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MONETARY POLICY STATEMENT

2022/23

**GOVERNOR
BANK OF TANZANIA**

June 2022



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14th June 2022

**Hon. Dr. Mwigulu L. Nchemba (MP),
Minister of Finance and Planning,
Government City - Mtumba,
Hazina Street,
P. O. Box 2802,
40468 Dodoma,
TANZANIA**

Honourable Minister,

LETTER OF TRANSMITTAL

In accordance with section 21, subsection (3) to (6) of the Bank of Tanzania Act, Cap. 197, I hereby submit the **Monetary Policy Statement** of the Bank of Tanzania for 2022/23 for subsequent submission to the Parliament.

The Statement presents outcome of implementation of monetary policy during 2021/22 against the targets, and reviews the recent global and domestic macroeconomic developments. It then describes global and domestic macroeconomic outlook, and concludes by outlining the monetary policy stance that the Bank of Tanzania intends to pursue in 2022/23 in order to meet its policy objectives.

Yours Sincerely,

**Prof. Florens D. A. M. Luoga
GOVERNOR
BANK OF TANZANIA**



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EXECUTIVE SUMMARY

The Bank of Tanzania, under section 21, subsection (3) to (6) of the Bank of Tanzania Act, Cap. 197, is mandated to issue *Monetary Policy Statement* in June, followed by a mid-year review in February. The Monetary Policy Statement contains formulation and implementation of monetary policy to support attainment of macroeconomic objectives, which are inflation and economic growth targets. Accordingly, this Monetary Policy Statement presents the outcome of the conduct of monetary policy in 2021/22, along with review of global and domestic economic developments. In addition, it provides global and domestic macroeconomic outlook, as well as macroeconomic objectives, monetary policy stance and targets for 2022/23.

Conduct of Monetary Policy and Outcome

The Bank of Tanzania implemented an accommodative monetary policy in 2021/22 to facilitate recovery of economic activities from adverse effects of COVID-19 pandemic. Specifically, the following monetary policy targets were set to support the broader objectives of the Governments with the projected real GDP growth of 5 percent and inflation of 3-5 percent: (i) growth of reserve money (M0) of 9.9 percent, (ii) extended broad money supply (M3) of 10 percent, and (iii) growth of credit to the private sector of 10.6 percent. In line with these targets, the Bank also aimed at maintaining adequate foreign exchange reserves, sufficient to cover at least four months of projected imports.

In implementing the monetary policy stance, a mix of instruments was employed. These included reverse repo, Lombard loan facility and foreign exchange operations. Additional measures were instituted in



July 2021 to provide liquidity to banks, to facilitate lowering lending rates and increase private sector credit growth.

The implementation of monetary policy was smooth in the first half of 2021/22, but faced challenges afterwards. Specifically, monetary policy was conducted at the backdrop of adverse global effects of rising inflationary pressures, high commodity prices in the world market and resurgence of the COVID-19 variants in some trading partners. The challenges caused by supply-demand imbalances arising from supply chain disruptions aggravated by the war in Ukraine. This complicated the choice between controlling inflationary pressures and safeguarding economic recovery. Nonetheless, monetary policy succeeded in keeping liquidity in banks at adequate levels, reflected by low and stable money market interest rates. Also, reserve money, money supply, and private sector credit growth improved significantly from lower levels observed in 2020/21. Lending interest rates declined, but remained high at around 16 percent, reflecting existence of structural impediments.

Money supply growth averaged 13.1 percent during July 2021 to April 2022, consistent with the target of 10 percent for 2021/22. Reserve money grew by 13.8 percent compared with the target of 9.9 percent. Private sector credit growth was 8.4 percent compared with 4.3 percent in the corresponding period in 2020/21, and the target of 10.6 percent for 2021/22, attributable to accommodative monetary policy and improving business conditions.

The exchange rate remained stable throughout the period of July 2021 to April 2022, owing to low inflation, prudent monetary and fiscal policies and adequate foreign exchange reserves. Foreign exchange reserves



amounted to USD 5,461.4 million at the end of April 2022, compared with USD 4,969.7 million at the end of April 2021. Following the increase in prices of imports, particularly oil, fertilizers, and consumer goods, the import cover of foreign exchange reserves declined to 5 months, but still consistent with the country benchmark of at least 4 months and EAC convergence criteria of minimum of 4.5 months.

Global Economy

Global economy continued to recover in the second half of 2021, but was subsequently threatened by high commodity prices, war in Ukraine and resurgence of variants of COVID-19 variants in China in the first quarter of 2022. The IMF estimates the global economy to have grown by 6.1 percent in 2021, sub-Saharan Africa (4.5 percent), SADC (4.4 percent) and EAC at 6.2 percent. Growth projection for 2022 and 2023 has been revised downward due to the global challenges and monetary policy tightening cycle to counter inflation. Global growth is projected at 3.6 percent in both 2022 and 2023, which is 0.8 and 0.2 percentage points lower than earlier projected. Sub-Saharan Africa is expected to grow at 3.8 percent in 2022 and 4 percent in the subsequent year, SADC (3.1 percent and 3 percent) and EAC at 5.3 percent and 5.6 percent, respectively.

Inflation rose in many countries due to demand-supply imbalances, attributable to supply-chain disruptions caused by war in Ukraine amid rising aggregate demand. In advanced economies, high inflation above targets was experienced in the US, UK and Euro Area. In the EAC, inflation rose but remained within the convergence criteria of not more than 8 percent in most of the countries. In SADC, inflation also increased, with most of the countries failing to achieve the convergence



criteria of 3-7 percent. Almost all central banks have started monetary policy tightening or taken some forms of reducing monetary policy accommodation to complement supply-side measures in controlling inflationary pressures. Thus, central banks are facing a difficult trade-off of promoting economic recovery and taming inflation.

Prices of commodities, particularly oil, fertilizers, and consumer goods increased significantly due to demand-supply imbalances, with war in Ukraine exacerbating the challenge. The world market price of crude oil, in particular, was more than USD 100 per barrel, with a peak of USD 118 per barrel in April 2022. The price of oil is projected to decline to around USD 80 per barrel beginning February 2023, due to expected increase in production. Gold price remained high, ranging from USD 1,850 to 1,947.81 per troy ounce, but expected to decline as advanced economies tighten monetary policy to reduce inflation.

Economic Performance in Tanzania Mainland

The economy is estimated to have grown by 4.9 percent in 2021, compared with 4.8 percent in the preceding year, driven by agriculture, construction, mining and quarrying, manufacturing, trade and repair, and transport and storage. The fastest growing activities were arts and entertainment, electricity, mining and quarrying, and information and communication. Accommodation and restaurant activity improved due to resumption of tourism activities. In view of high commodity prices and below average rains in most parts of the country, growth projection for 2022 has been revised downward to 4.7 percent from 5 percent.



Inflation remained within the target of 3-5 percent, which is consistent with EAC and SADC convergence benchmarks, despite rising commodity prices in the world market, particularly petroleum products, wheat, and cooking oil. Specifically, inflation averaged 3.9 percent during July 2021 to April 2022, compared with 3.2 percent in the corresponding period a year earlier. Inflation is expected to remain within the target of 3-5 percent by June 2022.

Revenue performance remained satisfactory during July 2021 to April 2022, notwithstanding challenges attributable to residual effects of the COVID-19 pandemic and war in Ukraine. Revenue was TZS 19,986.3 billion, of which tax revenue (excluding refunds of TZS 818.9 billion) was TZS 16,470.7 billion. External borrowing and grants amounted to TZS 5,723.8 billion. Expenditure continued to be aligned with available resources and prioritized on implementation of strategic infrastructure projects, as well as social welfare programs on health, water, and education. Expenditure was TZS 26,103.2 billion, of which recurrent expenditure was 51.2 percent. Public debt stock, both external and domestic, was USD 30,139.1 million at the end of April 2022, up from USD 28,011.2 million in June 2021. Despite the increase, the stock of debt remained sustainable with moderate risk of distress.

The external sector experienced challenges from war in Ukraine and residual effects of the COVID-19 pandemic, which led to increase in commodity prices and supply chain disruptions. The current account deficit widened to USD 2,904.2 million during the period July 2021 to April 2022, from USD 1,324.6 million in the corresponding period in 2020/21, largely due to increase in import bill, particularly refined white petroleum products. In 2022/23, current account deficit is projected at around 4.5 percent of GDP, owing to expected rise in imports of goods, largely driven by higher commodity prices.



Economic Performance in Zanzibar

The economy grew by 5.1 percent in 2021 compared with 1.3 percent in 2020, on account of recovery of economic activities from the adverse effects of COVID-19 pandemic. The main drivers to the GDP growth were accommodation and food services, livestock, construction, crops, real estate and manufacturing activities. Growth is projected at 6.8 percent in 2022 and 7.2 percent in 2023.

Inflation remained low and stable in line with the medium-term target of below 5 percent. Headline inflation averaged 2.7 percent, higher than 1.6 percent in the corresponding period in 2020/21, largely on account of increase in prices of petroleum products. Inflation is expected to remain at single digit in the remainder of 2021/22 and in the subsequent year, despite threats of increased commodity prices in the world market, particularly petroleum products.

Revenue collection by the government continued to improve, following ongoing recovery of tourism related activities and enhanced tax administration. Revenue amounted to TZS 790.1 billion during July 2021 to April 2022, of which domestic revenue was TZS 748 billion and grants was TZS 42.2 billion. Tax revenue increased by 13.5 percent to TZS 609.5 from the amount collected in the corresponding period in 2020/21, while non-tax revenue was TZS 138.5 billion. Expenditure continued to be aligned with the available resources, amounting to TZS 973.9 billion or 88.5 percent of estimates. Debt stock increased to TZS 1,224.4 billion at the end of April 2022 from TZS 887 billion at the end of June 2021, of which external debt accounted for 73.7 percent.

External sector faced headwinds from geopolitical tension in Eastern Europe, which intensified supply chain disruptions and increased commodity prices. As a result, current account deficit widened to USD



186.1 million during July 2021 to April 2022, compared with a deficit of USD 173.1 million in the corresponding period in 2020/21. This development was largely attributed to increase in import bill, mainly oil and food, which outweighed increase in exports earnings from cloves and tourism activities.

Financial Sector Performance

Notwithstanding challenges of residual effects of the COVID-19 pandemic and high commodity prices in the world market, the financial sector was stable, profitable, with capital and liquidity levels exceeding regulatory requirements. The sector also remained resilient to shocks and registered strong growth in deposits and assets. The quality of assets also improved, with non-performing loans (NPLs) declining to 8.2 percent in April 2022 from 9.3 percent in June 2021. This was bolstered by measures taken by the Bank of Tanzania to reduce NPLs close to the desired level of not more than 5 percent. The measures included enforcement of risk based prudential requirements and requiring banks to improve credit underwriting standards by using reports from credit reference bureaus in loan application assessment. In addition, the Bank instituted mechanisms of monitoring banks in the implementation of strategies to reduce NPLs, directed banks to submit credit information to the credit reference system and adhere to code of conduct to enhance staff integrity.

Financial Markets

Government securities market remained active throughout the period of July 2021 to April 2022, supporting cost effective finance of the governments' budget. The Government commenced Treasury bond reopening program in November 2021 as part of the initiatives of improving depth and liquidity, and transforming the debt market by



enhancing price discovery. It also reviewed downward the coupon rates on Treasury bonds in April 2022 to align them with prevailing market interest rates. Connected to this, the Bank continued to conduct public awareness programs to stakeholders on investment in government securities, which increased participation of retail investors to 14.6 percent in May 2022 from 7.8 percent in July 2021. Going forward, participation in the government securities market is expected to further improve, following the passing of the Foreign Exchange Regulations, 2022, permitting residents of SADC countries, in addition to those in EAC, to participate in government securities market. The regulations also permit Tanzania residents to invest in SADC countries without seeking waiver from the Bank of Tanzania. This is expected to increase the investor base and competition in government securities market.

Payment Systems

Payment systems operated smoothly, with notable rise in access and usage of digital platforms on account of the policy decision to increase mobile money transaction limits and daily balances, implementation of new fintech products for merchants and small businesses and customer centric products and services. The Bank continued to implement the Tanzania Instant Payment System (TIPS), a single payment platform that aims at increasing interoperability of financial services providers. The payment platform began operating with five pilot financial services providers and showed significant progress in volume of transactions.

Macroeconomic Objectives for 2022/23

Macroeconomic policy objectives for 2022/23 are guided by national development blueprints, which include the Five-Year Development Plan, 2021/22–2025/26 for Tanzania Mainland, and Zanzibar Development Plan. These development blueprints focus on attaining



sustainable and inclusive growth. In the context of these goals, and given the global contemporary challenges, macroeconomic objectives in Tanzania Mainland are as follows: (i) attaining a real GDP growth of 4.7 percent in 2022 and 5.3 percent in 2023; and (ii) maintaining a single digit annual headline inflation rate of 5.4 percent in 2022/23.

In Zanzibar, the economy is projected to grow at 6.8 percent in 2022 and 7.2 percent in 2023, while inflation is forecasted to remain at single digit, not exceeding 5 percent.

Monetary Policy Stance for 2022/23

In order to achieve growth and inflation targets set forth in the broader macroeconomic objectives, and cognizant of the looming inflationary pressures arising from external shocks, the Bank of Tanzania will continue to ensure price stability, while safeguarding growth of the economy. The Bank of Tanzania will closely monitor the risks of inflation arising from external shocks, and might reduce monetary policy accommodation, as and when need arises. In line with this stance, the monetary policy will be geared at achieving the following targets in 2022/23: (i) growth of reserve money of 11.4 percent; (ii) growth of extended broad money of 10.3 percent; and (iii) private sector credit growth of 10.7 percent. In addition, the Bank of Tanzania will endeavour to maintain adequate foreign exchange reserves at a level covering at least 4 months of imports of goods and services.

Meanwhile, the Bank of Tanzania will continue implementing activities for transitioning to an interest rate-based monetary policy framework. The activities include improving model framework, creating awareness to stakeholders, preparing monetary policy operational framework, and undertaking reforms in the financial sector to improve monetary policy transmission.



INTRODUCTION

In accordance with the Bank of Tanzania Act, Cap. 197, section 7, subsection (1), the Bank primary objective is “to formulate, define and implement monetary policy directed to the economic objective of maintaining domestic price stability conducive to a balanced and sustainable growth of the national economy”. Section 7, subsection (2) of the Act requires, without prejudice to the price stability objective, “to ensure the integrity of the financial system, support economic policies of the Governments, as well as promote sound monetary, credit and banking conditions conducive to the development of the national economy”.

Accordingly, section 21, subsection (3) to (6) of the Act requires the Bank to issue the Monetary Policy Statement in June, followed by a mid-year review in February, containing formulation and implementation of monetary policy in support of the broader macroeconomic objectives of the Governments. This Monetary Policy Statement presents the outcome of the conduct of monetary policy in 2021/22, along with review of global and domestic economic developments. In addition, it provides global and domestic macroeconomic outlook, as well as macroeconomic objectives, and monetary policy stance and targets for 2022/23.

This Monetary Policy Statement is organized as follows: Part I outlines the macroeconomic policy framework for the fiscal year 2021/22, while Part II presents the outcome of monetary policy implementation in 2021/22 against targets. Part III reviews recent global and domestic macroeconomic developments, followed by Part IV, which outlines global and domestic macroeconomic outlook for 2022/23. Part V outlines the monetary policy stance and targets that the Bank of Tanzania intends to pursue in 2022/23 in order to meet its policy objectives and Part VI concludes the Statement.



BOX 1: MONETARY POLICY FRAMEWORK OF THE BANK OF TANZANIA

The monetary policy framework of the Bank of Tanzania focuses on maintaining domestic price stability by targeting growth rate of money supply. The mainstay of the monetary policy framework are as follows:

Objective of the Monetary Policy

The primary objective of the monetary policy is to maintain price stability, which is defined as low and stable inflation rate over time. The medium-term target is set at 5 percent. This target is consistent with EAC and SADC convergence criteria of utmost 8 percent and a range of 3 to 7 percent, respectively. The inflation target is considered appropriate to support a sustainable growth of the economy. To achieve the objective, the Bank of Tanzania focuses on maintaining adequate level of liquidity in banks to support various activities in the economy and ensuring stability of interest rates and exchange rate.

Intermediate Target

The Bank of Tanzania controls inflation by managing the growth of money supply. Extended broad money supply (M3), which is estimated to have the closest relationship with the rate of inflation, is used as an intermediate target variable. M3 comprises currency in circulation outside the banking system and deposits of residents with banks, including foreign currency deposits.

Operating Target

In order to influence growth of M3, the Bank of Tanzania controls growth of reserve money, elsewhere referred to as base money or high-powered money. Reserve money is related to money supply through the money multiplier. It basically comprises currency in circulation outside the banking system, cash held in the vaults of banks and deposits of banks kept with the Bank of Tanzania in local currency.

Monetary Policy Instruments

The Bank of Tanzania utilizes a variety of market-based instruments to conduct monetary policy. The monetary policy instruments include open market operations, i.e., selling or buying debt securities, and sale and purchase of foreign currency in the inter-bank foreign exchange market. In addition, repurchase agreements (repo) and reverse repurchase agreements (reverse repo) are used to manage liquidity at required level. The statutory minimum reserve requirement ratio (SMR) and discount rate are also part of monetary policy instruments. There are also standing credit facilities— intraday and Lombard loan facilities.

Communication

The Bank of Tanzania exercises a high degree of transparency on its decisions. The decisions of the Monetary Policy Committee (MPC) are communicated to banks through post-MPC engagements with Chief Executive Officers of banks or MPC Statement. In addition, the Bank of Tanzania publishes various periodic reports, which highlight monetary policy stance, the outcome of monetary policy implementation, and developments of the economy at large. The reports are available on the Bank of Tanzania website: <https://www.bot.go.tz>.



BOX 2: MODALITIES FOR MONETARY POLICY IMPLEMENTATION

- At the beginning of every fiscal year, the Bank of Tanzania sets annual monetary policy targets in its Monetary Policy Statement in accordance with the broader macroeconomic policy objectives of the Governments.
- The Monetary Policy Statement is approved by the Board of Directors of the Bank of Tanzania and submitted to the Minister for Finance and Planning, who in turn, submits it to the Parliament.
- The same procedure is followed in the mid-year review of the Monetary Policy Statement, which shows progress in the implementation of the monetary policy, outlook for the remaining period of the year and measures to be undertaken in order to achieve the policy objectives.
- The Monetary Policy Committee (MPC) of the Board of Directors of the Bank of Tanzania, which is chaired by the Governor, is responsible for setting the monetary policy direction bi-monthly, in line with the targets set in the Monetary Policy Statement.
- The Surveillance Committee of the Bank's Management meets daily to evaluate liquidity developments and decide on the measures to be taken in order to keep liquidity within the desired path.



PART I

1.0 MACROECONOMIC POLICY FRAMEWORK FOR 2021/22

1.1 Macroeconomic Policy Objectives

In 2021/22, the Governments planned to achieve macroeconomic objectives consistent with development blueprints. In Tanzania Mainland, macroeconomic objectives were aligned with the Third National Five-Year Development Plan, 2021/22–2025/26 (FYDP III), which aims at realising the goals outlined in the National Development Vision 2025.

The macroeconomic policy objectives for 2021/22 were:

- i. achieving real GDP growth of 5 percent in 2021¹;
- ii. maintaining inflation within the target of 3-5 percent in 2021/22; and
- iii. attaining budget deficit including grants of 3 percent of GDP² in 2021/22.

As for Zanzibar, the macroeconomic objectives were guided by Zanzibar Development Plan (ZADEP) aiming at revitalizing the Blue economy for inclusive growth and sustainable development. The specific objectives were as follows:

- i. real GDP growth of 5.2 percent in 2021;
- ii. maintaining a single digit annual headline inflation of not more than 5 percent in 2021/22; and
- iii. budget deficit, including grants, of 2.2 percent of GDP in 2021/22.

1 GDP growth was revised to 5.0 percent from earlier projection of 5.6 percent published in the Monetary Policy Statement for 2021/22 released in June 2021 following COVID-19 related challenges.

2 Fiscal deficit has been revised from earlier projection of 1.8 percent of GDP to 3 percent of GDP to take into account of COVID-19 effects.



1.2 Monetary Policy Objectives

The Bank of Tanzania monetary policy objectives were geared towards supporting the 2021/22 macroeconomic policy objectives of the Governments, considering the need to help fast recovery of the economy from adverse effects of COVID-19 pandemic. In 2021/22, the Bank of Tanzania set out the following monetary policy targets:

- i. annual growth of average reserve money of 9.9 percent;
- ii. annual growth of extended broad money (M3) of 10 percent;
- iii. annual growth of credit to the private sector of 10.6 percent; and
- iv. maintaining foreign exchange reserves adequate to cover at least 4 months of imports.



PART II

2.0 MONETARY POLICY IMPLEMENTATION DURING 2021/22

The stance of monetary policy remained accommodative in 2021/22, as stated in the Monetary Policy Statement released in June 2021. This policy stance aimed at providing support for the recovery of credit to the private sector and expansion of economic activities from the adverse effects of the COVID-19 pandemic, as inflation was contained within the target range of 3-5 percent. Accordingly, the Bank of Tanzania employed a mix of various traditional instruments of monetary policy to sustain adequate level of liquidity in the economy in line with the policy stance. It also, deployed additional policy measures in July 2021 that geared towards lowering lending rates and increasing private sector credit growth, and continued to grant regulatory flexibility and macro-prudential measures to complement the monetary policy, thus sustaining a sound and stable financial sector.

The implementation of accommodative monetary policy succeeded in sustaining shilling liquidity at adequate levels throughout 2021/22, supported by fiscal policy measures, which helped the recovery of lending to various sectors of the economy. This was reflected in the general stability of money market interest rates at low levels, high clearing balances of banks, with average reserve money and money supply responding positively to accommodative policy stance. Signalling adequacy of liquidity in the banking system, the overnight interbank cash market interest rate averaged 3.42 percent during July 2021 to April 2022, compared with 3.60 percent recorded in the corresponding period in 2020/21 (Chart 2.1). Likewise, Treasury bills yields eased to an average of 4.17 percent from 5.29 percent, while



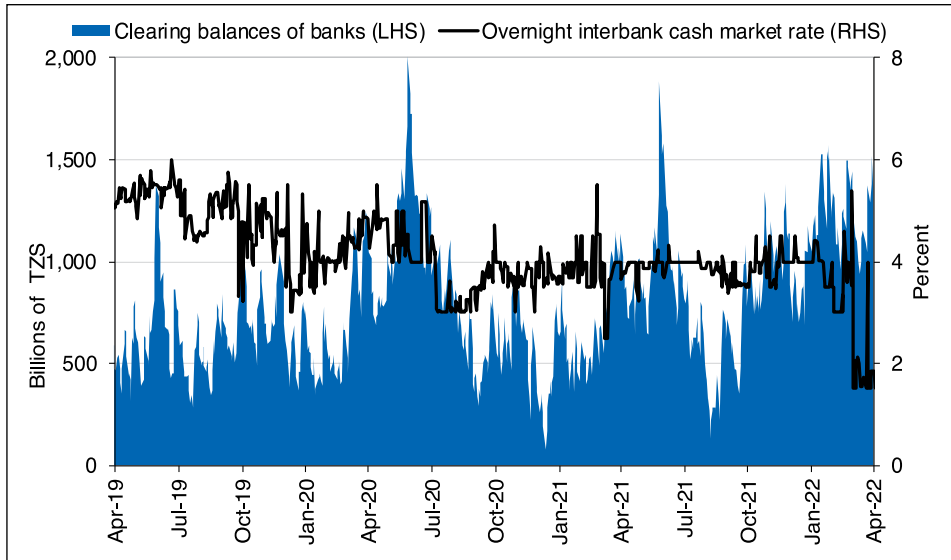
lending rates declined, albeit at a slow pace, to an average of 16.44 percent from 16.59 percent.

Average reserve money and extended broad money supply responded positively to accommodative policy stance. Average reserve money grew at an average of 13.8 percent during July 2021 to April 2022, compared with the annual target of 9.9 percent in 2021/22, and average growth of 2.7 percent in the corresponding period in 2020/21. Meanwhile, extended broad money supply grew at 13.1 percent compared with the target growth of 10 percent and 6.8 percent in the corresponding period in 2020/21. Private sector credit growth improved to 8.4 percent, compared with the target of 10.6 percent in 2021/22, and 4.3 percent in the corresponding period a year earlier.

Nevertheless, in 2022 the monetary policy has been challenged by rising inflationary pressures emanating from high commodity prices in the world market, following supply chain disruption, due to residual effects of COVID-19 pandemic and impact of war in Ukraine. This necessitated the Bank of Tanzania to start scaling down liquidity injecting instruments, mainly reverse repo, in order to curb inflationary pressures, while continuing to safeguard stability of the financial sector and recovery of the economy.



Chart 2.1: Banks' Clearing and the Overnight Interbank Cash Market Rate



Source: Bank of Tanzania



PART III

3.0 MACROECONOMIC DEVELOPMENTS

3.1 Global Economy

Global growth improved in 2021, but was threatened by residual effects of COVID-19 pandemic and supply chain disruptions, heightened by the negative effects of the war in Ukraine. The IMF World Economic Outlook of April 2022 estimates the global economy to have grown by 6.1 percent in 2021 and projects a slowdown to 3.6 percent in the two subsequent years, attributable to the effects of the war in Ukraine, recurrence of COVID-19 variants in some countries, and monetary policy normalization to control inflation. Growth in sub-Saharan Africa (SSA) is estimated at 4.5 percent in 2021 and projected to slow down to 3.8 percent in 2022 and 4 percent in 2023, while that of SADC region is projected to slow down from 4.4 percent in 2021 to 3.1 percent and 3 percent in 2022 and 2023, respectively (Table 3.1). The World Bank Africa's Pulse Report of April 2022 estimates SSA to have grown by 4 percent in 2021 and projects growth to be 3.6 percent in 2022. Growth in the EAC region is projected at 5.3 percent in 2022 and 5.6 percent in 2023, down from 6.2 percent in 2021.



Table 3.1: Global and Regional Real GDP Growth Rates

Percent

	2019	2020	2021	IMF projections			
				Jan-22		Apr-22	
				2022	2023	2022	2023
World	2.9	-3.1	6.1	4.4	3.8	3.6	3.6
Advanced economies	1.7	-4.5	5.2	3.9	2.6	3.3	2.4
United States	2.3	-3.4	5.7	4.0	2.6	3.7	2.3
Euro area	1.6	-6.4	5.3	3.9	2.5	2.8	2.3
United Kingdom	1.7	-9.3	7.4	4.7	2.3	3.7	1.2
Japan	-0.2	-4.5	1.6	3.3	1.8	2.4	2.3
Emerging market and developing economies	3.7	-2.0	6.8	4.8	4.7	3.8	4.4
China	6.0	2.2	8.1	4.8	5.2	4.4	5.1
India	3.7	-6.6	8.9	9.0	7.1	8.2	6.9
Sub-Saharan Africa	3.1	-1.7	4.5	3.7	4.0	3.8	4.0
South Africa	0.1	-6.4	4.9	1.9	1.4	1.9	1.4
EAC	6.3	0.9	6.2	n.a	n.a	5.3	5.6
SADC	1.2	-4.4	4.4	n.a	n.a	3.1	3.0

Source: IMF World Economic Outlook, April 2022

Inflation increased sharply in advanced economies since January 2022, due to rising commodity prices caused by demand-supply imbalances heightened by the ongoing war in Ukraine, but remained somewhat muted in China (Table 3.2). Inflation in the United States remained elevated at 8.3 percent in April 2022, compared with the target of 2 percent. In the United Kingdom, inflation was 9 percent in April 2022, well above the target of 2 percent, as food and energy prices continue to soar. Inflation in China remained low, albeit edging up reaching 2.1 percent in April 2022, but still below the target of 3 percent. Inflation remained high in EAC countries, due to a surge in world commodity prices, albeit sustained within the convergence criteria of not more than 8 percent. The rising trend of inflation was also experienced in most of the SADC countries, exceeding the convergence criteria of 3-7 percent, save for Tanzania, South Africa, Seychelles, Eswatini and Namibia.



The IMF projects inflation to remain high across countries in 2022, due to supply disruptions, with sub-Saharan Africa projected to experience the highest inflation of around 12.2 percent in 2022, before slowing to 9.6 percent in the subsequent year. Inflation in the EAC and SADC regions is projected at 6.2 percent and 9.9 percent in 2022 and ease to 6 percent and 7 percent in 2023, respectively.

Table 3.2: Inflation Rates for Selected Countries

	Percent														
	2021										2022			Projection	
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	2022	2023
United States	4.2	5.0	5.4	5.4	5.3	5.4	6.2	6.8	7.0	7.5	7.9	8.5	8.3	7.7	2.3
Euro Area	1.6	2.0	1.9	2.2	3.0	3.4	4.1	4.9	5.0	5.1	5.9	7.4	7.5	5.3	2.3
Japan	-1.1	-0.1	-0.5	-0.3	-0.4	0.2	0.1	0.6	0.8	0.5	0.9	1.2	2.5	1.0	0.8
United Kingdom	1.5	2.1	2.5	2.0	3.2	3.1	4.2	5.1	5.4	5.5	6.2	7.0	9.0	7.4	5.3
China	0.9	1.3	1.1	1.0	0.8	0.7	1.5	2.3	1.5	0.9	0.9	1.5	2.1	2.1	1.8
India	4.3	6.3	6.3	5.6	5.3	4.4	4.5	4.9	5.6	6.0	6.1	7.0	7.8	6.1	4.8
Russia	5.5	6.0	6.5	6.5	6.7	7.4	8.1	8.4	8.4	8.7	9.2	16.7	17.8	21.3	14.3
Brazil	6.8	8.1	8.4	9.0	9.7	10.3	10.7	10.7	10.1	10.4	10.5	11.3	12.1	8.2	5.1
EAC	4.0	3.2	4.2	4.4	4.4	4.5	4.6	4.4	4.9	5.7	6.2	6.6	8.2	6.2	6.0
SADC	21.4	19.5	16.1	12.5	12.0	11.9	12.7	13.9	14.5	12.6	12.9	13.9	16.9	9.9	7.0

Source: Organisation for Economic Co-operation and Development (OECD) and respective National Statistical Offices

3.2 Economic Performance in Tanzania Mainland

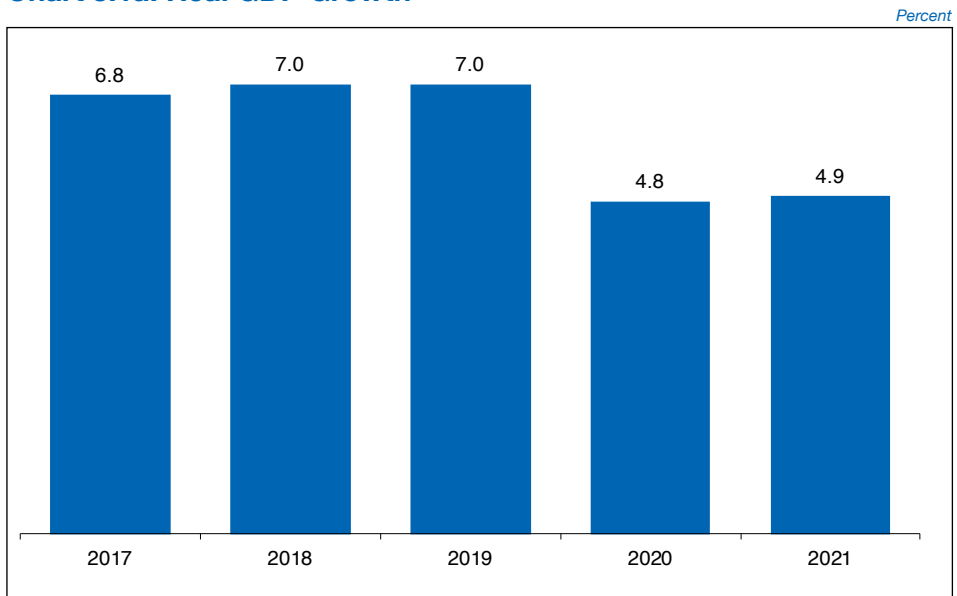
Domestic economy sustained positive growth in 2021, as businesses and investment continue to recover from the effects of the COVID-19 pandemic, while inflation remained within the target range of 3-5 percent. This performance was supported by prudent monetary and fiscal policies, re-opening of global trade, coupled with ongoing public investment and government initiatives to improve business environment. However, spillovers from the geopolitical tensions in the Eastern Europe and supply chains disruptions are constraining the recovery of the economy and exert inflationary pressures.



3.2.1 Output Performance

The economy in Tanzania Mainland is gradually recuperating from the impact of COVID-19 pandemic. In 2021, real GDP growth rate was 4.9 percent compared with 4.8 percent in 2020 (Chart 3.1a). The main contributors to growth were agriculture, construction, mining and quarrying, manufacturing, trade and transport (Chart 3.1b). Meanwhile, the fastest growing sectors were arts, entertainment and recreation, electricity, mining and quarrying, information and communication, administrative and support services, professional, scientific and technical activities, accommodation and restaurant, and water. Accommodation and restaurant, and arts, entertainment and recreation activities, which had recorded a negative growth in 2020, grew positively in 2021 indicating recovery of these activities from the impact of COVID-19 pandemic (Chart 3.1c).

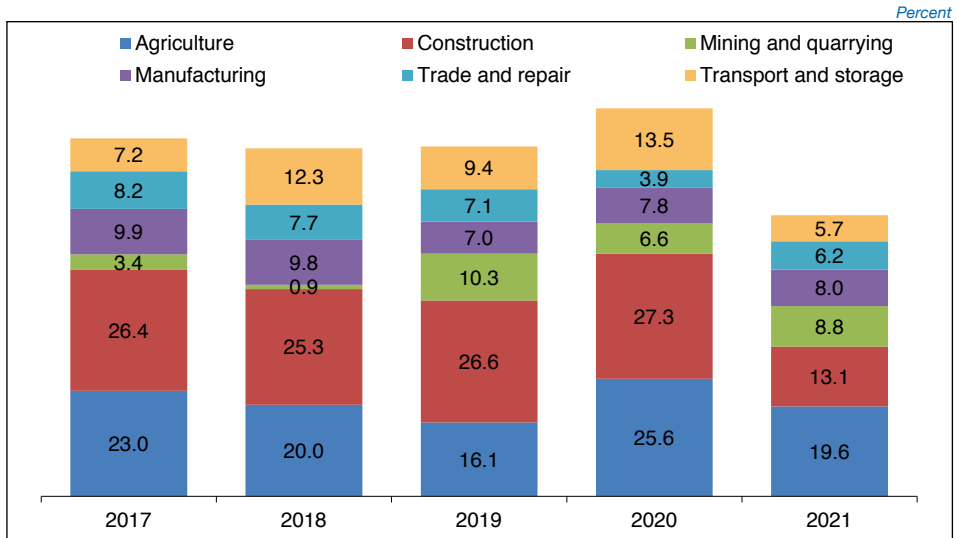
Chart 3.1a: Real GDP Growth



Source: National Bureau of Statistics

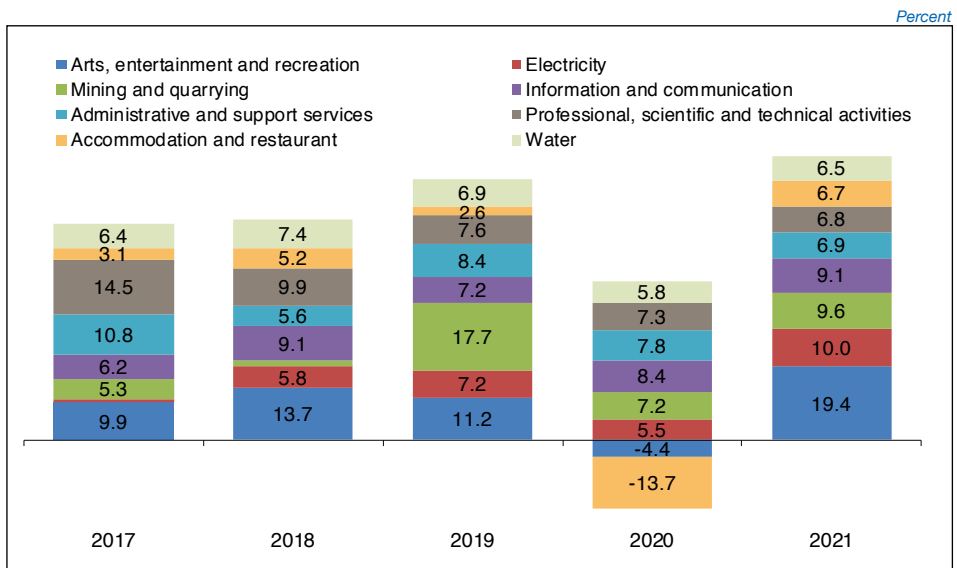


Chart 3.1b: Contribution to Real GDP Growth by Major Economic Activities



Source: National Bureau of Statistics and Bank of Tanzania

Chart 3.1c: Growth of Economic Activities



Source: National Bureau of Statistics and Bank of Tanzania



3.2.2 Inflation Developments

Inflation has been rising since July 2021 as in many countries, mainly due to increase in commodity prices in the world market, but remained within the country and regional benchmarks³. The high food and oil prices have contributed to a significant increase in domestic prices, and the contribution of inflation of unprocessed food and energy to overall inflation. During July 2021 to April 2022, inflation averaged 3.9 percent, up from 3.2 percent recorded in the corresponding period in 2020/21. This was attributed to increase in prices of energy, food and non-food consumer goods and services. Core inflation, which accounts for 73.9 percent of the consumer price index, averaged 3.9 percent compared with 3 percent recorded in the corresponding period in 2020/21, with much of the increase driven by prices of building materials, transport, and rent⁴.

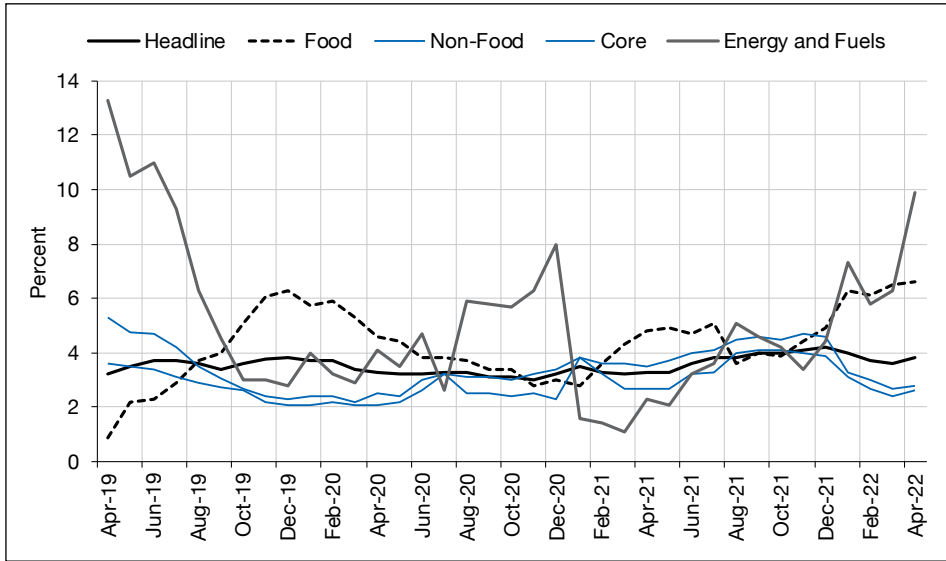
Meanwhile, energy and fuel inflation averaged 5.5 percent, up from 4.1 percent. Food inflation averaged 5.1 percent from 3.6 percent, due to increase in demand for food from some neighbouring countries and below-normal short rain season harvests. Non-food inflation rose slightly to 3.4 percent from 3.1 percent (Chart 3.2).

³ The country inflation target for 2021/22 ranges from 3-5 percent, EAC ceiling of not more than 8 percent and SADC range of 3-7 percent.

⁴ Core inflation excludes unprocessed food, maize flour, energy and fuel.



Chart 3.2: Headline, Food and Non-food Inflation



Source: National Bureau of Statistics and Bank of Tanzania

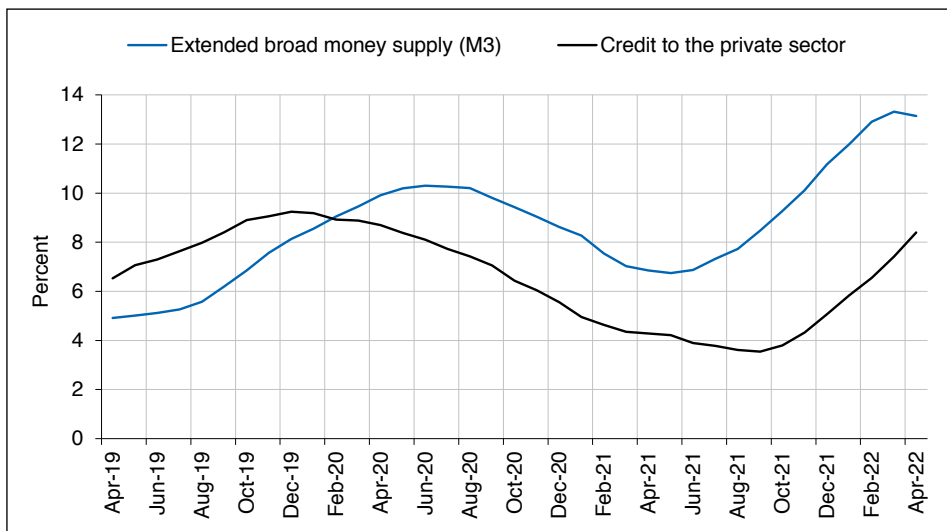
3.2.3 Money Supply and Credit

Money supply continued to respond to accommodative monetary policy measures and supportive fiscal policy. Extended broad money supply (M3) grew at an annual rate of 13.1 percent during July 2021 to April 2022, compared with 6.8 percent in the corresponding period in 2020/21, and the target of 10 percent for 2021/22. Meanwhile, growth of reserve money (M0) was 13.8 percent compared with 2.7 percent and the target of 9.9 percent (Chart 3.3). The period however was characterized by high commodity prices and tightening global financial conditions, particularly from the third quarter of 2021/22, attributable to supply chains disruptions and effects of ongoing war in Ukraine. These external shocks have contributed to increase in inflation.



Notwithstanding the challenges, credit flows to the private sector continued to recover, as business conditions improved from the effects of the COVID-19 pandemic, coupled with supportive monetary and fiscal conditions, ongoing government initiatives on improving business environment and re-opening of the global trade. Accordingly, private sector credit grew at an average of 8.4 percent during July 2021 to April 2022 compared with 4.3 percent in the corresponding period in 2020/21, and the target of 10.6 percent for 2021/22. Credit to mining, micro, small and medium enterprises (personal loans), trade and manufacturing increased faster relative to other activities, consistent with recovery of those activities. Meanwhile, personal loans maintained dominance in absorption of credit. Credit growth is expected to remain strong around the target of 10.6 percent by end of June 2022.

Chart 3.3: Ten-Month Moving Average Growth of Monetary Aggregates



Source: Banks and Bank of Tanzania

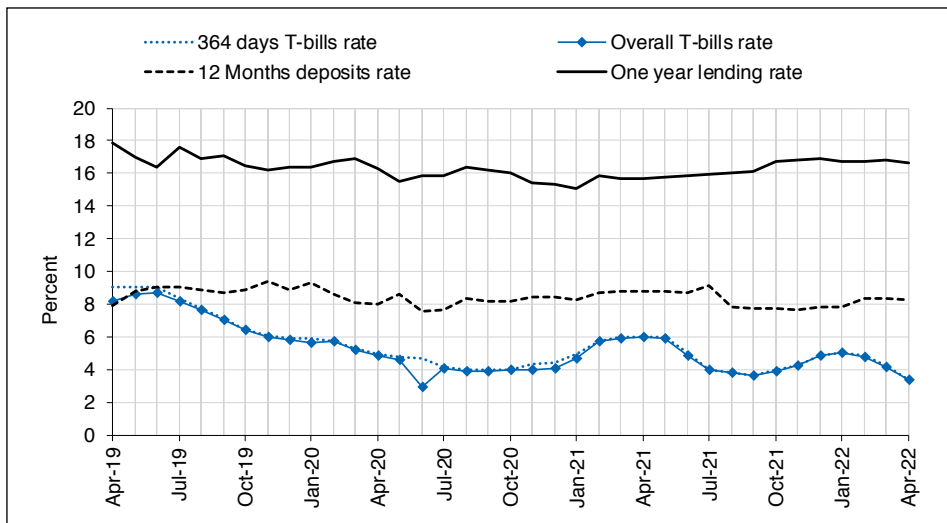


3.2.4 Interest Rates

Interest rates on loans remained around 16 percent, despite the accommodative monetary policy. This reflects existence of structural impediments to the economy and high-risk premium owing to, among others, uncertainties in the global market. In particular, overall lending interest rates declined slightly to an average of 16.44 percent during July 2021 to April 2022, compared with 16.59 percent in the corresponding period in 2020/21. Meanwhile, negotiated lending rates to prime customers averaged 13.93 percent compared with 13.73 percent.

Overall interest rates offered on deposit by banks averaged 6.81 percent during July 2021 to April 2022, up from 6.70 percent in the corresponding period in 2020/21 (Chart 3.4). Negotiated deposit rates increased to an average of 9.68 percent from 9.15 percent.

Chart 3.4: Selected Interest Rates



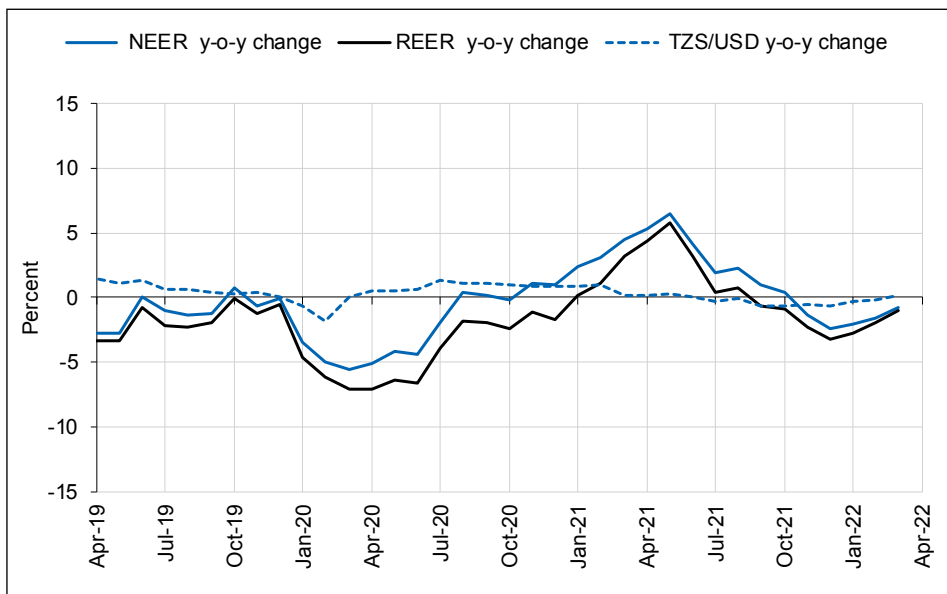
Source: Bank of Tanzania



3.2.5 Exchange Rates Developments

The exchange rate of the shilling against major trading currencies remained stable throughout July 2021 to April 2022. The stability of the shilling was a result of low inflation, prudent monetary and fiscal policies and adequate foreign exchange reserves. The shilling was traded between TZS 2,304.6 and TZS 2,310.9 per US dollar, compared with TZS 2,309.0 and TZS 2,310.0 per US dollar in the corresponding period in 2020/21 (Chart 3.5a). This represented an annual appreciation of 0.03 percent. The general stability of the shilling was also reflected in the trade-weighted nominal effective exchange rate (NEER) and real effective exchange rate (REER) (Chart 3.5b). These developments imply muted exchange rate risk.

Chart 3.5a: Movements of Nominal and Real Effective Exchange Rates

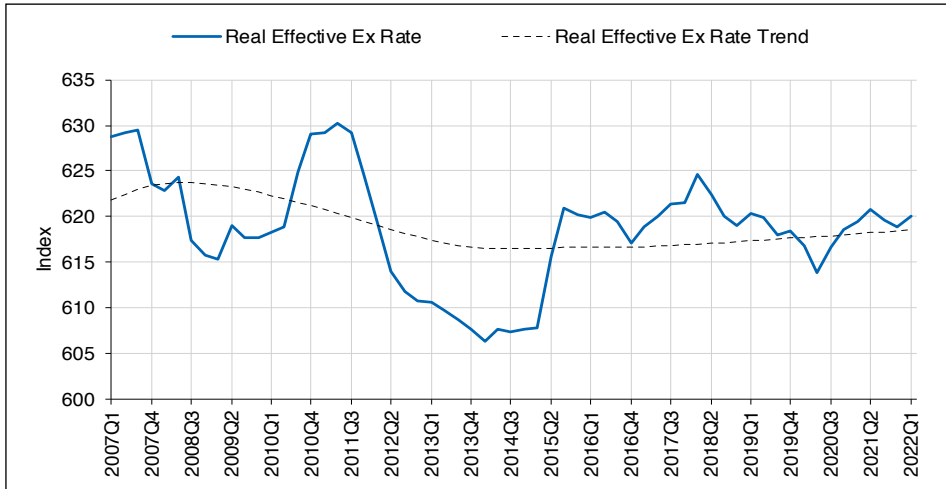


Source: Bank of Tanzania

Note: Positive change denotes depreciation, while negative is appreciation



Chart 3.5b: REER Movement Versus Equilibrium



Source: Bank of Tanzania

3.2.6 Financial markets

Government securities market remained active throughout the period of July 2021 to April 2022, which enabled financing of the budget. The Government commenced Treasury bond reopening program in November 2021 as part of the initiatives of improving depth and liquidity, and transforming the debt market by enhancing price discovery. The coupon rates on Treasury bonds were also reviewed downward in April 2022 to align them with prevailing market interest rates. During the period, the Bank of Tanzania continued to conduct public awareness programs to stakeholders on investment in government securities, which increased participation of retail investors to 14.6 percent in May 2022 from 7.8 percent in July 2021.

Going forward, participation in the government securities market is expected to further improve, following the passing of the Foreign Exchange Regulations, 2022, permitting residents of SADC countries,



in addition to those in EAC, to participate in government securities market. The regulations also permit Tanzania residents to invest in SADC countries without seeking waiver from the Bank of Tanzania. This is expected to increase investor base and competition in government securities market.

3.2.7 Government Budgetary Performance

Revenue performance remained satisfactory during the period July 2021 to April 2022, notwithstanding challenges attributable to residual effects of COVID-19 pandemic and spillovers of the ongoing war in Ukraine. Revenue collection from tax and non-tax sources was TZS 19,986.3 billion, equivalent to 93.3 percent of the target (Table 3.3 and Chart 3.6). Gross tax revenue amounted to TZS 16,470.7 billion, 97.6 percent of the target, most of which collected from income tax and VAT, consistent with improved tax administration, compliance and ongoing recovery of domestic and global trade. Tax refunds was TZS 818.9 billion, of which VAT refunds was TZS 779.7 billion. External borrowing and grants amounted to TZS 5,723.8 billion. Expenditure continued to be aligned with available resources and prioritized on implementation of strategic infrastructure projects, as well as social welfare programs on health, water, and education. Total expenditure was TZS 26,103.2 billion, equivalent to 94.2 percent of the estimates for the period, of which recurrent expenditure was 51.2 percent.



Table 3.3: Government Budgetary Operations

Billions of TZS

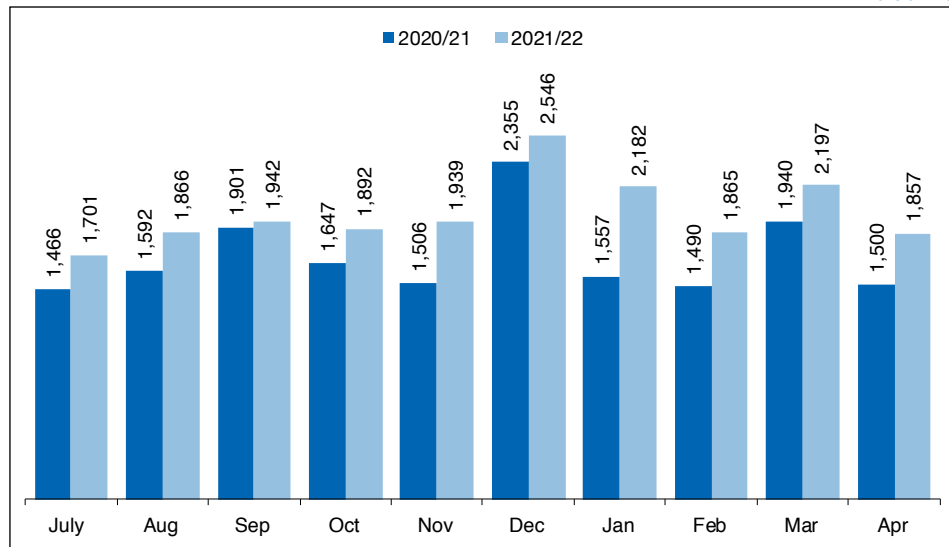
	Jul 2020 - Apr 2021		Jul 2021 - Apr 2022	
	Actual	Estimate	Actual	Act/Est (%)
Revenue	16,954.4	21,419.0	19,986.3	93.3
Total expenditure	20,459.8	27,697.6	26,103.2	94.2
Recurrent expenditure ¹	11,963.4	14,673.9	13,355.2	91.0
Development expenditure	8,496.4	13,023.6	12,748.0	97.9

Source: Ministry of Finance and Planning, and Bank of Tanzania computation

Note: ¹ Net of rollover

Chart 3.6: Domestic Revenue Performance

Billions of TZS



Source: Ministry of Finance and Planning, and Bank of Tanzania computation

3.2.8 National Debt

National debt stock remained within sustainable levels, amounting to USD 37,829.4 million at the end of April 2022, representing an increase of USD 4,056.4 million from the level recorded at the end of June 2021. Out of total national debt, public debt (domestic and external) was USD



30,139.1 million, rising from USD 28,011.2 million at the end of June 2021. The increase in public debt was mainly on account of borrowing to finance Government budget, including the IMF Rapid Credit Facility loan of US dollar 567.25 million accessed in September 2021, and issuance of TZS 2,176.7 billion non-cash special bonds to PSSF in December 2021. Public external debt accounted for 67.7 percent of total public debt, and the balance was domestic debt.

External public and private sector debt stock increased by 10.0 percent to USD 28,081.8 million at the end of April 2022, from the amount recorded at the end of June 2021. Out of total external debt, 72.6 percent was public debt and the balance was private sector debt. During the period July 2021 to April 2022, external debt disbursements amounted to USD 2,182.1 million, out of which USD 2,085.5 million was received by the Government in the form of cash and direct project financing, particularly for development projects. External debt service during the period was USD 987.1 million, out of which USD 773.5 million was principal repayments and the balance was interest payments.

The stock of domestic debt was TZS 22,369.8 billion at the end of April 2022, an increase of TZS 3,435.5 billion from the level recorded at the end of June 2021. Treasury bonds and stocks continued to account for the largest share of 82.6 percent, compared to 78.2 percent recorded at the end of June 2021. The dominance of Treasury bonds is in line with the Government debt management strategy to lengthen maturity profile of domestic debt in an endeavour to minimize refinancing risk as well as in response to investors preference towards long term instruments. During the period of July 2021 to April 2022, domestic debt issued for Government budget financing amounted to TZS 4,005.4 billion, out of which TZS 1,340.3 billion were Treasury bills



and TZS 2,665.1 billion were Treasury bonds. Domestic debt service during the period amounted to TZS 4,252.6 billion, out of which TZS 2,697.9 billion was principal repayments and the balance was interest payments.

3.2.9 External Sector Performance

The external sector experienced spillovers from the war in Ukraine and residual effects of COVID-19 pandemic, which increased commodity prices and intensified supply chain disruptions. The first round effects of the external shocks have already translated into a rising import bill in a range of commodities, including petroleum products, wheat, fertilizers, and edible oil. The current account deficit widened to USD 2,904.2 million during the period July 2021 to April 2022, compared with USD 1,324.6 million registered in the corresponding period in 2020/21, largely due to a surge in import bill, particularly refined white petroleum products that outweighed the increase in exports of goods and services (Table 3.4). Overall balance of payments recorded a surplus of USD 405.5 million, compared to a deficit of USD 141.6 million in the corresponding period in 2020/21, owing to increase in financial inflows in the form of grants and loans.



Table 3.4: Current Account Balance

Millions of USD

Items	July - April			Percentage Change
	2019/20	2020/21	2021/22 ^P	
Goods account (net)	-2,367.1	-1,598.9	-3,553.7	---
Exports*	4,884.2	5,373.3	5,957.1	10.9
Imports	7,251.3	6,972.2	9,510.8	36.4
Services account (net)	1,748.4	935.6	1,210.9	29.4
Receipts	3,259.0	1,983.0	3,167.7	59.7
Payments	1,510.5	1,047.5	1,956.8	86.8
Goods and services (net)	-618.6	-663.4	-2,342.8	---
Exports of goods and services	8,143.2	7,356.4	9,124.7	24.0
Imports of goods and services	8,761.8	8,019.7	11,467.6	43.0
Primary income account (net)	-892.0	-1,025.3	-1,089.7	6.3
Receipts	173.9	51.7	121.7	---
Payments	-1,065.9	-1,077.0	-1,211.4	12.5
Secondary income account (net)	382.5	364.1	528.3	45.1
Inflows	427.1	411.4	615.6	49.6
o/w General government	161.3	65.5	69.8	6.5
Outflows	-44.6	-47.3	-87.3	84.5
Current account balance	-1,128.0	-1,324.6	-2,904.2	---

Source: Tanzania Revenue Authority and Bank of Tanzania

Note: p - denotes provisional, o/w, of which

* Include adjustment for unrecorded exports

“---” change exceeds 100 percent

Foreign exchange reserves remained adequate, amounting to USD 5,461.4 million at the end of April 2022, compared with USD 5,290.4 million at the end of June 2021. The level of reserves was sufficient to cover 5 months of projected imports of goods and services, above the country benchmark of at least 4 months of import cover and EAC convergence criteria of not less than 4.5 months.

Exports of goods and services increased by 24 percent to USD 9,124.7 million over the period July 2021 to April 2022, compared with the amount recorded in the corresponding period in 2020/21.



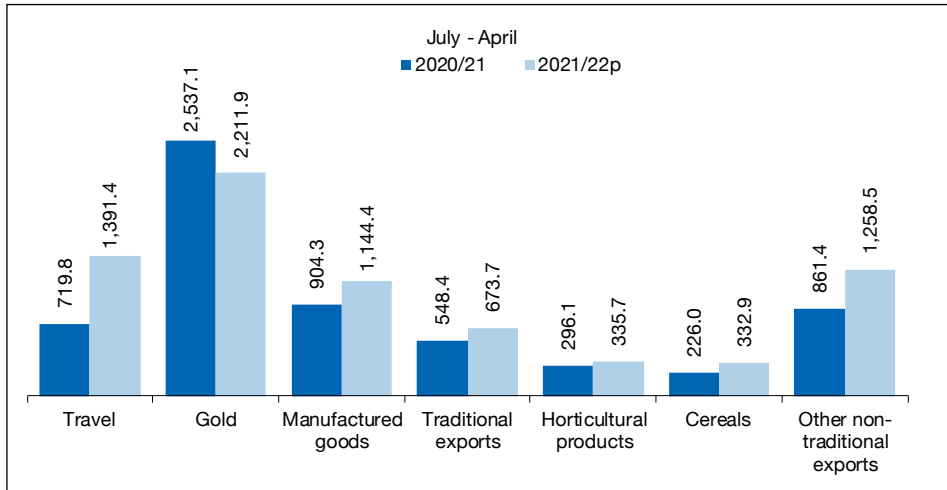
This improvement was due to increase in travel receipts, traditional and non-traditional exports. The value of traditional goods exports was USD 673.7 million higher than USD 548.4 million recorded in the corresponding period in 2020/21, on account of recent hikes in commodity prices in the world market, particularly cotton, coffee and cloves. Much of the increase in non-traditional exports emanated from manufactured goods, mostly textiles, paper products and iron and steel. Significant increase was also registered in exports of horticultural products (edible vegetables) and cereals particularly maize and rice. Exports of gold, which accounted for 44.7 percent of non-traditional goods exports, declined to USD 2,211.9 million from USD 2,537.1 million registered in the corresponding period in 2020/21, due to decline in export volumes, as price remained relatively high.

Services receipts grew by 59.7 percent to USD 3,167.7 million from the level recorded in the corresponding period in 2020/21, mainly on account of increase in travel and transport receipts. The increase in travel (tourism) earnings reflects a revamping tourism sector from the effects of the COVID-19 pandemic, though the recovery is threatened by the ongoing war in Ukraine (Chart 3.7).



Chart 3.7: Export Performance of Selected Goods and Services

Millions of USD



Source: Tanzania Revenue Authority and Bank of Tanzania

Note: "p" - denotes provisional

Imports of goods and services were valued at USD 11,467.6 million, higher than USD 8,019.7 million recorded in the corresponding period in 2020/21, owing to a surge in imports of capital, intermediate and consumer goods (Table 3.5). Oil imports accounted for almost one-third of the rise in imports, followed by industrial supplies particularly iron, steel and plastic items. The war in Ukraine has disrupted the supply of wheat grain and fertilizers resulting in soaring prices. The effect has also been reflected in import values of wheat grain and fertilizers during the period under review. Similarly, services payments almost doubled to USD 1,956.8 million, owing to rise in both travel and transport payments, particularly freight payments, consistent with the rise in goods import bill.



Table 3.5: Tanzania Imports by Major Category⁵

Millions of USD

Items	July - April			Percentage change
	2019/20	2020/21	2021/22 ^p	
Capital	1,235.7	1,274.9	1,547.3	21.4
Machinery and mechanical appliances	473.9	572.0	681.3	19.1
Industrial transport equipment	344.0	311.1	425.9	36.9
Electrical machinery and equipment	248.6	192.2	246.8	28.4
Other capital goods	169.2	199.7	193.2	-3.2
Intermediate	5,158.4	4,753.6	6,897.1	45.1
Industrial supplies	2,479.6	2,343.7	3,304.9	41.0
O/w Iron and steel and articles thereof	691.6	576.3	870.8	51.1
Plastic and articles thereof	365.4	388.0	589.0	51.8
Fertilisers	139.6	137.6	213.2	54.9
Fuel and lubricants	1,411.2	1,226.6	2,054.3	67.5
o/w Refined white products	1,342.1	1,155.7	1,962.6	69.8
Parts and accessories	677.2	618.4	812.4	31.4
Food and beverages for industrial use	431.3	391.6	537.3	37.2
OW Wheat grain	196.0	122.4	219.1	79.0
Edible oil and its fractions not refined	127.3	156.4	141.3	-9.7
Sugar for industrial use	50.2	65.2	104.3	60.0
Motor cars for household	159.0	173.2	182.6	5.4
Consumer	855.4	941.8	1,064.5	13.0
Food and beverages mainly for household consumption	103.2	109.2	140.4	28.5
Non-industrial transport equipment	72.0	78.0	105.3	35.0
OW Motorcycles and Cycles fitted with an auxiliary motor	62.5	69.0	92.9	34.6
Other consumer goods	680.1	754.6	818.8	8.5
OW Pharmaceutical products	242.6	293.7	278.7	-5.1
Insecticides, rodenticides and similar products	77.1	84.9	103.8	22.3
Soap and detergents	45.0	46.1	57.8	25.4
Textiles apparels	47.3	35.2	45.7	29.8
Footwear and other products	29.8	35.1	40.3	15.0
Paper and paper products	23.8	22.9	27.2	18.8
Total	7,251.3	6,972.2	9,510.8	36.4

Source: Tanzania Revenue Authority and Bank of Tanzania

Note: "p" - denotes provisional, o/w, of which

⁵ Bank of Tanzania has revised its trade classification of goods in order to align with the United Nations International Classification, whereas goods are categorised according to Broad Economic Categories (BEC).



In 2022/23, current account deficit is projected at around 4.5 percent of GDP, owing to expected rise in imports of goods, largely driven by high commodity prices in the world market, particularly energy and food prices. In the medium-term, the current account deficit is projected at 4 percent of GDP.

3.2.10 Financial Sector Performance

The banking sector was profitable, adequately capitalized and the level of liquidity was satisfactory (Table 3.6). The sector continued to grow in terms of deposits and assets, and remained resilient to internal and external shocks. The quality of assets of banks improved, as the ratio of non-performing loans to gross loans declined to 8.2 percent in April 2022 from 9.3 percent in June 2021. The Bank of Tanzania continued to take measures to reduce non-performing loans close to the desired level of 5 percent. The measures include: (i) enforcement of risk based prudential requirements and requiring banks to improve credit underwriting standards; (ii) introduction of mechanisms of monitoring banks in the implementation strategies to reduce non-performing loans; and (iii) requiring banks to submit credit information to the credit reference system and adhering to the Tanzania Banker's Association Code of Conduct, among others, to enhance staff integrity in the banking sector.



Table 3.6: Banking Sector Financial Soundness Indicators

Indicator	Regulatory limit	Percent			
		Dec-20	Jun-21	Dec-21	Apr-22
Capital Adequacy					
Core capital/TRWA + OBSE	Minimum 10	17.2	17.15	19.54	20.34
Liquidity					
Liquid assets/Demand liabilities	Minimum 20	30.7	33.23	29.73	27.83
Total loans/Customer deposits	N/A	86.8	38.34	36.26	86.74
Earnings and Profitability					
Return on assets-ROA	N/A	2.0	2.42	2.81	4.21
Return on equity-ROE	N/A	7.6	10.43	11.76	18.35
Asset quality					
Gross non-performing loans/Gross loans	N/A	9.8	9.32	7.91	8.23

Source: Bank of Tanzania

Note: NA - denotes Not Applicable

TRWA+OBSE – denotes Total Risk Weighted Assets and Off-Balance Sheet Exposure

The Bank of Tanzania also continued to strengthen risk management practices in the financial sector by implementing various policies and regulatory reforms to safeguard the industry, including directing banks to implement capital restoration plans and adhere to the regulatory requirements.

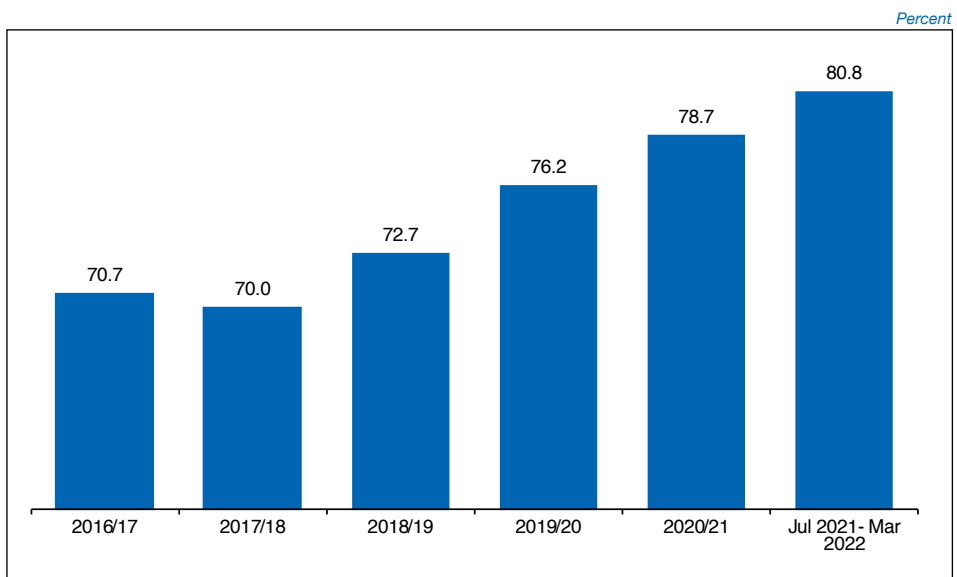
3.2.11 Payment Systems Performance

Payment, clearing and settlement systems operated smoothly during July 2021 to April 2022, supported by increased utilization of digital platforms. Significant progress has been made in the access to and usage of financial services through digital platforms. The use of mobile phones whose subscribers reached 55.4 million in March 2022, contributed in enhancing access to financial services. The number of adult population accessing financial services through mobile phones reached 80.8 percent in March 2022 compared to 78.7 percent attained in 2020/21 (Chart 3.8). The past five years experienced an increasing trend, mainly due to technological advancement, financial innovations, public awareness as well as presence of appropriate policy



and regulatory frameworks. Adoption of mobile phones in accessing financial services in Tanzania has become a contributory factor to enhancing inclusion of the unbanked segments of the population compared to other access channels of formal financial services.

Chart 3.8: Adult Population Accessing Financial Services through Mobile Phones



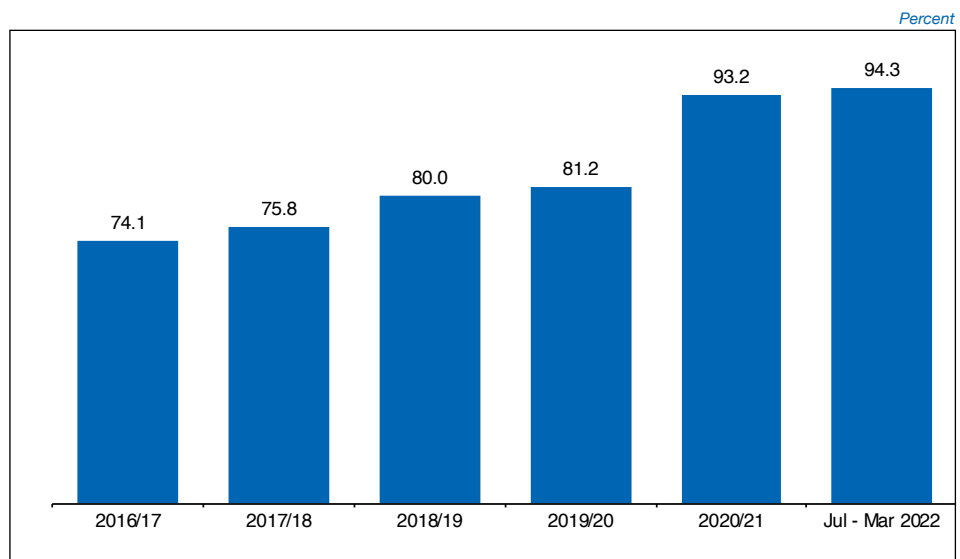
Source: Bank of Tanzania

The usage of mobile phone financial services increased to 94.3 percent in March 2022 compared to 93.2 percent in 2020/21 (Chart 3.9). The increase was attributed to the Bank of Tanzania's decision to enhance mobile money transaction limits and daily balances to promote cashless transactions during COVID-19 pandemic. Other contributory factors include implementation of new Fintech products for merchants and small businesses such as payment by phone (Lipa Namba), Quick Response (QR) Code solution through Masterpass and MVisa technologies and customer centric products and services



that facilitate easy usage of financial services via mobile phones. The enhanced usage of digital platforms by both public and private sector has greatly contributed to cost effective financial services and eventually supporting economic activities.

Chart 3.9: Adult Population Using Financial Services Through Mobile Phones

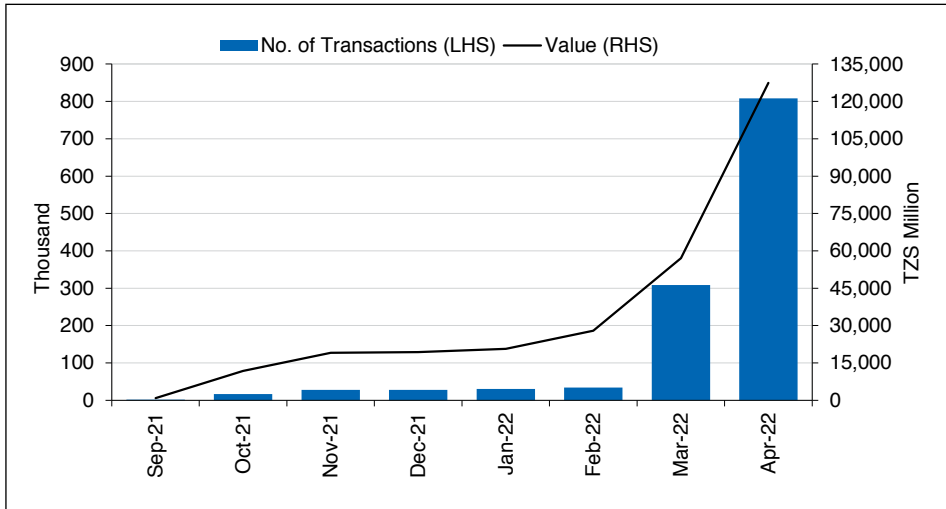


Source: Bank of Tanzania

The Bank of Tanzania continued to implement the Tanzania Instant Payment System (TIPS), a single payment platform that aims at increasing interoperability of Financial Services Providers. The payment platform began operating with five pilot financial services providers and showed significant progress in volumes of transactions (Chart 3.10). TIPS will facilitate instant and secure settlement of retail payments and transfers. This initiative will have a positive economic impact, including promoting financial inclusion, reducing reliance on cash transactions, enhancing governance and promoting usage of electronic payments.



Chart 3.10: Tanzania Instant Payment Systems (TIPS) Transactions



Source: Bank of Tanzania

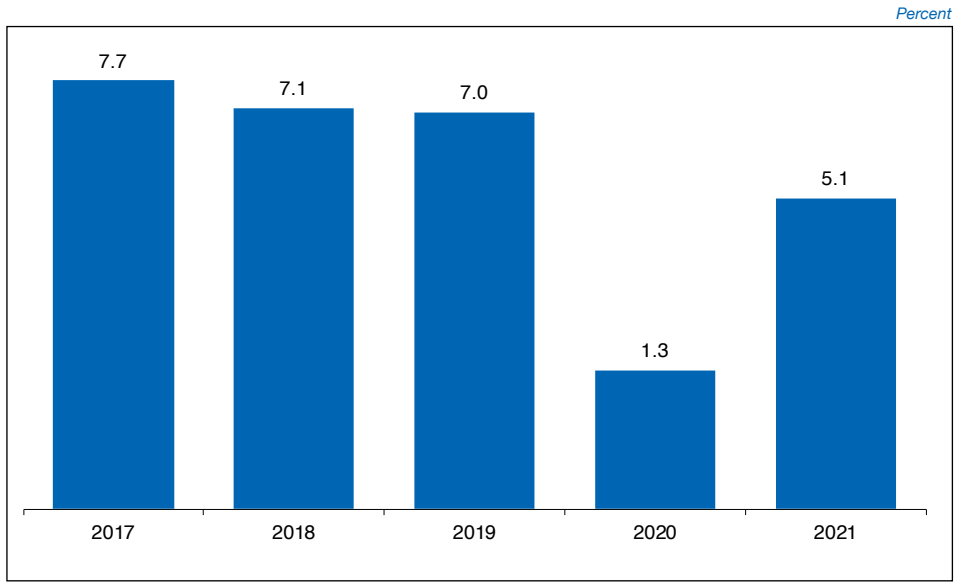
3.3 Economic Developments in Zanzibar

Real GDP Performance

The economy of Zanzibar grew by 5.1 percent in 2021 compared with 1.3 percent in 2020, owing to recovery of economic activities from the adverse effects of COVID-19 pandemic (Chart 3.11). The main drivers to the GDP growth were accommodation and food services, livestock, construction, crops, real estate and manufacturing (Chart 3.12).

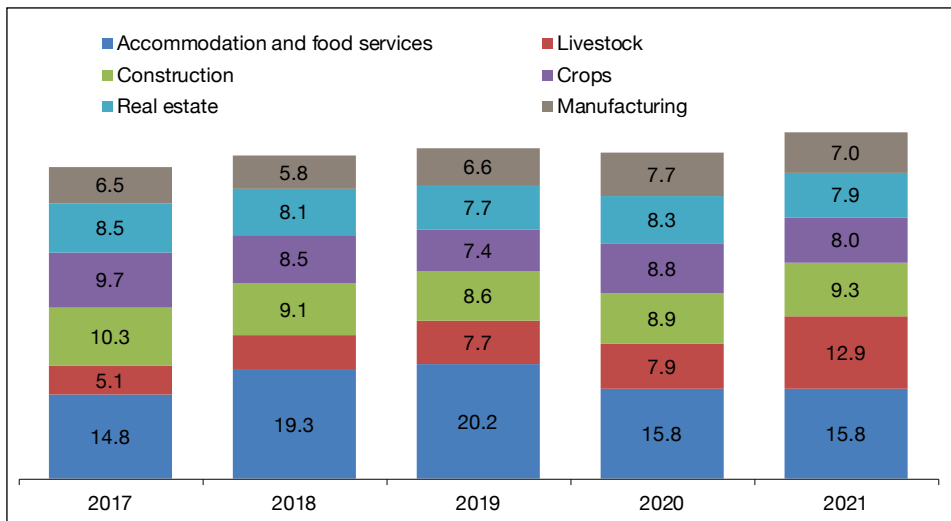


Chart 3.11: Real GDP Growth



Source: Office of the Chief Government Statistician

Chart 3.12: Contribution to Real GDP Growth by Major Economic Activities



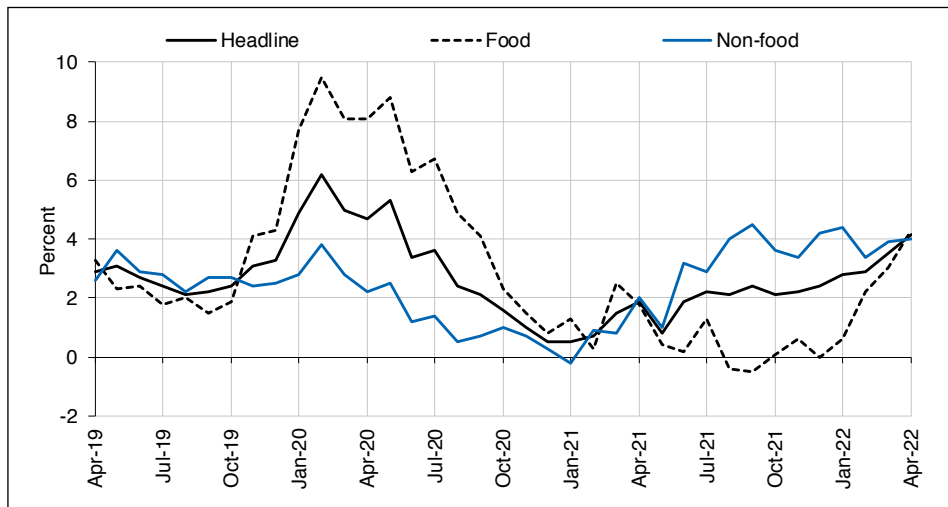
Source: Office of the Chief Government Statistician



Inflation Developments

Inflation remained low and stable, within the country medium-term target of 5 percent. Specifically, headline inflation averaged 2.7 percent during July 2021 to April 2022, up from 1.6 percent recorded in corresponding period in 2020/21, on account of higher non-food prices, whose inflation increased to an average of 3.8 percent from 0.8 percent in the corresponding period in 2020/21 (Chart 3.13). Non-food items that largely impacted inflation were petroleum products⁶. The inflation rate was also within the East African Community (EAC) and Southern Africa Development Community (SADC) countries convergence criteria of not more than 8 percent and between 3-7 percent, respectively. Inflation is expected to remain at a single digit for the remainder of 2021/22 and 2022/23, despite threats of increased commodity prices in the world market particularly petroleum products.

Chart 3.13: Annual Headline, Food and Non-food Inflation



Source: Office of Chief Government Statistician

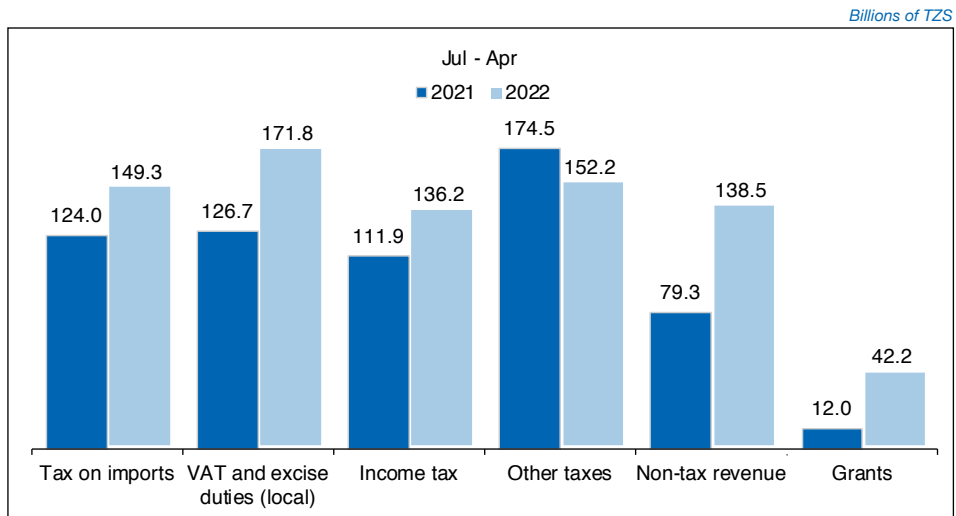
⁶ Petroleum products include kerosene, diesel and petrol



Government Budgetary Performance

Revenue collection by the Government amounted to TZS 790.1 billion during the period July 2021 to April 2022, compared with TZS 628.4 billion recorded in the corresponding period in 2020/21. Domestic revenue was TZS 748 billion of which tax revenue amounted to TZS 609.5 billion, 13.5 percent higher than the amount collected in July 2020 to April 2021. This outturn was on account of resumption of economic activities, particularly those related to tourism and enhanced tax administration. Non-tax revenue was TZS 138.5 billion, which is 13.1 percent below the target. Total grants amounted to TZS 42.2 billion, above the projection of TZS 18.2 billion for the period under review (Chart 3.14).

Chart 3.14: Government Resources

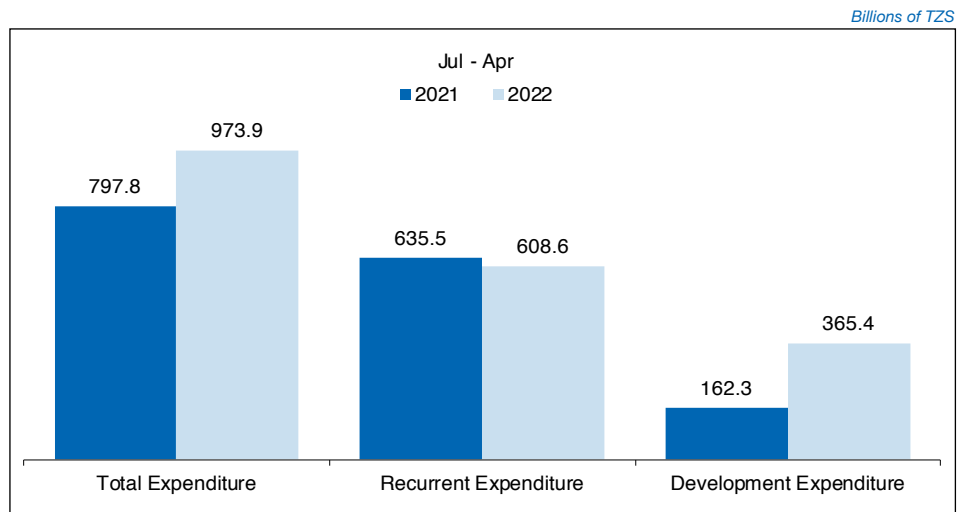


Source: President's Office, Finance and Planning – Zanzibar



The Government continued to align expenditure pattern to budget estimates, priorities and available resources. During the period July 2021 to April 2022, total Government expenditure amounted to TZS 973.9 billion or 88.5 percent of estimates (Chart 3.15). Recurrent expenditure was TZS 608.6 billion, equivalent to 82.8 percent of the estimates and development expenditure was TZS 365.4 billion or 99.9 percent of the estimates. Local funding in development expenditure was TZS 132.4 billion, accounting for 36.2 percent, with the balance being foreign funding. Overall deficit after grants and adjustment to cash and other items was TZS 239.2 billion, financed by program loans and domestic borrowings.

Chart 3.15: Government Expenditure



Source: President's Office, Finance and Planning – Zanzibar

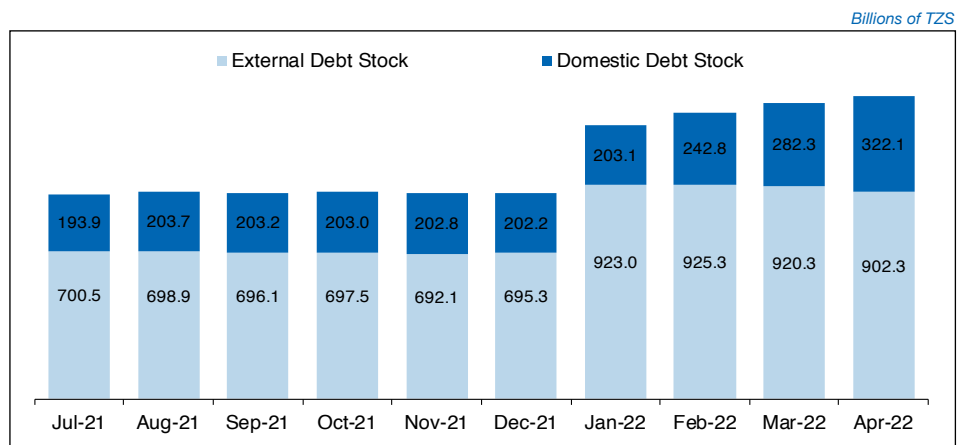
Debt Developments

Zanzibar debt stock increased to TZS 1,224.4 billion at the end of April 2022 from TZS 887 billion registered at the end of June 2021, on account of increase in both domestic and external debt. External



debt amounted to TZS 902.3 billion or USD 392.5 million, accounting for 73.7 percent of total debt stock. The domestic debt stock was TZS 322.1 billion, an increase of 65.9 percent from the level recorded at the end of June 2021. The increase was on account of new borrowing from Government securities (Chart 3.16).

Chart 3.16: Total Debt Stock



Source: President's Office, Finance and Planning – Zanzibar

External Sector Developments

Current account balance, recorded a deficit of USD 186.1 million during July 2021 to April 2022, compared with a deficit of USD 173.1 million in the corresponding period in 2020/21. This development was largely associated with increase in imports of goods. However, during the review period, exports of goods and services increased by 97.7 percent to USD 194.9 million, mainly due to increase in receipts from cloves and tourism activities. The value of goods and services imports increased by 21.9 percent in July 2021 to April 2022 to USD 394.6 million, on account of increase in imports of oil and food and food stuffs (Table 3.7, Chart 3.17 and Chart 3.18).



Table 3.7: Zanzibar Current Account

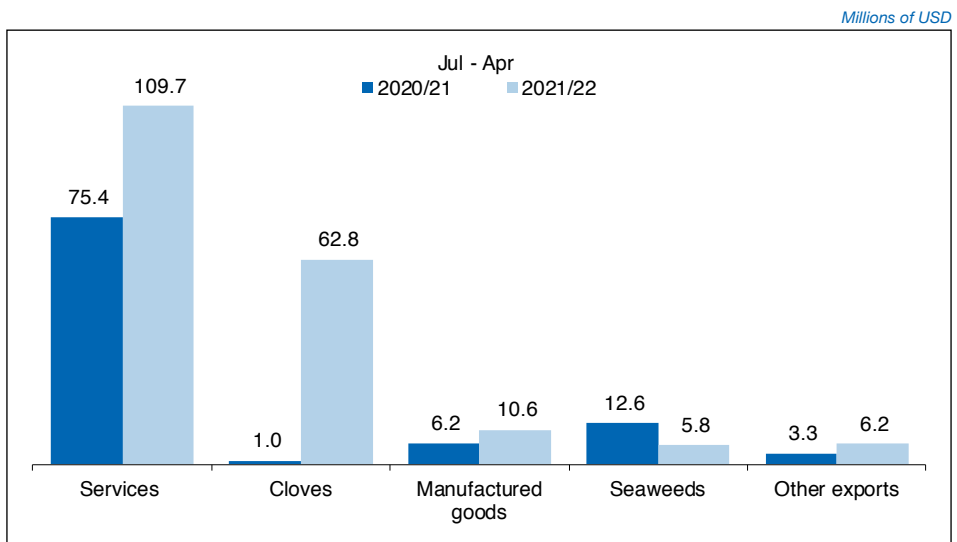
Millions of USD

Item	July - April			Percentage change
	2019/20	2020/21	2021/22 ^p	
Goods account net	-168.1	-209.4	-232.5	11.0
Exports	27.0	23.2	85.3	---
Imports (fob)	195.1	232.6	317.8	36.6
Services account net	40.0	-15.8	32.9	---
Receipts	161.2	75.4	109.7	45.4
Payments	121.2	91.2	76.8	-15.8
Goods and services net	-128.1	-225.2	-199.7	-11.3
Exports of goods and services	188.2	98.6	194.9	97.7
Imports of goods and services	316.3	323.8	394.6	21.9
Income account net	13.4	4.4	2.8	-36.2
Receipts	21.0	8.9	5.2	-42.0
Payments	7.6	4.5	2.4	-47.7
Current transfers net	86.1	47.7	10.7	-77.5
Inflows	104.6	54.6	14.0	-74.4
Outflows	18.5	6.9	3.3	-52.7
Current account balance	-28.6	-173.1	-186.1	7.6

Source: Tanzania Revenue Authority and Bank of Tanzania computations

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

Chart 3.17: Export Performance of Selected Goods and Services

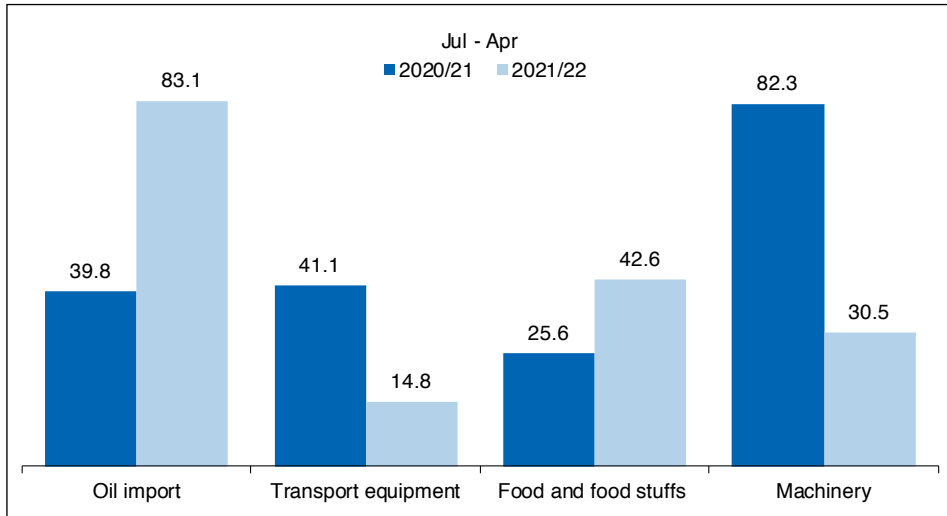


Source: Tanzania Revenue Authority and Bank of Tanzania computations



Chart 3.18: Performance of Selected Goods Import

Millions of USD



Source: Tanzania Revenue Authority and Bank of Tanzania computations



PART IV

4.0 MACROECONOMIC POLICY FRAMEWORK FOR 2022/23

4.1 Macroeconomic Policy Objectives

The macroeconomic policy objectives of the Governments are guided by the Third National Five-Year Development Plan, 2021/22–2025/26 and the Zanzibar Development Plan. These development blueprints among others, aim at attaining sustainable and inclusive growth by promoting competitiveness and industrialization. Realization of the objectives under the blueprints are expected to foster growth and enhance backward and forward linkages. However, external shocks emanating from resurgence of COVID-19 variants and geo-political tensions pose challenges to unleash growth potentials. Accordingly, the macroeconomic policy objectives of Tanzania Mainland in 2022/23 are as follows:

- i. attaining a real GDP growth of 4.7 percent in 2022 and 5.3 percent in 2023; and
- ii. maintaining a single digit annual headline inflation rate of 5.4 percent in 2022/23.

As for Zanzibar, the Government aims at attaining the following macroeconomic objectives:

- i. real GDP growth of 6.8 percent in 2022 and 7.2 percent in 2023; and
- ii. maintaining a single digit annual headline inflation rate of not more than 5 percent in 2022/23.



4.2 Monetary Policy Objectives

In 2022/23, the monetary policy will be geared towards attaining the macroeconomic objectives of the Governments, while closely monitoring any emerging risks from external shocks. In this regard, the Bank of Tanzania aims at achieving the following monetary policy targets in 2022/23:

- i. annual growth of average reserve money of 11.4 percent;
- ii. annual growth of extended broad money (M3) of 10.3 percent;
- iii. annual growth of credit to the private sector of 10.7 percent; and
- iv. maintaining gross official reserves at levels adequate to cover at least 4 months of projected imports of goods and services.



PART V

5.0 MONETARY POLICY STANCE FOR 2022/23

5.1 Monetary Policy Stance

In the context of domestic and global economic developments and outlook, the Bank of Tanzania will sustain cautious accommodative monetary policy in 2022/23, geared towards safeguarding the recovery of the economy, without compromising the price stability objective. This policy stance will ensure adequate liquidity to support growth of credit, as well as preserving financial sector stability. The Bank of Tanzania will closely monitor the risks to inflation arising from external shocks, and might reduce monetary policy accommodation, as and when need arises.

The Bank of Tanzania will continue implementing activities for transitioning to an interest rate-based monetary policy framework. The activities include improving model framework, creating awareness to stakeholders, preparing monetary policy operational framework, and undertaking reforms in the financial sector to improve monetary policy transmission.

5.2 Interest Rate Policy

Interest rates will continue to be market-determined in order to sustain efficient price discovery and allocation of resources in the economy. The Bank on its part will continue to promote transparency and efficient operations in the financial markets, so as to enhance the transmission of monetary policy actions to the economy. In addition, the measures implemented by the governments to improve the business environment will assist in improving the responsiveness of interest rates to changes



in the stance of monetary policy. Furthermore, the Bank of Tanzania will continue to carry out reforms in the financial sector, proceed with developing the yield curve to enhance price discovery in the financial markets, and improve guidance in the conduct of monetary and fiscal policy. The Bank of Tanzania will also continue to conduct general public awareness on financial matters and improve supportive market infrastructure for efficient functioning of financial markets.

5.3 Exchange Rate Policy

Exchange rate will continue to be market determined, and the Bank of Tanzania will participate in the interbank foreign exchange market (IFEM) primarily for liquidity management, managing foreign reserves and ensuring orderly foreign exchange market operations. In addition, the Bank of Tanzania will continue to allow exchange rate flexibility to help cushioning the economy from external shocks arising from higher commodity prices, while maintaining adequate level of foreign official reserves.



PART VI

6.0 CONCLUSION

Economic performance in 2021 was satisfactory and inflation was within the target in 2021/22, despite facing challenges emanating from external shocks. These challenges are expected to prevail in the first half of 2022/23, and moderate afterwards. As a result, the economy is projected to grow at 4.7 percent in 2022 in Tanzania Mainland, and 6.8 percent for Zanzibar. Growth is projected to be supported by public investment, rebound in private sector activity, normalization of the global economy, complemented by ongoing initiatives to improve blue economy and recovery in tourism.

Inflation in both Tanzania Mainland and Zanzibar was within the targets, and is expected to slightly increase in 2022/23, but remaining within the country and regional benchmarks. To this end, the Bank of Tanzania will continue to implement a cautious accommodative monetary policy in order to safeguard growth. In attaining this, a mix of monetary policy instruments will be used. In addition, the Bank of Tanzania will continue to implement activities for transiting to an interest rate-based monetary policy framework. Furthermore, the Bank in collaboration with stakeholders will undertake reforms in the financial sector to improve monetary policy transmission and stability of the sector. In this context, the Bank of Tanzania is optimistic that the monetary policy targets outlined in this Monetary Policy Statement for 2022/23 will be achieved.



APPENDICES



Table A1: Selected Economic Indicators

Items	Unit	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
1. Prices														
1.1 Annual change in consumer price index														
1.1.1 Headline inflation	Percent	3.3	3.3	3.6	3.8	3.8	4.0	4.0	4.1	4.2	4.0	3.7	3.6	3.8
1.1.2 Food inflation	Percent	4.8	4.9	4.7	5.1	3.6	4.0	3.9	4.4	4.9	6.3	6.1	6.5	6.6
1.1.3 Core inflation	Percent	3.5	3.7	4.0	4.1	4.5	4.6	4.5	4.7	4.6	3.3	3.0	2.7	2.8
2. Money credit and interest rates														
2.1 Extended broad money supply (M\$) ¹	Percent	7.8	7.9	11.7	11.0	9.9	12.7	13.6	14.9	15.5	14.9	17.0	11.9	10.0
2.2 Reserve money	Percent	3.5	-0.4	3.2	5.0	-4.2	6.3	1.5	12.9	17.3	16.6	20.0	16.1	12.7
2.3 Average reserve money ¹	Percent	3.4	4.2	2.4	4.7	5.9	8.6	13.4	14.2	16.6	18.8	21.7	20.6	13.3
2.4 Credit to the private sector ¹	Percent	4.8	4.7	3.6	4.1	3.2	4.5	5.6	7.8	10.0	10.0	11.9	13.4	13.4
2.5 364-days Treasury bill rate ¹	Percent	6.0	6.0	5.0	4.0	3.8	3.7	4.0	4.2	4.8	5.1	4.9	4.3	3.4
2.6 Overnight inter-bank rate ¹	Percent	3.7	3.7	3.9	4.1	3.9	3.6	3.7	3.7	4.1	4.0	3.4	2.0	1.6
2.7 12-Months deposit rate ¹	Percent	8.8	8.8	8.7	9.1	7.9	7.7	7.1	7.6	7.9	7.9	8.4	8.4	8.3
2.8 Short-term (up to 1 year) lending rate ¹	Percent	16.1	16.1	16.8	16.8	16.9	16.7	16.8	16.8	16.6	16.7	16.6	16.7	17.1
3. Balance of payments														
3.1 Gross official foreign reserves	Millions of USD	4,968.7	5,154.4	5,290.4	5,563.9	5,892.0	6,775.0	6,637.9	6,557.9	6,386.0	6,236.7	5,858.6	5,581.6	5,461.4
3.2 Exchange rate	TZ\$/USD	2,298.51	2,298.54	2,298.74	2,299.13	2,299.37	2,299.13	2,295.24	2,293.09	2,295.96	2,297.90	2,298.17	2,298.45	2,298.70
3.2.1 Period average	TZ\$/USD	2,298.52	2,298.61	2,299.01	2,299.22	2,299.53	2,296.90	2,293.47	2,293.46	2,297.61	2,298.12	2,298.31	2,298.55	2,298.88
3.2.2 End of period														
4. Public finance														
4.1 Domestic revenue ¹	Billions of TZ\$	1,384.9	1,395.8	2,094.1	1,651.0	1,757.7	1,898.6	1,734.8	1,898.8	2,474.5	2,007.4	2,068.1	2,151.1	1,746.0
4.2 Recurrent expenditure ¹	Billions of TZ\$	1,512.1	1,392.0	2,670.8	1,100.0	1,339.3	1,426.2	1,526.1	1,707.7	1,903.0	1,769.5	1,369.1	1,696.7	1,401.5
4.3 Development expenditure ¹	Billions of TZ\$	1,107.9	827.4	2,592.5	207.0	739.9	812.1	1,140.1	1,139.2	991.0	1,072.5	1,537.6	1,212.0	896.4

Source: Bank of Tanzania, Ministry of Finance and Planning and National Bureau of Statistics

Notes: ¹ Annual average

² Monthly averages

³ Domestic revenue and expenditure on cash basis



Table A2 (a): Tanzania Mainland: Gross Domestic Product at Constant 2015 Prices by Economic Activity

Economic Activity	2017	2018	2019	2020 ^f	2021 ^p
	Millions of TZS				
<i>Agriculture, forestry and fishing</i>	28,008,976.2	29,504,197.9	30,802,027.0	32,323,875.8	33,577,189.4
Crops	14,895,621.8	15,659,174.9	16,351,311.5	17,174,743.4	17,785,971.7
Livestock	7,876,591.6	8,266,048.5	8,676,074.3	9,107,854.1	9,562,643.2
Forestry	3,180,379.3	3,334,791.2	3,495,187.1	3,608,190.4	3,735,011.2
Fishing	2,020,292.5	2,206,241.9	2,239,891.7	2,391,612.9	2,451,430.0
<i>Agriculture support services</i>	36,091.0	37,941.3	39,562.3	41,475.0	42,133.3
Industry and Construction	28,565,774.0	31,344,128.1	34,976,981.7	37,536,061.7	39,584,470.3
Mining and quarrying	4,588,623.9	4,659,195.2	5,485,112.4	5,878,341.8	6,442,881.3
Manufacturing	8,889,818.0	9,623,500.7	10,184,558.4	10,646,278.5	11,155,761.8
Electricity supply	877,666.6	928,174.5	994,879.2	1,049,610.1	1,154,204.3
Water supply; sewerage, waste management	444,660.1	477,510.2	510,410.6	540,159.2	575,213.0
<i>Construction</i>	13,765,005.5	15,655,747.5	17,802,021.2	19,421,672.1	20,256,409.9
Services	42,689,010.6	45,369,788.8	48,114,453.3	50,176,727.5	52,662,916.0
Wholesale and retail trade; repairs	9,821,247.6	10,396,690.9	10,965,038.2	11,196,339.3	11,590,492.7
Transport and storage	7,815,844.6	8,736,560.6	9,493,190.7	10,293,275.6	10,658,344.0
Accommodation and Food Services	1,525,618.5	1,604,390.7	1,645,950.1	1,419,653.9	1,514,711.3
Information and communication	1,824,470.9	1,989,716.7	2,133,312.2	2,313,029.4	2,524,563.8
Financial and insurance activities	4,115,392.9	4,094,972.3	4,281,167.0	4,412,967.5	4,629,490.2
Real estate	3,211,894.9	3,354,517.7	3,505,484.8	3,663,972.3	3,827,459.9
Professional, scientific and technical activities	694,290.6	763,332.1	821,635.6	881,833.4	942,012.5
Administrative and support service activities	2,892,462.9	3,054,288.2	3,311,752.9	3,569,799.8	3,817,046.9
Public administration and defence	4,907,113.3	5,064,968.5	5,238,490.6	5,438,145.7	5,714,547.0
Education	2,859,170.7	3,046,789.4	3,257,405.7	3,365,354.6	3,538,280.8
Human health and social work activities	1,611,999.2	1,746,730.9	1,833,514.2	1,953,479.4	2,065,677.4
Arts, entertainment and recreation	307,906.8	350,027.3	389,225.2	372,119.5	444,488.0
Other service activities	912,404.3	971,690.0	1,037,083.3	1,089,265.4	1,181,814.3
Activities of households as employers;	189,193.2	195,113.5	201,203.0	207,491.7	213,987.3
All economic activities	99,263,760.8	106,218,114.8	113,893,462.1	120,036,665.0	125,824,575.7
Taxes on products	8,393,644.1	8,934,362.5	9,303,273.8	9,093,517.0	9,693,237.0
GDP at market prices	107,657,404.9	115,152,477.2	123,196,735.9	129,130,182.0	135,517,812.7
	Real Growth by Economic Activities (Percent)				
<i>Agriculture, forestry and fishing</i>	5.9	5.4	4.4	4.9	3.9
Crops	6.4	5.2	4.4	5.0	3.6
Livestock	4.9	4.9	5.0	5.0	5.0
Forestry	4.8	4.9	4.8	3.2	3.5
Fishing	8.4	9.2	1.5	6.8	2.5
Agriculture support services	5.5	5.2	4.3	4.8	1.6
Industry and Construction	5.5	5.1	11.6	7.3	5.5
Mining and quarrying	5.3	1.5	17.7	7.2	9.6
Manufacturing	8.2	8.3	5.8	4.5	4.8
Electricity supply	1.0	5.8	7.2	5.5	10.0
Water supply; sewerage, waste management	6.4	7.4	6.9	5.8	6.5
Construction	15.1	13.8	13.7	9.1	4.3
Services	15.1	12.9	6.0	4.3	5.0
Wholesale and retail trade; repairs	6.1	5.9	5.5	2.1	3.5
Transport and storage	6.7	11.8	8.7	8.4	3.5
Accommodation and Food Services	3.1	5.2	2.6	-13.7	6.7
Information and communication	6.2	9.1	7.2	8.4	9.1
Financial and insurance activities	-2.8	-0.5	4.5	3.1	4.9
Real estate	4.4	4.4	4.5	4.5	4.5
Professional, scientific and technical activities	14.5	9.9	7.6	7.3	6.8
Administrative and support service activities	10.8	5.6	8.4	7.8	6.9
Public administration and defence	2.4	3.2	3.4	3.8	5.1
Education	7.3	6.6	6.9	3.3	5.1
Human health and social work activities	7.6	8.4	5.0	6.5	5.7
Arts, entertainment and recreation	9.9	13.7	11.2	-4.4	19.4
Other service activities	12.0	6.5	6.7	5.0	8.5
Activities of households as employers;	3.2	3.1	3.1	3.1	3.1
All economic activities	7.0	6.9	7.2	5.4	4.8
Taxes on products	4.6	6.3	4.3	-2.3	6.6
GDP at market prices	6.8	7.0	7.0	4.8	4.9

Source: National Bureau of Statistics

Note: "r" denotes revised data; "p" provisional data; and "FISIM" financial intermediation indirectly measured



Table A2 (b): Tanzania Mainland: Gross Domestic Product at Constant 2015 Prices by Economic Activity

Economic activity	<i>Percent</i>					
	2016	2017	2018	2019	2020 ^r	2021 ^p
	Contribution to real GDP by economic activities					
Agriculture, forestry and fishing	26.2	26.0	19.9	16.1	25.6	19.6
Crops	13.9	13.8	10.2	8.6	13.9	9.6
Livestock	7.4	7.3	5.2	5.1	7.3	7.1
Forestry	3.0	3.0	2.1	2.0	1.9	2.0
Fishing	1.8	1.9	2.5	0.4	2.6	0.9
Agriculture support services	0.0	0.0	0.0	0.0	0.0	0.0
Industry and construction	25.6	26.5	37.1	45.1	43.1	32.1
Mining and quarrying	4.3	4.3	0.9	10.3	6.6	8.8
Manufacturing	8.1	8.3	9.8	7.0	7.8	8.0
Electricity supply	0.9	0.8	0.7	0.8	0.9	1.6
Water supply; sewerage, waste management	0.4	0.4	0.4	0.4	0.5	0.5
Construction	11.9	12.8	25.2	26.6	27.3	13.1
Services	40.2	39.7	35.8	34.1	34.8	38.9
Wholesale and retail trade; repairs	9.2	9.1	7.7	7.1	3.9	6.2
Transport and storage	7.3	7.3	12.3	9.4	13.5	5.7
Accommodation and food services	1.5	1.4	1.1	0.5	-3.8	1.5
Information and communication	1.7	1.7	2.2	1.8	3.0	3.3
Financial and insurance activities	4.2	3.8	-0.3	2.3	2.2	3.4
Real estate	3.1	3.0	1.9	1.9	2.7	2.6
Professional, scientific and technical activities	0.6	0.6	0.9	0.7	1.0	0.9
Administrative and support service activities	2.6	2.7	2.2	3.2	4.3	3.9
Public administration and defence	4.8	4.6	2.1	2.2	3.4	4.3
Education	2.6	2.7	2.5	2.6	1.8	2.7
Human health and social work activities	1.5	1.5	1.8	1.1	2.0	1.8
Arts, entertainment and recreation	0.3	0.3	0.6	0.5	-0.3	1.1
Other service activities	0.8	0.8	0.8	0.8	0.9	1.4
Activities of households as employers;	0.2	0.2	0.1	0.1	0.1	0.1
Taxes on products	8.0	7.8	7.2	4.7	-3.5	9.4
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0

Source: National Bureau of Statistics

Note: "r" denotes revised data; "p" provisional data; and "FISIM" financial intermediation indirectly measured



Table A2 (c): Zanzibar: Gross Domestic Product at Constant 2015 Prices by Economic Activity

Economic activity	2016	2017	2018 ^r	2019	2020	2021 ^p
	Billions of TZS					
GDP at market prices	2,491.4	2,683.8	2,875.5	3,077.7	3,116.3	3,275.3
Agriculture, Forestry & Fishing	539.5	582.2	603.8	619.4	639.8	656.4
Crops	235.9	261.0	270.6	254.9	258.1	263.8
Livestock	124.6	136.2	146.7	171.7	185.7	191.4
Forestry & hunting	42.3	44.1	44.2	45.9	43.8	45.6
Fishing	136.6	140.8	142.2	147.0	152.1	155.6
Industry	467.0	493.1	511.8	565.8	595.4	607.6
Mining & quarrying	27.2	32.7	37.1	36.4	34.2	36.6
Manufacturing	194.6	211.3	215.7	259.9	276.8	280.9
Electricity and gas	12.6	13.1	13.8	14.5	14.1	12.6
Water supply and sewerage	20.9	22.4	23.1	26.1	26.5	28.5
Construction	211.7	213.4	222.1	228.9	243.8	249.0
Services	1,265.2	1,360.1	1,498.2	1,626.7	1,613.6	1,715.5
Trade & repairs	169.4	180.3	194.7	212.5	228.2	265.3
Transport & storage	107.6	111.4	121.8	127.5	119.1	130.2
Accommodation and food services	375.5	429.2	504.7	562.7	491.0	545.1
Accommodation	305.2	350.0	409.5	457.9	405.9	450.4
Food and beverage services	70.3	79.2	95.3	104.8	85.0	94.7
Information and communication	44.7	51.6	53.4	56.3	54.5	45.6
Financial and insurance activities	83.7	91.6	95.6	98.6	100.4	111.7
Real estate activities	136.2	144.7	154.0	164.2	175.4	187.6
Professional, scientific and technical	3.9	3.8	4.0	3.9	3.9	4.1
Administrative and support services	22.8	24.4	25.6	27.4	26.1	23.8
Public administration	180.9	175.9	185.6	207.3	234.7	247.1
Education	71.5	73.3	78.5	84.4	92.5	92.2
Human health and social work	30.8	31.2	32.0	32.8	33.2	34.0
Arts, entertainment and recreation	2.4	2.7	3.3	3.4	3.2	2.5
Other service activities	30.4	34.4	39.3	40.1	45.3	49.1
Domestic services	5.4	5.5	5.7	5.9	6.1	6.3
Less FISIM	-27.9	-27.7	-24.8	-25.5	-28.5	-29.3
Taxes on products	247.7	276.1	286.6	291.2	296.0	295.8
	Real Growth by Economic Activities (Percent)					
Agriculture, Forestry & Fishing	3.8	7.9	3.7	2.6	3.3	2.6
Crops	3.6	10.6	3.7	-5.8	1.3	2.2
Livestock	9.8	9.3	7.7	17.0	8.2	3.0
Forestry & hunting	2.5	4.2	0.3	3.8	-4.4	4.0
Fishing	-0.5	3.1	1.0	3.3	3.5	2.3
Industry	7.7	5.6	3.8	10.6	5.2	5.1
Mining & quarrying	15.9	20.3	13.3	-1.7	-6.0	9.9
Manufacturing	8.0	8.6	2.1	20.5	6.5	1.1
Electricity and gas	8.2	4.2	5.1	5.2	-3.2	8.0
Water supply and sewerage	6.9	7.3	2.8	12.9	2.0	6.9
Construction	6.5	0.8	4.1	3.1	6.5	8.9
Services	5.7	7.5	10.2	8.6	7.4	6.9
Trade & repairs	4.5	6.4	8.0	9.1	1.0	14.9
Transport & storage	5.6	3.5	9.4	4.7	-6.6	9.3
Accommodation and food services	13.5	14.3	17.6	11.5	-12.7	6.6
Accommodation	13.8	14.7	17.0	11.8	-11.3	6.5
Food and beverage services	11.8	12.6	20.3	10.0	-18.9	7.5
Information and communication	-14.9	15.5	3.4	5.5	-3.2	-16.3
Financial and insurance activities	6.5	9.5	4.4	3.1	2.2	9.9
Real estate activities	6.0	6.2	6.4	6.6	6.8	7.0
Professional, scientific and technical	9.6	-3.2	5.2	-2.9	1.1	5.0
Administrative and support services	-1.9	7.2	4.9	6.9	-4.6	6.6
Public administration	-0.5	-2.7	5.5	11.7	13.2	5.3
Education	3.0	2.5	7.0	7.5	9.7	-0.3
Human health and social work	3.7	1.4	2.3	2.5	1.4	2.4
Arts, entertainment and recreation	26.2	14.5	19.3	3.3	-4.9	1.1
Other service activities	12.5	13.4	14.2	2.0	12.9	6.9
Domestic services	3.2	3.2	3.2	3.2	3.2	3.2
Less FISIM	16.6	-0.9	-10.2	2.6	11.7	2.8
Taxes on products	7.7	11.5	3.8	1.6	1.6	1.2
GDP at market prices	5.8	7.7	7.1	7.0	1.3	5.1

Source: Office of Chief Government Statistician, Zanzibar

Note: "r" denotes revised data; "p" provisional data; and "FISIM" financial intermediation indirectly measured



Table A2 (d): Zanzibar Quarterly GDP Growth Rates by Economic Activity

Economic Activity	2018				2019				2020				2021 ^P			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Crops	-3.6	0.0	7.2	-6.3	4.0	-1.7	-1.4	-5.8	-4.4	-2.4	-0.9	-3.5	6.7	10.2	5.5	15.5
Livestock	21.2	20.5	21.0	11.9	13.3	20.3	23.9	17.0	19.3	24.1	25.6	-46.1	25.5	8.7	9.4	-18.9
Forestry	1.8	1.5	-0.5	1.2	7.4	0.2	3.2	3.8	0.6	0.3	-3.3	-3.4	-3.2	4.2	6.2	6.8
Fishing	3.9	-1.1	-7.7	11.0	0.0	3.0	-0.1	3.3	4.2	8.6	14.8	-6.8	-3.5	-5.1	-43.7	-4.8
Mining and quarrying	54.4	9.0	-14.4	14.8	-7.9	-16.3	32.9	-1.7	2.1	9.3	-7.8	-5.8	-26.4	5.2	22.6	18.0
Manufacturing	14.6	10.4	10.5	9.6	10.4	11.2	13.0	15.7	14.2	13.2	13.5	5.8	10.6	8.3	3.7	2.9
Electricity	-3.4	6.9	11.4	6.7	24.4	18.2	12.1	5.2	4.2	-0.4	-5.9	-4.2	4.8	37.8	20.6	-9.6
Water supply	10.1	6.2	10.0	7.2	6.3	7.1	9.3	12.6	10.9	8.8	5.5	-1.7	10.6	8.7	10.4	10.7
Construction	50.8	-16.0	6.8	-10.5	4.5	1.8	7.6	3.1	4.1	4.3	20.5	-37.6	-36.2	-28.6	6.9	183.9
Wholesale and retail trade	14.5	13.8	13.0	9.7	2.3	12.0	8.3	7.8	7.7	7.6	15.1	-9.8	1.4	3.0	26.2	19.6
Accommodation and food services	16.8	-8.2	38.2	10.0	-7.1	-7.7	13.9	11.5	4.0	-8.7	-27.5	-9.0	3.0	90.6	5.0	11.3
Transport and storage	9.1	8.9	4.2	16.0	3.8	1.3	8.7	4.7	4.4	0.5	-1.5	-10.9	4.8	7.3	23.3	21.4
Information and communication	4.0	-1.5	-5.5	-7.5	12.6	20.2	2.3	5.5	-2.9	-7.8	-8.5	11.9	-4.9	-35.2	2.6	-38.3
Financial and insurance	13.4	3.1	-1.2	3.2	-0.7	-0.5	1.1	3.1	2.4	7.4	7.5	-9.2	22.4	-5.1	32.6	30.9
Real estate	6.4	6.4	6.5	6.5	6.6	6.6	6.7	6.6	6.7	6.7	6.8	6.9	6.9	6.9	7.0	6.9
Professional, scientific & technical	-3.6	-15.1	3.3	16.1	2.0	2.0	0.0	-2.9	2.1	3.7	3.0	0.1	7.9	-60.3	8.5	28.7
Administrative & support	0.2	-4.5	21.5	2.3	12.3	19.8	12.8	6.9	3.8	-4.0	-1.8	-25.6	-16.8	-47.1	26.7	92.2
Public administration	4.1	4.1	7.1	6.6	0.4	0.0	0.2	11.7	16.7	26.3	43.4	0.4	26.2	23.2	22.8	-19.1
Education	7.3	6.1	5.6	9.1	4.4	6.0	0.4	7.5	10.4	12.1	14.1	6.0	-5.1	-7.8	-6.3	-9.9
Human health & social work	3.5	1.8	3.0	1.1	1.5	2.9	2.8	2.5	1.7	0.9	0.7	5.3	15.4	14.6	30.3	7.1
Arts, entertainment & recreation	17.1	-8.3	49.9	14.1	-6.1	-5.3	17.8	3.3	7.0	8.7	1.6	-10.6	2.9	-40.1	40.3	-18.7
Other services	22.2	18.6	14.1	4.8	-6.6	-1.6	13.3	11.5	14.8	7.2	-1.9	32.0	29.4	-30.5	41.9	-25.1
Households as employers	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	4.0	3.2	3.2	3.2	2.4
FISIM	-3.2	-12.8	-15.6	-8.7	-8.3	-4.4	-0.1	2.6	3.8	9.2	8.7	20.2	42.0	9.5	53.1	-2.0
All Indust. at basic prices	12.8	2.0	12.5	4.9	2.4	3.9	8.9	7.3	6.4	5.0	4.3	-8.7	3.7	6.6	6.4	19.2
Taxes on products	6.4	27.4	-4.6	-3.1	-2.7	-10.1	6.3	1.7	2.4	-1.1	0.6	5.7	-11.0	5.9	29.6	6.6
GDP at market prices	12.2	4.4	10.6	4.7	1.9	2.3	8.6	6.7	6.0	4.4	3.9	1.6	2.2	6.5	8.8	7.5

Source: Office of Chief Government Statistician-Zanzibar

Notes: "p" provisional data



Table A3 (a): National Consumer Price Index (NCPI)

Weight	Ref period: 2020=100													
	(%)	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Food and non-alcoholic beverages	28.2	105.2	106.5	106.5	106.2	103.5	103.3	103.2	104.0	105.9	107.0	108.6	110.6	112.2
Alcoholic beverages and tobacco	1.9	102.3	102.2	102.3	102.2	102.7	102.5	102.7	102.9	102.9	103.1	103.3	103.3	103.5
Clothing and footwear	10.8	104.5	104.5	104.5	104.6	104.9	104.8	104.8	105.5	105.7	106.2	106.4	107.0	106.9
Housing, water, electricity, gas and other fuels	15.1	104.5	104.0	104.0	104.2	104.7	104.6	104.3	104.7	105.1	105.9	106.5	107.3	108.6
Furnishings, household equipment and routine household maintenance	7.9	103.0	102.9	103.1	103.1	103.4	103.5	103.4	103.9	104.4	105.5	105.6	105.7	105.8
Health	2.5	102.3	102.3	103.0	102.9	103.1	103.2	103.3	103.4	103.4	103.5	103.5	103.6	103.7
Transport	14.1	103.0	103.1	103.2	103.5	104.1	104.1	104.1	104.2	105.3	105.4	105.5	105.9	107.0
Information and communication	5.4	101.8	101.8	101.9	102.0	102.1	102.0	102.0	102.3	102.4	102.4	102.2	102.4	102.4
Recreation, sport and culture	1.6	102.9	102.9	102.9	102.9	103.0	103.0	102.4	102.6	102.7	104.0	104.0	104.0	103.9
Education services	2	101.3	101.2	101.3	101.2	101.2	101.1	101.2	101.2	101.2	101.4	101.4	101.5	101.5
Restaurants and accommodation services	6.6	105.1	105.1	105.3	105.3	105.3	105.3	105.4	105.7	105.7	106.2	106.5	107.0	107.2
Insurance and financial services	2.1	100.3	100.3	100.2	100.3	100.3	100.3	100.3	100.4	100.4	100.4	100.5	100.5	100.5
Personal care, social protection and miscellaneous goods and services	2.1	102.6	102.5	102.8	102.9	103.1	103.0	103.1	103.3	103.4	104.3	104.4	105.0	105.0
All Items-(headline inflation)	100	104.0	104.2	104.3	104.3	103.8	103.7	103.6	104.1	104.9	105.6	106.2	107.1	107.9
Other selected groups														
Core Index	73.9	103.9	104.3	104.4	104.3	104.5	104.5	104.4	104.8	105.3	105.7	106.0	106.3	106.9
Non-Core Index	26.1	104.0	104.2	104.1	104.4	101.7	101.5	101.2	101.9	104.0	105.2	106.9	109.2	110.7
Energy, Fuel and Utilities Index	5.7	103.6	102.5	102.6	103.7	105.2	104.7	103.9	104.0	105.0	106.1	106.5	109.0	113.9
Services Index	37.2	103.2	103.2	103.2	103.2	103.5	103.4	103.4	103.7	104.0	104.3	104.6	104.7	105.0
Goods Index	62.8	104.4	104.8	104.9	105.0	104.0	103.9	103.7	104.3	105.5	106.4	107.2	108.5	109.6
Education services and products ancillary to education Index	4.1	103.3	103.2	103.4	103.3	103.3	103.3	103.1	103.3	103.4	104.5	104.6	104.7	104.7
All items less Food and Non- Alcoholic Beverages	71.8	103.5	103.4	103.5	103.6	103.9	103.9	103.8	104.1	104.5	105.0	105.3	105.7	106.2

Source: National Bureau of Statistics



Table A3 (b): National Consumer Price Index (NCPI), 12 Months Percentage Change

Main Groups	Weight (%)	Ref period: 2020=100												
		Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Food and non-alcoholic beverages	28.2	4.8	4.9	4.7	5.1	3.6	4.0	3.9	4.4	4.9	6.3	6.1	6.5	6.6
Alcoholic beverages and tobacco	1.9	2.7	2.5	1.9	1.9	2.4	2.4	2.5	2.7	2.2	1.9	1.8	1.8	1.2
Clothing and footwear	10.8	4.6	4.4	4.4	4.5	4.7	4.8	4.9	5.5	4.5	3.1	2.8	2.4	2.3
Housing, water, electricity, gas and other fuels	15.1	4.1	3.5	3.2	3.5	4.2	4.1	3.8	4.0	3.9	3.5	3.5	3.2	3.9
Furnishings, household equipment and routine household maintenance	7.9	3.1	2.8	2.9	2.9	3.1	3.2	3.2	3.2	3.6	4.1	3.0	3.0	2.8
Health	2.5	2.7	2.6	2.7	2.6	2.8	2.8	2.9	3.0	2.9	1.9	1.3	1.3	1.3
Transport	14.1	0.2	1.2	3.8	4.3	5.7	5.9	5.6	5.4	5.9	4.4	3.7	2.9	3.9
Information and communication	5.4	1.8	1.7	1.9	1.8	1.8	1.8	1.9	1.4	1.5	1.3	1.2	1.0	0.6
Recreation, sport and culture	1.6	5.4	2.3	2.3	2.2	2.3	4.1	3.7	3.8	3.8	1.9	1.4	1.1	1.0
Education services	2.0	1.2	1.1	1.3	1.1	1.1	1.1	1.1	1.1	1.1	1.0	0.3	0.2	0.2
Restaurants and accommodation services	6.6	5.4	5.4	5.6	4.9	5.0	5.0	5.0	5.3	4.9	3.7	2.7	2.4	2.1
Insurance and financial services	2.1	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
Personal care, social protection and miscellaneous goods and services	2.1	2.7	2.6	2.0	2.7	2.8	2.8	2.9	3.5	3.5	2.2	2.1	2.5	2.4
All items-(headline inflation)	100.0	3.3	3.3	3.6	3.8	3.8	4.0	4.0	4.1	4.2	4.0	3.7	3.6	3.8
Other selected groups														
Core	73.9	3.5	3.7	4.0	4.1	4.5	4.6	4.5	4.7	4.6	3.3	3.0	2.7	2.8
Non-core	26.1	3.1	2.8	2.7	3.4	1.8	2.3	2.3	2.5	3.4	6.0	5.6	6.1	6.5
Energy, fuel and utilities	5.7	2.3	2.1	3.2	3.6	5.1	4.6	4.2	3.4	4.4	7.3	5.8	6.3	9.9
Services	37.2	2.1	2.3	3.0	3.1	3.7	4.0	3.9	4.0	3.8	2.9	2.4	1.9	1.7
Goods	62.8	4.2	4.1	4.1	4.3	3.9	4.0	4.0	4.3	4.5	4.7	4.4	4.5	5.0
Education services and products ancillary to education	4.1	3.2	3.2	3.1	3.3	3.3	3.3	3.1	3.3	3.3	2.3	2.2	2.0	1.4
All items less food and non-alcoholic beverages	71.8	2.7	2.7	3.2	3.3	4.0	4.1	4.1	4.0	3.9	3.1	2.7	2.4	2.6

Source: National Bureau of Statistics



Table A3 (c): Zanzibar National Consumer Price Index (NCPI)

Main Groups	Weights (%)	Ref period: January 2017=100													
		Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	
Headline	100.0	116.3	117.7	117.2	117.3	117.3	117.3	115.4	115.0	115.1	115.6	117.3	118.5	119.4	121.2
Food	42.7	117.0	119.7	117.7	117.1	117.1	117.1	111.1	111.2	111.5	112.3	115.9	118.3	119.3	122.1
Non-Food	57.3	115.8	116.1	116.9	117.5	117.5	118.5	117.9	117.7	118.0	118.0	118.3	118.7	119.5	120.5
Alcoholic beverages, tobacco & narcotics	0.2	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1	135.1
Clothing and footwear	6.9	109.0	110.0	109.7	109.3	109.1	109.5	109.5	109.7	109.9	109.9	109.9	109.9	110.2	111.6
Housing, water, electricity, gas and other fuels	18.4	117.5	117.7	119.7	120.8	119.4	120.8	119.7	119.7	119.0	119.0	119.5	121.3	121.1	121.0
Furnishing, household equipment and routine household maintenance	5.5	124.5	124.7	125.1	125.1	125.3	125.4	125.8	125.8	125.8	126.2	126.3	126.8	133.3	136.6
Health	2.1	128.6	128.7	129.0	129.3	130.2	130.1	130.3	129.5	129.5	129.5	129.5	129.5	129.5	129.5
Transport	9.6	113.9	114.3	115.1	115.9	117.4	118.7	116.7	116.1	118.1	118.1	118.1	117.3	118.1	121.1
Communication	4.2	114.9	114.9	114.9	114.9	114.9	116.9	116.9	116.9	116.9	116.9	116.9	116.9	116.9	116.9
Recreation and culture	1.3	112.3	112.3	112.4	112.4	112.4	115.4	115.4	115.4	115.4	115.4	115.4	115.4	115.4	115.4
Education	1.9	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3	125.3
Restaurants and hotels	3.9	107.1	107.1	107.1	107.1	107.7	107.7	107.1	107.1	107.1	107.7	107.7	107.7	108.4	108.4
Miscellaneous goods & services	2.3	110.6	110.4	112.2	114.9	119.2	120.0	120.0	121.4	121.4	121.4	121.7	121.7	121.7	121.7

Source: Office of Chief Government Statistician, Zanzibar



Table A3 (d): Zanzibar National Consumer Price Index (NCPI), 12 Months Percentage Change

Main Groups	Weights (%)	Ref period: January 2017=100												
		Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Headline	100.0	1.9	0.8	1.9	2.2	2.1	2.4	2.1	2.2	2.4	2.8	2.9	3.5	4.1
Food	42.7	1.8	0.4	0.2	1.3	-0.4	-0.5	0.1	0.6	0.0	0.6	2.2	3.0	4.3
Non-Food	57.3	2.0	1.0	3.2	2.9	4.0	4.5	3.6	3.4	4.2	4.4	3.4	3.9	4.0
Alcoholic beverages, tobacco & narcotics	0.2	0.2	0.2	0.2	-0.5	-0.5	0.0	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Clothing and footwear	6.9	1.3	1.2	0.8	0.6	0.6	1.0	0.9	1.4	1.7	1.8	1.6	1.8	2.4
Housing, water, electricity, gas and other fuels	18.4	2.4	-1.4	2.3	2.1	4.9	5.5	3.6	3.0	3.7	5.4	3.4	3.7	3.0
Furnishing, household equipment and routine household maintenance	5.5	3.2	3.5	4.3	4.4	3.6	3.7	4.3	4.3	4.6	4.5	3.7	9.0	9.7
Health	2.1	5.6	4.2	4.3	4.6	5.0	2.3	2.5	1.8	1.8	1.8	2.0	0.7	0.7
Transport	9.6	0.8	3.2	9.0	7.3	6.8	7.7	6.0	5.3	7.7	8.0	6.0	5.5	6.4
Communication	4.2	0.1	0.1	0.1	0.1	0.0	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Recreation and culture	1.3	-0.5	-1.8	-1.7	-1.7	-1.5	1.1	1.1	1.1	1.3	1.3	2.7	2.7	2.7
Education	1.9	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	0.3	0.0	0.0	0.0
Restaurants and hotels	3.9	0.0	0.0	0.0	0.0	0.6	0.0	-0.6	0.0	0.6	0.6	0.6	1.2	1.2
Miscellaneous goods & services	2.3	0.8	0.1	1.7	3.5	8.5	9.7	9.7	10.8	10.8	10.6	10.7	10.7	10.1

Source: Office of Chief Government Statistician, Zanzibar

Table A4: Depository Corporations Survey

Billions of TZS

Items	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Net foreign assets (NFA) of the banking system	10,595.2	11,778.3	12,144.6	12,757.9	12,751.4	14,129.9	13,754.6	12,715.9	13,966.0	13,201.8	12,683.2	11,815.8	10,908.5
NFA of the Bank of Tanzania	10,890.8	11,312.0	11,700.7	12,367.1	11,940.4	13,960.7	13,424.5	13,068.5	13,219.1	12,879.8	12,145.2	11,578.5	11,342.6
Net international reserves (Millions of USD)	4,969.7	5,154.4	5,290.4	5,693.9	5,692.0	6,775.0	6,637.9	6,567.9	6,384.0	6,236.7	5,858.6	5,561.6	5,461.4
NFA of the banks	-295.7	466.3	443.9	390.8	811.0	169.2	330.1	-342.6	748.2	222.0	538.1	237.3	-434.1
Banks NFA (Millions of USD)	-128.6	202.9	193.1	170.0	352.7	73.7	143.9	-149.4	325.1	96.6	234.1	103.3	-188.8
Net domestic assets of the banking system	20,406.8	19,547.5	21,189.2	19,810.3	20,222.6	19,036.6	19,986.8	21,311.5	20,592.1	21,193.8	22,181.4	21,935.8	23,179.4
Domestic claims	27,514.9	26,895.3	28,214.7	27,408.5	28,011.1	26,973.8	28,121.3	29,680.7	30,081.5	30,081.5	31,318.5	31,447.3	32,185.1
Claims on central government (net)	6,855.2	6,187.3	6,132.2	6,675.9	7,041.5	5,846.4	6,719.7	7,000.7	7,686.4	7,718.7	8,495.3	8,222.2	8,762.6
Claims on central government	13,902.0	13,663.0	12,670.5	12,509.0	12,993.6	13,321.4	14,215.4	14,614.1	14,775.4	14,820.5	15,850.4	15,978.5	16,275.0
O/w Securities held by banks	5,837.9	5,970.2	6,066.3	6,298.7	6,344.3	6,341.5	6,461.6	6,681.7	6,767.3	6,933.9	7,149.4	7,162.3	6,981.2
Liabilities to central government	7,046.7	7,475.7	7,057.3	5,833.1	5,952.1	7,475.0	7,495.7	6,913.4	7,089.0	7,101.7	7,355.1	7,756.2	7,512.4
Claims on the private sector	20,659.7	20,708.0	20,601.5	20,732.6	20,969.6	21,127.4	21,401.6	21,980.0	22,344.1	22,362.7	22,823.2	23,225.1	23,422.5
O/w Extended in Shillings	15,395.9	15,435.3	15,316.8	15,520.8	15,840.4	16,033.3	16,198.1	16,626.1	16,863.7	16,842.3	17,072.0	17,336.9	17,481.8
Extended in foreign currency	5,263.8	5,272.7	5,284.7	5,211.8	5,129.2	5,094.0	5,203.6	5,353.9	5,490.4	5,520.5	5,751.2	5,888.2	5,940.8
Equipment in millions of USD	2,290.1	2,293.9	2,299.0	2,266.9	2,230.7	2,215.6	2,267.1	2,384.8	2,391.3	2,402.4	2,502.5	2,561.8	2,584.4
Other items net	-7,108.0	-7,347.8	-7,025.5	-7,598.2	-7,788.5	-7,937.2	-8,134.5	-8,369.1	-9,438.4	-8,887.7	-9,137.0	-9,511.5	-9,005.7
Extended broad money supply (M3)	31,002.0	31,325.9	33,333.8	32,568.2	32,974.0	33,166.6	33,741.5	34,027.5	34,558.0	34,395.6	34,864.7	33,751.6	34,087.8
Foreign currency deposits (FCD)	7,416.5	7,479.7	7,678.4	7,255.6	7,474.0	7,532.5	7,371.7	7,192.9	7,469.7	7,333.4	7,353.2	7,247.0	7,226.4
FCD (Millions of USD)	3,226.7	3,254.1	3,340.3	3,155.8	3,250.5	3,276.2	3,217.7	3,136.8	3,253.4	3,191.3	3,199.6	3,153.0	3,143.7
Broad money supply (M2)	23,585.5	23,846.2	25,655.4	25,312.6	25,500.0	25,634.1	26,369.8	26,834.6	27,088.4	27,062.2	27,511.5	26,504.6	26,861.5
Other deposits	8,633.6	8,737.9	8,945.5	8,940.1	8,964.4	9,036.8	9,378.6	9,424.7	9,462.8	9,410.7	9,782.4	9,918.8	10,017.9
Narrow money supply (M1)	14,951.9	15,108.3	16,710.0	16,372.5	16,535.6	16,597.3	16,991.2	17,409.9	17,692.5	17,651.5	17,729.1	16,585.7	16,843.6
Currency in circulation	4,359.0	4,404.5	4,700.5	4,811.7	4,945.0	4,963.9	5,034.0	4,996.5	5,012.0	4,798.6	4,727.3	4,769.0	4,913.3
Transferable deposits	10,592.9	10,703.7	12,009.5	11,560.8	11,590.6	11,633.4	11,957.1	12,413.4	12,613.5	12,852.9	13,001.8	11,816.7	11,930.3
Memorandum items													
Reserve money	7,703.0	7,477.5	8,588.2	7,990.1	7,785.7	8,110.0	8,189.2	8,398.7	8,407.3	8,286.2	8,320.9	8,382.3	8,684.2
Banks' reserves	2,533.1	2,264.9	3,021.8	2,311.6	1,959.7	2,255.8	2,298.4	2,463.6	2,394.0	2,513.0	2,718.9	2,732.9	2,868.0
Currency outside Bank of Tanzania ¹	5,170.0	5,212.7	5,546.4	5,678.5	5,826.0	5,854.3	5,890.8	5,935.1	6,013.3	5,773.2	5,602.1	5,649.4	5,816.2
Average reserve money	7,628.4	7,659.9	8,037.0	8,312.1	8,072.3	8,004.9	8,267.6	8,559.1	8,712.8	8,529.8	8,725.7	8,639.8	8,639.8
Nominal exchange rate (end of period) (TZS/USD)	2,298.5	2,298.5	2,298.7	2,299.1	2,299.4	2,299.1	2,295.2	2,293.1	2,296.0	2,297.9	2,298.2	2,298.5	2,298.7
Gross official reserves (Millions of USD)	4,969.7	5,154.4	5,290.4	5,693.9	5,692.0	6,775.0	6,637.9	6,567.9	6,384.0	6,236.7	5,858.6	5,561.6	5,461.4
Foreign assets of banks (Millions of USD)	1,008.5	1,196.1	1,236.0	1,236.0	1,247.0	1,166.2	1,291.0	1,248.6	1,396.0	1,165.7	1,217.2	1,094.5	939.5
Gross foreign assets of the banking system (Millions of USD)	5,978.2	6,350.6	6,526.4	6,810.8	7,368.9	7,941.2	7,928.9	7,806.5	7,782.1	7,402.4	7,075.8	6,676.1	6,400.9
Annual growth rates (%)													
Stock of reserve money	3.5	-0.4	3.2	5.0	-4.2	6.3	1.5	12.9	17.3	16.6	20.0	16.1	12.7
Average reserve money	3.4	4.2	2.4	4.7	5.9	8.6	13.4	14.2	16.6	18.8	21.7	20.6	13.3
Extended broad money supply (M3)	7.8	7.9	11.7	11.0	9.9	12.7	13.6	14.9	15.5	14.9	17.0	11.9	10.0
Broad money supply (M2)	7.1	7.7	10.5	12.2	12.7	15.0	14.7	17.2	17.6	18.9	20.9	15.3	13.9
Credit to the private sector	4.8	4.7	3.6	4.1	3.2	4.5	5.6	7.8	10.0	10.0	11.9	13.4	13.4

Source: Bank of Tanzania

Note: ¹ Includes currency in banks' vaults





Table A5: Capital and Money Market Interest Rates

Percent

Items	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Interbank cash market rates													
Overnight	3.71	3.71	3.90	4.05	3.88	3.63	3.73	3.72	4.07	4.03	3.43	1.99	1.65
2 to 7 days	4.45	4.47	4.56	4.47	4.43	4.23	4.35	4.48	4.52	4.56	4.54	4.39	4.33
8 to 14 days	4.72	4.87	4.70	4.90	4.65	4.44	4.57	4.73	4.75	4.68	4.68	4.36	4.61
15 to 30 days	4.35	4.51	4.67	5.00	4.31	4.69	4.07	4.39	4.40	4.29	4.66	4.34	4.21
31 to 60 days	5.51	4.56	4.45	4.25	4.50	4.57	4.93	5.07	4.44	5.72	5.22	4.81	3.91
61 to 90 days	4.49	6.00	6.00	7.20	7.20	6.00	6.00	6.00	8.20	6.60	6.72	6.50	6.55
91 to 180 days	5.12	5.29	5.57	6.65	6.05	7.18	6.49	6.50	6.50	8.00	8.00	6.48	6.50
181 and above	7.63	8.54	8.75	7.90	12.50	8.33	8.00	8.75	11.33	8.00	8.00	8.00	11.00
Overall interbank cash market rate	4.51	4.57	4.59	4.56	4.43	4.24	4.38	4.54	4.54	4.61	4.58	4.07	4.08
Lombard rate	5.56	5.56	5.85	6.08	5.81	5.44	5.60	5.58	6.10	6.05	5.15	2.99	2.47
REPO rate	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
182 days	3.91	3.72	3.57	3.35	3.18	3.05	3.04	3.04	3.37	3.56	3.56	3.44	3.36
364 days	6.02	5.96	5.03	4.01	3.84	3.66	4.00	4.24	4.84	5.06	4.88	4.28	3.41
Overall Treasury bills rate	5.95	5.90	4.90	3.98	3.80	3.62	3.91	4.23	4.82	5.00	4.78	4.17	3.37
Treasury bonds rates													
2-years	7.89	7.89	7.89	7.55	7.55	7.55	7.55	7.65	7.65	7.65	7.65	4.40	4.40
5-years	9.10	9.10	9.10	9.10	9.10	9.37	9.37	9.37	9.37	9.08	9.08	9.08	9.08
7-years	10.09	10.14	10.14	10.14	10.10	10.10	10.10	10.10	9.89	9.89	9.89	9.89	9.33
10-years	11.60	11.60	11.60	11.60	11.60	11.70	11.70	11.70	11.25	11.25	11.25	11.25	10.34
15-years	13.60	13.60	13.61	13.61	13.61	13.53	13.57	13.57	13.57	13.57	11.97	11.97	11.97
20-years	15.41	15.41	15.41	15.41	15.41	15.41	15.41	14.75	14.75	14.75	11.98	11.98	11.60
25-years	16.34	16.34	16.34	16.34	16.34	16.34	15.49	15.49	15.49	13.82	13.82	13.82	11.71
Discount rate	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Bank of Tanzania



Table A6: Commercial Banks' Interest Rates

Items	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
A: Domestic currency													
Savings deposit rate	2.16	2.15	2.16	1.55	1.55	1.55	1.52	1.61	1.60	1.61	1.59	1.56	1.41
Overall time deposits rate	6.95	6.89	7.05	7.35	6.64	6.60	6.64	6.80	6.79	6.79	7.02	7.02	6.81
1 month	7.48	7.35	7.16	7.97	7.12	6.36	7.57	6.80	7.06	6.86	6.32	7.03	6.75
2 months	7.72	7.20	7.98	7.86	6.81	7.48	6.70	7.18	7.04	6.62	7.56	7.90	6.37
3 months	6.78	7.39	7.32	7.48	6.88	6.57	6.73	7.11	6.59	7.00	7.57	6.22	6.78
6 months	8.23	8.17	8.26	8.06	7.00	7.27	7.33	7.70	7.50	7.56	7.42	7.68	7.63
12 months	8.77	8.75	8.69	9.12	7.86	7.72	7.77	7.63	7.87	7.87	8.39	8.37	8.28
24 months	8.62	8.16	8.81	8.95	8.89	8.92	8.52	9.17	9.44	9.66	9.84	10.01	10.08
Negotiated deposit rate	9.36	9.23	9.37	9.17	9.66	9.59	9.71	9.78	9.82	9.92	9.74	9.68	9.73
Overall lending rate	16.58	16.61	16.69	16.57	16.75	16.55	16.65	16.40	16.37	16.30	16.29	16.25	16.31
Short-term (up to 1 year)	16.05	16.14	16.76	16.81	16.89	16.69	16.75	16.83	16.60	16.70	16.59	16.68	17.14
Medium-term (1-2 years)	18.34	18.30	17.98	17.70	17.95	17.92	18.01	17.59	17.49	17.58	17.46	17.42	17.34
Medium-term (2-3 years)	16.59	16.69	16.78	16.76	16.85	16.54	16.84	16.50	16.58	16.25	16.54	16.37	16.40
Long-term (3-5 years)	16.13	16.10	16.04	16.01	16.11	15.95	16.01	15.74	15.84	15.79	15.84	15.74	15.66
Term loans (over 5 years)	15.82	15.82	15.91	15.59	15.96	15.66	15.63	15.34	15.32	15.20	15.02	15.03	15.02
Negotiated lending rate	13.76	13.64	13.98	13.83	14.44	14.07	13.65	13.66	14.06	13.68	13.99	13.80	14.12
B: Foreign currency													
Deposits rates													
Savings deposits rate	0.41	0.40	0.38	0.38	0.35	0.33	0.31	0.34	0.34	0.33	0.29	0.37	0.26
Overall time deposits rate	3.21	3.42	3.27	3.06	3.15	3.23	3.24	3.21	4.21	3.48	3.32	3.22	3.38
1-months	3.09	4.45	3.09	3.04	3.06	3.05	3.34	3.12	2.34	3.59	2.31	1.42	2.22
2-months	3.82	3.43	3.98	3.31	3.61	3.62	3.05	2.33	4.06	3.24	3.57	3.46	4.03
3-months	2.80	2.99	3.18	2.08	2.21	2.41	2.59	3.40	3.99	3.27	3.47	4.02	3.31
6-months	3.16	3.10	3.00	3.27	3.45	3.50	3.46	3.44	5.83	3.78	3.93	3.92	3.91
12-months	3.20	3.14	3.10	3.58	3.40	3.37	3.76	3.79	4.82	3.53	3.35	3.27	3.40
Overall lending rate	8.10	8.19	8.22	8.19	8.17	8.18	8.15	8.23	8.22	8.17	8.08	8.20	8.19
Short-term (up to 1 year)	8.88	8.63	8.78	8.73	8.62	8.64	8.65	8.88	8.90	8.62	8.17	8.70	8.66
Medium-term (1-2 years)	8.82	8.82	8.82	8.72	8.72	8.78	8.78	8.78	8.73	8.74	8.74	8.82	8.82
Medium-term (2-3 years)	6.52	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07
Long-term (3-5 years)	8.88	8.88	8.88	8.88	8.88	8.86	8.72	8.88	8.88	8.88	8.87	8.88	8.87
Term loans (over 5 years)	7.40	7.55	7.55	7.55	7.55	7.55	7.55	7.54	7.54	7.54	7.54	7.55	7.55

Source: Bank of Tanzania



**Table A7: Central Government Operations (Cheques Issued)-
Tanzania Mainland**

Billions of TZS

	Budget 2021/22	July 2021 - April 2022		Actual / Estimates (%)
		Estimate	Actual	
Total revenue (including LGAs)	25,525,371.1	21,419,025.1	19,986,343.7	93.3
Central government revenue	24,661,513.1	20,694,931.1	19,227,331.1	92.9
Tax revenue	20,288,207.7	16,868,792.3	16,470,700.4	97.6
Taxes on imports	7,787,567.1	6,406,379.3	6,500,307.5	101.5
Sales/VAT and excise on local goods	4,415,818.9	3,800,088.0	2,847,349.1	74.9
Income taxes	6,866,152.4	5,617,549.0	6,115,588.2	108.9
Other taxes	1,218,669.2	1,044,776.1	1,007,455.7	96.4
Non- tax revenue	4,373,305.5	3,826,138.7	2,756,630.7	72.0
LGA own sources	863,858.0	724,094.1	759,012.6	104.8
Total expenditure ¹	31,778,875.5	27,697,563.2	26,103,227.3	94.2
Recurrent expenditure	17,474,024.5	14,673,946.7	13,355,180.5	91.0
Wages and salaries	8,150,509.0	6,792,436.9	6,727,468.3	99.0
Interest payments	2,676,728.9	2,396,093.6	2,289,960.9	95.6
Other goods, services and transfers	6,646,786.6	5,485,416.2	4,337,751.3	79.1
Development expenditure and net lending	14,304,851.1	13,023,616.6	12,748,046.8	97.9
Local	11,360,874.9	10,635,017.0	10,008,279.1	94.1
Foreign	2,943,976.1	2,388,599.6	2,739,767.7	114.7
Balance before grants	-6,253,504.4	-6,278,538.1	-6,116,883.6	97.4
Grants	1,138,076.3	1,070,523.1	595,249.0	55.6
Balance after grants	-5,115,428.1	-5,208,015.0	-5,521,634.6	106.0
Expenditure float	0.0	0.0	-2.2	---
Adjustments to cash and other items (net)	166,329.2	0.0	542,904.2	---
Overall balance	-4,949,098.9	-5,208,015.0	-4,978,732.6	95.6
Financing	4,949,098.9	5,208,015.0	4,978,732.6	95.6
Foreign financing (net)	3,110,302.7	2,799,131.8	3,103,612.2	110.9
Domestic (net) ²	1,838,796.2	2,408,883.2	1,875,120.5	77.8

Source: Ministry of Finance and Planning

Note: ¹ Exclude amortization and expenditure float, includes road fund and retention expenditure

² Positive value means financing and a negative value means repayment/ build-up of deposits

LGA stands for Local Government Authority and VAT, value added tax

" ---" denotes a change that exceeds 200 percent



Table A8: Zanzibar Central Government Operations

Billions of TZS

	Budget	July 2021 - April 2022		Actual / Estimates (%)
	2021/22	Estimates	Actual ^p	
Total revenue	1,134.9	969.1	748.0	77.2
Tax revenue	959.2	809.8	609.5	75.3
Tax on Imports	215.6	179.3	149.3	83.3
VAT and excise duties (local)	254.4	212.3	171.8	80.9
Income tax	197.5	161.2	136.2	84.5
Other taxes	291.7	257.1	152.2	59.2
Non-tax revenue	175.7	159.3	138.5	86.9
Total expenditure	1,829.9	1,101.0	973.9	88.5
Recurrent expenditure	947.1	735.4	608.6	82.8
Wages and salaries	441.7	345.0	343.8	99.7
Other expenditure	505.4	390.4	264.8	67.8
Development expenditure	882.8	365.6	365.4	99.9
Local	606.5	203.6	132.4	65.0
Foreign	276.3	162.1	233.0	143.8
Overall surplus/ deficit before grants	-695.0	-131.9	-226.0	171.4
Grants	72.3	5.1	42.2	---
Project grant	72.3	18.2	42.2	---
Overall surplus/deficit after grants	-622.7	-126.7	-183.8	---
Adjustment to cash and other items	418.7	10.9	-55.4	---
Overall deficit cheques cleared	-204.0	-115.9	-239.2	---
Financing	204.0	115.9	239.2	---
Foreign	204.0	115.9	98.3	84.9
Program loans	204.0	115.9	98.3	84.9
Domestic (net)	45.0	0.0	140.8	---
Bank	0.0	0.0	0.0	---
Non-bank	45.0	0.0	140.8	---

Source: Ministry of Finance and Planning, Zanzibar

Note: "p" denotes provisional data

"---" denotes a change that exceeds 200 percent



Table A9: Tanzania's Balance of Payments

Millions of USD

Item	2017 ^r	2018 ^r	2019 ^r	2020 ^r	2021 ^r
A. Current Account	-1,485.5	-2,308.7	-1,340.2	-1,459.9	-2,465.8
Goods: exports f.o.b.	4,510.8	4,292.7	5,377.6	6,371.7	6,756.6
Traditional	1,021.8	667.5	817.7	808.1	627.9
Nontraditional	3,078.9	3,234.9	4,186.0	5,253.3	5,763.0
o/w Gold	1,541.1	1,541.9	2,215.1	2,957.5	2,743.1
Unrecorded trade	410.1	390.2	373.8	310.4	364.8
Goods: imports f.o.b.	-7,293.0	-8,519.7	-8,615.2	-7,831.7	-10,003.4
Balance on Goods	-2,782.3	-4,227.0	-3,237.6	-1,460.0	-3,247.7
Services: credit	3,831.9	4,014.7	4,281.0	2,183.8	3,152.3
Transport	1,137.4	1,222.1	1,350.1	1,281.7	1,415.7
Travel	2,250.3	2,449.4	2,604.5	714.5	1,402.5
Other	444.2	343.2	326.4	187.5	334.1
Services: debit	-2,001.4	-1,925.7	-1,788.4	-1,319.0	-1,717.7
Transport	-757.2	-609.5	-683.5	-607.0	-810.4
Travel	-807.3	-738.1	-651.1	-203.8	-238.9
Other	-436.9	-578.2	-453.9	-508.2	-668.3
Balance on Services	1,830.5	2,088.9	2,492.5	864.7	1,434.7
Balance on Goods and Services	-951.8	-2,138.0	-745.0	-595.2	-1,813.0
Primary Income: credit	125.3	155.9	212.4	111.2	103.2
o/w Investment income	86.1	108.5	150.4	97.7	80.2
Compensation of employees	39.3	47.4	62.1	13.5	23.0
Primary Income: debit	-1,061.0	-795.2	-1,226.2	-1,375.7	-1,321.3
o/w Direct investment income	-700.0	-439.0	-766.3	-913.3	-938.7
Interest payments	-306.1	-302.1	-398.3	-383.7	-295.5
Compensation of employees	-45.0	-37.6	-37.9	-34.9	-34.8
Balance on Primary Income	-925.7	-639.2	-1,013.7	-1,264.5	-1,218.0
Balance on Goods, Services and Primary Income	-1,887.4	-2,777.3	-1,758.7	-1,859.8	-3,031.1
Secondary Income: credit	485.2	535.8	474.9	452.6	650.7
Government	121.8	170.3	103.5	139.9	104.4
Financial corporations, nonfinancial corporations, households and NPISHs	363.4	365.5	371.4	312.7	546.3
o/w Personal transfers	363.4	365.5	371.4	312.7	546.3
Secondary Income: debit	-83.2	-67.3	-56.4	-52.7	-85.4
Balance on Secondary Income	402.0	468.5	418.5	399.9	565.3
B. Capital Account	376.8	464.1	481.2	385.8	417.9
Capital transfers credit	376.8	464.1	481.2	385.8	417.9
General Government	313.6	400.3	416.8	311.9	352.6
Other Capital Transfer (Investment grant)	287.8	394.3	416.8	297.6	341.2
Debt forgiveness (including MDRI)	25.8	6.0	0.0	14.3	11.4
Financial corporations, nonfinancial corporations, households and NPISHs	63.2	63.8	64.4	73.9	65.3
Capital transfers:debit	0.0	0.0	0.0	0.0	0.0
Total, Groups A plus B	-1,108.7	-1,844.7	-859.0	-1,074.1	-2,048.0
C. Financial Account, excl. reserves and related items	2,147.7	1,621.2	2,505.8	884.0	2,965.0
Direct Investments	-937.7	0.0	-1,217.2	-943.9	-1,032.9
Direct investment abroad	0.0	0.0	0.0	0.0	0.0
Direct investment in Tanzania	937.7	971.6	1,217.2	943.8	1,032.9
Portfolio investment	2.9	-3.7	36.8	-2.1	-7.7
Other investment	1,207.0	653.3	1,251.8	-57.7	1,939.8
Assets	117.8	-149.8	-31.8	-24.4	-55.7
Loans (Deposit-taking corporations, except the central bank)	34.5	-35.2	-60.8	-167.3	71.6
Currency and deposits	83.4	-114.5	34.9	145.2	-126.9
Deposit-taking corporations, except the central bank	4.9	-206.9	-32.4	-34.0	-197.9
Other sectors	78.5	92.4	67.3	179.2	71.0
Other assets	-0.1	0.0	-5.9	-2.3	-0.3
Liabilities	1,089.2	803.1	1,283.6	-33.3	1,995.5
Trade credits	9.7	21.4	-8.9	10.1	-1.7
Loans	1,096.6	744.2	1,317.3	-15.3	1,988.7
Monetary Authority	0.0	0.0	0.0	0.0	543.0
SDR allocation	0.0	0.0	0.0	0.0	543.0
General government	699.7	468.5	1,323.4	-75.0	1,771.5
Drawings	1,064.7	1,115.0	2,087.4	911.1	2,762.7
Repayments	-395.0	-706.5	-764.0	-986.1	-991.3
o/w Debt forgiveness	-25.8	-6.0	0.0	0.0	0.0
Deposit-taking corporations, except the central bank	176.1	-32.2	88.2	37.2	-10.7
Other sectors	220.8	367.9	-94.3	22.4	227.9
Drawings	318.9	467.6	365.2	281.8	387.1
Repayments	-98.1	-99.7	-459.5	-259.4	-159.2
Currency and deposits	-17.1	37.6	-24.7	-28.1	8.5
Total, Groups A through C	1,038.9	-223.5	1,646.8	-190.1	917.0
D. Net Errors and Omissions	630.7	-560.6	-1,059.8	-574.8	935.1
Overall balance (Total, Groups A through D)	1,669.6	-784.0	587.0	-784.9	1,852.1
E. Reserves and Related Items	-1,869.6	784.0	-587.0	784.9	-1,852.1
Reserve assets	-1,598.7	871.9	-825.0	790.1	-1,840.2
Use of Fund credit and loans	-70.9	-87.9	-62.0	-25.2	-11.9
Memorandum items					
GDP(mp) billions of TZS	118,744.5	129,043.9	139,641.9	151,166.4	161,525.8
GDP(mp) millions of USD	53,275.9	57,003.7	61,026.7	65,892.2	70,298.0
CAB/GDP	-2.8	-4.1	-2.2	-2.2	-3.5
Gross Official Reserves	5,900.3	5,044.6	5,567.6	4,767.7	6,386.0
Months of Imports(Excluding FDI related imports)	6.8	5.8	7.3	4.9	5.4
Exchange rate (end of period)	2,230.1	2,281.2	2,287.9	2,298.5	2,297.6
Exchange rate (annual average)	2,228.9	2,263.6	2,288.2	2,294.1	2,297.7

Source: Bank of Tanzania

Notes: "r" denotes revised data; "P" provisional data; "NPISHs" non-profit institutions serving households and o/w, of which



Table A10: Zanzibar: Goods Exports by Major Category

Export category	Units	July - April		Percentage change
		2020/21	2021/22 ^P	
Traditional exports				
Clove				
Value	USD ('000')	1,027.4	62,755.3	---
Volume	000 Tonnes	0.2	8.4	---
Unit price	USD/Tonne	4,755.3	10,169.5	---
Non-traditional exports				
Seaweeds				
Value	USD ('000')	12,610.2	5,766.2	-54.3
Volume	000 Tonnes	16.2	13.8	-14.4
Unit price	USD/Tonne	1,014.8	426.2	-58.0
Manufactured goods				
Fish and fish products	USD ('000')	6,216.9	10,571.7	70.0
Others exports	USD ('000')	1,394.8	1,311.0	-6.0
Sub-total	USD ('000')	1,932.2	4,881.4	---
Sub-total	USD ('000')	22,154.1	22,530.4	1.7
Grand-total	USD ('000')	23,181.5	85,285.6	---

Source: Tanzania Revenue Authority and Bank of Tanzania computations

Note: Other exports include mainly souvenirs and spices

"p" denotes provisional data; "--"change exceeds 100 percent; in absolute terms

Table A11: Zanzibar: Imports by Major Category

Millions of USD

Import Category	July - April		Percentage change
	2020/21	2021/22 ^P	
Capital goods	63.0	26.1	-58.6
Transport equipment	12.6	4.8	-61.4
Building and construction	20.3	11.9	-41.3
Machinery	30.1	9.3	-69.1
Intermediate goods	140.3	250.1	78.2
Oil imports	35.7	82.9	---
Industrial raw materials	104.6	167.2	59.8
Consumer goods	29.3	41.7	42.5
Food and food stuffs	6.9	10.5	52.1
All other consumer goods	22.3	31.2	39.5
Grand total (c.i.f)	255.6	349.3	36.6
Grand total (f.o.b)	232.6	317.8	36.6

Source: Tanzania Revenue Authority and Bank of Tanzania

Note: "----"denotes change exceeds 100 percent; c.i.f, cost insurance and freight;

f.o.b, free on board and "p" denotes provisional data



GLOSSARY

Clearing Balances

These are banks' balances in excess of the reserve requirement set by the Bank of Tanzania.

Core Inflation

This is a measure of price movements caused by factors other than food and energy prices over a specified period of time. It provides a better indication of the effectiveness of monetary policy.

Debt Sustainability

Refers to ability of a country to meet its current and future debt obligations without requiring a debt relief or accumulating arrears. Key indicators includes the present value of external debt to GDP ratio.

Disbursed Outstanding Debt (DOD)

This is the amount of debt that has been disbursed but yet to be paid back or forgiven.

Discount Rate

The rate of interest that the Bank of Tanzania charges on loans it extends to banks. It uses Treasury bills rate as a base plus a loaded factor, which can be changed from time to time depending on the liquidity situation in the market.

Exchange Rate

The price at which one unit of a currency can be purchased with another currency, for instance TZS per US dollar.



Financial Soundness Indicators (FSIs)

These are indicators of the financial health and soundness of banks and financial institutions and of their corporate and household counterparts. Common ones include indicators on capital adequacy, asset quality, earnings, liquidity and market risk exposures.

Gross Domestic Product (GDP)

GDP is defined as the total value of goods and services that are newly produced in the economy during an accounting period, generated net incomes to the economy and are available for domestic final uses or for exports. It can be measured by three approaches, namely: production approach, expenditure approach and income approach.

Foreign Exchange Reserves

Foreign Exchange reserves consist of external assets that are readily available to, and controlled by the Bank of Tanzania for direct financing of balance of payments, and for indirectly regulating the magnitude of balance of payments imbalances through intervention in foreign exchange markets. Foreign exchange reserves comprise the Bank of Tanzania's holdings of monetary gold, special drawing rights (SDRs), reserve position in the International Monetary Fund, and foreign exchange resources, available to the Bank of Tanzania for meeting external financing needs.

Inflation

The rate at which the average level of prices of a basket of selected goods and services in an economy is increasing over a period of time. It is often expressed as a percentage. Inflation indicates a decrease in the purchasing power of a nation's currency.



Lombard Facility

An overnight facility established to enable banks to borrow from the Bank of Tanzania at their own discretion, by pledging eligible government securities as collateral.

Minimum Reserve Requirement

These are the legal balances which banks are required to keep with the Bank of Tanzania, determined as a percentage of their total deposit liabilities and short and medium-term borrowing from the public.

Money Supply (M)

The sum of currency circulating outside the banking system and deposits of residents with banks defined in various levels of aggregation. In Tanzania, three aggregates of money supply are compiled and reported, namely: narrow money (M1), broad money (M2), and extended broad money (M3).

- M1** – Currency in circulation outside banking system plus demand deposits (cheque account) of residents with banks in the country
- M2** – M1 plus fixed deposits and savings deposits of residents with banks in the country
- M3** – M2 plus residents' foreign currency deposits

National Debt

Total national debt obligations that include public debt, both external and domestic, publicly guaranteed external debt and private sector external debt.



Non-Food Inflation

This is a measure of price movements caused by factors other than food prices.

Non-performing Loan

A non-performing loan means any credit accommodation for which contractual obligation for repayment is past due for more than ninety days, or is classified as substandard, doubtful or loss under the criteria prescribed in the Banking and Financial Institutions (Management of Risk Assets) Regulation, 2014 or in other regulations for development finance institutions or microfinance, as the case may be, and is placed on a non-accrual basis.

Public Debt

Debt payable or guaranteed by the government. Tanzania's public debt has two main components, domestic debt (which is incurred principally to finance fiscal deficit) and external debt (which is raised primarily to finance development projects). It comprises of the debt central government owes to foreign creditors and external obligations of government departments and agencies that are guaranteed for repayment by the Government.

Repurchase Agreements (Repo)

An arrangement involving sale of securities at a specified price with commitment to repurchase the same or similar securities at a fixed price on a specified future date.



Reverse Repo

An arrangement involving buying of securities at a specified price with commitment to resale the same or similar securities at a fixed price on a specified future date.

Reserve Money (M0)

The Bank of Tanzania's liabilities in the form of currency in circulation outside the banking system, cash held by banks in their vaults and deposits of banks kept with the Bank of Tanzania in national currency. Reserve money is also referred to as base money, or the monetary base or high-powered money.

For inquiries please contact:
Director of Economic Research and Policy
Bank of Tanzania, 16 Jakaya Kikwete Road 40184, P. O. Box 2302,
Dodoma, Tanzania
Email: botcommunications@bot.go.tz
Website: <https://www.bot.go.tz>