



BANK OF TANZANIA

**CONSOLIDATED ZONAL ECONOMIC
PERFORMANCE REPORT FOR THE QUARTER
ENDING SEPTEMBER 2018**

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BANK OF TANZANIA

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Executive Summary

During the quarter ending September 2018, average headline inflation declined across all zones except for South Eastern Zone when compared with the corresponding quarter in 2017. The decline was mainly associated to adequate food supply and a fall in prices of some non-food items. The registered higher average headline inflation in the South Eastern Zone was mainly on account of increase in some non-cereal food prices. Wholesale average prices of all major food crops¹ declined in all zones compared to the corresponding quarter in 2017, except that of round potatoes. The decrease was mainly associated with improved food supplies following good weather conditions and availability of fertilizers.

During the period, food supply situation was satisfactory in all Zones following more than adequate production of food crops in the 2017/18 crop season. National Food Reserve Agency (NFRA) purchased 18,398.6 tonnes and sold 7,610.7 tonnes of maize to the market and World Food Programme. At the end of September 2018, NFRA remained with a balance of 77,919 tonnes of maize.

The value of livestock sold in registered markets decreased by 19.3 percent to TZS 223.7 billion mainly attributed to a decline in the number of cattle and goats sold partly on account of reduced need for selling animals to buy food owing to adequate food production in 2017/18. Meanwhile, the quantity and value of fish catches across zones increased, following control of illegal fishing activities, re-opening and resumption of fishing activities at Kitangiri dam in Singida and Nyumba ya Mungu dam in Kilimanjaro.

Manufacturing activity improved during the period across all zones, growing by 21.3 percent on account of stability in power supply, availability of raw materials, and supportive infrastructure particularly roads, ports and airports coupled with expansion in market outreach. Value of minerals extracted rose by 3.1 percent largely explained by increase in production of coal and limestone in the South Eastern zone, gold and diamond in the Lake zone, gold, gemstone and gypsum in the Central zone; and cut tanzanite in the Northern zone.

¹ They include beans, bulrush millet, finger millet, maize, rice, round potatoes, sorghum, and wheat



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As regards tourism, the number of tourists and earnings, (mainly in form of gate fees) increased by 21.2 percent and 36.2 percent, respectively largely associated with on-going promotional campaigns undertaken by government, improvement in tourism services and supportive infrastructures particularly transport to national parks.

Electricity generated and distributed grew by 5.1 percent to 1,787,318.2 megawatts compared to the level recorded in the corresponding period in 2017 driven by performance in the Northern and Southern Highlands Zones. Conversely, production of gas from Songo Songo and Mnazi Bay fields decreased by 6.4 percent mainly due to end of production at Kiliwani North gas well.

Volume of cargo shipped through Dar es Salaam and Tanga ports increased by 10.5 percent and 77.5 percent respectively, owing to increase in efficiency in port operations following ongoing modernization and harmonization of operations at the ports and construction of infrastructure especially roads. Consequently, transit cargo to neighboring countries, which accounted for 37.4 percent of the total cargo handled at Dar es Salaam port, increased to 1.6 million tonnes from 1.5 million tonnes in the quarter ending September 2017. Meanwhile, Cargo handled at Mtwara port declined due to slow down in imports.

Total zonal tax revenue collection by Tanzania Revenue Authority increased by 3.9 percent to TZS 3,763.0 billion, equivalent to 89.3 percent of the period target. The improvement in collection was largely on account of ongoing efforts to enforce and strengthen tax compliance and administration, coupled with improvement in economic activities. Local Government revenue collection increased by 23.5 percent to TZS 371.0 billion supported by improvement in revenue administration and usage of Electronic Fiscal Devices (EFDs). Meanwhile, cross border trade decreased by 22.1 percent to a surplus of TZS 1,680.3 billion due to a decrease in value of exports and increase in imports.

Banks' deposits mobilization improved across zones except in Dar es Salaam Zone that declined due to closure of one bank. As a result, total zonal deposits decreased by 3.6 percent to TZS 16,385.9 billion. Commercial banks' lending to various economic activities increased by 7.4 percent in the quarter ending September 2018 with the highest rate recorded in Northern, Southern Highlands and Lake Zones. Personal, trade, social services and manufacturing activities accounted for 68.6 percent of total loans. According to provisional data, performance of the Savings and Credit Cooperative Societies (SACCOS) depicted a mixed trend. Savings declined in the Central, South



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Eastern and Lake Zones, while the amount of loan issued increased in Central, Southern Highlands and Northern Zones. During the period, the number of SACCOS, members and shares decreased.



1.0 ECONOMIC PERFORMANCE

1.1 Inflation and Wholesale Prices

During the quarter ending September 2018, average headline inflation declined across all zones except for South Eastern Zone when compared with the corresponding quarter in 2017 (**Table 1.1**). The decline was mainly associated to adequate food supply and a fall in prices of some non-food items under alcoholic beverages and tobacco; housing, water, gas, electricity and other fuels; and furnishing, housing equipment, and routine maintenance of the house sub groups. The increase in inflation in the South Eastern Zone was mainly on account of a rise in prices of non-cereal food items particularly cassava flour, beef, fish, chicken, cooking oil, vegetables and fruits. Central, Dar es Salaam, Lake and Northern Zones registered average headline inflation lower than the national average of 3.3 percent (**Chart 1.1**).

Table 1.1: Quarterly Average Headline Inflation

	Percent						
	National	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands
Sep-17	5.2	5.6	2.2	7.9	10.1	9.1	4.3
Dec-17	4.5	5.8	2.4	5.6	7.3	10.6	3.2
Mar-18	4.0	4.5	3.6	2.6	5.0	11.0	0.9
Jun-18	3.6	1.6	2.6	2.1	2.0	10.7	1.5
Sep-18	3.3	-0.1	2.1	3.0	0.8	11.8	3.8

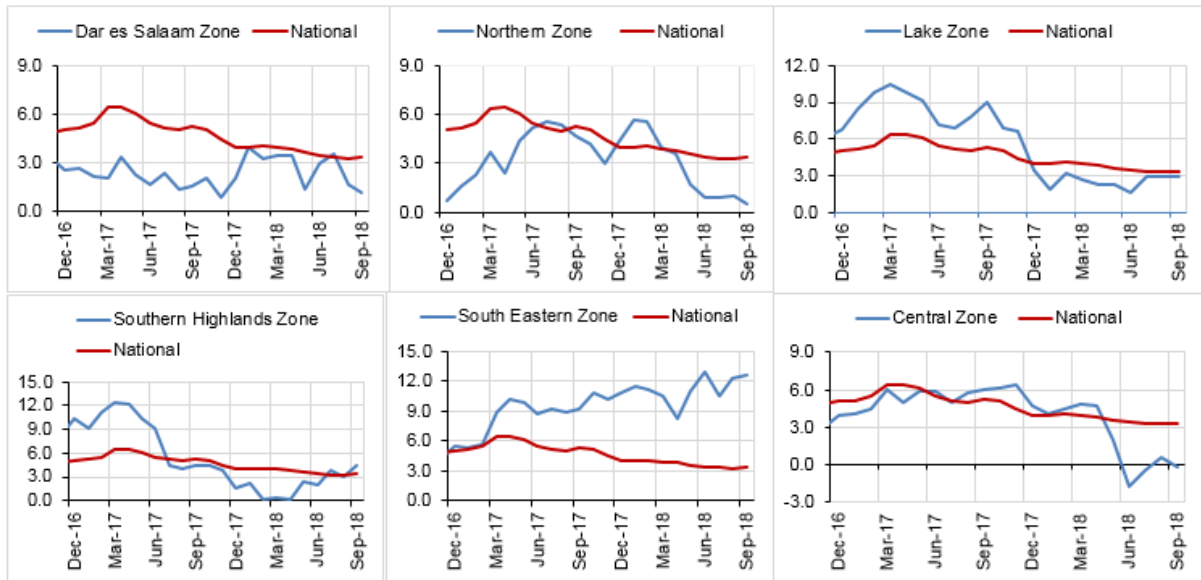
Source: National Bureau of Statistics



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Chart 1.1: Year-on-Year Headline Inflation Across Zones

Percent



Source: National Bureau of Statistics, and Bank of Tanzania computations

Average wholesale prices of all major food crops² declined compared to the corresponding quarter in 2017, except that of round potatoes (**Table 1.2**). On average, maize, sorghum and finger millet recorded notable price decline of 40.6 percent, 29.4 percent and 15.8 percent, respectively. The lowest price of maize was recorded in the South Eastern and Southern Highlands Zones, while the lowest prices of sorghum and finger millet were recorded in Northern Zone. The decrease in average food prices was mainly associated with improved food supply following good weather conditions and availability of fertilizers due to adoption of bulky procurement of fertilizers.

² They include beans, bulrush millet, finger millet, maize, rice, round potatoes, sorghum, and wheat.



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Table 1.2: Average Wholesale Price of Major Food Crops in the Zones

TZS per 100kg

Period		Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Quarter ending Sep-17	Beans	185,525	200,336	165,357	165,721	170,724	161,611	174,879
	Bulrush millet	92,574	104,715	n.a	71,942	n.a	n.a	89,744
	Finger millet	164,877	157,410	n.a	157,300	155,563	n.a	158,787
	Maize	62,095	59,933	107,239	51,177	77,094	44,156	66,949
	Rice	165,851	181,050	167,377	183,420	187,438	187,778	178,819
	Round potatoes	73,653	79,379.0	70,231	80,359.6	n.a	68,944	74,513
	Sorghum	84,063	106,312	133,569	70,662	150,000	n.a	108,921
	Wheat	n.a	124,097	n.a	93,893	n.a	n.a	108,995
Quarter ending Jun-18	Beans	162,583	199,151	147,693	167,423	174,325	186,067	172,874
	Bulrush millet	70,790	97,037	n.a	60,952	n.a	n.a	76,260
	Finger millet	127,970	147,917	n.a	111,904	170,104	n.a	139,474
	Maize	48,183	49,505	55,877	45,543	31,750	34,987	44,307
	Rice	147,083	184,213	136,677	182,908	183,333	185,640	169,976
	Round potatoes	66,736	68,736	84,785	78,429	n.a	62,360	72,209
	Sorghum	76,547	93,333	87,719	54,482	102,292	n.a	82,875
	Wheat	n.a	128,380	n.a	89,646	n.a	n.a	109,013
Quarter ending Sep-18 ^p	Beans	170,739	189,604	150,156	146,218	148,830	172,267	162,968.9
	Bulrush millet	75,833	85,931	n.a	66,328	n.a	n.a	76,030.6
	Finger millet	149,886	141,969	n.a	105,145	138,052	n.a	133,763.1
	Maize	43,530	42,835	48,053	39,175	32,187	32,867	39,774.3
	Rice	147,727	157,861	124,513	159,211	175,574	182,000	157,814.3
	Round potatoes	76,898	92,021	80,528	81,650	n.a	68,333	79,886.0
	Sorghum	76,015	84,614	81,477	44,332	98,136	n.a	76,914.7
	Wheat	n.a	124,237	n.a	87,965	n.a	n.a	106,101.0

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

2.0 Food Supply Situation

During the quarter ending September 2018, overall food supply was satisfactory in all Zones following adequate production of food crops in the 2017/18 crop season. During the period, the National Food Reserve Agency (NFRA) purchased 18,398.6 tonnes and sold 7,610.7 tonnes of maize to the market and World Food Programme (**Table 2.1**). At the end of September 2018, NFRA remained with the balance of 77,919.0 tonnes of maize.



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Table 2.1: Stock of Food held by NFRA in Zones

Period	Zone					Tonnes
		Opening balance	Quantity purchased	Quantity transferred	Quantity released	Balance
Quarter ending Sep-17	Central	6,170.3	1,450.0	-340.5	5.0	7,274.8
	Southern Highlands	33,600.4	9,225.6	-2,028.7	1,125.4	39,671.9
	Northern	3,543.6	240.8	746.8	1,292.8	3,238.4
	Lake	6,668.6	0.0	2,065.1	40.0	8,693.7
	South Eastern	10,335.4	6,595.3	0.0	0.0	16,930.7
	Dar es Salaam	8,574.9	0.0	965.2	40.4	9,499.7
	Total		68,893.2	17,511.7	1,407.9	2,503.6
Quarter ending Jun-18	Central	7,069.6	2,893.8	0.0	2,017.2	7,946.2
	Southern Highlands	35,906.8	0.0	1,495.8	14,340.7	23,061.9
	Northern	3,851.5	0.0	0.0	900.0	2,951.5
	Lake	4,691.1	0.0	0.0	3,354.8	1,336.3
	South Eastern	21,893.0	0.0	0.0	0.0	21,893.0
	Dar es Salaam	7,635.5	0.0	455.2	1,600.9	6,489.8
	Total		81,047.5	2,893.8	1,951.0	22,213.6
Quarter ending Sep-18 ^P	Central	7,946.2	946.5	3,453.8	0.0	12,346.5
	Southern Highlands	23,062.0	8,965.4	0.0	1,395.6	30,631.8
	Northern	2,951.5	661.7	1,339.3	900.0	4,052.5
	Lake	1,336.2	1,335.5	0.0	40.0	2,631.7
	South Eastern	21,893.0	6,389.3	0.0	3,753.3	24,529.0
	Dar es Salaam	6,489.8	100.2	-1,340.7	1,521.8	3,727.5
	Total		63,678.7	18,398.6	3,452.4	7,610.7

Source: National Food Reserve Agency

Note: "p" denotes provisional data

3.0 SECTORAL PERFORMANCE

3.1 Livestock

The value of livestock comprising cattle, goat and sheep sold in the registered markets (except for Dar es Salaam Zone) decreased by 19.3 percent to TZS 223.7 billion (**Table 3.1**). The decrease in sales was mainly attributed to decline in the number of cattle and goat sold partly because of reduced need for selling animals to buy food following adequate food production in 2017/18 crop season. Out of total value, Central, Lake and Northern Zones accounted for 83.7 percent of total earnings, while Southern Eastern Zone contributed the lowest, at 3.5 percent.



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Table 3.1: Livestock Sold through Registered Markets

	Livestock	Unit	Lake	Northern	Southern Highlands	Central	Dar es Salaam	South Eastern	Total
Quarter ending Sep-2017	Cattle	Number	116,478	66,620	33,794	158,728	106,980	15,673	498,273
		Value (Mill. of TZS)	37,733.3	44,694.1	18,574.0	72,587.5	73,884.5	6,503.1	253,976.5
	Goats	Number	65,032	55,963	15,555	87,588	53,550	5,561	283,249
		Value (Mill. of TZS)	3,575.8	4,966.7	1,039.1	4,435.6	3,667.3	365.7	18,050.1
	Sheep	Number	19,121	23,391	2,447	34,877	8,160	1,365	89,361
		Value (Mill. of TZS)	867.5	2,142.5	110.1	1,388.6	493.3	88.5	5,090.4
	Total	Value (Mill. of TZS)	42,176.6	51,803.2	19,723.2	78,411.7	78,045.1	6,957.3	277,117.1
Quarter ending Jun-2018	Cattle	Number	155,327	64,689	39,894	136,874	130,830	21,024	548,638
		Value (Mill. of TZS)	52,543.6	44,457.8	19,155.9	57,976.3	93,961.4	10,267.0	278,362.0
	Goats	Number	96,900	50,599	11,956	89,500	77,100	12,861.0	338,916
		Value (Mill. of TZS)	4,923.5	4,673.8	790.5	4,604.5	5,053.3	865.4	20,910.9
	Sheep	Number	19,816	30,393	2,116	28,694	11,970	2,975	95,964
		Value (Mill. of TZS)	848.5	2,754.5	128.9	1,200.6	684.3	181.9	5,798.7
	Total	Value (Mill. of TZS)	58,315.6	51,886.0	20,075.3	63,781.4	99,698.9	11,314.3	305,071.6
Quarter ending Sep-2018 ^p	Cattle	Number	156,608.0	70,205.0	53,464.0	159,376.0	na	16,041	455,694
		Value (Mill. of TZS)	52,627.6	39,562.9	27,771.2	73,955.6	na	7,195.2	201,112
	Goats	Number	78,108	60,724	11,595	112,190	na	8,099	270,716
		Value (Mill. of TZS)	3,625.7	6,101.7	799.7	6,294.8	na	473.9	17,296
	Sheep	Number	22,501	38,138	1,896	33,176	na	2,284	97,995
		Value (Mill. of TZS)	733.4	2,891.4	133.9	1,373.6	na	151.3	5,284
	Total	Value (Mill. of TZS)	56,986.7	48,556.0	28,704.8	81,624.0	na	7,820.4	223,691.9

Source: Regional Commissioner's Offices, and Ministry of Livestock Development and Fisheries.

Note: na denotes data not available; and p, provisional data

3.2 Fisheries

During the quarter under review, the value of fish sold rose to TZS 102.3 billion from TZS 93.4 billion recorded in the quarter ending September 2017, with Southern Highlands and Northern Zones recording the highest increase of 45.3 percent and 23.6 percent, respectively. The increase in value was largely attributed to a rise in the quantity of fish catches, which increased to 18,685.2 tonnes from 17,456.6 tonnes (**Table 3.2**). Significant increase was registered in the Southern Highlands, Central, Northern and Lake Zones. The increase in fish catches was largely driven by control of illegal fishing activities by regional and district authorities, re-opening of Kitangiri dam in Singida region and resumption of fishing activities at Nyumba ya Mungu dam. However, the volume of fish catches in South Eastern and Dar es Salaam Zones decreased by 43.5 percent and 19.1 percent, respectively, mainly due to unfavourable weather conditions particularly sea storms and big waves. Lake Zone accounted for 49.7 percent of the total catches and 62.0 percent of the total value.



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Table 3.2: Fish Catches

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Sep -18
		Sep-17	Jun-18	Sep-18	Jun -18 to Sep -18	Sep -17 to Sep-18	
Central	Tonnes	226.2	144.0	301.0	109.0	33.1	1.6
	Value (Mill. of TZS)	1,291.7	882.2	1,438.7	63.1	11.4	1.4
Dar es Salaam	Tonnes	3,427.1	2,257.5	2,773.5	22.9	-19.1	14.8
	Value (Mill. of TZS)	10,440.2	7,096.3	8,768.2	23.6	-16.0	8.6
South Eastern	Tonnes	2,213.9	4,281.6	1,250.4	-70.8	-43.5	6.7
	Value (Mill. of TZS)	7,701.2	11,983.0	5,005.2	-58.2	-35.0	4.9
Lake	Tonnes	8,699.0	7,882.9	9,288.5	17.8	6.8	49.7
	Value (Mill. of TZS)	56,607.0	44,151.2	63,396.2	43.6	12.0	62.0
Northern	Tonnes	1,338.2	1,544.2	1,462.9	-5.3	9.3	7.8
	Value (Mill. of TZS)	6,944.7	7,847.2	8,586.9	9.4	23.6	8.4
Southern Highlands	Tonnes	1,552.2	1,641.7	3,608.9	---	---	19.3
	Value (Mill. of TZS)	10,377.5	10,300.8	15,081.7	46.4	45.3	14.7
Total	Tonnes	17,456.6	17,752.0	18,685.2	5.3	7.0	100.0
	Value (Mill. of TZS)	93,362.3	82,260.7	102,276.9	24.3	9.5	100.0

Source: Regional Commissioners' Offices, and Bank of Tanzania computations

Note: "----" denotes a change exceed 100 percent

3.3 Manufacturing

Performance of manufacturing activities improved in the quarter ending September 2018 relative to the corresponding period in 2017. The value of selected manufactured goods grew by 21.3 percent to TZS 2,243.9 billion (**Table 3.3**). The outturn was attributed to stability in power supply, availability of raw materials, and supportive infrastructure particularly roads, ports and airports coupled with expansion in market outreach. Growth was recorded in all Zones, with South Eastern Zone recording the highest increase of 72.9 percent, Southern Highlands Zone (22.4 percent) and Dar es Salaam Zone (21.8 percent). In the South Eastern Zone, the increase was mainly associated with increased production of steel products, ceramics and cement. Dar es Salaam Zone continued to dominate the sector, accounting for 56.3 percent of total value of selected manufactured goods during the quarter, followed by Northern Zone at 13.6 percent.



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Table 3.3: Value of Selected Manufactured Commodities

Billions of TZS

Zone	Quarter ending			Percentage change		Percentage contribution Sep-18
	Sep-17	Jun-18	Sep-18	Jun-18 to Sep-18	Sep-17 to Sep-18	
Central	138.5	42.8	156.8	---	13.2	7.0
Dar es Salaam	1,037.6	1,501.6	1,264.2	-15.8	21.8	56.3
South Eastern	95.9	117.2	165.8	41.4	72.9	7.4
Lake	142.6	154.4	164.7	6.6	15.5	7.3
Northern	281.8	223.6	304.9	36.3	8.2	13.6
Southern Highlands	153.2	185.5	187.5	1.1	22.4	8.4
Total	1,849.6	2,225.1	2,243.9	0.8	21.3	100.0

Source: National Bureau of Statistics, respective industries, and Bank of Tanzania computations

Note: "----" denotes a change exceed 100 percent

3.4 Mining

The value of minerals extracted rose by 3.1 percent to TZS 920.1 billion in the quarter ending September 2018 from the level recorded in a similar period in 2017 (**Table 3.4**). This outturn was largely explained by increase in production of coal and limestone in the South Eastern Zone; gold and diamond in the Lake Zone; gold, gemstone and gypsum in the Central Zone; and cut Tanzanite in the Northern Zone. The value of mineral extracted in South Eastern Zone rose following increasing demand of limestone as one of the main raw materials for cement production, and coal as source of energy. Conversely, the decline of 4.2 percent of the value of mineral extracted in the Southern Highlands Zone was largely associated with low production of marble slabs. The Lake Zone accounted for 88.6 percent of value of minerals extracted.



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Table 3.4: Mineral Recovery Across Zones

Millions of TZS

Zone	Quarter ending			Percentage change		Percentage contribution Sep-18
	Sep-17	Jun-18	Sep-18	Jun-18 to Sep-18	Sep-17 to Sep-18	
Central	2,763.7	3,180.2	3,354.7	5.5	21.4	0.4
South Eastern	19,390.2	21,493.7	28,448.2	32.4	46.7	3.1
Lake	796,536.0	818,132.5	815,065.0	-0.4	2.3	88.6
Northern	10,023.9	11,131.7	11,804.1	6.0	17.8	1.3
Southern Highlands	64,164.1	63,417.5	61,473.4	-3.1	-4.2	6.7
Total	892,877.9	917,355.6	920,145.4	0.3	3.1	100.0

Source: Zonal Mining Offices and mining companies

3.5 Tourism

The number of visitors to tourist attraction sites grew by 21.2 percent to 688,252 from the number recorded in the quarter ending September 2017 (**Table 3.5**). Likewise, total earnings rose by 36.2 percent to TZS 126.7 billion. The improvement in both number of visitors and earnings in all zones was largely associated with on-going promotional campaigns undertaken by government in tourism services and supportive infrastructures particularly transport to national parks. Northern Zone remained dominant, accounting for 74.0 percent of the total earnings.

Table 3.5: Number of Tourists and Earnings

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Sep-18
		Sep-17	Jun-18	Sep-18	Jun -18 to Sep -18	Sep -17 to Sep-18	
Central	Number of visitors	22,529	1,622	24,375	---	8.2	3.5
	Value (Mill. of TZS)	673.8	410.9	773.3	88.2	14.8	0.6
Dar es Salaam	Number of visitors	3,709	3,954	14,208	---	---	2.1
	Value (Mill. of TZS)	61.8	63.1	95.2	50.9	54.0	0.1
South Eastern	Number of visitors	7,569	2,373	6,735	---	-11.0	1.0
	Value (Mill. of TZS)	96.0	25.7	96.2	---	0.2	0.1
Lake	Number of visitors	153,724	77,646	171,498	---	11.6	24.9
	Value (Mill. of TZS)	24,554.6	11,140.3	30,967.1	---	26.1	24.4
Northern	Number of visitors	364,970	239,862	454,839	---	24.6	66.1
	Value (Mill. of TZS)	66,720.7	42,557.9	93,675.1	---	40.4	74.0
Southern Highlands	Number of visitors	15,260	7,873	16,597	---	8.8	2.4
	Value (Mill. of TZS)	870.8	275.1	1,061.3	---	21.9	0.8
Total	Number of visitors	567,761.0	333,329.9	688,252.4	---	21.2	100.0
	Value (Mill. of TZS)	92,977.7	54,473.0	126,668.2	132.5	36.2	100.0

Source: Tanzania National Park, Ngorongoro Conservation Area, National Museum and House of Culture

Note: "----" denotes a change exceed 100 percent



3.6 Energy

Total electricity generated and distributed rose by 5.1 percent to 1,787,318.2 megawatts compared to the level recorded in the corresponding period in 2017 (**Table 3.6**). Electricity generated increased in all zones with the exception of Lake and Central Zones. Electricity generated in the Northern Zone went up mainly due to increase in water levels at Pangani, occasioned by adequate rains. However, electricity generated in Central Zone decreased mainly due to a fall in water levels at Mtera dam while that of Lake Zone decreased by 58.6 percent on account of suspension of electricity production at Nyakato Plant due to availability of cheap electricity produced by gas and water coupled with decrease of supply of electricity imported from Uganda. Gas production from Songo Songo and Mnazi Bay fields decreased by 6.4 percent to 13,212.6 Million Standard Cubic Feet (MSCF) from production recorded in the corresponding quarter in 2017 mainly due to end of production at Kiliwani North gas well.

Table 3.6: Production of Electricity and Gas

Zone	Quarter ending			Percentage change	
	Sep-17	Jun-18	Sep-18	Jun -18 to Sep -18	Sep -17 to Sep-18
A: Electricity (Megawatts)					
Central	353,960.0	439,266.8	307,639.4	-30.0	-13.1
Dar es Salaam	1,176,845.9	1,063,749.3	1,294,764.2	21.7	10.0
South Eastern	20,361.1	22,247.5	21,306.4	-4.2	4.6
Northern	65,305.1	141,700.5	126,374.0	-10.8	93.5
Lake	82,044.7	32,210.2	33,981.2	5.5	-58.6
Southern Highlands	2,080.1	3,167.0	3,253.0	2.7	56.4
Total	1,700,596.9	1,702,341.3	1,787,318.2	5.0	5.1
B: Natural gas (Million standard cubic feet)					
South Eastern	14,118.9	12,985.0	13,212.6	1.8	-6.4

Source: Tanzania Electric Supply Company Limited and Tanzania Petroleum Development Corporation

3.7 Ports Performance

During the period under review, performance of Dar es Salaam and Tanga ports improved. The volume of cargo handled at Dar es Salaam and Tanga ports increased by 10.5 percent and 77.3 percent to 4.2 million tonnes and 0.2 million tonnes respectively (**Table 3.7**). The improvement in cargo handling was attributed to ongoing modernization and harmonization of operations at the ports and construction of supportive infrastructure especially roads. Imports accounted for the largest share of cargo handled at Dar es Salaam and Tanga ports. Dar es Salaam port accounted



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for 95.2 percent of the total cargo handled. Transit cargo to neighboring countries, which accounted for 37.4 percent of the total cargo handled at Dar es Salaam port, increased to 1.6 million tonnes from 1.5 million tonnes in the quarter ending September 2017. Transit cargo to Zambia, DRC and Rwanda continued to dominate, accounting for 84.1 percent of total transit cargo. Meanwhile, cargo handled at Mtwara port declined by 15.7 percent due to slow down in imports.

Table 3.7: Cargo Handled at the Main Ports

Port	Quarter ending			Percentage change		Percentage share
	Sep-17	Jun-18	Sep-18	Jun -18 to Sep -18	Sep -17 to Sep-18	
	Dar es Salaam	3,758,359	3,517,106	4,152,203	18.1	
Tanga	100,826	213,064	178,769	-16.1	77.3	4.1
Mtwara	38,578	2,508	32,516	---	-15.7	0.7
Total	3,897,763	3,732,678	4,363,488	16.9	11.9	100.0

Source: Tanzania Ports Authority

Note: "—" denotes a change exceed 100 percent

4.0 REVENUE AND CROSS BORDER TRADE

4.1 Revenue Performance

4.1.1 Tax Revenue Performance

Total Zonal tax revenue collection increased by 3.9 percent to TZS 3,763.0 billion from TZS 3,621.0 billion registered in the corresponding period in 2017. The revenue collected was equivalent to 89.3 percent of the target (**Table 4.1**). The improvement in tax revenue collection was largely on account of the ongoing efforts to enforce and strengthen tax compliance and administration coupled with improvement in economic activities. Dar es Salaam Zone contributed 89.5 percent of total tax revenue, trailed by Northern Zone at 5.1 percent, while Southern Highlands and South Eastern Zones contributed the least.



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Table 4.1: Tax Revenue Performance

Billions of TZS

Zone	Quarter ending				Actual to target ratio	Percentage change	
	Actual			Target		Jun-18 to Sep-18	Sep-17 to Sep-18
	Sep-17	Jun-18	Sep-18	Sep-18			
Central	36.7	44.1	37.7	43.0	87.7	-14.5	2.7
Dar es Salaam	3,222.1	3,273.0	3,371.6	3,765.8	89.5	3.0	4.6
Lake	119.7	97.3	105.4	108.2	97.4	8.3	-11.9
Northern	167.3	95.6	191.4	203.6	94.0	100.2	14.4
South Eastern	25.5	32.6	24.6	30.3	81.2	-24.5	-3.5
Southern Highlands	49.7	36.5	32.3	62.5	51.7	-11.5	-35.0
Total	3,621.0	3,579.1	3,763.0	4,213.4	89.3	5.1	3.9

Source: Tanzania Revenue Authority

4.1.2 Local Government Revenue Performance

During the quarter under review, revenue collection by Local Government Authorities increased to TZS 371.0 billion from TZS 300.4 billion recorded in the corresponding period in 2017 (**Table 4.2**). The improvement in revenue collection was mainly explained by enhancement in revenue administration and the usage of Electronic Fiscal Devices (EFDs). Significant increase in revenue collection was recorded in Northern and Dar es Salam Zones. Meanwhile, Southern Highlands Zone accounted for the largest share of 35.6 percent of the total revenue collection followed by Central Zone (20.2 percent) and Northern Zone (20.1 percent).

Table 4.2: Local Government Revenue Performance

Millions of TZS

Zone	Sep-17	Jun-18	Sep-18	Percentage change Sep-17 to Sep-18	Percentage contribution Sep-18
	Actual	Actual	Actual		
Dar es Salaam	31,363.5	35,668.6	45,736.4	45.8	12.3
Northern	23,108.8	49,549.8	74,564.4	---	20.1
Lake	25,935.2	26,604.3	28,901.0	11.4	7.8
Southern Highlands	133,968.7	100,140.0	132,216.6	-1.3	35.6
Central	73,924.1	81,428.5	75,018.6	1.5	20.2
South Eastern	12,056.5	18,109.1	14,597.6	21.1	3.9
Total	300,356.8	311,500.3	371,034.6	23.5	100.0

Source: Regional Administrative Secretary offices

Note: "---" denotes a change exceed 100 percent



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4.2 Cross Border Trade

Cross border trade balance decreased by 22.1 percent to a surplus of TZS 1,680.3 billion from a surplus of TZS 2,158.1 billion recorded in the corresponding period in 2017. The decrease in trade surplus was largely explained by decrease in value of exports and increase in imports of capital and intermediate goods mainly for infrastructure development (**Table 4.3**).

Table 4.3: Formal Cross Border Trade

					Billions of TZS	
Zone		Quarter ending			Percentage change	
		Sep-17	Jun-18	Sep-18	Jun-18 to Sep-18	Sep-17 to Sep-18
Lake	Exports	1,270.3	879.6	726.5	-17.4	-42.8
	Imports	134.0	110.8	143.4	29.4	7.0
	Trade balance	1,136.3	768.8	583.1	-24.2	-48.7
Northern	Exports	859.5	713.6	892.5	25.1	3.8
	Imports	143.1	131.8	139.0	5.5	-2.9
	Trade balance	716.4	581.8	753.5	29.5	5.2
South Eastern	Exports	1.6	2.5	4.0	60.0	---
	Imports	4.2	28.1	13.6	-51.6	---
	Trade balance	-2.6	-25.6	-9.6	-62.5	---
Southern Highlands	Exports	393.1	226.6	434.2	91.6	10.5
	Imports	85.1	84.4	80.9	-4.1	-4.9
	Trade balance	308.0	142.2	353.3	---	14.7
Total	Exports	2,524.5	1,822.3	2,057.2	12.9	-18.5
	Imports	366.4	355.1	376.9	6.1	2.9
	Trade balance	2,158.1	1,467.2	1,680.3	14.5	-22.1

Source: Tanzania Revenue Authority

Note: "—" denotes a change exceed 100 percent



5.0 FINANCIAL SECTOR PERFORMANCE

5.1 Banks Deposits and Lending

During the quarter ending September 2018, banks' deposits mobilization improved across zones except Dar es Salaam Zone. Bank deposits in Dar es Salaam Zone decreased by 16.9 percent due to closure of one bank and hence leading to a decline in aggregate zonal deposits by 3.6 percent to TZS 16,385.9 billion (**Table 5.1**).

Table 5.1: Commercial Banks Deposits

Zone	Quarter ending			Percentage change	Percentage share
	Sep-17	Jun-18	Sep-18 ^p	Sep-17 to Sep-18	Sep-18
	Billions of TZS				
Central	905.0	1,109.0	1,052.9	16.3	6.4
Dar es Salaam	11,818.0	12,364.7	9,889.0	-16.3	60.4
South Eastern	505.5	548.3	522.9	3.4	3.2
Lake	1,221.4	1,368.6	1,360.6	11.4	8.3
Northern	1,844.7	2,172.0	2,729.0	47.9	16.7
Southern Highlands	708.9	784.8	830.9	17.2	5.1
Total deposits	17,003.5	18,347.4	16,385.3	-3.6	100

Source: Banks in the respective zones

Note: p denotes provisional data

Commercial banks credit to various economic activities recorded year on year growth of 7.4 percent at the end of September 2018, higher than negative 0.7 percent recorded at the end of September 2017 (**Table 5.2a**). The highest growth of bank credit was recorded in the Northern, Southern Highlands and Lake Zones. Most of the banks' lending was directed to personal, wholesale and retail trade, social services and manufacturing; accounting for 68.6 percent of total loans (**Table 5.2b**).



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Table 5.2a: Commercial Banks Lending

Zone	Quarter ending			Percentage change	Percentage share
	Sep-17	Jun-18	Sep-18 ^P	Sep-17 to Sep-18	Sep-18 ^P
	Central	896.5	807.9	860.9	-4.0
Dar es Salaam	8,312.1	9,306.4	8,382.6	0.8	59.4
South Eastern	455.0	419.9	499.9	9.9	3.5
Lake	1,386.7	1,533.7	1,553.1	12.0	11.0
Northern	1,439.5	1,774.5	1,945.2	35.1	13.8
Southern Highlands	642.4	795.7	861.8	34.2	6.1
Total	13,132.2	14,638.1	14,103.5	7.4	100

Source: Banks in the respective zones
Note: p denotes provisional data

Table 5.2b: Percentage Share of Banks' Lending by Activity for the quarter ending September 2018

Activity	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Agriculture, hunting, forestry and fishing	15.9	2.5	8.2	8.3	15.4	5.5	5.4
Manufacturing	5.8	15.9	4.4	4.5	0.4	5.0	11.2
Wholesale and retail trade	16.0	21.6	15.7	12.1	6.4	11.1	18.1
Transport, storage and communication	1.5	7.2	1.3	1.3	0.8	1.1	4.8
Building and construction	1.2	6.3	3.5	2.8	1.9	5.0	5.0
Real estate	1.4	6.3	0.0	2.9	0.7	0.0	4.3
Electricity, gas and water	0.0	4.5	0.0	0.2	0.2	0.0	2.7
Mining and quarrying	1.3	1.7	0.0	0.1	0.0	1.2	1.2
Personal	18.4	13.8	20.6	39.7	15.5	19.4	18.8
Financial intermediation	1.5	1.3	0.8	1.7	0.3	8.3	1.7
Hotels and restaurants	1.2	3.2	0.9	4.2	0.5	1.3	2.8
Social (Health and education)	35.0	3.0	2.3	19.6	46.9	32.0	10.5
Others	0.8	12.7	42.3	2.6	11.1	10.2	13.6

Source: Banks in the respective zones, and Bank of Tanzania computations

5.2 Bureau de Change Operations

Volume of transaction through bureau de change during the period behaved differently. Purchase of foreign exchange increased by 12.0 percent to USD 171.3 million from the level registered in the corresponding quarter in 2017, while sales decreased by 16.9 percent to USD 94.4 billion on account of demand and supply factors (**Table 5.3**). Dar es Salaam zone continued to retain its



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dominance in bureau de change transactions, accounting for 77.1 percent and 67.9 percent of purchases and sales, respectively.

Table 5.3: Zonal Bureau de Change Transactions

Zone	Millions of USD									
	Sep-17		Jun-18		Sep-18		Percentage change Sep-17 to Sep-18		Percentage share Sep-18	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Central	1.6	1.0	1.5	0.6	0.4	1.3	-75.0	30.0	0.2	1.4
Dar es Salaam	128.2	93.8	139.0	77.0	132.0	64.1	3.0	-31.7	77.1	67.9
South Eastern	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lake	1.6	0.4	2.0	0.5	1.4	0.3	-15.0	-23.3	0.8	0.3
Northern	19.7	17.5	35.4	27.3	36.0	28.0	82.7	60.0	21.0	29.7
Southern Highlands	1.8	0.9	1.5	0.6	1.5	0.7	-14.9	-22.5	0.9	0.7
Total	152.9	113.6	179.4	106.0	171.3	94.4	12.0	-16.9	100	100

Source: Bank of Tanzania

5.3 Savings and Credit Cooperative Societies

According to provisional data, performance of the Savings and Credit Cooperative Societies (SACCOS) depicted a mixed trend. Number of SACCOS, members, shares and savings decreased, while deposits and loans increased (**Table 5.4**). In particular, savings declined in the Central, South Eastern and Lake Zones, while the amount of loan issued increased in Central, Southern Highlands and Northern Zones.



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Table 5.4: Performance of Savings and Credit Cooperative Societies

Period	Category	Central	South Eastern	Southern Highlands	Northern	Lake	Total
Quarter ending Sep-17	Number of SACCOS	947	1,254	768	972	1,156	5,097
	Members	132,576	149,888	140,469	193,193	129,436	745,562
	Shares value (Mil. of TZS)	68,719.0	7,698.5	20,788.2	16,598.0	4,399.7	118,203.4
	Savings (Mil. of TZS)	27,690.7	38,914.1	14,674.8	90,237.2	11,495.6	183,012.4
	Deposits (Mil. of TZS)	2,852.6	3,351.3	15,583.7	11,880.2	4,145.6	37,813.4
	Loans issued (Mil. of TZS)	140,394.9	120,818.4	10,359.4	361,092.5	68,165.5	700,830.6
	Outstanding loans (Mil. of TZS)	48,458.6	60,461.4	18,555.1	99,610.0	18,562.5	245,647.6
Quarter ending Jun-18	Number of SACCOS	721	1,250	732	1,013	995	4,711
	Members	205,285	149,081	137,257	212,907	131,638	836,168
	Shares value (Mil. of TZS)	8,819.5	7,873.3	23,284.6	15,251.1	4,814.6	60,043.1
	Savings (Mil. of TZS)	27,971.9	27,210.6	40,844.6	99,043.5	9,772.8	204,843.4
	Deposits (Mil. of TZS)	2,621.6	4,410.7	14,119.8	17,931.9	1,634.1	40,718.1
	Loans issued (Mil. of TZS)	181,007.3	80,283.8	158,595.1	408,840.9	22,580.8	851,307.9
	Outstanding loans (Mil. of TZS)	57,030.4	43,144.5	62,302.1	152,682.3	16,828.0	331,987.3
Quarter ending Sep-18	Number of SACCOS	1,168	1,015	632	1,033	828	4,676
	Members	126,573	128,628	137,157	210,532	109,887	712,777
	Shares value (Mil. of TZS)	8,955.7	4,998.3	23,184.6	15,682.6	29,586.0	82,407.2
	Savings (Mil. of TZS)	27,577.0	11,964.6	40,744.6	92,005.0	5,447.6	177,738.8
	Deposits (Mil. of TZS)	2,578.0	4,100.0	14,019.8	17,312.8	1,120.7	39,131.3
	Loans issued (Mil. of TZS)	175,449.7	53,585.8	158,495.1	418,318.3	12,331.0	818,179.9
	Outstanding loans (Mil. of TZS)	77,005.3	34,350.5	62,202.1	135,682.4	9,332.4	318,572.7

Source: Ministry of Agriculture; and Regional Authorities

Note: Data for Dar es Salaam zone were not available at the time of preparing the report