BANK OF TANZANIA

CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE YEAR ENDING JUNE 2019

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BANK OF TANZANIA

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Table of Contents

Table of Contents....2
List of Tables....3
Executive Summary....4
1.1 ECONOMIC DEVELOPMENTS....7
1.1 Gross Domestic Product....7
1.2 Inflation and Food Crop Wholesale Prices....8
2.0 FOOD SUPPLY SITUATION....3
2.1 Food production in 2018/19 and requirements for 2019/20....3
3.0 SECTORAL PERFORMANCE....5
3.1 Livestock....5
3.2 Fisheries....6
3.3 Manufacturing....7
3.4 Mining....8
3.5 Tourism....9
3.6 Energy....9
4.0 TAX REVENUE PERFORMANCE....10
5.0 TRADE....11
5.1 Cross Border Trade....11
5.2 Ports Performance....11
6.0 FINANCIAL SECTOR DEVELOPMENTS....12
6.1 Banks' Deposits and Lending....12
6.2 Savings and Credit Cooperative Societies (SACCOS)....14

List of Tables

Table 1.1: Zonal GDP Performance at Current Market Prices 7
Table 1.2: Annual Average Headline Inflation.......... 8
Table 1.3: Average Wholesale Prices for Selected Food Crops 3
Table 2.1: Food Production and Requirement.......... 4
Table 2.2: Stock of Food Held by National Food Reserve Agency 5
Table 3.1: Livestock Sold through Registered Markets 6
Table 3.2: Fish Catches 7
Table 3.3: Value of Selected Manufactured Commodities.......... 8
Table 3.4: Value of Mineral Extraction 8
Table 3.5: Number of Visitors and Earnings 9
Table 3.6: Production of Electricity and Natural Gas 10
Table 4.1: Tax Revenue Performance 10
Table 5.1: Formal Cross Border Trade 11
Table 5.2: Ports Performance 12
Table 6.1: Banks' Deposits.......... 13
Table 6.2: Banks' Lending.......... 13
Table 6.4: Performance of Savings and Credit Cooperative Societies 15

Executive Summary

During 2018, nominal Gross Domestic Product (GDP) increased across all zones[1]. The improved performance was largely driven by agriculture, manufacturing, construction, information and communication, mining, electricity and gas activities. Zonal contribution to the national nominal GDP ranged from 10.4 percent to 25.9 percent. The Lake zone made the largest contribution at 25.9 percent, followed by the Dar es Salaam and Northern zones which contributed 17.3 percent and 17.1 percent, respectively.

During 2018/19, average annual headline inflation declined in all zones except for the Southern Highlands zone, mainly due to a fall in prices of food items owing to adequate food crops harvest in 2017/18 crop season. In the Southern Highlands zone, the increase in headline inflation was driven by prices of some food and non-food items particularly health services. During the period under review, all zones registered inflation below the national headline inflation, except for the Southern Highlands and South Eastern zones.

Food supply in all zones was generally satisfactory. The overall estimated food production was 16.4 million tonnes against the requirement of 13.8 million tonnes for 2019/20, leading to food surplus of 2.6 million tonnes. The South Eastern, Southern Highlands and Lake zones performed above the national self-sufficiency ratio (SSR) threshold of 120 percent. The National Food Reserve Agency (NFRA) held stocks of 67,335.9 tonnes at the end of June 2019 compared to 68,884.8 tonnes held at the end of June 2018. At the same time, the NFRA released a total of 43,978.6 tonnes to the World Food Program, private traders and Prime Minister's Office.

Wholesale average prices of main food crops decreased except for round potatoes and wheat compared to prices recorded in the preceding year. The decrease was a result of favorable weather that led to good supply of food items associated with good harvest realized in 2017/18. The increase in prices of round potatoes and wheat was due to higher demand relative to supply.

The value of livestock sold in registered markets increased by 12.8 percent to TZS 1,311.4 billion, mainly due to increase in number of livestock sold. The Southern Highlands zone recorded the highest increase of 32.3 percent, followed by the Northern zone (20.9 percent). Similarly, the quantity and value of fish catches increased by 21.9 percent and 15.4 percent respectively,

[1] The Bank of Tanzania monitors economic developments in six zones, each served by one branch office. The zones and respective regions are: Central zone which comprises Dodoma, Morogoro, Singida, and Tabora regions; Dar-es-Salaam zone (Dar es Salaam region); South Eastern zone (Ruvuma, Coast, Lindi and Mtwara regions); Lake zone (Geita, Kagera, Kigoma, Mara, Mwanza, Shinyanga and Simiyu regions); Northern zone (Arusha, Kilimanjaro, Manyara and Tanga regions); and Southern Highlands Zone (Katavi, Mbeya, Songwe, Njombe, Rukwa and Iringa regions).

compared to the levels recorded 2017/18 partly on account of increased efforts to strengthen patrols, curbing of smuggling and illegal fishing practices.

The value of manufacturing sector activities increased by 7.9 percent to TZS 8,876.1 billion during 2018/19 mainly associated with availability of markets, raw materials, stability in power supply, establishment of new industries and rehabilitation of some of the existing industries. In the mining sector, the value of recovered minerals declined by 4.2 percent to USD 1,668.8 million, mainly associated with fall in production of gold, limestone, gypsum, salt and other gemstones (sapphire) during the year under review. The Lake zone maintained dominance in mining activities, accounting for 88.2 percent of the value of minerals extracted during the year.

The number of tourists increased by 12.2 percent to 1,894,630, while total earnings from gate fees rose by 17.2 percent to TZS 286.8 billion. The Northern zone remained dominant, contributing 68.5 percent of the total number of visitors and 73.5 percent of the total earnings.

Electricity production and distribution increased by 41.2 percent to 7,157,469 megawatts, compared to the preceding year. The Northern zone and the South Eastern zone registered notable increase of 42.0 percent and 35.9 percent respectively. During the review period, the volume of cargo shipped through Dar es Salaam port increased by 5.9 percent to 15.7 million tonnes from 14.9 million tonnes recorded in 2017/18 mainly associated to ongoing ports modernization initiatives and growing preference of traders for the Tanzanian ports. The Dar es Salaam Port accounted for 98.4 percent of the total cargo handled during the period. Cargo handled at Mtwara Port declined significantly on account of a decrease in exports, particularly cashew nuts, while that of Tanga Port was due to a decline in imports of clinker, grains (wheat barley), coal and petroleum coke.

Cross border trade balance recorded a surplus of TZS 5,659.5 billion, a decline of 22.2 percent compared to a surplus of TZS 7,270.2 billion recorded in 2017/18. Northern and Lake zones contributed about 84.5 percent of total exports and 74.8 percent of total imports.

On revenue performance, tax collection by Tanzania Revenue Authority increased by 3.3 percent to TZS 15,652.1 billion compared to collections in 2017/18, equivalent to 86.4 percent of the tax collection target. The improvement in collections was largely on account of ongoing efforts to strengthen tax compliance and administration. The Dar es Salaam zone accounted for 88.7 percent of total tax revenue collection, followed by the Northern zone at 5.3 percent.

Banks' deposits remained steady at TZS 18,946.7 billion, when compared to deposits registered in the previous year. Good performance in deposits was noticeable across all zones, mainly due to ongoing campaigns in operationalization of agent banking, expansion of branch networks and the use of mobile banking platforms. The Dar es Salaam zone maintained its top position in deposit mobilization, accounting for 63.6 percent of total deposits, while the South Eastern zone contributed the least, 5.1 percent.

1.1 ECONOMIC DEVELOPMENTS

1.1 Gross Domestic Product

During 2018, nominal Gross Domestic Product (GDP) increased across all zones following good performance in agriculture, manufacturing, construction, information and communication, mining, electricity and gas activities. The Lake zone remained the largest contributor with 25.9 percent of the national nominal GDP, followed by the Dar es Salaam zone (17.5 percent) and the Northern zone (17.1 percent) (**Table 1.1**).

Table 1.1: Zonal GDP Performance at Current Market Prices

Millions of TZS

	2014	2015	2016	2017[r]	2018[p]	Percentage share 2018
Central	11,291,883.1	12,645,337.4	14,490,947.4	15,796,252.8	17,197,226.9	13.3
Dodoma	2,511,143.0	2,736,677.5	3,164,808.5	3,479,914.0	3,872,727.4	3.0
Singida	1,528,162.7	1,698,627.4	2,005,093.2	2,220,956.9	2,418,091.5	1.9
Morogoro	4,006,264.3	4,624,041.3	5,202,453.7	5,700,918.4	6,191,343.5	4.8
Tabora	3,246,313.1	3,585,991.2	4,118,592.0	4,394,463.4	4,715,064.6	3.6
Northern	14,273,865.4	16,259,639.0	18,587,873.5	20,380,715.1	22,149,156.8	17.1
Arusha	3,923,660.9	4,435,304.9	5,094,048.1	5,570,251.5	5,999,900.6	4.6
Kilimanjaro	3,750,193.8	4,284,315.8	4,812,271.3	5,261,476.8	5,754,676.6	4.4
Tanga	3,849,317.9	4,397,557.6	5,061,530.7	5,558,367.6	6,016,873.1	4.7
Manyara	2,750,692.8	3,142,460.7	3,620,023.5	3,990,619.1	4,377,706.5	3.4
Dar es Salaam	14,207,782.7	16,231,328.6	18,425,323.5	20,546,950.8	22,577,224.6	17.5
South Eastern	8,268,599.1	9,597,244.9	11,228,541.3	12,410,869.3	13,496,665.9	10.4
Lindi	1,536,423.0	1,755,248.3	2,124,304.7	2,351,590.5	2,529,876.8	2.0
Mtwara	2,089,865.7	2,453,572.9	2,926,346.4	3,230,478.5	3,552,506.0	2.7
Ruvuma	3,147,189.1	3,680,359.4	4,226,976.0	4,513,232.0	4,903,559.1	3.8
Coast	1,495,121.3	1,708,064.2	1,950,914.2	2,315,568.3	2,510,723.9	1.9
Southern Highlands	13,249,583.4	15,325,393.9	17,291,699.2	18,817,856.0	20,497,376.8	15.8
Mbeya	6,145,692.0	5,303,678.9	6,091,395.2	6,663,157.9	7,314,301.8	5.7
Rukwa	2,816,775.5	3,302,886.6	3,901,802.4	4,156,902.4	4,497,292.7	3.5
Iringa	4,287,115.8	5,001,514.0	5,326,127.1	3,378,248.8	3,643,061.6	2.8
Songwe	0.0	1,717,314.4	1,972,374.5	2,173,228.8	2,357,383.4	1.8
Njombe	0.0	0.0	0.0	2,446,318.1	2,685,337.2	2.1
Lake	21,311,674.0	24,290,371.9	28,337,939.3	30,791,854.4	33,446,702.4	25.9
Kigoma	2,378,977.6	2,736,677.5	3,143,136.0	3,325,545.6	3,625,727.4	2.8
Shinyanga	4,898,380.9	5,596,033.6	6,438,007.5	6,936,109.9	7,540,589.4	5.8
Kagera	3,254,573.5	3,718,106.7	4,281,165.9	4,572,614.0	4,928,135.0	3.8
Mwanza	7,748,197.8	8,776,241.6	10,497,937.0	11,622,524.8	12,731,454.0	9.8
Mara	3,031,544.3	3,463,312.5	3,977,692.8	4,335,060.1	4,620,796.7	3.6
Tanzania Mainland	82,603,387.7	94,349,315.7	108,362,324.3	118,744,498.4	129,364,353.3	100.0

Source: National Bureau of Statistics

Note: r denotes revised data; and p, provisional data

1.2 Inflation and Food Crop Wholesale Prices

Annual headline inflation eased in all zones except for the Southern Highlands zone (**Table 1.2** and **Chart 1.1**). The decline in headline inflation was mainly due to a fall in prices of food items following a bumper harvest in 2017/18 crop season. The headline inflation in the Southern Highlands zone rose on account of rise in prices of some food and non-food items particularly health services. During the year, all zones registered inflation rates below the national headline inflation, except for the Southern Highlands and South Eastern zones.

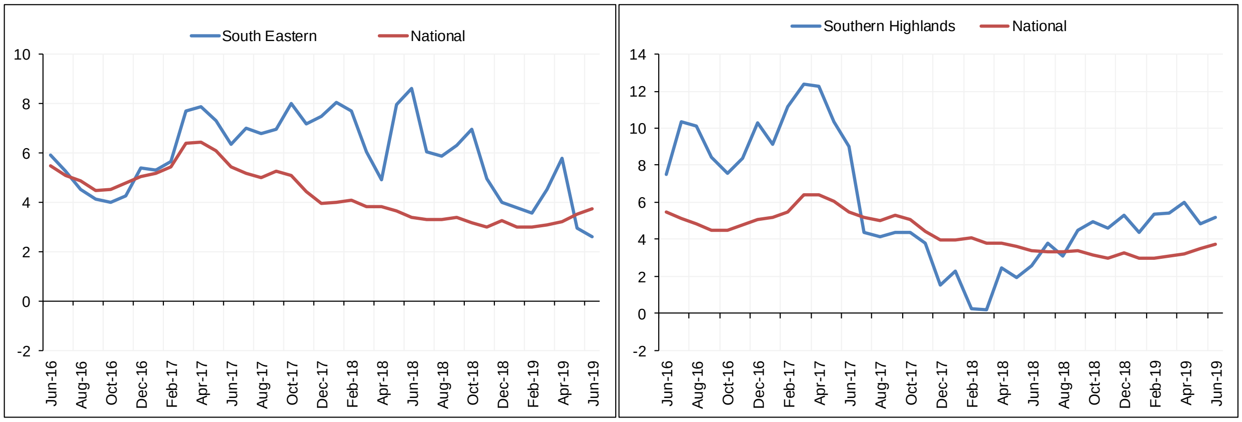
Table 1.2: Annual Average Headline Inflation

	National	Central	Dar Es Salaam	South Eastern	Lake	Northern	Southern Highlands
2015/16	6.0	4.5	5.3	5.7	7.0	7.3	6.7
2016/17	5.3	4.8	2.2	5.6	8.8	2.3	9.9
2017/18	4.3	4.4	2.7	7.2	4.6	4.9	2.5
2018/19	3.2	0.1	2.3	4.8	2.8	2.1	4.8

Source: National Bureau of Statistics

Chart 1.1: Year-on-Year Headline Inflation Developments

Percent



Source: National Bureau of Statistics and Bank of Tanzania computations

Following good weather in 2017/18 season, average wholesale prices of main food crops declined, except prices of round potatoes and wheat, which recorded an annual increase of 4.7 percent and 6.7 percent, respectively (**Table 1.3**). The increase in prices of round potatoes and wheat was largely due to demand pressures. The Southern Highlands zone, one of the food baskets in the country recorded higher prices of rice and maize as a result of increase in demand from neighboring countries and higher domestic demand, especially from areas that experienced pockets of food shortage in the Northern and Lake zones.

Table 1.3: Average Wholesale Prices for Selected Food Crops

TZS per 100 kg

		Central	South Eastern	Dar es Salaam	Southern Highlands	Northern	Lake	Average
Year ending June 2017	Beans	170,437.2	169,624.4	193,935.0	152,000.0	170,599.4	133,204.9	164,966.8
	Bulrush millet	108,773.2	na	106,267.9	na	84,525.6	na	99,855.5
	Finger millet	135,433.3	169,624.4	149,525.6	na	na	na	151,527.8
	Maize	84,486.7	57,325.2	86,481.1	51,000.0	81,094.9	83,926.6	74,052.4
	Rice	168,768.5	182,370.0	174,615.0	192,600.0	166,121.7	142,187.9	171,110.5
	Round potatoes	83,596.1	84,191.0	81,632.0	72,000.0	na	87,986.9	81,881.2
	Sorghum	101,678.5	97,016.5	114,103.6	na	na	103,918.3	104,179.2
	Wheat	na	na	123,350.7	na	96,671.0	na	110,010.8
Year ending June 2018	Beans	176,833.1	173,012.6	197,967.1	181,000.0	168,324.4	153,861.9	175,166.5
	Bulrush millet	78,656.8	na	94,336.4	na	64,222.7	na	79,072.0
	Finger millet	148,543.9	159,783.5	151,160.3	na	na	na	153,162.5
	Maize	59,770.6	49,365.2	53,008.7	29,600.0	51,051.4	72,091.2	52,481.2
	Rice	167,431.9	185,338.7	187,124.4	164,000.0	188,279.0	163,411.5	175,930.9
	Round potatoes	71,805.0	93,087.7	73,100.4	66,000.0	na	77,538.7	76,306.4
	Sorghum	81,552.0	106,404.8	92,722.2	na	na	95,905.6	94,146.1
	Wheat	na	na	121,855.5	na	89,297.0	na	105,576.3
Year ending June 2019^p	Beans	171,178.3	165,815.2	188,983.6	166,595.4	148,114.2	153,319.1	165,667.6
	Bulrush millet	59,597.5	na	76,887.2	na	72,499.0	na	69,661.2
	Finger millet	135,293.4	na	132,532.1	na	na	na	133,912.7
	Maize	50,206.0	47,173.0	53,700.7	37,240.4	48,287.1	55,619.2	48,704.4
	Rice	158,485.3	180,416.2	168,610.7	168,571.2	166,845.0	141,080.7	164,001.5
	Round potatoes	71,929.5	94,971.0	83,006.6	67,289.9	na	82,399.1	79,919.2
	Sorghum	72,159.4	102,323.6	80,275.4	na	na	83,748.7	84,626.8
	Wheat	na	na	128,188.9	na	97,154.1	na	112,671.5

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

2.0 FOOD SUPPLY SITUATION

2.1 Food production in 2018/19 and requirements for 2019/20

Food supply was generally satisfactory in all zones. Production of food crops in 2018/19 season is estimated at 16.4 million tonnes compared to the national requirement of 13.8 million tonnes, resulting in a self-sufficiency ratio (SSR) of 119 (**Table 2.1**). The Southern Highlands, South Eastern and Lake zones recorded a higher SSR, implying excess food supply during 2019/20 consumption period. The Northern and Central zones registered a lower SSR due to low harvest emanating from inadequate rains in some districts. Overall, during 2018/19 the country recorded a surplus of 2,565,776, which is sufficient to accommodate exports and food shortages that may arise in areas prone to food deficits.

Table 2.1: Food Production and Requirement

Tonnes

Zone	Food production 2018/19	Food requirement 2019/20	Surplus (+)/ Deficit (-)	Self sufficience ratio
Southern Highlands	4,051,722.0	2,060,699.0	1,991,023.0	196.6
South Eastern	2,199,890.0	1,389,338.0	810,552.0	158.3
Lake	5,190,305.0	4,288,633.0	901,672.0	121.0
Central	2,677,982.0	2,443,737.0	234,245.0	109.6
Northern	2,238,294.0	2,127,712.0	110,582.0	105.2
Dar es Salaam	50,118.0	1,532,416.0	-1,482,298.0	3.3
Total	16,408,311.0	13,842,535.0	2,565,776.0	118.5

Source: Ministry of Agriculture

2.2 Food stock at the National Food Reserve Agency

The stock of maize held by the National Food Reserve Agency (NFRA) was 67,335.9 tonnes at the end of June 2019, compared to 68,884.8 tonnes recorded at the end of June 2018 (**Table 2.2**). About 78.6 percent of the stock was held by the South Eastern and Southern Highlands zones. The agency purchased 47,114.0 tonnes of maize from farmers and sold 43,623.9 tonnes to the World Food Program (WFP), private traders and Prime Minister’s Office.

Table 2.2: Stock of Food Held by National Food Reserve Agency

Tonnes

Period	Zone	Opening balance	Quantity purchased	Quantity transfaered in	Quantity released	Closing balance
Year ending June 2017	Dar es Salaam	8,540.4	10.6	3,698.9	3,674.9	8,575.0
	Central	10,429.2	5,692.3	0.0	9,951.1	6,170.4
	Lake	10,787.1	0.0	1,984.3	6,104.8	6,666.6
	Northern	5,049.2	5,123.3	136.0	6,765.0	3,543.5
	South Eastern	8,815.8	10,335.4	0.0	8,815.8	10,335.4
	Southern Highlands	6,390.6	40,937.7	0.0	13,734.4	33,593.9
	Total	50,012.3	62,099.3	5,819.2	49,046.0	68,884.8
Year ending June 2018	Dar es Salaam	8,575.0	0.0	1,745.3	3,830.4	6,489.9
	Central	6,170.4	3,593.8	3,017.6	4,835.4	7,946.4
	Lake	6,666.6	0.0	2,065.1	7,397.9	1,333.8
	Northern	3,543.5	1,000.0	2,446.3	4,038.4	2,951.4
	South Eastern	10,335.4	11,557.5	0.0	0.0	21,892.9
	Southern Highlands	33,593.9	11,981.1	16,797.8	39,317.3	23,055.5
	Total	68,884.8	28,132.4	26,072.1	59,419.5	63,669.8
Year ending June 2019^{p}	Dar es Salaam	6,489.8	500.0	-4,944.4	1,545.4	500.0
	Central	7,946.2	1,875.9	31,617.4	36,068.4	5,371.1
	Lake	1,336.2	2,657.2	2,471.4	239.4	6,225.4
	Northern	2,951.5	1,836.8	1,340.7	3,832.9	2,296.0
	South Eastern	21,892.9	14,700.8	-16,152.4	23.1	20,418.2
	Southern Highlands	23,061.9	25,543.4	-14,165.5	1,914.7	32,525.1
	Total	63,678.6	47,114.0	167.2	43,623.9	67,335.9

Source: National Food Reserve Agency

Note: The NFRA stock does not include the amount in transit; p denotes provisional data; and * positive implies transfer in and negative implies transfer out

3.0 SECTORAL PERFORMANCE

3.1 Livestock

The value of livestock sold at registered markets during 2018/19 increased by 12.8 percent to TZS 1.3 trillion, compared to TZS 1.1 trillion recorded in 2017/18 (**Table 3.1**). The Southern Highlands zone recorded the highest increase of 32.3 percent, followed by Northern zone (20.9 percent) and Central zone (12.8 percent). This performance was mainly associated with an increase in the number of livestock sold.

Table 3.1: Livestock Sold through Registered Markets

Year	Livestock	Unit	Central	Dar es Salaam	South Eastern	Lake	Northern	Southern Highlands	Total
2016/17	Cattle	Number	485,754	383,940	299,870	639,359	406,200	116,789	2,331,912
		Value (Millions of TZS)	249,550	281,620	154,739	302,005	300,092	87,592	1,375,598
	Goats	Number	311,089	186,780	68,060	285,005	320,531	140,405	1,311,870
		Value (Millions of TZS)	18,291	13,747	3,822	12,978	14,549	8,705	72,092
	Sheep	Number	107,773	30,270	14,070	139,532	61,568	25,286	378,499
		Value (Millions of TZS)	6,888	1,984	908	6,327	6,029	1,568	23,704
		Total value (Millions of TZS)	274,729	297,351	159,469	321,310	320,670	97,865	1,471,394
2017/18	Cattle	Number	605,715	427,245	72,535	621,308	272,352	136,487	2,135,642
		Value (Millions of TZS)	272,076	303,894	30,459	210,174	175,396	68,940	1,060,939
	Goats	Number	353,664	226,935	39,736	387,601	214,331	41,962	1,264,229
		Value (Millions of TZS)	18,603	15,850	4,179	19,694	18,082	2,601	79,009
	Sheep	Number	132,286	50,895	1,876	79,262	110,930	11,057	386,306
		Value (Millions of TZS)	5,535	3,146	480	3,394	9,594	619	22,768
		Total value (Millions of TZS)	296,213	322,890	35,118	233,262	203,072	72,160	1,162,715
2018/19	Cattle	Number	736,115	446,898	67,661	552,538	356,705	192,536	2,352,453
		Value (Millions of TZS)	305,525	314,530	36,036	244,818	203,754	91,154	1,195,817
	Goats	Number	459,960	252,125	35,444	259,095	274,532	49,002	1,330,158
		Value (Millions of TZS)	22,275	17,150	2,698	13,097	26,822	3,685	85,728
	Sheep	Number	152,239	59,394	9,591	92,649	187,187	9,427	510,487
		Value (Millions of TZS)	6,195	3,561	602	4,010	14,887	602	29,857
	Total	Total value (Millions of TZS)	333,995	335,241	39,336	261,926	245,463	95,441	1,311,402

Source: Office of Regional Administrative Secretaries, Ministry of Livestock Development and Fisheries, and Bank of Tanzania computations

3.2 Fisheries

The quantity of fish catches increased by 21.9 percent to 104,068.8 tonnes compared to the preceding year (**Table 3.2**). Similarly, the value of fish catches increased by 15.4 percent to TZS 505.9 billion. The increase in fish catches was recorded in all zones except the Northern zone, partly on account of heightened patrols for curbing smuggling and illegal fishing practices. The Lake and Dar es Salaam zones together accounted for 66.9 percent of the total fish catches.

Table 3.2: Fish Catches

Zone	Unit	2015/16	2016/17	2017/18	2018/19^{p}	Percent change 2017/18 to 2018/19	Percent contibution 2018/19
Central	Tonnes	230.9	416.6	508.1	1,042.2	---	1.0
	Value (Billions of TZS)	0.9	2.3	2.7	4.0	46.7	0.0
Dar es Salaam	Tonnes	22,300.6	23,143.9	25,808.6	27,099.0	5.0	26.0
	Value (Billions of TZS)	83.5	91.3	100.1	105.1	5.0	0.1
South Eastern	Tonnes	23,571.1	19,901.3	10,487.3	10,896.8	3.9	10.5
	Value (Billions of TZS)	72.9	58.0	31.4	47.8	52.3	0.0
Lake	Tonnes	23,488.4	29,901.0	29,382.5	39,414.0	34.1	37.9
	Value (Billions of TZS)	138.1	208.2	207.7	223.7	7.7	0.2
Northern	Tonnes	13,391.0	12,425.2	12,975.8	11,097.5	-14.5	10.7
	Value (Billions of TZS)	65.6	54.4	56.6	50.9	-10.1	0.0
Southern Highlands	Tonnes	441.3	6,374.2	6,192.3	14,519.2	---	14.0
	Value (Billions of TZS)	18.1	47.2	39.8	74.4	86.9	0.1
Total	Tonnes	83,423.3	92,162.2	85,354.6	104,068.8	21.9	100.0
	Value (Billions of TZS)	379.1	461.4	438.3	505.9	15.4	0.5

Source: Office of Regional Administrative Secretaries, and Bank of Tanzania computations
Note: p denotes provisional data; and '---' a change that exceed 100 percent

3.3 Manufacturing

The value of selected manufactured goods increased by 7.9 percent to TZS 8,876.1 billion from TZS 8,223.6 billion recorded in 2017/18. This outturn was mainly associated with availability of raw materials and markets for manufactured goods, stability in power supply, establishment of new industries and rehabilitation of some of the existing industries. The highest growth rate was recorded in the South Eastern zone by 29.5 percent, while the Dar es Salaam and Lake zones registered the lowest growth, growing by 5.0 percent, each. The Dar es Salaam zone accounted for 58.0 percent of the total value of selected manufactured goods, followed by the Northern zone at 14.6 percent.

Table 3.3: Value of Selected Manufactured Commodities

Billions of TZS

Zone	2015/16	2016/17	2017/18	2018/19p	Percent change 2017/18 to 2018/19	Percent contibution 2018/19
Central	298.9	444.6	362.6	407.7	12.4	4.6
Dar es Salaam	4,003.0	4,199.0	4,902.5	5,147.6	5.0	58.0
South Eastern	87.4	215.6	599.4	776.0	29.5	8.7
Lake	526.5	476.7	589.9	619.4	5.0	7.0
Northern	1,189.0	1,122.5	1,172.1	1,294.5	10.4	14.6
Southern Highlands	545.9	566.0	597.1	630.9	5.7	7.1
Total	6,650.7	7,024.4	8,223.6	8,876.1	7.9	100.0

Source: National Bureau of Statistics, respective industries and Bank of Tanzania computations
Note: p denotes provisional data

3.4 Mining

The value of mineral recovery during the year under review was USD 1,668.8 million, a decrease of 4.2 percent compared to the value recorded in 2017/18. This outturn was mainly attributed to decrease in production of gold, limestone, gypsum, salt and other gemstones (sapphire) (**Table 3.4**). It is expected that enhanced efforts by the government to increase transparency in the mineral business and expand market access to mineral dealers by opening mineral auction centres in each region will lead to improved mineral pricing and further growth of the mining activities. The Lake zone remained dominant in mining activities, accounting for 88.2 percent of the value of minerals extracted, followed by the South Highlands zone at 6.3 percent.

Table 3.4: Value of Mineral Extraction

Millions of USD

Zone	2015/16	2016/17	2017/18	2018/19P	Percent change 2017/18 to 2018/19	Percent share 2018/19
Central	2.5	3.8	4.5	6.6	46.7	0.4
South Eastern	16.0	28.6	58.1	56.9	-2.1	3.4
Lake	1,329.5	1,575.2	1,542.7	1,472.0	-4.6	88.2
Northern	38.5	42.5	22.0	29.0	31.8	1.7
Southern Highlands	151.5	126.1	115.4	104.3	-9.6	6.3
Total	1,538.0	1,776.2	1,742.7	1,668.8	-4.2	100.0

Source: Regional Residence Mines Offices and mining companies
Note: p denotes provisional data

3.5 Tourism

Visitors to tourist attractions increased by 12.2 percent to 1,894,630, while total earnings, mainly gate fees rose by 17.2 percent to TZS 286.8 billion compared to the preceding year. All zones except the Southern Highlands recorded increases in the number of visitors and earnings. The positive performance was attributed to increased efforts in promoting tourist attractions, as well as improvement in supportive infrastructure such as roads and air transport services. The Northern zone maintained its position, contributing 68.5 percent of the total number of visitors and 73.5 percent of the total earnings, followed by the Lake zone (**Table 3.5**).

Table 3.5: Number of Visitors and Earnings

Zone	Unit	2015/16	2016/17	2017/18	2018/19p	Percent change 2017/18 to 2018/19	Percent share 2018/19
Central	Number of visitors	53,644	59,000	57,788	59,337	2.7	3.1
	Millions of TZS	1,473	1,804	1,682	1,729	2.8	0.6
Dar es Salaam	Number of visitors	21,863	20,436	12,130	31,878	---	1.7
	Millions of TZS	410	283	235	406	72.9	0.1
South Eastern	Number of visitors	22,968	23,022	19,316	19,922	3.1	1.1
	Millions of TZS	364	361	241	256	6.0	0.1
Lake	Number of visitors	407,672	371,256	415,835	454,287	9.2	24.0
	Millions of TZS	44,457	52,283	62,752	71,701	14.3	25.0
Northern	Number of visitors	1,074,514	1,028,029	1,148,769	1,297,424	12.9	68.5
	Millions of TZS	125,650	145,438	177,264	210,660	18.8	73.5
Southern Highlands	Number of visitors	32,720	40,511	34,553	31,782	-8.0	1.7
	Millions of TZS	1,639	2,110	2,564	2,030	-20.8	0.7
Total	Number of visitors	1,613,381	1,542,254	1,688,391	1,894,630	12.2	100.0
	Millions of TZS	173,993	202,278	244,739	286,782	17.2	100.0

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

3.6 Energy

The overall electricity generated and distributed during the year increased by 41.2 percent to 7,157,469 megawatts, from the volume recorded during 2017/18 (**Table 3.6**). The improved performance was attributed to a rise in water level at Nyumba ya Mungu Dam and increased production by Tanzania Electric Supply Company (TANESCO) owned power plants, especially Kinyerezi II. However, the power generation in Lake zone declined by 45.5 percent to 143,004 during the year under review. The decrease was contributed by Nyakato plant whose power production declined by 97.1 percent because of stabilization of power supply from the National Grid. Natural gas production from Songo Songo and Mnazi Bay increased by 12.0 percent to 60,349 Million Standard Cubic Feet (MSCF) on account of gas increased demand.

Table 3.6: Production of Electricity and Natural Gas

Zone	2015/16	2016/17	2017/18	2018/19p	Percent change 2017/18 to 2018/19	Percent contibution 2018/19
A. Electricity (MWh):						
Central				1,517,549.7	N/A	21.2
Dar es Salaam	4,137,098.3	4,272,705.2	4,425,088.9	4,958,570.3	12.1	69.3
South Eastern	84,839.9	93,923.3	70,359.6	95,591.7	35.9	1.3
Lake	275,620.1	303,550.6	262,423.3	143,003.9	-45.5	2.0
Northern	331,627.4	250,464.2	309,659.4	439,686.7	42.0	6.1
Southern Highlandsr	5,241.0	1,813.3	2,321.0	3,066.5	32.1	0.0
Total	4,834,426.7	4,922,456.6	5,069,852.2	7,157,468.8	41.2	100.0
B. Natural Gas (MSCF):						
South Eastern	43,903.3	47,614.2	53,907.1	60,349.4	12.0	

Source: National Bureau of Statistics, TANESCO and Tanzania Petroleum Development Corporation (TPDC)
Note: N/A denotes not applicable; p, provisional data; and r, revised data

4.0 TAX REVENUE PERFORMANCE

Tax revenue collection during the year ending June 2019 increased by 3.3 percent to TZS 15,652.1 billion, being 86.4 percent of the collection target. The improvement in collections was largely on account of ongoing efforts to strengthen tax compliance and administration. The Dar es Salaam zone accounted for 89.8 percent of total collections, followed by the Northern zone at 5.3 percent (**Table 4.1**).

Table 4.1: Tax Revenue Performance

Billions of TZS

	Actual			Target			
Zone	2016/17	2017/18	2018/19p	2018/19	Actual vs target (%)	Percentage change 2017/18 to 2018/19	Percentage share 2018/19
Central	157.3	157.6	174.8	191.4	91.3	10.9	1.1
Dar es Salaam	12,652.7	13,480.9	13,880.0	16,024.7	86.6	3.0	88.7
South Eastern	339.7	372.6	121.7	294.8	41.3	-67.3	0.8
Lake	522.9	686.2	439.5	462.1	95.1	-36.0	2.8
Nothern	233.5	246.8	831.6	865.5	96.1	---	5.3
Southern Highlands	238.8	205.9	204.5	270.1	75.7	-0.7	1.3
Total	14,144.9	15,150.0	15,652.1	18,108.6	86.4	3.3	100.0

Source: Tanzania Revenue Authority
Note: Tax revenue is on gross basis; p denotes provisional data; and '---', a change that exceed 100 percent

5.0 TRADE

5.1 Cross Border Trade

Cross border trade balance declined by 22.2 percent to a surplus of TZS 5,659.5 billion from a surplus of TZS 7,270.2 billion recorded in 2017/18 (Table 4.3). The value of exports across borders declined by 32.9 percent, while the value of imports slowed down by 56.1 percent. The Northern and Lake zones contributed about 84.5 percent of the total exports and 74.8 percent of the total imports (**Table 5.1**). The South Eastern zone contributed the lowest in both exports and imports with the total value of TZS 96.8 billion and TZS 72.6 billion respectively.

Table 5.1: Formal Cross Border Trade

Billions of TZS

Zone		2015/16	2016/17	2017/18^{r}	2018/19^{p}	Percentage change 2017/18 to 2018/19	Percentage share 2018/19
South Eastern	Exports	734.4	239.7	894.9	96.8	-89.2	1.4
	Imports	126.0	20.5	56.2	72.6	29.2	5.0
	Trade balance	608.4	219.2	838.7	24.2	-97.1	0.4
Lake	Exports	3,711.4	3,934.1	3,377.8	2,605.7	-22.9	36.6
	Imports	580.6	547.8	386.0	512.7	32.8	35.0
	Trade balance	3,130.8	3,386.3	2,991.8	2,093.0	-30.0	37.0
Northern	Exports	1,930.0	2,648.7	3,684.2	3,417.4	-7.2	48.0
	Imports	783.8	514.0	537.6	583.5	8.5	39.8
	Trade balance	1,146.2	2,134.7	3,146.6	2,833.9	-9.9	50.1
Southern Highlands	Exports	1,953.6	2,571.4	2,655.2	1,005.8	-62.1	14.1
	Imports	1,815.4	2,378.8	2,362.1	297.4	-87.4	20.3
	Trade balance	138.2	192.6	293.1	708.4	---	12.5
Total	Exports	8,329.4	9,393.9	10,612.1	7,125.7	-32.9	100.0
	Imports	3,305.8	3,461.1	3,341.9	1,466.2	-56.1	100.0
	Trade balance	5,023.6	5,932.8	7,270.2	5,659.5	-22.2	100.0

Source: Tanzania Revenue Authority
Note: r denotes revised data; p, provisional data; and "---" a change that exceed 100 percent

5.2 Ports Performance

The volume of cargo handled through Dar es Salaam port increased by 5.9 percent to 15.7 million tonnes from 14.9 million tonnes recorded in previous year accounting for 98.4 percent of the total cargo handled during the period (**Table 5.2**). The increase was mainly attributed to ongoing modernization of infrastructure and growing preference of traders for the Tanzanian ports. However, cargo handled at Mtwara Port declined significantly mainly on account of a decrease in exports, particularly cashew nuts. Likewise, the decrease in cargo handled at Tanga Port was due to decline in imports of grains (wheat barley); coal; petroleum coke; and clinker, which is currently being produced in the country.

Table 5.2: Ports Performance

'000' Tonnes

Port	2016/17	2017/18	2018/19	Percentage change 2017/18 to 2018/19	Percentage contribution 2018/19
Dar es Salaam	13,143.0	14,863.0	15,743.0	5.9	98.4
Tanga	577.0	698.0	150.0	-78.5	0.9
Mtwara	378.0	363.0	106.0	-70.8	0.7
Total	14,098.0	15,924.0	15,999.0	0.5	100.0

Source: Tanzania Ports Authority
Note: p denotes provisional data

6.0 FINANCIAL SECTOR DEVELOPMENTS

6.1 Banks' Deposits and Lending

Deposits mobilization by commercial banks remained almost the same as compared to the preceding year. With the exception of the Dar es Salaam and Northern zones, good performance in deposit mobilization was notable across all zones, mainly due to ongoing operationalization of agent banking model, expansion of branch network and the use of mobile banking platforms. The highest growth in deposits mobilization was registered in the Central and Southern Highlands zones while the least growth was recorded in Northern zone (**Table 6.1**). The Dar es Salaam zone maintained its dominance, accounting for 63.6 percent of total deposits, followed by the Northern zone at 12.0 percent. The South Eastern zone contributed the least share of 3.2 percent.

Table 6.1: Banks' Deposits

Billions of TZS

Zone	2016/17	2017/18	2018/19	Percentage change 2017/18 to 2018/19	Percentage share 2018/19
Central	965.4	1,109.0	1,580.3	42.5	8.3
Dar es Salaam	12,295.6	12,364.7	12,046.3	-2.6	63.6
South Eastern	513.6	548.3	614.2	12.0	3.2
Lake	1,207.4	1,368.6	1,469.9	7.4	7.8
Northern	2,540.7	2,771.3	2,268.7	-18.1	12.0
Southern Highlands	791.2	784.7	964.2	22.9	5.1
Total*	18,313.8	18,946.7	18,943.5	0.0	100.0

Source: Banks in respective zones
Note: * data excludes Zanzibar

Loans extended to various economic activities by commercial banks decreased by 4.4 percent to TZS 14,220.3 billion from TZS 14,873.6 recorded in the preceding year. The decline was particularly notable in the Northern zone (24.3 percent), the Dar es Salaam zone (8.4 percent), and the Lake zone (1.4 percent). Dar-es-Salaam zone accounted for 60 percent of total loans, followed by the Lake and Northern zones, each accounting for 10.6 percent of the total loans (**Table 6.2**).

Table 6.2: Banks' Lending

Billions of TZS

Zone	2016/17	2017/18	2018/19	Percentage change 2017/18 to 2018/19	Percentage share 2018/19
Central	948.6	805.7	1,242.0	54.2	8.7
Dar es Salaam	9,284.3	9,306.5	8,528.8	-8.4	60.0
South Eastern	418.1	430.9	534.9	24.1	3.8
Lake	1,277.1	1,533.7	1,512.9	-1.4	10.6
Northern	1,994.7	2,001.1	1,514.4	-24.3	10.6
Southern Highlands	704.3	795.7	887.4	11.5	6.2
Total*	14,627.2	14,873.6	14,220.3	-4.4	100.0

Source: Banks in respective zones
Note: * data excludes Zanzibar

The largest beneficiaries of loans issued include personal related issues, wholesale and retail trade, manufacturing and agriculture collectively accounting for 60.5 percent of the total outstanding loans (**Table 6.3**).

Table 6.3: Percentage Share of Banks' Lending by Activity as at the end of June 2019

Activity	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highland	Average
Agriculture activities	17.9	2.2	6.2	6.9	9.7	12.1	9.2
Mining and quarrying	1.5	1.9	5.1	0.5	0.0	1.2	1.7
Manufacturing	0.1	15.7	7.1	9.8	26.1	9.7	11.4
Electricity, gas and water	1.5	3.6	0.5	0.3	0.6	2.5	1.5
Building and construction	5.1	6.7	4.6	2.9	6.3	4.7	5.0
Real estate	0.0	6.2	0.0	2.4	3.2	10.0	3.6
Wholesale and retali trade	2.6	23.7	13.9	14.0	8.1	18.8	13.5
Transport, storage and communication	9.0	8.0	0.9	1.8	0.7	1.3	3.6
Financial intermediation	0.3	1.6	28.1	1.2	0.2	0.5	5.3
Personal	49.3	14.5	21.7	30.7	20.9	21.0	26.4
Hotels and restaurants	1.0	3.4	1.1	7.1	8.4	0.5	3.6
Education	2.7	8.6	2.2	13.7	13.4	10.4	8.5
Others	9.1	4.0	8.6	8.7	2.3	7.3	6.7

Source: Banks and Bank of Tanzania computations

6.2 Savings and Credit Cooperative Societies (SACCOS)

The value of savings, deposits, and loans issued by Savings and credit cooperative societies (SACCOS) activities improved during the period under review. The value of savings, deposits, and loans issued rose by 0.5 percent 20.0 percent and 8.2 percent, respectively. However, total outstanding loans declined by 12.6 percent indicating that members of the societies were servicing their loans as per agreements (**Table 6.4**). The Northern zone and the Central zone accounted for the largest share of the loan extended by SACCOS, at about 73.8 percent.

Table 6.4: Performance of Savings and Credit Cooperative Societies

	Category	Central	South Eastern	Southern Highlands	Northern	Lake	Total
Year ending June 2017	Number of SACCOS	941.0	1,250.0	751.0	930.0	928.0	4,800.0
	Members	142,666.0	149,081.0	129,233.0	185,207.0	134,735.0	740,922.0
	Shares value (Mil. of TZS)	6,797.0	7,598.5	15,540.2	16,100.0	6,888.5	52,924.2
	Savings (Mil. of TZS)	26,848.0	25,614.1	21,781.6	79,945.5	21,738.5	175,927.7
	Deposits (Mil. of TZS)	2,578.0	4,351.3	16,018.1	11,900.2	5,710.7	40,558.3
	Loans issued (Mil. of TZS)	127,752.0	93,818.3	193,567.0	365,282.1	54,537.2	834,956.6
	Outstanding loans (Mil. of TZS)	53,579.0	52,361.4	124,176.4	224,363.7	40,371.3	494,851.8
Year ending June 2018	Number of SACCOS	721.0	1,250.0	732.0	859.0	995.0	4,557.0
	Members	205,285.0	149,081.0	137,257.0	189,634.0	131,638.0	812,895.0
	Shares value (Mil. of TZS)	8,819.5	7,873.3	23,284.6	13.3	4,814.6	44,805.3
	Savings (Mil. of TZS)	27,971.9	27,210.6	40,844.6	93,039.7	9,772.8	198,839.6
	Deposits (Mil. of TZS)	2,621.6	4,410.7	14,119.8	17,001.1	1,634.1	39,787.3
	Loans issued (Mil. of TZS)	181,007.3	80,283.8	158,595.1	390,809.5	22,580.8	833,276.5
	Outstanding loans (Mil. of TZS)	57,030.4	43,144.5	62,302.1	145,535.7	16,828.0	324,840.7
Year ending June 2019[p]	Number of SACCOS	800.0	390.0	678.0	1,027.0	1,026.0	3,921.0
	Members	136,291.0	79,807.0	128,674.0	208,175.0	134,159.0	687,106.0
	Shares value (Mil. of TZS)	9,070.7	3,777.1	14,163.1	16.2	2,752.9	29,780.1
	Savings (Mil. of TZS)	31,256.9	15,522.3	45,460.1	95,968.0	11,553.2	199,760.4
	Deposits (Mil. of TZS)	2,954.2	7,018.2	16,117.6	20,132.6	1,508.9	47,731.4
	Loans issued (Mil. of TZS)	178,978.2	40,298.7	162,294.4	486,688.9	33,687.4	901,947.6
	Outstanding loans (Mil. of TZS)	92,625.0	16,986.2	49,155.9	111,520.8	13,681.9	283,969.8

Source: Ministry of Agriculture, and Regional Authorities
Note: Data excludes Dar es Salaam zone