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BANK OF TANZANIA



**ECONOMIC AND
OPERATIONS REPORT
FOR THE YEAR ENDED
30TH JUNE, 2003**



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OPERATIONS REPORT
FOR THE YEAR ENDED
30TH JUNE, 2003

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September 29, 2003

LETTER OF TRANSMITTAL

Honourable Minister,

In accordance with Section 22 (1) of the Bank of Tanzania Act 1995, I hereby submit a report on:

- a) the economic situation during the financial year 2002/03 with special reference to financial developments and the policies pursued by the Bank, and
- (b) the Bank's operations during 2002/03, together with the Bank's Balance Sheet as at 30th June 2003 and the Profit and Loss Account for the year ended 30th June 2003 certified by the Auditors.

Yours sincerely,

D.T.S. Ballali

Governor

The Hon. Basil P. Mramba (MP)

Minister for Finance

Dar es Salaam.



BOARD OF DIRECTORS



Mr. D. T. S. Ballali
Governor, Chairman



(Vacant)
Deputy Governor, Deputy Chairman



Mr. G.S. Mgonja
*Permanent Secretary to
the Treasury (URT)*



Prof. L.K. Rutashobya
Director



Mr. J. B. Raphael
*Principal Secretary to
the Treasury (SMZ)*



Mr. A. R. Mohamed
Director



Prof. B. J. Ndunguru
Director



Mr. M. N. Shirima
Director



Prof. J. Semboja
Director



Mr. B. N. Kimela
Ag. Secretary to the Bank





Abbreviations and Symbols

e	estimated
na	not applicable
p	provisional
pe	partly estimated
r	revised
•	figure not meaningful or not to be published
-	no figure available
...	available at a later date
—	change within a time series, causing a break in continuity
R	seasonal factors recalculated



PART I AN OVERVIEW OF ECONOMIC DEVELOPMENTS

Real growth of the economy remained on the upward trend for a fifth consecutive year, despite a marked deterioration in the terms of trade, volatility in world energy prices, the general slowdown of the world economy and adverse weather. The growth of real GDP accelerated to 6.2 percent in 2002, from 5.7 percent in 2001. It is, however, feared that the insufficiency of rainfall in the 2002/03 season may slow down growth to 5.5 percent in 2003.

Although real growth rate of value added in agriculture slowed down to 5.0 percent from 5.5 percent in 2001, it remained the leading contributor to overall growth in GDP. Substantial growth gains were registered in construction owing to a marked increase in trunk and feeder roads repair and construction, as well as increase in construction of educational facilities related to the primary education development project. Growth gains also continued to be registered in mining, manufacturing and trade.

Annual rate of inflation continued to decline, reaching 4.4 percent at the end of June 2003 compared with 4.5 percent at the end of June 2002, largely on account of good food crop harvests in 2002. The decline in inflation reflected the positive performance registered in agricultural activities coupled with continued pursuit of prudent fiscal and monetary policies.

Government budgetary operations in 2002/03 registered a deficit (after grants) of 1.4 percent of GDP which was substantially smaller compared with the budget estimate of 4.1 percent, owing to improved revenue performance and lower than budgeted expenditure. Revenue collection reached 12.8 percent of estimated GDP, up from 12.3 percent recorded in the preceding year. This largely reflected the substantial gains registered in income tax, VAT on local products and imports other than petroleum. The raise in revenue collection is attributed to strengthening of tax administration, including acceleration of the pace of selective and planned control verification audits and the strict monitoring of special relief granted to mining companies and non-government organizations. By contrast, expenditure fell short of the budget estimate due to slow adaptation to the new procurement law and less

than expected disbursement of external resources. Total expenditure reached 20.0 percent of GDP against a budget estimate of 22.2 percent with the total impact of the shortfall being absorbed by development expenditure.

Liquidity condition remained high for the most part of 2002/03, reflecting the high level of foreign resources inflow as well as increased deposit mobilization efforts including opening of new bank branches, increased deposits associated with the introduction of new banknotes and the introduction of new products in the market such, as debit cards and ATMs. Liquidity conditions in the last quarter revealed an apparent change in the money multiplier, which necessitated reduction of M0 beyond what was targeted in order to contain expansion of M2. Accordingly, the External Payment Arrears (EPA) Special stock at the Bank of Tanzania was securitized to supplement the existing instruments. This led to a deceleration in the annual growth of M0 from 19.1 percent at the end of December 2002 to 11.6 percent at the end of June 2003. The outturn of M0 at the end of June 2003 was below the target by TZS 53.0 billion. Notwithstanding the securitization of the EPA special stock, M2 registered a growth rate of 16.9 percent, which was above the targeted upper boundary of 12.0 percent. The growth was, however, much lower when compared with 21.3 percent registered at the end of June 2002.

The deficit in the current account of the balance of payments (including official transfers) narrowed significantly from 4.5 percent of GDP in 2001/02 to 2.4 percent in 2002/03, largely on the account of an increase in exports and official current transfers. Exports of goods, in USD terms rose by 23.8 percent mainly due to volume and price factors in both traditional and non-traditional exports. The increase in the volume of traditional exports was attributed to good weather conditions in 2001/02. In the case of non-traditional exports, the price of gold in the world market picked up substantially amidst global uncertainties, which prompted investors to turn to gold as an alternative safe investment. The volume of gold also registered a marked increase, following commencement of mining operations by the Afrika



Mashariki Gold Mining Company and Buhemba Gold Mining Company.

Official current transfers (including savings related to HIPC) increased by 18.8 percent while capital transfers increased by 9.6 percent.

The financial account of the balance of payments also improved significantly rising from USD 168.8 million in 2001/02 to USD 297.0 million in 2002/03 partly due to increase in the banking system deposits abroad and decrease in government of Iran repayments which is to a large extent associated with debt relief, partly accounted for the improvement.

Deposit and lending interest rates continued to decline in 2002/03 while the interest rates in the primary market increased following the liquidity

tightening measures taken in the second half of 2002/03. The overall lending rate declined from 16.4 percent in June 2002 to 14.1 percent in June 2003, while the 12-month fixed deposit rate declined from 6.2 percent to 5.1 percent during the same period. However, the overall weighted average yield of Treasury bills increased from 4.1 percent to 5.9 percent.

Government's commitment to reforms that are aimed at improving the economy and its delivery systems remained firm in 2002/03. In line with the commitments, the Dar es Salaam Stock Exchange was opened to foreign investors in May 2003, with the objective of enabling Tanzanian companies to secure financial resources from abroad. The Export Processing Zones (EPZ) Act came into effect on July 1, 2002 while the regulatory framework for the EPZ became operational in March 2003.

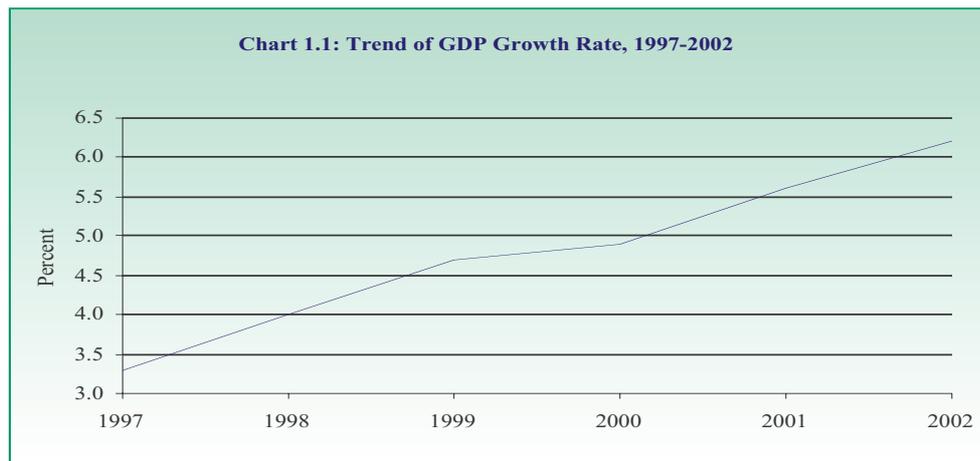


CHAPTER 1 OUTPUT AND PRICES¹

1.1 Economic Growth

Economic growth in Tanzania continued to accelerate for the fifth consecutive year despite a marked deterioration in the terms of trade, volatility in world

energy prices, general slow down of the world economy and adverse weather. Preliminary statistics indicate that, real Gross Domestic Product (GDP) grew at a rate of 6.2 percent in 2002 compared with 5.7 percent recorded in 2001 (**Chart 1.1**).



Considering that the population growth is estimated at rate 2.9 percent, it implies that real per capita income grew by 3.3 percent.

During the year under review, real GDP growth was mainly driven by agricultural activities, trade and manufacturing (Table 1.1).

Table 1.1: Distribution of Gross Domestic Product by Activity at constant 1992 Prices

Item	1997	1998	1999	2000	2001	2002
Millions of TZS						
GDP (factor cost)	1,448,090	1,505,827	1,577,292	1,654,319	1,749,358	1,857,160
Agriculture	726,098	739,942	770,510	796,514	840,275	882,091
Mining	24,097	30,700	33,488	38,144	43,293	49,787
Manufacturing	117,489	126,887	131,491	137,809	144,647	156,219
Construction	59,341	65,187	70,866	76,818	83,494	92,976
Trade, restaurants and hotels	229,010	239,830	254,114	270,567	288,718	308,928
Transport and communication	75,099	79,755	84,403	89,515	95,154	101,244
Other services	216,956	223,526	238,099	250,904	258,994	266,212
Annual Growth Rates in Percent						
GDP (factor cost)	3.3	4.0	4.7	4.9	5.6	6.2
Agriculture	2.4	1.9	4.1	3.4	5.5	5.0
Mining	17.1	27.4	9.1	13.9	13.5	15.0
Manufacturing	5.0	8.0	3.6	4.8	5.0	8.0
Construction	8.2	9.9	0.0	8.7	8.4	11.4
Trade, restaurants and hotels	5.0	4.7	6.0	6.5	6.7	7.0
Transport and communication	4.9	6.2	5.8	6.1	6.3	6.4
Other services	0.5	3.0	6.5	5.4	3.2	2.8
Percent of GDP						
Agriculture	50.1	49.1	48.9	48.1	48.1	47.5
Mining	1.7	2.0	2.1	2.3	2.5	2.7
Manufacturing	8.1	8.4	8.3	8.3	8.3	8.4
Construction	4.1	4.3	4.1	4.3	4.4	5.0
Trade, restaurants and hotels	15.8	15.9	16.1	16.4	16.5	16.6
Transport and communication	5.2	5.3	5.4	5.4	5.4	5.5
Other services	15.0	14.8	15.1	15.2	14.8	14.3

Source: National Bureau of Statistics

¹ Analysis on output developments are based on calendar year.



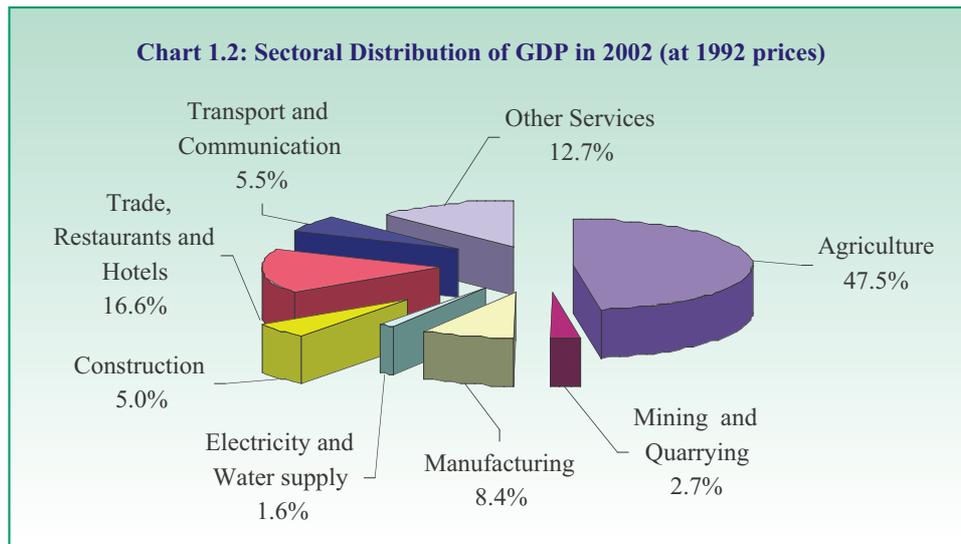
The strongest growth was registered in the mining sector, which increased to 15.0 percent from 13.5 percent in the previous year. Despite this growth in the impact of the mining sector to the economy is still minimal, as its contribution to GDP is around 3.0 percent of (Chart 1.2). Agricultural sector, which grew by 5.0 percent accounted for 47.5 percent of GDP, down from 48.1 percent of GDP in 2000 and 2001. The

second largest contributor to GDP, i.e. Trade, Hotels and Restaurants, grew by 7.0 percent and accounted for 16.6 percent of GDP. Other sectors which recorded significant growth included construction (11.4 percent) and manufacturing (8.0 percent). The improvement in these activities was partly explained by increased foreign direct investments, improved productivity in divested entities, expansion of modern trading, as well as stimulating regional demand associated with harmonization of tariffs.

1.2 Aggregate Demand

The increase in economic activity during the year under review continued to be driven by domestic demand rather than foreign demand (or export demand) as measured by the change in the volume of exports.

During the year under review, total investments in the economy, as measured by gross fixed capital formation and change in inventories, grew by 19.0 percent, compared with 13.4 percent recorded in 2001. The increase in capital formation was a result of demand that improved production capacity and



capital stock to march with the demand. In recent years, investments by private enterprises have been a particularly dynamic category of expenditure well above that of the Government. In 2002, private investments accounted for 11.7 percent of the total value added (GDP), compared with a contribution of 11.4 percent of GDP in 2001. In contrast, investments by the Government accounted for 7.6 percent of GDP in 2002, against 5.6 percent of GDP in 2001.

Although there was weaker demand on the exports as reflected by the declining export prices, exports of Tanzanian goods and services grew by 20.3 percent in 2002 compared with 17.8 percent in the previous year. In total output or value added, exports accounted for 26.6 percent of GDP in 2002, against 23.7 percent in 2001, following an increase in the volume of exports, especially gold, fish fillet, textiles and cut flowers.

On average, consumption by both the Government and households grew by 7.5 percent, a rate higher than the growth of real disposable income of 5.7 percent. This implies that, part of the final consumption was financed through foreign resources.



Table 1.2: Gross Domestic Product and Expenditure at Constant 1992 Prices, 1997–2002

Item	1997	1998	1999	2000	2001	2002
Millions of TZS						
Gross domestic product (at m.p)	1,578,299	1,636,960	1,694,743	1,781,167	1,892,356	2,029,390
Final consumption	1,589,302	1,765,478	1,861,742	1,849,576	1,937,242	2,082,818
Household	1,309,988	1,447,359	1,548,527	1,529,500	1,597,961	1,681,381
Government	279,314	318,119	313,215	320,076	339,281	401,437
Investment	279,314	318,119	313,215	336,590	381,679	454,213
Gross fixed capital formation	275,489	314,264	309,329	332,587	377,556	449,474
Change in inventories	3,825	3,855	3,886	4,003	4,123	4,739
Net exports	-155,617	-295,910	-295,042	-236,248	-218,151	-167,990
Exports	247,148	271,487	321,915	381,150	449,096	540,240
Imports	402,765	567,397	616,957	617,398	667,247	708,230
Unrecorded trade & statistical errors	-134,700	-150,727	-185,172	-168,751	-208,414	-339,651
Percent of GDP						
Final consumption	100.7	107.9	109.9	103.8	102.4	102.6
Household	83.0	88.4	91.4	85.9	84.4	82.9
Government	17.7	19.4	18.5	18.0	17.9	19.8
Investment	17.7	19.4	18.5	18.9	20.2	22.4
Gross fixed capital formation	17.5	19.2	18.3	18.7	20.0	22.1
Change in inventories	0.2	0.2	0.2	0.2	0.2	0.2
Net exports	-9.9	-18.1	-17.4	-13.3	-11.5	-8.3
Exports	15.7	16.6	19.0	21.4	23.7	26.6
Imports	25.5	34.7	36.4	34.7	35.3	34.9
Unrecorded trade & statistical errors	-8.5	-9.2	-10.9	-9.5	-11.0	-16.7
Growth Rates in Percent						
Final consumption	-0.2	11.1	5.5	-0.7	4.7	7.5
Household	2.5	10.5	7.0	-1.2	4.5	5.2
Government	65.4	13.9	-1.5	2.2	6.0	18.3
Investment	0.4	13.9	-1.5	7.5	13.4	19.0
Gross fixed capital formation	0.4	14.1	-1.6	7.5	13.5	19.0
Change in inventories	0.8	0.8	0.8	3.0	3.0	14.9
Exports	-28.7	9.8	18.6	18.4	17.8	20.3
Imports	-28.2	40.9	8.7	0.1	8.1	6.1

m.p = market prices)

Source: National Bureau of Statistics





1.3 Gross National Disposable Income, Gross National Savings and Resource Gap (Savings – Investment)

Gross National Disposable Income (GNDI), defined as the total national income available for final consumption and saving, increased by 5.7 percent in real terms from TZS 1,917.0 billion in 2001 to TZS 2,026.0 billion in 2002, thereby leading to an increase in Gross National Savings (GNS). As a result, the ratio of savings to GDP grew by 13.9 percent in 2002 compared with 11.2 percent recorded in 2001. The improvement in the national savings during the

review period narrowed the gap between savings and investments from 5.8 percent of GDP in 2001 to 5.4 percent in 2002. Nevertheless, foreign resources financed about 28.0 percent of total investments during the year.

Investments as measured by gross fixed capital formation and change in inventories, increased significantly by 19.0 percent in 2002 compared with 13.4 percent recorded in 2001. Out of the total investments during the year, private investments accounted for about 60.0 percent, while investments by the Government accounted for the rest.

Table 1.3: Analysis of the Savings-Investment Relationship, 1997–2002

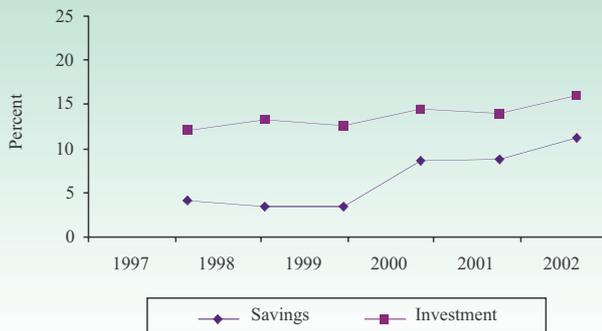
Item	1997	1998	1999	2000	2001	2002
Nominal						
Millions of TZS						
National Disposable Income	4,665,710	5,642,279	6,462,232	7,355,019	8,359,303	9,402,949
Total Consumption	4,381,635	5,343,036	6,118,574	6,552,293	7,433,905	8,098,586
Government final consumption	413,563	433,786	451,137	482,717	516,326	598,939
Private final consumption	3,968,072	4,909,250	5,667,437	6,069,576	6,917,579	7,499,647
Total Investment	700,803	902,614	999,650	1,281,046	1,406,302	1,807,751
Government investment	137,638	185,624	199,867	438,413	461,693	715,959
Private investment	563,165	716,990	799,783	842,633	944,609	1,091,792
Savings	284,076	299,243	343,658	802,726	925,398	1,304,363
Saving - Investment Gap	-416,727	-603,371	-655,992	-478,320	-480,904	-503,388
GDP m.p.	4,703,459	5,571,255	6,432,911	7,268,380	8,274,606	9,363,666
Deflator	296	340	379	405	436	464
Ratios to GDP m.p.						
Percent						
National Disposable Income	99.2	101.3	100.5	101.2	101.0	100.4
Total Consumption	93.2	95.9	95.1	90.1	89.8	86.5
Government final consumption	8.8	7.8	7.0	6.6	6.2	6.4
Private final consumption	84.4	88.1	88.1	83.5	83.6	80.1
Total Investment	14.9	16.2	15.5	17.6	17.0	19.3
Government investment	2.9	3.3	3.1	6.0	5.6	7.6
Private investment	12.0	12.9	12.4	11.6	11.4	11.7
Savings	6.0	5.4	5.3	11.0	11.2	13.9
Saving - Investment Gap	-8.9	-10.8	-10.2	-6.6	-5.8	-5.4
At Constant 1992 prices						
Millions of TZS						
National Disposable Income	1,578,000	1,657,838	1,705,142	1,814,325	1,917,921	2,026,296
Total Consumption	1,589,302	1,765,478	1,861,742	1,849,576	1,937,242	2,082,818
Government final consumption	279,314	318,119	313,215	320,076	339,281	401,437
Private final consumption	1,309,988	1,447,359	1,548,527	1,529,500	1,597,961	1,681,381
Total Investment	279,314	318,119	313,215	336,590	381,679	454,213
Growth Rates						
Percent						
National Disposable Income	0.7	5.1	2.9	6.4	5.7	5.7
Total Consumption	-0.2	11.1	5.5	-0.7	4.7	7.5
Government final consumption	65.4	13.9	-1.5	2.2	6.0	18.3
Private final consumption	2.5	10.5	7.0	-1.2	4.5	5.2
Total Investment	0.4	13.9	-1.5	7.5	13.4	19.0

Source: National Bureau of Statistics & BoT computations





Chart 1.3: Savings-Investment Relationship, Percent of GDP



although its contribution to GDP still remains the highest.

1.4.1 Agriculture

The slow down in the agricultural activities was caused by inadequate rainfall in some parts of the country, outbreak of plant diseases, and pests. The performance within the agricultural sub-sectors was uneven. While the growth of monetary crop activities slowed down from 7.3 percent in 2001 to 6.2 percent in 2002, that of non-monetary fishing increased from 4.3 percent to 6.5 percent

1.4 Review of Developments in Selected Economic Activities

During 2002, the performance of activities in Wholesale and retail trade, Manufacturing, Mining and Construction improved significantly compared with the previous year. The growth rate of agricultural activities was slightly lower than the previous year,

(Table 1.4). Given the importance of agriculture in the economy, the Government continues to take additional measures to improve the sector that include strengthening of extension services, harmonizing and reducing taxes, improving accessibility to markets and inputs. The Government is also reviewing the Land Law with the objective of using land and landed property as collateral.

Table 1.4: Tanzania, Production of Selected Major Crops, 1997/98-2001/02

Crop	Thousands Tons						Peak production Period	Tons
	1998/99	1999/00	2000/01	2001/02 Revised	2002/03 Estimates	% Change 2002/03		
Food Crops	7,441	7,323	7,694	8,547	7,553	-11.6		
Cereals								
Maize	2,452	2,009	2,579	2,698	2,526	-6.4	1988/89	3,125
Rice	506	508	564	634	562	-11.3	1997/98	676
Wheat	82	33	89	72	75	3.5	1997/98	111
Sorghum & Millet	756	817	909	1,036		-31	1994/95	1,250
Sub-total	3,796	3,367	4,141	4,440	3,877	-12.7	1988/89	4,494
Non-cereals								
Pulses	528	674	733	683	713	4.3	2000/01	733
Banana	752	703	779	752	735	-2.2	1997/98	836
Cassava	1,795	1,781	1,445	1,722	1,449	-15.9	1988/89	1,948
Potatoes	570	798	596	950	818	-13.8	1989/90	1,023
Sub-total	3,645	3,956	3,553	4,107	3,715	-9.5	1989/90	3,958
Export Crops	339	347	375	330	410	24.3		
Coffee	47	48	58	38	50	33.3	1980/81	66.6
Seed cotton	106	101	123	149	189	26.6	1992/93	308.3
Tea	22	25	26	25	28	13.4	2000/01	26.4
Cashew nuts	103	121	122	67	88	30.1	1973/74	143.3
Tobacco	38	32	25	28	32	15.8	1997/98	52
Sisal	23	21	21	24	24	0.4	1964	230

Source: Ministry of Agriculture and Food and Crop Marketing Boards



Food Crops

Provisional statistics indicate that food production during 2002/03 was 7.6 million tons, which is 11.6 percent less compared with the previous season. Out of the total food production, cereals amounted to 3.9 million tons while non-cereals accounted for the rest. Given that the national food requirement is about 8.4 million tons, the production level for 2002/03 resulted into a deficit of 800,000.0 tons (Table 1.4).

Traditional Export Crops

The performance of traditional export crops during 2002/03 improved significantly compared with the year 2001/02. With the exception of sisal, traditional export crops registered increases of between 13.0 percent and 33.0 percent. The improved performance is mainly attributed to timely availability of farm inputs and prompt payments to farmers, as well as favourable weather conditions.

During the review period, producer prices for cash crops increased marginally with the exception of robusta coffee whose price declined consistent with demand conditions in the world market (Table 1.4.1).

Table 1.4.1: Tanzania: Average Producer Prices for Traditional Export Crops

TZS/Kg

Period	Coffee		Seed Cotton	Green Tea □	Raw Cashew	Tobacco	Sisal*	
	Arabica	Robusta					3L	UG
1996/97	577	310	170	55	255	618	951	796
1997/98	1,063	326	180	55	233	593	946	826
1998/99	1,006	450	183	60	345	522	919	803
1999/00	1,404	293	123	60	641	537	791	619
2000/01	470	200	183	60	252	590	650	540
2001/02	400	106	175	65	300	542	650	540
2002/03	430	95	180	85	360	560	731	574

Source: Ministry of Agriculture and Food Security

Note: * USD/Ton

1.4.2 Manufacturing

Manufacturing activities, which have been improving slowly over the past five years, registered a strong growth in 2002. During the year, value added in manufacturing grew by 8.0 percent compared with 5.0 percent recorded in 2001. According to the Manufacturing Production Index (MPI), production increased by 14.0 percent during the year, implying an increase in the cost of intermediate inputs (Table 1.4.2.1 and Chart 1.4.2.1). Improved productivity in divested entities as well as promotions of regional demand associated with harmonisation of tariffs contributed to the improved performance in manufacturing activities.

Manufactured commodities that recorded higher output include textiles, construction material, sisal products, cigarettes, sugar and beverages (Table 1.4.2.2). In line with expansion in construction activities, production of cement increased by 14.0 percent from 900,430.0 tons in 2001 to 1,026,000.0 tons in 2002. Similarly, production of aluminium and corrugated sheets rose by 35.0 percent in 2002, while rolled steel production increased by 55.6 percent.

Production of textiles went up by about 26.0 percent, from 84.5 million square meters manufactured in 2001 to 106.3 million square meters in 2002. Likewise, sisal products went up by 23.0 percent, from 4,796.0 tons to 5,901.0 tons.

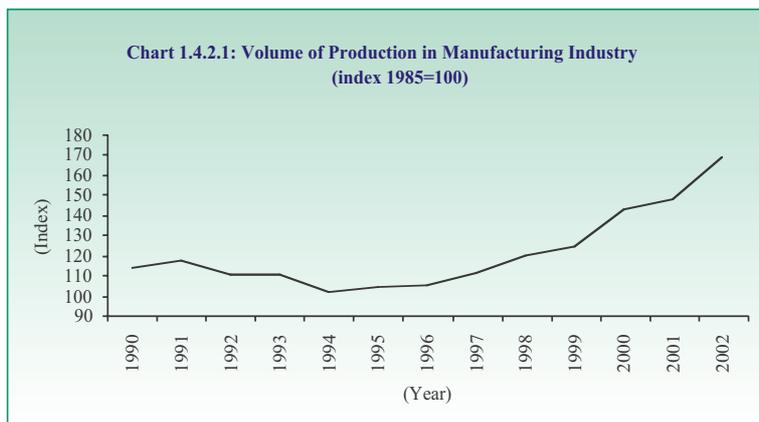




Table 1.4.2.1: Tanzania Mainland: Index of Manufacturing Industries by Activity

Industrial Activity	Index 1985=100						% Change 2001/02
	1997	1998	1999	2000	2001	2002	
Food, beverages and tobacco	145	149	146	181	200	211	5.5
Food Products	77	76	82	111	130	140	7.7
Beverages	217	251	250	284	287	296	3.1
Tobacco	204	196	136	143	147	155	5.4
Textiles, leather and footwear	92	115	109	168	185	227	22.7
Textiles (Spinning & Weaving)	106	115	126	189	214	263	22.9
Leather and leather products	1	1	1	0	4	6	50.0
Footwear	10	302	4	99	0	0	-
Wood products	44	38	76	51	32	62	93.8
Paper and paper products	62	39	55	60	59	64	8.5
Chemicals, petroleum & plastic products	91	93	103	96	58	95	63.8
Industrial chemicals	11	11	14	35	30	19	-36.7
Other chemicals	139	153	227	277	240	468	95.0
Petroleum refineries	81	81	74	46	0	0	-
Rubber products	136	108	81	73	98	83	-15.3
Plastic products	196	266	411	437	373	335	-10.2
Non metallic products	147	188	201	206	220	250	13.6
Pottery, China glass; glass products and non-metallic products n.e.s.	147	188	201	206	220	250	13.6
Basic metal industries	49	56	75	80	85	114	34.1
Iron, and steel and non-ferrous metals	49	56	75	80	85	114	34.1
Fabricated metal products, machinery & equipment	62	72	79	53	72	61	-15.3
Metal products	24	33	37	17	24	29	20.8
Machinery n.e.s.	33	26	15	14	14	9	-35.7
Electrical machinery	168	164	196	220	174	160	-8.0
Transport equipment	14	10	8	9	29	5	-82.8
Other Industries	39	38	44	60	61	53	-13.1
Total Manufacturing	111	120	124	142	148	169	14.2

Source: National Bureau of Statistics



Production of spirits rose by 28.4 percent, soft drinks by 5.0 percent, while beer production remained unchanged. Production of blended tea, instant coffee and sugar increased by 20.0 percent, 17.0 percent, 3.0 percent, respectively. Similarly, cigarettes production went up by 8.0 percent.

Despite the recorded improvements in manufacturing, high production costs and cheap imports, such as second hand clothes, tyres, shoes and other leather goods continue to pose a threat to local manufacturing firms.





Table 1.4.2.2: Tanzania: Volume of Selected Manufactured Commodities

Item	Unit	1998	1999	2000	2001	2002p	% Change 2001/02
Cigarettes	Mil. Sticks	3,933	3,371	3,745	3,491	3,778	8.2
Beer	000 Litres	170,700	167,353	183,003	175,649	175,870	0.1
Textiles	000 m ²	45,546	49,757	73,566	84,548	106,305	25.7
Cement	000 Ton	778	833	833	900	1,026	14.0
Sisal ropes & twines	Ton	4,329	3,253	3,900	4,796	5,901	23.0
Konyagi	Mil. Litres	2.0	1.6	2.2	2.3	2.9	28.4
Instant coffee	Ton	212	285	525	262	306	16.8
Blended tea	Ton	1938	2364	3600	3813	4567	19.8
Soft drinks	Mil. Litres	129.4	139.7	177.4	198.7	208.7	5.0
Sugar, refined	Ton	93,304	110,290	135,280	184,016	189,573	3.0
Aluminium & Corrugated iron sheets	Ton	15,098	23,215	25,179	26,074	35,084	34.6
Rolled steel	Ton	9,522	8,982	11,182	16,340	25,418	55.6

Source: National Bureau of Statistics
p Provisional

1.4.3 Mining

During 2002, real value added in mining activities grew by 15.0 percent compared with 13.5 percent recorded in the previous year. The growth is attributed to increased capacity utilization in major gold mines and the coming on stream of a new gold mine (Africa Mashariki Gold Mines) and Meremeta Ltd (Buhemba). Gold recoveries increased by 13.2 percent from 30,088.0 kgs recorded in 2001 to 34,065.0 kgs in 2002, while diamond production decreased by 16.0 percent from 254,271.0 carats in 2001 to 213,500.0 carats in 2002. The decline in diamond recoveries is mainly due to depletion of deposits at Williamson Diamond Ltd. Available statistics indicate that production of gemstones, of which Tanzanite is a major component, was 113,142.0 kgs in 2002, which is an increase of 16.7 percent compared with 96,866.0 kgs, recorded

in 2001. The increase in gemstones recoveries is partly associated with resumption of tanzanite exports to the United States of America (U.S.A) following the lifting of the ban by the US Government. The U.S.A accounts for about 80.0 percent of the world tanzanite market.

Coal mining at Kiwira mines increased slightly during the year under review from 77,789.0 tons in 2001 to 78,980.0 tons. Coal reserves at Kiwira mines are estimated to be over 1,200.0 millions tons, with huge potential for electricity generation. In 2002, 6 MW of electricity were generated from the coal mines and placed into the national grid.

The marginal utilization of coal reserves as a source of electricity is mainly attributed to lack of investment capital needed for the expansion of the mines and the development of a coal fired thermal electricity plant.

Table 1.4.3.1: Tanzania: Recoveries of Selected Minerals

Item	1997	1998	1999	2000	2001	2002
Diamond (000' carrats)	123.1	97.8	235.0	354.4	254.3	213.5
Gold (kgs)	323.0	4,270.0	4,890.0	15,060.0	30,088.0	34,065.0
Gemstone ('000 kgs)	509.5	48.5	95.2	150.8	96.9	113.1
Salt ('000 Tons)	72.5	75.0	35.9	70.0	65.0	65.6
Gypsum ('000 Tons)	46.3	59.1	40.0	60.0	72.0	73.0
Limestone ('000 Tons)	1,282.0	1,181.2	1,241.2	1,500.0	2,269.4	1,542.0
Coal ('000 Tons)	28.4	45.0	75.0	79.1	77.8	79.0

Source: The Economic Survey 2002





1.4.4 Trade, Hotels, and Restaurant

During 2002, wholesale, retail, hotels and restaurant (including tourism) activities grew by 7.0 percent compared with a growth rate of 6.7 percent in the preceding year. The improved performance is partly attributed to the favourable business environment which has led to increased investments in the Sector.

The number of tourists increased by 9.5 percent to 575,000 in 2002 (**Table 1.4.4.1**), following improvement in tourism infrastructure, especially hotels, transport and communication facilities. The Government also organized the first international tourism investors' forum in October 2002, whereby the country's tourist attractions were promoted.

Table 1.4.4.1: Tanzania: Tourist Inflow and Number of Hotels

Item	1997	1998	1999	2000	2001	2002
Number of Tourists	360,000	482,331	628,188	501,668	525,122	575,000
Number of Hotels	213	215	321	326	329	385

Source: Economic Survey 2002

1.4.5 Construction

During 2002, construction activities recorded a growth rate of 11.0 percent compared with 8.7 percent in 2001. Construction and maintenance of trunk and feeder roads, construction of the Mkapa Bridge over the Rufiji River, construction of residential and commercial houses as well as building of primary schools, particularly under the Primary Education Development Project (PEDP), contributed to the higher growth rate. A total of 180 bridges and 3,780.0 kilometres of rural roads were rehabilitated compared to 73 bridges and 3,573.0 kilometres rehabilitated in 2001.

1.4.6 Transport and Communication

The value added in transport and communication activities increased by 6.4 percent in 2002 and contributed 5.5 percent of GDP. The growth in the transport and communication activities was stimulated by the growing demand in line with the increase in economic activity.

During the year under review, air transport registered an improved performance mainly as a result of improved services rendered by the newly privatised national carrier – Air Tanzania Corporation – and Precision Air.

Similarly, the year 2002 showed an increase in the provision of telephone services. Tanzania Telecommunications Company Limited (TTCL) increased telephone exchange capacity from 239,616 lines in 2001 to 249,543 lines in 2002, while 8,000 lines were converted from analogue to digital system. Also cellular phone services continued to expand to cover rural areas. By the end of 2002, about 800,000 Tanzanians had subscribed to cellular phone services.

1.4.7 Electricity and Water

During 2002, electricity generation increased from 2,695.4 million kWh produced in 2001 to 2,720.2 million kWh (**Table 1.4.7**). Hydroelectric power stations generated 2,719.5 million kWh of the total electricity, while the rest was generated by thermal and gas power stations.

With regard to the provision of water services, the Government continued to implement the water sector policy by increasing community participation in preparation of water projects, construction and rehabilitation of water infrastructure in the country. Urban water supply improved from coverage of 70.0 percent of the target in 2001 to 73.0 percent in December 2002.



Table 1.4.7: Electricity Generation (National Grid)

Period	KWh			
	Hydroelectricity	Thermal	Gas	Total Generation
1997	1,449.2	50.9	378.1	1,878.2
1998	2,078.3	6.0	18.8	2,103.1
1999	2,161.7	16.0	72.7	2,250.5
2000	2,134.9	53.8	216.0	2,404.8
2001	2,640.0	20.4	34.6	2,695.0
2002	2,719.5	0.5	0.2	2,720.2

Source: Tanzania Electric Supply Co. (TANESCO)

Note: kWh – kilowatt hour

1.5 Inflation Developments

Headline Inflation

The annual overall inflation has been declining since 1994. The downward trend was maintained during the period under review despite an upward pressure

from electricity and fuel prices. The overall inflation rate for the year ended June 2003 declined to 4.4 percent, from 4.5 percent recorded in the year ended June 2002. Similarly, the average overall inflation rate declined from 4.8 percent in 2001/02 to 4.4 percent during 2002/03.

Table 1.5: Developments in the Sub-groups of the NCPI

December 1994=100

Item	Weights	Annual Averages, Percentage Change on the Previous Year				
		1998/99	1999/00	2000/01	2001/02	2002/03
Food	71.2	11.2	7.9	6.1	5.6	3.3
Drinks & Tobacco	4.4	8.0	-1.4	5.1	2.3	4.0
Rents	3.9	7.0	4.7	5.5	2.2	2.9
Fuel, Power & Water	4.7	12.4	7.7	6.8	3.8	19.0
Clothing & Footwear	3.7	9.7	5.5	2.5	5.4	6.7
Furniture & Utensils	2.5	10.8	0.3	1.8	1.7	4.7
Household Operations	1.5	5.0	2.3	0.0	-0.8	4.0
Personal Care & Health	2.2	3.6	1.0	0.9	1.3	6.0
Recreation & Entertainment	1.2	8.2	4.7	2.4	1.6	2.3
Transportation	1.2	7.3	3.9	3.4	0.6	3.3
Education	1.5	2.8	2.5	-0.1	2.5	4.4
Miscel. Goods & Services	2.0	2.0	-1.7	2.9	2.3	3.6

Source: National Bureau of Statistics

Non-Food Inflation

With the exception of drinks, tobacco, and rent, most non-food items recorded relatively higher rates of price increases in 2002 compared with the levels recorded in the previous year. Specifically, fuel, power and water sub-group recorded highest rates of inflation on account of an upward review of

electricity tariffs effected in April 2002. The inflation rate for the sub-group averaged 19.0 percent in 2002/03 up from 3.8 percent recorded in the previous year. Higher rates of inflation recorded in other sub-groups were mainly associated with the depreciation of the shilling during the year that led to an increase of average prices of imported consumer items. During 2001/02, the shilling depreciated from an annual



average of TZS 930.6 per USD to TZS 1,000.3 per USD in 2002/3. Consequently, the annual non-food inflation rate increased significantly from 6.6 percent in the year ending June 2002 to 9.8 percent during January 2003. However, non-food inflation rate started to decline in April 2003, when the impact of the upward review of electricity tariffs was over. Subsequently, non-food inflation rate dropped sharply from 9.2 percent in March 2003 to 5.9 percent in April 2003 and declined further to 4.9 percent in the year ending June 2003. Similarly, the average non-food inflation rate for 2002/03 stood at 7.7 percent compared with an average of 2.6 percent for 2001/02.

Food Inflation

The annual food inflation declined consistently for most part of the period under review due to sufficient food supply. Food inflation declined from 3.8 percent in the year ending June 2002 to 2.6 percent in the year ending March 2003. However, after March 2003, food prices increased slightly following food shortages arising from poor food crop harvests due to inadequate rainfall experienced in most parts of the country.

A similar downward trend was observed in the annual average food inflation, which declined from 5.6 percent in 2001/02 to 3.3 percent in 2002/03.



CHAPTER 2 PUBLIC FINANCE

2.1 Government Budgetary Operations 2002/03

During 2002/03, significant achievements were attained in revenue collection, while expenditures levels were low due to slow adaptation to the new public procurement regulations and shortfall in disbursements of pledged external resources. As a

result of these developments, the overall budget deficit after grants, on cheques issued basis, narrowed to 0.6 percent of GDP compared with 4.1 percent of GDP, envisaged in the budget. The recurrent deficit was 2.2 percent of GDP almost in line with the planned level of 2.3 percent of GDP.

Box 2.0: The 2002/03 Budget Objectives

The main thrust of fiscal policy objectives for 2002/03 included: to collect domestic revenue equivalent to 12.3 percent of GDP; to allocate adequate resources to priority sectors; to increase productivity; to increase per capita income; to improve social and economic services; and to improve financial management systems, including management of foreign and domestic debt. Fiscal policy objectives also aimed at empowering individuals to participate in economic activities, providing support to the export sector through the Export Credit Guarantee Scheme (ECGS), specifically for non-traditional crops, and enhancing the level of foreign exchange reserves.

The overall targets for 2002/03 budget were as follows:

- To attain a GDP growth rate of 5.9 percent in the year 2002 and 6.3 percent in 2003.
- To control and maintain inflation at not more than 4.5 percent by end June 2003.
- To collect domestic revenue amounting to TZS 1,172.3 billion, equivalent to 12.3 percent of GDP based on the most recent national accounts.
- To continue with the restructuring and privatisation of the remaining parastatals,

particularly those providing economic services, in order to increase their productive efficiency and reduce the burden on the government budget.

- To continue providing priority resource allocations to sectors which are key to poverty reduction.
- To give priority to exports, particularly the non-traditional and processed agricultural exports.
- To maintain foreign exchange reserves at a level above 4 months of imports of goods and services.
- To encourage the development of, and access to, micro-finance to enable more Tanzanians undertake economic activities.
- To finalise and start implementation of the National Debt Strategy which incorporates the management of domestic and foreign debt.
- To continue to control public expenditure in line with the new Public Finance Act and the Public Procurement Act, so as to improve the efficiency in the utilisation of public resources, and
- To improve the welfare of government employees, so as to increase performance in the civil service.



2.1.1 Revenue Collection

During 2002/03, revenue collection reached TZS 1,217.5 billion or 12.8 percent of GDP and was 3.9

percent above the estimated level of TZS 1,172.3 billion. These results were mainly on account of good performance in both tax and non-tax revenue collections (**Table 2.1 and 2.2**).

Table 2.1 : Tanzania Mainland Central Government Operations

Item	Millions of TZS					
	1999/00 Actual	2000/01 Actual	2001/02 Actual	Budget Estimates	2002/03 Actual	Actual as % of Estimates
Total Revenue	777,644.7	929,624.0	1,042,954.0	1,172,296.9	1,217,517.0	103.9
Tax Revenue	685,107.4	827,788.4	939,266.0	1,066,899.0	1,105,746.0	103.6
Taxes on Imports	220,352.4	363,540.6	402,159.0	474,647.0	458,285.6	96.6
Sales/VAT and Excise on Local Goods	179,989.4	188,838.6	216,066.0	233,019.0	259,747.2	111.5
Income Taxes	209,713.6	194,012.9	220,631.0	240,920.1	276,049.7	114.6
Other taxes	75,052.0	81,396.3	100,410.0	118,312.9	111,663.5	94.4
Non- tax Revenue	92,537.3	101,835.6	103,688.0	105,397.9	111,771.1	106.0
Total Expenditure	1,168,778.8	1,305,035.3	1,466,138.0	2,106,289.8	1,896,854.1	90.1
Recurrent expenditure	808,865.4	1,018,782.1	1,121,527.0	1,386,162.7	1,423,665.5	102.7
Interest payments	128,178.4	128,149.7	120,389.0	131,601.1	99,780.0	75.8
Domestic	81,329.6	77,788.4	64,605.0	57,390.2	57,009.3	99.3
Foreign	46,848.8	50,361.3	55,784.0	74,210.9	42,770.7	57.6
Wages and salaries	285,335.8	308,051.5	341,982.0	411,490.0	397,770.0	96.7
Other goods, services and transfers	395,351.2	582,580.9	659,156.0	843,071.6	926,115.4	109.9
of which: Roads	37,511.2	56,185.0	61,278.0	67,275.9	62,874.3	93.5
Dev. Expenditure and net lending	359,913.4	286,253.2	344,611.0	720,127.1	473,188.6	65.7
Local	19,428.8	35,069.1	50,236.0	95,662.0	95,661.7	100.0
Foreign	340,484.6	251,184.1	294,375.0	624,465.1	377,526.9	60.5
Overall Deficit (cheques issued) before Grants	-391,134.1	-375,411.3	-423,184.0	-933,992.9	-679,337.0	72.7
Grants	280,306.7	286,306.0	379,848.0	542,298.2	622,302.1	114.8
of which: Project	207,519.4	123,629.8	140,191.0	283,903.7	255,516.2	90.0
Overall deficit (cheques issued) after grants	-110,827.4	-89,105.3	-43,335.0	-391,694.7	-57,035.0	14.6
Adjustments to cash and other items (net)	-2,444.2	-25,447.4	4,760.0	4,999.8	-78,467.6	
Adjusted deficit	-113,271.6	-114,552.7	-38,575.0	-386,694.9	-135,502.6	35.0
Overall deficit (cheques cleared)	-113,271.6	-114,552.7	-38,575.0	-386,694.9	-135,502.6	35.0
Financing	113,271.6	114,552.7	38,575.0	386,694.9	135,502.6	35.0
Foreign Financing (net)	105,417.2	90,354.2	121,841.0	348,440.9	172,016.5	49.4
Loans	187,786.2	172,880.4	187,355.0	451,362.7	273,341.8	60.6
Program loans	54,821.0	45,326.1	33,171.0	110,801.3	151,331.0	136.6
Development Project loans	132,965.2	127,554.3	154,184.0	340,561.4	122,010.8	35.8
Amortization	-82,369.0	-82,526.2	-65,514.0	-102,921.8	-101,325.3	98.4
Domestic (net)	7,854.4	-2,494.4	-24,159.0	20,254.0	-36,513.9	-180.3
Bank borrowing	7,690.6	-18,654.8	-59,181.0	21,254.0	-5,557.9	-26.1
Non-Bank (net of amortization)	163.8	16,160.4	36,574.0	9,000.0	-30,705.1	-341.2
Amortization of contingent debt			-1,552.0	-10,000.0	-250.9	2.5
Privatization Proceeds	0.0	26,692.9		18,000.0	0.0	0.0
Memorandum items:						
Domestic Amortization	-234,092.1	-256,372.9	-139,396.7		-139,396.7	
GDP at m.p - Actual (TZS Million)	6,850,022.0	7,726,808.5	8,482,200.0	9,493,500.0	9,493,500.0	

Source: Ministry of Finance and Bank of Tanzania



Table 2.2: Tanzania Mainland Central Government Operations

Percentage of GDP

Item	2002/03				
	1999/00 Actual	2000/01 Actual	2001/02 Actual	Budget Estimates	Actual
Total Revenue	11.35	12.03	12.30	12.35	12.82
Tax Revenue	10.00	10.71	11.07	11.24	11.65
Taxes on Imports	3.22	4.70	4.74	5.00	4.83
Sales/VAT and Excise on Local Goods	2.63	2.44	2.55	2.45	2.74
Income Taxes	3.06	2.51	2.60	2.54	2.91
Other taxes	1.10	1.05	1.18	1.25	1.18
Non- tax Revenue	1.35	1.32	1.22	1.11	1.18
Total Expenditure	17.06	16.89	17.28	22.19	19.98
Recurrent expenditure	11.81	13.19	13.22	14.60	15.00
Interest payments	1.87	1.66	1.42	1.39	1.05
Domestic	1.19	1.01	0.76	0.60	0.60
Foreign	0.68	0.65	0.66	0.78	0.45
Wages and salaries	4.17	3.99	4.03	4.33	4.19
Other goods, services and transfers	5.77	7.54	7.77	8.88	9.76
of which: Roads	0.55	0.73	0.72	0.71	0.66
Retention fund	0.34	0.33	0.32	0.53	0.51
Dev. Expenditure and net lending	5.25	3.70	4.06	7.59	4.98
Local	0.28	0.45	0.59	1.01	1.01
Foreign	4.97	3.25	3.47	6.58	3.98
Overall Deficit (cheques issued) before Grants	-5.71	-4.86	-4.99	-9.84	-7.16
Grants	4.09	3.71	4.48	5.71	6.56
of which: Project	3.03	1.60	1.65	2.99	2.69
MDF funds	1.06	0.39	0.00	0.00	0.00
Overall deficit (cheques issued) after grants	-1.62	-1.15	-0.51	-4.13	-0.60
Adjustments to cash and other items (net)	-0.04	-0.33	0.06	0.05	-0.83
Adjusted deficit	-1.65	-1.48	-0.45	-4.07	-1.43
Overall deficit (cheques cleared)	-1.65	-1.48	-0.45	-4.07	-1.43
Financing	1.65	1.48	0.45	4.07	1.43
Foreign Financing (net)	1.54	1.17	1.44	3.67	1.81
Loans	2.74	2.24	2.21	4.75	2.88
Program loans	0.80	0.59	0.39	1.17	1.59
Development Project loans	1.94	1.65	1.82	3.59	1.29
Amortization	-1.20	-1.07	-0.77	-1.08	-1.07
Domestic (net)	0.11	-0.03	-0.28	0.21	-0.38
Bank borrowing	0.11	-0.24	-0.70	0.22	-0.06
Non-Bank (net of amortization)	0.00	0.21	0.43	0.09	-0.32
Amortization of contingent debt	0.00	0.00	-0.02	-0.11	0.00
Privatization Proceeds	0.00	0.35	0.00	0.19	0.00
Change in arrears	0.00	0.00	-0.70	0.00	0.00
Memorandum item:					
Domestic Amortization	-3.42	-3.32	-1.64	0.00	-1.47

Source: Calculated from Table 2.1



Tax revenue at TZS 1,105.7 billion, was 11.6 percent of GDP and 3.6 percent above the targeted amount of TZS 1,066.9 billion. VAT collections on local goods and services reached TZS 174.5 billion being 15.7 percent above the estimated amount of TZS 150.8 billion for the year. VAT on imports other than petroleum reached TZS 184.3 billion or 10.4 percent above the planned amount of TZS 166.9 billion. The good performance is attributed to the strengthened tax administration measures adopted by the Tanzania Revenue Authority (TRA) including accelerating the pace of selective and planned control verification audits and monitoring of special relief granted to mining companies and non-governmental organisations.

Income tax collections, which reached TZS 276.0 billion, surpassed the target of TZS 240.9 billion, by 14.6 percent. Corporate taxes and income tax from other income collections were above estimates by 52.2 percent and 171.6 percent, respectively. The impressive performance was mainly due to adjustments on income tax rates whereby the minimum marginal tax rate was increased from 7.5 percent to 17.5 percent. The Large Taxpayers Unit, established in 2001, also continued to improve its operations hence enhancing compliance. Effective implementation of Tax Identification Number (TIN) registration has also brought in more taxpayers into the tax base.

Non-tax revenue reached TZS 111.8 billion or 1.2 percent of GDP and was 6.0 percent above the annual target of TZS 105.4 billion. The high level of revenue collection from this category was mainly on account of higher than projected dividends, which at TZS 17.2 billion were 43.0 percent above the estimated level of TZS 12.0 billion for the year.

2.1.2 Expenditure

Total expenditure² amounted to TZS 1,896.9 billion, being 90.1 percent of the budgeted expenditure for the year, or 20.0 percent of GDP (Table 2.1 and 2.2). Recurrent expenditure amounted to TZS 1,423.7 billion, being 15.0 percent of GDP or 2.7 percent above the projected level for the year. Spending on other goods, services and transfers amounted to TZS 926.1 billion, 9.9 percent above the projected amount for the year under review. Spending on other charges was

lower than programmed, reaching TZS 293.0 billion compared with the budgeted amount of TZS 308.8 billion, mainly due to slow adaptation to the new Public Procurement and Public Finance laws and regulations. However, the new procedures enhanced discipline in the procurement of goods and services. On the other hand, delay and lower than expected disbursements of foreign assistance for development projects also contributed to the lower levels of development spending that in the end negatively affected the attainment of planned total spending.

Development expenditure amounted to TZS 473.2 billion in 2002/03, which was 65.7 percent of the estimated amount of TZS 720.1 billion. Foreign assistance for development projects that was planned at TZS 624.5 billion, reached TZS 377.5 billion only, being 60.5 percent of the annual target. Notwithstanding the shortfall, foreign assistance exceeded that of the previous year by 28.2 percent. Local funding to projects was in line with the budget of TZS 95.7 billion.

2.1.3 Financing

During the period under review, overall deficit after grants was TZS 57.0 billion or 0.8 percent of GDP. The budget recorded a deficit of TZS 135.5 billion after considering expenditure float of TZS 79.4 billion. Net foreign financing, amounting to TZS 172.0 billion more than offset the deficit, thus enabling the Government to make a net repayment of TZS 36.5 billion.

Box 2.1: The 2003/04 Fiscal Policy, Objectives and Targets

The main thrust of the 2003/2004 Budget is to sustain macroeconomic stability, through the attainment of the following targets:

- A real GDP growth rate of 6.3 percent in 2003 and 6.6 percent in 2004;
- An inflation rate of 4.0 percent by end-June 2004 and thereafter to maintain inflation rate consistent with our major trading partners;

²Excluding amortisation



- Foreign exchange reserves at a level above 6 months of imports of goods and services;
- Control the expansion of broad money supply (M2) consistent with economic growth and inflation targets; and
- Increase the tax revenue to GDP ratio from 12.3 percent in 2002/2003 to 13.3 percent in 2003/2004.

In order to enhance domestic revenue collection efforts so as to gradually reduce budgetary dependence on foreign aid, the Government will take the following measures:

- Strengthen VAT administration, review its performance, and make some improvements in areas such as threshold and tax exemptions.
- Amend the tax system and administration so as to improve and put in place a conducive environment for paying taxes and to remove

impediments to tax compliance;

- Strengthen revenue collection by Ministries and Government departments, especially those under the retention scheme;
- Institute substantial changes in the taxation system of local governments;
- Amend various tax laws, including enacting a new income tax law that meets the present economic and business requirements;
- Introduce administrative reforms with a view to increasing productivity in revenue collection;
- Curb tax evasion using various strategies; and
- Ban exportation of raw Tanzanite outside the country. Henceforth, Tanzanite exports will be restricted to cut gemstones.

2.2 Revenue Estimates for 2003/04

The Government plans to collect TZS 1,393.0 billion or 13.3 percent of GDP during 2003/04, of which, TZS 1,256.3 billion and TZS 136.8 billion are tax and non-tax revenues, respectively (**Table 2.3 and 2.4**). However, based on the 2002/03, tax structure, the Government can only collect TZS 1,388.6 billion, or 13.2 percent of GDP. Therefore, the Government intends to take various measures to improve tax structure and administration including:

Customs tariff structure, Income tax structure, Value added tax structure, Excise tariff structure and Stamp duty structure. Other areas of improvement are, Levies and fees collected by Local Governments, Levies and fees collected by Ministries and Government Institutions, Control of petroleum taxes, Control of tax exemptions and amendment of various laws affecting revenue collection. The Government expects to collect additional TZS 4.4 billion as a result of adjustments to the tax base.



Table 2.3: Budget Frame for 2003/04

Millions of TZS

Item	1999/00	2000/01	2001/02	2002/03	2003/04
Recurrent Revenue	810,298.0	861,402.0	1,026,084.0	1,172,297.0	1,393,026.3
Tax Revenue	740,327.0	772,626.9	927,060.0	1,056,558.7	1,256,258.2
Non-Tax	69,971.0	88,775.1	99,024.0	115,738.3	136,768.1
Recurrent Expenditure	841,326.0	1,003,983.5	1,226,739.0	2,219,212.0	2,607,205.0
Recurrent Budget Deficit/Surplus	-31,028.0	-142,581.5	-200,655.0	-1,046,915.0	-1,214,178.7
Development Expenditure and net Lending	217,233.0	313,500.0	342,112.0	720,127.0	807,440.0
Overall Deficit (cheques issued) before Grants	-248,261.0	-456,081.5	-542,767.0	-1,767,042.0	-2,021,618.7
Grants	235,603.0	365,049.0	451,147.0	542,298.0	727,650.0
Overall Deficit (cheques issued) after Grants	-12,658.0	-91,032.5	-91,620.0	-1,224,744.0	-1,293,968.7
Adjustment to cash and other items (net)	-17,032.0	0.0	0.0	833,049.0	996,306.7
Overall Deficit (cheques cleared)	-29,690.0	-91,032.52	-91,620.0	-391,695.0	-297,662.0
Financing	29,690.0	91,032.5	91,620.0	391,695.0	297,662.0
Foreign Financing	64,340.0	76,032.5	110,395.0	348,441.0	287,261.0
Domestic	-36,650.0	0.0	23,825.0	20,254.0	-6,599.0
Bank	-24,000.0	0.0	34,310.0	9,000.0	21,358.0
Non-Bank Borrowing	0.0	0.0	0.0	21,254.0	0.0
Amortization of contingent debt	-12,650.0		-10,485.0	-10,000.0	-27,957.0
Privatization Proceeds	2,000.0	15,000.0	20,000.0	18,000.0	17,000.0
Change in arrears 1/			-62,600.0	5,000.0	0.0
Memorandum item:					
GDP at market prices (Millions of TZS)	6,884,940.0	7,596,181.0	8,482,200.0	9,493,500.0	10,490,318.0

1/ The figure for 2002/03 does not reflect increase in arrears; it represents recovery from the National Bank of Commerce bond

Source: Ministry of Finance and Bank of Tanzania



Table 2.4: Budget Frame for 2003/04

Percentage of GDP

Item	1999/00	2000/01	2001/02	2002/03	2003/04
Recurrent Revenue	11.8	11.3	12.1	12.4	13.3
Tax	10.8	10.2	10.9	11.1	11.9
Non-Tax	1.0	1.2	1.2	1.2	1.3
Recurrent Expenditure	12.22	13.22	14.46	23.4	24.9
Recurrent Budget Deficit/Surplus	-0.45	-1.88	-2.37	-11.0	-11.6
Development Expenditure and net Lending	3.2	4.1	4.0	7.6	7.7
Overall Deficit (cheques issued) before Grants	-3.6	-6.0	-6.4	-18.6	-19.3
Grants	3.4	4.8	5.3	5.7	6.9
Overall Deficit (cheques issued) after Grants	-0.2	-1.2	-1.1	-12.9	-12.3
Adjustment to cash and other items (net)	-0.3	0.0	0.0	8.8	9.5
Overall Deficit (cheques cleared)	-0.4	-1.2	-1.1	-4.1	-2.8
Financing	0.4	1.2	1.1	4.1	2.8
Foreign Financing	0.9	1.0	1.3	3.7	2.7
Domestic	-0.5	0.0	0.3	0.2	-0.1
Bank	-0.4	0.0	0.4	0.1	0.2
Non-Bank Borrowing	0.0	0.0	0.0	0.2	0.0
Amortization of contingent debt	-0.2	0.0	-0.1	-0.1	-0.3
Privatisation Proceeds	0.0	0.2	0.2	0.2	0.2
Change in arrears 1/	0.0	0.0	-0.7	0.1	0.0

1/ The figure for 2002/03 does not reflect increase in arrears; it represents recovery from NBC bond.

Source: Calculated from Table 2.3

Despite the above revenue improvement measures, the government budget will result into a deficit, before grants of TZS 1,214.2 billion. This deficit is expected to be covered through external donor support and domestic sources. Foreign concessional loans and grants including Highly Indebted Poor Countries (HIPC) debt relief are projected at TZS 1,175.8 billion. Furthermore, the Government plans to draw down its deposits by TZS 21.4 billion, and to sale some government shares held in public enterprises to raise TZS 17.0 billion.

2.3 Expenditure Estimates for 2003/04

The Government's total spending is expected to reach TZS 2,607.2 billion, being 17.5 percent above the 2002/2003's budget estimates of TZS 2,219.2 billion. Recurrent and development expenditure will amount to TZS 1,799.8 billion and TZS 807.4 billion, respectively.



CHAPTER 3

MONETARY AND FINANCIAL DEVELOPMENTS

3.1 Monetary Developments

The monetary policy of the Bank of Tanzania for 2002/03 continued to focus on maintaining low and stable level of inflation, while remaining supportive of the broader macroeconomic objectives of the Government.

3.1.1 Monetary Policy Objectives 2002/03

During 2002/03, monetary policy focused on attaining annual inflation rate of 4.5 percent at the end of June 2003. In order to achieve this rate of inflation, the Bank aimed at containing expansion of broad money supply (M2) within a band of 10.0 percent to 12.0 percent and extended broad money supply (M3) within a band of 11.0 percent to 13.0 percent. Other monetary policy objectives for the year ending June 2003 were to allow credit to the private sector to grow by at least 21.5 percent, and maintain official reserves of at least four months of imports of goods and services. At the same time, the Bank aimed at strengthening the financial sector through promoting the development of efficiently functioning and stable financial markets.

Box 3.1.1a: Bank of Tanzania's 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. Low inflation allows the economy to function more effectively, thereby contributing to better economic performance over time. However, inflation control is not an end in itself, but rather, the means by which monetary policy contributes to overall economic performance.

- ◆ Central Banks contain inflation by controlling money supply. The Bank of Tanzania targets broad money, M2, which is defined as the sum of currency in circulation

and total deposits held by commercial banks, excluding foreign currency and central government deposits, because it is the monetary aggregate, estimated to have closest relationship with the rate of inflation.

- ◆ To influence M2, the Central Bank normally controls the base money (reserve money, or central bank money), which is directly related to money supply.

Box 3.1.1b: Monetary Policy Instruments of the Bank of Tanzania

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). OMO takes place when the Central Bank sells or buys Government securities, e.g. Treasury bills, in order to influence the monetary base.
- Other indirect instruments include Foreign Exchange Market Operations (FEMO), the Discount rate, Statutory Minimum Reserves (SMR), and Moral suasion.

3.1.2 Monetary Policy Performance

The level of liquidity in the economy generally remained high throughout 2002/03, due to an increase in donor fund inflows and commercial banks operations, particularly the opening of new branches, improvement in banking services e.g. introduction of debit cards and Automatic Teller Machines (ATMs), and the introduction of new banknotes which also increased deposits. However, during the last two quarters of the year, liquidity was tight due to securitization of the dormant External Payments Arrears (EPA) special government stock held by the Bank of Tanzania aimed at complement the existing indirect instruments in sterilizing excess liquidity. Following this additional measure, M2 grew by 16.9



percent in the year ended June 2003 compared with 21.3 percent last year. However, M3 grew by 22.7 percent compared with 22.1 percent (**Chart 3.1.2**). Reserve money (M0) grew by 11.6 percent, down from 13.1 percent in the year ended June 2002.

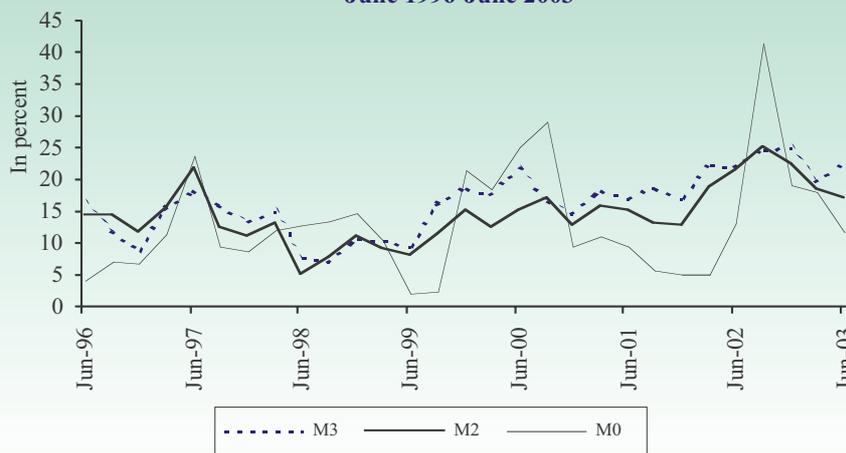
3.1.3 Reserve Money Developments

Reserve money, which is the operating variable of the Bank, grew by TZS 66.6 billion, from TZS 573.1 billion at end-June 2002 to TZS 639.7 billion at end-June 2003. Despite the increase, the outturn was below the end June 2003 target of TZS 692.7 billion by TZS 53.0 billion, due to unexpected change in money multiplier that required additional reduction of M0 in order to contain expansion of M2.

The growth in reserve money was caused by an upsurge in net foreign assets by TZS 478.5 billion to TZS 1,174.4 billion. This was largely

brought about by donor fund inflows and net purchase of foreign exchange in the inter-bank foreign exchange market (IFEM). However, the impact of net foreign assets on reserve money was partly dampened by a decline in net domestic assets, which occurred mainly due to securitisation of EPA Special government stock originally held by the Bank and an increase in Government deposits at the Bank (**Table 3.1.3**).

Chart 3.1.2: Money Supply Annual Growth Rates, June 1996-June 2003



Box 3.1.2: Monetary Policy Implementation by the Bank of Tanzania

- ◆ The Bank of Tanzania sets annual monetary policy targets at the beginning of every fiscal year.
- ◆ An annual Monetary Policy Statement, followed by semi annual reviews are submitted to the Minister for Finance, who tables them in the Parliament.
- ◆ The Monetary Policy Committee of the Bank of Tanzania Board of Directors closely monitors monetary policy implementation.
- ◆ The Bank of Tanzania’s management holds regular consultations on monetary policy implementation.



Table 3.1.3: Actual Sources and Uses of Reserve Money

Billions of TZS

Item	Jun-02	Jun-03	Absolute change	% Change
Reserve Money (M0)	573.1	639.7	66.6	11.6
Net Foreign Assets (NFA)	695.9	1,174.4	478.5	68.8
Foreign assets	1,384.4	2,025.4	641.0	46.3
Foreign Liabilities	688.5	851.0	162.5	23.6
Net Domestic Credit (NDC)	126.9	-45.5	-172.4	-135.9
Claims on Government net	126.9	-45.5	-172.4	-135.9
Government securities	295.7	202.9	-92.8	-31.4
Advances to Government	0.0	0.0	0.0	
Government Deposits	168.8	248.4	79.6	47.2
Advances to Banks	-	-		
Other Items Net (OIN)	-249.7	-489.3	-239.6	-95.9
Other assets	159.3	222.4	63.1	39.6
Revaluation account	-137.1	-154.9	-116.8	-306.6
Other liabilities	370.9	556.7	185.8	50.1
BoT Liquidity Paper	198.6	312.1	113.5	57.2
REPOs Account	44.9	10.0	-33.9	-75.5
Reserve Money (Uses Side)	573.1	639.7	66.6	11.6
Currency in circulation (CC)	466.5	522.6	56.1	12.0
Commercial Banks Reserves (BR)	106.6	117.1	10.5	0.1

Source: Bank of Tanzania

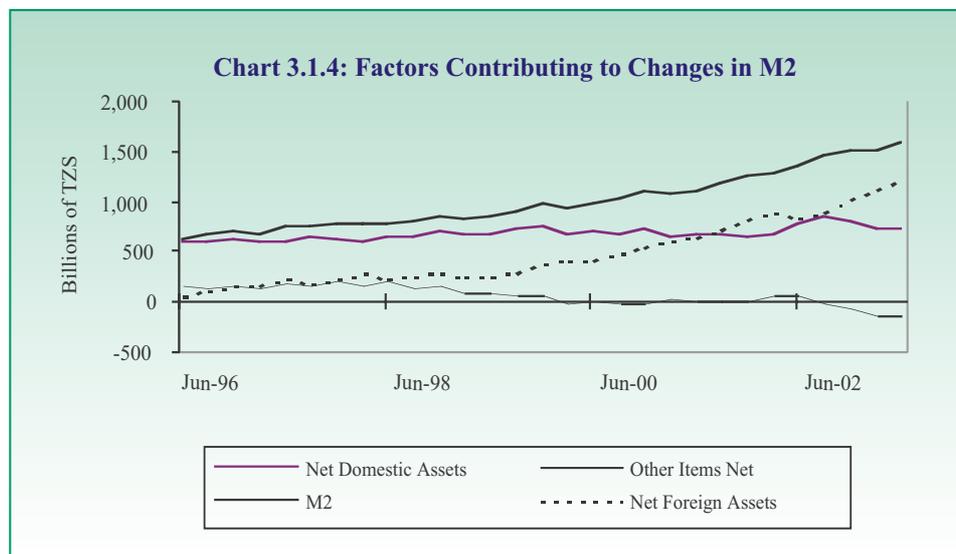
From the uses side, the growth in reserve money was reflected through an increase in currency in circulation outside the Bank by TZS 56.1 billion to TZS 522.6 billion and increase in commercial banks reserves at the Bank by TZS 10.6 billion to TZS 117.1 billion over the period under review.

with an increase of 32.1 percent in the year ended June 2002. The impact of NFA on M2 was dampened by a decline of TZS 39.8 billion in Net Domestic Assets (NDA) of the banking system. The decline in NDA was caused mainly by securitisation of EPA Special government stock and re-classification of items in commercial banks' balance sheets (**Chart 3.1.4**).

3.1.4 Broad Money Supply

Broad money (M2), grew by TZS 225.3 billion to TZS 1,558.8 billion during the year ended June 2003 (**Table 3.1.5**). This was mainly caused by a rise in net foreign assets (NFA) of the banking system associated with donor fund inflows and depreciation of the shilling.

Specifically, NFA of the banking system increased by TZS 394.9 billion or 47.6 percent, compared





On the liabilities side, the increase in M2 was reflected by an increase in currency outside the banking system, demand deposits and quasi money (savings and time deposits) by TZS 44.3 billion, TZS 121.3 billion and TZS 59.7 billion, respectively. The growth in currency in circulation was caused by utilization of donor funds, while the rise in deposits was mostly driven by banks' efforts to offer more flexible and diverse banking services, opening new branches coupled with the introduction of new banknotes that necessitated holders of large amounts of money to open accounts with banks.

3.1.5 Extended Broad Money Supply

Extended broad money supply (M3) rose by TZS 408.0 billion or 22.1 percent to TZS 2,205.9 billion, from TZS 1,797.9 billion recorded at end-June 2002. The increase in M3 was caused by a rise in foreign currency deposits (FCD) by TZS 182.7 billion to TZS 647.1 billion at end-June 2003. The increase in FCD was attributed to realization of privatisation proceeds of about TZS 20.0 billion, increase in corporate customers' deposits, and depreciation of the shilling. With these developments, FCD as a percentage of M3 increased to 29.3 percent at end-June 2003, up from 25.8 percent at end June 2002. Similarly, the proportion of FCD to total deposits rose to 37.4 percent in June 2003, from 33.9 percent in June 2002.

Table 3.1.5: Money Supply: Sources and Uses

Item	Millions of TZS			
	June-02	June-03	Absolute Change	% Change
Net Foreign Assets	1,293,645.0	1,871,286	577,641.0	44.7
Net Foreign Assets*	829,279.3	1,224,176.9	394,897.6	47.6
Net Domestic assets	750,101.5	710,282.7	-39,818.8	-5.3
Domestic credit	684,920.4	858,204.0	173,283.6	25.3
Claims on govt. (net)	202,879.0	199,679.4	-3,199.6	-1.6
Lending to private sector	482,041.4	658,524.6	176,483.2	36.6
Other items (net)	65,181.2	-147,921.3	-213,102.5	-326.9
Currency in circulation	429,383.9	473,703.5	44,319.6	10.3
Demand deposits	386,192.4	507,444.2	121,251.8	31.4
Narrow money (M1)	815,576.3	981,147.7	165,571.4	20.3
Savings deposits	299,345.8	330,917.5	31,571.7	10.5
Time deposits	218,602.1	246,719.6	28,117.5	12.9
Broad money (M2)	1,333,524.2	1,558,784.9	225,260.7	16.9
Foreign currency deposits	464,365.7	647,109.1	182,743.4	39.4
Extended broad money (M3)	1,797,889.9	2,205,894.0	408,004.1	22.7
Official reserves (USD Millions)	1,212.7	1,670.4	457.7	37.7
Months of imports	5.4	7.0		

Source: Bank of Tanzania

Note: *Applied in M2 definition

3.1.6 Credit Developments

Inter-bank Cash Market

During 2002/03, total value of inter-bank cash market transactions increased by TZS 1,103.5 billion or 54.9 percent to TZS 3,114.3 billion, from TZS 2,010.8 billion in the previous year, reflecting the high liquidity in the banking system. Overnight transactions accounted for 80.2 percent of total inter-

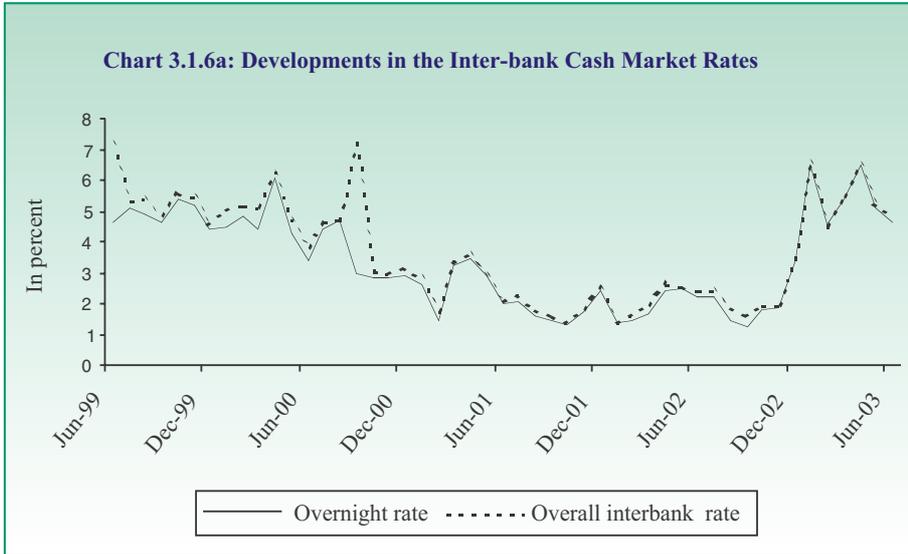
bank cash market transactions, compared with 83.7 percent in the previous year.

In line with inter-bank cash market developments, the interest rate rose from an average of 1.8 percent in 2001/02 to 3.7 percent in 2002/03. Similarly, the overall inter-bank cash market rate rose from an average of 2.0 to 3.8 percent in the same period. The upward trend in the inter-bank rates began in the By



second quarter of the year following increased volume in open market operations that were carried out by the Bank in order to mop up the excess liquidity from the economy (**Chart 3.1.6a.**).

at end-June 2003 stood at TZS 658.5 billion, an increase of TZS 176.5 billion or 36.6 percent surpassing the target of at least 21.5 percent increase for the year. As a result, the share of private sector credit to total domestic credit rose to 76.7 percent, from 70.4 percent in the year ended June 2002 (**Chart 3.1.6b**).



The sustained growth in private sector credit was attributed to improved business environment and decline in lending rates over the year. The depreciation of the shilling against the US dollar also had a positive impact on foreign currency denominated credit, which on average accounted for about 30.0 percent of non-government credit. Some foreign companies, which

Domestic Credit

Total domestic credit from the banking system at the end of June 2003 amounted to TZS 858.2 billion, up by TZS 173.3 billion. This represents an increase of 25.3 percent from end-June 2002 level. The increase in domestic credit was mainly due to an increase in commercial bank lending to the private sector. Specifically, outstanding credit to the private sector

initially used to borrow from abroad, are now borrowing from local banks.

In terms of the distribution of private sector credit by activities, Mining and Manufacturing activities accounted for 27.0 percent of banks lending in June 2003 compared with 28.0 percent at end June 2002.

The share of total private sector credit to Agricultural sector increased from 11.2 percent recorded at end-June 2002 to 12.1 percent at end June 2003. Credit extended to Building and construction and transportation activities accounted for 5.1 percent in June 2003, compared with 5.0 percent in June 2002, while the share of private credit to Transportation activity increased to 11.8 percent compared with 9.8 percent at end June 2002 (**Chart 3.1.6d**).

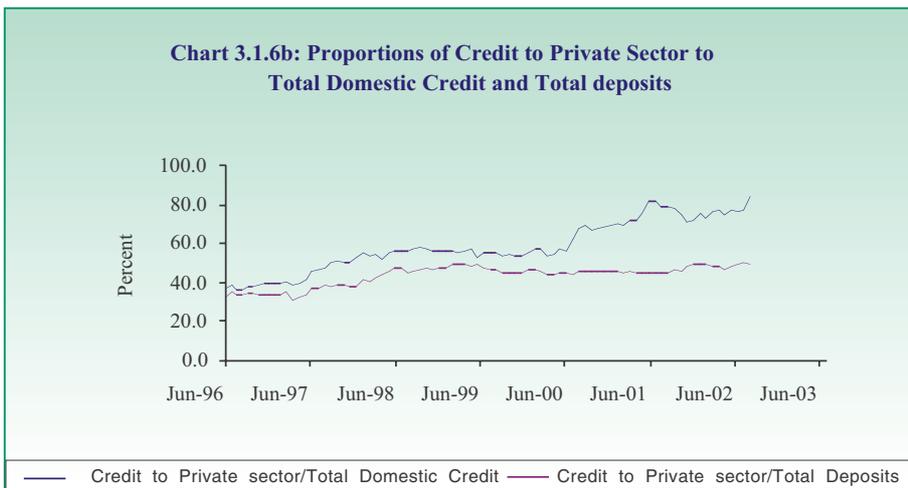
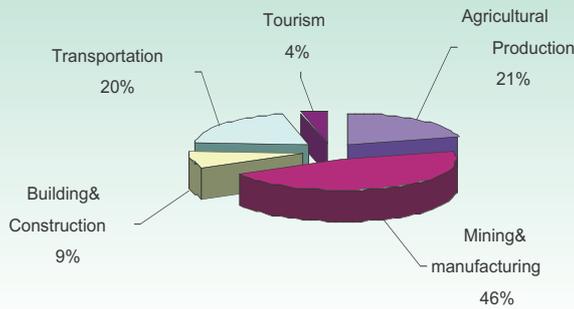




Chart 3.1.6c: Activity Distribution of Private Credit, June 2003

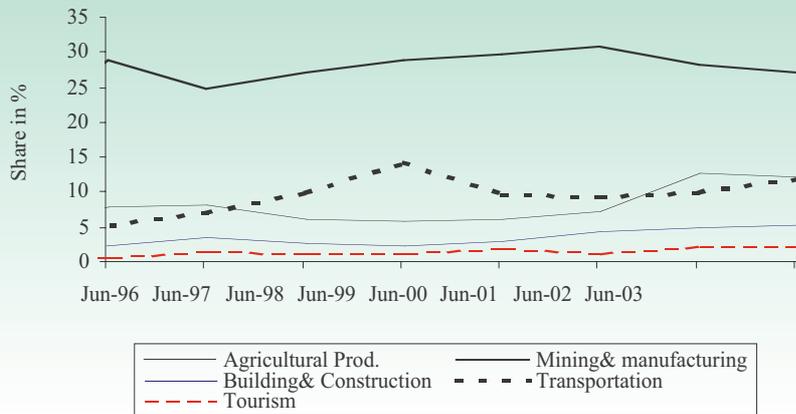


due to growth in government deposits by TZS 79.6 billion, following increased resources from the donor community and from revenue collections. On the other hand, commercial banks' credit to the Government rose by TZS 80.1 billion or 30.0 percent on account of securitization of the EPA Special government stock.

3.1.7 Developments in Non-Bank Financial Institutions

During the year ended June 2003, total assets of non-bank financial institutions increased by TZS 29.9 billion or 22.9 percent to TZS 160.7 billion. Credit to the private sector increased substantially by 66.0 percent from TZS 32.7 billion at end-June 2002 to TZS 54.4 billion at end-June 2003. The increased credit to the private sector is part of Government efforts to make the private sector an engine of growth. On the other hand, investment in government securities by non-bank financial institutions fell by 12.3 percent to TZS 21.8 billion at end-June 2003.

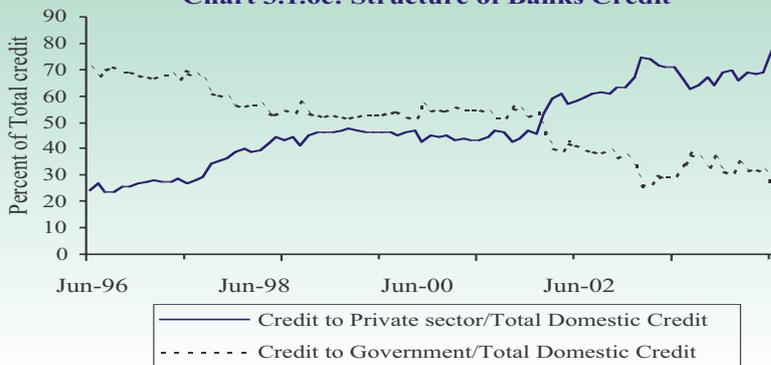
Chart 3.1.6d: Activity Distribution of Private Credit: Percentage of Total credit



contrast, net credit to the Government by the banking system dropped by 1.6 percent in the year ending June 2003, compared with a decline of 24.6 percent in the previous year. Net claims on government by the Bank dropped by TZS 82.5 billion compared with a decline of TZS 33.9 billion a year earlier. This is

Deposits mobilised by non-bank financial institutions increased by TZS 21.3 billion or 25.0 percent to TZS 105.8 billion at end-June 2003. Savings and time deposits rose by 11.4 percent and 32.7 percent, respectively, while time deposits increased by 38.6 percent.

Chart 3.1.6e: Structure of Banks Credit



3.2 Financial Market Developments

3.2.1 Treasury Bills

During 2002/03, the amount of Treasury bills offered for liquidity management and rolling over maturing obligations rose from TZS 656.6 billion in the previous year to TZS 1,038.3 billion, representing



an increase of TZS 381.7 billion or 58.1 percent. The increase in the amount offered was necessitated by the need to mop up excess liquidity in the economy. Demand for Treasury bills, as measured by the amount tendered, increased by 43.5 percent to TZS 2,290.1 billion in 2002/03, from TZS 1,596.4 billion tendered in the preceding year.

Sales of Treasury bills amounted to TZS 1,255.7 billion, compared with TZS 675.0 billion sold in the year ending June 2002. Deposit Money Banks (DMBs) increased their share of the market to 76.5

percent from 62.7 percent recorded in the preceding year. The share of Pension Fund Organizations (PFOs) declined from 23.2 percent to 15.7 percent partly due to the shift in investment preference from government securities to other investment avenues including real estate.

The market share of other participants (other banking institutions, insurance companies and individuals), recorded a decrease from 13.6 percent to 7.8 percent (Table 3.2.1 and Chart 3.2.1).

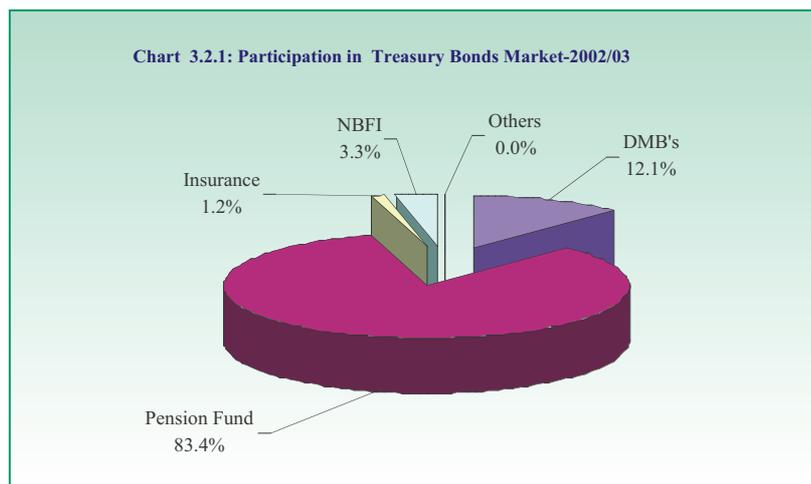
Table 3.2.1: Participation in Treasury Bonds Market - 2002/03

Millions of TZS

Instruments/ Participants	2-year Treasury Bond	5-year Treasury Bond	7-year Treasury Bond	10-year Treasury Bond	Total	Percentage
DMB's	10,064.5	0.0	3,000.0	4,050.0	17,114.5	12.1
Pension Fund	32,320.0	37,095.9	30,876.7	17,479.0	117,771.6	83.4
Insurance	1,046.9	680.6	0.0	0.0	1,727.5	1.2
NBFI	100.0	2,145.5	1,550.0	800.0	4,595.5	3.3
Others	0.0	15.0	0.0	30.0	45.0	0.0
Total	43,531.4	39,937.0	35,426.7	22,359.0	141,254.1	100.0

Note: DMB's - Deposit Money Banks, NBFI - Non Banking Financial Institutions

Source: Bank of Tanzania



government stock amounting to TZS 120.0 billion, which was initially transformed into Treasury bills and later converted into long-term bonds. Specifically, outstanding liquidity papers stood at TZS 322.7 billion or 54.5 percent of the total outstanding Treasury bills. This compares with TZS 203.7 billion recorded in the year ended June 2002. Outstanding financing papers amounted to TZS 269.8 billion at end June 2003 compared with TZS 172.7 billion recorded at end June 2002.

During the year ending June 2003, the outstanding stock of Treasury bills increased by TZS 216.1 billion or 57.4 percent, from TZS 376.4 billion in the year ending June 2002 to TZS 592.5 billion. The increase was largely due to securitization of the EPA Special

3.2.2 Repurchase Agreements Transactions

During the reporting period, repurchase agreements (REPOs) worth TZS 219.4 billion were sold compared with TZS 307.8 billion sold in the



previous year³, marking a decline of TZS 88.4 billion. The decline in REPOs was due to increased reliance on other open market instruments in liquidity management.

3.2.3 Treasury bonds market

During the year ended June 2003, 7-year and 10-year Treasury bonds were introduced in the market to complement existing open market instruments. Total amount of Treasury bonds offered by the Bank was TZS 216.0 billion while demand was TZS 254.1 billion. Sales amounted to TZS 148.7 billion⁴ following intervention in the market to remove price distortions.

Following the sale and redemption of Treasury bonds, the closing stock stood at TZS 209.3 billion at end June 2003 compared with the outstanding stock of TZS 124.7 billion recorded at end June 2002. Outstanding 2-year Treasury bonds stood at TZS 105.9 billion, representing a decrease of 6.2 percent from the closing stock of TZS 112.9 billion recorded at end-June 2002. The outstanding stocks for 5-year and 7-year bonds were TZS 45.1 billion, and TZS 22.9 billion, respectively, whereas, the outstanding amount for 10-year bonds was TZS 35.4 billion.

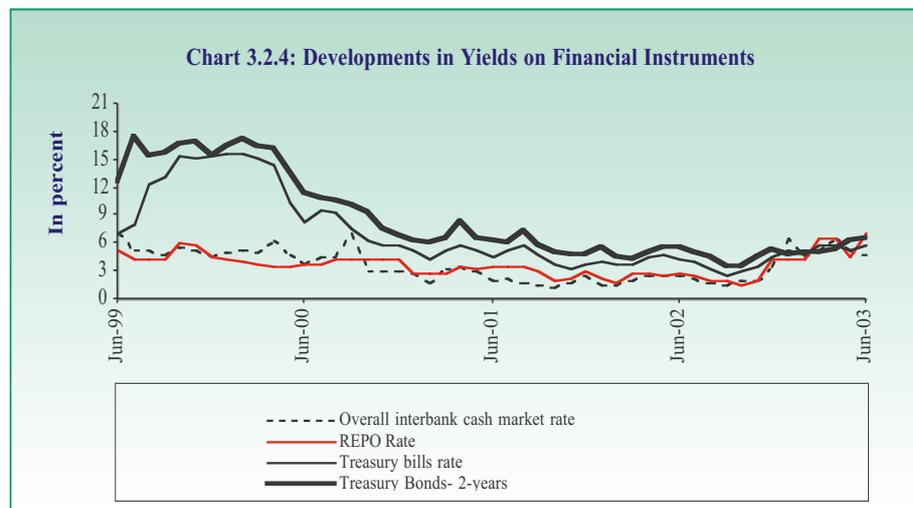
3.2.4 Yield Developments in the Primary Market

During 2002/03 yield developments in the primary markets reflected liquidity conditions in the economy. As monetary policy became tighter in the second half of 2002/03 an upward trend in yields was recorded (**Chart 3.2.4**). The weighted average yield (WAY) on 35-day Treasury bill rose from an average of 3.7 percent in June 2002 to 5.8 percent in June 2003 while the WAY on 91-day Treasury bill increased from 4.1 percent to 6.1 percent. At the same time, the WAY on 182-day

and 364-day bills edged upwards from 4.2 percent and 4.9 percent to 5.8 percent and 5.9 percent, respectively. Consequently, the overall WAY rose from 4.2 percent in June 2002 to 5.9 percent in June 2003. Given that the inflation rate was 4.4 percent at end June 2003, the overall WAY at the end of June 2003 was positive in real terms.

The weighted average yield-to-maturity on the 2-year and 5-year Treasury bonds rose from 5.6 percent and 6.2 percent in June 2002 to 6.7 percent and 7.6 percent, respectively. The yield to maturity on 7-year and 10-year Treasury bonds rose, from 6.6 percent and 7.8 percent in October 2002 when they were introduced, to 7.7 percent and 8.5 percent in June 2003, respectively.

Consistent with developments in interest rates on other financial instruments, the REPO rate rose from 2.5 percent in July 2002 to 4.4 percent in December 2002. As liquidity in the economy contracted in the second half of 2002/03, the Repo rate accelerated to 6.5 percent in March 2003, and went up further to 7.0 percent in June 2003.



During the review period, secondary market trading of government securities remained sluggish indicating, among other factors commercial banks preference to buy on their own account and holding to maturity.

³ Repos are conducted between the Bank and commercial banks for the purpose of fine tuning liquidity in the economy. The duration of Repos does not exceed 14 days.

⁴ Composition of amount sold were as follows: 2-year bond TZS 45.3 billion, 5-year bond TZS 45.1 billion, 7-year bond TZS 35.4 billion and 10-year TZS 22.9 billion.



3.2.5 Deposit and Lending Rates

Developments in weighted average interest rates for domestic currency denominated deposits indicate that the 12-month fixed deposit rate declined from 6.2 percent in June 2002 to 5.1 percent in June 2003, while savings deposit rate fell from 3.2 percent to 2.5 percent. Likewise, 3-month and 6-month fixed deposit rates declined from 3.4 percent in June 2002 to 2.8 percent in June 2003 and from 4.7 percent to 3.7 percent, respectively. With inflation rate of 4.4

percent, all deposit rates were negative in real terms except the 12-month time deposit rate.

Similarly, medium term lending rate (1-2 years) declined from 16.6 percent in June 2002 to 14.6 percent in June 2003, while long-term lending rate (3-5 years) declined from 17.2 percent to 10.9 percent. During the same period, term-loans (over 5 years) rate declined in 2001/02 from 18.4 percent to 15.2 percent. The overall lending rate fell from 16.4 percent to 14.1 percent during the same period (**Table 3.2.5**).



Table 3.2.5: Selected interest rates

Percentage per annum

Item	Jun-99	Jun-00	Jun-01	Jun-02	Jun-03
A: Domestic Currency					
1. Interbank Cash Market Rates					
Overnight	4.6	3.4	2.0	2.2	4.6
Overall interbank cash market rate	7.2	3.8	2.1	2.4	4.8
2. REPOs Rate					
	5.4	3.8	3.4	2.9	7.0
3. Treasury Bills Rate					
35 days				3.7	5.8
91 days	6.2	7.3	4.2	4.1	6.1
182 days	6.6	7.8	4.8	4.2	5.8
364 days	9.4	10.3	5.1	4.9	5.9
Treasury Bills Rate	7.0	8.4	4.6	4.2	5.9
4. Treasury Bonds:					
2-years	12.7	11.5	6.5	5.6	6.7
5-years				6.2	7.6
7-years					7.7
10-years				6.2	8.5
5. Discount Rate					
	12.2	13.1	9.8	9.4	10.6
6. Savings Deposit Rate					
	7.4	7.1	4.0	3.2	2.5
7. Time Deposit Rates					
1 month	6.6	5.6	5.0	4.1	3.9
3 months	7.6	7.6	4.7	3.4	2.8
6 months	8.3	9.1	5.7	4.7	3.7
12 months	9.7	10.1	6.7	6.2	5.1
8. Lending Rates					
	24.5	22.1	19.6	16.4	14.1
Short-term (up to 1year)	21.4	19.0	20.9	14.8	16.4
Medium-term (1-2 years)	20.4	19.7	17.5	16.6	14.6
Medium-term (2-3 years)	22.4	21.0	13.6	15.0	13.4
Long-term (3-5 years)	24.1	20.1	18.1	17.2	10.9
Term Loans (over 5 years)	34.1	30.6	27.7	18.4	15.2
B: Foreign Currency					
1. Deposit rates					
Savings Deposits	2.7	3.4	3.0	2.1	0.9
Time Deposits	3.1	3.5	2.8	1.6	1.2
1-months	3.0	3.2	2.1	1.1	0.9
3-months	3.1	3.5	2.2	1.3	0.9
6-months	3.5	3.4	3.6	1.5	1.7
12-months	3.1	3.9	4.5	1.6	1.2
2. Lending Rates					
	8.6	10.2	10.2	5.6	7.5
Short-term (up to 1year)	8.6	9.6	9.8	4.9	7.0
Medium-term (2-3 years)	11.5	12.5	11.1	5.1	8.7

Source: Bank of Tanzania (BOT)

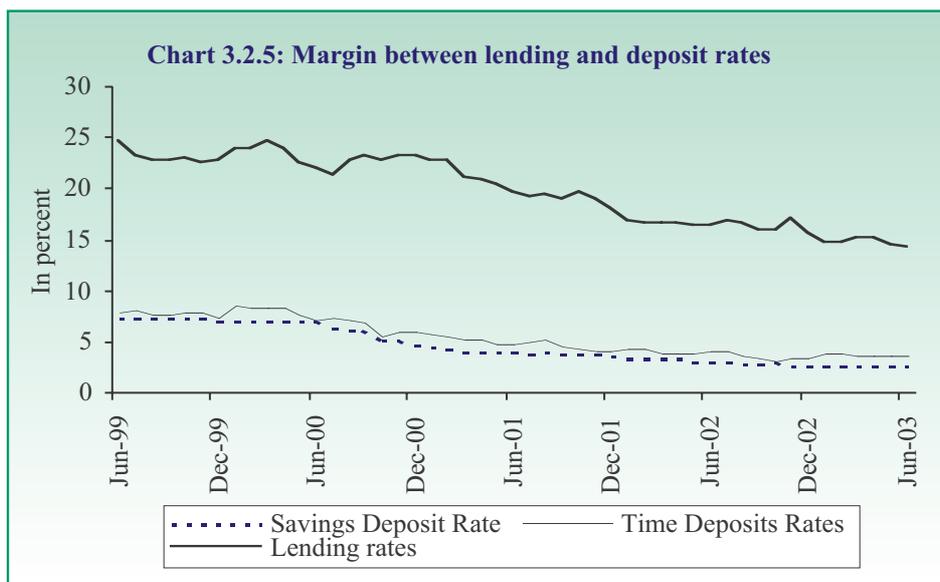


The decline in lending rates was faster than the decline in deposit rates thus narrowing the spread between overall time deposits and lending rates from 12.4 percent in June 2002 narrowed to 10.6 percent in June 2003 (**Chart 3.2.5**). The decline in lending rates is associated with improved business environment, including the establishment of the commercial court, ongoing sensitization on timely loan repayments and adaptation of negotiated lending rates.

During the reporting period, interest rates on foreign currency denominated deposits exhibited a declining trend, whereby the overall deposit rate fell from 1.5 percent in June 2002 to 1.1 percent in June 2003. Conversely, lending rates on foreign currency denominated loans rose across the board except for long-term loans of 3-5 years, which fell from 7.8 percent to 6.5 percent (**Table 3.2.5**). Subsequently, the overall foreign currency denominated lending rates rose from 5.6 percent in June 2002 to 7.5 percent in June 2003.

Commercial banks continued to dominate both the supply and demand sides of the market, by supplying USD 686.2 million (71.8%) of the total volume traded and purchasing USD 696.0 million (72.8%). The non-bank financial institutions supplied USD 70.5 million (7.4%) of the total volume traded and purchased USD 23.2 million (2.4%). During the year under review, the Bank of Tanzania intervened in the market by supplying USD 198.9 million (20.8%) of the total volume traded and purchasing USD 236.4 million or 24.7 percent.

The Bank's intervention in the market resulted into a net purchase of USD 37.5 million compared with a net purchase of USD 4.6 million in 2001/02. Non-bank financial institutions were net suppliers, with National Micro-finance Bank (NMB) and Tanzania Postal Bank (TPB) being the main suppliers. On net basis, commercial banks purchased USD 9.8 million, while the non-bank financial institutions supplied USD 47.3 million.



Bureau de Change Operations

Total volume of transactions conducted by the Bureaux de change in 2002/03 decreased by 8.6 percent to USD 445.0 million, from USD 487.0 million transacted a year ago. Sales declined from USD 239.2 million in 2001/02 to USD 217.8 million, while purchases declined from USD 247.8 million to USD 227.2 million.

3.2.6 Inter-bank Foreign Exchange Market

During 2002/03, total foreign exchange offered and traded in the Inter-Bank Foreign Exchange Market (IFEM) increased by 42.7 percent to USD 955.6 million from USD 669.7 million traded in 2001/2002. The growth in transactions was attributed to increase in demand for US dollars in the market.

Consistent with the developments in the IFEM, the buying rate depreciated by 7.6 percent to an average rate of TZS 992.6 per US dollar, while the selling rate depreciated by 7.9 percent to an average rate of TZS 1,011.1 per US dollar.



Table 3.2.6: Foreign Exchange Market Developments

Millions of USD

Item	2001/02	2002/03	% Change
IFEM:			
1. Amount offered	669.7	955.6	42.7
2. Amount sold	669.7	955.6	42.7
3. Exchange rate* (TZS/USD)	932.4	998.7	7.1
Bureau de Change:			
1. Sales	239.2	217.8	-8.9
2. Purchases	247.8	227.2	-8.3
Total Transactions			
	487.0	445.0	-8.6
3. Buying rate (TZS/USD)**	922.7	992.6	7.6
4. Selling rate (TZS/USD)**	937.4	1,011.1	7.9

Note: * Weighted average; ** Period average, Source: Bank of Tanzania

Exchange Rate Developments

The Tanzanian shilling depreciated by 7.1 percent from TZS 932.4 per US dollar recorded during 2001/02 to TZS 998.7 per US dollar in 2002/03. The depreciation of the shilling was partly due to high demand for US dollars in the IFEM.

3.2.7 Performance in the Dar es Salaam Stock Exchange

During 2002/03, the number of equity securities listed in the Dar es Salaam Stock Exchange (DSE) increased from four in 2001/02 to six. A total of

24,585,721 shares were traded compared to 18,309,213 shares traded in 2001/02. The market turnover increased by 31.4 percent, from TZS 15.3 billion in the year ending June 2002 to TZS 20.1 billion. Market capitalisation increased by 30.2 percent to TZS 721.7 billion at end-June 2003, from TZS 554.2 billion at end-June 2002 (Table 3.2.7). The increase in transactions is attributed to the listing of Tanga Cement Company Limited, DAHACO, East African Development Bank (EADB) and Government bonds. Other contributing factors included the anticipated higher returns and public awareness that led to increased public participation.

Table 3.2.7: Selected Market Performance Statistics

Item	2000/01	2001/02	2002/03
Turnover ('000' TZS)	7,903,303	15,291,885	20,118,056
Number of shares traded	13,245,496	18,309,213	20,118,056
Deals	839	1,404	2,462
Market capitalization (Billions of TZS)	201	554.2	721.71
Closing price (TZS)			
TBL	580	1,575	1,575
TOL	200	295	265
TATEPA	385	600	600
TCC	570	1,650	1,775
SIMBA	-	-	700
DAHACO	-	-	500

Source: Dar es Salaam Stock Exchange



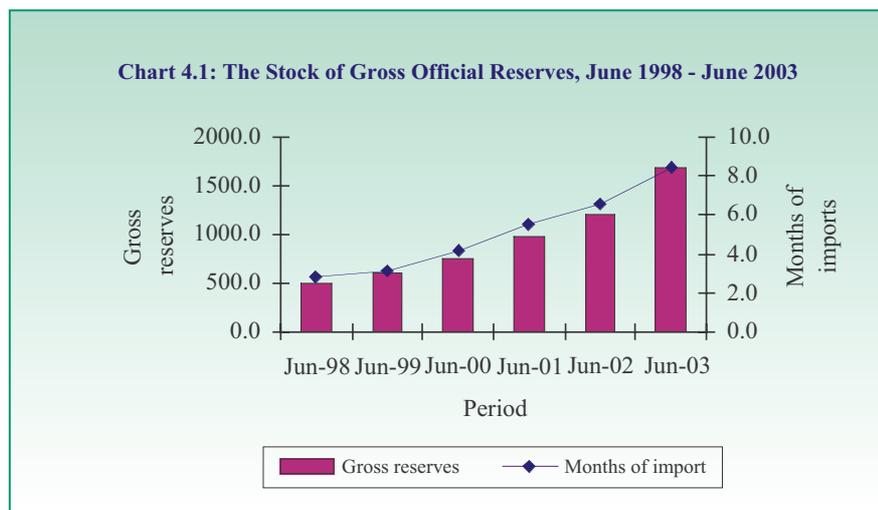
CHAPTER 4

BALANCE OF PAYMENTS DEVELOPMENTS

4.1 Overall Balance

During the year 2002/03, Tanzania's overall Balance of Payments (BOP) improved significantly from a surplus of USD 133.4 million to a surplus of USD 359.3 million, as a result of improvements in all the main accounts i.e. the current account and the capital and financial account.

Consistent with the improved performance, the stock of gross official reserves reached USD 1,670.4 million at the end of June 2003, representing an increase of USD 457.7 million compared with USD 1,212.7 million recorded at the end of June 2002. The reserves were sufficient to cover 8.3 months of imports of goods and services compared with 6.5 months of imports of goods and services at the end of the previous year (**Chart 4.1**).



4.2 Current Account

During the review period, the Current Account improved to a deficit of USD 234.5 million from USD 424.4 million recorded during the previous year. The improvement in the current account is due to good performance in the goods and current transfers sub-accounts. The deficit in the goods account decreased from USD 737.9 million to USD 647.2 million on account of a 23.8 percent increase in exports. Likewise, current transfers improved as a result of a surge in donor inflows following successful

implementation of macro-economic policy reforms. These developments improved the current account deficit to GDP ratio (excluding official current transfers) from 7.9 percent in 2001/02 to 6.7 percent in 2002/03. When official current transfers are included, the ratio of current account deficit to GDP improves from 4.5 percent in 2001/02 to 2.4 percent during 2002/03, implying that the economy is still dependent on foreign assistance.

4.3 Goods Exports

During 2002/03, total exports increased to USD 1,010.1 million from USD 816.1 million registered in 2001/02, following improvement in both traditional and non-traditional exports. Non-traditional exports increased by 26.5 percent from USD 621.6 million recorded in 2001/02 to USD 786.5 million. Exports

of minerals, manufactured goods, fish and fish products, horticultural and other exports recorded increases of 23.1 percent, 18.4 percent, 16.2 percent, 16.7 percent and 57.4 percent, respectively. Mineral exports that continue to dominate this category of exports, accounting for about 49.0 percent and reached USD 432.4 million. Gold accounted for about 88.5 percent of mineral exports following expansion of gold mining activities and higher gold prices realised in the world market. Two gold mining companies namely, Afrika

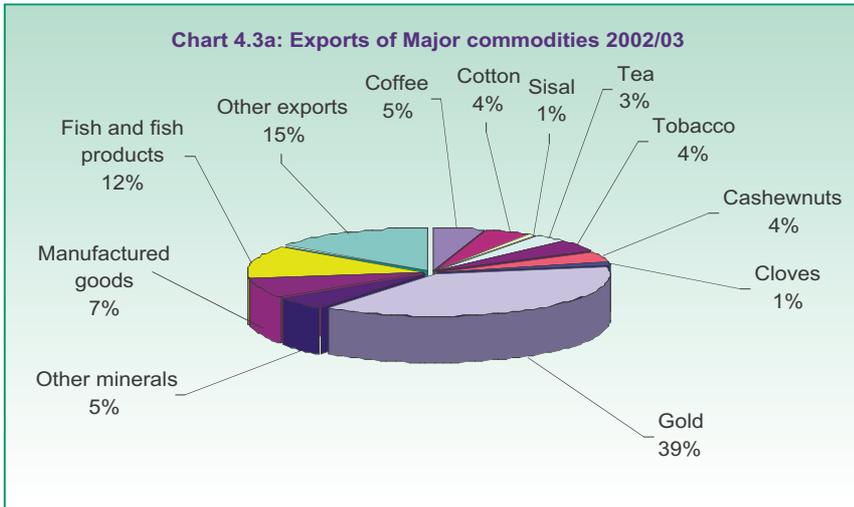
Mashariki Gold Mining Co. Ltd. and Buhemba Gold Mining Co. Ltd. started operations during 2002/03. The increase in the prices of gold in the world market was largely influenced by global uncertainties, as investors turned to gold as an alternative safe investment. There was an 18.4 percent increase in exports of manufactured goods to USD 75.9 million, from USD 64.1 million, reflecting improved performance in manufacturing activities.

Other exports rose due to increased exports of cereals to Zambia and Malawi both hit by drought in 2002/03.



It should be noted that exports of cereals accounted for about 30.0 percent of other exports in the review period.

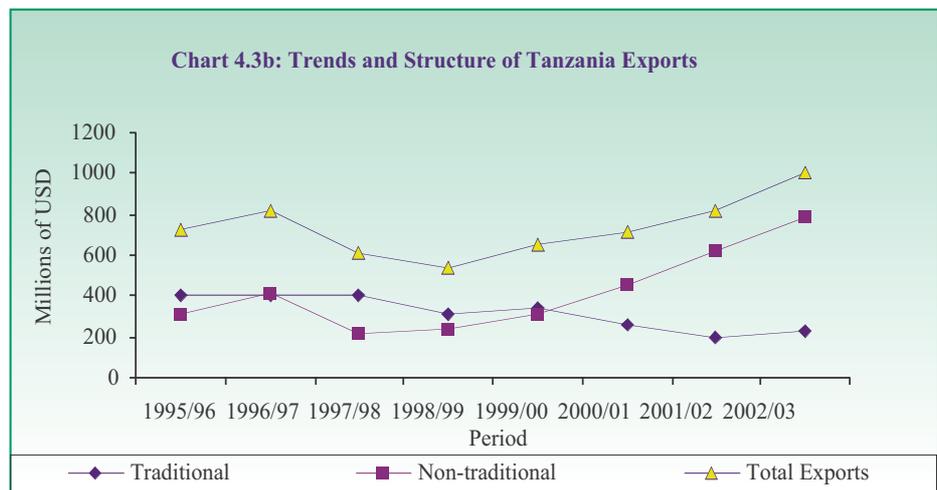
of agricultural inputs as well as overseeing the quality of produced crops.



The decline in producer prices is partly explained by the general slump of commodity prices in the world market. For example, coffee prices declined by about 60.0 percent from an average of USD 2.4 per kg in early 1990's to an average of USD 1.0 per kg in 2002. Likewise cotton (A-index) prices in the world market declined from USD 1.4 per kg to USD 1.0 per kg.

Similarly, during the period under review traditional exports increased by 15.1 percent to USD 223.6 million from USD 194.3 million recorded in 2001/2002. This increase was mainly associated with increased export volumes of coffee, cotton, tea, cashewnuts and cloves, following good weather conditions in 2001/02. However, the levels of exports remained low compared with a peak of USD 410.0 million recorded in 1996/97. The share of traditional exports to total exports declined from 51.6 percent recorded in 1996/97 to about 22.1 percent in the review period. The deterioration of traditional exports is attributed to low producer prices, which in turn led to deterioration in volume and quality of the exports. Producer prices declined consistently since 1990's, leading to low quality cash crops as farmers faced difficulties buying the necessary agricultural inputs, such as pesticides and fertilizers, essential for increasing the quality and quantity of exports. The low quality of cash crop exports was exacerbated by liberalization of the agricultural Marketing in 1990's, which left no particular agency responsible for distribution

In order to improve on both quality and quantity of traditional exports, the Government is taking measures, including intensifying provision of extension services to farmers. The European Union, through Stabilization of Exports (STABEX) arrangement, is funding Coffee Research and Technology Support Programme, focusing on the continued development of high-yielding and disease resistant coffee.



4.4 Goods Imports

During the period under review, the value of merchandise imports (f.o.b.) increased by 6.6 percent to USD 1,657.2 million, from USD 1,554.1 million recorded during 2001/02. Imports of capital, intermediate and consumer goods increased by 1.8 percent, 14.2 percent and 7.0 percent, respectively (**Chart 4.3c**).



It is noteworthy that despite the increase in imports of capital goods, importation of machinery declined by 10.7 percent to USD 315.3 million, from USD 353.2 million partly due to completion of initial construction work by the major mining companies. Imports of intermediate goods increased to USD 469.0 million, from USD 410.6 million recorded during the year ending June 2002, owing to an increase in oil, fertilizers and industrial raw materials imports. The increase in oil imports is partly explained by the rise in prices in the world market as well as an upsurge in import volumes particularly in April and May 2003, the period that was surrounded by uncertainty following the US led war in Iraq. Imports of industrial raw materials increased by 12.9 percent to USD 212.3 million, from USD 187.7 million, consistent with the growth in manufacturing. The increase in consumer goods imports is attributed to an increase in pharmaceutical products, plastics, textile articles, paper products and rubber.

Services payments increased because of a rise in communication, financial and other business services payments. While the increase in financial services payments was on account of sustained liberalization of the financial sector, the surge in communication payments from USD 16.8 million to USD 75.4 million was due to payments made for usage of satellite services, reflecting the expansion of telecommunications network in the country.

4.6 Income Account

During the year ending June 2003, the deficit in income account declined to USD 32.5 million, from USD 41.1 million. The improvement resulted from an 11.4 percent increase in income receipts coupled with a 1.1 percent decrease in income payments. The increase in income receipts emanated from increased Bank's short-term investments abroad. During the review period, the Bank accumulated reserves amounting to

USD 456.2 million compared with USD 231.5 million accumulated during 2001/02. Scheduled interest payments decreased by 11.7 percent to USD 73.4 million, largely on account of HIPC debt relief.

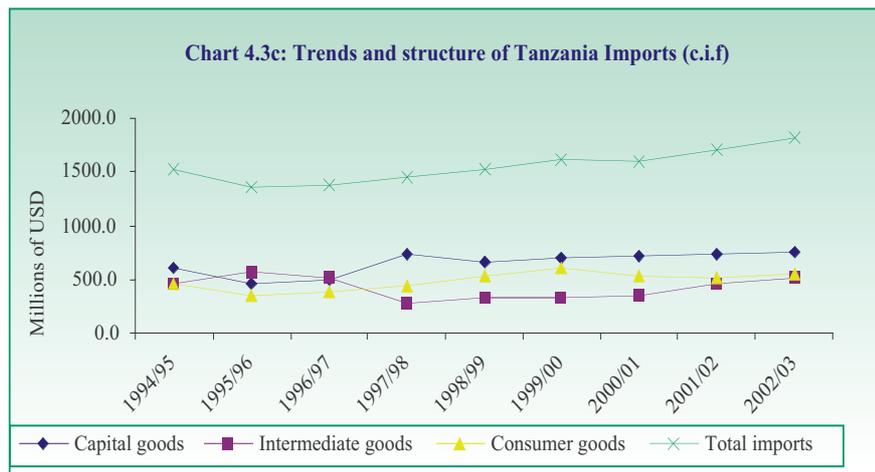
Current and Capital Transfers

Official current transfers (including multilateral HIPC debt relief) increased by 18.8 percent from USD 407.9 Million to USD 484.5 million recorded in 2002/

03. This development is attributed to increased donor inflows given the Government's unwavering commitment to implementing macro economic policy reforms. Similarly, official capital transfers increased by 9.6 percent from USD 294.3 million to USD 322.5 million.

Financial Account

During the year ending June 2003, the financial account improved significantly from a surplus of USD 186.8 million to USD 297.3 million. This improvement is a result of other investments that recorded a net inflow of USD 53.2 million, owing to an increase in non-resident deposits in the banking system and the decrease in the repayment of



4.5 Services Account

The deficit on the services account widened from USD 23.2 million in 2001/02 to USD 49.2 million. Services receipts increased by 7.9 percent from USD 654.9 million in 2001/02 to USD 706.4 million, while services payments went up by 11.5 percent from US 677.9 million in 2001/02 to USD 755.9 million. The increase in services receipts emanated from an increase in travel (tourism) and transportation services. Travel receipts rose by 8.0 percent to reach USD 450.4 million, as a result of improvement in tourism infrastructure especially hotels, transport and communication facilities and Government's deliberate efforts to promote Tanzania as a tourist destination.



scheduled government loans. The repayment of scheduled government loans decreased to USD 108.7 million, from USD 200.4 million scheduled in 2001/02. Foreign Direct Investment (FDI) in Tanzania declined by 14.0 percent from USD 283.8 million to USD 244.1 million estimated for 2002/03. The decline in FDI flows is partly explained by the completion of initial construction of major mining projects. It is worth noting that Foreign Direct Investment inflows in Tanzania increased significantly beginning 1998/99, following the liberalization of the mining sector in 1997.

4.7 World Commodity Prices (c.i.f.)

With the exception of sisal and cloves, the prices of other traditional commodities recovered during 2002/03. The prices of **coffee** both Arabica and Robusta went up by 5.3 percent and 36.8 percent to USD 1.4 per kg and USD 0.8 per kg, respectively largely due to the retention scheme introduced by the Association of Coffee Producing Countries (ACPC), improvement in quality of coffee in Vietnam (through restrictions of export of coffee beans that do not meet internationally recognized quality criteria) and the impact of bad weather in Brazil which resulted in decline in coffee supply. Similarly, the prices of **tea** (Average price) and (Mombasa Auction) increased by 2.0 percent and 3.4 percent to USD 1.51 per kg and USD 1.50 per kg, respectively, in 2002/03.

The recovery of the global economy and expansion of the textile and apparel industries in China contributed to the rise in prices of **cotton** “A Index” and “Memphis” by 30.4 percent and 13.0 percent to USD 1.20 per kg and USD 1.13 per kg, respectively during the year under review. Moreover, the sharp

increase in the price of synthetic fibres following surge in crude oil prices contributed to the decline in demand for synthetic fibres. Since cotton and synthetic fibres are close substitutes, the fall in demand for synthetic fibres resulted in an increase in demand for cotton, thereby exerting an upward pressure on cotton prices.

The price of **cloves** declined by 66.7 percent from USD 7,533.5 per metric ton to USD 2,509.7 per metric ton during 2002/03 largely due to policy decision taken by the Government of Indonesia in July 2002 to restrict cloves imports, including by subjecting Indonesian importers to import licensing. The measure was aimed at protecting domestic producers but it adversely affected the demand of cloves in the world market, as Indonesia is the major buyer and consumer of cloves. The price of **sisal** also declined by 2.0 percent to USD 656.3 per metric ton during the review period.

The prices of oil and gold also went up during 2002/03 compared to the prices recorded in the previous year. The prices of **crude oil** (UK Brent) and (Dubai f.o.b.) increased by 22.9 percent and 19.8 percent to USD 27.9 per barrel and USD 25.9 per barrel, respectively. Likewise, the price of **white petroleum products** rose by 25.0 percent to USD 251.9 per ton. The surge in prices of oil was mainly due to expected supply disruptions following the US led attack on Iraq and the strike by oil producing companies in Venezuela.

The price of **gold** rose by 15.5 percent to USD 333.9 per troy ounce, on account of uncertainties in returns on equity and the weakness of the US dollar against other major currencies.

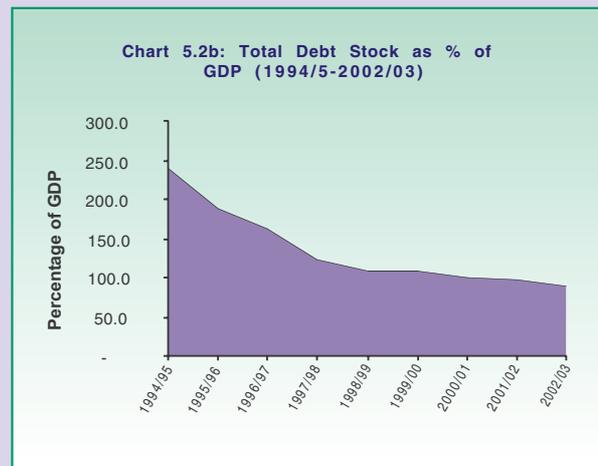
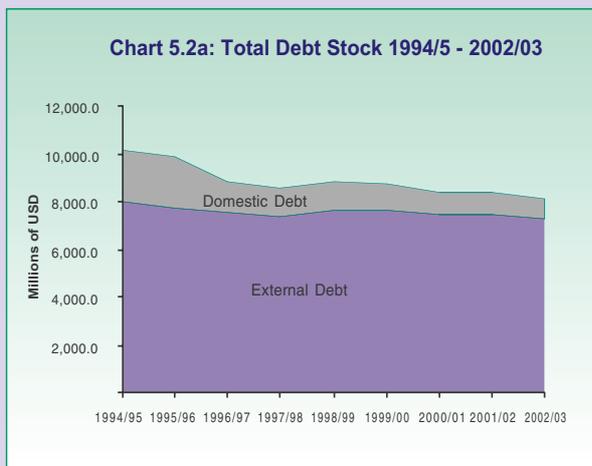


CHAPTER 5 DEBT DEVELOPMENTS

5.1 Overview

The country's indebtedness has been improving following implementation of prudent debt management policies and HIPC debt relief. During

2002/03, total national debt stock (external and domestic) decreased by 2.6 percent to USD 8,109.7 million compared with the amount recorded at the end of June 2002. Total debt stock as a percentage of GDP declined from 97.0 percent in 2001/02 to 89.2 percent.



Up to the end of June 2003, the Government had concluded bilateral agreements with Paris Club creditors, namely, United States of America, Canada, France, Netherlands, United Kingdom, Germany, Italy, Belgium, Spain, Russia and Norway. These agreements led to cancellation of debts worth USD 745.1 million under the Paris Club VII debt relief offered in the framework of the Highly Indebted Poor Countries (HIPC) Initiative.

Further, the Government continued to request non-Paris Club bilateral and commercial creditors to offer debt relief in comparable terms. In this regard, an escrow account has been established to service debts of those creditors that will offer debt relief. These efforts resulted into Kuwait and China offering debt relief.

As regards domestic debt, the Government introduced 7-year and 10-year bonds, which were listed at the Dar es Salaam Stock Exchange (DSE) during the year under review.

5.2 External Debt

Committed External Debt

Total external debt committed, as at end-June 2003 was USD 7,606.6 million, registering a decline of 5.3 percent compared with USD 8,032.8 million recorded at end-June 2002. Disbursed outstanding debt (DOD) also decreased by USD 226.0 million to USD 6,233.0 million. The decrease in both total debt committed and DOD was mainly due to bilateral debt cancellation under Paris Club VII arrangements.

External Debt Stock

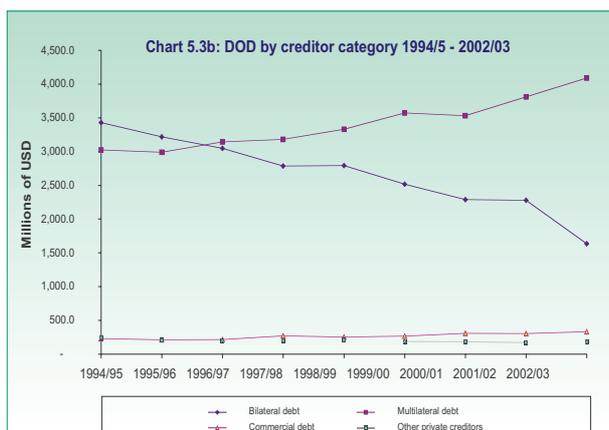
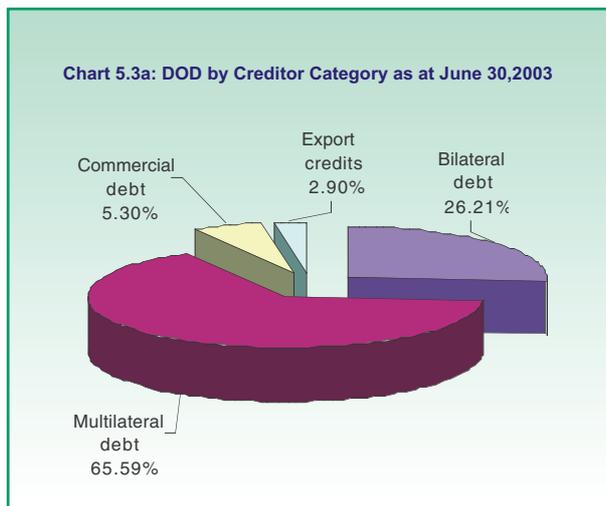
External debt stock as at end-June 2003, stood at USD 7,268.1 million, out of which interest arrears were USD 1,035.1 million. The debt stock declined by 2.6 percent from USD 7,464.0 million at end June 2002 mainly due to relief offered under Paris Club VII. Interest arrears increased significantly by 14.5 percent from USD 904.3 million recorded in June 2002 due accumulation of non-Paris Club bilateral debts arrears. The Government did not service debt to



this group of Creditors because they are yet to provide debt relief compatible with Paris Club terms. Similarly, commercial debts qualifying under specific debt reduction programs were not being serviced. During 2002/03, recorded disbursements amounted to USD 169.0 million.

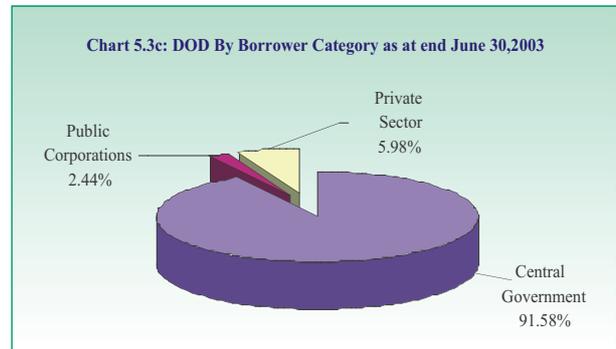
Profile of Disbursed Outstanding Debt

Classification of DOD by creditor category as at end June 2003 indicates that multilateral debt accounted for 65.6 percent and bilateral debt accounted for 26.2 percent. Multilateral debt has been increasing in recent years due to deliberate policy shift towards concessional loans, whereas, bilateral debt has been declining due to debt cancellations. Commercial debt and Export credits, accounted for only 5.3 percent and 2.9 percent, respectively (Chart 5.3a and 5.3b).

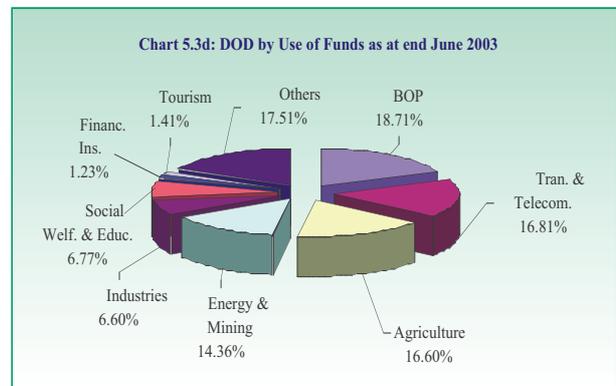


Analysis of DOD by borrower category shows that the share of central government debt remained high

at 91.6 percent, while that of public corporations and private sector was 2.4 percent and 6.0 percent, respectively (Chart 5.3c).



The profile of DOD by use of funds shows that, Balance of payments support accounted for 18.7 percent, Transport and telecommunication sector 16.8 percent, and Agriculture 16.6 percent. The share of Energy and mining was 14.4 percent and that of Industries 6.6 percent. Social welfare and education accounted for 6.8 percent while, Finance and insurance and Tourism accounted for 1.2 percent and 1.4 percent, respectively. The remaining 17.5 percent represented other activities (Chart 5.3d).



Contracted Debt

New loans contracted during the year under review amounted to USD 22.3 million, of which USD 12.9 million was contracted by the Government. The private sector contracted USD 9.4 million. While the new loans contracted by the Government originated from bilateral and multilateral sources, private sector loans were from various sources.



External Debt Service

Debt service payments amounted to USD 112.4 million, representing 30.5 percent of USD 369.0 million scheduled for payments. HIPC debt relief and accumulation of arrears on non-Paris Club bilateral and commercial debts contributed to low debt service payments.

Debt Reduction Initiatives

Debt Buyback Scheme

During 2002/03, debts worth USD 31.5 million (principal and interest) have been tendered for clearance at a price of 12 cents on a dollar of principal (USD 14.3 million), in the second (final) closing of the Scheme. Total debts to be cleared in the first and second closing will amount to USD 187.2 million, out of which USD 155.7 million debts were cleared in the first closing. The final closing of the Scheme, is scheduled for December 2003.

The HIPC Initiative

- **Multilateral Debt Relief**

During 2002/03, Tanzania received debt relief amounting to USD 72.4 million from multilateral institutions, out of which USD 43.5 million came

from IDA, USD 19.7 million from IMF and USD 8.0 million from African Development Bank Group (AfDB). The remaining USD 1.3 million was from IFAD (**Table 5.3a**). OPEC, under a different arrangement, offered debt relief through a concessional loan amounting to USD 14.0 million to service its existing debt. It is worth noting that from March 2000, when HIPC Decision Point was attained to end-June 2003, Tanzania received debt relief amounting to USD 220.1 million, from multilateral institutions.

- **Paris Club Bilateral Creditors**

Tanzania concluded bilateral agreements with eleven Paris Club Creditors under the Paris Club V11 arrangement leading to cancellation of debts worth USD 745.1 million. Japan and Brazil are yet to conclude bilateral agreements with Tanzania. The total amount cancelled represents 74.5 percent of the USD 1.0 billion (USD 737.0 million in Net Present Value terms) debt relief expected from the Paris Club members. United Kingdom, United States of America, Norway, Netherlands, Austria, and France have offered debt relief beyond terms applicable under the HIPC Initiative (**Table 5.3b**).

Table 5.3a: Multilateral Debt Relief 1999/00 – 2002/03

Item	Millions of USD				
	1999/00	2000/01	2001/02	2002/03	Total
IDA	5.97	39.19	40.89	43.5	129.6
IMF	6.33	17.55	23.36	19.7	66.9
AfDB		13.43	0.00	8.0	21.4
IFAD			0.97	1.2	2.2
TOTAL	12.30	70.17	65.22	72.4	220.1

Source: BoT and Ministry of Finance



Table 5.3b: Status of PC VII Implementation

Creditor	Amount cancelled in USD	Remarks
Austria	31,288,564.74	Beyond HIPC
Belgium	74,294,335.05	Up to 90 % cancellation
Canada	31,085,846.97	Up to 90 % cancellation
France	89,948,544.76	Beyond HIPC
Germany	56,166,832.07	Beyond HIPC
Italy	132,000,000.00	Beyond HIPC
Norway	11,055,498.09	Beyond HIPC
Netherlands	99,105,877.39	Beyond HIPC
United Kingdom	129,220,781.49	Beyond HIPC
United States of America	21,330,000.00	Beyond HIPC
Russia	69,569,474.03	Up to 90 % cancellation
Brazil	-	Not yet
Japan	-	Not yet
Total	745,065,754.59	

Source: Bank of Tanzania

- Non-Paris Club Bilateral and Commercial Creditors**

China has cancelled debts worth USD 37.7 million, while Kuwait has offered debt relief by rescheduling KWD 9.4 million (USD 31.3 million) debts at concessional terms to achieve 90 percent debt cancellation in NPV terms. India has announced that it will offer debt relief by cancelling all intergovernmental loans. The Government is continuing to request other creditors to offer similar debt relief. An escrow account has been established for purposes of servicing non-Paris Club bilateral debts.

5.3 Domestic Debt

Domestic Debt Stock

Domestic debt stock stood at TZS 881.5 billion as at end-June 2003, which represents an increase of 7.7 percent, compared with TZS 818.6 billion recorded at the end-June 2002. Out of the total domestic debt stock, government securities (Treasury bonds and Treasury bills) and other debt instruments including

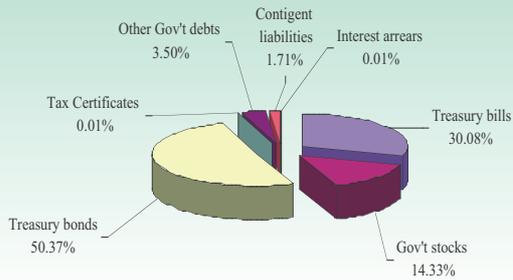
sales agreements and tax reserve certificates constituted 94.8 percent, while other debts (Privatized parastatal debts, contingent liabilities and others) constituted 5.2 percent (Chart 5.4a).

Government Securities

Government securities increased by 6.0 percent to TZS 835.5 billion at the end-June 2003. Government stocks declined significantly by 44.6 percent while Treasury bills and Treasury bonds increased by 53.5 percent and 14.6 percent, respectively. Securitisation of External Payment Arrears (EPA) stock partly accounted for the decline in government stocks and the proportionate increase in Treasury bills. Introduction of 7-year and 10-year bonds contributed to the increase in bonds position. Government stocks declined from TZS 227.8 billion recorded at end June 2002 to TZS 126.8 billion at end June 2003, while both Treasury bonds and Treasury bills increased from TZS 387.5 billion and TZS 172.7 billion to TZS 444.0 billion and TZS 265.1 billion, respectively. Meanwhile, other Government liabilities rose by 1.6 percent, from TZS 30.4 billion recorded at end 2001/02 to TZS 30.9 billion as at end of 2002/03.



Chart 5.4a: Domestic Debt by Instrument, as at end June 2003

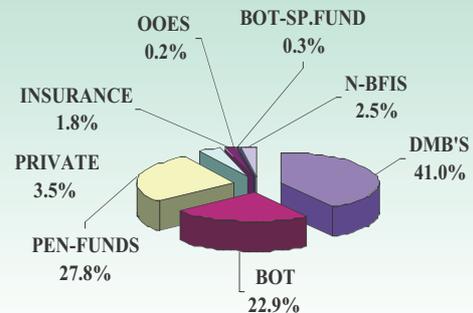


Domestic Debt by Creditor Category

Analysis of debt by creditor category during the year ended June 2003 indicates that, commercial banks were leading by holding TZS 361.3 billion or 41.0 percent, followed by Pension Funds with TZS 245.4 billion (27.8 percent) of the total domestic debt stock. The Bank of Tanzania held TZS 202.3 billion (23.2 percent) while non-bank financial institutions and other official entities held TZS 22.3 billion (2.5 percent) and TZS 1.5 billion (0.2 percent), respectively. Private sector accounted for 3.5 percent. It is noteworthy that the Bank of Tanzania reduced considerably its holding of government debt, moving from the leading position as at end of last year to third position in 2002/03 (**Chart 5.4b**). This shift in

position was a result of securitization of EPA stock worth TZS 120.0 billion.

Chart 5.4b: Domestic Debt by Creditor Category



Domestic Debt Service

Debt service during 2002/03 was TZS 670.3 billion compared with TZS 354.7 billion paid a year earlier, which is an increase of 89.0 percent. Out of the total debt service, TZS 57.8 billion was paid out of government revenues and TZS 612.6 billion was paid out of funds obtained from rolled over debts. TZS 57.8 billion or 8.6 percent represented interest payments and TZS 612.6 billion or 91.4 percent was principal repayments.



CHAPTER 6

ZANZIBAR ECONOMIC DEVELOPEMENTS

6.1 Overview

Performance of the Zanzibar economy during 2002 was satisfactory largely as a result of good performance in agriculture sector driven by bumper harvest of cloves. Consequently, the real GDP growth rate accelerated to 5.6 percent, that is 1.1 percentage points above the target of 4.5 percent. The level was also above 4.0 percent registered in 2001 by 1.6 percentage points. The per capita income increased by 19.1 percent from TZS 197,845.0 (USD 223.0) registered in 2001 to TZS 235,613.0 (USD 249.0) recorded in 2002.

During 2002/03, the overall budget deficit, before grants, declined to TZS 14.5 billion from TZS 4.9 billion recorded in 2001/02, due to increased revenue collection and adherence to tight fiscal and monetary policy stances by the Government of Zanzibar and the Bank of Tanzania, respectively.

The Zanzibar debt as at end of June 2003, increased by 16.4 percent from TZS 85.7 billion as at end June 2002 to TZS 99.8 billion (USD 95.5 million). The increase is mainly attributed to new domestic borrowing, accumulation of interest arrears and exchange rate.

The average annual headline inflation rate for the year ended December 2002 increased to 5.2 percent from 2.1 percent in 2001 resulting from an increase in food price and hiked crude oil prices in the world market due to the war on Iraq. The overall inflation rate for the year ended June 2003 increased to 6.3 percent from 2.7 percent recorded in year ended June 2002. Similarly, the average overall inflation rate increased from 4.9 percent in June 2001/02 to 6.9 percent during June 2002/03.

6.2 Economic Growth

The growth rate of the Zanzibar economy accelerated for the second consecutive year to 5.6 percent in 2002 compared with 3.2 percent and 4.0 percent in 2000 and 2001, respectively. With an estimated population growth rate of 3.1 percent, the real per capita income increased by 2.5 percent. The performance was largely on account of improved agricultural activities, which grew by 9.2 percent during the year, up from 6.6 percent recorded in 2001. Agriculture contributed 24.9 percent to overall GDP (**Table 6.2.1**). Wholesale and retail trade, restaurants and hotels, which accounted for 32.7 percent of GDP in 2002, registered a turn around from a negative growth of 12.5 percent in 2001 to 3.0 percent in 2002.

Table 6.2.1: Activity Distribution of GDP - 2002

Item	Percentage					
	Real GDP growth			Share in GDP		
	2000	2001	2002	2000	2001	2002
Agriculture	7.1	6.6	9.2	23.2	23.8	24.9
Mining and quarrying	-7.8	54.7	11.0	0.2	0.3	0.4
Manufacturing and Handcraft	4.7	6.4	6.2	14.5	14.9	14.6
Electricity and water supply	4.0	3.1	4.8	1.6	1.6	1.6
Construction	-34.4	173.5	9.0	2.8	8.2	8.4
Wholesale & retail trade, restaurants and hotel	2.6	-12.5	3.0	39.9	33.6	32.7
Transport and Communication	6.0	13.9	9.3	5.7	6.2	6.0
Finance and Insurance	-2.3	13.3	7.7	2.8	3.0	3.0
Public Administration and other services	1.5	1.5	1.5	9.4	9.2	8.7
Less: imputed bank Charges	-88.1	-78.3	761.5	-0.1	0.0	-0.2
GDP at Factor Cost	3.2	4.0	5.6	100.0	100.0	100.0

Source: Office of the Chief Government Statistician, Zanzibar



6.2.1 Review of Developments in Major Economic Activities

Agriculture

Agriculture registered a growth of 9.2 percent in 2002 compared with 6.6 percent recorded in

2001, due to an increase in production of cloves and seaweed. Clove procurement increased by 189.0 percent during 2002 from 2,061.9 tons to 5,959.8 tons, while seaweed procurement increased by 11.9 percent to 9,090.7 tons from 8,117.0 tons in 2001.

Table: 6.2.1a Traditional crops procurement

Item	Metric Tons				
	1998	1999	2000	2001	2002
Cloves	204.0	8,027.3	460.0	2,061.9	5,959.8
Copra	93.6	296.4	972.4	254.6	-
Chillies	0.3	0.2	0.0	0.0	0.0
Clove Stems Oil	19.9	10.0	242.1	323.5	187.3
Seaweeds	3,394.0	4,834.0	4,990.7	8,117.0	9,090.7

Source: Office of the Chief Government Statistician

Wholesale and Retail Trade, Restaurants and Hotels

Wholesale and retail trade, restaurants and hotels activities contributed the largest share of 32.7 percent of GDP in 2002 due to increased tourism activities. Tourists who visited Zanzibar increased from 78,000 in 2001 to 87,511 in 2002.

Manufacturing

Main manufacturing activities include grain milling, feed mills, and soap and detergent, bakery, soft drinks and clove stem oil extraction. During 2002, the growth rate of the manufacturing activities slowed down to 6.2 percent from 6.4 percent recorded in 2001. Similarly, the share of manufacturing to GDP dropped marginally from 14.9 percent in 2001 to 14.6 percent. Manufacturing activities continued to face constraints such as inadequate capital, raw materials and competition from imports.

Transport and Communication

During 2002, real growth in transport and communication activities decelerated to 9.3 percent from 13.9 percent registered in 2001. Similarly, the sector's contribution to GDP declined slightly to 6.0

percent from 6.2 percent, mainly as a result of a slow down in investments towards transport vessels, equipment and telecommunication facilities.

Construction

Construction activities registered a growth of 9.0 percent during 2002, while its share to GDP increased slightly from 8.2 percent registered in 2001 to 8.4 percent. The increase in construction activities was attributed to deliberate measures by the Government as well as development partners to allocate more resources to development projects.

6.3 Government Budgetary Operations

The thrust of fiscal policy during 2002/03 was focused towards poverty reduction, through enhancing allocations to development projects and social services. Also, the Government planned to increase tax collection by widening the tax base and controlling expenditure through the cash budget system.

During 2002/03, the Zanzibar Government budgetary operations on cheques issued basis recorded an overall deficit of TZS 14.5 billion before grants, compared with a deficit of TZS 4.9 billion in the previous year. However, after considering grants, the deficit decreased to TZS 5.9 billion compared with a deficit of TZS 7.2 billion in 2001/02.



Revenue Performance

During 2002/03, total revenue collection reached TZS 45.4 billion representing an increase of 7.0 percent compared with TZS 42.4 billion recorded in the previous year. The collection accounted for 68.3 percent of the target of TZS 58.8 billion largely on account of lower than expected performance in most tax categories (**Table 6.3a**).

Tax on imports reached TZS 17.6 billion, which is 68.2 percent of the targeted TZS 25.8 billion as a result of low import volumes shipped through Zanzibar port. VAT and excise duty (local) was TZS 9.8 billion, which is slightly below the target of TZS 10.0 billion. Similarly, collection on other taxes reached TZS 10.8 billion, being 70.4 percent of the planned TZS 15.3 billion. However, the target for income tax collection reached TZS 4.4 billion, surpassing the target of TZS

4.3 billion. Non-tax revenue amounted to TZS 2.8 billion, lower than the projected TZS 3.3 billion.

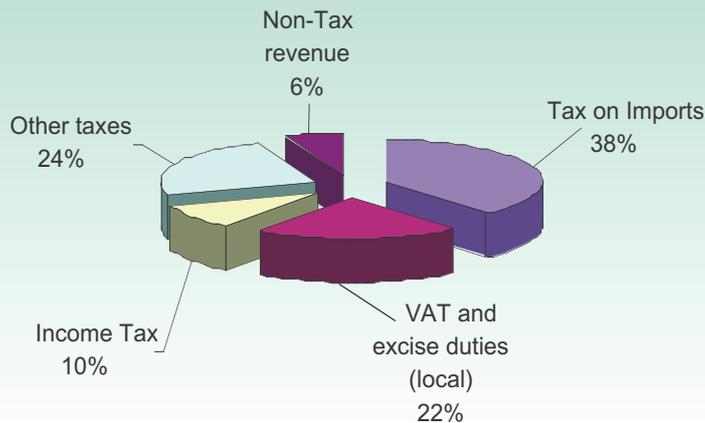
Expenditure

During 2002/03, government expenditure amounted to TZS 59.9 billion, accounting for 61.1 percent of the targeted TZS 98.1 billion. The lower than expected expenditure was caused by low revenue collection and adherence to the cash budget system.

Recurrent expenditure amounted to TZS 57.3 billion or 93.2 percent of the target. Wages and salaries remained the largest single item of recurrent expenditure accounting for 70.2 percent, while other expenditures accounted for 29.8 percent.

Development expenditure amounted to TZS 2.6 billion, representing only 4.3 percent of the total expenditure, but nonetheless double the amount spent on development in the previous year. The increase in development expenditure is associated with deliberate measures geared towards allocating more resources to development projects.

Chart 6.3: Revenue Collection by Source July 2002 - July 2003



Financing

During 2002/03, the overall deficit after grants was TZS 5.9 billion, which was financed from non-bank sources mainly treasury bills.



Table 6.3a: Zanzibar Central Government Operations

Millions of TZS

Item	2000/01	2001/02	2001/02	2002/03	2002/03	2002/03
	Actual	Budget	Actual	Budget	Actual	Actual as % Estimates
Total Revenue	38,669	67,215	42,396	58,847	45,389	77.1
Recurrent Revenue	38,669	67,215	42,396	58,847	45,389	77.1
Tax Revenue	37,462	56,869	39,870	55,493	42,595	76.8
Tax on Imports	20,609	31,297	17,604	25,811	17,641	68.3
VAT and excise duties (local)	5,543	8,815	8,919	9,977	9,781	98.0
Income Tax	2,889	3,258	3,763	4,392	4,394	100.1
Other taxes	8,421	13,499	9,585	15,313	10,779	70.4
Non-Tax revenue	1,207	10,347	2,526	3,354	2,793	83.3
Total Expenditure	43,291	92,256	47,354	98,113	59,920	61.1
Recurrent Expenditure	42,272	67,400	46,016	61,517	57,354	93.2
Wages and Salaries	22,571	29,867	31,494	36,540	40,302	110.3
Interest Payment	591	4,993	0	2,777	40	1.5
Local	591	0	0	0	40	
Other expenditure	19,110	32,540	14,522	22,199	17,012	76.6
Recurrent Deficit	-3,603	-185	-3,620	-2,670	-11,965	448.2
Development Expenditure	1,019	24,856	1,338	36,596	2,566	7.0
Overall Deficit before grants	-4,622	-25,041	-4,958	-39,266	-14,531	37.0
Grants (cash)	0	8,000	7,797	8,000	10,100	126.3
Overall Deficit after grants	-4,622	-17,041	2,839	-31,266	-4,431	14.2
Adjustment to cash and other items	2,599	7,815	10,060	339	1,502	443.2
Overall Deficit cheques Cleared	-7,221	-24,856	-7,221	-31,605	-5,933	18.8
Financing	7,221	24,856	7,221	31,605	5,933	18.8
Program loans and I/ Support (cash)	0	24,856	0	31,605	0	0.0
Domestic (net)	7,221		7,221		5,933	
Bank	7,221		7,221		0	
Non-Bank	0		0		5,933	
Amortization		0		0	1,373	

Source: Ministry of Finance - Zanzibar, Bank of Tanzania and Peoples Bank of Zanzibar

Note: GDP, TZS 231,991 Million



Box 6a: The 2003/04 Budget Objectives

The overall Government of Zanzibar macro-economic, revenue and expenditure objectives for 2003/2004 are as following: -

- To attain a GDP growth rate of 6.0 percent in 2003 followed by 6.3 percent growth in 2004 and 6.5 percent growth at the end of 2005.
- To reduce inflation rate from 5.2 percent in 2002 to 4.5 percent by 2003 and attain an inflation rate not more than 4.0 percent by end June 2006.
- To increase domestic revenue collection at least by 5.0 percent per annum.
- To increase foreign reserves at a level equivalent to four months of imports of goods and non-factor services.
- To increase productivity by putting in place conducive investment environment which will stimulate economic growth.

In order to achieve the above objectives the Government intends to pursue the following policies: -

- To implement the new investment policy launched in 2003.
- To implement reforms program as indicated in the Zanzibar Poverty Reduction Plan.
- To encourage people to participate in productive activities particularly production of food and cash crops and provision of services.
- To create conducive environment for greater participation of the private sector in economic activities.
- To maintain peace and political harmony in the country.
- To encourage investment in processing industries for agricultural products, fish and livestock products.
- To finalize preparation of the trade policy.

Box 6b: The 2003/04 Budget Estimates

Revenue

During 2003/04, the Government of Zanzibar intends to collect TZS 62.9 billion out of which TZS 57.8 billion is tax revenue and TZS 5.1 billion from non-tax sources. In order to achieve these targets the Government intends to undertake the following revenue measures:-

- To strengthen collection of Value Added Tax (VAT) from hotels and increase the rate from USD 40 per day to USD 120 per day “full board” for high class hotels.
- To review taxes and fees collected by Government ministries and institutions.
- To reduce and control tax exemptions and
- To increase airport tax from USD 20 to USD 25 per person effective September 2003.
- To improve collection of tax and fees effected by ministry and Government institutions.

Expenditure

During 2003/04 the Government intends to spend TZS 145,877 million being 48.3 percent above the level estimated in the previous year and is equivalent to 47.6 percent of GDP¹. TZS 95.8 billion or 64.3 percent of this amount is for recurrent and TZS 53.3 billion or 35.7 percent is for development. Compared to previous year estimates, recurrent expenditure increased by 55.8 percent while development expenditure increased by 45.6 percent.

During 2003/04 expenditure measures will include:

- Preparation of all Government salary vouchers at one centre. In this context, salaries and wages department of the Ministry of Finance and Economic Affairs will be responsible for the task in an endeavour to eliminate “ghost workers.”

¹ GDP 2003/2004 =TZS 306,475 million.



Financing

During the year under review, the Government expects to secure from external sources loans and grants amounting to TZS 77.5 billion. This amount includes TZS 14.5 billion

being a share of grants to be received from the Union Government. However, based on the envisaged expenditure of TZS 145.9 billion, there is a gap of TZS 5.5 billion expected to be bridged through non-bank borrowing mainly treasury bills.

Table 6.3b: Resources and Expenditure Pattern 2002/03 - 2003/04

Millions of TZS

Item	2002/03	2003/04	% Change 2003/04 - 2002/03	
A: REVENUE				
<i>Domestic Revenue</i>	58,847	62,889	42.2	6.9
Tax Revenue	55,493	57,808	38.8	4.2
Non-Tax Revenue	3,354	5,081	3.4	51.5
<i>External Loans and Grants</i>	39,265	77,453	34.0	97.3
Program Grants	31,604	14,500	9.7	-54.1
Loans and Grants	7,661	33,008	24.3	330.9
Domestic Borrowing (T-bills)		5,535		
<i>Unconfirmed Grants</i>	-	29,945	23.8	-
Total Resources	98,112	145,877	100.0	48.7
B: EXPENDITURE				
<i>Recurrent Expenditure</i>	61,768	92,604	64.3	49.9
Salaries and Wages	38,653	47,671	33.4	23.3
Public Debt	3,028	1,862	12.3	-38.5
Other Charges	20,087	43,072	18.6	114.4
<i>Development Expenditure</i>	36,596	53,273	35.7	45.6
Government Contribution	4,992	6,040	4.1	21.0
External Loans and Grants	31,604	47,233	24.3	49.5
Unconfirmed Grants	-	10,985	7.4	
Total Expenditure	98,364	145,877	100.0	48.3
C: GDP	251,209	306,475	-	22.0
Revenue to GDP Ratio	23.4	20.5		-12.4

Source: Zanzibar Ministry of Finance & Economic Affairs



Table 6.3c: 2003/2004 Budget Frame Estimates

Millions of TZS

Item	2000/01 Budget Estimates	2001/02 Budget Estimates	2002/03 Budget Estimates	2003/04 Budget Estimates	2003/04 Budget as % of GDP
Recurrent Revenue	55,610	67,400	58,847	62,887	25.0
Tax Revenue	53,131	56,869	55,493	57,807	23.0
Non-Tax revenue	2,479	10,347	3,354	5,080	2.0
Recurrent Expenditure	53,671	67,400	61,768	92,604	36.9
Recurrent Deficit	1,939	0	-2,921	-29,717	-11.8
Development Expenditure	21,985	24,856	36,596	53,273	21.2
Overall Deficit before grants	-20,047	-24,856	-39,517	-82,990	-33.0
Grants (cash)	0	8,000	8,000	59,811	23.8
Overall Deficit after grants	-1,370	-16,856	-23,605	-23,179	-9.2
Adjustment to cash and other items	-15,152	-41,711	-55,210	-2	0.0
Overall Deficit cheques issued	-20,047	-24,856	-31,605	-23,177	-9.2
Financing	20,047	24,856	31,605	23,177	9.2
Program loans and I/ Support (cash)	20,047	24,856	31,605	20,881	8.3
Domestic (net)				5,535	
Bank					
Non-Bank				5,535	
Amortization	0	0	0	-3,239	-1.4

Source: Ministry of Finance - Zanzibar, Bank of Tanzania and Peoples Bank of Zanzibar
GDP 2003/2004 = TZS 251,209 Million

6.4 Zanzibar Debt Developments

Zanzibar's total debt as at end of June 2003, stood at TZS 99.8 billion or USD 95.5 million. The debt position represents an increase of 16.4 percent from TZS 85.7 billion recorded during the year ending June 2002. The increase was mainly attributed to new domestic borrowings, accumulation of interest arrears and depreciation of the Tanzanian shilling. The debt profile shows that domestic debt represents 41.9 percent of the total debt, while external debt accounts for 58.1 percent.

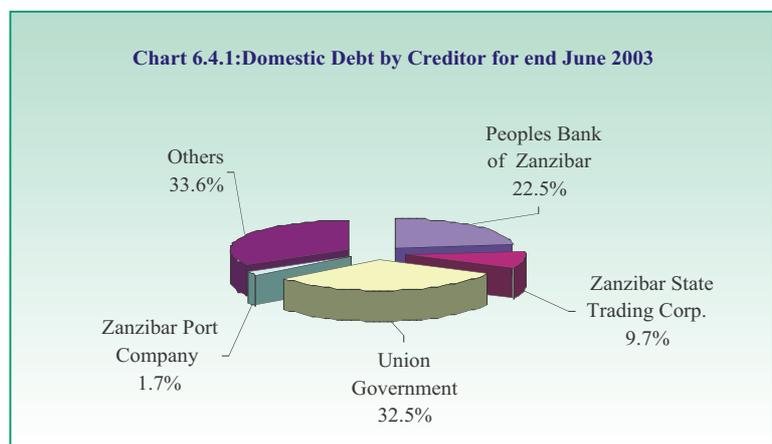
ment amounted to TZS 13.6 billion, accounting for 32.5 percent of total domestic debt. The People's Bank of Zanzibar claims to the Government amounted to TZS 9.4 billion, representing 22.5 percent of total domestic debt. Zanzibar State Trading Corporation and Zanzibar Port Authority claims amounted to TZS 4.1 billion and TZS 0.7 billion, representing 9.7 percent and 1.7 percent of total debt, respectively. Claims by other creditors amounted to TZS 14.0 billion, being 33.6 percent of the total domestic debt (Chart 6.4.1).

6.4.1 Domestic Debt

During the year ending June 2003, domestic debt increased by 37.4 percent to TZS 41.8 billion from TZS 30.4 billion at end June 2002. The increase in domestic debt was largely attributed to new borrowings and accumulation of interest arrears on outstanding loans.

Domestic Debt - By Creditor

As at the end of June 2003, the Zanzibar Government indebtedness to the Union Govern-





Domestic Debt by Maturity

During the year ending June 2003, the profile of domestic debt by maturity shows that debt maturing less than a year amounted to TZS 5.3 billion. This represented 12.8 percent of the total domestic debt. Debt maturing between 1-2 years stood at TZS 4.1 billion, accounting for 9.7 percent of total domestic debt. Debt maturing between 2-5 years amounted to TZS 9.4 billion, being 22.5 percent of the total domestic debt. Other debts including pensioners' claims amounted to TZS 23.3 billion, representing 55.0 percent.

6.4.2 External Debt

Zanzibar external debt as at end June 2003 stood at USD 55.5 million or TZS 58.0 billion, representing a decrease of 4.9 percent compared to debt recorded at the end of June 2002. The apparent decline in external debt is attributed to reconciliation of debt data between the Ministry of Finance Zanzibar and the Bank of Tanzania.

External Debt by Creditor Category

Analysis of the external debt by creditor category reveals that multilateral debts amounted to USD 40.6 million (TZS 42.4 billion) or 73.2 percent of the debt. Bilateral debt was USD 7.4 million (TZS 7.6 billion) representing 13.2 percent of the total external debt. Commercial debts amounted to USD 0.3 million (TZS 0.36 billion) accounting for 0.6 percent of the total external debt. Other creditors claims stood at USD 7.2 million (TZS 7.5 billion), representing 12.9 percent of the total external debt.

External Debt by Maturity

The profile of External debt by maturity reveals that as at end June 2003, debt with maturity between 5-10 years amounted to USD 6.7 million accounting for 12.1 percent of the total debt. Debts with maturity between 10-20 years amounted to USD 5.1 million or 9.2 percent of the total debt. Debt with maturity above 20 years was USD 31.4 million, while other debts amounted to USD 12.3 million, representing 56.5 percent and 22.2 percent, respectively.

External debt by Use of Funds

Analysis of external debt by use of funds reveals that debt amounting to USD 21.0 million or 37.9 percent was directed to the Energy Sector. Industries, such as Agriculture, Transport and telecommunication absorbed 15.6 percent, 10.7 percent and 8.8 percent respectively. Social Welfare and Education received 6.1 percent. Finance and Insurance absorbed 0.6 percent while the remaining 20.3 percent was utilized in other sectors.

Chart 6.4.2b: External Debt by Use of Funds, as at end June 2003

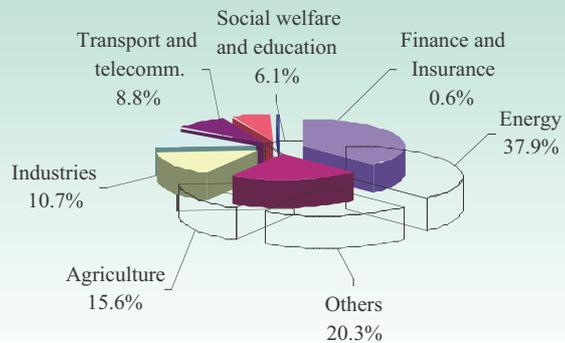
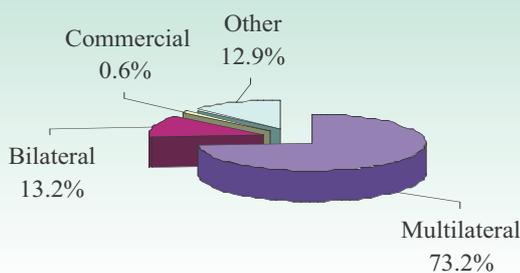


Chart 6.4.2a: External Debt by Creditor Type for the Year ending June 2003



6.5 External Sector Developments

Trade Balance

During 2002/03, the trade account (goods and services) deteriorated by 18.8 percent, recording a deficit of USD 26.0 million, from a deficit of USD 21.9 million recorded during 2001/02 (Table 6.5a). The poor performance in the trade account was caused by a fall in exports as imports declined slightly.



Table 6.5a: Trade Account (Goods and services)

Item	July - June		% Change
	2001/02	2002/03	
Exports	53.73	49.18	-8.48
Goods	15.99	16.21	1.36
Services	37.74	32.97	-12.65
Imports	75.62	75.17	-0.59
Goods (fob)	52.04	57.41	10.32
Services	23.58	17.76	-24.67
Trade Balance	-21.88	-25.99	-18.78

Source: TRA, Customs and the BoT.

Goods Account

During the period under review, the goods account declined by 14.3 percent to a deficit of USD 41.2 million from USD 36.0 million re-

corded during 2001/02. The deterioration was caused by an increase in imports by USD 5.4 million, which outweighed an increase of USD 0.2 million in exports (Table 6.5b).

Table 6.5b: Goods Account

Item	July-June		% Change
	2001/02	2002/03	
Exports	15.99	16.21	1.4
Imports (fob)	52.04	57.41	10.3
Trade Balance	-36.04	-41.20	-14.3

Source: Tanzania Revenue Authority

Exports

Total exports increased by 1.4 percent from USD 16.0 million recorded during 2001/02 to USD 16.2 million in 2002/03. This was attributed to an increase in non-traditional exports, which rose from USD 1.5 million in 2001/02 to USD 2.6 million. Traditional exports decreased from USD 14.5 million in 2001/02 to USD 13.6 million. The decrease in traditional exports was associated with decline in prices of both cloves and seaweed.

Clove prices registered a notable decrease of 44.3 percent from USD 5,244.2 per ton in 2001/02 to USD

2,922.7 per ton during the year under review. Similarly, the price of seaweed decreased by 32.9 percent from USD 263.3 per ton to USD 176.7 per ton. In contrast, the volume of cloves increased to 3,840.0 tons from 2,260.0 tons, while the volume of seaweed increased to 13,480.0 tons from 9,900.0 tons recorded during 2001/02, as alternative markets were explored.

Non-traditional exports increased from USD 1.5 million during 2001/02 to USD 2.6 million. Manufactured goods, fish and fish produce increased by USD 0.4 million and USD 0.2 million respectively, while other exports increased by USD 0.5 million (Table 6.5c).



Table 6.5c: Zanzibar Exports by type of Commodity

Traditional Commodities	July - June		% Change
	2001/02	2002/03	
Cloves			
Value	11.87	11.21	-5.5
Volume	2.26	3.84	69.6
Unit Price	5,244.21	2,922.70	-44.3
Seaweeds			
Value	2.61	2.38	-8.7
Volume	9.90	13.48	36.1
Unit Price	263.31	176.66	-32.9
SUB TOTAL	14.47	13.59	-6.1
Non-Traditional Exports			
Manufactured Goods	1.14	1.52	33.3
Fish and Fish Produce	0.11	0.27	151.2
Horticultural produce	0.00	0.00	
Others Exports	0.27	0.83	201.5
SUB TOTAL	1.52	2.62	72.0
GRAND TOTAL	15.99	16.21	1.4

Source: TRA, Customs Department NOTE: Volume in Thousands of Tons; Value, Millions of USD; Unit Price in USD/Ton

Imports

During the period under review, imports (c.i.f) increased by 10.3 percent to USD 63.1 million, from USD 57.2 million recorded a year earlier. Capital goods increased by 43.3 percent from USD 13.0 million in 2001/02 to USD 18.6 million, largely due to increased importation of building and construction materials as well as machinery,

reflecting an increase in construction activities. Consumer goods increased by 4.4 percent from USD 25.8 million to USD 26.9 million mainly on account of increase in importation of food and foodstuffs. However, intermediate goods decreased by 4.7 percent from USD 18.4 million to USD 17.6 million following a decline in imports of industrial raw materials, reflecting slow down in industrial activities (**Table 6.5d**).

Table 6.5d: Zanzibar Imports (c.i.f.), by Major Categories

Import Category	July-June		% Change
	2001/02	2002/03	
Capital Goods	13.00	18.62	43.3
Transport Equipments	4.77	6.14	28.7
Building and Constructions	1.46	2.21	52.0
Machinery	6.77	10.27	51.7
Intermediate Goods	18.41	17.55	-4.7
Oil imports	12.30	12.68	3.1
Fertilizers	0.00	0.00	-23.8
Industrial raw materials	6.11	4.86	-20.4
Consumer Goods	25.78	26.92	4.4
Food and food stuffs	14.26	15.76	10.5
All other consumer goods	11.52	11.15	-3.1
Grand Total (c.i.f)	57.19	63.09	10.3
Grand Total (f.o.b)	52.04	57.41	10.3

Source: TRA, Customs Department
Note: Value in Millions of USD



Services Account

The services account recorded a net surplus of USD 15.2 million in 2002/03 compared with a net surplus of USD 14.2 million in 2001/02. The improvement

emanated from a decrease in services payments by USD 5.8 million, which fell from USD 23.6 million in 2001/02 to USD 17.8 million. This outweighed the impact of a decline of USD 4.7 million in services receipts (**Table 6.5e**).

Table 6.5e: Service, Income and Current Transfers Accounts

Item		July -June		% Change
		2001/02	2002/03	
Services and Income Account				
	Net	14.29	15.31	7.1
	Receipt	37.94	33.07	-12.8
	Payment	23.65	17.76	-24.9
A. Services Account				
	Net	14.16	15.20	7.4
	Receipt	37.74	32.97	-12.6
	Payment	23.58	17.76	-24.7
B. Income Account				
	Net	0.13	0.10	-22.3
	Receipt	0.2	0.10	-49.5
	Payment	0.07	0.00	-100.0

Source: Commercial Banks, Non-banks, Bureau de Change and BoT

Income Account

During the period under review, the income account recorded a surplus of USD 0.1 million from a

surplus of USD 0.13 million recorded in 2001/02. This was a result of the decline in income receipts from USD 0.2 million realised in 2001/02 to USD 0.1 million.



CHAPTER 7

INTERNATIONAL ECONOMIC AND FINANCIAL DEVELOPMENTS

7.1 Economic Growth and Inflation

During 2002, most of the advanced countries experienced a slowdown in economic growth mainly due to the decline in equity prices, the threat of a war in Iraq and the fall in consumer and business confidence following corporate accounting malpractices in some firms. In the U.S.A, the real GDP grew by 2.4 percent in 2002 compared with 0.3 percent recorded in 2001 mainly due to the rise in domestic demand. The increase in domestic demand was manifested in the widening of current deficit from USD 393.4 billion in 2001 to USD 503.4 billion recorded in 2002.

In contrast, the Japanese economy slowed down from a growth rate of 0.4 percent in 2001 to 0.3 percent, largely due to the fall in domestic demand. The decline in demand was partly attributed to the reduction in private consumption expenditure and public investments. Similarly, the economic growth rate of Britain slowed down from 2.0 percent in 2001 to 1.6 percent owing to the decline in business investments and manufacturing output. Economic growth in the Euro Zone also slowed down during 2002, largely as a result of the fall in

consumer spending and the decline in business investments following subdued demand (**Table 7.1a**).

In Africa, GDP growth slowed down slightly to 3.4 percent in 2002 from 3.6 percent in 2001, largely due to deterioration in the terms of trade, drought, HIV/AIDS epidemic and political conflicts in some of the countries in the region. GDP growth rate is projected to increase to 3.9 percent in 2003, on account of continued implementation of macroeconomic policy reforms and the expected global recovery (**Table 7.1a**).

In Developing Asia, the growth rate of output went up from 5.7 percent to 6.5 percent during 2002, on account of a rise in domestic demand supported by an increase in bank lending as well as strong recovery in exports. However, output growth is projected to slowdown slightly in 2003 due to weakness in external demand following the spread of the Severe Acute Respiratory Syndrome (SARS) epidemic in Asian countries.

In the Association of South East Asian Nations (ASEAN-4), increase in private consumption and fiscal stimulus boosted growth during 2002.



Table 7.1a: Gross Domestic Product (GDP)

Country	Percentage Change			
	2000	2001	2002	2003*
World	4.7	2.3	3.0	3.2
Advanced Economies	3.9	0.9	1.8	1.9
Britain	3.0	2.0	1.6	2.0
Germany	3.0	0.6	0.2	0.5
Japan	2.2	0.4	0.3	0.8
USA	4.1	0.3	2.4	2.2
Italy	2.9	1.8	0.4	1.1
France	3.6	1.8	1.2	1.2
Canada	4.4	1.5	3.4	2.8
Euro Zone	3.4	1.4	0.8	1.1
European Union	3.4	1.6	1.0	1.3
ASEAN-4	5.1	2.6	4.3	3.9
Indonesia	4.8	3.4	3.7	3.5
Malaysia	8.3	0.4	4.2	5.0
Philippines	4.0	3.2	4.6	4.0
Thailand	4.6	1.9	5.2	4.2
Africa	3.0	3.6	3.4	3.9
Developing Asia	6.7	5.7	6.5	6.3
Middle East	5.8	1.4	4.5	5.1
Newly Industrialized Asian Economies	8.5	0.8	4.6	4.1
Hong Kong	10.5	0.6	2.3	3.0
Korea	9.3	3.0	6.1	5.0
Singapore	10.3	-2.4	2.2	3.0
Taiwan Province of China	5.9	-2.2	3.5	3.2

Source: World Economic Outlook, April 2003

* Projections

The inflation rate declined in most of the advanced economies in 2002, owing to sluggish conditions in labour and product markets, which left little opportunities for raising prices. In the Newly

Industrialized Asian Economies inflation rate declined from 1.9 percent in 2001 to 1.0 percent, whereas, Taiwan experienced a deflation of 0.2 percent in 2002 driven by fast productivity growth (**Table 7.1b**).



Table 7.1b: Consumer Price Index

Percentage Change

Country	2000	2001	2002	2003*
World	4.6	4.4	3.6	3.8
Advanced Economies	2.3	2.2	1.5	1.9
Britain	2.1	2.1	2.2	2.8
Germany	2.1	2.4	1.3	1.0
Japan	-0.8	-0.7	-0.9	-0.7
USA	3.4	2.8	1.6	2.3
Italy	2.6	2.7	2.6	2.4
France	1.8	1.8	1.9	2.0
Canada	2.7	2.5	2.0	3.1
Euro Zone	2.4	2.6	2.3	2.0
European Union	2.3	2.5	2.3	2.2
ASEAN-4	3.0	6.6	5.9	5.3
Indonesia	3.8	11.5	11.9	9.0
Malaysia	1.6	1.4	1.8	2.5
Philippines	4.3	6.1	3.1	4.0
Thailand	1.6	1.7	0.6	1.7
Africa	14.2	13.0	9.3	10.1
Developing Asia	1.9	2.7	1.9	2.3
Middle East	19.6	17.1	16.4	13.0
Newly Industrialized Asian Economies	1.1	1.9	1.0	1.8
Hong Kong	-3.7	-1.6	-3.0	-1.6
Korea	2.3	4.1	2.8	3.5
Singapore	1.1	1.0	-0.4	0.9
Taiwan Province of China	1.3		-0.2	0.3

Source: World Economic Outlook, April 2003

*Projections

7.2 Monetary Policy Developments

Most industrial countries implemented expansionary monetary policy aimed at supporting consumption spending and boosting business confidence. In November 2002, the Federal Reserve lowered the federal funds rate by 50 basis points to the level of 1.3 percent from 1.6 percent in order to support the US economy. The European Central Bank (ECB) also lowered its main refinancing operations minimum bid rate by 50.0 basis points to the level of 2.6 percent on 6th December 2002, from 3.3 percent. In Japan, the monetary authority kept the interest rate at zero percent in order to support and stimulate the economy.

7.3 International Trade and Payments

During 2002, the volume of world trade grew by 2.9 percent from a growth rate of 0.1 percent recorded in the previous year due to lowering of trade barriers and intensification of global production networks.

The volume of imports to advanced economies grew by 2.1 percent in 2002, after falling by 1.1 percent, while the volume of exports grew by 2.0 percent in 2002, after declining by 1.0 percent in the previous year. In developing countries, the volume of exports is estimated to have grown by 5.1 percent in 2002 compared with 3.3 percent recorded in 2001, while the volume of imports grew by 5.4 percent from 2.2



percent. Countries in transition registered a growth rate of 6.3 percent in imports in 2002 compared with 11.8 percent in 2001. Exports volume grew by 6.3 percent compared with 5.6 percent in the same period.

The U.S.A and UK continued to experience imbalances in their current accounts. The U.S.A current account deficit increased to 4.8 percent of GDP in 2002, from 3.9 percent recorded in 2001, while in the UK deficit was 1.9 percent of GDP compared with 1.7 percent in the previous year.

7.4 Financial Flows and External Debt

According to the World Bank's Global Development Finance report for 2003, net equity inflows (FDI and portfolio equity inflows) to developing countries declined to USD 152.0 billion in 2002, from USD 178.0 billion recorded in 2001 mainly as a result of weaknesses in global equity markets. Net FDI to developing countries fell in 2002 to USD 143.0 billion (2.4 percent of GDP) from USD 172.0 billion (2.9 percent of GDP in 2001), mainly due to a slowdown in privatisation. FDI Europe and Central Asia declined slightly to USD 29.0 billion in 2002, from USD 30.0 billion recorded in the previous year. In Latin America and the Caribbean, FDI declined by 39.0 percent to USD 42.0 billion, while in Sub-Saharan Africa FDI declined by 50.0 percent to USD 7.0 billion in 2002 compared with the level recorded in 2001. However, FDI to East Asia and Pacific region increased during 2002, as flows to China rose, accounting for 92.0 percent of FDI to the region and 37.0 percent of FDI to developing countries. The increase in FDI to China was associated to the new round of market liberalization, strong optimism about the domestic economy and the country accession to the WTO.

In contrast, portfolio equity inflows to developing countries are estimated to have increased to USD 9.4 billion in 2002, from USD 6.0 billion recorded in the previous year.

Net debt inflows to developing countries went up to USD 7.2 billion in 2002, from USD 3.2 billion recorded in 2001. Despite the increase, the inflows are still lower than the levels recorded in the 1990s largely due to the slowdown in global economic growth in 2002, debt repayments by most countries and availability of alternative forms of external financing.

7.5 Regional Economic Developments

During the year 2002, Tanzania continued to take part in the implementation of regional economic programmes particularly those under Southern Africa Development Community (SADC) and East Africa Community (EAC). The programmes are intended to enhance the process of regional economic cooperation and integration as a necessary mechanism in increasing competitiveness and maximizing the benefits of globalisation.

SADC

SADC was established with the objective to promote sustainable and equitable economic growth and social-economic development through efficient productive systems, deeper cooperation and integration, good governance, and durable peace and security to make the region a competitive and effective player in the international economy.

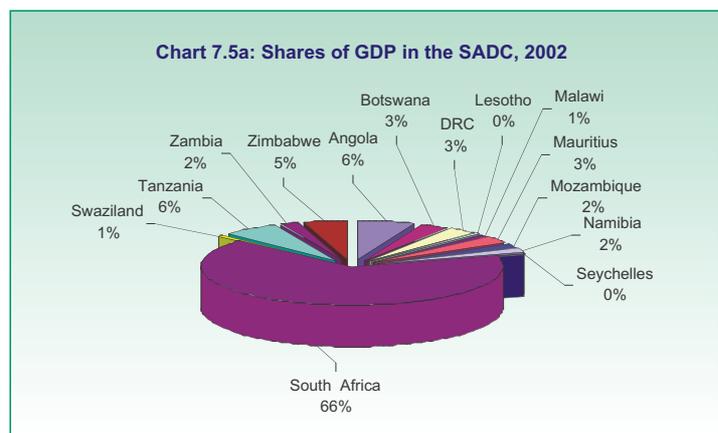
Within this context and the need to rapidly reduce poverty, SADC has embarked on the implementation of a number of reform measures aimed at promoting macroeconomic stability.

Macroeconomic Performance

During 2002 macroeconomic performance of the SADC member states varied, in growth rates, inflation rates, fiscal deficits and external current account positions.

Gross Domestic Product (GDP)

As a region, SADC recorded a combined GDP growth rate of 3.3 percent in 2002, compared with 2.6 percent in 2001. The high growth is attributed to the increase in GDP growth of South Africa, the largest economy in the region that accounts for about 66.0 percent of the regional GDP (Chart 7.5a).





The economic performance for individual countries shows that South Africa recorded a GDP growth of 3.0 percent in 2002 compared with 2.8 percent in 2001. Angola, which accounted for 6.2 percent share of regional GDP in 2002, recorded the highest growth rate of 15.5 percent in 2002 when compared with 5.2 percent in 2001. The faster growth is influenced by a 25.0 percent growth in the oil sector and restoration of peace in the country after decades of civil war. Other fast

growing economies were Mozambique and Tanzania. Tanzania, the third strongest economy in the region after South Africa and Angola (accounting for 5.6 percent of regional GDP) recorded a modest GDP growth of 6.2 percent in 2002. Mozambique that accounted for 2.1 percent of the regional GDP in 2002 grew at 9.0 percent, decelerating from 13.9 percent recorded in 2001 (Table 7.5a).

Table 7.5a: GDP Growth in SADC Countries 1997 – 2002

Item	Percentage					
	1997	1998	1999	2000	2001	2002
Angola	7.7	5.5	2.7	3.6	5.2	15.5
Botswana	5.6	8.1	4.1	6.6	8.4	2.3
DRC	-5.4	-1.7	-4.3	-6.9	-2.1	3.1
Lesotho	8.1	-4.6	2.2	3.3	3.4	4.0
Malawi	5.0	3.3	6.7	2.1	1.8	0.1
Mauritius	5.6	5.8	6.8	9.3	5.8	4.0
Mozambique	11.3	12.1	9.0	1.5	13.8	9.0
Namibia	2.6	2.4	2.9	3.3	2.4	2.3
Seychelles	4.6	5.5	2.9	2.0	2.0	1.7
South Africa	2.7	0.8	2.0	3.5	2.8	3.0
Swaziland	3.8	3.3	3.5	2.0	1.8	2.2
Tanzania	3.3	4.0	4.7	4.9	5.6	6.2
Zambia	3.3	-1.8	2.2	4.0	5.0	4.2
Zimbabwe	2.8	3.7	0.1	-6.8	-8.8	-10.2
SADC	2.5	1.2	1.3	3.3	2.6	3.3

Source: Statistics for SADC countries (April 2003)

Other countries that recorded growth above SADC average include Zambia, Mauritius and Lesotho. The Democratic Republic of Congo (DRC) achieved considerable progress in 2001 and 2002 despite the ongoing civil war. The economy recorded a growth rate of 3.1 percent in 2002, which is a significant improvement from a negative growth of 2.1 percent a year earlier. Zimbabwe recorded a negative growth for the third consecutive year. GDP declined by 10.2 percent in 2002 compared with a decline of 8.8 percent in 2001 (Table 7.5a). The poor performance was due to internal political instability, and economic sanctions imposed by the Commonwealth.

Inflation

The implementation of macroeconomic adjustment programmes continued in many SADC countries in the year 2002. Many countries pursued policies aimed at controlling inflation to levels that are consistent with other macroeconomic policy objectives. Despite the effort to contain inflation only three countries, namely Mauritius, Seychelles, and Tanzania managed to keep inflation at single digit level in 2002 (Table 7.5b).



Table 7.5b: Inflation rates* in SADC Countries, 1997 - 2002

Item	1997	1998	1999	2000	2001	2002
Angola	147.7	134.8	329.0	268.4	116.1	105.6
Botswana	8.9	6.5	7.2	8.5	6.6	11.4
DRC	13.8	134.8	488.7	511.2	135.1	18.0
Lesotho	8.6	7.8	8.6	6.1	6.6	11.9
Malawi	9.2	29.7	44.7	29.7	27.5	14.8
Mauritius	6.6	6.8	6.9	4.2	5.4	6.4
Mozambique	6.2	-1.0	6.2	11.4	21.9	n.a
Namibia	8.3	6.2	8.6	9.3	9.2	11.3
Seychelles	0.6	2.6	6.3	6.3	6.0	0.2
South Africa	8.6	6.9	5.2	5.4	5.7	10.1
Swaziland	7.2	8.0	5.9	7.3	7.5	11.7
Tanzania	16.1	12.8	7.9	5.9	5.1	4.6
Zambia	24.4	24.5	26.8	25.9	21.0	n.a
Zimbabwe	18.8	31.7	58.5	55.9	71.9	133.2

Source: Development and Statistics for SADC Countries 2003

* Annual average

The worst inflation development in 2002 was recorded in Zimbabwe with inflation rate slipping to 113 percent from 71.9 percent in 2001 due to the surge in domestic credit to the public sector and heavy reliance on monetary financing of the budget deficit resulting from decline in revenue collection.

External Sector

Performance of external sector in the SADC region in 2002, measured by current account balance as a percentage of GDP shows mixed results. While South Africa, Swaziland and Tanzania registered improvements, the current accounts of Lesotho and Malawi worsened and those of DRC and Zimbabwe remained unchanged (**Table 7.5c**).



Table 7.5c: Current Account as a percentage of GDP in SADC Countries, 1997 - 2002

Item	1997	1998	1999	2000	2001	2002
Angola	-12.0	-25.0	-28.0	-9.0	-15.0	n.a
Botswana	4.0	11.0	10.0	6.0	4.6	n.a
DRC	-9.0	-5.0	-9.0	-1.0	-4.0	-4.0
Lesotho	-26.0	-31.0	-24.0	-18.0	-14.0	-19.0
Malawi	-12.2	-14.0	-18.0	-18.0	-11.0	-12.0
Mauritius	-7.2	-4.4	-3.0	-1.0	5.0	n.a
Mozambique	-8.0	-11.0	-17.0	10.0	-23.6	n.a
Namibia	1.0	3.0	5.0	7.0	2.0	n.a
Seychelles	-12.0	-18.0	-19.0	-8.0	-17.0	n.a
South Africa	-1.5	-1.7	-0.5	-0.4	-0.3	0.3
Swaziland	-18.0	-26.1	-17.3	-19.6	-2.1	-1.0
Tanzania	-5.0	-11.0	8.0	-9.4	-10.1	-7.9
Zambia	-6.0	-18.0	-14.0	30.0	28.0	n.a
Zimbabwe	-9.0	-5.0	3.0	-2.0	-4.0	-4.0

Source: Statistics for SADC Countries April 2003 and Bank of Tanzania Economic Bulletin December 2002

The worsening situation was caused by the general decline in demand for SADC goods in the international markets resulting from the slow down of the global economy. Adverse weather conditions and high production costs, also contributed to the problem.

continued to experience slow-down in effective demand in the domestic market due to rising levels of poverty and slow down in economic activities. The Tanzanian economy grew at 6.2 percent in 2002, while that of Uganda grew at 6.6 percent in 2002 (**Chart 7.5c**).

The East African Community (EAC)

Macroeconomic Performance

During 2002, macroeconomic performance of the EAC member states was mixed, with diverse growth rates, inflation rates, fiscal deficits and external current account positions.

GDP

Kenya remained the largest and dominant economy in the region, contributing approximately 45.0 percent to EAC’s total GDP in 2002, while Uganda accounted for the smallest share of 19.2 percent of the total GDP in the region (**Chart 7.5b**). Kenya

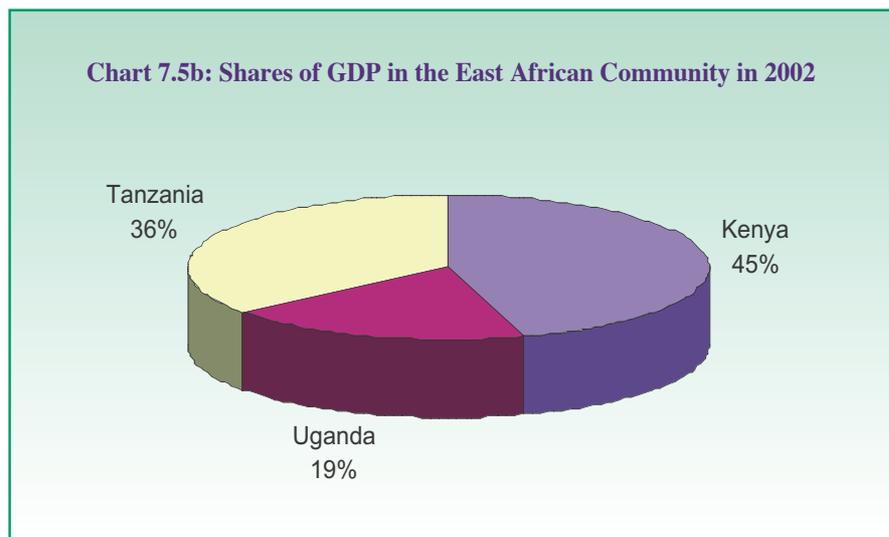
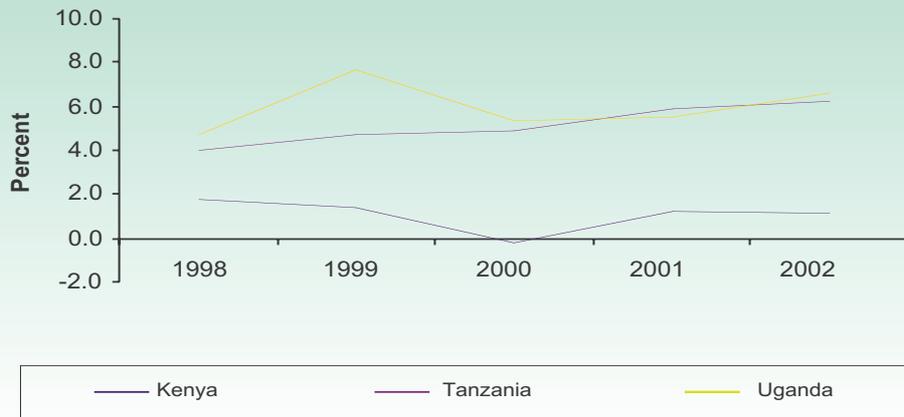




Chart 7.5c: GDP Growth in EAC Countries



The annual average overall inflation in Kenya declined from 5.8 percent in 2001 to 2.0 percent in 2002, while in Tanzania the rate declined from 5.1 percent in 2001 to 4.6 percent. In Uganda, inflation rate declined from 2.0 percent in 2001 to a negative 1.8 percent in 2002.

Inflation

During the year 2002, the three East African countries continued to benefit from prudent monetary policy and supply side factors that led to a slow down in consumer price increases (**Chart 7.5d**).

Chart 7.5d: Annual Average Inflation rates in EAC Countries

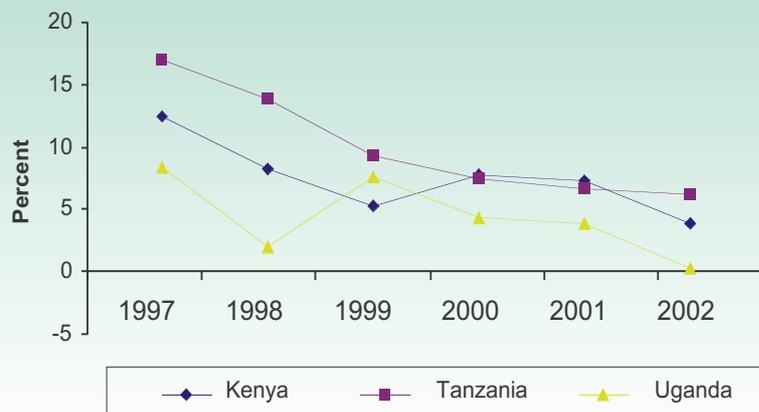


Table 7.5d: The Annual Average Rate of Inflation in the EAC, 1997-2002

Item	1997	1998	1999	2000	2001	2002
Kenya	11.3	6.7	3.5	6.2	5.8	2.0
Tanzania	16.1	12.8	7.9	5.9	5.1	4.6
Uganda	6.9	0.0	6.1	2.5	2.0	-1.8

Source: IFS (June 2003), Quarterly Economic Bulletin Bank of Tanzania December 2002

Fiscal performance

The EAC countries continued to experience high budget deficits despite efforts to reduce them to sustainable levels. Despite the efforts to improve revenue collection and controlling government expenditures to match revenue levels, Kenya was

the only country, which managed to reduce its fiscal deficit excluding grants as a percentage of GDP from 5.1 percent in 2001 to 4.7 percent in 2002. The fiscal deficit in Tanzania increased from 4.9 in 2000 to 6.4 percent in 2002 while in Uganda it increased from 12.4 percent in 2001 to 13.6 percent in 2002 (**Table 7.5e**).



Table 7.5e: Fiscal Deficit* as a percentage of GDP

Item	1997	1998	1999	2000	2001	2002
Kenya	-1.9	-2.5	-0.1	0.4	-5.1	-4.7
Tanzania	-1.3	-2.2	-2.1	-5.9	-4.9	-6.4
Uganda	-10.9	-10.3	-11.2	-11.3	-12.4	-13.6

Source: Bank of Tanzania Economic Bulletin December 2001; Monetary Affairs Committee (East Africa) Report; and Annual Report, Bank of Uganda 2000/01

*Excluding grants

External sector

During 2002, Tanzania and Uganda recorded current account deficits as ratios of GDP of 2.6 percent and 6.2 percent, respectively. Kenya registered a surplus of 0.5 percent of GDP in 2002. This was caused by reduction of imports in response to low domestic demand resulting from low domestic economic activity. However, the position of Kenya's current

account balance excluding grants as a ratio of GDP improved slightly from a deficit of 3.5 percent in 2001 to 2.6 percent. The performance compares favourably with a deficit of 7.1 percent and 19.1 percent for Tanzania and Uganda respectively (**Table 7.5f**). The performance of the current account before grants shows that Uganda and Tanzania have benefited more from external assistance to meet current account transactions.

Table 7.5f: Current Account Balance as a Percent of GDP

Item	1997	1998	1999	2000	2001	2002
Kenya						
Current Account Balance (CAB)	-4.3	-4.2	-0.9	-2.7	-3.0	-0.5
CAB (excl. grants)	-4.7	-4.7	-1.2	-3.4	-3.5	-2.6
Grants	0.4	0.4	0.3	1.1	0.5	2.1
Tanzania						
Current Account Balance (CAB)	-5.2	-10.8	-9.6	-5.5	-5.1	-2.6
CAB (excl. grants)	-10.9	-15.8	-14.4	-10.3	-9.5	-7.1
Grants	5.7	5.0	4.8	4.8	4.4	4.5
Uganda						
Current Account Balance (CAB)	-4.6	-7.2	-6.6	-7.6	-6.0	-6.2
CAB (excl. grants)	-10.1	-13.7	-13.9	-16.7	-15.9	-19.1
Grants	5.5	6.5	7.3	9.1	9.9	12.9

Source: Bank of Tanzania Quarterly Report, December 2002; Bank of Uganda Annual Report 2001; Monetary Affairs Committee for East Africa Report April, 2003



Intra-regional trade

During the period under review, Kenya continued to be a net exporter to Tanzania and

Uganda. In 2002, Tanzania trade deficit with Kenya remained almost unchanged at about USD 58 million (**Table 7.5g**).

Table 7.5g: Tanzania's Trade with Kenya and Uganda 1997 – 2002

Millions of USD

With Kenya						
Item	1997	1998	1999	2000	2001	2002*
Exports to Kenya	12.5	25.4	19.6	32.1	38.1	35.2
Imports from Kenya	93.8	103.3	88.6	93.0	96.1	93.4
Trade Balance	-81.3	-77.8	-69.0	-60.9	-58.0	-58.2
With Uganda						
Exports to Uganda	11.4	6.4	4.3	8.4	5.5	5.5
Imports from Uganda	1.9	2.2	5.6	5.6	11.4	2.6
Trade Balance	10.4	9.5	4.2	-1.3	5.9	2.9

Source: Tanzania Revenue Authority and Bank of Tanzania Economic and Operations Reports (various)

*Provisional

Tanzania's exports to Kenya declined from USD 38.1 million in 2001 to USD 35.2 million in 2002. Similarly, imports from Kenya declined from USD 96.1 million in 2001 to USD 93.4 million in 2002.

Uganda continued to be a smaller trading partner

with Tanzania, absorbing only 13.5 percent of Tanzania's exports in 2002, a slight increase from 12.7 percent in 2001 (**Table 7.5h**). Imports from Uganda declined significantly from USD 11.4 million 2001 to USD 2.5 million in 2002.

Table 7.5h: Tanzania's Trade Shares with Kenya and Uganda

Country	1997	1998	1999	2000	2001	2002*
<i>Share of Exports to</i>						
Kenya	52.3	79.9	82.0	79.3	87.3	86.5
Uganda	47.7	20.1	18.0	20.7	12.7	13.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>Share of Imports from</i>						
Kenya	98.0	97.9	94.1	94.3	89.4	97.3
Uganda	2.0	2.1	5.9	5.7	10.6	2.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Bank of Tanzania Quarterly Report, December 2002; Bank of Uganda Annual Report 2002; Monetary Affairs Committee for East Africa Report, April 2003.



PART II

BANK OF TANZANIA OPERATIONS

Financial Market Developments

Domestic Markets

During 2002/03, the Bank of Tanzania set out to meet three main objectives, namely: -

- Conduct open market operations using liquidity papers (91 day Treasury bills) and fine-tune operations using vertical repurchase agreements (Repos);
- Manage government debt by rolling over financing papers (182 and 364 day Treasury bills) and Treasury bonds;
- Develop secondary market trading in government securities.

In 2001/02, the Bank introduced Repo auctions and reintroduced the 35-day Treasury bills in order to manage liquidity. The Bank also embarked on securitization of the EPA Special Stock.

The period 2002/03 witnessed major developments in the domestic financial markets, which include:-

- Introduction of the 7-year and 10-year Treasury bonds in August and October 2002, respectively.
- Listing of the above bonds at the Dar es Salaam Stock Exchange.
- Fungibility of government securities in the Central Depository System (CDS).
- Introduction of Export Credit Guarantee Scheme (ECGS) for issuance of guarantees to commercial banks in order to facilitate the granting of pre-shipment finance.

The introduction of 7-year and 10-year Treasury bonds intended to supplement the 2-year and 5-year Treasury bonds, which were already in the market.

Capital Market

During the review period, the Bank of Tanzania in collaboration with the Capital Markets and Securities Authority (CMSA) finalised preparations of the necessary safeguards aimed at guiding foreign investors participation at the Dar es Salaam Stock Exchange (DSE).

At the same time, the Bank of Tanzania commissioned a study to assess the state of readiness of Tanzania for capital account liberalisation, the adequacy of the existing institutional capacity to manage and monitor the transition, and preparation of the sequencing of capital account liberalisation. The report on the study was submitted in June 2003.

Banking Developments

The Bank continued to discharge its banking functions which include formulation and implementation of currency management policy, modernisation and provision of banking services, clearing, settlement and payment services to the Union and the Government of Zanzibar and the financial system. In addition, the Bank instituted mechanisms for detecting and monitoring counterfeit cheques and notes in circulation and facilitated modernisation of payment systems and development of new payment instruments.

Currency operations

Currency in circulation outside the Bank increased from TZS 466.5 billion at end June 2002 to TZS 522.6 billion at end June 2003, representing an increase of TZS 56.1 billion or 12.0 percent.

The Bank continued to work on reducing the time lag for confirmation of commercial banks deposits. To that effect, the lag has been reduced from the previous six months to less than two weeks. The objective remains to reduce the lag to two days.



In its effort to optimise the currency denomination structure, the Bank introduced the new TZS 2000 bank note. In addition, the Bank issued new generation of banknotes of TZS 500, TZS 1,000, TZS 5000, TZS 10,000 effective 3rd February 2003. A national-wide education campaign was carried out to inform the public on the major security features pertaining to the new bank notes.

Banking Operations

During 2002/03, the Bank opened new accounts as well as providing advice on fiscal issues for the Government of Zanzibar. Furthermore, the Bank instituted measures to accommodate the Tanzania Inter-bank Settlement System (TISS).

During the review period, the Magnetic Ink Character Reader (MICR) system was tested for inward and outward clearing operations. Its full operations are expected to begin in 2004 together with the commissioning of Tanzania Interbank Settlement System (TISS).

Systems Operations

Rapid technological innovations in recent years has brought about major transformations in the Banking and Currency functions in the Bank. Consequently, the Bank has expanded installation of advanced technologies and high value investments in the core Banking and Currency functions, including the introduction of electronic processing of banknotes, Magnetic Ink Character Reader System (MICR), Electronic Clearing House System (ECH), and the Central Banking System (CBS).

As a result of the sophisticated systems installed in the Banking and Currency functions, the Bank was compelled to institute a new structure aimed at ensuring efficient, and effective management and operations of these new systems including support, coordination and evaluation of business requirements.

Banking Supervision

During 2002/03, the Bank continued with its banking supervision activities including licensing of new

banks, examination and surveillance of banks, financial institutions and bureaux de change.

During the period, Mbinga Community Bank was licensed, whereas CF Union Bank Ltd, African Banking Corporation (T) Ltd, United Bank of Africa Ltd, Dar-es-Salaam Community Bank Ltd, and Kagera Farmers Cooperative Bank Ltd commenced operations.

The Bank also approved branch opening for Barclays Bank (T) Ltd in Arusha and International Bank of Malaysia (T) Ltd in Dar-es-Salaam.

In March 2003, Delphis Bank (T) Limited was placed under statutory management of the Bank of Tanzania following operational problems. Thereafter, the bank was declared insolvent and passed-over to the Deposit Insurance Fund for liquidation.

Restructuring of government owned banks continued during 2002/03. The Peoples' Bank of Zanzibar Limited, Tanzania Postal Bank and the Tanzania Investment Bank are in the process of being restructured.

During 2002/03, the Bank of Tanzania invited banking institutions to participate in a Quantitative Impact Study (QIS 3) conducted by the Basel Committee on Banking Supervision. The study aims at assessing the impact of the new capital accord on banking institutions' capital. The implementation of the new capital accord is planned for 2006.

Microfinance Operations

During the period under review, the Bank continued to monitor, evaluate and coordinate the implementation of the National Microfinance Policy. It also reviewed the legal, regulatory and supervisory framework for microfinance operations in the country. Following the assent to the Financial Laws (Miscellaneous Amendments) Act, 2003² assented by the President in April 2003, work was in progress to put in place the regulatory framework by December 2003.

² It incorporates amendments of the Banking and Financial Institutions Act, 1991, the Bank of Tanzania Act, 1995 and the Cooperative Societies Act, 1991.



The Bank continued to seek technical assistance from local and international experts to build capacity and develop operational guidelines for the microfinance industry. In addition, the Bank proceeded with the efforts to build a database for microfinance operations in the country.

The Bank conducted a baseline survey throughout the country in order to prepare Microfinance Institutions (MFIs) Directory that is expected to be ready for circulation to microfinance stakeholders by end of 2003.

National Payments System (NPS)

The Bank continued with the implementation of National Payments System modernization projects, which aim at improving efficiency and reducing payment risks in clearing and settlement operations in the country. The main projects include the modernisation of Electronic Clearing House, implementation of Electronic Data Interchange Facility, Implementation of Tanzania Interbank Settlement System (TISS), Development of NPS Legal Framework, NPS Oversight activities and Harmonisation initiatives.

Electronic Clearing House Operations

The Bank continued to monitor operations of the Bank of Tanzania Electronic Clearing House (BOTECH) system at the Dar es Salaam Clearing House. The system entered its third year of live run in March 2003 since its inception in 2001 and has undergone various operational improvements including implementation of straight through processing of settlement file between BOTECH and the Bank's Central Banking System (CBS).

BOTECH contains a module for Inter-bank Electronic Fund Transfer (EFT) submission and processing which is being tested with few selected banks. Full-fledged testing with all banks is scheduled to start in October 2003 after ascertaining the banks' accounting systems capacity to handle credit transaction received from the Clearing House.

Electronic Data Interchange Facility

Dar es Salaam Electronic Clearing House (DECH) uses BOTECH system to manage and process files

associated with clearing. These files are exchanged between DECH and its members. Although BOTECH has the ability to accept and give outputs via an electronic network, the current practice has been the use of diskettes due to unavailability of a secure network among members.

The original plan of implementing a secure electronic Data Interchange facility, which was to use a "Virtual Private Network", has been changed and will now use the Tanzania Interbank Settlement System (TISS). The system uses standard transport communication facilities of the web-station functionality over the Internet to exchange data. The communication is secured using Secure Socket Layer (SSL) thereby preventing unauthorized access.

Implementation of Tanzania Inter-bank Settlement System (TISS)

Implementation of the Tanzania Inter-bank Settlement System (TISS) commenced on 14th April 2003. The implementation plan covers three main phases: Initial study; Hardware procurement and installation; and Software customization, installation, integration and testing.

The initial study phase has been completed and a report has been produced covering, among other issues, how TISS will be interfaced with the Dar Es Salaam Electronic Clearing House System (DECH), Central Banking System (CBS), and the Government Securities System (GSS). The report also recommends how TISS could be interfaced with the Ministry of Finance in order to facilitate processing of Government payments. It also has recommendations on specific areas, to be addressed by the rules, procedures and regulations, which are mandatory for TISS operations.

The development of System's Functional Specifications is to be completed in October 2003.

Development of NPS Legal Framework

The Bank reviewed the Bank of Tanzania Act (1995) to give it general powers on the National Payment, Clearing and Settlement Systems matters. These powers include among others, oversight and regulation of the National Payment Systems. The Act was amended in April 2003 by the Financial Laws (Miscellaneous Amendments) Act, 2003.



The strengthening of NPS legal framework includes the developments of the Systems Rules and Regulations for the EFT and TISS implemented by the Bank. The Bank intends to forward to the Government proposals to amend the Evidence Act to facilitate admissibility of electronic evidence.

NPS Oversight activities

The Bank conducted oversight activities that include gathering information on payment instruments statistics, clearing house efficiency, technical infrastructure, institutional framework and legal issues. The National Payment System Oversight reports were issued every three months. These reports contain analysis of performance of existing payment instruments, the clearing houses, and assessment of the safety trends at the DECH operations.

Harmonisation Initiatives

The Bank continued to implement Payment Systems harmonisation initiatives as agreed in various regional forums. Accordingly, the Bank started the implementation of the Tanzania Inter-bank Settlement System with a real time Gross settlement line as per agreed common business and technical specification for a SADC suitable Settlement System and approved by SADC Committee of Central Bank Governors (CCBG) in April 2002.

The Bank also continued to implement Directives on harmonisation initiatives undertaken by the East African Monetary Affairs Committee (MAC). The Bank adopted and commenced implementation of the following MAC directives in 2002/2003:

- Extension of commercial Banks borrowing from the Central Banks against eligible collaterals. Currently, the eligible collaterals in Tanzania are Treasury bills and Treasury bonds.
- Adoption of SWIFT messaging standards for both domestic and international transfers and the File Authentication System (FAS) as the minimum-security standards for domestic transfers. Currently, 18 out of the 20 banks in Tanzania have joined SWIFT.
- Adoption of guidelines for licensing and regulating auditable and non-auditable e-money products and schemes in East Africa.

- Implementation of oversight operations.
- Implementation of a Real Time Gross Settlement System and Electronic Fund Transfer system.
- Automation of Clearing House Operations.
- Revision of the Central Banks Acts to empower them to regulate their National Payment Systems.

In March 2003, MAC deliberated on the progress made towards implementation of these directives in each country and observed that the three Central Banks had taken impressive steps and made significant progress in implementing the Governors' directives.

Macroeconomic and Financial Programmes

During 2002/03, Tanzania continued to pursue macroeconomic and structural adjustment programmes under the Poverty Reduction Strategy (PRS). In this regard, the government continued to receive support from development partners including the IMF and the World Bank.

Poverty Reduction and Growth Facility (PRGF)

The PRGF, which was approved by the Executive Board of the IMF on 31st March 2000, came to an end in May 2003. Under the programme, Tanzania received SDR 135 million (about USD189 million).

Following the expiry of the above facility, the Government requested for a low access three year PRGF arrangement for the amount of SDR 19.6 million (about USD 27 million).

In October 2002, the IMF opened the first African Technical Assistance Centre (AFRITAC) in Africa based in Dar es Salaam, Tanzania. The objective of the Centre is to enhance IMF support for capacity building in Africa. This East AFRITAC serves Tanzania, Kenya, Uganda, Ethiopia, Eritrea and Rwanda. A similar centre for West Africa was opened on 29th May 2003 in Bamako, Mali to serve Mali, Ivory Coast, Benin, Burkina Faso, Guinea, Guinea Bissau, Mauritania, Niger, Senegal and Togo.



The Africa Group I Constituency of the IMF held an extra-ordinary meeting in Dar es Salaam from 1- 2 March 2003. The purpose of the meeting was to consider a report on enhancing the effectiveness of the Group in influencing the policies of the Bretton Woods Institutions. Members of the Group include Angola, Botswana, Burundi, Eritrea, Ethiopia, Gambia, Kenya and Uganda. Others are Lesotho, Liberia, Malawi, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Zambia and Zimbabwe.

Poverty Reduction Support Credit (PRSC)

The PRSC I arrangement was approved by the World Bank's Executive Board on 27 May 2003 and expires on June 30 2004. It replaced the Programmatic Structural Adjustment Credit (PSAC), which expired in June 2003. The PRSC aims at supporting the implementation of the PRS by accelerating growth, broadening the impact of growth, aligning public investment with PRS goals and increasing efficiency of public service delivery. The facility further aims at ensuring more flexible and predictable budget support for the implementation of the PRS.

Programme Aid

During 2002/03, donors disbursed a total of USD 468.9 million as programme aid representing 91.4 percent of total pledges of USD 512.9 million. The amount disbursed is significantly higher by USD 181.2 million, compared with USD 287.7 million disbursed in 2001/02. The increase in donor support is a result of improved performance by the Government in implementing the program. Out of USD 468.9 million, the World Bank was the major contributor, disbursing USD 145.9 million under PSAC 1.

On June 23rd 2003, the World Bank and the Government of United Republic of Tanzania further signed a new development financing agreement of the Poverty Reduction Support Credit (PRSC) whereby, the Poverty Reduction Support Grant amounting to SDR 23.4 million (USD 32.0 million) and a Credit of SDR 73.0 million (USD 100.0 million), will be released under a single tranche facility to the Government of Tanzania to support the Implementation of the Tanzania Poverty Reduction Strategy (PRS). The main focus will be on the private sector development and public sector management.

The bilateral donors and the European Union (EU) continued to assist the Government through the Poverty Reduction Budget Support (PRBS). The goal of PRBS is to support poverty reduction in Tanzania by ensuring that adequate resources are provided for priority sectors in the Government's budget. Accordingly, PRBS increased from USD 136.3 million released in 2001/02 to USD 156.8 million in 2002/03.

Donors disbursed a total of USD 159.1 million through sectoral basket financing during the year, which included PEDP and Health Sector basket financing programmes. PEDP became operational in July 2001, focusing on introducing measures to increase resource availability and improve allocation and utilization, education inputs and strengthening institutional arrangements for effective primary education delivery within the overall Education Development Programme and in conformity with Millennium Development Goals and Poverty Reduction Strategy. The Health Sector basket financing also supports the Government's health sector reforms in line with targets under the Poverty Reduction Strategy Paper. Thirteen donors provided their assistance through Sectoral basket financing arrangement, and major donors were the World Bank (USD 62.3 million), Netherlands (USD 31.2 million) and the European Union (USD 14.0 million).

Financial Programming

The Financial Programming Working Group held its fourth workshop in February 2003 to review macroeconomic projections. Additional mini reviews of projections were also made regularly to reflect macroeconomic developments as they unfolded. During April and May 2003, reviews were made on GDP and inflation to take account of the impact of the Middle East tensions; overall global insecurity and late arrival of long rains in 2003. Due to these factors, GDP projections were revised downward and inflation upward.

Developments in Trade and Investment Policies

Monitoring Private Capital Flows

During 2002/03, the Bank in collaboration with the Tanzania Investment Centre (TIC) and National Bureau of Statistics (NBS) implemented Phase II of



the Private Capital Flows (PCF) Project. Phase II aimed at consolidating results obtained during Phase I, and extending coverage of the project to include Zanzibar.

The survey covered 930 companies in Tanzania Mainland and 148 in Zanzibar and achieved high response rates of about 86 percent in the Mainland and over 95 percent in Zanzibar. In total, 936 companies out of 1,078 companies responded to the survey giving an overall response rate of 87 percent.

Activities planned for 2003/04 include data validation, data processing, report writing and publication. The completion of the report is scheduled for 2004.

Development of Export Processing Zones (EPZ)

The Export Processing Zone (EPZ) Act was passed in Parliament in June 2002 and came into effect on 1st July 2002. The regulatory framework for EPZ was completed in March 2003 and preparation of the Operations Manual is in progress.

Since May 2003 four licences under EPZ have been issued to:

- NIDA Textile Mills (T) Ltd as both EPZ developer and operator of a single factory with a total investment of USD 5.2 million and expects to employ 650 local staff and 50 expatriates.
- Millennium Business Park Ltd as a developer to construct industrial sheds worth USD 8.0 million.
- Star Apparels Ltd to manufacture garments in the Millennium Business Park. It plans to invest USD 20.0 million and will employ 1000 workers.
- Reclaimed Appliances Ltd to deal with imported electrical and electronic equipment in the Millennium Business Park.

The allocation of more sites for development of EPZ is underway and the government is mobilising the required resources for development of essential infrastructure in the earmarked sites.

East African Community (EAC) Customs Union

The Treaty for the establishment of the EAC identified the formation of a Customs Union to be the entry point into the Community. During 2002/03, the three East African States (Kenya, Uganda and Tanzania) continued with negotiations on the protocol for the establishment of an EAC Customs Union. So far, there has been significant reduction in tariff and non-tariff barriers to trade among the Member States. Specifically, Kenya has reduced tariffs for goods from Tanzania and Uganda by 90 percent while Tanzania and Uganda have reduced tariff for goods from Kenya by 80.0 percent, which is in line with keeping the principle of asymmetry under the Customs Union framework. Similarly, the East African Heads of States agreed on structure of the Common External Tariff (CET). The CET is set at a three-band structure of 25 percent, 10 percent and 0 percent. Issues still under consideration include application of the principle of asymmetry, the legal, institutional and administrative structure of the Customs Union, and setting up a transitional fund.

Management Information Systems (MIS)

During the year 2002/03, there have been major developments in the Information Technology (IT) facilities, network infrastructure and business operations application systems. In addition, the Bank established the strategic framework for implementing Business Continuity Management (BCM) and adopted the new ICT Security Policy and Regulations.

Such developments include:

- Internet and data link networking,
- Registration of the Bank Website to increase security, efficiency and improve access of up-to date electronic information services. Digital certificates were also deployed on extranet web site (government departments, banks and financial institutions).
- Introduction of software to simplify distribution of software upgrades, centralize the day-to-day support, achieve remote support capability and create the database to help manage inventory and configuration of all installed system (i.e. ZENWORKS).



- Addition of dedicated leased lines to improve offices data link in Dar es Salaam.
- Strengthening remote data recovery operations to guarantee data recovery.
- Accommodation of accounting structure for the Government of Zanzibar in CBS.

Internal Audit

During 2002/03, the Bank continued to enhance internal controls through auditing and monitoring of operations to ensure compliance. Specifically, periodic reviews were conducted in the following areas:

- Front and back office operations.
- Banking supervision examiners' operations
- Donor Funds under the Financial Institutions Development Project (FIDP II) and Poverty Reduction Budget Support (PRBS).

Secretary to the Bank

For the year ending 30th June, 2003 the Bank of Tanzania and the Capital Markets and Securities Authority finalized consultations on the regulatory framework for participation of foreign investors in the Dar es Salaam Stock Exchange. Following completion of those consultations, the Minister of Finance issued The Capital Markets and Securities (Foreign Investors) Regulations, 2003 and The Capital Markets and Securities (Foreign Companies Public Offers Eligibility and Cross Listing Requirements) Regulations, 2003 in the Government Gazette of 6th June 2003. These regulations were effective on 21st May 2003. Publication of the Foreign Exchange (Listed Securities) Regulations, 2003 by the Bank of Tanzania would complete the set of regulations intended to guide foreign investors dealings in the stock exchange and establish regulatory safeguards for orderly and stable market activities.

Review of the legal framework for micro-finance was completed during the year ending June 2003. The results of the review provided a significant input to the legislative changes introduced in the Banking and Financial Institutions Act, 1991 in February 2003.

Legislative changes were also made in the Bank of Tanzania Act, 1995. Amendments to the two pieces of legislation were effected during February, 2003 session of the National Assembly. Passed as part of the Financial Laws (Miscellaneous Amendments) Act, 2003, the amendments to the Banking and Financial Institutions Act, 1991 also cover increase of minimum capital requirement for banks from TZS 1.0 billion to TZS 5.0 billion. The Bank of Tanzania will now prescribe capital requirements for financial institutions, including micro-finance companies and savings and credit societies or schemes that will be regulated and supervised by the Bank.

The amendments to the Bank of Tanzania Act, 1995, among other things, broaden the Bank's regulatory and supervisory powers to include payment systems in the country. This policy measure is intended to provide for a framework of regulatory safeguards in the development of requisite standards in the provision of payment systems products. Further, the Bank of Tanzania is empowered to establish a credit reference system for purposes of collecting and offering information on payment records of clients of all banks and financial institutions in the country. Private credit reference bureaus will be allowed to access information from the credit reference databank established at the Bank of Tanzania. The power to license and regulate private credit reference bureaus is vested with the Bank of Tanzania.

The Bank continued with consultations with other stakeholders on the inadequacies of the provisions of the Land Act, No. 4 of 1999. Concerns raised by Tanzania Bankers Association with regard to legal obstacles to lending were key to the consultation process. Amendments to the Land Act, 1999, are to be tabled to the National Assembly in October 2003.

During 2002/2003, Mr. G.S. Mgonja joined the Board of Directors of the Bank following his appointment as Permanent Secretary to the Treasury. Dr. E.S. Bukuku was appointed Permanent Secretary to the President's Office, Planning and Privatisation. Following this appointment, and in compliance with the provisions of section 10 of the Bank of Tanzania Act No.1 of 1995 Dr. Bukuku's directorship ceased. At the end of 2002/03, no replacement had been made to fill in the vacancy created by Dr. Bukuku's departure.



Branch Activities

Arusha Branch

During the year 2002/2003, the Bank continued to render banking services to the Government Departments and branches of Commercial banks operating in the Northern Zone. Such services included the encashment of cheques, accepting deposits and facilitating clearing transactions. The branch also facilitated currency distribution in the zone through Moshi Safe Custody Centre and the branch office. The Bank implemented the clean money policy project by collecting unserviceable notes and replenishing them with ex-mint and clean notes. The use of currency notes processing machines for counting, sorting, shredding and destruction and manual note counting greatly reduced the number of unserviceable notes in circulation.

The Economics Department at the Bank's Arusha Branch continued with its endeavours towards monitoring economic development and performance in the northern zone. The activities focused mainly on agriculture where studies on coffee, sisal and cut flower performance were conducted. Some progress was also made in the area of building economic database. The department also participated in the study of Foreign Direct Investment (FDI) to Tanzania.

Mwanza Branch

The issuing of new currency went on as planned and from February 2003 to 30th June 2003 new currency notes were distributed from the Safe Custody centers and through financial institutions in Mwanza City (Table 1).

Table 1: Currency issued and received from safe custody centres and financial institutions

Denomination	New notes	Old notes
10,000.00	39,599,390,000.00	45,620,000,000.00
5,000.00	55,432,980,000.00	19,490,000,000.00
2,000.00	20,470,000,000.00	21,434,000,000.00
1,000.00	11,292,999,000.00	94,535,000,000.00
500.00	13,088,000,000.00	49,400,000.00
Total	139,883,369,000.00	181,128,400,000.00

Mbeya Branch

Clean Money Policy

Clean Money Policy/Operation went on as planned. Commercial Banks were adequately supplied with ex-mint money and on the other hand huge deposit were received as a response to withdraw of soiled Notes from the public. At the end of the review period, commercial banks made deposits and withdrawals amounting to TZS 63.9 billion and TZS 79.8 billion at the Bank's Mbeya, respectively.

Supply of New Bank Note Series

The Branch supplied new issue Bank Notes to the Public through its own counters, commercial Banks and Safe Custody Centres from 3rd February 2003.

During the period under review, the Branch continued to implement and maintain Network ICT Security, smooth operation of CBS, and GroupWise, respectively.



Among the studies carried at the Branch during 2002/03 are:

- (i) Preparation of quarterly and annual economic performance reports of Southern Highlands Zone.
- (ii) Conducting the study on the “Impact of Financial Innovations by Financial Institutions in the Southern Highlands Zone”.
- (iii) Participated in the study of “Private Capital Flows” in Tanzania through data collection from private enterprises in Mbeya, Iringa, Ruvuma and Rukwa Regions.
- (iv) Conducted the study on the “Impact of Crop Marketing Liberalization on Food Crop Production and Food security in Tanzania”.
- (v) Initial investigations on the problems facing pyrethrum industry in the Zone.
- (vi) In collaboration with Zonal Rural Financial Services Program (RFSP), we participated in the analysis of performance of Zonal informal financial intermediaries (SACCOS and SACAs).
- (vii) Participated in the workshop that was aimed at determining investment opportunities available in Mbeya and Rukwa Regions.
- (viii) In collaboration with border TRA officials, we conducted a study on the need for improving cross border trade and curb tax evasion along borders of Southern Highlands Zone.

Mwanza Training Institute

During 2002/2003, the Bank’s Training Institute continued to design and implement training programmes focusing on Banking, Finance,

Economics, Information and Communication Technology (ICT) and Human Resource Management (HRM).

During the review period, the Training Institute planned to conduct a total of 36 courses out of which Bank of Tanzania group courses were 17 and Clients courses were 19. The actual courses conducted were 28 out of which 15 were the Bank of Tanzania group courses and 13 Clients courses.

The gap was attributed to two main factors, poor response from participants especially for courses, which were designed for SADC Central Banks, and the rescheduling of courses due to the ongoing renovation exercise that began at the end of May 2003. The courses that could not be held during the financial year 2002/03 were postponed to the financial year 2003/04. The Training Institute will embark on vigorous advertising of such courses to attract more participants.

During the year that ended June 2003, the Training Institute conducted a post training evaluation study that tested the relevancy; adequacy and applicability of the courses offered to the Bank, banks and other financial institutions and examined the strength of Resource Persons and the facilities offered to participants at the Training Institute. The results revealed that all the four variables of relevancy, applicability, adequacy and Resource Persons were of high quality, which show that the Training Institute courses satisfy the training needs of participants both within the Bank and outside. The Training Institute facilities were also rated satisfactory.

The Institute continued to provide facilities for the review programmes of the Tanzania Institute of Bankers (TIOB), and the National Board for Accountants and Auditors (NBAA) examinations and also hosted other training related events such as conferences, seminars and workshops involving government departments and the private sector.

The Training Institute initiated further measures geared at modernizing its facilities to cope with the increasing demand as a training center for the East Africa and SADC region. These measures include:

- **Internet Café**

The Institute has introduced Internet services to keep abreast with modern ways of access



to the Information and Communication Technology (ICT) for course participants and other users.

- **Recreation facilities**

The Institute had constructed basket and volleyball courts to provide outdoor leisure activities for staff and course participants. Equipment for indoor games and exercises has been procured.

Zanzibar Branch

During the period under review, the Revolutionary Government of Zanzibar approved the opening of her accounts with the Bank of Tanzania in Zanzibar. The Bank also continued

to provide services to four commercial banks based in Zanzibar. During the period, in an endeavour of controlling government expenditure, the Zanzibar Government established Expenditure-Ceiling Committee in which two members are from the Bank. The committee meets monthly to determine monthly resources and hence facilitates expenditure allocations.

In addition, the Bank under took economic studies, which covered tourism, industrial developments, Zanzibar Free Port and participated in Foreign Direct Investment study for Zanzibar. Also, the Bank secured the building permit from Zanzibar Government to undertake construction of its permanent office at Gulioni in Zanzibar.



BANK OF TANZANIA REPORT OF THE AUDITORS

As auditors appointed under Section 21(3) of the Bank of Tanzania Act, 1995, we have examined the attached Balance Sheet of the Bank of Tanzania as at 30th June, 2003, the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Bank's Board of Directors are responsible for the preparation of financial statements which give a true and fair view of the Bank's state of affairs and of the operational results. Our responsibility is to express an independent opinion based on our audit of the financial statements and report our opinion.

BASIS OF OPINION

We conducted our audit in accordance with approved Tanzania Auditing Standards issued by The National Board of Accountants and Auditors, which are in line with International Standards of Auditing (ISA). An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of significant estimates and judgements made by the directors in the preparation of financial statements, and of whether the accounting policies are appropriate to the circumstances, consistently applied and adequately disclosed.

OPINION

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the affairs of Bank of Tanzania as at 30th June, 2003, its profit and cash flows for the year then ended.

TANZANIA AUDIT CORPORATION

S.F. SAYORE - F.C.C.A.
DIRECTOR GENERAL

DAR ES SALAAM

DATE : 25TH SEPTEMBER, 2003



THE BANKS FINANCIAL STATEMENT

During the financial year 2002/03, the gross income of the Bank amounted to TZS 98.3 billion compared with TZS 76.6 billion recorded during the previous year, which reflects an increase of 28.3 percent. Income from foreign operations increased by 31.5 percent, from TZS 57.1 billion realized in 2001/02 to TZS 75.1 billion realized in 2002/03. The increase in income from foreign operations was mainly attributed to the higher level of investible funds coupled with more efficient portfolio investment management and improved market rates of return. Domestic income increased by 19.2 percent from TZS 19.5 billion earned during 2001/02 to TZS 23.2 billion generated during 2002/03. The increase in income on domestic operations was mainly attributed to income from domestic investments.

During the period under review, the Bank operating expenses increased by 36.5 percent from TZS 57.4 billion recorded in the previous year to TZS 78.3 billion incurred in 2002/03. The increase in expenses was mainly attributed to cost of printing new generation bank notes which led to an increase in currency issue expenses from TZS 10.0 billion incurred in 2001/02 to TZS 17.9 billion in 2002/03. Further, in accordance with the Bank of Tanzania Monetary Policy, the Bank has to mop-up excess liquidity in the economy by issuing liquidity papers. As a result, a total of TZS 10.3 billion was incurred in 2002/03 as interest on liquidity papers when compared with TZS 6.4 billion of 2001/02. Furthermore, administrative expenses increased by TZS 5.5 billion mainly as a result of increased cost of supportive services, staff costs and contributions.

The outcome of the Banks operations during the year under review was a net profit of TZS 20.0 billion, a increase of TZS 0.8 billion from TZS 19.2 billion recorded in 2001/02. Out of the profit earned, TZS 2.0 billion was appropriated to General Reserve, TZS 1.0 billion to Staff Housing Fund, TZS 12.0 billion to Reserve for Projects and TZS 5.0 billion was paid to the Governments as dividend.



BANK OF TANZANIA
BALANCE SHEET AS AT 30TH JUNE , 2003

ASSETS	NOTE	30.06.2003 TZS.	30.06.2002 TZS.	LIABILITIES	NOTE	30.06.2003 TZS.	30.06.2002 TZS.
Foreign Assets				Notes in Circulation	8	505,844,125,430	452,054,866,670
Gold and Foreign Exchange Holdings of SDR's	2	1,732,017,713,889	1,134,600,926,824	Coins in Circulation	9	16,717,520,061	14,425,269,495
Quota in IMF		273,109,125	38,587,247	Deposits - Government	10	248,382,051,388	168,794,607,594
		292,033,294,020	248,720,054,310	Deposit - Banks & Non Banks	11	117,100,176,869	106,607,847,516
Government Securities	3	202,904,331,036	295,651,141,074	Financial Institutions	12	36,853,068,622	30,742,034,233
				Deposits - Others			
				Foreign Liabilities	13	402,335,296,879	306,144,489,343
Investment in Affiximbank	4	1,256,868,000	1,136,316,000	IMF		533,172,943,960	417,885,661,185
				Allocation of SDR's	14	271,954,645,397	231,448,689,876
Fixed Assets	5	102,902,813,375	43,425,928,500	Other Liabilities		46,061,681,750	39,229,992,679
				TOTAL LIABILITIES		2,132,991,239,091	1,720,568,726,043
Clearing Accounts Balances	6	13,423,860,683	36,602,763,661	EQUITY			
				Share Capital	15	10,000,000,000	10,000,000,000
Other Assets	7	101,068,745,845	105,432,331,258	Capital Reserve	16	28,754,326,011	3,754,326,011
TOTAL		2,445,880,735,973	1,865,608,048,874	Fixed Assets Revaluation	17	35,530,920,891	5,242,320,879
				Reserve	18	28,086,833,583	26,086,359,612
				General Reserve	19	6,792,412,435	1,500,000,000
				Export Credit Guarantee Fund			
				Staff Housing Fund	20	20,814,272,576	20,733,065,968
				Reserve for Projects	21	27,928,191,382	40,568,191,382
				Revaluation Account	22	154,982,540,004	37,155,058,979
				TOTAL EQUITY		312,889,496,882	145,039,322,831
				TOTAL		2,445,880,735,973	1,865,608,048,874

NOTES I TO 31 FORM PART OF THE ACCOUNTS



MR. D.T.S. BALLALI
GOVERNOR

30/09/2003

DATE



MR. P. LYMO
DIRECTOR

**BANK OF TANZANIA****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30TH JUNE, 2003**

INCOME	NOTE	2001/03 TZS.	2001/02 TZS.
Income on Foreign Operations	23	75,096,704,681	57,116,475,902
Income on Domestic Operations	24	23,229,266,412	19,484,554,134
		<u>98,325,971,093</u>	<u>76,601,030,036</u>
OPERATING EXPENSES			
Expenditure on Foreign operations	25	3,213,528,961	3,071,057,457
Expenditure on Domestic Operations	26	10,440,685,946	6,588,260,111
Currency Issue Expenses	27	17,942,348,369	10,034,149,067
Administrative Expenses	28	38,118,057,295	32,640,892,578
Depreciation		8,590,650,594	5,031,034,706
Provision for Bad and Doubtful Debts		11,998,918	23,457,411
		<u>78,317,270,083</u>	<u>57,388,851,330</u>
OPERATING PROFIT		20,008,701,010	19,212,178,706
EXCEPTIONAL ITEMS			
Net Transfer as a Result of Write - Off		(3,961,300)	(31,603,825)
NET PROFIT FOR THE YEAR		<u>20,004,739,710</u>	<u>19,180,574,881</u>
DISTRIBUTION OF PROFIT			
General Reserve		2,000,473,971	959,028,744
Staff Housing Fund		1,000,236,986	959,028,744
Reserve for Projects		12,000,000,000	9,262,517,393
Payable to the Governments		5,004,028,753	8,000,000,000
TOTAL		<u>20,004,739,710</u>	<u>19,180,574,881</u>

NOTES 1 TO 26 FORM PART OF THE ACCOUNTS**MR. D.T.S. BALLALI
GOVERNOR****30/09/2003****DATE****MR. P. LYIMO
DIRECTOR**



BANK OF TANZANIA

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE , 2003

	2002/03 TZS.	2001/02 TZS.
CASH INFLOWS		
ARISING FROM OPERATIONS		
Net Profit for the Year	20,004,739,710	19,180,574,881
Depreciation of Fixed Assets	8,590,650,594	5,031,034,706
Loss/(Gain) on Disposal of Fixed Assets	(42,608,411)	(32,430,001)
	<u>28,552,781,893</u>	<u>24,244,039,588</u>
ARISING FROM DISPOSALS OF		
Fixed Assets Proceeds	171,265,816	123,296,810
Government Securities	94,203,088,542	1,022,156,397
	<u>94,374,354,358</u>	<u>1,145,453,207</u>
ARISING FROM INCREASE IN LIABILITIES		
Deposits	96,190,807,537	34,933,102,594
IMF	40,505,955,521	18,736,272,812
Allocation of SDR's	6,831,689,071	4,476,658,913
Reserve for Projects	360,000,000	-
Revaluation Account	117,827,481,025	-
Export Credit Guarantee Fund	5,292,412,435	-
Foreign Liabilities	115,287,282,775	56,824,294,607
Other Liabilities	100,521,240,066	123,253,979,981
Staff Housing Fund	-	10,739,856,664
	<u>482,816,868,430</u>	<u>248,964,165,571</u>
ARISING FROM DECREASE IN ASSETS		
Clearing Account Balances	23,178,902,978	-
Other Assets	4,363,585,413	-
Revaluation Account	-	54,377,567,710
Holdings of SDR's	-	78,024,522
	<u>27,542,488,391</u>	<u>54,455,592,232</u>
TOTAL CASH INFLOWS (A)	<u>633,286,493,071</u>	<u>328,809,250,598</u>



BANK OF TANZANIA

**CASH FLOW STATEMENT FOR THE YEAR ENDED
30TH JUNE, 2003 (CONT' D)**

	2002/03 TZS.	2001/02 TZS.
CASH OUTFLOWS		
DUE TO ACQUISITION OF		
Fixed Assets	37,907,592,862	11,460,513,249
Government Securities	1,456,278,504	-
	<u>39,363,871,366</u>	<u>11,460,513,249</u>
DUE TO INCREASE IN ASSETS		
Gold and Foreign Assets	597,416,787,065	277,752,379,972
Other Assets	-	42,778,845,980
Holding of SDRs	234,521,878	-
Quota in IMF	43,313,239,710	28,382,234,400
IPC - Domestic	-	16,116,972,469
Investment in Afreximbank	120,552,000	70,680,000
	<u>641,085,100,653</u>	<u>365,101,112,821</u>
DUE TO DECREASE IN LIABILITIES		
Staff Housing Fund	919,030,378	-
	<u>919,030,378</u>	-
DUE TO DIVIDENDS (GOVERNMENT)	8,000,000,000	12,068,954,441
TOTAL CASH OUTFLOWS (B)	<u>689,368,002,397</u>	<u>388,630,580,511</u>
INCREASE/(DECREASE)IN CURRENCY IN CIRCULATION (A-B)	<u>(56,081,509,326)</u>	<u>(59,821,329,913)</u>

NOTES I TO 26 FORM PART OF THE ACCOUNTS

**MR. D.T.S. BALLALI
GOVERNOR**

30/09/2003

DATE

**MR. P. LYIMO
DIRECTOR**



BANK OF TANZANIA

NOTES ON THE ACCOUNTS

NOTE 1 : ACCOUNTING POLICIES

(a) **Basis of Accounting**

These accounts have been prepared on the basis of the historical cost convention , modified to include revaluation of fixed assets, foreign assets and liabilities. No adjustments have been made for other inflationary factors affecting the accounts.

(b) **Depreciation of Fixed Assets**

Depreciation is provided for on a straight-line basis to write off the cost of the fixed assets over their expected useful lives. Personal Computers, Computer Servers, and Computer Printers depreciation rates changed from 20% to $33\frac{1}{3}\%$, 25% and 25% respectively while Security Monitoring system depreciation rates changed from $12\frac{1}{2}\%$ to 20% in 2002/03. The review was necessary in order to arrive at more realistic economic life of the above assets. Other annual rates were used consistently with those of the previous years:-

Assets Classification	Annual Rate
- Office Premises	5%
- Staff Club Premises	10%
- Residential and Rest House Premises	$6\frac{2}{3}\%$
- Computer Servers	25%
- Computer Printers	25%
- IT Software	20%
- Personal Computers	$33\frac{1}{3}\%$
- Motor Vehicles	25%
- Currency Machines	$12\frac{1}{2}\%$
- Machinery and Equipment	$12\frac{1}{2}\%$
- Security Monitoring System	20%
- Office Furniture	15%

Pursuant to the Bank's policy , fixed assets acquired during the year are depreciated at full year's rate irrespective of the date of acquisition and those disposed off are not depreciated in the year of disposal.

(c) **Provision for Bad and Doubtful Debts**

Provision for bad and doubtful debts is made at the rate of 50% and 100% for outstanding non government debts which have been outstanding for one year and more than one year, respectively.



BANK OF TANZANIA

NOTE 1: ACCOUNTING POLICIES (CONT'D)

(d) Foreign Currency Translation

- (i) Foreign currency transactions are translated into Tanzanian shillings at the rates of exchange ruling on the respective dates of the transactions. Exchange gains and/or losses arising thereon are taken into account in determining the net operating results for the year.
- (ii) Foreign assets and liabilities outstanding as at the end of each day during the year are translated at the mean rates of exchange ruling as at the end of the respective days. Differences in exchange rates arising as a result thereof are transferred to the revaluation account pursuant to Section 15(3) of the Bank of Tanzania Act, 1995.

(e) Government Securities

Government Securities are stated at cost.



BANK OF TANZANIA

NOTES ON THE ACCOUNTS

NOTE 2: GOLD AND FOREIGN EXCHANGE

2.1 Foreign Deposit

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Pound Sterling	5,815,861,044.42	5,214,973,734.11
US Dollars	336,201,743,586.64	92,063,440,640.11
EURO	76,384,430,156.51	17,981,073,724.21
Other Currencies	39,008,479.72	33,210,096.99
Sub Total	418,441,043,267.31	115,293,898,366.54

2.2 Foreign Currency Notes

Sub Total	156,012,639.64	426,733,589.87
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2.3 Gold Deposit

Sub Total	28,920,349,341.88	24,076,899,350.22
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2.4 Foreign Investments

GBP Investments	220,783,558,396.40	139,609,986,126.23
USD Investments	808,925,324,756.71	684,370,609,630.98
EURO Investments	254,791,425,486.86	170,756,165,252.47
Sub Total	1,284,500,308,639.97	994,736,761,009.68

Overdrawn LORO Account	-	67,834,679.28
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GRAND TOTAL **1,732,017,713,888.80** **1,134,600,926,824.47**

As at June 30th, 2003, gold and foreign exchange amounted to TZS 1,732,017.7 million, an increase of TZS 597,416.8 million, from the previous year's balance. The increase was due to donor funds inflows, Bank of Tanzania's net purchase of Foreign Exchange in the inter Bank Foreign Exchange Market (IFEM) and depreciation of Tanzania Shilling against major currencies.

NOTE 3: GOVERNMENT SECURITIES

Government Securities are stated at Cost; and comprises of:-

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Treasury Bills	1,456,278,504.00	-
Treasury EPA Stock	4,352,767,308.82	97,281,784,138.46
Treasury Special Stocks	111,906,090,615.34	113,180,162,327.74
LART Bonds	85,189,194,608.00	85,189,194,608.00
TOTAL	202,904,331,036.16	295,651,141,074.20



BANK OF TANZANIA

The Bank's holding of Government securities decreased by TZS 92,746.8 million from TZS 295,651.1 million as at 30th June, 2002 to TZS 202,904.3 million 30th June, 2003 following redemption of External Payment Arrears (EPA) Stock.

NOTE 4: INVESTMENT IN AFREXIMBANK

Investment in Afreximbank is stated in the balance sheet at TZS 1,256.9 million which is equivalent to USD 1,200,000 paid in advance for the acquisition of 300 shares of par value USD 10,000 with a total value of USD 3,000,000 allocated to the Bank of Tanzania during the financial year 1993/94, the details of which are as follows:-

	Amount USD
Shares allotted: - 300 shares of par value USD 10,000	3,000,000
Paid up share capital: - 120 shares of par value USD 10,000	<u>1,200,000</u>
Amount of Share capital not called up: - 180 shares par value USD 10,000	<u>1,800,000</u>

NOTE 5: FIXED ASSETS

	30.06.2003 TZS	30.06.2002 TZS
Land and Buildings	50,585,117,451.52	21,887,219,062.59
Machinery and Equipment	22,404,382,299.49	18,434,498,251.90
Furniture Bank Premises	1,191,188,028.34	1,116,353,080.40
Computers and IT Software	7,532,372,054.47	6,325,035,655.75
Motor Vehicles	4,814,418,480.14	4,686,451,826.92
Sub Total (Cost /valuation)	86,527,478,313.96	52,449,557,877.56
Less: Accumulated Depreciation	26,714,969,712.03	20,766,361,512.10
Net Book Value	59,812,508,601.93	31,683,196,365.46
Add: Capital Work in Progress	43,090,304,773.14	11,742,732,134.17
TOTAL	<u>102,902,813,375.78</u>	<u>43,425,928,499.63</u>

The above Total amount of Fixed Assets comprise of the following:-

	30.06.2003 TZS	30.06.2002 TZS
Opening Balance	64,192,290,011.73	53,377,676,840.84
Addition During the Year	37,907,592,862.08	11,610,520,601.62
Decrease Due to Disposal	(793,694,333.86)	(795,907,430.73)
Increase Due to Revaluation	28,311,594,546.86	-
Closing Balance	*129,617,783,086.81	*64,192,290,011.73
Less: Accumulated Depreciation	26,714,969,712.03	20,766,361,512.10
TOTAL	<u>102,902,813,375.78</u>	<u>43,425,928,499.63</u>

*The closing balance of TZS 129,617,783,086.81 and TZS 64,192,290,011.73 as at 30th June 2003 and 30th June 2002 include the capital work in progress balance of TZS 43,090,304,773.14 and TZS 11,742,732,134.17, respectively.



BANK OF TANZANIA

The net book value of Bank's fixed assets increased by TZS 59,476.9 million to TZS 102,902.8 million as at 30th June, 2003 mainly due to valuation of immovable properties, and the cost of 10 Mirambo Extension Project which is classified in this note under capital work in progress.

NOTE 6: CLEARING ACCOUNTS BALANCES

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
IPC Banking Department	1,188,000.00	-
BOT Clearing Suspense Accounts	13,244,174,946.19	36,489,589,703.49
Inter-branch Clearing Accounts	178,497,736.65	113,173,957.00
TOTAL	13,423,860,682.84	36,602,763,660.49

Net items in clearing accounts balances stood at a net debit balance of TZS 13,423.8 million as at June 30th 2003 compared to previous year end balance of TZS 36,602.7 million mainly due to speedy clearance of inward clearing of items.

NOTE 7: OTHER ASSETS

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Staff Advances	832,952,742.28	1,083,180,016.42
Long Term Staff Loans	24,024,696,475.85	19,512,535,382.86
Staff Imprest	238,779,287.50	54,431,596.45
Special Funds Investment Accounts Balances	7,121,337,896.00	7,115,009,614.23
Accounts Receivables	750,187,636.71	1,172,395,989.78
Prepayments	27,546,089,211.75	17,349,495,954.74
Petty Cash Balances	31,200,500.00	8,000,000.00
Accrued Interest	18,945,534,750.29	21,018,459,876.85
EPA Losses on Exchange – NBC	3,388,801,967.86	26,815,350,730.76
Loan – Staff Housing Fund	10,248,000,000.00	10,728,000,000.00
Export Credit Guarantee Fund	6,664,448,984.00	1,283,445,000.00
Intermediary GL DDDA	1,994,091,162.47	-
Others	25,210,155.00	47,286,928.70
Sub Total	101,811,330,769.71	106,187,591,090.79
Less: Provision for Bad and Doubtful Debts	742,584,925.03	755,259,832.62
TOTAL	101,068,745,844.68	105,432,331,258.17

The other assets of the Bank decreased by TZS 4,852.6 million to TZS 101,068.7 million by June 30,2003. The decrease is mainly attributed to conversion of EPA losses in exchange NBC balance into stock.

NOTE 8: NOTES IN CIRCULATION

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Notes Issued	1,152,764,814,740.00	1,643,013,560,240.00
Less: Notes in Custody	646,920,689,310.00	1,190,958,693,570.00
TOTAL	505,844,125,430.00	452,054,866,670.00



BANK OF TANZANIA

	30.06.2003 TZS	30.06.2002 TZS
NOTE 9: COINS IN CIRCULATION		
PARTICULARS		
Coins Issued	29,989,404,683.20	30,003,004,683.20
Less: Coins in Custody	13,271,884,622.10	15,577,735,187.85
TOTAL	16,717,520,061.10	14,425,269,495.35

Notes in circulation and coins in circulation increased to TZS 505,844.1 million and TZS 16,717.5 million, respectively. The increase has a multiplier effect in increase in reserve money which increased by TZS 56,081.5 million to TZS 522,561.6 million by June 30th, 2003.

NOTE 10: DEPOSITS GOVERNMENT

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
DAR ES SALAAM HEAD QUARTERS		
General Ledger Control Account	238,638,299,684.80	161,807,998,988.09
MWANZA BRANCH		
General Ledger Control Account	2,309,832,540.19	2,214,898,673.72
ARUSHA BRANCH		
General Ledger Control Account	1,787,587,804.36	1,609,857,824.01
ZANZIBAR BRANCH		
General Ledger Control Account	4,402,118,776.71	1,452,269,200.42
MBEYA BRANCH		
General Ledger Control Account	1,244,212,582.36	1,709,582,907.38
TOTAL	248,382,051,388.42	168,794,607,593.62

Governments deposits increased by TZS 79,587.4 million to TZS 248,382.1 million by June 30th, 2003. The increase is attributed to revenue collection and donor fund inflows.

NOTE 11: DEPOSITS - BANKS AND NON BANKS FINANCIAL INSTITUTIONS

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Banks	116,574,741,394.14	106,137,737,463.68
Non Banks Financial Institutions	322,384,784.44	466,062,714.10
Bureaux and Others	203,050,690.04	4,047,338.45
TOTAL	117,100,176,868.62	106,607,847,516.23

Banks and Non-Banks Financial institutions deposits with the Bank of Tanzania rose to TZS 117,100.2 million compared to previous year-end balance of TZS 106,607.8 million. The increase of TZS 10,492.4 million is mainly a result of improvement in the banking services and good micro economic performance, which boosted banking business and public confidence in the banking system.



BANK OF TANZANIA

NOTE 12: DEPOSITS - OTHERS

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Bank Drafts Issued	10,349,565,047.87	7,818,662,849.95
Interest on Government Stocks	4,674,782,262.56	7,048,178,064.21
Debt Conversion Scheme	2,518,447,405.31	1,185,052,787.27
Stock Redemption Account	111,292,655.70	115,285,055.70
Cash Cover for Government Obligations	5,413,438,145.98	985,344,493.82
EPA – BOT	225,455,594.69	225,455,594.69
Debt Buyback	1,171,643,093.51	1,171,643,093.51
SAF IV Domestic Debt Retirement	574,447,274.17	0.17
Staff Deposits	1,848,546,407.36	1,973,745,946.77
Deposit Insurance Fund	104,841,638.23	384,354,759.63
Others	518,092,373.76	398,678,413.95
Sub Total	27,510,551,899.14	21,306,401,059.67
External Payment Arrears-NBC	9,342,516,722.79	9,435,633,173.34
TOTAL	36,853,068,621.93	30,742,034,233.01

Deposit others increased by TZS 6,111.0 million to TZS 36,853.1 million by 30th June, 2003 due to funds received from the government and drafts issued but not presented for payment as of the year end.

NOTE 13: FOREIGN LIABILITIES

	30.06.2003 TZS	30.06.2002 TZS
13.1 FOREIGN LIABILITIES – BANKS		
Foreign Banks	221,293,943.35	200,690,833.93
Local Banks	10,336,592,106.24	11,033,090,753.74
Sub Total	10,557,886,049.59	11,233,781,587.67
13.2 FOREIGN LIABILITIES - GOVERNMENT		
Special Project	63,396,336,508.46	20,507,775,563.95
Poverty Reduction and Budget Support	19,191,692,561.48	12,073,224,659.36
Sub Total	82,588,029,069.94	32,581,000,223.31
IMF	4,230,915.10	7,577,857.65
IDA	71,678,503.80	37,678,503.80
IBRD	800,065,400.05	65,400.05
MIGA	8,792,607.15	8,792,607.15
EEC	12,475,397,388.85	9,589,419,283.66
Sub Total	13,360,164,814.95	9,643,533,652.31



BANK OF TANZANIA

13.3 FOREIGN LIABILITIES – OTHERS

IMF Drawings (PRGF)	418,691,907,017.90	352,921,439,858.58
TTCL Privatization	14,067,348.46	11,207,967,594.95
Non Paris Club Liabilities	5,236,950,000.00	
Other Clearing Accounts	<u>2,723,939,659.36</u>	<u>297,938,268.28</u>
Sub Total	426,666,864,025.72	364,427,345,721.81
GRAND TOTAL	<u>533,172,943,960.20</u>	<u>417,885,661,185.10</u>

Foreign liabilities increased by TZS 115,287.3 million, in shilling terms, to TZS 533,172.9 million. The increase is attributed to IMF/ESAF, Primary Education Development Program, OPEC and Poverty Reduction Budget Support (PRBS) credit facilities.

NOTE 14: OTHER LIABILITIES

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Accounts Payable	13,329,018,250.50	686,501,295.96
REPO Accounts	20,100,000,000.00	44,905,939,907.19
BOT Liquidity Papers	312,119,105,396.00	198,594,130,689.00
Others	1,894,518,919.86	4,761,650,741.42
Accrued Interest on REPO and Liquidity Papers	<u>4,458,354,294.42</u>	<u>2,431,534,161.55</u>
Sub Total	351,900,996,860.78	251,379,756,795.12
Dividend Payable to Governments	5,004,028,753.30	8,000,000,000.00
TOTAL	<u>356,905,025,614.08</u>	<u>259,379,756,795.12</u>

Other liabilities, including dividend payable to the Governments, increased by TZS 97,525.3 million from TZS 259,379.7 million as of June 30th, 2002. The increase is mainly attributed to unmatured BOT liquidity papers.

NOTE 15: SHARE CAPITAL

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Issued and Paid Up Share Capital	10,000,000,000.00	10,000,000,000.00

The paid up share capital of the Bank as at June 30th, 2003 remained at the same level of TZS 10,000.0 million as the balance as of end June 30th 2002. This is in accordance with Section 18 (1) of the Bank of Tanzania Act, 1995.

NOTE 16: CAPITAL RESERVE

With effect from the Financial Year 2001/2002 an amount equivalent to capital expenditure expended out of reserve for projects are transferred to the Capital Reserve Fund as it would no longer be available for utilization. The movement in Capital Reserve Fund during the year is as follows: -



BANK OF TANZANIA

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Opening Balance	3,754,326,011.00	
Amount transferred during the year	<u>25,000,000,000.00</u>	<u>3,754,326,011.00</u>
Closing Balance	<u>28,754,326,011.00</u>	<u>3,754,326,011.00</u>

NOTE 17: FIXED ASSETS REVALUATION RESERVE

The Bank's immovable fixed assets were revalued by M/S Real Estate Surveyors & Associates Limited, professional valuers as at 30th June 2002. However the revaluation figures were incorporated in the accounts as of 1st July 2002. The basis of revaluation adopted was open market value. The revaluation resulted into a revaluation surplus of TZS 30,288,600,012.08, which forms part of the fixed assets revaluation reserve account balance.

NOTE 18: GENERAL RESERVE

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Opening Balance	26,086,359,612.00	25,127,330,868.00
Appropriation of Profits during the year	<u>2,000,473,971.00</u>	<u>959,028,744.00</u>
Closing Balance	<u>28,086,833,583.00</u>	<u>26,086,359,612.00</u>

The increase of TZS 2,000.5 million in the General Reserve balance of TZS 28,086.8 million as at June 30th, 2003 is attributed to appropriation of 10% of the 2002/2003 distributable profits in accordance to Section 19(1) of the Bank of Tanzania Act, 1995.

NOTE 19: EXPORT CREDIT GUARANTEE FUND

The Export Credit Guarantee Scheme (ECGS) established by the Government necessitated the establishment of an Export Credit Guarantee Fund. The initial capital of the fund was financed by an appropriation of TZS 1.5 billion out of the Bank's profits for the year 2000/2001. As of 30/06/2003 the ECGS has reached a level of TZS 6,792,412,435.00.

NOTE 20: STAFF HOUSING FUND

The above fund was established through a Board of Directors' resolutions to provide house loans to the Bank's employees in 1989/90. One of the main source of the Funds has been appropriations of 1% of the Bank's distributable profit for the period of 1989/90. The current appropriation rate is 5%. Interest earned from the staff housing loans form part of the fund. Movement in the staff-housing fund during the year is as follows: -

	30.06.2003 TZS	30.06.2002 TZS
Opening Balance	20,733,065,968.00	9,394,180,560.00
Refund of Amount previously transferred from Reserve for Projects	<u>(360,000,000.00)</u>	<u>(360,000,000.00)</u>
Interest from Staff Housing Loans	-	28,513,219.00
BOT Loan	-	10,728,000,000.00
Interest from Investment	<u>9,370,000.00</u>	
Balance in staff Housing Insurance Fund	<u>(58,227,878.00)</u>	<u>(16,656,555.00)</u>
Refund of BOT Loan	<u>(510,172,500.00)</u>	
Appropriation of Profits During the Year	<u>1,000,236,985.00</u>	<u>959,028,744.00</u>



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NOTE 21: RESERVE FOR PROJECTS

This fund was established to provide resources for capital projects through annual allocation of amounts from the Bank's profits. Expenditure for capital projects are partially financed out of this fund. The amount expended out of this fund effective the financial year 2001/2002 is transferred to Capital Reserve. The movement of the reserve during the year is as follows:-

PARTICULARS	30.06.2003 TZS	30.06.2002 TZS
Opening Balance	40,568,191,382.00	34,700,000,000.00
Amount of Refund from Staff Housing Fund	360,000,000.00	360,000,000.00
Amount Expended on 10 Mirambo transferred to Capital Reserve	(25,000,000,000.00)	(3,754,326,011.00)
Appropriation of Profits for the Year	12,000,000,000.00	9,262,517,393.00
TOTAL	27,928,191,382.00	40,568,191,382.00

NOTE 22: REVALUATION ACCOUNT

The revaluation account credit balance of TZS 154,982,540,004 represents cumulative net amount of gains or losses arising from revaluation of the Bank's net assets or liabilities in gold, foreign exchange or foreign securities or any internationally recognized reserve asset as a result of any change in the par or other value of any currency unit.

NOTE 23: INCOME AND EXPENSES

The income, expenses and the resulting operating profit of the Bank over the last five years indicated an increasing trend. **Table 1.0** below shows a summary of financial results of the Bank of Tanzania operations for the past five years to 2002/03.

Table 1.0: Operating Performance 1998/99 to 2002/03

PARTICULARS	Millions of TZS				
	2002/03	2001/02	2000/01	1999/00	1998/99
INCOME					
Foreign Operations	75,096.7	57,116.5	48,660.0	29,391.1	20,802.2
Domestic Operations	23,229.2	19,484.5	21,979.9	36,848.9	11,581.5
TOTAL INCOME	98,325.9	76,601.0	70,639.9	66,240.0	32,383.7
RECURRENT EXPENSES					
Foreign Operations	3,213.5	3,071.1	2,963.6	2,525.7	2,100.3
Domestic Operations	10,440.7	6,588.3	3,866.7	5,844.5	4,395.7
Currency Issue Expenses	17,942.3	10,034.9	4,704.1	3,823.1	2,818.5
Administrative Expenses	38,118.1	32,640.9	28,031.2	23,596.7	18,856.0
Provision for Bad Debts	12.0	23.5	359.4	334.6	13.0
Depreciation	8,590.6	5,031.0	4,472.5	2,916.6	2,544.0
TOTAL RECURRENT EXPENSES	78,317.2	57,388.9	44,397.5	39,041.2	30,727.5
OPERATING PROFIT	20,008.7	19,212.1	26,242.4	27,198.8	1,656.2



BANK OF TANZANIA

23.1 GROSS INCOME

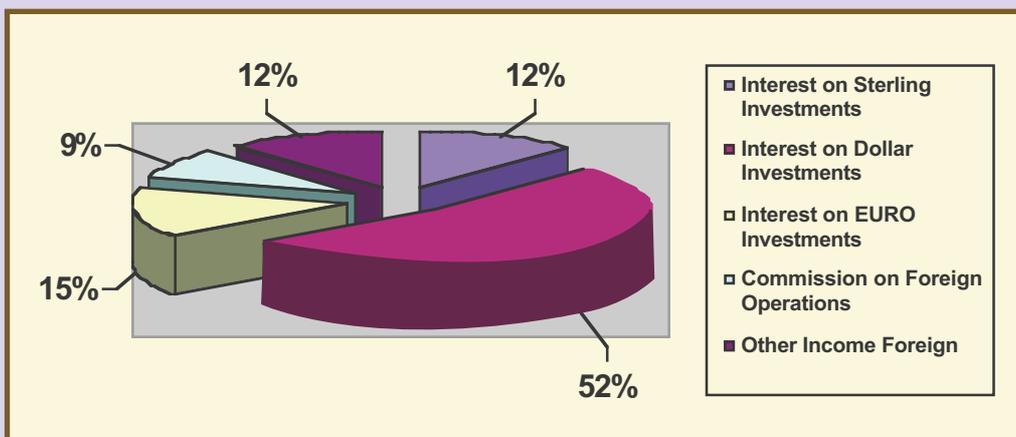
During 2002/03, gross income earned from operations amounted to TZS 98,325.9 million compared to TZS 76,601.0 million of the previous financial year. The increase of TZS 21,724.9 million, representing 28.3 percent, is attributed to income from foreign operations. Below are the details: -

23.1.1 Income On Foreign Operations

PARTICULARS	2002/03 TZS	2001/02 TZS
Interest Income	59,573,467,829.77	49,525,656,356.05
Non – Interest Income	15,523,236,851.70	7,590,819,545.41
TOTAL	75,096,704,681.47	57,116,475,901.46

During 2002/03, income realized from foreign operations amounted to TZS 75,096.7 million compared to TZS 57,116.5 million of the proceeding year. The increase of TZS 17,980.2 million, representing 31.5 percent, is mainly attributed to higher level of investible funds coupled with more efficient portfolio investment management and depreciation of the Tanzanian shilling. **Chart 2.1** below indicates the percentage share of income categories under foreign operations.

Chart 2.1: Categories of Income on Foreign Operations



23.1.2 Income On Domestic Operations

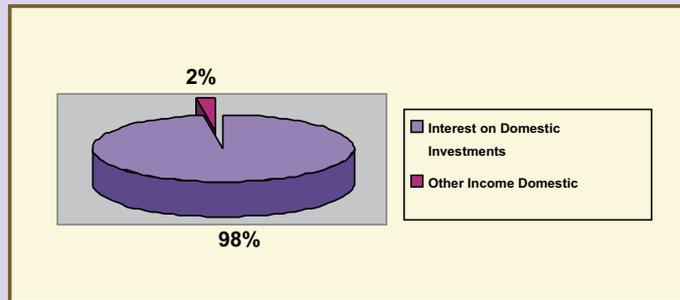
PARTICULARS	2002/03 TZS	2001/02 TZS
Interest Income	22,666,941,256.51	19,048,242,272.02
Non – Interest Income	562,325,155.85	436,311,862.34
TOTAL	23,229,266,412.36	19,484,554,134.36

In 2002/03, a total of TZS 23,229.3 million was generated from domestic operations compared to TZS 19,484.5 million earned in the previous year. The increase of TZS 3,744.7 million is mainly associated to interest income. **Chart 2.2** highlights percentage share of income categories under domestic operations.



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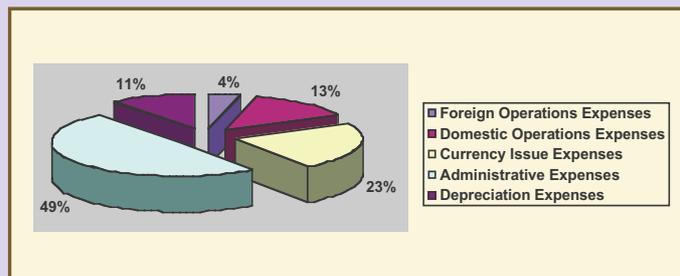
Chart 2.2: Percentage Share of Income on Domestic Operations



23.2 OPERATING EXPENSES

The overall operating expenses incurred by the Bank in 2002/03 represented an increased of TZS 20,928.4 million to TZS 78,317.2 million compared to TZS 57,388.8 million incurred in 2001/02. All categories of expenses indicated an upward trend. Chart 2.3 indicates percentage share of major expenses items followed with details from para 23.2.1 through 23.2.4.

Chart 2.3: Percentage Share of Operating Expenses



23.2.1 Expenditure On Foreign Operations

PARTICULARS	2002/03 TZS	2001/02 TZS
Interest Expenses	2,889,152,858.19	2,665,579,457.83
Non-Interest Expenses	324,376,103.06	405,477,999.15
TOTAL	3,213,528,961.25	3,071,057,456.98

Total expenditure relating to foreign operations amounted to TZS 3,213.5 million, an increase of TZS 142.4 million, above the amount incurred in the preceding year. The above increase, representing 4.6 percent, was mainly caused by a rise in charges on International Monetary Fund (IMF) borrowings.

23.2.2 Expenditure On Domestic Operations

PARTICULARS	2002/03 TZS	2001/02 TZS
Interest Expenses	10,440,685,945.60	6,588,260,111.00
Non-Interest Expenses	-	-
TOTAL	10,440,685,945.60	6,588,260,111.00

Expenses on domestic operations increased by TZS 3,852.4 million to TZS 10,440.7 million in 2002/03. The reason for the increase is attributed to mopping up of excess liquidity from the economy. As a result, a total of TZS 10,266.7 million was incurred during the year under review, as interest on liquidity papers, compared to TZS. 6,379.0 million of the previous year.



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23.2.3 Currency Issue Expenses

PARTICULARS	2002/03 TZS	2001/02 TZS
Notes Printing	17,200,984,252.62	9,709,071,914.41
Currency Transport, Storage and Handling	283,389,444.57	221,150,291.65
Others Currency Expenses	457,974,672.30	103,926,860.60
TOTAL	17,942,348,369.49	10,034,149,066.66

Currency issue expenses increased to TZS 17,942.3 million during 2002/03 compared to TZS 10,034.1 million incurred in the previous year. The Bank printed new generation banknotes that started to be delivered from March 2003.

23.2.4 Administrative Expenses

PARTICULARS	2002/03 TZS	2001/02 TZS
Board Expenses	451,668,043.00	428,194,998.48
Personnel Expenses	22,049,994,456.96	20,546,424,322.77
Transport and Travelling	2,524,837,589.13	1,898,103,057.21
Maintenance-Computers, Software and Related Expenses	709,494,683.89	718,124,085.65
Maintenance-Furniture, Machinery and Equipment	857,334,635.27	492,073,459.60
Maintenance-Bank Premises	808,371,260.10	936,712,951.29
Fees, Rates and Security Expenses	1,962,270,010.08	1,384,634,624.07
Water and Electricity	733,872,964.50	791,143,985.10
Telecommunications and Postage	1,448,613,265.97	942,855,373.55
Printing and Stationeries	614,252,822.84	639,517,142.25
Subscriptions, Donations and Contributions	1,456,954,770.57	1,752,484,549.26
Meetings, Conferences and Seminars	1,888,547,364.51	1,360,712,961.24
Other Administrative Expenses	2,611,845,428.17	749,911,067.60
TOTAL	38,118,057,294.99	32,640,892,578.07

During 2002/03, expenditure on administrative support services increased by 16.8 percent to TZS 38,118.1 million compared to TZS 32,640.9 million in the year 2001/02. The increase was mainly attributed to increased cost of supplies, maintenance, fees and Staff costs.

23.2.5 Depreciation Expenses

Depreciation expenses increased by TZS 3,559.6 million to TZS 8,590.6 million compared to TZS 5,031.0 million for the year 2001/02. The increase was attributed to valuation of the Bank's immovable properties as of June 30th, 2002, depreciation adjustment of which were effected in the accounts in the year 2002/03.

23.3 OPERATING PROFIT

Total distributable profit for the year 2002/03 increased to TZS 20,004.7 million compared to TZS 19,180.6 million recorded in 2001/02. The increase of TZS 824.1 million was attributed to a higher level of investible funds, more efficient portfolio management and improved markets rates of return, resulting in higher income from foreign investments.



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23.4 CAPITAL EXPENDITURE

During 2002/03, an amount of TZS 37,907.6 million was incurred as capital expenditure compared to TZS 11,460.5 million of the preceding year. The increase in expenditure is related to the implementation of major projects namely extension of the main office building at 10 Mirambo Street, construction of Zanzibar Gullioni Office building and the Real Time Gross Settlement (RTGS) Project.

NOTE 24: CAPITAL COMMITMENTS

As at 30th June 2003 the Bank had no outstanding capital commitments.

NOTE 25: CONTINGENT LIABILITIES

There were no contingent liabilities as at the end of the year not specifically disclosed in the accounts.

NOTE 26: COMPARATIVE FIGURES

Previous year's figures have been re-grouped whenever considered necessary in this accounts to facilitate comparability with current year's figures.



APPENDIX I: CALENDAR OF IMPORTANT MONETARY AND ECONOMIC POLICY EVENTS, 2000 TO 2003

2003 May: Effective 21st May 2003, the Tanzanian Government opened up the Dar es Salaam Stock Exchange (DSE) to foreign investors.

2003 March: Effective March, the Bank of Tanzania started the process of replacing old notes with the new ones and introduce TZS 2000 denomination into the circulation.

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.

2003 January: The Government introduced a Treasury Voucher System for those exempted from paying taxes. This system will allow organizations and institutions benefiting from tax exemptions to receive a Treasury Voucher and present it to Tanzania Revenue Authority.

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, which is traded in the Dar Es Salaam Stock Exchange (DSE).

2002 October: The Ministry of Finance issued 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 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 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: Effective 17th July, the Bank of Tanzania licensed the Kagera Farmers Cooperative Bank Ltd stationed in Bukoba to operate as fully-fledged commercial bank.

2002 June: The Bank of Tanzania licensed African Bank Corporation (former ULC), effective from 3rd June as a commercial bank.

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: Effective 29th May, the Bank of Tanzania reinstated the 35-days Treasury bill to cater for monetary policy implementation in the country.

2002 May: Effective 15th May, the Bank of Tanzania licensed as a non bank, The Dar es Salaam Community Bank, and Tanzanians especially Dar Es Salaam residents were encouraged to acquire shares.

2002 May: Effective 10th May, the Bank of Tanzania licensed United Bank of Africa as a commercial bank.

2002 April: The Bank of Tanzania changed the 2-year Treasury bond auctions from uniform prices to multiple prices.

2002 April: Effective 15th April, the Bank of Tanzania licensed CF Union Bank Ltd (a merger of then Furaha Finance and Crown) as a commercial bank.

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, which is traded in the Dar Es Salaam Stock Exchange (DSE).

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" issued 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 Karume Stadium Arusha.

2000 October: Effective October 1st Tanzania pulled out of Common Market for East and Southern Africa (COMESA).

2000 October: The Bank of Tanzania licensed Mwanga Community Bank to operate as a community bank.

2000 October: Effective 19th October, the Bank of Tanzania licensed Barclays Bank (T) Ltd.

2000 September: The Publication 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 July: Bank of Tanzania shifted from targeting extended broad money (M3) as a monetary policy intermediate target to broad money (M2).

2000 July: Bank of Tanzania shifted from calculation of average interest rates to weighted average interest rates.



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.



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A1.0 Output and Prices

Table A1.1: Gross Domestic Product (GDP), at Factor Cost by kind of Economic Activity at Current Prices, Tanzania Mainland, 1993-2002

Millions of TZS

Activity	1993	1994	1995	1996	1997	1998	1999*	2000*	2001*	2002**
A: Monetary										
Agriculture	425,300	530,081	746,186	931,724	1,085,698	1,264,264	1,500,572	1,690,856	1,919,704	2,160,538
Crops	301,497	371,896	551,818	697,047	804,595	927,024	1,096,536	1,240,503	1,427,781	1,604,586
Livestock	65,504	79,687	98,228	113,518	144,338	153,981	187,736	206,042	220,973	248,102
Forestry and hunting	20,845	28,287	37,180	47,539	44,300	67,337	74,831	83,271	95,366	107,764
Fishing	37,454	50,210	58,959	73,620	92,465	115,921	141,468	161,039	175,584	200,086
Mining and quarrying	19,062	26,170	35,190	38,511	53,515	74,386	85,792	107,846	130,533	171,759
Manufacturing	120,479	157,445	200,525	254,326	295,272	382,901	434,544	499,726	564,689	638,663
Electricity and water supply	36,770	39,304	60,347	65,800	74,599	81,751	101,301	112,753	124,789	145,753
Electricity	33,441	35,114	55,068	59,728	67,254	74,035	91,481	101,583	112,279	131,366
Water	3,329	4,191	5,280	6,072	7,345	7,716	9,820	11,170	12,510	14,387
Construction	59,278	78,732	83,177	99,871	149,824	209,754	253,447	282,150	335,924	389,671
Trade, restaurants and hotels	244,644	318,940	417,626	493,572	562,760	635,305	740,181	823,025	926,870	1,038,094
Transport, and communication	98,207	131,670	159,771	193,946	219,393	250,081	294,180	328,259	361,558	404,945
Financial and business services	111,436	153,362	170,263	209,392	248,646	312,847	345,071	382,970	421,511	494,801
Finance and insurance	77,106	96,469	98,533	113,913	137,885	152,697	165,504	187,027	197,989	231,647
Real estate	29,685	50,711	63,795	85,878	99,619	147,575	162,727	177,372	201,535	238,308
Business services	4,644	6,183	7,935	9,600	11,142	12,575	16,840	18,570	21,987	24,845
Public administration and other services	159,262	204,714	255,401	300,876	457,087	559,796	649,553	709,351	796,930	893,083
Public administration	111,496	140,877	171,551	200,913	340,445	424,278	495,377	535,007	593,858	659,182
Education	19,965	26,895	34,556	41,261	48,956	58,929	67,244	75,313	88,116	103,096
Health	9,945	12,731	17,152	20,411	23,690	27,284	31,350	35,112	41,081	48,065
Other services	17,856	24,210	32,142	38,291	43,996	49,305	55,582	63,919	73,875	82,740
Less: financial Services Indirectly measured	(94,207)	(117,706)	(113,187)	(136,957)	(138,244)	(140,909)	(144,756)	(151,359)	(157,785)	(176,719)
Total Monetary GDP	1,180,231	1,522,712	2,015,299	2,451,061	3,008,550	3,630,176	4,259,885	4,785,576	5,424,722	6,160,589
B: Non-Monetary										
Agriculture	348,170	425,902	572,274	726,551	918,065	1,031,149	1,193,801	1,331,394	1,486,442	1,642,167
Crops	280,655	338,791	461,698	591,012	734,697	843,442	974,491	1,087,285	1,216,257	1,337,450
Livestock	31,436	38,242	47,140	54,478	69,268	73,873	90,097	100,351	107,626	120,839
Forestry and hunting	31,731	43,041	56,592	72,515	103,366	107,100	112,984	125,351	143,050	161,646
Fishing	4,348	5,828	6,844	8,546	10,734	13,442	16,230	18,408	19,509	22,232
Construction	14,772	20,059	26,252	32,377	38,299	45,576	52,412	61,205	69,235	80,313
Owner - Occupied Dwellings	64,591	156,651	182,817	242,570	321,854	418,410	471,601	537,625	654,295	745,896
Total Non-Monetary GDP	427,533	602,612	781,343	1,001,498	1,278,218	1,495,135	1,717,814	1,930,224	2,209,972	2,468,376
C: Total GDP (f.c) : (A+B)	1,607,764	2,125,324	2,796,642	3,452,559	4,286,768	5,125,311	5,977,699	6,715,801	7,634,695	8,628,964
Population (In Million)	26	27	28	28	29	30	31	32	33	34
D: Per Capita nominal GDP (TZS)	61,837	79,600	101,696	121,999	147,312	170,844	193,453	210,527	232,765	253,793

* 1999-2001, Revised Figures

** Provisional

Source: Bureau of Statistics, Per Capita GDP-BoT computation

Table A1.2: Gross Domestic Product (GDP), at Factor Cost by kind of Economic Activity, Percentage Share in Total GDP, at Current Prices, Tanzania Mainland, 1993-2002

Activity	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
A: Monetary										
Agriculture	26.5	24.9	26.7	27	25.4	24.5	25.1	25.2	25.1	25.0
Crops	18.8	17.5	19.7	20.2	18.8	18.1	18.3	18.5	18.7	18.6
Livestock	4.2	3.7	3.5	3.3	3.4	3	3.1	3.1	2.9	2.9
Forestry and hunting	1.3	1.3	1.3	1.4	1	1.2	1.3	1.2	1.2	1.2
Fishing	2.3	2.4	2.1	2.1	2.2	2.3	2.4	2.4	2.3	2.3
Mining and quarrying	1.2	1.2	1.3	1.1	1.2	1.5	1.4	1.6	1.7	2.0
Manufacturing	7.5	7.4	7.2	7.4	6.9	7.4	7.3	7.4	7.4	7.4
Electricity and water supply	2.3	1.8	2.2	1.9	1.7	1.6	1.7	1.7	1.6	1.7
Electricity	2.1	1.7	2	1.7	1.6	1.4	1.5	1.5	1.5	1.5
Water	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Construction	3.7	3.7	3	2.9	3.5	4.1	4.2	4.2	4.4	4.5
Trade, restaurants and hotels	15.2	15.0	14.9	14.3	13.1	12.4	12.4	12.3	12.1	12.0
Transport, and communication	6.1	6.2	5.7	5.6	5.1	4.8	4.9	4.9	4.7	4.7
Financial and business services	6.9	7.2	6.1	6.1	5.8	6.2	5.8	5.7	5.5	5.7
Finance and insurance	4.8	4.5	3.5	3.3	3.2	3.1	2.8	2.8	2.6	2.7
Real estate	1.8	2.4	2.3	2.5	2.3	2.9	2.7	2.6	2.6	2.8
Business services	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3
Public administration and other services	9.9	9.6	9.1	8.7	10.6	11	10.9	10.6	10.4	10.3
Public administration	6.9	6.6	6.1	5.8	8	8.4	8.3	8.0	7.8	7.6
Education	1.2	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.2	1.2
Health	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6
Other services	1.1	1.1	1.1	1.1	0.9	1	0.9	1.0	1.0	1.0
Less: financial Services Indirectly Measured	(5.9)	(5.5)	(4.0)	(4.0)	(3.2)	(2.8)	-2.4	-2.3	-2.1	-2.0
Total Monetary GDP	73.4	71.6	72.1	71	70.1	70.7	71.3	71.3	71.1	71.4
B: Non-Monetary										
Agriculture	21.7	20.0	20.5	21	21.4	20.2	20.0	19.8	19.5	19.0
Crops	17.5	15.9	16.5	17.1	17.2	16.4	16.3	16.2	15.9	15.5
Livestock	2.0	1.8	1.7	1.6	1.6	1.4	1.5	1.5	1.4	1.4
Forestry and hunting	2.0	2.0	2	2.1	2.4	2.1	1.9	1.9	1.9	1.9
Fishing	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Construction	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Owner - Occupied Dwellings	4.0	7.4	6.5	7	7.5	8.2	7.9	8.0	8.6	8.6
Total Non-Monetary GDP	26.6	28.4	27.9	29	29.9	29.3	28.7	28.7	28.9	28.6
Total GDP (fc) : (A+B)	100.0	100.0	100	100	100	100	100.0	100.0	100.0	100.0

Source: Bureau of Statistics



Table A1.3: Gross Domestic Product (GDP) at Factor Cost by Kind of Economic Activity at Constant 1992 Prices, Tanzania Mainland, 1993-2002

Activity	Millions of TZS										
	1993	1994	1995	1996	1997	1998	1999*	2000*	2001*	2002**	
A: Monetary											
Agriculture	349,346	357,648	381,140	398,117	403,947	413,193	433,311	450,181	479,599	507,241	
Crops	240,273	246,009	266,010	279,367	281,431	287,841	304,008	314,901	338,001	359,388	
Livestock	59,546	60,369	62,024	63,725	65,423	66,681	68,990	71,342	73,695	76,274	
Forestry and hunting	16,672	17,126	17,594	18,074	18,739	19,353	19,353	20,324	21,104	21,738	
Fishing	32,854	34,143	35,511	36,951	38,355	39,699	40,960	43,614	46,799	49,841	
Mining and quarrying	14,608	16,803	18,768	20,579	24,097	30,699	33,488	38,144	43,293	49,787	
Manufacturing	105,244	105,042	106,750	111,894	117,489	126,887	131,491	137,809	144,647	156,219	
Electricity and water supply	19,937	20,329	21,578	23,977	24,514	25,870	26,874	28,454	29,297	30,200	
Electricity	17,376	17,723	18,931	21,287	21,779	23,086	24,007	25,489	26,229	27,016	
Water	2,560	2,606	2,647	2,690	2,735	2,784	2,867	2,965	3,068	3,185	
Construction	47,153	47,744	38,706	42,353	46,588	52,179	57,256	62,409	68,365	76,641	
Trade, restaurants and hotels	201,370	203,684	210,813	218,105	229,134	239,830	254,114	270,567	288,718	308,928	
Transport, and communication	66,256	66,875	70,833	71,597	75,099	79,755	84,403	89,515	95,154	101,244	
Financial and business services	76,599	78,423	77,343	75,994	84,743	91,250	94,580	98,353	100,646	105,356	
Finance and insurance	50,205	52,538	49,811	47,138	54,894	59,838	62,382	65,063	66,212	68,860	
Real estate	22,553	21,872	23,317	24,390	25,329	26,621	27,207	28,023	28,891	30,654	
Business services	3,841	4,013	4,214	4,467	4,520	4,791	4,991	5,267	5,543	5,842	
Public administration and other services	112,879	112,787	109,763	111,473	115,007	118,114	122,207	126,567	130,987	136,307	
Public administration	75,690	74,006	69,338	69,338	70,725	71,786	73,120	74,933	76,401	78,158	
Education	13,990	14,653	15,178	15,748	16,337	17,420	18,040	19,054	20,226	21,844	
Health	8,057	8,351	8,661	8,982	9,437	9,660	9,969	10,478	11,068	11,732	
Other services	15,142	15,777	16,586	17,405	18,508	19,248	21,078	22,102	23,292	24,573	
Less: financial Services Indirectly measured	(63,767)	(68,805)	(65,090)	(58,581)	(72,327)	(78,547)	(81,229)	(82,359)	(84,418)	(86,781)	
Total Monetary GDP	929,625	940,530	970,604	1,015,508	1,048,291	1,099,230	1,156,495	1,219,640	1,296,288	1,385,142	
B: Non-Monetary											
Agriculture	282,076	287,071	301,198	310,624	322,150	326,749	337,199	346,333	360,676	374,850	
Crops	224,281	228,039	240,501	248,212	258,235	261,729	270,171	276,007	287,926	299,556	
Livestock	28,577	28,972	29,766	30,582	31,398	32,000	33,109	34,746	35,893	37,150	
Forestry and Hunting	25,405	26,096	26,809	27,540	28,108	28,457	29,220	30,594	31,657	32,606	
Fishing	3,814	3,963	4,122	4,289	4,409	4,563	4,699	4,985	5,200	5,538	
Construction	11,802	12,039	12,277	12,515	12,753	13,008	13,610	14,409	15,129	16,037	
Owner - Occupied Dwellings	57,504	59,305	61,167	63,064	65,019	66,840	69,988	73,938	77,265	81,129	
Total Non-Monetary GDP	351,382	358,415	374,642	386,203	399,922	406,597	420,797	434,680	453,071	472,015	
Total GDP (fc) : (A+B)	1,281,007	1,298,945	1,345,246	1,401,711	1,448,213	1,505,827	1,577,292	1,654,320	1,749,358	1,857,158	
Population (In Million)	26	27	28	28	29	30	31	32	33	34	
D: Per Capita real GDP (TZS)	49,270	48,650	48,918	49,530	49,767	50,194	51,045	51,860	53,334	54,622	

* 1999-2001, Revised Figures

** Provisional

Source: Bureau of Statistics, Per Capita GDP-BoT computation





1.0 Output and Prices

Table A1.4: Gross Domestic Product (GDP), at Factor Cost by kind of Economic Activity, Percentage Share in Total GDP, at 1992 Prices, Tanzania Mainland, 1993-2002

Percent

Activity	1993	1994	1995	1996	1997	1998	1999*	2000*	2001*	2002**
A: Monetary										
Agriculture	27.3	27.5	28.3	28.4	27.9	27.4	27.5	27.2	27.2	27.1
Crops	18.8	18.9	19.8	19.9	19.4	19.1	19.3	19.0	19.2	19.2
Livestock	4.6	4.6	4.6	4.5	4.5	4.4	4.4	4.3	4.2	4.1
Forestry and hunting	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2
Fishing	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.7	2.7
Mining and quarrying	1.1	1.3	1.4	1.5	1.7	2	2.1	2.3	2.5	2.7
Manufacturing	8.2	8.1	7.9	8	8.1	8.4	8.3	8.3	8.2	8.3
Electricity and water supply	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.6
Electricity	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Water	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Construction	3.7	3.7	2.9	3	3.2	3.5	3.6	3.8	3.9	4.1
Trade, restaurants and hotels	15.7	15.7	15.7	15.6	15.8	15.9	16.1	16.4	16.4	16.5
Transport, and communication	5.2	5.1	5.3	5.1	5.2	5.3	5.4	5.4	5.4	5.4
Financial and business services	6.0	6.0	5.7	5.4	5.9	6.1	6.0	5.9	5.7	5.6
Finance and insurance	3.9	4.0	3.7	3.4	3.8	4	4.0	3.9	3.8	3.7
Real estate	1.8	1.7	1.7	1.7	1.7	1.8	1.7	1.7	1.6	1.6
Business services	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Public administration and other services	8.8	8.7	8.2	8	7.9	7.8	7.7	7.7	7.4	7.3
Public administration	5.9	5.7	5.2	4.9	4.9	4.8	4.6	4.5	4.3	4.2
Education	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.2	1.1	1.2
Health	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6
Other services	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3
Less: financial Services Indirectly Measured	-5.0	-5.3	-4.8	-4.2	-5.0	-5.2	-5.1	-5.0	-4.8	-4.6
Total Monetary GDP	72.6	72.4	72.2	72.4	72.4	72.4	73.3	73.7	74.1	74.6
B: Non-Monetary										
Agriculture	22.0	22.1	22.4	22.2	22.2	21.7	21.4	20.9	20.5	20.0
Crops	17.5	17.6	17.9	17.7	17.8	17.4	17.1	16.7	16.3	16.0
Livestock	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.1	2.0	2.0
Forestry and Hunting	2.0	2.0	2	2	1.9	1.9	1.9	1.8	1.8	1.7
Fishing	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Construction	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Owner - Occupied Dwellings	4.5	4.6	4.5	4.5	4.5	4.4	4.4	4.5	4.4	4.3
Total Non-Monetary GDP	27.4	27.6	27.8	27.6	27.6	27.6	26.7	26.3	25.9	25.4
Total GDP (f.c) : (A+B)	100.0									

* 1999-2001, Revised Figures

** Provisional

Source: Bureau of Statistics, Per Capita GDP-BoT computation



A1.0 Output and Prices

Table A1.5: Gross Domestic Product (GDP), at Factor Cost by kind of Economic Activity, Percentage Growth Rates, at Constant 1992 Prices, Tanzania Mainland, 1993-2002

Activity	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
										Percent
A: Monetary										
Agriculture	3.0	2.4	6.6	4.5	1.5	2.3	4.9	3.9	6.5	5.8
Crops	2.9	2.4	8.1	5.0	0.7	2.3	5.6	3.6	7.3	6.3
Livestock	2.7	1.4	2.7	2.7	2.7	1.9	3.5	3.4	3.3	3.5
Forestry and hunting	2.9	2.7	2.7	2.7	3.7	1.2	2.0	5.0	3.8	3.0
Fishing	4.4	3.9	4.0	4.1	3.8	3.5	3.2	6.5	7.3	6.5
Mining and quarrying	8.2	15.0	11.7	9.6	17.1	27.4	9.1	13.9	13.5	15.0
Manufacturing	0.6	(0.2)	1.6	4.8	5.0	8.0	3.6	4.8	5.0	8.0
Electricity and water supply	0.9	2.0	6.1	11.1	2.2	5.5	3.9	5.9	3.0	3.1
Electricity	0.7	2.0	6.8	12.4	2.3	6.0	4.0	6.2	2.9	3.0
Water	2.0	1.8	1.6	1.6	1.7	1.8	3.0	3.4	3.5	3.8
Construction	(17.7)	1.3	(18.9)	9.4	10.0	12.0	9.7	9.0	9.5	12.1
Trade, restaurants and hotels	(0.4)	1.1	3.5	3.5	5.1	4.7	6.0	6.5	6.7	7.0
Transport, and communication	0.1	0.9	5.9	1.1	4.9	6.2	5.8	6.1	6.3	6.4
Financial and business services	6.1	2.4	(1.4)	(1.7)	11.5	7.7	3.6	4.0	2.3	4.7
Finance and insurance	8.0	4.6	(5.2)	(5.4)	16.5	9.0	4.3	4.3	1.8	4.0
Real estate	2.5	(3.0)	6.6	4.6	3.8	5.1	2.2	3.0	3.1	6.1
Business services	3.5	4.5	5.0	6.0	1.2	6.0	4.2	5.5	5.2	5.4
Public administration and other services	(3.9)	(0.1)	(2.7)	1.6	3.2	2.7	3.5	3.6	3.5	4.1
Public administration	(7.3)	(2.2)	(6.3)	0.0	2.0	1.5	1.9	2.5	2.0	2.3
Education	3.5	4.7	3.6	3.8	3.7	6.6	3.6	5.6	6.2	8.0
Health	3.8	3.6	3.7	3.7	5.1	2.4	3.2	5.1	5.6	6.0
Other services	4.7	4.2	5.1	4.9	6.3	4.0	9.5	4.9	5.4	5.5
<u>Less: financial Services Indirectly Measured</u>	11.9	7.9	(5.4)	(0.0)	23.5	8.6	3.4	1.4	2.5	2.8
Total Monetary GDP	(0.6)	1.2	3.2	4.6	3.2	4.9	5.2	5.5	6.3	6.9
B: Non-Monetary										
Agriculture	3.2	1.8	4.9	3.1	3.7	1.4	3.2	2.7	4.1	3.9
Crops	3.3	1.7	5.5	3.2	4.0	1.4	3.2	2.2	4.3	4.0
Livestock	2.7	1.4	2.7	2.7	2.7	1.9	3.5	4.9	3.3	3.5
Forestry and Hunting	2.9	2.7	2.7	2.7	2.1	1.2	2.7	4.7	3.5	3.0
Fishing	4.4	3.9	4.0	4.1	2.8	3.5	3.0	6.1	4.3	6.5
Construction	2.0	2.0	2.0	1.9	1.9	2.0	4.6	5.9	5.0	6.0
Owner - Occupied Dwellings	3.1	3.1	3.1	3.1	3.1	2.8	4.7	5.6	4.5	5.0
Total Non-Monetary GDP	3.1	2.0	4.5	3.1	3.6	1.7	3.5	3.3	4.2	4.2
Total GDP (f.c) : (A+B)	0.4	1.4	3.6	4.2	3.3	4.0	4.7	4.9	5.7	6.2

Source: Bureau of Statistics

Table A1.6 : Production of Major Agricultural Crops, 1993-2003

Crop	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	Revised 2000/01	Estimates 2001/02
Cereals									
Maize	2,159.0	2,567.0	2,663.0	1,831.0	2,685.0	2,452.0	2,009.0	2,579.0	2,698.0
Rice	399.0	470.0	477.0	357.0	676.0	506.0	508.0	564.0	634.0
Wheat	59.0	75.0	84.0	78.0	111.0	82.0	33.0	89.0	72.0
Sorghum & millet	696.0	1,250.0	1,240.0	845.0	799.0	756.0	817.0	909.0	1,036.0
Sub-total	3,313.0	4,362.0	4,464.0	3,111.0	4,271.0	3,796.0	3,367.0	4,141.0	4,440.0
Non-cereals									
Pulses	186.7	378.0	475.0	374.0	462.0	528.0	674.0	733.0	683.0
Banana	834.0	651.0	641.0	603.0	836.0	752.0	703.0	779.0	752.0
Cassava	1,802.0	1,492.0	1,498.0	1,426.0	1,758.0	1,795.0	1,781.0	1,445.0	1,722.0
Potatoes	267.0	451.0	420.0	372.0	644.0	570.0	798.0	596.0	950.0
Sub-total	3,089.7	2,972.0	3,034.0	2,775.0	3,700.0	3,645.0	3,956.0	3,553.0	4,107.0
Total	6,402.7	7,334.0	7,498.0	5,886.0	7,971.0	7,441.0	7,323.0	7,694.0	8,547.0
Production of Major Traditional Export Crops									
Coffee	48.5	43.5	52.0	42.4	38.0	46.6	47.9	58.3	37.5
Cotton	48.4	44.5	84.2	84.5	69.9	39.0	35.0	41.4	50.2
Tea	22.4	24.8	24.3	24.0	26.2	21.9	24.8	26.4	24.7
Cashewnuts	46.5	63.4	82.0	63.0	93.2	103.3	121.2	122.3	67.3
Tobacco	24.0	18.3	28.0	35.4	52.0	38.0	31.8	24.8	27.7
Sisal	30.5	25.5	32.0	23.0	20.0	24.0	20.6	20.5	23.5
Total	220.3	220.0	302.5	272.3	299.3	272.7	281.3	293.7	230.9

Source: Ministry of Agriculture and Food Security/Respective Marketing Boards

Table A1.7 : Agricultural Production Indices -1993-2003

1980/81=100

Food crops	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02
Maize	117	140	143	100	146	133	116	122	147
Paddy	176	207	210	158	232	145	136	284	275
Wheat	65	83	67	86	124	91	35	130	80
Pulses	69	138	141	138	167	194	215	248	251
Cash Crops									
Coffee	88	79	95	77	69	85	87	106	68
Cotton	85	78	149	149	123	69	62	73	89
Tea	127	141	138	136	149	124	141	152	140
Cashewnuts	86	117	152	117	173	191	224	183	125
Tobacco	162	124	189	239	351	256	215	168	187
Sisal	37	31	39	28	24	29	25	31	28
Pyrethrum	104	89	74	48	48	148	-	-	-

Source Ministry of Agriculture



A1.0 Output and Prices

Table A1.8: Production of Selected Commodities, 1993-2002

Commodity	Unit	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Wheat flour	tons	7,510	13,930	11,551	33,998	77,593	87,669	144,693	162,634	180,098	219,118
Sugar, refined	000' M/Tons	106	112	114	104	81	93	110	135	162	190
Konyagi	000' Lts	1,882	1,966	2,011	1,832	1,849	1,994	1,630	2,214	2,287	2,937
Beer	000' Lts	57,050	56,845	89,301	125,074	148,340	170,700	167,353	183,003	175,649	175,870
Chibuku	000' Lts	14,770	10,695	11,319	14,031	13,680	11,993	12,392	17,041	18,750	19,400
Cigarettes	Mill Pcs	3,893	3,383	3,699	3,733	4,710	3,933	3,371	3,745	3,491	3,778
Textiles	000'Sq. Metres	60,316	51,357	31,201	33,436	41,706	45,546	49,757	73,566	84,548	106,305
Sisal ropes	tons	25,150	21,312	17,713	10,518	4,919	4,329	3,253	3,900	4,796	5,901
Pyrethrum extract	000' tons	35	24	21	11	3	9	17	44	71	36
Paints	000'Ltrs	2,129	2,016	3,233	5,205	4,986	4,943	12,903	7,085	9,662	13,564
Cement	000' tons	749	686	739	726	621	778	833	833	900	1,026
Rolled steel	tons	7,110	7,003	2,518	7,733	12,498	9,522	8,982	11,182	16,340	25,418
Iron Sheets	tons	25,860	22,961	18,142	6,422	15,218	14,918	23,028	25,046	25,937	35,067
Aluminium sheets/circles	tons	3,245	2,659	1,158	360	117	180	187	133	137	141
Dry cells	000' Pcs	52,650	57,460	58,520	65,620	43,080	46,490	46,000	44,000	39,000	42,000
Battery, auto	Pieces	9,410	6,975	5,210	1,850	250	7,090	4,000	14,000	11,000	17,000

Source: Bureau of Statistics

Table A1.9: Industrial Production Indices, 1993-2002

Commodity	1985=100											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
Wheat flour	19.3	35.8	29.7	87.4	199.4	225.3	371.9	418	463	563		
Sugar	94.6	100.0	101.8	92.9	72.3	83.0	98.2	121	145	170		
Konyagi	195.6	204.4	209.0	190.4	192.2	207.3	169.4	230	238	305		
Beer	75.3	75.0	117.9	165.1	195.8	225.3	220.9	242	232	232		
Chibuku	135.1	97.8	103.6	128.4	125.2	109.7	113.4	156	172	177		
Cigarattes	146.0	126.9	138.7	140.0	176.7	147.5	126.4	140	131	142		
Textiles	103.9	88.4	53.7	57.6	71.8	78.4	85.7	127	146	183		
Sisal ropes	173.4	147.0	122.2	72.5	33.9	29.9	22.4	27	33	41		
Pyrethrum extract	89.7	61.5	53.8	28.2	7.7	23.1	43.6	113	182	92		
Paint	156.1	147.8	237.0	381.6	365.5	362.4	946.0	519	708	994		
Cement	199.2	182.4	196.5	193.0	165.2	206.9	221.5	222	239	273		
Rolled steel	62.9	62.0	22.3	68.4	110.6	84.3	79.5	99	145	225		
Iron Sheets	119.3	106.0	83.7	29.6	70.2	68.8	106.3	116	120	162		
Aluminium	118.2	134.8	110.5	48.1	15.0	4.9	7.5	6	6	6		
Dry cells	119.4	130.3	132.7	148.8	97.7	105.4	104.3	100	88	95		
Battery, auto	61.9	45.9	34.3	12.2	1.6	46.6	26.3	92	72	112		

Source: Bureau of Statistics

A1.0 Output and Prices

Table A1.10: Mineral Recoveries, 1993-2002

Item	Unit	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Diamond	000Carats	40.8	25.5	49.5	126.7	123.1	97.8	235.0	354.4	254.3	239.8
Gold	Kgs	3,370.0	2,861.4	320.0	318.0	232.0	427.0	4,767.0	15,060.0	30,088.0	43,320.0
Gemstone	Kgs	32,979.0	48,506.8	111,403.8	142,160.0	509,489.0	48,518.0	95,200.0	150,800.0	96,866.0	195,841.6
Salt	000Tons	83.4	84.3	105.0	86.7	72.5	75.0	35.0	70.0	65.0	71.2
Gypsum	000Tons	52.2	53.0	42.0	55.4	46.3	59.1	40.0	60.0	72.0	73.0
Limestone	000Tons	1,618.0	1,740.0	1,062.1	1,200.0	-	1,181.2	1,241.2	15,000.0	2,269.4	2,856.7

Source: Ministry of Energy and Minerals.



Table A1.11: National Consumer Price Index (r), 1993-2003

December 1994 = 100

Period	Food											Non Food															
	General Index	Total	Drinks and Tobacco	Rent	Fuel, light & water	Clothing and footwear	Furniture & utensils	Household operations	Personal care & health	Recreation and entertain.	Transportation	Educ- ation	Miscel. goods & services	General Index	Total	Drinks and Tobacco	Rent	Fuel, light & water	Clothing and footwear	Furniture & utensils	Household operations	Personal care & health	Recreation and entertain.	Transportation	Educ- ation	Miscel. goods & services	
Weights 1)	100	64.2	35.8	4.9	7.6	9.9	1.4	3.4	1.3	0.7	4.1	-	-	100.0	71.2	28.8	4.4	3.9	4.7	3.7	2.5	1.5	2.2	1.2	1.2	1.5	2.0
1993	67.8	63.8	74.9	40.1	70.4	81.5	73.6	74.8	112.2	62.8	74.5	-	-	229.2	241.7	197.6	176.4	199.4	273.0	194.6	192.2	157.4	146.4	171.7	239.9	198.3	156.1
1994	90.2	88.8	92.8	94.3	92.0	95.2	93.4	95.7	95.3	93.9	95.2	93.4	95.7	236.8	252.0	198.9	176.7	199.6	270.7	197.0	195.2	160.3	149.1	172.2	241.3	200.8	158.4
1995	115.8	115.1	117.0	114.6	126.5	114.2	114.4	120.1	102.4	113.6	126.7	114.4	120.1	241.3	258.0	199.7	177.4	201.0	271.2	197.5	196.9	160.7	149.6	173.7	242.3	201.5	158.9
1996	140.1	138.6	142.7	143.1	166.1	136.3	144.1	138.7	118.2	129.5	162.4	144.1	138.7	237.5	249.6	207.3	177.5	201.1	317.2	197.5	197.3	160.4	150.0	172.6	243.4	201.6	158.5
1997	162.6	162.8	162.4	151.2	198.2	154.1	161.4	148.6	135.7	142.3	198.7	161.4	148.6	235.0	245.6	208.5	177.5	201.3	323.4	197.3	197.4	161.6	150.4	172.6	244.5	202.2	159.1
1998	183.5	186.7	175.3	160.7	226.5	159.7	180.5	153.0	140.6	151.7	216.9	180.5	153.0	228.9	237.1	208.2	177.6	201.7	322.6	196.1	196.7	161.6	150.9	173.0	245.2	201.9	158.4
1999	197.9	203.1	185.0	165.6	248.7	176.7	186.5	158.8	143.8	162.0	227.8	186.5	158.8	226.9	234.1	208.9	177.6	201.6	323.1	200.2	197.3	160.1	151.5	173.9	245.8	202.5	157.8
2000	209.7	216.9	191.4	168.4	265.9	181.2	188.2	161.7	145.0	167.5	236.8	188.2	161.7	224.4	230.4	209.4	179.6	201.7	323.8	201.0	197.1	160.4	150.5	174.0	246.5	202.4	157.2
2001	220.4	230.1	196.1	174.6	273.6	187.9	190.2	158.9	145.8	170.4	240.0	190.2	158.9	223.1	228.3	209.8	179.7	201.8	322.7	202.8	199.1	161.3	150.9	174.7	246.9	202.8	158.4
2002	230.5	239.6	207.6	179.3	313.4	199.9	197.6	161.3	150.9	175.0	247.9	197.6	161.3	224.1	228.4	213.1	184.2	202.1	335.3	203.0	201.0	164.2	151.9	175.0	247.9	203.2	158.5
Weights 2)	100.0	71.2	28.8	4.4	3.9	4.7	3.7	1.5	2.2	1.2	1.2	2.5	1.5	200.0	231.1	214.0	184.2	202.2	339.4	203.8	199.4	163.0	153.3	175.0	247.9	204.7	159.4
2002-Jan	229.2	241.7	197.6	176.4	273.0	194.6	192.2	157.4	146.4	171.7	239.9	192.2	157.4	232.3	239.1	215.0	183.7	202.3	338.2	208.4	202.0	164.3	156.5	174.4	247.9	208.2	160.3
Feb	236.8	252.0	198.9	176.7	270.7	197.0	195.2	160.3	149.1	172.2	241.3	195.2	160.3	239.3	248.2	216.9	183.8	207.7	338.3	210.3	204.6	166.8	160.2	175.0	248.6	210.5	160.5
Mar	241.3	258.0	199.7	177.4	271.2	197.5	196.9	160.7	149.6	173.7	242.3	196.9	160.7	246.7	258.3	217.6	185.6	207.7	339.5	209.9	204.2	168.1	159.9	176.0	250.3	211.2	162.9
Apr	237.5	249.6	207.3	177.5	201.1	197.5	197.3	160.4	150.0	172.6	243.4	197.3	160.4	251.4	264.7	218.1	185.9	207.8	341.3	209.9	204.5	167.4	160.4	176.2	251.4	211.7	162.6
May	235.0	245.6	208.5	177.5	201.3	197.3	197.4	161.6	150.4	172.6	244.5	197.4	161.6	247.8	259.1	219.5	185.5	209.2	345.8	211.0	205.5	168.8	160.9	178.9	252.3	212.1	163.4
Jun	228.9	237.1	208.2	177.6	201.7	196.1	196.7	161.6	150.9	173.0	245.2	196.7	161.6	245.1	247.8	219.7	185.3	210.4	346.9	210.1	205.6	171.5	161.1	178.6	252.7	211.4	161.8
Jul	226.9	234.1	208.9	177.6	201.6	197.3	197.3	160.1	151.5	173.9	245.8	197.3	160.1	245.0	245.1	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Aug	224.4	230.4	209.4	179.6	201.7	197.1	197.1	160.4	150.5	174.0	246.5	197.1	160.4	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Sep	223.1	228.3	209.8	179.7	201.8	199.1	199.1	161.3	150.9	174.7	246.9	199.1	161.3	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Oct	224.1	228.4	213.1	184.2	202.1	203.0	201.0	164.2	151.9	175.0	247.9	201.0	164.2	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Nov	226.3	231.1	214.0	184.2	202.2	203.8	199.4	163.0	153.3	175.0	247.9	199.4	163.0	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Dec	232.3	239.1	215.0	183.7	202.3	208.4	202.0	164.3	156.5	174.4	247.9	202.0	164.3	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
2003-Jan	239.3	248.2	216.9	183.8	207.7	210.3	204.6	166.8	160.2	175.0	248.6	204.6	166.8	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Feb	246.7	258.3	217.6	185.6	207.7	209.9	204.2	168.1	159.9	176.0	250.3	204.2	168.1	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Mar	251.4	264.7	218.1	185.9	207.8	209.9	204.5	167.4	160.4	176.2	251.4	204.5	167.4	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Apr	247.8	259.1	219.5	185.5	209.2	211.0	205.5	168.8	160.9	178.9	252.3	205.5	168.8	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
May	245.1	255.2	219.7	185.3	210.4	210.1	205.6	171.5	161.1	178.6	252.7	205.6	171.5	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4
Jun	239.0	247.2	218.5	185.2	211.1	211.1	204.4	171.5	160.2	178.5	251.7	204.4	171.5	245.0	245.2	219.9	185.2	210.5	342.4	208.6	204.4	171.5	160.2	174.4	247.9	204.7	159.4

Source: National Bureau of Statistics. 1) 1977 = 100, rebased to December 1994 = 100. 2) December 1994 = 100





Table A1.12: National Consumer Price Index, Percentage change on the Previous year, 1993-2003

Period	General Index	Non Food										Education & services	Miscel. goods	
		Food	Drinks & Tobacco	Rent	Fuel, light & water	Clothing & footwear	Furniture & utensils	Household operations	Personal care & health	Recreation & entertain.	Transportation			
Weights 1)	100	64.2	35.8	2.5	4.9	7.6	9.9	1.4	3.4	1.3	0.7	4.1	-	-
1993	25.2	20.1	33.8	24.9	12.2	38.1	29.9	16.1	10.5	47.3	61.7	42.6	-	-
1994	33.1	39.1	23.9	29.1	135.2	30.6	16.8	26.9	28.0	-15.1	49.4	27.8	-	-
1995	28.4	29.7	26.0	25.3	13.2	37.5	20.0	22.5	25.5	7.5	21.0	33.2	-	-
1996	21.0	20.4	22.0	24.9	28.7	31.3	19.4	26.0	15.4	15.4	14.0	28.2	12.0	10.4
1997	16.1	17.4	13.8	5.6	15.3	19.3	13.0	12.0	7.1	14.8	9.8	22.4	11.0	9.0
1998	12.8	14.7	7.9	6.3	8.7	14.3	3.6	11.9	3.0	3.6	6.7	9.2	5.0	4.8
1999	7.9	8.8	5.6	3.0	4.9	9.8	10.7	3.3	3.8	2.3	6.8	5.0	2.7	-1.3
2000	5.9	6.8	3.5	1.7	5.6	6.9	2.5	0.9	1.9	0.8	3.4	4.0	1.0	1.2
2001	5.1	6.1	2.5	3.7	3.9	3.0	3.7	1.1	-1.7	0.6	1.7	1.4	0.6	1.4
2002	4.6	4.1	5.9	2.7	1.6	14.5	6.4	3.9	1.5	3.5	1.8	2.1	3.6	4.4
Weights 2)	100.0	71.2	28.8	4.4	3.9	4.7	3.7	2.5	1.5	2.2	1.2	1.2	1.5	2.0
2002-Jan	4.7	5.9	0.8	2.4	1.2	-1.6	5.6	0.9	-1.6	0.4	1.8	-0.9	2.3	3.4
Feb	4.7	5.9	1.1	2.1	1.0	-2.6	6.5	2.3	-0.2	1.9	1.5	0.0	3.6	4.3
Mar	4.7	5.7	1.5	2.5	1.6	-1.7	6.0	3.0	0.1	2.3	2.4	0.7	4.0	4.5
Apr	4.8	4.3	6.0	1.8	1.8	15.8	6.6	3.8	0.4	2.7	1.6	1.6	3.7	4.5
May	4.6	4.0	6.5	1.7	1.9	17.4	6.3	4.1	1.8	3.4	1.4	2.0	4.0	5.0
Jun	4.5	3.8	6.6	1.5	1.9	18.2	5.6	3.7	2.0	3.6	1.6	2.9	4.0	4.6
Jul	4.5	3.8	6.7	1.3	1.9	18.1	6.8	4.6	1.4	4.3	1.5	3.1	3.6	4.2
Aug	4.4	3.6	6.9	2.2	1.8	19.4	6.3	4.1	1.2	3.7	1.3	2.8	3.7	4.1
Sep	4.4	3.4	7.2	2.4	1.8	19.3	7.3	4.7	1.5	4.1	2.7	2.7	3.2	5.2
Oct	4.5	3.0	8.6	4.9	1.5	23.6	6.6	5.8	3.8	4.0	2.4	3.2	3.0	4.8
Nov	4.5	3.0	8.8	4.9	1.5	25.2	6.0	4.8	3.2	4.9	2.2	3.5	3.7	5.3
Dec	4.4	2.9	9.0	4.6	1.5	24.3	7.3	5.0	4.2	7.0	1.8	3.3	5.0	5.5
2003-Jan	4.4	2.7	9.8	4.2	4.2	23.9	8.1	6.5	6.0	9.4	1.9	3.6	6.2	2.8
Feb	4.2	2.5	9.4	5.0	4.1	25.4	6.5	4.6	4.9	7.2	2.2	3.7	5.2	2.8
Mar	4.2	2.6	9.2	4.8	3.4	25.8	6.3	3.9	4.2	7.2	1.4	3.8	5.1	2.3
Apr	4.3	3.8	5.9	4.5	4.0	9.0	6.8	4.2	5.2	7.3	3.7	3.7	5.2	3.1
May	4.3	3.9	5.4	4.4	4.5	7.3	6.5	4.2	6.1	7.1	3.5	3.4	4.5	1.7
Jun	4.4	4.3	4.9	4.3	4.4	6.1	6.4	3.9	6.1	6.2	3.2	2.7	4.6	1.6

Source: National Bureau of Statistics. 1) 1977 = 100, rebased to December 1994 = 100. 2) December 1994 = 100

Table A1.13: Dar es Salaam Cost of Living Index - Middle Income Group*, 1993-2002

Period	General Index	December 1994=100											
		Food	Drinks and tobacco	Clothing and footwear	Rent	Fuel light and water	Furniture and utensils	Household operations	Personal care and health	Transportation	Recreation and entertainment	Educational	Miscellaneous goods & services
Weights	100	73.8	4.5	3.8	2.1	5.4	1.1	1.9	1.5	1.9	1.3	1.2	1.5
1993	66.6	63.3	-	80.7	84.2	92.2	92.0	91.4	-	62.2	-	-	77.5
1994	89.3	87.5	100.0	93.2	88.6	109.6	97.7	95.4	100.0	85.8	100.0	100.0	92.2
1995	114.2	111.0	109.5	103.7	133.3	141.7	113.3	124.4		105.2			154.8
1996	132.8	128.0	150.8	156.9	243.3	127.2	140.2	133.3	145.7	121.4	115.8	146.2	115.9
1997	141.2	134.2	161.8	167.2	263.1	156.6	147.7	133.7	156.3	152.4	133.2	140.2	111.6
1998	148.2	140.1	165.2	169.8	295.8	184.7	154.8	131.2	151.6	162.3	132.8	150.8	102.6
1999	155.6	147.0	161.5	188.3	303.7	211.1	137.1	133.1	174.2	159.1	140.3	155.5	103.3
2000	153.1	137.4	176.7	200.5	348.1	248.0	154.5	131.8	177.6	164.9	143.2	155.7	106.5
2001	160.0	139.5	177.2	224.1	515.5	253.3	171.1	135.9	194.4	153.1	128.4	181.2	122.2
2002	176.0	156.8	186.0	213.8	541.7	268.2	187.0	136.7	234.1	158.2	120.5	243.4	152.1

Source: National Bureau of Statistics. * People with monthly incomes TZS 17,500/= up to 40,000/=

Table A1.14: Dar es Salaam Retail Price Index - Wage earners*, 1993-2002

Period	Weights	Non Food										Total	Weights		
		General Index	Food	Total	Drinks & Tobacco	Clothing & footwear	Rent	Fuel, light & water	Furniture & utensils	Household operations	Personal care & health			Transportation	Recreation & entertain.
		100	74.7	25.3	3.1	3.9	2.1	6.8	1.4	1.7	1.2	1.8	1.2	1.0	1.1
1993	65.7	60.7	51.1	88.1	89.3	-	79.7	91.6	-	-	-	-	-	-	-
1994	65.7	60.7	51.1	88.1	89.3	-	79.7	91.6	-	-	-	-	-	-	-
1995	85.7	83.5	88.0	100.0	97.6	100.0	87.7	99.6	100.0	100.0	100.0	100.0	100.0	-	-
1996	128.7	123.3	144.6	163.0	140.1	242.9	128.8	145.4	127.8	145.4	145.4	108.4	120.6	150.9	126.5
1997	137.4	129.3	161.5	175.8	154.7	264.1	159.0	165.3	126.3	160.7	138.7	137.3	135.0	139.4	111.4
1998	146.8	137.6	173.9	181.6	156.3	295.8	188.4	174.1	133.5	143.8	138.8	137.3	137.3	151.2	103.7
1999	149.8	135.9	191.0	247.9	179.0	303.6	208.6	179.7	132.8	143.0	137.1	137.3	137.3	130.5	104.6
2000	150.6	133.2	202.2	205.8	179.7	348.1	238.9	179.9	132.5	144.6	138.8	134.9	134.9	158.8	106.9
2001	163.4	140.7	224.9	213.5	205.4	541.7	254.1	194.3	178.9	171.5	135.5	126.7	126.7	186.8	117.2
2002	175.6	155.4	229.5	228.8	181.1	541.7	269.9	209.3	131.0	185.8	141.2	130.3	130.3	234.7	142.7

* People with Monthly incomes up to TZS 17,500/=

Source: Bureau of Statistics

Table A2.1: Analysis of Central Government Finance, 1993-2003

Item	Millions of TZS									
	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
1. Total Revenue (A+B)	349,234.0	389,743.0	495,254.5	653,445.3	738,441.4	859,270.9	1,057,951.4	1,215,930.0	1,422,802.0	1,839,819.1
A. Recurrent Revenue	242,444.0	331,238.0	448,372.9	572,029.7	619,083.1	689,325.3	777,644.7	929,624.0	1,042,954.0	1,217,517.0
Tax revenue	220,358.0	299,898.0	383,743.5	505,354.7	566,122.6	616,284.1	685,107.4	827,788.4	939,266.0	1,105,746.0
Customs and Excise duties	57,363.0	91,248.0	121,242.7	163,088.9	180,662.1	218,698.1	220,352.4	363,540.6	402,159.0	293,695.2
Income taxes	58,505.0	86,644.0	103,870.7	125,726.2	149,787.9	162,894.1	209,713.6	194,012.9	220,631.0	276,049.7
Sales taxes/VAT	63,254.0	72,643.0	94,712.2	128,961.8	140,520.0	175,159.3	179,989.4	188,838.6	216,066.0	424,337.6
Other taxes	41,236.0	49,363.0	63,917.9	87,577.8	95,152.6	73,356.4	75,052.0	81,396.3	100,410.0	111,663.5
Non - tax revenue	22,086.0	31,340.0	64,629.4	66,675.0	52,960.5	73,041.2	92,537.3	101,835.6	103,688.0	111,771.1
B. Grants	106,790.0	58,505.0	46,881.6	81,415.6	119,358.3	169,945.6	280,306.7	286,306.0	379,848.0	622,302.1
2. Total expenditure	374,962.0	398,023.8	420,522.1	515,389.3	730,336.0	816,706.6	1,168,778.8	1,305,035.3	1,466,138.0	1,896,854.1
Recurrent expenditure	300,273.0	366,331.8	415,139.8	486,493.7	543,751.0	680,182.7	808,865.4	1,018,782.1	1,121,527.0	1,423,665.5
Current payments	256,248.0	316,167.8	355,534.0	372,846.2	442,569.7	589,354.5	680,687.0	890,632.4	1,001,138.0	1,323,885.5
Debt service	44,025.0	50,164.0	59,605.8	113,647.5	101,181.3	90,828.2	128,178.4	128,149.7	120,389.0	99,780.0
Development expenditure	74,689.0	31,692.0	5,382.3	28,895.6	186,585.0	136,523.9	359,913.4	286,253.2	344,611.0	473,188.6
3. Surplus (+) / Deficit (-) [item 1 - 2]	(25,728.0)	(8,280.8)	74,732.4	138,056.0	8,105.4	42,564.2	(110,827.4)	(89,105.3)	(43,336.0)	(57,035.0)
4. Other Items	(78,787.0)	(56,278.2)	(96,001.9)	(60,916.8)	(76,242.6)	(25,140.6)	(2,444.2)	(25,447.4)	4,761.0	921.5
5. Expenditure float	(104,515.0)	(64,559.0)	(21,269.5)	77,139.3	(68,137.2)	17,423.7	(113,271.7)	(114,552.7)	(38,575.0)	(79,389.1)
6. Overall Balance (item 3 to 5)	104,515.0	64,559.0	21,269.5	(77,139.3)	68,137.2	(17,423.7)	113,271.7	114,552.7	38,575.0	(135,502.6)
7. Total Financing	63,958.0	2,956.0	(34,899.5)	(49,065.3)	64,468.1	(18,683.6)	105,417.2	90,354.2	121,841.0	172,016.5
Loans	100,610.0	42,365.0	15,509.0	19,233.1	136,890.0	53,842.8	187,786.2	172,880.4	187,355.0	273,341.8
Program	77,678.0	19,862.0	7,703.4	16,543.4	80,069.0	36,626.2	54,821.0	45,326.1	33,171.0	151,331.0
Development project	22,932.0	22,503.0	7,805.6	2,689.7	56,821.0	17,216.6	132,965.2	127,554.3	154,184.0	122,010.8
Amortization	(36,652.0)	(39,409.0)	(50,408.5)	(68,298.4)	(72,421.9)	(72,526.5)	(82,369.0)	(82,526.2)	(65,514.0)	(101,325.3)
Domestic (net):	40,557.0	61,603.0	56,169.0	(41,926.6)	3,669.2	(5,740.0)	7,854.4	(2,494.4)	(24,159.0)	(36,513.9)
Domestic non-bank borrowing	26,557.0	5,800.0	(6,584.0)	(15,854.3)	27,274.3	(6,970.0)	163.8	16,160.4	36,574.0	(36,263.0)
Domestic bank borrowing	14,000.0	55,803.0	62,753.0	(26,072.3)	(23,605.1)	1,230.0	7,690.6	(18,654.8)	(59,181.0)	8,500.0
Amortization of contingent debt									(1,552.0)	(44,763.0)
Privatization Fund				13,852.6		7,000.0		26,692.9	(59,107.0)	(250.9)
Change in arrears										
Memorandum items:										
Domestic Amortization	(1,439.0)	(2,117.2)	(4,465.3)	(24,696.3)	(53,419.5)	(38,499.1)	(234,092.1)	(256,372.3)	(139,396.7)	(250.9)

Source: Ministry of Finance, Bank of Tanzania



Table A2.2: Central Government Operations (Actual), 1993-2003

Item	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Total Revenue	242,444.0	331,238.0	448,372.9	572,029.7	619,083.1	689,325.3	777,644.7	929,624.0	1,042,954.0	1,217,517.0
Tax Revenue	220,358.0	299,898.0	383,743.5	505,354.7	566,122.6	616,284.4	685,107.4	827,788.4	939,266.0	1,105,746.0
Taxes on Imports	57,363.0	91,248.0	121,242.7	163,088.9	180,662.1	218,698.1	220,352.4	363,540.6	402,159.0	458,285.6
Sales/VAT and Excise on Local Goods	63,254.0	72,643.0	94,712.2	128,961.8	140,520.0	175,159.3	179,989.4	188,838.6	216,066.0	259,747.2
Income Taxes	58,505.0	86,644.0	103,870.7	125,726.2	149,787.9	162,894.1	209,713.6	194,012.9	220,631.0	276,049.7
Other taxes	41,236.0	49,363.0	63,917.9	87,577.8	95,152.6	73,356.4	75,052.0	81,396.3	100,410.0	111,663.5
Non-tax Revenue	22,086.0	31,340.0	64,629.4	66,675.0	52,960.5	73,041.2	92,537.3	101,835.6	103,688.0	111,771.1
Total Expenditure	374,962.0	398,023.8	420,522.1	515,389.3	730,336.0	816,706.6	1,168,778.8	1,305,035.3	1,466,138.0	1,896,854.1
Recurrent expenditure	300,273.0	366,331.8	415,139.8	486,493.7	543,751.0	680,182.7	808,865.4	1,018,782.1	1,121,527.0	1,423,665.5
Wages and salaries	77,884.0	111,494.0	156,086.7	199,228.0	218,807.0	220,478.0	285,335.8	308,051.5	341,982.0	397,770.0
Interest payments	44,025.0	50,164.0	59,605.8	113,647.5	101,181.3	90,828.2	128,178.4	128,149.7	120,389.0	99,780.0
Domestic	24,226.0	26,703.0	34,159.5	75,567.2	53,214.9	30,345.9	81,329.6	77,788.4	64,605.0	57,009.3
Foreign	19,799.0	23,461.0	25,446.3	38,080.3	47,966.3	60,482.3	46,848.8	50,361.3	55,784.0	42,770.7
Other goods, services and transfers	178,364.0	204,673.8	199,447.3	173,618.2	223,762.7	368,876.5	395,351.2	582,580.9	659,156.0	926,115.4
Road/fuel fund	0.0	0.0	0.0	0.0	0.0	38,395.4	37,511.2	45,285.9	61,278.0	62,874.3
Retention fund	0.0	0.0	0.0	0.0	0.0	19,725.5	22,982.0	25,711.3	27,443.0	47,949.7
Dev. Expenditure and net lending	74,689.0	31,692.0	5,382.3	28,895.6	186,585.0	136,523.9	359,913.4	286,253.2	344,611.0	473,188.6
Local	0.0	0.0	0.0	0.0	0.0	18,807.5	19,428.8	35,069.1	50,236.0	95,661.7
Foreign	74,689.0	31,692.0	5,382.3	28,895.6	186,585.0	117,716.4	340,484.6	251,184.1	294,375.0	377,526.9
Overall Deficit (cheques issued) before Grants	(132,518.0)	(66,785.8)	27,850.8	56,640.4	(111,252.9)	(127,381.3)	(391,134.1)	(375,411.3)	(423,184.0)	(679,337.0)
Grants	106,790.0	58,505.0	46,881.6	81,415.6	119,358.3	169,945.6	280,306.7	286,306.0	379,848.0	622,302.1
o/w: Project	81,558.0	51,822.0	16,914.7	#REF!	117,541.0	#REF!	207,519.4	123,629.8	140,192.0	293,927.7
MDF funds						47,530.2	72,787.3	30,436.4	56,657.0	255,516.2
HIPC relief										
Overall deficit (cheques issued) after grants	(25,728.0)	(8,280.8)	74,732.4	138,056.0	8,105.4	42,564.3	(110,827.4)	(89,105.3)	(43,336.0)	(57,035.0)
Adjustments to cash and other items(net)	(78,787.0)	(56,278.2)	(96,001.9)	(60,916.8)	(76,242.7)	(25,140.6)	(2,444.3)	(25,447.4)	4,759.1	921.5
Expenditure float										(79,389.1)
Overall deficit (cheques cleared)	(104,515.0)	(64,559.0)	(21,269.5)	77,139.3	(68,137.3)	17,423.7	(113,271.7)	(114,552.7)	(38,576.9)	(135,502.6)
Financing:	104,515.0	64,559.0	21,269.5	(77,139.3)	68,137.3	(17,423.7)	113,271.7	114,552.7	38,576.9	135,502.6
Foreign Financing (net)	63,958.0	2,956.0	(34,899.5)	(49,065.3)	64,468.1	(18,683.7)	105,417.3	90,354.2	121,842.5	172,016.5
Loans	100,610.0	42,365.0	15,509.0	19,233.1	136,890.0	53,842.8	187,786.3	172,880.4	187,355.5	273,341.8
Program loans	77,678.0	19,862.0	7,703.4	16,543.4	80,069.0	36,626.2	54,821.0	45,326.1	33,171.2	151,331.0
Development Project loans	22,932.0	22,503.0	7,805.6	2,689.7	56,821.0	17,216.6	132,965.3	127,554.3	154,184.3	122,010.8
Amortization	(36,652.0)	(39,409.0)	(50,408.5)	(68,298.4)	(72,421.9)	(72,526.5)	(82,369.0)	(82,526.2)	(65,513.0)	(101,325.3)
Domestic (net)	40,557.0	61,603.0	56,169.0	(41,926.6)	3,669.2	(5,740.0)	7,854.4	(2,494.4)	(24,158.6)	(36,513.9)
Bank borrowing	14,000.0	55,803.0	62,753.0	(26,072.3)	(23,605.1)	1,230.0	7,690.6	(18,654.8)	(59,180.9)	(36,263.0)
Non-Bank (net of amortization)	26,557.0	5,800.0	(6,584.0)	(15,854.3)	27,274.3	(6,970.0)	163.8	16,160.4	36,574.3	(44,763.0)
Amortization of contingent debt						7,000.0		26,692.9	(1,552.0)	8,500.0
Privatization Fund										(250.9)
Change in arrears										
Memorandum items:										
Domestic Amortization	(1,439.0)	(2,117.2)	(4,465.3)	(24,696.3)	(53,419.5)	(38,499.1)	(234,092.1)	(256,372.3)	(139,396.7)	(250.9)

Source: Ministry of Finance and BoT



Table A2.3. Treasury Bills Auction - Actual Sales by Transactor, 1994-2003

Millions of TZS

Period	Total		Bank of Tanzania		Deposit 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
1994	90,367.1	90,367.1	2,932.7	2,932.7	30,177.3	30,177.3	15,244.3	15,244.3	22,682.3	22,682.3	3,239.8	3,239.8	16,090.7	16,090.7
1995	217,168.6	307,535.7	10,191.0	13,123.7	91,481.3	121,658.6	28,770.7	44,015.0	51,925.1	74,607.4	3,977.8	7,217.6	30,822.7	46,913.4
1996	286,360.8	593,896.5	0.0	13,123.7	204,023.5	325,682.1	20,800.5	64,815.5	42,058.2	116,665.6	2,200.0	9,417.6	17,278.3	64,191.7
1997	347,488.5	941,385.0	0.0	13,123.7	293,428.9	619,111.0	10,350.0	75,165.5	34,084.7	150,750.3	0.0	9,417.6	9,417.6	73,816.3
1998	255,279.2	1,196,664.2	0.0	13,123.7	167,111.0	786,222.0	41,138.1	116,303.6	35,615.1	186,365.4	0.0	9,417.6	11,415.0	85,231.4
1999	295,194.6	1,491,858.8	0.0	13,123.7	214,756.4	1,000,978.3	12,942.7	129,246.2	49,511.4	235,876.8	0.0	9,417.6	17,984.2	103,215.6
2000	399,324.4	1,891,183.2	0.0	13,123.7	243,818.4	1,244,796.8	29,407.9	158,654.1	119,785.5	355,662.3	0.0	9,417.6	6,313.1	109,528.7
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	1,916,037.5	0.0	0.0	743,140.0	1,405,503.6	93,228.2	170,129.1	177,867.4	317,518.1	0.0	0.0	10,727.8	22,886.8
2002-Jan	50,800.0	50,800.0	0.0	0.0	33,311.7	33,311.7	5,539.2	5,539.2	11,683.7	11,683.7	0.0	0.0	265.4	265.4
Feb	66,450.0	117,250.0	0.0	0.0	30,652.3	63,964.1	22,186.9	27,726.1	13,325.8	25,009.5	0.0	0.0	285.0	550.4
Mar	93,047.2	210,297.2	0.0	0.0	69,832.8	133,796.9	7,988.7	35,714.8	14,865.6	39,875.1	0.0	0.0	360.0	910.4
Total	210,297.2	210,297.2	0.0	0.0	133,796.9	133,796.9	35,714.8	35,714.8	39,875.1	39,875.1	0.0	0.0	910.4	910.4
Apr	44,855.3	255,152.5	0.0	0.0	30,945.9	164,742.7	2,859.6	38,574.4	10,836.0	50,711.1	0.0	0.0	213.8	1,124.2
May	57,645.9	312,798.4	0.0	0.0	31,400.7	196,143.4	11,497.4	50,071.8	14,615.7	65,326.9	0.0	0.0	132.1	1,256.3
June	67,674.7	380,473.1	0.0	0.0	31,063.7	227,207.2	15,196.4	65,268.2	21,203.6	86,530.5	0.0	0.0	211.0	1,467.3
Total	170,175.9	380,473.1	0.0	0.0	93,410.3	227,207.2	29,553.4	65,268.2	46,655.4	86,530.5	0.0	0.0	556.9	1,467.3
Jul	73,300.0	73,300.0	0.0	0.0	48,382.0	48,382.0	13,172.1	13,172.1	11,744.3	11,744.3	0.0	0.0	1.6	1.6
Aug	101,900.1	175,200.1	0.0	0.0	86,607.6	134,989.6	1,869.7	15,041.8	13,282.8	25,027.1	0.0	0.0	140.0	141.6
Sept	83,800.0	259,000.1	0.0	0.0	71,009.3	205,998.9	2,657.1	17,698.9	9,883.7	34,910.7	0.0	0.0	250.0	391.6
Total	259,000.1	507,500.1	0.0	0.0	205,998.9	389,370.5	17,698.9	45,912.8	34,910.7	71,682.1	0.0	0.0	391.6	534.8
Oct	133,899.7	133,899.7	0.0	0.0	103,709.0	103,709.0	3,411.1	3,411.1	24,493.0	24,493.0	0.0	0.0	2,286.6	2,286.6
Nov	164,477.6	298,377.3	0.0	0.0	137,777.0	241,486.1	6,150.1	9,561.1	14,018.3	38,511.2	0.0	0.0	6,532.2	8,818.8
Dec	87,112.9	385,490.1	0.0	0.0	68,447.9	309,934.0	700.0	10,261.1	17,915.0	56,426.2	0.0	0.0	50.0	8,868.8
Total	385,490.1	817,767.0	0.0	0.0	309,934.0	655,129.1	10,261.1	23,233.3	56,426.2	119,430.4	0.0	0.0	8,868.8	19,974.3
2003- Jan	109,892.0	109,892.0	0.0	0.0	80,844.0	80,844.0	1,278.9	1,278.9	27,076.1	27,076.1	0.0	0.0	693.0	693.0
Feb	135,285.8	245,177.8	0.0	0.0	105,396.8	186,240.8	2,868.2	4,147.1	18,259.8	45,335.8	0.0	0.0	8,761.1	9,454.1
Mar	89,611.9	334,789.7	0.0	0.0	64,856.6	251,097.4	5,020.0	9,167.1	14,629.9	59,965.7	0.0	0.0	5,105.4	14,559.5
Total	334,789.7	689,859.5	0.0	0.0	251,097.4	518,182.3	9,167.1	14,593.2	59,965.7	132,377.6	0.0	0.0	14,559.5	24,706.5
Apr	78,956.7	78,956.7	0.0	0.0	52,604.5	52,604.5	3,261.0	3,261.0	15,235.8	15,235.8	0.0	0.0	7,855.5	7,855.5
May	87,549.9	166,506.7	0.0	0.0	62,853.3	115,457.8	1,434.2	4,695.2	13,247.1	28,482.8	0.0	0.0	10,015.4	17,870.8
June	109,916.0	276,422.7	0.0	0.0	77,672.7	193,130.5	4,989.0	9,684.2	16,928.0	45,410.8	0.0	0.0	10,326.3	28,197.2
Total	276,422.7	521,886.0	0.0	0.0	193,130.5	361,192.8	9,684.2	17,640.4	45,410.8	89,129.4	0.0	0.0	28,197.2	53,923.5

Source: Bank of Tanzania



Table A2.4 : Central Government Outstanding Stocks, Bonds and Notes by Holders, 1993-2003

End of period	Millions of TZS								Total
	Bank of Tanzania	Deposit Money banks	Other banks	Other Financial Institutions	Official Entities	Private Sector	Others		
1993	33,981.9	3,143.3	-	-	-	-	31,767.9	68,893.1	
1994	152,665.0	3,039.7	0.0	0.0	0.0	0.0	34,298.9	190,003.6	
1995	215,134.3	12,421.5	0.0	0.0	0.0	0.0	32,393.7	259,949.5	
1996	212,090.5	149,932.1	0.0	0.0	0.0	0.0	36,901.3	398,923.9	
1997	269,971.1	159,294.6	0.0	0.0	0.0	0.0	68,252.1	497,517.8	
1998	230,516.6	242,465.7	16,430.8	55,969.4	9,036.5	6,740.6	0.0	561,159.6	
1999	293,118.4	258,731.0	16,006.6	74,784.2	14,475.2	3,573.8	0.0	660,689.2	
2000	296,941.6	289,862.0	14,336.4	67,073.0	35,150.1	3,062.9	0.0	706,426.0	
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	
2001-Mar	296,941.6	192,022.9	12,315.4	70,675.4	35,837.3	2,799.2	0.0	610,591.8	
June	296,941.6	185,568.9	15,355.4	72,244.9	40,752.4	2,656.3	0.0	613,519.5	
Sept	296,941.7	183,006.9	14,892.9	115,193.2	1,406.4	2,683.0	0.0	614,124.1	
Dec	296,941.7	180,539.4	14,892.9	118,228.1	1,406.4	1,844.7	0.0	613,853.2	
2002-Mar	296,941.7	181,248.0	12,256.4	126,388.4	1,371.9	1,025.2	0.0	619,231.6	
Jun	295,989.6	171,884.0	10,177.4	108,841.4	1,371.9	264.2	0.0	588,528.5	
Sept	283,060.1	177,158.0	12,443.9	127,443.4	1,490.8	351.4	0.0	601,947.6	
Dec	207,454.4	179,741.5	14,068.9	153,870.2	1,490.6	347.3	0.0	556,972.9	
2003-Mar	201,692.7	174,551.4	14,239.9	164,100.2	1,490.6	372.0	0.0	556,446.8	
Jun	201,692.7	169,530.6	10,622.9	179,109.2	1,490.6	308.0	0.0	562,754.0	

* Before June 1998, Other Banks, Other Financial Institutions, Official Entities and Private Sector categories were included in

** All figures are in face value

Source: Bank of Tanzania

"Others" category



Table A3.1: Monetary Survey, 1993-2003

Millions of TZS

End of Period	Domestic assets (net)															Domestic credit (net)															Memorandum														
	M3.					M2.					M1.					Narrow Money					Broad Money					Extended Broad Money					M0 - Base Money														
	Foreign assets			Claims on government		Claims on private sector*		Other items		sum(2-5) or sum(9-13)		Total		sum(9-12)		sum(9,10)		Currency in circulation		Demand deposits		Time deposits		Savings deposits		Foreign currency deposits		Total		sum(9,15)		Reserves													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35										
1993	29,594.4	184,089.3	245,784.1	(38,832.2)	420,635.6	367,094.8	247,091.1	122,166.7	124,924.4	69,607.5	50,396.2	53,540.8	152,320.8	30,154.1																															
1994	11,639.3	181,055.6	280,158.6	(7,864.2)	569,743.2	486,489.2	329,624.8	176,308.2	153,316.5	84,799.5	72,064.9	83,254.0	226,441.4	50,133.2																															
1995	165,813.5	279,257.9	247,846.0	59,994.1	752,911.5	613,695.3	428,285.1	244,313.7	183,971.4	91,210.2	94,199.9	139,216.3	314,885.1	70,571.4																															
1996	290,319.8	295,822.8	141,341.0	90,579.4	818,063.0	684,990.6	449,213.3	257,662.8	191,550.5	122,436.6	113,340.7	133,072.4	335,768.0	78,105.3																															
1997	398,918.6	239,457.5	182,976.9	105,716.0	927,068.9	760,353.3	493,868.7	287,877.1	205,991.7	126,269.2	140,215.3	166,715.6	364,940.0	77,062.9																															
1998	458,003.6	276,586.7	248,276.2	44,118.1	1,026,984.7	844,929.4	545,517.0	307,798.7	237,718.3	134,401.0	165,011.4	182,055.2	418,734.0	110,935.3																															
1999	622,286.8	366,596.2	311,533.0	(82,789.1)	1,217,626.9	972,088.6	632,571.2	384,848.0	247,723.2	149,257.1	190,260.3	245,538.3	508,674.0	123,826.0																															
2000	842,755.0	375,146.0	340,628.1	(160,840.2)	1,397,688.8	1,093,610.9	695,006.5	392,404.2	302,602.3	170,051.6	228,552.8	304,077.9	556,430.9	164,026.7																															
2001	1,209,820.4	239,201.4	340,628.1	(152,919.2)	1,636,730.7	1,233,667.0	766,019.9	411,638.9	354,381.0	208,101.4	259,545.7	403,063.7	584,369.1	172,730.2																															
2002	1,538,627.1	264,608.6	570,668.3	(346,221.0)	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6																															
2002-January	1,244,572.7	211,117.3	424,034.3	(203,937.2)	1,675,787.2	1,249,011.9	772,780.7	389,698.9	383,081.8	218,710.6	257,520.6	426,775.3	590,552.6	200,853.7																															
February	1,358,005.5	149,956.8	431,266.2	(229,564.0)	1,709,664.4	1,262,854.6	787,086.3	391,993.3	395,093.1	209,448.3	266,320.0	446,809.8	587,741.7	195,748.5																															
March	1,365,588.3	157,637.1	441,943.7	(220,217.8)	1,744,951.3	1,267,737.6	776,040.6	402,948.8	373,091.8	213,470.3	278,226.7	477,213.7	550,253.6	147,304.9																															
April	1,354,456.8	183,484.9	445,125.3	(230,578.7)	1,752,488.2	1,268,835.8	766,271.1	398,186.6	368,084.5	212,907.8	289,656.9	483,652.5	583,662.4	185,475.8																															
May	1,308,438.7	191,092.9	455,432.1	(178,860.6)	1,776,103.0	1,307,466.2	792,212.9	409,639.8	382,573.1	218,535.4	296,717.9	468,636.8	609,930.6	200,290.8																															
June	1,293,645.0	202,879.0	482,041.4	(180,675.5)	1,797,889.9	1,333,524.2	815,576.3	429,383.9	386,192.4	218,602.1	299,345.8	464,365.7	573,088.0	143,704.1																															
July	1,316,101.9	250,064.6	480,721.1	(207,437.0)	1,839,450.6	1,369,608.8	837,331.5	433,054.4	404,277.1	236,120.0	296,157.3	469,841.8	633,797.5	200,743.0																															
August	1,322,133.4	319,811.7	530,484.4	(256,744.1)	1,915,685.4	1,421,212.7	879,946.7	466,750.3	413,196.4	243,819.8	297,446.2	494,472.6	704,007.0	237,256.7																															
September	1,354,621.1	316,963.1	546,722.1	(287,258.4)	1,931,047.9	1,452,980.7	912,428.8	474,990.5	437,438.2	241,421.9	299,130.0	478,067.2	795,812.5	320,822.0																															
October	1,440,512.5	276,827.5	561,301.4	(299,789.5)	1,978,852.0	1,471,851.2	932,828.8	488,790.9	444,037.9	232,950.6	306,071.7	507,000.8	752,557.7	263,766.8																															
November	1,442,963.9	319,900.7	562,604.4	(321,203.3)	2,004,263.8	1,499,937.7	957,111.4	500,899.4	456,212.0	228,941.6	313,904.7	504,306.1	701,959.1	201,059.7																															
December	1,538,627.1	264,608.6	570,668.3	(346,221.0)	2,047,683.1	1,507,386.5	958,786.6	495,445.6	463,340.9	223,898.7	324,701.2	540,296.5	695,701.2	200,255.6																															
2003-January	1,651,202.9	257,045.5	580,247.7	(447,855.8)	2,040,640.2	1,490,504.1	918,121.1	471,090.0	447,031.1	239,917.6	332,465.4	550,136.1	680,510.8	209,420.8																															
February	1,655,007.2	306,398.7	582,609.9	(422,656.0)	2,121,359.8	1,537,802.9	948,324.8	461,323.0	487,001.9	240,674.6	348,803.4	583,556.9	678,757.9	217,434.9																															
March	1,707,928.0	272,871.6	598,111.4	(491,261.2)	2,087,649.8	1,502,204.6	908,801.8	447,867.7	460,934.1	239,653.3	353,749.5	585,445.2	649,571.0	201,703.3																															
April	1,674,904.9	295,633.3	621,068.4	(501,654.3)	2,089,952.3	1,498,745.2	941,951.6	432,855.8	509,095.8	230,242.1	326,551.5	591,207.1	695,283.1	262,427.3																															
May	1,725,548.0	294,589.7	645,351.3	(557,846.1)	2,107,643.0	1,478,612.0	925,455.0	446,842.6	478,612.3	238,579.8	326,677.1	616,931.2	681,295.7	234,453.1																															
June	1,871,286.0	199,679.4	658,524.6	(523,596.0)	2,205,894.0	1,558,784.9	981,147.7	473,703.5	507,444.2	246,719.6	330,917.5	647,109.1	639,661.8	165,958.3																															

Source: Bank of Tanzania. * Previously known as "Claims on other domestic sectors".

Table A3.2 Bank of Tanzania - Assets, 1993-2003

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						
1993	65,808.1	25,155.1	96.0	80,953.1	28,680.0	n/a	233,420.6	262,100.6	2,065.5	15,524.9	60,881.6	25,206.5	839,869.6
1994	146,675.6	19,519.5	840.9	111,416.7	25,465.0	n/a	245,139.1	245,139.1	n/a	16,307.3	76,158.4	22,826.5	909,828.3
1995	126,895.3	15,549.5	36.2	120,140.8	18,950.0	n/a	307,420.5	307,420.5	n/a	15,842.7	7,997.8	51,302.8	946,262.4
1996	237,246.9	18,845.8	346.0	125,594.7	n/a	n/a	299,374.5	299,374.5	n/a	16,235.7	6,651.0	66,834.5	1,054,341.1
1997	362,312.0	19,310.0	67.0	124,504.0	n/a	n/a	269,693.0	269,693.0	n/a	23,306.0	7,910.0	82,756.0	971,057.0
1998	376,350.0	21,115.0	240.0	140,534.0	n/a	n/a	234,075.0	234,075.0	n/a	22,721.0	6,472.0	86,173.0	959,091.0
1999	582,315.0	25,002.0	104.0	217,803.0	n/a	n/a	302,788.0	302,788.0	n/a	22,492.0	63,307.0	31,483.0	1,281,620.0
2000	746,522.8	25,352.6	314.4	208,448.0	n/a	n/a	296,673.3	296,673.3	n/a	27,967.0	24,972.0	53,705.2	1,443,819.3
2001	1,018,903.2	29,013.3	345.2	228,839.3	n/a	n/a	296,673.3	296,673.3	n/a	37,164.0	41,500.3	61,807.1	1,698,665.1
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
2002-January	1,090,841.7	29,637.1	349.3	231,586.7	n/a	n/a	295,651.1	295,651.1	n/a	37,637.2	36,759.3	64,901.5	1,759,027.9
February	1,110,027.2	30,729.5	361.5	239,522.4	n/a	n/a	295,651.1	295,651.1	n/a	37,872.1	28,677.4	64,630.3	1,745,648.0
March	1,093,738.2	31,070.8	368.5	243,701.4	n/a	n/a	295,651.1	295,651.1	n/a	40,034.0	61,110.6	74,008.7	1,765,769.2
April	1,100,858.7	30,600.0	367.4	244,125.1	n/a	n/a	295,651.1	295,651.1	n/a	38,761.1	36,561.7	65,980.0	1,747,080.9
May	1,123,604.9	30,384.7	394.9	262,600.8	n/a	n/a	295,651.1	295,651.1	n/a	40,169.4	21,842.8	65,355.1	1,804,457.0
June	1,111,592.5	24,076.9	38.6	248,720.1	0.0	0.0	295,651.1	295,651.1	0.0	42,446.0	(0.0)	80,100.6	1,764,501.5
July	1,145,099.7	23,283.0	543.6	250,941.6	0.0	0.0	271,640.8	271,640.8	0.0	42,763.6	50,992.2	73,833.3	1,814,373.8
August	1,203,627.3	24,254.2	318.8	254,683.7	0.0	0.0	282,807.6	282,807.6	0.0	43,814.0	31,179.5	73,154.5	1,857,928.8
September	1,257,619.7	24,971.6	318.1	254,174.3	0.0	0.0	282,807.6	282,807.6	0.0	45,092.2	50,149.7	95,871.6	1,948,135.5
October	1,339,300.3	24,902.7	324.4	257,425.7	0.0	0.0	282,807.6	282,807.6	0.0	48,318.1	41,674.8	89,983.3	2,009,923.7
November	1,390,990.7	25,112.0	100.2	259,430.9	0.0	0.0	217,614.2	217,614.2	0.0	81,917.3	18,269.6	96,871.3	2,090,306.1
December	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-January	1,548,981.5	30,234.7	667.8	278,582.8	0.0	0.0	200,530.8	200,530.8	0.0	80,367.5	14,534.7	104,348.9	2,258,248.6
February	1,547,713.9	28,588.7	455.6	280,690.3	0.0	0.0	201,448.1	201,448.1	0.0	81,515.3	14,512.8	100,236.2	2,255,160.8
March	1,550,626.1	27,628.1	453.3	279,264.1	0.0	0.0	201,448.1	201,448.1	0.0	85,841.8	16,598.0	111,084.6	2,272,944.0
April	1,549,456.9	27,912.3	463.2	285,365.0	0.0	0.0	207,583.7	207,583.7	0.0	87,165.3	9,972.0	107,110.7	2,275,029.1
May	1,597,986.0	30,796.3	275.8	294,871.2	0.0	0.0	203,672.4	203,672.4	0.0	90,835.1	14,798.2	104,933.3	2,338,168.2
June	1,704,205.5	28,920.3	273.1	292,033.3	0.0	0.0	202,904.3	202,904.3	0.0	97,530.1	(41.0)	111,476.4	2,437,302.0

* 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.

Source: Bank of Tanzania



Table A3.3 : Bank of Tanzania - Liabilities, 1993-2003

End of period	Currency in circulation	Central government deposits	Bank deposits	Other deposits	Foreign liabilities	International Monetary fund	Allocation of SDRs	Items in process of collection	Other liabilities	Capital and reserves	Total
1993	131,067.0	25,351.5	21,253.7	61,587.3	403,205.8	70,766.5	17,288.4	n/a	106,292.7	3,056.7	839,869.6
1994	187,812.5	29,560.3	38,628.9	54,274.5	406,054.7	97,361.3	23,794.2	n/a	93,727.8	4,080.2	935,293.3
1995	264,208.2	39,673.4	50,676.8	32,718.4	390,540.8	118,602.2	25,657.3	n/a	43,715.7	4,874.1	970,666.9
1996	280,575.8	82,657.7	55,192.2	21,920.8	386,341.3	109,275.1	26,822.0	n/a	86,420.4	10,590.2	1,059,795.6
1997	314,487.0	87,321.0	50,453.0	47,415.0	219,836.0	112,859.0	26,589.0	n/a	70,354.0	46,354.0	975,668.0
1998	337,323.0	83,027.0	81,411.0	8,568.0	214,955.0	122,440.0	30,012.0	n/a	34,189.0	52,524.0	964,449.0
1999	427,447.0	84,012.0	81,227.0	24,516.0	285,985.0	180,886.0	34,354.0	n/a	115,804.0	51,549.0	1,285,780.0
2000	443,050.9	149,731.9	113,380.0	(9,014.6)	346,741.9	200,507.0	32,878.0	n/a	102,874.3	63,669.9	1,443,819.3
2001	456,205.6	173,799.6	128,163.5	4,231.4	372,840.3	212,712.4	36,094.3	29,928.9	242,819.4	41,869.7	1,698,665.0
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	2,178,444.8
2002-January	426,506.7	189,093.9	164,045.8	(10,021.4)	428,520.0	212,712.4	36,527.6	21,070.6	248,702.7	41,869.7	1,759,028.0
February	432,196.1	230,444.4	155,545.6	(8,704.6)	377,737.6	212,712.4	37,779.3	19,175.5	246,891.9	41,869.7	1,745,647.9
March	437,266.5	224,075.0	112,987.1	(9,676.5)	373,962.5	212,712.4	38,438.4	31,896.7	302,237.4	41,869.7	1,765,769.3
April	436,617.2	207,739.7	147,045.2	(516.1)	378,066.0	212,712.4	38,505.2	25,602.0	259,439.6	41,869.7	1,747,080.9
May	446,942.4	182,339.7	162,988.1	(16,050.4)	425,458.0	231,448.7	41,419.4	13,755.1	274,286.3	41,869.7	1,804,456.9
June	466,480.1	180,619.0	106,607.8	(5,508.9)	417,817.8	231,448.7	39,230.0	(36,792.4)	322,729.8	41,869.7	1,764,501.5
July	481,158.9	121,401.0	152,638.5	(13,829.1)	405,971.1	231,448.7	39,580.4	40,595.1	315,039.5	40,369.7	1,814,373.9
August	513,604.5	82,253.1	190,402.4	20,565.3	438,374.7	231,448.7	40,170.6	19,097.2	277,888.3	44,124.0	1,857,928.8
September	529,289.6	107,903.2	266,523.0	10,446.8	423,931.2	231,448.7	40,090.3	27,007.9	266,411.9	45,083.0	1,948,135.5
October	540,383.6	130,602.6	212,174.1	14,877.3	423,649.0	231,448.7	40,603.1	28,232.5	342,869.8	45,083.0	2,009,923.8
November	546,470.2	145,622.7	155,488.9	13,444.0	464,979.2	231,438.7	40,919.4	4,036.5	448,038.1	39,868.6	2,090,306.2
December	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	2,178,444.8
2003-January	517,216.9	199,780.5	163,294.0	13,344.1	520,034.2	231,433.7	43,940.2	7,226.0	522,110.6	39,868.6	2,258,248.6
February	518,037.8	158,908.7	160,720.1	21,452.1	526,890.2	231,423.7	44,272.6	3,642.6	549,944.3	39,868.6	2,255,160.7
March	502,614.4	196,556.0	146,956.5	14,717.5	501,511.8	231,423.7	44,047.6	4,933.9	590,314.4	39,868.6	2,272,944.4
April	491,337.2	169,991.7	203,945.9	11,369.6	514,236.2	231,423.7	45,009.9	4,704.8	563,141.6	39,868.6	2,275,029.2
May	494,539.3	171,278.6	186,756.5	16,592.7	540,295.5	271,954.6	46,509.3	7,736.7	562,636.4	39,868.6	2,338,168.2
June	522,561.6	260,206.4	117,100.2	27,638.7	533,023.2	271,954.6	46,061.7	(13,464.9)	632,351.9	39,868.6	2,437,302.0

* Included from July 2001 on gross level

** Revised from Jan-02

Source: Bank of Tanzania



Table A3.4 : Tanzania Notes in Circulation, 1993-2003

End of Period	Millions of TZS											Percent of Total									
	10/-	20/-	50/-	100/-	200/-	500/-	1000/-	5000/-	10000/-	Total	10/-	20/-	50/-	100/-	200/-	500/-	1,000/-	2,000/-	5,000/-	10,000/-	
1993	97.4	113.6	506.2	3,149.7	20,404.8	37,632.2	68,828.3	n/a	n/a	130,732.2	0.1	0.1	0.4	2.4	15.6	28.8	52.6		n/a	n/a	
1994	186.1	372.3	1,116.8	6,142.2	23,452.1	54,907.7	99,950.6	n/a	n/a	186,127.8	0.1	0.2	0.6	3.3	12.6	29.5	53.7		n/a	n/a	
1995	100.3	502.1	554.2	2,260.3	6,854.1	34,551.0	89,107.4	49,612.7	77,297.4	260,839.4	0.0	0.2	0.2	0.9	2.6	13.2	34.2		19.0	29.6	
1996	100.0	499.8	440.7	1,693.2	6,380.4	22,525.6	64,428.3	57,213.0	121,294.2	274,575.1	0.0	0.2	0.2	0.6	2.3	8.2	23.5		20.8	44.2	
1997	99.8	498.9	n/a	n/a	5,121.7	24,811.5	57,947.3	65,829.4	153,141.8	307,450.4	0.0	0.2	n/a	n/a	1.7	8.1	18.8		21.4	49.8	
1998	99.9	498.7	n/a	n/a	7,461.0	24,777.6	57,563.0	65,996.2	173,622.7	330,019.1	0.0	0.2	n/a	n/a	2.3	7.5	17.4		20.0	52.6	
1999	99.8	498.5	n/a	n/a	8,374.0	40,506.3	42,070.0	92,848.8	234,880.1	419,277.3	0.0	0.1	n/a	n/a	2.0	9.7	10.0		22.1	56.0	
2000	99.8	498.3	n/a	n/a	6,671.7	27,412.5	57,732.1	97,177.0	243,507.7	433,099.1	0.0	0.1	n/a	n/a	1.5	6.3	13.3		22.4	56.2	
2001	99.8	498.2	n/a	n/a	3,171.3	19,359.7	71,544.1	88,310.2	261,404.8	444,388.2	0.0	0.1	n/a	n/a	0.7	4.4	16.1		19.9	58.8	
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	
2002-January	99.7	498.2	n/a	n/a	2,896.9	20,271.2	62,579.8	80,944.8	245,353.2	412,643.8	0.0	0.1	n/a	n/a	0.7	4.9	15.2		19.6	59.5	
February	99.7	498.2	n/a	n/a	2,739.7	20,867.5	61,123.2	80,990.4	251,924.9	418,243.6	0.0	0.1	n/a	n/a	0.7	5.0	14.6		19.4	60.2	
March	99.7	498.2	n/a	n/a	2,656.4	21,634.3	60,624.6	82,331.9	255,395.1	423,240.4	0.0	0.1	n/a	n/a	0.6	5.1	14.3		19.5	60.3	
April	99.8	498.2	n/a	n/a	2,547.4	22,421.8	60,005.7	81,400.4	255,562.9	422,536.1	0.0	0.1	n/a	n/a	0.6	5.3	14.2		19.3	60.5	
May	99.8	498.2	n/a	n/a	2,546.0	23,979.2	60,366.5	85,282.6	259,958.5	432,730.7	0.0	0.1	n/a	n/a	0.6	5.5	14.0		19.7	60.1	
June	99.7	498.1	-	-	2,416.9	25,668.6	63,480.3	88,270.3	271,620.9	452,054.9	0.0	0.1	-	-	0.5	5.7	14.0		19.5	60.1	
July	99.7	498.1	-	-	2,383.5	27,663.4	68,676.5	96,274.1	271,659.7	467,255.1	0.0	0.1	-	-	0.5	5.9	14.7		20.6	58.1	
August	99.7	498.1	-	-	2,353.6	29,628.1	73,293.0	102,082.8	290,595.8	498,551.2	0.0	0.1	-	-	0.5	5.9	14.7		20.5	58.3	
September	99.8	498.1	-	-	2,324.1	30,782.3	75,465.8	105,032.1	312,684.2	526,886.3	0.0	0.1	-	-	0.4	5.8	14.3		19.9	59.3	
October	99.7	498.1	-	-	2,271.5	31,110.3	73,625.2	118,380.3	298,673.1	524,658.3	0.0	0.1	-	-	0.4	5.9	14.0		22.6	56.9	
November	99.7	498.1	-	-	2,249.1	34,356.9	71,367.7	115,648.5	306,281.1	530,501.2	0.0	0.1	-	-	0.4	6.5	13.5		21.8	57.7	
December	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-January	99.7	498.1	-	-	2,211.3	38,930.1	60,270.0	-	99,564.5	299,344.7	500,918.4	0.0	0.0	-	0.4	7.8	12.0		19.9	59.8	
February	99.8	498.1	-	-	2,179.1	46,728.6	69,233.9	16,191.5	107,101.5	261,381.4	503,414.0	0.0	0.0	-	0.4	9.3	13.8	3.2		21.3	51.9
March	99.8	498.1	-	-	2,179.1	46,728.6	69,233.9	16,191.5	107,101.5	261,381.4	503,414.0	0.0	0.0	-	0.4	9.3	13.8	3.2		21.3	48.8
April	99.7	498.1	-	-	2,114.3	43,428.7	48,397.9	54,774.6	93,760.6	231,791.1	474,865.0	0.0	0.0	-	0.4	9.1	10.2	11.5		19.7	44.4
May	99.7	498.1	-	-	2,072.7	42,759.7	39,852.7	60,352.2	120,211.1	212,108.4	477,954.5	0.0	0.0	-	0.4	8.9	8.3	12.6		25.2	41.4
June	99.7	498.1	-	-	2,051.3	46,762.5	35,233.6	55,332.0	156,560.1	209,306.8	505,844.1	0.0	0.0	-	0.4	9.7	7.0	10.6		31.0	41.4

Source: Bank of Tanzania



Table A3.5 : Tanzania Coins in Circulation, 1993-2003

End of Period	Millions of TZS														Percent of Total											
	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/-	200/-	Total	-/05	-/10	-/20	-/50	1/-	5/-	10/-	20/-	25/-	50/=	100/=	200/-	
1993	9.8	3.9	18.8	45.2	174.1	321.1	725.7	270.8	11.1	n/a	0.0	n/a	1,580.5	0.6	0.2	1.2	2.9	11.0	20.3	45.9	17.1	0.7	n/a	0.0	n/a	n/a
1994	11.8	3.4	21.9	42.1	171.8	313.4	712.6	407.7	11.8	n/a	0.0	n/a	1,696.5	0.7	0.2	1.3	2.5	10.2	18.6	42.3	24.2	0.7	n/a	0.0	n/a	n/a
1995	8.8	4.6	38.5	45.8	172.0	388.5	655.2	722.8	12.6	n/a	1,228.0	n/a	3,276.7	0.3	0.1	1.2	1.4	5.2	11.9	20.0	22.1	0.4	n/a	n/a	37.5	n/a
1996	8.8	4.6	38.8	45.8	169.6	415.7	775.4	987.8	11.6	n/a	2,741.8	n/a	5,199.8	0.2	0.1	0.7	0.9	3.3	8.0	14.9	19.0	0.2	n/a	52.7	n/a	n/a
1997	8.8	4.5	38.4	45.7	168.6	412.5	774.1	999.1	11.6	580.5	4,001.7	n/a	7,045.4	0.1	0.1	0.5	0.6	2.4	5.9	11.0	14.2	0.2	8.2	56.8	n/a	n/a
1998	8.8	4.5	38.4	45.7	168.3	398.2	724.6	905.2	11.6	739.3	4,225.6	n/a	7,270.2	0.1	0.1	0.5	0.6	2.3	5.5	10.0	12.5	0.2	10.2	58.1	n/a	n/a
1999	8.8	4.5	38.4	45.7	167.4	388.6	694.9	859.2	11.6	984.6	4,565.0	462.8	8,231.3	0.1	0.1	0.5	0.6	2.0	4.7	8.4	10.4	0.1	12.0	55.5	5.6	n/a
2000	8.8	4.5	38.3	45.7	167.5	389.5	711.9	870.5	22.6	1,359.1	5,220.3	1,126.5	9,965.4	0.1	0.0	0.4	0.5	1.7	3.9	7.1	8.7	0.2	13.6	52.4	11.3	n/a
2001	8.8	4.6	38.4	45.8	167.4	392.7	737.8	901.3	11.6	1,850.2	6,556.8	3,062.7	13,778.2	0.1	0.0	0.3	0.3	1.2	2.9	5.4	6.5	0.1	13.4	47.6	22.2	n/a
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	n/a
2002-January	8.8	4.6	38.4	45.8	167.4	393.4	738.9	908.4	11.7	1,858.3	6,607.9	3,099.8	10,900.2	0.1	0.0	0.4	0.4	1.5	3.6	6.8	8.3	0.1	17.0	60.6	28.4	n/a
February	8.8	4.6	38.4	45.8	167.5	393.9	740.9	906.4	11.7	1,882.4	6,612.3	3,144.6	13,957.3	0.1	0.0	0.3	0.3	1.2	2.8	5.3	6.5	0.1	13.5	47.4	22.5	n/a
March	8.8	4.6	38.4	45.8	167.5	394.2	742.0	909.1	11.7	1,904.5	6,647.9	3,176.4	14,050.8	0.1	0.0	0.3	0.3	1.2	2.8	5.3	6.5	0.1	13.6	47.3	22.6	n/a
April	8.8	4.6	38.4	45.9	167.5	393.6	738.9	901.3	11.7	1,910.3	6,675.6	3,184.6	14,081.1	0.1	0.0	0.3	0.3	1.2	2.8	5.2	6.4	0.1	13.6	47.4	22.6	n/a
May	8.8	4.6	38.4	45.9	167.5	394.0	738.0	900.8	11.7	1,929.3	6,730.4	3,242.5	14,211.8	0.1	0.0	0.3	0.3	1.2	2.8	5.2	6.3	0.1	13.6	47.4	22.8	n/a
June	8.8	4.6	38.4	45.9	167.5	394.3	739.3	901.9	11.7	1,963.5	6,827.8	3,321.7	14,425.3	0.1	0.0	0.3	0.3	1.2	2.7	5.1	6.3	0.1	13.6	47.3	23.0	n/a
July	8.8	4.6	38.4	45.9	167.6	394.9	742.1	908.2	11.7	2,014.0	6,957.0	3,490.1	14,783.2	0.1	0.0	0.3	0.3	1.1	2.7	5.0	6.1	0.1	13.6	47.1	23.6	n/a
August	8.8	4.6	38.4	45.9	167.5	395.3	743.6	911.2	11.7	2,052.9	7,077.9	3,595.2	15,053.0	0.1	0.0	0.3	0.3	1.1	2.6	4.9	6.1	0.1	13.7	47.0	23.9	n/a
September	8.8	4.6	38.4	45.9	167.5	395.8	747.4	915.2	11.7	2,104.2	7,209.6	3,751.6	15,400.6	0.1	0.0	0.2	0.3	1.1	2.6	4.9	5.9	0.1	13.7	46.8	24.4	n/a
October	8.8	4.6	38.4	45.9	167.5	396.0	749.7	916.0	11.7	2,156.3	7,393.4	3,837.1	15,725.3	0.1	0.0	0.2	0.3	1.1	2.5	4.8	5.8	0.1	13.7	47.0	24.4	n/a
November	8.8	4.6	38.4	45.9	167.5	396.0	749.7	916.0	11.7	2,156.3	7,393.4	3,837.1	15,725.3	0.1	0.0	0.2	0.3	1.1	2.5	4.8	5.8	0.1	13.7	47.0	24.4	n/a
December	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	n/a
2003-January	8.8	4.6	38.4	49.9	177.2	396.8	756.0	917.1	11.7	2,272.0	7,649.3	4,030.4	16,312.0	0.1	0.0	0.2	0.3	1.1	2.4	4.6	5.6	0.1	13.9	46.9	24.7	n/a
February	8.8	4.6	38.4	45.9	167.6	397.3	757.3	916.5	11.7	2,299.7	7,693.1	3,990.9	16,331.7	0.1	0.0	0.2	0.3	1.0	2.4	4.6	5.6	0.1	14.1	47.1	24.4	n/a
March	8.8	4.6	38.4	45.9	167.6	397.3	757.3	916.5	11.7	2,299.7	7,693.1	3,990.9	16,331.7	0.1	0.0	0.2	0.3	1.0	2.4	4.6	5.6	0.1	14.1	47.1	24.4	n/a
April	8.8	4.6	38.4	45.9	167.6	397.4	760.7	921.3	11.7	2,360.8	7,786.8	3,968.3	16,472.2	0.1	0.0	0.2	0.3	1.0	2.4	4.6	5.6	0.1	14.3	47.3	24.1	n/a
May	8.8	4.6	38.4	45.9	167.6	397.4	762.9	922.8	11.7	2,385.3	7,835.4	4,004.8	16,584.7	0.1	0.0	0.2	0.3	1.0	2.4	4.6	5.6	0.1	14.4	47.2	24.1	n/a
June	8.8	4.6	38.4	45.9	167.6	397.2	762.1	922.8	11.7	2,424.6	7,881.8	4,051.5	16,717.5	0.1	0.0	0.2	0.3	1.0	2.4	4.6	5.5	0.1	14.5	47.1	24.2	n/a

Source : Bank of Tanzania



A3.0 Money and Banking

Table A3.6 :Commercial Banks- Assets, 1993-2003

Millions of TZS

End of period	Domestic assets						Foreign assets			Total
	Cash	Deposits with Bank of Tanzania	Treasury bills	Other govt. securities	Loans and bills	Other*	Liquid**	Others	Fixed assets	
1993	8,900.4	17,481.6	2,131.4	100,460.9	265,440.1	358,518.4	38,223.9	n/a	28,545.5	819,702.1
1994	11,504.3	38,406.7	12,197.6	102,492.7	289,876.2	150,735.7	75,082.3	1,658.8	49,604.3	731,558.6
1995	19,894.5	46,138.0	48,658.4	119,446.8	260,829.4	569,401.5	169,390.2	772.5	53,831.5	1,288,362.7
1996	22,913.1	49,883.6	89,455.0	166,530.3	147,297.7	168,476.2	179,548.3	2,002.5	58,031.3	884,138.0
1997	26,609.9	33,100.4	78,623.0	166,906.4	184,839.8	360,643.9	232,162.1	1,393.8	13,959.0	1,098,238.4
1998	29,524.3	83,678.2	58,862.5	251,080.0	251,079.3	619,781.1	243,076.9	24,179.9	45,549.6	1,606,811.7
1999	42,599.0	80,611.1	65,911.8	264,799.3	312,082.0	876,803.0	290,975.1	10,103.8	46,146.2	1,990,031.4
2000	50,646.7	121,449.7	89,620.2	313,339.4	341,428.2	1,085,655.0	398,949.4	12,040.8	46,965.4	2,460,094.8
2001	44,566.7	132,761.9	102,319.0	192,523.1	405,373.1	2,969,481.5	499,433.8	39,628.8	56,673.6	4,442,761.5
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
2002-January	36,807.8	176,425.8	93,622.8	186,324.9	424,895.1	3,246,207.2	533,396.2	30,309.0	56,997.1	4,784,986.1
February	40,202.8	159,626.6	91,263.0	170,038.9	431,884.0	3,482,228.6	574,200.3	33,540.1	58,116.2	5,041,100.5
March	34,317.7	125,237.7	95,138.7	172,090.1	442,631.5	3,738,239.6	596,255.3	33,538.8	60,744.2	5,298,193.7
April	38,430.6	148,262.0	100,301.6	171,450.9	445,813.1	4,100,224.1	581,933.9	31,496.9	61,292.3	5,679,205.5
May	37,302.6	175,829.4	86,409.7	172,517.7	456,119.8	4,270,515.6	558,173.3	34,565.9	61,678.9	5,853,113.0
June	37,096.2	96,465.0	95,665.6	170,598.0	482,803.2	4,603,183.7	547,712.0	42,132.0	62,706.8	6,138,362.5
July	48,104.5	173,681.0	96,441.9	163,504.4	480,721.1	4,557,025.2	539,285.2	26,274.4	62,977.3	6,148,015.0
August	46,854.3	208,715.4	94,252.6	164,156.8	530,484.4	5,040,308.3	520,924.7	27,296.0	63,119.2	6,696,111.6
September	54,299.0	268,538.8	108,339.4	167,854.2	546,722.1	5,344,534.1	495,701.3	17,716.6	64,405.8	7,068,111.4
October	51,592.7	244,563.2	103,676.2	169,067.0	561,301.4	5,706,869.7	502,977.9	20,445.7	64,378.7	7,424,872.6
November	45,570.8	163,987.2	169,412.4	172,656.3	562,604.4	5,972,585.8	492,859.9	19,801.7	64,467.0	7,663,945.5
December	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-January	46,126.8	182,465.6	173,270.8	170,159.1	580,247.7	6,561,446.7	583,385.0	24,069.2	62,450.8	8,383,621.8
February	56,714.8	193,682.8	186,928.4	168,745.1	582,609.9	6,440,336.0	604,861.4	17,660.6	62,068.2	8,313,607.2
March	54,746.7	154,365.3	198,159.2	162,355.5	598,111.4	652,109.3	602,793.9	15,729.8	49,374.2	2,487,745.3
April	58,481.4	200,824.0	193,679.0	159,025.3	621,068.4	347,693.0	583,660.1	15,002.8	41,788.5	2,221,222.3
May	47,696.6	195,003.3	191,410.2	169,221.2	645,351.3	336,010.4	621,656.5	17,749.6	42,458.5	2,266,557.5
June	48,858.1	145,189.3	190,446.1	156,719.9	658,524.6	392,724.2	638,738.5	20,508.5	43,775.6	2,295,484.7

* 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, 1993-2003

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
1993	303,605.2	147,396.7	4,663.5	307,794.6	320.4	6,839.7	49,082.0	819,702.1
1994	415,951.5	1,338.4	3,359.7	166,622.2	3,751.8	627.5	139,907.7	731,558.6
1995	535,245.9	7,585.5	5,091.0	753,435.1	4,170.8	12,747.9	(29,913.5)	1,288,362.7
1996	581,356.7	162.1	9,148.1	214,560.4	1,757.3	1,534.7	75,618.9	884,138.0
1997	667,619.1	12,763.4	49,512.7	320,354.9	3,933.2	945.0	43,110.0	1,098,238.4
1998	744,513.2	0.0	23,040.0	775,669.4	1,873.2	78.3	61,637.6	1,606,811.7
1999	855,381.3	737.2	33,529.9	1,010,481.7	351.8	220.7	47,422.1	1,948,124.7
2000	1,031,371.1	1.2	38,137.7	1,273,093.7	4,056.4	106.8	113,327.9	2,460,094.8
2001	1,254,411.9	0.0	47,665.4	2,990,776.7	3,015.1	13,154.6	133,737.9	4,442,761.5
2002	1,583,057.2	83.0	104,532.6	6,126,719.6	29,650.2	142,087.6	7,991,673.0	7,991,673.0
2002-January	1,312,281.6	0.0	43,892.0	3,266,112.1	4,752.6	18,331.4	139,616.4	4,784,986.1
February	1,344,767.9	615.9	66,167.7	3,460,675.9	10,504.9	14,660.8	143,707.4	5,041,100.5
March	1,373,803.0	66.0	64,008.9	3,692,642.9	8,200.9	19,501.6	139,970.6	5,298,193.7
April	1,381,113.3	924.5	70,262.5	4,060,967.9	4,745.8	20,234.5	140,957.1	5,679,205.5
May	1,379,750.6	27.2	57,597.6	4,248,384.5	2,997.3	23,392.6	140,963.2	5,853,113.0
June	1,397,629.3	78.6	69,409.4	4,500,897.0	23,456.2	143,660.8	6,138,362.5	6,138,362.5
July	1,440,472.8	354.0	83,165.1	4,455,108.2	23,833.6	143,888.7	6,148,015.0	6,148,015.0
August	1,477,895.8	215.1	82,987.6	4,961,001.3	25,693.2	145,275.3	6,696,111.6	6,696,111.6
September	1,480,000.8	241.7	102,005.9	5,311,511.5	26,923.2	143,751.7	7,068,111.4	7,068,111.4
October	1,527,990.3	381.2	78,519.3	5,637,556.8	27,955.6	143,695.1	7,424,872.6	7,424,872.6
November	1,537,332.4	50.1	80,581.1	5,868,327.4	25,529.1	143,694.1	7,663,945.5	7,663,945.5
December	1,583,057.2	83.0	104,532.6	6,126,719.6	29,650.2	142,087.6	7,991,673.0	7,991,673.0
2003-January	1,596,493.4	525.4	75,481.2	6,522,944.8	26,643.9	158,059.8	8,383,621.8	8,383,621.8
February	1,691,659.4	164.0	67,299.7	6,360,232.3	26,422.1	162,749.1	8,313,607.2	8,313,607.2
March	1,672,125.8	50.0	78,712.0	580,312.4	298.1	154,713.3	2,487,745.3	2,487,745.3
April	1,691,568.0	50.0	88,283.0	283,561.8	198.8	156,028.5	2,221,222.3	2,221,222.3
May	1,699,044.3	50.0	95,230.8	298,788.0	198.8	155,998.6	2,266,557.5	2,266,557.5
June	1,762,183.5	50.0	92,037.7	281,098.2	198.8	157,118.3	2,295,484.7	2,295,484.7

Source: Bank of Tanzania

Table A3.8 : Analysis of Commercial Bank's Liquidity, 1993-2003

Change during 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 Bank's liquid assets				Total
							Cash	Deposits with Bank of Tanzania	Treasury bills	Net foreign liquid assets**	
1993	30,559.9	19,370.1	(4,948.1)	(118,122.8)	(83,116.0)	n/a	863.4	(107,942.2)	n/a	23,962.8	(83,116.0)
1994	(1,663.5)	1,248.4	7,913.3	3,535.6	11,033.8	n/a	4,630.8	2,493.5	(1,638.9)	5,548.5	11,033.8
1995	7,780.4	17,673.6	8,800.4	(13,517.4)	20,737.0	n/a	5,681.2	741.2	(5,674.4)	19,989.1	20,737.0
1996	(30,077.4)	9,933.9	10,131.6	5,740.3	(4,271.6)	n/a	3,629.3	1,719.1	9,068.7	(18,688.7)	(4,271.6)
1997	(17,911.0)	19,443.0	10,138.5	(46,601.2)	(34,930.6)	n/a	4,305.5	(9,390.9)	(14,606.3)	(15,238.9)	(34,930.6)
1998	(2,358.0)	22,417.1	(250.8)	(3,936.4)	15,871.9	(1,000.0)	2,212.8	9,979.0	(5,217.4)	7,897.5	14,871.9
1999	(35,276.0)	13,829.3	25,719.6	(42,009.8)	(37,737.0)	n/a	10,675.4	(12,073.4)	(19,073.4)	(17,265.7)	(37,737.0)
2000	(38,413.5)	61,788.4	20,752.0	(38,856.4)	5,270.5	n/a	14,626.0	(6,460.2)	1,188.9	(4,084.2)	5,270.5
2001	(1,893.9)	13,482.7	2,135.3	(18,266.6)	(4,542.6)	n/a	10,681.4	(379.6)	6,908.0	(21,752.4)	(4,542.6)
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
2002-January	(16,316.4)	67,459.9	(21,940.0)	30,230.2	59,433.7	n/a	(7,758.9)	43,663.9	(8,696.2)	32,224.9	59,433.7
February	(41,350.6)	70,286.8	2,294.4	(11,942.9)	19,287.8	n/a	3,395.0	(16,799.2)	(2,359.8)	35,051.8	19,287.8
March	6,369.5	59,594.1	10,955.5	(88,958.2)	(12,039.2)	n/a	(5,885.1)	(34,388.9)	3,875.8	24,359.0	(12,039.2)
April	16,335.2	(7,271.4)	(4,762.2)	17,132.1	21,433.7	n/a	4,112.9	23,024.2	5,162.9	(10,866.3)	21,433.7
May	25,400.1	(2,691.2)	19,744.1	(51,917.5)	(9,464.5)	n/a	(1,128.0)	27,567.4	(13,891.9)	(22,012.1)	(9,464.5)
June	1,720.7	(39,001.7)	19,744.1	(63,473.3)	(81,010.2)	0.0	(81,010.2)	(206.4)	(79,364.4)	9,255.9	(10,695.2)
July	59,217.9	42,117.9	3,670.5	(22,394.0)	82,612.4	0.0	82,612.4	11,008.3	77,216.1	776.3	(6,388.3)
August	66,168.1	11,222.7	33,695.8	(99,703.0)	11,383.6	0.0	11,383.6	(1,250.3)	35,034.4	(2,189.3)	(20,211.2)
September	(25,650.1)	41,856.3	8,240.3	31,051.7	55,498.1	0.0	55,498.1	7,444.8	59,823.3	14,086.8	(25,856.8)
October	42,013.5	88,755.3	13,782.7	(173,717.6)	(29,166.1)	0.0	(29,166.1)	(2,706.4)	(23,975.5)	(4,663.2)	2,179.0
November	(30,213.5)	26,164.1	12,145.7	(38,733.1)	(30,636.8)	0.0	(30,636.8)	(6,021.9)	(80,576.1)	65,736.1	(9,775.0)
December	(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-January	9,768.1	108,366.2	(24,355.6)	(41,753.5)	52,025.2	0.0	52,025.2	(5,042.9)	38,482.4	(19,658.5)	38,244.2
February	41,789.0	14,886.4	(9,767.1)	8,423.5	55,331.8	0.0	55,331.8	10,588.0	11,217.2	13,657.6	19,869.0
March	(37,647.2)	27,644.5	(13,455.3)	(5,117.3)	(28,575.3)	0.0	(28,575.3)	(1,968.1)	(39,317.5)	11,230.8	1,479.5
April	32,699.9	(23,933.1)	(15,011.9)	32,825.8	26,580.7	0.0	26,580.7	3,734.7	46,458.7	(4,480.2)	(19,132.5)
May	(5,198.2)	58,920.0	13,986.9	(64,301.2)	3,407.5	0.0	3,407.5	(10,784.8)	(5,820.7)	(2,268.8)	22,281.8
June	(89,695.9)	124,226.5	26,860.9	(79,477.5)	(18,086.0)	0.0	(18,086.0)	1,161.5	(49,814.0)	(964.1)	31,530.6

* Change during the period.

** Includes corrections for change in commercial banks holding of treasury bills

*** Net position with foreign banks, + supply of liquidity, - withdrawal of liquidity



A3.0 Money and Banking

Table A3.9 : Commercial Banks -Analysis of Domestic Assets, 1993-2003

Millions of TZS

End of period	Bank of Tanzania	Other banks	Other financial institutions	Central government	Official entities	Private sector	Other assets	Total
1993	26,382.0	610.1	1,477.3	114,356.1	117,111.7	136,564.7	384,976.5	781,478.2
1994	49,911.0	1,918.1	279.9	124,476.4	101,237.8	178,920.8	198,073.6	654,817.5
1995	66,032.5	8,942.4	225.0	176,526.2	84,330.7	163,515.3	499,572.1	1,118,200.0
1996	72,796.6	42,789.5	282.4	261,942.1	24,784.6	116,556.4	183,435.6	702,587.2
1997	59,710.3	61,065.7	0.0	247,392.3	20,676.6	162,300.3	313,537.1	864,682.5
1998	113,202.5	28,442.7	0.0	312,745.6	8,415.3	239,860.9	636,888.1	1,339,555.0
1999	123,210.1	46,283.2	36.7	331,260.2	9,305.7	302,227.2	876,629.3	1,688,952.5
2000	172,096.4	78,490.1	266.6	403,759.8	7,363.8	333,264.3	1,053,863.7	2,049,104.6
2001	177,328.7	105,955.3	0.0	295,702.9	1,018.1	403,494.2	2,920,199.8	3,903,698.9
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
2002-January	213,233.7	116,896.7	0.0	280,808.5	0.0	424,034.3	3,186,307.7	4,221,280.9
February	199,829.5	142,101.7	0.0	261,919.7	0.0	431,266.2	3,398,243.1	4,433,360.1
March	159,555.5	168,376.8	0.0	267,916.6	26.1	441,917.6	3,630,607.0	4,668,399.6
April	186,692.6	158,866.4	0.0	272,440.3	0.0	445,125.3	4,002,650.1	5,065,774.7
May	213,132.1	159,354.4	0.0	259,615.2	14.0	455,418.0	4,172,840.0	5,260,373.7
June	133,561.2	193,110.6	0.0	267,025.3	0.0	482,041.4	4,472,779.9	5,548,518.4
July	221,785.5	158,784.1	0.0	259,946.3	0.0	480,721.0	4,461,218.5	5,582,455.4
August	255,569.7	183,018.5	0.0	258,409.4	0.0	530,484.4	4,920,408.9	6,147,890.9
September	322,837.8	168,147.5	0.0	276,193.6	0.0	546,722.1	5,240,792.4	6,554,693.5
October	296,155.9	225,624.8	0.0	272,743.2	0.0	561,301.4	5,545,623.6	6,901,449.0
November	209,558.0	216,174.5	0.0	342,068.7	0.0	562,604.4	5,820,878.3	7,151,283.9
December	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-January	228,592.4	202,513.3	0.0	343,429.9	0.0	580,247.7	6,421,384.2	7,776,167.5
February	250,397.6	219,715.9	0.0	355,673.5	0.0	582,609.9	6,282,688.3	7,691,085.2
March	209,112.0	216,513.3	0.0	360,514.6	0.0	598,111.4	484,970.2	1,869,221.6
April	259,305.4	246,372.1	0.0	352,704.2	0.0	621,068.4	143,109.4	1,622,559.4
May	242,699.9	253,034.4	0.0	360,631.4	0.0	645,351.3	125,434.5	1,627,151.4
June	194,047.4	288,517.4	0.0	347,166.0	0.0	658,524.6	147,982.3	1,636,237.7

Source: Bank of Tanzania



A3.0. Money and Banking

Table A3.10: Commercial Banks' - Lending and Holdings of Securities, 1993-2003

Millions of TZS

End of period	Domestic lending				Foreign loans and bills	Lending to deposit ratio	Securities		
	Overdraft	Commercial bills	Other loans	Total			Treasury bills	Other govt. securities	Total
1993	191,061.7	26,636.0	54,588.0	272,285.7	n/a	89.7	2,131.4	100,460.9	102,592.3
1994	206,109.8	33,289.8	31,838.3	271,237.9	20,975.1	65.2	12,197.6	102,492.7	114,690.3
1995	203,275.8	11,993.6	43,757.4	270,355.5	461.5	50.5	48,658.4	119,446.8	168,105.2
1996	115,036.7	8,217.9	24,043.1	147,297.7	800.1	25.3	89,455.0	166,530.3	255,985.3
1997	172,494.7	4,972.1	9,236.0	184,839.9	255.3	27.7	78,623.0	166,906.4	245,529.4
1998	197,413.8	6,693.0	49,775.6	251,079.3	699.0	33.7	58,862.5	251,080.0	309,942.5
1999	160,819.9	12,430.5	150,713.0	323,963.5	102,648.3	37.9	65,911.8	264,799.3	330,711.1
2000	168,347.1	6,454.6	172,281.0	347,082.7	104,490.8	33.6	89,620.2	313,339.4	402,959.6
2001	180,560.6	574.4	223,951.7	405,086.7	133,053.0	32.3	102,319.0	193,383.9	295,702.9
2002	324,038.2	5,911.0	246,630.0	576,579.3	167,468.3	36.4	192,929.2	171,708.4	364,637.6
2002-January	181,276.8	720.3	242,757.5	424,754.6	148,736.8	32.4	93,622.8	187,185.7	280,808.5
February	181,108.2	1,521.2	250,158.0	432,787.4	135,932.2	32.2	91,263.0	170,656.7	261,919.7
March	177,591.2	1,102.5	264,352.4	443,046.1	145,803.4	32.2	95,138.7	172,777.9	267,916.6
April	276,619.2	654.9	168,506.2	445,780.2	137,534.7	32.3	100,301.6	172,138.7	272,440.3
May	283,875.1	897.9	171,557.0	456,330.0	141,726.0	32.6	86,409.7	173,205.4	259,615.2
June	314,219.4	1,015.4	167,822.0	483,056.8	153,483.4	34.6	95,665.6	171,359.7	267,025.3
July	295,458.0	3,891.7	185,263.0	484,612.8	153,033.1	33.6	96,441.9	163,504.4	259,946.3
August	308,472.5	1,797.4	222,011.8	532,281.8	156,335.4	36.0	94,252.6	164,156.8	258,409.4
September	319,000.8	1,566.2	227,721.3	548,288.3	164,833.4	37.0	108,339.4	167,854.2	276,193.6
October	327,799.9	1,228.2	233,501.5	562,529.6	181,953.5	36.8	103,676.2	169,067.0	272,743.2
November	309,735.4	1,792.1	252,869.0	564,396.5	176,525.0	36.7	169,412.4	172,656.3	342,068.7
December	324,038.2	5,911.0	246,630.0	576,579.3	167,468.3	36.4	192,929.2	171,708.4	364,637.6
2003-January	342,502.2	749.7	237,745.4	580,997.4	173,957.9	36.4	173,270.8	170,159.1	343,429.9
February	335,422.5	1,109.3	247,187.4	583,719.2	178,995.6	34.5	186,928.4	168,745.1	355,673.5
March	337,760.9	445.0	260,350.5	598,556.4	165,339.2	35.8	198,159.2	162,355.5	360,514.6
April	352,566.2	393.9	268,502.2	621,462.2	183,485.3	36.7	193,679.0	159,025.3	352,704.2
May	362,025.2	645.3	283,326.1	645,996.6	183,206.5	38.0	191,410.2	169,221.2	360,631.4
June	361,653.7	706.0	296,870.9	659,230.6	182,982.3	37.4	190,446.1	156,719.9	347,166.0

Source: Bank of Tanzania

Table A3.11: Commercial Banks- Domestic Lending by Borrowing Sector, 1993-2003

Millions of TZS.

End of period	Public Sector*	Agricultural production	Mining & manufacturing	Building and construction	Transportation	Tourism	Marketing of agricultural produce			Trade in capital goods	All other trade	Specified financial institutions	Other	Total
							Export of agricultural produce	Export of agricultural produce	Export of agricultural produce					
1993	26,501.6	17,882.9	50,885.2	6,600.5	10,560.7	5,280.4	68,644.9	6,266.1	2,376.2	61,446.0	1,477.3	14,363.7	272,285.7	
1994	9,717.6	24,432.7	72,709.2	3,532.4	10,597.3	5,593.0	73,003.6	9,125.5	2,649.3	73,298.0	2,060.6	-15,481.2	271,237.9	
1995	12,983.4	21,085.5	55,345.3	3,384.8	4,774.4	1,989.7	51,294.2	5,130.9	11.6	46,872.9	432.5	57,524.5	260,829.4	
1996	7,795.8	17,236.1	37,129.4	4,316.8	8,655.8	1,057.8	8,819.9	3,505.1	8.2	22,058.2	224.4	36,490.2	147,297.7	
1997	5,198.0	13,919.7	43,702.7	4,315.9	15,016.2	2,607.7	2,675.3	3,117.0	437.8	43,535.5	656.5	49,657.7	184,839.9	
1998	5,123.0	18,826.0	57,913.5	5,748.3	22,777.4	2,314.9	6,419.2	1,953.9	70.5	65,313.9	2,788.1	61,830.5	251,079.3	
1999	6,864.4	17,738.9	91,354.1	6,552.4	34,322.2	3,767.1	2,439.4	1,947.9	53.2	78,648.1	2,808.2	65,524.3	312,020.3	
2000	7,319.0	21,432.2	106,791.6	11,443.8	45,899.0	3,439.5	1,336.2	201.9	0.0	89,941.4	7,169.0	45,654.6	340,628.1	
2001	8,406.0	38,955.3	135,759.5	13,923.3	40,834.5	7,119.4	0.0	0.0	0.0	133,939.2	4,301.4	21,273.7	404,512.3	
2002	7542.3	97683.1	145857.9	30671.8	62370.2	13145.7	0.0	0.0	0.0	132058.9	25898.0	55440.4	570668.3	
2002-Mar	7,433.3	44,801.0	110,940.4	21,794.9	46,518.6	10,274.8	0.0	0.0	0.0	81,387.7	11,371.0	107,395.9	441,917.6	
Jun	8,659.0	61,392.1	135,068.9	24,001.6	47,302.9	11,557.8	0.0	0.0	0.0	128,301.8	17,831.6	47,927.4	482,043.0	
Sep	9,871.5	81,487.0	139,125.1	32,734.2	65,810.8	13,369.1	0.0	0.0	0.0	141,221.9	19,952.1	43,150.4	546,722.1	
Dec	7,542.3	97,683.1	145,857.9	30,671.8	62,370.2	13,145.7	0.0	0.0	0.0	132,058.9	25,898.0	55,440.4	570,668.3	
2003-Mar	8,004.0	80,364.6	161,761.0	33,614.3	61,253.1	15,705.2	0.0	0.0	0.0	156,651.7	24,669.0	56,088.5	598,111.4	
Jun	9072.0	79686.4	177934.9	33376.9	77558.9	15128.3	0.0	0.0	0.0	164741.6	27215.3	73810.3	658524.5	
Percent of Total														
End of period	Public Sector*	Agricultural production	Mining & manufacturing	Building and construction	Transportation	Tourism	Marketing of agricultural produce			Trade in capital goods	All other trade	Specified financial institutions	Other	Total
							Export of agricultural produce	Export of agricultural produce	Export of agricultural produce					
1993	9.7	6.6	18.7	2.4	3.9	1.9	25.2	2.3	0.9	22.6	0.5	5.3	100.0	
1994	3.6	9.0	26.8	1.3	3.9	2.1	26.9	3.4	1.0	27.0	0.8	-5.7	100.0	
1995	5.0	8.1	21.2	1.3	1.8	0.8	19.7	2.0	0.0	18.0	0.2	22.1	100.0	
1996	5.3	11.7	25.2	2.9	5.9	0.7	6.0	2.4	0.0	15.0	0.2	24.8	100.0	
1997	2.8	7.5	23.6	2.3	8.1	1.4	1.4	1.7	0.2	23.6	0.4	26.9	100.0	
1998	2.0	7.5	23.1	2.3	9.1	0.9	2.6	0.8	0.0	26.0	1.1	24.6	100.0	
1999	2.2	5.7	29.3	2.1	11.0	1.2	0.8	0.6	0.0	25.2	0.9	21.0	100.0	
2000	2.1	6.3	31.4	3.4	13.5	1.0	0.4	0.1	0.0	26.4	2.1	13.4	100.0	
2001	2.1	9.6	33.6	3.4	10.1	1.8	0.0	0.0	0.0	33.1	1.1	5.3	100.0	
2002	1.3	17.1	25.6	5.4	10.9	2.3	0.0	0.0	0.0	23.1	4.5	9.7	100.0	
2003	1.9	12.0	26.1	4.7	9.1	2.5	0.0	0.0	0.0	22.8	4.1	16.8	100.0	
2002- Mar	1.7	10.1	25.1	4.9	10.5	2.3	0.0	0.0	0.0	18.4	2.6	24.3	100.0	
Jun	1.8	12.7	28.0	5.0	9.8	2.4	0.0	0.0	0.0	26.6	3.7	9.9	100.0	
Sep	1.8	14.9	25.4	6.0	12.0	2.4	0.0	0.0	0.0	25.8	3.6	7.9	100.0	
Dec	1.3	17.1	25.6	5.4	10.9	2.3	0.0	0.0	0.0	23.1	4.5	9.7	100.0	
2003-Mar	1.3	13.4	27.0	5.6	10.2	2.6	0.0	0.0	0.0	26.2	4.1	9.4	100.0	
Jun	1.4	12.1	27.0	5.1	11.8	2.3	0.0	0.0	0.0	25.0	4.1	11.2	100.0	

* Formerly Public Administration

Source: Bank of Tanzania



Table A3.12 : Commercial Bank's Deposits, 1993-2003

Millions of TZS

End of period	Deposits by Holder										Deposits by type				
	Domestic					Foreign					Total	Demand	Time	Savings	Other
	Central Govt.	Local Govt.	Public enterprises	Para statals	Other domestic	Central Govt.	Local Govt.	Public enterprises	Para statals	Other domestic					
1993	5,136.4	3,505.7	87,539.8	36,437.8	170,985.6	0.0	0.0	0.0	0.0	0.0	303,605.2	129,242.2	70,426.0	50,396.2	53,540.8
1994	22,516.5	4,983.6	58,327.1	42,910.7	287,213.6	0.0	0.0	0.0	0.0	0.0	415,951.5	174,925.4	85,707.2	72,064.9	83,254.0
1995	26,648.1	6,097.6	53,888.0	30,442.7	418,169.5	454.4	454.4	454.4	454.4	454.4	535,700.3	202,992.5	93,942.2	94,199.9	144,565.7
1996	20,956.4	7,146.3	16,489.9	46,375.1	490,389.1	926.9	926.9	926.9	926.9	926.9	582,283.6	204,448.6	127,063.0	113,340.7	137,431.3
1997	28,427.3	3,682.1	17,789.6	37,128.4	580,591.9	870.4	870.4	870.4	870.4	870.4	668,489.6	229,131.7	128,321.5	140,215.3	170,821.0
1998	25,327.3	13,486.3	24,397.7	50,683.2	630,618.7	78.3	78.3	78.3	78.3	78.3	744,591.5	255,668.3	138,481.3	165,011.4	185,430.5
1999	21,560.4	20,245.1	28,112.1	39,662.0	744,759.7	115.7	115.7	115.7	115.7	115.7	854,455.0	258,828.6	151,510.1	190,260.3	253,856.0
2000	26,086.5	28,612.6	23,110.2	35,545.1	918,016.6	106.8	106.8	106.8	106.8	106.8	1,031,477.9	321,537.8	171,671.6	228,552.8	309,715.7
2001	29,320.0	23,285.6	38,112.2	13,404.0	1,150,290.1	34.6	34.6	34.6	34.6	34.6	1,254,446.4	382,368.0	208,101.4	259,545.7	404,431.3
2002	30,819.8	56,040.2	46,286.7	243.7	1,449,666.8	0.0	0.0	0.0	0.0	0.0	1,583,057.2	492,867.7	223,898.7	324,701.2	541,589.5
2002-January	26,193.3	64,865.6	37,666.7	12,432.4	1,171,123.7	39.7	39.7	39.7	39.7	39.7	1,312,321.3	407,584.1	218,710.6	257,520.6	428,505.9
February	27,114.4	29,922.7	29,571.9	9,480.8	1,248,678.1	25.7	25.7	25.7	25.7	25.7	1,344,793.5	420,810.5	209,448.3	266,302.3	448,232.4
March	31,800.5	59,614.6	30,754.0	8,100.6	1,243,533.3	10.3	10.3	10.3	10.3	10.3	1,373,813.3	403,683.3	213,470.3	278,226.7	478,433.0
April	26,811.6	48,743.0	32,051.9	8,583.9	1,264,922.9	7.4	7.4	7.4	7.4	7.4	1,381,120.7	393,696.1	212,907.8	289,656.9	484,859.9
May	31,778.6	49,692.2	37,266.1	7,690.5	1,271,814.4	6.0	6.0	6.0	6.0	6.0	1,398,247.8	413,176.7	218,535.4	296,717.9	469,817.8
June	29,123.3	47,495.0	41,292.6	1,344.8	1,278,373.6	5.0	5.0	5.0	5.0	5.0	1,397,634.3	414,144.7	218,602.1	299,345.8	465,541.7
July	34,076.6	50,127.8	41,128.7	1,344.8	1,313,794.8	5.0	5.0	5.0	5.0	5.0	1,440,477.7	437,266.7	236,120.0	296,157.3	470,933.8
August	28,960.7	50,620.6	34,522.3	463.2	1,363,329.0	4.0	4.0	4.0	4.0	4.0	1,477,899.8	440,888.2	244,076.8	297,446.2	495,488.6
September	23,943.5	44,682.8	38,586.3	1,286.0	1,371,502.2	4.0	4.0	4.0	4.0	4.0	1,480,004.8	460,404.7	241,421.9	299,130.0	479,048.2
October	37,929.2	56,587.0	37,697.2	285.2	1,395,491.7	0.0	0.0	0.0	0.0	0.0	1,527,990.3	481,039.1	232,950.6	306,071.7	507,928.8
November	33,968.0	56,605.8	41,105.1	243.5	1,405,410.0	0.0	0.0	0.0	0.0	0.0	1,537,332.4	489,356.0	228,941.6	313,904.7	505,130.1
December	30,819.8	56,040.2	46,286.7	243.7	1,449,666.8	0.0	0.0	0.0	0.0	0.0	1,583,057.2	492,867.7	223,898.7	324,701.2	541,589.5
2003-January	26,943.2	50,416.1	47,444.5	243.7	1,471,445.9	0.0	0.0	0.0	0.0	0.0	1,596,493.4	472,720.3	239,917.6	332,465.4	551,390.1
February	31,622.6	55,633.8	43,458.8	274.4	1,560,669.8	0.0	0.0	0.0	0.0	0.0	1,691,659.4	517,390.5	240,674.6	348,803.4	584,790.9
March	32,343.7	47,111.7	51,210.8	266.4	1,541,193.1	0.0	0.0	0.0	0.0	0.0	1,672,125.8	492,069.8	239,653.3	353,749.5	586,653.2
April	34,471.5	53,078.3	50,957.7	262.5	1,552,798.1	0.0	0.0	0.0	0.0	0.0	1,691,568.0	542,370.3	230,242.1	326,551.5	592,404.1
May	38,244.0	51,538.4	52,798.3	246.1	1,556,217.5	0.0	0.0	0.0	0.0	0.0	1,699,044.3	515,682.0	238,592.1	326,677.1	618,093.2
June	29,993.0	47,111.7	51,210.8	266.4	1,633,601.4	0.0	0.0	0.0	0.0	0.0	1,762,183.5	536,289.2	246,732.6	330,917.5	648,244.1

Source: Bank of Tanzania





Table A3.13 : Weighted Average Interest Rate of Commercial Banks* 1999-2003

Percentage per annum

Type of Rate	1999		2000		2001		2002			2003			
	June	Dec	June	Dec	Jun	Sept	Dec	Mar	Jun	Sept	Dec	Mar	Jun
A. Domestic Currency													
1. Interbank Cash Market Rates													
Overnight:	4.6	4.4	3.4	2.9	2.0	1.4	2.4	1.7	2.2	1.3	3.4	5.4	4.6
2 to 7 days	7.6	4.4	3.5	2.8	2.2	1.7	2.5	2.2	3.0	1.4	3.7	5.6	4.6
8 to 14 days	7.0	6.6	6.0	3.2	4.0	2.5	3.3	2.4	2.8	1.5	3.8	4.5	5.1
15 to 30 days	6.7	12.8	6.7	4.1	4.5	4.5	3.5	2.6	3.4	3.8	4.5	4.8	6.8
31 to 60 days	n/a	n/a	7.0	4.5	4.7	4.5	3.8	3.0	3.8	3.9	4.4	5.7	6.5
61 to 90 days	n/a	n/a	12.0	5.5	5.5	5.5	5.5	4.0	5.5	3.3	2.7	3.8	5.5
91 to 180 days	8.4	8.4	12.5	7.2	6.5	5.5	4.3	3.5	4.4	3.1	4.5	4.7	5.7
181 and above	10.2-12.3	10.2-12.3	10.2-12.3	10-12.3	7.5	8.0	4.5	5.0	4.9	4.0	6.0	6.9	4.7
Overall interbank cash market rate	7.2	4.6	3.8	3.2	2.1	1.6	2.5	1.9	2.4	1.6	3.5	5.4	4.8
2. REPO Rates	5.4	4.5	3.8	4.4	3.4	3.0	2.9	2.9	2.9	2.0	4.4	6.5	7.0
3. Treasury Bills Rates:													
35 days									3.7	2.0	4.4	5.1	5.8
91 days	6.2	15.2	7.3	4.9	4.2	4.4	3.7	3.5	4.1	2.5	4.4	5.8	6.1
182 days	6.6	15.5	7.8	6.0	4.8	4.9	3.9	3.9	4.2	3.0	4.7	6.1	5.8
364 days	9.4	16.3	10.3	6.4	5.1	5.7	4.6	4.6	4.9	3.3	4.7	6.2	5.9
Overall Treasury bills rate	7.0	15.5	8.4	5.7	4.6	4.9	3.9	3.9	4.2	2.6	4.5	5.9	5.9
4. Treasury Bonds: 2-year													
5-year			11.5	6.9	6.5	5.8	4.7	4.4	5.6	3.4	5.3	5.0	6.7
7-years										6.8	6.9	6.6	7.7
10-years											7.2	7.6	8.5
5. Discount Rate	12.2	20.2	13.1	10.7	9.8	10.3	8.7	8.8	9.4	8.0	9.2	10.4	10.6
6. Savings Deposit Rate	7.4	7.1	7.1	4.9	4.2	4.0	3.8	3.7	3.5	3.1	3.1	2.8	2.5
7. Time Deposits Rates:													
Call Accounts		2.2	2.9	1.9	1.8	1.5	1.4	1.3	1.2	1.3	0.7	2.2	0.7
1 month	6.6	5.8	5.6	6.5	5.0	3.2	2.9	2.8	4.1	1.8	2.1	2.5	3.9
2 months	7.5	7.1	6.9	5.2	4.5	3.9	3.0	3.8	4.1	3.7	3.9	4.0	4.2
3 months	7.6	8.7	7.6	5.3	4.7	5.3	3.6	3.2	3.4	3.0	3.0	2.5	2.8
6 months	8.3	9.0	9.1	5.9	5.7	4.5	4.7	4.4	4.7	3.9	4.1	4.2	3.7
12 months	9.7	10.2	10.1	8.6	6.7	6.4	6.0	5.7	6.2	5.9	5.7	5.8	5.1
24 months	7.7	7.8	7.5	7.4	6.0	6.1	6.2	5.5	4.4	4.4	4.3	4.4	4.1
8. Lending rates:													
Call Loans	24.5	22.7	22.1	23.1	19.8	19.2	18.5	16.6	16.4	15.9	15.7	15.0	14.1
Short-term (up to 1 year)	26.0	26.0	24.0	18.3	18.3	18.3	18.3	23.6	23.7	23.6	23.6	23.6	23.6
Medium-term (1-2 years)	21.4	20.4	19.0	21.6	20.9	18.7	15.0	14.4	14.8	14.8	16.1	16.4	16.4
Medium-term (2-3 years)	20.4	20.5	19.7	19.3	17.5	16.5	17.0	17.7	16.6	14.5	15.4	15.8	14.6
Long-term (3-5 years)	22.4	21.1	21.0	20.3	15.0	18.0	18.1	14.6	15.0	12.6	13.1	12.3	13.4
Term Loans (over 5 years)	24.1	20.1	20.1	21.2	18.1	16.7	15.8	17.1	17.2	17.5	13.7	12.1	10.9
B. Foreign Currency													
1. Deposits Rates:													
Call Accounts	3.1	3.0	3.3	3.4	2.6	2.9	2.0	1.6	1.5	1.4	1.1	1.3	1.1
Savings Deposits	3.4	3.1	2.5	2.1	1.1	2.1	0.6	0.7	0.7	0.5	0.5	0.7	0.4
Time Deposits:	2.7	0.7	3.4	3.7	3.0	2.4	2.2	2.3	2.1	1.0	0.8	0.9	0.9
1-months	3.0	3.4	3.2	3.3	2.1	3.0	2.1	1.1	1.1	1.3	1.2	0.9	0.9
2-months	3.0	4.3	3.3	4.7	1.6	2.9	1.9	2.3	2.2	2.2	1.8	2.6	1.4
3-months	3.1	3.4	3.5	3.0	2.2	2.9	1.7	1.4	1.3	1.4	0.8	1.1	0.9
6-months	3.5	3.5	3.4	3.6	3.6	3.7	2.8	1.6	1.5	1.6	1.4	1.2	1.7
12-months	3.1	2.8	3.9	3.6	4.5	3.5	2.7	1.7	1.6	1.7	1.5	1.5	1.2
2. Lending Rates:													
Short-term (up to 1 year)	8.6	12.1	10.2	10.1	10.2	9.3	9.2	7.1	5.6	6.3	6.4	7.2	7.5
Medium-term (1 - 2 years)	8.6	12.5	9.6	9.7	9.8	8.6	7.3	7.0	4.9	7.4	7.9	7.6	7.0
Medium-term (2 - 3 years)	8.0	12.5	10.9	10.4	12.4	11.1	10.8	5.1	4.5	5.4	5.9	6.0	7.9
Long-term (3 - 5 years)	11.5	12.3	12.5	12.3	11.1	11.0	12.9	8.1	5.1	7.0	7.8	8.2	8.7
Long-term (3 - 5 years)	6.3	7.4	7.9	7.9	7.6	6.5	5.8	8.2	7.8	5.3	7.2	6.8	6.5

* Weighted Average Interest Rates of Commercial Banks End of Period

Prior to 1999 simple average interest rate computed and maturities differed.

Source: Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.1 Balance of Payments, 1993-2002

Millions of USD

Item	1993	1994	1995	1996	1997	1998	1999	2000	2001*	2002*
A: CURRENT ACCOUNT	(1,022.0)	(711.1)	(589.9)	(265.1)	(403.4)	(905.4)	(829.5)	(498.6)	(480.0)	(251.1)
Balance on Goods:	(835.6)	(790.0)	(657.6)	(448.9)	(395.4)	(793.6)	(872.1)	(704.3)	(783.9)	(608.7)
Exports (f.o.b)	439.3	519.4	682.9	763.8	752.6	588.5	543.3	663.3	776.4	902.5
Imports (f.o.b)	(1,274.9)	(1,309.3)	(1,340.5)	(1,212.6)	(1,148.0)	(1,382.1)	(1,415.4)	(1,367.6)	(1,560.3)	(1,511.3)
Services	(389.9)	(85.1)	(216.9)	(278.8)	(317.9)	(434.1)	(194.8)	(55.1)	(10.3)	(46.7)
Credit	310.8	418.2	582.9	537.1	482.4	521.3	600.3	627.3	679.3	665.8
Debit	(700.7)	(503.3)	(799.8)	(815.9)	(800.2)	(955.3)	(795.0)	(682.4)	(689.5)	(712.5)
Income:	(147.6)	(122.5)	(110.3)	(72.0)	(121.8)	(105.0)	(99.3)	(130.1)	(85.2)	(16.3)
Credit	21.4	30.9	31.8	41.5	43.0	44.4	49.0	50.4	55.3	74.3
Debit	(169.0)	(153.4)	(142.1)	(113.5)	(164.8)	(149.4)	(148.3)	(180.4)	(140.5)	(90.6)
Current transfers	351.1	286.5	394.9	534.6	431.7	427.3	336.6	390.8	399.4	420.7
Credit	381.1	311.5	427.2	566.9	499.3	454.2	445.6	463.7	469.5	472.9
Debit	(30.0)	(25.0)	(32.3)	(32.3)	(67.7)	(26.9)	(109.0)	(72.9)	(70.0)	(52.3)
B: CAPITAL & FINANCIAL ACCOUNT	257.6	155.8	330.5	191.3	507.1	86.3	883.9	903.0	463.4	661.0
B1: Capital Account	200.6	262.6	191.0	191.0	270.9	252.4	270.6	330.4	365.2	354.1
Capital transfers:	200.6	262.6	191.0	191.0	270.9	252.4	270.6	330.4	365.2	354.1
Credit	200.6	262.6	191.0	191.0	270.9	252.4	270.6	330.4	365.2	354.1
B2: FINANCIAL ACCOUNT	57.0	(106.8)	139.5	0.4	236.3	(166.1)	613.3	572.5	98.2	306.8
Direct Investment	20.0	50.0	150.0	148.5	157.8	172.2	516.7	463.4	327.2	240.4
In Tanzania	20.0	50.0	150.0	148.5	157.8	172.2	516.7	463.4	327.2	240.4
Other investment	37.0	(156.8)	(10.5)	(148.2)	78.5	(338.3)	96.6	109.1	(229.0)	66.4
C: NET ERRORS & OMISSIONS	27.8	78.8	(70.0)	(73.1)	(303.6)	313.3	(163.3)	(439.5)	34.1	(81.0)
D: OVERALL BALANCE	(736.6)	(476.5)	(329.5)	(146.9)	(199.8)	(505.8)	(109.0)	(35.1)	17.5	328.8
E: FINANCING (Reserves and related items)	736.6	476.5	329.5	146.9	199.8	505.8	109.0	35.1	(17.5)	(328.8)
Reserve assets	157.3	(77.0)	60.1	(165.3)	(182.0)	21.8	(175.5)	(197.3)	(186.6)	(372.4)
Use of Fund credit and loans					77.4	11.0	51.3	49.4	15.6	26.0
Exceptional financing:	579.3	553.5	269.4	312.2	304.4	473.0	233.2	183.0	153.5	17.6
Arrears	199.0	296.4	269.4	312.2	77.1	106.3	148.6	173.0	22.1	17.6
Debt rescheduling	136.6	144.5	0.0	0.0	227.3	366.7	84.6	10.0	131.4	0.0
Memorandum items:										
GDP (mp) Billions of TZS	1,607.8	2,125.3	2,796.6	3,452.6	4,708.6	5,571.6	6,432.9	7,225.7	8,260.4	9,180.9
GDP (mp) Millions of USD	3,967.1	4,170.4	4,865.7	5,952.9	7,692.3	8,382.4	8,635.9	9,028.0	9,425.0	9,498.0
CAB/GDP	(25.8)	(7.1)	(3.3)	(7.7)	(5.2)	(10.8)	(9.6)	(5.5)	(5.1)	(2.6)
CAB/GDP (excl. current official transfers)	(35.1)	(22.2)	(18.1)	(11.7)	(10.9)	(15.8)	(14.4)	(10.3)	(9.5)	(7.1)
Gross Official Reserves	228.3	331.3	270.9	441.1	623.1	599.0	775.6	974.4	1,156.6	1,529.0
Months of Imports	6.0	9.5	6.6	11.3	3.8	3.1	4.2	5.7	6.2	8.3
Net International Reserves :										
Net Position	5.9	82.9	22.8	188.1	272.6	283.7	405.1	542.7	761.2	1,058.4
Change (absolute)	157.3	(77.0)	60.1	(165.3)	(84.4)	(11.1)	(121.4)	(137.6)	(218.5)	(297.2)
Exchange Rate:										
End of Period	479.9	523.5	550.4	595.6	624.6	681.0	797.3	803.3	916.3	976.3
Annual Average	405.3	509.6	574.8	580.0	612.1	664.7	744.9	800.4	876.4	966.6

* provisional

Note: GDP-Gross Domestic Products, mp-market prices, CAB-Current Account Balance, *Provisional

Source: Bank of Tanzania

Table A4.2: Tanzania's Balance of Payments, 1993-2002

Millions of TZS

Items	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002*
A. Current Account Balance	(427,862.3)	(360,845.9)	(373,974.3)	(249,327.3)	(248,613.3)	(601,550.3)	(616,181.3)	(398,615.3)	(423,098.5)	(241,425.0)
Balance on Goods:	(350,594.2)	(401,081.5)	(380,400.7)	(247,021.5)	(243,557.3)	(526,570.4)	(648,976.2)	(563,519.2)	(688,005.0)	(586,850.9)
Exports (f.o.b)	181,147.6	265,176.8	390,378.0	455,419.0	459,548.9	391,805.0	412,261.6	531,119.0	681,185.9	874,067.4
Imports (f.o.b)	(531,741.8)	(666,258.3)	(770,778.7)	(702,440.5)	(703,106.2)	(918,375.4)	(1,061,237.7)	(1,094,638.2)	(1,369,191.0)	(1,460,918.2)
Services (net)	(161,637.6)	(43,354.6)	(124,584.6)	(161,793.7)	(187,375.6)	(288,333.9)	(165,472.4)	(76,607.3)	(81,580.1)	(44,768.3)
Service: Credit	128,839.0	213,151.2	334,859.4	311,621.8	295,483.7	346,656.6	449,299.6	502,170.7	595,144.0	643,703.2
Debit	(290,476.6)	(256,505.8)	(459,444.0)	(473,415.5)	(489,819.0)	(635,727.9)	(589,412.1)	(546,187.9)	(603,714.4)	(688,471.5)
Income (net)	(61,184.7)	(62,430.1)	(63,378.5)	(36,921.0)	(75,602.9)	(75,319.0)	(55,577.9)	(75,206.2)	(40,513.8)	(15,748.0)
Income : Credit	8,871.0	15,747.7	18,258.3	24,090.0	26,250.9	29,686.1	36,658.6	40,302.6	48,766.9	71,609.4
Debit	(70,055.7)	(78,177.8)	(81,636.8)	(61,011.0)	(101,226.1)	(99,358.3)	(110,169.1)	(144,463.3)	(123,422.3)	(87,357.5)
Current Transfers (net)	145,554.2	146,020.3	194,389.5	196,408.9	277,000.6	374,201.3	346,924.8	508,942.9	301,520.0	405,942.2
Current Transfers: Credit	157,990.1	158,761.1	212,947.1	215,152.8	305,724.0	301,616.1	328,992.7	371,376.3	410,379.4	456,489.6
Debit	(12,435.9)	(12,740.8)	(18,557.6)	(18,743.9)	(41,469.5)	(17,852.6)	(82,574.9)	(58,294.5)	(62,247.1)	(50,547.4)
B. Capital Account	83,163.1	133,845.1	109,693.4	110,794.9	159,075.5	156,764.9	190,959.7	251,903.9	299,941.3	313,194.6
Capital transfers: Credit	83,163.1	133,845.1	109,693.4	110,794.9	159,075.5	156,764.9	190,959.7	251,903.9	299,941.3	313,194.6
C. Financial Account**	23,606.7	(54,466.0)	61,302.7	11,900.6	145,074.7	(110,163.5)	458,399.7	458,367.3	85,758.1	296,586.0
Direct Investment	8,290.6	25,481.7	68,935.4	87,034.5	96,645.4	114,526.7	384,893.0	370,905.9	286,780.9	232,367.2
In Tanzania	8,290.6	25,481.7	68,935.4	87,034.5	96,645.4	114,526.7	384,893.0	370,905.9	286,780.9	232,367.2
Other Investment	15,316.1	(79,947.7)	(7,632.7)	(75,133.9)	48,429.3	(224,690.1)	73,506.7	87,461.4	(201,022.9)	64,218.8
D. Net Errors and Omissions	58,347.7	53,814.4	20,809.1	53,623.1	(182,483.5)	209,079.1	(116,295.0)	(352,107.5)	34,973.2	(78,329.0)
Overall Balance (Items A to D)	(262,744.8)	(227,652.4)	(182,169.1)	(73,008.7)	(120,213.3)	(334,902.7)	(72,509.0)	(27,865.4)	17,291.9	319,120.8
E. Financing (Reserves and relate item) :	262,744.8	227,652.4	182,169.1	73,008.7	120,213.3	334,902.7	72,509.0	27,865.4	(17,291.9)	(319,120.8)
Reserve assets	22,532.5	(63,870.0)	24,339.1	(113,670.4)	(113,496.6)	13,179.4	(139,421.3)	(158,159.1)	(165,525.7)	(361,263.0)
Use of Fund credit and loans	57.2	9,485.1	5,345.1	13,523.8	47,356.3	7,311.5	38,213.7	39,539.8	13,671.7	25,131.2
Exceptional financing	240,155.1	282,037.3	152,484.9	173,155.3	186,353.5	314,411.8	173,716.6	146,484.6	134,562.1	17,010.9
Arrears	82,471.7	151,050.1	154,752.2	181,146.5	47,194.7	70,655.5	110,693.1	138,476.1	19,369.9	17,010.9
Rescheduling	56,624.9	73,637.0	0.0	0.0	139,158.8	243,756.2	63,023.5	8,008.6	115,192.2	0.0

* Provisional

** Excludes reserves and related items





A4.0 Balance of Payments and Foreign Trade Developments.

Table A4.3: Exports by Type of commodity, 1993-2001

Millions of USD									
Commodity	1993	1994	1995	1996	1997	1998	1999	2000	2001*
A. Traditional Commodities:									
COFFEE									
Value	96.08	115.36	142.6	136.1	119.3	108.7	76.6	83.7	57.1
Volume	58.59	37.00	48.0	61.7	47.3	44.7	39.0	54.4	48.4
Unit Price	1,639.87	3,117.84	2,972.7	2,206.4	2,523.2	2,434.6	1,963.8	1,538.6	1,179.1
COTTON									
Value	78.37	105.12	120.2	125.3	130.4	47.6	28.5	38.0	33.7
Volume	61.15	60.00	70.9	81.9	86.3	37.3	26.3	36.8	36.8
Unit Price	1,281.60	1,752.00	1,695.6	1,530.5	1,510.9	1,277.0	1,081.8	1,031.3	915.3
SISAL									
Value	3.33	5.12	6.3	5.3	9.1	6.8	7.3	5.6	6.7
Volume	4.95	7.20	11.3	8.9	15.1	11.6	15.5	13.4	13.9
Unit Price	672.73	711.11	556.4	597.1	605.6	584.9	469.2	417.8	482.0
TEA									
Value	38.03	39.52	23.4	22.5	31.8	30.4	24.6	32.7	29.0
Volume	19.75	21.67	21.6	22.0	21.6	22.1	21.4	22.6	23.0
Unit Price	1,925.57	1,823.72	1,081.5	1,023.5	1,476.6	1,375.6	1,151.7	1,448.9	1,264.4
TOBACCO									
Value	17.07	20.56	27.1	49.2	53.6	55.4	43.4	38.4	35.7
Volume	10.62	15.40	17.1	24.9	27.9	26.3	21.4	19.2	18.7
Unit Price	1,607.34	1,335.06	1,588.4	1,975.9	1,921.6	2,102.2	2,034.4	1,997.8	1,906.2
CASHEWNUTS									
Value	23.31	51.16	64.0	97.8	91.1	107.3	100.9	84.4	56.6
Volume	32.16	65.00	75.6	118.4	121.9	164.7	102.0	101.8	95.0
Unit Price	724.81	787.08	847.0	826.0	747.1	651.7	988.8	828.6	595.4
CLOVES									
Value							19.9	10.0	12.3
Volume							6.2	2.9	2.5
Unit Price							3,200.3	3,442.9	5,026.8
Sub Total	256.19	336.84	383.6	436.3	435.3	356.3	301.2	292.8	231.1
B. Non-Traditional Commodities									
Petroleum Products	9.10	5.52	11.0	15.8	7.1	0.1	0.4	1.2	0.0
Minerals	69.00	30.00	44.9	55.9	51.1	26.4	73.3	177.4	302.2
Manufactured Goods	52.00	77.00	109.3	122.8	111.3	35.7	30.1	43.1	56.2
Others Exports	53.00	70.00	134.3	133.0	147.7	170.1	138.4	148.8	187.0
Sub Total	183.10	182.52	299.4	327.5	317.2	232.2	242.1	370.5	545.3
Grand Total	439.29	519.36	682.9	763.8	752.6	588.5	543.3	663.3	776.4

Note:

Volume in '000' Tons; Value in Millions of USD; Unit Price in USD/Ton

* Provisional

Prior to July 1997 export figures were obtained from CD3 forms

processed through Customs Dept, Crop Boards, Ministry of Minerals, TPDC and staff estimates

Source: TRA, Customs Department.



A4.0 Balance of Payments and Foreign Trade Developments.

Table A4.4: Exports by Type of commodity, 1993-2001

Millions of TZS

Commodity	1993	1994	1995	1996	1997	1998	1999	2000	2001*
Traditional Exports :									
COFFEE									
Value	39,427.9	58,764.7	81,168.4	85,603.5	72,743.7	72,280.3	56,995.0	67,058.2	49,603.4
Volume	58.6	37.0	48.0	64.0	47.3	44.7	39.0	54.4	48.4
Unit Price	672,945.9	1,588,235.1	1,692,065.9	1,337,554.7	1,538,791.5	1,618,286.9	1,514,692.6	1,232,687.5	1,025,147.1
COTTON									
Value	31,697.2	53,425.2	69,237.6	79,571.2	79,623.4	31,647.3	21,744.7	30,262.9	29,173.2
Volume	61.2	60.0	70.9	89.7	86.3	37.3	26.3	36.8	36.8
Unit Price	518,351.6	890,420.0	977,104.1	887,378.2	922,764.0	848,582.2	760,817.8	822,362.0	792,225.5
SISAL									
Value	1,440.7	2,643.1	3,535.3	3,054.1	5,591.1	4,507.6	5,380.8	4,165.0	5,864.8
Volume	5.0	7.2	11.3	7.6	15.1	11.6	15.5	13.4	13.9
Unit Price	291,050.5	367,097.2	311,754.9	401,855.3	371,274.2	389,135.7	351,473.9	310,820.9	423,289.9
TEA									
Value	15,175.8	20,153.6	13,215.8	15,004.8	19,498.4	20,091.2	18,305.6	26,213.2	25,275.4
Volume	19.8	21.7	21.6	24.7	21.6	22.1	21.4	22.6	23.0
Unit Price	768,394.9	930,023.1	611,842.6	607,481.8	904,507.2	908,125.7	854,229.6	1,159,876.1	1,100,790.5
TOBACCO									
Value	7,096.8	10,495.4	15,371.6	28,008.7	33,060.1	36,671.4	31,998.6	30,718.9	32,292.4
Volume	10.6	15.4	17.1	24.0	27.9	26.3	21.4	19.2	18.7
Unit Price	668,248.6	681,519.5	899,976.6	1,166,057.5	1,184,262.3	1,391,718.4	1,537,132.4	1,599,942.7	1,724,818.7
RAW CASHEWNUTS									
Value	9,132.8	26,507.3	36,077.4	47,446.9	55,513.3	71,805.9	79,197.2	67,652.1	50,940.7
Volume	32.2	65.0	75.6	121.2	121.9	164.7	102.0	101.8	95.0
Unit Price	283,980.1	407,804.6	477,466.9	391,605.3	455,328.0	436,031.2	781,020.6	664,558.9	536,007.5
CLOVES									
Value							2,383,478.1	2,755,706.5	11,447.8
Volume							6.2	2.9	2.5
Unit Price									4,670,138.2
SubTotal	103,971.2	171,989.3	218,606.1	258,689.2	266,030.0	237,003.6	2,597,100.0	2,955,563.6	204,597.7
Non -Traditional :									
Petroleum products	5,631.8	2,791.2	6,214.8	7,713.0	4,336.5	65.5	338.2	212.5	91.1
Minerals	28,074.3	15,389.8	25,545.1	31,450.0	31,302.9	17,509.4	56,090.2	139,894.3	270,028.3
Manufactured goods	21,625.3	39,161.7	63,042.5	64,892.2	67,716.5	23,782.2	22,412.6	34,370.1	50,322.4
Other exports	21,844.9	35,844.9	76,969.6	92,674.9	90,163.0	113,443.9	104,973.1	145,456.2	156,208.0
Sub Total	77,176.3	93,187.6	171,772.0	196,730.1	193,518.9	154,801.0	183,814.1	319,933.1	476,649.8
Grand Total	181,147.5	265,176.9	390,378.1	455,419.3	459,548.9	391,804.6	2,780,914.0	3,275,496.7	681,247.5

* Provisional

Note :

Volume in '000' Tons; Value in Millions of TZS; Unit Price in TZS/Ton

Prior to July 1997 export figures were obtained from CD3 forms processed through Customs Dept, Crop Boards,

Ministry of minerals, TPDC and staff estimates.

Source: TRA, Customs Department.

A4.0 Balance of Payments and Foreign Trade Developments.

Table A4.5: Imports by Major Categories (c.i.f), 1992-2002

IMPORT CATEGORY	Millions of USD									
	1992	1993	1994	1995	1996	1997	1998	1999	2000*	2002*
A. Capital Goods:	700.50	632.90	656.50	554.2	501.0	563.6	764.9	693.2	638.2	754.7
Transport Equipment	339.40	262.30	242.30	209.7	202.7	253.1	253.1	231.8	228.5	189.6
Building and Construction	116.30	103.50	107.50	49.2	42.5	85.1	137.0	121.6	128.8	159.5
Machinery	244.80	267.10	306.70	295.3	255.8	225.4	374.8	339.8	280.9	405.7
B. Intermediate Goods :	337.30	296.20	290.36	609.0	531.0	382.9	303.4	319.6	319.4	440.2
Oil	185.40	167.20	148.96	193.8	158.4	173.0	126.8	148.1	142.6	220.5
o/w: Crude Oil	97.60	71.96	79.77	115.2	69.9	104.8	63.6	77.9	0.0	0.0
White	87.80	95.24	69.19	78.6	88.5	68.2	63.2	70.2	142.6	220.5
Fertilizers	16.00	11.30	11.70	11.7	23.3	22.6	13.8	10.8	16.8	15.5
Industrial Raw Material	135.90	117.70	129.70	403.4	349.3	187.3	162.8	160.7	159.9	204.2
C. Consumer Goods :	392.50	312.20	359.50	377.7	361.8	373.1	520.4	559.9	576.7	531.1
Food and Food stuffs	48.90	93.70	127.50	44.2	52.7	97.0	180.9	230.7	183.0	169.2
All Other Consumer Goods	343.60	218.50	232.00	333.5	309.1	276.0	339.5	329.2	393.8	361.8
D. Miscellaneous	83	224.1	198.6	0.0						
TOTAL	1,513.30	1,465.40	1,504.96	1,540.8	1,393.8	1,319.5	1,588.7	1,572.6	1,534.3	1,726.0

* Provisional

Prior to July 1997, im port statistics were estimated on the basis of issued Import Declaration Forms and PSI Re ports.

Similarly, oil im ports were obtained from TPDC

Source : TRA, Customs Department

Table A4.6: Imports by Major Categories (c.i.f), 1993-2002

Category	Millions of TZS									
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002*
A. Capital Goods:	260,892.7	332,608.4	316,941.5	289,906.8	345,997.8	506,925.6	580,708.4	518,142.8	650,276.3	697,442.4
Transport Equipment	101,920.5	122,589.3	120,594.9	117,232.9	155,587.0	160,192.2	222,840.1	185,195.0	166,799.4	211,069.9
Building and Construction	45,155.3	54,619.6	28,079.3	24,473.2	52,520.9	87,741.1	99,358.7	104,455.0	126,512.7	130,314.8
Machinery	113,816.9	155,399.5	168,267.3	148,200.7	137,889.9	258,992.3	258,509.6	228,492.8	356,964.2	356,057.7
B. Intermediate Goods :	126,470.3	147,207.1	351,206.7	308,318.7	233,813.6	178,420.1	257,657.2	259,647.7	386,497.0	415,193.5
Oil	69,024.1	75,824.0	111,940.9	92,441.0	105,672.5	68,080.3	98,422.4	113,789.2	192,911.8	189,425.6
o/w: Crude Oil	50,255.5	40,945.0	105,419.3	62,607.5	64,460.2	34,040.2	47,435.4	0.0	0.0	0.0
White	18,768.6	34,879.0	6,521.6	29,833.5	41,212.3	34,040.2	50,987.0	113,789.2	192,911.8	
Fertilizers	8,141.1	5,971.8	7,123.4	13,720.4	13,868.7	7,776.2	10,034.8	13,583.0	13,641.5	19,618.6
Industrial Raw Material	49,305.1	65,411.3	232,142.4	202,157.3	114,272.4	102,563.6	149,200.0	132,275.5	179,943.7	206,149.3
C. Consumer Goods :	126,518.4	182,814.0	217,804.4	209,077.5	228,356.5	357,751.2	415,192.8	451,888.1	467,780.5	498,995.8
Food and Food stuffs	38,375.6	64,756.2	26,017.7	30,276.9	59,707.4	150,949.5	133,779.7	144,993.0	147,580.9	142,409.1
All Other Consumer Goods	88,142.8	118,057.8	191,786.7	178,800.6	168,649.1	206,801.7	281,413.1	306,895.1	320,199.6	356,586.7
D. Miscellaneous	100,716.2	103,184.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	614,597.6	765,814.2	885,952.6	807,303.0	808,167.9	1,043,096.9	1,253,558.4	1,229,678.6	1,504,553.9	1,611,631.7

* Provisional

Prior to July 1997, import statistics were estimated on the basis of issued Import licenses, Import Declaration Forms and PSI Reports.

Similarly, oil imports were obtained from TPDC

Source: TRA, Customs Department

Table A4.7: Official and Forex Bureau Exchange Rates, Mean Selling Rates in TZS, 1993-2003

End of Period	Bureau (average) U.S. Dollar	Official (End of period)											
		Pound Sterling	U.S. Dollar	Deutsche Mark	Swiss Francs	Dutch Guilder	French Francs	Belgium Francs	Italian Lire	Swedish Kroner	Japanese Yen	Euro	
1993	482.8223	710.2828	479.8708	276.6932	324.1262	147.2537	81.4167	13.2946	0.2806	57.6865	4.2865		
1994	526.1100	816.0679	523.4526	337.1665	398.6070	300.8859	97.7024	16.4503	0.3217	70.3121	5.2424		
1995	595.0543	859.8777	550.3608	387.6925	479.7866	346.2386	112.5470	18.8610	0.3504	84.2334	5.4810		
1996	608.2500	991.4903	595.6434	383.7530	448.8424	341.9643	113.6338	18.6332	0.3896	87.2902	5.2268		
1997	631.0000	1035.2299	624.5712	349.0190	429.5523	309.6989	104.3036	16.9250	0.3550	79.0294	4.8118		
1998	665.5000	1134.6175	681.0000	405.6457	492.7608	360.0598	120.8999	19.7821	0.4095	83.8510	5.9385		
1999	746.0833	1291.6191	797.3300	410.5168	500.2055	364.3421	122.4029	19.9036	0.4147	107.6816	7.8093	802.9153	
2000	807.7333	1194.5320	803.2600	382.9141	493.0986	339.8452	114.1721	18.5651	0.3868	84.6513	7.0362	748.9215	
2001	885.1499	1330.1964	916.3000	415.1879	548.4515	368.4567	123.7924	20.1296	0.4194	87.1781	6.9800	812.0260	
2002	979.1083	1457.9933	965.7175	434.2004	626.5607	385.3651	129.4635	21.0517	0.4386	100.5687	7.7785	918.8699	
2002-January	935.0000	1324.3019	936.0000	412.7878	548.1044	366.3606	123.0789	20.0136	0.4170	87.7705	7.0503	807.3945	
February	969.7000	1377.1905	970.5000	428.9495	568.3066	380.6995	127.8966	20.7971	0.4333	92.5320	7.2482	839.1453	
March	979.0000	1399.8474	981.2800	442.7636	584.7897	392.9658	132.0169	21.4669	0.4472	94.8754	7.4011	857.1015	
April	991.0000	1408.8687	966.4000	436.0496	596.4499	387.0069	130.0150	21.1414	0.4405	94.6389	7.5538	873.2888	
May	993.9000	1407.4957	959.6000	432.9813	615.6201	384.2837	129.1001	20.9926	0.4374	98.5352	7.7896	901.3571	
June	975.0000	1446.2959	946.9300	427.2645	635.7994	379.2099	127.3956	20.7155	0.4316	103.1250	7.9277	936.1847	
July	965.0000	1496.2648	951.8200	429.4709	642.8382	381.1681	128.0534	20.8224	0.4338	101.2246	7.9394	936.5457	
August	980.0000	1494.6247	965.3000	435.5532	646.7011	386.5664	129.8670	21.1173	0.4400	103.8958	8.1906	951.3529	
September	983.2000	1518.7913	969.4500	437.4258	651.6205	388.2283	130.4253	21.2081	0.4418	104.4606	7.9741	954.0857	
October	988.5000	1530.2042	980.4900	442.4071	661.6204	392.6494	131.9106	21.4496	0.4469	106.2512	7.9893	968.4814	
November	996.0000	1526.7291	984.5400	444.2345	663.0111	394.2713	132.4554	21.5382	0.4487	107.7528	8.0485	978.1912	
December	993.0000	1565.3057	976.3000	440.5166	703.8667	390.9715	131.3469	21.3580	0.4450	111.7619	8.2291	1023.3103	
2003-January	1,003.0000	1,687.8300	1,020.3600	460.3969	732.4488	408.6158	137.2745	22.3219	0.4650	120.1762	8.5762	1,104.2861	
February	1,043.0000	1,622.9586	1,027.4800	463.6095	755.4709	411.4671	138.2324	22.4776	0.4683	121.2434	8.7285	1,105.1087	
March	1,021.0000	1,623.7765	1,030.1500	464.8142	755.2129	412.5364	138.5916	22.5360	0.4695	120.9306	8.6108	1,115.1915	
April	1,053.0000	1,659.6293	1,040.2900	469.3895	765.0584	416.5971	139.9558	22.7579	0.4741	126.7094	8.7108	1,156.0249	
May	1,055.0000	1,729.5102	1,047.1700	472.4938	813.4291	419.3522	140.8814	22.9084	0.4773	135.7488	8.8507	1,243.3599	
June	1,053.0000	1,732.0699	1,047.3900	472.5931	775.1827	419.4403	140.9110	22.9132	0.4774	130.4992	8.7403	1,197.7455	

Source: Bank of Tanzania





Table A4.8: Tanzania's Trade Balance, 1993-2002

Period	Millions of TZS			
	Domestic Exports	Total		Trade Balance
	Exports	Exports	Imports (f.o.b)	
1992	123,966.0	123,966.0	392,665.1	(268,699.1)
1993	181,147.6	181,147.6	534,699.8	(353,552.3)
1994	265,176.8	265,176.8	666,258.3	(401,081.5)
1995	390,378.1	390,378.1	770,778.7	(380,400.6)
1996	455,419.3	455,419.3	702,353.5	(246,934.2)
1997	459,549.0	459,549.0	703,106.2	(243,557.2)
1998	391,804.7	391,804.7	907,494.3	(515,689.6)
1999	412,204.1	412,204.1	1,090,595.9	(678,391.8)
2000	527,773.7	527,773.7	1,068,149.1	(540,375.4)
2001	681,156.4	681,156.4	1,307,131.9	(625,975.5)
2002	870,474.3	870,474.3	1,466,584.8	(596,110.5)

Note:

Prior to July 1997 export figures were obtained from CD3 forms processed through Customs Dept, Crop Boards, Ministry of energy and minerals, TPDC and staff estimates while import statistics were estimated on the basis of issued import licenses,

Import Declaration Forms and PSI Reports.

Source: TRA, Customs Department.

A4.0 Balance of Payments and Foreign Trade Developments

Table A4.9 : Tanzania's Exports by Major Commodity Groups, 1993-2002

Millions of TZS

Period	Cotton	Coffee	Sisal	Tea	Tobacco	Cashewnuts	Petroleum			Manufactured		Total
							Products	Minerals	Minerals	Products	Others	
1993	31,697.2	39,427.9	1,440.7	15,175.8	7,096.8	9,132.8	5,631.8	28,074.3	21,625.3	21,844.9	181,147.6	
1994	53,425.2	58,764.7	2,643.1	20,153.6	10,495.4	26,507.3	2,791.2	15,389.8	39,161.7	35,844.9	265,176.8	
1995	69,237.6	81,168.4	3,535.3	13,215.8	15,371.6	36,077.4	6,214.8	25,545.1	63,042.5	76,969.6	390,378.1	
1996	79,571.2	85,603.5	3,054.1	15,004.8	28,008.7	47,446.9	7,713.0	31,450.0	64,892.2	92,674.9	455,419.2	
1997	79,623.4	72,743.7	5,591.0	19,498.4	33,060.1	55,513.3	4,336.5	31,302.9	67,716.5	90,163.2	459,549.0	
1998	31,647.3	72,280.2	4,507.5	20,091.1	36,671.5	71,806.1	65.5	17,509.2	23,782.3	113,444.0	391,804.7	
1999	21,744.7	56,995.0	5,380.8	18,305.6	31,998.6	79,197.2	318.0	56,090.2	22,412.6	119,761.5	412,204.1	
2000	30,262.9	67,058.2	4,165.6	26,213.2	30,718.9	67,652.1	0.0	139,928.2	34,370.1	127,404.4	527,773.7	
2001	29,173.2	49,603.4	5,864.8	25,275.4	32,292.4	50,940.7	0.0	270,028.3	50,322.4	167,655.8	681,156.4	
2002	27,797.4	34,046.9	6,336.3	28,649.7	52,437.8	45,285.0	na	371,318.8	63,951.4	240,651.0	870,474.3	

Prior to July 1997 export figures were obtained from CD3 forms processed through Customs Dept. Crop Boards, Ministry of minerals, TPDC and staff estimates.

Source: TRA, Customs Department.



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.10: Tanzania's Imports (c.i.f) by Major Commodity Groups , 1993-2002

Period	Millions of TZS									
	Machinery	Industrial raw materials	Transport. equipments	Building and construction	Food and food stuffs	Other consumer goods	Fertilizers	Oil	Mis-celaneous goods	Total
1993	113,816.9	49,305.1	101,920.5	45,155.3	38,375.6	88,142.8	8,141.1	69,024.1	100,716.2	614,597.5
1994	155,399.5	65,411.3	122,589.3	54,619.6	64,756.2	118,057.8	5,971.8	75,824.0	103,184.7	765,814.2
1995	168,267.3	232,142.4	120,594.9	28,079.3	26,017.7	191,786.7	7,123.4	111,940.9	0.0	885,952.6
1996	148,200.7	202,157.3	117,232.9	24,473.2	30,276.9	178,800.6	13,720.4	92,441.0	0.0	807,302.9
1997	137,889.9	114,272.4	155,587.0	52,520.9	59,707.4	168,649.1	13,868.7	105,672.5	0.0	808,168.0
1998	258,992.3	102,563.6	160,192.2	87,741.1	150,949.5	206,801.7	7,776.2	68,080.3	0.0	1,043,096.9
1999	258,509.6	149,200.0	222,840.1	99,358.7	133,779.7	281,413.1	10,034.8	98,422.4	0.0	1,253,558.5
2000	228,492.8	132,275.5	185,195.0	104,455.0	144,993.0	306,895.1	13,583.0	113,789.2	na	1,229,678.5
2001	356,964.2	179,943.7	166,799.4	126,512.7	147,580.9	320,199.6	13,641.5	192,911.8	na	1,504,553.8
2002	356,057.7	206,149.3	211,069.9	130,314.8	142,409.1	356,586.7	19,618.6	189,425.6	na	1,611,631.7

Prior to July 1997, import statistics were estimated on the basis of issued Import licenses, Import Declaration Forms and PSI Reports. Similarly, oil imports were obtained from TPDC

Source: TRA, Customs Department





A4.0 Balance of Payments and Foreign Trade Developments

Table A4.11: Exports by Country of Destination, 1993-2002

Millions of TZS										
Country	1993	1994	1995	1996	1997	1998	1999	2000	2001p	2002p
United Kingdom	14,184.5	15,998.5	22,915.7	23,779.1	22,864.8	39,679.4	70,149.9	117,501.5	123,085.5	156,356.9
India	16,210.8	27,010.4	33,336.2	42,338.4	40,710.6	76,272.7	84,022.3	78,811.1	72,043.8	62,093.9
Indonesia	6,484.3	5,096.3	10,920.5	12,179.5	11,711.3	3,922.9	6,737.9	3,503.0	2,541.5	3,960.2
United States	5,268.5	8,154.1	13,794.3	13,599.6	13,076.7	8,519.9	13,372.8	12,205.4	13,275.0	13,065.4
Hong Kong	2,026.4	6,625.2	9,770.9	11,599.6	11,153.6	3,321.4	5,828.0	7,042.2	7,593.7	10,787.4
China	405.3	4,586.7	5,747.6	11,019.6	10,595.9	1,320.1	90.6	483.8	620.4	688.3
Taiwan	3,242.2	2,548.2	13,294.3	13,179.5	12,672.8	4,617.5	2,210.7	2,173.4	874.6	1,619.8
Germany	21,479.3	28,029.7	41,457.6	43,178.5	41,518.3	32,560.0	26,178.0	52,933.9	33,545.6	26,667.9
Singapore	3,647.4	7,134.8	8,621.4	9,279.7	8,922.9	7,267.6	18,399.4	5,143.3	5,218.6	3,816.9
Netherlands	9,321.2	12,740.8	23,565.2	25,519.0	24,537.9	30,035.6	23,234.5	36,577.7	45,320.9	52,142.7
Japan	16,616.1	24,971.9	37,359.5	38,198.6	36,729.9	30,276.2	32,702.9	27,370.1	60,068.2	93,075.8
Italy	6,079.1	5,096.3	6,897.1	7,799.8	7,499.9	4,374.3	4,797.2	7,192.2	6,852.8	23,625.4
Belgium	5,052.7	8,663.7	5,747.6	5,219.8	5,019.1	17,353.5	12,527.6	14,717.2	9,264.3	20,518.8
Sweden	1,215.8	1,019.3	1,149.5	1,739.9	1,673.0	386.8	210.8	336.3	121.8	170.7
Australia	405.3	509.6	1,149.5	2,319.9	2,230.7	1,894.3	1,874.5	949.8	2,064.9	2,899.9
France	7,700.1	7,644.5	7,471.9	9,119.7	8,769.1	1,885.7	1,672.9	29,056.7	119,342.9	147,180.9
Canada	810.5	509.6	1,724.3	1,080.0	1,038.5	450.0	430.6	421.8	469.2	1,355.5
Denmark	3,647.4	4,586.7	3,448.6	3,479.9	3,346.1	1,443.7	1,043.2	1,713.7	1,965.6	1,573.3
Eire/Ireland	810.5	1,528.9	574.8	1,160.0	1,115.4	13,304.2	10,716.9	18,458.4	24,465.7	13,589.2
Spain	2,431.6	5,096.3	8,046.7	8,119.7	7,807.5	3,703.6	2,548.8	3,619.9	6,728.4	6,464.8
Kenya	3,242.2	5,096.3	6,897.1	8,119.7	7,807.5	17,306.9	15,630.9	25,811.1	33,392.2	34,048.3
Norway	0.0	0.0	159.2	1,739.9	1,673.0	112.3	443.7	123.4	130.9	235.3
Uganda	2,431.6	4,077.0	5,172.9	7,379.8	7,096.0	4,336.8	3,467.2	6,770.9	4,858.7	5,305.2
USSR/Russia	405.3	0.0	45.5	391.3	136.0	132.4	50.1	1,468.8	594.9	2,493.5
Switzerland	0.0	3,057.8	2,299.0	3,739.9	3,596.1	7,463.0	1,802.0	2,448.5	3,721.1	5,520.7
United Arab Emirates	-	-	5,819.5	1,562.7	3,031.0	4,546.4	4,969.7	5,017.5	8,374.0	13,916.8
Malaysia	-	-	3,908.0	3,402.2	3,471.2	3,712.2	1,595.7	2,460.1	2,591.5	2,835.0
Pakistan	-	-	6,475.5	7,131.3	7,067.9	6,147.6	5,662.3	5,443.1	6,139.7	8,505.8
St. Helena	-	-	0.0	0.0	0.6	3,556.7	6,546.0	3,753.1	1,143.9	2,439.1
Thailand	-	-	15,984.5	7,214.9	8,624.1	5,086.1	2,870.0	3,577.5	3,645.8	0.0
South Africa	-	-	2,580.7	3,324.1	4,852.0	4,190.1	4,910.6	9,646.3	7,639.0	15,979.4
Others	48,029.6	75,394.5	84,042.9	127,503.6	139,199.7	52,624.3	45,506.3	40,963.5	73,879.8	141,137.0
Grand Total	181,147.6	265,176.8	390,378.1	455,419.0	459,549.0	391,804.4	412,204.0	527,695.1	681,574.8	874,069.8

Note: p = provisional

Source: Tanzania Revenue Authority and the Bank of Tanzania



A4.0 Balance of Payments and Foreign Trade Developments

Table A4.12: Imports by Country of Origin, 1993-2002

Millions of TZS

Country	1993	1994	1995	1996	1997	1998	1999	2000	2001p	2002p
United Kingdom	66,059.0	64,213.4	83,340.4	74,237.2	75,342.0	81,558.9	95,553.6	85,267.9	96,945.7	91,630.6
India	25,532.0	35,164.5	40,808.1	61,964.7	47,443.7	59,659.7	70,444.1	71,056.7	76,661.7	103,266.3
Indonesia	6,889.6	7,134.8	10,345.7	11,599.6	6,972.3	9,948.9	14,295.6	33,095.1	42,277.2	59,929.8
United States	13,373.9	24,971.9	37,934.3	28,998.9	32,215.4	54,046.5	73,963.0	47,158.7	57,238.0	88,321.3
Hong Kong	12,968.6	16,817.8	20,116.7	14,499.5	4,112.4	2,016.0	2,363.2	3,449.2	6,196.7	7,563.3
China	34,490.6	33,635.6	42,532.4	37,118.6	37,671.0	32,401.2	43,213.3	54,455.3	61,830.4	76,335.1
Taiwan	1,621.1	1,528.9	2,873.8	2,899.9	2,377.4	3,827.9	4,489.8	4,627.9	4,425.1	7,656.8
Germany, Federal	31,611.1	37,712.6	30,462.4	26,099.0	30,368.5	51,601.1	46,524.0	41,706.12	59,689.6	57,994.5
Singapore	13,779.2	12,231.1	25,289.5	16,239.4	23,716.2	8,546.5	7,266.9	5,070.6	7,876.9	5,573.1
Netherlands	14,589.7	15,798.5	18,967.1	19,139.3	17,246.4	62,065.2	27,295.8	23,644.4	27,075.2	26,461.1
Japan	45,390.2	41,789.7	62,074.3	44,658.3	45,322.9	87,044.5	132,711.7	113,872.0	132,075.1	134,051.2
Italy	22,289.9	30,577.8	32,186.7	37,118.6	23,730.2	45,348.5	36,418.0	28,511.0	44,462.9	43,435.9
Belgium	16,210.8	20,385.2	22,415.7	17,979.3	15,632.2	16,236.8	17,166.0	11,606.9	19,313.1	22,404.1
Sweden	15,805.5	10,192.6	15,518.6	11,019.6	11,183.6	19,466.5	13,299.4	13,814.0	11,083.9	21,233.5
Australia	405.3	509.6	574.8	1,160.0	1,177.2	18,966.6	60,646.6	75,669.2	123,743.8	70,071.2
France	8,510.7	10,192.6	9,196.2	13,339.5	12,449.2	10,513.2	15,993.3	20,397.2	36,420.5	37,633.9
Canada	2,431.6	2,038.5	5,172.9	7,539.7	7,651.9	11,080.2	19,853.0	25,853.8	20,228.9	17,094.5
Denmark	6,079.1	7,644.5	12,070.0	8,699.7	5,281.6	17,828.7	17,865.7	18,490.6	15,340.3	15,141.8
Eire/Ireland	2,431.6	3,567.4	4,023.3	3,479.9	1,507.2	2,667.4	1,645.3	3,626.6	4,595.5	7,975.6
Spain	1,215.8	509.6	2,299.0	4,639.8	6,283.7	4,460.0	8,100.1	7,364.4	9,002.9	9,917.7
Kenya	37,690.1	56,568.9	78,742.4	93,376.5	58,558.4	70,319.2	70,799.0	74,734.0	84,205.8	90,280.8
Norway	4,458.0	8,154.1	3,448.6	3,479.9	3,531.7	8,549.1	6,987.4	2,799.9	3,590.1	5,846.3
Uganda	405.3	509.6	1,149.5	1,160.0	1,177.2	1,492.9	4,489.9	4,501.0	9,962.5	2,561.4
USSR/Russia	405.3	19.8	475.3	235.8	130.8	855.1	256.3	4,613.1	10,959.2	97,888.8
Switzerland	2,836.9	4,586.7	4,598.1	1,739.9	18,209.9	11,917.0	10,918.3	10,865.6	9,262.0	22,074.0
United Arab Emirate	-	-	53,813.2	52,438.5	57,200.3	39,704.7	37,995.7	45,584.9	95,506.8	93,824.8
Malaysia	-	-	15,170.6	14,265.3	10,510.4	23,346.9	17,865.9	11,197.3	15,959.3	12,132.8
Pakistan	-	-	1,407.1	3,208.6	6,387.6	11,827.3	11,660.7	6,150.7	8,623.2	20,628.3
Thailand	-	-	4,322.9	16,197.1	11,821.9	16,016.1	13,345.6	22,523.2	32,749.9	34,749.7
South Africa	-	-	53,724.2	42,343.4	58,757.8	86,885.6	127,231.3	139,577.1	178,292.2	182,473.1
Argentina	-	-	429.3	571.3	1,798.4	4,338.4	14,256.2	7,115.7	2,656.2	3,904.6
Brazil	-	-	8,943.0	3,602.1	5,258.3	9,685.7	12,936.4	8,185.8	4,065.4	2,942.6
Finland	-	-	2,892.0	2,420.5	3,562.8	9,358.7	9,811.8	7,538.7	4,197.5	15,770.4
Iran	-	-	490.8	16,331.9	38,938.0	43,556.5	59,734.3	2,417.5	4,672.5	3,739.4
South Korea	-	-	4,751.8	6,920.7	8,823.6	12,914.1	13,810.8	17,573.6	13,806.4	17,743.3
Saudi Arabia	-	-	6,401.5	28,452.6	15,815.0	21,657.9	20,237.3	43,601.2	51,032.0	45,611.7
Swaziland	1,621.1	2,038.5	229.0	952.0	5,477.2	7,661.1	9,325.7	10,296.2	11,083.9	13,096.2
Zimbabwe	2,026.4	12,740.8	10,189.1	1,465.8	2,892.7	9,675.7	4,174.0	3,619.6	2,640.8	1,910.7
Others	223,469.4	304,579.2	156,572.2	75,710.7	91,631.1	54,050.7	98,613.6	159,751.9	104,804.9	34,570.8
Grand Total	614,597.6	765,814.2	885,952.5	807,303.0	808,167.9	1,043,096.9	1,253,558.5	1,229,678.5	1,504,553.8	1,605,441.0

Note: p= provisional data

Source: Tanzania Revenue Authority and the Bank of Tanzania

Table A4.13: Exports to PTA Countries, 1993-2002

Country	Millions of TZS											
	1993	1994	1995	1996	1997	1998	1999	2000	2001p	2002p		
Burundi	4,863.2	3,057.8	3,448.6	2,319.9	2,230.7	250.3	2,505.7	3,388.1	5,362.6	6,778.3		
Comoro	0.0	0.0	0.0	0.0	0.0	35.9	6.9	25.8	14.9	347.3		
Djibouti	0.0	0.0	574.8	580.0	557.7	98.9	75.5	87.2	24.9	48.8		
Ethiopia	0.0	0.0	0.0	0.0	0.0	351.4	235.8	358.7	643.5	359.4		
Kenya	3,242.2	5,096.3	6,897.1	8,119.7	7,807.5	17,306.9	15,630.9	25,811.1	33,392.2	34,048.3		
Lesotho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Malawi	810.5	1,528.9	1,724.3	2,319.9	2,230.7	2,211.2	6,867.9	4,927.1	4,932.0	17,172.1		
Mauritius	810.5	0.0	0.0	0.0	0.0	37.0	59.8	158.3	288.7	280.7		
Rwanda	10,942.3	16,817.8	22,990.5	27,259.0	26,210.9	2,678.9	2,136.1	1,457.0	1,992.4	3,742.0		
Somalia	405.3	509.6	574.8	580.0	557.7	41.2	74.8	365.8	129.6	327.9		
Swaziland	2,431.6	3,567.4	4,598.1	5,799.8	5,576.8	20,497.4	150.1	170.8	0.0	360.3		
Uganda	2,431.6	4,077.0	5,172.9	7,379.8	7,096.1	4,336.8	3,467.2	6,770.9	4,858.7	5,305.2		
Zambia	1,215.8	1,528.9	5,747.6	6,379.8	6,134.5	2,442.4	2,119.5	3,778.5	4,820.9	16,866.8		
Zimbabwe	405.3	509.6	574.8	580.0	557.7	9,233.0	1,954.1	2,149.8	369.4	1,356.9		
Grand Total	27,558.4	36,693.4	52,303.3	61,317.8	58,960.3	59,521.2	35,284.3	49,449.0	56,829.8	86,993.9		

Note : p= provisional

Source: Tanzania Revenue Authority and the Bank of Tanzania

Table A4.14 Tanzania Direct Imports from PTA Countries, 1993-2002

Country	Millions of TZS										
	1993	1994	1995	1996	1997	1998	1999	2000	2001p	2002p	
Burundi	405.3	509.6	574.8	-	90.7	31.2	8.2	9.3	140.1	7.3	
Comoro	-	-	-	-	-	-	-	-	-	0.7	
Djibouti	-	51.0	-	-	-	0.3	20.8	12.5	0.0	2.3	
Ethiopia	-	-	57.5	290.0	333.1	550.5	643.4	2,602.8	468.4	633.5	
Kenya	37,690.1	56,568.9	78,742.4	93,376.5	58,558.4	70,319.2	70,799.0	74,734.0	84,205.8	91,630.6	
Lesotho	-	-	-	116.0	133.3	253.6	15.2	-	0.0	0.0	
Malawi	81.1	356.7	1,436.9	1,681.9	1,932.2	1,536.2	2,602.1	1,520.9	1,809.1	1,398.4	
Mauritius	810.5	-	344.9	1,739.9	1,998.9	469.4	2,472.4	2,574.7	3,656.3	1,674.6	
Rwanda	40.5	51.0	57.5	290.0	333.1	127.7	6.0	115.8	68.5	41.6	
Somalia	3.2	-	31.7	0.1	17.8	0.7	56.7	1.5	7.1	5.5	
Swaziland	1,621.1	2,038.5	229.0	952.0	5,477.2	7,661.1	9,325.7	10,296.2	11,083.9	15,096.2	
Uganda	405.3	509.6	1,149.5	1,160.0	1,177.2	1,492.9	4,489.9	4,501.0	9,962.5	2,561.5	
Zambia	2,609.0	4,077.0	12,644.8	15,079.4	15,303.8	11,324.2	5,408.4	1,919.8	1,578.2	4,176.7	
Zimbabwe	2,026.4	12,740.8	10,189.1	1,465.8	2,892.7	9,675.7	4,174.0	3,619.6	2,640.8	1,910.7	
Grand Total	45,692.4	76,903.2	105,457.9	116,151.6	88,248.4	103,442.7	100,021.8	101,907.9	115,620.6	119,139.6	

Note: p= provisional

Source: Tanzania Revenue Authority and the Bank of Tanzania

Table A4.15: Tanzania: Services, Income and Transfers, 1993-2003

Millions TZS

Period	Services			Income			Current Transfers		
	Net	Receipts	Payments	Net	Receipts	Payments	Net	Receipts	Payments
	1993	(161,637.6)	128,839.0	290,476.6	(61,184.7)	8,871.0	70,055.7	145,554.2	157,990.1
1994	(43,571.3)	214,119.0	257,690.3	(62,720.2)	15,820.8	78,541.0	146,688.4	159,488.4	12,800.0
1995	(125,419.5)	337,106.5	462,526.0	(63,378.5)	18,258.3	81,636.8	195,696.5	214,376.1	18,679.6
1996	(255,811.2)	306,585.4	562,396.6	(40,973.1)	21,526.9	62,500.0	181,005.9	229,743.7	48,737.8
1997	(187,375.6)	302,429.8	489,805.4	(75,603.0)	27,441.9	103,044.9	161,220.4	202,690.0	41,469.6
1998	(293,033.6)	367,747.5	660,781.1	(82,524.2)	32,017.6	114,541.8	232,680.9	250,533.6	17,852.7
1999	11,885.3	743,261.7	731,376.4	(73,719.1)	46,498.5	120,217.6	513,739.5	609,094.5	95,355.0
2000	(74,224.3)	533,807.7	608,032.0	(66,071.9)	48,079.6	114,151.5	590,961.1	652,408.2	61,447.1
2001	(83,763.8)	600,459.6	684,223.4	(38,929.6)	71,791.5	110,721.1	438,224.0	504,495.0	66,270.9
2002	(44,768.3)	643,703.2	688,471.5	(22,004.6)	65,352.8	87,357.5	356,905.9	43,711.3	313,194.6
2002: Quarter 1	(14,813.3)	143,347.1	158,160.5	(3,649.6)	17,458.1	21,107.6	94,806.9	10,736.1	(84,070.8)
Quarter 2	(18,201.1)	147,907.3	166,108.3	(6,542.7)	15,044.0	21,586.8	97,149.7	11,001.4	(86,148.3)
Quarter 3	(46,966.3)	163,491.6	210,457.9	(8,193.0)	17,902.3	26,095.2	96,137.7	10,886.8	(85,250.9)
Quarter 4	35,212.4	188,957.2	153,744.8	(3,619.4)	14,948.5	18,567.9	97,905.8	11,087.0	(86,818.8)
2003*: Quarter 1	(19,508.3)	182,750.4	202,258.7	(16,006.0)	18,702.4	34,708.4	109,116.5	16,464.1	(92,652.3)
Quarter 2	(32,403.0)	169,381.2	201,784.3	(7,856.4)	22,034.5	29,890.9	110,309.3	16,644.1	(93,665.2)

*Provisional
Source: Bank of Tanzania

Table A4.16 : Foreign Reserve Position*, 1993-2003

Millions of TZS

End of period	Bank of Tanzania										Commercial banks					Total net position	
	Foreign exchange					Use of Fund					Total	Liquid foreign assets	Liquid foreign liabilities	Net foreign assets	Other foreign liabilities		Net foreign assets
	Assets	Liabilities	Net	Gold reserves	Other foreign assets	Special Drawing Rights (SDRs)	Position in the Fund	Reserve	Fund Credit	Total							
1993	77,832.4	3,605.5	74,226.9	23,426.9	1,703.1	0.0	6,602.7	3,605.5	102,354.0	19,532.2	320.3	19,211.9	0.0	2,542.4	16,669.5	119,023.5	
1994	145,794.6	130,031.3	15,763.3	19,512.5	279.1	228.6	7,620.4	19,154.9	24,249.0	75,082.3	3,751.8	71,330.5	1,658.8	0.0	72,989.3	97,238.3	
1995	124,729.4	27,917.4	96,812.0	15,467.1	468.0	245.6	8,185.8	108,609.1	12,569.5	169,390.2	4,170.8	165,219.3	772.5	12,747.9	153,244.0	165,813.5	
1996	234,370.5	50,087.6	184,282.9	18,845.8	744.9	256.5	8,548.7	100,617.9	112,060.9	179,548.3	1,757.3	177,791.0	2,002.5	1,534.7	178,258.9	290,319.8	
1997	360,532.1	65,117.0	295,415.1	19,283.8	677.2	253.1	8,435.5	153,823.8	170,240.9	232,162.1	3,933.2	228,228.9	1,393.8	945.0	228,677.6	398,918.6	
1998	376,821.5	32,741.1	344,080.3	21,115.2	150.7	287.0	9,566.5	181,992.8	193,206.9	243,076.9	1,873.2	241,203.7	24,179.9	586.9	264,796.7	458,003.6	
1999	581,850.6	46,179.3	535,671.3	25,001.7	255.1	328.5	10,950.4	249,230.4	322,976.6	290,975.1	927.8	290,047.3	10,103.8	840.9	299,310.2	622,286.8	
2000	746,359.4	86,480.3	659,879.1	25,352.6	163.5	314.4	10,480.1	260,261.6	435,928.0	398,949.4	4,056.4	394,893.0	12,040.8	106.8	406,827.0	842,755.0	
2001	1,018,504.3	60,795.1	957,709.2	29,013.3	398.9	345.2	11,505.2	312,045.3	686,926.5	499,433.8	3,015.1	496,418.7	39,628.8	13,154.6	522,892.9	1,209,819.4	
2002	1,452,214.4	78,454.8	1,373,759.6	26,926.4	276.8	101.6	13,229.5	392,046.2	1,022,247.6	547,210.4	5,542.9	541,667.6	24,362.2	29,650.2	536,379.6	1,558,627.1	
2002-January	1,090,453.7	112,728.4	977,725.2	29,637.1	388.1	349.3	11,643.4	315,791.5	703,951.5	533,396.2	4,752.6	528,643.6	30,309.0	18,331.4	540,621.2	1,244,572.7	
February	1,109,686.7	51,124.9	1,058,561.8	30,729.5	340.5	361.5	12,050.2	326,612.7	775,430.8	574,200.3	10,504.9	563,695.4	33,540.1	14,660.8	582,574.7	1,358,005.5	
March	1,093,251.1	41,651.4	1,051,599.8	31,070.8	487.1	368.5	12,281.7	332,311.2	763,496.6	596,255.3	8,200.9	588,054.4	33,538.8	19,501.6	602,091.7	1,365,588.3	
April	1,100,505.2	45,177.0	1,055,328.3	30,600.0	353.4	367.4	12,246.1	332,889.0	766,006.2	581,933.9	4,745.8	577,188.1	31,496.9	20,234.5	588,450.6	1,354,456.8	
May	1,123,420.9	48,602.3	1,074,818.6	30,384.7	184.0	394.9	13,162.9	376,855.7	742,089.4	558,173.3	2,997.3	555,176.0	34,565.9	23,392.6	566,349.4	1,308,438.7	
June	1,111,165.8	64,896.4	1,046,269.4	24,076.9	426.7	38.6	12,598.1	352,921.4	730,488.3	547,712.0	3,231.2	544,480.8	42,132.0	23,456.2	563,156.7	1,293,645.0	
July	1,144,778.1	49,897.5	1,094,880.7	23,283.0	321.6	543.6	12,613.4	356,073.7	775,568.6	539,285.2	1,192.6	538,092.6	26,274.4	23,833.6	540,533.3	1,316,101.9	
August	1,203,443.4	76,991.2	1,126,452.2	24,254.2	183.9	318.8	12,823.6	361,383.5	802,649.2	520,924.7	3,043.3	517,881.4	27,296.0	25,693.2	519,484.2	1,322,133.4	
September	1,257,273.5	63,270.4	1,194,003.1	24,971.6	346.1	318.1	12,824.8	360,660.7	871,803.0	495,701.3	3,676.7	492,024.6	17,716.6	26,923.2	482,818.1	1,354,621.1	
October	1,339,084.9	58,374.7	1,280,710.2	24,902.7	215.4	324.4	12,940.5	365,274.3	953,818.9	502,977.9	8,774.3	494,203.6	20,445.7	27,955.6	486,693.7	1,440,512.5	
November	1,390,627.9	74,126.1	1,316,501.8	25,112.0	362.8	100.2	13,039.0	390,853.1	964,262.7	492,859.9	8,431.3	484,428.6	19,801.7	25,529.1	478,701.2	1,442,963.9	
December	1,452,214.4	78,454.8	1,373,759.6	26,926.4	276.8	101.6	13,229.5	392,046.2	1,022,247.6	547,210.4	5,542.9	541,667.6	24,362.2	29,650.2	536,379.6	1,558,627.1	
2003-January	1,548,514.3	104,823.2	1,443,691.1	30,234.7	467.2	667.8	14,015.9	415,211.0	1,073,865.7	583,385.0	3,473.3	579,911.8	24,069.2	26,643.9	577,337.1	1,651,202.9	
February	1,547,344.5	108,538.2	1,438,806.3	28,588.7	369.4	455.6	14,119.9	418,352.0	1,063,987.9	604,861.4	5,080.6	599,780.8	17,660.6	26,422.1	591,019.3	1,655,007.2	
March	1,550,237.9	85,285.3	1,464,952.6	27,628.1	388.2	453.3	14,040.4	416,226.4	1,091,236.1	602,793.9	1,533.6	601,260.3	15,729.8	298.1	616,691.9	1,707,928.0	
April	1,549,127.3	88,916.8	1,460,210.5	27,912.3	329.6	463.2	14,376.9	425,319.4	1,077,973.1	583,660.1	1,532.3	582,127.8	15,002.8	198.8	596,931.8	1,674,904.9	
May	1,597,668.2	100,807.6	1,496,860.6	30,796.3	317.8	275.8	14,825.1	439,487.9	1,103,587.7	621,656.5	17,246.9	604,409.6	17,749.6	198.8	621,960.4	1,725,548.0	
June	1,704,048.4	114,331.2	1,589,717.2	28,920.3	157.0	273.1	14,660.3	418,691.9	1,215,036.0	638,738.5	2,798.3	635,940.2	20,508.5	198.8	656,249.9	1,871,286.0	

* Excludes External Payment Arrears

Source: Bank of Tanzania





Table A5.1: External Debt Developments, 1993-2003

Millions of USD

Item	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
1. Overall Total Debt Committed (2)	8,011.4	8,440.7	7,933.0	8,100.8	7,846.7	7,972.9	7,595.7	7,702.3	8,032.8	7,606.6
Disbursed outstanding Debt	6,427.1	6,917.5	6,623.3	6,600.3	6,379.7	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0
Undisbursed Debt	1,584.3	1,523.2	1,309.7	1,500.5	1,467.0	1,392.6	1,057.4	1,390.1	1,473.1	1,373.6
2. Disbursed Debt by Creditor Category (2)	6,427.1	6,917.5	6,623.3	6,600.3	6,379.7	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0
o/w: Bilateral Debt	3,283.0	3,426.3	3,216.3	3,044.9	2,794.6	2,791.8	2,514.1	2,289.1	2,271.1	1,633.7
Multilateral Debt	2,724.1	3,022.4	2,989.5	3,142.5	3,094.6	3,330.1	3,571.5	3,530.6	3,808.5	4,088.3
Commercial Debt	188.8	226.7	211.7	214.9	291.5	251.5	264.9	307.9	302.5	330.6
Other private Creditors	231.2	242.2	205.8	198.0	199.0	206.9	187.8	184.7	171.6	180.5
3. Disbursed debt by Borrower Category (2)	6,427.1	6,917.5	6,623.3	6,600.3	6,379.7	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0
o/w: Central Government	6,077.1	6,523.0	6,264.8	6,233.8	5,950.4	6,168.2	6,092.6	5,844.0	6,054.8	5,708.0
Public Corporations	215.4	220.5	171.5	167.0	175.4	165.1	183.2	172.2	153.8	152.2
Private Sector	134.6	174.0	187.0	199.5	253.9	247.0	262.5	296.0	351.1	372.9
4. Disbursed Debt by use of Funds (2)	6,427.1	6,917.5	6,623.3	6,600.3	6,379.7	6,580.3	6,538.3	6,312.2	6,559.7	6,233.0
o/w: Balance of payment support	1,747.0	1,889.4	1,688.9	1,524.7	1,481.9	1,512.2	1,648.1	1,524.2	1,639.0	1,166.0
Transport & Telecommunication	1,193.5	1,325.1	1,291.5	1,339.9	1,292.3	1,337.8	1,067.4	1,021.1	1,027.9	1,047.8
Agriculture	927.2	1,017.3	967.0	950.4	906.3	963.8	1,040.2	990.9	1,007.8	1,034.7
Energy & Mining	695.5	691.8	721.9	745.8	787.1	821.8	869.0	824.3	902.9	895.0
Industries	647.6	654.0	609.3	567.6	522.1	504.4	430.0	413.8	402.3	411.2
Social Welfare & Education	207.4	219.0	245.1	257.4	274.9	292.7	426.5	332.0	384.4	421.7
Finance and Insurance	204.7	215.1	192.1	184.8	166.6	215.5	122.8	131.2	77.9	76.9
Tourism	61.9	89.9	92.7	92.4	77.6	80.2	84.1	82.0	83.8	88.2
Others	742.3	815.9	814.7	937.2	870.9	851.9	850.2	992.7	1,033.7	1,091.6
5. Total Loans Contracted (1)	571.3	122.5	155.7	592.4	241.7	212.5	224.4	417.6	298.1	22.3
Government	507.7	77.5	123.7	475.3	230.0	159.9	220.2	285.7	291.2	12.9
Public Corporation	6.3	32.3	-	-	3.3	4.6	0.0	0.0	0.0	0.0
Private	57.3	12.7	32.0	117.1	8.4	48.0	4.2	131.9	7.0	9.4
6. Disbursements (1) {7+ 8}	297.0	241.2	320.3	341.7	244.7	189.2	267.7	169.7	184.8	169.0
7. Total Debt Service {actual} (1)	205.9	180.1	212.0	218.7	204.6	187.9	190.9	120.9	89.1	112.4
Principal	118.4	115.6	140.1	122.6	138.0	112.2	140.5	100.1	47.9	86.6
Interest	87.1	61.7	71.8	95.5	66.4	75.6	49.6	20.8	41.2	25.8
Others	0.4	2.8	0.1	0.6	0.2	0.1	0.8	0.0	0.0	0.0
8. Net Transfer on Debt (6 - 7)	91.1	61.1	108.3	123.0	40.1	1.3	76.8	48.8	95.7	51.3
9. Total Arrear by Creditor Category (2)	2,070.0	2,636.2	2,813.7	2,443.2	2,511.2	2,660.8	2,239.0	2,304.9	1,820.2	2,056.5
o/w: Principal	1,217.1	1,549.9	1,682.9	1,465.0	1,471.3	1,571.4	1,152.5	1,135.0	915.9	1,021.4
Bilateral	913.9	1,230.5	1,367.2	1,173.1	1,157.8	1,235.7	810.7	803.8	570.5	611.6
Multilateral	64.0	18.4	29.6	14.6	16.9	23.0	0.0	0.0	39.9	45.1
Commercial	85.4	120.7	100.8	83.5	120.8	132.4	185.0	165.4	152.9	203.7
Other Private Creditors	153.8	180.3	185.3	193.8	175.8	180.3	156.8	165.8	152.6	161.0
Interest	852.9	1,086.3	1,130.8	978.2	1,039.9	1,089.4	1,086.5	1,169.9	904.3	1,035.1
Bilateral	576.9	747.7	827.5	705.0	723.2	740.0	739.5	780.4	522.7	577.7
Multilateral	61.1	6.7	29.3	4.2	5.5	8.3	0.0	0.0	54.1	68.4
Commercial	114.7	195.5	155.2	156.2	185.4	204.3	261.1	294.5	222.2	268.3
Other Private Creditors	100.2	136.4	118.8	112.8	125.8	136.8	85.9	95.0	105.3	120.7
10. Total Debt Stock {2+ 9 (Interest)}	7,280.0	8,003.8	7,754.1	7,578.5	7,419.6	7,669.7	7,624.8	7,482.1	7,464.0	7,268.1

Source: CS-DRMS, Debt Department- BoT

(1) During the period

(2) End of period, cumulative.

*Data shown is as at year end 2002/06/30 for cut off year

Table A6.1.1: Gross Domestic Product at factor cost by Industrial Origin, at Current Prices, 1993-2002

Activity	Millions of TZS										
	1993	1994	1995	1996	1997	1998	1999	2000**	2001**	2002**	
Agriculture	16,048.0	20,910.0	33,044.0	42,531.0	49,596.0	40,344.0	47,258.0	59,029.0	63,256.0	85,154.0	
Mining and quarrying	208.0	228.0	271.0	250.0	300.0	521.0	542.0	461.0	605.0	699.0	
Manufacturing and Handcraft	2,854.0	3,687.0	4,785.0	6,041.0	7,537.0	8,033.0	8,402.0	10,601.0	11,783.0	12,961.0	
Electricity and water supply	823.0	1,100.0	1,180.0	1,409.0	1,548.0	1,722.0	1,894.0	2,427.0	2,609.0	3,005.0	
Consturction	2,492.0	4,197.0	5,243.0	5,651.0	6,070.0	5,174.0	5,770.0	3,897.0	12,092.0	14,102.0	
Wholesale & retail trade, restaurants and hotel	6,646.0	9,138.0	15,960.0	21,830.0	24,764.0	26,428.0	31,562.0	34,515.0	38,227.0	39,467.0	
Transport and communication	1,930.0	2,434.0	3,168.0	5,614.0	6,627.0	6,354.0	7,315.0	11,442.0	11,722.0	13,064.0	
Finance and Insurance	1,486.0	1,994.0	3,471.0	3,781.0	2,762.0	2,825.0	4,334.0	4,696.0	5,478.0	5,680.0	
Public Administration and other services	7,632.0	9,906.0	14,938.0	19,451.0	26,037.0	31,209.0	34,125.0	40,804.0	47,459.0	58,285.0	
<u>Less: Imputed Bank Charges</u>	(1,871.0)	(2,342.0)	(1,323.0)	(1,208.0)	(423.0)	(174.0)	(1,685.0)	(223.0)	(48.0)	(426.0)	
GDP at factor cost	38,248.0	51,252.0	80,737.0	105,350.0	124,818.0	122,436.0	139,517.0	167,649.0	193,183.0	231,991.0	
Population ('000')	679.7	700.1	787.0	811.0	835.0	861.0	887.0	916.0	944.0	984.0	
Per capital nominal GDP (in '000' TZS)	56.3	73.2	103.0	130.0	149.0	152.0	160.0	181.0	221.0	236.0	
Per capital nominal GDP (in USD)	34.0	44.0	166.0	218.0	238.0	234.0	208.0	220.0	263.0	241.0	

NB Figures for 2002 are provisional .

** Amended figures

Source: Government Statistician Office - Zanzibar and Bot Zanzibar computations

Table A6.1.2: Gross Domestic Product at factor cost by Industrial Origin, Percentage Share in total GDP, at Current Prices, 1993-2002

Activity	Per cent									
	1993	1994	1995	1996	1997	1998	1999	2000**	2001**	2002
Agriculture	38.1	37.2	40.9	40.4	39.7	32.9	33.9	35.1	35.1	36.7
Mining and quarrying	0.5	0.4	0.3	0.2	0.2	0.4	0.4	0.3	0.3	0.3
Manufacturing and Handcraft	6.8	6.6	5.9	5.7	6.0	6.6	6.0	6.3	6.3	5.3
Electricity and water supply	2.0	2.0	1.5	1.3	1.2	1.4	1.4	1.4	1.4	1.3
Consturction	5.9	7.5	6.5	5.4	4.9	4.2	4.1	2.3	2.3	6.1
Wholesale & retail trade, restaurants and hotel	21.4	21.7	19.8	20.7	19.8	21.6	22.6	20.5	20.0	17.0
Transport and communication	4.6	4.3	3.9	5.3	5.3	5.2	5.2	6.9	6.8	5.6
Finance and Insurance	3.5	3.6	4.3	3.6	2.2	2.3	3.1	3.1	2.6	2.4
Public Administration and other services	18.1	17.6	18.5	18.5	20.9	25.5	24.5	24.3	25.4	25.1
<u>Less: Imputed Bank Charges</u>	(0.9)	0.9	1.6)	(1.1)	(0.3)	(0.1)	(1.2)	(0.1)	(0.1)	0.2
GDP at factor cost	100.0									

* Figures for 2002 are provisional .

** amended figures

Source: Government Statistician Office-Zanzibar, and BoT Zanzibar Computations

Table A6.1.3: Gross Domestic Product (GDP) at factor cost by Industrial Origin, at 1991 Prices, 1993-2002

Activity	Millions of TZS											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2000**	2001**	2002
Agriculture	10,116.0	10,436.0	1,864.0	2,108.0	2,004.0	9,080.0	9,961.0	10,670.0	11,377.0	10,676.0	11,385.0	12,427.0
Mining and quarrying	199.0	213.0	190.0	191.0	192.0	86.0	115.0	106.0	164.0	106.0	164.0	182.0
Manufacturing and Handcraft	1,399.0	1,490.0	395.0	415.0	430.0	6,367.0	6,377.0	6,677.0	7,105.0	6,427.0	6,856.0	7,283.0
Electricity and water supply	648.0	669.0	782.0	870.0	960.0	676.0	704.0	732.0	755.0	732.0	755.0	791.0
Construction	1,326.0	1,424.0	730.0	759.0	788.0	1,807.0	1,976.0	1,296.0	3,545.0	1,284.0	3,860.0	4,206.0
Wholesale & retail trade, restaurants and hotel			1,175.0	1,370.0	1,556.0	15,214.0	17,865.0	18,334.0	16,043.0	18,178.0	15,888.0	16,360.0
Transport and communication	1,570.0	1,534.0	328.0	330.0	303.0	2,417.0	2,453.0	2,599.0	2,961.0	2,422.0	2,737.0	2,991.0
Finance and Insurance	1,044.0	1,130.0	253.0	238.0	162.0	864.0	1,299.0	1,269.0	1,438.0	1,508.0	1,385.0	1,491.0
Public Administration and other services	3,890.0	3,948.0	1,132.0	1,149.0	1,166.0	4,190.0	4,253.0	4,317.0	4,382.0	4,224.0	4,287.0	4,352.0
Less: Imputed Bank Charges	(193.0)	(215.0)	(89.0)	(190.0)	(21.0)	(53.0)	(505.0)	(60.0)	(13.0)	(65.0)	(13.0)	(112.0)
GDP at factor cost	19,999.0	20,629.0	6,760.0	7,240.0	7,540.0	40,648.0	44,498.0	45,940.0	47,757.0	45,492.0	47,304.0	49,971.0

NB * Figures for 2002 are provisional.. 1998-2001 are based on 1991 prices, and the 1995-1997 are based on 1985 prices

** Amended figures

Source: Government Statistician Office - Zanzibar and BoT Zanzibar computations

Table A6.1.4: Gross Domestic Product at factor cost by Industrial Origin, Percentage Share in total GDP, at 1991 Prices, 1993-2002

Activity	Per cent									
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Agriculture	38.1	37.2	27.6	29.1	26.6	22.3	22.4	23.2	23.8	24.9
Mining and quarrying	0.5	0.4	2.8	2.6	2.5	0.2	0.3	0.2	0.3	0.4
Manufacturing and Handcraft	6.8	6.6	5.8	5.7	5.7	15.7	14.3	14.5	14.9	14.6
Electricity and water supply	2.0	2.0	11.6	12.0	12.7	1.7	1.6	1.6	1.6	1.6
Consturction	5.9	7.5	10.8	10.5	10.5	4.4	4.4	2.8	7.4	8.4
Wholesale & retail trade, restaurants and hotel	21.4	21.7	17.4	18.9	20.6	37.4	40.1	39.9	33.6	32.7
Transport and communication	4.6	4.3	4.9	4.6	4.0	5.9	5.5	5.7	6.2	6.0
Finance and Insurance	3.5	3.6	3.7	3.3	2.1	2.1	2.9	2.8	3.0	3.0
Public Administration and other services	18.1	17.6	16.7	15.9	15.5	10.3	9.6	9.4	9.2	8.7
Less: Imputed Bank Charges	(0.9)	(0.9)	(1.3)	(2.6)	(0.3)	(0.1)	(1.1)	(0.1)	(0.0)	(0.2)
GDP at factor cost	100.0	100.0	100.0	100.0	100	100	100	100.0	100.0	100.0

NB: * Figures for 2002 are provisional. 1998-2002 are based on 1991 prices, and the 1995-1997 are based on 1985 prices

Source: Government Statistician Office - Zanzibar and BoT Zanzibar computations

-Table A6.1.5: Gross Domestic Product (GDP) at factor cost by Industrial Origin, Percentage Annual Growth Rates, at 1991 Prices, 1993-2002

Activity	Per cent											
	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002		
Agriculture	3.9	3.2	(1.0)	13.1	(4.9)	(4.5)	9.7	7.1	6.6	9.2		
Mining and quarrying	11.3	7.0	1.4	0.5	0.5	(6.3)	33.7	(7.8)	54.7	11.0		
Manufacturing and Handcraft	7.6	6.5	6.5	5.1	3.6	0.9	0.2	4.7	6.4	6.2		
Electricity and water supply	5.6	3.3	6.7	11.3	10.3	7.9	4.1	4.0	3.1	4.8		
Construction	3.2	7.4	6.6	4.0	3.8	19.8	9.4	(34.4)	173.5	9.0		
Wholesale & retail trade, restaurants and hotel	7.5	(16.5)	14.7	16.6	13.6	9.5	17.4	2.6	(12.5)	3.0		
Transport and Communication	4.3	(2.3)	17.2	0.6	(8.2)	7.3	1.5	6.0	13.9	9.3		
Finance and Insurance	(8.8)	8.2	31.5	(5.9)	(31.9)	10.5	50.3	(2.3)	13.3	7.7		
Public Administration and other services	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5		
<u>Less: imputed bank Charges</u>	(40.7)	11.3	105.3	113.5	(88.9)	(57.1)	852.8	(88.1)	(78.3)	761.5		
GDP at factor cost	4.7	(1.8)	5.4	7.1	4.1	0.5	9.5	3.2	4.0	5.6		

NB: * Figures for 2002 are provisional. 1998-2002 are based on 1991 prices, and the 1995-1997 are based on 1985 prices

Source: Government Statistician Office - Zanzibar and BoT Zanzibar computation

Table A6.1.6: Marketed Production of Major Export Commodities, 1993-2002

Crop	Metric tons									
	1993	1994	1995	1996	1997	1998	1999	2000**	2001**	2002
Cloves	1,843.0	4,927.0	1,575.6	10,339.0	2,506.0	204.0	8,027.3	460.0	2,061.9	5,959.8
Copra	1,304.0	3,292.0	2,780.0	2,223.0	1,207.0	93.6	296.4	972.4	254.6	-
Chillies	2.1	1.6	1.1	3.5	0.2	0.3	0.2	0.0	0.0	0.0
Clove Stems Oil*	38.0	450.4	251.0	1,624.0	771.0	19.9	10.0	242.1	323.5	187.3
Seaweeds	2,644.7	2,811.0	4,287.0	4,861.0	3,667.0	3,394.0	4,834.0	4,990.7	8,117.0	9,090.7

Source: Ministry of Planning - Zanzibar/ZSTC

* Includes other essential oils cardomon, eucalyptus etc.

** amended figures

Table A6.1.7: Production in Selected Commodities, 1993-2002

Commodity	Units	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Sugar	Tons	-	339.0	672.0	896.0	0.0	0.0	0.0	0.0	-	-
Beverage	Litres '000'	1,337.0	848.0	2,300.0	2,524.0	3,496.0	3,950.0	4,251.0	6,320.0	5,689.0	5,419.0
Animal feed	Tons	2,036.0	2,514.0	2,650.0	3,278.0	3,573.0	3,869.0	2,848.0	2,206.0	1,534.0	1,674.0
Cigarattes	Cartons	6,811.0	5,521.0	5,362.0	3,456.0	8,398.0	7,908.0	5,697.0	3,600.0	1,281.0	0.0
Soap & detergent	Kgs	129,687.0	133,578.0	137,585.0	141,713.0	865,564.0	1,585,000.0	1,275,000.0	316,148.0	195,421.0	3,300.0
Coconut	Tons	3,508.0	3,613.0	3,722.0	3,833.0	3,872.0	335.0	522.0	188.0	233.0	147.0
Bread	No.'000'	41,886.0	43,142.0	44,437.0	45,770.0	47,143.0	48,557.0	50,014.0	20,585.0	53,059.0	54,519.0
Diary products	Litres '000'	1,108.0	446.0	200.0	-	-	-	-	-	-	-
Copra cakes	Tons	612.0	263.0	66.0	134.0	322.0	124.0	58.0	70.0	61.0	54.0

Source: Department of statistics-Zanzibar and BoT Zanzibar computations



A6.1 Zanzibar Output and Prices

Table A6.1.8: Consumer Price Index (CPI), 1993-2003

1991=100

End of Period	General Index	Food		Non Food								
		Total	Drinks and Tobacco	Rent	Fuel and light	Clothing and footwear	Furniture and utensils	Household operations	Personal care & health	Recreation- & entertainment	Transport	
Weights	100.0	75.9	24.1	1.2	1.4	7.5	5.8	1.2	2.5	0.6	0.5	3.4
1993	152.7	148.8	164.9	166.7	117.9	223.9	106.9	173.7	156.5	106.6	131.2	171.5
1994	187.7	189.6	181.9	238.2	157.1	246.4	101.3	205.2	159.0	118.6	146.8	192.2
1995	241.9	252.9	207.4	278.0	200.0	254.4	128.4	241.8	229.4	127.1	213.7	201.8
1996	285.5	285.0	286.9	319.5	315.5	313.8	159.8	274.0	228.9	166.1	217.2	325.8
1997	321.8	324.0	314.7	332.2	404.7	442.7	163.2	263.1	237.3	182.7	229.8	359.9
1998	324.6	322.9	329.7	328.5	523.8	474.1	154.5	276.6	236.0	191.8	242.0	355.8
1999	n/a	306.7	n/a	336.1	619.0	539.7	155.0	285.8	240.3	196.7	239.1	375.5
2000	306.5	275.1	405.0	321.6	643.2	683.1	136.7	267.1	160.6	183.4	220.7	393.7
2001	356.2	320.6	467.6	462.7	726.2	823.3	166.6	305.0	188.0	203.5	249.4	440.4
2002	374.7	342.6	475.7	463.0	761.9	823.3	177.8	326.7	201.3	207.2	253.4	442.8
2001- Mar	354.0	318.5	465.0	462.7	714.3	823.3	162.9	303.4	186.7	202.0	243.2	438.6
Jun	355.4	320.2	465.8	462.7	714.3	823.3	163.4	303.8	186.7	202.6	245.2	440.3
Sep	357.4	322.5	467.1	462.7	714.3	823.3	166.0	303.9	186.7	203.9	246.2	440.9
Dec	357.8	321.1	472.5	462.7	761.9	823.3	173.9	308.7	192.0	205.3	262.9	442.0
2002 -Mar	370.3	337.5	474.2	463.0	761.9	823.3	175.1	321.9	194.7	205.4	238.7	442.5
Jun	372.8	340.5	474.6	463.0	761.9	823.3	176.7	324.0	200.9	206.0	238.7	442.6
Sep	372.2	339.0	476.7	463.0	761.9	823.3	178.4	328.9	204.7	208.2	265.2	442.8
Dec	383.6	353.5	477.2	463.0	761.9	823.3	180.9	331.9	204.7	209.3	271.1	443.1
2003- Mar	402.9	370.8	503.1	513.0	857.1	846.8	208.3	339.9	211.9	226.5	279.2	465.4
Jun	399.0	363.1	510.7	513.2	857.1	858.5	212.1	344.8	220.2	237.0	285.8	477.6
2002-Jan	364.2	329.6	476.1	463.0	761.9	823.3	174.1	321.9	194.7	205.3	238.7	442.5
Feb	370.1	337.2	473.1	463.0	761.9	823.3	176.2	322.0	194.7	205.4	238.7	442.5
Mar	376.5	345.7	473.4	463.0	761.9	823.3	175.1	322.0	194.7	205.4	238.7	442.5
Apr	378.4	348.1	473.9	463.0	761.9	823.3	176.4	324.0	194.7	205.8	238.7	442.5
May	367.6	333.5	474.9	463.0	761.9	823.3	176.4	324.0	204.1	206.0	238.7	442.5
Jun	372.4	339.8	475.1	463.0	761.9	823.3	177.1	324.0	204.1	206.0	238.7	442.8
Jul	370.5	337.0	476.1	463.0	761.9	823.3	178.1	328.7	204.7	207.5	265.2	442.8
Aug	374.2	341.9	476.1	463.0	761.9	823.3	178.1	328.7	204.7	207.7	265.2	442.8
Sept	371.9	338.2	478.0	463.0	761.9	823.3	179.0	329.2	204.7	209.3	265.2	442.8
Oct	373.8	340.7	476.9	463.0	761.9	823.3	180.0	329.2	204.7	209.3	271.1	443.6
Nov	383.9	353.9	477.0	463.0	761.9	823.3	180.7	329.5	204.7	209.3	271.1	442.9
Dec	393.2	366.0	477.7	463.0	761.9	823.3	181.9	336.9	204.7	209.3	271.1	442.9
2003-Jan	407.1	379.7	492.6	512.6	857.1	823.3	208.3	339.9	211.4	209.5	280.6	444.6
Feb	400.7	366.3	508.3	513.2	857.1	858.5	208.3	339.9	212.1	235.0	271.1	474.7
Mar	401.0	366.5	508.5	513.2	857.1	858.5	208.3	340.0	212.1	235.0	285.8	477.0
Apr	402.1	368.0	508.6	513.2	857.1	858.5	208.4	340.8	212.1	235.0	285.8	477.0
May	398.7	362.7	511.0	513.2	857.1	858.5	213.1	341.9	223.3	235.0	285.8	477.4
Jun	396.0	358.7	512.4	513.2	857.1	858.5	214.8	351.7	225.1	240.9	285.8	478.5

NB: March means 'End of March'....etc

* Data from July-December 1999 and for April & Oct. 2000 not available

Source: Government Statistician Office - Zanzibar



A6.1 Zanzibar Output and Prices

Table A6.1.9: Consumer Price Index, Percentage Change on the Previous year, 1993-2003

1991=100

End of Period	General Index	Food	Non Food									
			Total	Drinks and Tobacco	Rent	Fuel and light	Clothing and foot wear	Furniture and utensils	House hold operations	Personal care and health	Recreation- and enter-tainment	Trans- port
Weights	100.0	75.8	24.2	1.2	1.4	7.5	5.8	1.2	2.5	0.6	0.5	3.4
1993	23.2	16.7	46.1	31.2	17.9	87.0	8.8	43.9	26.0	6.6	30.6	53.9
1994	22.9	27.4	10.3	42.9	33.3	10.0	-5.2	18.1	1.6	11.2	11.9	12.1
1995	28.8	33.4	14.1	16.7	27.3	3.3	26.7	17.8	44.2	7.2	45.5	5.0
1996	18.0	21.7	38.3	14.9	57.8	23.4	24.5	13.3	13.3	30.6	1.7	61.5
1997	12.7	13.7	9.7	4.0	28.3	41.1	2.1	-2.9	3.7	10.0	5.8	10.5
1998	0.9	-0.3	4.8	-1.1	29.4	7.1	-5.3	5.1	-0.5	5.0	5.3	-1.2
1999	-3.0	-5.2	4.1	-0.2	10.6	7.0	0.0	1.5	2.3	0.8	-1.5	0.2
2000	-5.8	-9.0	2.8	-8.3	2.1	12.2	-9.1	-5.7	-20.0	-7.3	-6.7	1.0
2001	2.1	2.3	1.9	15.7	0.6	1.2	4.7	1.1	3.1	0.9	0.4	0.3
2002	5.2	6.9	-1.2	0.1	5.0	0.0	6.8	7.1	7.1	1.8	1.6	0.5
2001-Mar	3.9	3.5	4.6	37.7	0.0	3.8	7.6	2.0	6.6	1.9	-0.8	0.7
Jun	4.4	5.4	2.4	25.3	0.0	1.1	6.0	1.7	4.3	1.5	0.0	0.2
Sep	-0.1	-0.3	0.4	-0.1	0.0	0.0	3.8	0.0	0.0	0.0	0.4	0.0
Dec	0.4	0.5	0.4	0.0	2.2	0.0	1.5	0.5	1.4	0.2	2.0	0.1
2002-Mar	4.6	6.0	-9.2	0.1	6.7	0.0	7.5	6.1	4.3	1.7	-1.8	0.9
Jun	4.9	6.4	1.7	0.1	6.7	0.0	8.1	6.7	7.6	1.6	-2.6	0.5
Sep	4.1	5.1	1.7	0.1	6.7	0.0	7.4	8.2	9.7	2.1	7.7	0.4
Dec	7.2	10.1	0.8	0.1	0.0	0.0	4.0	7.5	6.6	2.0	3.1	0.3
2003-Mar	8.9	9.9	6.4	10.8	12.5	2.9	18.9	5.6	8.8	10.3	16.9	5.2
Jun	6.9	6.4	7.8	10.9	12.5	4.3	20.0	6.4	9.6	15.1	19.7	7.9
2002-Jan	1.5	1.5	-14.6	0.1	6.7	0.0	6.5	6.1	4.3	1.6	-0.1	0.9
Feb	6.9	9.4	-14.5	0.1	6.7	0.0	8.4	6.1	4.3	1.7	-2.6	0.9
Mar	5.5	7.2	1.5	0.1	6.7	0.0	7.7	6.1	4.3	1.7	-2.6	0.9
Apr	5.5	7.3	1.6	0.1	6.7	0.0	8.5	6.7	4.3	1.9	-2.6	0.8
May	6.5	8.8	1.7	0.1	6.7	0.0	8.5	6.6	9.3	2.0	-2.6	0.4
Jun	2.7	3.2	1.7	0.1	6.7	0.0	7.3	6.7	9.3	1.1	-2.6	0.4
Jul	5.0	6.4	1.9	0.1	6.7	0.0	7.8	8.2	9.7	1.8	8.2	0.4
Aug	3.7	4.5	1.8	0.1	6.7	0.0	7.2	8.2	9.7	1.8	8.2	0.4
Sep	3.8	4.5	1.5	0.1	6.7	0.0	7.2	8.3	9.7	2.7	6.8	0.4
Oct	5.4	7.3	1.3	0.1	0.0	0.0	5.6	6.6	9.7	2.0	3.1	0.6
Nov	8.0	11.4	0.6	0.1	0.0	0.0	2.9	6.7	5.1	2.0	3.1	0.1
Dec	8.3	11.6	0.7	0.1	0.0	0.0	3.6	9.1	5.1	2.0	3.1	0.1
2003-Jan	11.8	15.2	4.2	10.7	12.5	0.0	19.6	5.6	8.6	2.1	17.5	0.5
Feb	8.3	8.6	7.5	10.9	12.5	4.3	18.2	5.6	8.9	14.4	13.5	7.3
Mar	6.5	6.0	7.6	10.9	12.5	4.3	18.9	5.6	8.9	14.4	19.7	7.8
Apr	6.3	5.7	7.5	10.9	12.5	4.3	18.1	5.2	8.9	14.2	19.7	7.8
May	8.0	8.1	7.9	10.9	12.5	4.3	20.8	5.5	9.5	14.1	19.7	7.9
Jun	6.3	5.5	8.1	10.9	12.5	4.3	21.3	8.5	10.3	16.9	19.7	8.1

March means 'End of March'...etc
 *Data for **July to December** 1999 and 2000 not available
 ** April data not available
Source: Department of Statistics - Zanzibar.

Table A6.2.1: Central Government Operations (Actuals), 1993-2003

Millions of TZS

Items	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03
Total Revenue	12,534.9	13,617.0	19,147.0	19,808.0	37,286.0	37,690.9	62,627.5	38,669.0	42,395.9	45,388.7
Recurrent Revenue	8,376.9	13,101.4	19,067.0	17,155.0	37,285.7	37,690.9	62,627.5	38,669.0	42,395.9	45,388.7
Tax Revenue	7,646.0	12,426.8	18,166.0	14,415.0	34,556.0	36,036.7	59,931.2	37,462.0	39,870.4	42,595.4
Tax on Imports	6,183.6	9,808.6	14,965.2	12,431.0	22,732.4	22,686.5	37,424.6	20,609.0	17,603.6	17,640.5
Sales tax and excise duties (local)	465.5	1,510.8	2,157.2	1,182.0	2,339.6	3,201.8	5,589.0	5,543.0	8,919.2	9,781.2
Income Tax	286.7	501.3	821.2	802.0	1,524.3	1,847.4	2,213.7	2,889.0	3,763.2	4,394.3
Other taxes	710.2	606.1	222.5	2,740.0	7,959.7	8,301.0	14,703.9	8,421.0	9,584.5	10,779.4
Non-Tax revenue	730.9	674.6	901.0	2,653.0	2,729.6	1,654.2	2,696.3	1,207.0	2,525.5	2,793.3
Total Expenditure	21,312.0	27,267.5	13,892.5	19,833.0	38,393.8	38,205.8	63,066.1	43,291.0	47,353.9	59,919.9
Recurrent Expenditure	7,978.2	14,766.4	13,003.8	19,073.0	37,758.6	37,845.5	62,467.5	42,272.0	46,016.4	57,353.6
Wages and Salaries	3,940.5	4,588.5	5,999.9	10,493.0	17,847.9	20,031.1	23,590.0	22,571.0	31,494.5	40,301.6
Interest Payment	31.6	3,510.3	0.0	0.0	0.0	217.0	1,316.6	591.0	0.0	40.3
Foreign	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0
Local	0.0	0.0	0.0	0.0	0.0	216.0	1,316.6	591.0	0.0	40.3
Other expenditure	4,006.1	6,667.6	7,003.9	8,580.0	19,910.7	17,597.4	37,558.7	19,110.0	14,521.9	17,011.6
Recurrent Deficit	398.7	(1,665.0)	6,063.2	(1,918.0)	(472.9)	(154.6)	160.0	(3,603.0)	(3,620.5)	(11,964.8)
Development Expenditure	13,333.8	12,501.1	889.0	760.0	635.2	360.3	598.6	1,019.0	1,337.5	2,566.3
Overall Deficit before grants	(12,935.1)	(14,166.1)	5,174.2	(1,918.0)	(1,108.1)	(515.0)	(438.6)	(4,622.0)	(4,958.0)	(14,531.2)
Grants(cash)	4,158.0	515.6	80.0	0.0	0.0	1.0	5.0	0.0	7,797.0	10,100.0
Overall Deficit after grants	(8,777.1)	(13,650.5)	5,254.2	(1,918.0)	(1,108.1)	(514.0)	(433.6)	(4,622.0)	2,839.0	(3,327.0)
Adjustment to cash and other items	0.0	1,311.5	29,938.8	5,423.0	(8,104.1)	609.0	5,480.4	2,599.0	10,060.4	1,502.2
Overall Deficit cheques issued	(8,777.1)	(14,962.0)	(24,684.3)	(8,101.0)	6,996.0	(1,123.0)	(5,914.0)	(7,221.0)	(7,221.4)	(5,933.4)
Financing:	9,144.4	14,962.0	24,684.3	8,101.0	(6,996.0)	1,123.0	5,914.0	7,221.0	7,221.4	5,933.4
Program loans and I/ Support(cash)	113.0	3,753.0	967.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic (net)	9,031.4	11,209.0	23,716.5	8,101.0	(6,996.0)	1,123.0	5,914.0	7,221.0	7,221.4	5,933.4
Bank	4,405.0	4,460.0	3,465.4	387.0	1,823.0	4,498.0	5,914.0	7,221.0	7,221.4	0.0
Non-Bank	4,626.4	6,749.0	20,251.1	7,714.0	(8,819.0)	(3,375.0)	0.0	0.0	0.0	5,933.4
Amortization										1,373.1

Source: Ministry of Finance - Zanzibar, BOT, PBZ



Table A7.1: Economic Performance in G-7 Countries and the Euro Area, 1992-2002

G-7	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002p	
											Q1	Q2
Canada												
Real GDP (1)	0.91	2.30	4.73	2.77	1.54	4.37	3.31	4.54	4.40	1.50	6.00	
Inflation (1)	1.30	1.20	1.20	1.70	1.60	1.40	1.00	1.70	2.70	2.50	1.53	1.33
Interest rates (2)	6.79	3.79	5.54	5.71	3.01	4.34	5.11	4.76	5.80	2.24	1.99	2.25
France												
Real GDP (1)	1.49	-0.89	2.07	1.78	1.10	1.97	3.20	3.20	3.60	2.00	0.30	
Inflation (1)	2.10	2.50	1.50	1.60	2.00	1.20	0.70	0.60	1.80	1.80	2.10	1.60
Interest rates	10.35	8.75	5.69	6.35	3.73	3.24	3.39	4.34	4.59	4.26	3.36	3.36
Germany												
Real GDP (1)	2.24	-1.09	2.35	1.73	0.77	1.40	2.05	1.56	3.00	0.60	-1.20	0.50
Inflation (1)	5.10	4.50	2.70	1.80	1.50	1.80	0.60	0.70	2.10	2.40	1.87	1.17
Interest rates (2)	9.42	7.49	5.35	4.50	3.27	3.18	3.41	2.73	4.11	4.37	3.27	3.31
Italy												
Real GDP (1)	0.76	-0.88	2.21	2.92	1.09	1.82	1.53	1.60	2.90	1.80	0.10	0.20
Inflation (1)	4.70	4.40	3.50	5.10	3.90	1.70	1.70	1.70	2.60	2.70	2.47	2.30
Interest rates (2)	14.02	10.20	8.51	10.46	8.82	6.88	4.99	2.95	4.39	4.26	3.36	3.46
Japan												
Real GDP (1)	1.02	0.31	0.64	1.47	5.05	1.59	-2.51	0.80	2.20	-0.40	-1.60	2.60
Inflation (1)	1.70	1.20	0.70	-0.10	0.10	1.70	0.60	-0.30	-0.80	-0.70	-1.50	-0.90
Interest rates (2)	4.58	3.06	2.20	1.21	0.47	0.48	0.37	0.06	0.11	0.06	0.01	0.01
UK												
Real GDP (1)	0.20	2.50	4.70	2.90	2.60	3.40	2.90	2.40	3.10	1.90	1.10	1.50
Inflation (1)	4.70	3.00	2.30	2.90	3.00	2.80	2.60	2.30	2.10	2.10	2.37	1.87
Interest rates (2)	9.39	5.46	4.76	5.01	4.97	5.54	7.21	5.20	5.27	4.25	3.56	4.63
USA												
Real GDP (1)	3.05	2.65	4.04	2.67	3.57	4.43	4.30	4.10	3.80	0.30	5.00	1.10
Inflation (1)	3.00	3.00	2.60	2.80	2.90	2.30	1.60	2.20	3.40	2.80	1.23	1.30
Interest rates (2)	3.52	3.02	4.20	5.84	5.30	5.46	5.35	4.97	6.24	3.89	1.73	1.75
EURO AREA												
Real GDP (1)								2.60	3.40	1.50	0.30	0.60
Inflation (1)								1.20	2.40	2.60	2.53	2.07
Interest rates (2)								2.74	4.12	4.38	3.28	3.31

Source: IMF World Economic Outlook, April 2002, IFS, July 2002, *The Economist (Various issues).

1) Annual percent change, 2) percent, p=provisional

Table A7.2: World Market Prices for Selected Commodities, 1992-2002

Commodity	Unit Price	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002 p	
												Q1	Q2
Coffee (arabica)	USD/Kg	1.40	1.54	3.27	3.29	2.65	4.10	2.90	2.30	1.90	1.40	1.50	1.36
Cotton (A index)	USD/Kg	1.27	1.27	1.75	2.16	1.77	1.74	1.44	1.20	1.30	1.10	1.30	0.92
Sisal (UG grade)	USD/ton	505.58	615.42	604.58	710.42	868.25	777.00	820.50	691.50	631.80	699.20	723.80	668.30
Tea*	USD/Kg	1.99	1.85	1.83	1.64	1.77	2.40	2.40	1.80	1.90	1.50	1.70	1.45
Gold	USD/troy ounce	343.42	359.73	384.22	384.16	387.82	331.20	294.30	278.80	279.00	271.00	263.50	312.80

Note: * Mombasa Auction price replaces London Auction price beginning July 1998.

Source: <http://www.imf.org> and worldbank.org/prospects

Worldbank Public Ledger, Bloomberg Professional.

Table A7.3 : Selected Exchange Rates-Currency Units per US Dollar (period average), 1992-2002

Period	Pound	Deutsche	Swiss	Dutch	French	Belgium	Italian	Swedish	Japanese
	Sterling	Marks	Francs	Guilders	Francs	Francs	Lira	Kroners	Yen
1992	0.5664	1.5617	1.4062	1.7585	5.2938	32.1500	1,232.4000	5.8238	126.6500
1993	0.6658	1.6533	1.4776	1.8573	5.6632	34.5970	1,573.7000	7.7834	111.2000
1994	0.6535	1.6220	1.3682	1.8630	5.5481	33.3483	1,610.7280	7.7002	102.1406
1995	0.6336	1.4384	1.1818	1.6049	4.9889	29.1729	1,628.2531	7.1352	94.0341
1996	0.6397	1.5160	1.2468	1.6913	5.1289	31.1337	1,548.6447	6.7032	109.3298
1997	0.6103	1.7326	1.4497	1.9500	5.8317	35.8915	1,702.2593	7.6377	120.9411
1998	0.6037	1.7585	1.4488	1.9826	5.8967	36.2587	1,733.6653	7.9568	130.7976
1999	0.6180	1.8411	1.3737	2.0341	6.1238	37.5167	1,809.3211	8.3045	113.7895
2000	0.6607	2.1222	1.6883	2.3913	7.1179	43.7745	2,109.2178	9.1632	107.7258
2001	0.6944	2.1840	1.6868	2.4608	7.3249	45.0467	2,162.1880	10.3307	121.4601
2001-1stQ	0.6855	2.1183	1.6606	2.3868	7.1045	43.6911	2,097.1389	9.7466	118.0814
2ndQ	0.7036	2.2374	1.7486	2.5209	7.5037	46.1465	2,214.9700	10.4334	122.6363
3rdQ	0.6954	2.1955	1.6914	2.4738	7.3636	45.2841	2,173.5923	10.5612	121.6365
4thQ	0.6918	2.2557	1.7466	2.5416	7.5654	46.5256	2,233.1706	9.9133	109.6951
2002-1stQ	0.7008	1.5010	1.6171	2.3231	7.4778	45.9866	2,207.3073	10.4450	132.4495
2ndQ	0.6844	1.0894	1.5550	2.2163	7.4330	45.7112	2,194.0867	9.9750	126.9258

Source: IFS, Bank of Tanzania from 1994 data onwards





A7.0 International Economic Developments

Table A7.4: Bureau de Change Quarterly Transactions, 1993-2002

End of Period	Volume of Transactions (Millions of USD)		Exchange Rates (Average TZS/USD)		Mean Rate TZS/USD
	Purchases	Sales	Buying	Selling	
	1993	378.96	353.79	453.93	
1994	548.91	588.28	514.12	528.52	521.32
1995	793.28	787.08	579.54	603.76	591.65
1996	674.22	692.88	574.31	598.87	586.59
1997	555.19	539.80	602.88	622.71	612.80
1998	509.78	485.67	642.71	665.50	654.11
1999	350.70	334.20	720.29	746.13	733.21
2000	288.19	280.99	796.94	807.73	802.34
2001	282.30	271.97	865.74	877.32	871.53
2001					
Quarter1	72.76	71.16	812.00	822.67	817.34
Quarter2	65.30	64.30	871.67	885.00	878.34
Quarter3	74.71	69.10	881.70	892.50	887.10
Quarter4	69.53	67.41	897.60	909.10	903.35
2002					
Quarter1	52.30	51.70	946.00	961.20	953.60
Quarter2	51.25	51.01	965.60	986.60	976.10

Source: Bank of Tanzania



APPENDIX III: MANAGEMENT LIST

		Telephone Direct
D. T. S. Ballali	Governor	2112879
M. H. Mbaye	Deputy Governor	2112880
1. DIRECTORATE OF GOVERNOR'S OFFICE		
J. S. Mhando	Director	2119312
J. B. Kimaro	Deputy Director, Communications	2135567
M. Mugo	Deputy Director, Special Duties	2138390
A.V. Haule	Deputy Director, Special Duties	2121429
2. DIRECTORATE OF PERSONNEL AND ADMINISTRATION		
A. J. Liyumba	Director	2112701
Personnel Management Department		
J. N. S Makindi	Deputy Director	2115058
Training and Development Department		
S. Mahembe	Deputy Director	2110033
Estate Management Department		
P. Mutoni	Deputy Director	2114785
Administrative Services Department		
G. Maganga	Deputy Director	2115612
3. DIRECTORATE OF BANKING		
L. Kisarika	Director	2112703
Banking Department		
S. E. Balele	Deputy Director	2110750

**Currency Department**

K.T. Mkango Deputy Director 2118491

Systems Operations Department

S.E. Jengo Deputy Director 2137484

4. DIRECTORATE OF BANK SUPERVISION

L. H. Mkila Director 2118021

Banks Supervision Department

H.B. Kessy Deputy Director 2111294

Non-Banks Department

M. Gasabile Deputy Director 2114695

Operations & Policy Review Department

A.E.Kobello Deputy Director 2127467

5. DIRECTORATE OF ECONOMIC POLICY

P. M. Noni Director 2116612

A.J.Mengo Associate Director 2115614

Monetary & Financial Affairs Department

Dr. J. L. Masawe Deputy Director 2119405

International Economics Department

G. Mwakibolwa Deputy Director 2114900

Debt Management Department

T. Mwakilema Deputy Director 2115087

Macroeconomic & Financial Programs Department

P.L. Kadesha Deputy Director 2114901

Trade, Finance and Investment Policies Department

S.S. Mrutu Deputy Director 2121437



Real Sector Department

C. Kiliaki Deputy Director 2112704

6. DIRECTORATE OF FINANCE

E.P. Issangya Director 2114784

Domestic Accounts Department

J. Angello Deputy Director 2110096

Foreign Accounts Department

E. M. Boaz Deputy Director 2117901

7. DIRECTORATE OF FINANCIAL MARKETS

K. S. Mbatia Director 2112704
2118194

Domestic Markets Department

J. C. Ndisi Deputy Director 2114770

Foreign Markets Department

J. Mpelebwa Deputy Director 2112412

8. DIRECTORATE OF MANAGEMENT INFORMATION SYSTEMS

E. Makwaia Director 2115124
L. Katawanya Deputy Director

Systems Analysis and Administration Department

C. M. Kitwanga Deputy Director 2118162

Networks and Office Automation Department

T. N. Kalinjuna Deputy Director 2110505

9. DIRECTORATE OF MICROFINANCE

G. Rubambey Director 2138384

Micro-Finance Analysis and Policy Department



Micro-Finance Operations Department

Deputy Director 2121785

10. DIRECTORATE OF NATIONAL PAYMENTS SYSTEMS

I. H. Kilato Director 2119346

Payment System Project Management Department

J. M. B. Massawe Deputy Director 2121742

Payment System Oversight and Policy Department

L. Kinunda Deputy Director 2127954

11. DIRECTORATE OF INTERNAL AUDIT

L. Chingwile Director 112704

Internal Audit I Department

R. Mwanga Deputy Director 2114901

Internal Audit II Department

O. Kitine Deputy Director 2121437

12. OFFICE OF THE SECRETARY TO THE BANK

Secretary to the Bank 2118163

Legal & Contracts Department

B. Kimela Deputy Director 2118032

Investigation & Internal Security Department

Deputy Director 2119314

13. BANK OF TANZANIA TRAINING INSTITUTE MWANZA

W. Mgimwa Principal 500027

John Mlay Director of Studies 500982

A. C. Rukoijo Deputy Director, Estate



14. BRANCH OFFICES

Arusha Branch

A.F. Bakari	Director	2502928
F.N. Mrosso	Deputy Director, Operations	2504047
V. Mulebya	Deputy Director, Economics	2548443

Mbeya Branch

A.H.M. Mtengeti	Director	2504158
O. Katundu	Deputy Director, Operations	2502055
F. Rugemalira	Deputy Director, Economics	2502839
D. Mwakitalu	Deputy Director, Administration	2502700

Mwanza Branch

E. Semainda	Director	
S. Ajali	Deputy Director, Operations	2500074
D. Thewa	Deputy Director, Economics	2500074
A. Ndalaha	Deputy Director, Administration	2500024

Zanzibar Branch

B.N. Msami	Director	2230415
K.J. Jurango	Deputy Director Operations	2230803
S. Chiguma	Deputy Director, Economics	2230803
C. Kiponda	Deputy Director, Administration	2232687

