



# BANK OF TANZANIA

## **CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE QUARTER ENDING SEPTEMBER 2019**

**Volume 4 No. 3**



*Consolidated Zonal Economic Performance Report*

## **BANK OF TANZANIA**

# **CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE QUARTER ENDING SEPTEMBER 2019**

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## Executive Summary

Average headline inflation rose across all zones<sup>1</sup> during the quarter ending September 2019, except for Northern and South Eastern zones. In Dar es Salaam and Lake zones, the increase was due to higher cost of some non-food items particularly transport, communication, health, clothing and footwear. Inflation edged up in Central and Southern Highlands zones due to increase in prices of some food items such as maize and beans. Average wholesale prices of major food crops increased compared to corresponding quarter in 2018, associated with high demand of food from within and neighbouring countries.

Value of livestock sold in registered markets rose by 40.6 percent year-on-year (y-o-y) to TZS 360.0 billion, with all zones recording increase except Southern Highlands zone. The quantity of fish catches also increased, with Central, Dar es Salaam and South Eastern zones recording noticeable increases. However, the value of fish catches declined by 24.7 percent on annual basis, reflecting negative effect from prices.

Value of manufactured commodities grew by 12.5 percent to TZS 2,562.8 billion, with all zones registering improvement, except Lake and Central zones. The good performance was largely occasioned by stability in power supply, availability of raw materials, improvement in road and port infrastructures, and expansion of market outreach. At the same time, the value of mineral recovery rose by 22.0 percent to TZS 1,126.3 billion. All zones recorded increase in the value of mineral recovery particularly gold, limestone, gypsum, salt, gemstones and industrial minerals. The price of gold rose partly benefitting from operationalization of regional mineral and gemstone auction centres.

Electricity generation went up by 7.2 percent to a cumulative output of 1,941,923.8 megawatts, with notable increase observed in Central and Lake zones. The improvement was on account of increase in water level in Kidatu and Kihansi water dams, and increased capacity utilization at Kinyerezi II power plant. Natural gas production from Songo Songo and Mnazi Bay fields rose by 17.5 percent to 16,809.7 Million Standard Cubic Feet, mainly due to continued increase in demand by TANESCO and some manufacturing industries. In tourism, number of visitors to tourist attraction sites and earnings grew by 5.7 percent and 5.6 percent y-o-y, respectively, explained by promotional campaigns by the public and private agents.

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<sup>1</sup> The Bank of Tanzania monitors economic developments at micro-level basing on six zones, each served by one branch office. The zones and representative regions are: Central zone which comprises Dodoma, Morogoro, Singida and Tabora regions; Dar es Salaam zone (Dar es Salaam); South Eastern zone (Ruvuma, Pwani, Lindi and Mtwara); Lake zone (Geita, Kagera, Kigoma, Mara, Mwanza, Shinyanga and Simiyu); Northern zone (Arusha, Kilimanjaro, Manyara and Tanga); and Southern Highlands zone (Iringa, Katavi, Mbeya, Njombe, Rukwa and Songwe).



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On tax revenue, tax collections recorded annual growth of 14.0 percent to TZS 4,769.4 billion in the quarter ending September 2019, and was 93.8 percent of the target for the quarter. Dar es Salaam zone continued to account for the largest share of tax collection, at 90.0 percent. Improvement in tax collection over time was due to implementation of various initiatives, including continued public awareness campaigns, improved tax administration and management, curbing tax loopholes, emphasis on use of electronic fiscal devices as well as expansion of economic activities especially in manufacturing and trade.

Cross border trade balance was a surplus of TZS 1,302.4 billion during the quarter compared with a surplus of TZS 1,680.3 billion in the quarter ending September 2018, largely owing to higher decrease in exports relative to imports. Decrease in trade surplus was more noticeable in Southern Highlands at 85.5 percent following the decline in export of maize flour and other consumer goods. Conversely, South Eastern zone recorded improvement in trade balance on account of increase in exports, particularly cashew nuts and liquid hydrocarbons (gas condensate). Meanwhile, volume of cargo handled through Mtwara port grew by more than 100 percent owing to increase in export of cashew nuts. On the contrary, cargo handled at Dar es Salaam port decreased by 4.5 percent following decline in importation of petroleum and cooking oil. Similarly, cargo handled by Tanga port decreased by 9.0 percent on account of decline in shipment of goods particularly coffee, sisal bales, ropes and twines, beans and peas, macadamia and timber.

Banks' deposits grew by 17.4 percent to TZS 19,260.4 billion in the year ending September 2019, with improvement recorded in all zones except Northern zone. Likewise, loans advanced by banks to various economic activities recorded annual increase of 2.4 percent, with the highest growth rates recorded in Central and South Eastern zones. Personal related activities and wholesale and retail trade were the major beneficiaries of banks' credit, all together accounting for 52.4 percent of the total outstanding credit.



## 1.0 ECONOMIC DEVELOPMENTS

### 1.1 Inflation Developments

During the quarter ending September 2019, average headline inflation rose across all zones except in the Northern and South Eastern zones. The increase in inflation in Dar es Salaam and Lake zones was due to a rise in cost of some non-food items particularly transport, communication, health, clothing and footwear. Inflation rose in Central and Southern Highlands zones largely due to increase in prices of maize and beans. On the contrary, in the South Eastern zone inflation eased largely explained by improvement in food supply following adequate food production during 2018/19 cropping season, while in the Northern zone, the slowdown in inflation was on account of a decline in prices of some non-food items including clothing and footwear. Overall, average headline inflation was below the national level in most of the zones, except for South Eastern and Southern Highlands zones (**Table 1.1**). **Chart 1.1** compares annual headline inflation trend across zones against the national level.

**Table 1.1: Quarterly Average Headline Inflation**

Quarter ending	Percent						
	National	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands
Sep-18	3.3	-0.1	2.1	3.0	3.1	6.1	3.8
Dec-18	3.1	-0.1	2.1	2.0	2.3	5.3	4.9
Mar-19	3.0	-0.7	2.0	2.4	1.6	3.9	5.0
Jun-19	3.5	1.3	3.1	3.8	1.4	3.8	5.3
Sep-19 <sup>P</sup>	3.6	0.8	3.3	3.3	2.9	4.3	4.2

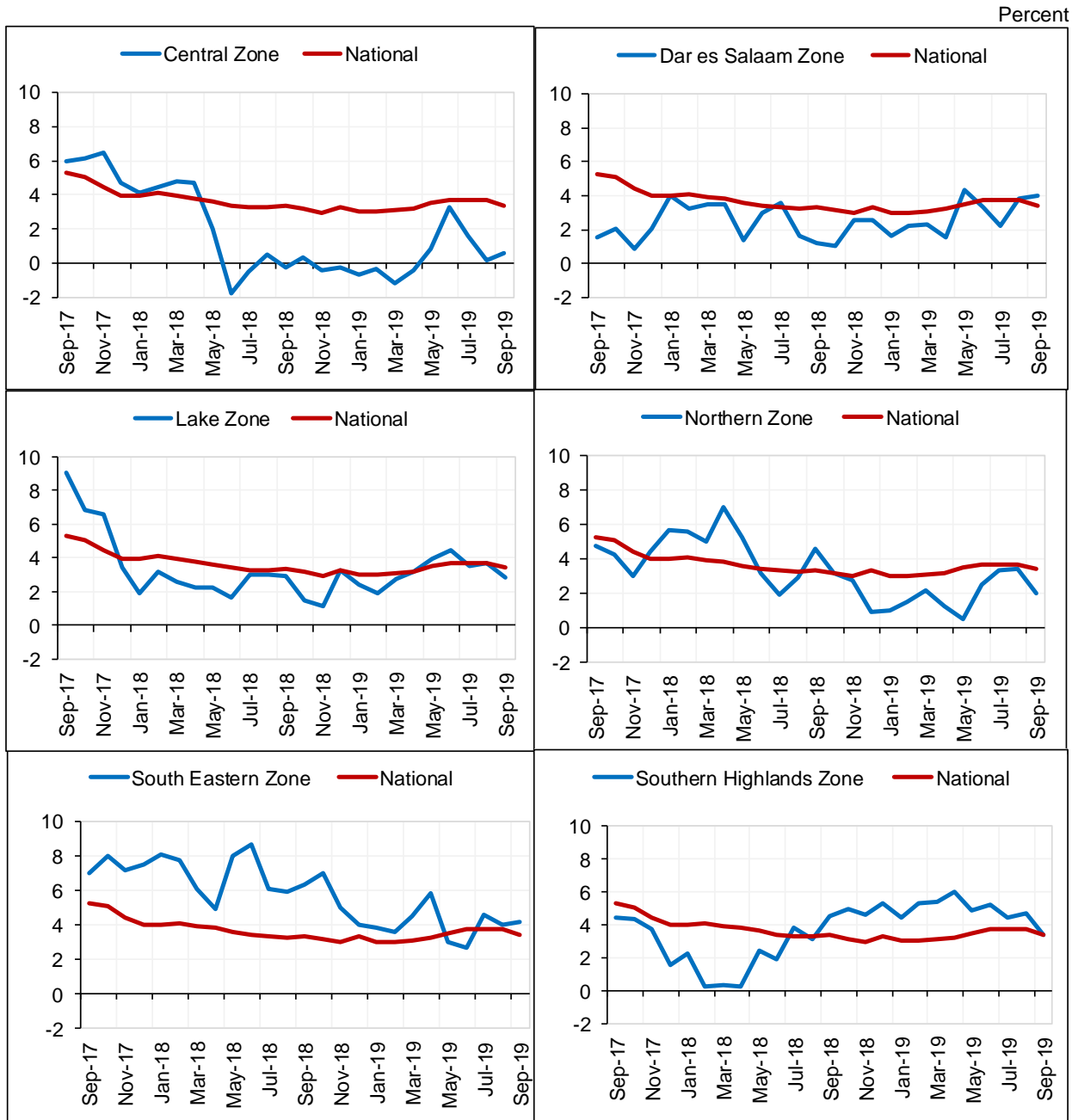
Source: National Bureau of Statistics

Note: p denotes provisional data



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Chart 1.1: Headline Inflation Developments



Source: National Bureau of Statistics and Bank of Tanzania computations

1.2 Wholesale Prices of Food Crops

Average wholesale prices of most selected food crops rose during the quarter ending September 2019 compared with the similar quarter in 2018. The increase was more observed in maize whose





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price went up by 54.5 percent to TZS 61,003 per 100 kg (**Table 1.2**). Increase in prices of most food crops was attributed to high demand of food from within and neighbouring countries.

**Table 1.2 Average Wholesale Prices of Selected Food Crops**

		TZS per 100 Kg						
Period		Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Quarter ending Sep -18	Beans	172,927.8	189,603.7	150,155.8	146,218.4	148,830.0	172,266.7	163,333.7
	Bulrush millet	62,237.0	85,930.7	n.a	66,327.8	n.a	n.a	71,498.5
	Finger millet	155,726.0	141,969.6	n.a	105,145.2	138,052.0	n.a	135,223.2
	Maize	41,717.3	42,835.1	48,052.5	39,174.8	32,187.0	32,866.7	39,472.2
	Rice	151,172.0	157,860.5	124,512.6	159,211.4	175,574.0	182,000.0	158,388.4
	Round potatoes	77,984.2	92,021.0	81,475.7	81,650.1	105,849.5	68,333.3	84,552.3
	Sorghum	72,876.4	84,613.6	80,527.8	44,332.0	98,136.0	n.a	76,097.2
	Wheat	n.a	124,236.8	n.a	87,965.2	n.a	125,666.7	112,622.9
Quarter ending Jun-19	Beans	170,652.8	186,265.0	156,166.7	157,546.3	172,185.6	166,929.3	168,290.9
	Bulrush millet	42,100.7	81,914.0	n.a	74,571.0	n.a	n.a	66,195.2
	Finger millet	136,759.3	122,426.0	n.a	121,500.0	146,097.2	n.a	131,695.6
	Maize	55,505.0	66,867.0	60,833.3	69,256.8	58,709.9	42,580.8	58,958.8
	Rice	164,868.1	173,549.0	155,000.0	176,388.9	180,945.2	167,560.6	169,718.6
	Round potatoes	70,616.9	68,395.0	82,466.7	62,844.9	82,260.0	66,025.3	72,101.5
	Sorghum	68,385.4	86,049.0	89,074.1	59,481.5	113,991.8	n.a	83,396.4
	Wheat	n.a	131,235.0	n.a	108,375.0	n.a	116,616.2	118,742.1
Quarter ending Sep-19 <sup>p</sup>	Beans	174,201.4	189,422.0	166,840.9	157,386.4	175,345.8	183,181.8	174,396.4
	Bulrush millet	54,893.5	89,417.0	n.a	80,183.6	n.a	n.a	74,831.4
	Finger millet	145,253.1	145,712.0	n.a	108,762.8	144,167.9	n.a	135,973.9
	Maize	52,021.0	65,730.0	72,647.0	65,401.8	58,775.1	51,444.4	61,003.2
	Rice	164,659.7	169,948.0	160,253.0	174,844.3	176,017.7	164,275.2	168,333.0
	Round potatoes	69,033.5	71,690.0	83,924.2	68,248.9	89,898.5	54,833.3	72,938.1
	Sorghum	72,260.4	89,597.0	89,530.3	67,305.7	100,776.3	n.a	83,893.9
	Wheat	n.a	125,643.0	n.a	108,505.0	n.a	95,000.0	109,716.0

Source: Ministry of Industry and Trade

Note: p denotes provisional data; and n.a, not available

## 2.0 FOOD SUPPLY SITUATION

Food supply was generally satisfactory in all zones despite food shortage experienced in some areas in Central, Northern and Lake zones due to unfavorable weather conditions. During the quarter under review, the National Food Reserve Agency (NFRA) released 8,407.3 tonnes of maize to private traders, Prisons department and World Food Program, and purchased 2,782.2 tonnes of maize to replenish its stock. As a result, the stock of food held by NFRA amounted to 61,710.8 tonnes at the end of September 2019 (**Table 2.1**).



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**Table 2.1: Stock of Food Held by NFRA**

		Tonnes				
Period	Zone	Opening balance	Quantity purchased	Quantity transferred in/out*	Quantity released	Closing balance
Quarter ending Sep-18	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	15,102.2	661.7	1,339.3	0.0	17,103.3
	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
	<b>Total</b>		<b>75,829.4</b>	<b>18,398.6</b>	<b>2,117.0</b>	<b>6,710.7</b>
Quarter ending Jun-19	Central	15,257.9	1,875.9	0.0	0.0	17,133.8
	Southern Highlands	23,055.4	25,526.4	0.0	16,080.1	32,501.7
	Northern	2,951.0	1,836.8	1,340.7	3,832.9	2,295.6
	Lake	6,286.7	0.0	0.0	61.2	6,225.5
	South Eastern	20,230.3	211.0	0.0	23.1	20,418.2
	Dar es Salaam	6,489.8	500.0	0.0	6,489.8	500.0
	<b>Total</b>		<b>74,271.1</b>	<b>29,950.1</b>	<b>1,340.7</b>	<b>26,487.1</b>
Quarter ending Sep-19 <sup>P</sup>	Central	5,371.1	0.0	0.0	0.0	5,371.1
	Southern Highlands	32,525.0	1,233.5	0.0	8,088.0	25,670.5
	Northern	2,296.0	0.0	0.0	319.3	1,976.7
	Lake	6,225.4	0.0	0.0	0.0	6,225.4
	South Eastern	20,418.2	1,548.8	0.0	0.0	21,967.0
	Dar es Salaam	500.0	0.0	0.0	0.0	500.0
	<b>Total</b>		<b>67,335.7</b>	<b>2,782.3</b>	<b>0.0</b>	<b>8,407.3</b>

Source: National Food Reserve Agency

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

## 3.0 SECTORAL PERFORMANCE

### 3.1 Livestock

Value of livestock sold in registered markets increased by 40.6 percent to TZS 360.0 billion from the value recorded in the corresponding quarter in 2018. The increase was recorded in all zones except Southern Highlands zone. The development was largely explained by demand and supply factors. Central zone accounted for 29.9 percent of the total value of livestock sold, followed by Dar es Salaam zone with 22.6 percent (**Table 3.1**).



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**Table 3.1: Livestock Sold through Registered Markets**

	Unit	Lake	Northern	Southern Highlands	Central <sup>f</sup>	Dar es Salaam	South Eastern	Total	
Quarter ending Sep-18 <sup>f</sup>	Cattle	Number	156,608.0	70,205.0	53,464.0	149,556.0	77,213.0	16,041.0	523,087.0
		Value (Mill. of TZS)	52,627.6	39,562.9	27,771.2	51,523.2	56,159.9	7,195.2	234,840.0
	Goats	Number	78,108.0	60,724.0	11,595.0	99,749.0	22,271.0	8,099.0	280,546.0
		Value (Mill. of TZS)	3,625.7	6,101.7	799.7	2,914.5	1,745.1	473.9	15,660.6
	Sheep	Number	22,501.0	38,138.0	1,896.0	29,522.0	5,112.0	2,284.0	99,453.0
		Value (Mill. of TZS)	733.4	2,891.4	133.9	1,245.8	339.3	151.3	5,495.1
Total	Value (Mill. of TZS)	56,986.7	48,556.0	28,704.8	55,683.4	58,244.3	7,820.4	255,995.6	
Quarter ending Jun-19	Cattle	Number	203,860.0	88,838.0	43,436.0	181,820.8	97,991.0	13,489.0	629,434.8
		Value (Mill. of TZS)	90,838.9	52,208.8	19,034.3	82,587.9	70,187.9	7,182.3	322,040.0
	Goats	Number	79,233.0	69,215.0	13,455.0	105,146.3	53,933.0	7,638.0	328,620.3
		Value (Mill. of TZS)	3,886.5	6,931.2	802.1	5,922.4	3,843.3	982.6	22,368.0
	Sheep	Number	24,363.0	50,087.0	4,438.0	40,701.0	7,533.0	4,578.0	131,700.0
		Value (Mill. of TZS)	1,046.9	3,942.4	254.5	1,599.6	481.9	277.8	7,603.1
Total	Value (Mill. of TZS)	95,772.2	63,082.4	20,090.9	90,109.9	74,513.1	8,442.7	352,011.2	
Quarter ending Sep-19 <sup>p</sup>	Cattle	Number	143,208.0	89,501.0	36,949.0	206,672.2	106,721.0	19,420.0	602,471.2
		Value (Mill. of TZS)	70,976.9	52,646.9	17,992.1	100,729.5	74,704.7	11,696.4	328,746.5
	Goats	Number	63,811.0	66,011.0	12,333.0	125,480.4	68,057.0	22,894.0	358,586.4
		Value (Mill. of TZS)	3,470.1	6,594.3	759.7	5,755.1	6,057.1	1,581.4	24,217.7
	Sheep	Number	23,598.0	46,900.0	2,623.0	37,465.1	8,733.0	2,719.0	122,038.1
		Value (Mill. of TZS)	1,123.0	3,782.8	167.2	1,071.0	742.3	166.6	7,052.8
Total	Value (Mill. of TZS)	75,570.0	63,024.0	18,919.0	107,555.5	81,504.1	13,444.4	360,017.0	

Source: Regional Administrative Secretary Offices, Ministry of Livestock and Fisheries, and Bank of Tanzania computations

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

### 3.2 Fisheries

Value of fish catches declined by 24.7 percent to TZS 72.6 billion from value recorded in the similar quarter in 2018, driven by lower prices as volume increased (**Table 3.2**). All zones recorded increases in the fish catches except Lake, Northern and Southern Highlands zones. The decrease in fish catches in Lake and Northern zones was attributed to fishing control measures imposed by the Government in Lake Victoria and Nyumba ya Mungu to allow fish re-production. Lake zone continued to account for the largest share in total fish catches and value, at 39.3 percent and 53.4 percent, respectively.



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**Table 3.2: Fish Catches**

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Sep-19
		Sep-18 <sup>r</sup>	Jun-19	Sep-19 <sup>p</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19	
Central	Tonnes	288.9	264.1	502.1	90.1	73.8	2.7
	Value (Mill. of TZS)	734.8	1,015.6	1,301.3	28.1	77.1	1.8
Dar es Salaam	Tonnes	2,773.5	2,658.8	3,183.7	19.7	14.8	17.2
	Value (Mill. of TZS)	8,770.3	9,528.7	10,477.9	10.0	19.5	14.4
South Eastern	Tonnes	1,250.4	2,922.9	3,685.8	26.1	---	19.9
	Value (Mill. of TZS)	5,005.2	20,769.7	6,572.1	-68.4	31.3	9.0
Lake	Tonnes	9,288.5	10,862.9	7,283.1	-33.0	-21.6	39.3
	Value (Mill. of TZS)	62,396.2	52,244.6	38,803.0	-25.7	-37.8	53.4
Northern	Tonnes	1,462.9	414.9	1,391.1	---	-4.9	7.5
	Value (Mill. of TZS)	8,586.9	1,114.6	7,287.9	---	-15.1	10.0
Southern Highlands	Tonnes	2,678.3	4,314.1	2,466.5	-42.8	-7.9	13.3
	Value (Mill. of TZS)	10,956.1	17,018.2	8,178.9	-51.9	-25.3	11.3
Total	Tonnes	17,742.5	21,437.6	18,512.3	-13.6	4.3	100.0
	Value (Mill. of TZS)	96,449.5	101,691.4	72,621.0	-28.6	-24.7	100.0

Source: Regional Administrative Secretary Offices and Bank of Tanzania calculations

Note: r denotes revised data; p, provisional data; and '---' change that exceeds 100 percent

### 3.3 Manufacturing

Value of selected manufactured commodities increased by 12.5 percent to TZS 2,562.8 billion, mainly driven by improvement in all zones, except for Lake and Central zones. Good performance in manufacturing activity continued to be explained by stability in power supply, availability of raw materials, improvement in road and port infrastructures, and expansion of market outreach. In Lake zone, the decrease in the value of manufactured goods was associated with decline in unit values of beer, soft drinks and milk, while in Central zone was due to a decrease in volume of sugar, cured tobacco as well as knitted fabrics. Dar es Salaam zone continued to dominate the sector, accounting for 56.4 percent of total value of selected manufactured goods, followed by Northern zone at 13.0 percent (**Table 3.3**).



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**Table 3.3: Value of Selected Manufactured Commodities**

Zone	Billions of TZS					
	Quarter ending			Percentage change		Percentage contribution
	Sep-18 <sup>r</sup>	Jun-19	Sep-19 <sup>p</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19	
Central	156.8	86.9	133.4	53.6	-14.9	5.2
Dar es Salaam	1,264.2	1,857.0	1,445.8	-22.1	14.4	56.4
South Eastern	199.8	268.4	321.4	19.8	60.9	12.5
Lake	164.7	140.2	126.8	-9.6	-23.0	4.9
Northern	304.9	322.3	333.9	3.6	9.5	13.0
Southern Highlands	187.5	185.8	201.4	8.4	7.4	7.9
<b>Total</b>	<b>2,277.9</b>	<b>2,860.6</b>	<b>2,562.8</b>	<b>-10.4</b>	<b>12.5</b>	<b>100.0</b>

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

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

### 3.4 Mining

In respect to mining activity, the value of mineral recovery improved across all zones, attributed to operationalization of regional mineral and gemstone market centres. The value of mineral recovery rose by 22.0 percent y-o-y to TZS 1,126.3 billion in the quarter ending September 2019. In Lake zone, the increase was largely attributed to rise in the price of gold, while in South Eastern zone was driven by increase in the value of limestone, gypsum, salt and gold. The increase in the value of mineral extracted in the Central zone was due to gold price and volume of gemstones and industrial minerals. In Northern zone, the increase was partly associated with special permission to export rough tanzanite. Lake zone continued to dominate in mining activities, accounting for 79.1 percent of value of minerals extracted, followed by Southern Highlands zone at 12.7 percent (**Table 3.4**).



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**Table 3.4: Value of Mineral Recovery**

Millions of TZS

Zone	Quarter ending			Percentage change		Percentage contribution Sep-19
	Sep-18 <sup>r</sup>	Jun-19	Sep-19 <sup>P</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19	
Central	3,354.7	5,011.5	26,869.6	---	---	2.4
South Eastern	28,648.8	36,288.2	30,706.2	-15.4	7.2	2.7
Lake	815,065.0	862,292.3	890,592.6	3.3	9.3	79.1
Northern	11,804.1	21,098.0	35,188.3	66.8	---	3.1
Southern Highlands	64,292.9	32,698.0	142,989.5	---	---	12.7
<b>Total</b>	<b>923,165.5</b>	<b>957,388.0</b>	<b>1,126,346.2</b>	<b>17.6</b>	<b>22.0</b>	<b>100.0</b>

Source: Regional Residence Mines Offices and Mining Companies

Note: r denotes revised data; p, provisional data; and '---' change that exceeds 100 percent

### 3.5 Tourism

The number of visitors to tourist attraction sites grew by 5.7 percent to 778,394, while total earnings rose by 5.6 percent to TZS 98.8 billion (**Table 3.5**). All zones recorded increase in the number of visitors and earnings from tourism except Central and Dar es Salaam zones. The improvement in both number of visitors and earnings was partly explained by promotional campaigns by the Government and private agents. The decrease in earnings in Dar es Salaam zone was explained by low number of domestic visitors particularly students. During the quarter under review, Northern zone remained dominant, contributing about 68.0 percent to the total number of visitors and 64.3 percent to total earnings from tourism activities in the country, followed by Lake zone at 25.5 percent of total visitors and 33.8 percent of total earnings.



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**Table 3.5: Visitors to Tourist Attraction Sites**

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Sep-19
		Sep-18 <sup>r</sup>	Jun-19	Sep-19 <sup>p</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19	
Central	Number of visitors	24,375.0	14,457.0	22,911.0	58.5	-6.0	2.9
	Earning (Mill. of TZS)	773.3	305.2	711.2	---	-8.0	0.7
Dar es Salaam	Number of visitors	14,208.0	4,614.0	5,750.0	24.6	-59.5	0.7
	Earning (Mill. of TZS)	95.2	156.8	61.8	-60.6	-35.1	0.1
South Eastern	Number of visitors	6,735.0	3,699.0	7,747.0	---	15.0	1.0
	Earning (Mill. of TZS)	96.2	40.0	110.1	---	14.4	0.1
Lake	Number of visitors	171,498.0	86,882.0	198,219.0	---	15.6	25.5
	Earning (Mill. of TZS)	30,967.1	11,867.8	33,429.7	---	8.0	33.8
Northern	Number of visitors	507,483.0	258,576.1	529,426.0	---	4.3	68.0
	Earning (Mill. of TZS)	60,646.4	26,965.0	63,488.8	---	4.7	64.3
Southern Highlands	Number of visitors	12,206.0	6,854.0	14,341.0	---	17.5	1.8
	Earning (Mill. of TZS)	943.3	275.6	965.5	---	2.4	0.1
Total	Number of visitors	736,505.0	375,082.1	778,394.0	---	5.7	100.0
	Earning (Mill. of TZS)	93,521.5	39,610.4	98,767.0	---	5.6	100.0

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

Note: r denotes revised data; p, provisional data; and "---", change that exceeds 100 percent

### 3.6 Energy

Electricity generated and distributed went up by 7.2 percent to a cumulative output of 1,941,923.8 megawatts from the level registered in the corresponding quarter in 2018 (**Table 3.6**). Notable increase was recorded in Central and Lake zones following increase in water level in Kidatu and Kihansi water dams as well as increased capacity utilization of existing generators to meet increasing demand. Dar es Salaam zone, which accounted for 69.7 percent of total electricity generation, recorded an increase of 4.5 percent, partly associated with increased capacity utilization at Kinyerezi II power plant. On the contrary, electricity generated in Northern and South Eastern zones decreased mainly due to low level of water at Nyumba ya Mungu dam and the decrease in electricity generation by thermal power plants in Ruvuma region following the ongoing connection of districts to the national grid.

Natural gas production from Songo Songo and Mnazi Bay fields rose to 16,809.7 Million Standard Cubic Feet (MSCF) in the quarter to September 2019 from 14,311.7 MSCF in the quarter ending September 2018. The performance was driven by higher demand by Tanzania Electric Supply



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Company Limited and some manufacturing industries. Noteworthy, production by Songo Songo gas processing plant accounted for 57.3 percent of total gas production in the country.

**Table 3.6: Production of Electricity and Natural Gas**

Zone	Quarter ending			Percentage change	
	Sep-18 <sup>f</sup>	Jun-19	Sep-19 <sup>P</sup>	Jun -19 to Sep-19	Sep -18 to Sep -19
Electricity (Megawatts):					
Central	307,639.4	433,782.8	429,508.2	-1.0	39.6
Dar es Salaam	1,294,764.2	1,074,110.6	1,353,655.0	26.0	4.5
South Eastern	29,010.8	29,214.0	28,141.4	-3.7	-3.0
Northern	126,374.0	109,915.8	70,938.0	-35.5	-43.9
Lake	33,981.2	33,012.4	39,309.3	19.1	15.7
Southern Highlands	19,704.3	12,731.2	20,372.1	60.0	3.4
<b>Total</b>	<b>1,811,474.0</b>	<b>1,692,766.9</b>	<b>1,941,923.8</b>	<b>14.7</b>	<b>7.2</b>
Natural gas (Million standard cubic feet):					
South Eastern	14,311.7	14,087.3	16,809.7	19.3	17.5

Source: National Bureau of Statistics, Tanzania Petroleum Development Corporation; and Tanzania Electric Supply Company Limited

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

## 4.0 TAX REVENUE PERFORMANCE

Tax collections increased to TZS 4,769.4 billion in the quarter under review from TZS 4,182.8 billion in the corresponding quarter in 2018. The amount was equivalent to 93.8 percent of the target for the quarter (**Table 4.1**). Improvement in tax collection over time was due to implementation of various initiatives, including continued public awareness campaigns, improved tax administration and management, curbing tax loopholes, emphasis on use of electronic fiscal devices as well as expansion of economic activities especially in manufacturing and trade. Dar es Salaam zone, the country's business hub, accounted for 90.0 percent of total tax collection.





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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-19-Sep-19	Sep-18-Sep-19	Percentage Share
	Sep-18	Jun-19	Sep-19 <sup>P</sup>	Sep-19				
Central	36.7	45.5	46.2	40.9	89.7	1.5	25.9	1.0
Dar es Salaam	3,777.0	3,895.3	4,291.9	4,563.0	82.8	10.2	13.6	90.0
Lake	105.4	111.2	110.8	119.3	88.3	-0.4	5.1	2.3
Nothern	191.4	213.5	216.5	226.2	84.6	1.4	13.1	4.5
Southern Eastern	24.7	31.5	44.6	35.4	69.8	41.6	80.6	0.9
Southern Highlands	47.6	56.5	59.4	98.3	48.4	5.1	24.9	1.2
<b>Total</b>	<b>4,182.8</b>	<b>4,353.5</b>	<b>4,769.4</b>	<b>5,083.1</b>	<b>93.8</b>	<b>9.6</b>	<b>14.0</b>	<b>100.0</b>

Source: Tanzania Revenue Authority

Note: Tax revenue is on gross basis (inclusive of tax refunds); p denotes provisional data

## 5.0 TRADE

### 5.1 Cross Border Trade

In the quarter ending September 2019, the zones recorded a surplus of TZS 1,302.4 billion in cross border trade. This was lower when compared with surplus of TZS 1,680.4 billion recorded in corresponding quarter in 2018, largely due to higher decrease in exports relative to imports (**Table 5.1**). Decrease in trade surplus was more noticeable in Southern Highlands at 85.5 percent following the decline in export of maize flour and other consumer goods. Meanwhile, South Eastern zone recorded improvement in trade balance on account of increase in exports particularly cashew nuts and liquid hydrocarbons (gas condensate).



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**Table 5.1: Formal Cross Border Trade**

Billions of TZS

Zone		Quarter ending			Percentage change	
		Sep-18	Jun-19	Sep-19 <sup>P</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19
Lake	Exports	726.5	559.5	675.4	20.7	-7.0
	Imports	143.4	109.1	144.6	32.5	0.8
	Trade balance	583.1	450.4	530.8	17.9	-9.0
Nothern	Exports	892.5	611.8	765.5	25.1	-14.2
	Imports	139.0	103.6	128.5	24.0	-7.6
	Trade balance	753.5	508.2	637.0	25.3	-15.5
South Eastern	Exports	4.0	1.4	165.7	---	---
	Imports	13.6	28.2	14.9	-47.2	9.6
	Trade balance	-9.6	-26.8	150.8	---	---
Southern Highlands	Exports	434.2	44.8	63.1	40.8	-85.5
	Imports	80.9	67.8	79.3	17.0	-2.0
	Trade balance	353.3	-23.0	-16.2	-29.6	---
Total	Exports	2,057.2	1,217.5	1,669.7	37.1	-18.8
	Imports	376.9	308.7	367.3	19.0	-2.5
	Trade balance	1,680.3	908.8	1,302.4	43.3	-22.5

Source: Tanzania Revenue Authority

Note: p denotes provisional data; and "---", change that exceeds 100 percent

## 5.2 Ports Performance

Volume of cargo handled through Tanzania sea ports decreased by 3.8 percent to 4.2 million tonnes from 4.4 million tonnes recorded in the corresponding quarter in 2018 (**Table 5.2**). The decrease occurred in Dar es Salaam and Tanga ports. The decline in volume of cargo handled at Dar es Salaam port, which accounted for 94.5 percent of the total cargo, was largely driven by petroleum product and cooking oil. Likewise, volume of cargo handled by Tanga port decreased by 9.0 percent on account of a decline in shipment of goods such as coffee, sisal bales, ropes and twines, beans and peas, macadamia and timber. On the contrary, cargo handled at Mtwara port increased to 68.4 thousand tonnes in the quarter to September 2019 from 32.5 thousand tonnes in the similar quarter in 2018, mainly due to increase in export of cashew nuts.



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**Table 5.2: Ports Performance**

Port	Quarter ending			Percentage change		Percentage share
	Sep-18	Jun-19	Sep-19 <sup>P</sup>	Jun -19 to Sep -19	Sep -18 to Sep-19	Sep-19
	Dar es Salaam	4,152,203.0	3,770,698.6	3,966,588.0	5.2	-4.5
Tanga	178,769.0	150,413.0	162,761.0	8.2	-9.0	3.9
Mtwara	32,516.0	23,380.0	68,394.0	---	---	1.6
<b>Total</b>	<b>4,363,488.0</b>	<b>3,944,491.6</b>	<b>4,197,743.0</b>	<b>6.4</b>	<b>-3.8</b>	<b>100.0</b>

Source: Tanzania Ports Authority

Note: p denotes provisional data; and “---”, change that exceeds 100 percent

## 6.0 FINANCIAL SECTOR DEVELOPMENTS

### 6.1 Banks’ Deposits and Lending

Banks’ deposits mobilization improved across all zones except in Northern zone. On aggregate, banks deposits increased by 17.4 percent to TZS 19,260.4 billion, with Dar es Salaam zone contributing the largest share of 62.8 percent, while South Eastern zone accounted for the least share of 3.0 percent (**Table 6.1**).

**Table 6.1: Banks Deposits**

Zone	Quarter ending			Percentage change		Percentage contribution
	Sep-18	Jun-19	Sep-19 <sup>P</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19	Sep-19
	Central	1,072.9	1,580.3	1,556.6	-1.5	45.1
Dar es Salaam	9,889.0	12,046.3	12,103.8	0.5	22.4	62.8
South Eastern	522.9	611.0	582.7	-4.6	11.4	3.0
Lake	1,360.6	1,469.9	1,574.7	7.1	15.7	8.2
Northern	2,729.0	2,268.7	2,586.3	14.0	-5.2	13.4
Southern Highlands	830.9	964.2	856.2	-11.2	3.1	4.4
<b>Total*</b>	<b>16,405.3</b>	<b>18,940.3</b>	<b>19,260.4</b>	<b>2.0</b>	<b>17.4</b>	<b>100.0</b>

Source: Banks and Bank of Tanzania computations

Note: p denotes provisional data; \* data excludes Zanzibar

Loans advanced by banks to various economic activities increased by 2.4 percent to TZS 15,050.1 billion at the end of September 2019 (**Table 6.2**). The highest growth of bank loans was recorded in Central and South Eastern zones, consistent with expansion of construction and trade activities,



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respectively. Much of banks' lending was directed to personal, wholesale and retail trade activities; all together accounting for 52.4 percent of total loans (**Table 6.3**).

**Table 6.2: Banks' Lending**

Zone	Billions of TZS					
	Quarter ending			Percentage change		Percentage contribution Sep-19
	Sep-18	Jun-19	Sep-19 <sup>P</sup>	Jun-19 to Sep-19	Sep-18 to Sep-19	
Central	860.9	1,242.0	1,146.4	-7.7	33.2	7.6
Dar es Salaam	8,382.6	8,339.1	8,252.3	-1.0	-1.6	54.8
South Eastern	499.9	535.6	611.4	14.2	22.3	4.1
Lake	1,360.6	1,469.9	1,574.7	7.1	15.7	10.5
Northern	2,729.0	2,268.7	2,586.3	14.0	-5.2	17.2
Southern Highlands	861.8	887.4	878.9	-1.0	2.0	5.8
Total*	14,694.9	14,742.7	15,050.1	2.1	2.4	100.0

Source: Banks and Bank of Tanzania computations

Note: p denotes provisional data; \* data excludes Zanzibar

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

Activity	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Average
Agriculture, hunting, forestry and fishing	12.7	2.1	6.2	10.1	12.5	9.4	8.8
Manufacturing	9.7	14.7	7.1	5.8	18.8	2.1	9.7
Building and construction	5.3	6.8	4.1	3.3	5.1	5.4	5.0
Mining and quarrying	0.0	1.9	5.1	0.6	0.0	3.9	1.9
Real estate	0.1	6.4	0.5	1.4	0.2	0.0	1.4
Financial intermediation	0.7	1.8	0.7	0.5	0.2	0.4	0.7
Transport, storage and communication	1.0	7.5	0.9	2.1	0.6	2.0	2.4
Wholesale and retail trade	7.4	24.2	41.3	19.4	12.5	19.3	20.7
Electricity, gas and water	0.0	3.3	0.5	1.0	0.5	0.5	1.0
Hotels and restaurants	1.0	3.8	1.1	7.4	5.7	0.6	3.3
Education	4.0	8.9	2.2	15.0	12.5	2.4	7.5
Personal	49.9	15.0	21.7	26.6	24.1	52.9	31.7
Others	8.3	3.6	8.6	6.8	7.2	1.1	5.9

Source: Banks and Bank of Tanzania computations



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## 6.2 Savings and Credit Cooperative Societies

The performance of the Savings and Credit Cooperative Societies (SACCOS) experienced a mixed trend. The value of deposits, savings and loans issued increased, while number of SACCOS and members, shares value and outstanding loans decreased (**Table 6.4**). All zones recorded declines in outstanding loans, except Lake zone.

**Table 6.4: Performance of Savings and Credit Cooperative Societies**

Quarter ending	Category	Central	Lake	Northern	South Eastern	Southern Highlands	Total
Sep-18	Number of SACCOS	1,168.0	828.0	1,033.0	1,015.0	632.0	4,676.0
	Members	126,573.0	109,887.0	210,532.0	128,628.0	137,157.0	712,777.0
	Shares value (Mil. of TZS)	8,955.7	2,958.6	15,682.6	4,998.3	23,184.6	55,779.7
	Savings (Mil. of TZS)	27,577.0	5,447.6	92,005.0	11,964.6	40,744.6	177,738.8
	Deposits (Mil. of TZS)	2,578.0	1,120.7	17,312.8	4,100.0	14,019.8	39,131.2
	Loans issued (Mil. of TZS)	175,449.7	12,331.0	418,318.3	53,585.8	158,495.1	818,180.0
	Outstanding loans (Mil. of TZS)	77,005.3	9,332.4	135,682.4	34,350.5	62,202.1	318,572.8
Jun-19	Number of SACCOS	800.0	1,026.0	1,027.0	363.0	678.0	3,894.0
	Members	136,291.0	134,159.0	208,175.0	76,612.0	128,674.0	683,911.0
	Shares value (Mil. of TZS)	9,070.7	2,752.9	16,226.8	3,767.6	14,163.1	45,981.2
	Savings (Mil. of TZS)	31,256.9	11,553.2	95,968.0	15,014.9	45,460.1	199,253.1
	Deposits (Mil. of TZS)	2,954.2	1,508.9	20,132.6	7,029.7	16,117.6	47,742.9
	Loans issued (Mil. of TZS)	178,978.2	33,687.4	486,688.9	39,911.8	162,294.4	901,560.7
	Outstanding loans (Mil. of TZS)	92,625.0	13,681.9	111,520.8	16,936.4	49,155.9	283,919.9
Sep-19 <sup>P</sup>	Number of SACCOS	884.0	1,026.0	1,027.0	406.0	680.0	4,023.0
	Members	176,562.8	137,774.0	208,879.0	78,413.0	127,099.0	728,727.8
	Shares value (Mil. of TZS)	16,660.0	2,925.8	16,420.2	3,910.7	14,612.8	54,529.5
	Savings (Mil. of TZS)	22,165.6	13,510.0	96,066.1	14,717.4	46,366.9	192,825.9
	Deposits (Mil. of TZS)	3,808.5	1,513.0	20,298.5	8,029.6	13,062.1	46,711.6
	Loans issued (Mil. of TZS)	191,960.0	33,731.4	496,407.5	43,052.4	147,307.1	912,458.4
	Outstanding loans (Mil. of TZS)	48,423.9	13,691.4	113,754.3	17,649.9	40,819.7	234,339.2

Source: Ministry of Agriculture, and Regional Authorities

Note: Data excludes Dar-es-Salaam zone; and p denotes provisional data