



**BANK OF TANZANIA**

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

**Volume 3, No. 1**



*Consolidated Zonal Economic Performance report*

## **BANK OF TANZANIA**

# **CONSOLIDATED ZONAL ECONOMIC PERFORMANCE REPORT FOR THE QUARTER ENDING MARCH 2018**

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## **Executive Summary**

Inflation rates remained low and stable across the zones in the quarter ending March 2018, albeit varying in levels and trend. Headline inflation eased in the Central, Lake and Southern Highlands zones, but picked up slightly in Northern, South Eastern and Dar es Salaam zones. The Southern Highlands zone recorded the lowest inflation of 0.9 percent, while the South Eastern zone experienced the highest inflation of 11.0 percent. The Central, Northern and South Eastern zones registered headline inflation rates higher than the national average of 4.0 percent. The slowdown in inflation across the zones was mostly driven by moderation in food prices, as food supply remained generally adequate, with NFRA releasing 13,992.2 tonnes of maize, of which 81.0 percent was sold to World Food Program.

Most of economic activities improved across the zones in the quarter ending March 2018, albeit varying in magnitudes influenced by favorable weather conditions, supportive infrastructure and implementation of economic policies and programmes. Value of selected manufactured goods improved across all zones except for the Central zone, which recorded a marginal decline of 1.8 percent. The improved performance was mainly influenced by stability in power supply, availability of raw materials, rehabilitation and construction of infrastructure especially roads, as well as establishment of new manufacturing and processing industries including those producing ceramics, metal and steel products.

Tourism activities recorded improvement as the number of tourists and earnings increased by 15.6 percent and 15.2 percent, respectively. The number of visitors and fees collected increased in all zones, except for Dar es Salaam and South Eastern zones. The good performance in tourism activities was largely associated with improved tourism support infrastructure and services, and



enhanced promotional activities by the Government.

Performance of the main seaports—Dar es Salaam, Tanga and Mtwara—improved in the period under review. Improvement in cargo handled was attributed to ongoing modernization and harmonization of operations at the ports, coupled with cessation of single custom territory between Tanzania and Democratic Republic of the Congo (DRC). Dar es Salaam port accounted for 93.8 percent of total cargo handled followed by Tanga port at 4.0 percent. Noteworthy, transit goods, which account for more than one third of cargo handled at Dar es Salaam port increased by 8.2 percent to 1,225,960 tonnes with cargo destined to DRC and Zambia accounting for 60.5 percent.

Electricity generated and distributed amounted to 1,676,568.4 megawatts, a decline of 0.2 percent compared with the corresponding period a year earlier. In contrast, production of natural gas at Songo Songo and Mnazi Bay fields increased by 8.0 percent to 13,728.1 million standard cubic feet (MMSCF) mirroring increased demand for electricity.

Volume and value of fish catches declined by 18.5 percent and 7.6 percent to 16,187.6 tonnes and TZS 71.8 billion, respectively. The decline was associated with suspension of fishing activities in some parts of Lake Rukwa and Government intensified measures to clunk illegal fishing.

Tax revenue collections improved to TZS 3,864.0 billion, from TZS 3,529.3 billion in the the corresponding quarter in 2017. However, collections were below the quarter target by 10.5 percent on account of low collection outturn from large tax payers, mainly skills development levy; value added tax; and pay as you earn (PAYE) tax categories. Dar es Salaam zone dominance in tax revenue collections persisted, contributing 90.1 percent of the total.



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On financial intermediation, improvements were recorded in both deposits and lending. Commercial banks' deposits recorded an annual increase of 7.0 percent to TZS 17,332.2 billion at the end of March 2018, in which all zones recorded deposits increases except Lake and Southern Highlands zones. Similarly, lending to various economic activities increased by 11.3 percent to TZS 14,991.9 billion with Dar es Salaam zone accounting for the largest share of 59.5 percent. Like in the previous quarter, wholesale and retail trade; manufacturing; personal; and social services (education and health) activities were the major recipients of loans from commercial banks during the quarter under review, altogether accounting for 60.5 percent of the outstanding loans.



## 1.0 Economic Performance

### 1.1 Inflation and Wholesale Prices

In the quarter ending March 2018, headline inflation across zones depicted mixed trends when compared with the previous quarter and corresponding quarter in 2017 (**Table 1.1**). Central, Lake and Southern Highlands zones recorded declines in average headline inflation largely driven by food inflation owing to adequate food supply. Meanwhile, South Eastern and Dar es Salaam zones registered increases in average headline inflation mainly on account of food inflation, while for Northern zone it was due to non-food inflation. Noteworthy, Southern Highlands, Lake, and Dar es Salaam zones registered average headline inflation lower than the national average of 4.0 percent (**Chart 1.1**).

**Table 1.1: Quarterly Changes in Consumer Price Index**

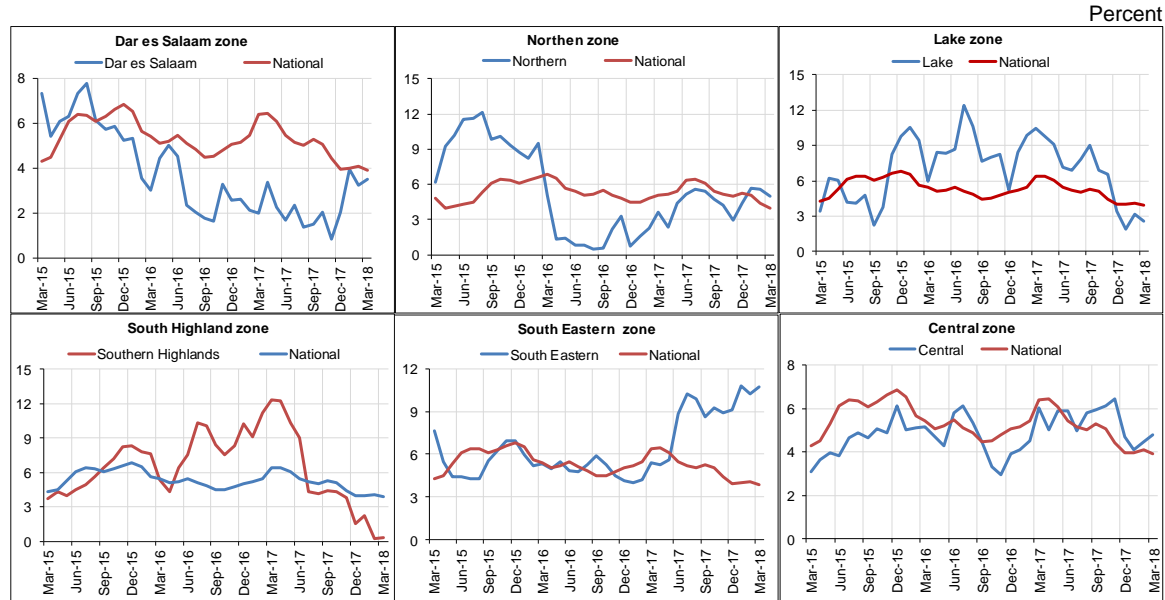
	Percent						
	National	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands
Mar-17	6.4	4.9	2.4	9.2	2.5	6.6	10.8
Jun-17	5.4	5.6	2.4	8.7	4.0	9.6	10.5
Sep-17	5.3	5.6	1.7	7.9	5.2	9.1	4.3
Dec-17	4.5	5.8	1.6	5.6	3.9	10.6	3.2
Mar-18	4.0	4.5	3.6	2.6	5.4	11.0	0.9

Source: National Bureau of Statistics



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Chart 1.1: Year-on-Year Headline Inflation



Source: National Bureau of Statistics, Bank of Tanzania computations

Average wholesale prices of all major food crops<sup>1</sup> declined compared with the corresponding quarter in 2017, except those of finger millet and rice (**Table 1.2**). The magnitude of price decrease was high in maize, bulrush millet and sorghum whose prices eased by 52.5 percent, 35.3 percent and 29.0, respectively. The decline was on account of relatively improved supplies due to adequate long-and short-rains during the 2016/17 and 2017/18 crop seasons.

<sup>1</sup> 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 Selected Food Crops in Zones**

		TZS per 100kgs						
Period		Central	Dar es Salaam	Lake	Nothern	South Eastern	Southern Highlands	Average
Quarter ending Mar-17	Beans	176,237	202,621	165,615	189,435	174,583	193,700	183,698
	Bulrush millet	124,452	114,124	n.a	87,985	n.a	n.a	108,854
	Finger millet	135,653	167,177	n.a	130,929	175,833	n.a	152,398
	Maize	107,951	105,430	100,416	99,324	82,167	90,600	97,648
	Rice	172,833	184,050	166,035	172,267	187,500	193,000	179,281
	Round potatoes	104,300	92,490.0	78,344	86,759.2	n.a	67,700	85,919
	Sorghum	77,548	117,564	111,752	84,279	180,595	n.a	114,348
	Wheat	n.a	124,468	n.a	105,015	n.a	118,000	115,828
Quarter ending Dec-17	Beans	185,944	197,000	168,648	175,017	187,500	170,333	180,740
	Bulrush millet	86,167	91,597	n.a	61,897	n.a	n.a	79,887
	Finger millet	160,000	152,102	n.a	140,059	90,000	n.a	135,540
	Maize	77,333	52,859	75,694	52,345	49,833	41,567	58,272
	Rice	190,000	189,583	183,259	191,375	198,750	200,000	192,161
	Round potatoes	88,167	74,895	89,306	74,870	n.a	53,867	76,221
	Sorghum	70,750	89,345	102,000	63,112	91,250	n.a	83,291
	Wheat	n.a	117,764	n.a	81,849	n.a	n.a	99,807
Quarter ending Mar-18 <sup>P</sup>	Beans	173,280	195,352	133,750	165,137	182,032	186,000	172,591.9
	Bulrush millet	65,097	83,998	n.a	62,099	n.a	n.a	70,398.1
	Finger millet	141,328	147,213	n.a	130,747	197,407	n.a	154,173.9
	Maize	51,472	50,738	49,556	49,142	43,957	35,933	46,799.6
	Rice	171,238	193,652	166,333	195,413	176,514	223,200	187,724.9
	Round potatoes	77,431	74,237	65,833	82,947	n.a	56,133	71,316.2
	Sorghum	76,081	81,899	60,333	60,938	126,500	n.a	81,150.1
	Wheat	n.a	117,181	n.a	91,800	n.a	n.a	104,490.6

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

## 2.0 Food Supply Situation

During the quarter ending March 2018, food supply was generally satisfactory in all zones. National Food Reserve Agency (NFRA) purchased 9,961.5 tonnes and released 13,992.2 tonnes of maize to the market and humanitarian organization—World Food Programme, which received 11,307.6 tonnes. National wide, NFRA remained with the balance of 99,944.2 tonnes of maize at the end of March 2018.



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**Table: 2.1: Stock of Food held by NFRA in Zones**

Period	Zone	Opening balance	Quantity purchased	Quantity transferred	Quantity released	Tonnes
						Balance
Quarter ending Mar-17	Central	12,747.6	0.0	0.0	1,555.1	11,192.5
	Southern Highlands	30,878.9	16,429.4	0.0	4,448.8	42,859.5
	Northern	5,049.2	5,123.3	0.0	4,461.0	5,711.5
	Lake	10,787.1	0.0	0.0	2,164.5	8,622.6
	Dar es Salaam	7,876.4	0.0	0.0	154.1	7,722.3
	<b>Total</b>		<b>67,339.2</b>	<b>21,552.7</b>	<b>0.0</b>	<b>12,783.5</b>
Quarter ending Dec-17	Central	7,274.9	50.0	0.8	100.7	7,225.0
	Southern Highlands	39,672.0	2,755.3	76.7	134.0	42,370.0
	Northern	3,238.4	759.2	799.6	937.5	3,859.7
	Lake	8,693.6	0.0	0.0	502.6	8,191.0
	South Eastern	16,930.7	4,962.2	0.0	0.0	21,892.9
	Dar es Salaam	9,499.9	0.0	-800.0	164.4	8,535.5
<b>Total</b>		<b>85,309.6</b>	<b>8,526.7</b>	<b>77.2</b>	<b>1,839.2</b>	<b>92,074.3</b>
Quarter ending Mar-18 <sup>P</sup>	Central	7,225.0	0.0	3,017.6	2,372.9	7,869.7
	Southern Highlands	42,370.0	8,961.5	0.0	7,588.7	43,742.8
	Northern	13,102.2	1,000.0	0.0	0.0	14,102.2
	Lake	6,666.6	0.0	2,065.1	4,030.6	4,701.1
	South Eastern	21,893.0	0.0	0.0	0.0	21,893.0
	Dar es Salaam	8,535.4	0.0	-900.0	0.0	7,635.4
<b>Total</b>		<b>99,792.2</b>	<b>9,961.5</b>	<b>4,182.7</b>	<b>13,992.2</b>	<b>99,944.2</b>

Source: National Food Reserve Agency (NFRA)

Note: "p" denotes provisional data

## 3.0 Sectoral Performance

### 3.1 Livestock

Earnings from livestock sold through registered markets shrunk by 7.0 percent to TZS 268.0 billion in the quarter to March 2018, from the amount earned in the corresponding quarter in 2017 (**Table 3.1**). All zones recorded declines in livestock earnings, except Central, Dar es Salaam and Northern zones. In Southern Highlands and Lake zones the decline was attributed to lower unit price of cattle, while in South Eastern zone it was on account of both volume and unit price of cattle. Meanwhile, improvement in earnings from livestock trade in Dar



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es Salaam, Central and Northern zones was due to volume and price effect. In terms of contribution to the total value of sales, Central zone accounted for the largest share of 27.5 percent, followed by Dar es Salaam zone with 26.6 percent, while South Eastern zone accounted for the least share of 3.7 percent.

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

	Livestock	Unit	Lake	Northern	Southern Highlands	Central	Dar es Salaam	South Eastern	Total
Quarter ending Mar-17	Cattle	Number	122,540	61,216	45,482	135,296	89,460	21,075	475,069
		TZS million	56,447.7	48,449.5	25,238.5	66,276.0	61,410.6	10,204.9	268,027.2
	Goats	Number	60,504	47,487	9,187	60,144	48,720	11,183	237,225
		TZS million	2,914.1	3,876.8	538.5	3,370.6	3,204.4	694.2	14,598.6
	Sheep	Number	28,716	19,749	2,603	27,708	6,600	1,659	87,035
		TZS million	1,179.9	2,668.4	118.9	1,221.0	407.9	73.8	5,669.9
	Total	TZS million	60,541.7	54,994.8	25,895.9	70,867.6	65,022.9	10,972.9	288,295.8
Quarter ending Dec-17	Cattle	Number	130,548	63,382	44,388	156,010	96,870	20,682	511,880
		TZS million	40,302.3	37,219.4	23,190.1	73,678.4	69,478.4	7,919.7	251,788.3
	Goats	Number	75,853	49,318	16,521	99,498	45,540	10,960.0	297,690
		TZS million	4,020.0	3,692.2	908.7	5,219.1	3,366.2	2,023.3	19,229.5
	Sheep	Number	17,557	19,257	1,853	37,251	8,040	1,945	85,903
		TZS million	774.6	1,445.4	88.9	1,456.7	528.5	111.8	4,405.9
	Total	TZS million	45,096.8	42,357.0	24,187.7	80,354.2	73,373.1	10,054.8	275,423.7
Quarter ending Mar-18 <sup>p</sup>	Cattle	Number	125,871	79,155	30,631	158,103	92,565	15,155	501,480
		TZS million	37,845.4	49,744.7	14,533.4	67,833.4	66,561.9	5,769.7	242,288.5
	Goats	Number	93,106	59,686	9,533	77,078	50,745	10,354	300,502
		TZS million	4,592.0	4,837.1	619.7	4,343.3	3,624.9	924.2	18,941.2
	Sheep	Number	6,934	38,632	2,064	30,468	22,725	1,591	102,414
		TZS million	286.1	3,300.8	127.6	1,489.1	1,451.6	98.2	6,753.4
	Total	TZS million	42,723.6	57,882.6	15,280.7	73,665.8	71,638.4	6,792.1	267,983.2

Source: Regional Commissioner's Offices, Ministry of Livestock Development and Fisheries, and Bank of Tanzania computations

Note: "p" denotes provisional data

## 3.2 Fisheries

Fish catches decreased to 16,187.6 tonnes in the quarter to March 2018, from 19,870.7 tonnes in the quarter ending March 2017 (**Table 3.2**). All zones recorded declines in volume of fish catches, with much of the decrease recorded in South Eastern zone at 63.5 percent. Similarly, the value of fish sold declined to TZS 71.8 billion from TZS 77.7 billion, with South Eastern recording the highest decrease of 49.9 percent. The decline in fish catch in Southern Highlands zone



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mainly resulted from suspension of fishing activities at Lake Rukwa, while for South Eastern and Lake zones was attributed to supply factors, intensified measures against illegal fishing activities by the government and poor fishing gears. In contrast, the volume and value of fish catches in Central zone went up by 44.6 percent and 48.2 percent, respectively driven by resumption of fishing activities in Kilombero river following rise in water levels. Lake zone remained dominant in fishing industry, accounting for 41.7 percent and 65.0 percent of the total catches and value, respectively.

**Table 3.2: Fish Catches**

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Mar -18
		Mar-17	Dec-17	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18	
Central	Tonnes	42.4	134.2	61.3	-54.3	44.6	0.4
	TZS million	207.0	536.0	306.8	-42.8	48.2	0.4
Dar es Salaam	Tonnes	3,094.6	3,339.7	2,880.8	-13.7	-6.9	17.8
	TZS million	8,378.0	8,976.8	8,715.0	-2.9	4.0	12.1
South Eastern	Tonnes	3,901.2	2,568.8	1,423.1	-44.6	-63.5	8.8
	TZS million	4,902.1	9,264.3	2,455.3	-73.5	-49.9	3.4
Lake	Tonnes	7,222.4	8,672.3	6,743.9	-22.2	-6.6	41.7
	TZS million	50,459.6	63,758.6	46,720.8	-26.7	-7.4	65.0
Northern	Tonnes	1,248.7	1,792.7	1,412.5	-21.2	13.1	8.7
	TZSmillion	6,474.8	8,847.3	7,060.6	-20.2	9.0	9.8
Southern Highlands	Tonnes	4,361.4	3,703.4	3,666.0	-1.0	-15.9	22.6
	TZS million	7,288.8	12,152.5	6,581.1	-45.8	-9.7	9.2
Total	Tonnes	19,870.7	20,211.1	16,187.6	-19.9	-18.5	100.0
	TZS million	77,710.3	103,535.5	71,839.6	-30.6	-7.6	100.0

Source: Regional Commissioners' Offices, Bank of Tanzania computations

Note: "p" denotes provisional data

### 3.3 Manufacturing

Value of selected manufactured goods grew by 45.0 percent to TZS 2,471.3 billion in the quarter ending March 2018 compared to the value recorded in the quarter to March 2017. All zones recorded increases in value except Central zone, which registered a decrease of 1.8 percent. The improved performance



was generally due to stability in power supply, availability of raw materials coupled with improvement of infrastructures especially roads. The performance was also associated with completion of rehabilitation work at some processing industries and establishment of new manufacturing firms including for ceramics, metal and steel products, and agro processing. Dar es Salaam zone continued to dominate the sector, accounting for 53.3 percent of total value of selected manufactured goods during the quarter, followed by Northern zone at 14.1 percent (**Table 3.3**).

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

Zone	Billions of TZS					
	Quarter ending			Percentage change		Percentage contribution
	Mar-17	Dec-17	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18	
Central	77.0	105.7	75.6	-28.5	-1.8	3.1
Dar es Salaam	993.6	1,249.1	1,317.1	5.4	32.6	53.3
South Eastern	87.1	117.0	423.9	---	---	17.2
Lake	112.5	193.2	126.6	-34.5	12.5	5.1
Northern	305.9	286.5	347.8	21.4	13.7	14.1
Southern Highlands	127.6	156.9	180.3	14.9	41.3	7.3
<b>Total</b>	<b>1,703.8</b>	<b>2,108.5</b>	<b>2,471.3</b>	<b>17.2</b>	<b>45.0</b>	<b>100.0</b>

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

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

### 3.4 Mining

Minerals worth TZS 847.2 billion were extracted in the quarter to March 2018, a 13.2 percent decline from the level recorded in the similar quarter in 2017 (**Table 3.4**). The decline was largely on account of lower production of gold in Lake and Southern Highlands zones, which recorded declines of 16.6 percent and 13.8 percent, respectively. Meanwhile, South Eastern zone recorded significant increase in the value of mineral extracted following rise in gypsum and limestone production—materials mostly used by cement producing firms. The Lake zone continued to dominate the sector, accounting for 86.6 percent of value of



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minerals extracted during the quarter as the zone is the base of large-scale mining operations in the country.

**Table 3.4: Mineral Recovery**

Zone	Millions of TZS					
	Quarter ending			Percentage change		Percentage contribution Mar-18
	Mar-17	Dec-17	Mar-18 <sup>p</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18	
Central	1,589.1	1,617.2	3,115.1	92.6	96.0	0.4
South Eastern	15,719.7	48,382.6	40,382.6	-16.5	---	4.8
Lake	879,903.8	896,227.9	733,519.3	-18.2	-16.6	86.6
Northern	9,914.1	17,194.5	10,770.5	-37.4	8.6	1.3
Southern Highlands	68,895.4	56,310.7	59,377.9	5.4	-13.8	7.0
Total	976,022.1	1,019,732.9	847,165.4	-16.9	-13.2	100.0

Source: Zonal Mining Offices and Mining Companies

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

### 3.5 Tourism

The number of visitors to attraction sites increased by 15.6 percent to 374,561 from the level recorded in the quarter ending March 2017 (**Table 3.5**). Similarly, total earnings (mainly gate fees) rose by 15.2 percent to TZS 50.3 billion. With the exception of Dar es Salaam and South Eastern zones, all zones recorded increases in the number of visitors and earnings largely associated with government efforts and initiatives in improving infrastructure and enhanced promotional activities. Northern zone remained dominant, accounting for 72.9 percent of the total earnings.



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**Table 3.5: Number of Tourists and Earnings**

Zone	Unit	Quarter ending			Percentage change		Percentage contribution Mar-18
		Mar-17	Dec-17	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18	
Central	Number of visitors	8,981	15,758	11,395	-27.7	26.9	3.0
	TZS million	320.0	422.6	392.9	-7.0	22.8	0.8
Dar es Salaam	Number of visitors	4,139	1,673	2,794	67.0	-32.5	0.7
	TZS million	72.3	50.0	53.1	6.2	-26.6	0.1
South Eastern	Number of visitors	4,844	6,395	2,979	-53.4	-38.5	0.8
	TZS million	84.4	71.2	47.2	-33.7	-44.1	0.1
Lake	Number of visitors	75,235	99,097	85,368	-13.9	13.5	22.8
	TZS million	10,766.3	14,252.2	12,804.8	-10.2	18.9	25.5
Northern	Number of visitors	226,422	272,499	271,439	-0.4	19.9	72.5
	TZS million	32,121.7	31,339.2	36,646.7	16.9	14.1	72.9
Southern Highlands	Number of visitors	4,278	13,453	586	-95.6	-86.3	0.2
	TZS million	303.6	669.6	340.0	-49.2	12.0	0.7
Total	Number of visitors	323,899	408,875	374,561	-8.4	15.6	100.0
	TZS million	43,668.3	46,804.8	50,284.7	7.4	15.2	100.0

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

Note: "p" denotes provisional data

### 3.6 Energy

Electricity generated and distributed in all zones declined marginally by 0.2 percent to 1,676,568.4 megawatts in the quarter to March 2018, from the corresponding quarter in 2017 (**Table 3.6**). Much of the decline occurred in Northern zone resulting from lower water levels. However, production of natural gas at Songo Songo and Mnazi Bay fields increased by 8.0 percent to 13,728.1 MMSCF from the production recorded in the similar quarter in 2017, owing to increase in demand for electricity consistent with the expansion in manufacturing activities in the country.



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

Zone	Quarter ending			Percentage change	
	Mar-17	Dec-17	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18
<b>A. Electricity (Megawatts)</b>					
Central	419,563.9	402,619.2	441,036.7	9.5	5.1
Dar es Salaam	1,131,055.1	1,073,133.1	1,111,360.6	3.6	-1.7
South Eastern	25,477.5	22,818.1	24,358.4	6.8	-4.4
Northern	41,818.9	66,562.5	36,091.3	-45.8	-13.7
Lake	60,019.1	87,212.1	60,956.3	-30.1	1.6
Southern Highlands	1,772.0	1,271.8	2,765.0	---	56.0
<b>Total</b>	<b>1,679,706.5</b>	<b>1,653,616.8</b>	<b>1,676,568.4</b>	<b>1.4</b>	<b>-0.2</b>
<b>B. Natural gas (Million standard cubic feet)</b>					
South Eastern	12,710.2	13,075.1	13,728.1	5.0	8.0

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

Note: "—"denotes change exceed 100 percent

### 3.7 Ports Performance

Volume of cargo handled at sea ports of Dar es Salaam, Tanga and Mtwara increased by 23.6 percent from the volume handled in the quarter to March 2017 to 4.1 million tonnes in the quarter ending March 2018 (**Table 3.7**). The observed improvement was attributed to ongoing modernization and harmonization of operations at the ports coupled with cessation of single custom territory between Tanzania and Democratic Republic of the Congo (DRC). Cargo handled increased across all ports, except Mtwara. The decline in volume of cargo handled at Mtwara port was explained by slowdown of imports through the port. Noteworthy, imports accounted for the largest share of cargo handled at Dar es Salaam and Tanga ports. Dar es Salaam port accounted for 93.8 percent of the total cargo handled, followed by Tanga port (4.0 percent) and Mtwara port (2.2 percent). Transit cargo to neighboring countries, which accounted for more than one third of total cargo handled at Dar es Salaam port increased by 8.2 percent to 1,225,960 tonnes; of which, DRC and Zambia accounted for 60.5 percent.





**Table 3.7: Cargo Handled at the Main Seaports**

Port	Tonnes					
	Quarter ending			Percentage change		Percentage share
	Mar-17	Dec-17	Mar-18	Dec-17 to Mar-18	Mar-17 to Mar-18	
Dar es Salaam	3,051,303	3,754,768	3,800,275	1.2	24.5	93.8
Tanga	117,125	204,537	161,253	-21.2	37.7	4.0
Mtwara	108,100	233,526	88,631	-62.0	-18.0	2.2
<b>Total</b>	<b>3,276,528</b>	<b>4,192,831</b>	<b>4,050,159</b>	<b>-3.4</b>	<b>23.6</b>	<b>100.0</b>

Source: Tanzania Ports Authority

## 4.0 Revenue and Cross Border Trade

### 4.1 Revenue Performance

Tax revenue collection amounted to TZS 3,864.0 billion in the quarter under review, 10.5 percent below the target for the quarter but higher than the amount collected in the quarter ending March 2017 by 9.5 percent (**Table 4.1**). The increase in revenue collections was attributed to various initiatives undertaken by the government, including stringent measures to curb tax evasion and public awareness campaigns; and increasing tax compliance in the business community. All zones performed below their targets for the quarter, save for Southern Highlands zone. Dar es Salaam zone, the center of commercial activities in the country, continued to account for the largest share in revenue collections, at 90.1 percent, while Southern Highlands zone had the lowest contribution of 1.1 percent.



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**Table 4.1: Tax Revenue Performance**

Billions of TZS

Zone	Quarter ending				Actual to target (Percent) Mar-18	Percentage change	
	Actual		Target			Dec-17 to Mar-18	Mar-17 to Mar-18
	Mar-17	Dec-17	Mar-18	Mar-18 <sup>P</sup>			
Central	39.4	38.4	45.7	53.2	85.9	19.0	16.1
Dar es Salaam	3,121.7	3,632.9	3,436.9	3,814.4	90.1	-5.4	10.1
Lake	77.0	90.8	96.2	104.6	91.9	5.9	24.9
Nothern	161.7	177.0	182.7	201.1	90.8	3.2	12.9
Southern Eastern	76.6	134.6	54.1	103.3	52.4	-59.8	-29.4
Southern Highlands	52.8	34.3	48.4	38.8	124.7	41.0	-8.4
<b>Total</b>	<b>3,529.3</b>	<b>4,108.1</b>	<b>3,864.0</b>	<b>4,315.5</b>	<b>89.5</b>	<b>-5.9</b>	<b>9.5</b>

Source: Tanzania Revenue Authority

Note: "p" denotes provisional data

## 4.2 Cross Border Trade

Cross border trade registered a surplus of TZS 1,291.9 billion, a 21.9 percent decline from a surplus of TZS 1,653.6 billion in the quarter ending March 2017 on account of both exports and imports, which shrunk by 22.4 percent and 24.9 percent, respectively. The decline in exports was driven by decrease in cashew nuts exports in South Eastern zone and that of unrefined gold, cotton seed cakes and cotton lint in Lake zone. All zones recorded declines in imports, except South Eastern zone. Northern Zone contributed the largest share of total exports accounting for 56.8 percent, while South Eastern zone contributed the least with 5.9 percent share (**Table 4.2**).



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**Table 4.2: Zonal Formal Cross Border Trade**

Billions of TZS

Zone		Quarter ending			Percentage change	
		Mar-17	Dec-17	Mar-18 <sup>p</sup>	Dec-17 to Mar-18 <sup>p</sup>	Mar-17 to Mar-18 <sup>p</sup>
Lake	Exports	918.1	1,090.8	433.9	-60.2	-52.7
	Imports	171.8	111.1	68.4	-38.4	-60.2
	Trade balance	746.3	979.7	365.5	-62.7	-51.0
Nothern	Exports	806.7	1,010.0	893.1	-11.6	10.7
	Imports	132.2	131.0	131.8	0.6	-0.3
	Trade balance	674.5	879.0	761.3	-13.4	12.9
Southern Eastern	Exports	232.0	736.5	154.2	-79.1	-33.5
	Imports	8.2	1.6	22.3	---	---
	Trade balance	223.8	734.9	131.9	-82.1	-41.1
Southern Highlands	Exports	71.9	106.8	92.3	-13.6	28.5
	Imports	62.8	90.0	59.1	-34.3	-5.9
	Trade balance	9.0	16.8	33.2	98.0	---
Total	Exports	2,028.7	2,944.1	1,573.5	-46.6	-22.4
	Imports	375.0	333.7	281.6	-15.6	-24.9
	Trade balance	1,653.6	2,610.4	1,291.9	-50.5	-21.9

Source: Tanzania Revenue Authority

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

## 5.0 Financial Sector Performance

### 5.1 Banks Deposits and Lending

Commercial banks' deposits increased by 7.0 percent year-on-year to TZS 17,332.2 billion at the end of March 2018, attributed to the ongoing deposits mobilization efforts by banks through, among others, agency banking and the mobile phone platforms. Customer deposits increased across all zones except for Lake and Southern Highlands zones (**Table 5.1a**). The substantial deposits increase in the South Eastern zones was largely due to implementation of new payment arrangement for cashew nuts farmers, which requires all payments to be effected through farmers' bank accounts effective from 2017/18 season.



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Meanwhile, declines noticed in Lake and Southern Highlands zones was attributed to underperformance of some economic activities particularly fishing, mining and agriculture (coffee and livestock sales). Dar es Salaam zone continued to dominate though its share in total deposits slightly shrunk to 68.5 percent from 69.8 percent a year earlier.

**Table 5.1a: Zonal Commercial Bank Deposits**

Billions of TZS

Zone	Quarter ending			Percentage change		Percentage contribution Mar-18
	Mar-17	Dec-18	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18	
Central	955.8	977.8	1,071.7	9.6	12.1	6.2
Dar es Salaam	11,308.2	12,034.1	11,878.9	-1.3	5.0	68.5
Lake	1,100.3	1,292.9	1,067.8	-17.4	-3.0	6.2
Northern	1,787.3	2,213.7	2,017.4	-8.9	12.9	11.6
South Eastern	426.1	768.5	688.0	-10.5	61.5	4.0
Southern Highlands	620.0	548.1	608.3	11.0	-1.9	3.5
Total	16,197.7	17,835.1	17,332.2	-2.8	7.0	100.0

Source: Commercial banks in respective zones

Note: "p" denotes provisional data

There have been a number of initiatives to increase access to banking services in the country using various delivery channels. Some of which include mobile, internet and agent banking. Agent banking is the most recent channel whose adoption is perceived to reduce banks' operational costs and customers' transaction costs. As at the end of March 2018, number of bank agencies registered were 13,083, with Dar es Salaam zone accounting for 27.3 percent (**Table 5.1b**). Total cash deposits and withdrawal transacted through agencies amounted to TZS 1,179.8 billion and TZS 340.0 billion, respectively. Lake zone constituted the highest value of transactions in both deposits and withdrawals, accounting for 38.7 percent and 31.2 percent, respectively.



**Table 5.1b: Transactions through Agent Banking**

Zone	Number of agents	Cash deposit		Cash withdrawal	
		Number of transactions	Value (Billions of TZS)	Number of transactions	Value (Billions of TZS)
Central	2,721	402,513	177.8	263,324	72.5
Dar es Salaam	3,577	580,469	289.6	273,357	77.7
Lake	2,004	807,811	456.2	343,343	106.2
Northern	2,050	213,791	101.0	106,902	27.1
South Eastern	946	99,642	52.2	74,532	21.5
Southern Highlands	1,785	194,380	103.0	119,397	35.0
<b>Total</b>	<b>13,083</b>	<b>2,298,606</b>	<b>1,179.8</b>	<b>1,180,855</b>	<b>340.0</b>

Source: Bank of Tanzania

Commercial banks' continued to extend loans to various economic activities during the quarter. Outstanding loans at the end of March 2018 amounted to TZS 14,991.9 billion, a 11.3 percent increase from the levels recorded at the end of March 2017. Dar es Salaam zone remained dominant, accounting for 59.5 percent of the total outstanding loans followed by Northern zone at 21.6 percent (**Table 5.2a**). Like in the previous quarter, lending was mostly extended to wholesale and trade; personal; manufacturing; and social (education and health) activities, all together accounting for 60.5 percent of the outstanding loans at the end of March 2018 (**Table 5.2b**).



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**Table 5.2a: Zonal Commercial Bank Lending**

Billions of TZS

Zone	Quarter ending			Percentage change		Percentage contribution Mar-18
	Mar-17	Dec-17	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18	
Central	900.2	853.5	871.3	2.1	-3.2	5.8
Dar es Salaam	9,064.1	8,852.2	8,915.0	0.7	-1.6	59.5
Lake	1,263.0	1,382.2	831.4	-39.8	-34.2	5.5
Northern	1,154.4	2,217.9	3,243.3	46.2	---	21.6
South Eastern	324.8	416.6	388.5	-6.7	19.6	2.6
Southern Highlands	765.9	791.2	742.4	-6.2	-3.1	5.0
<b>Total</b>	<b>13,472.4</b>	<b>14,513.7</b>	<b>14,991.9</b>	<b>3.3</b>	<b>11.3</b>	<b>100.0</b>

Source: Commercial banks in respective zones

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

**Table 5.2b: Percentage Share of Banks' Lending to Economic Activities - March 2018**

Activity	Central	Dar es Salaam	Lake	Northern	South Eastern	Southern Highlands	Total
Agriculture	5.2	2.9	4.4	4.8	3.9	20.6	4.4
Manufacturing	0.2	13.9	10.8	2.5	0.1	1.7	9.5
Wholesale and retail trade	21.9	25.7	17.3	12.8	10.0	14.5	21.3
Transport, storage and communication	1.0	8.1	1.2	1.4	0.5	1.6	5.3
Building and construction	0.4	7.5	7.8	2.0	12.6	5.0	5.9
Real estate	0.0	6.4	19.9	0.4	7.2	0.0	5.2
Electricity, gas and water	0.7	3.5	2.4	1.0	0.6	0.5	2.5
Mining and quarrying	0.0	1.5	0.1	0.4	0.0	1.4	1.0
Personal	23.6	15.2	26.5	33.5	15.3	11.4	20.1
Financial intermediation	0.2	1.2	1.4	2.3	0.3	1.3	1.3
Hotels and restaurants	4.7	3.5	2.2	9.6	0.5	0.8	4.6
Social (Health and education)	31.8	1.3	0.3	25.7	48.8	3.1	9.6
Others	10.1	9.3	5.7	3.6	0.3	38.0	9.1

Source: Commercial banks in respective zones, and Bank of Tanzania computations

During the quarter to March 2018, interest rates offered by banks on deposits averaged at 4.42 percent compared with 4.27 percent in the corresponding quarter in 2017. On the contrary, average interest rate charged by banks on loans declined to 17.71 percent from 18.08 percent leading to narrowing of



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interest rate spread to 13.29 percent from 13.81 percent in the quarter to March 2017 (**Table 5.3**).

**Table 5.3: Interest Rates on Deposits and Lending**

	Percent				
	Quarter ending			Percentage change	
	Mar-17	Dec-17	Mar-18 <sup>P</sup>	Dec-17 to Mar-18	Mar-17 to Mar-18
Average deposit rate	4.27	4.77	4.42	-7.27	3.55
Average lending rate	18.08	18.52	17.71	-4.36	-2.04
Spread	13.81	13.75	13.29	-3.35	-3.77

Source: Commercial banks in respective zones

Note: "p" denotes provisional data

## 5.2 Bureau de Change Operations

Foreign currency purchased by bureau de change rose to USD 163.4 million during the quarter from USD 158.7 million in the quarter ending March 2017. In contrast, foreign exchange sold declined to USD 106.5 million from USD 143.5 million (**Table 5.4**). Dar es Salaam zone being the country business hub, accounted for the largest share of bureau de change transactions, at 76.4 percent and 72.0 percent of purchases and sales, respectively. Northern zone—the main tourist destination—followed, accounting for 21.5 percent of purchases and 25.6 percent of sales.

**Table 5.4: Zonal Bureau de Change Transactions**

Zone	Millions of USD											
	Quarter ending						Percentage change				Percentage contribution	
	Mar-17		Dec-17		Mar-18 <sup>P</sup>		Dec-17 to Mar-18		Mar-17 to Mar-18		Mar-18	
	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales	Purchases	Sales
Central	1.0	0.9	1.3	0.7	1.6	1.0	24.0	44.9	60.0	11.1	1.0	0.9
Dar es Salaam	103.4	98.4	127.2	85.8	124.8	76.6	-1.9	-10.8	20.6	-22.1	76.4	72.0
Lake	1.4	0.9	1.5	1.5	1.1	0.2	-26.0	-88.7	-18.6	-81.7	0.7	0.2
Northern	50.2	40.5	24.3	20.3	35.2	27.3	44.9	34.5	-29.9	-32.6	21.5	25.6
South Eastern	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Southern Highlands	2.7	2.8	1.6	1.5	0.6	1.4	-59.2	-7.4	-76.0	-50.4	0.4	1.3
Total	158.7	143.5	155.9	109.8	163.4	106.5	4.8	-3.1	2.9	-25.8	100.0	100.0

Source: Bank of Tanzania



### 5.3 Savings and Credit Cooperative Societies

Savings and Credit Cooperative Societies (SACCOS) performance declined compared with similar quarter in 2017 in terms of membership, savings, deposits and loans issued. However, improvements were recorded in the number of shares and loan repayments—mirrored in the outstanding loans, which decreased to TZS 347.2 billion from TZS 459.2 billion in the quarter to March 2017 (**Table 5.6**). Northern zone accounted for the largest share of total savings through SACCOS as at the end of the quarter to March 2018, at 41.7 percent, followed by South Eastern zone, 23.3 percent. As regards to loans disbursed, Northern and Southern Highlands zones accounted for 45.0 percent and 17.2 percent, respectively.

**Table 5.6: Performance of Savings and Credit Cooperative Societies**

Category	Central	Lake	Northern	South Eastern	Southern Highlands	Total
Quarter ending Mar-17						
Number of SACCOS	930	1,414	931	1,243	671	5,189
Members	146,403	149,220	199,241	149,487	134,817	779,168
Share value (Mil. of TZS)	7,225.4	3,465.2	17,440.5	5,598.5	22,611.2	56,340.8
Savings (Mil. of TZS)	27,929.8	15,570.1	78,919.6	42,914.1	61,510.9	226,844.5
Deposits (Mil. of TZS)	5,273.0	3,417.2	11,173.3	6,351.3	30,216.8	56,431.6
Loan issued (Mil. of TZS)	155,506.1	52,444.9	400,853.8	100,818.3	161,368.5	870,991.6
Outstanding loans (Mil. of TZS)	57,637.3	15,784.0	242,936.7	50,461.2	92,351.2	459,170.4
Quarter ending Dec-17						
Number of SACCOS	856	1,129	966	1,212	676	4,839
Members	141,344	144,277	195,679	159,487	128,349	769,136
Share value (Mil. of TZS)	7,401.8	5,402.0	15,909.5	8,598.5	22,389.0	59,700.8
Savings (Mil. of TZS)	19,768.4	10,857.2	89,413.8	45,614.1	33,403.2	199,056.7
Deposits (Mil. of TZS)	3,499.7	4,255.4	12,998.5	6,851.3	10,788.2	38,393.1
Loan issued (Mil. of TZS)	130,019.3	70,760.4	376,930.8	80,818.3	156,680.0	815,208.8
Outstanding loans (Mil. of TZS)	39,635.7	31,037.7	118,252.6	50,461.4	63,299.8	302,687.2
Quarter ending Mar-18 <sup>p</sup>						
Number of SACCOS	800	1,134	984	1,455	718	5,091
Members	123,173	145,555	205,698	164,534	138,260	777,220
Share value (Mil. of TZS)	6,854.0	5,449.6	17,307.3	9,748.1	37,462.3	76,821.3
Savings (Mil. of TZS)	22,042.3	20,830.9	94,099.6	52,456.2	36,000.4	225,429.4
Deposits (Mil. of TZS)	2,017.9	5,613.5	14,238.2	8,145.2	14,292.3	44,307.1
Loan issued (Mil. of TZS)	137,936.2	81,888.7	378,303.7	96,982.0	144,772.0	839,882.6
Outstanding loans (Mil. of TZS)	54,784.7	27,816.6	150,683.4	47,938.3	66,002.6	347,225.6

Source: Ministry of Agriculture, Food Security and Cooperatives, and Regional Authorities

Note: "p" denotes provisional data