



BANK OF TANZANIA



ANNUAL REPORT

2010/11



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ABBREVIATIONS AND SYMBOLS

AIC	Administration and Internal Control
AML	Anti Money Laundering
ATM	Automatic Teller Machine
ADF	African Development Fund
BIS	Bank for International Settlements
CBS	Central Banking System
DMS	Document Management System
DOD	Disbursed Outstanding Debt
EAC	East African Community
EAC-CU	East African Community Customs Union
E-Banking	Electronic Banking
ECGS	Export Credit Guarantee Scheme
EFP	Economic and Financial Policies
EFT	Electronic Fund Transfer
EIB	European Investment Bank
EPZ	Export Processing Zone
FCD	Foreign Currency Deposits
FDI	Foreign Direct Investment
FEMO	Foreign Exchange Market Operations
FSAP	Financial Sector Assessment Program
FSD	Financial Stability and Deepening
FIU	Financial Intelligence Unit
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
HIPC	Highly Indebted Poor Countries
IDA	International Development Association
IFAD	International Fund for Agricultural Development
IFMS	Integrated Financial Management Systems
IMF	International Monetary Fund
IOR-ARC	Indian Ocean Rim-Association for Regional Cooperation
IPTL	Independent Power Tanzania Limited
MAC	Monetary Affairs Committee
MDRI	Multilateral Debt Relief Initiative
MFI	Micro Finance Institutions
MKUKUTA	Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Tanzania (The Kiswahili acronym for NSGRP)
MKUZA	Mkakati wa Kukuza Uchumi Zanzibar (The Kiswahili acronym for ZSGRP)
MPI	Manufacturing Production Index
MTEF	Medium Term Expenditure Framework
NCPI	National Consumer Price Index
NMB	National Microfinance Bank
NODF	Nordic Development Fund
NORTF	Nordic Trust Fund
NPS	National Payments System
NSGRP	National Strategy for Growth and Reduction of Poverty



OMO	Open Market Operations
PBZ	People's Bank of Zanzibar
REPOs	Repurchase Agreements
SAAP	Southern Africa Power Pool
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 Zanzibar
TANESCO	Tanzania Electricity Supply Company
TIB	Tanzania Investment Bank
TISS	Tanzania Interbank Settlement System
TNNSS	Tanzania National Net Settlement Service
TPB	Tanzania Postal Bank
TTCL	
TUICO	Tanzania Telecommunications Company Limited Tanzania Union Of Industrial and Commercial Workers
URT	United Republic of Tanzania
VAT	Value Added Tax
ZIPA	Zanzibar Investment Promotion Authority
ZPA	Zanzibar Port Authority
ZSGRP	Zanzibar Strategy for Growth and Reduction of Poverty
ZSSF	Zanzibar Social Security Fund
ZSTC	Zanzibar State Trading Corporation
e	Estimated
na	Not applicable
p	Provisional
r	Revised
•	Figure not significant
-	No figure available
...	Available at a later date
---	A very large number



9th February 2012

Hon. Mustafa Mkulo (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 2011, the Profit and Loss Accounts for the year ended 30th June 2011 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 J. Ndulu
Governor
Bank of Tanzania



BOARD OF DIRECTORS



*Prof. Benno Ndulu
Governor and Chairman*



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



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



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



*Mr. Bedason Shallanda
Permanent Secretary
to the Treasury (URT)*



*Prof. Haidari Amani
Director*



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



*Mrs. Ester Mkwizu
Director*



*Mr. Peter Killagane
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).
- Upon approval by the Bank of Tanzania Board, the Monetary Policy Statement is submitted to the Minister for Finance and Economic Affairs, who tables it to the Parliament.
- The same procedure is followed in the submission of half-year review of monetary policy implementation.
- The Monetary Policy Committee (MPC) of the Board, which is chaired by the Governor, closely monitors monetary policy implementation on a monthly basis.
- The Monetary Policy Operations Committee (MPOC) discusses, on weekly basis, progress on monetary policy implementation and plans for the subsequent week.
- A Technical Committee reviews liquidity developments daily and agrees on market intervention strategies.



EXECUTIVE SUMMARY

Tanzania recorded a **real GDP growth** rate of 7.0 percent in 2010, up from 6.0 percent recorded in 2009. Higher growth rates were recorded in almost all sectors when compared to the preceding year, except for manufacturing which maintained a more or less the same pattern. Growth was particularly strong in communication, financial intermediation, electricity and construction. The Ministry of Agriculture, Food and Cooperatives indicates that production of food crops increased to 12.8 million tons in 2010/11 compared to 12.3 tons recorded in the preceding season on account of favourable rains in both bimodal and some of unimodal areas. Despite the increase in food crop production, wholesale prices for most of food items except maize and sorghum increased when compared with those recorded in the preceding year, mainly due to demand pressure from the neighbouring countries and high domestic transportation costs. On account of food prices increase coupled with a rise in the prices of fuel, clothing, passenger transport, accommodation services and charcoal, **overall inflation**, which had been below 7 percent in the first half of 2010/11, trended upward in the second half of 2010/11, reaching a double digit level of 10.9 percent in June 2011. These developments notwithstanding, average inflation rate for 2010/11 was 7.0 percent, down from 10.5 percent in 2009/10.

In 2010/11, the **Government budgetary operations** experienced a shortfall in domestic revenue collection compared to budget estimates. Nonetheless, there was a significant improvement in actual revenue collections compared with the preceding year on account of strengthening tax collection efforts. As a result of this, the overall expenditure was adjusted in line with available resources and priority areas. In particular, domestic revenue, including Local Government own sources, amounted to TZS 5,736.3 billion equivalent to

92.9 percent of TZS 6,176.2 budgeted and was 16.5 percent of GDP¹ up from 14.9 percent in 2009/10. Total expenditure amounted to TZS 9,439.4 billion, or 87.4 percent of budget and was 27.2 percent of GDP. With these developments, total financing of the budget deficit reached TZS 2,393.2 billion, out of which TZS 1,148.9 billion and TZS 1,244.3 billion were net external and domestic financing respectively.

Monetary policy stance for 2010/11 was less accommodative compared to 2009/10, consistent with the gradual improvement of the liquidity in the economy. Growth of extended broad money supply (M3) slowed down to 22.0 percent from 25.1 percent recorded in 2009/10, whereas broad money (M2) slowed down to 19.4 percent from 26.3 percent. The decline in the growth rate of money supply was driven by the decline in net foreign asset (NFA) holdings by banks, which provided room for increased provision of credit to the private sector. Growth of credit to the private sector picked up to 25.6 percent in 2010/11 from 16.3 percent recorded in 2009/10 and higher than 21.3 percent targeted for the period. Also, net government borrowing from the banking system increased to TZS 906.8 billion from TZS 584.5 billion recorded in the preceding year. This outturn was partly associated with delays in the realisation of non-concessional borrowings to cater for development projects. As a reflection of the developments in money supply, money markets interest rates showed an increasing trend, reaching a peak in January 2011. This trend was explained by an increase in demand for cash during the harvesting season and end of year festival. Beginning February 2011, the rates trended downwards as cash started flowing back into the banking system. A similar pattern was observed in the inter-bank cash market and repo operations.

¹GDP = TZS 34,749,781 million



Meanwhile, in 2010/11, the Bank continued to participate in the Inter-bank Foreign Exchange Market (IFEM) primarily to complement other instruments in managing liquidity in the economy. The Bank sold a total of USD 990.9 million compared to USD 1,005 million in 2009/10. **Average nominal exchange rate** depreciated by 11.4 percent from TZS 1,337.3 per USD in 2009/10 to TZS 1,489.6 per USD in 2010/11. The depreciation was largely due to higher demand for foreign currency, coupled with the general strengthening of the US dollar against major currencies in the international financial markets.

Tanzania recorded a surplus of USD 90.3 million in the **overall balance of payments** during 2010/11 compared to a surplus of USD 477.4 million recorded in 2009/10. The huge surplus in the overall balance of payments in 2009/10 was largely on account of additional Special Drawing Rights (SDR) allocation equivalent to USD 249.0 million issued in August 2009 by the International Monetary Fund (IMF). Meanwhile, the current account deficit narrowed to USD 2,003.2 million compared with USD 2,028.2 million recorded in 2009/10 largely explained by a significant increase in exports of goods and services coupled with a surge in official current transfers as well as income receipts. As at the end of June 2011, the gross official reserves held by the Bank of Tanzania amounted to USD 3,610.3 million which was sufficient to cover 4.4 months of imports of goods and services.

At the end of June 2011, Tanzania's **external and domestic debt stock** stood at USD 11,640.9 million compared to USD 10,207.3 million that was reported at the end of corresponding period in 2010. The increase is attributed to relatively large external disbursements and domestic debt issuance, compared to external debt service and maturing domestic obligations. Out of the national debt stock, external debt accounted for 79.7 percent and domestic debt 20.3 percent. The ratio of

the national debt stock to GDP increased to 49.6 percent at the end of June 2011 from 39.1 percent at the end of June 2010. Central Government debt was USD 8,800.7 million, whereas private sector and public corporations debt amounted to USD 1,844.8 million and USD 995.5 million respectively.

In 2010, **Zanzibar registered a real economic growth rate** of 6.5 percent, down from 6.7 percent recorded in 2009; mainly on account of power blackout which affected the industrial sector in the first quarter of 2010. In addition, the economic growth was affected by a slowdown in services sector growth. Zanzibar **average annual headline inflation** increased to 9.0 percent from 5.4 percent recorded in 2009/10, mainly due to increase in prices of food and petroleum products. Similarly, the headline inflation for the year ending June 2011 increased to 15.4 percent from 5.9 percent registered in June 2010, mainly on account of higher relative prices of rice, fish, sugar and petroleum products.

As for the Zanzibar Government operations, **budgetary operations** on cheques issued basis recorded a deficit of TZS 79.0 billion after grants, compared with a deficit of TZS 51.0 billion registered in 2009/10. Total resources amounted to TZS 269.0 billion, out of which TZS 181.5 billion or 67.5 percent was from domestic sources, and the balance was grants.

Meanwhile, total Government expenditure in 2010/11 amounted to TZS 348.0 billion, below the annual estimate of TZS 444.6 billion by 21.7 percent, mainly on account of delays in disbursement of donor funds for development projects. During the same period, **Zanzibar current account** recorded a surplus of USD 15.0 million, up from USD 12.5 million recorded in the preceding year. This development was mainly attributed to increase in tourism receipts and decline in foreign payments.



PART I
AN OVERVIEW OF ECONOMIC DEVELOPMENTS

CHAPTER ONE OUTPUT AND PRICES

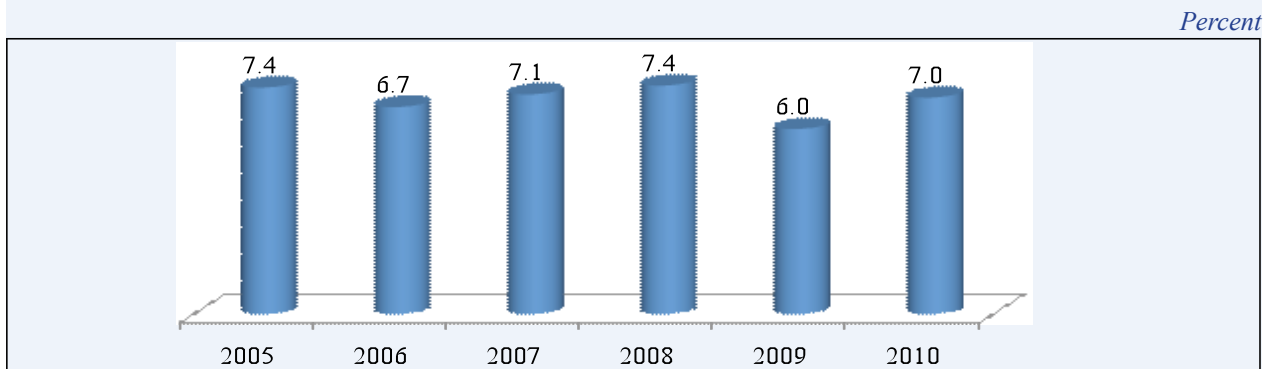
Gross Domestic Product

Tanzania recorded real GDP growth rate of 7.0 percent, up from 6.0 percent recorded in 2009. Higher growth rates were recorded in almost all sectors when compared to the preceding year, except for manufacturing which maintained a more or less the same pattern. Growth was particularly strong in communication, financial intermediation, electricity and construction. Communication sub-activity grew on account of increase in mobile phone usage while ongoing financial sector reforms and increased competition in insurance services influenced growth in

the financial intermediation. The growth and contribution of various economic activities to GDP are depicted in **Charts 1.1 and 1.2 and Table 1.1.**

In line with these developments, per capita income grew at a higher rate of 4.0 percent compared to 2.4 percent recorded in 2009. Per capita income increased to TZS 770,464 in 2010 from TZS 693,185 recorded in 2009. Going forward, prospects for the economy to sustain growth levels attained before the global crisis will depend on developments in the world economy and government efforts to address energy issues.

Chart 1.1: GDP Growth at Constant 2001 Prices



Source: National Bureau of Statistics and Bank of Tanzania

Chart 1.2: Contribution to Real GDP by Economic Activities



Source: National Bureau of Statistics and Bank of Tanzania

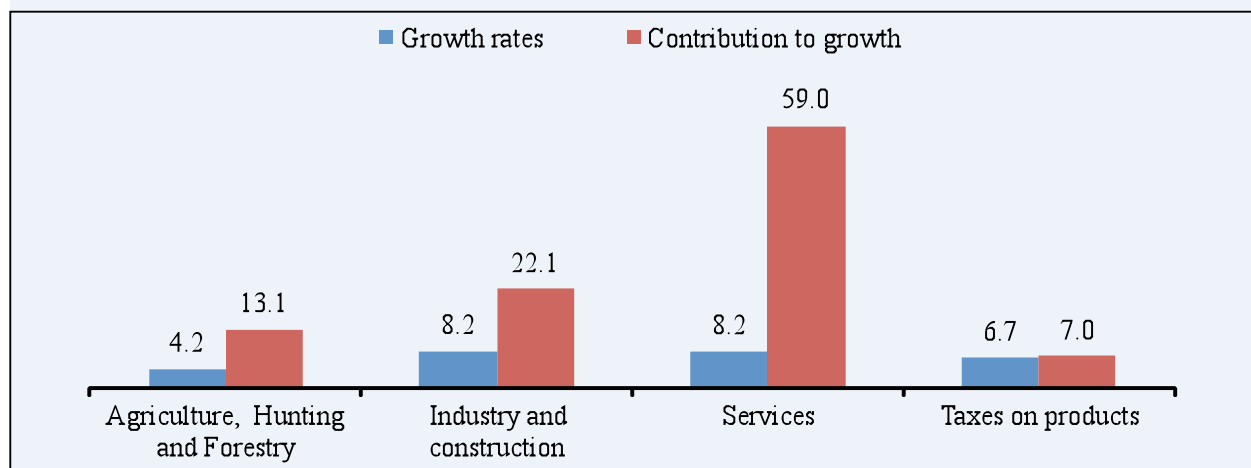


The main contributors to growth during 2010 were services, followed by industry and construction and agriculture.

Chart 1.3 shows contribution to real GDP growth by economic activity.

Chart 1.3: Real GDP Growth and Contribution by major Activities 2010

Percent



Source: National Bureau of Statistics and Bank of Tanzania

Table 1.1: Growth and Contribution of Gross Domestic Product by Activity, at Constant 2001 Prices

Percent

	2006	2007	2008	2009	2010
Agriculture	3.8	4.0	4.6	3.2	4.2
Fishing	5.0	4.5	5.0	2.7	1.5
Industry and construction	8.5	9.5	8.6	7.0	8.2
Mining and quarrying	15.6	10.7	2.5	1.2	2.7
Manufacturing	8.5	8.7	9.9	8.0	7.9
Electricity, gas	-1.9	10.9	5.4	8.4	10.2
Water supply	6.2	6.5	6.6	5.6	6.3
Construction	9.5	9.7	10.5	7.5	10.2
Services	7.8	8.1	8.5	7.2	8.2
Trade and repairs	9.5	9.8	10.0	7.5	8.2
Hotels and restaurants	4.3	4.4	4.5	4.4	6.1
Transport	5.3	6.5	6.9	6.0	7.0
Communications	19.2	20.1	20.5	21.9	22.1
Other services*	7.1	7.0	7.4	6.1	7.0
Gross value added at basic prices	6.7	7.2	7.4	6.0	7.1
Taxes on products	6.8	6.9	7.8	5.8	6.7
GDP at market price	6.7	7.1	7.4	6.0	7.0
	As Percent of GDP				
Agriculture, Hunting and Forestry	25.4	24.6	24.0	23.3	24.3
Fishing	1.6	1.6	1.5	1.5	1.5
Industry and construction	20.5	20.9	21.2	21.4	23.1
Mining and quarrying	2.6	2.7	2.6	2.5	2.6
Manufacturing	9.0	9.2	9.4	9.5	10.0
Electricity, gas	2.0	2.1	2.0	2.1	2.3
Water supply	0.4	0.4	0.4	0.4	0.0
Construction	6.4	6.5	6.7	6.8	7.0
Services	46.9	47.3	47.8	48.3	52.2
Trade and repairs	13.5	13.8	14.1	14.3	15.5
Hotels and restaurants	2.4	2.4	2.3	2.3	2.4
Transport	5.1	5.1	5.1	5.1	5.4
Communications	1.9	2.1	2.3	2.7	3.0
Other services*	23.9	23.9	23.9	23.9	23.9
Taxes on products	6.7	6.7	6.7	6.7	7.2

Note: *Includes Financial intermediation, Public admin., real Estate and business services, education, health and other social and personal services

Source: National Bureau of Statistics



Developments in Selected Economic Activities

During 2010, communication, construction, trade and agriculture performed relatively better than in the preceding year, mainly associated with increased investments in these activities.

The forecast by the Ministry of Agriculture, Food and Cooperatives of June 2011 indicated that production of food crops increased to 12.8 million tons in 2010/11 compared to 12.3 tons recorded in the preceding season on account of favourable rains in both bimodal and some of unimodal areas. Production of non-cereals

increased to 6.0 million from 4.9 million tons recorded in 2009/10, whereas production of cereals declined to 6.8 million tons from 7.4 million tons in the previous season. As a result, national self sufficient ratio for the 2011/12 season is projected at 111 percent below the required level of 120 percent.

Despite the increase in food crop production, wholesale prices for most of food items except maize and sorghum increased when compared with those recorded in the preceding year (**Table 1.2**). This development was attributed to food supply shortages in the neighbouring countries as well as high domestic transportation costs caused by high global oil prices.

Table 1.2: National Average Wholesale Prices for Food Items

Item	TZS per 100 Kg					
	2006/07	2007/08	2008/09	2009/10	2010/11	% Change
Maize	18,681.9	27,938.7	33,607.4	38,335.1	35,699	-7.84
Rice	69,376.1	75,270.4	102,950.5	81,408.2	100,153	18.21
Beans	57,329.0	80,380.5	97,549.0	84,293.5	110,870	27.24
Sorghum	26,625.7	32,692.7	43,015.1	55,006.8	52,895	-4.91
Finger millet	33,031.8	38,474.7	60,100.2	70,401.1	71,251	1.41
Potatoes	38,226.9	45,777.5	43,592.6	52,378.3	55,405	6.94

Source: Ministry of Industry, Trade and Marketing

Production of the six major traditional cash crops with the exception of cotton increased during 2010/11 compared with the levels recorded in 2009/10 (**Table 1.3**). Production of coffee, tobacco and cashew nuts recorded a substantial increase on account of good weather, good producer prices and timely application of agro chemicals. Production

of sisal increased mainly due to recovery of world demand for sisal as the effects of the global financial crisis subsided. Seed cotton production on the other hand declined due to unfavourable weather conditions in the cotton growing areas, coupled with lower prices. **Table 1.4** summarizes trends of producer prices for major traditional exports over time.

Table 1.3: Production of Selected Major Crops

Crop							000' Tons	
	2006/07	2007/08	2008/09	2009/10 ^r	2010/11 ^e	% Change	Peak Production Period	Tons
Total Export Crops	390.9	454.1	627.0	493.8	495.3	0.3		
Coffee	54.8	43.5	68.5	34.6	56.6	63.7	1980/81	67.0
Seed Cotton	130.6	200.7	368.7	267.0	163.3	-38.8	2005/06	374.7
Tea	31.3	32.7	31.6	32.1	35.0	9.1	2004/05	30.7
Cashew nuts	92.6	92.3	79.1	75.4	121.1	60.7	1973/74	145.0
Tobacco	50.7	50.8	55.4	60.7	94.2	55.2	1997/98	52.0
Sisal	30.9	34.1	23.8	24.0	25.0	4.0	1964	230.0

Note: r- Revision
e- Estimates

* - Calendar year (e.g. 2005/06 represents 2005)

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



Table 1.4: Average Producer Prices for Traditional Export Crops

Period	Coffee		Seed Cotton	Green Tea	Raw Cashew	Tobacco			Sisal* UG
	Arabica	Robusta				VFC	DFC	Burley	
2001/02	400	106	175	65	300	543	519		540
2002/03	430	95	180	85	360	568	550		574
2003/04	500	130	280	86	462	725	680		786
2004/05	950	250	250	86	650	918	782		885
2005/06	1,100	300	250	88	550	983	735		899
2006/07	1,450	500	350	98	600	1,102	680	910	935
2007/08	1,850	700	450	110	610	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

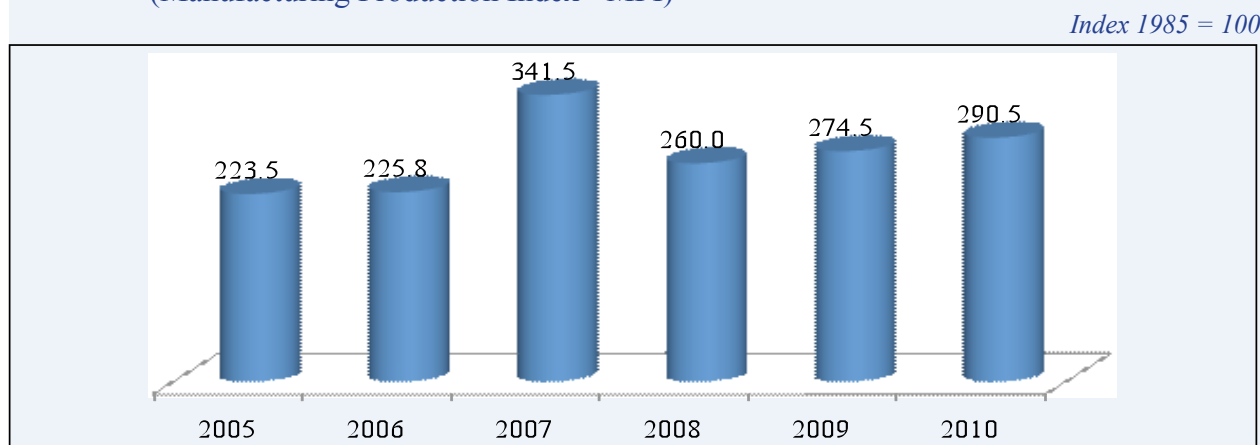
Note: * USD/Ton

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

Fishery activities continued to record slow growth rates for a second year in a row. Fishery activities grew by 1.5 percent compared to 2.7 percent and 5.0 percent recorded in 2009 and 2008 respectively. Slowdown in growth was attributed to lack of modern fishing gear, over fishing coupled with destruction of breeding grounds. A total of 347,157 tons of fish worth TZS 774.5 billion were harvested in 2010 compared to 335,675 tons valued at TZS 408 billion realised in 2009.

Performance of manufacturing activities measured by Manufacturing Production Index (MPI), increased by 5.8 percent compared with a growth rate of 5.6 percent recorded in 2009 (**Chart 1.4**). The good performance in the manufacturing sector was partly explained by the increase in demand for manufactured products, availability of reliable electricity, and increased investments under the export processing and special economic zones. **Table 1.5** summarizes developments in manufacturing sector by commodities.

Chart 1.4: Volume of Production in Manufacturing Industry (Manufacturing Production Index - MPI)



Source: National Bureau of Statistics and Bank of Tanzania



Table 1.5: Tanzania: Volume of Selected Manufactured Commodities

Commodity	Unit	2006	2007	2008	2009	2010 ^P	% Change
Fish fillets	M/tons	42,371	44,029	43,153	34,937	32,568	-6.8
Vegetable oils & fats	M/tons	111,967	117,065	114,358	143,111	159,105	11.2
Wheat flour	M/tons	421,973	412,823	287,925	367,846	463,552	26.0
Sugar, refined	000' M/Tons	173	286	310	288	260	-9.7
Instant coffee	M/tons	340	392	1,337	442	242	-45.2
Blended tea	M/tons	6,993	9,148	52,338	51,871	35,649	-31.3
Soft drinks	000' Ltr	383	449	355	377	422	12.0
Distilled spirits	000' Lts	5,365	7,614	4,049	10,201	11,236	10.1
Beer	000' Lts	299,036	310,194	291,178	288,901	248,502	-14.0
Chibuku	000' Lts	11,559	10,320	10,255	16,141	21,040	30.4
Cigarettes	Mill Pcs	5,095	5,821	6,101	5,741	6,181	7.7
Textiles	000'Sq. Mt.	130,716	127,231	155,088	101,803	102,938	1.1
Sisal ropes	M/tons	5,854	7,295	7,783	7,913	6,872	-13.2
Plywood	Cubic Mt.	1,032	1,080	925	254	988	289.0
Paper	M/Tons	0	19,079	37,971	35,236	38,733	9.9
Pyrethrum extract	000' M/tons	33	30	74	143	64	-55.2
Paints	000'Ltrs	18,384	22,849	24,857	25,761	28,201	9.5
Safety matches	000' grosses	1,197	2,228	2,676	2,412	2,293	-4.9
Cement	000' M/tons	1,370	1,630	1,756	1,941	2,312	19.1
Rolled steel	M/tons	50,654	46,016	75,274	122,318	126,054	3.1
Iron Sheets	M/Tons	30,293	36,369	31,751	47,153	58,956	25.0
Galvanised pipes	M/Tons	6,259	6,572	7,622	8,779	9,760	11.2
Transformers	Units	653	676	1,688	1,482	1,110	-25.1
Aluminium sheets/circles	M/tons	105	110	85	58	58	0.0
Dry cells	000 Pcs	82,000	84,000	53,000	78,000	93,000	19.2
Cable and wires, electric	Tons	862	1,885	2,526	2,096	1,599	-23.7

Note: P = Provisional

Source: National Bureau of Statistics

As a reflection of the good performance in the manufacturing sector, overall employment rose to 89,031 from 87,779 recorded in 2009. Sub-sectors which recorded higher levels of employment included textiles, leather and

footwear, non-metallic products, and basic metal industries. Food, beverages and tobacco sub-sector accounted for the largest share of employment in the manufacturing sector (Table 1.6).



Table 1.6: Employment in Selected Manufacturing Firms

ISIC	Industrial Sub - Sector	2006	2007	2008	2009	2010	% Change	Share Contribution
31	Food, Beverage and Tobacco	40,864	41,335	53,282	53,134	51,011	-4	57
32	Textiles, leather and footwear	14,004	21,629	15,040	13,732	14,854	8	17
331	Wood and products except furniture	1,598	2,070	2,971	2,651	2,467	-7	3
332	Furniture and Fixtures	1,598	2,070	2,971	907	934	3	1
341	Paper and paper products	910	1,556	3,423	2,925	4,108	40	5
35	Chemicals, petroleum, rubber and plastic products	7,981	8,307	5,393	8,630	8,652	0	10
36	Pottery, china, glass and non metallic products	1,441	1,283	1,600	1,539	1,823	19	2
37	Basic metal industries	6,717	6,847	3,444	2,871	3,633	27	4
38	Fabricated metal products, machinery and equipment	1,481	1,394	2,641	1,552	1,480	-5	2
39	Other manufacturing industries	29	55	59	66	68	4	0
3	Total manufacturing	75,025	84,476	87,852	87,779	89,031	1	100

Source: National Bureau of Statistics

Construction activities grew at a higher rate of 10.2 percent in 2010 compared to 7.5 percent recorded in 2009. This development was mainly attributed to the ongoing activities related to construction and rehabilitation of roads, bridges, airports as well as residential and non residential buildings.

The value added in **electricity and gas** increased by 10.2 percent in 2010 compared to an increase of 8.4 percent in 2009. The increase was mainly due to higher electricity generation by TANESCO, Songas and other private units. A total of 57.2 GWH, were imported from Uganda and Zambia (**Table 1.7**).

Table 1.7: Electricity Aailed for Distribution (MWh)

	2006	2007	2008	2009	2010	% Change
Hydropower	1,439,004	2,523,631	2,648,910	2,640,467	2,701,070	2.3
Thermal power	111,540	71,948	336,367	708,348	1,003,146	41.6
Diesel-Grid	20,188	1,715	2,092	2,427	1,062	-56.2
Diesel -Isolated units	91,351	70,233	68,208	68,863	78,858	14.5
Gas	0	0	266,068	637,058	923,227	44.9
Imports	61,498	60,472	52,369	64,877	57,164	-11.9
Uganda	39,748	43,094	43,047	43,468	44,966	3.4
Zambia	21,750	17,378	9,322	21,409	12,198	-43.0
IPP	1,981,346	1,556,402	1,384,759	1,388,826	1,569,883	13.0
Songas	1,300,708	1,138,469	1,125,718	1,349,220	1,445,078	7.1
AGGREKO	29,434	263,301	180,397	0	0	0.0
Dowans	0	111,892	73,417	0	0	0.0
APR	0	620	4	0	0	0.0
IPTL	640,370	37,135	1,829	39,457	116,590	195.5
Kiwira	5,923	4,062	3,394	148		-100.0
TANWAT	4,691	925	0	0	2,294	100.0
Local industry	221	0	0	0	5,921	100.0
Total	3,593,388	4,212,454	4,422,406	4,802,518	5,331,263	11.0

Note: IPPs = Independent Power Producers

Source: TANESCO

Mining and quarrying grew by 2.7 percent compared to a growth of 1.2 percent in 2009 largely explained by increase in production of all minerals except diamond and phosphates (**Table 1.8**). Production of gold, which

contributes the largest share of the mineral activities in the country, increased to 39,448.3 kilograms from 39,112.6 kilograms recorded in 2009 following increased production by Geita, North Mara and Buzwagi gold



mines. The decline in diamond production was associated with rehabilitation of aging machinery at Williamson Diamond Limited

(WDL), which is the largest producer of the mineral in the country.

Table 1.8: Production of Selected Minerals

Item	Unit	1980	2006	2007	2008	2009	2010 ^P	% change
Diamond	000' Carats		272.2	282.8	237.7	181.9	80.5	-55.7
Gold	Tons		39.7	40.2	36.4	39.1	39.4	0.9
Gemstone	Tons		2,498.6	1,286.3	1,846.5	1,058.5	1,250.3	18.1
Salt	000' Tons		34.8	35.2	25.9	27.4	34.5	25.8
Gypsum	000' Tons		32.6	52.8	55.7	8.1	26.9	232.1
Limestone	000' Tons		1,607.6	1,322.0	1,281.8	1,284.1	1,436.6	11.9
Pozzolana	000' Tons		129.3	223.0	260,403.3	171,904.3	na	--
Coal	000' Tons		17.9	27.2	15,242.0	0.8	179.5	--
Tanzanite	Kilogram		5,504.0	8,187.0	11,770.0	10,011.6	12,773.6	27.6
Phosphates	Tonnes		2,880.7	8,261.1	28,684.0	752,000.0	17,180.0	-97.7

Note: P = Provisional

Source: Ministry of Energy and Minerals

Communication sub-sector grew by 22.1 percent in 2010 compared to 21.9 percent in 2009, largely on account of increased investments in infrastructure especially on telecenters and distance learning services. The number of subscribers to mobile phone services increased to 20,983,853 in 2010 from 17,484,311 recorded in 2009. Subscribers to landline telephones increased marginally from 172,922 to 174,522, whilst the number of telecentres rose to 15 centres from 9 recorded in 2009. Following commencement of the national fibre optic the number of internet connectivity rose to 4,556,000 users from 4,378,392 recorded in 2009.

Value added in the **hotel and restaurants** increased by 6.1 percent compared to 4.5 percent recorded in the preceding year. This growth is on account of increase in the number of tourist arrivals from 714,367 in 2009 to 782,699 attributed to promotion campaigns and improvement of tourist related infrastructure.

Transportation activity grew by 7.0 percent in 2010 compared to 6.0 percent in the previous year reflecting the increase in economic activities. Similarly, cargo handled by Tanzania Port Authority rose

to 10,054.462 tons from 8,937,232 tons in 2009. However, Tanzania Railways Limited (TRL), Air Tanzania Corporation Limited (ATCL) and TAZARA continued to register low performance, partly on account of ageing infrastructure and inadequate working capital. Volume of cargo transported by Tanzania Railway Limited (TRL) declined to 256,190 tons compared to 453,000 tons handled in 2009.

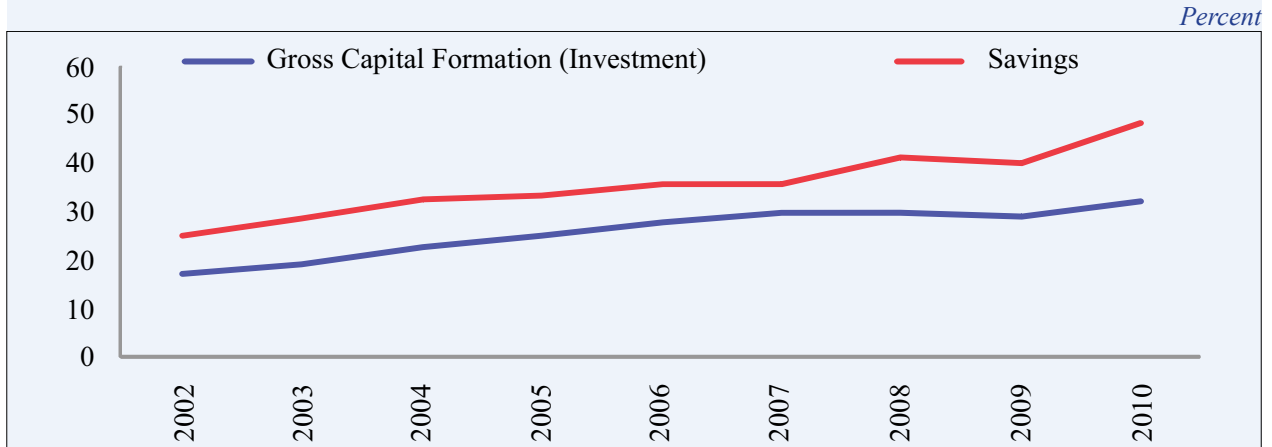
Gross National Disposable Income (GNDI)

GNDI¹ (comprising of compensation of employees, property income, net current transfers, operating surplus), grew by 7.9 percent in 2010 in real terms compared to a growth rate of 6.3 percent in the preceding year. Meanwhile, consumption expenditure grew at 8.5 percent which is higher than the growth of GNDI, reflecting a drop in savings. The resource balance (defined as Savings minus Investment) narrowed during the period under review reflecting increased foreign direct investments (**Chart 1.5 and Chart 1.6**).

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



Chart 1.5: Savings-Gross Capital Formation (investment) ratio to GDP (mp)



Source: National Bureau of Statistics and Bank of Tanzania

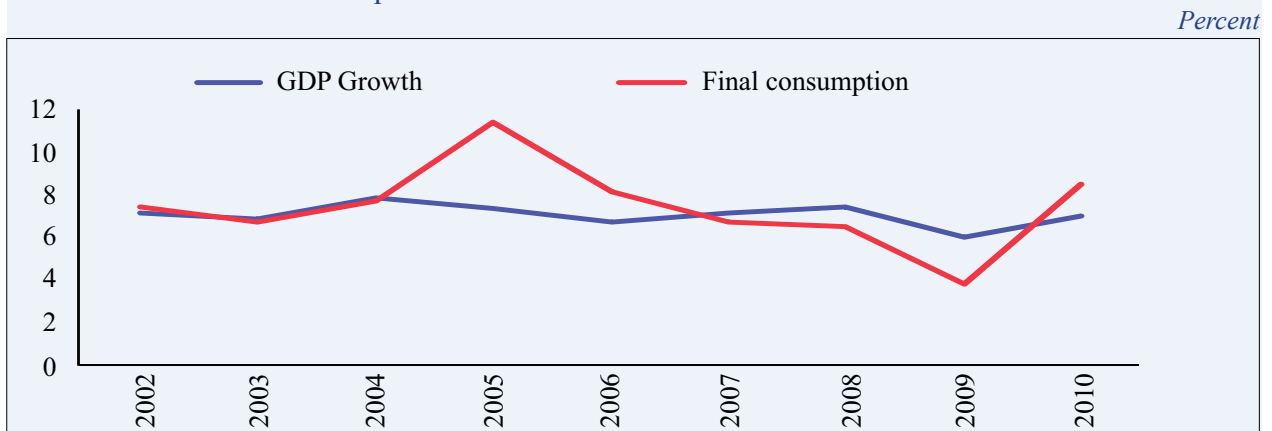
Aggregate Demand

Growth of domestic aggregate demand (comprising of final consumption and capital formation) slowed down to 7.2 percent from 10.3 percent in 2009. Performance in domestic demand continued to be influenced by government spending in the priority sectors—education and health and in infrastructural development—as well as increased investment activities by the private sector in tourism, real estate, and transport and communication. Final consumption grew substantially by 8.5 percent in 2010 compared to 3.8 percent recorded in 2009, mainly driven by household

consumption (Table 1.9).

Meanwhile, the ratio of consumption to GDP remained high at an average of 84 percent in the past five years. Although both household and government consumption continued to increase, the government recorded higher consumption increases in the past three years mainly due to increased recurrent spending on priority sectors such as education, health and infrastructure. The ratio of investment to GDP was 32 percent compared to 29 percent recorded in 2009 and was 29.6 percent over the past five years.

Chart 1.6: GDP and Consumption Growth



Source: National Bureau of Statistics and Bank of Tanzania



Table 1.9: Tanzania Mainland: Analysis of the Savings-Investment Relationship

Item	2006	2007	2008	2009	2010
<i>Million of TZS</i>					
Nominal					
National Disposable Income	16,949,332	19,730,335	23,032,501	26,320,104	30,381,770
Final Consumption	15,340,093	18,270,124	20,754,564	23,403,570	25,417,627
Government final consumption	3,144,881	4,038,989	4,321,718	4,926,759	5,208,178
Household final consumption	12,195,212	14,231,135	16,432,846	18,476,811	20,209,449
Gross Capital Formation (Investment)	4,957,782	6,209,741	7,381,257	8,173,221	10,342,536
Government investment	1,276,400	1,494,333	1,628,172	2,241,507	2,607,525
Private investment(+change in inventories)	3,539,559	4,570,749	5,344,872	5,931,714	7,735,011
Savings	1,432,663	1,258,199	2,868,999	3,143,864	5,295,075
Saving - Investment Gap	-3,525,119	-4,951,542	-4,512,258	-5,029,358	-5,047,461
GDP (at market price)	17,941,268	20,948,403	24,781,679	28,212,646	32,293,479
Deflator	139.0	152.0	167.0	179.5	191.9
CPI(annual average)	130.0	139.0	153.0	171.6	
GDP at basic prices	16,278,225	18,989,844	22,452,059	25,510,287	29,297,677
Absorption	20,297,875	24,479,865	23,814,103	26,650,033	30,551,985
<i>At Constant 2001 Prices</i>					
National Disposable Income	12,193,764	12,980,484	13,791,917	14,666,695	15,832,346
Final Consumption	11,735,476	12,517,666	13,328,592	13,838,779	15,010,200
Government final consumption	2,279,417	2,495,962	2,824,652	2,968,710	3,472,119
Household final consumption	9,456,059	10,021,704	10,503,940	10,870,070	11,538,082
Gross Capital Formation (Investment)	2,938,619	3,358,305	3,616,866	3,982,283	4,385,837
Government investment	840,621	886,387	974,953	1,075,216	1,358,816
Private investment	2,097,998	2,471,917	2,641,913	2,907,067	3,027,021
Savings	1,028,599	828,968	1,717,963	1,751,896	2,759,335
Saving - Investment Gap	-1,910,020	-2,529,336	-1,898,903	-2,230,387	-1,626,503
GDP (at market price)	12,881,163	13,801,921	14,828,345	15,721,301	16,828,563
Absorption	12,394,678	13,380,009	14,120,806	14,852,353	15,923,919
Annual Change					
National Disposable Income	7.9	6.5	6.3	6.3	7.9
Final Consumption	8.1	6.7	6.5	3.8	8.5
Government final consumption	8.2	9.5	13.2	5.1	17.0
Household final consumption	8.1	6.0	4.8	3.5	6.1
Gross Capital Formation (Investment)	15.9	14.3	7.7	10.1	10.1
Absorption	9.8	7.9	5.5	10.3	7.2

Source: National Bureau of Statistics and Bank of Tanzania

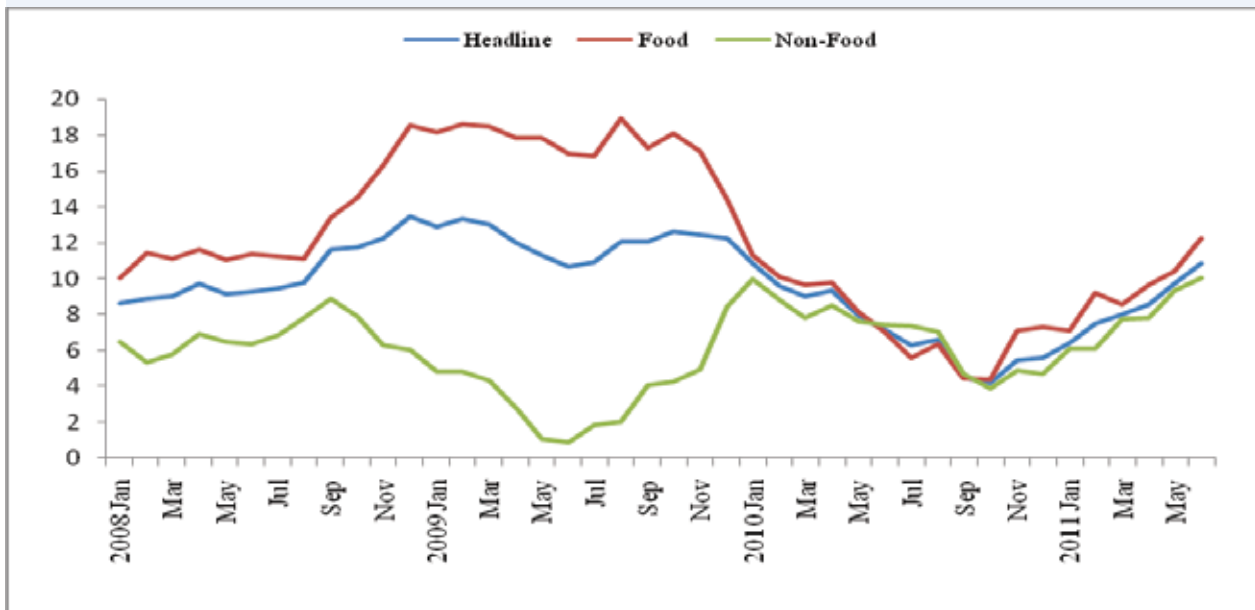
Inflation Developments

During the first half of 2010/11 overall inflation was below 7 percent. However, for most of the second half of 2010/11, inflation depict an upward trend reaching a double digit level of 10.9 percent in June 2011 owing to

the increase in the general prices of energy and food (**Chart 1.7**). Most of the increase in food prices was attributed to food shortages in the East African region particularly Kenya, Somalia, and Sudan. Average inflation rate for 2010/11 was 7.0 compared to 10.5 percent recorded in 2009/10.



Chart 1.7: Annual Headline, Food and Non-food Inflation



Source: National Bureau of Statistics and Bank of Tanzania

Average food inflation went up particularly in the first half of 2011 largely on account of high transportation costs as a result of high fuel prices. The 12-month average annual food inflation was 7.7 percent in 2010/11 compared to 13.2 percent in 2009/10.

Average annual non-food inflation edged up by 0.3 percentage points to 6.6 percent in

2010/11 compared to the level recorded a year earlier. The increase in non-food inflation was driven by changes in the prices of fuel, clothing, passenger transport, accommodation services and charcoal. Annual inflation rate excluding food and energy increased gradually from 3.5 percent in October 2010 to 7.2 percent in June 2011.



CHAPTER TWO PUBLIC FINANCE

Overview

The implementation of budget for fiscal year 2010/11 focused on policy and objectives aimed at strengthening revenue collection and improving public expenditure management, in line with the National Strategy for Growth and Reduction of Poverty (NSGRP). Government budgetary operations experienced a shortfall in domestic revenue collection compared to the budget estimate. Nonetheless, there was a significant improvement in actual collections when compared with the preceding year on account of strengthening tax collection efforts. The overall expenditure was adjusted in line with the available resources and priority areas.

Government Revenue and Grants

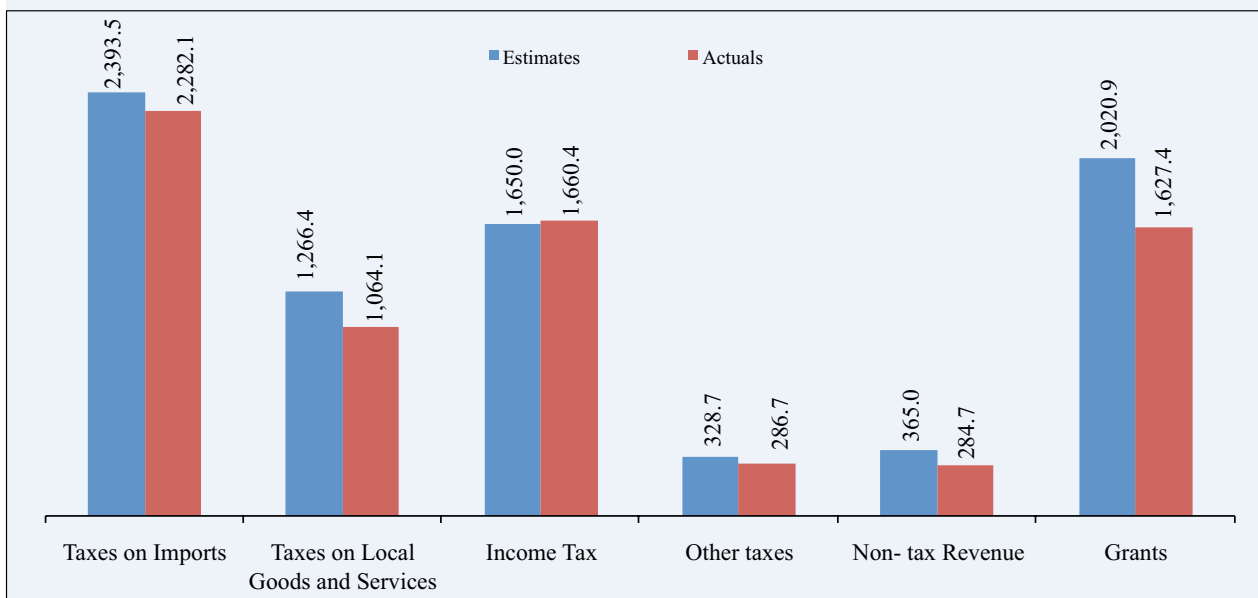
Revenue collection during the fiscal year 2010/11 fell short of budgeted estimates. The shortfall was partly associated with power shortages, which had adverse effect

on economic activities. Domestic revenue, including Local Government own sources, amounted to TZS 5,736.3 billion equivalent to 92.9 percent of TZS 6,176.2 budgeted. Despite the observed shortfall against budget estimates, revenue collection, excluding LGAs own sources was 16.1 percent of GDP compared with 14.9 percent recorded in 2009/10. Tax revenue amounted to TZS 5,293.3 billion, or 93.9 percent of budget estimates, while non tax revenue was TZS 284.7 billion or 78.0 percent of the budget. Revenue generated from Local Government Authorities was TZS 158.3 billion, equivalent to 91.7 percent of the respective budget (**Chart 2.1**).

During 2010/11, the Government received external grants amounting to TZS 1,627.4 billion, equivalent to 80.5 percent of estimates or 4.7 percent of GDP. The grants in form of program assistance, project and basket funds amounted to TZS 727.0 billion, TZS 565.8 billion and TZS 334.6 billion respectively.

Chart 2.1: Government Resources in 2010/11

Billions of TZS



Source: Bank of Tanzania

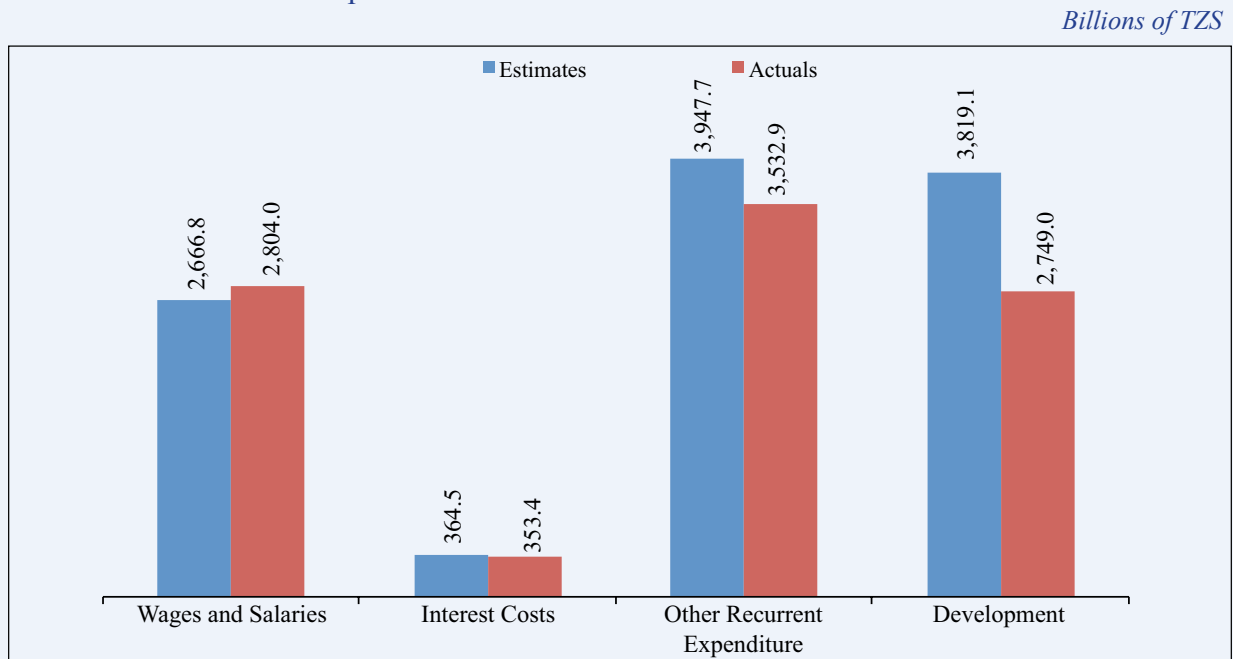


Government Expenditure

The Government continued to align expenditure execution with resource availability while ensuring coherence with NSGRP objectives of growth and reduction of poverty. Total expenditure during the period

under review amounted to TZS 9,439.4 billion, or 87.4 percent of the budget and 27.2 percent of GDP. Recurrent expenditure was TZS 6,690.4 billion and TZS 2,749.0 billion was development expenditure, equivalent to 95.9 percent and 72.0 percent of the budget respectively (**Chart 2.2**).

Chart 2.2: Government Expenditure in 2010/11



Source: Bank of Tanzania

Financing

Government budget deficit for 2010/11 was financed through external and domestic sources whereby total financing was TZS

2,393.2 billion, equivalent to 6.9 percent of GDP. Net external financing was TZS 1,148.9 billion, while TZS 1,244.3 billion was net domestic financing, representing 3.6 percent of GDP.



CHAPTER THREE MONETARY AND FINANCIAL DEVELOPMENTS

Monetary Policy Implementation

The monetary policy stance for 2010/11 was less accommodative compared to 2009/10, consistent with the gradual improvement of the liquidity in the economy. Annual growth rates of M2 and M3 were set to grow by 20.7 percent and 21.0 percent, respectively, while the private sector credit was targeted to grow by 21.3 percent. To achieve the monetary policy objectives, the Bank employed a mix of monetary policy instruments, namely: sale of government securities, foreign exchange operations, repurchase agreements, and stand-by facilities.

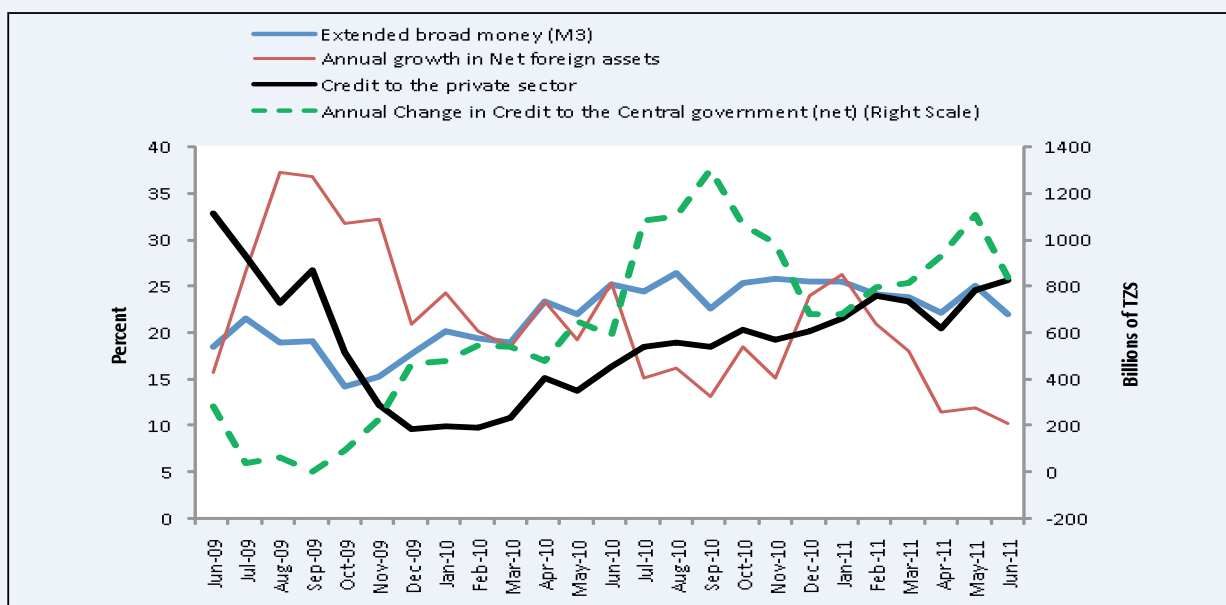
decline in the growth rate of money supply was driven by net foreign asset (NFA) holdings by banks, which decreased to TZS 1,185.9 billion at the end of June 2011, from TZS 1,316.2 billion recorded in June 2010. The decline in NFA provided room for increased provision of credit to the private sector. Growth of credit to the private sector picked up to 25.6 percent in 2010/11 from 16.3 percent recorded in 2009/10 and higher than 21.3 percent targeted for the period (Chart 3.1 and Table 3.1). In addition, the share of private sector credit to total private sector deposit improved to 69.5 percent in 2010/11 from 67.3 percent in 2009/10.

Money Supply and Credit Developments

During 2010/11, growth rate of extended broad money supply (M3) slowed down to 22.0 percent from 25.1 percent recorded in 2009/10. Similarly, broad money (M2) slowed down to 19.4 percent from 26.3 percent. The

During the period, net government borrowing from the banking system was TZS 906.8 billion compared with TZS 584.5 billion recorded in the preceding year. This outturn was partly associated with delays in the realisation of non-concessional borrowings to cater for development projects.

Chart 3.1: Annual Growth in Selected Monetary Aggregates



Source: Bank of Tanzania



Table 3.1: Sources and Uses of Money Supply

Billions of TZS

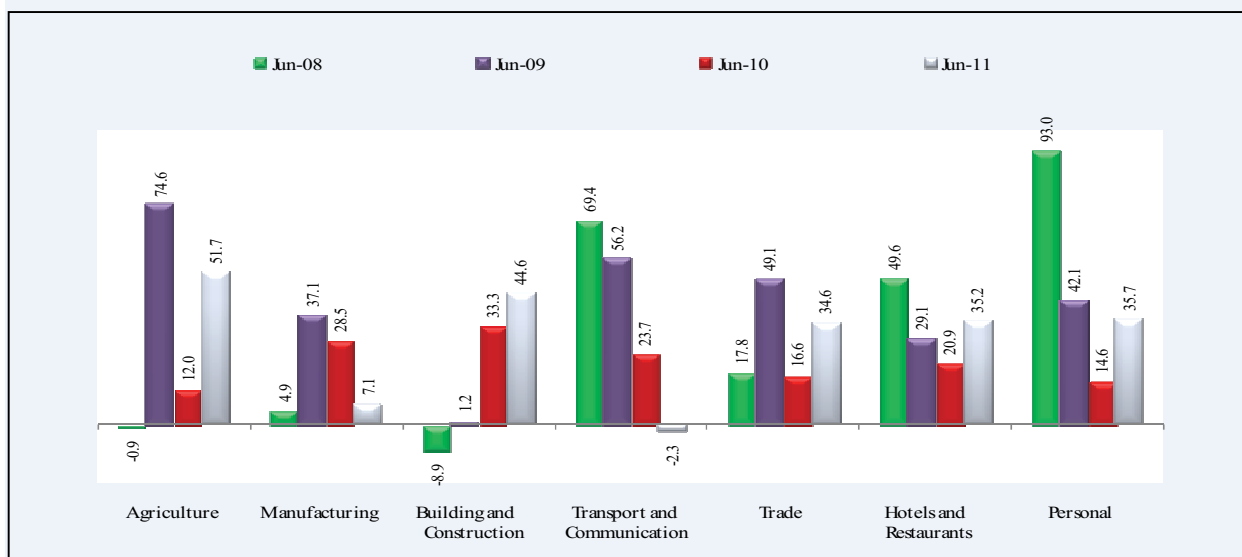
						Annual Change			Annual Growth Rate (%)		
	Jun-07	Jun-08	Jun-09	Jun-10	Jun-11	Jun-09	Jun-10	Jun-11	Jun-09	Jun-10	Jun-11
Net Foreign Assets of the Banking System	3,465.2	3,628.8	4,202.9	5,265.5	5,807.3	574.1	1,062.6	541.8	15.8	25.3	10.3
Bank of Tanzania	2,655.5	3,059.6	3,401.2	3,949.3	4,621.3	341.6	548.1	672.1	11.2	16.1	17.0
Net International Reserves (Millions of USD)	2,140.4	2,641.8	2,665.7	3,143.3	3,243.5	23.9	477.6	100.1	0.9	17.9	3.2
Banks NFA	809.6	569.2	801.7	1,316.2	1,185.9	232.5	514.6	-130.3	40.8	64.2	-9.9
Banks NFA (Millions of USD)	638.4	482.0	616.9	954.2	754.4	134.9	337.3	-199.9	28.0	54.7	-20.9
Net Domestic Assets of the Banking System	2,134.0	2,983.3	3,629.2	4,535.8	6,150.7	645.9	906.6	1,614.8	21.7	25.0	35.6
Domestic Claims	2,793.9	3,384.8	4,823.3	6,174.1	8,479.6	1,438.5	1,350.8	2,305.4	42.5	28.0	37.3
Claims on central government (net)	243.5	(151.1)	128.3	712.8	1,619.7	279.4	584.5	906.8	---	---	---
Claims on Central Government	2,247.8	2,139.9	2,530.8	3,591.8	4,087.2	390.9	1,061.0	495.4	18.3	41.9	13.8
o/w Securities held by banks	1,640.7	1,519.9	1,392.3	2,063.4	2,446.2	-127.6	671.1	382.8	-8.4	48.2	18.6
Liabilities to Central Government	2,004.3	2,291.0	2,402.5	2,879.0	2,467.6	111.5	476.5	-411.4	4.9	19.8	-14.3
Claims on Other Sectors	2,550.4	3,535.8	4,695.0	5,461.3	6,859.9	1,159.2	766.3	1,398.6	32.8	16.3	25.6
o/w Extended in Shilings	1,765.3	2,516.3	3,281.8	3,769.5	4,592.4	765.5	487.7	822.9	30.4	14.9	21.8
Extended in foreign currency	785.1	1,019.5	1,413.2	1,691.8	2,267.5	393.7	278.6	575.7	38.6	19.7	34.0
(Equivalent in USD million)	619.0	863.3	1,087.6	1,226.5	1,442.4	224.3	138.9	215.8	26.0	12.8	17.6
Other Items Net	-659.9	-401.5	-1,194.1	-1,638.3	-2,328.9	-792.6	-444.2	-690.6	197.4	37.2	42.2
Extended Broad Money Supply (M3)	5,599.2	6,612.1	7,832.1	9,801.4	11,957.9	1,220.0	1,969.2	2,156.6	18.5	25.1	22.0
Foreign Currency Deposits (FCD) in National Currency	1,781.4	1,781.6	2,060.1	2,513.8	3,259.3	278.5	453.7	745.5	15.6	22.0	29.7
FCD in millions of US dollar	1,404.6	1,508.6	1,585.4	1,822.4	2,073.2	76.8	237.0	250.8	5.1	14.9	13.8
Broad Money Supply (M2)	3,817.8	4,830.6	5,772.0	7,287.5	8,698.7	941.4	1,515.5	1,411.1	19.5	26.3	19.4
Other Deposits in National Currency	1,578.6	2,000.7	2,623.3	3,152.8	3,771.5	622.7	529.5	618.7	31.1	20.2	19.6
Narrow Money Supply (M1)	2,239.1	2,829.9	3,148.7	4,134.7	4,927.1	318.8	986.0	792.4	11.3	31.3	19.2
Currency in Circulation	1,110.7	1,269.5	1,423.7	1,680.5	2,081.1	154.2	256.8	400.7	12.1	18.0	23.8
Transferable Deposits in National Currency	1,128.4	1,560.4	1,725.0	2,454.3	2,846.0	164.6	729.3	391.8	10.5	42.3	16.0
Memorandum Items											
Net Claims on Central Government/ Domestic Credit (%)	8.7	-4.5	2.7	11.5	19.1						
Claims on Private Sector/ Domestic Credit (%)	91.3	104.5	97.3	88.5	80.9						
FCD/M3 (%)	31.8	26.9	26.3	25.6	27.3						
Nominal Exchange Rate (end of period) (TZS/USD)	1,268.3	1,180.9	1,299.4	1,379.4	1,572.1						
Gross Official Reserves (Millions of USD)	2,157.3	2,660.0	2,929.8	3,482.6	3,610.2						
Foreign Assets of Banks (Millions of USD)	750.6	790.2	796.4	1,096.9	1,055.3						
Gross Foreign Assets of the Banking System (Millions of USD)	2,907.9	3,450.2	3,726.2	4,579.5	4,665.5						

Source: Bank of Tanzania

Banks' credit to major economic activities recorded higher growth rates in 2010/11, compared with the rates recorded in the preceding year, except for manufacturing, and transport and communication activities

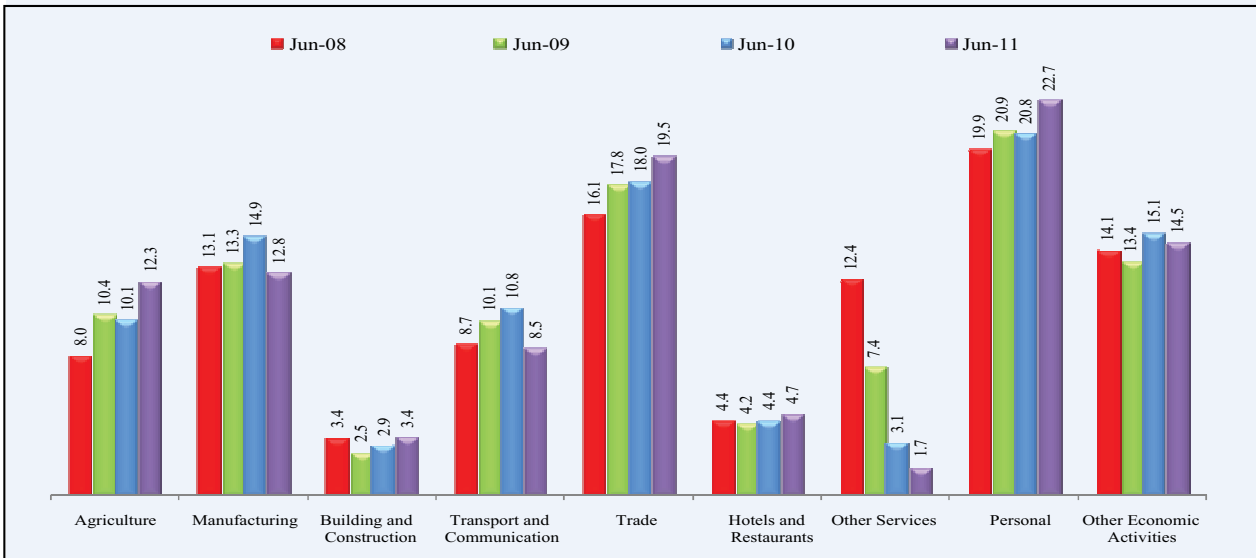
(Chart 3.2). During the year, personal loans continued to account for the largest share of total private sector credit, followed by trade activities (Chart 3.3).

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



Source: Bank of Tanzania

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

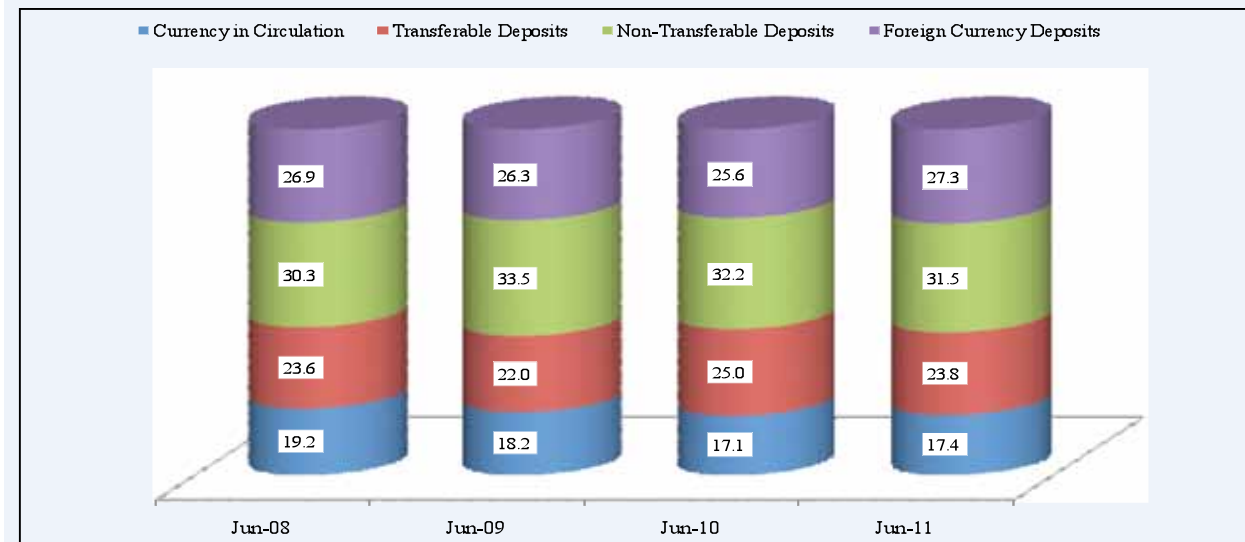


Source: Bank of Tanzania

Since 2007/08, components of money supply have remained broadly unchanged, with non-transferable and foreign currency deposits (FCD) taking the largest share as depicted in Chart 3.4. In terms of contribution to total change in M3, the foreign currency deposit

had the largest share, followed by the non-transferable deposits (Chart 3.5). The contribution of the FCD is broadly associated with depreciation of the Shilling against the USD.

Chart 3.4: Percentage Share to M3

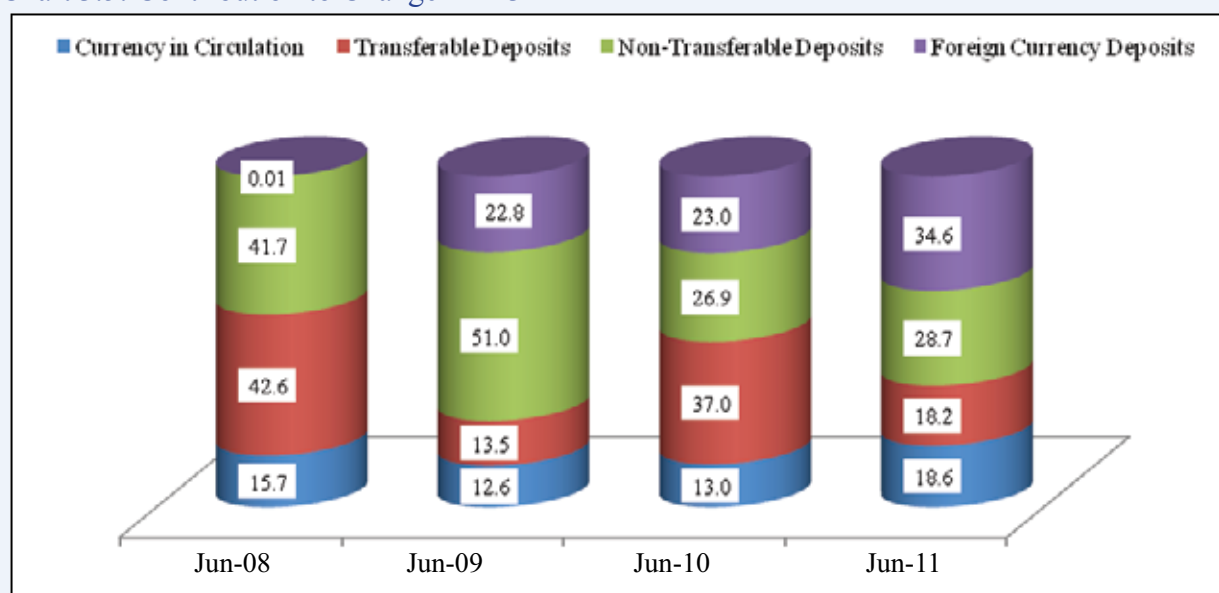


M3= Extended Broad Money Supply

Source: Bank of Tanzania



Chart 3.5: Contribution to Change in M3



Source: Bank of Tanzania

Interest Rate Developments

During the first half of 2010/11, money markets interest rates showed an increasing trend, reaching a peak in January 2011. This trend is explained by an increase in demand for cash during the harvesting season and end of year festival. Beginning February 2011,

the rates trended downwards as cash started flowing back into the banking system (Table 3.2). A similar pattern was observed in the inter-bank cash market and repo operations. Interest rates offered and charged by banks exhibited a declining trend except overall lending rate.

Table 3.2: Weighted Average Interest Rates Structure

Percent

Items	June		2010												2011					
	2008	2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Overall Interbank cash market rate	3.61	5.03	1.80	1.89	1.29	0.92	0.87	0.97	0.92	1.09	1.65	2.29	2.86	5.26	7.93	3.54	1.86	1.84	1.84	1.81
Overnight interbank cash market	3.45	4.46	1.67	1.66	0.98	0.86	0.67	0.86	0.82	0.93	1.68	2.27	2.87	5.19	7.99	3.40	1.86	1.80	1.80	1.81
REPO Rate	3.75	4.90	1.22	1.22	1.06	0.79	0.65	0.54	0.58	0.58	0.90	1.53	1.78	3.22	6.06	4.04	2.37	1.77	1.38	1.35
Bank Rate	12.84	10.31	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58
Overall Treasury bills rate	7.84	6.97	7.20	6.32	4.15	2.70	2.68	3.33	3.89	3.86	5.06	5.68	5.85	6.32	7.14	6.58	5.46	4.80	4.54	4.76
35 days	5.03	4.81	4.57	4.09	1.99	1.26	0.89	0.65	0.78	0.97	1.62	1.84	1.46	1.33	4.71	4.54	3.92	3.51	2.86	2.71
91 days	5.76	5.56	6.35	5.57	3.25	1.77	2.16	2.89	3.22	2.71	3.89	4.76	4.61	5.24	6.37	5.92	4.82	4.26	3.91	3.74
182 days	7.63	7.86	7.20	6.33	4.45	2.58	2.26	2.59	3.91	3.91	4.77	5.67	5.62	6.20	6.61	6.55	5.39	5.01	4.93	4.83
364 days	10.00	9.11	9.06	8.24	6.32	4.86	4.96	6.08	6.26	5.98	6.96	7.85	7.48	7.67	8.33	7.55	5.99	6.11	6.50	6.46
Savings Deposit Rate	2.79	2.69	2.84	2.89	2.88	2.83	2.82	2.82	2.69	2.58	2.57	2.56	2.51	2.43	2.46	2.70	2.66	2.41	2.40	2.39
Treasury Bonds Rates																				
2-years	12.87	11.51	10.89	9.40	9.40	9.40	9.40	8.79	8.88	8.88	9.82	9.82	9.67	10.35	10.35	8.65	8.65	8.13	8.13	8.05
5-years	14.49	16.58	13.77	13.77	13.77	13.77	9.52	9.52	9.52	9.70	9.70	10.44	10.44	11.58	11.58	10.27	10.27	10.65	10.65	10.75
7-years	17.18	17.06	14.15	14.15	12.11	12.11	10.38	10.38	10.38	10.85	10.85	11.88	11.88	11.88	12.27	12.27	12.02	12.02	12.26	12.81
10-years	17.09	19.92	16.73	16.73	16.73	11.99	11.99	11.68	11.68	13.00	13.00	13.00	13.59	13.59	13.84	13.84	14.15	13.69	13.69	12.64
Overall Time Deposits Rate	6.78	6.79	6.15	5.84	6.11	5.97	5.79	5.90	5.42	5.55	6.04	6.11	5.68	5.98	5.89	5.39	5.40	5.39	5.79	5.82
12 month time deposit rate	8.45	9.07	9.06	8.85	8.79	8.68	8.58	8.48	7.86	7.14	7.16	7.27	7.05	7.10	7.33	7.34	7.53	7.75	7.13	7.18
Negotiated Deposit Rate	10.62	10.13	7.44	7.16	9.41	9.63	9.47	9.57	8.76	8.58	9.33	9.60	8.76	8.45	8.87	8.50	7.86	7.44	7.38	9.06
Overall Lending rate	14.76	15.48	14.39	14.81	14.80	14.50	14.50	14.67	14.34	14.35	14.47	14.49	14.31	14.92	14.70	14.83	15.04	15.41	15.28	15.05
Short-term lending rate (up to 1 year)	13.93	14.57	13.76	14.73	14.61	13.88	14.02	13.92	14.14	14.37	14.29	14.22	14.47	14.37	13.85	14.30	14.58	14.76	14.71	14.84
Negotiated Lending Rate	13.07	14.28	13.68	13.79	13.71	13.97	13.80	14.13	13.84	14.00	13.80	13.71	13.65	13.33	13.88	13.32	13.34	13.32	13.48	13.81
Margin between short-term lending and one-year time deposit rates	5.48	5.50	4.70	5.88	5.83	5.20	5.44	5.43	6.28	7.23	7.13	6.95	7.41	7.26	6.52	6.96	7.05	7.02	7.58	7.66

Source: Bank of Tanzania

Financial Markets Developments

The Treasury bills and bond markets recorded higher demand than the amount offered, with significant increase recorded in the bond market.

The amount offered in the Treasury bond market was also higher in the year under review, following the increase in demand for infrastructural projects financing by the Government.

Treasury Bills Market

The Bank offered **Treasury bills** worth TZS 3,045.0 billion compared to TZS 3,458.0 billion in 2009/10. Demand was TZS 5,652.8 billion, lower than TZS 6,683.0 billion recorded in the preceding year. The lower demand was partly associated with liquidity squeeze among banks, which was mostly observed in the second quarter of 2010/11. The Bank accepted Treasury bills worth TZS 2,978.8 billion (face value) lower than TZS 3,076.8 billion recorded in the preceding year (**Chart 3.6**).

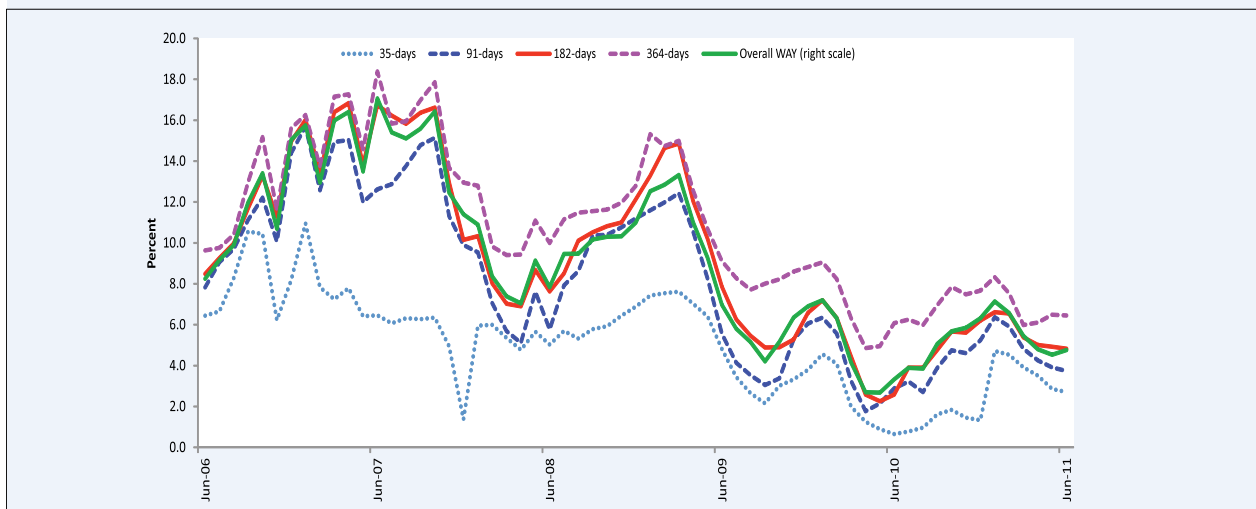
Chart 3.6: Treasury Bills Performance

Billions of TZS



Source: Bank of Tanzania

Chart 3.7: Treasury Bills Yields June 2006-June 2011



Source: Bank of Tanzania



Treasury Bond Market

During the year ending June 2011, the Bank also offered **Treasury bonds** of different maturities worth TZS 954.0 billion compared with TZS 509.8 offered in 2009/10. Demand was TZS 2,011.8 billion compared with TZS 1,515.1 billion registered in the preceding year. The Bank intervened and accepted

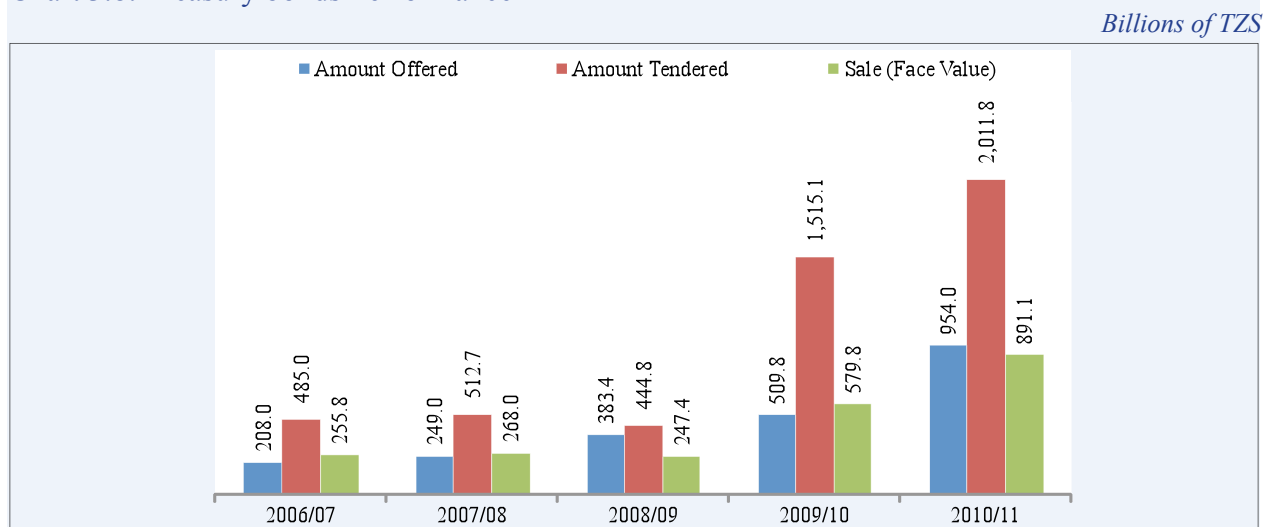
Treasury bonds with face value of TZS 891.1 billion, compared to TZS 579.8 billion recorded in 2009/10 (**Chart 3.8**). **Chart 3.9** shows that investors' preference was inclined to Treasury bonds with shorter maturities, with the highest demand recorded in 2-year and 5-year maturity. Consistent with the market developments, interest rates sustained a downward trend across all maturities (**Table 3.3**).

Table 3.3: Annual Average Treasury Bonds Yields

Maturity	Percent				
	2006/07	2007/08	2008/09	2009/10	2010/11
2-years	16.25	15.51	13.99	10.37	9.11
5-years	16.56	16.89	16.26	13.42	10.46
7-years	17.59	18.09	17.04	13.42	11.78
10-years	17.46	18.15	19.46	15.61	13.33

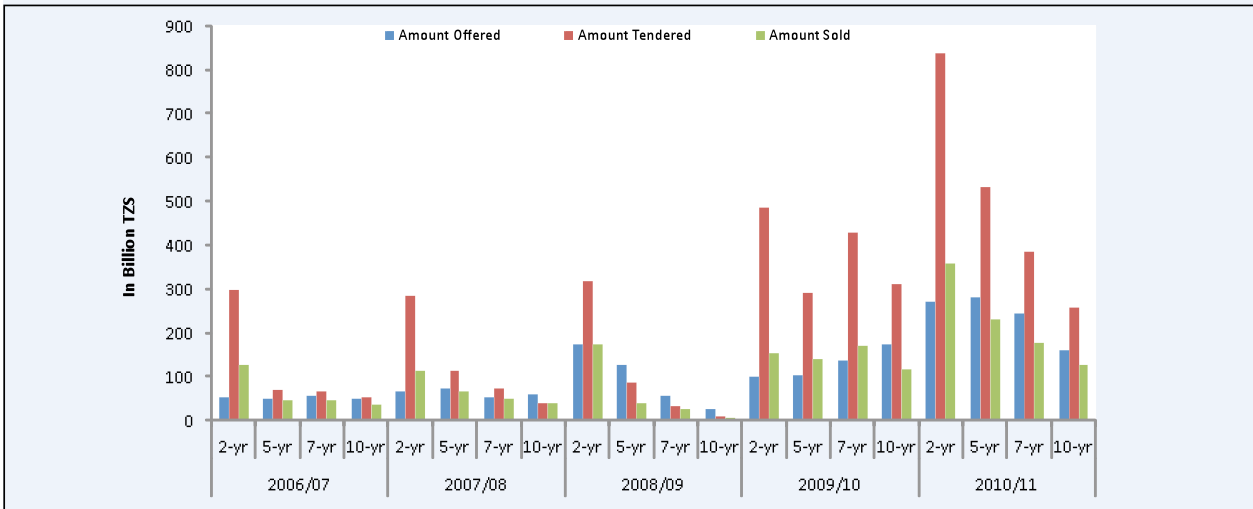
Source: Bank of Tanzania

Chart 3.8: Treasury bonds Performance



Source: Bank of Tanzania

Chart 3.9: Treasury bonds Performance by Maturity



Source: Bank of Tanzania

Inter-Bank Foreign Exchange Market

In 2010/11, the Bank continued to participate in the Inter-bank Foreign Exchange Market (IFEM) primarily to complement other instruments in managing liquidity in the economy. The Bank sold a total of USD 990.9 million (53.9 percent of the total traded) compared to USD 1,005 million (78.4 percent of the market turnover) in 2009/10.

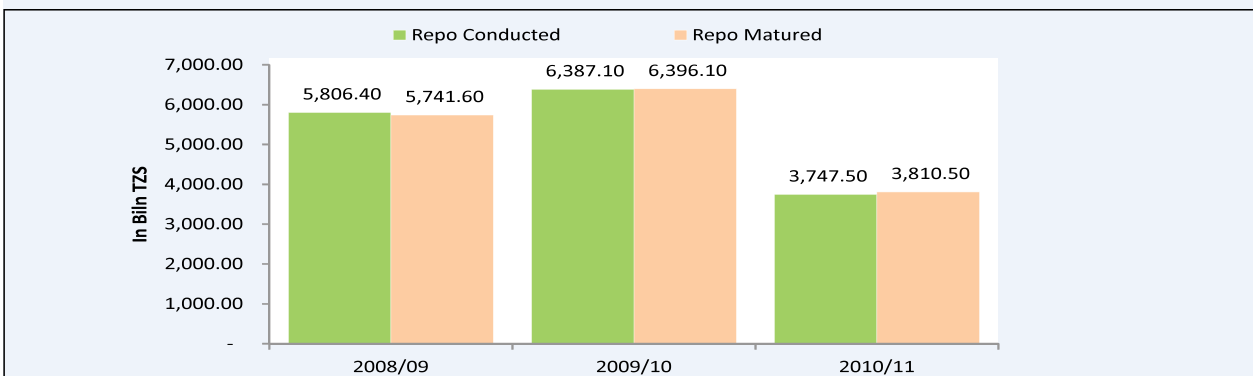
Average nominal exchange rate depreciated by 11.4 percent from TZS 1,337.3 per USD in 2009/10 to TZS 1,489.6 per USD in 2010/11. The depreciation was largely due to higher demand for foreign currency, coupled with the

general strengthening of the US dollar against major currencies in the international financial markets.

Repurchase Agreements

Repurchase agreements continued to play a significant role in complementing other monetary policy instruments in fine tuning and managing liquidity in the banking system. In 2010/11, the Bank conducted repos worth TZS 3,747.5 billion with banks, compared with TZS 6,387.1 billion conducted in the preceding year (Chart 3.10). The relatively lower amount of repos is explained by the increase in the sale of Treasury bonds that helped to contain liquidity in the banking system.

Chart 3.10: Repo Transactions for the Year Ending June



Source: Bank of Tanzania

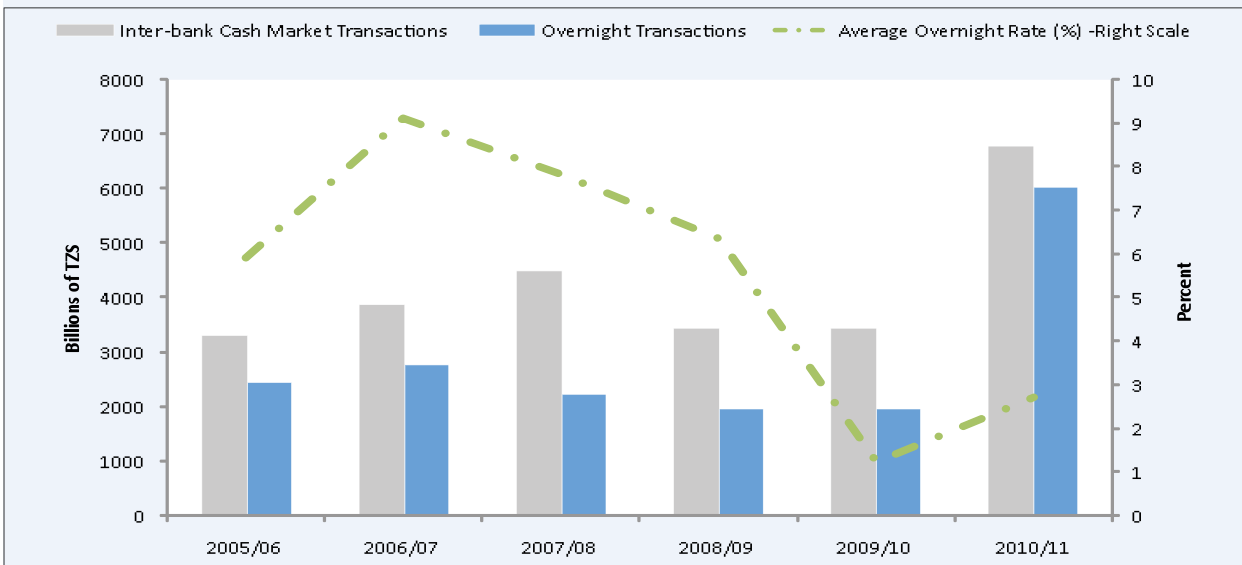


Developments in Inter-Bank Cash Market

The volume of transactions in the inter-bank cash market during 2010/11 was TZS 6,786.8 billion, compared with TZS 3,453.3 billion transacted in the 2009/10. This increase was consistent with the liquidity squeeze experienced by some banks, particularly in the

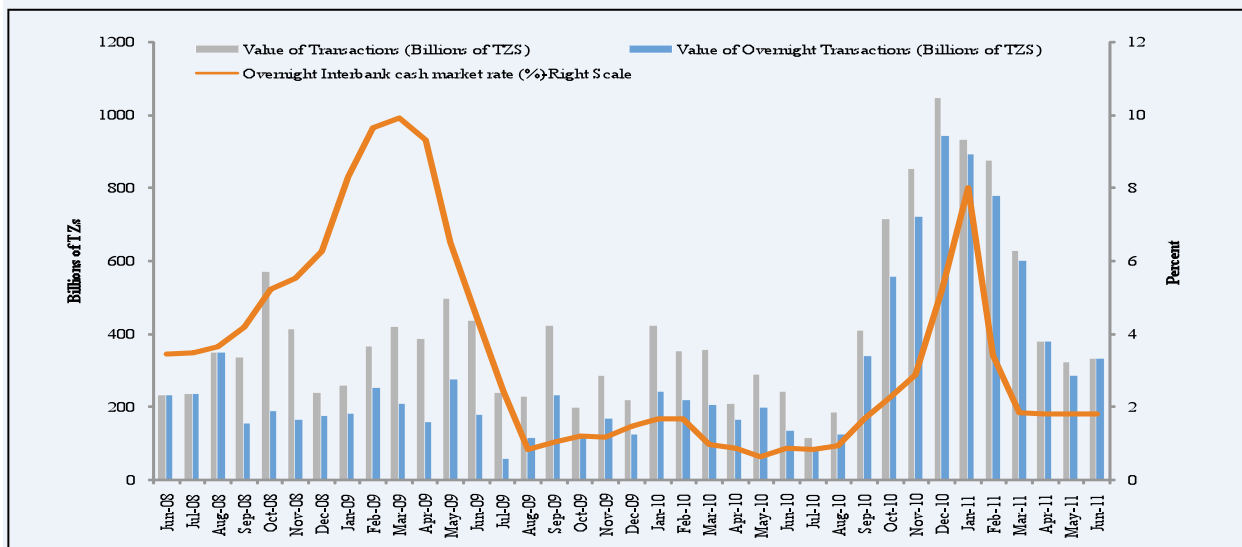
second and third quarter of 2010/11 (**Chart 3.11 and Chart 3.12**). The average overnight inter-bank cash market rate increased to 2.7 percent in 2010/11, from 1.24 percent registered in 2009/10. The overnight volume increased substantially to TZS 6,034.9 billion in 2010/11, from 1,968.6 billion, reflecting a higher demand for short-term liquidity.

Chart 3.11: Annual Inter-bank Transactions and Rate



Source: Bank of Tanzania

Chart 3.12: Monthly Inter-bank Volume and Overnight Rate



Source: Bank of Tanzania



CHAPTER FOUR BALANCE OF PAYMENTS DEVELOPMENTS

Overall Balance

Tanzania recorded a surplus of USD 90.3 million in the overall balance of payments during 2010/11 compared to a surplus of USD 477.4 million recorded in 2009/10. The huge surplus in the overall balance of payments in 2009/10 was largely on account of additional Special Drawing Rights (SDR) allocation

equivalent to USD 249.0 million issued in August 2009 by the International Monetary Fund (IMF). Meanwhile, the current account deficit narrowed to USD 2,003.2 million compared with USD 2,028.2 million recorded in 2009/10 largely explained by a significant increase in exports of goods and services coupled with a surge in official current transfers as well as income receipts (**Table 4.1**).

Table 4.1: Current Account Balance

Item	<i>Millions of USD</i>		
	2009/10	2010/11	% Change
Goods Account net	-2,844.9	-3,107.5	9.2
Exports	3,725.4	4,864.0	30.6
Traditional	456.6	693.2	51.8
Non-traditional	2,782.8	3,536.3	27.1
o/w Gold	1,493.0	1,765.9	18.3
Unrecorded trade	485.9	634.4	30.6
Imports	-6,570.3	-7,971.5	21.3
Capital goods	2,510.2	3,124.6	24.5
Intermediate goods	2,545.2	2,926.6	15.0
o/w Oil	1,911.4	2,114.5	10.6
Consumer goods	1,514.9	1,920.3	26.8
Services (net)	173.4	353.7	104.0
Receipts	1,937.5	2,301.9	18.8
Payments	-1,764.1	-1,948.2	10.4
Goods and Services (net)	-2,671.5	-2,753.8	3.1
Exports of goods and services	5,662.9	7,165.9	26.5
Imports of goods and services	-8,334.4	-9,919.7	19.0
Income Account (net)	-30.6	-7.2	-76.5
Receipts	160.3	198.9	24.1
Payments	-190.9	-206.1	8.0
Current Transfers (net)	673.9	757.8	12.4
Inflows	746.2	841.6	12.8
Government	637.1	735.3	15.4
Other sectors	109.1	106.3	-2.5
Outflows	-72.3	-83.8	16.0
Current Account	-2,028.2	-2,003.2	-1.2

Note: P = Provisional data

Totals may not add up due to rounding of numbers

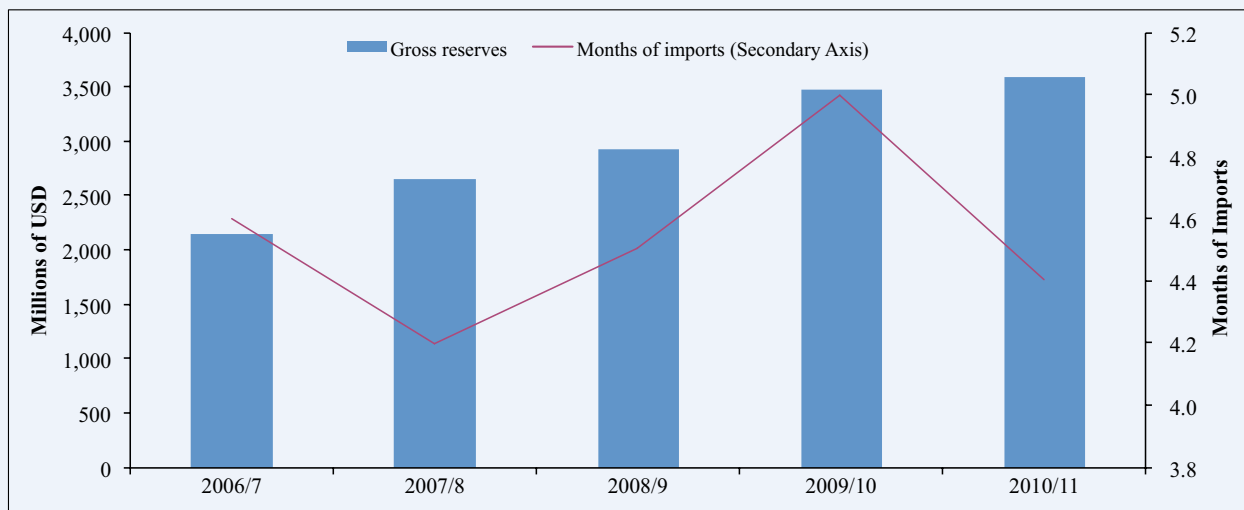
Source: Bank of Tanzania

As at the end of June 2011, the gross official reserves held by the Bank of Tanzania amounted to USD 3,610.3 million which was

sufficient to cover 4.4 months of imports of goods and services (**Chart 4.1**).



Chart 4.1: Bank of Tanzania Gross Reserves



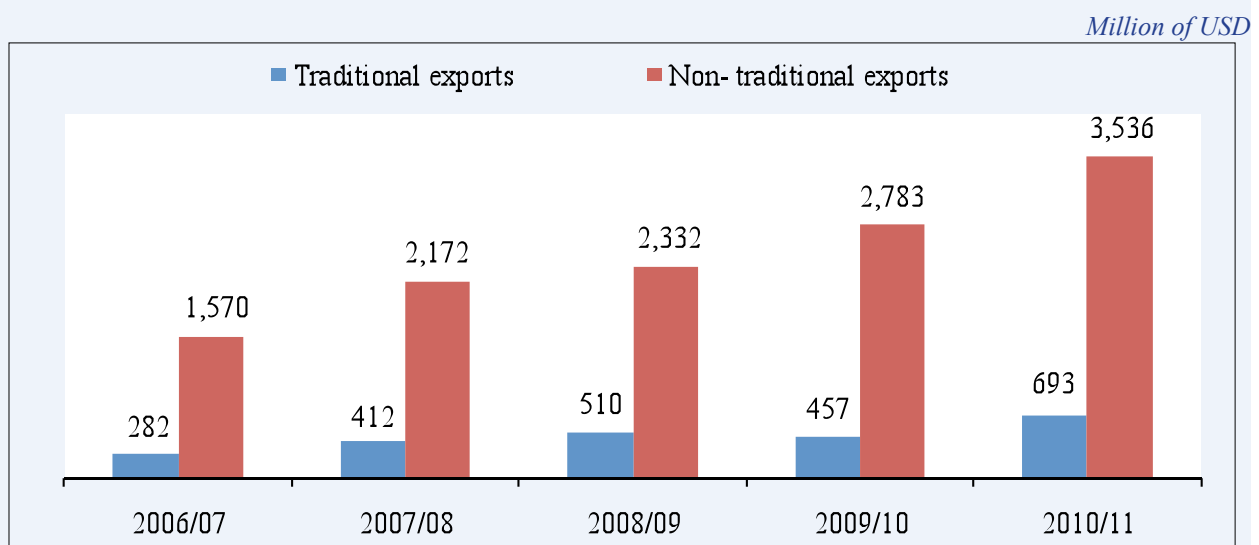
Source: Bank of Tanzania

Goods Export

During 2010/11, there was an improvement in Tanzania's goods export as the value rose by 30.6 percent to USD 4,864.0 million³ compared with the amount recorded in the preceding financial year (Chart 4.2). Significant increase was recorded in the export of non-traditional commodities particularly manufactured goods which went up by 70.8 percent to USD 1,060.4 million compared to the amount recorded in 2009/10. The increase in exports of manufactured goods was largely

associated with high demand of manufactured goods particularly cement, textile apparels, edible oils, plastic items, iron and steel and wheat flour from the neighbouring countries. Export of gold also increased to USD 1,765.3 million from USD 1,493.0 million recorded in 2009/10. The performance of gold exports was mainly driven by the increase in gold price in the world market as the volume exported remained almost unchanged. Exports of gold and manufactured goods accounted for 66.0 percent of goods exports during the period under review (Chart 4.3).

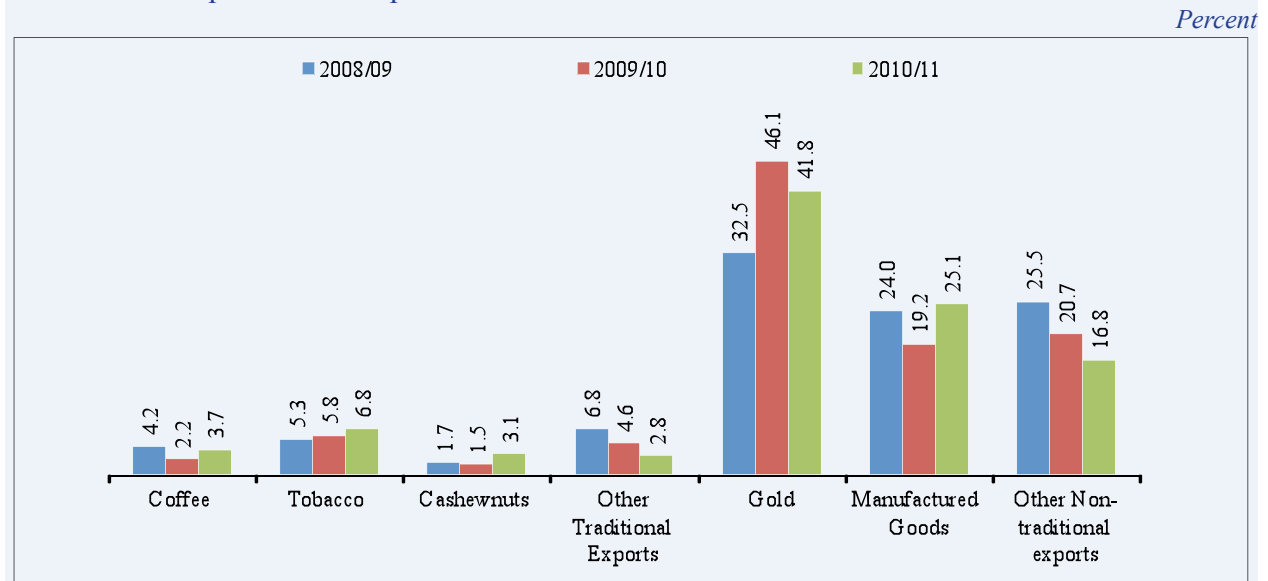
Chart 4.2: Structure of Tanzania's Exports



Source: Bank of Tanzania

³ The amount includes unrecorded trade estimated at USD 634.4 million

Chart 4.3: Composition of Exports Commodities



Source: Bank of Tanzania

During the period under review, remarkable improvement was also noted in the export of traditional commodities which amounted to USD 693.2 million, being an increase of 51.8 percent from the amount recorded in 2009/10. This development was largely attributed to increase in both export volumes and unit prices of tobacco, coffee and cashew nuts. Improvement in export prices is largely associated with increase in global demand. The export of cotton declined due to bad weather.

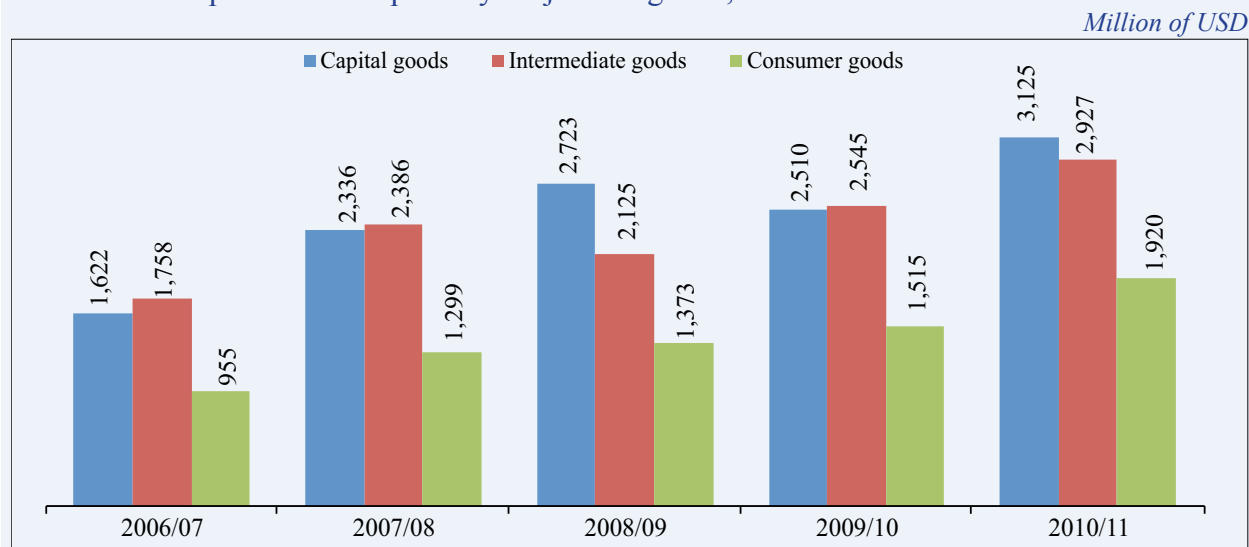
Goods Imports

During the year ending June 2011, the value of imported goods was USD 7,971.5 million

compared with USD 6,570.3 million recorded in 2009/10. Capital and intermediate goods accounted for about 70 percent of the goods import. Within intermediate goods, oil imports accounted for 72.3 percent largely due to increased oil prices in the world market. The increase in oil prices in the world market was partly attributed to political instability in the oil producing countries particularly in the Middle East and Northern Africa. Similarly, there was remarkable increase in the import of food and foodstuffs which rose by about 40 percent partly due to increase in prices of cereals in the world market. The composition of goods import by major categories is summarized in **Chart 4.4**.



Chart 4.4: Composition of Imports by Major Categories, 2010/2011



Source: Bank of Tanzania

Services Account

During 2010/11, services account recorded a surplus of USD 353.7 million compared to USD 173.4 million recorded in 2009/10, largely driven by an increase in service receipts. Services receipts increased to USD 2,301.9 million compared with USD 1,937.5 million recorded during the year ending June 2010; mainly due to increase in transportation, travel and other businesses receipts which accounted for about 93.7 percent of total service receipts. Services payments recorded an increase of 10.4 percent to USD 1,948.2 million from the amount recorded in 2009/10 mainly due to increase in payments for freight charges.

Income Account

Deficit in the income account narrowed to USD 7.2 million compared to a deficit of USD 30.6 million recorded in 2009/10. This development was largely driven by a rise in income receipts which grew by 24.1 percent to USD 198.9 million in 2010/11 compared with income payments which grew by 8.0 percent to USD 206.1 million during the same period. The growth in income receipts is mainly attributed to good performance of interest income from foreign assets particularly those

of the banking system. During the period under review, interest income receipts by the banking system amounted to USD 182.8 million, being higher by 23.3 percent of the amount recorded in the preceding financial year.

Current and Capital Transfers

The official current transfers increase by 15.4 percent to USD 735.3 million compared to the amount recorded during the year ending June 2010. Official current transfers disbursed by bilateral development partners accounted for about 81 percent and the balance was disbursed by multilateral donors namely the European Union (EU) and the World Bank. Capital transfers which were mainly project grants went down to USD 414.7 million compared to USD 606.5 million disbursed in 2009/10.

World Commodity Prices

During the year ending June, 2011, world market prices of agricultural and non-agricultural commodities went up with exception of **tea** auctioned in Mombasa (**Table 4.2**). The rise in prices of **coffee** was largely attributed to the decline in supplies from major coffee growing



countries such as Columbia, Brazil, Mexico, Vietnam, Panama, Kenya and India. The price of **sisal** went up due to a rise in global demand for sisal. Likewise, the price of **cloves** went up following strong demand coupled with tight supply of cloves from Indonesia.

The prices of **crude oil** (UK Brent and Dubai f.o.b) and **white petroleum products** went

up following a decline in oil inventories in the United States of America coupled with the political instability in the Middle East countries. Similarly, the price of **gold** rose by 25.7 percent to USD 1,371.47 per troy ounce mainly due to increase in demand for gold as a safe investment following debt crisis in the Euro zone.

Table 4.2: World Commodity Prices

Commodity	Units	Year ending June (12 Month Average)			% Change
		2008/09	2009/10	2010/11	
Robusta Coffee	USD / kg	1.95	1.57	2.22	40.98
Arabica Coffee	USD / kg	2.98	3.53	5.60	58.71
Tea (Average price)	USD / kg	2.41	2.92	2.97	1.85
Tea (Mombasa Auction)	USD / kg	2.22	2.72	2.62	-3.83
Cotton, "A Index"	USD / kg	1.37	1.70	3.46	103.91
Sisal (UG)	USD / metric ton	1,213.00	877.75	1,173.33	33.68
Cloves	USD / metric ton	3,972.85	4,401.15	6,205.31	40.99
Crude oil*	USD / barrel	68.75	74.74	93.34	24.89
Crude oil**	USD / barrel	68.32	74.34	92.34	24.21
White products***	USD / ton	652.42	655.31	830.94	26.80
Jet/Kerosine	USD / ton	685.43	657.59	852.30	29.61
Premium Gasoline	USD / ton	613.93	690.58	861.74	24.78
Heat Oil	USD / ton	657.89	617.76	778.79	26.07
Gold	USD / troy ounce	873.61	1,091.29	1,371.47	25.67

Note: * Average of U.K Brent, Dubai and West Texas Intl

** f.o.b Dubai

*** West Mediterranean

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



CHAPTER FIVE NATIONAL DEBT DEVELOPMENTS

Tanzania's external and domestic debt stock at the end of June 2011 stood at USD 11,640.9 million compared to USD 10,207.3 million that was reported at the end of corresponding period in the year 2010. The increase is attributed to relatively large external disbursements and domestic debt issuance, compared to external debt service and maturing domestic obligations. Out of the national debt stock, external debt accounted for 79.7 percent and domestic debt 20.3 percent. The ratio of the national debt stock to GDP increased to 49.6 percent at the end of June 2011 from 39.1 percent at the end of June 2010.

Central Government debt (external and domestic) was USD 8,800.7 million, whereas private sector and public corporations debt amounted to USD 1,844.8 million and USD 995.5 million respectively.

External Debt

External debt stock increased by 13.2 percent to USD 9,276.9 million at the end of June 2011 from USD 8,197.8 million at the end of June 2010. The profile of external debt by borrower and creditor categories is summarized in **Tables 5.1 and 5.2.**

Table 5.1: Tanzania's External Debt Stock by Borrower Category

Millions of USD

Borrower	Jun-10	Share (%)	May-11	Share (%)	Jun-11	Share (%)
Central Government	5,542.5	67.6	6,272.5	68.9	6,436.6	69.4
DOD	4,816.9	58.8	5,541.3	60.9	5,698.5	61.4
Interest Arrears	725.6	8.9	731.2	8.0	738.0	8.0
Private Sector	1,726.5	21.1	1,831.6	20.1	1,844.8	19.9
DOD	1,206.7	14.7	1,248.1	13.7	1,226.7	13.2
Interest Arrears	519.8	6.3	583.5	6.4	618.1	6.7
Public Corporations	928.9	11.3	997.7	11.0	995.5	10.7
DOD	534.7	6.5	558.1	6.1	557.8	6.0
Interest Arrears	394.2	4.8	439.6	4.8	437.7	4.7
External Debt Stock	8,197.9	100.0	9,101.8	100.0	9,276.9	100.0

Source: MOF (Public & Publicly Guaranteed debt), BOT (Private Sector debt)

Table 5.2: Tanzania's External Debt Stock by Creditor Category

Millions of USD

Creditor	Jun-10	Share(%)	May-11	Share(%)	Jun-11	Share(%)
Multilateral	4,221.8	51.5	4,975.3	54.7	5,012.4	54.0
DOD	4,204.8	51.3	4,958.6	54.5	4,995.0	53.8
Interest Arrears	17.0	0.2	16.6	0.2	17.4	0.2
Bilateral	1,676.1	20.4	1,668.2	18.3	1,697.9	18.3
DOD	955.4	11.7	942.9	10.4	966.9	10.4
Interest Arrears	720.7	8.8	725.3	8.0	730.9	7.9
Commercial	1,419.1	17.3	1,550.2	17.0	1,684.7	18.2
DOD	815.2	9.9	869.4	9.6	987.5	10.6
Interest Arrears	603.9	7.4	680.7	7.5	697.2	7.5
Export Credit	880.9	10.7	908.1	10.0	881.9	9.5
DOD	582.9	7.1	576.5	6.3	533.6	5.8
Interest Arrears	298.0	3.6	331.7	3.6	348.3	3.8
External Debt Stock	8,197.9	100.0	9,101.8	100.0	9,276.9	100.0

Source: MOF (Public & Publicly Guaranteed debt), BOT (Private Sector debt)



Loans Contracted, Disbursements and Repayments

External debt contracted and recorded during the year ending June 2011 amounted to USD 446.7 million, of which USD 287.7 million was contracted by the Government. Disbursements received and recorded amounted to USD 482.3 million, out of which USD 400.1 million was received by the Government while USD 82.1 million was disbursed to the private sector. External debt service amounted to USD 137.4 million, out of which USD 88.5 million was principal repayment and USD 48.9 million was interest.

Domestic Debt

Domestic debt increased by 34.7 percent to TZS 3,734.5 billion, from the level recorded at the end of June 2010. The increase was on account of relatively large issuance of Government securities compared to maturing obligations due to growing financing needs. Government bonds forms the largest portion of domestic debt accounting for 77.2 percent followed by Treasury bills which accounted for 15.7 percent (**Table 5.3**).

Table 5.3: Government Domestic Debt by Instruments

	<i>Billion of TZS</i>					
	Jun-10	Share (%)	May-11	Share (%)	Jun-11	Share (%)
Government Securities	2,763.7	99.7	3,504.4	99.8	3,726.2	99.8
Treasury Bills	285.0	10.3	480.3	13.7	586.3	15.7
Government Stocks	258.7	9.3	257.1	7.3	257.1	6.9
Government Bonds	2,219.9	80.1	2,766.9	78.8	2,882.8	77.2
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	8.3	0.2
Mabibo Hostel	8.2	0.3	8.2	0.2	8.2	0.2
Others	0.0	0.0	0.0	0.0	0.0	0.0
Total Dom. Debt	2,772.0	100.0	3,512.6	100.0	3,734.5	100.0
Interest Arrears	0.1	0.0	0.0	0.0	0.0	0.0
Total Dom. Debt Stock	2,772.1	100.0	3,512.6	100.0	3,734.5	100.0

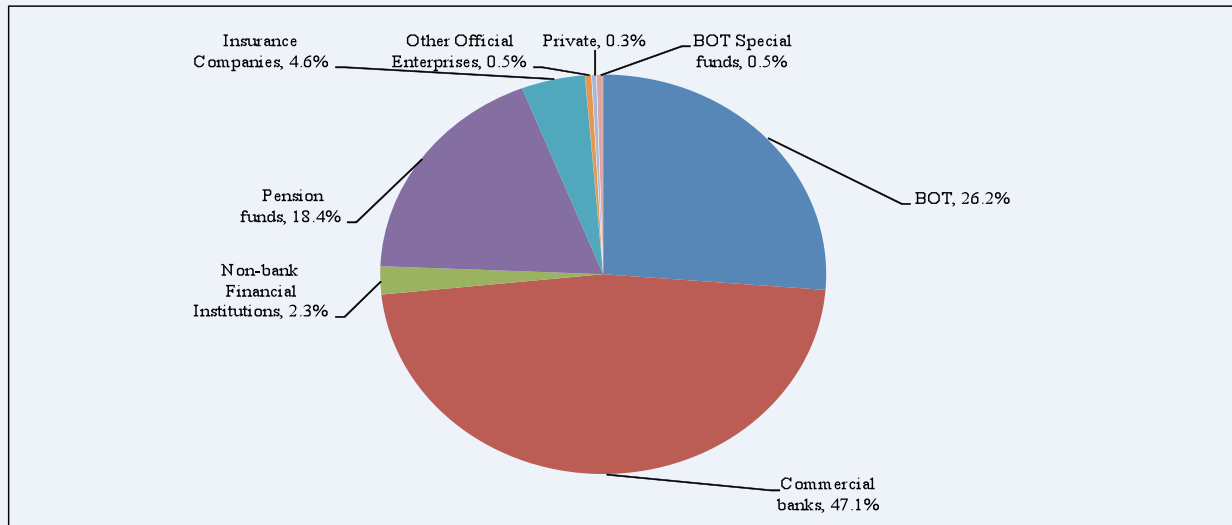
Source: MOF and Bank of Tanzania

Commercial banks were the leading investors in government debt, holding 47.1 percent of domestic debt. The relatively low investment risk in Government securities partly explains the dominance of commercial banks in the

securities market. Bank of Tanzania ranked second holding 26.2 percent followed by pension funds (18.4%). **Chart 5.1** summarizes domestic debt by holder category as at the end of June 2011.



Chart 5.1: Domestic Debt by Holder Category as at the end of June 2011



Source: MOF and Bank of Tanzania

Domestic Debt Issuance and Redemption

Domestic debt issued during the period under review amounted to TZS 1,445.9 billion, out of which TZS 769.5 billion was Treasury bills

and TZS 676.4 billion was Treasury bonds. Domestic debt that fell due for payment was TZS 1,372.3 billion, out of which interest amounting to TZS 317.9 billion was paid out while principal amounting to TZS 1,052.4 billion was rolled over.



CHAPTER SIX ECONOMIC DEVELOPMENTS IN ZANZIBAR

The Overall Economic Performance

During 2010, Zanzibar registered economic growth rate of 6.5 percent, slightly lower than 6.7 percent recorded in 2009, mainly on account of power blackout which affected the industrial sector during the first quarter

of 2010 (**Table 6.1**). The slowdown in GDP growth rate was also driven by services sector which registered growth rate of 8.6 percent in 2010 compared with 8.8 percent in 2009. The GDP per capita increased by 14.3 percent to TZS 764,000 in 2010 from TZS 729,000 recorded in 2009 (**Table 6.2**).

Table 6.1: Real Gross Domestic Product, 2006-2010

Rates of Growth	2006	2007	2008	2009	2010 ^P
Real GDP	6.0	6.4	5.3	6.7	6.5
Agriculture, forestry & fishing	18.7	-0.4	5.7	4.4	4.8
Industry	17.6	4.6	1.9	3.4	2.0
Services	-2.8	10.4	6.1	8.8	8.6

Note: P = Provisional

Source: Office of the Chief Government Statistician

Table 6.2: Zanzibar Key Statistics, 2006-2010

Description	2006	2007	2008	2009	2010 ^P
GDP at market prices					
At current prices (Billion Tshs)	510.2	587.5	748.2	879.4	948.7
Quantity index (2001=100)	136.0	145.0	153.0	163.0	173.0
Constant price growth rates (%)	6.0	6.5	5.2	6.7	6.5
Implied deflators (2001=100)	168.0	182.0	221.0	243.0	246.0
GDP per capita					
GDP per capita (Tshs '000)	462.0	517.0	639.0	729.0	764.0
GDP per capita (US \$)	368.0	414.0	534.0	558.0	547.0
Memorandum items					
Population ('000)	1,072.0	1,106.0	1,140.0	1,176.0	1,211.0
Exchange rate Tshs per US \$	1,255.0	1,247.0	1,197.0	1,307.0	1,396.0

Note: P = Provisional

Source: Office of the Chief Government Statistician

Sectoral Developments

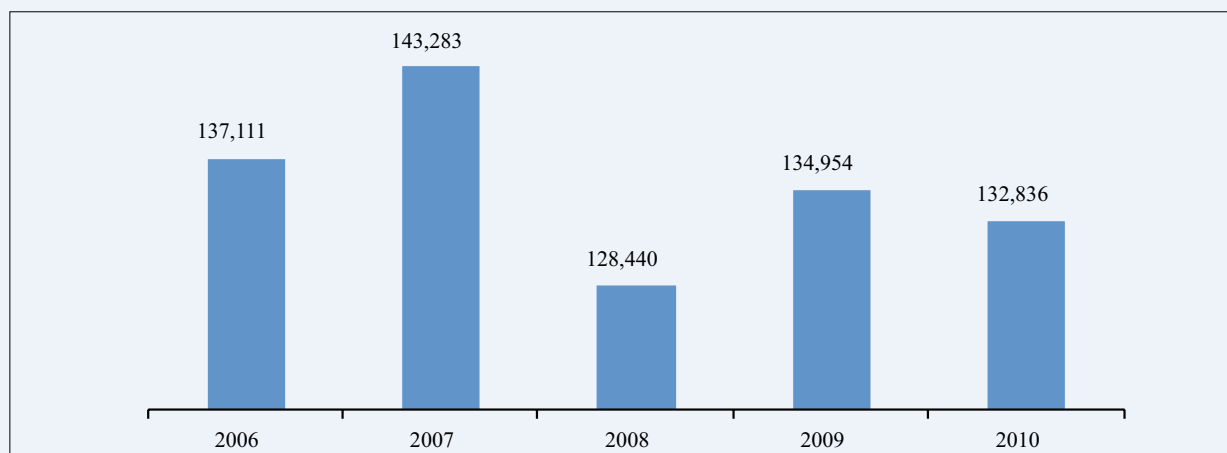
Services Sector

The growth in services sector dropped by 0.2 percentage points to 8.6 percent in 2010 compared to the level recorded in 2009. Hotels and restaurants, its main sub-sector grew at a slightly lower rate of 3.5 percent compared with 4.0 percent recorded in 2009 mainly due

to decrease in a number of tourist arrivals (**Chart 6.1**). Transport and communication sub-sector grew by 19.7 percent compared to 22.7 percent recorded in 2009. Meanwhile, total cargo handled at Zanzibar ports amounted to 692,979 tons in 2010 compared with 573,984 tons handled in 2009. The increase was mainly associated with improved port services at Malindi port.



Chart 6.1: Number of Tourist Arrivals in Zanzibar



Source: Office of the Chief Government Statistician

Agriculture Sector Performance

Agricultural sector grew by 4.8 percent in 2010 compared to 4.4 percent recorded in 2009. This performance was mainly associated with good weather conditions and timely distribution

and application of inputs. Seaweed and rubber production increased from 10,248.0 tons and 428.0 tons in 2009 to 12,516 tons and 564.0 tons respectively. However, cloves production declined from 3,536.0 tons in 2009 to 2,129 tons (**Table 6.3**).

Table 6.3: Procurement of Major Export Crops

Crop	Tons					
	2006	2007	2008	2009	2010 ^P	% Change
Cloves	3,157.0	1,086.0	4,007.0	3,536.0	2,129.0	-39.8
Clove stems	129.0	227.0	345.0	445.0	317.0	-28.8
Seaweed	7,543.0	8,485.0	11,177.0	10,248.0	12,516.0	22.1
Rubber	887.0	974.2	1,479.0	428.0	564.0	31.8
Total	10,829.0	9,798.0	15,529.0	14,229.0	15,526.0	9.1

Note: P: Provisional data

Source: Office of Chief Government Statistician

Production of food crops rose from 400,905 tons in 2009 to 440,529 tons in 2010, out of which 34,684 tons were cereals. Production of cereal crops which are dominated by

paddy increased on account of improved paddy irrigation and increased utilization of subsidized inputs (**Table 6.4**).



Table 6.4: Production of Food Crops

	<i>Quantity in Tons</i>					
	2006	2007	2008	2009	2010 ^P	% change 2009 to 2010
Cereals:						
Maize	3,927	1,931	1,933	2,063	3,112	50.8
Sorghum	409	794	615	457	572	25.2
Paddy	24,730	20,038	20,889	26,980	31,000	14.9
sub-total	29,066	22,763	23,437	29,500	34,684	17.6
Non-Cereals:						
Cassava	190,266	187,213	153,136	195,674	229,284	17.2
Banana	88,438	93,641	103,145	100,873	102,258	1.4
Sweet potatoes	63,949	45,620	55,305	53,596	58,958	10.0
Yams	5,100	8,192	3,516	11,373	7,488	-34.2
Tania	8,408	4,191	8,459	5,883	5,812	-1.2
Others	2,760	847	3,866	4,006	2,045	-49.0
Sub-total	358,921	339,704	327,427	371,405	405,845	9.3
Grand total	387,987	362,467	350,864	400,905	440,529	9.9

Note: * = Provisional

Source: Office of Chief Government Statistician

Fish catch increased from 25,396 tons in 2009 to 25,693 tons in 2010 mainly due to increased number of fishermen as well as government

provision of fishing gears to registered groups of fishermen under Marine and Coastal Environmental Management Project (Table 6.5).

Table 6.5: Production and Value of Fish Catch

Unit	2005	2006	2007	2008	2009	2010	% Change
Metric Tons	23,255	23,020	23,582	24,803	25,396	25,693	1.2
Millions of TZS	24,671	24,928	34,639	36,896	47,714	61,784	29.5

Source: Department of Fisheries and Marine Products

Industrial Sector

During 2010, growth in industrial sector slowed down to 2.0 percent compared with

3.4 percent recorded in 2009. The slowdown was mainly associated with prolonged power blackout and competition from imported products (Table 6.6).

Table 6.6: Production of Selected Industrial Commodities

Commodity	Units	2006	2007	2008	2009	2010 ^P	% Change
Beverage*	Litres'000'	10,246.0	11,473.0	12,780.0	13,800.0	15,414.0	11.7
Animal Feed	Tons	842.0	1,115.0	215.0	0.0	0.0	0.0
Video/Radio tapes	Cartoon	86,579.0	80,687.0	61,167.0	30,742.0	30,648.0	-0.3
Bread	No.'000'	87,037.0	97,960.0	102,050.0	105,531.0	108,264.0	2.6
Dash Dash Fashion	Pcs	2,004.0	5,338.0	3,778.0	4,392.0	4,648.0	5.8
Jewellery (Gold/Silver)	Grams	16,737.0	7,563.0	7,526.0	9,710.0	9,508.0	-2.1
Noodles	Kg	61,085.0	58,807.0	71,072.0	75,600.0	80,417.0	6.4
Door UPVC	Nos.	32.0	53.0	33.0	43.0	125.0	190.7
Window UPVC	Nos.	59.0	161.0	35.0	98.0	43.0	-56.1

Note: *Include Mineral Water and soft drinks

P = Provisional figures

Source: Office of Chief Government Statistician

The growth of the construction sub-sector in 2010 slowed down to 1.1 percent from 3.2 percent registered in 2009 following completion of most road construction

activities. Notwithstanding the power blackout experienced in early 2010, the quantity of electricity distributed increased by 4.9 percent to 135.9 million KW from 129.6 million KW



distributed in 2009. This development was associated with the installation of a new cable

from Tanga to Pemba Island which started operation in August 2010 (**Table 6.7**).

Table 6.7: Quantity of Electricity Distribution (National Grid) kWh '000'

Industries	2006	2007	2008	2009	2010	Percent Share	% Change 2009/10
Commercial	21,461	22,787	13,651	13,296	19,600	10.3	47.4
Domestic	61,570	63,058	58,400	51,954	45,512	40.1	-12.4
Large Industry	32,470	37,881	41,030	38,135	36,509	29.4	-4.3
Medium Industry	6,654	11,665	16,560	23,176	30,639	17.9	32.2
Small Industry	738	907	600	618	979	0.5	58.4
Street Lights	786	809	446	371	698	0.3	88.1
Total	125,685	139,114	132,695	129,559	138,947	100	7.2

Note: kWh = kilowatt-hour

Source: Zanzibar State Fuel and Power Corporation

Gross Capital Formation

During 2010, capital formation increased to TZS 200.9 billion from TZS 175.9 billion recorded in 2009. The increase was partly due to new investments in tourism and infrastructure development, particularly roads

and Zanzibar International airport. A total of 33 new investment projects were approved, out of which 25 projects worth USD 105.1 million were in hotels and restaurants. The ratio of total investment to GDP increased from 20.1 percent in 2009 to 21.2 percent in 2010. **Table 6.8** shows capital formation by type of assets.

Table 6.8: Capital Formation by Type of Assets

Item	Million of TZS				
	2006	2007	2008	2009	2010 ^P
A. Buildings					
Residential	6,435	7,730	9,180	10,902	12,246
Rural Construction	5,676	6,818	8,097	9,616	8,233
Non Residential	20,211	24,276	28,829	32,288	36,268
Total Buildings	32,322	38,824	46,106	52,806	56,747
B. Other Works					
Land Improvements	20,325	24,414	28,992	32,326	37,066
Roads, Bridges etc.	15,707	18,867	22,406	26,609	30,511
Total Others Works	36,032	43,281	51,398	58,935	67,577
C. Equipment					
Transport Equipment	13,224	22,429	27,606	37,962	38,464
Other Equipment	17,606	20,768	16,593	23,406	35,220
Total Equipment	30,830	43,197	44,199	61,368	73,684
D. Others					
Change inventory	2,139	4,126	3,447	2,768	2,930
Capital Formation	101,323	129,428	145,150	175,877	200,938
of which:					
Subsistence	5,676	6,818	8,097	9,616	8,233
Monetary	95,647	122,610	137,053	166,261	192,704

Note: P = Provisional

Source: Office of the Chief Government Statistician

Inflation Developments

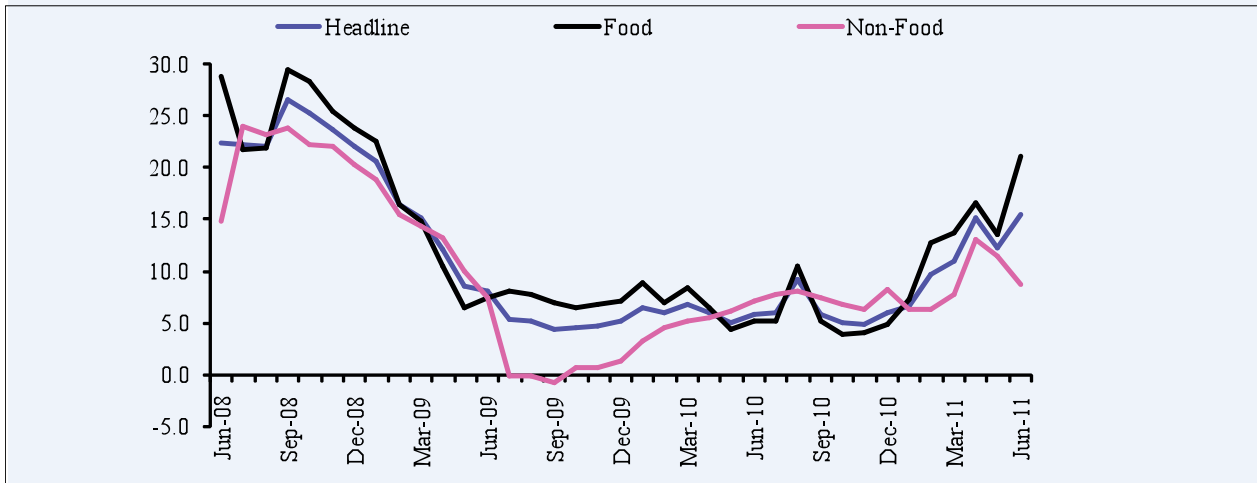
During 2010/11, Zanzibar average annual headline inflation increased to 9.0 percent from 5.4 percent recorded in 2009/10, mainly due to increase in prices of food and petroleum

products. Similarly, the headline inflation for the year ending June 2011 increased to 15.4 percent from 5.9 percent registered in June 2010, mainly on account of higher relative prices of rice, fish, sugar and petroleum products (**Chart 6.2**).



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

Percent



Source: Office of Chief Government Statistician

Average annual food inflation accelerated to 10.5 percent from 6.9 percent recorded in 2009/2010, mainly on account of increase in the prices of rice, sugar and wheat flour. In June 2011, food inflation was 21.1 percent compared with 5.2 percent recorded in the corresponding period in 2010.

Average annual non-food inflation rate rose to 7.6 percent from 2.8 percent recorded in 2009/2010, mainly due to increase in prices of petroleum products. Likewise, non-food inflation increased to 8.7 percent in June 2011 from 7.1 percent registered in June 2010 (**Table 6.9**).

Table 6.9: Annual Percentage Change in Consumer Price Index (CPI)

Base: December 2005 = 100

Major Commodity Group	Weights (%)	2008	2009			2010			2011		
		Jun	Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
Headline/Overall	100.0	22.4	12.2	8.6	8.1	6.0	5.0	5.9	13.8	14.2	15.4
Food	57.4	28.8	10.5	6.5	7.4	6.4	4.4	5.2	18.3	18.9	21.1
Non-Food	42.6	14.8	13.3	10.0	7.5	5.5	6.2	7.1	8.7	8.8	8.7
Alcoholic Beverages, Tobacco & Narcotics	0.6	-0.1	18.8	17.7	16.9	26.2	27.2	27.2	18.2	18.2	18.2
Clothing & Footwear	6.2	9.3	9.7	9.9	5.2	5.4	5.0	4.7	8.6	10.4	11.3
Housing, Water, Electricity, Gas & Other Fuels	15.6	12.7	25.5	20.3	18.6	3.6	4.8	5.9	8.9	8.3	8.1
Furnishing, Household Equipment & Routine											
Household Maintenance	5.3	15.4	9.0	9.3	7.0	3.2	3.1	2.9	8.0	8.6	8.3
Health	2.1	25.1	10.7	12.0	6.1	11.6	10.4	10.6	19.9	19.9	19.6
Transport	3.4	19.9	7.6	-8.2	-10.0	2.3	6.2	10.4	12.4	12.9	13.5
Communication	2.4	-0.8	0.0	0.0	0.0	0.0	0.0	0.0	1.6	1.6	1.6
Recreation & Culture	0.4	7.3	3.2	3.4	4.3	4.8	6.6	3.7	6.4	4.5	6.1
Education	1.1	7.8	6.2	4.4	4.4	12.6	12.6	12.6	5.5	5.5	5.5
Restaurants & Hotels	3.1	28.2	11.6	11.6	8.1	16.2	16.2	17.6	10.6	10.6	9.2
Miscellaneous Goods & Services	2.4	26.3	10.3	9.3	5.1	3.0	3.7	3.6	-9.8	-9.7	-9.7

Source: Office of Chief Government Statistician

Government Budgetary Operations

During 2010/11, budgetary operations on

cheques issued basis recorded a deficit of TZS 79.0 billion after grants, compared with a deficit of TZS 51.0 billion registered



in 2009/10. The budgetary operations after adjustment to cash recorded a deficit of TZS 79.4 billion. Total resources during the period under review amounted to TZS 269.0 billion, out of which TZS 181.5 billion or 67.5 percent was from domestic sources, and the balance was grants.

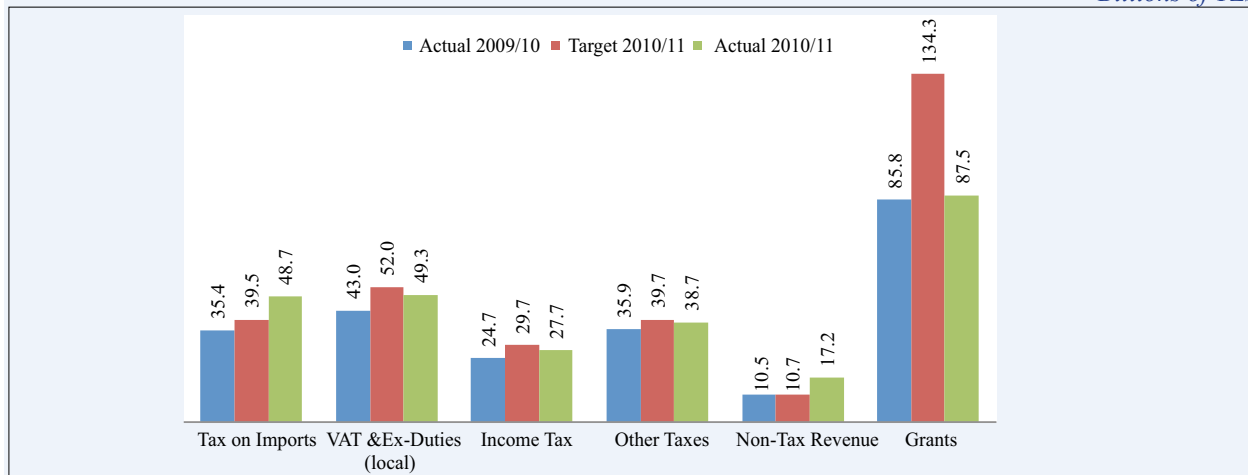
Revenue Performance

Revenue collections during 2010/11 amounted to TZS 181.5 billion compared to the annual target of TZS 171.7 billion. This amount was

21.4 percent higher than TZS 149.5 billion collected in 2009/10. The good performance was largely driven by increased taxable imports and sales of government assets (buildings). Tax revenue amounted to TZS 164.3 billion, or 90.5 percent of the total revenue collections, and was above the target of TZS 161.0 billion. Non-tax revenue reached TZS 17.2 billion, higher than the targeted TZS 10.7 billion, mainly on account of sale of government assets. The performance of individual revenue categories are shown in **Charts 6.3 and 6.4**.

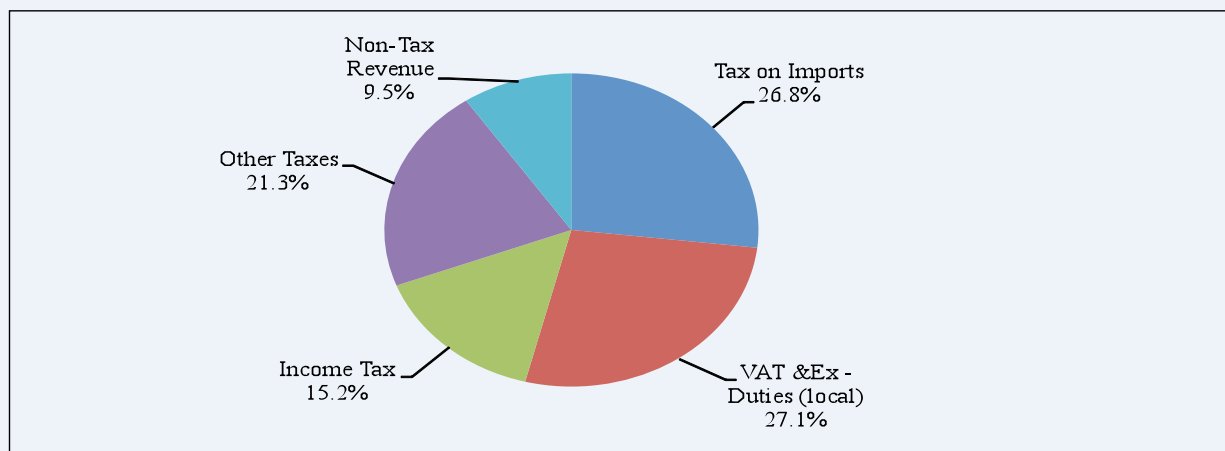
Chart 6.3: Zanzibar Government Revenue by Sources and Grants

Billions of TZS



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

Chart 6.4: Government Revenue by Sources, Percentage Share to Total Revenue 2010/11



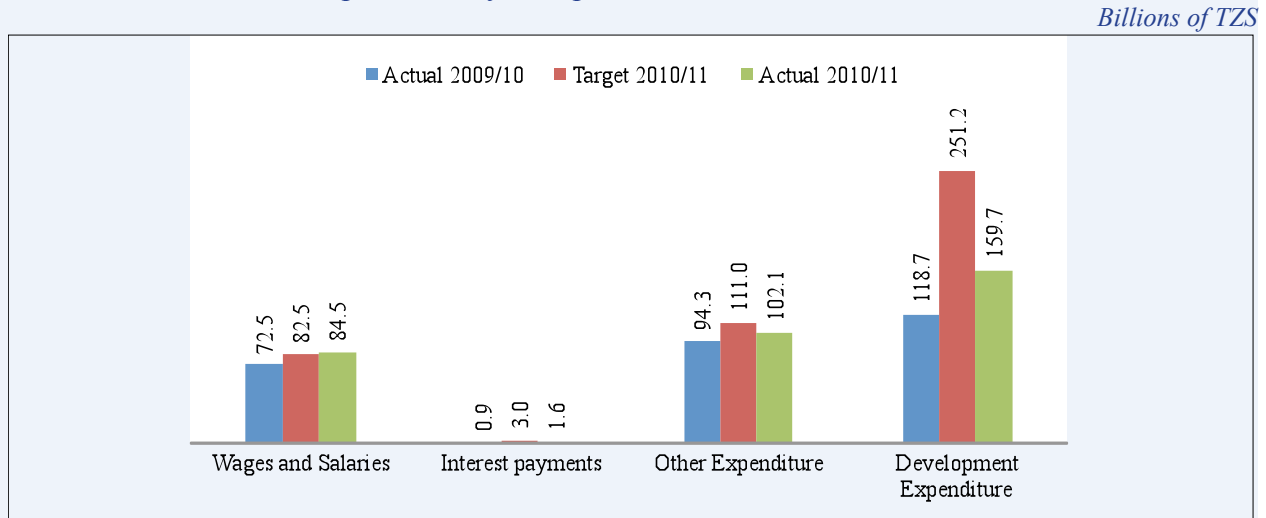
Source: President's Office -Finance, Economy and Development Planning, Zanzibar

Government Expenditure

Total Government expenditure in 2010/11 amounted to TZS 348.0 billion, below the annual estimate of TZS 444.6 billion by 21.7 percent, mainly on account of delays in disbursement of donor funds for development projects. Recurrent expenditure amounted to TZS 188.3 billion or 54.1 percent of total expenditure, and was below the target of

TZS 193.4 billion. Meanwhile, development expenditure amounted to TZS 159.7 billion or 45.9 percent of total expenditure and was below the target of TZS 251.2 billion. Out of total development expenditure; donor funded component accounted for 80.9 percent and the balance was Government contribution. Expenditure performance by components compared to targets is shown in **Chart 6.5** below.

Chart 6.5: Government Expenditure by Component



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

Debt Developments

Zanzibar total debt stock increased to TZS 161.8 billion at the end of June 2011, from TZS 140.4 billion recorded in the corresponding period in 2010. Total external debt amounted to TZS 125.4 billion, equivalent to 77.5 percent

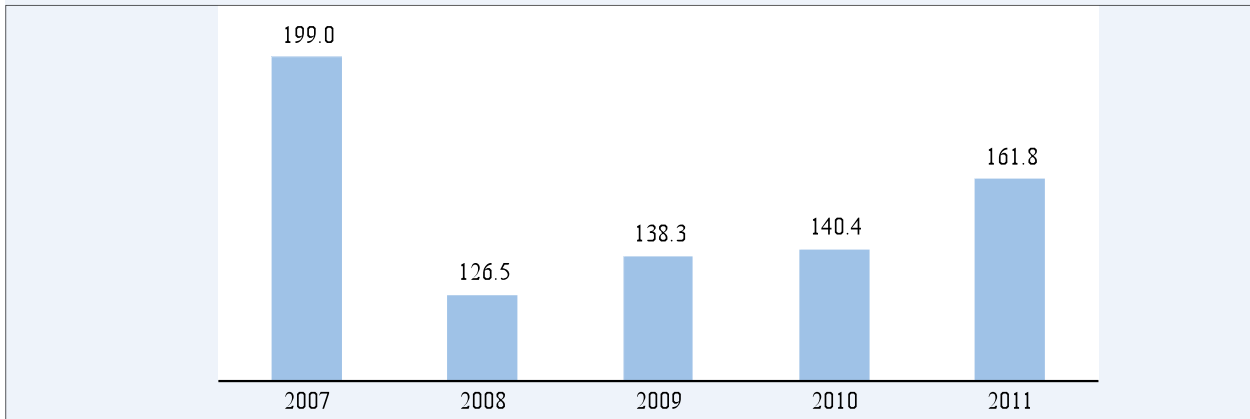
of total debt stock, while total domestic debt stood at TZS 36.3 billion (**Chart 6.6**). The ratio of debt to GDP⁴ increased to 17.1 percent from 14.8 percent registered at the end of June 2010.

⁴Gross Domestic Product (GDP) at current prices in 2010 was TZS 948.7 billion



Chart 6.6: Zanzibar Total Debt Stock at the End of June

Billions of TZS



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

Domestic Debt

As at the end of June 2011, total domestic debt stock declined to TZS 36.3 billion from TZS 55.6 billion registered in the preceding year. The outturn was mainly attributed to a cancellation of government debts owed to Union Government (URT) and repayment of debts owed by the Zanzibar Social Security Fund (ZSSF), suppliers' creditors and gratuity claims.

Domestic Debt by Creditor Category

Debt due to 'other creditors', notably claims by domestic suppliers and pensioners, decreased to TZS 32.4 billion, from TZS 36.0 billion recorded in similar period a year earlier. The Zanzibar Port Corporation debt stock remained unchanged at TZS 3.9 billion, and accounted for 10.8 percent of total domestic debt.

Domestic Debt by Maturity

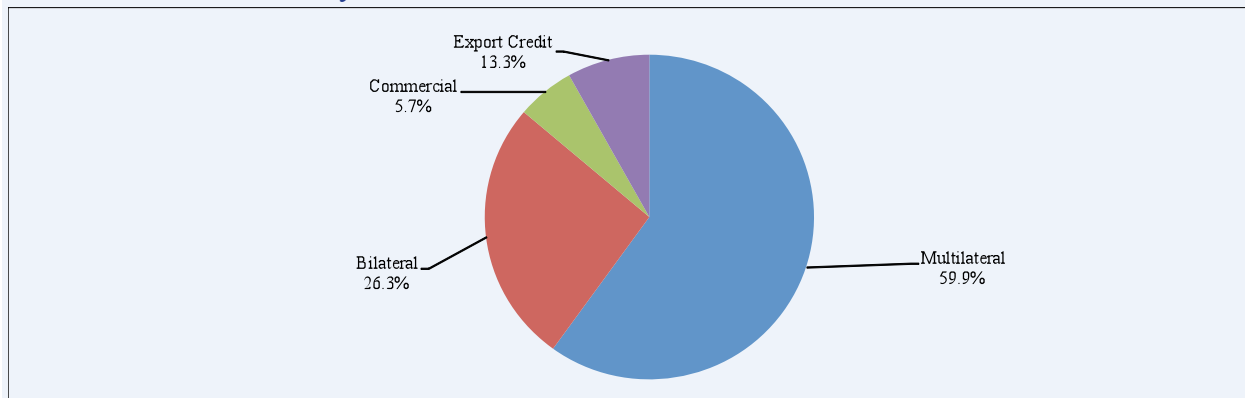
Debt with maturity of less than one year which accounted for 50.0 percent of the total domestic debt stock, stood at TZS 18.1 billion up from TZS 11.5 billion recorded at the end of June 2010. Debt maturing between 2 and 5 years amounted to TZS 14.8 billion and constituted 40.6 percent of the total domestic

debt. Domestic debt with 'undetermined maturity' (pensioner's claims, supplier's credits) was TZS 3.4 billion or 9.3 percent of total domestic debt.

External Debt

Zanzibar total external debt stock as at the end of June 2011 stood at USD 79.4 million, compared with USD 61.5 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 67.6 million, or 85.1 percent of the external debt, while the remaining portion was non-guaranteed debt. Classification of external debt by creditor category indicated that multilateral creditors were the largest at USD 47.6 million, followed by bilateral creditors (USD 20.9 million), export creditors (USD 6.4 million) and commercial creditors (USD 4.5 million). Shares of external debt by creditor category are shown in [Chart 6.7](#).

Chart 6.7: External Debt by Creditor as at End – June 2011



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

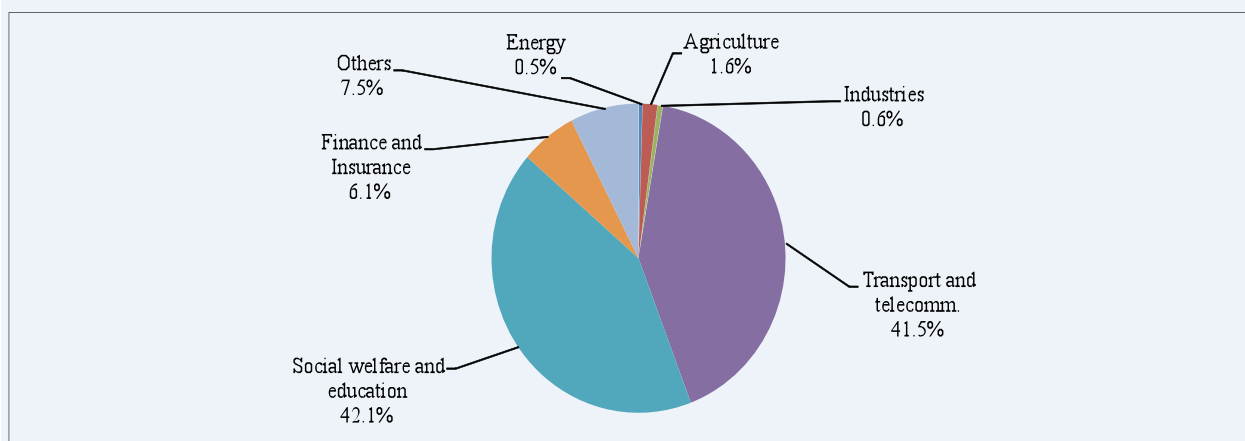
External Debt by Maturity

During the period under review, the Zanzibar total external debt stock continued to be dominated by those with long term maturity. Debt with maturity of above 20 years was USD 42.7 million, up from USD 40.1 million recorded in the corresponding period in 2010, and accounted for 53.8 percent of the total external debt. Debt maturing between 5 and 10 years stood at USD 31.8 million or 40.1 percent of the total external debt; whereas debt with maturity between 10 and 20 years amounted to USD 4.9 million.

External debt by Use of Funds

The largest beneficiaries of external debt were Social Welfare and Education sub-sector which received USD 33.5 million or 42.1 percent of total external debt stock, followed by transport and communication sub-sector with USD 33.0 million or 41.5 percent. Finance and Insurance received USD 4.9 million, representing 6.1 percent of total external debt. Agriculture and industries sectors received USD 1.3 million and USD 0.5 million, respectively. Other sectors received USD 6.4 million, equivalent to 8.0 percent of total external debt (**Chart 6.8**).

Chart 6.8: External Debt by Use of Funds as at End - June 2011



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

External Sector Developments

During the year ending June 2011, Zanzibar current account recorded a surplus of USD 15.0

million, up from USD 12.5 million recorded in the preceding year. This development is mainly attributed to increase in tourism receipts and decline in foreign payments (**Table 6.10**).



Table 6.10: Zanzibar Current Account Balance

Millions of USD

Item	Year Ending June					% Change
	2007	2008	2009	2010	2011P	
Goods Account (net)	-61.2	-78.0	-76.1	-69.4	-88.9	28.1
Exports	15.9	16.3	21.1	21.3	15.3	-28.2
Imports (fob)	77.1	94.2	97.3	90.7	104.3	15.0
Services Account (net)	41.5	33.5	31.3	27.7	55.1	98.9
Receipts	92.2	85.5	97.4	100.8	111.4	10.5
Payments	50.7	52.0	66.0	73.0	56.3	-22.9
Goods and Services (net)	-19.6	-44.4	-44.8	-41.7	-33.9	-18.7
Exports of Goods and Services	108.1	101.8	118.5	122.1	126.8	3.8
Imports of Goods and Services	127.7	146.2	163.3	163.8	160.6	2.0
Income Account (net)	0.1	-1.5	-8.7	-11.5	-1.4	-87.8
Receipts	0.2	-0.6	-4.2	-5.5	0.2	103.6
Payments	0.1	0.8	4.5	5.9	1.6	-72.9
Current Transfers (net)	56.4	53.7	41.9	65.7	50.2	-23.6
Inflows	56.4	53.7	41.9	65.7	50.2	-23.6
Outflows	0.0	0.0	0.0	0.0	0.0	
Current Account Balance	36.9	7.8	-11.6	12.5	15.0	20.0

Note: P = Provisional

Source: Tanzania Revenue Authority and BOT computations.

Exports Performance

During the year ending June 2011, total export of goods and services increased to USD 126.8 million, from USD 122.1 million registered

in the corresponding period in 2010, mainly driven by an increase in tourism receipts. Goods export declined mainly due to a fall in volume of cloves and seaweed exports ([Table 6.11 and Charts 6.9](#)).

Table 6.11: Zanzibar Goods Exports by Major Categories

Millions of USD

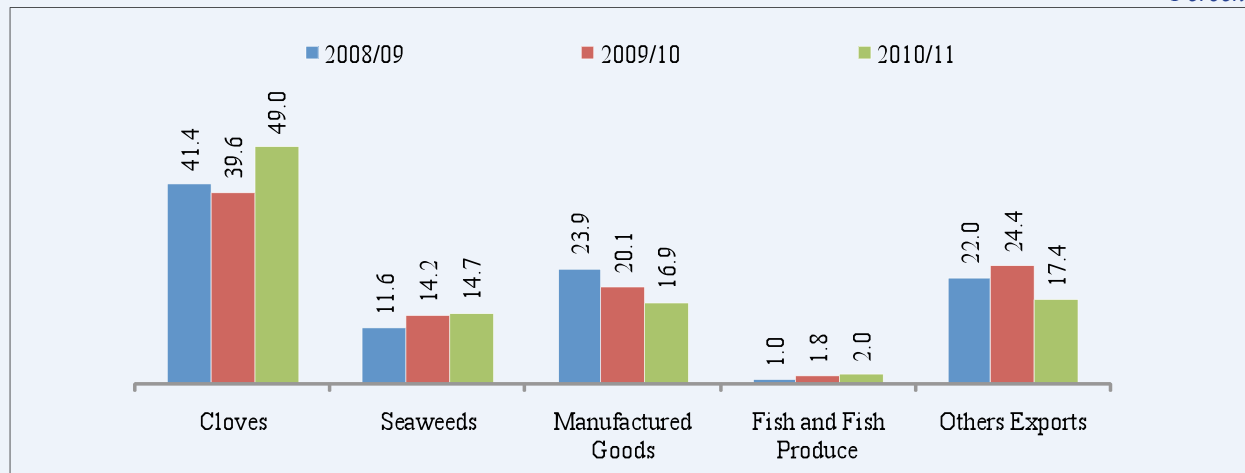
Item	Units	Year Ending June					% Change
		2007	2008	2009	2010	2011 ^P	
Traditional:							
Cloves							
Value	Millions	9.7	4.3	8.7	8.4	7.5	-10.7
Volume	000 Tons	3.0	1.1	2.4	2.4	2.1	-12.5
Unit Price	USD/Ton	3,206.8	3,870.1	3,586.0	3,562.7	3,631.5	1.9
Non-Traditional:							
Seaweeds							
Value	Millions	1.8	2.5	2.4	3.0	2.3	-23.3
Volume	000 Tons	8.3	9.9	10.2	11.6	8.3	-28.4
Unit Price	USD/Ton	215.6	254.2	239.5	260.7	271.1	4.0
Manufactured Goods	Millions	2.8	4.1	5.1	4.3	2.6	-39.5
Fish and Fish Produce	Millions	0.1	0.2	0.2	0.4	0.3	-25.0
Others Exports	Millions	1.4	5.1	4.7	5.2	2.7	-48.1
Sub Total	Millions	6.1	11.9	12.4	12.8	7.8	-39.1
Grand Total	Millions	15.9	16.3	21.1	21.3	15.3	-28.2

Note: P = Provisional

Source: Tanzania Revenue Authority and BOT computations

Chart 6.9: Zanzibar Composition of Goods Exports

Percent



Source: Tanzania Revenue Authority and BOT computations

Import Performance

During the year ending June 2011, total import of goods and services declined to USD 160.6 million, from USD 163.8 million recorded in

similar period in 2010, largely attributed to a decrease in payment of services. However, goods import (c.i.f) rose mainly due to a rise in oil imports and construction equipments for roads and airport (Table 6.12).

Table 6.12: Zanzibar Imports by Major Categories

Millions of USD

Import Category	Year Ending June					% Change 2010 - 2011
	2007	2008	2009	2010	2011 ^P	
Capital Goods	43.6	43.1	45.4	38.0	42.1	10.8
Transport Equipment	13.2	24.0	26.8	19.3	15.7	-18.7
Building and Constructions	12.5	6.0	8.7	7.3	9.2	26.0
Machinery	17.8	13.0	9.9	11.4	17.2	50.9
Intermediate Goods	21.8	38.1	38.8	42.4	53.9	27.1
Oil imports	16.5	29.1	28.9	37.3	50.7	35.9
Industrial raw materials	5.4	9.0	10.0	5.1	3.2	-37.3
Consumer Goods	19.3	22.4	22.6	19.3	18.6	-3.6
Food and food stuffs	5.0	9.4	6.5	7.3	7.2	-1.4
All other consumer goods	14.2	13.0	16.1	12.0	11.4	-5.0
Grand Total (c.i.f)	84.7	103.5	106.9	99.7	114.6	14.9

Note: P = Provisional

Source: Tanzania Revenue Authority

Services and Income Accounts

During the year ending June 2011, the balance in services account registered a surplus of USD 55.1 million, compared to a surplus of USD 27.7 million recorded in the corresponding

period in 2010. The income account balance for the year ending June 2011 registered a surplus of USD 0.2 million, compared to a deficit of USD 5.5 million registered in the similar period in 2010 (Table 6.13).



Table 6.13: Services and Income Account

Millions of USD

		Year Ending June					% Change 2010 - 2011
		2007	2008	2009	2010	2011 ^P	
A. Services Account	Net	41.5	33.5	31.3	27.7	55.1	98.9
	Receipt	92.2	85.5	97.4	100.8	111.4	10.5
	Payment	50.7	52.0	66.0	73.0	56.3	-22.9
B. Income Account	Net	0.2	-0.6	-4.2	-5.5	0.2	-87.8
	Receipt	0.3	0.2	0.3	0.4	1.8	103.6
	Payment	0.1	0.8	4.5	5.9	1.6	-72.9

Source: Commercial Banks, Non-banks, Bureaus de Change and Bank of Tanzania



CHAPTER SEVEN

INTERNATIONAL ECONOMIC AND FINANCIAL DEVELOPMENTS

Global Economic Developments

The worldwide recovery trend remained impressive. The global economy grew by 5.0 percent in 2010 compared with negative 0.5 percent recorded in the previous year (**Table 7.1**). The economic recovery in 2010 was attributable to the worldwide adoption of supportive economic policy stance in the advanced and emerging economies since early 2009. Strong growth was recorded in Developing Asia, Newly Industrialized Asian economies and ASEAN – 5.

In the United States, the economic recovery continued, with easing financial conditions supporting private final demand against higher commodity prices during the period under review. As shown in **Table 7.1**, real GDP during the year under review grew by 2.8 percent from a contraction of 2.6 percent recorded in 2009. Durable-goods manufacturing, retail trade and information and communication technology (ICT) industries contributed significantly to the upturn in the U.S. economic growth. Unemployment rate declined though the pace of improvement in the labour market remained disappointing due to size of job losses during recession.

The Euro zone economy registered a modest recovery in 2010, growing at a rate of 1.8 percent from a contraction of 4.1 percent in 2009, driven by export-led growth in Germany and France (**Table 7.1**). However, the growth was not uniform as some Europe's peripheral countries (Greece, Spain, Portugal

and Ireland) experienced sluggish growth as a result of fiscal austerity to cope with sovereign risk problems, among other factors. Renewed financial turbulence in peripheral countries of the Euro zone during the last quarter of 2010 is a case in point. Notably, concerns about banking sector losses and fiscal sustainability led to widening sovereign spreads in these countries. Financial markets were severely affected by the Greek financial crisis coupled with requests for financial support by Ireland and Portugal. Sovereign risk problems in some peripheral European countries and the potential effects on global financial markets remain a major concern.

Emerging and commodity-exporting economies such as China, Brazil and India continued to experience strong growth amid robust domestic demand and foreign capital inflows. On average, economies of Developing Asia alone grew by 9.5 percent during 2010 (**Table 7.1**). The good performance was on account of strong growth in investments, foreign trade and domestic demand for consumer and durable goods as well as increased export demand.

Real GDP growth in Africa went up from 2.8 percent in 2009 to 4.6 percent in 2010 (**Table 7.1**). Sub-Saharan Africa (SSA) alone recorded a growth rate of 5.0 percent, up from 2.8 percent in the previous year. Strong growth in SSA was recorded in Congo Republic (9.1 percent), Zimbabwe (9.0 percent), Botswana (8.6 percent), Nigeria (8.4 percent) and Ethiopia (8.0 percent).



Table 7.1: World Real Gross Domestic Product Growth

	Percent				
	2006	2007	2008	2009	2010
World	5.1	5.2	3.0	-0.5	5.0
Advanced Economies	3.0	2.8	0.5	-3.2	3.0
United Kingdom	2.9	2.6	0.5	-4.9	1.3
Germany	3.2	2.5	1.2	-4.7	3.5
Japan	2.0	2.4	-1.2	-6.3	3.9
USA	2.7	2.1	0.4	-2.6	2.8
Italy	2.0	1.5	-1.3	-5.2	1.2
France	2.4	2.3	0.3	-2.7	1.4
Canada	2.9	2.5	0.4	-2.5	3.1
Euro Zone (17 countries)	3.0	2.8	0.6	-4.1	1.8
European Union (27 countries)	3.4	3.1	0.9	-4.3	1.8
Africa	6.8	6.1	5.1	2.8	4.6
Sub-Saharan	6.5	6.9	5.5	2.8	5.0
Developing Asia	9.8	10.6	7.6	7.2	9.5
China	11.6	13.0	9.6	8.7	9.2
India	9.8	9.4	7.3	6.8	10.4
ASEAN- 5	6.0	6.6	4.6	1.3	7.0
Indonesia	5.5	6.3	6.0	4.5	6.1
Malaysia	5.8	6.2	4.6	-1.7	7.2
Philippines	5.3	7.1	3.8	0.9	7.3
Thailand	5.1	4.9	2.5	-2.3	7.8
Vietnam	8.2	8.5	6.3	5.3	6.8
Middle East**	6.4	7.4	7.9	2.5	4.8
Newly Industrialized Asian Economies	5.8	5.8	1.8	-0.9	8.4
Hong Kong	7.0	6.4	2.1	-2.7	6.8
Korea	5.2	5.1	2.3	0.2	6.1
Singapore	8.7	8.2	1.4	-2.0	14.5
Taiwan Province of China	5.4	6.0	0.7	-1.9	10.8

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

Source: Central Banks, National Statistical Offices, IMF, World Economic Outlook April 2011

Global Inflation Developments

Global economic recovery in 2010 was accompanied by upward pressure on prices. As depicted in Table 7.2, inflation increased in all regions except Africa. In the advanced economies, inflation went up to 1.6 percent in 2010 from 0.1 percent in 2009. Euro zone, Developing Asia, ASEAN-5 and Newly Industrialized Asian economies also recorded increases in inflation largely due to the rise in prices of food and oil. To ease inflationary pressure, emerging and commodity-exporting economies tightened their monetary policies. Inflation in Sub-Saharan Africa (SSA) declined from 10.6 percent to 7.5 percent in 2010. However, it remained the highest among all regions. High food and fuel prices in the world market are the major factors of the high inflation in the region. Countries which

recorded high rates of inflation included Congo DR (23.5%), Sierra Leone (17.8%), Guinea (15.5%), Sao Tome and Principe (14.4%), Eritrea and Mozambique (12.7% each), and Ghana (10.7%). Oil exporting countries such as Angola and Nigeria also recorded double digit inflation rates of 14.5 percent and 13.7 percent respectively.

Inflation in the United States increased to 1.6 percent in 2010 from a deflation of 0.3 percent in the previous year (Table 7.2). As the economic recovery continued, total private consumption demand rose and continued to put pressure on the output gap. Consequently, prices for food, energy and fuels went up, thus exerting pressure on inflation in 2010. Inflation in the Euro zone rose by 1.3 percentage points to 1.6 percent with Greece recording the highest inflation rate of 4.7 percent amid the sovereign debt crisis.



Table 7.2: World Consumer Price Index Inflation

	<i>Percent</i>				
	2006	2007	2008	2009	2010
Advanced Economies	2.4	2.2	3.4	0.1	1.6
United Kingdom	2.3	2.3	3.6	2.2	3.3
Germany	1.8	2.3	2.8	0.2	1.2
Japan	0.3	0.0	1.4	-1.3	-0.7
USA	3.2	2.9	3.8	-0.3	1.6
Italy	2.2	2.0	3.5	0.8	1.6
France	1.9	1.6	3.2	0.1	1.7
Canada	2.0	2.1	2.4	0.3	1.8
Euro Zone	2.2	2.1	3.3	0.3	1.6
European Union	2.3	2.4	3.7	1.0	2.1
Africa	5.7	6.5	10.1	8.1	6.7
Sub-Saharan Africa	7.3	7.1	11.6	10.6	7.5
Developing Asia	4.2	5.4	7.4	3.1	6.0
China	1.5	4.8	5.9	-0.7	3.3
India	6.2	6.4	8.3	10.9	13.2
ASEAN- 4	6.9	3.3	7.5	2.0	3.5
Indonesia	13.1	6.0	9.8	4.8	5.1
Malaysia	3.6	2.0	5.4	0.6	1.7
Philippines	6.2	2.8	9.3	3.2	3.8
Thailand	4.6	2.2	5.5	-0.8	3.3
Middle East**	7.5	10.0	13.5	2.3	4.8
Newly Industrialized Asian Economies	1.6	2.2	4.5	1.3	2.3
Hong Kong	2.0	2.0	4.3	0.5	2.4
Korea	2.2	2.5	4.7	2.8	3.0
Singapore	1.0	2.1	6.5	0.2	2.8
Taiwan Province of China	0.6	1.8	3.5	-0.9	1.0

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

Source: Central Banks, National Statistical Offices, IMF, World Economic Outlook April 2011

Global Monetary Policy Developments

During the period under review, the U.S. Federal Reserve continued to maintain bank rate of between 0.0 and 0.25 percent per year. Other advanced economies including those of United Kingdom, Japan and Switzerland also maintained low interest aimed at encouraging private investment sufficient to address output

gaps, unemployment and stimulate industrial production to meet private consumption demand. Some other advanced economies including Australia, Canada, Israel, Korea, Norway and Sweden raised bank rates in the awake of stronger economic conditions and underlying price pressures. Most of the policy rates in these economies have been kept in a 1.00 percent to 3.00 percent range in order to accommodate increased demand for bank credits to address output gaps (Table 7.3).



Table 7.3: World Key Policy Rates

Country	Percent		
	2009	2010	Date of Change
US	0.0 - 0.25	0.0 - 0.25	16-Dec-08
Canada	0.25-0.75	1.0	8-Sep-10
Australia	3.25-3.75	4.75	1-Nov-10
New Zealand	4.66-2.43	2.42-2.88	9-Mar-11
Japan	0.0-0.10	0.05	5-Oct-10
UK	0.5	0.5	5-Mar-09
Euro zone	2.00-1.00	1.0	13-Apr-11
Switzerland	0.25	0.25	12-Mar-09

Source: Central Banks and Bloomberg, 2011

Regional Economic Developments

The Southern African Development Community (SADC)

The real GDP growth rate in the SADC region averaged 5.3 percent in 2010, up from 2.3 percent registered in 2009. The increase

was largely attributed to favourable weather conditions which bolstered agricultural production. In addition, continued global economic recovery, prudent macroeconomic policies, increase in mining activities and favourable world commodity prices were also behind this development. All countries in the region recorded positive growth rates in 2010 (Table 7.4).

Table: 7.4: Real GDP Growth for SADC Member States

Country	Percent				
	2006	2007	2008	2009	2010 ^P
Angola	18.6	20.3	16.6	2.4	3.4
Botswana	5.1	4.8	3.1	-3.7	7.2
DRC	5.6	6.3	6.2	2.8	7.2
Lesotho	4.7	4.5	4.7	2.4	2.5
Madagascar	5.0	6.2	7.1	-4.6	2.6
Malawi	7.7	5.8	8.6	7.6	7.1
Mauritius	4.5	5.9	5.5	3.1	4.3
Mozambique	8.5	7.3	6.5	6.3	6.8
Namibia	4.6	3.8	3.4	-0.8	4.6
Seychelles	9.5	9.6	-1.3	0.7	6.2
South Africa	5.6	5.5	3.7	-1.7	2.8
Swaziland	3.3	3.5	2.6	1.2	2.0
Tanzania	6.7	7.1	7.4	6.0	7.0
Zambia	6.2	6.2	5.7	6.4	7.6
Zimbabwe	-3.5	-3.7	-17.7	5.7	8.1
SADC Average	6.1	6.2	4.1	2.3	5.3

Note: P = Provisional

* Ceased to be a member of SADC since 2005

Source: IMF, World economic outlook Database, April 2011, SADC Central Banks,

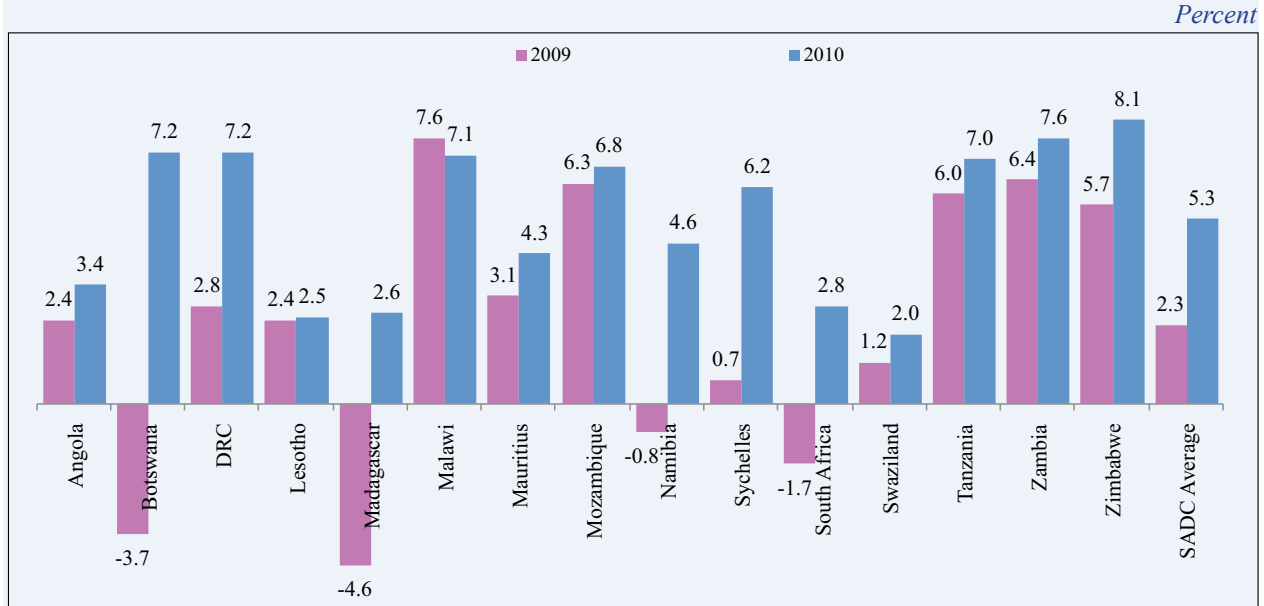
Botswana, Democratic Republic of Congo, Malawi, Tanzania, Zambia and Zimbabwe recorded GDP growth rates of at least 7.0 percent. Zimbabwe's high growth rate was

largely driven by rapid expansion of mining output, exports and agriculture production. Growth in Botswana was driven by mining, trade, tourism and construction sectors.

Zambia's growth was largely driven by a booming copper industry. **Chart 7.1**

summarizes the annual real GDP growth for SADC member states for 2009 and 2010.

Chart 7.1: Annual Real Gross Domestic Product for SADC Member States



Source: SADC Central Banks, 2011

Inflation Development

The average inflation rate in the SADC region decelerated to 7.3 percent in 2010, compared to 12.4 percent recorded in 2009. The decrease in inflation in the region was largely due to favourable weather condition which boosted production of food crops and thereby easing pressures on food prices. Angola and Mozambique are the only countries whose inflation rates increased (**Table 7.5**).

The high inflation in Mozambique was mainly attributed to removal of fuel subsidies in

March-August 2010 and poor agricultural production. Likewise, the inflation rate in Angola slightly increased partly due to depreciation of Angolan Kwanza against the US dollar and sharp increases in petrol and diesel prices following the removal of fuel subsidies. Although most of the SADC member states registered single digit inflation rates, only Mauritius, Zimbabwe, Swaziland, South Africa, Namibia and Lesotho achieved the agreed convergence criteria level of the inflation rate of less than 5.0 percent.



Table 7.5: Inflation Rates for SADC Member States

Country	Percent				
	2006	2007	2008	2009	2010 ^P
Angola	13.3	12.2	12.5	13.7	14.5
Botswana	11.6	7.1	12.6	8.1	6.9
DRC	13.2	16.7	18.0	46.1	23.5
Lesotho	6.1	8.0	10.8	7.2	3.7
Madagascar	10.8	10.4	9.2	9.0	9.0
Malawi	13.9	7.9	8.7	8.4	7.4
Mauritius	8.7	8.6	9.7	2.5	2.1
Mozambique	13.2	8.2	10.3	3.3	12.7
Namibia	5.1	6.7	10.3	8.8	4.5
Seychelles*	-1.9	5.3	37.0	31.8	-2.5
South Africa	4.7	7.1	11.6	7.5	4.3
Swaziland	5.3	9.7	13.1	7.5	4.5
Tanzania	7.3	7.0	10.3	12.1	7.2
Zambia	9.0	10.7	13.4	13.4	8.5
Zimbabwe	1,016.7	6,273.7	1,594,745.0	6.5	3.1
SADC Average	75.8	426.6	106,328.8	12.4	7.3

Note: P = Provisional

* Ceased to be a member of SADC since 2005

Source: IMF, World Economic Outlook Database, April 2011

External Sector Development

Performance of the external sector, measured by the ratio of current account balance to GDP, in the SADC region slightly improved to an overall deficit of 7.0 percent in 2010 compared with a deficit of 8.6 percent in 2009 (Table 7.6). The improvement in the current account balance largely reflected recovery of export performance in the region driven by the increase in world commodity prices. All SADC member countries recorded current account deficit in 2010 except Angola, Botswana and Namibia. The current account surplus was due to increased exports of oil in Angola, and diamond in Botswana and Namibia.

Countries that experience widening current account deficits were Democratic Republic of Congo, Malawi, Mauritius and Zimbabwe. The deterioration of the current account deficit in Malawi and Mauritius was attributed to the increase in world oil and food prices. Zimbabwe's current account balance deteriorated due to huge imports bill for food items, fuel and electricity coupled with sluggish growth in exports. The current account convergence criterion (a ratio of the current account deficit to GDP of not more than 9 percent) was met by nine member countries.



Table 7.6: Current Account as Percentage of GDP in SADC Member States

Country	2006	2007	2008	2009	2010 ^P
Angola	27.5	15.7	8.6	-11.3	8.7
Botswana	17.2	15.0	7.5	-5.0	5.9
DRC	-2.7	-1.1	-17.9	-10.0	-13.3
Lesotho	4.7	13.9	7.9	-0.2	-4.7
Malawi	-12.5	1.0	-10.2	-18.5	-19.9
Mauritius	-9.1	-5.4	-10.1	-7.4	-8.2
Mozambique	-10.7	-9.7	-11.9	-12.0	-9.0
Namibia	13.9	9.1	2.7	3.2	4.0
South Africa	-5.3	-7.0	-7.1	-4.1	-2.8
Swaziland	-10.3	-5.2	-11.1	-13.0	-9.9
Tanzania	-7.6	-10.0	-11.1	-8.5	-8.0
Zambia	-0.4	-6.5	-7.2	-4.2	-3.8
Zimbabwe	-8.6	-7.2	-23.2	-20.3	-30.5
SADC Average	-0.3	0.2	-6.4	-8.6	-7.0

Note: P = Provisional

Source: SADC Central Banks, IMF World Economic Outlook Database, April 2011

The East African Community (EAC)

Economic Development

Real GDP in the EAC region expanded by 5.8 percent on average in 2010 from 5.1 percent recorded in 2009. This development was attributed to favourable weather condition, increase in manufacturing and construction activities, stable macroeconomic environment and high world commodity prices (**Table 7.7**). All EAC Partner States except Uganda recorded an increase in real GDP growth in 2010 when compared with 2009.

Rwanda recorded the highest real GDP growth rate of 7.5 percent followed by Tanzania (7%), while Burundi recorded the lowest growth rate of 3.9 percent. In Tanzania, growth was particularly strong in communications, financial intermediation and construction activities. GDP growth in Kenya was mainly driven by improved weather condition, and higher prices for Kenyan exports, whereas that of Rwanda was mainly attributed to an increase in exports, expansion in output in services and construction sectors. Burundi real GDP was driven by strong expansion in social infrastructure. In contrast, real GDP in Uganda decelerated due to poor performance of cash crops, forestry and fish sub-sectors.



Table 7.7: Real Gross Domestic Product for EAC Partner States

Country	2006	2007	2008	2009	2010 ^P
Kenya	6.3	7.1	1.6	2.6	5.6
Tanzania	6.7	7.1	7.4	6.0	7.0
Uganda	5.5	7.7	10.4	7.2	5.2
Burundi	5.1	3.6	4.5	3.5	3.9
Rwanda	9.2	7.7	11.6	6.1	7.5
EAC Average	6.6	6.6	7.1	5.1	5.8

Note: P = Provisional

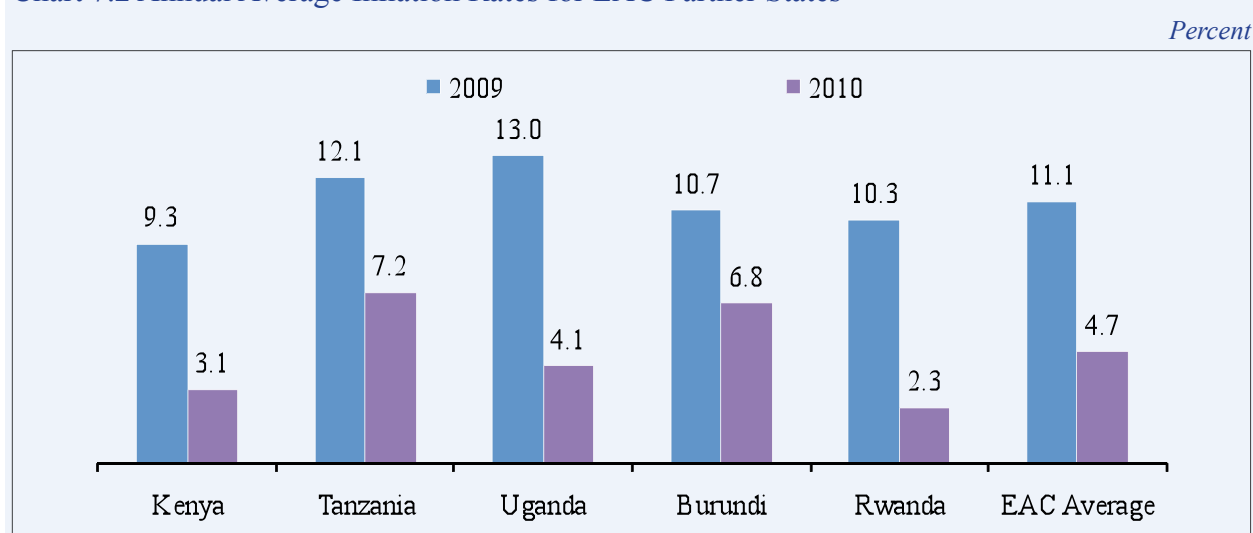
Source: National Statistical offices and IMF World Economic Outlook Database April, 2011

Inflation Development

During the period under review, the average inflation rate in the EAC region decelerated to 4.7 percent in 2010 from 11.1 percent recorded

in 2009 on account of improvement in food supply. Inflation in Kenya, Rwanda and Uganda were below the agreed convergence criteria rate of less than 5.0 percent by 2010 (**Chart 7.2**).

Chart 7.2 Annual Average Inflation Rates for EAC Partner States



Source: National Statistical Offices

Intra-regional Trade Development

Tanzania's exports to EAC countries increased except Uganda (**Table 7.8**). Tanzania's major exports to the EAC region included tea, wood, petroleum products, maize, fish and fish products, palm oils, rice, iron and steel, plastic

items, sacks and bags. Meanwhile, Tanzania's imports from EAC region decreased to USD 299.0 million in 2010 from USD 317.1 million registered in 2009. Tanzania's major imports included cement, textiles, paper and paper boards, wood and article of wood.



Table 7.8: Tanzania's Trade with other EAC Partner States

	2006	2007	2008	2009	2010 ^P
<i>Tanzania's Trade with Kenya</i>					
A. Export to Kenya	103.7	123.4	252.7	192.9	210.6
B. Import from Kenya	215.3	103.3	430.7	304.5	279.1
Trade Balance (A-B)	-111.6	20.1	-178.0	-111.6	-68.5
<i>Tanzania's Trade with Uganda</i>					
A. Export to Uganda	43.7	46.1	64.4	89.1	60.4
B. Import from Uganda	5.4	6.5	17.2	12.1	17.9
Trade Balance (A-B)	38.3	39.6	47.2	77.0	42.5
<i>Tanzania's Trade with Burundi</i>					
A. Export to Burundi	38.0	70.9	20.7	25.1	37.1
B. Import from Burundi	0.0	0.0	0.4	0.3	0.6
Trade Balance (A-B)	38.0	70.9	20.2	24.8	36.5
<i>Tanzania's Trade with Rwanda</i>					
A. Export to Rwanda	5.6	17.6	22.5	16.4	86.4
B. Import from Rwanda	0.2	0.0	0.5	0.2	1.4
Trade Balance (A-B)	5.4	17.6	22.0	16.2	85.0
A: Total Exports to EAC	191.0	258.0	360.2	323.5	394.5
B: Total Imports from EAC	220.9	109.8	448.9	317.1	299.0
Trade Balance (A-B)	-29.9	148.2	-88.6	6.4	95.5

Note: P = Provisional

Source: EAC Central Banks and Tanzania Economic Survey, 2010,

Export shares of Tanzania to Kenya and Uganda slowed down to 53.4 percent and 15.3 percent in 2010 from 59.6 percent and

27.5 percent in 2009, respectively, whereas those with Burundi and Rwanda increased (Table 7.9).

Table 7.9: Tanzania's Shares of Trade with EAC Partner States

	2006	2007	2008	2009	2010 ^P
<i>Percent</i>					
Share of Exports to:					
Kenya	54.3	47.8	70.2	59.6	53.4
Uganda	22.9	17.9	17.9	27.5	15.3
Burundi	19.9	27.5	5.7	7.8	9.4
Rwanda	2.9	6.8	6.2	5.1	21.9
Total	100.0	100.0	100.0	100.0	100.0

Note: P = Provisional

Source: EAC Central Banks and Tanzania Economic Survey, 2010

Future Prospects of Global Economy

World Economic Outlook (WEO) growth projections suggest that global economic recovery will continue in 2011. The economy is projected to grow at 4.4 percent and 4.5 percent per year in 2011 and 2012, respectively. These growth projections are modestly lower than 5.0 percent in 2010. Output growth in advanced economies is expected to slowdown to 2.5 percent in 2011 and 2.6 percent in 2012,

mainly due to weak sovereign balance sheets, volatile real estate markets in the Euro zone, rising commodity prices, and financial risks resulting from high funding requirements of banks and sovereigns. High growth is projected in emerging and developing economies at about 6.5 percent in both 2011 and 2012.

Output growth in Sub-Saharan Africa is projected to rise to 5.5 percent in 2011 and 5.9 percent in 2012. For the EAC region, real



GDP is projected to grow by 6.1 percent and 6.5 percent in 2011 and 2012, respectively, while for the SADC region growth rates are expected to be 4.6 percent in 2011 and 5.3 percent in 2012.

Implications to the Tanzania's Economy

Projection of the global economy indicates that the recovery will continue but high commodity price pressures are expected to mount. As for economic activity, industrial production, domestic demand for consumer goods and private consumption will gain momentum towards revival in advanced economies, emerging and developing economies. This implies that global demand for Tanzania commodity exports will likely increase.

The modest recovery experienced in 2010 created high demand in foreign markets in which Tanzania's exports increased by almost 38.0 percent to USD 6,108.52 million as compared with previous year's exports. Thus, the projected economic recovery in our major export destinations will boost Tanzania's exports. Key market destinations for Tanzania's exports in 2010 were Switzerland (15.3 percent), China (11.2 percent), South Africa (7.4 percent), India (5.1 percent) and Japan (4.6 percent). However, expectations for high inflation in advanced and emerging economies are likely to exert inflationary pressure on Tanzania's economy.



PART II
BANK OF TANZANIA OPERATIONS



Strategic Planning and Performance Review

During the period under review, the Bank finalised preparation of a Project Management Framework which was approved by the Board on 2nd December 2010 and it is now operational. The objective of the framework is to enhance efficiency in project management and implementation at the Bank. Also, the Bank undertook the following additional activities:

- (i) Enhanced the Corporate Plan Information System (CPIS) Version 1.0 with a view to facilitate linking of the Bank's plans with budget.
- (ii) Organized a retreat for the Planning Team in October 2010 during which the Bank's Annual Plan Performance Report for 2009/10 was reviewed and priority areas for the 2011/12 were set.
- (iii) Conducted training on projects in a controlled environment (PRINCE2) for Projects and Portfolio Management to the management staff.
- (iv) Continued to implement activities planned under the Second Generation Financial Sector Reforms Programme (SGFSR). Several studies were conducted including: feasibility for establishing Tanzania Agricultural Development Bank, actuarial valuation for all pension funds in Tanzania mainland and Zanzibar, and development of regulations for Islamic banking.

Financial Markets

During 2010/11, the Bank continued to manage credit guarantee schemes on behalf of the Government under an agency agreement pending formation of an independent institution. The management of the schemes involved:

- Issuing credit guarantees in accordance with the Credit Guarantee Schemes

(CGS) guidelines in place;

- Reviewing and implementing CGS policies and guidelines;
- Processing claims against the defaulted guaranteed loans; and
- Monitoring performance of guaranteed loans.

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

- (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.

Banking Supervision

The Bank continued to undertake its core activities of licensing and conducting on-site and off-site surveillance of banks, financial institutions and foreign exchange bureaux 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 governing banking business and bureaux de change operations in Tanzania.

As at 30th June 2011, the banking sector was made up of 43 operating banking institutions of which Njombe Community bank and Advans bank started operations in 2010/11. There were a total of 487 branches and agencies national wide, most of which were concentrated in Dar es Salaam city.



During the period under review, the Bank carried out a review of the Risk Management Guidelines for Banks and Financial Institutions and Risk Based Supervision Framework. The Risk Management Guidelines were revised to enhance risk management practices among banks and financial institutions. The Risk Based Supervision Framework was revised to take into account developments in supervisory principles, standards and best practices, including changes in legal and regulatory environment and introduction of new financial products and services.

To promote the overall standard and quality of banking supervision in line with best international practices, and to harmonize banking supervisory practices in the region, the Bank continued to collaborate with other regional institutions like the East Africa Regional Technical Assistance Centre (East - AFRITAC), Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), East and Southern Africa Anti-money Laundering Group (ESAAMLG), Monetary Affairs Committee (MAC) of the East African Community, Committee of Central Bank Governors (CCBG) and Committee of Central Bank Officials (CCBO) in SADC.

Major Balance Sheet Items in the Banking Sector

During the period under review, the banking sector was adequately capitalized with total capital amounting to TZS 1,618.7 billion from TZS 1,424.2 billion recorded in the previous year. The ratios of Core Capital and Total Capital to Risk Weighted Assets and off Balance Sheet Exposures were 17.5 percent and 18 percent, respectively, compared to the legal minimum requirements of 10 percent and 12 percent, respectively. The ratio of total capital to total assets was 10.7 percent, indicating that more than 10 percent of the banking sector's assets were financed by shareholders'

funds. The total assets of the banking sector increased by 19.6 percent from TZS 11,392.2 billion recorded in 2010 to TZS 13,635.1 billion. Loans increased by 23.4 percent from 5,106.2 billion in 2010 to TZS 6,300.1 billion. Out of the total loans 34.9 percent were foreign currency denominated. Total deposits continued to demonstrate an increasing trend with an increase of 21.0 percent from TZS 9,306.5 billion in 2010 to TZS 11,257.9 billion. Out of the total deposits, 32.9 percent were in foreign currency. Lending to private sector was 19.7 percent of GDP, while lending to non-government sector (private sector plus public corporations and parastatals) accounted for 20.4 percent of GDP.

The banking sector continued to be profitable with an after tax profit of TZS 136.2 billion compared to TZS 104.6 billion recorded in 2010. Return on Average Assets and Return on Equity stood at 2.98 percent and 17.91 percent, respectively. Liquidity continued to be high as reflected by the ratios of Liquid Assets to Demand Liabilities and Gross Loans to Total Deposits, which stood at 42.8 percent and 61.4 percent compared with the regulatory minimum and maximum limits of 20 percent and 80 percent, respectively.

Microfinance Operations

The Bank continued to collaborate with various microfinance stakeholders to ensure compliance with microfinance licensing requirements and regulations. It also reviewed the Banking and Financial Institutions (Financial Cooperative Societies) Regulations of 2005 to incorporate recommendations from Savings and Credit Cooperative Societies (SACCOS) survey and key stakeholders. In addition, the Banking and Financial Institutions (Microfinance Companies and Micro-credit Activities) Regulations of 2005 is being reviewed to incorporate new developments in the microfinance sector.



During the period under review, one deposit taking Microfinance Company, namely EFC Tanzania MFC Limited was licensed.

Banking

The Bank continued with providing Banking services to its customers using modernized infrastructure and payment systems aiming at improving and enhanced security, safe and efficient services. In the period under review, the Bank prepared the Currency Management Policy document which was submitted and approved by the board.

Following an interface between TISS and Ministry of Finance (MOF) systems in July 2010, three MOF accounts were opened in TISS for Recurrent expenditure, Development expenditure and unapplied funds. During the period of review four Government accounts were opened in Central Banking System (CBS) and 233 dormant Government accounts maintained at the Bank were closed to facilitate Government's shift from maintaining four to two sets of General Ledger (GL) accounts. The Bank also contributed in facilitating closure of 13,238 Central Government, Local Government and Primary Education Sector Program (PEDEP) dormant accounts with Commercial Banks. On 3rd May 2011, the Bank opened accounts for a First National Bank (FNB), a new commercial bank in the country.

In order to increase efficiency in currency distribution, the Bank established four safe custody centers in Kigoma, Mtwara, Songea and Tabora in the year ending June 2011.

Human Resource and Administration

At the end of the financial year 2010/11, the Bank had 1,327 employees in the payroll, out of which 884 employees were at the Head Office, Arusha Branch (106), Mwanza Branch

(102), Zanzibar Branch (100), Mbeya Branch (99) and Training Institute (36). Out of the total employees, 41.7% were female and 1,312 employees were on contract employment for an unspecified period of time (pensionable). Professional I category of staff dominated with 478 employees, followed by auxiliary staff (225), Clerks (215), Professional II (147), Assistant Managers (96), Management staff (75), Clerical staff (57) and Advisors (19).

The Bank continued to support capacity building to its employees with a view to exposing them to new knowledge and enabling them to perform their duties more efficiently. During 2010/11, 1,281 staff members attended in-house group courses; 390 specialized short-term courses; 384 workshops, conferences and other training related events including meetings; and 24 employees attended training attachments, while 33 employees were on higher learning studies including PhD. The Bank organized management training programme for all managers and assistant managers as well as a workshop on Balanced Score card to top management and directors.

During the period, as part of compliance to the Employment and Labour Relations Act, 2004, the Bank concluded a recognition agreement with the workers' trade union (TUICO) as well as the agreement on the structure of the Joint Negotiating Council between TUICO and the Bank management. The signing of the two agreements marked the beginning of a renewed relationship between the workers' union and management. Following the recognition agreement, efforts are under way to conclude a collective agreement between TUICO and management.

During 2010/11, the Bank continued to organize retreats for its staff members. Retreats have proved to be useful fora where employees are involved in reviewing performance of their directorates, and also chart out the way forward.



With respect to projects, the Bank is constructing a two storey office extension at Mbeya Branch to accommodate new currency processing machines at the branch. At the same time, construction projects are ongoing at Dodoma and Mtwara to establish currency centers, and in the Coast Region, to put in place a Business Recovery Work Area as part of the implementation of the Business Continuity Management framework.

As part of its social responsibility, the Bank offered full sponsorship to one best student in the Economics Department of the University of Dar es salaam to continue with postgraduate studies. The scholarship was granted under the Gilman Rutihinda Trust Fund which is administered by the Bank. Also, the Bank provided financial support towards improving the standard of education, health campaigns and helping in national disasters. During the period 2010/11, forty (40) requests for donation were granted.

Secretary to the Bank

The year 2010/11 witnessed a number of developments related to the Bank's governance and legislative framework governing banking business in Tanzania. In terms of the Bank's governance, the Permanent Secretary Treasury (PST) ceased to be a member of the Board following passage of **The Written Laws (Miscellaneous Amendments) Act No. 2 of 2010**. The amendment was intended to address potential conflict of interest that PST may face in exercising his/her powers and responsibilities as Permanent Secretary and Board member in parastatal organizations. Pursuant to these legislative changes, Mr. B. Shallanda was appointed a member of the Board representing the Ministry of Finance in the Bank's Board of Directors.

The Monetary Policy Committee (MPC) conducted visits to four central banks with a view to facilitating changes to the MPC

framework of operations. The visits were conducted at the Central Bank of Kenya, Bank of Ghana, Reserve Bank of New Zealand and Bank Negara Malaysia (Central Bank of Malaysia). The objective of the visits was to improve the effectiveness of MPC in the conduct of monetary policy, which is the primary function of the Bank of Tanzania. The changes to the operational framework are intended to enable the MPC to deepen their engagement in the conduct of monetary policy and thereby play its advisory role to the Board in a much more informed and insightful manner.

There were other notable developments in the legislative framework governing banking business. Three sets of regulations were published on 29th April, 2011. These were the Banking and Financial Institutions (Financial Leasing) Regulations, 2011 (GN. No 151 of 2011), Banking and Financial Institutions (Tanzania Mortgage Refinance Company) Regulations, 2011 (GN No. 149 of 2011) and Banking and Financial Institutions (Mortgage Finance) Regulations, 2011 (GN No. 150 of 2011). These three sets of regulations constitute a significant complement to the legislative framework governing development of leasing and mortgage finance businesses in Tanzania.

National Payment Systems

The Bank continued to regulate and provide clearing and settlement services of the national payment systems (NPS), with a view to enhancing safety and efficiency in the systems which are critical for smooth implementation of monetary policy and financial stability in the country. 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.



- **Provision of Payment Settlement Services**

The Bank continued to provide settlement of interbank fund transfer services through the Tanzania Interbank Settlement System (TISS). An interface between TISS and Ministry of Finance (MOF) systems was implemented on 9th July 2010 to enable the Government to initiate payments from their internal systems for settlement in TISS, thus, reducing government expenditure float and minimizing risks associated with large value cheques. The Zanzibar Revenue Board and Tanzania Revenue Authority (Zanzibar) joined the system on 21 April 2011.

- **Implementation of the East Africa Payment System**

In the move to foster regional integration, TISS was upgraded to include a cross border functionality that will 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 Governors of the central banks in May 2011.

- **Provision of interbank payments clearing services**

The Bank continued to facilitate clearing of interbank Tanzanian Shilling (TZS) and United States Dollar (USD) cheques. These services are offered at the Dar es Salaam, Arusha, Mwanza, Zanzibar and Mbeya Clearing Houses. 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.

- **Provision of Settlement Services to card Systems**

The Bank continued to provide settlement services for inter-bank payments emanating from card payments. These

were processed through card switches, namely the Visa member domestic transactions switch (Tanzania National Net Settlement Services) and UmojaSwitch which is owned by a consortium of local banks. The number of automated teller machines (ATMs) that are connected to these switches increased to 1,060 from 924 in 2009/10.

- **Monitoring and Regulating the National Payment Systems**

The Bank continued with oversight operations to ensure safety and efficiency in payments, clearing and settlement systems. The aim is to maintain reliability, integrity and efficiency of payment system, and safeguarding transmission channel for monetary policy. Accordingly, the Bank continued to monitor the operations and conducted risk assessment of the country's payment systems to ascertain compliance to national and international standards on safety and efficiency. The Bank also facilitated the development of new payment instruments so as to promote cooperation, competition and innovation of safe and efficient payments.

The Bank granted a no objection to implementing Tigo Pesa which is offered by MIC Tanzania in collaboration with NBC bank. Other mobile payment services are offered by Vodacom in collaboration with NBC (M-Pesa), Zantel in collaboration with FBME (Z-Pesa), and Airtel in collaboration with Citibank (Airtel Money). The systems are used to transfer cash and payment of utilities such as LUKU and water bills using mobile phones. During the period microfinance institutions utilised the services to disburse and collect loans from their clients. The National Microfinance Bank (NMB) and Tanzania Postal Bank (TPB) launched money transfer services termed PesaFasta and TPB Popote, respectively which enable mobile phone customers to send



money to beneficiaries who do not have bank account. Also, through the facility non bank account holders can withdraw transferred amount from service providers' ATMs.

- **Development of the NPS legal and Regulatory Framework**

The Bank continued to enhance the legal and regulatory framework of the National Payment Systems to ensure that payment systems are defined and protected with sound legal framework. Also, the Bank continued with the development of the Mobile Payments Regulations and shared the draft with various stakeholders.

Economic Research and Policy

Research and Publications

During 2010/11, the Bank conducted research activities aimed at informing policy formulation and implementation. Most of the research work was a collaborative effort between the Bank and the International Growth Center. Four research papers in the areas of exchange rate, dollarization and inflation process in Tanzania were prepared and presented at the Bank's monthly Working Paper Discussion Forum.

Also, the Bank organized a conference of financial institutions in November 2010, which brought together a wide range of policy makers, members of academia and other financial sector stakeholders. The conference provided an opportunity for deliberating and sharing experiences in the areas of financial sector stability and monetary union. In addition, the Bank prepared and circulated to stakeholders various economic publications and reports including monthly, quarterly and annual economic reviews as well as monetary policy statements. A book reviewing the role and functions of the Bank of Tanzania (1961 to 2011) for use during celebrations of 50 years of independence of Tanzania was also prepared.

Data Warehouse Project

During the period under review, the Bank continued with implementation of the Data warehouse solution. The first phase of the project started in May 2010 and was completed in December 2010. The deliverables of the first phase of the Project included: data warehouse systems study and gap analysis, strategic framework and road map as well as technical specification.

Microfinance

During 2010/11, the Bank in collaboration with Ministry of Finance initiated an in-depth review of the National Microfinance Policy (NMP) to address challenges posed by innovations in the financial sector. Also, in order to increase the provision and access to long term finance at affordable rates, the Bank initiated the process to facilitate the establishment of housing microfinance facility. In addition, a financial education framework was set up with the aim of improving financial literacy and capability.

International Visitor's Exit Survey

The Bank in collaboration with the Ministry of Natural Resources and Tourism (MNRT), the National Bureau of Statistics (NBS), Immigration Department and the Zanzibar Commission for Tourism conducted the annual visitor's exit survey. The objective of the survey is to assess the impact of tourism to the economy, improve Balance of Payments and National Accounts statistics, and gather information for promotion of the tourism sector, among others.. The survey targeted six main departure points, namely Julius Nyerere International airport, Kilimanjaro International airport, Zanzibar airport, and border points of Namanga, Kasumulo, and Tunduma.



Foreign Private Capital

The Bank in collaboration with the Tanzania Investment Centre and the National Bureau of Statistics published the Tanzania Investment Report of 2009. The report contains information about companies with foreign liabilities for the years 2007 and 2008. The collaborating institutions adopted software used by Macroeconomic and Financial Management Institute of Eastern and Southern Africa member countries, for processing foreign private capital information. The system is user friendly web based and will facilitate information sharing within the region.

Programme Aid

The Government continued to receive financial assistance from Development Partners for effective implementation of the National Strategy for Growth and Reduction of Poverty (NSGRP). A total of USD 1,002.4 million was disbursed from both the multilateral and bilateral development partners as Programme Aid which was about 98 percent of the total pledges. Out of the total disbursements, grants amounted to USD 735.3 million and the remaining was concessional loans. World Bank and European Union were the leading multilateral partners, whereas United Kingdom, Canada, Germany, Norway and Sweden were the major bilateral partners.

Multilateral development partners and Japan disbursed their general budget support funds under loan arrangement. Funds from other bilateral development partners and the European Union were in the form of grants. Financial assistance received under General Budget Support (GBS) amounted to USD 623.2 million; accounting for about 62 percent of the total funds received through Programme Aid, and the remaining was Basket funds. The leading development partners under the GBS were the United Kingdom, the European Union and the World Bank.

Management Information Systems

During the financial year 2010/2011, the Bank continued to improve IT delivery functions aimed at increasing staff productivity and efficiency. The improvement and new developments were recorded in areas of IT infrastructure, office automation, business applications, maintenance, service support, and overall IT Governance. Other notable developments included:

- Procurement of USTDA contractor for the ICT modernization project in the Bank.
- Enhancement of the Government securities system to facilitate online bidding.
- Development of new financial reporting in compliance with international financial reporting standards requirements.
- Providing interface for the core banking system ready for introduction of currency management system.
- Upgrading SWIFT to alliance connection.

Public Relations

The Bank continued to communicate to members of the public and other stakeholders on various issues related to its core functions and responded to their queries on regular basis. Communication was done through the media and other avenues including trade fairs (Saba Saba and Nane Nane) and public service week. In addition, radio and television programmes were organised and the Governor provided several interviews to the print and electronic media. Following issuance of new currency notes in January 2011, emphasis has been placed on educating the public on the notes security features.

The Bank continued to communicate decisions of the Monetary Policy Committee (MPC) to chief executive officers of financial institutions through monthly meetings.



Conference and Events Management

The Bank through its conference center continued to host local and international events.

International events included meetings organized by World Health Organization, World Bank and the EAC Monetary Affairs Committee. Others were internal events comprising of user units within the Bank.

Regional Integration Initiatives

The Bank continued to undertake a range of tasks with a view to promoting regional economic integration. In December 2010, the Bank organized an extra ordinary meeting of the Monetary Affairs Committee (MAC) to

take stock of the status of implementation of the agreed MAC priorities in transition to the East Africa Monetary Union (EAMU).

The Bank also participated in other various regional meetings intended to spearhead regional economic integration. These included, the 14th Monetary Affairs Committee, the 35th Assembly of the Association of African Central Banks (AACB), the AACB sub-regional meetings, SADC Committee of Central Bank Governors (CCBG), CCBG sub-committees, Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI). In addition, the Bank participated in a number of High Level Task Force (HLTF) meetings to negotiate the EAC Monetary Union Protocol.



BRANCH ACTIVITIES

Arusha Branch

The Branch implemented banking operations, economic activities and administrative issues in line with the Bank's Corporate Plan for 2010/11. Government departments and banks in the Northern zone were provided with banking services. The number of branches of commercial banks in the zone increased from 18 in 2009/10 to 21 in 2010/11.

The Branch continued to implement the clean money policy to ensure good quality bank notes. Visits to Tanga and Kilimanjaro regions were made for the purpose of educating the general public on the security features of bank notes, notes handling and identification of counterfeit notes. The Branch participated in the Farmers Agricultural Trade Fair (Nane Nane) and won the first position in the financial sector category. At that exhibition, the Branch seized the opportunity to educate the general public on the Bank's operations and responded to enquiries on various economic issues.

The Branch continued to monitor economic developments in the Northern zone. In addition, the Branch undertook the following studies:

- Informal Cross Border Trade (ICBT) to establish the magnitude, composition and trend of informal cross border trade at four border posts with Kenya, and
- An assessment of the impact of the Agriculture Sector Development Program.

Mbeya Branch

During 2010/11, the Branch continued to serve and support banking operations in the Southern Highlands zone. With a view to improve the efficiency of the banks and promote access to financial services to the

majority of Tanzania in rural areas, the Branch continued to ensure availability of currency at all times. The main objective was to reduce the cost of doing business to both commercial banks and economic agents. The establishment of a currency center in Songea has not only contributed to the achievement of the objective, but has also reduced the cost of currency supply by reducing the distance over which cash is moved between one BOT office and commercial bank branches in the zone.

The Branch participated in the 2010 Farmers Agricultural Exhibition (Nane Nane), which was held in Mbeya for all the Southern Highlands zone regions. Through this forum, members of the public were educated on the security features of the new bank notes and how to recognize counterfeits. The Branch continued to monitor financial and economic developments in the Southern Highlands zone and participated in the study on Agricultural Sector Development Programme.

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 Nane Nane exhibitions held at Nyamhongolo grounds in August 2010. 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, new payment products, security features of the new banknotes, and identification of counterfeit banknotes. In addition, sensitization programs were conducted in Shinyanga and Kagera on 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.



Zanzibar Branch

During 2010/2011, 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 rice production 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.

Bank of Tanzania Training Institute

During the financial year 2010/11, the Institute continued to coordinate capacity building for the Bank Staff and financial institutions in Tanzania as well as other organizations in the region. A total of 41 courses were conducted, out of which 26 were for the staff of the Bank, while 15 were for financial institutions and other institutions in the region.



PART III
REPORT OF THE AUDITORS



BANK OF TANZANIA

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2011





REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2011

1. INTRODUCTION

The Directors present this report and the audited financial statements for the financial year ended 30 June 2011, 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 currently 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



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

2. STATUTE AND PRINCIPAL ACTIVITIES (Continued)

- To ensure the integrity of the financial system and support the general economic policy of the Government and promote sound monetary, credit and banking conditions conducive to the development of the national economy.

3. REVIEW OF BANK'S PERFORMANCE AND BROAD GOALS

During the year 2010/ 2011 the Bank 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. During the period annual inflation rate was 10.9 percent in June 2011 higher than the target of 5.0 percent set for the year ending June 2011. The increase in inflation rate was mainly attributed to increase in both food and energy prices. Average reserve money grew by 19.3 percent in the year ending June 2011, which was above the target of 18.5 percent. Similarly, broad money supply (M2) grew by 19.4 percent while extended broad money supply (M3) grew by 21.3 percent, broadly in line with the target of 22.0 percent for the year ending June 2011.

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 1,593.9 billion compared with TZS 906.6 billion recorded in the year ending June 2010, largely due to increase in net claims on government and credit to the private sector. Private sector credit grew at 25.7 percent in the year ending June 2011, compared with the projected growth rate of 21.3 percent for the year ending June 2011, and the growth rate of 16.3 percent recorded in the year ending June 2010.

During the period under review, net claims on government by the banking system continued to increase following recourse to overdraft facility from the Bank of Tanzania to bridge cash flow gaps to cater for development expenditure. On net basis, net claims on government stood at TZS 1,503.5 billion at the end of June 2011, up from TZS 712.8 billion recorded at the end of June 2010.

The continued strong growth in banks' credit to the private sector contributed in stimulating economic activity enabling the economy to grow at 7.0 percent in 2010, which is higher than the growth rate of 6.0 percent in 2009. Meanwhile, at the end of June 2011 the Bank accumulated foreign official reserves sufficient to cover 4.4 months of projected imports of goods and services, which is broadly in line with the target.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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

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 despite the impact of the global economic and financial crisis. Effective regulatory system and supervisory oversight contributed to stability of the Tanzanian financial system. Further, low level of interconnectedness to major global financial system cushioned the Tanzanian financial system from global financial crisis.

As at 31st December 2010, the banking sector remained robust and sound with the financial soundness indicators standing generally above the regulatory requirements. The banking system was adequately capitalized. Ratios of Core Capital and Total Capital to Risk Weighted Assets and off Balance Sheet Exposures were 18.4 percent and 18.9 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 46.1 percent as compared to 46.4 percent reported in the previous year which was above the minimum regulatory requirement of 20.0percent for individual institutions.

However, the overall quality of the sector's loan portfolio deteriorated. Non-performing loans (NPL) ratio increased to 9.3 percent compared to 6.6 percent recorded in the previous year. This increase was mainly attributed to poor performance of loan portfolio of some big banks which had suffered from the second round effects of the global financial crisis. However, the increased level of non-performing loans did not pose a systemic risk due to a strong capital position in the banking system.

Smooth conduct of financial markets operations resulted in low interest rates and moderate fluctuations in exchange rate. The Bank continued to play a dominant role in the interbank 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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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

Strengthening corporate governance (Continued)

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.

The remarkable achievements recorded under this broad goal involve;

- Approval by the Board and implementation of Projects Management Framework;
- Adopting the changes and developments that affects the Banks financial reporting framework to ensure that the books of accounts and financial reports are compliant and consistent with the requirements of IFRS;
- Continued 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;
- Strengthened risk management and internal audit functions through staffing and capacity building programmes for effective internal control; and;
- Finalized the review of the organization structure that resulted additional divisions in order to strengthen the supervisory role at lower levels.

Other developments

Issuance of new banknotes

On 6 January 2011 the Bank issued into circulation new generation banknotes with the denominations of TZS 10,000, TZS 5,000, TZS 2,000, TZS 1,000 and TZS 500 as part of the Bank's efforts to improve the quality and security features of circulating banknotes. The old notes will continue to be used concurrently with the new ones. During the year the Bank opened two safe custody centres, one in Songea and another in Mtwara to meet the demand of currency from the public. During 2011/2012 the Bank expects to open additional three safe custody centres in Tabora, Tanga and Kigoma.

Growth of currency in circulation

The position of currency in circulation as at 30th June 2011 was TZS 2,503.6 billion as compared to TZS 2,031.0 billion as at 30th June 2010, hence representing an increase of TZS 472.6 billion, equivalent to 23.3 percent.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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

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 campaign 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	Remarks
1	Prof. Benno J. Ndulu	Governor and Chairman of the Board	61	Economist	10/07/2007	Tanzanian	
2	Dr. Enos S. Bukuku	Deputy Governor	61	Economist	08/01/2008	Tanzanian	Up to 11th May 2011.
3	Mr. Juma H. Reli	Deputy Governor	55	Finance	14/02/2005	Tanzanian	
4	Mr. Lila H. Mkila	Deputy Governor	61	Statistician	26/06/2007	Tanzanian	
5	Dr. Natu E. Mwamba	Deputy Governor	50	Economist	13/06/2011	Tanzanian	Board member for six years up to 8 March 2011. Appointed as Deputy Governor on 13th June 2011.
6	Mr. Ramadhani M. Khijjah1	Member	58	Economist	2 nd December 2008	Tanzanian	Up to 10th September 2010.
7	Prof. Haidari K. Amani	Member	63	Economist	8 th January 2008	Tanzanian	Reappointed on 8th March 2011.
8	Mr. Ali A. Mufuruki	Member	53	Engineer	8 th January 2008	Tanzanian	Up to 8th March 2011.
9	Mr. Khamis M. Omar2	Member	46	Finance	20 th April 2006	Tanzanian	
10	Mr. Bedason Shallanda	Member	50	Economist	11 th September 2010	Tanzanian	
11	Mr. Yona S. Killagane	Member	57	Professional Accountant	8 th March 2011	Tanzanian	
12	Mrs. Esther Mkwizu	Member	59	Management Consultant	8 th March 2011	Tanzanian	
13	Mr. Athman Mtengeti	Secretary	58	Lawyer	17 th January 2008	Tanzanian	



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

4. COMPOSITION OF THE BOARD OF DIRECTORS (Continued)

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

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

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

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.

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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

5. CORPORATE GOVERNANCE (Continued)

The Members of the Monetary Policy Committee as at 30th June, 2011 were as follows:-

No	Name	Position	Discipline	Nationality	Remarks
1	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian	
2	Dr. Enos S. Bukuku	Member	Economist	Tanzanian	
3	Mr. Juma H. Reli	Member	Finance	Tanzanian	
4	Mr. Lila H. Mkila	Member	Statistician	Tanzanian	
5	Dr. Natu E. Mwamba	Member	Economist	Tanzanian	
6	Prof. Haidari K. Amani	Member	Economist	Tanzanian	
7	Mrs. Esther Mkwizu	Member	Management Consultant	Tanzanian	Effective 16 th May 2011
8	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** cover evaluation of control culture; the adequacy of the internal control systems and compliance with International Financial Reporting Standards in implementation 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 ensure the adequacy of the financial reporting process and reviews the Bank's annual accounts before approval by the Board and release.

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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

5. CORPORATE GOVERNANCE (Continued)

(b) The Audit Committee (Continued)

The Members of the Audit Committee as at 30th June, 2011 were as follows:-

No	Name	Position	Discipline	Nationality	Remarks
1	Mr. Ali A. Mufuruki	Chairman	Engineer	Tanzanian	Up to 8th March 2011
2	Prof. Haidari K. Amani*	Chairman	Economist	Tanzanian	Effective 16th May 2011
3	Mr. Juma H. Reli	Member	Finance	Tanzanian	
4	Dr. Natu E. Mwamba	Member	Economist	Tanzanian	Up to 8th March 2011
5	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian	Effective 16th May 2011
6	Mrs. Esther Mkwizu	Member	Management Consultant	Tanzanian	Effective 16th May 2011
7	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian	

* Professor Haidari K Amani served a member of the Audit Committee from 8th January 2008 and Chairman of the Audit Committee from 16th May 2011.

(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 2011

5. CORPORATE GOVERNANCE (Continued)

(c) Banking Supervision Committee (Continued)

The Members of the Banking Supervision Committee as at 30th June, 2011 were as follows:-

No	Name	Position	Discipline	Nationality	Remarks
1	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian	
2	Dr. Enos S. Bukuku	Member	Economist	Tanzanian	Up to 11th May 2011
3	Mr. Juma H. Reli	Member	Finance	Tanzanian	
4	Mr. Lila H. Mkila	Member	Statistician	Tanzanian	
5	Dr. Natu E. Mwamba	Member	Economist	Tanzanian	Effective 13th June 2011
6	Prof. Haidari K. Amani	Member	Economist	Tanzanian	
7	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian	Effective 16th May 2011
8	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian	

(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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

5. CORPORATE GOVERNANCE (Continued)

(d) The Finance and Investment Committee (Continued)

The Members of the Finance and Investment Committee as at 30th June, 2011 were as follows:-

No	Name	Position	Qualification Discipline	Nationality	Remarks
1	Prof. Benno J. Ndulu	Chairman	Economist	Tanzanian	
2	Dr. Enos S. Bukuku	Member	Economist	Tanzanian	Up to 11 th May 2011
3	Mr. Juma H. Reli	Member	Finance	Tanzanian	
4	Mr. Lila H. Mkila	Member	Statistician	Tanzanian	
5	Dr. Natu E. Mwamba	Member	Economist	Tanzanian	Up to 8 th March 2011
6	Prof. Haidari K. Amani	Member	Economist	Tanzanian	
7	Mr. Yona S. Killagane	Member	Professional Accountant	Tanzanian	Effective 16 th May 2011
8	Mrs. Esther Mkwizu	Member	Management Consultant	Tanzanian	Effective 16 th May 2011
9	Mr. Ali A. Mufuruki	Member	Engineer	Tanzanian	Up to 8 th March 2011
10	Mr. Athman H. Mtengeti	Secretary	Lawyer	Tanzanian	

6. MEETINGS

Responding to the challenges faced by the Bank, the Board held 52 meetings during 2010/11. 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 1st July 2010 to 30 June 2011.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

6. MEETINGS (Continued)

	Names	Number of meetings				
		Board	MPC	BSC	AC	FIC
1	Prof. Benno J. Ndulu	14	12	6	N/A	7
2	Dr. Enos S. Bukuku	5	8	3	N/A	2
3	Mr. Juma H. Reli	13	8	6	8	7
4	Mr. Lila H. Mkila	12	11	5	N/A	4
5	Mr. Bedason Shallanda	6	12	2	N/A	N/A
6	Mr. Khamis M. Omar	14	12	6	N/A	N/A
7	Dr. Natu E. Mwamba	10	8	N/A	7	4
8	Prof. Haidari K. Amani	14	13	6	12	7
9	Mr. Ali A. Mufuruki	8	N/A	3	8	4
10	Mrs. Esther Mkwizu	5	2	N/A	3	3
11	Mr. Yona S. Killagane	1	N/A	-	1	-
12	Mr. Athman H. Mtengeti	14	14	6	6	9

KEY

Board: Board of Directors

MPC: Monetary Policy Committee

BSC: Banking Supervision Committee

AC: Audit Committee

FIC: Finance and Investments 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 2011

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 with the policy and other decisions made by the Board.

The Governor is assisted by three Deputy Governors. The Deputy Governors heads 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 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:

- Adopt Medium Term Expenditure Framework (MTEF) as a multi-year budgeting instrument.
- Adopt a Balanced Scorecard (BSC) methodology as an instrument for performance measurement.
- Construct and open currency custody centres to ease currency distribution in the country.
- Modernise security monitoring systems at head office and branches.

11. RESULTS AND DIVIDEND

During the year the Bank had a net profit for the year of TZS 715,892.6 million (2010: A loss of TZS 6,490.1 million). The Board of Directors is proposing a dividend payable to the Governments amounting to TZS 173,240.5 million. No dividend was declared in 2009/10.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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 income of TZS 727,793.5 million. Included in total comprehensive income is other comprehensive income amounting to TZS 11,900.9 million (2010: TZS 33,218.5 million). The increase of other comprehensive income is mainly attributed to gains on revaluation of Bank's immovable properties amounting to TZS 46,152.9 million.

The Bank's profit increased to TZS 715,892.6 million (2010: Loss of TZS 6,490.1 million). The increase was mainly attributed to gains on foreign exchange revaluation gains amounting to TZS 730,694.4 million (2010: TZS 16,837.2 million) and other income which aggregated to TZS 62,500.5 million (2010: TZS 42,985.5 million). Further, interest income arising from foreign and domestic investments increased to TZS 209,886.9 million (2010: TZS 191,028.2 million) mainly on account of improved yields and interest on overdrawn URT Government position.

On the other hand operating expenses increased to TZS 271,253.2 million (2010: TZS 216,260.8 million). The increase was attributed to currency issuance, personnel and other expenses.

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 1,165,578.2 million. This was mainly attributed to the increase of available for sale foreign currency marketable securities, advances to the Government, holding of special drawing rights and Quota in IMF amounting to TZS 705,658.8 million, TZS 172,724.2 million, TZS 75,081.9 million and TZS 97,150.5 million respectively.

On the other hand total equity and liabilities increased by TZS 1,163,743.2 million. This was mainly attributable to increase in Reserves by TZS 726,392.2 million, Poverty Reduction and Growth Facility TZS 110,216.5 million, IMF Liabilities TZS 93,210.1 million, allocation of SDR TZS 93,053.2 million and currency in circulation of TZS 472,105.2 million.

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:



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

13. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

- 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:

(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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

13. RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

(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. 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.

(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.

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 44 of the financial statements. The Board assessed the internal control systems throughout the financial year ended June 2011 and is of the opinion that they met accepted criteria.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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.

The Bank of Tanzania is an equal opportunity employer with a total of 1,324 staff as at 30 June 2011 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 in which all of them 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 2011, these were provided by Strategies Insurance.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

15. EMPLOYEES WELFARE (Continued)

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 accounts

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 2011 and 2010 the Bank had the following distribution of employees by gender.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

16. GENDER PARITY (Continued)

Gender	2011	2010
Male	781	768
Female	553	559
Total	1,324	1,327

17. RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in note 50 to these financial statements. The directors' emoluments have been disclosed in note 50.2 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 446.3 million. (2010: TZS 420.3 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); Second Generation Financial Sector Reforms; Tanzanian Institute of Bankers (TIB); Other Professional Associations; and Charities. Such payments amounted to TZS 2,728.9 million (2010: TZS 2,395.5 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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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.

23. SERIOUSLY PREJUDICIAL

During the year ended 30 June 2011 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.



REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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 the Controller and Auditor General (CAG) to audit the financial statements of the Bank on behalf of the CAG, pursuant to section 33 of the Public Audit Act, 2008.

Approved by the Board of Directors on 5 December 2011, and signed on its behalf by:

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

Prof Haidari K Amani
Director and Chairman of the Audit Committee



AUDIT REPORT ON THE FINANCIAL STATEMENTS

Board Chairman,
Bank of Tanzania,
P. O. Box 2939,
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 2011

Introduction

I have audited the accompanying financial statements of the Bank of Tanzania ('the Bank'), set out on pages 20 to 112, which comprise the statement of financial position as at 30th June 2011, 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 general's 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. These 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.



REPORT OF THE CONTROLLER AND AUDITOR-GENERAL (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

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 2011, 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.

Ludovick S.L. Utouh
Controller and Auditor General

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

12th December, 2011





STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	<u>Note</u>	<u>30.06.2011</u> <u>TZS '000</u>	<u>30.06.2010</u> <u>TZS '000</u>
Operating income			
Interest income	6	209,886,943	191,028,253
Interest expenses	7	(40,806,742)	(65,993,803)
Net interest income		<u>169,080,201</u>	<u>125,034,450</u>
Foreign exchange revaluation gains	8	730,694,371	16,837,197
Fees and commissions	9	24,870,736	24,913,594
Other income	10	62,500,485	42,985,488
		<u>818,065,592</u>	<u>84,736,279</u>
Net operating income		<u>987,145,793</u>	<u>209,770,729</u>
Operating expenses			
Administrative expenses	11	38,183,054	33,829,543
Currency issue and related expenses	12	61,731,710	55,174,945
Personnel expenses	13	80,025,362	76,374,578
Depreciation of property and equipment	29	33,248,992	31,871,514
Amortization of intangible assets	30	2,485,725	2,430,804
Amount written offs of other receivables	24	834	9,144
Loss on disposal of property and equipment	29	-	2,785
Other expenses	14	25,410,034	16,396,549
Impairment losses	15	30,167,442	170,947
		<u>271,253,152</u>	<u>216,260,809</u>
Operating profit/ (loss) for the year		<u>715,892,641</u>	<u>(6,490,080)</u>
Other comprehensive income			
Other comprehensive income	16	11,900,867	33,218,539
Total comprehensive income		<u>727,793,508</u>	<u>26,728,459</u>



STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2011

	<u>Note</u>	<u>30.06.2011</u> <u>TZS '000</u>	<u>30.06.2010</u> <u>TZS '000</u>
Assets			
Cash and balances with central banks & other banks	17	1,237,969,329	1,208,232,281
Items in course of settlement	18	5,776,431	1,372,943
Holdings of Special Drawing Rights (SDRs)	19	397,912,882	322,830,929
Held - for - trading financial assets	20	413,254,057	355,308,446
Available - for - sale financial assets	20	3,606,108,163	2,900,449,397
Available - for - sale equity investment	21	1,895,620	1,655,252
Held-to-maturity Government securities	22	1,000,864,589	1,004,203,068
Advances to the Government	23	348,369,754	175,645,539
Loans and receivables	24	101,000,624	118,405,924
Inventories	25	4,764,252	4,531,846
Investment in associate company	26	1	1
Quota in International Monetary Fund (IMF)	19	501,867,026	404,716,549
Deferred currency cost	27	64,169,466	62,414,861
Other assets	28	92,931,062	94,883,478
Property and equipment	29	831,687,449	787,748,121
Intangible assets	30	8,938,819	9,532,699
Total assets		<u>8,617,509,524</u>	<u>7,451,931,334</u>
Liabilities and equity			
Currency in circulation	31	2,503,645,122	2,031,539,904
Deposits - banks and non-bank financial institutions	32	1,343,142,830	1,389,187,728
Deposits - Governments	33	13,806,368	20,508,307
Deposits - Others	34	274,379,716	276,530,795
Foreign currency financial liabilities	35	392,174,778	344,181,426
Poverty Reduction and Growth Facility	36	578,194,213	467,977,672
Repurchase agreements	37	54,016,464	117,015,662
BoT liquidity papers	38	977,459,704	1,242,582,848
Provisions	39	7,274,556	6,946,561
Other liabilities	40	22,521,083	17,221,220
IMF related liabilities	19	477,585,339	384,375,218
Allocation of Special Drawing Rights (SDRs)	19	480,700,836	387,647,670
Total liabilities		<u>7,124,901,009</u>	<u>6,685,715,011</u>
Equity			
Authorised and Paid up Capital	41	100,000,000	100,000,000
Reserves	43	1,392,608,515	666,216,323
Total equity		<u>1,492,608,515</u>	<u>766,216,323</u>
Total equity and liabilities		<u>8,617,509,524</u>	<u>7,451,931,334</u>

These financial statements were approved by the Board of Directors for issue on 13th DECEMBER, 2011 and were signed on its behalf by:

Name: PROF. BENNO J. NDULU Title: GOVERNOR - CHAIRMAN Signature: [Signature]

Name: PROF. HADARI AMANI Title: DIRECTOR Signature: [Signature]



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

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 Housing Fund Reserve (Note 43(e))	Assets Revaluation Reserve (Note 43(f))	Securities Revaluation Reserve (Note 43(g))	Foreign Currency Revaluation Reserve (Note 43(h))	Mwalimu Nyerere Fund	Reserve for Dividends	Total
(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	99,036,275	904,315	-	1,669,901	766,216,323
Profit for the year	-	-	715,892,641	-	-	-	-	-	-	-	-	-	715,892,641
Other comprehensive income	-	-	-	-	-	-	-	46,152,950	(34,252,083)	-	-	-	11,900,867
	100,000,000	208,738,399	715,892,641	99,262,908	142,997,293	20,000,000	19,834,200	119,925,982	64,784,192	904,315	-	1,669,901	1,494,009,831
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	(675,577,009)	-	320,267,310	100,000,000	13,511,540	-	-	-	1,000,000	173,240,458	-
At 30 June 2011	100,000,000	276,296,100	-	99,262,908	463,264,603	120,000,000	33,614,325	119,925,982	64,784,192	41,219,947	1,000,000	173,240,458	1,492,608,515



STATEMENT OF CHANGES IN EQUITY (Continued)

FOR THE YEAR ENDED 30 JUNE 2011

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 Housing Fund (Note 43(e))	Assets Revaluation Reserve (Note 43(f))	Securities Revaluation Reserve (Note 43(g))	Foreign Currency Revaluation Reserve (Note 43(h))	Reserve for Dividends	Total
(Amounts in TZS'000)												
At 01 July 2009	100,000,000	216,132,794	-	99,284,748	140,716,879	20,000,000	19,611,198	73,773,032	65,817,736	2,280,414	1,669,901	739,286,701
Loss for the year	-	-	(6,490,080)	-	-	-	-	-	-	-	-	(6,490,080)
Other comprehensive income	-	-	-	-	-	-	-	-	33,218,539	-	-	33,218,539
	100,000,000	216,132,794	(6,490,080)	99,284,748	140,716,879	20,000,000	19,611,198	73,773,032	99,036,275	2,280,414	1,669,901	766,015,160
Transfer of realised foreign exchange revaluation gains	-	-	-	-	2,280,414	-	-	-	-	(2,280,414)	-	-
Transfer of unrealised foreign exchange revaluation gains to foreign currency revaluation reserve	-	-	(904,315)	-	-	-	-	-	-	904,315	-	-
Capital grant transferred to deferred grant income	-	-	-	(21,840)	-	-	-	-	-	-	-	(21,840)
Recoveries for staff housing fund	-	-	-	-	-	-	223,002	-	-	-	-	223,002
Transfer of loss for the year to general reserve	-	(7,394,395)	7,394,395	-	-	-	-	-	-	-	-	-
At 30 June 2010	100,000,000	208,738,399	-	99,262,908	142,997,293	20,000,000	19,834,200	73,773,032	99,036,275	904,315	1,669,901	766,216,323



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	<u>Note</u>	<u>30.06.2011</u> <u>TZS '000</u>	<u>30.06.2010</u> <u>TZS '000</u>
Cash flows from operating activities			
Cash generated from/(used in) operating activities	42	563,207,521	(111,044,236)
Dividends paid to the Government		(1,669,901)	-
Net cash generated from(used in) operating activities		561,537,620	(111,044,236)
Cash flows from investing activities			
Purchase of property and equipment		(30,968,539)	(24,515,739)
Proceeds from disposal of property and equipment		-	1,966
Purchase of intangible assets		(1,891,845)	(204,901)
Disposal/(acquisition) of government securities		3,338,479	(95,723,669)
Increase in foreign currency financial securities		(804,824,324)	(135,409,511)
Increase in quota in International Monetary Fund (IMF)		(97,150,477)	(4,042,563)
Increase in holdings of SDRs		(75,081,953)	(322,682,245)
Net cash outflows from investing activities		(1,006,578,659)	(582,576,662)
Cash flows from financing activities			
Increase in notes and coins issued		472,105,218	349,013,117
Increase in IMF related liabilities		93,210,121	3,839,717
Increase in foreign currency financial liabilities		158,209,893	120,898,972
Increase in allocation of SDRs		93,053,166	324,450,363
(Decrease)/decrease in deposits		(54,897,916)	241,680,467
Decrease in Repurchase Agreements (REPOs)		(62,999,198)	(14,156,052)
(Decrease)/increase in BOT liquidity papers		(265,123,143)	207,622,004
Net cash inflows from financing activities		433,558,140	1,233,348,588
Net increase/(decrease) in cash and cash equivalent		(11,482,899)	539,727,691
Unrealized foreign exchange gains/(losses)		41,219,947	(904,315)
Cash and cash equivalents:			
At the beginning of the year		1,208,232,281	669,408,905
At the end of the year	17	1,237,969,329	1,208,232,281



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

Legal framework (Continued)

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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

Legal framework (Continued)

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.

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 44.6 (b).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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

Presentation of financial statements (Continued)

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:

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.

- IFRS 2 Share-based payment: Group Cash-settled Share-based Payment Transactions; effective for annual periods beginning on or after 1 January 2010
- IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (Amendment); effective for annual periods beginning on or after 1 February 2010.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments; effective for annual periods beginning on or after 1 January 2010.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2. CHANGES IN ACCOUNTING POLICIES (Continued)

Improvements to International Financial Reporting Standards (IFRSs) Issued in 2009

Improvement in IFRS	Disclosures
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	► Clarifies that disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations are only those set out in IFRS 5. Effective prospectively for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank.
IFRS 8 Operating Segments	► Segment assets and liabilities need only be reported when those assets and liabilities are included in measures used by the chief operating decision maker. Effective for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or positions of the Bank as the Bank operate as one segment.
IAS 1 Presentation of Financial Statements	Current/non-current classification of convertible instruments ► The terms of a liability that could at anytime result in its settlement by the issuance of equity instrument at the option of the counterparty do not affect its classification. Effective for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank.
IAS 7 Statement of Cash Flows	Classification of expenditure on unrecognised assets ► Only expenditures that results in a recognised asset can be classified as a cash flow from investing activities. Effective for annual periods beginning on or after 1 January 2010. The Bank adopted the amendment and did not have any impact on the cash flow of the Bank.
IAS 17 Leases	Classification of land and buildings ► The specific guidance on classifying land as a lease has been removed so that only general guidance remains. Effective for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank.
IAS 36 Impairment of Assets	Unit of accounting for goodwill impairment testing ► The largest unit permitted for allocating goodwill acquired in a business combination is the operating segment defined in IFRS 8 before aggregation for reporting purposes. Effective prospectively for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2. CHANGES IN ACCOUNTING POLICIES (Continued)

Improvement in IFRS	Disclosures
IAS 39 Financial Instruments: Recognition and Measurements	<p>Assessment of loan prepayment penalties as embedded derivatives</p> <p>➤ A prepayment option is considered closely related to the host contract when the exercise reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract. Effective for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank</p>
	<p>Scope exception for business combination contract</p> <p>➤ The scope exemption for contracts between an acquirer and vendor in a business combination to buy or sell an acquiree at a future date applies only to binding forward contracts, not derivative contracts where further actions are still to be taken. Effective for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank.</p>
	<p>Cash flow hedge accounting</p> <p>➤ Gains or losses on cash flow hedges of a forecast transaction that subsequently results in recognition of a financial instrument or on cash flow hedges or recognised financial instruments should be classified in the period that the hedged forecast cash flow affects profit or loss. Effective prospectively to all unexpired contracts for annual periods beginning on or after 1 January 2010. The amendment has no impact on the financial performance or position of the Bank.</p>

Improvements to International Financial Reporting Standards (IFRSs) Issued in 2010

Improvement in IFRS	Disclosures
<i>IFRS 3 Business Combinations</i>	<p>➤ Transition requirements for contingent considerations from a business combination that occurred before the effective date. The amendment is applicable for annual periods beginning on or after 1 July 2010 The amendment has no impact on the financial performance or position of the Bank</p>
	<p>➤ Measurement of non-controlling interest (NCI). The amendment is applicable for annual periods beginning on or after 1 July 2010 The amendment has no impact on the financial performance or position of the Bank</p>
	<p>➤ <i>Un-replaced and voluntary</i> replaced share-based payment awards. The amendment is applicable for annual periods beginning on or after 1 July 2010 The amendment has no impact on the financial performance or position of the Bank</p>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2. CHANGES IN ACCOUNTING POLICIES (Continued)

<i>IAS 27 Consolidated and Separate Financial Statements:</i>	► <i>Transition requirements for amendments</i> made as a result of IAS 27. The amendment is applicable for annual periods beginning on or after 1 July 2010. The amendment has no impact on the financial performance or position of the Bank.
<i>IAS 1: Revised Presentation of Financial Statements.</i>	► (Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010). The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Bank has applied the amendments in advance of their effective date (annual periods beginning on or after 1 January 2011). The amendments have been applied retrospectively.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

b. Impairment of assets

(i) Impairment losses on loans and advances

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 24.

(ii) Impairment of non-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 non 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 2011

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES (Continued)

b. Impairment of assets (Continued)

(iii) Impairment of available for sale financial assets

The Bank classifies certain assets as available for sale and recognises movements in their fair value in Securities Revaluation Reserve. When the fair value declines, management makes assumptions about the decline in value to determine whether it is an impairment that should be recognised in profit or loss.

c. Held to maturity investments

The Bank follows the guidance of IAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity.

This classification requires significant judgement. In making this judgement, the Bank evaluates its intention and ability to hold such investments to maturity. If the Bank fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

d. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of liquidity and model inputs such as correlation and volatility for longer dated derivatives and discount rates. Please see the details in note 45.

e. Useful lives of property, equipment and intangible assets

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.

The useful lives of items of property and equipment have been estimated annually and are in line with the rate at which they are depreciated



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 and expenses

For all financial instruments measured at amortised cost and interest bearing financial instruments classified as available-for-sale financial investments, interest income or expense 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 or expense.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 Bylaws. 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision (Continued)

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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

Subsequent expenditures are capitalized only when they increase the current economic benefits and meet the recognition criteria. Expenditure incurred to replace a component of item of property and equipment is accounted for separately and capitalized while the major replaced component is derecognised. All other expenditure items, which do not meet recognition criteria, are recognised in profit or loss as expenses as they are incurred.

Bank's immovable property (buildings) is subsequently shown at their Fair value (market values), based on valuation by external independent valuers. Increases in the carrying amounts arising on subsequent valuation are credited to an Assets Revaluation Reserve. Decreases that offset previous increases of the same asset are charged against Assets Revaluation Reserve while other decreases are charged to the Statement of Comprehensive Income.

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 2011. 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). Annual depreciation rates applied in 2010/11 financial year were as follows:



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment (Continued)

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

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 gross at nominal 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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of assets

The Bank assesses at each reporting date whether there is an indication that an 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. An asset's 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.

Foreign currency swaps through profit or loss

Foreign currency SWAPS are contracts with commercial banks in which a spot sale/purchase of currencies and a simultaneous commitment to a forward purchase/sale of the same currencies is entered into with the Bank. Currency SWAPS are accounted for at their fair value as at reporting with gains and losses arising being recognized in profit or loss.

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. Presently the Bank has no lease arrangement in place instead it had rental arrangements with landlords for Properties that it occupies but not owned by the Bank. In which case no upfront significant payments are made rather periodical rental payments are paid based on space (square meters) occupied by the Bank.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The rental agreements are renewable periodically normally yearly or periods not exceeding three years each. 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.

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.

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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Exchange Equalization Reserve (Continued)

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

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

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

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. 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.

Derivatives recorded at fair value through profit or loss

Derivatives include interest rate swaps and futures, credit default swaps, cross currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives held for trading are included in 'Net Operating income'.

Financial assets at fair value through profit or loss

Financial assets and financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets at fair value through profit or loss (Continued)

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

The assets and liabilities are part of a 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

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.

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.

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.

Held to maturity financial investments

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.

Due from banks and loans and advances

'Due from banks' and 'Loans and advances' are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market, they are not entered into with the intention of immediate or short-term resale and are not classified as, designated as 'Financial investment - available-for-sale' or 'Financial assets designated at fair value through profit or loss.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Due from banks and loans and advances (Continued)

After initial measurement, amounts due from banks and loans and advances to customers 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 and costs that are an integral part of the effective interest rate. The amortisation is included in 'Interest' in the Statement of Comprehensive Income. The losses arising from impairment are recognised in the Statement of Comprehensive Income.

The Bank has classified the following financial assets as loans and receivables. Loans and advances; amounts due from the Governments; accommodation to banks; accounts receivable; IMF Related Assets; other assets and cash and cash equivalents.

Available for sale financial investments

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.

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 Income in 'Other operating income' or 'Other operating expenses'.

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.

Foreign marketable money-market investments: The fair value of foreign marketable money-market investments is based on quoted bid rates, excluding transaction costs.

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other financial liabilities

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 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.

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.

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Bank's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Held-to-maturity financial investments

For held-to-maturity investments the Bank assesses individually whether 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.

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'.

Available for sale financial investments

Equity investments classified as available for sale are assessed for impairment annually. When impairment is identified, it is generally deemed to be other than temporary, and the equity investment is written down to the impaired value, which becomes the new cost basis in the equity investment. Such other than temporary impairments are recognized in net income. Subsequent increases in the fair value of available for sale equity investments are included in other comprehensive income-subsequent decreases in fair value, if not other than temporary impairment, also are included in other comprehensive income.

Due from banks, loans and advances

For amounts due from banks, loans and advances carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

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



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Due from banks, loans and advances (Continued)

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other liabilities

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

Other assets

Other assets are stated at fair value and subsequently at amortised cost using effective interest rate method less allowance for impairment. Due to their short term nature, the nominal value or cost are considered to approximate their fair value and as such stated at cost less any impairment 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 fair value 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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 9 Financial Instruments: Classification and Measurement

In November 2009, the International Accounting Standards Board (IASB) issued IFRS 9 Financial Instruments. The standard 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.

IFRS 9 was initially to be effective for annual periods beginning on or after 1 January 2013, with early application permitted. Following the IASB meeting held on 22 July 2011 the mandatory effective date has been extended to 1 January 2015. 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. The adoption of the first phase of IFRS 9 will primarily have an effect on the classification and measurement of the Bank's financial assets. The Bank is currently assessing the impact of adopting IFRS 9 and decided earlier adoption effective 1 July 2011.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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

The impacts on the Bank's financial reporting framework were noted as follows;

ITEM	IMPACT
Financial assets	►Financial assets will be reclassified from four classes namely trading, loans and receivables, available for sale and held to maturity into two classes based on either amortised cost or fair value. This will be done based on the business model test.
The impairment of financial assets	►Upon completion of IFRS 9 the impairment of financial assets measured at amortised cost will change from three different modes to one mode.
Available-for-Sale (AFS) financial assets	►Will be reclassified as financial assets measured at Fair Value Through Profit or Loss. (FVTPL).
Available-for-Sale (AFS) financial assets	►Will be reclassified as financial assets measured at Fair Value Through Profit or Loss. (FVTPL).
The investment in equity instrument measured at cost	►Will be designated at Fair Value Through Other Comprehensive Income (FVTOCI).
Interest income arising from financial assets held for trading	►Will be reclassified to form part of the non interest income
Financial assets held for trading	►Will be reclassified as Financial Assets Measured at Fair Value through Profit or Loss.
Reclassification of cumulative fair value gains	►The cumulative fair value gains amounting to TZS 34,252.1 million as at 30 June 2011 relating to the Bank's investments in internally managed marketable securities will be reclassified from the Securities Revaluation Reserve and transferred to retained earnings effective 1 July 2011

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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

IFRS 7 Financial Instruments: Disclosures (Amendments)

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.

IFRS 10 Consolidated financial statements

The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard is effective January 2013. The amendment is expected to have no impact on the financial statements of the Bank.

IFRS 11 Joint Arrangements

The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The standard is effective 1 January 2013. The amendment is expected to have no impact on the financial statements of the Bank.

IFRS 12 Disclosure of Interests in Other Entities

The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate:

- the nature of, and risks associated with, its interests in other entities
- The effects of those interests on its financial position, financial performance and cash flows.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

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

IFRS 12 Disclosure of Interests in Other Entities (Continued)

Where the disclosures required by IFRS 12, together with the disclosures required by other IFRSs, do not meet the above objective, an entity is required to disclose whatever additional information is necessary to meet the objective. This is effective for - Annual periods beginning on or after 1 January 2013. The amendment is expected to have no impact on the financial statements of the Bank.

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.

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.

IFRIC 14: Prepayment of a minimum funding requirement

On 26 November 2009, the IASB issued Prepayments of a Minimum Funding Requirement (Amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. Without the amendments, in some circumstances entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning 1 January 2011, with earlier application permitted. The amendments must be applied retrospectively to the earliest comparative period presented. The amendment is expected to have no impact on the financial statements of the Bank.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

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.

	30.06.2011			30.06.2010		
	Received TZS '000	Accrued TZS '000	Total TZS '000	Received TZS '000	Accrued TZS '000	Total TZS '000
From foreign operations						
GBP investments	13,558,470	15,435	13,573,905	9,886,456	3,919,161	13,805,617
USD investments	53,239,575	34,501	53,274,076	48,230,294	6,741,499	54,971,793
EURO investments	32,694,631	103,916	32,798,548	16,469,118	11,845,816	28,314,934
Other foreign interest income	1,524,170	-	1,524,170	690,310	-	690,310
	101,016,847	153,852	101,170,699	75,276,178	22,506,476	97,782,654
From domestic operations						
Interest on domestic investments	68,477,639	20,739,697	89,217,336	70,421,764	19,333,176	89,754,940
Interest on loans and advances	11,353,038	8,070,586	19,423,624	3,400,844	-	3,400,844
Interest on staff loans	75,284	-	75,284	89,815	-	89,815
	79,905,961	28,810,283	108,716,244	73,912,423	19,333,176	93,245,599
	180,922,807	28,964,136	209,886,943	149,188,601	41,839,652	191,028,253





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

6 INTEREST INCOME (Continued)

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

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Income from available for sale financial assets	96,288,682	91,800,755
Income from held to maturity financial assets	89,217,336	89,754,941
Income from loans and receivables	19,498,908	3,490,659
	<u>205,004,926</u>	<u>185,046,355</u>
Income from assets held for trading financial assets	4,882,017	5,981,898
	<u>209,886,943</u>	<u>191,028,253</u>

7 INTEREST EXPENSES

	<u>30.06.2011</u>	<u>30.06.2010</u>
	Paid TZS '000	Paid TZS '000
	Accrued TZS '000	Accrued TZS '000
	Total TZS '000	Total TZS '000
Interest on BoT liquidity papers	9,185,984	28,935,762
Interest on repurchase agreements	1,150,707	1,596,167
Charges on IMF Drawings	1,840,191	1,810,512
	<u>12,176,882</u>	<u>32,342,441</u>
	28,629,859	33,635,700
	<u>40,806,742</u>	<u>62,571,462</u>
	1,167,171	15,662
	1,840,191	-
	<u>28,629,859</u>	<u>33,651,362</u>
	<u>40,806,742</u>	<u>65,993,803</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 (Continued) FOR THE YEAR ENDED 30 JUNE 2011

8 FOREIGN EXCHANGE REVALUATION GAINS

During the year the realized and unrealized net foreign exchange revaluation gains amounted to TZS 730,694.4 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. The unrealized foreign exchange revaluation gains amounting to TZS 41,219.9 million as at 30 June 2011 has been transferred to Foreign Currency Revaluation Reserve.

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Reconciliation of realized and unrealized foreign exchange revaluation		
Net realized foreign exchange revaluation gain during the year	690,378,739	18,213,297
Add: Unrealized foreign exchange revaluation gains during the year	41,219,947	904,315
	<u>731,598,686</u>	<u>19,117,612</u>
Less: Opening balance	(904,315)	(2,280,415)
Net foreign exchange revaluation gains during the year	<u>730,694,371</u>	<u>16,837,197</u>

9 FEES AND COMMISSION

Commission on buying and selling foreign currency	24,061,320	24,248,111
Bureau de change application fees	205,100	162,750
Bureau de change registration fees	51,000	44,000
Banks and financial institutions applications/licensing Fees	9,000	6,000
Bureau de change penalty fees	38,500	31,975
Tanzania Interbank Settlement System (TISS) fees and charges	475,302	378,508
Tender application fees	30,514	42,250
	<u>24,870,736</u>	<u>24,913,594</u>

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

10 OTHER INCOME

Foreign operations

Realized gains on de-recognition of available for sale investments - financial instruments and RAMP	39,588,395	28,323,738
Income from equity investment	95,434	75,743
Gains on inter-bank foreign exchange market (IFEM) operations	16,709,166	11,559,519
Miscellaneous income	4,768,950	1,403,736
	<u>61,161,945</u>	<u>41,362,736</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

10 OTHER INCOME (Continued)

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Domestic operations		
Income – domestic operations	237,768	41,329
Rental income staff quarters	619,591	602,279
Income on hostel accommodation	51,503	42,106
Income on cafeteria operations	34,596	37,330
Miscellaneous income	395,082	899,708
	<u>1,338,540</u>	<u>1,622,752</u>
Total other income	<u>62,500,485</u>	<u>42,985,488</u>

11 ADMINISTRATIVE EXPENSES

Board expenses	1,114,615	958,393
Transport and traveling expenses	7,425,436	6,002,053
Maintenance - computer, software and related expenses	4,046,057	4,734,251
Maintenance - furniture, machinery and equipment	992,476	577,266
Maintenance - bank premises	5,891,915	5,324,378
Legal and investigation expenses	222,274	231,182
Audit fees	547,131	691,190
Audit related expenses	167,265	-
Fees, rates and security expenses	2,243,002	2,277,220
Water and electricity	3,346,272	3,748,142
Telecommunication and postage	1,541,973	2,118,789
Printing, stationery and office supplies	1,060,685	933,660
Meetings, conferences and seminars	4,646,017	3,966,661
Hospitality	232,499	253,025
Budget and annual accounts preparation expenses	276,660	336,517
Insurance expenses	844,411	813,822
Other administrative expenses	3,584,366	862,994
	<u>38,183,054</u>	<u>33,829,543</u>

12 CURRENCY ISSUE AND RELATED EXPENSES

Notes printing and related expenses (see Note 27)	56,521,068	50,652,642
Coins minting and related expenses (see Note 27)	1,534,030	1,417,777
Cost of currency issued in circulation	<u>58,055,098</u>	<u>52,070,419</u>
Currency transport, storage and handling	407,214	193,034
Maintenance of currency machines	2,538,649	1,937,419
Other currency expenses	730,749	974,073
	<u>61,731,710</u>	<u>55,174,945</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

12 CURRENCY ISSUE AND RELATED EXPENSES (Continued)

The amount of TZS 58,055.1 million (2010: TZS 52,070.4 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 407.2 million (2010: TZS 193.0 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 2,538.6 million (2010: TZS 1,937.4 million) was incurred during the year in respect of currency machines maintenance expenses. Other currency related expenses aggregated to TZS 730.7 million (2010: TZS 974.1 million).

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
13 PERSONNEL EXPENSES		
Staff salaries and allowances	50,346,384	47,980,168
Contribution to PPF scheme	5,965,087	5,376,627
Contribution to NSSF scheme	1,081,860	1,003,212
Staff medical expenses	2,952,566	2,903,371
Staff training expenses	4,285,034	3,395,038
Staff uniforms expenses	99,199	77,195
Tanzania Union for Industrial and Commercial Worker's Council (TUICO) expenses	1,172,137	1,033,379
Course functions & field trips expenses	5,451	17,237
Travel on leave expenses	3,472,530	3,331,429
Retirement and separation benefits	4,737,463	5,195,294
Condolence, survivors' benefits and related expenses	208,387	306,910
Motor vehicles expenses	804,457	1,362,203
Long term service awards	98,000	50,000
Management car maintenance and other related expenses	2,638,515	2,378,208
Furniture grant expenses	820,221	1,087,501
HR planning policies expenses	680,237	323,374
Cafeteria expenses	657,834	553,432
	<u>80,025,362</u>	<u>76,374,578</u>

Personnel expenses refer mostly to Banks employee salaries and welfare expenses. In 2010/11 such expenses amounted to TZS 80,025.4 million (2010: TZS 76,374.5 million). The noted increase of TZS 3,650.8 million, representing 5.0 percent, was mainly on account of increase in staff salaries, recruitment of new employees and 2009/10 staff performance awards. Consequently expenses on other salary related sub votes such as contribution to social security schemes and travel on leave increased.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

14 OTHER EXPENSES

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Foreign operations		
Foreign reserve management expenses	1,138,102	1,515,759
Financial markets development expenses	762,305	12,063
Commission and fees on foreign operations	64,774	62,188
Realized losses on de-recognition of available for sale investment	8,767,140	9,791,881
Amortized premium	11,235,715	2,052,114
Miscellaneous expenses	-	7,656
	<u>21,968,036</u>	<u>13,441,661</u>
Domestic operations		
Contribution to professional associations, charities	2,130,795	362,360
Contribution to national development programs/projects	968,976	1,617,701
Contributions to various institutions	7,577	790,084
Subscriptions	67,806	45,712
	<u>3,175,154</u>	<u>2,815,857</u>
Cheques issued expenses	266,844	139,031
	<u>25,410,034</u>	<u>16,396,549</u>
<u>Analysis of contributions and subscriptions</u>		
African Association of Central Banks and African Rural and Agriculture Credit Association	15,122	13,513
Contribution to the National Board of Accountants and Auditors & the National Board of Materials Management	67,806	38,000
Promotion of Tanzania Economy Abroad	120,426	40,457
Contribution to Establishment of Tanzania Agricultural Development Bank	254,176	-
Contribution to Mwalimu Nyerere Fund	-	226,985
Tanzania Institute of Bankers	424,000	403,424
Deposit Insurance Board	309,049	229,564
Second Generation of Financial Sector Reforms	530,627	622,454
Monetary and Economic Financial Management Institute	527,685	373,148
Capital Markets and Securities Authority	480,000	448,000
Donations and Other Contributions	446,263	420,312
	<u>3,175,154</u>	<u>2,815,857</u>

15 IMPAIRMENT LOSSES

Loans and receivables (Note 24)	30,167,442	170,947
	<u>30,167,442</u>	<u>170,947</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

16 COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Net change in fair value of available - for - sale financial assets	(34,252,083)	33,218,539
Property and equipments revaluation gains	46,152,950	-
	<u>11,900,867</u>	<u>33,218,539</u>

17 CASH AND CASH EQUIVALENT

Cash balances with Central Banks	73,776,413	130,482,843
Demand, time deposits with commercial banks and foreign currency notes and coins	1,164,039,063	1,077,598,957
Accrued interest on deposits	153,853	150,481
	<u>1,237,969,329</u>	<u>1,208,232,281</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>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Demand and time deposits with commercial banks and foreign currency notes and coins consist of:		
Demand deposits	1,162,493,348	1,076,567,670
Foreign currency notes and coins	1,545,715	1,031,287
	<u>1,164,039,063</u>	<u>1,077,598,957</u>

18 ITEMS IN COURSE OF SETTLEMENT

BoT Clearing Account	5,776,431	1,372,943
	<u>5,776,431</u>	<u>1,372,943</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 (Continued) FOR THE YEAR ENDED 30 JUNE 2011

19 INTERNATIONAL MONETARY FUND (IMF) RELATED BALANCES

	30.06.2011		30.06.2010	
	Equivalent SDR '000	Equivalent TZS '000	Equivalent SDR '000	Equivalent TZS '000
Assets				
Holding of SDRs	158,660	397,912,882	158,660	322,830,929
Quota in IMF	198,900	501,867,026	198,900	404,716,549
	357,560	899,779,907	357,560	727,547,478
Liabilities				
IMF Account No. 1	188,900	477,578,670	188,900	384,369,850
IMF Account No. 2	3	6,669	3	5,368
	188,903	477,585,339	188,903	384,375,218
Allocation of SDRs	190,510	480,700,836	190,510	387,647,670
	379,413	958,286,174	379,413	772,022,888

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 accordance with accounting policy on Foreign Currencies.

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 2011 was 2.8 percent, the same rate as it was in the previous year. A total of SDR 198.9 million, equivalent to TZS 501,867.0 million (2010: TZS 404,716.5 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 2011, the facility had a nil balance.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

20 FOREIGN CURRENCY MARKETABLE SECURITIES

(a) Available - for - Sale financial assets

Available - for - Sale financial assets consists of foreign currency marketable securities that are internally managed. Majority of such securities are sovereign issues with a minimum credit rating of AA, bearing fixed interest and specified maturities.

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Available - for - sale financial assets	3,573,014,735	2,870,891,214
Accrued interest	33,093,428	29,558,183
Sub total (a)	<u>3,606,108,163</u>	<u>2,900,449,397</u>

(b) Held - for - Trading financial assets

These are portfolio externally managed by the World Bank Treasury under a special program known as Reserve Advisory Management Program (RAMP). The balance of this reserve was as follows.

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Held - for - Trading financial assets	411,905,566	354,292,336
Accrued interest	1,348,491	1,016,110
Sub Total (b)	<u>413,254,057</u>	<u>355,308,446</u>
Total (a+b)	<u>4,019,362,220</u>	<u>3,255,757,843</u>

Analysis of foreign currency marketable securities available for sale and financial assets held for trading by concentration into sovereign issues, supranational securities and agency securities:

Sovereign Issues

USD	1,740,259,243	386,232,384
GBP	339,591,012	34,397,018
EUR	932,448,610	46,332,309
	<u>3,012,298,865</u>	<u>466,961,711</u>

Supranational Securities

USD	267,165,762	287,555,814
GBP	20,052,460	-
EUR	28,279,733	48,456,752
	<u>48,332,195</u>	<u>336,012,566</u>

Agency Securities

USD	835,204,018	1,555,763,785
GBP	15,993,163	296,376,504
EUR	44,812,327	570,068,984
	<u>896,009,508</u>	<u>2,422,209,273</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

20 FOREIGN CURRENCY MARKETABLE SECURITIES (Continued)

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Total investments		
USD	2,603,742,995	1,816,731,000
GBP	375,636,636	461,846,161
EUR	1,005,540,670	806,130,248
Accrued interest	34,441,919	35,640,924
	<u>4,019,362,220</u>	<u>3,120,348,333</u>

21 AVAILABLE - FOR - SALE EQUITY INVESTMENT

Equity investment in Afreximbank	<u>1,895,620</u>	<u>1,655,252</u>
	<u>1,895,620</u>	<u>1,655,252</u>

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, with five calls. As at 30th June 2011 two calls had been made and 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. The shares are classified as available for sale financial instruments. They are currently reflected at cost as they are not traded in any stock exchange and cost approximates to its fair value.

	<u>30.06.2010</u>	<u>30.06.2011</u>
	TZS '000	TZS '000

22 HELD - TO - MATURITY GOVERNMENT SECURITIES

Stocks	51,336,808	51,336,808
Special Treasury Bonds	637,855,000	642,600,000
LART Bonds	85,189,195	85,189,195
Treasury EPA Stock	<u>205,743,889</u>	<u>205,743,889</u>
	980,124,892	984,869,892
Accrued interest at 30 June 2011	<u>20,739,697</u>	<u>19,333,176</u>
	<u>1,000,864,589</u>	<u>1,004,203,068</u>

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 and the Bank holds them to maturity. The Bank has ability to hold these securities to maturity.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

22 HELD - TO - MATURITY GOVERNMENT SECURITIES (Continued)

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 2011 is 51,336.8 million (2010: TZS 51,336.8 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. 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 2011 was TZS 637,855.0 million (2010: TZS 642,600.0 million).

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, mature on 25 November, 2011 and carry annual interests of 11 percent and 5 percent respectively payable semi-annually. As at 30th June 2011 the total value of such bonds was TZS 85,189.2 million (2010: 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

22 HELD - TO - MATURITY GOVERNMENT SECURITIES (Continued)

Treasury EPA Stock (Continued)

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 30th June 2011 the aggregate position of Special EPA stocks was TZS 140,097.8 million (2010:TZS 205,743.9 million).

23 ADVANCES TO THE GOVERNMENT

Advances to the Government (URT) Note 33

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
	348,369,754	175,645,539
	<u>348,369,754</u>	<u>175,645,539</u>

As at 30 June 2011, the overall United Republic of Tanzania (URT) Government position ended with a net deficit balance of TZS 348,369.8 million as summarised under Note 33. 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

24 LOANS AND RECEIVABLES

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Staff loans and advances	38,965,329	32,331,297
Accounts receivable	86,160,559	73,077,004
Secured loan to Mwananchi Gold Company Limited	10,542,031	9,205,283
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
Intermediary accounts receivable	1,094,344	9,411,523
	<u>141,906,263</u>	<u>129,169,107</u>
Less: Provision for impairment	(40,905,639)	(10,763,183)
	<u>101,000,624</u>	<u>118,405,924</u>
<i>Analysis of impairment by line items</i>		
Staff loans and advances	199,255	224,241
Accounts receivable	30,570,023	402,581
Secured loan to Mwananchi Gold Company Limited	4,992,361	4,992,361
Cash loss recoverable from NBC Limited	5,144,000	5,144,000
	<u>40,905,639</u>	<u>10,763,183</u>
<i>Movement in provision for impairment</i>		
Balance at the beginning of the year	10,763,183	10,077,476
Additional impairment on accounts receivable	30,167,442	170,947
Exchange gain on impairment of Mwananchi Gold Company Limited (24,152)		598,865
Reversal during the year	-	(74,961)
Write-offs of other receivables	(834)	(9,144)
Balance at the end of the year	<u>40,905,639</u>	<u>10,763,183</u>

The write off relates to ex staff loans and advances which could not be recoverable for a long time.

The Bank did not pledge any loans and receivables as securities against liabilities in 2011 and 2010.

(a) Accounts Receivable: TZS 86,160.6 million.

Accounts receivable represent short term claims and which are expected to be recovered within a period not exceeding twelve months. As at 30 June 2011, the account had a balance of TZS 86,160.6 million (2010: TZS 73,077.0 million). Major components under Accounts Receivable include the following: -



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

24 LOANS AND RECEIVABLES (Continued)

(a) Accounts Receivable: (Continued)

i) Input VAT Claims : TZS 19,766.9 million

The Bank had a contract with M/S Group Five International (the contractor) for construction of 10 Mirambo Office Extension and Gulioni Office – Zanzibar. This was a tax free contract that took into account the Bank's tax exemption status provided in its legislation. However, the Value Added Tax Act, 1997 does not recognize the exemption status provided in the contract in favor of the Contractor.

Accordingly, the Tanzania Revenue Authority (TRA) assessed the contractor Output Value Added Tax which were periodically offset against the company's input VAT claims.

In order to ensure business continuity and timely projects completion, the Bank had to reimburse the Contractor input VAT claims so that the company's cash flows is not adversely affected. As at 30th June, 2011, a total of TZS 19,766.9 million (2010: TZS 19,766.9 million) was still outstanding as input VAT claims.

The Government has undertaken to repay TZS 9,953.8 million in 2011/2012, in three equal installments effective September 2011. Measures are also being undertaken by the offices of the Treasury, Attorney General and the Bank of Tanzania to have the balance of TZS 9,813.1 million, representing claims relating to the period of July 2005 to June 2006 when the Bank tax exemption status was erroneously rescinded, paid in 2011/2012

(ii) Liquidity Management Expenses: TZS 22,195.3 million.

Included under accounts receivable is TZS 22,195.3 million (2010: TZS 26,851.5 million) related to 2010/11 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.

(iii) Interest Receivable on overdrawn Government accounts: TZS 17,530.4 million.

During the year the Government net position was overdrawn by TZS 17,530.4 million (2010: TZS 3,456.6 million). Pursuant to Section 34 of the Bank of Tanzania Act, 2006, the amount of TZS 17,530.4 was charged to the Government .

(iv) Economic empowerment: TZS 15,461.0 million.

A total of TZS 15,461.0 million is receivable from the Government in respect of funds advanced by the Bank of Tanzania to facilitate implementation of the economic empowerment programs. Out of the above amount of TZS 15,461.0 million, a total of TZS 4,331.1 million is related to the unpaid balance for the first phase and TZS 11,130.0 million is related to the second phase of the Scheme .



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

24 LOANS AND RECEIVABLES (Continued)

(b) Staff Loans and Advances: TZS 38,965.3 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 2011 the balance of staff loans and advances was TZS 38,965.3 million (2010: TZS 32,331.3 million). The increase of TZS 13,836.9 million noted during the period was mainly on account of staff loans.

25 INVENTORIES

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
The inventory balance consists of the following:		
Currency machine spare parts	2,370,552	1,928,601
Building, machinery and maintenance consumables	674,508	610,942
Stationery	364,905	381,920
Drugs and medicines	134,114	220,980
Copier parts and consumables	307,702	276,056
Inventory in Transit	6,279	
Cheque books	528,924	736,773
ICT accessories and consumables	377,268	376,574
	<u>4,764,252</u>	<u>4,531,846</u>

All inventories held by the Bank as at 30 June 2011 were for the internal consumption and not intended for sale.

26 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 which have been reported at fair value after considering operating loss for the year ended 31 March 2007.

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

26 INVESTMENT IN ASSOCIATE COMPANY(Continued)

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
The investment in associate balance consists of the following:		
Investment in Mwananchi Company Limited	253,894	253,894
Share of Loss of Mwananchi Company Limited	(253,893)	(253,893)
	<u>1</u>	<u>1</u>

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

27 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 2010/11, the movement on deferred currency cost balance was as follows:

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Balance as at 01 July 2010	62,414,861	114,320,855
Add: Cost of currency received during the year	59,809,703	164,425
Less: Cost of currency issued in circulation (Note 12)	(58,055,098)	(52,070,419)
Balance as at 30 June 2011	<u>64,169,466</u>	<u>62,414,861</u>

28 OTHER ASSETS

Prepayments	35,465,003	46,773,326
Export credit guarantee fund investments account	45,589,717	37,824,278
SME contribution investment account	6,201,877	5,697,419
Staff Housing Fund Investment	2,099,250	120,286
Accrued Interest on ECGS investment	767,509	1,165,616
Development finance guarantee investments account	650,249	651,201
Staff imprest	902,321	793,711
Petty cash balances	55,500	56,500
Others	1,237,793	1,839,298
	<u>92,969,219</u>	<u>94,921,635</u>

Less: Provision for impairment	(38,157)	(38,157)
	<u>92,931,062</u>	<u>94,883,478</u>

Analysis of impairment by line items

Prepayments	38,157	38,157
	<u>38,157</u>	<u>38,157</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

28 OTHER ASSETS(Continued)

Movement in provision for impairment

During the year there was no additional impairment relating to other assets (2010: TZS 38.1 million). 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	<u>38,157</u>	<u>38,157</u>

(i) Prepayment: TZS 35,465.0 million

The balance under prepayment mainly covers TZS 7,985.1 million and TZS 26,934.8 million paid to M/S De La Rue Currency of United Kingdom and M/S CRANE AB of Sweden as 25% and 20% 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 45,589.7 million

The balance represent funds invested in Treasury Bills in respect of Export Credit Guarantee Scheme fund. As at 30 June 2011 the account had a balance of TZS 35,335.1 million (2010: TZS 37,824.3 million).



**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

29 PROPERTY AND EQUIPMENT

	Land and buildings		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	TZS '000	
<u>Cost/valuation</u>													
At 01 July 2010	646,052,919	206,128,082	9,041,089	6,446,990	11,677,790	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	13,492,596	29,866,243	957,519,606						
<u>Accumulated depreciation and impairment</u>													
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	0	107,700,169	5,810,025	3,269,685	9,052,278	-	125,832,157						
<u>Net Book Value</u>													
At 30 June 2011	690,185,000	100,412,141	3,198,162	3,585,586	4,440,318	29,866,243	831,687,449						

There were neither amounts nor restrictions on title of property and equipment held by the Bank as at 30 June 2011.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

29 PROPERTY AND EQUIPMENT (Continued)

<u>Cost/valuation</u>	Land and buildings	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
At 01 July 2009	638,315,892	188,847,034	7,156,938	5,869,329	11,124,802	24,143,230	875,457,225
Additions	4,002,504	2,020,452	1,884,151	581,904	564,444	15,462,284	24,515,739
Transfers**	3,734,523	15,274,018	-	-	-	(19,008,541)	-
Disposals	-	(13,422)	-	(4,243)	(11,456)	-	(29,121)
At 30 June 2010	646,052,919	206,128,082	9,041,089	6,446,990	11,677,790	20,596,973	899,943,843
<u>Accumulated depreciation and impairment</u>							
At 01 July 2009	9,106,592	58,500,208	4,719,064	1,823,981	6,198,652	-	80,348,497
Charges for the Year	5,160,277	24,077,472	500,064	691,552	1,442,149	-	31,871,514
Disposals	-	(9,516)	-	(3,835)	(10,938)	-	(24,289)
At 30 June 2010	14,266,869	82,568,164	5,219,128	2,511,698	7,629,863	-	112,195,722
<u>Net book value</u>							
At 30 June 2010	631,786,050	123,559,918	3,821,961	3,935,292	4,047,927	20,596,973	787,748,121

** A total of TZS 19,008.5 million comprise of transfers made from construction work in progress to land and buildings which is related to capital work completed at 10 Mirambo office buildings mainly in respect of conference centre (TZS 3,734.5 million), machinery and equipment mainly notes processing machines (TZS 15,274.0 million) and furniture and fittings (TZS 4.2 million.)





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

29 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	30.06.2011	30.06.2010
	TZS '000	TZS '000
Cost	631,731,892	614,506,692
Accumulated depreciation and impairment	10,919,929	10,784,064
Carrying amount	<u>620,811,963</u>	<u>603,722,628</u>

Effective 2007/8 valuation of the Bank's immovable property is conducted after five years. On 30 June 2011, the Bank's immovable properties were valued 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). The valuation resulted into a net revaluation gain of TZS 46,152.9 million. Net valuation gains has an impact on the increase of the value of property and equipment. In accordance with IAS 1 Revised (Presentation of financial statements) a "revaluation gain" has been recognised in the statement of other comprehensive income and accumulated in equity.

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 2012.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

29 PROPERTY AND EQUIPMENT (Continued)

Reconciliation of items disposed during the period by class of assets

CLASS OF ASSET	30.06.2011		30.06.2010	
	Cost TZS'000	Accumulated Depreciation TZS'000	Cost of disposal TZS'000	Cash proceeds TZS'000
Land and buildings	-	-	-	-
Machinery & equipment	-	-	-	-
Motor vehicles	-	-	-	-
Fixtures & fittings	-	-	-	-
Computers, servers & printers	-	-	-	-
	-	-	-	-
			Net gain/loss TZS'000	Net gain/loss TZS'000
			-	-
			-	3,230
			-	-
			-	(814)
			-	369
			-	2,785





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

30 INTANGIBLE ASSETS

	Computer software	Computer software - WIP	Total
	TZS '000	TZS '000	TZS '000
<u>2011</u>			
<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
<u>2010</u>			
<u>Cost/valuation</u>			
At 01 July 2009	16,921,398	4,084,219	21,005,617
Additions	93,408	111,493	204,901
Transfers	(139,255)	-	(139,255)
At 30 June 2010	16,875,551	4,195,712	21,071,263
<u>Accumulated amortisation and impairment</u>			
At 01 July 2009	9,224,324	22,691	9,247,015
Charges for the Year	2,430,804	-	2,430,804
Impairment	(139,255)	-	(139,255)
At 30 June 2010	11,515,873	22,691	11,538,564
<u>Net book value</u>			
At 30 June 2010	5,359,678	4,173,021	9,532,699

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

	<u>30.06.2011</u>	<u>30.06.2010</u>
	<u>TZS '000</u>	<u>TZS '000</u>
31 CURRENCY IN CIRCULATION		
Notes		
Notes issued	5,851,818,467	5,283,665,177
Less: Notes in Custody	<u>(3,387,733,795)</u>	<u>(3,289,522,766)</u>
Notes in Circulation (A)	<u>2,464,084,672</u>	<u>1,994,142,411</u>
Coins		
Coins issued	50,307,107	50,642,037
Less: Coins in Custody	<u>(10,746,657)</u>	<u>(13,244,544)</u>
Coins in Circulation (B)	<u>39,560,450</u>	<u>37,397,493</u>
	<u>2,503,645,122</u>	<u>2,031,539,904</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 2,503,645.1 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

32 DEPOSITS - BANKS AND NON - BANK FINANCIAL INSTITUTIONS

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Deposit - commercial bank deposits		
Clearing	180,159,253	420,867,447
SMR	1,093,341,778	911,295,949
Domestic Banks Foreign Currency Deposits	<u>60,886,615</u>	<u>50,744,393</u>
Sub Total	<u>1,334,387,646</u>	<u>1,382,907,789</u>
Deposits - Non bank financial institutions		
Clearing	8,321,590	5,889,836
Domestic Non Banks Foreign Currency Deposits	<u>433,594</u>	<u>390,103</u>
Sub Total	<u>8,755,184</u>	<u>6,279,939</u>
Total Deposits	<u>1,343,142,830</u>	<u>1,389,187,728</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

33 DEPOSITS - GOVERNMENTS

Deposits - Voted		
URT Government	(548,332,614)	(429,466,112)
SMZ Government	8,640,519	<u>7,487,167</u>
Sub Total	<u>(539,692,096)</u>	<u>(421,978,945)</u>
Deposits - Un-voted		
URT Government	199,962,860	253,820,573
SMZ Government	<u>5,165,849</u>	<u>13,021,140</u>
Sub Total	<u>205,128,709</u>	<u>266,841,713</u>
Total URT Government	<u>(348,369,754)</u>	<u>(175,645,539)</u>
Total SMZ Government	<u>13,806,368</u>	<u>20,508,307</u>

During 2010/11 the position of the Government of the United Republic of Tanzania (URT) voted accounts were overdrawn in various periods. As at 30 June 2011 the overdrawn position of URT Government voted accounts reached TZS 462,577.3 million. Pursuant to the provision of Section 34 of the Bank's Act, a total of TZS 17,530.4 million was charged in 2010/11 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 2011 amounting to TZS 348,369.7 million (2010: TZS 175,645.5 million) has been reported as a receivable advance to the Government.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

34 DEPOSITS - OTHERS

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Export credit guarantee fund	46,904,517	31,783,488
Small and medium enterprises guarantee fund	5,843,749	5,913,939
Redemption of Government Stock/Bonds	10,589,775	6,915,208
Tegeta Escrow	105,969,256	102,469,256
Development finance guarantee fund	11,166,661	7,881,159
Debt Service Cash Cover	25,059,325	6,170,228
Deposit Staff	5,869,747	6,746,010
Debt Conversion Scheme	2,098,960	2,098,960
Bank Drafts Issued	173,873	237,933
Deposit Insurance Fund	37,962	1,349,849
Economic Empowerment Programme	1,616,501	1,254,248
Tanzania Investment Bank	-	50,000,000
Tanzania Agriculture Development Bank	30,000,000	50,000,000
Mwalimu Nyerere Scholarship Fund	581,077	140,850
Government Obligations Settlements	25,562,366	-
Miscellaneous Deposits	617,528.19	1,281,249
	<u>272,091,298</u>	<u>274,242,377</u>
External Payment Arrears – NBC	2,288,418.00	2,288,418
	<u>274,379,716</u>	<u>276,530,795</u>

Tegeta Escrow TZS Sub Account: TZS 105,969.3 million.

The Bank is a party to an ESCROW arrangement between Tanzania National 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 disputed power bills claimed by IPTL. Such deposits accumulated to TZS 105,969.3 million as at 30 June 2011 (2010: TZS 102,469.3 million). TANESCO and IPTL are currently engaged in a dispute resolution over such bills. As at 30 June 2011 arbitration proceedings between TANESCO and IPTL were yet to be finalized and therefore no payment has been made to IPTL from the Escrow account.

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Development finance guarantee fund: TZS 11,166.7 million.		
Development finance guarantee fund consists of the following:		
Capital contribution by the Government	56,500,000	56,500,000
Interest on refinancing loans	13,849,405	10,595,835
Interest earned on treasury bills	2,485,427	2,453,496
Sub Total	<u>72,834,832</u>	<u>69,549,331</u>
Less: Loans issued for refinancing facility	(61,668,171)	(61,668,171)
Net balance	<u>11,166,661</u>	<u>7,881,160</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

34 DEPOSITS - OTHERS (Continued)

Development finance guarantee fund: TZS 11,166.7 million.

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 2011, 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 2011 the Fund had a balance of TZS 11,166.7 million (2010: TZS 7,881.2 million)

Tanzania Agriculture Development Bank: TZS 30,000.0 million

The amount of TZS 30,000.0 million relates to balance of funds contributed by the URT Government from 2009/10 budget to facilitate establishment of Tanzania Agriculture Development Bank.

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Export Credit Guarantee Fund: TZS 41,841.4 million.		
The balance under this fund consists of the following		
Export credit guarantee fund	51,967,407	44,050,178
Less: ECGS Receivable	(5,062,890)	(12,266,690)
Total	<u>46,904,517</u>	<u>31,783,488</u>

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. During 2010/11 the Government made an additional capital contribution of TZS 4,309.5 million. As at 30 June 2011 the Fund had a balance of TZS 46,904.3 million (2010: TZS 31,783.5 million) comprising of Government and BOT contributions and income from investment in treasury bills and guarantee fees.

Debt Service Cash Cover: TZS 25,059.3 million

The balance represents an amount received by the Bank from the Government of the United Republic of Tanzania (URT) for the purpose of settling URT Government obligations and other services payable in foreign currency.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

34 DEPOSITS - OTHERS (Continued)

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 581.1 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 degree at University level. As at 30 June 2011 the Fund had a balance of TZS 581.1 million (TZS 140.8 million). The increase in the Fund's position was on account of additional contributions of TZS 440.3 million made in 2010/11.

Government Obligations Settlements: TZS 25,562.4 million.

This amount relates to funds awaiting externalization by the Government following the introduction of electronic payments during the year.

<u>30.06.2011</u>	<u>30.06.2010</u>
TZS '000	TZS '000

35 FOREIGN CURRENCY FINANCIAL LIABILITIES

Multilateral Debt Relief Initiative Fund	10,560,187	85,716,634
TEGETA Escrow	34,926,612	30,497,855
Special Projects	339,306,615	222,133,058
Multilateral Agencies	4,181,556	3,034,328
Central Banks Deposits	57,745	57,744
Other Foreign Currency Deposits	3,142,063	2,741,807
	<u>392,174,778</u>	<u>344,181,426</u>

Multilateral Debt Relief Initiative Funds: TZS 10,560.2 million

Poverty Reduction and Budget Support Fund relate to donor funds granted to the government by donors as a support to the budget in implementation of various poverty alleviation projects.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

35 FOREIGN CURRENCY FINANCIAL LIABILITIES (Continued)

TEGETA Escrow: TZS 34,926.6 million

The Bank is a party to an ESCROW arrangement between TANESCO Limited and Independent Power Tanzania Limited (IPTL) for power purchase payments in favor of IPTL. The Bank receives deposits from TANESCO for disputed monthly power bills claimed by IPTL. Such deposits accumulated to TZS 34,926.6 million (2010:TZS 30,497.9 million). TANESCO and IPTL are currently engaged in a dispute resolution over such bills. As at 30 June 2011 arbitration proceedings between TANESCO and IPTL were yet to be settled and therefore no payment has been made to IPTL from the escrow account.

Special Projects Funds: TZS 339,306.6 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.

Domestic Banks Foreign Currency Deposits: TZS 60,886.6 million.

These are domestic banks' deposits denominated in USD, which are non-interest bearing current accounts balances maintained by the Bank for clearing and settlement purposes.

Multilateral Agencies TZS 4,181.6 million

These are funds disbursed by the European Commission to finance various economic activities programs such as agricultural inputs, crops, consultancy etc. Interest accruing from the funds is ploughed back

Other Foreign Currency Deposits TZS 3,142.1 million

This balance consists mainly of Government deposit balance in respect of air control system and Mwananchi Gold Company Ltd .

<u>30.06.2011</u>	<u>30.06.2010</u>
TZS '000	TZS '000

36 POVERTY REDUCTION AND GROWTH FACILITY (PRGF)

Exogenous Shocks Facility - ESF (IMF Drawings)	<u>578,194,213</u>	<u>467,977,672</u>
	<u>578,194,213</u>	<u>467,977,672</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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

36 POVERTY REDUCTION AND GROWTH FACILITY (PRGF) (Continued)

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 2011 the balance of PRGF account was TZS 578,194.2 million (2010:TZS 467,977.7 million).

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
37 REPURCHASE AGREEMENTS (REPOs)		
Repurchase Agreements	54,000,000	117,000,000
Accrued interest	16,464	15,662
	<u>54,016,464</u>	<u>117,015,662</u>

38 BOT LIQUIDITY PAPERS

BOT liquidity papers	948,846,309	1,208,947,148
Accrued interest	28,613,395	33,635,700
	<u>977,459,704</u>	<u>1,242,582,848</u>

As at 30 June, 2011 the maturities profile of BOT Liquidity Papers were follows:

35-Day Treasury Bills	11,621,565	45,669,142
91-Day Treasury Bills	158,789,858	221,018,214
182-Day Treasury Bills	229,087,565	295,354,805
364-Day Treasury Bills	549,347,321	646,904,987
	<u>948,846,309</u>	<u>1,208,947,148</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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

39 PROVISIONS	<u>30.06.2011</u> TZS '000	<u>30.06.2010</u> TZS '000
Provision for leave pay	3,515,789	3,184,128
Provision for retirement benefits	3,758,768	3,665,433
Provision for legal expenses	-	97,000
	<u>7,274,556</u>	<u>6,946,561</u>
<i>Movements in provisions</i>		
<u>Leave pay</u>		
Carrying amount at the beginning of the period	3,184,128	2,741,962
Additional provision made during the period	331,661	442,166
Carrying amount at the end of the period	<u>3,515,789</u>	<u>3,184,128</u>
<u>Retirement benefits</u>		
Carrying amount at the beginning of the period	3,665,433	2,131,855
Additional provision made during the period	3,809,358	3,665,433
Amount used during the period	(3,374,416)	(2,014,904)
Amount reversed during the period	(341,607)	(116,951)
Carrying amount at the end of the period	<u>3,758,768</u>	<u>3,665,433</u>
40 OTHER LIABILITIES		
Accounts payable	21,573,458	15,910,990
Accruals	547,131	677,302
Stale drafts payable	103,073	103,129
Employees tax payable	137,074	275,332
Others	160,347	254,467
	<u>22,521,083</u>	<u>17,221,220</u>
41 AUTHORISED AND PAID-UP SHARE CAPITAL		
Authorized Capital	<u>100,000,000</u>	<u>100,000,000</u>
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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

	<u>30.06.2011</u> TZS '000	<u>30.06.2010</u> TZS '000
42 CASH (USED BY)/ GENERATED FROM OPERATIONS		
(Loss)/profit for the Year	715,892,642	(6,490,080)
<u>Adjustment for:</u>		
Other comprehensive income	11,900,867	33,218,539
Depreciation of property and equipment	33,248,991	31,871,514
Amortization of intangible assets	2,485,725	2,430,804
Capital grant transferred		(21,840)
Proceeds from investments of staff housing fund	268,585	223,002
Net loss on disposal of property and equipment		2,785
Revaluation gains	(46,219,781)	
Provision for impairment	30,167,442	170,947
Increase in fair value of equity investment	(240,368)	(95,990)
Bad debts written off	834	9,144
	<u>747,504,936</u>	<u>61,318,825</u>
<u>Changes in working capital</u>		
Increase/Decrease in loans and receivables	(12,762,976)	4,005,166
Increase in advances to the Government)	(172,724,215)	(175,645,539)
Decrease in deferred currency cost	(1,754,605)	(51,905,994)
Decrease in other assets	1,952,416	57,003,748
Increase/(decrease) in inventories	(232,406)	229,848
Increase/(decrease) in items in course of settlement	(4,403,488)	1,792,932
Increase/(decrease) in other liabilities and provisions	5,627,859	(7,843,222)
Net changes in working capital	<u>(184,297,416)</u>	<u>(172,363,061)</u>
Net cash generated from/(used in) operations	<u>563,207,521</u>	<u>(111,044,236)</u>
43 RESERVES		
General Reserve	276,296,100	208,738,399
Capital Reserve	99,262,908	99,262,908
Foreign Exchange Equalization Reserve	463,264,603	142,997,293
Reserve for Capital Projects	120,000,000	20,000,000
Staff Housing Fund	33,614,325	19,834,200
Assets Revaluation Reserve	119,925,982	73,773,032
Securities Revaluation Reserve	64,784,192	99,036,275
Foreign Currency Revaluation Reserve	41,219,947	904,315
Mwalimu Nyerere Fund	1,000,000	-
Reserve for Dividends	173,240,458	1,669,901
	<u>1,392,608,515</u>	<u>666,216,323</u>



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

43. 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 2011 the reserve had a balance of TZS 276,296.1 million (2010: TZS 208,738.4 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 2011 the reserve had a balance of TZS 99,262.9 million (2010: 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, to ensure conformance with International Financial Reporting Standards (IFRS), 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 2011 the total amount standing at the credit of the Foreign Exchange Equalization Reserve amounted to TZS 463,264.6 million (2010: TZS 142,997.3 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 (2010: TZS 20,000.0 million).



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

43. RESERVES (Continued)

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 2 percent of the distributable profit. As at 30 June 2011, the fund had a balance of TZS 33,614.3 million (2010: TZS 19,834.2 million) that include interest on fund's investments.

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 Standards (IAS 1), 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 2011, the reserve had a balance aggregating to TZS 119,925.9 million (2010: TZS 73,773.0 million).

g. Securities Revaluation Reserve

The Bank maintains a Securities Revaluation Reserve to account for unrealized gains and losses arising from fair value valuation (mark to market) of financial instruments classified as available for sale. Gains and losses arising from change in fair value of Available-For-Sale (AFS) financial assets are recognized in other comprehensive income. However, this amount is not available for distribution. Accordingly, it is appropriated in the Securities revaluation reserve. When these financial assets are sold, collected or otherwise disposed of, the cumulative gains or losses recognized in other comprehensive income are transferred to the other income. As at 30 June 2010 the reserve had a balance of TZS 64,784.2 million (2010: TZS 99,059.1 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 Statement of Comprehensive Income.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

43. RESERVES (Continued)

h. Foreign Currency Revaluation Reserve (Continued)

Both realized and unrealized gains and losses are therefore taken to Statement of Comprehensive Income for purposes of computation of profit 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”. As at 30 June 2011 the reserve had TZS 41,219.9 million (2010: TZS 904.3 million).

i. Mwalimu Nyerere 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 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 Kambage Nyerere. As at 30 June 2011 the reserve had a balance of TZS 1,000.0 million.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT

44.1 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,



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.1 Introduction (Continued)

Strategy in using financial instruments (Continued)

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 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.

44.2 Risk Management Structure

44.2.1 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.

44.2.2 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.

44.2.3 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.1 Introduction (Continued)

44.2.3 Risk Management Function (Continued)

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.

44.2.4 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.

44.2.5 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.

44.3 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.3 Risk measurement and reporting systems (Continued)

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.

44.4 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.

44.5 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. 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks

a) Credit risk

In its financial operations, the Bank is exposed to credit risk, defined as the probability of a complete or partial failure of a counterpart to fulfil 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks

a) Credit risk (Continued)

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.

Total assets of the Bank exposed to credit risk as of 30 June 2011 and 30 June 2010 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).

Description	30.06.2011		30.06.2010	
	TZS '000	TZS Share (%)	TZS '000	TZS Share (%)
Due from banks				
Deposits				
Central Banks (AAA)	73,776,413	0.97%	130,482,843	2.18%
Foreign Commercial Banks	1,164,192,916	15.33%	1,077,749,438	18.20%
F1+	1,164,192,916		1,077,749,438	
F1				
NR				
Loans and Receivables	101,000,624	1.33%	118,405,924	2.01%
Investment Securities	5,020,226,809		4,259,960,911	
Available for sale	3,606,108,163	47.48%	2,900,449,397	48.99%
AAA	3,606,108,163		2,809,890,999	
AA+				
AA	90,558,398			
A+				
N/R				
Trading - AAA	388,453,821	5.11%	355,308,446	6.00%
AA	11,311,874			
AA	13,488,362			
Held to maturity investment	1,000,864,588	13.18%	1,004,203,068	16.96%
Advances to the Government	348,369,754	4.87%	175,645,539	2.97%
Others	887,874,012	11.70%	157,298,339	2.67%
Total	7,595,440,528	100.00%	5,919,542,994	100.00%

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

a) Credit Risk (Continued)

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
Due from banks							
Central Banks	1,031,732,293	-	-	-	-	1,646,597,26	1,033,378,891
Commercial Banks	-	-	204,590,438	-	-	-	204,590,438
Loans and Receivables	-	-	101,000,624	-	-	348,369,754	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	-	-	-	-	-	1,000,864,589	1,000,864,589
Others	-	-	57,422,400	-	-	-	57,422,400
Total	3,345,193,287	325,179,990	483,201,547	186,635,881	42,164,977	1,350,880,940	6,764,988,916

2011





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

a) Credit Risk (Continued)

The sectoral classification of the Bank's credit exposure as of 30 June 2010 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		
2010													
Due from banks													
Central Banks	109,876,271	-	-	-	-	-	20,606,572	-	-	-	-	-	130,482,843
Commercial Banks	-	-	-	-	-	-	1,077,749,438	-	-	-	-	-	1,077,749,438
Loans and Receivables	-	-	-	-	118,405,924	-	-	-	-	-	175,645,539	-	294,051,463
Investment in Securities													
Held - for - trading financial assets	-	-	-	-	355,308,446	-	-	-	-	-	-	-	355,308,446
Available - for - sale financial assets	2,272,709,343	342,102,135	-	-	-	-	88,169,501	197,468,418	-	-	-	-	2,900,449,397
Held-to-maturity	-	-	-	-	85,189,195	-	-	-	-	-	919,013,874	-	1,004,203,068
Government securities	-	-	-	-	158,671,282	-	729,202,730	-	-	-	-	-	887,874,012
Others													
Total	2,382,585,614	342,102,135	342,102,135	717,574,846	1,915,728,241	197,468,418	1,094,659,413	6,650,118,667					

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 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:

	Tanzania TZS '000	USA TZS '000	UK TZS '000	Other European Countries TZS '000	Other Countries TZS '000	Total TZS '000
2011						
Assets						
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
Held - for - trading financial assets	-	362,793,024	-	17,619,518	32,841,515	413,254,057
Available - for - sale financial assets	-	1,609,214,171	322,554,602	1,243,890,037	430,449,352	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	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
Property and equipment	831,687,449	-	-	-	-	831,687,449
Intangible assets	-	-	-	-	-	-
Total Assets	#REF!	2,950,785,303	348,736,613	2,384,660,984	473,177,578	#REF!
Liabilities						
Currency in circulation	2,503,645,122	-	-	-	-	2,503,645,122
Deposits - banks and non-banks financial institutions	1,281,822,621	-	-	-	-	1,281,822,621
Deposits - Governments	13,806,368	-	-	-	-	13,806,368
Deposits - others	274,379,716	-	-	-	-	274,379,716
Foreign currency financial liabilities	4538263859	-	-	-	-	453,826,386
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	7,274,558	-	-	-	-	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	8,137,140,090	480,700,836	-	-	-	8,617,840,926





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

a) Credit Risk (Continued)

Geographical analysis of concentrations of assets and liability of the Bank as of 30 June 2010 is as follows:

	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	1,605,579	72,389,828	9,686,241	46,417,491	383,704	130,482,843
Demand, Foreign Currency Notes & Coins & Time Deposits with Commercial Banks	-	540,059,242	88,592,274	448,553,461	544,461	1,077,749,438
Items in course of settlement	1,372,943	-	-	-	-	1,372,943
Holdings of Special Drawing Rights (SDRs)	-	322,830,929	-	-	-	322,830,929
Held - for - trading financial assets	-	355,308,446	-	-	-	355,308,446
Available - for - sale financial assets	-	1,297,367,759	1,575,064,716	28,016,922	-	2,900,449,397
Available - for - sale equity investment	-	-	-	1,655,252	-	1,655,252
Held - to - maturity Government securities	1,004,203,068	-	-	-	-	1,004,203,068
Advances to the Government	175,645,539	-	-	-	-	175,645,539
Loans and receivables	118,405,924	-	-	-	-	118,405,924
Inventories	4,531,846	-	-	-	-	4,531,846
Investment in associate Company	1	-	-	-	-	1
Quota in International Monetary Fund (IMF)	-	404,716,549	-	-	-	404,716,549
Deferred currency cost	62,414,861	-	-	-	-	62,414,861
Other assets	94,883,478	-	-	-	-	94,883,478
Property and equipment	787,748,121	-	-	-	-	787,748,121
Intangible assets	9,532,699	-	-	-	-	9,532,699
Total Assets	2,260,344,059	2,992,672,753	1,673,343,231	522,987,874	2,583,417	7,451,931,334
Liabilities						
Currency circulation	2,031,539,904	-	-	-	-	2,031,539,904
Deposits - banks and non-banks financial institutions	1,389,187,728	-	-	-	-	1,389,187,728
Deposits - Governments	20,508,307	-	-	-	-	20,508,307
Deposits - others	276,530,795	-	-	-	-	276,530,795
Foreign currency financial liabilities	344,181,426	-	-	-	-	344,181,426
Poverty Reduction and Growth Facility	467,977,672	-	-	-	-	467,977,672
Repurchase agreements	117,015,662	-	-	-	-	117,015,662
BoT liquidity papers	1,242,582,848	-	-	-	-	1,242,582,848
Other liabilities	17,221,220	-	-	-	-	17,221,220
Provisions	6,946,561	-	-	-	-	6,946,561
IMF related liabilities	384,375,218	-	-	-	-	384,375,218
Allocation of Special Drawing Rights (SDRs)	387,647,670	-	-	-	-	387,647,670
Shareholders equity	766,216,323	-	-	-	-	766,216,323
Total liabilities and equity	6,679,908,446	772,022,888	-	-	-	7,451,931,334



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

a) 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.

Details	30.06.2011			
	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
Other assets	92,686,679	206,228	38,157	92,931,064
Total	6,412,072,060	12,888,285	30,167,442	6,455,127,787

Details	30.06.2011			
	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	1,208,232,241	-	-	1,208,232,241
Foreign currency marketable securities – Available for Sale	2,900,449,397	-	-	2,900,449,397
Financial assets Held for Trading	355,308,446	-	-	355,308,446
Government Securities				
Held to Maturity	1,004,203,068	-	-	1,004,203,068
Loans and Receivables	9,212,922	104,781,480	4,212,922	118,207,324
Other assets	34,569,876	3,309,854	-	37,879,730
Total	5,511,975,990	108,091,334	4,212,922	5,624,280,246



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

a) Credit risk (Continued)

Credit quality per class of financial assets

As at 30 June 2011, 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
2011	101,000,624	38,965,329	14,306,690			569	47,728,036
2010	118,405,924	9,411,523	490,682	489,788	1,384,592	494,963	106,134,375

See note 24 and 28 for more detailed information with respect to allowance for impairment losses on loans and receivables and other assets.

The fair value of collateral that the Bank holds relating to loans determined to be individually impaired as at 30 June 2011 amounts to TZS 4,238.4 million (2010: TZS 4,238.4 million). The collateral consists 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 ensue, 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)



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

a) Credit risk (Continued)

Individually assessed allowances (Continued)

Details	<u>30.06.2011</u>	<u>30.06.2010</u>
	Gross Maximum Exposure TZS '000	Gross Maximum Exposure TZS '000
Cash and cash equivalent	1,237,969,329	1,208,232,241
Foreign currency marketable securities –Available for Sale	3,606,108,163	2,900,449,397
Financial assets Held for Trading	413,254,057	355,308,446
Government Securities Held to Maturity	1,001,643,791	1,004,203,068
Advances to the Government	348,369,754	175,645,539
Loans and Receivables	101,000,624	118,405,924
Other Assets	92,931,064	94,883,478

b) 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 (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

b) Liquidity Risk (Continued)

- by Contractual maturity analysis of financial instruments

	Up to 1 Month	From 1 to 3 Months	From 3 to 12 Months	From 1 to 5 Years	Over 5 Years	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
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
Held - for - trading financial assets	-	9,481,421	34,871,795	368,900,841	-	413,254,057
Available - for - sale financial assets	16,208,739	49,923,805	513,366,492	2,907,975,046	118,634,080	3,606,108,163
Available - for - sale equity investment	-	-	-	441,103,186	1,895,620	1,895,620
Held - to - maturity Government securities	-	-	86,761,403	-	473,000,000	1,000,864,589
Advance to the Government	-	-	348,369,754	-	-	348,369,754
Loans and receivables	1,100,904	15,641,905	18,331,020	65,926,795	-	101,000,624
Quota in International Monetary Fund	-	-	501,867,026	-	-	501,867,026
Deferred currency cost	-	-	64,169,466	-	-	64,169,466
Other assets	1,001,441	3,075,204	17,627,989	35,564,293	-	57,268,927
Total assets	550,630,265	1,187,461,796	1,585,364,945	3,819,470,162	593,529,701	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	2,055,139,375	1,860,240,563	1,481,048,493	388,394,537	7,124,216,806
Net Liquidity gap	(788,763,572)	(867,677,579)	(274,875,618)	2,338,421,669	205,135,164	612,240,063
Cumulative gap	(788,763,572)	(1,656,441,152)	(1,931,316,770)	407,104,899	612,240,063	-

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

b) Liquidity Risk (Continued)

- by Contractual maturity analysis of financial instruments

	Up to 1 Month	From 1 to 3 Months	From 3 to 12 Months	From 1 to 5 Years	Over 5 Years	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
2010						
Assets						
Cash and balances with central banks & other banks	130,482,843	1,077,749,438	-	-	-	1,208,232,281
Items in course of settlement	1,372,943	-	-	-	-	1,372,943
Holdings of Special Drawing Rights (SDRs)	-	-	322,830,929	-	-	322,830,929
Held - for - trading financial assets	-	4,638,366	30,748,424	319,196,771	724,885	355,308,446
Available - for - sale financial assets	-	129,238,324	374,402,634	1,971,327,335	425,481,104	2,900,449,397
Available - for - sale equity investment	-	-	-	-	1,655,252	1,655,252
Held - to - maturity Government securities	-	-	499,696,999	88,840,867	415,665,202	1,004,203,068
Loans and receivables	-	-	175,645,539	-	-	175,645,539
Quota in International Monetary Fund	9,411,523	-	36,341,810	72,652,591	-	118,405,924
Deferred currency cost	-	-	62,414,861	-	-	62,414,861
Other assets	850,211	433,813	7,159,797	39,666,331	404,716,549	452,826,701
Total assets	142,117,520	1,212,059,941	1,509,240,993	2,491,683,895	1,248,242,992	6,603,345,341
Liabilities						
Currency in circulation	-	-	-	-	2,031,539,904	2,031,539,904
Deposit - banks and non banks financial institutions	187,327,452	347,893,840	388,035,437	414,796,503	-	1,338,053,232
Deposit - Governments	3,076,246	7,177,908	10,254,153	-	-	20,508,307
Deposit - Others	6,983,943	33,735,920	6,747,184	60,724,656	168,339,092	276,530,795
Foreign currency financial liabilities	79,114,074	31,645,630	47,468,444	237,087,774	-	395,315,922
Poverty Reduction and Growth Facility	4,557,893	323,026,477	140,393,302	-	-	467,977,672
Repurchase agreements	117,015,662	-	-	-	-	117,015,662
BOT liquidity papers	45,669,142	221,018,214	975,895,492	-	-	1,242,582,848
Provisions	-	-	6,946,560	-	-	6,946,560
Other liabilities	274,771	263,628	6,874,451	9,808,371	-	17,221,221
IMF Related Liabilities	-	-	-	-	384,375,218	384,375,218
Allocation of Special Drawing Rights (SDRs)	-	387,647,670	-	-	-	387,647,670
Total Equity and Liabilities	444,019,183	1,352,409,287	1,582,615,023	722,417,304	2,584,254,214	6,685,715,011
Net Liquidity gap	(301,901,663)	(140,349,346)	(73,374,030)	1,769,266,591	(1,336,011,222)	(82,369,670)
Cumulative gap	(301,901,663)	(442,251,009)	(515,625,039)	1,253,641,552	(82,369,670)	-





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 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:

	Less than 12	Over 12	Total
	months	months	
2011	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
Advance 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	8,617,509,523
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)	-	480,700,836	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	3,368,954,729	8,617,509,524



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 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:

2010	Less than 12 months		Total TZS '000
	TZS '000	Over 12 months TZS '000	
Assets			
Cash and balances with central banks & other banks	1,208,232,281	-	1,208,232,281
Items in course of settlement	1,372,943	-	1,372,943
Holdings of Special Drawing Rights (SDRs)	-	322,830,929	322,830,929
Held - for - trading financial assets	355,308,446	-	355,308,446
Available - for - sale financial assets	503,640,959	2,396,808,438	2,900,449,397
Available - for - sale equity investment	-	1,655,252	1,655,252
Held - to - maturity Government securities	501,859,918	502,343,151	1,004,203,069
Advances to the Government	175,645,539	-	175,645,539
Loans and receivables	44,742,558	73,663,366	118,405,924
Inventories	4,531,846	-	4,531,846
Investment in associate company	-	1	1
Quota in International Monetary Fund	-	404,716,549	404,716,549
Deferred currency cost	62,414,861	-	62,414,861
Other assets	8,043,617	86,839,861	94,883,478
Property and equipments	-	787,748,121	787,748,121
Intangible assets	-	9,532,699	9,532,699
Total assets	2,865,792,968	4,586,138,366	7,451,931,334
Liabilities and equity			
Currency in circulation	-	2,031,539,904	2,031,539,904
Deposit - banks and non banks financial institutions	923,256,730	414,796,502	1,338,053,232
Deposit - Governments	14,355,815	6,152,492	20,508,307
Deposit - Others	47,467,047	229,063,748	276,530,795
Foreign currency financial liabilities	158,228,148	237,087,774	395,315,922
Poverty Reduction and Growth Facility	467,977,672	-	467,977,672
Repurchase agreements	117,015,662	-	117,015,662
BOT liquidity papers	1,242,582,848	-	1,242,582,848
Provisions	6,946,561	-	6,946,561
Other liabilities	7,826,638	9,394,582	17,221,220
IMF Related Liabilities	-	384,375,218	384,375,218
Allocation of Special Drawing Rights (SDRs)	-	387,647,670.3	387,647,670
Authorized and Paid up Capital	-	100,000,000	100,000,000
Reserves	-	666,216,323	666,216,323
Total liabilities and equity	2,985,657,121	4,466,274,213	7,451,931,334



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

c) Interest rate 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 90percent 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 2011 portfolio duration stood at 2.1 years while that of 30 June 2010 was 2.6 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

c) Interest rate risk (Continued)

The table below shows various risk measured parameters

	30.06.2011		30.06.2010	
Portfolio Characteristics				
Positions of securities	192	192	193	193
Base currency	USD	TZS '000	USD	TZS '000
Market value of Available for Sale financial instruments	2,282,809,280	3,606,108,163	2,102,719,625	2,900,449,397
Financial assets held for trading	261,606,184	413,254,057	257,585,615	355,308,445
Money Markets placements	691,503,976	1,110,584,533	751,454,936	1,036,541,910
Duration	2.11 years	2.11 years	2.61 years	2.61 years
Spread Duration	0.47 years	0.47 years	0.59 years	0.59 years

The tracking errors and VaR was as per breakdown below

Details	30.06.2011		30.06.2010	
	USD	TZS '000	USD	TZS '000
Monthly Tracking Error	9,237,973	14,593,042	13,951,990	19,245,096
95percent Monthly VaR	(24,003,418)	(24,518,981)	(22,948,981)	(31,655,365)

Price value of 1 BPS in USD

Details	30.06.2011		30.06.2010	
	USD	TZS '000	USD	TZS '000
USD	339,990	537,075	324,940	448,216
EUR	151,881	239,923	183,966	253,759
GBP	55,541	87,737	106,712	147,196
Total	547,413	864,735	615,618	849,171

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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

c) Interest rate risk (Continued)

Details	30.06.2011		30.06.2010	
	USD	TZS '000	USD	TZS '000
USD	86,727	137,001	98,631	136,050
EUR	19,395	30,638	27,148	37,447
GBP	16,502	26,068	14,000	19,311
Total	122,824	193,707	139,779	192,808

For measuring the sensitivity of the Bank's foreign exchange reserves to interest rate risk, the table below shows the sensitivity of the Bank's foreign reserves values in USD given 10, 20 and 30 basis points parallel change in yield curves of three major foreign reserves currencies i.e. USD, EUR and GBP.

30.06.2011 (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)

30.06.2010 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	(4,235,709)	(2,111,146)	(1,207,116)	(7,553,971)	(10,419,797)
20	(8,471,419)	(4,222,291)	(2,414,232)	(15,107,942)	(20,839,593)
30	(11,571,417)	(6,333,437)	(3,621,348)	(21,526,202)	(29,692,813)

Yield decrease in 1 BPS

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

30.06.2010 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
10	4,235,709	2,111,146	1,207,116	7,553,971	10,419,797
20	8,471,419	4,222,291	2,414,232	15,107,942	20,839,593
30	11,571,417	6,333,437	3,621,348	21,526,202	29,692,813



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

c) Interest rate risk (Continued)

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.

30.06.2011 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total 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)

30.06.2010 (Amounts in USD equivalent)

BPS	USD	EUR	GBP	Total USD	Total TZS '000
Spread widening by 50	(4,931,559)	(1,357,408)	(699,994)	(6,988,961)	(9,640,433)
Curve Steepening by 50	(3,757,612)	(1,137,020)	(655,245)	(5,549,876)	(7,655,388)
Curve Flattening by 50	3,517,153	1,137,020	664,084	5,318,256	7,335,896

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.

d) 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.6 Financial risks (Continued)

d) Currency risk (Continued)

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 2010 and 2009 which provides the Bank's assets, liabilities and equity at carrying amounts, categorized by currency is summarized below

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

d) Currency risk (Continued)

2011	GBP '000	USD '000	EUR '000	SDR '000	TZS '000	TZS '000	Others '000	Total '000
Assets								
Cash and balances with central banks & other banks	136,779,864	802,030,825	291,034,469	-	-	5,776,431	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 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
Property and equipment	-	-	-	-	831,687,449	-	-	831,687,449
Intangible assets	-	-	-	-	8,938,819	-	-	8,938,819
Total assets	512,416,499	3,442,111,362	1,296,575,138	899,779,907	2,458,502,447	2,458,502,447	8,124,171	8,617,509,524
Liabilities								
Currency in circulation	-	-	-	-	2,503,645,122	-	-	2,503,645,122
Deposit - banks and non banks financial institutions	-	61,320,209	-	-	1,281,822,621	-	-	1,343,142,830
Deposit - Governments	-	-	-	-	13,806,368	-	-	13,806,368
Deposit - others	-	-	-	-	274,379,716	-	-	274,379,716
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	-	-	-	-	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
Total liabilities	1,975	443,516,365	9,808,528	1,536,480,389	5,135,066,246	5,135,066,246	27,509	7,124,901,011
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	-	1,492,608,515
Total liabilities and equity	1,975	443,516,365	9,808,528	1,536,480,389	6,627,674,760	6,627,674,760	27,509	8,617,509,526
Net balance sheet position	512,414,524	2,998,594,997	1,286,766,610	(636,700,481)	(4,169,172,314)	(4,169,172,314)	8,096,662	-
Scenario of 10.06% appreciation	51,548,901	301,658,657	129,448,721	(64,052,068)	(419,418,735)	(419,418,735)	814,524	-





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.6 Financial Risks (Continued)

d) Currency risk (Continued)

2010	GBP	USD	EUR	SDR	TZS	Others	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Assets							
Cash and balances with central banks & other banks	96,111,356	620,108,984	490,988,314	-	-	1,023,627	1,208,232,281
Items in course of settlement	-	-	-	-	1,372,943	-	1,372,943
Holdings of Special Drawing Rights (SDRs)	-	-	-	-	-	-	322,830,929
Held - for - trading financial assets	-	355,308,446	-	322,830,929	-	-	355,308,446
Available - for - sale financial assets	335,434,563	1,887,233,417	677,781,417	-	-	-	2,900,449,397
Available - for - sale equity investment	-	1,655,252	-	-	-	-	1,655,252
Held - to - maturity Government securities	-	-	-	-	1,004,203,068	-	1,004,203,068
Advances to Government	-	-	-	-	175,645,539	-	175,645,539
Loans and advances	-	-	-	-	118,405,924	-	118,405,924
Inventories	-	-	-	-	4,531,846	-	4,531,846
Investment in associate company	-	-	-	-	1	-	1
Quota in International Monetary Fund (IMF)	-	-	-	404,716,549	-	-	404,716,549
Deferred currency cost	-	-	-	-	62,414,861	-	62,414,861
Other assets	-	-	-	-	94,883,478	-	94,883,478
Property and equipment	-	-	-	-	787,748,121	-	787,748,121
Intangible assets	-	-	-	-	9,532,699	-	9,532,699
Total assets	431,545,919	2,864,306,099	1,168,769,731	727,547,478	2,258,738,480	1,023,627	7,451,931,334
Liabilities							
Currency in circulation	-	-	-	-	2,031,539,904	-	2,031,539,904
Deposit banks and non-banks financial institutions	-	51,134,496	-	-	1,338,053,232	-	1,389,187,738
Deposit - Governments	-	-	-	-	20,508,307	-	20,508,307
Deposit - others	-	-	-	-	276,530,795	-	276,530,795
Foreign currency financial liabilities	-	342,071,843	-	-	-	2,109,583	344,181,426
Poverty Reduction and Growth Facility	-	-	-	467,977,672	-	-	467,977,672
Repurchase agreements	-	-	-	-	117,015,662	-	117,015,662
BOT liquidity papers	-	-	-	-	1,242,582,848	-	1,242,582,848
Provisions	-	-	-	-	6,946,561	-	6,946,561
Other liabilities	-	384,375,218	-	-	17,221,220	-	384,375,218
IMF Related Liabilities	-	-	-	387,647,670	-	-	387,647,670
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	-	-	-
Total liabilities	-	777,581,557	-	855,625,342	3,018,858,625	2,109,583	6,685,715,011
Equity	-	-	-	-	100,000,000	-	100,000,000
Reserves	-	-	-	-	666,216,323	-	666,216,323
Total equity	-	-	-	-	766,216,323	-	766,216,323
Total liabilities and equity	-	777,581,557	-	855,625,342	3,785,074,948	2,109,583	7,451,931,334
Net balance sheet position	431,545,919	2,086,724,542	1,168,769,731	(128,077,864)	(1,526,336,468)	(1,085,956)	-
Scenario of 8.5% appreciation	36,681,403	177,371,586	99,345,427	(10,886,618)	(129,738,600)	(92,306)	-



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44 RISK MANAGEMENT (Continued)

44.7 Non Financial Risks

a) 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.

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. 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

44. RISK MANAGEMENT (Continued)

44.7 Non Financial Risks (Continued)

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.

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 (Continued) FOR THE YEAR ENDED 30 JUNE 2011

45. 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

	30.06.2011		
	Level 1	Level 2	Level 3
	TZS'000'	TZS'000'	TZS'000'
Held for trading securities	413,254	-	-
Available for sale securities	3,606,108	-	-
	<u>4,019,362</u>	-	-
			30.06.2010
Held for trading securities	355,308,445	-	-
Available for sale securities	2,900,449,397	-	-
	<u>4,463,990,123</u>	-	-

During the year ended 30 June 2011 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 (Continued) FOR THE YEAR ENDED 30 JUNE 2011

46 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:

	Loans and	Held to	Held for	Available for	Other financial	Total	Fair values
	receivables	maturity	trading	sale	assets and	TZS '000	TZS '000
	TZS '000	TZS '000	TZS '000	TZS '000	liabilities	TZS '000	TZS '000
2011							
Financial assets							
Cash and balances with central banks & other banks	1,237,969,329	-	-	-	-	1,237,969,329	1,237,969,329
Items in course of settlement	5,776,431	-	-	-	-	5,776,431	5,776,431
Holdings of Special Drawing Rights (SDRs)	-	-	-	-	397,912,882.00	397,912,882	397,912,882
Held - for - trading financial assets	-	-	413,254,057	-	-	413,254,057	413,254,057
Available - for - Sale financial assets	-	-	-	3,606,108,163	-	3,606,108,163	3,606,108,163
Available - for - Sale equity instruments	-	-	-	1,895,620	-	1,895,620	1,895,620
Advance to the Government	348,369,754	-	-	-	-	348,369,754	348,369,754
Held - to - Maturity Government securities	-	1,000,864,589	-	-	-	1,000,864,589	1,000,864,589
Loans and receivables	101,000,624	-	-	-	-	101,000,624	101,000,624
Quota in International Monetary Fund (IMF)	501,867,026	-	-	-	-	501,867,026	501,867,026
Other assets	-	-	-	57,427,901	-	57,427,901	57,427,901
Financial liabilities							
Currency in circulation	-	-	-	-	2,503,645,122	2,503,645,122	2,503,645,122
Foreign currency financial liabilities	-	-	-	-	392,174,778	392,174,778	392,174,778
Poverty Reduction and Growth Facility	-	-	-	-	578,194,213	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	-	-	-	-	21,836,878	21,836,878	21,836,878
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 (Continued)
FOR THE YEAR ENDED 30 JUNE 2011**

46 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (Continued)

	Loans and	Held to	Held for	Available for	Other financial	Total	Fair values
	receivables	maturity	trading	sale	assets and	TZS '000	
2010	TZS '000	TZS '000	TZS '000	TZS '000	liabilities	TZS '000	
Financial assets							
Cash and balances with central banks & other banks	1,208,232,281	-	-	-	-	1,208,232,281	1,208,232,281
Items in course of settlement	1,372,943	-	-	-	-	1,372,943	1,372,943
Holdings of Special Drawing Rights (SDRs)	-	-	-	-	322,830,929	322,830,929	322,830,929
Held - for - trading financial assets	-	-	355,308,446	-	-	355,308,446	355,308,446
Available - for - sale financial assets	-	-	-	2,900,449,397	-	2,900,449,397	2,900,449,397
Available - for - sale equity investment	-	-	-	1,655,252	-	1,655,252	1,655,252
Held - to - maturity Government securities	-	1,004,203,068	-	-	-	1,004,203,068	1,004,203,068
Loans and receivables	118,405,924	-	-	-	-	118,405,924	118,405,924
Quota in International Monetary Fund (IMF)	-	-	-	-	404,716,549	404,716,549	404,716,549
Other assets	-	-	-	-	48,110,152	48,110,152	48,110,152
Financial liabilities							
Currency in circulation	-	-	-	-	2,031,539,904	2,031,539,904	2,031,539,904
Deposits-banks and non-financial institutions	-	-	-	-	1,343,142,830	1,343,142,830	1,343,142,830
Deposits -Government	-	-	-	-	13,806,368	13,806,368	13,806,368
Deposits - Others	-	-	-	-	274,379,716	274,379,716	274,379,716
Foreign currency financial liabilities	-	-	344,181,426	-	-	344,181,426	344,181,426
Poverty Reduction and Growth Facility	-	-	-	-	467,977,672	467,977,672	467,977,672
Repurchase agreements	-	-	-	-	117,015,662	117,015,662	117,015,662
BoT liquidity papers	-	-	-	-	1,242,582,848	1,242,582,848	1,242,582,848
Other liabilities	-	-	-	-	16,537,015	16,537,015	16,537,015
IMF related liabilities	-	-	-	-	384,375,218	384,375,218	384,375,218
Allocation of Special Drawing Rights (SDRs)	-	-	-	-	387,647,670	387,647,670	387,647,670





NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

47. 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 23

Details	30.06.2011 TZS (Millions)	30.06.2010 TZS (Millions)
Capital	100,000	100,000
Reserves	1,392,608	666,814
Total	1,492,608	766,814

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.

48. 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



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

48. CONTINGENT LIABILITIES (Continued)

48.1 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.

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.

48.2 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

48. CONTINGENT LIABILITIES (Continued)

48.2 External Payment Arrears Deposit Account (Continued)

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 2011 the balance in this liability account was TZS 2,288.4 million (2010: 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, a consultant firm was engaged in April 2009 to carry out a review of the status of EPA account and relevant procedures in order to address weaknesses identified in the Special Audit report. The Consultant had already submitted an inception report in August 2009. The Bank of Tanzania examined the report and forwarded comments to the consultants M/S Lazard Freres and Clearly Gottlieb. The consultant has submitted the comments and other terms which have been submitted to the World Bank for comments and way forward.

The final report is expected to address the following issues:

- (i) To ascertain how the remaining debt as at 2004 was handled.
- (ii) To compile and establish the current stock of remaining EPA debts.
- (iii) To develop jointly with Ministry of Finance, a strategy and action plan to handle unsettled claims.
- (iv) To implement the strategy.

The Bank of Tanzania has included the EPA account and government debt management in general, in its program for shading-off non-core activities.

48.3 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

48. CONTINGENT LIABILITIES (Continued)

48.3 Export Credit Guarantee Scheme (ECGS) (Continued)

As at 30th June 2011 outstanding guarantees aggregated to TZS 251,211.6 million (2010: TZS 197,833.2 million) while the balance of the Fund as at 30th June 2011 was TZS 46,489.6 million (2010: TZS 39,012.6 million). The movement of the Fund during the year is as summarized below.

	<u>30.06.2011</u> TZS '000	<u>30.06.2010</u> TZS '000
Balance of funds		
Capital	21,772,722	17,463,252
Surplus	24,716,866	21,549,375
Total	<u>46,489,588</u>	<u>39,012,627</u>

48.4 Small & Medium Enterprises –Credit Guarantee Scheme

The Bank operationalise 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 2011 outstanding guarantees had a value aggregating to TZS 824,959.0 million (2010: TZS 1,657.4million) while the balance of the fund as at 30th June 2011 was TZS 6,257.7 million (2010: TZS 5,913.9 million).

49. OUTSTANDING COMMITMENTS

49.1 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.

As at 30 June 2011, 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.

49.2 Capital commitments

As at 30 June 2011, the Bank's capital commitments in respect of, Property and Equipment, Intangible Assets and major capital projects aggregated to TZS 35,495.0 million. The major capital expenditure commitments items is as reflected herewith below: -



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

49. OUTSTANDING COMMITMENTS (Continued)

49.2 Capital commitments (Continued)

Particulars	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS (Millions)	TZS (Millions)
Office buildings	13,501.90	2,410.90
Residential buildings	1,486.00	713.00
Machinery and Equipment	9,404.80	10,674.30
Information, Communication and Technology (ICT)	2,350.10	2,530.80
Motor vehicles	5,686.50	4,245.0
Furniture and fittings	1,198.20	664.00
Intangible assets	1,867.50	1,088.10
Work in progress	-	991.9
Total	35,495.00	23,318.0

The above commitments have been included and approved for payment in accordance with the 2011/12 Approved Budget Estimates.

49.3 Currency issuance and related commitments

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 2011 outstanding commitments were GBP 15,744,449.3 and EUR 66,323,073.06 representing 75 percent and 75 percent 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.

49.4 Post employment benefits

Effective from 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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

50. 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:

50.1 Loans 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 17) include advances to employees that as at 30 June 2011 amounted to TZS 46,168.5 million (2010: TZS 32,331.3 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.

	<u>30.06.2011</u> TZS '000	<u>30.06.2010</u> TZS '000
i Loans to Senior Management (i.e. Governor, Deputy Governors and Directors)		
At start of the year	507,939	615,051
Loans granted during the year	1,040,559	615,533
Loans repaid during the year	(720,498)	(722,645)
Balance	<u>828,000</u>	<u>507,939</u>
ii Key Management emoluments		
Salaries, allowances and benefits	3,236,917	3,136,105
Post employment benefits	448,651	413,306
Total	<u>3,685,568</u>	<u>3,549,411</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 2011, the number of key management personnel was 27 (2010: 27).



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

50. RELATED PARTY DISCLOSURES (Continued)

50.2 Emoluments to the Members of the Board of Directors

In 2010/11, emoluments paid to the members of the Board amounted to TZS 229.8 million (2010: TZS 239.4 million). As of 30 June 2011 and 30 June 2010 there were no loans advanced by the Bank to Non-Executive Directors of the Board. Further, there were no other related party transactions with non-executive members of the Board. Transactions with director-related entities, which occurred in the normal course of the Bank operations, were conducted on terms that were no more favourable than similar transactions with other employees or customers.

50.3 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

As at the close of business on 30 June 2011, the following balances, which are included in the statement of financial position in various categories, were outstanding:

	<u>30.06.2011</u>	<u>30.06.2010</u>
	TZS '000	TZS '000
Due from Government of Tanzania (Note 24)	51,562.60	243,982,039
IMF funds on-lent to the Government (Note 19)	477,585,339.19	384,375.22
Deposits-RGZ (Note 33)	13,806,368.46	20,508,307
Investments in Government Securities (Note 22)	1,000,864,588	1,004,203,068
Structured Financing Facility (Note 34)	61,668,171	61,668,171
Export Credit Guarantee Fund (Note 28)	45,589,717	37,824,278
Small and Medium Enterprises Guarantee Fund (Note 28)	<u>6,201,877</u>	<u>5,697,419</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.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

50.4 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 37.9 million (2010: TZS 1,395.3 million).

50.5 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.

50.6 Loans to Associate Company – Mwananchi Gold Company Limited (MGCL)

Mwananchi Gold Company Limited MGCL 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.

MGCL ceased operations in 2007 due to unsatisfactory performance. Since its cessation, efforts to revamp the company failed and the board of the Company has now 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.

As part of the scheme the Board of MGCL has re-appointed M/s Knight Frank to update the Valuation Report of the Company's property, and, M/s PricewaterhouseCoopers to update the audit of the Company's Accounts. The conclusion of these two assignments will enable retained Consultants, M/S Asyla Attorneys, to finalize the Company's due diligence and facilitate detailed proposals of the scheme of arrangement. It is expected that the scheme of arrangement will facilitate realization of members' investments, including the Bank's investments in equity and debt.

51. EVENTS AFTER THE REPORT DATE

On 5th August 2011 Standard & Poor's cut the US's top-rank triple-A rating down a notch, to AA+. This signalled that the country's reliability to pay its debts has decreased. In addition to the downgrade, S&P issued a negative outlook, suggesting that there was a chance it will reduce the rating further within two years. Other rating agencies like Moody's Investors Service and Fitch Ratings affirmed their AAA credit ratings for the U.S. on 2nd August 2011.



NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30 JUNE 2011

51. EVENTS AFTER THE REPORT DATE (Continued)

Regardless of the rating, treasuries are still seen as safe haven due to the fact that they are the highest quality assets on the globe and as U.S remains one of the strongest, most dynamic economies in the world. Currently, the US economy still remains the giant regarding international reserve asset worldwide by holding 60.7%. Political system in recent months has demonstrated gridlock, diminishing its political will, but the status of the US dollar as the global reserve currency will continue to provide the US with a significant advantage no other economy enjoys.

Accordingly, the Directors are of the opinion that, these developments will not have significant impact on the Banks financial reporting framework.

52. COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted or excluded to conform to changes in presentation in the current year



PART IV
CALENDAR OF IMPORTANT MONETARY AND ECONOMIC
POLICY EVENTS, JANUARY TO JUNE 2011



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's Growth challenge 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 (Incharge of Economic and Financial Policies - EFP), Mr. Juma H. Reli Deputy Governor (Incharge of Administration and Internal Controls - AIC), and Mr. Lila H. Mkila (Incharge 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, (Incharge of Economic and Financial Policies - EFP), Mr. Juma H. Reli (Incharge of Administration and Internal Controls - AIC) and Mr. Lila H. Mkila (Incharge 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 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

0percent, 10percent, and 25percent is applied to goods imported into EAC. A selected list of sensitive items attracts rates above 25percent 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.

1996: The Capital Markets and Securities Authority (CMSA) was established, in order to facilitate establishment of a stock exchange for mobilizing and allocating savings for medium and long-term investments.



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, 2001-2010

Economic Activity	2001	2002	2003	2004	2005	2006	2007 ^r	2008 ^r	2009 ^r	2010 ^p
Millions of TZS										
A: Monetary										
Gross domestic product at market prices	7,638,099	8,795,422	10,214,161	11,680,834	13,431,438	15,152,834	17,726,676	20,834,475	24,325,365	27,474,463
Agriculture, Hunting and Forestry	1,610,975	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
Crops	1,151,820	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
Livestock	307,313	336,310	399,611	447,491	529,630	580,430	631,254	744,879	982,709	991,996
Forestry and hunting	151,842	164,062	180,871	213,505	227,968	255,325	272,575	313,461	551,820	235,345
Fishing	149,760	168,598	182,929	201,771	219,930	235,045	235,045	288,719	389,105	436,863
Industry and construction	1,550,360	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
Mining and quarrying	159,979	220,000	288,200	357,368	457,431	576,363	742,932	839,513	941,094	1,072,847
Manufacturing	762,400	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
Electricity, gas	196,860	209,640	227,081	244,977	271,925	276,915	335,898	421,216	479,768	571,130
Water supply	29,840	32,421	37,597	42,697	47,696	54,872	57,816	63,482	70,934	79,584
Construction	401,281	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
Services	3,795,004	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
Trade and repairs	1,182,797	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
Hotels and restaurants	250,978	269,120	286,883	319,365	394,417	459,584	559,722	649,278	635,414	754,037
Transport	487,062	526,710	577,977	637,720	706,291	769,830	886,844	1,037,608	1,409,636	1,646,704
Communications	112,783	130,496	161,623	206,877	277,216	374,241	487,132	611,350	596,230	691,627
Financial intermediation	140,000	179,715	204,766	229,370	265,261	299,734	345,000	403,727	477,492	567,822
Real estate and business services	591,482	621,333	723,952	819,300	980,660	1,120,466	1,318,834	1,416,251	1,508,091	1,709,313
Public administration	640,649	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
Education	188,733	211,372	223,409	236,813	251,022	268,594	289,617	333,060	392,507	455,308
Health	118,972	151,993	174,789	200,933	233,032	275,726	327,658	383,360	454,990	532,339
Other social & personal services	81,548	86,904	88,770	99,329	107,542	117,284	129,482	147,221	176,775	202,422
Gross value added before adjustments	7,106,099	8,181,248	9,487,836	10,802,421	12,205,634	13,659,452	15,976,398	18,764,884	21,951,483	24,836,710
less FISIM	-80,000	-90,400	-105,382	-120,588	-141,723	-169,661	-208,281	-260,029	-328,478	-358,049
<i>Gross value added at current basic prices</i>	7,026,099	8,090,848	9,382,454	10,681,833	12,063,911	13,489,791	15,768,117	18,504,855	21,623,005	24,478,661
Add Taxes on products	612,000	704,574	831,707	999,001	1,367,527	1,663,043	1,958,559	2,329,620	2,702,359	2,995,802
B: Non-Monetary										
Gross domestic product at market prices	1,462,175	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
Agriculture, Hunting and Forestry	1,025,218	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
Crops	794,125	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
Livestock	152,135	166,490	163,524	221,530	262,193	287,342	359,742	424,496	152,818	247,999
Forestry & hunting	78,958	85,312	94,053	111,022	118,544	132,769	166,360	191,313	70,786	549,139
Fishing	3,900	4,391	4,764	5,254	5,727	6,409	7,358	7,873	10,610	22,810
Industry and construction	88,099	94,005	101,224	122,289	167,464	208,050	257,315	299,103	346,074	361,428
Water supply	14,000	16,245	16,327	18,777	20,909	20,937	21,166	29,828	33,330	34,107
Construction	74,099	77,760	84,897	103,512	146,555	187,113	230,149	269,274	312,744	327,321
Services	344,958	386,756	411,300	450,807	539,449	603,105	663,273	962,277	1,024,678	1,139,542
Real estate & business services	344,958	386,756	411,300	450,807	539,449	603,105	663,273	962,277	1,024,678	1,139,542
Total Gross Domestic Product at market prices	9,100,274	10,444,507	12,107,060	13,971,591	15,965,293	17,941,268	20,913,617	24,781,679	28,212,646	32,293,479

Note: * From September 2007 the National Bureau of Statistics Revised the Set of National Account Estimates - 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, 2001- 2010

Economic Activity	2001	2002	2003	2004	2005	2006	2007r	2008 ^t	2009 ^t	2010 ^p
A: Monetary										
Gross domestic product at market prices	83.9	84.2	84.4	83.6	84.1	84.5	84.8	84.1	86.2	97.4
Agriculture, Hunting and Forestry	17.7	17.5	17.4	17.2	16.2	15.3	15.1	14.9	15.7	15.9
Crops	12.7	12.7	12.6	12.5	11.5	10.6	10.7	10.6	10.3	11.6
Livestock	3.4	3.2	3.3	3.2	3.3	3.2	3.0	3.0	3.5	3.5
Forestry and hunting	1.7	1.6	1.5	1.5	1.4	1.4	1.3	1.3	2.0	0.8
Fishing	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.2	1.4	1.5
Industry and construction	17.0	18.7	20.1	19.9	19.7	19.6	19.9	19.8	20.7	24.3
Mining and quarrying	1.8	2.1	2.4	2.6	2.9	3.2	3.5	3.4	3.3	3.8
Manufacturing	8.4	8.3	8.3	8.1	7.9	7.8	7.8	7.8	8.6	10.3
Electricity, gas	2.2	2.0	1.9	1.8	1.7	1.5	1.6	1.7	1.7	2.0
Water supply	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Construction	4.4	6.0	7.3	7.2	6.9	6.8	6.7	6.6	6.8	7.9
Services	41.7	40.5	39.3	38.8	39.1	40.0	40.2	39.9	40.0	46.3
Trade and repairs	13.0	12.4	12.0	11.4	11.0	11.4	11.5	11.6	11.8	13.9
Hotels and restaurants	2.8	2.6	2.4	2.3	2.5	2.6	2.7	2.6	2.3	2.7
Transport	5.4	5.0	4.8	4.6	4.4	4.3	4.2	4.2	5.0	5.8
Communications	1.2	1.2	1.3	1.5	1.7	2.1	2.3	2.5	2.1	2.5
Financial intermediation	1.5	1.7	1.7	1.6	1.7	1.7	1.6	1.6	1.7	2.0
Real estate and business services	6.5	5.9	6.0	5.9	6.1	6.2	6.3	5.7	5.3	6.1
Public administration	7.0	7.2	7.2	7.7	8.0	8.0	7.9	8.2	8.1	9.1
Education	2.1	2.0	1.8	1.7	1.6	1.5	1.4	1.3	1.4	1.6
Health	1.3	1.5	1.4	1.4	1.5	1.5	1.6	1.5	1.6	1.9
Other social & personal services	0.9	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.7
Gross value added before adjustments	78.1	78.3	78.4	77.3	76.5	76.1	76.4	75.7	77.8	88.0
less FISIM	-0.9	-0.9	-0.9	-0.9	-0.9	-0.9	-1.0	-1.0	-1.2	-1.3
Gross value added at current basic prices	77.2	77.5	77.5	76.5	75.6	75.2	75.4	74.7	76.6	86.8
Add Taxes on products	6.7	6.7	6.9	7.2	8.6	9.3	9.3	9.4	9.6	10.6
B: Non-Monetary										
Gross domestic product at market prices	16.1	15.8	15.6	16.4	15.9	15.5	15.2	15.9	13.8	17.1
Agriculture, Hunting and Forestry	11.3	11.1	11.4	12.3	11.4	11.0	10.8	10.8	8.9	11.7
Crops	8.7	8.7	9.2	9.9	9.0	8.6	8.3	8.3	8.1	8.9
Livestock	1.7	1.6	1.4	1.6	1.6	1.6	1.7	1.7	0.5	0.9
Forestry & hunting	0.9	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.3	1.9
Fishing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Industry and construction	1.0	0.9	0.8	0.9	1.0	1.2	1.2	1.2	1.2	1.3
Water supply	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Construction	0.8	0.7	0.7	0.7	0.9	1.0	1.1	1.1	1.1	1.2
Services	3.8	3.7	3.4	3.2	3.4	3.4	3.2	3.9	3.6	4.0
Real estate & business services	3.8	3.7	3.4	3.2	3.4	3.4	3.2	3.9	3.6	4.0
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

Source: National Bureau of Statistics



Table A1.3: Gross Domestic Product (GDP) by Kind of Economic Activity, at Constant 2001 Prices, Tanzania Mainland, 2001- 2010

Economic Activity	2001	2002	2003	2004	2005	2006 ^f	2007	2008 ^t	2009 ^p	2010 ^p
A: Monetary										
GDP at market prices	7,638,006	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
Agriculture and Fishing	1,760,735	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
Crops	1,151,820	1,225,544	1,259,304	1,312,030	1,399,662	1,446,975	1,510,406	1,587,437	1,617,938	1,723,526
Livestock	307,313	316,043	323,067	334,237	351,232	359,519	371,398	379,387	388,264	400,373
Forestry and hunting	151,842	156,806	161,575	165,963	171,937	179,847	185,827	191,750	198,686	206,832
Fishing	149,760	159,886	169,479	180,834	191,684	201,269	210,259	220,772	225,658	229,043
Industry and construction	1,550,268	1,699,749	1,893,028	2,106,686	2,326,418	2,522,828	2,760,870	2,996,217	3,208,502	3,470,768
Mining and quarrying	159,979	187,000	219,000	254,000	295,000	341,000	377,559	386,998	391,642	402,331
Manufacturing	762,400	819,200	893,000	977,000	1,071,000	1,162,000	1,263,435	1,388,515	1,499,596	1,618,064
Electricity, gas	196,860	209,000	223,953	240,708	263,218	258,347	286,507	301,978	327,344	360,733
Water supply	29,748	30,569	32,062	33,903	35,417	37,950	40,841	43,536	45,418	48,969
Construction	401,281	453,980	525,013	601,075	661,783	723,531	792,529	875,190	944,502	1,040,671
Services	3,795,004	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
Trade and repairs	1,182,797	1,281,544	1,405,698	1,486,931	1,585,906	1,736,631	1,906,821	2,097,503	2,254,934	2,439,711
Hotels and restaurants	250,978	267,162	275,836	285,732	301,873	314,921	328,859	343,658	358,779	380,664
Transport	487,062	516,000	541,901	588,574	627,951	661,000	703,965	752,539	797,691	853,529
Communications	112,783	124,549	144,039	169,158	200,900	239,537	287,684	346,659	422,577	515,967
Financial intermediation	140,000	154,108	170,643	184,775	204,694	228,000	251,280	281,120	306,339	337,356
Real estate and business services	591,482	639,474	684,602	734,880	796,832	860,219	925,021	990,697	1,046,313	1,125,486
Public administration	640,649	699,561	766,760	871,169	970,786	1,033,488	1,102,951	1,180,158	1,232,313	1,312,414
Education	188,733	202,000	207,606	215,910	224,547	235,774	248,742	265,905	284,704	305,402
Health	118,972	129,229	140,437	151,370	163,572	177,520	193,142	210,525	224,654	240,058
Other social and personal services	81,548	83,286	84,935	87,461	89,765	93,061	95,998	98,974	102,141	105,716
Gross value added excluding adjustments	7,106,007	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
less FISIM	-80,000	-87,000	-97,154	-106,931	-119,497	-137,287	-158,292	-175,704	-190,990	-208,370
Gross value added at basic prices	7,026,007	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
T axes on products	612,000	655,926	701,372	756,422	812,482	867,868	927,751	999,664	1,057,646	1,128,507
B: Non-Monetary										
GDP at market prices	1,462,268	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
Agriculture, forestry, hunting & fishing	1,029,118	1,072,250	1,111,424	1,210,467	1,230,544	1,287,138	1,337,492	1,401,663	1,471,664	1,500,780
Crops	794,125	830,090	863,057	950,694	962,268	1,010,398	1,057,549	1,111,484	1,172,746	1,189,948
Livestock	152,135	156,457	159,934	168,763	173,877	177,979	179,000	185,322	189,658	197,199
Forestry and hunting	78,958	81,539	84,019	86,301	89,407	93,520	95,468	99,109	102,353	106,550
Fishing	3,900	4,164	4,414	4,709	4,992	5,241	5,475	5,749	6,979	7,084
Industry and construction	88,192	92,275	95,053	97,933	106,843	117,074	128,648	142,024	149,201	162,896
Water supply	14,093	14,515	15,066	15,654	16,283	16,955	17,633	18,797	20,405	20,987
Construction	74,099	77,760	79,987	82,279	90,560	100,119	111,015	123,227	128,796	141,910
Services	344,958	363,786	384,130	406,133	429,958	455,781	483,099	517,399	563,726	597,907
Real estate and business services	344,958	363,786	384,130	406,133	429,958	455,781	483,099	517,399	563,726	597,907
Total Gross domestic product at market prices	9,100,274	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
C: Population	32.9	33.6	34.2	35.3	36.19	37.5	38.3	39.3	40.7	41.9
D: Per Capita real GDP (TZS)	276,604	290,243	304,788	318,677	333,465	343,223	360,363	377,312	386,273	401,636

Note: * From September 2007 the National Bureau of Statistics Revised the Set of National Account Estimates - 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, 2001 – 2010

Economic Activity	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^a
A: Monetary										
Agriculture and Fishing	19.3	19.1	18.4	17.7	17.5	17.0	16.5	16.0	15.5	16.3
Crops	12.7	12.6	12.1	11.7	11.6	11.2	10.9	10.7	10.3	11.0
Livestock	3.4	3.2	3.1	3.0	2.9	2.8	2.7	2.6	2.5	2.5
Forestry and hunting	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.3	1.3
Fishing	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4	1.5
Industry and construction	17.0	17.4	18.2	18.7	19.3	19.6	20.0	20.2	20.4	22.1
Mining and quarrying	1.8	1.9	2.1	2.3	2.4	2.6	2.7	2.6	2.5	2.6
Manufacturing	8.4	8.4	8.6	8.7	8.9	9.0	9.2	9.4	9.5	10.3
Electricity, gas	2.2	2.1	2.1	2.1	2.2	2.0	2.1	2.0	2.1	2.3
Water supply	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Construction	4.4	4.7	5.0	5.3	5.5	5.6	5.7	5.9	6.0	6.6
Services	41.7	42.0	42.4	42.5	42.8	43.3	43.8	44.3	44.7	48.4
Trade and repairs	13.0	13.1	13.5	13.2	13.1	13.5	13.8	14.1	14.3	15.5
Hotels and restaurants	2.8	2.7	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.4
Transport	5.4	5.3	5.2	5.2	5.2	5.1	5.1	5.1	5.1	5.4
Communications	1.2	1.3	1.4	1.5	1.7	1.9	2.1	2.3	2.7	3.3
Financial intermediation	1.5	1.6	1.6	1.6	1.7	1.8	1.8	1.9	1.9	2.1
Real estate and business services	6.5	6.6	6.6	6.5	6.6	6.7	6.7	6.7	6.7	7.2
Public administration	7.0	7.2	7.4	7.8	8.0	8.0	8.0	8.0	7.8	8.3
Education	2.1	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.9
Health	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5
Other social and personal services	0.9	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.7
Gross value added excluding adjustments	78.1	78.5	78.9	79.0	79.6	79.9	80.3	80.5	80.6	86.8
less <i>Financial Services Indirectly Measured</i>	-0.9	-0.9	-0.9	-1.0	-1.0	-1.1	-1.1	-1.2	-1.2	-1.3
Gross value added at basic prices	77.2	77.6	78.0	78.0	78.6	78.8	79.2	79.4	79.4	85.5
<i>Taxes on products</i>	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7	7.2
GDP at market prices	83.9	84.3	84.7	84.7	85.4	85.6	85.9	86.1	86.1	92.7
B: Non-Monetary										
Agriculture, forestry, hunting & fishing										
Crops	11.3	11.0	10.7	10.8	10.2	10.0	9.7	9.5	9.4	9.5
Livestock	8.7	8.5	8.3	8.5	8.0	7.8	7.7	7.5	7.5	7.6
Forestry and hunting	1.7	1.6	1.5	1.5	1.4	1.4	1.3	1.2	1.2	1.3
Fishing	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7
Industry and construction										
Water supply	1.0	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	1.0
Construction	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Services	3.8	3.7	3.7	3.6	3.6	3.5	3.5	3.5	3.6	3.8
Real estate and business services	3.8	3.7	3.7	3.6	3.6	3.5	3.5	3.5	3.6	3.8
GDP at market prices	16.1	15.7	15.3	15.3	14.6	14.4	14.1	13.9	13.9	14.4
C: Total Gross Domestic Product at Constant prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: National Bureau of Statistics



Table A1.5: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Growth Rates, at Constant 2001 Prices, Tanzania Mainland, 2001 - 2010

Economic Activity	2001	2002	2003	2004	2005	2006	2007	2008 ^t	2009 ^p	2010 ^p
A: Monetary										
Gross Domestic Product at market prices	6.5	7.7	7.4	7.8	8.1	7.0	7.5	7.7	6.0	7.6
Agriculture, forestry, hunting & fishing	6.3	5.5	3.0	4.2	6.1	3.5	4.1	4.5	2.2	5.3
Crops	7.6	6.4	2.8	4.2	6.7	3.4	4.4	5.1	1.9	6.5
Livestock	4.0	2.8	2.2	3.5	5.1	2.4	3.3	2.2	2.3	3.1
Forestry and hunting	3.1	3.3	3.0	2.7	3.6	4.6	3.3	3.2	3.6	4.1
Fishing	4.7	6.8	6.0	6.7	6.0	5.0	4.5	5.0	2.2	1.5
Industry and construction	6.7	9.6	11.4	11.3	10.4	8.4	9.4	8.5	7.1	8.2
Mining and quarrying	13.9	16.9	17.1	16.0	16.1	15.6	10.7	2.5	1.2	2.7
Manufacturing	5.0	7.5	9.0	9.4	9.6	8.5	8.7	9.9	8.0	7.9
Electricity, gas	5.9	6.2	7.2	7.5	9.4	-1.9	10.9	5.4	8.4	10.2
Water supply	3.8	2.8	4.9	5.7	4.5	7.2	7.6	6.6	4.3	7.8
Construction	7.9	13.1	15.6	14.5	10.1	9.3	9.5	10.4	7.9	10.2
Services	6.5	8.0	7.9	8.0	8.2	8.0	8.3	8.7	7.1	8.3
Trade and repairs	6.4	8.3	9.7	5.8	6.7	9.5	9.8	10.0	7.5	8.2
Hotels and restaurants	4.8	6.4	3.2	3.6	5.6	4.3	4.4	4.5	4.4	6.1
Transport	4.9	5.9	5.0	8.6	6.7	5.3	6.5	6.9	6.0	7.0
Communications	8.7	10.4	15.6	17.4	18.8	19.2	20.1	20.5	21.9	22.1
Financial intermediation	6.9	10.1	10.7	8.3	10.8	11.4	10.2	11.9	9.0	10.1
Real estate and business services	3.4	8.1	7.1	7.3	8.4	8.0	7.5	7.1	5.7	7.5
Public administration	10.5	9.2	9.6	13.6	11.4	6.5	6.7	7.0	4.4	6.5
Education	11.4	7.0	2.8	4.0	4.0	5.0	5.5	6.9	7.1	7.3
Health	5.6	8.6	8.7	7.8	8.1	8.5	8.8	9.0	6.7	6.9
Other social and personal services	3.1	2.1	2.0	3.0	2.6	3.7	3.2	3.1	3.2	3.5
Gross value added before adjustments	6.5	7.7	7.5	7.9	8.2	7.1	7.7	7.8	6.1	7.7
less <i>FISIM</i>	2.5	8.7	11.7	10.1	11.8	14.9	15.3	11.0	8.7	9.1
Gross value added at basic prices	6.5	7.7	7.5	7.8	8.2	7.0	7.6	7.7	6.0	7.7
Taxes on products	6.0	7.2	6.9	7.8	7.4	6.8	6.9	7.8	5.8	6.7
B: Non-Monetary										
Gross Domestic Product at market prices	3.5	4.5	4.1	7.8	3.1	5.2	4.8	5.7	6.0	3.5
Agriculture, forestry, hunting & fishing	2.7	4.2	3.7	8.9	1.7	4.6	3.9	4.8	5.0	2.0
Crops	2.2	4.5	4.0	10.2	1.2	5.0	4.7	5.1	5.5	1.5
Livestock	4.0	2.8	2.2	5.5	3.0	2.4	0.6	3.5	2.3	4.0
Forestry & hunting	4.7	3.3	3.0	2.7	3.6	4.6	2.1	3.8	3.3	4.1
Fishing	6.1	6.8	6.0	6.7	6.0	5.0	4.5	5.0	21.4	1.5
Industry & construction	5.4	4.6	3.0	3.0	9.1	9.6	9.9	10.4	5.1	9.2
Water supply	2.8	3.0	3.8	3.9	4.0	4.1	4.0	6.6	8.6	2.8
Construction	5.9	4.9	2.9	2.9	10.1	10.6	10.9	11.0	4.5	10.2
Services	5.6	5.5	5.6	5.7	5.9	6.0	6.0	7.1	9.0	6.1
Real estate & business services	5.6	5.5	5.6	5.7	5.9	6.0	6.0	7.1	9.0	6.1
C: Total Gross Domestic Product at Constant prices	6.0	7.2	6.9	7.8	7.4	6.7	7.1	7.4	6.0	7.0

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, 2001- 2011

000* Metric Tons

Crop type	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08 ^p	2008/09	2009/10	2010/11 ^p
Food Crops:											
Maize	2,579.0	2,705.0	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
Rice	564.0	640.0	713.0	688.0	759.0	784.0	872.2	896.7	875.1	1,722.6	1,439.1
Wheat	89.0	77.0	74.0	67.0	102.0	110.0	82.8	86.4	92.4	62.4	112.7
Pulses	733.0	683.0	850.0	879.0	886.0	1,018.0	1,156.0	1,111.2	1,125.5	1,298.9	1,684.1
Cash Crops:											
Coffee	58.1	37.5	52.4	32.5	54.0	34.3	54.8	43.1	68.5	34.6	56.6
Cotton	41.2	49.9	63.4	46.9	114.6	125.6	43.8	67.3	123.6	89.5	54.7
Tea	26.7	24.7	27.6	30.1	30.7	30.3	31.3	34.8	31.6	32.1	31.6
Cashewnuts	98.6	67.3	95.0	79.0	72.0	77.4	92.6	99.1	79.1	75.4	121.1
Tobacco	24.8	28.0	28.0	34.0	47.0	52.0	50.7	50.8	55.4	60.7	94.2
Sisal	20.5	23.5	23.6	23.8	27.0	27.8	30.9	33.3	23.8	24.0	25.0
Pyrethrum	1.5	1.7	1.1	0.8	1.0	2.8	2.0	2.3	3.3	3.3	5.0

Note: na = Not available

p = Provisional

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





Table A1.7: Agricultural Production Indices, Tanzania Mainland, 2001- 2011

Crop type	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Food Crops:											
Maize	140.2	147.0	126.2	171.6	175.0	183.4	179.5	195.3	193.3	257.3	224.1
Paddy	161.4	183.1	204.0	196.9	217.2	224.3	249.6	256.6	250.4	492.9	411.7
Wheat	98.3	85.1	81.8	74.0	112.7	121.5	91.5	95.4	102.1	68.9	124.5
Pulses	269.9	251.5	313.0	323.6	326.2	374.8	425.6	409.1	414.4	478.2	620.1
Cash Crops:											
Coffee	105.8	68.3	95.5	59.2	98.4	62.5	99.9	78.5	124.8	62.9	103.1
Cotton	72.7	88.1	111.7	82.8	202.2	221.5	77.2	118.6	218.0	157.8	96.6
Tea	152.0	140.3	156.6	171.1	174.4	172.4	178.1	197.6	179.6	182.2	179.6
Cashewnuts	226.3	124.8	171.1	146.3	133.3	143.4	171.4	183.5	146.4	137.3	224.3
Tobacco	168.9	189.2	189.2	229.7	317.6	351.4	342.3	343.1	374.0	408.0	636.8
Sisal	25.5	29.1	29.1	29.1	32.7	33.7	37.5	40.4	28.8	38.9	30.3
Pyrethrum	54.3	64.3	40.4	31.2	37.0	103.7	75.8	85.2	121.5	123.0	185.2

Source : Ministry of Agriculture and BOT computation

**Table A1.8: Production in Selected Industries, Tanzania Mainland, 2001 - 2010**

Commodity	Unit	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^p
Biscuits & pasta	tons	1,215	2,284	5,906	10,214	10,912	10,565	11,273.0	15,435.0	6,930.0	6,912.0
Wheat flour	tons	180,098	219,118	334,601	338,076	368,019	421,973	412,823.0	287,925.0	367,846.0	463,552.0
Sugar, refined	000' M/Tons	184	190	213	202	269	173	285.6	310.1	287.7	259.9
Konyagi	000' Lts	2,287	2,937	3,738	4,105	4,489	4,982	7,614.0	4,049.0	10,201.0	11,236.0
Beer	000' Lts	175,649	175,870	194,100	202,628	216,604	274,142	310,194.0	291,178.0	288,901.0	248,502.0
Chibuku	000' Lts	18,750	19,400	14,825	10,119	11,106	11,559	10,320.0	10,255.0	16,141.0	21,040.0
Cigarattes	Mill Pcs	3,491	3,778	3,920	4,219	4,445	4,612	5,821.0	6,101.0	5,741.0	6,181.0
Textiles	000'Sq. Mt.	84,548	106,305	126,900	127,051	110,520	124,716	127,231.0	155,088.0	101,803.0	102,938.0
Sisal ropes and twines	tons	4,796	5,901	6,839	5,161	5,943	5,854	7,295.0	7,783.0	7,913.0	6,872.0
Fishnet & products	tons	57	30	41	260	274	119	156.0	0.0	64.0	247.0
Plywood	Cubic Mt.	450	304	562	578	918	1,032	1,080.0	925.0	254.0	988.0
Pyrethrum extract	000' tons	71	36	16	23	164	33	30.0	423.0	143.0	64.0
Paints	000'Ltrs	9,662	13,564	16,842	16,621	16,222	18,402	22,849.0	24,857.0	25,761.0	28,201.0
Cement	000' tons	900	1,026	1,186	1,281	1,366	1,432	1,629.9	1,755.9	1,940.8	2,312.1
Rolled steel	tons	16,340	25,418	38,794	40,029	47,652	53,818	46,016.0	75,274.0	122,318.0	126,054.0
Iron Sheets	tons	25,937	35,067	31,018	29,573	25,088	30,293	36,369.0	31,751.0	47,153.0	58,956.0
Aluminium sheets/circles	tons	137	141	199	171	103	105	110.0	85.0	58.0	58.0
Dry cells	000 Pcs	39,000	42,000	43,000	74,000	81,000	82,000	84,000.0	53,000.0	78,000.0	93,000.0
Battery, auto	Pieces	11,000	17,000	27,000	29,000	42,000	50,000	12,000.0	0.0	0.0	0.0

p = Provisional

Source: National Bureau of Statistics

**Table A1.9: Industrial Production Indices, Tanzania Mainland, 2001- 2010**

Commodity	1985=100									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^p
Biscuits & pasta	123	231	597	1,033	1,103	1,068	1,140	1,561	701	699
Wheat flour	463	563	860	869	946	1,084	1,061	740	945	1,191
Sugar, refined	145	170	190	181	240	147	255	277	257	232
Konyagi	238	305	389	427	467	518	791	421	1,060	1,168
Beer	232	232	256	267	286	363	409	384	381	328
Chibuku	172	177	136	93	102	106	94	94	148	192
Cigarattes	131	142	147	158	167	180	218	229	215	232
Textiles	146	183	219	219	190	216	219	267	175	177
Sisal ropes and twines	33	41	47	36	41	40	50	54	55	47
Fishnet & products	59	31	43	271	285	129	163	0	67	257
Plywood	28	19	35	36	58	65	68	58	16	62
Pyrethrum extract	182	92	41	59	421	85	77	1,085	367	164
Paints	708	994	1,235	1,219	1,189	1,349	1,675	1,822	1,889	2,068
Cement	239	273	315	341	363	378	433	467	516	615
Rolled steel	145	225	343	354	422	489	407	666	1,082	1,116
Iron Sheets	120	162	143	136	116	140	168	147	218	272
Aluminium sheets/circles	6	6	8	7	4	4	5	4	2	2
Dry cells	88	95	98	168	184	190	190	120	177	211
Battery, auto	72	112	178	191	276	329	79	0	0	0

p = Provisional

Source: National Bureau of Statistics & BOT computation

Table A1.10 : Mineral Recoveries, Tanzania Mainland, 2001- 2010

Item	Unit	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 ^P
Diamond	000'Carats	254.3	239.8	236.4	303.9	219.6	272.2	282.8	237.7	181.9	80.5
Gold	Kgs	30,088.0	43,320.0	48,018.0	48,175.7	47,269.5	39,749.8	40,193.2	36,433.0	39,112.6	39,448.3
Gemstone	Tons	96.9	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
Salt	000'Tons	65.0	71.2	59.0	57.1	51.2	34.8	35.2	25.9	27.4	34.5
Gypsum	000'Tons	72.0	73.0	33.2	59.2	23.1	32.6	52.8	55.7	8.1	26.9
Limestone	000'Tons	2,269.4	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
Pozzolana	Tons	41,468.0	52,000.0	105,910.8	152,678.6	163,499.3	129,295.3	184,070.4	260,403.3	171,904.3	n.a
Coal	000' Tons	77.8	79.2	54.6	65.0	30.8	17.9	27.2	15.2	0.8	0.2
Tanzanite	Kilogram						5,504.0	8,187.0	11,770.0	10,011.7	12,773.6
Phosphate	Tonnes	4,000.0	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
Copper	Pounds	5,832,158.0	9,239,428.3	8,191,035.0	9,348,180.6	8,072,118.0	7,241,639.0	7,222,390.0	6,288,503.0	4,451,696.6	11,741,897.9

Note: P = Provisional

Source : Ministry of Energy and Minerals



Table A1.11: National Consumer Price Index (Revised), 2001 - 2010

Base: Dec. 2001 = 100

Period	General Index				Non - Food										
	100.0	55.9	44.1	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health	Recreation & entertain.	Transportation	Educa-tion	Misc. goods & services
Weight (%)	6.9	6.4	1.4	8.5	2.1	2.1	2.1	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	106.9
Jun	168.6	192.9	141.1	160.5	114.1	157.5	159.6	126.5	122.9	123.8	122.9	135.1	120.6	108.1	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	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	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	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	103.3
Sep	180.5	204.2	150.5	177.3	116.3	162.4	192.8	131.1	128.1	131.1	124.7	145.9	122.4	102.3	102.3

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)

Source: National Bureau of Statistics.





Table A.1.1(i): National Consumer Price Index (New CPI) - Main Groups

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 and 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
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
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
2010 - Jan	97.8	99.1	101.0	88.3	96.0	96.9	100.7	96.1	99.2	98.7	102.6	95.4	99.8
Feb	99.0	100.1	101.3	94.0	96.7	95.5	95.9	98.4	99.6	98.6	102.5	95.9	99.3
Mar	99.9	102.1	100.9	94.8	96.7	95.4	100.1	96.9	100.2	99.1	102.9	95.8	100.1
Apr	100.5	102.2	102.0	97.8	97.7	96.0	100.8	97.5	97.6	99.4	103.4	96.5	100.1
May	100.1	102.1	99.9	97.6	97.5	96.2	100.3	97.3	97.2	99.5	102.6	97.2	99.7
Jun	99.9	101.4	100.5	96.2	98.0	96.7	101.0	98.6	98.3	99.4	102.2	96.8	100.2
Jul	99.6	99.9	100.2	97.5	98.4	97.8	101.8	98.8	99.5	99.5	101.5	97.6	100.3
Aug	99.9	99.9	101.1	99.1	99.5	98.6	98.3	100.3	99.9	99.5	100.9	98.3	100.1
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	99.9	100.0	99.9	99.7	99.5	100.1	99.6	99.8	100.1	99.8	100.1	98.8	99.0
Nov	100.2	100.6	100.5	98.7	100.1	100.4	99.8	100.0	100.6	99.9	100.2	97.9	99.7
Dec	101.7	103.2	101.0	98.3	101.3	102.2	100.4	100.0	100.8	99.4	99.9	98.0	100.4
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

Notes: Base (1) 2007 = 100, September 2010

Please note that NBS has adjusted CPI figures from December 2001 = 100 to September 2010 = 100.

Source: National Bureau of Statistics and BoT computation



Table A1.11 (ii): National Consumer Price Index (New CPI) - Other Selected Groups

Period	Food & Non Alcoholic Beverages (Combining Food consumed at Home and Food Consumed in Restaurants)		Non-Food		September 2010 = 100
	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 (%)	
2009 - 4th Q	49.0	43.3	5.7	57	86.3
2010 - 1st Q	95.7	97.1	88.7		
2nd Q	97.1	98.3	94.3		
3rd Q	98.3	98.9	147.3		
4th Q	149.3	149.6	100.6		
2011 - 1st Q	95.9	100.0	103.5		
2nd Q	103.2	103.5	118.0		
2009- Oct	107.1	105.5	90.7		
Nov	96.1	96.9	83.5		
Dec	95.2	97.0	84.8		
2010 - Jan	95.8	97.5	85.3		
Feb	99.3	97.7	89.4		
Mar	100.2	98.8	91.3		
Apr	101.9	98.5	93.7		
May	102.1	99.3	95.3		
Jun	101.9	98.5	94.0		
Jul	101.3	98.8	95.8		
Aug	100.1	99.4	98.8		
Sep	100.1	99.7	100.0		
2010 - Oct	100.0	100.0	100.2		
Nov	100.5	99.8	100.5		
Dec	102.9	99.9	101.1		
2011 - Jan	105.9	100.3	102.1		
Feb	108.9	102.0	103.8		
Mar	110.4	103.5	104.7		
Apr	111.5	105.0	114.4		
May	112.1	105.0	118.6		
Jun	113.2	106.2	121.2		
	108.0	107.2			

Notes: Base (1) 2007 = 100, September 2010

Please note that NBS has adjusted CPI figures from December 2001=100 to September 2010=100.

Source: National Bureau of Statistics and BoT computation

Table A1.12: National Consumer Price Index, Percentage Change on the Previous Year- (Revised), 2002 - 2010

Period	General Index		Food				Non - Food								Miscel. goods & services
	100.0	44.1	55.9	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health	Recreation & entertain.	Transportation	Educ-ation	
Weight	100.0	44.1	55.9	6.9	6.4	1.4	8.5	2.1	2.1	2.1	2.1	0.8	9.7	2.6	1.5
2002	1.0	0.9	1.0	0.5	0.8	1.1	2.1	0.9	0.6	0.6	0.9	0.6	0.5	0.4	0.6
2003	3.5	2.0	4.5	1.5	2.0	5.9	2.5	2.1	1.1	2.9	2.1	2.1	1.2	2.2	2.2
2004	4.2	1.6	5.9	-0.5	2.3	2.3	4.6	0.2	0.9	0.5	2.1	2.1	1.0	0.6	-0.5
2005	4.4	2.9	5.9	2.1	-0.5	-0.4	7.7	-1.1	0.5	3.5	-1.5	-1.5	4.7	-0.1	-1.4
2006	7.3	7.6	7.0	7.7	7.0	5.5	8.5	7.8	2.0	11.2	5.0	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	8.9	7.0	9.6	0.8
2008	10.3	6.7	12.7	8.1	1.5	2.4	10.7	6.0	3.2	5.0	5.5	5.5	6.9	7.0	1.8
2005 Mar	4.1	2.2	5.5	0.9	-3.3	2.0	-0.4	-0.4	1.7	1.0	-2.4	-2.4	3.7	0.9	-1.3
Jun	4.1	3.2	5.0	2.0	-5.2	3.0	1.1	-1.9	1.4	5.1	0.7	0.7	5.7	1.2	-2.9
Sep	4.5	2.8	6.3	2.7	3.7	-0.9	-0.9	-1.1	-0.7	4.2	-2.0	-2.0	4.9	-1.2	-0.8
Dec	4.8	3.4	6.9	2.9	-1.7	4.2	10.0	-1.1	-0.5	3.9	-2.1	-2.1	4.7	-1.1	-0.4
2006 Mar	7.7	6.8	8.3	5.6	7.9	8.5	7.3	4.7	-1.0	16.9	4.9	4.9	7.5	0.3	9.4
Jun	9.2	7.9	10.0	6.0	7.4	7.7	9.5	6.8	0.3	13.6	5.5	5.5	10.0	2.1	7.7
Sep	5.9	9.4	3.5	9.8	6.9	3.9	12.0	10.1	2.6	10.5	7.0	7.0	11.2	5.0	8.6
Dec.	6.3	6.5	6.2	9.2	5.9	2.3	5.4	9.8	6.0	4.8	2.8	2.8	7.8	2.5	6.6
2007 Mar	7.2	8.4	6.3	11.7	6.5	5.6	7.9	10.6	10.5	2.1	7.4	7.4	9.2	11.6	-0.2
Jun	5.7	8.1	4.0	13.3	7.2	3.9	6.3	9.2	11.0	4.2	9.6	9.6	7.4	10.7	2.1
Sep	8.4	5.8	10.3	8.1	5.5	2.2	4.3	6.2	8.9	3.4	10.4	10.4	5.8	8.9	0.4
Dec.	6.9	5.9	7.5	9.1	4.3	2.8	6.2	5.8	4.5	1.9	8.1	8.1	5.7	7.5	0.9
2008 Mar	8.9	5.8	10.9	9.9	0.8	2.1	8.4	4.6	3.1	3.4	4.4	4.4	5.5	5.6	1.6
Jun	9.4	6.6	11.4	7.9	1.1	2.1	11.2	5.2	2.7	3.7	4.1	4.1	6.8	6.3	0.7
Sep	10.3	7.8	11.9	8.5	1.1	3.0	13.2	6.8	2.2	5.9	5.5	5.5	8.5	7.8	2.2
Dec	12.5	6.7	16.5	6.4	2.8	2.4	9.9	7.2	4.7	7.1	8.0	8.0	6.6	8.3	2.6
2009 Mar	13.1	4.6	18.4	5.5	4.1	12.6	1.8	7.0	4.9	7.7	10.4	10.4	3.6	10.1	3.4
Jun	11.2	2.2	16.8	8.0	7.2	12.9	-7.2	7.0	5.0	7.9	9.7	9.7	-1.0	11.9	4.0
Sep	11.7	2.6	17.7	10.7	8.8	12.6	-5.7	6.6	5.3	7.2	8.8	8.8	-2.9	10.5	4.0
Dec	12.5	6.0	16.5	12.3	6.5	12.2	5.5	4.2	5.8	4.9	8.5	8.5	0.5	8.9	1.3
2010 Mar	9.8	8.8	10.4	11.1	5.1	2.7	19.9	2.4	5.2	4.7	4.6	4.6	3.6	5.7	-0.9
Jun	8.2	7.8	8.3	9.9	2.5	2.8	16.6	2.3	3.5	5.5	2.7	2.7	7.0	2.1	-4.9
Sep	5.8	6.3	5.5	6.9	0.6	1.9	14.4	2.4	4.1	4.2	0.1	0.1	6.6	0.0	-5.5

Source: National Bureau of Statistics.

Table A1.12(ii): National Consumer Price Index, Percentage Change on the Previous Year - (Main Groups)

September 2010 = 100

Period	Weight (%)	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 and Tobacco	Communication	Education	Recreation & Culture	Health
2010 - 4th Q		100.0	47.8	9.5	9.2	6.7	6.7	6.4	4.5	3.3	2.1	1.7	1.3	0.9
2011 - 1st 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
2nd 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
		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
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

Notes: Base (1) 2007 = 100, September 2010

Please note that NBS has adjusted CPI figures from December 2001 = 100 to September 2010 = 100.

Source: National Bureau of Statistics.



Table A1.12(ii): National Consumer Price Index, Percentage Change on the Previous Year - (Other Selected Groups)

September 2010 = 100

Period Weight (%)	Food & Non Alcoholic Beverages (Combining Food consumed at Home and Food Consumed in Restaurants)		Non-Food		Energy and Fuels (Combining Electricity and Other fuels for use at Home with Petrol and Diesel)
	51.0	Total Non- Food (All Items Less Food)	All Items Less Food and Energy	43.3	
2010 - 4th Q	5.6	4.5	3.6	11.2	5.7
2011 - 1st Q	7.9	6.6	5.3	16.4	
2nd Q	10.3	9.0	6.7	25.2	
2010 - Sep	100.0	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	

Notes: Base (1) 2007 = 100, September 2010

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	Non - Food										Total		
	General Index	Food	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	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	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	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	106.6	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	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	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	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	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	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	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	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	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	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	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	119.2	110.8	132.8	195.1	131.2	109.0	115.2	132.7	114.2	117.4	119.3
Sep	135.6	134.3	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	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	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	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	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	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	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	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	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	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	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	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	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	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.	Educ-ation
Weights	100.0	67.52	32.5	2.5	4.1	0.8	10.4	0.6	1.8	1.3	8.6	0.8	1.2	0.3
2001	103.1	103.6	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	104.0	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	109.6	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	117.1	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	125.7	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	138.6	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	151.2	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	174.6	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	124.1	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	123.2	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	125.7	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	129.9	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	135.2	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	139.7	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	137.4	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	142.0	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	150.0	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	150.1	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	148.3	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	156.5	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	167.2	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	172.8	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	173.1	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	185.4	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	198.3	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	202.6	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	210.3	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	222.9	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), 2002-2011

Item	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total Revenue (including LGAs) 1/	1,042,955.1	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	5,698,504.1
Total Revenue	1,042,955.1	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	5,698,504.1
Tax Revenue	939,266.8	1,116,535.5	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	5,295,589.3
Taxes on Imports	402,159.1	458,285.6	572,806.2	679,992.4	819,800.5	1,018,569.5	1,278,882.5	1,475,496.4	1,660,253.6	2,283,256.6
Sales/VAT and Excise on Local Goods	216,066.8	259,747.2	325,609.6	402,136.1	478,395.4	573,968.3	730,048.5	876,987.0	934,063.2	1,064,072.2
Refunds	32,552.4	36,105.8	-48,245.5	-64,376.4	-69,961.0	-106,712.5	659,646.9	1,228,645.8	1,334,019.7	1,660,385.2
Income Taxes	220,630.8	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
Other taxes	100,410.1	111,663.5	123,288.2	132,040.2	136,954.0	218,581.1	385,727.7	462,543.8	499,497.2	287,875.3
Non-tax Revenue	103,688.3	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
LGA Own Sources	1,466,136.9	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	9,399,333.2
Total Expenditure 2/	1,121,526.0	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	6,650,296.0
Recurrent expenditure	54,110.9	62,874.3	72,534.4	435,780.1	0.0	0.0	0.0	0.0	0.0	0.0
Road/roll fund	25,142.8	47,949.7	50,895.2	104,290.4	61,260.2	84,819.9	58,014.9	44,658.9	67,268.8	2,804,043.1
Retention fund	341,981.4	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	2,804,043.1
Wages and salaries	121,081.7	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
Interest payments	64,605.2	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
Domestic 3/	56,476.0	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
Foreign	658,462.0	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	3,492,875.8
Other goods, services and transfers	344,610.9	473,188.6	677,925.8	1,071,100.6	1,211,392.2	1,337,211.4	1,929,757.4	2,052,618.7	2,611,306.2	2,749,037.2
Dev. Expenditure and net lending	50,235.9	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
Local	294,375.0	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	1,606,775.7
Foreign	-423,181.8	-679,337.0	-1,091,006.2	-1,390,506.2	-1,748,411.0	-1,735,658.5	-1,699,784.0	-2,441,003.7	-3,512,209.0	-3,700,829.1
Overall Balance (cheque issued) before Grants	379,849.4	623,302.1	655,378.8	724,396.5	1,000,160.2	952,225.5	1,144,811.6	1,166,371.2	1,405,287.7	1,655,752.4
Program (CIS/OGL)	183,000.2	293,927.7	278,500.1	364,280.3	331,024.6	479,837.3	606,883.3	603,501.1	665,776.6	755,346.3
Project	140,192.0	255,516.2	235,042.1	131,735.2	416,771.0	241,826.6	305,916.7	289,025.5	439,110.9	369,683.4
Basket funds	56,657.2	0.0	65,085.7	156,071.6	175,975.3	111,559.8	122,576.9	194,114.8	258,066.7	334,609.0
HIPC Relief	-43,332.4	-79,389.1	-89,548.2	-666,109.6	-748,250.9	-783,433.0	-554,972.4	-1,274,632.5	-2,106,921.2	-2,045,076.7
Overall deficit (cheques issued) after Grants	3,203.8	-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
Adjustments to cash and other items (net)	40,128.6	135,502.6	135,502.6	727,075.2	924,412.5	955,797.0	902,809.2	1,215,042.2	1,939,623.6	2,393,214.9
Overall Balance (cheques issued)	38,575.0	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	1,448,884.5
Financing:	187,355.5	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	971,148.9
Foreign Financing (net)	33,171.2	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
Loans	154,184.3	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
Development	-65,514.0	-101,325.3	1,901.9	156,744.7	82,301.8	47,330.9	176,313.5	162,927.5	194,070.9	220,681.2
Project loans	-24,158.6	-36,513.9	-39,342.8	-107,089.6	-107,715.5	-29,690.5	-45,398.9	-27,277.7	-68,330.9	-42,945.6
Amortization	-22,606.6	-36,265.0	-44,262.7	-144,945.2	363,193.5	238,007.7	-351,197.7	258,674.8	559,967.1	1,244,330.4
Domestic (net) 4/	-59,180.9	-5,557.9	-83,681.2	97,313.2	129,644.6	238,007.7	-316,755.0	212,567.8	584,523.1	906,836.6
Bank borrowing	36,574.3	-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
Non-Bank (net of amortization)	-1,552.0	-250.9	-4,846.8	0.0	-19,001.4	0.0	-14,648.1	0.0	-9,460.9	720,249.5
Domestic & Contingent debt Amortization	0.0	0.0	9,766.8	0.0	33,309.2	0.0	45,000.0	9,658.9	-	-
Borrowing/Roll over	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Privatization Proceeds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

Source: Ministry of Finance, Bank of Tanzania and National Bureau of Statistics

Table A2.2. Treasury Bills Auction - Actual Sales by Transactor, 2001-2011

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
2001	553,361.4	2,444,544.5	0.0	13,123.7	374,220.6	1,619,017.3	30,887.9	189,542.0	131,852.1	487,514.5	0.0	9,417.6	4,856.2	114,384.9
2002	1,024,963.4	3,469,507.9	0.0	13,123.7	743,140.0	2,362,157.3	93,228.2	282,770.2	177,867.4	665,318.8	0.0	9,417.6	10,727.8	125,112.6
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	1,792,783.7	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
2009-Jun	238,451.1	17,199,207.8	0.0	21,303.2	88,225.2	11,833,004.2	5,884.0	516,018.9	143,617.0	2,862,693.0	0.0	9,417.6	725.0	1,968,887.4
Jul	189,846.6	17,389,054.4	0.0	21,303.2	159,517.0	11,992,521.2	600.0	516,618.9	26,775.3	2,889,468.3	0.0	9,417.6	2,954.2	1,971,841.6
Aug	322,682.5	17,711,736.9	0.0	21,303.2	270,769.4	12,263,290.7	4,593.7	521,212.6	31,548.4	2,921,016.7	0.0	9,417.6	15,770.9	1,987,612.6
Sep	318,121.8	18,029,858.7	0.0	21,303.2	239,386.8	12,502,677.5	16,392.2	537,604.8	50,299.0	2,971,315.7	11,782.0	21,199.6	261.9	1,987,874.4
Oct	354,064.4	18,383,923.1	0.0	21,303.2	282,607.5	12,785,284.9	1,680.0	539,284.8	67,031.5	3,038,347.2	2,428.4	23,628.0	317.0	1,988,191.4
Nov	293,431.5	18,677,354.7	9,500.0	30,803.2	229,428.1	13,014,713.0	12,795.0	552,079.8	34,022.6	3,072,369.8	6,949.0	30,577.0	736.9	1,988,928.4
Dec	241,890.8	18,919,245.5	4,728.7	35,532.0	155,647.6	13,170,360.6	8,470.0	560,549.8	60,087.5	3,132,457.2	12,697.0	43,274.0	260.0	1,989,188.4
Total	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-Jan	258,540.4	19,177,785.9	5,400.0	40,932.0	220,312.0	13,390,672.6	13,645.0	574,194.8	7,508.8	3,139,966.0	11,552.5	54,826.5	122.1	1,989,310.5
Feb	240,000.0	19,417,785.9	0.0	40,932.0	183,110.6	13,573,783.2	5,255.0	579,449.8	30,054.0	3,170,020.1	15,291.0	70,117.5	6,289.4	1,995,599.9
Mar	356,605.8	19,774,391.7	0.0	40,932.0	301,351.3	13,875,134.4	8,545.4	587,995.2	37,382.7	3,207,402.8	6,475.1	76,592.5	2,851.3	1,998,451.3
Apr	238,520.0	20,012,911.7	0.0	40,932.0	233,233.8	14,108,368.2	2,405.0	590,400.2	1,933.9	3,209,336.7	865.1	77,457.6	82.3	1,998,533.6
May	239,000.1	20,251,911.8	0.0	40,932.0	224,698.2	14,333,066.4	1,405.0	591,805.2	4,554.5	3,213,891.2	4,514.0	81,971.6	3,828.4	2,002,362.0
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	0.0	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	2,009,589.7
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
Total	1,298,021.3	23,292,262.7	0.0	40,932.0	4,865,020.8	16,862,310.1	209,397.7	714,381.4	453,252.5	3,479,545.0	188,333.2	196,765.7	23,872.5	2,010,445.0

Source: Bank of Tanzania



Table A2.3 : Central Government Outstanding Stocks, Bonds and Notes by Holders, 2001-2011

Millions of TZS

End of period	Bank of Tanzania	Deposit Money banks	Other banks	Other Financial Institutions	Official Entities	Private Sector	Others	Total
2001	296,941.7	180,539.4	14,892.9	118,228.1	1,406.4	1,844.7	0.0	613,853.2
2002	207,454.4	179,741.5	14,068.9	153,870.2	1,490.6	347.3	0.0	556,972.9
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
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

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), 2002 - 2011

Millions of TZS

End of Period	Domestic assets (net)					Broad Money			Base Money			Reserves			
	Foreign assets (net)		Domestic credit (net)			M3	M2	M1	M0		of which: ODC**				
	2	3	4	5	6				7	8			9	10	11
2002	1,636,802.3	200,762.9	724,526.3	-206,521.4	2,355,570.1	1,567,041.3	496,372.1	444,005.6	626,663.6	788,528.8	698,269.9	201,897.8	788,528.8	698,269.9	201,897.8
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	738,876.0	932,762.7	825,791.8	262,256.5	932,762.7	825,791.8	262,256.5
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	644,475.5	852,022.3	942,739.7	999,985.7	305,442.0	942,739.7	999,985.7	305,442.0
2005	2,665,071.1	192,072.1	1,654,274.0	-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	1,284,685.4	394,696.3	1,169,078.5	1,284,685.4	394,696.3
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	1,504,124.5	470,135.7	1,447,723.6	1,504,124.5	470,135.7
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	1,828,966.0	1,879,047.6	716,533.4	1,828,966.0	1,879,047.6	716,533.4
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	1,990,318.3	2,276,437.1	837,792.3
2009	4,939,511.0	128,358.3	4,991,886.9	-1,279,612.8	8,780,143.4	6,603,404.4	3,590,798.6	1,566,753.2	2,024,045.4	3,012,605.9	2,176,738.9	3,009,062.3	2,176,738.9	3,009,062.3	1,442,309.1
2010	6,125,081.6	806,665.4	5,991,884.1	-1,911,042.4	11,012,588.7	8,042,113.2	4,521,363.6	1,897,134.9	2,624,228.7	3,520,749.6	2,970,475.5	3,497,849.8	2,970,475.5	3,497,849.8	1,600,714.9
2009-Mar	4,147,508.7	-117,240.5	4,625,910.3	-1,024,253.1	7,631,925.4	5,573,604.5	3,098,196.2	1,366,555.9	1,731,640.3	2,475,408.3	2,058,321.0	2,478,261.7	2,058,321.0	2,478,261.7	1,111,705.8
Jun	4,202,885.4	128,302.0	4,695,013.9	-1,194,079.3	7,832,121.9	5,772,032.8	3,148,692.0	1,423,700.9	1,724,991.0	2,623,340.8	2,060,089.2	2,678,322.1	2,060,089.2	2,678,322.1	1,254,621.1
Sep	4,868,792.5	-26,959.5	4,824,096.8	-1,222,510.5	8,443,419.3	6,313,152.0	3,578,446.3	1,519,051.8	2,059,394.5	2,734,705.7	2,130,267.3	2,890,142.7	2,130,267.3	2,890,142.7	1,371,090.9
Dec	4,939,511.0	128,358.3	4,991,886.9	-1,279,612.8	8,780,143.4	6,603,404.4	3,590,798.6	1,566,753.2	2,024,045.4	3,012,605.9	2,176,738.9	3,009,062.3	2,176,738.9	3,009,062.3	1,442,309.1
2010-Mar	4,917,535.9	417,938.8	5,125,576.5	-1,385,955.1	9,075,096.1	6,884,272.7	3,755,253.5	1,542,326.3	2,212,927.2	3,129,019.1	2,190,823.4	3,120,330.0	2,190,823.4	3,120,330.0	1,578,003.7
Jun	5,265,519.2	712,825.1	5,461,311.6	-1,638,300.6	9,801,355.4	7,287,549.0	4,134,723.9	1,680,460.3	2,454,263.6	3,152,821.1	2,513,806.3	3,369,257.4	2,513,806.3	3,369,257.4	1,688,797.2
Sep	5,506,442.2	1,273,178.7	5,715,060.7	-2,145,963.4	10,348,718.3	7,623,560.0	4,255,584.7	1,857,654.4	2,397,930.2	3,367,975.3	2,725,158.3	3,433,324.4	2,725,158.3	3,433,324.4	1,575,670.0
Dec	6,125,081.6	806,665.4	5,991,884.1	-1,911,042.4	11,012,588.7	8,042,113.2	4,521,363.6	1,897,134.9	2,624,228.7	3,520,749.6	2,970,475.5	3,497,849.8	2,970,475.5	3,497,849.8	1,600,714.9
2011-Mar	5,804,953.6	1,227,423.5	6,321,573.3	-2,119,898.3	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	3,064,663.2	3,554,158.9	1,699,012.4
Jun	5,828,208.4	1,503,457.4	6,862,766.8	-2,236,489.3	11,957,943.3	8,698,667.6	4,927,153.1	2,081,134.9	2,846,018.2	3,771,514.5	3,259,275.7	3,785,467.7	3,259,275.7	3,785,467.7	1,704,332.8
2010-Jan	4,966,248.2	248,450.4	4,989,595.6	-1,272,857.7	8,931,436.6	6,742,119.9	3,730,177.7	1,517,877.8	2,212,299.9	3,011,942.2	2,189,316.7	3,017,456.7	2,189,316.7	3,017,456.7	1,499,578.9
Feb	4,949,199.2	323,398.9	5,035,809.6	-1,297,920.2	9,010,487.6	6,880,428.0	3,744,888.6	1,523,566.1	2,221,322.4	3,135,539.4	2,130,059.6	3,129,440.4	2,130,059.6	3,129,440.4	1,605,874.3
Mar	4,917,535.9	417,938.8	5,125,576.5	-1,385,955.1	9,075,096.1	6,884,272.7	3,755,253.5	1,542,326.3	2,212,927.2	3,129,019.1	2,190,823.4	3,120,330.0	2,190,823.4	3,120,330.0	1,578,003.7
Apr	5,155,510.9	338,851.4	5,333,816.2	-1,468,256.5	9,359,922.0	6,967,400.9	3,816,269.2	1,543,326.8	2,272,942.4	3,151,131.7	2,392,521.1	3,072,311.7	2,392,521.1	3,072,311.7	1,528,984.9
May	4,937,440.5	381,528.2	5,325,955.0	-1,360,439.4	9,284,484.4	6,908,153.3	3,764,836.5	1,594,179.8	2,170,656.6	3,143,161.8	2,376,331.1	3,030,860.9	2,376,331.1	3,030,860.9	1,436,681.0
Jun	5,265,519.2	712,825.1	5,461,311.6	-1,638,300.6	9,801,355.4	7,287,549.0	4,134,723.9	1,680,460.3	2,454,263.6	3,152,821.1	2,513,806.3	3,369,257.4	2,513,806.3	3,369,257.4	1,688,797.2
Jul	5,348,658.6	1,100,947.4	5,541,608.4	-1,757,880.1	10,233,334.4	7,558,266.6	4,278,716.7	1,813,205.9	2,465,510.8	3,279,549.9	2,675,067.8	3,455,297.1	2,675,067.8	3,455,297.1	1,642,091.2
Aug	5,489,577.1	1,183,201.0	5,671,975.2	-1,833,344.6	10,511,408.8	7,732,256.9	4,346,564.3	1,880,228.7	2,466,335.7	3,385,692.6	2,779,151.9	3,427,146.4	2,779,151.9	3,427,146.4	1,546,917.8
Sep	5,506,442.2	1,273,178.7	5,715,060.7	-2,145,963.4	10,348,718.3	7,623,560.0	4,255,584.7	1,857,654.4	2,397,930.2	3,367,975.3	2,725,158.3	3,433,324.4	2,725,158.3	3,433,324.4	1,575,670.0
Oct	5,832,527.9	1,209,420.3	5,817,191.3	-2,167,985.2	10,691,154.3	7,797,944.3	4,388,843.5	1,908,201.4	2,480,642.1	3,409,100.8	2,893,210.0	3,480,122.5	2,893,210.0	3,480,122.5	1,571,921.1
Nov	5,803,227.9	1,179,155.3	5,881,083.8	-1,953,060.4	10,910,406.7	7,943,243.9	4,488,509.2	1,888,653.2	2,579,856.0	3,474,734.7	2,967,162.8	3,526,427.1	2,967,162.8	3,526,427.1	1,637,773.9
Dec	6,125,081.6	806,665.4	5,991,884.1	-1,911,042.4	11,012,588.7	8,042,113.2	4,521,363.6	1,897,134.9	2,624,228.7	3,520,749.6	2,970,475.5	3,497,849.8	2,970,475.5	3,497,849.8	1,600,714.9
2011-Jan	6,271,985.4	927,886.1	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	3,090,158.5	3,591,098.6	1,783,763.8
Feb	5,982,734.2	1,118,586.7	6,244,077.0	-2,157,246.6	11,183,150.7	8,100,592.9	4,544,972.0	1,832,932.4	2,712,040.5	3,555,086.4	3,083,091.4	3,644,122.3	3,083,091.4	3,644,122.3	1,811,889.9
Mar	5,804,953.6	1,227,423.5	6,321,573.3	-2,119,898.3	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	3,064,663.2	3,554,158.9	1,699,012.4
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	3,124,513.8	3,637,590.7	1,783,497.2
May	5,527,126.6	1,488,277.3	6,635,879.0	-2,040,907.3	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	3,131,550.7	3,637,266.0	1,725,386.8
Jun	5,828,208.4	1,503,457.4	6,862,766.8	-2,236,489.3	11,957,943.3	8,698,667.6	4,927,153.1	2,081,134.9	2,846,018.2	3,771,514.5	3,259,275.7	3,785,467.7	3,259,275.7	3,785,467.7	1,704,332.8

Note:

*Formerly known as "Claims on other domestic sectors"

- Other deposits include saving and time deposits in national currency

**ODC = Other Depository Corporations or initially called Commercial Banks

- 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 A3.2: Bank of Tanzania - Assets (revised), 2002 - 2011

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						
2002	1,452,491.1	26,926.4	101.6	263,040.6	0.0	0.0	201,457.1	201,457.1	0.0	82,527.5	41,545.6	110,355.0	2,178,444.8
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	210,070.7	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	331,293.9	0.0	0.0	234,679.1	234,679.1	0.5	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	3,101,139.7	0.0	124.8	355,430.6	0.0	0.0	448,004.5	448,004.5	0.0	752,205.2	0.0	494,210.5	5,151,115.3
2008	3,654,372.4	0.0	39.2	400,544.2	0.0	0.0	650,864.5	650,864.5	0.0	860,112.9	8,900.4	588,410.8	5,823,680.5
2009	4,317,256.2	0.0	325,589.8	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	510,096.0	0.0	1,002,665.6	1,512,761.6	61,668.2	490,938.2	386.9	236,815.7	8,378,389.1
2009 - Mar	3,513,003.2	0.0	86.6	411,002.8	219,053.0	0.0	632,136.4	851,189.4	57,441.1	301,500.2	96,254.2	454,542.7	5,946,520.2
Jun	3,790,821.4	0.0	148.7	400,674.0	215,373.9	0.0	908,479.4	1,123,853.3	61,841.1	495,745.6	12,906.1	655,766.4	6,454,518.8
Sep	4,291,439.6	0.0	327,137.8	408,763.5	86,068.6	0.0	1,017,539.5	1,103,608.2	61,668.2	495,750.7	13,622.7	704,500.4	7,318,711.6
Dec	4,317,256.2	0.0	325,589.8	408,014.1	103,273.0	0.0	1,006,248.7	1,109,521.8	61,668.2	495,771.8	13,107.7	692,232.7	7,337,382.3
2010 - Mar	4,317,441.3	0.0	320,783.7	402,039.1	160,532.2	0.0	1,013,394.2	1,173,926.4	61,668.2	495,789.7	14,151.1	653,566.5	7,370,797.4
Jun	4,463,966.9	0.0	322,830.9	404,716.5	503,781.3	0.0	1,002,040.1	1,505,822.5	61,668.2	493,116.0	0.0	654,065.0	7,849,143.8
Sep	4,892,136.4	0.0	364,738.7	458,124.8	532,113.3	0.0	1,010,560.4	1,542,673.7	78,668.2	497,338.7	596.5	651,466.5	8,417,769.7
Dec	5,328,144.9	0.0	354,768.8	445,236.0	510,096.0	0.0	1,002,665.6	1,512,761.6	61,668.2	490,938.2	386.9	236,815.7	8,378,389.1
2011 - Mar	5,052,209.9	0.0	371,467.7	468,397.7	507,435.2	0.0	1,008,273.6	1,515,708.8	61,668.2	490,974.9	1,054.4	585,175.7	8,521,123.2
Jun	5,258,792.8	0.0	397,912.9	501,867.0	522,156.0	0.0	1,001,643.8	1,523,799.8	61,668.2	490,994.0	-5.4	704,575.2	8,922,797.4
2010 - January	4,399,511.0	0.0	327,013.1	409,797.8	119,445.0	0.0	1,008,122.7	1,127,567.6	61,668.2	495,780.4	13,219.7	692,461.5	7,441,952.1
February	4,383,923.7	0.0	321,844.9	403,369.0	191,085.3	0.0	1,006,678.8	1,197,764.1	61,668.2	495,785.0	13,091.8	672,994.7	7,465,827.4
March	4,317,441.3	0.0	320,783.7	402,039.1	160,532.2	0.0	1,013,394.2	1,173,926.4	61,668.2	495,789.7	14,151.1	653,566.5	7,370,797.4
April	4,470,571.8	0.0	321,604.1	403,067.3	113,398.8	0.0	1,017,236.6	1,130,635.6	61,668.2	495,777.0	13,145.3	653,323.0	7,483,047.2
May	4,428,378.4	0.0	321,899.1	403,489.9	76,912.0	0.0	1,024,379.6	1,101,291.6	61,668.2	495,796.9	13,169.6	654,246.3	7,413,601.6
June	4,463,966.9	0.0	322,830.9	404,716.5	503,781.3	0.0	1,002,040.1	1,505,822.5	61,668.2	493,116.0	0.0	654,065.0	7,849,143.8
July	4,598,400.1	0.0	333,705.1	418,348.9	813,645.9	0.0	1,003,202.8	1,816,848.7	61,668.2	493,073.6	319.5	654,318.8	8,315,831.3
August	4,789,665.7	0.0	352,060.3	441,419.7	654,461.9	0.0	1,004,343.0	1,658,804.9	61,668.2	493,075.8	486.4	646,099.1	8,383,437.9
September	4,892,136.4	0.0	364,738.7	458,124.8	532,113.3	0.0	1,010,560.4	1,542,673.7	78,668.2	497,338.7	596.5	651,466.5	8,417,769.7
October	5,159,256.2	0.0	368,361.0	462,674.4	557,245.5	0.0	1,014,152.3	1,571,397.8	61,668.2	497,428.8	443.1	656,359.7	8,710,330.9
November	5,121,269.0	0.0	356,892.2	447,900.9	246,270.9	0.0	1,021,617.3	1,267,888.2	61,668.2	498,319.3	629.6	666,811.9	8,353,751.4
December	5,328,144.9	0.0	354,768.8	445,236.0	510,096.0	0.0	1,002,665.6	1,512,761.6	61,668.2	490,938.2	386.9	236,815.7	8,378,389.1
2011 - January	5,383,313.2	0.0	367,732.7	461,505.8	517,210.8	0.0	1,004,418.6	1,521,629.4	66,668.2	490,939.5	563.5	361,952.4	8,604,884.5
February	5,206,743.1	0.0	371,504.8	468,444.5	513,590.2	0.0	1,001,746.7	1,515,336.8	61,668.2	490,952.8	692.7	552,556.1	8,638,355.4
March	5,052,209.9	0.0	371,467.7	468,397.7	507,435.2	0.0	1,008,273.6	1,515,708.8	61,668.2	490,974.9	1,054.4	585,175.7	8,521,123.2
April	5,124,088.2	0.0	382,477.9	482,280.8	510,053.0	0.0	1,012,074.2	1,522,127.1	61,668.2	490,975.0	624.5	654,036.0	8,698,489.8
May	5,050,133.3	0.0	381,424.6	481,071.2	511,148.5	0.0	1,019,841.0	1,530,989.4	61,668.2	490,993.9	527.1	706,066.7	8,684,145.5
June	5,258,792.8	0.0	397,912.9	501,867.0	522,156.0	0.0	1,001,643.8	1,523,799.8	61,668.2	490,994.0	-5.4	704,575.2	8,922,797.4

* 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

Figures has been revised from 2006

Source: Bank of Tanzania

Table A3.3 : Bank of Tanzania - Liabilities (revised), 2002- 2011

Millions of TZS

End of period	Currency in circulation	Central government deposits	Bank's deposits	Other deposits	Foreign liabilities	International Monetary fund	Allocation of SDRs	Items in process of collection*	Other liabilities	Capital and reserves	Total**
2002	546,615.4	210,474.8	149,085.8	11,709.5	470,501.0	231,438.7	41,488.7	4,438.5	472,823.7	39,868.6	1,698,665.0
2003	619,038.2	810,623.8	211,126.7	17,204.3	1,250.4	727,512.9	15,196.5	0.0	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	0.0	536,695.0	10,036.5	3,371,173.1
2005	981,420.1	1,280,520.5	307,638.4	7,718.2	5,288.1	715,070.4	-21,909.4	0.0	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	0.0	478,568.8	317,746.8	4,544,755.9
2007	1,354,603.8	2,254,482.3	528,816.9	3,791.9	9,090.2	388,399.7	-34,337.0	0.0	658,871.1	97,864.8	5,261,583.7
2008	1,710,160.6	2,124,750.6	570,649.5	7,378.2	8,639.6	390,992.2	-14,075.2	0.0	1,022,435.7	2,749.3	5,823,680.5
2009	1,896,843.3	2,069,669.2	1,116,592.1	23,290.6	3,528.0	811,524.7	11,654.2	0.0	1,303,419.1	100,861.1	7,337,382.3
2010	2,298,635.0	2,021,302.9	1,203,587.8	65,995.5	3,713.3	898,579.2	363,364.3	0.0	1,423,439.4	99,771.6	8,378,389.1
2009 - Mar	1,629,720.5	1,887,298.0	852,914.3	48,286.6	8,307.4	391,581.1	6,568.3	0.0	1,022,630.6	99,213.5	5,946,520.2
Jun	1,682,369.0	1,816,767.9	1,000,326.2	27,369.0	3,577.7	723,636.5	76,065.9	0.0	1,096,951.8	27,454.8	6,454,518.8
Sep	1,827,326.9	2,109,316.4	1,067,189.0	31,761.7	3,577.5	730,563.7	22,460.5	0.0	1,425,654.9	100,861.1	7,318,711.6
Dec	1,896,843.3	2,069,669.2	1,116,592.1	23,290.6	3,528.0	811,524.7	11,654.2	0.0	1,303,419.1	100,861.1	7,337,382.3
2010 - Mar	1,841,224.9	1,976,416.5	1,332,441.2	10,990.0	3,315.8	805,213.3	32,261.5	0.0	1,268,073.1	100,861.1	7,370,797.4
Jun	2,031,204.2	2,128,036.2	1,389,405.2	9,107.5	3,094.5	851,489.1	11,458.7	0.0	1,325,418.4	99,930.1	7,849,143.8
Sep	2,252,481.3	2,032,201.3	1,185,216.1	7,363.6	3,812.8	912,600.7	439,908.2	0.0	1,490,001.4	94,184.3	8,417,769.7
Dec	2,298,635.0	2,021,302.9	1,203,587.8	65,995.5	3,713.3	898,579.2	363,364.3	0.0	1,423,439.4	99,771.6	8,378,389.1
2011 - Mar	2,264,789.2	1,924,035.3	1,293,742.7	33,233.1	4,031.5	924,009.9	564,331.9	0.0	1,413,177.9	99,771.6	8,521,123.2
Jun	2,503,645.1	1,758,339.2	1,286,195.7	32,351.8	4,241.8	1,036,599.1	784,312.6	0.0	1,417,340.4	99,771.6	8,922,797.4
2010 - January	1,817,636.3	2,047,735.3	1,258,788.6	22,624.5	3,453.7	813,408.9	16,198.0	0.0	1,361,245.7	100,861.1	7,441,952.1
February	1,803,805.9	2,057,313.7	1,379,401.7	6,147.5	3,378.8	806,618.1	58,720.4	0.0	1,249,580.2	100,861.1	7,465,827.4
March	1,841,224.9	1,976,416.5	1,332,441.2	10,990.0	3,315.8	805,213.3	32,261.5	0.0	1,268,073.1	100,861.1	7,370,797.4
April	1,845,415.9	2,074,832.9	1,277,495.4	6,166.1	3,256.9	806,299.4	38,764.3	0.0	1,329,955.3	100,861.1	7,483,047.2
May	1,905,903.2	2,085,654.5	1,184,312.0	5,942.5	3,109.0	816,661.3	-9,214.4	0.0	1,320,345.2	100,888.2	7,413,601.6
June	2,031,204.2	2,128,036.2	1,389,405.2	9,107.5	3,094.5	851,489.1	11,458.7	0.0	1,325,418.4	99,930.1	7,849,143.8
July	2,150,186.1	2,164,845.9	1,309,484.1	9,165.2	3,303.2	867,252.3	100,577.0	0.0	1,603,856.2	107,161.2	8,315,831.3
August	2,237,259.7	2,138,678.3	1,194,259.8	7,906.1	3,531.1	893,929.3	295,734.2	0.0	1,509,826.9	102,312.5	8,383,437.9
September	2,252,481.3	2,032,201.3	1,185,216.1	7,363.6	3,812.8	912,600.7	439,908.2	0.0	1,490,001.4	94,184.3	8,417,769.7
October	2,251,596.1	2,094,391.2	1,232,899.5	18,828.0	3,882.6	918,718.8	503,677.4	0.0	1,592,502.1	93,835.3	8,710,330.9
November	2,276,802.4	1,823,807.8	1,253,997.9	30,848.9	3,680.5	901,656.8	417,703.8	0.0	1,552,900.2	92,353.2	8,353,751.4
December	2,298,635.0	2,021,302.9	1,203,587.8	65,995.5	3,713.3	898,579.2	363,364.3	0.0	1,423,439.4	99,771.6	8,378,389.1
2011 - January	2,203,841.7	1,990,489.9	1,391,630.0	102,851.2	3,867.7	917,369.2	499,811.3	0.0	1,395,251.9	99,771.6	8,604,884.5
February	2,225,624.6	1,940,925.5	1,422,870.8	20,936.2	3,952.2	924,063.8	580,047.5	0.0	1,420,163.0	99,771.6	8,638,355.4
March	2,264,789.2	1,924,035.3	1,293,742.7	33,233.1	4,031.5	924,009.9	654,331.9	0.0	1,413,177.9	99,771.6	8,521,123.2
April	2,288,017.3	1,960,649.9	1,353,946.4	28,900.9	4,182.8	940,004.5	569,379.9	0.0	1,363,636.5	99,771.6	8,698,489.8
May	2,282,155.4	1,855,989.9	1,359,483.7	35,368.7	4,118.6	1,013,504.3	613,463.1	0.0	1,420,290.2	99,771.6	8,684,145.5
June	2,503,645.1	1,758,339.2	1,286,195.7	32,351.8	4,241.8	1,036,599.1	784,312.6	0.0	1,417,340.4	99,771.6	8,922,797.4

Notes: - Monetary data have been revised from December 2001 using the IMF international standard reporting format (SRP), 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, 2002- 2011

End of Period	Millions of TZS										Total	Percent of Total									
	10/-	20/-	50/-	100/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-		10/-	20/-	50/-	100/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-
2002	99.7	498.1	-	2,231.0	37,816.2	68,391.1	112,493.1	308,925.7	530,454.9	0.0	0.1	-	-	0.4	7.1	12.9	21.2	58.2			
2003	99.7	498.0	-	1,978.0	37,760.4	40,775.6	38,542.2	154,817.8	314,648.6	0.0	0.1	-	-	0.3	6.4	6.9	6.5	26.3	53.4		
2004	99.7	497.8	-	1,974.2	36,901.9	54,312.0	60,871.6	132,013.8	421,347.4	0.0	0.1	-	-	0.3	5.2	7.7	8.6	18.6	59.5		
2005	99.7	497.8	-	1,971.0	36,808.7	41,682.9	65,332.1	184,512.8	579,825.7	0.0	0.1	-	-	0.2	4.0	4.6	7.2	20.3	63.7		
2006	99.7	497.8	-	1,970.6	36,863.8	47,303.0	65,863.8	188,248.6	736,620.7	0.0	0.0	-	-	0.2	3.4	4.4	6.1	17.5	68.4		
2007	99.7	497.8	-	1,970.0	41,057.0	63,285.4	107,542.4	237,656.2	873,664.5	0.0	0.0	-	-	0.1	3.1	4.8	8.1	17.9	65.9		
2008	99.7	497.7	-	1,969.7	44,200.9	75,479.4	81,643.0	257,586.4	1,216,469.3	0.0	0.0	-	-	0.1	2.6	4.5	4.9	15.4	72.5		
2009	99.7	497.7	0.0	1,969.5	40,789.5	86,025.2	64,538.8	257,629.6	1,410,502.1	0.0	0.0	0.0	0.0	0.1	2.2	4.6	3.5	13.8	75.7		
2010	99.7	497.7	0.0	1,969.1	42,423.1	84,097.4	101,938.6	416,550.9	1,612,837.2	0.0	0.0	0.0	0.0	0.1	1.9	3.7	4.5	18.4	71.4		
2009-Mar	99.7	497.8	-	1,969.8	40,257.5	60,486.2	89,935.6	222,094.9	881,282.6	0.0	0.0	-	-	0.2	3.1	4.7	6.9	17.1	68.0		
Jun	99.7	497.7	-	1,969.5	44,880.0	76,820.8	60,530.1	246,996.1	1,217,524.2	0.0	0.0	-	-	0.1	2.7	4.7	3.7	15.0	73.8		
Sep	99.7	497.7	0.0	1,969.5	41,683.6	80,919.8	65,139.3	265,350.8	1,337,773.2	0.0	0.0	0.0	0.0	0.1	2.3	4.5	3.6	14.8	74.6		
Dec	99.7	497.7	0.0	1,969.5	40,789.5	86,025.2	64,538.8	257,629.6	1,410,502.1	0.0	0.0	0.0	0.0	0.1	2.2	4.6	3.5	13.8	75.7		
2010-Mar	99.7	497.7	0.0	1,969.3	42,027.5	74,280.3	59,780.5	242,105.8	1,384,948.9	0.0	0.0	0.0	0.0	0.1	2.3	4.1	3.3	13.4	76.7		
Jun	99.7	497.8	0.0	1,969.6	42,109.3	63,292.3	85,750.0	232,927.3	988,494.0	0.0	0.0	0.0	0.0	0.1	3.0	4.5	6.1	16.5	69.9		
Sep	99.7	497.7	0.0	1,969.2	43,141.6	83,707.5	74,597.1	299,342.9	1,744,503.3	0.0	0.0	0.0	0.0	0.1	1.9	3.7	3.3	13.3	77.6		
Dec	99.7	497.7	0.0	1,969.1	42,423.1	84,097.4	101,938.6	416,550.9	1,612,837.2	0.0	0.0	0.0	0.0	0.1	1.9	3.7	4.5	18.4	71.4		
2011-Mar	99.7	497.7	0.0	1,969.1	43,960.8	83,043.3	104,774.5	387,569.7	1,604,313.0	0.0	0.0	0.0	0.0	0.1	2.0	3.7	4.7	17.4	72.1		
Jun	99.7	497.7	0.0	1,969.0	48,024.6	85,258.3	110,518.7	404,253.3	1,813,463.3	0.0	0.0	0.0	0.0	0.1	1.9	3.5	4.5	16.4	73.6		
2010-January	99.7	497.7	0.0	1,969.5	40,611.8	83,058.5	60,995.7	244,072.8	1,351,514.7	0.0	0.0	0.0	0.0	0.1	2.3	4.7	3.4	13.7	75.8		
February	99.7	497.7	0.0	1,969.5	41,123.6	80,406.8	60,127.1	235,034.3	1,349,456.3	0.0	0.0	0.0	0.0	0.1	2.3	4.5	3.4	13.3	76.3		
March	99.7	497.7	0.0	1,969.3	42,027.5	74,280.3	59,780.5	242,105.8	1,384,948.9	0.0	0.0	0.0	0.0	0.1	2.3	4.1	3.3	13.4	76.7		
April	99.7	497.8	0.0	1,969.9	39,682.9	61,926.7	87,550.5	217,419.6	896,101.6	0.0	0.0	0.0	0.0	0.2	3.0	4.7	6.7	16.7	68.7		
May	99.7	497.8	0.0	1,969.6	40,257.6	64,154.9	87,622.6	216,455.9	918,103.1	0.0	0.0	0.0	0.0	0.1	3.0	4.8	6.6	16.3	69.1		
June	99.7	497.8	0.0	1,969.6	42,109.3	63,292.3	85,750.0	232,927.3	988,494.0	0.0	0.0	0.0	0.0	0.1	3.0	4.5	6.1	16.5	69.9		
July	99.7	497.7	0.0	1,969.2	42,405.1	81,725.3	72,716.8	300,496.1	1,613,772.5	0.0	0.0	0.0	0.0	0.1	2.0	3.9	3.4	14.2	76.3		
August	99.7	497.7	0.0	1,969.2	44,101.7	82,849.4	73,669.3	322,804.9	1,674,339.6	0.0	0.0	0.0	0.0	0.1	2.0	3.8	3.3	14.7	76.1		
September	99.7	497.7	0.0	1,969.2	43,141.6	83,707.5	74,597.1	299,342.9	1,744,503.3	0.0	0.0	0.0	0.0	0.1	1.9	3.7	3.3	13.3	77.6		
October	99.7	497.7	0.0	1,969.2	43,103.5	85,831.5	82,783.2	318,799.7	1,680,823.9	0.0	0.0	0.0	0.0	0.1	1.9	3.9	3.7	14.4	75.9		
November	99.7	497.7	0.0	1,969.2	42,605.5	85,059.1	100,780.9	332,984.9	1,674,847.7	0.0	0.0	0.0	0.0	0.1	1.9	3.8	4.5	14.9	74.8		
December	99.7	497.7	0.0	1,969.1	42,423.1	84,097.4	101,938.6	416,550.9	1,612,837.2	0.0	0.0	0.0	0.0	0.1	1.9	3.7	4.5	18.4	71.4		
2011-January	99.7	497.7	0.0	1,969.1	42,656.7	80,289.7	100,980.4	395,371.9	1,543,580.4	0.0	0.0	0.0	0.0	0.1	1.9	3.6	4.5	17.5	71.3		
February	99.7	497.7	0.0	1,969.1	41,272.6	79,678.8	103,706.2	405,039.0	1,554,892.3	0.0	0.0	0.0	0.0	0.1	1.9	3.6	4.7	18.5	71.1		
March	99.7	497.7	0.0	1,969.1	43,960.8	83,043.3	104,774.5	387,569.7	1,604,313.0	0.0	0.0	0.0	0.0	0.1	2.0	3.7	4.7	17.4	72.1		
April	99.7	497.7	0.0	1,969.0	43,863.9	79,305.7	99,435.8	380,555.7	1,643,335.4	0.0	0.0	0.0	0.0	0.1	2.0	3.5	4.4	16.9	73.1		
May	99.7	497.7	0.0	1,969.0	45,628.1	81,049.7	99,581.7	359,394.0	1,654,742.5	0.0	0.0	0.0	0.0	0.1	2.0	3.6	4.4	16.0	73.8		
June	99.7	497.7	0.0	1,969.0	48,024.6	85,258.3	110,518.7	404,253.3	1,813,463.3	0.0	0.0	0.0	0.0	0.1	1.9	3.5	4.5	16.4	73.6		

Source: Bank of Tanzania

Table A3.5 : Tanzania Coins in Circulation, 2002- 2011

End of Period	Millions of TZS														Total	Percent of Total									
	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-	-/05	-/10		-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-
2002	8.8	4.6	38.4	45.9	167.5	397.0	753.3	916.1	11.7	2,245.8	7,585.7	3,986.0	16,160.8	0.1	0.0	0.2	0.3	1.0	2.5	4.7	5.7	0.1	13.9	46.9	24.7
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	0.0	0.2	0.3	1.0	2.3	4.5	5.4	0.1	14.7	47.0	24.5
2004	8.8	4.4	38.4	45.9	167.6	410.4	790.0	949.2	11.7	3,102.5	9,317.0	5,317.0	19,766.9	0.0	0.0	0.2	0.2	0.8	2.1	4.0	4.8	0.1	15.7	45.1	26.9
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	0.0	0.2	0.2	0.8	1.9	3.7	4.5	0.1	15.1	42.0	31.5
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	0.0	0.2	0.2	0.7	1.7	3.3	4.0	0.0	15.7	41.6	32.6
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	0.0	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	0.0	0.1	0.1	0.5	1.4	2.6	3.1	0.0	14.6	40.9	36.6
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	0.0	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	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.0	39.2	38.1
2009- Mar	8.8	4.4	38.4	50.0	167.7	438.4	840.0	1,003.3	11.7	4,769.1	13,298.4	11,859.6	32,489.6	0.0	0.0	0.1	0.2	0.5	1.3	2.6	3.1	0.0	14.7	40.9	36.5
Jun	8.8	4.4	38.4	46.0	167.7	441.4	839.4	1,001.3	11.7	5,020.6	13,503.2	12,128.2	33,210.9	0.0	0.0	0.1	0.1	0.5	1.3	2.5	3.0	0.0	15.1	40.7	36.5
Sep	8.8	4.4	38.4	46.0	167.7	441.6	839.2	999.5	11.7	5,261.0	13,775.9	12,551.6	34,145.7	0.0	0.0	0.1	0.1	0.5	1.3	2.5	2.9	0.0	15.4	40.3	36.8
Dec	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	0.0	0.1	0.1	0.5	1.3	2.4	2.9	0.0	15.5	40.1	37.0
2010- Mar	8.8	4.4	38.4	46.0	167.7	441.7	838.6	998.3	11.7	5,617.5	14,228.5	13,371.0	35,772.6	0.0	0.0	0.1	0.1	0.5	1.2	2.3	2.8	0.0	15.7	39.8	37.4
Jun	8.8	4.4	38.4	46.0	167.7	436.3	841.3	1,007.9	11.7	4,393.3	12,047.3	10,826.0	29,829.0	0.0	0.0	0.1	0.2	0.6	1.5	2.8	3.4	0.0	14.7	40.4	36.3
Sep	8.8	4.4	38.4	46.0	167.7	441.7	837.6	994.3	11.7	5,950.2	14,747.7	14,194.5	37,443.0	0.0	0.0	0.1	0.1	0.4	1.2	2.2	2.7	0.0	15.9	39.4	37.9
Dec	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	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.0	39.2	38.1
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	0.0	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	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	16.0	38.8	38.6
2010- January	8.8	4.4	38.4	46.0	167.7	441.7	839.1	999.8	11.7	5,497.5	14,090.2	13,092.8	35,238.0	0.0	0.0	0.1	0.1	0.5	1.3	2.4	2.8	0.0	15.6	40.0	37.2
February	8.8	4.4	38.4	46.0	167.7	441.7	839.1	999.2	11.7	5,559.0	14,154.6	13,218.0	35,488.6	0.0	0.0	0.1	0.1	0.5	1.2	2.4	2.8	0.0	15.7	39.9	37.2
March	8.8	4.4	38.4	46.0	167.7	441.7	838.6	998.3	11.7	5,617.5	14,228.5	13,371.0	35,772.6	0.0	0.0	0.1	0.1	0.5	1.2	2.3	2.8	0.0	15.7	39.8	37.4
April	8.8	4.4	38.4	46.0	167.7	435.5	840.9	1,007.8	11.7	4,369.2	11,777.5	10,514.8	29,222.5	0.0	0.0	0.1	0.2	0.6	1.5	2.9	3.4	0.0	15.0	40.3	36.0
May	8.8	4.4	38.4	46.0	167.7	435.9	841.3	1,007.9	11.7	4,372.4	11,892.0	10,648.9	29,475.2	0.0	0.0	0.1	0.2	0.6	1.5	2.9	3.4	0.0	14.8	40.3	36.1
June	8.8	4.4	38.4	46.0	167.7	436.3	841.3	1,007.9	11.7	4,393.3	12,047.3	10,826.0	29,829.0	0.0	0.0	0.1	0.2	0.6	1.5	2.8	3.4	0.0	14.7	40.4	36.3
July	8.8	4.4	38.4	46.0	167.7	441.7	838.2	996.0	11.7	5,837.0	14,562.5	13,882.2	36,834.5	0.0	0.0	0.1	0.1	0.5	1.2	2.3	2.7	0.0	15.8	39.5	37.7
August	8.8	4.4	38.4	46.0	167.7	441.8	838.1	995.2	11.7	5,880.5	14,633.2	14,063.7	37,129.4	0.0	0.0	0.1	0.1	0.5	1.2	2.3	2.7	0.0	15.8	39.4	37.9
September	8.8	4.4	38.4	46.0	167.7	441.7	837.6	994.3	11.7	5,950.2	14,747.7	14,194.5	37,443.0	0.0	0.0	0.1	0.1	0.4	1.2	2.2	2.7	0.0	15.9	39.4	37.9
October	8.8	4.4	38.4	46.0	167.7	441.7	837.3	993.7	11.7	5,998.8	14,816.1	14,322.8	37,687.3	0.0	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	15.9	39.3	38.0
November	8.8	4.4	38.4	46.0	167.7	441.7	836.8	992.6	11.7	6,061.5	14,891.0	14,457.0	37,957.6	0.0	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.0	39.2	38.1
December	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	0.0	0.1	0.1	0.4	1.2	2.2	2.6	0.0	16.0	39.2	38.1
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	0.0	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	0.0	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	0.0	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	15,517.0	39,560.4	0.0	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	0.0	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	0.0	0.1	0.1	0.4	1.1	2.1	2.5	0.0	16.0	38.8	38.6

Source: Bank of Tanzania



Table A3.6 : Commercial Banks-- Assets, 2002 - 2011

Millions of TZS

End of period	Domestic assets				Foreign assets				Total	
	Cash	Deposit with Bank of Tanzania	Treasury bills	Other govt. securities	Loans and bills	Other*	Liquid**	Others		Fixed assets
2002	51,169.8	143,983.2	192,929.2	171,708.4	570,668.3	6,223,754.6	547,210.4	24,362.2	65,886.9	7,991,673.0
2003	53,546.7	173,323.3	176,360.9	146,046.5	817,125.2	503,445.1	657,754.9	27,733.4	48,086.1	2,603,422.2
2004	63,637.3	246,789.5	147,928.3	190,613.1	1,060,077.3	645,777.0	605,328.2	78,337.4	52,060.0	3,090,548.2
2005	89,657.9	305,767.3	459,030.9	254,019.9	1,425,062.3	700,566.8	760,581.2	75,058.6	60,783.7	4,130,528.5
2006	126,696.6	352,872.5	774,417.6	325,781.2	2,028,294.3	399,081.6	1,052,506.9	72,863.7	74,253.4	5,206,767.8
2007	190,479.6	566,873.6	1,150,984.3	382,256.2	2,883,789.5	600,083.0	852,722.3	27,104.3	118,815.0	6,773,107.8
2008	333,350.2	629,538.7	1,536,287.7	27,207.6	4,627,833.2	542,458.2	668,488.6	104,411.9	306,245.1	8,775,821.3
2009	409,759.7	1,118,792.3	1,739,009.1	15,285.7	5,026,557.4	537,801.5	960,455.8	254,471.2	397,327.4	10,459,460.1
2010	522,789.7	1,301,363.9	2,414,939.5	8,772.0	6,133,719.6	840,644.3	1,231,832.3	188,971.6	517,852.7	13,160,885.5
2009-Mar	315,227.8	924,646.1	1,402,283.3	26,978.1	4,664,467.5	498,142.7	768,318.0	68,737.1	332,416.0	9,001,216.6
Jun	322,543.5	1,079,783.3	1,392,326.2	15,459.8	4,802,902.4	551,278.8	797,590.1	173,404.9	349,953.1	9,485,242.0
Sep	401,136.0	1,156,260.0	1,615,497.3	21,194.3	4,976,079.7	632,177.2	801,690.5	254,431.2	371,865.3	10,230,331.6
Dec	409,759.7	1,118,792.3	1,739,009.1	15,285.7	5,026,557.4	537,801.5	960,455.8	254,471.2	397,327.4	10,459,460.1
2010-Jan	373,592.9	1,266,224.2	1,898,782.9	14,403.0	5,230,101.1	621,950.7	980,647.7	203,357.5	420,915.2	11,009,975.2
Jun	445,011.2	1,148,960.9	2,063,415.5	15,811.6	5,567,220.7	731,622.4	1,207,960.4	210,804.6	447,414.7	11,838,222.1
Sep	506,824.6	1,230,414.9	2,428,885.7	16,762.4	5,802,923.5	721,943.3	1,018,019.6	221,472.2	488,933.8	12,436,180.0
Dec	522,789.7	1,301,363.9	2,414,939.5	8,772.0	6,133,719.6	840,644.3	1,231,832.3	188,971.6	517,852.7	13,160,885.5
2011-Jan	534,559.5	1,375,288.9	2,362,833.6	84,649.0	6,284,124.9	757,727.2	1,227,948.8	329,414.4	537,882.4	13,494,428.7
Jun	576,844.5	1,375,527.5	2,446,231.7	65,640.4	6,962,464.9	869,169.8	1,256,610.0	248,066.0	563,663.2	14,364,218.1
2010-Jan	378,053.5	1,208,819.1	1,836,323.0	13,875.1	5,045,818.4	614,233.7	900,216.1	283,126.7	406,415.8	10,686,881.5
February	363,508.7	1,350,478.1	1,853,850.3	14,559.8	5,132,130.1	572,943.1	927,309.9	223,894.5	412,413.7	10,851,088.1
March	373,592.9	1,266,224.2	1,898,782.9	14,403.0	5,230,101.1	621,950.7	980,647.7	203,357.5	420,915.2	11,009,975.2
April	385,221.3	1,241,179.9	1,932,475.0	13,885.0	5,414,476.7	666,617.4	1,079,330.0	209,183.6	428,303.1	11,370,672.0
May	396,068.6	1,174,330.8	2,094,932.1	17,073.6	5,346,780.0	705,731.9	901,759.3	200,655.6	430,982.1	11,268,314.1
June	445,011.2	1,148,960.9	2,063,415.5	15,811.6	5,567,220.7	731,622.4	1,207,960.4	210,804.6	447,414.7	11,838,222.1
July	458,144.9	1,308,957.1	2,167,457.8	15,719.0	5,672,904.9	672,884.9	1,128,952.8	224,124.1	454,171.6	12,103,317.0
August	472,886.0	1,274,722.9	2,343,314.4	14,301.3	5,748,306.8	771,968.9	1,072,165.3	266,193.7	478,773.7	12,442,633.1
September	506,824.6	1,230,414.9	2,428,885.7	16,762.4	5,802,923.5	721,943.3	1,018,019.6	221,472.2	488,933.8	12,436,180.0
October	461,252.9	1,291,866.1	2,428,416.7	14,899.0	5,939,342.8	726,142.6	1,141,239.2	197,268.4	502,002.8	12,702,430.5
November	521,008.5	1,298,284.3	2,382,058.8	8,560.7	5,983,834.0	816,152.8	1,142,483.0	212,164.1	509,734.0	12,874,280.3
December	522,789.7	1,301,363.9	2,414,939.5	8,772.0	6,133,719.6	840,644.3	1,231,832.3	188,971.6	517,852.7	13,160,885.5
2011-January	527,831.2	1,414,348.0	2,351,610.8	16,169.6	6,120,902.0	721,268.0	1,226,501.8	305,545.7	526,939.0	13,211,116.0
February	541,682.0	1,470,771.7	2,315,297.1	18,464.2	6,264,241.1	749,115.9	1,240,302.9	319,494.4	532,590.1	13,451,959.4
March	534,559.5	1,375,288.9	2,362,833.6	84,649.0	6,284,124.9	757,727.2	1,227,948.8	329,414.4	537,882.4	13,494,428.7
April	567,486.4	1,438,135.5	2,432,963.1	56,728.4	6,408,404.5	773,819.0	1,241,453.5	197,973.2	546,104.5	13,663,068.0
May	520,562.4	1,364,027.7	2,449,354.5	101,378.2	6,588,044.0	832,913.1	1,195,660.5	218,067.9	556,010.6	13,826,018.8
June	576,844.5	1,375,527.5	2,446,231.7	65,640.4	6,962,464.9	869,169.8	1,256,610.0	248,066.0	563,663.2	14,364,218.1

* Includes claims on other banks and from January 1995 includes also claims on other financial institutions

**Includes deposits with Foreign Banks and foreign Units

Source: Bank of Tanzania



A3.0 Money and Banking

Table A3.7 :Commercial Banks -- Liabilities, 2002 - 2011

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		
2002	1,583,057.2	83.0	104,532.6	6,126,719.6	5,542.9	29,650.2	142,087.6	7,991,673.0
2003	1,917,103.2	50.0	138,725.9	332,695.1	6,321.9	554.6	207,971.4	2,603,422.2
2004	2,319,435.0	0.0	160,902.3	348,027.8	19,042.1	0.0	243,140.9	3,090,548.2
2005	3,279,030.4	0.0	107,384.8	374,719.9	27,571.8	27,663.2	314,158.6	4,130,528.5
2006	4,057,250.2	0.0	175,205.4	483,581.2	64,041.5	12,000.0	414,689.5	5,206,767.8
2007	4,980,587.6	0.0	212,424.5	733,949.7	199,589.8	82,266.5	564,289.7	6,773,107.8
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	9,049,472.5	0.0	366,272.7	1,933,430.4	137,109.8	79,301.0	1,515,210.3	13,080,796.6
2008-Mar	5,493,682.7	0.0	204,327.6	970,744.1	190,592.4	112,192.2	863,157.0	7,834,695.9
Jun	5,338,087.2	0.0	121,064.7	996,083.7	252,990.4	110,930.7	897,526.2	7,716,682.9
Sep	5,636,518.6	0.0	279,533.3	996,406.7	204,083.8	138,881.2	943,796.3	8,199,220.0
Dec	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-Mar	6,217,184.5	0.0	254,835.3	1,221,866.3	105,532.0	95,455.2	1,106,343.3	9,001,216.6
Jun	6,381,153.5	0.0	357,234.3	1,385,356.0	115,220.7	117,996.9	1,128,280.6	9,485,242.0
Sep	6,892,666.2	500.0	369,037.3	1,588,420.8	112,265.5	69,600.5	1,197,841.2	10,230,331.6
Dec	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-Mar	7,521,794.8	0.0	327,938.2	1,632,098.5	97,804.2	90,011.3	1,340,328.2	11,009,975.2
Jun	8,111,802.6	4,495.4	336,350.5	1,786,806.8	98,393.2	98,403.0	1,401,970.5	11,838,222.1
Sep	8,483,714.5	0.0	366,272.7	1,875,170.6	132,033.2	72,797.1	1,506,192.0	12,436,180.0
Dec	9,049,472.5	0.0	366,272.7	1,933,430.4	137,109.8	79,301.0	1,515,210.3	13,080,796.6
2011-Mar	9,345,686.7	0.0	366,272.7	1,812,841.7	144,252.9	248,464.3	1,549,592.1	13,467,110.3
Jun	9,844,471.2	0.0	366,272.7	1,924,832.3	216,192.0	256,873.3	1,615,456.5	14,224,098.0
2010- January	7,390,948.4	394.6	278,986.2	1,495,751.8	103,112.1	119,222.4	1,298,466.0	10,686,881.5
February	7,480,788.8	9,046.8	266,459.6	1,586,029.4	131,413.7	66,644.3	1,310,705.4	10,851,088.1
March	7,521,794.8	0.0	327,938.2	1,632,098.5	97,804.2	90,011.3	1,340,328.2	11,009,975.2
April	7,810,444.0	3,809.8	335,795.7	1,669,389.0	116,843.1	98,910.8	1,335,479.6	11,370,672.0
May	7,684,377.0	270.5	257,182.7	1,754,144.1	104,599.1	92,245.0	1,375,495.8	11,268,314.1
June	8,111,802.6	4,495.4	336,350.5	1,786,806.8	98,393.2	98,403.0	1,401,970.5	11,838,222.1
July	8,410,978.2	9,406.3	246,565.2	1,809,786.6	77,865.1	126,911.3	1,421,804.2	12,103,317.0
August	8,623,289.0	1,723.6	269,830.5	1,833,682.6	102,289.5	125,229.8	1,486,588.0	12,442,633.1
September	8,483,714.5	0.0	366,272.7	1,875,170.6	132,033.2	72,797.1	1,506,192.0	12,436,180.0
October	8,764,139.2	0.0	336,509.5	1,830,440.7	137,616.3	109,443.4	1,524,281.5	12,702,430.5
November	8,978,158.6	0.0	262,169.4	1,808,935.1	131,462.1	144,530.5	1,549,024.7	12,874,280.3
December	9,049,472.5	0.0	366,272.7	1,933,430.4	137,109.8	79,301.0	1,515,210.3	13,080,796.6
2011- January	9,293,060.0	0.0	366,272.7	1,833,595.3	147,407.7	93,251.6	1,538,010.2	13,271,597.4
February	9,329,296.2	0.0	366,272.7	1,863,686.7	194,139.5	201,901.9	1,569,491.3	13,524,788.3
March	9,345,686.7	0.0	366,272.7	1,812,841.7	144,252.9	248,464.3	1,549,592.1	13,467,110.3
April	9,550,872.8	0.0	366,272.7	1,820,913.3	180,784.3	225,222.8	1,577,690.1	13,721,755.9
May	9,663,141.9	0.0	366,272.7	1,752,215.2	198,736.3	271,878.9	1,605,741.0	13,857,985.9
June	9,844,471.2	0.0	366,272.7	1,924,832.3	216,192.0	256,873.3	1,615,456.5	14,224,098.0

* 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 Commercial Bank's Liquidity*, 2002 - 2011

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			Deposits with Bank of Tanzania			Treasury bills	Net foreign liquid assets***
							Cash	Cash	Bank of Tanzania	Cash	Bank of Tanzania			
2002	-81,009.3	114,410.7	45,696.4	-12,746.9	66,350.9	0.0	66,350.9	5,599.0	-20,003.9	23,516.9	57,239.0			
2003	-30,334.7	70,731.1	14,379.6	-41,412.7	13,363.4	0.0	13,363.4	1,034.8	13,851.2	9,095.9	-10,618.5			
2004	-42,877.7	-1,096.9	-2,140.8	28,024.8	-18,090.7	0.0	-18,090.7	-4,943.6	1,631.1	-307.8	-14,470.4			
2005	48,681.4	-139,142.7	30,625.0	21,376.2	-38,460.1	0.0	-38,460.1	-1,322.6	-43,383.0	12,574.9	-6,329.4			
2006	-131,201.0	-59,226.8	18,639.1	187,976.7	16,188.0	0.0	16,188.0	19,930.0	-96,080.0	86,592.5	5,745.5			
2007	33,626.7	-85,008.7	16,381.3	134,318.0	99,317.3	-2,268.6	97,048.7	31,848.2	13,033.4	-45,586.7	97,753.8			
2008	4,537.8	276,531.1	-13,585.8	-353,605.2	-86,122.0	-4,463.2	-90,585.2	51,462.1	-31,307.0	-168,012.2	57,271.9			
2009	-46,462.8	-96,874.9	13,592.7	146,753.2	17,008.3	-2,576.7	14,431.6	33,746.9	19,688.1	-20,381.2	-18,622.2			
2010	-370,460.4	321,853.7	8,481.7	162,286.5	122,161.5	-718.6	121,442.9	1,781.2	3,079.6	32,880.7	83,701.5			
2009-Mar	70,846.4	31,027.6	-17,738.5	119,981.5	204,117.0	584.1	204,701.1	14,114.3	76,310.8	58,278.3	55,997.7			
Jun	419,649.6	62,054.8	57,445.8	-433,600.1	105,550.1	4,600.0	110,150.1	34,908.5	72,164.7	-29,712.2	32,789.1			
Sep	-239,336.0	146,330.4	-24,301.3	270,966.0	153,659.0	14.9	153,673.9	61,421.7	11,132.4	87,594.7	-6,474.9			
Dec	-46,462.8	-96,874.9	13,592.7	146,753.2	17,008.3	-2,576.7	14,431.6	33,746.9	19,688.1	-20,381.2	-18,622.2			
2010-Mar	57,131.3	-31,663.3	18,760.2	12,995.0	57,223.1	487.2	57,710.3	10,084.2	-84,253.8	44,932.7	86,947.2			
Jun	358,887.1	328,078.6	86,280.4	-469,238.2	304,008.0	455.0	304,463.0	48,942.5	-25,369.9	-31,516.6	312,406.9			
Sep	-9,920.4	16,865.1	-22,574.3	-10,148.0	-25,777.5	17,090.0	-8,687.5	33,938.5	-44,308.0	85,571.3	-83,889.4			
Dec	-370,460.4	321,853.7	8,481.7	162,286.5	122,161.5	-718.6	121,442.9	1,781.2	3,079.6	32,880.7	83,701.5			
2011-Mar	44,985.3	-177,780.7	22,214.0	111,368.5	787.2	242.9	1,030.0	13,850.8	56,423.7	-36,313.7	-32,930.8			
Jun	70,502.1	301,081.9	169,255.8	-707,530.7	-166,691.0	-1,694.3	-168,385.3	-46,924.0	-74,107.8	16,391.5	-63,745.0			
2010-January	39,608.1	2,6737.2	-48,875.4	83,762.6	101,232.5	24.4	101,256.9	-31,706.1	90,026.8	97,313.9	-54,377.8			
February	60,668.0	-17,049.0	5,688.3	93,878.5	143,185.8	247.7	143,433.5	-14,544.8	141,658.9	17,527.3	-1,207.9			
March	57,131.3	-31,663.3	18,760.2	12,995.0	57,223.1	487.2	57,710.3	10,084.2	-84,253.8	44,932.7	86,947.2			
April	-141,974.6	237,975.0	1,000.5	3,608.0	100,608.9	-689.4	99,919.5	11,628.4	-25,044.3	33,692.0	79,643.4			
May	-37,444.8	-218,070.4	50,853.0	145,787.8	-58,874.4	3.1	-58,871.3	10,847.3	-66,849.1	162,457.1	-165,326.7			
June	358,887.1	328,078.6	86,280.4	-469,238.2	304,008.0	455.0	304,463.0	48,942.5	-25,369.9	-31,516.6	312,406.9			
July	276,877.7	83,139.4	132,745.6	-273,612.8	219,150.0	-457.3	218,692.7	13,133.7	159,996.2	104,042.3	-58,479.5			
August	-131,600.2	140,918.5	67,022.8	-1,136.1	75,205.0	-53.5	75,151.6	14,741.2	-34,234.2	175,856.5	-81,211.9			
September	-9,920.4	16,865.1	-22,574.3	-10,148.0	-25,777.5	17,090.0	-8,687.5	33,938.5	-44,308.0	85,571.3	-83,889.4			
October	-34,119.8	326,085.7	50,547.0	-192,394.5	150,118.3	-17,071.2	133,047.1	-45,571.7	61,451.2	-469.0	117,636.6			
November	-32,010.9	-29,299.9	-19,548.2	107,354.8	26,495.8	718.1	27,213.9	59,755.6	6,418.2	-46,357.8	7,398.0			
December	-370,460.4	321,853.7	8,481.7	162,286.5	122,161.5	-718.6	121,442.9	1,781.2	3,079.6	32,880.7	83,701.5			
2011-January	158,546.7	146,903.8	-89,800.1	-5,554,458.9	-5,338,808.5	4,993.0	-5,333,815.5	-522,789.7	-1,301,363.9	-2,414,939.5	-1,094,722.4			
February	242,331.1	-289,251.2	25,597.7	5,399,212.4	5,377,890.1	-5,005.9	5,372,884.1	527,831.2	1,414,348.0	2,351,610.8	1,079,094.2			
March	44,985.3	-177,780.7	22,214.0	111,368.5	787.2	242.9	1,030.0	13,850.8	56,423.7	-36,313.7	-32,930.8			
April	-51,867.9	-55,252.5	-1,052.9	90,472.9	-17,700.5	1,662.2	-17,536.3	-7,122.5	-95,482.8	47,536.5	37,532.5			
May	162,559.3	-222,574.5	57,785.6	143,143.6	140,914.0	1,962.2	142,876.2	32,926.9	62,846.6	70,129.5	-23,026.8			
June	70,502.1	301,081.9	169,255.8	-707,530.7	-166,691.0	-1,694.3	-168,385.3	-46,924.0	-74,107.8	16,391.5	-63,745.0			

Notes: * Includes corrections for change in commercial banks holding of Treasury Securities** Previously 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

Source: Bank of Tanzania



A3.0 Money and Banking

TableA3.9 : Commercial Banks -Analysis of Domestic Assets, 2002 - 2011

Millions of TZS

End of period	Bank of Tanzania	Other banks	Other financial Institutions	Central govt.	Official entities	Private sector	Other assets	Total
2002	195,153.0	217,202.4	0.0	364,637.6	0.0	570,668.3	6,072,439.1	7,420,100.4
2003	226,870.1	316,436.6	0.0	322,407.4	0.0	817,125.2	235,094.6	1,917,933.9
2004	310,426.8	428,220.2	0.0	338,541.5	0.0	1,060,077.3	269,616.9	2,406,882.6
2005	395,425.1	451,486.0	0.0	713,050.9	0.0	1,425,062.3	309,864.5	3,294,888.8
2006	479,569.1	128,228.3	0.0	1,100,198.8	0.0	2,028,294.3	345,106.7	4,081,397.2
2007	757,353.3	110,081.9	0.0	1,533,240.5	0.0	2,883,789.5	608,816.1	5,893,281.2
2008	824,957.8	118,758.7	0.0	1,501,798.0	0.0	4,376,439.6	845,416.2	7,667,370.3
2009	1,450,371.9	249,536.7	0.0	1,756,240.0	0.0	4,225,922.2	416,001.3	8,098,072.1
2010	1,617,275.9	259,861.7	0.0	2,435,551.0	0.0	5,140,201.4	496,316.4	9,949,206.5
2009-Mar	1,172,506.9	209,406.3	0.0	1,414,077.2	0.0	3,984,769.8	358,857.6	7,139,617.8
Jun	1,288,246.1	237,126.8	0.0	1,406,941.3	0.0	4,042,866.5	375,005.7	7,350,186.4
Sep	1,469,058.8	235,132.9	0.0	1,638,237.6	0.0	4,106,763.0	394,659.9	7,843,852.3
Dec	1,450,371.9	249,536.7	0.0	1,756,240.0	0.0	4,225,922.2	416,001.3	8,098,072.1
2010-Mar	1,585,164.1	263,319.5	0.0	1,917,392.1	0.0	4,372,101.8	403,218.9	8,541,196.4
Jun	1,750,979.3	256,475.0	0.0	2,086,002.4	0.0	4,668,742.1	447,010.5	9,209,209.3
Sep	1,593,209.1	282,400.0	0.0	2,456,249.4	0.0	4,837,874.0	503,041.0	9,672,773.5
Dec	1,617,275.9	259,861.7	0.0	2,435,551.0	0.0	5,140,201.4	496,316.4	9,949,206.5
2011-Mar	1,699,012.4	278,243.7	0.0	2,380,671.6	0.0	5,497,734.1	454,848.0	10,310,509.8
Jun	1,704,332.8	303,911.5	0.0	2,463,746.6	0.0	5,972,522.4	496,721.0	10,941,234.5
2010-January	1,580,605.3	251,539.0	0.0	1,855,723.2	0.0	4,217,356.2	420,124.2	8,325,347.8
February	1,653,807.4	260,083.2	0.0	1,873,107.6	0.0	4,220,316.1	454,679.6	8,461,993.8
March	1,585,164.1	263,319.5	0.0	1,917,392.1	0.0	4,372,101.8	403,218.9	8,541,196.4
April	1,560,152.5	415,834.1	0.0	1,950,814.0	0.0	4,429,615.2	401,040.7	8,757,456.5
May	1,443,856.0	278,700.0	0.0	2,115,969.2	0.0	4,426,245.0	533,298.5	8,798,068.7
June	1,750,979.3	256,475.0	0.0	2,086,002.4	0.0	4,668,742.1	447,010.5	9,209,209.3
July	1,714,237.6	287,348.5	0.0	2,189,614.6	0.0	4,697,210.1	467,840.6	9,356,251.4
August	1,591,111.6	294,155.0	0.0	2,364,981.5	0.0	4,849,313.6	437,771.7	9,537,333.4
September	1,593,209.1	282,400.0	0.0	2,456,249.4	0.0	4,837,874.0	503,041.0	9,672,773.5
October	1,576,467.6	288,326.7	0.0	2,449,721.5	0.0	4,981,964.6	451,373.6	9,747,854.1
November	1,687,327.6	277,829.1	0.0	2,402,809.5	0.0	5,043,071.7	463,819.9	9,874,857.8
December	1,617,275.9	259,861.7	0.0	2,435,551.0	0.0	5,140,201.4	496,316.4	9,949,206.5
2011-January	1,783,763.8	291,474.3	0.0	2,371,663.7	0.0	5,216,810.2	462,967.1	10,126,679.2
February	1,811,189.9	289,124.5	0.0	2,335,927.4	0.0	5,391,248.7	471,375.1	10,298,865.6
March	1,699,012.4	278,243.7	0.0	2,380,671.6	0.0	5,497,734.1	454,848.0	10,310,509.8
April	1,783,497.2	287,513.4	0.0	2,450,590.0	0.0	5,571,921.7	472,083.2	10,565,605.4
May	1,725,386.8	293,448.0	0.0	2,468,005.7	0.0	5,754,467.6	496,114.0	10,737,422.2
June	1,704,332.8	303,911.5	0.0	2,463,746.6	0.0	5,972,522.4	496,721.0	10,941,234.5

Notes: *Starting March 2003 other assets are calculated on net basis

**From July 2006 liquidity papers formerly regarded as part of other banks have been reclassified as part of central government deposits.

- 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 A3.10 : Commercial Banks' - Lending and Holdings of Securities (Revised), 2002 - 2011

Millions of TZS

End of Period	Domestic lending													Total			
	Loans to				Loans to State and Local Government			Loans to Public Nonfinancial Corporations			Loans to Other Nonfinancial Corporations				Loans to Other Resident Sectors	Loans to Non-residents	Total
	Central Bank (Repos)	Depository Corporations	Other Financial Corporations	Government	Central Government	Local Government	Nonfinancial Corporations	Other Nonfinancial Corporations	Nonfinancial Corporations	Other Nonfinancial Corporations	Other Resident Sectors						
2002	0.0	29,500.0	0.0	0.0	0.0	0.0	616,542.1	0.0	0.0	2,575.4	648,617.5	34.7	608,244.6				
2003	997.5	24,865.8	0.0	0.0	0.0	0.0	886,564.9	0.0	0.0	12,719.0	925,147.2	41.1	605,474.4				
2004	997.5	30,747.8	0.0	0.0	0.0	0.0	1,127,570.1	0.0	0.0	2,127.9	1,161,443.4	45.8	672,639.9				
2005	947.5	32,839.8	0.0	0.0	0.0	0.0	1,487,178.2	0.0	0.0	21,862.5	1,542,828.0	43.6	1,164,578.7				
2006	924.7	36,547.4	459.8	0.0	459.8	0.0	2,112,894.5	0.0	0.0	33,859.8	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	3,010,961.8	0.0	0.0	67,263.4	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	2,334,138.8	1,540,145.5	104,290.8	104,290.8	4,734,243.9	74.1	1,536,287.7				
2009	8,062.9	160,416.0	204,722.3	17,230.9	4,646.1	411,106.1	2,489,270.3	1,731,102.7	254,321.2	5,280,878.6	73.5	1,739,009.1					
2010	16,561.1	262,695.7	207,655.5	20,611.5	9,163.5	486,803.2	3,028,089.6	2,102,139.6	188,691.8	6,322,411.4	70.5	2,414,939.5					
2009-Mar	60,801.1	100,172.7	165,891.2	11,762.8	5,086.4	353,502.0	2,345,563.0	1,621,688.4	68,614.3	4,733,081.8	76.1	1,402,283.3					
2009-Jun	33,625.0	152,848.9	190,516.5	14,583.9	4,812.4	370,115.8	2,342,133.3	1,694,266.5	173,282.6	4,976,185.0	76.7	1,392,326.2					
2009-Sep	97,967.9	179,494.9	186,664.7	22,709.1	3,761.1	390,747.5	2,383,358.5	1,711,375.9	254,296.2	5,230,375.9	75.4	1,615,497.3					
2009-Dec	8,062.9	160,416.0	204,722.3	17,230.9	4,646.1	411,106.1	2,489,270.3	1,731,102.7	254,321.2	5,280,878.6	73.5	1,739,009.1					
2010-Mar	7,160.5	221,412.9	212,629.9	18,609.1	5,973.5	396,986.4	2,671,519.3	1,695,809.5	203,206.6	5,433,307.8	72.9	1,898,782.9					
2010-Jun	62,182.1	172,244.7	201,172.3	22,586.8	7,213.8	438,899.8	2,943,590.2	1,719,330.9	210,592.8	5,777,813.5	71.3	2,063,415.5					
2010-Sep	17,539.1	212,027.5	216,108.4	27,356.4	4,020.8	450,299.2	2,445,450.1	1,769,761.9	223,743.5	5,355,873.5	71.6	1,853,850.3					
2010-Dec	16,561.1	262,695.7	207,655.5	20,611.5	9,163.5	486,803.2	3,028,089.6	2,102,139.6	188,691.8	6,322,411.4	70.5	2,414,939.5					
2011-Mar	0.0	214,970.6	226,427.4	17,838.0	7,668.9	446,841.4	3,162,201.7	2,242,177.6	329,133.7	6,647,259.2	71.7	2,362,833.6					
2011-Jun	0.0	214,970.6	226,427.4	17,514.9	14,882.5	481,645.9	3,397,417.8	2,482,024.8	247,781.5	7,082,665.5	72.4	2,446,231.7					
2010-January	81,026.4	111,874.3	201,416.3	19,400.2	4,014.4	415,782.3	2,438,677.4	1,773,627.1	282,976.6	5,328,794.9	72.2	1,836,323.0					
2010-February	47,933.1	187,529.7	207,877.9	19,257.4	4,020.8	450,299.2	2,445,450.1	1,769,761.9	223,743.5	5,355,873.5	71.6	1,853,850.3					
2010-March	7,160.5	221,412.9	212,629.9	18,609.1	5,973.5	396,986.4	2,671,519.3	1,695,809.5	203,206.6	5,433,307.8	72.9	1,898,782.9					
2010-April	31,167.6	178,019.1	361,809.9	18,339.0	4,964.8	395,818.7	2,681,510.5	1,742,847.1	209,031.8	5,623,508.5	73.7	1,932,475.0					
2010-May	7,175.0	146,893.5	220,164.4	21,037.1	5,867.7	527,231.5	2,664,628.1	1,753,782.7	200,502.7	5,547,282.8	72.3	2,094,932.1					
2010-June	62,182.1	172,244.7	201,172.3	22,586.8	7,213.8	438,899.8	2,943,590.2	1,719,330.9	210,592.8	5,777,813.5	71.3	2,063,415.5					
2010-July	72,146.4	202,851.7	218,522.1	22,156.8	3,930.5	462,890.5	2,992,833.8	1,697,573.0	223,910.5	5,896,815.4	71.1	2,167,457.8					
2010-August	44,193.9	176,411.1	226,249.8	21,667.1	5,710.0	431,221.3	3,058,159.3	1,784,694.4	265,979.4	6,014,286.3	70.9	2,343,314.4					
2010-September	17,539.1	212,027.5	216,108.4	27,356.4	4,020.8	450,299.2	2,445,450.1	1,769,761.9	223,743.5	5,355,873.5	71.6	1,853,850.3					
2010-October	4,546.5	264,130.7	226,433.1	21,304.9	7,081.8	443,380.8	2,871,336.5	2,101,128.5	197,009.1	6,136,351.9	70.2	2,428,416.7					
2010-November	49,553.7	199,502.5	218,102.5	20,750.7	6,695.7	456,101.8	2,964,371.6	2,068,755.5	211,905.2	6,195,739.2	69.9	2,382,058.8					
2010-December	16,561.1	262,695.7	207,655.5	20,611.5	9,163.5	486,803.2	3,028,089.6	2,102,139.6	188,691.8	6,322,411.4	70.5	2,414,939.5					
2011-January	0.0	197,854.6	238,971.2	20,052.8	6,927.8	455,589.3	3,057,980.9	2,143,525.4	305,265.2	6,426,167.2	70.0	2,351,610.8					
2011-February	0.0	168,818.0	230,716.7	20,630.3	7,673.2	463,260.6	3,174,273.1	2,198,869.2	319,213.4	6,583,454.5	70.6	2,315,297.1					
2011-March	0.0	214,970.6	226,427.4	17,838.0	7,668.9	446,841.4	3,162,201.7	2,242,177.6	329,133.7	6,647,259.2	71.7	2,362,833.6					
2011-April	0.0	214,970.6	226,427.4	18,151.2	11,284.1	484,611.0	3,221,194.8	2,411,404.9	217,786.0	6,805,830.0	75.4	2,449,354.5					
2011-May	0.0	214,970.6	226,427.4	18,151.2	11,284.1	484,611.0	3,221,194.8	2,411,404.9	217,786.0	6,805,830.0	71.1	2,449,354.5					
2011-June	0.0	214,970.6	226,427.4	17,514.9	14,882.5	481,645.9	3,397,417.8	2,482,024.8	247,781.5	7,082,665.5	72.4	2,446,231.7					

Source: Bank of Tanzania



Table A3.11: Commercial Banks - Domestic Lending by Activity (Borrowing Sector), 2002 - 2011

End of Period	Public Sector**													Total		
	Agriculture, Hunting and Forestry	Fishing	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	
2002	7,542.3	97,683.1	-	25,898.0	145,857.9	30,671.8	62,370.2	132,058.9	13,145.7	-	-	-	-	55,440.4	570,668.3	
2003	15,246.0	97,795.0	-	33,570.4	213,204.2	38,669.1	74,697.3	186,495.9	20,020.4	-	-	-	-	137,427.0	817,125.2	
2004	2,156.2	147,111.2	-	46,098.7	242,075.5	42,157.1	92,206.1	249,914.2	27,418.2	-	-	-	-	204,744.0	1,060,077.3	
2005	14,314.0	177,320.3	-	85,743.2	293,812.5	83,074.3	108,426.1	338,352.0	33,897.2	-	-	-	-	263,029.8	1,425,061.2	
2006	0.0	274,282.5	17,609.5	47,405.2	438,961.6	83,456.9	194,353.9	395,728.7	97,889.9	3,044.3	128,384.4	21,233.2	-	315,523.7	2,093,649.9	
2007	0.0	309,543.1	18,180.1	92,269.3	414,850.8	50,422.8	320,556.8	511,317.6	128,685.4	16,202.1	129,525.9	43,619.3	-	761,888.1	2,976,276.0	
2008	0.0	523,361.6	17,227.6	122,001.1	37,727.8	142,992.8	88,352.3	320,600.6	180,143.9	4,020.3	204,425.2	64,641.0	-	1,319,159.6	4,376,452.2	
2009	0.0	485,211.7	15,660.1	105,843.7	18,926.3	148,713.4	104,494.5	457,407.2	214,302.3	5,061.4	232,900.4	91,769.0	-	1,433,451.7	4,806,143.4	
2010	0.0	756,700.6	49,932.8	142,600.1	33,943.7	182,071.6	183,586.8	533,990.3	300,712.0	146.9	283,101.0	86,860.1	-	1,494,058.5	5,848,352.7	
2009-Mar	0.0	458,372.8	16,694.6	83,228.5	25,545.9	133,973.4	83,620.4	335,164.0	206,347.1	14,180.5	193,471.2	70,420.3	-	1,443,465.1	4,927,132.6	
Jun	0.0	488,058.7	19,228.1	106,015.4	15,688.2	609,729.4	114,872.3	459,585.2	13,552.2	247,003.2	73,554.6	73,554.6	-	1,293,322.6	5,110,878.6	
Sep	0.0	557,822.1	19,438.2	105,681.5	16,280.0	140,853.3	105,492.0	426,540.2	873,429.0	209,204.3	3,238.7	245,217.5	-	1,362,243.1	4,667,103.5	
Dec	0.0	485,211.7	15,660.1	105,843.7	18,926.3	148,713.4	104,494.5	457,407.2	214,302.3	5,061.4	232,900.4	91,769.0	-	1,433,451.7	4,806,143.4	
2010-Mar	0.0	516,496.2	16,470.2	105,673.4	18,299.2	641,198.2	104,269.6	451,776.4	917,122.7	5,721.6	303,337.7	79,527.9	-	1,465,054.2	4,966,144.9	
Jun	0.0	594,791.2	42,666.8	130,448.2	37,446.2	783,351.5	146,915.1	568,708.6	948,884.0	148.3	302,291.8	80,815.2	-	1,257,793.7	5,309,716.7	
Sep	0.0	724,472.1	39,763.0	117,697.5	29,620.2	208,460.4	181,168.5	504,903.4	934,702.1	202.9	254,578.7	76,404.8	-	1,368,692.2	5,557,216.6	
Dec	0.0	756,700.6	49,932.8	142,600.1	33,943.7	182,071.6	183,586.8	533,990.3	300,712.0	146.9	283,101.0	86,860.1	-	1,494,058.5	5,848,352.7	
2011-Mar	0.0	792,584.4	35,517.3	116,532.8	36,395.8	807,220.7	275,293.6	575,640.5	342,163.8	747.3	259,901.8	84,177.5	-	1,422,095.8	6,073,371.0	
Jun	0.0	864,377.7	40,982.4	143,188.4	34,834.3	221,494.7	278,970.6	555,577.6	1,277,516.1	189.0	295,149.9	85,795.8	-	1,595,214.1	6,600,181.5	
End of Period	Public Sector*	Agriculture, Hunting and Forestry	Fishing	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	Other Social and Personal Services	Total
2002	1.3	17.1	-	4.5	0.0	25.6	5.4	0.0	10.9	23.1	2.3	-	0.0	0.0	9.7	100.0
2003	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	0.2	13.9	-	4.3	0.6	22.8	4.0	-	8.7	23.6	2.6	-	-	-	19.3	100.0
2005	1.0	12.4	-	6.0	1.9	20.6	5.8	0.0	7.6	23.7	2.4	-	-	-	18.5	100.0
2006	0.0	13.1	0.8	2.3	1.0	21.0	4.0	2.5	9.3	18.9	4.7	0.1	6.1	1.0	15.1	100.0
2007	0.0	10.4	0.6	3.1	1.4	18.8	3.5	1.7	7.0	17.2	4.3	0.5	4.4	1.5	25.6	100.0
2008	0.0	12.0	0.4	2.8	0.9	14.0	3.3	2.0	7.3	16.8	4.1	0.1	4.7	1.5	30.1	100.0
2009	0.0	10.1	0.3	2.2	0.4	11.8	3.1	2.2	9.5	19.3	4.5	0.1	4.8	1.9	29.8	100.0
2010	0.0	12.9	0.9	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
2009-Mar	0.0	9.3	0.3	1.7	0.5	12.5	2.7	1.7	6.8	15.8	4.2	0.3	3.9	1.4	29.3	100.0
Jun	0.0	9.5	0.4	2.1	0.3	11.9	2.2	1.9	9.0	15.9	4.3	0.3	4.8	1.4	25.3	100.0
Sep	0.0	12.0	0.4	2.3	0.3	11.1	3.0	2.3	9.1	18.7	4.5	0.1	5.3	1.8	29.2	100.0
Dec	0.0	10.1	0.3	2.2	0.4	11.8	3.1	2.2	9.5	19.3	4.5	0.1	4.8	1.9	29.8	100.0
2010-Mar	0.0	10.4	0.3	2.1	0.4	12.9	3.0	2.1	9.1	18.5	4.6	0.1	5.3	1.6	29.5	100.0
Jun	0.0	11.2	0.8	2.5	0.7	14.8	2.9	2.8	10.7	17.9	4.9	0.0	5.7	1.5	23.7	100.0
Sep	0.0	13.0	0.7	2.1	0.5	15.1	3.8	3.3	9.1	16.8	5.0	0.0	4.6	1.4	24.6	100.0
Dec	0.0	12.9	0.9	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-Mar	0.0	13.1	0.6	1.9	0.6	13.3	3.3	4.5	9.5	18.5	5.6	0.0	4.3	1.4	23.4	100.0
Jun	0.0	13.1	0.6	2.2	0.5	12.7	3.4	4.2	8.4	19.4	5.6	0.0	4.8	1.5	24.2	100.0

Note: Beginning June 2006, new BOT Form 16-1 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), 2002 - 2011

Millions of TZS

End of Period						Total	of which			
	Central Government	State and Local Government	Public Non-Financial Corporation	Other Non-Financial Corporation	Other Residents		Deposits of Non Residents	Transferrable Deposits*	Other Deposits**	Foreign Currency Deposits
2002	102,768.5	67,349.1	155,757.2	770,010.5	768,340.6	1,869,768.8	525,584.2	635,348.0	776,324.4	
2003	125,172.5	81,948.2	187,498.8	926,551.6	920,943.7	2,248,436.7	645,463.1	749,338.8	934,789.3	
2004	152,078.2	100,197.7	204,038.4	1,019,627.1	1,035,493.0	2,530,476.6	792,829.7	865,330.9	958,925.0	
2005	206,559.4	135,951.1	280,045.3	1,398,420.2	1,419,312.8	3,467,860.6	1,075,970.9	1,188,459.3	1,322,718.6	
2006	230,104.3	153,433.8	349,742.6	1,732,297.6	1,741,183.7	4,270,803.5	1,159,801.9	1,472,413.2	1,785,869.8	
2007	325,184.0	212,595.2	416,755.2	2,094,473.6	2,154,053.2	5,394,949.7	1,781,894.4	1,838,853.0	1,953,663.1	
2008	401,684.3	261,375.7	253,056.6	1,641,613.6	3,270,913.2	5,982,450.0	2,096,798.8	2,370,926.2	2,100,623.5	
2009	662,621.7	330,207.7	152,761.1	2,191,522.6	3,743,200.4	7,189,287.5	2,503,488.5	3,155,803.0	2,302,417.7	
2010	699,266.7	406,773.7	227,532.9	2,737,537.1	4,764,404.6	8,972,624.8	3,105,200.3	3,678,536.3	3,102,112.4	
2009- Mar	488,080.3	305,770.2	181,476.8	1,912,011.7	3,228,227.1	6,221,098.1	2,104,858.0	2,574,023.8	2,131,915.0	
Jun	566,630.2	244,134.4	145,571.3	1,895,410.5	3,518,486.8	6,485,453.9	2,168,692.6	2,698,580.5	2,195,731.3	
Sep	654,315.0	458,399.1	202,147.0	1,927,625.0	3,582,598.4	6,937,349.8	2,570,239.7	2,843,534.7	2,245,472.3	
Dec	662,621.7	330,207.7	152,761.1	2,191,522.6	3,743,200.4	7,189,287.5	2,503,488.5	3,155,803.0	2,302,417.7	
2010- Mar	691,600.6	441,272.0	144,318.4	2,225,745.2	3,851,633.6	7,452,374.0	2,693,753.2	3,293,209.6	2,324,236.7	
Jun	744,792.3	406,445.7	214,974.3	2,372,998.2	4,266,404.0	8,104,007.7	2,955,905.1	3,315,156.1	2,683,926.9	
Sep	690,042.9	405,857.0	240,408.2	2,642,202.0	4,331,739.9	8,442,283.1	2,860,611.4	3,523,740.1	2,921,439.0	
Dec	699,266.7	406,773.7	227,532.9	2,737,537.1	4,764,404.6	8,972,624.8	3,105,200.3	3,678,536.3	3,102,112.4	
2011 Mar	669,492.3	379,813.0	281,365.9	138,536.7	7,660,776.7	9,274,237.5	3,076,068.7	3,827,227.9	3,256,135.3	
Jun	657,726.9	362,057.9	323,976.5	129,833.3	8,089,973.2	9,779,759.8	3,359,569.2	3,846,248.1	3,512,572.8	
2010-January	681,620.8	395,254.5	158,109.4	2,229,846.3	3,809,604.1	7,377,547.2	2,698,424.1	3,170,598.2	2,306,659.0	
February	684,724.8	471,988.8	158,599.7	2,273,090.4	3,759,974.7	7,479,792.0	2,716,335.8	3,290,060.5	2,290,531.0	
March	691,600.6	441,272.0	144,318.4	2,225,745.2	3,851,633.6	7,452,374.0	2,693,753.2	3,293,209.6	2,324,236.7	
April	662,135.4	465,884.2	230,253.7	2,025,587.4	4,131,151.0	7,631,854.7	2,710,535.6	3,340,582.4	2,538,304.5	
May	747,168.9	377,264.9	164,430.2	2,283,949.1	3,991,597.3	7,669,009.4	2,710,488.6	3,313,082.4	2,512,574.0	
June	744,792.3	406,445.7	214,974.3	2,372,998.2	4,266,404.0	8,104,007.7	2,955,905.1	3,315,156.1	2,683,926.9	
July	737,159.9	362,074.5	175,760.1	2,712,318.8	4,226,978.8	8,292,157.1	2,934,909.1	3,440,643.7	2,850,450.4	
August	698,673.0	399,989.6	175,873.1	2,792,481.5	4,312,128.8	8,481,435.5	2,915,022.4	3,546,715.2	2,962,513.9	
September	690,042.9	405,857.0	240,408.2	2,642,202.0	4,331,739.9	8,442,283.1	2,860,611.4	3,523,740.1	2,921,439.0	
October	713,153.6	398,415.0	234,874.7	2,814,728.1	4,438,720.0	8,737,507.7	2,968,754.9	3,571,567.7	3,074,586.5	
November	664,495.7	424,240.5	245,550.3	2,880,492.7	4,514,659.7	8,860,901.0	3,019,474.7	3,636,875.0	3,117,766.7	
December	699,266.7	406,773.7	227,532.9	2,737,537.1	4,764,404.6	8,972,624.8	3,105,200.3	3,678,536.3	3,102,112.4	
2011-January	672,708.8	397,866.6	248,244.5	158,058.0	7,552,157.8	9,176,443.4	3,246,537.4	3,662,065.9	3,204,573.1	
February	693,600.3	461,076.8	271,076.0	168,376.5	7,534,103.0	9,322,372.2	3,241,020.9	3,711,845.7	3,264,169.5	
March	669,492.3	379,813.0	281,365.9	138,536.7	7,660,776.7	9,274,237.5	3,076,068.7	3,827,227.9	3,256,135.3	
April	645,765.4	395,318.1	292,639.5	112,546.6	7,398,529.1	9,025,583.0	3,224,088.4	3,816,360.5	3,336,973.6	
May	606,664.0	363,230.3	311,699.9	154,530.4	7,932,644.1	9,567,505.0	3,291,728.6	3,848,107.0	3,328,706.7	
June	657,726.9	362,057.9	323,976.5	129,833.3	8,089,973.2	9,779,759.8	3,359,569.2	3,846,248.1	3,512,572.8	

Notes: * Demand deposits

** Savings and Time Deposits

Source: Bank of Tanzania





A3.0 Money and Banking

Table A3.13: Weighted Average Interest Rates Structure, 2008 - 2011

Item	2008				2009				2010*				Percent	
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	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
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
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
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
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
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
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
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
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
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
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. 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
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
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
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
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
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
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
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
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
6. Discount Rate														
	12.4	12.8	15.2	16.0	18.3	10.3	4.4	3.7	7.6	7.6	7.6	7.6	7.6	7.6
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
8. Overall Time Deposits Rate														
Call Accounts	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
1-month	1.0	0.8	0.8	0.6	0.9	1.1	1.1	0.7	0.7	0.9	1.0	0.9	1.2	1.2
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
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	6.0	6.4
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
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
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	7.2
9. Negotiated Deposit 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	9.1
10. Overall Lending rate														
Call Loans	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
Short-term (up to 1 year)	19.3	19.3	19.3	19.3	19.3	21.3	23.3	26.3	29.3	32.3	35.3	36.3	37.3	39.3
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	14.8
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
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
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
	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. Negotiated Lending Rate														
	11.9	13.1	12.9	12.1	13.0	14.3	13.8	13.2	13.7	14.1	13.8	11.9	13.3	13.8
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
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-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
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
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
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
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
2. Overall Lending Rate														
Short-term (up to 1 year)	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
Medium-term (1-2 years)	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	6.0
Medium-term (2-3 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	9.3
Long-term (3-5 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	9.0
Term Loans (over 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	8.1
	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	8.9

* Provisional

Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.1 Tanzania's Balance of Payments, 2001 - 2010

Item	Millions of USD									
	2001	2002	2003	2004	2005	2006 ^r	2007 ^r	2008 ^r	2009 ^r	2010 ^P
A. Current Account	-237.36	83.63	-118.1	-365.9	-862.8	-1,173.8	-1,643.0	-2,595.4	-1,768.2	-1,853.4
Balance on Goods	-709.04	-531.76	-712.6	-1,001.2	-1,318.5	-1,946.5	-2,634.1	-3,433.5	-2,539.5	-2,828.3
Goods: Exports f.o.b.	851.31	979.57	1,220.9	1,481.6	1,679.1	1,917.6	2,226.6	3,578.8	3,294.6	4,296.8
Traditional	231.06	206.08	220.5	297.8	354.5	267.1	319.7	507.3	479.6	559.0
Non-traditional	620.25	773.49	1,000.4	1,183.9	1,324.6	1,476.2	1,704.5	2,604.7	2,376.1	3,177.3
o/w Gold	254.07	341.10	502.8	629.9	655.1	786.4	788.2	1,108.3	1,229.5	1,516.6
Unrecorded trade						174.3	202.4	466.8	438.9	560.4
Goods: Imports f.o.b.	-1560.34	-1511.32	-1,933.5	-2,482.8	-2,997.6	-3,864.1	-4,860.6	-7,012.3	-5,834.1	-7,125.1
Balance on Services	264.91	287.60	222.1	158.9	61.8	278.7	462.1	349.9	145.6	242.0
Services: Credit	914.62	920.13	947.8	1,133.6	1,269.2	1,528.1	1,875.7	1,998.8	1,854.6	2,091.5
Transportation	105.95	117.07	138.9	183.0	222.9	343.7	331.1	364.6	334.4	445.5
Travel	615.1	635.0	646.5	746.0	823.6	950.2	1,198.8	1,288.7	1,159.8	1,254.5
Other	193.6	168.0	162.3	204.6	222.7	234.1	345.8	345.4	360.4	391.5
Services: Debit	-649.7	-632.5	-725.7	-974.7	-1,207.3	-1,249.3	-1,413.7	-1,648.9	-1,709.1	-1,849.6
Transportation	-194.2	-176.9	-214.7	-267.1	-319.5	-418.3	-485.0	-699.0	-604.9	-716.1
Travel	-327.3	-337.5	-353.2	-445.3	-553.8	-534.5	-595.3	-720.7	-766.2	-830.4
Other	-128.1	-118.1	-157.8	-262.3	-334.0	-296.6	-333.4	-229.1	-338.0	-303.0
Balance on Goods and Services	-444.1	-244.2	-490.5	-842.3	-1,256.6	-1,667.8	-2,172.0	-3,083.6	-2,393.9	-2,586.4
Balance on income	-188.52	-88.83	-138.5	-112.4	-102.0	-94.7	-123.1	-121.7	-71.2	-90.9
Income: Credit	55.3	67.9	87.1	81.8	80.9	80.3	107.3	122.7	161.1	164.6
Income: Debit	-243.8	-156.8	-225.6	-194.2	-182.9	-175.1	-230.4	-244.3	-232.4	-255.5
o/w: Direct investment income	-1.1	0.0	-59.7	-58.4	-65.6	-97.1	-132.5	-99.2	-74.5	-72.0
Interest payments (scheduled)	-117.3	0.0	-119.5	-72.4	-56.9	-27.8	-26.0	-65.3	-46.1	-36.9
Compensation of employees	-22.1	0.0	-22.4	-28.0	-24.9	-23.4	-46.4	-54.5	-80.6	-109.3
Balance on Goods, Services and Income	-632.6	-333.0	-629.1	-954.7	-1,358.6	-1,762.5	-2,295.1	-3,205.3	-2,465.2	-2,677.2
Balance on Current transfers	395.3	416.6	511.0	588.8	495.7	588.7	652.0	609.9	696.9	823.9
Current transfers: Credit	474.8	477.9	574.2	653.8	563.3	654.6	724.0	689.0	765.4	902.9
Government	418.4	427.7	507.6	581.7	477.9	559.7	626.9	588.5	658.4	798.1
o/w Multilateral HIPC relief	71.3	68.8	68.2	73.7	75.7	42.1	0.0	0.0	0.0	0.0
Other sectors	56.4	50.2	66.6	72.1	85.4	94.9	97.1	100.5	106.9	104.8
Current transfer: Debit	-79.5	-61.3	-63.3	-65.0	-67.5	-65.9	-71.9	-79.1	-68.4	-79.0
B. Capital Account	361.5	785.7	692.8	459.9	393.2	5,183.5	911.7	537.0	492.8	606.5
Capital transfers: Credit	361.5	785.7	692.8	459.9	393.2	5,183.5	911.7	537.0	492.8	606.5
General Government	339.2	0.0	655.5	420.0	350.1	5,135.0	858.5	477.3	430.2	543.3
Project	339.2	755.6	320.9	253.7	238.0	173.3	335.5	477.3	430.2	543.3
Other sectors	22.3	30.1	37.3	39.9	43.1	48.6	53.2	59.8	62.6	63.2
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	124.1	869.3	574.6	94.0	-469.7	4,009.7	-731.4	-2,058.4	-1,275.4	-1,246.8
C. Financial Account, excl. reserves and related items	-353.716	255.382	160.6	306.3	555.6	-4,081.6	853.3	1,621.0	1,328.2	1,587.8
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	467.2	387.6	308.2	330.6	494.1	403.0	581.5	400.0	414.5	433.4
Portfolio investment	0.0	2.2	2.7	2.4	2.5	2.6	2.8	2.9	3.0	3.2
Other investment	-829.1	-134.4	-150.3	-26.7	59.0	-4,487.3	269.0	1,218.1	910.7	1,151.2
Assets	-76.7	2.9	-59.0	52.3	-90.9	-187.6	34.1	181.7	-333.8	-75.2
Liabilities	-752.5	-137.3	-91.3	-79.0	150.0	-4,299.6	235.0	1,036.4	1,244.4	1,226.3
Total, Groups A through C	-229.6	1124.7	735.2	400.3	85.9	-71.9	121.9	-437.4	52.9	341.0
D. Net Errors and Omissions	-580.0	-806.8	-346.2	-116.3	-313.7	532.6	282.7	585.4	313.4	28.8
Overall balance (Total, Groups A through D)	-809.6	317.9	389.1	284.0	-227.8	460.7	404.6	148.0	366.2	369.8
E. Reserves and Related Items	809.6	-317.9	-389.1	-284.0	227.8	-460.7	-404.6	-148.0	-366.2	-369.8
Reserve assets	-182.2	-372.4	-508.8	-308.2	253.1	-126.5	-411.4	-147.0	-676.8	-395.4
Use of Fund credit and loans	15.6	26.0	-2.9	-33.8	-50.5	-334.2	6.8	-0.2	310.6	25.6
Exceptional financing	976.2	28.5	122.6	58.0	25.1	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	131.4	9.8	86.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt forgiveness	642.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	67.4	18.4	29.5	21.9	25.1	0.0	0.0	0.0	0.0	0.0
Principal arrears	135.2	0.4	6.2	36.2	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items										
GDP(mp) Bill. TZS	8,304,338.6	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	32,582.9
GDP(mp) Mill. USD	9,475.6	9,724.0	11,653.4			14,308.4	16,838.6	20,715.1	21,375.4	22,749.4
CAB/GDP	-2.5	0.9	-1.0	-2.9	-6.1	-8.2	-9.8	-12.5	-8.3	-8.0
CAB/GDP (excl. current official transfers)	-6.9	-3.5	-5.4	-7.4	-9.5	-12.1	-13.5	-15.4	-11.4	-11.5
Gross Official Reserves	1,156.6	1,529.0	2,037.8	2,307.7	2,054.6	2,136.9	2,724.3	2,872.6	3,552.5	3,948.0
Months of Imports	6.3	8.6	7.1	6.6	4.8	5.0	5.2	4.0	5.7	5.3
Net International Reserves (year end) Mill.USD	761.2	1,058.4	1,413.5	1,882.6	1,707.5	2,124.3	2,706.5	2,855.0	3,224.3	3,594.2
Change in Net International Reserves	-218.5	-297.2	-366.8	-321.5	175.1	-418.9	-585.2	-148.4	-369.4	-326.7
Exchange rate - TZS/USD(end of period)	916.3	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
Exchange rate - TZS/USD (annual average)	876.4	966.6	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1	1,196.3	1,319.9	1,432.3

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, 2003-2010

	Millions of TZS							
Item	2003	2004	2005	2006 ^f	2007 ^f	2008 ^f	2009 ^f	2010 ^p
A. Current Account	-121,030.4	-404,263.6	-971,387.6	-1,469,446.0	-2,025,206.8	-3,093,881.3	-2,330,529.2	-2,535,351.0
Goods: Exports f.o.b.	1,270,085.4	1,606,630.3	1,900,603.1	2,404,572.1	2,762,367.5	4,280,582.5	4,348,958.8	6,092,543.6
Traditional	229,516.2	320,181.2	402,964.4	333,645.6	393,878.6	606,099.7	633,144.6	796,252.6
Nontraditional	1,040,569.1	1,286,449.1	1,497,638.7	1,852,372.0	2,116,688.6	3,116,044.8	3,136,372.6	4,506,467.4
o/w Gold	523,578.2	684,555.2	740,137.1	987,474.2	981,686.0	1,321,774.0	1,623,092.1	2,140,836.8
Unrecorded Trade				218,554.6	251,800.3	558,438.1	579,441.6	789,823.6
Goods: imports f.o.b.	-2,011,339.1	-2,697,276.6	-3,390,754.3	-4,855,151.0	-6,025,489.4	-8,385,697.6	-7,700,050.5	-10,063,228.3
<i>Balance on Goods</i>	<i>-741,253.7</i>	<i>-1,090,646.3</i>	<i>-1,490,151.2</i>	<i>-2,450,578.9</i>	<i>-3,263,122.0</i>	<i>-4,105,115.1</i>	<i>-3,351,091.7</i>	<i>-3,970,684.6</i>
Services: Credit	984,865.9	1,232,378.9	1,434,007.9	1,916,071.1	2,333,405.5	2,389,020.3	2,448,649.9	2,964,929.0
Transportation	144,089.2	199,140.4	252,288.9	430,921.2	409,922.0	435,058.6	441,498.7	628,699.6
Travel	672,095.5	811,281.3	930,451.6	1,191,168.7	1,494,460.7	1,541,712.0	1,531,247.1	1,782,267.4
Other	168,681.2	221,957.2	251,267.4	293,981.2	429,022.8	412,249.7	475,904.1	553,962.0
Services: Debit	-754,655.7	-1,058,042.2	-1,365,303.3	-1,567,102.8	-1,756,057.4	-1,973,332.4	-2,255,904.0	-2,613,688.0
Transportation	-223,225.9	-290,125.8	-361,690.5	-525,424.0	-601,849.2	-835,832.5	-798,320.4	-1,011,186.6
Travel	-367,257.2	-483,121.0	-625,910.7	-669,662.5	-740,265.7	-865,009.9	-1,011,375.1	-1,175,308.1
Other	-164,172.7	-284,795.5	-377,702.1	-372,016.3	-413,942.6	-272,490.0	-446,208.5	-427,193.3
<i>Balance on Services</i>	<i>230,210.2</i>	<i>174,336.7</i>	<i>68,704.6</i>	<i>348,968.3</i>	<i>577,348.2</i>	<i>415,687.9</i>	<i>192,745.8</i>	<i>351,241.1</i>
<i>Balance on Goods and Services</i>	<i>-511,043.5</i>	<i>-916,309.6</i>	<i>-1,421,446.6</i>	<i>-2,101,610.6</i>	<i>-2,685,773.8</i>	<i>-3,689,427.2</i>	<i>-3,158,345.9</i>	<i>-3,619,443.6</i>
Income: Credit	90,724.5	88,631.0	91,627.3	100,753.5	133,226.6	146,275.1	212,818.7	234,011.2
Income: Debit	-234,259.2	-211,310.3	-205,871.7	-219,656.3	-286,116.0	-290,496.3	-306,984.7	-335,122.2
Direct investment income	-62,003.1	-63,617.8	-68,069.2	-121,529.9	-164,857.7	-118,616.7	-98,331.5	-101,467.6
Interest payments (scheduled)	-123,973.0	-78,820.6	-114,244.4	-34,719.3	-32,449.1	-79,008.5	-61,006.8	-52,532.7
Compensation of employees	-48,283.1	-68,871.9	-1,535,691.0	-29,818.0	-65,366.0	-106,454.2	-155,929.4	
<i>Balance on Income</i>	<i>-143,534.7</i>	<i>-122,679.3</i>	<i>-114,244.4</i>	<i>-118,902.8</i>	<i>-152,889.4</i>	<i>-144,221.2</i>	<i>-94,166.0</i>	<i>-101,111.0</i>
<i>Balance on Goods, Services and Income</i>	<i>-654,578.2</i>	<i>-1,038,989.0</i>	<i>-1,535,691.0</i>	<i>-2,220,513.4</i>	<i>-2,838,663.2</i>	<i>-3,833,648.3</i>	<i>-3,252,511.9</i>	<i>-3,720,554.6</i>
Current transfers	533,547.7	634,725.4	564,303.4	751,067.4	813,456.3	739,767.1	921,982.7	1,185,203.5
Current transfers: Credit	599,225.5	705,588.1	640,549.2	833,626.2	903,114.4	834,389.8	1,012,343.6	1,296,868.9
Government	530,070.4	627,064.2	543,909.8	714,919.9	782,133.5	714,215.1	871,147.9	1,149,315.0
o/w Multilateral HIPC relief	70,779.1	80,315.3	85,486.8	51,870.6	0.0	0.0	0.0	0.0
Other sectors	69,155.1	78,523.9	96,639.4	118,706.3	120,980.9	120,174.7	141,195.7	147,553.9
Current transfer: Debit	-65,677.7	-70,862.8	-76,245.8	-82,558.8	-89,658.0	-94,622.8	-90,360.9	-111,665.3
B. Capital Account	739,863.5	541,037.2	443,878.8	6,635,983.2	1,134,066.6	642,467.3	650,674.4	854,741.5
Capital transfers: Credit	701,124.5	541,037.2	443,878.8	6,635,983.2	1,134,066.6	642,467.3	650,674.4	854,741.5
General Government	662,385.5	497,527.9	395,282.4	6,575,191.3	1,068,011.1	570,964.3	567,996.6	765,619.1
Project	314,903.5	316,369.1	268,739.8	319,319.8	417,361.1	570,964.3	567,996.6	765,619.1
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
Other sectors	38,739.0	43,509.3	48,596.4	60,791.9	66,055.5	71,503.0	82,677.8	89,122.4
Capital transfers: Debit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>Total, Groups A plus B</i>	<i>618,833.0</i>	<i>136,773.6</i>	<i>-527,508.7</i>	<i>5,166,537.2</i>	<i>-891,140.2</i>	<i>-2,451,414.0</i>	<i>-1,679,854.8</i>	<i>-1,680,609.6</i>
C: Financial Account, excl. reserves and related items	197,016.1	331,375.7	627,454.0	-5,119,373.0	1,072,064.7	1,936,532.3	1,752,647.2	2,227,794.5
Direct investment abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	320,089.8	360,137.9	558,626.1	504,562.1	723,418.6	478,580.8	547,328.3	610,837.7
Portfolio investment	2,804.2	2,614.4	2,822.1	3,286.2	3,428.9	3,662.2	4,012.1	4,496.6
Other investment	-125,877.9	-31,376.6	66,005.8	-5,627,221.3	345,217.2	1,454,489.3	1,201,306.8	1,612,460.2
<i>Total, Groups A through C</i>	<i>815,849.1</i>	<i>468,149.3</i>	<i>99,945.3</i>	<i>47,164.1</i>	<i>180,924.4</i>	<i>-514,881.7</i>	<i>72,792.4</i>	<i>547,184.9</i>
D. Net Errors and Omissions	-756,560.1	-174,035.5	-315,284.7	491,208.8	331,027.2	703,918.0	410,045.1	2,792.6
<i>Overall balance (Total, Groups A through D)</i>	<i>59,289.0</i>	<i>294,113.8</i>	<i>-215,339.5</i>	<i>538,372.9</i>	<i>511,951.6</i>	<i>189,036.4</i>	<i>482,837.5</i>	<i>549,977.5</i>
E. Reserves and Related Items	-59,289.0	-294,113.8	215,339.5	-538,372.9	-511,951.6	-189,036.4	-482,837.5	-549,977.5
Reserve assets	-531,123.4	-320,492.9	283,425.0	-145,178.1	-520,398.2	-188,802.8	-892,870.3	-586,035.4
Use of Fund credit and loans	-3,012.9	-36,813.2	-89,416.7	-393,194.8	8,446.6	-233.6	410,032.8	36,057.9
Exceptional financing	474,847.3	63,192.4	21,331.1	0.0	0.0	0.0	0.0	0.0
Rescheduled debt	90,258.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt forgiveness	347,482.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest arrears	30,679.7	23,819.7	14,096.0	0.0	0.0	0.0	0.0	0.0
Principal arrears	6,426.8	39,372.7	7,235.1	0.0	0.0	0.0	0.0	0.0
Memorandum items								
GDP(mp) Mill. TZS	12,107,062.0	13,971.6	15,965.3	17,941.3	20,948.4	24,781.7	28,212.6	32,582.9
GDP(mp) Mill. USD	11,653.4	12,828.0	14,139.1	14,308.4	16,838.6	20,715.1	21,375.4	22,749.4
CAB/GDP	-1.0	-2.9	-6.1	-8.2	-9.7	-12.5	-8.3	-7.8
CAB/GDP (excl. current official transfers)	-5.4	-7.4	-9.5	-12.2	-13.4	-15.4	-11.3	-11.3
Gross Official Reserves	2,167,408.1	2,307.7	2,049.5	2,136.9	2,724.3	2,872.6	3,552.5	3,948.0
Months of Imports	6.9	6.6	5.8	5.0	5.2	4.0	5.7	5.3
Net International Reserves (year end)	1,503,460.3	1,882.6	1,702.5	2,680.0	3,064.0	3,655.2	4,234.5	5,224.3
Change in Net International Reserves	-481,212.7	-321.5	180.5	-690.5	-384.0	-591.2	-579.3	-989.8
Exchange rate (end of period)	1,063.6	1,043.0	1,165.5	1,261.6	1,132.1	1,280.3	1,313.3	1,453.5
Exchange rate (annual average)	1,038.9	1,089.1	1,129.2	1,253.9	1,244.1	1,196.3	1,319.9	1,432.3

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

Source: Bank of Tanzania



Table A4.3: Tanzania's Exports by Type of Commodity, 2001 - 2011

Commodity	January-June											Millions of USD
	2001	2002	2003	2004	2005	2006	2007	2008 ^r	2009 ^r	2010 ^P	2011 ^P	
A: Traditional Exports :												
COFFEE												
Value	38.9	18.8	32.5	23.9	45.7	31.9	62.7	50.5	69.6	30.2	85.6	
Volume	30.1	19.3	29.9	18.8	28.7	15.2	29.4	21.8	35.0	10.6	24.7	
Unit Price	1,292.2	970.1	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	
COTTON												
Value	6.9	5.1	18.7	10.4	29.4	37.0	8.2	26.3	42.1	22.9	6.4	
Volume	6.1	5.2	21.2	14.7	28.8	36.6	8.2	19.1	37.4	21.0	4.5	
Unit Price	1,142.5	985.7	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	
SISAL												
Value	2.9	3.1	3.7	4.0	4.0	3.1	5.4	8.3	0.0	0.0	0.0	
Volume	6.1	6.2	7.3	7.4	5.1	4.1	6.2	7.3	0.0	0.0	0.0	
Unit Price	481.1	502.4	500.6	543.3	793.5	767.5	874.3	1,127.5	0.0	0.0	0.0	
TEA												
Value	18.7	16.0	16.0	18.5	16.3	18.2	19.8	25.7	23.0	22.6	27.7	
Volume	14.5	13.2	13.8	14.9	14.2	14.2	14.3	18.0	19.2	10.8	16.4	
Unit Price	1,289.7	1,215.4	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	
TOBACCO												
Value	16.2	23.5	8.2	16.2	17.4	15.6	33.3	76.0	49.1	110.4	167.0	
Volume	10.1	11.7	4.1	10.7	10.4	5.9	15.8	21.1	18.6	28.1	38.6	
Unit Price	1,599.5	2,010.4	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	
CASHEWNUTS												
Value	25.6	6.3	3.7	10.5	4.0	19.4	8.7	43.5	47.8	27.1	60.6	
Volume	41.1	10.7	5.2	16.7	4.6	26.1	17.8	51.6	66.9	37.3	57.0	
Unit Price	621.3	592.2	706.2	626.7	874.7	744.3	488.9	842.7	714.0	726.3	1,063.1	
CLOVES												
Value	0.6	0.2	5.9	5.2	1.4	2.4	4.0	4.0	5.2	0.7	0.8	
Volume	0.2	0.0	2.7	2.7	0.5	0.8	1.4	1.1	1.8	0.3	0.2	
Unit Price	2,930.7	5,560.2	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	
Sub Total	109.8	73.1	88.7	88.7	118.3	127.7	142.3	234.1	236.8	213.8	348.1	
B. Non-Traditional Exports:												
Minerals	140.8	188.0	240.4	313.4	355.8	386.3	416.7	681.8	481.5	745.8	968.6	
Manufactured Goods	21.3	29.3	34.4	44.8	64.5	89.8	120.9	296.1	237.4	351.7	448.3	
Others Exports	119.5	138.3	171.4	169.7	205.2	212.8	245.0	272.0	258.4	286.5	292.5	
Sub Total	281.6	355.6	446.3	527.9	625.5	689.0	782.6	1,249.9	977.3	1,384.0	1,709.3	
Grand Total	391.4	428.7	535.0	616.6	743.8	816.7	924.9	1,484.0	1,214.2	1,597.9	2,057.4	

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, 2001 - 2011

Millions of TZS

Commodity	January - June									
	2001	2002	2003	2004	2007 ^P	2008 ^P	2009 ^P	2010 ^r	2011 ^P	
A: Traditional Exports:										
COFFEE										
Value	32,707.3	17,928.5	33,308.6	26,379.4	80,085.4	59,698.0	91,935.5	40,465.6	128,936.8	
Volume	30.1	19.3	29.9	18.8	29.4	21.8	35.0	10.6	24.7	
Unit Price	1,102,244.3	927,595.8	1,114,301.2	1,402,966.4	2,723,708.9	2,733,854.8	2,626,133.3	3,819,357.1	5,230,115.4	
COTTON										
Value	5,771.3	4,843.8	19,153.6	11,402.0	10,508.5	31,167.8	55,702.0	30,745.9	9,733.0	
Volume	6.1	5.2	21.2	14.7	8.2	19.1	37.4	21.0	4.5	
Unit Price	974,590.0	931,054.0	905,170.5	777,918.8	1,277,316.2	1,631,765.6	1,489,357.1	1,461,057.5	2,178,278.4	
SISAL										
Value	2,490.5	3,021.2	3,776.6	4,454.9	6,893.6	9,798.6	0.0	0.0	0.0	
Volume	6.1	6.2	7.3	7.4	6.2	7.3	0.0	0.0	0.0	
Unit Price	410,367.6	483,441.1	514,030.1	601,616.4	1,114,136.2	1,334,435.7	0.0	0.0	0.0	
TEA										
Value	15,795.1	15,437.0	16,499.7	20,528.4	25,216.6	30,499.1	30,363.9	30,537.6	42,024.7	
Volume	14.5	13.2	13.8	14.9	14.3	18.0	19.2	10.8	16.4	
Unit Price	1,100,213.4	1,169,237.1	1,193,472.5	1,379,760.9	1,761,721.1	1,692,682.7	1,583,838.9	2,818,361.8	2,557,751.3	
TOBACCO										
Value	13,419.8	22,434.6	8,394.5	17,838.6	42,535.5	89,675.7	64,672.5	148,683.0	250,556.9	
Volume	10.1	11.7	4.1	10.7	15.8	21.1	18.6	28.1	38.6	
Unit Price	1,364,431.9	1,920,627.4	2,052,185.0	1,665,541.4	2,693,993.8	4,240,657.6	3,480,600.1	5,294,036.4	6,485,482.8	
RAW CASHEWNTS										
Value	20,856.8	5,961.4	3,728.5	11,393.0	11,204.5	50,554.0	62,976.7	36,137.7	90,283.8	
Volume	41.1	10.7	5.2	16.7	17.8	51.6	66.9	37.3	57.0	
Unit Price	529,973.0	557,148.0	713,923.9	680,540.3	630,885.1	980,209.6	941,216.2	970,092.0	1,584,056.8	
CLOVES										
Value	492.4	157.7	6,069.3	5,677.3	5,209.9	4,620.8	6,894.6	982.2	1,139.8	
Volume	0.2	0.0	2.7	2.7	1.4	1.1	1.8	0.3	0.2	
Unit Price	2,537,999.5	5,256,937.3	2,289,619.9	2,108,946.6	3,812,400.4	4,111,265.0	3,779,936.4	3,667,781.1	5,731,603.0	
Sub Total Traditional	91,533.1	69,784.1	90,930.9	97,673.7	181,654.0	276,013.8	312,545.3	287,552.0	522,675.0	
B: Non Traditional:										
Minerals										
Value	120,709.2	180,911.9	247,677.2	348,026.3	530,861.2	808,730.2	635,959.2	1,010,535.1	1,467,384.7	
Volume	18,089.0	28,255.4	35,510.9	49,660.0	153,834.0	350,275.4	313,423.4	478,125.1	679,417.7	
Unit Price	101,949.7	133,023.9	176,228.3	187,816.6	312,265.1	321,987.1	340,994.5	388,017.1	443,650.4	
Manufactured goods										
Value	240,747.9	342,191.2	459,416.3	585,503.0	996,960.3	1,480,992.7	1,290,377.1	1,876,677.3	2,590,452.8	
Volume	332,281.0	411,975.3	550,347.2	683,176.7	1,178,614.3	1,757,006.6	1,602,922.4	2,164,229.3	3,113,127.8	
Unit Price	724,611.1	831,411.1	835,011.1	856,811.1	846,111.1	846,111.1	846,111.1	846,111.1	846,111.1	
Sub Total Non-Traditional	361,457.1	523,103.1	909,053.5	1,133,629.3	1,527,821.5	2,288,726.9	1,926,326.7	2,847,212.4	4,057,837.5	
Grand Total	127,990.2	121,887.2	181,884.4	211,303.0	333,475.5	504,740.7	508,872.0	571,764.4	928,512.5	

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).





A4.0 Balance of Payments and Foreign Trade Developments

Table A4.5: Tanzania's Imports (c.i.f) by Major Category, 2001-2011

Category	January - June											Millions of USD
	2001	2002	2003	2004	2005	2,006	2,007	2008 [†]	2009 [†]	2010 [†]	2011 [†]	
A. Capital Goods:												
Transport Equipment	361.3	364.4	364.8	415.2	539.6	738.7	944.5	1,571.6	1,340.9	1,309.0	1,758.9	
Building and Construction	85.2	109.4	109.2	122.0	130.8	199.9	229.3	468.2	393.9	398.8	535.8	
Machinery	73.5	59.6	83.8	92.5	124.4	177.0	217.7	374.7	269.4	291.3	405.8	
	202.7	195.3	171.8	200.7	284.5	361.8	497.5	728.8	677.7	618.9	817.3	
B. Intermediate Goods :												
Oil	184.5	195.7	286.5	392.7	565.1	779.3	978.6	1,435.0	839.1	1,558.8	1,806.9	
o/w Crude Oil	89.2	96.9	160.8	246.5	415.2	594.0	760.7	1,055.9	575.5	1,222.0	1,365.7	
White	0.0	0.0	0.0	0.0	0.0	0.0	0.0	53.4	36.1	29.4	60.6	
Fertilizers	89.2	96.9	160.8	246.5	415.2	594.0	760.7	325.6	227.5			
Industrial Raw Material	5.0	7.0	8.4	21.5	27.4	7.9	11.7					
	90.3	91.9	117.2	124.6	122.5	177.4	206.2	325.8	223.6	307.3	380.6	
C. Consumer Goods :												
Food and Food stuffs	261.5	244.8	282.8	400.9	377.4	446.4	559.4	750.7	707.1	828.4	1,060.4	
All Other Consumer Goods	100.9	80.5	79.4	153.9	84.2	161.0	149.6	150.5	198.5	245.5	330.8	
	160.7	164.3	203.4	246.9	293.2	285.4	409.8	600.2	508.6	582.9	729.7	
TOTAL	807.4	804.9	934.1	1,208.7	1,482.1	1,964.3	2,482.4	3,757.2	2,887.1	3,696.1	4,626.2	

Note: P = Provisional

Source: Bank of Tanzania and Tanzania Revenue Authority

Table A4.6: Tanzania's Imports (c.i.f) by Major Category, 2001-2011

Millions of USD

Category	January - June										
	2001	2002	2003	2004	2005	2006	2007 ^P	2008 ^t	2009 ^t	2010 ^P	2011 ^P
A. Capital Goods:	308,233.1	350,056.3	375,430.0	459,244.6	598,517.8	900,330.1	1,201,716.5	1,868,681.3	1,769,957.3	1,772,222.6	2,669,041.5
Transport Equipment	72,639.0	105,096.7	112,322.6	134,977.5	145,071.3	243,394.7	291,827.6	556,594.7	520,079.2	540,258.7	813,190.2
Building and Construction	62,720.8	57,282.0	86,251.2	102,457.8	137,927.4	215,841.5	277,198.3	445,458.2	355,422.9	394,312.7	616,142.0
Machinery	172,873.3	187,677.6	176,856.2	221,809.3	315,519.1	441,093.9	632,690.6	866,628.5	894,455.2	837,651.2	1,239,709.3
B. Intermediate Goods:	157,390.3	188,043.3	295,309.2	434,491.7	625,753.8	950,298.4	1,247,866.2	1,704,084.4	1,106,299.6	2,112,993.2	2,743,194.9
Oil	76,102.1	93,053.0	165,985.7	272,742.1	459,332.3	724,304.2	970,178.3	1,254,535.7	758,416.0	1,656,264.9	2,074,994.3
Fertilizers	4,287.4	6,726.8	8,734.8	23,882.7	30,470.3	9,686.6	14,827.0	63,563.0	47,725.0	40,045.1	91,384.7
Industrial Raw Material	77,000.8	88,263.5	120,588.7	137,866.8	135,951.2	216,307.5	262,860.9	385,985.8	300,158.5	416,683.1	576,815.8
C. Consumer Goods:	223,085.6	235,146.4	290,937.4	443,743.4	418,787.4	544,036.7	712,192.9	890,476.2	933,350.4	1,123,064.2	1,606,518.9
Food and Food stuffs	86,031.1	77,310.1	81,720.1	170,361.1	93,434.7	196,488.9	190,658.6	177,886.2	261,858.1	331,929.3	500,213.9
All Other Consumer Goods	137,054.5	157,836.3	209,217.3	273,382.3	325,352.6	347,547.8	521,534.4	712,590.0	671,492.3	791,134.9	1,106,305.0
TOTAL	688,709.0	773,246.0	961,676.6	1,337,479.6	1,643,059.0	2,394,665.1	3,161,775.6	4,463,242.0	3,809,607.3	5,008,280.0	7,018,755.3

Notes: P = Provisional

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, 2001 - 2011

End of Period	Official (End of Period)											Euro
	Bureau* (average) U.S. Dollar	Pound Sterling	U.S. Dollar	Deutsche Mark	Swiss Francs	Dutch Guilder	French Francs	Belgium Francs	Italian Lire	Swedish Kroner	Japanese Yen	
2001	877.3200	1,330.1964	916.3000	415.1879	548.4515	368.4567	123.7924	20.1296	0.4194	87.1781	6.9800	812.0260
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	9.5450	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
2010-January	1,333.4981	2,135.6637	1,323.6201	563.9649	1,256.8183	530.0601	178.0737	28.9561	0.6033	179.9862	14.7191	1,844.5983
February	1,341.9872	2,026.7143	1,326.0357	564.9941	1,232.2006	535.0274	178.3987	29.0090	0.6044	185.3543	14.8567	1,803.2786
March	1,352.8494	2,006.2293	1,330.2135	566.7742	1,246.6799	532.7005	178.9607	29.1004	0.6063	183.0860	14.2490	1,783.3527
April	1,359.9605	2,049.5562	1,343.9250	572.6164	1,241.3263	538.1914	180.8054	29.4003	0.6125	184.6268	14.3024	1,778.4865
May	1,407.4454	1,995.1769	1,375.9812	586.2748	1,190.1382	551.0287	185.1181	30.1016	0.6271	175.6793	15.0800	1,689.9134
June	1,442.1708	2,082.5295	1,379.6145	587.8229	1,270.6529	552.4837	185.6069	30.1811	0.6288	177.8374	15.5309	1,691.9606
July	1,469.9751	2,172.6667	1,382.2776	588.9576	1,328.8514	553.5502	185.9652	30.2393	0.6300	192.2738	15.9875	1,807.5360
August	1,489.8337	2,264.3892	1,471.5756	627.0054	1,448.8276	589.3107	197.9789	32.1929	0.6707	199.8007	17.4471	1,869.3440
September	1,503.2599	2,335.7167	1,483.8417	632.2317	1,512.7334	594.2228	199.6292	32.4612	0.6763	221.0855	17.7801	2,026.7809
October	1,483.0713	2,381.5368	1,482.7131	631.7509	1,507.4277	593.7708	199.4773	32.4365	0.6758	223.7205	18.3959	2,073.5009
November	1,484.9026	2,292.8292	1,471.0806	626.7945	1,469.0169	589.1125	197.9123	32.1820	0.6702	209.7204	17.6230	1,914.5386
December	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-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

* Period Average

Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.8: Tanzania's Trade Balance, 2001 - 2011

Million of TZS			
Period	Total Exports	Total Imports (f.o.b)	Trade Balance
2001	510,862.1	916,915.5	-406,053.3
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	3,220,495.7	7,754,465.6	-4,533,970.0
2009	3,475,918.2	7,622,953.2	-4,147,035.1
2010	5,316,759.9	10,838,316.3	-5,521,556.4
2007-1st Q	619,547.4	1,447,453.0	-827,905.6
2nd Q	559,066.9	1,429,762.8	-870,695.9
3rd Q	652,215.1	1,536,283.2	-884,068.1
4th Q	679,737.8	1,611,994.3	-932,256.5
2008 ^r -1st Q	722,191.6	1,609,991.7	-887,800.2
2nd Q	671,622.1	2,072,609.0	-1,400,986.9
3rd Q	866,641.8	2,051,546.8	-1,184,905.0
4th Q	960,040.2	2,020,318.1	-1,060,277.9
2009 ^r -1st Q	746,087.9	1,784,179.5	-1,038,091.6
2nd Q	686,572.9	1,609,460.5	-922,887.6
3rd Q	984,542.7	2,080,917.0	-1,096,374.3
4th Q	1,058,714.6	2,148,396.2	-1,089,681.6
2010 ^r -1st Q	1,069,523.3	2,225,825.6	-1,156,302.4
2nd Q	1,086,770.7	2,562,317.8	-1,475,547.0
3rd Q	1,457,487.9	2,842,674.6	-1,385,186.8
4th Q	1,702,978.1	3,207,498.2	-1,504,520.2
2011-1st Q	1,689,331.7	3,155,314.5	-1,465,982.8
2nd Q	1,423,796.1	3,863,440.8	-2,439,644.7

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, 2001 -2011

Millions of TZS

Period	Coffee	Cotton	Sisal	Tea	Tobacco	Cashewnuts	Petroleum		Minerals	Manufactured		Total
							Products	Others		Products	Others	
2001	49,150.4	29,812.2	5,857.7	25,115.6	31,072.6	49,159.2	n.a	265,927.0	49,638.0	241,009.7	746,742.4	
2002	34,052.1	27,797.3	6,343.9	28,649.7	53,756.8	45,449.8	n.a	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	n.a	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	n.a	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	n.a	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	n.a	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	n.a	1,056,594.0	383,242.5	682,277.9	2,510,567.2	
2008	119,755.0	138,618.8	18,662.1	50,900.2	210,297.4	51,602.7	n.a	1,414,865.8	890,116.3	827,326.1	3,722,144.4	
2009	146,932.4	146,568.1	0.0	62,296.2	167,862.0	90,561.7	n.a	1,666,511.5	667,738.1	900,124.5	3,848,594.4	
2010	146,238.8	120,278.2	0.0	50,787.4	328,306.2	139,520.2	n.a	2,202,091.2	1,378,535.9	958,937.4	2,164,229.3	
2007-1st Q	52,539.6	6,953.6	3,703.6	11,773.7	28,881.7	10,672.6	n.a	274,014.6	69,113.5	161,894.4	619,547.4	
2nd Q	27,545.8	3,554.9	3,189.9	13,442.9	13,653.8	531.9	n.a	256,846.6	84,720.5	155,580.7	559,066.9	
3rd Q	11,113.1	23,351.8	2,702.0	4,216.4	33,006.1	599.7	n.a	285,080.2	118,204.2	173,941.6	652,215.1	
4th Q	30,782.0	46,082.2	1,496.3	6,457.4	33,022.2	19,179.5	n.a	240,652.7	111,204.4	190,861.2	679,737.8	
2008-1st Q	41,545.2	16,633.7	5,158.0	14,585.9	87,389.7	50,326.5	n.a	395,310.0	183,582.6	168,425.5	962,956.9	
2nd Q	18,152.8	14,534.2	4,640.6	15,913.2	2,286.0	227.5	n.a	413,420.2	166,692.9	158,182.4	794,049.6	
3rd Q	10,958.2	57,343.9	4,986.2	7,986.1	69,968.0	0.0	n.a	348,781.8	255,213.1	211,332.0	966,569.3	
4th Q	49,098.8	50,107.0	3,877.3	12,415.0	50,653.6	1,048.7	n.a	257,353.8	284,627.8	289,386.3	998,568.5	
2009-1st Q	45,917.1	24,000.9	0.0	17,912.0	50,615.0	62,661.0	n.a	284,858.9	172,303.5	179,542.4	837,810.7	
2nd Q	46,018.4	31,701.2	0.0	12,451.9	14,057.6	315.8	n.a	351,100.3	141,119.9	168,346.7	765,111.7	
3rd Q	15,471.6	39,029.0	0.0	7,286.7	27,803.8	0.0	n.a	511,041.4	162,387.7	267,170.5	1,030,190.7	
4th Q	39,525.3	51,837.0	0.0	24,645.6	75,385.6	27,584.9	n.a	519,510.9	191,927.0	285,064.9	1,215,481.2	
2010-1st Q	32,938.0	25,201.8	0.0	17,168.0	102,813.6	34,385.6	n.a	464,408.4	199,271.5	201,271.9	1,077,458.6	
2nd Q	7,527.6	5,544.2	0.0	13,369.6	45,869.4	1,752.1	n.a	546,126.7	278,853.7	187,727.5	1,086,770.7	
3rd Q	13,277.3	62,580.4	0.0	7,801.7	62,630.9	138.6	n.a	575,581.2	452,847.0	282,630.8	1,457,487.9	
4th Q	92,495.9	26,951.9	0.0	12,448.2	116,992.3	103,243.9	n.a	615,974.9	447,563.7	287,307.2	1,702,978.1	
2011-1st Q	93,653.8	6,572.3	0.0	19,067.3	191,352.6	89,995.6	n.a	759,331.1	309,084.4	220,274.6	1,689,331.7	
2nd Q	35,283.0	3,160.7	0.0	22,957.4	59,204.3	288.2	n.a	708,053.7	370,333.3	224,515.6	1,423,796.1	

Notes: Figures for 2006 and 2007 are provisional

na = 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, 2001 - 2011

Millions of TZS

Period	Transport.	Building	Machinery	Oil	Fertilizers	Industrial	Food and	Other	Total
	equipments	and construction				raw materials	food stuffs	consumer goods	
2001	166,799.4	126,512.7	356,964.2	192,911.8	13,641.5	179,943.7	147,580.9	320,199.6	1,504,553.8
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	1,114,286.6	940,527.0	1,799,531.6	2,523,077.3	226,010.1	753,441.0	399,258.6	1,458,661.7	9,214,793.9
2009	1,085,930.7	809,876.2	1,787,723.5	1,917,750.8	138,043.2	684,689.2	497,826.9	1,539,468.3	8,461,308.8
2010	1,405,767.1	949,678.2	1,867,864.8	3,060,608.1	181,475.2	935,860.5	1,079,468.0	1,577,730.8	11,058,452.9
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	243,105.7	169,667.0	347,369.4	537,554.2	6,798.4	185,276.3	111,996.9	315,020.8	1,916,788.7
2nd Q	313,488.9	275,791.2	519,259.1	716,981.5	56,764.6	200,709.5	65,889.4	397,569.2	2,546,453.3
3rd Q	291,420.6	242,851.1	512,748.5	658,573.6	84,229.9	177,338.5	90,335.4	359,830.8	2,417,328.4
4th Q	266,271.3	252,217.7	420,154.6	609,968.0	78,217.2	190,116.7	131,037.0	386,240.9	2,334,223.4
2009-1st Q	268,589.0	206,513.8	460,403.1	427,091.3	33,571.4	164,921.6	121,559.0	346,046.4	2,028,695.6
2nd Q	251,490.3	148,909.1	434,052.0	331,324.7	14,153.6	135,237.0	140,299.1	325,445.9	1,780,911.7
3rd Q	280,263.7	166,413.0	469,515.7	588,661.2	43,143.6	190,034.5	87,023.6	465,217.0	2,290,272.2
4th Q	285,587.7	288,040.3	423,752.6	570,673.6	47,174.7	194,496.2	148,945.2	402,759.0	2,361,429.2
2010-1st Q	275,700.6	210,899.1	447,340.4	771,158.3	14,250.5	196,646.7	176,604.9	353,361.8	2,445,962.2
2nd Q	264,558.2	183,413.6	390,310.8	885,106.7	25,794.6	220,036.4	155,324.4	437,773.2	2,562,317.8
3rd Q	386,055.9	285,950.1	444,980.5	673,687.8	88,153.6	233,136.7	547,885.4	182,824.6	2,842,674.6
4th Q	479,452.5	269,415.5	585,233.2	730,655.4	53,276.4	286,040.7	199,653.3	603,771.3	3,207,498.2
2011-1st Q	376,817.1	256,639.2	579,225.3	773,734.9	45,619.0	289,263.3	286,223.0	547,792.6	3,155,314.5
2nd Q	436,373.2	359,502.8	660,483.9	1,301,259.5	45,765.7	287,552.5	213,990.9	558,512.4	3,863,440.8

Note: Figures for 2006 and 2007 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



Table A4.11: Tanzania's Exports by Country of Destination, 2001 - 2010

Country	2001	2002	2003	2004	2005	2006 ^P	2007 ^P	2008 ^P	2009 ^P	2010 ^P
Australia	2,064.9	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
Belgium	9,264.3	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
Burundi	5,362.6	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
Canada	469.2	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
China	620.4	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
Democratic Republic of Congo	4,773.2	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
Denmark	1,965.6	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
Eire/Ireland	24,465.7	13,589.2	0.0	113.8	81.6	655.9	986.0	346.6	2,180.0	2,840.4
France	119,342.9	147,180.9	80,728.7	10,393.2	7,369.9	9,329.5	11,323.5	77,790.6	15,259.8	16,156.7
Germany	33,545.6	26,667.9	32,075.0	33,845.2	76,198.8	125,860.7	105,204.0	277,790.6	74,094.5	192,110.3
Hong Kong	7,593.7	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
India	72,043.8	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
Indonesia	2,541.5	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
Italy	6,852.8	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
Japan	60,068.2	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
Kenya	33,392.2	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
Malaysia	2,591.5	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
Mozambique	1,231.4	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
Netherlands	45,320.9	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
New Zealand	51.8	57.1	46.9	146.8	166.8	110.1	4,055.1	2,886.6	2,685.8	2,871.0
Norway	130.9	235.3	287.7	198.8	610.9	637.7	2,163.9	1,763.6	1,685.6	1,685.6
Pakistan	6,139.7	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
Portugal	4,371.8	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
Singapore	5,218.6	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
Somalia	129.6	327.9	166.0	-	163.5	248.0	533.3	3,315.5	797.1	8,243.0
South Africa	7,639.0	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
Spain	6,728.4	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
Sri Lanka	119.3	82.0	348.9	86.1	87.7	2,132.6	3,548.7	3,076.1	703.9	2,836.8
St. Helena	1,143.9	2,439.1	2,096.9	4,344.0	1,993.9	0.1	74.3	442.5	7,993.4	8,721.0
Sweden	121.8	170.7	1,241.2	833.5	670.3	635.4	3,148.6	1,738.1	3,590.3	3,334.2
Switzerland	3,721.1	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
Taiwan	874.6	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
Thailand	3,645.8	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
Uganda	4,858.7	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
United Arab Emirates	8,374.0	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
United Kingdom	123,085.5	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
United States	13,275.0	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
USSR/Russia	594.9	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
Yugoslavia	208.8	7.8	11.7	10.0	14.6	6.9	7.2	-	52.0	80.7
Zambia	4,820.9	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
Others	118,121.9	169,140.6	172,855.4	256,270.1	463,919.5	834,791.2	694,315.1	1,311,561.3	1,188,295.1	1,169,245.4
Grand Total	746,886.2	948,602.9	1,270,085.4	1,606,630.3	1,900,603.1	2,404,572.1	2,762,367.5	4,280,582.5	4,441,040.7	6,108,519.4

Notes: 1) P = provisional

2) Others include data for unrecorded exports for 2006 and 2007

Source: Bank of Tanzania and Tanzania Revenue Authority



Table A4.12: Tanzania's imports (c.i.f) by country of origins, 2001 - 2010

Country	2001	2002	2003	2004	2005	2006 ^P	2007 ^P	2008 ^P	2009 ^P	2010 ⁻
Argentina	2,656.2	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
Australia	123,743.8	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
Belgium	19,313.1	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
Brazil	4,065.4	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
Canada	20,228.9	17,094.5	19,831.9	43,271.7	39,883.8	46,281.9	44,284.5	67,545.8	46,496.3	52,136.1
China	61,830.4	76,335.1	120,836.0	186,806.9	245,399.1	381,692.1	512,890.7	841,597.9	895,038.2	1,212,792.9
Denmark	15,340.3	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
Eire/Ireland	4,595.5	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
Finland	4,197.5	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
France	36,420.5	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
Germany, Federal	59,689.6	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
Hong Kong	6,196.7	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
India	76,661.7	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
Indonesia	42,277.2	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
Italy	44,462.9	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
Japan	84,205.8	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
Kenya	15,959.3	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
Malaysia	27,075.2	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
Netherlands	8,623.2	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
Pakistan	51,032.0	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
Saudi Arabia	7,876.9	5,573.1	17,100.1	47,997.5	10,417.2	16,611.1	31,354.3	518,267.5	248,364.3	614,911.4
Singapore	178,292.2	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
South Africa	13,806.4	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
South Korea	9,002.9	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
Spain	11,083.9	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
Swaziland	11,083.9	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
Sweden	9,262.0	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
Switzerland	4,425.1	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
Taiwan	32,749.9	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
Thailand	1,961.8	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
Turkey	9,962.5	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
Uganda	95,506.8	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
United Arab Emirate	96,945.7	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
United Kingdom	57,238.0	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
United States	10,959.2	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
USSR/Russia	52.0	21.6	15.2	0.0	0.0	0.9	0.0	0.0	7.1	145.1
Yugoslavia	1,578.2	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
Zambia	2,640.8	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
Zimbabwe	98,897.1	112,008.4	243,271.3	512,840.3	882,050.5	601,734.5	357,611.5	888,159.0	625,773.3	520,209.6
Grand Total	1,504,739.1	1,605,435.8	2,210,262.7	2,964,040.1	3,726,103.6	5,335,330.8	6,621,420.8	9,215,052.3	8,461,594.0	11,058,492.6

Note: P = provisional

F = Revised

From 2006 onwards, others include information of unrecorded imports

Source: Bank of Tanzania and Tanzania Revenue Authority

**Table A4.13: Tanzania's Exports to COMESA Countries, 2001-2010**

Country	Millions of TZS									
	2001	2002	2003	2004	2005	2006 ^P	2007 ^P	2008 ^P	2009 ^P	2010 ^P
Burundi	5,362.6	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
Comoro	14.9	347.3	1,334.8	1,275.9	1,568.2	9,322.2	4,470.3	58,707.8	283.3	0.0
Djibouti	24.9	48.8	29.0	66.3	9.1	4.9	59.5	383.5	233.3	374.4
Ethiopia	643.5	359.4	729.7	1,921.7	1,893.4	786.9	1,098.2	1,091.4	778.2	2,215.8
Kenya	33,392.2	34,048.3	81,088.1	91,145.8	86,178.8	111,502.9	125,790.9	277,819.7	234,125.4	300,373.0
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malawi	4,932.0	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
Mauritius	288.7	280.7	738.5	583.0	3,713.8	1,134.0	2,196.0	1,084.8	1,928.7	2,268.4
Rwanda	1,992.4	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
Somalia	129.6	327.9	166.0	0.0	163.5	248.0	533.3	3,315.5	797.1	8,243.0
Swaziland	0.0	360.3	5.3	3,103.7	626.3	2,350.4	242.7	759.1	27,515.6	1,737.3
Uganda	4,858.7	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
Zambia	4,820.9	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
Zimbabwe	369.4	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
Grand Total	56,829.8	86,993.9	131,117.6	144,466.9	140,976.6	200,272.8	277,185.1	532,910.7	478,980.1	711,228.1

Note: P = provisional

Source: Bank of Tanzania and Tanzania Revenue Authority

Table A4.14: Tanzania's Direct Imports from COMESA Countries, 2001-2010

Millions of TZS

Country	2001	2002	2003	2004	2005	2006 ^P	2007 ^P	2008 ^P	2009 ^P	2010 ^P
Burundi	140.1	7.3	335.2	17.4	292.7	2.2	19.8	505.8	402.5	840.9
Comoro	0.0	0.7	0.3	0.0	28.4	23.6	0.0	17.2	13.9	61.2
Djibout	0.0	2.3	415.7	297.1	1,378.8	0.0	0.0	1.4	44.0	25.9
Ethiopia	468.4	633.5	128.8	1,138.1	1,181.1	202.2	114.7	32.5	192.6	105.8
Kenya	84,205.8	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
Lesotho	0.0	0.0	0.0	0.0	0.0	79.5	10.9	2.6	56.7	213.1
Malawi	1,809.1	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
Mauritius	3,656.3	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
Rwanda	68.5	41.6	833.1	126.8	32.7	190.1	18.2	59.4	25.0	1,959.4
Somalia	7.1	5.5	69.7	16.0	5.6	5.6	119.5	1,112.3	389.6	45.1
Swaziland	11,083.9	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
Uganda	9,962.5	2,561.5	8,538.5	4,989.4	4,766.4	4,766.4	7,980.4	7,588.6	15,693.6	930,045.0
Zambia	1,578.2	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
Zimbabwe	2,640.8	1,910.7	1,222.3	1,601.0	1,955.3	1,611.0	23,055.2	1,732.1	834.1	1,546.4
Grand Total	115,620.6	119,139.6	149,880.2	182,952.0	219,037.4	241,587.9	194,560.9	377,370.6	495,892.5	1,432,011.4

Note: P = provisional

Source: Bank of Tanzania and Tanzania Revenue Authority





Table A 4.15: Tanzania: Services, Income and Transfers, 2001 - 2011

Period	Services			Income			Current Transfers		
	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments
2001	235,106.15	803,487.3	568,381.2	-133519.61	48,766.9	182,286.5	344,484.8	415,024.3	70,539.5
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	348,941.40	1,916,071.1	1,567,129.7	-117,707.6	66,562.7	184,270.3	751,067.4	833,626.2	82,558.8
2007	577,348.16	2,333,405.5	1,756,057.4	-71,771.4	133,511.4	205,282.7	812,802.4	903,114.4	90,312.0
2008	415,687.9	2,389,020.3	1,973,332.4	-144,221.2	146,275.1	290,496.3	739,254.7	834,389.8	95,135.1
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	351,241.1	2,964,929.0	2,613,688.0	101,111.0	234,011.2	335,122.2	892,542.1	1,004,207.4	111,665.3
2008-1st Q	96,608.6	552,331.6	455,723.0	-22,051.4	38,166.7	60,218.2	53,588.7	74,039.5	20,450.8
2nd Q	112,246.8	607,949.7	495,702.8	-43,102.8	40,127.9	83,230.7	51,960.4	84,112.5	32,152.1
3rd Q	139,145.3	628,909.1	489,763.8	-27,236.0	36,177.0	63,413.0	267,142.7	289,312.1	22,169.4
4th Q	67,687.2	599,829.9	532,142.7	-51,830.9	31,803.5	83,634.4	366,562.8	386,925.7	20,362.9
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 ^P -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	233,300.4	897,398.8	664,098.5	-32,076.3	60,419.0	92,495.3	199,271.4	231,665.3	32,393.9
4th Q	94,357.9	874,835.4	780,477.5	-13,166.2	82,760.2	95,926.4	699,782.6	730,121.3	30,338.7
2011 ^P -1st Q	95,754.5	827,950.8	732,196.3	8,702.6	83,432.7	74,730.1	69,062.9	99,322.0	30,259.2
2nd Q	114,115.7	839,907.6	725,791.9	-6,695.1	68,244.8	74,939.9	111,805.1	143,626.8	31,821.8

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 : Tanzania's Foreign Reserve Position* (revised), 2002 - 2011

Millions of TZS

End of Period	Bank of Tanzania											Central government	Net official Position	Commercial banks				Total Net Position
	Foreign Exchange		Gold		Other Foreign			Net Foreign Liabilities	Net Foreign Assets	Other Foreign Assets	Other Foreign Liabilities			Liquid Foreign Assets	Liquid Foreign Liabilities	Net Foreign Assets		
	Assets	Liabilities	Reserves	Net	Assets	Reserves	SDRs										RPF	
Dec. 2002	1,528,909.5	437,032.3	1,091,877.2	0.0	3,693.3	101.6	31,601.1	390,203.6	1,544,403.1	1,544,403.1	0.0	1,544,403.1	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	0.0	2,143,980.8	19,092.0	650,538.4	12,719.0	2,008.2	661,249.3	2,805,230.1
2004	2,406,605.2	492,560.3	1,914,044.9	0.0	853.3	73.5	15,950.6	441,131.5	2,372,053.7	2,372,053.7	0.0	2,372,053.7	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	0.0	2,356,670.2	35,960.2	734,881.9	21,862.5	28,315.2	728,429.2	3,086,099.4
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	0.0	2,664,064.3	86,035.0	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	0.0	3,022,503.2	227,379.8	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	22,086.5	3,635,146.9	3,635,146.9	0.0	3,635,146.9	165,433.4	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	0.0	4,635,475.8	1,040,125.4	1,214,488.1	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	0.0	5,656,860.8	1,353,121.8	1,206,610.0	188,971.6	69,899.0	1,325,682.6	6,982,543.4
2009- Mar	3,555,655.0	96,277.3	3,459,377.7	0.0	4,824.6	86.6	42,565.1	21,998.2	3,528,852.2	3,528,852.2	0.0	3,528,852.2	820,381.2	119,016.0	701,365.2	81,971.3	688,131.0	4,216,983.2
Jun	3,811,108.6	409,876.0	3,401,232.5	0.0	4,206.1	148.7	20,138.5	22,589.7	3,448,315.5	3,448,315.5	0.0	3,448,315.5	861,465.6	128,299.0	733,166.6	104,918.7	801,652.8	4,249,968.3
Sep	4,646,805.5	745,129.7	3,901,675.8	0.0	4,127.9	327,137.8	28,228.0	351,540.1	4,612,709.7	4,612,709.7	0.0	4,612,709.7	894,551.5	124,998.1	769,553.3	56,867.8	967,116.7	5,579,826.5
Dec	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	0.0	4,635,475.8	1,040,125.4	1,214,488.1	254,471.2	78,598.7	1,094,509.8	5,729,985.6
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	0.0	4,617,934.9	1,055,342.0	1,190,519.1	944,822.8	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	0.0	4,766,649.4	1,302,227.7	1,190,530.7	210,804.6	85,099.2	1,316,236.1	6,082,885.5
Sep	5,273,953.7	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	0.0	5,224,341.1	1,130,017.2	1,474,623.3	982,554.9	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	0.0	5,656,860.8	1,353,121.8	1,206,610.0	188,971.6	69,899.0	1,325,682.6	6,982,543.4
2011- January	5,773,297.6	977,427.0	4,795,870.5	0.0	5,257.0	366,816.5	23,167.8	532,188.6	5,723,300.5	5,723,300.5	0.0	5,723,300.5	1,357,826.1	1,194,030.1	305,545.7	76,863.3	1,422,712.5	7,146,013.0
February	5,603,337.0	995,177.3	4,608,159.7	0.0	5,881.8	372,989.9	23,604.0	541,545.9	5,552,181.2	5,552,181.2	0.0	5,552,181.2	1,389,292.7	1,178,113.1	319,494.4	184,861.7	1,312,745.8	6,864,927.0
March	5,448,679.1	995,937.4	4,452,741.7	0.0	5,372.6	372,833.3	23,635.9	541,617.6	5,396,201.2	5,396,201.2	0.0	5,396,201.2	1,352,865.5	1,201,983.7	329,414.4	241,835.3	1,289,562.8	6,685,764.0
April	5,516,316.2	985,477.7	4,530,838.5	0.0	5,976.9	368,844.9	23,383.1	535,823.6	5,464,867.0	5,464,867.0	0.0	5,464,867.0	1,375,016.1	1,187,434.3	197,973.2	218,572.8	1,166,982.2	6,631,849.1
May	5,457,822.7	1,024,095.6	4,433,727.2	0.0	5,340.0	383,384.6	24,304.8	556,945.4	5,403,702.0	5,403,702.0	0.0	5,403,702.0	1,345,946.7	1,134,359.7	218,067.9	259,028.2	1,093,399.4	6,497,101.4
June	5,681,466.1	1,060,127.1	4,621,338.9	0.0	5,906.9	396,881.6	25,160.5	576,552.6	5,625,840.5	5,625,840.5	0.0	5,625,840.5	1,410,944.4	1,187,883.3	248,066.0	250,004.3	1,185,945.0	6,811,785.5

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, 2002- 2010

Millions of USD

Item	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10 ^f	2010/11 ^P
1. Overall Total Debt Committed ¹	8,032.8	7,606.6	8,088.3	8,345.1	8,638.9	5,212.4	6,776.3	8,120.1	9,548.3	10,975.4
Disbursed outstanding debt	6,559.7	6,233.0	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,483.0
Undisbursed debt	1,473.1	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
2. Disbursed Debt by Creditor Category ²	6,559.7	6,233.1	6,678.3	6,799.6	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,483.0
Bilateral debt	2,277.1	1,633.7	1,483.6	1,502.3	1,492.5	910.5	934.2	933.5	955.4	966.9
Multilateral debt	3,808.5	4,088.3	4,570.0	4,626.3	4,720.6	1,772.6	2,620.2	3,430.1	4,204.8	4,995.0
Commercial debt	302.5	330.6	391.2	416.4	481.7	437.3	617.9	700.3	815.2	987.5
Export credits	171.6	180.5	233.5	254.5	276.4	321.9	310.8	419.1	582.9	533.6
3. Disbursed Debt by Borrower Category ²	6,559.7	6,233.1	6,678.3	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,483.0
o/w: Central Government	6,054.8	5,708.0	6,092.0	5,830.6	5,971.2	2,692.0	3,582.5	4,118.2	4,816.9	5,698.5
Public Corporations	153.8	152.2	149.1	477.5	445.4	167.8	156.3	392.4	534.7	557.8
Private Sector	351.1	372.9	437.2	491.5	554.6	582.5	744.4	972.4	1,206.7	1,226.7
4. Disbursed Debt by Use of Funds ²	6,559.7	6,233.1	6,678.2	6,799.5	6,971.1	3,442.3	4,483.1	5,483.0	6,558.3	7,483.0
o/w: Balance of payment support	1,639.0	1,166.0	1,275.1	1,335.1	1,392.6	1,019.3	1,470.3	1,935.2	2,121.2	2,240.5
Transport & Telecommunication	1,027.9	1,047.8	1,085.1	1,073.5	1,087.9	425.3	571.5	635.4	720.2	944.8
Agriculture	1,007.8	1,034.7	967.7	1,077.8	1,050.1	338.1	437.0	599.0	712.2	798.9
Energy & Mining	902.9	895.0	924.3	1,070.3	955.2	606.9	670.2	758.7	802.2	694.9
Industries	402.3	411.2	352.7	405.5	409.0	162.8	137.4	141.9	178.8	192.4
Social Welfare & Education	384.4	421.7	333.3	611.7	647.3	433.2	639.7	756.8	874.8	1,145.8
Finance and Insurance	77.9	76.9	82.3	96.6	98.7	64.4	74.2	73.8	88.4	180.2
Tourism	83.8	88.2	80.2	80.1	80.8	73.0	70.7	90.6	101.8	117.6
Others	1,033.7	1,091.6	1,577.5	1,048.9	1,249.8	319.3	412.2	491.7	958.6	1,167.9
5. Total Amount of Loans Contracted ¹	517.9	277.3	229.7	376.4	264.0	966.3	752.6	965.9	1,309.1	446.7
Government	465.3	259.8	209.4	335.4	165.0	930.0	516.7	218.0	1,047.1	287.7
Public Corporations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	336.0	0.0	0.0
Private	52.6	17.5	20.3	41.0	99.0	36.3	235.9	412.0	262.0	159.0
6. Disbursements ¹	184.8	169.0	234.7	190.2	207.1	449.5	586.1	1,148.6	1,103.7	482.3
Government	160.5	163.7	205.9	161.4	179.1	432.6	560.6	649.0	869.3	400.1
Public Corporations	0.0	0.0	2.0	0.0	0.0	0.0	0.4	246.7	63.4	0.0
Private	24.3	5.3	26.8	28.8	28.0	16.9	25.1	252.9	171.0	82.1
7. Scheduled Debt Service ¹	400.0	369.0	334.4	355.1	373.6	336.9	193.2	271.0	267.3	392.8
8. Actual Debt Service ¹	89.1	112.4	99.3	112.9	180.6	42.0	86.0	56.1	71.1	104.3
Principal	47.9	86.6	68.6	86.0	90.3	20.6	55.9	25.5	36.9	59.3
Interest	41.2	25.8	30.6	26.9	60.3	21.4	30.1	30.5	34.2	45.0
Others	0.0	0.0	0.1	0.0	30.0	0.0	0.0	0.0	0.0	0.0
9. Net Transfers	95.7	56.6	135.4	77.3	26.5	407.5	500.1	1,092.5	1,032.6	377.9
10. Total Arrears by Creditor Category ²	1,820.2	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
o/w : Principal	915.9	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
Bilateral	570.5	611.6	658.8	669.4	609.0	377.7	423.8	452.8	464.5	459.6
Multilateral*	39.9	45.1	28.3	5.9	11.9	13.6	8.4	17.2	17.0	15.1
Commercial	152.9	203.7	240.2	249.2	275.0	339.5	359.2	449.3	384.7	492.9
Other Private Creditors	152.6	161.0	191.8	210.7	220.4	250.1	298.5	374.1	255.8	326.7
Interest	904.3	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
Bilateral	522.7	577.7	693.0	818.8	682.2	536.1	611.3	669.5	720.7	730.9
Multilateral*	54.1	68.4	27.3	23.4	22.0	27.7	0.1	10.9	17.0	17.4
Commercial	222.2	268.3	287.1	333.7	372.9	440.0	517.7	562.0	603.9	697.2
Other Private Creditors	105.3	120.7	171.3	159.4	181.2	214.8	234.3	274.0	297.9	348.3
11. Total Debt Stock	8,328.5	8,109.8	8,742.3	9,087.5	9,635.4	6,158.8	7,581.4	8,740.5	10,207.3	11,640.9
External Debt Stock	7,464.0	7,268.2	7,857.0	8,134.8	8,229.5	4,660.9	5,846.4	6,999.4	8,197.8	9,276.9
Domestic Debt Stock	864.5	841.6	885.3	952.6	1,405.9	1,497.9	1,735.0	1,741.1	2,009.5	2,364.1
12. Export of Goods and Services	1,436.2	1,996.8	2,221.0	2,843.4	3,148.7	3,565.6	4,526.7	4,660.1	5,085.1	6,451.9
14. GDP at Market (current) prices	10,491.7	11,258.4	12,090.6	13,713.9	14,319.2	15,144.6	19,301.7	20,156.2	22,763.7	23,455.0
15. External Debt Stock as % of GDP	71.1	64.6	65.0	59.3	57.5	30.8	30.3	34.7	36.0	39.6
16. Total Debt Stock as % of GDP	79.4	72.0	72.3	66.3	67.3	40.7	39.3	43.4	44.8	49.6
17. External Debt Service as % of Exports	6.2	5.6	4.5	4.0	5.7	1.2	1.9	1.2	1.4	1.6
18. External Debt as % of Exports	519.7	364.0	353.8	286.1	261.4	130.7	129.2	150.2	161.2	143.8
End of Period Exchange Rate (TZS/US\$)	945.9	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

NB. Multilateral*: multilateral arrears are those owed by the private companies

1) During the period. 2) End of period

Source: Ministry of Finance & Bank of Tanzania



Table A6.1.1: Gross Domestic Product (GDP) by Kind of Economic Activity, at Current Prices, 2001-2010

Economic Activity	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Agriculture, forestry & fishing	56,487.8	63,636.9	61,312.1	80,434.8	92,529.2	150,500.0	161,000.0	229,600.0	271,000.0	310,900.0
Crops	35,943.3	40,085.5	35,552.4	47,281.7	51,700.0	104,200.0	100,300.0	159,600.0	182,900.0	205,000.0
Livestock	9,420.7	10,644.8	12,221.6	14,786.1	16,280.8	20,900.0	25,800.0	34,400.0	39,300.0	44,300.0
Forestry & hunting	1,059.6	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
Fishing	10,064.3	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
Industry	24,600.7	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
Mining & quarrying	1,130.1	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
Manufacturing	11,274.1	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
Electricity, gas & water supply	3,659.6	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
Construction	8,536.9	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
Services	106,634.3	126,138.4	148,605.3	173,687.4	199,197.0	222,100.0	259,500.0	319,300.0	387,700.0	403,200.0
Trade & repairs	23,722.1	25,408.1	27,811.8	30,628.2	38,600.0	45,300.0	56,300.0	65,000.0	73,500.0	80,700.0
Hotels & restaurants	13,316.8	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
Transport & communications	13,868.3	15,725.3	23,522.0	27,005.1	31,500.0	34,500.0	40,500.0	59,600.0	98,000.0	86,400.0
Financial intermediation	2,938.9	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
Real estate & business services	2,266.4	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
Public administration	34,046.4	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
Education	12,655.0	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
Health	2,953.7	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
Other social & personal services	866.8	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
Adjustment to market prices										
Taxes on products	34,675.5	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
GDP at Current Market Prices	222,398.3	255,951.9	286,631.0	344,325.6	394,875.7	510,000.0	587,600.0	747,600.0	879,500.0	948,700.0
Population "000"	944.0	982.0	1,011.0	1,041.0	1,072.0	1,104.0	1,137.0	1,171.0	1,206.0	1,242.0
GDP per capita: TZS "000"	235.6	260.6	283.5	330.8	368.0	462.0	516.0	639.0	726.0	763.8
Exchange rate: TZS/USD	889.0	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

Notes: * Provisional

Source: Office of Chief Government Statistician-Zanzibar



Table A6.1.2: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Share at Current Prices, 2001-2010

Economic Activity	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	Percent
Agriculture, forestry & fishing	25.4	24.9	21.4	23.4	23.4	29.5	27.4	30.7	30.8	32.8	
Crops	16.2	15.7	12.4	13.7	13.1	20.4	17.1	21.3	20.8	21.6	
Livestock	4.2	4.2	4.3	4.3	4.1	4.1	4.4	4.6	4.5	4.7	
Forestry & hunting	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	
Fishing	4.5	4.6	4.3	5.0	5.9	4.6	5.6	4.4	5.2	6.1	
Industry	11.1	11.6	13.1	13.3	13.6	14.8	15.0	14.2	13.1	12.6	
Mining & quarrying	0.5	0.6	0.8	0.7	0.8	0.7	0.8	0.9	1.0	1.0	
Manufacturing	5.1	5.4	5.9	5.0	4.9	4.6	4.5	4.3	4.1	4.2	
Electricity, gas & water supply	1.6	1.7	1.6	1.6	1.6	1.9	1.9	1.7	1.4	1.4	
Construction	3.8	4.0	4.8	6.0	6.2	7.5	7.8	7.3	6.6	6.0	
Services	47.9	49.3	51.8	50.4	50.4	43.5	44.2	42.7	44.1	42.5	
Trade & repairs	10.7	9.9	9.7	8.9	9.8	8.9	9.6	8.7	8.4	8.5	
Hotels & restaurants	6.0	6.3	5.6	5.8	7.7	7.6	7.8	7.4	7.2	7.3	
Transport & communications	6.2	6.1	8.2	7.8	8.0	6.8	6.9	8.0	11.1	9.1	
Financial intermediation	1.3	1.5	1.6	1.6	2.0	1.6	1.8	1.8	1.8	2.1	
Real estate & business services	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	
Public administration	15.3	16.9	17.6	17.5	14.4	10.5	10.1	9.7	9.1	9.1	
Education	5.7	5.8	6.1	6.0	5.7	5.4	5.2	4.5	4.0	3.9	
Health	1.3	1.4	1.6	1.6	1.5	1.5	1.5	1.4	1.3	1.3	
Other social & personal services	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	
Adjustment to market prices											
Taxes on products	15.6	14.2	13.6	12.9	12.6	12.2	13.4	12.3	12.0	12.2	
GDP at Current Market Prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Notes: * Provisional

Source: Office of Chief Government Statistician-Zanzibar



Table A 6.1.3 : Zanzibar Gross Domestic Product (GDP) by Kind of Economic Activity, at 2001 Constant Prices, 2001-2010

Millions of TZS

Economic Activity	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Agriculture, forestry & fishing	56,487.8	55,614.1	57,959.7	59,579.1	61,279.6	72,700.0	72,400.0	76,500.0	79,900.0	83,700.0
Crops	35,943.3	34,823.1	36,557.2	37,288.8	37,900.9	49,000.0	48,000.0	51,100.0	53,700.0	56,800.0
Livestock	9,420.7	9,743.9	10,086.5	10,441.7	10,810.1	11,200.0	11,600.0	12,000.0	12,400.0	12,900.0
Forestry & hunting	1,059.6	1,083.3	1,097.2	1,138.2	1,178.9	1,200.0	1,300.0	1,300.0	1,400.0	1,400.0
Fishing	10,064.3	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
Industry	24,600.7	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
Mining & quarrying	1,130.1	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
Manufacturing	11,274.1	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
Electricity, gas & water supply	3,659.6	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
Construction	8,536.9	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
Services	106,634.3	120,095.4	125,213.2	133,587.6	140,646.4	136,700.0	150,880.0	160,600.0	174,700.0	189,800.0
Trade & repairs	23,722.1	24,129.7	24,217.4	24,748.0	28,400.0	28,600.0	30,900.0	30,100.0	31,300.0	32,400.0
Hotels & restaurants	13,316.8	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
Transport & communications	13,868.3	16,348.9	19,755.5	21,122.7	23,200.0	23,300.0	32,000.0	39,800.0	48,700.0	58,300.0
Financial intermediation	2,938.9	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
Real estate & business services	2,266.4	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
Public administration	34,046.4	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
Education	12,655.0	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
Health	2,953.7	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
Other social & personal services	866.8	904.0	942.9	983.5	1,025.7	1,100.0	1,100.0	1,200.0	1,200.0	1,300.0
Adjustment to market prices										
Taxes on products	34,675.5	37,638.8	39,863.0	42,427.6	44,500.0	47,200.0	50,100.0	52,900.0	56,400.0	60,100.0
Total GDP at market Prices	187,722.8	241,400.0	255,700.0	272,400.0	285,600.0	302,600.0	321,480.0	339,200.0	361,800.0	385,400.0

Notes: * Provisional

Source: Office of Chief Government Statistician-Zanzibar

**Table A 6.1.4: Zanzibar Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Share at 2001 Constant Prices, 2001-2010**

Economic Activity	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*	Percent
Agriculture, forestry & fishing	30.1	23.0	22.7	21.9	21.5	24.0	22.5	22.6	22.1	21.7	
Crops	19.1	14.4	14.3	13.7	13.3	16.2	14.9	15.1	14.8	14.7	
Livestock	5.0	4.0	3.9	3.8	3.8	3.7	3.6	3.5	3.4	3.3	
Forestry & hunting	0.6	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	
Fishing	5.4	4.1	4.0	3.9	4.0	3.7	3.6	3.6	3.4	3.3	
Industry	13.1	11.6	12.8	13.5	13.7	15.2	15.0	14.5	14.0	13.4	
Mining & quarrying	0.6	0.6	0.8	0.7	0.8	0.8	0.8	0.9	1.0	1.0	
Manufacturing	6.0	5.4	5.7	5.1	5.0	4.9	4.6	4.4	4.2	4.1	
Electricity, gas & water supply	1.9	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.4	
Construction	4.5	4.1	4.7	6.1	6.3	8.0	8.0	7.6	7.4	7.0	
Services	56.8	49.7	49.0	49.0	49.2	45.2	46.9	47.3	48.3	49.2	
Trade & repairs	12.6	10.0	9.5	9.1	9.9	9.5	9.6	8.9	8.7	8.4	
Hotels & restaurants	7.1	6.3	5.5	5.7	7.7	7.9	7.8	7.3	7.2	7.0	
Transport & communications	7.4	6.8	7.7	7.8	8.1	7.7	10.0	11.7	13.5	15.1	
Financial intermediation	1.6	1.5	1.5	1.7	1.8	1.6	1.8	1.7	1.7	1.9	
Real estate & business services	1.2	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	
Public administration	18.1	16.7	16.3	16.4	13.5	10.4	10.0	9.8	9.6	9.2	
Education	6.7	5.7	5.6	5.6	5.4	5.4	5.1	5.2	5.1	5.0	
Health	1.6	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.3	
Other social & personal services	0.5	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.3	0.3	
Adjustment to market prices											
Taxes on products	18.5	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	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Notes: * Provisional

Source: Office of Chief Government Statistician-Zanzibar and BoT

**Table A 6.1.5: Gross Domestic Product (GDP) by Kind of Economic Activity, Percentage Annual Growth Rates, at 2001 Constant Prices, 2001-2010**

Economic Activity	Percent									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Agriculture, forestry & fishing	13.9	-1.5	4.2	2.8	2.8	18.7	-0.4	5.7	4.4	4.8
Crops	17.1	-3.1	5.0	2.0	1.6	29.4	-2.0	6.5	5.1	5.8
Livestock	3.4	3.4	3.5	3.5	3.5	3.5	3.6	3.5	3.6	4.0
Forestry & hunting	7.0	2.2	1.3	3.7	3.6	3.8	8.3	3.0	4.3	0.0
Fishing	14.1	-1.0	2.6	4.8	6.3	-1.0	1.8	5.2	2.5	1.6
Industry	7.2	14.0	16.3	12.5	6.6	17.6	4.6	1.9	3.4	2.0
Mining & quarrying	11.3	26.7	36.0	4.2	15.5	3.0	8.3	22.8	11.4	5.6
Manufacturing	-8.2	15.4	12.7	-5.1	2.4	3.5	0.7	1.1	2.4	3.3
Electricity, gas & water supply	3.5	4.3	4.4	6.0	7.6	5.0	6.3	0.9	2.4	0.0
Construction	39.3	14.7	22.9	37.6	8.8	33.8	6.2	0.5	3.2	1.1
Services	7.5	12.6	4.3	6.7	5.3	-2.8	10.4	6.1	8.8	8.6
Trade & repairs	18.1	1.7	0.4	2.2	14.6	1.0	8.0	-4.3	4.0	3.5
Hotels & restaurants	-17.9	14.6	-8.1	11.5	39.9	9.2	4.6	-0.5	5.0	3.1
Transport & communications	12.5	17.9	20.8	6.9	9.9	0.4	37.3	24.1	22.4	19.7
Financial intermediation	8.7	20.6	8.7	19.1	13.7	-10.2	21.3	4.0	2.6	25.0
Real estate & business services	4.6	4.6	4.7	4.7	4.7	4.7	7.1	4.8	4.8	3.0
Public administration	11.8	18.7	3.4	6.9	-13.5	-18.3	1.3	4.0	4.2	2.6
Education	8.9	9.5	3.5	6.5	1.1	5.4	1.2	6.4	5.6	4.9
Health	6.9	11.0	16.5	4.2	4.2	5.9	6.6	4.5	7.9	2.0
Other social & personal services	4.3	4.3	4.3	4.3	4.3	4.3	0.0	4.3	4.3	8.3
Total GDP at market prices	9.3	8.5	5.9	6.5	4.9	6.0	6.3	5.3	6.7	6.5

Notes: * Provisional

Source: Office of Chief Government Statistician-Zanzibar



A6.1 Zanzibar: Output and Prices

Table A 6.1.6 Marketed Production of Zanzibar Major Export Commodities, 2001-2010

Crop	Metric tons									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Cloves	2,061.9	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
Clove Stems	323.5	187.3	497.0	476.0	350.6	128.8	226.5	345.4	445.0	317.0
Seaweeds	8,117.0	9,090.7	9,261.0	7,184.5	7,361.8	7,543.1	8,485.0	11,177.0	10,248.0	12,516.0
Rubber	0.0	0.0	0.0	683.0	711.0	886.8	974.2	1,479.0	428.0	564.0

Notes: * Provisional

Source: Office of Chief Government Statistician - Zanzibar

**Table A 6.1.7: Production in Selected Commodities in Zanzibar, 2001-2010**

Commodity	Units	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010*
Beverage	Litres'000'	5,689.0	5,419.0	6,250.0	7,132.0	8,435.0	10,246.0	11,473.0	12,780.0	13,800.0	15,414.0
Animal Feed	Tons	1,534.0	1,674.0	1,520.0	1,277.0	1,001.0	842.0	1,115.0	215.0	0.0	0.0
Video/Radio tapes	Cartoon	0.0	0.0	0.0	95,262.0	79,015.0	86,579.0	80,687.0	61,167.0	30,742.0	30,648.0
Bread	No.'000'	53,059.0	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
Dash Dash Fashion	Pes	0.0	0.0	0.0	4,929.0	3,860.0	2,004.0	5,338.0	3,778.0	4,392.0	4,648.0
Jewellery (Gold/Silver)	Grams	0.0	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
Noodles	Kg	0.0	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
Door UPVC	Nos.	-	-	-	70.0	18.0	32.0	53.0	33.0	43.0	125.0
Window UPVC	Nos.	-	87.0	-	150.0	15.0	59.0	161.0	35.0	98.0	43.0

Note: * Provisional,

0.0 = No Production

Source: Office of Chief Government Statistician - Zanzibar.



Table A.6.1.8: Zanzibar Consumer Price Index, 2005-2011

Base: December 2005 = 100

End of Period	General Index		Non-Food										2.4	3.1	1.1	0.4	2.4	3.1	2.4
	100	57.4	Total	Alcoholic Beverages, Tobacco & Narcotics	Clothing & Footwear	Housing, Water, Electricity, Gas & Other fuels	Furnishing, H/H Equipmt. & Routine H/H Maintenance	Health	Transport	Communication	Recreation & Culture	Education							
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					
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					
2006	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5	106.5					
2007	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4	120.4					
2008	149.9	152.3	146.8	156.3	143.0	148.9	145.6	150.3	147.5	135.1	145.2	145.1	160.1	144.0					
2009	158.1	169.3	143.7	159.5	126.3	155.9	141.1	151.4	149.5	93.9	136.5	127.3	188.7	133.1					
2010	167.7	179.8	152.6	199.9	133.3	162.9	146.2	169.8	155.9	94.0	144.2	143.8	218.8	138.2					
2009-Mar	155.6	165.5	142.5	149.2	124.1	154.9	139.1	148.3	157.1	93.9	134.5	126.2	185.7	128.6					
Jun	155.5	165.7	142.2	148.4	125.1	154.9	140.4	150.8	145.0	93.9	135.3	127.7	184.5	133.0					
Sep	158.2	169.6	143.4	160.1	127.1	155.6	141.7	152.2	146.9	93.9	136.9	127.7	184.5	134.4					
Dec	163.1	176.3	146.5	180.5	129.0	158.1	143.0	154.2	149.0	93.9	139.1	127.7	200.0	136.2					
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	167.6	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					
2010-Jan	165.8	180.0	147.9	187.8	129.6	158.7	144.1	157.9	149.5	93.9	139.4	143.8	204.9	138.4					
Feb	164.5	176.7	148.7	188.3	130.7	159.3	144.1	165.3	149.5	93.9	141.1	143.8	204.9	139.1					
Mar	166.3	179.7	149.5	188.3	130.8	167.1	144.2	167.1	151.0	93.9	141.1	143.8	212.4	139.0					
Apr	165.2	177.0	150.2	188.3	131.4	160.4	144.3	167.1	152.4	93.9	141.1	143.8	214.3	137.6					
May	163.2	172.8	150.9	188.3	131.4	162.3	144.6	167.1	151.9	93.9	143.8	143.8	214.3	137.6					
Jun	164.4	173.9	152.3	188.3	131.4	164.0	145.3	167.5	157.9	93.9	141.5	143.8	217.0	137.6					
Jul	165.7	174.9	154.2	211.4	131.8	165.5	146.5	167.6	159.2	93.9	140.8	143.8	225.7	138.5					
Aug	170.6	183.4	154.8	215.6	134.4	165.5	146.5	167.6	159.5	93.9	148.6	143.8	225.7	140.1					
Sep	171.6	185.3	154.7	210.6	135.5	164.8	147.6	167.6	159.5	93.9	146.8	143.8	225.7	140.1					
Oct	171.9	184.9	155.8	210.6	137.3	164.8	148.3	180.8	159.8	93.9	148.9	143.8	226.4	140.3					
Nov	171.5	184.2	155.9	210.6	137.6	164.8	148.6	180.8	159.9	93.9	148.9	143.8	226.4	140.3					
Dec	171.9	184.9	155.9	210.6	137.8	164.8	150.7	180.8	160.4	95.4	148.9	143.8	227.9	130.1					
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					

H/H - House Hold

Source: Office of Chief Government Statistician - Zanzibar

Table A.6.1.9: Zanzibar Consumer Price Index, Percentage Change on the Previous Year, 2006-2010

Base: December 2005 = 100

End of Period	General Index			Non-Food										
	Food	Food	Total	Alcoholic Beverages, Tobacco & Nacotics	Clothing & Footwear	Housing, Water, Electricity, Gas & Other fuels	Furnishing, H/H Equipmt. & Routine H/H Maintenance	Health	Transport	Communi-cation	Recreation & Culture	Educat ion	Restaurants & Hotels	Miscellaneous Goods & services
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
2006 - Dec	11.4	11.6	11.5	23.6	5.2	12.8	8.7	10.2	29.1	-3.9	12.7	1.2	15.8	11.1
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
2008	20.6	24.3	16.5	8.0	8.3	21.8	13.1	18.0	19.2	-1.6	8.4	7.4	24.5	19.0
2009	9.2	10.1	6.6	17.4	6.7	11.6	8.1	8.8	-3.6	0.1	3.7	4.7	12.2	11.8
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
2009 - Mar	17.4	17.9	15.6	19.7	7.8	28.4	12.5	12.5	14.5	-0.1	2.8	5.3	15.0	13.3
Jun	9.6	8.1	10.3	17.8	8.3	21.5	8.4	9.6	-3.5	0.0	3.6	5.0	10.4	8.3
Sep	4.9	7.6	-0.3	10.3	5.9	-2.5	6.6	6.7	-14.2	0.5	4.3	4.5	9.3	13.0
Dec	4.8	6.7	0.9	21.8	4.7	-1.0	5.1	6.2	-11.1	0.0	4.2	3.9	13.9	12.8
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
Jun	5.6	5.3	6.3	32.7	5.0	4.7	3.1	10.9	6.3	0.0	5.0	12.6	16.6	3.4
Sep	7.0	6.9	7.8	32.7	5.4	6.2	3.6	10.1	8.5	0.0	6.2	12.6	22.3	3.9
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
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
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
2010 - Jan	6.5	8.8	3.3	26.3	4.8	1.7	4.0	6.5	-8.1	0.0	4.0	16.6	8.0	11.9
Feb	5.9	7.0	4.6	25.9	5.3	3.2	3.4	11.5	-4.2	0.0	4.7	12.6	11.6	6.3
Mar	6.8	8.3	5.2	26.2	5.0	3.2	3.4	12.7	-1.2	0.0	4.8	12.6	15.7	5.8
Apr	6.0	6.4	5.5	26.2	5.4	3.6	3.2	11.6	2.3	0.0	4.8	12.6	16.2	3.0
May	5.0	4.4	6.2	27.2	5.0	4.8	3.1	10.4	6.2	0.0	6.6	12.6	16.2	3.7
Jun	5.9	5.2	7.1	27.2	4.7	5.9	2.9	10.6	10.4	0.0	3.7	12.6	17.6	3.6
Jul	6.0	5.1	7.8	31.5	4.4	6.5	3.5	10.7	8.7	0.0	3.1	12.6	22.3	3.4
Aug	9.2	10.5	34.2	34.2	6.3	6.5	3.5	10.5	8.9	0.0	8.8	12.6	22.3	4.3
Sep	5.9	5.1	7.5	32.5	5.4	5.6	3.9	9.2	7.8	0.0	6.8	12.6	22.3	3.9
Oct	5.1	3.9	6.9	21.5	6.5	4.9	3.9	17.8	7.8	0.0	7.0	12.6	13.2	4.1
Nov	4.9	4.0	6.3	16.9	6.7	4.0	4.0	16.9	7.0	0.0	7.0	12.6	13.2	3.2
Dec	6.0	4.8	8.3	32.5	7.2	5.6	6.1	17.8	8.5	1.6	8.3	12.6	23.5	-3.5
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
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
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
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
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
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

H/H - House Hold

Source: Office of Chief Government Statistician - Zanzibar



Table A6.2.1: Central Government Operations (Actuals), 2000/01 - 2010/11

Millions of TZS

Item	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Total Revenue	38,669.0	42,395.9	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
Tax Revenue	37,462.0	39,870.4	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
Tax on Imports	20,609.0	17,603.6	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
Sales tax and excise duties (local)	5,543.0	8,919.2	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
Income Tax	2,889.0	3,763.2	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
Other taxes	8,421.0	9,584.5	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
Non-Tax revenue	1,207.0	2,525.5	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
Total Expenditure	43,291.0	47,353.9	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
Recurrent Expenditure	42,272.0	46,016.4	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
Wages and Salaries	22,571.0	31,494.5	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
Interest Payment	591.0	0.0	40.3	0.0	0.0	1,029.4	2,388.9	1,214.6	1,111.9	858.5	1,639.3
Foreign	0.0	0.0	0.0	0.0	0.0	0.0	2,388.9	1,214.6	1,111.9	858.5	1,639.3
Local	591.0	0.0	40.3	0.0	0.0	1,029.4	0.0	0.0	0.0	0.0	0.0
Other expenditure	19,110.0	14,521.9	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
Recurrent (Deficit)/Surplus	-3,603.0	-3,620.5	-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
Development Expenditure	1,019.0	1,337.5	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
Foreign						1,729.6	7,120.5	10,162.6	42,165.6	79,790.4	30,485.4
Local						43,725.7	65,970.1	51,638.5	23,291.1	38,865.0	129,228.7
Previous year float											
Overall Deficit before Grants	-4,622.0	-4,958.0	-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
Grants (cash)	0.0	7,797.0	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
Overall Deficit after Grants	-4,622.0	2,839.0	-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
Adjustment to cash and other items	-11,843.0	-4,382.4	-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
Overall Deficit cheques issued	-7,221.0	-7,221.4	-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
Financing:	7,221.0	7,221.4	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
Program loans and I/ Support(cash)	0.0	0.0	0.0	0.0	0.0	43,725.7	14,009.1	15,014.6	12,713.4	42,110.7	79,354.6
Domestic (net)	7,221.0	7,221.4	5,933.4	7,729.4	8,578.0	11,498.6	8,000.0	470.1	3,470.4	0.0	0.0
Bank	7,221.0	7,221.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Bank	0.0	0.0	5,933.4	7,729.4	8,578.0	11,498.6	8,000.0	470.1	4,940.5	0.0	0.0
Amortization (local)			1,373.1	1,105.0		-4,900.0	-8,502.7	-4,818.7	-1,470.1	0.0	0.0

GDP TZS 948.7 billion (2010p Current Prices)
Source: POFEDP, Zanzibar.

Table A7.1: Economic Performance in G-7 Countries and the Euro Area, 2001-2011

	Annual Percentage Change												Quarter Ending																	
													2009						2010						2011					
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec		
G-7																														
Canada																														
Real GDP ¹	1.9	3.3	1.9	3.1	3.0	2.9	2.5	0.4	-2.5	3.1		-1.8	-0.7	0.2	1.2	1.4	0.6	0.3	0.8	1.0	n.a									
Inflation ¹	2.5	2.3	2.8	1.8	2.2	2.0	2.1	2.4	0.3	1.8		1.2	0.1	-0.9	0.8	1.6	1.4	1.8	2.3	2.6	3.4									
Interest rates ²	2.2	2.5	2.9	2.3	2.7	4.0	4.3	3.0	0.4	0.6		0.8	0.5	0.5	0.5	0.2	0.3	0.8	1.0	1.0	1.0									
France																														
Real GDP ¹	2.1	1.1	0.5	2.5	1.8	2.4	2.3	0.3	-2.7	1.4		-1.5	0.1	0.2	0.6	0.2	0.5	0.4	0.3	0.9	0.0									
Inflation ¹	1.8	1.9	2.2	2.1	1.8	1.9	1.6	3.2	0.1	1.7		0.7	-0.3	-0.5	0.4	1.3	1.6	1.8	1.7	1.8	2.0									
Interest rates ²	4.3	4.0	2.7	2.3	2.2	2.9	3.9	3.6	0.7	0.4		1.1	0.7	0.4	0.4	0.3	0.3	0.4	0.6	0.6	1.0									
Germany																														
Real GDP ¹	0.8	0.1	-0.1	1.2	0.8	3.2	2.5	1.2	-4.7	3.5		-4.0	0.3	0.8	0.7	0.5	1.9	0.8	0.5	1.3	0.1									
Inflation ²	1.9	1.3	1.0	1.7	1.5	1.8	2.3	2.8	0.2	2.0		0.8	0.3	-0.4	0.3	0.8	1.0	1.2	1.7	2.1	2.3									
Interest rates ^{2,3}	4.4	3.3	2.3	2.1	2.1	2.8	3.9	3.8	0.6	0.3		1.3	0.7	0.3	0.3	0.3	0.3	0.4	0.6	0.6	1.0									
Italy																														
Real GDP ¹	1.8	0.4	0.4	1.5	0.7	2.0	1.5	-1.3	-5.2	1.2		-2.9	-0.3	0.4	-0.1	0.4	0.4	0.3	0.1	0.1	0.3									
Inflation ²	2.7	2.6	2.8	2.3	2.2	2.2	2.0	3.5	0.8	2.5		1.3	0.9	0.1	0.7	1.3	1.4	1.7	2.0	2.4	3.0									
Interest rates ^{2,3}	4.3	3.3	2.3	2.1	2.2	3.1	4.3	4.7	1.3	1.0		2.1	1.4	0.9	0.7	0.7	0.9	1.0	1.6	2.0	2.4									
Japan																														
Real GDP ¹	0.4	-0.4	2.7	2.7	1.9	2.0	2.4	-1.2	-6.3	3.9		-4.2	2.4	-0.4	1.0	1.5	0.5	1.0	-0.6	-0.9	-0.3									
Inflation ²	-0.7	-0.9	-0.3	0.0	-0.3	0.3	0.0	1.4	-1.3	1.2		-0.1	-1.0	-2.2	-2.0	-1.2	-0.9	-0.8	0.1	0.1	0.3									
Interest rates ^{2,3}	0.1	0.0	0.0	0.0	0.0	0.1	0.5	0.5	0.1	0.1		0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1									
UK																														
Real GDP ¹	2.1	1.9	2.8	3.0	2.2	2.9	2.6	0.5	-4.9	1.3		-2.5	-0.6	-0.3	0.4	0.3	1.1	0.7	-0.5	0.5	0.2									
Inflation ²	2.1	2.2	1.4	1.3	2.1	2.3	2.3	3.6	2.2	3.0		3.0	2.1	1.5	2.1	3.3	3.4	3.1	3.4	4.1	4.5									
Interest rates ^{2,3}	4.3	3.9	3.6	4.3	4.7	4.8	5.7	4.7	0.5	0.5		1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5									
USA																														
Real GDP ¹	0.8	1.6	2.5	3.5	3.1	2.7	2.1	0.4	-2.6	2.8		-6.7	-0.7	1.7	3.8	3.9	3.8	2.5	2.3	0.4	1.3									
Inflation ²	2.8	1.6	2.3	2.7	3.4	3.2	2.9	3.8	-0.3	1.6		-0.1	-0.9	-1.5	1.4	2.4	1.8	1.9	1.3	2.1	3.5									
Interest rates ^{2,3}	3.9	1.7	2.0	3.2	5.2	5.0	5.0	1.9	0.2	0.2		0.5	0.5	0.5	0.5	0.1	0.2	0.2	0.2	0.2	0.1									
EURO AREA																														
Real GDP ¹	1.5	0.9	0.4	2.2	1.7	3.0	2.8	0.6	-4.1	1.8		-2.5	-0.2	0.4	0.2	0.3	1.0	0.4	0.3	0.8	0.2									
Inflation ²	2.4	2.3	2.1	2.1	2.2	2.2	2.1	3.3	0.3	2.4		1.0	0.2	-0.4	0.4	1.1	1.5	1.7	2.0	2.5	2.7									
Interest rates ^{2,3}	4.4	3.3	2.3	2.0	2.1	3.0	4.0	3.8	1.0	0.8		1.4	1.3	0.9	0.7	0.7	0.4	0.5	0.7	0.8	1.1									

For quarterly statistics:

1 Percent changes from previous quarter

2 Annual percent change

3 Money market interest rate (But in France is Treasury bill rate).

n.a = not available

Source: International Financial Statistics; National Statistical Offices; OECD, Central Banks



A7.0 International Economic and Financial Developments

Table A7.2: World Market Prices for Selected Commodities, 2001-2010

Commodity	Unit Price	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2009				2010					
													Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Coffee (arabica)	US\$/Kg	1.4	1.4	1.4	1.8	2.5	2.5	2.7	3.1	3.2	4.3	2.8	3.2	3.2	3.4	3.5	3.9	4.7	5.1	6.2	6.4
Cotton (A index)	US\$/Kg	1.1	1.0	1.4	1.4	1.2	1.3	1.4	1.6	1.4	2.3	1.2	1.3	1.4	1.6	1.8	2.0	2.1	3.3	4.6	3.9
Sisal (UG grade)	US\$/ton	699.2	659.6	697.9	862.1	885.0	885.0	971.7	1,156.5	1,200.3	948.3	1,213.0	1,213.0	971.0	840.0	850.0	850.0	916.7	1,176.7	1,233.3	1,366.7
Tea**	US\$/Kg	1.5	1.5	1.5	1.6	1.5	2.0	1.7	2.2	2.5	2.6	2.2	2.3	2.8	2.8	2.9	2.4	2.4	2.6	2.8	2.7
Gold	US\$/troy ounce	271.0	310.0	363.5	409.2	444.8	604.3	696.7	853.5	973.0	1,225.0	909.0	922.0	960.0	1,102.0	1,109.0	1,195.7	1,227.0	1,367.0	1,384.0	1,507.0

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), 1999-2009**

In TZS

Period	Pound Sterling	Deutsche Marks	Swiss Francs	Dutch Guilders	French Francs	Belgium Francs	Italian Lira	Swedish Kroners	Japanese Yen	Euro
1999	0.6180	1.8411	1.3737	2.0341	6.1238	37.5167	1,809.3211	8.3045	113.7895	0.9365
2000	0.6607	2.1222	1.6883	2.3913	7.1179	43.7745	2,109.2178	9.1632	107.7258	1.0851
2001	0.6944	2.1840	1.6868	2.4608	7.3249	45.0467	2,162.1880	10.3307	121.4601	1.1167
2002	0.6666	2.2196	1.5572	2.5009	7.4442	45.7801	2,197.3919	9.7207	125.2566	1.0614
2003	0.6124	2.2163	1.3456	2.4971	7.4330	45.7112	2,194.0867	8.0832	115.9469	0.8859
2004	0.5460	2.2163	1.2429	2.4971	7.4385	45.7112	2,194.0867	7.1908	108.1147	0.8050
2005	0.4282	2.2089	1.2462	2.4888	7.4082	45.5618	2,186.9137	7.0983	111.0345	0.8149
2006	0.5407	2.2380	1.2476	2.4934	7.4220	45.6434	2,190.8314	7.3494	115.8541	0.7940
2007	0.4996	2.2163	1.1995	2.4971	7.4330	45.7112	2,194.0871	6.7585	117.6693	2.1534
2008	0.5535	2.2170	1.0771	2.4979	7.4354	45.7262	2,194.8033	6.6684	102.8248	2.0797
2006-Quarter1	0.5705	2.2031	1.2961	2.4823	7.3889	45.4400	2,181.0655	7.7696	116.9342	0.8313
Quarter2	0.5370	2.3163	1.2229	2.4971	7.4330	45.7112	2,194.0867	7.3046	112.6559	0.7853
Quarter3	0.5335	2.2163	1.2369	2.4971	7.4330	45.7112	2,194.0867	7.2424	116.1884	0.7845
Quarter4	0.5219	2.2163	1.2343	2.4971	7.4330	45.7112	2,194.0867	7.0809	117.6377	0.7750
2007-Quarter1	0.5115	2.2163	1.2314	2.4971	7.4330	45.7112	2,194.0867	7.0061	119.2642	0.7617
Quarter2	0.5035	2.2163	1.2223	2.4816	7.4330	45.7112	2,194.0867	6.8698	120.7205	0.8362
Quarter3	0.4950	2.2163	1.1993	2.4971	7.4330	45.7112	2,194.0867	6.7452	117.7301	0.7280
Quarter4	0.4886	2.2163	1.1452	2.4971	7.4330	45.7112	2,194.0884	6.4130	112.9625	0.6901
2008-Quarter1	0.5080	2.2163	1.0691	2.4971	7.4330	45.7112	2,194.0867	6.4083	107.8423	0.6679
Quarter2	0.5084	2.2192	1.0331	2.5004	7.4427	45.7710	2,196.9530	5.9950	104.6896	0.6410
Quarter3	0.5292	2.2163	1.0722	2.4971	7.4330	45.7112	2,194.0867	6.2989	107.6040	0.6545
Quarter4	0.6683	2.2163	1.1340	2.4971	7.4330	45.7112	2,194.0867	7.9715	91.1632	6.3554
2009-Quarter1	0.6968	2.2163	1.1481	2.4971	7.4330	45.7112	2,194.0867	8.3770	93.4163	0.7707

Source: IFS, Bank of Tanzania



A7.0 International Economic and Financial Developments

Table A7.4: Bureau de Change Quarterly Transactions, 2001-2011

End of Period	Volume of Transactions (Millions of US\$)		Exchange Rates (Average TZS/US\$)		Mean Rate TZS/US\$
	Purchases	Sales	Buying	Selling	
2001	282.30	271.97	865.74	877.32	871.53
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	1,438.13	1,426.97
2006: Quarter1	104.64	104.16	1,185.00	1,205.00	1,195.00
Quarter2	84.47	85.81	1,234.33	1,252.67	1,243.50
Quarter3	98.40	98.82	1,279.62	1,302.00	1,290.81
Quarter4	87.22	86.83	1,269.00	1,294.00	1,281.50
2007: Quarter1	98.01	97.08	1,266.67	1,289.00	1,277.84
Quarter2	96.94	96.71	1,258.67	1,279.67	1,269.17
Quarter3	113.26	113.64	1,264.67	1,281.33	1,273.00
Quarter4	115.66	115.00	1,157.67	1,203.00	1,180.34
2008: Quarter1	106.67	106.45	1,172.33	1,196.33	1,184.33
Quarter2	114.78	108.25	1,193.00	1,227.00	1,210.00
Quarter3	124.67	127.63	1,158.00	1,181.67	1,169.84
Quarter4	107.09	106.30	1,249.33	1,279.33	1,264.33
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

Source: Bank of Tanzania



PART VI LIST OF MANAGEMENT

Name	Title	Telephone Number
EXECUTIVE OFFICE		
Prof. B. 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. Nampesya	Personal Assistant to the Governor	022 223 3203
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Regional Integration Department

A. Msutze	Associate Director	022 223 3472
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Public Relations & Protocol Department

.....	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
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Procurement Department

R. Wanga	Manager	022 223 5194/5
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2. DIRECTORATE OF STRATEGIC PLANNING AND PERFORMANCE REVIEW

J. M. B. Massawe	Director	022 223 3423/4
------------------	----------	----------------

Strategic Planning Department

S. Mrutu	Manager	022 223 3425/6
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Technical Assistance Program Coordination Department

M. M. Mbawala	Manager	022 223 3434/5
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Organization and Methods Department

F. N. Kazimoto	Manager	022 223 3475/6
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3. RISK MANAGEMENT

.....	Director	022 223 5297/8
Financial Management Risk Department		
R. Mwanga	Manager	022 223 5118/9
Investment Risk Department		
V. N. Lema	Manager	022 223 3206/7
Systems Risk Department		
Dr. M. Kipilimba	Manager	022 223 3204/5

4. DIRECTORATE OF HUMAN RESOURE ANDADMINISTRATION

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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		
J. P. Mpelembwa	Associate Director	022 223 5194/5
Facilities Management Department		
E. M. Twininge	Manager	022 223 5555/6

5. DIRECTORATE OF BANKING

E. M. Boaz	Director	022 223 5415/6
Banking Department		
H. Mnjovu	Manager	022 223 5134/5
Currency Department		
J. C. Rushaka	Manager	022 223 5672/3

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C. A. Gama	Manager	022 2235530/1

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A.A. Ukhotyia Manager 022 2235576/7

Microfinance Institutions Supervision Department

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System Development & Support Department

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Operational Audit Department

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**Board Services & Exchange Management Department**

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Legislation Department

N. D. Mukirya Manager 022 223 3248/9

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