority





Table A4.7: Official and Forex Bureau Exchange Rates, Mean Selling Rates in TZS, 2002 - 2012

End of Period	Bureau* (average) U.S. Dollar	Official (End of Period)										
		Pound Sterling	U.S. Dollar	Deutsche Mark	Swiss Francs	Dutch Guilder	French Francs	Belgium Francs	Italian Lire	Swedish Kroner	Japanese Yen	Euro
2002	979.1083	1,457.9933	965.7175	434.2004	626.5607	385.3651	129.4635	21.0517	0.4386	100.5687	7.7785	918.8699
2003	1,070.0000	1,894.2062	1,063.6200	479.9162	857.3070	425.9398	143.0945	23.2682	0.4848	147.2847	9.9450	1,337.1852
2004	1,072.0000	2,009.3172	1,042.9600	470.5942	920.8120	417.6663	140.3150	22.8183	0.4754	157.4867	10.1668	1,420.5652
2005	1,140.9583	2,012.6062	1,165.5100	525.8900	889.7695	466.7430	156.8023	25.4972	0.5312	147.1006	9.9408	1,384.7459
2006	1,263.4167	2,479.5049	1,261.6400	569.2649	1,034.1723	505.2394	169.7352	27.6002	0.5750	183.8162	10.6141	1,662.0233
2007	1,263.3333	2,262.5413	1,132.0900	510.8106	1,008.1824	453.3595	152.3061	24.7661	0.5160	177.2289	10.1188	1,669.3822
2008	1,303.0000	1,849.8447	1,280.3000	577.6845	1,210.6234	512.7120	172.2456	28.0084	0.5835	165.0354	14.1743	1,803.3051
2009	1,342.9930	2,112.9980	1,353.5617	592.6924	1,266.2636	526.0321	176.7205	28.7361	0.5987	183.3974	14.1601	1,877.0160
2010	1,454.6858	2,261.9610	1,455.1515	620.0075	1,555.9756	582.7335	195.7693	31.8336	0.6623	216.5213	17.9095	1,934.6254
2011	1,604.6730	2,438.3102	1,571.7339	669.6806	1,670.0082	629.4203	211.4538	34.3840	0.7163	227.9825	20.4280	2,032.1773
2011-January	1,474.7553	2,384.2141	1,484.7030	632.5987	1,575.8628	594.5677	199.7450	32.4800	0.6767	230.8771	18.1249	2,037.9048
February	1,487.7077	2,443.2066	1,501.6617	639.8244	1,611.7404	601.3590	202.0266	32.8510	0.6839	237.5871	18.2806	2,074.0967
March	1,495.3561	2,388.3167	1,488.8808	634.3788	1,616.9392	596.2408	200.3071	32.5714	0.6786	235.4652	17.8149	2,109.8193
April	1,497.2805	2,496.0841	1,496.7216	637.7196	1,724.7271	599.3807	201.3620	32.7430	0.6822	247.4387	18.3838	2,214.7035
May	1,516.7524	2,504.0545	1,519.6797	647.5015	1,781.8788	608.5746	204.4506	33.2452	0.6926	246.6748	18.7037	2,193.5824
June	1,547.6797	2,538.0085	1,582.3962	674.2236	1,878.6588	633.6902	212.8882	34.6172	0.7212	250.6937	19.5974	2,292.9720
July	1,556.1994	2,593.8572	1,576.4760	671.7011	1,989.8634	631.3194	212.0918	34.4877	0.7185	251.6768	20.3586	2,269.4184
August	1,578.9103	2,598.5743	1,604.9979	683.8537	2,023.6993	642.7413	215.9290	35.1117	0.7315	250.6847	20.8902	2,289.6106
September	1,620.7887	2,516.7935	1,623.0555	691.5476	1,780.8358	649.9727	218.3583	35.5067	0.7397	234.3397	21.0718	2,163.2936
October	1,659.3080	2,643.4384	1,645.6671	701.1819	1,871.3480	659.0278	221.4004	36.0014	0.7500	252.0164	21.0443	2,275.5470
November	1,695.3631	2,598.7962	1,654.9137	705.1217	1,812.1098	662.7307	222.6444	36.2036	0.7543	244.9807	21.3083	2,228.2611
December	1,604.6730	2,438.3102	1,571.7339	669.6806	1,670.0082	629.4203	211.4538	34.3840	0.7163	227.9825	20.4280	2,032.1773
2012-January	1,582.7663	2,482.4824	1,575.3276	671.2118	1,709.5217	630.8595	211.9373	34.4626	0.7180	231.3566	20.6789	2,059.5085
February	1,576.1707	2,507.1814	1,573.7733	670.5496	1,743.1143	630.2370	211.7281	34.4286	0.7173	238.1626	19.4269	2,100.5979
March	1,585.1428	2,515.8075	1,573.7040	670.5201	1,742.8464	630.2093	211.7188	34.4271	0.7172	237.9518	18.9340	2,098.6138
April		2,547.5262	1,569.0114	668.5206	1,726.6512	628.3301	211.0875	34.3244	0.7151	233.4552	19.5114	2,075.0192
May		2,415.0682	1,571.0310	669.3811	1,615.2044	629.1388	211.3592	34.3686	0.7160	215.8468	20.0246	1,940.3042
June		2,457.9945	1,569.8000	668.6544	1,649.3823	628.6477	211.1942	34.3418	0.7155	226.3287	19.6828	1,981.6375

Note: * Period Average
Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.8: Tanzania's Trade Balance, 2002 - 2012*Millions of TZS*

Period	Total Exports	Total Imports (f.o.b)	Trade Balance
2002	616,593.6	1,065,765.5	-449,171.9
2003	1,270,085.4	2,011,339.1	-741,253.7
2004	1,606,630.3	2,697,276.6	-1,090,646.3
2005	1,900,603.1	3,390,754.3	-1,490,151.2
2006	2,186,017.5	4,855,151.0	-2,669,133.5
2007	2,510,567.2	6,025,493.3	-3,514,926.1
2008	3,722,144.4	8,385,462.4	-4,663,318.0
2009	3,733,634.9	7,616,683.7	-3,883,048.8
2010	5,283,267.8	10,021,832.0	-4,738,564.2
2011	8,584,305.6	18,287,841.2	-9,703,535.6
2008 ^r -1st Q	962,956.9	1,744,277.7	-781,320.8
2nd Q	794,049.6	2,317,272.5	-1,523,222.9
3rd Q	966,569.3	2,199,768.9	-1,233,199.5
4th Q	998,568.5	2,124,143.4	-1,125,574.8
2009 ^r -1st Q	826,435.7	1,821,780.7	-995,344.9
2nd Q	757,488.0	1,603,910.8	-846,422.8
3rd Q	1,022,617.3	2,063,150.1	-1,040,532.8
4th Q	1,127,093.9	2,127,842.1	-1,000,748.2
2010 ^r -1st Q	1,074,930.7	2,220,970.9	-1,146,040.2
2nd Q	1,090,082.8	2,324,775.5	-1,234,692.8
3rd Q	1,448,965.4	2,571,520.3	-1,122,554.9
4th Q	1,669,289.0	2,904,565.3	-1,235,276.3
2011 ^r -1st Q	1,671,570.2	2,856,291.9	-1,184,721.8
2nd Q	1,492,708.5	3,503,661.4	-2,010,952.9
3rd Q	1,848,760.2	4,318,419.9	-2,469,659.7
4th Q	1,901,977.8	4,704,902.8	-2,802,925.0
2012 ^p -1st Q	1,944,383.7	3,929,081.1	-1,984,697.4
2nd Q	1,964,053.2	3,967,175.7	-2,003,122.5

Notes: 1. Conversion to TZS from USD is done using monthly average exchange rate
2. Annual figures for Goods Export for 2006 to 2010 include adjustments on unrecorded trade
r = Revised
P = Provisional,

Source: Bank of Tanzania and Tanzania Revenue Authority



Table A4.9 : Tanzania's Exports by Major Commodity Groups, 2002-2012

Millions of TZS

Period	Coffee	Cotton	Sisal	Tea	Tobacco	Cashewnuts	Minerals	Manufactured Products	Others	Total
2002	34,052.1	27,797.3	6,343.9	28,649.7	53,756.8	45,449.8	371,317.2	63,951.2	317,284.9	948,602.9
2003	51,707.4	48,322.9	7,558.3	25,660.8	41,752.2	43,892.4	574,707.1	87,344.6	389,139.5	1,270,085.4
2004	53,820.7	80,072.4	7,882.7	32,816.6	62,229.6	72,256.9	745,876.0	119,310.3	432,365.2	1,606,630.3
2005	83,557.3	127,177.7	8,176.1	28,830.4	91,361.4	54,234.2	802,997.8	177,271.4	526,996.9	1,900,603.1
2006	76,357.9	69,083.0	7,618.4	38,682.7	83,047.2	48,619.7	1,050,622.5	245,717.2	566,268.9	2,186,017.5
2007	121,980.5	79,942.5	11,091.9	35,890.5	108,563.7	30,983.7	1,056,594.0	383,242.5	682,277.9	2,510,567.2
2008	117,807.6	137,574.6	4,016.2	48,817.3	131,802.0	46,815.2	1,186,923.7	794,821.2	749,408.4	3,220,495.7
2009	147,556.7	146,767.0	0.0	45,592.8	167,754.7	94,427.0	1,471,530.1	656,862.9	745,426.9	3,475,918.2
2010	145,831.0	119,157.8	0.0	68,716.1	325,161.2	138,193.5	2,180,959.2	1,364,438.0	940,628.6	2,164,151.4
2011	220,392.5	99,733.7	0.0	73,095.9	434,458.5	164,338.6	3,569,417.9	1,339,540.9	1,014,038.7	6,915,016.6
2008-1st Q	39,903.5	16,585.4	793.5	14,148.1	14,752.4	45,573.2	307,692.1	133,510.6	149,232.8	722,191.6
2nd Q	18,152.8	14,328.2	1,719.1	15,829.0	1,741.7	227.6	346,567.5	134,812.0	138,244.3	671,622.1
3rd Q	10,830.7	56,830.6	0.0	7,932.5	31,878.5	0.0	303,331.5	264,929.5	188,399.1	866,641.8
4th Q	48,920.7	49,830.4	1,503.6	10,907.7	83,429.5	1,014.3	229,332.6	261,569.1	273,532.2	960,040.2
2009-1st Q	45,896.3	23,691.7	0.0	12,499.7	50,615.0	65,885.8	255,741.4	137,189.4	154,568.6	746,087.9
2nd Q	46,541.9	30,993.8	0.0	8,963.0	14,057.6	956.3	314,068.3	125,094.7	145,897.2	686,572.9
3rd Q	15,533.5	39,533.3	0.0	6,595.5	27,696.5	0.0	465,741.6	152,492.7	276,949.6	984,542.7
4th Q	39,585.0	52,548.2	0.0	17,534.5	75,385.6	27,584.9	435,978.8	242,086.2	168,011.5	1,058,714.6
2010-1st Q	32,606.3	24,947.2	0.0	21,382.0	101,772.4	34,035.7	459,775.3	197,286.5	203,125.3	1,074,930.7
2nd Q	7,451.4	5,489.4	0.0	21,317.2	45,412.6	1,735.2	540,649.2	276,077.1	191,088.6	1,089,220.7
3rd Q	13,277.3	62,025.4	0.0	9,695.2	62,074.1	137.2	570,280.1	447,695.8	283,611.7	1,448,796.7
4th Q	92,495.9	26,695.8	0.0	16,321.7	115,902.1	102,285.4	610,254.6	443,378.6	262,803.1	1,670,137.2
2011-1st Q	92,699.8	6,505.6	0.0	18,872.8	189,407.5	89,079.4	751,311.5	305,927.8	217,765.8	1,671,570.2
2nd Q	34,924.0	3,128.3	0.0	22,722.8	58,604.6	285.3	784,277.2	366,553.1	222,213.1	1,492,708.5
3rd Q	18,517.2	41,881.3	0.0	14,278.0	30,652.9	133.4	1,111,033.7	329,271.6	302,992.0	1,848,760.2
4th Q	74,251.5	48,218.4	0.0	17,222.3	155,793.4	74,840.5	922,795.4	337,788.4	271,067.9	1,901,977.8
2012-1st Q	96,075.7	25,479.1	0.0	24,605.4	176,517.0	54,571.9	897,803.3	338,636.5	330,694.6	1,944,383.7
2nd Q	43,359.7	25,423.1	0.0	27,694.3	71,301.2	109,607.1	775,437.1	461,025.7	450,204.9	1,964,053.2

Notes: Figures for 2012 are provisional

n.a = Not applicable

- Prior to 1998 figures for TZS were converted from USD using quarterly average exchange rates. Beginning 1998 monthly average exchange rates are used to compute figures in TZS.

- Value in Millions of TZS

- Export figures does not include adjustments on unrecorded trade

Source: Bank of Tanzania and Tanzania Revenue Authority



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.10: Tanzania's Imports (c.i.f) by Major Commodity Groups, 2002- 2012
Millions of TZS

Period	Transport. equipments	Building and construction	Machinery	Oil	Fertilizers	Industrial raw materials	Food and food stuffs	Other consumer goods	Total
2002	210,732.8	130,303.2	355,642.3	188,347.6	19,618.4	201,209.3	142,408.6	357,173.6	1,605,435.8
2003	242,650.3	172,680.1	431,840.8	420,218.6	29,803.0	257,364.5	189,915.6	465,789.9	2,210,262.7
2004	274,058.7	221,417.4	531,532.9	684,762.0	64,593.3	271,303.3	297,986.0	618,386.7	2,964,040.2
2005	361,239.3	320,289.7	659,589.2	1,051,579.8	80,505.5	316,573.4	209,558.1	726,768.6	3,726,103.6
2006	516,422.2	466,475.8	998,263.2	1,582,296.9	76,129.2	520,749.9	342,020.5	832,972.9	5,335,330.8
2007	649,792.5	568,312.8	1,189,576.5	1,998,112.3	79,605.2	610,800.6	424,907.2	1,100,314.1	6,621,421.2
2008	1,036,754.3	815,628.0	1,629,800.2	2,413,100.1	198,892.5	738,536.1	382,485.3	1,306,194.5	8,521,390.8
2009	1,075,103.2	815,402.2	1,754,984.0	1,895,385.2	138,023.2	678,532.0	495,697.2	1,523,744.6	8,376,871.7
2010	1,400,334.5	945,718.5	1,859,427.4	3,092,378.3	179,820.7	926,873.8	707,538.8	1,924,154.9	11,036,246.9
2011	1,729,659.7	1,298,894.1	3,090,592.3	5,566,864.3	304,635.2	1,258,969.8	1,030,563.9	2,624,519.6	16,904,698.9
2007-1st Q	125,502.2	137,316.2	292,378.8	505,545.3	4,501.4	140,054.5	112,322.9	272,986.3	1,590,607.7
2nd Q	166,325.4	139,882.1	340,311.8	464,633.0	10,325.6	122,806.3	78,335.7	248,548.0	1,571,167.9
3rd Q	170,833.3	145,272.0	278,933.6	562,584.0	35,398.6	162,558.6	67,183.8	265,459.3	1,688,223.3
4th Q	187,131.6	145,842.4	277,952.3	465,349.9	29,379.5	185,381.2	167,064.9	313,320.1	1,771,422.0
2008-1st Q	212,904.3	167,635.4	282,108.2	522,071.1	8,853.3	191,362.7	97,964.2	286,322.5	1,769,221.7
2nd Q	298,765.5	205,614.3	478,597.1	670,252.9	56,059.8	194,667.6	58,047.3	315,587.9	2,277,592.3
3rd Q	263,417.1	204,816.1	489,353.7	632,671.0	57,393.2	167,616.6	96,960.4	342,218.8	2,254,447.0
4th Q	261,667.3	237,562.2	379,741.2	588,105.2	76,586.2	184,889.2	129,513.3	362,065.3	2,220,129.7
2009-1st Q	259,486.7	217,964.1	433,154.3	405,813.4	33,547.7	160,682.3	119,848.2	330,140.1	1,960,636.8
2nd Q	250,501.3	146,945.3	430,380.3	330,263.5	14,157.3	134,372.7	140,137.2	321,880.3	1,768,637.9
3rd Q	279,560.7	162,452.5	467,865.0	588,636.1	43,143.6	189,069.1	86,774.0	469,221.0	2,286,722.0
4th Q	285,554.6	288,040.3	423,584.4	570,672.1	47,174.7	194,407.9	148,937.8	402,503.2	2,360,874.9
2010-1st Q	272,944.0	208,787.7	442,856.5	782,585.7	14,106.1	194,678.7	174,839.5	349,829.3	2,440,627.4
2nd Q	261,882.1	181,565.3	386,357.2	894,442.4	25,533.6	217,821.4	153,763.4	433,333.1	2,554,698.4
3rd Q	386,055.9	285,950.1	444,980.5	676,750.7	87,405.7	230,994.6	181,127.9	542,833.2	2,836,098.6
4th Q	479,452.5	269,415.5	585,233.2	738,599.5	52,775.3	283,379.2	197,808.1	598,159.4	3,204,822.5
2011-1st Q	372,980.0	254,021.8	573,336.6	781,526.8	45,155.9	286,324.0	283,312.9	542,124.3	3,138,782.4
2nd Q	431,909.0	355,828.9	653,730.3	1,314,243.9	45,301.2	284,613.7	211,806.8	552,743.5	3,850,177.3
3rd Q	470,380.8	330,242.0	782,660.2	1,763,297.0	129,708.7	322,462.6	237,966.7	708,798.3	4,745,516.3
4th Q	454,389.8	358,801.4	1,080,865.2	1,707,796.5	84,469.4	365,569.5	297,477.4	820,853.5	5,170,222.8
2012-1st Q	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
2nd Q	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

Note: Figures for 2012 are provisional

- Prior to 2002 figures for TZS were converted from USD using quarterly average exchange rates. Beginning 2002 monthly average exchange rates are used to compute figures in TZS.

Source: Bank of Tanzania and Tanzania Revenue Authority



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.11: Tanzania's Exports by Country of Destination , 2002 - 2011

Millions of TZS

Country	2002	2003	2004	2005	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^P
Australia	2,899.9	1,837.0	2,285.0	2,784.1	3,748.2	9,608.5	7,333.9	8,779.1	17,364.7	24,278.9
Belgium	20,518.8	36,460.5	28,848.3	34,130.6	32,979.1	32,079.9	53,929.9	102,452.2	131,477.2	130,053.8
Burundi	6,778.3	4,893.9	8,203.8	8,250.8	4,416.2	51,645.5	23,026.9	31,203.1	72,981.2	48,639.0
Canada	1,355.5	1,710.1	5,202.8	44,236.8	7,295.6	2,819.7	4,438.1	8,048.1	6,548.3	7,893.9
China	688.3	3,796.8	76,742.7	101,838.0	149,327.3	175,726.7	264,279.9	480,248.1	908,359.8	1,041,130.6
Democratic Republic of Congo	15,307.0	12,839.9	11,050.4	14,251.0	26,859.4	69,409.6	150,644.2	105,445.0	196,384.8	188,788.8
Denmark	1,573.3	2,738.4	2,787.9	1,812.1	956.0	2,118.8	4,558.2	6,663.6	3,792.1	14,362.2
Eire/Ireland	13,589.2	0.0	113.8	81.6	655.9	986.0	346.6	2,180.0	2,840.4	5,295.0
France	147,180.9	80,728.7	10,393.2	7,369.9	9,329.5	11,323.5	27,761.9	15,259.8	16,156.7	23,037.3
Germany	26,667.9	32,075.0	35,845.2	76,198.8	125,860.7	105,204.0	77,790.6	74,094.5	192,110.3	352,058.6
Hong Kong	10,787.4	10,254.9	13,376.3	10,810.1	8,459.5	17,582.0	15,785.0	112,968.9	18,059.8	17,450.8
India	62,093.9	75,129.7	109,671.9	71,299.6	70,439.1	96,171.0	203,097.2	242,591.1	312,958.9	320,197.9
Indonesia	3,960.2	7,538.4	6,325.6	7,934.2	10,150.3	19,543.6	28,665.0	27,800.7	20,291.7	34,422.1
Italy	23,625.4	24,203.3	30,252.1	41,232.4	36,333.5	69,176.5	79,549.7	70,979.1	93,626.5	78,699.4
Japan	93,075.8	92,164.9	70,065.3	77,602.4	82,003.2	71,038.2	161,859.3	217,362.0	300,373.0	547,693.7
Kenya	34,048.3	81,088.1	91,145.8	86,178.8	111,502.9	125,790.9	277,819.7	234,125.4	425,809.7	333,609.9
Malaysia	2,835.0	1,223.7	2,469.2	18,144.3	1,763.8	2,150.8	3,484.9	3,896.0	6,778.2	13,622.5
Mozambique	1,575.2	1,812.0	3,694.3	7,339.1	13,109.5	23,762.9	37,142.9	26,814.7	25,390.2	97,802.9
Netherland	52,142.7	70,206.3	65,072.5	101,091.7	108,244.8	112,651.0	184,508.2	219,871.2	128,355.1	144,176.6
New Zealand	57.1	46.9	146.8	166.8	110.1	4,055.1	2,886.6	2,685.8	2,871.0	1,158.8
Norway	235.3	287.7	198.8	610.9	637.7	2,163.9	2,165.5	1,763.6	1,685.6	4,476.3
Pakistan	8,505.8	7,941.1	7,888.4	8,139.7	17,228.8	31,167.6	13,460.4	14,248.2	13,938.2	22,998.1
Portugal	3,856.9	4,105.5	5,112.8	5,401.2	9,290.4	38,120.6	15,493.6	17,558.2	17,534.7	20,693.0
Singapore	3,816.9	13,750.7	16,672.9	21,332.9	5,593.4	4,958.6	13,179.5	8,411.8	19,328.8	17,259.1
Somalia	327.9	166.0	-	163.5	248.0	533.3	3,315.5	797.1	8,243.0	1,095.5
South Africa	15,979.4	38,781.2	124,015.6	310,978.1	198,557.2	201,331.5	274,866.9	225,538.0	596,978.4	1,312,795.7
Spain	6,464.8	10,537.8	12,536.6	10,478.5	13,066.8	23,048.8	30,640.2	27,950.0	30,138.0	21,706.3
Sri Lanka	82.0	348.9	86.1	87.7	2,132.6	3,548.7	3,076.1	703.9	2,836.8	2,786.0
St. Helena	2,439.1	2,096.9	4,344.0	1,993.9	0.1	74.3	442.5	7,993.4	8,721.0	0.0
Sweden	170.7	1,241.2	833.5	670.3	635.4	3,148.6	1,738.1	3,590.3	3,334.2	4,827.2
Switzerland	5,520.7	13,017.0	32,444.7	123,193.2	299,805.4	498,327.3	668,711.0	617,209.6	982,361.5	1,292,703.6
Taiwan	1,619.8	1,721.3	2,807.2	2,687.0	1,280.5	1,587.4	751.7	5,322.8	3,322.7	1,609.7
Thailand	1,670.5	3,770.9	5,844.0	13,938.7	11,590.6	14,401.1	16,207.2	18,475.9	27,650.7	11,488.0
Uganda	5,305.2	8,764.0	12,752.5	22,672.6	24,466.8	23,992.1	47,871.3	62,993.8	67,049.4	70,430.1
United Arab Emirates	13,916.8	15,926.0	19,093.6	38,060.5	51,389.6	110,022.1	77,325.4	88,169.9	79,186.8	118,325.6
United Kingdom	156,356.9	402,153.1	506,516.3	132,490.3	84,324.4	31,875.0	76,505.2	40,186.8	45,218.9	45,327.4
United States	13,065.4	11,701.5	14,949.0	18,658.6	24,223.4	42,518.8	65,122.8	52,093.1	66,563.0	74,953.9
USSR/Russia	2,493.5	2,148.4	3,202.0	2,502.4	2,809.8	6,471.1	6,002.7	7,692.4	5,953.8	10,252.4
Yugoslavia	7.8	11.7	10.0	14.6	6.9	7.2	0.0	52.0	80.7	0.0
Zambia	16,866.8	18,010.7	7,359.2	9,855.9	18,948.8	27,910.2	43,237.0	58,526.8	76,618.2	74,470.4
Others	169,140.6	172,855.4	256,270.1	463,919.5	834,791.2	694,315.1	753,123.2	476,417.0	342,531.0	382,445.5

Notes: 1) P = provisional, r = Revised

2) Others include data for unrecorded exports for 2006 and 2007

Source: Bank of Tanzania and Tanzania Revenue Authority



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.12: Tanzania's Imports (c.i.f) by Country of Origins, 2002 - 2011

Millions of TZS

Country	2002	2003	2004	2005	2006 ^t	2007 ^t	2008 ^t	2009 ^t	2010 ^t	2011 ^p
Argentina	3,904.6	2,838.0	28,661.1	30,351.9	17,350.0	30,983.3	73,480.0	49,197.8	43,764.4	43,764.4
Australia	70,071.2	56,923.1	81,839.2	47,218.4	33,464.4	31,464.1	67,419.6	162,610.7	222,797.3	223,875.8
Belgium	22,404.1	34,733.3	28,433.0	52,655.6	92,631.6	135,951.8	147,083.8	141,919.9	183,024.4	183,919.9
Brazil	2,942.6	29,425.3	7,408.6	18,272.6	14,878.6	24,508.0	15,568.2	70,214.0	57,470.7	57,472.2
Canada	17,094.5	19,831.9	43,271.7	39,883.8	46,281.9	44,284.7	67,545.8	46,496.3	52,136.1	52,224.8
China	76,335.1	120,836.0	186,806.9	245,399.1	381,692.1	512,890.5	841,597.9	895,038.2	1,212,792.9	1,244,042.7
Denmark	15,141.8	20,986.5	23,707.1	26,746.4	15,467.7	28,043.1	31,505.4	146,074.4	45,086.5	46,559.7
Eire/Ireland	7,975.6	9,891.6	14,253.2	13,295.5	19,100.7	31,135.6	22,158.2	20,975.8	23,203.4	24,374.8
Finland	15,770.4	17,304.6	30,375.1	24,374.8	18,736.0	132,226.1	50,262.2	57,744.7	56,518.6	56,740.4
France	37,633.9	42,339.6	44,123.7	101,366.0	71,087.6	162,119.1	188,717.9	145,111.1	178,242.4	178,641.4
Germany, Federal	57,994.5	71,117.2	82,045.5	99,024.1	187,389.6	194,240.2	249,035.3	293,353.5	254,335.7	255,395.3
Hong Kong	7,563.3	10,266.9	7,505.5	8,735.1	10,244.8	14,678.7	21,392.8	40,597.2	33,316.7	33,379.8
India	103,266.3	174,081.9	235,431.2	211,290.9	293,344.2	631,862.4	1,016,503.4	999,540.7	1,238,372.1	1,239,134.6
Indonesia	59,929.8	78,906.7	94,189.1	101,631.7	196,028.5	159,404.0	107,733.2	141,412.0	155,616.9	155,779.5
Italy	43,435.9	40,758.2	44,219.2	45,360.9	113,221.1	102,750.6	104,384.0	128,860.1	133,376.4	137,417.7
Japan	134,051.2	174,790.5	196,765.2	225,925.7	310,375.3	325,726.2	405,343.6	545,953.7	786,056.8	794,383.2
Kenya	90,280.8	120,287.3	141,789.9	175,332.0	191,252.1	124,630.1	233,967.0	393,748.1	380,896.0	388,779.9
Malaysia	12,132.8	18,352.8	21,091.2	23,813.2	118,687.4	182,428.7	192,254.7	87,695.2	147,925.2	147,925.2
Netherlands	26,461.1	33,050.5	46,611.0	75,922.8	106,637.9	106,273.9	248,052.9	53.3	199,052.2	201,588.3
Pakistan	20,628.3	13,590.0	8,162.0	7,830.3	18,370.8	15,119.0	20,052.2	36,140.5	59,658.7	59,681.9
Saudi Arabia	45,611.7	53,383.7	60,386.5	46,722.5	312,889.5	272,318.0	304,719.1	213,014.2	275,426.8	275,502.5
Singapore	5,573.1	17,100.1	47,997.5	10,417.2	16,611.1	31,354.5	518,267.5	248,364.3	614,911.4	616,616.3
South Africa	182,473.1	284,591.5	360,025.5	440,090.2	675,401.5	730,969.6	935,205.5	888,001.2	1,067,772.7	1,068,580.0
South Korea	17,743.3	29,104.5	28,983.8	37,945.3	82,165.3	93,625.6	100,735.3	97,885.1	177,995.5	178,066.5
Spain	9,917.7	13,969.4	32,021.0	16,051.8	17,247.0	22,224.5	34,692.4	40,871.4	51,360.9	51,361.0
Swaziland	13,096.2	12,682.5	18,762.2	20,856.4	20,746.1	25,062.1	90,423.8	34,720.6	45,396.1	45,484.8
Sweden	21,233.5	39,983.3	25,822.1	80,804.8	64,454.9	128,595.2	167,644.2	108,717.5	84,766.0	89,267.9
Switzerland	22,074.0	23,814.5	20,481.9	28,593.0	84,076.7	214,218.6	162,881.0	174,060.1	777,212.0	777,236.5
Taiwan	7,656.8	8,903.4	11,083.6	13,441.9	14,394.7	20,746.3	13,436.4	16,269.3	37,636.5	37,636.6
Thailand	34,749.7	21,503.4	32,296.5	28,032.1	45,613.7	73,378.3	88,341.7	92,154.4	111,230.5	112,855.6
Turkey	3,096.4	4,656.5	5,023.9	9,409.8	38,857.8	57,646.7	93,229.0	98,961.8	82,466.5	82,466.5
Uganda	2,561.4	8,538.5	8,330.5	5,786.3	4,766.4	7,980.4	7,588.6	15,693.6	24,750.7	25,121.8
United Arab Emirate	93,824.8	152,331.1	201,204.2	220,274.8	618,949.9	963,802.7	1,053,525.3	816,795.9	930,045.0	933,293.0
United Kingdom	91,630.6	111,107.3	120,177.3	135,618.2	194,536.0	214,155.8	195,135.0	237,245.8	287,635.6	289,496.1
United States	88,321.3	72,310.7	85,113.2	112,741.8	150,019.1	233,287.9	236,992.6	179,535.0	215,698.5	218,798.5
USSR/Russia	9,788.9	7,063.8	2,277.8	36,993.1	53,694.5	88,679.5	87,823.1	84,124.2	140,583.7	140,660.6
Yugoslavia	21.6	15.2	0.0	0.0	0.9	0.0	0.0	7.1	145.1	144.2
Zambia	4,176.7	2,080.4	6,697.1	4,423.9	14,334.2	2,288.7	32,663.2	30,731.4	42,674.9	42,684.3
Zimbabwe	1,910.7	1,222.3	1,601.0	1,955.3	1,611.0	23,035.2	1,732.1	834.1	1,546.4	1,546.4
Others	112,008.4	243,271.3	512,840.3	882,050.5	601,734.5	357,611.5	194,497.6	541,051.0	474,719.2	6,297,339.0
Grand Total	1,605,435.8	2,210,262.7	2,964,040.1	3,726,103.6	5,335,330.8	6,621,420.8	8,521,390.8	8,376,871.7	11,013,002.2	16,904,698.9

Note: P = provisional

Source: Bank of Tanzania and Tanzania Revenue Authority



Table A4.13: Tanzania's Exports to COMESA Countries, 2002-2011

Country	Millions of TZS										
	2002	2003	2004	2005	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^p	
Burundi	6,778.3	4,893.9	8,203.8	8,250.8	4,416.2	51,645.5	23,026.9	31,203.1	72,981.2	48,639.0	
Comoro	347.3	1,334.8	1,275.9	1,568.2	9,322.2	4,470.3	58,707.8	283.3	0.0	1,249.7	
Djibouti	48.8	29.0	66.3	9.1	4.9	59.5	383.5	233.3	374.4	1,402.1	
Ethiopia	359.4	729.7	1,921.7	1,893.4	786.9	1,098.2	1,091.4	778.2	2,215.8	558.1	
Kenya	34,048.3	81,088.1	91,145.8	86,178.8	111,502.9	125,790.9	277,819.7	234,125.4	425,809.7	333,609.9	
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.0	
Malawi	17,172.1	8,746.4	13,530.2	916.6	22,206.9	24,476.1	49,913.5	33,151.2	56,575.8	81,048.3	
Mauritius	280.7	738.5	583.0	3,713.8	1,134.0	2,196.0	1,084.8	1,928.7	2,268.4	3,818.0	
Rwanda	3,742.0	2,644.5	3,177.5	3,376.8	3,401.5	13,913.2	24,340.0	19,887.6	120,820.8	103,886.5	
Somalia	327.9	166.0	0.0	163.5	248.0	533.3	3,315.5	797.1	8,243.0	1,095.5	
Swaziland	360.3	5.3	3,103.7	626.3	2,350.4	242.7	759.1	27,515.6	1,737.3	19,693.7	
Uganda	5,305.2	8,764.0	12,752.5	22,672.6	24,466.8	23,992.1	47,871.3	62,993.8	67,049.4	70,430.1	
Zambia	16,866.8	18,010.7	7,359.2	9,855.9	18,948.8	27,910.2	43,237.0	58,526.8	76,618.2	74,470.4	
Zimbabwe	1,356.9	3,966.7	1,347.3	1,750.5	1,483.2	857.2	1,360.1	7,556.0	1,970.8	6,510.6	
Grand Total	86,993.9	131,117.6	144,466.9	140,976.6	200,272.8	277,185.1	532,910.7	478,980.1	836,664.8	746,424.8	

Note: P = provisional, r = revised
Source: Bank of Tanzania and Tanzania Revenue Authority

Table A4.14: Tanzania's Direct Imports from COMESA Countries, 2002-2011

Millions of TZS

Country	2002	2003	2004	2005	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^r	2011 ^P
Burundi	7.3	335.2	17.4	292.7	2.2	19.8	505.8	402.5	840.9	873.1
Comoro	0.7	0.3	0.0	28.4	23.6	0.0	17.2	13.9	61.2	67.5
Djibout	2.3	415.7	297.1	1,378.8	0.0	0.0	1.4	44.0	25.9	1,587.6
Ethiopia	633.5	128.8	1,138.1	1,181.1	202.2	114.7	32.5	192.6	105.8	105.8
Kenya	91,630.6	120,287.3	141,789.9	175,332.0	191,252.1	124,630.1	233,967.0	393,748.1	380,896.0	388,779.9
Lesotho	0.0	0.0	0.0	0.0	79.5	10.9	2.6	56.7	213.1	213.1
Malawi	1,398.4	1,455.3	3,090.3	3,629.4	4,586.2	8,034.3	7,889.7	13,988.5	16,850.5	16,877.0
Mauritius	1,674.6	1,831.1	4,426.6	5,154.7	3,788.7	3,247.0	1,375.1	5,051.9	11,351.0	11,474.3
Rwanda	41.6	833.1	126.8	32.7	190.1	18.2	59.4	25.0	1,959.4	1,962.1
Somalia	5.5	69.7	16.0	5.6	5.6	119.5	1,112.3	389.6	45.1	45.1
Swaziland	15,096.2	12,682.5	18,762.2	20,856.4	20,746.1	25,062.1	90,423.8	34,720.6	45,396.1	45,484.8
Uganda	2,561.5	8,538.5	4,989.4	4,766.4	4,766.4	7,980.4	7,588.6	15,693.6	24,750.7	25,121.8
Zambia	4,176.7	2,080.4	6,697.1	4,423.9	14,334.2	2,288.7	32,663.2	30,731.4	42,674.9	42,684.3
Zimbabwe	1,910.7	1,222.3	1,601.0	1,955.3	1,611.0	23,035.2	1,732.1	834.1	1,546.4	1,546.4
Grand Total	119,139.6	149,880.2	182,952.0	219,037.4	241,587.9	194,560.9	377,370.6	495,892.5	526,717.1	536,822.7

Note: P = provisional, r = revised

Source: Bank of Tanzania and Tanzania Revenue Authority





A4.0 Balance of Payments and Foreign Trade Developments.

Table A 4.15: Tanzania: Services, Income and Transfers, 2002 - 2011

Millions of TZS

Period	Services			Income			Current Transfers		
	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments
2002	278,134.60	889,335.0	611,200.4	-85,695.8	65,570.0	151,265.8	285,318.9	344,570.6	59,251.7
2003	230,210.20	984,865.9	754,655.7	-143,534.7	90,724.5	234,259.2	533,547.7	599,225.5	65,677.7
2004	174,336.70	1,232,378.9	1,058,042.2	-123,872.5	88,631.0	212,503.5	634,725.4	705,588.1	70,862.8
2005	68,704.60	1,434,007.9	1,365,303.3	-117,241.4	91,627.3	208,868.7	564,303.4	640,549.2	76,245.8
2006	348,968.3	1,916,071.1	1,567,102.8	-80,555.7	100,753.5	181,309.2	751,067.4	833,626.2	82,558.8
2007	577,348.2	2,333,405.5	1,756,057.4	-71,771.3	133,511.4	205,282.7	812,802.4	903,114.4	90,312.0
2008	465,749.1	2,389,020.3	1,923,271.2	-110,193.6	146,275.1	256,468.7	739,197.4	834,389.8	95,192.4
2009	192,745.8	2,448,649.9	2,255,904.0	-94,166.0	212,818.7	306,984.7	921,982.7	1,012,343.6	90,360.9
2010	285,330.4	2,882,125.1	2,596,794.7	-58,079.4	226,138.2	284,217.6	919,389.1	1,030,478.3	111,089.2
2011	87,684.7	3,538,754.8	3,451,070.1	87,684.7	285,405.3	567,689.4	87,684.7	1,518,764.5	145,179.6
2009-1st Q	-31,416.8	540,276.9	571,693.8	-36,896.9	38,673.1	75,570.0	182,832.5	204,006.9	21,174.3
2nd Q	17,047.4	512,606.8	495,559.5	-15,907.2	51,020.4	66,927.6	97,513.9	119,009.7	21,495.7
3rd Q	97,540.6	694,851.7	597,311.1	-24,393.0	61,492.4	85,885.4	495,696.2	519,497.1	23,800.9
4th Q	109,574.8	700,914.4	591,339.6	-16,968.9	61,632.7	78,601.6	145,940.1	169,830.0	23,890.0
2010 ¹ -1st Q	-24,403.5	581,290.6	605,694.0	-17,116.3	46,777.0	63,893.3	-48,309.0	-24,154.5	24,154.5
2nd Q	47,986.3	611,404.3	563,418.0	-38,752.2	44,055.0	82,807.2	41,797.1	66,575.3	24,778.2
3rd Q	199,761.8	856,125.0	656,363.2	-9,263.3	59,002.4	68,265.7	230,837.7	262,938.9	32,101.2
4th Q	61,985.8	833,305.2	771,319.5	7,052.3	76,303.7	69,251.4	695,063.3	725,118.6	30,055.3
2011 ¹ -1st Q	-15,711.3	739,430.1	755,141.4	-47,714.0	83,442.2	131,156.3	156,097.6	185,964.7	29,867.1
2nd Q	14,137.9	743,548.0	729,410.1	-67,504.4	75,676.4	143,180.7	209,723.4	241,229.6	31,506.2
3rd Q	127,274.7	1,058,191.5	930,916.8	-87,568.2	56,683.3	144,251.4	101,581.4	142,302.8	40,721.3
4th Q	-38,016.6	997,585.1	1,035,601.8	-79,497.5	69,603.5	149,101.0	906,182.6	949,267.5	43,084.9
2012 ¹ -1st Q	-69,693.0	854,434.1	924,127.2	-55,353.7	98,027.7	153,381.4	125,145.7	168,293.0	43,147.3
2nd Q	54,718.1	901,426.6	846,708.5	-55,301.3	103,930.4	159,231.8	266,537.4	316,910.4	50,373.0

Notes: As from 2001 onwards, the estimation technique for government service payments has been revised leading to the change in service payments

P = provisional

r = revised, Q = Quarter

Source: Bank of Tanzania

Table A4.16: Foreign Reserve Position* (Revised), 2002 - 2012

Millions of TZS

End of Period	Bank of Tanzania										Net official Position	Commercial banks			Net Foreign Assets	Total Net Position	
	Foreign Exchange		Gold		Other Foreign		Reserves		Net			Liquid Foreign Assets	Liquid Foreign Liabilities	Other Foreign Assets			Other Foreign Liabilities
	Assets	Liabilities	Assets	Reserves	SDRs	RPF	UFC	Total	Assets	Liabilities							
Dec. 2002	1,528,909.5	437,032.3	1,091,877.2	26,926.4	3,693.3	101.6	31,601.1	390,203.6	1,544,403.1	1,544,403.1	9,993.8	9,993.8	543,461.9	2,575.4	1,112.3	544,925.1	2,089,328.2
2003	2,146,859.8	505,373.5	1,641,486.3	0.0	927.5	525.4	35,972.1	465,069.4	2,143,980.8	2,143,980.8	19,092.0	19,092.0	650,538.4	12,119.0	2,008.2	661,249.3	2,805,230.1
2004	2,406,602.2	492,560.3	1,914,041.9	0.0	853.3	73.5	15,950.6	441,131.5	2,372,053.7	2,372,053.7	28,056.6	28,056.6	584,315.4	2,127.9	1,663.5	584,779.8	2,956,833.5
2005	2,393,321.3	456,679.4	1,936,642.0	0.0	4,661.3	821.8	15,360.6	399,184.6	2,356,670.2	2,356,670.2	770,842.1	770,842.1	734,881.9	21,862.5	28,315.2	728,429.2	3,085,099.4
2006	2,700,270.8	79,016.8	2,621,254.0	0.0	4,297.2	28.3	22,541.5	15,943.3	2,664,064.3	2,664,064.3	1,060,922.8	1,060,922.8	974,887.8	33,859.8	12,622.8	996,124.8	3,660,189.1
2007	3,093,395.6	84,906.6	3,008,489.0	0.0	9,198.9	178.8	-15,400.1	20,036.6	3,022,503.2	3,022,503.2	876,515.8	876,515.8	649,136.0	67,263.4	82,986.5	633,413.0	3,655,916.2
2008	3,686,518.0	94,370.9	3,592,147.1	0.0	8,767.6	39.2	32,106.5	20,086.5	3,655,146.9	3,655,146.9	730,323.0	730,323.0	564,889.6	104,411.9	174,691.2	494,610.3	4,149,757.2
2009	4,670,324.6	825,323.3	3,845,001.2	0.0	4,844.1	325,589.8	27,478.6	432,562.1	4,635,475.8	4,635,475.8	1,040,125.4	1,040,125.4	918,637.3	254,471.2	78,598.7	1,094,509.8	5,729,985.6
2010	5,704,951.4	944,375.2	4,760,576.2	0.0	5,272.6	354,421.5	22,385.0	514,205.5	5,656,860.8	5,656,860.8	1,353,121.8	1,353,121.8	1,206,610.0	188,971.6	69,899.0	1,325,682.6	6,982,543.4
2011	5,867,546.9	1,004,357.1	4,863,189.8	0.0	1,055.6	375,910.7	-700.9	549,138.6	5,788,593.7	5,788,593.7	5,053,320.6	5,053,320.6	1,278,927.2	191,567.7	60,053.6	1,410,441.3	7,199,035.0
2010 - Mar	4,659,728.6	813,076.7	3,846,652.0	0.0	4,680.9	320,783.7	21,503.6	424,314.7	4,617,934.9	4,617,934.9	1,055,342.0	1,055,342.0	944,822.8	203,357.5	77,296.3	1,070,883.9	5,688,818.9
Jun	4,808,002.9	858,719.8	3,949,283.1	0.0	4,160.9	322,830.9	21,205.1	469,169.3	4,766,649.4	4,766,649.4	1,302,227.7	1,302,227.7	1,190,530.7	210,804.6	85,099.2	1,316,236.1	6,082,885.5
Sep	5,273,053.7	954,567.6	4,318,486.1	0.0	5,215.0	358,292.2	22,625.2	519,722.7	5,224,341.1	5,224,341.1	1,130,017.2	1,130,017.2	982,554.9	221,472.2	57,367.9	1,146,659.2	6,371,000.3
Dec	5,704,951.4	944,375.2	4,760,576.2	0.0	5,272.6	354,421.5	22,385.0	514,205.5	5,656,860.8	5,656,860.8	1,353,121.8	1,353,121.8	1,206,610.0	188,971.6	69,899.0	1,325,682.6	6,982,543.4
2011 - Mar	5,507,700.1	992,309.3	4,515,390.8	0.0	5,372.6	371,467.7	84,022.5	541,617.6	5,517,871.2	5,517,871.2	1,352,865.5	1,352,865.5	1,201,983.7	329,414.4	220,010.4	1,311,387.7	6,829,258.9
Jun	5,681,226.5	1,063,137.1	4,618,089.4	0.0	5,906.9	397,912.9	24,281.7	576,552.6	5,622,743.5	5,622,743.5	1,410,944.4	1,410,944.4	1,187,883.3	248,066.0	250,004.3	1,185,945.0	6,808,688.5
Sep	5,673,777.6	1,072,430.8	4,601,346.9	0.0	2,200.1	401,612.4	30,899.9	582,293.3	5,618,352.6	5,618,352.6	1,514,742.8	1,514,742.8	1,322,987.1	173,365.5	81,089.3	1,415,263.3	7,033,615.9
Dec	5,867,546.9	1,004,357.1	4,863,189.8	0.0	1,055.6	375,910.7	-700.9	549,138.6	5,788,593.7	5,788,593.7	5,053,320.6	5,053,320.6	1,278,927.2	191,567.7	60,053.6	1,410,441.3	7,199,035.0
2012 - Mar	5,549,385.9	1,018,032.0	4,531,353.9	0.0	2,163.9	380,145.3	6,441.2	554,233.5	5,474,337.9	5,474,337.9	1,405,328.2	1,405,328.2	1,191,579.4	204,417.1	63,547.5	1,332,449.1	6,806,786.9
Jun	5,959,839.1	990,802.5	4,969,036.5	0.0	2,506.4	369,525.3	39,836.5	539,104.4	5,920,009.1	5,920,009.1	1,298,654.8	1,298,654.8	1,029,984.7	131,247.5	96,462.4	1,064,769.8	6,984,778.9
2012 - January	5,604,225.1	1,021,382.7	4,582,842.4	0.0	3,155.9	382,284.2	7,384.6	556,679.2	5,532,346.4	5,532,346.4	1,438,603.0	1,438,603.0	1,235,979.0	168,047.7	20,231.8	1,383,794.8	6,916,141.2
February	5,510,273.6	1,024,194.5	4,486,079.1	0.0	2,792.4	382,875.5	9,045.3	557,900.4	5,438,692.7	5,438,692.7	1,495,209.8	1,495,209.8	1,268,201.8	198,219.0	17,825.0	1,448,595.8	6,887,288.5
March	5,549,385.9	1,018,032.0	4,531,353.9	0.0	2,163.9	380,145.3	6,441.2	554,233.5	5,474,337.9	5,474,337.9	1,405,328.2	1,405,328.2	1,191,579.4	204,417.1	63,547.5	1,332,449.1	6,806,786.9
April	5,471,379.5	1,015,905.7	4,455,473.8	0.0	2,912.0	378,924.8	5,753.6	552,765.8	5,395,830.1	5,395,830.1	1,345,010.7	1,345,010.7	1,131,893.0	251,714.3	77,011.6	1,306,595.7	6,702,425.9
May	5,538,967.8	992,626.1	4,546,341.7	0.0	3,229.5	370,205.5	12,878.6	540,096.8	5,472,752.2	5,472,752.2	1,301,178.0	1,301,178.0	1,041,274.4	188,186.1	78,319.8	1,151,140.8	6,623,893.0
June	5,959,839.1	990,802.5	4,969,036.5	0.0	2,506.4	369,525.3	39,836.5	539,104.4	5,920,009.1	5,920,009.1	1,298,654.8	1,298,654.8	1,029,984.7	131,247.5	96,462.4	1,064,769.8	6,984,778.9

Note: SDRs => Special Drawing Rights, RPF => Reserve Position in the Fund, UFC => Use of Fund Credit
Source: Bank of Tanzania



A5.0 National Debt Developments

Table A5.1: National Debt Developments, 2003- 2012

Millions of USD

Item	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10 ^t	2010/11 ^t	2011/12 ^p
1. Overall Total Debt Committed ¹	7,606.6	8,088.3	8,345.1	8,638.9	5,212.4	6,776.3	8,120.1	9,548.3	11,336.1	14,098.1
Disbursed outstanding debt	6,233.0	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,843.7	8,873.0
Undisbursed debt	1,373.6	1,410.0	1,545.6	1,667.7	1,770.1	2,293.2	2,637.1	2,990.0	3,492.4	5,225.1
2. Disbursed Debt by Creditor Category ²	6,233.1	6,678.3	6,799.6	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,843.7	8,873.0
Bilateral debt	1,633.7	1,483.6	1,502.3	1,492.5	910.5	934.2	933.5	955.4	978.7	1,015.8
Multilateral debt	4,088.3	4,570.0	4,626.3	4,720.6	1,772.6	2,620.2	3,430.1	4,204.8	5,250.2	5,615.8
Commercial debt	330.6	391.2	416.4	481.7	437.3	617.9	700.3	815.2	1,037.9	1,628.7
Export credits	180.5	233.5	254.5	276.4	321.9	310.8	419.1	582.9	576.9	612.7
3. Disbursed Debt by Borrower Category ²	6,233.1	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,843.7	8,873.0
o/w: Central Government	5,708.0	6,092.0	5,830.6	5,971.2	2,692.0	3,582.5	4,118.2	4,816.9	6,057.9	7,141.3
Public Corporations	152.2	149.1	477.5	445.4	167.8	156.3	392.4	534.7	557.8	404.6
Private Sector	372.9	437.2	491.5	554.6	582.5	744.4	972.4	1,206.7	1,228.0	1,327.0
4. Disbursed Debt by Use of Funds ²	6,233.1	6,678.2	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,843.7	8,873.0
o/w: Balance of payment support	1,166.0	1,275.1	1,335.1	1,392.6	1,019.3	1,470.3	1,935.2	2,121.2	2,348.5	2,522.0
Transport & Telecommunication	1,047.8	1,085.1	1,073.5	1,087.9	425.3	571.5	635.4	720.2	990.4	1,391.3
Agriculture	1,034.7	967.7	1,077.8	1,050.1	338.1	437.0	599.0	712.2	837.4	761.5
Energy & Mining	895.0	924.3	1,070.3	955.2	606.9	670.2	758.7	802.2	728.4	652.7
Industries	411.2	352.7	405.5	409.0	162.8	137.4	141.9	178.8	201.7	193.0
Social Welfare & Education	421.7	333.3	611.7	647.3	433.2	639.7	756.8	874.8	1,201.1	1,620.7
Finance and Insurance	76.9	82.3	96.6	98.7	64.4	74.2	73.8	88.4	188.9	326.5
Tourism	88.2	80.2	80.1	80.8	73.0	70.7	90.6	101.8	123.2	119.1
Others	1,091.6	1,577.5	1,048.9	1,249.8	319.3	412.2	491.7	958.6	1,224.2	1,286.3
5. Total Amount of Loans Contracted ¹	277.3	229.7	376.4	264.0	966.3	752.6	965.9	1,980.3	473.6	405.9
Government	259.8	209.4	335.4	165.0	930.0	516.7	218.0	1,682.7	312.7	350.0
Public Corporations	0.0	0.0	0.0	0.0	0.0	0.0	336.0	0.0	0.0	0.0
Private	17.5	20.3	41.0	99.0	36.3	235.9	412.0	297.6	161.0	55.9
6. Disbursements ¹	169.0	234.7	190.2	207.1	449.5	586.1	1,148.6	1,103.7	540.6	1,067.0
Government	163.7	205.9	161.4	179.1	432.6	560.6	649.0	869.3	438.6	931.5
Public Corporations	0.0	2.0	0.0	0.0	0.0	0.4	246.7	63.4	0.0	0.0
Private	5.3	26.8	28.8	28.0	16.9	25.1	252.9	171.0	102.0	135.5
7. Scheduled Debt Service ¹	369.0	334.4	355.1	373.6	336.9	193.2	271.0	267.2	392.8	28.9
8. Actual Debt Service ¹	112.4	99.3	112.9	180.6	42.0	86.0	56.1	75.9	104.3	75.3
Principal	86.6	68.6	86.0	90.3	20.6	55.9	25.5	39.1	59.3	35.0
Interest	25.8	30.6	26.9	60.3	21.4	30.1	30.5	36.8	45.0	36.1
Others	0.0	0.1	0.0	30.0	0.0	0.0	0.0	0.0	0.0	4.2
9. Net Transfers	56.6	135.4	77.3	26.5	407.5	500.1	1,092.5	1,027.8	436.3	991.7
10. Total Arrears by Creditor Category ²	2,056.5	2,297.8	2,470.5	2,374.7	2,199.5	2,453.2	2,809.8	2,761.5	3,088.1	2,634.1
o/w : Principal	1,021.4	1,119.1	1,135.2	1,116.4	980.9	1,089.8	1,293.4	1,122.0	1,294.3	1,152.4
Bilateral	611.6	658.8	669.4	609.0	377.7	423.8	452.8	464.5	459.6	403.3
Multilateral*	45.1	28.3	5.9	11.9	13.6	8.4	17.2	17.0	15.1	6.4
Commercial	203.7	240.2	249.2	275.0	339.5	359.2	449.3	384.7	492.9	464.8
Other Private Creditors	161.0	191.8	210.7	220.4	250.1	298.5	374.1	255.8	326.7	277.9
Interest	1,035.1	1,178.7	1,335.3	1,258.3	1,218.6	1,363.3	1,516.3	1,639.5	1,793.8	1,481.6
Bilateral	577.7	693.0	818.8	682.2	536.1	611.3	669.5	720.7	730.9	770.5
Multilateral*	68.4	27.3	23.4	22.0	27.7	0.1	10.9	17.0	17.4	7.5
Commercial	268.3	287.1	333.7	372.9	440.0	517.7	562.0	603.9	697.2	567.9
Other Private Creditors	120.7	171.3	159.4	181.2	214.8	234.3	274.0	297.9	348.3	135.7
11. Total Debt Stock	8,109.8	8,742.3	9,087.5	9,635.4	6,158.8	7,581.4	8,740.5	10,207.3	12,001.6	13,002.0
External Debt Stock	7,268.2	7,857.0	8,134.8	8,229.5	4,660.9	5,846.4	6,999.4	8,197.8	9,637.5	10,354.6
Domestic Debt Stock	841.6	885.3	952.6	1,405.9	1,497.9	1,735.0	1,741.1	2,009.5	2,364.1	2,647.4
12. Export of Goods and Services	1,996.8	2,221.0	2,843.4	3,148.7	3,565.6	4,526.7	4,660.1	5,085.1	6,446.8	5,438.4
14. GDP at Market (current) prices	11,258.4	12,090.6	13,713.9	14,319.2	15,144.6	19,301.7	20,156.2	22,874.6	23,745.8	25,954.6
15. External Debt Stock as % of GDP	64.6	65.0	59.3	57.5	30.8	30.3	34.7	35.8	40.6	39.9
16. Total Debt Stock as % of GDP	72.0	72.3	66.3	67.3	40.7	39.3	43.4	44.6	50.5	50.1
17. External Debt Service as % of Exports	5.6	4.5	4.0	5.7	1.2	1.9	1.2	1.5	1.6	1.4
18. External Debt as % of Exports	364.0	353.8	286.1	261.4	130.7	129.2	150.2	161.2	149.5	190.4
End of Period Exchange Rate (TZS/US\$)	1,047.4	1,107.3	1,165.5	1,253.1	1,265.0	1,180.9	1,299.4	1,379.4	1,579.7	1,568.9

NB. Multilateral*: multilateral arrears are those owed by the private companies

1) During the period. 2) End of period

Source: MOF & BOT



Table A6.1.1: Zanzibar Gross Domestic Product (GDP) by kind of Economic Activity, at Current Prices, 2002 - 2011

Economic Activity	Millions of TZS									
	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^r	2011 ^P
Agriculture, forestry & fishing	63,636.9	61,312.1	80,434.8	92,529.2	150,500.0	161,000.0	229,600.0	271,000.0	306,800.0	386,100.0
Crops	40,085.5	35,552.4	47,281.7	51,700.0	104,200.0	100,300.0	159,600.0	182,900.0	201,100.0	251,000.0
Livestock	10,644.8	12,221.6	14,786.1	16,280.8	20,900.0	25,800.0	34,400.0	39,300.0	44,100.0	49,900.0
Forestry & hunting	1,083.3	1,097.2	1,181.6	1,268.9	1,800.0	2,200.0	2,600.0	2,800.0	3,300.0	4,400.0
Fishing	11,823.3	12,440.9	17,185.5	23,279.5	23,500.0	32,700.0	33,000.0	46,000.0	58,300.0	80,800.0
Industry	29,783.3	37,640.6	45,902.5	53,580.5	75,400.0	88,400.0	106,400.0	114,900.0	119,300.0	143,700.0
Mining & quarrying	1,507.9	2,236.2	2,512.0	3,190.3	3,800.0	4,700.0	7,000.0	8,500.0	9,500.0	12,300.0
Manufacturing	13,708.0	16,845.6	17,229.7	19,399.2	23,400.0	26,600.0	32,000.0	36,100.0	39,500.0	46,400.0
Electricity, gas & water supply	4,248.9	4,726.9	5,638.6	6,435.8	9,900.0	11,100.0	12,800.0	12,300.0	13,100.0	17,800.0
Construction	10,318.5	13,831.9	20,522.1	24,555.3	38,300.0	46,000.0	54,600.0	58,000.0	57,200.0	67,200.0
Services	126,138.4	148,605.3	173,687.4	199,197.0	222,100.0	258,600.0	319,300.0	387,700.0	405,300.0	526,800.0
Trade & repairs	25,408.1	27,811.8	30,628.2	38,600.0	45,300.0	55,400.0	65,000.0	73,500.0	83,400.0	116,100.0
Hotels & restaurants	16,082.6	16,128.6	19,869.9	30,580.9	38,900.0	46,000.0	55,200.0	63,100.0	68,900.0	87,400.0
Transport & communications	15,725.3	23,522.0	27,005.1	31,500.0	34,500.0	40,500.0	59,600.0	98,000.0	85,800.0	110,700.0
Financial intermediation	3,770.8	4,581.4	5,569.1	7,800.0	8,000.0	10,800.0	13,700.0	15,400.0	19,800.0	23,500.0
Real estate & business services	2,501.2	2,862.9	3,240.1	3,728.9	4,500.0	5,400.0	6,800.0	7,700.0	8,600.0	10,300.0
Public administration	43,315.4	50,578.9	60,138.0	56,729.3	53,700.0	59,200.0	72,300.0	80,000.0	86,000.0	106,000.0
Education	14,852.2	17,355.7	20,556.0	22,660.3	27,700.0	30,500.0	33,600.0	35,600.0	37,300.0	55,100.0
Health	3,513.6	4,622.2	5,356.6	6,090.6	7,500.0	8,700.0	10,600.0	11,600.0	12,400.0	13,800.0
Other social & personal services	969.3	1,141.7	1,324.4	1,506.9	1,800.0	2,100.0	2,500.0	2,800.0	3,100.0	3,900.0
Adjustment to market prices									831,400.0	1,056,600.0
Taxes on products	36,393.3	39,073.0	44,300.9	49,569.0	62,000.0	78,700.0	92,300.0	105,900.0	115,300.0	141,500.0
GDP at Current Market Prices	255,951.9	286,631.0	344,325.6	394,875.7	510,000.0	586,700.0	747,600.0	879,500.0	946,700.0	1,198,100.0
Population "000"	982.0	1,011.0	1,041.0	1,072.0	1,104.0	1,137.0	1,171.0	1,206.0	1,211.0	1,247.0
GDP per capita: TZS "000"	260.6	283.5	330.8	369.1	462.0	516.0	638.4	726.0	782.0	960.0
Exchange rate: TZS/USD	946.0	1,040.0	1,091.0	1,127.9	1,255.0	1,247.8	1,197.0	1,307.0	1,396.0	1,557.0

Notes: P = Provisional, r = Revised

Source: Office of Chief Government Statistician-Zanzibar



A6.1: Zanzibar Output and Prices

Table A6.1.2: Zanzibar Gross Domestic Product (GDP) by kind of Economic Activity, Percentage Share in Total GDP, at Current Prices, 2002 - 2011

Economic Activity	Percent									
	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^r	2011 ^P
Agriculture, forestry & fishing	24.9	21.4	23.4	23.4	29.5	27.4	30.7	30.8	32.4	32.2
Crops	15.7	12.4	13.7	13.1	20.4	17.1	21.3	20.8	21.2	20.9
Livestock	4.2	4.3	4.3	4.1	4.1	4.4	4.6	4.5	4.7	4.2
Forestry & hunting	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.4
Fishing	4.6	4.3	5.0	5.9	4.6	5.6	4.4	5.2	6.2	6.7
Industry	11.6	13.1	13.3	13.6	14.8	15.1	14.2	13.1	12.6	12.0
Mining & quarrying	0.6	0.8	0.7	0.8	0.7	0.8	0.9	1.0	1.0	1.0
Manufacturing	5.4	5.9	5.0	4.9	4.6	4.5	4.3	4.1	4.2	3.9
Electricity, gas & water supply	1.7	1.6	1.6	1.6	1.9	1.9	1.7	1.4	1.4	1.5
Construction	4.0	4.8	6.0	6.2	7.5	7.8	7.3	6.6	6.0	5.6
Services	49.3	51.8	50.4	50.4	43.5	44.1	42.7	44.1	42.8	44.0
Trade & repairs	9.9	9.7	8.9	9.8	8.9	9.4	8.7	8.4	8.8	9.7
Hotels & restaurants	6.3	5.6	5.8	7.7	7.6	7.8	7.4	7.2	7.3	7.3
Transport & communications	6.1	8.2	7.8	8.0	6.8	6.9	8.0	11.1	9.1	9.2
Financial intermediation	1.5	1.6	1.6	2.0	1.6	1.8	1.8	1.8	2.1	2.0
Real estate & business services	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Public administration	16.9	17.6	17.5	14.4	10.5	10.1	9.7	9.1	9.1	8.8
Education	5.8	6.1	6.0	5.7	5.4	5.2	4.5	4.0	3.9	4.6
Health	1.4	1.6	1.6	1.5	1.5	1.5	1.4	1.3	1.3	1.2
Other social & personal services	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Adjustment to market prices										
Taxes on products	14.2	13.6	12.9	12.6	12.2	13.4	12.3	12.0	12.2	11.8
GDP at Current Market Prices	100.0	100.0								

Notes: P = Provisional, r = Revised
Source: Office of Chief Government Statistician - Zanzibar



Table A6.1.3 : Zanzibar Gross Domestic Product (GDP) by kind of Economic Activity, at 2001 Constant Prices, 2002 -2011

Economic Activity	Millions of TZS									
	2002	2003	2004	2005	2006	2007	2008	2009 ^r	2010	2011 ^p
Agriculture, forestry & fishing	55,614.1	57,959.7	59,579.1	61,279.6	72,700.0	72,400.0	76,500.0	79,900.0	82,400.0	84,700.0
Crops	34,823.1	36,557.2	37,288.8	37,909.9	49,000.0	48,000.0	51,100.0	53,700.0	55,600.0	55,900.0
Livestock	9,743.9	10,086.5	10,441.7	10,810.1	11,200.0	11,600.0	12,000.0	12,400.0	12,800.0	13,200.0
Forestry & hunting	1,033.3	1,097.2	1,138.2	1,178.9	1,200.0	1,300.0	1,300.0	1,400.0	1,400.0	1,500.0
Fishing	9,963.8	10,218.8	10,710.3	11,389.7	11,300.0	11,500.0	12,100.0	12,400.0	12,600.0	14,100.0
Industry	28,056.1	32,633.6	36,726.0	39,146.8	46,000.0	48,100.0	49,200.0	50,800.0	51,800.0	54,700.0
Mining & quarrying	1,431.5	1,946.4	2,027.9	2,341.7	2,400.0	2,600.0	3,200.0	3,600.0	3,800.0	4,300.0
Manufacturing	13,013.4	14,662.7	13,908.8	14,239.4	14,700.0	14,800.0	15,000.0	15,300.0	15,800.0	16,200.0
Electricity, gas & water supply	3,815.4	3,985.0	4,222.8	4,541.6	4,800.0	5,100.0	5,200.0	5,300.0	5,300.0	6,100.0
Construction	9,795.7	12,039.5	16,566.6	18,024.1	24,100.0	25,600.0	25,800.0	26,600.0	26,900.0	28,100.0
Services	120,095.4	125,213.2	133,587.6	140,646.4	136,700.0	150,880.0	160,600.0	174,700.0	190,700.0	207,500.0
Trade & repairs	24,129.7	24,217.4	24,748.0	28,400.0	28,600.0	30,900.0	30,100.0	31,300.0	33,500.0	40,700.0
Hotels & restaurants	15,267.7	14,038.6	15,648.8	21,899.4	23,900.0	25,000.0	24,900.0	26,100.0	26,900.0	29,600.0
Transport & communications	16,348.9	19,755.5	21,122.7	23,200.0	23,300.0	32,000.0	39,800.0	48,700.0	58,100.0	63,600.0
Financial intermediation	3,543.0	3,852.7	4,587.4	5,214.1	4,700.0	5,700.0	5,900.0	6,000.0	7,500.0	7,800.0
Real estate & business services	2,371.2	2,481.5	2,597.7	2,720.1	2,800.0	3,000.0	3,100.0	3,300.0	3,400.0	3,600.0
Public administration	40,400.8	41,773.1	44,657.4	38,616.1	31,600.0	32,000.0	33,200.0	34,600.0	35,500.0	35,900.0
Education	13,852.9	14,334.1	15,264.5	15,425.1	16,300.0	16,500.0	17,500.0	18,500.0	19,400.0	19,900.0
Health	3,277.2	3,817.5	3,977.7	4,145.9	4,390.0	4,680.0	4,900.0	5,000.0	5,100.0	5,100.0
Other social & personal services	904.0	942.9	983.5	1,025.7	1,100.0	1,100.0	1,200.0	1,200.0	1,300.0	1,300.0
Adjustment to market prices										
Taxes on products	37,638.8	39,863.0	42,427.6	44,500.0	47,200.0	50,100.0	52,900.0	56,400.0	60,000.0	64,100.0
Total GDP at market Prices	241,400.0	255,700.0	272,400.0	285,600.0	302,600.0	321,480.0	339,200.0	361,800.0	384,900.0	411,000.0

Notes: P = Provisional, r = Revised
Source: Office of Chief Government Statistician - Zanzibar



A6.1: Zanzibar Output and Prices

Table A6.1.4: Zanzibar Gross Domestic Product (GDP) by kind of Economic Activity, Percentage Share in Total GDP, at 2001 Constant Prices, 2002 - 2011

Economic Activity	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^r	2011 ^p
Agriculture, forestry & fishing	23.0	22.7	21.9	21.5	24.0	22.5	22.6	22.1	21.4	20.6
Crops	14.4	14.3	13.7	13.3	16.2	14.9	15.1	14.8	14.4	13.6
Livestock	4.0	3.9	3.8	3.8	3.7	3.6	3.5	3.4	3.3	3.2
Forestry & hunting	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Fishing	4.1	4.0	3.9	4.0	3.7	3.6	3.6	3.4	3.3	3.4
Industry	11.6	12.8	13.5	13.7	15.2	15.0	14.5	14.0	13.5	13.3
Mining & quarrying	0.6	0.8	0.7	0.8	0.8	0.8	0.9	1.0	1.0	1.0
Manufacturing	5.4	5.7	5.1	5.0	4.9	4.6	4.4	4.2	4.1	3.9
Electricity, gas & water supply	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4	1.5
Construction	4.1	4.7	6.1	6.3	8.0	8.0	7.6	7.4	7.0	6.8
Services	49.7	49.0	49.0	49.2	45.2	46.9	47.3	48.3	49.5	50.5
Trade & repairs	10.0	9.5	9.1	9.9	9.5	9.6	8.9	8.7	8.7	9.9
Hotels & restaurants	6.3	5.5	5.7	7.7	7.9	7.8	7.3	7.2	7.0	7.2
Transport & communications	6.8	7.7	7.8	8.1	7.7	10.0	11.7	13.5	15.1	15.5
Financial intermediation	1.5	1.5	1.7	1.8	1.6	1.8	1.7	1.7	1.9	1.9
Real estate & business services	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9
Public administration	16.7	16.3	16.4	13.5	10.4	10.0	9.8	9.6	9.2	8.7
Education	5.7	5.6	5.6	5.4	5.4	5.1	5.2	5.1	5.0	4.8
Health	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.2
Other social & personal services	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.3	0.3	0.3
Adjustment to market prices										
Taxes on products	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6	15.6
Total GDP at market prices	100.0	100.0								

Notes: P = Provisional, r = Revised

Source: Office of Chief Government Statistician - Zanzibar and BoT



Table A6.1.5: Zanzibar Gross Domestic Product (GDP) by kind of Economic Activity, Percentage Annual Growth Rates, at 2001 Constant Prices, 2002 - 2011

Economic Activity	Percent									
	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^r	2011 ^p
Agriculture, forestry & fishing	-1.5	4.2	2.8	2.8	18.7	-0.4	5.7	4.4	3.1	2.8
Crops	-3.1	5.0	2.0	1.6	29.4	-2.0	6.5	5.1	3.5	0.5
Livestock	3.4	3.5	3.5	3.5	3.5	3.6	3.5	3.3	3.2	3.1
Forestry & hunting	2.2	1.3	3.7	3.6	3.8	8.3	3.0	7.7	0.0	7.1
Fishing	-1.0	2.6	4.8	6.3	-1.0	1.8	5.2	2.5	1.6	11.9
Industry	14.0	16.3	12.5	6.6	17.6	4.6	1.9	3.3	2.0	5.6
Mining & quarrying	26.7	36.0	4.2	15.5	3.0	8.3	22.8	12.5	5.6	13.2
Manufacturing	15.4	12.7	-5.1	2.4	3.5	0.7	1.1	2.0	3.3	2.5
Electricity, gas & water supply	4.3	4.4	6.0	7.6	5.0	6.3	0.9	1.9	0.0	15.1
Construction	14.7	22.9	37.6	8.8	33.8	6.2	0.5	3.1	1.1	4.5
Services	12.6	4.3	6.7	5.3	-2.8	10.4	6.1	8.8	9.2	8.8
Trade & repairs	1.7	0.4	2.2	14.6	1.0	8.0	-4.3	4.0	7.0	21.5
Hotels & restaurants	14.6	-8.1	11.5	39.9	9.2	4.6	-0.5	4.8	3.1	10.0
Transport & communications	17.9	20.8	6.9	9.9	0.4	37.3	24.1	22.4	19.3	9.5
Financial intermediation	20.6	8.7	19.1	13.7	-10.2	21.3	4.0	1.7	25.0	4.0
Real estate & business services	4.6	4.7	4.7	4.7	4.7	7.1	4.8	6.5	3.0	5.9
Public administration	18.7	3.4	6.9	-13.5	-18.3	1.3	4.0	4.2	2.6	1.1
Education	9.5	3.5	6.5	1.1	5.4	1.2	6.4	5.7	4.9	2.6
Health	11.0	16.5	4.2	4.2	5.9	6.6	4.5	2.0	2.0	0.0
Other social & personal services	4.3	4.3	4.3	4.3	4.3	0.0	4.3	0.0	8.3	0.0
Total GDP at market prices	8.5	5.9	6.5	4.9	6.0	6.3	5.3	6.7	6.4	6.8

Notes: P = Provisional

r = Revised

Source: Office of Chief Government Statistician-Zanzibar



A6.1: Zanzibar Output and Prices

Table A6.1.6 Marketed Production of Zanzibar Major Export Commodities, 2002 - 2011

Crop	<i>Metric tons</i>										
	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^r	2011 ^p	
Cloves	5,959.8	5,219.0	4,097.6	3,266.7	3,156.7	1,085.6	4,007.0	3,536.0	2,129.0	3,743.0	
Clove Stems	187.3	497.0	476.0	350.6	128.8	226.5	345.4	445.0	280.0	468.0	
Seaweeds	9,090.7	9,261.0	7,184.5	7,361.8	7,543.1	8,485.0	11,177.0	10,248.0	11,937.0	13,193.0	
Rubber	0.0	0.0	683.0	711.0	886.8	974.2	1,479.0	428.0	564.0	457.0	

Notes: P = Provisional

r = Revised

Source: Office of Chief Government Statistician - Zanzibar

**Table A6.1.7: Production of Selected Commodities in Zanzibar, 2002 - 2011**

Commodity	Unit	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^P
Wheat Flour	Ton	18,154.0	21,446.0	16,753.0	14,822.0	10,590.0	1,026.0	0.0	0.0	0.0	0.0
Beverage	Litres'000'	5,419.0	6,250.0	7,132.0	8,435.0	10,246.0	9,925.0	12,780.0	13,800.0	15,414.0	17,199.0
Animal Feed	Tons	1,674.0	1,520.0	1,277.0	1,001.0	842.0	1,115.0	215.0	0.0	0.0	0.0
Super Shine Audio	Cartoon	0.0	0.0	54,685.0	47,976.5	63,240.0	70,597.0	-	-	-	-
Super Shine Video	Cartoon	0.0	0.0	40,577.0	31,038.5	23,339.0	10,090.0	-	-	-	-
Coconut oil	Tons	147.0	3.1	66.0	89.0	82.0	77.0	-	-	-	-
Bread	No.'000'	54,519.0	59,992.0	68,706.0	77,331.0	87,037.0	97,960.0	102,050.0	105,531.0	108,264.0	111,512.0
Copra Cakes	Tons	54.0	2.0	59.0	31.0	46.0	49.0	-	-	-	-
Jewellery (Gold/Silver)	Grams	0.0	29,165.0	35,125.0	19,090.0	16,737.0	7,563.0	7,526.0	9,710.0	9,508.0	8,602.0
Noodles	Kg	0.0	159,133.0	193,656.0	93,830.0	61,085.0	58,807.0	71,072.0	75,600.0	80,417.0	189,000.0
Mineral Water	Litres'000'	0.0	0.0	3,136.0	2,975.1	5,033.0	3,631.0	-	-	-	-
Door UPVC	Nos.	0.0	0.0	70.0	18.0	32.0	53.0	33.0	43.0	125.0	140.0
Window UPVC	Nos.	87.0	0.0	150.0	15.0	59.0	161.0	35.0	98.0	43.0	95.0
Video/Radio Tape	Cartons	82,353.0	97,223.0	107,273.0	81,918.0	86,579.0	80,687.0	61,167.0	30,742.0	30,648.0	14,517.0
Garments Dish Dash (Nguo)	Pcs	5,687.0	3,324.0	4,929.0	3,860.0	2,004.0	5,338.0	3,778	4,392	4,648	4,672

Note: P = Provisional.

0.0 = No Production

Source: Office of Chief Government Statistician - Zanzibar.



Table A6.1.8: Zanzibar Consumer Price Index, 2005 - 2012

Base: December 2005 = 100

End of Period	Total Index	Non-Food												
		Food	Alcoholic Beverages, Tobacco and Narcotics	Clothing and Footwear	Housing, Water, electricity, Gas and Other Fuels	Furnishing, H/hold Equipment & Routine H/hold Maintenance	Health	Transport	Communi-cation	Recreation and Culture	Edu-cation	Restaurants and Hotels	Miscellaneous Goods & Services.	
Weights (%)	100.0	57.4	42.6	0.6	6.2	15.6	5.3	2.1	3.4	2.4	0.4	1.1	3.1	2.4
2005- 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	100.0
2007	120.4	124.2	116.0	125.9	109.4	116.4	115.4	118.2	131.6	131.6	121.3	113.3	135.8	100.0
2008	145.4	154.4	135.4	136.0	118.5	141.9	130.6	139.3	156.9	93.8	131.5	121.7	168.2	119.0
2009	158.1	169.3	143.9	159.5	126.3	155.9	141.1	151.4	149.5	93.9	136.5	127.3	188.7	133.1
2010	167.9	179.8	153.0	201.0	133.6	163.2	146.4	170.8	156.5	94.0	144.7	143.8	220.1	138.2
2011	192.4	213.7	167.8	223.6	150.5	177.8	163.3	203.8	176.3	95.4	156.0	151.7	244.4	126.2
2010 - Mar	165.5	178.8	148.7	188.1	130.4	159.1	144.1	163.4	150.0	93.9	140.5	143.8	207.4	138.8
Jun	164.3	174.6	151.1	188.3	131.4	162.2	144.7	167.2	154.1	93.9	142.1	143.8	215.2	137.6
Sep	169.3	181.2	154.6	212.5	133.9	165.3	146.9	167.6	159.4	93.9	145.4	143.8	225.7	139.6
Dec	171.8	184.7	155.9	210.6	137.6	164.8	149.2	180.8	160.0	94.4	148.9	143.8	226.9	136.9
2011 - Mar	180.5	198.9	158.8	211.9	140.4	168.1	153.3	198.5	163.6	95.4	149.5	151.7	231.5	122.3
Jun	188.1	208.5	164.3	222.6	144.7	175.9	156.7	200.3	174.0	95.4	150.2	151.7	237.0	124.2
Sep	196.5	218.7	170.7	223.3	154.8	181.0	166.2	207.7	181.7	95.4	160.4	151.7	245.4	127.8
Dec	204.6	228.7	177.2	236.7	162.3	186.2	177.1	208.9	186.1	95.4	163.7	151.7	263.6	130.5
2012 - Mar	210.6	234.2	183.4	257.5	170.9	190.9	191.3	221.0	181.5	95.6	169.5	178.9	267.1	137.4
Jun	207.2	223.3	188.6	291.1	179.6	191.3	199.9	242.3	183.4	95.7	175.2	178.9	276.0	143.5
2011- Jan	176.8	193.1	157.1	210.6	139.8	165.6	151.7	197.7	160.5	95.4	148.9	151.7	228.9	122.6
Feb	180.4	199.1	158.2	212.2	140.6	167.3	153.2	197.8	162.4	95.4	149.8	151.7	228.7	121.2
Mar	184.4	204.4	161.1	212.8	140.8	171.4	154.9	199.9	167.9	95.4	149.8	151.7	237.0	123.0
Apr	188.0	209.4	163.3	222.6	142.7	174.7	155.8	200.3	171.3	95.4	150.2	151.7	237.0	124.1
May	186.4	205.4	164.2	222.6	145.1	175.7	157.1	200.3	171.5	95.4	150.2	151.7	237.0	124.2
Jun	189.8	210.7	165.5	222.6	146.2	177.3	157.3	200.3	179.2	95.4	150.2	151.7	237.0	124.2
Jul	192.0	212.5	168.2	222.6	146.6	180.2	161.1	207.7	180.1	95.4	158.4	151.7	242.4	126.8
Aug	197.8	220.8	171.2	222.6	158.1	181.5	166.4	207.7	181.2	95.4	161.4	151.7	242.4	128.3
Sep	199.6	222.9	172.8	224.7	159.7	181.4	171.0	207.7	183.8	95.4	161.4	151.7	251.3	128.4
Oct	202.5	226.5	175.2	228.6	160.4	183.9	174.2	207.7	184.0	95.4	161.4	151.7	263.3	128.4
Nov	203.6	227.4	176.7	234.1	162.7	185.5	175.3	207.4	186.9	95.4	164.9	151.7	263.8	129.0
Dec	207.6	232.3	179.7	247.5	163.7	189.3	181.8	211.5	187.3	95.4	164.9	151.7	263.8	134.1
2012- Jan	211.8	238.4	181.5	246.0	164.2	191.7	186.9	211.5	182.7	95.4	170.2	178.9	266.1	136.1
Feb	211.7	236.1	183.6	247.5	173.0	191.0	191.9	222.7	180.7	95.7	169.1	178.9	266.1	136.8
Mar	208.2	228.0	185.1	279.0	175.5	190.0	195.0	228.7	181.1	95.7	169.1	178.9	269.0	139.3
Apr	206.6	224.0	186.4	290.7	177.4	189.8	196.7	230.7	182.4	95.7	173.4	178.9	273.6	141.5
May	208.1	225.1	188.4	295.1	177.7	191.1	199.3	248.1	184.4	95.7	173.4	178.9	273.6	143.7
Jun	206.9	220.8	191.1	287.5	183.8	193.1	203.6	248.1	183.4	95.7	178.9	178.9	280.9	145.4

Source: Office of Chief Government Statistician - Zanzibar and BoT



Table A6.1.9: Zanzibar Consumer Price Index, Percentage Change on the Previous Year, 2005 -2012

Base: December 2005 = 100

End of Period	Total Index	Non- Food											Miscellaneous Goods & Services						
		Food	Alcoholic Beverages, Tobacco & Narcotics			Clothing and Footwear		Housing, Water, electricity, Gas & Other Fuels		Furnishing, H/hold Equipment & Routine H/hold Maintenance		Health		Transport	Communication	Recreation and Culture	Education	Restaurants and Hotels	
Weights (%)	100	57.4	42.6	0.6	6.2	15.6	5.3	2.1	3.4	2.4	0.4	1.1	3.1	2.4	0.4	1.1	3.1	2.4	
2005 - 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	100.0	100.0	100.0	100.0	100.0	100.0
2007	13.0	15.8	9.7	12.7	6.7	8.9	10.8	13.9	15.8	4.1	13.4	14.7	26.4	-5.0	13.4	14.7	26.4	-5.0	13.4
2008	20.6	24.3	16.5	8.0	8.3	21.8	13.1	8.0	13.1	-1.6	8.4	7.4	24.5	19.0	8.4	7.4	24.5	19.0	8.4
2009	9.2	10.1	6.7	17.4	6.7	11.6	8.1	8.8	6.7	0.1	3.7	4.7	12.2	11.8	3.7	4.7	12.2	11.8	3.7
2010	6.1	6.1	6.4	27.3	5.5	4.6	3.7	12.2	4.5	0.1	5.8	12.9	16.8	4.1	5.8	12.9	16.8	4.1	5.8
2011	14.7	18.8	9.9	12.1	12.8	9.2	11.6	20.2	13.1	1.5	8.2	5.5	11.7	-8.7	8.2	5.5	11.7	-8.7	8.2
2010 - Mar	6.4	8.0	4.4	26.1	5.0	2.7	3.6	10.2	-4.5	0.0	4.5	13.9	11.7	8.0	4.5	13.9	11.7	8.0	4.5
Jun	5.6	5.3	6.3	26.9	5.0	4.7	3.1	10.9	6.3	0.0	5.0	12.6	16.6	3.4	5.0	12.6	16.6	3.4	5.0
Sep	7.0	6.9	7.8	32.7	5.4	32.7	3.6	10.1	8.5	0.0	6.2	12.6	22.3	3.9	6.2	12.6	22.3	3.9	6.2
Dec	5.3	4.3	7.1	23.6	6.8	4.8	4.7	17.5	7.7	0.5	7.5	12.6	16.6	1.3	7.5	12.6	16.6	1.3	7.5
2011 - Mar	9.1	11.2	6.8	12.6	7.7	5.7	6.3	21.5	9.1	1.6	6.4	5.5	11.6	-11.9	6.4	5.5	11.6	-11.9	6.4
Jun	14.5	19.4	8.7	18.2	10.1	8.4	8.3	19.8	12.9	1.6	5.7	5.5	10.1	-9.8	5.7	5.5	10.1	-9.8	5.7
Sep	16.1	20.7	10.5	5.1	15.6	9.5	13.1	23.9	14.0	1.6	10.7	5.5	8.7	-8.4	10.7	5.5	8.7	-8.4	10.7
Dec	19.1	23.8	13.7	12.4	18.0	13.0	18.7	15.5	16.3	1.1	10.0	5.5	16.2	-4.5	10.0	5.5	16.2	-4.5	10.0
2012 - Mar	16.7	17.9	15.5	21.5	21.7	13.6	24.8	11.3	11.0	0.2	13.4	17.9	15.4	12.4	13.4	17.9	15.4	12.4	13.4
Jun	10.2	7.1	14.8	30.8	24.2	8.8	27.5	21.0	5.4	0.3	16.7	17.9	16.5	15.6	16.7	17.9	16.5	15.6	16.7
2011 - Jan	6.6	7.3	6.2	12.1	7.9	4.3	5.3	25.2	7.4	1.6	6.8	5.5	11.7	-11.4	6.8	5.5	11.7	-11.4	6.8
Feb	9.7	12.7	6.3	12.7	7.6	5.0	6.3	19.7	8.6	1.6	6.2	5.5	11.6	-12.9	6.2	5.5	11.6	-12.9	6.2
Mar	10.9	13.7	7.8	13.0	7.6	7.6	7.4	19.6	11.2	1.6	6.2	5.5	11.6	-11.5	6.2	5.5	11.6	-11.5	6.2
Apr	13.8	18.3	8.7	18.2	8.6	8.9	8.0	19.9	12.4	1.6	6.4	5.5	10.6	-9.8	6.4	5.5	10.6	-9.8	6.4
May	14.2	18.9	8.8	18.2	10.4	8.3	8.6	19.9	12.9	1.6	4.5	5.5	10.6	-9.7	4.5	5.5	10.6	-9.7	4.5
Jun	15.4	21.1	8.7	18.2	11.3	8.1	8.3	19.6	13.5	1.6	6.1	5.5	9.2	-9.7	6.1	5.5	9.2	-9.7	6.1
Jul	15.9	21.5	9.1	5.3	11.2	8.9	10.0	23.9	13.1	1.6	12.5	5.5	7.4	-8.4	12.5	5.5	7.4	-8.4	12.5
Aug	16.0	20.4	10.6	3.2	17.7	9.7	13.6	23.9	13.6	1.6	9.8	5.5	7.4	-8.5	9.8	5.5	7.4	-8.5	9.8
Sep	16.4	20.3	11.7	6.7	17.9	10.1	15.9	23.9	15.2	1.6	9.9	5.5	11.3	-8.4	9.9	5.5	11.3	-8.4	9.9
Oct	17.8	22.5	12.4	8.5	16.8	11.6	17.5	14.9	15.1	1.6	8.4	5.5	16.3	-8.5	8.4	5.5	16.3	-8.5	8.4
Nov	18.7	23.4	13.3	11.2	18.2	12.6	18.0	14.7	16.9	1.6	10.7	5.5	16.5	-8.1	10.7	5.5	16.5	-8.1	10.7
Dec	20.8	25.6	15.3	17.5	18.8	14.9	20.6	17.0	16.8	0.0	10.7	5.5	15.8	3.1	10.7	5.5	15.8	3.1	10.7
2012 - Jan	19.8	23.5	15.5	16.8	17.5	15.8	23.2	7.0	13.8	0.0	14.3	17.9	16.3	11.0	14.3	17.9	16.3	11.0	14.3
Feb	17.4	18.6	16.1	16.6	23.0	14.2	25.3	12.6	11.3	0.3	12.9	17.9	16.4	12.9	12.9	17.9	16.4	12.9	12.9
Mar	12.9	11.5	14.9	31.1	24.6	10.9	25.9	14.4	7.8	0.3	12.9	17.9	13.5	13.2	12.9	17.9	13.5	13.2	12.9
Apr	9.9	7.0	14.1	30.6	24.3	8.6	26.3	15.2	6.5	0.3	15.4	17.9	15.4	14.0	15.4	17.9	15.4	14.0	15.4
May	11.6	9.6	14.8	32.6	22.5	8.8	26.9	23.9	7.5	0.3	15.4	17.9	15.4	15.7	15.4	17.9	15.4	15.7	15.4
Jun	9.0	4.8	15.4	29.2	25.7	8.9	29.4	23.9	2.3	0.3	19.1	17.9	18.5	17.1	19.1	17.9	18.5	17.1	19.1

Source: Office of Chief Government Statistician - Zanzibar and BoT



Table A6.2.1: Zanzibar Central Government Operations (Actuals), 2002/03 - 2011/12

Item	Millions of TZS										
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	
Total Revenue	45,388.7	50,955.7	59,763.6	68,648.8	89,627.8	110,357.7	139,742.1	149,495.0	181,502.1	220,017.8	
Tax Revenue	42,595.4	47,477.6	55,734.0	63,749.7	83,147.8	102,866.7	130,267.7	138,992.9	164,295.5	195,528.8	
Tax on Imports	17,640.5	16,629.8	14,823.1	14,503.8	20,421.5	26,099.9	33,852.5	35,426.8	48,680.2	59,098.2	
VAT and Excise Duties (local)	9,781.2	13,591.9	19,266.4	22,023.3	29,091.7	36,172.2	45,019.8	43,028.5	49,259.1	58,995.3	
Income Tax	4,394.3	4,971.8	5,743.9	7,871.6	10,071.1	13,593.4	20,085.3	24,665.3	27,670.8	32,569.3	
Other taxes	10,779.4	12,284.2	15,900.6	19,351.0	23,563.4	27,001.2	31,310.1	35,872.4	38,685.5	44,866.0	
Non-Tax revenue	2,793.3	3,478.1	4,029.6	4,899.0	6,480.0	7,491.0	9,474.4	10,502.1	17,206.6	24,489.0	
Total Expenditure	59,919.9	70,215.6	75,684.4	136,702.0	166,189.4	186,257.1	203,434.1	286,308.7	347,976.9	373,978.3	
Recurrent Expenditure	57,353.6	68,985.6	72,661.8	91,246.8	93,098.8	124,456.1	137,977.4	167,653.3	188,262.9	233,888.7	
Wages and Salaries	40,301.6	51,115.6	46,308.2	46,933.9	46,638.3	59,438.0	63,974.8	72,535.7	84,489.9	118,813.0	
Interest Payment	40.3	0.0	0.0	1,029.4	2,388.9	1,214.6	1,111.9	858.5	1,639.3	1,356.3	
Local	40.3	0.0	0.0	1,029.4	2,388.9	1,214.6	1,111.9	858.5	1,639.3	1,356.3	
Foreign	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other expenditure	17,011.6	17,870.0	26,353.6	43,283.6	44,071.6	65,018.0	72,890.8	94,259.1	102,133.7	113,719.4	
Recurrent (Deficit)/Surplus	-11,964.8	-18,029.8	-12,898.2	-22,598.0	-3,471.0	-14,098.4	1,764.7	-18,158.2	-6,760.8	-13,870.9	
Development Expenditure	2,566.3	1,230.0	3,022.6	45,455.2	73,090.6	61,801.0	65,456.7	118,655.4	159,714.1	140,089.6	
Local	-	-	-	1,729.6	7,120.5	10,162.6	23,291.1	38,865.0	30,485.4	34,467.3	
Foreign	-	-	-	43,725.7	65,970.1	51,638.5	42,165.6	79,790.4	129,228.7	105,622.3	
Deficit before Grants	-14,571.5	-19,259.9	-15,920.8	-68,053.3	-76,561.6	-75,899.4	-63,692.0	-136,813.6	-166,474.8	-153,960.5	
Grants	10,100.0	15,295.4	16,575.5	14,770.0	71,467.1	62,885.9	52,995.2	85,777.7	87,476.1	71,285.7	
Deficit after Grants	-3,327.0	-3,964.5	654.7	-53,283.3	-5,094.5	-13,013.6	-10,696.8	-51,035.9	-78,998.7	-82,674.8	
Adjustment to cash and other items	-9,260.4	3,765.0	9,232.7	-2,959.0	8,411.9	-2,347.6	5,487.0	-8,925.2	-355.9	6,707.2	
Overall Deficit cheques issued	-5,933.4	-7,729.4	-8,578.0	-50,324.3	-13,506.4	-10,666.0	-16,183.8	-42,110.7	-79,354.6	-75,967.7	
Financing:	5,933.4	7,729.4	8,578.0	50,324.3	13,506.4	-10,666.0	16,183.8	42,110.7	79,354.6	75,967.7	
Program loans and I/ Support(cash)	0.0	0.0	0.0	43,725.7	14,009.1	15,014.6	12,713.4	42,110.7	79,354.6	61,215.5	
Domestic (net)	5,933.4	7,729.4	8,578.0	11,498.6	8,000.0	470.1	3,470.4	0.0	0.0	14,752.2	
Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Non-Bank	5,933.4	7,729.4	8,578.0	11,498.6	8,000.0	470.1	4,940.5	0.0	0.0	14,752.2	
Amortization (local)	1,373.1	1,105.0	0.0	-4,900.0	-8,502.7	-4,818.7	-1,470.1	0.0	0.0	0.0	

Source: President's Office- Finance, Economy and Development Planning (POFEDP), Zanzibar.

**Table A7.2: World Market Prices for Selected Commodities, 2002-2012**

Commodity	Unit Price	2010											2011				2012				
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Coffee (arabica)	US\$/Kg	1.4	1.4	1.8	2.5	2.5	2.7	3.1	3.2	4.3	6.0	3.5	3.9	4.7	5.1	6.2	6.4	6.0	5.4	4.9	4.0
Cotton (A.index)	US\$/Kg	1.0	1.4	1.4	1.2	1.3	1.4	1.6	1.4	2.3	3.3	1.8	2.0	2.1	3.3	4.6	3.9	2.6	2.3	2.2	2.0
Sisal (UG grade)	US\$/ton	659.6	697.9	862.1	885.0	885.0	971.7	1,156.5	1,200.3	948.3	1,385.8	850.0	850.0	916.7	1,176.7	1,233.3	1,366.7	1,500.0	1,443.3	1,400.0	1,400.0
Tea**	US\$/Kg	1.5	1.5	1.6	1.5	2.0	1.7	2.2	2.5	2.6	2.9	2.9	2.4	2.4	2.6	2.8	2.7	2.8	2.7	2.7	2.8
Gold	US\$/troy ounce	310.0	363.5	409.2	444.8	604.3	696.7	853.5	973.0	1,224.8	1,568.2	1,109.0	1,196.0	1,227.0	1,367.0	1,384.0	1,507.0	1,700.0	1,681.7	1,692.0	1,612.0

Note: ** Mombasa Auction price replaces London Auction price beginning July 1998.

Source: <http://www.imf.org> and worldbank.org/prospects

**Table A7.3 : Selected Exchange Rates-Currency Units per US Dollar (Period Average), 2003-2012**

Period	Pound Sterling	Swiss Francs	Swedish Kroner	Japanese Yen	Danish Krona	Euro	SDR	South Africa Rand
2003	0.612	1.346	8.083	115.947		0.886		7.565
2004	0.546	1.243	7.191	108.115		0.805		6.460
2005	0.428	1.246	7.098	111.035		0.815		6.359
2006	0.541	1.248	7.349	115.854		0.794		6.772
2007	0.500	1.200	6.759	117.669		2.153		7.045
2008	0.554	1.077	6.668	102.825		2.080		8.261
2009	0.642	1.088		93.570				8.474
2010	0.647	1.043		87.780				7.321
2011	0.624	0.888	6.482	79.844	5.357	0.719	0.603	7.261
2010-Quarter1	0.641	1.058	7.195	90.653	5.380	0.722		7.511
Quarter2	0.673	1.108	7.582	92.021	5.855	0.787		7.545
Quarter3	0.642	1.032	7.270	85.855	5.773	0.775		7.318
Quarter4	0.633	0.974	6.784	82.590	5.488	0.736		6.911
2011-Quarter1	0.628	0.942	6.487	82.301	5.457	0.732		7.005
Quarter2	0.612	0.871	6.264	81.705	5.186	0.695		6.801
Quarter3	0.622	0.827	6.477	77.819	5.277	0.709		7.146
Quarter4	0.636	0.911	6.746	77.403	5.555	0.742		8.093
2012-Quarter1	0.637	0.921	6.754	79.268	5.671	0.763		7.759
Quarter2	0.632	0.936	6.952	80.175	5.795	0.780	0.602	8.125

Note: Euro Area Consists of 17 Countries

Source: International Financial Statistics (IFS), Monthly Monetary and Financial Statistics (MEI), Bank of Tanzania

**Table A7.4: Bureau de Change Quarterly Transactions, 2002-2012**

End of Period	Volume of Transactions (Millions of USD)		Exchange Rates (Average TZS/USD)		Mean Rate TZS/USD
	Purchases	Sales	Buying	Selling	
2002	220.03	211.09	960.68	979.10	969.89
2003	257.08	253.59	1,032.01	1,049.58	1,040.79
2004	310.80	327.60	1,083.13	1,100.93	1,092.03
2005	406.34	409.15	1,122.34	1,139.18	1,130.76
2006	374.73	375.62	1,241.99	1,263.42	1,252.70
2007	423.87	422.43	1,236.92	1,263.25	1,250.09
2008	453.21	448.63	1,193.17	1,221.08	1,207.12
2009	352.90	351.44	1,316.70	1,335.70	1,326.20
2010	323.93	339.50	1,415.81	1,415.81	1,438.13
2011	335.05	335.44	1,547.2	1,575.3	1,561.2
2008: Quarter1	106.67	106.45	1,172.3	1,196.3	1,184.3
Quarter2	114.78	108.25	1,193.0	1,227.0	1,210.0
Quarter3	124.67	127.63	1,158.0	1,181.7	1,169.8
Quarter4	107.09	106.30	1,249.3	1,279.3	1,264.3
2009: Quarter1	84.26	84.04	1,323.00	1,343.07	1,333.04
Quarter2	88.93	89.14	1,318.40	1,345.66	1,332.03
Quarter3	97.63	97.06	1,309.33	1,325.99	1,317.66
Quarter4	82.07	81.21	1,316.07	1,328.09	1,322.08
2010: Quarter1	82.27	81.47	1,333.31	1,352.25	1,342.78
Quarter2	84.68	87.61	1,391.35	1,415.04	1,403.19
Quarter3	76.33	88.81	1,473.98	1,501.40	1,487.69
Quarter4	80.65	81.61	1,464.61	1,483.83	1,474.22
2011: Quarter1	82.43	82.60	1,474.38	1,497.50	1,485.94
Quarter2	85.13	85.82	1,508.06	1,533.08	1,520.57
Quarter3	86.85	86.80	1,574.41	1,596.19	1,585.30
Quarter4	80.64	80.21	1,631.75	1,674.48	1,653.11
2012: Quarter1	77.88	79.80	1,570.90	1,591.82	1,581.36
Quarter2	n.a	n.a	n.a	n.a	n.a

Source: Bank of Tanzania



PART VI LIST OF MANAGEMENT

Name	Title	Telephone Number
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EXECUTIVE OFFICE

Prof. B. J. Ndulu	Governor	022 223 3020/1/2
Dr. N. E. Mwamba	Deputy Governor (EFP)	022 223 3040/1
J. H. Reli	Deputy Governor (AIC)	022 223 3042/3
L. H. Mkila	Deputy Governor (FSD)	022 223 3044/5

1. GOVERNOR'S OFFICE

M. D. Nampesya	Personal Assistant to the Governor	022 223 3203
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2. INDEPENDENT DEPARTMENTS

Regional Integration Department

A. M. Msutze	Associate Director	022 223 3472/3
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Public Relations & Protocol Department

Z. K. Mbeo	Manager	022 223 3166/7
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Financial Sector Stability Department

C. L. Kiliaki	Associate Director	022 223 3160/1
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Conference and Events Management Department

Dr. P. F. Mlozi	Manager	022 223 3398/9
-----------------	---------	----------------

Procurement Department

R. P. Wanga	Manager	022 223 5194/5
-------------	---------	----------------

3. DIRECTORATE OF STRATEGIC PLANNING AND PERFORMANCE REVIEW

J. M. B. Massawe	Director	022 223 3423/4
------------------	----------	----------------

Strategic Planning Department

S. S. Mrutu	Manager	022 223 3425/6
-------------	---------	----------------

Technical Assistance Program Coordination Department

M. M. Mbawala	Manager	022 223 3434/5
---------------	---------	----------------



Organization and Methods Department

F. N. Kazimoto Manager 022 223 3475/6

3. RISK MANAGEMENT

Dr. M. F. Kipilimba Director 022 223 5297/8

Financial Management Risk Department

N. L. Mapogha Manager 022 223 5118/9

Investment Risk Department

V. N. Lema Manager 022 223 3206/7

Systems Risk Department

G. M. Mahinya Manager 022 223 3204/5

5. DIRECTORATE OF HUMAN RESOURE ANDADMINISTRATION

L. L. Kisarika Director 022 223 5144/5

Human Resource Department

R. L. Wambali Manager 022 223 5148/9

Estate Management Department

P. J. Mutoni Manager 022 2235098/9

Administrative & General Services Department

C. A. Gama Associate Director 022 223 5194/5

Facilities Management Department

E. M. Twininge Manager 022 223 5555/6

6. DIRECTORATE OF BANKING

E. M. Boaz Director 022 223 5415/6

Banking Department

H. M. Mnjovu Manager 022 223 5134/5

Currency Department

J. C. Rushaka Manager 022 223 5672/3

7. DIRECTORATE OF BANKING SUPERVISION

A.E. Kobello Director 022 223 5482/3

**Banks Supervision Department**

S. A Kazimoto Manager 022 2235530/1

Non-Banks Supervision Department

A. N. Hotay Manager 022 223 5480/1

Operation & Policy Review Department

A. A. Ukhotyia Manager 022 223 5576/7

Microfinance Institutions Supervision Department

..... Manager 022 223 5585/6

8. DIRECTORATE OF ECONOMIC RESEARCH AND POLICY

Dr. J. L. Massawe Director 022 223 3328/9

Dr. B. K. Tarimo Senior Advisor 022 223 3376

Monetary & Financial Affairs Department

H. E. Mmbaga Manager 022 2233 349/50

International Economics & Trade Department

G. B. Mwakibolwa Manager 022 2233 303/4

Debt Management Department

Y. A. Mchujuko Manager 022 223 3378/9

Research Department

P. L. Kadesha Manager 022 223 3330/1

Real Sector & Microfinance Department

F. L. Rutabanzibwa Manager 022 223 3280/1

9. DIRECTORATE OF FINANCE

J. R. Angelo Director 022 2235126/7

Domestic Accounts Department

M. P. Kobello Manager 022 223 5624/5

Foreign Accounts Department

S. S. Mwakalukwa Manager 022 223 5628/9

10. DIRECTORATE OF FINANCIAL MARKETS

J. K. Ndissi Director 022 223 3564/5

**Domestic Markets Department**

P. A. Maganga Manager 022 2233 529/30

Foreign Markets Department

A.T. Libabu Manager 022 223 3520/1

Credit Guarantee Scheme Department

E. C. Maganga Manager 022 223 3568/9

11. DIRECTORATE OF MANAGEMENT INFORMATION SYSTEMS

E. A. Makwaia Director 022 223 5136/7

Management Information System Department

R. S. Rashid Manager 022 223 5373/4

Systems Design and Administration Department

A. W. Massawe Manager 022 223 3732/3

Networks and Office Automation Department

L. L. Masano Manager 022 223 3730/1

12. DIRECTORATE OF NATIONAL PAYMENTS SYSTEMS

L. S. Kinunda Director 022 223 5432/3

Payment System Oversight and Policy Department

G. K. Tabaro Manager 022 223 5439/40

System Development & Support Department

B. J. Dadi Manager 022 223 5434/5

13. DIRECTORATE OF INTERNAL AUDIT

A. M. Mwinyimvua Director 022 223 5240/1

Systems Audit Department

N. M. Malekani Manager 022 223 5242/3

Operational Audit Department

J. S. Juma Manager 022 223 5255/6

14. OFFICE OF THE SECRETARY TO THE BANK

A. H. Mtengeti Secretary to the Bank 022 223 3240/1



Internal Security & Investigation Department	Manager	022 223 5376/7
Board Services & Exchange Management Department Y. E. Tongola	Manager	022 223 3242/3
Legislation Department N. D. Mukirya	Manager	022 223 3248/9
Litigation Department M. K. Ismail	Manager	022 223 3225/6

15. BANK OF TANZANIA TRAINING INSTITUTE (MWANZA)

J. C. Mlay	Principal	028 250 0352
S. W. Mahembe	Associate Director, Learning & Development	028 250 0068
M. K. Mziya	Director of Studies	028 250 0982
C. P. Yamo	Manager, Finance & Administration	028 250 2697

16. BOT BRANCHES

Arusha

O. H. Kitine	Director	027 254 5482
E. Y. Ndesingo	Manager, Operations	027 250 4047
S. M. Chiguma	Manager, Economics	027 254 8443
G. C. Maganga	Manager, Finance & Administration	027 250 4009

Mbeya

M.J.C. Gasabile	Director	025 250 4158
H. O. Katundu	Manager, Operations	025 250 2055
A. A. Tuni	Manager, Economics	025 250 2839
J. M. Munazi	Manager, Finance & Administration	025 250 2700

Mwanza

E. R. Balele	Director	028 250 1015
T. A. Mpelwa	Manager, Operations	028 250 0024
M. N. Rububura	Manager, Economics	028 250 0622
C. A. Kiponda	Manager, Finance & Administration	028 250 0025

Zanzibar

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